

[Translation]

Securities Code: 9042

May 25, 2012

To our shareholders

Kazuo Sumi, President and Representative Director
Hankyu Hanshin Holdings, Inc.
1-1, Sakaemachi, Ikeda-shi, Osaka
(Head Office: 1-16-1, Shibata, Kita-ku, Osaka-shi)

Notice of Convocation of the 174th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 174th Ordinary General Meeting of Shareholders of the Company to be held as described below.

If you are unable to attend the meeting, please exercise voting rights by mail or via the internet after studying the following reference materials for the General Meeting of Shareholders and confirming the Information on Exercise of Voting Rights.

(Please note that shareholders outside Japan shall not use these voting procedures.)

Details

- 1. Date and Time** 10:00 a.m. (JST), Thursday, June 14, 2012
- 2. Location of Meeting** Main Hall, Umeda Arts Theater
19-1, Chayamachi, Kita-ku, Osaka-shi
- 3. Purpose of Meeting**

Matters for Reporting:

1. Report on the business report, consolidated financial statements and financial statements for the 174th fiscal year (April 1, 2011 to March 31, 2012)
2. Report on the audit results of the consolidated financial statements for the 174th fiscal year by the Accounting Auditors and the Board of Corporate Auditors

Matters for Resolution:

- First Item of Business:** Appropriation of Retained Earnings
- Second Item of Business:** Adoption of the Basic Policy for Countermeasures against Large-Scale Acquisitions of Company Shares (Takeover Defense Measures)
- Third Item of Business:** Appointment of fourteen (14) Directors
- Fourth Item of Business:** Appointment of one (1) Corporate Auditor

4. Matters Determined upon Convocation

Please refer to “Information on Exercise of Voting Rights” on pages. *(Translation Omitted)*

- * If you attend the meeting, please submit the enclosed Voting Rights Exercise Form to the front desk at the venue.

- * Because “VI. Corporate Structure and Policy, 2. Basic Policy for Control of Company” indicated in the business report, the notes for the consolidated financial statements and the notes for the financial statements are posted on our website (<http://holdings.hankyu-hanshin.co.jp/ir/>) pursuant to the provisions of the laws and ordinances and Article 16 of the Articles of Incorporation of the Company, those contents are not included in the Exhibit (only the Japanese original available) attached to this Notice of Convocation of the General Meeting of Shareholders. The business report, consolidated financial statements and financial statements audited by the Corporate Auditors and the Accounting Auditors are those posted on our website as described above in addition to the documents listed in the Exhibit attached to this Notice of Convocation of the General Meeting of Shareholders.

- * 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 described above.

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.

Our basic policy for share dividends is to make efforts to strengthen our management base and financial position and distribute constant dividends. In order to maintain a balance between improving our core businesses and strengthening our financial position and to continue distributing constant dividends, the Company wishes to appropriate final dividends for the current fiscal year as follows:

- (1) Matters relating to, and total amount of, dividend property to be allotted to the shareholders:
5 yen per share of common stock of the Company, totaling 6,334,366,260 yen
- (2) Date that the dividend of Retained Earnings becomes effective:
June 15, 2012

Second Item of Business: Adoption of the Basic Policy for Countermeasures against Large-Scale Acquisitions of Company Shares (Takeover Defense Measures)

The basic policy for countermeasures against large-scale acquisitions of Company shares approved by the general meeting of shareholders held on June 17, 2009 (the “Former Basic Policy”) and the plan for countermeasures to large-scale acquisitions of the Company shares (the “Former Plan”) adopted by resolution of the Board of Directors on June 17, 2009, will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes to obtain the shareholders’ approval to adopt once again the Company’s Basic Policy for Countermeasures against Large-Scale Acquisitions of Company Shares under Article 17 of the Company’s Articles of Incorporation (the “Basic Policy”) as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(ii)(2.) of the Enforcement Regulations of the Companies Act) in light of the basic policy on persons who control decisions on the Company’s financial and business policies (as provided in the main text of Item 3 of Article 118 of the Enforcement Regulations of the Companies Act) provided for in Section 1 below.

In updating the Basic Policy, although the Company made some minor and formal amendments to the language of the Former Basic Policy, no substantial changes were made to the content of the Former Basic Policy.

In addition, the Company submits the Basic Policy detailed in Section 3 below for the shareholder’s approval and is taking the measures described in Section 2 below. The decision by the Board of Directors to take these measures and the reasons for those decisions are described in B. of Reference Matters on Basic Policy below. The Company seeks the shareholders’ understanding and approval for this Second Item of Business.

1. Basic Policy on Persons Who Control Decisions on the Company’s Financial and Business Policies

In order to ensure and enhance the Company’s corporate value and the common interests of its shareholders (“Corporate Value and Shareholders’ Common Interests”), the Company believes it is essential to carry out management with a particular emphasize on (i) a social mission, such as an active engagement in safety measures over the mid to long term, (ii) promoting large-scale development aiming for mid to long term business growth, (iii) maintaining relationships of trust with administrative agencies, residents and any other related parties along the lines operated by the Company, and (iv) strengthening the combined strength of our group by demonstrating the best synergies possible that can be created by the organic combination of each core business of our group companies. We believe that if these elements are not ensured and enhanced over the mid to long term, the Company’s Corporate Value and Shareholders’ Common Interests could be harmed. The Company therefore believes that the persons who control decisions on the Company’s financial and business policies need to be persons who fully understand these matters and who will make it possible to ensure and enhance the Company’s Corporate Value and Shareholders’ Common Interests over the mid to long term.

The Company will not reject a large-scale acquisition of Company shares off hand if the acquisition would contribute to the Company’s Corporate Value and Shareholders’ Common Interests. Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders, such as those with a purpose that would obviously harm the target company’s Corporate Value and Shareholders’ Common Interests, those with the potential to in effect force shareholders to sell their shares, those that do not provide sufficient time or information for the target Board of Directors and shareholders to consider the terms of the acquisition or for the target Board of Directors to make an alternative proposal, and those that require the target company to negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

Our group consists of various affiliates and covers a comprehensive range of business fields, the core businesses of which are urban transportation, real estate, entertainment and communication, travel and international transport, hotels, and retailing. The Company therefore believes that if it receives an acquisition proposal from an acquirer who is an outsider to the Company it is not always easy to fully understand the tangible and intangible elements comprising the Company’s management resources, the potential effects of measures focusing on future synergies that could be created by the organic combination of each business field, and other elements that comprise the corporate value of the Company and appropriately determine the effects of the acquisition on the Company’s Corporate Value and Shareholders’ Common Interests in a short period of time.

