

# GROUP GUIDE

Hankyu Hanshin Holdings **2018**



Hankyu Hanshin Holdings, Inc.  
<http://www.hankyu-hanshin.co.jp/en/>





## We will steadily implement measures to realize our long-term vision and continuously enhance corporate value.

In October 2006, the management integration of Hankyu Holdings and Hanshin Electric Railway established Hankyu Hanshin Holdings. Since then, the Hankyu Hanshin Holdings Group has worked in unison to heighten the competitiveness of each business. At the same time, the Group has used its collective strength to increase overall profitability and grow earnings. In conjunction with these efforts, we have steadily improved our financial position.

Looking ahead to the Group's business environment over the medium-to-long term, however, falling birth rates are expected to reduce the population of line-side areas. Moreover, lifestyles and the conditions of everyday life are likely to change significantly as technological innovation progresses. Aiming to become a corporate group that can focus strongly on growth even in such an environment, we announced the Hankyu Hanshin Holdings Group Long-Term Management Vision for 2025 (Fiscal 2026) last year. This vision sets out the direction in which we should proceed and the strategies we should pursue to achieve our target corporate profile over the long term. This spring, we prepared a medium-term management plan to realize the long-term vision. Based on the plan, we will steadily advance measures to continuously enhance corporate value.

In addition, the Group will continue with concerted efforts to fulfil its corporate social responsibility through social contribution activities, environment-friendly business activities, rigorous compliance, and thorough risk management.

Going forward—adhering to our Group Management Philosophy—we will drive Groupwide growth while building relationships of trust with customers and local communities. In other words, the Hankyu Hanshin Holdings Group will unite to advance initiatives that meet the expectations of all stakeholders. As we move forward, we hope our stakeholders will continue to cooperate with us in our endeavours.

July 2018

**Kazuo Sumi**

Chairman and Representative Director, Group CEO

**Takehiro Sugiyama**

President and Representative Director



# Hankyu Hanshin Holdings 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

#### 1 Customers First

Everything we do is for the customer. That’s where it all starts.

#### 2 Sincerity

Gain customers’ confidence by always being sincere.

#### 3 Foresight & Creativity

With our pioneer spirit and flexible thinking, we create a new value.

#### 4 Respect for People

Everyone is absolutely invaluable to the Group.

## Long-Term Management Vision for 2025 (Fiscal 2026)

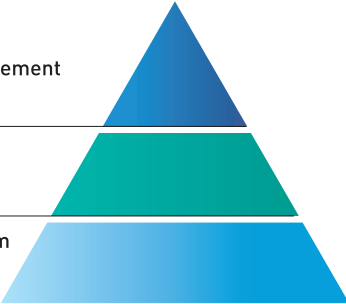
In May 2017, we outlined the kind of group we hope to be, as well as the strategic approach necessary for achieving this vision, in the Hankyu Hanshin Holdings Group Long-Term Management Vision for 2025 (Fiscal 2026). The long-term management vision targets 2025, which will be the 20th year since the management integration of Hankyu Holdings and Hanshin Electric Railway. While keeping abreast of changes in the business environment, including population decline and technological innovation, we will pursue four business strategies based on the twin perspectives of business area and business model (“stock businesses”<sup>1</sup> or “flow businesses”<sup>2</sup>).

- 1 Stock businesses: Businesses that hold or use stock, property, and other fixed assets.  
(Railway business, Real estate leasing business, Broadcast, and communications business and Hotel business, etc.)
- 2 Flow businesses: Businesses that, instead of holding large-scale stock, use business know-how, human resources, brand assets, and other intangible assets.  
(Real estate sales business, Sports business, Stage business, Information services business, Travel business, International Transportation business, etc.)

Group Management  
Philosophy

Long-Term  
Management  
Vision

Medium-Term  
Management  
Plan



### Slogan

Enhancing line-side areas and expanding fields

### Sustainably enhance corporate value

Enhance daily life  
(customer) value

Enhance social value

Enhance economic value

Strategy  
1

Stock businesses  
(Umeda and line-side areas)

Make our railway  
the absolute best  
among the Kansai networks

Strategy  
2

Stock businesses  
(Tokyo metropolitan area  
and overseas markets)

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

Strategy  
3

Flow businesses

Strengthen competitiveness  
by thoroughly pursuing  
brand optimisation  
and differentiation

Strategy  
4

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

## The Company We Hope to Be in the Long Term (target management indicators for fiscal 2026)

We will steadily move forward to become a corporate group that can sustain operating income at its current level or higher even when the effect of demographic changes becomes marked in the 2040s. In fiscal 2026, we aim to have operating income of ¥120 billion, EBITDA\* of ¥200 billion, and an interest-bearing debt/EBITDA ratio between 5 and 6 times. By achieving these targets, we will remain an industry leader among major private (non-JR) railway operators based on indicators of profitability and financial soundness. \* EBITDA = operating income + depreciation expenses + amortisation of goodwill

### Profitability

Operating Income  
**¥120** billion

EBITDA  
**¥200** billion



### Financial soundness

Interest-Bearing Debt / EBITDA  
Between **5** and **6** times





## The Group's History

As well as connecting Osaka, Kobe, and Kyoto—the centre of Kansai's economy—by railway, we have offered more fulfilling lifestyles and benefited society by providing new services and contributing to community-building in line-side areas across a wide range of fields, such as the management of commercial facilities and office buildings, the Hanshin Tigers professional baseball team, the Takarazuka Revue, and travel and hotels.

Our predecessors' open mindedness encouraged progressiveness and an appetite for challenges—attributes that have become integral components of our corporate culture.

### Survey of Preferred Kansai Residential Areas\*

Easy access to the Kansai area's major cities and plentiful infrastructure for everyday life make our line-side areas some of the most popular places to live in the region. The ability to enhance the value of line-side areas is one of our strengths.

\* Survey by seven major real estate companies (September 2017)



**1907**

Founding of Mino-Arima Electric Railway Company (predecessor of Hankyu Corporation) by Ichizo Kobayashi

**1910**

Opening of Takarazuka Line (Umeda-Takarazuka) and Mino-o Line (Ishihashi-Mino-o)

**1913**

Formation of Takarazuka Girls' Revue (currently Takarazuka Revue Company)



**1924**

Completion of Takarazuka Grand Theatre

**1929**

Opening of Hankyu Department Store, Asia's first railway terminal department store



**1948**

Launch of services as Pan American Airways agent



**1964**

Opening of Hotel new Hankyu Osaka

**1973**

Opening of New Hankyu Umeda Station as one of the largest private railway terminals in Japan

Changing of company name from Keihanshin Kyuko Railway Company to Hankyu Corporation

**2005**

Establishment of Hankyu Holdings, Inc.

**1995**

Considerable damage to transportation and business infrastructure of Hankyu and Hanshin due to the Great Hanshin Earthquake

**1899**

Founding of Settsu Electric Railway (renamed Hanshin Electric Railway Co., Ltd., in same year)

**1905**

Beginning of operations linking Kobe (Sannomiya) and outer Osaka (Deiribashi)

**1924**

Opening of Koshien Stadium (currently Hanshin Koshien Stadium)



**1933**

Opening of Hanshin Mart at Hanshin Umeda Station (currently Hanshin Department Store)

**1935**

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



**1985**

Hanshin Tigers win Japan Series for first time



**2008**

Opening of Hankyu Nishinomiya Gardens



**2006**

Establishment of Hankyu Hanshin Holdings, Inc.

