

Hankyu Hanshin Holdings Group Supplementary Materials of Financial Results for the First Quarter of Fiscal 2021 (Ended June 30, 2020)

August 12th, 2020

Hankyu Hanshin Holdings, Inc.
9042 <https://www.hankyu-hanshin.co.jp/en/>

Consolidated Statements of Income(Summary)

	1Q FY2021 Results	FY2020 Results	Change	
Consolidated Subsidiaries	97 companies	93 companies	+4 (4 companies increase)	
Equity-Method Affiliates	11 companies	11 companies		
Total	108 companies	104 companies	+4	
(¥ million)	1Q FY2021 Results	1Q FY2020 Results	Change	Remarks
Revenue from operations	111,286	187,161	-75,875 (-40.5%)	For details, please see next page
Operating income	-13,209	30,888	-44,098 (-)	
Non-operating income	1,128	4,043	-2,915	Equity in income of affiliates -2,837
Non-operating expenses	3,298	2,744	+554	Equity in losses of affiliates +560
Ordinary income	-15,379	32,188	-47,567 (-)	
Extraordinary income	258	460	-201	
Extraordinary loss	10,389	446	+9,943	COVID-19-related losses +10,094
Net income attributable to owners of the parent	-18,900	21,395	-40,296 (-)	Tax expense -17,279
(Reference)	1Q FY2021 Results	1Q FY2020 Results	Change	
Depreciation and amortisation	12,700	13,474	-773	
Financial balance ① - ②	-1,704	-1,532	-171	
Interest and dividend income①	552	819	-266	
Interest expense②	2,256	2,352	-95	

COVID-19 impact
-87.5billion yen

-46.5billion yen

We have applied the note "Audit Consideration related to COVID-19 Part 4" (JICPA, April 22, 2020) to operations and events that we suspended/cancelled at the request of authorities. Specifically, we have recognized as extraordinary loss all fixed costs incurred during the suspension of said operations and all costs directly associated with the preparation and cancellation of said events.

Consolidated Statements of Income (Breakdown for each business segment)

[Key results in current period]

Revenues and income fell significantly with most business segments hit hard by COVID-19 (details shown on next slide).

(¥ million)	Revenue from operations			Operating income		
	1Q FY2021 Results	1Q FY2020 Results	Change	1Q FY2021 Results	1Q FY2020 Results	Change
Urban Transportation	31,529	60,125	-28,595	-7,187	12,862	-20,050
Real Estate	42,303	48,708	-6,404	7,865	8,106	-241
Entertainment	3,530	23,005	-19,474	-2,602	7,918	-10,520
Information and Communication Technology	12,459	11,232	+1,226	810	480	+330
Travel	125	11,004	-10,879	-4,903	2,091	-6,994
International Transportation	18,814	19,135	-321	12	-216	+228
Hotels	2,142	16,233	-14,090	-5,196	291	-5,488
Other	9,004	6,680	+2,324	-211	159	-371
Adjustment	-8,623	-8,963	+339	-1,796	-805	-990
Total	111,286	187,161	-75,875	-13,209	30,888	-44,098

COVID-19 impact
-24.7billion yen

-11.0billion yen

-20.1billion yen

-12.9billion yen

-14.9billion yen

-87.5billion yen

-19.6billion yen

-3.4billion yen

-10.7billion yen

-7.4billion yen

-5.0billion yen

-46.5billion yen

How COVID-19 Impacted Each Businesses

■ COVID-19 impact in each business

	Total	<Breakdown for each business segment>					(¥ billion) Hotels
		Urban Transportation	Real Estate	Entertainment	Travel		
Revenue from operations	-87.5	-24.7	-11.0	-20.1	-12.9	-14.9	
Operating income	-46.5	-19.6	-3.4	-10.7	-7.4	-5.0	
Ordinary income	-46.6	-19.6	-3.4	-10.7	-7.4	-5.1	
Extraordinary income	0.0	0.0	—	0.0	0.0	—	
Extraordinary loss ※	10.1	0.6	2.2	3.1	2.2	2.6	
Income before income taxes	-56.7	-20.2	-5.6	-13.8	-9.5	-7.7	

※ We have applied the note "Audit Consideration related to COVID-19 Part 4" (JICPA, April 22, 2020) to operations and events that we suspended/cancelled at the request of authorities. Specifically, we have recognized as extraordinary loss all fixed costs incurred during the suspension of said operations and all costs directly associated with the preparation and cancellation of said events.

■ How COVID-19 impacted each business

Urban Transportation	•Less revenue with fewer people going out during SOE and drop in inbound tourism
Real Estate	•Leased facilities closed or operating with reduced hours; domestic condominium business seeing less leasing/sales revenue after suspending sales activities
Entertainment	•Pro baseball season postponed, Takarazuka Revue performances cancelled
Travel	•Domestic and international tours suspended; surge in cancellations
Hotels	•Inbound demand curtailed by international travel restrictions; domestic tourist demand hit by travel/outing cancellations

Urban Transportation results

COVID-19 impact
 Revenue from operations : -24.7billion yen
 Operating income : -19.6billion yen

Revenue and income fell significantly due to COVID-19. The railway operations and automobile businesses were hurt by steep reduction in travel. Earnings were further hit by last August's outsourcing of convenience store and station-based store operations.

