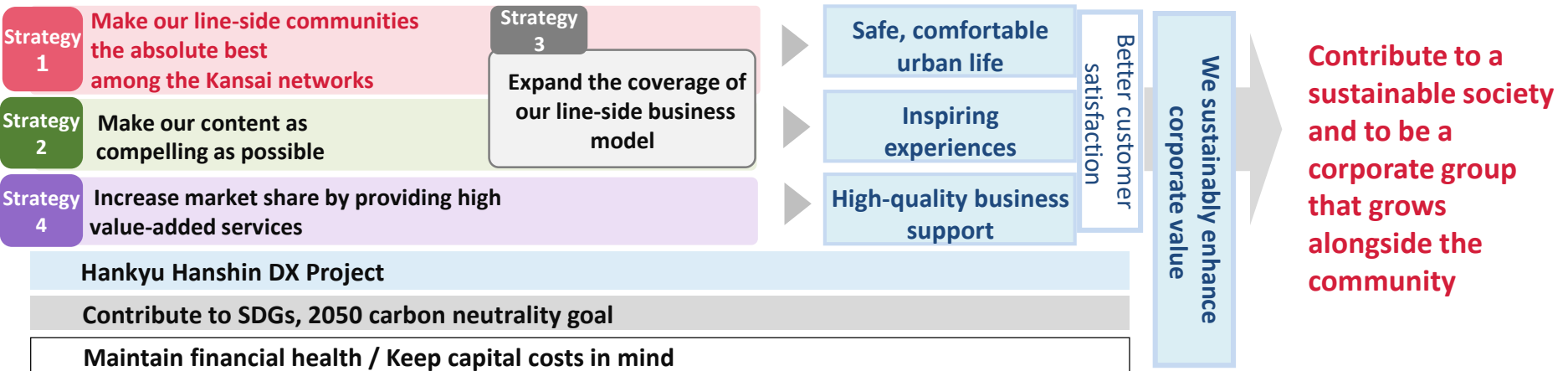


Summary of the Medium-Term Management Plan

Long-Term Vision : Toward 2040

Under our long-term vision, our group will work as one to transform into the organization we aspire to be

The slogan for the Long-Term Vision : **Enhancing Line-side areas and expanding fields**



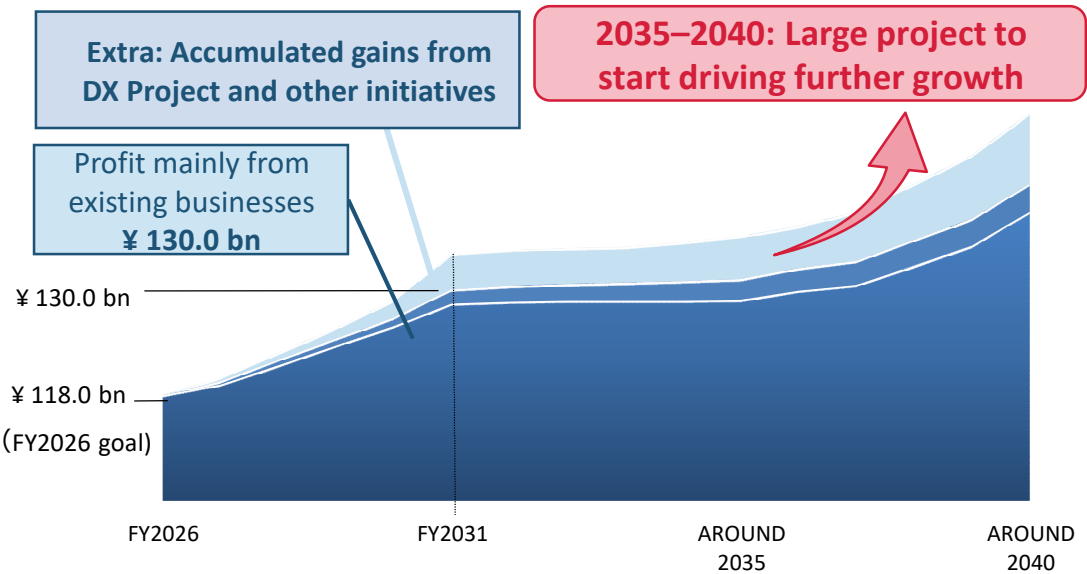
KPIs for FY2031

Financial

Business profit*	<u>¥130.0 billion (plus something extra)</u>
Interest-bearing debt / EBITDA ratio	<u>5 to 6</u>
ROE	<u>7% range over med-long term</u>

Non-financial

Rate of CO2 emissions cuts from FY2014 level:	<u>-46%</u>
Culpable incidents in our railway business:	<u>Zero</u>
Employee satisfaction:	<u>Always better than in previous survey</u>
% of women in management positions:	<u>around 10%</u>
% of women among new hires:	<u>Always more than 30%</u>



* Business profit = Operating profit + Equity-method gains/losses related to overseas business investments (in Real estate)

Long-Term Management Vision (Background Considerations)

- In 2022, the Group established its “Long-Term Vision: Toward 2040” under the slogan “Enhancing line-side areas and expanding fields”. While progress has been made in each strategic area, **environmental changes have been greater than anticipated, and are expected to continue to accelerate**.

[Anticipated environmental changes in the future]

《Social》

《Business》

• Accelerated population decline

• Difficulty in securing human resources

• Lifestyle changes

• Rising costs

• Internationalization of Kansai

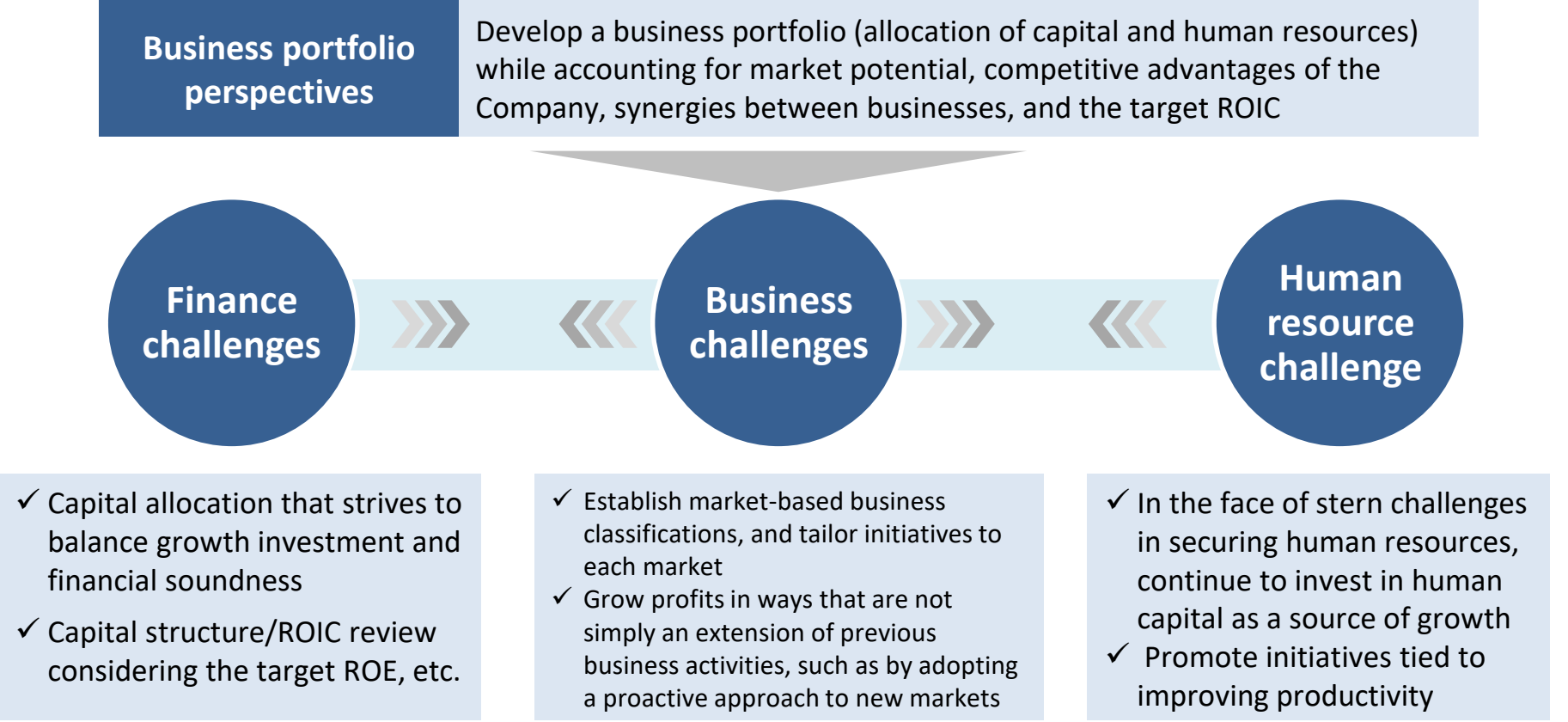
- Our reason for being (mission) lies in **delivering “Safety and Comfort” and “Dreams and Excitement” and enrich lifestyle in line-side areas**.
- In order to achieve growth for the Group while contributing to local communities amidst the abovementioned environmental changes, it is vital that we look to actively develop new markets to **secure and maintain a stable capacity to generate capital**, while growing profits and improving capital efficiency **to earn a stable reputation in capital markets**.