Taking into account the matters described above, the Board of Directors believes it essential to develop, in ordinary times, a system for deterring acquisitions that are detrimental to the Company's Corporate Value and Shareholders' Common Interests by securing the necessary time and information for shareholders to decide whether or not to accept the proposed acquisition and enable the Board of Directors to present an alternative proposal or to negotiate for the benefit of the shareholders in order to prevent inappropriate acquisitions of the Company's shares that threaten to harm the Company's Corporate Value and Shareholders' Common Interests.

2. Special Measures to Make Effective Use of the Company's Assets, Form an Appropriate Corporate Group, and Otherwise Realize the Basic Policy Provided for in Section 1

(1) Measures to Contribute the Company's Corporate Value

Our group has dramatically expanded the zone within which people live their lives by connecting high-speed and high-density transport systems between cities and between urban areas and suburbs in the railway business, the starting point of our group's business. At the same time it has also provided various new services in a wide variety of business fields, from housing and commercial complexes to the Hanshin Tigers and Takarazuka Revue, and has brought new perspectives to society.

As a pure holding company, Hankyu Hanshin Holdings, Inc. operates four core companies—Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Hankyu Hanshin Express Holdings Corporation, and Hankyu Hanshin Hotels Co., Ltd.—and carries out its business with a mission of delivering “serenity and well-being” and “inspiration and dreams” to our customers “to create satisfaction and make a positive contribution to society.”

As described in Section 1 above, our group has six core business domains—urban transportation, real estate, entertainment and communications, travel and international transportation, hotels, and retailing—and carries out the following businesses.

Our group operates urban transportation systems comprising railways, buses, and taxi services, forming an extensive transportation network throughout the Kansai area. Its mission is to provide safe, comfortable, and highly convenient transportation services in our service area, the Kyoto, Osaka, and Kobe region. As part of railway business, our group strives to establish an even wider transportation network by cooperating to provide through-services with other railway companies and promoting the diffusion and expansion of IC cards. We have also been steadily implementing large-scale constructions of elevated roads and barrier-free stations.

The real estate business derives its core earnings from rental properties (retail and offices) and its condominium business. Our group has been developing urban security and comfort, taking advantage of accumulated know-how and the group's ability to create value in railway neighborhood areas, based on development projects such as the commercial facilities of Hankyu Sanbangai, Hankyu Nishinomiya Gardens and HERBIS Osaka as well as other projects in Umeda, Osaka and other areas neighboring our railways. We have also been steadily implementing attractive large-scale development works such as Umeda Hankyu Building and Umekita (Osaka Station North District) that will enliven railway neighborhoods.

The entertainment and communications business mainly consists of the sports business, centered on baseball interests (the nationally popular Hanshin Tigers professional baseball team and the Hanshin Koshien Stadium) and the stage revue business (Takarazuka Revue). This segment aims to strengthen its original content through operating attractive facilities and improving the well-being in people's environment (such as with expanded services in the Hanshin Koshien Stadium) and to bring inspiration and dreams to its customers all over Japan through a wide range of live entertainment.

The travel business offers package tour products, such as the Traptics, our key brand offering extensive services and a variety of tours. We also customize tours for business travelers. The international transportation business offers high-quality integrated logistics services by taking advantage of advanced IT technologies and global networks and effectively combining a wide variety of transport modes.

The hotel business offers a wide range of hotel formats, from full-service hotels to hotels with very limited facilities, and it is particularly strong as a hotel operator with many directly-managed hotels in the Tokyo and Kansai areas, while driving an expansion of hotel chains in other areas. In addition to chain operations, it also manages The Ritz-Carlton, Osaka, an international luxury brand with which it has formed an alliance and obtains high reputation.

Finally, the retail segment comprises a wide range of retail stores such as bookshops, convenience stores, and cosmetics and accessory stores. The Book 1st. chain has also expanded its operations to outside of the neighboring area of our railways, opening many stores in the Tokyo area.

As described above, through its core business our group provides comprehensive services relating to human life—the improvement of transportation services, the provision of high-quality residences and offices, the development of railway neighborhood areas by developing commercial complexes, and the comprehensive provision of our original entertainment as well as travel and international transportation services, hotels, and retail—and enhances the value of neighboring areas of Hankyu and Hanshin railways. We believe these will lead to our continuous growth.

In order to enable the whole group to work together to continuously grow under our business operations, our group established and has promoted the 2007 Medium Term Management Plan for the period commencing in fiscal 2007 and ending in fiscal 2012 (the final year is recently extended to fiscal 2015).

The 2007 Medium Term Management Plan aims, in line with the group's management policy, to provide "serenity and well-being" and "inspiration and dreams" and to achieve the mid to long term continuous growth of the whole group, so it has determined the fundamental strategy of our group as (i) the strengthening of our competitiveness and improving the profits of each business, (ii) the thorough pursuit for and expression of management integration, and (iii) the improvement of financial position and asset yield. Taking into consideration its financial soundness and capital efficiency in accordance with the 2007 Medium Term Management Plan, our group strives to ensure and enhance its Corporate Value and Shareholders' Common Interests by strengthening its profitability and ability to create cash-flow through the above business development.

(2) Measures to Strengthen Corporate Governance

(a) Basic Idea on Corporate Governance

To always be a company trusted by our clients, the Company recognizes the importance of strengthening its corporate governance. The Company endeavors to enhance its corporate governance by improving transparency and soundness of its management, complying with laws and ordinances, and disclosing appropriate information in a timely manner.

(b) Progress of Measures Implemented for Corporate Governance

(i) Directors and Board of Directors

Management policy and other material matters relating to management strategy and the management plan of the Company and the Company group will be determined by the Board of Directors after discussion at a group management meeting. If any group company is to carry out material matters in light of group management, the group company must obtain prior approval by the Company.

The Board of Directors currently consists of fourteen Directors (including two Outside Directors as at before the conclusion of this General Meeting of Shareholders). The Company has appointed Directors from core companies and other major group companies and Outside Directors who have significant experience. The term of office of Directors is one year.

The Company designated two Outside Directors described above and three Outside Corporate Auditors described below as independent officers and filed with the securities exchange on which its shares are listed a report to that effect.

(ii) Corporate Auditors and Board of Corporate Auditors

The Company has appointed experts (law professionals or academic experts) as Outside Corporate Auditors and personnel dedicated to support Corporate Auditors. Currently there are five Corporate Auditors (including three Outside Corporate Auditors as at before the conclusion of this General Meeting of Shareholders). The Corporate Auditors investigate the Directors' performance of their duties and business results and the financial status of the Company and the group companies, and audit the Directors' performance of their duties.

