



Hankyu Hanshin Holdings, Inc.

Hankyu Hanshin Toho Group

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Design fonts are used for the
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Integrated Report

Hankyu Hanshin Holdings

Editorial Policy

This integrated report, in addition to a review of FY2025, also describes the management policies and ESG-related initiatives of Hankyu Hanshin Holdings, Inc. It is intended to aid all those who read it, beginning with our shareholders and investors, in gaining a deep understanding of our Company.

Definition of the areas served by the Hankyu and Hanshin lines: Below are lists of areas with Hankyu Corporation and Hanshin Electric Railway stations (including tier 2 railway operators).	
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, and 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, and Nishikyo, out of a total of 11 wards); and Muko and Nagaokakyo cities and Oyamazaki town

Period under Review

This integrated report is based on the FY2025 (April 2024–March 2025), however it also includes information pertaining to activities before and after this period.

Role of Each of Our Publications

Publication	Contents
Integrated Report (this report)	Particulars as per the Contents page.
Group Guide	We compile an annual Group Guide to aid in understanding of the Group outline. This Group Guide includes an outline of the scope of Group businesses, and a list of Group companies.
Securities Report (Japanese only)	This report is prepared pursuant to Article 24, Paragraph 1 of the Financial Instruments and Exchange Act and is required to be submitted to the Director-General of the Kanto Local Finance Bureau. It provides detailed information about the financial position.
Corporate Governance Report (Japanese only)	This report is in accordance with Japan's Corporate Governance Code and is required to be submitted to the Tokyo Stock Exchange. Please consult this report for information on our Corporate Governance stance and systems.
Sustainability Data Book	This Data Book contains non-financial information regarding our Group's ESG (specific ESG strategy content and information supplementary to this Integrated Report).
Safety Report (Japanese only)	In observance of Article 19, Paragraph 4 of the Railway Business Act, this report is aimed at promoting a broad understanding of our efforts toward preserving transportation safety. It systematically presents information about safety for each of our railway companies (Hankyu Corporation, Hanshin Electric Railway, KITA-OSAKA KYUKO RAILWAY, and Nose Electric Railway). ▶ Hankyu Corporation ▶ Hanshin Electric Railway ▶ KITA-OSAKA KYUKO RAILWAY ▶ Nose Electric Railway

Sustainability Data Book

The Sustainability Data Book provides information on our ESG approach, targets, initiatives, data, and other topics.

Social:
Respect human rights, contribute to local communities, improve employee satisfaction and create a more positive workplace, occupational safety & health and health management

Environment:
Environmental management, climate change, pollution and resources, biodiversity, and water resources

Governance:
Corporate governance, corporate ethics, compliance, thorough corruption prevention measures, and risk management

Forward-Looking Statements

The reader is advised that this integrated report contains forward-looking statements regarding the future plans, strategies, and earnings performance of Hankyu Hanshin Holdings, Inc., which are not statements of historical fact but constitute estimates or projections based on facts known to the Company's management as of September 2025. Actual results may be influenced by various business risks and uncertainties, and differ substantially from such statements.

Reference Guidelines

This report references the IFRS Foundation's International Integrated Reporting Framework and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation. It also references the Global Reporting Initiative's GRI Standards for its ESG information.



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Creating Real Value: Our Story

Aiming to Be an Excellent Company That Goes Beyond the Traditional Scope of a Private Railway Company

Providing “Safety and Comfort” “Dreams and Excitement” in Anticipation of Social Changes and Next-Generation Lifestyles

The history of Hankyu Hanshin Holdings, Inc. began in the Meiji era. Since then, for more than 100 years, we have not only advanced our founding railway operations, but also developed new markets and expanded our business fields, achieving steady growth.

And today, in light of a continually changing business environment, we formulated our Long-Term Management Plan.

We have articulated Vision for the future we want and are promoting unified Group growth strategies.

What remains unchanged is our mission to deliver “Safety and Comfort” and “Dreams and Excitement.”

Looking ahead to social change and next-generation lifestyles, we will accelerate value creation and our pace of growth, aiming to be an excellent company that goes beyond the traditional scope of a private railway company.

Group Management Philosophy

Mission

What we try to achieve

By delivering “Safety and Comfort” and “Dreams and Excitement,” we create satisfaction among our customers and contribute to society.

Values

What is important to us

Customers First	Everything we do is for the customer. That’s where it all starts.
Sincerity	Gain customers’ confidence by always being sincere.
Foresight & Creativity	With our pioneer spirit and flexible thinking, we create a new value.
Respect for People	Everyone is absolutely invaluable to the Group.

Principles

How to act to uphold our values and fulfill our mission

1. We treasure encounters with people, and do our best in the position of a customer.
2. We abide by the laws and regulations, and act with a clear awareness of our social responsibilities.
3. We take pride and responsibility in our work, and carry it out promptly.
4. We are not concerned with what is just before us, but think from medium- and long-term perspectives.
5. We are not satisfied with present conditions, but fix our eyes on the future and act.
6. We have caring feelings and respect each other.
7. We communicate in a lively way and create a workplace with a positive atmosphere.
8. We cooperate with one another for the prosperity of the Group.

Group History

1907

Establishment of the Minoh-Arima Electric Railway Company (the forerunner to Hankyu Corporation)

**1910**

Opening of railway lines Takarazuka Line (Umeda-Takarazuka) and Minoh Line (Ishibashi-Minoh)
Launch of land subdivision business (Start of sales of Ikeda Muromachi Residential Land Plots)

1913

Formation of Takarazuka Girls Revue (currently Takarazuka Revue Company)

1926

Opening of Takarazuka Hotel

1948

Launch of Hankyu Corporation’s airline Agency (first Pan American Airways agency agreement in Japan)
Acquisition of Japan’s first IATA air cargo agency license

1952

Establishment of Hankyu Real Estate (currently Hankyu Hanshin Properties)

1960

Establishment of Hankyu Kokusai Kotsu-sha (currently Hankyu Travel International)

2006

Establishment of Hankyu Hanshin Holdings, Inc.

1899

Establishment of Settsu Electric Railway (currently Hanshin Electric Railway)

**1909**

Launch of land and buildings leasing business (completion of 30 rental houses in front of Nishinomiya Station)

1924

Opening of Koshien Stadium (later renamed Hanshin Koshien Stadium)

1935

Establishment of Osaka Baseball Club (Osaka Tigers, currently Hanshin Tigers)

1948

Launch of Hanshin Electric Railway’s airline agency business

1950

Acquisition of IATA air cargo agency license

1967

Opening of Hotel Hanshin (currently Hotel Hanshin Osaka)

2008 Opening of the Hankyu Nishinomiya Gardens Main Building**2009** Opening of operations of Hanshin Namba Line (Nishikujo-Osaka-Namba)**2012** Completion of Umeda Hankyu Building project (currently Osaka Umeda Twin Towers North)**2022** Completion of Osaka Umeda Twin Towers South project

Toward the
next 100 years

Expanding the Value That We Deliver is
Driven by Our Approximately 120-Year History
and Our Three Core Strengths

Both Hankyu Corporation and Hanshin Electric Railway have been in business for over 100 years. Since the early 1900s, we have engaged in residential sales and the development of facilities, including entertainment and commercial facilities, attracting people to areas along our lines while expanding our railway network. Today, railway operations, buses, taxis, and other services are coordinated to form a major network across the Kansai region, with the Keihanshin area (Kyoto-Osaka-Kobe) serving as the central area. In the Group's largest business hub, the Osaka-Umeda area, the entire area works as one to advance area management. We are promoting region-wide initiatives to enhance the appeal of the area.

▶ P.44 ▶ P.49

Effective investment and allocation of management capital



▶ P.35 ▶ P.54 ▶ P.59

Our Group proudly presents two flagship content offerings: the Hanshin Tigers and the Takarazuka Revue. The Hanshin Tigers will celebrate the 90th anniversary of their founding in 2025 and, together with their home stadium, Hanshin Koshien Stadium, enjoy support from a broad fan base. The Takarazuka Revue held its first performance in 1914. With over 110 years of history, it continues to captivate audiences through both stage performances and live streaming. In addition, we offer a wide range of travel products and various types of hotels centered around our comprehensive travel brand "Trapics," creating extraordinary experiences. By refining our content, which is one of our core strengths, we strive to deliver dreams and inspiration.

▶ P.33 ▶ P.37 ▶ P.44 ▶ P.49

Our founder, Ichizo Kobayashi, dedicated himself to enhancing the value of areas along our lines, not only through residential development but also through projects such as the Takarazuka Grand Theater and Hankyu Department Store. Today, in the Group's largest business hub, the Osaka-Umeda Area, we are realizing safe, secure, and comfortable mobility centered on stations while advancing large-scale developments such as station-connected office buildings and mixed-use complexes, and the area is growing into the largest terminal in western Japan. Leveraging our proven track record in developing condominiums, detached houses, and residential land along railway lines, we have expanded our Real Estate Business beyond these areas to the Tokyo metropolitan region and overseas. Built upon our long-standing expertise in urban development, we continue to shape and promote the brand of cities people aspire to live in and visit for generations to come.

We connect, support, and enrich various aspects of people's everyday lives. From this perspective, we have continually created new value and earned the trust of our stakeholders for 120 years. Building on the driving force for creating real value—comprising the unique strengths in networking, urban development, and content that we have cultivated—we have continued to take on new fields and grown into a corporate group that proposes sustainable, fulfilling lifestyles. By making the most of the management capital we have accumulated, we are working groupwide to expand the value we deliver.

Accumulation and Strengthening
of Management Capital



The management capital cultivated over our long history is the source of value creation. Through effective investment and allocation, we promote the evolution and expansion of the value we deliver, leading to steady growth.

120-year history

Six capitals that enhance our ability to
create real value

Human capital ▶ P.82

Diverse human resources brimming with
a spirit of challenge

Intellectual capital

Expertise and brand strength that meet the
demands of the times

Manufactured capital

Extensive assets that can create stable revenue

Financial capital

Stable financial base

Social relationship capital

Stable financial foundation

Natural capital

Advantageous operational area environment



* Source: Survey by MAJOR 7 (seven companies including Sumitomo Realty & Development) (September 30, 2025)

Demonstrating the Group's comprehensive strengths through six core businesses under the Long-Term Management Plan, accelerating value creation and the pace of our growth

The Hankyu Hanshin Holdings Group operates in six core business domains, including Urban Transportation, Real Estate, and Entertainment, both in Japan and overseas. Leveraging our comprehensive strengths, we swiftly capture changes in the business environment, stay ahead of the times, and provide products and services that support sustainable, fulfilling lifestyles. The guiding framework for this is our Long-Term Management Strategy. We will advance three strategies—business, finance, and human resource—work as one Group on creating real value, and accelerate our growth.



Vision for the Future We Want ▶ P.9

A society that facilitates encounters and connections between a great many people and provides well-being rich in happiness and vitality



Sustainably Enhance Corporate Value

Long-Term Management Plan ▶ P.26

— Slogan —

Enhancing line-side areas and expanding fields
—toward the future, and to the world—

1 Business Strategy ▶ P.27

2 Financial Strategy ▶ P.29

3 Human Resources Strategy ▶ P.31

Establish a system for increasing our ability to advance the strategies

Sustainability Declaration ▶ P.65

General Principle

Create a future grounded in “**Safety and Comfort**,”
and a future colored by “**Dreams and Excitement**.”

Six priority issues (materiality matrix)



Safe, reliable infrastructure



Thriving communities



Life designs for tomorrow



Empowering individuals



Environmental protection



Robust governance

Group Management Philosophy ▶ P.4

Vision for the Future We Want (as realized)

**A society that facilitates encounters
in happiness and vitality**

and connections between a great many people and provides well-being rich

Toward Realization of a Sustainable Society

What we want to accomplish through the Long-Term Management Plan

Continue to provide products and services in step with the needs of customers

Solve social problems and contribute to a sustainable society through business activities

Expand the circle of resonance with and co-creation by providing sustainable, quality products and services and continuing to be the choice of customers.

Benefitting the customer

Peace of mind

Able to choose according to personal preference

Experience of contributing to the future

Value provided by our Group

One step ahead

Diverse options

Opportunities to resonate with and co-create

**A society where people can naturally
choose sustainable actions**

so anyone can live their life in their own way,
now and in the future

Our Vision for Future Line-side Communities

Our Group's line-side communities are comfortable, appealing areas that people can live in happily and want to live in. Some are global communities that people from Japan and overseas want to visit for work and sightseeing, or want to live in and work. They are excellent, sustainable communities, from the perspectives of the environment and well-being. We are also expanding such community building overseas.

"Good" Things

Delivering services that provide a more satisfying, affluent life and realize a sustainable community while incorporating new technology

Adding Depth

Creating an appealing community that people want to live in and visit by making it a hub of international exchange

Broadening

Ideal line-side areas rooted in the local community surpass the confines of space and become global through the use of digital technology

Interaction

System that enables co-creation
Harmony with nature

New

Completely new surprises

Visiting & Entertainment

Protection

Creation of a system that enables people to live securely

Generation

Generating new ideas
Creating spaces
Proposing future-oriented lifestyles

Study & Work

Excitement

Bigger dreams and excitement in experiencing the extraordinary aspects in everyday life

Living

Quality moments in life

Connecting

Creation of a highly convenient area (community) with a station at the hub

Peace

A peaceful life

My way

My way, now and in the future
Special personal moments

**Highly convenient communities with a train station at the center /
people live in and visit / Communities with dynamic interaction among**

**Appealing communities that
diverse people and industries**

Vision for Customers and Society

- Customers have a strong sense of assurance and absolute trust in our Group.
- Customers experience extraordinary moments in their everyday lives and feel a sense of enrichment through our Group's services.
- Growth of our Group is the growth of Kansai and, by extension, supports the growth of Japan (Group growth leads to an affluent society).

Vision for Employees

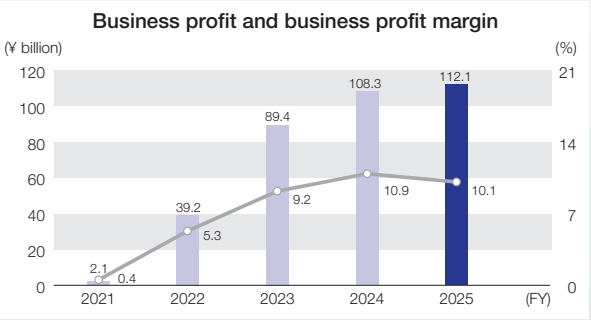
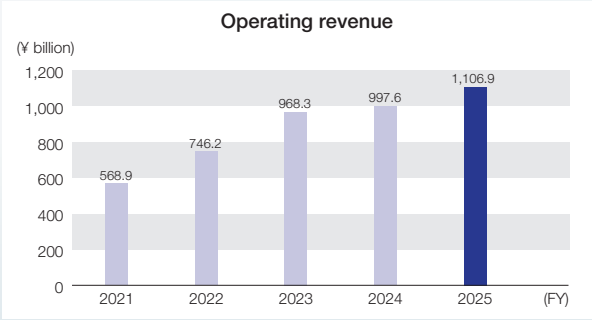
- Even in an age of declining birth rates and an aging society, our Group's line-side areas will grow even more vibrant as we increase their appeal, increase the number of permanent residents and visitors, and our employees take pride in managing beloved brands and cultural assets such as Hankyu Railway, Hanshin Electric Railway, Hanshin Tigers, and Takarazuka Revue (Employees achieve self-realization through the growth of our Group).
- The connections of diverse employees are the source of the Group's growth potential.
- We connect with other companies as well as within the Group to spur transformation and innovation.
- Every employee is thriving both mentally and physically and actively contributing.

Vision for Our Group

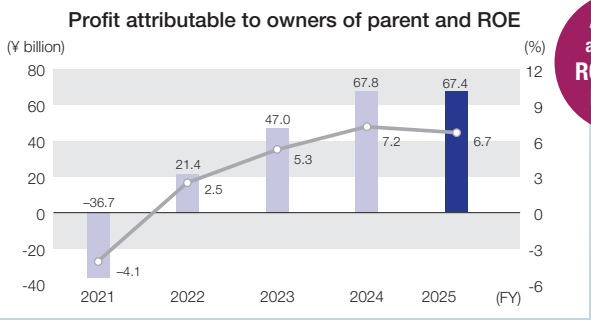
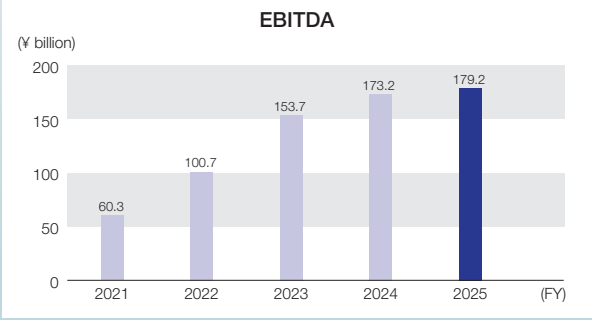
- We place importance on regional characteristics and history, understand diverse values, and combine resources to create new value.
- With diversity as a strength, we develop communities and businesses that better connect people from a global perspective (global and SDGs).
- We provide diverse options to communities and customers choose the services they prefer.
- We provide a platform where anyone can participate and feel a sense of solidarity in co-creating various activities.
- We achieve high productivity through the use of AI and other new technologies.

Financial Highlights

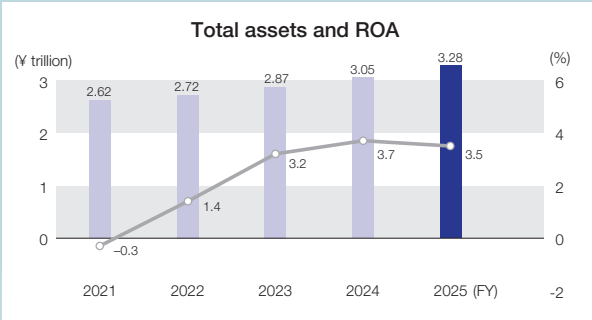
Key Financial Indicators (Graphs)



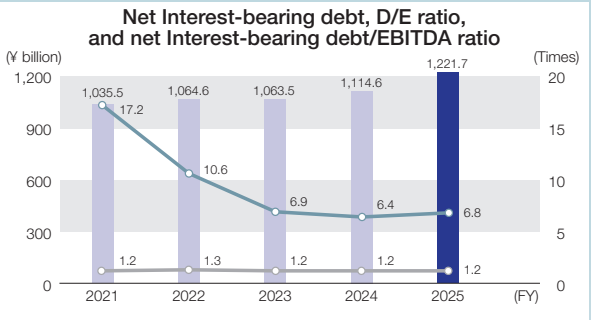
■ Business profit ○ Business profit ratio (right axis)
Note: Business profit: Operating profit + equity-method gains/losses associated with overseas business investments (as there were previously no equity method affiliates involved in business overseas, for data relating to FY2023 or earlier, business profit and operating profit are the same).



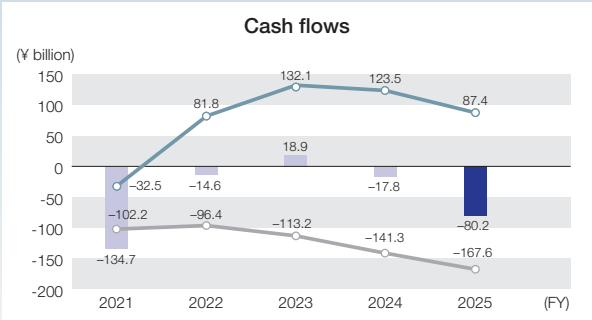
■ Profit attributable to owners of parent ○ ROE (right axis)
Note: ROE = profit attributable to owners of parent/equity (average of period-start and period-end totals)



■ Total assets ○ ROA (right axis)
Note: ROA = ordinary profit/total assets (average of period-start and period-end totals)

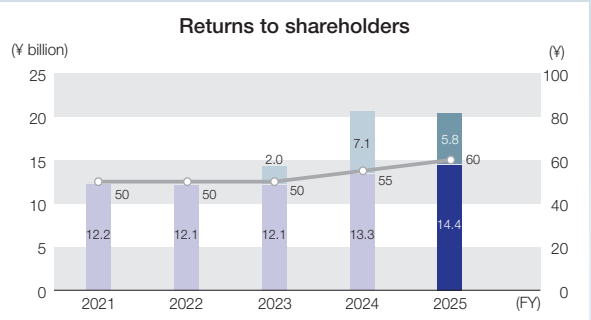


■ Net Interest-bearing debt ○ D/E ratio (right axis)
○ Net Interest-bearing debt/EBITDA ratio (right axis)



○ Net cash provided by operating activities
○ Net cash used in investing activities ■ Free cash flow

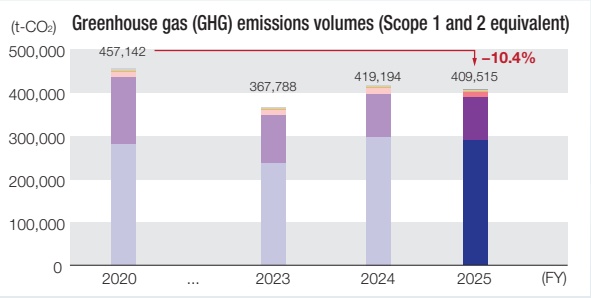
Note: The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of FY2022. The key management indicators for FY2022 onward presented here have been calculated to reflect these changes.



■ Total annual dividend ■ Acquired treasury stock
○ Annual dividend per share (right axis)

Non-Financial Highlights

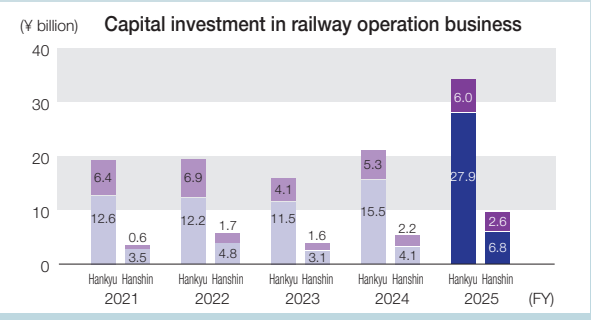
Environmental Factors



■ Urban transportation ■ Real estate ■ Entertainment
■ Information and communication technology ■ Travel ■ International transportation ■ Other

In the Group's Long-Term Management Plan formulated in March 2025, GHG emissions reduction targets were reviewed, and a new interim target was set for FY2036 to reduce GHG emissions by 60% compared with FY2020.
In FY2025, GHG emissions were 409,515 t-CO₂ (a decrease of 10.4% compared to FY2020). Compared with the previous FY, GHG emissions decreased by 2.3% due to the promotion of renewable energy adoption and other measures.

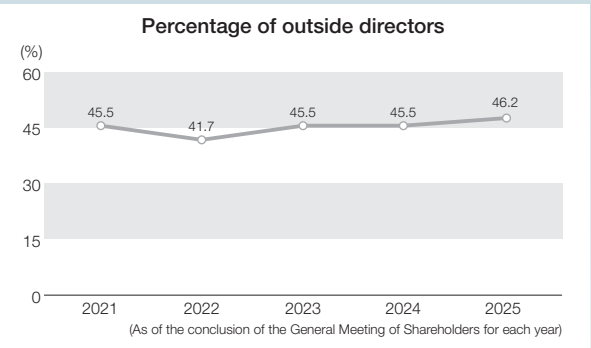
Social Factors



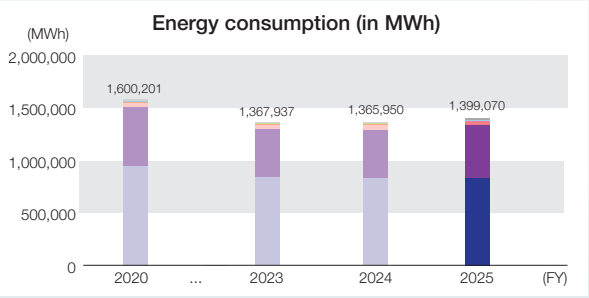
■ Safety-related capital investment ■ Other capital investment
Note: The total length of lines operated is 143.6 km for Hankyu Corporation and 48.9 km for Hanshin Electric Railway.

As a railway operator, the Group provides a form of public infrastructure. We therefore make giving priority to the safety of our customers a fundamental policy of management, and conduct ongoing safety-related capital investments in our Railway Operation Business accordingly. Safety-related capital investments in FY2025 totaled ¥27.9 billion at Hankyu Corporation and ¥6.8 billion at Hanshin Electric Railway. These investments were primarily used for the upgrading and renovation of trains, installing platform screen doors, seismically reinforcement of elevated tracks, and safety measures at level crossings.

Governance Factors

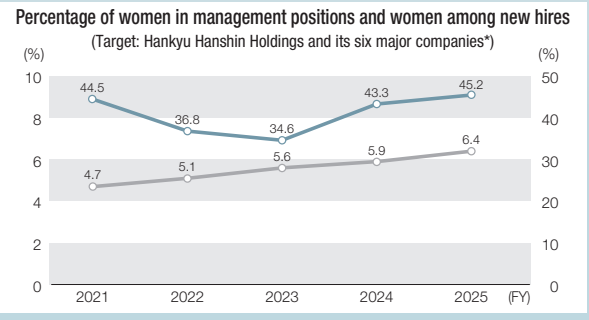


(As of the conclusion of the General Meeting of Shareholders for each year)



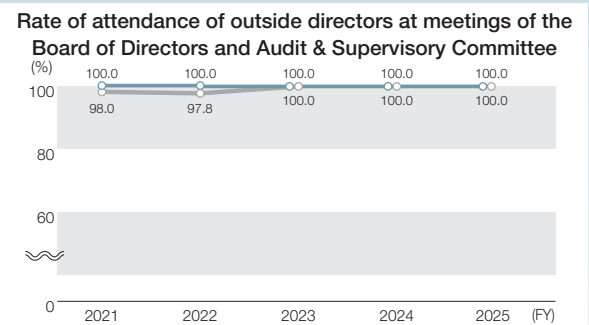
■ Urban transportation ■ Real estate ■ Entertainment
■ Information and communication technology ■ Travel ■ International transportation ■ Other

Energy consumption in FY2025 was 1,399,070 MWh, a 2.4% increase compared to the previous FY and a 12.6% reduction from FY2020 levels.



○ Percentage of women in management positions
○ Percentage of women among new hires (right axis)
* Hankyu Corporation, Hanshin Electric Railway, Hankyu Hanshin Properties, Hankyu Travel International, Hankyu Hanshin Express, and Hankyu Hanshin Hotels

Hankyu Hanshin Holdings, Inc. and its 6 major companies are actively continuing to hire female employees and also pursuing fair working environments where employees are able to fulfill their roles to the best of their abilities, regardless of gender, by supporting them by encouraging diverse paths and helping them to balance their work and private lives. In FY2025, the percentage of women in management positions was 6.4% and women made up 45.2% of new hires.



○ Outside directors, the Board of Directors
○ Outside directors, the Audit & Supervisory Committee
Note: With the approval obtained at the Ordinary General Meeting of Shareholders held in June 2020, Hankyu Hanshin Holdings became a company with an audit and supervisory committee.

Business Overview

Groupwide growth driven by the organic integration of core businesses

The Hankyu Hanshin Holdings Group has core businesses in six business domains: Urban Transportation, Real Estate, Entertainment, Information and Communication Technology, Travel, and International Transportation. Further, under the direction of the Company, which supervises the Group’s management, these businesses are operated by five core companies: Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Hankyu Hanshin Properties Corp., Hankyu Travel International Co., Ltd., and Hankyu Hanshin Express Co., Ltd. Through these core businesses and companies, we will foster organic growth across the entire Group.

Core Businesses	Core Companies	Nature of Business	
 Urban Transportation	 阪急電鉄 Hankyu Corporation	Railway Business	We operate a railway network in the Kansai region, centered on Hankyu Corporation and Hanshin Electric Railway.
		Automobile Business	This business operates bus and taxi services, which coordinate with railway services to increase convenience in line-side areas.
		Retailing Business	Operate retail services primarily inside stations along the Hankyu and Hanshin lines.
 Real Estate	 阪急阪神不動産 ※ Hankyu Hanshin Properties*	Real Estate Leasing and other Business	This business owns commercial facilities, office buildings, and other facilities, mainly in the Osaka-Umeda area and the line-side areas of the Hankyu and Hanshin lines. The business has been actively pursuing development of real estate. It also engages in Property Management and Building Maintenance, as well as real Real Estate Fund and REIT Businesses.
		Housing Business	This business is involved in the development and sales of condominiums, residential lots, and detached houses, mainly along our railway lines and in the Tokyo metropolitan area.
		Overseas Real Estate Business	This business is developing Residential Sales and Leasing Businesses in developed countries such as the United States and Australia, and other countries, as well as in the ASEAN region.
		Hotel Business	This business operates a wide range of hotel formats in many regions but particularly Tokyo and Osaka.
 Entertainment		Sports Business	This business manages the Hanshin Tigers professional baseball team as well as the team’s home ground and high-school baseball mecca Hanshin Koshien Stadium and related businesses. The business also operates a music business (Billboard Live), and a tourism business on the Mt. Rokko mountain range.
		Stage Business	This business manages the performances of the Takarazuka Revue, and manages and operates related businesses engaged in original merchandise sales and video and music streaming. Further, the business operates Umeda Arts Theater and creates and promotes theatrical productions.
 Information and Communication Technology	 阪神電気鉄道 Hanshin Electric Railway	Information and Communication Technology Business	This business is in charge of the Information Services Business, which offers a range of IT-based services such as system development; the Broadcasting and Communications Business, which provides multichannel broadcasts, internet services, and fixed telephone services; and the Safety/Education Business, which operates ProgLab robot programming classes for children, and Mimamoru-me, a child safety service which monitors children’s journeys to and from school.
 Travel	 心に届く旅 阪急交通社 Direct to your heart Hankyu Travel International	Travel	This business plans, markets, arranges, and supports travel for Japanese people in overseas and Japan and for inbound tourists. As well as providing contracted call center services, the business also provides solutions for a variety of contracted tasks for national and local authorities.
 International Transportation	 HANKYU HANSHIN EXPRESS Hankyu Hanshin Express	International Transportation Business	As a global forwarder, we have established bases in regions all over the world and developed a comprehensive international logistics business. Centering on warehousing and logistics, and together with air freight, sea freight, and customs brokerage services, this business provides logistics services that solve issues across customers’ entire supply chains.

* As for our Real Estate Business, Hankyu Corporation and Hanshin Electric Railway collaborate with Hankyu Hanshin Properties to promote urban development of real estate owned by Hankyu Corporation and Hanshin Electric Railway for rent and development in cooperation with transportation networks, local governing bodies and others in Osaka-Umeda and their line-side areas.

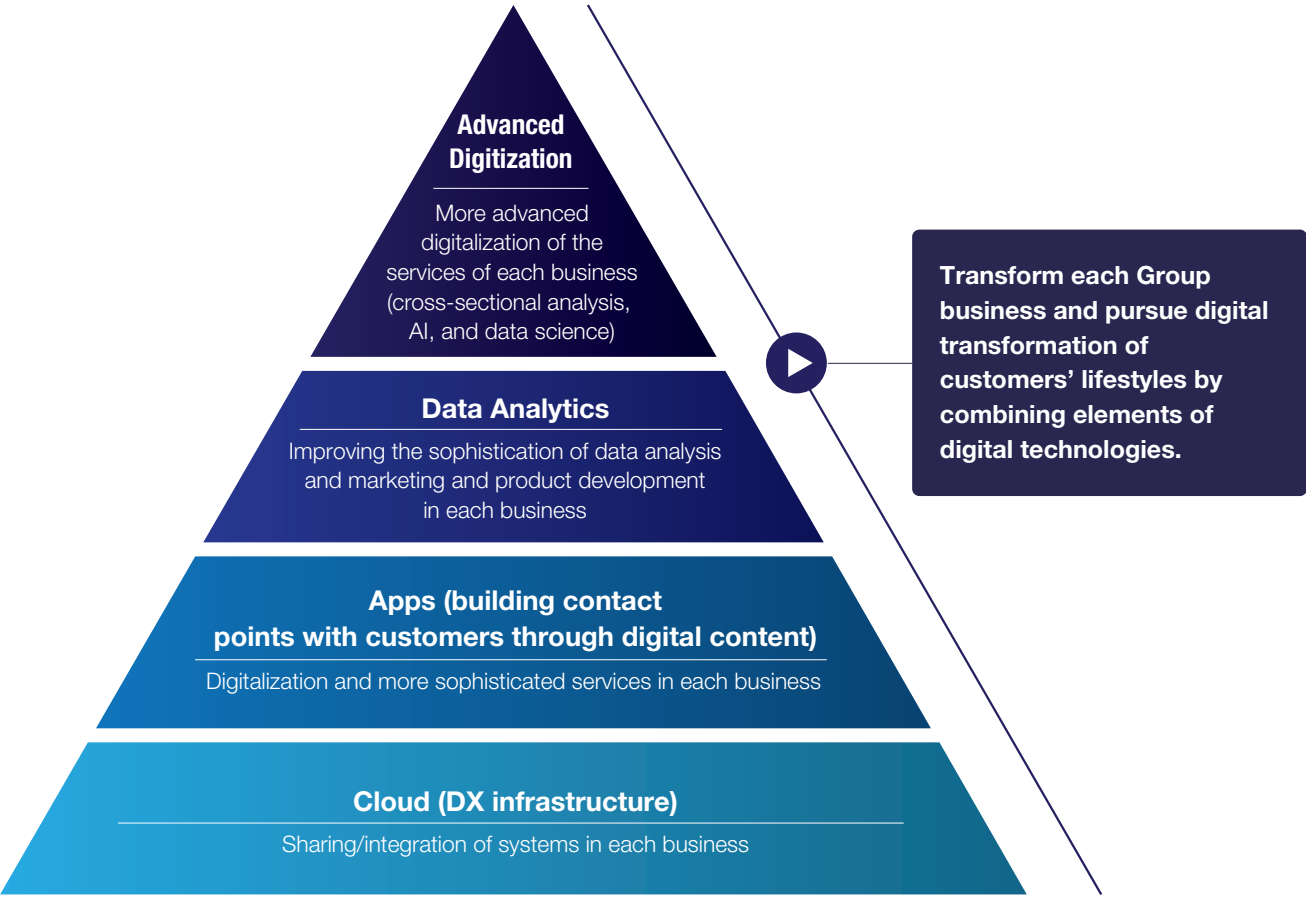
Hankyu Hanshin DX Project—An initiative for transforming each Group business

The Hankyu Hanshin Holdings Group launched the Hankyu Hanshin DX Project in 2021.

Through the Hankyu Hanshin DX Project, we pursue digital transformation of customer lifestyles while diversifying contact points with customers and staying close to each customer.

To be more specific, we will pursue projects that utilize the advantages of digital content to deliver safer, more comfortable lifestyles to people who live in line-side areas and many other customers, while also utilizing the diverse content our Group possesses to skillfully combine digital and real content to expand the “dreams and excitement” derived from the persistent need for “real-life experiences” and “interaction and communication with people.”

Our Group will combine real services and digital technology and transform each business to achieve our vision.



Current status of HH cross ID, a common ID for the Group that serves as the foundation for DX

In 2021, the Group introduced the HH cross ID, a common ID for the Group, tying together existing customer information across the various services provided by the Group. This enables customers to use the Group’s various services seamlessly with a single ID.

Currently, HH cross ID has been introduced across 22 services and has about 1.45 million members. By continuing to expand linked services, we aim to increase that number to 3 million members by FY2031. Through HH cross ID, we will integrate customer data across the Group and, by accumulating and analyzing this data, realize one-to-one marketing and mutual customer referrals between businesses, thereby expanding our base of loyal customers.



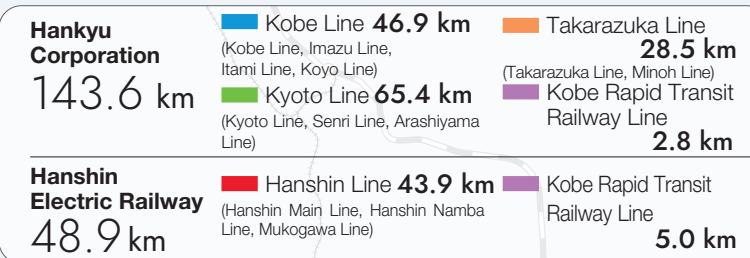
Service Area

Making our line-side communities the absolute best among the Kansai networks

(Reference: Special Feature 1) ▶ P.33

Centered around our efforts in Osaka-Umeda, we are going further with our development of communities, providing myriad value in the form of safe, comfortable urban lifestyles and experiences that stimulate dreams and excitement.

Note: Station names in blue are those found in the top twenty Most Desirable Towns to Live In (Kansai region) survey conducted by MAJOR 7 (Sumitomo Realty & Development and six other companies) on September 30, 2025.



Hyogo
Prefecture

Kobe Rapid
Transit Railway

Kobe Sannomiya

Kobe Airport

Takarazuka Grand Theater

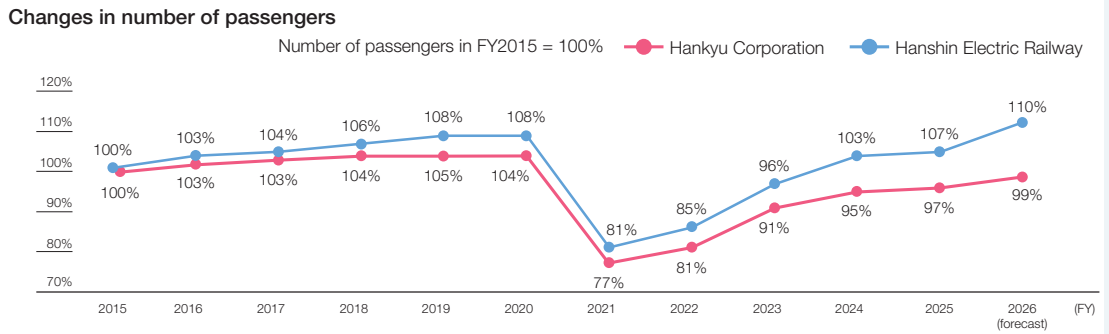
Hanshin Koshien Stadium

Kansai International Airport

Kansai International Airport

A strong transportation network

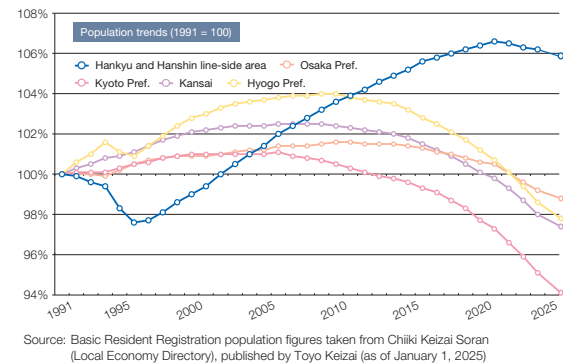
Hankyu Corporation's railway lines link Osaka-Umeda with Kobe, Takarazuka, and Kyoto. Hanshin Electric Railway is an operator with railway lines that directly link Kobe with Osaka's major northern and southern terminals, which are Osaka-Umeda and Osaka-Namba, respectively. These operations form a network that acts as a type of major society-supporting infrastructure in the Kansai area. While the number of passengers was particularly hard-hit by the pandemic, there are signs of recovery.



Our community building has powered our line-side areas' appeal

The populations in the line-side areas where we have been committed to community building since our founding have steadily grown despite the low birthrates and aging society in Japan as a whole. Furthermore, of the top twenty Most Desirable Towns to Live In (Kansai region), sixteen of our twenty line-side towns were selected, and have been highly praised.

Population



Survey of Most Desirable Towns to Live In (Kansai region)

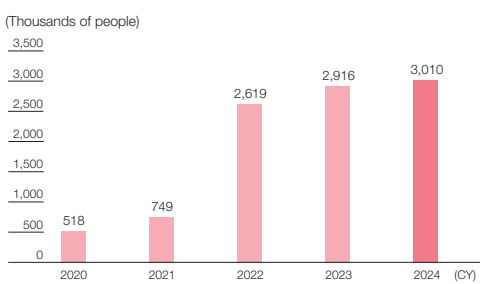
Rank	Station	(Location)	Rank	Place name	(Location)
1	Nishinomiya-kitaguchi	(Nishinomiya City, Hyogo Prefecture)	11	Tennoji	(Tennoji Ward, Osaka City)
2	Osaka-Umeda / Osaka	(Kita Ward, Osaka City)	12	Senri-Chuo	(Toyonaka City, Osaka Prefecture)
3	Shukugawa	(Nishinomiya City, Hyogo Prefecture)	13	Fukushima	(Fukushima Ward, Osaka City)
4	Okamoto	(Higashinada Ward, Kobe City)	14	Hommachi	(Chuo Ward, Osaka City)
5	Nishinomiya	(Nishinomiya City, Hyogo Prefecture)	15	Takarazuka	(Takarazuka City, Hyogo Prefecture)
6	Takatsuki-shi	(Takatsuki City, Osaka Prefecture)	16	Nakatsu	(Kita Ward, Osaka City)
7	Ashiya Station	(Ashiya City, Hyogo Prefecture)	17	Esaka	(Suta City, Osaka Prefecture)
8	Kobe-Sannomiya / Sannomiya	(Chuo Ward, Kobe City)	18	Koshien	(Nishinomiya City, Hyogo Prefecture)
9	Ashiyagawa	(Ashiya City, Hyogo Prefecture)	19	Kobe	(Chuo Ward, Kobe City)
10	Mikage	(Higashinada Ward, Kobe City)	20	Tarumi	(Tarumi Ward, Kobe City)

Note: Of the top twenty, sixteen are our line-side areas.
Source: Investigation conducted by MAJOR 7 (Sumitomo Realty & Development and six other companies) (September 30, 2025)

Two big draws supported by a wide array of fans (Reference: Special Feature 2) ▶ P.35

In our Entertainment Segment, the Hanshin Tigers and Takarazuka Revue have gained a following among a diverse range of fans, carrying the dreams and excitement of many people over a number of years.

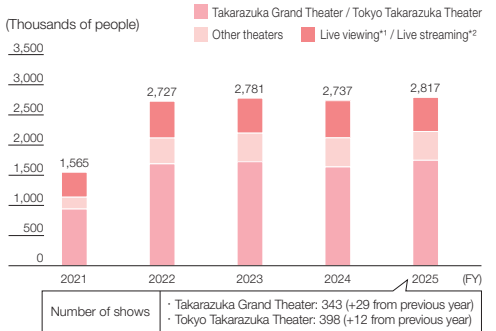
Total attendance at Hanshin Tigers home games (by season)



*1 Live viewing of shows at movie theaters nationwide for paying audiences

*2 Live streaming of shows via the internet for viewing at home on a TV, smartphone, or other device for paying viewers (started in FY2021)

Takarazuka Revue total attendance of performances



Service Area

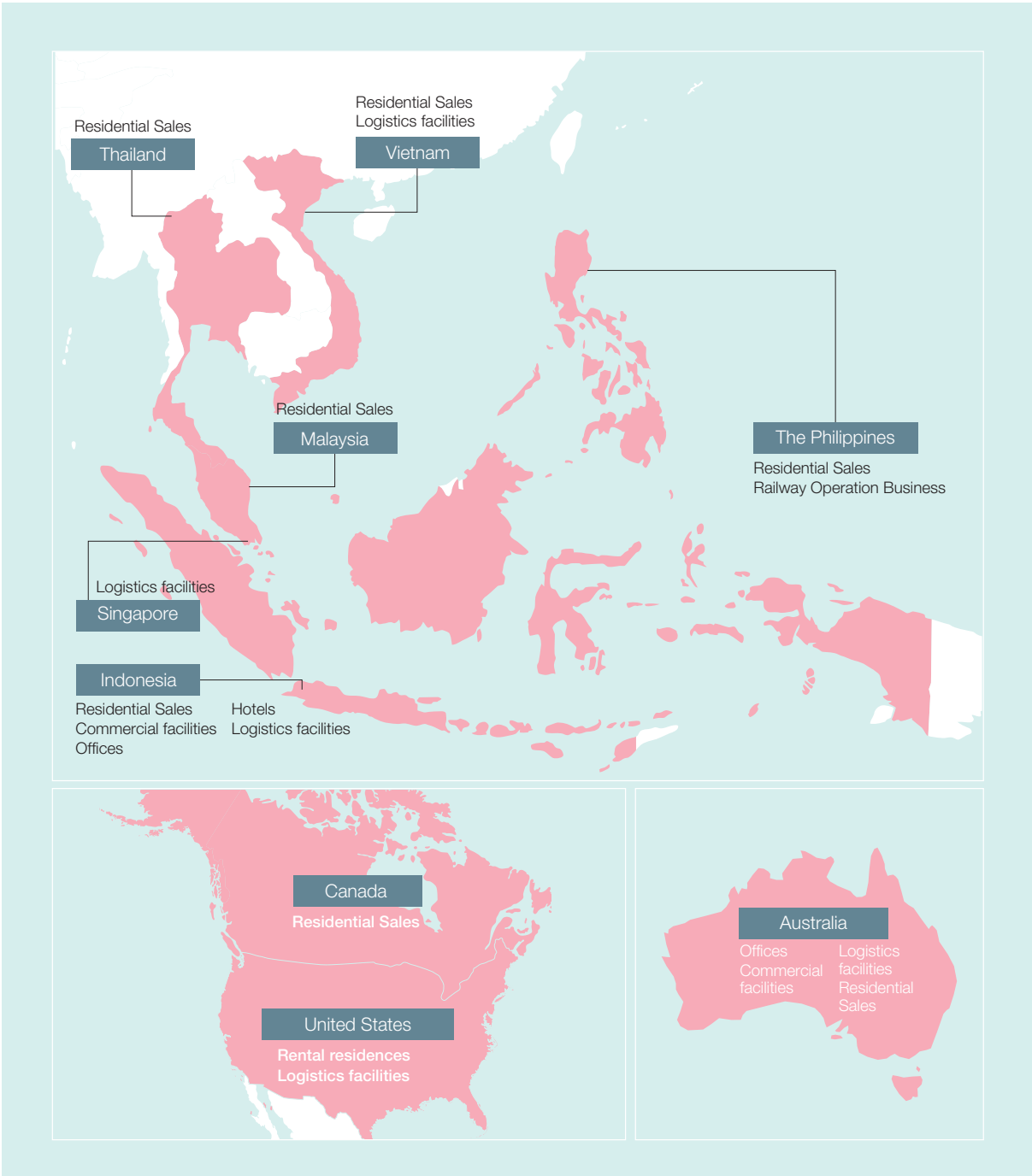
Leveraging our track record in the Kansai region, we are expanding into various regions

(Reference: Special Feature 3) ▶ P.37

We are expanding our thriving line-side community development to the Tokyo metropolitan area and to countries overseas, particularly in the ASEAN region.

Business development overseas

With a particular focus on the ASEAN region, where sustainable growth is forecast, and in developed countries such as the United States, Canada, and Australia, we are leveraging the expertise we have gained with our line-side areas to develop our Real Estate Business and broaden the scope of our business overseas. In May 2024, we also entered the Railway Operation Business in the Philippines.



■ Residential sales

In 2015, we began selling condominiums in Vietnam’s Ho Chi Minh City, and now we have 61 projects (covering more than 70,000 units) in seven countries: Thailand, Vietnam, Indonesia, the Philippines, Australia, Malaysia, and Canada.

(As of March 31, 2025)		
Overseas markets	Projects	Total units
Thailand	37	Approx. 30,530
Vietnam	7	Approx. 23,220
Indonesia	6	Approx. 7,110
The Philippines	8	Approx. 6,210
Australia	1	Approx. 2,000
Malaysia	1	Approx. 850
Canada	1	Approx. 140
Total	61	Approx. 70,060

■ Development/leasing

In addition to the residential sales business we have focused on in the ASEAN region up to now, we will work on our long-term hold business (Real Estate Leasing Business) and turnover-type business (short-term return business) to quickly increase and grow the scale of revenue and profit in our Overseas Real Estate Business.



Logistics facility in Melbourne, Australia

Developing the real estate business in the Tokyo metropolitan area

In addition to the steady promotion of developments currently underway in the Tokyo metropolitan area, we will look at how to incorporate hotel and entertainment functions in community development. While providing mid-size offices that are compatible with diverse working practices and accelerating efforts in our short-term return business, we will also expand redevelopment and replacement projects.

■ Suite mid-size office series

We are actively developing our Suite (pronounced “suite”) series of mid-size offices based on the concept of incorporating hospitality into workplaces and the goal of office environments that will always be loved by the people who use them.

SUITE
スイテ



SUITE Nihonbashi-Ningyocho

■ Leasing condominium brand Geo ent

We promote the development of rental condominiums for investors to gain revenue, and of student dormitories, and other buildings—particularly in the Tokyo metropolitan area—through our short-term return business.

Geo ent

Leasing condominium brand Geo ent



Artist's impression of the exterior

Yaesu 2 Naka Category 1 Urban Redevelopment Project (scheduled for completion at the end of January 2029)

In this project, in which the Group participates, Hankyu Hanshin Properties has acquired sectional ownership rights to the office floors. In addition, Hankyu Corporation will acquire sectional ownership rights to the theater floors and build a new theater with approximately 1,300 seats featuring the latest technologies.

Total site area	Approx. 19,560 m ²
Total floor space	Approx. 389,290 m ²
Size	43 floors above ground and 3 below ground
Purpose	Offices, retail, theater, serviced apartments, international school, bus terminal, parking

Chapter 02

Growth Strategies for Value Creation

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Key points

Formulating the Long-Term Management Plan to accelerate transformation into an excellent company that transcends the boundaries of a private railway company

- Formulating the Long-Term Management Plan through backcasting.
We are promoting three growth strategies—business, financial, and human resources strategies—to realize our “vision for the future we want.”
- In our business strategy, we have established four strategies: “Make our line-side communities the absolute best,” “Maximize the appeal of content and develop new content,” “Expand service area (Tokyo metropolitan area and overseas),” and “Focus on business solutions.” While further developing existing fields centered on line-side areas, we are also continuously taking on challenges in new fields.
- We have established initiatives for each business based on the Long-Term Management Plan.
Alongside the steady execution of our six core businesses, we are working to enhance synergies across business segments and aim for sustained growth across the entire Group.

Message from the President



Yasuo Shimada

President and Representative Director
Group Chief Executive Officer
Hankyu Hanshin Holdings, Inc.

**Kansai,
and to the world.
Continuing to create
a future where people
are more affluent.**

Facilitating great strides for Kansai

2025 saw many major events take place in Kansai.

First and foremost, there is the hosting of Expo 2025 Osaka, Kansai, Japan. Although there was a lot of negative coverage before the opening, more and more people have been visiting each day, making it a very lively event. Who could have imagined that it would be impossible to even obtain a reservation for admission? I believe that the view from the roof of the Grand Ring will remain in everyone's hearts for years to come. Many people, especially inbound visitors, were visiting Kansai even before the Expo opened, but based on trends such as increased non-commuter railway revenue, I feel that the Expo has prompted local residents—particularly seniors who were reluctant to go out since the COVID-19 pandemic—to rediscover the joy of stepping out. When it comes to “changing mindset of people,” the significance of hosting Expo 2025 is enormous, and we hope to further accelerate this momentum.

The second major event was the opening of the Grand Green Osaka South Building in March this year. The redevelopment of the former Umeda Freight Station site, the Umeda area, has taken about 20 years since the urban planning decision for the initial development zone, and is finally entering its final stage. In line with the city-building concept of “integrating green space with innovation,” a large lawn area has been created, surrounded by lush “greenery.” Many people, including families, visit this area mainly on weekends, but on weekdays, workers from nearby offices also drop by to refresh themselves and will likely drive new forms of innovation. In particular, with the addition of the world-leading innovation hub JAM BASE and the concentration of state-of-the-art offices of Kansai's leading companies in Grand Green Osaka, we are excited to witness the dynamic change that a range of such interaction will bring. Many customers are already visiting the diverse lineup of shops at commercial facilities and hotels, and as the development of residences picks up the pace, the face of the Osaka-Umeda area will continue to change.

For Kansai to truly make great strides on the world stage going forward, it will be extremely important to boost tourism over a broader area, including all of western Japan, centered on “Kansai” given that its name recognition has increased significantly thanks to the Expo. In addition to cultivating

the tourism industry based on such developments, we also need to use innovation—such as new industries generated and other accomplishments by matching businesses at the Expo—as a catalyst for further growth. Within this context, we are looking at creating a sustainable system of circulation centered on the Osaka-Umeda area along our railway lines, where talent and information come together organically, thereby contributing to development of the overall region. While this will test our Group’s true capabilities, we are united in our commitment to shaping a wonderful future and will do our utmost, working together as one Group.

Long-Term Management Plan—Goes beyond the traditional scope of a private railway company

We released our Long-Term Management Plan in March 2025.

Having overcome the challenging period of the COVID-19 pandemic and strengthening our earnings structure, we are now on a steady track to recovery. We are also working on developing new sources of revenue, including the overseas real estate business, and our current business performance remains solid.

Yet uncertainty in our business environment has only increased in recent years. More than just the COVID-19 pandemic, subsequent changes in the current international situation and technological advances such as AI, are factors that no one could have imagined even five years ago, let alone ten. I believe we are entering a period where nothing will come as a surprise. In contrast, the number of births dipped below 700,000 in 2024, marking a record low for the ninth consecutive year, and the reality of a declining birthrate and aging population is accelerating at a faster pace than expected.

The Group currently provides products and services supporting the daily lives of many people mainly in line-side communities, but if we are unable to adapt to the various changes that could occur going forward, there is the risk that we could have a significant impact on everyone’s “daily lives.”

Continuing to deliver enriched lifestyles grounded in values of “safety and comfort” and “dreams and excitement” remains the Group’s most important responsibilities. To that end, we must reaffirm the value that our Group has provided to society so far and the weight of responsibility that comes

with delivering it reliably, and embrace transformation in response to an ever-evolving environment.

Until now, our Group has sought to maximize profitability based on the belief that each of our businesses should operate independently with strong brand power, where the collective strength of the Group lies in the sum of its individually robust businesses. Yet I have come to realize that this adapting to various changes like the declining birthrate and aging population may prove difficult with that approach alone.

Details of the Long-Term Management Plan are outlined on pages 26 to 32 of this report, but are envisioning the “future vision” of “a society that facilitates encounters and connections between a great many people and provides well-being rich in happiness and vitality” in the many fields our Group operates in, and, further accelerating value creation as a single Group with a global perspective. In particular, while continuing to enhance dig deeper into existing fields focusing on line-side communities and take on new challenges, we will strive to both expand growth investments and improve capital efficiency by allocating management resources such as funds and personnel in an optimal manner, with the initial goal of achieving ROE of 8% or higher.

And now along our railway lines mainly in the Osaka-Umeda area, we have entered a phase of moving ahead with our large-scale projects. By completing these, we intend to transform into an excellent company that goes beyond the traditional scope of a private railway company and continue sustainable growth.

Engaging in dialogue with investors

We have been in communications with many investors and analysts since announcing this Long-Term Management Plan. I believe that they have generally understood the approach we are taking for the Long-Term Management Plan, which aims to provide new satisfaction and value to customers into the future while balancing growth strategies and capital efficiency.

Some of them have provided us feedback regarding details of strategies for achieving the indicators envisioned for FY2031, but this Long-Term Management Plan first sets out the “ideal state” for FY2031. While we do have a sense of the approach to take in some areas, such as the growth of

the overseas real estate business and information services business, we believe that the current goals will be difficult to achieve by adopting ideas that are merely extensions of our existing businesses. We are in the process of discussing how to solidify our story and where to allocate funds and human resources. Through this discussion process, I personally feel a growing sense within the Group that we need to respond to the coming significant environmental changes in a flexible and aggressive manner, and that this awareness is picking up the pace. When the appropriate time comes, I would like to share the roadmap with you.

We also received feedback regarding our target ROE of 8%, but I consider this figure to be the minimum level, and by no means the goal we have set out to achieve. If the nature of our Group changes, I believe we will naturally be able to surpass this level—in fact, we need to do so.

Presenting exciting plans for the future of the Osaka-Umeda area

Our Group has the responsibility of providing an affluent life to everyone along our railway lines, so that they will always want to continue living there for generations to come. Even in the coming era of declining birthrates and an aging population, we remain focused on promoting the creation of communities rich in education and culture.

Against this backdrop, we are currently looking into details of the Shibata 1 Project, which involves rebuilding the Hotel new Hankyu Osaka and Hankyu Terminal Building, the full renovation of Hankyu Sanban Gai, and the large-scale renewal of Hankyu Osaka-umeda Station. We will develop this prime location—which could be called the last prime site—as the gateway to the region, with the aim of making the Osaka-Umeda area a hub of international exchange. This is likely to be a long-term development, but through this project, we hope to enhance the value of the Osaka-Umeda area and our Group’s railway lines, and make it a symbolic project for the ever-evolving Osaka-Umeda and the growing Kansai region. Such a large-scale project cannot be accomplished by our company alone, so we are discussing it in earnest with all related parties. While I am not at liberty to share details at this time, I hope to present a plan that will inspire everyone with a bright future ahead.



Ongoing growth in the overseas real estate business

It has been almost ten years since we launched the overseas real estate business. We initially started with the residential sales business to reduce risk, but as we expanded overseas, we began receiving information from various sources—we grew at a steady pace in FY2025, including taking part in the logistics real estate business and residential sales business in Australia. Above all, we are delighted to be able to contribute to the development of overseas communities by working with reliable local partners, not only growing our business but also leveraging the knowledge and expertise we have cultivated domestically over many years. Particularly in some countries, products incorporating standards we have developed in Japan have been rated highly by local communities, and we feel that we are able to offer proposals that enrich lifestyles by providing them. Naturally, there are various risks present, including country risks, but we will control these in a steady manner as we expand our business, aiming for business profit of 25 billion yen in FY2031.

Strengthening group governance—Delivering “dreams” and “excitement” for the future

The scale of our Group’s business has expanded in recent years, and our level of expertise in each business field has also increased. Thus, from this FY, our Group has appointed outside directors and auditors at some core operating

companies to ensure transparency of management and to operate our businesses in a more appropriate and effective manner. We have also strengthened the Group’s overall governance system, promoted the delegation of authority to operating companies, and made the decision-making process faster. Our Board of Directors is also picked up the pace strengthening its functions to further advance monitoring of operating companies and discussions from a medium- to long-term perspective.

To further enhance the effectiveness of reforms at the Takarazuka Revue, we also incorporated it as a company (joint-stock company) in July 2025, with a majority of the Board of Directors being outside the Group. At the same time, we switched to employment contracts with performers, changed the method of managing working hours, and revised the management of working hours for assistant directors and others. Through initiatives like these, we will continue promoting various efforts to build an environment where all performers can maximize their abilities in a healthy state both physically and mentally, and achieve sustainable growth and success. We will continue evolving Takarazuka Revue to suit this new era, and will put in the utmost effort into reforms so that we can continue to deliver “dreams” and “excitement” for generations to come.



Promoting sustainable management is the foundation for sustainable growth

We announced “the Hankyu Hanshin Holdings Group Sustainability Declaration” in 2020 and have been working on

sustainable management as the foundation for sustainable growth. In the environmental field, we have redefined our direction regarding “carbon-neutrality,” “biodiversity,” and “resource recycling,” updated our greenhouse gas emissions reduction target for FY2036 , and set new non-financial KPIs to further accelerate our efforts.

For our efforts toward achieving carbon neutrality in particular, we opened the Hanshin Tigers’ new farm facility, the Zero-Carbon Baseball Park, in March 2025, and from April, started carbon-neutral operations on all Hankyu and Hanshin railway lines.

In terms of “biodiversity,” in accordance with the TNFD (Taskforce on Nature-related Financial Disclosures) framework, in this integrated report we analyzed and disclosed the Group’s dependence and impact on nature, nature-related risks and opportunities, the state of nature around our business sites, and the effectiveness of our biodiversity initiatives. We will continue to advance analyses and expand disclosures, while promoting greening and nature conservation to achieve lush, green areas along our railway lines.

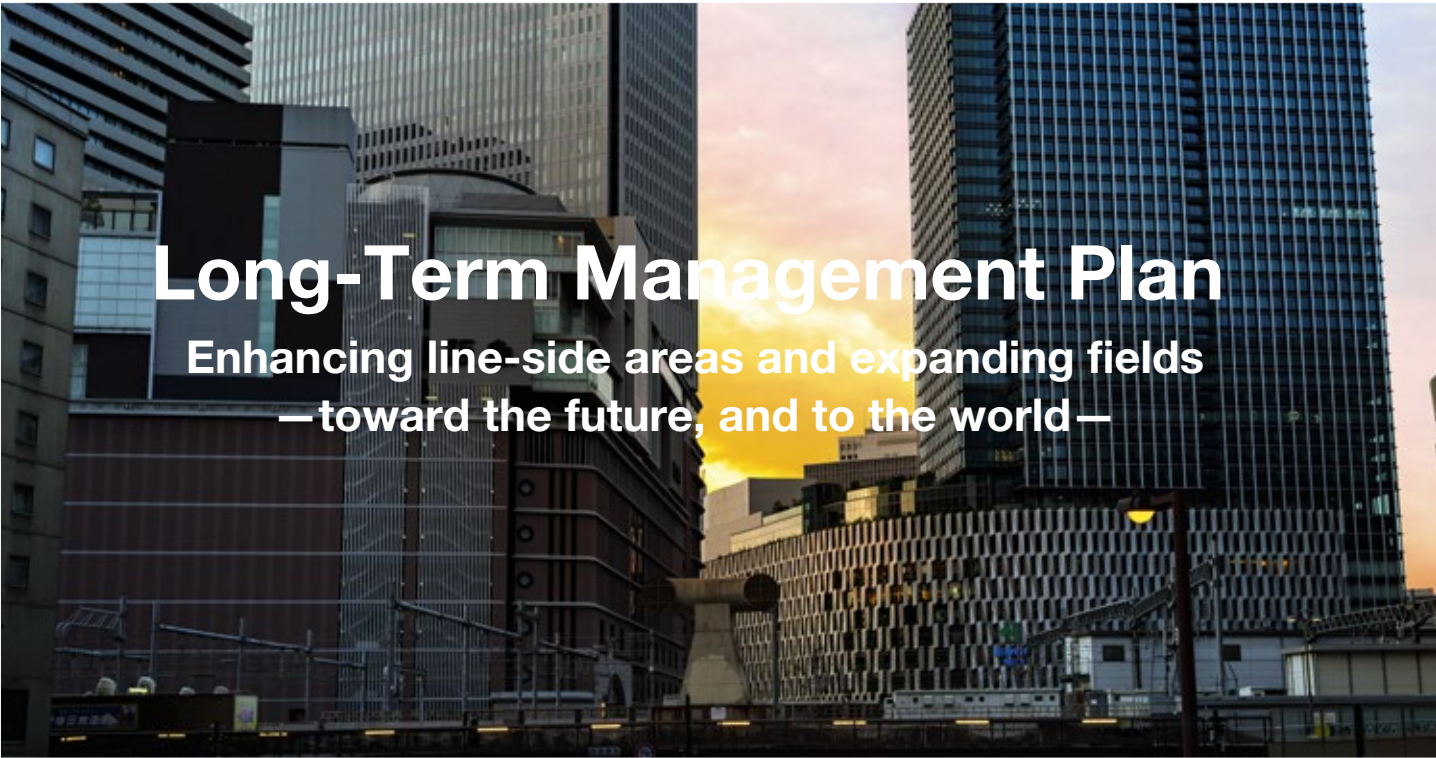
As part of our “Business and Human Rights” initiatives, we are implementing measures a range of measures to prevent and mitigate the significant human rights risks identified in FY2025.