To shift in this direction, (as one means of doing this) we aim to

“transform into a corporate group capable of delivering a sustainable ROE of 8%”.

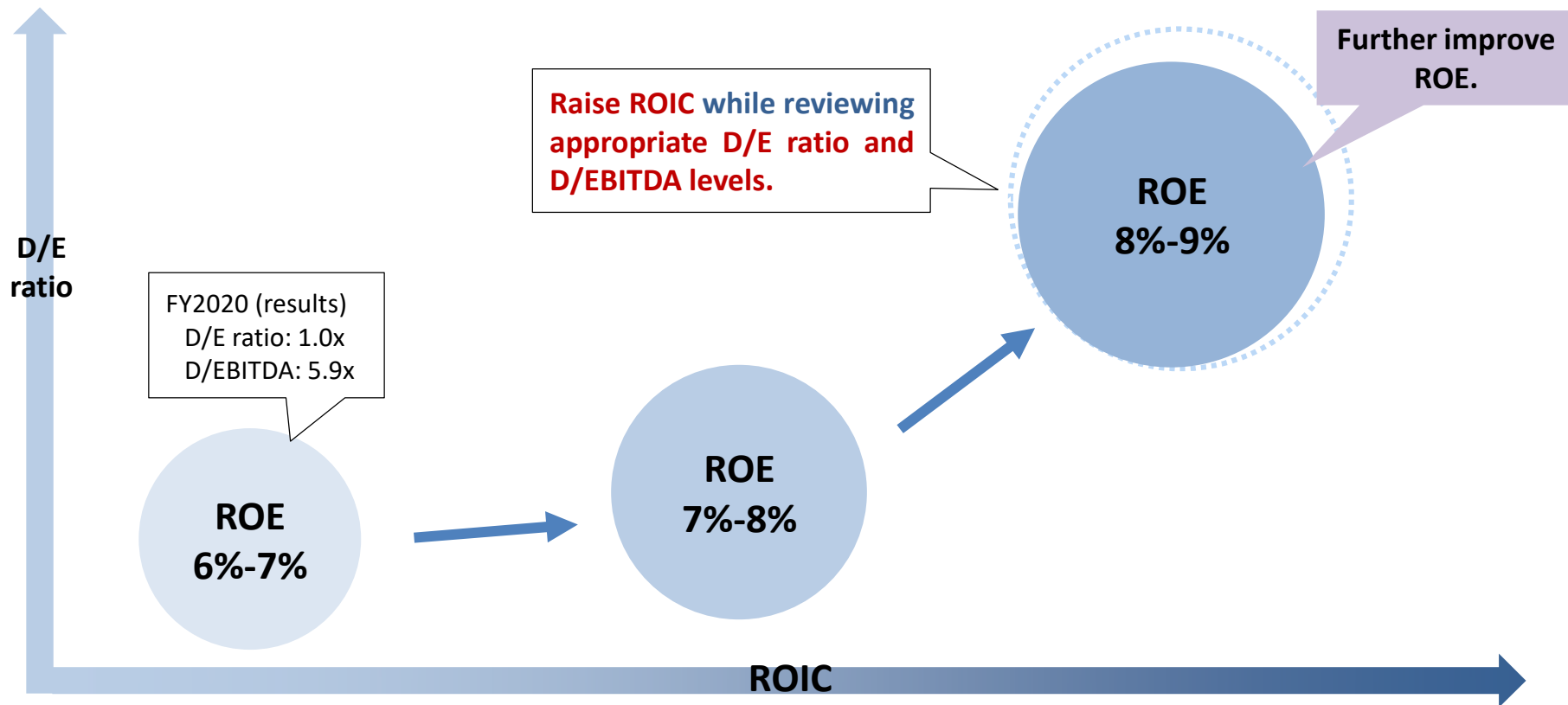
Direction of Further Review Towards Achieving Reforms

- Achieving the kind of business transformation described on the previous page requires an approach in which we separate the areas where we should and shouldn't focus on more to the allocation of capital, human resources, and other management resources.
- This will require further review of the long-term management vision of the Group from a business portfolio perspective, which will be used as a springboard for further discussion concerning the business, finance, and human resources challenges presented, and the future direction of the Group.