The Company authorizes Corporate Auditors of each group company to audit the business of the company as well as its accounting and directs all the group companies to improve their basic policies for establishing their internal control systems.

(iii) Others

For the purpose of ensuring compliance management, the Company has implemented various measures, including establishing a corporate ethics office for its internal whistleblowing system and it is available not only to officers and employees of the Company and the group companies but also to their business partners.

3. Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by Persons Deemed Inappropriate in Light of the Basic Policy mentioned in Section 1 (Basic Policy for Countermeasures against Large-scale Acquisitions of Company Shares (the Basic Policy))

(1) Outline of the Basic Policy

For the purpose of ensuring and enhancing the Company's Corporate Value and Shareholders' Common Interests, the Board of Directors will separately resolve specific countermeasures (the "Plan") in accordance with the Summary of the Plan set out in (2) below as the Company's takeover defense measures (for ordinary times), publicize the Plan details through timely disclosure to the stock exchange, disclosure of statutory disclosure documents such as the Company's business report, and a posting on the Company's website, and warn the acquiring party in advance that there are procedures that a party carrying out or who plans to carry out an acquisition of the Company shares should comply with and that the Company may implement a gratis allotment of stock acquisition rights with discriminatory exercise conditions and conditions for the Company's acquisition of the shares.

(2) Summary of the Plan

(a) Outline of the Plan

The Company will request the party effecting the Acquisition (the "Acquirer") as described in (b) below to carry out an acquisition in accordance with the procedures set out in (c) below and secure time to provide information regarding the acquisition and the consideration for it. If an event set out in any of the items under (e)(i) below arises, the Company may allocate to all the shareholders other than the Company stock acquisition rights that come with the conditions set out in (e)(v) below to the effect that the relevant Acquirer may not exercise its right (discriminatory exercise conditions) and that the Company will obtain the stock acquisition rights from parties other than the Acquirer in exchange for shares in the Company (the "Stock Acquisition Rights").

(b) Targeted Acquisitions

The Plan will apply if a purchase of share certificates, etc., of the Company falls under (i) or (ii) below or any similar action takes place.

(i) A purchase that would result in the holding ratio of share certificates, etc.¹ of a holder² totaling at least 20% of the share certificates, etc.³ issued by the Company; or

(ii) A tender offer⁴ that would result in the party conducting the tender offer's ownership ratio of share certificates, etc.⁵ and the ownership ratio of share certificates, etc. of a person having a special relationship⁶ together totaling at least 20% of the share certificates, etc.⁷ issued by the Company.

(c) Acquisition Procedures that Acquirer Must Follow

If an Acquirer is to carry out an acquisition, unless the Board of Directors permits otherwise, the Company will request the Acquirer to submit to the Company in the form separately prescribed by the Company details on (i) the Acquirer, (ii) the purpose, method and specific terms of the acquisition, (iii) the amount and basis for the calculation of the purchase price of the acquisition, (iv) the financial support for the acquisition, (v) the post-Acquisition management policy, and (vi) any other matters that the Board of Directors may determine in renewing the Plan (collectively, the "Essential Information") and a document which includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (that document, the "Acquisition Statement") before carrying out the Acquisition.

If the Company receives the Acquisition Statement, it will promptly provide it to the Independent Committee (please see (f) below for details). If the Independent Committee determines that the Acquisition Statement does not contain sufficient Essential Information, the Acquirer will be required to provide additional information within the time limit set by the Independent Committee.

In light of ensuring and enhancing the Company's Corporate Value and Shareholders' Common Interests, the Independent Committee may, in order to compare the details of the Acquisition Statement and the Essential Information with the management plan prepared by the Board of Directors and the corporate value evaluated by the Board of Directors or in order to consider an alternative proposal presented by the Board of Directors to the shareholders, set a reply period (of in principle up to 60 days taking into account the diversity and variety of business carried out by our group described in Section 1 above) taking into consideration the time necessary for the Board of Directors to collect information or consider corporate value (including consideration by outside experts as necessary) and request that the Board of Directors present an opinion on the Acquirer's acquisition terms, the materials supporting that opinion, an alternative proposal, and any other information and materials that the Independent Committee considers necessary.

(d) Consideration of Acquisition Terms by Independent Committee, Negotiation with Acquirer, and Consideration of Alternative Proposal

If the Independent Committee deems that sufficient information has been provided to commence the consideration described in (c) above, the Independent Committee may set a reply period of in principle up to 60 days (this period may be extended for up to 30 days if the Independent Committee fails to make any recommendation set out in (i) or (ii) of (e) below before the initial 60-day period expires; the "Consideration Period").

Based on the information and materials provided by the Acquirer and the Board of Directors, the Independent Committee will, during the Consideration Period, evaluate and consider the details of the acquisition by the Acquirer as to whether the acquisition ensures and enhances the Company's Corporate Value and Shareholders' Common Interests. The Independent Committee will directly, or indirectly through the Board of Directors, discuss and negotiate with the Acquirer or present to shareholders an alternative proposal by the Board of Directors if it is necessary to do so in order to revise and improve the acquisition terms. If the Independent Committee directly, or indirectly through the Board of Directors, requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to that request.

The Independent Committee may obtain the advice of independent third party experts (financial advisors, lawyers, certified public accountants, and any other experts) at the cost of the Company.

(e) Implementation of Gratis Allotment of Stock Acquisition Rights

(i) Independent Committee Recommendations to Implement Takeover Defense Measures

The Independent Committee will recommend the implementation of the gratis allotment of Stock Acquisition Rights to the Board of Directors if it determines one of the events set out below has arisen.

