

(Translation)



MEMBERSHIP
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To Members of the Press

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Notice Regarding Revisions of Remuneration Plan for Directors

Hankyu Hanshin Holdings, Inc. (the “Company”) hereby announces that it has decided to revise the Company’s remuneration plan for Directors (hereinafter referred to as the “Revision of the Remuneration Plan”) at a meeting of the Board of Directors held today. In conjunction with the Revision of the Remuneration Plan, the Company has decided to propose a proposal to revise the amount of remuneration for Directors (excluding Directors Who Are Audit & Supervisory Committee Members; the same shall apply hereinafter) and a proposal to revise the performance-linked and share-based remuneration plan at the 188th Ordinary General Meeting of Shareholders scheduled to be held on June 18, 2026 (hereinafter referred to as “this Ordinary General Meeting of Shareholders”). The details are as follows.

1. Purpose and overview of the Revision of the Remuneration Plan

(1) Purpose

In order to realize the “Hankyu Hanshin Holdings Group Long-Term Management Plan” (hereinafter referred to as the “Long-Term Management Plan”), the Company has decided to revise its remuneration plan for Directors to a system framework that further enhances linkage with the Long-Term Management Plan with the goal of enhancing motivation toward the sustainable growth of corporate value while also acting as incentive for enhancing shareholder value.

(2) Overview

The remuneration structure and the main changes after the revisions are as follows.

| Type of remuneration | | | Positioning | Grant method | Eligible recipients | |
|----------------------|------------------------------------------------------|-------------------|--------------------------------|-------------------|---------------------|-----------------------------|
| | | | | | Executive director | Non-executive director (*1) |
| Fixed | Basic remuneration | Cash | Base remuneration | Monthly | ○ | ○ |
| Performance-linked | Performance-linked bonuses [newly established] | Cash | Short-term incentive | Annually | ○ | — |
| | Performance-linked and share-based remuneration (*2) | Shares, etc. (*3) | Medium- to long-term incentive | After resignation | ○ | — |

*1 It refers to directors who do not engage in business execution. The same applies hereinafter.

- *2 Share-based remuneration that grants the Company's shares, etc. after retirement utilizing the structure of the trust that sets the Company as the trustor.
- *3 A portion is converted by the Company and paid in cash as the equivalent to the conversion amount for the purpose of securing funds for tax payment, such as withholding income tax, etc.

Major changes from the current plan

- Performance-linked remuneration was limited to the Representative Director only, however, in order to further enhance motivation for enhancing the performance of executive directors, eligible recipients will be expanded to include executive directors.
- Performance-linked remuneration only covered performance-linked and share-based remuneration, however, to ensure that incentive for both performance achievement for each business year and sustainable enhancement of corporate value functions appropriately, the Company has decided to classify performance-linked remuneration as short-term and long-term, newly establish performance-linked bonuses as short-term incentive, and position performance-linked and share-based remuneration as medium- to long-term incentive.

Performance indicators used to calculate the amount for the newly introduced performance-linked bonuses use financial indicators (ROE, business profit, and profit attributable to owners of parent) that are particularly emphasized in the Long-Term Management Plan, whereas performance indicators for performance-linked and share-based remuneration will be changed to non-financial indicators (employee engagement score, percentage of women in management positions, percentage of women among new hires, greenhouse gas (GHG) emission reduction rate) that are particularly emphasized in the Long-Term Management Plan in addition to the same financial indicators as performance-linked bonuses. In addition, specific performance indicators will be determined by the Nomination and Compensation Committee.

2. Revisions of monetary remuneration

(1) Introduction of performance-linked bonuses

(i) Eligible persons

Executive directors of the Company

(ii) Performance Indicators

Financial indicators (ROE, business profit, and profit attributable to owners of parent) that are particularly emphasized in the Long-Term Management Plan

(2) Upper limit of monetary remuneration

In conjunction with introducing the performance-linked bonuses, the Company will change the provision regarding the upper limit of the amount of remuneration from a monthly amount to an annual amount, subject to the approval of this Ordinary General Meeting of Shareholders. Additionally, taking into consideration that the roles and responsibilities expected of External Directors are increasing, in conjunction with revising the amount of remuneration for External Directors (excluding Directors Who Are Audit & Supervisory Committee Members; the same shall apply hereinafter), the Company will revise the upper limit of the monetary remuneration from the combined total of basic remuneration and performance-linked bonuses as follows. However, as before, remuneration for non-executive directors including External Directors will be the basic remuneration only.

