

Hankyu Hanshin Holdings Group Results Briefing Materials for Fiscal 2021 (fiscal year ended 31st March 2021)

May 21, 2021

Hankyu Hanshin Holdings, Inc.

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

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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 . Performance Highlights for Fiscal 2021 (fiscal year ended 31st March 2021)

Consolidated Statements of Income(Summary)

	FY2021 Results	FY2020 Results	Change
Consolidated Subsidiaries	95 companies	93 companies	+2 (4 companies increase, 2 companies decrease)
Equity-Method Affiliates	11 companies	11 companies	±0
Total	106 companies	104 companies	+2

COVID-19 impact (¥ billion)	FY2021 Results	FY2020 Results		
Revenue from operations	-215.2	-22.0		
Operating income	-104.2	-15.4		
(¥ million)	FY2021 Results	FY2020 Results	Change	Remarks
Revenue from operations	568,900	762,650	-193,750 (-25.4%)	For details, please see next page
Operating income	2,066	95,170	-93,103 (-97.8%)	
Non-operating income	3,572	7,331	-3,759	Equity in income/loss of affiliates -5,011
Non-operating expenses	13,262	13,706	-443	
Ordinary income	-7,623	88,795	-96,418 (-)	
Extraordinary income	13,167	6,038	+7,129	Employment adjustment subsidies +8,715
Extraordinary loss	46,557	8,086	+38,470	COVID-19-related losses +19,382 Structural reform-related loss +18,618
Net income attributable to owners of the parent	-36,702	54,859	-91,562 (-)	Tax expense -36,312

(Reference)	FY2021 Results	FY2020 Results	Change	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.
Depreciation and amortization	55,733	56,542	-808	
Financial balance ① - ②	-7,783	-7,718	-64	
Interest and dividend income①	1,102	1,548	-446	
Interest expense②	8,885	9,267	-381	

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 page 6).

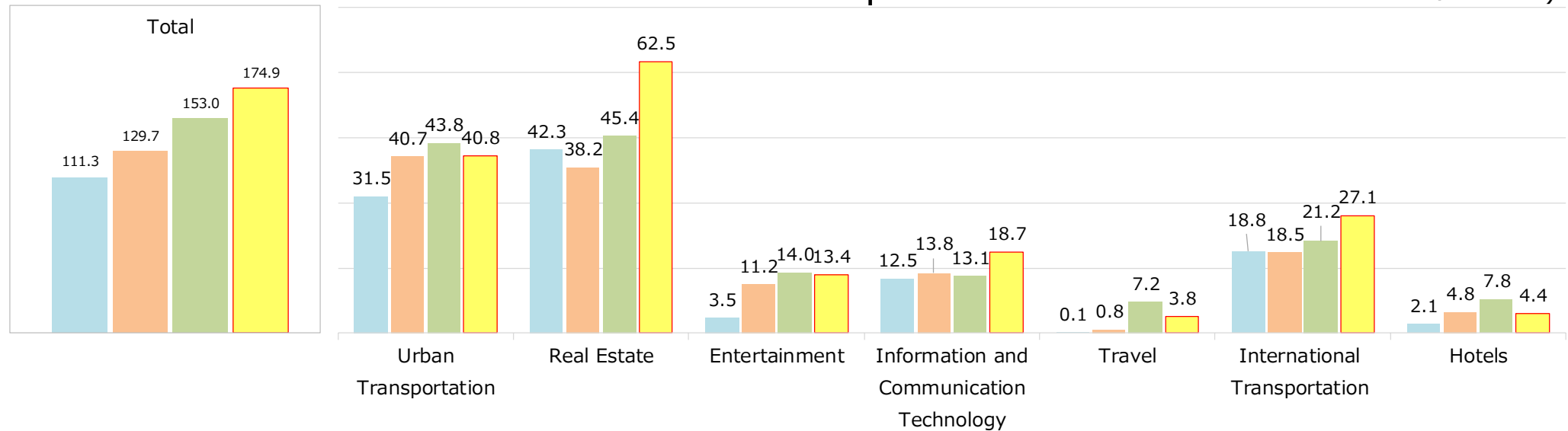
(¥ million)	Revenue from operations				Operating income		
	FY2021 Results	FY2020 Results	Change		FY2021 Results	FY2020 Results	Change
COVID-19 impact -65.3 billion yen		-5.2 billion yen				-4.7 billion yen	
Urban Transportation	156,926	227,176	-70,250		-49.5 billion yen -5,108	40,056	-45,164
Real Estate	-27.7 billion yen 188,360	-1.0 billion yen 236,046	-47,686		-11.3 billion yen 28,923	-0.9 billion yen 41,510	-12,586
Entertainment	-36.2 billion yen 42,192	-4.4 billion yen 74,020	-31,828		-15.6 billion yen -2,258	-3.0 billion yen 11,695	-13,954
Information and Communication Technology	58,083	58,576	-492		5,556	5,598	-42
Travel	-28.7 billion yen 11,960	-4.9 billion yen 33,766	-21,805		-10.0 billion yen -7,397	-3.1 billion yen 232	-7,630
International Transportation	85,552	76,186	+9,366		2,308	170	+2,137
Hotels	-51.0 billion yen 19,145	-5.2 billion yen 60,280	-41,135		-18.5 billion yen -17,927	-3.3 billion yen -3,142	-14,784
Other	49,840	42,486	+7,353		1,881	2,381	-500
Adjustment	-43,160	-45,887	+2,727		-3,911	-3,332	-578
Total	-215.2 billion yen 568,900	-22.0 billion yen 762,650	-193,750		-104.2 billion yen 2,066	-15.4 billion yen 95,170	-93,103

Quarterly Consolidated Statements of Income by Segment

From left to right: Q1–Q4 FY2021 (unconsolidated)

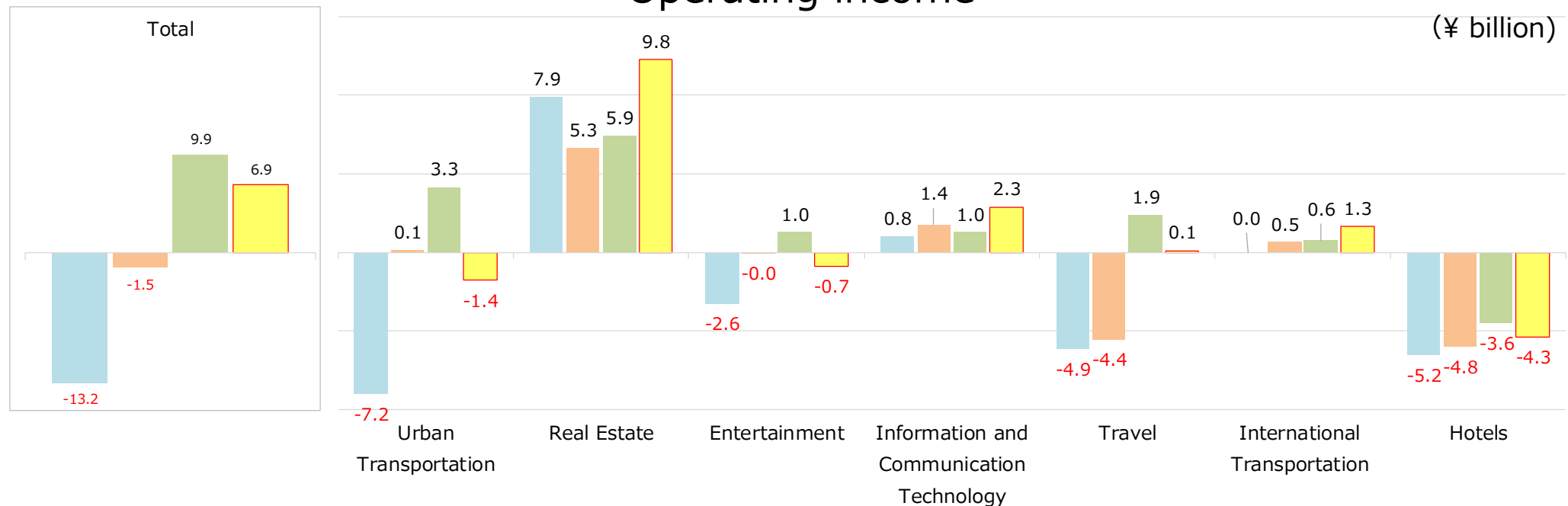
Revenue from operations

(¥ billion)



Operating income

(¥ billion)



How COVID-19 Impacted Each Businesses (FY2021 Results)

■ COVID-19 impact in each business

(¥ billion)	Total	<Breakdown for each business segment>				
		Urban Transportation	Real Estate	Entertainment	Travel	Hotels
Revenue from operations	-215.2	-65.3	-27.7	-36.2	-28.7	-51.0
Operating income	-104.2	-49.5	-11.3	-15.6	-10.0	-18.5
Ordinary income	-103.9	-49.5	-10.9	-15.7	-9.9	-18.7
Extraordinary income ※1	8.8	0.6	0.5	0.8	4.4	2.6
Extraordinary loss ※2	19.4	1.3	2.9	4.7	5.6	5.1
Income before income taxes	-114.4	-50.2	-13.3	-19.6	-11.0	-21.2

※1 Employment adjustment subsidies etc. ※2 COVID-19-related losses

■ How COVID-19 impacted each business

Urban Transportation	•Less revenue with fewer people going out during SOE and drop in inbound tourism
Real Estate	•Shopping facilities closed temporarily or operated with reduced hours; domestic condominium business suspended sales/marketing activities
Entertainment	•Fewer pro baseball regular season games; Takarazuka Revue performances cancelled; restrictions on events
Travel	•Domestic and international tours suspended; surge in cancellations
Hotels	•Temporary closures of some hotels, Drop in inbound and domestic demand hit by travel/outing and banquet cancellations

Response to COVID-19 Pandemic Impact (FY2021)

■ Recovery in bottom line and cash flow

- Bottom line: To reduce costs, revenue-starved businesses scaled back their operations as much as possible※¹, while businesses in general reduced, or deferred payment of, expenses (e.g., repair and advertising). Meanwhile, we reduced fixed expenses and applied for government relief programs (e.g., employment adjustment subsidies). Consequently, the result for profit and loss was better than initially expected.

※¹ Reduced some bus services, closed some hotels, etc.

- Cash flow: We reduced or deferred CapEx※² (especially that for maintenance and renewal). We also controlled growth investment (investment in for-sale property, equity investments).

※² We **cut the CapEx budget by ¥40.0 billion from the initial (pre-pandemic) level.**

Nonetheless, actual capital expenditure for fiscal 2021 came to ¥108.5 billion, ¥27.4 billion more than the previous year. This increase was the result of mounting costs of ongoing large projects (e.g., Umeda 1-1 Project, project to rebuild Kobe Hankyu Building).

Urban Transportation Results

COVID-19 impact (¥ billion)	FY2021 Results	FY2020 Results
Revenue from operations	-65.3	-5.2
Operating income	-49.5	-4.7

Big decrease in revenue and income: In railway and automobile businesses, COVID-19 caused huge decline in ridership.

(¥ million)	FY2021 Results	FY2020 Results	Change	%
Revenue from operations	156,926	227,176	-70,250	-30.9%
Operating income	-5,108 ※ (-5,829)	40,056 ※ (-45,885)	-45,164 (—)	— (—)

[Breakdown by type of business] ※ Parenthesized figures indicate reversals of COVID-19-related losses and subsidies recorded as extraordinary income. (same for the table below)

	Revenue from operations			Operating income		
(¥ billion)	FY2021 Results	FY2020 Results	Y on Y	FY2021 Results	FY2020 Results	Y on Y
Railway	112.3	161.7	-39.4 billion yen -49.5	7.9 (7.9)	43.5 -3.3 billion yen	-35.6 (-35.6)
Automobile	32.7	47.9	-15.2 -8.8 billion yen	-6.8 (-7.5)	1.9 -1.2 billion yen	-8.7 (-9.4)
Retailing	14.0	21.4	-0.5 billion yen -7.5	0.8 (0.7)	1.3 -0.1 billion yen	-0.5 (-0.6)
Others	8.8	9.4	-0.6	0.7 (0.7)	0.9	-0.2 (-0.2)

(Notes)
In the period under review, the advertising agency business was transferred to the Other segment (as part of a restructuring of the advertising business). Revenue and income from the Urban Transportation segment's advertising operations are now included in the data for the segment's railway business (the first of the four businesses shown in the table on the left).

*Not including head office expenses /adjustments.

Impact of outsourcing of convenience store / station-based store operations (Aug 2019)
-4.5 billion yen

[Urban Transportation] Railway Performance Results

Hankyu Corporation

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	FY2021 Results	FY2020 Results	Change	FY2021 Results	FY2020 Results	Change
Commuter pass	28,093	34,119	-6,025(-17.7%)	277,068	344,604	-67,535 (-19.6%)
Workers	25,625	29,623	-3,998(-13.5%)	216,044	243,854	-27,810(-11.4%)
Students	2,468	4,496	-2,027(-45.1%)	61,024	100,750	-39,725(-39.4%)
Other tickets	40,982	61,887	-20,905(-33.8%)	208,035	310,525	-102,489(-33.0%)
Total	69,075	96,007	-26,931(-28.1%)	485,104	655,129	-170,025(-26.0%)

COVID-19 impact -29.7 billion yen

-2.2 billion yen

Hanshin Electric Railway

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	FY2021 Results	FY2020 Results	Change	FY2021 Results	FY2020 Results	Change
Commuter pass	10,476	12,327	-1,850(-15.0%)	107,336	127,652	-20,316(-15.9%)
Workers	9,750	11,080	-1,330(-12.0%)	90,809	101,243	-10,433(-10.3%)
Students	726	1,246	-520(-41.7%)	16,526	26,409	-9,882(-37.4%)
Other tickets	13,725	21,665	-7,940(-36.6%)	76,214	118,559	-42,345(-35.7%)
Total	24,202	33,993	-9,790(-28.8%)	183,550	246,212	-62,661(-25.5%)

COVID-19 impact -10.9 billion yen

-0.9 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

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

《Hankyu Corporation》

Transportation revenue (tier 1 + tier 2)

(¥ million)

Totals for commuter passes and other tickets	1Q	2Q	3Q	4Q	Total
FY2021 Results	13,885	18,126	19,429	17,635	69,075
FY2020 Results	24,988	24,862	24,359	21,796	96,007
Change	-11,103	-6,737	-4,930	-4,160	-26,931
(%)	-44.4%	-27.1%	-20.2%	-19.1%	-28.1%

Factors of YoY Change (estimated)

- COVID-19 impact (YoY change in impact) -¥27,448million
- Recovery from impact of last year's natural disasters +¥229million

《Hanshin Electric Railway》

Transportation revenue (tier 1 + tier 2)

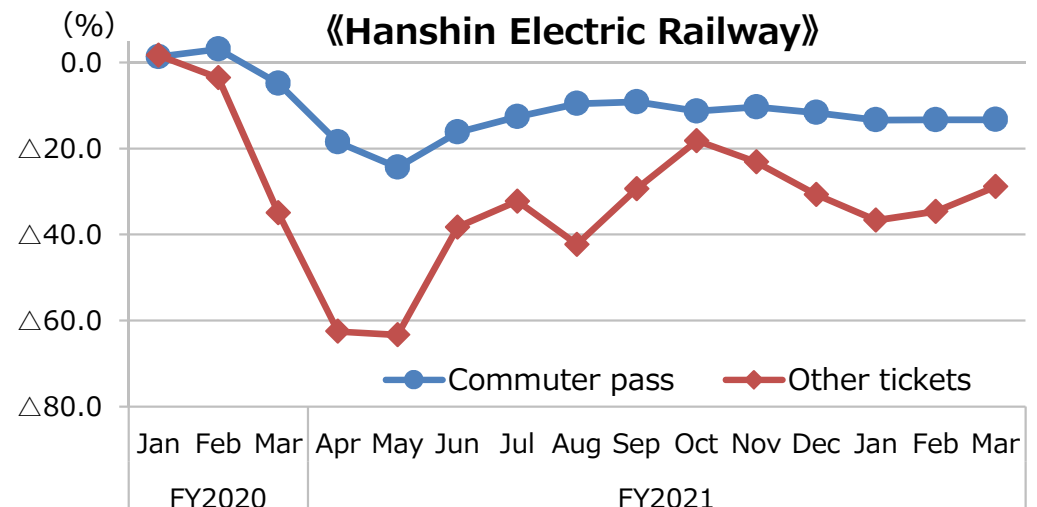
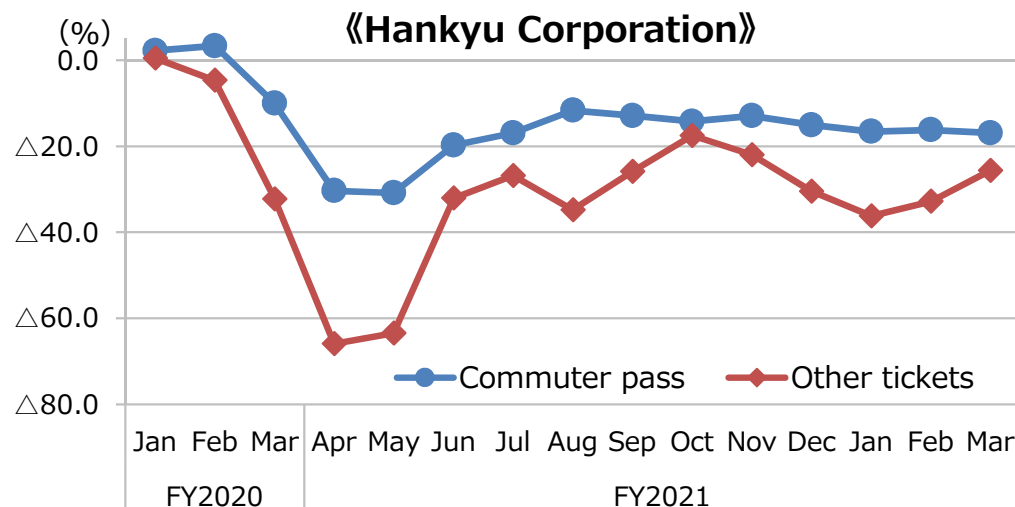
(¥ million)

Totals for commuter passes and other tickets	1Q	2Q	3Q	4Q	Total
FY2021 Results	4,968	6,386	6,714	6,132	24,202
FY2020 Results	8,895	9,195	8,354	7,547	33,993
Change	-3,927	-2,808	-1,640	-1,414	-9,790
(%)	-44.1%	-30.5%	-19.6%	-18.7%	-28.8%

Factors of YoY Change (estimated)

- COVID-19 impact (YoY change in impact) -¥10,051million
- Recovery from impact of last year's natural disasters +¥56million

Ridership (compared to same period of fiscal 2019)

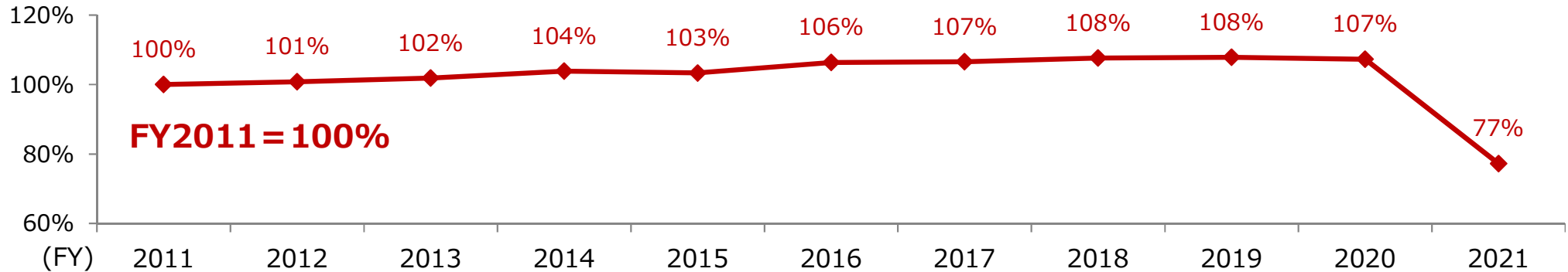


[Urban Transportation] Referential Information

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

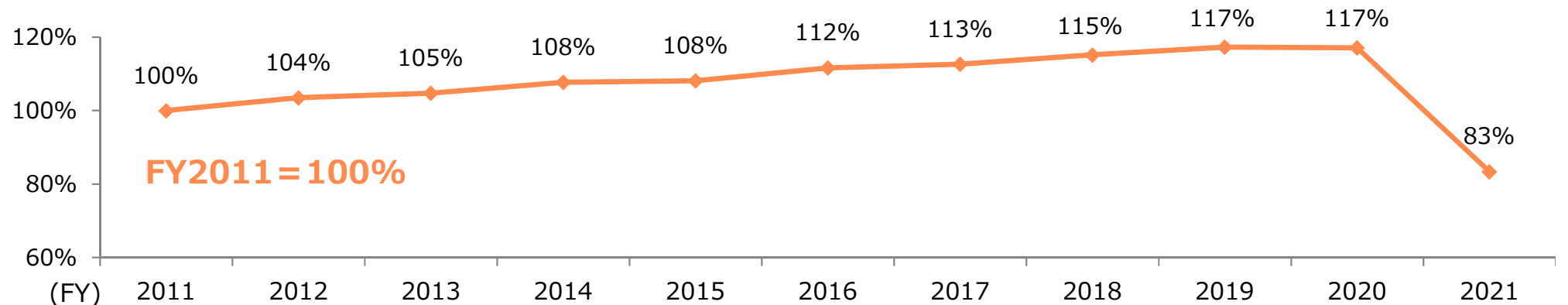
(¥ million)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Commuter passes	29,484	29,922	30,391	31,299	31,549	32,272	32,628	33,198	33,456	34,119	28,093
Other tickets	60,000	60,268	60,749	61,630	60,910	62,920	62,720	63,137	63,059	61,887	40,982
Total	89,485	90,191	91,141	92,929	92,459	95,192	95,348	96,335	96,516	96,007	69,075



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

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Commuter passes	10,126	10,623	10,740	11,008	11,107	11,372	11,563	11,797	12,024	12,327	10,476
Other tickets	18,899	19,422	19,669	20,260	20,286	21,035	21,136	21,638	22,030	21,665	13,725
Total	29,025	30,045	30,410	31,269	31,394	32,407	32,699	33,436	34,054	33,993	24,202



Real Estate Results

COVID-19 impact (¥ billion)	FY2021 Results	FY2020 Results
Revenue from operations	-27.7	-1.0
Operating income	-11.3	-0.9

Big decrease in revenue and income. This was partly a reactionary dip from the spike in the previous year, when the condominium business benefitted from the completion and handover of large properties. Another factor was COVID-19, which caused commercial facilities in the Umeda area and elsewhere to close temporarily or operate with reduced hours.