(A) If the Acquirer fails to comply with the procedures to ensure provision of information or the Consideration Period set out in (c) above or any other procedures under the Plan;

(B) The acquisition by the Acquirer falls under any of the following items as a result of evaluating and considering information and materials provided by the Acquirer and the Board of Directors and of discussing and negotiating with the Acquirer, and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

- 1) An Acquisition that threatens to cause obvious harm to the Company's Corporate Value and Shareholders' Common Interests through any of the following actions or any other similar actions:
 - (i) A buyout of share certificates, etc., such as to require the share certificates, etc., to be compulsorily purchased by the Company at an inflated price.
 - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company's material assets.
 - (iii) Diversion of the Company's assets to secure or repay debts of the Acquirer or its group company.
 - (iv) Temporary control of the Company's management to bring about a disposal of high-value assets that have no current relevance to the Company's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- 2) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares, such as by tender offer, in which no offer is made to acquire all the shares in the initial acquisition and the acquisition terms for the second stage of the acquisition are unfavorable or unclear to shareholders).
- 3) Acquisitions that are effected without providing a reasonable period of time necessary for the Company to present an alternative proposal to the Acquisition.
- 4) Acquisitions that are effected without sufficiently providing reasonable information necessary for the shareholders of the Company to consider the Essential Information and other Acquisition terms.
- 5) Acquisitions whose terms (including the amount and type of consideration, the time frame, the legality of the Acquisition method, the feasibility of the Acquisition being effected, and post-Acquisition policies dealing with the Company's employees, business partners, customers and any other stakeholders in the Company) are inadequate or inappropriate in light of the Company's intrinsic value.
- 6) Acquisitions that would materially harm the safety or public nature of the railway business or security of users' interests.

Even after the Independent Committee has recommended to implement a gratis allotment of Stock Acquisition Rights, if the Acquirer withdraws the acquisition or the acquisition otherwise ceases to exist after the recommendation, or the acquisition no longer falls under either (A) or (B) above due to a change or the like in the facts or other matters on which the decision for the recommendation was made, the Independent Committee may reach a separate decision, including that the Board of Directors cancel the gratis allotment of Stock Acquisition Rights or acquire the Stock Acquisition Rights without consideration, and recommend that to the Board of Directors.

Even if the acquisition falls under either (A) or (B) above, if the Independent Committee determines it reasonable to obtain approval at the general meeting of shareholders for a gratis allotment of Stock Acquisition Rights, the Independent Committee will recommend the Board of Directors to convene a general meeting of shareholders and propose the implementation of a gratis allotment of Stock Acquisition Rights.

(ii) Independent Committee Recommendations not to Implement Takeover Defense Measures

If the Independent Committee determines the acquisition no longer falls under either (A) or (B) of (i) above, the Independent Committee will recommend to the Board of Directors that the Company not implement a gratis allotment of Stock Acquisition Rights.

Even after the Independent Committee recommends not to implement a gratis allotment of Stock Acquisition Rights, if the Independent Committee determines the acquisition by the Acquirer falls under either (A) or (B) of (i) above due to a change or the like in the facts or other matters on which the decision for the recommendation was made, the Independent Committee may reach a separate decision, including that the Company implement a gratis allotment of Stock Acquisition Rights, and recommend that to the Board of Directors.

(iii) Information Disclosure to Shareholders

The Board of Directors or the Independent Committee will disclose the following facts that the Independent Committee deems appropriate promptly after the fact arises:

- i. the fact that an Acquirer has emerged;
- ii. the fact that an Acquisition Statement has been submitted by the Acquirer and the details of the Acquisition Statement;
- iii. the fact that the Essential Information is provided and the details of the Essential Information;
- iv. the fact that the Consideration Period has commenced;
- v. the fact that the Consideration Period has been extended and the reason for extension; and
- vi. the fact that the Independent Committee has made a recommendation as well as the reasons for and details of the recommendation (if the Independent Committee determines to withdraw its first recommendation and present a new recommendation due to a change or the like in the facts or other matters, the reason for and details of that new recommendation).

(iv) Respecting the Independent Committee's Recommendation by Board of Directors

Respecting the recommendations of the Independent Committee provided in accordance with (i) or (ii) above to the maximum extent, the Board of Directors shall, in exercising their role under the Companies Act, pass resolutions for the implementation or non-implementation of the gratis allotments of Stock Acquisition Rights.

If the Independent Committee recommends to the Board of Directors to convene a general meeting of shareholders and propose the implementation of a gratis allotment of Stock Acquisition Rights, the Board of Directors will do so as soon as practicable unless there is practicably significant difficulty convening the general meeting of shareholders. If the general meeting of shareholders so convened passes the resolution to implement the gratis allotment of Stock Acquisition Rights, the Board of Directors will carry out the necessary procedures in order to implement the gratis allotment of Stock Acquisition Rights. If the general meeting of shareholders resolves to delegate to the Board of Directors the authority to decide matters relating to the gratis allotment of Stock Acquisition Rights, the Board of Directors will resolve the gratis allotment of Stock Acquisition Rights. If the general meeting of shareholders resolves not to implement the gratis allotment of Stock Acquisition Rights, the Board of Directors will resolve not to implement the gratis allotment of Stock Acquisition Rights.

The Acquirer must not effect an acquisition until and unless the Board of Directors passes a resolution for the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights or the general meeting of shareholders convened as described above passes a resolution for implementation or non-implementation of the gratis allotment of Stock Acquisition Rights.

If the Board of Directors resolves to implement or not to implement the gratis allotment of Stock Acquisition Rights, the Board of Directors resolves to convene the shareholders meeting as described above, or the general meeting of shareholders passes a resolution to implement the gratis allotment of Stock Acquisition Rights or rejects such resolution, the Board of Directors will promptly disclose the outline of the resolution, the fact that it was rejected or any other information that the Board of Directors deems appropriate.

(v) Outline of the Gratis Allotment of Stock Acquisition Rights

An outline of the gratis allotment of Stock Acquisition Rights is set out below.

- i. **Number of Stock Acquisition Rights**
The Company will implement a gratis allotment of Stock Acquisition Rights that can acquire the number of shares up to twice the number as the most recent total number of issued shares in the Company (excluding the number of Company shares held by the Company at that time) on a date (the “Allotment Date”) that is separately determined in a resolution by the Board of Directors or the general meeting of shareholders held in relation to the gratis allotment of Stock Acquisition Rights (the “Gratis Allotment Resolution”).
- ii. **Shareholders Eligible for Allotment**
The Company will allot the Stock Acquisition Rights without consideration to those shareholders, other than the Company, who are registered or recorded in the Company’s latest register of shareholders on the Allotment Date, at a ratio up to a maximum ratio of two Stock Acquisition Rights for each share in the Company held that is separately determined in the Gratis Allotment Resolution.
- iii. **Effective Date of Gratis Allotment of Stock Acquisition Rights**
The effective date of the gratis allotment of Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.
- iv. **Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights**
The number of Company shares⁸ (shares subject to transfer described in Article 128, Paragraph 1, of the Law concerning Transfer of Bonds and Shares) to be acquired upon exercise of each Stock Acquisition Right (the “Applicable Number of Shares”) will in principle be one share unless otherwise adjusted.
- v. **Contributions on Exercise of Stock Acquisition Rights**
Contributions to be made on exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed on exercise of the Stock Acquisition Rights will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company.
- vi. **Exercise Period of the Stock Acquisition Rights**
The commencement date will be the effective date of the gratis allotment of Stock Acquisition Rights or any date separately determined in the Gratis Allotment Resolution, and the period will in principle be a period from one month to two months long as separately determined in the Gratis Allotment Resolution.
- vii. **Conditions for Exercise of Stock Acquisition Rights**
The following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below collectively, “Non-Qualified Parties”):
 - (I) Specified Large Holders;⁹
 - (II) Joint Holders of Specified Large Holders;^{1 0}
 - (III) Specified Large Purchasers;^{1 1}
 - (IV) Persons having a Special Relationship with Specified Large Purchasers;
 - (V) Any transferee of, or successor to, the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Board of Directors; or
 - (VI) Any Affiliated Party^{1 2} of any party falling under (I) through (V).
- viii. **Restriction on Assignment of Stock Acquisition Rights**
Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Board of Directors.

