

Hankyu Hanshin Holdings Group Results Briefing Materials for Financial Results for the First Half of Fiscal 2024 (Ended March 2024)

November 9, 2023

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 2023 (Ended March 2023) in May 2023*)

* 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 2024 (Ended March 2024)

III . Forecasts for Fiscal 2024 (Ended March 2024)

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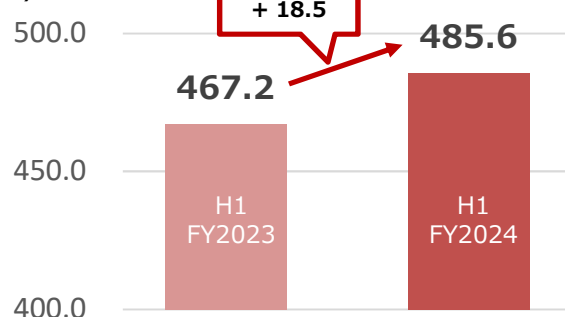
Executive Summary ①

■ Overview of H1 FY2024

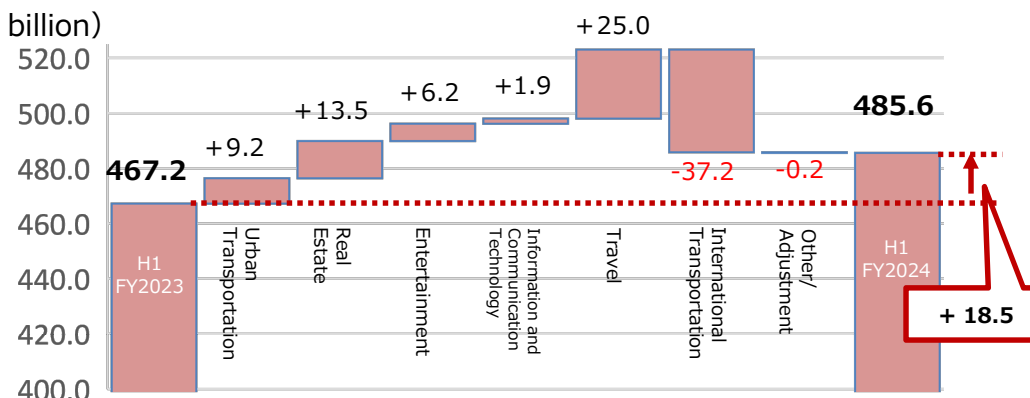
Revenue and profit increased backed by an increase in demand for hotel accommodation in the Real Estate business, a recovery to a certain extent in the number of passengers in the Urban Transportation business, in addition to robust performance in the Sports segment of the Entertainment business with the Hanshin Tigers winning the league championship for the first time in 18 years.

<Operating revenue>

(¥ billion)

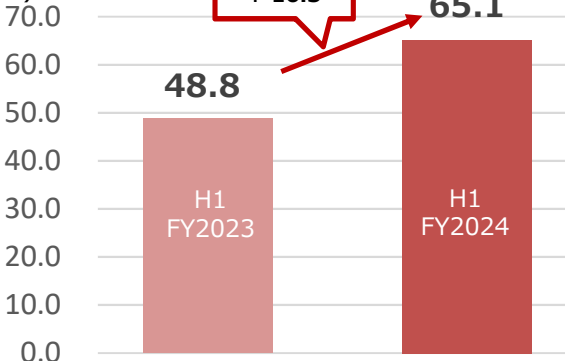


(¥ billion)

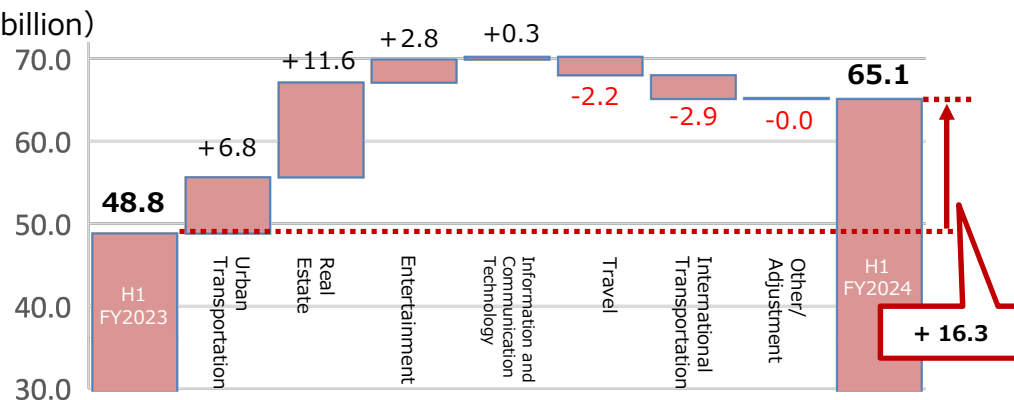


<Business profit>

(¥ billion)



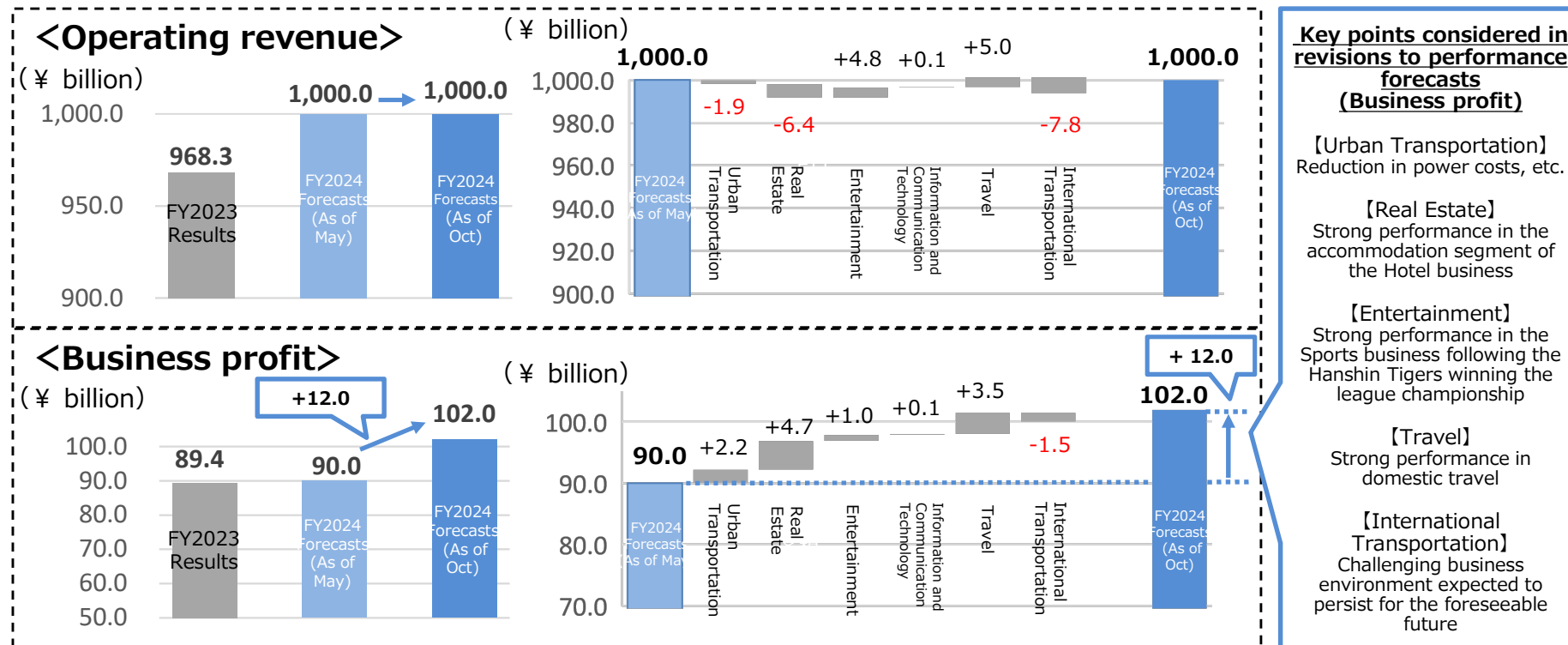
(¥ billion)



Executive Summary ②

■ Overview of FY2024 full-year forecasts

While the International Transportation business is expected to continue to face a stern business environment, revenue increased due to strong performance in the accommodation segment of the Hotel business and the domestic travel segment.



