

Hankyu Hanshin Holdings Group
Supplementary Materials of
Financial Results for the Third Quarter
of Fiscal 2024 (Ending March 2024)
(Results for the Third Quarter and Revised Full-Year Forecasts)

February 7, 2024

Hankyu Hanshin Holdings, Inc.
9042 <https://www.hankyu-hanshin.co.jp/en/>

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.

I . Performance Highlights for the Third Quarter of Fiscal 2024 (Ending March 2024)

Consolidated Statements of Income(Summary)

	Q3 FY2024 Results	FY2023 Results	Change	
Consolidated Subsidiaries	106 companies	99 companies	+7 (8 companies increase, 1 company decrease)	
Equity-Method Affiliates	13 companies	10 companies	+3 (3 companies increase)	
Total	119 companies	109 companies	+10 companies	
(¥ million)	Q3 FY2024 Results	Q3 FY2023 Results	Change	Remarks
Operating revenue	736,387	716,444	+19,943 (+2.8%)	For details, please see page5.
Operating profit	90,533	74,510	+16,023 (+21.5%)	
[Business profit]	[91,761]	[74,510]	[+17,250] [+23.2%]	
Non-operating income	14,225	10,379	+3,845	Share of profit of entities accounted for using equity method +3,177
Non-operating expenses	9,945	8,268	+1,677	Interest expenses +1,542
Ordinary profit	94,812	76,621	+18,191 (+23.7%)	
Extraordinary income	2,117	4,937	-2,819	Gain on sale of investment securities -1,898
Extraordinary losses	2,596	3,184	-588	
Profit attributable to owners of parent	62,810	51,051	+11,758 (+23.0%)	
(Reference)	Q3 FY2024 Results	Q3 FY2023 Results	Change	
Depreciation and amortization	46,117	46,034	+82	
Financial balance (1) - (2)	-6,339	-5,241	-1,097	
Interest and dividend income (1)	1,527	1,082	+444	
Interest expenses (2)	7,866	6,324	+1,542	

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

For details, please see next page.

(With regard to Q3 FY2023, we had no equity-method affiliates in our overseas businesses.

Thus, for this year, "Business profit = Operating profit".)

Business Profit

- “Business profit” was introduced from the fiscal year ending in March 2024 as a new management metric for the Group to reflect equity-method gains/losses accompanying overseas business investments alongside operating profit.
- This is intended to more accurately track progress in overseas business growth initiatives (in Real Estate segment).

Business profit
 = Operating profit + Non-operating profit/loss : Equity-method gains/losses related to overseas business investments (in Real Estate segment)

- Company-wide business profit

(¥ million)	Q3 FY2024 Results	Q3 FY2023 Results	Change	%
Operating revenue	736,387	716,444	+19,943	+2.8%
Operating profit (1)	90,533	74,510	+16,023	+21.5%
Equity-method gains/losses related to overseas business investments (2)	1,227	—	+1,227	
Business profit (1)+(2)	91,761	74,510	+17,250	+23.2%

Note: With regard to Q3 FY2023 results, we had no equity-method affiliates in our overseas businesses.

Thus, for this year, Business profit = Operating profit .

Consolidated Statements of Income (Breakdown for each business segment)

[Key results in current period]

Revenue and profit increased on the back of a recovery in the demand for hotel accommodation in the Real Estate segment, a modest recovery in passenger volume in the Urban Transportation segment, and strong performance in the Sports business of our Entertainment segment following the Hanshin Tigers winning the league championship and the Japan Series, despite the effects of the temporary uptick in demand seen in the previous fiscal year in the Travel and International Transportation segments subsiding.