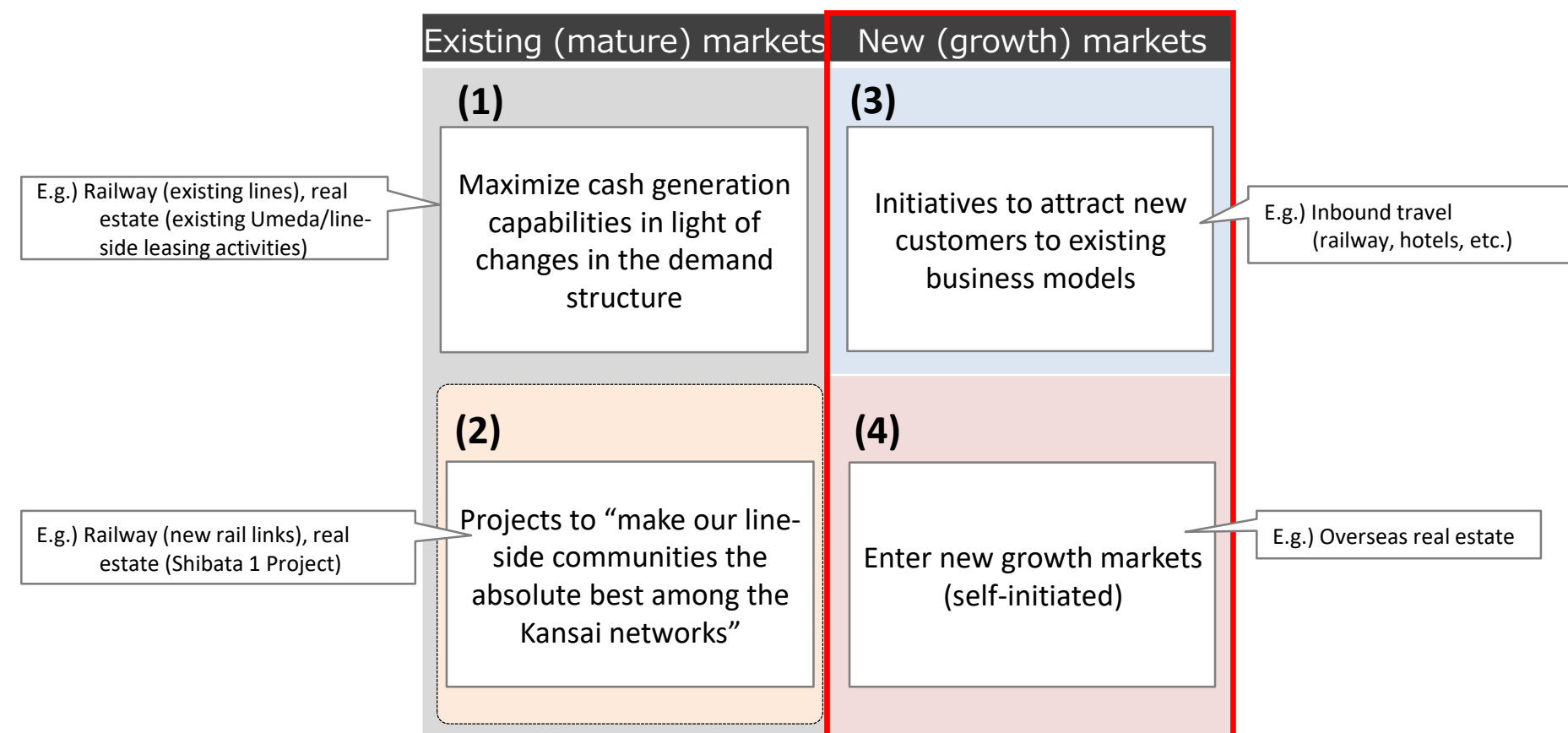
Addressing Finance Challenges (Aiming to achieve an ROE of 8x range in the future)

- Realizing a stable management base and enriching the lifestyles of line-side areas requires a high level of approval from capital markets. To achieve this, we will look to the use of leverage with a view to improving ROIC.
- In order to access the stable financing needed requires the Company to establish a level of trust among its creditors. To maintain a financial soundness (credit rating) that is among the highest for private railways operators, we aim to achieve an interest-bearing debt/EBITDA ratio (hereafter, D/EBITDA) of 5x range (or maintain in the 6x range should investment costs temporarily peak).



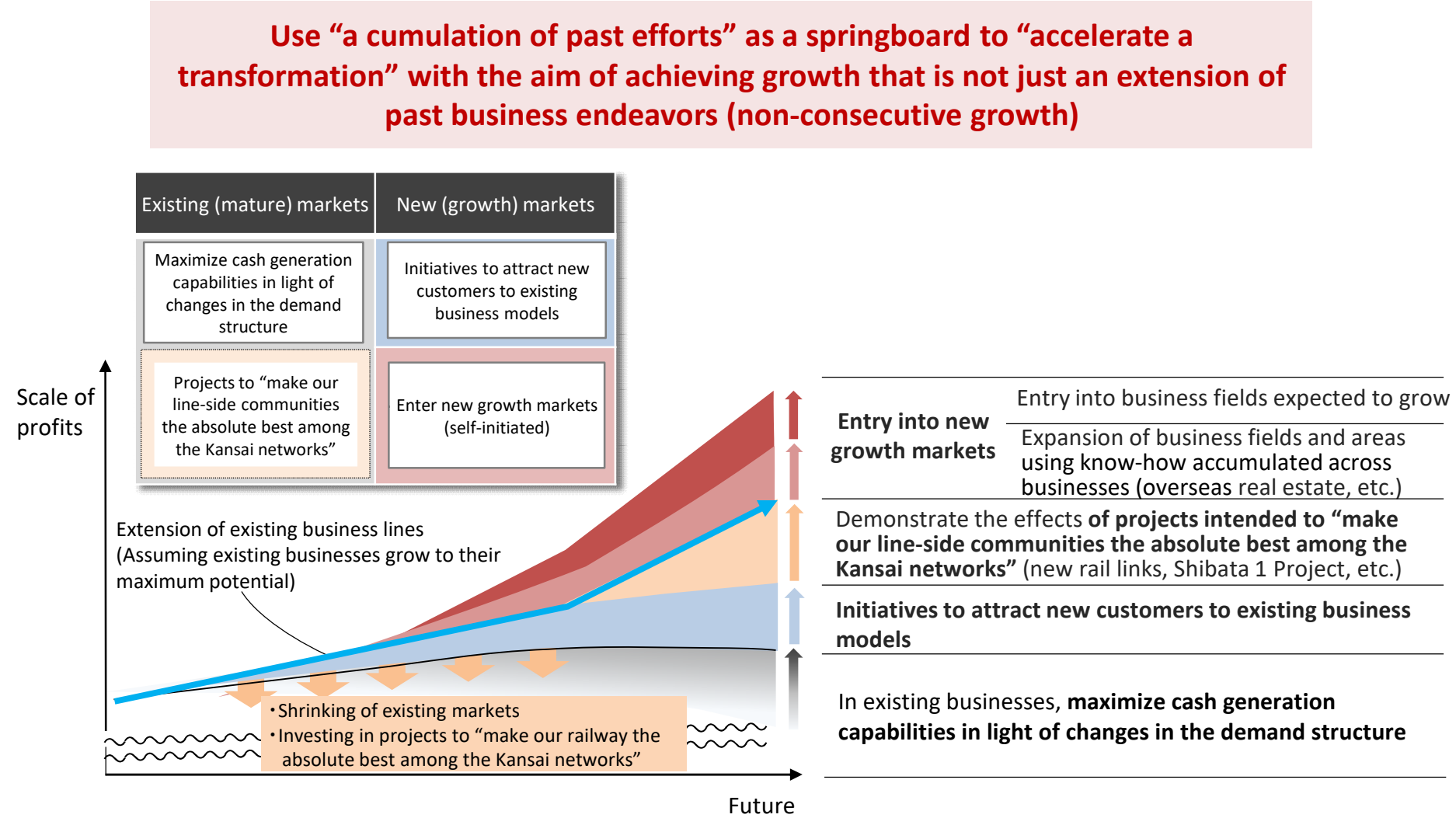
Addressing Business Challenges (Future Direction)

- In order to make our line-side communities the absolute best among the Kansai networks, even amidst continued contraction in existing markets, we need to move ahead with plans for large-scale projects, such as new rail links (Naniwasuji Connection Line/Shin-Osaka Connection Line), and the Shibata 1 Project.
- As we move forward with these projects, we hope to grow profits in ways that are not just an extension of existing business activities to meet the expectations of capital markets. To achieve this, we will look to delve deeper in existing markets, with a focus on line-side areas (**maximizing cash generation capabilities in existing markets**), while considering ways we can leverage the strengths and competitive advantages of the Group to identify growth markets and promote “**a proactive approach to capturing new markets**”.



