

Hankyu Hanshin Holdings Group Results Briefing Materials for Fiscal 2020 (fiscal year ended 31st March 2020)

May 19, 2020

Hankyu Hanshin Holdings, Inc.

9042 <http://www.hankyu-hanshin.co.jp/en/>

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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 Fiscal 2020 (fiscal year ended 31st March 2020)

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Consolidated Statements of Income(Summary)

	FY2020 Results	FY2019 Results	Change
Consolidated Subsidiaries	93 companies	94 companies	-1 (2 companies increase, 3 company decrease)
Equity-Method Affiliates	11 companies	11 companies	±0
Total	104 companies	105 companies	-1

(¥ million)	FY2020 Results	FY2019 Results	Change	Remarks
Revenue from operations	762,650	791,427	-28,776 (-3.6%)	For details, please see next page
Operating income	95,170	114,937	-19,767 (-17.2%)	
Non-operating income	7,331	9,377	-2,046	Equity in income of affiliates -1,573
Non-operating expenses	13,706	13,771	-65	
Ordinary income	88,795	110,543	-21,748 (-19.7%)	Relative to last year's "loss on impairment of fixed assets" and "deferred tax assets" (in relation to transfer of Hokushin Kyuko Railway)
Extraordinary income	6,038	7,221	-1,183	
Extraordinary loss	8,086	29,202	-21,115	Impairment loss -18,901
Net income attributable to owners of the parent	54,859	65,476	-10,616(-16.2%)	Tax expense +9,309

(Reference)	FY2020 Results	FY2019 Results	Change
Depreciation and amortisation	56,542	54,172	+2,370
Financial balance ① - ②	-7,718	-8,118	+400
Interest and dividend income①	1,548	1,496	+52
Interest expense②	9,267	9,615	-347

Consolidated Statements of Income (Breakdown for each business segment)

[Key results in current period]

Revenue and income declined. The Real Estate Business experienced a downturn relative to the high level last year, when the segment sold off commercial-use land in the east area of Saito (Ibaraki, Osaka). Additionally, COVID-19 impacted many businesses in Q4(※).

※COVID-19 impact : Revenue from Operations **-22.0billion yen**, Operating income **-15.4billion yen**

(¥ million)	Revenue from operations			Operating income		
	FY2020 Results	FY2019 Results	Change	FY2020 Results	FY2019 Results	Change
COVID-19 impact -5.2billion yen				-4.7 billion yen		
Urban Transportation	227,176	238,562	-11,385	40,056	43,455	-3,399
Real Estate	236,046	237,276	-1,229	41,510	49,250	-7,740
Entertainment -4.4billion yen	74,020	74,518	-498	11,695	13,439	-1,744
Information and Communication Technology	58,576	53,533	+5,042	5,598	5,279	+318
Travel -4.9billion yen	33,766	35,528	-1,762	232	1,764	-1,531
International Transportation	76,186	89,990	-13,804	170	2,392	-2,221
Hotels -5.2billion yen	60,280	64,923	-4,643	-3,142	1,214	-4,356
Other	42,486	43,417	-930	2,381	2,333	+47
Adjustment	-45,887	-46,322	+434	-3,332	-4,191	+859
Total -22.0billion yen	762,650	791,427	-28,776	-15.4 billion yen 95,170	114,937	-19,767

※ The “Information and Communication Technology” was newly created in the quarter under review (Q1 FY2020). Previously, the business was called ‘Communication, Media and Others’ and existed within the “Entertainment and Communications”, which itself has been renamed to the “Entertainment”. The purpose of the change was to boost competitiveness. Following this change, there are now seven reportable core businesses: Urban Transportation, Real Estate, Entertainment (formerly named Entertainment and Communications), Information and Communication Technology, Travel, International Transportation, and Hotels. The FY2019 data used for year-on-year comparisons has been adjusted according to the new business segment structure.

How COVID-19 Impacted Each Business (FY2020 Results)

Upper table : Revenue from operations Lower table : Operating income	FY2020 Results	Description of impact
Total	-22.0 billion yen	
	-15.4 billion yen	

[Breakdown for each business segment]

Urban Transportation	-5.2 billion yen	[Railway, Automobile] Fewer people outside (stay-at-home requests); inbound demand curtailed
	-4.7 billion yen	
Entertainment	-4.4 billion yen	[Sports] Pro baseball season postponed(-3 games) [Stage] Takarazuka Revue performances cancelled
	-3.0 billion yen	
Travel	-4.9 billion yen	Domestic and international tours suspended; surge in cancellations
	-3.1 billion yen	
Hotels	-5.2 billion yen	Inbound demand curtailed by international travel restrictions; domestic tourist demand hit by travel/outing cancellations
	-3.3 billion yen	

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Urban Transportation Results

COVID-19 impact
Revenue from operations : -5.2billion yen
Operating income : -4.7billion yen

[Railway]

•Revenue and income declined. Hankyu and Hanshin lines performed well, but this was offset by COVID-19 impact in Q4 and by higher costs (especially from retirement of noncurrent assets).

[Automobile]

•Revenue and income declined due to COVID-19 impact in Q4.

(¥ million)	FY2020 Results	FY2019 Results	Change	%
Revenue from operations	227,176	238,562	-11,385	-4.8%
Operating income	40,056	43,455	-3,399	-7.8%

Outsourcing of convenience store / station-based store operations (Aug 2019)
-8.8 billion yen

[Breakdown by type of business]

(¥ billion)		FY2020 Results	Y on Y
Revenue from operations			
Railway	COVID-19 impact -3.3billion yen	152.4	-0.5
Automobile	-1.4billion yen	47.9	-1.5
Retailing	-0.5billion yen	21.4	-8.9
Advertising		9.4	+0.4
Others		9.4	-0.0

Outsourcing of convenience store / station-based store operations (Aug 2019)
-8.8 billion yen

*Not including head office expenses /adjustments.

[Urban Transportation] Railway Performance Results

Hankyu Corporation

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	FY2020 Results	FY2019 Results	Change	FY2020 Results	FY2019 Results	Change
Commuter pass	34,119	33,456	+662 (+2.0%)	344,604	337,778	+6,825(+2.0%)
Workers	29,623	28,962	+660(+2.3%)	243,854	237,542	+6,311(+2.7%)
Students	4,496	4,494	+1(0.0%)	100,750	100,235	+514(+0.5%)
Other tickets	61,887	63,059	-1,171(-1.9%)	310,525	318,158	-7,632 (-2.4%)
Total	96,007	96,516	-508(-0.5%)	655,129	655,936	-806(-0.1%)

COVID-19 impact -2.2billion yen

The impact of natural disasters -0.6billion yen

Hanshin Electric Railway

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	FY2020 Results	FY2019 Results	Change	FY2020 Results	FY2019 Results	Change
Commuter pass	12,327	12,024	+303 (+2.5%)	127,652	124,353	+3,298(+2.7%)
Workers	11,080	10,790	+290(+2.7%)	101,243	98,310	+2,932(+3.0%)
Students	1,246	1,233	+12(+1.0%)	26,409	26,043	+366(+1.4%)
Other tickets	21,665	22,030	-364(-1.7%)	118,559	121,012	-2,452 (-2.0%)
Total	33,993	34,054	-61(-0.2%)	246,212	245,366	+845(+0.3%)

COVID-19 impact -0.9billion yen

The impact of natural disasters -0.1billion yen

* Revenue amounts less than one million yen, and numbers of passengers less than one thousand, are omitted.
 For Hankyu Corporation, "other ticket revenue/ridership" includes revenue/ridership associated with the PiTaPa usage sections.
 Sum of tier 1 and tier 2 railway operators 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	1Q	2Q	3Q	4Q	Total
FY2020 Results	24,988	24,862	24,359	21,796	96,007
FY2019 Results	24,389	23,814	24,349	23,963	96,516
Change	+599	+1,048	+10	-2,167	-508
(%)	+2.5%	+4.4%	+0.0%	-9.0%	-0.5%

Factors of YoY Change (estimated)

- COVID-19 impact -¥2,220million
- Recovery from impact of last year's natural disasters※ +¥560million
- Leap year-related surge +¥152million
- Other factors (e.g. increase in line-side areas populations and others) +¥1,000million

《Hanshin Electric Railway》

Transportation revenue (tier 1 + tier 2)

(¥ million)

Totals for commuter passes and other tickets	1Q	2Q	3Q	4Q	Total
FY2020 Results	8,895	9,195	8,354	7,547	33,993
FY2019 Results	8,640	8,764	8,336	8,314	34,054
Change	+255	+431	+18	-766	-61
(%)	+3.0%	+4.9%	+0.2%	-9.2%	-0.2%

Factors of YoY Change (estimated)

- COVID-19 impact -¥863million
- Recovery from impact of last year's natural disasters※ +¥84million
- Leap year-related surge +¥55million
- Other factors (e.g. larger crowds for pro baseball, increase in line-side areas populations, and the strong performance of the Hanshin Namba Line and others) +¥663million

※Includes natural disasters other than the 2018 Osaka earthquake, 2018 Japan floods, Typhoon Jebi, and Typhoon Trami

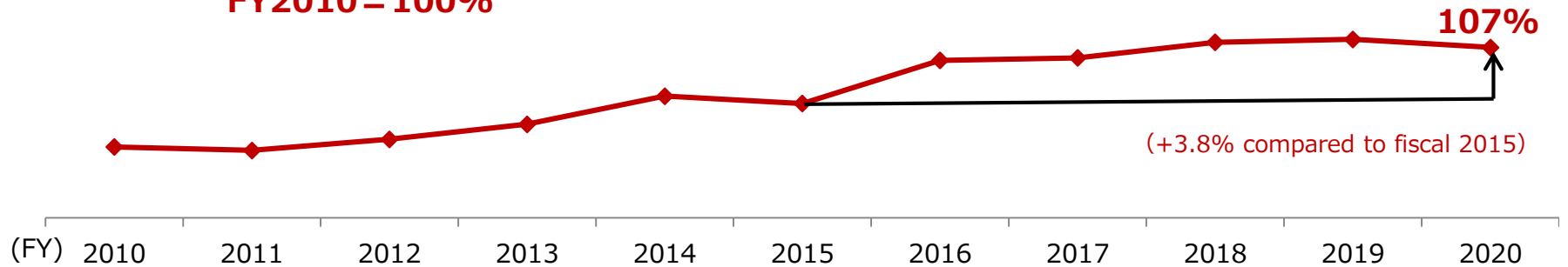
[Urban Transportation] Referential Information

Hankyu Line: Transportation revenue (tier 1 + tier 2)

(¥ million)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Commuter passes	31,126	29,484	29,922	30,391	31,299	31,549	32,272	32,628	33,198	33,456	34,119
Other tickets	58,582	60,000	60,268	60,749	61,630	60,910	62,920	62,720	63,137	63,059	61,887
Total	89,708	89,485	90,191	91,141	92,929	92,459	95,192	95,348	96,335	96,516	96,007

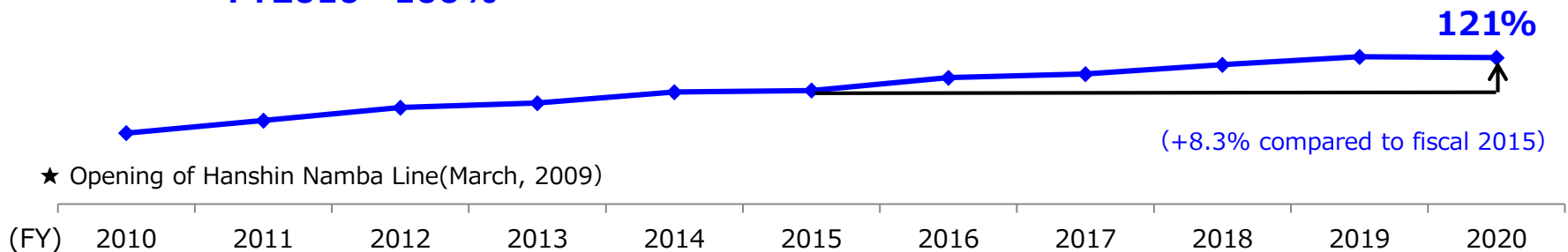
FY2010 = 100%



Hanshin Line: Transportation revenue (tier 1 + tier 2)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Commuter passes	9,642	10,126	10,623	10,740	11,008	11,107	11,372	11,563	11,797	12,024	12,327
Other tickets	18,396	18,899	19,422	19,669	20,260	20,286	21,035	21,136	21,638	22,030	21,665
Total	28,038	29,025	30,045	30,410	31,269	31,394	32,407	32,699	33,436	34,054	33,993

FY2010 = 100%



Real Estate Results

[Real estate leasing]

•Revenue and income declined. Newly opened properties contributed positively to revenue, but this was offset by higher costs (e.g. higher tax burden and depreciation/amortisation) and lower revenue relative to last year, when we received construction fees from tenants following completion of phase I of Umeda 1-1 Project.

[Real estate sales and Others]

Revenue and income declined. Although condominium sales increased, this was offset by a reactionary decline from the high level last year, when the Real Estate Business sold off commercial-use land in the east area of Saito (Ibaraki, Osaka).

【Reference】Condominium sales : +402 (1,516 units; previous year 1,114 units)

(¥ million)	FY2020 Results	FY2019 Results	Change	%
Revenue from operations	236,046	237,276	-1,229	-0.5%
Operating income	41,510	49,250	-7,740	-15.7%

[Breakdown by type of business]

(¥ billion)	FY2020 Results	Y on Y
Revenue from operations		
Real estate leasing	111.0	-0.1
Real estate sales and Others	143.2	-1.2

*Not including head office expenses/adjustments.

Entertainment Results

COVID-19 impact
Revenue from operations : -4.4billion yen
Operating income : -3.0billion yen

[Sports]

Revenue was largely unchanged and income declined. The segment reported strong earnings from sporting events and from food/drink and merchandise sales, but performance in Q4 was undercut by the COVID-19 impact.

[Stage]

Revenue and income declined. The shows proved popular and merchandise sold well, but performance in Q4 was undercut by the COVID-19 impact.

(¥ million)	FY2020 Results	FY2019 Results	Change	%
Revenue from operations	74,020	74,518	-498	-0.7%
Operating income	11,695	13,439	-1,744	-13.0%

[Breakdown by type of business]

(¥ billion)		FY2020 Results	Y on Y
Revenue from operations			
Sports	COVID-19 impact -2.1billion yen	39.5	-0.0
Stage	-2.3billion yen	34.4	-0.5

*Not including head office expenses /adjustments.

Information and Communication Technology Results

Revenue and income increased after the information services business won large transport system orders.

(¥ million)	FY2020 Results	FY2019 Results	Change	%
Revenue from operations	58,576	53,533	+5,042	+9.4%
Operating income	5,598	5,279	+318	+6.0%

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Travel Results

COVID-19 impact
Revenue from operations : -4.9billion yen
Operating income : -3.1billion yen

Revenue and income declined. The travel segment benefitted from a longer-than-usual Golden Week holiday period, with strong numbers to European and domestic destinations. However, this was offset by the COVID-19 impact in 4Q.

