

**Main Questions and Answers during the Briefing on Earning Results**  
**for the Year Ended March 2025**

\* Please be aware that this document is not a verbatim account of everything that was said during at the question and answer session held during the briefing. The Company has made additions and modifications, and summarized the content as it judged appropriate.

\* Please also note that the information presented here is based on the briefing held on May 20.

**[Questions about the Company in general]**

**<<Questions about the Long-Term Management Plan>>**

**Q You have set a target of achieving ¥160 billion in operating profit by FY2031 to realize an ROE of 8%. How do you plan to close the gap between the current level and this target?**

A The ¥160 billion operating profit target for FY2031 was set through backcasting, with the aim of becoming a company capable of sustainably achieving an ROE of 8%. However, as we only recently announced our Long-Term Management Plan on March 27, many of the specific initiatives to achieve this profit level are still under consideration. While we are not yet in a position to provide a comprehensive explanation of all initiatives, we are actively exploring opportunities for business expansion. In addition to our current focus areas such as overseas real estate and information service businesses, we are also considering growth strategies in business solutions and our distinctive content business.

**Q Could you share any specific initiatives currently under consideration to expand the content business?**

A In addition to expanding new service offerings related to our core content assets such as the Hanshin Tigers and the Takarazuka Revue, both of which are key strengths, we are also looking to further enhance our content business by exploring new content opportunities and actively leveraging external resources, including potential investments.

**Q You have set a debt-to-equity (D/E) ratio of 1.3x as a benchmark to achieve an ROE of 8% by FY2031. Do you intend to maintain this level, or is there room to further leverage the balance sheet for growth?**

A Regarding the D/E ratio, we will make decisions based on our cash flow situation and other relevant factors. While we have the D/E ratio of 1.3x in mind as a target to achieve an ROE of 8%, we intend to respond flexibly based on future business conditions, taking financial soundness into careful consideration.

**Q Could you provide details on the ¥750 billion growth investments planned for the period from FY2026 to FY2031?**

A The growth investments are divided into short-term growth investments, expected to contribute to profits by FY2031, and long-term growth investments, aimed at capital recovery and growth from a longer-term perspective. Short-term growth investments include investments in overseas real estate, while long-term growth investments cover projects such as part of the Shibata 1 Project and M&A activities in the information services business.

## <<Impact of Expo 2025 Osaka, Kansai, Japan>>

**Q What impact is the Expo 2025 Osaka, Kansai, Japan expected to have? Also, is there likely to be a rebound effect in FY2027?**

A Our company is responsible for bus transportation from major stations to the Expo site. Additionally, Hanshin Kujo Station is seeing an increase in passenger usage as a transfer point to the Osaka Metro Chuo Line, one of the access routes to the Expo. Although Yumeshima, the Expo site, is not located along our railway lines, the overall mobility throughout the Kansai region has become very active. Considering this and the increased demand for nearby hotels and other services, we expect an impact of approximately ¥2 billion in profit for the entire group in FY2026.

While the direct impact of the Expo will disappear in FY2027, we view the event primarily as a catalyst for attracting visitors to the Kansai region. Our focus will be on creating systems and initiatives that encourage these visitors to continue returning to Kansai repeatedly, and we will remain committed to driving sustained inflows to the region even after the Expo concludes.

## [Business-specific questions]

### <<Urban Transportation>>

**Q With various cost increases anticipated, are you considering fare revisions for the railway to maintain or grow profitability?**

A Construction costs, labor expenses, and other costs related to the railway business are expected to continue rising. Therefore, we plan to accelerate infrastructure improvements that will enhance railway services. By doing so, even if population decline accelerates, we aim to maintain the competitiveness of line-side areas and generate stable cash flow, which will then be redirected toward our growth businesses. If, as a result of these initiatives, circumstances surrounding fare revenues and expenses\* deteriorate, we consider fare revisions at some point to be one of the options under consideration.

\* “Fare revenues and expenses” refers to the financial results calculated based on the Revenue Cost Calculation Guidelines issued by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

### <<Real Estate>>

**Q With rising costs due to inflation, to what extent can these increases be passed on to commercial and office rents as well as residential sales prices?**

A Regarding commercial facilities, since a portion of the rent is based on a percentage of tenant sales, rents will increase if tenant sales grow. For office spaces, primarily in the Osaka-Umeda area, we are currently negotiating with tenants to proceed with rent revisions. Regarding residential properties, we are carefully reviewing each project and have been able to pass on a certain portion of the increased costs to the sales prices, with no significant impact observed on sales performance.

**Q The full-year profit forecast for the housing business in FY2026 is set at a higher level compared to previous years. Is it possible to maintain this profit level from FY2027 onward?**

A For FY2026, profits are expected to be higher than in previous years due to an increase in the number of sales of short-term returns rental apartments, as well as planned deliveries of high-end condominium units within our portfolio. From FY2027 onward, we will strive to maintain this profit level as much as possible.

**Q Could you provide an overview of the current status and future outlook of the overseas real estate business?**

A The overseas real estate business experiences some fluctuations in performance figures each fiscal year depending on the completion timing of individual projects; however, overall, it is progressing as expected. As the overseas real estate business is a key growth driver for the group, we will continue to steadily work toward expanding this business going forward.

**<<Entertainment>>**

**Q On May 19, it was announced that the company will acquire the theater floor in the Yaesu 2 Naka Type I Urban Redevelopment Project. How do you view the investment profitability of the new theater?**

A The Company has a strong track record of producing and staging a diverse range of works at the Takarazuka Revue and Umeda Arts Theater. We are very pleased to have the opportunity to offer these contents at the new theater. Additionally, by owning a directly operated flagship theater in the Tokyo metropolitan area, we will be able to create optimal performance schedules. This will enable stable event planning and more efficient operations, which we believe will further enhance profitability.

**<<International Transportation>>**

**Q Could you provide an update on the current situation and the outlook for business performance in FY2026? Also, how do you view the impact of U.S. tariff policies?**

A Currently, profitability is gradually improving, and we believe we have passed the worst phase. For FY2026, we expect business performance to gradually improve toward the second half of the year; however, the situation remains uncertain and requires careful monitoring. Regarding U.S. tariff policies, due to the uncertain status of negotiations between countries, we cannot provide a specific outlook on their impact; however, at this time, no significant effects have been observed. However, since there is a possibility that cargo movement may slow down in the future, we will continue to closely monitor the situation.

**Q What initiatives are planned to improve profitability going forward?**

A Amid ongoing industry consolidation in the international transportation segment, we recognize that our company's scale is relatively smaller, which presents a challenge. While focusing on improving current performance, we are also considering strategies to strengthen our competitiveness moving forward. The review process requires a considerable amount of time, so we kindly ask for your patience as we continue these efforts.