(¥ million)	1Q FY2021 Results	1Q FY2020 Results	Change	%
Revenue from operations	31,529	60,125	-28,595	-47.6%
Operating income	※ (-7,787) -7,187	12,862	※ (-20,649) -20,050	-

※ Parenthesized figures indicate reversals of COVID-19-related losses and subsidies recorded as extraordinary income.

Real Estate results

COVID-19 impact
 Revenue from operations : -11.0billion yen
 Operating income : -3.4billion yen

Revenue and income fell due to COVID-19. Many shopping facilities in Umeda and elsewhere were temporarily closed or operated with reduced hours.

(¥ million)	1Q FY2021 Results	1Q FY2020 Results	Change	%
Revenue from operations	42,303	48,708	-6,404	-13.1%
Operating income	※ (5,622) 7,865	8,106	※ (-2,484) -241	-30.6%

※ Parenthesized figures indicate reversals of COVID-19-related losses and subsidies recorded as extraordinary income.

[Urban Transportation] Railway Performance results

Hankyu Corporation

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	1Q FY2021 Results	1Q FY2020 Results	Change	1Q FY2021 Results	1Q FY2020 Results	Change
Commuter pass	6,776	8,648	-1,871(-21.6%)	64,717	89,126	-24,408(-27.4%)
Workers	6,417	7,354	-937(-12.7%)	54,713	60,417	-5,703(-9.4%)
Students	359	1,294	-934(-72.2%)	10,004	28,708	-18,704(-65.2%)
Other tickets	7,108	16,339	-9,231(-56.5%)	36,667	81,989	-45,322(-55.3%)
Total	13,885	24,988	-11,103(-44.4%)	101,385	171,116	-69,731(-40.8%)

COVID-19 impact -11.2billion yen

Hanshin Electric Railway

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	1Q FY2021 Results	1Q FY2020 Results	Change	1Q FY2021 Results	1Q FY2020 Results	Change
Commuter pass	2,531	3,095	-563(-18.2%)	25,416	32,247	-6,831(-21.2%)
Workers	2,428	2,755	-326(-11.8%)	22,784	25,112	-2,327(-9.3%)
Students	102	340	-237(-69.7%)	2,631	7,135	-4,503(-63.1%)
Other tickets	2,436	5,800	-3,363(-58.0%)	13,868	31,596	-17,727(-56.1%)
Total	4,968	8,895	-3,927(-44.1%)	39,284	63,844	-24,559(-38.5%)

COVID-19 impact -4.0billion yen

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

Entertainment results

COVID-19 impact

Revenue from operations : -20.1billion yen

Operating income : -10.7billion yen

Revenue and income fell significantly due to COVID-19. The sports business was hurt by suspension of Hanshin Tigers' regular season games. The stage business was hurt by suspension of all Takarazuka Revue shows.

(¥ million)	1Q FY2021 Results	1Q FY2020 Results	Change	%
Revenue from operations	3,530	23,005	-19,474	-84.7%
Operating income	-2,602 ※ (-5,718)	7,918 ※ (-13,637)	-10,520 (-)	- (-)

※ Parenthesized figures indicate reversals of COVID-19-related losses and subsidies recorded as extraordinary income.

Information and Communication Technology results

Revenue and income increased. The information services business gained more big orders for transport systems.

(¥ million)	1Q FY2021 Results	1Q FY2020 Results	Change	%
Revenue from operations	12,459	11,232	+1,226	+10.9%
Operating income	810	480	+330	+68.8%

Travel results

COVID-19 impact
Revenue from operations : -12.9billion yen
Operating income : -7.4billion yen

Revenue and income fell significantly due to COVID-19. International and domestic tours were suspended throughout the period.

(¥ million)	1Q FY2021 Results	1Q FY2020 Results	Change	%
Revenue from operations	125	11,004	-10,879	-98.9%
Operating income	-4,903 ※ (-7,052)	2,091	-6,994 ※ (-9,143)	— (-)

※ Parenthesized figures indicate reversals of COVID-19-related losses and subsidies recorded as extraordinary income.

International Transportation results

Revenue fell with COVID-19 undercutting air transport volume. However, income increased thanks to rise in emergency transportation in East Asia and more logistics operations in Japan.

(¥ million)	1Q FY2021 Results	1Q FY2020 Results	Change	%
Revenue from operations	18,814	19,135	-321	-1.7%
Operating income	12	-216	+228	—

Hotels results

COVID-19 impact

Revenue from operations : -14.9billion yen

Operating income : -5.0billion yen

Revenue and income fell significantly due to COVID-19. Some hotels temporarily closed, and fewer people stayed at hotels and went to restaurants.

