Hankyu Hanshin Holdings Group

# Results Briefing Materials for Financial Results

## for Fiscal 2026 (Ended March 2026)

May 21, 2026

阪急阪神ホールディングス株式会社

Hankyu Hanshin Holdings, Inc.

# Top Message

One year has passed since we announced our Long-Term Management Plan in March of last year.

Since then, we have repeatedly reviewed and developed the concrete initiatives necessary to achieve our FY2031 targets, and have now put in place a clear pathway toward accomplishing them.

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.

Hankyu Hanshin Holdings., Inc.

President and Representative Director, Group CEO

嶋田泰夫

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<Separate Document: Reference Data>

(1) Long-Term Management Plan

(2) Sustainable Management

(3) Other


* The information is also available on our corporate website:
https://www.hankyu-hanshin.co.jp/en/ir/library/presentations/

Business forecasts and other projections herein are based on information available at present and logical assessments and do not represent any promise by the Company. The actual results may differ significantly from these projections due to various factors.

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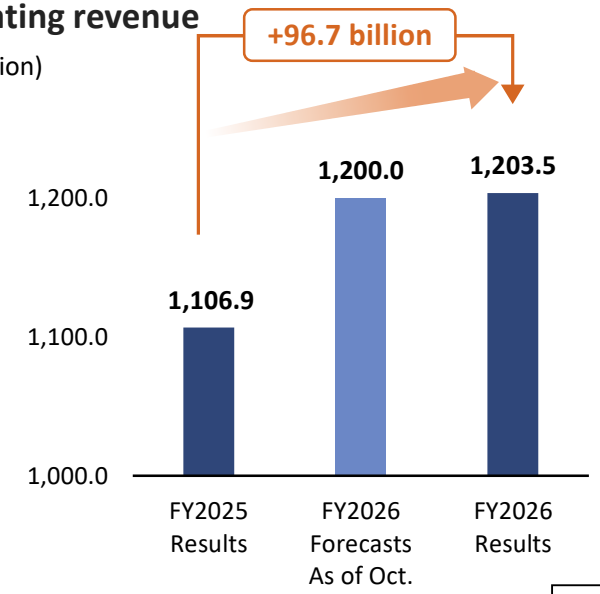
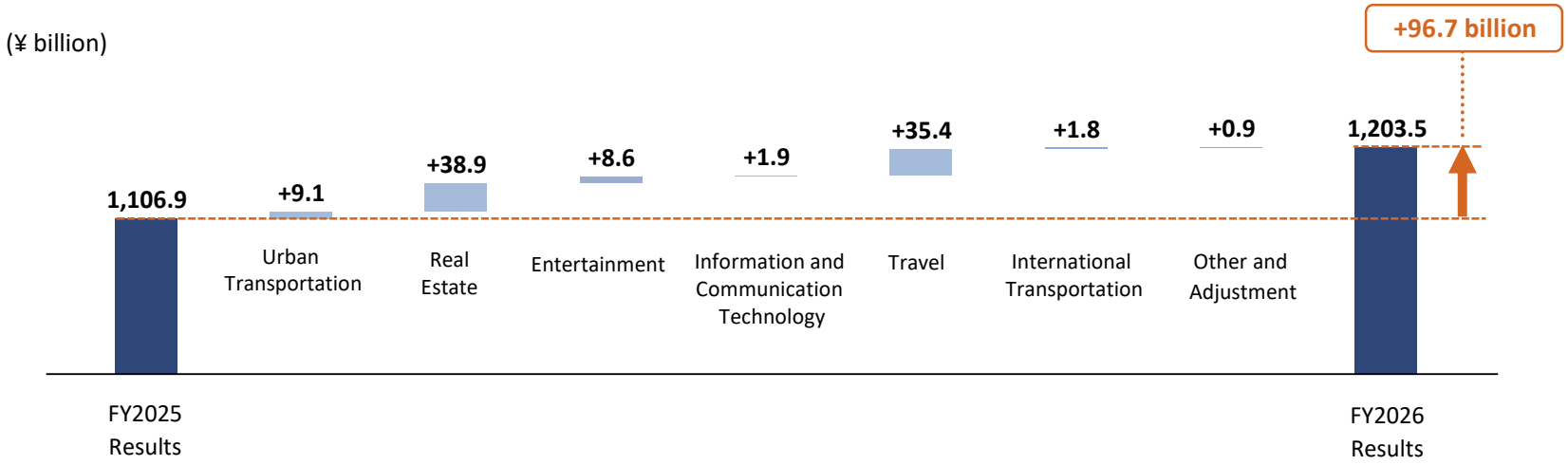
# Ⅰ. Executive Summary

# FY2026 Performance (Comparison with FY2025)

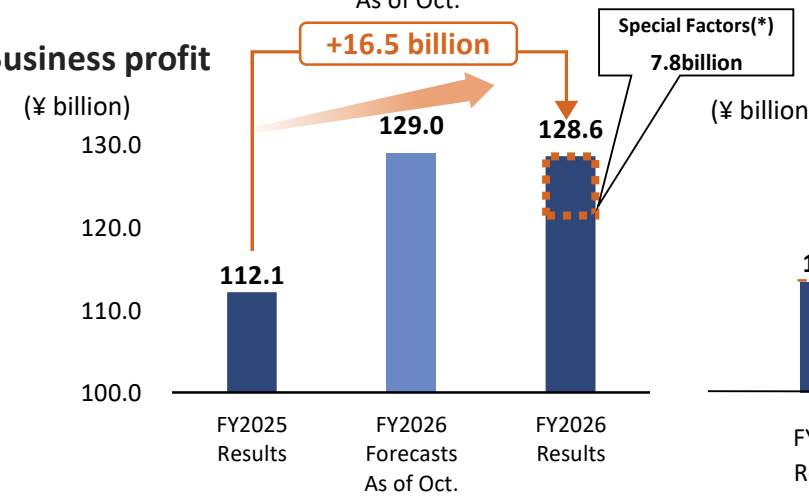
- Revenue and profit increased on the back of a significant increase in revenue from condominium sales in the Real Estate segment as well as demand captured mainly in the Urban Transportation segment and Hotel business in association with the Expo 2025 Osaka, Kansai, Japan and strong performance in the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

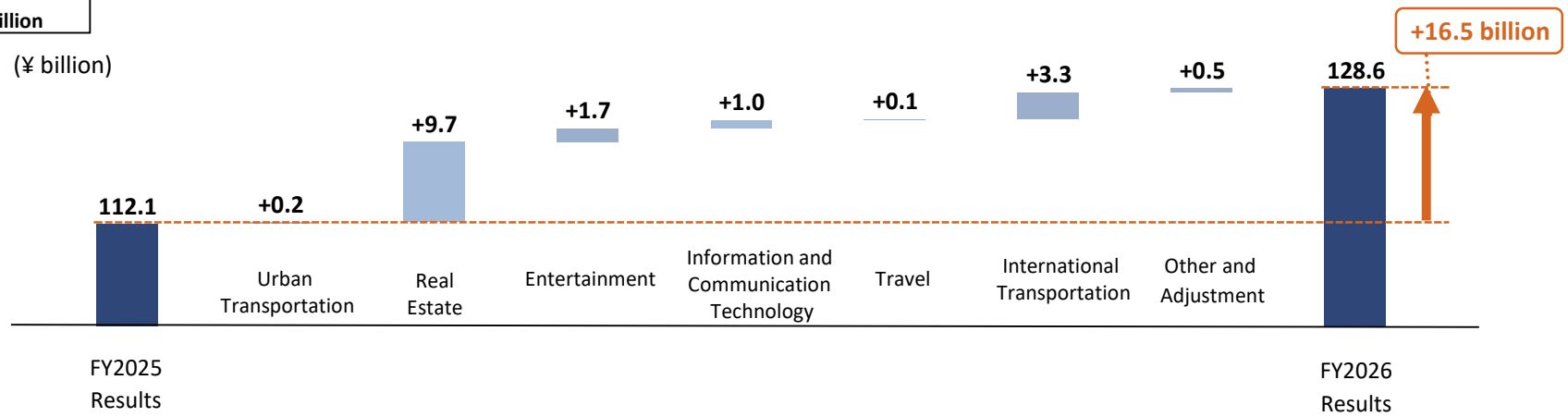
## Operating revenue




## Business profit



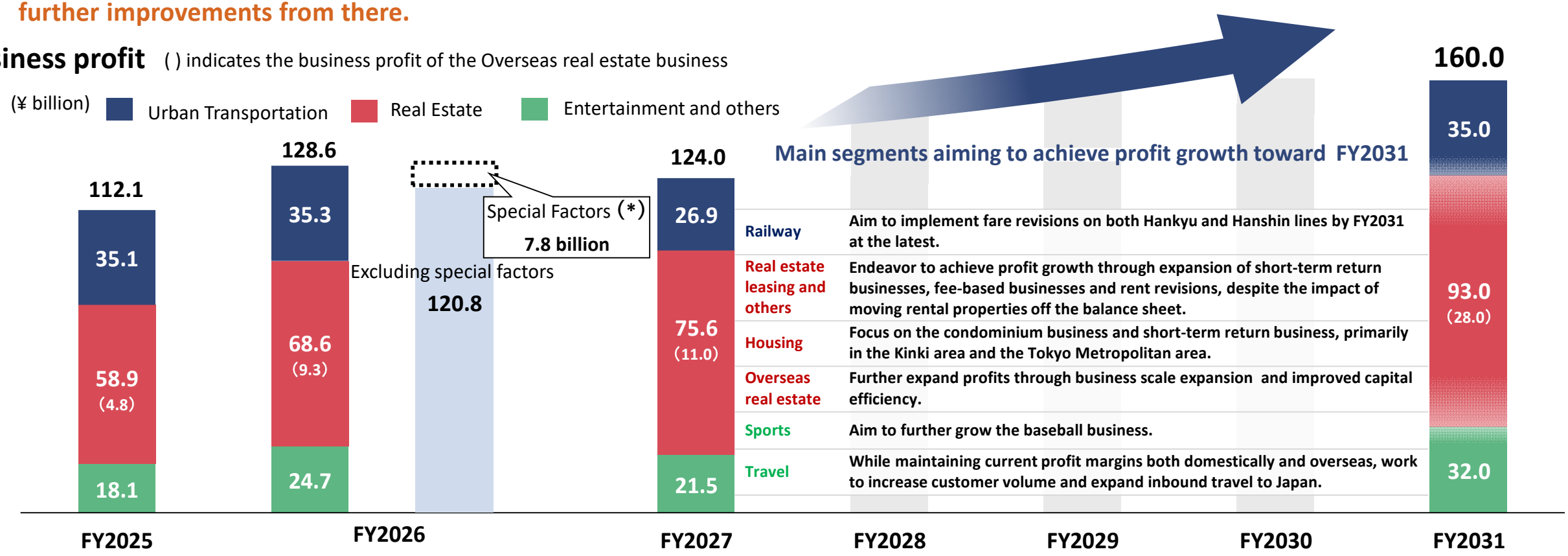

Special factors for FY2026: Impact from the Expo 2025 Osaka, Kansai, Japan and the Hanshin Tigers championship victory

# Profit Growth Outlook Toward FY2031

- We have made a promising start toward achieving our Long-Term Management Plan, with FY2026 results exceeding our initial forecast for business profit of ¥118 billion.
- We have moved forward with establishing concrete measures toward achieving our FY2031 business profit target of ¥160 billion, and 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 continue to advance these strategies with the aim of reaching an **ROE of 8% at an early stage** and **making further improvements from there.**

## Business profit

( ) indicates the business profit of the Overseas real estate business




### Main segments aiming to achieve profit growth toward FY2031

| | |
|---|---|
| Railway | Aim to implement fare revisions on both Hankyu and Hanshin lines by FY2031 at the latest. |
| Real estate leasing and others | Endeavor to achieve profit growth through expansion of short-term return businesses, fee-based businesses and rent revisions, despite the impact of moving rental properties off the balance sheet. |
| Housing | Focus on the condominium business and short-term return business, primarily in the Kinki area and the Tokyo Metropolitan area. |
| Overseas real estate | Further expand profits through business scale expansion and improved capital efficiency. |
| Sports | Aim to further grow the baseball business. |
| Travel | While maintaining current profit margins both domestically and overseas, work to increase customer volume and expand inbound travel to Japan. |

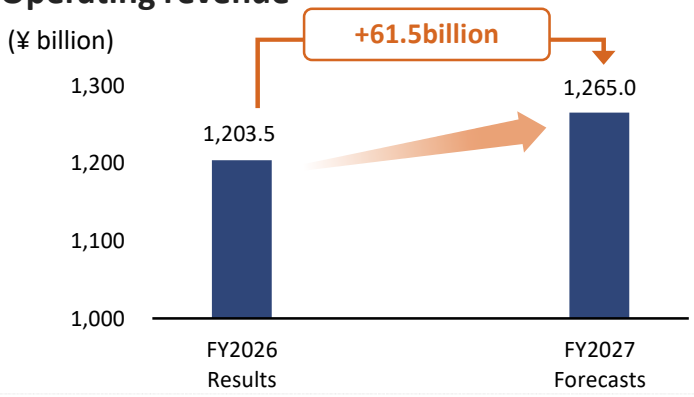
| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 | FY2031 |
|---|---|---|---|---|---|---|---|
| ROE | 6.7% | 7.3% | 7.3% | | | | Aim to achieve 8% at an early stage |

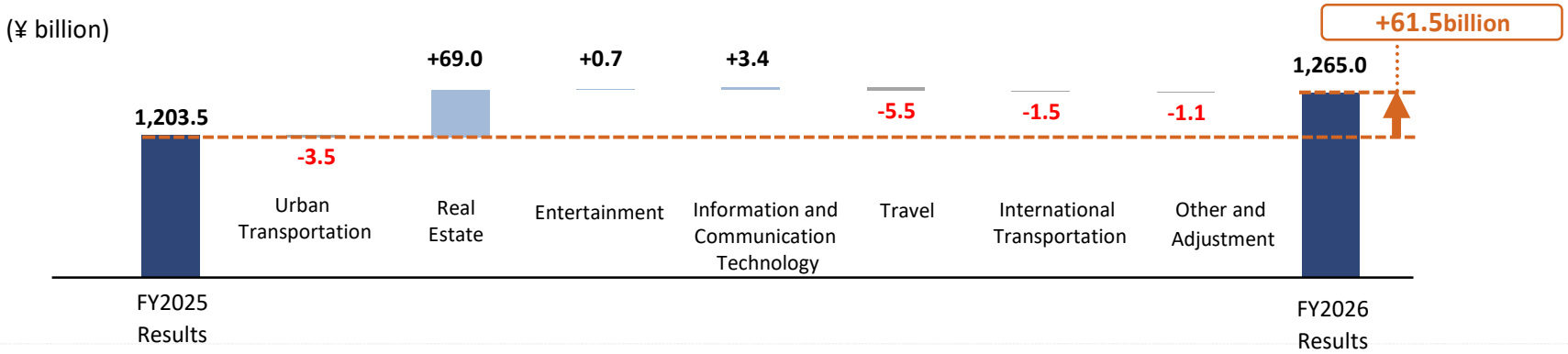
※ Special factors for FY2026: Impact from the Expo 2025 Osaka, Kansai, Japan and the Hanshin Tigers championship victory

# FY2027 Forecasts

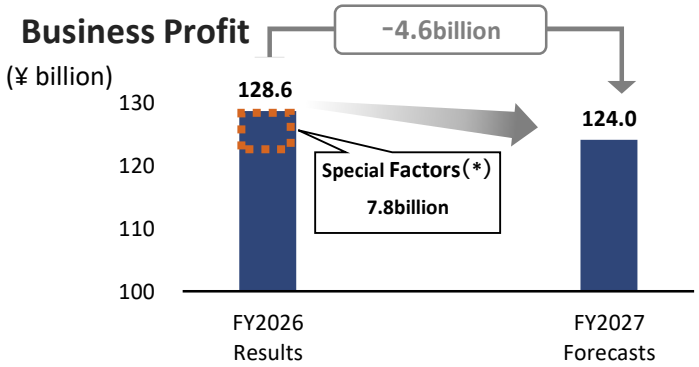
- Revenue is expected to increase due to significant growth in the Real Estate segment. Nevertheless, profit is expected to decrease due to the impact of the situation in the Middle East together with the non-recurrence of special demand related to the Expo 2025 Osaka, Kansai, Japan and professional baseball in the previous period.
- However, in addition to the reversal of extraordinary losses from the previous period, profit attributable to owners of parent is expected to increase due to the recognition of gains from asset sales.