(¥ million)	Operating revenue			Operating profit [Business profit]		
	Q3 FY2024 Results	Q3 FY2023 Results	Change	Q3 FY2024 Results	Q3 FY2023 Results	Change
Urban Transportation	151,884	137,855	+14,029	28,848	18,453	+10,395
Real Estate	218,381	197,476	+20,904	35,373 [36,600]	19,490 [19,490]	+15,882 [+17,110]
Entertainment	66,189	56,618	+9,570	15,938	13,279	+2,658
Information and Communication Technology	44,033	41,109	+2,923	3,282	2,958	+323
Travel	169,667	143,685	+25,981	8,339	16,191	-7,851
International Transportation	75,374	129,414	-54,039	732	6,391	-5,659
Other	37,727	36,335	+1,392	1,651	1,270	+381
Adjustment	-26,870	-26,050	-819	-3,632	-3,525	-107
Total	736,387	716,444	+19,943	90,533 [91,761]	74,510 [74,510]	+16,023 [+17,250]

Note: Business profit = Operating profit + Equity-method gains/losses related to overseas business investments For details, please see page4.

(Q3 FY2024 results for all segments besides the Real Estate segment were calculated as "Business profit = Operating profit".)

Urban Transportation Results

Revenue and profit increased following the start of collection of barrier-free charges* at railway stations, and a recovery to a certain extent in the number of passengers in the Railway and Automobile businesses.

*All barrier-free charges will be used in the development of further barrier-free facilities in the future.

(¥ million)	Q3 FY2024 Results	Q3 FY2023 Results	Change	%
Operating revenue	151,884	137,855	+14,029	+10.2%
Operating profit	28,848	18,453	+10,395	+56.3%

[Breakdown by type of business]

(¥ billion)	Operating revenue			Operating profit		
	Q3 FY2024 Results	Q3 FY2023 Results	Y on Y	Q3 FY2024 Results	Q3 FY2023 Results	Y on Y
Railway	110.8	100.3	+10.4	30.8	21.9	+8.9
Automobile	32.4	29.5	+2.9	1.7	0.3	+1.5
Retailing	9.7	8.9	+0.8	1.2	0.8	+0.3
Others	5.0	4.4	+0.6	0.4	0.1	+0.2

Note: Not including head office expenses / adjustments.

[Urban Transportation] Railway Performance Results

Hankyu Corporation

	Fare revenues (¥ million)*				Passenger volumes (Thousands)*			
	Q3 FY2024 Results	Q3 FY2023 Results	Change		Q3 FY2024 Results	Q3 FY2023 Results	Change	
Commuter pass	24,436	22,705	+1,730	(+7.6%)	240,809	230,351	+10,457	(+4.5%)
Workers	21,101	19,475	+1,625	(+8.3%)	166,124	158,240	+7,883	(+5.0%)
Students	3,334	3,230	+104	(+3.2%)	74,684	72,110	+2,574	(+3.6%)
Other tickets	45,414	40,649	+4,765	(+11.7%)	213,367	201,683	+11,684	(+5.8%)
Total	69,850	63,355	+6,495	(+10.3%)	454,176	432,035	+22,141	(+5.1%)

Barrier-free charge: 2.5 billion yen

Hanshin Electric Railway

	Fare revenues (¥ million)*				Passenger volumes (Thousands)*			
	Q3 FY2024 Results	Q3 FY2023 Results	Change		Q3 FY2024 Results	Q3 FY2023 Results	Change	
Commuter pass	9,066	8,384	+681	(+8.1%)	91,994	87,542	+4,452	(+5.1%)
Workers	8,151	7,496	+654	(+8.7%)	72,874	69,028	+3,845	(+5.6%)
Students	914	887	+27	(+3.1%)	19,120	18,513	+607	(+3.3%)
Other tickets	16,788	14,373	+2,415	(+16.8%)	86,104	76,840	+9,263	(+12.1%)
Total	25,854	22,757	+3,097	(+13.6%)	178,098	164,382	+13,716	(+8.3%)

Barrier-free charge: 0.8 billion yen

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) In FY2024, Hankyu Corporation and Hanshin Electric Railway introduced a barrier-free charge. This charge is added to regular rail fares and included in the fare revenues from "other tickets" and "commuter pass: workers."

