

# GROUP GUIDE

Hankyu Hanshin Holdings **2019**



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





## We will work to realize our long-term vision by steadily moving forward with our medium-term management plan.

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.

However, the business environment of the Group is likely to change significantly as the population of areas served by its railway lines declines due to falling birth rates and an aging population, and as lifestyles and the conditions of everyday life evolve with the progress of technological innovation. Aiming to become a corporate group that can focus strongly on sustained growth even in such an environment, we announced the Hankyu Hanshin Holdings Group Long-Term Management Vision for 2025 (fiscal 2026) two years ago. Last year, we prepared a medium-term management plan, which covers fiscal 2019 through fiscal 2022 and sets out concrete actions for realization of the long-term vision. At present, we are steadily advancing measures based on the plan. The accumulation of these measures will move us closer to realization of the long-term vision one step at a time.

In addition, the Group will continue with concerted efforts to fulfil its corporate social responsibility (CSR) 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. At the same time, 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 support us in our endeavours.

July 2019

**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>).

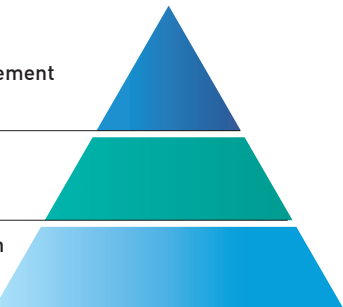
1 Stock businesses: Businesses that hold or use stock, property, and other fixed assets. (Railway business, Real estate leasing business, Broadcasting and communications business, and Hotel business, etc.)

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)

One of our goals is to be a corporate group that can generate operating income of at least ¥100 billion even in the 2040s, when demographic changes will affect businesses significantly. With this goal in mind, we have set out a long-term vision calling for the realization of operating income of ¥120 billion, EBITDA\* of ¥200 billion, and an interest-bearing debt/EBITDA ratio of between 5 and 6 times by fiscal 2026 through the pursuit of strategies (1) through (4) above. 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