Long-Term Vision for Business Expansion

We aim to grow profit, and **secure and maintain a stable capacity to generate capital**, as shown in the image below.



Time Period Covered and Context of the Medium-Term Management Plan

Time period covered

- Four-year period from FY2023 to 2026

Context

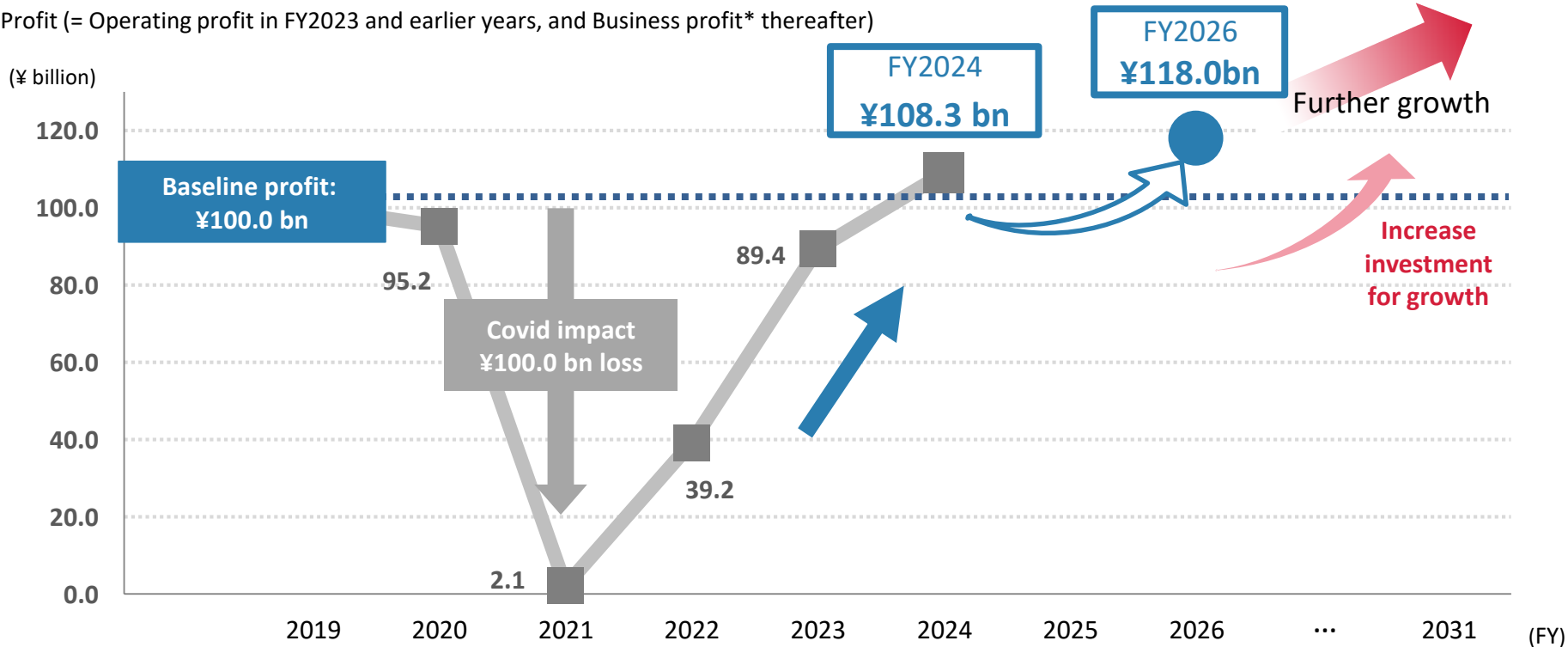
- The four-year period will be a time for adapting to the drastic external changes and steadily returning to a pre-COVID growth trajectory. During this period, we aim to raise our profit level to ¥100 billion as soon as possible.
- We will also use the period to take concrete actions under our long-term strategic vision that will build sustainable profit growth. As part of this, we will increase investment in our overseas real estate business and condominium business to create a foothold for future growth.
- In terms of the strategies and measures to be adopted in line with the long-term management vision that are currently under review, this period will be positioned as a **period for establishing the foundations for growth** towards **achieving dynamic growth** and an **ROE of 8% in the future**.

Roadmap to FY2026

Until FY2024, we worked to steadily restore profit in our existing businesses while drawing upon the outcomes of actions to strengthen the revenue structure taken during the pandemic.

To gain the growth momentum necessary for achieving our FY2026 goal, we will deliver outcomes from our recent business projects (Osaka Umeda Twin Towers South, overseas real-estate business).

Meanwhile, we will plant seeds for growth that will sprout in FY2026 and beyond (including more investment in our domestic real-estate business (for sale property and equity) and overseas real estate business, DX Project).



*Business profit = Operating profit + Equity-method gains/losses related to overseas business investments (in Real estate)
In FY2023 and earlier years, we had no equity-method affiliates in our overseas businesses. Thus, for those years, Operating profit = Business profit.