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Real Estate Results

Revenue and profit increased following a recovery in demand for accommodation centered around inbound travel in the Hotel business, the strong performance of properties in the real estate leasing business, including Osaka Umeda Twin Towers South, in addition to growth in the overseas real estate business.

(¥ million)	Q3 FY2024 Results	Q3 FY2023 Results	Change	%
Operating revenue	218,381	197,476	+20,904	+10.6%
Operating profit	35,373	19,490	+15,882	+81.5%
[Business profit]	[36,600]	[19,490]	[+17,110]	[+87.8%]

[Breakdown by type of business]

(¥ billion)	Operating revenue			Operating profit [Business profit]		
	Q3 FY2024 Results	Q3 FY2023 Results	Y on Y	Q3 FY2024 Results	Q3 FY2023 Results	Y on Y
Real estate leasing	94.7	95.3	-0.6	30.2	25.7	+4.5
Real estate sales and others	95.4	90.4	+5.0	6.3	5.0	+1.3
Overseas real estate	6.3	1.3	+5.0	3.2 [4.4]	-0.0 [-0.0]	+3.2 [+4.5]
Hotel	47.0	31.1	+15.9	3.7	-3.7	+7.4

Note: 1) Not including head office expenses/adjustments.

2) "Overseas real estate" is shown as an independent sub-segment in the FY2024 results, and the results for Q3 FY2023 have also been changed as a point of comparison.

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

(Q3 FY2024 results for all segments besides the overseas real estate business were calculated as "Business profit = Operating profit".)

Entertainment Results

Revenue and profit grew despite the cancellation of some stage shows by the Takarazuka Revue in the stage business with strong performance in the sports business following the Hanshin Tigers winning the league championship and the Japan Series.

(¥ million)	Q3 FY2024 Results	Q3 FY2023 Results	Change	%
Operating revenue	66,189	56,618	+9,570	+16.9%
Operating profit	15,938	13,279	+2,658	+20.0%

[Breakdown by type of business]

(¥ billion)	Operating revenue			Operating profit		
	Q3 FY2024 Results	Q3 FY2023 Results	Y on Y	Q3 FY2024 Results	Q3 FY2023 Results	Y on Y
Sports	42.4	32.4	+10.0	13.9	9.5	+4.4
Stage	23.8	24.2	-0.4	3.4	5.0	-1.6

Note: Not including head office expenses /adjustments.

Information and Communication Technology Results

Revenue and profit increased following an uptick in orders in the information services business.

(¥ million)	Q3 FY2024 Results	Q3 FY2023 Results	Change	%
Operating revenue	44,033	41,109	+2,923	+7.1%
Operating profit	3,282	2,958	+323	+10.9%

Travel Results

While revenue increased following strong domestic travel performance and a year-on-year increase in overseas travel, which is still undergoing a recovery, income declined primarily due to a drop in orders for municipality support services.

(¥ million)	Q3 FY2024 Results	Q3 FY2023 Results	Change	%
Operating revenue	169,667	143,685	+25,981	+18.1%
Operating profit	8,339	16,191	-7,851	-48.5%

International Transportation Results

Revenue and profit declined in air and ocean transportation due to weaker demand for transportation services, primarily seen in East Asia, following a move towards inventory adjustments at customer companies, in addition to a relaxing of tight supply and demand.

(¥ million)	Q3 FY2024 Results	Q3 FY2023 Results	Change	%
Operating revenue	75,374	129,414	-54,039	-41.8%
Operating profit	732	6,391	-5,659	-88.5%