■ Return of profits to shareholders (increased dividend)

- Based on recent business performance, the Company plans to raise the year-end dividend of FY2024 by ¥5 per share to ¥30 per share (raising the per-share annual dividend from ¥50 to ¥55).
- With regard to the acquisition of treasury stock, the Company plans to buyback stock so that the total payout ratio, when considered together with dividends, is 30%.

*For details, please see p.35.

Acquisition of a Rental Property in Indonesia (Neo Soho Mall)

- In September, Hankyu Hanshin Properties acquired the Neo Soho Mall, a commercial facility adjacent to the Central Park Mall, a large-scale commercial facility located in West Jakarta, Indonesia, which was acquired last year.
- This facility has had a large influx of purpose-oriented tenants, and boasts the only aquarium located in a commercial facility in Jakarta. This development allows for centralized operations and management with the adjacent Central Park Mall, and is expected to a broad customer base.

【Overview】

Floor space	63,479m ² *
Size	7 floors above ground, 2 underground floors, etc.
Use	Commercial (c.70 tenants)

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

【Exterior View of complex】



【Neo Soho Mall on the map】



【Location map (detailed)】



Restructuring of Hankyu Hanshin Hotels (Scheduled for April 2024)

Background

- While the company faced a challenging business environment pre-COVID, it was particularly susceptible to the effects of the COVID-19 pandemic.
- With the challenging business environment expected to persist for the foreseeable future, drastic structural reforms were introduced in FY2022, which resulted in a decision to phase out Hotel new Hankyu Osaka and Senri Hankyu Hotel, facilities which had undergone noticeable deterioration.
- Further, the Hotel business was brought under the Real Estate segment in FY2023, providing the framework to actively promote future urban development and mixed use development projects under the same umbrella.

While the company's business competitiveness and performance exhibit steady signs of improvement, the following restructuring is designed to further improve the profitability and operational strength of the Hotel business, in addition to enhancing its competitive edge.

【Overview of the Hankyu Hanshin Hotels restructuring】

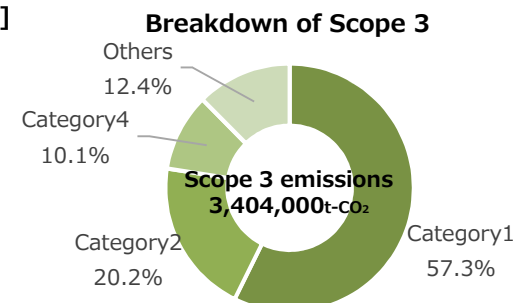
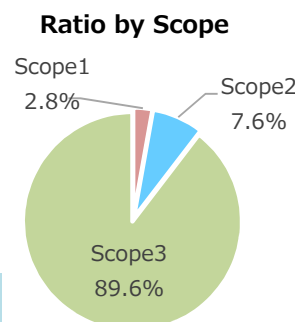
Separate the asset holding, and management and operation arms of the business. Specifically, transfer land and buildings owned by the company to Hankyu Corporation and Hankyu Hanshin Properties to establish a new company that specializes in hotel management and operation.

State of Initiatives Promoting Sustainable Management

Disclosure of GHG emissions “Scope 3 (supply chain emissions)”

- In response to requests to reduce greenhouse gas (GHG) emissions, including supply chain emissions, we estimated Scope 3 emissions (emissions outside the Company) in addition to our estimates of Scope 1 and 2 emissions for FY2022, and published these results in the 2023 Integrated Report.

[GHG emissions (FY2022 results)]



Scope 3 emissions
3,404,000t-co₂

Category	Applicable activities
1	Emissions from products or services purchased or acquired by the Company
2	Emissions from the manufacturing of purchased or acquired capital goods
4	Emissions from the transportation of products, etc. by other parties (excluding items included in Category 1.)

► Integrated report

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

*English version will be released around December.

I . Executive Summary

II . Performance Highlights for the First Half of Fiscal 2024 (Ended March 2024)

III . Forecasts for Fiscal 2024 (Ended March 2024)

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Consolidated Statements of Income(Summary)

	H1 FY2024 Results	FY2023 Results	Change	
Consolidated Subsidiaries	104 companies	99 companies	+5 (6 companies increase, 1 company decrease)	
Equity-Method Affiliates	13 companies	10 companies	+3 (3 companies increase)	
Total	117 companies	109 companies	+8 companies	
(¥ million)	H1 FY2024 Results	H1 FY2023 Results	Change	Remarks
Operating revenue	485,644	467,160	+18,484 (+4.0%)	For details, please see page 12.
Operating profit	64,320	48,754	+15,565 (+31.9%)	
[Business profit]	[65,069]	[48,754]	[+16,315] [+33.5%]	
Non-operating income	9,133	5,877	+3,255	Equity in income of affiliates +2,981
Non-operating expenses	6,523	5,137	+1,385	Interest expense +990
Ordinary profit	66,930	49,494	+17,435 (+35.2%)	
Extraordinary income	1,165	1,134	+31	
Extraordinary losses	1,459	1,976	-517	
Profit attributable to owners of parent	44,873	31,050	+13,823 (+44.5%)	
(Reference)	H1 FY2024 Results	H1 FY2023 Results	Change	
Depreciation and amortization	30,403	30,462	-59	
Financial balance ① - ②	-4,219	-3,544	-674	
Interest and dividend income①	963	648	+315	
Interest expense②	5,183	4,192	+990	

Note: Business profit = Operating profit + Equity-method gains/losses related to overseas business investments
 【For details, please see next page】
 (With regard to H1 FY2023, we had no equity-method affiliates in our overseas businesses. Thus, for this year, "Business profit = Operating profit".)

Business Profit

- ◆ “Business profit” was introduced from the fiscal year ending in March 2024 as a new management metric for the Group to reflect equity-method gains/losses accompanying overseas business investments alongside operating profit.
- ◆ This is intended to more accurately track progress in overseas business growth initiatives (in Real Estate business).

Business profit

= Operating profit + Non-operating profit/loss : Equity-method gains/losses related to overseas business investments (in Real Estate business)

◆ Company-wide business profit

	H1 FY2024 Results	H1 FY2023 Results	Change	%
Operating revenue	485,644	467,160	+ 18,484	+ 4.0%
Operating profit ①	64,320	48,754	+ 15,565	+ 31.9%
Equity-method gains/losses related to overseas business investments ②	749	—	+ 749	
Business profit ①+②	65,069	48,754	+ 16,315	+ 33.5%

Note: With regard to H1 FY2023 results, we had no equity-method affiliates in our overseas businesses.
Thus, for this year, “Business profit = Operating profit”.

Consolidated Statements of Income (Breakdown for each business segment)

[Key results in current period]

Revenue and profit increased backed by an increase in demand for hotel accommodation in the Real Estate business, a recovery to a certain extent in the number of passengers in the Urban Transportation business, in addition to robust performance in the Sports segment of the Entertainment business with the Hanshin Tigers winning the league championship for the first time in 18 years.