(¥ million)	FY2020 Results	FY2019 Results	Change	%
Revenue from operations	33,766	35,528	-1,762	-5.0%
Operating income	232	1,764	-1,531	-86.8%

[Performance Highlights for Fiscal 2020]

- ◆Overseas travel billings : Ranking 3(※)
Billings : ¥203.3billion (Y on Y -11.5%)
- ◆Domestic travel billings : Ranking 6(※)
Billings : ¥ 128.6billion (Y on Y -5.9%)
- ◆Total travel billings : Ranking 5(※)
Billings : ¥ 335.6billion (Y on Y -9.3%)

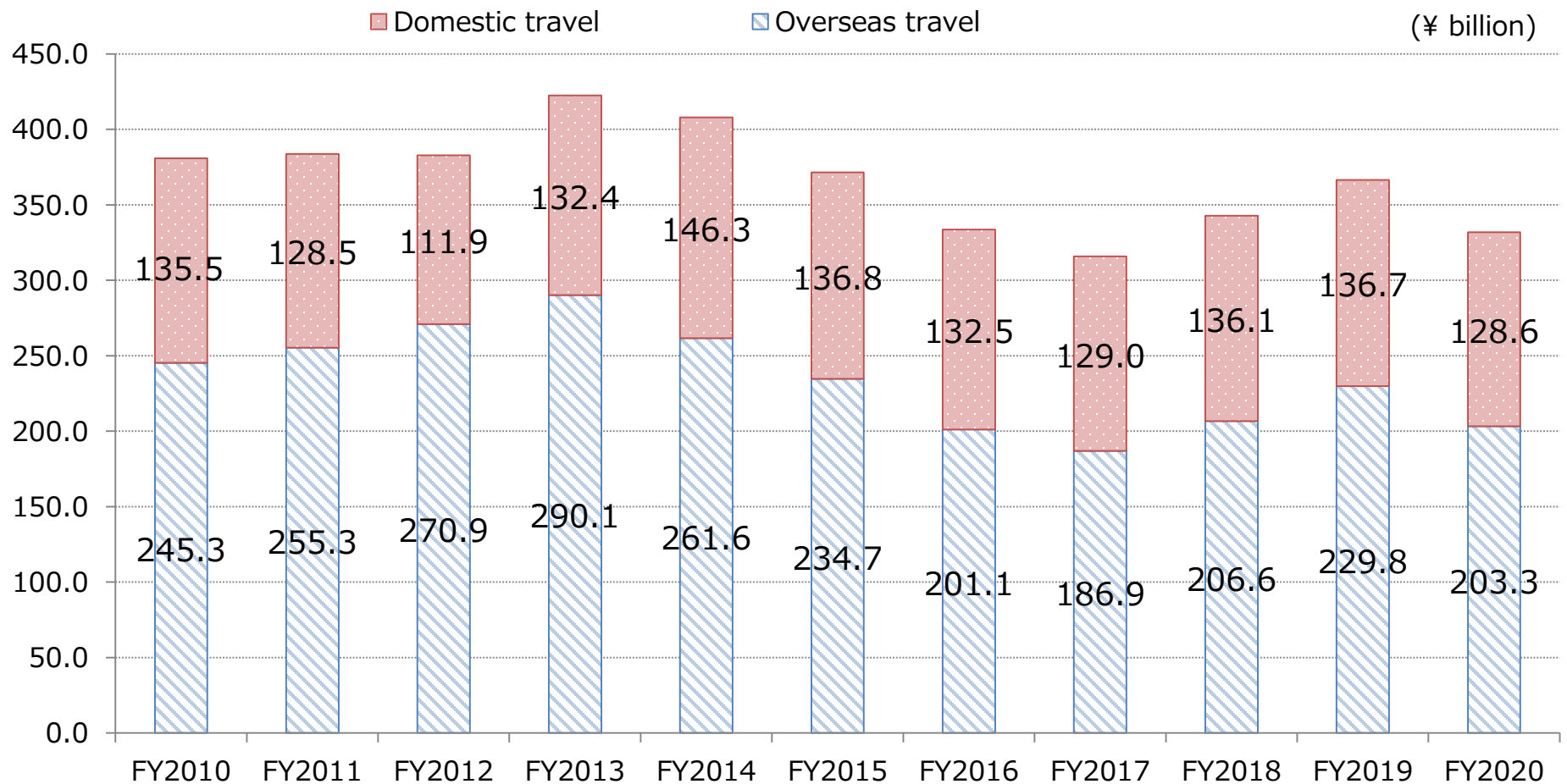
Notes: The above figures indicate the aggregated results for Hankyu Travel International, Hankyu Hanshin Business Travel, and Hanshin Travel International (intercompany transactions offset)

Notes: ※

- Sales volume indicates the aggregated volume for April to March. The values for industry ranking are based on aggregated results from April to February.
- The figures are based on 1) the data released in JTA's Report on Sales Volume Among Major Travel Agents and 2) the figures released by major travel agents

[Travel] Referential information

Billings



※Figures for fiscal 2010 to fiscal 2015 represent the simple aggregate amounts from Hankyu Travel International and Hankyu Hanshin Business Travel.
The figures from fiscal 2016 and onwards represent the aggregate amounts from the two companies as well as from Hanshin Travel International (offsetting intercompany transactions).

International Transportation Results

Revenue and income declined. Factors included US-China trade war and decline in air transport volume, especially in Japan and East Asia.

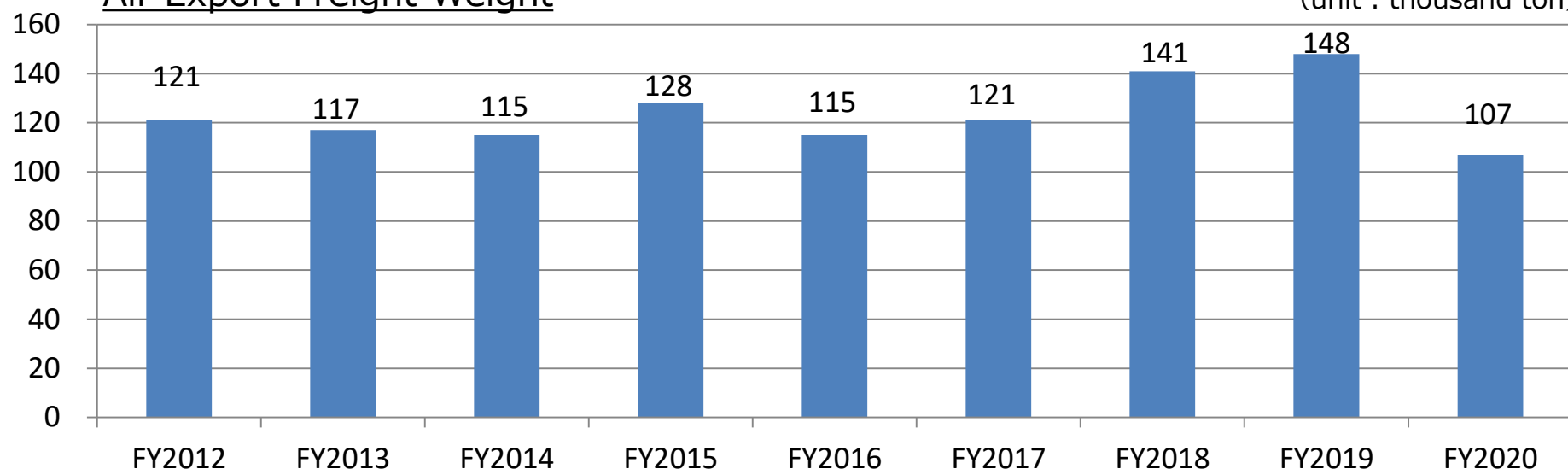
(¥ million)	FY2020 Results	FY2019 Results	Change	%
Revenue from operations	76,186	89,990	-13,804	-15.3%
Operating income	170	2,392	-2,221	-92.9%

[International Transportation] Referential information

【Total handling volume for Japanese and non-Japanese companies in the International Transportation Business segment】

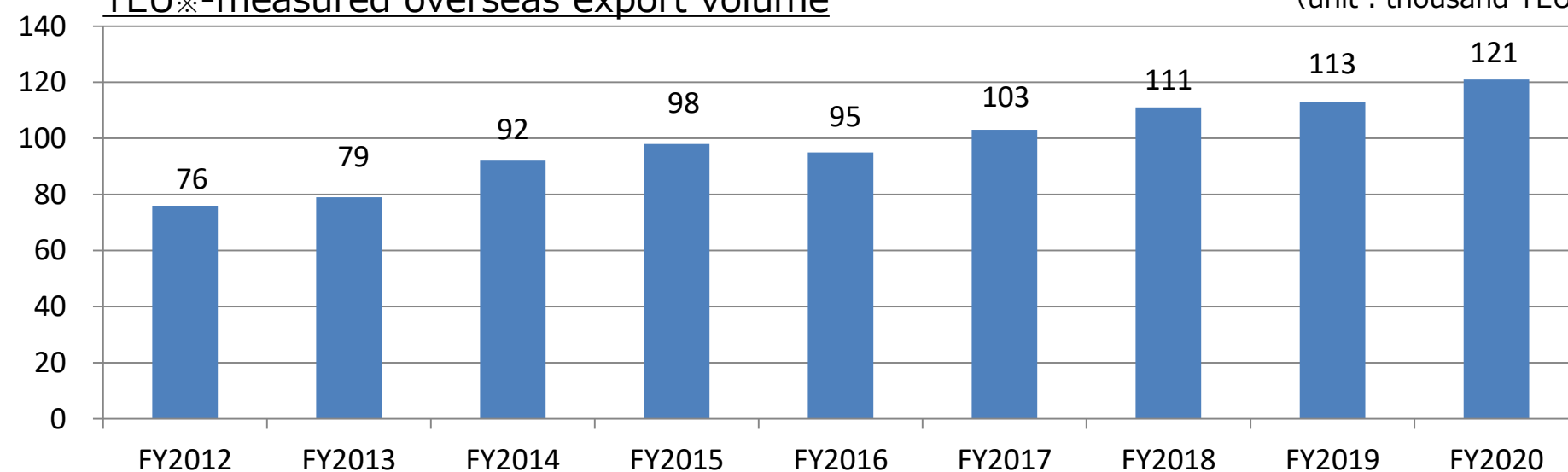
Air Export Freight Weight

(unit : thousand ton)



TEU※-measured overseas export volume

(unit : thousand TEU)



Hotels Results

remm Tokyo Kyobashi : Opened on April 3, 2019
 Hotel Hanshin Annex Osaka : May 15, 2019
 Hotel Hankyu RESPIRE OSAKA : November 27, 2019
 remm plus Ginza : December 24, 2019

COVID-19 impact
 Revenue from operations : **-5.2billion yen**
 Operating income : **-3.3billion yen**

Revenue and income declined. New openings contributed positively to earnings, but this was offset by the COVID-19 impact in Q4. Other negative factors included rising competition in the Kansai area's hotel market and a lull in demand for accommodation.

(¥ million)	FY2020 Results	FY2019 Results	Change	%
Revenue from operations	60,280	64,923	-4,643	-7.2%
Operating income	-3,142	1,214	-4,356	-

[Performance Highlights for Fiscal 2020]

Occupancy rates of Hankyu Hanshin Hotels

Total 80.1% ^{※1,※2} **(-10.6 points** from previous year)
 Kansai area 80.6% ^{※2} **(-10.3 points** from previous year)
 Tokyo metropolitan area 79.7% ^{※2} **(-11.2 points** from previous year)

Average daily rates (ADR) of Hankyu Hanshin Hotels

Total ¥13,578 ^{※1,※2} **(-¥837** from previous year ^{※3})
 Kansai area ¥12,550 ^{※2} **(-¥1,198** from previous year ^{※3})
 Tokyo metropolitan area ¥16,167 ^{※2} **(-¥487** from previous year ^{※3})

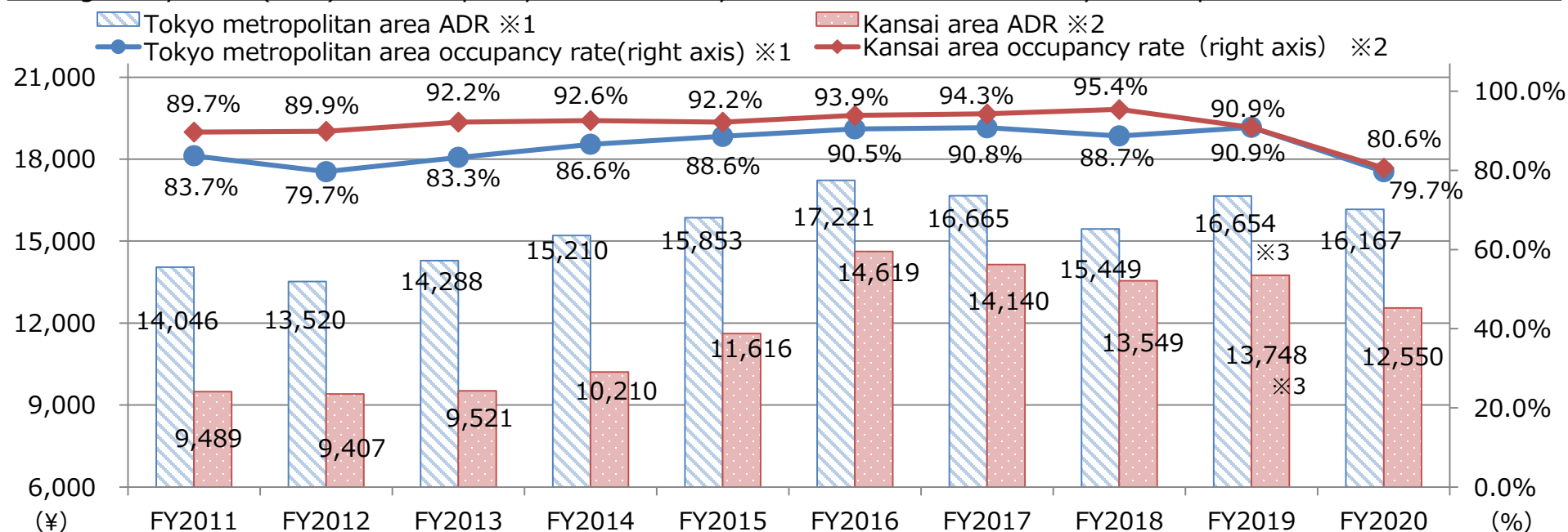
※1 : Includes remm Kagoshima

※2 : Includes new openings (remm Tokyo Kyobashi, remm plus Ginza, Hotel Hankyu RESPIRE OSAKA, Hotel Hanshin Annex Osaka)

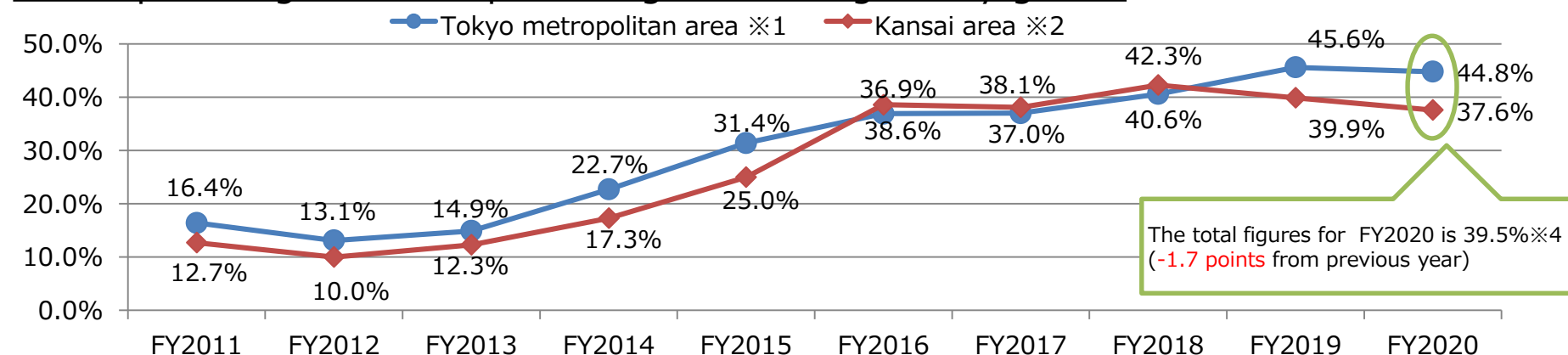
※3 : In the year under review, we started reporting the earnings of overseas online travel agents on a gross basis, rather than on a net basis as before. The new method (gross basis) has been applied retroactively to the previous fiscal year.