Consolidated Balance Sheets

(¥ million)		Q3 FY2024 Results	FY2023 Results	Change	Remarks																								
Assets	Current assets	463,435	428,082	+35,352	Land and buildings for sale +49,167																								
	Non-current assets	2,524,551	2,437,328	+87,223	Investment securities +47,044 Property, plant and equipment and Intangible assets +37,653																								
	Total assets	2,987,987	2,865,410	+122,576																									
Liabilities	Current liabilities	511,077	499,684	+11,392	<table border="1"> <thead> <tr> <th></th> <th>Q3 FY2024 Results</th> <th>FY2023 Results</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Debt</td> <td>843,573</td> <td>822,595</td> <td>+20,977</td> </tr> <tr> <td>Bonds payable</td> <td>250,000</td> <td>260,000</td> <td>-10,000</td> </tr> <tr> <td>Commercial papers</td> <td>50,000</td> <td>10,000</td> <td>+40,000</td> </tr> <tr> <td>Lease liabilities</td> <td>13,671</td> <td>13,755</td> <td>-83</td> </tr> <tr> <td>Interest-bearing debt</td> <td>1,157,244</td> <td>1,106,351</td> <td>+50,893</td> </tr> </tbody> </table>		Q3 FY2024 Results	FY2023 Results	Change	Debt	843,573	822,595	+20,977	Bonds payable	250,000	260,000	-10,000	Commercial papers	50,000	10,000	+40,000	Lease liabilities	13,671	13,755	-83	Interest-bearing debt	1,157,244	1,106,351	+50,893
		Q3 FY2024 Results	FY2023 Results	Change																									
	Debt	843,573	822,595	+20,977																									
	Bonds payable	250,000	260,000	-10,000																									
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Lease liabilities	13,671	13,755	-83																										
Interest-bearing debt	1,157,244	1,106,351	+50,893																										
Non-current liabilities	1,417,005	1,384,785	+32,220																										
Total liabilities	1,928,083	1,884,470	+43,613																										
Shareholders' equity	926,165	878,110	+48,055	Profit attributable to owners of parent +62,810 Payment dividend -12,113																									
Net assets	Accumulated other comprehensive income	41,526	28,692	+12,833	Foreign currency translation adjustment +8,517 Valuation difference on available-for-sale securities +4,711																								
	Non-controlling interests	92,211	74,137	+18,074																									
	Total net assets	1,059,904	980,940	+78,963																									
Equity ratio		32.4%	31.6%	+0.8P																									

Ⅱ . Forecasts for Fiscal 2024 (Ending March 2024)

Consolidated Statements of Income (Summary)

(¥ billion)	FY2024 Forecasts (1)	FY2023 Forecasts (As of Oct.) (2)	Change = (1) - (2)	Remarks	FY2023 Results (3)	Change = (1) - (3)
Operating revenue	995.0	1,000.0	-5.0 (-0.5%)	Although revenue is expected to decrease following a revision of the timing of sale of some short-term return rental apartments in the real estate sales business, income is expected to increase following strong sales performance in the accommodation operations of the hotel business, and in the sports business with the Hanshin Tigers winning the Japan Series.	968.3	+26.7
Operating profit	102.7	99.7	+3.0 (+3.0%)		89.4	+13.3
[Business profit]	[105.0]	[102.0]	[+3.0] [+2.9%]		[89.4]	[+15.6]
Ordinary profit	104.0	100.0	+4.0 (+4.0%)		88.4	+15.6
Profit attributable to owners of parent	64.0	60.0	+4.0 (+6.7%)		47.0	+17.0
(Reference)						
Capital Expenditures	129.7	129.7	—		63.0	+66.7
Depreciation and amortization	62.7	62.7	—		62.0	+0.7
Financial balance (1) - (2)	-9.3	-9.3	—		-7.5	-1.8
Interest and dividend income (1)	1.4	1.4	—		1.3	+0.1
Interest expenses (2)	10.7	10.7	—		8.8	+1.9

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

(With regard to FY2023, we had no equity-method affiliates in our overseas businesses. Thus, for this year, "Business profit = Operating profit".)

2) This consolidated results forecast includes the impact of the company acquiring OS Co., Ltd. as a consolidated subsidiary as of January 31, 2024.

