

**Supplementary Briefing during the Briefing on Earning Results**  
**for the First Half of Fiscal 2025 (Ending March 2025)**  
**presented by Yasuo Shimada, President and Representative Director**

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

**Summary of results for the first half of fiscal 2025 (P3)**

- Earning results for the first half of fiscal 2025 showed an increase in revenue and profit compared to the same period of the previous year. This was backed by a recovery in demand in the overseas travel business within the Travel segment, the Urban Transportation segment and an increase in condominium sales in the Real Estate segment, despite a decline in freight volume in the International Transportation segment, and a reversal in the temporary uptick in the Travel segments due to orders received for support services for local authorities in the same period of the previous year.

**FY2025 full-year forecasts (P4)**

- The full-year forecast for fiscal 2025 anticipates increased revenue, driven by strong performance in accommodation operations in the Hotel business and the Sports business, in addition to greater-than-expected earnings from overseas travel and the leasing business.
- Conversely, profit is expected to remain unchanged due to an anticipated decline in profit in the International Transportation segment, and the deferral of expenses from the first half to the second half. While we take any comments regarding our conservative stance seriously, we ask for your understanding that this forecast reflects the current situation as described previously.

**Progress in Long-Term Vision and Medium-Term Plan (Japan) (P5)**

- Several key topics for the first half of fiscal 2025 are covered below.

**<GRAND GREEN OSAKA (Umekita Phase II Development Project)>**

- First, with regard to domestic initiatives, the Umekita Phase II Development Project GRAND GREEN OSAKA has welcomed many visitors since its partial opening on September 6 as part of realizing our long-term strategy to (1) “Make our line-side communities the absolute best among the Kansai networks”.
- Hankyu Hanshin Hotels plans to open the upscale hotel, Hotel Hankyu GRAN RESPIRE OSAKA, in March 2025.
- We are also proceeding forward with a number of other initiatives targeted at enhancing the value of the Osaka-Umeda area, including further accelerating plans for the Shibata 1 Project (see P22 in the reference materials).

**<Reserved seat service “PRiVACE”>**

- Additionally, the reserved seat service PRiVACE, which was introduced on the Hankyu Kyoto Line on July 21, has been used by a broad range of customers, including commuters and tourists alike, and is progressing as planned.
- PRiVACE is one example of how we quickly identified changes in demand for how we travel following the COVID-19 pandemic and leveraged these insights as a service. Looking ahead, the Group will work together to capture changes in customer demand, and have this insight manifest into further services.

## **Progress in Long-Term Vision and Medium-Term Plan (Overseas) (P6)**

- Next, I will touch upon initiatives undertaken in overseas areas that we have identified as growth markets.

### **<Expansion of the Real Estate business in Australia>**

- First, with regard to the overseas real estate business, in Australia we have recently joined Melrose Park, a residential real estate sales business venture located in the outer suburbs of Sydney, and the LACP Project, a logistics real estate business venture totaling 43 buildings encompassing 11 properties across four cities.
- While the Group has primarily focused on expanding its overseas real estate business in ASEAN countries, where economic growth has been strong, recently we have looked at expanding into developed countries such as the United States, with its highly liquid real estate market and massive market size, as well as Australia, where stable population growth and economic expansion are expected, and where the real estate market is also highly liquid. This strategy aims to diversify risks while expanding our business field.
- Our involvement in these two projects form a part of these initiatives, and we will look to further expand the scale of our business presence in developed countries moving forward.
- Looking ahead, we plan to further expand our overseas real estate business. We will work on organizing our approach to our overseas real estate business portfolio, and the cash allocation thereof, taking into account factors such as the regions for business expansion, asset types, and the proportion between stock and flow businesses.

### **<Full-fledged entry into the overseas railway business>**

- In May 2024, Hankyu Corporation acquired stock in a company responsible for the operation and maintenance of LRT Line 1, an urban passenger railway with a line that spans around 20 km in the Manila metropolitan area in the Philippines.
- The Philippines has seen significant population growth and, unlike much of Southeast Asia, is a country where private railways are in operation. We aim to leverage Hankyu Corporation's extensive track record and experience in providing technical support for railway operation and maintenance. This includes proposing potential improvements, introducing new technologies, and providing necessary information to implement the know-how for such. We will also look to contribute to the development of the country through our existing real estate projects.

## **Corporate Sustainability Initiatives (P6)**

- Beginning in April 2025, Hankyu Corporation and Hanshin Electric Railway will replace all the electricity used for their railway operations with electricity effectively sourced entirely from renewable energy, in effect achieving carbon-neutral operations with net-zero CO2 emissions.
- Railways are inherently a low-carbon mode of transportation compared to other transport options. We will continue to focus on expanding public transportation networks to support the decarbonization of society. Moreover, we aim to further raise awareness among our customers about the environmental benefits of rail travel, highlighting how railway use can reduce environmental impacts.

### **Progress on Reforms and Other Initiatives Concerning the Takarazuka Revue (P7)**

- Steady progress is being made toward reforming the Takarazuka Revue, with details on the status of initiatives in place published on the official Takarazuka Revue website. In addition, the Group is undergoing a review of the organizational structure and governance framework of the Takarazuka Revue as part of a broader shift to building a more effective governance system Group-wide.
- The Company has been under investigation by the Labor Standards Inspection Office beginning last year, and we received guidance on corrective actions in September 2024. We take this matter seriously and, with guidance from the supervising authorities and experts, will promptly take action to address and resolve the issues.
- Further, the advisory board established in Hankyu Corporation has held three general meetings to date. In addition, we continue to receive advice and recommendations, and will incorporate this into the proposed reforms being put forth, in addition to organizing an approach through the current fiscal year based on efforts to speed up measures targeting mid- to long-term reforms.
- Through these efforts, we will continue to develop an environment that provides greater peace of mind to everyone involved in the operation of the Takarazuka Revue so that they can focus on delivering even better performances, while working on establishing a more effective governance system across the entire Group.