Establishment of Hankyu-Hanshin-Daiichi Hotel Group

**2012**

Completion of Umeda Hankyu Building, full opening of Umeda Flagship Store of Umeda Department Store



**2016**

Opening of the Group's first logistics centre in the ASEAN region, in Indonesia



**2017**

Announcement of the Hankyu Hanshin Holdings Group's Long-Term Management Vision for 2025 (Fiscal 2026)

**2010**

Completion of Umeda Hankyu Building Office Tower

Completion of renovation of Hanshin Koshien Stadium, opening of Museum of Hanshin Koshien Stadium



**2014**

Centenary of the Takarazuka Revue's first performance in 1914



**2018**

Completion of phase I of construction of the Umeda 1-1 Project (Dai Hanshin Building and Shin Hankyu Building rebuilding project)





# Company Outline

Company Name:	Hankyu Hanshin Holdings, Inc.
Established:	October 19, 1907
Registered Head Office:	1-1, Sakaemachi, Ikeda-shi, Osaka 563-0056, Japan
Head Office:	1-16-1, Shibata, Kita-ku, Osaka 530-0012, Japan
Tokyo Office:	Toho Twin Tower Bldg., 5F, 1-5-2, Yurakucho, Chiyoda-ku, Tokyo 100-0006, Japan (Personnel and General Affairs Div.)
Paid-in Capital:	¥99,474 million (As of 31st March 2018)

## Core Businesses and Companies

Positioning our current six business domains—Urban Transportation, Real Estate, Entertainment and Communications, Travel, International Transportation, and Hotels—as core businesses, we aim to foster organic growth across the entire Group. Further, under the direction of the Company, which supervises the Group’s management, these businesses are operated by six core companies: Hankyu Corporation, Hanshin Electric Railway, Hankyu Hanshin Properties, Hankyu Travel International, Hankyu Hanshin Express, and Hankyu Hanshin Hotels.

### Core Business Segments



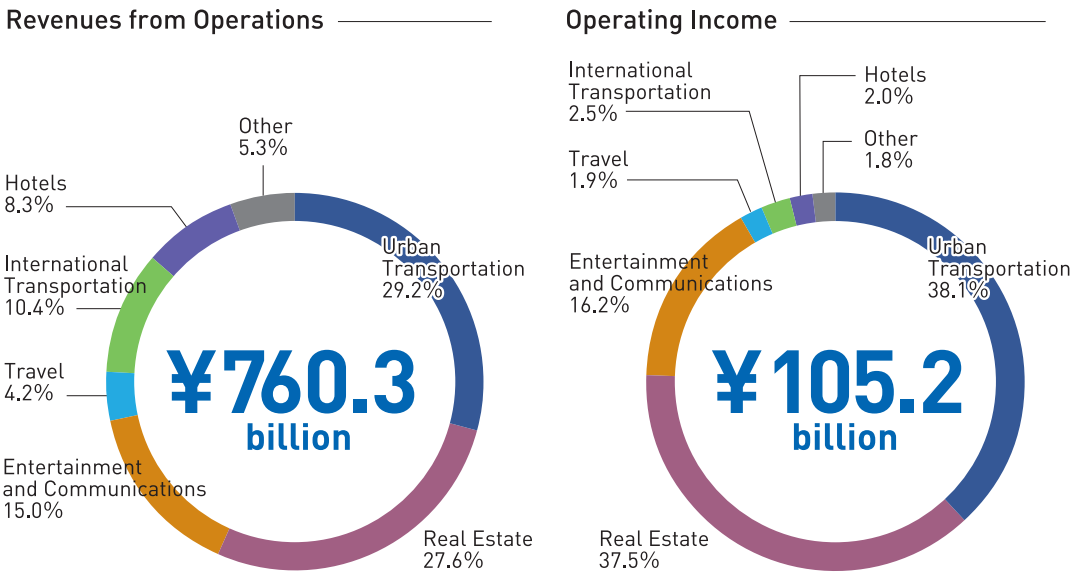
\* In the Umeda area and other line-side areas, Hankyu Corporation and Hanshin Electric Railway own real estate for leasing and development. At the same time, these companies coordinate with Hankyu Hanshin Properties to advance town development in collaboration with municipal authorities, other organisations, and transportation networks.

(As of 1st April 2018)

## Business Portfolio

The Urban Transportation Business and the Real Estate Business generate stable cash flows, accounting for approximately 60% of revenues from operations and 80% of operating income. A comparatively stable, high level of contribution from the Entertainment and Communications Business is a feature of the Group that differentiates it from other companies in the same business.

(As of 31st March 2018)



\* Figures for % are calculated based on the simple aggregate amount (including intersegment transactions) of each segment.

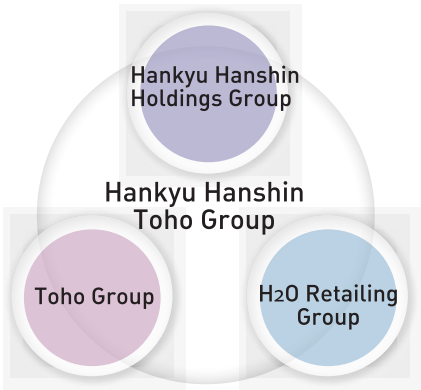
Profitability	Operating income	¥ 105.2 billion	Financial soundness	Interest-bearing debt	¥ 866.8 billion
	EBITDA	¥ 160.8 billion		Interest-bearing debt / EBITDA ratio	5.4 times
	Net income attributable to owners of the parent	¥ 66.4 billion		D / E ratio*	1.0 times

\* D / E ratio : Interest-bearing debt / equity

## Hankyu Hanshin Toho Group

The Hankyu Hanshin Toho Group is a corporate group consisting of the Hankyu Hanshin Holdings Group, the H2O Retailing Group, and the Toho Group. The H2O Retailing Group conducts retail business and is mainly involved in the department store business, which is centred on Hankyu Department Store and Hanshin Department Store. The Toho Group develops its businesses centring on movie production, distribution, and promotion. The Hankyu Hanshin Toho Group has roughly 200 Group companies with approximately 34,000 employees and annual sales of approximately ¥1.93 trillion for the entire Group.

(As of 31st March 2018)







# Urban Transportation

Connecting railways, buses, and taxis to provide a variety of transportation services that realize safety, reliability, and comfort

We provide a variety of safe, reliable, and comfortable transportation services by connecting railways, buses, and taxis through a large network centred on two companies—Hankyu Corporation, connecting from the heart of Osaka-Umeda to Kobe, Takarazuka, and Kyoto; and Hanshin Electric Railway, the only privately owned railway company connecting the two major points of Osaka City. In addition, we are enhancing the value of line-side areas by realizing synergistic benefits through the integrated management of transportation advertising and retail businesses, which operate merchandising facilities inside and near railway stations to increase their convenience.