(¥ million)	Operating revenue			Operating profit [Business profit]		
	H1 FY2024 Results	H1 FY2023 Results	Change	H1 FY2024 Results	H1 FY2023 Results	Change
Urban Transportation	99,819	90,591	+9,227	18,651	11,859	+6,791
Real Estate	142,381	128,902	+13,478	22,436 [23,186]	11,595 [11,595]	+10,841 [+11,590]
Entertainment	49,440	43,211	+6,228	16,642	13,871	+2,771
Information and Communication Technology	28,373	26,475	+1,897	1,922	1,606	+316
Travel	111,038	86,007	+25,031	5,956	8,153	-2,196
International Transportation	50,050	87,204	-37,153	708	3,626	-2,917
Other	22,483	21,903	+579	534	420	+113
Adjustment	-17,941	-17,136	-805	-2,532	-2,377	-155
Total	485,644	467,160	+18,484	64,320 [65,069]	48,754 [48,754]	+15,565 [+16,315]

Note: Business profit = Operating profit + Equity-method gains/losses related to overseas business investments [For details, please see p.11.]

(H1 FY2024 results for all segments besides the Real Estate business were calculated as "Business profit = Operating profit".)

Urban Transportation Results

Revenue and profit increased due to a recovery to a certain extent in the number of passengers in the Railway and Automobile businesses, and the start of collection of barrier-free charges* at railway stations.

*All barrier-free charges will be used in the development of further barrier-free facilities in the future.

(¥ million)	H1 FY2024 Results	H1 FY2023 Results	Change	%
Operating revenue	99,819	90,591	+9,227	+ 10.2%
Operating profit	18,651	11,859	+6,791	+ 57.3%

[Breakdown by type of business]

(¥ billion)	Operating revenue			Operating profit		
	H1 FY2024 Results	H1 FY2023 Results	Y on Y	H1 FY2024 Results	H1 FY2023 Results	Y on Y
Railway	73.1	66.1	+7.0	20.1	14.6	+5.5
Automobile	21.3	19.3	+2.0	1.0	-0.2	+1.1
Retailing	6.4	5.9	+0.6	0.8	0.5	+0.3
Others	2.9	2.9	+0.0	0.2	0.1	+0.2

Note: Not including head office expenses / adjustments.

[Urban Transportation] Railway Performance Results

Hankyu Corporation

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	H1 FY2024 Results	H1 FY2023 Results	Change	H1 FY2024 Results	H1 FY2023 Results	Change
Commuter pass	16,298	15,191	+1,107 (+7.3%)	161,028	153,818	+7,209 (+4.7%)
Workers	14,079	13,050	+1,028 (+7.9%)	111,304	106,001	+5,302 (+5.0%)
Students	2,219	2,140	+78 (+3.7%)	49,723	47,816	+1,907 (+4.0%)
Other tickets	29,665	26,300	+3,365 (+12.8%)	139,652	130,832	+8,820 (+6.7%)
Total	45,964	41,491	+4,472 (+10.8%)	300,680	284,651	+16,029 (+5.6%)

Barrier-free charge: 1.6 billion yen

Hanshin Electric Railway

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	H1 FY2024 Results	H1 FY2023 Results	Change	H1 FY2024 Results	H1 FY2023 Results	Change
Commuter pass	6,044	5,590	+453 (+8.1%)	61,448	58,256	+3,191 (+5.5%)
Workers	5,442	5,008	+433 (+8.7%)	48,882	46,139	+2,743 (+5.9%)
Students	601	581	+20 (+3.5%)	12,565	12,117	+447 (+3.7%)
Other tickets	11,286	9,605	+1,680 (+17.5%)	57,733	51,367	+6,365 (+12.4%)
Total	17,330	15,196	+2,134 (+14.0%)	119,181	109,624	+9,556 (+8.7%)

Barrier-free charge: 0.5 billion yen

Note: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

4) In FY2024, Hankyu Corporation and Hanshin Electric Railway introduced a barrier-free charge. This charge is added to regular rail fares and included in the fare revenues from "other tickets" and "commuter pass: workers."

[Urban Transportation] Transportation Revenue (Factors of YoY Change)

《Hankyu Corporation》

Transportation revenue (tier 1 + tier 2)

(¥ million)

Totals for commuter passes and other tickets	Q1	Q2	Total
FY2024 Results	23,084	22,880	45,964
FY2023 Results	21,220	20,271	41,491
Change	+1,863	+2,609	+4,472
(%)	+8.8	+12.9	+10.8

Factors of YoY Change (estimated)

- COVID-19 impact (YoY change in impact) +¥3,029 million
- Impact of collecting barrier-free charges for railway stations +¥1,563 million and others

《Hanshin Electric Railway》

Transportation revenue (tier 1 + tier 2)

(¥ million)

Totals for commuter passes and other tickets	Q1	Q2	Total
FY2024 Results	8,604	8,725	17,330
FY2023 Results	7,597	7,598	15,196
Change	+1,007	+1,127	+2,134
(%)	+13.3	+14.8	+14.0

Factors of YoY Change (estimated)

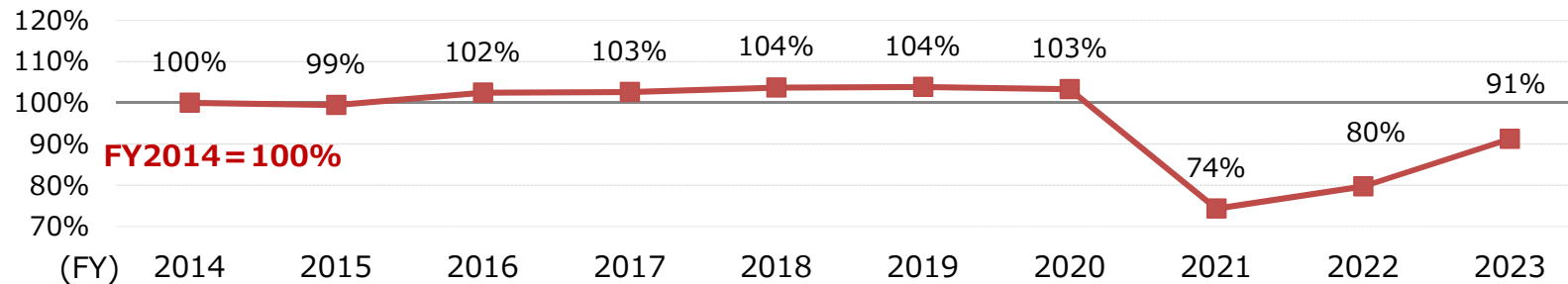
- COVID-19 impact (YoY change in impact) +¥1,536 million
- Impact of collecting barrier-free charges for railway stations +¥531 million and others

[Urban Transportation] Referential Information

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

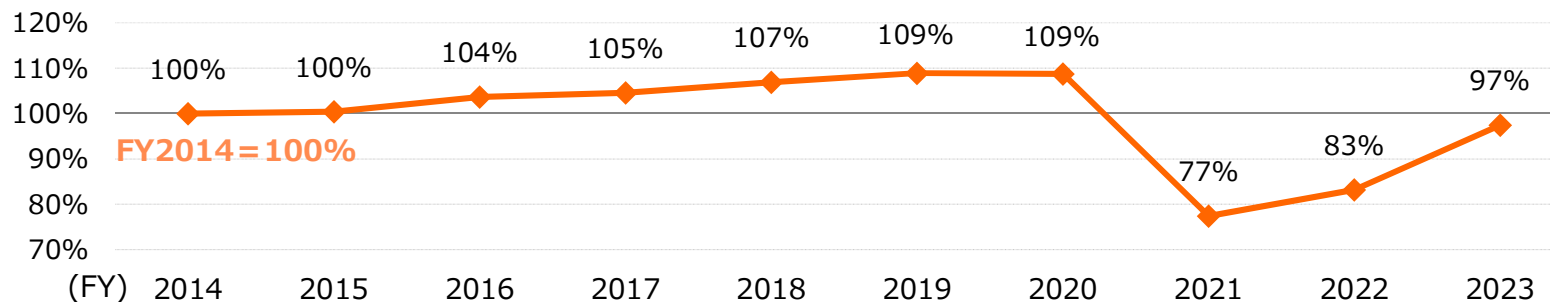
(¥ million)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 H1
Commuter passes	31,299	31,549	32,272	32,628	33,198	33,456	34,119	28,093	28,654	29,900	16,298
Other tickets	61,630	60,910	62,920	62,720	63,137	63,059	61,887	40,982	45,422	54,908	29,665
Total	92,929	92,459	95,192	95,348	96,335	96,516	96,007	69,075	74,077	84,809	45,964