【Reference】 Condominium sales : -649 units (867 units; previous year 1,516 units)

(¥ million)	FY2021 Results	FY2020 Results	Change	%
Revenue from operations	188,360	236,046	-47,686	-20.2%
Operating income	28,923 ※ (26,539)	41,510 ※ (-14,970)	-12,586 (-36.1%)	-30.3%

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

[Breakdown by type of business]

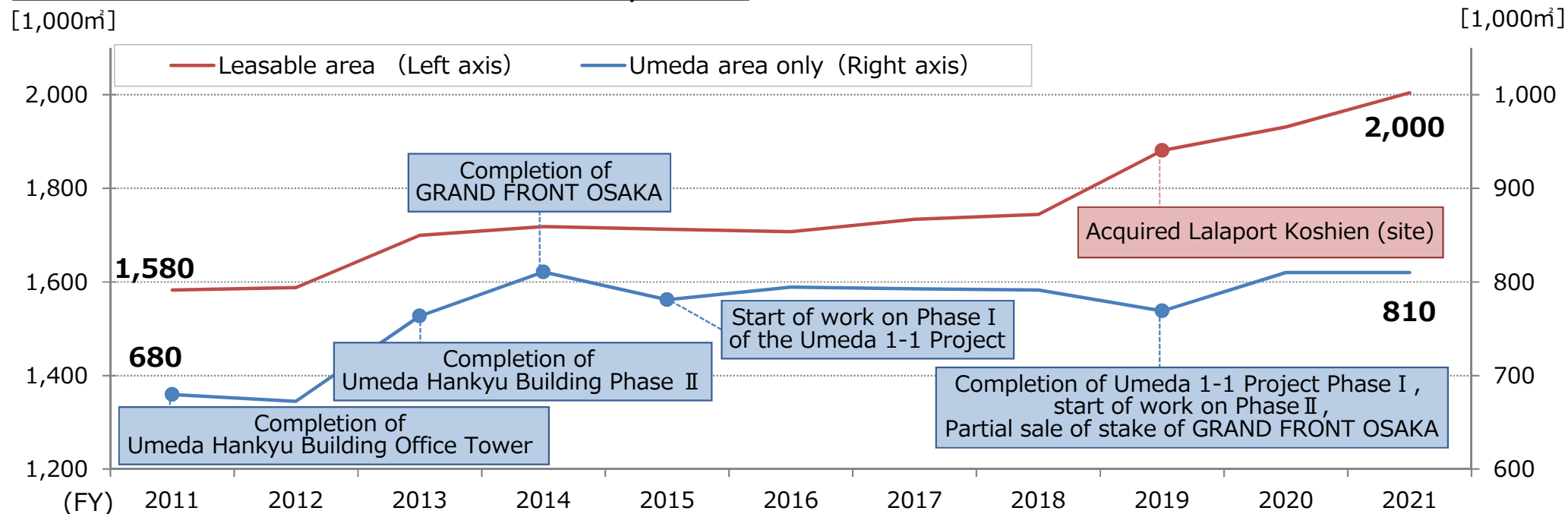
(same for the table below)

	Revenue from operations			Operating income		
(¥ billion)	FY2021 Results	FY2020 Results	Y on Y	FY2021 Results	FY2020 Results	Y on Y
Revenue from operations						
Real estate leasing	99.7 COVID-19 impact -13.7 billion yen -0.9 billion yen	111.0	-11.3 -9.1 billion yen	29.2 (26.9)	35.2 -0.8 billion yen	-6.0 (-8.3)
Real estate sales and others	105.7 -15.1 billion yen -0.1 billion yen	143.2	-37.5 -2.4 billion yen	8.3 (8.1)	15.1 -0.1 billion yen	-6.8 (-6.9)

*Not including head office expenses/adjustments.

[Real Estate] Referential information

Leasable area (at the end of fiscal year)



【Hankyu Nishinomiya Gardens】



【Umeda Hankyu Building】



【GRAND FRONT OSAKA】



Entertainment Results

COVID-19 impact (¥ billion)	FY2021 Results	FY2020 Results
Revenue from operations	-36.2	-4.4
Operating income	-15.6	-3.0

Big decrease in revenue and income. The sports and stage businesses were both hit by COVID-19. In the sports business, there were fewer Hanshin Tigers' regular season games, and in the stage business, many Takarazuka Revue shows were cancelled. Even after events resumed, the games and shows that did go ahead provided less ticket revenue due to event restrictions.

(¥ million)	FY2021 Results	FY2020 Results	Change	%
Revenue from operations	42,192	74,020	-31,828	-43.0%
Operating income	-2,258 ※ (-6,149)	11,695 ※ (-17,844)	-13,954 (—)	— (—)

※ Parenthesized figures indicate reversals of COVID-19-related losses and subsidies recorded as extraordinary income.
(same for the table below)

[Breakdown by type of business]

Revenue from operations				Operating income		
(¥ billion)	FY2021 Results	FY2020 Results	Y on Y	FY2021 Results	FY2020 Results	Y on Y
Sports	21.1 COVID-19 impact -20.1 billion yen -2.1 billion yen	39.5	-18.3 -9.6 billion yen	-2.5 (-3.4) -0.9 billion yen	6.5	-9.0 (-9.8)
Stage	21.0 -16.1 billion yen -2.3 billion yen	34.4	-13.5 -6.1 billion yen	-1.7 (-1.3) -2.1 billion yen	7.2	-5.5 (-8.6)

*Not including head office expenses /adjustments.

[Entertainment] Referential information

Hanshin Tigers Home Game : Admission numbers

Number of home games : 60 (-9 from previous year)
 <Breakdown> No spectators : 1
 Approx. 5,000 : 33
 Approx. 10,000 : 5
 Approx. 20,000 : 21

(Thousands of people) (CY)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Admissions	2,898	2,728	2,772	2,690	2,878	2,911	3,035	2,899	3,091	518
Ranking	4	5	2	2	3	4	2	6	3	2

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

Takarazuka Revue : Audience numbers

- Takarazuka Grand Theater and Tokyo Takarazuka Theater reopened (Jul 17 and Jul 31, respectively) at <50% capacity
- After event restrictions were eased, Takarazuka Grand Theater and Tokyo Takarazuka Theater returned to full capacity excluding frontmost seats (from Sep 25 and Oct 9, respectively).
- After state of emergency was declared in January, the theaters returned to <50% capacity until March 7.
- Number of shows Takarazuka Grand Theater : 240 (-179 from previous year)
 Tokyo Takarazuka Theater : 265 (-172 from previous year)

(Thousands of people) (FY)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total	2,392	2,502	2,672	2,668	2,825	2,844	2,996	3,128	2,991	1,565
Takarazuka Grand Theater	925	1,014	1,074	1,179	1,149	1,169	1,191	1,207	1,106	485
Tokyo Takarazuka Theater	948	965	977	969	1,000	967	992	990	917	460
Other theaters	519	523	621	520	623	586	619	598	572	200
Live screening※1	—	—	—	—	53	122	195	333	396	133
Live streaming※2	—	—	—	—	—	—	—	—	—	287

※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 declined, reflecting a dip from the high level in the previous year, when the information services business gained a large order for transport systems. However, income remained at the previous year's level, as the broadcasting and communications business saw an increase in number of subscribers to internet services.

(¥ million)	FY2021 Results	FY2020 Results	Change	%
Revenue from operations	58,083	58,576	-492	-0.8%
Operating income	5,556	5,598	-42	-0.8%

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Travel Results

COVID-19 impact (¥ billion)	FY2021 Results	FY2020 Results
Revenue from operations	-28.7	-4.9
Operating income	-10.0	-3.1

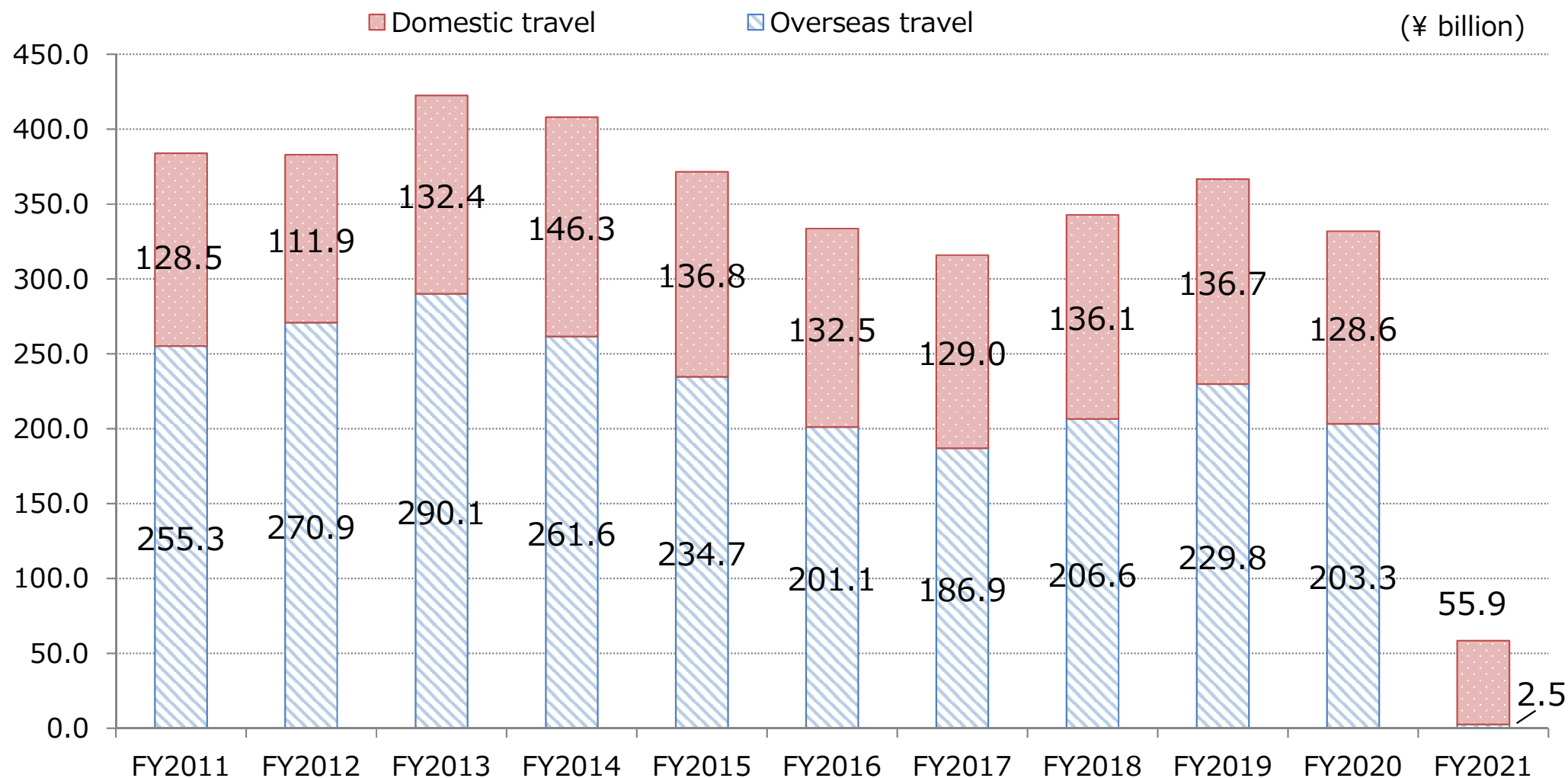
Big decrease in revenue and income: Due to COVID-19, international tours were cancelled throughout the period. Domestic tours fared well for part of the period, but overall attracted fewer customers year on year.

(¥ million)	FY2021 Results	FY2020 Results	Change	%
Revenue from operations	11,960	33,766	-21,805	-64.6%
Operating income	-7,397 ※ (-8,565)	232 ※ (-8,797)	-7,630 (—)	— (—)

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

[Travel] Referential information

Billings



※Figures for fiscal 2011 to fiscal 2015 represent the simple aggregate amounts from Hankyu Travel International and Hankyu Hanshin Business Travel.

The figures from fiscal 2016 and onwards represent the aggregate amounts from the two companies as well as from Hanshin Travel International (offsetting intercompany transactions).

International Transportation Results

Despite the effects of COVID-19, revenue and income increased thanks to rise in emergency transportation in East Asia. Another factor was a rise in sales prices amid a shorter supply of air transport.

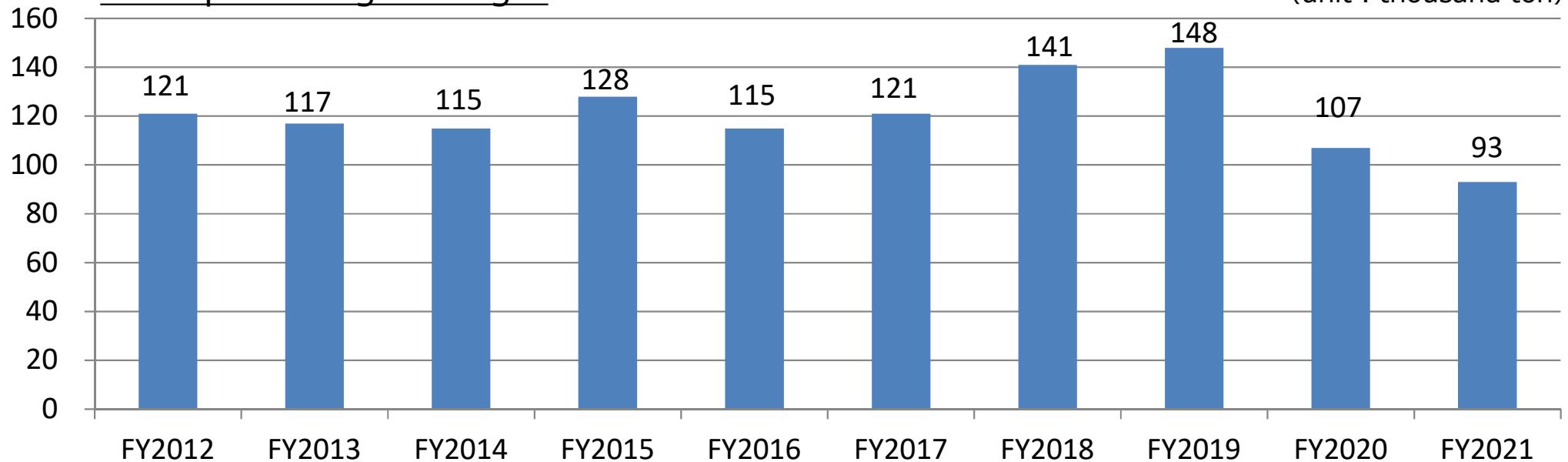
(¥ million)	FY2021 Results	FY2020 Results	Change	%
Revenue from operations	85,552	76,186	+9,366	+12.3%
Operating income	2,308	170	+2,137	—

[International Transportation] Referential information

【Total handling volume for Japanese and non-Japanese companies in the International Transportation Business segment】

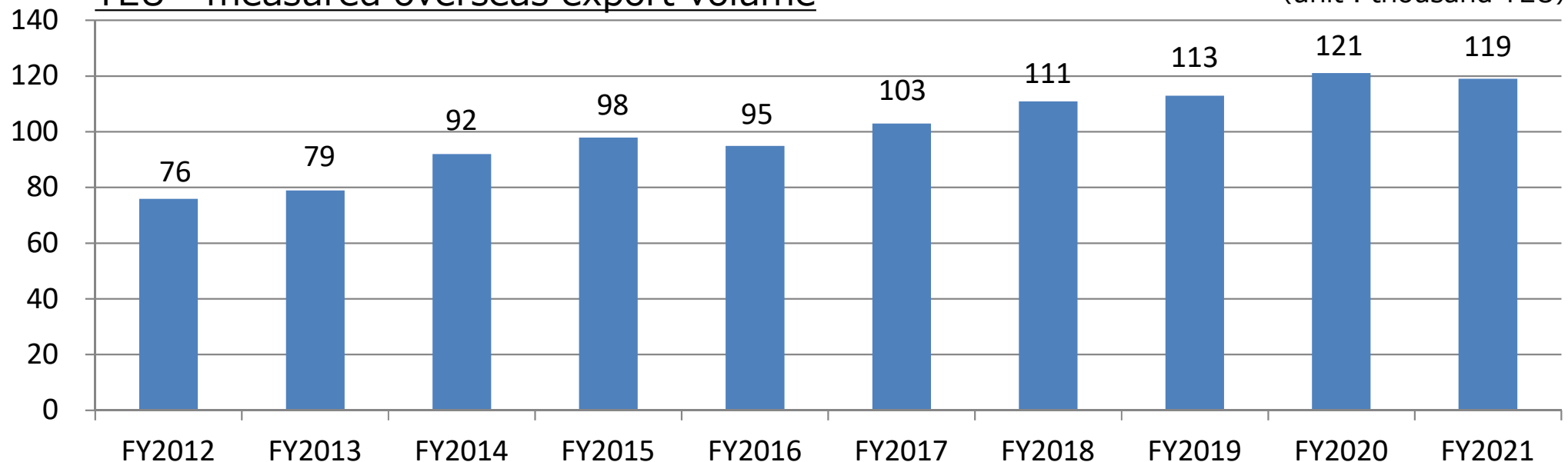
Air Export Freight Weight

(unit : thousand ton)



TEU※-measured overseas export volume

(unit : thousand TEU)



Hotels Results

COVID-19 impact (¥ billion)	FY2021 Results	FY2020 Results
Revenue from operations	-51.0	-5.2
Operating income	-18.5	-3.3

Big decrease in revenue and income: Due to COVID-19, some hotels closed temporarily, and demand slumped in the accommodation and food/beverage businesses.

(¥ million)	FY2021 Results	FY2020 Results	Change	%
Revenue from operations	19,145	60,280	-41,135	-68.2%
Operating income	<div> <div>-17,927</div> <div>※ (-20,427)</div> </div>	<div> <div>-3,142</div> <div>※ (-17,284)</div> </div>	-14,784	— (—)

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

[Performance Highlights for Fiscal 2021^{※1}]

Occupancy rates of Hankyu Hanshin Hotels

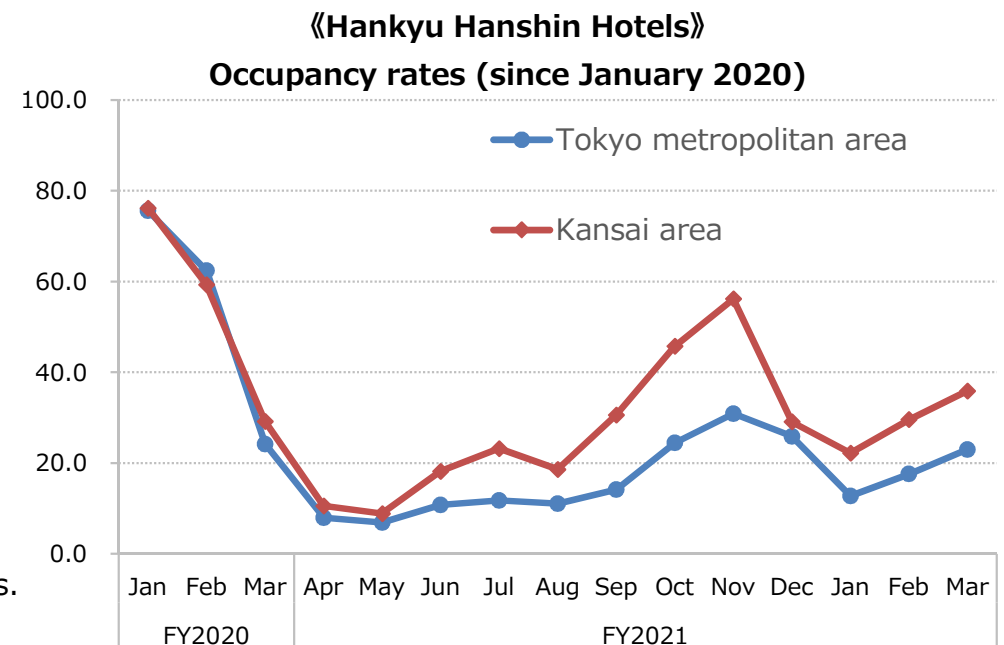
Total 24.8%^{※2} (-55.3 points from previous year)
 Kansai area 28.9% (-51.7 points from previous year)
 Tokyo metropolitan area 16.8% (-62.9 points from previous year)

Average daily rates (ADR) of Hankyu Hanshin Hotels

Total ¥10,455^{※2} (-¥3,123 from previous year)
 Kansai area ¥10,287 (-¥2,263 from previous year)
 Tokyo metropolitan area ¥11,830 (-¥4,337 from previous year)

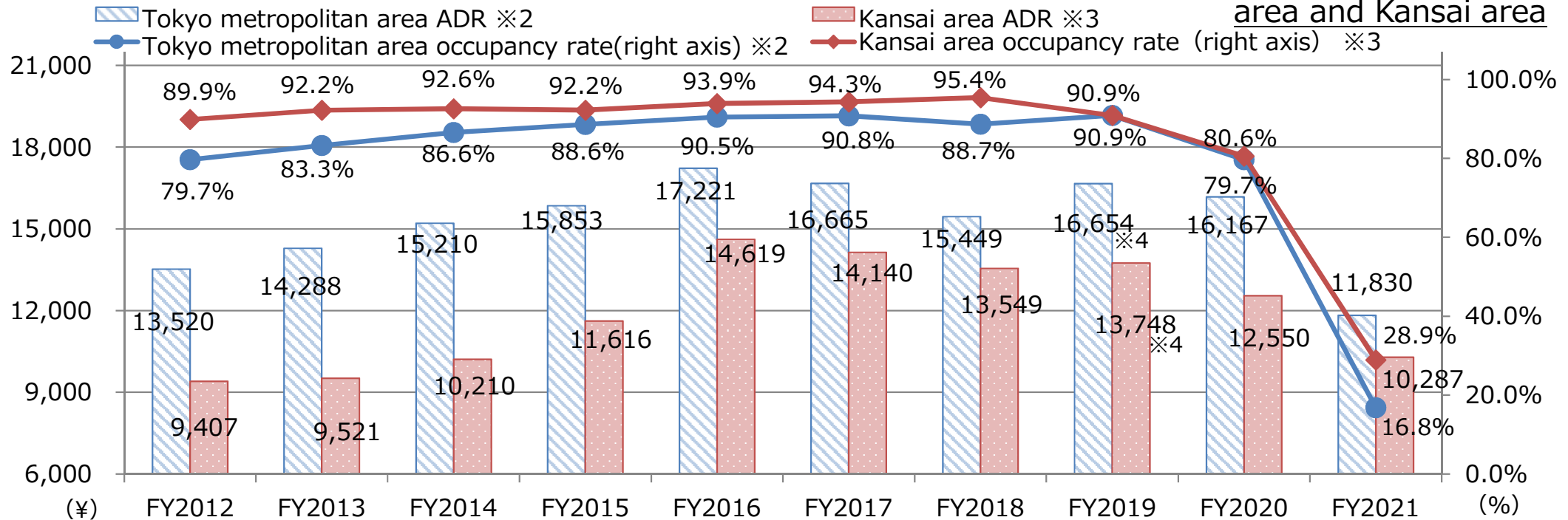
※1 The data omits the COVID-related temporary closures of some hotels.

