

**Supplementary Briefing during the Briefing on Earning Results**  
**for the Fiscal 2026 (Ended March 2026)**

**Presented by Yasuo Shimada, President and Representative Director, Group CEO**

\* The page numbers shown here indicate the page numbers in the results briefing materials.

**Summary of results for the fiscal 2026 (P5)**

• Revenue and profit increased year-on-year in FY2026, exceeding initial expectations, on the back of a significant increase in revenue from condominium sales in the Real Estate segment, as well as demand captured mainly in the Urban Transportation segment and Hotel business in association with the Expo 2025 Osaka, Kansai, Japan and strong performance in the Sports business following the Hanshin Tigers' victory in the league championship.

**FY2027 full-year forecasts (P7)**

• In FY 2027, revenue is expected to increase due to significant growth in the Real Estate segment. However, business profit is expected to decrease due to the impact of the situation in the Middle East together with the non-recurrence of special demand related to the Expo 2025 Osaka, Kansai, Japan and professional baseball in the previous period. Nevertheless, profit attributable to owners of the parent is projected to increase, reflecting the rebound from extraordinary losses recognized in the prior year in addition to gains on asset sales.

**Progress in Long-Term Vision (P36-52)**

**<Profit Growth Outlook Toward FY2031 (P37) >**

• Following the announcement of our Long-Term Management Plan in March last year, we have made a promising start in FY2026, the first year of the plan.

• We have moved forward with establishing concrete measures toward achieving our FY2031 business profit target of ¥160 billion since announcing the plan, and as described, have secured a clear pathway to achieving this profit target through the expansion of the condominium business and the short-term return business in the Real Estate segment, among other initiatives.

• Moving forward, we will accelerate the progress of each strategy with the aim of achieving an ROE of 8% at an early stage and becoming a corporate group capable of delivering further growth.

**<Cash Allocation Update (P38) >**

• Looking ahead to FY2031, we will increase growth investments by ¥120 billion compared to the investment volume announced in March of last year, with a focus on the domestic condominium business and other businesses.

• To support this, we will increase asset sales by ¥90 billion and utilize borrowings within a range that maintains fiscal discipline with a view to making the necessary investments while controlling the balance sheet to improve capital efficiency and achieve medium- to long-term growth.

The initiatives being implemented within each business are outlined below.

## <Improving Cash Generation Capabilities and Restructuring in the Urban Transportation Segment (P40) >

### – Revisions to railway fares

•With the aim of further enhancing the value of the Company's line-side areas, while taking into account inflation trends, we are moving forward with capital investments aimed at improving safety and service quality ahead of schedule. We are looking to implement fare revisions on Hankyu and Hanshin Lines by FY2031 at the latest.

### – Restructuring the Retailing business

•In restructuring our retailing business, we folded station-based leasing PM functions into our Real Estate (leasing) segment, and transferred the retail business to an operator that is expected to drive its growth.  
•Looking ahead, we will continue to pursue the selection and concentration of our businesses, and will also consider externalizing businesses that do not contribute to our medium- to long-term growth.

## <Sustainable Growth in the Real Estate Segment (P41~42) >

•In the Osaka-Umeda area, GRAND GREEN OSAKA South Building opened in March last year and has attracted a large number of visitors, while office occupancy has also progressed steadily. In addition, in December 2025, we held TAKARAZUKA FANtastic Christmas in UMEDA to commemorate the 111<sup>th</sup> anniversary of the Takarazuka Revue. We leveraged our assets in the Osaka-Umeda area to deploy the Takarazuka Revue, one of the Company's core strengths.

•Looking ahead, we will move forward with the redevelopment of Hotel New Hankyu Osaka and the Hankyu Terminal Building, the complete renovation of Hankyu Sanban Gai, and the Hankyu Osaka-Umeda Station renewal project, and are engaged in ongoing discussions with government bodies and other relevant authorities and hope to provide an outline at the earliest suitable timing.

## <Sustainable Growth in the Real Estate Segment (P43~44) >

### – Rent revisions in rental properties

•To further improve profitability, we are moving forward with rent revisions. In particular, in the Osaka-Umeda area—our Group's largest business hub—we will look to spearhead efforts to improve the value of the Osaka-Umeda area as a price leader.

### – Taking rental properties off the balance sheet

•We have recently commenced a review regarding the establishment of an open-end private real estate fund. The fund is projected to exceed approximately ¥200 billion in assets within five years of its establishment. We aim to plan and structure it as an investment vehicle that maximizes the use of our group's long-standing business foundation and real estate expertise to pursue stable, medium- to long-term returns.

#### **– Expanding the Overseas Real Estate business**

- We aim to expand the scope of the Overseas Real Estate business, a key growth driver, while enhancing capital efficiency.
- At present, we are prioritizing upfront investments to expand the scale of the business, with a view to realizing the effects of these investments and improving returns in the future.
- Specifically, in FY2026 business profit for the overseas real estate business was ¥9.3 billion, with invested capital currently at ¥330 billion, reaching 80% of the level of invested capital anticipated for the end of FY2031. As returns from these investments grow through to FY2031, business profit is expected to grow to ¥28 billion, which is set to be accompanied by a corresponding improvement in yields.