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

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 H1
Commuter passes	11,008	11,107	11,372	11,563	11,797	12,024	12,327	10,476	10,628	11,096	6,044
Other tickets	20,260	20,286	21,035	21,136	21,638	22,030	21,665	13,725	15,397	19,365	11,286
Total	31,269	31,394	32,407	32,699	33,436	34,054	33,993	24,202	26,026	30,462	17,330



Real Estate Results

Revenue and profit increased, driven by a recovery in demand for accommodations in the Hotel business, primarily from inbound visitors, and robust growth in leasing activity in Osaka Umeda Twin Towers South and other properties making up the Real estate leasing business portfolio, in addition to growth in the Overseas real estate business.

(¥ million)	H1 FY2024 Results	H1 FY2023 Results	Change	%
Operating revenue	142,381	128,902	+13,478	+ 10.5%
Operating profit	22,436	11,595	+10,841	+ 93.5%
[Business profit]	[23,186]	[11,595]	[+11,590]	[+ 100.0%]

[Breakdown by type of business]

(¥ billion)	Operating revenue			Operating profit [Business profit]		
	H1 FY2024 Results	H1 FY2023 Results	Y on Y	H1 FY2024 Results	H1 FY2023 Results	Y on Y
Real estate leasing	62.1	57.0	+5.1	19.7	15.8	+3.9
Real estate sales and others	63.0	66.9	-4.0	4.4	5.1	-0.7
Overseas real estate	3.8	0.6	+3.1	1.7 [2.5]	-0.2 [-0.2]	+2.0 [+2.7]
Hotel	29.7	17.7	+12.1	1.9	-4.3	+6.2

Note:1) Not including head office expenses /adjustments.

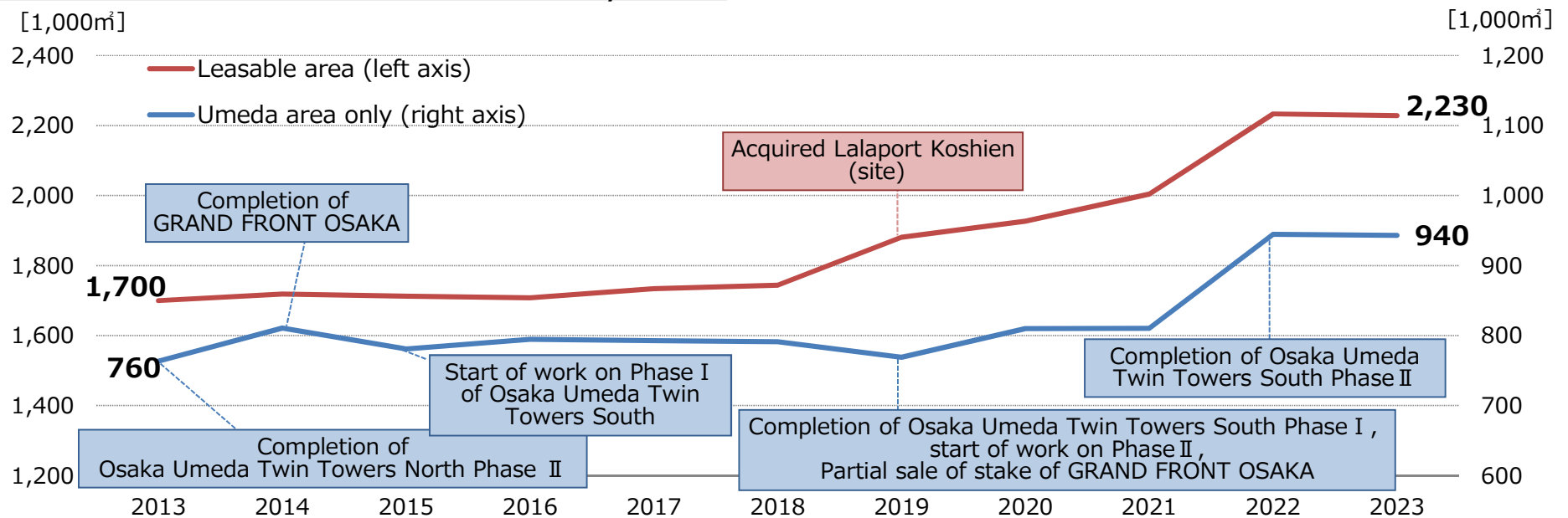
2) "Overseas real estate" is shown as an independent subsegment in the FY2024 results, and the results for H1 FY2023 have also been changed as a point of comparison.

3) Business profit = Operating profit + Equity-method gains/losses related to overseas business investments

(H1 FY2024 results for all segments besides the Overseas real estate business were calculated as "Business profit = Operating profit".)

[Real Estate] Referential Information

Leasable area (at the end of fiscal year)



