

The background features a large white triangle pointing to the right, set against a blue gradient. The blue gradient transitions from a light blue on the left to a dark blue on the right. Several overlapping, semi-transparent blue geometric shapes, including triangles and trapezoids, are layered on top of the gradient, creating a dynamic, abstract composition.

**Hankyu Hanshin Holdings  
Sustainability Data Book 2020**

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### Editorial Policy

This report outlines the approach, initiatives, major performance results in fiscal 2020, future policies and plans of the Hankyu Hanshin Holdings Group for the realization of a sustainable society.

- Guidelines for Reference: GRI Sustainability Reporting Standards
- Report Scope: Core companies (Hankyu Corporation, Hanshin Electric Railway, Hankyu Hanshin Properties, Hankyu Travel International, Hankyu Hanshin Express, Hankyu Hanshin Hotels); companies belonging to each of the core businesses (Urban Transportation, Real Estate, Entertainment, Information and Communication Technology, Travel, International Transportation, and Hotels); and other operating companies
- Period Covered: FY2020 (April 1, 2019 to March 31, 2020)  
The results data is based on our business activities conducted in fiscal 2020. However, the contents of activities include those conducted in fiscal 2021.
- Date of Issue: January 2021    ■ Next Issue: scheduled for November 2021

## Top Message

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The Hankyu Hanshin Holdings Group has a long history of more than 100 years since its foundation. Through its history, it has contributed to high-quality community building and has offered new lifestyles desired by people through a broad range of businesses, from the development of residential and commercial facilities to the provision of attractive entertainment, such as Hanshin Tigers games and Takarazuka Revue performances, based on its railway business. With the Group Management Philosophy “By delivering ‘safety and comfort’ and ‘dreams and excitement,’ we create satisfaction among our customers and contribute to society” as our mission, we are aiming to achieve sustained growth while looking ahead to the future and are actively working on ESG (Environment, Social, and Governance), which is fundamental to sustained growth.

Meanwhile, society is now facing various challenges, including response to climate change, growing interest in safety and security, response to diversifying values, and further progress in technological innovation. In the Sustainable Development Goals (SDGs), which the UN member states aim to achieve by 2030, companies are expected to play an increasing role.

Under these circumstances, we have recently released the Hankyu Hanshin Holdings Group Sustainability Declaration, which outlines the Group’s commitment to contributing to the realization of a sustainable society, in order to become an even more sustainable business. Based on the Declaration, we will further accelerate the Group’s ESG initiatives and build relationships of trust with various stakeholders, such as customers, local communities, shareholders, business partners, and employees. We will strive to resolve social issues through our business and make group-wide efforts to enhance sustainable corporate value and eventually realize a sustainable society.

### **Kazuo Sumi**

Chairman and Representative Director,  
Group Chief Executive Officer

### **Takehiro Sugiyama**

President and Representative Director

# Group Management Philosophy

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## Mission

What we try to achieve

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

## Values

What is important to us

- |                           |   |
|---------------------------|---|
| 1. Customers First        | Everything we do is for the customer. That's where it all starts.     |
| 2. Sincerity              | Gain customers' confidence by always being sincere.                   |
| 3. Foresight & Creativity | With our pioneer spirit and flexible thinking, we create a new value. |
| 4. Respect for People     | Everyone is absolutely invaluable to the Group.                       |

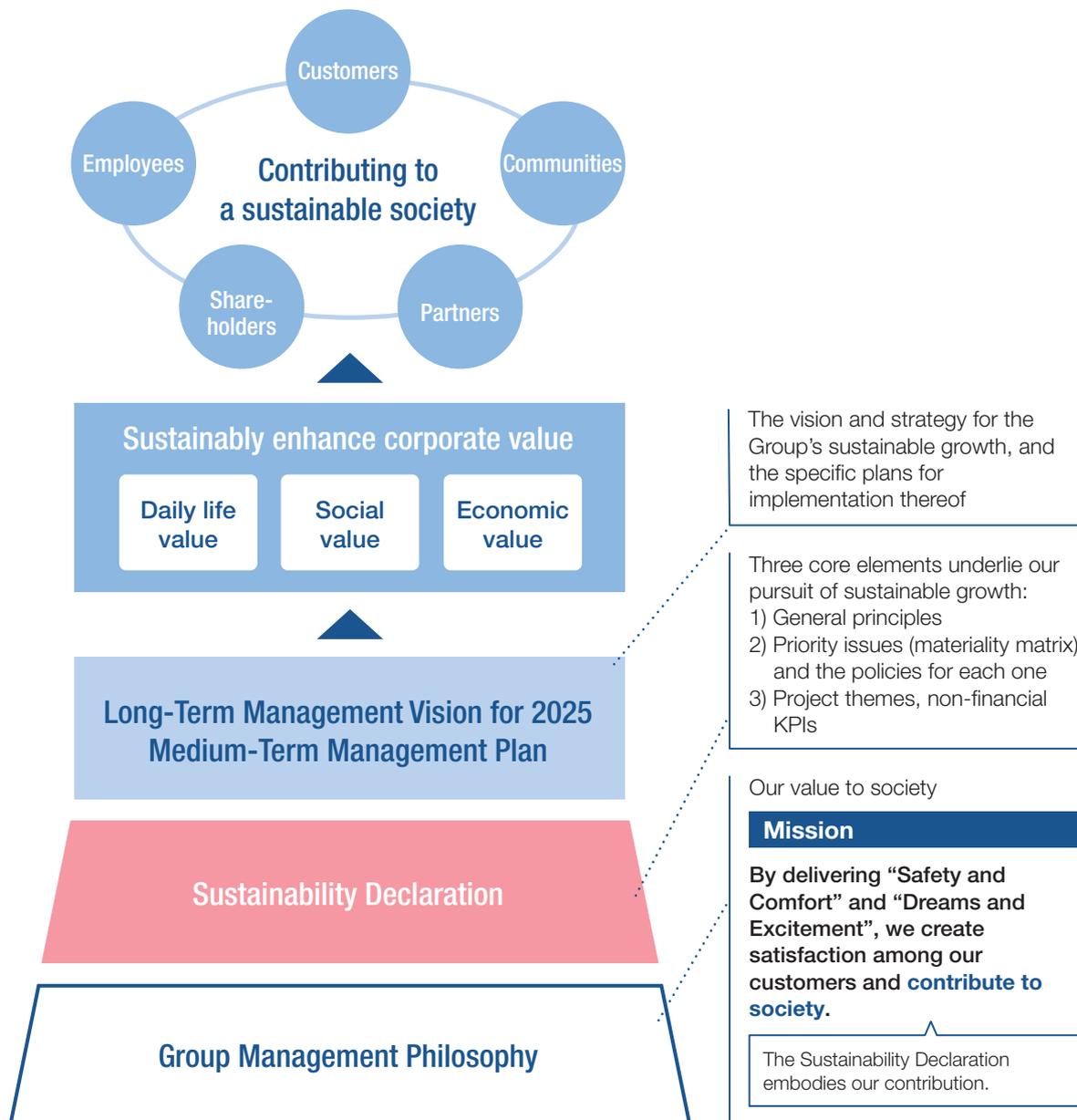
## Principles

How to act to uphold our values and fulfil our mission

1. We treasure encounters with people, and do our best in the position of a customer.
2. We abide by the laws and regulations, and act with a clear awareness of our social responsibilities.
3. We take pride and responsibility in our work, and carry it out promptly.
4. We are not concerned with what is just before us, but think from medium- and long-term perspectives.
5. We are not satisfied with present conditions, but fix our eyes on the future and act.
6. We have caring feelings and respect each other.
7. We communicate in a lively way and create a workplace with a positive atmosphere.
8. We cooperate with one another for the prosperity of the Group.

# Hankyu Hanshin Holdings Group Sustainability Declaration

The Hankyu Hanshin Holdings Group released the Sustainability Declaration in May 2020, which outlines the Group's commitment to addressing various challenges in order to help realize a sustainable society.



## General Principles

**Create a future grounded in "Safety and Comfort" and a future colored 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.

# Six Priority Issues and Policies

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

## Major non-financial KPIs

Safety

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Zero culpable incidents in our railway business

Employee satisfaction

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Always better than in previous survey\*1

Women in management positions

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Around 10% in FY2031

Women among new hires

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Always more than 30%

\*1 The survey is conducted biennially.

Based on the Declaration, we will accelerate the Group's ESG projects while working to solve social issues through our business activities with the aim of raising our sustainable business value and thereby helping to realize a sustainable society.

Project themes	Related fields
<ul style="list-style-type: none"> <li>❶ Eliminate accidents and improve safety at railways and commercial facilities</li> <li>❷ Promote actions to prevent/reduce accidents and respond promptly and properly to accidents if they occur</li> <li>❸ Establish safe and comfortable facilities and services that satisfy the needs of a diversity of people</li> </ul>	<p style="text-align: center;"><b>S</b> Social</p> 
<ul style="list-style-type: none"> <li>❶ Develop a good living environment (providing good residences, creating green spaces and public spaces, establishing cultural and educational facilities, etc.)</li> <li>❷ Develop and expand commercial/business areas where people communicate with each other</li> <li>❸ Create a line-side environment that makes it easier for women to work and raise children</li> <li>❹ Promote measures to extend the healthy lifespan of the elderly</li> <li>❺ Offer services that satisfy the needs of foreign visitors/residents</li> <li>❻ Enhance collaboration and partnerships with universities, research institutions, ventures, local communities, etc.</li> </ul>	<p style="text-align: center;"><b>S</b> Social</p> 
<ul style="list-style-type: none"> <li>❶ Propose products/services that help realize a lifestyle in harmony with nature</li> <li>❷ Propose products/services that lead to revitalization and promotion of local communities and cultures</li> <li>❸ Propose products/services that respond to diverse values and create comfort and excitement</li> <li>❹ Propose products/services for young people who will lead the next generation</li> <li>❺ Create and disseminate cultures through sports and entertainments</li> <li>❻ Improve existing services and create new businesses by utilizing ICT innovation</li> </ul>	<p style="text-align: center;"><b>S</b> Social</p> 
<ul style="list-style-type: none"> <li>❶ Improve employee satisfaction and create a more positive workplace</li> <li>❷ Promote health and productivity management</li> <li>❸ Promote diversity</li> <li>❹ Respect human rights and prevent harassment</li> <li>❺ Cultivate tomorrow's leaders</li> </ul>	<p style="text-align: center;"><b>S</b> Social</p> 
<ul style="list-style-type: none"> <li>❶ Cut greenhouse gas (CO<sub>2</sub>) emissions</li> <li>❷ Improve energy efficiency (promote energy saving)</li> <li>❸ Use more renewable energy (e.g. solar)</li> <li>❹ Aim for more eco-friendly buildings (green buildings)</li> <li>❺ Produce less waste and recycle more</li> </ul>	<p style="text-align: center;"><b>E</b> Environment</p> 
<ul style="list-style-type: none"> <li>❶ Promote effective and transparent corporate governance</li> <li>❷ Ensure compliance and prevent corruption</li> <li>❸ Enhance risk management, including climate change</li> <li>❹ Pay attention to opinions of stakeholders in doing business</li> </ul>	<p style="text-align: center;"><b>G</b> Governance</p> 

\*The SDG icon that is placed first is the most relevant to each priority issue.

Rate of CO<sub>2</sub> emissions cuts (target for FY2031 compared to FY2014)

- Cut emissions by **26%** \*2 at Hankyu Hanshin Holdings and subsidiaries' Japanese worksites
- Cut railway energy consumption of Hankyu's and Hanshin's railways by **40%**

\*2 The same level as the target value set by the Japanese government as a national greenhouse gas reduction goal based on the Paris Agreement

# Steps to Determine Priority Issues (Materiality Matrix)

In formulating the Sustainability Declaration, we identified the social issues that are considered to have a significant impact on the Hankyu Hanshin Holdings Group, aiming for sustainable growth. We then classified the identified social issues under six themes and organized them as the priority issues for sustainable business practices (materiality matrix).

**STEP 1**

Based on the external perspectives of disclosure guidelines, etc., organize a long list (349 items) of social issues that are relevant to the Hankyu Hanshin Holdings Group.

## ■ Listing up universal social issues

Based on international disclosure guidelines and standards\*, identify universal social issues and create a long list.

\*SDGs, GRI Standards, SASB Standards, ISO 26000, etc.

## ■ Reflecting in the list the social issues particularly relevant to the Hankyu Hanshin Holdings Group

Based on analysis on the external environment in the Medium-Term Management Plan, PEST analysis by external experts, ESG evaluation by the evaluation institution, etc., reflect the social issues that are unique to the Group in the long list.



**STEP 2**

Narrow down the social issues of the long list (349 items) to a short list (54 items).

## ■ Creating a short list of social issues

The Personnel and General Affairs Div., the Group Planning Div., and external experts examine the issues on the long list from the perspectives of “expectations from society of the Hankyu Hanshin Holdings Group” and “importance for businesses of the Hankyu Hanshin Holdings Group” and make a short list (54 items) by eliminating the items that are irrelevant to the Group or the overlapping items.

### Universal social issues

- Addressing climate change
- Adapting to circular society
- Developing sustainable communities
- Promoting gender equality and diversity
- Balancing economic growth and employee satisfaction
- Enhancing corporate governance
- Problem solving through partnerships

### Social issues particularly relevant to the Hankyu Hanshin Holdings Group

- Depopulating society
- Aging population
- Tight labor market
- Increasing public interest in safety and security
- Aging infrastructure
- Adapting to diverse values
- Accepting multiple cultures along with an increase in the foreign population
- Advancement of technology innovation



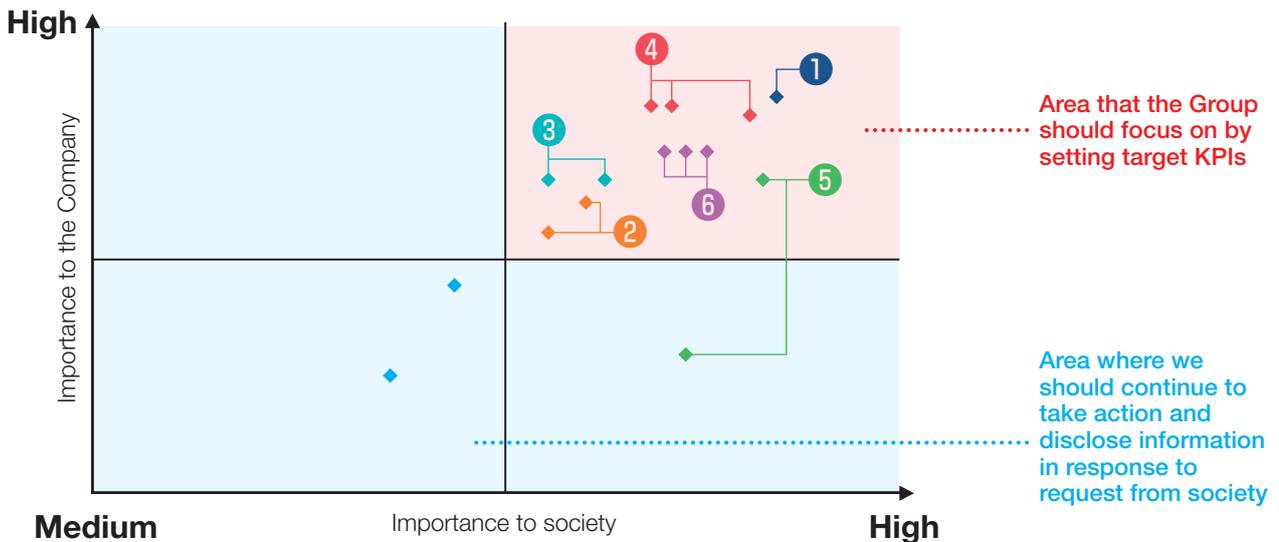
**STEP 3**

Determine the priority order of the short list items from external perspectives and categorize them into six items.

### ■ Discussing the priority order

Conduct questionnaire surveys of and interviews with the Group's responsible personnel for each core business and external experts. (For details, see p 9-10.) After additional examination of the findings from the surveys and interviews, determine the priority order of the issues relevant to the Hankyu Hanshin Holdings Group and categorize them into six items.

### Materiality mapping



- ① Safe, reliable infrastructure
- ② Thriving communities
- ③ Life designs for tomorrow
- ④ Empowering individuals
- ⑤ Environmental protection
- ⑥ Robust governance



**STEP 4**

Determine the priority issues that the Group should address.

### ■ Determining priority issues

The Group Management Committee and the Board of Directors discuss and approve the six items as the priority issues for sustainable business practices (materiality matrix).

# Comments by External Experts in Determining Priority Issues (Materiality Matrix)

\*Titles and positions are as of November 2019.

In determining the priority issues of the Hankyu Hanshin Holdings Group, we had interviews with external professionals and experts to directly listen to their objective opinions about the issues and processes for determining them. The findings and insights gained from the talks with them will be reflected in our future business practices.

## I hope the Group will demonstrate the importance of SDGs actions



**Norichika Kanie**  
Professor, Graduate School  
of Media and Governance,  
Keio University

When working to achieve SDGs, it is important to first set targets to be reached in the future and then think about what should be done now. When targets are set and the progress toward the targets is seen, the awareness within the Group may change and various ideas will emerge from both inside and outside the Group. Some SDGs actions may generate collateral effects. Efforts to address climate change, for example, may lead to ideas for new lifestyles.

The Hankyu Hanshin Holdings Group has infrastructure for community building, as well as the urban transportation business and the entertainment business, which have a significant public impact. The SDGs-themed rail livery, solar power generation and recycling of plastic drink containers at Hanshin Koshien Stadium and Takarazuka Revue Company's carbon offset performance have great appeal for many people. I think these are very effective means to demonstrate the importance of SDGs actions, which should be actively employed.

The next step is to set targets that are unique to the Hankyu Hanshin Holdings Group, balancing the Group's values and SDGs. By doing so, I believe that the actions will be more sophisticated.

## Group-wide commitment to sustainable community building

The strength of the Hankyu Hanshin Holdings Group is its capability for sustainable community building within the Group as it covers railway, real estate, and entertainment as its core businesses. If the Group develops a model community adapted to climate change, it will be a community of choice from a global perspective, attracting foreign companies and encouraging relocation of corporate bases.

Environmental actions should not be a list of individual measures but have a comprehensive story that covers all of them. The Hankyu Hanshin Holdings Group's community building initiative, for example, will be highly appreciated if it can be combined with the development of a carbon-neutral community by 2050 declared in the government's program toward the realization of a decarbonized society (announced by the Government in June 2019). I hope that the Group will make effective use of this change as a business chance.

Railway, which is powered by electricity, is a business segment in which the Group can strongly demonstrate its efforts to cut greenhouse gas emissions. I expect the Group to take positive actions in this field, such as cooperating with electric power companies for the spread of renewable energy.



**Michiyo Morisawa**  
Director, CDP Japan  
Head (Japan), PRI

## Workstyle reform from a “gender equality” perspective

When women ease their burden of work to raise their children by taking long childcare leave or working shorter hours, it will reinforce the traditional roles of men and women: men for work and women for family. From the perspective of gender equality, both men and women should be able to balance their working life and family life. To this end, workstyle reform of men is necessary. It is important to prevent the roles of men and women from being fixed by correcting long working hours and introducing flexible workstyles in terms of working place and time.

The Hankyu Hanshin Holdings Group’s community building initiative can play an important role in workstyle reform. If the Group proactively places its satellite offices and supports other companies in promoting flexible workstyles, it will raise the value of those areas as attractive to live in or work in. Also, the Hankyu Hanshin Dreams and Communities of the Future Project is a wonderful Group-wide project that is effective in making the Group employees interested in SDGs and contributes to revitalization of local communities. Through collaborating with local governments and other companies, employees may encounter different values, which will raise their motivation for work and promote innovation.



**Toko Shirakawa**

Journalist on declining birthrates, author,  
Visiting professor at Sagami Women’s University  
Private sector member of the Cabinet Secretariat’s Council for the Realization of Work Style Reform

## The Hankyu Hanshin Dreams and Communities of the Future Project is a unique, pioneering project



**Noboru Hayase**

Chief Executive Officer of Osaka Voluntary Action Center,  
Chairperson of Japan NPO Center  
Visiting Professor, School of Human Sciences, Osaka University

Today, companies are required to show not only the vision of what they hope to be but also the vision that society will aim at and how they will contribute to realizing that vision. The Hankyu Hanshin Holdings Group, mainly in its railway and real estate businesses, creates communities. It is necessary to first draw an image of the community to be aimed at for 2030 and then show how the Group will contribute to building such a community.

The Kansai Area has a higher percentage of foreign residents than other areas in Japan. Therefore, community building in this area should consider the needs of foreigners, including foreign visitors. Measures for people with disabilities, such as promoting employment of people with disabilities and installing platform doors, should also be further enhanced. The Hankyu Hanshin Dreams and Communities of the Future Project and other collaborative initiatives with local communities are very unique and pioneering. We will soon enter a new era when customers will demand systems and services in which they can play active roles. It will then be important to collaborate with NPOs working on local issues as partners in community building.

## Top management should talk about sustainability

The “era of CSR” focusing on the responsibility of companies has shifted to the “era of ESG,” where improved corporate value should improve shareholder value. Now we are moving toward the “era of sustainable finance,” which encourages activities that contribute to building a sustainable society. ESG actions will be evaluated from the perspective of future finance, and investors are paying greater attention to non-financial information that is related to future finance. Top management is required to talk about sustainability, namely, how they enhance their corporate resilience (to changes) by addressing sustainability issues and how they continue or change their business models in response to changes in society.

The Board of Directors is also required to monitor whether management resources are optimally allocated from an ESG perspective, focusing not only on short-term profits but also on a long-term perspective. Investors evaluate companies based on both EPS (earnings per share), indicating short-term performance, and PER (price-earnings ratio), indicating the degree of expectation in the medium to long run. Sustainability actions are effective in improving PER, which should also be explained to investors.



**Emi Onozuka**

Head of Stewardship Responsibility Group,  
Goldman Sachs Asset Management Japan

# What We Can Do for the New Era

Under the circumstances where the world is facing the unprecedented crisis caused by the COVID-19 pandemic, our Group has also been significantly affected by the pandemic. Even in such a situation, we will deliver peace of mind to our customers as much as possible while practicing what we can do one by one. We will also fight a long-term battle against COVID-19, looking at the world in the new era after the COVID-19 pandemic. (The posted information is as of the end of September 2020.)

## Urban Transportation

### Hankyu Corporation

To help stop the spread of COVID-19 and maintain an on-board environment that lets passengers ride with peace of mind, all Hankyu trains are disinfected regularly, and windows are kept open for thorough ventilation. All train seats, straps, handrails, and windows are treated with antiviral, antibacterial agents, and passengers are reminded to play their part, such as by commuting at off-peak times and observing cough etiquette. Stations also play a major role in our efforts to maximize passenger safety and comfort, for instance through improved sanitary facilities including western-style, multifunction toilets with seat disinfectant dispensers.

### Hanshin Electric Railway

Hanshin's broad-ranging initiatives to halt the virus's spread include regular disinfecting of ticket machines, staircase handrails, and other places of regular contact, as well as see-through plastic curtains at ticket gate staff booths to prevent transmission by airborne droplets. As with the Hankyu Railway, all Hanshin train seats, straps, handrails, and windows are treated with antiviral, antibacterial agents, and passengers are reminded to play their part, such as by commuting at off-peak times and observing cough etiquette.



## Real Estate

### Containing the virus's spread and planning for the post-COVID era at commercial facilities

In order that our customers can use our commercial facilities with confidence in their safety, we have a range of measures in place, including stricter ventilation, cleaning, and disinfecting, as well as monitoring the physical condition of our staff. Moreover, some of our facilities are used for educating the greater public on COVID-19 issues, such as digital signage and color-coded external lighting of the Umeda Hankyu Building to remind people of the current status as part of the "Osaka Model" for action on COVID-19. To prepare for the new era, we have adopted online tools so that, for instance, potential condominium buyers can consult our sales staff in complete safety and comfort.



## Entertainment

### Preventing infections at Hanshin Koshien Stadium and the Tigers' new TV Shout-Out for fans

Various measures have been instituted in accordance with guidelines from national and local governments as well as the NBP organization. In addition to in-stadium anti-infection measures, various other initiatives were put in place for ticket sales and events, services, and performances in and around the stadium. Hanshin Electric Railway is also working proactively to develop fresh ways of enjoying sports in the post-COVID era. For instance, the company is collaborating with Juwwa, a start-up web-based community service provider, to come up with new perspectives for delivering sport and entertainment content. One outcome of this project was the experimental "Hanshin Tigers Fans TV Shout-Out," a chat-based function that let fans roar their support during the Tigers vs. Giants games played without spectators in July 2020. Allowing fans to post their comments and views via the web is a new way of amplifying team spirit among fans watching on TV.



### Takarazuka Revue: Theater reopening and new initiatives

The Takarazuka Revue Company initially suspended performances to minimize opportunities for COVID-19 to spread. Since then, doors have reopened, and the company's facilities are subjected to strict anti-infection measures in accordance with national and local government guidelines, including antiviral, antibacterial treatments throughout the theater. Having our own theater rather than renting someone else's gives us the flexibility to schedule shows and sell tickets as appropriate to incorporate these safety measures. Shows may have been suspended, but our stars remained busy, connecting with fans on social networking services and putting on "Takarazuka at Home" limited-time free online performances. Even now, after shows resumed, we remain eager to find new ways for people to enjoy Takarazuka Revues, including live viewing events at movie theaters, full broadcast of some shows via the web, and Takarazuka-themed face masks.



©Takarazuka Revue Company

## Information and Communication Technology

### AI tech for easier body temperature measurement

We have released a new, compact, AI-based device that combines facial recognition and body temperature measurement functions as part of the *Mimamorume* line, a core facet of our safety and education businesses. Currently, when staff at various facilities take customers' temperatures, they have to do so in close personal proximity, thus causing queues to form and raising the risk of infection. The new AI-based *Mimamorume* device uses thermography and AI-based facial recognition to offer a contactless way of taking body temperature that avoids the likelihood of queuing. This is just one example of how we strive to find ways of making all areas of society safer.



## Travel

### Hankyu Travel International's online tours

Hankyu Travel International has begun selling online tours, in which “travelers” participate via the Zoom videoconferencing system. As people continue to stay home amid the spread of COVID-19, online tours are a way to enjoy the thrills of travel—complete with tour conductor—from the comfort of home. These tours are a fully interactive form of entertainment, and participants are connected to a live feed from the tour destination, and can ask questions via the chat function. We look forward to developing a strong lineup of online tour content and providing attractive new products to meet the new needs of a new age.