Financial Soundness

Operating Income

¥120 billion

EBITDA

¥200 billion

Interest-Bearing Debt/EBITDA Ratio

Between 5 and 6 times

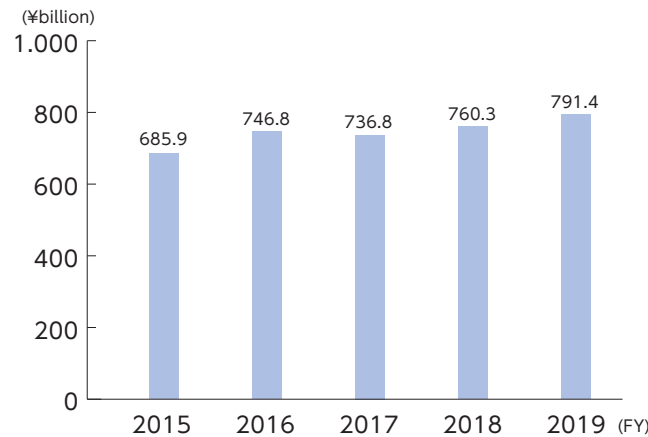




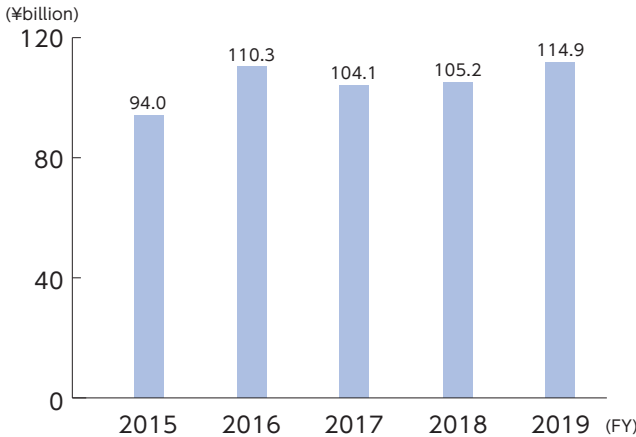
# Group Overview

## Performance Trends

Revenues from Operations



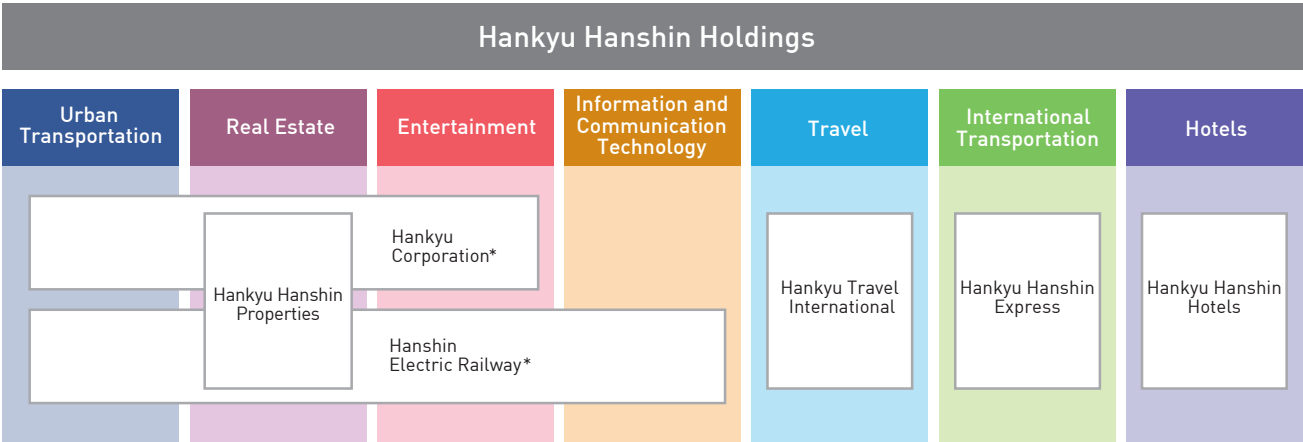
Operating Income



## Core Businesses and Companies

We have core businesses in seven business domains: Urban Transportation, Real Estate, Entertainment, Information and Communication Technology, Travel, International Transportation, and Hotels. 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 Co., Ltd., Hankyu Hanshin Properties Corp., Hankyu Travel International Co., Ltd., Hankyu Hanshin Express Co., Ltd., and Hankyu Hanshin Hotels Co., Ltd. Through these core businesses and companies, we will foster organic growth across the entire Group.

### 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 organizations, and transportation networks.

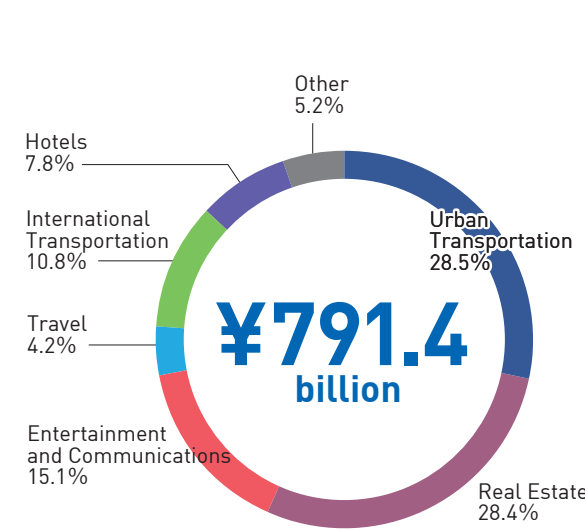
(As of 1st April 2019)

