



- \* Please understand that if any revisions are required to be made to the matters to be indicated in the business report, consolidated financial statements, financial statements and reference materials for the General Meeting of Shareholders, the revisions will be posted on our website (<http://www.hankyu-hanshin.co.jp/ir/>) in Japanese.
  
- \* If you exercise your voting rights at the meeting by proxy (only one other shareholder who is able to exercise his/her voting rights at the General Meeting of Shareholders is entitled to become a proxy), we will request that the proxy provide documents to prove his/her proxy (letter of proxy), your voting form, and the proxy's voting form at the reception desk of the venue.

## Information on the Exercise of Voting Rights

There are three methods for exercising your voting rights:

- **Voting at the General Meeting of Shareholders**  
Please present the enclosed voting form to the reception desk of the venue. You are also requested to bring this Notice of Convocation of the General Meeting of Shareholders with you to the meeting.
- **Voting by mail**  
Please indicate your approval or disapproval of the Items of Business on the enclosed voting form and return the completed form to the Company to arrive by the designated deadline noted below. Deadline for exercising voting rights: to arrive by 5:50 p.m. on June 12, 2018 (Tuesday)
- **Voting via the Internet**  
Please access the voting website designated by the Company (<https://evote.tr.mufg.jp/>) and input your approval or disapproval of the Items of Business and complete by the designated deadline noted below. Deadline for exercising voting rights: to be completed by 5:50 p.m. on June 12, 2018 (Tuesday)

If you will be attending the General Meeting of Shareholders, you are not required to follow the procedures for voting by mail or via the Internet.

### Information on voting via the Internet

When voting via the Internet, please be aware of the following matters before voting.

- (1) Voting website
  - (i) Voting via the Internet is available only by gaining access to the Company's designated voting website (<https://evote.tr.mufg.jp/>) from a PC, a smartphone, or a mobile phone (i-mode, EZweb or Yahoo! Mobile). However, please note that you cannot vote via the Internet on the designated website between the hours of 2:00 a.m. and 5:00 a.m.
  - (ii) Please note that you may not be able to vote via PC or smartphone on the designated voting website depending on your Internet settings, such as firewalls, etc., that are in place to regulate your Internet connection, anti-virus software that has been installed, use of a proxy server or no designation of TLS encrypted communication.
  - (iii) When voting via mobile phone, you must use one of the following services: i-mode, EZweb or Yahoo! Mobile. For security reasons, you cannot vote using mobile devices that cannot send encrypted information (TLS communications) or that cannot send information on the mobile phone used.
  - (iv) The Company will accept votes via the Internet received by the end of business hours (5:50 p.m.) on June 12, 2018 (Tuesday), which is the day immediately prior to the date of the General Meeting of Shareholders. However, you are advised to vote early, and please contact the Help Desk described below if you have any questions.
- (2) Method for voting
  - (i) On the voting website (<https://evote.tr.mufg.jp/>), please use the "login ID" and the "temporary password" stated in the voting form, and input your approval or disapproval in accordance with the instructions on the screen.
  - (ii) Please note that, in order to prevent unauthorized access to the designated website by third parties other than shareholders (persons impersonating shareholders) and to prevent the alteration of votes, if you wish to vote via the Internet, we request that you change your "temporary password" to a permanent password on the designated voting website.

(iii) We will provide a new “login ID” and “temporary password” each time a General Meeting of Shareholders is convened.

(3) Costs associated with accessing the voting website

All costs associated with accessing the voting website (cost of internet connections, telephone tolls, etc.) are to be borne by the shareholder. In addition, when voting via smartphone or mobile phone, all data fees and other mobile phone costs incurred in the use of a smartphone or a mobile phone are also to be borne by the shareholder.

**Handling of duplicate voting via the Internet**

If you vote via the Internet multiple times, the final vote cast will be deemed as effective. If you vote via a PC, a smartphone or a mobile phone multiple times, the final vote cast will be deemed as effective.

**Handling of duplicate voting by mail and via the Internet**

If you vote by both mail and via the Internet, the Company will treat the vote cast via the Internet as effective.

**Information on electronic voting platform**

Nominal shareholders (including standing proxies) such as management trust banks may use the electronic voting platform operated by ICJ, Inc. (which was established by Tokyo Stock Exchange, Inc. and another company) by applying in advance.