Consolidated Statements of Income (Breakdown for each business segment)

(¥ billion) Upper row : Operating revenue Lower row : Operating profit [Business profit]	FY2024 Forecasts	FY2024 Forecasts (As of Oct.)	Change	Remarks	FY2023 Results	Change
	(1)	(2)	= (1)-(2)		(3)	= (1)-(3)
Total	995.0	1,000.0	-5.0		968.3	+26.7
	102.7	99.7	+3.0		89.4	+13.3
	[105.0]	[102.0]	[+3.0]		89.4	+15.6
(Breakdown for each business segment)						
Urban Transportation	203.8	203.2	+0.6	Revenue and profit is expected to increase due to a gradual recovery in ridership on Hankyu and Hanshin lines, and a reduction in general expenses.	185.6	+18.2
	34.8	33.5	+1.3		22.4	+12.4
Real Estate	319.3	323.0	-3.7	Although revenue is expected to decrease following a revision of the timing of sale of some short-term return rental apartments in the real estate sales business, income is expected to increase following strong sales performance in the accommodation operations of the hotels business, and robust rental revenues from properties in the leasing business.	282.0	+37.3
	46.5	44.6	+1.9		27.9	+18.6
	[48.8]	[46.9]	[+1.9]		[27.9]	[+20.9]
Entertainment	80.3	79.8	+0.5	Although revenue is expected to increase following the impact of the Hanshin Tigers winning the Japan Series to the sports business, income is expected to decrease due to the cancellation of some productions of the Takarazuka Revue in Q3, as well as revisions to the performance schedule commencing in January this year.	72.3	+8.0
	12.5	12.7	-0.2		12.6	-0.1
Information and Communication Technology	65.9	65.9	—		60.4	+5.5
	6.2	6.2	—		5.9	+0.3
Travel	210.0	210.0	—		191.4	+18.6
	4.0	3.9	+0.1		15.3	-11.3
International Transportation	98.0	100.0	-2.0	Revenue and profit are expected to decline due to sluggish demand for transportation services, primarily in East Asia.	163.3	-65.3
	0.5	1.0	-0.5		8.4	-7.9

Note: Business profit = Operating profit + Equity-method gains/losses related to overseas business investments
(FY2024 results for all segments besides the Real Estate segment were calculated as "Business profit = Operating profit".)

[Urban Transportation] Railway Performance Forecasts

Hankyu Corporation

	Fare revenues (¥ million)*				Passenger volumes (Thousands)*			
	FY2024 Forecasts	FY2023 Results	Change		FY2024 Forecasts	FY2023 Results	Change	
Commuter pass	32,209	29,900	+2,309	(+7.7%)	312,714	299,570	+13,144	(+4.4%)
Workers	28,090	25,935	+2,154	(+8.3%)	220,578	210,671	+9,906	(+4.7%)
Students	4,119	3,965	+154	(+3.9%)	92,136	88,898	+3,237	(+3.6%)
Other tickets	61,017	54,908	+6,109	(+11.1%)	287,042	272,065	+14,976	(+5.5%)
Total	93,227	84,809	+8,418	(+9.9%)	599,757	571,636	+28,121	(+4.9%)

Barrier-free charge: 3.4 billion yen

Hanshin Electric Railway

	Fare revenues (¥ million)*				Passenger volumes (Thousands)*			
	FY2024 Forecasts	FY2023 Results	Change		FY2024 Forecasts	FY2023 Results	Change	
Commuter pass	12,017	11,096	+921	(+8.3%)	120,757	114,974	+5,782	(+5.0%)
Workers	10,876	9,996	+879	(+8.8%)	96,876	91,956	+4,919	(+5.3%)
Students	1,141	1,099	+41	(+3.8%)	23,881	23,017	+863	(+3.8%)
Other tickets	22,263	19,365	+2,897	(+15.0%)	115,062	103,696	+11,365	(+11.0%)
Total	34,281	30,462	+3,818	(+12.5%)	235,819	218,671	+17,148	(+7.8%)

Barrier-free charge: 1.1 billion yen

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) In FY2024, Hankyu Corporation and Hanshin Electric Railway introduced a barrier-free charge. This charge is added to regular rail fares and included in the fare revenues from "other tickets" and "commuter pass: workers."

