

**Supplementary Briefing During the Briefing on Earning Results**  
**for Fiscal 2025 (Ended March 2025)**  
**Presented by Yasuo Shimada, President and Representative Director, Group CEO**

\*The page numbers shown here indicate the page numbers in the results briefing materials

**FY2025 financial results (P3)**

- Revenue and profit increased on the back of an increase in the total number of condominium units sold and a recovery in demand in the Urban Transportation segment and overseas travel business despite a reversal in temporary factors driving special demand in the Sports business and Travel segment in the same period of the previous year, in addition to sluggish performance in handling volume in the International Transportation segment.

**Long-Term Management Plan (P4-5)**

- To reiterate the key points raised in the Long-Term Management Plan announced March 27, 2025, the Long-Term Management Plan is a long-term management policy for achieving the future for the Group that we aspire to, categorized into (1) business strategy, (2) financial strategy, and (3) human resources strategy in line with the direction of the Group's businesses

**<Business Strategy>**

- While the Group currently possesses a strong competitive advantages and robust cash generation capabilities in line-side areas, we anticipate the business environment becoming increasingly challenging due to demographic shifts caused by a declining birthrate and aging population. In this context, it is essential to strike a balance between digging deeper into existing markets, mainly line-side communities, and continuing to take on new challenges. To achieve this, the optimal allocation of management resources will become increasingly critical.
- To this end, we have outlined four strategic directions for the Group to advance these initiatives, including making our line-side communities the absolute best," "maximizing content appeal and developing new content," "expanding beyond areas (Tokyo Metropolitan area and overseas)," and "focusing on business solutions," in addition to formulating a policy on the allocation of management resources in line with these directions.

**<FY2026-FY2031 Cash Allocation>**

- The focus for cash outflows for FY2026 through to FY2031 is on growth investments, with a total planned investment of ¥750 billion set aside for the short-term and long-term. Specifically, short-term growth investments set to contribute to profits by FY2031 are focused on the global real estate business and elsewhere, while long-term growth investments are centered on the Shibata 1 Project and M&A activities in the Information Services business.
- Beginning in FY2026, we will enhance returns to shareholders by raising the total payout ratio to 50%. Additionally, as part of efforts to improve asset efficiency, we plan to proceed with asset sales totaling ¥240 billion, primarily in the Real Estate segment, though the timing and specifics remain undetermined. By doing so, we will maintain control over the balance sheet while securing the capacity to make necessary investments.
- With regard to cash inflows, in addition to EBITDA, while any shortfall in funding not covered by the asset sales mentioned above will be financed through borrowings, we expect to keep the D/E ratio of 1.3x.

**<Capital Policy Strengthening Shareholder Return>**

- We will implement a stable annual dividends of at least ¥100 per share. In addition, guided by a total payout ratio of around 50%, we will pursue the flexible acquisition of treasury stock based on our cash flow position.

### **<Conceptual Image of Growth in Business Profit Aimed at Realizing Our Vision>**

- We anticipate that achieving our ROE of 8% by FY2031 will require a business profit of ¥160 billion. While pursuing these targets, we will continue to focus on financial soundness, maintaining a D/E ratio of around 1.3 times, and a net interest-bearing debt/EBITDA ratio in the 6x range.
- A business profit of ¥160 billion is an incredibly challenging target to reach through growth in existing businesses alone. We hope to bridge this gap by actively pursuing the creation of new sources of revenue that leverage the Group's integrated strength, while also maximizing the effectiveness of growth investments, including those in overseas real estate and M&A activities.
- Looking further ahead to FY2041, we anticipate significant profit contributions from large-scale projects. While maintaining appropriate financial soundness, we aim not only to sustain an ROE of 8%, but also to achieve business profit of over ¥200 billion. Through these efforts, we seek to continue our growth trajectory and evolve into an excellent company that goes beyond the traditional scope of a private railway company.
- For more details on the abovementioned Long-Term Management Plan, see page 2 onwards in the reference materials.

### **FY2026 performance forecasts (P6)**

- With regard to FY2026 performance forecasts, while costs are expected to rise across each business, revenue and profit are expected to increase following increases in real estate sales and growth in the overseas real estate business and the Information and Communications segment, in addition to strong performance in transportation revenue and travel handling, with business profit outlined in the initial Medium-Term Management Plan expected to come in at ¥118 billion.

### **Progress in Key Projects (P7-8)**

- Finally, I would like to address some recent matters garnering attention.

#### **<Making our line-side communities the absolute best>**

- The South Building, a multi-functional complex and part of the Umekita Phase II Development Project, "Grand Green Osaka," had its grand opening on March 21, and has since attracted visitors in large number. The Hankyu Hanshin Hotels-operated "Hotel Hankyu Grand Respire Osaka" also opened. Moving forward, pursue urban development that embodies our core vision to 'integrate green space with innovation,' with the aim of positioning ourselves as a leading force in urban development in the Kansai region and across Asia.
- With regard to the Mukogawa New Station, to be built between Mukonosu Station and Nishinomiya-kitaguchi Station on the Hankyu Kobe Line, a basic agreement was signed with cities of Amagasaki and Nishinomiya on April 4, setting the intended start of service by the end of FY2032, marking the official start of the project. We will work with both cities toward the creation of a livable and vibrant community by developing the public transportation network and other improvements in the vicinity of the new station.

#### **Maximize content appeal and develop new content**

- Construction on the new team farm facility for the Hanshin Tigers, the "Zero Carbon Baseball Park," completed on February 20. We are working to achieve further growth in our baseball-related business through such activities focused on building a stronger team.
- We completed the renewal of the "Shops and Restaurant Zone" inside the Takarazuka Grand Theater. We strive to create a space where visitors can enjoy a more comfortable and enjoyable experience before and after performances.

**Expand beyond area**

- In January 2025, Hankyu Hanshin Properties participated in the “Claystone Project,” the Company's first condominium development project in Canada. In Indonesia, we acquired part of the “Beachwalk Complex,” a mixed-use commercial and hotel facility located in Kuta, Bali. The complex caters to a wide range of customer needs, comprising a shopping center with approximately 180 stores, including fashion stores and restaurants, together with four hotels of varying grades.
- Going forward, we will continue to expand our business in developed countries such as Canada, where real estate distribution and transaction volumes are high. In Indonesia, where we have been focusing efforts, we will carefully select properties not only in Jakarta but also in other cities with substantial market potential and growth prospects, aiming to further expand our business.
- Meanwhile, as part of our initiatives in the Tokyo Metropolitan Area, it was recently announced that Hankyu Corporation will construct a new theater with approximately 1,300 seats, equipped with state-of-the-art facilities, as part of the Yaesu 2 Naka Type I Urban Redevelopment Project. The theater will be operated by Umeda Arts Theater Co., Ltd., a wholly owned subsidiary of Hankyu Corporation. This theater will stage world-class entertainment, including musicals, plays, the Takarazuka Revue, concerts, and much more as part of our goal to deliver dreams and excitement to an even broader audience.