**For further assistance regarding IT matters, please contact:**  
Corporate Agency Division (Help Desk)  
Mitsubishi UFJ Trust and Banking Corporation  
Phone: 0120-173-027 (9:00 to 21:00; toll free only within Japan)

## Reference Materials for General Meeting of Shareholders

### Items of Business and Reference Matters

#### First Item of Business: Appropriation of Retained Earnings

Our group intends to improve the competitiveness of each core business led under the initiative of key companies that fall under the Company's responsibility to perform group management, and endeavors to demonstrate the comprehensive strength of the group through collaboration between core businesses.

The Company has the basic policy to continue distributing constant dividends, while having set the target total return ratio of 30% for conducting share buyback.

- \* Total return ratio: the aggregate of the total annual dividend and purchases of treasury stock as a percentage of consolidated net income

For the current fiscal year, the Company wishes to pay final dividends as follows:

- (1) Matters relating to, and total amount of, dividend property to be allotted to the shareholders:

20 yen per share of common stock, totaling 4,970,727,040 yen

\* As interim dividends of 20 yen per share of common stock were distributed, annual dividends for the current fiscal year amount to 40 yen per share, which is 5 yen per share increase compared with the previous fiscal year.

- (2) Date that the distribution of retained earnings becomes effective:

June 14, 2018

## **Second Item of Business: Partial Amendment to the Articles of Incorporation**

### 1. Reason for the Proposal

- (1) “The basic policy for countermeasures against large-scale acquisitions of Company shares (takeover defense measures) approved by the ordinary general meeting of shareholders held on June 16, 2015 (the “Basic Policy”) and “the plan for countermeasures against large-scale acquisitions of the Company shares (takeover defense measures)” adopted by resolution of the Board of Directors on June 16, 2015(the “Plan”), will expire at the conclusion of this Ordinary General Meeting of Shareholders.

As a result of careful consideration based in particular on the close observation of opinions of its shareholders including domestic and foreign institutional investors, recent trends concerning takeover defense measures, and changes in the business environment surrounding the Company, the Company decided to discontinue and abolish both the Basic Policy and the Plan by resolution of the Board of Directors on May 15, 2018. As a result of this resolution, the Company proposes to delete Article 17 of the current Articles of Incorporation.

- (2) The Company also makes necessary changes in Article numbers in connection with the above changes.

2. Details of the Proposed Amendments

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 17 (Matters for Resolution of General Meeting of Shareholders)</u></p> <p><u>17.1 The General Meetings of Shareholders may resolve matters separately set out in law, ordinance or these Articles of Incorporation as well as the basic policy for countermeasures against large-scale acquisitions of Company shares.</u></p> <p><u>17.2 The Company may determine matters relating to gratis allotments of stock acquisition rights by resolution of the Board of Directors, by resolution of the General Meeting of Shareholders, or by resolution of the Board of Directors made under the authority of the General Meeting of Shareholders.</u></p> <p><u>17.3 As part of its countermeasures against large-scale acquisitions of Company shares, the Company may, when making decisions relating to a gratis allotment of stock acquisition rights in accordance with Article 17.2 above, provided for the terms and conditions of the stock acquisition rights as follows:</u></p> <p><u>(1) Certain parties prescribed in the basic policy for countermeasures against large-scale acquisitions of Company shares (“Non-Qualified Parties”) may not exercise stock acquisition rights; and</u></p> <p><u>(2) The Company may acquire stock acquisition rights only from parties other than Non-Qualified Parties and deliver its shares in exchange for the stock acquisition rights.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p>17.4 <u>“Countermeasures against large-scale acquisitions of Company shares” provided for in Articles 17.1 and 17.3 above refers to certain types of measures used to make it difficult for acquirers to go through with an acquisition of the Company by means of the Company’s issuing or allotting new stocks or stock acquisition rights the main purpose of which is not to finance the Company business or establish business alliances, namely, such measures that the Company introduces before the commencement of an acquisition by an acquirer that threatens to harm the Company’s corporate value and, in turn, the common interests of the Company’s shareholders. “To introduce” means to determine the specific details of the countermeasures against large-scale acquisitions of Company shares, such as to resolve to issue new stocks or stock acquisition rights as countermeasure to a large-scale acquisition of Company shares.</u></p>	
<p>Article <u>18</u> through Article <u>39</u> (Texts are omitted)</p>	<p>Article <u>17</u> through Article <u>38</u> (The subsequent Articles are renumbered with the provisions unchanged)</p>

(Note) Amended parts are underlined.