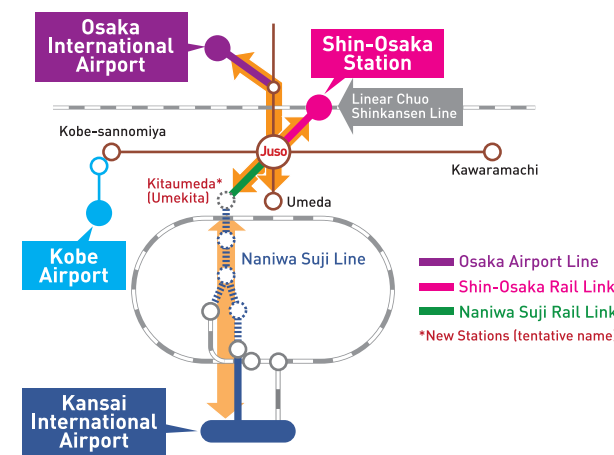


## Rail

### Plans for New Railway Lines

Aiming to heighten the value of line-side areas even further, Hankyu Corporation is proceeding with three plans\* for new railway lines that will enhance connectivity among the Kansai area’s gateways to the sky—Kansai International Airport and Osaka International Airport (Itami Airport)—and Shin-Osaka Station, which is to be one of the railway stations on the Linear Chuo Shinkansen Line. These new railway lines will strengthen the railway network and ensure that numerous customers continue to prefer our line-side areas.

\* Naniwa Suji Rail Link : Line connecting JR Osaka Station North District’s Kita-Umeda Station (provisional name) and Juso Station  
Shin-Osaka Rail Link : Line connecting Juso Station and Shin-Osaka Station  
Osaka Airport Line : Line branching off from the Takarazuka Line to connect with Osaka International Airport



### Initiatives for Non-Japanese Overseas Visitors to Japan

To attract overseas visitors to Japan to our line-side areas and facilities, we sell the HANKYU TOURIST PASS, which permits the use of all Hankyu lines, and HANSHIN TOURIST PASS, which permits the use of all Hanshin and Kobe Rapid Transit Railway lines. Further, we heighten convenience for overseas visitors to Japan by providing free Wi-Fi services. In addition, we have established Japan National Tourism Organization (JNTO)-certified information centres at Hankyu Umeda, Kawaramachi, and Hanshin Kobe Sannomiya stations for such visitors. A popular choice for many visitors is the Kyo-Train, which features carriage interiors that set the tone for trips to Kyoto by evoking traditional Japanese rooms and provides guidance announcements in four languages.



### Enhancement of Convenience

Hankyu Corporation and Hanshin Electric Railway are increasing convenience for customers by offering downloads of the TOKK App and the Hanshin App, respectively. The apps include information on train services and the locations of trains in operation and provide push notifications if train services are delayed or suspended.

### Creation of Safe, Reassuring Station Environments

We are installing automatic platform gates to further increase the safety of railway station platforms. Kita-Osaka Kyuko Railway Co., Ltd., has begun the use of automatic platform gates at Senri-Chuo, Ryokuchi-Koen, and Momoyamadai stations, and Hankyu Corporation is installing them at Juso Station. Meanwhile, Hanshin Electric Railway plans to complete installation of automatic platform gates at Hanshin Umeda Station by the end of fiscal 2023.



## Buses & Taxis

Hankyu Bus and Hanshin Bus offers bus location services that enable real-time checking of the status of buses operating on routes so that customers can use bus services conveniently and with peace of mind. Further, Hankyu Bus, Hanshin Bus, and Hankyu Denen Bus have introduced an in-house IC passenger card, *hanica*, and all Hankyu Taxi and Hanshin Taxi cabs accept various forms of electronic payment to cater to diversifying payment needs. We are promoting eco-driving techniques out of concern for the environment and are working to expand our traffic networks along railway lines, including through the operation of bicycle parking lots.



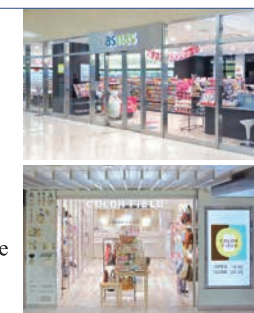
## Transportation Advertising

We provide clients with “value-added spaces.” For example, we have advertising inside trains, railway station-based media such as digital signage, and event spaces for promotions inside railway stations. Based on these media, we are able to offer clients strategic mixes of transportation advertising.



## Retailing

To offer greater convenience to customers who use our railway stations, we operate a wide range of shops, mainly inside railway stations on the Hankyu and Hanshin lines. These shops include *asnas* convenience stores and *COLOR FIELD* cosmetics and clothing shops.







# Real Estate

## Helping create appealing towns and offering enriched lifestyles

Focusing on building attractive towns and cities by railway lines, the Real Estate Business has shared its growth with the Urban Transportation Business. We develop, lease, and administer commercial facilities and office buildings that create vibrant communities. We also provide quality residences that match each person's lifestyle. Further, we are engaged in real estate fund management, which combines the fields of real estate and finance. As the inheritors of urban development DNA, we are turning future designs into reality.



### Development Projects

#### Umeda 1-1 Project

Since October 2014, we have been proceeding with the integrated rebuilding of the Dai Hanshin Building and the adjacent Shin Hankyu Building. In April 2018, we completed phase I of construction and partially opened Hanshin Department Store's Umeda Flagship Store in June. The building's name is Osaka Umeda Twin Towers South. We are advancing phase II of construction with a view to completing all construction in spring 2022. Phase II will comprise a department store zone; western Japan's largest office zone, which will have leasable floor space per storey of approximately 3,500 square meters; and a conference zone, which will be a hub for disseminating business information. Also, by conducting this rebuilding project in conjunction with the development of surrounding public facilities, we will strengthen urban functions, improve disaster countermeasures, create public spaces, and give the area an aesthetically appealing appearance.

Further, in spring 2022 we will rename the Umeda Hankyu Building—which includes Hankyu Department Store's Umeda Flagship Store—Osaka Umeda Twin Towers North. We will collectively call this building and Osaka Umeda Twin Towers South, which will stand next to one another, the Osaka Umeda Twin Towers. We chose this name because it will be readily understandable to those from outside Osaka or from overseas. Located at the heart of Osaka-Umeda, the two soaring towers will symbolize the Group.

This project will create a comfortable, premium-quality urban area that strengthens our international competitiveness.



A rendering of Osaka Umeda Twin Towers South

### Leasing

#### Owning and Managing Numerous Commercial Facilities and Office Buildings and Helping to Develop Appealing Towns

We have many commercial facilities and office buildings, which are primarily in areas served by the Hankyu and Hanshin lines and include the Umeda Hankyu Building, GRAND FRONT OSAKA, Hankyu Sanban Gai Shopping Centre, HEP FIVE, HERBIS OSAKA/HERBIS ENT, and Hankyu Nishinomiya Gardens. We own a total of over 1.7 million square meters of leasing property\*.

We are taking steps to heighten competitiveness and utilization rates. For example, in 2015 the Group began the Hankyu Hanshin *Odekake* Card service, which can be used in the Group's main shopping centres.

\* As of 31st March 2018



HERBIS ENT



Hankyu Nishinomiya Gardens

### Sales

#### Offering Homes that Realize Customers' Dreams Mainly through Sales Under the *Geo* and *Hapia* Brands

*Geo* brand condominiums are designed with quality from the customer's point of view and are built in neighbourhoods that people will grow only more attached to over the years. *Hapia* brand housing is designed with a view to creating comfortable homes while taking into account changing lifestyles. By aggressively developing these businesses in Japan—not only in Kyoto, Osaka, and Kobe but also in Tokyo—we are able to offer “dreams come true” homes for customers.