Promoting sustainable management is essential for the sustainable growth of our Group. We will continue actively pursuing these initiatives and strive to resolve social issues.

Keeping ahead of the times and creating new demand

Around 120 years ago, the founder of our Group, Ichizo Kobayashi, laid railway tracks in what was then a rural area, and created new demand by developing housing, commercial, and entertainment facilities. No matter how much the environment changes, we will carry on this spirit and, by developing and supplying attractive products and services in anticipation of future needs, deliver “safety and comfort” as well as “dreams and excitement” to all along our railway lines and beyond, including overseas. If the direction our Group is aiming for is correct, I believe we can meet the expectations of the stock market by achieving both growth and improved capital efficiency.

We sincerely ask for your continued support, and look forward to working with you.

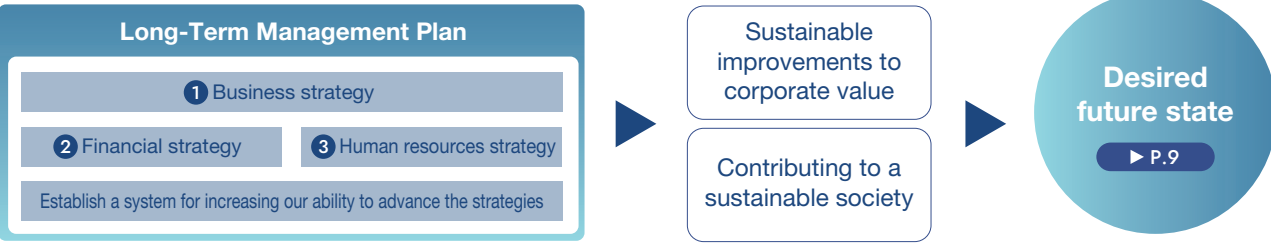


Promoting growth strategies from the perspectives of business, financial, and human resources to realize the vision for the future we want

Based on our accumulated strengths and the value we provide, and taking into account changes in the business environment, we have formulated a Long-Term Management Plan to realize the vision for the future we want. Our goal is not only to become a company that can sustainably achieve an ROE of 8% by FY2031, but also to generate a virtuous cycle of creating real value groupwide, and to continuously deliver new “customer delight” in every field. The driving force behind this is the three growth strategies: business, financial, and human resource. We aim for transformation and growth that go beyond the extension of our past trajectory.

Long-term management policy to realize our vision for the future we want

To realize our desired future vision and achieve sustainable growth, we have defined the direction the Group should take. To promote this, we have summarized strategies ① to ③ to implement capital allocation and redeployment of human resources.



- ① Business Strategy (the direction of initiatives aimed at realizing medium and long-term growth)
- ② Financial Strategy (policy on capital allocation to increase growth and improve capital efficiency)
- ③ Human Resources Strategy (policy on hiring, retaining, and enhancing the capabilities of human capital and allocating them to promising areas as the source of our growth potential)

Also revise the Group governance system and other systems to improve our ability to advance these strategies.

1 Business Strategy

Promoting groupwide growth through four initiatives

Thanks to the accumulated efforts of our predecessors and focused investment along our railway lines, the Group has achieved both overwhelming competitive advantage and cash generation along our lines. However, anticipating a decline in cash generation along our lines due to the declining birthrate and aging population, in recent years we have diversified our investments, including overseas real estate, while continuing to invest appropriately along our lines to enhance competitiveness. Looking ahead to an even more challenging business environment, we have set four initiatives for our proactive business strategy: “Make our line-side communities the absolute best,” “Maximize the appeal of content and develop new content,” “Expand beyond area (Tokyo metropolitan area and overseas),” and “Focus on business solutions.” We will promote groupwide growth and meet the expectations of all our stakeholders.

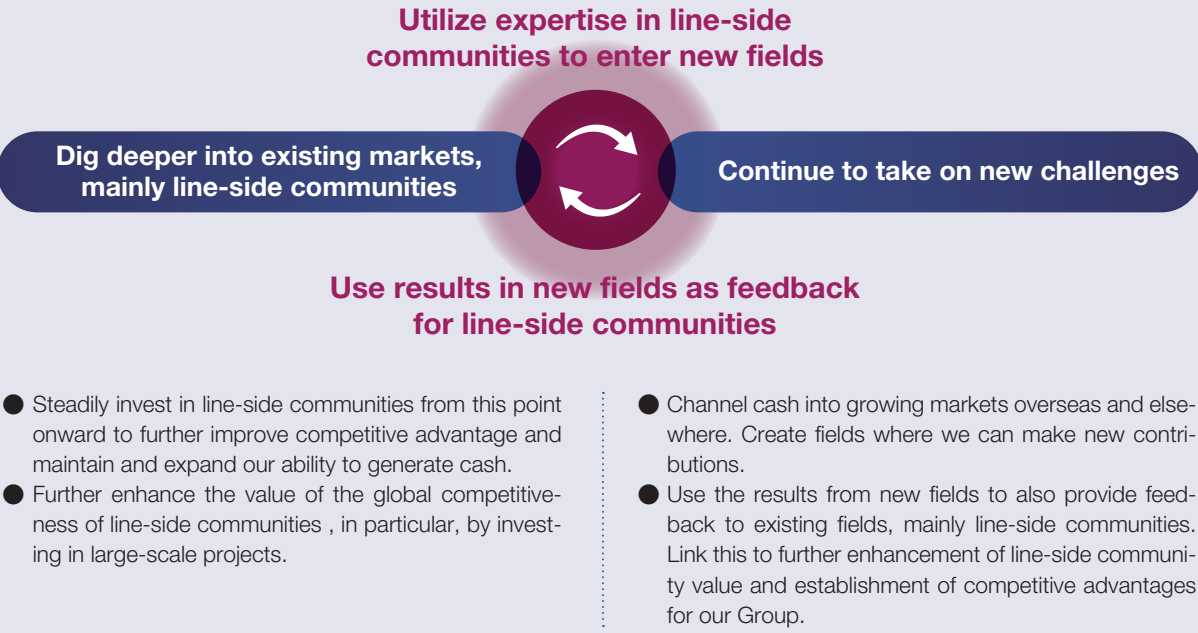
Initiatives for achieving medium- to long-term growth

Four initiatives



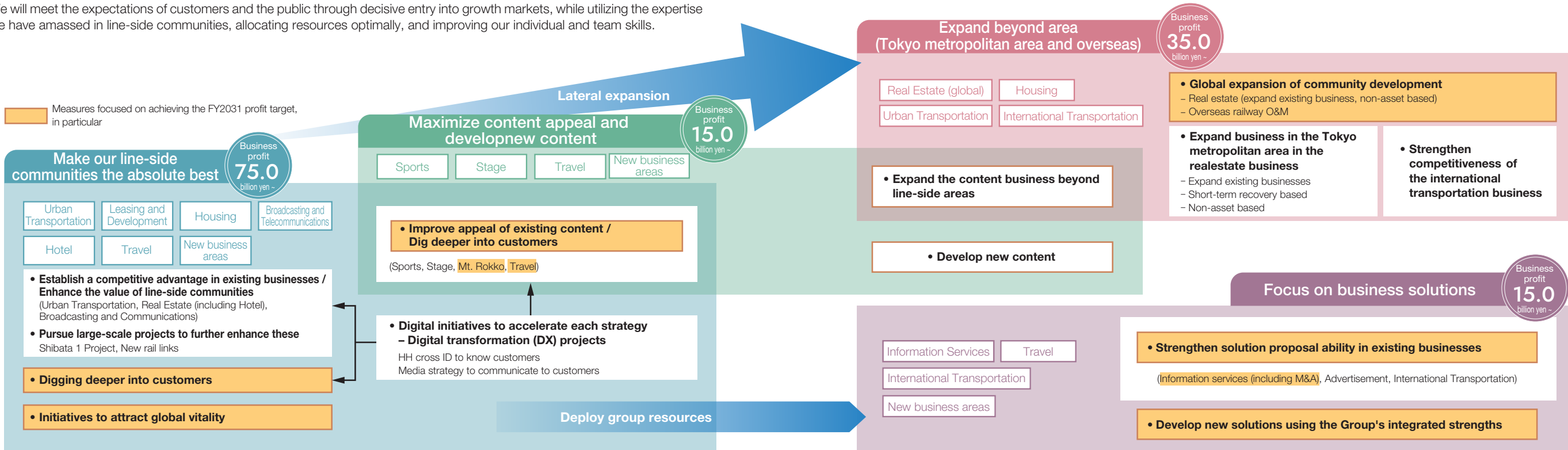
Concepts and policies

The guiding principle of our business strategy is to engage in initiatives to enhance the value of and further improve our competitive advantage in line-side communities as we simultaneously access growth markets and boost our cash generation ability by channeling investment into them. By effectively allocating management resources, deepening our existing fields centered on line-side areas, and continuing to take on challenges in new fields with growth potential, we will achieve medium- to long-term groupwide growth.



Overview of the business strategy

- We are establishing a competitive advantage in line-side communities where we possess strengths and will make these line-side communities the absolute best by digging deeper into existing customers and attracting global vitality to line-side communities.
- We will meet the expectations of customers and the public through decisive entry into growth markets, while utilizing the expertise we have amassed in line-side communities, allocating resources optimally, and improving our individual and team skills.



2 Financial Strategy

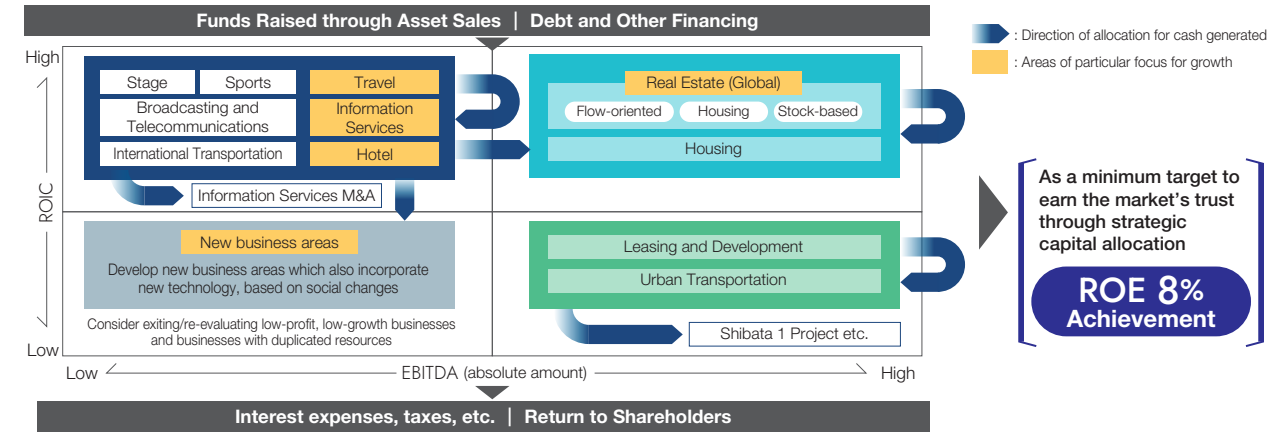
Developing company-wide financial strategies to improve capital efficiency

By promoting the aforementioned business strategies (P27-28), we will allocate funds from a company-wide perspective to achieve medium- to long-term growth and improve capital efficiency. To this end, we will reorganize the group portfolio and balance necessary investments with balance sheet control.

Restructuring of Group Portfolio Based on Return and Cash Generation Ability

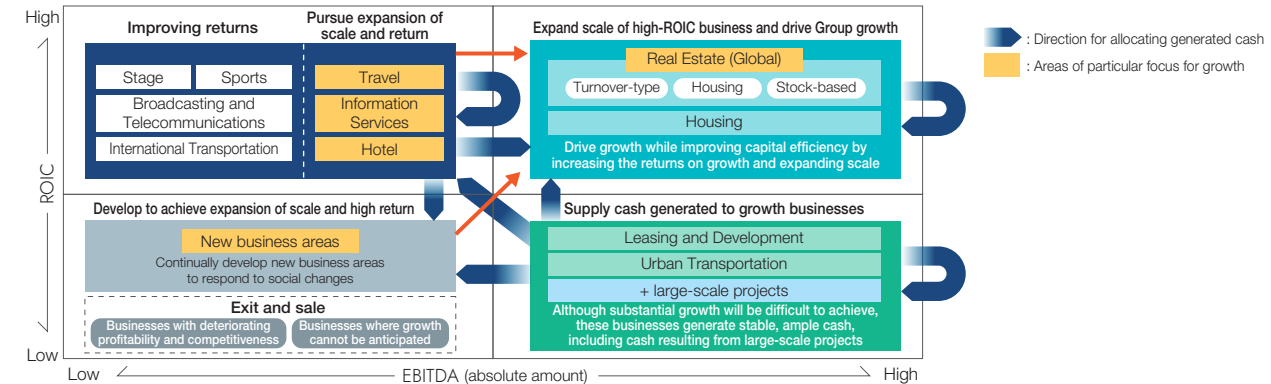
Through FY2031

- Although the urban transportation and leasing and development businesses have a low rate of return, they possess the ability to generate substantial cash. Allocate the cash generated to investment to maintain the revenue base and investment in growth (Shibata 1 Project, etc.).
- In the real estate (global) and housing business, pursue further expansion of business scale and higher returns.
- In businesses in areas that have high ROIC and low EBITDA, focus on expansion of scale and endeavor to further improve returns. In the area of information services, consider large-scale M&A.



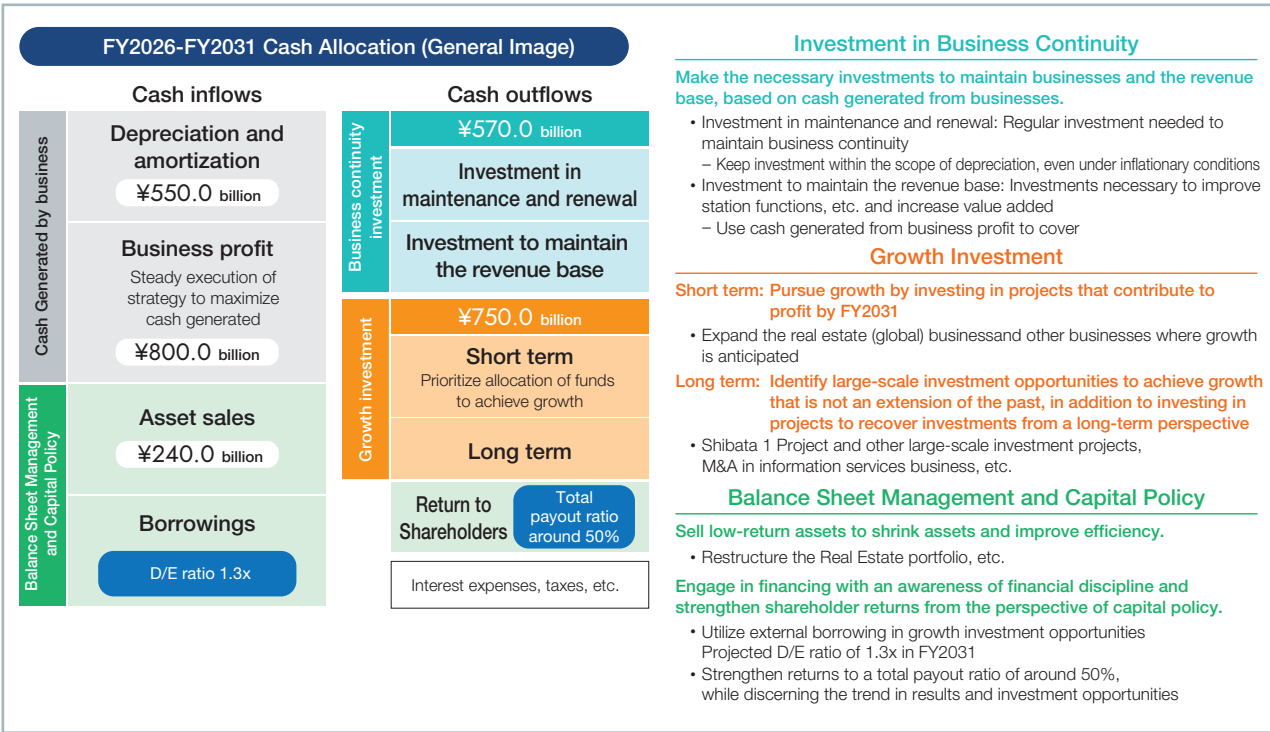
Desired future vision

- Although it is difficult to achieve substantial growth in the urban transportation and the leasing and development businesses, they generate stable cash, including cash from the results of large-scale projects, and supply funds to businesses that are expected to provide high ROIC in the future.
- In the real estate (global), housing, travel, information services, and hotel businesses, where growth potential and scalability are expected, pursue expansion of scale and returns.
- Develop new business areas so they are able to contribute to expansion of scale and return to promote Group growth.
- The sports, stage, broadcasting and communications, and international transportation businesses will contribute to higher returns for the Group as a whole.



Policy on Allocation of Funds to Improving Growth and Capital Efficiency

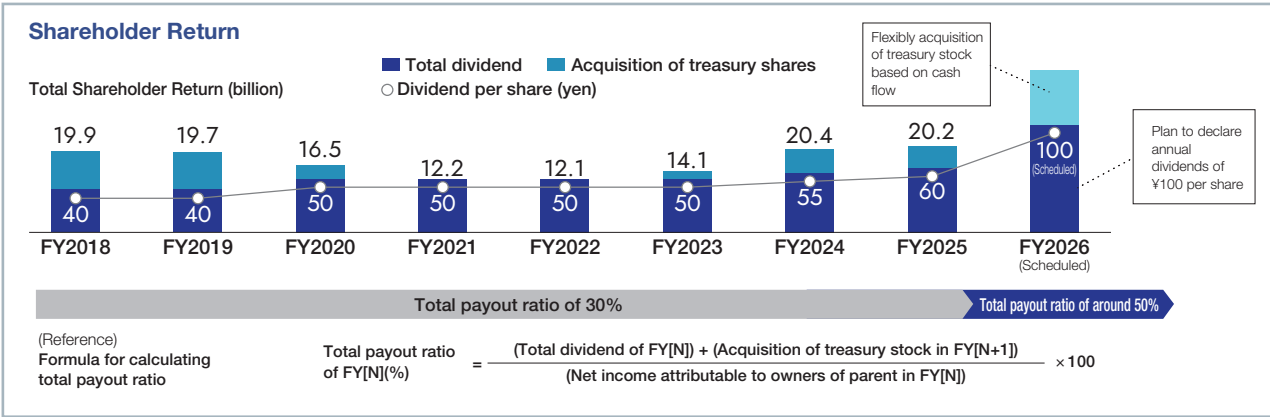
To maximize investment benefits, the holding company, Hankyu Hanshin Holdings, Inc., will allocate investment funds and reallocate human resources from a company-wide perspective. Appropriate investment of resources shapes the Long-Term Management Plan.



Capital Policy (Strengthening Shareholder Return)

Regarding shareholder return, we will follow a policy of declaring stable annual dividends of at least **¥100 per share**, from FY2026 and flexibly acquisition of treasury stock based on cash flow while targeting **a total payout ratio of around 50%**.

- Shareholder return policy before change**
 - We endeavor to declare stable dividends and acquisition of treasury stock by setting a total payout ratio of 30% as we further strengthen the management foundation.
 - We cap our treasury holdings at 5% of total issued shares and dispose of any holdings that exceed this cap.
- Shareholder return policy after change**
 - We will endeavor to invest in growth aimed at medium and long-term growth and keep improving capital efficiency in mind in providing shareholder returns, while maintaining financial soundness.
 - We will endeavor to declare stable annual dividends of at least ¥100 per share and flexibly acquisition of treasury stock based on cash flow while targeting a total payout ratio of around 50%.
 - We cap our treasury holdings at 5% of total issued shares and dispose of any holdings that exceed this cap.



3 Human Resource Strategy

Secure and enhance human capital—the source of growth—and allocate to promising areas

To realize the Long-Term Management Plan, we will secure and enhance human capital, develop diverse human resources, proactively allocate them to promising areas including growth fields, and create an environment where employees can fully demonstrate their abilities.

Key points of the human resource strategy in the Long-Term Management Plan

■ Allocating Human capital to Growth and Developing Talent

- Actively allocate highly ambitious human resources to accessing new business areas and other initiatives that extend beyond core boundaries, in order to systematically develop the future management of our Group while also achieving growth of both the Company and human resources.

■ Continual Investment in Human Capital

- Channel profit generated from improving capital efficiency into improving treatment of employees, in addition to investment in growth and returns to shareholders.
- Also continue to invest in human capital and secure human resources who can achieve the Long-Term Management Plan by implementing measures aimed at systematically developing human resources and increasing employee loyalty.

Basic Approach to Empowering Individuals for realizing the human resources strategy

To realize the human resources strategy, we will create an environment where each individual can thrive through the following three strategies. For details, please see “Human Capital (▶ P.82~)”.



The Group promotes transformation as one toward realizing the Long-Term Management Plan

Empowering Individuals

Strategy 1



Building an Organization that Enhances Engagement

To create an organizational environment where each employee can work with a sense of fulfillment and security, we are introducing systems and developing environments that enhance trust and sense of belonging to the organization and improve work comfort.

Specific Initiatives

- 1.1 Review of Personnel System
- 1.2 Introduction of Engagement Enhancement Initiatives
- 1.3 Development of Diverse Work Styles and Workplace Environments
- 1.4 Balancing Childcare, Nursing Care, and Medical Treatment
- 1.5 Promote health and productivity management
- 1.6 Response to Harassment

Strategy 2



Securing and developing diverse human resources to create new real value

To secure and develop human resources who will lead the future of the Group and possess diverse values, knowledge, skills, and experience, we are implementing strategic recruitment activities (both new graduates and career hires), carrying out development initiatives, and introducing and improving systems that support autonomous career development.

Specific Initiatives

- 2.1 Implementation of Strategic Recruitment Activities
- 2.2 Planned Job Rotation
- 2.3 Expansion of Educational Programs
- 2.4 Expansion of Career Support Initiatives
- 2.5 Promote diversity and inclusion

Strategy 3



Development of human resources to lead and promote DX in our Group

As the Group, to respond to rapid changes in the business environment and to foster talent who will lead and promote the creation of new real value and productivity improvements using data and digital technology (DX specialist departments and all employees), we are providing DX training and other educational programs for Group employees.

Specific Initiatives

- 3.1 Strengthening the DX promotion foundation
- 3.2 Recruitment and development of DX human resource

Message from the CFO

Overview of the Long-Term Management Plan

We will execute our growth strategy while balancing growth and capital efficiency, and realize the Long-Term Management Plan.

Yasushi Ueda

Director

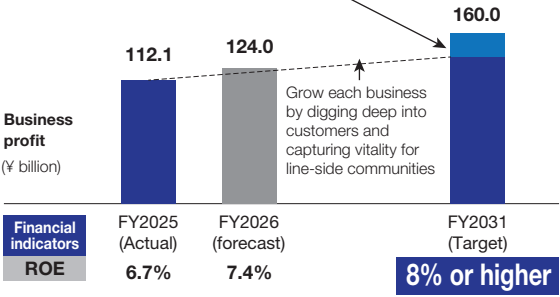


The Group will work together to realize the Long-Term Management Plan

The current Long-Term Management Plan was formulated using a backcasting approach, unlike previous plans developed using forecasting. For ratios, we are aiming to achieve a business profit of 160 billion yen in order to maintain ROE of 8% or higher from FY2031 onward. However, this level cannot be achieved simply by extending existing businesses and adding future projections to the current situation—there is a gap to be bridged. Although this is a very challenging goal for our Group, we will leverage the Group's comprehensive strengths to execute our growth strategy and close this gap.

Conceptual image of growth in business profit aimed at realizing our vision

- Maximize the benefits of investment in growth, in addition to growth of existing businesses
- Leverage our Group's integrated strengths to generate new revenue sources



Aiming to achieve both growth and capital efficiency

In the Long-Term Management Plan aimed at sustainable enhancement of the Group's corporate value, we emphasize balancing medium- to long-term growth and improved capital efficiency, and have established cash allocation plans for FY2026 through FY2031 to effectively allocate limited management resources.

In cash allocation, we focus on necessary cash outflows, particularly on growth investments. Growth investments include not only those that will contribute to profits by FY2031, but also investments in projects aimed at long-term capital recovery and investments for achieving discontinuous growth beyond the conventional trajectory, all essential for the Group to sustainably enhance its corporate value. In addition, cash outflows include maintenance and renewal investments within the scope of depreciation and amortization, investments necessary to strategically maintain the earnings base, and enhanced shareholder returns, among others.

On the other hand, for corresponding cash inflows, in addition to EBITDA, we plan to utilize leverage within the scope of maintaining financial soundness, and are also considering the sale of low-yield assets to improve asset efficiency, with a focus on BS management.

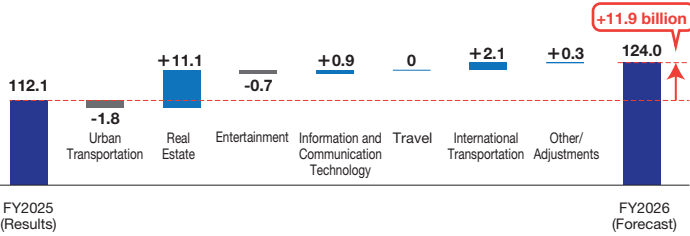
At present, some specific details are still under consideration, but as described above, we will accelerate and refine our efforts to realize the Long-Term Management Plan by balancing growth and improved capital efficiency, and promptly implement finalized initiatives.

Full-year performance forecast for FY2026

Regarding the full-year performance forecast for FY2026, we revised the forecast upward at the time of the first quarter financial results announcement, reflecting the very strong performance of each business due to the impact of the Osaka-Kansai Expo 2025 and other factors.

Business profit by core business

	FY2025 results	FY2026 forecast
Total	112.1	124.0
Urban Transport	35.1	33.3
Real Estate	58.9	70.0
Entertainment	11.4	10.7
Information Communication Technology	6.9	7.8
Travel	5.3	5.3
International Transportation	-1.3	0.8



Long-Term Management Plan: Executing of the Business Strategy

Feature 1

Making Our Line-Side Communities the Absolute Best

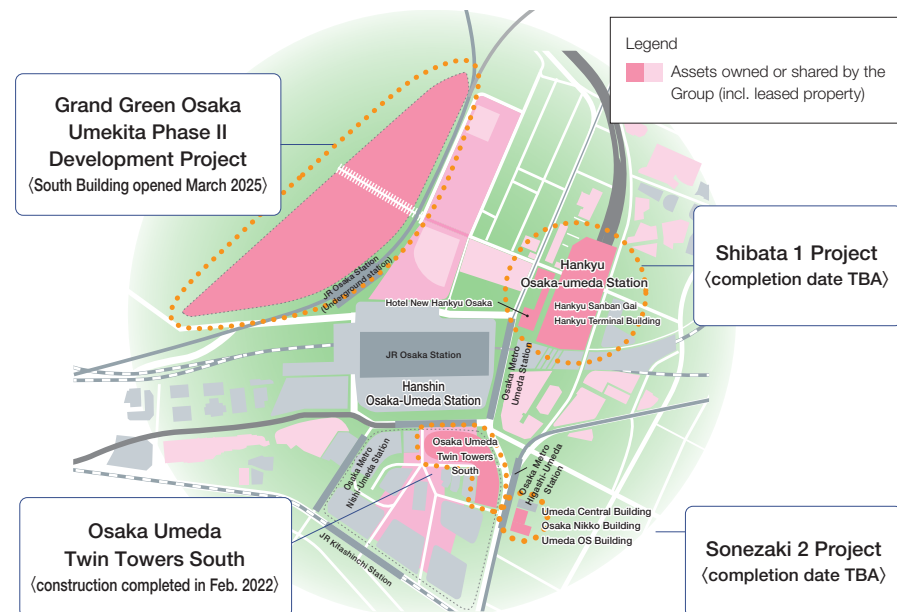
The Osaka-Umeda area is the largest transportation hub in western Japan and the Group's largest business hub.

As part of the Umeda Vision to elevate the area's value, we will advance major development projects and strategic initiatives to establish Umeda as the undisputed leading destination along our railway network as set out in the business strategy of the Long-Term Management Plan.

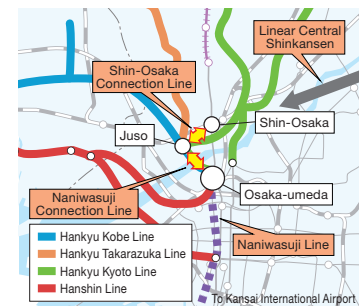
The Group's largest business hub, the Osaka-Umeda area

Toward the realization of the Umeda Vision, designed to increase international competitiveness and become an "international exchange hub" that bridges the world and the Kansai region, we will sequentially renovate (reconstruct buildings, etc.; remodel; and review functions to be introduced) the assets the Group owns in the Osaka-Umeda area, including the Grand Green Osaka Umekita Phase II Development Project, thereby synergistically enhancing the attractiveness of these urban spaces.

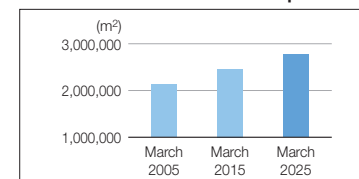
Status of urban development in the Osaka-Umeda area



The Osaka Umeda area is the largest transportation hub in western Japan



Osaka-Umeda area office floor space



Source: Monthly surveys on Osaka's latest office market conditions (published by Miki Shoji Co., Ltd.)

Six Basic Policies of the Umeda Vision	An international city with unique value that beats the competition	1. Make Umeda a place of co-creation that produces newer value 2. Make Umeda a place that facilitates encounters and interaction 3. Make Umeda a dynamic cluster of people and companies
	The basic value that will equip Umeda for the new normal	4. Make Umeda a place that uses the latest digital technology to offer new value 5. Make Umeda a sustainable place
	Promoting the Umeda brand to the world	6. Strategically organize marketing communications to the world

For more details on the Umeda Vision, please see our website: <https://umeda-vision.hhp.co.jp/> (Japanese only)

Located in Kita Ward, Osaka City, Osaka-Umeda is the largest terminal in western Japan. In recent years, numerous high-performance office buildings, including the Osaka Umeda Twin Towers North/South developed by the Group, have been built, and the area has grown substantially as a business hub. Centered around seven railway stations, the area features a compact concentration of offices, commercial facilities, hotels, entertainment, residences, and more. In this highly convenient urban environment, the Grand Green Osaka South Building opened in March 2025, and planning efforts are moving forward for the Shibata 1 Project and the Sonezaki 2 Project, further raising expectations for a livelier city with greater multifunctionality and efficiency.

The Hankyu Hanshin Holdings Group has a strong presence in the Osaka-Umeda area

Our Group owns numerous buildings and facilities in the Osaka-Umeda area, with a total leasable floor space of approximately 1.02 million square meters. We will continue to promote large-scale projects and other initiatives that enhance the area's appeal, maintaining a strong and enduring presence.

The Group's main rental properties

Overview and leasable floor space within of Osaka Umeda Twin Towers North/South

Overview	Completion date
Osaka Umeda Twin Towers North (Hankyu Department Store / Offices)	November 2012
Osaka Umeda Twin Towers South (Hanshin Department Store / Offices)	February 2022

Development in the Osaka-Umeda area (See map at right)

- (1) Sonezaki 2 Project
- (2) Chayamachi B-2/B-3 District Type 1 Urban Redevelopment Project

Umekita Phase 2 District Development Project "Grand Green Osaka"

"Grand Green Osaka," for which nine companies, including Hankyu Corporation, a Group company, were selected as joint developers, is advancing development toward the grand opening of the entire district in 2027. Centered around the approximately 45,000-square-meter Umekita Park, the area features a diverse mix of facilities including hotels, offices, and commercial spaces. Since the initial opening in September 2024, the number of visitors has exceeded 10 million.

The Grand Green Osaka South Building celebrated its grand opening in March 2025. Directly connected to JR Osaka Station—the largest terminal station in western Japan and a gateway to Kansai International Airport and Shin-Osaka Station—the complex will feature a diverse array of functions, including 55 shops and restaurants, a hotel, offices, wellness facilities, and MICE (Meetings, Incentives, Conventions, and Exhibitions) spaces.

We will continue to advance the creation of "Osaka MIDORI LIFE," a concept that blends greenery with innovation. Through co-creation of value with visitors, partner companies, and other stakeholders, we aim to develop a world-leading, sophisticated urban environment.



View of Umekita Park and the North Building from the South Building
©Akira Ito.aifoto



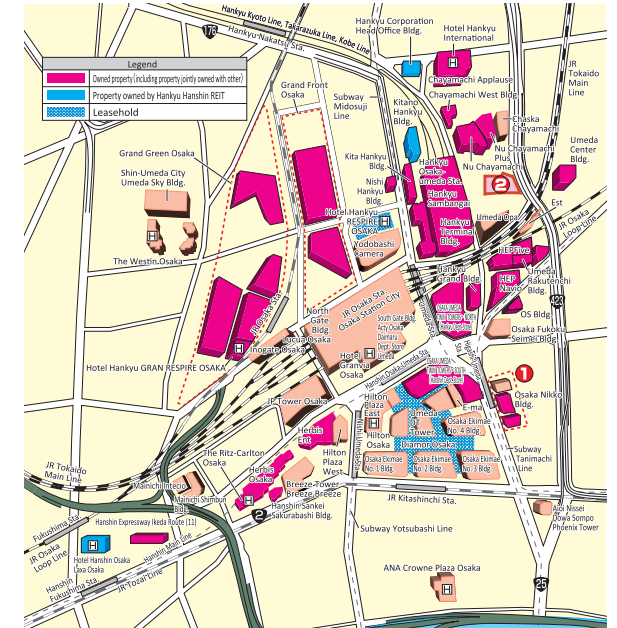
Under TSUNAG, the excellent green space planning certification system established by the Ministry of Land, Infrastructure, Transport and Tourism, the plan for developing and managing high-quality green spaces at Grand Green Osaka received a "Triple Star" rating, which is the highest rating.

Future development

Shibata 1 Project

With an eye to the next era, we will rebuild the Osaka New Hankyu Hotel and the Hankyu Terminal Building, fully renovate Hankyu Sanbangai, and strengthen the functions of the terminal station.

Through these efforts, we will develop a multi-functional hub befitting the gateway to the Osaka Umeda area and aim to further enhance the area's value.

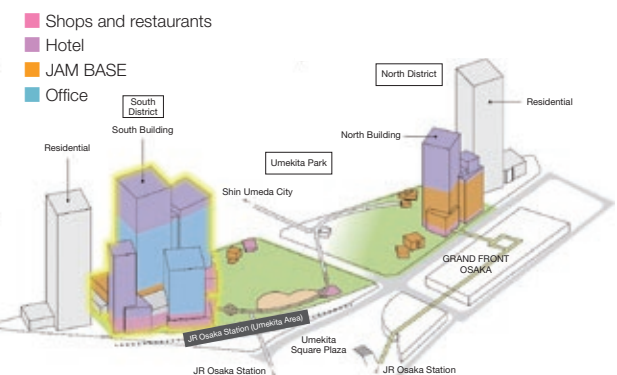


Osaka-Umeda area



South Building opening ceremony

South Building opening scope





Feature 2

Maximizing Content Appeal

Centered around the Group's two flagship content offerings—the Hanshin Tigers and the Takarazuka Revue—we strive to deliver new forms of customer delight by creating and sharing high-quality content that inspires dreams and evokes emotion, while actively expanding our fan base.

Strength of unique content cultivated over a long history

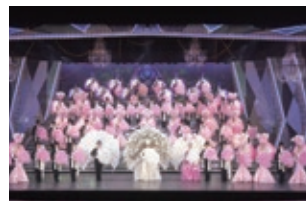
The Hanshin Tigers, which trace their origins to the Osaka Baseball Club (Osaka Tigers) founded in 1935, will mark their 90th anniversary in 2025 and have grown into a popular team proud of its history and tradition. Including Hanshin Koshien Stadium—the team's home and the sacred ground of baseball with over 100 years of history that carries forward high school baseball culture—we have contributed to the development of baseball culture in Japan. The first performance of the Takarazuka Revue was 111 years ago in 1914. Its history began when an opera was staged as entertainment at the Takarazuka New Hot Springs. Umeda Arts Theater, which has its roots in the Umeda Koma Theater founded in 1956, is raising its profile in the development of arts and culture by not only operating a theater and producing works independently in Umeda, the heart of Osaka, but also taking on the operation of a new theater set to open in 2029 in front of JR Tokyo Station. These unique contents the Group has cultivated over its long history possess a distinctive appeal found nowhere else and are a source of competitiveness.



Hanshin Tigers



Hanshin Koshien Stadium



Takarazuka Revue



Umeda Arts Theater

Initiatives in the sports business

Toward building a strong Hanshin Tigers

The Hanshin Tigers celebrated their 90th anniversary in 2025. With the passionate support of many fans, the team has grown and is now among the most popular of the 12 professional baseball teams in Japan.

To repay our fans for their support, the entire organization worked single-mindedly to build a strong team, and in the 2025 season the team won the JERA Central League title for the first time in two years. From here, the team will strive for the higher goal of becoming a championship-winning team in Japan and fight with all its strength to the end.



JERA Central League Official Games 2025 Champions

Zero-Carbon Baseball Park is born!

Guided by the principle that developing players is essential to building a strong team, Zero Carbon Baseball Park opened in Amagasaki City in March 2025.

At Zero-Carbon Baseball Park, in addition to the main facility, Nippon Steel Sheet SGL Stadium Amagasaki, we have an indoor practice facility, a clubhouse, and a secondary field. Among them, Nippon Steel SGL Stadium Amagasaki is built to the same specifications as Hanshin Koshien Stadium in both size (95 m to the foul poles; 118 m to center field) and orientation, and the field is maintained in the same condition as that stadium. The indoor practice facility is also one of the largest among the 12 clubs, and we have installed state-of-the-art equipment. We have established an environment where farm team players can devote themselves to practice, creating a base that will continue to support a strong Tigers.

In addition, we have installed a promenade around the secondary field where players practice. Fans can watch the players practice up close, and we welcome many visitors, including children. In this way, the Zero-Carbon Baseball Park plays a major role in further spreading baseball culture and broadening the fan base.



Nippon Steel SGL Stadium Amagasaki

Creating Real Value:
Our Story

Growth Strategies for
Value Creation

Management Foundation
that Supports Value Creation

Financial Section and
Corporate Data

Being mindful of the environment and aiming for sustainable stadium operations

In 2022, the Zero Carbon Baseball Park was selected by Japan's Ministry of the Environment as one of the first "Decarbonization Leading Areas." The park continues to promote initiatives aimed at realizing a decarbonized and circular society.

Nippon Steel Coated Sheet SGL Stadium Amagasaki became the first baseball facility to receive ZEB Oriented certification*, thanks to its environmentally-conscious design focused on energy creation and conservation. Through a lighting plan that utilizes LED technology, the stadium significantly reduces energy consumption for lighting. Additionally, it employs high-efficiency air conditioning and ventilation systems to substantially cut energy use for climate control.

We are also promoting initiatives to improve the collection and recycling rates of plastic cups and PET bottles, and we utilize clean energy generated at the Clean Center (waste incineration facility). In combination with the introduction of solar power generation and storage batteries, it has become possible to carry out all business activities with net CO₂ emissions of zero. Going forward, we will proactively communicate these initiatives and aim for efforts that resonate with local residents and customers.

* ZEB Oriented certification: Certification awarded to buildings with a total floor area of 10,000 m² or more where standard primary energy consumption is reduced by 40% or 30% or more, depending on building use, meeting the applicable energy consumption reduction criteria.

Hanshin Koshien Stadium — Carrying gratitude and tradition into the next 100 years

Hanshin Koshien Stadium opened in 1924 as the Koshien Grand Athletic Field. Since hosting the "10th National Secondary School Baseball Championship" that same year, it has remained the sacred ground of high school baseball and a place of aspiration for high school ballplayers. It has also produced countless dramas as the home of the Hanshin Tigers. Celebrating its 100th anniversary in August 2024 and still beloved by many, Hanshin Koshien Stadium is a flagship brand the Group is proud of. With gratitude for the patronage of many customers, we will continue to weave our traditions while taking on new challenges as we head into the next 100 years.

TOPIC Extending the Silver Canopy

At Hanshin Koshien Stadium, we have decided to extend the "Silver Canopy" to cover the Alps Stands. Alongside improving the spectator environment, we will pursue reductions in environmental impact from a sustainability perspective, including installing solar panels and using recycled materials on exterior walls.

Before World War II, the "Large Steel Canopy" once covered the entire Alps Stand at Hanshin Koshien Stadium. However, it was completely dismantled due to wartime metal requisitioning. After the war, it was revived as the "Silver Canopy" and gradually expanded over time. Under the current renovation plan, it will be fully restored as a "symbol of peace."



Rendering of the completed design

Initiatives in the stage business

Renovation of the Shop & Restaurant Zone inside the Takarazuka Grand Theater Renovation

At the Takarazuka Grand Theater, the interior renovation that began in November 2024 has been completed, and operations will begin in March 2025. The interior design of the area is unified around a white-based aesthetic inspired by the Takarazuka Revue's motto: "Modesty, Fairness, Grace." Elegant curves and arch-shaped frames define the space, with accents such as violet flowers and the symbolic colors of the five troupes thoughtfully incorporated throughout. To enhance convenience, previously scattered shops and service functions have been reorganized. The cafeteria "Fleur" has been completely redesigned, both in décor and menu, and the gift shop "Revue Shop" has been expanded and integrated. These efforts reflect a deep commitment to creating a beloved theater that offers visitors an immersive experience of the Takarazuka Revue's unique worldview and sense of enchantment.



Exterior of Cafeteria "Fleur"

Initiatives for the celebration of the Takarazuka Revue 110-111th anniversary

The Takarazuka Revue is carrying out commemorative projects spanning its 110th anniversary in 2024 through its 111th in 2025. In addition to launching a special "Takarazuka Revue 110-111th Anniversary" page on its official website, on September 1, 2025, the Takarazuka Grand Theater will host Takarazuka Revue's 111th Anniversary Commemorative

Ceremony, titled "One and only — Toward the Sparkle Beyond." The celebration included the unveiling of the anniversary visuals, exclusive merchandise sales, and interactive campaigns linked to the official Takarazuka Revue app, Takarazuka Revue Pocket. These initiatives aim to deepen connections with fans and alumni, while celebrating the enduring legacy of the Revue.



111th anniversary poster

New theater to be built in front of JR Tokyo Station

In a large-scale mixed-use building under redevelopment in the Yae-su area in front of JR Tokyo Station, Hankyu Corporation will build a new theater with approximately 1,300 seats and state-of-the-art equipment, which will be operated by Umeda Arts Theater (a 100% subsidiary of Hankyu Corporation). Building on the theater operations and production know-how and networks cultivated through the Takarazuka Revue and Umeda Arts Theater, we will present a wide range of content—including musicals, plays, the Takarazuka Revue, and concerts—while leveraging the prime location in front of JR Tokyo Station to deliver dreams and inspiration to many customers in Japan and abroad, aiming to become a new hub of entertainment that links Japan with the world.



Artist's impression of the Theater foyer (Sotobori-dori Avenue side)
Scheduled opening: FY2030 (planned)

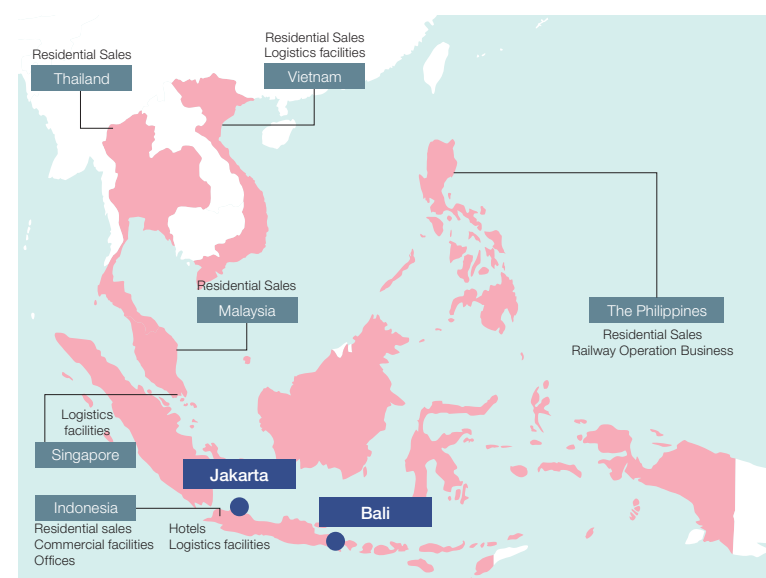
Long-Term Management Plan: Executing the Business Strategy

Feature 3

Overseas Service Area Expansion

Focusing on the ASEAN region, which is expected to see sustained growth, we will promote the overseas real estate business leveraging the track record and know-how cultivated from our line-side businesses in developed countries as well. While strengthening collaboration with reliable local partners, we will expand earnings and simultaneously accelerate the global rollout of community development.

Initiatives in the ASEAN region, an area of focus



Expanding our real estate business in Indonesia

Against the backdrop of an expanding consumer market supported by a large population, in Indonesia, which continues to experience economic growth, we are newly participating in Vireya, townhouse subdivision project. We will pursue this jointly with Bumi Serpong Damai (BSD), a subsidiary of Sinar-mas Land, the largest developer in the country.

This project is located approximately 15 kilometers southwest of central Jakarta, within the BSD area where BSD Corporation is undertaking a large-scale township development as the master developer over approximately 6,000 hectares. The plan is to supply around 3,000 units of townhouses and shophouses within this district. Township development in BSD City is the largest in Indonesia, and because urban functions such as housing, large-scale commercial facilities, offices, and educational facilities are being developed and put in place in succession, solid housing demand is expected in the area.

Meanwhile, the company is also focusing on its Leasing Business. In the Jakarta metropolitan area, following the acquisition of the commercial facility Central Park Mall in 2022,

it acquired the adjacent Neo Soho in 2023 (scheduled to be renamed "Central Park Mall 2" in November 2025). These properties have become some of the revenue bases for our overseas real estate operations.

We will continue these initiatives to expand earnings.

Greater Jakarta area, Indonesia



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Project name:

- ① The Zora
- ② Opus Park
- ③ Springhill Yume Lagoon
- ④ Springhill Yume Green
- ⑤ Kemang Eminence Phase 2
- ⑥ Vireya

- indicates the Group's residential building projects
- indicates project in which sales have recently started



Central Park Mall and Neo Soho

Overview of the local partner

Company name	: PT. Bumi Serpong Damai Tbk
Paid-in capital	: Approx. IDR 2 trillion (approx. 19 billion yen*)
Revenue	: Approx. IDR 12 trillion (approx. 114 billion yen*) (2023 results)
Main business activities	: Sale and management of detached houses and townhouses; Development, ownership, and management of offices and commercial properties

* 100 IDR = 0.95 yen

The acquisition of a stake in a retail and hotel integrated complex marks our first foray into the real estate business in Bali, Indonesia

Bali, one of Indonesia's premier tourist destinations, continues to see a steady increase in visitors not only from within the country but also from ASEAN nations and Australia. Anticipating further growth in the region, the company has acquired part of Beachwalk Complex, a commercial and hotel complex. This facility is located in Kuta, a prominent tourist area in Bali, about a 15-minute drive from Ngurah Rai International Airport, and faces Kuta Beach, which is globally renowned for its beautiful sunsets.

Within the Property is Beachwalk Mall, a retail facility with approximately 180 stores, including fashion brand stores and restaurants, providing enjoyable shopping experiences for

the diverse visitors from around the world. Complementing the mall are four hotels, including the Sheraton Bali Kuta Resort, meeting a wide range of customer needs. At the same time, we are also participating in the operation and management of the facility jointly with PT Indonesian Paradise Property Tbk, a major Indonesian real estate developer.



Beachwalk Complex (outlined in red)

Overview of the local partner

Company name	: PT Indonesian Paradise Property Tbk
Paid-in capital	: Approximately 3.1 trillion Indonesian rupiah (approximately 30.4 billion yen*)
Revenue	: Approximately 1.1 trillion Indonesian rupiah (approximately 10.8 billion yen*) (FY ended December 2024)
Main business activities	: Real estate business
Employees	: Approximately 1,040 employees (as of June 2024) (including subsidiaries, etc.)

* 100 IDR = 0.98 yen

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Wide-area map of Bali



Map of the area around the facility

Initiatives in developed countries

Participating in a condominium sales business, our first business venture in Canada

In our first venture into Canada, we are participating in a condominium development project called the Claystone Project. This project is located approximately 40 kilometers southwest of downtown Toronto in the city of Oakville, Ontario, which is located within the greater Toronto area. The surrounding area offers high living convenience with numerous commercial and educational facilities, while also providing a rich natural environment, including Lake Ontario. As a result, strong housing demand is expected from people working in downtown Toronto and nearby facilities.

Hankyu Hanshin Properties has established a local subsidiary, Hankyu Hanshin Properties Canada Corp., and is jointly advancing the project in partnership with Canadian real estate developer Graywood Developments LP. With the addition of this project in Canada, our overseas real estate business will span a total of 9 countries. While strengthening collaboration with trusted local partners, we will accelerate the expansion of our service area.



Artist's impression of the Claystone Project (for-sale condominiums in the Town of Oakville)

Overview of the local partner

Company name	: Graywood Developments LP
Main business activities	: Sales of condominiums and detached houses; Development of hotels and commercial facilities

Business expansion in the United States

In the United States, which boasts an overwhelmingly large market, Hankyu Hanshin Properties has been operating through its local subsidiary, Hankyu Hanshin Properties USA LLC. In December 2024, the company acquired the rental housing property "801 LasCo" in Irving, Texas. Furthermore, in June 2025, it entered the logistics real estate development business in Buford, Georgia. While the company has been acquiring rental housing properties in the U.S. since 2022, this marks its first participation in logistics property development. Moving forward, it aims to expand its overseas real estate business by diversifying its operations.



Exterior (conceptual rendering) of a logistics real estate property in the Atlanta metropolitan area



Rental housing property "801 LasCo" in Irving, Texas

Strengthening group governance

In recent years, amid rapid changes in the business environment, our group has actively expanded into growth markets, including overseas real estate. As a result, the scale of each business has grown, and our level of specialization has advanced significantly.

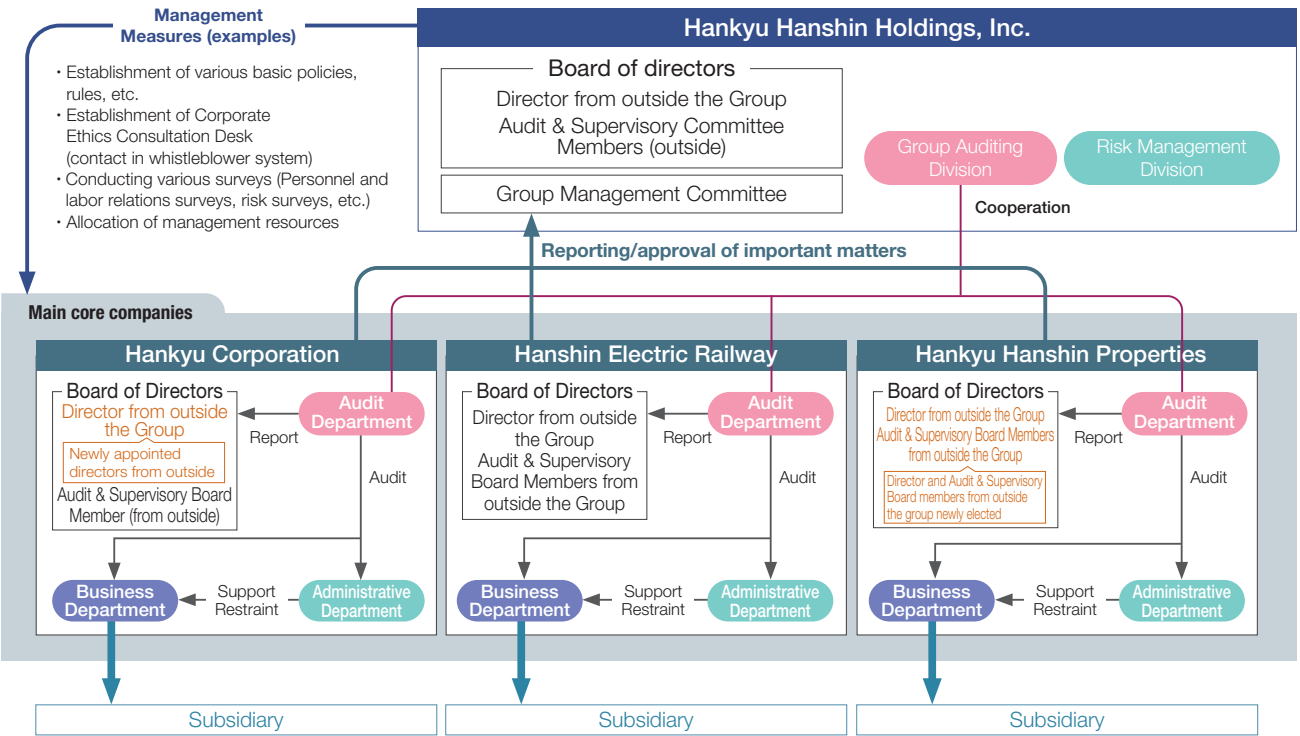
In this context, to operate businesses more appropriately and effectively while ensuring management transparency, it is necessary not only for Hankyu Hanshin Holdings, Inc., the holding company, but also for companies closer to the front lines to incorporate insights and advice from outside parties and experts, and manage with appropriate risk management tailored to each business's characteristics.

To strengthen the group's overall governance structure, key core companies have appointed outside directors and auditors. Specifically, Hanshin Electric Railway Co., Ltd. has already appointed a total of three outside directors and auditors. In addition, Hankyu Corporation has appointed two outside auditors and newly added two outside directors. Similarly, Hankyu Hanshin Properties Corporation has newly appointed three outside directors and one outside auditor.

In parallel, the Group ensures appropriate risk management by regularly monitoring business progress through forums such as the Group Management Committee.

Based on this strengthened governance framework, authority is being delegated to operating companies to accelerate the execution of business strategies.

Our Group Governance System



Reform initiatives at the Takarazuka Revue

Hankyu Hanshin Holdings, Inc., Hankyu Corporation, and the Takarazuka Revue Company are fully committed to reform, continuously evolving the Takarazuka Revue into a form befitting a new era so that we can keep delivering “dreams” and “excitement” into the future. The overview of the reforms is as follows.

* For details, please visit the Takarazuka Revue Company website: https://kageki.hankyu.co.jp/news/20250327_002.html (Japanese only)

Reform policy	Philosophy	Returning to the philosophy advocated by Ichizo Kobayashi, which is “Cheerfully, with purity, righteousness, and beauty,” we strive to deliver dreams and inspiration to our customers, while also aiming to foster personal growth among stakeholders and contribute to society through our business activities.
	Purpose	We will create an environment where all troupe members can work healthily and with peace of mind to devote themselves to producing better shows.
	Means	While preserving the essential spirit and core appeal of the Takarazuka Revue—its culture, traditions, and aesthetic elegance—we will adapt and evolve aspects that need to change in response to the times.

Overall view of the initiatives

1 Reducing the burden on troupe members	Review of show plans 9 productions → 8 productions per year 10 performances → 9 performance per week	Review of rehearsal operations Easing of overloaded schedules Creating a rehearsal environment that leads to higher-quality stage performances	Operational efficiency improvement Performers can focus on their craft through division of work Introduction of IT tools to streamline and improve operational efficiency
2 An organizational framework that inspires confidence and a highly transparent operating framework	Promoting incorporation Transition into a joint-stock company, etc. Enhancing governance sophistication	Review of HR systems and employment relationships Performers' transition to employment contracts Creating an environment where people can devote themselves to activities with peace of mind	Strengthening the support system Expanding care and support systems to enable healthy activities, both physically and mentally
3 Ongoing mindset reform and support systems	Ensuring psychological safety Creating an environment where everyone involved in stage production can work with confidence and perform at their best	Fostering an organizational culture aligned with the times Unique stage arts of preservation and transmission, and adapted to the times rules and training methods review	Strengthening systems for sustainable growth Strengthening organizational systems and human resources to continue delivering better stage performances

► Build a framework in which all stakeholders can engage in the business with peace of mind and can sustainably grow and thrive

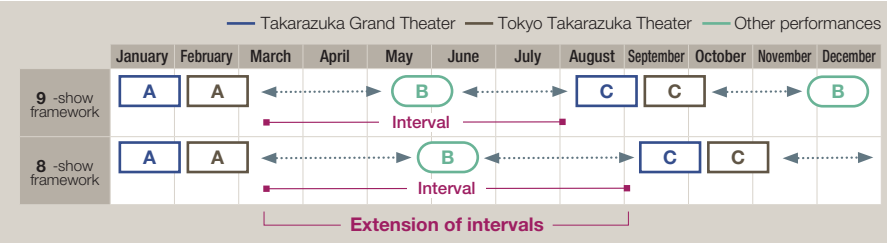
Overview of the reforms

1	Review of show plans
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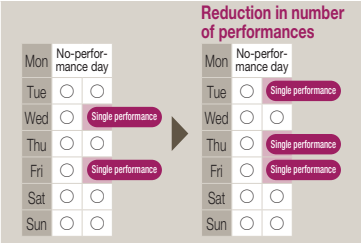
Revise show plans and establish a framework to deliver even more fulfilling stage performances in a safer, more secure environment

- Transition from 9 performances per year to 8 performance per year (increasing the number of days available for vacation and rest between performances)
- Transition from 10 to 9 performances per week

Example of changes to the show framework



Performance schedule example



2	Review of rehearsal operations
---	--------------------------------

Establish an environment in which performers and staff can fully dedicate themselves to their work under optimal conditions

- Review of schedule and operation of performances featuring newcomers**
 - Revise the performance schedule, extend the rehearsal period, and adjust both the newcomer performance date and rehearsal start date to allow focused preparation for the main production
- Change of entry and exit times**
 - Strengthen the management of entry and exit times, delay entry time, and advance exit time to shorten the duration of time spent on-site

3	Operational efficiency improvement
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Reduce the burden on performers and staff by reviewing role allocation and introducing IT tools, and create an environment that enables them to focus on craft and creative activities

- Review of role allocation (division of work) for performers and staff**
 - Review roles related to preparing and arranging rehearsal props, and continue revising operations to improve efficiency in running the rehearsal studio
- Introduction of IT tools**
 - Provide tablet devices to all performers and staff to facilitate information and data sharing

4

Promoting incorporation

As part of our efforts to strengthen governance on a groupwide basis, the Takarazuka Revue Company will be incorporated as a joint-stock company, further enhancing management transparency and the effectiveness of reforms

- Transition to a joint-stock corporation (incorporated in July 2025 as “Takarazuka Revue Company”)
- Establishment of the Three Lines model and appointment of Directors from outside the company
 - Establish the “Business Division (first line)” responsible for practical work such as performance planning and production, and the “Administrative Division (second line)” responsible for general affairs, HR, and accounting, and the “Internal Audit Division (third line)”
 - To oversee the entire Three Lines model, constitute a majority of Directors from outside the company

5

Review of HR systems and employment relationships

Develop an environment in which troupe members can work healthily and with peace of mind to devote themselves to creating better stage performances

- Review of employment relationships and strengthening of working-hour management
 - Previously, from the sixth year after joining, members were under talent (outsourcing) contracts, but performers from their sixth year onward will also conclude employment contracts (excluding those belonging to the Senka)
 - Review application of the discretionary labor system to assistant directors and associate producers
 - Strengthen working-hours management via time recorders
- Enhancement of compensation and benefits
 - Increase certain allowances related to production and performance, implement a base pay increase, and raise appearance fees for secondary products
 - Introduce housing subsidy allowances as part of support measures primarily for younger members

6

Strengthening the support system

Setting up a system to support the physical and mental well-being of troupe members so they can stay in good condition and focus on creating productions

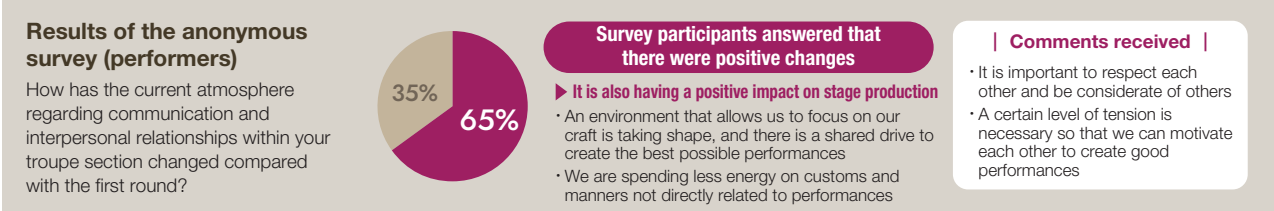
- Expand support systems at clinics and related facilities
 - Open a permanent counseling room
 - Expand referral routes to specialists
 - Extend clinic physicians' working hours and increase the number of full-time physicians
- Improve the performers' cafeteria
 - Under the supervision of registered dietitians, offer menus using health-oriented ingredients
 - Make usage free of charge for performers

7

Ensuring psychological safety

Achieving a workplace environment with high psychological safety and flexibility through various consultation channels and surveys

- Establish a dedicated external consultation line for the troupe, and ensure thorough awareness of the various consultation channels
- Conduct anonymous surveys on the workplace environment (psychological safety) Note: Conducted January–March 2024 (Round 1) and November–December 2024 (Round 2)



8

Fostering an organizational culture aligned with the times

- Review of customs, practices, and instructional methods
 - Among the customs and practices that had been codified as rules among performers, abolish or revise those that are outdated or overly strict
 - At the same time, to create better productions and pass down the craft, we will continue working to improve skills and communication for giving and receiving appropriate instruction.
- Install suggestion boxes for anonymous submissions
 - Install anonymous suggestion boxes for troupe members (performers) at two locations in the facility, set up a dedicated web form, and, in response to requests, implement improvements sequentially in consultation with performers and stakeholders
 - Hold repeated discussions and take actions on the opinions received and provide feedback on the results (implemented nine times to date)
- Change how tickets for performers are handled
 - Change the method for handling tickets for performers from bulk applications consolidated by troupe group to applications by individual performer from September 2025

9

Strengthening systems for sustainable growth

Build a structure that enables each individual to thrive and grow so we can continue delivering better performances

- Increase the number of troupe staff and assistant producers, and make changes to the organizational structure
- Strengthening human resource development
 - Expand various training programs, including harassment training for performers and staff and training for harassment consultation desks
 - Continue working to foster an organizational culture and build systems that enable work styles adapted to a diversifying society

List and schedule of reform initiatives

		2023		2024												2025												
		11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9				
1	Review of show plans			★ Reducing the number of engagements and performances																								
2	Review of rehearsal operations			★ Review of rehearsal schedules					★ Rescheduling of the Newcomer Performance																			
3	Operational efficiency improvement			★ Review of the division of duties for performers														★ Introduction of IT tools										
4	Promoting incorporation																		★ Establishment of a new company		★ Transition to the new company							
5	Review of HR systems and employment relationships (● : increase in allowances, etc.)				●			●						●		●		★ Transition to employment contracts			●							
6	Strengthening the support system	●		● Establishing a permanent counseling room				● Extending clinic physicians' working hours				● Increasing the number of on-site physicians					● Cafeteria renovation and free-of-charge use											
7	Ensuring psychological safety (● : anonymous surveys conducted)			●		★ Opening a dedicated external consultation line								●														
8	Fostering an organizational culture aligned with the times (● : report on suggestion-box matters)			★ Installing suggestion boxes		●		●	★ Abolishing and revising rules						●		●				Change to the handling method for performers' tickets				★			
9	Strengthening systems for sustainable growth (■ : increase in staff, ● : training conducted)		●	●		●		■		●		●		●		●			■									
Overall	Leveraging external expertise (Advisory Board)						★ Round 1		★ Round 2		★ Round 3			★ Round 4			★ Round 5											

Advisory Board

In April 2024, Hankyu Corporation established an Advisory Board comprising outside, which held a total of five plenary meetings through March 2025. In addition, we incorporate a wide range of advice and recommendations from experts across various fields to inform and enhance our reform efforts.