※2 Including remm Kagoshima

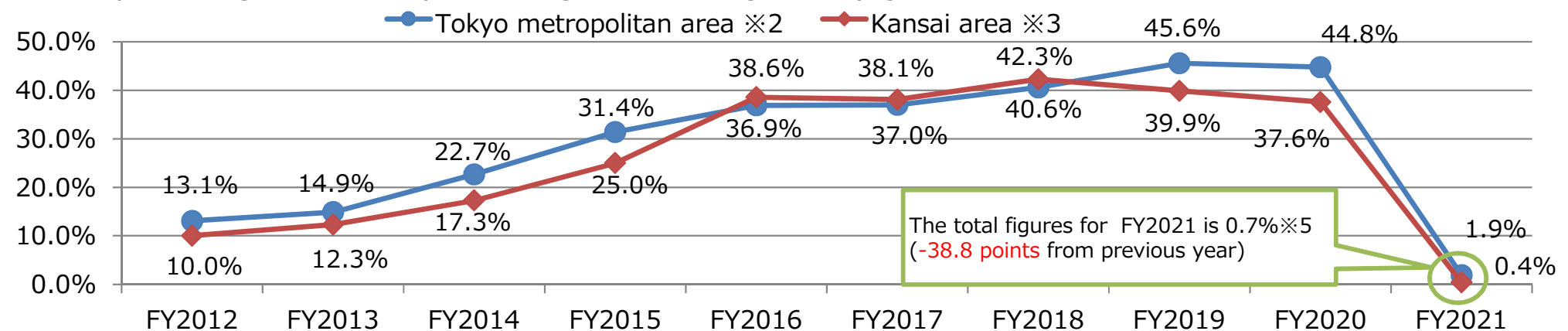


[Hotels] Referential information

Average daily rates (ADR) and occupancy rates of Hankyu Hanshin Hotels in the Tokyo metropolitan area and Kansai area ※1



Non-Japanese guests as a percentage of overnight-stay guests ※1



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

※2 Directly managed by Hankyu Hanshin Hotels in the Tokyo metropolitan area

※3 Directly managed by Hankyu Hanshin Hotels in the Kansai area

※4 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.

※5 Including remm Kagoshima

Consolidated Statements of Income

(Non-operating profit and loss)

(¥ million)	FY2021 Results	FY2020 Results	Change
Operating income	2,066	95,170	-93,103
Non-operating income	3,572	7,331	-3,759
Equity in income of affiliates	—	3,389	-3,389
Non-operating expenses	13,262	13,706	-443
Interest expenses	8,885	9,267	-381
Equity in loss of affiliates	1,622	—	+1,622
Ordinary income	-7,623	88,795	-96,418

Consolidated Statements of Income

(Extraordinary profit and loss)

(¥ million)	FY2021 Results	FY2020 Results	Change
Extraordinary profit and loss	-33,389	-2,048	-31,341
Extraordinary income	13,167	6,038	+7,129
Gain on contributions for construction	3,485	4,643	-1,158
Employment adjustment subsidies	8,715	—	+8,715
Other	966	1,394	-428
Extraordinary loss	46,557	8,086	+38,470
Loss on reduction of noncurrent assets	3,568	4,636	-1,068
COVID-19-related losses	19,382	—	+19,382
Structural reform-related loss※	18,618	—	+18,618
Other	4,989	3,450	+1,538

※ The structural reform-related loss in the hotels business. See page 39 for more details.

Consolidated Statements of Income

(Net income attributable to owners of the parent)

(¥ million)	FY2021 Results	FY2020 Results	Change
Income before income taxes	-41,013	86,746	-127,759
Total income taxes	-6,478	29,834	-36,312
Income taxes—current	4,205	28,235	-24,030
Income taxes—deferred	-10,683	1,599	-12,282
Net income	-34,535	56,911	-91,447
Net income attributable to non-controlling interests	2,166	2,051	+115
Net income attributable to owners of the parent	-36,702	54,859	-91,562

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Consolidated Balance Sheets

(¥ million)		FY2021 Results	FY2020 Results	Change	Remarks
Assets	Current assets	325,307	262,984	+62,322	Land and buildings for sale : +37,086
	Noncurrent assets	2,295,721	2,226,097	+69,624	Property and equipment and intangible assets : +33,332 Investment securities : +30,792
	Total assets	2,621,028	2,489,081	+131,946	
Liabilities	Current liabilities	380,618	394,634	-14,016	
	Long-term liabilities	1,330,424	1,156,774	+173,649	
	Total liabilities	1,711,042	1,551,409	+159,633	
Net assets	Shareholders' equity	833,640	886,935	-53,295	Net income attributable to owners of the parent : -36,702 Payment dividend : -12,188 Less treasury stock, at cost : -4,477
	Accumulated other comprehensive income	33,511	18,711	+14,800	
	Non-controlling interests	42,834	32,025	+10,808	
	Total net assets	909,985	937,672	-27,686	
Equity ratio		33.1%	36.4%	-3.3p	

Consolidated Statements of Cash Flows

(¥ million)

	FY2021 Results	FY2020 Results
Cash flows from operating activities	-32,501	123,086
Income before income taxes	-41,013	86,746
Depreciation and amortization (※)	57,502	56,542
Decrease (increase) in inventories	-36,799	2,803
Income taxes (paid) refunded	-29,871	-15,295
Cash flows from investing activities	-102,151	-128,498
Purchases of noncurrent assets	-136,958	-96,028
Proceeds from sales of noncurrent assets	19,911	884
Purchases of investment securities	-14,137	-27,660
Receipt of contributions for construction	29,249	19,631
Cash flows from financing activities	134,631	964
Purchase of treasury stock	-4,660	-9,960
Dividends paid	-12,188	-11,020
[Reference] Decrease (increase) in interest-bearing debt	159,568	26,424
Effect of exchange rate changes on cash and cash equivalents	-354	-7
Increase (decrease) in cash and cash equivalents	-375	-4,454
Cash and cash equivalents at beginning of year	23,526	27,589
Increase in cash and cash equivalents from newly consolidated subsidiary	2,072	391
Cash and cash equivalents at end of year	25,222	23,526

《Reference》 Comparisons with March forecasts

(¥ billion)	FY2021 Results	FY2021 Forecasts (As of Mar.)	Change	Remarks
Revenue from operations	568.9	565.0	+3.9 (+0.7%)	Results for both items exceeded forecasts because of better-than-expected domestic travel sales in March and cost savings among the businesses
Operating income	2.1	-5.0	+7.1 (—)	
Ordinary income	-7.6	-15.0	+7.4 (—)	Exceeded forecast because of better-than-expected operating income
Net income attributable to owners of the parent	-36.7	-40.0	+3.3 (—)	Exceeded forecast because of better-than-expected ordinary income, which more than offset worse-than-expected COVID-19-related losses.

《Reference》 Consolidated Statements of Income

(¥ billion) [Upper table] Revenue from operations [Lower table] Operating income	FY2021 Results ①	FY2021 Forecasts (As of Mar.) ②	Change ①-②	FY2021 Forecasts (As of Feb.) ③	Change ①-③	FY2021 Forecasts (As of Nov.) ④	Change ①-④	FY2020 Results ⑤	Change ①-⑤
Total	568.9	565.0	+3.9	575.0	-6.1	575.0	-6.1	762.7	-193.8
	2.1	-5.0	+7.1	-9.0	+11.1	-12.0	+14.1	95.2	-93.1
(Breakdown for each business segment)									
Urban Transportation	156.9	157.7	-0.8			161.9	-5.0	227.2	-70.3
	-5.1	-6.0	+0.9			-2.6	-2.5	40.1	-45.2
Real Estate	188.4	191.0	-2.6			197.1	-8.7	236.0	-47.7
	28.9	27.7	+1.2			27.6	+1.3	41.5	-12.6
Entertainment	42.2	41.5	+0.7			39.5	+2.7	74.0	-31.8
	-2.3	-3.5	+1.2			-6.4	+4.1	11.7	-14.0
Information and Communication Technology	58.1	59.8	-1.7			59.8	-1.7	58.6	-0.5
	5.6	5.3	+0.3			5.5	+0.1	5.6	-0.0
Travel	12.0	8.8	+3.2			11.4	+0.6	33.8	-21.8
	-7.4	-10.0	+2.6			-12.6	+5.2	0.2	-7.6
International Transportation	85.6	84.0	+1.6			76.2	+9.4	76.2	+9.4
	2.3	2.0	+0.3			0.1	+2.2	0.2	+2.1
Hotels	19.1	18.7	+0.4			21.6	-2.5	60.3	-41.1
	-17.9	-18.4	+0.5			-21.1	+3.2	-3.1	-14.8

《Reference》 Consolidated Statements of Capital Expenditure

(¥ billion)	FY2021 Results ①	FY2021 forecasts (As of Nov.) ②	Change ①-②	FY2020 Results ④	Change ①-④
Total capital expenditure	108.5	118.7	-10.2	81.1	+27.4

(Breakdown for each business segment)

Urban Transportation	29.5	34.4	-4.9	32.9	-3.4
Real Estate	68.8	71.0	-2.2	32.2	+36.6
Entertainment	1.7	2.5	-0.8	4.2	-2.4
Information and Communication Technology	4.5	5.5	-1.0	4.9	-0.3
Travel	1.4	1.8	-0.4	1.2	+0.1
International Transportation	0.7	1.3	-0.6	1.1	-0.4
Hotels	1.9	2.1	-0.2	4.8	-2.9

Note : Capital Expenditure is not included in the forecasts announced in February and March 2021.

《Reference》 Consolidated Statements of Depreciation and amortization, EBITDA

(¥ billion)	FY2021 Results ①	FY2021 forecasts (As of Nov.) ②	Change ①-②	FY2020 Results ④	Change ①-④
Total Depreciation and amortization	55.7	56.2	-0.5	56.5	-0.8
(Breakdown for each business segment)					
Urban Transportation	27.1	27.4	-0.3	27.6	-0.6
Real Estate	17.3	17.4	-0.1	17.2	+0.2
Entertainment	2.9	2.9	+0.0	3.8	-0.8
Information and Communication Technology	4.2	4.4	-0.2	3.8	+0.5
Travel	0.9	0.9	-0.0	0.8	+0.1
International Transportation	1.3	1.3	-0.0	1.3	-0.0
Hotels	2.4	2.4	-0.0	2.5	-0.1
Total EBITDA (※)	60.3	47.0	+13.3	154.1	-93.8
(Breakdown for each business segment)					
Urban Transportation	21.9	24.8	-2.9	67.7	-45.7
Real Estate	46.4	45.2	+1.2	58.8	-12.4
Entertainment	0.7	-3.5	+4.2	15.4	-14.8
Information and Communication Technology	9.9	10.0	-0.1	9.4	+0.5
Travel	-6.5	-11.7	+5.2	1.0	-7.5
International Transportation	3.6	1.4	+2.2	1.5	+2.1
Hotels	-15.6	-18.7	+3.1	-0.6	-14.9

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

Note : Depreciation costs and EBITDA are not included in the forecasts announced in February and March 2021.

Ⅱ. Future Strategy

(1) Medium-Term Management Plan and Current Strategy

(2) Update of Long-Term Vision

Reviewing Progress on Medium-Term Management Plan

■ Reviewing Progress on Medium-Term Management Plan(FY2019~FY2022)

- In May 2017, we unveiled the Long-Term Vision for 2025, a vision for sustained growth in a changing landscape.
- Our first task was to devise an action plan for the first four-year phase (fiscal 2019–2022) of this long-term strategy—the result was the current Medium-Term Management Plan. Since then, we have pressed ahead with strategies based on the Long-Term Vision with the aim of raising operating income level to the ¥110.0 billion level by the end of the current medium term, fiscal 2022. (see pages 51-52 for a description of Long-Term Vision for 2025).



- Until the pandemic struck, we were on course to meeting our targets for fiscal 2022. Growth was proceeding as planned, and we were confident that we could maintain financial soundness while investing toward higher future growth.



- However, the pandemic rocked many of our businesses, with devastating consequences for our group's overall performance.
- Another problem is that the business landscape has changed markedly from what we assumed when drawing up the Medium-Term Management Plan. For these reasons, **it is now impossible to achieve the above medium-term target (¥110.0 billion operating income by fiscal 2022).**



Accordingly, **we have withdrawn this target, meaning that there is currently no interim target for the Long-Term Vision.**

Projections for recovery from effects of pandemic

■ Projections for recovery from effects of pandemic

- We have projected that economic activities will recover in a three broad phases.
- Based on current trends, phase 2 will probably begin in fiscal 2023 and phase 3 in fiscal 2024. That said, the opaque outlook makes it impossible to state a precise timespan.

FY2021	FY2022	FY2023	After FY2024
Phase 1		Phase 2	Phase 3
In Japan, short-distance travel resumes. Travel distances gradually increase, and the impact of physical distancing eases off.		Travel gradually resumes across the world.	The pandemic is brought under control. Economic activities in Japan and abroad recover significantly.



Even by phase 3, the business landscape will not have fully recovered to pre-pandemic levels.

Overhauling the Medium-Term Management Plan: Assumptions

- In pre-pandemic times, many of our businesses (the urban transportation, real estate, sports and stage, travel, and hotels businesses) maintained their competitive edge in the B2C sector by delivering products and services in offline, in-person settings. Their business model was predicated on people traveling.
- However, the pandemic has undermined this business model, and even if we reach phase 3, there can be no full return to the pre-pandemic landscape. The pandemic has created a new normal in which people travel less and spend more time online. This new normal has far-reaching strategic implications for our organization.



- Since the business landscape has diverged significantly from our strategic assumptions, we need to radically overhaul the medium-term plan.
- That said, the exact timing of the phases remains unclear, and we do not yet know what the new normal (from phase 3) will look like.
- Another source of uncertainty is our new projects (including projects to make more effective use of hotel land in Umeda and Senri-Chuo, shown on page 42 and 43) and participation in a plan for the construction of new railway lines in Osaka. It will take time until we get a clear picture of how these plans will proceed.



- Thus, for fiscal 2022, we want to turn around performance as soon as possible and accelerate efforts to prepare for the new normal. Our action plan is shown on the next page.
- See page 50 for the assumptions underlying the medium- to long-term plan.

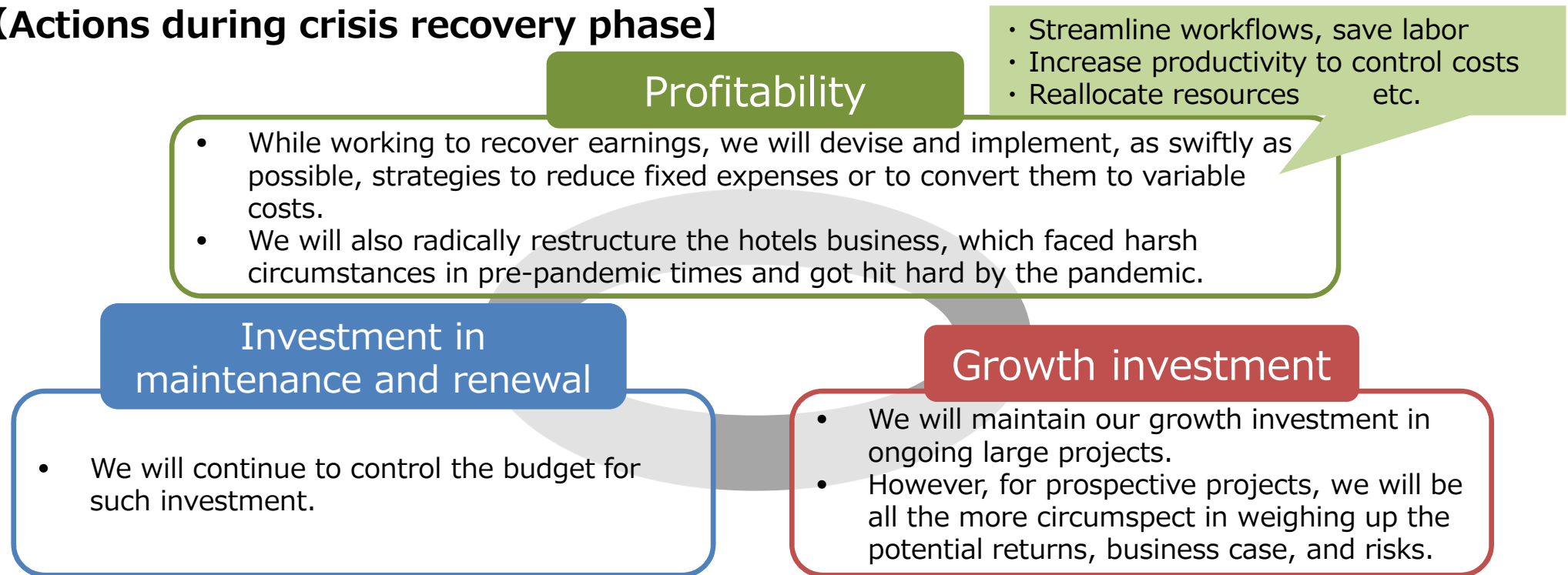
Current strategy(FY2022)

■ Current strategy(FY2022)

<Task 1> Establish crisis recovery phase

- We will establish a crisis recovery phase, during which we focus all efforts on achieving a swift recovery from the effects of the pandemic.
- During this phase, we will undertake the following actions to turn around performance as soon as possible and contain the impact on financial soundness.

[Actions during crisis recovery phase]



<Task 2> Adapt to the new normal

- Recognizing that the pandemic hastened a shift to a new normal, we will adapt accordingly(see pages 44-47).

Structural Reforms in the Hotels Business①

■ Hankyu Hanshin Hotels: Current situation, issues to address

- For some years, Hankyu Hanshin Hotels have faced an increasingly crowded market, especially in the Kansai area.
- This situation was aggravated by COVID-19: During the states of emergency, Hankyu Hanshin Hotels had to temporarily close some hotels, leading to a big drop in occupancy rate and use of party/banquet facilities over the full-year period. Likewise, the restaurant business experienced a slump. Consequently, Hankyu Hanshin Hotels posted a significant loss for the period under review.
- The future outlook is concerning too, as inbound demand shows no sign of returning soon.
- Accordingly, to turn performance around as soon as possible and help ensure that the hotels business remains a self-sustaining core business, we are proceeding with structural reforms covering operational, personnel, and financial aspects.

【Results of Hankyu Hanshin Hotels】 (¥ billion)

	FY2019 Results	FY2020 Results	FY2021 Results
Revenue from operations	48.3	47.3	12.9
Operating income	1.0	-3.4	-17.9
Net income	0.4	-3.6	-29.7

Rebuilding Hankyu Hanshin Hotels

Alongside efforts to achieve a recovery from COVID-19 (to recover sales and improve the balance sheet), Hankyu Hanshin Hotels will withdraw from unprofitable hotels and cut fixed expenses in order to make the accommodation and food/beverage businesses more resilient to lulls in demand. These moves should help restore real profit (which discounts expenses associated with withdrawing from hotels) in FY2025.

Structural Reforms in the Hotels Business②

■ Description of Structural Reforms in the Hotels Business

① Operational

- In the hotels business, we decided some time ago that **any new hotels we open should be no-frills hotels, and we put the existing full-service hotels under review in terms of the business model and use of assets, with a view to ensuring the profitability of the real estate.**
- We will focus resources on no-frills hotels (which have good profit potential) and a selected number of full-service hotels. Conversely, **we will close hotels that are unprofitable, underperforming, or dilapidated.** **Seven hotels** will be closed, as shown below.

End of FY2022	Dai-ichi Hotel Annex, Kichijoji Dai-ichi Hotel, remm Kagoshima※1, Umeda OS hotel※2 ※1 By the end of FY2022, remm Kagoshima will cease to be a directly managed hotel and become a chain hotel managed by the property's owner. ※2 Umeda OS hotel is managed under contract by Hankyu Hanshin Hotels
End of FY2023	Daiichi Hotel Tokyo Seafort
Around the end of FY2025	Hotel new Hankyu Osaka ⇒ see page 42
Around the end of FY2026	Senri Hankyu Hotel ⇒ see page 43

② Personnel

- As well as downsizing the workforce as part of the restructuring program (reallocating resources), we will run a business process inventory to see where we could improve productivity. In this way, we hope to achieve enable leaner operation. By hiring fewer people, we will allow the workforce to shrink naturally.

③ Financial

- We are prepared to record impairment loss to reflect the diminished profitability of assets amid the pandemic.

【Impact of restructuring on FY2021 results】

- For FY2021, the structural reform-related loss of 18.6 billion yen (impairment and costs of reallocating resources) was recorded as the extraordinary loss in order to account for the costs of the operational and financial aspects (① and ③ on the above).

Structural Reforms in the Hotels Business③

■ Expected benefits of restructuring

Aspect	Benefit
Operational Financial	<ul style="list-style-type: none">•Withdrawing from unprofitable hotels will trim operating losses associated with the hotels.•Recognizing impairment will reduce depreciation cost.
Personnel	<ul style="list-style-type: none">•Reduction in payroll: approx. -800 employees (Beginning of FY2022 : approx. 2,300 employees → Beginning of FY2026 : approx. 1,500 employees)



If these measures prove successful, the business should return to profit even if sales remain at 90% of pre-COVID levels, resulting in a more resilient business structure.