[Hotels] Referential information

Average daily rates (ADR) and occupancy rates of Hankyu Hanshin Hotels in the Tokyo metropolitan area and Kansai area



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



※1 Directly managed Hanshin Hankyu hotels, hotels in the Tokyo area ※2 Directly managed Hanshin Hankyu hotels, hotels in the Kansai area

※3 In the year under review, 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. ※4 Including remm Kagoshima

Consolidated Statements of Income

(Non-operating profit and loss)

(¥ million)	FY2020 Results	FY2019 Results	Change
Operating income	95,170	114,937	-19,767
Non-operating income	7,331	9,377	-2,046
Equity in income of affiliates	3,389	4,962	-1,573
Non-operating expenses	13,706	13,771	-65
Interest expenses	9,267	9,615	-347
Ordinary income	88,795	110,543	-21,748

Consolidated Statements of Income

(Extraordinary profit and loss)

(¥ million)	FY2020 Results	FY2019 Results	Change
Extraordinary profit and loss	-2,048	-21,981	+19,932
Extraordinary income	6,038	7,221	-1,183
Gain on contributions for construction	4,643	3,657	+986
Gain on sales of noncurrent assets	304	2,758	-2,453
Other	1,090	806	+283
Extraordinary loss	8,086	29,202	-21,115
Loss on reduction of noncurrent assets	4,636	4,042	+593
Loss on impairment of fixed assets	361	19,262	-18,901
Loss on revaluation of investment securities	1,356	399	+957
Other	1,732	5,497	-3,765

Consolidated Statements of Income

(Net income attributable to owners of the parent)

(¥ million)	FY2020 Results	FY2019 Results	Change
Income before income taxes	86,746	88,562	-1,816
Total income taxes	29,834	20,525	+9,309
Income taxes—current	28,235	19,104	+9,130
Income taxes—deferred	1,599	1,420	+178
Net income	56,911	68,036	-11,125
Net income attributable to non-controlling interests	2,051	2,560	-509
Net income attributable to owners of the parent	54,859	65,476	-10,616

Reactionary change to last year's "deferred tax assets" in relation to transfer of Hokushin Kyuko Railway

Consolidated Balance Sheets

(¥ million)		FY2020 Results	FY2019 Results	Change	Remarks
Assets	Current assets	262,984	302,963	-39,978	Trade receivables : -24,787 Less trade receivables in the travel business
	Noncurrent assets	2,226,097	2,163,259	+62,837	Property and equipment and intangible assets : +28,786 Long-term loans receivable : +21,413 Investment securities : +11,179
	Total assets	2,489,081	2,466,223	+22,858	
Liabilities	Current liabilities	394,634	404,286	-9,651	
	Long-term liabilities	1,156,774	1,146,555	+10,218	
	Total liabilities	1,551,409	1,550,842	+567	Accounts payable : +12,457 Advance payments for long-term construction projects : +11,281 Advance payments : -32,308 Trade payables : -18,546 Less advance payments and trade payables in the travel business
Net assets	Shareholders' equity	886,935	853,397	+33,538	Net income attributable to owners of the parent : +54,859 Payment dividend : -11,020 Less treasury stock, at cost : -9,824
	Accumulated other comprehensive income	18,711	31,465	-12,754	Valuation difference on available-for-sale securities : -10,351
	Non-controlling interests	32,025	30,517	+1,507	
	Total net assets	937,672	915,381	+22,291	
Equity ratio		36.4%	35.9%	+0.5p	

Consolidated Statements of Cash Flows

(¥ million)

	FY2020 Results	FY2019 Results
Cash flows from operating activities	123,086	126,035
Income before income taxes	86,746	88,562
Depreciation and amortisation	56,542	54,172
Loss on impairment of fixed assets	361	19,262
Income taxes (paid) refunded	-15,295	-30,542
Cash flows from investing activities	-128,498	-116,160
Purchases of noncurrent assets	-96,028	-137,809
Proceeds from sales of noncurrent assets	884	16,310
Purchases of investment securities	-27,660	-11,744
Receipt of contributions for construction	19,631	18,252
Cash flows from financing activities	964	-11,171
Purchase of treasury stock	-9,960	-10,199
Dividends paid	-11,020	-9,896
Decrease (increase) in interest-bearing debt	26,424	10,297
Effect of exchange rate changes on cash and cash equivalents	-7	-551
Increase (decrease) in cash and cash equivalents	-4,454	-1,848
Cash and cash equivalents at beginning of year	27,589	27,501
Increase in cash and cash equivalents from newly consolidated subsidiary	391	1,935
Cash and cash equivalents at end of year	23,526	27,589

Management indicators

	FY2019 Results	FY2020 Results
Operating income	¥114.9billion	¥95.2billion
EBITDA ^{※1}	¥171.4billion	¥154.1billion
Interest-bearing debt	¥877.1billion	¥903.5billion
Interest-bearing debt /EBITDA ratio	5.1times	5.9times
D/E ratio ^{※2}	1.0times	1.0times
Net income attributable to owners of the parent	¥65.5billion	¥54.9billion
ROE	7.6%	6.1%

(Reference)

Net interest-bearing debt ^{※3}	¥848.2billion	¥878.5billion
Net interest-bearing debt/EBITDA ratio	5.0times	5.7times

※1 EBITDA=operating income + depreciation expenses + amortisation 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

(¥ billion) [Upper table] Revenues from operations [Lower table] Operating income		FY2020 Results ①	FY2020 Forecasts (As of Nov.) ②	Change ①-②	FY2020 Forecasts (As of May.) ③	Change ①-③	FY2019 Results ④	Change ①-④
Total	COVID-19 impact -22.0billion yen	762.7	795.0	-32.3	810.0	-47.3	791.4	-28.8
	-15.4billion yen	95.2	107.0	-11.8	107.0	-11.8	114.9	-19.8

(Breakdown for each business segment)

Urban Transportation	-5.2billion yen	227.2	234.3	-7.1	242.8	-15.6	238.6	-11.4
	-4.7billion yen	40.1	43.8	-3.7	43.8	-3.7	43.5	-3.4
Real Estate		236.0	246.2	-10.2	2,462	-10.2	237.3	-1.2
		41.5	41.6	-0.1	41.6	-0.1	49.3	-7.7
Entertainment	-4.4billion yen	74.0	75.1	-1.1	73.1	+0.9	74.5	-0.5
	-3.0billion yen	11.7	13.5	-1.8	13.2	-1.5	13.4	-1.7
Information and Communication Technology		58.6	59.2	-0.6	58.7	-0.1	53.5	+5.0
		5.6	5.5	+0.1	5.3	+0.3	5.3	+0.3
Travel	-4.9billion yen	33.8	38.9	-5.1	36.9	-3.1	35.5	-1.8
	-3.1billion yen	0.2	3.3	-3.1	1.9	-1.7	1.8	-1.5
International Transportation		76.2	77.8	-1.6	88.7	-12.5	90.0	-13.8
		0.2	0.2	-0.0	1.8	-1.6	2.4	-2.2
Hotels	-5.2billion yen	60.3	66.7	-6.4	68.5	-8.2	64.9	-4.6
	-3.3billion yen	-3.1	0.2	-3.3	1.7	-4.8	1.2	-4.4

《Reference》 Consolidated Statements of Capital Expenditure

(¥ billion)	FY2020 Results ①	FY2020 forecasts (As of Nov.) ②	Change ①-②	FY2020 Forecasts (As of May) ③	Change ①-③	FY2019 Results ④	Change ①-④
Total capital expenditure	81.1	113.1	-32.0	126.2	-45.1	114.4	-33.3

(Breakdown for each business segment)

Urban Transportation	32.9	39.4	-6.5	41.4	-8.5	33.8	-0.9
Real Estate	32.2	52.0	-19.8	61.8	-29.6	62.4	-30.2
Entertainment	4.2	5.3	-1.1	4.6	-0.4	2.6	+1.5
Information and Communication Technology	4.9	6.1	-1.2	5.3	-0.4	5.3	-0.4
Travel	1.2	1.7	-0.5	1.8	-0.6	0.8	+0.4
International Transportation	1.1	2.0	-0.9	4.3	-3.2	0.7	+0.4
Hotels	4.8	7.0	-2.2	7.0	-2.2	2.0	+2.9

《Reference》 Consolidated Statements of Depreciation and amortisation, EBITDA

(¥ billion)	FY2020 Results ①	FY2020 forecasts (As of Nov.) ②	Change ①-②	FY2020 Forecasts (As of May) ③	Change ①-③	FY2019 Results ④	Change ①-④
Total Depreciation and amortisation	56.5	57.0	-0.5	58.1	-1.6	54.2	+2.4
(Breakdown for each business segment)							
Urban Transportation	27.6	28.1	-0.5	28.6	-1.0	27.4	+0.3
Real Estate	17.2	17.4	-0.2	17.5	-0.3	16.6	+0.5
Entertainment	3.8	3.7	+0.1	3.8	-0.0	3.7	+0.1
Information and Communication Technology	3.8	3.9	-0.1	4.0	-0.2	3.4	+0.4
Travel	0.8	0.8	-0.0	0.8	-0.0	0.7	+0.1
International Transportation	1.3	1.0	+0.3	1.3	+0.0	0.6	+0.7
Hotels	2.5	2.5	+0.0	2.5	+0.0	2.1	+0.4
Total EBITDA (※)	154.1	166.0	-11.9	167.0	-12.9	171.4	-17.2
(Breakdown for each business segment)							
Urban Transportation	67.7	71.9	-4.2	72.4	-4.7	70.8	-3.1
Real Estate	58.8	59.2	-0.4	59.3	-0.5	65.9	-7.0
Entertainment	15.4	17.2	-1.8	17.0	-1.6	17.1	-1.7
Information and Communication Technology	9.4	9.4	-0.0	9.3	+0.1	8.7	+0.7
Travel	1.0	4.1	-3.1	2.7	-1.7	2.4	-1.4
International Transportation	1.5	1.2	+0.3	3.1	-1.6	3.0	-1.5
Hotels	-0.6	2.7	-3.3	4.2	-4.8	3.4	-4.0

(※) EBITDA=operating income + depreciation expenses + amortisation of goodwill

Ⅱ. Forecast for fiscal 2021 (fiscal year ending 31st March 2021)

Forecast for fiscal 2021 (fiscal year ending 31st March 2021)

■ Forecast for fiscal 2021 (fiscal year ending 31st March 2021)

- COVID-19 has impacted many of our businesses. Results for fiscal 2021 will depend to a great extent on the duration and scale of the impacts.
- As the duration and scale remain unclear, we cannot give reasonable full-year forecasts at this time. Once we have a clearer picture, we will announce the forecasts without delay.

■ How COVID-19 will impact each business :

Urban Transportation	•Fewer people outside (stay-at-home requests); inbound demand curtailed
Real Estate	•Leased facilities closed or operating with reduced hours; domestic condominium business seeing less leasing/sales revenue after suspending sales activities
Entertainment	•Pro baseball season postponed, Takarazuka Revue performances cancelled
Travel	•Domestic and international tours suspended; surge in cancellations
Hotels	•Inbound demand curtailed by international travel restrictions; domestic tourist demand hit by travel/outing cancellations

Returns to Shareholders

■ Shareholder Return Policy

- We aim to deliver steady dividends to shareholders, as measured by a total payout ratio of 30%, and steadily acquire treasury stock, while working to enhance our operating foundation.
- We will cap our treasury holdings at 5% of total outstanding shares and dispose of any holdings that exceed this cap.

<Reference> Formula for calculating total payout ratio

$$\text{Total payout ratio of FY[N](\%)} = \frac{(\text{Total dividend of FY[N]}) + (\text{Acquisition of treasury stock in FY[N+1]})}{(\text{Net income attributable to owners of parent in FY[N]})} \times 100$$

■ Specific figures for dividend of surplus

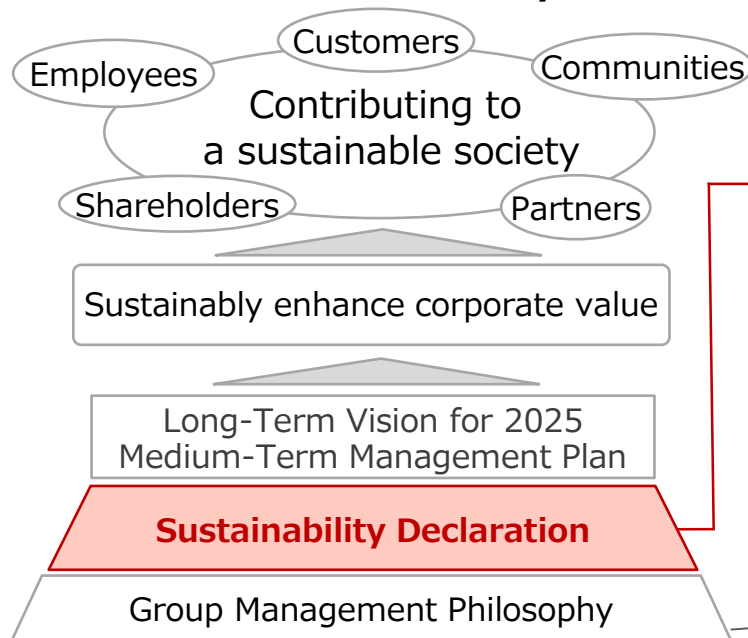
- **For fiscal 2020, the annual dividend per share will be 50 yen※ (10 yen higher than in previous years),** as initially planned. Based on the 5% cap mentioned above, **we will acquire up to 4.3 billion yen in treasury stock.**
※ Subject to shareholder approval at the General Meeting of Shareholders on June 17, 2020
- The dividend of surplus for FY2021 is yet to be determined. We will determine the dividend in accordance with our Shareholder Return Policy and in consideration of future performance trends. Once decided, the dividend will be announced without delay.

Ⅲ. Sustainable Business Practices

Sustainable Business Practices

- We have always taken sustainability seriously and have developed a range of measures based on ESG criteria.
- Recently, we released the Sustainability Declaration, which outlines the group's commitment to addressing global sustainability challenges as part of the SDG agenda. Guided by this Declaration, we will work to become an even more sustainable business.

[The role of the Sustainability Declaration]



Three core elements underlie our pursuit of sustainable growth:

- ① General principles (sustainability vision)
- ② Priority issues (materiality matrix) and the policies for each one
- ③ Project themes, non-financial KPIs

• Our value to society

Mission

By delivering “Safety and Comfort” and “Dreams and Excitement” , we create satisfaction among our customers and contribute to society.

The Sustainability Declaration embodies our contribution.

[Our sustainability strategy]

- We have established the following organizations to spearhead sustainability practices:
 - Corporate Sustainability Department – an internal department of Hankyu Hanshin Holdings
 - Corporate Sustainability Committee - a committee chaired by the CEO of Hankyu Hanshin HoldingsThese organizations will monitor progress in the projects for each priority issue and ensure that sustainability is a central focus in each medium-term management plan.
- From FY2022 onward, medium-term management plans will outline the sustainability measures in each core business.