Geo Utsukushigaoka 2-chome Hills



Hapia Garden Tsukaguchi Tomatsucho

### Overseas Sales

#### Making Forays into Countries in the ASEAN Region

Leveraging our track record in Japan, we are participating in projects for the development of houses for sale in five countries\*: Vietnam, Thailand, the Philippines, Indonesia, and Malaysia. Through these projects, we will accumulate know-how in overseas real estate projects and expand businesses.



AKARI CITY  
(Ho Chi Minh City, Vietnam)

\* As of July 2018

### Support for Entrepreneurs

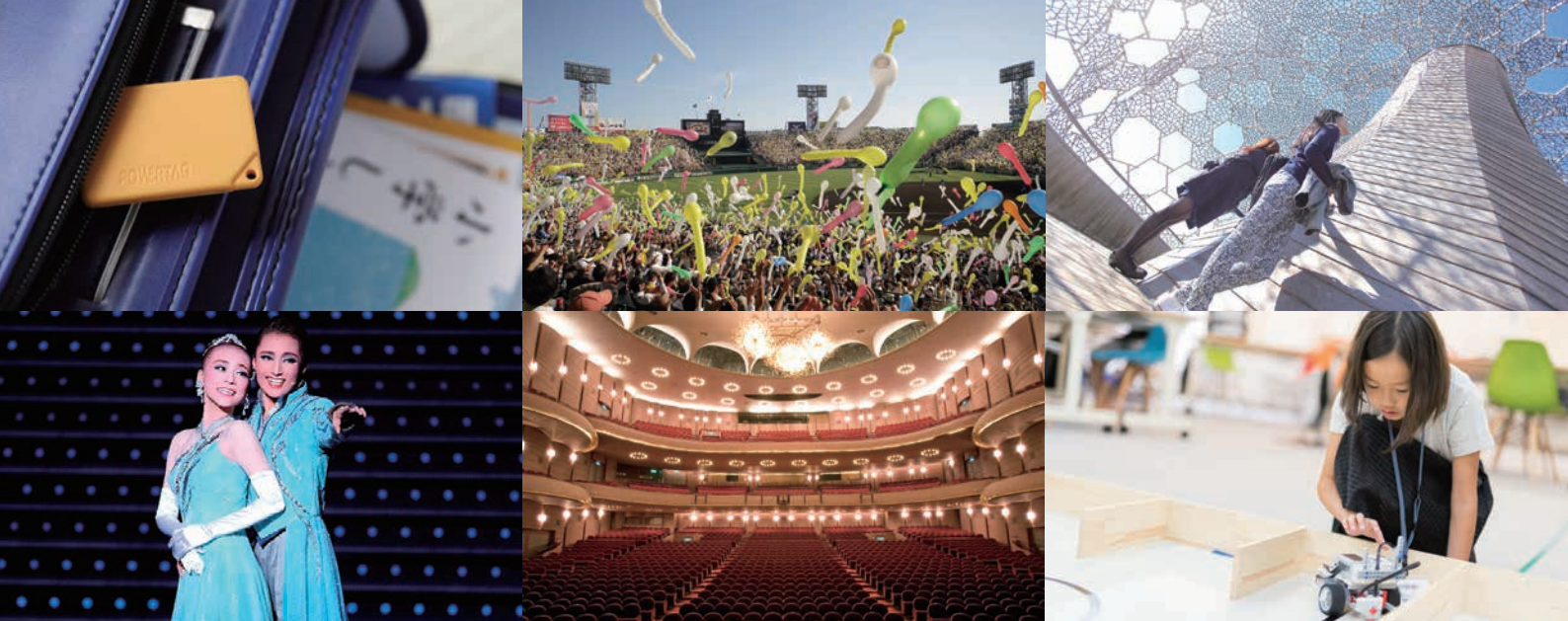
#### Assisting Start-Ups through GVH #5 Offices

In 2014, we opened a membership office for start-ups. In 2015, we established Umeda Start-up Fund No. 1, which provides capital to support entrepreneurs. Our goals are to create new industries and invigorate the Kansai area.



GVH #5





# Entertainment and Communications

## Producing dreams and excitement for people

We brighten people's lives by offering a dazzling array of entertainment, which is centred on the Hanshin Tigers, a professional baseball team with passionate fans throughout Japan, and the Takarazuka Revue, with its historical legacy.

In addition, we provide IT solutions and security services.



### Sport

#### HANSHIN Tigers



Among the 12 professional baseball teams in Japan, the Hanshin Tigers boasts a celebrated history and tradition and impressive attendances. In 2018, the Hanshin Koshien Stadium, the Hanshin Tigers' home ground, hosted the spring 90th anniversary and summer 100th anniversary high school baseball championships. The storied Hanshin Koshien Stadium, along with the Tigers' exciting play, continues to contribute to the growth of Japanese baseball.



### Stage



#### Takarazuka Revue

The Takarazuka Revue is one of the most unique theatrical companies in the world, consisting of only actresses, and attracts audiences with "inspiration" and "dreams." The revue's illustrious history stretches back more than 100 years to its debut performance in 1914. It has toured 26 times\* in 18 countries to high acclaim. The revue's performances can also be seen via the Takarazuka Sky Stage dedicated channel, the Internet, and live broadcasts at cinemas.

\* As of July 2018



### Communications & Media

#### Supporting Comfort and Convenience in Daily Life and Business

The broadcasting and communications business provides cable television and other services that enable customers to use television, Internet, and telecommunications services more conveniently. The information services business creates new value for society by providing IT-based solutions. These solutions include e-commerce and website production; system development for such social infrastructure as railways and buildings, which is based on capabilities fostered over many years; and the construction of LAN infrastructure.



#### Service for Watching Over Children



We offer the *Mimamorume* service, which notifies guardians by e-mail when their children, who carry wireless IC tags, arrive at and leave school. Moreover, we have adapted this system to develop *Machinaka Mimamorume*, which provides notifications of the location of monitored persons, such as children and seniors, by using security cameras that municipal authorities have installed. By building this new infrastructure, we are helping people live in safety and with peace of mind.



#### Robot-Programming Classes



We conduct *ProgLab* robot-programming classes for children. Reflecting the high level of interest in programming education, the number of students has surpassed 2,000. We also conduct classes and extracurricular classes at schools. Looking to the future, we are developing children's ability to realize ambitions and become leaders by cultivating reasoning, problem-solving, and creative skills.



### Leisure

#### Mt. Rokko

Known as one of Japan's best night-view spots, Mt. Rokko is also popular with overseas visitors to Japan. It offers a wide variety of leisure facilities including ski slopes, an alpine botanical garden, an observatory, and a music box museum. In addition, the exhibition event platform Rokko Meets Art, which combines the nature and scenery of Mt. Rokko with modern art, has received critical acclaim.







# Travel

## Creating travel itineraries that reflect customers' desires

Since our establishment in 1948, we have constantly emphasized the customer's viewpoint and responded to diversifying needs. In 2018, the Travel Business celebrated its 70th anniversary.