Board members and fields of expertise

Haruhiko Kato / Chair	Governance and internal controls
Kazutoshi Inano	Governance and internal controls
Yoko Sanuki	Legal affairs
Midori Okuyama	Theatrical production
Ryosuke Ishii	Organizational culture reform and psychological safety
Nami Okubo	Organizational culture reform and psychological safety

Meetings held

1st meeting: Thursday, April 25, 2024
2nd meeting: Wednesday, June 5, 2024
3rd meeting: Monday, September 30, 2024
4th meeting: Friday, December 6, 2024
5th meeting: Monday, March 17, 2025

In addition to the above plenary meetings, we received advice and recommendations as needed.

01

The organizational positioning and accountability within the Revue have historically been ambiguous, and governance must be strengthened. While it is essential to preserve the core sources of competitive strength, a closed and homogeneous organization tends to face various challenges. Therefore, introducing external perspectives is vital to enhance the transparency and objectivity of management.

► We incorporated Takarazuka Revue Company as a corporation, built a Three Lines Model within the troupe, and appointed a majority of the Directors from outside the company.

02

We should advance efforts to ensure a management framework suited to the theater world—especially the unique characteristics of the Takarazuka Revue—while balancing compliance with the Labor Standards Act.

► We decided to shift all performers, excluding the Senka, to employment contracts, and to review the application of the discretionary labor system for staff and manage working hours in line with actual working conditions.

03

To build a sustainable troupe management structure, it is necessary to listen to the voices of performers and staff and continuously monitor conditions. In addition, dietary support is important for health management and performance improvement.

► We set up an anonymous suggestion box and provide regular responses, and we are conducting a “Psychological Safety Survey”. We also renovated the cafeteria and made it free for performers to use.

04

Alongside strengthening management of rehearsal time (working hours), it is necessary to review rehearsal operations, such as reducing the burden on assistant directors.

► We are continuously implementing improvements, including securing sufficient rehearsal days and strengthening rehearsal time management, utilizing external staff, increasing directing staff, and promoting mindset changes.

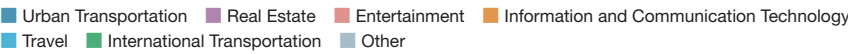
Segment Strategies

Transformation from strong individual businesses to a strong Group

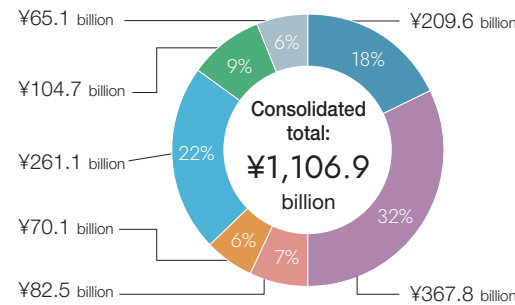
Each of our businesses has built solid brand strength and achieved steady growth. However, in light of evolving business conditions, such as a declining birthrate and aging population, we must go beyond the sum of individual businesses and accelerate value creation as a unified group to continuously enhance corporate value and maximize profitability. Under our Long-Term Management Plan, we aim to transform into a strong, organically connected group while maintaining the strength of each individual business, ultimately striving to become an excellent company that transcends the boundaries of a traditional private railway operator.

FY2025 Results Summary

Note: Calculated based on the simple aggregate amount (including intersegment transactions) of each segment.

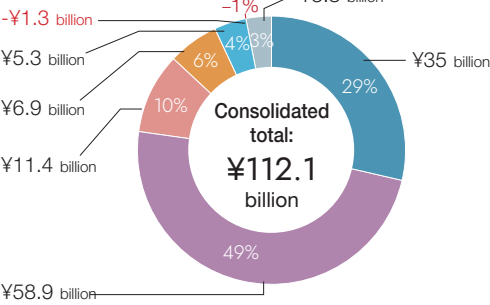


Operating revenue

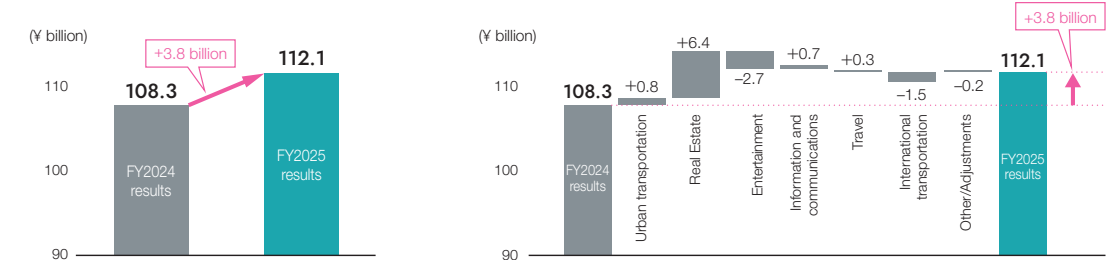


Business profit

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

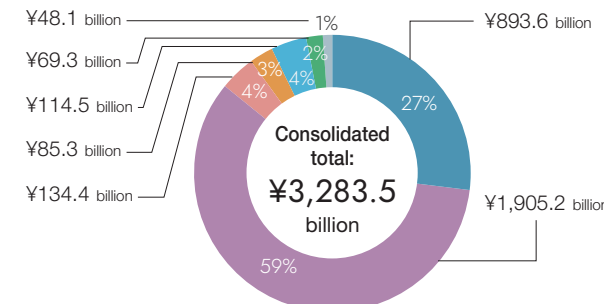


Changes in business profit



In FY2025, despite the recoil from one-off factors in FY2024, such as a surge in professional baseball-related demand in the sports business and contracts for municipal support services in the travel business, as well as sluggish cargo handling performance in the International Transportation Segment, revenue and profit increased compared to FY2024. This was driven by a rise in condominium unit sales in the real estate business and a recovery in demand for urban transportation and overseas travel.

Segment assets (As of the end of FY2025)



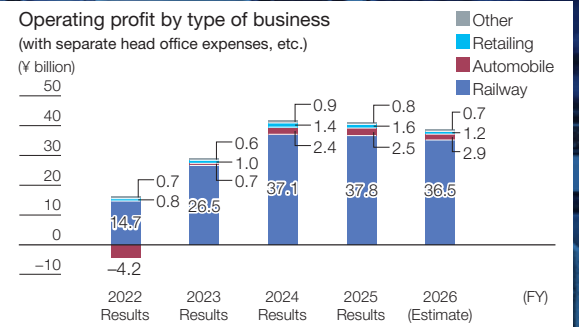
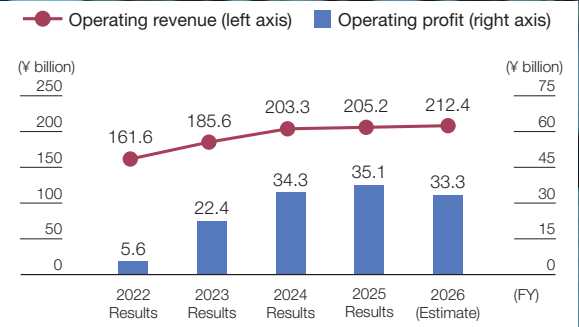
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Urban Transportation

We are contributing to improved line-side value through the provision of secure, comfortable, and environmentally-friendly transportation services.



Note 1: The anticipated full-year results for FY2026 are based on information announced on July 31, 2025.

Note 2: Beginning in FY2026, the revenues and expenses of certain subsidiaries of the Retailing business within the Urban Transportation segment are presented under Other; the actual results for the comparative period (FY2026) have been restated accordingly.

Business environment

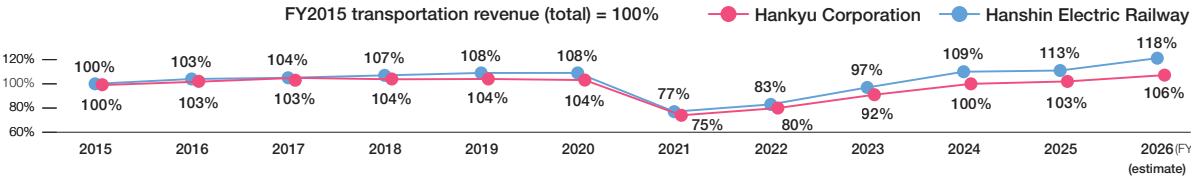
We are responding to changes in the demand for movement and a declining number of workers, and increasing expectations for high-quality transportation services

While the population of the Kansai region as a whole is in decline, the Group's line-side areas, especially in the Osaka-Umeda district, continue to be recognized as very popular. However, changes in the operating environment, such as shifts in demand for movement sparked by the COVID-19 pandemic, growth in inbound tourists, and labor shortages, are accelerating. We must respond flexibly to these changes and further promote the use of public transportation by delivering even higher-quality transportation services.

Under these circumstances, it is necessary to provide passenger services tailored to diverse needs, revise train schedules in line with demand, and improve productivity through operational efficiency using new technologies. In addition,

efforts such as promoting line-side community development to create new movement demand are also required. Bearing in mind growing public awareness about higher levels of safety, SDGs, and carbon neutrality, there is also a demand for measures such as installing platform screen doors that enable a diversity of customers to use the railways safely, and the introduction of energy-efficient rolling stock to help reduce CO₂ emissions. Trains are a mode of transport for which the energy used per person is extremely low, so in urban areas where a certain number of passengers can be expected, promoting train use as the core of public transportation can make a significant contribution to decarbonization throughout society.

Railway transportation revenue



Note 1: The anticipated full-year results for FY2026 are based on information announced on July 31, 2025.

Note 2: Since FY2024, a fare system for barrier-free facilities at railway stations has been applied, and a barrier-free charge is levied in addition to the normal fare. The charge is included in non-commuter pass revenue and commuter pass revenue (excluding school students' commuter passes).

Urban Transportation business strategy under the Long-Term Management Plan

1. Transform railway, bus, and taxi operations into resilient and sustainable businesses by enhancing safety and deepening service quality to adapt to changing environments.
2. Expand station and transportation networks and promote modal shifts to generate new demand and grow the customer base.
3. Leverage the know-how and brand strength gained in existing businesses to drive community development and generate higher value-added services.
4. Deepen collaboration within the Group to enhance cross-business synergies, while promoting collaboration with external partners across a broad range of fields. In parallel, continue to pursue expansion into growth markets such as overseas by leveraging our know-how.

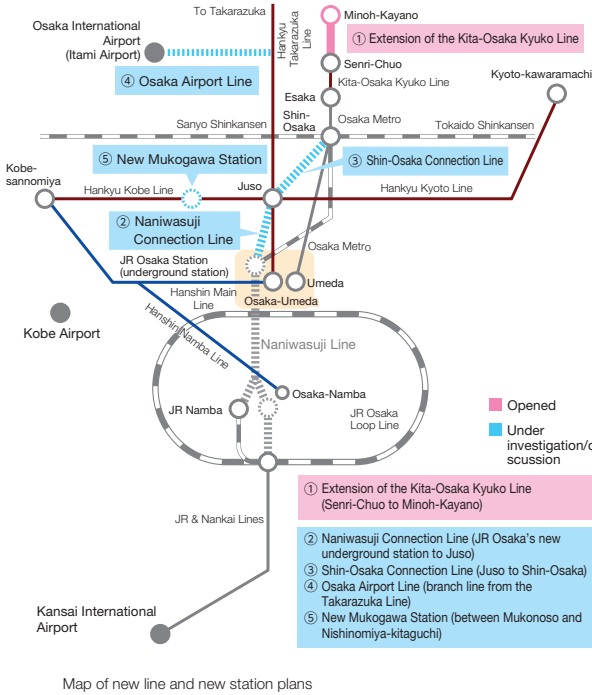
Urban Transportation initiatives under the Long-Term Management Plan

Aiming to grow the value of line-side areas by expanding the transportation network

Under the Long-Term Management Plan, one strategic pursuit is to make our line-side communities the absolute best. Our focus is on making our line-side areas much more attractive by engaging in community building with partners such as local governments, and by actively leveraging the latest technologies to improve convenience and the level of service we can offer, with the aim of coping with the shrinking and aging population.

As part of this strategy, in our Urban Transportation Segment, we are investigating and discussing new lines and new station projects in order to further strengthen the transportation network.

Against this backdrop, in March 2024, an extension of the Kita-Osaka Kyuko Railway opened. We are also moving forward with evaluating the development of the Naniwasuji Connection Line and the Shin-Osaka Connection Line. If realized, these lines



Aiming to provide even higher quality transportation services

In our Urban Transportation Segment, we will continue to pursue services that prioritize safety, security, and comfort, even in the context of changing needs and demand. From April 1, 2023, a system of additional charges was introduced on Hankyu Corporation and Hanshin Electric Railway train journeys for investing in barrier-free facilities at railway stations, and thanks to this, we are now swiftly and steadily installing equipment for greater accessibility, such as platform screen doors at all stations. Having fully secured safety with such equipment, our efforts to enhance the sustainability of railway services include plans to run conductor-less trains on the Hankyu Minoh, and Arashiyama lines.

To increase railway operations revenue, we will promote

will dramatically improve access to Osaka-Umeda from the air and land gateways, and we believe they will enable the areas along our lines to capture the vitality of the national axis and the power of the world. This will dramatically improve access to Osaka-Umeda from gateways in the air and on land, and we intend to invigorate transport links to our line-side communities and allow them to harness global power. Moreover, with the government's designation of the Shin-Osaka area as a priority district for urban regeneration, we are pushing forward with a public-private partnership for new community development in an area that includes the adjacent Hankyu Juso and Hankyu Awaji stations. Shin-Osaka will therefore be at the center of efforts to improve the area's outstanding potential as a major transport hub serving a large region.

In addition, on the Hankyu Kobe Line between Mukonoso Station and Nishinomiya-kitaguchi Station, we have launched a project to build a new station, with a target opening at the end of FY2032. Working in mutual cooperation with Amagasaki City and Nishinomiya City, we will contribute to creating livable and vibrant communities by developing the public transportation network around the new station, among other initiatives.

In addition, Hankyu Bus, Hankyu Kanko Bus, and Hanshin Bus provided transportation services from key hubs in the Kansai region, such as Shin-Osaka Station and Osaka International Airport, during Expo 2025. Going forward, we will continue efforts to appropriately capture demand and convert it into revenue.



Site of the new Mukogawa Station (shaded area)

service enhancement measures that appropriately address diversifying needs, such as offering reserved-seat services; providing ride services via tap-to-pay using credit cards etc., and introducing a service that allows customers to make advance online reservations for assistance from station staff on the Hankyu lines.

Furthermore, we are proactively working on environmental measures that will further enhance the environmental performance of rail transportation, including the implementation from April 2025 of carbon-neutral operations (effectively net zero CO₂ emissions) on all Hankyu and Hanshin lines. By effectively promoting such measures, our goal is to encourage greater use of public transportation.

Urban Transportation Segment non-financial KPIs

Priority issues	Action plan	Non-financial KPIs	Target values	Scope	FY2025 actual record
<div><div>1</div><div></div><div>Safe, reliable infrastructure</div></div>	Reason for action plan based on opportunity and risk	In response to rising interest in customer safety and peace of mind, to add transport reliability to the given fundamental of transport safety to put customers at ease and strengthen the Group's brand and trustworthiness			
	Improve safety education training and performance of train operation safety systems	Number of culpable incidents in railway operation business	Maintain at zero	Hankyu Corporation Hanshin Electric Railway KITA-OSAKA KYUKO RAILWAY Nose Electric Railway Kobe Rokko Railway	Hankyu: 0 incidents (since 1979) Hanshin: 0 incidents (since 1986) KITA-OSAKA KYUKO: 0 incidents (since 1970) Nose Electric: 0 incidents (since 1982) ROKKO CABLE: 0 incidents (continuing since 2001)
		Number of fatal accidents in automobile business	No accidents involving death	Hankyu Bus HANSHIN BUS HANKYU KANKO BUS Hankyu Taxi Hanshin Taxi Osaka Hanshin Taxi	Hankyu Bus: 0 incidents HANSHIN BUS: 0 incidents HANKYU KANKO BUS: 0 incidents Hankyu Taxi: 0 incidents Hanshin Taxi: 0 incidents Osaka Hanshin Taxi: 0 incidents

<div><div>1</div><div></div><div>Safe, reliable infrastructure</div></div>	Reason for action plan based on opportunity and risk	To improve sturdiness to make railway infrastructure more resistant to natural disasters such as earthquakes or torrential rains and typhoons that are intensifying due to climate change, and to set up core systems to enable continuation of operation after a disaster in order to strengthen the Group's brand and trustworthiness			
	Seismic retrofitting (elevated bridges/stations) Slope protection Flood protection for major facilities (including railcarevacuation) Bridge reconstruction to lower risk of flooding Ascertainment of bridge soundness	Long service downtime due tonatural disaster (non-operational for 2 days or more)	Zero	Hankyu Corporation Hanshin Electric Railway KITA-OSAKA KYUKO RAILWAY Nose Electric Railway	0 incidents

<div><div>1</div><div></div><div>Safe, reliable infrastructure</div></div>	Reason for action plan based on opportunity and risk	To proceed with accessibility measures both technical and human to provide safe, comfortable, high-quality service for diversifying needs in order to strengthen the Group's brand and trustworthiness			
	Expand wheelchair space in railcars, improve responsiveness of guidance chimes for the vision-impaired, etc.	Increase number of accessible railcars (units)	Aim for a steady increase	Hankyu Corporation Hanshin Electric Railway KITA-OSAKA KYUKO RAILWAY Nose Electric Railway	• Guidance chime installation rate Hankyu: 49% Hanshin: 77% KITA-OSAKA KYUKO: 70% Nose: 20% • Installation rate of advance warning light for side sliding door opening/closing Hankyu: 70% Hanshin: 77% KITA-OSAKA KYUKO: 90% Nose: 80%
	Encourage rail transit employees (station employees, train crew, etc.) to acquire service assistant certification	Percentage of accessible railway stations	Rate of step-barrier removal*1 100%		Hankyu: 99% Hanshin: 100% KITA-OSAKA KYUKO: 100% Nose: 100%
		Accessible human service rate	100% service assistant certification amongrail transit employees (station employees, train crew, etc.)		Hankyu: 79% Hanshin: 100% KITA-OSAKA KYUKO: 100% Nose: 32%

<div><div>5</div><div></div><div>Environmental protection</div></div>	Reason for action plan based on opportunity and risk	• To accelerate environmental measures amidst rising interest in environmental issues such as global warming in order to meet the expectations of society • To prepare for the risk of rising costs such as electricity rates accompanying stricter environmental regulations			
	Introduction of new low-energy consumption railcars	Rate of conversion to VVVF invertertype railcars*2	Aim for a steady increase	Hankyu Corporation Hanshin Electric Railway KITA-OSAKA KYUKO RAILWAY Nose Electric Railway	Hankyu: 61% (109/179 train units) Hanshin: 75% (56/75 train units) KITA-OSAKA KYUKO: 100% Nose: 33% (5/15 train units)
	Conversion to LED lighting in station buildings, etc.	LED light conversion	• Station lighting (excluding back yard) Hankyu: 100% (FY2031) Hanshin: 100% (FY2031) KITA-OSAKA KYUKO: 100% (FY2022) Nose: 100% (FY2027)		Hankyu: 72% Hanshin: 84% KITA-OSAKA KYUKO: 100% Nose: 86%

*1 Percentage of accessible stations (among stations that service 3,000 or more passengers per day)

*2 VVVF inverter-type railcar: A different type of railcar (not the type that generates waste heat energy to control resistors to adjust the voltage for the motor), but a more environmentally efficient railcar that can control the motor's voltage and frequency without waste

TOPICS

Pursuing safety and peace of mind in railway operations

As organizations involved in public transportation, the railroad companies in our Group recognize the pursuit of safety and security as our highest priority issues and are focusing on providing stable transportation services. To reliably ensure the safety of railway operations, alongside raising employee awareness and training, it is important to steadily develop safety systems that complement the premise that human error is, to some extent, unavoidable. In addition, by developing an environment in which all customers can use our services with peace of mind and comfort, we will also enhance customer satisfaction and expand usage. In particular, the Hankyu Corporation and Hanshin Electric Railway are pushing ahead with their pursuit of safety and peace of mind through the following initiatives involving stations and trains.

Initiatives to improve safety

Toward the installation of platform screen doors at all railway stations

To improve safety, Hankyu Corporation and Hanshin Electric Railway are progressing with the installation of platform doors (sliding or fixed) at all stations, with the expected targets for completion being the end of FY2041 for Hankyu Corporation and FY2043 for Hanshin Electric Railway. From December 2021, a system of additional charges was introduced for investing in barrier-free facilities at railway stations and is being utilized for this installation.



Sliding platform doors at Hankyu Nishinomiya-kitaguchi Station

Installation record in FY2025 and future plans for platform screen doors (sliding or fixed)

	Hankyu Corporation	Hanshin Electric Railway
FY2025 track record	21 platforms at 8 stations (Nishinomiya-kitaguchi Station, Hotarugaike Station, Katsura Station, etc.)	2 platforms at 1 station (Koshien Station)
FY2026 plans	21 platforms at 9 stations (Tsukaguchi Station, Ishibashi Handai-mae Station, Kyoto-kawaramachi Station, etc.)	9 platforms at 4 stations (Motomachi Station, Sumiyoshi Station, Koshien Station, Naruo Station)
Time scale for installation at all stations	By around the end of FY2041	Scheduled to be by the end of FY2043

Installing security cameras to improve safety on trains

We are proceeding with the installation of security cameras on trains to enhance security. The camera system has communications functionality, and video footage of the situation on board a train can be monitored in real time, for example, from the operations control center. This makes it possible to quickly and appropriately respond if a problem incident occurs, and leads to reductions in crime and antisocial behavior. As of April 2025, Hanshin Electric Railway has completed the installation of onboard security cameras in all its railcars, excluding those scheduled for replacement in the near future. Hankyu Corporation plans to complete installation by the end of FY2028.



Security camera installed on a Hanshin Electric Railway train

Strengthening structures for stable transportation

There are sections of the Hanshin Namba Line Yodogawa Bridge that are lower than the height of the levee, requiring train service suspension and closure of floodgates during expected storm surges, such as when a typhoon approaches, to prevent river flooding. To permanently resolve this issue, a new bridge will be constructed and the adjacent sections will be elevated. This construction project, spanning approximately 2.4 kilometers, will eliminate five level crossings within the affected area, resulting in the complete removal of all level crossings on the Hanshin Namba Line.



Rendering of the completed design



Construction of elevated structures



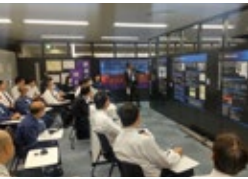
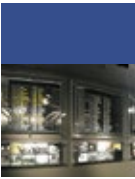
In-river construction status

Training employees for safe operations

In order for customers to be able to use our railways with peace of mind, we are working to train employees who value safety by raising safety awareness through inspections of work-site departments by senior management and the exchange of views with employees, establishing a training institute (Hankyu Corporation) and a safety exhibition room (Hanshin Electric Railway) for learning about past accidents and disasters, holding safety conferences to improve skills related to the maintenance of railway facilities, and implementing comprehensive training for responding to emergencies.



Training institute (Hankyu Corporation)



Safety exhibition room (Hanshin Electric Railway)

Evacuation guidance drills and facility restoration drills assuming an earthquake in the Nankai Trough

In November 2024, Hankyu Corporation held practice drills at the Hirai Marshaling Yard on the Takarazuka Line in readiness for an earthquake in the Nankai Trough. A scenario was envisaged in which a train stops between stations in an area forecast to be inundated by a tsunami, and the practice drill involved guiding passengers to evacuate via a nearby level crossing; participants included wheelchair users and various evacuation methods were tested. In addition, practical proficiency drills were conducted for situations involving railcars derailed due to an earthquake, signal equipment failures, and the restoration of severely displaced tracks.

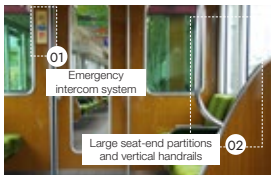


Evacuation guidance drill

Barrier-free measures

Initiatives to improve safety and barrier-free accessibility in railcars

At Hankyu Corporation, to enable customers to report to crew members in the event of a sudden illness or an emergency onboard, we have installed emergency intercom systems in all vehicles. In addition, to prevent customers from falling or colliding during emergency braking, on vehicles from the 1000 series and 1300 series onward we have enlarged the seat-end partitions and installed vertical handrails. On the newest vehicle types, the 2000 series and 2300 series, we are expanding wheelchair spaces, installing wheelchair restraints, and changing the height and color of the straps near the wheelchair spaces and priority seats, among other efforts to improve safety. At Hanshin Electric Railway, we have installed in all vehicles emergency call devices capable of voice communication with crew members, onboard information displays, and gangway covers between cars to prevent falls. Additionally, on standard vehicles of the 5700 and 5500 series, we are working to improve safety by making strap heights available in three levels and increasing vertical handrails so customers can maintain proper body support against vehicle sway.



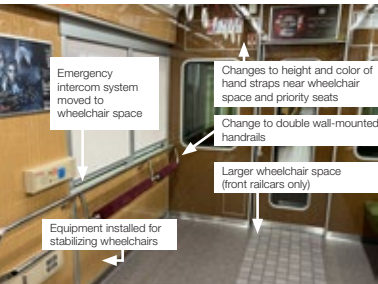
Emergency intercom system, large seat-end partitions, and vertical handrails (Hankyu Corporation)



Onboard information display (Hanshin Electric Railway)



Height-selectable straps (Hanshin Electric Railway)



Barrier-free features of the 2000 and 2300 series (Hankyu Corporation)

Strengthening assistance services for boarding and alighting to support barrier-free accessibility

A web-based reservation service for requesting help from station staff for boarding and alighting was launched in April 2025. The service covers 87 stations on the Hankyu Railway network, allowing passengers to enter details such as their intended train and required assistance online when making a reservation. This information is automatically shared with a dedicated app used by station staff, enabling smoother coordination of staff deployment and support preparations, thereby providing passengers with greater peace of mind when using the service.



Assisting a customer in a wheelchair

Please refer to the Safety Reports (Japanese only) of each company for details

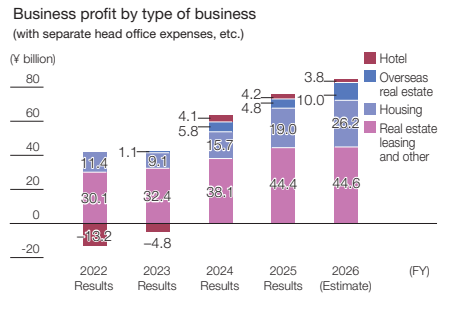
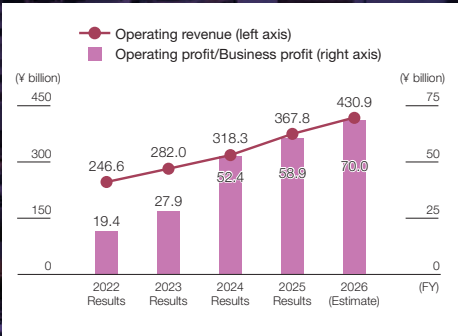
Hankyu Corporation: <https://www.hankyu.co.jp/company/approach/anzen/index.html>
Kita-Osaka Kyuko Railway: <https://www.kita-kyu.co.jp/company/attempt/safety/>

Hanshin Electric Railway: <https://www.hanshin.co.jp/safety/report/>
Nose Electric Railway: <https://noseden.hankyu.co.jp/company/safety.html>



Real Estate

Our goal is to support attractive urban envelopment while offering the choice of an affluent lifestyle.



Note 1. The anticipated full-year results for FY2026 are based on information announced on July 31, 2025.
2. Business profit = operating profit + equity-method gains/losses related to overseas business investments (Prior to FY2023, the Company had no equity-method affiliates in its overseas business. Thus, for that period, "business profit = operating profit").
3. Starting in FY2024, the overseas real estate business, which had been included in the for-sale business and others, is presented as a standalone business category; the results for FY2023 are presented on a reclassified basis.
4. Effective from FY2026, the "leasing business" has been renamed the "real estate leasing and other business," and the "for-sale business and others" has been renamed the "housing business." Furthermore, revenues and expenses of the property management/building maintenance business and the real estate fund/REIT business, which had previously been included in the "for-sale business and others," will be presented under the "real estate leasing and other business," and the FY2025 actual figures have been restated accordingly.

Business environment

Real estate leasing and other business

The Group's office buildings, which enjoy superior location advantages and functionality, are expected to continue to see solid demand even as new supply increases. At the same time, as the roles and functions expected of office buildings shift—such as accommodating diverse work styles, disaster preparedness, and environmental conservation—it is necessary to adapt to these changes. For commercial facilities, we need to continuously enhance value through renewals and tenant replacements to achieve differentiation from surrounding facilities, taking into account customer needs and changes.



Osaka Umeda Twin Towers South

Housing business

Demand in highly convenient urban areas (near stations and other prime locations) where the Group is focusing remains robust, and sales prices for both new condominiums and new detached houses remain at high levels. At the same time, it is important to continuously monitor factors such as rising mortgage rates, which may affect homebuyers' willingness to purchase, as well as trends in construction costs. Furthermore, with the market expected to shrink due to population decline, it is necessary to further strengthen our brand by enhancing design capabilities and developing high-value-added products.

Overseas real estate business

ASEAN countries are experiencing remarkable economic growth, and demand and markets are expected to continue expanding. Furthermore, in advanced economies such as the United States, Canada, and Australia, market transparency and liquidity are ensured, making stable business expansion feasible. Advancing these overseas operations not only allows the Group to fully leverage the urban development expertise it has built up in Japan, but also provides opportunities to gain new insights that can be applied to urban development along our railway lines and elsewhere.



Central Park Mall in Indonesia

Hotel business

With inbound tourism increasing, lodging demand has been rising in recent years, and in 2025, demand is particularly strong in the Kansai area due to the Osaka-Kansai Expo.

Real estate business strategy under the Long-Term Management Plan

Real estate leasing and other business

1. Value enhancement of rental properties tailored to area and asset characteristics
2. Steadily capturing inbound consumption
3. Diversification of asset types and expansion of information networks in short-cycle businesses

Housing business

4. Strengthening the brand and improving profit margins
5. Expanding business and broadening our offerings in the Tokyo metropolitan area
6. Strengthening and expanding efforts in redevelopment and condominium reconstruction
7. Expansion of income-producing real estate development business

Overseas real estate business

8. Further expansion of business scale and building a stable business foundation
 - (long-term hold businesses) Primary focus on ASEAN countries: acquisition of income-producing properties and building a stable earnings base
 - (turnover-type businesses) Primarily in the United States, acquire income-producing properties, enhance their value, and sell them to generate recurring profits
 - (residential sales businesses) ASEAN countries plus expansion of business in Australia and North America

Hotel business

9. Enhancing business competitiveness
 - Actively capturing inbound demand
 - Facility upgrades and service improvements aligned with high ADR levels

Real estate business initiatives under the Long-Term Management Plan

Making Our Line-Side Communities the Absolute Best (Reference: Special Feature 1) ▶ P.33

In the Osaka Umeda area, the Group's largest business hub, Grand Green Osaka (South Building), a multifunctional complex, held its grand opening on March 21, 2025. At Grand Green Osaka, guided by the philosophy and policy of "a fusion of Greenery and Innovation," we are pursuing urban development aimed at positioning Kansai, and Asia as a whole, at the forefront of progress.

Going forward, toward making our line-side communities the absolute best, we will drive development and facility value enhancement at key hubs along the lines, starting with the Osaka-Umeda area, to raise the value of the areas along our railway lines.



Grand Green Osaka (South Building opened in March 2025) © Akira Ito.aifoto

■ Residential sales business and business portfolio expansion

In our Residential Sales Business, at a domestic level, we will retain our Condominium Business as a focal point, promote our short-term return business (selling rental condominiums to investors to generate revenue), and while expanding and developing our range of businesses, including redevelopments and building replacements.



Geo Tower Takarazuka Grand Regis, a large-scale development on the site of the old Takarazuka Hotel (scheduled to begin handovers from FY2025)



Geo Tower Osaka Juso ranked number one for the number of units sold among newly built condominiums in the Kansai region in 2024* (scheduled to begin handovers in FY2027).
* Checked by Marketing Research Center Co., Ltd. Number of newly built residential condominiums sold during 2024 (January 2024–December 2024) in the Kansai region (Shiga, Kyoto, Osaka, Hyogo, Nara, and Wakayama Prefectures).

■ Overseas expansion of real estate business

(Reference: Special Feature 3) ▶ P.37

In our Overseas Real Estate Business, in addition to the residential sales business we have focused on until now in the ASEAN region, we are working on our long-term hold business (Real Estate Leasing Business) and turnover-type business (short-term return business) to quickly expand and grow the scale of revenue and profit. In FY2025, we launched new initiatives in Australia, including long-term hold business such as logistics warehouses and residential development projects. In Indonesia, we acquired a portion of the Beachwalk Complex, a prominent commercial and hotel facility in Bali.



Logistics facility in Australia



Beachwalk Complex (Indonesia)

■ Capturing expanding demand

In the hotel business, we aim to capture increasing inbound demand while promoting efforts to strengthen our business competitiveness.

In March 2025, we opened Hotel Hankyu Grand Respire Osaka at Grand Green Osaka. Leveraging its location close to JR Osaka Station, a hub for access to Kansai International Airport, it targets primarily seasoned adult inbound tourists traveling for sightseeing and leisure, and is used by many travelers.



Hotel Hankyu Grand Respire Osaka (opened March 21, 2025)



Guest room in Hotel Hankyu Grand Respire Osaka

Real Estate Segment non-financial KPIs

Priority issues	Action plan	Non-financial KPIs	Target values	Scope	FY2025 actual record
<div><div>1</div><div></div><div>Safe, reliable infrastructure</div></div>	Reason for action plan based on opportunity and risk	In response to rising calls for safety, to prepare for accidents or natural disasters such as earthquakes or flooding from storms occurring more frequently because of climate change through measures both human and technological, thereby strengthening the Group's brand value and trustworthiness			
	Implement measures, both human and technological, to enable customer use with peace of mind, including measures to manage natural disaster	Accident and emergency course attendance rate (for employees in real estate leasing)	100% (FY2031)	Hankyu Hanshin Properties Hankyu Hanshin Building Management	94%
		BCP readiness*1 rate for large buildings*2 in the Osaka-Umeda area	100%	Hankyu Corporation Hanshin Electric Railway Hankyu Hanshin Properties	100% Note: Target property: Osaka Umeda Twin Towers South
<div><div>1</div><div></div><div>Safe, reliable infrastructure</div></div>	Reason for action plan based on opportunity and risk	To make an active and ongoing effort to label foods properly in order to provide customers with safe food, thereby helping to build trust in the Group and bolster our brand value			
	Manage use of "select ingredients" listed on menus Train employees on menu creation and item listings Comply with designated system of checks	Number of serious culpable incidents related to listing of foods	Maintain at zero	Hankyu Hanshin Hotels Hanshin Hotel Systems	0 incidents
<div><div>1</div><div></div><div>Safe, reliable infrastructure</div></div>	Reason for action plan based on opportunity and risk	To strengthen risk countermeasures in times of emergency and create an environment in which customers can feel safe at a hotel, thereby helping to build trust in the Group and bolster our brand value			
	Enhance collaboration with local governments Prepare stockpiles of items for disaster preparedness and establish a system for managing them Prepare a response manual for when lifelines get cut off Prepare a response manual for how to evacuate, the location of evacuation shelters, etc.	Prepare stockpiles of items for disaster preparedness	Secure a 3-day supply for employees and guests (FY2031)	Hankyu Hanshin Hotels	Secure a 3-day supply for employees and a 1-day supply for guests (based on a 100% occupancy rate)
<div><div>2</div><div></div><div>Thriving communities</div></div>	Reason for action plan based on opportunity and risk	To provide facilities and services that deliver safety and comfort and offer dreams and inspiration, and that are easy to use for a diverse range of customers, including non-Japanese people; and to get out ahead of the growing need for work style reform and diversification, thereby differentiating our Company from others and strengthening our competitiveness			
	Carry out robust urban development that promotes ease of use for diverse customers and working styles	Rate of multilingual guidance at major commercial facilities in the Osaka-Umeda area	100%	Hankyu Corporation Hanshin Electric Railway Hankyu Hanshin Properties	100% Note: Target facilities: Hankyu Sanban Gai, HEP FIVE, Herbis Plaza, Herbis Plaza ENT (Facilities website and pamphlet available in 4 languages, interpretation service available at information desk)
		Number of startups and other collaborative projects aimed at creating new work-life-play forms for diverse lifestyles and to provide services that improve safety, comfort, and peace of mind	Aiming for a steady increase	Hankyu Corporation Hanshin Electric Railway Hankyu Hanshin Properties	134 instances (since FY2019)

*1 BCP readiness: Emergency power installed at the 3rd floor or higher; emergency power to last 72 hours
*2 Large buildings: Buildings with a total floor area of 30,000 m² or more that were completed in FY2022 or later

Priority issues	Action plan	Non-financial KPIs	Target values	Scope	FY2025 actual record
<div><div>3</div><div>Life designs for tomorrow</div></div>	Reason for action plan based on opportunity and risk	<div><div>• To increase customer satisfaction and boost loyalty to the company brands, propose lifestyles that match diversifying customer values and needs, and carry out urban development for local revitalization and the benefit of the next generation</div><div>• To leverage our expertise from Japan to contribute to local urban development in ASEAN countries in order to boost the Group's brand value overseas and develop future clientele</div></div>			
	Work to improve customer satisfaction by responding to customers' diverse values, providing comfort and inspiration, and proposing lifestyles and carrying out urbandevelopment projects that will lead to community revitalization	<div>Geo condominium or home purchase desirability and tenant/owner satisfaction rates</div> <div>Number of apartment units sold in ASEAN countries (total)</div>	<div><div>• Purchase desirability survey of prospective buyers^{*1}</div><div>Kansai-region condominiums: Maintained No. 1 brand position in Kansai</div><div>Tokyo-region condominiums: Among the top 7 brands in Tokyo (FY2031)</div><div>• Satisfaction rates</div><div>Among condominium tenants in Kansai region: 90% or higher</div><div>Among condominium tenants in Tokyo region: 90% or higher (FY2031)</div><div>Among detached home owners in Kansai region: 90% or higher (FY2031)</div></div> <div>Aim is for a steady increase</div>	<div>Hankyu Corporation</div> <div>Hanshin Electric Railway</div> <div>Hankyu Hanshin Properties</div> <div>Hankyu Hanshin Properties</div>	<div><div>• Purchase desirability survey of prospective buyers</div><div>Kansai-region condominiums: No. 1/18 brands in Kansai</div><div>Tokyo-region condominiums: No. 9/17 brands in Tokyo</div><div>• Satisfaction rates</div><div>Among condominium tenants in Kansai region: 94%</div><div>Among condominium tenants in Tokyo region: 97%</div><div>Among detached-home owners in Kansai region: 95%^{*2}</div></div> <div>Approx. 67,920 units (Thailand: 31,000; Vietnam: 23,000; Indonesia: 7,000; The Philippines: 6,000; Malaysia: 1,000)</div>
<div><div>5</div><div>Environmental protection</div></div>	Reason for action plan based on opportunity and risk	To maintain and improve the asset value of owned real estate, improve customer ratings, and raise brand value by taking active measures to achieve carbon neutrality			
	Reduce CO ₂ emissions by improving energy efficiencies, etc., and pursue green building and eco-friendly housing to contribute to resolving societal issues and differentiate the company	<div>Percentage of all new condominiums that are ZEH certified and go on sale or start accepting applications for lease in each FY (ZEH-M Oriented^{*3} or higher)</div> <div>Acquisition rate of green building andother environmental certifications^{*4} that apply to office buildings and large buildings^{*5} for commercial and other uses</div>	<div>Maintain at 100% (from FY2025)</div> <div>Note: Excluding some properties such as those jointly owned with another company</div> <div>100%</div>	<div>Hankyu Corporation</div> <div>Hanshin Electric Railway</div> <div>Hankyu Hanshin Properties</div> <div>Hankyu Corporation</div> <div>Hanshin Electric Railway</div> <div>Hankyu Hanshin Properties</div>	<div>100%</div> <div>Note: Target properties: • Kobe-Sannomiya Hankyu Building (3-star DBJ rating) • Osaka Umeda Twin Towers South [DBJ 5-Star]</div>
<div><div>5</div><div>Environmental protection</div></div>	Reason for action plan based on opportunity and risk	To contribute to building a sustainable society by working hard to reduce food waste as a company that handles food in light of the growing problem of food waste			
	Control food waste (use processed waste materials effectively, and devise ways of serving and arranging food) Establish a system for weighing waste Promote the reduction and recycling of waste Introduce garbage disposals for food waste disposal	Volume of food waste	50% reduction compared to FY2014 (FY2031)	Hankyu Hanshin Hotels	76% reduction compared to FY2014
<div><div>5</div><div>Environmental protection</div></div>	Reason for action plan based on opportunity and risk	To respond to customer expectations and contribute to building a sustainable society by working hard to reduce the use of plastics in light of growing global concern among the public about microplastics ruining the environment			
	Study how to eliminate the use of disposable plastic items Select products made of alternative materials	Number of 20 specific plastic items provided per person in guest rooms	70% reduction compared to FY2022 (FY2031)	Hankyu Hanshin Hotels	46% reduction compared to FY2022

^{*1} Based on purchase desirability survey of prospective buyers (conducted by hankyu hanshin marketing solutions on the Web)

^{*2} Pertains to Geo Garden houses with handover between April 2023 and March 2024

^{*3} ZEH-M Oriented (Zero Emissions House-Mansion): A condominium with 20% or more reduced overall primary energy consumption, including common areas (the energy consumed for heating, cooling, ventilation, lighting and hot water heating as defined by 2016 energy conservation standards)

^{*4} Environmental certifications: Systems such as DBJ Green Building, CASBEE, BELS, LEED, etc.

^{*5} Large buildings: Buildings with a total floor area of 30,000 m² or more that were completed in FY2021 or later (excluding properties jointly owned with another company)

Entertainment

We will continue to fulfill dreams and offer excitement through our content.

Operating revenue (left axis)

Operating profit (right axis)

(¥ billion)

2022 Results 62.9 9.3

2023 Results 72.3 12.6

2024 Results 82.6 14.1

2025 Results 82.5 11.4

2026 (Estimate) 84.0 10.7

(FY)

Operating profit by type of business (with separate head office expenses, etc.)

(¥ billion)

2022 Results 6.9 3.7

2023 Results 8.8 7.4

2024 Results 14.8 11.2

2025 Results 10.1 10.1

2026 (Estimate) 10.0 10.0

(FY)

(Note) The anticipated full-year results for FY2026 are based on information announced on July 31, 2025.

Business environment

Embracing the rising value of authentic experiences

In the entertainment market, live entertainment is thriving as the value of experiences, such as the “immersive excitement and emotional uplift felt through the five senses” and “a sense of unity among customers,” can only be enjoyed in real life.

In our Sports Business, the Hanshin Tigers, who competed for the top spot until the end of the 2024 season, won the league championship in the 2025 season for the first time in two years. Many fans have come to support the team at their home stadium, Hanshin Koshien Stadium.

In our Stage Business, the Takarazuka Revue was incorporated in July 2025 to build a sustainable business foundation and strengthen the system for consistently delivering high-quality productions. The Takarazuka Revue celebrated its 111th anniversary in 2025. Going forward, it will continue to evolve in ways that suit the new era, providing “dreams” and “excitement” for generations to come.

Total attendance at Hanshin Tigers home games (by season)

(Thousands of people)

2015 2,878 2016 2,911 2017 3,035 2018 2,899 2019 3,091 2020 518 2021 749 2022 2,619 2023 2,916 2024 3,010

(year)

Takarazuka Revue total attendance of performances

(Thousands of people)

2016 2,825 2017 2,844 2018 2,996 2019 3,128 2020 2,991 2021 1,565 2022 2,727 2023 2,781 2024 2,737 2025 2,817

(FY)

^{*1} Live viewing of shows at movie theaters nationwide for paying audiences

^{*2} Live streaming of shows via the internet for viewing at home on a TV, smartphone, or other device for paying viewers (starting in FY2021)

• Number of shows:

Takarazuka Grand Theater: 343 (+29 from previous year)

Tokyo Takarazuka Theater: 398 (+12 from previous year)

Entertainment strategy under the Long-Term Management Plan

1. Maximize the value of the “Hanshin Tigers / Hanshin Koshien Stadium” brand

• Develop a strong team that contends for the championship on a regular basis, increase the appeal of Hanshin Koshien Stadium and the Koshien area, and expand the stadium business

2. Maximize value of the Takarazuka brand

• Build a sustainable business foundation; maintain and enhance the quality and appeal of theater performances; and improve theater services

Actively expand content businesses leveraging digital technologies and strengthen customer touchpoints with a view to acquiring new customers

3. Advance growth of other entertainment businesses and the leisure business

• Expand music, Mt. Rokko, and theater businesses, etc.

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Initiatives in Entertainment based on the Long-Term Management Plan (Reference: Special Feature 2) P.35

As part of its Long-Term Management Plan, one of the strategic directions is to “maximize the appeal of existing content and develop new content.” In the Entertainment segment, we aim not only to enhance the intrinsic value of our content, but also to expand its customer base through the use of digital technologies. Additionally, we seek to grow new revenue streams through distribution services and related merchandise.

■ The Hanshin Tigers baseball team and Hanshin Koshien Stadium are great sports content

In 2025, the Hanshin Tigers celebrated the 90th anniversary of their founding, adopting the catchphrase “Let your heart-beat roar. Walk the Tiger’s path.” and rolling out commemorative initiatives to heighten excitement for the anniversary year. In March, a new farm team facility, the “Zero-Carbon Baseball Park,” was opened. We will dramatically enhance the practice environment and strive to build an even stronger team.

Meanwhile, at Hanshin Koshien Stadium, we are improving convenience through digital measures such as strengthening the in-stadium communications environment and introducing electronic tickets. We are also advancing plans to extend the “Silver Canopy” (the canopy that covers some infield seats) to

the Alps stands, working to provide a spectator environment with even greater safety and comfort.

In addition, THE SUMO HALL Hirakuza OSAKA, which opened to capture growing inbound demand, has been well received as an experiential facility where visitors can easily enjoy the appeal of sumo, and we have decided to open a second location, THE SUMO LIVE RESTAURANT Hirakuza GINZA TOKYO, in Ginza, Tokyo, in January 2026. Centered on stylish sumo entertainment, we aim to create a one-of-a-kind experience that fuses Japanese cuisine with renowned sake from Nada and to become a new landmark where visitors can engage with sumo culture at any time during their stay in Tokyo.



Hanshin Tigers 90th anniversary logo



Hirakuza logo

■ Maximizing the appeal of the theater business

At the Takarazuka Grand Theater, we carried out a renovation of the in-theater “Shop & Restaurant Zone” in March 2025. We unified the interior design of the target area and reconfigured dispersed store and service functions to provide a space where guests can spend their time before and after performances more enjoyably and comfortably.

In the redevelopment building of the “Yaesu 2-Chome Central District Type-1 Urban Redevelopment Project,” which

is scheduled to open in FY2030, we will establish a new theater with approximately 1,300 seats equipped with the latest facilities. At this theater, which offers excellent transportation accessibility, we will make full use of the know-how and networks cultivated through theater management and operations to present a diverse slate of productions—including musicals, plays, the Takarazuka Revue, and concerts—that can be showcased to the world, delivering dreams and inspiration to even more customers.



The renovated lobby of the Takarazuka Grand Theater



Artist's rendering of the new theater (exterior)

Entertainment Segment non-financial KPIs

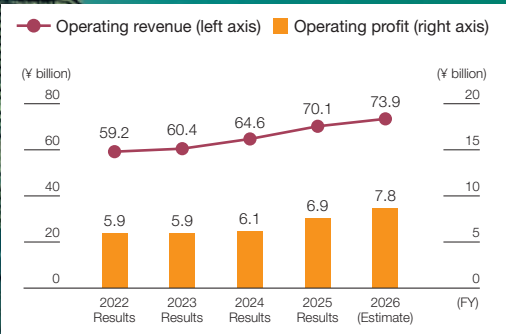
Priority issues	Action plan		Non-financial KPIs	Target values	Scope	FY2025 actual record
<div><div>1</div><div></div><div>Safe, reliable infrastructure</div></div>	Reason for action plan based on opportunity and risk	To expand the customer base for the Takarazuka Revue and other theatrical performances by offering more opportunities to see productions and creating accessible theaters, which means safe, comfortable attendance no matter what a person's needs—whether disabilities or other physical conditions—plus language accessibility for guests from abroad.				
		Train theater attendants to improve their customer service skills Provide multilingual support using communication tools, etc. (English, Chinese, Korean) Improve/renovate facilities and signage Consider the introduction of new services using cutting-edge technologies.	Number of training sessions on universal service	Once per year (Takarazuka Grand Theater, Tokyo Takarazuka Theater, Umeda Arts Theater)	Hankyu Corporation Umeda Arts Theater	Takarazuka Grand Theater: once a year Tokyo Takarazuka Theater: once a year Umeda Arts Theater:once a year
<div><div>3</div><div></div><div>Life designs for tomorrow</div></div>	Reason for action plan based on opportunity and risk	To promote baseball by developing women's baseball and by training youth as the next generation of good athletes, thereby expanding the fan base for professional baseball				
		Provide opportunities for children to experience the natural appeal of baseball through the TigersAcademy*1	Number of baseball school classes hosted by the Tigers Academy	Maintain 60 or more classes into the future	Hanshin Tigers Baseball Club	68 classes
<div><div>3</div><div></div><div>Life designs for tomorrow</div></div>	Reason for action plan based on opportunity and risk	• To provide opportunities for youth to have contact with the performing arts and contribute to cultural education, including fostering a rich imagination and artistic sensibilities • By promoting the appeal of the Takarazuka Music School to provide dreams to many children, and through a robust curriculum after enrollment, we will provide support to help them realize their dreams and contribute to human resource development.				
		Actively provide opportunities to school groups to attend performances of the Takarazuka Revue Hold events for youth such as kids' seminars Hold lectures and seminars led by Takarazuka Revue alumnae in collaboration with the media. Hold series of Takarazuka Kodomo Athene*2 classes at the Takarazuka Music School	Number of students/ children who attended a performance and related program	Over 60,000 (each FY)	Hankyu Corporation Umeda Arts Theater TAKARAZUKA LIVE NEXT Takarazuka Music School	Approx. 44,000 (attendees of performance/ related program, Takarazuka Music School candidates, Takarazuka Kodomo Athene students)
<div><div>3</div><div></div><div>Life designs for tomorrow</div></div>	Reason for action plan based on opportunity and risk	• To get people to become more familiar with the Takarazuka Revue in many other parts of Japan using advanced digital technologies even if they are unable to get to a theater, thereby creating more opportunities for people to have contact with the performing arts • Promote the appeal of the Takarazuka Music School to all parts of Japan, and by fostering the dream among children of performing on stage, help build a society that encourages dreams and ambitions				
		Offer live viewing at movie theaters or other venues and live stream to mobile devices, employing digital technologies and delivery services Use YouTube, etc. to stream content such as videos of performances Stream video using Takarazuka Sky Stage*3 Stream video using YouTube, etc.	Total number of viewers of live viewing and livestreaming, Takarazuka Sky Stage subscribers (households), YouTube channel subscribers, etc.	Over 800,000 people (each FY)	Hankyu Corporation TAKARAZUKA Creative Arts TAKARAZUKA STAGE Takarazuka Music School	Approx. 890,000
<div><div>5</div><div></div><div>Environmental protection</div></div>	Reason for action plan based on opportunity and risk	Carry out environmental measures at Hanshin Koshien Stadium and comprehensively publicize those efforts, thereby contributing toward the achievement of a carbon-neutral, circular society				
		Convert Hanshin Koshien Stadium lighting to LED lighting for night games and placement around the stadium, utilize solar panels on the roof known as “Ginsan,” and hold “carbon offset” games Switch to the use of biomass packaging material at food stalls and take steps to reduce plastic checkout bags Implement the collection and recycling of plastic cups	Usage rate of nonplastic food packaging Plastic cup collection rate	Professional baseball and high school baseball: 70% each (2030 season) 70% (2030 season)	Hanshin Electric Railway Hanshin Tigers Baseball Club WELLNESS HANSHIN	Pro baseball: 50% High school baseball: 52% (2024 season) 46% (2024 season)

*1 Tigers Academy: A school business established in FY2019 to instruct children on how to play baseball or how to dance
*2 Takarazuka Kodomo Athene: A school run by employees of the Takarazuka Music School that teaches singing, ballet and classical Japanese dance to girls from 4th to 8th grade (40 students/year)
*3 Takarazuka Sky Stage: A service for viewing public performances and original programs featuring Takarazuka Revue stars via CS broadcasts and cable TV



Information and Communication Technology

We contribute to the development of society through information and communication technology.



Note: The anticipated full-year results for FY2026 are based on information announced on July 31, 2025.

Business environment

Markets are expanding in all business areas as technological innovations unfold

In our Information Services Business, as new technologies such as AI and IoT advance, there is a growing need to provide integrated, sophisticated services that respond to changes in the social environment, and the information services market is expected to continue growing. In addition, investment related to companies' and municipalities' DX, energy conservation, and safety is expected to increase even further. To achieve further growth, it is important to continue capturing new needs arising from societal changes and convert them into demand—for example, needs aligned with the growing interest in safety and security in railway operations within the transportation sector.

In the broadcasting and communications business, a steady trajectory centered on internet services is expected to

continue. To address the communications demand projected to keep increasing, we view advances in communications technology and the rising need for data centers as business opportunities.

The market for the safety and education business is likely to continue growing as parents and guardians take increasing interest in our child safety service that monitors children's journeys to and from school. As programming classes became compulsory in elementary schools, the market for our STEAM education* will also take hold.

* STEAM Education is an approach to learning that provides an integrated education across the subject areas of Science, Technology, Engineering, the Arts and Mathematics aimed at solving real-world societal issues as part of the learning process.

Information and Communication Technology strategy under the Long-Term Management Plan

1. Information Services

- By accurately capturing new needs arising from societal changes and solving social issues through DX, we will realize “Bring smiles to everyone involved in our business.”

2. Broadcasting and Communications

- Through further expansion of broadcasting and communications networks, we will support the region's information infrastructure, deliver finely tuned communications services on a long-term, stable basis in line with needs, and, as a local media outlet, contribute to regional revitalization and the enhancement of brand value.

3. Safety and Education

- Contribute to local communities by developing and deploying proven safe and secure solutions and by providing high-quality education cultivated through robot programming.

Initiatives in Information and Communication Technology based on the Long-Term Management Plan

Incorporating accelerating DX demand and M&A will grow profits further

In the information services business, in addition to internet businesses such as e-commerce and web production, as a member of the Group we undertake a wide range of system development related to social infrastructure such as railway operations and smart buildings, delivering safety and comfort to society while further promoting our customers' DX by leveraging advanced digital technologies. In September 2024, we began providing 4G/5G infrastructure sharing services for mobile network operators at the North Building of Grand Green Osaka. This contributes to space-saving and power-saving within buildings and enables efficient improvement of indoor communications environments.

Thus, building on the expertise in electrical and communications technologies cultivated in railway operations, we leverage our strength in providing solutions through the use of IT; in addition to advanced technologies, know-how, and human resource as management assets, we will strategically pursue M&A to capture market growth and expand our business domains. In doing so, we will realize discontinuous

growth in the information services business, respond to new needs arising from societal changes, and contribute to solving social issues.

In addition, through expansion of broadcasting and communications businesses and safety and education, we expect operating profit in information and communication technology to continue to grow steadily.

Delivering high-quality education to the children who will be tomorrow's leaders

In our Safety and Education Business, we are implementing quality programming education in the form of ProgLab robot programming classes and foster the ability of as many children as possible to fulfill their ambitions. As a result, in 2025 we received overall first place for the second consecutive year in Oricon's Customer Satisfaction Survey in the “Children's Programming Classes” category, earning high external recognition. We will continue to further enhance our educational programs and provide higher-quality education to children who will lead the next generation.

Information and Communication Technology Segment non-financial KPIs

Priority issues	Action plan	Non-financial KPIs	Target values	Scope	FY2025 actual record
<div>1</div> <div>Safe, reliable infrastructure</div>	<div>Reason for action plan based on opportunity and risk</div> <ul style="list-style-type: none">To respond rapidly and appropriately when a disaster occurs as a local telecommunications infrastructure provider, thereby contributing to the safety and security of local residentsTo strengthen responses to local government needs (disaster preparedness and mitigation, crime prevention, etc.) in preparation for expanding the BWA business*1 <div>Strengthen efforts aimed at getting local authorities to enter into an agreement on disaster preparedness in the Kyoto-Osaka-Kobe area and Tokyo metropolitan area</div>	Number of local authorities to sign a disaster preparedness agreement	— (Monitoring actual record)	Bay Communications BAN-BAN Networks HANSHIN CABLE ENGINEERING ITEC HANKYU HANSHIN	Bay Communications: 4 local authorities BAN-BAN Networks: 4 local authorities HANSHIN CABLE ENGINEERING: 17 local authorities ITEC HANKYU HANSHIN: 7 local authorities
<div>2</div> <div>Thriving communities</div>	<div>Reason for action plan based on opportunity and risk</div> <ul style="list-style-type: none">To help raise the value of line-side areas by responding to increased interest in safety and securityTo utilize the Group's wireless and wired communications networks, external lines, and construction expertise for expanding services <div>Use the Mimamorume® school route safety tracking system as the core of our security business to expand GPS services as services that differentiate us and enhance our competitiveness</div> <div>Expand the Machinaka Mimamorume® service for cityresidents, an opportunity for using our BWA business</div>	Number of local authorities to which we contract GPS service and Machinaka Mimamorume and other safety systems	— (Monitoring actual record)	Mimamorume	GPS service contracts: 45 local authorities Machinaka Mimamorume: 7 local authorities
<div>6</div> <div>Robust governance</div>	<div>Reason for action plan based on opportunity and risk</div> <ul style="list-style-type: none">To ensure the secure handling of personal information and electronic data as an information and communication technology company to strengthen customer trust in the Company <div>Acquire external certification for information security (PrivacyMark, ISMS*4)</div>	Status of acquisition of external certification for information security (PrivacyMark, ISMS)	— (Monitoring actual record)	ITEC HANKYU HANSHIN, YMIRLINK, Rworks, NIHON PROTEC, Bay Communications, Himeji Cable Television, BAN-BAN Networks, HANSHIN CABLE ENGINEERING, and Mimamorume	Privacy Mark & ISMS: ITEC HANKYU HANSHIN, YMIRLINK, Rworks, and NIHON PROTEC: Privacy Mark only: Bay Communications, Himeji Cable Television, BAN-BAN Networks, HANSHIN CABLE ENGINEERING, and Mimamorume

*1 BWA business: Broadband Wireless Access system

*2 Mimamorume school route email notification service: A service that links school gate sensors and IC tags in children's school backpacks for tracking when children arrive or leave school, providing notifications by smartphone app or email

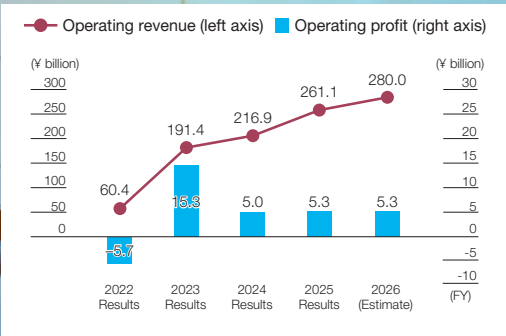
*3 Machinaka Mimamorume: A service that allows family members with a beacon tag to receive notifications by smartphone app or email when the tag passes a location such as a school or street intersection where a beacon receiver is set up

*4 ISMS: Information Security Management System



Travel

Delivering extraordinary enjoyment through travel with high added value



Note: The anticipated full-year results for FY2026 are based on information announced on July 31, 2025.