Performance Indicators

	FY2023 Results	FY2024 Forecasts (As of Oct.)	FY2024 Forecasts (As of Feb.)
Business profit (1) + (2)	¥89.4billion	¥102.0billion	¥105.0billion
Operating profit (1)	¥89.4billion	¥99.7billion	¥102.7billion
Equity-method gains related to overseas business investments (2)	—	¥2.3billion	¥2.3billion
EBITDA* ¹	¥153.7billion	¥167.0billion	¥170.0billion
Interest-bearing debt	¥1,106.4billion	¥1,190.0billion	¥1,210.0billion
Interest-bearing debt / EBITDA ratio	7.2	7.1	7.1
D/E ratio* ²	1.2	1.2	1.3
Profit attributable to owners of parent	¥47.0billion	¥60.0billion	¥64.0billion
ROE	5.3%	6.4%	6.8%
(Reference)			
Net interest-bearing debt* ³	¥1,063.5billion	¥1,165.0billion	¥1,185.0billion
Net interest-bearing debt/EBITDA ratio	6.9	7.0	7.0

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

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

*3 Net interest-bearing debt = Interest-bearing debt - Cash and Deposits

[Reference] Consolidated Statements of Income (Breakdown by type of business)

(¥ billion)	Operating revenue					Operating profit [Business profit]				
	FY2024 Forecasts	FY2024 Forecasts (As of Oct.)	Change	FY2023 Results	Change	FY2024 Forecasts	FY2024 Forecasts (As of Oct.)	Change	FY2023 Results	Change
	(1)	(2)	= (1)-(2)	(3)	= (1)-(3)	(1)	(2)	= (1)-(2)	(3)	= (1)-(3)
Urban Transportation	203.8	203.2	+0.6	185.6	+18.2	34.8	33.5	+1.3	22.4	+12.4
[Breakdown]										
Railway	148.0	147.4	+0.6	134.5	+13.5	37.4	36.5	+0.9	26.5	+10.9
Automobile	43.3	43.2	+0.1	40.2	+3.1	2.1	1.8	+0.3	0.7	+1.4
Retailing	13.0	13.0	—	12.0	+1.0	1.3	1.2	+0.1	1.0	+0.3
Others	10.2	10.0	+0.2	8.9	+1.3	0.9	0.8	+0.1	0.6	+0.3
Real Estate	319.3	323.0	-3.7	282.0	+37.3	46.5	44.6	+1.9	27.9	+18.6
[Breakdown]						[48.8]	[46.9]	[+1.9]	[27.9]	[+20.9]
Real estate leasing	126.5	125.5	+1.0	126.2	+0.3	35.7	34.6	+1.1	32.4	+3.3
Real estate sales and others	156.3	161.7	-5.4	137.4	+18.9	15.2	15.2	—	9.1	+6.1
Overseas real estate	8.0	8.0	—	3.2	+4.8	3.4	3.4	—	1.1	+2.3
Hotel	61.8	60.6	+1.2	44.2	+17.6	[5.7]	[5.7]	[—]	[1.1]	[+4.6]
						3.6	3.0	+0.6	-4.8	+8.4
Entertainment	80.3	79.8	+0.5	72.3	+8.0	12.5	12.7	-0.2	12.6	-0.1
[Breakdown]										
Sports	48.3	46.0	+2.3	38.4	+9.9	10.3	9.2	+1.1	7.4	+2.9
Stage	31.9	33.7	-1.8	33.9	-2.0	3.9	5.2	-1.3	6.8	-2.9

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) As of FY2024, overseas real estate is presented as an independent sub-segment. The segment results for the comparative year, FY2023, have been retroactively adjusted accordingly.

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

(FY2024 results for all segments besides the overseas real estate business were calculated as “Business profit = Operating profit”).

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Hankyu Hanshin Holdings, Inc.