Through the expertise we have cultivated over the years, we offer a wide range of services from package tours to tailor-made and corporate group itineraries, as well as business travel services and tours to Japan. We strive to deliver a relaxed and safe travel experience that touches customers' hearts, while focusing on quality.



## Domestic & Overseas Travel

### Offering Customers Unforgettable Journeys through Five Brands

Focusing on guided tours in Japan and overseas, the Group's Travel Business operates worldwide, from Hokkaido and Okinawa to Asia, Europe, and as far afield as the South Pole. Through a range of media that includes newspaper advertisements, magazines, the Internet, and television commercials, we sell travel packages under a varied selection of brands. We have a lineup of five brands: *Trapics* offers a full lineup of reasonably priced travel packages, *Crystal Heart* and *Hanshin Koku Friend Tour* are tour packages with relaxed schedules, *e-very* markets plan-it-yourself packages, and *Royal Collection* specializes in luxury custom-made travel packages. The Group is also concentrating efforts on catering to increasingly varied demand by creating new travel packages based on cruises, hiking, community-based tourism, and other activities.



行きたい旅、見つかる。



旅。あなたにふさわしく



ともに、感動。深まる。



見つけた! 私だけの旅



「思いどおりの旅」という喜びを。



## Group Travel • MICE (Meetings, Incentives, Conferences, and Exhibitions / Events)

### Providing Services Responding to Group Travel Needs

The Company provides planning and proposal services for various types of group travel, ranging from inspection tours, employee leisure trips, training excursions, events and conventions, and other types of group travel utilized by companies and other entities to school trips and other education-related travel. In these services, we call upon the experience and insight gained throughout our long history to cater to customers' diverse needs.



## Visiting Japan

### Conducting Tours of Japan with Exceptional Attention to Detail

We coordinate with our overseas offices in Europe, Singapore, and other locations to meet the surging demand from overseas visitors to Japan. Our aim is to satisfy visitors from Europe, Southeast Asia, and other parts of the world by catering comprehensively to their needs.



## Business Travel

### Supporting Relaxed and Comfortable Business Travel

As an International Air Transport Association (IATA) agent, we use our accumulated expertise to respond with reliable services, including reservations and ticketing for all of the world's airlines, visa applications for every country, hotel reservations after arrival at destination, and arranging interpreters. Leveraging our domestic and international network, our business travel management system ensures customers enjoy relaxed and comfortable business trips.







# International Transportation

Delivering optimal logistics and high-quality global services

By leveraging a track record and know-how garnered during more than 50 years as a pioneer in the development of transportation services overseas, we manage integrated air and sea freight transportation and multinational transportation. By providing comprehensive services that encompass customs clearance through to storage and management and logistics consulting, we help customers optimize their supply chain management.



## International Air Freight

### As Japan's First IATA-Approved Cargo Agency, Providing Reliable International Transportation Services

Hankyu Corporation has established solid brand power since entering the international air cargo business as Japan's very first International Air Transport Association (IATA) agency in 1948. We have earned the deep trust of customers by providing integrated services covering the entire logistics process from start to finish. Through coordination among our more than 100 bases in 28 countries and regions, overseas subsidiaries, and affiliated agents, we provide rapid, safe, door-to-door international transportation services.



## International Sea Freight

### Door-to-Door Marine Transportation Services for both Imports and Exports

In a similar manner to our approach in the international air cargo business, we utilise a global network to provide international marine transportation as a Non-Vessel Owning Common Carrier (NVOCC). We handle general container transport (Less than Container Load & Full Container Load) as well as special container transport, conventional vessel transport, and import / export customs clearance and logistics consulting to provide optimal services that meet customers' needs.



## Logistics

### Proposing and Achieving Optimal Logistics Solutions

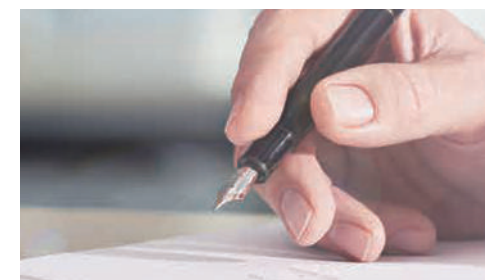
Highly knowledgeable logistics consulting experts propose optimal logistics solutions using advanced IT. By comprehensively taking advantage of all our logistics, from storage and management to distribution processing and delivery, we are able to provide speedy and high-quality services in Japan and overseas. In 2009, we were certified as an Authorised Warehouse Operator under the Authorised Economic Operators (AEO)\* programme.



## Customs Clearance

### Appropriate and Speedy Customs Clearance

We declare the quantity and contents of cargo to customs on behalf of the customer and obtain approval. We also possess a thorough understanding of the customs clearance process essential to the import / export of cargo. Our customs clearance services are appropriate and speedy because we have business licenses from six customs houses nationwide. We are a professional group consisting of only qualified customs officers that operates properly and speedily based on compliance. In 2017, we received certification as an authorised economic operator under the AEO programme.



\* A regulatory exemption that allows simplified customs clearance and processes and which is applicable to companies meeting a standard of cargo security management and compliance



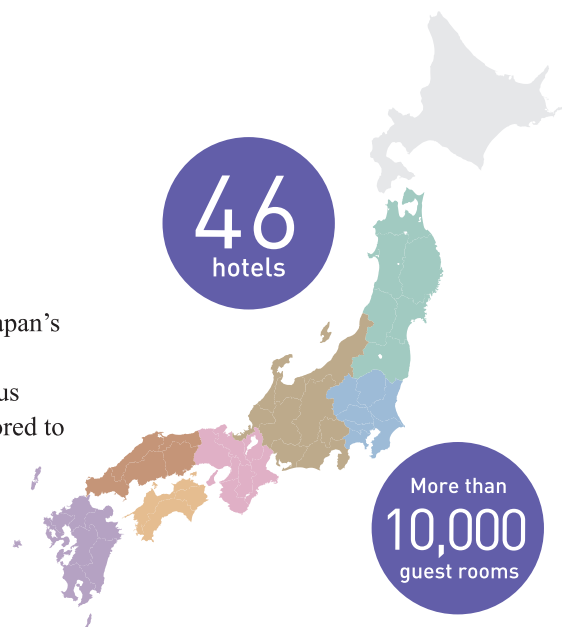


# Hotels

## Japan’s leading hotel chain operator

We operate the Hankyu-Hanshin-Daiichi Hotel Group, which is one of Japan’s leading hotel chains with 46 hotels and more than 10,000 guest rooms.

From comfortable hotels designed for a better night’s sleep to luxurious hotels for enjoying the extraordinary, we offer the best in hospitality tailored to our customers’ needs.



## Hankyu-Hanshin-Daiichi Hotel Group

### Expanding Our Hotel Chains Based on More than 90 Years of History and Tradition

To reflect the needs of each era, we have developed a range of distinctive hotels. These include Takarazuka Hotel, unveiled in 1926; Daiichi Hotel (currently Daiichi Hotel Tokyo), whose opening in 1938 launched the business hotel category; and Hotel new Hankyu Osaka, located in the heart of Osaka-Umeda. At present, the Group is capitalizing on the hotel management know-how it has accumulated over many years to support affiliated hotels. This assistance ranges from the branding of new hotels through to the rebranding of existing hotels. In our role as a hotel chain operator, we are expanding our hotel network and strengthening its marketing capabilities by providing customer referrals from our sales offices as well as a range of other support from the head office.