Business environment

Diversification of travel demand and strengthening of the solutions business

In the travel market, the accelerating increase in inbound foreign visitors has revitalized the tourism industry and regional economies. As for Japanese travelers, while domestic travel was generally solid, factors such as consumer thrift driven by rising prices, the weak yen, and persistently high fuel costs resulted in our Group's overseas travel sales for FY2025 recovering to around 70% of pre-COVID levels.

Against this backdrop, Hankyu Travel responded to market changes through speed-focused product planning and sales, advanced the development and provision of products tailored to customer needs, and worked to expand the market by not only acquiring new customers but also deepening relationships

with customers. We also strengthened sales of highly curated multi-destination touring products both domestically and internationally, and are working to reinforce our business foundation by focusing on the development and sale of high value-added products, primarily for domestic travel.

Furthermore, leveraging the connections built through contracted support services from municipalities during the COVID-19 pandemic, we are capturing business opportunities in the solutions business that address new challenges and needs, strengthening collaboration with government and municipalities.

Travel business strategy under the Long-Term Management Plan

1. Strengthen competitiveness of group travel packages
 - Further strengthen domestic and overseas group tours / Enhance specialized (themed) products / Expand media (leveraging digital channels) / Strengthen customer touchpoints
2. Strengthen management base
 - Strengthen travel to Japan to capture inbound demand / Strengthen the solutions business

Initiatives in the Travel based on the Long-Term Management Plan

Strengthening the core domestic and international travel business

Domestic and international travel will continue to be at the heart of our Travel Segment, and particularly for group tours led by tour guides, we are working to establish a predominant presence, while also proactively diversifying our travel models in the medium to long term. To that end, we are developing

high value-added products incorporating seasonal festivals and events, as well as gourmet tours featuring seasonal ingredients from across Japan and tours that stay at all-inclusive resort hotels, striving to develop offerings that stimulate consumer demand. For overseas travel, we strengthened sales in Asia, where demand is recovering, and in Turkey and Egypt, where the impact of the weak yen is relatively limited;

we also continue to promote and solicit bookings for Europe and North America, where demand for multi-destination touring is high, and are working on planning attractive products.

In FY2026, we are focusing on selling nationwide travel packages that incorporate the Osaka-Kansai Expo. These tours are designed not only for residents of Japan but also for inbound international visitors, allowing them to enjoy not only the Expo itself but also the rich history, culture, and regional cuisine of various parts of Japan.

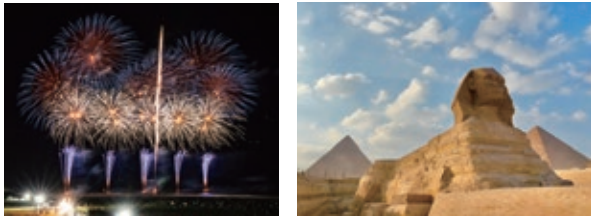
Stronger management base for medium- and long-term growth

In our Travel Segment, with the aim of strengthening our management base, we will work to acquire new customer segments such as post-seniors and deepen relationships with customers by providing products tailored to their needs, thereby pursuing market expansion. Furthermore, consistent with one of the directions of the business strategy under the Long-Term Management Plan—"Focus on business solutions"—we are steadily advancing solution businesses that

connect the resolution of challenges faced by municipalities to our operations, leveraging ties built with municipalities during the COVID-19 pandemic and concluding coordination agreements with them for times of disasters. In addition, through 2025 Expo visit tours and other offerings, we are actively capturing the rising inbound travel demand.

Moreover, we will promote digital transformation (DX), leveraging digital technologies to streamline our operations and improve solicitation efficiency through customer data analysis, further strengthening our competitiveness.

Through these initiatives, we will enhance productivity while creating new value and build a stable management foundation over the long term.



Travel Segment non-financial KPIs

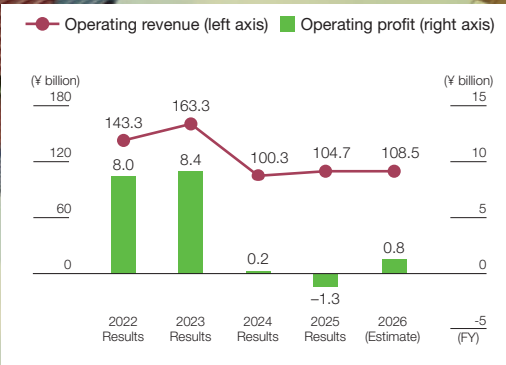
Priority issues	Action plan		Non-financial KPIs	Target values	Scope	FY2025 actual record
<div><div>1</div><div></div><div>Safe, reliable infrastructure</div></div>	Reason for action plan based on opportunity and risk	To respond rapidly and appropriately to an accident when operating tours or upon the occurrence of a natural disaster, thereby helping to build customer trust and bolster our brand value				
	Preparation of serious-accident response manual and other manuals (as necessary revising BCPs which stipulate response to natural disasters, in light of the intensification of natural disasters due to climate change)		Number of accident reports of serious culpable incidents	Maintain at zero	Hankyu Travel International	0 incidents
	Employee and supplier training in safe operations Information dissemination on safe operations Supplier assessments					
<div><div>3</div><div></div><div>Life designs for tomorrow</div></div>	Reason for action plan based on opportunity and risk	To strengthen mutually beneficial collaboration with local governments and actively promote the appeal of the important elements of travel—localities and culture—thereby contributing to regional revitalization				
	Plan tours that promote local areas in coordination with local governments (longstay domestic travel, infrastructure study tours, community-based tours that start and end in localities, etc.)		Number of collaborating local governments	300 per year (FY2031)	Hankyu Travel International	380 local governments
	Hold seminars through Hankyu Tabikotojuku* that promote regional and cultural development Support regional development through General Incorporated Association Chiki Mirai Kikaku					
<div><div>6</div><div></div><div>Robust governance</div></div>	Reason for action plan based on opportunity and risk	To improve satisfaction rates by directly hearing customers' voices and meeting diversifying needs with regard to the undefinable product of travel, thereby further boosting product value				
	Conduct questionnaires of tour participants Expand customer hot-line/customer center system Improve quality through tour monitoring by employees and checks during the first run of a trip Hold meeting on safe international travel locally Improve response through a call center and web-based inquiry service		Satisfaction rate based on questionnaires	<div>• Customer satisfaction rate (FY2031) International/with guide: 90% International/without guide: 90% Domestic/overnight: 85% Domestic/day trip: 85%</div>	Hankyu Travel International	<div>• Customer satisfaction rate International/with guide: 92% International/without guide: 85% Domestic/overnight: 84% Domestic/day trip: 83%</div>

* Hankyu Tabikotojuku: Lectures and workshops held by Hankyu Travel International in Tokyo, Osaka, and other parts of Japan to share helpful tips on travel and information that makes travel more enjoyable



International Transportation

Becoming the logistics partner of choice by enhancing capabilities and driving growth



Note: The anticipated full-year results for FY2026 are based on information announced on July 31, 2025.

Business environment

Solving customers' global supply chain management (SCM) challenges

Uncertainty in U.S. trade policy and geopolitical risks continue to make global supply chain trends difficult to forecast.

Under these circumstances, to realize Hankyu Hanshin Holdings' Long-Term Management Plan, the International Transportation business has set the target vision of "Grow

into a Logistics Partner that delivers high-quality value globally by solving challenges across customers' entire supply chain management," and will leverage the worldwide network of Hankyu Hanshin Express to capture growth in prioritized industries and locations and convert it into our own growth.

International Transportation strategy under the Long-Term Management Plan

1. Expand share of customers' entire SCM market by leveraging the synergistic effects of "Logistics × Forwarding."
2. Business selection and concentration based on industry and location

Initiatives of the International Transportation business based on the Long-Term Management Plan

Expand share of customers' entire SCM market by leveraging the synergistic effects of "Logistics × Forwarding."

While we have focused on earning support from a broad customer base, in the areas where we should concentrate most, we will build the capability to provide logistics services across customers' entire SCM by deepening our know-how in handling challenging commodities—such as dangerous goods, temperature-controlled items, and nonresident inventory—and use that know-how as a differentiation tool from other companies, making it a breakthrough to scale up our business. The groupwide system integration currently underway is expected to facilitate rapid information provision to customers and clarify the businesses we will prioritize, and we will also improve labor productivity by unifying workflows.

Business selection and concentration based on industry and location

In the forwarding industry, while profitability was high during the COVID-19 pandemic as companies coped with disruptions in SCM, the buildup of customer inventories during that period has led to a persistently tough competitive environment at present. In this context, to quickly restore performance, we will focus on expanding our share across the entire SCM of major customers of the Group where sizable scale is anticipated—namely the automotive industry and machinery/construction equipment. In tandem, we will accelerate initiatives in semiconductors and next-generation mobility, which are expected to continue growing.

For locations, to enhance co-loading benefits through cargo consolidation, we will seek to expand our share in the United States, Singapore, and Thailand, where we already handle substantial volumes, and, as growth regions, deepen engagement across entire SCM in Africa, India, the Middle East, and Mexico. To achieve this, enhancing local logistics warehouses is also important, so we will work to expand them in collaboration with the real estate business.

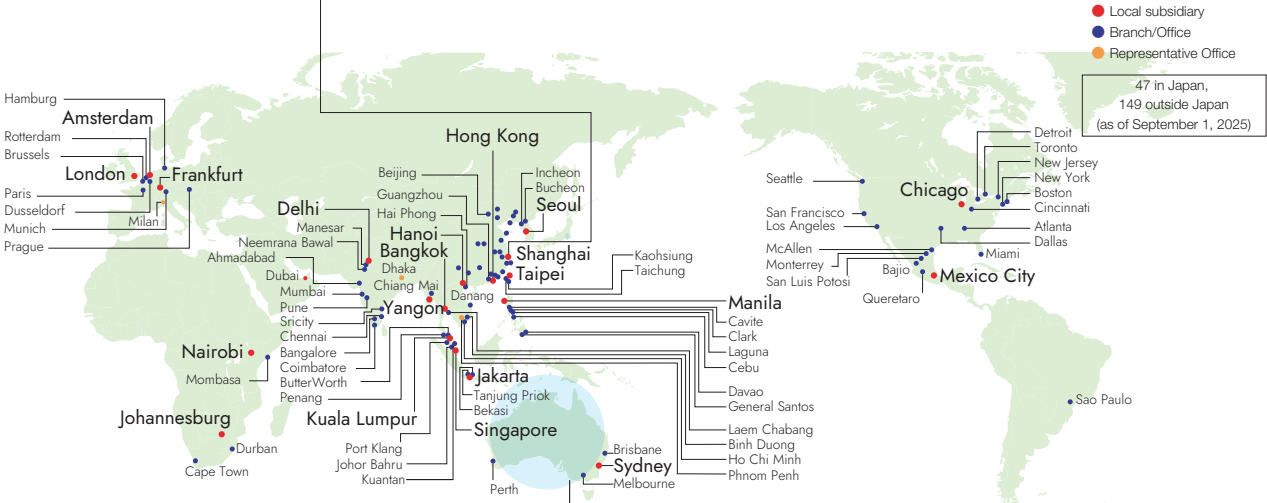
Our global network in the International Transportation segment

Branches/Offices in China

Dalian Suzhou Shenzhen
Shenyang Ningbo Xiamen
Tianjin Hangzhou Fuzhou
Tangshan Wuhan Zhongshan
Qingdao Chongqing Beijing
Wuxi Chengdu Guangzhou

Strengthening the logistics business

As a foothold for the overseas expansion of the real estate business, our Group opened a logistics facility in Indonesia in 2016 and a logistics facility in Singapore in 2017, and the logistics business has worked to strengthen its operations as an anchor tenant. In addition, the Group has expanded, both in Japan and overseas, logistics facilities that meet customer needs, such as the Narita International Logistics Center in 2019 and the Zama International Logistics Center in 2023. Going forward, the Group will continue to work to strengthen the logistics business, with a focus on priority locations.



Strengthening business in Africa, India, and the Middle East

Since making INTRASPEED South Africa and Kenya subsidiaries, business growth has earned strong support from many customers for our Group's Africa business. Together with India, which has room for growth, and our local subsidiary in the United Arab Emirates, a re-export hub in the Middle East, we will develop these into strengths that drive our Group's business growth.

Acquisition of an Australian freight forwarder

In June 2025, the Group acquired all shares of Australia's INTERNATIONAL CARGO EXPRESS PTY LTD. and made it a subsidiary. Together with INTRASPEED in South Africa and Kenya, which was acquired in 2018, the Group has completed building a global network across the world's key regions and is now able to offer customers logistics services that take a truly global, end-to-end view. Going forward, the Group will move forward with initiatives to deepen its footprint and capabilities.

International Transportation Segment non-financial KPIs

Priority issues	Action plan	Non-financial KPIs	Target values	Scope	FY2025 actual record
 Safe, reliable infrastructure	Reason for action plan based on opportunity and risk To build systems that prevent the stoppage of distribution as an essential industry, even if an accident or natural disaster occurs, thereby increasing trust in the business and benefiting society				
	Prepare a BCP	Rate of existence of BCP	100%	Hankyu Hanshin Express HANKYU HANSHIN LOGIPARTNERS	Preparation completed by both companies
 Safe, reliable infrastructure	Reason for action plan based on opportunity and risk To pursue protective measures at ports and airports as a customs broker, thereby helping to maintain safety and security in society				
	Improve the quality of customs clearance services	Rate of customs errors	Approximately 0.1% maintained	Hankyu Hanshin Express	0.05%

Chapter 3

Management Foundation that Supports Value Creation

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Key points

Promoting unified sustainable management across the Group based on six priority issues (materiality matrix)

- Clarified the direction of environmental initiatives under the Long-Term Management Plan and established new KPIs.
We are working to address social issues through our business activities.
- The performance of our employees is the source of the Group's growth and indispensable to achieving the Long-Term Management Plan.
Under three human resource strategies, we are rolling out a wide range of measures to secure and enhance human capital.
- We are strengthening and enhancing corporate governance by further heightening the transparency and soundness of management, ensuring compliance with applicable laws and regulations, and providing timely, appropriate disclosure.
In this report, we have included messages from all six outside directors.

Advancing Sustainable Management

The Group formulated a Sustainability Declaration in 2020 as the basis for working toward sustainable growth and we are now accelerating our ESG-related initiatives. Our goals are to resolve societal issues through our business activities, enhance corporate value sustainably, and ultimately achieve sustainability in society.

Sustainability Declaration

— General Principles —

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 challenges that include the global environment and working toward a sustainable future, one that offers a fulfilling, joyful life to all and inspires the next generation to dream with hope.

Priority issues (materiality) and policies	SDGs Related fields*	Project themes
<div>1</div> <div>Safe, reliable infrastructure</div> <div>Provide railways and other infrastructure that are safe and disaster-resilient. Ensure that anyone can safely access our facilities and services.</div>	<div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>	<div>① Eliminate accidents and improve safety at railways and commercial facilities</div> <div>② Promote actions to prevent/reduce accidents and respond promptly and properly to accidents if they occur</div> <div>③ Establish safe and comfortable facilities and services that satisfy the needs of a diversity of people</div>
<div>2</div> <div>Thriving communities</div> <div>Help build sustainable communities with rich natural and cultural heritage, making great places to visit, work in, and live in.</div>	<div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>14 LIFE BELOW WATER</div> <div>15 LIFE ON LAND</div>	<div>① Develop a good living environment (providing good residences, creating green spaces and public spaces, establishing cultural and educational facilities, etc.)</div> <div>② Develop and expand commercial/business areas where people communicate with each other</div> <div>③ Create a line-side environment that makes it easier for women to work and raise children</div> <div>④ Promote measures to extend the healthy lifespan of the elderly</div> <div>⑤ Offer services that satisfy the needs of foreign visitors/residents</div> <div>⑥ Enhance collaboration and partnerships with universities, research institutions, ventures, local communities, etc.</div>
<div>3</div> <div>Life designs for tomorrow</div> <div>Promote refined and inspired lifestyle solutions for a better tomorrow.</div>	<div>4 QUALITY EDUCATION</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>	<div>① Propose products/services that help realize a lifestyle in harmony with nature</div> <div>② Propose products/services that lead to revitalization and promotion of local communities and cultures</div> <div>③ Propose products/services that respond to diverse values and create comfort and excitement</div> <div>④ Propose products/services for young people who will lead the next generation</div> <div>⑤ Create and disseminate cultures through sports and entertainments</div> <div>⑥ Improve existing services and create new businesses by utilizing ICT innovation</div>
<div>4</div> <div>Empowering individuals</div> <div>Provide an inclusive workplace that values diversity and taps into individual talent. Cultivate tomorrow’s leaders for society.</div>	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div>	<div>① Improve employee satisfaction and create a more positive workplace</div> <div>② Promote health and productivity management</div> <div>③ Promote diversity and inclusion</div> <div>④ Respect human rights and prevent harassment</div> <div>⑤ Cultivate tomorrow’s leaders</div>
<div>5</div> <div>Environmental protection</div> <div>Conduct eco activities that contribute to a carbon-neutral world and a circular economy.</div>	<div>13 CLIMATE ACTION</div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>	<div>① Cut greenhouse gas (CO₂) emissions</div> <div>② Improve energy efficiency (promote energy saving)</div> <div>③ Use more renewable energy (e.g. solar)</div> <div>④ Aim for more eco-friendly buildings (green buildings)</div> <div>⑤ Produce less waste and recycle more</div>
<div>6</div> <div>Robust governance</div> <div>Act honestly and in good faith, as stakeholders expect us to do.</div>	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>	<div>① Promote effective and transparent corporate governance</div> <div>② Ensure compliance and prevent corruption</div> <div>③ Enhance risk management, including climate change</div> <div>④ Pay attention to opinions of stakeholders in doing business</div>

* The SDG icon that is placed first is the most relevant to each priority issue.

“Process for identifying priority issues (materiality)”
Our Board of Directors identified the Group’s priority issues (materiality) based on interviews with each business division, external experts, and others, taking into consideration the societal issues facing the world today (outlined by the SDGs, SASB Standard, etc.) that the Group should address.
<https://www.hankyu-hanshin.co.jp/sustainability/materiality/> (Japanese only)

Sustainable Management Promotion Framework

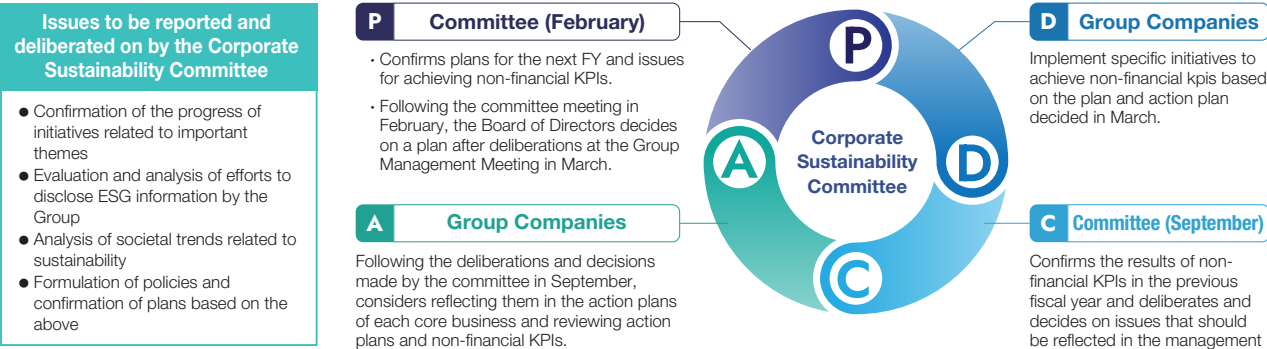
Since FY2021, the Group has held the Corporate Sustainability Committee (committee composition, etc. as shown in the figure to the right) twice a year (in principle, in September and February). At this committee, taking into account the external environment related to sustainability (such as government, investor, and peer company trends) and the status of evaluations by ESG rating agencies, we formulate policies on the Group’s priority issues for sustainable management, monitor the progress of initiatives, and deliberate and decide on matters to be reflected in management plans.

The committee’s deliberations are then referred to the Group Management Committee and it also reports to the Board of Directors and accepts their oversight. In this way, we are promoting sustainable management and incorporating it into the Group’s overall management system.



■ The PDCA Cycle Applicable to Sustainable Management

The Corporate Sustainability Department, which is the supervising secretariat under the Corporate Sustainability Committee, collaborates with the Corporate Planning Division and the individual business divisions to apply the PDCA cycle in an effort to enhance sustainable management.



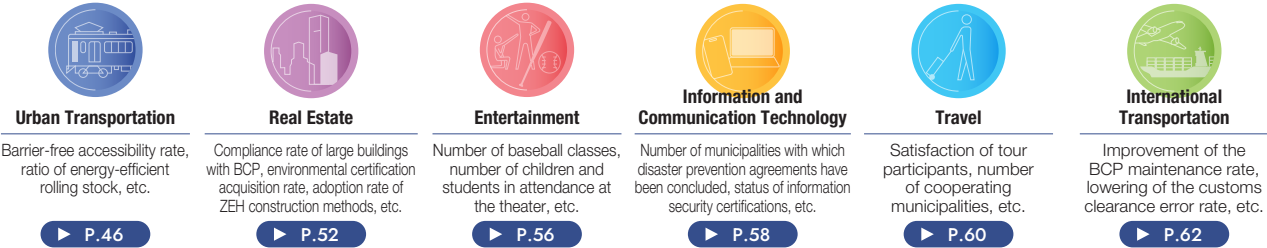
■ Setting non-financial KPIs

To realize the six priority issues (materiality), in addition to those shared by the Group, we have set non-financial KPIs for each core business and are engaged in improvement efforts.

Priority issues	Non-financial KPIs	Target values	Scope	Related pages
(1) Safe, reliable infrastructure	Number of culpable incidents in railway operation business	Maintain at zero	Hankyu Corporation, Hanshin Electric Railway, KITA-OSAKA KYUKO RAILWAY, Nose Electric Railway	▶ P.46
(4) Empowering individuals	Employee satisfaction	Always better than in previous survey	Hankyu Hanshin Holdings, Inc. and its 6 major companies* Conducted once every two years	▶ P.87
	Percentage of women in management positions	Improve to around 10% (FY2031)	Hankyu Hanshin Holdings, Inc. and its 6 major companies	
(5) Environmental protection	Percentage of women among new hires	Always 30% or more	Hankyu Hanshin Holdings, Inc. and its 6 major companies	▶ P.68
	Rate of CO ₂ emissions cuts (Scope 1 and 2 equivalent)	FY2036: 60% reduction compared to FY2020 FY2051: Net zero	Hankyu Hanshin Holdings, Inc. and its consolidated subsidiaries	
	Renewable electricity ratio	FY2036: 90% or higher	Japan locations only	
	Volume of industrial waste generated (excluding contracted construction projects) as a ratio to consolidated sales	FY2031: 10% reduction compared to FY2024	Hankyu Hanshin Holdings, Inc. and its consolidated subsidiaries	

* Six major companies: Hankyu Corporation, Hanshin Electric Railway, Hankyu Hanshin Properties, Hankyu Travel International, Hankyu Hanshin Express, and Hankyu Hanshin Hotels

Non-financial KPIs for each core business





Priority issue
(materiality)



Related fields

Basic Environmental Philosophy

The Hankyu Hanshin Holdings Group will continue to reduce the environmental impact of its business activities to ensure that a greener global environment and better living environment will be handed down to the next generation, and will provide customers with high-quality products and services to continue to be selected by them, aiming for the creation of a society where people can choose to take sustainable actions in a spontaneous manner.

Basic Environmental Policies

- We will make efficient use of energy and contribute to carbon neutrality by promoting the decarbonization of all society.
- We will encourage greening, the protection of nature, and the conservation of biodiversity, thereby increasing the attractiveness of each region.
- We will promote resource saving, waste reduction, and recycling, and will work to increase the quality of recycling.
- We will provide customers with opportunities to participate in environmental contribution activities and will contribute to the creation of local communities.
- We will strive to reduce the environmental impact of our society through engagement with stakeholders.
- We will identify the environmental impacts* caused by our businesses, disclose relevant information, set the reduction targets for important items, and work for actual reductions.
- We will fully understand environmental laws and regulations as well as other social requirements to be met in Japan and globally, and will comply with them.
- We will help employees understand the environmental impact of our business activities and raise their environmental awareness to ensure that they will act in line with the Basic Environmental Philosophy and the Basic Environmental Policy.

* Impacts in terms of energy, waste, water use, air pollution, water pollution, chemical substances and hazardous substances, noise, vibration and others
(Revised October 2025)

Advancing environmental initiatives toward a sustainable society

In our Long-Term Management Plan, for the “global environmental issues,” which are social challenges of high interest to stakeholders, we have clarified the direction of efforts not only toward becoming carbon-neutral, but also for the protection of biodiversity and natural capital and for resource circulation, which have gained attention in recent years. Based on these directions, we will work to solve social challenges through our business activities.

Environmental initiatives in the Long-Term Management Plan

Carbon neutrality ▶ P.69

Pursuit of a carbon-neutral society, beyond the supply chain

Reduce greenhouse gas emissions in the entire society and contribute to achieving carbon neutrality by providing environmentally friendly products and services aligned with lifestyles and values.

Biodiversity ▶ P.75

Improving the appeal of areas through planting greenery and conservation of nature

Pursue planting of greenery, preservation of nature, and conservation of biodiversity that will lead to enhancement of well-being by enhancing physical and mental health and increasing the value of an area.

Resource recycling ▶ P.81

Achieving both reduction of environmental impact and increasing value added by promoting waste reduction and recycling

In addition to waste reduction, promote recycling by targeting effective use and circulation (including horizontal recycling and upcycling) while also striving for higher quality recycling.

Overall

Provide opportunities for participation and promote community formation in activities that contribute to the environment

Expand the circle of resonance and co-creation by promoting activities that contribute to the environment by visualizing environmental impact, preparing a menu of environmental contribution activities that customers can participate in, and building community through activities.

KPIs and targets (shared by the group)

Non-financial KPIs		Target values	Scope	FY2025 actual record
Carbon neutrality	Greenhouse gas (GHG) emissions (Scope 1 and 2)	60% reduction compared to FY2020 (FY2036) Net zero (FY2051) (announced March 2025)	Hankyu Hanshin Holdings, Inc. and consolidated subsidiaries	10.4% reduction compared to FY2020
	Renewable electricity ratio	90% or higher (FY2036)	Domestic only	22.3%
	GHG emissions in the supply chain (Scope 3)	Continue quantifying and consider reductions together with business partners	Hankyu Hanshin Holdings, Inc. and consolidated subsidiaries	4,164,386 t-CO ₂
	GHG emissions reduction contribution amount of railway operations (Hankyu/Hanshin)*	Conduct monitoring	Hankyu Corporation Hanshin Electric Railway	1,207,445 t-CO ₂
Biodiversity	Regional attractiveness attributable to the richness of nature, measured via surveys of residents along the lines	Conduct monitoring	—	—
	Number of plant species/biological species in specific areas (e.g., Osaka-Umeda, Mount Rokko)	Conduct monitoring	—	—
Resource recycling	Volume of industrial waste generated (excluding contracted construction projects) as a ratio to consolidated sales	10% reduction compared to FY2024 (FY2031)	Hankyu Hanshin Holdings, Inc. and its consolidated subsidiaries	5.9% reduction compared to FY2024
	Number of projects for horizontal recycling and upcycling (e.g., PET bottles, waste oil)	Steady increase and improvement in project quality	the Group	11 cases
Overall	Number of participants in environmental contribution activities and number of grants to civic groups (cumulative) through initiatives such as the “Mirai no Yume・Machi Project”	Conduct monitoring	the Group	Cumulative total of 604,298 people/48 organizations

* Contribution amount to GHG emissions reduction from railway operations (Hankyu/Hanshin): The “reduction contribution amount” is a concept for quantitatively evaluating how much companies have contributed to reducing greenhouse gas emissions, including CO₂, across society through the diffusion of products and services. One approach to curbing greenhouse gas emissions. Calculated for the routes of the two companies—Hankyu Corporation and Hanshin Electric Railway—totaling approximately 193 km. The comparison assumes that, for all travel distances of customers on the subject routes, the travel was made using private cars. Calculated based on the “Guidelines for calculating CO₂ emissions related to passenger use of railway operations” (March 2024) from the Working Group on Utilization Promotion and Visualization of the Railway carbon-neutral public-private collaboration platform (The CO₂ emissions per passenger-kilometer for private-car use are quoted from the Ministry of Land, Infrastructure, Transport and Tourism website, “CO₂ emissions in the transport sector”).

• The indicators with FY2031 as the target year are as follows.
Hankyu Hanshin Holdings, Inc. and its subsidiaries’ domestic sites’ CO₂ emissions (Scope 1 and 2) Target: 46% reduction compared to FY2014 (FY2031)
Actual for FY2025: 37.6% reduction compared to FY2014

What we aim to achieve through environmental initiatives (vision)

Biodiversity

Improving the appeal of areas through planting greenery and conservation of nature

Carbon neutrality

Pursuit of a carbon-neutral society, beyond the supply chain

Resource recycling

Achieving both reduction of environmental impact and increasing value added by promoting waste reduction and recycling

Together, let’s create a brighter and sustainable future and joyful lives.

Details about our our pursuit of initiatives in the environmental area under the Long-Term Management Plan—including the desired vision for each initiative and efforts in each business—are provided on our website.

Pursuit of initiatives in the environmental area under the Long-Term Management Plan:
https://www.hankyu-hanshin.co.jp/download/sustainability/materiality/environment/long-term_future_concept.pdf (Japanese only)



Carbon neutrality

Pursuit of a carbon-neutral society, beyond the supply chain

In the Long-Term Management Plan formulated in March 2025, we have set the target for greenhouse gas (Scope 1 and 2) emissions in FY2051 to be net zero, aiming for carbon neutrality by 2050. For FY2036, we have set a goal of a 60% reduction compared to FY2020. We will continue to promote energy conservation and energy creation, utilize renewable energy, and, through initiatives including the supply chain, promote carbon-neutral across society to contribute to carbon neutrality.

Basic approach to achieving carbon-neutral

① Promoting energy-saving measures

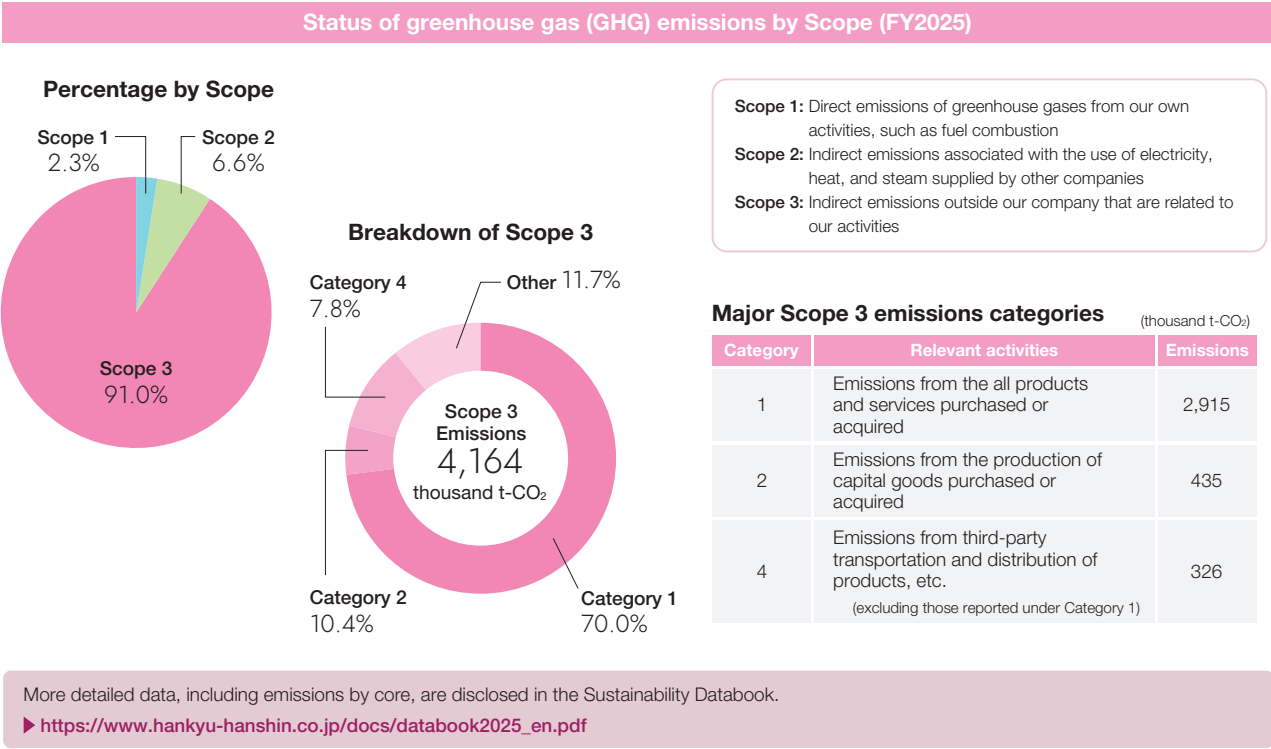
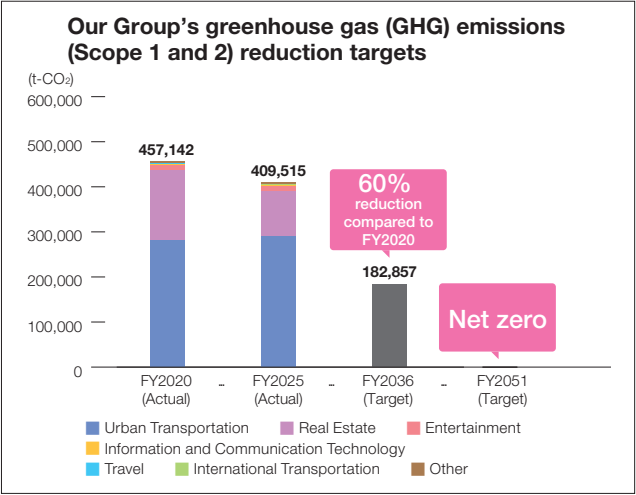
Firstly, in order to reduce the Group's base energy usage, we will steadily promote greater energy efficiency while also looking at financial soundness and the efficiency of investments.

② Considering energy creation

We will push forward with studies into how we can create energy (such as by introducing renewable energy generation facilities, etc.), while also keeping ideas such as technical trends and the profitability of our businesses.

③ Utilizing renewable energy

Where the efforts detailed above in ① and ② alone are insufficient to achieve our target, we will cover the difference by buying electricity above to add environmental value.



Steadily promoting energy-saving measures

Energy-saving initiatives in railway operations and stations

Within our group, approximately 40% of total energy consumption is attributed to railway operations. As such, we place strong emphasis on energy-saving initiatives in railway services. For example, at Hankyu Corporation and Hanshin Electric Railway, while conducting development consultations with rolling stock equipment manufacturers, we focus on introducing and upgrading rolling stock with superior energy-saving performance. In our Hankyu Corporation and Hanshin Electric Railway have adopted a highly efficient

variable-voltage variable-frequency (VVVF) inverter control system using a totally enclosed high efficiency traction motor in their latest and most energy-efficient rolling stock. All lights, including headlights, have been replaced with LED lights, resulting in a reduction in electricity consumption of about 60% compared with conventional rolling stock. For their rolling stock, the two railway companies are also seeking to introduce aluminum bodies and stainless steel bodies, which can run on less electricity due to their body weight being lighter than with conventional steel.

Adoption record for energy-efficient rolling stock			
VVVF Powered-car ratio	Hankyu	<div></div>	61%
	Hanshin	<div></div>	68%
Adoption rate of LED lighting	Hankyu	<div></div>	71%
	Hanshin	<div></div>	68%
Adoption rate of lightweight rolling stock	Hankyu	<div></div>	69%
	Hanshin	<div></div>	51%

Introduction of EV buses and promotion of eco-driving

At Hankyu Bus, we introduced two EV buses in October 2021 as campus shuttle buses for Osaka University. Currently, two are operating on routes under the Senri Depot, 12 on routes from the Ibaraki Depot, and four under the Inagawa Depot. HANSHIN BUS also began operating two EV buses in May 2023, and currently operates a total of six EV buses. This is the first case for scheduled route buses within Hyogo Prefecture. At Hankyu Bus, HANSHIN BUS, and other group companies, we promote eco-driving through various initiatives, including employee training, introducing vehicles equipped with idling stop devices, and holding eco-driving contests.

Creating energy and utilizing renewable energy

Installation of solar panels

As part of renewable energy utilization, we are progressing with the installation of solar power generation equipment at Group facilities.

Urban Transportation Hanshin Oishi Station, Hanshin Daimotsu Station, Hanshin Kuise Station, Hanshin Amagasaki Center Pool-mae Station, Hankyu Settsu-shi Station, Hankyu Nishinomiya-kitaguchi Station, Hankyu Shojaku Depot
Real Estate HEP FIVE, Hankyu Nishinomiya Gardens, Osaka Umeda Twin Towers South, Hankyu Hanshin Logistics Centre (on-site PPA at a logistics warehouse in Singapore)
Entertainment Hanshin Koshien Stadium, Zero-Carbon Baseball Park (Nippon Steel SGL Stadium Amagasaki, indoor practice facility, Kofuso player dormitory and clubhouse)

At Hankyu Corporation, aiming to create environmentally conscious communities together with our customers, we launched the project "Hankyu Solaelu" in June 2025 to invite customers to support the installation of solar panels on station buildings. In this initiative, customers purchase support merchandise, and the proceeds are used to cover part of the cost of installing solar panels.

Hankyu Solaelu: <https://www.hankyu.co.jp/story/solaelu/index.html> (Japanese only)

At venues such as the Takarazuka Grand Theater and Hanshin Koshien Stadium Introduction of corporate PPAs

In July 2024, the Takarazuka Grand Theater and Takarazuka Hotel, and in March 2025, Hanshin Koshien Stadium transitioned to renewable energy with additionality by utilizing a

corporate Power Purchase Agreement (PPA). This includes the use of electricity generated at remote solar power facilities through an off-site corporate PPA, as well as the Renewable Energy ECO Plan, enabling the introduction of virtually 100% carbon-free renewable electricity.

As a result of these initiatives, the Takarazuka Grand Theater and Takarazuka Hotel are expected to reduce annual CO₂ emissions by approximately 4,600 t, and Hanshin Koshien Stadium by approximately 3,000 t.

Carbon-neutral operation in railway operations

From April 2025, all electricity used for train operations and station facilities across all Hankyu and Hanshin lines is effectively from renewable sources, operating with zero CO₂ emissions. Through this initiative, we expect annual reductions of approximately 200,000 t of CO₂ emissions (based on FY2024 actual results). Furthermore, at Hankyu Corporation, we are introducing renewable electricity with additionality by leveraging corporate PPAs, and Hanshin Electric Railway also plans to introduce it from FY2027.



Commemorative wrapped trains for carbon-neutral operations (Left: Hankyu Corporation, Right: Hanshin Electric Railway)

Introducing renewable energy-derived electricity at office buildings and commercial facilities

In April 2022, at both Osaka Umeda Twin Towers North/South buildings, we introduced electricity effectively from renewable sources*¹. By expanding the scope of applicable properties, in FY2026, in office buildings, commercial facilities, and other properties we operate in the Osaka-Umeda area and along the Hankyu and Hanshin lines*² the electricity usage*³ was largely replaced with electricity effectively from renewable sources.

*¹ Introduced to both common areas and dedicated office areas.

*² Excludes certain properties, such as those scheduled for rebuilding or redevelopment, properties with extremely small electricity usage, and properties for which the Group does not hold energy management authority, etc.

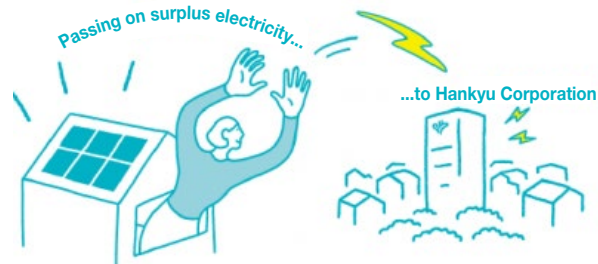
*³ Excludes on-site generation from gas cogeneration systems.

Use of BEMS, etc.

At Osaka Umeda Twin Towers South, energy usage and efficiency are visualized through BEMS (Building Energy Management System), which supports energy-saving operation and control of building facilities. In addition, the facility promotes energy conservation while maintaining comfort by implementing a high-efficiency cogeneration system, sequence air conditioning that automatically adjusts temperature settings in stages from the building's perimeter to office areas, and desiccant air conditioning that regulates indoor humidity using drying agents to improve air quality.

In addition, at the same building, tenants can check daily and hourly energy usage within leased spaces on the web, and graph trends and year-over-year comparisons, realizing an advanced visualization system. This helps raise tenants' awareness of energy conservation and builds mechanisms that enable daily energy-saving activities.

Surplus solar power purchase program "Hankyu Enethos"



Hankyu Corporation has launched, starting in July 2025, the "Hankyu Enethos" program, under which the company purchases surplus electricity generated by household solar power (post-FIT renewable electricity*).

* Post-FIT renewable electricity: Surplus electricity generated by solar power systems after the FIT (Feed-in Tariff for renewable energy) application period has ended
Hankyu Enethos: <https://www.hankyu.co.jp/story/enethos/index.html> (Japanese only)

Aim for more eco-friendly buildings (green buildings)

The Group promotes obtaining certifications granted to real estate that considers the environment and society, and works to expand environmentally considerate buildings.

Acquisition of environmental certifications

For large newly-built office and commercial buildings, the Group is increasing efforts to acquire certifications designed to recognize eco-friendly real estate*¹.

DBJ Green Building certified buildings

5-star: Osaka Umeda Twin Towers South, Hankyu Nishinomiya Gardens, HEP FIVE

3-star: Kobe Sannomiya Hankyu Building

Other eco-friendly buildings

In the Group's Geo brand of condominiums, we are actively endeavoring to improve the environmental performance of Hankyu Hanshin's Geo condominiums, and from FY2025, all our condominiums*² offered for sale or lease will be ZEH-M Oriented*³ or better. Furthermore, for our Geo Garden detached home developments, our target is to make 50% or more of our detached homes for sale either ZEH or Nearly ZEH standard by FY2026, and in principle, to make all these homes ZEH (ZEH, Nearly ZEH, or ZEH Oriented)*⁴ by FY2031.

At our environmentally friendly and energy-saving multi-tenant logistics facilities LOGiSTA Logicross Ibaraki Saito

Buildings B and LOGiSTA Kyoto Kamitoba, which were completed in 2024, we have adopted LED lighting, motion sensors, and water-saving sanitary equipment to acquire ZEB Ready*⁵ certification. In recent years, along with accelerated reorganization and integration of logistics hubs triggered by the reexamination of corporate supply chains, there has been an increasing demand for highly functional logistics facilities due to the continued growth of the e-commerce market. As such, we are working on the development of logistics facilities that respond to this demand.

*¹ Environmental certification systems such as DBJ, CASBEE, and BELS

*² Excluding some buildings, such as those developed jointly with other companies

*³ Condominiums with an overall reduction of 20% or more in primary energy consumption (energy consumed for heating, cooling, ventilation, lighting, and hot water heating) compared with current energy efficiency standards, including for communal areas.

*⁴ Detached homes with a reduction of 100% or more in designed primary energy consumption (energy consumed for heating, cooling, ventilation, lighting, and hot water heating) compared with current energy efficiency standards are classified as ZEH. For Nearly ZEH, that figure is 75% or more, and for ZEH Oriented, it is 20% or more.

*⁵ ZEB Ready: Compared to buildings of a similar size with standard facility specifications, buildings in which primary energy consumption is significantly reduced by endeavoring to save energy with highly efficient facilities, etc. while maintaining a pleasant interior environment. Four categories are defined depending on reductions in the amount of energy consumed: ZEB, Nearly ZEB, ZEB Ready, and ZEB Oriented. ZEB Ready buildings have reduced primary energy consumption by 50% or more.

Promoting carbon-neutrality across society through initiatives that include the supply chain

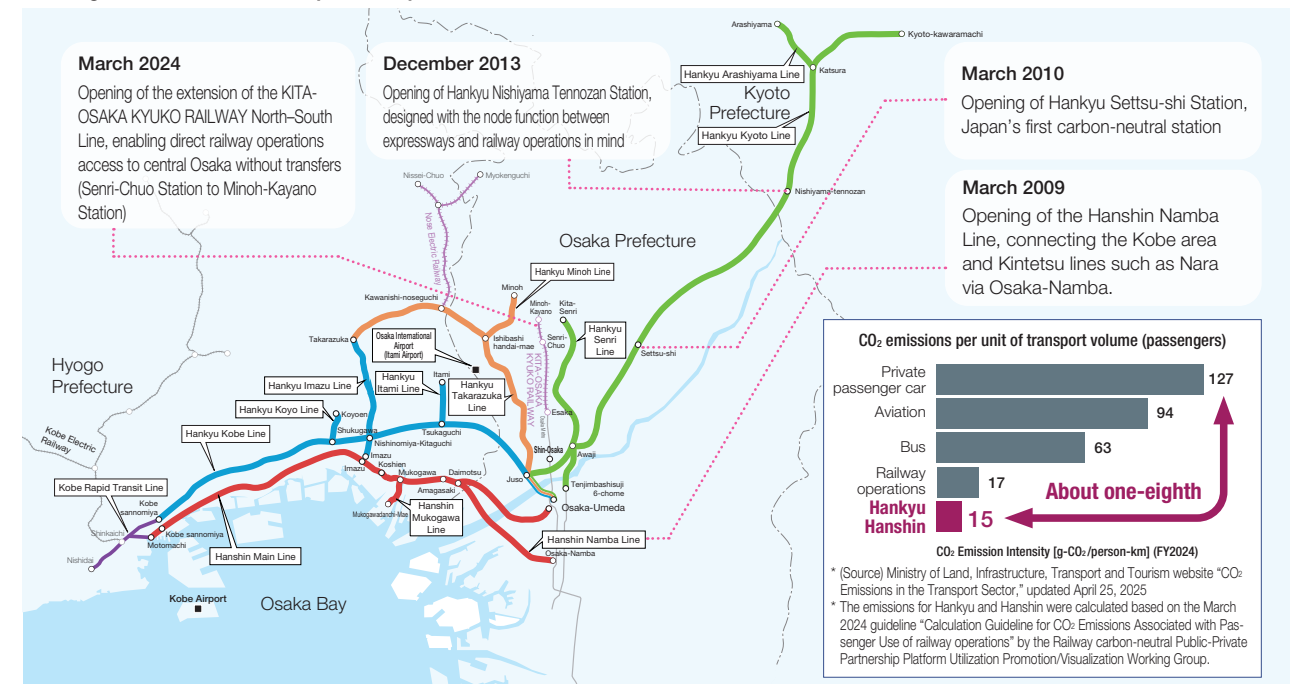
Creating a low environmental-impact transportation network

Railways are an environmentally friendly mode of transportation, emitting approximately one-seventh the amount of CO₂ per unit of transport compared to private passenger vehicles. In particular, Hankyu Railway and Hanshin Electric Railway—both operating primarily in urban areas—achieve even greater efficiency, with emissions around one-eighth that of private cars.

If the convenience of public transportation improves and

the use of private passenger cars is curbed, the transport sector's CO₂ emissions in Japan will be reduced. The Group will continue working to expand the railway operations network, as exemplified by the extension of the Hanshin Namba Line and the KITA-OSAKA KYUKO RAILWAY, and, not only buses and taxis, but also by enhancing the environment for bicycle use, such as bike rentals and bicycle parking, make transport "to the station" and "from the station" more convenient, and work to create a low environmental-impact transportation network centered on public transportation.

Creating a low environmental-impact transportation network



By building a safe, secure, and highly convenient public transportation network centered on railway operations, and by encouraging customers to use railway operations, compared with traveling the same distance by automobile, CO₂ emissions can be reduced, and we believe we can increase the reduction contribution*. We have set "Greenhouse gas emissions reduction contribution of railway operations (Hankyu and Hanshin)" as a monitoring KPI.

* Reduction contribution: A concept that quantitatively evaluates the "contribution amount" of how much a company, through the spread of its products and services, has contributed to the reduction of greenhouse gas emissions including CO₂ across society. One way of thinking about greenhouse gas emission reduction

Reducing greenhouse gas emissions generated during cargo transportation

As carbon-neutrality is required in corporate activities, reducing greenhouse gas emissions across the supply chain (Scope 3), including product transportation, has become important. In international transportation, which handles part of that supply chain, we propose various greenhouse gas emission reduction measures to client companies—such as lighter cargo, optimization of transport routes, and air transportation using SAF* in collaboration with airlines and the Tokyo Metropolitan Government—and, together with our clients, we are working to reduce Scope 3 greenhouse gas emissions.

In addition, Hankyu Hanshin Express is participating in the Tokyo Metropolitan Government's "FY2026 Project to Promote the Use of SAF in Air Cargo Transport for Corporate Scope 3 Responses." In air transport, which is considered to have higher greenhouse gas emissions than truck transport, railway operations, and marine transport, we are also undertaking air cargo transportation using SAF, which is expected to reduce emissions.

* SAF: Sustainable Aviation Fuel, a fuel produced using used cooking oil, sugarcane and other biomass, municipal solid waste, waste plastics, etc.

Zero-Carbon Baseball Park

In March 2025, the Hanshin Tigers relocated their farm team facilities to Oda Minami Park in Amagasaki City, opening the new Zero Carbon Baseball Park. As part of this development, they established the "Nippon Steel SGL Stadium Amagasaki," along with a Tigers outdoor training field, an indoor practice facility, and a combined player dormitory and clubhouse named "Kofuso."

At Zero-Carbon Baseball Park, we are implementing eco-friendly initiatives such as introducing solar power generation and storage

batteries, utilizing waste-to-energy, and thorough energy saving aimed at carbon neutrality, as well as collecting and recycling PET bottles and plastic cups and using rainwater and well water.

In addition, "Nippon Steel SGL Stadium Amagasaki" has obtained ZEB Oriented*¹ certification, and the "Indoor Practice Field and Kofuso (1st-floor portion)" has obtained Nearly ZEB*² certification—the first ever for a baseball facility. Furthermore, the "Zero-Carbon Baseball Park" has been selected as part of the Ministry of the Environment's "First Round of carbon-neutral leading regions*³."

*¹ Certification awarded to buildings with a gross floor area of 10,000 m² or more that meet a reduction in energy consumption of 40% or 30% (depending on building use) from the standard primary energy consumption.

*² Certification awarded to buildings that meet a reduction in energy consumption of 75% or more from the standard primary energy consumption.

*³ Selected by the Ministry of the Environment as regions that, through pioneering initiatives toward carbon neutral by 2050, achieve essentially zero CO₂ emissions associated with electricity consumption in households, shops, buildings, etc. (the civilian sector).

Regional carbon-neutrality in collaboration with customers along the lines and municipalities

Hankyu Corporation has formed the "Regional Carbon-Neutral Promotion Consortium: Kansai Machiwell" with West Japan Railway Company (JR West) and Osaka Metro Co., Ltd., and is working to promote regional carbon-neutrality in collaboration with municipalities along the lines. As a project under collaboration agreements with municipalities, we launched the J-Credit creation project "Kansai Enewa" in September 2025. We ask households and businesses in areas along the lines to provide the environmental value included in the self-consumed portion of electricity generated by solar panels, thereby creating J-Credits. The J-Credits created will be used to offset CO₂ emissions from public transportation and further reduce environmental impact, and will be utilized by each company in carbon-neutral measures.

Kansai Machiwell: <https://kansai-machiwell.jp/> (Japanese only)

Proposals and construction for the introduction and operation of solar panels, etc.

HANSHIN CONSTRUCTION and CHUO DENSETSU, drawing on extensive construction experience for government agencies and private companies, propose and carry out the installation and operation of solar panels, etc., at facilities both inside and outside the Group. We will strengthen the Group's carbon-neutral initiatives and contribute to the expansion of renewable energy in society.

Disclosure of information based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)



In May 2021, our Group announced its support for the Task Force on Climate-related Financial Disclosures (TCFD). Since then, we have proceeded with information disclosure in line with the various principles related to governance, strategy, risk management, and metrics and targets. Going forward, we will continue to steadily promote the transition to a carbon-neutral society by incorporating a response to climate change into our business strategies and by enhancing the resilience of our businesses.

More detailed information regarding disclosure based on the TCFD recommendations is available on our website.
▶ <https://www.hankyu-hanshin.co.jp/sustainability/tcfd/> (Japanese only)

Governance

To drive environmental, social, and governance (ESG) responses—including those to climate change—throughout the Group, our Corporate Sustainability Committee meets twice a year (normally, September and February) under the chairpersonship of the Group CEO. The deliberations of the committee are submitted to a meeting of the Group Management Committee, which is attended by all representative directors and representatives of each core business, and are reported to the Board of Directors to obtain their guidance. (See page 66 for details.)

Strategy

Identifying risks and opportunities

In considering responses to climate change issues, the Group identified risks and opportunities with the potential to influence our core business, especially in railway operations and real estate, which are expected to be particularly affected by climate change, and in international transportation, in which the needs of business partner companies are significant.

Main Items Identified			Timeframe
Risk	Railway operations	The imposition of carbon taxes, changes to the energy mix, and other measures will lead to an increase in power costs.	Medium to long term
		Ultra-large-scale typhoons and increasingly heavy rainfalls increase the potential for damage due to flooding of garages, stations underground, or electrical equipment, and the destruction of embankments may lead to the suspension of railway services.	Short to long Term
	Real estate	Due to surging construction material costs from the pass-through of carbon taxes and other factors, as well as rising electricity and fuel costs, building and renovation costs for buildings will increase, and facility operation costs will also rise.	Medium to long term
	International transportation	There may be fewer opportunities to do business with customers who are highly environmentally aware if we delay reducing the environmental impact of our logistics services or providing information relating to those services.	Medium to long term
Opportunity	Railway operations	The price advantage of energy efficient railways is expected to increase, and customers can be expected to shift to rail transportation.	Medium to long term
	Real estate	We can strengthen our competitiveness by responding to emerging needs for disaster-resilient buildings and housing with high environmental performance.	
	International transportation	There is expected to be an increase in business opportunities from enhancing our portfolio of environmentally friendly services and from proposing integrated storage and transportation.	Medium to long term

Scenario analysis and estimation of financial impact

Among the risks and opportunities identified in the Railway Operations Business and the Real Estate Business, we conducted scenario analysis to understand the impact on business in FY2036, focusing on those assumed to have particularly significant effects. Specifically, we estimated the financial impact on business under a 1.5°C scenario, where carbon-neutral policies are expected to be strengthened, and a 4°C scenario, where physical risks are expected to materialize.

Railway Operations

Impacts on the Railway Operations Business and future response

Under the 1.5°C temperature-rise scenarios, we were able to confirm that environmental regulations should be tightened due to policies and that the impact of carbon taxes would increase. We will continue to reduce the impact of these by reducing energy consumption by upgrading to energy-efficient railway cars; introducing LED lighting; and working to utilize renewable energy by installing solar panels at stations.

Under the 4°C temperature-rise scenario, it was confirmed that the potential for greater physical damage would be exacerbated by Impacts on the railway operation business and future response natural disasters that are more intense in scale and frequency. In this trial calculation, we selected the Muko River, which would be expected to cause the largest amount of damage on our line-side areas, and calculated the likely amount of damage. On the other hand, it was confirmed that the damage could be greatly reduced by evacuating trains when the Muko River floods. We will continue to strive for robust business operations that can avoid long-term suspensions through various safety investments and steadily implementing train evacuation plans.

	Category	Eventualities That Would Impact Business	Impact on operating profit*1 (¥ billion)	
			4°C	1.5°C*2
Transition Risks	Carbon pricing (carbon tax, carbon emission allowances)	Requirement to pay carbon taxes	–	-1.9*3
Physical Risks	Abnormal weather (intensification of natural disasters)	Flooding from Muko River would damage our assets and reduce ridership revenue	-4.4	-1.1
		No train evacuations (Amount saved through train evacuations)	(+4)	(+1)
		With train evacuations	-0.4	-0.1
	Changes in rainfall and other weather patterns	Higher frequency of service cancellations due to torrential rain*4	-0.3	-0.1

*1 None of the figures account for the possibility of passing on cost increases to passengers.
*2 As there are no parameters for physical risk for the 1.5°C scenario, we have assumed the same impact as under the 2°C scenario.
*3 For the IEA's 1.5°C scenario, impacts are calculated on the basis of 180\$/t-CO₂, with a dollar worth 150 yen (the rate at the end of March 2025).
*4 Increase in torrential rain is averaged over a period from 2076 to 2095.

Real Estate

Impact on our Real Estate Business and future responses

Under the 1.5°C temperature-rise scenario, it was confirmed that, in addition to increased construction costs due to surging prices of building materials resulting from the pass-through of carbon taxes and similar measures, there is also an impact from increased facility operating costs due to higher electricity and fuel expenses. We will strive to minimize the impact as much as possible through appropriate pricing and thorough cost control measures, including ongoing energy-saving initiatives. It was also confirmed that the financial impact on the real estate business under the 4°C temperature-rise scenario is limited.

Mainly for newly developed large buildings, in the future, we will continue to adopt metrics such as the business continuity plan (BCP) compliance rate, the green building certification acquisition rate, and the adoption rate for ZEH construction methods in new condominium development, and will promote initiatives that enable us to respond whatever the scenario.

	Category	Eventualities That Would Impact Business	Impact on operating profit*1 (¥ billion)	
			4°C	1.5°C
Transition risks	Carbon pricing (carbon tax, carbon emission allowances)	Rising prices of construction materials due to introduction of a carbon tax	-	-2.6*2
		Requirement to pay carbon taxes	-	-1.2*2

*1 None of the figures account for the possibility of passing on cost increases to passengers.
*2 Estimated based on the IEA's (International Energy Agency's) 1.5°C temperature-rise scenario estimates (same as Railway Operations Business)

Risk management

Our Group has established a dedicated Risk Management Committee to oversee group-wide risk management, and our Risk Management Dept. in charge of actual operations conducts annual risk assessments. For these assessments, the risk management office uncovers risks to organizational operations, including those relating to climate change (natural disasters, sharp rises in energy and materials prices, etc.), and having assessed the likelihood of these risks occurring and their impact, establishes the appropriate countermeasures. The status of these risks is analyzed and risk countermeasures are reported to the Board of Directors whenever necessary, while the Corporate Sustainability Committee also deliberates on risks relating to climate change and their impact on business. (See page 96 for details.)

Metrics and targets

We have adopted environmental protection as a priority issue for sustainable management and established greenhouse gas (GHG) emission reduction targets as a non-financial KPI common to the Group (net zero emissions by FY2051, with the interim goal of a 60% reduction compared to FY2020 (in FY2036)). While looking at financial soundness and investment effects, we are steadily promoting energy efficiency, and based on trends in technological innovation and business profitability, we will also consider energy generation (the introduction of equipment, etc. for generating renewable energy) (See page 69 for details). In line with the above policy, each business has established indicators for the appropriate management of non-financial action plans and progress, including responses to climate change. Furthermore, with the aim of encouraging investment aimed at reducing CO₂, from FY2024 we introduced internal carbon pricing (¥5,000/t-CO₂). Utilization examples: Decision-making relating to alternative newly built railcars with high energy efficiency and the carbon-neutral operation of all Hankyu and Hanshin railway lines). We will continue to actively promote initiatives contributing to the emergence of a society that is committed to carbon neutrality.

Shared by the Group	Non-financial KPIs ▶ P.68	Greenhouse gas (GHG) emissions (Scope 1 & 2) reduction targets: 60% reduction by FY2036 (compared to FY2020) FY2051: Net zero GHG emissions (Scope: Hankyu Hanshin Holdings, Inc. and consolidated subsidiaries) CO ₂ emissions (Scope 1 & 2) reduction target: 46% reduction by FY2031 (compared to FY2014) (Scope: Hankyu Hanshin Holdings, Inc. and domestic offices of subsidiaries)
Railway Operations	• Upgrading to energy-efficient rolling stock, installing solar power generation on factory roofs and station buildings, and introducing regenerative power storage devices • Promoting a response to natural disasters based on business continuity plan (BCP) Non-financial KPIs ▶ P.46	VVVF train* conversion rate, LED conversion rate, zero long service downtime due to natural disaster, etc. * Railway cars whose motor voltage and frequency can be controlled with high environmental efficiency and no waste.
Real Estate	• Helping make rental facilities carbon neutral (energy efficiency/generation and procurement of renewable energy) • Promoting ZEB and ZEH construction methods for buildings and housing under development Non-financial KPIs ▶ P.52	BCP compliance rate for large buildings in the Osaka-Umeda area, green building certification rate for large office and commercial buildings, rate of adoption of ZEH construction methods for new condominiums for leasing or sale in Japan, etc.
International Transportation	• Seeking to maintain and strengthen competitiveness by providing optimal alternative transportation measures (non-stop distribution) based on appropriate BCPs Non-financial KPIs	Rate of existence of BCPs



Biodiversity

Improving the appeal of areas through planting greenery and conservation of nature

Disclosure of information based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)



The Group has been promoting activities groupwide that contribute to the conservation of the natural environment and biodiversity as part of efforts to create “Thriving Communities” where people want to gather, work, and live together with nature and culture. In addition, in the Long-Term Management Plan announced in March 2025, we have set “Improving the appeal of areas through planting greenery and conservation of nature” as one of the directions for environmental initiatives.