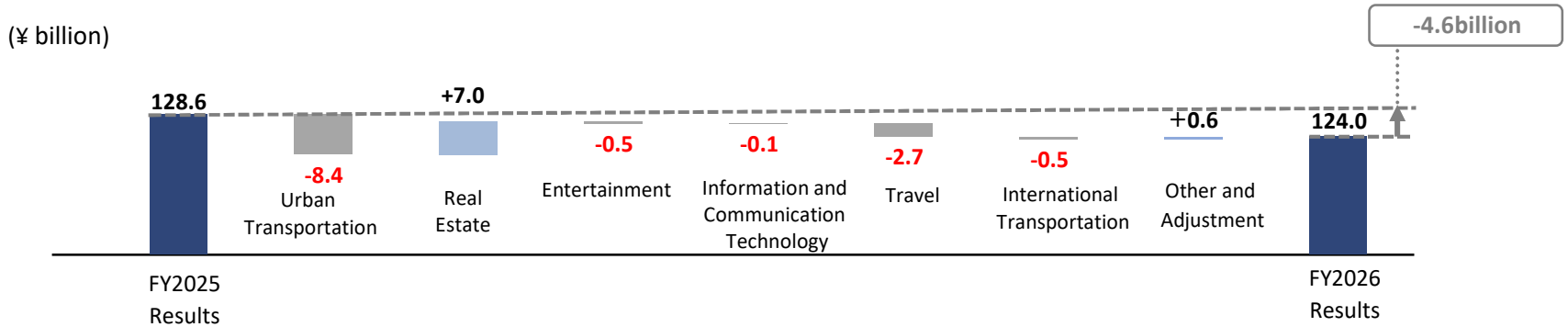
## Operating revenue



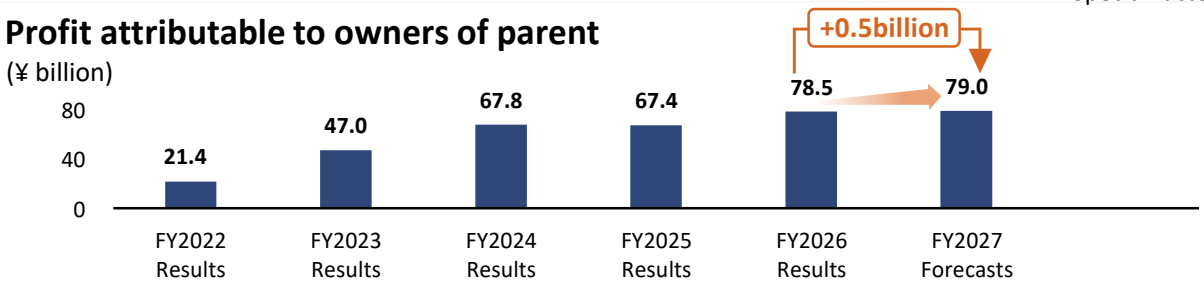

## Business Profit




*Special factors for FY2026: Impact from the Expo 2025 Osaka, Kansai, Japan and the Hanshin Tigers championship victory

## Profit attributable to owners of parent



# Flexible Returns to Shareholders (1)

## ■Changes to the Shareholder Return Policy

- We aim to achieve medium-to long-term growth while simultaneously maintaining control over the balance sheet to improve capital efficiency through enhanced shareholder return and other means.
- Based on this approach, we have decided to make changes to its shareholder return policy from FY2026 as follows to **enable flexible acquisition and cancellation of its treasury stock considering cash flow situation, stock price trends, and other factors.**

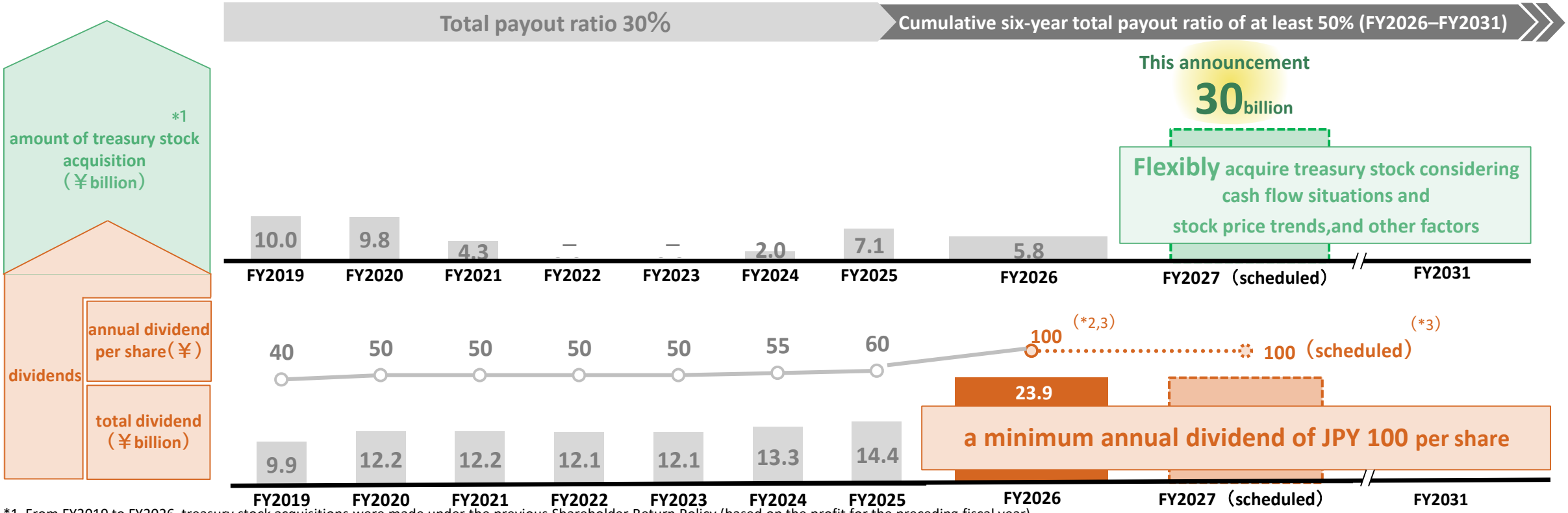
| | |
|---|---|
| **Before** | • We will pursue growth investments aimed at medium- to long-term expansion while maintaining financial soundness, and strive to return value to shareholders with a focus on capital efficiency.<br>• Regarding shareholder returns, we will maintain a stable dividend with a minimum annual dividend of JPY 100 per share, and flexibly acquire treasury stock, taking into account cash flow, with a total payout ratio target of approximately 50%.<br>• Regarding treasury stock, the maximum holding is set at 5% of the total number of issued shares. Any shares exceeding this limit will be cancelled.<br>[Reference] Formula for calculating total payout ratio<br>$\text{Total payout ratio of FY[N](\%)} = \frac{\text{(Total dividend of FY[N])+(Acquisition of treasury stock in FY[N+1])}}{\text{(Net income attributable to owners of parent in FY[N])}} \times 100$ |
| **After** | • We will pursue investments aimed at medium- to long-term growth while maintaining financial soundness, and strive to return value to shareholders with a focus on capital efficiency.<br>• 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.** |

# Flexible Returns to Shareholders (2)

- Total returns to shareholders for the total cumulative payout ratio six-year period from FY2026 to FY2031 shall be **¥250 billion or more,** of which at least **¥100 billion in treasury stock will be acquired by the end of the FY2031.**
- The acquisition of treasury stock announced at this time is set at **¥30 billion,** and we will continue to **flexibly acquire treasury stock** moving forward.

## Future Shareholder Return Policy (Six-year cumulative total for FY2026–FY2031)

| Total payout ratio | total payout ratio（indicative） | The acquisition of treasury stock（indicative） |
|---|---|---|
| at least 50% | at least 250 billion | at least 100 billion |




*1 From FY2019 to FY2026, treasury stock acquisitions were made under the previous Shareholder Return Policy (based on the profit for the preceding fiscal year)
*2 If the proposal concerning the appropriation of surplus is approved at the Ordinary General Meeting of Shareholders on June 18, 2026
*3 Interim dividend of ¥50/year-end dividend of ¥50

# Ⅱ. Performance Highlights for Fiscal 2026 (Ended March 2026)

# Consolidated Statements of Income (Summary)

| | FY2026 Results | FY2025 Results | Change |
|---|---|---|---|
| Consolidated Subsidiaries | 111 companies | 111 companies | − (4 companies increase, 4 companies decrease) |
| Equity-Method Affiliates | 15 companies | 13 companies | +2 (2 companies increase) |
| **Total** | **126 companies** | **124 companies** | +2 companies |

| (¥ million) | FY2026 Results | FY2025 Results | Change | | Remarks |
|---|---|---|---|---|---|
| **Operating revenue** Record high | **1,203,506** | **1,106,854** | **+96,652** | **( +8.7% )** | For details, please see P12. |
| **Operating profit** Record high<br>**[Business profit]** | **127,136**<br>**[128,580]** | **110,879**<br>**[112,124]** | **+16,257**<br>**[+16,456]** | **( +14.7% )**<br>**[ +14.7% ]** | |
| Non-operating income | 23,021 | 19,719 | +3,302 | | Share of profit of entities accounted for using equity method +846 |
| Non-operating expenses | 25,609 | 19,356 | +6,252 | | Interest expenses +3,705 |
| **Ordinary profit** Record high | **124,548** | **111,242** | **+13,306** | **( +12.0% )** | |
| Extraordinary income | 12,362 | 5,953 | +6,409 | | Gain on sale of investment securities +7,712 |
| Extraordinary losses | 21,992 | 14,399 | +7,592 | | Provision for loss on removal of property and equipment +6,153 |
| **Profit attributable to owners of parent** Record high | **78,538** | **67,386** | **+11,152** | **( +16.5% )** | |

[Reference]

| | | | |
|---|---|---|---|
| **Depreciation and amortization** | **68,779** | **64,475** | **+4,303** |
| **Financial balance (1) - (2)** | **-13,048** | **-9,876** | **-3,171** |
| Interest and dividend income (1) | 2,722 | 2,188 | +534 |
| Interest expenses (2) | 15,770 | 12,065 | +3,705 |

Note: Business profit = Operating profit + Equity-method gains/losses related to overseas business investments, etc.

# Consolidated Statements of Income (Breakdown for each business segment)

**Key results in current period**

Revenue and profit increased 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.

| (¥ million) | Operating revenue | | | Operating profit [Business profit] | | |
|---|---|---|---|---|---|---|
| | FY2026 Results | FY2025 Results | Change | FY2026 Results | FY2025 Results | Change |
| Urban Transportation | 214,293 | 205,177 | +9,116 | 35,298 | 35,135 | +162 |
| Real Estate | 406,705 | 367,788 | +38,916 | 67,113<br>[68,556] | 57,629<br>[58,873] | +9,483<br>[+9,682] |
| Entertainment | 91,171 | 82,542 | +8,628 | 13,091 | 11,406 | +1,685 |
| Information and Communication Technology | 71,968 | 70,088 | +1,880 | 7,841 | 6,879 | +962 |
| Travel | 296,546 | 261,104 | +35,442 | 5,423 | 5,298 | +125 |
| International Transportation | 106,472 | 104,717 | +1,755 | 2,049 | -1,284 | +3,334 |
| Other | 73,564 | 69,647 | +3,916 | 4,293 | 3,660 | +632 |
| Adjustment | -57,216 | -54,212 | -3,003 | -7,974 | -7,844 | -129 |
| Total | 1,203,506 | 1,106,854 | +96,652 | 127,136<br>[128,580] | 110,879<br>[112,124] | +16,257<br>[+16,456] |

Note: 1) Business profit = Operating profit + Equity-method gains/losses related to overseas business investments, etc.

2) Effective from FY2026, the revenue and expenses of certain subsidiaries engaged in the Retailing business within the Urban Transportation segment are now presented under the Other segment. The figures for the corresponding period of the previous year have been reclassified accordingly for comparison purposes.

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# Urban Transportation Results

- Revenue increased in the Railway business as ridership increased, driven by the Expo 2025 Osaka, Kansai, Japan and inbound demand. Nevertheless, profit decreased due to increases in expenses, among other factors, including depreciation and amortization associated with capital investments such as the installation of platform screen doors.
- Revenue and profit increased in the Automobile business due to the operation of shuttle buses associated with the Expo 2025 Osaka, Kansai, Japan as well as fare revisions on some routes.

| (¥ million) | FY2026 Results | FY2025 Results | Change | % |
|---|---|---|---|---|
| **Operating revenue** | **214,293** | **205,177** | **+9,116** | **+4.4%** |
| **Operating profit** | **35,298** | **35,135** | **+162** | **+0.5%** |

[Breakdown by type of business]

| (¥ billion) | Opertating revenue | | | Operating profit | | |
|---|---|---|---|---|---|---|
| | FY2026 Results | FY2025 Results | Change | FY2026 Results | FY2025 Results | Change |
| **Railway** | **160.3** | 153.4 | +7.0 | **37.3** | 37.8 | -0.5 |
| **Automobile** | **48.1** | 44.8 | +3.3 | **4.0** | 2.5 | +1.6 |
| **Retailing** | **7.2** | 8.5 | -1.3 | **1.3** | 1.6 | -0.2 |
| **Others** | **10.4** | 10.5 | -0.1 | **1.0** | 0.8 | +0.2 |

Note: Not including head office expenses / adjustments.

# [Urban Transportation] Railway Performance Results

## Hankyu Corporation

| | Fare revenues (¥ million) | | | | Passenger volumes (Thousands) | | | |
|---|---|---|---|---|---|---|---|---|
| | FY2026 Results | FY2025 Results | Change | | FY2026 Results | FY2025 Results | Change | |
| **Commuter pass** | **33,754** | **33,013** | **+740** | **(+2.2%)** | **327,272** | **318,964** | **+8,308** | **(+2.6%)** |
| Workers | 29,515 | 28,891 | +624 | (+2.2%) | 230,808 | 225,791 | +5,016 | (+2.2%) |
| Students | 4,238 | 4,122 | +116 | (+2.8%) | 96,464 | 93,172 | +3,291 | (+3.5%) |
| **Other tickets** | **65,476** | **62,265** | **+3,211** | **(+5.2%)** | **301,371** | **290,022** | **+11,348** | **(+3.9%)** |
| **Total** | **99,231** | **95,278** | **+3,952** | **(+4.1%)** | **628,643** | **608,987** | **+19,656** | **(+3.2%)** |

## Hanshin Electric Railway

| | Fare revenues (¥ million) | | | | Passenger volumes (Thousands) | | | |
|---|---|---|---|---|---|---|---|---|
| | FY2026 Results | FY2025 Results | Change | | FY2026 Results | FY2025 Results | Change | |
| **Commuter pass** | **12,919** | **12,449** | **+469** | **(+3.8%)** | **128,042** | **124,258** | **+3,784** | **(+3.0%)** |
| Workers | 11,726 | 11,286 | +439 | (+3.9%) | 102,840 | 99,776 | +3,064 | (+3.1%) |
| Students | 1,192 | 1,162 | +30 | (+2.6%) | 25,202 | 24,482 | +719 | (+2.9%) |
| **Other tickets** | **24,945** | **23,065** | **+1,879** | **(+8.1%)** | **126,284** | **118,288** | **+7,995** | **(+6.8%)** |
| **Total** | **37,864** | **35,515** | **+2,349** | **(+6.6%)** | **254,326** | **242,547** | **+11,779** | **(+4.9%)** |

Note: 1) Revenue amounts less than one million yen, and numbers of passengers less than one thousand, are omitted.

2) For Hankyu Railway, "other ticket revenue/ridership" includes revenue/ridership associated with the PiTaPa usage sections.

3) Sum of tier 1 and tier 2 railway operators for both Hankyu Corporation and Hanshin Electric Railway.

4) Barrier-free charge is added to regular rail fares and included in the fare revenues from "Other tickets" and "Commuter pass: workers" for both Hankyu Corporation and Hanshin Electric Railway.