## International Transportation

### Keeping goods moving worldwide

Centered on Hankyu Hanshin Express as its focal point, our International Transportation Business comprises 52 locations in Japan and 134 around the world. Despite the global spread of COVID-19, we arranged and operated charter flights for air cargo, and we are determined to perform our many roles in ensuring distribution infrastructure is up and running, forwarding agent, customs broker, warehouse and many more. By operating a thorough regime to prevent infections among our workforce, we are determined to keep the flow of goods moving without compromising customer and consumer safety.



## Hotels

### Opening of relocated Takarazuka Hotel delayed

Given the circumstances surrounding the spread of COVID-19, we decided to delay the opening of the Takarazuka Hotel in its new location to protect the safety of guests, employees, and others. The hotel's doors eventually opened on June 21, 2020. In order that people can use the hotel with complete confidence in its safety, stringent anti-infection measures are in place. In keeping with the hotel's concept—“your everlasting dream”—guests are treated to facilities and service of such quality that feels like an extension of the dreamworld portrayed in Takarazuka Revue performances. As an icon of Takarazuka, we look forward to welcoming new and familiar guests to an everlasting dream long into the future.



## Other

### # Hotto Hanshin Project – Being considerate of others' feelings and connecting with others through the heart

Amid the spread of COVID-19, there are many people who voluntarily refrain from going out and who work in fear. To help bring peaceful and warm feelings to them, Hanshin Electric Railway has operated the Hotto Hanshin Project since April 28. On the company's website, various programs are introduced, including the publication of coloring works submitted to Group companies, the browsing of exhibits displayed at the Museum of Hanshin Koshien Stadium, and the live streaming of a parent-child event. The project information is also distributed through SNSs with hashtag #ほっとはんしん (Hotto Hanshin) (in Japanese).



# Initiatives for the SDGs (Sustainable Development Goals)

The SDGs (Sustainable Development Goals) were adopted at the United Nations Sustainable Development Summit in September 2015. They are universal goals that the UN member states should tackle to resolve social issues in 17 fields, including the environment, education, and community development, by 2030. To achieve these goals, it is essential that various national governments as well as companies, organizations, and individuals around the world work together. The Hankyu Hanshin Holdings Group is also actively supporting the SDGs.

## SUSTAINABLE DEVELOPMENT GOALS



The Hankyu Hanshin Holdings Group supports the SDGs.

The Hankyu Hanshin Holdings Group Sustainability Declaration, released in May 2020, aims to resolve social issues, including the SDGs, through its business in order to realize a sustainable society. The Group will contribute to the achievement of the SDGs by addressing six priority issues for sustainable management, which are stipulated in the Sustainability Declaration. Please see the page of each priority issue for specific initiatives.

## SDGs related to the priority issues



## [Operation of the Dreams and Communities of the Future SDG Trains through government-industry-civil society cooperation]

– Delivering various messages toward the achievement of the SDGs with trains powered by 100% renewable energy –



One of the Group's initiatives to achieve the SDGs is the Hankyu Hanshin Dreams and Communities of the Future Project, a Group-wide CSR project that has been promoted since 2009. Under the basic policy of the project, by which “we intend to promote the creation of towns and cities where people will truly want to live,” we are proceeding with various initiatives related to the SDGs, working on two priority areas: “environment-friendly community development,” which improves the environment of communities; and “human capital development,” which shoulders the task of building communities for future generations (see page 15 for details).

To commemorate a decade of project initiatives, we launched the operation of the Dreams and Communities of the Future SDGs Trains in May 2019. Through their operation, we have delivered various messages toward the achievement of the SDGs in cooperation with the government and the municipalities our trains serve as well as companies and civic groups that are making advanced efforts to achieve the SDGs. Since the Tokyu Group joined this initiative in September 2020, these trains have run as “SDGs Train 2020” under collaboration with a wider range of partners.



Hankyu Corporation: Three formations of trains running on the Kobe, Takarazuka, and Kyoto Lines



Hanshin Electric Railway: One formation of trains running on the Main Line and the Hanshin Namba Line

The SDGs Trains are composed of the latest energy-saving cars of Hankyu Corporation, Hanshin Electric Railway, and Tokyu Railway, and all (substantially 100%) of the electricity required for running is covered by renewable energy. The front and rear cars of the SDGs Trains are wrapped in original illustrations that image the SDGs and are badged with a design head mark common to the three companies. Inside, all advertising space is occupied with posters displaying the SDGs and their explanations, as well as the Hankyu Hanshin Holdings Group's SDG-related initiatives along with those of the governments, municipalities, and cooperating businesses. Thus, messages for the achievement of the SDGs are delivered using the whole train. We hope that the operation of these trains will provide the opportunity to think about a better community and society.

### [Designs of some interior posters]



At the Hankyu Hanshin Holdings Group, we will continue to actively promote the Hankyu Hanshin Dreams and Communities of the Future Project to contribute to resolving regional issues and to create long-term fans and improve our brand value.



Group Social Contribution Initiatives

# Hankyu Hanshin Dreams and Communities of the Future Project



As part of the Hankyu Hanshin Holdings Group's commitment to creating communities that people will truly want to live in, we have operated the Hankyu Hanshin Dreams and Communities of the Future Project since 2009. Focusing chiefly on environment-friendly development and human capital development, this project is one of our initiatives aimed at helping achieve the SDGs based on the Sustainability Declaration announced in May this year.

## Basic policy

We intend to promote the creation of towns and cities along our line-side areas that people will truly want to live in.

### <<Priority areas>>

**Our links to the future: Environment-Friendly Development and Human Capital Development**



### Environment-friendly development

As a Group with strong local roots, we are committed to sustainable community building with environment-friendly developments that provide local residents with security, peace of mind, and cultural enrichment.

#### Themes of specific initiatives

1. Creating a safe, comfortable, and environmentally aware local community
2. Contributing to the preservation of biodiversity and the natural environment
3. Promoting sustainable lifestyles
4. Preserving, utilizing, and developing local historical and cultural resources
5. Preventing global warming
6. Contributing to the emergence of a society committed to recycling and waste reduction

### Human capital development

We are creating opportunities for the healthy development of ambitious children, upon whose shoulders the task of building the communities of the future rests.

#### Themes of specific initiatives

1. Enabling children to experience and learn about nature and ecology
2. Fostering mental enrichment in children through cultural and artistic activities
3. Supporting the healthy development of children through sports
4. Enabling children to gain a deeper understanding of society and their communities
5. Cultivating in children a sense of compassion and acknowledgement of diversity
6. Instilling in children the wisdom of their parents and grandparents
7. Supporting children with disabilities, children orphaned by traffic accidents or disasters, children in single-parent families, and children confined to social welfare facilities

In this project, we regularly conduct customer survey in cities and towns along our line-side areas. The FY2020 survey results indicate that the more customers recognize the project and the SDGs Trains (P. 14), the more they have a positive image of our Group and a desire to live in our line-side areas.

### Positive image of our Group

- I have
- I slightly have

### Desire to live in the line-side areas of the Hankyu and Hanshin lines

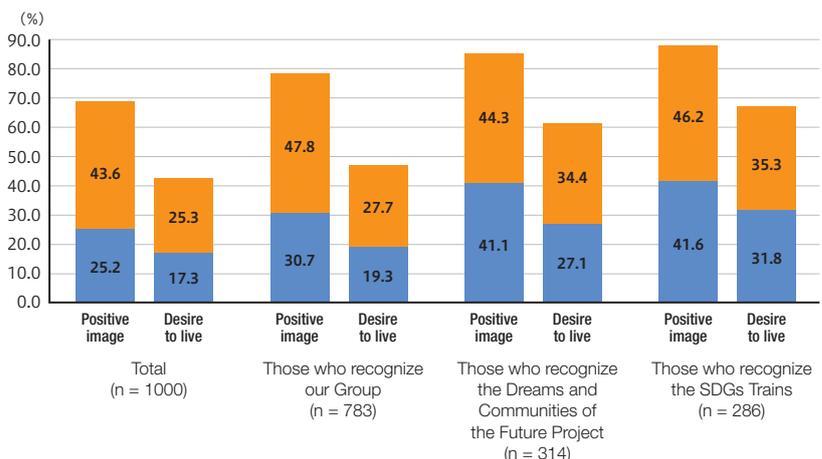
- I want to live / I want to continue living
- I slightly want to live

Survey target: Male and female residents aged 18 to 69 in 23 cities and towns along our line-side areas

Survey method: Random sampling survey through the internet

Number of respondents: 1,000

Survey period: November 7 to 8, 2019



## Group Social Contribution Initiatives in Fiscal 2020

### 1 Collaboration with Group companies

We promoted the social contribution initiatives of our Group companies through public relations, sponsorships, and additional contributions. In fiscal 2020, 102 initiatives were certified (94 in fiscal 2019). Of these, the Hankyu Hanshin Dreams and Communities Challenge Troop (see page 46) has been implemented since fiscal 2011 as a social contribution initiative that provides a sense of Group unity.

#### Example (Environment-friendly development) Emergency shelters for children offered at our Group's taxis, sales offices, and stores

To protect the safety of the community, especially the safety of children, we offer emergency shelters for children at our Group's taxis, sales offices, and stores. By providing places into which children can run in case of trouble, we aim to ensure the safety of communities as a community-based business operator.

Implementing companies: Eki Retail Service Hankyu Hanshin, Nishiyama Driveway, Hankyu Style Labels, Hankyu Taxi, Hankyu Corporation, Hankyu Mediac, and Bay Communications

\* See page 35 for other examples of "planning green tourism and volunteer travel tours," "installing bio-toilets to protect tourist destinations such as World Heritage sites," and "clean walking events."



#### Example (Human capital development) Customer appreciation events at train depots and plants

We hold customer appreciation events several times a year at our train depots and plants. Event participants can enjoy various train-related programs so that they can feel more familiar with public transportation with low environmental impact, such as trains and buses.

Implementing companies: Hankyu Corporation, Hanshin Electric Railway, Kita-Osaka Kyuko Railway, Nose Electric Railway, Hankyu Bus, etc.

\* See page 37 for other examples of sale of "stay-and-donate accommodation plans".



### 2 Collaboration with local communities

Under the Hankyu Hanshin Dreams and Communities of the Future Fund program (see page 29), we subsidized civic groups in the Hankyu Hanshin service area through donations raised by our employees and additional contributions from the company. In fiscal 2020, 15 institutions, including five institutions to which we had continued to grant subsidies, received a total of ¥9.5 million. (Cumulative total: 139 institutions, ¥79.79 million)

#### Example Cooperation with subsidized institutions

To support the public relations of subsidized institutions, we post articles for introducing them in the Hankyu Railway information magazine "TOKK" and deliver volunteer information to our Group employees so that they can participate in activities hosted by the institutions.

In addition, hands-on workshops and seminars are held at Stajimo NISHINOMIYA in Hankyu Nishinomiya Gardens and railway stations in collaboration with civic groups in our service area and our Group companies.

Through the provision of opportunities to learn about social issues by starting with looking at familiar themes, we aim to gain sympathy and momentum for our initiative to create towns and cities where people will truly want to live.



### 3 Collaboration with Group employees

Through the Social Contribution Point System, we encourage current and past employees to engage in community activities voluntarily by assigning points. In fiscal 2020, some 2,733 people (up 255 from the previous year) across 70 companies received points.

#### Example Fair trade products sale held for employees

As an opportunity to contribute to society through shopping, we held a fair trade products sale at a total of eight venues at Group company offices in December 2019, which were attended by many employees. The introduction of the system and background of fair trade provides an opportunity to deepen understanding of global social issues.

#### Example Volunteer group support fund "Dreams and Communities Volunteer Support Program"

We provide support grants to volunteer groups where our current and past employees are enthusiastically involved in activities throughout the year in order to help to activate their volunteer activities.





## Priority Issue 1 Safe, Reliable Infrastructure



### Policy

Provide railways and other infrastructure that are safe and disaster-resilient. Ensure that anyone can safely access our facilities and services.

### Significance

Natural disasters have been becoming increasingly severer in recent years and have caused significant damage in many places nationwide. While working to secure daily safety in our railway and all the other business segments, we are making our utmost efforts to respond to diverse requests from society with regard to risks that may threaten continuity of our businesses, such as infectious diseases and natural disasters. Under the belief that “Safe, Reliable Infrastructure” is the core of the Hankyu Hanshin Holdings Group’s businesses, on which we should place the highest priority in order to gain trust of society, we always pursue safer and more reliable facilities and services in each of our businesses.

### Non-financial KPIs

Indicator	Range	FY2020 Result	Target
Zero culpable incidents in our railway business	Hankyu Corporation, Hanshin Electric Railway Nose Electric Railway, Kita-Osaka Kyuko Railway	Zero	Always zero

### Toward elimination of railway accidents

Under the mission of ensuring absolute safety of transportation, the Hankyu Hanshin Group railway companies observe all safety policies and focus efforts on achieving our safety objectives. At the same time, we strive to improve daily safety as well as to ensure safety during emergencies through measures in both aspects of infrastructure and personnel.

This report presents mainly the initiatives of Hankyu Corporation and Hanshin Electric Railway.

### Safety policies

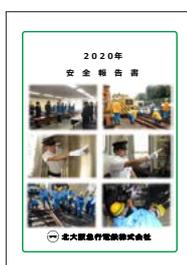
#### Hankyu Corporation

##### ■ Safety slogan

All in for safety, all in for customer satisfaction

##### ■ Codes of Conduct for safe transportation

- Ensure safety
- Comply with laws and regulations
- Be aware of operational conditions, ensure equipment safety
- Perform checks, prioritize safety above all else
- Respect for human life
- Swift and accurate communication
- Continual improvement and advancement



\* For details of our safety policies, targets and initiatives, please refer to the safety reports of our railway companies.



## Safety priority measures

### (1) Strive to prevent accidents for which we bear responsibility

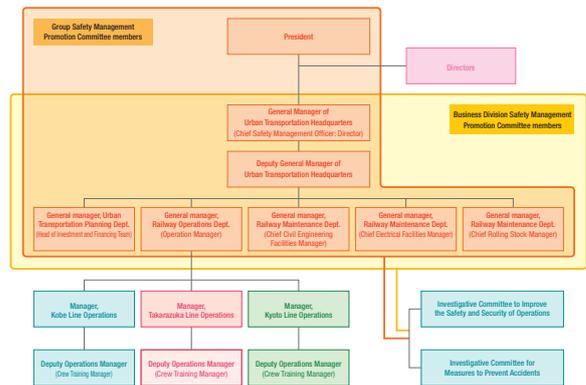
- (i) Enforce stringent policies and comply with work procedures
- (ii) Promote measures to prevent accidents on the platform for which we bear responsibility
- (iii) Promote measures to prevent accidents at grade crossings for which we bear responsibility
- (iv) Promote measures to maintain facilities and improve the standard of safety operations
- (v) Promote measures to accelerate accident prevention

### (2) Strive to prevent recurrence of accidents for which we bear responsibility

- (i) Prevent the recurrence of previous accidents and incidents
- (ii) Formulate and implement solid countermeasures by convening the Investigative Committee for Measures to Prevent Accidents

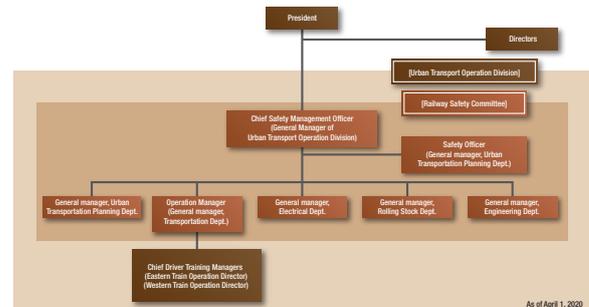
### (3) Address risks to business continuity

- (i) Implement measures to prevent or reduce various risks associated with natural disasters
- (ii) Formulate and implement measures to tackle infectious diseases
- (iii) Formulate and implement anti-terrorism measures
- (iv) Analyze risks relating to accidents for which we may bear responsibility, and share resulting information



## Hanshin Electric Railway

Hanshin Electric Railway implements various initiatives to ensure safety by following the PDCA cycle (Plan, Do, Check, and Act) with the aim of achieving safety of a higher level through continuous improvements.



## Hanshin Electric Railway

### Safety policies

#### ● Maximum priority on safety

The president, directors, and employees shall do everything possible to ensure safety of operations based on the understanding that putting the highest priority on ensuring safety is the mission of railway businesses.

#### ● Comply with laws and regulations

The Company shall comply with all laws and regulations related to safety and apply them rigorously and sincerely in its operations.

#### ● Maintenance of safety management systems

The Company shall implement continuous verification procedures to ensure that safety management systems are operating appropriately.

## Safety management systems

### Hankyu Corporation

Hankyu Corporation has established safety management regulations, under which it ensures the PDCA cycle (PLAN → DO → CHECK → ACT) is properly implemented in the organizational structure below, thereby promoting continuous improvements and enhancing safety of transportation.

### Project theme (1)

## Eliminate accidents and improve safety at railways and commercial facilities

## Safety measures on platforms and installation of ATS

### Hankyu Corporation

If a customer falls onto the track, a fall detection mat laid on the track will detect it or an emergency train stop button placed on the platform will be pressed to turn the signal nearest to the station to red (stop signal) so as to notify the train driver of the emergency, as well as to automatically operate the Automatic Train Stop (ATS) system. On the platform, the alarm lamp will flash and the alarm buzzer will sound to notify the crew and station staff of the emergency.



[Fall detection mats] Placed at four stations with platforms that have sharp curves

[Emergency train stop buttons] Placed at all stations



Fall detection mat



Emergency train stop button and a direction board

### Installation of ATS

An automatic train stop (ATS) system automatically activates brakes of a train to decelerate or stop the train if the train speed exceeds the speed limit indicated by the signal due to the driver's mistake or misperception.

Hankyu Corporation introduced for all its lines in 1970 the "high-frequency continuous induction-type stepwise control" ATS system, which controls the train speed at or below the speed limit by continuously comparing the train speed with the speed limit indicated by the signal.

Later, two patterns (high speed and low speed) were added to the conventional high-frequency continuous induction-type stepwise control ATS system to improve the security level of the system. The high-speed pattern was introduced with the aim of preventing overruns at railroad crossings or incorrect passage at stations, while the low-speed pattern was introduced for the purpose of preventing collision with the buffer stop at the terminal end.

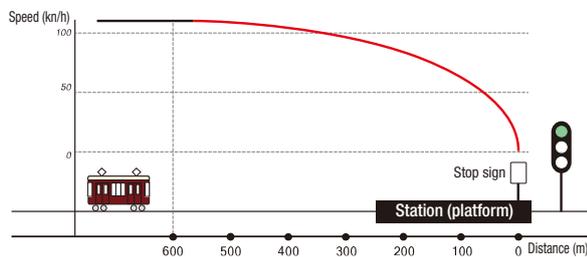


Image of control in high-speed pattern

## Hanshin Electric Railway

If a customer falls onto the track from a platform, a fall detection mat laid on the track will detect it or an emergency alarm button placed on the platform will be pressed to notify the train crew and station staff of the emergency with the indicator light and the alarm buzzer.

[Fall detection mats] Placed at Kuise, Mikage, Nishikujo, Kujo, and Dome-mae stations

[Emergency alarm buttons] Placed at all stations



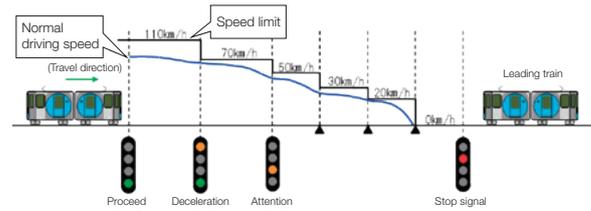
Fall detection mat



Emergency alarm button and a direction board

### Installation of ATS

Hanshin Electric Railway has introduced ATS (automatic train stop) systems for all its lines. ATS is also used to control the train speed at some curved portions and turnouts on tracks with the aim of preventing trains from exceeding the speed limit.



## Measures to prevent falls from platforms

### Installation of platform screen doors

Hankyu Corporation installed its first automatic platform screen doors on platforms 3, 4, and 5 of Juso Station in fiscal 2019. Construction work is now under way to install the doors at Kobe Sannomiya Station, which are scheduled to be fully used around spring 2021 (some will be used from October 2020).



Platform screen doors at Juso Station

Hanshin Electric Railway is planning to complete the installation of platform doors at Kobe-sannomiya Station by spring 2022 and at Osaka-umeda Station by the end of fiscal 2024.



## ■ Installation of safety fences at the end of platforms

Hankyu Corporation and Hanshin Electric Railway have been installing safety fences at the terminal end of each platform at which trains do not stop to prevent people from falling.

Hankyu Railway: Imazu Line Imazu Sta., Nishinomiya-kitaguchi Sta., Takarazuka Sta., Itami Line Itami Sta., Koyo Line Shukugawa Sta., Koyoen Sta., Takarazuka Line Takarazuka Sta., Minoh Line Ishibashi Sta., Minoh Sta., Kyoto Line Kyoto-kawaramachi Sta., Osaka-umeda Sta.

Hanshin Electric Railway: Osaka-umeda Sta., Kobe-sannomiya Sta., Mukogawa Line Mukogawa Sta.



Osaka-umeda Station (Hankyu Railway)



Kobe-sannomiya Station (Hanshin Electric Railway)

## ■ Equipment to prevent falls through the space between connected cars

Hankyu Corporation and Hanshin Electric Railway have installed outside hoods to cover the space between connected cars with the aim of preventing customers on platforms from falling onto tracks through the space between connected train cars. Hanshin Electric Railway also has an audio announcement system for spaces between the two front connected cars, for which outer hoods have not been installed, to alert people to the risk of falling.



Equipment to prevent falls through the space between connected cars (Hankyu Railway)



Fall prevention hood (Hanshin Electric Railway)

## Measures to enhance safety of rolling stock and tracks

### Hankyu Corporation

#### ■ Emergency alarm system

An emergency alarm system is installed in all trains so that customers can notify the train crew in case of a sudden illness of a passenger or other emergency on board. For newly built trains or trains that have undergone large-scale modification, emergency call equipment that enables the caller to directly talk to the crew is being installed.



## ■ Large partition boards and vertical handrails

To prevent falls or collisions of customers in the event of sudden braking, larger-sized partition boards at the ends of seats and vertical handrails have been installed for Series 1000 and Series 1300 trains.



## ■ Reinforcement of railway tracks

To improve safety, wooden railroad ties have been replaced with concrete or composite ties, which are more durable and stable, to reinforce tracks at various locations.

## Hanshin Electric Railway

#### ■ Driver emergency train stop system

In order to ensure safety in the event of a sudden change in the driver's physical condition or other emergency, the driver's cab is equipped with an emergency stop system that will automatically apply the emergency brake if the driver's hand is released from the steering switch while the train is running.



#### ■ Emergency alarm system, emergency call system

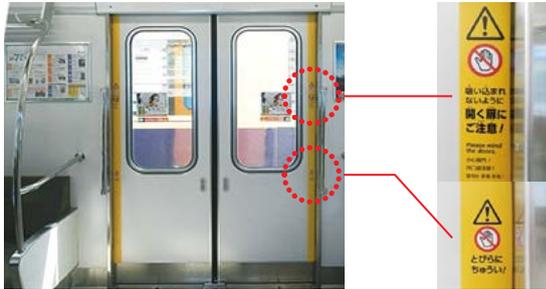
An emergency alarm system is installed in all trains so that customers can notify the train crew in case of an emergency on board. In addition to this, emergency call equipment that enables the caller to talk to the crew members has been installed in 326 cars out of a total of 366 cars (as of March 31, 2020).





### Warning stickers at door pockets

In order to prevent customers from getting their hands caught in door pockets, stickers put on the interior side of doors warn customers standing near the doors.



### Grade crossing emergency alarm system

A grade crossing emergency alarm system is to notify the train driver of an emergency occurring at a grade crossing. When the emergency button is pressed manually by the person who has found an abnormality, the signal nearest to the crossing turns red (stop signal), thereby notifying the driver of the emergency while automatically activating the ATS (automatic train stop). This system has been introduced at all grade crossings.



## Measures to enhance safety at grade crossings

### Hankyu Corporation

#### Obstacle detectors

An obstacle detector detects an automobile stuck at a grade crossing, notifies the train driver, and automatically activates the ATS (automatic train stop) brake. Hankyu Corporation has two types of detectors: a photoelectric sensor type and a laser radar sensor type. Either type of detector has been installed at all grade crossings that automobiles can pass through (206 grade crossings out of a total of 262 crossings).



Photoelectric sensor type



Laser radar type

#### Detectors for unclosed grade crossing bars

If a grade crossing gate is not fully closed within a specific period of time after the crossing alarm starts, a detector for unclosed grade crossing bars notifies the driver of the emergency by turning the signal nearest to the crossing red (stop signal) while automatically activating the ATS (automatic train stop) brake. This detector has been introduced at all grade crossings.



#### Accident Prevention Campaign

Hankyu Corporation implements the Accident Prevention Campaign to ask the drivers and pedestrians passing grade crossings for their cooperation in confirming safety with the aim of preventing accidents at grade crossings attributable mainly to last-minute crossing, reckless driving, and driving errors.



### Hanshin Electric Railway

#### Grade crossing obstacle detection system

Hanshin Electric Railway has installed the obstacle detection system at all of its grade crossings at which automobiles pass through. This system is composed mainly of a light emitter and a receiver as a pair and a light-emitting signal. If the light ray is blocked by an obstacle inside the grade crossing for four seconds or longer, the light-emitting signal located in front of the crossing lights up to notify the train driver of the abnormality at the grade crossing ahead.



Light emitter and receiver



Light-emitting signal



## Crossbars

For grade crossings where crossbars are often broken by unreasonable entry of automobiles, large-diameter crossbar covers and slit-type crossbars have been introduced.

A slit-type crossbar has a slit at its front end, which makes it difficult to break if subjected to bending stress, and can be restored to its original state.



Large-diameter crossbar cover



Slit-type crossbar

## Grade crossing trouble alarm (emergency button)

If any abnormality arises at a grade crossing, such as a car stalling or running off the road or a pedestrian getting stuck, an emergency button can be pressed manually by the person who has caused the trouble or a passerby to warn the approaching train of the abnormality or danger. The emergency button is installed at all the grade crossings of the railway lines of Hanshin Electric Railway.



Emergency button

## Surveillance cameras

Surveillance cameras have been installed at all the grade crossings of Hanshin Electric Railway lines for the purpose of early understanding of the situation and prompt recovery in the event of an accident at a grade crossing.