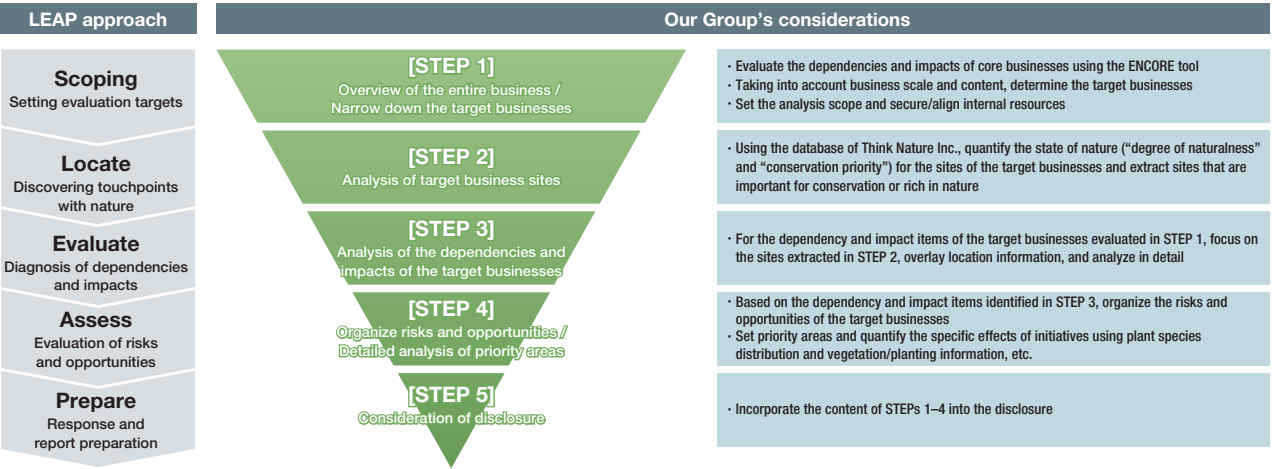
This time, in order to appropriately understand the Group's dependence and impact on natural capital and biodiversity, as well as risks and opportunities in our businesses, we conducted analysis and evaluation based on the double materiality concept in line with the framework of the Taskforce on Nature-related Financial Disclosures (TNFD).

Our Group conducts analysis and evaluation of risks and opportunities related to natural capital and biodiversity in accordance with the “LEAP approach” recommended by TNFD.

Below, we disclose information on strategy and metrics & targets, which are among the recommended TNFD disclosure items (governance, strategy, risk and impact management, metrics and targets). In addition, regarding governance and risk and impact management, we have established systems and mechanisms similar to those for climate change (▶ P.73・74).

In TNFD, since natural capital and human rights are closely related, respect for the human rights of a wide range of stakeholders, including local residents, is required. The Group has established the Basic Philosophy on Respect for Human Rights and the Basic Policy on Respect for Human Rights, and conducts business activities with respect for the human rights of stakeholders such as customers, business partners, shareholders, local communities, and officers and employees who are responsible for business activities. In addition, the Hankyu Hanshin Holdings Group Supply Chain Policy (▶ P.98) has been formulated to promote sustainability initiatives, including human rights, throughout the supply chain.

Specific analysis steps at our Group



Strategy

Setting evaluation targets (assessing the dependencies and impacts of each core business and streamlining business operations)

ENCORE* was used to assess the Group's core businesses for their dependence and impact on nature. Based on these results, as well as business scale and touchpoints with nature at operational sites, Urban Transportation, Real Estate, and Entertainment (hereinafter collectively referred to as the “target businesses”) were selected for further analysis.

* ENCORE: A tool developed by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) and others to understand the degree of dependence and impact of business activities on nature

Dependence and impact of the Group on nature

Dependence on nature																	
Sector	Recreation	Visual amenities	Education and research	Spiritual, artistic, and symbolic services	Water supply	Climate regulation	Rainfall regulation	Regional climate regulation	Air purification	Soil and sediment retention services	Solid waste remediation	Water quality regulation	Water flow regulation	Flood prevention	Storm mitigation	Noise suppression	Ecological control
Urban Transportation		VH			VL	M	M	L	VL	H			L	M	M	VL	VL
Real Estate	VH	VH	VH	VH	M	M	VH	L	VL	H	M	VH	M	M	M	M	M
Entertainment	VH	VH		VH	M	M	M	L	L	VL	M	VH	M	M	M	VL	VL
Information and Communication Technology					VL	VL	VL	L	L	L	VL		VL	VL	VL	VL	VL
Travel	VH	VH	VH	VH	VL	M	M	L	H	M		M	VL	VL	L	VL	M
International Transportation					L	M	VH	L	VL	L		M	M	H	H	VL	VL

Impact on nature										
Sector	Ecosystem disturbance	Freshwater ecosystem use	GHG emissions	Marine area use	Air pollution	Solid waste	Terrestrial ecosystem use	Water and soil pollution	Water use	Invasive species
Urban Transportation	M		M		M	L	M	L	M	VH
Real Estate	VH	M	H		L	M	L	H	L	M
Entertainment	M	VL	L		VL	M	M	L	L	VL
Information and Communication Technology	M	VL	VL		VL	L	M	L	L	
Travel	M	VL	M	M	L	L	M	L	L	M
International Transportation	VH	L	H	M	H	M	M	L	M	VH

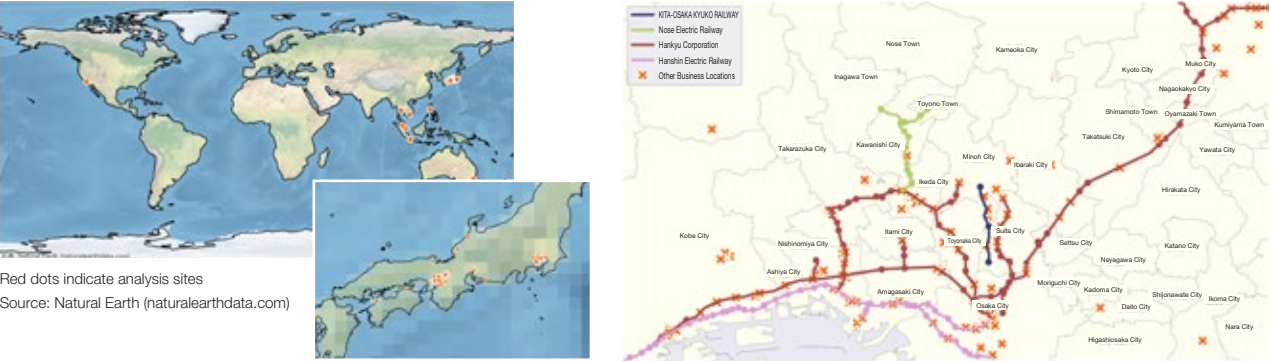
VH : Very High H : High M : Medium L : Low VL : Very Low

Identifying touchpoints with nature (evaluation of target business sites)

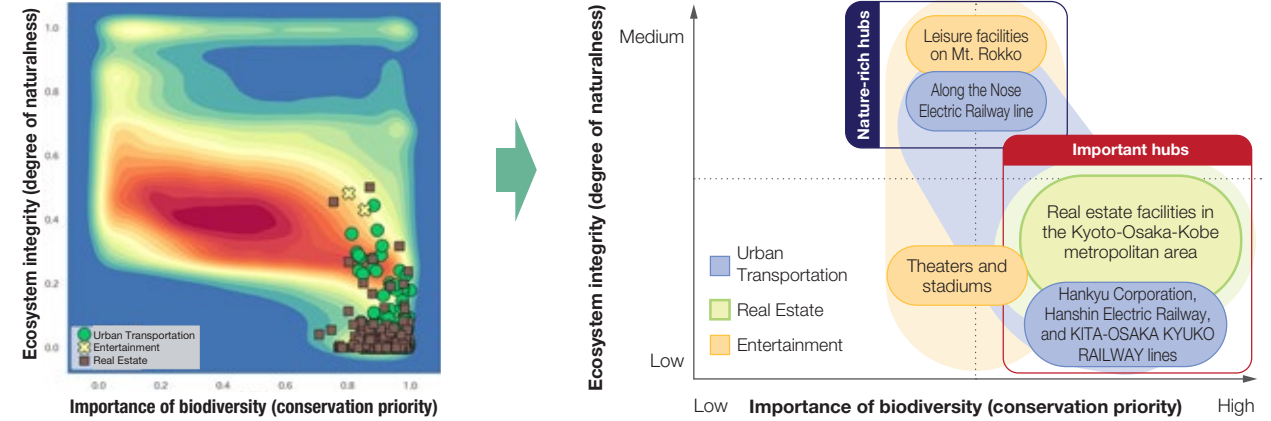
For the target businesses, based on location information of approximately 500 domestic and overseas business sites obtained from Think Nature Inc.'s database* and other sources, we evaluated the surrounding natural conditions from the perspectives of biodiversity importance (conservation priority) and ecosystem integrity (degree of naturalness). As a result, in the Keihanshin area, where many business sites are concentrated, it was found that although the areas along the lines of Hankyu Corporation and Hanshin Electric Railway and around real estate facilities are urban and have low naturalness, there are many areas with high conservation importance. It was also found that areas such as Mt. Rokko, where entertainment business sites are located, and the areas along the Nose Electric Railway have high naturalness.

* A proprietary database consisting of globally published literature and other biodiversity and natural capital data, as well as spatial data predicted using machine learning based on these sources

Map of analysis sites



Trends in conservation priority and ecosystem integrity



(Note) The color map shows the concentration (distribution density) of combinations of “conservation priority” and “ecosystem integrity” within Japan.
Conservation priority : An indicator showing the importance of biodiversity based on the distribution of more than 10,000 terrestrial species in Japan
Degree of naturalness: An indicator showing how close an area is to its original natural state (the higher the value, the closer to pristine nature).

Identification and evaluation of dependence, impact, risks, and opportunities related to nature

For ecosystem services and factors impacting nature that are closely related to the target businesses identified by the ENCORE tool, these spatial data (map information) were overlaid with business sites to analyze and quantitatively evaluate the health and richness of ecosystem services around the sites and the severity of human activities’ impact on nature. As a result, it was found that some business sites with high dependence on ecosystem services that mitigate natural disasters (such as rainfall regulation and flood mitigation) are located in areas where these functions are insufficient. It was also found that the degree of impact on the natural environment is high for ecosystem disturbance and the invasion of invasive species.

Furthermore, based on the results of the dependence and impact assessment, the main business risks and opportunities expected for each target business were organized in accordance with the classification exemplified in the TNFD framework, taking into account case studies from scientific research papers, reports, and media coverage.

Risk category		Risk overview	Target businesses			Main Impacts
			Urban Transportation	Real Estate	Entertainment	
Physical risks	Acute	Business operation interruptions and damage to equipment/facilities due to flooding and landslide disasters	○	○	○	Decrease in income due to business suspension Increase in costs for equipment renewal and repairs Decline in asset value
	Chronic	Instability in water supply		○		Increase in water procurement and treatment costs
Transition risks	Reputation and Legal Liability	Impact on ecosystems from development and business operations	○	○	○	Decline in brand value and reputation Bearing compensation costs
	Policy	Strengthening of various regulations (land development, water quality, waste, etc.)	○	○	○	Increase in response costs

Opportunity Categories		Overview of Opportunities	Target businesses			Main Impacts
			Urban Transportation	Real Estate	Entertainment	
Products and Services		Growing demand for lush towns and facilities Creation of experiential value (such as events and ecotourism) utilizing conserved ecosystems	○	○	○	Increase in income Strengthening of regional collaboration Enhancement of brand value
		Effective utilization of water resources Reduction of waste Strengthening disaster prevention functions	○	○	○	Reduction of operating costs Enhancement of brand value Strengthening of business continuity

Main responses to risks and opportunities

Regarding physical risks, in the Railway Operations Business, we are implementing countermeasures such as slope stabilization, rockfall prevention, and reinforcement of drainage functions, as well as installing additional rain gauges. In addition, to avoid flood damage to depots and vehicles caused by river flooding, we are advancing flood countermeasures such as vehicle evacuation plans. Regarding transition risks, when undertaking new development in urban transportation and real estate business, we confirm the presence of trees and forests and other natural environments that should be preserved and conserved within the development site, and carry out preservation and conservation as necessary. Furthermore, for the arrangement of plantings and selection of tree species, we devise ways to harmonize with the nature of the development area. For initiatives on waste reduction and effective utilization of water resources, please refer to “Resource Recycling” (▶ P.81).

Regarding opportunities, in Entertainment, we aim to expand customer attraction to leisure facilities on Mt. Rokko by appealing to the natural beauty and scenic views of the mountain. In Real Estate, as described below, through the development of Osaka Umeda Twin Towers South and Grand Green Osaka, we are creating spaces within the city where people can feel nature, enhancing the appeal and comfort of facilities, and generating lively places where many people gather. Furthermore, with the condominium brand “Geo,” we are working to enhance the added value of properties by actively incorporating nature into the city and creating a rich environment where people and living creatures can coexist.

Detailed analysis and current initiatives in priority areas

Based on the results of identifying points of contact with nature and analysis of changes in greenery at the Group’s main bases in the Keihanshin region, we have designated the Hanshin area from Kobe, where Mt. Rokko with high natural value is located, to Osaka-Umeda, where our Group’s key bases are concentrated and conservation priority is high, as the

Group’s priority area. Furthermore, for the key bases of Mt. Rokko and Osaka-Umeda, we conducted detailed analysis of vegetation conditions and the effects of plantings on ecosystems. The analysis results for Mt. Rokko and Osaka-Umeda are as follows.

Mt. Rokko Area

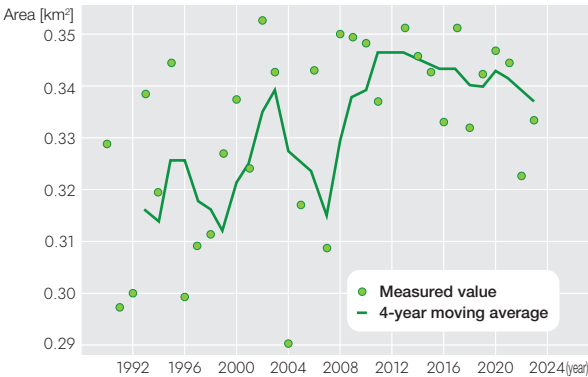
Analysis results and characteristics

For the Group’s owned land in the Mt. Rokko area, we evaluated changes in greenery over time and vegetation conditions using satellite images and other data from 1990 to the pres-

ent with a machine learning model. As a result, since 1990, there has been an increasing trend in green space across all owned land, with a particularly notable increase in artificial forest areas. In terms of vegetation, it was found that, in ad-

dition to Japanese red pine, diverse vegetation centered on broadleaf trees has formed. The increase in green space contributes to the conservation of biodiversity by increasing habitats for wild flora and fauna, and is also believed to enhance various ecosystem services, such as absorption of CO₂ by vegetation, prevention of soil erosion, and mitigation of natural disasters through local climate regulation. Furthermore,

Changes in greenery in the Mt. Rokko area
(Group-owned land and artificial forest areas)



Current main initiatives

At the Rokko Alpine Botanical Garden operated in the Mt. Rokko area, about 1,500 species of mountain wildflowers are cultivated, including alpine and cold-region plants from around the world, native Rokko plants, and other endangered species. Each plant is planted in a state close to the wild, adapted to the environment within the approximately 50,000 m² garden, and through the holding of nature experience programs, efforts are made to raise awareness of nature conservation.

Since its founding in 1947, the garden has been a member of the Japan Botanical Gardens Association, and as a regional base garden, it is also engaged in ex-situ conservation of endangered Japanese plants.

Osaka-Umeda area

Analyst results and features

For real estate properties in the Osaka-Umeda area—Osaka Umeda Twin Towers South and Grand Green Osaka (a project in which the Group participated as part of a joint venture)—we estimated and analyzed the average capture rate*¹ and individual increase rate*² of bird and butterfly species as effects on surrounding organisms based on planting information.

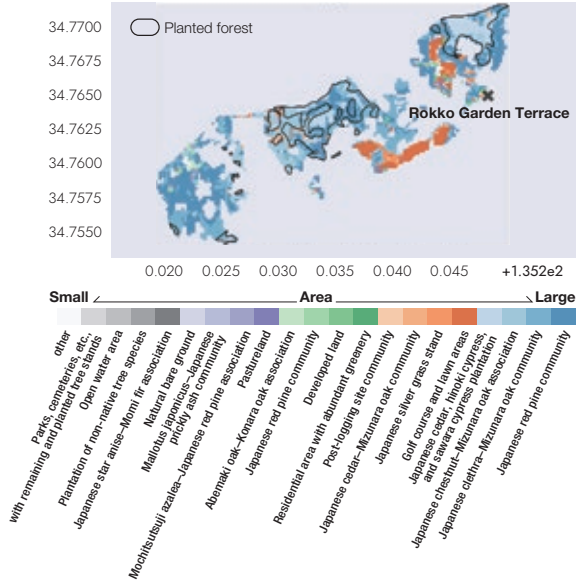
As a result, the average capture rate for both birds and butterflies was high, and it was evaluated as having the effect of attracting native species to the area. In addition, the individual increase rate for butterflies was evaluated as having increased significantly. At both facilities, as described below, planting has been carried out mainly with native species, and it has been confirmed that these efforts have had a positive effect on the surrounding ecosystem.

*1 Average capture rate: The percentage of bird and butterfly species living within a 5 km radius of the property that utilize tree species planted on the property

*2 Individual increase rate: An indicator showing the extent to which the number of birds and butterflies living within a 1 km radius of the property has increased due to planting

the Japanese red pine forests, which occupy a large area in the region, are considered important habitats for wildlife, and rare species such as the northern goshawk have been confirmed to use these areas.

Vegetation status of Mt. Rokko (owned by the Group)



In 2025, the Rokko Alpine Botanical Garden Planting Management Plan was recognized as an activity to maintain a place rich in biodiversity and was certified as a Nature Symbiosis Site by the Ministry of the Environment.



Keshuhamaso, an endangered plant, within the garden

Osaka Umeda Twin Towers South		
	Average capture rate	Individual increase rate
Birds	37.0%	0.1%
Butterflies	81.3%	56.9%

Grand Green Osaka		
	Average capture rate	Individual increase rate
Birds	43.5%	0.4%
Butterflies	95.8%	108.3%

Note: For birds, because the range of food resources and environments they use is broad, the effect of planting on the number of species and individuals may have been more limited than for butterflies.

Current main initiatives

At Osaka Umeda Twin Towers South, as part of wall green-
ing, large-scale planters have been installed across the entire
low-rise exterior balcony, and tree species native to the Mt.
Rokko and Yodo River have been arranged. Similarly, the
rooftop garden on the 12th floor features the same tree spe-
cies, with zelkova as the symbolic tree to harmonize with the
landscape, providing a relaxing and restful space for office
workers and visitors. These initiatives have been recognized,
and in 2024, the property was certified as a Nature Symbiosis
Site by the Ministry of the Environment.

In addition, at Grand Green Osaka, where the Group par-
ticipated as part of a joint venture, approximately 4.5 hect-
ares of Umekita Park serve as the core, with about 320
species (including about 270 native species) and more than
1,500 trees forming diverse green spaces, promoting urban
development that considers biodiversity. Based on ecological
surveys of the Yodo River and Osaka Castle Park, we have
identified target species to attract, and by planning environ-
ments that consider the habitats of these organisms (such
as attention to light environments and the creation of highly
diverse environments that connect waterfronts to forested ar-
eas), we aim to contribute to the formation of an ecosystem
network surrounding central Osaka.

Furthermore, the management and operation of this park
will be carried out integrally with area management by “Gen-
eral Incorporated Association Umekita MMO”^{*} as the desig-
nated manager for 50 years. In addition to safety and security,

the park provides opportunities for new discoveries and cul-
tural stimulation to a diverse range of visitors—including local
residents, workers, tourists, and shoppers—by offering daily
enrichment through park use and extraordinary experiences
through events in a nature-rich setting.

^{*} An organization formed by nine developers to jointly manage park management
and area management for the entire town



Osaka Umeda Twin Towers South
rooftop plaza



Grand Green Osaka
Umekita Park (South Park)
©Akira Ito.aifoto



Geo Ogikubo Active Garden



ABINC Certification



Forest volunteers

Other Group initiatives

Initiatives based on the biodiversity conservation vision “Minna ikimono Action”

Hankyu Hanshin Properties has formulated the biodiversity conservation vision “Minna iki-
mono Action” for its GEO condominium series. This vision aims for a future where people
and diverse living creatures such as birds, insects, and plants coexist, actively incorpo-
rating nature into the city and creating landscapes that foster biodiversity. By interlinking
five planning policies—landscape, climate, color, flow lines, and habitat environment—it
creates a rich environment where people and living creatures can live together. First, this
vision is being applied to the four gardens of Geo Ogikubo, currently under construction
in Suginami Ward, Tokyo, and is planned to be expanded to other GEO series properties.
Notably, Geo Ogikubo is the first GEO property to obtain “Ikimono Symbiosis Office Cer-
tification (ABINC Certification)”^{*}.

^{*} ABINC Certification is awarded to properties that meet the standards for creating and maintaining environments where
people and living creatures can coexist, as set by the “Association for Business Innovation in harmony with Nature and
Community,” which aims to realize a world where biodiversity is conserved and nature is symbiotic, following a review
by the council.

Forest conservation activities at “Kina no Mori” in Kobe City

Hankyu Hanshin Properties promotes the use of domestic timber for decorative materials
in common areas of its GEO condominium series, advancing wood utilization. By actively
using domestic timber, we expect benefits such as improved water source recharge func-
tions of forests^{*1}, enhanced carbon dioxide absorption^{*2}, and biodiversity conservation^{*3}.
Furthermore, by sourcing timber for decorative materials in common areas locally as a
general rule, we contribute to the conservation of local forest environments. Additionally,
a part of “Kina no Mori” in Kobe City has been named “Hankyu Hanshin Properties For-
est,” where forest conservation activities such as removing evergreen trees that hinder the
growth of understory vegetation and maintaining walkways necessary for work are being
carried out. Workshops using felled trees and training sessions for forest volunteers are
also held to promote the use of forest resources and forest environmental education.

^{*1} As ground plants become more abundant, rainwater is intercepted by their leaves, and the increased plant roots
make the soil spongy, preventing rainwater from running off all at once and allowing it to be retained within forest soil,
thereby enhancing water source recharge functions.

^{*2} Thinning increases the space between trees, allowing them to grow thicker and absorb more carbon dioxide.

^{*3} Improving the light environment can lead to the emergence of diverse plants and create a favorable environment for
animals and plants, thus contributing to biodiversity conservation.

Support for biodiversity conservation activities
through grants to civic groups

Through the Group’s social contribution initiative, the Hankyu Hanshin Dreams and Com-
munities of the Future Fund, we provide grants to citizen groups that promote forest con-
servation activities such as tree planting and forest cultivation, as well as satoyama conser-
vation and protection of endangered species in communities along Hanshin and Hankyu
railway lines. Through activity support and regular dialogue, we collaborate to conserve
biodiversity for towns where people want to live into the future.



Association for Protecting Nature around the
Musho River is one of our grant recipients

Environmental conservation work in the foothills of Mt. Fuji

As well as its beautiful scenery, Mt. Fuji is known for a natural environment that fosters
abundant biodiversity. Hankyu Travel International began environmental conservation work
in the foothills of Mt. Fuji in 2015, and in collaboration with the certified NPO Fujisan Club,
charters a bus from Tokyo once a year to conduct cleaning activities.

In October 2024, employees of the Group and their families participated in the activity,
collecting approximately 80 kg of trash, including empty cans, plastic bottles, and discard-
ed tires. The total amount of trash collected through these activities to date has reached
approximately 1.3 t.

The initiative received the Encouragement Prize in the Global Environment Category at
the 2nd Japan Association of Travel Agents (JATA) SDGs Awards.



Group photo of people who took part in
environmental conservation work in the foothills
of Mt. Fuji

Metrics and targets

To understand the positive impact of efforts to enhance biodiversity on our business, the Group has established the following met-
rics to monitor how the promotion of greening, nature conservation, and biodiversity conservation leads to improved health, mental
well-being, and increased regional value. For metrics and targets related to greenhouse gas (GHG) emissions (Scope 1, 2, and 3)
and waste, which are recommended for disclosure by TNFD, please refer to page 68. In addition, our **Sustainability Data Book**
discloses actual results for waste, chemicals, water resources, and other items.

Indicator	Target
Regional attractiveness attributable to the richness of nature, measured via surveys of residents along the lines	Conduct monitoring
Number of plant species/biological species in specific areas (e.g., Osaka-Umeda, Mt. Rokko)	Conduct monitoring

Looking ahead

Based on the TNFD framework, we have found that advancing initiatives that enhance natural capital by analyzing the relationship
between the Group’s business activities and the natural environment also has a positive impact on the Group’s business. We will
continue to monitor the status and changes of the natural environment, advance initiatives that enhance the value of the regions that
form the foundation of the Group’s business, and contribute to a nature-positive future.



Resource recycling

Achieving both reduction of environmental impact and increasing value added by promoting waste reduction and recycling

Promotion of waste reduction

Recycling in collaboration with other companies and the government at Hanshin Koshien Stadium

At Hanshin Koshien Stadium, as part of the KOSHIEI “Eco” Challenge, an initiative implemented in 2021, we are promoting various efforts under the slogan “Minimizing waste generation and promoting recycling.”

Plastic cups used for selling draft beer and other beverages, which are collected with the cooperation of customers, are recycled in collaboration with TEIJIN FRONTIER Co., Ltd. and Shimojima Co., Ltd. as part of a cyclical initiative, using them as raw materials for novelty beer cup holders, garbage bags, and cushioning for stadium rubber fencing, which are then used at the same stadium. Furthermore, with approval for use as government-designated garbage bags, we are expanding their use outside the stadium and promoting resource utilization reduction in cooperation with the government agencies.

Initiatives to reduce plastic in the Hotel Business

At Hankyu Hanshin Hotels, based on the Act on Promotion

of Resource Circulation for Plastics, we have changed the provision of some disposable amenities in guest rooms to being offered at the front lobby*. In addition to reducing the amount of waste generated by allowing guests to take only what they need, we are also gradually switching to lighter plastic amenities and environmentally friendly products to reduce substances harmful to the environment as much as possible.

We are also switching the material of plastic straws used in directly managed restaurants and banquet halls to environmentally friendly alternatives, and only providing straws to guests who need them.

* Dai-ichi Hotel Tokyo and Hotel Hankyu International have amenities installed in guest rooms.

Reduction of food waste

At Hankyu Hanshin Hotels Co., Ltd., we are working to reduce food waste and make effective use of resources by suppressing the generation of food waste (making effective use of scraps generated during processing, devising serving and presentation methods), establishing systems for weighing, and making effective use of reusable food waste.

Reducing environmental impact on society through horizontal recycling and upcycling

Horizontal recycling of PET bottles

The Group is working with Circular Pet Co., Ltd., Asahi Soft Drinks Co., Ltd., and others on the “Bottle to Bottle” horizontal recycling project, which manufactures recycled PET resin from used PET bottles and recycles them into PET bottles. The implementation sites include Hankyu Corporation station facilities (mainly recycling boxes next to beverage vending machines), HEP Five, Applause Tower (including Hotel Hankyu International), Takarazuka Grand Theater, Hanshin Koshien Stadium (National High School Baseball Championship in summer), and many others.

Through this initiative, CO₂ emissions can be reduced by about 40% compared to when not recycled, making effective use of resources and reducing environmental impact. We will continue to expand the number of implementation sites and further promote the effective use of resources.

Providing used cooking oil as a raw material for SAF production

At each of the Group’s facilities, we are working to make effective use of resources by supplying used cooking oil as a raw material for the production of domestically produced sustainable aviation fuel (SAF).

Real Estate

Condominium brand “Geo”*, Hotel Hankyu International, Senri Hankyu Hotel, Takarazuka Hotel, Kyoto Shin-Hankyu Hotel, Osaka Umeda Twin Towers South (office section)

* Collection boxes are installed in the common areas of condominiums

Entertainment

Hanshin Koshien Stadium, Nippon Steel Coated Steel SGL Stadium Amagasaki

Reduction of water intake and effective use

Use of recycled wastewater and rainwater at commercial facilities and stations

At Osaka Umeda Twin Towers South, HERBIS OSAKA, and HERBIS ENT, we have adopted water recycling facilities that purify kitchen wastewater from restaurants, well water, and rainwater for use as miscellaneous water (for watering greenery and toilet flushing), thereby contributing to the reduction of potable water intake through water recycling. For kitchen wastewater treatment, microorganisms with high decomposition capabilities for lipids, starches, proteins, etc. are added,

enabling the treatment of organic wastewater unique to kitchen operations.

At Hankyu Corporation’s Settsu-shi Station and Nishiyama Tennoz Station, tanks are installed under the platforms to collect and store rainwater that falls on the platform roofs, which is then used for watering station plantings and flushing toilets.

At Hanshin Koshien Stadium as well, rainwater that falls on the Silver Canopy is stored in an underground tank and used for watering the field and flushing toilets.

Social



Priority issue
(materiality)



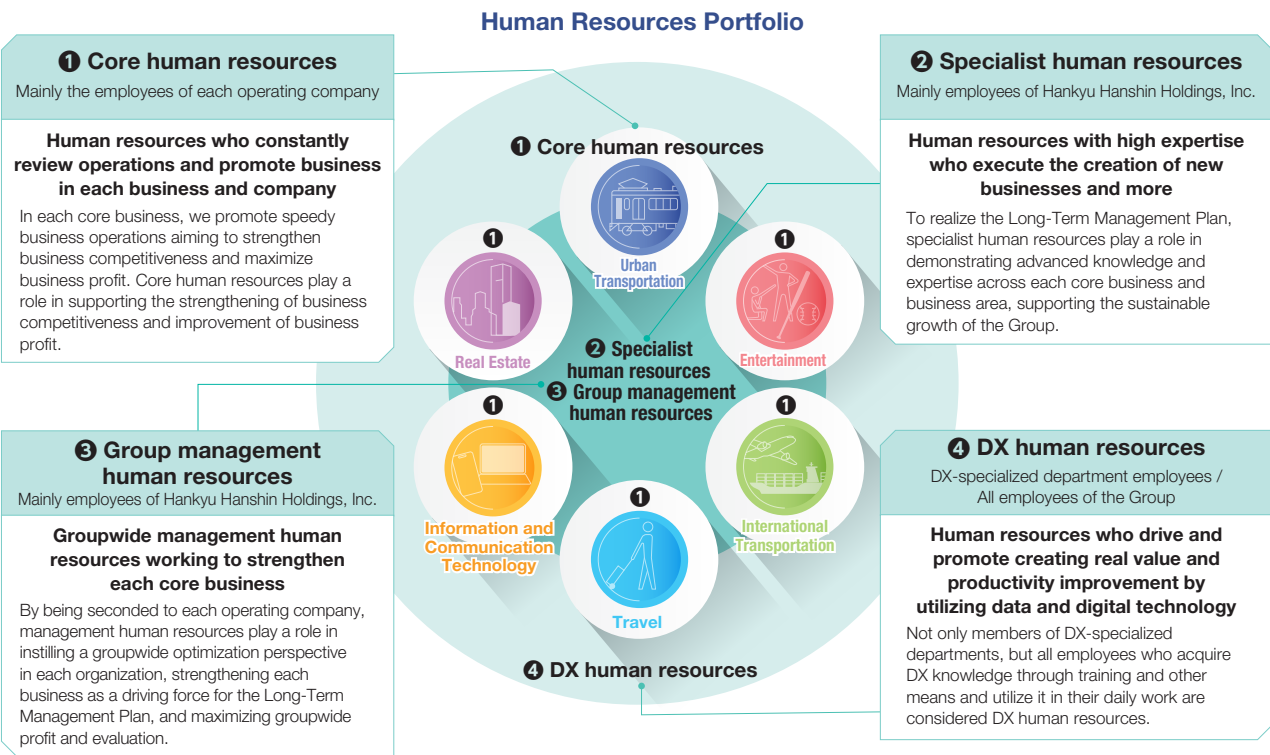
Related fields

Human Capital—Empowering Individuals

To achieve our Long-Term Management Plan, we need to increase the appeal of our line-side areas and content, expand our fields of business, and work together to push Group transformation in unison. An essential factor in that effort is the full engagement of every employee and the driving force that can become. Based on this, the Group will create an organizational environment where diverse human resources can fully demonstrate their abilities and thrive, so that each employee can work with a sense of fulfillment and security.

Overview of the Group’s human resources

Our Group, is currently developing six core businesses in accordance with management conducted by Hankyu Hanshin Holdings. By building a human resources portfolio composed of four talent categories and fostering a corporate culture in which diverse personalities and abilities can be fully demonstrated (i.e., each individual’s active contribution), we will continue to respond swiftly to rapid changes in the business environment while striving for ongoing value creation across each core business and, ultimately, the entire Group.



Basic approach to “Empowering Individuals” for realizing the human resource strategy



Initiatives based on each strategy

Strategy 1

Work engagement

Building an organization that enhances Engagement

To create an organizational environment where each employee can work with a sense of fulfillment and security, we are introducing systems and developing environments that enhance trust and sense of belonging to the organization and improve work comfort.

Specific Initiatives

- 1.1 Review of Personnel System
- 1.2 Introduction of Engagement Enhancement Initiatives
- 1.3 Development of Diverse Work Styles and Workplace Environments
- 1.4 Balancing Childcare, Nursing Care, or Medical Treatment
- 1.5 Promote Health and Productivity Management
- 1.6 Response to Harassment

1.1 Review of Personnel System (Hankyu Hanshin Holdings)

The Group has long conducted employee satisfaction surveys and aimed to improve employee satisfaction through organizational improvements and creating better workplaces based on the results.

In the employee satisfaction survey conducted in FY2024, the results of Hankyu Hanshin Holdings, Inc. indicated issues with employees' sense of understanding and satisfaction with the current personnel system. To resolve the problems and issues considered to be the cause, and to realize the Long-Term Management Plan, we revised the personnel system in July 2025 so that employees of Hankyu Hanshin Holdings, Inc. can take on various initiatives more proactively with a sense of fulfillment and security.

Actual status of personnel system based on Employee Satisfaction Surveys, etc.	
Strengths	Weaknesses (issues)
<ul style="list-style-type: none">Comfortable work environmentJob satisfactionStable employment conditions	<ul style="list-style-type: none">Lack of transparency in the systemInsufficient adoption of the systemDecline in motivation to take on challenges due to excessively uniform treatment

New Personnel System

| Envisioned system changes |

Changes that apply to both employees and the Company

The company and employees will deepen mutual understanding to grow together

Change that applies to employees

Employees will actively take on challenges toward achieving ambitious goals

Change that applies to the Company

While realizing employee well-being, the Company will develop management and professionals in each field

| Overview of the New Personnel System |

Qualification System	<ul style="list-style-type: none">Systematic reconstruction of role definitions to realize the desired human resource profileRole changes at appropriate timing linked to human resource development
Personnel Evaluation System	<ul style="list-style-type: none">Evaluation system divided into "Behavior/Ability" and "Results" sectionsEnhance transparency of evaluations by strengthening feedback to individualsEstablished "Challenge Goals" to fostering an organizational culture that praises challenges and learns from failures
Wage System	<ul style="list-style-type: none">Wage system with clear differentiation reflecting performance and contributionClarified the portion of company performance and individual evaluation reflected in wagesIntroduced a profit-sharing system funded by a portion of company-wide contribution profits

| Adoption measures |

To enhance employees' understanding and acceptance, we held 20 sessions of system briefings (both in-person and online), tuning the content by hierarchy. In addition, to prevent differences in understanding of the purpose and content of the system, we conducted follow-up through post-briefing surveys and responses to questions.

1.2 Introduction of Engagement Enhancement Initiatives

Increase in employee stock ownership plan incentives

Our Group has introduced an employee stock ownership plan system to more than 40 group companies, including Hankyu Hanshin Holdings, Inc. and its 6 main companies, to support employees' asset formation and provide long-term incentives.

In Hankyu Hanshin Holdings, Inc., from September 2025, the incentive rate for the stock ownership plan was raised from 5% to 20%. In addition to aiming to enhance employee loyalty, we intend for employees to have an interest in and responsibility for groupwide performance and management through ownership of our own stock.

Strengthening internal communications

Our Group is working to transform its organizational culture to flexibly respond to environmental changes and build a system that enables group-wide co-creation of value. To achieve this, we are increasing opportunities to "look across (other businesses/departments)" and "look outside (outside the Group)" to vitalize internal communication and encourage changes in awareness and behavior among each employee.

Specifically, we are promoting various initiatives such as launching the "Project for Creating the Foundation for Transformation" to plan and manage internal exchange events, understanding the current situation and considering improvement measures through employee engagement surveys, and holding town hall meetings with management.



A town hall meeting with Management

Award system

Under the annual company and employee awarding programs, the Group recognizes companies and businesses that have made significant contribution to business performance, as well as companies that are expected to grow, creative initiatives that lead to the realization of our Long-Term Management Plan, and proactive efforts by employees in line with the Values of the Group Management Philosophy (Customers First, Foresight & Creativity, etc.).

Award-winning companies and employees receive a certificate and prize, and are introduced to all the Group employees via company newsletters, the Group's PR magazine, and other media. Their achievements are praised by the entire Group and are utilized in other initiatives.

1.3 Development of Diverse Work Styles and Workplace Environments

Within our Group, we are working to establish systems that enable diverse work styles unconstrained by time or place, and to create an open, supportive workplace environment where employees can fully demonstrate their abilities and achieve results (systems may vary by company or department).

| Main Initiatives |

Systems that enable diverse working styles independent of time and place
<ul style="list-style-type: none">Remote work systemFlextime system/Staggered work hoursSystem that allows employees to take annual paid leave in half-day or hourly increments
Open-design workplaces that are employee-friendly
<ul style="list-style-type: none">Free address systemActivity-Based Working (ABW)* areas (private spaces suitable for a single person to concentrate on work or conduct a web conference, free spaces suitable for small group meetings, etc.)Loosening of dress code

* ABW (Activity-Based Working): A work style that allows flexible choice of work location and time according to the nature of the work and how the employee feels about the work.



Office with free address seating



Standing meeting space



Meeting space



Space for concentrated work

1.4 Balancing Childcare, Nursing Care, or Medical Treatment

Our Group has established various systems to support all employees in continuing to work with peace of mind, accommodating each individual's life stage and circumstances, and enabling them to balance work with childcare, nursing care, and medical treatment.

| Main related initiatives at the Company (FY2025) |

Childcare	<ul style="list-style-type: none">Childcare leave system exceeding legal requirements (until the child reaches age 3)Granting of special paid leave (15 days) for men employees
Nursing case	<ul style="list-style-type: none">Caregiving leave system exceeding legal requirements (up to a total of 3 years)
Medical Treatment	<ul style="list-style-type: none">Granting of leave for medical appointments

1.5 Promote Health and Productivity Management

Health Management Promotion System

The Group believes that the health of employees and their families is the foundation for a prosperous future for the Group, and promotes health management to raise individual health awareness and realize a rewarding workplace. To strategically promote health and productivity management across the Group, we have established the Health and Productivity Management Promotion Committee, chaired by the Group CEO. The committee brings together the Representative Directors and Directors in charge of Human Resources from the six major Group companies to discuss Group-wide policies, implementation plans, and the organizational framework for promoting health management. In addition, an outside director who is an Audit & Supervisory Committee Member with expertise in social health science and health management attends as an observer, thereby enhancing effectiveness.

Health & Productivity Management Outstanding Organization Certification

Under this promotion structure, health management initiatives across the Group have continued to expand. As a result, 30 Group companies were certified as "Health & Productivity Management Outstanding Organizations 2025," including Hankyu Corporation, Hanshin Electric Railway, and ITEC HANKYU HANSHIN, which were selected as White 500, and Hankyu Hanshin REIT Asset Management, which was selected as Bright 500.

| Changes in the number of certified Health & Productivity Management Outstanding Organizations

Category	2020	2021	2022	2023	2024	2025
Large enterprise	5	8	10	11	12	12
Small and medium-sized enterprise	6	7	10	14	18	18
Total	11	15	20	25	30	30

| Main related initiatives at the Company (FY2025) |


1. Physical health	<ul style="list-style-type: none">Health guidance for young people at risk of lifestyle-related diseasesWalking events	<ul style="list-style-type: none">Women's cancer screening (conducted with regular health checkups)Women's health seminars
2. Mental health	<ul style="list-style-type: none">In-house counseling roomSelf-care and line-care training	<ul style="list-style-type: none">Breathing technique seminarsMindfulness app
3. Workplace health	<ul style="list-style-type: none">No smoking during working hoursSubsidies for smoking cessation outpatient visits and medication	<ul style="list-style-type: none">Smoking cessation awareness seminars

1.6 Response to Harassment

Our Group conducts a workplace environment survey at all domestic Group companies twice a year, and the results are used in the formulation of each company’s Harassment Prevention Plan as well as for workplace environment improvement and education.

| Main Initiatives (FY2025) |

Development of promotion system	<ul style="list-style-type: none">Establishment of harassment consultation desks and training of consultants (Hankyu Hanshin Holdings, Inc. and group companies)Formulation of meeting rules during recruitment activitiesFormulation of basic policy on customer harassment
Example of measures to promote adoption	<ul style="list-style-type: none">Human rights awareness training for Group company PresidentsTraining for newly promoted employees and new hires at each levelEducation and training on customer harassment

Strategy 2	 Characteristics	Securing and developing diverse human resources to create new real value To secure and develop human resources who will lead the future of the Group and possess diverse values, knowledge, skills, and experience, we are implementing strategic recruitment activities (both new graduates and career hires), carrying out development initiatives, and introducing and improving systems that support autonomous career development.	Specific Initiatives 2.1 Implementation of Strategic Recruitment Activities 2.2 Planned Job Rotation 2.3 Expansion of Educational Programs 2.4 Expansion of Career Support Initiatives 2.5 Promote Diversity and Inclusion
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2.1 Implementation of Strategic Recruitment Activities (Hankyu Hanshin Holdings, Inc.)

At Hankyu Hanshin Holdings, Inc., we are strategically promoting new graduate and mid-career recruitment activities to secure diverse human resource, aiming for sustainable growth and increased corporate value.

New graduate recruitment

In response to the diversification of students’ values and career orientations in recent years, we place importance on carefully understanding each student’s thoughts and preferences, and conduct individual interviews and provide feedback at each stage from entry to selection and job offer.

In addition, to prevent misalignments in expectations after a new graduate joins the Company, we are implementing initiatives such as various events to deepen understanding of our business and opportunities for interaction with current employees, so that new hires can have a more concrete image of their work after joining.

Furthermore, as an approach to the younger generation in anticipation of future population decline, we are strengthening relationships with the next generation of human resource by communicating the appeal of our Group’s business and work styles from an early stage, through workplace experiences for junior and senior high school students and career education in collaboration with university career centers.

Mid-career recruitment

Placing importance on the perspective of diversity and inclusion and aiming to strengthen the competitiveness of each business, we are further expanding the framework for hiring experienced professionals from FY2026 onward. We are revitalizing our organization by proactively accepting human resources with diverse values, knowledge, skills, and experience, including not only those with industry experience but also those from different industries and professionals in the DX and IT fields.

We are also working to strengthen our approach to potential career changers by expanding the functionality of our recruitment website’s career registration (talent pool) system and enhancing information sharing through social media. This enables us to build connections with a wide range of people at any time.

2.2 Planned Job Rotation

While placing importance on developing human resources who are well-versed in each business, our Group also recognizes the need for human resources who can take on group-wide roles, and is promoting personnel transfers beyond core areas and planned job rotations. In human resource placement, we also capture employees’ intentions through communication sheets and interviews.

2.3 Expansion of Educational Programs (Hankyu Hanshin Holdings, Inc.)

To strengthen the management and human resource capabilities of our employees, we provide opportunities to learn and practice management strategy, management, finance and accounting, global trends, and more through training by job level.

We also promote participation in domestic MBA programs and industry-academia collaboration projects as external assignments. Furthermore, groupwide training is conducted for new employees, newly appointed managerial targets staff, and newly appointed Directors, covering a wide range of topics including mental health, sustainability, compliance, and various human rights issues such as human rights in business.

2.4 Expansion of Career Support Initiatives (Hankyu Hanshin Holdings, Inc.)

Career design training

To support career development that emphasizes intrinsic motivation, we have introduced career design training as part of our training by job level. We also offer career coaching and counseling to managerial targets staff on a voluntary basis.

Introduction of mentor-mentee system

To support the career development and challenges of young employees, we have introduced a mentor-mentee system and are promoting the creation of “diagonal relationships” that transcend departments and job levels. Participation as a mentee is on an application basis.

Self-development support system & qualification acquisition bonus

To support employees’ own career advancement and practical application in the workplace, we have established a self-development support system. We have designated key qualifications and provide a bonus to employees who obtain them.

2.5 Promote Diversity and Inclusion

Empowering women in the workplace

Hankyu Hanshin Holdings, Inc. and its 6 main companies are continuously implementing proactive recruitment of women. Our initiatives are built around three pillars:

1. Support for balancing work with significant life events
 2. Support for career development
 3. Promotion of understanding in the workplace
- We are advancing various measures such as sending employees to external training programs for developing female

leaders and enhancing work-life balance support through external mentors. Through these efforts, we strive to create an environment where all employees, regardless of gender, can thrive and work with vitality.

Propagating and supporting the recruitment of people with disabilities

The Group hires people with disabilities primarily through our special subsidiary, Assist Hankyu Hanshin, to create a supportive working environment for people with disabilities and actively create work opportunities for people with disabilities in the future.

Strategy 3	 DX	Development of human resources to lead and promote DX in our Group As the Group, to respond to rapid changes in the business environment and to foster talent who will lead and promote the creation of new real value and productivity improvements using data and digital technology (DX specialist departments and all employees), we are providing DX training and other educational programs for Group employees.	Specific Initiatives 3.1 Strengthening the Foundation for DX Promotion 3.2 Recruitment and Development of DX Human Resources
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3.1 Strengthening the Foundation for DX Promotion

In 2022, we established the DX Project Promotion Department. This department is playing a central role as we forge ahead with building a common platform for the entire Group. We are also actively advancing initiatives such as the introduction of HH cross ID and analysis of customer data linked to this ID.

3.2 Recruitment and Development of DX Human Resources (Hankyu Hanshin Holdings, Inc.)

To promote DX groupwide, in addition to hiring highly specialized DX human resources, we are developing DX human resources through initiatives such as design thinking, digital marketing, and training related to DX and AI.

Human Resource Development Policy & Desired Human Resource Profile (Hankyu Hanshin Holdings, Inc.)

Basic Policy on Human Resource Development	1. Support for proactive career development and skill enhancement 2. Clarify the “desired human resource profile” and support development in the workplace 3. Encourage the creation of new value from a long-term perspective	Types of Personnel Needed	The Ideal Employee of Hankyu Hanshin Holdings, Inc. <ul style="list-style-type: none">Envisions the future of the entire Group from an optimal perspective and has the drive to actualize that visionHas high aspirations and strong beliefs and takes on challenges without preconceptionsEngages with others sincerely and with humility and is constantly learning
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Training System (for Hankyu Hanshin Holdings, Inc. employees and Group joint training)

Training for Employees of Hankyu Hanshin Holdings, Inc.						Group Joint Training		
Management & Human Resource Enhancement			Career Support					
By Job Responsibility		Management Knowledge & Network Building	Digital Education	Career Development Support	Self-Development Support	By Job Responsibility		By Objective
Managerial Staff	Promotion Training Follow-up Training Managerial Staff Training	Development of New Value Creation and Conceptualization Skills MBA Graduate School Dispatch External Training Dispatch	Digital Literacy Training	Career Design Support Counseling & Coaching Evaluator Training	Self-Development Support System Qualification Acquisition Bonus	Managerial staff	New Director Training New Auditor Training New Manager Training	Compliance Mental Health Human Rights Awareness
	Promotion Training Follow-up Training New Employee Training	Marketing Basics Management Strategy Basics Labor Law Basics Finance Practice Basics		Career Design Training Mentor System	Support for Balancing Life Events (Such as Return-to-Work After Parental Leave Seminars)		Non-managerial employees	New Employee Training

Non-financial KPIs List

	Non-financial KPIs	Target (FY2026)	FY2025 Actual record (difference from previous year)	Details
Strategy 1	Employee satisfaction	Always better than in previous survey	3.50/5 scale (-0.07)	Conducted every other year (not conducted in FY2025) Results are for FY2024; figures in parentheses indicate the difference from FY2022.
	Turnover rate of employees who have joined the company within the last 3 years	—	13.4% (+1.3 pt)	
	Average years of service	—	20.1 years (+0.1 years)	
	Specific health guidance implementation rate	60% or higher	54.1% (+6.3 pts)	Subjects taken from the results of health checkups in FY2024 (individuals who completed Specific Health Guidance or those eligible for Specific Health Guidance)
	Smoking prevalence	15% or lower	16.6% (-0.8 pts)	
	Frequency rate of lost-time injuries	—	0.60 (-0.79)	Number of fatalities or injuries due to work-related accidents per one million total actual working hours (one or more days lost from work) excluding accidents involving a third party and commuting accidents
	Rate of participation in human rights training (level-specific training mainly conducted by Hankyu Hanshin Holdings)	Always 100%	100% (+2.9 pts)	
Strategy 2	Percentage of women among new hires	Always 30% or more	45.2% (+1.9 pts)	
	Percentage of women in management positions	Improve around 10% (FY2031)	6.4% (+0.5 pts)	
	Wage gap between men and women	—	73.2% (+1.0 pts)*	Ratio of actual wages paid to female employees vs. male employees (Scope of coverage: Hankyu Hanshin Holdings)
	Paternity leave uptake rate	100%	98.1% (-1.0 pts)	Number of employees who took childcare leave or leave for childcare purposes in FY2025/Number of employees whose spouses gave birth in FY2025
	Employment rate of people with disabilities	Always at or above statutory employment rate	3.07% (+0.06 pts)	Scope of coverage: Companies designated as special subsidiaries
	Ratio of new hires with career experience	—	40.9% (+5.1 pts)	Percentage of new hires in FY2025 with career experience
	Ratio of foreign employees (Percentage of increase in foreign employees over the previous year)	—	0.71% (+0.19 pts)	
	Total number of training participants (cumulative)	—	20,462 (+4,155)	
	Training hours per person	—	9.34 hours (-2.0 hours)	
Strategy 3	DX education expenditure	Always about 15%	17.0% (-0.7 pts)	DX education expenditures as a percentage of human resource development expenditures (Scope of coverage: Hankyu Hanshin Holdings)
	Percentage of employees completing DX online education	Always 100%	100%	

Note: Scope of coverage: Hankyu Hanshin Holdings, Inc. and six major companies (Hankyu Corporation, Hanshin Electric Railway, Hankyu Hanshin Properties, Hankyu Travel International, Hankyu Hanshin Express, and Hankyu Hanshin Hotels), except as described in details.
* The ratio of women is low in management positions with relatively high wage levels. On the other hand, there is almost no difference in wages between men and women relative to their age and years of service.

Other Initiatives for Society

Strengthening collaboration with local governments to realize a sustainable society

The Group has entered into comprehensive partnership agreements with cities and towns along our railway lines, aiming to revitalize local communities and create safe, secure, and environmentally conscious towns. Through these agreements, we will continue to work closely and cooperatively with each city and town to enhance the value of areas along our railway lines and to realize a sustainable society as envisioned by the SDGs.

Some of the municipalities that we have entered comprehensive partnership agreements with
Toyonaka City (February 2022), Minoh City (April 2022), Takarazuka City (September 2022), Takatsuki City (October 2024), Shimamoto Town (March 2025), Ikeda City (May 2025)

Provide opportunities to nurture the next generation

We conduct career education programs for elementary school students through the Hankyu Hanshin Dreams and Communities of the Future Project as part of the Group's social contribution activities. Our Hankyu Hanshin Dreams

and Communities Challenge Troop and Hankyu Dreams and Communities Exciting Work Program received the Minister's Award (Grand Prix) at the 8th Career Education Awards held by the Ministry of Economy, Trade, and Industry in FY2018, and the Minister's Award (the highest award) at the "Youth Experience Activity Promotion Company Award" sponsored by the Ministry of Education, Culture, Sports, Science and Technology in FY2021.

Hankyu Hanshin Dreams and Communities Challenge Troop

Through our businesses and facilities, and utilizing our human resources at railway stations, hotels, the Takarazuka Revue, and Hanshin Koshien Stadium and other venues, we offer elementary school students summer vacation learning experiences in a variety of real-world work settings. Up to FY2025, we have hosted over 21,317 children across 555 programs so far.



Railway track maintenance work experience

TOPICS Hankyu Hanshin Holdings Group Social Contribution Activity 01

Hankyu Hanshin Dreams and Communities of the Future Project

As part of the Group's commitment to creating communities that people will truly want to live in, we have operated the Hankyu Hanshin Dreams and Communities of the Future Project since 2009. The project, which focuses chiefly on developing environment-friendly regional environments and tomorrow's leaders, is one of our efforts aimed at helping meet the SDGs as outlined in the Sustainability Declaration we unveiled in May 2020.



Case study

Support and cooperation with civic groups

We subsidize citizen's groups, which conduct activities in line with our priority fields, "Sustainable Community Development" and "Tomorrow's Leader Development," in our line-side areas through donations raised by our employees and additional matching contributions from the Company via the Hankyu Hanshin Dreams and Communities of the Future Fund. In FY2025, the 16th year since the launch of the fund, 15 NPOs received a total of 9.00 million yen. As a new initiative, we implemented the "Yume•Machi Crowdfunding," a donation-based crowdfunding project to support "fundraising" for 10 citizen groups with whom we have built relationships through grants from this fund. This initiative aims to provide an opportunity for ongoing donations to citizen groups and to help these groups sustain their activities into the future. It is also intended to foster collaboration with various people involved in the community who share the desire to create "towns where people want to live for generations to come." From December 2024 to February 2025, we received support totaling approximately 4.8 million yen from 492 people. Going forward, we will continue to work together with employees and local residents along our railway lines to foster empathy and momentum for "creating towns where people want to live for generations to come."

Case study

Dreams and Communities of the Future SDGs Trains and SDGs Buses

Hankyu Corporation and Hanshin Electric Railway have been running the Dreams and Communities of the Future SDGs Trains, which disseminate awareness-raising messages to help achieve the SDGs in cooperation with government, municipalities, companies, civic groups, and other bodies. The external appearance of the trains features illustrations inspired by the SDGs, while inside the trains, posters are also all related to SDGs. Since September 2020, we have been operating the trains in collaboration with the Tokyu Group, and the energy used to run the trains is sourced entirely (effectively 100%) from renewable sources. These linked efforts were well-received and presented with a Special Award (SDGs Partnership Award) at the 4th Japan SDGs Award organized by the SDGs Promotion Headquarters of the Japanese government. Furthermore, since April 2024, with the launch of SDGs Buses with designs linked to the SDGs trains on some of the routes of HANKYU KANKO BUS, HANSHIN BUS, and TOKYU BUS CORPORATION, we have been increasing efforts in the eastern and western regions of Japan. This initiative is scheduled to continue until the end of FY2026.



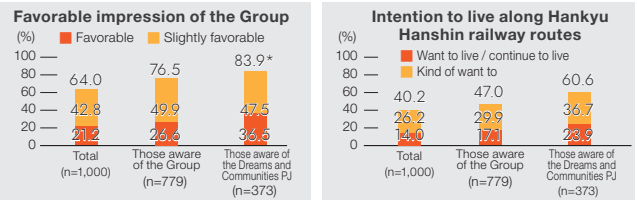
Dreams and Communities of the Future SDGs Trains (top) and SDGs Bus (bottom)

In May 2025, Ms. Melissa Fleming, United Nations Under-Secretary-General for Global Communications, came to see a Dreams and Communities of the Future SDGs Train. She commented, "I believe it is extremely significant that private companies rooted in the community are advancing initiatives for the future of communities and children, involving local governments and various sectors." We received this feedback from her.

Scene from Ms. Melissa Fleming's visit aboard an SDGs Train

Achievements through activities

The project regularly conducts customer surveys along the Hankyu Hanshin railway routes, and FY2026 survey results found that the people who are aware of this project and the Dreams and Communities of the Future SDGs Trains tend to be more favorable toward the Hankyu Hanshin Holdings Group and intend to live in line-side areas.



Survey subjects: Men and women aged 18–69 living in 23 municipalities along Hankyu Hanshin railway routes
Survey method: Internet survey on participants invited
Number of respondents: 1,000 Survey period: July 31 to August 5, 2025
* Due to rounding, totals may not match.

TOPICS 02

Business and Human Rights Initiatives

At the Hankyu Hanshin Holdings Group, we have set Respect for People as one of the Values of the Group Management Philosophy. To ensure all employees understand our stance, we have compiled a written Basic Philosophy on Respect for Human Rights and Basic Policy on Respect for Human Rights. In April 2023, we revised our basic philosophy and policy based on the United Nations Guiding Principles on Business and Human Rights and other standards.

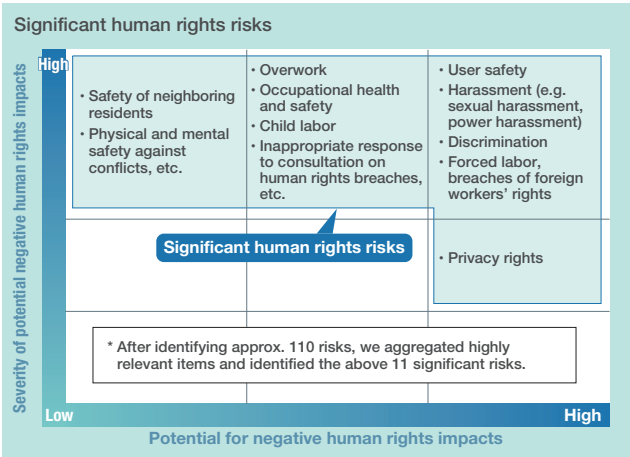
See the website for more details on our basic philosophy and policy on respect for human rights:
<https://www.hankyu-hanshin.co.jp/sustainability/materiality/human/rights/> (Japanese only)

Human rights due diligence

We are now more aware of the “business and human rights” perspective and are working on the initiatives to prevent human rights violations and mitigate negative impacts across the Group (including the supply chain) after identifying and prioritizing human rights risks (identifying significant risks). With importance placed on external perspectives, we are proceeding with initiatives through dialogue with external experts, including university professors and NGO representatives.

Identification of human rights risks and significant risks

We held workshops with employees involved in the Group’s core businesses to identify human rights risks in each business. The identified human rights risks were evaluated from the perspective of the severity of potential negative impacts on Identification of



Significant human rights risks	Relevant stakeholders*1					Main responses
	O	S	U	J	L	
User safety*2			●			• Safety measures (facility and equipment safety measures, employee training, etc.) continued and strengthened
Harassment (Including customer harassment)	●	●		●		• Harassment prevention measures (education and awareness, understanding and improvement through surveys, etc.) continued and strengthened [Harassment Countermeasures in Recruitment Activities] • Informing applicants about the consultation desk • Ongoing education for employees [Customer Harassment Countermeasures] • Establishing a system to prevent customer harassment and developing response manuals • Ongoing education for employees
Discrimination	●	●	●	●	●	• Ongoing education for employees
Forced labor, breaches of foreign workers' rights	●	●				• Understanding the current situation of foreign workers (surveys, interviews, etc.) and improving conditions • Continuous dissemination of important points regarding employment management
Overwork	●	●				• Ongoing and strengthened measures for working hours (management of working hours, confirmation of compliance with Article 36 Agreements, etc.)
Occupational health and safety	●	●				• Thorough implementation of employee health and safety management measures based on laws and regulations
Child labor	●	●				• Understanding the current situation of child labor (surveys, interviews, etc.) and improving conditions • Continuous dissemination of important points regarding employment management
Inappropriate response to consultation on human rights breaches, etc.	●	●	●	●	●	• Reviewing the structure of consultation desks, including support in foreign languages • Ongoing education for consultation desk staff
Privacy rights	●	●	●	●	●	• Continuous implementation of measures focused on personal information protection and information security (Further strengthening of information security measures, etc.)
Safety of neighboring residents					●	• Ongoing and strengthened safety measures (consultation with neighbors, employee education, etc.)
Physical and mental safety against conflicts, etc.*2	●					• Strengthening and developing a system for collecting and disseminating cross-group country risk information • Strengthening incident response capabilities

*1 O: Our employees, S: Supplier employees, U: Users/Consumers, J: Job seekers, L: Local residents
*2 “User safety” covers all core businesses, excluding the International Transportation segment. “Mental and physical safety against conflicts, etc.” covers those engaged in overseas business, including Urban Transportation, Real Estate, Travel, and International Transportation. Other risks are applicable to all core businesses.

human rights risks and significant risks human rights (scale, scope, and difficulty of remediation) and the likelihood of negative impact, and the following significant risks were identified for the Group.

In identifying human rights risks and significant risks, we take into consideration opinions and reports delivered from our

customers, local residents, employees, and other stakeholders to our Listening Center and Corporate Ethics Consultation Desk.

For significant human rights risks, we will sequentially implement initiatives for prevention and mitigation based on the future direction (see table on page 89).