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

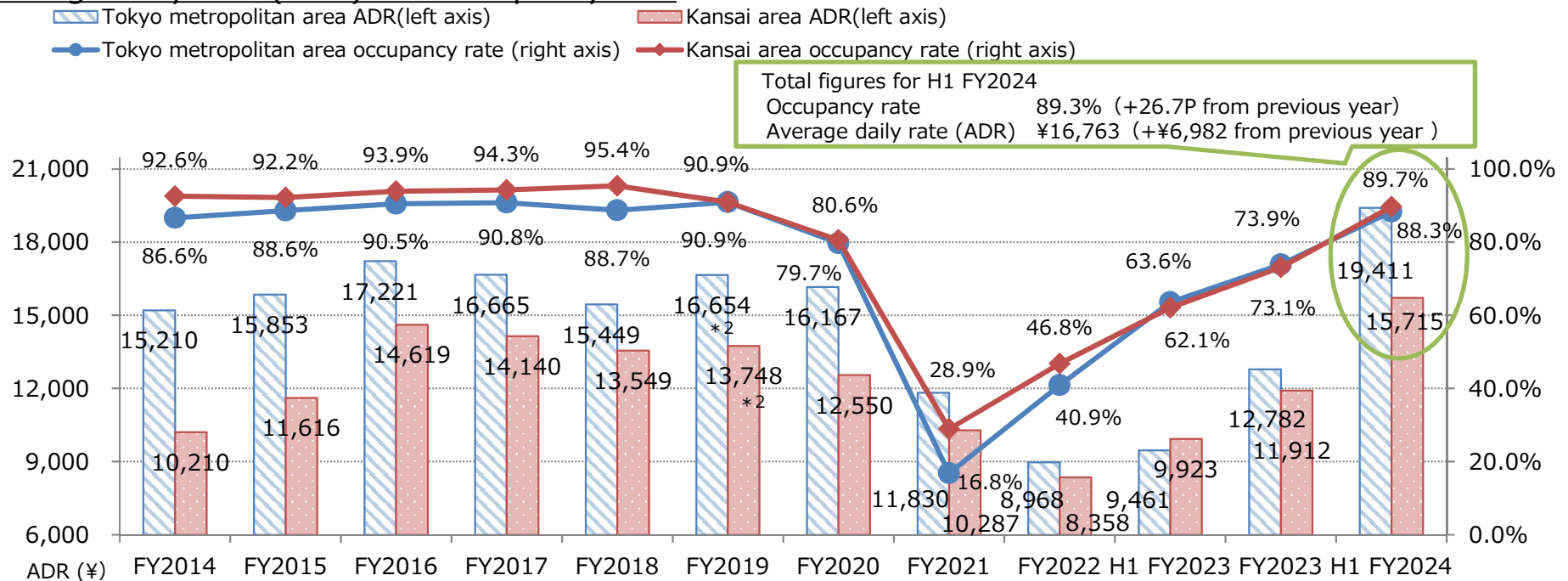
【GRAND FRONT OSAKA】

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

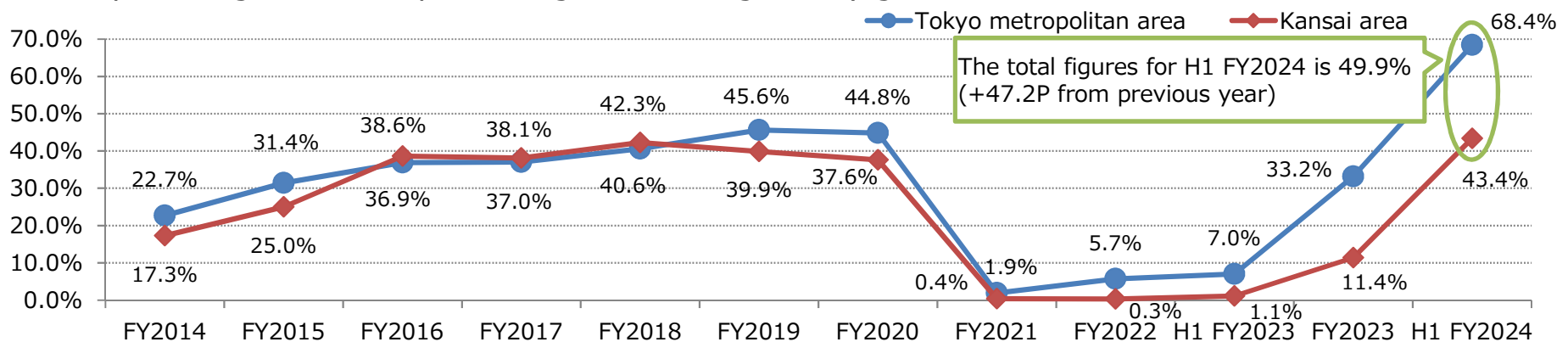


[Real Estate] Referential Information

Average daily rate (ADR) and occupancy rate *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 profit increased due to the increase in the attendance figures at games played by the Hanshin Tigers, who won the league championship for the first time in 18 years, in the Sports business, and an increase in the number of performances by the Takarazuka Revue in the Stage business, despite the cancellation of certain stage shows.

(¥ million)	H1 FY2024 Results	H1 FY2023 Results	Change	%
Operating revenue	49,440	43,211	+6,228	+14.4%
Operating profit	16,642	13,871	+2,771	+20.0%

[Breakdown by type of business]

(¥ billion)	Operating revenue			Operating profit		
	H1 FY2024 Results	H1 FY2023 Results	Y on Y	H1 FY2024 Results	H1 FY2023 Results	Y on Y
Sports	31.7	26.7	+4.9	13.4	11.0	+2.4
Stage	17.8	16.5	+1.3	4.2	3.7	0.5

Note: Not including head office expenses /adjustments.

[Entertainment] Referential Information

Hanshin Tigers Home Game : Admission numbers*1

•Number of regular season games : 71 (±0 from previous year)

(Thousands of people)

(CY)	2015	2016	2017	2018	2019	2020	2021	H1 2022	2022	H1 2023
Admissions	2,878	2,911	3,035	2,899	3,091	518	749	2,576	2,619	2,916
Ranking	3	4	2	6	3	2	2	3 *2	3	1

*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 : 211 (+46 from previous year)
Tokyo Takarazuka Theater : 228 (+47 from previous year)
•Shows were suspended during the following periods:
Takarazuka Grand Theater : Jun 3 - 18 (shows recommenced from Jun 18 second show),
Jun 22 Performances by new performers (number of shows cancelled: 25)
Tokyo Takarazuka Theater : Aug 15 - 18 (number of shows cancelled: 6)

(Thousands of people) (FY)	2016	2017	2018	2019	2020	2021	2022	H1 2023	2023	H1 2024
Total	2,825	2,844	2,996	3,128	2,991	1,565	2,716	1,295	2,781	1,634
Takarazuka Grand Theater	1,149	1,169	1,191	1,207	1,106	485	904	409	925	551
Tokyo Takarazuka Theater	1,000	967	992	990	917	460	785	370	801	481
Other Theaters	623	586	619	598	572	200	418	229	474	272
Live screening*3										
Live streaming*4	53	122	195	333	396	420	610	287	581	330

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

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

Information and Communication Technology Results

Revenue and profit increased due to an increase in orders received in the Information Services business.

(¥ million)	H1 FY2024 Results	H1 FY2023 Results	Change	%
Operating revenue	28,373	26,475	+1,897	+7.2%
Operating profit	1,922	1,606	+316	+19.7%

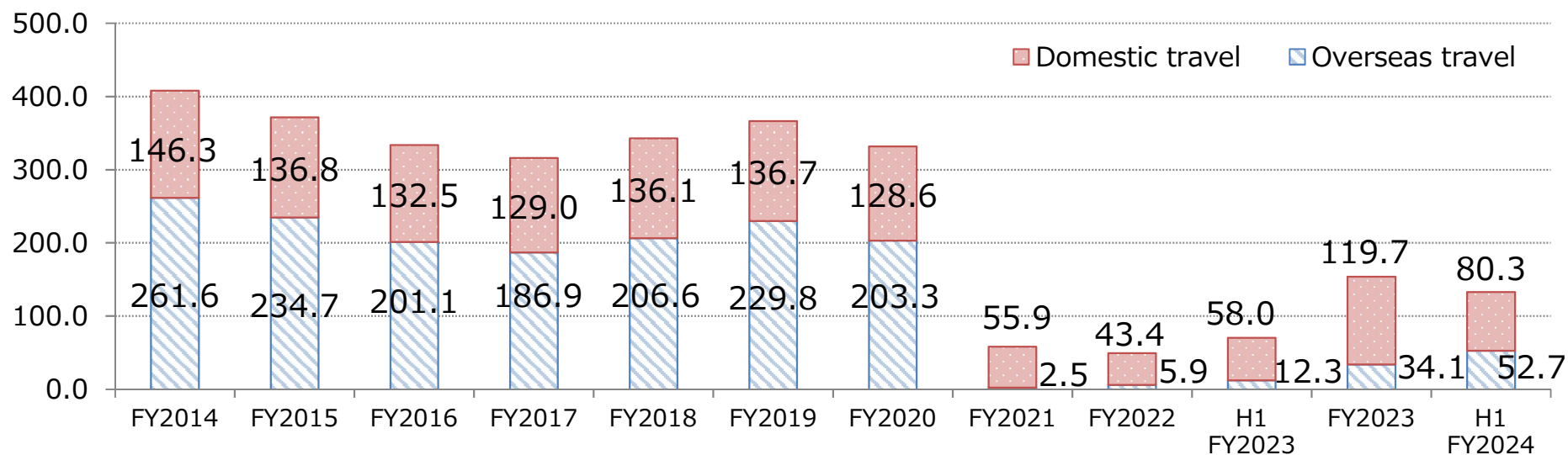
Travel Results

Although revenue increased due to robust demand for domestic travel and a year-on-year increase in international travel, which is still in the middle of a recovery, profit declined due to a drop in orders for non-travel services, such as support services for local authorities.