### Third Item of Business: Election of nine (9) Directors

The terms of office of all nine (9) Directors expire at the close of this General Meeting of Shareholders. The Company requests the election of nine (9) Directors.

The candidates for the positions of Director are as follows:

No.	Name (Date of Birth)	Summary of Career and Important Positions of Other Organizations Concurrently Held	Number of Shares of the Company Owned
1	Reelection Kazuo Sumi (Apr. 19, 1949)	Apr. 1973    Joined Hankyu Corporation Jun. 2000    Director of Hankyu Corporation Jun. 2002    Managing Director of Hankyu Corporation Jun. 2003    President and Representative Director of Hankyu Corporation Apr. 2005    President and Representative Director of Hankyu Holdings, Inc. Oct. 2006    President and Representative Director of the Company Apr. 2008    Director of Hankyu Hanshin Hotels Co., Ltd. (to present) Mar. 2014    Chairman and Representative Director of Hankyu Corporation (to present) Jun. 2017    Chairman and Representative Director, Group CEO of the Company (to present)	35,340 shares

No.	Name (Date of Birth)	Summary of Career and Important Positions of Other Organizations Concurrently Held	Number of Shares of the Company Owned
2	Reelection  Takehiro Sugiyama (Nov. 20, 1958)	Apr. 1982    Joined Hankyu Corporation Jun. 2005    Director of Hankyu Corporation Jun. 2006    Director of Hankyu Holdings, Inc. Oct. 2006    Director of the Company Apr. 2007    Managing Director of Hankyu Corporation Jun. 2016    Executive Vice President and Representative Director of Hankyu Corporation Jun. 2016    Executive Vice President and Representative Director of the Company Jun. 2016    Director of HANSHIN ELECTRIC RAILWAY CO., LTD. (to present) Oct. 2016    Director of HANKYU TRAVEL INTERNATIONAL CO., LTD. (to present) Oct. 2016    Director of HANKYU HANSHIN EXPRESS Co., Ltd. (to present) Apr. 2017    President and Representative Director of Hankyu Corporation (to present) Jun. 2017    President and Representative Director of the Company (to present) Apr. 2018    Director of Hankyu Hanshin Properties Corp. (to present)	21,650 shares

No.	Name (Date of Birth)	Summary of Career and Important Positions of Other Organizations Concurrently Held	Number of Shares of the Company Owned
3	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Masao Shin (May 22, 1957)</p>	<p>Apr. 1981    Joined HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Jun.2006    Director of HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Oct. 2006    Director of the Company</p> <p>Apr. 2008    Managing Director of HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Apr. 2014    Senior Managing Director of HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Apr. 2016    Director of Hankyu Corporation (to present)</p> <p>Apr. 2017    President and Representative Director of HANSHIN ELECTRIC RAILWAY CO., LTD. (to present)</p> <p>Jun. 2017    Executive Vice President and Representative Director of the Company (to present)</p> <p>Apr. 2018    Director of Hankyu Hanshin Properties Corp. (to present)</p>	<p style="text-align: center;">16,160 shares</p>
4	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Takaoki Fujiwara (Feb. 23, 1952)</p>	<p>Apr. 1975    Joined HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Jun. 2005    Director of HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Jun. 2007    Managing Director of HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Apr. 2011    President and Representative Director of HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Jun. 2011    Director of the Company</p> <p>Apr. 2017    Chairman and Representative Director of HANSHIN ELECTRIC RAILWAY CO., LTD. (to present)</p> <p>Jun. 2017    Representative Director of the Company (to present)</p>	<p style="text-align: center;">11,920 shares</p>

