

Hankyu Hanshin Holdings Group Results Briefing Materials for Financial Results for the First Half of Fiscal 2023 (Ended March 2023)

November 11, 2022

Hankyu Hanshin Holdings, Inc.

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

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Separate Document: Reference Data

(1) Long-Term Vision, Medium-Term Plan

(Reproduced from Results Briefing Materials for Financial Results for Fiscal 2022 (Ended March 2022) and Materials for Long-Term Vision released in May 2022※)

※ With some information updated

(2) Progress in Each Project

(3) Sustainable Management

(4) Other

The information is also available on our corporate website:

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

Business forecasts and other projections herein are based on information available at present and logical assessments and do not represent any promise by the Company. The actual results may differ significantly from these projections due to various factors.

I . Executive Summary

II . Performance Highlights for the First Half of Fiscal 2023 (Ending March 2023)

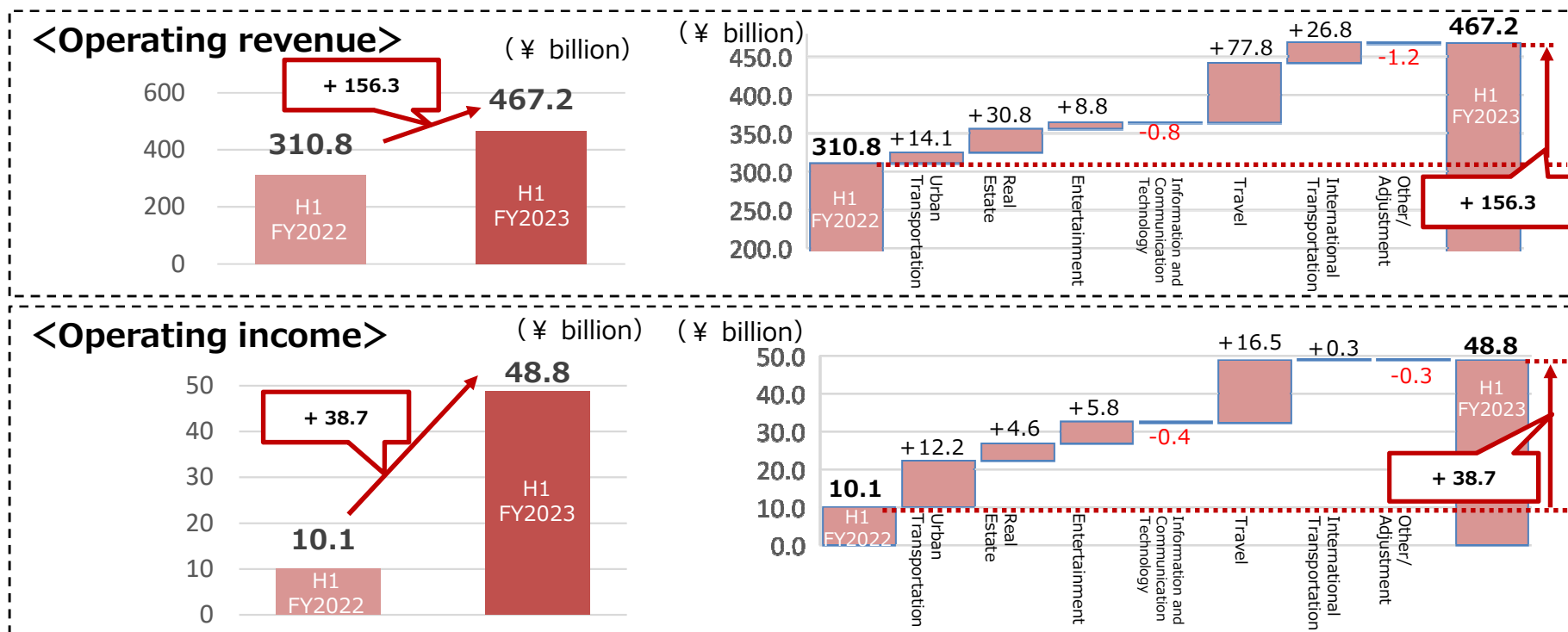
III. Forecasts for Fiscal 2023(Ending March 2023)

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Executive Summary ①

■ Overview of H1 FY2023

Revenue and income increased. Although the COVID impact persisted, Urban Transportation and most other segments experienced recovery to some extent. Additionally, in the Travel segment, we saw a large upturn in orders related to COVID patients (operating/managing accommodation facilities, etc.).



Recovery in Travel segment

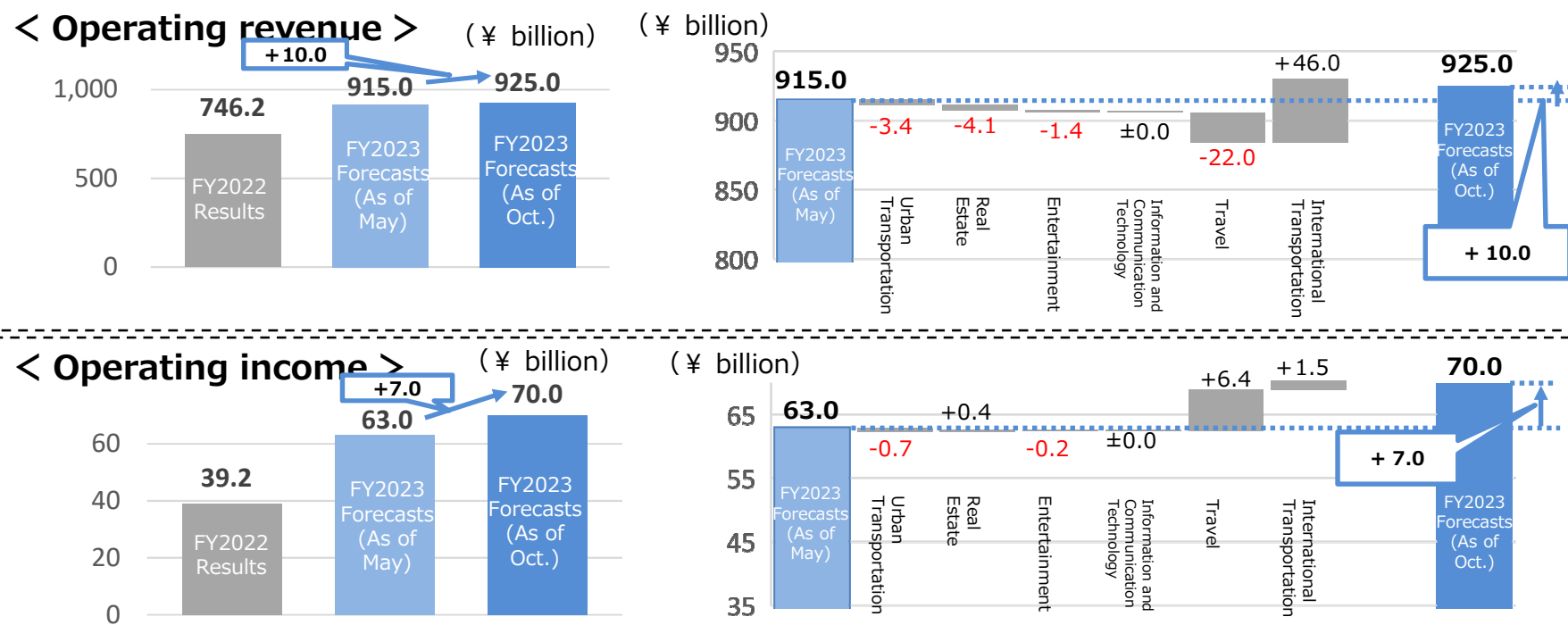
The pandemic severely damaged the Travel segment, particularly in overseas travel. However, we achieved a huge income growth year-on-year by taking the following actions:

- For domestic travel, we aggressively marketed tour programs, making use of local travel discounts.
- The overseas travel team gained numerous orders for operating/managing accommodation facilities for COVID patients and supporting COVID patients recovering at home.

Executive Summary ②

■ Overview of FY2023 full-year forecasts

Revenue and income increase: Although Urban Transportation and other segments are now expected to post results below initially expectations because of the COVID resurgence in July onward, the Travel and International Transportation segments are expected to exceed initial expectations.



■ Current topic

- We worked on the following actions to further the Long-Term Vision and Medium-Term Plan, which we announced in May this year.

<Actions for Long-Term Vision>

- Shibata 1 Project ⇒ Slide 6
- Acquisition of a rental property in Indonesia (Central Park Mall) ⇒ Slide 7

<Actions for Strategic Priorities in Medium-Term Plan>

- Strengthen earnings structure in Urban Transportation ⇒ Slide 8
- Progress in integrating sustainability ⇒ Slide 9

Shibata 1 Project

Long-Term Vision strategy 1:
Make our line-side communities the
absolute best among the Kansai networks

- To further enhance the value of Osaka-Umeda, we will press on with plans for Shibata 1 Project, which will be the third major project in the area (following Umeda 1-1 Project and Umekita Phase II Development Project).