Business Profit Trends Toward FY2026

FY2026 profit targets compared with pre-Covid (FY2019) profit level

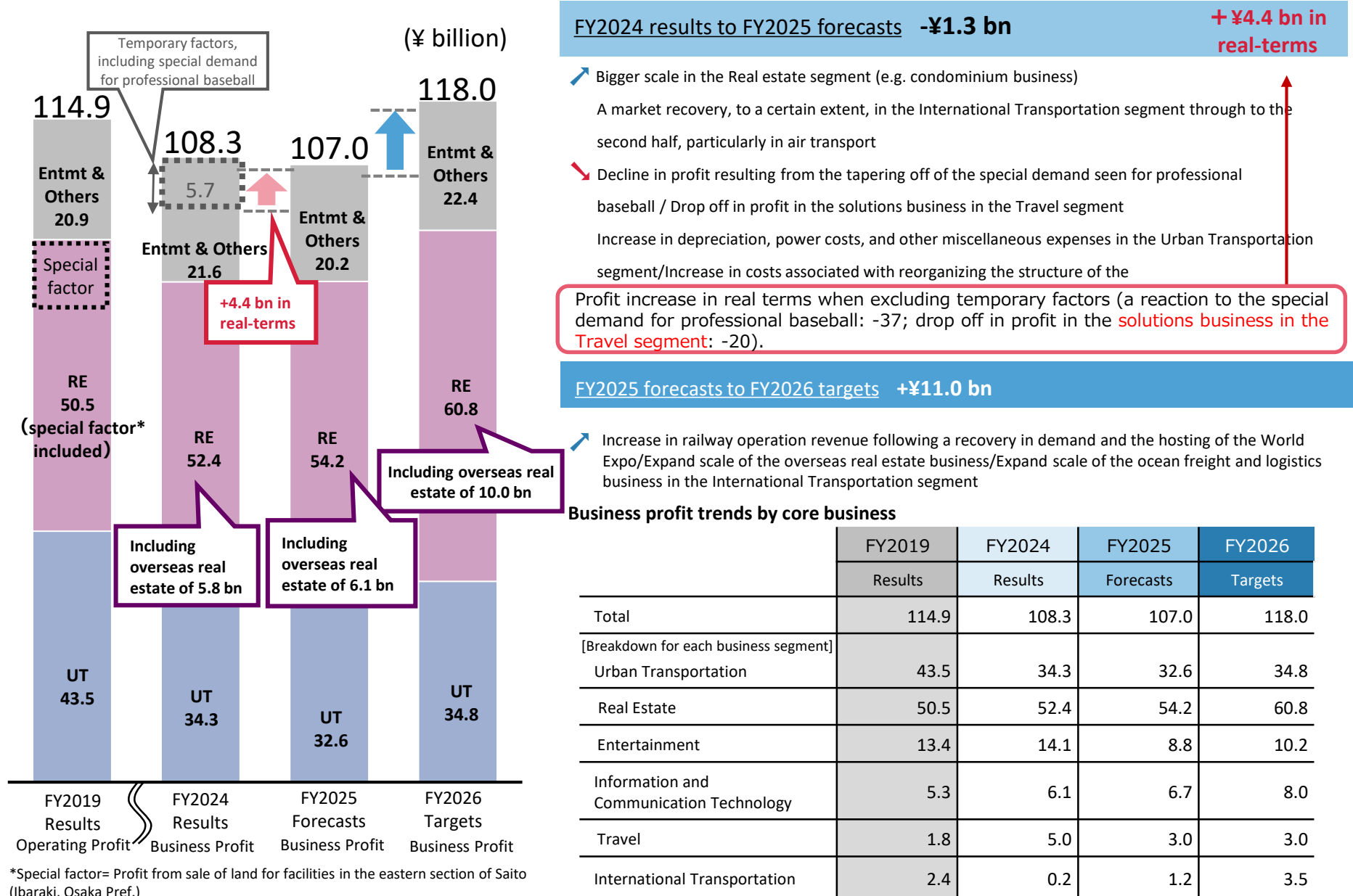
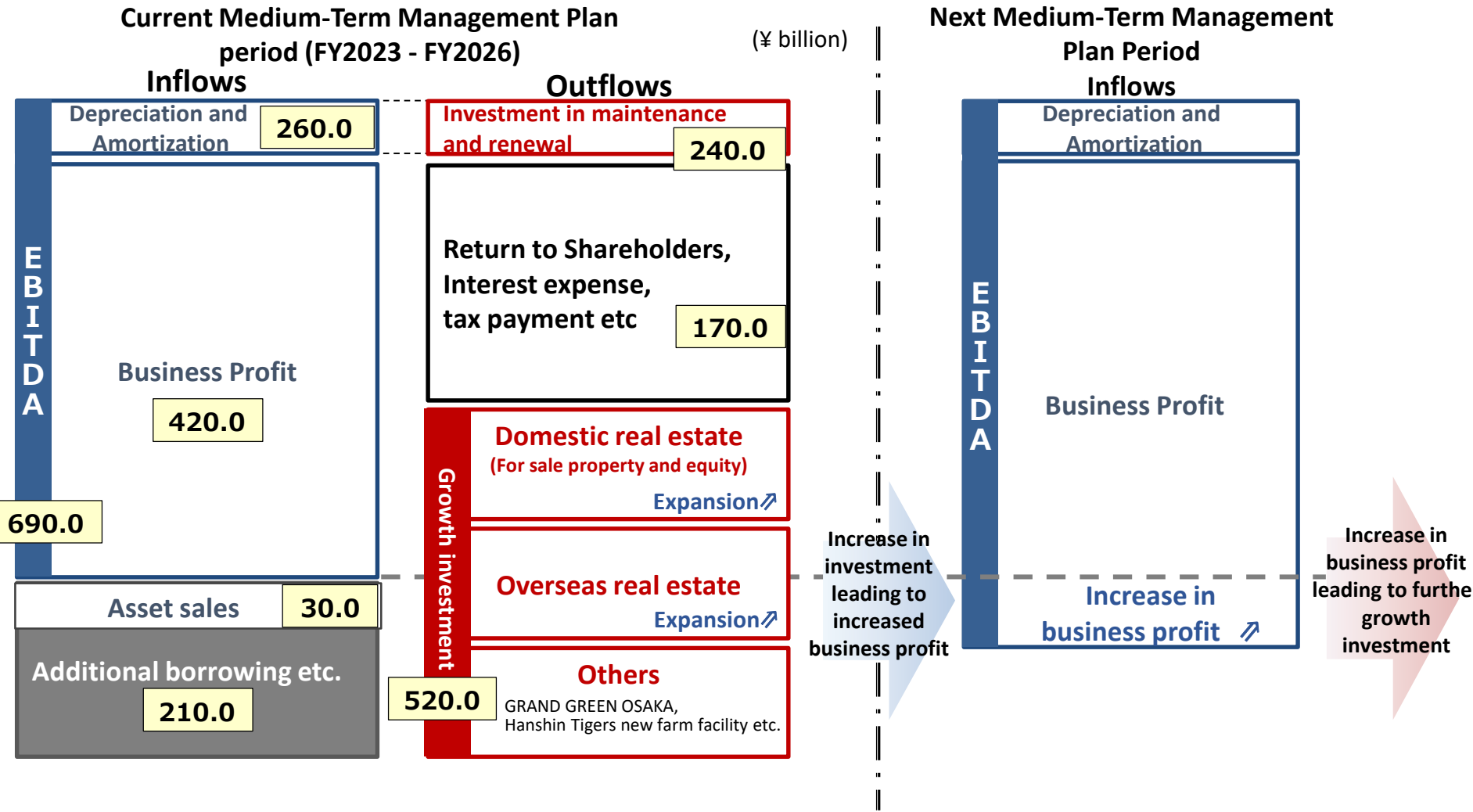


Image of Cash Flow Allocation

The approach to cash allocation in this plan is outlined below:

- Implement maintenance and renewal investments within the scope of depreciation.
- Expand growth investment, particularly in the Real Estate segment, to expand the business in FY2027 and beyond.
- Secure funding for this increased investment through additional borrowings and asset sales, in addition to retained earnings.