Surveillance cameras



Enlarged image of the photo on the left

## Promoting grade separation

As part of the urban planning initiatives for the Hankyu and Hanshin line-side areas, the Group is promoting grade separation by elevating railway tracks to eliminate grade crossings with the aim of easing traffic congestion and improving the safety of train operation.

### Hankyu Corporation

#### Grade separation project around Awaji Station

We are proceeding with the grade separation of areas around Awaji Station of the Kyoto and Senri lines. The project, covering the length of 7.1 km, will elevate the four stations of Awaji, Sozenji, Kunjima and Shimoshinjo and abolish 17 grade crossings within the area.



### Hanshin Electric Railway

#### Progress in grade separation

We have achieved high percentages of grade separation: 95% of the Main Line, 90% of the Hanshin Namba Line, and 100% of the Kobe Rapid Transit Railway Line. At present, reconstruction of the Yodo River bridge on the Hanshin Namba Line is under way as described below.

#### Hanshin Namba Line Yodogawa Bridge reconstruction project

At the Yodogawa Bridge on the Hanshin Namba Line, the tracks are currently lower than the nearby levee, meaning the tide gates have to be closed every high tide. As a permanent solution to this problem and also to improve safety against high tides and floods, work began in December 2018 on raising the bridge. The project will also elevate approximately 2.4 km of tracks for sections at both ends of the bridge, which will eliminate five grade crossings. With this, the grade separation rate on the Hanshin Namba Line will reach 100%.



Hanshin Namba Line Yodogawa Bridge today



Completion image



## Developing employees who value safety

### Hankyu Corporation

#### ■ Training institute and human resources development center, Railway Operations Dept.

Hankyu Corporation has a training institute to train motive power engineers (train drivers), conductors and assistants (approved by the Ministry of Land, Transport and Tourism) and a human resources development center to train station staff.

#### ■ Safety workshops and seminars for employees

We hold workshops and seminars on the safety of transportation, inviting instructors from outside the Company, with the aim of raising the safety awareness of employees.



#### ■ Safety exhibition room to learn about past accidents

A safety exhibition room to learn about past accidents was set up in May 2009 inside the training institute for drivers and conductors. We completely renewed the exhibits in November 2017 under the theme of eradicating accidents for which we bear responsibility.



#### ■ Initiatives to improve skills of employees

To help employees further improve their skills and provide services of higher quality for customers, various events are held in each department, such as a train operation case study presentation, a track maintenance skills contest, a substation operation skills competition, training for recovery of derailed machinery, and a rolling stock skills examination.



### Hanshin Electric Railway

#### ■ Formulation and implementation of education and training plans

Each department of the Urban Transport Operation Division formulated and implemented annual education and training plans based on the schedule of five safety campaigns with the aim of helping employees maintain and improve their skills, knowledge and qualifications.

- National traffic safety campaign in spring: April
- Special overhaul for safety operation: June
- Safety operation promotion campaign for railways, rail tracks and cableways: July
- National traffic safety campaign in Autumn: September
- Safety overhaul for transportation, etc. during the year-end and New Year holidays: December to January

#### ■ Lectures and meetings on safety

As an initiative not to forget past accidents, we arranged a day to learn from past accidents and held lectures based on some accidents that had actually occurred in the past. We also held a Safety Promotion Report Meeting, where departments of the Urban Transport Operation Division communicated and shared their safety activities and information to foster a sense of unity.



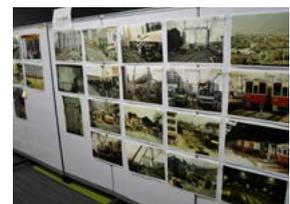
Safety Promotion Report Meeting

#### ■ Safety prayer ceremony and video viewing

A ceremony commemorating the 25th anniversary of the Great Hanshin-Awaji Earthquake was held on January 17, 2020. We prayed for safety at 5:46 am at the Ishiyagawa depot, which was seriously damaged by the earthquake. On the day of the ceremony, a video documentary on reconstruction produced soon after the great earthquake was shown along with photos recording the earthquake at the Head Office building. A total of 147 employees, mainly from the Urban Transport Operation Division, participated in the event. These events helped us hand down the experience of the great earthquake and lessons learned therefrom to subsequent generations and also reminded us of the importance of safety and security, the origin of a railway business operator.



Safety prayer with president's instruction



Exhibition of photos recording the earthquake



**Project theme (2)**

**Promote actions to prevent/reduce accidents and respond promptly and properly to accidents if they occur**

**Hankyu Corporation's initiatives for natural disasters**

**■ Responding to earthquakes**

Hankyu Corporation has introduced an earthquake early warning system to determine the sections on which train operation will be restricted according to the magnitude of the earthquake measured by seismographs. If an earthquake with a seismic intensity of 4 or above is forecast to occur alongside of our railway lines, the system automatically instructs by radio an emergency stop of trains running on the relevant segments, thereby minimizing damage to the trains. In fiscal 2020, for the purpose of grasping the intensity of earthquakes more accurately and in more detail so that the segments in which train operations should be restricted can be minimized, we introduced four new seismographs (seven in total) and a railway earthquake information disclosure system.



**■ Responding to rain storms**

During rain storms associated with an approaching typhoon, etc., we direct trains to reduce speed or suspend operations based on information obtained from the rain gauges, wind gauges, and water meters installed alongside our railway lines and meteorological information from the Japan Meteorological Agency, thereby ensuring safety. We also utilize information of private weather information companies so as to be prepared for heavy rains, such as torrential rain, as much as possible. Moreover, walk-around checking is conducted depending on the situation to confirm safety of our line-side areas.



**■ Responding to severe natural disasters**

To minimize the risk of natural disasters, we carried out work to prevent landslides alongside of railroad tracks and removed concrete block walls. We also reviewed the procedure for planned suspension of operations when a typhoon hits with the aim of incorporating consideration of the risk of natural disasters into the operation system.

To expedite response to natural disasters, we changed the criteria for suspension of train operation when an earthquake with a seismic intensity of 5 or greater is detected. Conventionally, we have suspended train operation until the safety of facilities is confirmed by the staff in charge of inspection. According to the new criteria, which separates "a seismic intensity of a lower 5" and "a seismic intensity of an upper 5 or greater," if a train stops between

stations within a segment where an earthquake with a seismic intensity of a lower 5 is observed, the train can be moved to the nearest station after safety is confirmed by the train crew so that they can safely guide customers for evacuation. We have also been enhancing means of information transmission in emergencies, including provision of multilingual train operation information on the corporate website, distribution of information via official Twitter and TOKK apps, and tablets with a multilingual voice translation system deployed at all stations.



**■ Responding to actions of third parties, such as acts of terrorism**

If there is a warning that the actions of third parties, such as acts of terrorism, could cause serious incidents with extremely significant effects on society, if such a warning calls for continued vigilance, or if suspicious items or persons are discovered or damage is incurred, we take measures appropriate to the threat level, such as enhancing patrols and strengthening ties with police. Further, we have installed a total of 1,200 security cameras on platforms and in concourses of all stations to prevent crime.



**■ Seismic reinforcement of elevated tracks and stations**

Hankyu Corporation has been advancing seismic reinforcement of elevated track pillars and station buildings. In fiscal 2020, we proceeded with work for the elevated tracks of the Shibata Viaduct, Shimamoto Viaduct, Kamishinjo Viaduct, and Ikeda-higashi Viaduct and completed seismic reinforcement of Saiin Station.



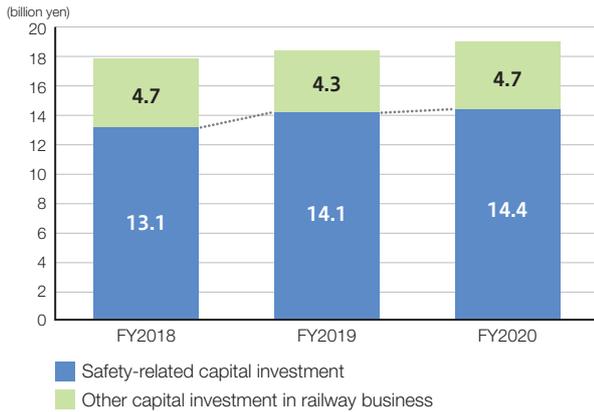
**■ Joint training with local fire departments**

We hold joint workshops at the Hirai Depot on the Takarazuka Line with local fire departments of Toyonaka City, Takatsuki City, Suita City, Ibaraki City, Settsu City, Kawanishi City, Shimamoto Town, Toyono Town, and Inagawa Town to learn about measures to ensure safety during rescue activities and obtain knowledge on rolling stock. After the workshop, we conduct a joint drill on recovery from an accident.





### Safety-related capital investment over the past 3 years



## Hanshin Electric Railway's safety measures against natural disasters

### Use of the weather information system

We gather various meteorological data in the line-side areas using the weather information system that we introduced after the Great Hanshin-Awaji Earthquake, and we use the gathered data to ensure safety in the operation of trains in abnormal weather. To obtain accurate meteorological data, we installed seismographs at three locations, rain gauges at six locations, a wind vane and anemometer at one location, anemometers at eight locations, river water level gauges at two locations, and river monitoring cameras at two locations. Based on the lesson learned from the Northern Osaka Earthquake on June 18, 2018, we installed additional seismographs at four locations, so they are now installed at seven locations in total. Moreover, in March 2020, we set up a new bridge pier inclination sensor and a pier monitoring camera to be prepared for river flooding. The weather information terminal placed at the operation center is equipped with the function to automatically suggest operation restriction when the obtained meteorological value exceeds a limit value and the function to display route maps that enable intuitive understanding of the segments for which operation is restricted, thereby supporting the operation center staff.

Data: Based on the meteorological observations by Hanshin Electric Railway

#### [Earthquake]

- Seismic intensity lower 5 or greater: Stop all trains ⇒ Inspect facilities and equipment by foot ⇒ Resume operation after confirming safety
- Seismic intensity 4: Stop all trains ⇒ Resume operation at 25 km/h or below (Concurrently inspect facilities and equipment, and release speed restriction based on the inspection results)

#### [Wind speed]

- Warning [instantaneous wind speed 25 m/s or above]: Stop operation
- Caution [instantaneous wind speed 20 m/s or above]: Speed restriction



Seismograph



Rain gauge



Wind vane and anemometer



River water level monitoring camera (image example)

### Use of the earthquake early warning system

In addition to the weather information system, to enhance safety of train operation in the event of an earthquake, we established a system to receive earthquake early warnings issued by the Meteorological Agency and started operation in August 2007.

If an earthquake early warning of an earthquake of a seismic intensity 4 or greater is received or such an earthquake is detected by our own seismograph, the occurrence of the earthquake will be automatically announced by train radio, which enables the train driver to stop or slow down the train immediately to avoid danger, thereby minimizing the damage.

Starting from October 2018, in addition to the conventional technique, we have been able to receive data through the PLUM method,\* a new earthquake prediction technique with higher accuracy.



Earthquake early warning receiver

\*Propagation of Local Undamped Motion

### Seismic reinforcement

We have been conducting reinforcement of elevated track pillars in phases for the purpose of ensuring the specified level of seismic performance.

Reinforcement is implemented even for some difficult portions, for which special reinforcement methods suitable for the condition are adopted.



Single shear reinforcement method



### Measures against massive earthquakes and tsunamis

Locations of the tsunami evacuation sites are shown on the area maps posted at each station. Also, to smoothly guide customers for evacuation if the train stops on a bridge in the event of an earthquake or tsunami, ladders to get off the train to the railroad tracks and distance signs to indicate the direction and distance for evacuation are placed on the Shin-Yodogawa Bridge of the Hanshin Namba Line.

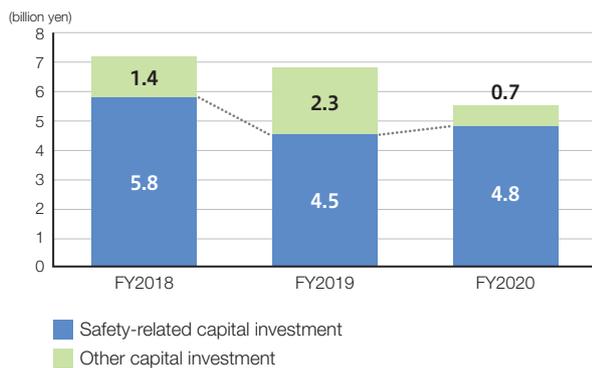


Station area map      Ladders for getting off      Distance sign

### Responding to severe natural disasters

To enable early resumption of operation after a natural disaster occurs, we increased the number of seismographs installed alongside of our railway lines and thereby subdivided the operation sections to narrow down each section for which train operation will be suspended. At the same time, to promptly secure personnel for inspection of railroad crossings, we provide training on the inspection procedure for engineering employees. Moreover, we have opened an official Twitter account dedicated to providing information on train operation regularly at 7:00 and 17:00 every day and as necessary in case of a delay in train operation. Starting from March 2019, automatic multilingual announcement has been aired using tablets in trains for the Hanshin Namba Line. In addition to the guidance in normal time, some of the guidance for an emergency is provided in multiple languages.

### Safety-related capital investment over the past 3 years



## Initiatives for natural disasters at commercial facilities

### Umeda Bo-sai (disaster prevention) Scrum

The Umeda Area Management Alliance, formed by Hankyu Corporation, Hanshin Electric Railway, Nishi-Nippon Railroad, and Grand Front Osaka TMO, has launched the Umeda Bo-sai (disaster prevention) Scrum, a disaster prevention campaign targeting people living in and coming to the Umeda area, as part of its area management initiatives.

The Umeda Disaster Prevention Scrum uses digital signage and other means to communicate information to raise awareness of both self-help and mutual help while holding seminars on disaster prevention for office workers in Umeda. The aim is to create a community in which people, companies, and neighborhoods form a scrum and prepare for a disaster. All members of the area will proactively cooperate with and help each other in the event of an emergency.



### Designating commercial facilities as tsunami evacuation buildings

Commercial facilities listed below have concluded agreements with Osaka City on the use of their buildings as temporary evacuation facilities in the event of a tsunami or flood.

- **Noda Hanshin Bldg. (WISTE)** 1-1-23 Ebie, Fukushima-ku  
Evacuation capacity: approx. 1,300 people Location: parking lot on the 7th floor Available for: 24 hours Tsunami/flood
- **Hankyu Kanko Bus** 7-7-19 Nakatsu, Kita-ku  
Evacuation capacity: 154 people Location: parking lot on the 2nd floor Available for: 24 hours Tsunami/flood
- **Hanshin Electric Railway Nishikujo Station bicycle parking** 1-22 Nishikujo, Konohana-ku  
Evacuation capacity: 258 people Location: Bicycle parking lot Available for: 24 hours Tsunami/flood



Noda Hanshin Bldg. (WISTE)

### Serious accident response training

Hankyu Travel International places the highest priority on safety and security of customers in operating tours. To minimize damage by promptly responding to any accident if it occurs, we conduct serious accident response training every year according to our serious accident response manual and the accident response chart of each sales division. In the annual training program in fiscal 2020, trainees learned about some serious accidents that had occurred recently. The program also included a drill focusing on initial response actions, in which trainees confirmed the reporting processes, from receiving the first report of an accident through setting up a disaster response headquarters. The training was held by each of the four sales divisions.



### Project theme (3)

## Establish safe and comfortable facilities and services that satisfy the needs of a diversity of people

### Initiatives to make stations and commercial facilities barrier-free

Hankyu Corporation and Hanshin Electric Railway have been promoting initiatives to make their facilities barrier-free so that elderly and physically handicapped customers can comfortably use stations and trains. For stations, we are working to make our facilities friendly to all customers as hubs for local transportation in line with the barrier-free law and the basic barrier-free initiative formulated by the municipalities of the alongside areas.

### Barrier-free stations equipped with elevators and slopes (As of March, 2020)

#### Hankyu Corporation

**81 stations (around 93.1%)**

\*Out of all 87 stations excluding Tenjinbashi-ochome Station, which is a shared station with Osaka Metro

#### Hanshin Electric Railway

**45 stations (around 91.8%)**

\*Out of all 49 stations

\*For details of our initiative plans in both software and hardware aspects in accordance with the barrier-free law, please refer to the "Initiative Plan for Promotion of Smooth Transportation, etc." posted on the websites of the two companies.

## Matters related to improving customer services

### Hankyu Corporation

#### Voice guide system at Itami Station

Hankyu Itami Station, which collapsed in the Great Hanshin-Awaji Earthquake in 1995, was rebuilt as a station equipped with a voice guide system, which was very advanced at that time. Today, it is still highly recognized nationwide as a model barrier-free station.

#### Encouraging station staff and train crew to acquire Care-Fitter qualification

Besides enhancing barrier-free facilities, Hankyu Corporation is also committed to enhancing the personnel aspects through such efforts as offering employee education programs and promoting acquisition of the qualification of Care-Fitter, a certification for knowledge and skills of care fitting.

Since 2013, Hanshin Electric Railways has encouraged employees engaged in railway operations to acquire the qualification of Care Fitter as part of its initiatives to improve customer satisfaction. To date, all the station staff and train crew members have been qualified as Care-Fitters. We will continue to make efforts, aiming to further improve comfort of customers.



#### Designating women-only cars

To prevent nuisance on board, Women-Only Cars are available as follows.

### Hankyu Corporation

#### ● Kyoto Main Line

Limited express and commuter limited express between Osaka-umeda and Kyoto-kawaramachi (all day)

#### ● Takarazuka Main Line

Commuter limited express between Kawanishinoseguchi and Osaka-umeda

(Arrival at Osaka-umeda between 7:22 and 8:43)

#### ● Kobe Main Line

Commuter limited express between Osaka-umeda and Kobe-sannomiya

(Arrival at Osaka-umeda from 7:07 to 9:12, arrival at Kobe-sannomiya between 7:34 and 8:32)

### Hanshin Electric Railway

#### ● Main Line

Limited express between Mikage and Osaka-umeda (Departure from Mikage between 6:55 and 8:09)



## Priority Issue 2 Thriving Communities



### Policy

Help build sustainable communities with rich natural and cultural heritage, making great places to live in, work in, and visit.

### Significance

The Hankyu Hanshin Holdings Group has 110 years of experience in community building. It began in 1909 with a land and building lease business in front of Nishinomiya Stop (Nishinomiya City, Hyogo) and in 1910 with a land and building sales business at Ikeda Muromachi (Ikeda City, Osaka). Based on long years of experience and accumulated know-how, the Hankyu Hanshin Group has developed many communities that are admired by many customers as towns that they truly want to live in. We also deploy our community building know-how overseas. We will continue to create diverse social value through working to create Thriving Communities.

#### Project theme (1)

### Develop a good living environment

(providing good residences, creating green spaces and public spaces, establishing cultural and educational facilities, etc.)

#### ■ Ranked 1st as a town that people truly want to live in, community building in front of Nishinomiya-kitaguchi Station

Hankyu Corporation has promoted its community building initiative centered around Hankyu Nishinomiya Gardens, a commercial complex opened across Hankyu Nishinomiya-kitaguchi Station in 2008 under the concept of creating a community in which people living in the area can feel relaxed, like in their gardens. Various educational institutions invited by the Company, including Konan University and Kwansei Gakuin University Law School, are located in the adjacent area. The Hyogo Performing Arts Center was built on a nearby site provided by the Company. This center, with Yutaka Sado, a world-renowned conductor, appointed as the artistic director, has become one of the highest-quality halls in Japan, boasting a large audience.

The community building project in the Nishinomiya-kitaguchi area, where many cultural and educational facilities are located, has enabled the area to win first place for five consecutive years in the Most Desirable Neighborhood in Kansai survey\*.



Source: Major7 (Sumitomo Realty & Development Co., Ltd., Daikyo Incorporated, Tokyu Land Corporation, Tokyo Tatemono Co., Ltd., Nomura Real Estate Development Co., Ltd., Mitsui Fudosan Residential Co., Ltd., Mitsubishi Estate Residence Co., Ltd.) FY2020 survey of prospective condominium purchasers on the city or town they want to live in (Press release dated September 30, 2020)

#### ■ Proposing quality lifestyles through Geofit+

Geofit+ is a project aimed at continuously improving the Geo condominium series of Hankyu Hanshin Properties by gathering, verifying, and giving shape to opinions of many customers.

With Geofit+, Hankyu Hanshin Properties not only examines the customer feedback on the desk but also verifies it in a lab, reproducing actual settings of a house (Geofit+ Lab). Ideas generated here will be actually introduced to the Geo-brand condominiums. Feedback of residents will be gathered and verified again. This ceaseless cycle makes the life in Geo residences more comfortable and advanced. The customer feedback is reflected also in product development and services for Geo Garden, our new brand for independent houses.





## Geofit+ <Stage> wins the IAUD International Design Award 2019

Hankyu Hanshin Properties has been expanding its real estate business overseas. Geofit+ <Stage>, the company's co-development project for condominiums with SENA Development Public Company Limited, a Thai real estate developer, won the gold prize in the category of Housing and Architecture of the IAUD International Design Awards 2019\* hosted by the International Association for Universal Design (IAUD).

This is a housing planning and development project in which voices of Thai people are largely reflected and products and residences to be supplied are verified using the framework of Geofit+, instead of just introducing items that are appreciated in Japan. The know-how in creating high-quality living environments and housing that we have cultivated in Japan is highly recognized in the field of overseas real estate business.



\*IAUD International Design Awards: will recognize groups and individuals who have conducted or proposed particularly noteworthy activities aimed at realizing a Universal Design society in which everyone — regardless of age, gender, nationality, ethnicity, culture, or other factors — can live comfortably, without feeling any undue inconvenience.

## Hankyu Hanshin's community building in Saito

Saito International Culture Park City is a hilly area spanning the cities of Ibaraki and Minoh, developed by taking advantage of the natural environment in April 2004. Since the beginning of the development of the area, the Hankyu Hanshin Group, as a major landowner of the area, has played a central role in the project, which is aimed at creating new communities demanded in the 21st century.

The area offers a good educational environment with a national model school established by Minoh City, providing integrated, small-group primary and junior high school-level education, as well as a safe and comfortable living environment with a town security system in which a full-time staff patrols the area and high-level disaster prevention functions. The scenery of the area, developed based on an urban planning program, including leafy, spacious green areas and parks, sidewalks and residential zones without utility poles, is another big attraction.



Townscape of Saito



Activity for the conservation of terraced rice paddies



Furthermore, Saito was awarded the Grand Prize of the 2011 Osaka Environmental Awards (by the Osaka Prefectural Council for Creating a Rich Environment) for a series of activities, including the introduction of EV car sharing, greening of roofs and use of rainwater for condominiums, and activities for the conservation of *satoyama* and terraced rice paddies in which residents participate. The initiative to support residents participating in community activities by devising rules for lending the common area of condominiums to residents of independent houses was highly recognized from outside and received the 2018 Good Design Award.

### Project theme (2)

## Develop and expand commercial/business areas where people communicate with each other

### Enhancing value of the Umeda area

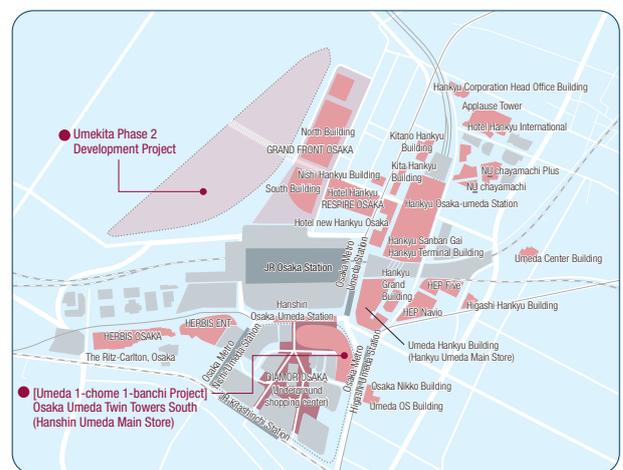
The Hankyu Hanshin Holdings Group has been working to enhance the value of the Umeda area, the Group's most important site, by rebuilding (value-up) and developing buildings according to plans from a long-term perspective.

In November 2019, the Group opened Hotel Hankyu RESPIRE at Yodobashi Umeda Tower with over 1,000 rooms.

The Group has also been promoting the Umeda 1-chome 1-banchi Project (with the Osaka Umeda Twin Towers South building) since October 2014 and completed the phase-I building in 2018, in which Hanshin Department Store (Osaka Umeda Main Store) has been partially opened. The construction work for the phase-II building is now under way. Full operation start of the department store is scheduled for the fall of 2021, and the opening of the Umeda South Hall housing offices and two halls (large and small) is scheduled for the spring of 2022.

The Umekita Phase 2 Development Project, in which the Group participates as a member of the consortium that was designated as the developer, will begin full-scale community building based on the principle of realizing a fusion of "green" and "innovation," aiming at a preliminary opening of the town around summer of 2024.

Meanwhile, the Group has also been working on the renewal of existing commercial facilities and opened UMEDA FOOD HALL in March 2018 and Chayamachi Aruko in March 2019.



Umeda area map



## ■ Creating systems to encourage exchanges of people at offices and houses

Hankyu Hanshin Properties, along with other real estate companies, has been engaged in initiatives to promote connections among communities and people, as well as the development of buildings and other infrastructure.

In the Umeda area, the Hankyu Hanshin Holdings Group launched in October 2015 the Hankyu Hanshin Workers' Service, a service program available exclusively to people working in the Group's office buildings. The program is aimed at helping office workers create their communities through organizing various events in which office workers can interact with each other across the frameworks of companies and introducing "TUNAG for Hankyu Hanshin workers," an SNS app. The Group is also planning to set up a floor dedicated to office workers, "WELLCO" in the Osaka Umeda Twin Towers South, which is currently under construction.

The Group also hosts various participatory events, such as events for supporting the conservation of terraced rice paddies and for experiencing agriculture in Saito, a zone for individual houses, while holding parties for residents at Geo condominiums to encourage exchanges among residents.

We believe that these initiatives for community building will lead to the development of sustainable communities that are great places for residents and office workers to live in, work in, and visit.



Networking event for office workers

### Project theme (3)

## Create a line-side environment that makes it easier for women to work and raise children

### ■ Project to support women working along the Hanshin lines

Hanshin Electric Railway launched the HANSHIN Women Support Project in November 2014 with the aim of helping women living in the areas alongside the Hanshin lines make full use of their capabilities and play more active roles.