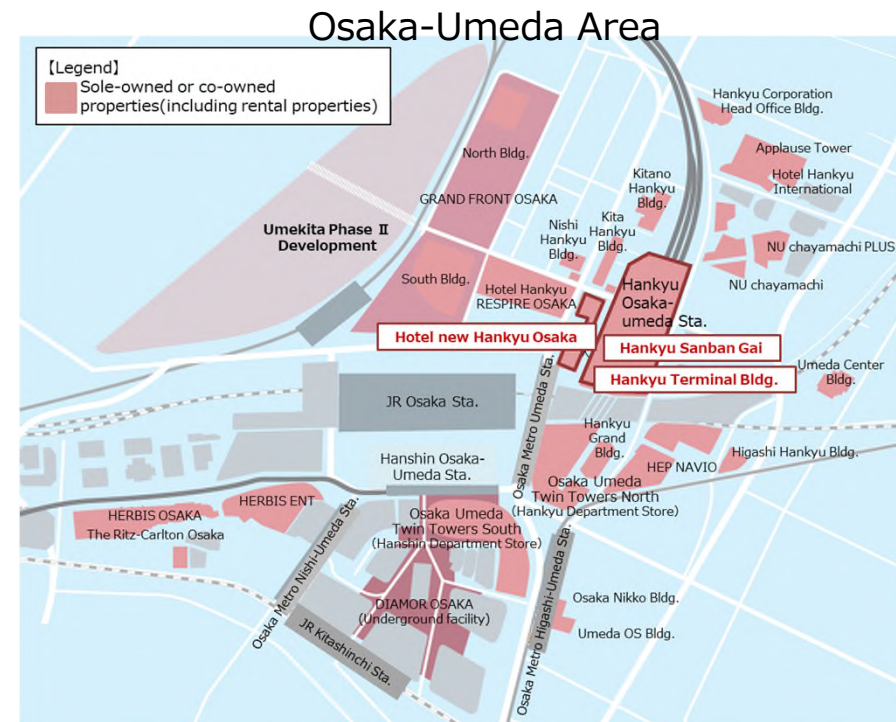
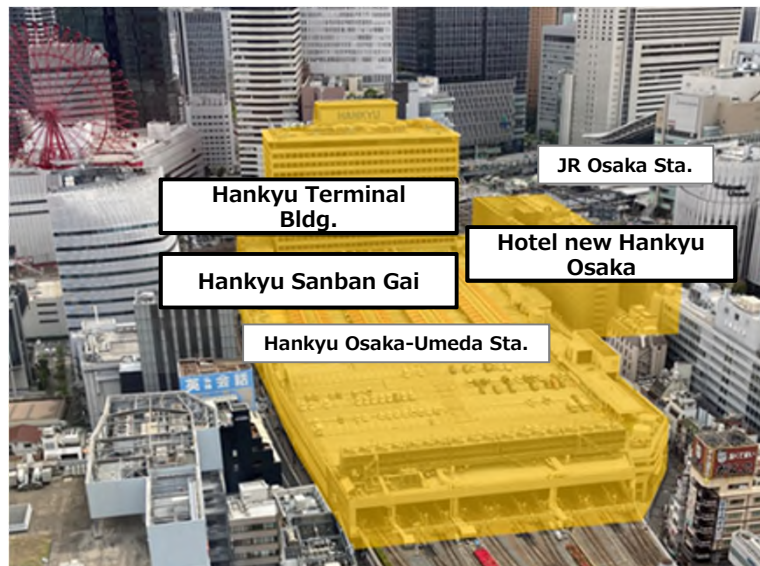


- Forming part of Umeda Vision, Shibata 1 Project will involve, among other things, **remodeling Hotel new Hankyu Osaka and the Hankyu Terminal Building and fully renovating Hankyu Sanbangai Shopping Center.** In this way, the project **looks ahead to the next generation and will leverage the distinctive characteristics of the terminal station to create a multifunctional hub befitting of the entrance to Osaka-Umeda.**

-We have decided to close the Hotel new Hankyu Osaka around the end of FY2025 because it is seriously dilapidated and because Hotel Hankyu Respire Osaka, which is of a similar scale, opened in an adjacent zone.

- This project requires us to leverage resources across our group. Accordingly, on October 1 this year, we launched the **Osaka-Umeda 2030 Project Team** to coordinate efforts to deliver our vision for vicinity of Hankyu Osaka-Umeda Station and the Osaka-Umeda area as a whole.

Targeted area for Shibata 1 Project



Acquisition of a Rental Property in Indonesia (Central Park Mall)

Long-Term Vision strategy 3:
Expand the coverage of our
line-side business model

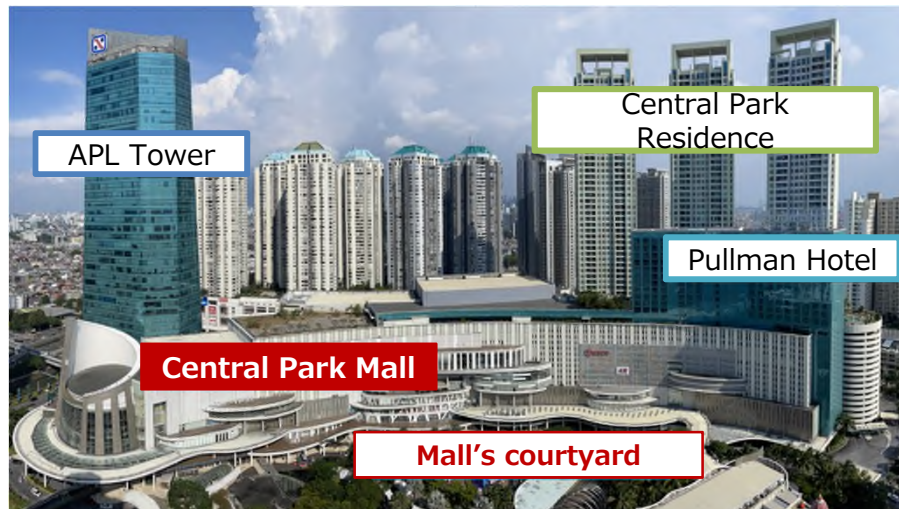
- In September this year, Hankyu Hanshin Properties Corp. acquired Central Park Mall, a large commercial complex in West Jakarta.
- The complex targets middle and upper-class earners, and it should receive increasing numbers of shoppers given that this demographic is expected to swell rapidly over the medium and long term as Indonesia's economy grows.

Overview

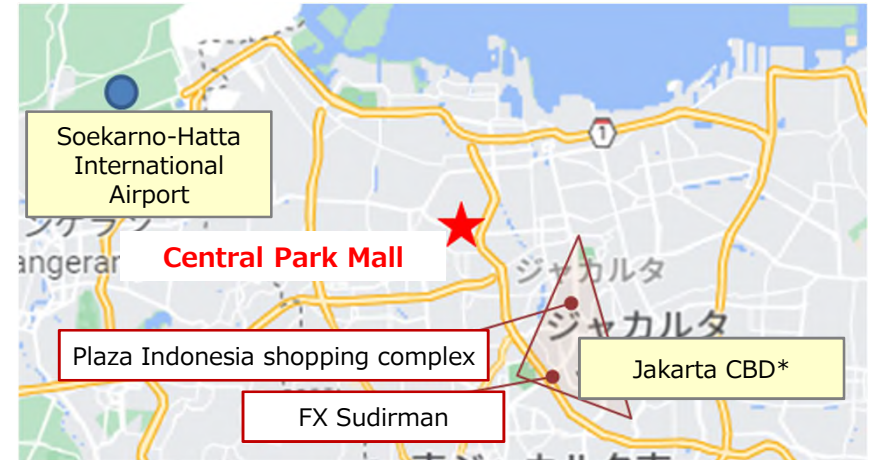
Floor space	c.188,000 m ² ※
Size	Nine above-ground floors
Use	Commercial (c. 300 tenants)

※ This represents the total floor space, including shared sections.

Exterior view of complex



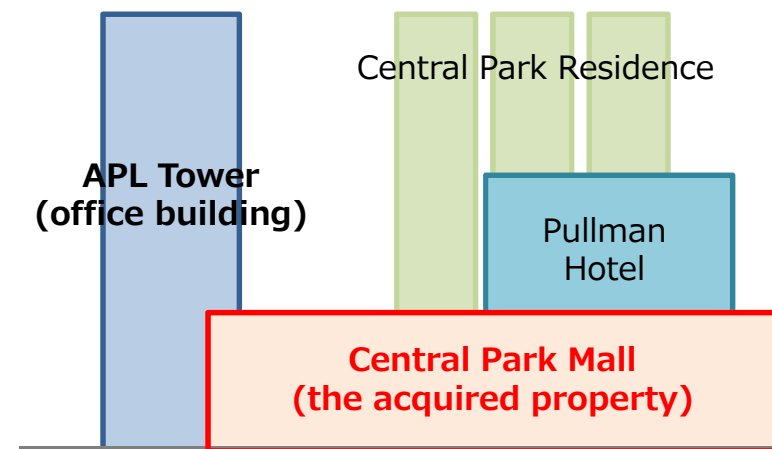
Central Park Mall on the map



©Google

*CBD: Central business district (the administrative, business, and commercial center of a city)

Cross-section



Strengthen Earnings Structure in Urban Transportation

Medium-Term Plan:
Strengthen earnings
structure

Introduce fare component for improving accessibility in stations (e.g. rollout of platform doors)

<Revenue to be collected from
April 2023>

- In April 2023, Hankyu Railway and Hanshin Electric Railway will start using the fare component to fund an accelerated rollout of accessibility improvements. One part of this is to install platform doors (movable or stationary) in all stations in consideration of the growing public concern about platform safety.