(¥ million)	1Q FY2021 Results	1Q FY2020 Results	Change	%
Revenue from operations	2,142	16,233	-14,090	-86.8%
Operating income	-5,196 ※ (-7,773)	291	-5,488 ※ (-8,065)	- (-)

※ Parenthesized figures indicate reversals of COVID-19-related losses and subsidies recorded as extraordinary income.

Consolidated Balance Sheets

(¥ million)		1Q FY2021 Results	FY2020 Results	Change	Remarks																								
Assets	Current assets	253,991	262,984	-8,992	Trade receivables : -19,639 Land and buildings for sale : +7,228																								
	Noncurrent assets	2,214,279	2,226,097	-11,817	Property and equipment and intangible assets : -23,553 Investment securities : +10,785																								
	Total assets	2,468,271	2,489,081	-20,810																									
Liabilities	Current liabilities	374,383	394,634	-20,251																									
	Long-term liabilities	1,169,266	1,156,774	+12,491																									
	Total liabilities	1,543,649	1,551,409	-7,759																									
					<table border="1"> <thead> <tr> <th></th> <th>1Q FY2021 Results</th> <th>FY2020 Results</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Debt</td> <td>746,337</td> <td>773,465</td> <td>-27,127</td> </tr> <tr> <td>Bonds</td> <td>122,000</td> <td>122,000</td> <td>-</td> </tr> <tr> <td>Commercial paper</td> <td>60,000</td> <td>-</td> <td>+60,000</td> </tr> <tr> <td>Lease obligations</td> <td>7,950</td> <td>8,014</td> <td>-63</td> </tr> <tr> <td>Interest-bearing debt</td> <td>936,288</td> <td>903,480</td> <td>+32,808</td> </tr> </tbody> </table>		1Q FY2021 Results	FY2020 Results	Change	Debt	746,337	773,465	-27,127	Bonds	122,000	122,000	-	Commercial paper	60,000	-	+60,000	Lease obligations	7,950	8,014	-63	Interest-bearing debt	936,288	903,480	+32,808
		1Q FY2021 Results	FY2020 Results	Change																									
Debt	746,337	773,465	-27,127																										
Bonds	122,000	122,000	-																										
Commercial paper	60,000	-	+60,000																										
Lease obligations	7,950	8,014	-63																										
Interest-bearing debt	936,288	903,480	+32,808																										
				Accounts payable:-43,892																									
Net assets	Shareholders' equity	861,828	886,935	-25,107	Net income attributable to owners of the parent:-18,900 Payment dividend:-6,094																								
	Accumulated other comprehensive income	21,628	18,711	+2,917																									
	Non-controlling interests	41,164	32,025	+9,139																									
	Total net assets	924,621	937,672	-13,051																									
Equity ratio		35.8%	36.4%	-0.6p																									

Forecast and dividend of surplus for fiscal 2021

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

- COVID-19 has impacted many of our businesses. Results for fiscal 2021 will depend to a great extent on the duration and scale of the impacts.
- The outlook remains cloudy for most business segments. With COVID-19 cases rising again, it is uncertain how quickly normal travel will resume, how much social distancing there will be, and when international travel (including inbound) will recover.
- As the duration and scale remain unclear, we cannot give reasonable full-year forecasts at this time. Once we have a clearer picture, we will announce the forecasts without delay.

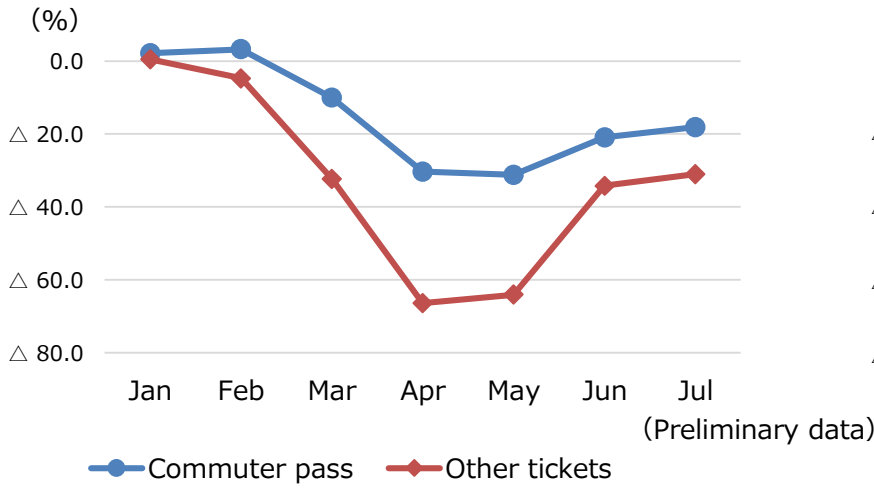
■ Specific figures for dividend of surplus for fiscal 2021

- Since we expect to avoid the worst-case scenario, we will maintain our commitment to stable dividends in FY2021. Specifically, the annual dividend per share will be 50 yen (25 yen interim + 25 yen year-end).

【Reference】 Recent performance in railways

《Hankyu Corporation》

Year-on-year change in ridership



《Hanshin Electric Railway》

Year-on-year change in ridership