(The specific goal※ is to return to real profit in FY2025)

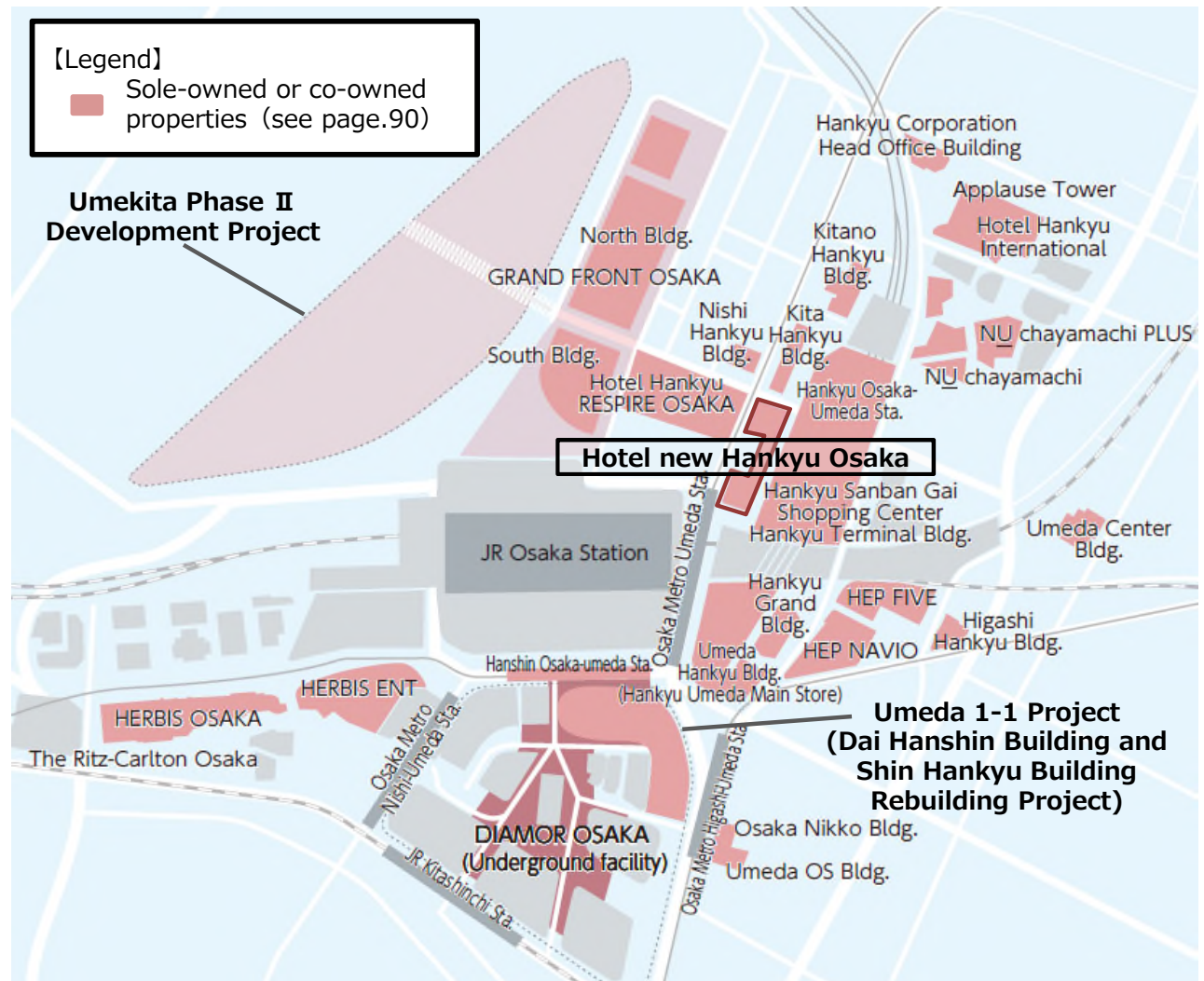
※ On the books, there will be an increase in depreciation cost. This is due to the shortening of Hotel New Hankyu Osaka and Senri Hankyu Hotel's depreciation schedules (because they will cease operating). In real terms, this increase is not counted.

Strategy for Developing the Osaka-Umeda Area

- As mentioned on page 40, Hotel new Hankyu Osaka and Senri Hankyu Hotel will close. The locations of the hotels, Umeda and Senri-Chuo, are key strategic areas for us, so once the hotels close we will find ways to increase the usage of the real estate in order to raise its value and contribute to the development of both areas.

■ Strategy for the Osaka-Umeda area

- We had been mulling the closure of Hotel new Hankyu Osaka for some time. The building was decaying significantly and, despite its prime location, the hotel was not generating the revenue one would expect from such a location.
- We finally decided to close the hotel by around the end of fiscal 2025. This decision was precipitated by two factors: the opening, nearby the hotel, of Hotel Hankyu RESPIRE Osaka (which is of a similar scale), and progress on a plan to relocate facilities attached to Hotel new Hankyu Osaka.
- Umeda 1-1 Project is scheduled to be completed next spring, so once Hotel new Hankyu Osaka closes, we will set aside the site for another large project, through which we will increase the site's usage.



The Osaka-Umeda area

Strategy for Developing the Senri-Chuo Area in Osaka

■ Strategy for Senri-Chuo Area

- Senri Hankyu Hotel is dilapidated and will be closed by around the end of FY2026.
- Meanwhile, the Senri-Chuo area, a key strategic area for us, will be affected by a plan to redevelop the vicinity around Senri-Chuo Station (Senri Hankyu Department Store, Senri Selcy etc.), adjacent to Senri Hankyu Hotel.
- Accordingly, once the hotel is closed, we will explore ways to make effective use of the land to improve the quality of the Senri-Chuo area. Mindful of the need to maintain the vibrancy and convenience of the area around the station, we will keep an eye on the plans to redevelop the area and decide about the land use accordingly.

■ Time from Senri-Chuo Station to Osaka's main terminals

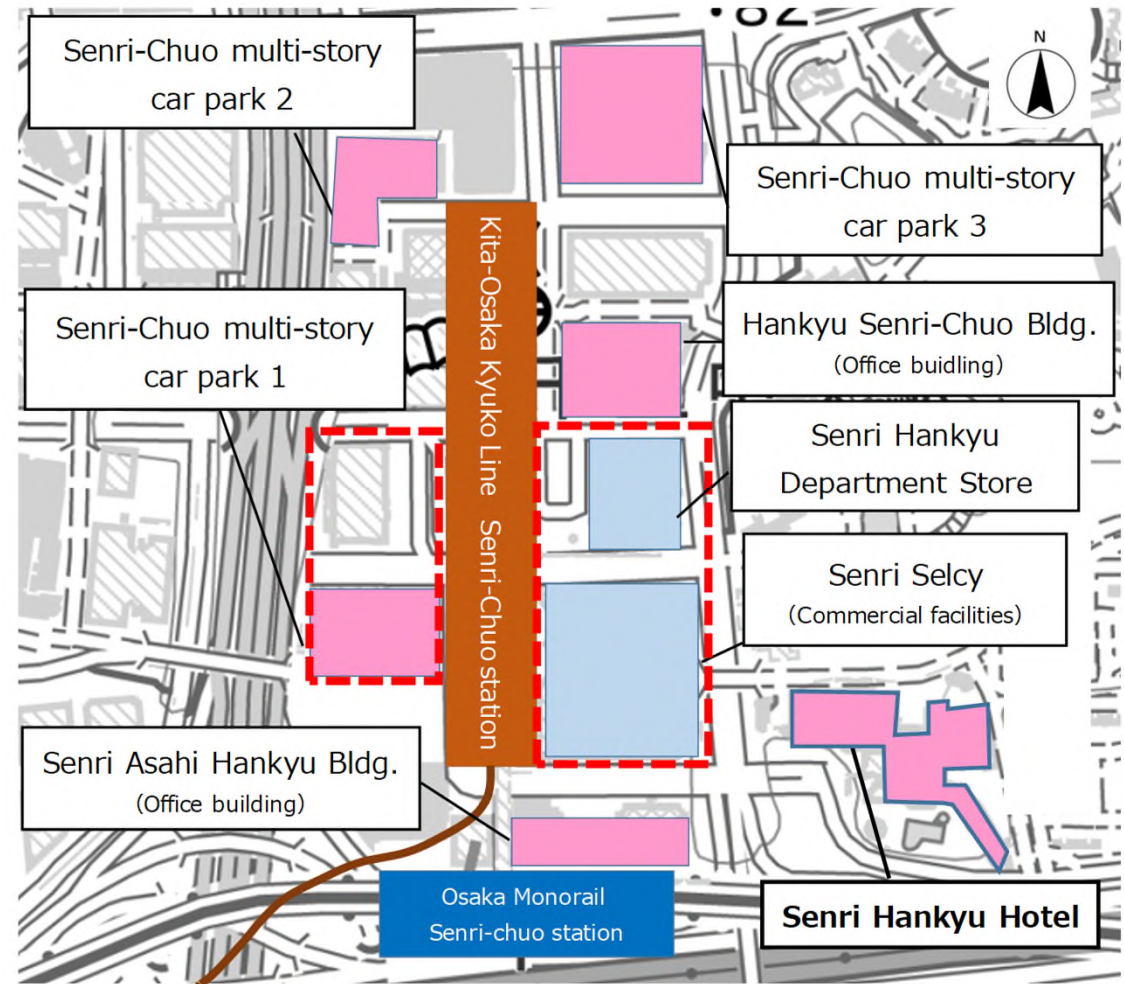
(The train runs direct to below stations as the Kita-Osaka Kyuko Line is connected with the Midosuji Line of the Osaka Metro)

- To Shin-Osaka station approx. 14 minutes
- To Umeda station approx. 20 minutes

Overview of the Senri-Chuo area

Map based on GSI geospatial data

(https://maps.gsi.go.jp/#17/34.809594/135.495665/&base=pale&base_grayscale=1&ls=pale&disp=1&vs=c0j0h0k0l0u0t0z0r0s0m0f1&d=m)



To Umeda

【Legend】

- Sole-owned or co-owned properties
- H2O Retailing assets
- Area flagged for redevelopment (Commercial facilities etc.)

Adapting to the New Normal①

■ The pandemic has transformed lifestyles

COVID-19 induced trends

- Consumers want **contactless commerce** and they want to **avoid crowded spaces**
- Increasingly, **businesses are digitizing, supporting workplace flexibility, and engaging in SDGs** (e.g. supporting efforts to go **carbon neutral**)

Lifestyle changes

Changes in population behavior

Fewer unnecessary outings

More dispersed workforce, dispersed learning

More even and diverse travel demand

More options for where to live

Changes in corporate sector

More workplace flexibility

More BCP

Emphasis on quality of life

More emphasis on health and safety, more health consciousness

Rising desire for self-expression and active role in society

Rising desire for communication in reaction to the shift to virtual

※2: Working from home, digital nomadism, working at a satellite office, workation, etc.

New lifestyle needs

Remote work※2

Accelerated digitalization

More online consumption

More emphasis on SDGs

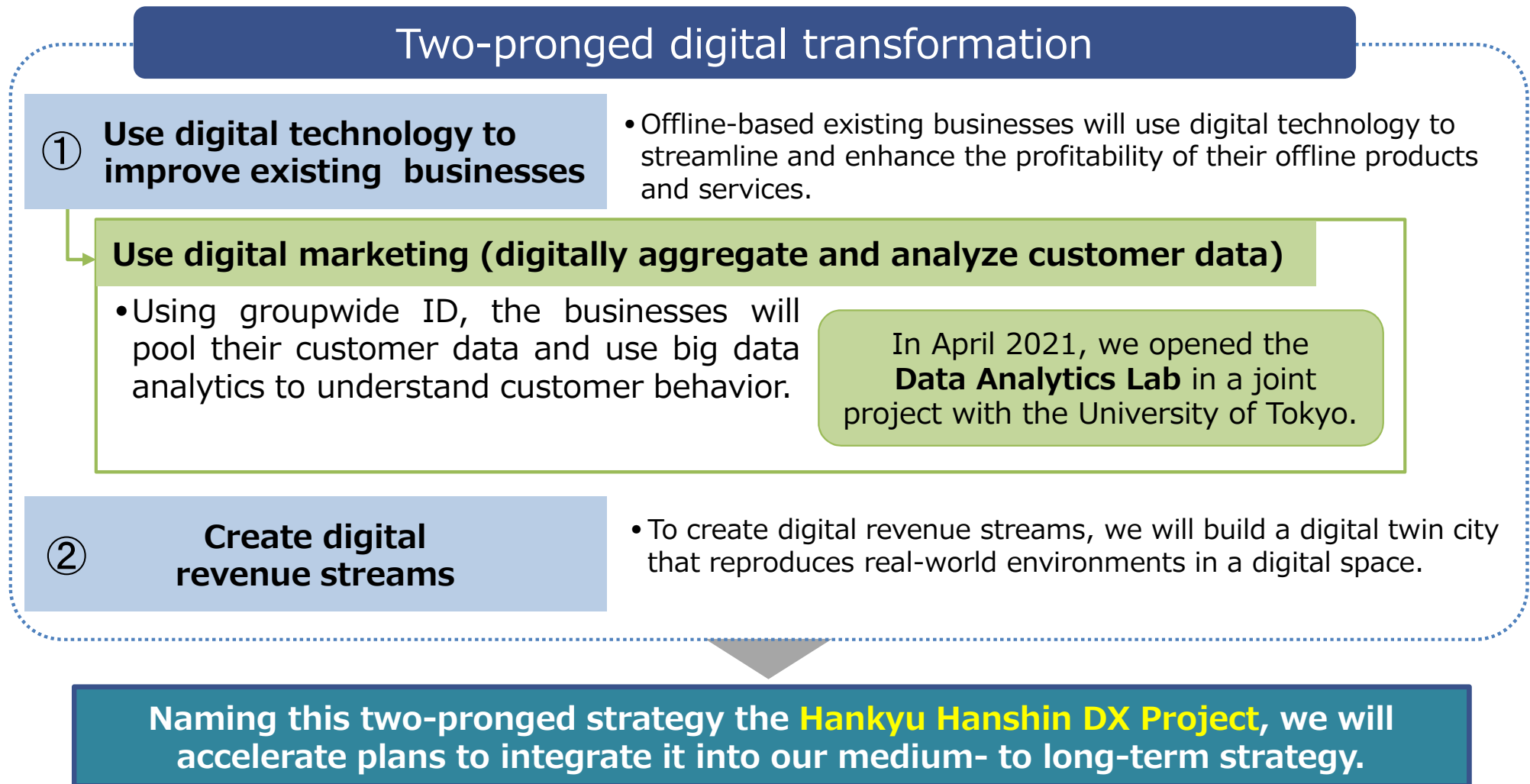
Better private spaces

Growing demand for real-life (but safe) experiences

Adapting to the New Normal②

■ Direction of Adapting to the New Normal

- The new normal threatens to undermine the earnings capacity of our existing businesses. Accordingly, to help ensure sustained growth in the new normal, we will undertake a two-pronged digital transformation that will enable our businesses to maintain or improve their competitive edge.



Adapting to the New Normal③ (Examples of actions in individual businesses)

Urban Transportation

- Our railway business will monitor rail travel demand and adjust timetables as necessary. We will also use robotics and IoT-driven technology to streamline station operations and maintenance work.
- They will also capture new revenue opportunities in the new normal. For example, they will consider providing premium seating (seats reserved for a surcharge) to capture the rising demand for more space and privacy in rail travel.

Real Estate

- The real-estate leasing business has added satellite offices to its office rentals lineup. The first satellite office (Hankyu Hanshin ONS Senri-Chuo) opened in April 2021. This office is managed by Point0 Inc. Point0 (pronounced “point zero”) is a satellite workspace project in which numerous companies are participating. It has pooled the technology and knowhow of the companies to help ensure that this office space has safe, comfortable ventilation, high-level security, and a pleasant interior. We plan to open other satellite offices in Kobe’s Sannomiya area and in Kyoto’s Kawaramachi area.
- For shopping facilities, we will focus on providing the kind of offline shopping experiences that cannot be replicated online. For housing, we will focus on product ideas that cater to new lifestyles like working from home.



Hankyu Hanshin ONS Senri-Chuo,
a satellite office opened in April 2021

Adapting to the New Normal④ (Examples of actions in individual businesses)

Entertainment

- In July 2020, Takarazuka Revue started streaming its shows, allowing fans to watch the shows at home on their TV or smartphone. The streamed shows had many views.
- In March 2021, there was an offline-online hybrid event called “To the Next Takarazuka,” which conveyed the magic of Takarazuka Revue.



To the Next Takarazuka was held in a real-world venue. Visitors could watch shows screened on a huge 8K widescreen monitor. There was also an AR attraction in which visitors could virtually dress up in the revue's theatrical costumes.

Travel

- Hankyu Travel International provided online tours on Zoom.
- Our travel business starts doing even more online, including increasing digital advertising as a share of total ad spending and enhancing online booking services.

A online tour on Zoom



Other

- Working across the group, we created a 3D digital model of Koshien Stadium. In March 2021, we used this virtual space to host an online exhibition about living with COVID-19. Around 90 companies had booths at the event.



Users attending the exhibition via an avatar. There was a voice chat option as well as an option to exchange business cards.

《Reference》 Mobility-as-a-Service (MaaS)

■ Testing our own MaaS project

- Hankyu Corporation and Hanshin Electric Railway have teamed up with other railway companies in Kansai to form a seven-strong consortium※ that will introduce a MaaS model ahead of Expo 2025 Osaka, Kansai.

※Seven companies : Hankyu Corporation, Hanshin Electric Railway, Kintetsu Railway, Keihan Electric Railway, Nankai Electric Railway, Osaka Metro, JR WEST

- We are developing our own MaaS app that offers information and services unavailable on the consortium's common MaaS. In April 2021, we started testing the app on the Hankyu and Hanshin rail networks.

【Outline of test】

Purpose

Verify the effectiveness and performance of the app in facilitating local mobility and shopping.

Application name

maruGOT Nishinomiya



Test period

April 21, 2021 ~ July 20, 2021

Test sample※

Approx. 2,000 residents in Nishinomiya city, Hyogo

※STACIA and PiTaPa card holders were recruited.

Service

- Route planner (covers multiple modes of transport, including rail, bus, and taxi)
- Booking and payment (links with event planning apps to allow user to hire a taxi or reserve a table)
- Digital points awarded for participation in test (which encourages use of amenities and transport links)

Ⅱ. Future Strategy

**(1) Medium-Term Management Plan and
Current Strategy**

(2) Update of Long-Term Vision

Medium- to long-term Strategy (Updating of Long-Term Vision)

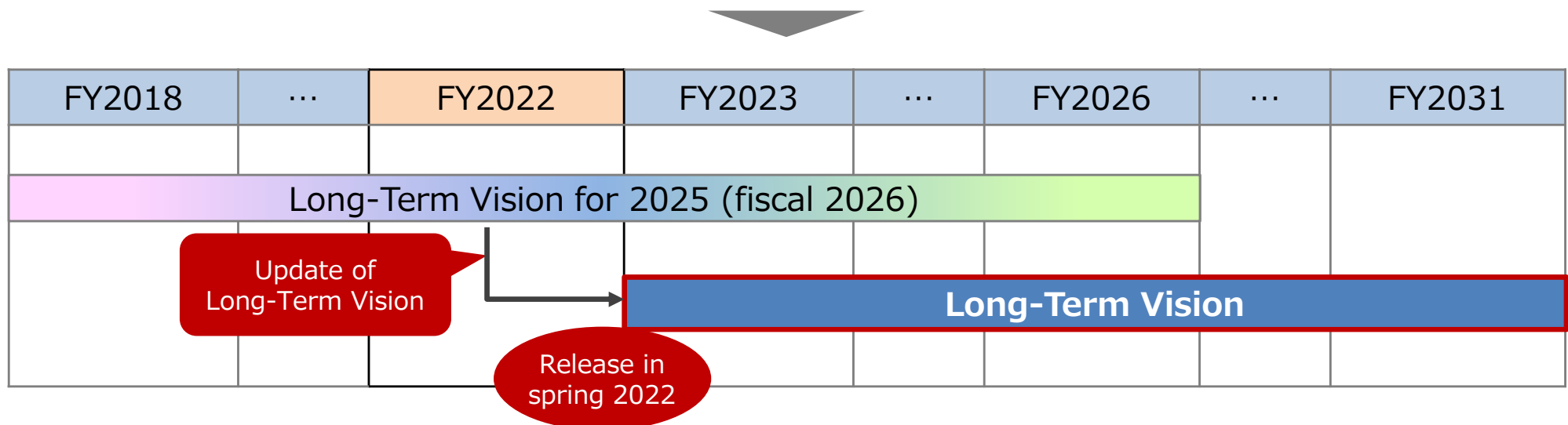
■ Updating of Long-Term Vision

- As we remain in the midst of the pandemic, it is hard to predict how the new normal will look. However, we need to get clear grasp as soon as possible so that we can present a roadmap for the future.
- Our Long-Term Vision for 2025 (fiscal 2026) was formulated on the assumption that lifestyles and business practices would inevitably change sooner or later. However, the pandemic has hastened these changes and we must update the Long-Term Vision accordingly※.

※In updating the vision, we are mindful of the need to do the following:

Adapt to changes in consumer behavior driven by the pandemic, embrace digital transformation, drive a workplace revolution , and contribute to the SDG agenda (by going carbon neutral by 2050 for instance)

- Thus, we are updating the plan with an eye on the pace of recovery in demand and the transition in business conditions. We hope to release the new vision in spring 2022 under the title Vision for 2030.



《Reference》 Long-Term Vision for 2025 (Overall vision)

The slogan for the Hankyu Hanshin Holdings Group's Long-Term Vision for 2025 (fiscal 2026) is:

‘Enhancing line-side areas and expanding fields’

Sustainably enhance corporate value

Enhance daily life (customer) value

Regarding these sociocultural changes as business opportunities, we will provide innovative products and services through our business operations.

Enhance social value

Build relationships of trust with various stakeholders, meet their expectations, and contribute to society.

Enhance economic value

We will strive to maintain and improve our profitability and financial soundness as a top-class private railways operator.

Umeda and line-side areas
x stock businesses
Make our railway the
absolute best among the
Kansai networks.

Strategy①

Tokyo metropolitan area and overseas
markets x stock businesses
Construct a stable revenue base in
the Tokyo metropolitan area and
overseas markets.
(diversify the portfolio, which is currently
concentrated in Umeda and line-side areas).

Strategy②

flow businesses
Strengthen competitiveness by
thoroughly pursuing brand
optimization and differentiation.

Strategy③

Groupwide initiatives,
new business fields, etc.

Make greater use of the Group's collective strength and develop new
business fields.

Strategy④

Further
technological
advances (AI, IoT,
etc.)

The coming age of full-
scale population decline

Economic growth
in Asia

Declining birth rate
and aging population

Growing numbers of
overseas visitors

Crumbling infrastructure

Improvements to public
transport infrastructure (airports,
rail and motorway networks)

Tightening of labor
market

Concentration of population
into urban areas

Opportunity for Kansai to develop its position as gateway for Asia and the wider world

《Reference》 Long-Term Vision for 2025 (Four strategies)

Umeda・Line-side
areas

Umeda and line-side areas x stock businesses

Make our railway the absolute best among the Kansai networks.

Strategy①

We aim to increase the resident and non-resident population of line-side areas. To this end, we will channel into these areas the dynamism of the Tokyo-Nagoya-Osaka axis and the power of Asia and other regions of the world, attract new industries and cutting-edge technologies ahead of other companies, and support efforts to develop thriving local communities.

Tokyo
metropolitan
area・overseas

Tokyo metropolitan area and overseas markets x stock businesses

Construct a stable revenue base in the Tokyo metropolitan area and overseas markets

(diversify the portfolio, which is currently concentrated in Umeda and line-side areas).