(¥ million)	Annual revenue	Applicable period	Total spending on accessibility
Hankyu Railway	3,672	13 years ^{※1} (2023.4.1~2036.3.31)	91,258 ^{※2}
Hanshin Electric Railway	1,350		32,000 ^{※3}

※1 We plan to continue the scheme beyond FY2037

※2 Spending between FY2022 and FY2036 ※3 Spending between FY2023 and FY2036

Change train timetables

<Change to be implemented in
December 2022>

- In December, Hankyu Railway and Hanshin Electric Railway will change their timetables to adapt their transport resources to current travel demand (including for the morning rush hour and the late-evening period).
- On the Hankyu Kyoto Main Line, reserved seating will be introduced in 2024 to cater to the growing demand among passengers for private space (to avoid congested spaces) and seating (the need to sit back and relax). This service has been factored into the timetable changes.

Actions for the automobile business

- In April, Hankyu Bus and Hanshin Bus changed the prices for commuter passes and elderly passes on general routes.
- In July, Osaka Airport Transport merged with Hankyu Kanko Bus, and the post-merger entity acquired the intercity services of Hankyu Bus. To capitalize on this, we decided to integrate management of driver staff between the three service categories (airport shuttle, intercity, charter) to enable a more agile response to travel demand.

Progress in Integrating Sustainability

Medium-Term plan:
Contribute to SDGs and
2050 carbon neutrality goal

For more information, see our integrated report.

<https://www.hankyu-hanshin.co.jp/ir/library/integratedreports/>

TCFD compliance



- In compliance with the TCFD recommendations, we identified climate-related risks and opportunities in the railway businesses and the Real Estate segment, then used a scenario analysis to estimate their financial impacts. The results are disclosed in our integrated report for 2022.

Impacts on railway business, measured in operating income

(¥ million)

Risk		Business impact		Impact on operating income (※1)	
				4 °C	2 °C~1.5°C
Transition risks	Carbon tax and costs	Requirement to pay carbon taxes		-	-2,400(※3)
	Changes in energy mixes/energy demand trends	Cost changes from shifts in energy retail prices		+100	-400
Physical risks	Abnormal weather (intensification of natural disasters)	Flooding from Muko River would damage our assets and reduce ridership revenue	No train evacuations	-3,800	-1,000
			(Amount saved by avoiding train evacuations)	(+3,400)	(+900)
			Train evacuations	-400	-100
	Change in rainfall and other weather patterns	Higher frequency of service cancellations due to torrential rain (※2)		-400	-200

(※1) None of the figures account for the possibility of passing on cost increases to passengers.

(※2) Increase in torrential rain is averaged over a period from 2076 to 2095.

(※3) For the IEA's 1.5°C scenario, impacts are calculated on the basis of 130 \$/t-CO₂, with a dollar worth 122 yen (the rate at the end of March 2022).

Human capital: Empowering individuals

- We have launched a talent strategy consistent with our recently updated Long-Term Vision. The strategy is disclosed in our 2022 integrated report.

Threefold talent strategy to drive Long-Term Vision

- ① Cultivate engaged talent
- ② Obtain diverse talent that helps generate new value
- ③ Obtain talent to drive our digital transformation strategy

I . Executive Summary

**II . Performance Highlights for the First Half of
Fiscal 2023 (Ending March 2023)**

III . Forecasts for Fiscal 2023(Ending March 2023)

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Consolidated Statements of Income(Summary)

	H1 FY2023 Results	FY2022 Results	Change	
Consolidated Subsidiaries	97 companies	98 companies	-1 (1 company decrease)	
Equity-Method Affiliates	11 companies	11 companies		
Total	108 companies	109 companies	-1	
(¥ million)	H1 FY2023 Results	H1 FY2022 Results	Change	Remarks
Revenue from operations	467,160	310,835	+156,325 (+ 50.3%)	For details, please see next page
Operating income	48,754	10,104	+38,650 (+ 382.5%)	
Non-operating income	5,877	4,910	+966	Equity in income of affiliates + 358
Non-operating expenses	5,137	5,308	-170	
Ordinary income	49,494	9,707	+39,787 (+ 409.9%)	
Extraordinary income	1,134	38,085	-36,950	Gain on contributions for construction -26,781 Employment adjustment subsidies -6,042 Gain on sale of investment securities -3,671
Extraordinary loss	1,976	35,201	-33,225	Loss on reduction of property and equipment -26,802 COVID-19-related losses -6,504
Net income attributable to owners of the parent	31,050	5,857	+25,192 (+ 430.1%)	
(Reference)	H1 FY2023 Results	H1 FY2022 Results	Change	
Depreciation and amortization	30,462	28,447	+2,014	
Financial balance ① - ②	-3,544	-3,689	+144	
Interest and dividend income①	648	600	+47	
Interest expense②	4,192	4,289	-97	

Consolidated Statements of Income (Breakdown for each business segment)

[Key results in period under review]

Revenue and income increased. Although the COVID impact persisted, Urban Transportation and most other segments experienced recovery to some extent. Additionally, in the Travel segment, we saw a large upturn in orders related to COVID patients (operating/managing accommodation facilities, etc.).

(¥ million)	Revenue from operations			Operating income		
	H1 FY2023 Results	H1 FY2022 Results	Change	H1 FY2023 Results	H1 FY2022 Results	Change
Urban Transportation	90,591	76,480	+14,111	11,859	-328	+12,187
Real Estate	128,902	98,096	+30,806	11,595	7,000	+4,594
Entertainment	43,211	34,407	+8,803	13,871	8,084	+5,786
Information and Communication Technology	26,475	27,291	-815	1,606	2,009	-403
Travel	86,007	8,215	+77,792	8,153	-8,362	+16,516
International Transportation	87,204	60,357	+26,846	3,626	3,320	+305
Other	21,903	21,638	+265	420	542	-122
Adjustment	-17,136	-15,652	-1,484	-2,377	-2,161	-215
Total	467,160	310,835	+156,325	48,754	10,104	+38,650

(Note)

In Q1 FY2023, we consolidated the Hotels segment into the Real Estate segment, making Hotels a sub-segment of Real Estate. This change brings the number of reportable segments down from seven to six: Urban Transportation, Real Estate, Entertainment, Information and Communication Technology, Travel, and International Transportation. To enable year-on-year comparisons, we have applied this change retroactively to the comparative period (H1 FY2022).

Urban Transportation Results

Revenue and income increased. The segment continued feeling the pandemic impact, but the railway and automobile businesses experienced a recovery in ridership to some extent compared to same period last year, when people avoided travel amid a state of emergency.

(¥ million)	H1 FY2023 Results	H1 FY2022 Results	Change	%
Revenue from operations	90,591	76,480	+14,111	+18.5%
Operating income	11,859	-328	+12,187	—

(¥ billion)	Revenue from operations			Operating income		
	H1 FY2023 Results	H1 FY2022 Results	Y on Y	H1 FY2023 Results	H1 FY2022 Results	Y on Y
Railway	66.1	56.1	+9.9	14.6	5.2	+9.4
Automobile	19.3	16.0	+3.3	-0.2	-2.8	+2.6
Retailing	5.9	5.2	+0.7	0.5	0.3	+0.2
Others	2.9	3.5	-0.6	0.1	0.1	-0.1

*Not including head office expenses /adjustments.

[Urban Transportation] Railway Performance results

Hankyu Corporation

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	H1 FY2023 Results	H1 FY2022 Results	Change	H1 FY2023 Results	H1 FY2022 Results	Change
Commuter pass	15,191	14,474	+717 (+5.0%)	153,818	143,524	+10,293 (+7.2%)
Workers	13,050	12,701	+348 (+2.7%)	106,001	103,228	+2,773 (+2.7%)
Students	2,140	1,772	+368 (+20.8%)	47,816	40,295	+7,520 (+18.7%)
Other tickets	26,300	20,522	+5,777 (+28.2%)	130,832	103,904	+26,928 (+25.9%)
Total	41,491	34,997	+6,494 (+18.6%)	284,651	247,428	+37,222 (+15.0%)

Hanshin Electric Railway

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	H1 FY2023 Results	H1 FY2022 Results	Change	H1 FY2023 Results	H1 FY2022 Results	Change
Commuter pass	5,590	5,348	+241 (+4.5%)	58,256	55,731	+2,525 (+4.5%)
Workers	5,008	4,864	+144 (+3.0%)	46,139	45,099	+1,039 (+2.3%)
Students	581	484	+97 (+20.1%)	12,117	10,631	+1,485 (+14.0%)
Other tickets	9,605	7,071	+2,534 (+35.8%)	51,367	38,870	+12,497 (+32.2%)
Total	15,196	12,420	+2,775 (+22.4%)	109,624	94,602	+15,022 (+15.9%)

- * 1) Revenue amounts less than one million yen, and numbers of passengers less than one thousand, are omitted.
 2) For Hankyu Railway, "other ticket revenue/ridership" includes revenue/ridership associated with the PiTaPa usage sections.
 3) Sum of tier 1 and tier 2 railway operators for both Hankyu Corporation and Hanshin Electric Railway

[Urban Transportation] Referential Information

《Hankyu Corporation》

Transportation revenue (tier 1 + tier 2)

(¥ million)