Initiatives to prevent harassment

Regarding the significant human rights risk of harassment, we continue to implement training programs for officers and employees across Hankyu Hanshin Holdings and Group companies. In addition, the President and the heads of each Group company regularly issue messages to employees emphasizing the importance of preventing harassment. Each year, Group companies formulate harassment prevention action plans and carry out initiatives in a systematic manner aligned with those plans. We also conduct a survey on workplace environment for our Group company employees every other year (the most recent survey was conducted in June 2024). Through the survey, we promote better understanding of harassment prevention and thoroughly inform employees of the Harassment Consulting Office. The survey results are used to formulate harassment prevention measures at each Group company.

Harassment prevention measures during recruitment activities

As part of our harassment prevention measures during recruitment activities, our Company and core Group companies provide awareness training on fair recruitment and selection practices to hiring personnel and other employees who meet with applicants. In this context, we clearly prohibit harassment against applicants and establish rules for meetings between employees and applicants, such as meeting locations, times, and means of communication. We also provide information on harassment consultation desks for applicants on recruitment websites, etc., and strive to create an environment where applicants can participate in the selection process with peace of mind.

Customer harassment prevention measures

The Group believes that in order to continue providing customers with high-quality services in a stable manner, it is important to create a workplace environment where employees’ human rights are protected and they can work in good physical and mental health with peace of mind. Based on this belief, in November 2024, we established the “Hankyu Hanshin Holdings Group Basic Policy on Customer Harassment.” Specifically, we have clarified that the organization will respond decisively as an organization to customer

harassment, established methods and procedures for responding to customer harassment, provided necessary education and training to employees, and strive to provide care when employees are subjected to customer harassment. We also raise awareness to ensure that employees themselves do not engage in customer harassment toward business partners, etc.

In May 2025, we held a seminar led by a legal expert for employees across our corporate Group, focusing on strategies for addressing customer harassment.



Seminar on responding to customer harassment

Basic Policy on Customer Harassment:
https://www.hankyu-hanshin.co.jp/sustainability/#customer_harassment (Japanese only)

Education and awareness-raising

Provision of human rights education

At the Group, human rights awareness training is provided every year by external experts for top management in the Group companies and all managers in the Company (most recently, in March 2025, training was provided for presidents and other managers of the Group companies on the theme of “How management should confront human rights risks”). We regularly raise awareness of various human rights issues that management should know about. We also provide human rights awareness training for new directors, new auditors, new managers, new employees, and other newly appointed personnel at all levels of the Group companies, as well as for those in charge of human rights at each company, thereby raising their awareness on the penetration of our basic philosophy and basic policies related to respect for human rights and the prevention of harassment on a continual basis.

Access to help

Establishment of consultation desks

The Company has established a Corporate Ethics Consultation Desk as an internal whistle-blower system, comprising an in-house section and an external section staffed by outside lawyers. It enables all Hankyu Hanshin Holdings Group officers and employees, as well as the Group’s business partners, to report behavior that violates (or may violate) laws or regulations, including human rights breaches, or is otherwise unethical. (For details regarding the Corporate Ethics Consultation Desk, see page 96.)

In addition, to ensure that employees across the group feel comfortable seeking advice, we are working to establish a supportive consultation framework. This includes conducting training sessions incorporating role-playing exercises for harassment consultation desk personnel at each group company, enabling them to acquire the knowledge and skills necessary to respond appropriately based on the nature and circumstances of each consultation. Furthermore, the Company has established a Harassment Consulting Office for employees in the Group to receive consultation on workplace harassment.

Both consultation desks can be used anonymously, and the regulations clearly state not only that the privacy of the consulter is protected, but also that the consulter will not be subject to detrimental treatment because of the consultation.



Governance



Priority issue
(Materiality)



Related fields

Toward enhanced governance

The Company aims to remain a company that customers and other stakeholders trust. To this end, the Company is strengthening and increasing corporate governance by heightening the transparency and soundness of business management, complying with relevant laws and regulations, and ensuring appropriate, timely disclosure. Reflecting this basic approach, the Company has established the five policies below with a view to adhering to the principles of our Corporate Governance Code, sustaining growth, and enhancing corporate value over the medium to long term.

- (1) We shall respect shareholders' rights and ensure equality.
- (2) We shall take into consideration the interests of shareholders and other stakeholders and cooperate with them appropriately.
- (3) We shall disclose corporate information appropriately and ensure transparency.
- (4) We shall ensure that the Board of Directors performs its roles and duties appropriately and ensure advanced oversight and decision making.
- (5) We shall have constructive dialogue with shareholders with a view to sustaining our growth and enhancing corporate value over the medium to long term.

Governance Structure

Overview of Hankyu Hanshin Holdings' and the Group's Corporate Governance Structure

The Hankyu Hanshin Holdings Group is a pure holding company, and the conduct of operations is basically the responsibility of Group member companies. Hankyu Hanshin Holdings' principal role is supervision and oversight of the entire Group—meaning that these functions are separate from the conduct of Group businesses.

Through this system, the Company realizes supervision and oversight and enhances the overall governance of the Group by: retaining the authority to approve the Company's and the Group's management policies and strategies, and the medium-term or annual management plans of all core businesses; requiring timely submission of progress reports by operating companies; and having Group companies obtain approval from, or report to, the Company before taking actions that affect the Group's management significantly (for example, investments above a certain threshold).

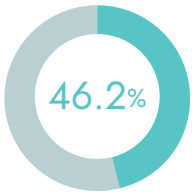
With regard to the above matters, the Board of Directors, which includes Outside Directors, makes approval decisions and receives reports. Moreover, to undertake preliminary reviews the Company has established a Group Management Committee, which includes representatives of the Group's core businesses.

Further, operating companies appoint outside Directors and Auditors at major core companies to enhance the effectiveness of risk management in each business through more substantive discussions and exchanges of opinions.

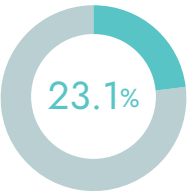
To ensure transparency and objectivity in the appointment and compensation of Directors (excluding Directors who are

Audit & Supervisory Committee Members), the Company has established the Nomination and Compensation Committee, which comprises Chairperson and Representative Director (or President and Representative Director, in the Chairperson's absence or unavailability) and all Outside Directors who are independent of the Company, and is chaired by one of the Outside Directors. The Nomination and Compensation Committee receives consultations from the Board of Directors regarding matters related to Director appointments and compensation (excluding Directors who are Audit & Supervisory Committee Members), deliberates and makes decisions, and then submits its recommendations.

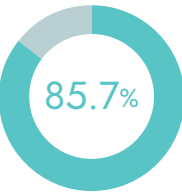
In addition, as part of efforts to strengthen its overall capabilities, the Group is strengthening the governance of funding. Measures include centralizing funding under the Company, as a rule, and promoting putting in place mechanisms to distribute funds to operating companies within the limits set out in business plans that the Company has approved.



Percentage of Independent Outside Directors on the Board of Directors

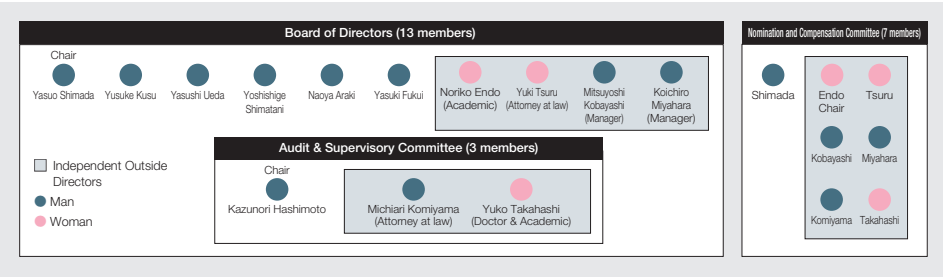
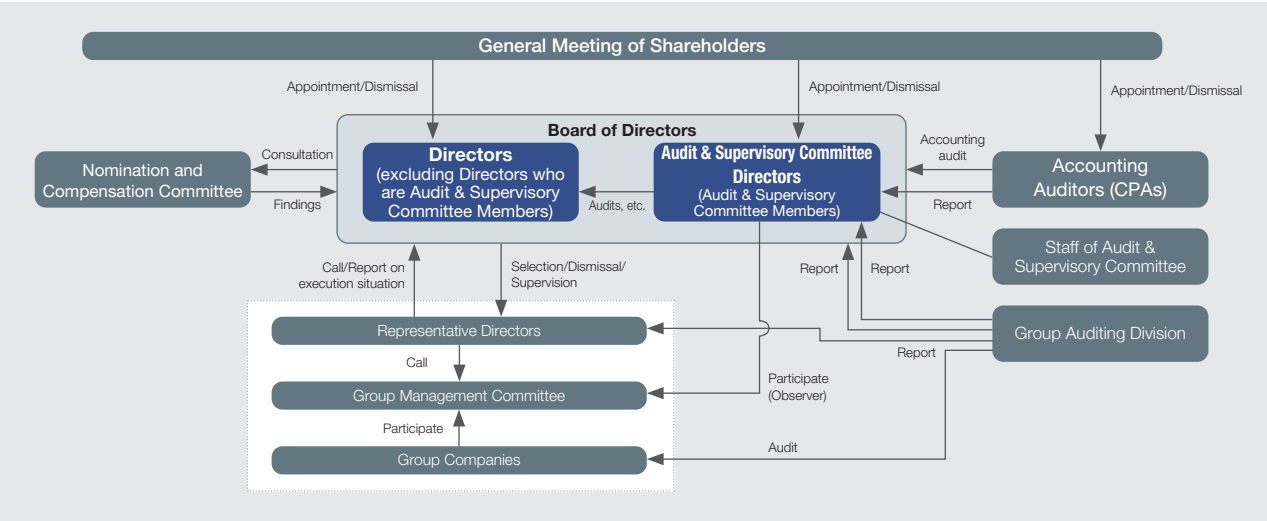


Percentage of female members on the Board of Directors



Percentage of Independent Outside Directors on the Nomination and Compensation Committee

Corporate Governance System



* The Hankyu Hanshin Holdings Group takes practical steps to enact all of the principles stipulated in the Corporate Governance Code (including elements for TSE's Prime Market). For examples of specific action and other items relating to corporate governance, please refer to the Corporate Governance Report

https://www.hankyu-hanshin.co.jp/download/sustainability/materiality/corporate/governance/info_governance.pdf (Japanese only)

List of officers [P.99](#)

More transparent management and effective governance

Management organization for decision-making, execution, and oversight of matters related to company management

Board of Directors and Directors

The Board of Directors enhances governance of the entire Group and oversight of respective companies by: retaining the authority to approve decisions regarding the Company and the Group's management policies and strategies, and the medium-term or annual management plans of all core businesses; and requiring timely reporting by operating companies about Group companies' significant investments.

To strengthen the monitoring and oversight functions and improve the quality of decision-making, the Board of Directors comprises 13 Directors, including six Independent Outside Directors (three of whom are women). Of the 13 Directors, three are Audit & Supervisory Committee Members, who make up the Audit & Supervisory Committee.

Audit & Supervisory Committee and its Members

Of the Audit & Supervisory Committee's three members, two are Independent Directors. By selecting committee members who are independent from the Company and have a high level of specialist expertise, the Company endeavors to further ensure sound decision making. We provide full backup to enable the Audit & Supervisory Committee to perform their governance and oversight functions, for example by involving the full-time member in the Group Management Committee and other meetings within the Group.

Nomination and Compensation Committee

The Nomination and Compensation Committee comprises the Chairperson and Representative Director (or President and Representative Director, in the Chairperson's absence or unavailability) and all Outside Directors who are independent of the Company, and is chaired by one of the Outside Directors. The committee ensures the transparency and objectivity of Director appointments and dismissals, as well as the compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members), by deliberating and making decisions on matters related to Director appointments and compensation upon consultation from the Board of Directors, and then submitting recommendations.

Group Management Committee

The Group Management Committee, chaired by the Group CEO and comprised of full-time Directors (excluding Directors who are Audit & Supervisory Committee Members), Executive Officers, and representatives of each core business of our Group, deliberates and approves important matters related to Group management, such as management strategies, business plans, and Group companies' significant investments, in addition to matters resolved by the Board of Directors.

Ensuring the effectiveness of the Board of Directors and Audit & Supervisory Committee

[Attendance at meetings of the Board of Directors and Audit & Supervisory Committee by Outside Directors (FY2025)]

Name	Position	Attendance (times attended / times held)		Statements at Board of Directors meetings, etc.
		Board of Directors	Audit & Supervisory Committee	
Noriko Endo	Director	11 / 11	—	Instructive comments based on a wealth of experience and knowledge gained through research into public and government policy, and the environment and energy field
Yuki Tsuru	Director	11 / 11	—	Instructive comments from a compliance perspective
Mitsuyoshi Kobayashi	Director	11 / 11	—	Instructive comments based on a wealth of experience, perspectives, and a track record as a manager
Michiari Komiyama	Director, Audit & Supervisory Committee Member	11 / 11	12 / 12	Instructive comments from a compliance perspective
Yuko Takahashi	Director, Audit & Supervisory Committee Member	11 / 11	12 / 12	Instructive comments based on a wealth of experience and knowledge gained through research and clinical research into public health and health and productivity management

Note: The office of the Board of Directors assists Outside Directors and the office of the Audit & Supervisory Committee assists Outside Directors who are Audit & Supervisory Committee Members; in particular, the office of the Audit & Supervisory Committee is staffed with dedicated staff. Moreover, the office of the Board of Directors sends out materials relating to motions to be tabled at board meetings, in principle around seven days before the meeting date, as well as its other activities to enhance Outside Directors’ supervision and oversight functions.

Evaluation of the Board of Directors’ effectiveness

The Company analyzes and evaluates the effectiveness of the Board of Directors every year, and strives to further enhance its oversight and decision-making functions.

Evaluation Method	After conducting individual pre-meeting questionnaires with all Directors, the results are reported and discussed at the Board of Directors meeting
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Evaluation Items	<div>1. Role and composition of the Board of Directors (number and composition of Directors, evaluation of expected roles)</div> <div>2. Operation and discussion of the Board of Directors (Schedule, selection of agenda items/report topics, sharing of information in advance, explanations, documents, time for deliberations)</div> <div>3. Content of Board discussions (medium-term management policies, promotion of capital cost management and review of business portfolios based on stock market evaluations, promotion of sustainable management, promotion of risk management systems, etc.)</div> <div>4. Corporate Governance Committee and Compensation Committee (composition and operation of both committees, discussion of Group CEO succession planning)</div> <div>5. <u>Efforts to improve the governance of Takarazuka Revue</u></div> <div>* <u>Underlined items are newly established in the FY2025 evaluation</u></div>
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Main improvement initiatives for FY2024 based on the evaluation results for FY2023

In the evaluation of the effectiveness of the Board of Directors for FY2024, improvement initiatives were implemented for the following issues identified as challenges for the Board of Directors in FY2025.

Examples of Issues and Improvement Initiatives for the Board of Directors in FY2025

Issues	Examples of Improvement Initiatives
1. Advancement of the governance structure	
a. Restructuring the governance of our Group, including reforms of the Takarazuka Revue • Managing the company appropriately while conducting risk management in a rapidly changing business environment • Promoting reforms of the Takarazuka Revue in an effective manner	• Details of initiatives were announced on January 14, 2025 (https://www.hankyu-hanshin.co.jp/release/docs/c9574fe9404bc5ce615c2ded05a3e6d3d12eeb79.pdf) (Japanese only) • Regarding reforms of the Takarazuka Revue, the following evaluations were received from Outside Directors. ▶ The necessary improvements have been implemented, and these initiatives can be said to contribute to the future development of the Takarazuka Revue. ▶ In contrast, the PDCA cycle needs to be continued by reviewing initiatives at the Takarazuka Revue and confirming results at the Board of Directors, and to continue making improvements.
b. Composition of Directors, etc. • On the appointment of Directors with experience and skills in corporate management and international affairs • On discussions regarding the review of the Group CEO succession plan	• Discussion of the following policies to establish the structure of the Board of Directors for FY2026 and beyond ▶ Increasing the number of Directors with corporate management experience as Directors of the Company ▶ Appointing an Outside Director with international skills to Hankyu Hanshin Properties, one of the core companies strengthening the overseas real estate business • Review of the Group CEO succession plan and implementation of the successor selection process

Creating Real Value: Our Story	Growth Strategies for Value Creation	Management Foundation that Supports Value Creation	Financial Section and Corporate Data
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Issues	Examples of Improvement Initiatives
2. Enhancement of discussions on growth strategies, etc.	
• On holding in-depth discussions for the formulation of growth strategies based on the business portfolio, etc. • On the importance of and methods for instilling these strategies among Group employees, etc.	• In formulating the “Long-Term Management Plan” to bridge the gap between the Group’s “desired state” and the current situation toward achieving a sustainable ROE of 8%, discussions were held repeatedly at the Board of Directors. • Consideration of measures to instill the Long-Term Management Plan throughout the Group.
3. Review of Director compensation	
• Introduction of non-financial KPIs into performance-linked compensation	• To ensure that the Director compensation system functions as an incentive to achieve the Long-Term Management Plan, discussions were held on revising the compensation system, including the introduction of non-financial KPIs into performance-linked compensation. • As part of efforts to enhance discussions, the Corporate Governance Committee and Compensation Committee were integrated and newly established as the Nomination and Compensation Committee to deliberate on Director appointments and compensation in an integrated manner, with the view to revising the system.
4. Enhancing discussions at the Board of Directors	
• On ensuring sufficient time for deliberation on the formulation of medium- to long-term policies, etc. • On faster distribution of pre-meeting materials	• Secure more time for in-depth discussions by reviewing the matters to be submitted to the Board of Directors and delegating authority to members of executive management. • New discussion items were established to ensure sufficient time for thorough discussion of matters that should be continuously deliberated and scrutinized before resolution by the Board of Directors, in addition to existing resolution and reporting items. • Faster distribution of materials through the use of cloud storage services, etc.

Evaluation Results for FY2025 and Action Policy for FY2026

The Board of Directors for FY2025 has been evaluated as being generally operated appropriately and its effectiveness has been ensured. Meanwhile, the following issues were recognized through discussions on the effectiveness evaluation of the Board of Directors, and continuous improvement will be pursued by the Board of Directors in FY2026.

[Issues for the Board of Directors in FY2026]

1. Advancement of the governance structure	• Continuous monitoring of Takarazuka Revue reforms • Revitalization of discussions by the Nomination and Compensation Committee • Sharing of issue awareness by outside directors
2. Review of Director compensation	• Deepening discussions toward revision of the compensation system (Including consideration of introducing non-financial KPIs as performance indicators for performance-linked compensation)
3. Enhancing discussions at the Board of Directors	• Monitoring of initiatives toward achieving the Long-Term Management Plan • Enhancement of explanations of issues and initiatives for each core business, which form the basis for Board of Directors discussions • Strengthening of reporting on IR activities to understand the interests of investors and shareholders • Expansion of reporting on risk management and sustainable management • Review of the criteria for matters to be submitted to the Board of Directors

Details of the effectiveness evaluation of the Board of Directors are provided in the Corporate Governance Report.
Corporate Governance Report: https://www.hankyu-hanshin.co.jp/download/sustainability/materiality/corporate/governance/info_governance.pdf (Japanese only)

Compensation System

Compensation of Directors

The Company’s compensation system for Directors (excluding Directors who are Audit & Supervisory Committee Members) further motivates them to enhance the Company’s corporate value and business performance, as well as to enhance shareholder value. Compensation comprises two elements: fixed monetary compensation paid according to position and job responsibilities, and performance-linked stock compensation paid in trust to Representative Directors. Concrete decisions regarding the amount of compensation, which are the responsibility of the Board of Directors, are made after prior consultation with the Nomination and Compensation Committee regarding the compensation system and its details, with the aim of ensuring objective and transparent procedures. In addition, for the details of individual compensation for Directors (excluding Directors who are

Audit & Supervisory Committee Members), the Nomination and Compensation Committee conducts multifaceted reviews, including consistency with the decision policy, and the Board of Directors basically respects their recommendations and determines compensation in line with the policy. Details of the compensation system are provided in the “Policy for Determining the Content of Individual Compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members).”

Note: The Group’s performance-linked stock compensation system applies to all two Representative Directors, including the Group CEO. For all two, the system includes a malus clause, under which rights to receive stock-based compensation may be withheld from any person eligible for this payment who commits an egregious breach of duty prior to finalization of such rights, or if any other grounds for withholding such rights arise.

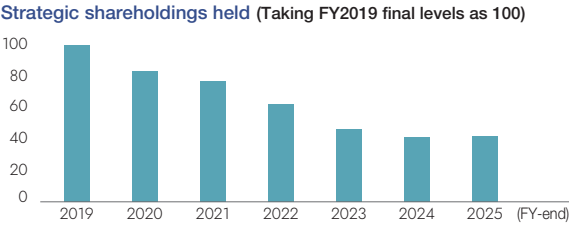
Decision policy on the details of individual compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members):
https://www.hankyu-hanshin.co.jp/download/sustainability/materiality/corporate/governance/reward_policy.pdf (Japanese only)

Other efforts to strengthen governance

Position regarding strategic shareholdings

The Company acquires shares held for strategic reasons with a view to building relationships of trust with various stakeholders and enhancing corporate value over the medium to long term by maintaining business relationships or strengthening collaborations with partner companies and maintaining relationships with regional communities.

Individual strategic shareholdings are reviewed for appropriateness each year by the Board of Directors, taking into account economic rationales such as dividend income. Where a given holding is deemed no longer appropriate, it is sold progressively, with comprehensive consideration of factors such as the Company's financial circumstances and the influence of stock sales on market conditions.



Internal control system

Basic approach to internal control system and the progress of system development

Recognizing the importance of ensuring that the business operations of the Company are conducted in an appropriate manner, we believe it is vital to have an internal control system for the entire Group, and to revise it when deemed necessary.

In particular, the Company has a robust structure for compliance-focused management, including a dedicated compliance office, a compliance manual, and compliance training, all aimed at raising awareness of compliance issues throughout the entire Group.

As part of our whistleblower system, we have a Corporate Ethics Consultation Desk for quickly bringing our attention to any incident that may threaten our compliance-focused management. If a serious incident occurs, we promptly establish an

ad hoc committee to determine how to respond.

Our Group also has a Group Auditing Division, which has its own dedicated staff and operates under the direct control of the President. After establishing the necessary regulations, the division conducts internal audits covering all operations of our Company and its Group companies.

Furthermore, the Group provides Auditors at each Group company authority not only in accounting but also in operational audits, and at the same time provides guidance to smaller Group companies on Board of Directors' resolutions for the creation of an internal control system.

With regard to systems for "Evaluation and Auditing of Internal Controls over Financial Reports," a section of the Financial Instruments and Exchange Act, the Company responds appropriately by carrying out management evaluations on a consolidated basis, in line with in-house rules.

Thorough compliance and anti-corruption

We at the Hankyu Hanshin Holdings Group are constantly striving to live up to the stakeholders' expectations and become a good, trustworthy organization. Our strong focus on compliance is one of the pillars underpinning our efforts in this area.

Hankyu Hanshin Holdings, Inc. is thoroughly implementing this focus through the Group Management Philosophy (as clarified in our Mission, Values, and Code of Conduct) and various fundamental policies and regulations that we have put in place. Of those, the Board of Directors reviews adherence to the Code of Conduct every two years, based on employee questionnaires. As necessary, it also carries out periodic evaluations and investigations into the effectiveness of the Code of Conduct. For the compliance management

system, we have established a compliance department, core group companies have compliance promotion office, and other companies appoint compliance leaders, working together to promote compliance throughout the Group.

Overview of Group compliance

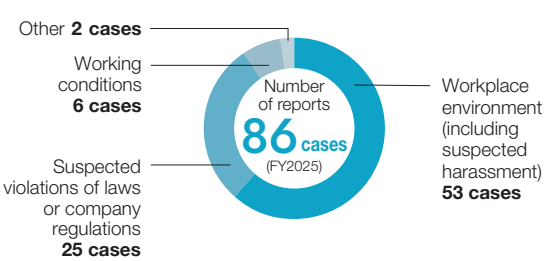


Corporate Ethics Consultation Desk (internal whistle-blower procedures)

The Company operates a Corporate Ethics Consultation Desk comprising an in-house section and an external section, which is staffed by outside lawyers. It enables officers, employees, and their family members of our Group, as well as those of our business partners, to report—anonously—behavior that violates (or may violate) laws or regulations, or is otherwise unethical.

In FY2025 it received 86 reports from throughout the whole Group. Should a risk related to consultation details be considered significant, the Risk Management Committee convenes to discuss and decide on appropriate responses.

Number of reports made to the Corporate Ethics Consultation Desk



Awareness-raising and training for all officers and employees

In order to raise awareness of compliance among the Group's officers and employees, we conduct various types of training or information disclosure. Compliance training in particular, helps to establish compliance that considers points of notes for each stakeholder (customer, business partner, shareholder, etc.) or scenario (workplace, private life, etc.), and we are working on more practical education activities.

Thorough corruption prevention

Our Group work to prevent corrupt behavior by officers and employees (such as improper behavior that takes advantage of status or position, or actions that breach legal or ethical rules) based on a variety of regulations. Specifically, we set our Anti-Corruption Policy, and put in place regulations and guidelines aimed at preventing corruption, which include those aimed at stopping insider trading or bribery.

See the website for more details on our Anti-Corruption Policy: <https://www.hankyu-hanshin.co.jp/sustainability/materiality/corporate-compliance/> (Japanese only)

Risk management

Our Group positions risk management as an important management issue and, based on the Risk Management Regulations, under which risk is defined as "an event that hinders the achievement of the Group's organizational goals," and put in place a risk management structure to help maintain the health of the Group's management by preventing risks from becoming reality and minimizing damage when they occur.

oversee management of such risks, and ensures that the entire Group addresses them. We also monitor the progress of measures planned and implemented by the risk owners and report to the Board of Directors as appropriate.

In addition, environmental and social risks, especially climate change issues, and their impact on our business are deliberated at the Corporate Sustainability Committee.

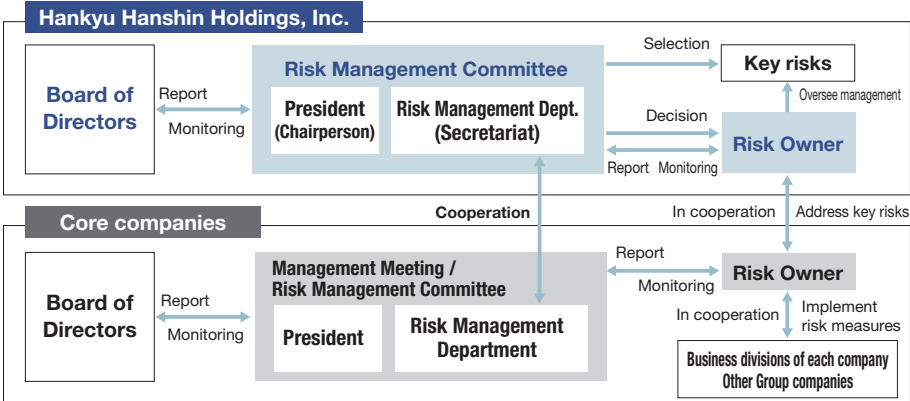
Risk management structure

We have established a dedicated department, the Risk Management Division, and regularly convenes the Risk Management Committee chaired by the President to deliberate matters related to risk management for the entire Group. Considering the Group's business strategy and sustainable management, the Company identifies risks—including natural disasters—as material to Group management and requiring cross-Group response, designates risk owners to

Basic risk management initiatives

Our Group conduct an annual risk survey that brings to light, specifically, risks related to climate change (including natural disasters), accidents, information management, compliance, and other organizational management risks, and analyze these risks to determine an appropriate response. The status of risk analysis and risk response is reported to the Board of Directors every year.

Our Group's risk management framework



Putting in place a crisis response system

Even though we work diligently to evaluate and mitigate risks, if a serious risk situation materializes, in accordance with the Risk Management Regulations, a Crisis Response Team headed by the President is formed to respond quickly and appropriately to contain damage from spreading and minimize any adverse effects resulting.

Cyber-security measures

With the growth in security concerns over sophisticated and expert cyberattacks backed by political narratives and national states, the Group uses a variety of information systems in its different businesses, including in its railway operations—an important piece of infrastructure. As such ensuring cyber-security is an important element of risk management.

As a cyber-security measure for these kinds of information systems, each Group company has developed its own regulations and frameworks in accordance with our Fundamental Policies on Electronic Information Security. Furthermore, we periodically carry out officers and employees training, information security evaluations, inspections, and improvements. At the same time, we actively cooperate with local authorities and other relevant organizations to collect data. In these ways, we are continuously working to prevent information security incidents.

However, should an incident occur, we would quickly communicate this and respond, and establish a CSIRT* to appropriately prevent its spread and ensure no reoccurrence.

* CSIRT: Abbreviation for Computer Security Incident Response Team

Acting on feedback from customers

Our Group value feedback from customers, which we receive in via multiple channels, including our Listening Center and forums for dialogue with residents’ groups from communities along our railway routes.

Hankyu Corporation has established the Transit Information Center and the Public Relations Dept. Listening Center to set up a system to respond to customer feedback. For its part, Hanshin Electric Railway seeks to act on feedback collected by its public relations office and at its various facilities, as well as through its website and the efforts of its communications staff.

Alongside the pertinent departments, we investigate and respond to opinions, questions, and other feedback as appropriate, and the results are subsequently used to improve our businesses.

Hankyu Hanshin Holdings Group Supply Chain Policy

To achieve a sustainable society, the Group believes that it is important to build relationships of mutual trust and solid partnerships with suppliers and promote sustainability initiatives throughout the supply chain. From this standpoint, we formulated the Hankyu Hanshin Holdings Group Supply Chain Policy in April 2024, and are driving forward sustainability initiatives throughout the Group in cooperation with our suppliers.

To further enhance the effectiveness of compliance with the Supply Chain Policy, we are working to ensure that business partners with ongoing transactions are made aware of the Supply Chain Policy, and are sequentially specifying a “Compliance with Supply Chain Policy” clause in contracts with such business partners.

Hankyu Hanshin Holdings Group Supply Chain Policy:
https://www.hankyu-hanshin.co.jp/download/sustainability/materiality/corporate/governance/supply-chain_en.pdf

Reflecting stakeholder sentiment in operations

At the Hankyu Hanshin Holdings Group, we believe that the views of our stakeholders—including customers, local communities, shareholders, trading partners, and employees—have an important place in our business operations.

Initiatives to energize shareholder meetings and improve ease of exercising voting rights

To invigorate the General Meeting of Shareholders and facilitate the exercise of voting rights, we set the schedule for the Ordinary General Meeting of Shareholders to avoid concentration dates, participate in the electronic voting rights platform via the Internet, and provide convocation and resolution notices (including English translations) on our Company website, and are also working to improve the environment for institutional investors to exercise their voting rights.

Investor relations

IR activity policy

The Group Planning Division is responsible for dialogue with shareholders, and the Executive Officer in charge of the division takes overall control of IR activities.

The division has dedicated IR staff, who regularly share information and collaborate with finance, accounting, general affairs, legal affairs, PR and corporate sustainability departments, and promotes IR activities.

For shareholders, we disclose information via our website, while for institutional investors we hold regular briefings, in these and other ways we implement activities to deepen understanding about our business strategies and financial policies. IR staff hold dialogue (via interviews) with shareholders, but where necessary (taking into consideration factors such as the number of shares the shareholder holds or areas of interest) responsible Executive Officer also carry out interviews.

The content of Q&A sessions and feedback from shareholders or institutional investors, as well as the status of other IR activities, are reported regularly to the Board of Directors.

When engaging in dialogue with shareholders, as well as making major themes out of our sustainable growth and efforts to enhance corporate value, we put in place a silent period before announcing financial results, during which

dialogue is restricted. In this and other ways we pay careful attention to how we manage insider information.

Dialogue with shareholders

In accordance with the policy above, the President and Representative Director or the Executive Officers in charge of the Group Planning Division attended quarterly financial results briefings, and IR staff carried out a total of around 150 individual interviews with institutional investors and analysts from Japan and abroad in FY2025.

As part of dialogue with shareholders, in addition to overviews of financial results and performance forecasts, main themes include medium- and long-term growth strategies and the status of management with a focus on capital efficiency, and the enhancement of governance. These contents are fed back to the management team each quarter. Based on these kinds of dialogue, we incorporate shareholders’ opinions into both our management and IR activities as required, such as formulating the Long-Term Management Plan.

Respecting stakeholders’ positions

With the aim of achieving a sustainable society, our Group is ramping up ESG initiatives based on the “Hankyu Hanshin Holdings Group Sustainability Declaration” (see page 65), to further solidify the relationship of trust we enjoy with customers, local communities, shareholders, trading partners, employees, and other stakeholders, and to use the Hankyu Hanshin Holdings Group’s businesses as a vehicle for overcoming the challenges we all face as a society. Our social contribution activities, such as environmental and community action, have benefited from the institution of a clear Group policy and the establishment of a dedicated department within the Group Planning Division and the Personnel and General Affairs Division, and our efforts in this area are guided by the Sustainability Declaration. Moreover, we publish the Sustainability Data Book to present the results of major activities, as well as our future policies and plans, alongside putting details on the Hankyu Hanshin Holdings website for details.

Sustainability Data Book:
<https://www.hankyu-hanshin.co.jp/sustainability/report/>

Taxation transparency (tax policy)

The Group has established the following tax policy to improve the transparency and soundness of its business management. We will fulfill our corporate social responsibility by understanding the spirit of applicable tax-related laws, complying with the tax-related laws and regulations in operating countries, and by conducting our tax operations properly. In addition, we will pay taxes in a manner consistent with our business activities and will not engage in arbitrary tax avoidance.

Corporate governance regarding tax matters for the Group is included in the groupwide governance system, and with respect to tax risks, etc., we have established a supervisory system that includes reporting to the Board of Directors and the Audit & Supervisory Committee as necessary.

Amount of tax paid		(¥ billion)	
	Japan	Overseas	Total
FY2023	9.6	2.3	11.9
FY2024	7.1	0.9	8.0
FY2025	15.1	0.5	15.6

(Note 1) The figures above are rounded to the nearest 100 million yen.
(Note 2) Tax paid is a combined figure for both national and regional taxes. The figures shown above are based on country-specific reports and are not directly connected to our consolidated financial statements.

Tax Policy:
<https://www.hankyu-hanshin.co.jp/en/corporate/governance.html>

Approach to Intellectual Property

The intellectual properties that we have built up through our business activities over many years—including our brands, trademarks, and confidential management assets such as written materials and expertise—are important corporate assets to the Hankyu Hanshin Holdings Group. As such, we will endeavor to create new intellectual properties, both to provide products and services that customers can choose with peace of mind and to appropriately distribute as a management asset to support future business expansion. To those ends, it is imperative that we manage and use these assets appropriately.

Based on that approach, we will manage intellectual properties in the ways outlined below so as to raise their value even further.

We also have the utmost respect for intellectual properties that belong to third parties.

(1) We will not only work to avoid or prevent the infringement of the intellectual properties we have created, but will acquire rights so as to support the expansion of our business activities and use these intellectual properties actively and strategically in our businesses.

(2) Where third parties, including business partners, wish to do business that involves the use of our intellectual properties, we will make our permission mandatory and ensure permission is dependent on the contents of that use after an appropriate investigation.

(3) Where we confirm that a third party has, or may have, infringed upon our intellectual property rights, we will take serious actions.

Directors and Audit & Supervisory Committee Members

(As of June 17, 2025)

Directors



Yasuo Shimada
President and Representative Director,
Group Chief Executive Officer
1988 Joined Hankyu Corporation
2019 Director, Hankyu Corporation
2021 Managing Director, Hankyu Corporation
2022 President, Hankyu Corporation (Current position)
2022 Director, HANSHIN ELECTRIC RAILWAY CO., LTD. (Current position)
2022 Executive Vice President, Hankyu Hanshin Holdings, Inc.
2023 President, Hankyu Hanshin Holdings, Inc.
2023 Director, Hankyu Hanshin Properties (Current position)
2024 President and Representative Director, Group Chief Executive Officer, Hankyu Hanshin Holdings, Inc. (Current position)



Yusuke Kusu
Executive Vice President, Representative Director
1984 Joined HANSHIN ELECTRIC RAILWAY CO., LTD.
2013 Director, HANSHIN ELECTRIC RAILWAY CO., LTD.
2017 Managing Director, HANSHIN ELECTRIC RAILWAY CO., LTD.
2020 Senior Managing Director, HANSHIN ELECTRIC RAILWAY CO., LTD.
2023 President, HANSHIN ELECTRIC RAILWAY CO., LTD. (Current position)
2023 Director, Hankyu Corporation (Current position)
2023 Executive Vice President, Hankyu Hanshin Holdings, Inc. (Current position)
2023 Director, Hankyu Hanshin Properties Corp. (Current position)
2025 Director, HANKYU TRAVEL INTERNATIONAL CO., LTD. (Current position)
2025 Director, HANKYU HANSHIN EXPRESS CO., LTD. (Current position)



Yasushi Ueda
Director
1988 Joined Hankyu Corporation
2021 Director, Hankyu Corporation
2023 Managing Director, Hankyu Corporation (Current position)
2025 Director, Hankyu Hanshin Holdings, Inc. (Current position)



Noriko Endo
Outside Independent
Director (Outside director*)
1994 Joined Diamond, Inc.
2013 Visiting Researcher, Policy Alternatives Research Institute, the University of Tokyo
2015 Project Professor, Keio University
2019 Director, Hankyu Hanshin Holdings, Inc. (Current position)
2024 Professor, Waseda University Research Council (Current position)



Yuki Tsuru
Outside Independent
Director (Outside director*)
2000 Attorney at law (Current position)
2016 Auditor of Hitotsubashi University
2020 Director, Hankyu Hanshin Holdings, Inc. (Current position)



Mitsuyoshi Kobayashi
Outside Independent
Director (Outside director*)
1982 Joined Nippon Telegraph and Telephone Public Corporation
2018 President and Representative Director, Nippon Telegraph and Telephone West Corporation
2021 President, Representative Director, and Executive Officer, Nippon Telegraph and Telephone West Corporation
2022 President and Representative Director of Director, Hankyu Hanshin Holdings, Inc. (Current position)
2022 Advisor, NTT WEST, Inc. (Current position)
* Name change from Nippon Telegraph and Telephone West Corporation to NTT WEST, Inc. on July 1, 2025



Koichiro Miyahara
Outside Independent
Director (Outside director*)
1979 Joined Electric Power Development Co., Ltd.
1988 Joined Tokyo Stock Exchange, Inc.
2015 President and Representative Director, Tokyo Stock Exchange, Inc.
2020 Director and Representative Executive Officer, Group Co-Chief Operating Officer of Japan Exchange Group, Inc.
2022 President and Representative Director of JPX Market Innovation & Research, Inc. (Current position)
2023 Director, Japan Exchange Group, Inc.
2025 Senior Advisor, JPX Market Innovation & Research, Inc. (Current position)
2025 Director, Hankyu Hanshin Holdings, Inc. (Current position)



Yoshishige Shimatani
Director (Part-time)
1975 Joined TOHO CO., LTD.
2011 President, TOHO CO., LTD.
2015 Director, Hankyu Hanshin Holdings, Inc. (Current position)
2021 Representative Director and President, President and Executive Officer, TOHO CO., LTD.
2022 Representative Director and Chairperson, TOHO CO., LTD. (Current position)



Naoya Araki
Director (Part-time)
1981 Joined Hankyu Department Store, Inc.
2012 President, Hankyu Hanshin Department Stores, Inc.
2012 Representative Director, H2O RETAILING CORPORATION
2017 Director, Hankyu Hanshin Holdings, Inc. (Current position)
2020 President and Representative Director, H2O RETAILING CORPORATION (Current position)
2020 Representative Director and Chairperson, Hankyu Hanshin Department Stores, Inc. (Current position)



Yasuki Fukui
Director (Part-time)
1988 Joined Hankyu Corporation
2018 Director, Hankyu Hanshin Properties Corp.
2019 Managing Director, Hankyu Hanshin Properties Corp.
2022 Senior Managing Director, Hankyu Hanshin Properties Corp.
2024 President, Representative Director, Hankyu Hanshin Properties Corp.
2025 President and Representative Director, Executive Officer, Hankyu Hanshin Properties Corp. (Current position)
2025 Director, Hankyu Hanshin Holdings, Inc. (Current position)

Directors, Audit & Supervisory Committee Members



Kazunori Hashimoto
Director, Audit & Supervisory Committee Member (Full-time)
1983 Joined HANSHIN ELECTRIC RAILWAY CO., LTD.
2011 Director, HANSHIN ELECTRIC RAILWAY CO., LTD.
2016 Managing Director, HANSHIN ELECTRIC RAILWAY CO., LTD.
2017 Executive Officer, Hankyu Hanshin Holdings, Inc.
2021 Standing auditor, HANSHIN ELECTRIC RAILWAY CO., LTD. (current position)
2024 Director, Audit & Supervisory Committee Member (Full-time), Hankyu Hanshin Holdings, Inc. (Current position)



Michiari Komiyama
Outside Independent
Director, Audit & Supervisory Committee Member (Outside director*)
1971 Prosecutor
1999 Prosecutor, Supreme Public Prosecutor's Office
1999 Chief Prosecutor, Saga District Public Prosecutor's Office
2002 Chief Prosecutor, Kobe District Public Prosecutor's Office
2003 Notary, Osaka Legal Affairs Bureau
2013 Attorney at law (Current position)
2017 Auditor, Hankyu Hanshin Holdings, Inc.
2017 Auditor, Hankyu Corporation
2020 Director, Audit & Supervisory Committee Member, Hankyu Hanshin Holdings, Inc. (Current position)



Yuko Takahashi
Outside Independent
Director, Audit & Supervisory Committee Member (Outside director*)
1978 Joined Kyoto University Hospital
1986 Head of Internal Medicine, Yamato Koriyama Hospital
1994 Head of Internal Medicine, Yamato Takada Municipal Hospital
2001 Head of Smoking Cessation Outpatient Services, Kyoto University Hospital (Current position)
2002 Professor, Health Care Center of Nara Women's University
2003 Professor, Graduate School of Humanities and Sciences, Health Care Center of Nara Women's University
2007 Visiting Head of the Clinical Research Center, National Hospital Organization Kyoto Medical Center (Current position)
2016 Specially Appointed Professor, Graduate School of Medicine, Kyoto University (Current position)
2022 Director, Audit & Supervisory Committee Member, Hankyu Hanshin Holdings, Inc. (Current position)

* Ms. Noriko Endo, Ms. Yuki Tsuru, Mr. Mitsuyoshi Kobayashi, Mr. Koichiro Miyahara, Mr. Michiari Komiyama, and Ms. Yuko Takahashi satisfy the qualifications of outside directors as provided in Article 2, Paragraph 15 of the Companies Act. The Company has submitted a notice to the Tokyo Stock Exchange on which its shares are listed, naming Ms. Endo, Ms. Tsuru, Mr. Kobayashi, Mr. Miyahara, Mr. Komiyama, and Ms. Takahashi as independent officers.

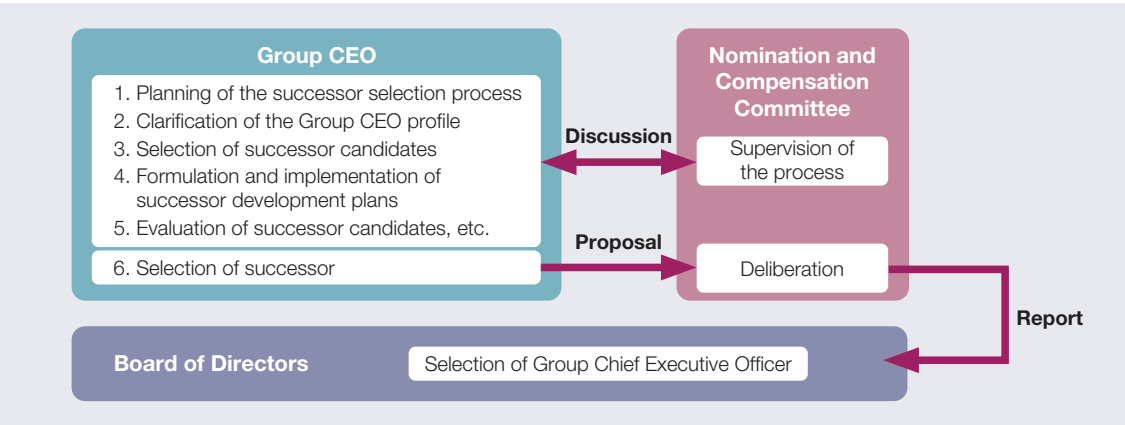
Board of Directors Skill Matrix

	Corporate Management	Finance/Accounting	Legal affairs/ Risk management	Specialist knowledge (including social/environment)
Yasuo Shimada	●	●	●	
Yusuke Kusu	●	●	●	
Yasushi Ueda	●	●	●	
Noriko Endo Outside Independent				◎ Public Policy Environment/Energy E
Yuki Tsuru Outside Independent			◎	
Mitsuyoshi Kobayashi Outside Independent	◎			◎ DX
Koichiro Miyahara Outside Independent	◎			◎ Finance
Yoshishige Shimatani	◎			
Naoya Araki	◎			
Yasuki Fukui	●	●	●	
Kazunori Hashimoto Audit & Supervisory Committee members	●	●	●	
Michiari Komiyama Audit & Supervisory Committee members Outside Independent			◎	
Yuko Takahashi Audit & Supervisory Committee members Outside Independent				◎ Public health Health and productivity management S

● ...Major knowledge, experience, and capabilities of those who have come up through the Group
◎ ...Knowledge, experience, and capabilities expected of directors, excluding the above (E) and (S) represent environmental and social specialisms respectively.)
*The matrix above does not represent the total knowledge, experience, and capabilities of each director.

Group CEO Succession Plan

- The Group CEO clarifies the qualities required for the Group CEO, selects, develops, and evaluates successors, and the Nomination and Compensation Committee supervises the process of the succession plan.
- For the nomination of a successor, the Nomination and Compensation Committee deliberates and reports the results to the Board of Directors.
- The Board of Directors selects the Group CEO based on the report from the Nomination and Compensation Committee.



Overview of the succession plan



Messages from Outside Directors



As an outside director, I will support the growth of the company to make it a global brand and contribute to enhancing corporate value

Noriko Endo

Director (Outside director)

Profile

After serving as Visiting Researcher at the Policy Alternatives Research Institute, University of Tokyo, and Project Professor at Keio University, Ms. Noriko Endo is currently serving as Professor at Waseda University Research Institute. Director of Hankyu Hanshin Holdings, Inc. since 2019

How do you evaluate our Group's Board of Directors? Also, what points do you keep in mind when participating in Board of Directors meetings?

The Board of Directors does not function in a question-and-answer format. Rather, each director contributes insights from their respective areas of expertise, ensuring that deliberations are conducted in a balanced and egalitarian manner. Even amid active discussions, the Directors maintain a rigorous perspective, ensuring that the Board of Directors is operated in a fulfilling manner. Among them, I hope to provide perspectives that not only address business risks but also lead to new opportunities so that the Group can achieve sustainable growth over the medium to long term. While appropriately monitoring risks, I would like to deepen discussions to contribute to the medium- to long-term enhancement of our Group's value.



Please share your expectations for our Group's Long-Term Management Plan.

The Long-Term Management Plan presents a vision of globally expanding community development centered on the real estate business, in addition to deepening the traditional businesses cultivated by our Group, such as railway operations, and I have high expectations for this direction. Furthermore, regarding overseas expansion, the policy is to proceed steadily with thorough risk assessment and verification, and I support this direction as well. The "Hankyu Hanshin" brand is recognized not only in Kansai but also throughout Japan. I hope to envision a future together where the Group's brand gains global recognition and achieves further growth.

Building a governance structure that adapts to changes in the times and the environment

Yuki Tsuru

Director (Outside director)

Profile

Registered as an Attorney at law in 2000
Director of Hankyu Hanshin Holdings, Inc. since 2020

How do you evaluate the strengthening of the governance structure in the Takarazuka Revue?

The Takarazuka Revue has traditions that have been passed down through its long history. This is not something unique to the Takarazuka Revue. In fact, what was once regarded as common sense within our established culture and customs can, as times and circumstances change, come to be seen as outdated or even inappropriate. Therefore, it is essential that we remain attuned to ever-changing values and respond swiftly and appropriately. Unfortunately, in the case of the Takarazuka Revue, because tradition was given such weight, I believe there were areas where our response was not sufficient.

However, the Takarazuka Revue has undertaken reforms with a sense of speed, incorporated as a corporation, improved transparency, and established a structure that en-



ables organizational responses to environmental changes. Going forward, appropriate operation will be important, and as an outside director of the holding company, I will continue to monitor the situation.

Please share your thoughts on our Group's risk management.

For appropriate risk management, it is essential to have sufficient information on each of our business activities. As our operations expand, particularly in areas such as overseas real estate, and the level of specialization increases, we have ensured that ample opportunities are provided to brief our outside directors. Going forward, I hope to further enhance exchanges of opinions and discussions among outside directors based on such information, and as an outside director, to engage in appropriate risk management.

Harnessing purpose as a driving force for growth

Mitsuyoshi Kobayashi

Director (Outside director)

Profile

Joined Nippon Telegraph and Telephone Public Corporation in 1982; served as President and Executive Officer of NTT West Corporation; Director of Hankyu Hanshin Holdings, Inc. since 2022



Please share your evaluation of our Group's Long-Term Management Plan and key points for future initiatives.

Regarding the Long-Term Management Plan, I appreciate that scenario planning was conducted mainly by young and mid-career employees, clarifying the desired future state and then formulating the plan by backcasting from there. I believe that going through such a formulation process enables employees to view the Long-Term Management Plan as their own initiative.

Furthermore, if employees' personal purposes are synchronized with the company's management policies, the driving force for advancing the business will become even greater. I believe it is important for management to continuously communicate management policies to employees, set appropriate non-financial indicators related to employees' personal purposes, and disclose the progress of these indicators.

I expect our Group to realize the Group Management Philosophy through the Long-Term Management Plan and to continue providing value to multiple stakeholders.

Please share your thoughts on our Group's efforts to strengthen governance.

To realize the Long-Term Management Plan, it is necessary to clarify which areas are entrusted to each operating company and which are to be followed up, and to conduct group-wide management that enables operating companies to act proactively.

Through this enhancement of governance, outside directors with specialized knowledge in each field have been appointed to the core operating companies. By leveraging the expertise of such individuals, I believe operating companies will be able to take proactive initiatives.

Effectively operating the governance and risk management systems through sufficient monitoring

Michiari Komiyaama

Director (Outside director)

Profile

Appointed as a prosecutor in 1971. Served as Chief Prosecutor of the Saga District Public Prosecutors Office and the Kobe District Public Prosecutors Office; registered as an attorney in 2013 Director and Audit & Supervisory Committee Member of Hankyu Hanshin Holdings, Inc. since 2020

How do you evaluate the strengthening of our Group's governance system?

What must be strongly recognized is that when a problem occurs in a company, even if it happens at one of its subsidiaries, it can have a significant impact groupwide. Unfortunately, in the Group as well, an issue occurred at the Takarazuka Revue, which impacted the entire Group. From this perspective, the groupwide governance structure has been strengthened, such as the appointment of outside directors to key core companies. However, what will be important is how it is operated going forward. As an outside director, my mission is to contribute to the medium- to long-term enhancement of corporate value through monitoring, including verifying the effectiveness of various measures and making recommendations for improvement from the perspective of a legal expert.



Please tell us what you consider important as an outside director for realizing the Long-Term Management Plan.

My specialty is public health, so I offer various opinions on health management, focusing on maintaining and promoting employee health.

What is important for realizing the Long-Term Management Plan is the enhancement of human capital, especially "Empowering Individuals." The Company has long provided an environment where employees can work with safety and comfort. In 2023, we established the Health and Productivity Management Promotion, and are working organizationally and earnestly to promote health management. Through these efforts, I believe employees are able to work vibrantly, with dreams, excitement, and pride. These cumulative efforts lead to enriching the Hankyu Hanshin railway lines and, ultimately,



Please share your thoughts on risk management for the Long-Term Management Plan.

With the Group in mind, when considering what governance means for a company, it refers to a management system by the company itself that aims for sound corporate management, recognizing the importance of enhancing the company's social and economic value. This is generally referred to as corporate governance, and mechanisms have been established in many companies to supervise and evaluate management to ensure sound operations.

The Company has a history of more than 100 years and has grown to become one of Japan's leading major companies, but one of the areas that will support future growth is the overseas real estate business. Transactions overseas involve various rules, procedures, and business customs that differ from those in Japan, so it is essential to accurately grasp such wide-ranging information and proactively respond by anticipating potential issues and social changes that may arise in the future. Risk is also referred to as "uncertainty," but I believe that by repeatedly responding in this way, it becomes possible to avoid and reduce risks. I expect you to proactively gather the latest local information and respond appropriately.

Enhancing human capital is the source of increased corporate value An environment where employees can work vibrantly leads to the "vision for the future we want"

Yuko Takahashi

Director (Outside director)

Profile

Head of Smoking Cessation Outpatient Services, Kyoto University Hospital and Specially Appointed Professor, Graduate School of Medicine, Kyoto University Director and Audit & Supervisory Committee Member of Hankyu Hanshin Holdings, Inc. since 2022

the Kansai region. This is precisely the future vision depicted in the Long-Term Management Plan.

Please tell us the key points for enhancing human capital.

The Company has implemented various initiatives so far, and I hope we will continue to support all employees going forward. To achieve this, it will be necessary to design meticulous systems and for each department to work together as one.

Additionally, ongoing communication from top management is also important. I hope that by communicating information and enhancing the value of the Hankyu Hanshin Group that we will also contribute to increasing the value of line-side communities.

New outside director

I would like to play a role in realizing best practices while taking into account the perspectives of investors



Koichiro Miyahara

Director (Outside director)

Profile

Mr. Miyahara has served as President of Tokyo Stock Exchange, Director and Group Chief Operating Officer of Japan Exchange Group, and President of JPX Market Innovation & Research, Inc. He is currently serving as Advisor at JPX Market Innovation & Research, Inc. Director of Hankyu Hanshin Holdings, Inc. since 2025

Could you share the challenges you have observed and your expectations for the company since assuming the role of an outside director?

The Company operates infrastructure such as railway operations and real estate, so ensuring safety is of utmost importance. On that premise, as we move toward realizing the Long-Term Management Plan, we will likely expand our business fields to the Tokyo metropolitan area and overseas. At that time, I believe our Group's history, brand, and know-how will certainly work to our advantage. It is also important to proactively utilize external resources, including M&A.

One of the key points in promoting such growth strategies is the effective allocation of management resources. Management resources such as finance and human resource are limited. As a holding company, the Company must take the lead in achieving appropriate allocation.

In addition, realizing business and financial synergies within the Group is extremely important, and to maximize synergies, it is essential to build an appropriate business portfolio. From that perspective, it is necessary to continuously verify whether the business portfolio is optimal. The essence of the railway business model built by the Company's founder, Ichizo Kobayashi, lies in creating demand along the railway lines and generating synergy with railway operations. The Company has inherited the DNA from its founding. I have high expectations for building new business models and achieving groupwide growth.

What are your expectations regarding the promotion of dialogue with investors?

In 2024, overseas investors accounted for just under 70% of trading volume on the Tokyo Stock Exchange Prime Market, and the presence of overseas investors in Japan is increasing. In this context, I hope our Company will engage in even more active dialogue with overseas investors than ever before.

At the same time, this is not limited to overseas investors; since the target of the Long-Term Management Plan is for FY2031 and beyond, I believe it is important to disclose progress and KPIs for each FY, and rather than sticking to

the content announced this time, to refine it in response to environmental changes, thereby increasing investor confidence in the realization of the Long-Term Management Plan.

What should be kept in mind when advancing the Company's growth strategy?

Even in the past few years, events we never imagined have occurred one after another. In order to continue corporate activities sustainably in such circumstances, risk monitoring is becoming increasingly important. In particular, the Company operates railway operations, which are critical infrastructure, so cybersecurity measures are essential. Furthermore, if we further expand our overseas business, country risk will also increase. Regarding risk, not only is prevention of occurrence important, but resilience in the event that risks do materialize is also extremely important. Since the Group has many group companies, we appoint directors from outside the Company to the main core companies. Assuming appropriate risk management at the operating companies, I believe that, as a holding company, the Company must also have outside directors fulfill their respective roles and conduct appropriate monitoring.

Could you share your thoughts on the role you hope to play as an outside director?

I have long been involved in the financial and capital markets, and I believe I can leverage this experience to provide various forms of support aimed at best practices, taking investors' perspectives into account. In addition, I serve as the Chairperson of the Board of Directors of Takarazuka Revue Company. In this role, I am promoting reforms within Takarazuka Revue and, given that the company has numerous group subsidiaries, I also monitor whether the internal control systems are being properly implemented as an outside director of the holding company. For a company to grow, it is important to take certain risks while appropriately managing and controlling them. With this perspective in mind, I hope to play a role in supporting decision-making that encourages prudent risk-taking.

External Evaluations and Participation in Initiatives

External Evaluation

Our Company has received the following ESG-related evaluations and certifications. In September 2025, our Company received the Grand Prize in the ESG category at the “Sustainable Japan Award 2025” hosted by The Japan Times, Ltd.

◆ Sustainable Japan Award 2025
Grand Prize in ESG Category



◆ MSCI's ESG RATINGS*1:
Achieved the Highest Ranking of AAA



◆ Nikkei Sustainable Comprehensive Survey SDGs
Management Edition 2024 Star 4
(Deviation Value 60 or higher but less than 65)



Inclusion in the ESG indices

Our Company has been selected for all six domestic equity ESG investment indices adopted by the Government Pension Investment Fund (GPIF).

<p>◆ FTSE Blossom Japan Index*2</p>  <p>FTSE Blossom Japan Index</p>	<p>◆ FTSE Blossom Japan Sector Relative Index*2</p>  <p>FTSE Blossom Japan Sector Relative Index</p>	<p>◆ MSCI Japan Equity ESG Select Leaders Index*1</p>  <p>2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX</p>
<p>◆ MSCI Japan Empowering Women Index (WIN)*1</p>  <p>2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</p>	<p>◆ Morningstar Japan ex-REIT Gender Diversity Tilt</p> <p>Ranked “Group 2,” the second level in a five-tier evaluation</p>	<p>◆ S&P/JPX Carbon Efficient Index</p>  <p>Ranked “3rd place” in decile classification</p>

Participation in Initiatives

The Group participates in the following initiatives to demonstrate its proactive approach to sustainable management.

<p>◆ Support of the United Nations Global Compact</p> 	<p>◆ Compliance with the Task Force on Climate-related Financial Disclosures (TCFD)</p> 	<p>◆ Participation in GX League</p> 
<p>◆ Compliance with the Taskforce on Nature-related Financial Disclosures (TNFD)</p>  <p>Taskforce on Nature-related Financial Disclosures</p>	<p>◆ Participation in the 30by30 Alliance</p> 	<p>◆ Participation in Keidanren Initiative for Biodiversity Conservation</p> 

*1 The use by Hankyu Hanshin Holdings, Inc. of any MSCI ESG Research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Hankyu Hanshin Holdings, Inc. by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

*2 FTSE Russell (a registered trademark of FTSE International Limited and the Frank Russell Company) has verified through a third-party survey that Hankyu Hanshin Holdings, Inc. fulfills all the necessary criteria for inclusion in this index. FTSE Russell, the compiler of this index is a global index provider and was set up to measure the performance of companies with excellent responses to ESG (environment, social, and governance) topics. As such, it is widely used in developing and evaluating various financial products, such as sustainable investment funds.