(¥ million)	H1 FY2024 Results	H1 FY2023 Results	Change	%
Operating revenue	111,038	86,007	+25,031	+ 29.1%
Operating profit	5,956	8,153	-2,196	- 26.9%

Billings

(¥ billion)



* Figures for FY2014 to FY2015 represent the simple aggregate amounts from Hankyu Travel International and Hankyu Hanshin Business Travel. The figures from FY2016 to FY2023 represent the aggregate amounts from the two companies as well as from Hanshin Travel International (offsetting intercompany transactions). The figures from FY2024 represent the aggregate amounts from Hankyu Travel International and Hankyu Hanshin Business Travel (offsetting intercompany transactions).

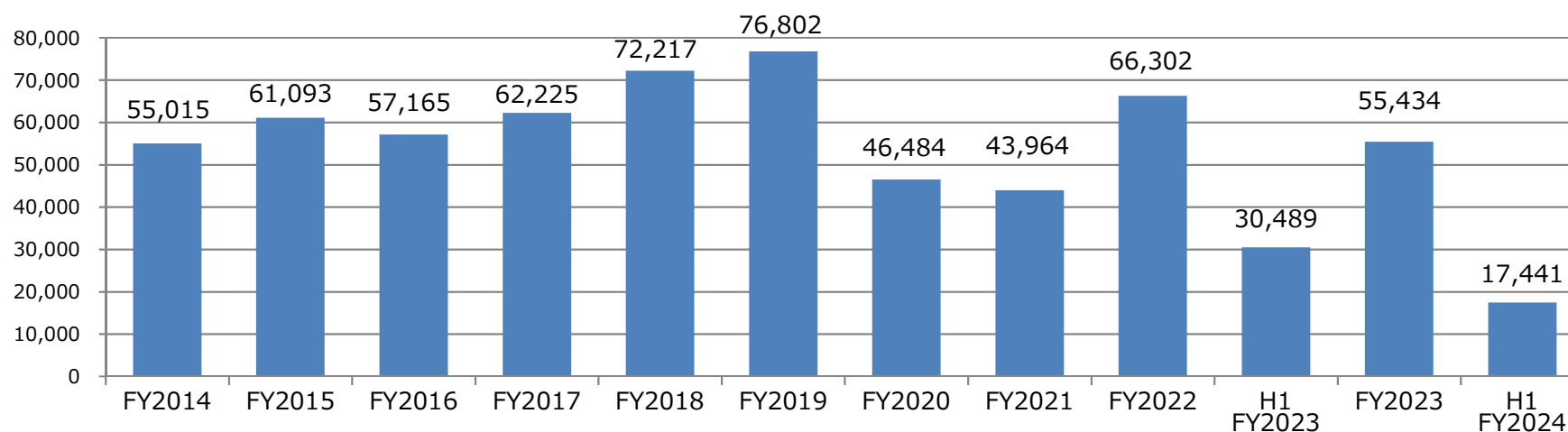
International Transportation Results

Revenue and profit declined in both air and ocean transportation due to stagnant logistics demand caused by sweeping inventory adjustments made by customers, among other factors, and a relaxing of the tight supply and demand conditions that persisted.

(¥ million)	H1 FY2024 Results	H1 FY2023 Results	Change	%
Operating revenue	50,050	87,204	-37,153	-42.6%
Operating profit	708	3,626	-2,917	-80.5%

Air export consolidated freight weight (from Japan)

(unit : ton)



Consolidated Statements of Income (Non-operating Profit and Loss)

(¥ million)	H1 FY2024 Results	H1 FY2023 Results	Change
Operating profit	64,320	48,754	+15,565
Non-operating income	9,133	5,877	+3,255
Equity in income of affiliates	6,791	3,809	+2,981
Non-operating expenses	6,523	5,137	+1,385
Interest expense	5,183	4,192	+990
Ordinary profit	66,930	49,494	+17,435

Consolidated Statements of Income (Extraordinary Income and Losses)

(¥ million)	H1 FY2024 Results	H1 FY2023 Results	Change
Extraordinary income and losses	-293	-842	+548
Extraordinary income	1,165	1,134	+31
Gain on contributions for construction	1,063	318	+744
Other	102	815	-713
Extraordinary losses	1,459	1,976	-517
Loss on reduction of property and equipment	1,043	320	+723
Other	415	1,656	-1,240

Consolidated Statements of Income

(Profit attributable to owners of parent)

(¥ million)	H1 FY2024 Results	H1 FY2023 Results	Change
Profit before income taxes	66,636	48,651	+17,984
Total income taxes	19,877	15,597	+4,279
Income taxes—current	12,340	10,018	+2,322
Income taxes—deferred	7,537	5,579	+1,957
Profit	46,759	33,054	+13,704
Profit attributable to non-controlling interests	1,885	2,004	-118
Profit attributable to owners of parent	44,873	31,050	+13,823

Consolidated Balance Sheets

(¥ million)		H1 FY2024 Results	FY2023 Results	Change	Remarks																								
Assets	Current assets	431,868	428,082	+3,785																									
	Noncurrent assets	2,504,677	2,437,328	+67,349	Investment securities +48,151 Property and equipment and intangible assets +17,234																								
	Total assets	2,936,545	2,865,410	+71,135																									
Liabilities	Current liabilities	482,530	499,684	-17,154	<table><tr><td></td><td>H1 FY2024 Results</td><td>FY2023 Results</td><td>Change</td></tr><tr><td>Dept</td><td>842,402</td><td>822,595</td><td>+19,807</td></tr><tr><td>Bonds</td><td>260,000</td><td>260,000</td><td>-0</td></tr><tr><td>Commercial paper</td><td>10,000</td><td>10,000</td><td>-</td></tr><tr><td>Lease obligations</td><td>13,579</td><td>13,755</td><td>-175</td></tr><tr><td>Interest-bearing debt</td><td>1,125,982</td><td>1,106,351</td><td>+19,631</td></tr></table>		H1 FY2024 Results	FY2023 Results	Change	Dept	842,402	822,595	+19,807	Bonds	260,000	260,000	-0	Commercial paper	10,000	10,000	-	Lease obligations	13,579	13,755	-175	Interest-bearing debt	1,125,982	1,106,351	+19,631
		H1 FY2024 Results	FY2023 Results	Change																									
	Dept	842,402	822,595	+19,807																									
	Bonds	260,000	260,000	-0																									
	Commercial paper	10,000	10,000	-																									
	Lease obligations	13,579	13,755	-175																									
Interest-bearing debt	1,125,982	1,106,351	+19,631																										
Long-term liabilities	1,409,017	1,384,785	+24,232																										
Total liabilities	1,891,548	1,884,470	+7,078																										
Net assets	Shareholders' equity	914,307	878,110	+36,197	Profit attributable to owners of parent +44,873 Payment dividend -6,062																								
	Accumulated other comprehensive income	42,954	28,692	+14,261	Foreign currency translation adjustment +7,883 Valuation difference on available-for-sale securities +5,989																								
	Non-controlling interests	87,736	74,137	+13,598																									
	Total net assets	1,044,997	980,940	+64,057																									
Equity ratio		32.6%	31.6%	+1.0 p																									

Consolidated Statements of Cash Flows

(¥ million)	H1 FY2024 Results	H1 FY2023 Results
Cash flows from operating activities	71,369	64,330
Income before income taxes	66,636	48,651
Depreciation and amortization*1	30,403	30,618
Decrease (increase) in inventories	-25,135	-13,209
Income taxes (paid) refunded	-11,919	-9,586
Cash flows from investing activities	-71,886	-79,643
Purchases of noncurrent assets	-58,399	-57,232
Purchases of investment securities	-32,359	-41,274
Receipt of contributions for construction	22,627	17,670
Cash flows from financing activities	1,022	15,995
Income (expenditure) from borrowings, corporate bonds, or similar items [net] *2	11,955	24,928
Dividends paid	-6,062	-6,062
Purchase of treasury stock	-2,040	-25
Effect of exchange rate changes on cash and cash equivalents	1,874	3,081
Increase (decrease) in cash and cash equivalents	2,380	3,764
Cash and cash equivalents at beginning of year	41,375	29,422
Increase in cash and cash equivalents from new consolidations of subsidiaries or similar events	536	—
Cash and cash equivalents at end of year	44,292	33,186

*1 "Depreciation and amortization" in H1 FY2023 includes amortization recognized as extraordinary losses related to the COVID-19.