Totals for commuter passes and other tickets	Q1	Q2	Total
H1 FY2023 Results	21,220	20,271	41,491
H1 FY2022 Results	17,077	17,919	34,997
Change	+4,142	+2,351	+6,494
(%)	+24.3	+13.1	+18.6

Factors of YoY Change (estimated)

• COVID-19 impact (YoY change in impact) +¥6,422 million and others

《Hanshin Electric Railway》

Transportation revenue (tier 1 + tier 2)

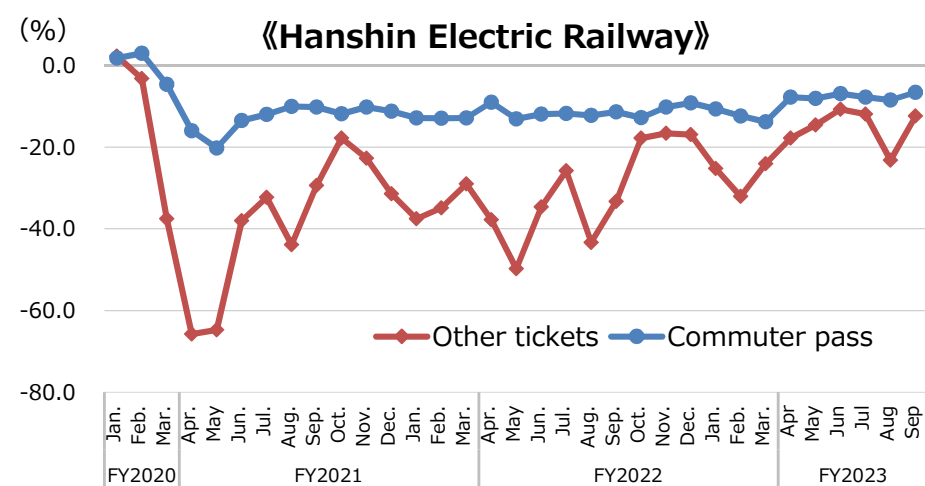
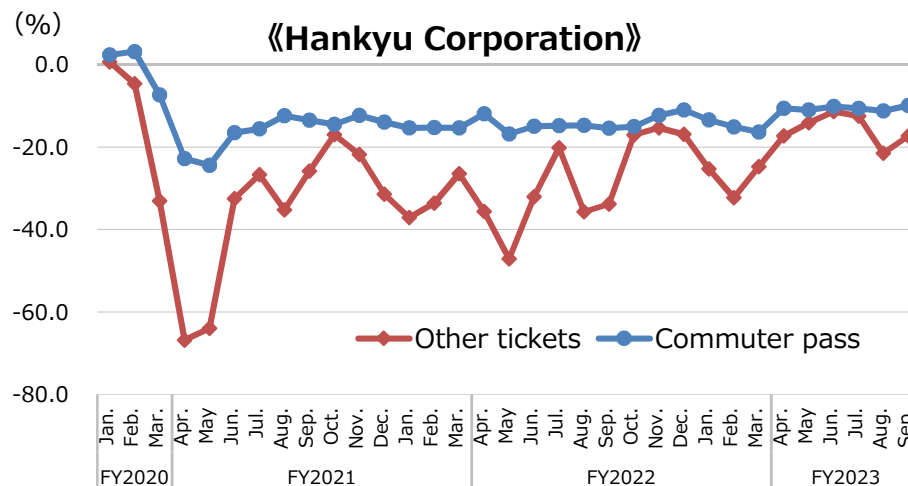
(¥ million)

Totals for commuter passes and other tickets	Q1	Q2	Total
H1 FY2023 Results	7,597	7,598	15,196
H1 FY2022 Results	6,001	6,418	12,420
Change	+1,595	+1,180	+2,775
(%)	+26.6	+18.4	+22.4

Factors of YoY Change (estimated)

• COVID-19 impact (YoY change in impact) +¥2,741million and others

Transportation Revenue (compared to same period of fiscal 2019)

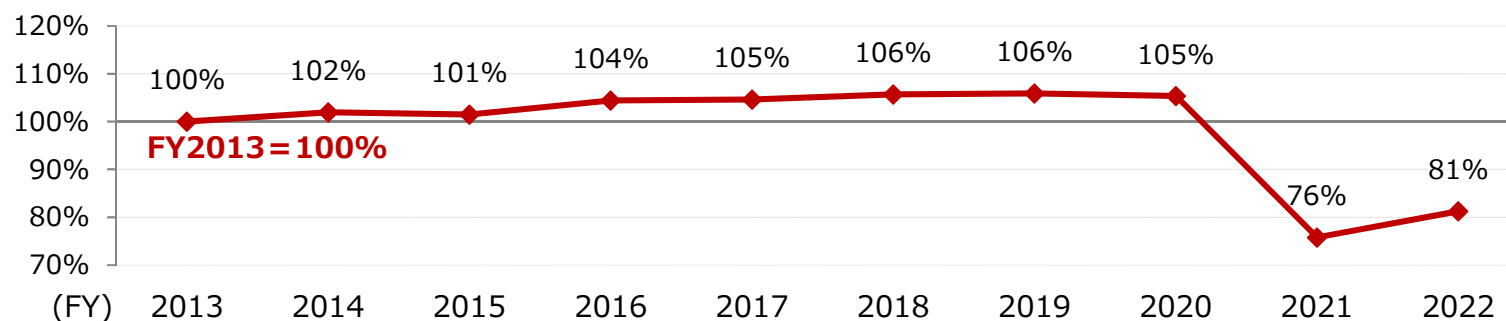


[Urban Transportation] Referential Information

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

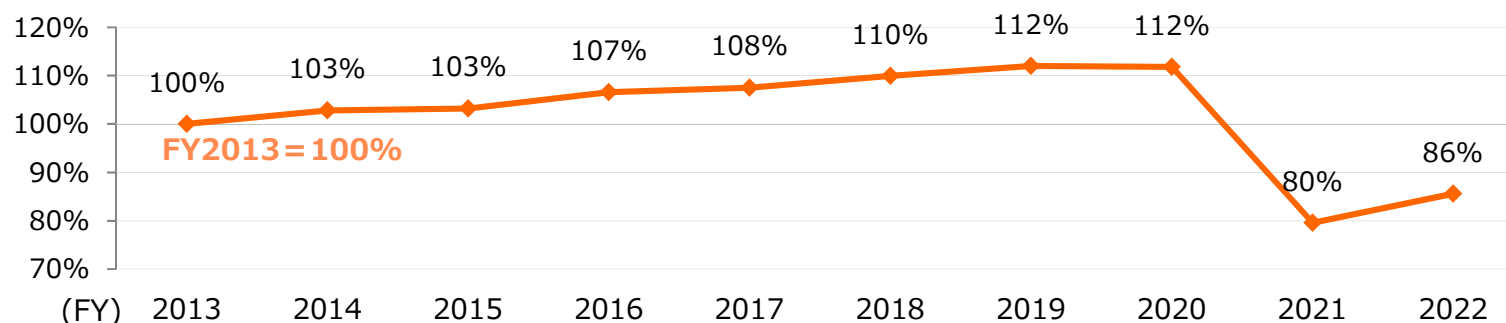
(¥ million)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 H2
Commuter passes	30,391	31,299	31,549	32,272	32,628	33,198	33,456	34,119	28,093	28,654	15,191
Other tickets	60,749	61,630	60,910	62,920	62,720	63,137	63,059	61,887	40,982	45,422	26,300
Total	91,141	92,929	92,459	95,192	95,348	96,335	96,516	96,007	69,075	74,077	41,491



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

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 H2
Commuter passes	10,740	11,008	11,107	11,372	11,563	11,797	12,024	12,327	10,476	10,628	5,590
Other tickets	19,669	20,260	20,286	21,035	21,136	21,638	22,030	21,665	13,725	15,397	9,605
Total	30,410	31,269	31,394	32,407	32,699	33,436	34,054	33,993	24,202	26,026	15,196



Real Estate Results

Revenue and income increased. The hotel business continued feeling the effects of the pandemic, but the accommodation and food/beverage businesses experienced a recovery, to some extent, in user numbers compared to the same period last year, when some hotels had to temporarily close amid a state of emergency. Additionally, the real estate sales business achieved a year-on-year increase in condominium sales.