For other environmental and social evaluations, please refer to our website (Japanese only).
<https://www.hankyu-hanshin.co.jp/sustainability/evaluation/>

Chapter 4
Financial Section and Corporate Data

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Consolidated Eleven-Year Summary

FY		2015	2016 ⁹	2017	2018 ¹⁰	2019	2020	2021	2022 ¹¹	2023	2024 ¹²	2025											
Result of Operations (Millions of yen):																							
Revenue from operations	¥	685,906	¥	746,792	¥	736,763	¥	760,252	¥	791,427	¥	762,650	¥	568,900	¥	746,217	¥	968,300	¥	997,611	¥	1,106,854	
Operating income		94,026		110,293		104,058		105,211		114,937		95,170		2,066		39,212		89,350		105,689		110,879	
Business profit ¹		94,026		110,293		104,058		105,211		114,937		95,170		2,066		39,212		89,350		108,310		112,124	
EBITDA ²		150,100		166,500		159,300		160,800		171,400		154,100		60,300		100,700		153,700		173,200		179,200	
Ordinary income (loss)		85,590		104,479		100,607		103,774		110,543		88,795		(7,623)		38,450		88,432		109,413		111,242	
Income (loss) before income taxes		77,620		96,087		100,805		101,410		88,562		86,746		(41,013)		38,592		75,012		84,246		102,795	
Net income (loss) attributable to owners of the parent		54,201		69,971		71,302		66,361		65,476		54,859		(36,702)		21,418		46,952		67,774		67,386	
Comprehensive income		71,034		63,842		79,288		73,991		66,565		44,292		(22,803)		17,251		51,991		93,094		84,938	
Capital expenditure		68,115		66,639		86,212		86,404		114,368		81,090		108,472		120,302		63,039		101,753		116,875	
Depreciation and amortization		53,143		53,701		52,800		53,276		54,172		56,542		55,733		59,107		62,037		62,582		64,475	
Cash Flows (Millions of yen):																							
Cash flows from operating activities	¥	131,881	¥	124,838	¥	115,633	¥	135,821	¥	126,035	¥	123,086	¥	(32,501)	¥	81,844	¥	132,091	¥	123,513	¥	87,417	
Cash flows from investing activities		(52,529)		(78,843)		(84,845)		(88,351)		(116,160)		(128,498)		(102,151)		(96,442)		(113,216)		(141,320)		(167,637)	
Cash flows from financing activities		(81,746)		(47,278)		(30,595)		(43,242)		(11,171)		964		134,631		15,141		(8,981)		28,461		79,471	
Increase (decrease) in cash and cash equivalents		(1,125)		(1,978)		(480)		4,588		(1,848)		(4,454)		(375)		1,983		11,797		11,896		934	
Cash and cash equivalents at end of year		23,497		22,363		22,530		27,501		27,589		23,526		25,222		29,422		41,375		53,808		56,014	
Financial Position (Millions of yen):																							
Net assets	¥	679,482	¥	724,237	¥	804,659	¥	866,512	¥	915,381	¥	937,672	¥	909,985	¥	915,363	¥	980,940	¥	1,070,432	¥	1,132,460	
Total assets		2,279,638		2,282,180		2,349,831		2,404,926		2,466,223		2,489,081		2,621,028		2,722,841		2,865,410		3,052,930		3,283,453	
Interest-bearing debt		955,828		916,570		899,523		866,758		877,055		903,480		1,063,048		1,095,965		1,106,351		1,174,160		1,282,775	
Net interest-bearing debt ³		930,213		892,344		875,267		837,921		848,199		878,456		1,035,502		1,064,633		1,063,474		1,114,550		1,221,723	
Per Share Data (Yen) ⁴																							
Net income attributable to owners of the parent	Basic	¥	42.98	¥	277.88	¥	285.11	¥	267.91	¥	266.86	¥	225.69	¥	(151.72)	¥	88.89	¥	194.88	¥	281.73	¥	281.77
	Diluted ⁵		42.95		277.67		284.86		267.81		266.86		—		—		88.83		194.78		281.57		281.45
Net assets		525.56		2,815.96		3,150.67		3,391.35		3,615.52		3,738.56		3,598.83		3,612.17		3,764.17		4,074.91		4,340.23	
Dividend		6.00		35.00		35.00		40.00		40.00		50.00		50.00		50.00		50.00		55.00		60.00	
Ratios:																							
Business profit ratio (%)		13.7		14.8		14.1		13.8		14.5		12.5		0.4		5.3		9.2		10.9		10.1	
ROA (%) ⁶		3.7		4.6		4.3		4.4		4.5		3.6		(0.3)		1.4		3.2		3.7		3.5	
ROE (%) ⁷		8.6		10.3		9.4		8.2		7.6		6.1		(4.1)		2.5		5.3		7.2		6.7	
Interest-bearing debt/EBITDA (Times)		6.4		5.5		5.6		5.4		5.1		5.9		17.6		10.9		7.2		6.8		7.2	
Net interest-bearing debt/EBITDA multiple (Times)		6.2		5.4		5.5		5.2		5.0		5.7		17.2		10.6		6.9		6.4		6.8	
Equity ratio (%)		29.1		31.0		33.5		34.8		35.9		36.4		33.1		32.0		31.6		32.1		31.5	
Debt/equity (D/E) ratio (Times) ⁸		1.4		1.3		1.1		1.0		1.0		1.0		1.2		1.3		1.2		1.2		1.2	
Others:																							
Number of outstanding shares (Thousands)		1,271,406		254,281		254,281		254,281		254,281		254,281		254,281		254,281		254,281		254,281		253,008	
Number of employees		21,037		21,607		21,860		22,152		22,654		22,800		23,192		22,869		22,527		22,811		23,033	

(Notes)

- Business profit = operating income + equity-method gains/losses related to overseas business investments (From FY2015 to FY2023, the Company had no equity-method affiliates in its overseas business. Thus, for that period, "business profit = operating income")
- EBITDA = business profit + depreciation expenses + amortization of goodwill EBITDA figures are rounded to the nearest ¥100 million.
- Net interest-bearing borrowings = interest-bearing borrowings – cash and deposits
- The Company (since FY2020) and our subsidiary Hankyu Hanshin Properties Corp. (since FY2019), as well as Hankyu Corporation and Hanshin Electric Railway Co., Ltd. (both since FY2018), have operated the Board Incentive Plan Trust, and the shares of the Company held by such trust are recorded as treasury shares in the consolidated financial statements. Therefore, when net assets per share, and net income per share and diluted net income per share attributable to owners of the parent are calculated, the number of such shares is included in the treasury shares to be deducted.
- As there are no residual shares with a dilutive effect, diluted net income per share attributable to owners of the parent for FY2020 has been omitted. For FY2021, diluted net income per share attributable to owners of the parent is omitted because a net loss per share was recorded despite the existence of dilutive shares.
- ROA = ordinary income / total assets (average of period-start and period-end totals)
- ROE = net income attributable to owners of the parent / equity (average of period-start and period-end totals)
- D/E ratio = interest-bearing debt / equity

- Regarding transactions related to such items as the export of mixed cargo of the International Transportation Business, the Company has changed the recognition of revenues from operations from net presentation to gross presentation as of FY2017. As a result of this change, the amount of revenues from operations for FY2016 is the amount after retrospective application (gross presentation). Furthermore, the Company consolidated shares at the ratio of 5 shares to 1 share with an effective date of August 1, 2016. Net income per share, diluted net income per share attributable to owners of the parent, net assets per share, dividend per share, and number of outstanding shares have been calculated based on the assumption that the said reverse stock split was executed on April 1, 2015.
- The partially amended "Tax Effect Accounting" standards (ASBJ Guidance No. 28, February 16, 2018) have been applied since the start of FY2019, and the consolidated financial indicators and similar of FY2018 are those after retrospective application of the relevant accounting standards.
- The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of FY2022, and the key management indicators, etc., for FY2022 onward indicate values after applying the above-mentioned accounting standard, etc.
- The "Accounting Standards for Current Income Taxes" (ASBJ Statement No. 27; hereinafter, the "2022 Revised Accounting Standard") and related standards have been applied from the beginning of FY2025, and the key management indicators and other measures for FY2024 are those after retrospective applying the relevant accounting standards. In addition, with respect to the 2022 Revised Accounting Standard, the transitional treatment stipulated in the proviso to paragraph 20-3 has been applied, and with respect to the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28), the transitional treatment stipulated in the proviso to paragraph 65-2(2) has been applied. As a result, the key management indicators and other measures for FY2025 are those after applying the relevant accounting standards.

For detailed financial information about our Company, please visit our website.
<https://www.hankyu-hanshin.co.jp/ir/library/factbooks/>

Risks Related to Business, etc.

The Group positions risk management as an important management priority and, based on the Risk Management Regulations, defines risks as “events that impede the achievement of organizational objectives within the Group.” A framework is in place to identify and assess risks in a timely and appropriate manner and implement countermeasures. To this end, the Company has established a dedicated department, the Risk Management Division, and regularly convenes the Risk Management Committee chaired by the President to deliberate on matters related to risk management.

Considering the Group’s business strategy and commitment to sustainable management, the Company identifies risks—including natural disasters—as material to Group management and requiring a cross-group response, designates risk owners to oversee management of such risks, and ensures that the entire Group addresses them. The progress of measures planned and implemented by the risk owners is monitored and reported to the Board of Directors as appropriate.

Potential risks that may affect the Group’s operating results, stock price, and financial position include the following. Statements concerning the future herein reflect judgments made by the Group as of the end of the current consolidated FY, and these risks do not encompass all risks faced by the Group.

1 Natural disasters, etc.

1.1 Regarding natural disasters, etc.

The Group engages in a wide range of businesses, including urban transportation, real estate, entertainment, information and communication technology, travel business, and international transportation. In the event of earthquakes, typhoons, and other natural disasters, large-scale accidents, acts of terrorism, etc., damage to customers and operating facilities and restrictions on business activities could affect the Group’s operating results and financial position. In particular, climate change—including rising air and sea temperatures—has been cited in recent years as potentially increasing localized torrential rains and powerful typhoons, and the risk of the impacts described above arising from such natural disasters has been growing.

The Group is investing in the maintenance and renewal of existing facilities and carrying out seismic retrofitting, analyzing and responding to the impacts of increasingly severe natural disasters, and—especially at Group companies engaged in public transportation such as railways—building systems that prioritize safety. Efforts are being made to minimize the impacts of natural disasters and accidents through both technological and human measures.

1.2 Outbreaks of infectious diseases

If infectious diseases become widespread and various restrictions are applied to people’s lives, including restrictions on movement, the Group could be significantly affected in each business: in urban transportation, declines in railway and other passenger numbers; in the real estate business, temporary closure of rental facilities and decreases in visitor numbers, as well as reduced inbound and domestic demand for hotels; in entertainment, cancellation of and limits on attendance at professional baseball games and Takarazuka Revue performances; and in the travel business, suspension of overseas and domestic tours.

Even under such circumstances, while implementing preventive and containment measures in line with the status of infections, the Group strives to continue operations as a

corporate group operating railways and other social infrastructure. Efforts are made to enhance profitability and secure a stable financial base in order to achieve sustainable improvement in corporate value despite such impacts.

2 Information management

The Group uses information systems across its businesses. If these systems are significantly impacted by accidents, disasters, fraud or errors within the Company or among business partners, or cyberattacks, resulting in system shutdowns, malfunctions, or information leaks, the Group’s business operations may be disrupted, and its operating results and financial position may be affected. With respect to personal information in particular, each business manages customer data and other personal information, and in the event of an unexpected incident resulting in data leakage, the Group could be significantly affected by claims for damages and loss of social trust.

In accordance with internal rules such as the Fundamental Policies on Electronic Information Security, the Group implements necessary measures to prevent information leaks, tampering, and unauthorized use, and to ensure stable operation of information systems. In particular, given the fact that the Group operates railways, which are critical infrastructure, cybersecurity is positioned as a key element of risk management. The Group continuously strengthens its security standards and actively collaborates with government and other relevant authorities to gather information and implement ongoing countermeasures. The Group has also established a CSIRT* to ensure prompt communication and response in the event of incidents, to contain damage and to implement appropriate recurrence prevention measures. In addition to the above, with respect to personal information, the Group has established rules such as the Fundamental Policies on Personal Information Management to ensure compliance with domestic and international laws and regulations on personal information protection, develop a system for the proper use and protection of personal information, and provide training and education to officers and employees.

3 Compliance

3.1 Compliance management

The Groups strives to meet stakeholder expectations and become a trustworthy and respected organization, with a strong focus on compliance as a key pillar underpinning its management approach. Should incidents that violate compliance occur, the Group’s operating results and financial position may be affected due to claims for damages and loss of social credibility.

In each business, the Group strives to comply with the Companies Act, the Financial Instruments and Exchange Act, labor laws, tax laws, economic laws, various industry laws, and other applicable laws and regulations. In addition, the Group has established various general principles such as respect for human rights, prevention of corruption (including bribery), and tax policies, as well as internal regulations such as a corporate ethics code. Operations are conducted in accordance with these principles, with continuous monitoring by the Company. At some core companies, governance functions are strengthened—such as by appointing outside officers to the Board of Directors—and compliance management is promoted.

To further enhance the effectiveness of these efforts, awareness-raising and education are conducted for officers and employees to improve their knowledge and awareness, thereby working to prevent non-compliant conduct before it occurs. An internal reporting system has also been established, which can be used by business partners and others, enabling prompt identification and response to events that threaten the assurance of compliance management.

3.2 Respect for human rights

Respect for human rights is considered the foundation for continually fulfilling the Group’s mission. Based on standards such as the United Nations Guiding Principles on Business and Human Rights, the Group has formulated the Basic Philosophy on Respect for Human Rights and the Basic Policy on Respect for Human Rights, and is implementing human rights due diligence. By further promoting initiatives aligned with the Business and Human Rights Framework, the Group strives to avoid and mitigate negative impacts. These initiatives are also being advanced throughout the entire supply chain to contribute to the development of a sustainable society. In April 2024, the Hankyu Hanshin Holdings Group Supply Chain Policy was formulated, and initiatives are being promoted together with business partners across the Group.

3.3 Regulations under industry laws

Within the Group, including the railway business, many companies operate under licenses or approvals from supervisory authorities. For these companies, changes in legal regulations may restrict business activities or increase compliance costs. Furthermore, if the Group is unable to respond to such

regulations, its operating results and financial position may be affected. The Group proactively researches and identifies information on regulatory changes and new regulations and their impacts in advance, striving to minimize the impact on the Group.

4 Finance (regarding interest-bearing debt)

The Group continues to make capital investments across businesses, and much of the funding required is raised through borrowings from financial institutions and bonds. Therefore, if interest rates rise, financial markets change, or the Group’s rating is downgraded due to changes in financial condition, interest expenses may increase and it may become difficult to procure additional funds on favorable terms—including funds required to refinance interest-bearing debt reaching maturity.

As of the end of the current consolidated FY, the consolidated balance of interest-bearing debt was 1,282.775 billion yen. Looking ahead, in addition to investments to maintain and improve the safety of facilities, growth investments are planned with a view to the future, including large-scale projects, and consolidated interest-bearing debt is expected to increase to some extent.

The Group will continue to diversify funding to secure liquidity, strive to avoid interest rate fluctuation risk by fixing interest rates, and work to maintain a sound financial base while curbing interest-bearing debt through reductions in costs and maintenance/renewal investments.

5 Fluctuations in the political, economic, and social environment

5.1 Decline in the fair value of holdings

If the political and economic environment deteriorates significantly and the fair value of inventories, tangible and intangible assets, and investment securities held by the Group were to fall substantially, the recognition of impairment losses or valuation losses could affect the Group’s operating results and financial position.

5.2 Population decline, etc.

In the Keihanshin area, including Kyoto, Osaka, and Kobe, which serves as the Group’s base, future population decline and demographic changes associated with a falling birthrate could reduce passenger transport demand for railways, buses, taxis, and other modes of transportation, as well as demand in other businesses. Coupled with a tightening labor market making it difficult to secure workers, the Group’s operating results and financial position may be affected.

To address these risks, the Group is implementing initiatives to increase the resident population along railway lines and expand the visitor population by capturing inbound

demand. The Group also continues investing in human capital to enhance and secure workforce capabilities, and promotes Group-wide efforts to increase productivity through leveraging digital transformation (DX), etc.

5.3 Addressing global environmental issues

Efforts to curb greenhouse gas emissions are advancing worldwide in response to climate change. While the Group’s core railway business has a lower environmental impact than other modes of transportation, investments and incurring costs are anticipated across businesses—including the railway business and real estate business—to support a carbon-neutral society and circular economy. Costs may also increase due to the introduction of taxes related to greenhouse gas emissions and rising retail electricity prices (to promote renewable energy, etc.). Moreover, growing interest in biodiversity and natural capital and resource circulation initiatives may lead to reduced earnings due to reputational damage and financing challenges if the Group fails to adapt to this societal transition.

The Group recognizes that reducing greenhouse gases is essential to achieving a sustainable society. Under its Sustainability Declaration, the Group designates “environmental protection” as a key theme and promotes environmental conservation activities that contribute to a carbon-neutral society and circular economy. As part of these efforts, the Group supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and discloses information in line with its framework, including “Governance,” “Risk Management” and “Metrics and Targets.” For “Strategy,” the Group identifies risks and opportunities in the railway and real estate businesses—areas expected to be particularly affected by climate change—conducts scenario analysis, estimates financial impacts, and publish the results. Furthermore, to evaluate and manage these climate-related risks and opportunities, the Group has set a Group-wide KPI for reducing greenhouse gas (GHG) emissions (FY2035 target: GHG emissions 60% below FY2019 levels [newly set in March 2025]; FY2050 target: net zero), established individual KPIs for each business, and promotes initiatives in each business through the calculation and disclosure of Scope 3 emissions and setting an ICP (internal carbon price). These efforts aim to enhance business resilience to climate change. At the same time, the Group also discloses its direction for biodiversity and resource circulation initiatives, sets new KPIs, and works to resolve social issues through its business activities.

5.4 Changes in the business environment, etc.

Changes in the business environment surrounding the Group are picking up in pace more than ever, and stakeholder expectations are rising across diverse areas—including ESG and supply chains, CSR initiatives, workplace practices, and shareholder value enhancement. These changes are

expected to continue gaining speed. If these changes lead to significant transformations in people’s lives, the Group’s existing business model—which operates many businesses closely connected to people’s daily lives—may be affected. With respect to the railway business, under the Railway Business Act, permission from the Minister of Land, Infrastructure, Transport and Tourism is required for each line and each category of the railway business (Article 3), and approval is required for setting or changing passenger fares and charges (Article 16). Accordingly, the Group may be unable to implement agile fare revisions in response to such changes.

Taking these circumstances into account, in line with the Long-Term Management Concept formulated in March 2025, and with an eye to global expansion, the Group will allocate management resources such as capital and human resources in an optimal manner and further accelerate Group-wide value creation to achieve its “desired future state.”

5.5 International situation

The Group’s real estate, travel, international transportation, and other businesses also operate overseas and face a range of risk factors, including geopolitical risks such as significant changes in political and economic conditions and legal regulations of each country, conflicts or acts of terrorism, and outbreaks of infectious diseases. In addition, depending on trends in trade policies of various countries, there is a risk of fluctuation in the financial and capital markets and domestic economic conditions.

For geopolitical risks in particular, the Group strives to respond after conducting risk analyses based on advice from experts such as attorneys and consultants. Furthermore, regarding financial and capital markets and economic fluctuations, the Group closely monitors changes in conditions and gathers information, while promoting the initiatives outlined in “4 Finance (regarding interest-bearing debt)” and in “5 Fluctuations in the political, economic, and social environment,” under “5.4 Changes in the business environment, etc.” However, if unforeseen changes in conditions occur, the Group’s operating results, financial position, and other factors may be affected.

Consolidated Balance Sheets

As of March 31, 2024 and 2025

		Millions of yen	
		2024	2025
Assets:			
Current assets:			
Cash and deposits	¥	59,610	¥ 61,052
Trade receivables		103,386 ^{*1}	102,271 ^{*1}
Land and buildings for sale		269,789	368,708
Finished products and merchandise		3,586	3,915
Work in progress		2,922	3,557
Materials and supplies		6,486	6,553
Other		68,546	72,948
Allowance for doubtful receivables		(960)	(888)
Total current assets		513,368	618,119
Noncurrent assets:			
Property and equipment:			
Buildings and structures—net		631,352 ^{*4}	664,350 ^{*4}
Machinery, equipment and vehicles—net		60,323 ^{*4}	67,512 ^{*4}
Land		1,030,054 ^{*4,*6}	1,031,604 ^{*4,*6}
Construction in progress		260,688	274,564
Other—net		26,808 ^{*4}	30,851 ^{*4}
Total property and equipment		2,009,227 ^{*2,*3}	2,068,883 ^{*2,*3}
Intangible assets		36,316 ^{*3,*4}	43,223 ^{*3,*4}
Investments and other assets:			
Investment securities		404,266 ^{*4,*5}	456,686 ^{*4,*5}
Deferred tax assets		7,510	6,388
Net defined benefit asset		27,184	27,451
Other		55,267 ^{*4}	62,876 ^{*4}
Allowance for doubtful receivables		(211)	(175)
Total investments and other assets		494,017	553,227
Total noncurrent assets		2,539,561	2,665,334
Total assets		3,052,930	3,283,453

	Millions of yen	
	2024	2025
Liabilities:		
Current liabilities:		
Trade payables	¥ 43,190	¥ 48,458
Accrued expenses	22,935	25,445
Short-term borrowings	189,854 ^{*4}	169,367 ^{*4}
Current portion of bonds	15,000	30,000
Lease obligations	4,130	4,031
Income taxes payable	15,290	20,328
Provision for bonuses	5,304	5,938
Other	211,287 ^{*1,*4}	232,430 ^{*1,*4}
Total current liabilities	506,992	536,001
Non-current liabilities:		
Long-term borrowings	705,773 ^{*4}	774,025 ^{*4}
Bonds	250,000	295,000
Lease obligations	9,402	10,351
Deferred tax liabilities	181,199	184,122
Deferred tax liabilities related to land revaluation	5,141 ^{*6}	5,267 ^{*6}
Net defined benefit liability	61,682	57,677
Long-term deferred contribution for construction	128,188	140,178
Other	134,117	148,369
Total non-current liabilities	1,475,505	1,614,992
Total liabilities	1,982,497	2,150,993
Net assets:		
Shareholders' equity:		
Common stock	99,474	99,474
Capital surplus	147,301	147,056
Retained earnings	735,430	782,720
Less treasury stock, at cost	(51,891)	(53,678)
Total shareholders' equity	930,315	975,572
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	29,533	34,505
Deferred gains or losses on hedges	329	(259)
Revaluation reserve for land	5,545 ^{*6}	5,373 ^{*6}
Foreign currency translation adjustments	5,805	11,391
Cumulative adjustments related to retirement benefit plans	7,269	9,308
Total accumulated other comprehensive income	48,483	60,319
Non-controlling interests	91,634 ^{*6}	96,568 ^{*6}
Total net assets	1,070,432	1,132,460
Total liabilities and net assets	3,052,930	3,283,453

Consolidated Statements of Income

Years ended March 31, 2024 and 2025

	Millions of yen	
	2024	2025
Revenues from operations	¥ 997,611 ^{*1}	¥ 1,106,854 ^{*1}
Costs of revenues from operations:		
Operating expenses and cost of sales of transportation	859,149	962,406
Selling, general and administrative expenses	32,772 ^{*2}	33,568 ^{*2}
Total costs of revenues from operations	891,921 ^{*3}	995,975 ^{*3}
Operating income	105,689	110,879
Non-operating income:		
Interest income	794	1,179
Dividend income	999	1,009
Equity in income of affiliates	14,615	15,451
Miscellaneous income	2,992	2,078
Total non-operating income	19,402	19,719
Non-operating expenses:		
Interest expenses	10,382	12,065
Miscellaneous expenses	5,295	7,291
Total non-operating expenses	15,677	19,356
Ordinary income	109,413	111,242
Extraordinary income:		
Gain on contributions for construction	31,344	3,984
Gain on transfer of business	—	1,136
Other	1,794	831
Total extraordinary income	33,138	5,953
Extraordinary loss:		
Loss on reduction of noncurrent assets	31,277	4,032
Impairment losses	24,277 ^{*4}	3,399 ^{*4}
Provision for losses on disposal of noncurrent assets	—	1,992
Loss on change in equity	—	2,036
Other	2,751	2,939
Total extraordinary loss	58,306	14,399
Income before income taxes	84,246	102,795
Income taxes – current	22,955	31,568
Income taxes – deferred	(9,758)	2,367
Total income taxes	13,197	33,935
Net income	71,048	68,859
Net income attributable to non-controlling interests	3,273	1,473
Net income attributable to owners of the parent	67,774	67,386

Consolidated Statements of Comprehensive Income

Years ended March 31, 2024 and 2025

	Millions of yen	
	2024	2025
Net income	¥ 71,048	¥ 68,859
Other comprehensive income:		
Valuation difference on available-for-sale securities	4,802	2,413
Deferred gains or losses on hedges	357	(595)
Revaluation reserve for land	41	(126)
Foreign currency translation adjustments	5,427	7,858
Remeasurements of defined benefit plans	5,595	1,269
Share of other comprehensive income of associates accounted for using equity method	5,821	5,259
Total other comprehensive income	22,046 ^{*1}	16,079 ^{*1}
Comprehensive income	93,094	84,938
Comprehensive income attributable to:		
Owners of the parent	86,103	79,104
Non-controlling interests	6,991	5,833

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2023 and 2024

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Less treasury stock, at cost	Total shareholders' equity
Balance as of March 31, 2023	99,474	147,343	680,040	(48,748)	878,110
Cumulative effects of changes in accounting policies			587		587
Balance as of March 31, 2023 reflecting changes in accounting policies	99,474	147,343	680,627	(48,748)	878,697
Changes of items during period					
Dividends from surplus			(12,113)		(12,113)
Net income attributable to owners of the parent			67,774		67,774
Reversal of revaluation reserve for land			(4)		(4)
Purchase of treasury stock				(3,476)	(3,476)
Disposal of treasury stock		0		346	346
Retirement of treasury stock					—
Change in equity of parent arising from transactions with non-controlling interest shareholders		29			29
Change in equity due to purchase of treasury stock by consolidated subsidiaries					—
Change in equity due to disposal of treasury stock by consolidated subsidiaries		6			6
Change of scope of consolidation		(78)	(491)		(569)
Change of scope of equity method			(361)		(361)
Change in equity in affiliates accounted for by equity-method treasury stock				(12)	(12)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(42)	54,803	(3,143)	51,617
Balance as of March 31, 2024	99,474	147,301	735,430	(51,891)	930,315

	Millions of yen							
	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Cumulative adjustments related to retirement benefit plans	Total accumulated other comprehensive income		
Balance as of March 31, 2023	20,930	(78)	5,499	908	1,433	28,692	74,137	980,940
Cumulative effects of changes in accounting policies						—		587
Balance as of March 31, 2023 reflecting changes in accounting policies	20,930	(78)	5,499	908	1,433	28,692	74,137	981,527
Changes of items during period:								
Dividends from surplus								(12,113)
Net income attributable to owners of the parent								67,774
Reversal of revaluation reserve for land								(4)
Purchase of treasury stock								(3,476)
Disposal of treasury stock								346
Retirement of treasury stock								—
Change in equity of parent arising from transactions with non-controlling interest shareholders								29
Change in equity due to purchase of treasury stock by consolidated subsidiaries								—
Change in equity due to disposal of treasury stock of consolidated subsidiaries								6
Change of scope of consolidation								(569)
Change of scope of equity method								(361)
Change in equity in affiliates accounted for using equity-method treasury stock								(12)
Net changes of items other than shareholders' equity	8,602	408	45	4,897	5,836	19,790	17,496	37,287
Total changes of items during period	8,602	408	45	4,897	5,836	19,790	17,496	88,904
Balance as of March 31, 2024	29,533	329	5,545	5,805	7,269	48,483	91,634	1,070,432

Years ended March 31, 2024 and 2025

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Less treasury stock, at cost	Total shareholders' equity
Balance as of March 31, 2024	99,474	147,301	735,430	(51,891)	930,315
Cumulative effects of changes in accounting policies					—
Balance as of March 31, 2024 reflecting changes in accounting policies	99,474	147,301	735,430	(51,891)	930,315
Changes of items during period					
Dividends from surplus			(14,472)		(14,472)
Net income attributable to owners of the parent			67,386		67,386
Reversal of revaluation reserve for land			1		1
Purchase of treasury stock				(7,159)	(7,159)
Disposal of treasury stock		0		210	210
Retirement of treasury stock		(0)	(5,005)	5,005	—
Change in equity of parent arising from transactions with non-controlling interests		(245)			(245)
Change in equity due to purchase of treasury stock by consolidated subsidiaries		(2)			(2)
Change in equity due to disposal of treasury stock by consolidated subsidiaries		2			2
Change of scope of consolidation			(620)		(620)
Change of scope of equity method					—
Change in equity in affiliates accounted for using equity-method treasury stock				156	156
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(244)	47,289	(1,787)	45,257
Balance as of March 31, 2025	99,474	147,056	782,720	(53,678)	975,572

	Millions of yen							Non-controlling interests	Total net assets
	Accumulated other comprehensive income								
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Cumulative adjustments related to retirement benefit plans	Total accumulated other comprehensive income			
Balance as of March 31, 2024	29,533	329	5,545	5,805	7,269	48,483	91,634	1,070,432	
Cumulative effects of changes in accounting policies						—		—	
Balance as of March 31, 2024 reflecting changes in accounting policies	29,533	329	5,545	5,805	7,269	48,483	91,634	1,070,432	
Changes of items during period:									
Dividends from surplus								(14,472)	
Net income attributable to owners of the parent								67,386	
Reversal of revaluation reserve for land								1	
Purchase of treasury stock								(7,159)	
Disposal of treasury stock								210	
Retirement of treasury stock								—	
Change in equity of parent due to transactions with non-controlling interests								(245)	
Change in equity due to acquisition of treasury stock by consolidated subsidiaries								(2)	
Change in equity due to disposal of treasury stock by consolidated subsidiaries								2	
Change of scope of consolidation								(620)	
Change of scope of equity method								—	
Change in equity in affiliates accounted for using equity-method treasury stock								156	
Net changes of items other than shareholders' equity	4,972	(588)	(171)	5,585	2,039	11,836	4,934	16,770	
Total changes of items during period	4,972	(588)	(171)	5,585	2,039	11,836	4,934	62,027	
Balance as of March 31, 2025	34,505	(259)	5,373	11,391	9,308	60,319	96,568	1,132,460	

Notes to the Consolidated Financial Statements

Framework for Preparing Consolidated Financial Statements

1 Method of preparation for consolidated financial statements

The Company's consolidated financial statements were prepared in accordance with the "Regulations Concerning Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (Finance Ministry Ordinance No. 28 of 1976).

2 Audit verification

The Company's consolidated financial statements for the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025) were audited by KPMG AZSA LLC, as per Article 193-2(1) of Japan's Financial Instruments and Exchange Act.

3 Special measures to ensure the appropriateness of consolidated financial statements and other reports

The Company makes special efforts to ensure the appropriateness of its consolidated financial statements and other reports. In addition to subscribing to related publications, the Company has joined the Financial Accounting Standards Foundation and participates in seminars and other events held by the Foundation, audit firms and other relevant organizations to establish a system for understanding the accounting standards in detail and responding suitably to changes made to them. The Company also compiles and provides common manuals for preparing the consolidated financial information on a Group-wide basis and arranges training courses for accounting staff at affiliates.

Important matters constituting the basis for preparation of consolidated financial statements

1. Scope of consolidation

1 Number of and names of major consolidated subsidiaries

• Number of consolidated subsidiaries: 111

The names of major consolidated subsidiaries are omitted because they are stated in "Section 1: Company overview" under "4. Status of affiliates."

From the current consolidated FY, LACP JI Trust and HHP Melrose Development Pty Ltd were included in the scope of consolidation due to their establishment, ROC Co., Ltd. was included due to stock acquisition, and HHP TLUS Renton, LLC and three other companies were included due to increased materiality.

In addition, Hankyu Hanshin High Security Service Co., Ltd. and two other companies were excluded from the scope of consolidation in the current consolidated FY because they were dissolved in absorption-type mergers.

2 Names of major nonconsolidated subsidiaries

• Hankyu Mediac Co., Ltd.

Nonconsolidated subsidiaries have been excluded from the scope of consolidation because the total amounts of their entire assets, sales, net income or loss (amount equivalent to equity interests), retained earnings (amount equivalent to equity interests) and other figures are all immaterial, and do not have a significant impact on the consolidated financial statements.

2. Matters concerning application of the equity method

1 Number and names of affiliates for which the equity method is applied

• Number of affiliates for which the equity method is applied: 13

The names of primary companies are omitted because they are stated in "Section 1: Company overview" under "4. Status of affiliates."

Consolidated Statements of Cash Flows

Years ended March 31, 2024 and 2025

	Millions of yen	
	2024	2025
Cash flows from operating activities:		
Income before income taxes	¥ 84,246	¥ 102,795
Depreciation and amortization	62,582	64,475
Impairment losses	24,277	3,399
Amortization of goodwill	2,292	2,590
Equity in (income) losses of affiliates	(14,615)	(15,451)
Increase (decrease) in net defined benefit liability	(1,417)	(2,344)
Increase (decrease) in allowance for doubtful receivables	18	(121)
Increase (decrease) in provision for loss on disposal of noncurrent assets	—	1,992
Interest and dividend income	(1,794)	(2,188)
Interest expenses	10,382	12,065
Loss on reduction of noncurrent assets	31,277	4,032
Gain on contributions for construction	(31,344)	(3,984)
Loss (gain) on change in equity	—	2,036
Loss (gain) on transfer of business	—	(1,136)
Decrease (increase) in trade receivables	18,301	1,290
Decrease (increase) in inventories	(61,325)	(92,823)
Increase (decrease) in trade payables	521	5,235
Other	24,436	29,507
Subtotal	147,840	111,368
Interest and dividends received	5,755	7,141
Interest paid	(10,257)	(11,650)
Income taxes (paid) refunded	(19,824)	(19,441)
Net cash provided by operating activities	123,513	87,417
Cash flows from investing activities:		
Purchases of noncurrent assets	(138,270)	(127,951)
Proceeds from sales of noncurrent assets	213	1,517
Purchases of investment securities	(33,144)	(67,058)
Proceeds from sales of investment securities	394	11,011
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,920)*2	(1,944)
Receipt of contributions for construction	39,813	21,565
Other	(3,405)	(4,779)
Net cash used in investing activities	(141,320)	(167,637)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	4,557	(14,130)
Net increase (decrease) in commercial paper	(10,000)	—
Proceeds from long-term borrowings	142,016	148,094
Repayment of long-term borrowings	(91,384)	(88,172)
Proceeds from new bonds issued	34,811	74,598
Redemption of bonds	(30,000)	(15,000)
Purchases of treasury stock	(3,476)	(7,159)
Dividends paid	(12,113)	(14,472)
Dividends paid to non-controlling shareholders of consolidated subsidiaries	(1,258)	(2,465)
Proceeds from non-controlling shareholders associated with establishment of consolidated subsidiaries	—	3,994
Other	(4,691)	(5,815)
Net cash used in financing activities	28,461	79,471
Effect of exchange rate changes on cash and cash equivalents	1,242	1,683
Increase (decrease) in cash and cash equivalents	11,896	934
Cash and cash equivalents at beginning of year	41,375	53,808
Increase in cash and cash equivalents from newly consolidated subsidiary	536	1,271
Cash and cash equivalents at end of year	53,808*1	56,014*1

1.1 Securities

Available-for-sale securities

- a. Available-for-sale securities other than equity securities without market prices: The market value method is applied (related valuation differences are directly included under net assets and the cost of securities sold is determined by the moving average method).
- b. Equity securities without market prices:
The moving average cost method is applied.
However, for investments in limited liability investment partnerships and similar entities, the Company's share of assets held by such partnerships is recorded.

1.2 Derivatives

The market value method is applied.

1.3 Inventories

- a. Land and buildings for sale:
The specific cost method is applied (balance sheet values are calculated by writing down book values based on decreased profitability).
- b. Other inventories:
The moving average cost method is applied (balance sheet values are calculated by writing down book values based on decreased profitability).

2 Depreciation methods for major depreciable assets**2.1 Property and equipment (excluding leased assets)**

- a. Replacement assets of railway operations:
The replacement method is applied (mainly using the declining-balance method).
- b. Other property and equipment:
While property and equipment (excluding leased assets) are depreciated mainly using the declining balance method, some assets are depreciated using the straight-line method.
However, regarding the above-mentioned "Replacement assets of railway operations" and "Other property and equipment," depreciation of buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings), and depreciation of facilities and structures that are attached to buildings and which were acquired on or after April 1, 2016, are calculated using the straight-line method.

2.2 Intangible assets (excluding leased assets)

Intangible assets (excluding leased assets) are amortized using the straight-line method.

Internal-use software is amortized using the straight-line method over its useful life (mainly 5 years).

2.3 Lease assets

Lease assets are depreciated using the straight-line method with the lease term as the useful life and a residual value of zero (the amount of guaranteed residual value if there is an agreement for a residual value guarantee).

3 Accounting for significant allowances and provisions**3.1 Allowance for doubtful receivables**

Allowance for doubtful receivables is provided based on the ratio of past loan loss experience for general receivables and individually estimated uncollectible amounts for certain individual receivables.

3.2 Provision for bonuses

The Company recognizes a provision for bonuses based on the amount expected to be paid to employees for the FY.

4 Accounting methods for retirement benefits

In calculating the amount of retirement benefit obligations, the benefit formula method is used to attribute the estimated amount of retirement benefits to the period up to March 31, 2025.

Past service cost is recorded as an expense using the straight-line method over a certain number of years (mainly 10 years), which is within the average remaining years of service of the employees at the time the cost is incurred.

Actuarial differences are recorded as expenses from the following consolidated FY using the straight-line method over a certain number of years (mainly 10 years), which is within the average remaining years of service of the employees at the time the differences arise in each consolidated FY.

5 Standards for recognition of significant revenues and expenses

Details of the main performance obligations in key businesses of the Company and its consolidated subsidiaries related to revenue from contracts with customers, and the timing of satisfaction of such performance obligations (the point in time revenue is usually recognized) are as follows:

5.1 Urban transportation**Railway operations**

This business mainly provides rail transportation services and generates income from non-commuter passes and commuter passes. Income from non-commuter passes is transportation income generated by the use of tickets and IC cards. The performance obligation is deemed to have been fulfilled at the time each transportation service is provided to the customer, and revenue is recognized at that point. For income from commuter passes, the performance obligation is deemed to have been fulfilled over the period of validity of the commuter pass, and revenue is recognized according to the validity period.

Automobile

This business primarily provides transportation services with fixed-route buses, airport limousine buses, and highway buses, and generates income from non-commuter passes and commuter passes. Income from non-commuter passes is transportation income generated by cash sales of tickets and use of IC cards. The performance obligation is deemed to

have been fulfilled at the time each transportation service is provided to the customer, and revenue is recognized at that point. For income from commuter passes, the performance obligation is deemed to have been fulfilled over the period of validity of a commuter pass, and revenue is recognized according to the validity period.

Retailing

This business is mainly engaged in product sales at shops inside railway stations. Revenue is recognized at the point products are handed over to the customer. When the Group is deemed to be involved in product sales as an agent, revenue is recognized at the net amount after deducting the amount paid to the supplier from the amount received from the customer.

5.2 Real estate**Leasing**

This business mainly owns and leases office buildings and commercial facilities in Kita-ku, Osaka and other areas. In accordance with the accounting standards for lease transactions, revenue from the lease of these properties is recognized as "Revenue from other sources" over the lease agreement period.

Real estate sales and other businesses

This business mainly markets condominium units and detached houses (buildings with land) for which it is involved from land acquisition through construction, as well as residential land lots, to customers. The business is obliged to deliver the property based on the purchase and sales agreement with the customer. The performance obligation is deemed to have been fulfilled at the time each property is delivered to the customer, and revenue is recognized at that point.

Overseas real estate business

The overseas real estate business is primarily engaged in leasing commercial facilities and other properties owned in Indonesia and other regions. Revenue arising from the lease of said properties is recognized as "Revenue from other sources" over the lease contract period in accordance with international accounting standards for lease transactions and other standards.

Hotel

This business mainly provides customers with services related to accommodation, banquets, and restaurants at directly managed hotels. The performance obligation for these services is deemed to have been fulfilled at the time each service is provided to the customer, and revenue is recognized at that point.

5.3 Entertainment**Sports**

- a. Professional baseball
This business sells tickets to customers for the Hanshin Tigers professional baseball team's home games mainly held at Hanshin Koshien Stadium. The performance ob-

ligation for this service is deemed to have been fulfilled at the time each home game is completed, and revenue is recognized at that point.

- b. Advertising signboards

This business places advertisements on signboards and similar media at Hanshin Koshien Stadium upon request from advertisers or customers. The performance obligation for this service is deemed to have been fulfilled at the time the advertisement is displayed, and revenue is recognized over the period the advertisement is displayed.

- c. Sales of food, drink, and goods

This business sells food, drinks, and Tigers-related products primarily at Hanshin Koshien Stadium. Revenue from the sale of such products is recognized at the point products are handed over to the customer. When the Group is deemed to be acting as an agent in product sales, revenue is recognized at the net amount after deducting the amount paid to the supplier from the amount received from the customer.

Stage

- a. The Takarazuka Revue

This business sells tickets to customers and stages performances of the Takarazuka Revue held mainly at the Takarazuka Grand Theater and the Tokyo Takarazuka Theater. The performance obligation for this service is deemed to have been fulfilled at the time a performance is staged, and revenue is recognized at that point.

- b. Sales of food, drink, and goods

This business sells food, drinks, and Takarazuka-related products primarily at the Takarazuka Grand Theater. Revenue from the sale of such products is recognized at the point products are handed over to the customer.

5.4 Information and communication technology**Information services**

- a. Entrusted software development

This business plans, designs, and develops software based on contracts with customers, and is obliged to deliver the software to customers. Such contracts entail performance obligations mainly over a certain period of time, and revenue is recognized according to the degree of progress made in fulfilling the performance obligation. Progress is measured based on the percentage of costs incurred by the end of each reporting period to the total expected costs.

- b. System operation and maintenance services

This business mainly provides software operations and maintenance services for a certain period of time to customers to whom systems are delivered. The performance obligation for such services is deemed to have been fulfilled over a period of time, and revenue is recognized over the contract period with the customer.

Broadcasting and communications

This business mainly provides internet, cable television, and fixed-line telephone services. The performance obligation for such services is deemed to have been fulfilled over a period of time, and revenue is recognized over the contract period with the customer.

5.5 Travel

This business mainly offers agent-organized tour packages. The performance obligation for these services is deemed to have been fulfilled at the time a tour ends, and revenue is recognized at that point.

5.6 International transportation

As a forwarder, this business mainly carries out transportation in international logistics. For exports, the performance obligation is deemed to have been fulfilled at the time cargo is loaded onto an aircraft, and for imports, at the time of delivery. Revenue is recognized at these respective points.

6 Basis for converting significant assets and liabilities in foreign currencies into Japanese yen

The assets and liabilities of overseas subsidiaries are converted into yen based on the spot exchange rate on the balance sheet date, and income and expenses of overseas subsidiaries are converted into yen based on the average exchange rate during the relevant period. Differences in conversion are included in foreign currency translation adjustments and non-controlling interests in the net assets section.

7 Significant hedge accounting methods

7.1 Method of hedge accounting

Deferred hedge accounting is applied.

Exceptional accounting is applied to interest rate swaps that satisfy the requirements for exceptional accounting treatment. Designation accounting is applied to foreign currency-denominated receivables and payables that are covered by forward exchange contracts and which satisfy the requirements for designation accounting.

7.2 Hedging instruments and hedged items

The main hedging instruments and hedged items are as follows.

- a. Hedging instruments: Forward exchange contracts, currency swap contracts, and currency option contracts
Hedged items: Foreign currency receivables and payables, and future foreign currency transactions
- b. Hedging instruments: Interest rate swap contracts and interest rate option contracts
Hedged items: Loans payable and bonds

7.3 Hedging policy

The Group is exposed to foreign exchange and interest rate fluctuation risks in the course of its normal operations and uses derivative transactions to hedge these risks.

7.4 Method for evaluating hedge effectiveness

Except in cases where hedge effectiveness is clearly evident, hedge effectiveness is evaluated semiannually using the ratio analysis method.

7.5 Other risk management methods concerning hedge accounting

Internal rules have been established regarding the segregation of duties, transaction limits and other matters related to the use of derivative transactions. Derivative transactions are conducted in accordance with these rules. The implementation and management of derivative transactions are carried out by the accounting department of each Group company with the approval of the respective decision makers. An internal control system has been developed to ensure that the contract signing and termination comply with the internal rules.

8 Scope of cash and cash equivalents included in the consolidated statements of cash flows

In preparing the consolidated statements of cash flows, cash on hand, readily available deposits and short-term highly liquid investments without material risk of change in value and with maturities not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

9 Other significant matters for preparing consolidated financial statements

9.1 Accounting for contributions for construction in railway operations

The Company receives contributions for construction from local governments and other organizations that cover a portion of construction expenses arising from the construction of continuous grade separations in railway operations. The amount equivalent to the contributions is directly deducted from the acquisition cost of the noncurrent assets at the time of construction completion.

In the consolidated statements of income, gain on contributions for construction is recognized in extraordinary income, and the amounts equivalent to the contributions for construction, which was deducted from the acquisition cost of noncurrent assets, is recognized in extraordinary loss as loss on reduction of noncurrent assets.

9.2 Adoption of the Group tax sharing system

A Group tax sharing system has been adopted.

9.3 Matters concerning accounting policies of overseas subsidiaries and overseas affiliates

The necessary adjustments for consolidated financial statements for overseas subsidiaries and overseas affiliates have been applied in accordance with “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements” (PITF No. 18, June 28, 2019) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method.” (PITF No. 24, September 14, 2018).

Significant Accounting Estimates

FY ended March 31, 2024

Accounting estimates are reasonably calculated based on information available when preparing the consolidated financial statements. Among the amounts recorded in the consolidated financial statements for the FY ended March 31, 2024 based on accounting estimates, the items that may have a significant impact on the consolidated financial statements for the next FY are as follows.

1. Recoverability of deferred tax assets

1 Amount recorded in the consolidated financial statements for the FY ended March 31, 2024

Deferred tax assets 43,261 million yen (amount before offsetting deferred tax liabilities)

2 Other information that assists users of consolidated financial statements in understanding the nature of the estimates

2.1 Method used to calculate the amounts recorded in the consolidated financial statements for the FY ended March 31, 2024

Deferred tax assets were recorded based on future taxable income, etc., estimated in the medium-term management plan pursuant to the “Implementation Guidelines on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26).

2.2 Major assumptions used to calculate the amounts recorded in the consolidated financial statements for the FY ended March 31, 2024

Estimates of future taxable income are based on the medium-term management plan.

2.3 Impact on the consolidated financial statements for the next FY

The timing and amount of taxable income may be affected by uncertain future economic conditions. If the actual timing and amount of taxable income differ from estimates, the amount of deferred tax assets that are considered recoverable may fluctuate and have a significant impact on the consolidated financial statements for the next FY.

2. Impairment of noncurrent assets

1 Amount recorded in the consolidated financial statements for the FY ended March 31, 2024

As described in “Notes to the Consolidated Statements of Income”, an impairment loss of 24,277 million yen was recorded for real estate leasing business assets and other assets. Property and equipment in the real estate segment amounted to 1,086,151 million yen.

2 Other information that assists users of financial statements in understanding the nature of accounting estimates

2.1 Method used to calculate amounts recorded in the consolidated financial statements for the FY ended March 31, 2024

The Group classifies assets into groups by business or property for management accounting purposes.

When an indication of impairment is identified, the Group determines whether an impairment loss should be recognized by comparing the total undiscounted future cash flows from the asset group with its carrying amount. If the total undiscounted future cash flows are less than the carrying amount and recognition of an impairment loss is deemed necessary, the carrying amount is reduced to the recoverable amount (the higher of net selling price or value in use), and the reduction is recognized as an impairment loss.

2.2 Key assumptions used in the calculation of amounts reported in consolidated financial statements for the current FY

Estimates of future cash flows are based on the Medium-Term Management Plan.

2.3 Impact on the consolidated financial statements for the next FY

Future cash flows may be affected by uncertain future economic conditions and fluctuations in market values, and if actual results differ from the estimates, there may be a significant impact on the consolidated financial statements for the next FY.

FY ended March 31, 2025

Accounting estimates are reasonably calculated based on information available when preparing the consolidated financial statements. Among the amounts recorded in the consolidated financial statements for the FY ended March 31, 2025 based on accounting estimates, the items that may have a significant impact on the consolidated financial statements for the next FY are as follows.

Impairment of noncurrent assets

1 Amount recorded in the consolidated financial statements for the FY ended March 31, 2025

As described in “Notes to the Consolidated Statements of Income,” an impairment loss of 3,399 million yen was recorded for international transportation business assets, real estate leasing business assets, and other assets. Property and equipment amounted to 2,068,883 million yen, of which 1,108,095 million yen was for the real estate business segment.

2 Other information that assists users of financial statements in understanding the nature of accounting estimates

2.1 Method used to calculate amounts recorded in consolidated financial statements for the FY ended March 31, 2025

The Group classifies assets into groups by business or property for management accounting purposes.

When an indication of impairment is identified, the Group determines whether an impairment loss should be recognized by comparing the total undiscounted future cash flows from the asset group with its carrying amount. If the total undiscounted future cash flows are less than the carrying amount and recognition of an impairment loss is deemed necessary, the carrying amount is reduced to the recoverable amount (the higher of net selling price or value in use), and the reduction is recognized as an impairment loss.

2.2 Key assumptions used in the calculation of amounts reported in consolidated financial statements for the current FY

Estimates of future cash flows are based on the future plans of each asset group.

2.3 Impact on the consolidated financial statements for the next FY

Future cash flows may be affected by uncertain future economic conditions and fluctuations in market values, and if actual results differ from the estimates, there may be a significant impact on the consolidated financial statements for the next FY.

Changes in accounting policies

1 Application of the “Accounting Standards for Current Income Taxes”, etc.

“Accounting Standards for Current Income Taxes” (ASBJ Standard No. 27, October 28, 2022. hereinafter the “2022 Revised Accounting Standards”) and related standards have been applied from the beginning of the current FY.

For amendments related to the classification of corporate taxes (taxation of other comprehensive income), the transitional treatment stipulated in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standards, and the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022. hereinafter the “2022 Revised Application Guidance”) in accordance with the transitional treatment stipulated in the proviso of paragraph 65-2 (2), have been applied. There is no impact on the consolidated financial statements from this change in accounting policy.

Additionally, with respect to amendments related to the treatment in consolidated financial statements when gains or losses on disposal arising from the sale of stocks, etc. of subsidiaries between consolidated companies are deferred for tax purposes, the 2022 Revised Application Guidance has been applied from the beginning of the current FY. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous FY reflect the retrospective application. Regarding the treatment of tax effects when gains or losses on disposal arising from the sale of stocks, etc. of subsidiaries between consolidated companies are deferred for tax purposes, when deferred tax assets or deferred tax liabilities are recorded in the financial statements of the company that sold the relevant stocks, etc. in respect of temporary differences arising from such gains or losses, the amounts of the deferred tax assets or deferred tax liabilities related to these temporary differences were not previously adjusted in the consolidation process. Under the revised treatment, deferred tax assets or deferred tax liabilities related to those temporary differences are now reversed. As a result, compared with before the retrospective application, deferred tax liabilities at the end of the previous FY decreased by 561 million yen. Furthermore, as a result of reflecting the cumulative effect in net assets at the beginning of the previous FY, the beginning balance of retained earnings for the previous FY increased by 587 million yen. The impact on per share data is immaterial.

Accounting standards, etc. not yet applied

- “Accounting Standards for Leases” (ASBJ Statement No. 34, September 13, 2024)
- “Implementation Guidance on Accounting Standards for Leases” (ASBJ Guidance No. 33, September 13, 2024), etc.

1 Overview

As part of efforts by the Accounting Standards Board of Japan to align Japanese standards with international standards, considerations based on international accounting standards have been conducted toward developing accounting standards for leases under which a lessee records assets and liabilities for all leases. As a basic policy, while the single lease accounting model introduced under IFRS 16 is used as the foundation, instead of adopting all provisions of IFRS 16, only the principal provisions are adopted to publish simple and highly convenient lease accounting standards. Even when the provisions of IFRS 16 are applied in separate financial statements, adjustments will generally not be required.

For lessee accounting, as in IFRS 16, regardless of whether a lease is classified as a finance lease or an operating lease, a single lease accounting model is applied under which depreciation related to the right-of-use asset and interest-equivalent expenses related to the lease liability are recognized for all leases.

2 Effective date

The standards will be effective from the beginning of the FY ending March 2028.

3 Effects of application of accounting standards, etc.

The Company and its consolidated domestic subsidiaries are currently evaluating the effects of these new standards on the consolidated financial statements.

Additional information

1 Stocks compensation plan for directors, etc. of the Company

1.1 Outline of transaction

To further enhance motivation to improve corporate value and business performance, and to provide an incentive to improve shareholder value, the Company has introduced a stock compensation system (hereinafter referred to as the “System”) for its representative directors.

In addition, Hankyu Corporation, Hanshin Electric Railway Co., Ltd., and Hankyu Hanshin Properties Corp. (hereinafter collectively referred to as the “Target Subsidiaries”) have adopted the System for their full-time directors and corporate officers, excluding outside directors and non-residents of Japan, and employees seconded from other companies to Hankyu Hanshin Properties Corp.

The System uses an officer compensation BIP (Board Incentive Plan) trust under which shares in the Company and monetary amounts equivalent to the converted value of such shares are granted and paid to directors and others based on performance and position.

1.2 Shares in the Company remaining under the trust

Shares in the Company remaining under the trust are recorded as treasury stock in the net assets section at book value (excluding ancillary expenses). The book value and number of shares of treasury stock at the end of the FY ended March 31, 2024 were 2,531 million yen and 613,045 shares, respectively; and as of the FY ended March 31, 2025 were 2,322 million yen and 562,964 shares, respectively.

Consolidated Balance Sheets

1 Balances of receivables, contract assets and contract liabilities originating from contracts with customers are as follows:

	Millions of yen	
	2024	2025
Receivables from contracts with customers	¥ 93,227	¥ 95,185
Contract assets	9,426	5,956
Contract liabilities	86,411	101,090

2 Accumulated depreciation of property and equipment

Millions of yen	
2024	2025
¥ 1,299,758	¥ 1,335,556

3 Accumulated contributions for construction directly deducted from the acquisition cost of noncurrent assets

Millions of yen	
2024	2025
¥ 506,253	¥ 506,619

4 Pledged assets and secured liabilities

The following table shows the assets pledged as collateral. Amounts in parentheses () indicate those related to the railway foundation.

	Millions of yen			
	2024		2025	
Property and equipment:				
Buildings and structures	¥ 239,090	¥ (213,114)	¥ 239,904	¥ (212,461)
Machinery, equipment and vehicles	50,496	(50,439)	56,793	(56,674)
Land	300,383	(240,860)	303,234	(240,902)
Other	2,947	(2,758)	3,603	(3,025)
Intangible assets:				
Intangible assets	109	(109)	297	(297)
Investments and other assets:				
Investment securities	9,593	(—)	206	(—)
Other	652	(—)	640	(—)
Total	603,273	(507,282)	604,679	(513,361)

In addition to the above, the Company pledged investment securities (FY ended March 31, 2024: 537 million yen, FY ended March 31, 2025: 537 million yen) as collateral for third-party loans.

The following table shows the secured liabilities. Amounts in parentheses () indicate those related to the railway foundation.

	Millions of yen			
	2024		2025	
Current liabilities:				
Short-term borrowings	¥ 14,697	¥ (11,853)	¥ 19,140	¥ (12,158)
Other	9,628	(—)	69	(—)
Non-current liabilities:				
Long-term debt	159,738	(134,640)	168,784	(148,662)
Total	184,064	(146,494)	187,993	(160,820)

5 The following table shows the securities of nonconsolidated subsidiaries and affiliates.

	Millions of yen	
	2024	2025
Investment securities	¥ 336,521	¥ 350,608

6

Two consolidated subsidiaries and an equity-method affiliate revaluated land used for business purposes based on the Law Concerning Revaluations of Land (Law No. 34, promulgated March 31, 1998) and the Law to Partially Modify the Law Concerning Revaluations of Land (Law No. 19, promulgated March 31, 2001). Of the valuation differences arising from this, the consolidated subsidiaries recorded the amount corresponding to the taxes on the valuation difference in the liability section as “Deferred tax liabilities related to land revaluation” and the amount attributable to minority shareholders as “Non-controlling interests.” The amount remaining after subtracting these was recorded in the net assets section as “Revaluation reserve for land.” The equity-method affiliate recorded the amount corresponding to its equity in the valuation difference (after subtracting taxes) in the net assets section as “Revaluation reserve for land.”

• Revaluation method

The revaluation amounts were determined based on the revaluated value of noncurrent assets provided for in Article 2, Paragraph 3 of the Enforcement Ordinance for the Law Concerning Land Revaluation (Ordinance No. 119, promulgated on March 31, 1998).

• Date of revaluation

March 31, 2002

	Millions of yen	
	2024	2025
Difference between the market value as of March 31 of the lands for which reevaluation was made and the book value after reevaluation	¥ (5,921)	¥ (5,722)

7 Contingent liabilities

The Company and its subsidiaries have provided liability guarantees for loans of the companies, etc., listed below.

	Millions of yen	
	2024	2025
Overseas affiliates	¥ 18,572	¥ 20,948
Borrowers on loans for purchases of land and buildings	13,726	12,948
Nishi-Osaka Railway Co., Ltd.	13,542	12,553
Other (two companies)	304	303
Total	46,144	46,754

In addition to the above, a subsidiary of the Company issued letters of awareness for management guidance (FY ended March 31, 2024: 1,710 million yen, FY ended March 31, 2025: 1,679 million yen) in connection with the fund procurement of overseas affiliates.

Consolidated Statements of Income

1 Breakdown of revenues from operations is as follows.

Millions of yen		
	2024	2025
Revenue from contracts with customers	¥ 902,222	¥ 1,006,703
Revenue from other sources	95,388	100,151
Total	997,611	1,106,854

2 The main items and amounts for Selling, general and administrative expenses are as follows.

Millions of yen		
	2024	2025
Personnel expenses	¥ 15,135	¥ 16,074
Expenses	12,729	11,938

4 Impairment losses

FY ended March 31, 2024

The Group recorded impairment losses for the asset groups shown below.

Millions of yen			
Use	Type	Region	Amount
Real estate leasing business assets, etc. (18)	Buildings and structures, etc.	Osaka, etc.	¥ 24,277

4.1 Method of asset grouping

The Group classifies assets into groups by business or property for management accounting purposes.

4.2 Background to recognizing impairment losses

Regarding the noncurrent asset group for which recovery of the investment amount is expected to be difficult due to declines in profitability, etc., the book value was reduced to the recoverable amount, and the reduced amount was recorded as an impairment loss (24,277 million yen) under extraordinary loss.

4.4 Method used to calculate recoverable amount

The recoverable amount is mainly based on net realizable value.

For net realizable value, the appraised value based on real estate appraisal standards, etc. is used.

FY ended March 31, 2025

The Group recorded impairment losses for the asset groups shown below.

Millions of yen			
Use	Type	Region	Amount
International transportation business assets (4)	Software, etc.	Osaka, etc.	¥ 1,903
Real estate leasing business assets, etc. (19)	Buildings and structures, etc.	Osaka, etc.	¥ 1,496

4.5 Method of asset grouping

The Group classifies assets by business or property for management accounting purposes.

4.6 Background to recognizing impairment losses

Regarding noncurrent asset groups that mainly experienced significant functional obsolescence or changes in usage, the book value was reduced to the recoverable amount, and the reduced amount was recorded as an impairment loss (3,399 million yen) under “Extraordinary loss.”

3 The retirement benefit expenses and the main expense items and monetary amounts within the amounts of allowance and provision included in the costs of revenues from operations are shown below.

Millions of yen		
	2024	2025
Retirement benefit expenses	¥ 6,385	¥ 5,772
Provision for bonuses	5,491	6,202

4.3 Breakdown of loss on impairment

Millions of yen	
Buildings and structures	¥ 19,311
Other	4,965
Total	24,277

4.7 Breakdown of loss on impairment

Millions of yen	
Software	¥ 1,828
Buildings and structures	1,043
Other	527
Total	3,399

4.8 Method used to calculate recoverable amount

The recoverable amount is determined based on memorandum value, etc.

Consolidated Statements of Comprehensive Income

1 Reclassification adjustments and tax effects related to other comprehensive income

Millions of yen		
	2024	2025
Valuation difference on available-for-sale securities:		
Increase (decrease) during the year	¥ 6,447	¥ 4,017
Reclassification adjustments	(38)	0
Subtotal, before tax	6,409	4,018
Tax (expense) or benefit	(1,606)	(1,605)
Valuation difference on available-for-sale securities	4,802	2,413
Deferred gains or losses on hedges:		
Increase (decrease) during the year	570	(797)
Reclassification adjustments	—	—
Subtotal, before tax	570	(797)
Tax (expense) or benefit	(212)	202
Deferred gains or losses on hedges	357	(595)
Revaluation reserve for land:		
Increase (decrease) during the year	—	—
Reclassification adjustments	—	—
Subtotal, before tax	—	—
Tax (expense) or benefit	41	(126)
Revaluation reserve for land	41	(126)
Foreign currency translation adjustments:		
Increase (decrease) during the year	5,427	7,858
Reclassification adjustments	—	—
Subtotal, before tax	5,427	7,858
Tax (expense) or benefit	—	—
Foreign currency translation adjustments	5,427	7,858
Remeasurements of defined benefit plans:		
Increase (decrease) during the year	8,685	2,875
Reclassification adjustments	(833)	(1,389)
Subtotal, before tax	7,851	1,485
Tax (expense) or benefit	(2,256)	(216)
Remeasurements of defined benefit plans	5,595	1,269
Share of other comprehensive income of associates accounted for using equity method:		
Increase (decrease) during the year	5,890	8,229
Reclassification adjustments	(68)	(2,970)
Share of other comprehensive income of associates accounted for using equity method	5,821	5,259
Total other comprehensive income	22,046	16,079

Notes to the Consolidated Financial Statements

FY ended March 31, 2024

1 Types and total number of shares issued, and types and number of shares of treasury stock

(Unit: Thousands of shares)				
	Number of shares as of April 1, 2024	Increase in number of shares	Decrease in number of shares	Number of shares as of March 31, 2024
Number of shares issued:				
Common stock	254,281	—	—	254,281
Total	254,281	—	—	254,281
Treasury stock, at cost:				
Common stock (Notes 1, 2 and 3)	13,377	789	87	14,080
Total	13,377	789	87	14,080

- Notes:
- The number of shares of treasury stock at the end of the FY ended March 31, 2024 includes 613,045 shares in the Company owned by the officer's compensation BIP trust. **(Overview of reasons for fluctuations)**
 - The increase of 789 thousand shares in treasury stock of common stock consists of 437 thousand shares of treasury stock acquired based on a resolution by the Board of Directors, 326 thousand shares of treasury stock (shares of the Company) acquired by the officer's compensation BIP Trust, 16 thousand shares created by the purchase of odd-lot shares, and 9 thousand shares of treasury stock (Company shares) attributable to the Company due to changes in in ownership ratio of equity-method affiliates.
 - The decrease of 87 thousand shares of treasury stock of common stock consisted of 87 thousand shares of treasury stock (shares of the Company's own stock) delivered by the officer's compensation BIP trust, and 0 thousand shares due to the sale of odd-lot shares.

2 Items concerning stock acquisition rights

There is no relevant item.

3 Items related to dividends

3.1 Dividends paid

(Resolution)	Types of shares	Dividends paid	Dividend per share	Record date	Effective date
		(Millions of yen)	(Yen)		
June 16, 2023 Annual General Meeting of Shareholders	Common stock	¥ 6,062	¥ 25	March 31, 2023	June 19, 2023
October 31, 2023 Board of Directors	Common stock	6,051	25	September 30, 2023	December 1, 2023

- Notes:
- The dividends by a resolution at the Annual General Meeting of Shareholders on June 16, 2023 included 9 million yen of dividends for the shares in the Company owned by the officer's compensation BIP trust.
 - The dividends by a resolution of the Board of Directors on October 31, 2023 included 7 million yen of dividends for the shares in the Company owned by the officer's compensation BIP trust.