On the project's website "Cheer\*full Cafe" opened in April 2016, a wide variety of content is available, including interviews with attractive women working in the Hanshin line-side area, columns introducing attractions of the area, and a guide to local parks with a function to search for playground equipment and the nearest stations, which is convenient for families with young children. In addition to holding the Cheerful Parents Cafe, an event where mothers can participate with their children and deepen



exchange with each other, the project supports activities of the Cheerful Supporter organization, with which over 300 women are registered, such as providing information about the line-side areas, proposing outing plans and helping in making friends at exchange events.

### Project theme (4)

## Promote measures to extend the healthy lifespan of the elderly

### ■ Hankyu Hanshin Group's daycare service specialized in rehabilitation

"Hanshin Iki-iki Day Service" is a half-day elderly care service specialized in rehabilitation, operated by Iki-iki Life Hankyu Hanshin.

To help the elderly maintain and improve their daily life activities, technically trained staff members support the users' rehabilitation exercises using highly reliable equipment that has acquired TÜV/ZAT\* certification of Germany, which is the only such case in Japan. The daycare service program also includes a tea break as an opportunity for users to have fun and easily communicate with staff members with the aim of supporting them in both physical and mental aspects and helping them live a lively (*iki-iki*) life.



\*TÜV: German standards and specifications under the German equipment safety law in addition to the general ISO standards

ZAT: Standards and specifications related to medical machines specified by the German national association for outpatient rehabilitation facilities

### ■ "Machinaka Mimamorume" monitoring service to support safety in communities

Mimamorume Co., Ltd., a Hankyu Hanshin Group company, has offered the new monitoring service "*Machinaka Mimamorume*" since March 2016 using the technologies of security BLE (Bluetooth Low Energy) and smartphones.

Machinaka Mimamorume is a service developed based on the know-how of the Mimamorume service for going to and from school, which has been introduced to many schools and kindergartens nationwide. The new Mimamorume service installs beacons (receivers) not only at school gates but also in town (*machinaka*) and notifies via the app family members or guardians when a registered elderly person or child walks near the beacons. With the infrastructure of cameras and beacons installed in town and a cooperative network of local people formed using a volunteer app, the service supports safety in communities.

Machinaka Mimamorume has been introduced in five municipalities: Itami and Kakogawa Cities of Hyogo Prefecture, Nagaokakyo City of Kyoto Prefecture, Daito City of Osaka Prefecture, and Kisosaki Town of Mie Prefecture. It has



supported monitoring of elderly people who may wander due to dementia and children, contributing to improving safety in communities.

### ■ Hanshin Area Health Seminar held jointly with university

Hanshin Electric Railway has held the Hanshin Area Health Seminar jointly with Hyogo College of Medicine since March 2015. The seminar invites specialized doctors who are active on the front line of medical care to talk about their specialized fields in an easy-to-understand manner with the aim of contributing to the prevention of diseases as well as to the revitalization of the line-side areas through improving the health of people living in the area. The seminar has been held 20 times so far with the total number of participants reaching 1,500.



### ■ Providing information via Well TOKK and Hankyu Hanshin Wellness Plus

We have published Well TOKK, a magazine providing useful health information, four times each year since April 2016 for residents of the Hankyu Hanshin line-side areas and customers using railway. The magazine is available for free at all Hankyu Line stations and major Hanshin Line stations.

We also have the website Hankyu Hanshin Wellness Plus to support health promotion, communicating useful health information in cooperation with municipal governments, medical institutions, universities and companies in the line-side areas.



### Project theme (5)

## Offer services that satisfy the needs of foreign visitors/residents

### ■ Multilingual signs and announcements at stations and facilities

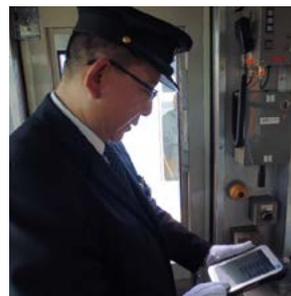
Urban transportation companies have been working to improve their services for foreigners visiting Japan.

Hankyu Corporation introduced tablets with a translation app to 28 stations that were used by many foreign customers in May 2018 and completed the introduction to all stations in April 2019. This translation app displays texts translated by voice recognition technology on tablet screens and can also have the texts read aloud by machine voice. It is used for guidance at stations and also for providing information in the event of an emergency.

This app is installed in mobile devices carried by train conductors and used to guide foreign customers visiting Japan and for train announcements in the event of an emergency. For train announcements, starting from March 2020, a multilingual announcement device is used on some of the rolling stock of the Kyoto Line. We are preparing to introduce this system to all lines.

Hanshin Electric Railway introduced tablets with a translation app or translation devices to a total of 11 stations in September 2018 as tools for communication between foreign customers and station staff. This has enabled the station staff members to handle a wide range of services, including providing information about train operation or tourist information, responding to inquiries about lost items, and providing guidance in the event of an emergency.

Moreover, the company has provided automatic multilingual announcement since March 2019 mainly in trains of the Hanshin Namba Line, on which foreign customers have been remarkably increasing. In addition to guidance in normal time, some of the emergency guidance is provided in multiple languages.



Meanwhile, commercial facilities, such as HEP Five, have introduced floor maps and websites in the three languages of English, Chinese (both simplified and traditional Chinese), and Korean and have made interpreter services available at information counters.



### HANKYU-HANSHIN WELCOME Wi-Fi, a public wireless LAN service for foreign visitors to Japan

HANKYU-HANSHIN WELCOME Wi-Fi, a public wireless LAN service for foreigners visiting Japan that can be used at train stations and commercial facilities mainly in areas along the Hankyu and Hanshin lines, started in December 2013.

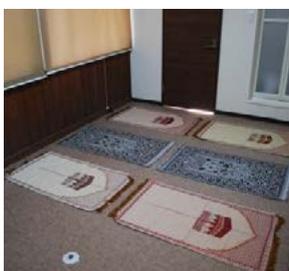
Collaborative services with nationwide free Wi-Fi apps, such as Japan Connected-free Wi-Fi and KANSAI Wi-Fi, and authentication using various SNSs have also been made available, ensuring foreign customers with a comfortable free Wi-Fi environment.



### Measures for foreigners visiting Japan

Various measures have been taken by the Hankyu Hanshin Holdings Group companies to satisfy foreign customers with diverse backgrounds. Hankyu Hanshin Hotels has equipped all its hotels with Wi-Fi and implemented indication of food ingredients with pictograms. To increase customer satisfaction, the company has assigned foreign language staff, conducted language training, and introduced video translation services using tablets.

Rokkosan Snow Park, run by Mt. Rokko Cable Car & Tourism has offered translation services using tablets for foreign visitors to Japan and multilingual broadcasting inside the park. In addition, starting in fiscal 2016, the company has taken measures to accept more Muslim people, including set up places for worship available for Muslims and indicating non-pork or alcohol-free ingredients using food pictograms. The company has also operated a ski school for foreigners since January 2016, with participants mainly from Taiwan increasing year by year. The ski school carefully teaches participants, including how to wear boots and ski boards, so that they can safely enjoy skiing, and provides them with opportunities to experience the rich four seasons of Japan.



Place for worship for Muslims in Rokkosan Snow Park



Ski school for foreign visitors

### Indicating ingredients with food pictograms at hotel restaurants

Hankyu Hanshin Hotels completed by March 31, 2015 the indication of food ingredients prohibited due to food allergies or religious disciplines using “food picto\*” for breakfast buffets at all of its hotel restaurants. This was the first attempt by a major hotel chain in Japan. The indication of ingredients for lunch and dinner began at some restaurants in September 2016. The “food picto” indication is also recommended for the company’s franchise chain hotels. At present, 10 hotels out of its total of 28 franchise hotels indicate food pictograms.

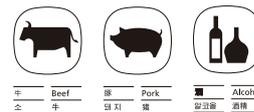
Customers using our hotel restaurants include those suffering food allergies and travelers from various countries and regions. We therefore properly disclose information on ingredients so that all customers can feel safe and enjoy the breakfast buffet .

#### 7 ingredients that have food allergy risk



The menu contains the ingredients shown by the pictograms.

#### Other indications of food ingredients



\*Food picto: Pictograms employed were devised based on the results of a questionnaire survey of approx. 1,500 users of restaurants inside and outside Japan, taking into consideration visibility. Today, food pictograms are used at international airports. Ingredients subject to indication with food picto are seven designated ingredients that have food allergy risk and three other designated ingredients.

### Common website of six commercial facilities in Umeda area renewed for foreign visitors

Six commercial facilities operated/managed by the Hankyu and Hanshin Holdings Group\* renewed their common website for foreign visitors to Japan in April 2019. The renewed website is available in four languages: English, Chinese (simplified and traditional), Korean, and Thai.

\*HEP FIVE, Hankyu Sanbangai, NU Chayamachi/NU Chayamachi+, HERBIS PLAZA/PLAZA ENT, Grand Front Osaka Shop & Restaurant, DIAMOR Osaka/Fiore



## Project theme (6)

### Enhance collaboration and partnerships with universities, research institutions, ventures, local communities, etc.

#### Supporting startups to provide new value

The Hankyu Hanshin Holdings Group supports startups launching new businesses that will lead to creating new industries and revitalizing local communities with the aim of increasing the primacy of Kansai in international competition among cities and enhancing the competitiveness and attractiveness of Osaka and Umeda as a business hub. As the first step, Hankyu Corporation opened the membership-type office “GVH#5” in November 2014. Located a two-minute walk from Hankyu Osaka-umeda Station, GVH#5 is equipped with office space and meeting rooms, offering a co-working space available 24 hours a day.

As part of its initiative aimed at making Osaka an international startup exchange base, the Group has participated in Startupbootcamp Scale Osaka since 2019.

Startupbootcamp is one of the largest acceleration programs in Europe, operated by Rainmaking Innovation LTD, a major global venture support company. The program, the first of its kind in Japan, was scheduled to be held for three years from 2019 by seven Japanese companies, including Hankyu Corporation (represented by Hankyu Hanshin Properties), aimed at promoting the growth of Kansai-based startups through collaborations with other promising startups around the world.

We hope that this program will help enhance ties with promising overseas startups and startup communities around the world, contributing to the Osaka and Kansai areas' growing into an international startup hub.

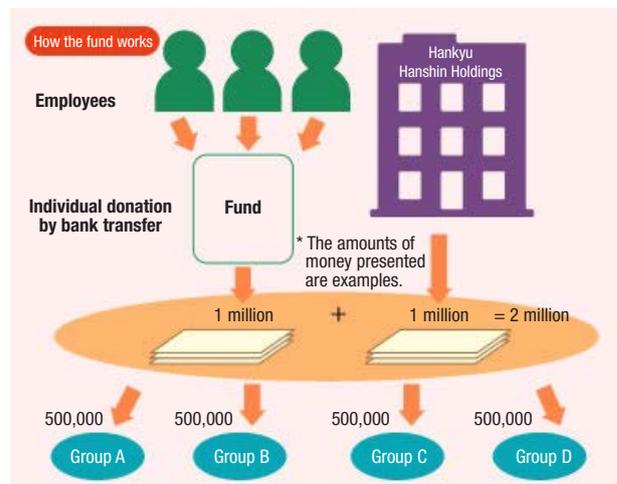


#### Supporting civic groups through “Dreams and Communities of the Future Fund”

As part of its commitment to creating communities that people truly want to live in, the Hankyu Hanshin Holdings Group has promoted the Hankyu Hanshin Dreams and Communities of the Future Project. Based on the belief that collaboration with the Hankyu Hanshin service areas is necessary for better community building, the company has hosted the Dreams and Communities of the Future Fund program to support civic groups every year since 2009. Through the program, the company subsidizes civic groups engaged in initiatives to improve the global environment or foster the next generation in areas along the Hankyu Hanshin lines using donations from our employees who share the belief and the same amount added by the company.

The groups to be subsidized are selected in two stages of document screening and final selection, inviting external advisors who provide appropriate information and explanations on social issues, etc. A questionnaire survey is conducted of all the employees who make donations, and the results of the survey are reflected in the final selection, thereby ensuring participation of the employees in the process.

In the 11th year of the program (applications invited from September 2 to October 21, 2019), a subsidy of 9,500,000 yen in total was granted to 15 groups. Since the beginning of the program, we have supported 139 groups in total with 79,790,000 yen. The recipients are allowed to use the subsidy for any purpose, including allocating the money to their operation costs. We also support the subsidized groups in their public relations through providing information on their activities and events using TOKK, Hankyu Corporation's local information magazine, and internal newsletters for employees.





## Priority Issue 3 Life Designs for Tomorrow



### Policy

Promote refined and inspired lifestyle solutions for a better tomorrow.

### Significance

Creating new value over time is the attitude the Hankyu Hanshin Holdings Group has inherited over time. In recent years, promoting understanding of cultural diversity and establishing a sustainable new lifestyle in harmony with nature have become global issues. We will proactively address these issues, taking advantage of the Group's strengths, and contribute to the realization of a sustainable and truly rich society.

#### Project theme (1)

### Propose products/services that help realize a lifestyle in harmony with nature

#### Environmental considerations in Geo condominium series

For all of the Geo condominiums\*1 sold by Hankyu Hanshin Properties after July 31, 2011, environment-friendly features, such as Low-E multi-layered glass and LED lighting (common areas and exclusive areas) and electric vehicle charging equipment, have been adopted. Also, sunlight and solar heat are used to create energy\*2. The company sold Geo Ashiya Higashiyamacho, a condominium adopting the SOLAMO gas water heating system using solar heat in 2013, and Geo Seishin Chuo\*3 condominium in 2016, with ENE-FARM type S (fuel cell SOFC with autonomous operation function) introduced in all houses for the first time in Japan. The company is currently working to introduce ENE FARM type S in Geo Kitasenri Fujishirodai and Geo Garden Nishinomiya Hamakoshien\*4. Moreover, Hankyu Bus operates 100% biodiesel-powered buses using the used plant-derived oil collected from residents of Geo condominiums\*5. Thus, we have been promoting environment-friendly initiatives in cooperation with Group companies.

This Geo initiative for waste oil recycling won the 2012 Good Design Award.

\*1: May not be applicable to condominiums jointly developed with other companies.

\*2: Selectively adopted according to the scale and grade of each condominium as follows.

- Geo Tower Takatsuki Muse Front (completed in June 2012) "Solar heat + discharge heat during power generation" is installed and used for cooling and heating of common spaces.
- Geo Ashiya Higashiyamacho (completed February 2013) "SOLAMO gas water heating system using solar heat + cogeneration system" is installed, and heat discharged in power generation is used to supply hot water to each household.

- Geo Tezukayama 1-chome (completed in March 2013) "Solar power generation system" is installed for all households and used as electric power for each household.
- Geo Grande Shukugawa Aioicho (completed in July 2013) "Solar power generation system" is installed, and the generated power is used as electricity for common spaces or sold to a power company.
- Geo Tower Tenroku (completed in August 2013) "Solar water heater + micro cogeneration system" is installed, and the generated power is used for air-conditioning of common areas of the condominium.
- Geo Seishin Chuo (completed in February 2016) "Solar power generation system" is installed, and the revenue from selling electricity is used for activities to raise eco awareness (disaster prevention events, etc.)

\*3: This was the first condominium in Japan with ENE FARM Type S (fuel cell SOFC with autonomous operation function) installed for all houses. (according to a survey by Osaka Gas Co., Ltd. as of October 2014)

\*4: Geo Garden is the brand for Hankyu Hanshin Properties' independent houses.

\*5: Collection is conducted in the Kinki area. Besides the Geo condominiums, used plant-derived oil is collected at employee canteens of Hankyu Bus, food plants and delicatessen stores (Iina Dining) of Group companies, as well as from elementary schools and school lunch centers in Ikeda City, Osaka Prefecture, in cooperation with citizens and municipal governments. These activities won the Land, Infrastructure, Transport and Tourism Minister Award in the Reduce Reuse Recycling Promoters Awards (October 2010) and the Ikeda Environmental Top Runner Award (March 2011).



Waste oil collection box



## ■ Planning tours for “green tourism” and volunteer activities

Hankyu Travel International has worked to offer its customers with opportunities to enjoy beautiful nature and cultural or scenic sites as well as to hand them down to subsequent generations. To this end, employees of the company have conducted cleaning and conservation activities since 2011. Starting from 2018, the company has organized some of these activities as tours available to general customers. These tours have been highly appreciated.

### ● Cleaning activities

#### <Kanto and Chubu areas>

- Mt. Fuji, Shizuoka Prefecture (conducted since 2015)
- Miho-no-matsubara, Shizuoka Prefecture (conducted in 2019)



#### <Kansai area>

- Amanohashidate, Kyoto Prefecture (conducted in 2011 and since 2018)
- Ryozanji, temple No. 1 of the Shikoku 88 Temples (conducted in 2019)
- World Heritage Koyasan pilgrimage route improvement (conducted since 2014)



#### <Kyushu area>

- Minamiaso Railway, Kumamoto Prefecture (conducted since 2017)

## ■ Installation of bio-toilets to protect world heritage sites

Hankyu Travel International has donated environment-friendly toilets, which decompose excrement using microorganisms in sawdust, to six sights\* (including those co-donated) as part of its initiative to protect the World Natural and Cultural Heritages and other similar tourist sights in Japan.



\*Yakushima (December 2007), Kumano Kodo (June 2009), Shiretoko Peninsula (July 2010), Rebun Island (June 2011), Ogasawara Islands (March 2013), Kushiro Marsh (December 2019)

## ■ Offering hands-on experience in the natural environment of Mt. Rokko

Mt. Rokko Cable Car & Tourism, a Hankyu Hanshin Holdings Group company, operates leisure facilities located approximately 850 m above sea level and offers various experience programs, taking advantage of the cool climate of the location.

“Mt. Rokko Hands-on Farm,” an experience-based tourist farm opened inside the Mt. Rokko Country House in July 2015, grows summer strawberries (variety: Suzu Akane), which is rare in Kansai, and offers the experience of picking strawberries for visitors. Rokko-Shidare Observatory stores ice made on ice shelves during winter in the observatory ice chamber (Himuro). In summer, visitors sitting in the wind chamber (Fushitsu) can feel the cooled wind passing through the ice chamber. The environment-friendly design of the observatory, avoiding use of machinery and electricity as much as possible, was highly appreciated, winning the Hyogo Governor Prize in the townscape architecture category of the Human-oriented Town-building Awards by Hyogo Prefecture in 2011.



## ■ “Kobe Mt. Rokko Two-day Walk” green walking

The Kobe Mt. Rokko Two-day Walk Committee, composed of Hanshin Electric Railway, Hankyu Corporation, Kobe Shimbun, Mt. Rokko Cable Car & Tourism, and the Rokko Maya Tourism Promotion Council, hosts “green walking” on Saturdays and Sundays in May every year, in which participants enjoy walking in the rich nature of Mt. Rokko while picking up garbage along the way. In 2019, the event was held only one day due to heavy fog. A total of 979 people participated and collected burnable trash, waste cans, bottles and plastic bottles. A part of the entry fees was donated to a fund for mountaintop greening.





## Project theme (2)

### Propose products/services that lead to revitalization and promotion of local communities and cultures

#### Planning regional promotion tours in collaboration with local governments

Hankyu Travel International has proactively established ties with municipalities to jointly discover and commercialize hidden tourism materials and utilize them for the revitalization of local areas and improvement of tourist sights.

##### Agreements with municipal governments

- On October 28, 2016, concluded an agreement on collaboration concerning tourism promotion with Nagashima Town, Kagoshima Prefecture.
- On January 29, 2018, concluded an agreement with the Hokkaido Nemuro Promotion Bureau and other local governments of neighboring areas on partnership and cooperation in attracting educational travels using local airports.
- On July 25, 2019, concluded an agreement with Tsuruoka City, Yamagata Prefecture, on agriculture-tourism collaboration.



##### Establishment of an organization for regional future planning

With a view to supporting regional promotion and revitalization in the future, Hankyu Travel International established "Chiiki Mirai Kikaku," an organization for regional future planning, on August 3, 2020 to support business activities in the local area. In response to diversifying values associated with the "new normal" lifestyle, this organization proposes new partnerships with regional governments and visions for regional promotion while conducting businesses related to regional revitalization, such as businesses for promoting tourism and selling local specialties, thereby providing support for a broad range of regional promotion.

##### Industry-government-academia collaboration

On November 18 and 19, 2019, as a industry-government-academia collaboration program with Kibichuo Town, Okayama Prefecture, and Kyoto Koka Women's University Junior College, the company hosted fieldwork to revitalize Kibichuo Town with tourism as a course of the Life Design Department of the University. 14 students participated in the program, working to discover new tourism materials through the experience in the town.



##### Planning new tours for diversifying travel styles

The company launched a 10-day tour of Kushiro in summer in 2013 as the first tour of the "long-stay trip in Japan" series. With the support of local governments and tourist associations, the tour series allows participants to enjoy unusual experiences in comfortable weather while also feeling like living a usual life. So far, over 10 series have been sold, becoming increasingly popular as a new travel style.



##### Hosting infrastructure tours and cultural education seminars

###### Urban infrastructure tour program

Hankyu Travel International organizes tours of urban infrastructure as a new tourism material in collaboration with the Osaka Convention & Tourism Bureau and Osaka Prefecture Urban Development Department. This tour program, which contributes to better understanding of government initiatives, is highly appreciated by both the participants and the government.



Tour of northern underground river of Neyagawa

###### Hankyu *Tabi-Koto* Workshop

The Hankyu *Tabi-Koto* Workshop, aimed at offering experiences and learning opportunities related to travel, is held at Hankyu Travel stores around Japan. On-site workshops are also held as requested in areas along the Hankyu and Hanshin lines and at universities.





## ■ Hankyu Line Sightseeing Walk to rediscover charms of local area

The Hankyu Line Sightseeing Walk is a walking event held by Hankyu Corporation in cooperation with local municipalities and organizations and local volunteer guides, offering opportunities to rediscover charms of the local areas along the Hankyu Lines.

Having started in 2010 as the Hankyu Takarazuka Line Sightseeing Walk, the event was held along three lines (Kobe, Takarazuka and Kyoto) from 2012 until 2019. In April 2020, the walking app “aruku &” was introduced and the event was renewed as the Hankyu Line Sightseeing Walk. Participants can enjoy the walk in either of the two styles below according to their needs:

- (1) Make a reservation for a guide tour and walk around the town with a local expert volunteer guide.
- (2) Try 16 unique sightseeing walking courses offered on the walking app “aruku &” and apply for local prizes.



## ■ Cooperation in support of tourism in disaster-stricken area by the national government

When a large-scale disaster occurs in Japan, the national government issues coupons called “Fukkowari” to support the tourism industry. Hankyu Travel International takes part in this initiative to help raise demand for travel to areas seriously damaged by a disaster, thereby somehow contributing to early recovery of the local economy.

### Project theme (3)

## Propose products/services that respond to diverse values and create comfort and excitement

### ■ “Stay-and-donate” accommodation plans

Hankyu Hanshin Hotels sell “Stay-and-donate” accommodation plans. By staying at a hotel using this plan, customers can support children in difficult circumstances.

### ● Child Chemo House support plan

For each customer using this plan, Hankyu Hanshin Hotels donate 1,000 yen (500 yen from the hotel fee and 500 yen added by the Hankyu Hanshin Dreams and Communities of the Future Project, the Hankyu Hanshin Holdings Group’s social contribution initiative) to the Child Chemo Support Foundation. The Child Chemo Support Foundation is an organization that financially supports the Child Chemo House, a facility to allow childhood cancer patients to receive treatment in an environment similar to their home. In 2019 (January to December), this plan was sold at the Group’s 11 directly operated hotels\* and used for a total of 902 rooms.



\*Hotel Hankyu International / Hotel New Hankyu Osaka / Hotel New Hankyu Annex / Umeda OS Hotel / Hotel Hankyu Respire Osaka / Hotel Hanshin Osaka / Hotel Hanshin Annex Osaka / Senri Hankyu Hotel / Hotel Hankyu Expo Park (closed February 29, 2020) / Takarazuka Hotel / Hotel New Hankyu Kyoto

### ● Japan Cliniclowns Association

For each customer using this plan, Hankyu Hanshin Hotels donate 1,000 yen (500 yen from the hotel fee and 500 yen added by the Hankyu Hanshin Dreams and Communities of the Future Project, the Hankyu Hanshin Holdings Group’s social contribution initiative) to Japan Cliniclowns Association. Japan Cliniclowns Association dispatches cliniclowns to pediatric wards of hospitals to support hospitalized children. In 2019 (January to December), this plan was sold at the Group’s 11 directly operated hotels\* and used for a total of 507 rooms.



\*Dai-ichi Hotel Tokyo / Dai-ichi Hotel Annex / Dai-ichi Hotel Tokyo Seafort / Kichijoji Dai-ichi Hotel / remm plus Ginza / remm Tokyo Kyobashi / remm Hibiya / remm Akihabara / remm Roppongi / remm Shin-Osaka / remm Kagoshima

### ● Heartful Stay Plan

For each customer using this plan, Hankyu Hanshin Hotels donate 10% of the hotel fee (5% from the hotel fee and an equal amount added by the Hankyu Hanshin Dreams and Communities of the Future Project, the Hankyu Hanshin Holdings Group’s social contribution initiative) to the Osaka Community Chest as a fund for next-generation development. In fiscal 2019 (November 2018 to October 2019), this plan was sold at two hotels\* and used for a total of 454 rooms.

\*Hotel Hanshin Osaka / Hotel Hanshin Annex Osaka



### ● Christmas Charity

Part of the amount paid by customers who made a reservation for specific courses at hotel restaurants during the specified period in December and customers staying at the hotel on December 24 is donated to Save the Children Japan, a private NGO for children, and a Christmas charity pin badge is given to customers who participated in this campaign. This badge is also sold during the campaign period, and a part of the sales amount is also donated to the NGO. In fiscal 2020, this campaign was held at two hotels\*, and a total of 2,247 pin badges were handed out or sold to users.

\* Dai-ichi Hotel Tokyo /  
Dai-ichi Hotel Annex



### Project theme (4)

## Propose products/services for young people who will lead the next generation

### ■ Teaching robot programming to children to develop the ability to realize their dreams

In the Information and communication technology business, we operate ProgLab robot-programming classes for children to help develop their ability to realize their dreams. ProgLab is held in classrooms located around the country to teach robot programming using an original curriculum.

Programming lessons are also held at schools, providing children with opportunities to experience programming, which has been a compulsory subject in elementary school since fiscal 2021, in an early stage and broaden their choices for the future. Programming lessons have been held at 80 schools in total mainly in the Kansai and Tokyo areas (as of March 2020).



### Project theme (5)

## Create and disseminate cultures through sports and entertainments

### ■ Baseball and dance schools of Tigers Academy

The Hanshin Tigers opened Tigers Academy in April 2018, aimed at promoting baseball. It operates a Baseball School and Dance School for preschool and elementary school children.