[Reference] Condominium sales (condos held by group): +140 units

(491 units, compared to 351 units in previous year)

(¥ million)	H1 FY2023 Results	H1 FY2022 Results	Change	%
Revenue from operations	128,902	98,096	+30,806	+ 31.4%
Operating income	11,595	7,000	+4,594	+ 65.6%

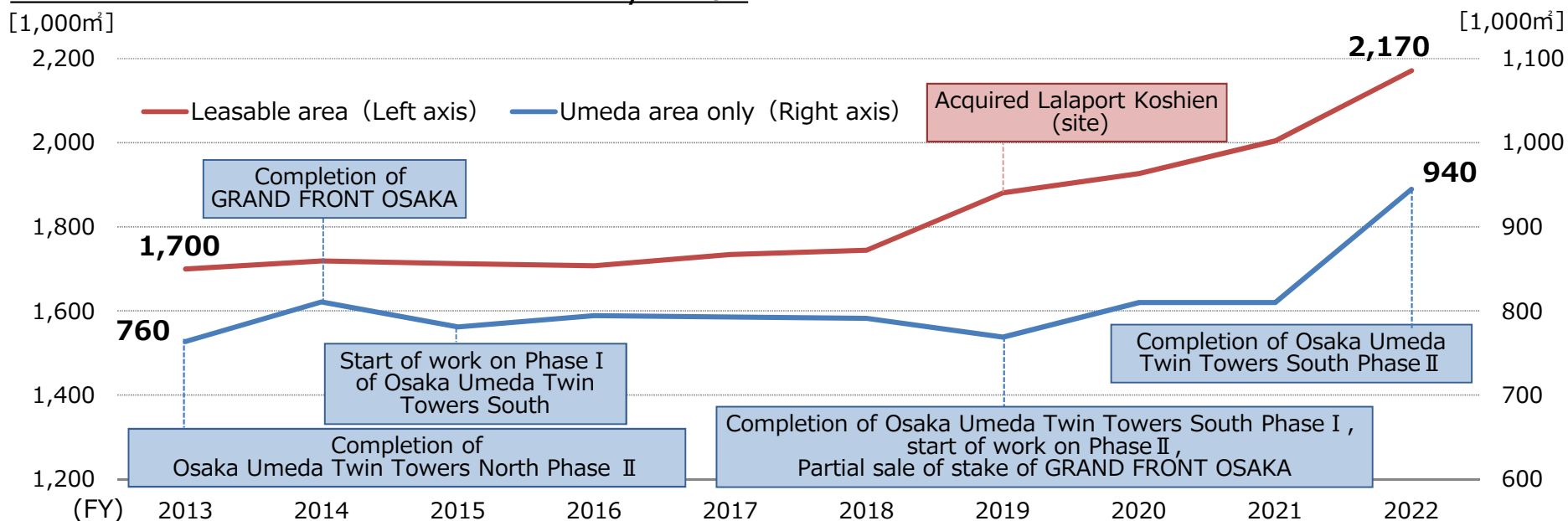
[Breakdown by type of business]

(¥ billion)	Revenue from operations			Operating income		
	H1 FY2023 Results	H1 FY2022 Results	Y on Y	H1 FY2023 Results	H1 FY2022 Results	Y on Y
Real estate leasing	57.0	49.7	+7.2	15.8	15.1	+0.7
Real estate sales and others	67.5	51.8	+15.7	4.9	3.4	+1.5
Hotel	17.7	9.2	+8.5	-4.3	-6.9	+2.7

*Not including head office expenses /adjustments.

[Real Estate] Referential information

Leasable area (at the end of fiscal year)



【Osaka Umeda Twin Towers North】
(Former name: Umeda Hankyu Building)



【GRAND FRONT OSAKA】



【Osaka Umeda Twin Towers South】
(Complete construction in February 2022)



[Real Estate] Referential information

【Performance Highlights of Hankyu Hanshin Hotels for H1 of FY2023*】

◆Occupancy rates (YoY)

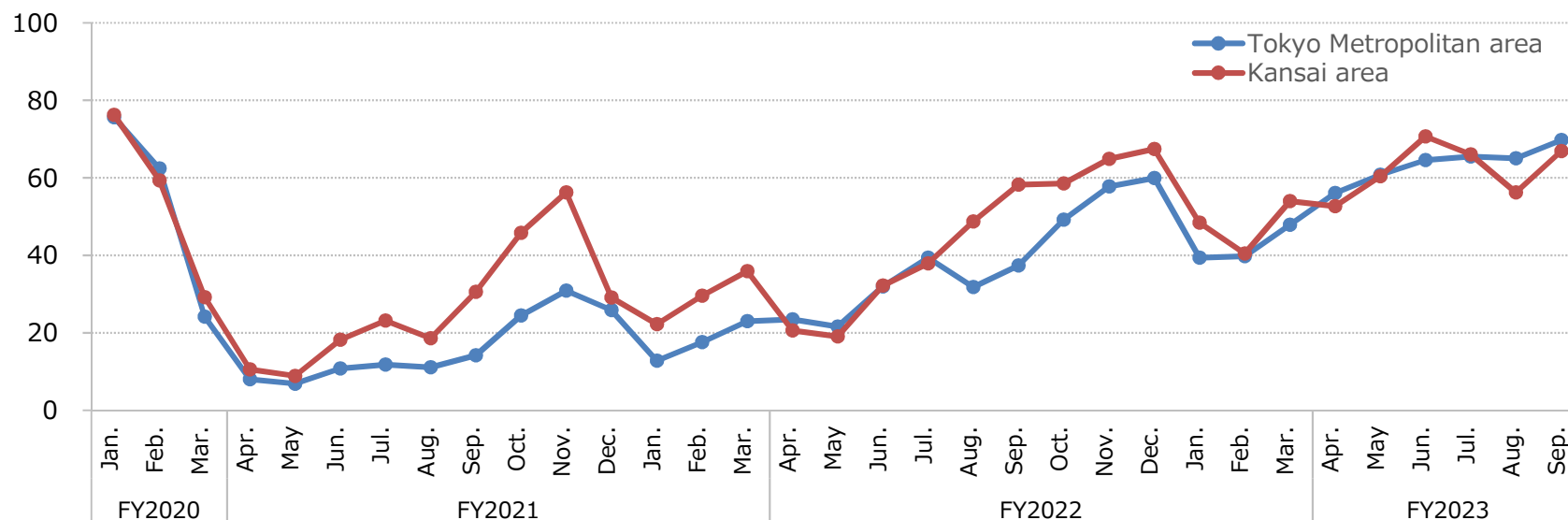
Total	62.6%	(+28.3P)
Kansai area	62.1%	(+26.8P)
Tokyo Metropolitan area	63.6%	(+32.4P)

◆Average daily rates (ADR) (YoY)

Total	¥9,781	(+¥777)
Kansai area	¥9,923	(+¥1,655)
Tokyo Metropolitan area	¥9,461	(-¥1,791)

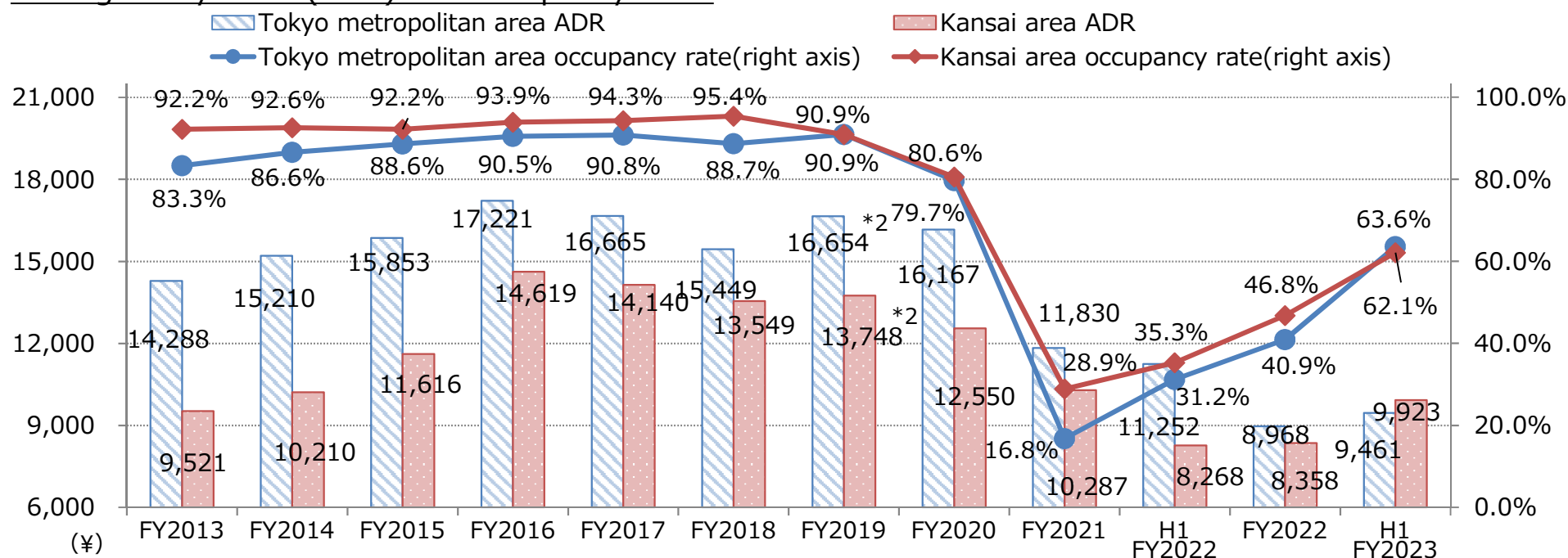
* The data omits the COVID-related temporary closures of some hotels.