- ix. Acquisition of Stock Acquisition Rights
 - (i) At any time on or before the date immediately prior to the commencement date for the exercise period, the Company may acquire all of the Stock Acquisition Rights for no consideration.
 - (ii) On a date separately determined by the Board of Directors, the Company may acquire the Stock Acquisition Rights that have not been exercised and are held by parties other than Non-Qualified Parties (if any) and, in exchange, deliver one share in the Company for each Stock Acquisition Right unless otherwise adjusted. Further, if on or after the date of such acquisition the Board of Directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may separately acquire the Stock Acquisition Rights. The same will apply thereafter.
 - (iii) Other matters relating to the terms and conditions of acquisitions of Stock Acquisition Rights by the Company will be separately determined in the Gratis Allotment Resolution.
- x. Others
 - Other details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

(f) Independent Committee

The Company will establish an Independent Committee consisting of persons who are independent from the management of the Company in order to eliminate arbitrary decisions of the Board of Directors on whether or not to implement a gratis allotment of Stock Acquisition Rights in accordance with the Plan. There will be no less than three members on the Independent Committee, and the Board of Directors will elect the members from (i) Outside Directors, (ii) Outside Corporate Auditors and (iii) other outside experts (experienced corporate managers, former government employees, lawyers, certified public accountants, or parties with academic qualifications).

Resolutions of meetings of the Independent Committee will in principle pass with a majority when all members of the Independent Committee are in attendance. However, in unavoidable circumstances a resolution may be passed with a majority of voting rights when a majority of the members of the Independent Committee are in attendance.

Any other matters relating to the Independent Committee will be separately determined by the Board of Directors.

(g) Abolition of the Plan

If the Board of Directors passes a resolution to abolish the Plan, the Plan will be abolished at that time.

(h) Others

In addition to the matters provided for in (a) through (g) above, the details of the Plan will be separately determined by the Board of Directors in its resolution to renew of the Plan.

(3) Effective Period of Basic Policy

The effective period of the Basic Policy will be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years of the conclusion of this Ordinary General Meeting of Shareholders.

However, if before the expiration of the Effective Period a resolution is passed at the Company's general meeting of shareholders to revise or abolish the Basic Policy, the Basic Policy will be revised or abolished at that time. The Plan will be revised or abolished accordingly in a prompt manner.

Reference Matters on Basic Policy

In addition to the details of the Basic Policy described in Section 3 above, we set out below the impact the Basic Policy will have on shareholders, the decision by the Board of Directors on adopting the Basic Policy, and the reasons for that decision. We ask shareholders to consider the following points and approve this Second Item of Business.

A. Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors Upon Renewal of the Basic Policy and the Plan

Upon renewal, the Basic Policy and the Plan will have no direct or material impact on shareholders and investors. This is because at that time, no actual gratis allotment of Stock Acquisition Rights will be implemented.

(2) Impact on Shareholders and Investors at the Time of the Gratis Allotment of Stock Acquisition Rights

If the Plan is renewed and the gratis allotment of Stock Acquisition Rights is implemented in accordance with the procedures set out in the Plan, the Company will make a gratis allotment of Stock Acquisition Rights to the shareholders as of the date of allotment to be determined by the Gratis Allotment Resolution at a ratio to be determined by the Gratis Allotment Resolution up to a maximum of two Stock Acquisition Rights per share in the Company held by the shareholders. If the shareholders do not pay the prescribed exercise price and carry out the procedures for exercising the Stock Acquisition Rights during the exercise period for Stock Acquisition Rights, the shares they hold in the Company will be diluted by the exercise of Stock Acquisition Rights by other shareholders. However, it is also possible that the Company will, in accordance with the decision of the Board of Directors, acquire the Stock Acquisition Rights of shareholders other than Non-Qualified Parties and, in exchange, deliver shares in the Company. If the Company carries out such an acquisition procedure, shareholders other than Non-Qualified Parties will come to receive shares in the Company without exercising their Stock Acquisition Rights or paying an amount equivalent to the exercise price and, in principle, there will be no subsequent dilution of the shares in the Company they hold.

In addition, if the Board of Directors cancels the gratis allotment of Stock Acquisition Rights, or the Stock Acquisition Rights are acquired for no consideration, no dilution of the value per share in the Company held by the shareholders will result, and it is likely that any shareholders and investors who have sold or bought the shares in the Company expecting to see such a dilution will be commensurately affected as a result of a fluctuation in the share price.

B. Decision by Board of Directors to Create Above Measures and Reasons for that Decision

(1) Special Measures (Section 2) to Realize the Basic Policy Provided for in Section 1

The Company has created these measures to contribute to enhancing corporate value and strengthening corporate governance as described in Section 2 above as specific measures to continuously enhance the Company's Corporate Value and Shareholders' Common Interests, which will contribute to the realization of the basic policy provided for in Section 1.

These measures are therefore consistent with the common interests of the Company's shareholders; they are not for the purpose of allowing officers of the Company to keep their positions.

(2) Measures (Section 3) to Prevent Decisions on the Company's Financial and Business Policies from Being Controlled by Persons Deemed Inappropriate Under the Basic Policy Provided for in Section 1

(a) The Basic Policy complies with the basic policy described in Section 1 above

The Basic Policy is a framework that enables the Company to ensure the Corporate Value and Shareholders' Common Interests by ensuring the necessary time and information is made available for the shareholders to decide whether or not to accept the Acquisition of share certificates, etc., of the Company and for the Board of Directors to present an alternative proposal to the shareholders, and by enabling the Board of Directors to negotiate with the Acquirer for the benefit of the shareholders when the Acquisition is to be effected. The Basic Policy is consistent with the basic policy described in Section 1 above.