The Baseball School is coached by former Hanshin Tigers players, teaching basic baseball techniques while also helping improve basic physical strength and develop athletic ability.

The Dance School is coached by current and former Tigers Girls, the Hanshin Tigers' official fan service members, teaching comprehensive dance skills from the basics. The School has a Youth Course and Advanced Course for children who want to continue the lessons after graduating from elementary school, thereby supporting girls wishing to be Tigers Girls in the future.



### ■ Supporting theater culture through Takarazuka Revue

The Takarazuka Revue, having a history of over 100 years since the first performance in 1914, has given not only regular performances at the Takarazuka Grand Theater and Tokyo Takarazuka Theater but also national tour performances in about 20 cities each year nationwide, as well as live viewing at movie theaters around Japan. It has also given performances overseas 27 times in 18 countries and regions as of March 2020.

Moreover, through chartered performances and events at around 150 schools and for young people, approximately 30,000 young people see the performances each year. By helping to popularize the Takarazuka Revue performances, we offer opportunities to become familiar with performance arts for people from a wide range of countries and regions and of various ages.



© Takarazuka Revue



## Project theme (6)

### Improve existing services and create new businesses by utilizing ICT innovation

#### ■ Hankyu Hanshin's child monitor service "Mimamorume"

"Mimamorume," a service developed in our information and communication technology business segment, reports the status of children going to and from school to their parents' mobile phones using a sensor installed at the school gate connected with IC tags. It does not require charging and special operation. Children can use it for six years by just keeping it in their school bags. Because of these advantages, approximately 1,300 schools and kindergartens have introduced it (as of March 2020).



#### ■ Examination toward practical use of MaaS

Hankyu Corporation and Hanshin Electric Railway formed the Kansai MaaS Examination Council jointly with five railway companies that have their major lines in Kansai (Osaka Metro, Kintetsu Railway, Keihan Holdings, Nankai Electric Railway, West Japan Railway) and agreed to examine the introduction of MaaS (Mobility as a Service).

With a view to putting into practice MaaS to provide seamless means of transportation, from departure to destination, in the Kansai area toward the Osaka Kansai Expo scheduled for 2025, the Council will jointly examine, by the end of fiscal 2021, (1) the ideal vision for MaaS in Kansai regions and (2) establishment of MaaS systems based on collaboration among Kansai railway business operators and transmit information as necessary.

#### ■ Development of on-board security camera systems

ITEC Hankyu Hanshin has developed an on-board security camera system for railways, which has been increasingly adopted in express train cars of railway companies. In response to the growing social demand for safety and security in trains, the system employs high-resolution digital cameras, which has enabled the observation of details in movements of passengers, which was conventionally difficult. Another system using smaller but ultra-wide-angle cameras suitable for use in commuting trains, has also been introduced in a growing number of trains. ITEC Hankyu Hanshin will make continuous efforts to develop railway on-board security camera systems that will contribute to ensuring safety and security in trains as a leading company in this field.

## Other customer feedback

- Hankyu Corporation ranked first for 11 consecutive years (suburban railway category), Takarazuka Revue Company ranked second (overall corporate and brand category), and Hankyu Travel ranked second (travel category) in the largest-scale customer satisfaction survey in Japan

In the FY2019 customer satisfaction survey by Japan Productivity Center, or Japanese Customer Satisfaction Index (JCSI), Hankyu Corporation was ranked first in the suburban railway category for the 11th consecutive year since the survey began. Moreover, Takarazuka Revue Company was ranked second in the overall corporate and brand category and Hankyu Travel International was ranked second in the travel category, demonstrating high customer satisfaction with Hankyu Hanshin Group businesses.

JCSI is the largest-scale customer satisfaction survey in Japan, conducted by Service Productivity & Innovation for Growth (SPRING) under the Japan Productivity Center to evaluate companies and brands using statistical techniques based on responses from over 130,000 users. In fiscal 2019, 458 companies/brands in 38 industries were surveyed and evaluated in the six categories of customer expectation, perceived quality, perceived value, customer satisfaction, intention of recommending, and loyalty.



## Priority Issue 4 Empowering Individuals



### Policy

Provide an inclusive workplace that values diversity and taps into individual talent. Cultivate tomorrow's leaders for society.

### Significance

Employees are the starting point for the sustainable growth of the Group, which operates many labor-intensive businesses. To provide better quality services to our customers, it is important to improve employee satisfaction and working conditions and create an environment where diverse human resources can demonstrate their individuality and abilities and play an active role. Through these efforts, we will build an activated organization where various values interact with each other. We will also work to foster a new generation of leaders for society by making full use of various kinds of business know-how and personnel in order to contribute to the realization of a society in which each individual can play an active role.

### Non-financial KPIs

Indicator	Range	FY2020 Results	FY2021 Targets
Employee satisfaction	Hankyu Hanshin Holdings Inc., Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Hankyu Hanshin Properties Corp.	3.72 (5-point scale)	Always better than in the previous survey*1
Women in management positions	Hankyu Hanshin Holdings Inc. and 6 core companies*2	4.5% *3	Around 10% in FY2031
Women among new hires	Hankyu Hanshin Holdings Inc. and 6 core companies*2	47.8% *4	Always more than 30%

\*1 Conducted every two years

\*2 Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Hankyu Hanshin Properties Corp., Hankyu Travel International Co., Ltd., Hankyu Hanshin Express Co., Ltd., and Hankyu Hanshin Hotels Co., Ltd.

\*3 As of March 31, 2020 \*4 New graduate recruits and mid-career recruits joining the company in fiscal 2020

#### Project theme (1)

### Improve employee satisfaction and create a more positive workplace

#### Employee satisfaction survey

The Company and Group companies regularly conduct an employee satisfaction survey (ES survey). This survey is conducted to seek employees' frank opinions about how they perceive the current situation of their work, workplace, superior, and company and what they place importance on. The survey results are used to examine measures for improving the workplace environment and creating a more comfortable workplace.

In the Hankyu Hanshin Holdings Group Sustainability Declaration formulated in May this year, the indicators for the employee satisfaction survey of core companies, including the Company, were set as described above. We will continue to work to improve employee satisfaction.

#### Example: Utilization of employee satisfaction survey at Hankyu Corporation

Hankyu Corporation started an employee satisfaction survey in 2007 and has used the survey results to examine measures for improving the workplace environment and to verify the operation of the personnel system.

After the survey, a leaflet containing the survey results and the message of the head of each business unit is distributed to all employees by unit. In addition, the Personnel Department holds a debriefing session for management personnel by business unit. Thus, it is working to enhance employee satisfaction by improving organizational management.





### Improving Working Conditions and the work environment through collective bargaining

Hankyu Corporation and Hanshin Electric Railway, which are responsible for intercity transportation in the Kyoto-Osaka-Kobe area, have the Hankyu Corporation Labor Union and the Hanshin Electric Railway Labor Union, respectively, which are voluntarily formed by employees at each company. A collective agreement has been signed between the companies and their labor unions to set working conditions and other treatment standards for employees.

Every year, they conduct negotiations on the revision of wages in spring and negotiations on the revision of other working conditions in autumn. After sincere discussions between labor and management, working conditions, including wage levels, are decided. Through the accumulation of these efforts, they are working to improve working conditions and the work environment, as well as to enhance the job satisfaction of employees.

### Human resource development system

To foster human resources who will lead the Group in the new era, the Company has formulated a human resource development plan with the basic policy of promoting the creation of new value from a long-term perspective through support for the independent career development and capacity building of employees and training in the workplace. Specifically, we implement measures to develop human resources throughout the year based on the three foundations of “training in the workplace,” “stratified / objective-based training,” and “self-development support,” as shown in the table below, working on systematic human resource development.

#### FY2021 Human resource development plan [System diagram]

		(1) Training in the workplace	(2) Training [stratified / objective-based]		(3) Self-development support				
			Stratified training	Objective-based training					
Managerial staff		Goal-setting interview (as-needed interview)	<ul style="list-style-type: none"> <li>■ Training for the Group's new directors and auditors</li> <li>■ New manager training</li> <li>Manager promotion training</li> </ul>	Night talk	External dispatch training	SDGs Seminar	Learning support system	Correspondence education support system	Qualification acquisition congratulatory system
			<ul style="list-style-type: none"> <li>Change leadership program training</li> <li>Follow-up [President meeting]</li> <li>Evaluator training</li> <li>Promotion training</li> </ul>		New value creation seminar	[Kobe University / Kansai Gakuin University] Dispatch to MBA graduate school			
Non-managerial employees	Subsection chief class	Goal-setting interview (as-needed interview)	<ul style="list-style-type: none"> <li>Leadership / Management strategy training</li> <li>Promotion training</li> </ul>	Finance practice basic course			Learning support system	Correspondence education support system	Qualification acquisition congratulatory system
	Unit chief class		<ul style="list-style-type: none"> <li>How to think and communicate to get others' consent</li> </ul>	Labor law basic course					
	From 2nd year								
	New employees		Mentor system	<ul style="list-style-type: none"> <li>Follow-up training for new employees</li> <li>New employee on-board training</li> <li>■ Group joint training for new employees</li> </ul>					

■ Group joint training      ..... Selective-type training



## ● Group joint training

The Group conducts group joint training for its new employees, new managers, and new directors and auditors in order to foster awareness as a member of the Group and enhance the sense of unity.



A lecture delivered by the president at the FY2020 group joint training for new employees, in which 721 employees participated

## ● Characteristic human resource development measures and systems

### Goal-setting interview (as-needed interview)

All employees below the position of manager have an interview with their direct superior once a month. Through close communication between superiors and subordinates, we help each employee to set and achieve challenging goals for the realization of a long-term vision and support each employee's career development and capacity building.

### Night talk

We provide employees in managerial positions with an opportunity for small-group dialogue with directors in each department. We help them to acquire the optimal perspective for the entire Group by discussing and exchanging views on cross-business topics, and we promote personnel exchanges beyond business and company borders.

### Dispatch to MBA graduate school

We dispatch employees selected from the applicants to a graduate school to undergo an adult MBA program. By addressing research topics that they have set themselves, they develop a network of external contacts and acquire advanced and specialized knowledge and skills in all fields related to management.

### Learning support system

A system that supports employees' independent learning so that they will interact with others in a sincere and humble manner and continue to learn. We pay up to 220,000 yen per person per year as fees for attendance at capacity building programs provided outside the company.

## ● Example: "Ladder Project" to improve the workplace environment with employees serving as central players (Hankyu Hanshin Properties Corp.)

Hankyu Hanshin Properties launched the Ladder Project as a cross-company project in 2019. In this project, young members selected from various departments within the company have a head-on discussion about what should be done to make the company better and take action as central players. In 2019, under the theme of "activating internal communication," an in-house exchange barbecue party and a "ladder" seminar (business introduction seminar) were held, and a "ladder" base (refreshing space) was set up. In addition, various measures were implemented, including the introduction of a circle support system and a cloud-based human resource management system that can promote interaction between employees. A total of 21 members are considering new measures for fiscal 2021 under the theme of "creating a corporate culture that creates innovation."

## ● Example: Supporting life plans after retirement (Hankyu Corporation)

Hankyu Corporation holds life plan seminars for the purpose of improving employees' understanding of retirement benefits and pensions and a senior partner system (reemployment system after retirement) to help them think about working styles and life plans after retirement. For employees who have to choose a work style after retirement and are about to reach retirement age, seminars are held to provide an easy-to-understand explanation on how to receive retirement benefits and pensions, taxes on them, requirements and applications for welfare pensions, and how to work under the senior partner system.

### ■ FY2020 Results Data

Number of participants in training (total)*1	1,299 people
Education time per employee*1	16.1 hours
Annual leave acquisition rate	58.1%
Hours in excess of statutory working hours per month	19.7 hours (excluding holidays)
Turnover rate within 3 years of employment	6.0%

\*1: Including Group company employees for some training programs



Project theme (2)

Promote health and productivity management

Establishment of the Declaration on Employee Health Management and Its promotion system

We have established the Declaration on Employee Health Management to promote the improvement of health awareness in each employee and the realization of a comfortable work environment.

The Hankyu Hanshin Holdings Group's Declaration on Employee Health Management

The Hankyu Hanshin Holdings Group believes that the mental and physical well-being of employees and their families remains the source of happiness and the cornerstone of the Group's prosperous future. In addition, in order to provide our customers with safety and comfort as well as dreams and excitement, it is paramount that we enable everyone to fully demonstrate their diverse personalities and abilities in good health. To achieve this goal, we will maintain high awareness of our own well-being and work with our colleagues in the workplace and their families to promote good health.

The Hankyu Hanshin Holdings Group declares that it will actively support the well-being of each individual and strive to create a workplace environment in which all can live and work in good health and with motivation. The Group will pursue these initiatives under the slogan "Hankyu Hanshin Wellness Challenge."

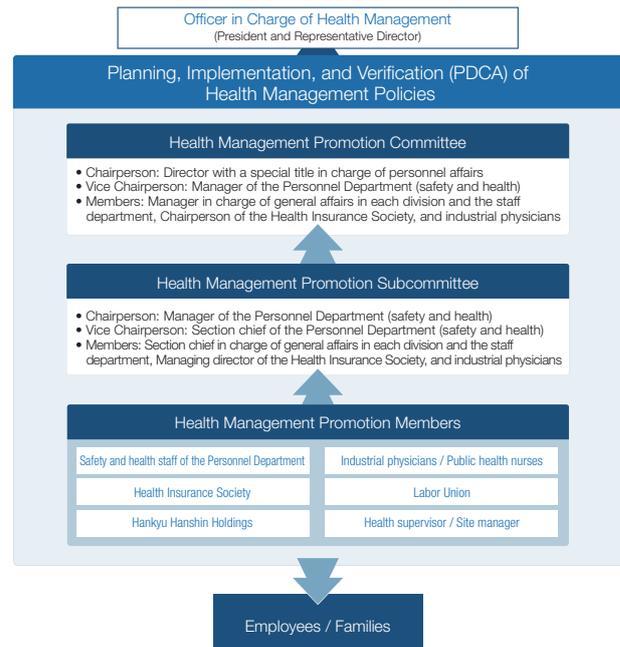
Takehiro Sugiyama  
 President and Representative Director  
 Officer in Charge of Health Management  
 Hankyu Hanshin Holdings, Inc.  
 April 2018

Hankyu Corporation and other core companies promote health management by establishing a promotion organization based on this declaration.

Example: Health management promotion system at Hankyu Corporation

Based on the Group's Declaration on Employee Health Management, Hankyu Corporation has established the Hankyu Corporation Health Declaration. It has also set up the Health Management Promotion Committee, consisting of the manager in the control department and the staff department of each division, industrial physicians, and the Hankyu Hanshin Health Insurance Society, with the president and representative director serving as the officer in charge of health management and the director with a special title in charge of personnel affairs as the chairperson, to make decisions for examining and implementing measures. In the committee, promoting members, composed mainly of the safety and health staff at the Personnel Department, are involved in analyzing the health issues of employees and their families and formulating and verifying specific measures as actual working members of the committee, striving for continuous improvement.

Health management promotion system [Hankyu Corporation]



"Hankyu Hanshin Wellness Challenge" initiative

To promote the health of each individual, the Group recommends participation in the walking event "Minnade Arukatsu," hosted by the Hankyu Hanshin Health Insurance Society, and disseminates health information through the Group's PR magazines and the Health Insurance Society. In addition, we are working on the establishment of counseling rooms and massage rooms at Hankyu Corporation and Hanshin Electric Railway, the holding of smoking cessation seminars, the provision of free services of an online non-smoking outpatient, and the promotion of cancer screening. Currently, as measures to prevent the infection of COVID-19, we ask employees to avoid the three Cs (closed spaces, crowded places and close-contact settings) and to thoroughly implement basic infection prevention measures, such as hand washing, disinfection, and wearing masks, so that business continuity will not be interrupted.

Certification as a Health and Productivity Management Organization

In March 2020, the following 11 Group companies were certified as 2020 Certified Health and Productivity Management Organizations\*.

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: Chuo Densetsu Co., Ltd., Hankyu Construction Management, Inc., Hankyu Hanshin Real Estate Investment Advisors, Inc., Hankyu Hanshin Insurance Services Co., Ltd., Hankyu Hanshin REIT Asset Management, Inc., Hankyu Mediac Co., Ltd.



\*A corporation that practices good health management is selected by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



## ■ Prevention of occupational accidents

To protect the safety of all people involved in the business activities of the Group, the Company and Group companies comply with the Industrial Safety and Health Act and other relevant laws and regulations. Each company has also established its Occupational Safety and Health Management Rules to ensure safety management, prevent occupational accidents, and promote employee health.

### ● Management system (Hankyu Hanshin Holdings / Hankyu Corporation / Hanshin Electric Railway)

#### <Hankyu Hanshin Holdings>

Director in charge: Director in charge in the Personnel and General Affairs Division

Organization: Occupational Safety and Health Committee

Secretariat: Personnel Department, Personnel and General Affairs Division

Applicable provision: Article 6 of the Occupational Safety and Health Management Rules

#### <Hankyu Corporation>

Director in charge: Head of Urban Transportation Business, Head of Amusement Business, Director in charge of personnel affairs

Organization: Occupational Safety and Health Committee (Urban Transportation Business / Amusement Business / Head Office staff)

Secretariat: Urban Transportation Planning Department / Amusement Business Department / Personnel Department

Applicable provision: Chapter 2 of the Occupational Safety and Health Management Rules

#### <Hanshin Electric Railway>

Director in charge : Full-time director commissioned by the president

Organization: Occupational Safety and Health Management Committee

Secretariat: Personnel Department

Applicable provision: Article 5, paragraph (1) and Article 15 (1) of the Occupational Safety and Health Organization Rules

### ● Example: Safety and health promotion system at Hankyu Corporation

Hankyu Corporation has set up an Occupational Safety and Health Committee in each organization (Urban Transportation Business / Amusement Business / Head Office staff) and holds monthly committee meetings to share occupational accident cases and sick leave status. It also implements measures to promote safety education and raise the safety awareness level of employees. During Safety Week, it not only posts posters but also collects Safety Week quizzes and holds a safety campaign award ceremony in order to promote a safety campaign.

### ● Example: Reduction of the total working hours and response to overwork at Hankyu Corporation

Hankyu Corporation complies with the Labor Standards Act and other labor-related laws and regulations and strives to reduce the total working hours of employees. After grasping the working hours of individual employees based on personal computer logs and other records, it arranges an interview between an industrial physician and a long-time worker who works overtime and on holidays for more than 80 hours a month. In addition, at manager meetings attended by full-time directors, standing auditors, and division and department managers, we report the status of compliance with the 36 Agreement every time and work to prevent the overwork of employees.

#### ■ FY2020 Results Data

Lost-time accident rate* <sup>1</sup>	0.09
Specific health guidance rate* <sup>1</sup>	33.1%
Smoking rate* <sup>1</sup>	23.7%

\*1: The survey target is Hankyu Hanshin Holdings, Hankyu Corporation, and Hanshin Electric Railway.

#### Project theme (3)

## Promote diversity

### ■ Career opportunities for female employees

The Company and six core companies\*<sup>1</sup> have formulated an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace. We not only have continued to actively hire women but also have provided opportunities for them to have diverse career experiences. By improving measures to support employees' work-life balance, we are striving to create an environment where employees can play an active role regardless of gender. In recognition of these efforts, the Company was selected for the first time as a constituent of the MSCI Japan Empowering Women Index (WIN)\*<sup>2</sup> in July this year. This index selects Japanese companies that are leading the industry in terms of gender diversity based on data on the employment and promotion of women in companies and on disclosed information on diversity initiatives.

### 2020 CONSTITUENT of the MSCI Japan Empowering Women Index (WIN)

\*1 Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Hankyu Hanshin Properties Corp., Hankyu Travel International Co., Ltd., Hankyu Hanshin Express Co., Ltd., and Hankyu Hanshin Hotels Co., Ltd.

\*2 THE INCLUSION OF Hankyu Hanshin Holdings, Inc. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Hankyu Hanshin Holdings, Inc. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



## Childcare and nursing care support

The Company\* has the following systems in place so that each employee can balance work with childcare/nursing care while facing their careers and life events.

- Expansion of work-life balance support measures (work-at-home system / optional leave system [use of expired annual paid leave] / babysitter usage assistance system, etc.)
- Expansion of support measures for those who take childcare leave (Implementation of a child-rearing support email service, reinstatement support seminar, etc.)
- Distribution of handbooks for the relevant employees and their superiors

\*The above are the systems and measures of Hankyu Hanshin Holdings. We are working to support employees' work-life balance by establishing rules according to the business characteristics of each Group company.



## Example: Initiative aimed at creating a workplace where diversity is respected and everyone can play an active role (Hankyu Hanshin Express)

Positioning the promotion of diversity as an important human resource management strategy, Hankyu Hanshin Express has held the Diversity Forum since 2011 to recognize and resolve issues regarding diverse work styles and career plans that are not affected by life events.

In the international transportation core business, which is operated globally, many local employees works at 29 overseas

subsidiaries and 134 overseas bases (as of September 2020). We aim to create a corporate culture in which diverse human resources can play an active role regardless of nationality, gender, age, and other factors.



## Creation of employment opportunities for people with disabilities

In 2005, the Group established Assist Hankyu Hanshin, a special subsidiary company, with the aim of creating employment opportunities for people with disabilities in the operations with which the company is entrusted within the Group (cleaning, office massage services, delivery within the Group, etc.). In recognition of the efforts so far, the company received the Heartful Corporate Challenge Support Award from Osaka Prefecture in September 2019.

In addition, as employment support for people with disabilities who attend a supporting institution, we have set up a space called "Fuwa Fuwa Room" at the Hankyu Corporation Head Office. Through the space, we accepted work experience of 63 people with disabilities from fiscal 2014 to 2020, 18 of whom are employed by our Group companies.



## FY2020 results data

Employment rate of people with disabilities *1	2.76%
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\*1: The survey target is Hankyu Hanshin Holdings and 19 companies certified as special subsidiaries.

## Workforce composition (as of March 31, 2020)

		Hankyu Hanshin Holdings	Hankyu Corporation	Hanshin Electric Railway	Hankyu Hanshin Properties	Hankyu Travel International	Hankyu Hanshin Express	Hankyu Hanshin Hotels	Total
No. of employees*1	Male	1,086	3,055	1,116	299	802	614	1,254	8,226
	Female	167	308	98	100	463	251	817	2,204
	Ratio of women	13.3%	9.2%	8.1%	25.1%	36.6%	29.0%	39.4%	21.1%
No. of management employees *1, *2	Male	666			73	283	248	293	1,563
	Female	30			4	12	6	21	73
	Ratio of women	4.3%			5.2%	4.1%	2.4%	6.7%	4.5%
No. of new recruits*3	Male	30	89	31	32	37	12	114	345
	Female	16	12	1	8	99	25	155	316
	Ratio of women	34.8%	11.9%	3.1%	20.0%	72.8%	67.6%	57.6%	47.8%
Average years of service	Male	20.3	22.5	21.5	13.4	19.6	21.0	16.2	20.4
	Female	9.4	13.7	16.8	11.0	11.4	9.4	7.6	10.2
	Gender difference	10.9	8.8	4.7	2.4	8.2	11.6	8.6	10.2

\*1: Including those on secondment elsewhere; excluding those seconded to us \*2: Since all management staff members at Hankyu Corporation and Hanshin Electric Railway are seconded from the Company, the total number at the three companies is shown.

\*3: New graduate recruits and mid-career recruits who joined the company in fiscal 2020



#### Project theme (4)

## Respect human rights and prevent harassment

### ■ Basic Philosophy and Policy on respect for human rights

The Group places great importance on respect for human rights. To have all employees properly understand our attitude toward human rights, we have stipulated the Basic Philosophy on Respect for Human Rights and the Basic Policy on Respect for Human Rights.

#### Hankyu Hanshin Holdings Group Basic Philosophy on Respect for Human Rights

We will contribute to the establishment of a fair and abundant society in which all people's human rights are respected and in which no person is discriminated against because of their birth, nationality, beliefs, gender, race, age, or disability.

Today, respecting the human rights of customers, trading partners, shareholders, local communities, employees, and all other people is a vital part of every company's social responsibilities.

To that end, we are determined to develop a better instinct for human rights by maintaining a deep knowledge and understanding of human rights and the surrounding issues.

We recognize that human rights are closely relevant to us all, and endeavor to make sensitivity to human rights a core part of our thoughts and our actions.

#### Hankyu Hanshin Holdings Group Basic Policy on Respect for Human Rights

##### Recruitment

We make fair and equitable hiring decisions without practicing any discrimination.

##### Human rights enlightenment

To eliminate all forms of discrimination, we enhance our sensitivity to human rights so that we can notice human rights violations around us.

##### Workplace environment

We promote the creation of a workplace environment where all employees recognize each other's differences and can demonstrate their abilities.

##### Coexistence with society

As a member of society, we conduct our business activities, keeping in mind that we live together with all people.

##### Relationship with business partners

We require our business partners to respect human rights, and we take a resolute attitude toward business partners who participate in or promote human rights violations.

##### Prevention

We always make Group-wide efforts to prevent human rights violations, respecting human rights in our relationships with all people, including our customers.

### ■ Implementation of human rights training to prevent harassment

We hold human rights training once a year for the top management of each Group company and all employees in managerial positions at the Company. We also continuously educate employees about respect for human rights and prevention of harassment by implementing human rights training for promoted employees at each level, including new directors, new managers, and new employees, of each Group company.

#### ■ FY2020 results data

Attendance rate at human rights training organized by the Company (by level)	99.8%
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#### Project theme (5)

## Cultivate tomorrow's leaders

### ■ Hankyu Hanshin Dreams and Communities Challenge Troop

We provide elementary school students with a variety of authentic work experiences and learning opportunities during summer vacation, using the Group's businesses, facilities, and staff, including railway sites, hotels, the Takarazuka Revue, and the Hanshin Koshien Stadium. To date, we have invited more than 17,000 children to a total of 389 programs.



Hotel pastry chef experience program

### ■ Hankyu Dreams and Communities Exciting Work Program (Hankyu Corporation)

Managerial members from Hankyu Corporation visit elementary schools and serve as instructors to introduce the community-building initiatives of the corporation's founder, Ichizo Kobayashi, and various jobs that support communities. The purpose is to foster students' attachment to their community and their dreams for the future by conveying the spirit of challenge of the founder and the history of community development. To date, the staff have visited a total of 197 schools and provided approximately 17,000 children with the opportunity to think about their future jobs.