*2 "Similar items" includes commercial papers.

I . Executive Summary

II . Performance Highlights for the First Half of Fiscal 2024 (Ended March 2024)

III. Forecasts for Fiscal 2024 (Ended March 2024)

Consolidated Statements of Income (Summary)

(¥ billion)	FY2024 Forecasts	FY2024 Forecasts (As of May)	Change	Remarks	FY2023 Results	Change
	①	②	= ① - ②		③	= ① - ③
Operating revenue	1,000.0	1,000.0	–	While the International Transportation business is expected to continue to face a stern business environment, revenue increased due to strong performance in the accommodation segment of the Hotel business and the domestic travel segment.	968.3	+31.7
Operating profit	99.7	87.7	+12.0 +13.7%		89.4	+10.3
[Business profit]	[102.0]	[90.0]	[+12.0] [+13.3%]		[89.4]	[+12.6]
Ordinary profit	1,000.0	87.0	+13.0 +14.9%		88.4	+11.6
Profit attributable to owners of parent	60.0	52.0	+8.0 +15.4%		47.0	+13.0
(Reference)						
Capital Expenditures	129.7	120.4	+9.3		63.0	+66.7
Depreciation and amortization	62.7	63.7	-1.0		62.0	+0.7
Financial balance (1) - (2)	-9.3	-10.2	+0.9		-7.5	-1.8
Interest and dividend income(1)	1.4	0.9	+0.5		1.3	+0.1
Interest expense(2)	10.7	11.1	-0.4		8.8	+1.9

Note: Business profit = Operating profit + Equity-method gains/losses related to overseas business investments
 (With regard to FY2023, we had no equity-method affiliates in our overseas businesses. Thus, for this year, "Business profit = Operating profit".)

Consolidated Statements of Income (Breakdown for each business segment)

(¥ billion)						
Upper row : Operating revenue	FY2024 Forecasts	FY2024 Forecasts (As of May)	Change	Remarks	FY2022 Results	Change
Lower row : Operating profit [Business profit]						
Total	1,000.0	1,000.0	–		968.3	+31.7
	99.7	87.7	+12.0		89.4	+10.3
	[102.0]	[90.0]	[+12.0]		[+89.4]	+12.6
(Breakdown for each business segment)						
Urban Transportation	203.2	205.1	-1.9	Despite an expected decline in revenue due to a lower than expected recovery in Hankyu Line ridership numbers, profit growth is forecasted on the basis of the reduction in power costs and other expenses.	185.6	+17.6
	33.5	31.3	+2.2		22.4	+11.1
Real Estate	323.0	329.4	-6.4	Despite an expected decline in revenue due to a revision in the timing of certain property sales in the condominium business, profit growth is forecasted due to an expected recovery in accommodation demand in the Hotel business, and reduced utility costs in the property Real estate leasing.	282.0	+41.0
	44.6	39.9	+4.7		27.9	+16.7
	[46.9]	[42.2]	[+4.7]		[+27.9]	[+19.0]
Entertainment	79.8	75.0	+4.8	Revenue and profit growth is forecasted despite the cancellation of some stage shows by the Takarazuka Revue in the stage business with strong performance in the sports business following the Hanshin Tigers winning the league championship for the first time in 18 years.	72.3	+7.5
	12.7	11.7	+1.0		12.6	+0.1
Information and Communication Technology	65.9	65.8	+0.1	Revenue and profit growth is forecasted on the basis of an increase in orders in the Information services business.	60.4	+5.5
	6.2	6.1	+0.1		5.9	+0.3
Travel	210.0	205.0	+5.0	Revenue and profit growth is forecasted on the basis of strong performance in domestic travel, and the higher than expected orders for support services from local governments in the first half.	191.4	+18.6
	3.9	0.4	+3.5		15.3	-11.4
International Transportation	100.0	107.8	-7.8	Lower revenue and profit is forecasted on the basis of the sector being faced with a stern business environment for the foreseeable future, with a stagnation in logistics demand for both air and ocean transportation.	163.3	-63.3
	1.0	2.5	-1.5		8.4	-7.4

Note: Business profit = Operating profit + Equity-method gains/losses related to overseas business investments
(FY2024 results for all segments besides the Real Estate business were calculated as "Business profit = Operating profit".)

[Urban Transportation] Railway Performance Forecasts

Hankyu Corporation

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	FY2024 Forecasts	FY2023 Results	Change	FY2024 Forecasts	FY2023 Results	Change
Commuter pass	32,156	29,900	+2,256 (+7.5%)	312,095	299,570	+12,524 (+4.2%)
Workers	28,035	25,935	+2,099 (+8.1%)	220,074	210,671	+9,402 (+4.5%)
Students	4,121	3,965	+156 (+3.9%)	92,021	88,898	+3,122 (+3.5%)
Other tickets	61,018	54,908	+6,109 (+11.1%)	287,631	272,065	+15,565 (+5.7%)
Total	93,175	84,809	+8,365 (+9.9%)	599,726	571,636	+28,090 (+4.9%)

Barrier-free charge: 3.4 billion yen

Hanshin Electric Railway

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	FY2024 Forecasts	FY2023 Results	Change	FY2024 Forecasts	FY2023 Results	Change
Commuter pass	12,032	11,096	+935 (+8.4%)	121,133	114,974	+6,158 (+5.4%)
Workers	10,889	9,996	+892 (+8.9%)	97,146	91,956	+5,189 (+5.6%)
Students	1,142	1,099	+42 (+3.9%)	23,986	23,017	+968 (+4.2%)
Other tickets	22,047	19,365	+2,681 (+13.8%)	114,414	103,696	+10,717 (+10.3%)
Total	34,079	30,462	+3,617 (+11.9%)	235,547	218,671	+16,875 (+7.7%)

Barrier-free charge: 1.1 billion yen

- * 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.
 4) In FY2024, Hankyu Corporation and Hanshin Electric Railway introduced a barrier-free charge. This charge is added to regular rail fares and included in the fare revenues from "other tickets" and "commuter pass: workers."