- (b) The measures do not harm the common interests of shareholders or intend to allow officers of the Company to keep their positions

The Company believes for the reasons below that, in light of the basic policy described in Section 1 above, the Basic Policy does not harm the common interest of the shareholders of the Company or intend to allow officers of the Company to keep their positions.

(1) Satisfying the Requirements of the Guidelines for Takeover Defense Measures

The Basic Policy fully satisfies the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

(2) Placing High Value on the Intent of Shareholders

The Basic Policy will be adopted on the condition that a resolution of this Ordinary General Meeting of Shareholders is obtained as described above.

As described in Section 3(3) 'Effective Period of Basic Policy' above, the Basic Policy is subject to a sunset clause that sets the Effective Period at approximately three years, and it is also possible to revise or abolish the Basic Policy, even before the expiration of the effective period, with a resolution by the general meeting of shareholders. Moreover, the Board of Directors, which is of course appointed by the Company's general meeting of shareholders, may abolish the Plan even before the expiration of the Basic Policy. In this regard, the intent of shareholders is fully reflected in the Basic Policy and the Plan as renewed in accordance with the Basic Policy.

(3) Emphasis on the Decisions of Independent Parties and Information Disclosure

As described in Section 3(2)(f) 'Independent Committee' above, the decisions on whether or not to implement a gratis allotment of Stock Acquisition Rights under the Basic Policy are substantially made by the Independent Committee, which consists of persons who are highly independent from the management of the Company. As the Independent Committee strictly supervises the Board of Directors so that it does not implement a gratis allotment of Stock Acquisition Rights arbitrarily, and as the Independent Committee is required to disclose to the shareholders the outline of its judgment, the operation of the Plan is ensured to contribute to the Company's Corporate Value and Shareholders' Common Interests.

If this Ordinary General Meeting of Shareholders approves the Basic Policy and the Board of Directors passes a resolution to renew the Plan, the following three persons are scheduled to be the initial members of the Independent Committee: Takaharu Dohi (former Prosecutor General and currently admitted as an attorney-at-law) from Outside Corporate Auditors of the Company, Hiroshi Ishikawa (advisor of The Kansai Electric Power Company, Incorporated) and Ichiro Kawamoto (Honorary Professor of Kobe University and attorney-at-law) as outside experts.

(4) Establishment of Reasonable Objective Requirements

As described in Section 3(2)(e)(i) 'Independent Committee Recommendations to Implement Takeover Defense Measures' above, the Company will not implement the gratis allotment of Stock Acquisition Rights unless reasonable and detailed objective requirements are satisfied, which is a mechanism to ensure the prevention of an arbitrary implementation of the gratis allotment of Stock Acquisition Rights by the Board of Directors.

(5) Obtaining the Advice of Third-Party Experts

As described in Section 3(2)(d) 'Consideration of Acquisition Terms by Independent Committee, Negotiation with Acquirer, and Consideration of Alternative Proposal' above, the Independent Committee may obtain advice from independent third-party experts (financial advisors, lawyers, certified public accountants, and the like) at the Company's expense when an Acquirer emerges, which is a mechanism to even further ensure the objectivity and fairness of the decisions made by the Independent Committee.

(6) Term of Office of Directors is One Year

As the term of office of the Directors of the Company is one year, the intent of shareholders is able to be reflected with respect to the Basic Policy and the Plan even during the effective period of the Plan through the annual appointment of Directors.

¹ Defined in Article 27-23(4) of the Financial Instruments and Exchange Law. This definition applies throughout this Second Item of Business.

² Including persons described as a holder under Article 27-23(3) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the Board of Directors). The same applies throughout this Second Item of Business.

³ Defined in Article 27-23(1) of the Financial Instruments and Exchange Law. The same applies throughout this Second Item of Business unless otherwise provided for.

⁴ Defined in Article 27-2(6) of the Financial Instruments and Exchange Law. The same applies throughout this Second Item of Business.

⁵ Defined in Article 27-2(8) of the Financial Instruments and Exchange Law. The same applies throughout this Second Item of Business.

⁶ Defined in Article 27-2(7) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the Board of Directors). However, persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Law. The same applies throughout this Second Item of Business.

⁷ Defined in Article 27-2(1) of the Financial Instruments and Exchange Law.

⁸ If the Company becomes a company issuing class shares (Article 2, Item 13, of the Companies Act) in the future, (i) the shares to be issued upon exercise of Stock Acquisition Rights and (ii) the shares delivered in exchange for the acquisition of Stock Acquisition Rights will both be deemed as shares already in issue at the time of commencement of this General Meeting of Shareholders (common stock).

⁹ "Specified Large Holder" means a party who is a holder of share certificates, etc., issued by the Company and whose holding ratio of share certificates, etc. in respect of those share certificates, etc., is in the opinion of the Board of Directors at least 20%.

¹⁰ This means "Joint Holder" as provided for in Article 27-23(5) of the Financial Instruments and Exchange Law and includes a party that the Board of Directors deems to be a joint holder in accordance with Article 27-23(6).

¹¹ "Specified Large Purchaser" means a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Law; the same applies throughout this footnote) of share certificates, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Law; the same applies throughout this footnote) issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc., in respect of those share certificates, etc., owned by that person after that purchase, etc. (including similar ownership as prescribed in Article 7(1) of the Order of the Enforcement of the Financial Instruments and Exchange Law) is in the opinion of the Board of Directors at least 20% when combined with the ratio of ownership of share certificates, etc., of a person having a special relationship.

¹² An "Affiliated Party" of another party means a person who substantially controls, is controlled by, or is under common control with that other party (including any party who is deemed to fall under the above by the Board of Directors) in the opinion of the Board of Directors, or a party deemed by the Board of Directors to act in concert with that other party. "Control" means to "control decisions on the financial and business policies" (as defined in Article 3(3) of the Enforcement Regulations of the Companies Act) of other corporations or entities.

Third Item of Business: Appointment of fourteen (14) Directors

Because the terms of office of all fourteen (14) Directors expire at the close of this General Meeting of Shareholders, the Company requests the appointment of fourteen (14) Directors.

The candidates for the positions as Director are as follows:

(Persons with * are new candidates.)