In recognition of these two projects, we were awarded the METI Minister's Award (Grand Prix) in the 8th Career Education Awards organized by the Ministry of Economy, Trade and Industry in fiscal 2018.



## Priority Issue 5 Environmental Protection



### Policy

#### Contribute toward a low-carbon, circular economy

### Significance

In Japan, public transportation, such as railway, accounts for a larger share in urban transportation than that in countries overseas, which contributes to keeping the environmental impacts small. The Hankyu Hanshin Holdings Group has been engaged in building communities centered around its railway business for over 100 years since its foundation. This business model has played a leading role in the development of urban cities in Japan. We will continue to make efforts to further reduce environmental impacts of our railway business, as well as other businesses, while working to develop attractive communities and contributing to the establishment of a society capable of sustainably growing.

### Non-financial KPIs

Indicator	Range	FY2020 Results	FY2031 Targets
Rate of CO <sub>2</sub> emissions cuts (compared to FY2014)	Hankyu Hanshin Holdings and subsidiaries' Japanese worksites	29.7%	26%*
Rate of CO <sub>2</sub> emissions cuts relating to energy consumption (compared to FY2014)	Rail operations of Hankyu Corporation and Hanshin Electric Railway	35.5%	40%

\*The same level as the target value set by the Japanese government as a national greenhouse gas reduction goal based on the Paris Agreement

CO<sub>2</sub> emissions from the business sites of Hankyu Hanshin Holdings and its subsidiaries in Japan in fiscal 2020, calculated by multiplying the reduction in energy consumption achieved in each business by the CO<sub>2</sub> emission factor for electric power retailers, decreased by 29.7% from the fiscal 2014 level. Toward fiscal 2031, since the CO<sub>2</sub> emission factor is expected to rise, we will be committed to further reducing CO<sub>2</sub> emissions by continuing to implement measures to reduce energy consumption, such as replacing trains with energy-saving ones in the railway business and increasing environment-friendly buildings (green buildings) in the real estate business.

## Environmental principle and promotion system

### Basic Environmental Principle

With a recognition that the conservation of the global environment is a key theme common to humankind, the Hankyu Hanshin Holdings Group will promote environmentally sustainable business activities and contribute to building a society that can achieve sustainable development in order to ensure that a greener global environment and better living environments will be handed down to the next generation.

### Basic Environmental Policies

The Group implements and continuously enhances environmental measures based on the following policies:

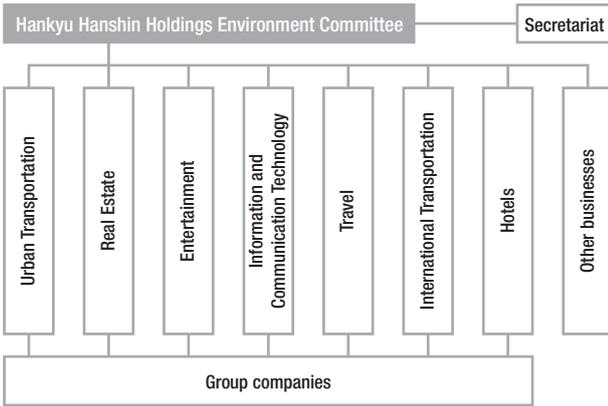
1. We will monitor the environmental impact of our business activities and take action to reduce it.
2. We will accurately understand environmental laws and regulations and other social requirements and comply with them.
3. We will strive to raise employees' awareness so that every employee will be able to act in an environmentally sustainable manner.

### Organization

The Hankyu Hanshin Holdings Group has the Environment Committee (Chair: president of Hankyu Hanshin Holdings) to promote environmental preservation initiatives throughout the Group. The Environment Committee oversees the environmental preservation activities of each of the Group's core businesses. Under the Group's common Basic Environmental Philosophy and Basic Environmental Policies, each Group company establishes its philosophy and policies according to its business characteristics as necessary and implements environmental preservation activities on a core business basis.



## Organization



## Project theme (1)

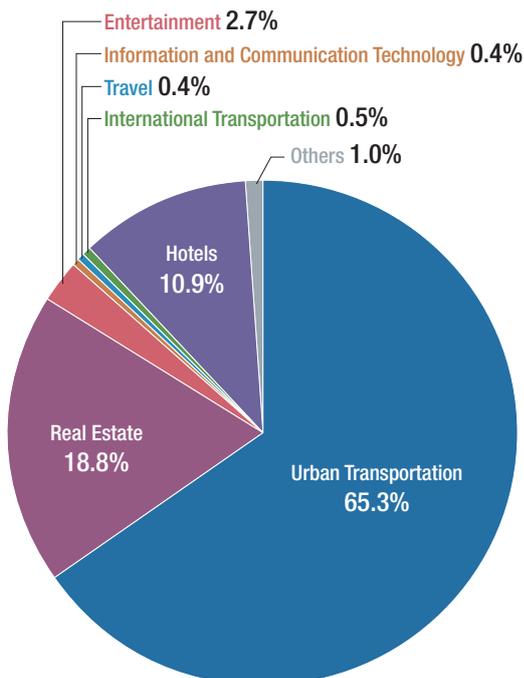
### Cut greenhouse gas (CO<sub>2</sub>) emissions

#### Changes in CO<sub>2</sub> emissions

We promote energy-efficiency initiatives throughout the group and endeavor to reduce CO<sub>2</sub> emissions. In fiscal 2020, CO<sub>2</sub> emissions were down 16% year on year, to 434,292 t-CO<sub>2</sub>. Furthermore, energy consumption on a crude oil conversion basis decreased as a result of efforts by the Group companies to reduce energy consumption. These efforts include the introduction of LED lighting at railway stations, commercial facilities, hotels and other facilities as well as the introduction of an increased number of new rolling stock with better energy efficiency.

The graph below shows a breakdown of CO<sub>2</sub> emissions across the whole group.

#### Fiscal 2020 group-wide segment-specific CO<sub>2</sub> emissions



\*Figures pertain to 78 Hankyu Hanshin Holdings subsidiaries in Japan; some businesses, for which it is difficult to calculate energy consumption, are excluded. Segments used herein are those in effect in fiscal 2020.

## Project theme (2)

### Improve energy efficiency (Promote energy saving)

#### Upgrading to energy-efficient rolling stock

In the railway business, we are gradually upgrading our rolling stock to energy-efficient models.

##### Cars with regenerative braking

Regenerative braking systems use the resistance of braking motion to drive a motor and generate electricity for use in powering other trains.



##### Cars with energy-efficient exterior plates

Reducing the weight of the train body enables the operation of the train with less electric power and less burden on brakes when decelerating, contributing to improved energy efficiency. Hankyu Corporation has been introducing aluminum railway cars, which are approximately 10% lighter than conventional steel models. Similarly, Hanshin Electric Railway is reducing its environmental impact by using stainless steel structures and doing away with external painting.

##### Cars with LED lights

The introduction of LED lighting will improve energy efficiency and extend the life of the lighting, resulting in the reduction of waste to be generated. We are advancing the replacement of all our lighting equipment, including not only the lights in passenger cabins but also the lights in the crew's room, lighting for instruments, front and rear lamps, and marker lights, with LED lighting.





## ● Effects of the upgrading to energy-efficient rolling stock

Energy consumption in our railway business in fiscal 2020 decreased by 8.6% at Hankyu Corporation and by 7.6% at Hanshin Electric Railway compared to fiscal 2014.

## ● Upgrading to energy-efficient rolling stock (as of March 31, 2020)

### Hankyu Corporation: Total rolling stock 1,299 cars

- Cars with regenerative braking: 885
- Aluminum body cars: 788
- Cars with LED lights: 620

### Hanshin Electric Railway: Total rolling stock 366 cars

- Cars with regenerative braking: 326
- Stainless steel cars: 154
- Cars with LED lights: 212

### Kita-Osaka Kyuko Railway: Total rolling stock 70 cars

- Cars with regenerative braking: 70
- Stainless steel cars: 40, aluminum cars: 30, 70 in total
- Cars with LED lights: 70

### Nose Electric Railway: Total rolling stock 60 cars

- Cars with regenerative braking: 4
- Aluminum body cars: 4
- Cars with LED lights: 11

## ■ Upgrading to LED lights

We are gradually upgrading the lighting at our group companies' facilities to LED lights, which are less power-consuming and have a longer life, contributing to waste reduction.

## ● Hankyu Corporation facilities with LED lighting

**Stations:** Osaka-umeda, Juso, Kanzakigawa (platforms), Sonoda (concourse), Mikage, Nishinomiya-kitaguchi (platforms), Koyoen, Sakasegawa, Takarazuka, Takarazuka-minamiguchi (concourse), Ikeda (concourse), Sone (concourse), Okamachi (concourse), Toyonaka (concourse), Kawanishi-noseguchi (concourse), Yamamoto, Mefu-jinja, Shojaku (concourse), Settsu-shi, Minami-ibaraki, Kammaki, Nishiyama-tennozan, Nagaoka-tenjin, Higashi-muko, Rakusaiguchi, Sain (concourse), Omiya, Karasuma, Kyoto-kawaramachi, Kita-senri, Senriyama, Kandai-mae, Suita (33 stations of a total of 87 stations, as of March 2020)

**Other facilities:** Nishinomiya Marshaling Yard (a part), grade crossings on the Kobe Line, Imazu Line, Koyo Line, Itami Line, Takarazuka Line, Minoh Line and Kyoto Line, Kyoto Line underground tunnels, and the distribution stores inside and outside station buildings

## ● Example: Upgrading to LED lighting for Kyoto Line underground section

For the approximately 3.7 km underground section of the Hankyu Kyoto Line, commissioned by the Ministry of the Environment as an intensive model project for low carbon community building, we upgraded the lights and illuminated signboards at 4,261 locations, except the areas of Sain and Omiya Stations, to LED lighting.

As of the end of fiscal 2014 when the project ended, power consumption had decreased by approximately 54% compared to conventional lights. In recognition of the verified

low-carbon effects of this project, we were awarded the FY2014 Kinki Transportation Bureau Director's Award as an excellent transportation-related business operator in conservation of the environment by the Kinki Transportation Bureau of the Ministry of Land, Infrastructure, Transport and Tourism.



LED lighting in Kyoto Line underground section

## ● Hanshin Electric Railway facilities with LED lighting

Either platforms or concourse of the stations listed below are fully lit with LED lights. In addition to the conventional control using timetables, illuminance sensors and motion sensors, lighting control using natural light or lighting adjustment according to movement of people are employed to further reduce energy consumption. Moreover, we are advancing the introduction of LED lights for signals, alarms at grade crossings and destination displays, as well as illuminated advertisements and signboards.

**Stations:** Fukushima, Noda, Yodogawa, Himejima, Chibune, Kuise, Deyashiki, Amagasaki-Centerpool-mae, Mukogawa, Naruo, Koshien, Kusugawa, Nishinomiya, Uchide, Ashiya, Fukae, Ogi, Mikage, Ishiyagawa, Shinzaika, Oishi, Nishinada, Kobe-sannomiya, Nishi-motomachi, Kosoku-kobe, Shinkaichi, Daikai, Kosoku-nagata, Higashi-naruo, Suzuki, Mukogawadanchi-mae, Dekijima, Chidoribashi (33 stations of a total of 49 stations, as of March 2020)

**Other facilities:** Amagasaki Marshaling Yard (a part), Ishiyagawa Marshaling Yard (a part), grade crossings of Hanshin Main Line and Mukogawa Line

## ● Example: Large-scale renewal of Kobe-sannomiya Station

At Kobe-sannomiya Station, all the lights in the station building were replaced with LED lights in the large-scale renewal project in 2012, achieving over 40% reduction in CO<sub>2</sub> emissions. This initiative was selected as an excellent practice in the 4th Energy-efficient Lighting Design Awards by the Ministry of the Environment in 2014.



Kobe-sannomiya Station, selected as an excellent practice in the 4th Energy-efficient Lighting Design Awards



### Other Group facilities with LED lights

At Takarazuka Grand Theater and Tokyo Takarazuka Theater, in addition to the lighting in lobbies and foyers, lights for the grand staircases and other stage equipment have also been gradually upgraded to LED lights. LED lights can increasingly be found at our commercial facilities, hotels and distribution hubs.



Takarazuka Grand Theater



Umeda Sanbangai shopping arcade



COLOR FIELD



Hotel Hankyu RESPIRE Osaka

### Promoting eco-driving

We are promoting eco-driving through various initiatives at our relevant Group companies, including Hankyu Bus, Hanshin Bus, Osaka Airport Transport, Hankyu Kanko Bus, Tango Kairiku Kotsu, Hankyu Taxi, Hanshin Taxi, Osaka Hanshin Taxi, Hankyu Hanshin Express, and Hankyu Hanshin Logiparners. The initiatives at these companies include providing eco-drive training courses for employees, introducing vehicles with idling stop devices, and holding an eco-driving contest.



Hanshin Bus



Tango Kairiku Kotsu



Hankyu Taxi

### ISO 14001 certification acquired

Since 2006, Hankyu Hanshin Express has had ISO 14001 certification, which certifies that a company maintains certain criteria regarding environmental management practices. Two of the company's registered business sites, Hankyu Hanshin Osaka Cargo Terminal and Narita Cargo Center, have a number of initiatives in place to help reduce their environmental impact, including regular lectures on environmental conservation attended by all staff, automated real-time monitoring of electricity consumption, and separation of paper from other waste for recycling.

#### Project theme (3)

### Use more renewable energy (e.g. solar)

#### Installing solar power generation facilities

As an initiative to utilize renewable energy and reduce CO<sub>2</sub> emissions, we have been installing solar power generation facilities on our group premises. Major premises with solar power generation facilities installed are as follows.

#### Urban Transportation

- Oishi Station (Hanshin Electric Railway): 118.8 kw since 2014  
Annual power generation 122,085 kWh (fiscal 2020 result)
- Settsu-shi Station (Hankyu Corporation): 70 kw since 2010  
Annual power generation 56,565 kWh (fiscal 2020 result)
- Settsu-shi Station rental bicycle parking area (Hankyu Corporation): 5 kw since 2010
- Toyonaka Office (Hankyu Bus): 3.3 kw since 2010

#### Real Estate

- HEP FIVE (Hankyu Hanshin Properties): 20 kw since 1998
- Hankyu Nishinomiya Gardens (Hankyu Corporation): 16.6 kw since 2008

#### Entertainment

- Hanshin Koshien Stadium (Hanshin Electric Railway): 200 kw since 2010



Hanshin Oishi Station



HEP FIVE



**● Example: Solar power generation at Hanshin Koshien Stadium**

Hanshin Koshien Stadium has a solar power generator on the “Ginsan” roof, which started operation in March 2010 with an annual power generation capacity of approximately 193,000 kWh. This equals the amount of electricity used for lighting of night games held at Hanshin Koshien Stadium for a year. Various other environment-friendly measures are employed for the Stadium, such as the use of well water and rainwater for sprinkling the field and washing toilets and growing ivy for greening the stadium walls.

Moreover, our joint initiative with Osaka Gas succeeded in reducing CO<sub>2</sub> emissions to net zero through carbon offsetting for all the nine Hanshin Tigers’ games held at Hanshin Koshien Stadium during the summer vacation season in fiscal 2014. This initiative was awarded the Minister of Economy, Trade and Industry Award in the 3rd Carbon Offset Grand Awards 2014.



**■ Green energy and offset credits**

**● Hankyu Hanshin Holdings General Meeting of Shareholders**

Since fiscal 2012, when we at Hankyu Hanshin Holdings hold our General Meeting of Shareholders, the energy used at the venue is offset under the Ministry of the Environment’s J-VER scheme using offset credits generated by reforestation projects in Hyogo Prefecture.

**● Hankyu Settsu-shi Station**

Since it opened Settsu-shi Station on March 14, 2010 as the first carbon neutral station in Japan, Hankyu Corporation has offset the energy necessary for the operation of the station under the Ministry of the Environment’s J-VER scheme using offset credits generated by reforestation projects in Hyogo Prefecture (since fiscal 2010).

**● Takarazuka Revue**

Hankyu Corporation has teamed up with Osaka Gas since fiscal 2015 to hold special “carbon offset performances” of the Takarazuka Revue. All CO<sub>2</sub> emitted during the run is offset under the government’s J-Credit scheme for offsetting greenhouse gas emissions.



© Takarazuka Revue

Fiscal year	CO <sub>2</sub> emissions cuts	Target performance
FY2015	660 t-CO <sub>2</sub>	All performances of the Moon troupe (From Sep. 26 to Nov. 3)
FY2016	785 t-CO <sub>2</sub>	All performances of the Snow troupe (From Feb. 5 to Mar. 14)
FY2017	543 t-CO <sub>2</sub>	All performances of the Cosmos troupe (From Feb. 3 to Mar. 6)
FY2018	568 t-CO <sub>2</sub>	All performances of the Star troupe (From Sep. 29 to Nov. 6)
FY2019	597 t-CO <sub>2</sub>	All performances of the Snow troupe (From Nov. 9 to Dec. 14)
FY2020	556 t-CO <sub>2</sub>	All performances of the Cosmos troupe (From Nov. 15 to Dec. 15)

**Project theme (4)**

**Aim for more eco-friendly buildings (green buildings)**

To underpin our quest for more eco-friendly buildings, the Hankyu Hanshin Holdings Group has been working to increase its buildings certified under the Development Bank of Japan’s DBJ Green Building certification\*1 or the Osaka City’s Comprehensive Assessment System for Built Environment Efficiency (CASBEE Osaka)\*2.

\*1 DBJ Green Building certification: A certification system in which the Development Bank of Japan (DBJ) rates buildings in five ranks based on their consideration for the environment and society

\*2 Osaka City’s Comprehensive Assessment System for Built Environment Efficiency (CASBEE Osaka): Under this system, buildings of a certain scale or larger are evaluated based on the criteria regarding consideration to the environment, and names of the highly evaluated buildings are disclosed to the public.

**■ DBJ Green Building certification**

**● Certified as 5-star DBJ Green Buildings that meet Japan’s highest standards for environmental and social consideration**

**Umeda 1-1 Project (temporary project name)**

(Building name: Osaka Umeda Twin Towers South)

Award recipients: Hanshin Electric Railway, Hankyu Corporation  
The Project is aimed at making the building eco-friendly by energy saving or energy creation measures, such as installing LED lights and solar power generation systems for the owners’ exclusive area of the building. Emergency power generators available 72 hours, as well as gas cogeneration equipment and a structural health monitoring system, were also introduced to enhance disaster preparedness of the building and support business continuity for tenants.

Moreover, the building is equipped with a large conference zone (4,000 m<sup>2</sup>) available for multiple purposes, which is, along with the rooftop plaza and pedestrian deck, planned to be used as a space for temporary evacuation or



temporary stay for people unable to go home in the event of a disaster. Phase 1 of the project was completed in April 2018, and full completion is scheduled in spring 2022.



### Hankyu Nishinomiya Gardens

Award recipient: Hankyu Corporation\*

Hankyu Hanshin REIT, Inc.

This building has abundant rooftop greenery and green walls, such as Sky Garden, to alleviate the heat island effect and utilizes natural energy with solar panels and a sprinkling system using rainwater. LED lighting and a design to take in much natural light are also employed to make the building energy-efficient.



\*For this property, Hankyu Corporation and Hankyu Hanshin REIT, Inc. hold quasi co-ownership of 72% and 28%, respectively, of trust beneficiary interests.

### Certified as 4-star DBJ Green Building with exceptionally high environmental and social awareness

#### HEP FIVE

Award recipient: Hankyu Hanshin Properties Corp.\*

Hankyu Hanshin REIT, Inc.

This building has a solar power generation system and uses clean natural energy to illuminate its Ferris wheel. The main entrance is equipped with dry mist spraying equipment to ease the heat island effect in summer.



\*For this property, Hankyu Hanshin Properties Corp. and Hankyu Hanshin REIT, Inc. hold quasi co-ownership of 86% and 14%, respectively, of trust beneficiary interests.

### CASBEE Osaka (Osaka's Comprehensive Assessment System for Built Environment Efficiency)

#### S rank (top in the ranking)

##### Umeda Hankyu Building

This building is designed for energy efficiency, with features such as sensor-based lighting systems that automatically adjust output and high-efficiency air-conditioning heat source devices, as well as inverter-based control systems for air conditioning, pumps, and elevators.



#### Other environment conscious buildings

##### NU chayamachi Plus

Walls above the main entrance of the commercial facility and the terrace of the restaurants on the third floor have green walls. The terrace has also rooftop greenery, creating a space where visitors can enjoy the greenery while doing shopping or dining. The transpiration effect of the greenery helps reduce heat inside the building, contributing to mitigating the heat island effect. Moreover, LED lights are used for nearly all lighting, including indirect lighting, of the common area of the building to help cut CO<sub>2</sub> emissions.



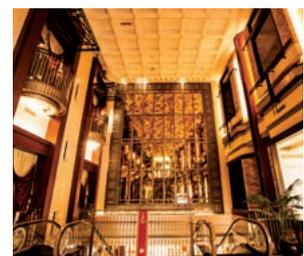
##### HERBIS OSAKA and HERBIS ENT

The air conditioning at the building complex of HERBIS OSAKA and HERBIS ENT at Nishi-Umeda, Osaka, features one of Japan's largest (at the time of installation) single-building ice thermal storage systems, which provides for efficient night-time energy use.

The two buildings have other environment-friendly, energy-efficient systems, including natural circulation-type air conditioning, which requires no power to transfer refrigerant, a wastewater reuse system that purifies kitchen wastewater from restaurants and uses it as washing water for toilets, and a cogeneration system to make effective use of energy.



HERBIS OSAKA outside



HERBIS ENT inside



Project theme (5)

Produce less waste and recycle more

Recycling Hanshin Koshien Stadium’s plastic drink containers

We work with TEIJIN FRONTIER CO., LTD. to recycle the plastic drink containers used to serve beer at Hanshin Koshien Stadium. Used cups collected in the beer cup recycling bins placed in the stadium or by vendors are recycled into new polyester fiber and made into plastic beer cup holders and other popular novelty items for customers. We collected 4.9 tons of used drink containers in fiscal 2020, which became 11,000 cup holders.



Reducing plastic bags at retail stores

At our cosmetics and miscellaneous goods shops “COLOR FIELD” and “Cleduple,” the selected miscellaneous goods shop “a.d.r.e.s.,” and lifestyle shop “DOUBLEDAY,” we put notices calling for the use of “eco-bags” around the checkout counters. We also began to charge customers for plastic shopping bags in response to the beginning of the requirement for all retail shops in Japan to charge for plastic shopping bags in July 2020.



No more plastic straws

From the end of 2019, Hankyu Hanshin Hotels has ceased using plastic straws in the restaurants and banquet halls of its directly operated hotels and has replaced them with straws made from a resin derived from corn and other plant matter. Plant-based plastics, like paper, generate little energy upon incineration and emit no combustion gases containing hazardous substances. Bendy straws are available for ease of use by small children and elderly people.



Increasing IC card tickets to reduce use of paper

Urban transportation companies have been increasingly introducing IC cards with the PiTaPa function, such as the STACIA PiTaPa card, to reduce the use of conventional commuter passes, prepaid cards and other paper tickets. On the Hankyu Lines, around 70% of the annual total of approximately 650 million customers use IC cards (FY2020 result). The used paper tickets collected at automatic ticket gates are recycled into toilet paper. The recycled toilet paper is used for toilets of our stations. Hankyu Corporation collects approximately 19,200 kg of discarded train tickets annually (FY2020), of which around 40%\* are recycled.

\*The recycling rate is the average value calculated based on the results of the collection companies.

Use of recycled materials

Uniforms worn by staff at our urban transportation companies are made from recycled material, such as plastic bottles, and passengers waiting for trains at our stations can sit on environmentally considerate “eco-benches” made of recycled wood.



Umbrella sharing scheme

In February 2020, Hanshin Electric Railway inked an agreement on three-party collaboration regarding community building using a sharing economy demonstration project with Kobe City and Nature Innovation Group Co., Ltd. and has introduced the umbrella sharing scheme “iKasa” at 49 locations at 39 Hanshin stations.

Under the iKasa scheme, customers can take an umbrella from any of the dedicated iKasa stands for just 70 yen a day and return it to whichever iKasa stand is handy. Hanshin was the first to introduce this scheme in Kansai. Not only is this system extremely convenient for customers, it also helps reduce umbrella waste.





### ■ Reducing use of paper by digitizing import/export documents

Taking part in the e-Freight\* initiative promoted by the International Transport Association (IATA), Hankyu Hanshin Express has digitized (made paperless) all shipping documents for its consolidated air cargo from Japan to Hong Kong since April 1, 2016.

Targeting Hong Kong, where 99.5% of the import air cargo is electronically handled, we have established a scheme through repeated verifications with airlines and local subsidiaries and have achieved safer, more reliable, and faster transportation, with a reduction in consumption of paper (equivalent to 500 A4-size sheets of paper per cargo). As of March 31, 2020, this initiative has been expanded to 72 destinations in 22 countries and regions, with a reduction of 20 tons of paper use expected each month.

\*An international transport industry-wide initiative involving carriers, freight forwarders, ground handlers, shippers, customs brokers and customs authorities, aimed at building paperless processes with collaboration throughout the supply chain

### ■ Recycling food waste

We promote recycling of food waste at our hotels. Garbage from Dai-ichi Hotel Tokyo and Hotel New Hankyu Osaka is recycled into compost and feed for hog raising, respectively.

### ■ Collecting plastic bottle caps

Hankyu Travel International and Hankyu Hanshin Express encourage all their employees to engage in a simple act of charity: collecting plastic bottle caps. The caps are periodically sold to recyclers, and the companies donate the proceeds to the Japan Committee, Vaccines for the World's Children.

### Other environmental initiatives

### ■ Conservation and effective use of water resources

Only 0.01% of all water resources of the earth is available to humankind. To make effective use of this precious water, the Hankyu Hanshin Holdings Group promotes measures to save water and effectively utilize rainwater.

### ● Encouraging reuse of towels and sheets to reduce wastewater

Hankyu Hanshin Hotels encourages guests staying multiple nights to use the same sheets and towels instead of having them replaced every day. This reduces the volume of wash water and wastewater, and some of the money saved on laundry is donated to environmental action groups. In fiscal 2020, we donated 5,812,000 yen, including the amount of donations added through the Hankyu Hanshin Dreams and Communities of the Future Project.