Sustainability Declaration①

①General principles (sustainability vision)

A future vision that we hope to achieve through our sustainable business practices

~ Create a future grounded in "Safety and Comfort",
and a future coloured by "Dreams and Excitement". ~

For over a hundred years, we have sought to cultivate communities and enrich lives. Leveraging this experience, we commit ourselves to addressing social and environmental challenges and working toward a sustainable future, one that offers a fulfilling, joyful life to all and inspires the next generation to dream with hope.

②Priority issues (materiality matrix)

Six priority issues to address as part of our sustainable business practices

Issues		Policies
①Safe, reliable infrastructure	 	Provide railways and other infrastructure that are safe and disaster-resilient. Ensure that anyone can safely access our facilities and services.
②Thriving communities	   	Help build sustainable communities with rich natural and cultural heritage, making great places to live in, work in, and visit.
③Life designs for tomorrow	  	Promote refined and inspired lifestyle solutions for a better tomorrow.
④Empowering individuals	   	Provide an inclusive workplace that values diversity and taps into individual talent. Cultivate tomorrow's leaders for society.
⑤Environmental protection	  	Contribute toward a low-carbon, circular economy.
⑥Robust governance	 	Act honestly and in good faith, as stakeholders expect us to do.

Sustainability Declaration②

③ Non-financial KPIs

KPIs for the sustainable business practices

Priority issues (materiality matrix)	Policies (abridged)	Non-financial KPIs
① Safe, reliable infrastructure	Provide railways and other infrastructure that are safe and disaster-resilient	Zero culpable incidents in our railway business
④ Empowering individuals	Provide an inclusive workplace that values diversity and taps into individual talent	1. Employee satisfaction always better than in previous survey※ (Applies to: Hankyu Hanshin Holdings, Inc.(HHHD), Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Hankyu Hanshin Properties Corp.) 2. Women occupy 10% of management positions (FY2031) (Applies to: HHHD and six core companies) 3. Women always account for more than 30% of new hires (Applies to: HHHD and six core companies)
⑤ Environmental protection	Contribute toward a low-carbon economy	Rate of CO2 emissions cuts : 1. Compared to FY2014 -26% (FY2031) (Applies to: HHHD and subsidiaries' Japanese worksites) 2. Compared to FY2014 -40% (FY2031) (Applies to: Railway energy consumption of Hankyu and Hanshin's railways)

※ The survey is conducted biennially.





Actions for priority issues (materiality matrix)①



Priority issue⑤:Environmental protection

Environment

【Examples of actions to contribute toward a low-carbon, circular economy】

Project themes	Key actions in each business	
Cut greenhouse gas emissions, Improve energy efficiency/conservation	<p>【Urban Transportation】 Introducing energy-saving rolling stock Converting station and train lighting to LED</p> <p>【Real Estate】 Introducing energy-saving technology in rental buildings</p> <p>【Entertainment】 Takarazuka Grand Theatre is converting lighting to LED</p>	 <p>Takarazuka Grand Theater</p>
Use more renewable energy (e.g. solar)	<p>Installed solar energy systems in/at:</p> <p>【Urban Transportation】 Settsu-shi station(Hankyu) , Oishi station(Hanshin) etc.</p> <p>【Real Estate】 HEP FIVE (Commercial facilities), some Geo condominiums etc.</p> <p>【Entertainment】 Hanshin Koshien Stadium (solar panels on Ginsan roof)</p>	 <p>Hanshin Koshien Stadium</p>
Aim for more eco-friendly buildings	<p>【Real Estate】 Obtained DBJ Green Building certifications</p> <ul style="list-style-type: none"> •Two of our buildings certified as five-star DBJ Green Buildings, the best level in the country :Osaka Umeda Twin Towers South、Hankyu Nishinomiya Gardens •One of our buildings certified as a four-star DBJ Green Building, an outstanding accolade : HEP FIVE 	 <p>Osaka Umeda Twin Towers South</p>
Produce less waste and recycle more	<p>【Entertainment】 Recycling more of the drink containers sold at Hanshin Koshien Stadium</p> <p>【Hotels】 Switching to biodegradable drinking straws to reduce plastic waste</p>	 <p>Biodegradable drinking straws</p>

Actions for priority issues (materiality matrix)②

Priority issue④: Empowering individuals

Social

[Examples of actions for improving employee satisfaction, creating a more positive workplace, and promoting diversity]

■ **Improving employee satisfaction, creating a more positive workplace**

• We measure employee satisfaction regularly, and from results, we identify areas to improve.

■ **Empowering women at the workplace**

- We provide shorter working hours and other measures to help employees balance their careers with family care commitments.
- We are hiring more women and training them for leadership positions.

■ **Special subsidiary, Assist Hankyu Hanshin Co., Ltd., is creating employment opportunities for people with disabilities.**

- The subsidiary is increasing the employment rate of people with disabilities by hiring them for the services it provides (office work, workplace massages and cleaning).
- In September 2019, the company was awarded the Heartful Corporate Challenge Highly Commended Prize. (Organized by Osaka Pref.).



[Examples of actions to promote a healthy workplace]

■ **Formulate and announce the Hankyu Hanshin Holdings Group’s Declaration on Employee Health Management (April, 2018)**

■ **11 group companies have been listed among the “Health and Productivity Management” Organizations of 2020.**

Large enterprise category (White 500)	Hanshin Electric Railway Co., Ltd.
Large enterprise category	Hankyu Corporation, Hankyu Hanshin Properties Corp, Hankyu Travel International Co., Ltd., Itec Hankyu Hanshin Co., Ltd.
SME category	Hankyu Hanshin REIT Asset Management, Inc., Hankyu Hanshin Real Estate Investment Advisors, Inc., Chuo Densetsu Co., Ltd., Hankyu Hanshin Insurance Services Co., Ltd., Hankyu Mediac Co., Ltd., Hankyu Construction Management, Inc.

■ **Future actions**

- Group companies will continue to actively promote a healthy workplace as part of a PDCA cycle.

Actions for priority issues (materiality matrix)③



Social

Priority issue④: Empowering individuals [Examples of actions to cultivate tomorrow's leaders]

We are taking the following actions as part of the Hankyu Hanshin Dreams and Communities for the Future Project※ (a group-wide CSR project).

■ Hankyu Hanshin Dreams and Communities for the Future Challenge Troop

- Our group companies provide some of their facilities and employees for summer camps that feature authentic hands-on learning activities for elementary students.
- As of FY2020, a total of 389 programs have been held, with a total of 17,000 children invited.
- In FY2019, we were awarded the Kids' Design Award.
(Organized by Kids Design Association)



■ Hankyu Dreams and Communities Exciting Work Program

- To inspire children to think about their future career, senior staff at Hankyu Corporation visit elementary schools and tell the students about the community-building vision of the corporation's founder, Ichizo Kobayashi, and about the jobs that support communities.
- As of FY2020, Hankyu Corporation staff have visited a total of 197 schools and talked to a total of 17,000 students.
- In recognition of these two projects, we were awarded the METI Minister's Award (Grand Prix) in the 8th Career Education Award in FY2018.
(Organized by Ministry of Economy, Trade and Industry)



※Hankyu Hanshin Dreams and Communities for the Future Project

Since FY2010, we have sought to promote the creation of towns and cities along our railway lines that people will truly want to live in. To this end, we work with our stakeholders (group companies, communities, employees) on two priority areas to create tomorrow's communities: environment-friendly development and human capital development.



私たちは、未来へつなぐ
「環境づくり」と「人づくり」に貢献します。

《Reference》 SDG-themed rail livery

Social・Environment

How we commemorated the 10th anniversary of the Hankyu Hanshin Dreams and Communities for the Future Project (a group-wide CSR project);

■ SDG-themed rail livery: The Dreams and Communities trains (started operations in FY2020)

- Three Hankyu trains and one Hanshin train wear a wrap advertising the SDG agenda.
 - (1) The advertising space inside the trains features over 100 kinds of posters that communicate the SDG message. The posters were contributed by our group companies, the UN, government ministries (MOFA & MOE), communities along our railway lines, companies actively engaging in the SDG agenda, and citizen groups.
 - (2) To add momentum to the SDG agenda, the trains will remain in service until FY2026, when Osaka will host Expo 2025.
- In FY2020, this initiative was awarded the Signpost to the Future Award at the 17th Corporate Philanthropy Awards. (Organized by Japan Philanthropic Association)



Note: For more information about our social contribution activities, please visit our website.

Actions for priority issues (materiality matrix)④

Governance

Priority issue⑥: Robust governance Notes: Regarding Corporate Governance Report, please visit our website.

[Actions to promote effective and transparent corporate governance]

■ Established the Corporate Governance President Committee (fiscal 2016 ~)

- Meets twice a year to discuss matters such as ensuring transparency of election and dismissal of officers, communicating with outside directors, etc. (the committee meets biannually, and its membership comprises representative directors, standing Audit & Supervisory Board members and outside directors)

■ Started evaluating the effectiveness of the Board of Directors (fiscal 2017~)

- Regarding the management of the Board of Directors, directors are interviewed about whether there is sufficient board accountability, whether board proceedings are appropriate, etc. (to make the evaluation process more effective, interviews are now preceded by preliminary questionnaires)

■ Scrapped the corporate adviser system (fiscal 2018)

■ Resolved to discontinue anti-takeover measures (fiscal 2019)

■ Established remuneration committee (fiscal 2019~)

- The committee ensures impartiality and transparency in the process of determining director compensation (including the specific amounts). (the committee meets annually, and its membership comprises the chairman and outside directors)

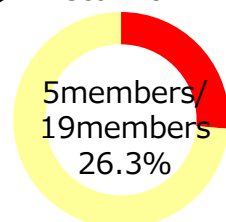
■ Revised remuneration structure (fiscal 2020~)

- We decided to introduce a performance-linked stock compensation plan for the chairman and president to further motivate them to work toward our corporate value, performance, and share price. The stock compensation will be delivered through a trust.

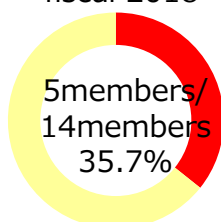
■ Changed corporate structure to that of a “company with an audit & supervisory board” (fiscal 2021~) ※

- We shifted to this structure to strengthen the oversight function of the Board of Directors and further tighten corporate governance.
- As part of this shift, we increased the ratio of independent officers. Specifically, we have reduced the total number of officers to 11, of whom 5 are independent outside directors (2 of them are female).

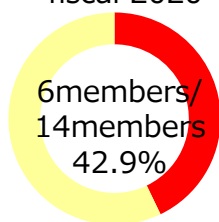
<Independent officer ratio> fiscal 2017



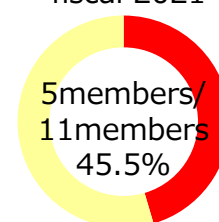
fiscal 2018



fiscal 2020



fiscal 2021



※Subject to shareholder approval at the General Meeting of Shareholders on June 17, 2020

IV. Referential Materials

① Summery of the Medium-Term

Management Plan

**(Reproduced from the results briefing materials
released in May 2019)**

Long-Term Vision (Overall vision)

The slogan for the Hankyu Hanshin Holdings Group's Long-Term Vision for 2025 (fiscal 2026) is:

'Enhancing line-side areas and expanding fields'

Sustainably enhance corporate value

Enhance daily life (customer) value

Regarding these sociocultural changes as business opportunities, we will provide innovative products and services through our business operations.

Enhance social value

Build relationships of trust with various stakeholders, meet their expectations, and contribute to society.

Enhance economic value

We will strive to maintain and improve our profitability and financial soundness as a top-class private railways operator.

Umeda and line-side areas x stock businesses
Make our railway the absolute best among the Kansai networks.

Strategy①

Tokyo metropolitan area and overseas markets x stock businesses
Construct a stable revenue base in the Tokyo metropolitan area and overseas markets.
(diversify the portfolio, which is currently concentrated in Umeda and line-side areas).

Strategy②

flow businesses
Strengthen competitiveness by thoroughly pursuing brand optimisation and differentiation.

Strategy③

Groupwide initiatives, new business fields, etc.

Make greater use of the Group's collective strength and develop new business fields.

Strategy④

Further technological advances (AI, IoT, etc.)

The coming age of full-scale population decline

Economic growth in Asia

Declining birth rate and aging population

Growing numbers of overseas visitors

Crumbling infrastructure

Improvements to public transport infrastructure (airports, rail and motorway networks)

Tightening of labour market

Concentration of population into urban areas

Opportunity for Kansai to develop its position as gateway for Asia and the wider world

Long-Term Vision (Four strategies)

Umeda • Line-side areas

Umeda and line-side areas x stock businesses

Make our railway the absolute best among the Kansai networks.

Strategy①

We aim to increase the resident and non-resident population of line-side areas. To this end, we will channel into these areas the dynamism of the Tokyo-Nagoya-Osaka axis and the power of Asia and other regions of the world, attract new industries and cutting-edge technologies ahead of other companies, and support efforts to develop thriving local communities.

Tokyo metropolitan area and overseas markets x stock businesses

Construct a stable revenue base in the Tokyo metropolitan area and overseas markets

(diversify the portfolio, which is currently concentrated in Umeda and line-side areas).

Strategy②

Our property portfolio is currently concentrated in Umeda and line-side areas. To compensate for downsizing in the Kansai area, we will diversify our property profile by acquiring additional assets including rental property in Tokyo's large market and in overseas markets that are set to grow.

Stock (Use assets)

Group-wide initiatives, new business fields, etc.

Make greater use of the Group's collective strength and develop new business fields.

Strategy④

In addition to pursuing Group-wide initiatives, we will introduce cutting-edge technologies into existing businesses, venture into new business fields, and thereby provide culturally enriched and innovative lifestyle options.

Flow business

Strengthen competitiveness by thoroughly pursuing brand optimisation and differentiation.

Strategy③

Thoroughly optimise the Hankyu Hanshin brand value and differentiate the products and services from the competition so as to strengthen competitive edge and achieve further business expansion.