Strategy②

Our property portfolio is currently concentrated in Umeda and line-side areas. To compensate for downsizing in the Kansai area, we will diversify our property profile by acquiring additional assets including rental property in Tokyo's large market and in overseas markets that are set to grow.

Flow business

Strengthen competitiveness by thoroughly pursuing brand optimization and differentiation.

Strategy③

Thoroughly optimize the Hankyu Hanshin brand value and differentiate the products and services from the competition so as to strengthen competitive edge and achieve further business expansion.

Stock (Use assets)

Flow (non-assets)

Group-wide initiatives, new business fields, etc.

Make greater use of the Group's collective strength and develop new business fields.

Strategy④

In addition to pursuing Group-wide initiatives, we will introduce cutting-edge technologies into existing businesses, venture into new business fields, and thereby provide culturally enriched and innovative lifestyle options.

Ⅲ. Forecast for fiscal 2022 (fiscal year ending 31st March 2022)

Consolidated Statements of Income (Summary)

COVID-19 impact (¥ billion)	FY2022 Forecasts	FY2020 Results	(¥ billion)			
			FY2022 Forecasts	FY2021 Results	Change	Remarks
Revenue from operations	-140.0	-215.2				
Operating income	-82.0	-104.2				
Revenues from operations			800.0	568.9	+231.1	Expect growth in revenue and income because applying ASBJ 29 will impact accounting in some businesses (we will now recognize revenue at the gross amount, rather than the net amount as before, for transactions in the travel business related to organized tours). Another reason is that the urban transportation, entertainment, and other businesses recovered from the impact of the pandemic felt in the previous year.
Operating income			23.0	2.1	+20.9	
Ordinary income			16.0	-7.6	+23.6	
Net income attributable to owners of the parent			6.0	-36.7	+42.7	

Impact of applying ASBJ 29
+112.0 billion yen

(Reference)

Capital Expenditures	137.5	108.5	+29.0
Depreciation and amortization	60.7	55.7	+5.0
Financial balance ① - ②	-8.3	-7.8	-0.5
Interest and dividend income①	1.1	1.1	-0.0
Interest expense②	9.4	8.9	+0.5

Applying ASBJ 29 (Accounting Standard for Revenue Recognition) impacts revenue from operations in two main ways (the impact on operating income is negligible in each case) :

- 1) We will now recognize revenue at the gross amount (rather than the net amount as before) for transactions in the travel business related to organized tours.
- 2) We will now recognize revenue at the net amount (rather than the gross amount as before) for transactions in the retailing business related to sales and purchasing, and for transactions in the information and communication technology segment related to agency retail sales of electricity.

Note : We have not shown year-on-year comparisons in consolidated forecasts as the forecasts of FY2022 include the effect of the application of ASBJ 29 (Accounting Standard for Revenue Recognition).

Applying the Accounting Standard for Revenue Recognition (ASBJ 29)

◆ What is the new revenue standard?

- ASBJ 29 specifies (1) when and (2) how a reporter will recognize revenue.
- Based on International Financial Reporting Standards, ASBJ was enforced for all companies in Japan in April 2021 (the start of fiscal 2022).

◆ Summary of standard

- ① The reporter must recognize revenue when the underlying sales or usage occurs (when the customer buys the good or uses the service).
- ② If the reporter provides the good or service to the customer directly^(Note 1), then it must recognize the revenue at the gross amount^(Note 2). If the good or service is provided by an agent, then the reporter must recognize the revenue at the net amount^(Note 2).

(Note 1)

Examples of criteria: The reporter is primarily responsible for fulfilling the promise to provide the specified good or service; the reporter has discretion in establishing the price for the good or service; the reporter has inventory risk before the specified good or service has been delivered.

(Note 2)

Gross amount : All gross revenue from the sale is recorded as revenue from operations, without deducting sales costs.

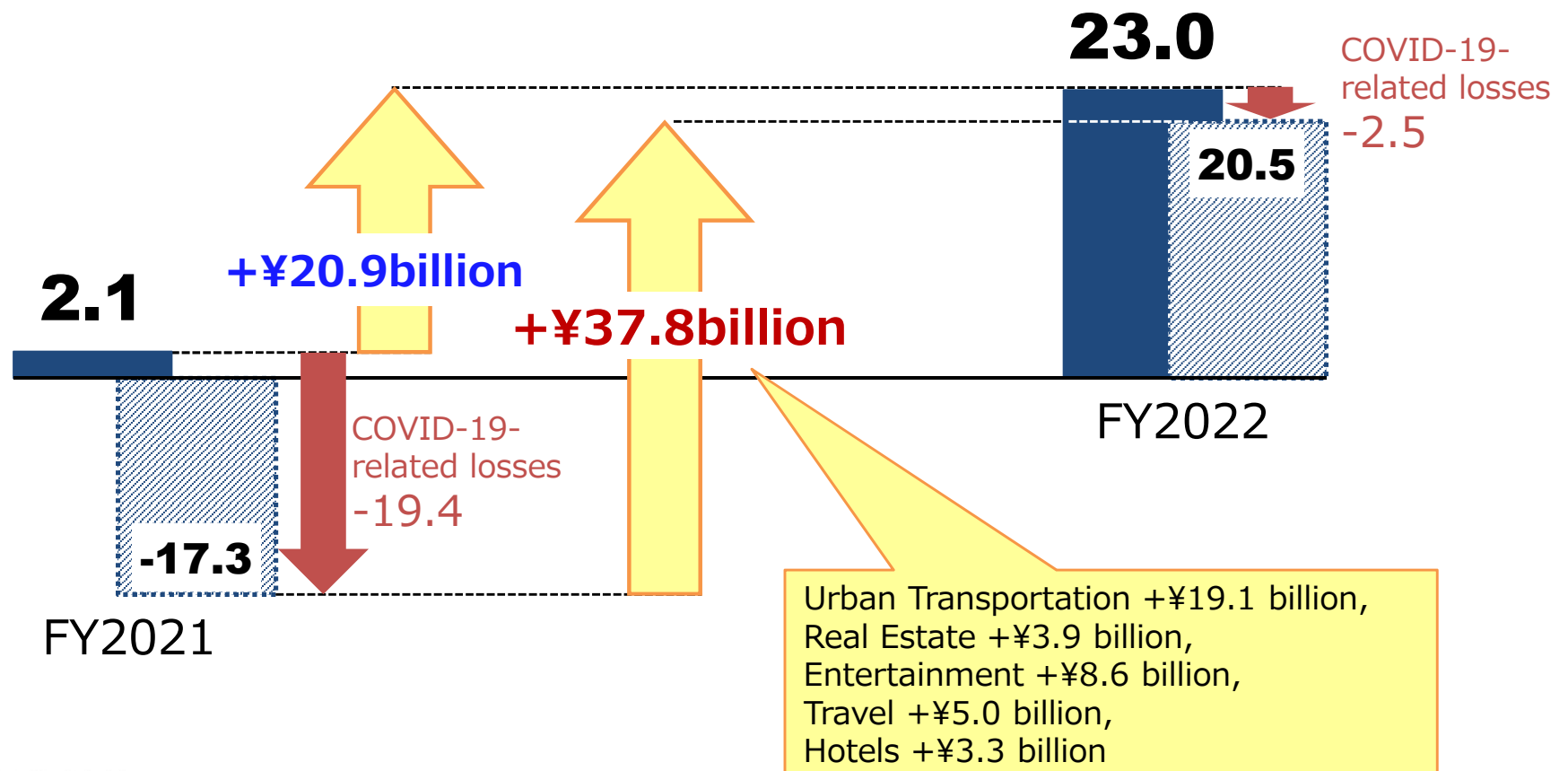
Net amount : Sales costs are deducted from gross revenue and the difference is recorded as revenue from operations.

	Segment	Transaction	Current practice	New practice	Impact on revenue, income for fiscal 2022
①	Urban Transportation	Commuter pass	Report revenue prorated by month, <u>starting from month of sale</u>	Report revenue prorated by month, <u>starting from the month of commencement</u>	No impact on revenue or income (only the timing of recognition changes)
②	Travel	Organized tours※	Report revenue on <u>net basis</u>	Report revenue on <u>gross basis</u>	<u>Revenue approx. +¥125.0 billion</u> No impact on income
②	Urban Transportation	Sales and purchase in retailing business	Report revenue on <u>gross basis</u>	Report revenue on <u>net basis</u>	<u>Revenue approx. -¥4.0 billion</u> No impact on income

※The transactions most affected are those in the travel business related to organized tours.

Outlook for Operating Income (FY2021→FY2022)

- For fiscal 2022, on the assumption that many businesses will see a reasonable recovery from the effects of the pandemic, we expect to achieve **¥23.0 billion in operating income**, **¥20.9 billion higher** than in fiscal 2021.
- However, this increase does not account for extraordinary losses. In fiscal 2021, we recognized ¥19.4 billion in extraordinary losses related to the pandemic (including fixed expenses during suspensions of operations and costs associated with cancelling events). For fiscal 2022, we are expecting such losses to amount to ¥2.5 billion. Thus, **the actual year-on-year increase will be ¥37.8 billion.**



Consolidated Statements of Income (Breakdown for each business segment)

(¥ billion) [Upper table] Revenue from operations [Lower table] Operating income	FY2022 Forecasts	FY2021 Results	Change	Remarks
Impact of applying ASBJ 29 +112.0 billion yen	800.0	568.9	+231.1	COVID-19 impact (recovery from level of previous year) : •Revenue from operations +¥75.0 billion (Urban Transportation +¥23.0 billion, Real Estate +¥15.0 billion, Entertainment +¥17.0 billion, Travel +¥7.0 billion, Hotels +¥10.0 billion) •Operating income +¥22.0 billion (Urban Transportation +¥18.0 billion, Real Estate +¥2.0 billion, Entertainment +¥5.0 billion)
Total	23.0	2.1	+20.9	
(Breakdown for each business segment)				
Urban Transportation	-4.0 billion yen	176.3	156.9	Revenue and income growth are expected on the assumption that the business will recover from the effects of the pandemic (Hankyu and Hanshin lines and automobile business will see an upturn in fare revenue).
		12.7	-5.1	
Real Estate		245.6	188.4	Revenue and income growth are expected on the assumption that condominium sales will increase and the leasing business will recover from the effects of the pandemic (it will see an upturn in rent revenue).
		30.9	28.9	
Entertainment		56.4	42.2	Revenue and income growth are expected on the assumption that the businesses will recover from the effects of the pandemic (the sports and stage businesses will see an upturn in ticket revenue with more Hanshin Tigers' regular season games and more theater productions).
	- 3.0 billion yen	2.2	-2.3	
Information and Communication Technology		59.4	58.1	The increase in operating revenue will reflect the increased orders for in the information services business. The lack of change in operating income will reflect higher direct costs associated with the extra revenue, and higher labor costs associated with expanded business.
		5.6	5.6	
Travel	+125.0 billion yen	144.0	12.0	Huge revenue growth is expected on the assumption that this segment will be significantly impacted by the application of ASBJ 29 and will recover to a reasonable extent from the effects of the pandemic (it will see an upturn in demand for domestic tours). However, the segment will post an even bigger loss than it did last year because of high personnel expenses relative to fiscal 2021, when costs such as that of furloughing staff were recognized as extraordinary losses.
		-8.0	-7.4	
International Transportation		82.9	85.6	Decreases in revenue and income are expected because demand is low relative to the previous year, when East Asia saw emergency demand.
		1.6	2.3	
Hotels		28.8	19.1	Revenue growth is expected on the assumption that hotels will recover from the effects of the pandemic (it will see an upturn in accommodation and food/beverage sales). However, the segment will post an even bigger loss than it did last year because of high personnel expenses relative to fiscal 2021, when costs such as that of furloughing staff were recognized as extraordinary losses.
		-18.7	-17.9	

COVID-19 Impact in Each Segment (assumptions for Fiscal 2022 forecasts)

In 1Q, we predicted that there would be further states of emergency (and priority preventative measures) and prepared full-year fiscal 2022 forecasts upon the following assumptions.

Urban Transportation	<p>【Railway】 We made the following predictions after considering the impact of the 1Q state of emergency (less ridership). The decline in revenue from other (non-season) tickets will ease after the state of emergency is lifted. By March 2022, the revenue will be just 10–20% lower than result for the same period in fiscal 2019. The impact on worker commuter pass revenue will persist throughout the period (the revenue will be around 10% lower than the fiscal 2019 level). The period-average for student commuter pass revenue will be around 10% lower than the fiscal 2019 level.</p> <p>【Automobile】 For transit buses, the impact will be similar to that for railway. For airport shuttle buses, the impact will depend on outlook for air travel (demand for international flights at Kansai International Airport will not recover within the fiscal year).</p>
Real Estate	<p>【Real estate leasing】 The impact of the 1Q state of emergency (store closures, reduced hours) will result in less rent revenue.</p>
Entertainment	<p>【Sports】 Pro baseball: Having considered the impact of the 1Q state of emergency (audience-less games), we predict that after the emergency is lifted baseball revenue will recover provided that there will be around 20,000 sellable seats for each Hanshin Tigers' regular season game.</p> <p>【Stage】 Takarazuka Revue: Having considered the impact of the 1Q state of emergency (show cancellations), we predict that after the emergency is lifted theater production revenue will recover provided that theaters will return to full capacity (excluding frontmost seats).</p>
Travel	<p>Having considered the impact of the 1Q state of emergency (cancellations of some tours), we predict that after the emergency is lifted business will recover significantly (full-year performance will be 30% up from fiscal 2019 level). Demand for international tours will not recover within the fiscal year.</p>
Hotels	<p>We made the following predictions after considering the impact of the of the 1Q state of emergency (closure of some hotels): Regarding accommodation, after the emergency is lifted, domestic demand will steadily recover. Inbound demand is unlikely to recover in the period (for hotels managed directly by Hankyu Hanshin Hotels※, domestic demand as of March 2022 will be around 40% less than it was in the same period in fiscal 2019). Likewise, food/beverage will recover after the emergency is lifted.</p>

※ Excludes hotel locations opened in fiscal 2020 or later.

[Urban Transportation] Railway Performance Forecasts

Hankyu Corporation

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	FY2022 Forecasts	FY2021 Results	Change	FY2022 Forecasts	FY2021 Results	Change
Commuter pass	29,854	28,093	+1,760 (+6.3%)	305,345	277,068	+28,277 (+10.2%)
Workers	25,841	25,625	+216(+0.8%)	214,041	216,044	-2,002 (-0.9%)
Students	4,013	2,468	+1,544(+62.6%)	91,304	61,024	+30,280(+49.6%)
Other tickets	49,299	40,982	+8,317(+20.3%)	249,631	208,035	+41,595 (+20.0%)
Total	79,153	69,075	+10,078(+14.6%)	554,977	485,104	+69,872(+14.4%)

Hanshin Electric Railway

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	FY2022 Forecasts	FY2021 Results	Change	FY2022 Forecasts	FY2021 Results	Change
Commuter pass	10,869	10,476	+392 (+3.7%)	112,284	107,336	+4,947 (+4.6%)
Workers	9,740	9,750	-9(-0.1%)	88,567	90,809	-2,242(-2.5%)
Students	1,129	726	+402(+55.4%)	23,717	16,526	+7,190(+43.5%)
Other tickets	16,834	13,725	+3,108(+22.6%)	92,258	76,214	+16,043(+21.1%)
Total	27,704	24,202	+3,501(+14.5%)	204,542	183,550	+20,991(+11.4%)

- * 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) For commuter passes, revenue and ridership were previously counted from the date of sale. As of fiscal 2022, they are counted from the commencement date (the date from which the ticket is valid).

Management Indicators

■ Management Indicators

	FY2021 Results	FY2022 Forecasts
Operating income	¥2.1 billion	¥23.0 billion
EBITDA※1	¥60.3 billion	¥86.0 billion
Interest-bearing debt	¥1,063.0 billion	¥1,160.0 billion
Interest-bearing debt / EBITDA ratio	17.6 times	13.5 times
D/E ratio※2	1.2 times	1.3 times
Net income attributable to owners of the parent	-¥36.7 billion	¥6.0 billion
ROE	-4.1%	0.7%
(Reference)		
Net interest-bearing debt※3	¥1,035.5 billion	¥1,135.0 billion
Net interest-bearing debt/EBITDA ratio	17.2 times	13.2 times

※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

■ Specific figures for dividend of surplus

- In order to keep the dividend at the stable level, **the fiscal 2021 annual dividend** will be the same as fiscal 2020: ¥50 per share (¥25 interim + ¥25 year-end)*.

* Subject to shareholder approval at the General Meeting of Shareholders on June 16, 2021

- Likewise, for **fiscal 2022**, we expect to deliver a dividend at the same level again: ¥50 per share (¥25 interim + ¥25 year-end).

《Reference》 Specific figures for dividend of surplus for fiscal 2020

- Annual dividend per share : ¥50 (¥25 interim + ¥25 year end)
- Treasury stock : In fiscal 2021, we bought back ¥4.3 billion worth of shares.

《Reference》 Consolidated Statements of Income (Breakdown by type of business)

	Revenue from operations			Operating income		
(¥ billion)	FY2022 Forecasts	FY2021 Results	Change	FY2022 Forecasts	FY2021 Results	Change
Urban Transportation	176.3	156.9	+19.4	12.7	-5.1	+17.8
[Breakdown by type of business]						
Railway	126.3	112.3	+14.0	20.3	7.9	+12.4
Automobile	38.2	32.7	+5.5	-3.1	-6.8	+3.7
Retailing	12.6	14.0	-1.4	0.9	0.8	+0.1
Others	9.0	8.8	+0.2	0.6	0.7	-0.1
Real Estate	245.6	188.4	+57.2	30.9	28.9	+2.0
[Breakdown by type of business]						
Real estate leasing	115.6	99.7	+15.9	28.6	29.2	-0.6
Real estate sales and others	147.3	105.7	+41.6	10.0	8.3	+1.7
Entertainment	56.4	42.2	+14.2	2.2	-2.3	+4.5
[Breakdown by type of business]						
Sports	26.5	21.1	+5.4	-0.1	-2.5	+2.4
Stage	29.8	21.0	+8.8	3.7	1.7	+2.0

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

《Reference》 Consolidated Statements of Capital Expenditure

(¥ billion)	FY2022 Forecasts ①	Main investments	FY2021 Results ②	Main investments	Change ①-②
Total capital expenditure	137.5		108.5		+29.0
Urban Transportation	44.8	<ul style="list-style-type: none"> •New rolling stock, remodeling of existing rolling stock •Investment in station apparatus •Kita-Osaka Kyuko Railway Line Extension Project 	29.5	<ul style="list-style-type: none"> •New rolling stock, remodeling of existing rolling stock •Investment in station apparatus •Kita-Osaka Kyuko Railway Line Extension Project 	+15.3
Real Estate	73.2	<ul style="list-style-type: none"> •Umeda 1-1 Project •Umekita Phase II Development Project •Project to construct Saito Moegi Distribution Center 	68.8	<ul style="list-style-type: none"> •Umeda 1-1 Project •Umekita Phase II Development Project •Project to rebuild Kobe Hankyu Building's east wing and renew its west wing 	+4.4
Entertainment	6.6	<ul style="list-style-type: none"> •Development in public housing site in Koshien 	1.7		+4.9
Information and Communication Technology	6.9		4.5		+2.4
Travel	1.5		1.4		+0.1
International Transportation	2.9		0.7		+2.2
Hotels	1.2		1.9		-0.7

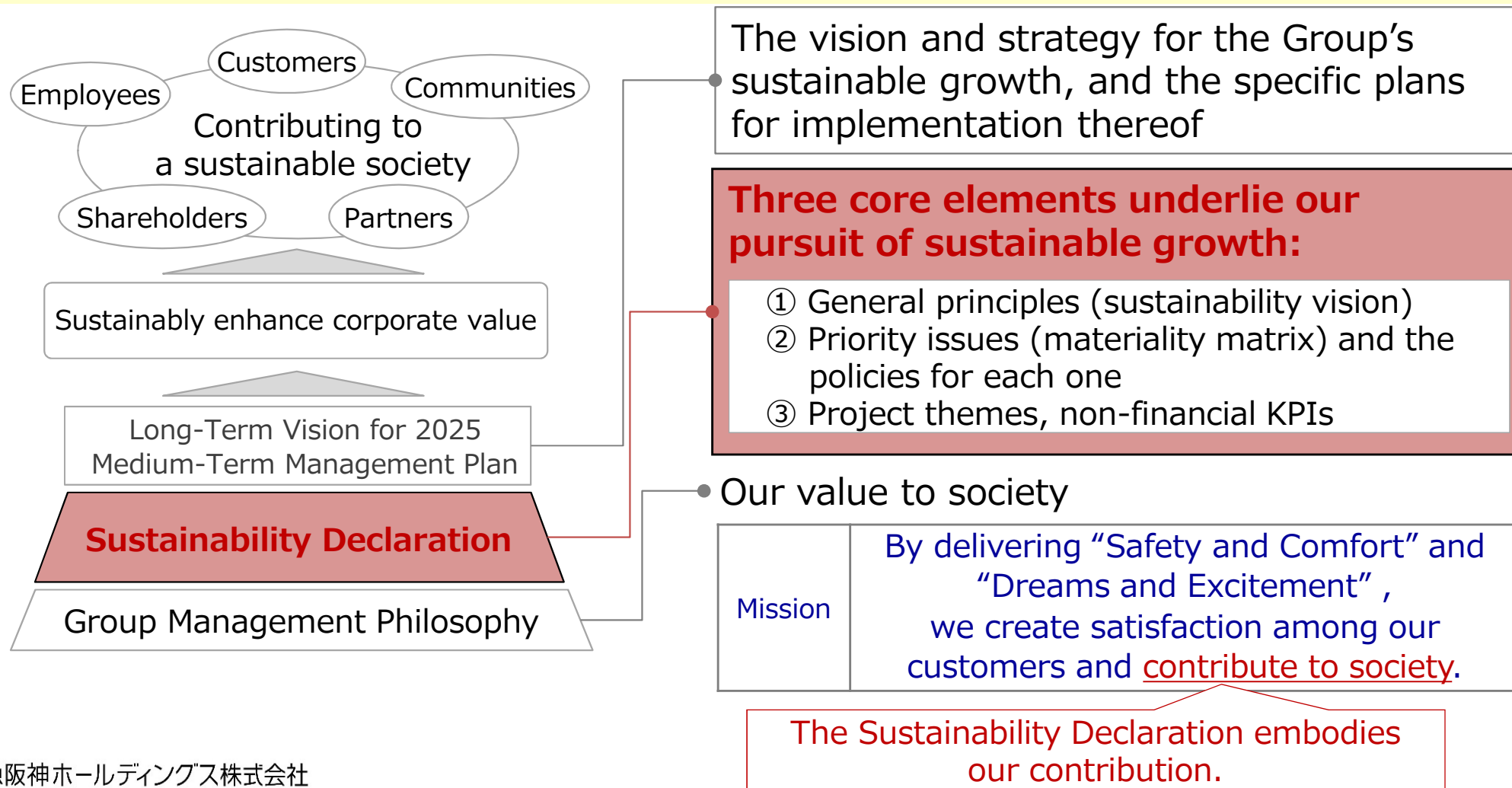
《Reference》 Consolidated Statements of Depreciation and Amortization, EBITDA

(¥ billion)	FY2022 Forecasts ①	FY2021 Results ②	Change ①-②
Total Depreciation and amortization	60.7	55.7	+5.0
(Breakdown for each business segment)			
Urban Transportation	27.8	27.1	+0.7
Real Estate	20.8	17.3	+3.5
Entertainment	3.6	2.9	+0.7
Information and Communication Technology	5.1	4.2	+0.9
Travel	1.0	0.9	+0.1
International Transportation	1.2	1.3	-0.1
Hotels	2.3	2.4	-0.1
Total EBITDA※	86.0	60.3	+25.7
(Breakdown for each business segment)			
Urban Transportation	40.5	21.9	+18.6
Real Estate	51.7	46.4	+5.3
Entertainment	5.8	0.7	+5.1
Information and Communication Technology	10.8	9.9	+0.9
Travel	-7.0	-6.5	-0.5
International Transportation	2.8	3.6	-0.8
Hotels	-16.4	-15.6	-0.8

IV. Sustainable Business Practices

Sustainable Business Practices

- We have always taken sustainability seriously and have developed a range of measures based on ESG criteria.
- As part of these efforts, we released the Sustainability Declaration in May, 2020, which outlines the group's commitment to addressing global sustainability challenges as part of the SDG agenda. Guided by this Declaration, we will work to become an even more sustainable business.