#### Hankyu-Hanshin-Daiichi Hotel Group: Listed Hotels (As of 1st July 2018)

##### Kinki Area

-Direct operation: 10-  
Hotel New Hankyu Kyoto  
remm Shin-Osaka  
Hotel Hankyu International  
Hotel New Hankyu Osaka  
Hotel New Hankyu Annex  
Umeda OS Hotel  
Hotel Hanshin Osaka  
Senri Hankyu Hotel  
Hotel Hankyu Expo Park  
Takarazuka Hotel

-Chain hotel: 5-  
Hotel Boston Plaza Kusatsu  
(Biwako Lake)  
Hotel Royal Hill Fukuchiyama & Spa  
Amano Hashidate Hotel  
Osaka Dai-ichi Hotel  
Arima View Hotel Urara

##### Kanto Area

-Direct operation: 7-  
Dai-ichi Hotel Tokyo  
Dai-ichi Hotel Annex  
remm Hibiya  
remm Akihabara  
remm Roppongi  
Dai-ichi Hotel Tokyo Seafort  
Kichijoji Dai-ichi Hotel

-Chain hotel: 5-  
Ginza Creston  
Ours Inn Hankyu  
Dai-ichi Hotel Ryogoku  
Dai-ichi Inn Ikebukuro  
Dai-ichi Inn Shonan

##### Tohoku Area

-Chain hotel: 4-  
Tokyo Dai-ichi Hotel Iwanuma Resort  
Tokyo Dai-ichi Hotel Tsuruoka  
Tokyo Dai-ichi Hotel Yonezawa  
Tokyo Dai-ichi Hotel Shinshirakawa

##### Chubu / Hokuriku Area

-Chain hotel: 3-  
Toyama Dai-ichi Hotel  
Dai-ichi Inn Shinminato  
Tokyo Dai-ichi Hotel Nishiki (Nagoya)

##### Chugoku Area

-Chain hotel: 4-  
Hotel Ichibata  
Maniwa Riverside Hotel  
Kure Hankyu Hotel  
Tokyo Dai-ichi Hotel Shimonoseki

##### Shikoku Area

-Chain hotel: 6-  
Takamatsu Kokusai Hotel  
JR Hotel Clement Takamatsu  
JR Hotel Clement Tokushima  
The Crown Palais New Hankyu Kochi  
Tokyo Dai-ichi Hotel Matsuyama  
Imabari Kokusai Hotel

##### Kyushu Area

-Direct operation: 1-  
remm Kagoshima

-Chain hotel: 1-  
Takakura Hotel Fukuoka

### “remm” Hotels Offering a Good Night’s Sleep

In 2007, we opened the first of our “remm” hotels, which focus on helping guests to have a good night’s sleep. Based on the concept of customers having a “private bedroom” rather than a “guest room,” the rooms are designed to create an environment in which the customer can enjoy quality sleep. Since the 2007 launch of the chain’s inaugural hotel in Hibiya, we have opened remm hotels in Akihabara, Kagoshima, Shin-Osaka, and Roppongi. Following a further addition to the chain in Tokyo’s Kyobashi area in spring 2019, in the winter of the same year we will open remm+ as a premium iteration of the brand in Ginza.



### The Ritz-Carlton Osaka

#### “Home Away from Home”—Relaxing Ambience and Heart-Warming Hospitality to Welcome Guests

Besides the Hankyu-Hanshin-Daiichi Hotel Group, we manage a luxury hotel, The Ritz-Carlton Osaka. The Ritz-Carlton chain is headquartered in the United States and the chain’s first hotel in Japan has received high acclaim since opening. The classical ambience created by timeless interior design coupled with sincere hospitality and attention to detail give guests unique memories and a personalized experience.





# Other

## Offering the *S-POINT* Common Loyalty Point Service in the Kansai Area

In 2016, the Hankyu Hanshin Holdings Group and the H2O Retailing Group launched a common loyalty point service. The loyalty point service is enabling us to enhance convenience for customers by leveraging our strengths in the Kansai area as a provider of many different types of services and as an operator of numerous facilities, which include supermarkets, shopping centres, and department stores as well as theatres and a baseball stadium. Beginning in 2018, *S-POINT* will be usable at the shops and restaurants of GRAND FRONT OSAKA and 7-Eleven stores in the Kansai area's six prefectures. We aim to build the strongest loyalty point service in the Kansai area.



## After-School Kippo



To help parents bringing up children in line-side areas, we have opened after-school day-care centres near Nishinomiya-Kitaguchi Station and at Hankyu Toyonaka and Ikeda stations.

As well as helping children development good lifestyle and study habits, the centres utilize the Group's facilities and networks to conduct a variety of programs under four categories: society and work, experiencing culture, experiencing nature, and manufacturing. At our after-school centres, children feel at home, broaden their horizons, have fun, and develop.

## Hanshin Ikiiki Day Service



Aiming to help senior citizens have active lives in their local towns, this day-care service specialises in providing half-day rehabilitation programs. At present, we operate 14 centres in Hankyu and Hanshin line-side areas. The centres use highly reliable rehabilitation equipment, which is the only such equipment in Japan to have received accreditation in Germany. In bright, spacious facilities, we offer emotional and physical rehabilitation.

## ESG Initiatives

E

Environmental  
Preservation  
Activities

## Improving Local Communities and Living Environments for Our Children

The Group has established a Basic Environmental Philosophy and Basic Environmental Policies, which guide its environmental preservation activities. For many years, we have implemented energy-saving measures with a view to helping prevent climate change. We are also advancing initiatives to reduce waste and preserve the natural environment.

### Basic Concept

Mindful that global environmental preservation is a task facing all mankind, the Hankyu Hanshin Holdings Group works for a sustainable society through environmental activities aimed at handing down a sounder global and human environment to the next generation.

## Curb Climate Change and Save Energy

### Installing LED Lighting

We are progressively installing LED lighting at railway stations and Group facilities along the Hankyu and Hanshin lines. The installation of LED lighting at underground sections along the Hankyu Kyoto Line, from Saiin Station to Kawaramachi Station, has been selected by Japan's Ministry of the Environment as a model project. By installing LED lighting in 4,261 light fixtures and signs, we have reduced a significant amount of CO<sub>2</sub> emissions. As a result, we received the 2014 Kinki District Transport Chief's Transport-Related Environmental Preservation Outstanding Company Award.



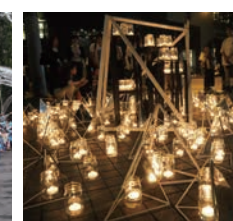
### Installation of Solar Panels

We have installed solar panels at the Group's facilities, including the Hankyu Settsu-shi Station, Hanshin Oishi Station, and the roof over the inner field of the Hanshin Koshien Stadium. The electricity generated by the panels is used by the facilities.



## Community Development and Cultivation of Environmental Awareness

We participate in events that prompt people to think about living sustainably and the global environment. These include the Umeda Yukata Festival, where festival goers are encouraged to participate in the symbolic sprinkling of water around the area, and the "1 Million People Candle Night@Osaka City" event, in which lights in towns are turned off and candles lit.