No.	Name (Date of Birth) Number of Shares of the Company Owned	Summary of Career and Important positions of other organizations concurrently held
1	Kazuo Sumi (Apr. 19, 1949) 174,200 shares	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 (to present) Apr. 2005 President and Representative Director of Hankyu Holdings, Inc. Oct. 2006 President and Representative Director of the Company (to present) Important positions of other organizations concurrently held President and Representative Director, Hankyu Corporation Director, Hankyu Hanshin Express Holdings Corporation Director, Hankyu Hanshin Hotels Co., Ltd.
2	Shinya Sakai (Feb. 9, 1948) 65,260 shares	Apr. 1970 Joined HANSHIN ELECTRIC RAILWAY CO., LTD. Jun. 2002 Director of HANSHIN ELECTRIC RAILWAY CO., LTD. Jun. 2005 Managing Director of HANSHIN ELECTRIC RAILWAY CO., LTD. Jun. 2006 President and Representative Director of HANSHIN ELECTRIC RAILWAY CO., LTD. Oct. 2006 Representative Director of the Company (to present) Apr. 2011 Chairman and Representative Director of HANSHIN ELECTRIC RAILWAY CO., LTD. (to present) Important positions of other organizations concurrently held Chairman and Representative Director, HANSHIN ELECTRIC RAILWAY CO., LTD. Chairman and Representative Director, Hanshin Tigers Baseball Club, Ltd.
3	Noriyuki Inoue (Mar. 17, 1935) 25,000 shares	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. (to present) Jun. 2003 Director of Hankyu Corporation Apr. 2005 Director of Hankyu Holdings, Inc. Oct. 2006 Director of the Company (to present) Important positions of other organizations concurrently held Chairman and Representative Director and CEO, DAIKIN INDUSTRIES, LTD.

No.	Name (Date of Birth) Number of Shares of the Company Owned	Summary of Career and Important positions of other organizations concurrently held
4	Shosuke Mori (Aug. 6, 1940) 16,000 shares	<p>Apr. 1963 Joined The Kansai Electric Power Company, Incorporated</p> <p>Jun. 2005 President and Representative Director of The Kansai Electric Power Company, Incorporated</p> <p>Jun. 2010 Director of the Company (to present)</p> <p>Jun. 2010 Chairman and Representative Director of The Kansai Electric Power Company, Incorporated (to present)</p> <p>Important positions of other organizations concurrently held Chairman and Representative Director, The Kansai Electric Power Company, Incorporated</p>
5	Isao Matsuoka (Dec. 18, 1934) 114,386 shares	<p>Apr. 1957 Joined TOHO CO., LTD.</p> <p>May 1977 President and Representative Director of TOHO CO., LTD.</p> <p>Jun. 1985 Director of Hankyu Corporation</p> <p>May 1995 Chairman and Representative Director of TOHO CO., LTD.</p> <p>Apr. 2005 Director of Hankyu Holdings, Inc.</p> <p>Oct. 2006 Director of the Company (to present)</p> <p>May 2009 Honorary Chairman of TOHO CO., LTD. (to present)</p> <p>Important positions of other organizations concurrently held Honorary Chairman, TOHO CO., LTD.</p>
6	Shunichi Sugioka (Apr. 1, 1940) 48,000 shares	<p>Apr. 1964 Joined Hankyu Department Stores, Inc.</p> <p>Jun. 2000 President and Representative Director of Hankyu Department Stores, Inc.</p> <p>Jun. 2000 Director of Hankyu Corporation</p> <p>Apr. 2005 Chairman and Representative Director of Hankyu Department Stores, Inc.</p> <p>Apr. 2005 Director of Hankyu Holdings, Inc.</p> <p>Oct. 2006 Director of the Company (to present)</p> <p>Oct. 2007 Chairman and Representative Director and CEO of H₂O RETAILING CORPORATION (to present)</p> <p>Oct. 2008 Chairman and Representative Director of Hankyu Hanshin Department Stores, Inc. (to present)</p> <p>Important positions of other organizations concurrently held Chairman and Representative Director and CEO, H₂O RETAILING CORPORATION Chairman and Representative Director, Hankyu Hanshin Department Stores, Inc. Director, Hankyu Hanshin Hotels Co., Ltd.</p>
7	Takaoki Fujiwara (Feb. 23, 1952) 39,600 shares	<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>President and Representative Director of HANSHIN ELECTRIC RAILWAY CO., LTD. (to present)</p> <p>Apr. 2011 RAILWAY CO., LTD. (to present)</p> <p>Jun. 2011 Director of the Company (to present)</p> <p>Important positions of other organizations concurrently held President and Representative Director, HANSHIN ELECTRIC RAILWAY CO., LTD.</p>

No.	Name (Date of Birth) Number of Shares of the Company Owned	Summary of Career and Important positions of other organizations concurrently held
8	Hiroshi Ojima (Feb. 18, 1943) 53,000 shares	<p>Mar. 1965 Joined Hankyu Travel International Co., Ltd. Jun. 1996 Director of Hankyu Travel International Co., Ltd. Jun. 1999 Managing Director of Hankyu Travel International Co., Ltd. Jun. 2003 President and Representative Director of Hankyu Travel International Co., Ltd. Jun. 2004 Director of Hankyu Corporation Apr. 2005 Director of Hankyu Holdings, Inc. Oct. 2006 Director of the Company (to present) Apr. 2008 President and Representative Director of Hankyu Hanshin Express Holdings Corporation Apr. 2010 Chairman and Representative Director of Hankyu Hanshin Express Holdings Corporation (to present)</p> <p>Important positions of other organizations concurrently held Chairman and Representative Director, Hankyu Hanshin Express Holdings Corporation</p>
9	Nobuo Minami (Dec. 7, 1954) 43,000 shares	<p>Apr. 1977 Joined HANSHIN ELECTRIC RAILWAY CO., LTD. Jun. 2007 President and Representative Director of Hanshin Tigers Baseball Club, Ltd. (to present) Jun. 2008 Director of the Company (to present) Jun. 2008 Director of HANSHIN ELECTRIC RAILWAY CO., LTD. (to present)</p> <p>Important positions of other organizations concurrently held Director, HANSHIN ELECTRIC RAILWAY CO., LTD. President and Representative Director, Hanshin Tigers Baseball Club, Ltd.</p>
10	Koichi Kobayashi (Dec. 13, 1959) 130,397 shares	<p>Apr. 1982 Joined Hankyu Corporation Jun. 2004 President of Takarazuka Revue Company (to present) Jun. 2005 Director of Hankyu Holdings, Inc. Oct. 2006 Director of the Company (to present)</p> <p>Important positions of other organizations concurrently held President, Takarazuka Revue Company</p>
11	Mitsuo Nozaki (Apr. 8, 1958) 76,000 shares	<p>Apr. 1981 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 (to present) Jun. 2011 Director of the Company, overseeing Personnel and General Affairs Dept., General Manager of Personnel and General Affairs Dept. (to present)</p> <p>Important positions of other organizations concurrently held Managing Director, Hankyu Corporation</p>
12	Masao Shin (May 22, 1957) 38,800 shares	<p>Apr. 1981 Joined HANSHIN ELECTRIC RAILWAY CO., LTD. Jun. 2006 Director of HANSHIN ELECTRIC RAILWAY CO., LTD. Oct. 2006 Director of the Company Apr. 2008 Managing Director of HANSHIN ELECTRIC RAILWAY CO., LTD. (to present) Apr. 2011 Director of the Company, overseeing Corporate Planning Dept. and Personnel and General Affairs Dept. (to present)</p> <p>Important positions of other organizations concurrently held Managing Director, HANSHIN ELECTRIC RAILWAY CO., LTD. Corporate Auditor, Hankyu Hanshin Express Holdings Corporation</p>

