# Performance Outlook for Fiscal 2014

Although operating income is expected to decrease slightly due largely to hikes in electricity rates, net income is forecast to rise year on year mainly because of improvements in extraordinary income.

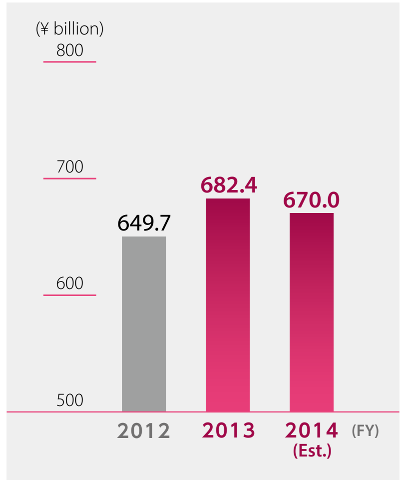
Regarding performance in fiscal 2014, revenues from operations is expected to decline 1.8%, or ¥12.4 billion, year on year to ¥670.0 billion primarily due to the sale of the bookstore business to an outside company. This forecast has been made despite the projected full-year occupancy of Umeda Hankyu Building Phase II and anticipated increases in tenant occupancy rates for the Office Tower. Operating income is projected to fall 4.5%, or ¥3.9 billion, year on year to ¥84.0 billion chiefly because of the aforementioned drop in revenues and higher electricity rates.* Ordinary income is forecast to decrease 3.9%, or ¥2.9 billion, to ¥72.0 billion in line with an improvement in the Group's financial account balance.

In contrast, net income is anticipated to increase 5.8%, or ¥2.3 billion, year on year to ¥42.0 billion. This is primarily attributable to a decline in extraordinary loss accounted for by demobilization costs on fixed assets posted by the Umeda 1-1 Project during the previous fiscal year.

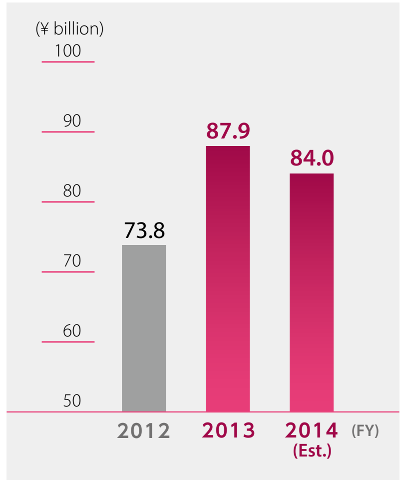
Undertaking measures to mitigate overall financial risk, we will establish a base for stable net income of over ¥40.0 billion since almost all unprofitable projects have been eliminated—such as one that posted a significant extraordinary loss during previous fiscal years.

* The impact of lower income from hikes in electricity rates is forecast to be approximately ¥1.9 billion (consolidated) primarily in the railway business.
(Railway Business: Approx. -¥1.4 billion
Others: Approx. -¥0.5 billion)

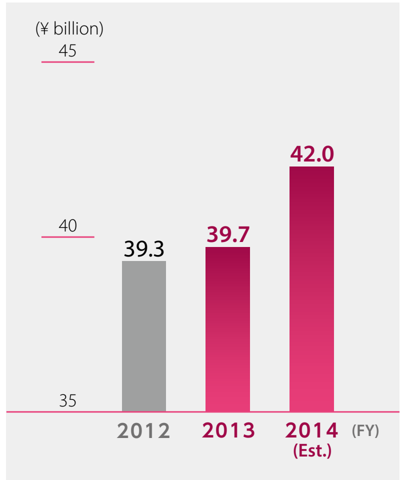
■ Revenues from Operations




■ Operating Income




■ Net Income




Source: Account settlements of each company