#### **<Sustainable Growth in the Entertainment Segment (P45) >**

- In the baseball business, we recognize that developing and retaining a loyal fan base through building a strong team is essential. Leveraging our new player development facility, the “Zero Carbon Baseball Park,” we will continue to focus on player development. At the same time, by enhancing the value we provide to customers through initiatives such as the Silver Canopy Extension at Hanshin Koshien Stadium, we will elevate our brand value and aim to achieve further growth in the business.
- In January 2026, we implemented partial seat price revisions for the Takarazuka Revue. Despite continuing inflationary pressures, we remain committed to the delivery of dazzling, highly original performances by the Takarazuka Revue. In addition, we will work to expand our overseas streaming distribution and implement promotional initiatives in local markets.

#### **<Developing New Revenue Sources (P46~47) >**

##### **– M&A in the Information Services business**

- Given the strong growth expected in digital-related markets, we plan to strategically utilize M&A to accelerate entry into new business domains and rapidly capture market expansion.
- More specifically, we are considering M&A in the information security field and the enterprise field.

##### **– Strengthening tourism and inbound travel fields**

- In an aim to develop new sources of revenue in tourism and inbound travel markets expected to see further growth, the Company established the Tourism Division.
- Through operating tours via Ponant Cruises that circle various destinations in the Seto Inland Sea for inbound travelers, as well as through the acquisition of the small luxury hotel “Azumi Setoda,” we will expand Group collaboration, cultivate new sources of revenue and aim to achieve sustainable growth.

##### **– Strengthening collaborations with the TOHO Group**

- With the aim of “making our line-side communities the absolute best” and “maximizing content appeal and developing new content”, two goals outlined in our Long-Term Management Plan, we will further strengthen collaboration with the TOHO Group, which has strong capabilities in content and IP fields.

### **<Flexible Returns to Shareholders (P48~49) >**

- In addition, as part of our balance sheet control initiatives outlined in the long-term management plan, we will revise our shareholder return policy from this fiscal year.
- Regarding shareholder returns, we will achieve a total cumulative payout ratio of more than 50% over the six-year period from fiscal year ending March 2026 to fiscal year ending March 2031 leading to a stable dividend with a minimum annual dividend of JPY 100 per share, and flexible acquisition of its treasury stock up to the end of fiscal year ending March 2031 considering cash flow situation, stock price trends, and other factors.
- Over the six-year period from FY2026 to FY2031, we plan to deliver over ¥250 billion in total shareholder returns, including over ¥100 billion in the acquisition of treasury stock by FY2031. Further, the acquisition of treasury stock as per this disclosure is set at ¥30 billion, and we will continue to acquire treasury stock flexibly moving forward.

### **<Enhancing Corporate Governance (P50) >**

#### **– Revisions to the Compensation Structure for Directors**

- We have decided to revise our remuneration plan to further enhance its 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.
- Furthermore, priority management indicators in the Long-Term Management Plan shall be used as performance indicators for performance-linked compensation. Non-financial indicators will be incorporated into mid- to long-term performance-linked equity compensation.

#### **– Increase in the Number of Directors (Independent Outside Directors)**

- To enhance Board diversity and establish a management structure capable of responding swiftly to changes in the business environment, the Company increased the number of Independent Outside Directors who are women by one. As a result, Independent Outside Directors now account for half of the Board, and the number of Directors who are women has increased to four.

### **Conclusion**

- We have put in place a clear pathway toward achieving our targets for FY2031, as outlined above.
- Having said that, we are still only at the start line. With interest rates rising and global conditions becoming increasingly unstable, the business environment is shifting more rapidly and significantly than expected, necessitating that we accelerate the transformation of our Group.
- Accordingly, we will continue to enhance our profitability by driving growth in existing businesses and developing new revenue streams, while pursuing further opportunities to more effectively leverage our assets. In addition, we will pursue overall balance sheet control through asset sales, disciplined financing, and responsive shareholder return measures while monitoring our annual cash flow position.
- Further, we will improve the returns of each business and enhance our cash-generation capability through the development of asset-light businesses, including fee-based and content businesses, in collaboration with

our partners. Through these efforts, we aim to establish a virtuous cycle that enables us to secure funding while increasing our capacity for growth investments. In this way, by expanding the return spread on growth investments and accelerating the realization of investment outcomes, we will achieve both improved profitability and enhanced capital efficiency, while also increasing capital turnover.

•Moving forward, the Group will continue to pursue ongoing transformation with a strong sense of urgency. We aim to stay one step ahead of the rapid changes in our environment, act with agility and flexibility, and respond to the expectations of all stakeholders in communities along our railway lines and across the Group. I humbly ask for your understanding and support in this matter moving forward.