Flow (non-assets)

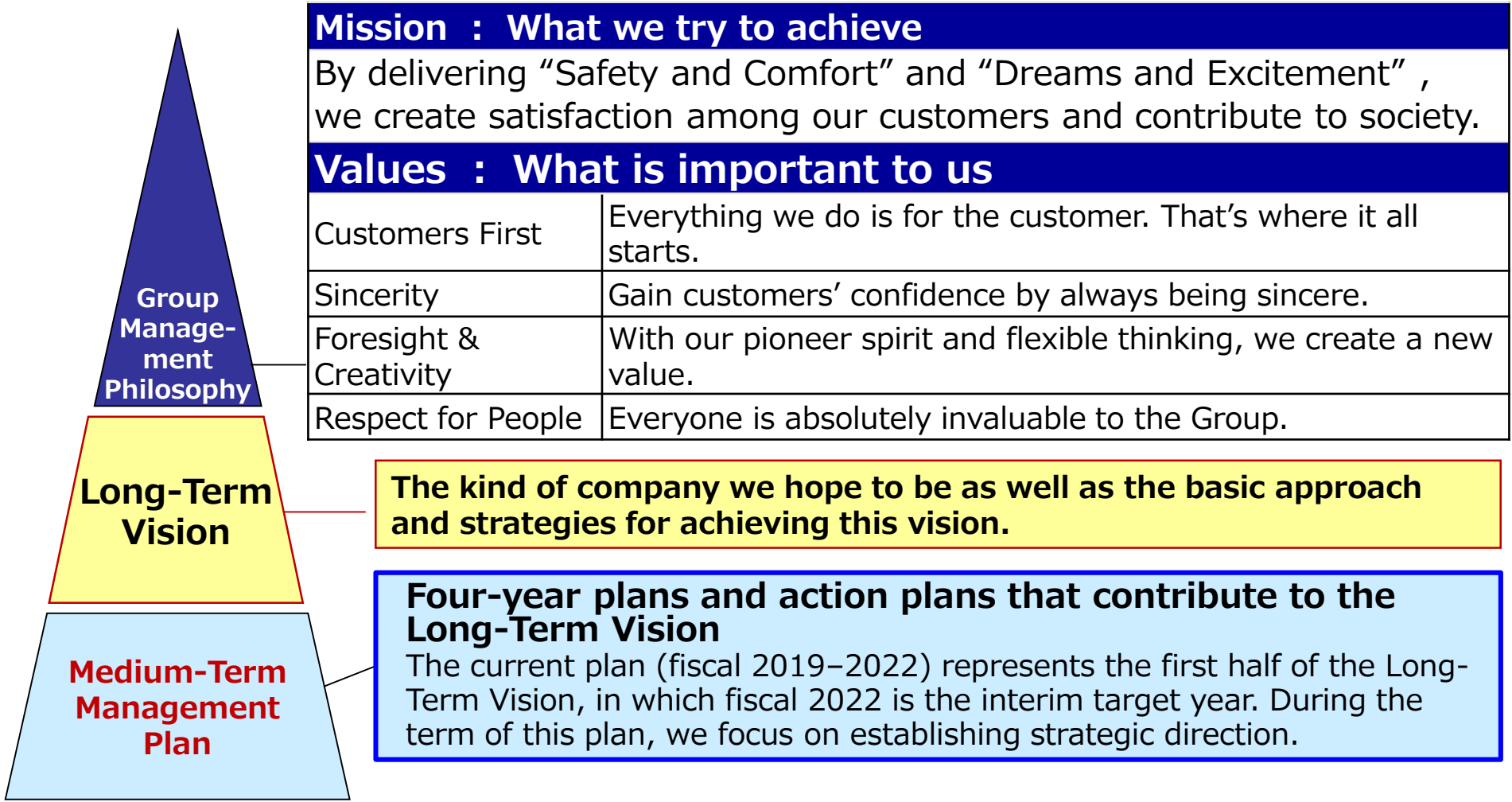
Long-Term Vision (Management Indicators)

We will pursue the four strategies with a view to achieving the following targets as of 2025 (fiscal 2026). Achieving these targets will keep us on course for maintaining at least the current levels of operating income in the 2040s, when demographic changes will have had a major impact on business.

	Management Indicators	Targeted figure for 2025 (FY2026)
Profitability	operating income	<u>¥120 billion</u>
	EBITDA	<u>¥200 billion</u>
Financial soundness	Interest-bearing debt /EBITDA ratio	<u>Between 5 and 6 times</u>

- Ensure that we will be one of the most profitable private railway operators in 2025 (fiscal 2026).
- While accelerating growth investment, ensure that we remain one of the most financially sound private railways operators.

Placement of Medium-Term Management Plan



As part of an annual rolling plan, we set out action plans with a view to achieving our Long-Term Vision. In the run-up to fiscal 2026, the cumulative impacts of these actions will bring us closer to our vision of the company we hope to be in the long-term.

Framework of the Medium-Term Management Plan

- Our long-term target for operating income is ¥120 billion by fiscal 2026. We will focus on raising the current income level from ¥100 billion so that we can soundly achieve the **interim target (the target for fiscal 2022) of ¥110 billion**.
- We will **allocate resources** to achieve these goals, **focusing on growth investments** linked to the following four strategies.

Four strategies

～Business strategies related to the Long-Term Vision～

- ① Further strengthen the stock businesses in the Umeda and line-side areas (e.g. railways, real estate leasing, media and communications, hotels)
- ② Accumulate stock in the Tokyo metropolitan area and overseas markets
- ③ Increase competitiveness of flow businesses (real estate sales, sports, stage, information services, travel, and international transportation)
- ④ Make greater use of the Group's collective energies and venture into new business fields

Financial policy

- As part of our efforts to achieve our Long-Term Vision, **we will focus on growth investments under strategies ① to ④** while aiming to further increase operating income and EBITDA.
- We will continue to maintain our financial soundness. (Interest-bearing debt/EBITDA ratio will be prioritised over interest-bearing debt as a benchmark for financial soundness.)
- As for returns to shareholders, we will deliver steady dividends while aiming for a targeted total payout ratio.

Forward-looking investment

While striking a balance with financial soundness, **we will prioritise growth investment under strategies ① to ④**.

Maintaining financial soundness

Prioritise interest-bearing debt/EBITDA ratio as a benchmark for financial soundness.

Returns to shareholders

Steady dividends

Key actions under the four strategies

Strategy① Further strengthen the stock business in the Umeda and line-side areas

Increase the value of our assets in the Umeda area

- Strategically rebuild held assets to enhance long-term value of the holdings
- Help enhance the area as a whole through area management, urban promotion, and by developing and managing sites for generating new business and industry

Invigorate key line-side bases

- Drive forward development projects in key line-side areas
- Invigorate communities through station-centred community development

Construct new rail links to improve the transport network

- Link our lines with Shin-Osaka Station, Kansai International Airport, and Osaka International Airport to increase convenience and accessibility

Capture inbound demand

- Attract more tourists to Umeda and line-side areas and encourage them to use Group facilities/services to maximize Group earnings

Strategy② Accumulate stock in the Tokyo metropolitan area and overseas markets

Acquire more stock in the Tokyo metropolitan area

- Drive forward new development projects and acquire functioning properties in central Tokyo's five wards while monitoring market trends

Open more hotels in the Tokyo metropolitan area

Develop plans for acquiring stock (real-estate) overseas

Strategy③ Increase competitiveness of flow business (real estate sales, sports, travel, and international transportation)

Condominium business in Japan and overseas

Develop the information services business

Raise the profitability of the Travel Business segment

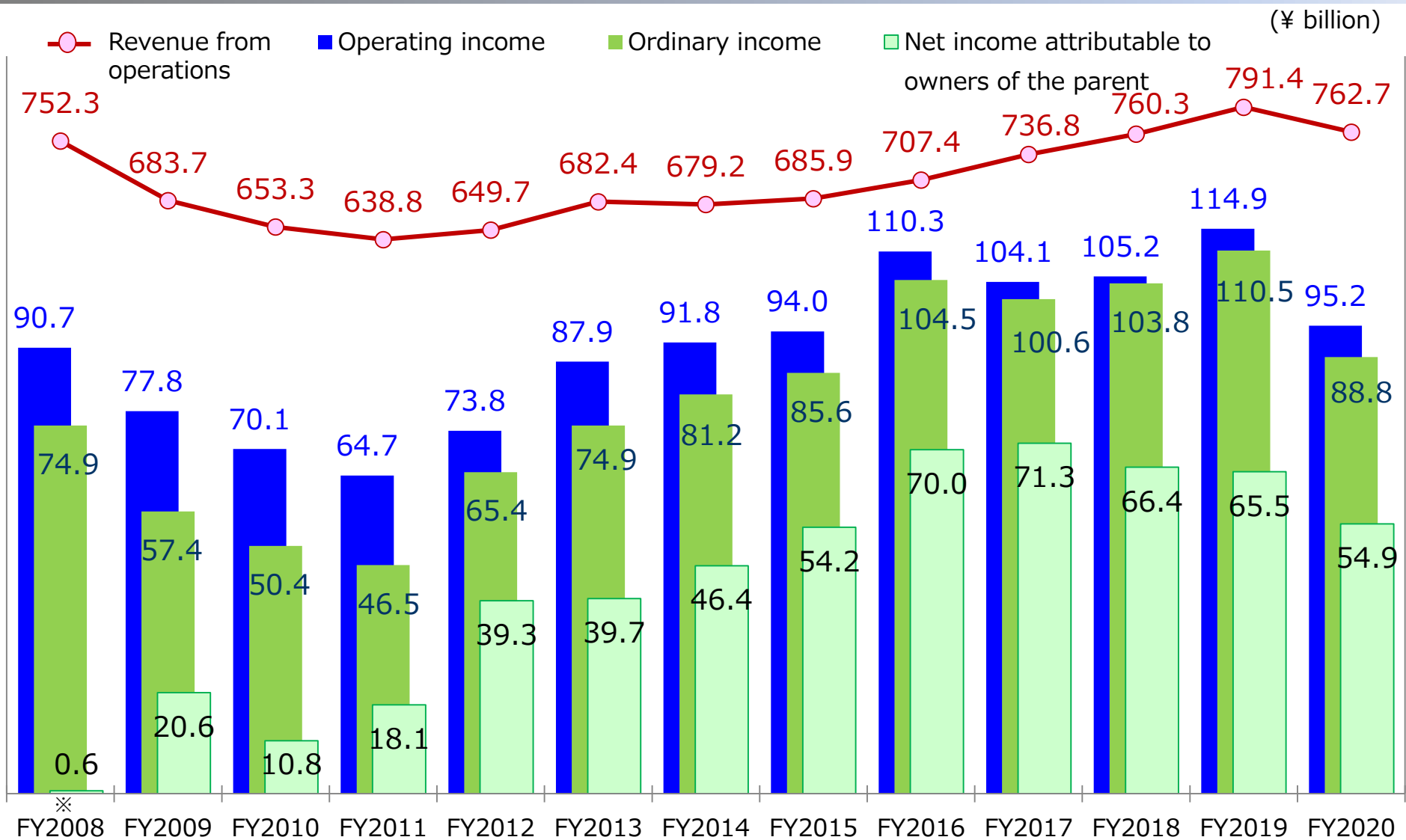
Increase handling volume in the International Transportation Business segment

Strategy④ Make greater use of Group's collective energies and venture

Expand S-POINT (a common point service for the Kansai area)

Venture into new business fields

《Reference》 Trends in operating revenues and operating income



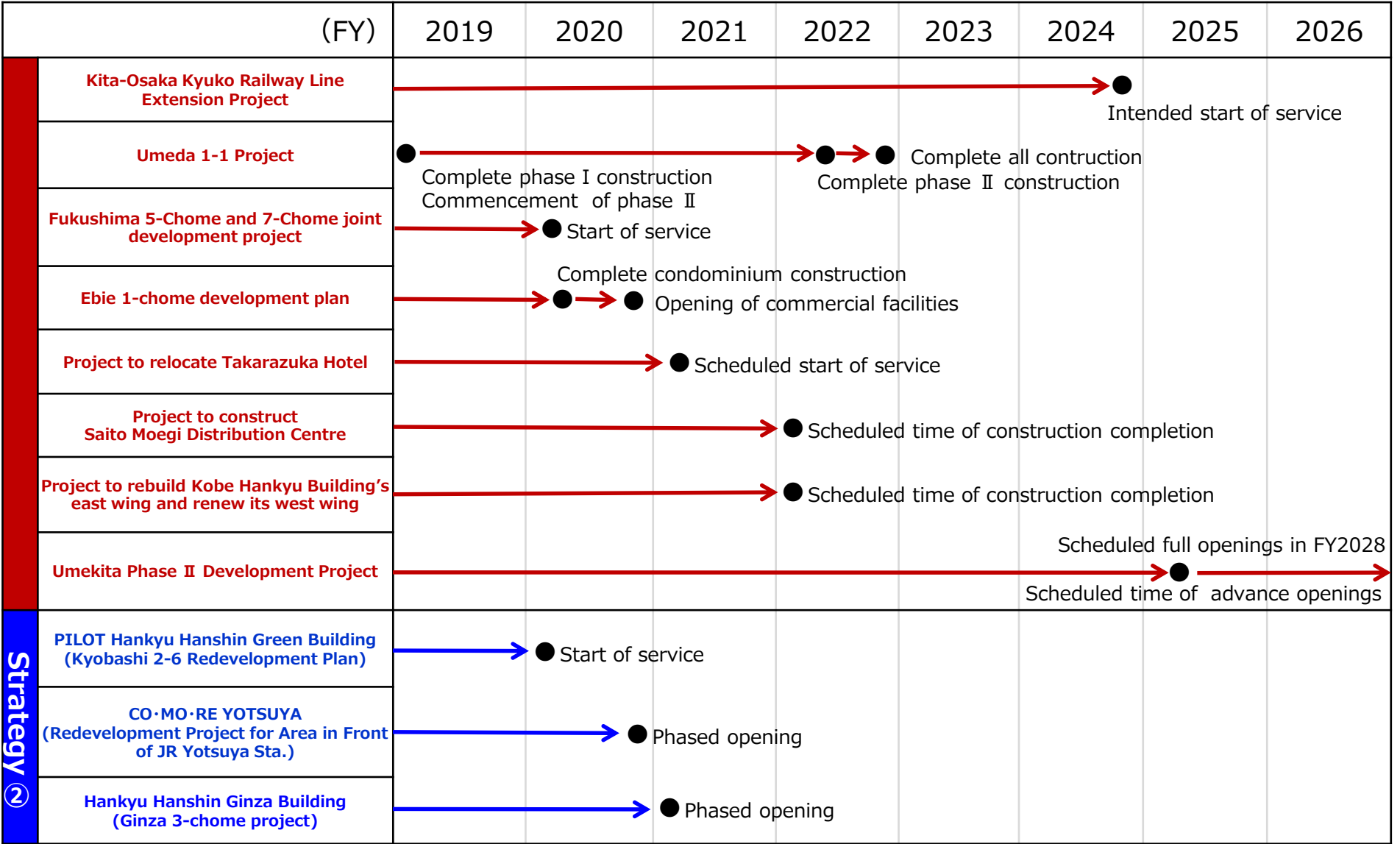
※ Includes Department Store Business (consolidated up to the first half of fiscal 2008)

(Note) As of fiscal 2017, the presentation of revenue from operations of the International Transportation Business has changed from net to gross amounts.