(Before the revisions) No more than 30 million yen per month (of which, no more than 5 million yen for External Directors)

(After the revisions) No more than 380 million yen per year (of which, no more than 80 million yen for External Directors)

*The amount of remuneration for Directors excluding External Directors after the revision is the amount of remuneration equivalent to the annual amount before the revision.

3. Revisions of performance-linked and share-based remuneration plan

The Company has introduced a share-based remuneration plan (hereinafter referred to as the “Share-Based Remuneration Plan”) that utilizes a structure known as an officer remuneration BIP (Board Incentive Plan) trust (hereinafter referred to as the “BIP Trust”) for persons who serve as Representative Director of the Company (excluding those who do not reside in Japan).

Following the purpose of the Revision of the Remuneration Plan, the Company will revise its Share-Based Remuneration Plan as follows, subject to the approval of this Ordinary General Meeting of Shareholders.

(i) Eligible persons

(Before the revisions) Representative Director

(After the revisions) Executive directors (excluding those who do not reside in Japan, hereinafter referred to as the “Eligible Directors”).

(ii) Performance Indicators

(Before the revisions) Profit attributable to owners of parent for the fiscal year

(After the revisions) Financial indicators (ROE, business profit, and profit attributable to owners of parent) and non-financial indicators (employee engagement score, percentage of women in management positions, percentage of women among new hires, greenhouse gas (GHG) emission reduction rate) that are particularly emphasized in the Long-Term Management Plan

(iii) Upper limit of the amount contributed to the trust by the Company

(Before the revisions) A total of 1,320 million yen (440 million yen per fiscal year) covering three fiscal years.

(After the revisions) A total of 1,170 million yen (390 million yen per fiscal year) covering three fiscal years.

(iv) Upper limit of the Company’s shares, etc. to be delivered, etc. to Eligible Directors

(Before the revisions) 240,000 points (equivalent to 240,000 shares) covering three fiscal years, with the average per fiscal year being 80,000 points (equivalent to 80,000 shares).

(After the revisions) 180,000 points (equivalent to 180,000 shares) covering three fiscal years, with the average per fiscal year being 60,000 (equivalent to 60,000 shares).

(v) Introduction of clawback clause

With the current performance-linked and share-based remuneration, there was a malus clause in which the Company is able to not provide remuneration that will be paid in the future to Eligible Directors in the event there is a significant breach in their duties as a Director. In addition to this, the Company will introduce a clawback clause where it can demand the return of remuneration equivalent to the Company’s shares, etc. delivered, etc.

4. Outline of performance-linked and share-based remuneration plan

The BIP Trust to be adopted under the Share-Based Remuneration Plan is a system of granting points to Eligible Directors who have met certain beneficiary requirements, full time Directors of Hankyu Corporation, HANSHIN ELECTRIC RAILWAY CO., LTD., and Hankyu Hanshin Properties Corp., subsidiaries of the Company (hereinafter, the Company and these three subsidiaries are collectively referred to as “Eligible Companies”), and Executive Officers (excluding those who do not reside in Japan; hereinafter, Directors and Executive Officers are collectively referred to as “Eligible Directors, etc.”), in accordance with the Eligible Companies’ share delivery regulations based on their positions and other factors, and granting the Company’s shares based on accumulated points and paying the amount of money equivalent to the Company’s shares converted into cash, in principle at the time of their retirement.

[Details of the trust agreement]

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|--------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | Type of trust | Money trust other than individually operated designated money trusts (third-party benefit trust) |
| (ii) | Purpose of trust | To provide incentive to Eligible Directors, etc. |
| (iii) | Settlor | The Company |
| (iv) | Trustee | Mitsubishi UFJ Trust and Banking Corporation (Joint Trustee: The Master Trust Bank of Japan, Ltd.) |
| (v) | Beneficiaries | Retired Eligible Directors who meet the beneficiary requirements |
| (vi) | Trust administrator | A third party who has no interest in the Company (certified public accountant) |
| (vii) | Trust period | May 17, 2017 - August 31, 2029 (planned) |
| (viii) | Exercise of voting rights | Rights shall not be exercised. |
| (ix) | Class of shares acquired | The Company's common stock |
| (x) | Method of acquisition of shares | Acquisitions from the stock market *Details of the acquisition timing, etc. are scheduled to be determined and disclosed after this Ordinary General Meeting of Shareholders. |
| (xi) | Attributable right holder | The Company |
| (xii) | Residual assets | The residual assets that can be received by the Company, as the rights holder, shall be limited to the equivalent of the trust expense reserve after deducting the funds for acquiring shares from the trust money. |

End