No.	Name (Date of Birth)	Summary of Career and Important Positions of Other Organizations Concurrently Held	Number of Shares of the Company Owned
5	Reelection Candidate for the position of External Director  Noriyuki Inoue (Mar. 17,1935)	Mar. 1957 Joined DAIKIN INDUSTRIES, LTD. Jun. 1994 President and Representative Director of DAIKIN INDUSTRIES, LTD. Jun. 2002 Chairman and Representative Director and CEO of DAIKIN INDUSTRIES, LTD. Jun. 2003 Director of Hankyu Corporation Apr. 2005 Director of Hankyu Holdings, Inc. Oct. 2006 Director of the Company (to present) Jun. 2014 Chairman of the Board and Chief Global Group Officer of DAIKIN INDUSTRIES, LTD. (to present)	7,300 shares
6	Reelection Candidate for the position of External Director  Shosuke Mori (Aug. 6, 1940)	Apr. 1963 Joined The Kansai Electric Power Company, Incorporated Jun. 2005 President and Representative Director of The Kansai Electric Power Company, Incorporated Jun. 2010 Director of the Company (to present) Jun. 2010 Chairman and Representative Director of The Kansai Electric Power Company, Incorporated Jun. 2016 Senior Adviser of The Kansai Electric Power Company, Incorporated (to present)	10,100 shares
7	Reelection  Yoshishige Shimatani (Mar. 5, 1952)	Apr. 1975 Joined TOHO CO., LTD. May 2011 President and Representative Director of TOHO CO., LTD. (to present) Jun. 2015 Director of the Company (to present)	1,600 shares
8	Reelection  Naoya Araki (May 14, 1957)	Apr. 1981 Joined Hankyu Department Stores, Inc. Mar. 2012 President and Representative Director of HANKYU HANSHIN DEPARTMENT STORES, INC. (to present) Jun. 2012 Representative Director of H <sub>2</sub> O RETAILING CORPORATION (to present) Jun. 2017 Director of the Company (to present)	0 shares

No.	Name (Date of Birth)	Summary of Career and Important Positions of Other Organizations Concurrently Held	Number of Shares of the Company Owned
9	Reelection  Yoshihiro Nakagawa (May 6, 1953)	Apr. 1976 Joined Hankyu Corporation Jun. 2005 Director of Hankyu Corporation Apr. 2007 Managing Director of Hankyu Corporation Apr. 2013 Senior Managing Director and Representative Director of Hankyu Corporation Mar. 2014 President and Representative Director of Hankyu Corporation Jun. 2014 Director of the Company (to present) Apr. 2017 Chairman and Representative Director of Hankyu Hanshin Hotels Co., Ltd. (to present)	30,000 shares

(Notes)

1. The candidates for the positions of Director have no special interest in the Company.
2. Mr. Noriyuki Inoue and Mr. Shosuke Mori are candidates for the positions of External Director.
3. The Company has filed with the securities exchange on which its shares are listed a report on independent officers, detailing that Mr. Noriyuki Inoue and Mr. Shosuke Mori are independent officers. Mr. Noriyuki Inoue and Mr. Shosuke Mori have satisfied the independence criteria (posted on the Company's website: <http://www.hankyu-hanshin.co.jp/corporate/data/officer.html>) stipulated by the Company which takes into account the requirements for independence prescribed by the securities exchange.
4. The reasons to elect Mr. Noriyuki Inoue and Mr. Shosuke Mori, respectively, are as follows:
  - (1) Mr. Noriyuki Inoue: Because he has held the position of representative director of DAIKIN INDUSTRIES, LTD. for a long time and as vice-chairman of Kansai Economic Federation, he is expected to express opinions using his abundant experience and from the perspective of a business leader.  
  
His term of office from election as an External Director of the Company to the close of this General Meeting of Shareholders is fifteen (15) years.
  - (2) Mr. Shosuke Mori: Because he long held the position of representative director of The Kansai Electric Power Company, Incorporated, which carries out business expected to benefit the public as our group does, and of chairman of Kansai Economic Federation, he is expected to express opinions using his abundant managerial experience, and from the perspective of a business leader and with understanding of corporate social responsibility.  
  
His term of office from election as an External Director of the Company to the close of this General Meeting of Shareholders is eight (8) years.

5. The Company has entered into individual contracts with Messrs. Noriyuki Inoue, Shosuke Mori, Yoshishige Shimatani and Naoya Araki, respectively pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 27 of the Articles of Incorporation of the Company, to the effect that their respective liability for damages under Article 423, Paragraph 1 of the Companies Act shall be limited to the amount specified by laws and regulations.
6. Hankyu Corporation carried out a corporate division on April 1, 2005, whereby Hankyu Corporation transferred its railway business and all other businesses to Hankyu Railway Business Succession Co., Ltd. (its trade name was changed to Hankyu Corporation on April 1, 2005), and changed its trade name to Hankyu Holdings, Inc. at the same time.
7. Hankyu Holdings, Inc. changed its trade name to Hankyu Hanshin Holdings, Inc. on October 1, 2006 upon the business integration with HANSHIN ELECTRIC RAILWAY CO., LTD.
8. Hankyu Department Stores, Inc. carried out a corporate division on October 1, 2007, whereby Hankyu Department Stores, Inc. transferred its department store business to the newly established Hankyu Department Stores, Inc., and changed its trade name to H<sub>2</sub>O RETAILING CORPORATION at the same time. In addition, the newly established Hankyu Department Stores, Inc. merged with Hanshin Department Stores, Inc., on October 1, 2008, and changed its trade name to HANKYU HANSHIN DEPARTMENT STORES, INC.