3.2 Dividends with a record date in the current consolidated FY but an effective date in the next consolidated FY

(Resolution)	Types of shares	Dividends paid	Source of dividends	Dividend per share	Record date	Effective date
		(Millions of yen)		(Yen)		
June 14, 2024 Annual General Meeting of Shareholders	Common stock	¥ 7,261	Retained earnings	¥ 30	March 31, 2024	June 17, 2024

Note:
The total amount of dividends includes 18 million yen of dividends for the shares in the Company owned by the officer's compensation BIP trust.

FY ended March 31, 2025

1 Types and total number of shares issued, and types and number of shares of treasury stock

(Unit: Thousands of shares)				
	Number of shares as of April 1, 2024	Increase in number of shares	Decrease in number of shares	Number of shares as of March 31, 2025
Number of shares issued:				
Common stock (Note 1)	254,281	—	1,272	253,008
Total	254,281	—	1,272	253,008
Treasury stock, at cost:				
Common stock (Notes 2, 3 and 4)	14,080	1,690	1,434	14,336
Total	14,080	1,690	1,434	14,336

- Notes:
- The decrease of 1,272 thousand shares in the number of shares issued is due to the retirement of treasury stock based on a resolution of the Board of Directors.
 - The increase of 1,690 thousand shares in treasury stock of common stock consists of 1,676 thousand shares of treasury stock acquired based on a resolution of the Board of Directors and 14 thousand shares created by the purchase of odd-lot shares.
 - The decrease of 1,434 thousand shares in treasury stock of common stock consists of a decrease of 1,272 thousand shares due to retirement of treasury stock based on a resolution of the Board of Directors, a decrease of 111 thousand shares of treasury stock (Company shares) attributable to the Company due to changes in ownership ratio of equity-method affiliates, a decrease of 50 thousand shares due to delivery, etc., of treasury stock (shares of the Company) under the officer's compensation BIP trust, and a decrease of 0 thousand shares due to the sale of odd-lot shares.
 - The number of shares of treasury stock at the end of the FY ended March 31, 2025 included 562,964 shares in the Company owned by the officer's compensation BIP trust.

2 Items related to stock acquisition rights

There is no relevant item.

3 Items related to dividends

3.1 Dividend payments

(Resolution)	Types of shares	Dividends paid	Dividend per share	Record date	Effective date
		(Millions of yen)	(Yen)		
June 14, 2024 Annual General Meeting of Shareholders	Common stock	¥ 7,261	¥ 30	March 31, 2024	June 17, 2024
October 31, 2024 Board of Directors	Common stock	7,210	30	September 30, 2024	December 2, 2024

- Notes:
- The dividends by a resolution at the Annual General Meeting of Shareholders on June 14, 2024 included 18 million yen of dividends for the shares in the Company owned by the officer's compensation BIP trust.
 - The dividends by a resolution of the Board of Directors on October 31, 2024 included 17 million yen of dividends for the shares in the Company owned by the officer's compensation BIP trust.

3.2 Dividends with a record date in the current consolidated FY but an effective date in the next consolidated FY

Planned to be submitted as an agenda item to the Annual General Meeting of Shareholders held on June 17, 2025, as follows.

(Resolution)	Types of shares	Dividends paid	Source of dividends	Dividend per share	Record date	Effective date
		(Millions of yen)		(Yen)		
June 17, 2025 Annual General Meeting of Shareholders	Common stock	¥ 7,210	Retained earnings	¥ 30	March 31, 2025	June 18, 2025

Note:
The total amount of dividends includes 16 million yen of dividends for the shares in the Company owned by the officer's compensation BIP trust.

Consolidated Statements of Cash Flows

1 Relationship between cash and cash equivalents at FY-end shown on consolidated balance sheets

	Millions of yen	
	2024	2025
Cash and deposits in the consolidated balance sheets	¥ 59,610	¥ 61,052
Deposits with maturities over 3 months	(5,802)	(5,037)
Cash and cash equivalents in the cash flow statements	53,808	56,014

2 Major asset and liability items in the company newly consolidated through stock acquisition

FY ended March 31, 2024

A breakdown of assets and liabilities at the time when OS Co., Ltd. was newly included in the scope of consolidation due to the additional acquisition of its shares, and the relationship between the acquisition cost of the shares and expenditures related to the acquisition (net amount) are as follows:

	Millions of yen
Current assets	¥ 5,029
Noncurrent assets:	28,022
Current liabilities	(5,408)
Non-current liabilities	(13,489)
Amounts already held before the acquisition, etc.	(3,648)
Acquisition cost of shares	10,504
Cash and cash equivalents	(3,583)
Net cash outflow from acquisition	6,920

Lease Transactions

As lessee

Future minimum lease payments under noncancellable operating leases

	Millions of yen	
	2024	2025
Due within one year	¥ 7,464	¥ 8,936
Due after one year	55,154	67,935
Total	62,619	76,871

As lessor

Future minimum lease payments under noncancellable operating leases

	Millions of yen	
	2024	2025
Due within one year	¥ 4,528	¥ 4,310
Due after one year	30,287	27,215
Total	34,816	31,526

Financial Instruments

1 Matters regarding financial instruments

1.1 Policy on financial instruments

The Group limits fund investments to highly secure short-term deposits, and the Group raises funds mainly through loans from financial institutions, bonds and commercial paper. Derivative transactions are used to avoid risk, as discussed later, and it is the Group’s policy to refrain from speculative transactions.

1.2 Details of the financial instruments used, the risk involved and the risk management system

Trade receivables (notes and accounts receivable), are exposed to the credit risk of customers. The Group limits its exposure to this credit risk by controlling due dates and balances by customer and by making periodical checks of the credit conditions of major customers pursuant to the internal regulations of each company.

Investment securities consist mainly of stocks, investment trusts, and bonds and are exposed to market price fluctuation risk. However, fair values and the financial condition of the issuers are checked periodically, and the Group’s holdings are continuously reviewed.

Almost all trade payables (notes and accounts payable), have a payment date that falls within one year. Some assets and liabilities denominated in foreign currencies are exposed to exchange rate fluctuation risk (market risk), which is limited through forward exchange contracts.

Short-term borrowings and commercial paper are used mainly to raise short-term funds for working capital, and long-term borrowings and bonds are used mainly to raise long-term funds necessary for capital investment plans. Some floating-rate borrowings are exposed to interest rate fluctuation risk (market risk), which is limited by fixing interest rates through interest rate swap transactions. In addition, liquidity risk—the risk that payments will not be made by the due date—is limited by the timely preparation of financing plans and proper fund management. Also, surplus funds of the Group companies are concentrated

and used effectively through the centralization of Group funds by using a cash management system. The immediate raising of funds from financial institutions became possible through the establishment of backup financing, such as commitment lines. In addition, the Company maintains a proper balance between direct financing and indirect financing and diversifies the raising of funds by using multiple financial institutions, thus ensuring liquidity.

Regarding the use of derivative transactions, internal regulations prescribe the division of duties and transaction limits. Forward exchange contracts are used to hedge exchange rate fluctuation risk associated with a portion of foreign currency-denominated assets and liabilities. The purpose of interest rate swap transactions is to hedge the interest rate fluctuation risk associated with certain borrowings. These derivative transactions involve credit risk as the benefit that would have been obtained in the future if the transaction had continued may not be realized if the counterparty defaults under the contract terms or goes bankrupt. However, credit risk is mitigated by conducting transactions only with financial institutions with high credit ratings.

Details regarding hedging instruments and hedged items, hedging policy and the method used to evaluate the hedge effectiveness related to hedge accounting for derivative transactions are described in “7. Significant hedge accounting methods” under “4. Accounting policies,” outlined in Note 2, “Basis of Preparation of Consolidated Financial Statements.”

1.3 Supplementary explanation regarding fair value, etc., of financial instruments

As fluctuation factors are incorporated in the calculation of the fair values of financial instruments, these values may fluctuate depending on the assumptions adopted. In addition, the contract amounts, etc. of derivative transactions stated in “Derivatives” do not themselves represent the market risk associated with such transactions.

2 Matters regarding fair values of financial instruments

Book values recorded in the consolidated balance sheets, fair values and differences between them are as shown below.

	Millions of yen					
	2024			2025		
	Book value	Fair value	Difference	Book value	Fair value	Difference
Assets						
(1) Investment securities	¥ 52,773	¥ 52,772	¥ (0)	¥ 91,618	¥ 91,616	¥ (1)
Liabilities						
(2) Short-term borrowings	101,789	101,789	—	87,804	87,804	—
(3) Bonds (Current portion is included)	265,000	252,136	(12,863)	325,000	298,897	(26,102)
(4) Long-term debt (Current portion is included)	793,838	799,971	6,132	855,588	851,790	(3,797)
(5) Derivative transactions	563	563	—	(252)	(252)	—

Notes:

- “Cash and deposits,” “Trade receivables,” and “Trade payables” are omitted mainly because they are settled in a short period of time and their fair value approximates their book value.
- Equity securities, etc., without market prices are not included in (1) Investment securities. Amounts for financial instruments recorded in the consolidated balance sheets for these financial instruments are as follows:

Classification	Millions of yen	
	2024	2025
Non-listed stocks, etc.	¥ 5,150	¥ 6,417
Investments in limited liability investment partnerships and similar investments*	9,821	8,044

* Pursuant to Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021), fair value is not disclosed.

3. Shares of nonconsolidated subsidiaries and affiliates are not included in (1) Investment securities.

4. Net receivables/liabilities from derivative transactions are shown in net figures; net liabilities are shown in parentheses.

3 Redemption and repayment schedule of monetary claims and investment securities with maturities after the consolidated closing date

FY ended March 31, 2024

	Millions of yen			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 59,610	¥ —	¥ —	¥ —
Trade receivables	103,386	—	—	—
Investment securities:				
Available-for-sale securities with maturities (government bonds, etc.)	23	11	—	300
Total	163,019	11	—	300

FY ended March 31, 2025

	Millions of yen			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 61,052	¥ —	¥ —	¥ —
Trade receivables	102,271	—	—	—
Investment securities:				
Bonds held to maturity (government bonds, etc.)	—	—	—	10
Available-for-sale securities with maturities (government bonds, etc.)	11	—	196	300
Total	163,335	—	196	310

4 Amount of planned redemption and repayment of bonds and long-term borrowings after the consolidated closing date

FY ended March 31, 2024

	Millions of yen			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Bonds	¥ 15,000	¥ 80,000	¥ 95,000	¥ 75,000
Long-term borrowings	88,065	316,846	302,583	86,342
Total	103,065	396,846	397,583	161,342

FY ended March 31, 2025

	Millions of yen			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Bonds	¥ 30,000	¥ 90,000	¥ 115,000	¥ 90,000
Long-term borrowings	81,562	337,405	307,494	129,124
Total	111,562	427,405	422,494	219,124

5 Matters regarding breakdown by level of fair value financial instruments

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of input used in the fair value measurement:

Level 1 fair value: fair value measured based on observable inputs, specifically quoted prices for identical assets or liabilities in an active market.

Level 2 fair value: fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: fair value measured using unobservable inputs.

When using multiple inputs with a material impact on the measurement of fair value, the Group classifies the fair value into the level with the lowest priority in the fair value measurement among the levels to which each of those inputs belongs.

5.1 Financial instruments reported on the consolidated balance sheets at fair value

FY ended March 31, 2024

Classification	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Assets				
Investment securities				
Available-for-sale securities				
Equity securities, other	¥ 35,809	¥ —	¥ —	¥ 35,809
Government bonds	34	—	—	34
Derivative transactions				
Currency	—	563	—	563

FY ended March 31, 2025

Classification	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Assets				
Investment securities				
Available-for-sale securities				
Equity securities, other	¥ 38,450	¥ —	¥ —	¥ 38,450
Government bonds	208	—	—	208
Derivative transactions				
Currency	—	(252)	—	(252)

Note:

Investment trusts that have real estate as assets in trust to which the treatments stipulated in Paragraph 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) have been applied are not included in the above table. The amounts recorded on the consolidated balance sheets for these investment trusts were 16,918 million yen for the previous consolidated FY and 52,949 million yen for the current consolidated FY.

5.2 Financial instruments other than those reported on the consolidated balance sheets at fair value

FY ended March 31, 2024

Classification	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Assets				
Investment securities				
Held-to-maturity bonds				
Government bonds	¥ 9	¥ —	¥ —	¥ 9
Liabilities				
Short-term borrowings	—	101,789	—	101,789
Corporate bonds	—	252,136	—	252,136
Long-term borrowings	—	799,971	—	799,971

FY ended March 31, 2025

Classification	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Assets				
Investment securities				
Held-to-maturity bonds				
Government bonds	¥ 8	¥ —	¥ —	¥ 8
Liabilities				
Short-term borrowings	—	87,804	—	87,804
Corporate bonds	—	298,897	—	298,897
Long-term borrowings	—	851,790	—	851,790

Notes:

1. Explanation of the valuation techniques and inputs used in the fair value measurement

Investment securities

Listed equity securities and government bonds, etc., are valued using quoted prices. Because they are traded in active markets, their fair values are classified as Level 1.

Derivative transactions

The fair values of derivative transactions are determined using the discounted cash flow method based on observable inputs such as exchange rates, and are classified as Level 2.

Short-term borrowings

The fair values of short-term borrowings are based on book value, as they are settled in a short period of time and their fair values approximate their book value. Therefore, they are classified as Level 2.

Corporate bonds

The fair values of corporate bonds issued by the Company are measured based on the quoted prices and classified as Level 2.

Long-term borrowings

For long-term borrowings with fixed interest rates, the fair value is calculated by discounting the total amount of principal and interest at an interest rate that would be charged for similar new loans, and classified as Level 2. Borrowings with floating rates reflect market interest rates in a short period of time, and their fair values approximate their book value. Therefore, the fair value is based on the relevant book value and classified as Level 2. The fair value of borrowings subject to exceptional treatment of interest rate swaps reflect the fair value of the relevant interest rate swaps.

2. Information on investment trusts with net asset values deemed to be market price

A reconciliation of the beginning balance to the ending balance of investment trusts that hold real estate as assets in trust is as follows:

	Millions of yen	
	2024	2025
Beginning balance	¥ 15,668	¥ 16,918
Net income (loss) or other comprehensive income		
Recorded as net income (loss)*1	—	702
Recorded as other comprehensive income*2	1,250	1,924
Net purchases, sales, and redemptions	—	33,403
Amount for investment trusts with net asset values deemed to be market price	—	—
Amount for investment trusts with net asset values not deemed to be market price	—	—
Ending balance	16,918	52,949

*1 Included in "Revenues from operations" in the Consolidated Statements of Income.

*2 Included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" in the Consolidated Statements of Comprehensive Income, and presented in the amount before tax effect accounting was applied.

Securities

1 Held-to-maturity bonds

FY ended March 31, 2024

Omitted due to immateriality.

FY ended March 31, 2025

Classification	Millions of yen		
	Book value	Fair value	Difference
Items for which market price does not exceed the amount reported on the consolidated balance sheet	10	8	(1)

2 Securities

		Millions of yen					
		2024			2025		
		Book value	Acquisition cost	Difference	Book value	Acquisition cost	Difference
Securities with book value exceeding acquisition cost	Classification						
	(1) Equity securities, etc.	¥ 52,158	¥ 34,362	¥ 17,795	¥ 86,377	¥ 63,877	¥ 22,500
	(2) Bonds	34	34	0	196	194	1
	Subtotal	52,192	34,396	17,796	86,574	64,072	22,501
Securities with book value not exceeding acquisition cost	(1) Equity securities, etc.	570	600	(30)	5,022	5,704	(682)
	(2) Bonds	—	—	—	11	11	(0)
	Subtotal	570	600	(30)	5,033	5,716	(682)
Total		52,763	34,997	17,765	91,608	69,788	21,819

Note:

Equity securities, etc., without market prices (14,972 million yen for the previous consolidated FY and 14,461 million yen for the current consolidated FY) are not included in the above table.

Derivatives

1 Derivative transactions for which hedge accounting has not been applied

Omitted due to immateriality.

2 Derivative transactions for which hedge accounting has been applied

2.1 Currency-related transactions

FY ended March 31, 2024

Classification	Type	Main hedged items	Millions of yen		Fair value
			Contract amount	Portion of contract amount exceeding one year	
Primary method	Forward exchange contracts				
	Sell contracts	Trade receivables			
	U.S. Dollar		¥ 43	¥ —	¥ 0
	Japanese Yen		16	—	0
	Buy contracts	Trade payables			
	Japanese Yen		783	—	13
	U.S. Dollar		29	—	(0)
Designation of forward exchange contracts, etc.	Singapore Dollar		2	—	(0)
	Forward exchange contracts				
	Buy contracts	Trade payables (forecast transactions)			
	Euro		9,009	—	211
	U.S. Dollar		7,435	—	261
	Swiss Franc		993	—	4
	Canadian Dollar		810	—	29
	Australian Dollar		525	—	20
	Pound Sterling		313	—	13
	Singapore Dollar		291	—	5
	New Zealand Dollar		96	—	3
	Forward exchange contracts				
	Sell contracts	Trade receivables			
	U.S. Dollar		68	—	
	Buy contracts	Trade payables			
	U.S. Dollar		658	—	
	Euro		598	—	
	Hong Kong Dollar		74	—	(Note)
	Thai Baht		63	—	
	Pound Sterling		25	—	
	Singapore Dollar		20	—	
	New Zealand Dollar		16	—	
	Australian Dollar		14	—	
	Swiss Franc		0	—	
Total			21,893	—	563

FY ended March 31, 2025

Classification	Type	Main hedged items	Millions of yen		Fair value
			Contract amount	Portion of contract amount exceeding one year	
Primary method	Forward exchange contracts				
	Sell contracts	Trade receivables			
	U.S. Dollar		¥ 152	¥ —	¥ 1
	Japanese Yen		28	—	(0)
	Buy contracts	Trade payables			
	Japanese Yen		759	—	(14)
	U.S. Dollar		65	—	0
Designation of forward exchange contracts, etc.	Singapore Dollar		0	—	(0)
	Forward exchange contracts				
	Buy contracts	Trade payables (forecast transactions)			
	Euro		11,332	473	(105)
	U.S. Dollar		9,066	—	(31)
	Swiss Franc		1,586	—	(53)
	Pound Sterling		839	—	3
	Canadian Dollar		821	—	(25)
	Australian Dollar		298	—	(15)
	Singapore Dollar		248	—	(5)
	New Zealand Dollar		94	—	(5)
	Forward exchange contracts				
	Sell contracts	Trade receivables			
	U.S. Dollar		178	—	
	Buy contracts	Trade payables			
	U.S. Dollar		1,433	—	
	Euro		1,206	—	
	Thai Baht		210	—	
	Australian Dollar		137	—	(Note)
	New Zealand Dollar		117	—	
	Hong Kong Dollar		67	—	
	Canadian Dollar		38	—	
	Pound Sterling		36	—	
	Singapore Dollar		16	—	
	Swiss Franc		8	—	
Total			28,746	473	(252)

Note: Items subject to the allocation method for forward exchange contracts (listed as “Designation of forward exchange contracts, etc.”) are accounted for together with trade receivables and trade payables that are subject to hedging. The fair value of the relevant trade receivables and trade payables, including those associated with the above contracts, approximates their book value because they are settled in a short period of time. For this reason, the fair value of the above items is omitted.

2.2 Interest rate-related transactions

FY ended March 31, 2024

Classification	Type	Main hedged items	Millions of yen		Fair value
			Contract amount	Portion of contract amount exceeding one year	
Exceptional accounting for interest rate swaps	Interest rate swap contracts: Pay fixed rate/ Receive floating rate	Long-term borrowings	¥ 88,175	¥ 68,107	¥ (1,873)
Total			88,175	68,107	(1,873)

FY ended March 31, 2025

Classification	Type	Main hedged items	Millions of yen		Fair value
			Contract amount	Portion of contract amount exceeding one year	
Exceptional accounting for interest rate swaps	Interest rate swap contracts: Pay fixed rate/ Receive floating rate	Long-term borrowings	¥ 68,027	¥ 65,527	¥ (95)
Total			68,027	65,527	(95)

Retirement Benefits

1 Overview of retirement benefit plans

The Company and some consolidated subsidiaries provide defined benefit plans (defined benefit pension plans and lump-sum payment plans) or defined contribution plans. Hankyu Corporation has set up a retirement benefit trust.

In addition, some consolidated subsidiaries participate in the multi-employer welfare pension fund plan. For plans where the amount of plan assets corresponding to the contributions by the Company cannot be rationally calculated, the Company uses the same accounting treatment as for defined contribution plans.

2 Defined benefit plans

2.1 Table of movement in retirement benefit obligations

	Millions of yen	
	2024	2025
Balance at the beginning of year	¥ 128,517	¥ 126,891
Service cost	8,155	7,995
Interest cost	269	296
Actuarial loss (gain)	(934)	(5,016)
Retirement benefits paid	(9,575)	(11,555)
Other	458	(266)
Balance at the end of year	126,891	118,343

Note: Amounts in the table above include retirement benefit obligations of consolidated subsidiaries applying simplified methods.

2.2 Table of movement in plan assets

	Millions of yen	
	2024	2025
Balance at the beginning of year	¥ 85,192	¥ 92,393
Expected return on plan assets	1,364	1,292
Actuarial loss (gain)	7,750	(2,158)
Contributions by employer	2,847	2,753
Retirement benefits paid	(4,761)	(6,162)
Balance at the end of year	92,393	88,117

Note: Amounts in the table above include plan assets of consolidated subsidiaries applying simplified methods.

2.3 Table of reconciliation between the balance of retirement benefit obligations and plan assets, and the liabilities and assets for retirement benefits recorded in the consolidated balance sheets, as of the end of the FY

	Millions of yen	
	2024	2025
Funded retirement benefit obligations	¥ 65,401	¥ 61,002
Plan assets	(92,393)	(88,117)
	(26,991)	(27,114)
Unfunded retirement benefit obligations	61,489	57,340
Total net defined benefit liability and asset	34,498	30,226
Net defined benefit liability	61,682	57,677
Net defined benefit asset	(27,184)	(27,451)
Total net defined benefit liability and asset	34,498	30,226

Note: Amounts in the table above include retirement benefit obligations and plan assets of consolidated subsidiaries applying simplified methods.

2.4 Breakdown of retirement benefit expenses

	Millions of yen	
	2024	2025
Service cost	¥ 8,155	¥ 7,995
Interest cost	269	296
Expected return on plan assets	(1,364)	(1,292)
Amortization of actuarial differences	(698)	(1,301)
Amortization of past service cost	(134)	(90)
Other	82	132
Retirement benefit expenses	6,309	5,740

Note: Amounts in the table above include retirement benefit expenses of consolidated subsidiaries applying simplified methods.

2.5 Remeasurements of defined benefit plans

Breakdown of items related to remeasurements of defined benefit plans (before tax effect deduction):

	Millions of yen	
	2024	2025
Past service cost	¥ (134)	¥ (73)
Actuarial differences	7,986	1,559
Total	7,851	1,485

2.6 Cumulative adjustments related to retirement benefit plans

Breakdown of items related to the cumulative adjustments for retirement benefit plans (before tax effect deduction):

	Millions of yen	
	2024	2025
Unrecognized past service cost	¥ (350)	¥ (277)
Unrecognized actuarial differences	(10,485)	(12,044)
Total	(10,835)	(12,321)

Note: The above relates to consolidated subsidiaries. In addition to the above items, remeasurements of defined benefit plans include unrecognized items (amounts corresponding to equity) of equity-method affiliates.

2.7 Items relating to plan assets

2.7.1 Breakdown of main plan assets

Ratios by major types of assets to total plan assets are as follows.

	2024	2025
Bonds	36%	36%
Equity securities	37	36
Cash and deposits	2	2
General accounts of life insurance	23	24
Other	2	2
Total	100	100

Note: The retirement benefits trust established for the Company's pension plan accounted for 9% of total plan assets in both the previous and current FY.

2.7.2 Method for determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined by considering current and target asset allocations, as well as historical and expected long-term returns on various categories of plan assets.

2.8 Items relating to actuarial assumptions

Major actuarial assumptions

	2024	2025
Discount rate	Mainly 0.0%	Mainly 0.0%
Long-term expected rate of return on plan assets	Mainly 2.0%	Mainly 2.0%
Expected rate of salary increase	Mainly 1.9%	Mainly 1.9%

3 Defined contribution plans

The amount of required contributions for the consolidated subsidiaries' defined contribution plans (including the multi-employer welfare pension fund plan to which the same accounting method is applied for defined contribution plans) was 76 million yen in the FY ended March 31, 2024 and 83 million yen in the FY ended March 31, 2025.

Deferred Tax

1 Significant components of the Company's deferred tax assets and liabilities

	Millions of yen	
	2024	2025
Deferred tax assets:		
Gain on donations from related companies for tax purposes	¥ 55,122	¥ 56,726
Net defined benefit liability	11,020	10,430
Loss on impairment of fixed assets	8,970	10,082
Loss on valuation of real estate for sale	7,884	8,147
Unrealized gain or loss on assets	6,354	6,659
Tax loss carryforwards (Note 2)	10,946	6,322
Loss on adjustment of gain and loss on transfer	5,686	5,423
Provision for bonuses	2,461	2,758
Allowance for loss on withdrawal of property and equipment	2,109	2,738
Revaluation difference of property and equipment	2,585	2,685
Accrued enterprise taxes and business office taxes	1,509	1,361
Other	13,749	16,062
Subtotal of deferred tax assets	128,399	129,398
Valuation allowance for tax loss carryforwards (Note 2)	(6,915)	—
Valuation allowance for the total of future deductible temporary differences	(78,222)	—
Subtotal of valuation allowance (Note 1)	(85,138)	(84,125)
Less amounts offset against deferred tax liabilities	(35,750)	(38,883)
Total deferred tax assets	7,510	6,388
Deferred tax liabilities:		
Gain on reversal of difference from land revaluation (Note 3)	(116,294)	(119,658)
Revaluation of assets on consolidation	(73,390)	(75,617)
Net unrealized holding gains on securities	(14,093)	(15,700)
Reserve for reduction of noncurrent assets	(3,895)	(3,607)
Other	(9,275)	(8,422)
Subtotal of deferred tax liabilities	(216,949)	(223,005)
Less amounts offset against deferred tax assets	35,750	38,883
Total deferred tax liabilities	(181,199)	(184,122)
Net deferred tax liabilities	(173,688)	(177,733)

Note:

1 As the valuation allowance related to tax loss carryforwards was immaterial for the current FY, the breakdown of the valuation allowance was omitted.

2 Tax loss carryforwards, and the related valuation allowance and net deferred tax assets by expiration periods.

FY ended March 31, 2024

	Millions of yen					
	Within one year	Over one year to two years	Over two years to three years	Over three years to four years	Over four years to five years	Over five years
Tax loss carryforwards*1	¥ 5	¥ 176	¥ 10	—	¥ 1	¥ 10,751
Valuation allowance	(3)	(175)	(5)	—	(1)	(6,729)
Deferred tax assets	2	0	5	—	0	4,022

*1 Tax loss carryforwards were calculated by multiplying the statutory tax rate.

*2 Deferred tax assets of ¥4,030 million were recognized in relation to tax loss carryforwards of ¥10,946 million (calculated using the statutory effective tax rate). The deferred tax assets were determined to be recoverable based on the future taxable income expected as set forth in Note 3, "Significant Accounting Estimates."

FY ended March 31, 2025

Omitted due to immateriality.

3. The Company reversed "Surplus from land revaluation" as a result of transferring all of its land to Hankyu Corporation (which changed its name from Hankyu Corporation Spin-Off Preparation Inc. to Hankyu Corporation on the same day) on April 1, 2005 as part of a physical absorption-type corporate split. Accordingly, "Deferred tax liabilities related to land revaluation" has been recorded as "Deferred tax liabilities" starting from the FY ended March 31, 2006.

2 Reconciliation of significant differences between the statutory tax rate and the effective tax rate reflected in the accompanying consolidated statements of income

	2024	2025
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Elimination of dividends received from consolidated subsidiary companies, etc.	15.2	20.2
Adjustment of year-end deferred tax assets (liabilities) due to changes in tax rates	(17.5)	4.8
Tax rate difference from parent company	2.0	1.3
Permanently non-taxable items such as dividend income	(15.3)	(21.3)
Profit or loss from investments in equity-method affiliates	(5.3)	(4.6)
Valuation allowance	4.4	(1.5)
Other	1.6	3.4
Effective tax rate	15.7	33.0

3 Accounting for income taxes and local income taxes or tax effect accounting for these taxes

The Company and some of its domestic consolidated subsidiaries have adopted the Group Tax Sharing System. The accounting treatment and disclosure of income taxes and local income taxes or tax effect accounting related to these taxes are in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, August 12, 2021).

4 Adjustments of deferred tax assets and deferred tax liabilities due to changes in income tax rates

With the promulgation of the “Act on Partial Amendment to the Income Tax Act, etc.” (Act No. 13 of 2025) on March 31, 2025, a special corporate tax for defense will be imposed from FYs beginning on or after April 1, 2026. Consequently, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities for temporary differences expected to reverse in consolidated FYs beginning on or after April 1, 2026 will change from 30.6% to 31.5%.

Reflecting this tax rate change, deferred tax liabilities (after deducting deferred tax assets) and income taxes-deferred increased by 5,386 million yen and 4,943 million yen, respectively, deferred gains or losses on hedges increased by 0 million yen, valuation difference on available-for-sale securities decreased by 300 million yen, remeasurements of defined benefit plans decreased by 103 million yen, foreign currency translation adjustment decreased by 37 million yen, and capital surplus decreased by 1 million yen.

Also, deferred tax liabilities for land revaluation increased by 126 million yen, and revaluation reserve for land decreased by the same amount.

Asset Retirement Obligations

Omitted due to immateriality.

Rental Property

Some consolidated subsidiaries own rental properties, including office buildings and commercial facilities located in Kita Ward, Osaka and other domestic regions, as well as overseas (e.g., Indonesia). Rental profits and losses related to these rental properties in the FY ended March 31, 2024 were 37,969 million yen (major rental revenues are recorded under revenues from operations, and major rental expenses are recorded under cost of revenues from operations). An impairment loss of 17,610 million yen was recorded under extraordinary loss). For the FY ended March 31, 2025, rental profits and losses amounted to 39,607 million yen (major rental revenues are recorded under revenues from operations, and major rental expenses are recorded under cost of revenues from operations).

The book value of the rental properties recorded in the consolidated balance sheets, the increase/decrease during the FY, and the market value of the rental properties are as follows:

	Millions of yen	
	2024	2025
Book value (Note 1):		
Balance at beginning of year	¥ 878,490	¥ 891,108
Increase/Decrease (Note 2)	12,617	47,323
Balance at end of year	891,108	938,432
Fair value at end of year (Note 3)	1,462,252	1,595,244

Notes:

- Book value represents the acquisition cost less accumulated depreciation and accumulated impairment losses.
- For the FY ended March 31, 2024, major increases were due to changes in the scope of consolidation (35,881 million yen) and real estate acquisitions (15,447 million yen), while the major decreases were impairment losses (17,610 million yen) and depreciation (17,379 million yen). For the FY ended March 31, 2025, major increases were due to completion of development projects (42,221 million yen), real estate acquisitions (12,289 million yen), foreign currency translation differences (6,737 million yen), and changes in the scope of consolidation (5,782 million yen), while the major decrease was depreciation (17,446 million yen).
- Fair value as of the end of the FY is based on appraisals by outside real estate appraisers using the Japanese Real Estate Appraisal Standards for key properties, and on indicators such as the assessed value of noncurrent assets and the road tax rating for other properties.
- Properties under development are not included in the above table due to difficulty in determining fair value. Their book values in the FYs ended March 31, 2024 and March 31, 2025 were 61,765 million yen and 36,998 million yen, respectively.

Revenue Recognition

1 Information on disaggregated revenue from contracts with customers

Revenue from contracts with customers is disaggregated by segment based on the nature of the contract. The Group’s segments are composed of business units for which separate financial statements are available and which are regularly reviewed by the Board of Directors to determine the allocation of management resources and assess business performance. The relationship between disaggregated revenue and operating revenue by segment is as follows:

Millions of yen		
	2024	2025
Urban Transportation	¥ 203,260	¥ 209,587
Railway operations	147,971	153,359
Automobile	43,653	44,831
Retailing	12,778	12,932
Urban Transportation - Other businesses	10,028	10,494
Adjustment	(11,171)	(12,030)
Real Estate	318,254	367,788
Leasing	127,062	141,124
Real estate sales and other businesses	153,842	188,331
Overseas real estate business	8,552	12,068
Hotel	62,663	65,076
Adjustment	(33,866)	(38,812)
Entertainment	82,612	82,542
Sports	50,327	48,244
Stage	32,220	34,225
Adjustment	64	73
Information and Communication Technology	64,579	70,088
Travel	216,915	261,104
International transportation	100,300	104,717
Other businesses	60,125	65,131
Adjustment	(48,437)	(54,106)
Total	997,611	1,106,854

Note: In addition to “Revenue from contracts with customers,” the above figures include “Revenue from other sources” (95,388 million yen for the FY ended March 31, 2024, and 100,151 million yen for the FY ended March 31, 2025). “Revenue from other sources” mainly consists of rental income from the real estate leasing business.

2 Basic information for understanding revenue from contracts with customers

Basic information for understanding revenue from contracts with customers is stated in Note 2, “Basis of Preparation of Consolidated Financial Statements.”in“5.Standards for recognition of significant revenues and expenses” under “4. Accounting policies.”

3 Information on the relationship between fulfillment of performance obligations based on contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be generated from contracts with customers existing at the end of the current consolidated FY and to be recognized in the next consolidated FY and beyond

3.1 Balances of contract assets and contract liabilities

Millions of yen		
	2024	2025
Receivables from contracts with customers (balance at beginning of year)	¥ 108,741	¥ 93,227
Receivables from contracts with customers (balance at end of year)	93,227	95,185
Contract assets (balance at beginning of year)	10,539	9,426
Contract assets (balance at end of year)	9,426	5,956
Contract liabilities (balance at beginning of year)	63,754	86,411
Contract liabilities (balance at end of year)	86,411	101,090

Contract assets are mainly unclaimed rights to consideration recognized based in accordance with the degree of progress made in fulfilling performance obligations related to construction contracts in the Construction Industry. These are transferred to receivables from contracts with customers at the time of acceptance inspection by customers.

Contract liabilities are mainly advances received from customers in Urban Transportation, Travel, and other businesses, and are reversed upon revenue recognition. The balance of contract liabilities as of the beginning of the previous FY and the current FY is generally recognized as revenue for the previous FY and the current FY, respectively, and the amount carried forward to the next FY onward is immaterial.

3.2 Transaction price allocated to remaining performance obligations

As the Group does not engage in significant transactions with an initial expected duration exceeding one year, disclosure of remaining performance obligations is omitted.

Segment Information

Segment information

1 Summary of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available, and which are regularly reviewed by the Board of Directors to determine the allocation of management resources and evaluate business performance.

Under the Company’s group management function, the Group, centered on five core companies of Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Hankyu Hanshin Properties Corp., Hankyu Travel International Co., Ltd., and Hankyu Hanshin Express Co., Ltd., conducts business across six core areas: urban transportation, real estate, entertainment, information and communication technology, travel, and international transportation.

The nature of the business in each reportable segment is as follows:

Urban Transportation:	Railway operations, automobile and retail businesses
Real Estate:	Rental real estate, real estate sales, overseas real estate, and hotel businesses
Entertainment:	Sports and stage-related businesses
Information and Communication Technology:	Information and communication technology business
Travel:	Travel services
International Transportation:	International cargo services

2 Method used to calculate revenues from operations, income (loss), assets and other items for each reportable segment

The accounting treatment for each reportable business segment is based on the methods described in “Basis of Preparation of Consolidated Financial Statements,” including internal transactions (lease transactions for lands and buildings, etc.) calculated through management accounting at companies operating across multiple segments.

Income (loss) for each reportable segment is based on operating income (loss).

Intersegment revenues from operations and transfers are mainly based on prices similar to those used in ordinary transactions.

3 Information regarding totals for revenues from operations, income (loss), assets and other items by reportable segment

FY ended March 31, 2024

	Millions of yen								Amounts recorded in the consolidated financial statements (Note 3)
	Reportable segments						Other (Note 1)	Adjustment (Note 2)	
	Urban Transportation	Real Estate	Entertainment	Information and Communication Technology	Travel	International Transportation			
Revenues from operations:									
I. Customers	¥ 198,299	¥ 308,783	¥ 80,724	¥ 50,694	¥ 216,432	¥ 100,234	¥ 41,969	¥ 472	¥ 997,611
II. Intersegment	4,961	9,471	1,888	13,885	482	65	18,155	(48,910)	—
Total	203,260	318,254	82,612	64,579	216,915	100,300	60,125	(48,437)	997,611
Segment income (loss)	34,257	49,826	14,119	6,135	4,968	223	3,410	(7,252)	105,689
Segment assets	860,697	1,706,138	119,576	80,214	97,420	70,546	46,354	71,981	3,052,930
Other items:									
Depreciation and amortization	26,084	25,151	3,684	5,370	926	1,954	420	(1,009)	62,582
Increase in property and equipment and intangible assets	38,211	47,898	6,135	5,324	567	3,350	665	(399)	101,753

Notes:

1. The “Other” segment refers to business segments not included in reportable segments and includes the construction business, etc.
2. Adjustments to segment income or loss include the Company's income and expenses not allocated to each reportable segment and amortization of goodwill, etc. Adjustments to segment assets include surplus working capital (cash and deposits), long-term investment funds (investment securities), unallocated land and other assets, and elimination of intersegment transactions at the Company, Hankyu Corporation, and Hanshin Electric Railway Co., Ltd.
3. Segment income or loss is reconciled to operating income in the consolidated statements of income.

FY ended March 31, 2025

	Reportable segments							Other (Note 1)	Adjustment (Note 2)	Amounts recorded in the consolidated financial statements (Note 3)
	Urban Transportation	Real Estate	Entertainment	Information and Communication Technology	Travel	International Transportation				
Revenues from operations:										
I. Customers	¥ 204,349	¥ 357,760	¥ 80,676	¥ 54,158	¥ 260,962	¥ 104,633	¥ 43,587	¥ 726	¥ 1,106,854	
II. Intersegment	5,237	10,028	1,866	15,930	141	84	21,543	(54,833)	—	
Total	209,587	367,788	82,542	70,088	261,104	104,717	65,131	(54,106)	1,106,854	
Segment income (loss)	35,023	57,629	11,406	6,879	5,298	(1,284)	3,771	(7,844)	110,879	
Segment assets	893,581	1,905,185	134,388	85,345	114,524	69,335	48,074	33,017	3,283,453	
Other items:										
Depreciation and amortization	27,179	25,170	3,947	5,502	942	2,358	456	(1,082)	64,475	
Increase in property and equipment and intangible assets	48,730	41,004	18,172	5,604	961	3,029	326	(954)	116,875	

Notes:
1. The “Other” segment refers to business segments not included in reportable segments and includes the construction business, etc.
2. Adjustments to segment income or loss include the Company’s income and expenses not allocated to each reportable segment and amortization of goodwill, etc.
Adjustments to segment assets include surplus working capital (cash and deposits), long-term investment funds (investment securities), unallocated land and other assets, and elimination of intersegment transactions at the Company, Hankyu Corporation, and Hanshin Electric Railway Co., Ltd.
3. Segment income or loss is reconciled to operating income in the consolidated statements of income.

(Related information)

FYs ended March 31, 2024 and 2025

1 Information about products and services

Information about product and service categories is the same as that described in Note 21.1.3, “Information regarding totals for reve-nues from operations, income (loss), assets and other items by reportable segment.”

2 Information about region

2.1 Revenues from operations

Since over 90% of revenues from operations in the consolidated statements of income are revenues from external customers in Japan, a breakdown by region is omitted.

2.2 Property and equipment

Since over 90% of the total value of property and equipment in the consolidated balance sheets relates to property and equipment in Japan, a breakdown by region is omitted.

3 Information about major customers

No single external customer accounts for more than 10% of the revenues from operations reported in the consolidated statements of income.

(Information regarding impairment loss of noncurrent assets for each reportable segment)

FY ended March 31, 2024

	Reportable segments							Other	Adjustment	Amounts recorded in the consolidated financial statements
	Urban Transportation	Real Estate	Entertainment	Information and Communication Technology	Travel	International Transportation				
Impairment losses	¥ 268	¥ 21,968	—	—	—	—	—	¥ 2,040	¥ 24,277	

FY ended March 31, 2025

	Reportable segments							Other	Adjustment	Amounts recorded in the consolidated financial statements
	Urban Transportation	Real Estate	Entertainment	Information and Communication Technology	Travel	International Transportation				
Impairment losses	¥ 315	¥ 1,112	—	1	—	2,372	67	¥ (469)	¥ 3,399	

(Information regarding amortization of goodwill and the balance of unamortized goodwill by reportable segment)

Omitted due to immateriality.

(Information regarding gain on bargain purchase by reportable segment)

Omitted due to immateriality.

Related-party Transactions

1 Related-party transactions

1.1 Transactions between the company submitting the consolidated financial statements and related parties

No applicable items.

1.2 Transactions between consolidated subsidiaries of the company submitting the consolidated financial statements and related parties

1.2.1 Nonconsolidated subsidiaries or affiliates of the company submitting the consolidated financial statements

Omitted due to immateriality.

1.2.2 Directors and principal shareholders (individual shareholders only) of the company submitting the consolidated financial statements

FY ended March 31, 2024

Type	Name of related party	Address	Amount of capital (Millions of yen)	Business	Voting interest	Relationship with related party	Details of transaction	Transaction amounts (Millions of yen)	Item	Balance as of March 31, 2024 (Millions of yen)
Auditor of Major Subsidiary	Haruo Sakaguchi	—	¥ —	Auditor of Hankyu Corporation	Directly 0.0%	Lease of real estate	Lease of real estate	¥ 62	Leasehold deposit	¥ 44
Close relative of Major Subsidiary's Auditor	Close relatives of Hiroshi Harada	—	—	Close relative of Auditor of Hanshin Electric Railway Co., Ltd.	None	Contracting of renovations	Renovations	47	—	—

FY ended March 31, 2025

Type	Name of related party	Address	Amount of capital (Millions of yen)	Business	Voting interest	Relationship with related party	Details of transaction	Transaction amounts (Millions of yen)	Item	Balance as of March 31, 2025 (Millions of yen)
Auditor of Major Subsidiary	Haruo Sakaguchi	—	¥ —	Auditor of Hankyu Corporation	Directly 0.0%	Lease of real estate	Lease of real estate	¥ 57	Leasehold deposit	¥ 44

Note:
Terms and conditions of transactions and policies for determining terms and conditions of transactions.
Terms and conditions for leases are determined with reference to similar transaction cases in the neighboring area.
Renovation work is determined rationally through negotiations, taking prevailing market prices into consideration.

2 Notes on parent company and major affiliates

2.1 Parent company information

There is no relevant item.

2.2 Condensed consolidated financial information of important affiliates

In the consolidated FY ended March 31, 2025, the important affiliate is Toho Co., Ltd. The condensed consolidated financial information is as follows:

Millions of yen		
Toho Co., Ltd.		
	Consolidated FY ended March 31, 2024	Consolidated FY ended March 31, 2025
Total current assets	¥ 163,277	¥ 134,540
Total noncurrent assets	344,253	386,133
Total current liabilities	114,607	119,267
Total noncurrent liabilities	53,213	50,554
Total net assets	339,711	350,852
Revenues from operations	150,314	171,550
Income before income taxes	47,919	52,187
Net income	34,959	39,051

Per Share Information

Net assets per share, net income per share, diluted net income per share, and their respective calculation bases are as shown below.

	2024	2025
(1) Net assets per share (Yen)	¥ 4,074.91	¥ 4,340.23
(Basis for the calculation)		
Total net assets (Millions of yen)	¥ 1,070,432	¥ 1,132,460
Amount to be deducted from total net assets (Millions of yen)	¥ 91,634	¥ 96,568
(Of which, non-controlling interests) (Millions of yen)	¥ [91,634]	¥ [96,568]
Net assets at the end of the FY related to common shares (Millions of yen)	¥ 978,798	¥ 1,035,892
Common shares issued (Thousands of shares)	254,281	253,008
Treasury stock shares (Thousands of shares)	12,851	13,219
Common shares held by consolidated subsidiaries and equity-method affiliates (Thousands of shares)	1,228	1,117
Common shares used to calculate net assets per share (Thousands of shares)	240,201	238,672
(2) Net income per share (Yen)	¥ 281.73	¥ 281.77
(Basis for the calculation)		
Net income attributable to owners of the parent (Millions of yen)	¥ 67,774	¥ 67,386
Amount not attributable to common stockholders (Millions of yen)	¥ —	¥ —
Net income attributable to owners of the parent related to common share (Millions of yen)	¥ 67,774	¥ 67,386
Average number of common shares during term (Thousands of shares)	240,564	239,151
(3) Diluted net income per share (Yen)	¥ 281.57	¥ 281.45
(Basis for calculation)		
Adjustment of net income attributable to owners of the parent (Millions of yen)	¥ (40)	¥ (75)
(Of which, equity in income of affiliates) (Millions of yen)	¥ [[40]]	¥ [[75]]
Increase in number of common shares (Thousands of shares)	—	—
Outline of dilutive shares not included in the calculation of diluted net income per share because they do not have dilutive effect	—	—

Note:
In calculating net assets per share, the number of shares in the Company owned by the officer’s compensation BIP trust is included in that of treasury stock shares excluded from the total number of outstanding shares at the end of the FY. Furthermore, in calculating the net income (loss) per share and diluted net income per share for the current FY, the number of shares in the Company owned by the officer’s compensation BIP trust is included in treasury stock shares excluded in calculating the average number of shares during the current FY. The number of such treasury stock shares deducted in calculating net assets per share was 613,045 as of March 31, 2024 and 562,964 as of March 31, 2025. The average number of treasury stock shares deducted in calculating net income per share and diluted net income per share was 353,508 as of March 31, 2024, and 598,185 as of March 31, 2025.

Subsequent Events

1 Stock repurchase and retirement

At the Board of Directors meeting held on May 14, 2025, the Company resolved matters concerning stock repurchase as shown below in accordance with Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3 of Article 165 of the same Act, and also resolved to retire treasury stock pursuant to Article 178 of the Companies Act.

1.1 Purpose of stock repurchase and retirement

To enhance shareholder returns and to improve capital efficiency. The Company also has a shareholder return policy that “sets the upper limit for holding treasury stock at 5% of the number of outstanding shares, and retires stock if the upper limit is exceeded.” As the ratio was 5% as of March 31, 2025, the Company will retire treasury stock after the completion of this repurchase.

1.2 Details of stock repurchase

- (1) Types of share: Common stock of the Company
- (2) Total number of shares to be repurchased: Up to 1,700,000 shares
(0.71% of the total number of outstanding shares (excluding treasury stock))
- (3) Total amount of repurchase: Up to 5,800,000,000 yen
- (4) Period of repurchase: From May 21, 2025 to September 22, 2025
- (5) Repurchase method: Market buying on the Tokyo Stock Exchange

1.3 Details of stock retirement

- (1) Types of share: Common stock of the Company
- (2) Total number of shares to be retired: As of September 30, 2025, the minimum number of treasury shares to be retired so that the number of treasury shares held after retirement will be 5% or less of the number of outstanding shares after retirement
- (3) Scheduled retirement date: October 31, 2025

Consolidated Supplementary Statements

Corporate bond statements

Company	Issue	Issue date	Millions of yen		Interest rate	Security	Redemption date
			Balance as of April 1, 2024	Balance as of March 31, 2025			
Hankyu Hanshin Holdings, Inc.	Series 47 unsecured corporate bonds	Jul 18, 2014	10,000	10,000	1.202	None	Jul 18, 2029
Hankyu Hanshin Holdings, Inc.	Series 49 unsecured corporate bonds	Dec 15, 2016	10,000	10,000	0.817	None	Dec 15, 2036
Hankyu Hanshin Holdings, Inc.	Series 50 unsecured corporate bonds	Sep 13, 2018	10,000	10,000	0.345	None	Sep 13, 2028
Hankyu Hanshin Holdings, Inc.	Series 51 unsecured corporate bonds	Sep 13, 2018	10,000	10,000	0.789	None	Sep 13, 2038
Hankyu Hanshin Holdings, Inc.	Series 52 unsecured corporate bonds	Nov 21, 2019	10,000	10,000	0.215	None	Nov 21, 2029
Hankyu Hanshin Holdings, Inc.	Series 53 unsecured corporate bonds	Nov 21, 2019	10,000	10,000	0.878	None	Nov 19, 2049
Hankyu Hanshin Holdings, Inc.	Series 54 unsecured corporate bonds	Feb 27, 2020	10,000	10,000	0.486	None	Feb 27, 2040
Hankyu Hanshin Holdings, Inc.	Series 56 unsecured corporate bonds	Jul 17, 2020	10,000	10,000 (10,000)	0.120	None	Jul 17, 2025
Hankyu Hanshin Holdings, Inc.	Series 57 unsecured corporate bonds	Jul 17, 2020	20,000	20,000	0.280	None	Jul 17, 2030
Hankyu Hanshin Holdings, Inc.	Series 58 unsecured corporate bonds	Feb 26, 2021	20,000	20,000 (20,000)	0.090	None	Feb 26, 2026
Hankyu Hanshin Holdings, Inc.	Series 59 unsecured corporate bonds	Feb 26, 2021	10,000	10,000	0.270	None	Feb 26, 2031
Hankyu Hanshin Holdings, Inc.	Series 60 unsecured corporate bonds	Feb 26, 2021	20,000	20,000	0.680	None	Feb 26, 2041
Hankyu Hanshin Holdings, Inc.	Series 61 unsecured corporate bonds	Sep 9, 2021	15,000	—	0.001	None	Sep 9, 2024
Hankyu Hanshin Holdings, Inc.	Series 62 unsecured corporate bonds	Sep 9, 2021	10,000	10,000	0.240	None	Sep 9, 2031
Hankyu Hanshin Holdings, Inc.	Series 63 unsecured corporate bonds	Sep 9, 2021	15,000	15,000	0.580	None	Sep 9, 2041
Hankyu Hanshin Holdings, Inc.	Series 64 unsecured corporate bonds	Dec 8, 2021	10,000	10,000	0.100	None	Dec 8, 2026
Hankyu Hanshin Holdings, Inc.	Series 65 unsecured corporate bonds	Dec 15, 2022	15,000	15,000	0.489	None	Dec 15, 2027
Hankyu Hanshin Holdings, Inc.	Series 66 unsecured corporate bonds	Dec 15, 2022	15,000	15,000	0.729	None	Dec 15, 2032
Hankyu Hanshin Holdings, Inc.	Series 67 unsecured corporate bonds	Jul 13, 2023	20,000	20,000	0.774	None	Jul 13, 2033
Hankyu Hanshin Holdings, Inc.	Series 68 unsecured corporate bonds	Feb 29, 2024	15,000	15,000	0.592	None	Feb 28, 2029
Hankyu Hanshin Holdings, Inc.	Series 69 unsecured corporate bonds	Jul 11, 2024	—	10,000	0.833	None	Jul 11, 2029
Hankyu Hanshin Holdings, Inc.	Series 70 unsecured corporate bonds	Jul 11, 2024	—	30,000	1.440	None	Jul 11, 2034
Hankyu Hanshin Holdings, Inc.	Series 71 unsecured corporate bonds	Feb 28, 2025	—	10,000	1.275	None	Feb 28, 2030
Hankyu Hanshin Holdings, Inc.	Series 72 unsecured corporate bonds	Feb 28, 2025	—	10,000	1.740	None	Feb 28, 2035
Hankyu Hanshin Holdings, Inc.	Series 73 unsecured corporate bonds	Feb 28, 2025	—	15,000	2.379	None	Feb 28, 2045
Total	—	—	265,000	325,000 (30,000)	—	—	—

Notes:
1. The figures in parentheses for the balances as of March 31, 2025 are the amounts payable within one year of the total outstanding and are listed as current liabilities in the consolidated balance sheets.
2. The amounts of bonds scheduled to be redeemed within five years subsequent to March 31, 2025 are as follows.

	Millions of yen
Due within one year	¥ 30,000
Due after one year through two years	10,000
Due after two years through three years	15,000
Due after three years through four years	25,000
Due after four years through five years	40,000

Statements of loans payable

Item	Millions of yen		Average interest rate	Repayment deadline
	Balance as of April 1, 2024	Balance as of March 31, 2025		
Short-term borrowings	¥ 101,789	¥ 87,804	1.130%	—
Current portion of long-term borrowings	88,065	81,562	1.246	—
Current portion of lease obligations	4,130	4,031	—	—
Long-term borrowings (excluding current portion)	705,773	774,025	1.168	2026–2045
Lease obligations (excluding current portion)	9,402	10,351	—	2026–2034
Other interest-bearing debt	—	—	—	—
Total	909,160	957,775	—	—

Notes:
1. The balances reflect amounts after the elimination of transactions between companies in the consolidated group.
2. “Average interest rate” of loans payable refers to the weighted average interest rate for outstanding loans as of the end of the FY ended March 31, 2025.
3. For lease obligations, “average interest rate” is not shown because the Company primarily uses a method that includes the amount of interest in the total lease obligation and that spreads the total amount of interest equally over each FY of the lease period.
4. The repayment schedule for long-term borrowings and lease obligations (excluding those due within one year) within five years subsequent to March 31, 2025 is as follows.

	Millions of yen			
	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Long-term borrowings	¥ 70,499	¥ 102,561	¥ 92,612	¥ 71,731
Lease obligations	2,795	2,491	2,064	1,368

Schedule of asset retirement obligations

Omitted due to immateriality.

Others

Semiannual financial information for the FY ended March 31, 2025

	Interim consolidated accounting period	FY ended March 31, 2025
Revenues from operations (Millions of yen)	¥ 534,656	¥ 1,106,854
Income before income taxes for the interim FY (Millions of yen)	69,127	102,795
Net income attributable to owners of the parent for the interim FY (Millions of yen)	50,878	67,386
Net income per share for the interim FY (Yen)	212.36	281.77

Major Group Companies

Major Consolidated Subsidiaries (As of March 31, 2025)

Urban Transportation

	Name of company
Railway operations	HANKYU CORPORATION HANSHIN ELECTRIC RAILWAY CO., LTD. Nose Electric Railway Co., Ltd. KITA-OSAKA KYUKO RAILWAY CO., LTD. KOBE RAPID TRANSIT RAILWAY CO., LTD.
Automobile	Hankyu Bus Co., Ltd. HANSHIN BUS CO., LTD. HANKYU KANKO BUS CO., LTD. Hankyu Taxi Inc. Hanshin Taxi Co., Ltd.
Retailing	Hankyu Corporation Eki Retail Service Hankyu Hanshin Co., Ltd. Hankyu Style Labels Co., Ltd.
Other	ALNA SHARYO CO., LTD. Hankyu Sekkei Consultant HANSHIN STATION NET CO., LTD.

Real Estate

	Company name
Real estate leasing	HANKYU CORPORATION HANSHIN ELECTRIC RAILWAY CO., LTD. Hankyu Hanshin Properties Corp.
Real estate sales and others	HANKYU CORPORATION HANSHIN ELECTRIC RAILWAY CO., LTD. Hankyu Hanshin Properties Corp. Hankyu Hanshin Building Management Co., Ltd. Hankyu Hanshin Clean Service Co., Ltd. Hankyu Hanshin REIT Asset Management, Inc. Hankyu Hanshin Housing Support Ltd.
Overseas real estate	Hankyu Hanshin Properties Corp. PT CPM Assets Indonesia
Hotel	Hankyu Hanshin Hotels Co., Ltd. HANSHIN HOTEL SYSTEMS CO., LTD. Arima View Hotel Co., Ltd.

Major equity-method affiliates (As of March 31, 2025)

Main business	Name of company
Department store	H2O RETAILING CORPORATION (Securities Code: 8242)
Railway operations	Nishi-Osaka Railway Co., Ltd. Kobe Electric Railway Co., Ltd. (Securities Code: 9046)
Motion picture business	TOHO CO., LTD. (Securities Code: 9602)
Real estate leasing	PT Duta Cakra Pesona

Entertainment

	Name of company
Sports	HANSHIN ELECTRIC RAILWAY CO., LTD. Hanshin Tigers Baseball Club, Ltd. HANSHIN CONTENTS LINK CORPORATION
Stage	HANKYU CORPORATION TAKARAZUKA Creative Arts Co., Ltd. Umeda Arts Theater Co., Ltd.

Information and Communication Technology

	Name of company
Information and communication technology	ITEC HANKYU HANSHIN CO., LTD. YMIRLINK Inc. (Securities Code: 4372) Bay Communications Inc.

Travel

	Name of company
Travel agency	HANKYU TRAVEL INTERNATIONAL CO., LTD.

International Transportation

	Name of company
International transportation	HANKYU HANSHIN EXPRESS CO., LTD. HANKYU HANSHIN LOGIPARTNERS CO., LTD. HHE (USA) INC. HHE (DEUTSCHLAND) GMBH HHE (HK) LTD. HHE SOUTHEAST ASIA PTE. LTD.
HHE : HANKYU HANSHIN EXPRESS	

Other

	Name of company
Construction	HANSHIN CONSTRUCTION CO., LTD. CHUO DENSETSU CO., LTD. Hanshin Engei Co., Ltd.
Advertising and media design	hankyu hanshin marketing solutions Inc.
Outsourcing services for personnel and accounting services	Hankyu Hanshin Business Associate Co., Ltd.
Credit and point card	Hankyu Hanshin Card Co., Ltd.
Group finance	Hankyu Hanshin Financial Support Co., Ltd.

Company Overview / Investor Information

Hankyu Hanshin Holdings, Inc. (As of March 31, 2025)

Head Office

1-16-1, Shibata, Kita-ku, Osaka 530-0012, Japan
Phone: +81-6-6373-5001
(IR Office, Corporate Communication Dept., Group Planning Div.)
Fax: +81-6-6373-5042

Tokyo Administration Dept., Executive Administrative Division

17F Toho Hibiya Bldg. 1-2-2, Yurakucho, Chiyoda-ku,
Tokyo 100-0006, Japan
Phone: +81-3-3503-1568
Fax: +81-3-3508-0249

Paid-in Capital

¥99,474 million

Fiscal Year-End

March 31

Number of Employees

23,033 (consolidated)

Authorized Shares

640,000,000

Issued Shares

253,008,756

Number of Shareholders

81,902

Unit of Trading

100 shares

Stock Exchange Listing

Tokyo

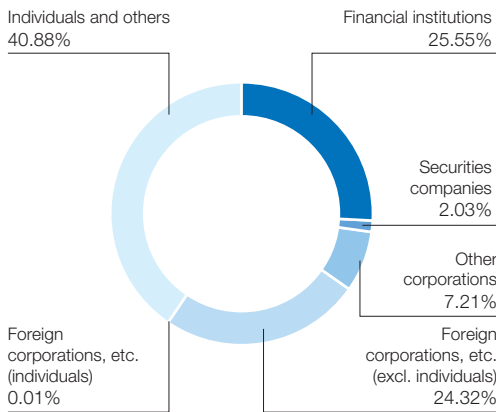
Transfer Agent

Mitsubishi UFJ Trust and
Banking Corporation

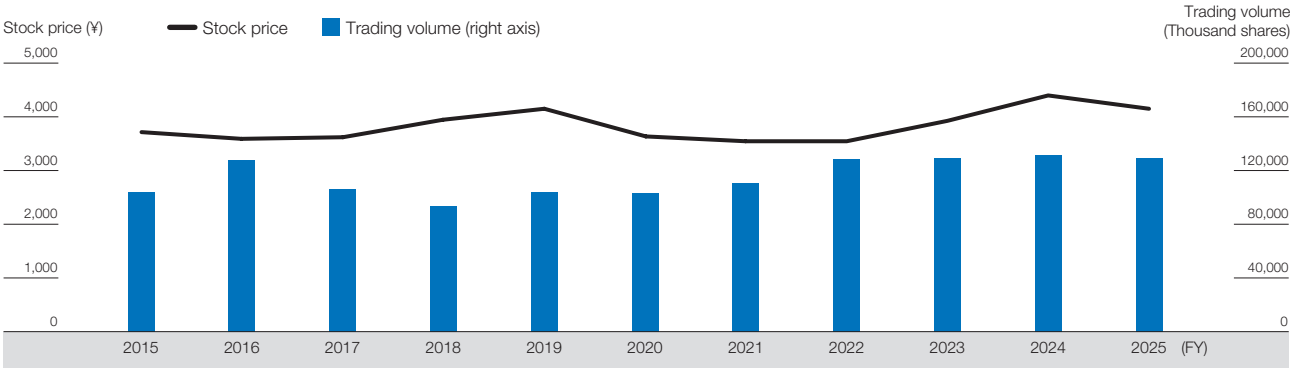
Principal Shareholders

Name	Number of shares (Thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	37,707	15.69
Custody Bank of Japan, Ltd. (Trust account)	10,118	4.21
STATE STREET BANK WEST CLIENT-TREATY 505234 (Standing Proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	5,707	2.37
Nippon Life Insurance Company (Standing Proxy: The Master Trust Bank of Japan, Ltd.)	4,810	2.00
H2O RETAILING CORPORATION	4,207	1.75
JP MORGAN CHASE BANK 385781 (Standing Proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	3,109	1.29
STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	2,899	1.21
JP MORGAN CHASE BANK	2,881	1.20
Takenaka Corporation	1,858	0.77
STATE STREET BANK AND TRUST COMPANY 505103 (Standing Proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	1,847	0.77

Ownership Breakdown



Stock Price and Annual Trading Volume (Tokyo Stock Exchange)



Notes:

- 1. The stock prices are as of the end of each fiscal year (March 31). The trading volumes are for each fiscal year (April 1 to March 31).
- 2. The data takes into account the reverse stock split and the change of trading unit conducted with an effective date of August 1, 2016.