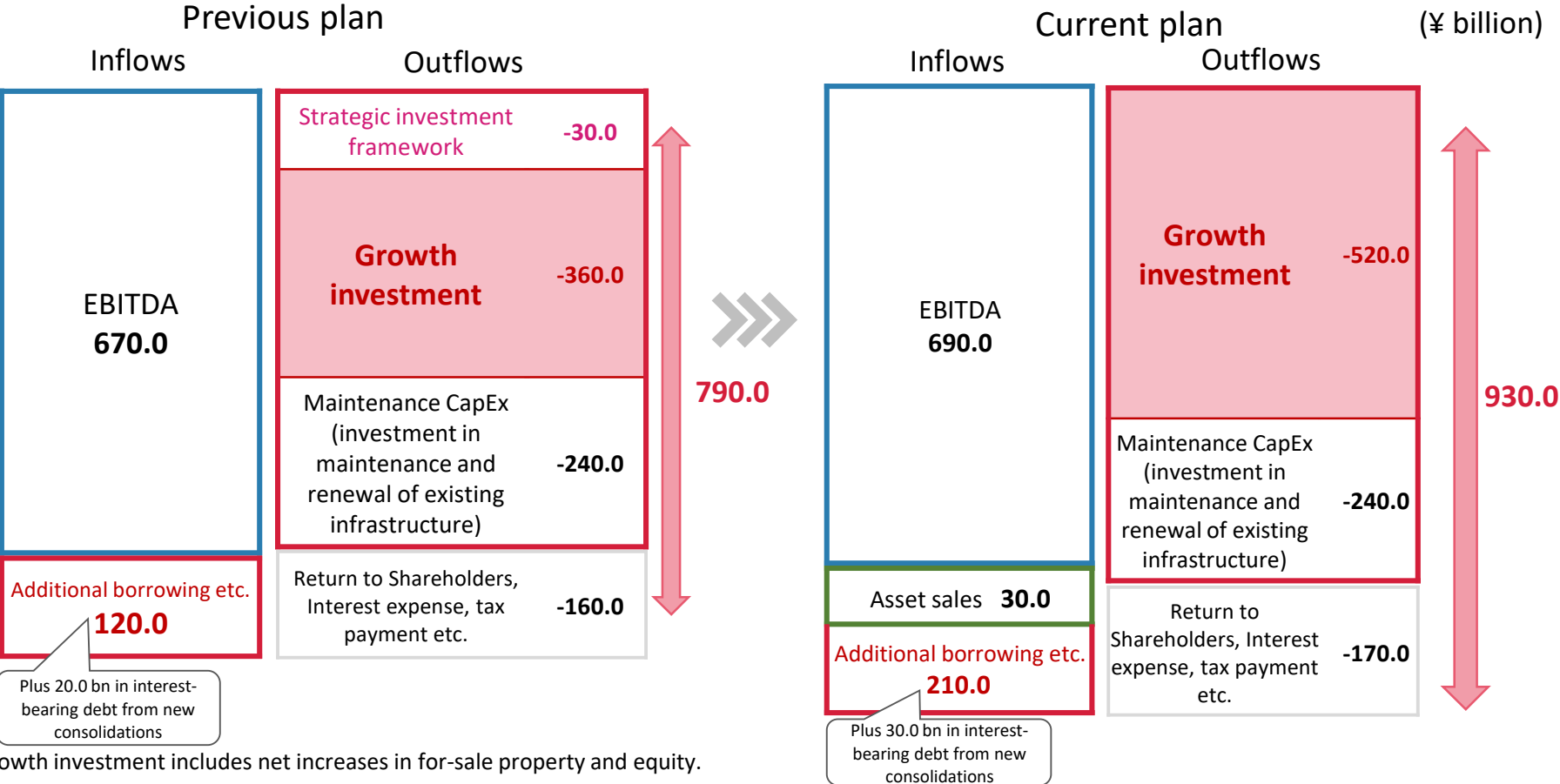


[Reference] Cash Flows

Cash Allocation Strategy

- In line with the strategy described on the previous page, we have added ¥130.0 billion in growth investment, focusing on the Real Estate segment, with a view to expanding the business in FY2027 and beyond.
- This is expected to bring the total cash outflow for the period to around **¥930.0 billion**.
- Although our EBITDA for this period of the plan increased by ¥20.0 billion to around ¥690.0 billion, this results in a shortfall of around **¥240.0 billion**. This shortfall will be covered by additional borrowing and asset sales.

Projected cash flows for FY2023–FY2026 period



[Reference]Capital Expenditure (and Lending)

CapEx budget for FY2023–FY2026 period



Main growth investments	
Urban Transportation	<ul style="list-style-type: none">• Installation of platform doors and better accessibility• Kita-Osaka Kyuko Railway Line Extension Project• Naniwasuji Connection Line / Shin-Osaka Connection Line Project
Real Estate	<ul style="list-style-type: none">• Umekita Phase II Development Project• Shibata 1 Project• Projects in Tokyo Metropolitan Area (Yaesu 2 Naka Redevelopment, Development of site of the Hotel Grand Palace)• Real Estate segment's overseas expansion• Expansion of domestic condominium business• Expansion of short-term-returns business
Entertainment	<ul style="list-style-type: none">• New farm facility for the Hanshin Tigers
Other	<ul style="list-style-type: none">• IT strategy, digital transformation

Performance Indicators (–FY2026)

	FY2024 Results	FY2025 Forecasts	FY2026 Targets	FYI FY2026 Previous targets
Business profit (1) + (2)	¥108.3bn	¥107.0bn	¥118.0bn	¥118.0bn
Operating profit (1)	¥105.7bn	¥105.8bn	¥116.4bn	¥115.0bn
Equity-method gains/losses related to overseas business investments (2)	¥2.6bn	¥1.2bn	¥1.6bn	¥3.0bn
EBITDA* ¹	¥173.2bn	¥175.0bn	¥193.0bn	¥193.0bn
Interest-bearing debt	¥1,174.2bn	¥1,320.0bn	¥1,330.0bn	¥1,230.0bn
Interest-bearing debt/EBITDA ratio	6.8	7.5	6.9	6.4
D/E ratio* ²	1.2	1.3	1.2	1.2
Profit attributable to owners of parent	¥67.8bn	¥70.0bn	¥75.0bn	¥75.0bn
ROE	7.2%	7.0%	7% range	7% range
(Reference)				
Net interest-bearing debt* ³	¥1,114.6bn	¥1,270.0bn	¥1,280.0bn	¥1,205.0bn
Net interest-bearing debt/EBITDA ratio	6.4	7.3	6.6	6.2

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

*2 D/E ratio = Interest-bearing debt / Equity

*3 Net interest-bearing debt = Interest-bearing debt – Cash and Deposits

Growth Opportunity Coming to Kansai

Seeds of growth are being sown in Kansai, creating a huge growth opportunity

**National Strategic Special Zone:
A zone for piloting super-city initiatives**

Initiatives are underway to pilot innovative services in Umekita Phase II and Yumeshima.



Osaka as a global financial city

Plan is to make Osaka a global financial hub that attracts funds from Asia and beyond.

Redevelopment of Shin-Osaka Station vicinity

Designated a hub for emergency urban regeneration, the area is set to be redeveloped as a node linking Japan's main transport artery with the north-south route to Kansai International Airport.

New rail links

When built, Naniwasuji Line, Naniwasuji Connection Line, and Shin-Osaka Connection Line will dramatically improve air and land access to Osaka, creating greater potential for Osaka to become a global hub.



**Site for Expo 2025
and integrated resort**

Kobe Airport

Airport will start receiving international charter flights in 2025 (expo year) and scheduled international flights in around 2030.

Kansai International Airport

Airport to get annual traffic to 300 k in early 2030s.