# [Urban Transportation] Transportation Revenue (Factors of YoY Change)

## Hankyu Corporation

### Transportation revenue (tier 1 + tier 2)

(¥ million)

| Totals for commuter passes and other tickets | Q1 | Q2 | Q3 | Q4 | Total |
|---|---|---|---|---|---|
| FY2026 Results | 26,065 | 24,576 | 25,354 | 24,234 | 99,231 |
| FY2025 Results | 24,059 | 23,349 | 24,344 | 23,525 | 95,278 |
| Change | ＋1,005 | +1,227 | +1,010 | +709 | +3,952 |
| (%) | ＋4.1 | +5.2 | +4.1 | +3.0 | +4.1 |

**Factors of YoY Change (estimated)**

- Impact of increased transportation demand (including inbound travel) **+2,226 million**
- Impact of Expo 2025 **+783 million**
- Impact of seat reservation fees (PRiVACE) **+383 million**

**and others**

## Hanshin Electric Railway

### Transportation revenue (tier 1 + tier 2)

(¥ million)

| Totals for commuter passes and other tickets | Q1 | Q2 | Q3 | Q4 | Total |
|---|---|---|---|---|---|
| FY2026 Results | 9,601 | 9,865 | 9,324 | 9,072 | 37,864 |
| FY2025 Results | 8,973 | 9,046 | 8,769 | 8,725 | 35,515 |
| Change | ＋628 | +818 | +555 | +347 | +2,349 |
| (%) | ＋6.9 | +9.0 | +6.3 | +3.9 | +6.6 |

**Factors of YoY Change (estimated)**

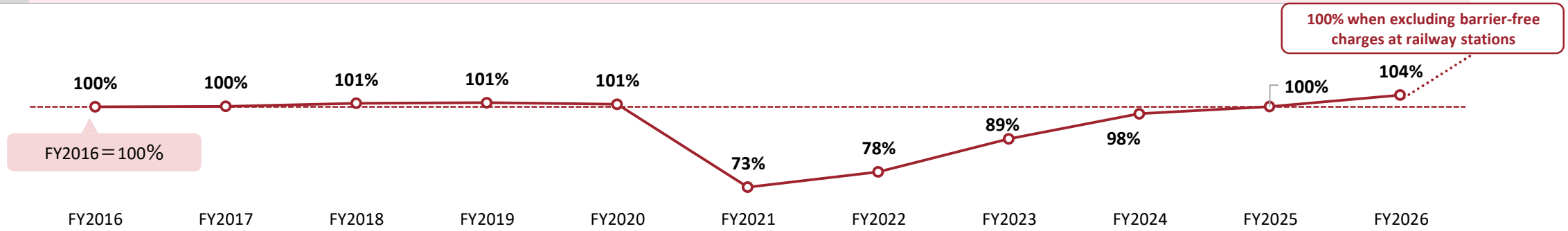
- Impact of increased transportation demand (including inbound travel) **+1,433 million**
- Impact of Expo 2025 **+431 million**
- Impact of collecting barrier-free charges for railway stations **+260 million**

**and others**

# [Urban Transportation] Referential Information

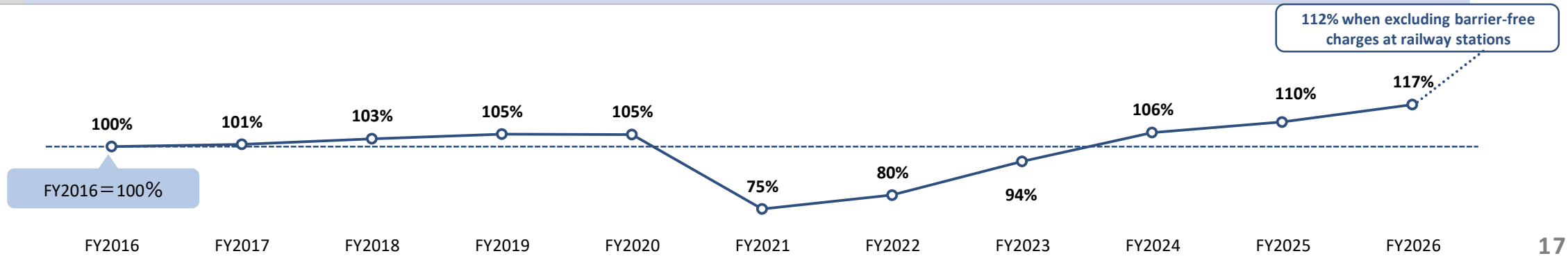
## Hankyu line / Transportation revenue (tier 1 + tier 2)

| (¥ million) | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Commuter passes | 32,272 | 32,628 | 33,198 | 33,456 | 34,119 | 28,093 | 28,654 | 29,900 | 32,244 | 33,013 | 33,754 |
| Other tickets | 62,920 | 62,720 | 63,137 | 63,059 | 61,887 | 40,982 | 45,422 | 54,908 | 60,674 | 62,265 | 65,476 |
| Total | 95,192 | 95,348 | 96,335 | 96,516 | 96,007 | 69,075 | 74,077 | 84,809 | 92,919 | 95,278 | 99,231 |




## Hanshin line / Transportation revenue (tier 1 + tier 2)

| (¥ million) | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Commuter passes | 11,372 | 11,563 | 11,797 | 12,024 | 12,327 | 10,476 | 10,628 | 11,096 | 12,010 | 12,449 | 12,919 |
| Other tickets | 21,035 | 21,136 | 21,638 | 22,030 | 21,665 | 13,725 | 15,397 | 19,365 | 22,242 | 23,065 | 24,945 |
| Total | 32,407 | 32,699 | 33,436 | 34,054 | 33,993 | 24,202 | 26,026 | 30,462 | 34,253 | 35,515 | 37,864 |



# Real Estate Results

- Revenue increased in the Real estate leasing and others business as a result of steady performance across properties and the sale of a short-term recovery-based logistics facility. Nevertheless, profit decreased due to increases in expenses in association with the opening of the GRAND GREEN OSAKA South Building.
- Revenue and profit increased due to the sale of high-priced condominiums in the Housing business and the contribution from the results of an Australian subsidiary for the full year in the Overseas real estate business.

| (¥ million) | FY2026 Results | FY2025 Results | Change | % |
|---|---|---|---|---|
| **Operating revenue** | **406,705** | **367,788** | **+38,916** | **+10.6%** |
| **Operating profit** | **67,113** | **57,629** | **+9,483** | **+16.5%** |
| **[Business profit]** | **[68,556]** | **[58,873]** | **[+9,682]** | **[+16.4%]** |

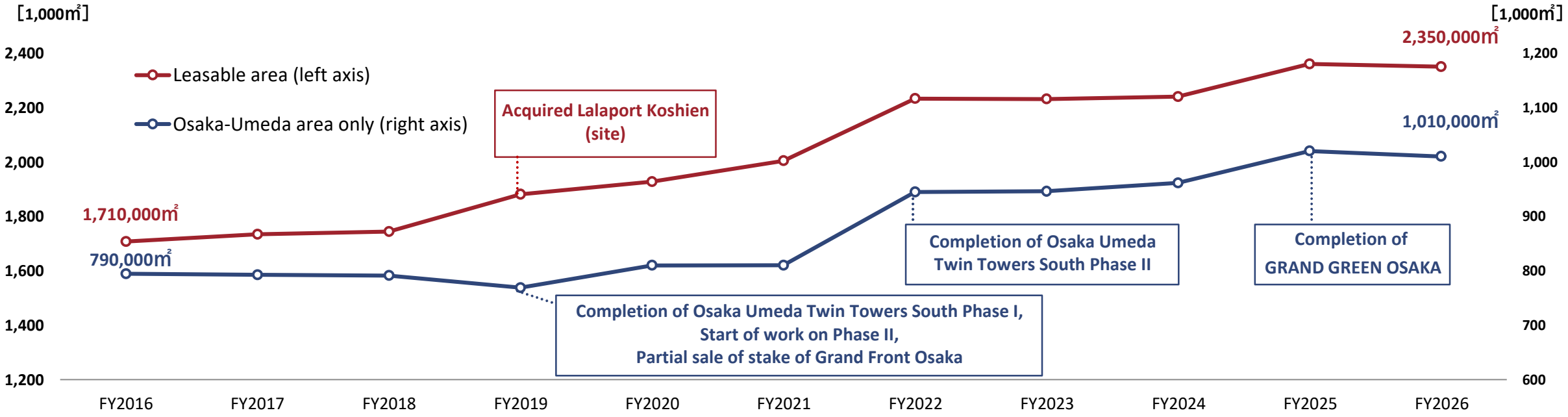
[Breakdown by type of business]

| (¥ billion) | Opertating revenue | | | Operating profit [Business profit] | | |
|---|---|---|---|---|---|---|
| | FY2026 Results | FY2025 Results | Change | FY2026 Results | FY2025 Results | Change |
| **Real estate leasing and others** | **196.8** | 184.3 | +12.5 | **43.8** | 44.4 | -0.6 |
| **Housing** | **167.3** | 145.1 | +22.1 | **27.7** | 19.0 | +8.7 |
| **Overseas real estate** | **16.6** | 12.1 | +4.5 | **7.9 [9.3]** | 3.6 [4.8] | +4.3 [+4.5] |
| **Hotel** | **67.7** | 65.1 | +2.6 | **3.7** | 4.2 | -0.5 |

Note: 1) Not including head office expenses / adjustments.
2) Business profit = Operating profit + Equity-method gains/losses related to overseas business investments, etc.
3) Beginning in FY2026, business names within the Real Estate segment have been revised from “Real estate leasing” to “Real estate leasing and others, ” and “Real estate sales and others” to “Housing,” respectively. Additionally, revenue and expenses previously included under “Real estate sales and others, such as those from property management, building maintenance, real estate funds, and REITs, will now be included under “Real estate leasing and others.” Comparative figures for the same period of the previous fiscal year have also been restated accordingly.

# [Real Estate] Referential Information

## Leasable area（at the end of fiscal year ）

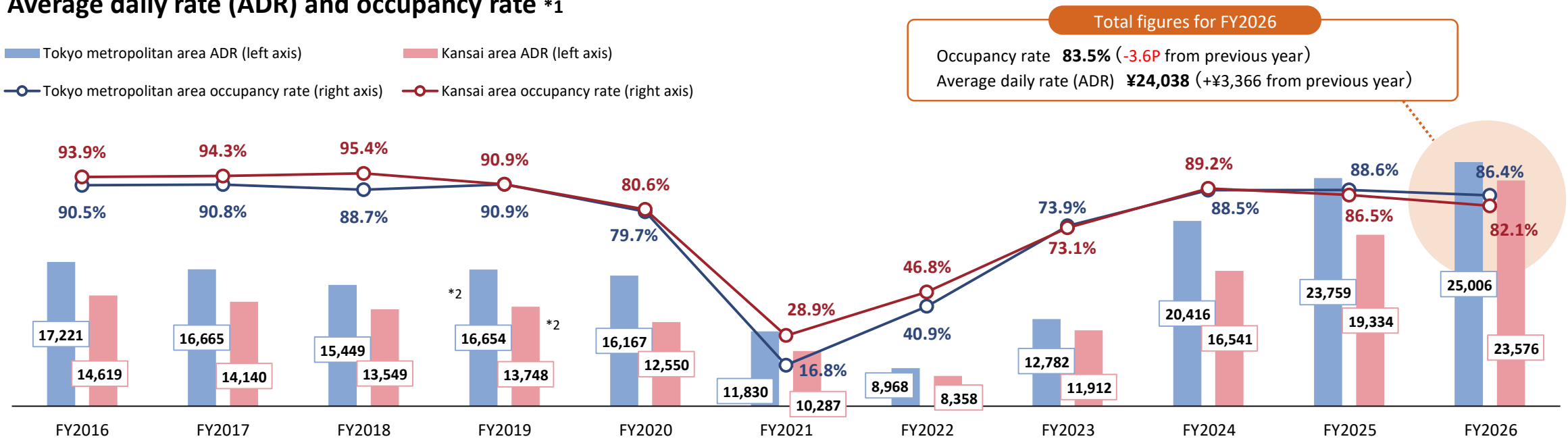



**[Osaka Umeda Twin Towers South]**

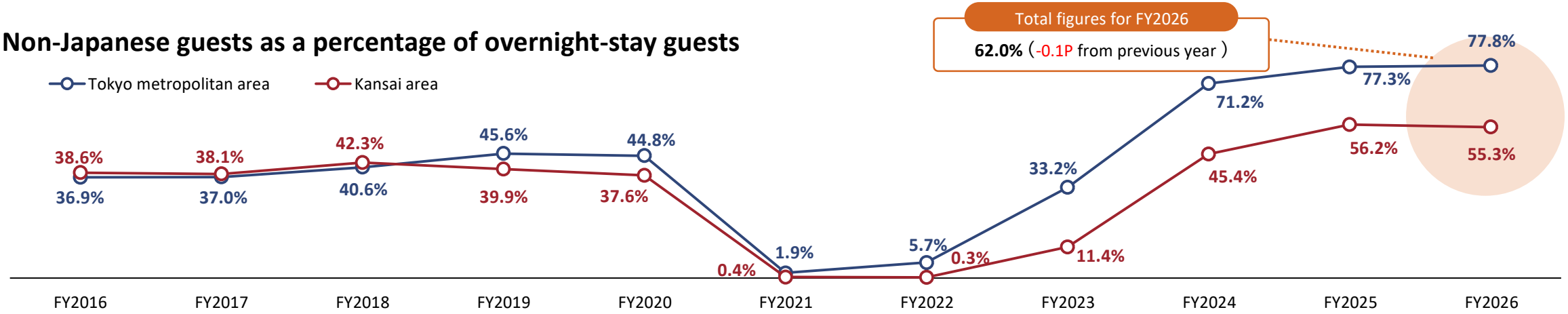
**[GRAND GREEN OSAKA]**

# [Real Estate] Referential Information

## Average daily rate (ADR) and occupancy rate *1




## Non-Japanese guests as a percentage of overnight-stay guests




*1 The data omits the COVID-related temporary closures of some hotels.
*2 Since FY2020, we started reporting the earnings of overseas online travel agents on a gross basis, rather than on a net basis as before.
The new method (gross basis) has been applied retroactively to the previous fiscal year.

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# Entertainment Results

- Revenue and profit increased following strong performance in the Sports business as a result of events such as the Hanshin Tigers' league championship win.
- Revenue and profit decreased in the Stage business following a decline in the number of performances at the Umeda Arts Theater and a decline in the sales of Takarazuka Revue-related merchandise, despite an increase in the number of Takarazuka Revue performances.

| (¥ million) | FY2026 Results | FY2025 Results | Change | % |
|---|---|---|---|---|
| **Operating revenue** | **91,171** | **82,542** | **+8,628** | **+10.5%** |
| **Operating profit** | **13,091** | **11,406** | **+1,685** | **+14.8%** |

[Breakdown by type of business]

| (¥ billion) | Opertating revenue | | | Operating profit | | |
|---|---|---|---|---|---|---|
| | FY2026 Results | FY2025 Results | Change | FY2026 Results | FY2025 Results | Change |
| **Sports** | **57.1** | 48.2 | +8.8 | **12.4** | 10.1 | +2.3 |
| **Stage** | **34.0** | 34.2 | -0.2 | **2.7** | 3.2 | -0.5 |

Note: Not including head office expenses / adjustments.

# [Entertainment] Referential Information

## Hanshin Tigers Home Game : Admission numbers

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|
| Admissions (Thousands of people) | 2,899 | 3,091 | 518 | 749 | 2,619 | 2,916 | 3,010 | 2,962 |
| Ranking | 6 | 3 | 2 | 2 | 3 | 1 | 2 | 1 |

Note: “Admissions” indicates the actual number of admissions for a given season (calendar year).

**Number of shows**

Takarazuka Grand Theater: **407** (+64 from previous year)

Tokyo Takarazuka Theater: **410** (+12 from previous year)

・In FY2025, some performances were rescheduled, and there was a temporary suspension due to the facility renovation at the Takarazuka Grand Theater.