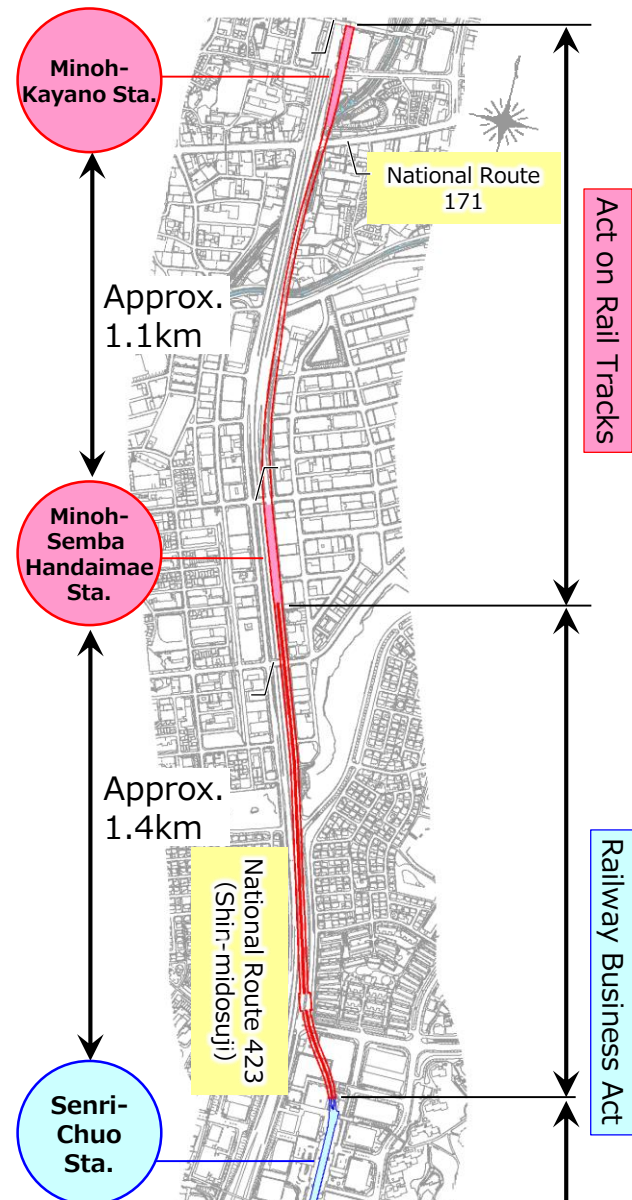
IV. Referential Materials

②Progress in Each Project

Schedule for Each Project



Kita-Osaka Kyuko Railway Line Extension Project



【Development plan summary】

- Extension distance:
2.5 km, from *Senri-Chuo Sta.* to *Minoh-Kayano Sta.*
- New stations:
Minoh-Semba Handaimae Sta., *Minoh-Kayano Sta.*
- Estimated project cost: ¥65.0 billion yen
- Demand: 45,000 people per day

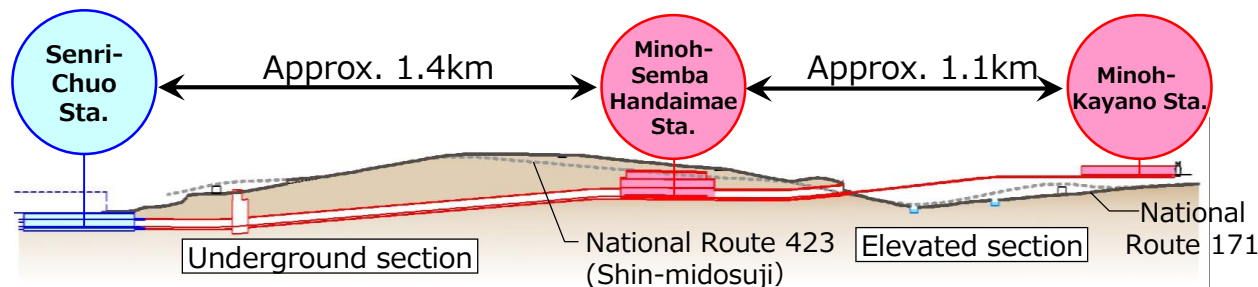
【Business scheme】

- Developer:
Kita-Osaka Kyuko Railway Co., Ltd. and Minoh City (development of infrastructural components between *Minoh-Semba Handaimae Sta.* and *Minoh-Kayano Sta.*)
- Operator: Kita-Osaka Kyuko Railway Co., Ltd.
- Funding programme: Social capital development grant
- Portion to be borne by Kita-Osaka Kyuko Railway Co., Ltd.:
¥11.0 billion yen; Amount commensurate with profits

【Schedule】

December, 2015: Obtained a license for railway business and a charter for railway track operations

December, 2016: Commencement of construction
FY2024 : Intended start of service



Umeda 1-1 Project (Name of the building : Osaka Umeda Twin Towers South)

【Project summary】

Location	1-1 Umeda, Kita-ku, Osaka
Site area	Approx. 12,200 m ² *
Total floor space	Approx. 260,000 m ²
Number of floors	38 floors above ground and 3 below ground
Purpose	Department store, offices, halls, etc.
Planned total investment	¥89.7 billion
Construction completion	Spring 2022

* Including the road between Dai Hanshin Building and Shin Hankyu Building

【Schedule】

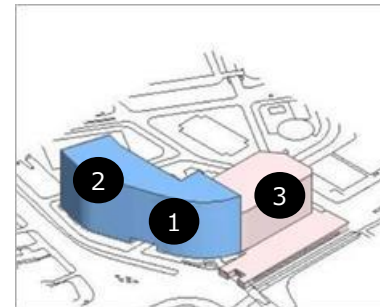
July 2015	Begin phase I construction
April 2018	Complete phase I construction* (Shin Hankyu Building and Dai Hanshin Building East Wing)
June 2018	Partial opening of new department store. Phase II (west wing of Dai Hanshin Building): Start demolition work
June 2019	Begin phase II construction
Autumn 2021	Complete phase II construction (new department store part) and fully open new department store
Spring 2022	Complete all construction and open office floors

* The project is scheduled to be completed in spring 2022. In that year, Umeda Hankyu Building, which houses Hankyu Department Store (Hankyu Umeda Main Store), will be renamed 'Osaka Umeda Twin Towers North', and the two adjacent buildings will be christened the 'Osaka Umeda Twin Towers'.

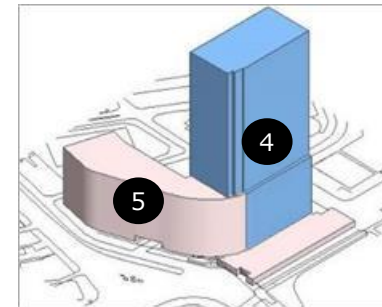
【Conceptual illustration of the building exterior】



【Phase I】



【Phase II】



The rentable area is smaller than that planned during phase I.

- ① Dai Hanshin Building East Wing
- ② Shin Hankyu Building
- ③ Dai Hanshin Building West Wing (businesses operating)
- ④ Dai Hanshin Building West Wing (under construction)
- ⑤ Phase I (businesses operating)

Umekita Phase II Development Project

【Background】

- JV9, which includes Hankyu Corporation, and Hankyu Hanshin Properties Corporation entered a consortium with four other firms. The consortium submitted a bid for the Umekita Phase II Development Project in a public tendering process organized by the Urban Renaissance Agency (a semipublic Independent Administrative Institution). The consortium won the bidding.
- The core theme of the project is to integrate green space with innovation. Building on the first phase of the project (which culminated in the opening of Grand Front Osaka), the consortium is working to achieve this theme and set a new standard in urban design for Kansai and even the whole of Asia.

【Outline of plan】

<Private-sector zone specifications>

Zone	North zone	South zone
Site area	15,720m ²	30,430m ²
Total floor space	154,200m ²	413,000m ²
Facilities	Innovation facilities, hotel, residence, others	MICE facilities, offices, hotels, commercial facilities, residence, others

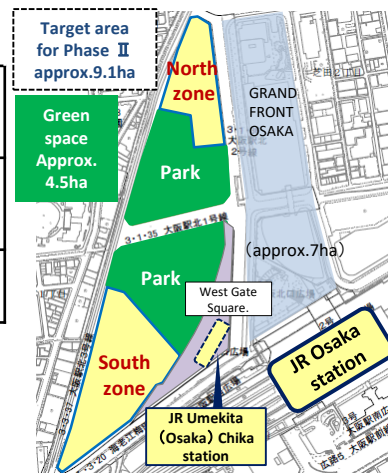
<Urban open space specifications>

Site area	45,000m ²
Total facility floor area	12,500m ²
Facilities	Museum, experiential learning facilities, roofed open spaces, restaurants, shops, others

<Schedule>

Second half of FY2021	Construction in private-sector zones
Around summer 2024	Advance openings※
FY2028	Full openings

※For some private-sector zone facilities and part of the urban open space





How the area as a whole will look once completed

Project progress along other line-side areas①

In order of opening date	Fukushima 5-Chome and 7-Chome joint development project	Ebie 1-Chome Development Plan	Project to relocate Takarazuka Hotel
			
Location	5-chome Fukushima, Fukushima-ku, Osaka	1-chome Ebie, Fukushima-ku, Osaka	1-chome Sakaemachi, Takarazuka, Hyogo
Site area	Approx. 2,600m ² (※)	Approx. 27,900m ² (※)	Approx. 12,300m ²
Total floor space	Approx. 11,000m ² (※)	Approx. 52,200m ² (※) (condominium)	Approx. 23,000m ²
Number of floors	12 floors above ground and 1 below ground	20 floors above ground (condominium) Number of units:566units(※)	5 floors above ground and 1 below ground
Purpose	hotel(expected to be Hotel Hanshin Annex Osaka), supermarket(expected to be Hankyu Oasis)	condominium(Geo Fukushima Noda <i>The Marks</i>), commercial facilities (land to let)	rooms (200rooms) party hall (4 halls) restaurant (4 facilities)
Scheduled opening	May 15, 2019	September 2019 Condominium on sale March ~ April 2020 Opening of commercial facilities	June 21, 2020




※ : Includes the portion belonging to our partner

Project progress along other line-side areas②

In order of opening date	Project to construct Saito Moegi Distribution Centre 	Project to rebuild Kobe Hankyu Building's east wing and renew its west wing 
Location	In the Sanroku Line area of the eastern section of Ibaraki City's International Culture Park 'Saito'	4-chome Kanocho, Chuo-ku, Kobe
Site area	A zone : Approx. 51,000m ² (※) B zone : Approx. 16,000m ² (※)	Approx. 7,100m ²
Total floor space	A zone : Approx. 116,000m ² (※) B zone : Approx. 31,000m ² (※)	Approx. 33,300m ²
Number of floors	A zone : 5 floors above ground B zone : 4 floors above ground	East wing : 29 floors above ground and 3 below ground West wing : 1 floor under railway station (some sections with 2 floors above ground / basement level)
Purpose	logistics facilities (A zone : large multitenant logistics facility [High-tech facilities designed to be used by multiple tenants] 、 B zone : multitenant logistics facility [Box-type facilities that can be leased in one building or split into 2 to 4 tenants])	hotel(scheduled to open the second "remm plus" brand hotel), offices, commercial facilities, railway station
Scheduled opening	A zone : Around spring 2021(scheduled completion) B zone : Around spring 2021(scheduled completion)	Around spring 2021 (scheduled completion)

※ : Includes the portion belonging to our partner.

Project progress in the Tokyo metropolitan areas

In order of opening date	PILOT Hankyu Hanshin Green Building (Kyobashi 2-6 Revelopment Plan) 	CO・MO・RE YOTSUYA (Yotsuya Station District Redevelopment Project) 	Hankyu Hanshin Ginza Building (Ginza 3-chome project) 
Location	2-chome Kyobashi, Chuo-ku, Tokyo	1-chome Yotsuya, Shinjuku-ku, Tokyo	3-chome Ginza, Chuo-ku, Tokyo
Site area	Approx. 1,450m ² ※	Approx. 17,900m ² ※	Approx. 310m ²
Total floor space	Approx. 17,000m ² ※	Approx. 139,600m ² ※	Approx. 2,900m ²
Number of floors	14 floors above ground and 1 below ground	31 floors above ground and 3 below ground	11 floors above ground and 1 below ground
Purpose	hotel(remm Tokyo Kyobashi), office, commercial facilities	office, commercial facilities, residence, educational services, publicgood, parking	commercial facilities
Scheduled opening	April 3, 2019 (Full opening)	February 2020 ~ Phased occupancy/opening	April 2020 ~ Phased occupancy/opening

※1

※ Includes the portion belonging to our partner.

Acquisition of rental properties in Jakarta, Indonesia

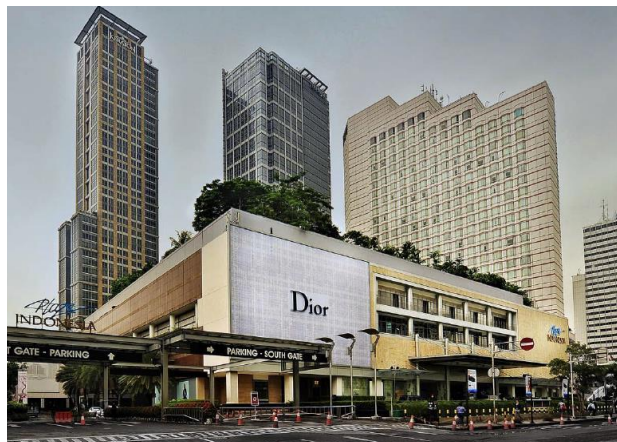
【Outline】

- To penetrate an overseas real-estate leasing business, Hankyu Hanshin Properties has invested in an Indonesian entity that owns, operates, and manages two Jakartan commercial properties. The first is Plaza Indonesia Complex, a mixed development consisting of the country's leading shopping, office, and hotel facilities. The second is fX Sudirman, a shopping mall that houses a theater (JKT 48 Theater), a cinema, and other facilities.
- Both properties boast an excellent location. They face a main thoroughfare in Jakarta's Central Business District※1 and are situated in front of a station on the Jakarta MRT (Indonesia's first underground railway, opened in April 2019). Plaza Indonesia Complex in particular is well-known and popular among locals.

※1 Central Business District = The administrative, business, and commercial centre of a city.

【Properties】

〈Plaza Indonesia Complex〉



Total floor space	Approx. 243,000m ² ※2
Purpose	commercial facilities(around 400 tenants with many luxury brands), offices(49-storey premium grade office building), hotel(5-star hotel with 427 guestrooms)

〈fX Sudirman〉



Total floor space	Approx. 41,000m ² ※2
Purpose	commercial facilities(around 140 tenants), university, theater, cinema

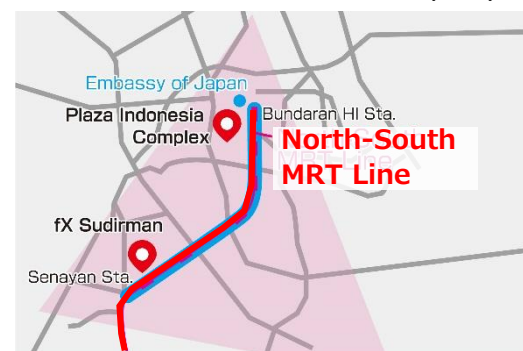
※2 Includes the portion belonging to our partner.