Sustainability Declaration

① General principles (sustainability vision)

A future vision that we hope to achieve through our sustainable business practices

~ Create a future grounded in "Safety and Comfort",
and a future colored by "Dreams and Excitement". ~

For over a hundred years, we have sought to cultivate communities and enrich lives. Leveraging this experience, we commit ourselves to addressing social and environmental challenges and working toward a sustainable future, one that offers a fulfilling, joyful life to all and inspires the next generation to dream with hope.

② Priority issues (materiality matrix)

Six priority issues to address as part of our sustainable business practices

Issues

Policies



Safe, reliable infrastructure



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



Thriving communities



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



Life designs for tomorrow



Promote refined and inspired lifestyle solutions for a better tomorrow.



Empowering individuals



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



Environmental protection



Contribute toward a low-carbon, circular economy.



Robust governance



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

Non-financial KPIs Based on Sustainability Declaration, Strategies for Achieving Them

■ Non-financial KPIs (Red box indicates new non-financial KPIs)

Priority issues	Non-financial KPIs		
Safe, reliable infrastructure	Zero culpable incidents in our railway business ※Applies to Hankyu Corporation/Hanshin Electric Railway/Kita-Osaka Kyuko Railway/Nose Electric Railway		
Empowering individuals	Employee satisfaction	Percentage of women in management positions	Percentage of women among new hires
	Always better than in previous survey ※The survey is conducted biennially in HHHD and six core companies	Around 10% (FY2031) ※Applies to HHHD and six core companies	Always more than 30% ※Applies to HHHD and six core companies
	Percentage of specific health guidance provision	Smoking prevalence	Paternity leave uptake
	More than 60% (FY2026) ※Applies to HHHD and six core companies	Less than 15% (FY2026) ※Applies to HHHD/Hankyu Corporation/Hanshin Electric Railway/Hankyu Hanshin Properties	100% (FY2026) ※Applies to HHHD and Hankyu Hanshin Properties
Environmental protection	Rate of CO2 emissions cuts①		Rate of CO2 emissions cuts②
	-26% compared to FY2014 (FY2031) ※Applies to: HHHD and subsidiaries' Japanese worksites		-40% compared to FY2014 (FY2031) ※Applies to Railway energy consumption of Hankyu and Hanshin's railway operations

• We intend to adjust our rate of CO2 emissions cuts targets in line with Japan's goal to go carbon neutral by 2050.

■ Current efforts to integrate sustainability into business strategy

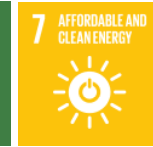
• As part of our commitment to sustainable business practices, we endorsed the **Task Force on Climate-related Financial Disclosures**※1 and the **United Nations Global Compact**※2 in May 2021.

※1 Task Force on Climate-related Financial Disclosures (TCFD) : Created in 2015 by the Financial Stability Board at the request of the G20, the TCFD encourages businesses to provide high-quality information about how climate change will impact their strategy and finances over the medium and long term, so that investors have sufficient information to make their investment decisions.

※2 United Nations Global Compact : Announced at the World Economic Forum held in 1999, the UNGC is a pact that enshrines behavioral principles for businesses around the world. It consists of ten principles in the areas of human rights, labor, the environment, and anti-corruption.



Priority issues : Environmental protection



【Examples of actions to contribute toward a low-carbon, circular economy】

Cut greenhouse gas emissions,
Improve energy efficiency/conservation

- Introduce energy-saving rolling stock in Railway business
- Introduce energy-saving technology in rental buildings
- Convert station, train and theaters lighting to LED



Lobby at
Takarazuka Grand Theater

Aim for more eco-friendly buildings

- Obtain DBJ's Green Building Certification※ for new office buildings and large commercial buildings
 - ※ The DBJ's Green Building Certification recognizes buildings that exemplify best practices in ecological and social sustainability. There are five certification ranks (stars).

【5-star green buildings】
Osaka Umeda Twin Towers South,
Hankyu Nishinomiya Gardens



Osaka Umeda
Twin Towers South

Use more renewable energy (e.g. solar)

- Installed solar energy systems
- 【Installed facilities】
Hanshin Koshien Stadium,
(Hankyu) Settsu-shi station,
(Hanshin) Oishi station,
HEP FIVE etc.



Hanshin Koshien Stadium

Produce less waste and recycle more

- Recycle more of the drink containers sold at Hanshin Koshien Stadium
- Phase out one-use plastic items in hotels business (Replacing plastic straws with ecofriendly alternatives etc.)



Bioplastic straws



Priority issues : Safe, reliable infrastructure



【Examples of actions to improve safety on the railway】

Preventing platform falls

- Platform screen doors (for preventing passengers falling onto the track) are being rolled out at Hankyu and Hanshin stations.



Kobe-sannomiya station
(Hankyu)



Kobe-Sannomiya station
(Hanshin)

【 Examples of actions for disaster preparedness and disaster mitigation】

Natural Disasters of extreme severity

- The rail companies are taking hard (physical) measures to control risks of flooding and earthquakes. They are also taking soft (non-physical) safety measures such as suspending services strategically and communicating risk information to passengers.

【Examples of actions to provide safe and comfortable facilities and services】

Improving accessibility

- The rail companies are improving accessibility in the train and on the platform to ensure safe and comfortable rail travel for all.
- Hankyu Corporation is yet to make the accessibility improvements at two stations: Kasuganomichi and Nakatsu. Of these, there is now a schedule in place for Kasuganomichi Station. The work should be completed by the end of fiscal 2023.

Staff and crew qualify as service care-fitters

- Alongside hard (physical) improvements, staff are being encouraged to train as Service Care-Fitters.
- Hanshin Electric Railway has encouraged such training since 2013. Now all its station staff and in-train staff have a Service Care-Fitter license.





Priority issues : Thriving communities

【Examples of actions to develop a good living environment】

Hankyu Corporation Developing the vicinity of Nishinomiya-Kitaguchi Station

- Hankyu Corporation has contributed to development of the vicinity of Nishinomiya-Kitaguchi Station. In 2008, it opened a large shopping facility, Hankyu Nishinomiya Gardens, by Nishinomiya-Kitaguchi Station, followed by an annex to the center and another new section named Hankyu Nishinomiya Gardens Gate. The corporation also attracted cultural and educational facilities, including Hyogo Performing Arts Center and the universities. In this way, we have made the area more attractive and convenient, with plenty of high-quality housing, and we continue improving the area's value.
- This community-building effort has won affection: Nishinomiya-Kitaguchi has ranked top in the Most Desirable Neighborhood* in Kansai survey for five years in a row. ※See page 89 for details about the Most Desirable Neighborhood survey.



Hankyu Nishinomiya Gardens



Priority issues : Life designs for tomorrow

【Examples of actions to improve existing services and create new business by utilizing ICT innovation】

Mimamorume : Hankyu Hanshin's safety tracking service

- Mimamorume harness the strengths of ICT for better protection. Applications include a school safety tracking system, where IC chips are inserted into pupils' schoolbags and sensors mounted on school gates enable tracking of their comings and goings via a phone app. (As of March 2021, some 1,400 schools and pre-schools have adopted Mimamorume.)
- Building on Mimamorume, we developed Machinaka Mimamorume, an app that connects with local authorities to watch over elderly and vulnerable residents.



A Mimamorume IC chip inserted into a schoolbag



Priority issues : Empowering individuals



【Examples of actions to improve employee satisfaction, creating a more positive workplace】

- We conduct a periodic employee questionnaire and use the results to identify ways to improve job satisfaction.

【Examples of actions to promote a healthy workplace】

- Formulate and announce the Hankyu Hanshin Holdings Group's Declaration on Employee Health Management (April 2018)
- 15 group companies have been listed among the "Health and Productivity Management" Organizations of 2021.

Large enterprise category (White 500)	Hankyu Corporation, Hanshin Electric Railway, Itec Hankyu Hanshin 2021 健康経営優良法人 Health and productivity ホワイト500
Large enterprise category	Hankyu Hanshin Properties, Hankyu Travel International, Hankyu Hanshin Express, Hankyu Hanshin Hotels, Bay Communications
SME category (Bright 500)	Hankyu Hanshin REIT Asset Management
SME category	Kita-Osaka Kyuko Railway, Chuo Densetsu, Hankyu Taxi, Hankyu Hanshin Insurance Services, Hankyu Medias, Hanshin Cable Engineering

【Examples of actions for promoting diversity】

■ Empowering Women in the Workplace

- We listed as a constituent on MSCI Japan Empowering Women Index (WIN) (July 2020)

2020 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)

MSCI <https://www.msci.com/our-solutions/esg-investing>

- We are hiring more women and training them for leadership positions.

■ Encouraging uptake of paternity leave

- Paternity leave has been improved. (January 2021 : HHHD and Hankyu Hanshin Properties)

■ Special subsidiary, Assist Hankyu Hanshin Co., Ltd., is creating employment opportunities for people with disabilities.

- The subsidiary is increasing the employment rate of people with disabilities by hiring them for the services it provides (office work, workplace massages and cleaning).
- Assist Hankyu Hanshin was certified as a Monisu Employer—an SME recognized as an employer of people with disabilities (December 2020).

【Examples of actions to respect human rights and prevent harassment】

- We run training courses for preventing workplace bullying and harassment.



Priority issues : Empowering individuals



【Examples of actions to cultivate tomorrow's leaders】

- We are taking the following two actions as part of the Hankyu Hanshin Dreams and Communities for the Future Project※.

Hankyu Hanshin Dreams and Communities for the Future Challenge Troop

- Our group companies (railway, theaters, stadium, hotels etc.) provide some of their facilities and employees for summer camps that feature authentic hands-on learning activities for elementary students.
- By the end of FY2020, more than 17,000 elementary school students were invited to a total of 389 programs. (The program was suspended in FY2021 because of COVID-19)



Hankyu Dreams and Communities Exciting Work Program

- To inspire children to think about their future career, senior staff at Hankyu Corporation visit elementary schools and tell the students about the community-building vision of the corporation's founder, Ichizo Kobayashi, and about the jobs that support communities.
- As of FY2021, Hankyu Corporation staff have visited a total of 235 schools and talked to a total of 20,000 students.



- In recognition of these two projects, we were awarded the METI Minister's Award (Grand Prix) in the 8th Career Education Award in FY2018 (Organized by Ministry of Economy, Trade and Industry), and the top prize in the FY2021 MEXT awards for recognizing companies that offer activities for young people (Organized by Ministry of Education, Culture, Sports, Science and Technology)

※Hankyu Hanshin Dreams and Communities for the Future Project

Since 2009, we have sought to promote the creation of towns and cities along our railway lines that people will truly want to live in. To this end, we work with our stakeholders (group companies, communities, employees) on two priority areas to create tomorrow's communities: environment-friendly development and human capital development.



私たちは、未来へつなぐ
「環境づくり」と「人づくり」に貢献します。

《Reference》SDGs Train 2020

Social Environmental

This is how we commemorated the 10th anniversary of Hankyu Hanshin Dreams and Communities of the Future Project:

■SDG-themed rail livery: The Dreams and Communities trains (started operations in FY2020)

- Three Hankyu trains and one Hanshin train wear a wrap advertising the SDG agenda.
 - (1) The advertising space inside the trains features over 200 kinds of posters that communicate the SDG message. The posters were contributed by our group companies, the UN, government ministries (MOFA & MOE), communities along our railway lines, companies actively engaging in the SDG agenda, and citizen groups.
 - (2) The SDG-themed trains ran on 100% renewable (in real terms) energy.
 - (3) To add momentum to the SDG agenda, the trains will remain in service until FY2026, when Osaka will host Expo 2025.
- In September 2020, together with Tokyu Group, we launched on our respective networks services with a SDG-themed rail livery (“SDGs train 2020”) to raise awareness about the SDGs in West and East Japan.



SDG-themed rail livery: The Dreams and Communities trains



Japan SDGs Awards ceremony held at the Prime Minister's Office in December 2020

- In FY2020, this initiative was awarded the Signpost to the Future Award at the 17th Corporate Philanthropy Awards. (Organized by Japan Philanthropic Association)

- In FY2021, we received the Special Award “SDGs Partnership Award” at the 4th Japan SDGs Awards. (Organized by the SDGs Promotion Headquarters at the Prime Minister’s Office)



Japan. Committed to SDGs



Priority issue : Robust governance

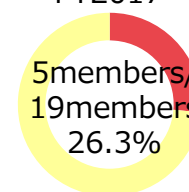
Notes: Regarding Corporate Governance Report, please visit our website.



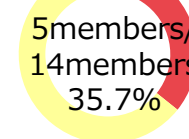
Actions to promote effective and transparent corporate governance

FY2016	Established the Corporate Governance President Committee <ul style="list-style-type: none"> •Meets twice a year to discuss matters such as ensuring transparency of election and dismissal of officers, communicating with outside directors, etc. (the committee meets biannually, and its membership comprises representative directors, standing auditors (standing Audit and Supervisory Committee members since Jun 2020) and outside directors)
FY2017	Started evaluating the effectiveness of the Board of Directors <ul style="list-style-type: none"> •Regarding the management of the Board of Directors, directors are interviewed about whether there is sufficient board accountability, whether board proceedings are appropriate, etc. (to make the evaluation process more effective, interviews are now preceded by preliminary questionnaires)
FY2018	Scrapped the corporate adviser system
FY2019	Resolved to discontinue anti-takeover measures Established compensation committee <ul style="list-style-type: none"> •The committee ensures impartiality and transparency in the process of determining director compensation (including the specific amounts). (the committee meets annually, and its membership comprises the chairman and outside directors)
FY2020	Revised compensation structure <ul style="list-style-type: none"> •We decided to introduce a performance-linked stock compensation plan for the chairman and president to further motivate them to work toward our corporate value, performance, and share price. The stock compensation will be delivered through a trust.
FY2021	Changed corporate structure to that of a “company with an audit & supervisory board” <ul style="list-style-type: none"> •We shifted to this structure to strengthen the oversight function of the Board of Directors and further tighten corporate governance. •As part of this shift, we increased the ratio of independent officers. Specifically, we have reduced the total number of officers to 11, of whom 5 are independent outside directors (2 of them are female).

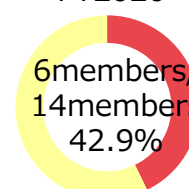
<Independent officer ratio>
FY2017



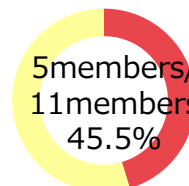
FY2018



FY2020



FY2021

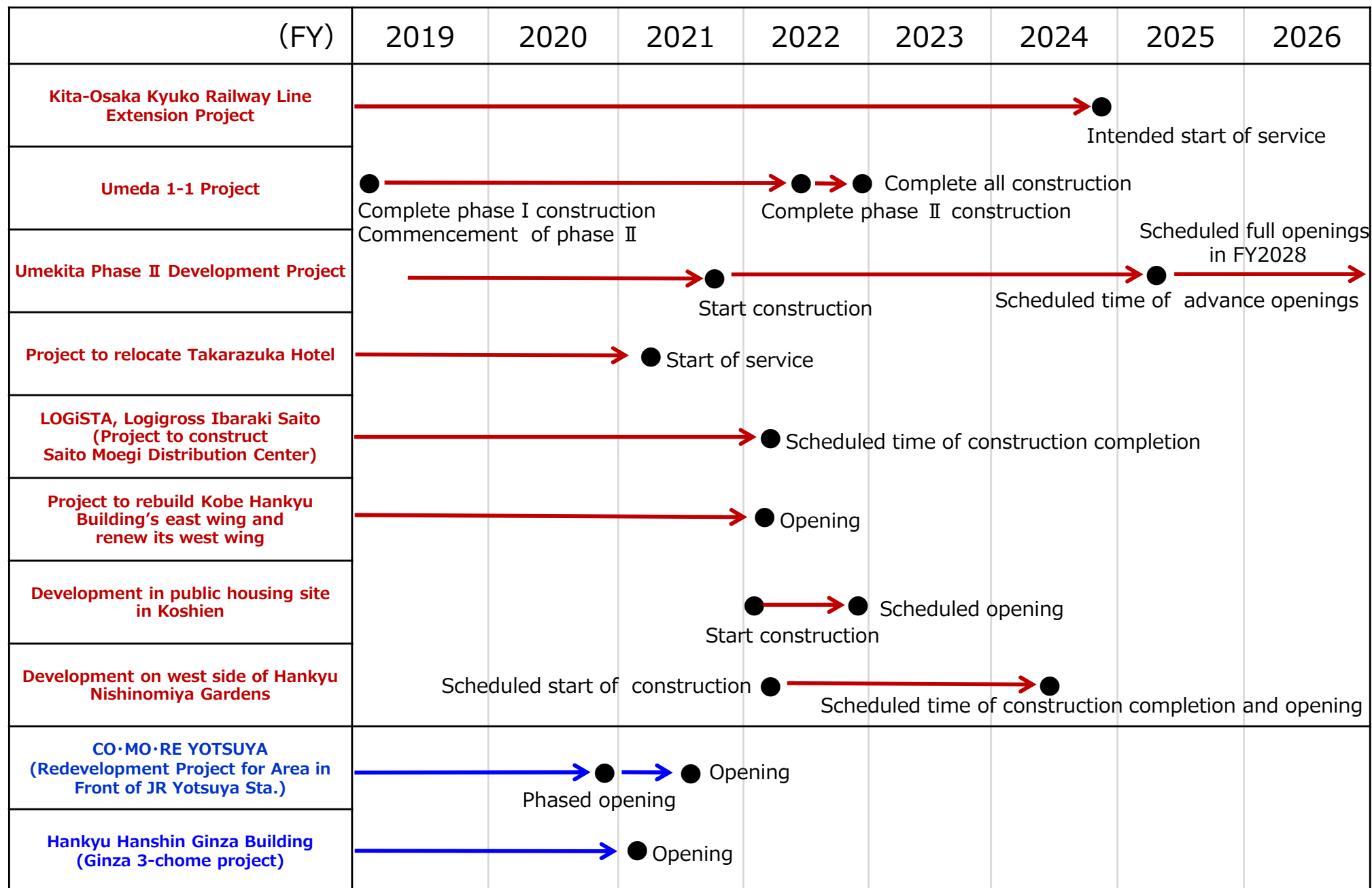


IV. Referential Materials

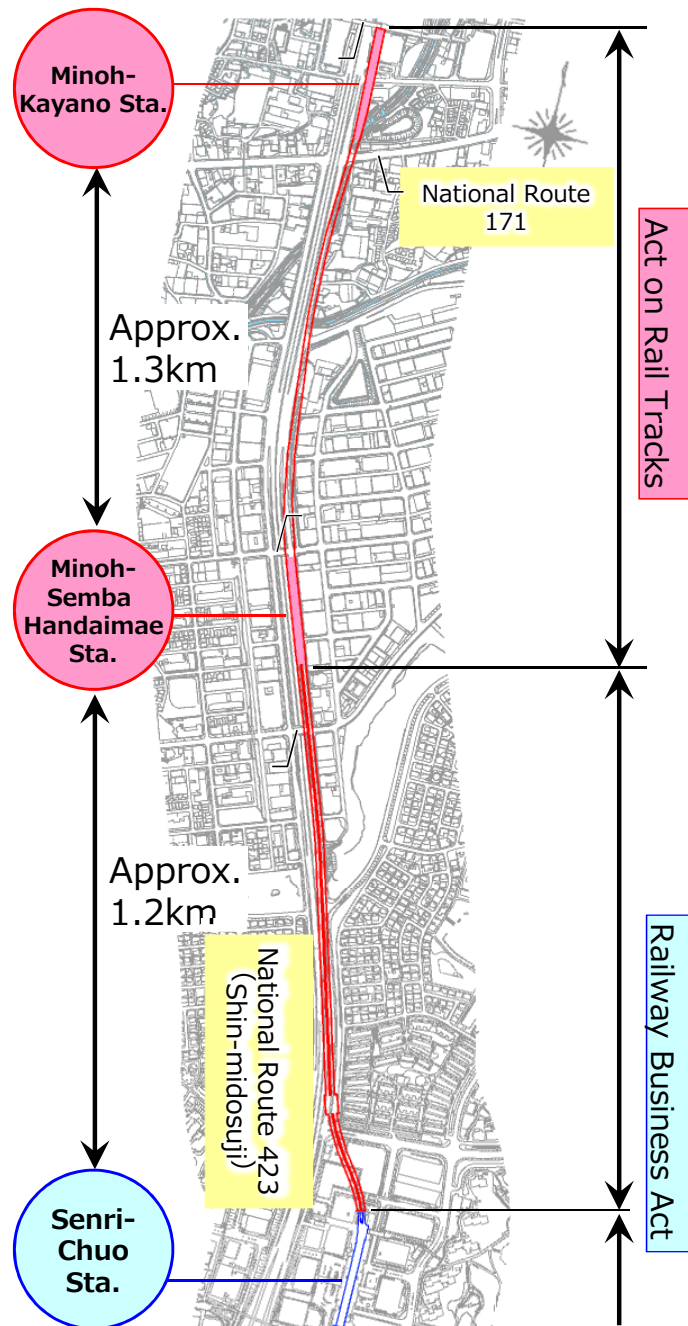
(1) Progress in Each Project

(2) Other

Schedule for Each Project



Kita-Osaka Kyuko Railway Line Extension Project



【Development plan summary】

- Extension distance:
2.5 km, from Senri-Chuo Sta. to Minoh-Kayano Sta.
- New stations:
Minoh-Semba Handaimae Sta., Minoh-Kayano Sta.
- Estimated project cost: ¥87.4 billion yen
- Demand: 45,000 people per day