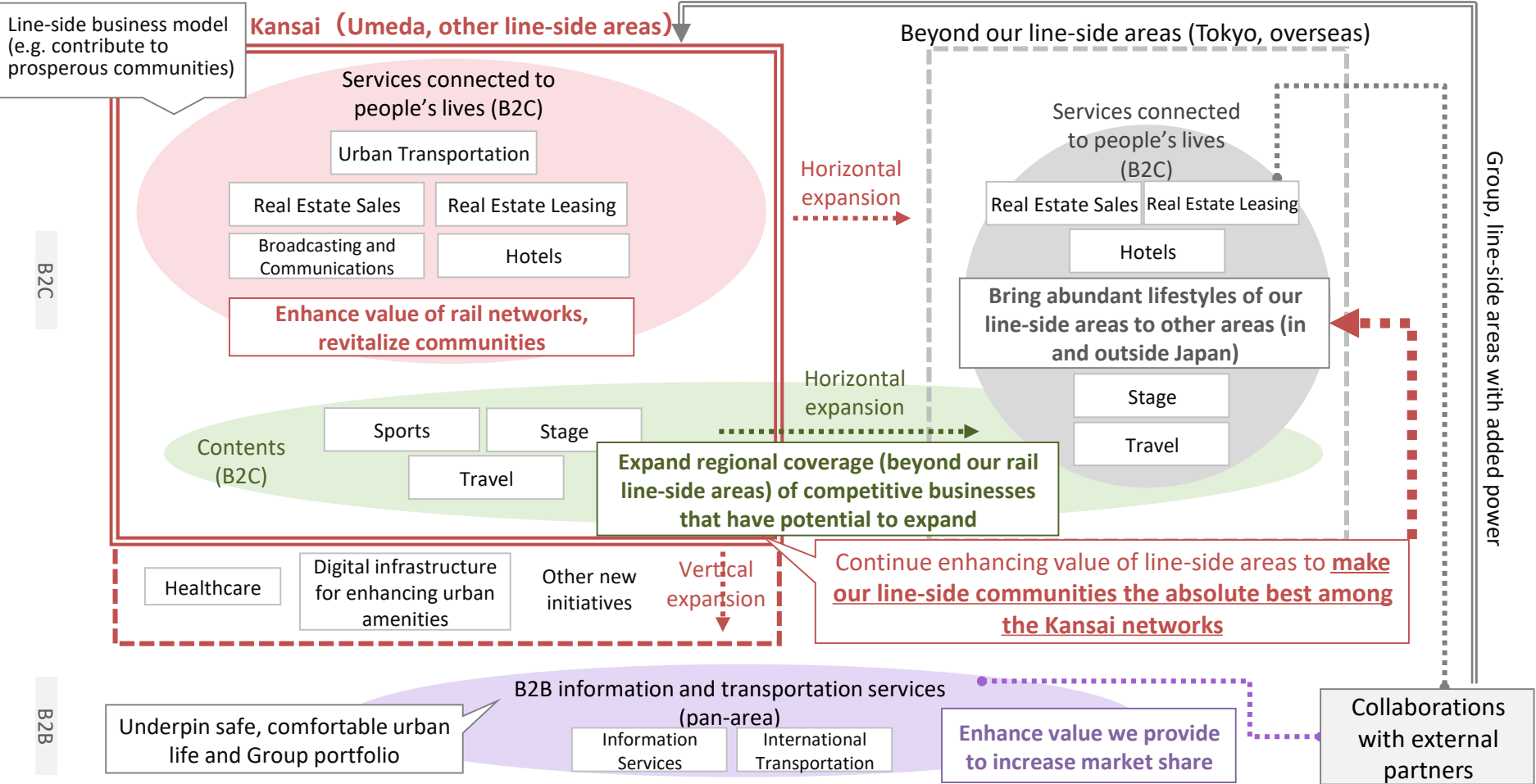
Digitally powered MaaS in Kansai

In an effective digital reach strategy, high-quality content (tourism, entertainment) in Kansai will be communicated to inbound tourists, encouraging them to stay longer in Kansai and thus attract overseas economic power into the region.



Business Portfolio and Future Direction of the Group

Business portfolio of the Group (separated by “services provided” and “business area”)



Future direction

We will enhance our businesses and community-development efforts in line-side areas, and start applying our business and community-development knowhow beyond these areas (both in and outside Japan) to bring us more quickly on track toward achieving sustainable growth. To that end, we must **ascertain changes in the business climate swiftly and work as a group to adapt to the changes.**

Progress in Strategy 1

Strategy 1 (core strategy)

Make our line-side communities the absolute best among the Kansai networks
(further entrench position in Umeda, Osaka and surrounding areas)

Providing safe, reliable, and comfortable rail services

- Hankyu Corporation will introduce its reserved seat service “PRiVACE” in July 2024.



- Completed renovation work on Hanshin Osaka-Umeda Sta.
- Platforms were widened, and sliding platform doors were added to each platform. Elevators and escalators were also installed on the West ticket gate side.



- In March 2024, a sole operator system was introduced on the Hankyu Itami Line after ensuring safety by installing sensor-equipped fixed-fence railways and other measures.



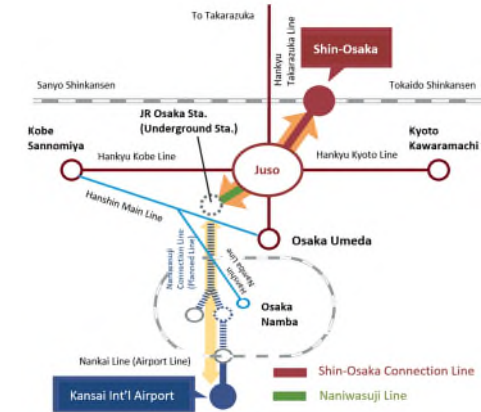
- Sequential roll-out of surveillance cameras to bolster in-train security on Hankyu Corporation and Hanshin Electric Railway lines.



Planned rail links

- In March 2024, the Kita-Osaka Kyuko Railway line extension opened.
- This accelerated the development of areas surrounding the new stations developed for this project, Minoh-Kayano Sta. and Minoh-Semba Handaimae Sta.

- Plans are underway to build the new rail links (Naniwasuji Connection Line/Shin-Osaka Connection Line). These links will open economic flows from across Japan and also attract global capital.
- Further development to proceed in line with progress made in developing the area around Shin-Osaka Sta. (schedule for opening to be determined)



Progress in Strategy 1

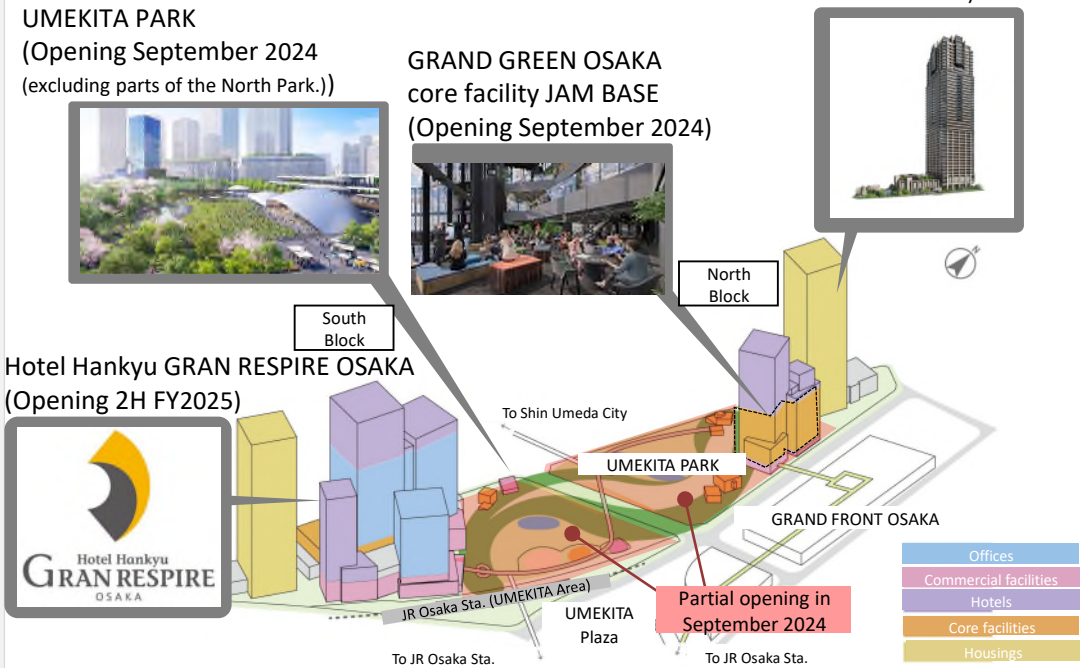
Strategy 1 (core strategy)

Make our line-side communities the absolute best among the Kansai networks
(further entrench position in Umeda, Osaka and surrounding areas)

Actions for Umeda Vision

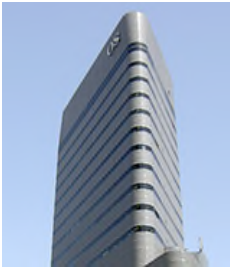
Umekita Phase II Development Project (GRAND GREEN OSAKA)

- Preparations to open each facility are proceeding steadily ahead of the partial opening in September 2024, and the full opening in FY2028



Subsidiary acquisition of OS Co., Ltd.