【Locations】

〈Jakarta suburbs〉



〈Jakarta's Central Business District (CBD)〉



IV. Referential Materials

③ Other

Consolidated Subsidiaries

(As of March 31, 2020)

Urban Transportation	
Railway operations	Hankyu Corporation Hanshin Electric Railway Nose Electric Railway Kita-Osaka Kyuko Railway Hokushin Kyuko Railway Kobe Rapid Transit Railway Hankyu Hanshin Electric System Hankyu Railway Service
Automobile	Hankyu Bus Hanshin Bus Hankyu Kanko Bus Osaka Airport Transport Hankyu Taxi Hanshin Taxi Osaka Hanshin Taxi Hankyu Hanshin Motor Technology Hankyu Driving School Hattori Ryokuchi Haks Hanshin Hankyu Commuterbus Management Osaka Motor Technology (OMTEC)
Retailing	Eki Retail Service Hankyu Hanshin Hankyu Style Labels
Advertising	Hankyu Advertising Agency
Other	Alna Sharyo Hankyu Sekkei Consultant Hanshin Station Net Hanshin Sharyo Maintenance

Real Estate	
Real estate leasing and sales	Hankyu Hanshin Properties Hankyu Corporation Hanshin Electric Railway Hankyu Hanshin Estate Service Osaka Diamond Chikagai Kyokuto Advanced Development
Other	Hankyu Hanshin Building Management Hankyu Hanshin High Security Service Hankyu Hanshin Clean Service Hankyu Hanshin REIT Asset Management Hankyu Hanshin Real Estate Investment Advisors Hankyu Hanshin Housing Support HANKYU HANSHIN LOGISTICS INDONESIA
Entertainment	
Sports	Hanshin Electric Railway Hanshin Tigers Baseball Club Hanshin Contents Link Corporation P & P Hamamatsu Wellness Hanshin Mt.Rokko Cable Car & Tourism
Stage	Hankyu Corporation Takarazuka Creative Arts Takarazuka Stage Umeda Arts Theater
Information and Communication Technology	
Information and Communication Technology	Hanshin Electric Railway Itec Hankyu Hanshin System Giken YMIRLINK Rworks Mimamorume Himeji Cable Television Bay Communications Hanshin Cable Engineering

Travel	
Travel agency	Hankyu Travel International Hankyu Hanshin Business Travel Hankyu Travel Support Hanshin Travel International
International Transportation	
International transportation	Hankyu Hanshin Express Hankyu Hanshin Logipartners HANKYU HANSHIN EXPRESS (USA,DEUTSCHLAND,UK,NETHERLANDS BEIJING,SHANGHAI,GUANGZHOU,HK, TAIWAN,KOREA,Southeast Asia, SINGAPORE,THAILAND,MALAYSIA, PHILIPPINES,INDONESIA,VIETNAM, INDIA : 18 companies) HANKYU HANSHIN INTERNATIONAL LOGISTICS SHANGHAI HANKYU HANSHIN LOGISTICS INDONESIA
Hotels	
Hotel management	Hankyu Hanshin Hotels Hanshin Hotel Systems Arima View Hotel Amanohashidate Hotel Kure Hankyu Hotel

[Legend]

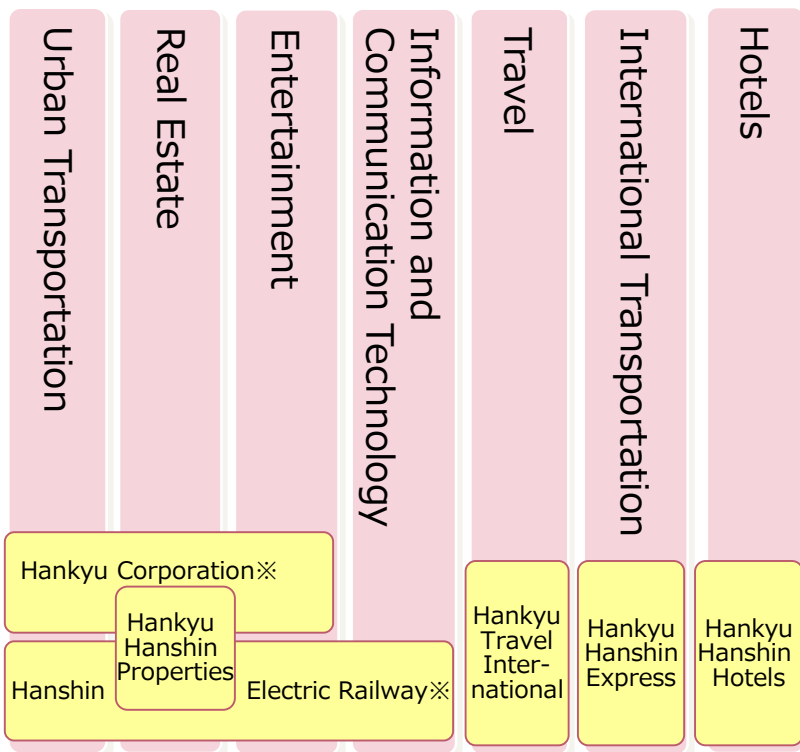
Name of segment	
Name of sub-segment	Name of consolidated subsidiary (Only listed companies that are managed as segment)

Revenue from Operations and operating income as a FY2019

Management composition

(As of March 31, 2020)

Hankyu Hanshin Holdings



※ In the Umeda and line-side areas, Hankyu Corporation and Hanshin Electric Railway will retain their real estate for leasing and developing and work with Hankyu Hanshin Properties to promote community building efforts in connection with public transport networks and local governments.

Earnings structure

- The Urban Transportation and Real Estate businesses generate stable cash flows and account for approximately 60% of revenue from operations and 80% of operating income.

Revenue from operations breakdown(FY2020)

Consolidated Total

Revenue from Operations	¥762.7billion
Operating Income	¥95.2billion
Operating Income Margin	12.5 %

Hotels

Revenue from Operations	¥60.3billion
Operating Income	-¥3.1billion
Operating Income Margin	-

International Transportation

Revenue from Operations	¥76.2billion
Operating Income	¥0.2billion
Operating Income Margin	0.3 %

Travel

Revenue from Operations	¥33.8billion
Operating Income	¥0.2billion
Operating Income Margin	0.6 %

Information and Communication Technology

Revenue from Operations	¥58.6billion
Operating Income	¥5.6billion
Operating Income Margin	9.6 %

Urban Transportation

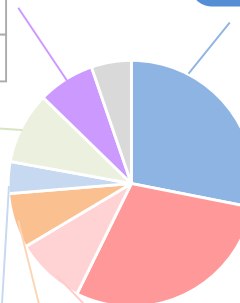
Revenue from Operations	¥227.2billion
Operating Income	¥40.1billion
Operating Income Margin	17.6 %

Real Estate

Revenue from Operations	¥236.0billion
Operating Income	¥41.5billion
Operating Income Margin	17.6 %

Entertainment

Revenue from Operations	¥74.0billion
Operating Income	¥11.7billion
Operating Income Margin	15.8 %



Areas served by the Hankyu and Hanshin lines①

Definition of the areas served by the Hankyu and Hanshin lines

Osaka Prefecture:

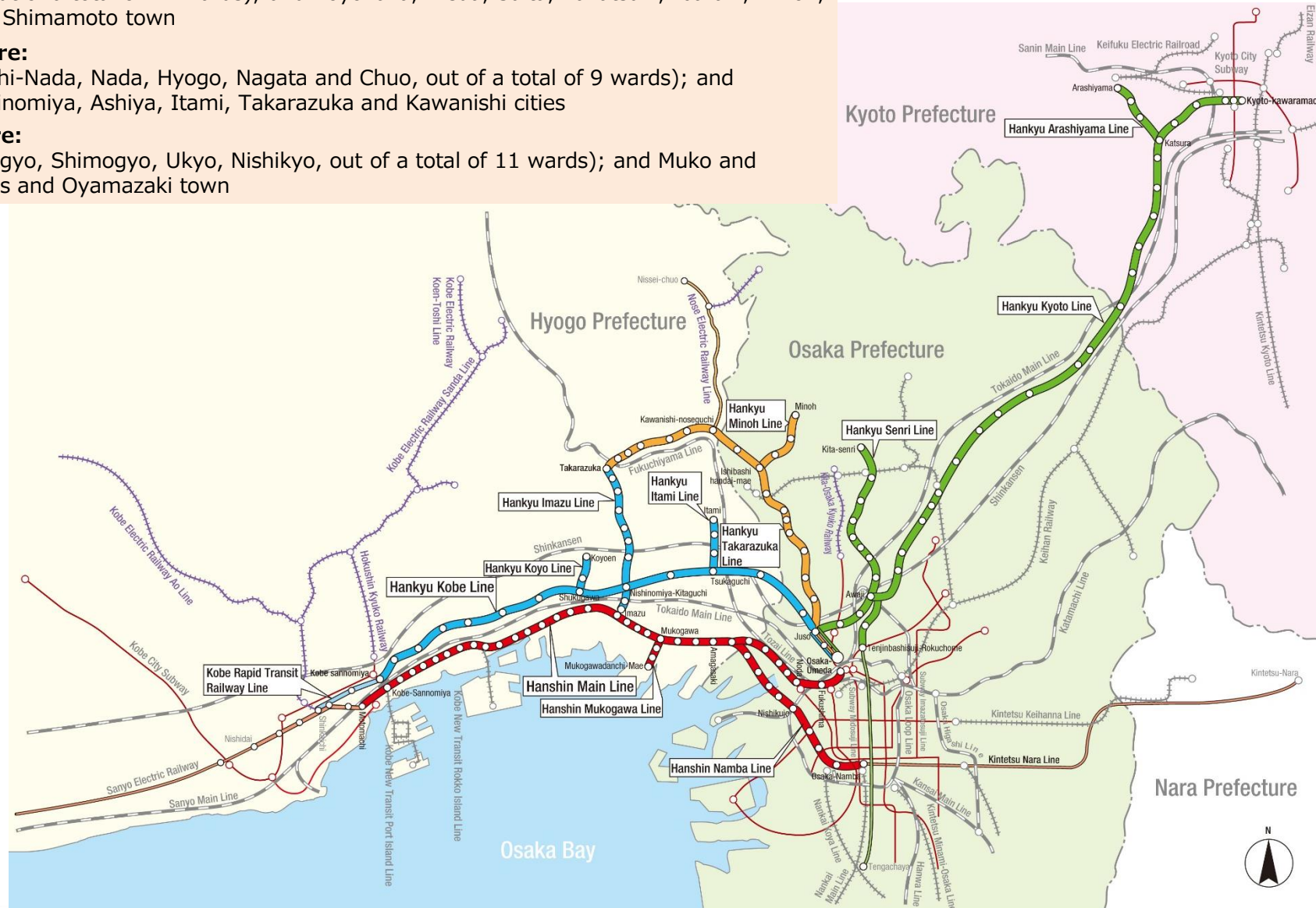
Osaka City (Fukushima, Konohana, Nishi, Naniwa, Nishi-Yodogawa, Higashi-Yodogawa, Yodogawa, Kita and Chuo, out of a total of 24 wards); and Toyonaka, Ikeda, Suita, Takatsuki, Ibaraki, Minoh, Settsu cities and Shimamoto town

Hyogo Prefecture:

Kobe City (Higashi-Nada, Nada, Hyogo, Nagata and Chuo, out of a total of 9 wards); and Amagasaki, Nishinomiya, Ashiya, Itami, Takarazuka and Kawanishi cities

Kyoto Prefecture:

Kyoto City (Nakagyo, Shimogyo, Ukyo, Nishikyo, out of a total of 11 wards); and Muko and Nagaokakyo cities and Oyamazaki town

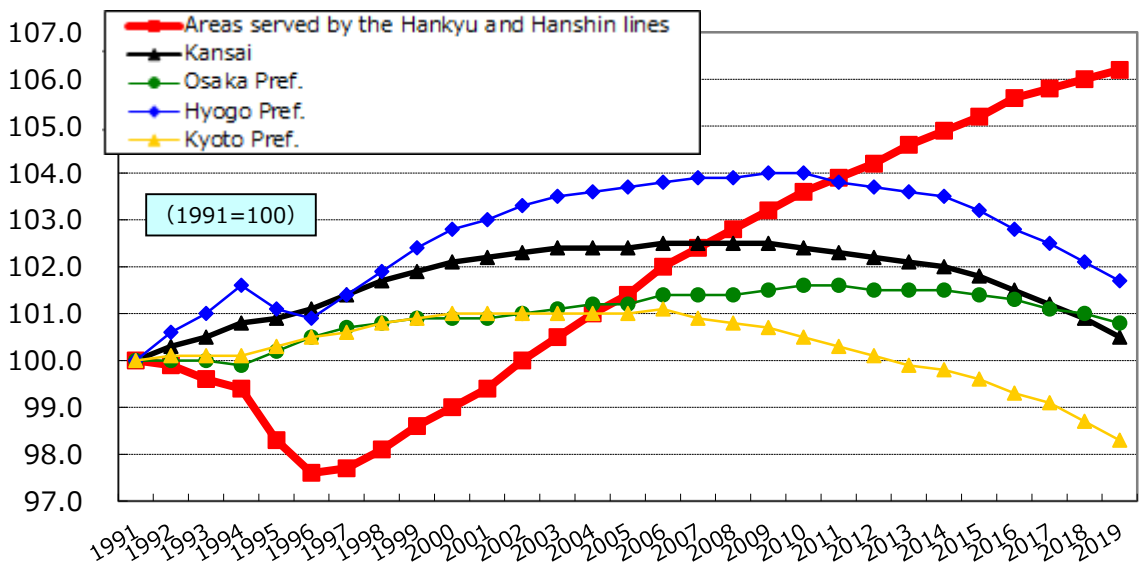


Areas served by the Hankyu and Hanshin lines②

Population Trends

Sources: Prepared by the Company based on data from "Local Economy Directory," published by Toyo Keizai, Inc., and "Basic Resident Register," published by the Ministry of Internal Affairs and Communications. (as of January 1, 2019)

	(km ²)	(thousand)
Area	Area	Population
Areas served by the Hankyu/Hanshin line	1,318	5,618
Osaka Pref. (service areas)	449	2,682
Hyogo Pref. (service areas)	471	2,268
Kyoto Pref. (service areas)	398	668
Non-Hankyu/Hanshin Service Areas	26,033	14,652
Osaka Pref. (non-service areas)	1,456	5,931
Hyogo Pref. (non-service areas)	7,930	3,194
Kyoto Pref. (non-service areas)	4,214	1,827
Shiga Pref.	4,017	1,391
Nara Pref.	3,691	1,350
Wakayama Pref.	4,725	958
Total	27,351	20,269



Survey of prospective condominium purchasers regarding their preferred Kansai residential area

Ranking	Station	(Area)	Ranking	Station	(Area)
1	Nishinomiya-Kitaguchi	(Nishinomiya, Hyogo Pref.)	11	Takatsuki, Takatsuki-shi	(Takatsuki, Osaka Pref.)
2	Osaka-Umeda, Osaka	(Osaka, Osaka Pref.)	12	Toyonaka	(Toyonaka, Osaka Pref.)
3	Okamoto	(Kobe, Hyogo Pref.)	13	Tennoji	(Osaka, Osaka Pref.)
4	Shukugawa	(Nishinomiya, Hyogo Pref.)	14	Esaka	(Suita, Osaka Pref.)
5	Takarazuka	(Takarazuka, Hyogo Pref.)	15	Yodoyabashi	(Osaka, Osaka Pref.)
6	Senri-Chuo	(Toyonaka, Osaka Pref.)	16	Karasuma Oike	(Kyoto, Kyoto Pref.)
7	Mikage	(Kobe, Hyogo Pref.)	17	Tsukaguchi	(Amagasaki, Hyogo Pref.)
8	Ashiya	(Ashiya, Hyogo Pref.)	18	Kita-senri	(Suita, Osaka Pref.)
9	Kobe-Sannomiya, Sannomiya	(Kobe, Hyogo Pref.)	19	Namba	(Osaka, Osaka Pref.)
10	Ashiyagawa	(Ashiya, Hyogo Pref.)	20	Sumiyoshi	(Kobe, Hyogo Pref.)

Except for Tennoji (13), Yodoyabashi (15), all of the top 20 stations are on Hankyu Hanshin Holdings group lines

Source: A survey of prospective condominium purchasers regarding their preferred residential area, conducted by seven major real estate developers (Sumitomo Realty & Development Co., Ltd., Daijyo Incorporated, Tokyu Land Corporation, Tokyo Tatemono Co., Ltd., Nomura Real Estate Development Co., Ltd., Mitsui Fudosan Residential Co., Ltd., and Mitsubishi Jisho Residence Co., Ltd.) and included in a press release dated September 26, 2019.