《Hankyu Hanshin Hotels》 Occupancy rates (from January 2020)

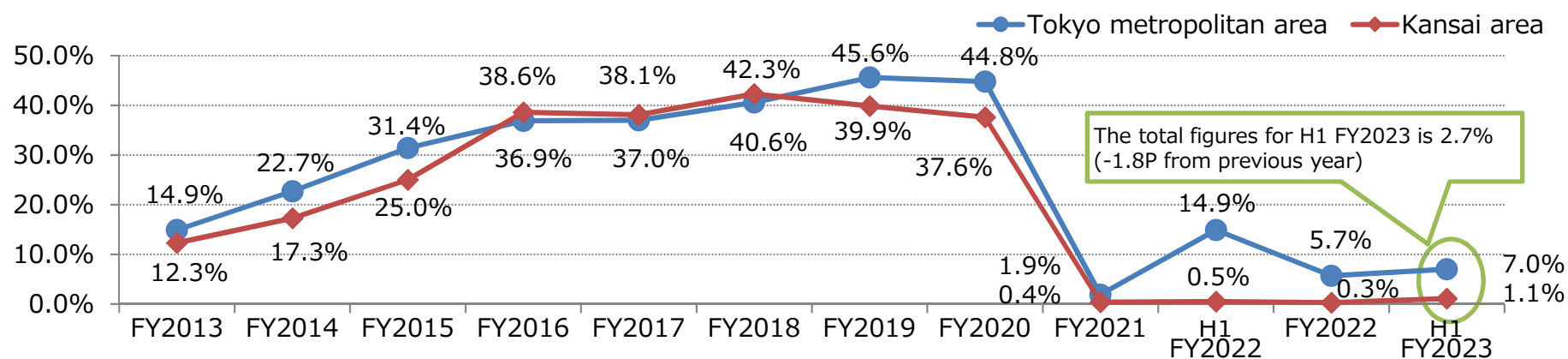


[Real Estate] Referential information

Average daily rates (ADR) and occupancy rates*1



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



*1 The data omits the COVID-related temporary closures of some hotels.

*2 Since FY2020, we started reporting the earnings of overseas online travel agents on a gross basis, rather than on a net basis as before. The new method (gross basis) has been applied retroactively to the previous fiscal year.

Entertainment Results

Revenue and income increased. The stage business continued feeling the pandemic impact (with Takarazuka Revue having to cancel some productions), but the sports business saw an upturn in Hanshin Tigers' regular season games compared to the same period last year, when the business was affected by event restrictions.

(¥ million)	H1 FY2023 Results	H1 FY2022 Results	Change	%
Revenue from operations	43,211	34,407	+8,803	+25.6%
Operating income	13,871	8,084	+5,786	+71.6%

[Breakdown by type of business]

(¥ billion)	Revenue from operations			Operating income		
	H1 FY2023 Results	H1 FY2022 Results	Y on Y	H1 FY2023 Results	H1 FY2022 Results	Y on Y
Sports	26.7	16.9	+9.8	11.0	4.9	+6.1
Stage	16.5	17.5	-1.0	3.7	3.8	-0.1

*Not including head office expenses /adjustments.

[Entertainment] Referential information

Hanshin Tigers Home Game : Admission numbers *1

•Number of regular season games : 71 (+9 from previous year)

(Thousands of people) (CY)	2014	2015	2016	2017	2018	2019	2020	H1 2021	2021	H1 2022
Admissions	2,690	2,878	2,911	3,035	2,899	3,091	518	609	749	2,576
Ranking	2	3	4	2	6	3	2	2*2	2	3*2

*1 "Admissions" indicates the actual number of admissions for a given season (calendar year).

*2 Rankings are as of September 30.

Takarazuka Revue : Audience numbers

•Number of shows : Takarazuka Grand Theater : 165 (-43 from previous year)
Tokyo Takarazuka Theater : 181 (-25 from previous year)
•Shows were suspended during the following periods:
Takarazuka Grand Theater : April 30 - May 19, July 16 - 21, July 29 - Aug. 18
Tokyo Takarazuka Theater : May 7 - 10, July 30 - Aug. 14(only matinee shows suspended), Aug. 20 - Sep. 3

(Thousands of people) (FY)	2015	2016	2017	2018	2019	2020	2021	H1 2022	2022	H1 2023
Total	2,668	2,825	2,844	2,996	3,128	2,991	1,565	1,480	2,727	1,284
Takarazuka Grand Theater	1,179	1,149	1,169	1,191	1,207	1,106	485	474	904	409
Tokyo Takarazuka Theater	969	1,000	967	992	990	917	460	417	785	370
Other theaters	520	623	586	619	598	572	200	226	428	229
Live screening*1	—	53	122	195	333	396	133	91	151	66
Live streaming*2	—	—	—	—	—	—	287	271	459	211

*1 Audiences who paid to see performance screened live in cinema

*2 Audiences who paid to view livestream performance on home TV or device

Information and Communication Technology results

Revenue and income decreased. The decrease represents a comedown from the spike in the same period last year, when the information services and broadcasting and communications businesses won large orders.

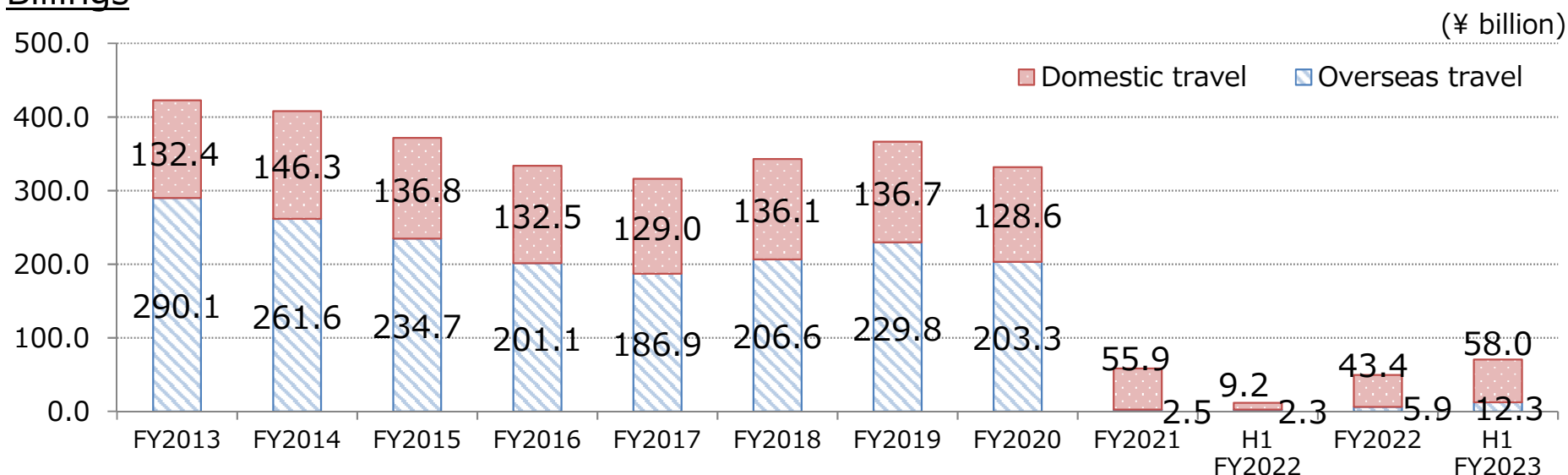
(¥ million)	H1 FY2023 Results	H1 FY2022 Results	Change	%
Revenue from operations	26,475	27,291	-815	-3.0%
Operating income	1,606	2,009	-403	-20.1%

Travel results

Revenue and income increased. The segment continued feeling the pandemic impact in international travel and other businesses. However, orders surged in non-travel businesses such as orders related to COVID patients (operating/managing accommodation facilities, etc.). The main driver of domestic travel sales was subsidized discounts for local residents.

(¥ million)	H1 FY2023 Results	H1 FY2022 Results	Change	%
Revenue from operations	86,007	8,215	+77,792	+947.0%
Operating income	8,153	-8,362	+16,516	—

Billings



※Figures for FY2013 to FY2015 represent the simple aggregate amounts from Hankyu Travel International and Hankyu Hanshin Business Travel. The figures from FY2016 and onwards represent the aggregate amounts from the two companies as well as from Hanshin Travel International (offsetting intercompany transactions).

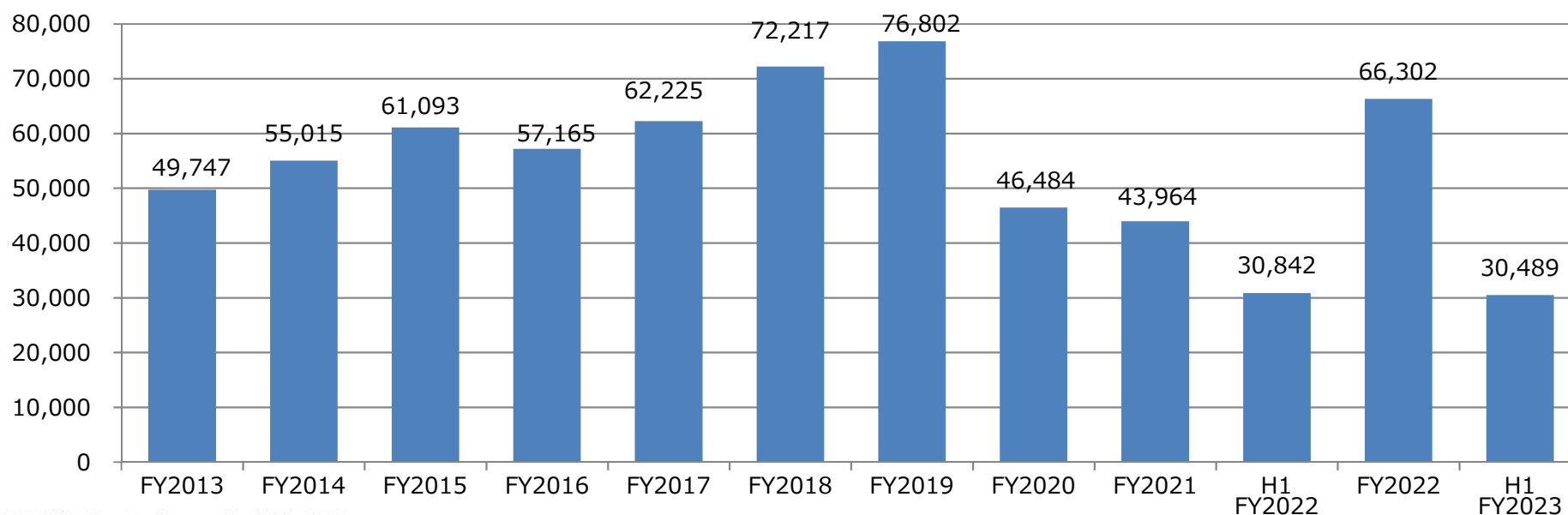
International Transportation results

Revenue and income increased compared to same period last year. Although the supply crunch started to ease in Japan, it persisted overseas.