Donator hotels	Recipients
Hotel Hankyu International / Hotel New Hankyu Osaka / Hotel New Hankyu Osaka Annex / Senri Hankyu Hotel	Lake Biwa-Yodo River Water Quality Preservation Organization
Hotel Hankyu RESPIRE Osaka / remm plus Ginza / remm Tokyo Kyobashi / remm Hibiya / remm Akihabara / remm Roppongi / remm Shin-Osaka / remm Kagoshima	World Wide Fund for Nature Japan (WWF Japan)
Dai-ichi Hotel Tokyo / Dai-ichi Hotel Annex / Dai-ichi Hotel Tokyo Seafort / Kichijoji Dai-ichi Hotel	Bureau of Waterworks Tokyo Metropolitan Government "Tokyo Waterworks Water Resources Forest Donation"

### ● Making use of rainwater

Hankyu Settsu-shi Station and Nishiyama-tennozan Station are equipped with tanks beneath platforms to store rainwater collected on the platform sheds. The stored rainwater is used to water plants at the stations and wash toilets.

The Hanshin Koshien Stadium also has underground tanks to store rainwater on the "Ginsan" roof, which is subsequently used in toilets and to water the field.



Watering the field of Hanshin Koshien Stadium using well water and rainwater

### ● Installing water-efficient toilets

Water-efficient toilets have been increasingly installed at stations. For the toilets it renewed in 2015, Hankyu Corporation introduced urinals of the latest model with the necessary washing water reduced to 0.8 liters per flush. We have replaced toilet equipment at the Takarazuka Grand Theater and the Takarazuka Bow Hall with a water-efficient model to substantially reduce water use.



Renewed water-efficient toilets at Takarazuka Bow Hall



## ■ Protecting biodiversity

### ● Protecting biodiversity at the Rokko Alpine Botanical Garden

Rokko Alpine Botanical Garden, which opened in 1933, has around 1,500 varieties of alpine and cold-region plants from around the world, as well as plants native to Rokko and endangered species. In an around 50,000 m<sup>2</sup> area of the garden, these plants are cultivated in their near-natural conditions. Through holding daily guided tours for flowers, seasonal exhibitions, and nature experience programs, the garden communicates the attraction of seasonal plants to visitors with the aim of raising awareness of the importance of preserving nature. The garden has been a member of the Japan Association of Botanical Gardens since its inception in 1947 and has served as a local outpost for the preservation of biodiversity, promoting a program aimed at preserving Japan's endangered plant species outside their habitats. Japanese lilies, or *Lilium japonicum*, a plant which has been decreasing on Mt. Rokko due mainly to animal damage, is increasing year by year inside the garden as a result of the efforts to preserve the environment, such as setting up fences to prevent invasion of boars, mowing grass, and cutting trees to maintain a certain level of brightness. Meanwhile, the garden has systematically kept the *Hepatica nobilis* var. *pubescens* variety of liverwort, an endangered species, for around 20 years since the plants were donated by Kobe Sansokai, an organization that had protected and grown them.



*Hepatica nobilis* var. *pubescens* variety of liverwort, an endangered species

### ● Supporting breeding of endangered species through transportation

Hankyu Hanshin Express, as an expert of animal transport, supports projects for breeding of endangered animals worldwide through transport of animals, thereby cooperating in conservation of biodiversity. We transport animals for various reasons, such as exhibition, research or protection, but we always observe the laws and regulations of each country and transport important animals safely, promptly, and surely in a manner that minimizes the stress on animals.

We are also supporting the Giant Panda Conservation Fund operated by the Tokyo Zoological Park Society. Using the signboards placed in front of the outdoor area of the giant panda house of Ueno Zoo, we show the life of giant pandas and how Hankyu Hanshin Express transported them from Sichuan Province, China, to Ueno Zoo.



Giant panda signboards  
© Tokyo Zoological Park Society

### ● Protecting Japan's best "Satoyama" forest

The *satoyama* community forest and agricultural landscape in the Kurokawa district of Kawanishi City, Hyogo, has been described as Japan's best. The Nose Electric Railway, which serves this area, and to this end, Nose employees, in cooperation with a citizens' group, have volunteered to do maintenance work every year between January and March since 2011. Other activities by the company to help revitalize *satoyama* include hosting *satoyama* hikes and selling the Nose Myoken Satoyama Tour Pass, as well as conducting public relations activities for *satoyama*.



### ■ Establishing transportation networks with low impacts on the environment

Public transportation has lower environmental impacts than private automobiles. Enhanced convenience of public transportation will contribute to less use of private cars, which is expected to result in reduction of CO<sub>2</sub> emissions from the transportation sector in Japan. While continuing to enhance railway networks, as represented by the Hanshin Namba Line, we will also focus efforts on improving the means of transportation for "to the station" and "from the station" by enhancing not only buses and taxis but also services to enhance usability of bicycles, such as rental bicycles and bicycle parking lots, thereby working to establish transportation networks with low environmental impacts centered around public transportation.

Data:

37 stations with bicycle parking lots, 20 stations with rental bicycles, and 17 stations with mechanical parking lots

### ■ Introducing long rails with less vibration and noise

Hanshin Electric Railway has been introducing long rails, which are over 200 meters each and can therefore reduce seams on tracks, to improve ride comfort and reduce vibration and noise. At present, long rails are installed on 98% of the sections of the Hanshin Main Line where long rails are installable and for 95% of all lines.



Priority Issue 6  
Robust Governance



Policy

Act honestly and in good faith, as stakeholders expect us to do.

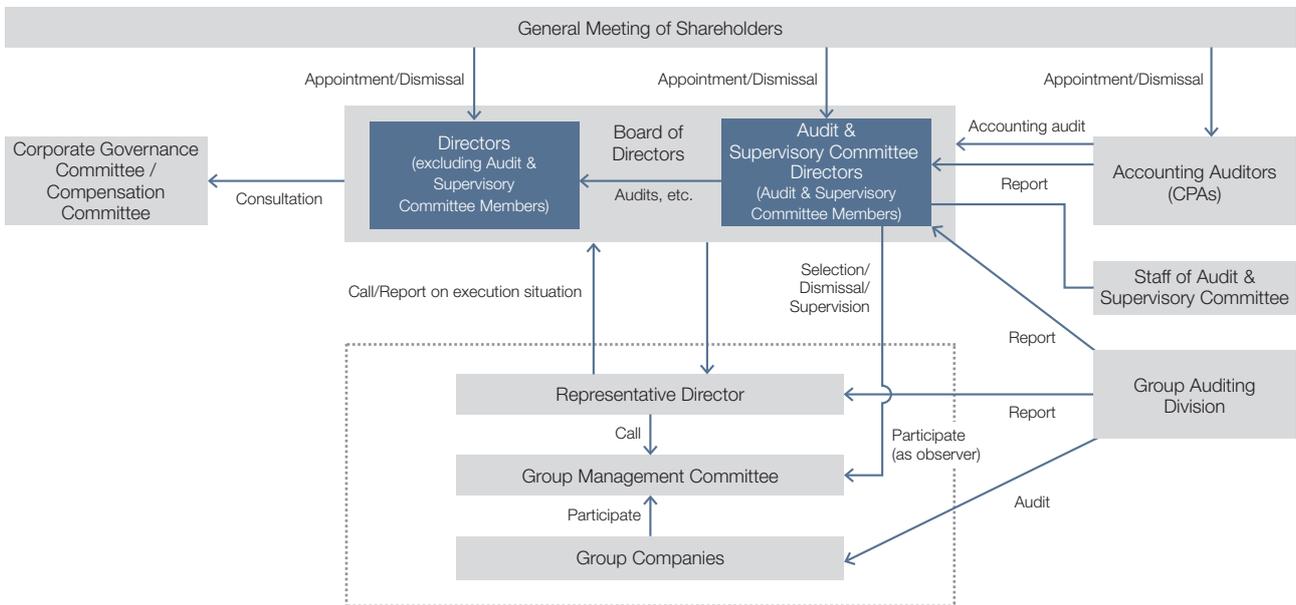
Basic Approach

The Company aims to remain a company that customers and other stakeholders trust. To this end, the Company is strengthening and increasing corporate governance by heightening the transparency and soundness of business management, complying with relevant laws and regulations, and ensuring appropriate, timely disclosure.

Reflecting this basic approach, the Company has established the policies below with a view to adhering to the principles of our Corporate Governance Code, sustaining growth, and enhancing corporate value over the medium to long term.

- (1) We shall respect shareholders' rights and ensure equality.
- (2) We shall take into consideration the interests of shareholders and other stakeholders and cooperate with them appropriately.
- (3) We shall disclose corporate information appropriately and ensure transparency.
- (4) We shall ensure that the Board of Directors performs its roles and duties appropriately and ensure advanced oversight and decision making.
- (5) We shall have constructive dialogue with shareholders with a view to sustaining our growth and enhancing corporate value over the medium to long term.

Corporate governance system



\*The Hankyu Hanshin Holdings Group takes practical steps to enact all of the principles stipulated in the Corporate Governance Code. For examples of specific action and other items relating to corporate governance, please refer to the Corporate Governance Report in the sustainability section of the group's website.



## Governance structure

### Overview of Hankyu Hanshin Holdings' and the Group's corporate governance structure

Hankyu Hanshin Holdings (the Company), is a pure holding company, and the conduct of operations is basically the responsibility of Group member companies. Hankyu Hanshin Holdings' principal role is supervision and oversight of the entire Group—meaning that these functions are separate from the conduct of Group businesses.

Through this system, the Company realizes supervision and oversight and enhances the overall governance of the Group by: retaining the authority to approve the Company's and the Group's management policies and strategies, and the medium-term or annual management plans of all core businesses; requiring timely submission of progress reports by operating companies; and having Group companies obtain approval from Hankyu Hanshin Holdings before taking actions that affect the Group's management significantly (for example, investments above a certain threshold).

With regard to the above matters, the Board of Directors, which includes outside directors, makes approval decisions and receives reports. Moreover, to undertake preliminary reviews the Company has established a Group Management Committee, which includes representatives of the Group's core businesses.

Further, to ensure transparency in the appointment and dismissal of the Company's directors and to facilitate coordination with outside directors, the Group has established the Corporate Governance Committee, which comprises standing Audit & Supervisory Committee members, and outside directors who are independent of the Company, and representative directors. Moreover, to ensure that concrete decisions regarding the amount of director compensation (excluding that of members of the Audit & Supervisory Board) under the responsibility of the Board of Directors, are made based on objective and transparent procedures, the Company has established a Compensation Committee comprising the chairman (or the president, in the chairman's absence or unavailability) and outside directors who are independent of the Company.

In addition, as part of efforts to strengthen its overall capabilities, the Company is strengthening the governance of funding. Measures include centralizing funding under the Company and distributing funds to operating companies within the limits set out in business plans that the Company has approved.

### Timeline of initiatives for more effective and transparent corporate governance

FY2016	<p><b>Corporate Governance Committee established</b></p> <ul style="list-style-type: none"> <li>· Charged with ensuring transparency of corporate director appointments and dismissals and facilitating coordination with outside officers. Committee meets twice a year, and comprises the representative directors, standing auditors (currently standing Audit &amp; Supervisory Board members), and outside officers.</li> </ul>
FY2017	<p><b>Evaluation of the Board of Directors' effectiveness</b></p> <ul style="list-style-type: none"> <li>· A survey was carried out to assess the management by the Board of Directors, including the sufficiency of its explanations and the appropriateness of its handling of its proceedings. Starting in fiscal 2020, interviews are preceded by questionnaires for more effective assessment.</li> </ul>
FY2018	<p><b>Abolition of senior advisors system</b></p>
FY2019	<p><b>Abolition of anti-takeover measures Compensation Committee established</b></p> <ul style="list-style-type: none"> <li>· Charged with ensuring that the objectivity and transparency of procedures relating to decisions regarding board members' remuneration, including amounts. Committee meets once a year, and comprises the chairman and outside officers.</li> </ul>
FY2020	<p><b>Review of compensation system</b></p> <ul style="list-style-type: none"> <li>· Stock-based, performance-linked stock compensation system (paid into trust) introduced for the chairman and president in order to further motivate them to enhance the Company's corporate value and business performance, as well as to enhance shareholder value.</li> </ul>
FY2021	<p><b>Change in legal status regarding audit function (June 17)</b></p> <ul style="list-style-type: none"> <li>· Became a "Company with an Audit &amp; Supervisory Committee" as part of efforts to bolster the Board of Directors' oversight function and enhance corporate governance.</li> <li>· Upon that change, the number of company officers was reduced to 11 and the number of independent directors was made five (including two women) in order to increase the proportion of independent officers.</li> </ul>



## More effective and transparent corporate governance

### Management organization for decision making, execution, and oversight of matters related to company management

#### Board of Directors and directors

The Board of Directors enhances governance of the entire Group and oversight of respective companies by: retaining the authority to approve decisions regarding the Company and the Group's management policies and strategies, and the medium-term or annual management plans of all core businesses; and requiring timely reporting by operating companies about Group companies' significant investments.

In order to reinforce governance and oversight capabilities and boost decision-making quality, the Board of Directors is composed of 11 directors, five of whom are independent directors, including two women. Moreover, the 11 directors include all three members of the Audit and Supervisory Committee.<sup>\*1,2</sup>

The Company's compensation system for directors (excluding Audit and Supervisory Committee members) further motivates them to enhance the Company's corporate value and business performance, as well as to enhance shareholder value. Compensation comprises two elements: basic monetary compensation paid according to position and stock-based, performance-linked stock compensation paid in trust to individuals in the posts of chairman and president.

#### Membership of the Board of Directors, etc.

Maximum number of directors stipulated in articles of incorporation	No upper limit stipulated.
Term of office stipulated in articles of incorporation	1 year (2 years in the case of Audit and Supervisory Committee members)
Chairman of the board	Chairman
Number of directors	11
Appointment of outside directors	Appointed.
Number of outside directors	5
Among outside directors, number of independent directors	5

1. Quorum of directors: The Company's articles of incorporation stipulate that a quorum shall be reached with at least four directors and at least three Audit and Supervisory Committee members.

2. Criteria for appointment of directors: Criteria for appointment of directors are stipulated in the Company's articles of incorporation as follows:

(1) Directors shall be appointed at shareholders' meetings into two distinct categories: Audit and Supervisory Committee members and others. (2) Resolutions on the appointment of directors shall be passed with a majority of voting rights held by shareholders in attendance, provided that those in attendance constitute no less than one third of all shareholders with voting rights. (3) Resolutions on the appointment of directors shall not be conducted by cumulative vote.

#### Audit & Supervisory Committee and its members

Of the Audit & Supervisory Committee's three members, two are independent directors. By selecting committee members who are independent from the Company and have a high level of specialist expertise, the Company endeavors to further ensure sound decision making. We provide full backup to enable the Audit & Supervisory Board members to perform their governance and oversight functions, for example by involving them in the Group Management Committee and other meetings within the Group.

#### Membership of the Audit & Supervisory Committee

	Audit & Supervisory Committee
Total committee members	3
Full-time committee members	1
Internal directors	1
Outside directors	2
Committee chairperson	The internal director
Directors and employees assigned to aid the duties of Audit & Supervisory Committee members	Staff assigned exclusively to this position

#### Corporate Governance Committee

To ensure transparency in the appointment and dismissal of directors and coordination with outside officers, a Corporate Governance Committee has been established, made up of three representative directors, one full-time Audit & Supervisory Committee member, and five independent directors.

In addition to selecting director candidates and providing advice relating to the dismissal of directors (excluding Audit & Supervisory Committee members), the Corporate Governance Committee serves as a forum to provide information in such areas as the Group's finances to outside officers.

#### Compensation Committee

To ensure that concrete decisions regarding the amount of compensation paid to directors (excluding Audit & Supervisory Committee members), which are the responsibility of the Board of Directors, are made based on objective and transparent procedures, the Company has established a Compensation Committee comprising the chairman and five independent directors.

The committee provides advice relating to the Company's compensation system and its content.

#### Group Management Committee

The members of the Group Management Committee include full-time directors and executive officers of the Company, and representatives of each of the Group's core businesses. The committee meets to deliberate and decide on the approval of resolutions of the Board of Directors; the Group's management strategies and business plans; Group companies' significant investments; and significant Group management matters.

#### Ensuring effectiveness of the Board of Directors and the Board of Company Auditors

##### Attendance at meetings of the Board of Directors and the Board of Company Auditors

##### Outside Directors

Name	Attendance at meetings of the Board of Directors
Noriyuki Inoue	Attended 8 of 10 meetings
Shosuke Mori	Attended all 10 meetings
Noriko Endo	Attended all 8 meetings



## Outside Auditors

Name	Attendance at meetings of the Board of Directors	Attendance at meetings of the Board of Company Auditors
Haruo Sakaguchi	Attended all 10 meetings	Attended all 11 meetings
Junzo Ishii	Attended 9 of 10 meetings	Attended 10 of 11 meetings
Michiari Komiyama	Attended all 10 meetings	Attended all 11 meetings

\*Fiscal 2020 meetings were technically meetings of the Board of Company Auditors as the company was categorized at that time as a Company with Board of Company Auditors under law.

### ● Evaluation of the Board of Directors' effectiveness

The Company conducts evaluations of the board's effectiveness at the board meeting held in April every year.

A summary of the process, items, and results of an evaluation of the effectiveness of the Board of Directors conducted in fiscal 2020 is as shown below.

#### 1. Evaluation process

In fiscal 2020, the board's effectiveness was evaluated by conducting a questionnaire survey regarding the adequacy of the board's composition and operations, followed by interviews with board members based on the questionnaire's results.

#### 2. Evaluation items

As a result of the questionnaire and interviews, the board's composition and operations in fiscal 2020 were deemed to be adequate, and the evaluation concluded that the board was effective and generally administered appropriately.

Conversely, it was suggested that the board's deliberations on the Medium-Term Management Plan and other matters tabled at board meetings could be more energetic.

## Reasons for adoption of current corporate governance system

As described in the Overview of Hankyu Hanshin Holdings' and the Group's Corporate Governance Structure on page 57, Hankyu Hanshin Holdings (the Company) is a pure holding company, and the conduct of operations is basically the responsibility of Group member companies. Hankyu Hanshin Holdings' principal role is supervision and oversight of the entire Group—meaning that these functions are separate from the conduct of Group businesses.

In addition to this, the Company shifted to an Audit & Supervisory Committee set-up in order to reinforce that corporate governance structure and further enhance corporate value. The shift was approved by a resolution at the 182nd annual General Meeting of Shareholders on June 17, 2020.

## Compensation system

### ■ Compensation of directors

#### ● Policy

The Company's compensation system for directors (excluding Audit & Supervisory Committee members) further motivates them to enhance the Company's corporate value and business performance, as well as to enhance shareholder value. Compensation comprises two elements: basic monetary compensation paid according to position and stock-based, performance-linked stock compensation paid in trust to individuals in the posts of chairman and president.

\*The group's stock-based, performance-linked stock compensation system includes a malus clause, under which rights to receive stock-based compensation may be withheld from any person eligible for this system who commits an egregious breach of duty prior to finalization of such rights, or if any other grounds for withholding such rights arise.

\*The payment of retirement benefits to directors was discontinued in April 2004 to heighten transparency of the compensation system.

#### ● Procedure

Based on the foregoing policies, to ensure that concrete decisions regarding the amount of director compensation, which are the responsibility of the Board of Directors, are made based on objective and transparent procedures, the Company has established a Compensation Committee comprising the chairman (or the president, in the chairman's absence or unavailability) and five independent directors. The Board of Directors makes compensation decisions after consultation with the Compensation Committee concerning the compensation system and content of compensation.

## Other efforts to strengthen governance

### ● Position regarding strategic shareholdings

The Company acquires shares held for strategic reasons with a view to building relationships of trust with various stakeholders and enhancing corporate value over the medium to long term by maintaining business relationships or strengthening collaborations with partner companies and maintaining relationships with regional communities.

Individual strategic shareholdings are reviewed for appropriateness each year by the Board of Directors, taking into account economic rationales such as dividend income. Where a given holding is deemed no longer appropriate, it is sold progressively, with comprehensive consideration of factors such as the Company's financial circumstances and the influence of stock sales on market conditions.

### ● Abolition of anti-takeover measures

After considering recent trends related to such measures and changes in the business environment, the Company has decided to abolish anti-takeover measures that have already been set to expire at the conclusion of the General Meeting of Shareholders held in June 2018.



## Internal control system

### ■ Basic approach to internal control system and the progress of system development

Recognizing the importance of ensuring that the business operations of the Company are conducted in an appropriate manner, we believe it is vital to have an internal control system for the entire Group, and to revise it when deemed necessary.

In particular, the Group has a robust structure for compliance-focused management, including a dedicated compliance office, a Compliance Manual, and compliance training, all aimed at raising awareness of compliance issues throughout the entire Group.

As part of our whistleblower system, we have a Corporate Ethics Consultation Desk for quickly bringing to our attention any incident that may threaten our compliance-focused management. If a serious incident occurs, we promptly set up a risk management committee to determine how to respond.

We also have a Group Auditing Division, which has its own dedicated staff and operates under the direct control of the president. This division establishes regulations and conducts internal audits of Hankyu Hanshin Holdings and its Group companies.

To create a structure for ensuring appropriate operations, the Group vests auditors of each Group company with authority not only in accounting but also in operational audits, and at the same time provides guidance to smaller Group companies on Board of Directors' resolutions for the creation of an internal control system.

With regard to systems for "Evaluation and Auditing of Internal Controls over Financial Reports," a section of the Financial Instruments and Exchange Act, the Company responds appropriately by carrying out management evaluations on a consolidated basis, in line with in-house rules.

### ■ Basic approach to eliminating anti-social forces and the progress of its development

We have a clear policy of thorough rejection of any involvement with organized crime groups, companies connected with organized crime groups, *sokaiya* racketeers, or other "antisocial forces" that threaten the order and safety of civic society, and firm refusal of their unreasonable demands.

To ensure full awareness of this policy throughout the entire Group, it is instituted in the Basic Policy on the Establishment of the Internal Control System and clearly set forth in the Hankyu Hanshin Holdings Group Compliance Handbook distributed to all Group directors and employees.

In practice, we cooperate closely with lawyers, police, and other organizations, and all Hankyu Hanshin Holdings Group contracts contain clauses banning involvement with antisocial forces.

We also share relevant information between Group companies, maintain high awareness of issues through employee training, and participate proactively in community meetings and activities pertaining to the elimination of organized crime and other antisocial forces.

If an incident occurs, we take a pan-organization approach in response, bringing in the relevant in-house departments and teaming up with outside experts.

## Corruption prevention and compliance

We at the Hankyu Hanshin Holdings Group are constantly striving to live up to the stakeholders' expectations and become a good, trustworthy organization. Our strong focus on compliance is one of the pillars underpinning our efforts in this area.

### ■ Organizational initiatives for better compliance

We have established a dedicated compliance office in the Personnel and General Affairs Division to help bolster compliance groupwide by pursuing three main initiatives as set forth below.

Moreover, the Board of Directors conducts periodic reviews to monitor compliance with the Code of Conduct, mainly involving questionnaire surveys of employees.

#### 1. Compliance Handbook

The Compliance Handbook makes clear to all the Group's directors and employees that violations of law or social norms, or actions that betray customer trust, are prohibited, and provides handy examples of likely scenarios. In this way, the manual is part of our effort to raise awareness of the importance of compliance.

#### Compliance Handbook Content

##### Hankyu Hanshin Holdings Group Management Philosophy Mission, Values, and Code of Conduct

##### Compliance in the service of customers

- Customer safety first
- Sincere dealings with customers
- Strict rule compliance
- Appropriate handling of personal data
- Appropriate disclosure
- Prudent, socially responsible behavior
- Appropriate use of social media

##### Compliance in the service of vendors

- Sincere dealings
- Appropriate handling of intellectual property
- Prohibition of involvement with anti-social forces
- Prohibition of bribes and excessive entertainment

##### Compliance in the service of shareholders

- Prohibition of improper accounting procedures
- Prohibition of insider transactions

##### Compliance as a social entity

- Efforts to solve environmental problems
- Efforts to contribute to society
- Respect for human rights

##### Compliance in the workplace

- Creation of appropriate work environments
- Distinction between public and private
- Respect for decision-making procedures

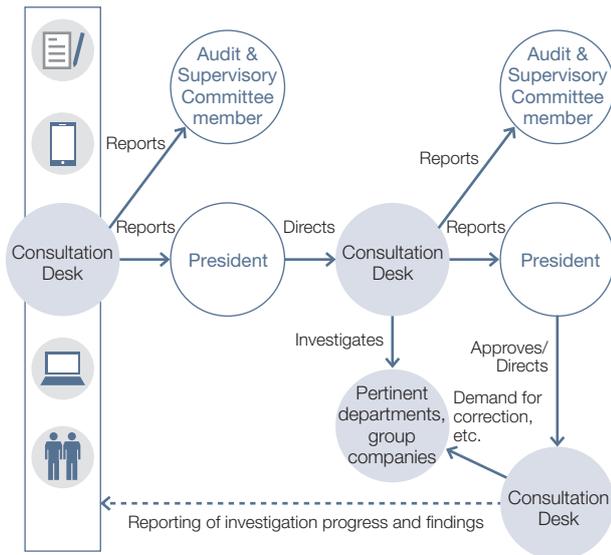


## 2. Corporate Ethics Consultation Desk (Internal whistle-blower procedures)

The Corporate Ethics Consultation Desk comprises an in-house section and an external section, which is staffed by outside lawyers. It enables all Hankyu Hanshin Holdings Group officers and employees, as well as the group’s business partners, to report—anonously—behavior that violates (or may violate) laws or regulations, or is otherwise unethical.

Sixty-two reports were received in fiscal 2020 from throughout the whole Group.

### Corporate Ethics Consultation Desk



### 3. Other initiatives

In the case of identification of a major compliance issue during the course of an ethics consultation, a risk management committee is convened as soon as possible to discuss and decide on appropriate responses.

In addition, we are setting up compliance promotion offices at major Group companies and appointing “compliance leaders” at other companies to ensure our response is on a Group-wide basis.

### Overview of group compliance



## Raising awareness among all directors and employees

We seek to raise awareness among all Group directors and employees regarding compliance issues through a variety of training activities and communication as described below.

### 1. Training

- New recruit training, training upon promotion
- Training upon first appointment to director or auditor position at a Group affiliate
- Collective training for Group companies’ compliance officers
- On-site training at Group companies

### 2. Communication

- Compliance-related serials in Group magazines
- Compliance-related e-mail newsletter featuring case studies and updates regarding laws and regulations
- Compliance-related information posted on the Group intranet

## Risk management structure

We have established a risk management structure to help maintain the health of the Group’s management by preventing risks from becoming reality, and at minimizing the damage if they do.

Annual assessments are performed for all of the Group’s companies to identify potential risks relating to natural disasters, public health incidents, accidents, legal compliance, and organizational operation, and to institute appropriate responses to different scenarios in order to ensure business continuity in any contingency.