## Preservation of the Natural Environment

### Forestry Preservation and Greening

The employees of Nose Electric Railway Co., Ltd., and citizens' groups volunteer to help thin forests, which preserves forest environments. Also, the Group's facilities are advancing such greening activities as the introduction of rooftop and wall greening.







## S

Social Contribution Activities

### Moving Forward with Our Customers over the Next Century

#### Promoting the Hankyu Hanshin Dreams and Communities of the Future Project

For over 100 years, the Hankyu Hanshin Holdings Group has grown with the local community, primarily in areas along its railway lines, and built up relations of mutual trust. To ensure that the Group will continue to exist and prosper over the next century as a member of the local community, in April 2009 we launched the Hankyu Hanshin Dreams and Communities of the Future Project as a community contribution initiative.



**Basic Policy**

We intend to promote the creation of towns and cities along our railway lines that people will truly want to live in.

**Environment-friendly development**

As a Group with strong local roots, we are committed to sustainable community building with environment-friendly developments that provide local residents with security, peace of mind, and cultural enrichment.

**Human capital development**

We are creating opportunities for the healthy development of ambitious children, upon whose shoulders the task of building the communities of the future rests.

**Social Contribution Activities of Each Group Company**  
—In fiscal 2018, 92 activities were undertaken.

#### Hankyu Hanshin Dreams and Communities of the Future Challenge Troop

During the summer holidays, the Group uses its businesses, facilities, and personnel to offer primary school children opportunities to experience and learn about a variety of real jobs. To date, more than 12,000 children have participated in 265 of our programmes.



#### The Dreams and Communities Exciting Work Program

Managers from Hankyu Corporation visit schools and conduct classes focused on the various types of jobs in towns as well as the town development initiatives of the company's founder Ichizo Kobayashi. Through this programme, we have encouraged approximately 6,000 children at 72 schools to consider their future jobs.



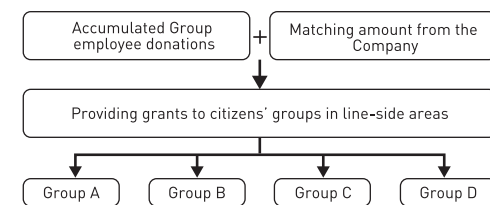
#### Donating to Environmental Protection Organisations by Reusing Towels and Sheets

We encourage customers that spend multiple nights at our hotels to reuse the towels and sheets issued on the first night of their stay, thereby endeavouring to reduce the amount of dirty water expelled when laundering these articles. A portion of the funds saved through this process are donated to the Lake Biwa-Yodo River Water Quality Preservation Organization, which is engaged in activities for preserving the Yodo River system.



#### Hankyu Hanshin Dreams and Communities of the Future Fund

This grant programme is exclusively for citizens' groups located along the Hankyu and Hanshin lines. We match the donations of Group employees, which are collected through deductions from their salaries and other means. To date, we have donated a total of ¥58.50 million to 111 organisations.



#### Won Grand Prix at the Eighth Career Education Awards

Japan's government established the Career Education Awards to encourage more companies and economic organisations to support career education. In fiscal 2018, receiving an evaluation as the most outstanding initiatives overall, Hankyu Hanshin Dreams and Communities Challenge Troop and Dreams and Communities Exciting Work Program won the Minister of Economy, Trade and Industry's Award Grand Prix.



## G

Governance

### Remaining a Company that Customers Trust

#### Basic Approach to Corporate Governance

Based on the Group mission and values set out in its Group Management Philosophy, 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 and ensuring appropriate, timely disclosure.

Reflecting this basic approach, the Company has established the policies below with a view to sustaining growth and enhancing corporate value over the medium-to-long term.

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

#### Corporate Governance System

Hankyu Hanshin Holdings, Inc. ("the Company"), 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 realises supervision and oversight and enhances the overall governance of the Group by:

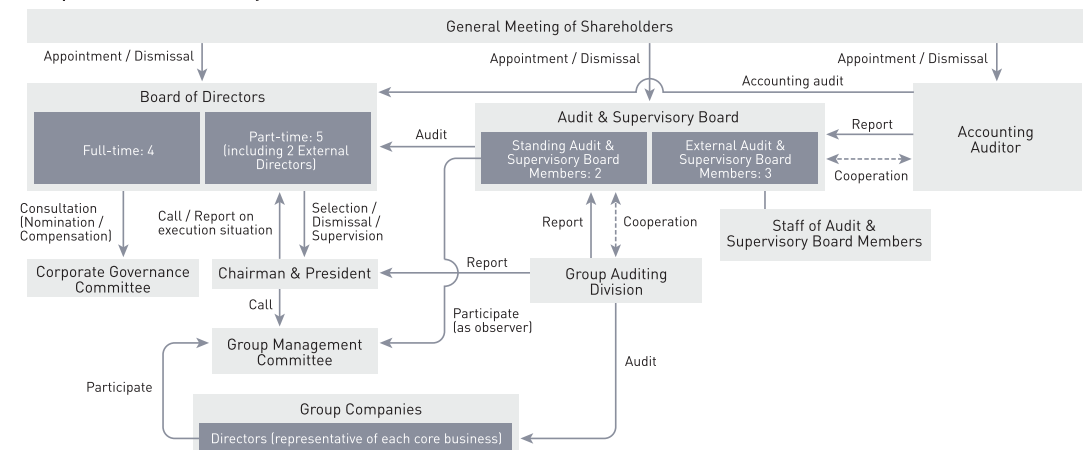
- Making decisions regarding the Group's management policies and strategies,
- Deciding on the approval of the medium-term or annual management plans of all core businesses,
- Requiring timely submission of progress reports by operating companies, and
- Having Group companies obtain approval before taking 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 external directors, makes approval decisions and receives reports. Moreover, to undertake preliminary reviews the Company has established the Group Management Committee, which includes representatives of the Group's core businesses.

Further, to ensure transparency in the appointment and compensation of the Company's directors and to facilitate coordination among external directors, the Group has established the Corporate Governance Committee, which comprises external directors and external Audit & Supervisory Board members who are independent of the Company, the president and representative director, and standing Audit & Supervisory Board members.

In addition, as part of efforts to strengthen its overall capabilities, the Company is strengthening the governance of funding. Measures include centralising funding under the Company and distributing funds to operating companies within the limits set out in business plans that the Company has approved.

#### Corporate Governance System



Hankyu Hanshin Holdings Group Summary (As of 1st July 2018)

Core Companies

- Hankyu Corporation
- Hanshin Electric Railway Co., Ltd.
- Hankyu Hanshin Properties Corp.
- Hankyu Travel International Co., Ltd.
- Hankyu Hanshin Express Co., Ltd.
- Hankyu Hanshin Hotels Co., Ltd.