Overview of Umeda area①

Major rental properties (as of the end of March, 2020)

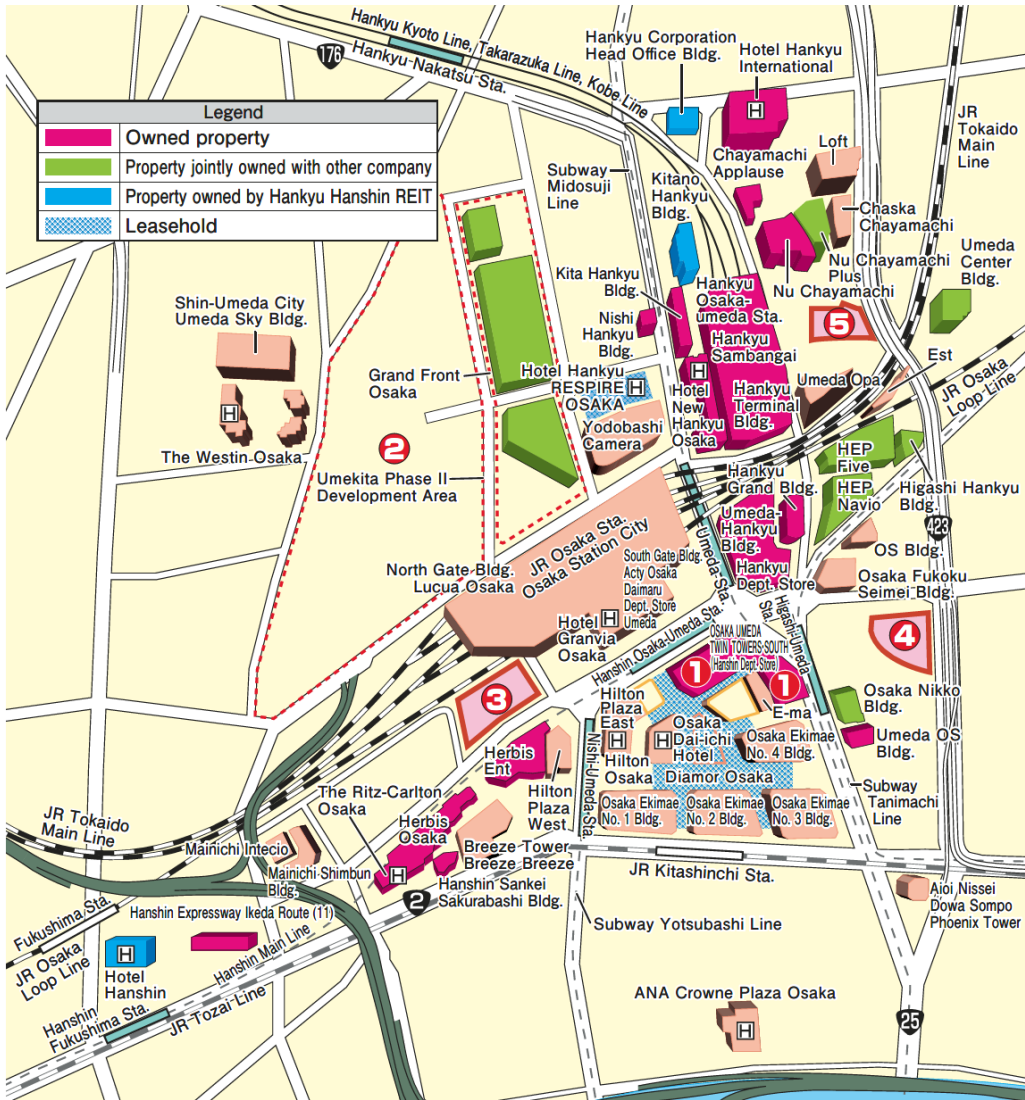
Property name	Leasable area (1,000m) ※1	Number of floors	Completed
Umeda Hankyu Bldg. (Hankyu Dept.Store-office tower)	213	41 floors above ground and 2 below ground	2012
Umeda Hanshin Daiichi Bldg. (HERBIS OSAKA)	82	40 floors above ground and 5 below ground	1997
Osaka Umeda Twin Towers South (Umeda 1-1 project Phase I)	58	13 floors above the ground and 3 below ground	2018
Umeda Hanshin Daini Bldg. (HERBIS ENT)	54	28 floors above ground and 4 below ground	2004
Hankyu Chayamachi Bldg. (Applause Tower)	52	34 floors above ground and 3 below ground	1992
Hankyu Sanban Gai Shopping Centre	39	5 floors above ground and 2 below ground	1969
Hankyu Grand Bldg.	36	32 floors above ground and 3 below ground	1977
Hankyu Terminal Bldg.	27	18 floors above ground and 4 below ground	1972
Hankyu Five Bldg.※2 (HEP FIVE)	20	10 floors above ground and 3 below ground	1998
NAVIO Hankyu (HEP NAVIO)	16	10 floors above ground and 2 below ground	1980
GRAND FRONT OSAKA※3	14	38 floors above ground and 3 below ground	2013
NU chayamachi	12	9 floors above ground and 2 below ground	2005

※1 : Leasable area does not include areas for public use
※2 : Jointly owned property with Hankyu Hanshin REIT Asset Management
※3 : Jointly owned property with others (other than Hankyu Hanshin REIT Asset Management)

Developments in Umeda district

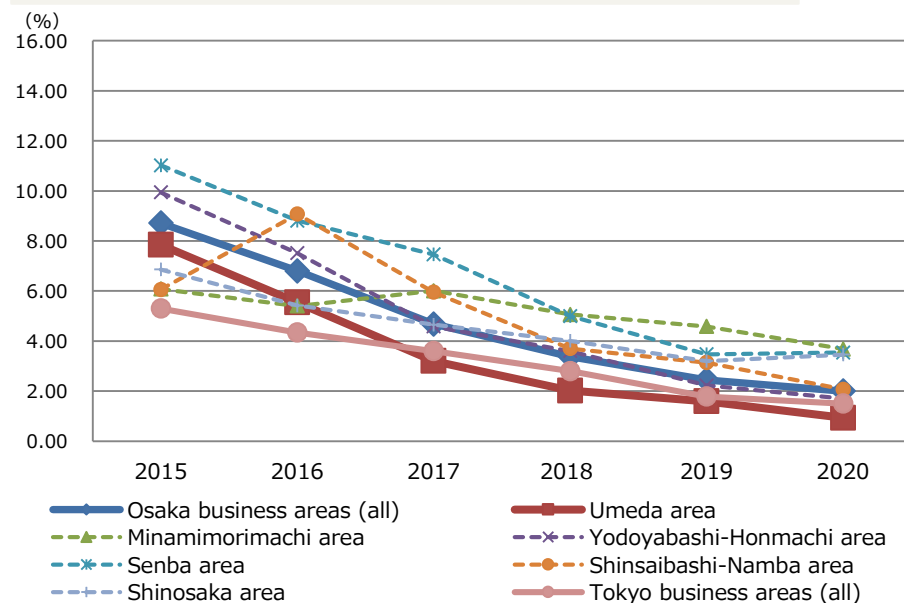
(red = Hankyu Hanshin Holdings group related Projects)

- ① Umeda 1-1 Project (Osaka Umeda Twin Towers South)
- ② Umekita Phase II Development Project
- ③ (Provisional Name) Umeda 3-chome Project
- Japan Post Holdings Co. Ltd./Osaka Terminal Building Co., Ltd.
- ④ (Provisional Name) Umeda Sonezaki Project -Sumitomo Realty & development Co., Ltd.
- ⑤ Chayamachi B-2 District Redevelopment Project -TOKYU LAND CORPORATION Co., Ltd.



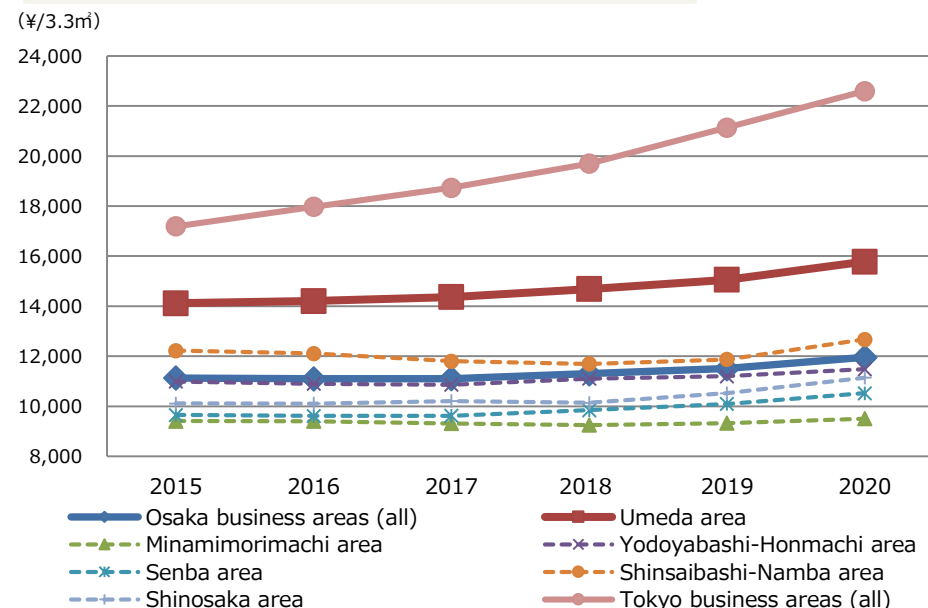
Overview of Umeda area②

Trends in average vacancy rates among six main business districts in Osaka



(%)	2015	2016	2017	2018	2019	2020
Osaka business areas (all)	8.71	6.80	4.68	3.38	2.45	2.00
Umeda area	7.84	5.54	3.20	2.02	1.59	0.93
Minamimorimachi area	6.08	5.40	6.01	5.06	4.58	3.68
Yodoyabashi-Honmachi area	9.94	7.51	4.58	3.60	2.22	1.70
Senba area	11.02	8.81	7.46	5.00	3.47	3.54
Shinsaibashi-Namba area	6.06	9.07	5.95	3.70	3.14	2.07
Shinosaka area	6.86	5.42	4.65	4.01	3.20	3.46
Tokyo business areas (all)	5.30	4.34	3.60	2.80	1.78	1.50

Trends in rent among six main business districts in Osaka



(¥/3.3m)	2015	2016	2017	2018	2019	2020
Osaka business areas (all)	11,132	11,101	11,107	11,302	11,510	11,957
Umeda area	14,118	14,207	14,366	14,684	15,056	15,780
Minamimorimachi area	9,414	9,408	9,314	9,249	9,331	9,508
Yodoyabashi-Honmachi area	10,993	10,898	10,861	11,105	11,200	11,485
Senba area	9,652	9,613	9,620	9,845	10,093	10,524
Shinsaibashi-Namba area	12,225	12,110	11,802	11,696	11,875	12,671
Shinosaka area	10,114	10,106	10,213	10,142	10,523	11,147
Tokyo business areas (all)	17,195	17,973	18,730	19,699	21,134	22,594

(Comparison of average rents in March of respective years)
Source: Miki Shoji, "Office Data."

Hotel network of the Hankyu-Hanshin-Daiichi Hotel Group

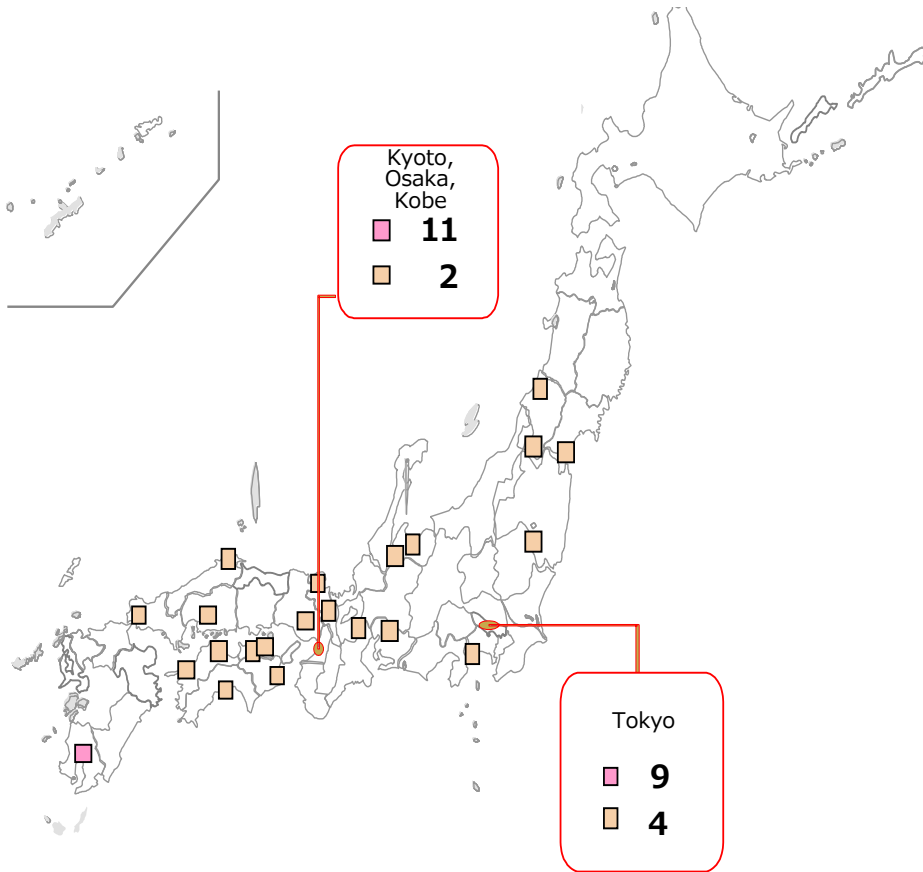
Directly managed hotels (Hankyu Hanshin Hotels)	21Hotels	6,659 rooms	48Hotels 12,252 rooms
Other (franchises, etc.)	27Hotels	5,593 rooms	

(scheduled on 21 June, 2020)



阪急阪神第一ホテルグループ

Directly managed hotels	
Dai-ichi Hotel Tokyo	Ours Inn Hankyu
Dai-ichi Hotel Annex	Ginza Creston
Daiichi Hotel Tokyo Seafort	Dai-ichi Hotel Ryogoku
Kichijoji Dai-ichi Hotel	Dai-ichi Inn Ikebukuro
remm Hibiya	Dai-ichi Inn Shonan
remm Akihabara	Toyama Dai-ichi Hotel
remm Roppongi	Dai-ichi Inn Shinminato
remm Tokyo Kyobashi	Tokyo Dai-ichi Hotel Nishiki
remm plus Ginza	Hotel Boston Plaza Kusatsu
Hotel Hankyu International	Hotel Royal Hill Fukuchiyama
Hotel new Hankyu Osaka	Amano Hashidate Hotel
Hotel new Hankyu Annex	Osaka Dai-ichi Hotel
Umeda OS hotel ※	Hotel Bay Gulls
Hotel Hankyu RESPIRE OSAKA	Arima Kirari Hotel
Hotel Hanshin Osaka	Kure Hankyu Hotel
Hotel Hanshin Annex Osaka	Hotel Ichibata
remm Shin-Osaka	Tokyo Dai-ichi Hotel Shimonoseki
Senri Hankyu Hotel	Takamatsu Kokusai Hotel
Takarazuka Hotel	JR Hotel Clemant Takamatsu
Hotel new Hankyu Kyoto	JR Hotel Clement Tokushima
remm Kagoshima	The Crown Palais New Hankyu Kochi
Other(franchises, etc.)	Tokyo Dai-ichi Hotel Matsuyama
Tokyo Dai-ichi Hotel Iwanuma Resort	Imabari Kokusai Hotel
Tokyo Dai-ichi Hotel Tsuruoka	
Tokyo Dai-ichi Hotel Yonezawa	
Tokyo Dai-ichi Hotel Shin-Shirakawa	



※Hankyu-Hanshin Hotels are entrusted operation