(¥ million)	H1 FY2023 Results	H1 FY2022 Results	Change	%
Revenue from operations	87,204	60,357	+26,846	+44.5%
Operating income	3,626	3,320	+305	+9.2%

Air export consolidated freight weight (from Japan)

(unit : ton)



Consolidated Statements of Income

(Non-operating profit and loss)

(¥ million)	H1 FY2023 Results	H1 FY2022 Results	Change
Operating income	48,754	10,104	+38,650
Non-operating income	5,877	4,910	+966
Equity in income of affiliates	3,809	3,451	+358
Non-operating expenses	5,137	5,308	-170
Interest expenses	4,192	4,289	-97
Ordinary income	49,494	9,707	+39,787

Consolidated Statements of Income

(Extraordinary profit and loss)

(¥ million)	H1 FY2023 Results	H1 FY2022 Results	Change
Extraordinary profit and loss	-842	2,883	-3,725
Extraordinary income	1,134	38,085	-36,950
Gain on contributions for construction	318	27,100	-26,781
Employment adjustment subsidies	532	6,574	-6,042
Other	282	4,409	-4,126
Extraordinary loss	1,976	35,201	-33,225
Loss on reduction of noncurrent assets	320	27,122	-26,802
COVID-19-related losses	943	7,448	-6,504
Other	713	630	+82

Consolidated Statements of Income

(Net income attributable to owners of the parent)

(¥ million)	H1 FY2023 Results	H1 FY2022 Results	Change
Income before income taxes	48,651	12,590	+36,061
Total income taxes	15,597	4,897	+10,700
Income taxes—current	10,018	3,844	+6,173
Income taxes—deferred	5,579	1,052	+4,526
Net income	33,054	7,693	+25,361
Net income attributable to non-controlling interests	2,004	1,835	+168
Net income attributable to owners of the parent	31,050	5,857	+25,192

Consolidated Balance Sheets

(¥ million)		H1 FY2023 Results	FY2022 Results	Change	Remarks																								
Assets	Current assets	367,707	365,811	+1,896																									
	Noncurrent assets	2,395,223	2,357,030	+38,192	Investment securities +46,893 Property and equipment and intangible assets -8,091																								
	Total assets	2,762,931	2,722,841	+40,089																									
Liabilities	Current liabilities	464,563	426,659	+37,904	<table><tr><td></td><td>H1 FY2023 Results</td><td>FY2022 Results</td><td>Change</td></tr><tr><td>Dept</td><td>822,143</td><td>795,213</td><td>+26,929</td></tr><tr><td>Bonds</td><td>230,000</td><td>237,000</td><td>-7,000</td></tr><tr><td>Commercial paper</td><td>55,000</td><td>50,000</td><td>+5,000</td></tr><tr><td>Lease obligations</td><td>13,536</td><td>13,750</td><td>-214</td></tr><tr><td>Interest-bearing debt</td><td>1,120,680</td><td>1,095,965</td><td>+24,715</td></tr></table>		H1 FY2023 Results	FY2022 Results	Change	Dept	822,143	795,213	+26,929	Bonds	230,000	237,000	-7,000	Commercial paper	55,000	50,000	+5,000	Lease obligations	13,536	13,750	-214	Interest-bearing debt	1,120,680	1,095,965	+24,715
		H1 FY2023 Results	FY2022 Results	Change																									
	Dept	822,143	795,213	+26,929																									
	Bonds	230,000	237,000	-7,000																									
	Commercial paper	55,000	50,000	+5,000																									
	Lease obligations	13,536	13,750	-214																									
Interest-bearing debt	1,120,680	1,095,965	+24,715																										
Long-term liabilities	1,348,246	1,380,818	-32,571																										
Total liabilities	1,812,809	1,807,477	+5,332	Decrease in accounts payable																									
Net assets	Shareholders' equity	868,392	843,332	+25,059	Net income attributable to owners of the parent +31,050 Payment dividend -6,062																								
	Accumulated other comprehensive income	33,343	27,016	+6,327																									
	Non-controlling interests	48,385	45,014	+3,370																									
	Total net assets	950,121	915,363	+34,757																									
Equity ratio		32.6%	32.0%	+0.6P																									

Consolidated Statements of Cash Flows

(¥ million)	H1 FY2023 Results	H1 FY2022 Results
Cash flows from operating activities	64,330	21,317
Income before income taxes	48,651	12,590
Depreciation and amortization (*)	30,618	29,136
Decrease (increase) in inventories	-13,209	-14,027
Corporate income taxes (paid) refunded	-9,586	9,834
Cash flows from investing activities	-79,643	-41,170
Purchases of noncurrent assets	-57,232	-71,187
Purchases of investment securities	-41,274	-1,382
Proceeds from sales of investment securities	41	9,179
Receipt of contributions for construction	17,670	22,234
Cash flows from financing activities	15,995	20,739
Dividends paid	-6,062	-6,063
[Reference] Decrease (increase) in interest-bearing debt	24,715	29,269
Effect of exchange rate changes on cash and cash equivalents	3,081	761
Increase (decrease) in cash and cash equivalents	3,764	1,647
Cash and cash equivalents at beginning of year	29,422	25,222
Increase in cash and cash equivalents from newly consolidated subsidiary	-	2,215
Cash and cash equivalents at end of year	33,186	29,086

(*) "Depreciation and amortization" includes amortization recognized as extraordinary losses related to the COVID-19.

I . Executive Summary

II . Performance Highlights for the First Half of Fiscal 2023 (Ending March 2023)

III . Forecasts for Fiscal 2023(Ending March 2023)

Consolidated Statements of Income (Summary)

(¥ billion)	FY2023 Forecasts ①	FY2023 Forecasts (As of May) ②	Change = ① - ②	Remarks	FY2022 Results ③	Change = ① - ③
Revenue from operations	925.0	915.0	+10.0 (+ 1.1%)	Revenue and income increase: Although Urban Transportation and other segments are now expected to post results below initially expectations because of the COVID resurgence in July onward, the Travel and International Transportation segments are expected to exceed initial expectations.	746.2	+178.8
Operating income	70.0	63.0	+7.0 (+ 11.1%)		39.2	+30.8
Ordinary income	68.0	62.0	+6.0 (+ 9.7%)		38.5	+29.5
Net income attributable to owners of the parent	40.0	35.0	+5.0 (+ 14.3%)		21.4	+18.6
(Reference)						
Capital Expenditures	81.6	89.0	-7.4		120.3	-38.7
Depreciation and amortization	62.7	62.7	-		59.1	+3.6
Financial balance (1) - (2)	-7.4	-7.6	+0.2		-7.4	+0.0
Interest and dividend income(1)	1.2	1.0	+0.2		1.1	+0.1
Interest expense(2)	8.6	8.6	-		8.5	+0.1

Consolidated Statements of Income (Breakdown for each business segment)

(¥ billion)						
[Upper table] Revenue from operations [Lower table] Operating income	FY2023 Forecasts	FY2023 Forecasts (As of May)	Change	Remarks	FY2022 Results	Change
	①	②	=①-②		③	=①-③
Total	925.0	915.0	+10.0		746.2	+178.8
	70.0	63.0	+7.0		39.2	+30.8

(Breakdown for each business segment)

Urban Transportation	185.0	188.4	-3.4	Revenue and income decrease: Ridership on the Hankyu and Hanshin railways is expected to be less than initially expected because of the COVID resurgence in July onward.	161.6	+23.4
	20.6	21.3	-0.7		5.6	+15.0
Real Estate	291.9	296.0	-4.1	Revenue decrease: The real estate business rescheduled the sale of some properties. Income increase: Overseas real-estate portfolio is expanding in scale, and hotel business is expected to post decrease in expenses.	246.6	+45.3
	25.5	25.1	+0.4		19.4	+6.1
Entertainment	70.7	72.1	-1.4	Revenue and income decrease: The stage business had to cancel some Takarazuka Revue productions.	62.9	+7.8
	11.0	11.2	-0.2		9.3	+1.7
Information and Communication Technology	63.9	63.9	—		59.2	+4.7
	5.9	5.9	—		5.9	+0.0
Travel	138.0	160.0	-22.0	Revenue decrease: Recovery in domestic and overseas tours is now expected to be smaller than initially expected. Income increase: Orders surged in non-travel businesses such as orders related to COVID patients (operating/managing accommodation facilities, etc.).	60.4	+77.6
	4.5	-1.9	+6.4		-5.7	+10.2
International Transportation	166.0	120.0	+46.0	Revenue and income increase: Although the supply crunch is expected to ease overseas as it is doing now in Japan, on a full-year basis performance will exceed initial expectations.	143.3	+22.7
	6.0	4.5	+1.5		8.0	-2.0

Note: The current segment structure has been applied to the FY2022 results.