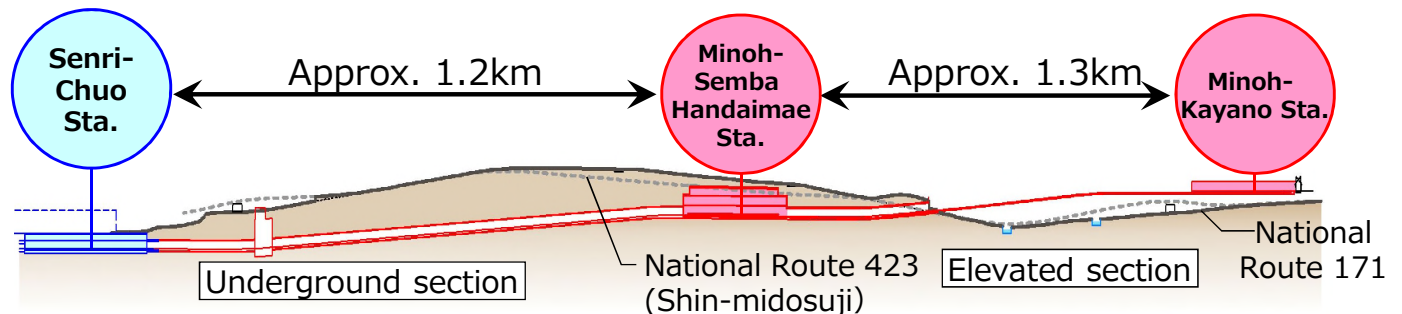
【Business scheme】

- Developer:
Kita-Osaka Kyuko Railway Co., Ltd. and Minoh City (development of infrastructural components between Minoh-Semba Handaimae Sta. and Minoh-Kayano Sta.)
- Operator: Kita-Osaka Kyuko Railway Co., Ltd.
- Funding program: Social capital development grant
- Portion to be borne by Kita-Osaka Kyuko Railway Co., Ltd:
¥11.0 billion yen; Amount commensurate with profits

【Schedule】

December, 2015: Obtained a license for railway business and a charter for railway track operations

December, 2016: Commencement of construction
FY2024 : Intended start of service



Umeda 1-1 Project (Name of the building : Osaka Umeda Twin Towers South)

【Project summary】

Location	1-1 Umeda, Kita-ku, Osaka
Site area	Approx. 12,200 m ² ※1
Total floor space	Approx. 260,000 m ²
Number of floors	38 floors above ground and 3 below ground
Purpose	Department store, offices, halls, etc.
Planned total investment	¥89.7 billion
Construction completion	Spring 2022

※1 Including the road between Dai Hanshin Building and Shin Hankyu Building

【Schedule】

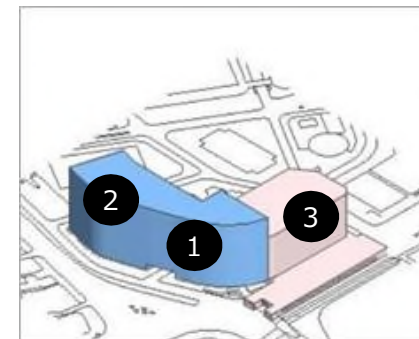
July 2015	Begin phase I construction
April 2018	Complete phase I construction* (Shin Hankyu Building and Dai Hanshin Building East Wing)
June 2018	Partial opening of new department store. Phase II (west wing of Dai Hanshin Building): Start demolition work
June 2019	Begin phase II construction
Autumn 2021	Complete phase II construction (new department store part) and fully open new department store
Spring 2022	Complete all construction※2 and open office floors

※2 The project is scheduled to be completed in spring 2022. In that year, Umeda Hankyu Building, which houses Hankyu Department Store (Hankyu Umeda Main Store), will be renamed 'Osaka Umeda Twin Towers North', and the two adjacent buildings will be christened the 'Osaka Umeda Twin Towers'.

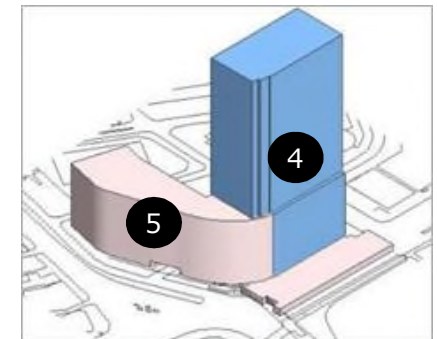
【Conceptual illustration of the building exterior】



【Phase I】



【Phase II】



The rentable area is smaller than that planned during phase I.

- ① Dai Hanshin Building East Wing
- ② Shin Hankyu Building
- ③ Dai Hanshin Building West Wing (businesses operating)
- ④ Dai Hanshin Building West Wing (under construction)
- ⑤ Phase I (businesses operating)

Umekita Phase II Development Project

【Background】

• JV9, which includes Hankyu Corporation, and Hankyu Hanshin Properties Corporation entered a consortium with four other firms. The consortium submitted a bid for the Umekita Phase II Development Project in a public tendering process organized by the Urban Renaissance Agency (a semipublic Independent Administrative Institution). The consortium won the bidding.

• The core theme of the project is to integrate green space with innovation. Building on the first phase of the project (which culminated in the opening of Grand Front Osaka), the consortium is working to achieve this theme and set a new standard in urban design for Kansai and even the whole of Asia.

【Outline of plan】

<Private-sector zone specifications※1>

Zone	North zone	South zone
Site area	Approx. 15,720m ²	Approx. 30,430m ²
Total floor space	Approx. 149,200m ²	Approx. 407,250m ²
Facilities	Innovation facilities, hotel, residence, others	MICE facilities, offices, hotels, commercial facilities, residence, others

※1 This is based on the urban plan resolved in April 2020 and the application made in the second half of 2020.

<Schedule>

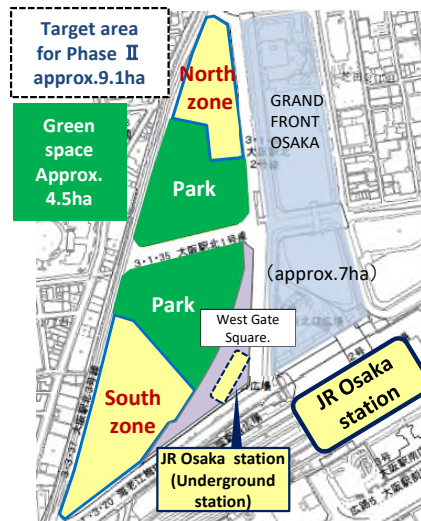
Dec 2020	Construction in private-sector zones
Around summer 2024	Advance openings※3
FY2028	Full openings

※3 For some private-sector zone facilities and part of the urban open space

<Urban open space specifications※2>


Site area	45,000m ²
Total facility floor area	12,500m ²
Facilities	Museum, experiential learning facilities, roofed open spaces, restaurants, shops, others

※2 This is the competitive tender submitted in May 2018.



(based on the image released in December 2020; subject to change)

Project progress along other line-side areas①

In order of opening date	Project to relocate Takarazuka Hotel	LOGiSTA, Logigross Ibaraki Saito (Project to construct Saito Moegi Distribution Center)
		  <div>A zone</div> <div>B zone</div>
Location	1-33, 1-chome Sakaemachi, Takarazuka, Hyogo	1-chome, Saito Moegi, Ibaraki, (In the Sanroku Line area of the eastern section of Ibaraki City's International Culture Park 'Saito')
Site area	Approx. 12,300m ²	A zone : Approx. 51,000m ² (※) B zone : Approx. 16,000m ² (※)
Total floor space	Approx. 23,000m ²	A zone : Approx. 116,000m ² (※) B zone : Approx. 31,000m ² (※)
Number of floors	5 floors above ground and 1 below ground	A zone : 5 floors above ground B zone : 4 floors above ground
Purpose	rooms (200rooms) party hall (4 halls) restaurant (4 facilities)	logistics facilities (A zone : large multitenant logistics facility [High-tech facilities designed to be used by multiple tenants] 、 B zone : multitenant logistics facility [Box-type facilities that can be leased in one building or split into 2 to 4 tenants])
Scheduled opening	June 21, 2020	End of May, 2021(scheduled completion)

※ Includes the portion belonging to our partner

Project progress along other line-side areas②

In order of
opening date

Project to rebuild Kobe Hankyu Building's east wing and renew its west wing



Commercial facilities : EKIZO Kobe Sannomiya

Location

2-1, 4-chome Kanocho, Chuo-ku, Kobe

Site area

Approx. 7,100m²

Total floor
space

Approx. 34,300m²

Number of
floors

East wing : 29 floors above ground and
3 below ground
West wing : 1 floor under railway station
(some sections with 2 floors above ground / basement level)

Purpose

hotel "remm plus Kobe Sannomiya", offices,
commercial facilities "EKIZO Kobe Sannomiya",
railway station

Scheduled
opening

April 26, 2021



Hotel : remm plus Kobe Sannomiya

Project progress along other line-side areas③

In order of opening date	Development in public housing site in Koshien	Development on west side of Hankyu Nishinomiya Gardens
		
Location	58 Koshien-cho, Nishinomiya, Hyogo	544 Takamatsu-cho, Nishinomiya, Hyogo
Site area	Approx. 3,200m ²	Approx. 3,000m ² ※
Total floor space	Approx. 5,000m ²	Approx. 18,300m ² ※
Number of floors	3 floors above ground	14 floors above ground
Purpose	The Museum Of Hanshin Koshien Stadium, commercial facilities	commercial facilities, offices, rental housing
Scheduled opening	March 2022	September 2023

Project progress in the Tokyo metropolitan areas

In order of opening date	CO・MO・RE YOTSUYA (Yotsuya Station District Redevelopment Project) 	Hankyu Hanshin Ginza Building (Ginza 3-chome project) 
Location	1-chome Yotsuya, Shinjuku-ku, Tokyo	3-chome Ginza, Chuo-ku, Tokyo
Site area	Approx. 17,900m ² ※	Approx. 310m ²
Total floor space	Approx. 139,600m ² ※	Approx. 2,900m ²
Number of floors	31 floors above ground and 3 below ground	11 floors above ground and 1 below ground
Purpose	office, commercial facilities, residence, educational services, publicgood, parking	commercial facilities
Scheduled opening	February 2020 ~ Phased occupancy/opening September 30, 2020 Opening	May 2020

※ Includes the portion belonging to our partner.

V. Referential Materials

(1) Progress in Each Project

(2) Other

Consolidated Subsidiaries

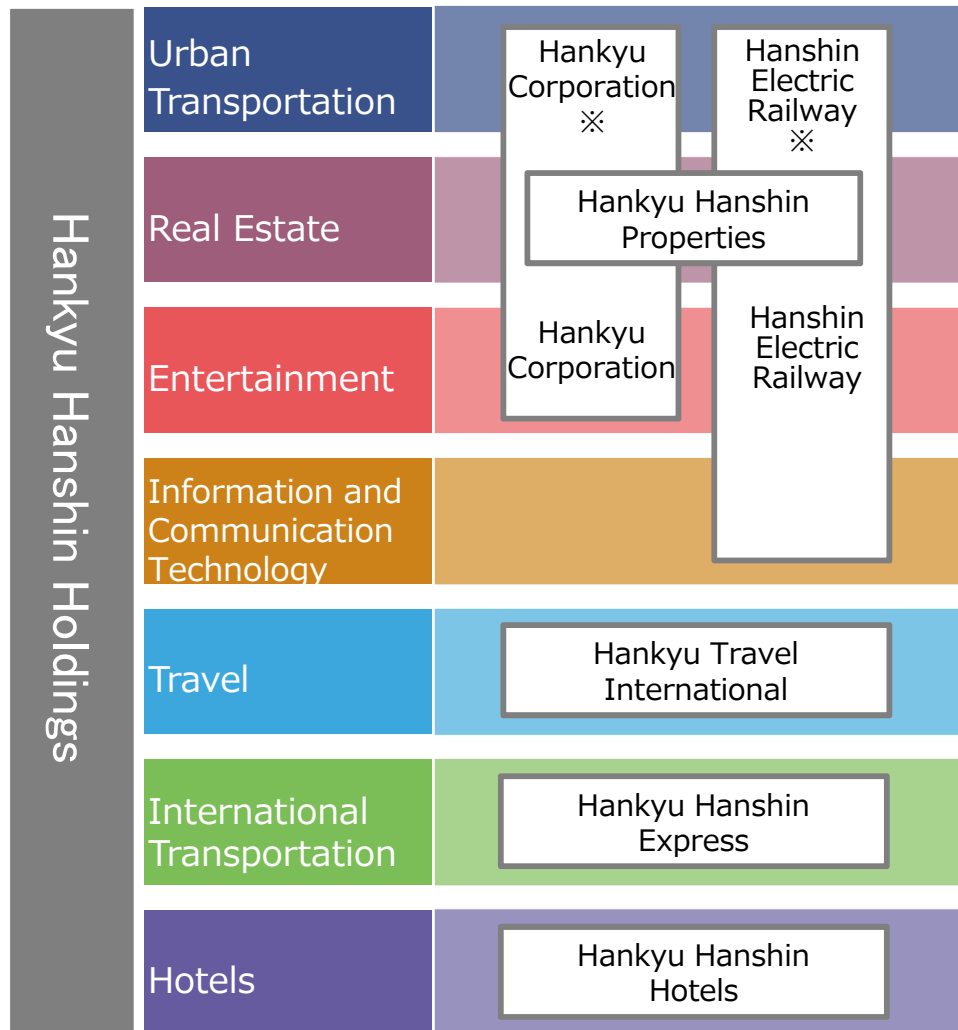
(As of March 31, 2021)

Urban Transportation		Real Estate		Travel	
Railway operations	Hankyu Corporation Hanshin Electric Railway Nose Electric Railway Kita-Osaka Kyuko Railway Kobe Rapid Transit Railway Hankyu Hanshin Electric System Railway Operation Hankyu Hankyu Railway Service	Real estate leasing and sales	Hankyu Hanshin Properties Hankyu Corporation Hanshin Electric Railway Hankyu Hanshin Estate Service Osaka Diamond Chikagai Kyokuto Advanced Development	Travel agency	Hankyu Travel International Hankyu Hanshin Business Travel Hankyu Travel Support Hanshin Travel International
Automobile	Hankyu Bus Hanshin Bus Hankyu Kanko Bus Osaka Airport Transport Hankyu Taxi Hanshin Taxi Osaka Hanshin Taxi Hankyu Hanshin Motor Technology Hankyu Driving School Hattori Ryokuchi Haks Hanshin Hankyu Commuterbus Management Osaka Motor Technology (OMTEC)	Other	Hankyu Hanshin Building Management Hankyu Hanshin High Security Service Hankyu Hanshin Clean Service Hankyu Hanshin REIT Asset Management Hankyu Hanshin Real Estate Investment Advisors Hankyu Hanshin Housing Support Hankyu Hanshin Properties Join HANKYU HANSHIN LOGISTICS INDONESIA	International Transportation	
Retailing	Eki Retail Service Hankyu Hanshin Hankyu Style Labels	Entertainment		International transportation	Hankyu Hanshin Express Hankyu Hanshin Logipartners HANKYU HANSHIN EXPRESS (USA,DEUTSCHLAND,UK,NETHERLANDS BEIJING,SHANGHAI,GUANGZHOU,HK, TAIWAN,KOREA,Southeast Asia, SINGAPORE,THAILAND,MALAYSIA, PHILIPPINES,INDONESIA,VIETNAM, INDIA : 18 companies) HANKYU HANSHIN INTERNATIONAL LOGISTICS SHANGHAI HANKYU HANSHIN LOGISTICS INDONESIA
Other	Alna Sharyo Hankyu Sekkei Consultant Hanshin Station Net Hanshin Sharyo Maintenance	Sports	Hanshin Electric Railway Hanshin Tigers Baseball Club Hanshin Contents Link Corporation P & P Hamamatsu Wellness Hanshin Mt.Rokko Cable Car & Tourism	Hotels	
		Stage	Hankyu Corporation Takarazuka Creative Arts Takarazuka Stage Umeda Arts Theater	Hotel management	Hankyu Hanshin Hotels Hanshin Hotel Systems Arima View Hotel Amanohashidate Hotel Kure Hankyu Hotel
		Information and Communication Technology		【Legend】	
		Information and Communication Technology	Hanshin Electric Railway Itec Hankyu Hanshin System Giken YMIRLINK Rworks Nihon Protec Mimamorumme Himeji Cable Television Bay Communications Hanshin Cable Engineering	Name of segment	
				Name of sub-segment	Name of consolidated subsidiary (Only listed companies that are managed as segment)

Revenue from Operations and operating income as a FY2021

Management composition

(As of March 31, 2021)

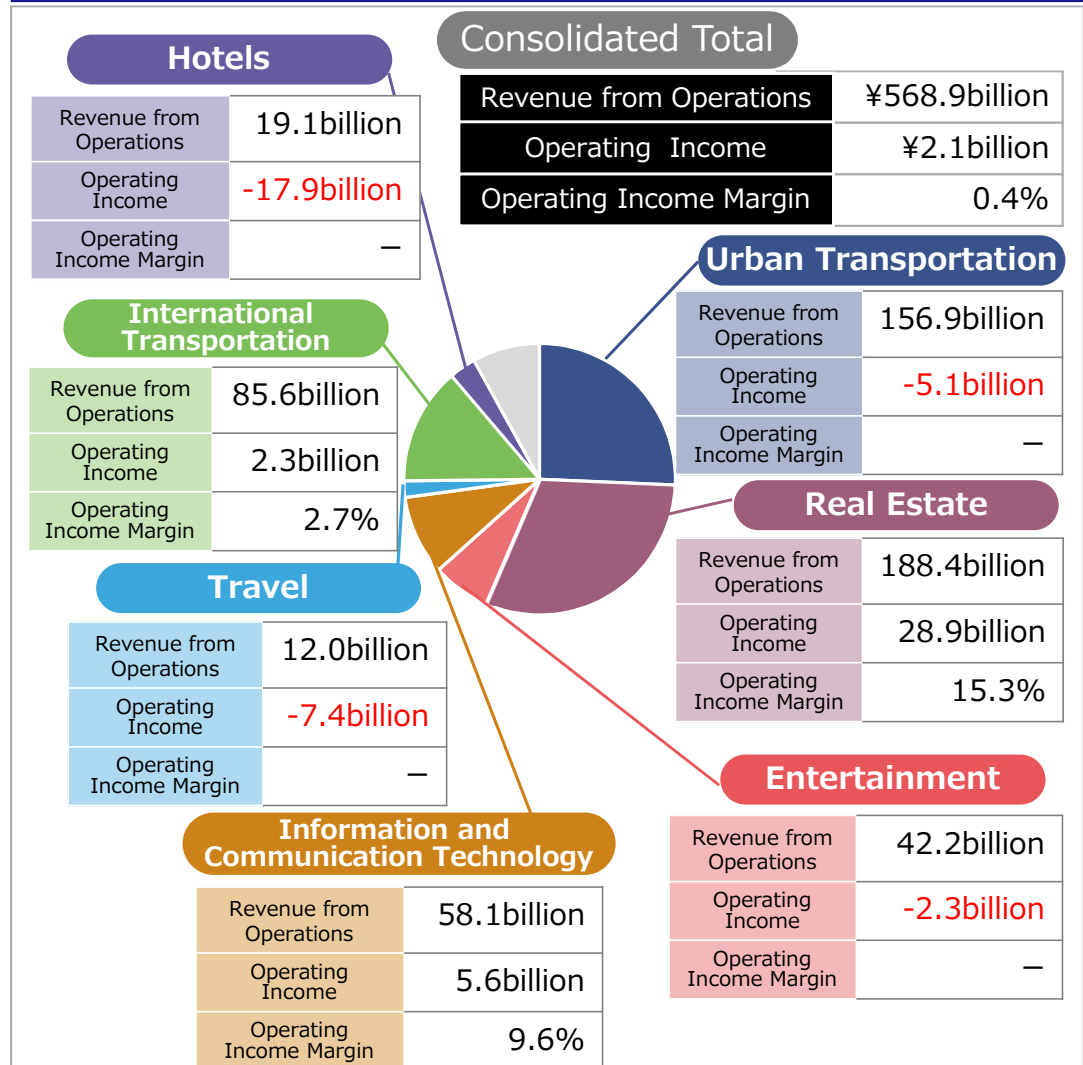


※ In the Umeda and line-side areas, Hankyu Corporation and Hanshin Electric Railway will retain their real estate for leasing and developing and work with Hankyu Hanshin Properties to promote community building efforts in connection with public transport networks and local governments.