Urban Transportation

- Alna Sharyo Co., Ltd.
- Iina Dining Co., Ltd.
- Ikeda LP Gas Co., Ltd.
- Eki Retail Service Hankyu Hanshin Co., Ltd.
- Osaka Airport Transport Co., Ltd.
- Osaka Hanshin Taxi Co., Ltd.
- Omtec, Inc.
- Kita-Osaka Kyuko Railway Co., Ltd.
- Kobe Rapid Transit Railway Co., Ltd.
- Tango Kairiku Kotsu Co., Ltd.
- Nishi Osaka Rapid Railway Co., Ltd.
- Nishiyama Driveway Co., Ltd.
- Nose Electric Railway Co., Ltd.
- Haks Hanshin Co., Ltd.
- Hankyu Advertising Agency Inc.
- Hankyu Kanko Bus Co., Ltd.
- Hankyu Commuterbus Management Ltd.
- Hankyu Style Labels CO., Ltd.
- Hankyu Sekkei Consultant
- Hankyu Taxi Inc.
- Hankyu Denen Bus Co., Ltd.
- Hankyu Driving School Hattori Ryokuchi
- Hankyu Bus Co., Ltd.
- Hankyu Hanshin Motor Technology Co., Ltd.
- Hankyu Hanshin Electric System Co., Ltd.
- Hankyu Railway Service Corporation
- Hanshin Sharyo Maintenance
- Hanshin Station Net Co., Ltd.
- Hanshin Taxi Co., Ltd.
- Hanshin Bus Co., Ltd.
- Hokushin Kyuko Railway Co., Ltd.
- Limousine Total Service Co., Ltd.

Real Estate

- Advance Development Co., Ltd.
- Umeda Center Building Co., Ltd.
- Osaka Diamond Chikagai Co., Ltd.
- Kyokuto Co., Ltd.
- Senri Asahi Hankyu Bldg. Management Co., Ltd.
- Hankyu Nigawa Sports Garden Co., Ltd.
- Hankyu Hanshin Estate Service Co., Ltd.
- Hankyu Hanshin Clean Service Co., Ltd.
- Hankyu Hanshin High Security Service Co., Ltd.
- Hankyu Hanshin Housing Support Ltd.
- Hankyu Hanshin Building Management Co., Ltd.
- Hankyu Hanshin Real Estate Investment Advisors, Inc.
- Hankyu Hanshin REIT Asset Management, Inc.
- [Other subsidiary]
- Hankyu Hanshin Properties Singapore Pte. Ltd.
- [Other organisations]
- Public Interest Incorporated Foundation Urban Innovation Institute
- Hankyu Kyoueikai Medical Corporation

Entertainment and Communications

- Itec Software Co., Ltd.
- Itec Hankyu Hanshin Co., Ltd.
- Rworks, Inc.
- Wellness Hanshin Inc.
- Umeda Arts Theater Co., Ltd.
- FM KITA
- System Giken Co., Ltd.
- Takarazuka Creative Arts Co., Ltd.
- Takarazuka Stage Co., Ltd.
- Naruo Water World Co., Ltd.
- Hanshin Cable Engineering Co., Ltd.
- Hanshin Contents Link Corporation
- Hanshin Tigers Baseball Club, Ltd.
- P & P Hamamatsu Co., Ltd.
- Himeji Cable Television Co., Ltd.
- Bay Communications Inc.
- Mimamorume Co., Ltd.
- YMIRLINK Inc.
- Mt. Rokko Cable Car & Tourism Co.
- [Other subsidiary]
- Wellness Hanshin Taiwan Inc.
- [Other organisations]
- Takarazuka Music School
- Takarazuka Revue Company

Travel

- Airserve, Inc.
- Tabicoffret Co., Ltd.
- Nikkei Culture, Inc.
- Hankyu Travel Support Co., Ltd.
- Hankyu Hanshin Business Travel Co., Ltd.
- Hanshin Travel International Co., Ltd.
- Hops Co., Ltd. (Hankyu Overseas Product Sales)
- [Overseas subsidiaries]
- Hankyu International China Co., Ltd.
- Hankyu Travel International Europe S. R. L.
- Hankyu Travel International Singapore Pte. Ltd.
- Hankyu Travel International Europe UK Ltd.
- [Representative offices]
- Honolulu Liaison Office
- Ho Chi Minh City Liaison Office

International Transportation

- Skypacking Corporation
- Hankyu Hanshin Logipartners Co., Ltd.

- [Overseas subsidiaries]
- Hankyu Hanshin Express (USA) Inc.
  - Hankyu Hanshin Express Mexico S.A. de C.V.
  - Hankyu Hanshin Express (Deutschland) GmbH
  - Hankyu Hanshin Express (UK) Limited
  - Hankyu Hanshin Express (Netherlands) B.V.
  - Intraspeed South Africa (Proprietary) Ltd.
  - Intraspeed Arcpro Kenya Ltd.
  - Intraspeed East Africa Ltd.
  - Hankyu Hanshin Express (Beijing) Co., Ltd.
  - Hankyu Hanshin International Logistics (Shanghai) Co., Ltd.
  - Hankyu Hanshin Express (Shanghai) Co., Ltd.
  - Hankyu Hanshin Express (Guangzhou) Limited
  - Hankyu Hanshin Express (HK) Limited
  - Hankyu Hanshin Express (Taiwan) Ltd.
  - Hankyu Hanshin Express (Korea) Co., Ltd.

- Hankyu Hanshin Express Southeast Asia Pte. Ltd.
- Hankyu Hanshin Express (Singapore) Pte. Ltd.
- Hankyu Hanshin Express (Thailand) Co., Ltd.
- Hankyu Hanshin Express (Malaysia) Sdn. Bhd.
- Hankyu Logistics (M) Sdn. Bhd.
- Hankyu Hanshin Express Philippines, Inc.
- Hankyu Hanshin Logistics Philippines Inc.
- Hankyu Customs Brokerage Inc.
- Pt. Hankyu Hanshin Express Indonesia
- Pt. Hankyu Hanshin Logistics Indonesia
- Hankyu Hanshin Express (Vietnam) Co., Ltd.
- Hankyu Hanshin Express India Private Limited
- Hankyu Hanshin Express (Myanmar) Co., Ltd.

- [Representative offices]
- Milan Office
  - Dubai Office
  - Moscow Office
  - Phnom Penh Office

Hotels

- Amanohashidate Hotel Co., Ltd.
- Arima View Hotel Co., Ltd.
- Kure Hankyu Hotel Co., Ltd.
- Keihin Service Co., Ltd.

- Dai-ichi Hotel Service Co., Ltd.
- Hankyu Hanshin Restaurants Co., Ltd.
- Hanshin Hotel Systems Co., Ltd.

Other

- Assist Hankyu Hanshin Co., Ltd.
- Ikiiki Life Hankyu Hanshin Co., Ltd.
- Ikeda Meitengai Co., Ltd.
- OS Co., Ltd.
- Kansai Telecasting Corporation
- Kobe Electric Railway Co., Ltd.
- Station Network Kansai Co., Ltd.
- Chuo Densetsu Co., Ltd.
- Tokyo Rakutenchi Co., Ltd.
- Tottori Sakyu Kaikan
- Hankyu Construction Management, Inc.
- Hankyu Sangyo
- Hankyu Hanshin Card Co., Ltd.

- Hankyu Hanshin Business Associate Co., Ltd.
- Hankyu Hanshin Financial Support Co., Ltd.
- Hankyu Hanshin Insurance Services Co., Ltd.
- Hankyu Hanshin Point Co., Ltd.
- Hankyu Mediac Co., Ltd.
- Hanshin Gardenings Co., Ltd.
- Hanshin Kensetsu Co., Ltd.
- Life Design Hankyu Hanshin Co., Ltd.

- [Other organisation]
- Public Interest Incorporated Foundation Hankyu Culture Foundation