COVID-19 Impact in Each Segment (assumptions for Fiscal 2023 forecasts)

• Stated below are the assumptions underlying the full-year forecasts. These assumptions take into account H1 performance.

Urban Transportation (Railway)	<ul style="list-style-type: none"> • Revenue from other (non-season) tickets will gradually recover around the end of the fiscal year. As of March 2023, the revenue will have recovered to around 90% of the same period in FY2019. • The impact on worker commuter pass revenue will persist throughout the period (the revenue will be around 90% of the FY2019 level). • The period-average for student commuter pass revenue will more than 90% that of the FY2019 level.
Real Estate (Hotel)	<ul style="list-style-type: none"> • Regarding accommodation, domestic and inbound demand will start to gradually recover in H2 (for hotels managed directly by Hankyu Hanshin Hotels* as of March 2023, domestic demand will be around 90% of, and inbound demand will be around 20% of, the level in the same period of FY2019). <p>*excludes hotel locations opened in FY2020 or later</p>
Travel	<ul style="list-style-type: none"> • In view of recent reservation numbers, domestic tours will, on a full-year basis, recover to slightly below (more than 90% of) the FY2019 level. • In view of recent social trends, overseas tours will recover only slightly during the current fiscal year.

[Urban Transportation] Railway Performance Forecasts

Hankyu Corporation

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	FY2023 Forecasts	FY2022 Results	Change	FY2023 Forecasts	FY2022 Results	Change
Commuter pass	29,871	28,654	+1,217 (+4.2%)	299,937	282,633	+17,304 (+6.1%)
Workers	25,808	25,223	+585 (+2.3%)	209,491	204,916	+4,574 (+2.2%)
Students	4,063	3,431	+631 (+18.4%)	90,446	77,717	+12,729 (+16.4%)
Other tickets	54,519	45,422	+9,097 (+20.0%)	271,287	228,028	+43,258 (+19.0%)
Total	84,391	74,077	+10,314 (+13.9%)	571,224	510,661	+60,563 (+11.9%)

Hanshin Electric Railway

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	FY2023 Forecasts	FY2022 Results	Change	FY2023 Forecasts	FY2022 Results	Change
Commuter pass	10,981	10,628	+352 (+3.3%)	114,024	110,096	+3,928 (+3.6%)
Workers	9,842	9,668	+174 (+1.8%)	90,144	89,400	+743 (+0.8%)
Students	1,139	960	+178 (+18.6%)	23,880	20,695	+3,185 (+15.4%)
Other tickets	18,922	15,397	+3,524 (+22.9%)	102,210	84,103	+18,107 (+21.5%)
Total	29,904	26,026	+3,877 (+14.9%)	216,235	194,199	+22,036 (+11.3%)

- * 1) Revenue amounts less than one million yen, and numbers of passengers less than one thousand, are omitted.
 2) For Hankyu Railway, "other ticket revenue/ridership" includes revenue/ridership associated with the PiTaPa usage sections.
 3) Sum of tier 1 and tier 2 railway operators for both Hankyu Corporation and Hanshin Electric Railway.

Performance Indicators

	FY2022 Results	FY2023 Forecasts (As of May)	FY2023 Forecasts (As of Oct.)
Operating income	¥39.2billion	¥63.0billion	¥70.0billion
EBITDA ^{※1}	¥100.7billion	¥128.0billion	¥135.0billion
Interest-bearing debt	¥1,096.0billion	¥1,130.0billion	¥1,170.0billion
Interest-bearing debt / EBITDA ratio	10.9times	8.8times	8.7times
D/E ratio ^{※2}	1.3times	1.3times	1.3times
Net income attributable to owners of the parent	¥21.4billion	¥35.0billion	¥40.0billion
ROE	2.5%	4.0%	4.5%
(Reference)			
Net interest-bearing debt ^{※3}	¥1,064.6billion	¥1,105.0billion	¥1,145.0billion
Net interest-bearing debt/EBITDA ratio	10.6times	8.6times	8.5times

※1 EBITDA=operating income + depreciation expenses + amortization of goodwill

※2 D/E ratio=interest-bearing debt / equity

※3 Net interest-bearing debt=interest-bearing debt - cash and deposits

Returns to Shareholders

■ Shareholder Return Policy

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

<Reference> Formula for calculating total payout ratio

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

■ Specific figures for dividend of surplus

- As announced on May 13, 2022, **the fiscal 2023 annual dividend** will be the same as that in fiscal 2022: **¥50 per share**※

※ ¥25 interim (payment scheduled to commence on December 1, 2022) + ¥25 year-end (planned)

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

(¥ billion)	Revenue from operations					Operating income				
	FY2023 Forecasts	FY2023 Forecasts (As of May)	Change	FY2022 Results	Change	FY2023 Forecasts	FY2023 Forecasts (As of May)	Change	FY2022 Results	Change
	①	②	=①-②	③	=①-③	①	②	=①-②	③	=①-③
Urban Transportation	185.0	188.4	-3.4	161.6	+23.4	20.6	21.3	-0.7	5.6	+15.0
[Breakdown]										
Railway	133.4	135.4	-2.0	118.5	+14.9	24.8	26.3	-1.5	14.7	+10.1
Automobile	40.0	40.7	-0.7	34.1	+5.9	0.0	0.0	-	-4.2	+4.2
Retailing	12.5	13.2	-0.7	10.9	+1.6	1.0	1.0	-	0.8	+0.2
Others	8.9	8.9	-	8.7	+0.2	0.7	0.6	+0.1	0.7	+0.0
Real Estate	291.9	296.0	-4.1	246.6	+45.3	25.5	25.1	+0.4	19.4	+6.1
[Breakdown]										
Real estate leasing	123.8	123.2	+0.6	112.5	+11.3	29.4	30.7	-1.3	30.1	-0.7
Real estate sales and others	155.5	159.9	-4.4	135.5	+20.0	12.7	11.2	+1.5	11.4	+1.3
Hotel	40.1	40.7	-0.6	25.6	+14.5	-7.0	-7.8	+0.8	-13.2	+6.2
Entertainment	70.7	72.1	-1.4	62.9	+7.8	11.0	11.2	-0.2	9.3	+1.7
[Breakdown]										
Sports	37.1	37.3	-0.2	29.4	+7.7	6.2	5.5	+0.7	3.7	+2.5
Stage	33.5	34.8	-1.3	33.4	+0.1	6.4	7.4	-1.0	6.9	-0.5

Note: (1) Segment totals may not match the aggregate of the amounts for each type of business due to separate head office expenses / adjustments.

(2) The current segment structure has been applied to the FY2022 results.

[Reference] Consolidated Statements of Capital Expenditure

(¥ billion)	FY2023 Forecasts	FY2023 Forecasts (As of May)	Change	FY2022 Results	Change
	①	②	=①-②	③	=①-③
Total capital expenditure (Breakdown for each business segment)	81.6	89.0	-7.4	120.3	-38.7
Urban Transportation	34.9	38.2	-3.3	30.3	+4.6
Real Estate	30.1	34.0	-3.9	77.5	-47.4
Entertainment	4.0	4.3	-0.3	5.1	-1.1
Information and Communication Technology	6.7	6.1	+0.6	5.1	+1.6
Travel	0.9	1.1	-0.2	0.7	+0.2
International Transportation	3.2	3.3	-0.1	2.5	+0.7

Note: The current segment structure has been applied to the FY2022 results.

[Reference] Consolidated Statements of Depreciation and amortization, EBITDA※

(¥ billion)	FY2023 Forecasts ①	FY2023 Forecasts (As of May) ②	Change =①-②	FY2022 Results ③	Change =①-③
Total Depreciation and amortization (Breakdown for each business segment)	62.7	62.7	—	59.1	+3.6
Urban Transportation	26.7	27.0	-0.3	27.2	-0.5
Real Estate	24.9	24.9	—	21.8	+3.1
Entertainment	3.7	3.9	-0.2	3.5	+0.2
Information and Communication Technology	5.2	5.6	-0.4	4.8	+0.4
Travel	0.9	1.0	-0.1	0.9	-0.0
International Transportation	1.7	1.8	-0.1	1.6	+0.1
Total EBITDA (Breakdown for each business segment)	135.0	128.0	+7.0	100.7	+34.3
Urban Transportation	47.3	48.3	-1.0	32.9	+14.4
Real Estate	50.4	50.0	+0.4	41.3	+9.1
Entertainment	14.7	15.1	-0.4	12.8	+1.9
Information and Communication Technology	11.2	11.6	-0.4	10.7	+0.5
Travel	5.4	-0.9	+6.3	-4.8	+10.2
International Transportation	7.7	6.3	+1.4	9.6	-1.9

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

Note : The current segment structure has been applied to the FY2022 results.