## Takarazuka Revue : Audience numbers

| (thousands of people) | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
|---|---|---|---|---|---|---|---|---|
| Total | 3,128 | 2,991 | 1,565 | 2,727 | 2,781 | 2,737 | 2,817 | 2,854 |
| Takarazuka Grand Theater | 1,207 | 1,106 | 485 | 904 | 925 | 823 | 904 | 1,065 |
| Tokyo Takarazuka Theater | 990 | 917 | 460 | 785 | 801 | 815 | 841 | 867 |
| Other Theaters | 598 | 572 | 200 | 428 | 474 | 482 | 487 | 462 |
| Live screening *1<br>Live streaming *2 | 333 | 396 | 420 | 610 | 581 | 616 | 585 | 460 |

*1 Audiences who paid to see performance screened live in cinema

*2 Audiences who paid to view livestream performance on home TV or device (started from FY2021)

# Information and Communication Technology Results

Revenue and profit increased due to an increase in orders for e-commerce and other Internet-related business and transportation terminal operation systems in the Information services business and gains in Internet service subscribers in the Broadcast and communications business.

| (¥ million) | FY2026 Results | FY2025 Results | Change | % |
|---|---|---|---|---|
| **Operating revenue** | **71,968** | **70,088** | **+1,880** | **+2.7%** |
| **Operating profit** | **7,841** | **6,879** | **+962** | **+14.0%** |

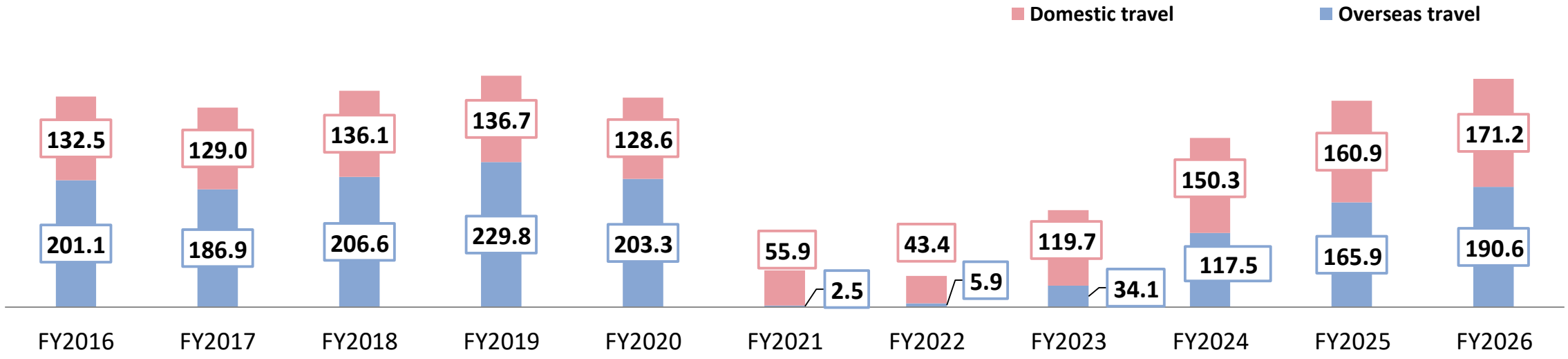
# Travel Results

In Q4, in addition to the impact from the escalating tensions in the Middle East, various expenses increased. Nevertheless, revenue and profit increased for the full year, driven by a rise in long-distance tour bookings in overseas travel, steady performance in domestic travel, and the receipt of transportation support service contracts related to the Expo 2025 Osaka, Kansai, Japan.

| (¥ million) | FY2026 Results | FY2025 Results | Change | % |
|---|---|---|---|---|
| **Operating revenue** | **296,546** | **261,104** | **+35,442** | **+13.6%** |
| **Operating profit** | **5,423** | **5,298** | **+125** | **+2.4%** |

**Billings**

**(¥ billion)**



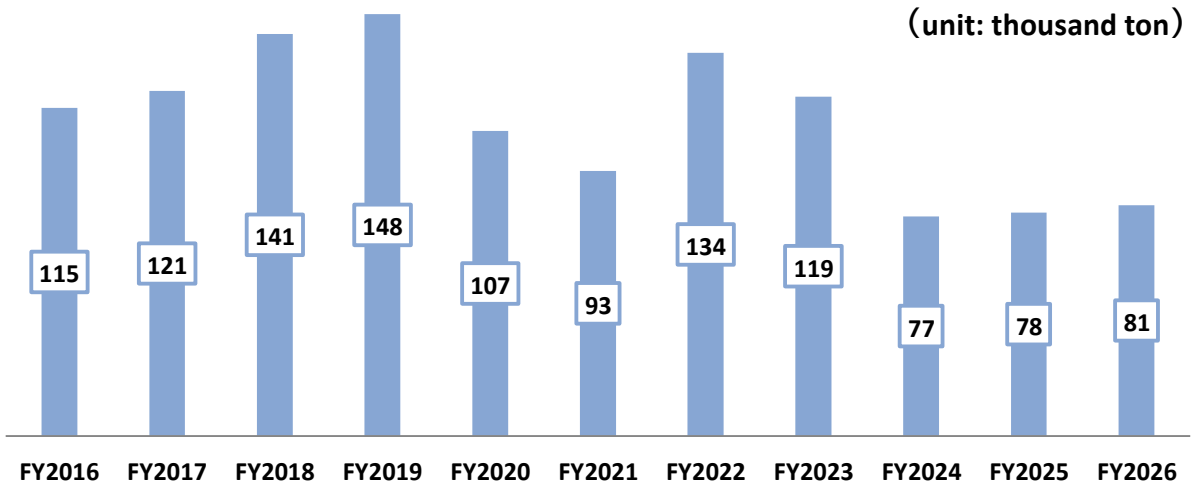

* The figures from FY2016 to FY2023 represent the aggregate amounts from Hankyu Travel International and Hankyu Hanshin Business Travel, and Hanshin Travel International (offsetting intercompany transactions).
The figures from FY2024 to FY2026 represent the aggregate amounts from Hankyu Travel International and Hankyu Hanshin Business Travel (offsetting intercompany transactions).

# International Transportation Results

Revenue and profit increased, driven by a recovery in air freight across Japan, China, and ASEAN regions.

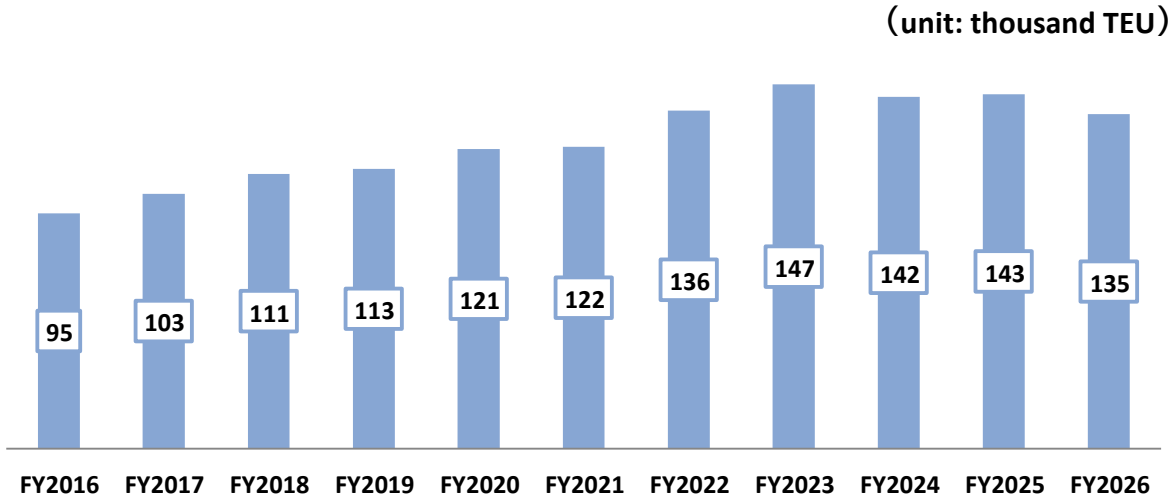
| (¥ million) | FY2026 Results | FY2025 Results | Change | % |
|---|---|---|---|---|
| **Operating revenue** | **106,472** | **104,717** | **+1,755** | **+1.7%** |
| **Operating profit** | **2,049** | **-1,284** | **+3,334** | **—** |

## Air Export Freight Weight




## TEU* -measured overseas export volume

*TEU: 'Twenty-foot equivalent unit'—a unit of cargo capacity based on the volume of a 20-foot-long container




(Total handling volume for Japanese and non-Japanese companies in the International Transportation segment)

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# Consolidated Statement of Income (Non-operating Income and Expenses)

| (¥ million) | FY2026 Results | FY2025 Results | Change |
|---|---|---|---|
| **Operating profit** | **127,136** | **110,879** | **＋16,257** |
| **Non-operating income** | **23,021** | **19,719** | **＋3,302** |
| Equity in income of affiliates | 16,298 | 15,451 | ＋846 |
| **Non-operating expenses** | **25,609** | **19,356** | **＋6,252** |
| Interest expenses | 15,770 | 12,065 | ＋3,705 |
| Provision for doubtful accounts | 3,099 | 38 | ＋3,060 |
| **Ordinary profit** | **124,548** | **111,242** | **＋13,306** |

# Consolidated Statement of Income (Extraordinary Income and Losses)

| (¥ million) | FY2026 Results | FY2025 Results | Change |
|---|---|---|---|
| **Extraordinary income and losses** | **-9,629** | **-8,446** | **-1,182** |
| **Extraordinary income** | **12,362** | **5,953** | **6,409** |
| Contribution received for construction | 2,014 | 3,984 | -1,970 |
| Gain on sale of non-current assets | 2,082 | 280 | 1,802 |
| Gain on sale of investment securities | 7,743 | 30 | 7,712 |
| Other | 521 | 1,657 | -1,135 |
| **Extraordinary losses** | **21,992** | **14,399** | **7,592** |
| Loss on tax purpose reduction entry of non-current assets | 2,649 | 4,032 | -1,382 |
| Impairment losses | 7,308 | 3,399 | 3,909 |
| Provision for loss on removal of property and equipment | 8,145 | 1,992 | 6,153 |
| Other | 3,887 | 4,975 | -1,088 |

# Consolidated Statement of Income (Profit attributable to owners of parent)

| (¥ million) | FY2026 Results | FY2025 Results | Change |
|---|---|---|---|
| **Profit before income taxes** | **114,919** | **102,795** | **12,123** |
| **Total income taxes** | **31,451** | **33,935** | **-2,484** |
| Income taxes—current | 34,228 | 31,568 | 2,660 |
| Income taxes—deferred | -2,777 | 2,367 | -5,144 |
| **Profit** | **83,467** | **68,859** | **14,608** |
| **Profit attributable to non-controlling interests** | **4,929** | **1,473** | **3,455** |
| **Profit attributable to owners of parent** | **78,538** | **67,386** | **11,152** |

# Consolidated Balance Sheets

(¥ million)

| | | FY2026 Results | FY2025 Results | Change | Remarks |
|---|---|---|---|---|---|
| Assets | Current assets | 756,658 | 618,119 | + 138,539 | Land and buildings for sale +102,693 |
| | Non-current assets | 2,786,931 | 2,665,334 | + 121,596 | Investment securities +89,507<br>Property, plant and equipment and intangible assets +21,124 |
| | **Total assets** | **3,543,589** | **3,283,453** | **+ 260,135** | |
| Liabilities | Current liabilities | 592,732 | 536,001 | + 56,730 | |
| | Non-current liabilities | 1,749,511 | 1,614,992 | + 134,519 | |
| | **Total liabilities** | **2,342,243** | **2,150,993** | **+ 191,250** | |
| Net assets | Shareholders' equity | 1,028,747 | 975,572 | + 53,175 | Profit attributable to owners of parent +78,538<br>Payment dividend -19,156 |
| | Accumulated other comprehensive income | 75,201 | 60,319 | + 14,881 | |
| | Non-controlling interests | 97,396 | 96,568 | + 828 | |
| | **Total net assets** | **1,201,345** | **1,132,460** | **+ 68,885** | |
| | Equity ratio | 31.2% | 31.5% | -0.3 p | |

| | FY2026 Results | FY2025 Results | Change |
|---|---|---|---|
| Debt | 1,107,065 | 943,393 | + 163,671 |
| Bonds | 315,000 | 325,000 | -10,000 |
| Lease liabilities | 12,494 | 14,382 | -1,888 |
| **Interest-bearing debt** | **1,434,559** | **1,282,775** | **+ 151,783** |
| **Net interest-bearing debt** | **1,362,282** | **1,221,723** | **+ 140,558** |

Note: Net interest-bearing debt = Interest-bearing debt – Cash and Deposits

# Consolidated Statement of Cash Flows

| (¥ million) | FY2026 Results | FY2025 Results |
|---|---|---|
| **Cash flows from operating activities** | **51,679** | **87,417** |
| Profit before income taxes | 114,919 | 102,795 |
| Depreciation | 68,779 | 64,475 |
| Interest expenses | 15,770 | 12,065 |
| Increase in trade receivables | -28,872 | 1,290 |
| Decrease (increase) in inventories | -101,902 | -92,823 |
| Income taxes paid | -34,476 | -19,441 |
| **Cash flows from investing activities** | **-163,059** | **-167,637** |
| Purchase of non-current assets | -109,338 | -127,951 |
| Purchase of investment securities *1 | -85,697 | -69,002 |
| Proceeds from sale of investment securities | 10,422 | 11,011 |
| Receipt of contributions for construction works | 15,687 | 21,565 |
| **Cash flows from financing activities** | **122,681** | **79,471** |
| Income (expenditure) from borrowings, corporate bonds, or similar items [net] *2 | 150,664 | 105,389 |
| Dividends paid | -19,156 | -14,472 |
| Purchase of treasury shares | -5,859 | -7,159 |
| **Effect of exchange rate change on cash and cash equivalents** | 2,163 | 1,683 |
| **Net increase (decrease) in cash and cash equivalents** | **13,464** | **934** |
| **Cash and cash equivalents at beginning of period** | 56,014 | 53,808 |
| **Increase in cash and cash equivalents resulting from inclusion of subsidiaries** | 93 | 1,271 |
| **Cash and cash equivalents at end of period** | 69,573 | 56,014 |

*1
This includes purchase of shares of subsidiaries resulting in change in scope of consolidation. Such purchases created an outflow of ¥-1,944 million in FY2025 and none in FY2026.

*2
“Similar items” includes commercial papers.

# [Reference] Consolidated Statement of Capital Expenditure

| (¥ billion) | FY2026 Results (1) | FY2026 Results (As of October) (2) | Change =(1)-(2) | FY2026 Results (As of July) (3) | Change =(1)-(3) | FY2026 Results (As of May) (4) | Change =(1)-(4) | FY2025 Results (5) | Change =(1)-(5) |
|---|---|---|---|---|---|---|---|---|---|
| **Total capital expenditure** | **93.7** | 114.9 | -21.2 | 115.4 | -21.7 | 115.4 | -21.7 | 116.9 | -23.2 |
| [Breakdown for each business segment] | | | | | | | | | |
| Urban Transportation | **47.2** | 53.0 | -5.8 | | | 54.2 | -7.0 | 48.7 | -1.5 |
| Real Estate | **28.0** | 38.2 | -10.2 | | | 38.2 | -10.2 | 41.0 | -13.0 |
| Entertainment | **7.6** | 9.7 | -2.1 | | | 8.9 | -1.3 | 18.2 | -10.6 |
| Information and Communication Technology | **4.6** | 5.7 | -1.1 | | | 5.2 | -0.6 | 5.6 | -1.0 |
| Travel | **3.4** | 4.1 | -0.7 | | | 2.4 | 1.0 | 1.0 | 2.4 |
| International Transportation | **2.1** | 2.8 | -0.7 | | | 3.2 | -1.1 | 3.0 | -1.0 |

Note: Forecasts announced in July 2025 did not disclose capital expenditure by segment.

# [Reference] Consolidated Statement of Depreciation and Amortization, EBITDA

| (¥ billion) | FY2026 Results (1) | FY2026 Results (As of October) (2) | Change =(1)-(2) | FY2026 Results (As of July) (3) | Change =(1)-(3) | FY2026 Results (As of May) (4) | Change =(1)-(4) | FY2025 Results (5) | Change =(1)-(5) |
|---|---|---|---|---|---|---|---|---|---|
| **Total Depreciation and amortization** | **68.8** | 69.4 | -0.6 | 72.4 | -3.6 | 72.4 | -3.6 | 64.5 | +4.3 |
| [Breakdown for each business segment] | | | | | | | | | |
| Urban Transportation | **29.5** | 30.1 | -0.6 | | | 30.1 | -0.6 | 27.1 | +2.4 |
| Real Estate | **26.6** | 26.8 | -0.2 | | | 27.1 | -0.5 | 25.2 | +1.4 |
| Entertainment | **4.8** | 4.8 | +0.0 | | | 4.8 | +0.0 | 3.9 | +0.9 |
| Information and Communication Technology | **5.6** | 5.8 | -0.2 | | | 5.9 | -0.3 | 5.5 | +0.1 |
| Travel | **0.8** | 0.9 | -0.1 | | | 1.0 | -0.2 | 0.9 | -0.2 |
| International Transportation | **2.1** | 2.2 | -0.1 | | | 3.0 | -0.9 | 2.4 | -0.2 |
| | | | | | | | | | |
| **Total EBITDA** | **200.0** | 201.0 | -1.0 | 199.0 | +1.0 | 193.0 | +7.0 | 179.2 | +20.8 |
| [Breakdown for each business segment] | | | | | | | | | |
| Urban Transportation | **64.8** | 64.5 | +0.3 | | | 62.1 | +2.7 | 62.3 | +2.5 |
| Real Estate | **95.1** | 96.8 | -1.7 | | | 95.9 | -0.8 | 84.0 | +11.1 |
| Entertainment | **17.9** | 17.8 | +0.1 | | | 15.0 | +2.9 | 15.4 | +2.6 |
| Information and Communication Technology | **13.4** | 13.7 | -0.3 | | | 13.7 | -0.3 | 12.4 | +1.1 |
| Travel | **6.2** | 6.3 | -0.1 | | | 5.0 | +1.2 | 6.2 | -0.0 |
| International Transportation | **4.2** | 3.7 | +0.5 | | | 3.3 | +0.9 | 1.1 | +3.1 |

Note: 1) EBITDA = Business profit (Operating profit + Equity-method gains/losses related to overseas business investments, etc.)+ Depreciation expenses + Amortization of goodwill

2) Forecasts announced in July 2025 did not disclose depreciation and amortization, EBITDA by segment.