To manage risk across the whole group, we have a dedicated risk management office focused on broader, pan-organizational issues, while individual departments and group companies conduct planning and analysis regarding potential issues within their own domains. This set-up is designed to enable the correct dissemination of information if an unforeseen incident occurs.

If a serious risk situation materializes, a Crisis Response Team, headed by the president, is formed to contain the damage spreading and minimize the fallout.

These principles and actions are prescribed in our Risk Management Regulations, and a report on risk analyses and responses is, in principle, tabled for the annual general meeting of shareholders every July.



## Reflecting stakeholder sentiment in operations

At the Hankyu Hanshin Holdings Group, we believe that the views of our stakeholders—including customers, local communities, shareholders, trading partners, and employees—have an important place in our business operations.

### ● Shareholder and investor relations

We have adopted a variety of initiatives to make shareholder meetings more rigorous and make it easier for shareholders to exercise their voting rights. These include timing meetings to avoid scheduling clashes with other companies, using online voting platforms, and improving the voting experience for institutional investors.

Moreover, we engage with investors in a variety of ways, including briefings—attended by the president—for analysts and institutional investors regarding the mid-year and year-end results, and dedicated investor relations staff in the Group Planning Division to respond to investors' inquiries. The feedback we get from investors is shared in-house and reflected in business management.

### ● Respecting stakeholders' positions

Realizing our mission to create satisfaction among our customers and contribute to society by delivering safety, comfort, dreams, and excitement involves the ongoing pursuit of sustained growth underpinned by an active commitment to ESG.

In May 2020, we launched the Hankyu Hanshin Holdings Group Sustainability Declaration (see page 4), a clear indication of how we intend to contribute to more sustainable use of resources across society. The declaration sets forth our determination to ramp up ESG initiatives, to further solidify the relationship of trust we enjoy with customers, local communities, shareholders, trading partners, employees, and other stakeholders, and to use the Hankyu Hanshin Holdings Group's businesses as a vehicle for overcoming the challenges we all face as a society.

Our social contribution activities, such as environmental and community action, have benefited from the institution of a clear Group policy and the establishment of a dedicated department within the Personnel and General Affairs Division, and our efforts in this area are guided by the Sustainability Declaration.

See the Hankyu Hanshin Holdings website for details.

### ● Acting on feedback from customers

We value feedback from customers, which we receive in via multiple channels, including our Listening Center and forums for dialogue with residents' groups from communities along our railway routes. This structure is designed so that customer feedback is routinely shared in-house and reflected in our business.

The Hankyu Railway's incorporates its Transit Information Center and the Listening Center into its framework for collecting and acting on customer feedback.

For its part, the Hanshin Electric Railway seeks to act on feedback collected by its public relations office and at its various facilities, as well as through its website and the efforts of its communications staff.

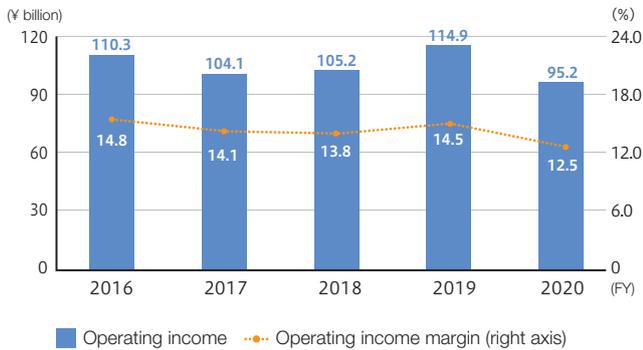
Opinions, questions, and other feedback is routed to the pertinent department, which investigates and responds as appropriate, and the case is subsequently used in our quest for ongoing improvement in our businesses.

### ● Acting on feedback from experts

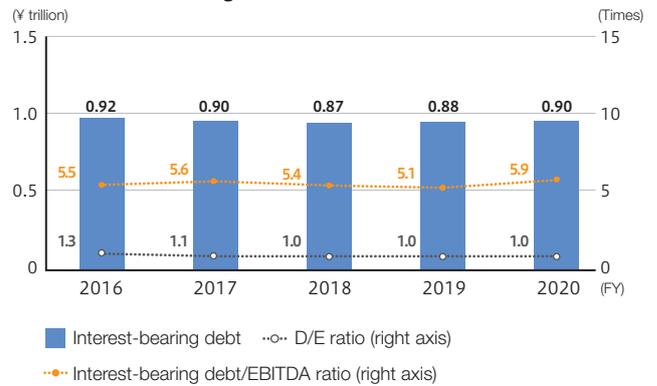
The priority issues relating to sustainable business practices set forth in the Materiality Matrix (see page 5) reflect the diverse views provided by a broad variety of experts, including professors, civic groups, and investors (see page 9).

# Data Sheet

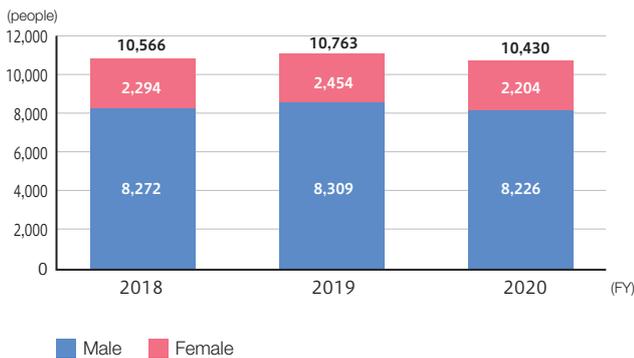
## Operating income and operating income margin



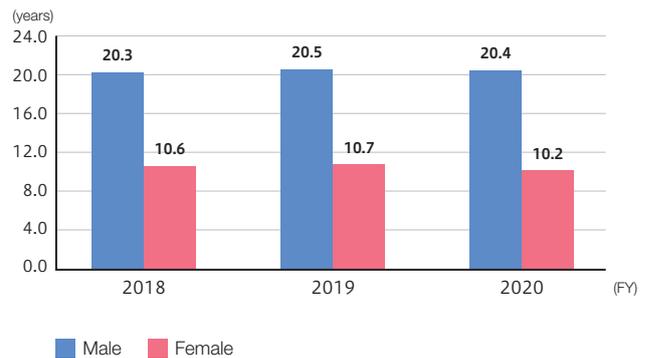
## Interest-bearing debt, D/E ratio, and interest-bearing debt/EBITDA ratio



## Employees (Hankyu Hanshin Holdings and the six core companies\*)

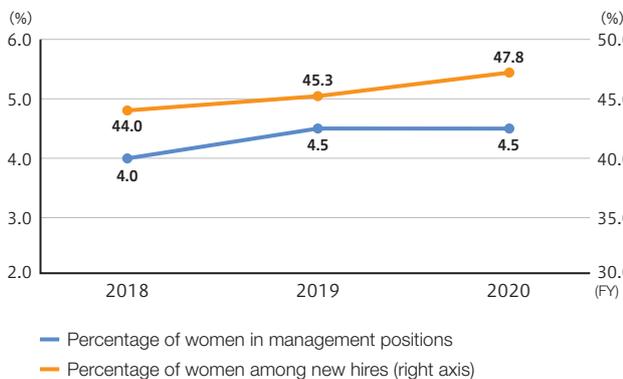


## Average years of service (Hankyu Hanshin Holdings and the six core companies\*)

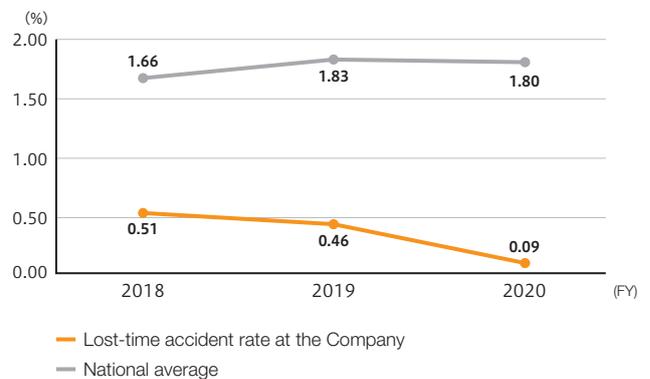


\*Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Hankyu Hanshin Properties Corp., Hankyu Travel International Co., Ltd., Hankyu Hanshin Express Co., Ltd. and Hankyu Hanshin Hotels Co., Ltd.

## Percentage of women in management positions and percentage of women among new hires (Hankyu Hanshin Holdings and the six core companies\*)

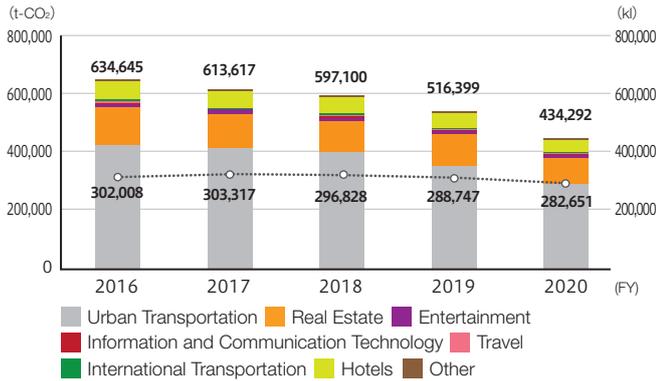


## Lost-time accident rate (Hankyu Hanshin Holdings, Hankyu Corporation, and Hanshin Electric Railway)



The Company and six core companies have formulated an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace. We not only have continued to actively hire women but also have provided opportunities for them to have diverse career experiences. By improving measures to support employees' work-life balance, we are striving to create an environment where employees can play an active role regardless of gender.

## CO<sub>2</sub> emissions volumes and energy consumption on crude-oil-conversion basis

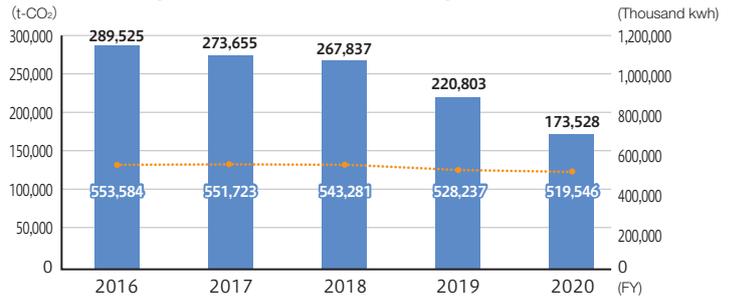


Urban Transportation Real Estate Entertainment  
Information and Communication Technology Travel  
International Transportation Hotels Other

○●● Energy consumption on crude-oil-conversion basis (right axis)

In fiscal 2020, CO<sub>2</sub> emissions were down 16% year on year, to 434,292 t-CO<sub>2</sub>. Furthermore, energy consumption on a crude-oil-conversion basis decreased as a result of efforts by the Group companies to reduce energy consumption. These efforts include the introduction of LED lighting at railway stations, commercial facilities, hotels and other facilities as well as the introduction of an increased number of new rolling stock with better energy efficiency.

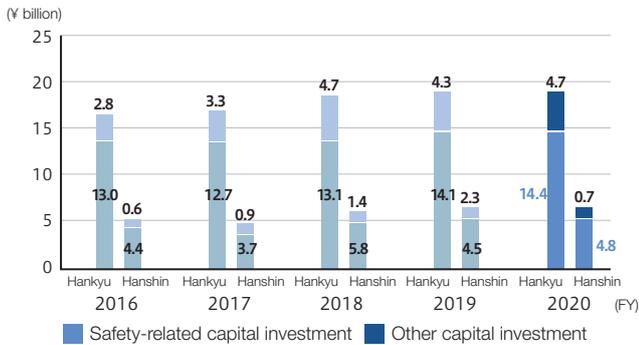
## CO<sub>2</sub> emissions volumes and railway energy consumption of Hankyu's and Hanshin's railways



○●● Energy consumption (right axis)

In fiscal 2020, CO<sub>2</sub> emissions relating to energy consumption in the railway business of Hankyu Corporation and Hanshin Electric Railway were down 21% year on year, to 173,528 t-CO<sub>2</sub>. Furthermore, electric power consumption decreased as a result of efforts to reduce energy consumption, including the introduction of LED lighting at railway stations and the introduction of an increased number of new rolling stock with better energy efficiency.

## Capital investment in railway operations

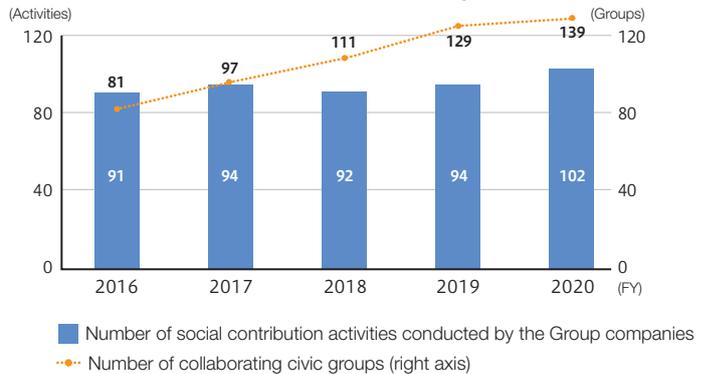


■ Safety-related capital investment ■ Other capital investment

Note: The total length of lines operated is 143.6 km for Hankyu Corporation and 48.9 km for Hanshin Electric Railway.

As a railway operator, the Group provides a form of public infrastructure. We therefore make giving priority to the safety of our customers a fundamental policy of management and conduct ongoing safety-related capital investments in our railway operations accordingly. In fiscal 2020, such investments totaled ¥14.4 billion at Hankyu Corporation and ¥4.8 billion at Hanshin Electric Railway. These investments were primarily used for the renewal and renovation of trains, as well as track elevation, seismic reinforcement of elevated tracks, and construction to further improve our stations.

## Social contribution activities: Hankyu Hanshin Dreams and Communities of the Future Project

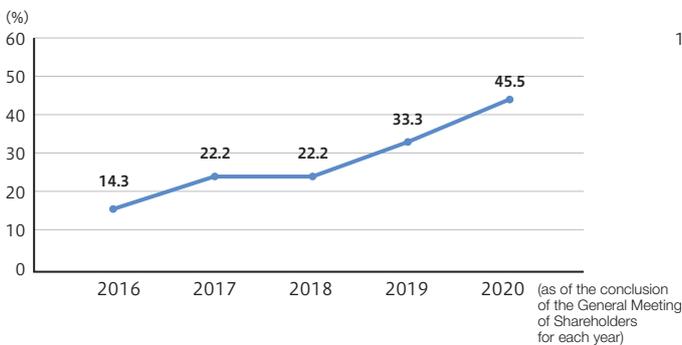


■ Number of social contribution activities conducted by the Group companies

○●● Number of collaborating civic groups (right axis)

In accordance with the basic policy of creating towns and cities that people will truly want to live in, the Group companies are engaged in roughly 100 social contribution activities every year to realize the policy. As a partner to make better communities, the Group companies also support civic groups in their railway line-side areas, in terms of financing and advertisement, and make joint efforts with the civic groups. A survey conducted in fiscal 2020 targeting line-side cities and towns found the more that customers recognize our projects and "SDGs trains," the more they have a positive image of our Group and a desire to live in our line-side areas.

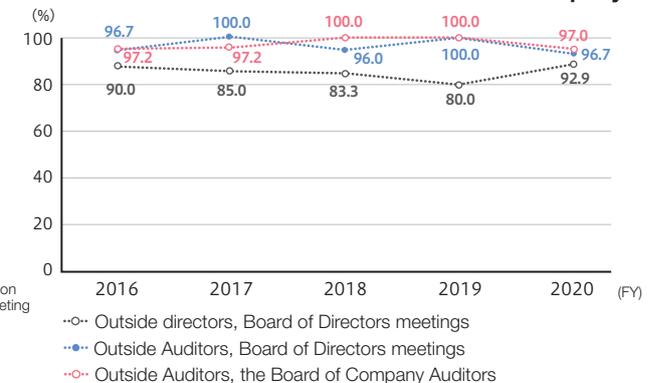
## Percentage of outside directors



Note: As a result of approval at the General Meeting of Shareholders held in June 2020, the Company became a company with an audit and supervisory committee.

In order to strengthen its supervision and oversight and improve the quality of its decision making, the Company has appointed 11 directors, of which 5 are independent directors (including 2 females), bringing the percentage of outside directors to 45.5%.

## Rate of attendance of outside officers at meetings of the Board of Directors and the Board of Company Auditors



○●● Outside directors, Board of Directors meetings

●●● Outside Auditors, Board of Directors meetings

○●● Outside Auditors, the Board of Company Auditors

Note: Until fiscal 2020, the Company was regarded as a company with a Board of Company Auditors.

With the approval obtained at the Ordinary General Meeting of Shareholders held in June 2020, Hankyu Hanshin Holdings became a company with an audit and supervisory committee. The office of the Board of Directors assists outside directors and the office of the Audit & Supervisory Committee assists outside directors who are Audit & Supervisory Committee members; in particular, the office of the Audit & Supervisory Committee is staffed with exclusive staff who provide information and liaise with relevant in-house departments. Moreover, the Corporate Governance Committee mainly provides information about the group's businesses, finances, and organization, and the office of the Board of Directors sends out materials relating to motions to be tabled at board meetings around seven days before the meeting date, in principle.

# Corporate Data

## ① Major Group Companies (as of September 30, 2020)

### ■ Consolidated subsidiaries

#### ● Urban Transportation

	Name of company
Railway operations	Hankyu Corporation Hanshin Electric Railway Co., Ltd. Nose Electric Railway Co., Ltd. Kita-Osaka Kyuko Railway Co., Ltd. Kobe Rapid Transit Railway Co., Ltd.
Automobile	Hankyu Bus Co., Ltd. Hanshin Bus Co., Ltd. Hankyu Taxi Inc. Hanshin Taxi Co., Ltd.
Retailing	Hankyu Corporation Eki Retail Service Hankyu Hanshin Co., Ltd. Hankyu Style Labels Co., Ltd.
Other	Alna Sharyo Co., Ltd. Hankyu Sekkei Consultant Hanshin Station Net Co., Ltd.

#### ● Real Estate

	Name of company
Real estate leasing	Hankyu Corporation Hanshin Electric Railway Co., Ltd. Hankyu Hanshin Properties Corp.
Real estate sales and other business	Hankyu Corporation Hanshin Electric Railway Co., Ltd. Hankyu Hanshin Properties Corp. Hankyu Hanshin Building Management Co., Ltd. Hankyu Hanshin High Security Service Co., Ltd. Hankyu Hanshin Clean Service Co., Ltd. Hankyu Hanshin REIT Asset Management, Inc. Hankyu Hanshin Housing Support Ltd.

#### ● Entertainment

	Name of company
Sports	Hanshin Electric Railway Co., Ltd. Hanshin Tigers Baseball Club, Ltd. Hanshin Contents Link Corporation
Stage	Hankyu Corporation Takarazuka Creative Arts Co., Ltd. Umeda Arts Theater Co., Ltd.

#### ● Information and Communication Technology

	Name of company
Information and Communication Technology	Itec Hankyu Hanshin Co., Ltd. Bay Communications Inc.

#### ● Travel

	Name of company
Travel	Hankyu Travel International Co., Ltd. Hankyu Travel Support Co., Ltd.

#### ● International Transportation

	Name of company
International Transportation	Hankyu Hanshin Express Co., Ltd. Hankyu Hanshin Logipartners Co., Ltd. HHE (USA) INC. HHE (Deutschland) GmbH HHE (HK) Limited HHE Southeast Asia Pte. Ltd.
	HHE: Hankyu Hanshin Express

#### ● Hotels

	Name of company
Hotels	Hankyu Hanshin Hotels Co., Ltd. Hanshin Hotel Systems Co., Ltd. Arima View Hotel Co., Ltd.

#### ● Other

	Name of company
Construction	Hanshin Kensetsu Co., Ltd. Chuo Densetsu Co., Ltd.
Advertising	hankyu hanshin marketing solutions Inc.
Outsourcing services for personnel and accounting services	Hankyu Hanshin Business Associate Co., Ltd.
Credit and point card	Hankyu Hanshin Card Co., Ltd.
Group finance	Hankyu Hanshin Financial Support Co., Ltd.

### ■ Equity-method affiliates

Main business	Name of company
Department store	H <sub>2</sub> O RETAILING CORPORATION (Securities code: 8242)
Railway operations	Nishi-Osaka Railway Co., Ltd. Kobe Electric Railway Co., Ltd. (Securities code: 9046)
Motion picture business	TOHO CO., LTD. (Securities code: 9602)
Real estate leasing	TOKYO RAKUTENCHI CO., LTD. (Securities code: 8842)
Commercial broadcasting	Kansai Television Co., Ltd.

## 2 Company Overview (as of March 31, 2020)

### Hankyu Hanshin Holdings, Inc.

#### Head Office

1-16-1, Shibata, Kita-ku, Osaka 530-0012, Japan  
Phone: +81-6-6373-5086 (Corporate Sustainability Department,  
Personnel and General Affairs Division)

#### Tokyo Office (Personnel and General Affairs Division)

17F Toho Hibiya Bldg. 1-2-2, Yurakucho, Chiyoda-ku,  
Tokyo 100-0006, Japan  
Phone: +81-3-3503-1568 Fax: +81-3-3508-0249

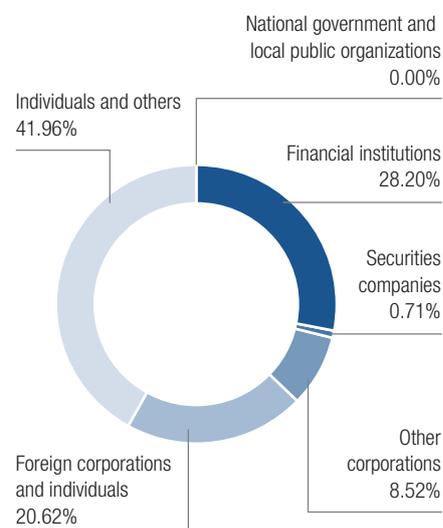
<b>Paid-in Capital</b>	¥99,474 million
<b>Fiscal Year-End</b>	March 31
<b>Number of Employees</b>	22,800 (consolidated)
<b>Authorized Shares</b>	640,000,000
<b>Issued Shares</b>	254,281,385
<b>Number of Shareholders</b>	76,471
<b>Unit of Trading</b>	100 shares
<b>Stock Exchange Listing</b>	Tokyo
<b>Transfer Agent</b>	Mitsubishi UFJ Trust and Banking Corporation

## 3 Investor Information (as of March 31, 2020)

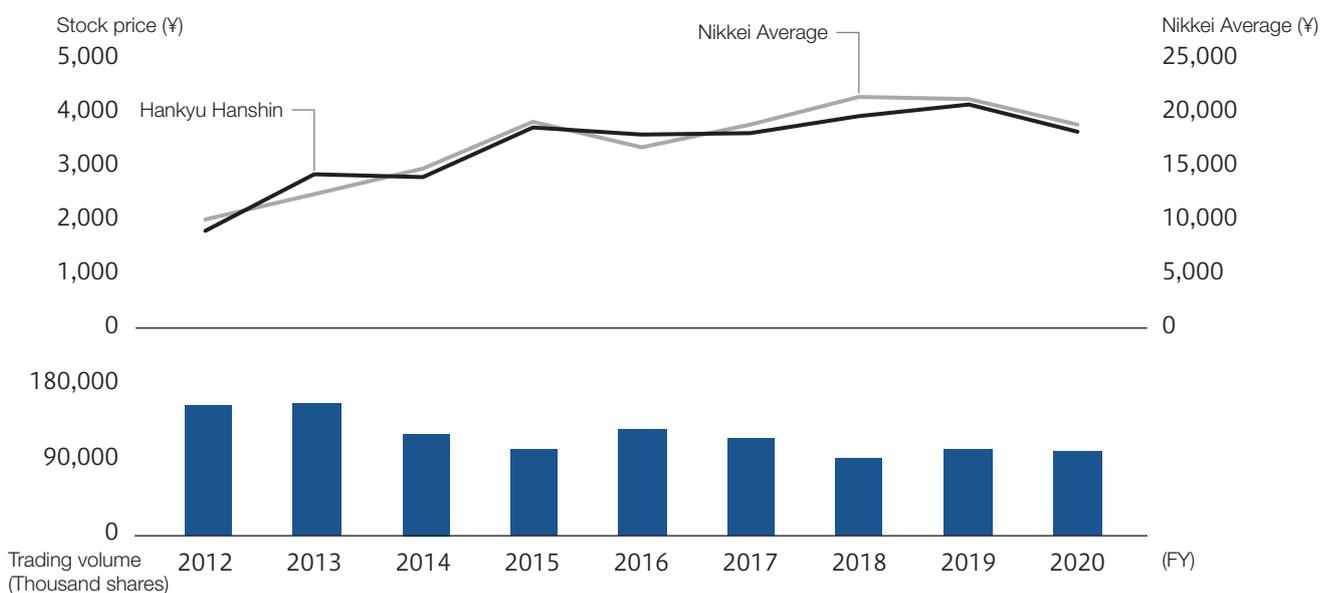
### Principal shareholders

Name	Number of shares (Thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	15,230	6.25
Japan Trustee Services Bank, Ltd. (Trust account)	12,130	4.98
Nippon Life Insurance Company (Standing Proxy: The Master Trust Bank of Japan, Ltd.)	5,224	2.14
Japan Trustee Services Bank, Ltd. (Trust account 5)	5,142	2.11
H <sub>2</sub> O RETAILING CORPORATION	4,207	1.73
STATE STREET BANK WEST CLIENT-TREATY 505234 (Standing Proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	3,985	1.63
Japan Trustee Services Bank, Ltd. (Trust account 7)	3,911	1.60
JPMorgan Chase Bank 385151 (Standing Proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	3,836	1.57
Sumitomo Mitsui Banking Corporation	3,581	1.47
Government of Norway	3,172	1.30

### Ownership breakdown



### Stock price and annual trading volume (Tokyo Stock Exchange)



Notes: 1 The stock prices are as of March 31 of each year. The trading volumes are for years ended March 31.

2 The data takes into account the reverse stock split and the change of trading unit conducted with an effective date of August 1, 2016.

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## **Hankyu Hanshin Holdings, Inc.**

Corporate Sustainability Department, Personnel and General Affairs Division

1-16-1, Shibata, Kita-ku, Osaka 530-0012, Japan

Phone: +81-6-6373-5086

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

**Hankyu Hanshin Toho Group**

January 2021