Earnings structure

■ The Urban Transportation and Real Estate businesses generate stable cash flows and account for approximately 60% of revenue from operations. (In FY2019 results, approximately 60% of revenue from operations and 80% of operating income)

Revenue from operations breakdown(FY2021)



Areas served by the Hankyu and Hanshin lines①

Definition of the areas served by the Hankyu and Hanshin lines

Osaka Prefecture:

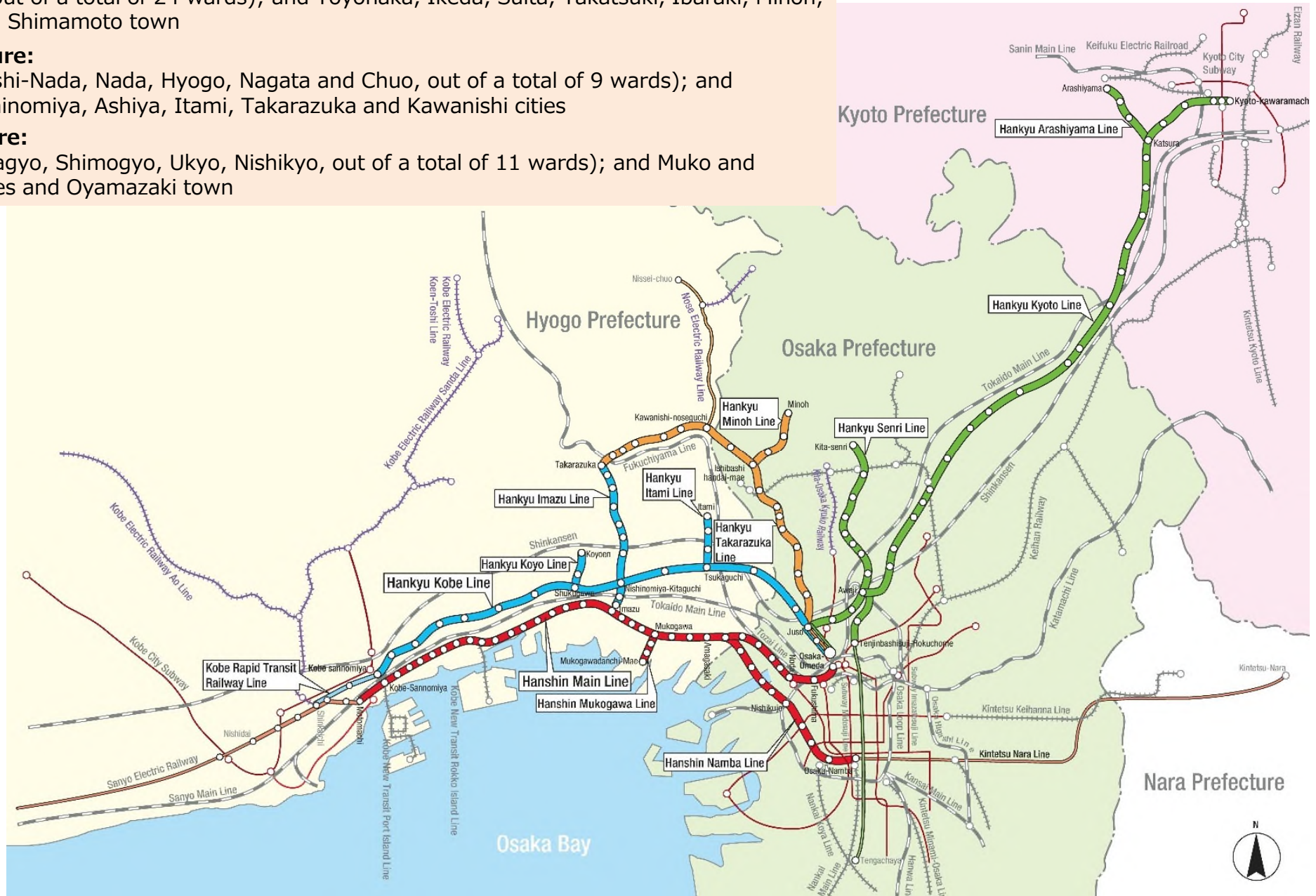
Osaka City (Fukushima, Konohana, Nishi, Naniwa, Nishi-Yodogawa, Higashi-Yodogawa, Yodogawa, Kita and Chuo, out of a total of 24 wards); and Toyonaka, Ikeda, Suita, Takatsuki, Ibaraki, Minoh, Settsu cities and Shimamoto town

Hyogo Prefecture:

Kobe City (Higashi-Nada, Nada, Hyogo, Nagata and Chuo, out of a total of 9 wards); and Amagasaki, Nishinomiya, Ashiya, Itami, Takarazuka and Kawanishi cities

Kyoto Prefecture:

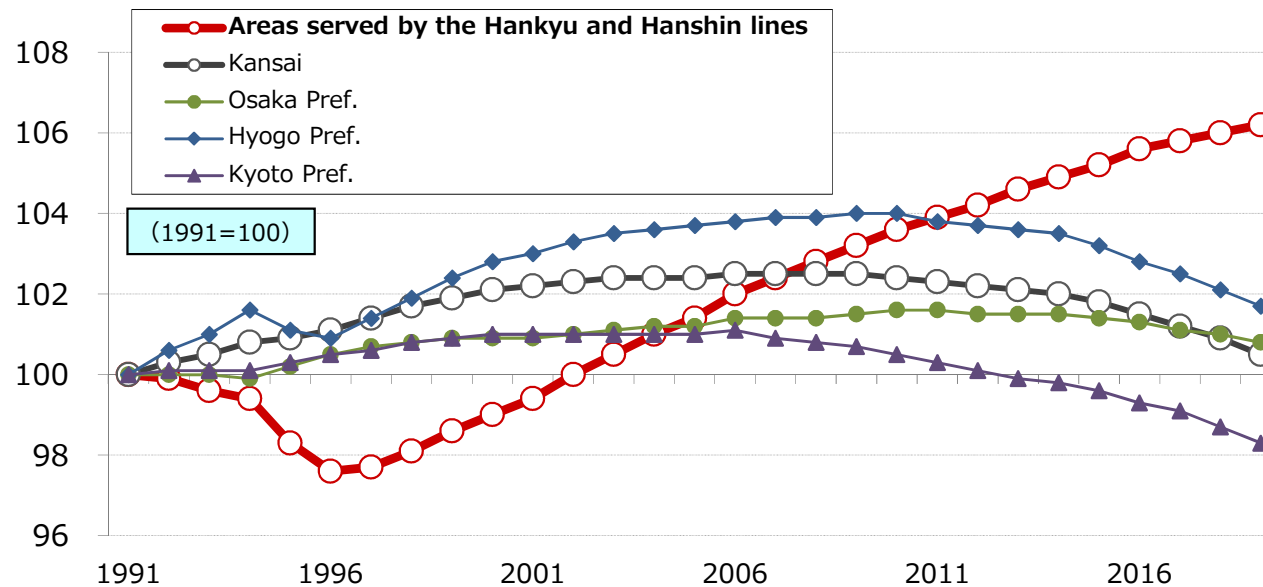
Kyoto City (Nakagyo, Shimogyo, Ukyo, Nishikyo, out of a total of 11 wards); and Muko and Nagaokakyo cities and Oyamazaki town



Areas served by the Hankyu and Hanshin lines②

Population Trends

Sources: Prepared by the Company based on data from "Local Economy Directory," published by Toyo Keizai, Inc., and "Basic Resident Register," published by the Ministry of Internal Affairs and Communications. (as of January 1,2020)



	(km ²)	(thousand)
	Area	Population
Areas served by the Hankyu/Hanshin line	1,318	5,625
Osaka Pref. (service areas)	449	2,694
Hyogo Pref. (service areas)	471	2,265
Kyoto Pref. (service areas)	398	667
Non-Hankyu/Hanshin Service Areas	26,033	14,564
Osaka Pref. (non-service areas)	1,456	5,903
Hyogo Pref. (non-service areas)	7,930	3,170
Kyoto Pref. (non-service areas)	4,214	1,815
Shiga Pref.	4,017	1,388
Nara Pref.	3,691	1,340
Wakayama Pref.	4,725	947
Total	27,351	20,189

Survey of prospective condominium purchasers regarding their preferred Kansai residential area

Ranking	Station	(Area)	Ranking	Station	(Area)
1	Nishinomiya-Kitaguchi	(Nishinomiya, Hyogo Pref.)	11	Takatsuki,	(Takatsuki, Osaka Pref.)
2	Shukugawa	(Nishinomiya, Hyogo Pref.)		Takatsuki-shi	
3	Osaka-Umeda, Osaka	(Osaka, Osaka Pref.)	12	Esaka	(Suita, Osaka Pref.)
4	Okamoto	(Kobe, Hyogo Pref.)	13	Yodoyabashi	(Osaka, Osaka Pref.)
5	Mikage	(Kobe, Hyogo Pref.)	14	Takarazuka	(Takarazuka, Hyogo Pref.)
6	Ashiyagawa	(Ashiya, Hyogo Pref.)	15	Tsukaguchi	(Amagasaki, Hyogo Pref.)
7	Senri-Chuo	(Toyonaka, Osaka Pref.)	16	Sumiyoshi	(Kobe, Hyogo Pref.)
8	Kobe-Sannomiya, Sannomiya	(Kobe, Hyogo Pref.)	17	Kobe	(Kobe, Hyogo Pref.)
9	Tennoji	(Osaka, Osaka Pref.)	18	Hommachi	(Osaka, Osaka Pref.)
10	Ashiya	(Ashiya, Hyogo Pref.)	18	Fukushima	(Osaka, Osaka Pref.)
			20	Nakatsu	(Osaka, Osaka Pref.)

Except for Tennoji (9), Yodoyabashi (13) and Hommachi (18), all of the top 20 stations are on Hankyu Hanshin Holdings group lines

Source: A survey of prospective condominium purchasers regarding their preferred residential area, conducted by seven major real estate developers (Sumitomo Realty & Development Co., Ltd., Dai-kyo Incorporated, Tokyu Land Corporation, Tokyo Tatemono Co., Ltd., Nomura Real Estate Development Co., Ltd., Mitsui Fudosan Residential Co., Ltd., and Mitsubishi Jisho Residence Co., Ltd.) and included in a press release dated September 30, 2020.

Overview of Osaka-Umeda area①

Major rental properties

(as of the end of March, 2021)

Property name	Leasable area (1,000m) ※1	Number of floors	Completed
Umeda Hankyu Bldg. (Hankyu Dept.Store-office tower)	213	41 floors above ground and 2 below ground	2012
Umeda Hanshin Daiichi Bldg. (HERBIS OSAKA)	82	40 floors above ground and 5 below ground	1997
Osaka Umeda Twin Towers South (Umeda 1-1 project Phase I)	58	13 floors above the ground and 3 below ground	2018
Umeda Hanshin Daini Bldg. (HERBIS ENT)	54	28 floors above ground and 4 below ground	2004
Hankyu Chayamachi Bldg. (Applause Tower)	52	34 floors above ground and 3 below ground	1992
Hankyu Sanban Gai Shopping Centre	39	5 floors above ground and 2 below ground (partially 4 below ground)	1969
Hankyu Grand Bldg.	36	32 floors above ground and 3 below ground	1977
Hankyu Terminal Bldg.	27	18 floors above ground and 4 below ground	1972
Hankyu Five Bldg.※2 (HEP FIVE)	20	10 floors above ground and 3 below ground	1998
NAVIO Hankyu (HEP NAVIO)	16	10 floors above ground and 2 below ground	1980
GRAND FRONT OSAKA※3	14	38 floors above ground and 3 below ground	2013
NU chayamachi	12	9 floors above ground and 2 below ground	2005

※1 : Leasable area does not include areas for public use

※2 : Jointly owned property with Hankyu Hanshin REIT Asset Management

※3 : Jointly owned property with others (other than Hankyu Hanshin REIT Asset Management)

Developments in Umeda district

(red = Hankyu Hanshin Holdings group related Projects)

① Umeda 1-1 Project (Osaka Umeda Twin Towers South)

② Umekita Phase II Development Project

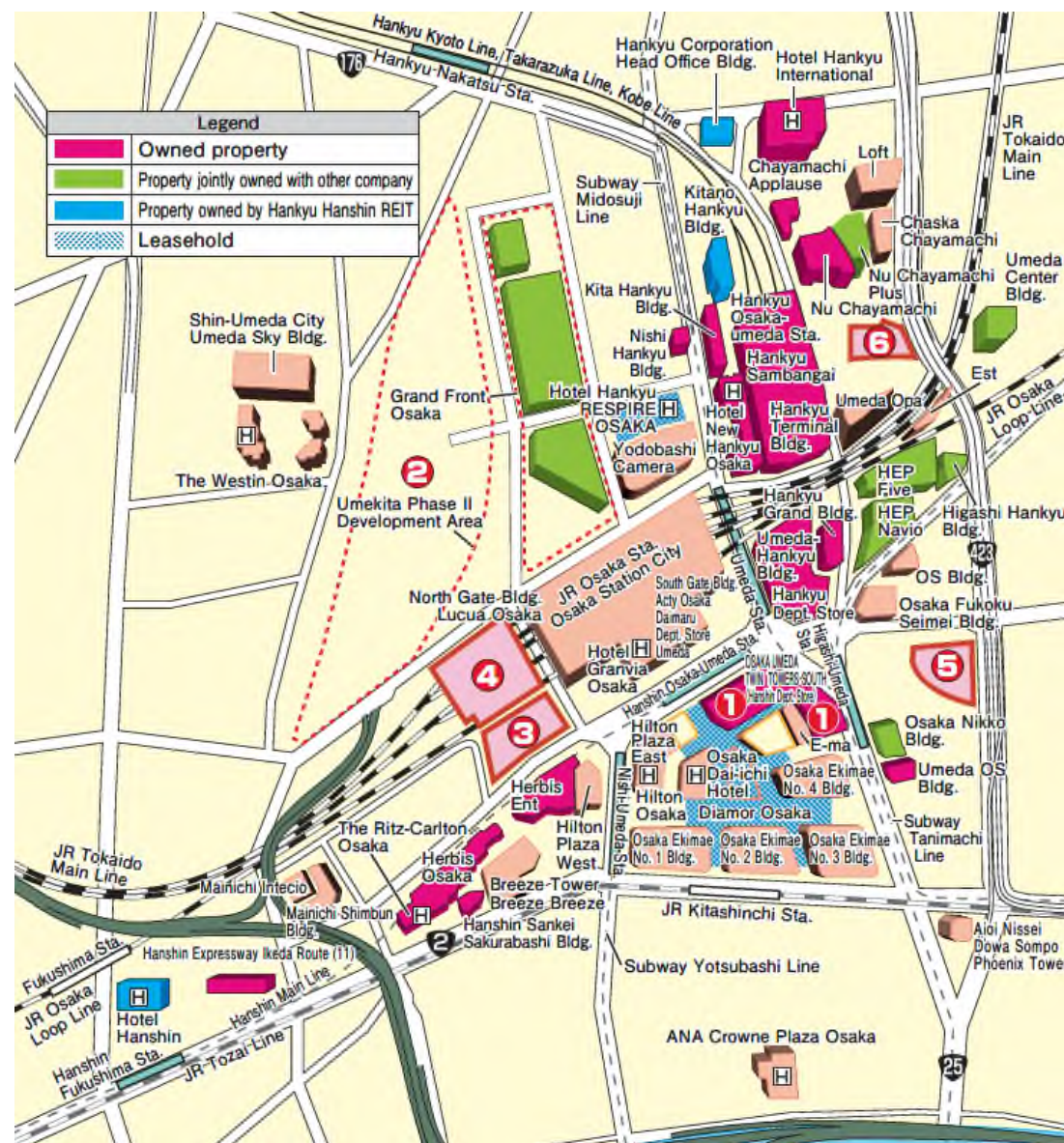
③ Umeda 3-chome Project (Provisional Name)

- Japan Post Holdings Co. Ltd./Osaka Terminal Building Co., Ltd.

④ (Provisional Name) Commercial Development Northwest of Osaka Station - West Japan Railway Company etc.

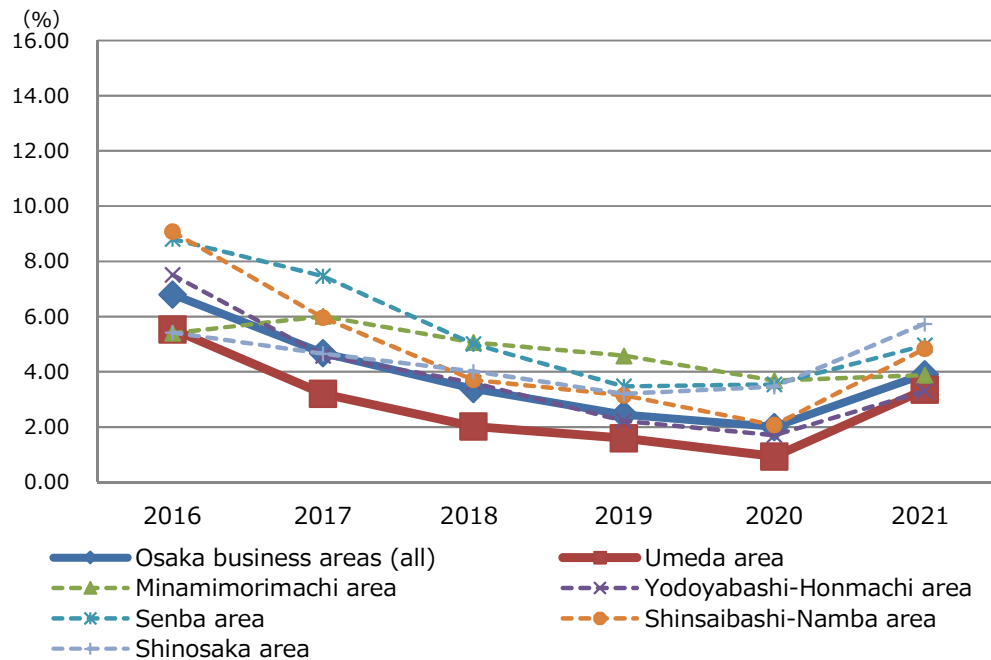
⑤ (Provisional Name) Umeda Sonezaki Project (UMEDA GARDEN) -Sumitomo Realty & development Co., Ltd.

⑥ Chayamachi B-2 District Redevelopment Project -TOKYU LAND CORPORATION Co., Ltd.



Overview of Osaka-Umeda area②

Trends in average vacancy rates among six main business districts in Osaka

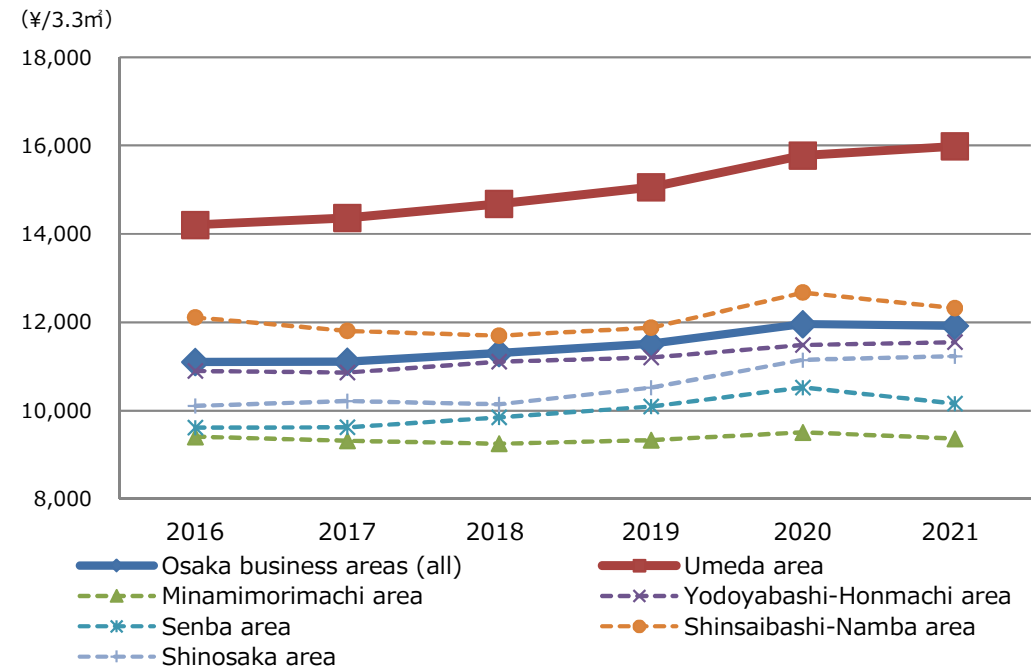


(%)	2016	2017	2018	2019	2020	2021
Osaka business areas (all)	6.80	4.68	3.38	2.45	2.00	3.91
Umeda area	5.54	3.20	2.02	1.59	0.93	3.36
Minamimorimachi area	5.40	6.01	5.06	4.58	3.68	3.88
Yodoyabashi-Honmachi area	7.51	4.58	3.60	2.22	1.70	3.30
Senba area	8.81	7.46	5.00	3.47	3.54	4.96
Shinsaibashi-Namba area	9.07	5.95	3.70	3.14	2.07	4.83
Shinosaka area	5.42	4.65	4.01	3.20	3.46	5.74

(Reference)

Tokyo business areas (all)	4.34	3.60	2.80	1.78	1.50	5.42
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Trends in rent among six main business districts in Osaka



(¥/3.3m)	2016	2017	2018	2019	2020	2021
Osaka business areas (all)	11,101	11,107	11,302	11,510	11,957	11,917
Umeda area	14,207	14,366	14,684	15,056	15,780	15,984
Minamimorimachi area	9,408	9,314	9,249	9,331	9,508	9,364
Yodoyabashi-Honmachi area	10,898	10,861	11,105	11,200	11,485	11,548
Senba area	9,613	9,620	9,845	10,093	10,524	10,157
Shinsaibashi-Namba area	12,110	11,802	11,696	11,875	12,671	12,317
Shinosaka area	10,106	10,213	10,142	10,523	11,147	11,232

(Reference)

Tokyo business areas (all)	17,973	18,730	19,699	21,134	22,594	21,541
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(Comparison of average rents in March of respective years)

Source: Miki Shoji, "Office Data."

Hotel network of the Hankyu-Hanshin-Daiichi Hotel Group

Directly managed hotels (Hankyu Hanshin Hotels)	22Hotels	6,868 rooms	49Hotels 12,655 rooms
Other (franchises, etc.)	27Hotels	5,787 rooms	

(scheduled on 26 April, 2021)



Hankyu-Hanshin-Daiichi
Hotel Group

Directly managed hotels
Dai-ichi Hotel Tokyo
Dai-ichi Hotel Annex
remm plus Ginza
remm Tokyo Kyobashi
remm Hibiya
remm Akihabara
remm Roppongi
Daiichi Hotel Tokyo Seafort
Kichijoji Dai-ichi Hotel
Hotel new Hankyu Kyoto
remm Shin-Osaka
Hotel Hankyu International
Hotel new Hankyu Osaka
Hotel new Hankyu Annex
Umeda OS hotel ※
Hotel Hankyu RESPIRE OSAKA
Hotel Hanshin Osaka
Hotel Hanshin Annex Osaka
Senri Hankyu Hotel
Takarazuka Hotel
remm plus Kobe Sannomiya
remm Kagoshima

※Hankyu-Hanshin Hotels are entrusted operation

Other(franchises, etc.)
Tokyo Dai-ichi Hotel Iwanuma Resort
Tokyo Dai-ichi Hotel Tsuruoka
Tokyo Dai-ichi Hotel Yonezawa
Tokyo Dai-ichi Hotel Shin-Shirakawa
Ginza Creston
Hotel Yaenomidori Tokyo
Ours Inn Hankyu
Dai-ichi Hotel Ryogoku
Dai-ichi Inn Ikebukuro
Dai-ichi Inn Shonan
Dai-ichi Inn Shinminato
Tokyo Dai-ichi Hotel Nishiki
Hotel Boston Plaza Kusatsu
Hotel Royal Hill Fukuchiyama
Amano Hashidate Hotel
Osaka Dai-ichi Hotel
Hotel Bay Gulls
Arima Kirari Hotel
Royal Park Hotel Kurashiki
Hotel Ichibata
Kure Hankyu Hotel
Takamatsu Kokusai Hotel
JR Hotel Clement Takamatsu
JR Hotel Clement Tokushima
The Crown Palais New Hankyu Kochi
Tokyo Dai-ichi Hotel Matsuyama
Imabari Kokusai Hotel