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# Ⅲ. Progress of Long-Term Management Plan

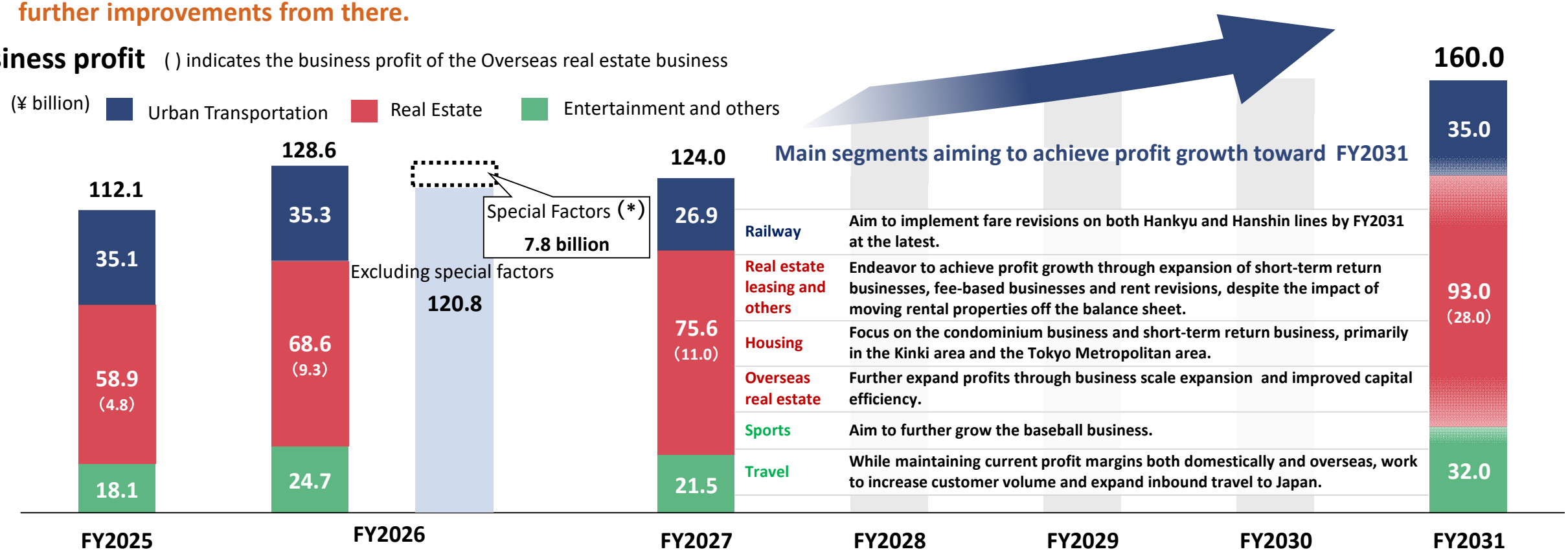
- The information is also available on our corporate website in the “Briefing Materials for the Long-Term Management Plan.”
  https://www.hankyu-hanshin.co.jp/en/ir/library/presentations/

# Profit Growth Outlook Toward FY2031 (For reference)

- We have made a promising start toward achieving our Long-Term Management Plan, with FY2026 results exceeding our initial forecast for business profit of ¥118 billion.
- We have moved forward with establishing concrete measures toward achieving our FY2031 business profit target of ¥160 billion, and 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 continue to advance these strategies with the aim of reaching an **ROE of 8% at an early stage** and **making further improvements from there.**

## Business profit

( ) indicates the business profit of the Overseas real estate business




### Main segments aiming to achieve profit growth toward FY2031

| | |
|---|---|
| Railway | Aim to implement fare revisions on both Hankyu and Hanshin lines by FY2031 at the latest. |
| Real estate leasing and others | Endeavor to achieve profit growth through expansion of short-term return businesses, fee-based businesses and rent revisions, despite the impact of moving rental properties off the balance sheet. |
| Housing | Focus on the condominium business and short-term return business, primarily in the Kinki area and the Tokyo Metropolitan area. |
| Overseas real estate | Further expand profits through business scale expansion and improved capital efficiency. |
| Sports | Aim to further grow the baseball business. |
| Travel | While maintaining current profit margins both domestically and overseas, work to increase customer volume and expand inbound travel to Japan. |

| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 | FY2031 |
|---|---|---|---|---|---|---|---|
| ROE | 6.7% | 7.3% | 7.3% | → | | | Aim to achieve 8% at an early stage |

※ Special factors for FY2026: Impact from the Expo 2025 Osaka, Kansai, Japan and the Hanshin Tigers championship victory

# Policy on Allocation of Funds to Improving Growth and Capital Efficiency (Cash Allocation Update)

- While scaling up growth investment, primarily focused on the domestic condominium business, we will increase asset sales while maintaining borrowing at a level that ensures financial discipline.
- We aim to achieve growth over the medium- to long-term by making the necessary investments while controlling the balance sheet to improve capital efficiency.

## FY2026-FY2031 Cash Allocation (General Image)

**Cash Inflows**

**Cash Generated by Businesses**

**Depreciation and amortization**
530.0 billion yen
(-20.0 billion yen)

**Business profit**
Steady execution of strategy to maximize cash generated
810.0 billion yen
(+10.0billion yen)

**Balance Sheet Management and Capital Policy**

**Asset sales**
330.0 billion yen
(+90.0billion yen)

**Borrowings**
D/E ratio
1.3 x

**Cash Outflows**

**Investment in Business Continuity**

600.0 billion yen
(+30.0billion yen)

**Investment in maintenance and renewal**

**Investment to maintain the revenue base**

**Growth Investment**

870.0 billion yen
(+120.0billion yen)

**Short term**
Prioritize allocation of funds to achieve growth

**Long term**

**Return to Shareholders**
250.0 billion yen
Total payout ratio more than 50%

**Interest expenses, taxes, etc.**

Figures in parentheses indicate changes from the previous release.

## Investment in Business Continuity

**Make the necessary investments to maintain businesses and the revenue base, based on cash generated from businesses**

- Investment in maintenance and renewal: Regular investment needed to maintain business continuity
  - Keep investment within the scope of depreciation, even under inflationary conditions
- Investment to maintain the revenue base: Investments necessary to improve station functions, etc. and increase value added
  - Use cash generated from business profit to cover

## Growth Investment

**Short term: Pursue growth by investing in projects that contribute to profit by FY2031**

- Expand the real estate (global) business and other businesses where growth is anticipated

**Long term: Identify large-scale investment opportunities to achieve growth that is not an extension of the past, in addition to investing in projects to recover investments from a long-term perspective**

- Shibata 1 Project and other large-scale investment projects, M&A in information services business, etc.

## Balance Sheet Management and Capital Policy

**Shrink assets and improve efficiency**

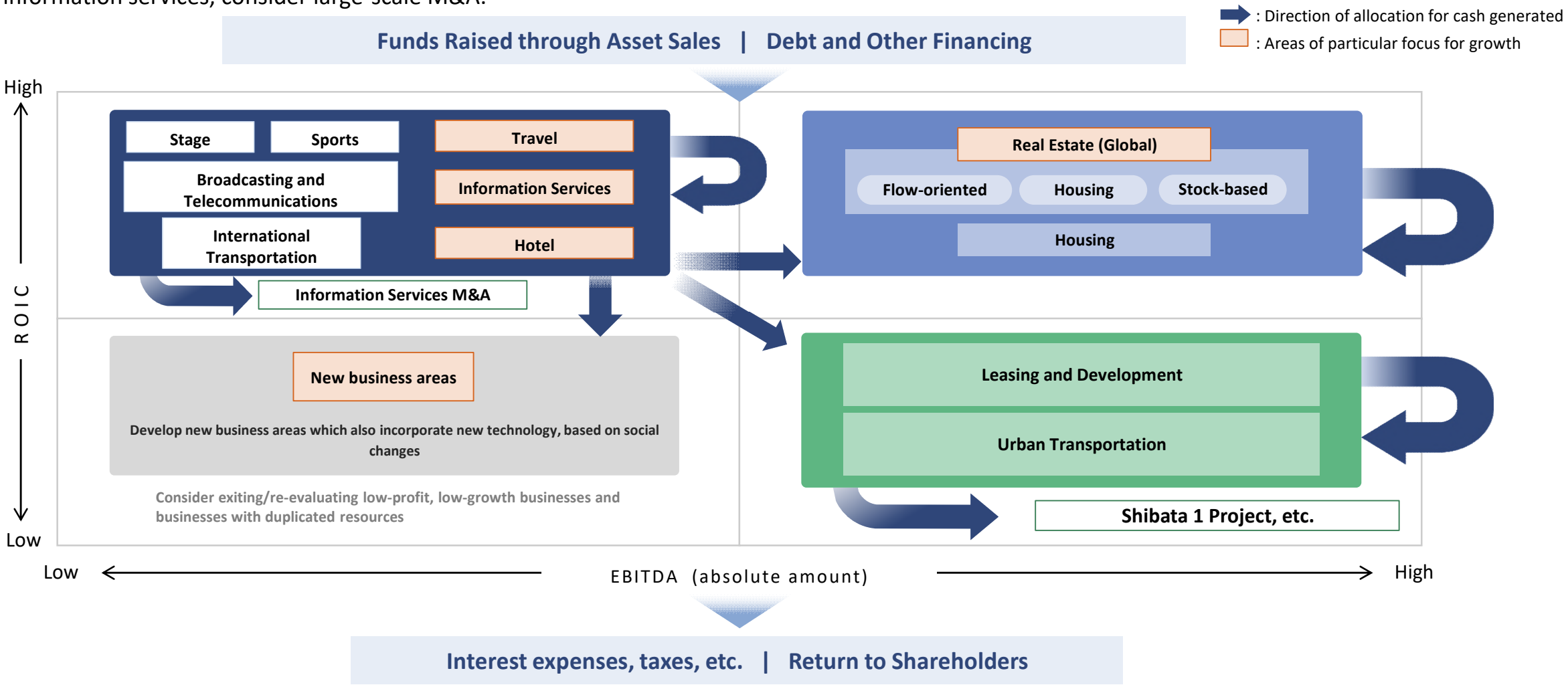
- Restructure the Real Estate portfolio, etc.

**Engage in financing with an awareness of financial discipline and strengthen shareholder returns from the perspective of capital policy**

- Utilize external borrowing in growth investment opportunities
  Projected D/E ratio of 1.3x in FY2031
- Strengthen returns to a total payout ratio of more than 50%, while discerning the trend in results and investment opportunities

# Approach to Group Portfolio Based on Return and Cash Generation Ability (through FY2031)

- Although the urban transportation and leasing and development businesses have a low rate of return, they possess the ability to generate substantial cash. Allocate the cash generated to investment to maintain the revenue base and investment in growth (Shibata 1 Project, etc.).
- In the real estate (global) and housing business, pursue further expansion of business scale and higher returns.
- In businesses in areas that have high ROIC and low EBITDA, focus on expansion of scale and endeavor to further improve returns. In the area of information services, consider large-scale M&A.

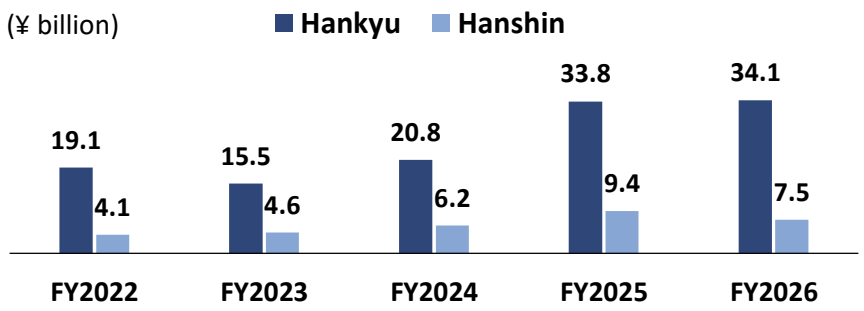


# Improving Cash Generation Capabilities and Restructuring in the Urban Transportation Segment

## Revisions to railway fares

- As a railway operator, the Group has continually invested in ensuring customer safety.
- In an aim to further enhance the value of the Company's line-side areas, we are moving forward with capital investments tied to improving safety and service quality (installing platform doors, updating trains, etc.) ahead of schedule.
- We are looking to implement fare revisions on Hankyu and Hanshin Lines by FY2031 at the latest.

**● Amount of capital investment in the railway business**

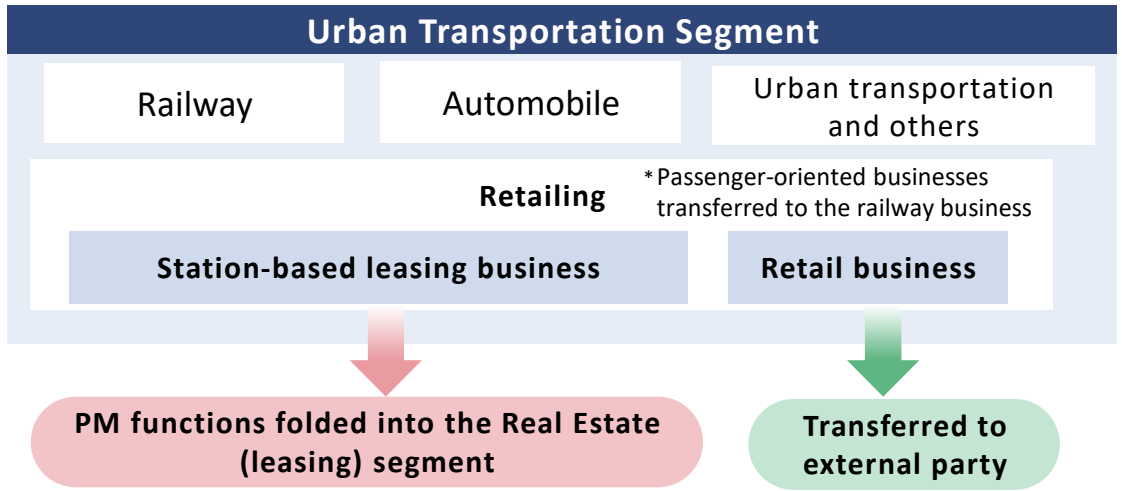


## Restructuring the Retailing business

- 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.

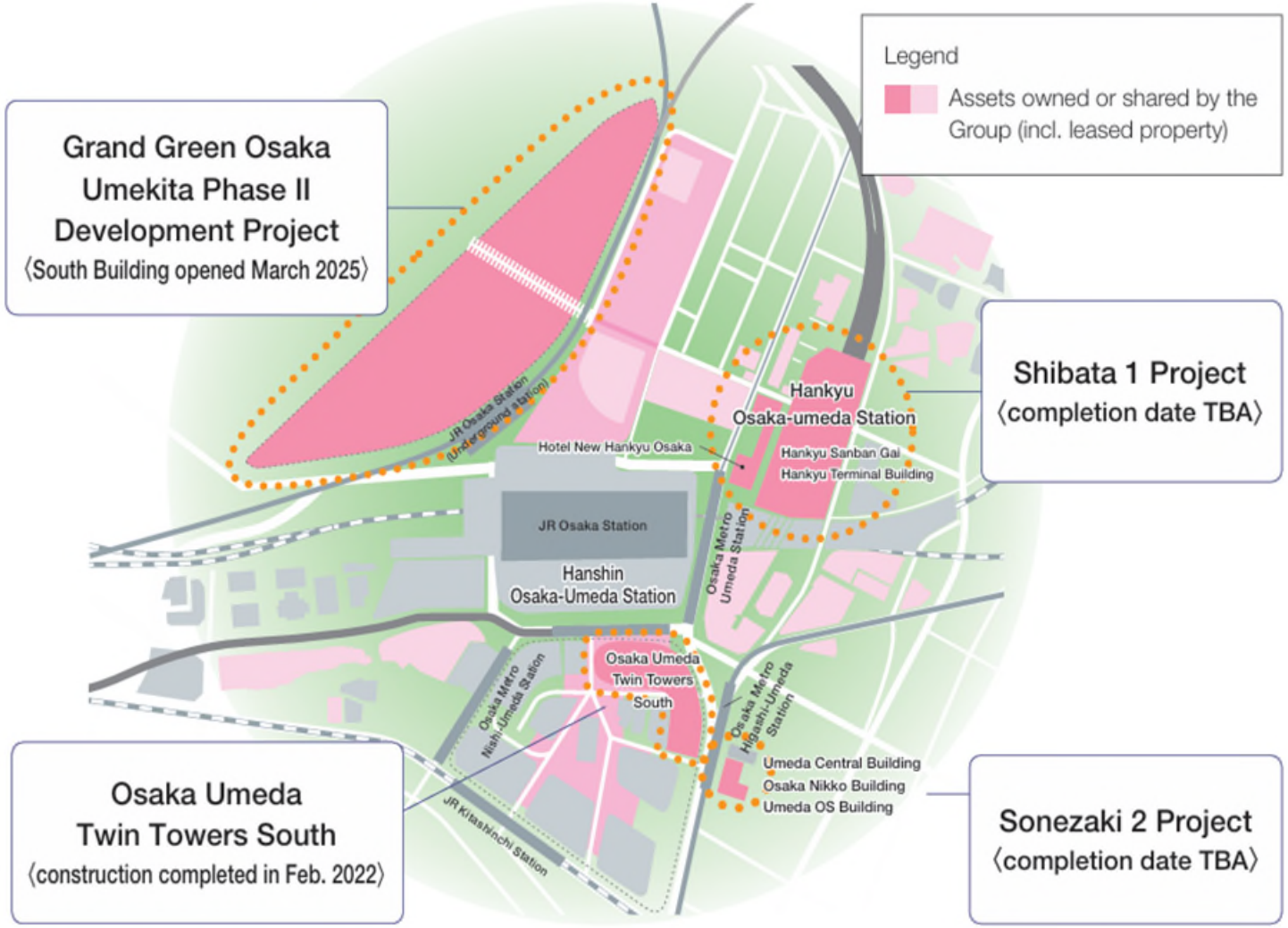
Looking ahead, while taking into account ongoing changes in our operating environment, we will appropriately allocate management resources by pursuing selection and concentration of our businesses, and will also consider externalizing businesses that do not contribute to our medium- to long-term growth.