No.	Name (Date of Birth) Number of Shares of the Company Owned	Summary of Career and Important positions of other organizations concurrently held
13	Tsuneo Wakabayashi (Apr. 29, 1959) 60,000 shares	Apr. 1983 Joined Hankyu Corporation Apr. 2007 Director of Hankyu Corporation Apr. 2009 Managing Director of Hankyu Corporation (to present) Jun. 2011 Director of the Company, overseeing Corporate Planning Dept. (to present) Important positions of other organizations concurrently held Managing Director, Hankyu Corporation
14	Hiroshi Desaki* (Dec. 27, 1958) 45,000 shares	Apr. 1980 Joined Hankyu Corporation Apr. 2007 Director of Hankyu Corporation Apr. 2011 Managing Director of Hankyu Corporation Apr. 2012 President and Representative Director of Hankyu Hanshin Hotels Co., Ltd. (to present) Important positions of other organizations concurrently held President and Representative Director, Hankyu Hanshin Hotels Co., Ltd.

(Notes)

1. Candidates for the positions as Director have no special interest in the Company.
2. Mr. Noriyuki Inoue and Mr. Shosuke Mori are candidates for the positions as Outside Directors.
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 meet criteria for exercise of independent judgement stipulated by the Stock Exchanges.
4. The reason to appoint Mr. Noriyuki Inoue and Mr. Shosuke Mori, respectively, is as follows:

- (1) Mr. Noriyuki Inoue: Because he has held the position as 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 the appointment as Outside Director of the Company to the close of this General Meeting of Shareholders is nine (9) years.

It is noted that it was discovered in April 2009 that some departments and some subsidiaries of DAIKIN INDUSTRIES, LTD. at which Mr. Inoue held a position as representative director, carried out inappropriate accounting processes.

- (2) Mr. Shosuke Mori: Because he has 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, Mr. Mori 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 the appointment as Outside Director of the Company to the close of this General Meeting of Shareholders is two (2) years.

It is noted that in August 2008, the Japan Fair Trade Commission issued a cease and desist order to All Nippon Airways Co., Ltd., where Mr. Mori held the position of director, because All Nippon Airways Co., Ltd. had breached the Act against Unjustifiable Premiums and Misleading Representations in respect of its newspaper advertisement for the introduction of its new service (which was considered a representation by which the quality, standard or any other matter relating to the substance of goods or services are shown to be

much better than the actual goods or services offered, whereby customers are unjustly enticed and fair competition is impeded). With respect to this matter, Mr. Mori proposed renewed preventative measures at the meeting of the board of directors of All Nippon Airways Co., Ltd, from such perspectives as respect for customers and the importance of building confidence.

In addition, All Nippon Airways Co., Ltd. entered into a plea bargain with the U.S. Department of Justice regarding an alleged price coordination for air passenger transportation and air cargo in October 2010. All Nippon Airways Co., Ltd. was also ordered to pay surcharge by the Korea Fair Trade Commission for an alleged violation of the Fair Trade Act of Korea in relation to air cargo in November 2010. With respect to this matter, Mr. Mori proposed renewed preventative measures looking to the importance of social responsibility, the strengthening of the compliance system and other such concerns at the meeting of the board of directors of All Nippon Airways Co., Ltd.

5. The Company enters into individual contracts with Messrs. Noriyuki Inoue and Shosuke Mori, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 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 ordinances.
6. Hankyu Corporation carried out 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 Travel International Co., Ltd. carried out corporate division on April 1, 2008, whereby Hankyu Travel International Co., Ltd. transferred its travel business to Hankyu Travel International Travel Business Succession Co., Ltd. (its trade name was changed to Hankyu Travel International Co., Ltd. on April 1, 2008) and its international transportation business to Hankyu Express International Co., Ltd., and changed its trade name to Hankyu Hanshin Express Holdings Corporation at the same time.
9. Hankyu Department Stores, Inc. carried out 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 H₂O 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: Appointment of one (1) Corporate Auditor

Because the term of office of one (1) Corporate Auditor, Hidekazu Sugisawa, expires at the close of this General Meeting of Shareholders, the Company requests the appointment of one (1) Corporate Auditor.

Prior approval of the Board of Corporate Auditors has been obtained for proposal of this item of business.

The candidate for the position as Corporate Auditor is as follows:

(Persons with * are new candidates.)

Name (Date of Birth) Number of Shares of the Company Owned	Summary of Career and Important positions of other organizations concurrently held
Tsunenori Kawashima* (Apr. 18, 1952) 66,145 shares	Apr. 1977 Joined Hankyu Corporation Jun. 2002 Director of Hankyu Corporation Apr. 2005 Director of Hankyu Holdings, Inc. Apr. 2005 Managing Director of Hankyu Corporation Apr. 2006 Representative Director of Hankyu Holdings, Inc. Apr. 2006 Representative and Managing Director of Hankyu Corporation Oct. 2006 Representative Director of the Company Jun. 2009 Standing Corporate Auditor of Hankyu Corporation (to present) Important positions of other organizations concurrently held Standing Corporate Auditor, Hankyu Corporation

(Note)

1. Candidate for the positions as Corporate Auditor has no special interest in the Company.
2. Mr. Tsunenori Kawashima has respectable knowledge and experience in finance and accounting.
3. Hankyu Corporation carried out 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.
4. 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.

[Translation omitted]