Performance Indicators

	FY2023 Results	FY2024 Forecasts (As of May)	FY2024 Forecasts (As of Oct.)
Business profit (1 + 2)	¥89.4billion	¥90.0billion	¥102.0billion
Operating profit (1)	¥89.4billion	¥87.7billion	¥99.7billion
Equity-method gains/losses related to overseas business investments (2)	–	¥2.3billion	¥2.3billion
EBITDA* ¹	¥153.7billion	¥156.0billion	¥167.0billion
Interest-bearing debt	¥1,106.4billion	¥1,190.0billion	¥1,190.0billion
Interest-bearing debt/EBITDA ratio	7.2	7.6	7.1
D/E ratio* ²	1.2	1.3	1.2
Profit attributable to owners of parent	¥47.0billion	¥52.0billion	¥60.0billion
ROE	5.3%	5.6%	6.4%
(Reference)			
Net interest-bearing debt* ³	¥1,063.5billion	¥1,165.0billion	¥1,165.0billion
Net interest-bearing debt/EBITDA ratio	6.9	7.5	7.0

*1 EBITDA = Business profit (Operating profit + Equity-method gains/losses related to overseas business investments)
+ 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

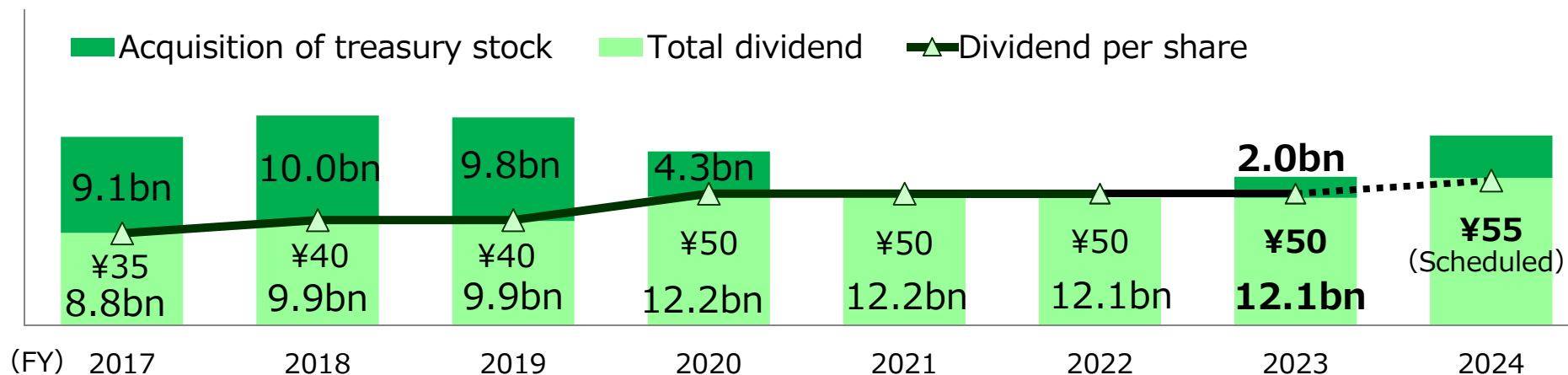
- We believe in **stable dividends and share buybacks**. Using total payout ratio as our yardstick for shareholder returns, we aim for a ratio of **30%** while also reinvesting profits to improve our financial and operating health.
- We cap our treasury holdings at 5% of total issued shares and dispose of any holdings that exceed this cap.

<Reference> Formula for calculating total payout ratio

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

■ Return of Profits to Shareholders in FY2024

- Based on recent business performance, the expected year-end dividend will be amended upwards **by ¥5 per share to ¥30 per share**. As a result, the **annual dividend will be ¥55 (¥25 interim + ¥30 year-end)**.
- With regard to the acquisition of treasury stock, the Company plans to buyback stock based on the formula described above.



[Reference] Consolidated Statements of Capital Expenditure

(¥ billion)	FY2024 Results ①	FY2024 Forecasts (As of May) ②	Change = ① - ②	FY2023 Results ③	Change = ① - ③
Total capital expenditure	129.7	120.4	+9.3	63.0	+66.7
[Breakdown for each business segment]					
Urban Transportation	44.9	46.3	-1.4	27.4	+17.5
Real Estate	59.7	49.7	+10.0	24.5	+35.2
Entertainment	10.3	10.6	-0.3	2.4	+7.9
Information and Communication Technology	6.3	6.2	+0.1	5.6	+0.7
Travel	1.7	1.3	+0.4	0.7	+1.0
International Transportation	3.7	3.2	+0.5	2.4	+1.3

[Reference] Consolidated Statements of Depreciation and Amortization, EBITDA*

(¥ billion)	FY2024 Forecasts	FY2024 Forecasts (As of May)	Change	FY2023 Results	Change
	①	②	= ① - ②	③	= ① - ③
Total Depreciation and amortization	62.7	63.7	-1.0	62.0	+0.7
[Breakdown for each business segment]					
Urban Transportation	26.6	27.1	-0.5	26.2	+0.4
Real Estate	25.0	25.0	—	24.9	+0.1
Entertainment	3.8	3.9	-0.1	3.7	+0.1
Information and Communication Technology	5.5	5.7	-0.2	5.1	+0.4
Travel	1.0	1.0	—	0.9	+0.1
International Transportation	1.9	1.9	—	1.8	+0.1
Total EBITDA	167.0	156.0	+11.0	153.7	+13.3
[Breakdown for each business segment]					
Urban Transportation	60.1	58.4	+1.7	48.7	+11.4
Real Estate	71.9	67.2	+4.7	52.7	+19.2
Entertainment	16.5	15.6	+0.9	16.3	+0.2
Information and Communication Technology	11.8	11.9	-0.1	11.1	+0.7
Travel	4.9	1.4	+3.5	16.2	-11.3
International Transportation	2.9	4.4	-1.5	10.1	-7.2

*EBITDA = Business profit (Operating profit + Equity-method gains/losses related to overseas business investments)
+ Depreciation expenses + Amortization of goodwill

[Reference] Operating Revenue and Operating (Business) Profit in Main Segments

(¥ billion)	Operating revenue					Operating profit [Business profit]				
	FY2024 Forecasts	FY2024 Forecasts (As of May)	Change	FY2023 Results	Change	FY2024 Forecasts	FY2024 Forecasts (As of May)	Change	FY2023 Results	Change
	①	②	=①-②	③	=①-③	①	②	=①-②	③	=①-③
Urban Transportation	203.2	205.1	-1.9	185.6	+17.6	33.5	31.3	+2.2	22.4	+11.1
[Breakdown]										
Railway	147.4	147.8	-0.4	134.5	+12.9	36.5	35.7	+0.8	26.5	+10.0
Automobile	43.2	43.5	-0.3	40.2	+3.0	1.8	1.5	+0.3	0.7	+1.1
Retailing	13.0	14.0	-1.0	12.0	+1.0	1.2	1.0	+0.2	1.0	+0.2
Others	10.0	9.8	+0.2	8.9	+1.1	0.8	0.7	+0.1	0.6	+0.2
Real Estate	323.0	329.4	-6.4	282.0	+41.0	44.6	39.9	+4.7	27.9	+16.7
						[46.9]	[42.2]	[+4.7]	[27.9]	[+19.0]
[Breakdown]										
Real estate leasing	125.5	123.5	+2.0	126.2	-0.7	34.6	31.9	+2.7	32.4	+2.2
Real estate sales and others	161.7	175.9	-14.2	137.4	+24.3	15.2	15.7	-0.5	9.1	+6.1
Overseas real estates	8.0	6.8	+1.2	3.2	+4.8	3.4	2.8	+0.6	1.1	+2.3
						[5.7]	[5.1]	[+0.6]	[1.1]	[+4.6]
Hotel	60.6	53.4	+7.2	44.2	+16.4	3.0	0.2	+2.8	-4.8	+7.8
Entertainment	79.8	75.0	+4.8	72.3	+7.5	12.7	11.7	+1.0	12.6	+0.1
[Breakdown]										
Sports	46.0	39.4	+6.6	38.4	+7.6	9.2	6.4	+2.8	7.4	+1.8
Stage	33.7	35.5	-1.8	33.9	-0.2	5.2	7.0	-1.8	6.8	-1.6

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) As of FY2024, Overseas real estate is presented as an independent sub-segment. The segment results for the comparative year, FY2023, have been retroactively adjusted accordingly.

(3) Business profit = Operating profit + Equity-method gains/losses related to overseas business investments

(FY2024 results for all segments besides the Overseas Real Estate business were calculated as "Business profit = Operating profit".)