**●Image of restructuring the retailing business**



# Aiming to grow the value of Osaka-Umeda Area (1)

## Status of urban development in the Osaka-Umeda area




- In December 2025, we held TAKARAZUKA FANtastic Christmas in UMEDA to commemorate the 111th 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.

# Aiming to grow the value of Osaka-Umeda Area (2)

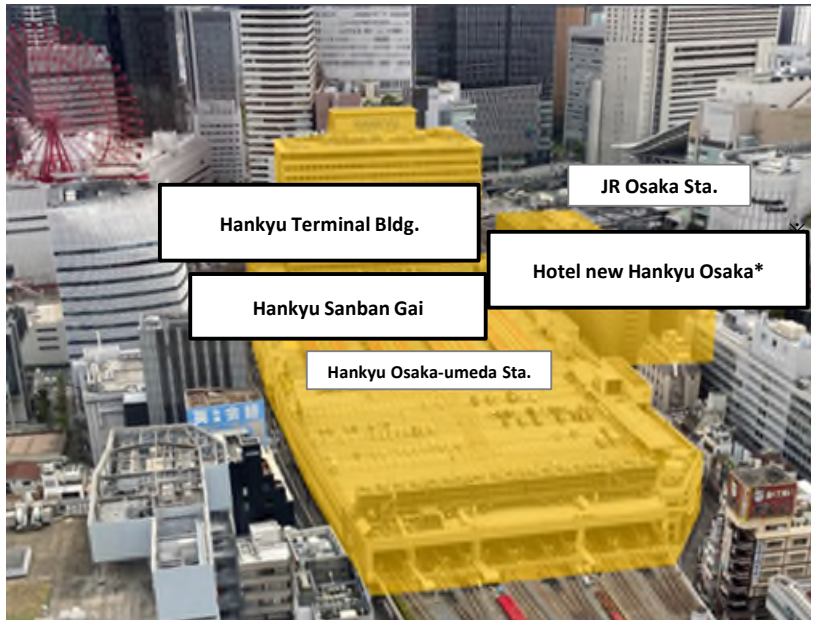
## Shibata 1 Project

- Forming part of Umeda Vision, Shibata 1 Project is one of the major projects for the Osaka-Umeda area (following Umeda 1-1 Project and Umekita Phase II Development Project). It involves replacing Hotel new Hankyu Osaka* and Hankyu Terminal Building and redeveloping the whole of Hankyu Sanbangai. The project will raise the value of the area.
- The project looks ahead to the next generation and will leverage the distinctive characteristics of the terminal station to create a multifunctional hub befitting its role as the entrance to Umeda.

**Recent development schedule for the Osaka-Umeda area**

Osaka Umeda Twin Towers North, GRAND FRONT OSAKA (-2021) → Osaka Umeda Twin Towers South (2022-) → Umekita Phase II openings（FY2028） → Shibata 1 Project

Targeted area for Shibata 1 Project




## Demolition of the Hotel new Hankyu Osaka/ renovation work on Hankyu Osaka-Umeda Station

- Work commenced on the demolition of the Hotel new Hankyu Osaka in December 2025, and on the renovation of the third-floor concourse and platforms at the Hankyu Osaka-umeda Station in January 2026.

*Demolition work on the new Hankyu Osaka commenced in December 2025.

# Sustainable Growth in the Real Estate Segment (1)

## Rent revisions in rental properties

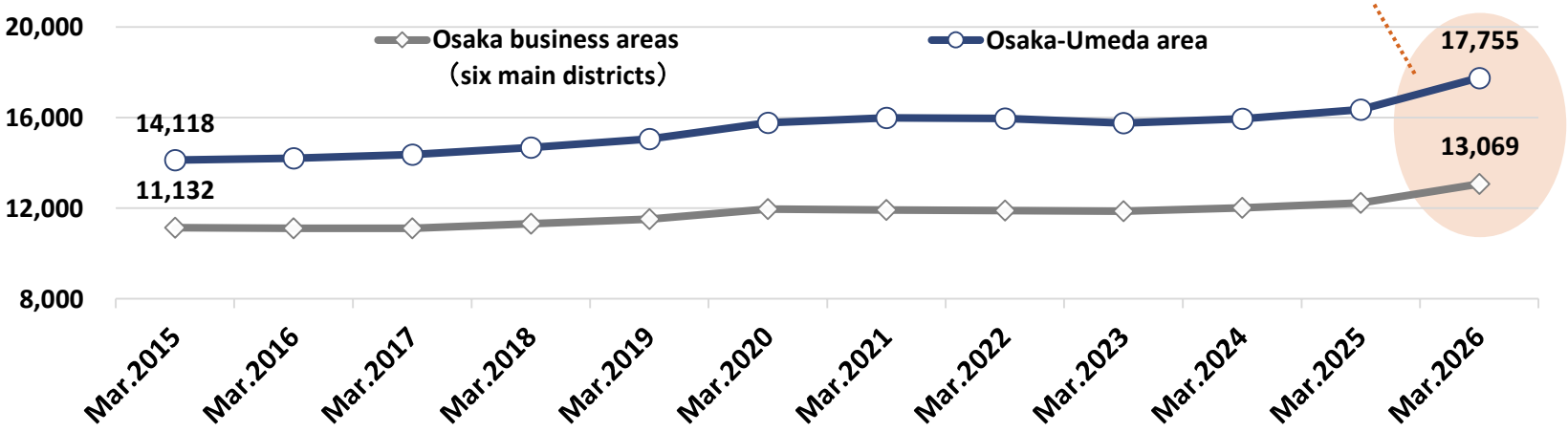
- To further improve profitability, we are moving forward with rent revisions, and will look to spearhead efforts to improve the value of the Osaka-Umeda area as a price leader.

**●Trend in average office rents**

(¥/3.3㎡)

**Rent in March 2026**

Osaka-Umeda area: **25.8% increase** (compared with March 2015)
Osaka business areas: **17.4% increase** (compared with March 2015)



Source: Miki Shoji, "Office Data."

## Taking rental properties off the balance sheet

- In May 2026, we 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.

* For details, see the news release dated May 15, 2026 (https://www.hanku-hanshin.co.jp/release/) (Japanese only)

# Sustainable Growth in the Real Estate Segment (2)

## Expanding the Overseas Real Estate business

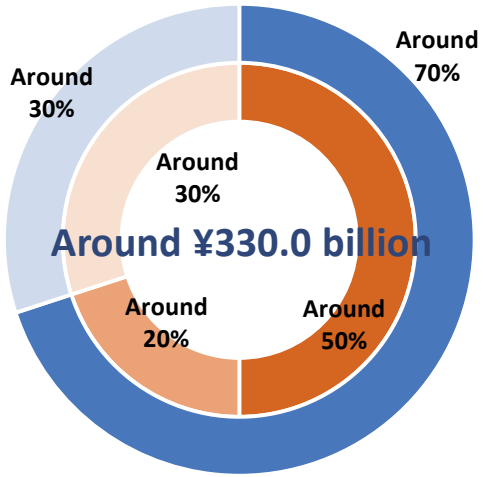
- We aim to expand the scope of the Overseas Real Estate business, a key growth driver, while enhancing capital efficiency.
- At present, we are prioritizing upfront investments to expand the scale of the business, with a view to realizing the effects of these investments and improving returns in the future.

**Invested Capital**

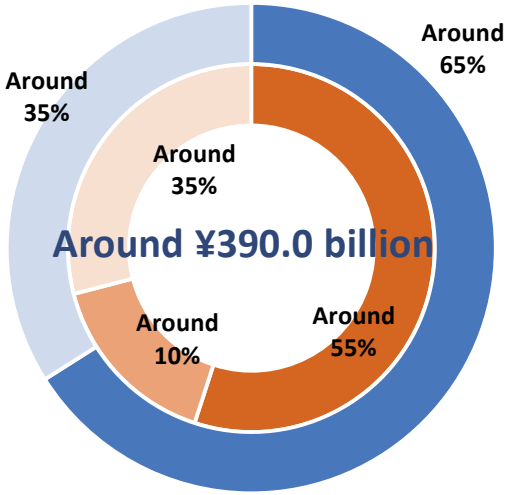
(Outer) by area
- ASEAN
- Developed countries

(Inner) by business
- Stock-based
- Flow-oriented
- Housing sales

**FY2026**




**FY2031**




**FY2041**
Business profit
Around ¥45.0 billion

**Business profit**

| FY2026 | FY2031 |
|---|---|
| ¥9.3 billion | Around ¥28.0 billion |

| | | |
|---|---|---|
| Future investment policy | Stock-type | We aim to build a stable, long-term revenue base through efforts to acquire profit-generating assets in prime locations within major metropolitan areas across ASEAN, South Asia, and developed markets. |
| | Flow-type (turnover) | We aim to drive profit growth through the acquisition of profit-generating properties (including our participation in plans from the development stage), adding value, and divesting properties across multiple countries, with a focus on the U.S. |
| | Flow-type (residential sales) | Running parallel to our effort to expand the business in ASEAN and South Asian countries, we are also working to expand the scale of our business in developed countries to achieve sustainable profit growth. |

# Sustainable Growth in the Entertainment Segment

## Enhancing brand value in the Sports business

- Commemorating the 90th year since its founding in 2025, the Hanshin Tigers won the 2025 JERA Central League championship title for the first time in two years in September.
- We will continue striving to attract and retain a broader fan base, while utilizing our new player development facility, the “Zero Carbon Baseball Park”, to build a strong team through the development of players. At the same time, by enhancing the value we provide to customers through initiatives such as Silver Canopy Extension at Hanshin Koshien Stadium, we will elevate our brand value and aim to achieve further growth in the baseball business.

90th Tigers

鼓動を鳴らせ。
虎道を進め。

Concept image of
Silver Canopy Extension

## THE SUMO LIVE RESTAURANT HIRAKUZA GINZA TOKYO

- In January 2026, we are poised to launch “THE SUMO LIVE RESTAURANT HIRAKUZA GINZA TOKYO”, which will serve as the second sumo entertainment show hall located in Ginza, Tokyo. We will expand into international performances and promote the appeal of Japanese culture globally.

THE SUMO LIVE RESTAURANT
日楽座
HIRAKUZA GINZA TOKYO

## Revisions to seat pricing at the Takarazuka Revue

- 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.

## Streaming Takarazuka Revue performances overseas

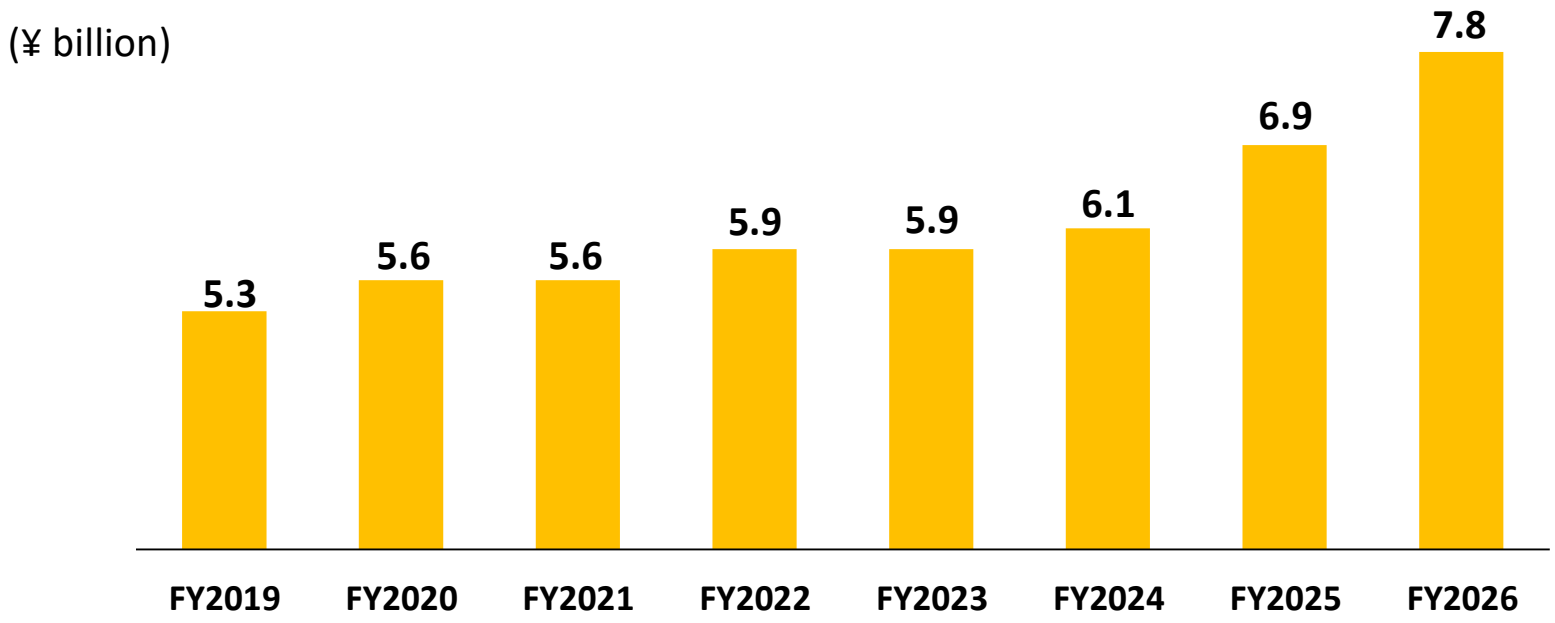
- We plan to begin streaming some Takarazuka Revue performances and content in Thailand around the first quarter of FY2027. Streams will be available on SNS and our website, and will be promoted locally. Moving forward, we will continue to explore ways to expand our content lineup and strengthen promotions to further grow the Stage business.

# Developing New Revenue Sources (1)

## M&A in the Information Services business

- Since becoming an independent core business in FY2020, the Information and Communication Technology segment (comprising the Information Services business, Broadcast and Communications business, and Safety/Education business) has continued to deliver steady growth. Notably, the Information Services business is leveraging the Group's established business platforms in transportation and building operations to grow its existing businesses, while also playing a critical role as a system integrator in the Hankyu Hanshin DX Project currently underway.
- 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.
- For example, we aim to achieve high growth rates by expanding services that leverage digital technologies to help address social issues in areas such as information security and enterprise solutions.

**●Operating profit performance (Information and Communications Technology Segment)**



# Developing New Revenue Sources (2)

## 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 in April 2026.
- In addition to operating tours through Ponant Cruises where we charter cruise ships for inbound tourists traveling to various locations in the Seto Inland Sea, the Group has established a special purpose company as a joint venture with H2O Retailing Corporation to acquire the small luxury hotel, Azumi Setoda (acquisition to be finalized at the end of May 2026), which is located on Ikuchijima Island (Hiroshima) and is produced by Adrian Zecha, known for his work on Aman Resorts among a number of other renowned hotels. Looking ahead, we aim to deliver sustainable growth by expanding Group collaborations and developing new sources of revenue, with a focus on the Tourism Division.

a charterd cruise ship operated by “Ponant Cruises”

Exterior of “Azumi Setoda”

## 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.
- Going forward, we will continue to pursue new value creation through deeper Group integration with the TOHO Group, developing content that makes use of Group assets, particularly in the Osaka-Umeda area, and by acquiring customers through mutual data integration.