- Acquired OS Co., Ltd., which operates real estate and entertainment services businesses, as a consolidated subsidiary to increase the value of the Osaka-Umeda area.
- The Group will look to integrate real estate business strategies with the view to working together to develop the area as a whole.



Building line-side communities

- HANKYU NISHINOMIYA GARDENS PLUS building opened in September 2023, completing a series of large-scale development projects in the vicinity of Nishinomiya-Kitaguchi Sta.



Progress in Strategy 2

Strategy 2

Make our content as compelling as possible (Developing new content)

Entertainment

- Last season, the Hanshin Tigers became Japan champions for the first time in 38 years.
- We will use this opportunity to further grow our baseball business by working to capture and retain new fans, while taking steps to nurture a stronger team with festivities to mark the Hanshin Koshien Stadium’s centenary, and the opening of a new farm facility scheduled for March 2025.



- The sumo show hall “THE SUMO HALL HIRAKUZA OSAKA” opened in May 2024 for overseas tourists. This event includes sumo exhibitions by former sumo wrestlers, and hands-on entertainment centered around Japanese cuisine



- With the backing of Kobe City, “ROKKO MEETS ART Art Walk” attracted a record 33,000 visitors in FY2024.
- This event will be renamed KOBE ROKKO MEETS ART in FY2025, with the aim of growing the event to become the preeminent art event in Kansai, attracting visitors from across Japan and abroad through measures to improve quality and by working more closely with travel-related businesses.



Travel

- In addition to bolstering our themed product offerings (cruises, extended stays, lone travel, etc.), we will implement measures to upgrade and diversify our Japanese inn and hotel lineup.
In overseas travel, we will develop our tourism resources and offer products involving new countries and regions.



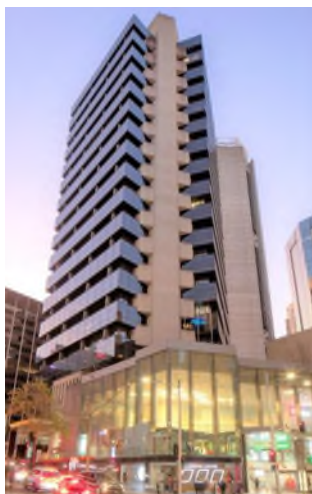
Progress in Strategy 3

Strategy 3

Expand the coverage of our line-side business model

Expansion in the overseas real estate business

- We are expanding the scope of the business through involvement in the real estate leasing business, and the logistics center development business, in addition to the housing business, with a focus on South East Asia.
- Following our entry into the U.S. in FY2023, we added two properties to our rental housing business portfolio in FY2024, and acquired a commercial and office complex in Australia as part of broader efforts in the real estate leasing business.



60 Margaret (Commercial, Office)
(Sydney, Australia)



Neo Soho Mall (Commercial facility)
(West Jakarta, Indonesia)



Logistics center
development business
(Tuas, Singapore)

Expansion in the real estate business in the Tokyo Metropolitan area

- Launched SUITE, a mid-scale office brand that offers high-grade comfort and functionality that encompasses shared spaces, such as the entrance and rooftop space.
- Progress is ongoing on SUITE Shin-Okachimachi and SUITE Shin-Yokohama, and other projects aiming for completion in 2025.



SUITE Shin-Okachimachi



SUITE Shin-Yokohama

Progress in Strategy 4

Strategy 4

Increase market share by providing high value-added services

Enhance value-added services we provide

Information and Communication Technology

- We have increased the number of schools offering “ProgLab”, a robot programming course for children, nationwide.
- Students participating in ProgLab have represented Japan at international competitions, and were awarded the METI Minister’s Award along with “Mimamorume (a service for watching over children)” at the 6th Japan Open Innovation Prize.



Real Estate

- As moves to restructure and integrate logistics centers accelerate, we are promoting logistics center development to meet the demand for advanced logistics centers.



Logista Osaka Matsubara



Logista Toyonaka

International Transportation

- We opened the Zama International Logistics Center, one of the largest logistics centers in Japan.
- This facility contains a hazardous materials storage. We will promote the development of next-gen mobility logistics services through the transportation of batteries, a key component in EVs.



(Image provided by Mitsubishi Estate)

[Reference] Sustainability Declaration

General principles (sustainability vision)

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

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

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

Priority issues (materiality matrix)

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

Issues	Policies
<div> Safe, reliable infrastructure</div> <div></div>	Provide railways and other infrastructure that are safe and disaster-resilient. Ensure that anyone can safely access our facilities and services.
<div> Thriving communities</div> <div></div>	Help build sustainable communities with rich natural and cultural heritage, making great places to live in, work in, and visit.
<div> Life designs for tomorrow</div> <div></div>	Promote refined and inspired lifestyle solutions for a better tomorrow.
<div> Empowering individuals</div> <div></div>	Provide an inclusive workplace that values diversity and taps into individual talent. Cultivate tomorrow's leaders for society.
<div> Environmental protection</div> <div></div>	Conduct eco activities that contribute to a carbon-neutral world and a circular economy.
<div> Robust governance</div> <div></div>	Act honestly and in good faith, as stakeholders expect us to do.

Non-Financial KPIs (Targets and Results)

Targets

Outlined below are our non-financial KPIs. The KPIs in the red outline had their applicable range expanded in FY2024. Core segments also have other KPIs (additional to the ones shown here).

Priority issues	Non-financial KPIs			
Safe, reliable infrastructure	Zero culpable incidents in our railway business			
	*Applies to Hankyu Corporation/Hanshin Electric Railway/Kita-Osaka Kyuko Railway/Nose Electric Railway			
	Employee satisfaction	Percentage of women in management positions	Percentage of women among new hires	Percentage of specific health guidance provision
	Always better than in previous survey *A survey is conducted every two years among the HHHH and the six major companies	Around 10% (FY2031) *HHHD and six major companies	Always more than 30% *HHHD and six major companies	More than 60% (FY2026) *HHHD and six major companies
	Smoking prevalence Less than 15% (FY2026) *HHHD and six major companies	Paternity leave uptake 100% (FY2026) *HHHD and six major companies	Hiring rate for people with disability Keep exceeding mandatory rate * 19 special subsidiaries	Human rights training attendance rate Keep 100% rate *HHHD and six major companies
Empowering individuals	Rate of CO2 emissions cuts *Applies to: HHHH and subsidiaries' Japanese worksites *Equivalent to scope 1, 2			
	-46% compared to FY2014 (FY2031) , CO2 emissions: Net zero (FY2051)			
Environmental protection				

Results

Note: six major companies: Hankyu Corporation, Hanshin Electric Railway, Hankyu Hanshin Properties, Hankyu Travel International, Hankyu Hanshin Express, and Hankyu Hanshin Hotels