#### Fourth Item of Business: Election of two (2) Audit & Supervisory Board Members

The term of office of Mr. Haruo Sakaguchi and Mr. Junzo Ishii expires at the close of this General Meeting of Shareholders. The Company requests the election of two (2) Audit & Supervisory Board Members. The Audit & Supervisory Board has previously given its approval on this proposal.

The candidates for the positions of Audit & Supervisory Board Members are as follows:

No.	Name (Date of Birth)	Summary of Career and Important Positions of Other Organizations Concurrently Held	Number of Shares of the Company Owned
1	Reelection Candidate for the position of External Audit & Supervisory Board Member  Haruo Sakaguchi (Mar. 19, 1933)	Apr. 1958 Registered as a attorney-at-low (to present) Apr. 1989 Vice-President of Japan Federation of Bar Associations Jun. 2006 Audit & Supervisory Board Member of Hankyu Holdings, Inc. Jun. 2006 Audit & Supervisory Board Member of Hankyu Corporation (to present) Oct. 2006 Audit & Supervisory Board Member of the Company (to present) Nov. 2013 Audit & Supervisory Board Member of Hankyu Hanshin Hotels Co., Ltd. (to present)	18,500 shares
2	Reelection Candidate for the position of External Audit & Supervisory Board Member  Junzo Ishii (Sep. 28, 1947)	Apr. 1986 Professor at Faculty of Commerce, Doshisha University Apr. 1989 Professor at Faculty of Business Administration, Kobe University Apr. 1999 Professor at Graduate School of Business Administration, Kobe University Apr. 2008 President of University of Marketing and Distribution Sciences Jun. 2010 Audit & Supervisory Board Member of the Company(to present) Jun. 2010 Audit & Supervisory Board Member of HANSHIN ELECTRIC RAILWAY CO., LTD.(to present) Apr. 2016 Director of Research Institute of Marketing and Distribution Sciences	3,300 shares

(Notes)

1. The candidates for the position of Audit & Supervisory Board Members have no special interest in the Company.
2. Mr. Haruo Sakaguchi and Mr. Junzo Ishii are candidates for the positions of External Audit & Supervisory Board Member.
3. The Company has filed with the securities exchange on which its shares are listed a report on independent officers, detailing that Mr. Haruo Sakaguchi and Mr. Junzo Ishii are independent officers. Both of them have satisfied the independence criteria (posted on the Company's website: <http://www.hankyu-hanshin.co.jp/corporate/data/officer.html>) stipulated by the Company which takes into account the requirements for independence prescribed by the securities exchange.

4. The reasons to elect Mr. Haruo Sakaguchi and Mr. Junzo Ishii, respectively, are as follows:
  - (1) Mr. Haruo Sakaguchi: Because he is a practicing attorney-at-law, he is expected to express opinions in particular from the perspective of ensuring compliance management.  
  
His term of office from election as External Audit & Supervisory Board Member of the Company to the close of this General Meeting of Shareholders is twelve years.
  - (2) Mr. Junzo Ishii: Because he held various academic positions, including the professor at the Graduate School of Business Administration of Kobe University and the president of the University of Marketing and Distribution Sciences, he is expected to express opinions based on his deep insight as an expert in business administration.  
  
His term of office from election as External Audit & Supervisory Board Member of the Company to the close of this General Meeting of Shareholders is eight (8) years.
5. The Company has entered into individual contracts with Mr. Haruo Sakaguchi and Mr. Junzo Ishii, respectively, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 34 of the Articles of Incorporation of the Company, to the effect that their respective liability for damages under Article 423, Paragraph 1 of the Companies Act shall be limited to the amount specified by laws and regulations.
6. Hankyu Holdings, Inc. changed its trade name to Hankyu Hanshin Holdings, Inc. on October 1, 2006 upon the business integration with HANSHIN ELECTRIC RAILWAY CO., LTD.

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