# Flexible Returns to Shareholders (1) (For reference)

## ■Changes to the Shareholder Return Policy

- We aim to achieve medium-to long-term growth while simultaneously maintaining control over the balance sheet to improve capital efficiency through enhanced shareholder return and other means.
- Based on this approach, we have decided to make changes to its shareholder return policy from FY2026 as follows to **enable flexible acquisition and cancellation of its treasury stock considering cash flow situation, stock price trends, and other factors.**

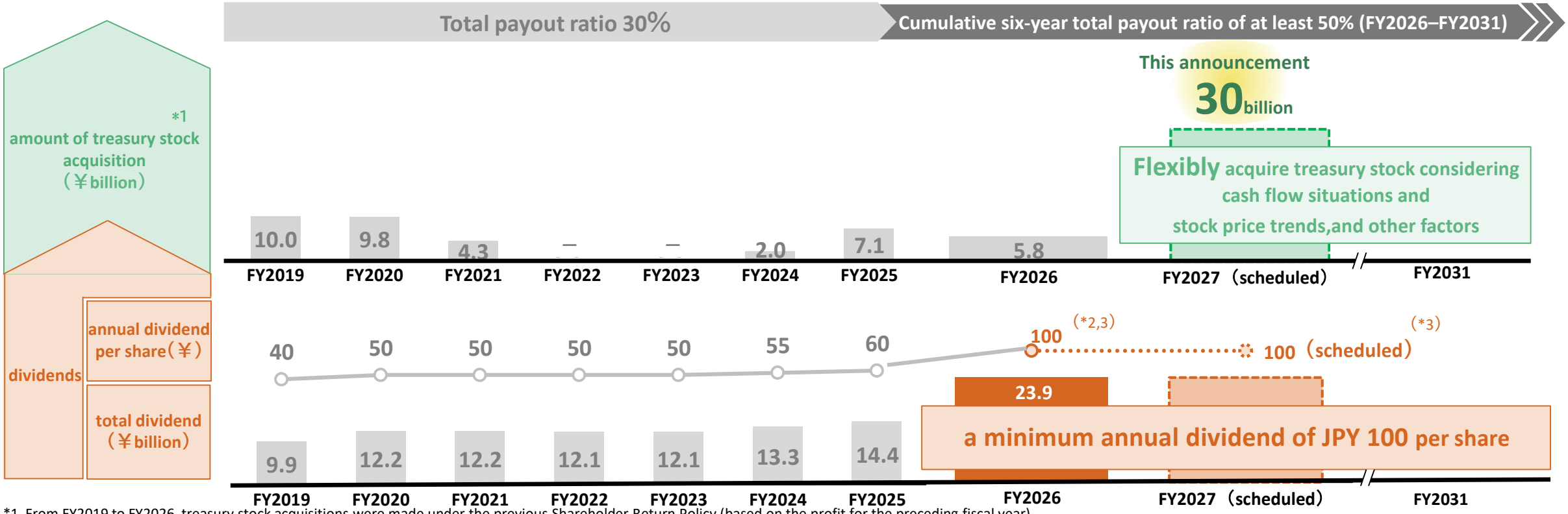
| | |
|---|---|
| **Before** | • We will pursue growth investments aimed at medium- to long-term expansion while maintaining financial soundness, and strive to return value to shareholders with a focus on capital efficiency.<br>• Regarding shareholder returns, we will maintain a stable dividend with a minimum annual dividend of JPY 100 per share, and flexibly acquire treasury stock, taking into account cash flow, with a total payout ratio target of approximately 50%.<br>• Regarding treasury stock, the maximum holding is set at 5% of the total number of issued shares. Any shares exceeding this limit will be cancelled.<br>[Reference] Formula for calculating total payout ratio<br>$\text{Total payout ratio of FY[N](\%)} = \frac{\text{(Total dividend of FY[N])+(Acquisition of treasury stock in FY[N+1])}}{\text{(Net income attributable to owners of parent in FY[N])}} \times 100$ |
| **After** | • We will pursue investments aimed at medium- to long-term growth while maintaining financial soundness, and strive to return value to shareholders with a focus on capital efficiency.<br>• 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.** |

# Flexible Returns to Shareholders (2) (For reference)

- Total returns to shareholders for the total cumulative payout ratio six-year period from FY2026 to FY2031 shall be **¥250 billion or more,** of which at least **¥100 billion in treasury stock will be acquired by the end of the FY2031.**
- The acquisition of treasury stock announced at this time is set at **¥30 billion,** and we will continue to **flexibly acquire treasury stock** moving forward.

## Future Shareholder Return Policy (Six-year cumulative total for FY2026–FY2031)

| Total payout ratio | total payout ratio（indicative） | The acquisition of treasury stock（indicative） |
|---|---|---|
| at least 50% | at least 250 billion | at least 100 billion |




*1 From FY2019 to FY2026, treasury stock acquisitions were made under the previous Shareholder Return Policy (based on the profit for the preceding fiscal year)
*2 If the proposal concerning the appropriation of surplus is approved at the Ordinary General Meeting of Shareholders on June 18, 2026
*3 Interim dividend of ¥50/year-end dividend of ¥50

# Enhancing Corporate Governance

## Revisions to the Compensation Structure for Directors

* The following is conditional on the approval of this revision proposal being approved at the General Meeting of Shareholders to be held on June 18, 2026

- 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.
- Specifically, performance-linked compensation will be split into two categories, short-term (cash-based) and mid- to long-term (equity-based) remuneration. Additionally, Executive Directors will be made eligible to receive performance-linked compensation.
- 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.
- Additionally, performance-linked equity compensation shall include malus*1 and clawback*2 clauses.

### Compensation structure for directors

| Type of remuneration | | Grant method | Positioning |
|---|---|---|---|
| Fixed | Basic remuneration | Monthly | Base remuneration |
| Performance linked ※3 | Performance-linked bonuses [newly established] | Annually | Short-term incentive |
| | Performance-linked and share-based remuneration | After resignation | Medium- to long-term incentive |

### Performance indicators for performance-based compensation*4

| | |
|---|---|
| **Financial indicator** | ROE, Business profit, Profit attributable of owners of parent |
| **Non-Financial indicator (Performance-baced stock compensation only)** | Employee satisfaction, Percentage of women in management positions, Percentage of women among new hires, Rate of GHG emissions cuts |

*1 Malus clause: A clause enabling the Company to withhold the payment of scheduled compensation for the material breach of duties as Director or other specified circumstances.
*2 Clawback clause: A clause enabling the Company to recover granted shares or equivalent compensation under the same circumstances as those described in Note.
*3 Non-Executive Directors are eligible for fixed monetary compensation only.
*4 Performance indicators are determined by an annual review by the Nomination and Compensation Committee.
*5 For details of the revisions to the remuneration structure for Directors, see the disclosure notice dated May 15, 2026.

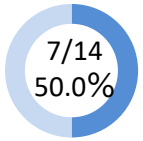
https://www.hankyu-hanshin.co.jp/ir/topics/

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

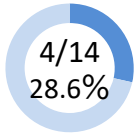
*The following is conditional on the appointment at the General Meeting of Shareholders to be held on June 18, 2026.

- To enhance Board diversity and establish a management structure capable of responding swiftly to changes in the business environment, the Company shall increase the number of Directors (Independent Outside Directors) by one. As a result, Independent Outside Directors will constitute half of the Board of Directors following this change.

[Percentage of members of Board of Directors who are independent outsiders*]




[Percentage of members of Board of Directors who are women*]




* Subject to the proposal for the appointment of directors being approved as proposed at the General Meeting of Shareholders to be held on June 18, 2026

# Long-Term Management Indicators (Financial and Non-Financial)

| Financial KPI (FY2031) | Level of main financial indicators envisioned in FY2031, premised on achieving ROE of 8% | | | |
|---|---|---|---|---|
| Capital efficiency | Profitability | Cash generation capability | Financial soundness | |
| ROE: 8% or more | Business profit: Approx. ¥160.0 billion | EBITDA: Approx. ¥260.0 billion | D/E ratio: Around 1.3x | Net interest-bearing debt/EBITDA ratio: 6x level |

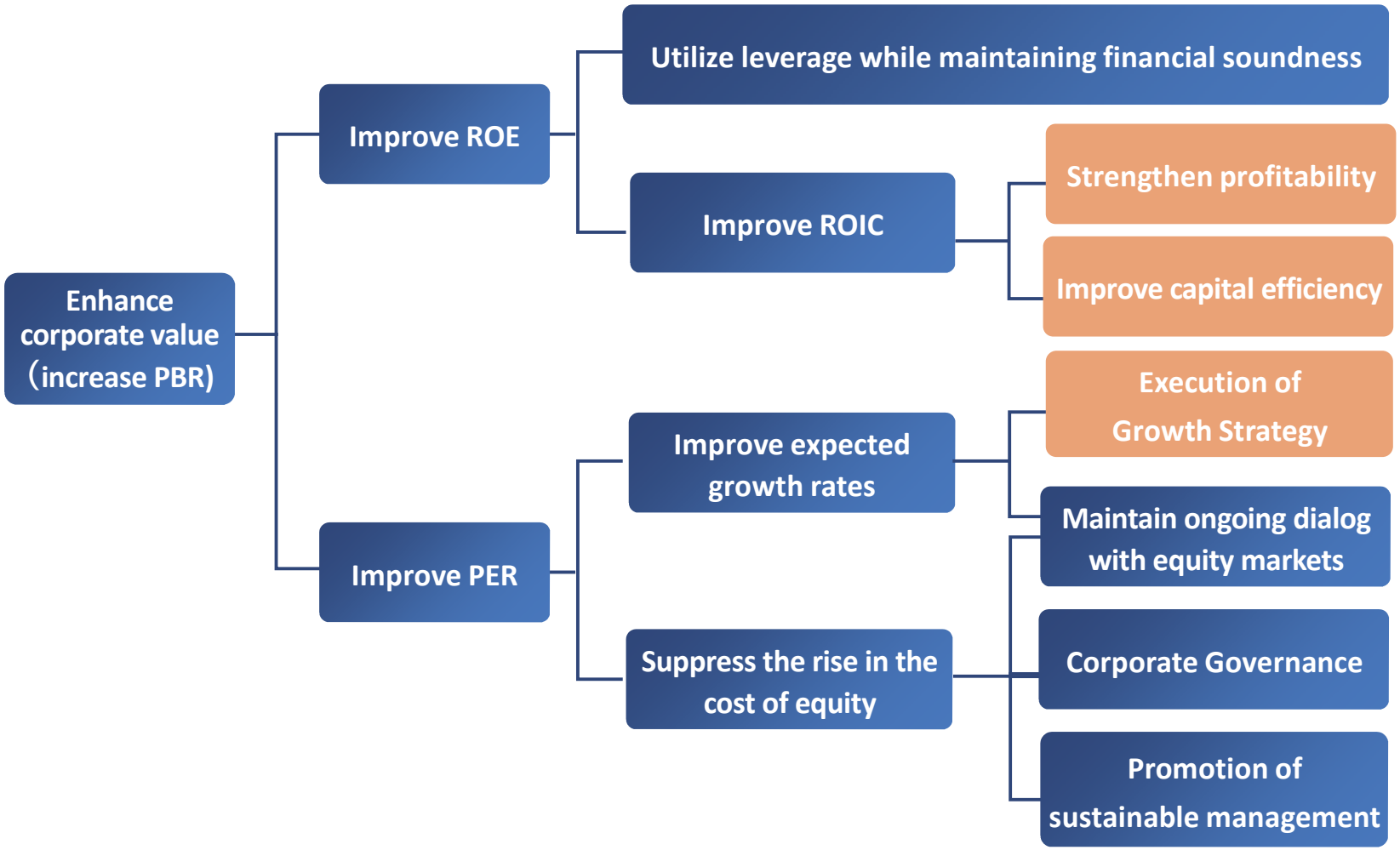
| Priority issues | Non-financial KPIs | | | | Red box: Updated |
|---|---|---|---|---|---|
| Safe, reliable infrastructure | **Zero culpable incidents in our railway operation business** *Applies to Hankyu Corporation/Hanshin Electric Railway/Kita-Osaka Kyuko Railway/Nose Electric Railway | | | | |
| Empowering individuals | Employee satisfaction | Percentage of women in management positions | Percentage of women among new hires | Paternity leave uptake | |
| | **Always better than in previous survey** *HHHD and six major companies | **Around 10% (FY2031)** *HHHD and six major companies | **Always more than 30%** *HHHD and six major companies | **Keep 100% rate** *HHHD and six major companies | |
| | Percentage of specific health guidance provision | Smoking prevalence | Hiring rate for people with disabilities | Human rights training attendance rate | |
| | **Continuous improvement** *HHHD and six major companies | **Continuous reduction** *HHHD and six major companies | **Keep exceeding mandatory rate** * special subsidiaries | **Keep 100% rate** *HHHD and six major companies | |
| Environmental protection | Indicators with set targets | Rate of GHG emissions cuts *Applies to: HHHD and consolidated subsidiaries (Based on the GHG Protocol) *Equivalent to scope 1, 2 | | | |
| | | **60% reduction compared to FY2020 (FY2036), GHG emissions: Net zero (FY2051)** Rate of GHG emissions cuts *Reset in March 2026 | | | |
| | | Percentage of electricity from renewable energy | Industrial waste generated (excluding construction orders) per base unit of consolidated net sales | | |
| | | **More than 90% (FY2036)** *Japan only | **10% reduction（FY2031）compared to FY2024** | | |
| | Monitoring targets, etc. (also including setting targets in the future) | GHG emissions from the supply chain (Scope 3) | Reduction in GHG emissions by railway operation business (Hankyu and Hanshin) | Number of horizontal recycling and upcycling projects (plastic bottles, waste oil, etc.) | |
| | | Continue to calculate and consider reduction together with partners | Monitor | Steady increase in the number and quality of projects | |
| | | Degree of appeal due to the richness of nature, through surveys of line-side community residents | Number of plants/wildlife species in specified areas (Umeda, Mt. Rokko, etc.) | Number of participants/citizen organizations formed for activities to contribute to the environment through the Hankyu Hanshin Dreams and Communities of the Future Project and other projects (cumulative) | |
| | | Monitor | Monitor | Monitor | |

* six major companies: Hankyu Corporation, Hanshin Electric Railway, Hankyu Hanshin Properties, Hankyu Travel International, Hankyu Hanshin Express, and Hankyu Hanshin Hotels

*The specific target levels for the percentage of specific health guidance provision and smoking prevalence will be determined based on the results for FY2026.

# Enhancing Corporate Value (PBR)

- To enhance corporate value, we will boost profitability by growing existing businesses and unlocking new revenue sources, while also working to improve efficiency through effective asset utilization.
- In addition, we will identify and allocate adequate management resources to growth markets.




- Financing balanced with financial discipline

- Growth of existing businesses
- Developing new revenue sources
- Effective asset utilization
- Identify growth markets and allocate adequate management resources (including reviews of unprofitable/low-profit businesses, and assessing the best business owners)

- Enhance IR activities
- Flexible returns to shareholders in light of the cash flow situation and share price trends

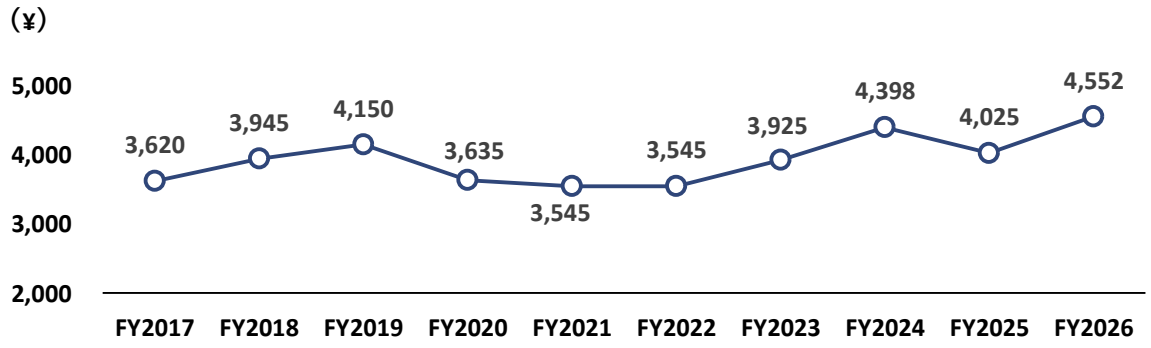
- Strengthen Group-wide governance functions

- Promote initiatives that address key themes

# Approach Toward Management Driven by the Cost of Capital and the Share Price

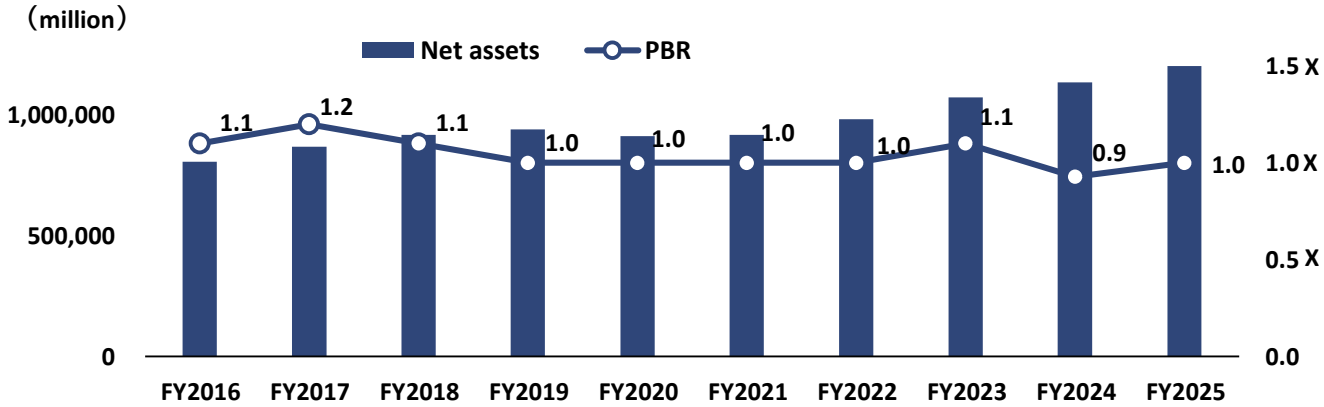
- While the Company's share price has risen compared with FY2017, its PBR has stayed at around 1x.
- The Company's cost of equity is estimated at around 5 to 7%. Through constructive dialogue with shareholders and investors, we seek to better understand our cost of equity and work to improve ROE and reduce it, thereby increasing PBR.

## ●Share price trends

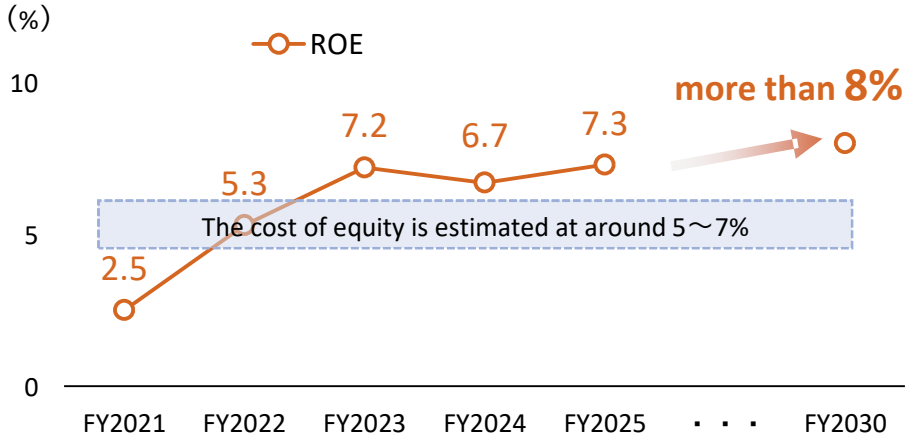



(Note)As of the end of each fiscal year (end of March)

## ●Trends in net assets and PBR




## ●Cost of equity and ROE trends




**Estimated cost of equity**

(1) Around 4 to 5% based on CAP-M (capital asset evaluation model) calculations

(2) Around 7% calculated as the inverse of PER (earnings yield)

(3) Around 6 to 8% based on analyst estimates

# Ⅳ. Forecasts for Fiscal 2027 (Ending March 2027)

# Consolidated Statements of Income (Summary)

| (¥ billion) | FY2027 Forecasts | FY2026 Results | Change | | Remarks |
|---|---|---|---|---|---|
| **Operating revenue** | **1,265.0** | **1,203.5** | **+61.5** | **(+5.1%)** | Revenue is expected to increase due to significant growth in the Real Estate segment. Nevertheless, 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. |
| **Operating profit** | **121.7** | **127.1** | **-5.4** | **(-4.3% )** | |
| **[Business profit]** | **[124.0]** | **[128.6]** | **[-4.6]** | **[-3.6%]** | |
| **Ordinary profit** | **114.0** | **124.5** | **-10.5** | **(-8.5% )** | Profit is expected to decrease as a result of a decline in operating profit as well as an increase in interest expenses. |
| **Profit attributable to owners of parent** | **79.0** | **78.5** | **+0.5** | **(+0.6%)** | In addition to the reversal of extraordinary losses from the previous period, profit is expected to increase due to the recognition of gains from asset sales. |

(Reference)

| | | | |
|---|---|---|---|
| **Capital Expenditures** | **151.5** | **93.7** | **+57.8** |
| **Depreciation and amortization** | **74.1** | **68.8** | **+5.3** |
| **Financial balance (A) - (B)** | **-20.0** | **-13.0** | **-7.0** |
| Interest and dividend income (A) | 2.0 | 2.7 | -0.7 |
| Interest expense (B) | 22.0 | 15.8 | +6.2 |

Note: Business profit = Operating profit + Equity-method gains/losses related to overseas business investments, etc.

# Consolidated Statements of Income (Breakdown for each business segment)

| (¥ billion)<br>**Upper row:**<br>Operating revenue<br>**Lower row:**<br>Operating profit<br>[Business profit] | FY2027 Forecasts | FY2026 Results | Change | Remarks |
|---|---|---|---|---|
| **Total** | **1,265.0** | 1,203.5 | +61.5 | |
| | **121.7** | 127.1 | -5.4 | |
| | **[124.0]** | [128.6] | [-4.6] | |
| [Breakdown for each business segment] | | | | |
| Urban Transportation | **210.8** | 214.3 | -3.5 | Profit and revenue are expected to decrease due to the non-recurrence of demand in association with the Expo 2025 Osaka, Kansai, Japan in the previous period as well as the restructuring of the Retailing business and increases in various expenses, such as power costs and depreciation and amortization. |
| | **26.9** | 35.3 | -8.4 | |
| Real Estate | **475.7** | 406.7 | +69.0 | Revenue and profit are expected to increase due to an increase in the number of condominiums expected to be sold as well as the growth of the Short-term returns business and Overseas real estate business. |
| | **73.3** | 67.1 | +6.2 | |
| | **[75.6]** | [68.6] | [+7.0] | |
| Entertainment | **91.9** | 91.2 | +0.7 | ● Revenue and profit are expected to increase in the Stage business, driven by an increase in performance revenue from the Umeda Arts Theater and Takarazuka Revue.<br>● Revenue and profit are expected to decrease in the Sports business due to the non-recurrence of special demand related to professional baseball in the previous period. |
| | **12.6** | 13.1 | -0.5 | |
| Information and Communication Technology | **75.4** | 72.0 | +3.4 | Revenue is expected to increase in the Information services business due to an increase in orders in the transportation field. Nevertheless, profit is expected to be flat from the previous period as a result of increases in various expenses, such as labor costs and depreciation and amortization. |
| | **7.7** | 7.8 | -0.1 | |
| Travel | **291.0** | 296.5 | -5.5 | Revenue and profit are expected to decrease due to the non-recurrence of special demand in association with the Expo 2025 Osaka, Kansai, Japan in the previous period and the impact on overseas travel from the deteriorating situation in the Middle East. |
| | **2.7** | 5.4 | -2.7 | |
| International Transportation | **105.0** | 106.5 | -1.5 | Profit and revenue are expected to decrease as a result of the outlook for the current business environment and an increase in system-related expenses. |
| | **1.5** | 2.0 | -0.5 | |

Note: Business profit = Operating profit + Equity-method gains/losses related to overseas business investments, etc.

# [Urban Transportation] Railway Performance Forecasts

## Hankyu Corporation

| | Fare revenues (¥ million) | | | | Passenger volumes (Thousands) | | | |
|---|---|---|---|---|---|---|---|---|
| | FY2027 Forecasts | FY2026 Results | Change | | FY2027 Forecasts | FY2026 Results | Change | |
| **Commuter pass** | **33,750** | **33,754** | **-4** | **(-0.0%)** | **326,174** | **327,272** | **-1,098** | **(-0.3%)** |
| Workers | 29,552 | 29,515 | +37 | (+0.1%) | 231,067 | 230,808 | +259 | (+0.1%) |
| Students | 4,197 | 4,238 | -41 | (-1.0%) | 95,106 | 96,464 | -1,357 | (-1.4%) |
| **Other tickets** | **65,008** | **65,476** | **-468** | **(-0.7%)** | **298,553** | **301,371** | **-2,817** | **(-0.9%)** |
| **Total** | **98,759** | **99,231** | **-472** | **(-0.5%)** | **624,727** | **628,643** | **-3,916** | **(-0.6%)** |

## Hanshin Electric Railway

| | Fare revenues (¥ million) | | | | Passenger volumes (Thousands) | | | |
|---|---|---|---|---|---|---|---|---|
| | FY2027 Forecasts | FY2026 Results | Change | | FY2027 Forecasts | FY2026 Results | Change | |
| **Commuter pass** | **12,965** | **12,919** | **+45** | **(+0.4%)** | **128,223** | **128,042** | **+180** | **(+0.1%)** |
| Workers | 11,799 | 11,726 | +72 | (+0.6%) | 103,591 | 102,840 | +750 | (+0.7%) |
| Students | 1,165 | 1,192 | -27 | (-2.3%) | 24,632 | 25,202 | -570 | (-2.3%) |
| **Other tickets** | **24,561** | **24,945** | **-383** | **(-1.5%)** | **124,561** | **126,284** | **-1,723** | **(-1.4%)** |
| **Total** | **37,527** | **37,864** | **-337** | **(-0.9%)** | **252,784** | **254,326** | **-1,542** | **(-0.6%)** |

Note: 1) Revenue amounts less than one million yen, and numbers of passengers less than one thousand, are omitted.

2) For Hankyu Railway, “other ticket revenue/ridership” includes revenue/ridership associated with the PiTaPa usage sections.

3) Sum of tier 1 and tier 2 railway operators for both Hankyu Corporation and Hanshin Electric Railway.

4) Barrier-free charge is added to regular rail fares and included in the fare revenues from “Other tickets” and “Commuter pass: workers” for both Hankyu Corporation and Hanshin Electric Railway.

# Performance Indicators

| | FY2026 Results | FY2027 Forecasts |
|---|---|---|
| **Business profit (1)+(2)** | **¥128.6billion** | **¥124.0billion** |
| Operating profit (1) | ¥127.1billion | ¥121.7billion |
| Equity-method gains/losses related to overseas business investments, etc.(2) | ¥1.4billion | ¥2.3billion |
| **EBITDA*1** | **¥200.0billion** | **¥199.0billion** |
| **Profit attributable to owners of parent** | **¥78.5billion** | **¥79.0billion** |
| **ROE** | **7.3%** | **7.3%** |
| **Net interest-bearing debt*2** | **¥1,362.3billion** | **¥1,580.0billion** |
| **Net interest-bearing debt/EBITDA ratio** | **6.8** | **7.9** |
| **D/E ratio*3** | **1.3** | **1.5** |
| (Reference) | | |
| Interest-bearing debt | ¥1,434.6billion | ¥1,650.0billion |
| Interest-bearing debt/EBITDA ratio | 7.2 | 8.3 |

*1 EBITDA = Business profit (Operating profit + Equity-method gains/losses related to overseas business investments, etc.)
+ Depreciation expenses + Amortization of goodwill

*2 Net interest-bearing debt = Interest-bearing debt – Cash and Deposits

*3 D/E ratio = Interest-bearing debt / Equity

# [Reference] Consolidated Statements of Capital Expenditure

| (¥ billion) | FY2027 Forecasts | Main investments | FY2026 Results | Main investments | Change |
|---|---|---|---|---|---|
| **Total capital expenditure** | **151.5** | | 93.7 | | +57.8 |
| **[Breakdown for each business segment]** | | | | | |
| **Urban Transportation** | **75.5** | ● Development of barrier-free facilities<br>● Building of new rolling stock and improvement of existing rolling stock<br>● Work to renovate Hankyu Osaka-umeda Station | 47.2 | ● Building of new rolling stock and improvement of existing rolling stock<br>● Development of barrier-free facilities | +28.3 |
| **Real Estate** | **49.0** | ● Maintenance, update, and renovation of leased facilities<br>● (Tentative name) Higashi Hankyu Building Redevelopment Plan | 28.0 | ● Maintenance, update, and renovation of leased facilities | +21.0 |
| **Entertainment** | **12.6** | ● Hanshin Koshien Stadium Silver Canopy Extension to the First- and Third-base Side Alps Stands Plan | 7.6 | ● Hanshin Koshien Stadium Silver Canopy Extension to the First- and Third-base Side Alps Stands Plan | +5.0 |
| **Information and Communication Technology** | **7.4** | | 4.6 | | +2.8 |
| **Travel** | **2.3** | | 3.4 | | -1.1 |
| **International Transportation** | **1.8** | | 2.1 | | -0.3 |

# [Reference] Consolidated Statements of Depreciation and amortization, EBITDA*

| (¥ billion) | FY2027 Forecasts | FY2026 Results | Change |
|---|---|---|---|
| **Total Depreciation and amortization** | **74.1** | 68.8 | +5.3 |
| [Breakdown for each business segment] | | | |
| Urban Transportation | **32.6** | 29.5 | +3.1 |
| Real Estate | **27.3** | 26.6 | +0.7 |
| Entertainment | **5.0** | 4.8 | +0.2 |
| Information and Communication Technology | **6.0** | 5.6 | +0.4 |
| Travel | **1.2** | 0.8 | +0.4 |
| International Transportation | **2.5** | 2.1 | +0.4 |
| | | | |
| **Total EBITDA** | **199.0** | 200.0 | -1.0 |
| [Breakdown for each business segment] | | | |
| Urban Transportation | **59.5** | 64.8 | -5.3 |
| Real Estate | **102.9** | 95.1 | +7.8 |
| Entertainment | **17.6** | 17.9 | -0.3 |
| Information and Communication Technology | **13.7** | 13.4 | +0.3 |
| Travel | **3.9** | 6.2 | -2.3 |
| International Transportation | **4.0** | 4.2 | -0.2 |

*EBITDA = Business profit (Operating profit + Equity-method gains/losses related to overseas business investments, etc.)+ Depreciation expenses + Amortization of goodwill

# [Reference] Operating Revenue and Operating (Business) Profit in Main Segments

| (¥ billion) | Operating revenue | | | Operating profit[Business profit] | | |
|---|---|---|---|---|---|---|
| | FY2027 Forecasts | FY2026 Results | Change | FY2027 Forecasts | FY2026 Results | Change |
| **Urban Transportation** | **210.8** | 214.3 | -3.5 | **26.9** | 35.3 | -8.4 |
| [Breakdown] | | | | | | |
| Railway | **162.8** | 160.3 | +2.5 | **30.4** | 37.3 | -6.9 |
| Automobile | **48.2** | 48.1 | +0.1 | **2.1** | 4.0 | -1.9 |
| Retailing | **—** | 7.2 | -7.2 | **—** | 1.3 | -1.3 |
| Others | **11.6** | 10.4 | +1.2 | **1.4** | 1.0 | +0.4 |
| **Real Estate** | **475.7** | 406.7 | +69.0 | **73.3 [75.6]** | 67.1 [68.6] | +6.2 [+7.0] |
| [Breakdown] | | | | | | |
| Real estate leasing and others | **220.9** | 196.8 | +24.1 | **48.0** | 43.8 | +4.2 |
| Housing | **213.7** | 167.3 | +46.4 | **29.8** | 27.7 | +2.1 |
| Overseas real estate | **21.6** | 16.6 | +5.0 | **8.7 [11.0]** | 7.9 [9.3] | +0.8 [+1.7] |
| Hotel | **63.0** | 67.7 | -4.7 | **2.4** | 3.7 | -1.3 |
| **Entertainment** | **91.9** | 91.2 | +0.7 | **12.6** | 13.1 | -0.5 |
| [Breakdown] | | | | | | |
| Sports | **55.8** | 57.1 | -1.3 | **11.1** | 12.4 | -1.3 |
| Stage | **36.0** | 34.0 | +2.0 | **3.3** | 2.7 | +0.6 |

Note: 1) Segment totals may not match the aggregate of the amounts for each type of business due to separate head office expenses/adjustments.

2) The Retailing business in the Urban Transportation segment has been integrated into the Railway business from FY2027 due to a reduction in revenue and profit as a result of business restructuring.

3) Business profit = Operating profit + Equity-method gains/losses related to overseas business investments, etc.