## Business Portfolio

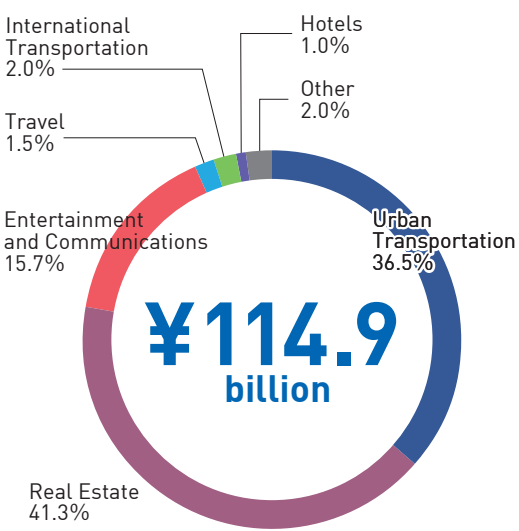
The Urban Transportation Business and the Real Estate Business generate stable cash flows, accounting for approximately 60% of revenues from operations and 80% of operating income. A comparatively stable, high level of contribution from the Entertainment and Communications Business\* is a feature of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

(As of 31st March 2019)

Revenues from Operations



Operating Income



\* Figures for % are calculated based on the simple aggregate amount (including intersegment transactions) of each segment.  
\* In the fiscal year ending March 31, 2020, the Entertainment and Communications Business was reclassified into two businesses: the Entertainment Business and the Information and Communication Technology Business.

Profitability	Operating income	¥114.9 billion
	EBITDA	¥171.4 billion
	Net income attributable to owners of the parent	¥65.5 billion

Financial soundness	Interest-bearing debt	¥877.1 billion
	Interest-bearing debt/ EBITDA ratio	5.1 times
	D / E ratio*	1.0 times

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





# 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 Karasuma stations and at Hanshin Kobe Sannomiya and Nishinomiya stations for such visitors. A popular choice for many visitors is the Kyo-Train, which operates on the Hankyu Kyoto Line, features carriage interiors that set the tone for trips to Kyoto by evoking traditional Japanese rooms, and provides guidance announcements in four languages. Hanshin Electric Railway and Taoyuan Metro Corporation of Taiwan have concluded a tourism partnership agreement, and promotional activities are being conducted reciprocally to encourage tourists to visit each company’s region. Also, mainly on the Hanshin Namba Line, we are providing multilingual automatic broadcasts onboard railcars.



## 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.



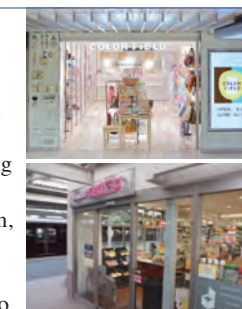
## Transportation Advertising

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

Inside railway stations on Hankyu and Hanshin railway lines, we operate COLOR FiELD cosmetics and clothing shops, Seijo Ishii supermarket franchises, and other shops. In addition, we partner with outside companies to provide a wide selection of shops, thereby offering greater convenience to customers who use our railway stations.



### 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. These 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 Momoyamada stations, and Hankyu Corporation has begun using them at the No. 3, No. 4, and No. 5 lines of Juso Station. Further, plans call for completing the installation of automatic platform gates at Hankyu Kobe Sannomiya and Hanshin Kobe Sannomiya stations by spring 2021 as well as at Hanshin Umeda Station by the end of fiscal 2023.







## 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

### Advancing Diverse Development Projects in Line-Side Areas and in the Tokyo Metropolitan Area

In Osaka-Umeda, we are advancing the Umeda 1-1 Project. We are proceeding with the integrated rebuilding of the Dai Hanshin Building and the Shin Hankyu Building. In April 2018, we completed phase I of construction and partially opened Hanshin Department Store's Umeda Flagship Store in June 2018. The building's name is Osaka Umeda Twin Towers South.

With all its construction scheduled to be completed in spring 2022, phase II will comprise a department store zone, an office zone, and a conference zone. The office zone, which will be the largest in western Japan, will have leasable floor space per storey of approximately 3,500 m<sup>2</sup>. Moreover, to increase convenience for office workers, we will establish floors exclusively for their use. Including both a large and a small multipurpose hall, the conference zone will be a hub for disseminating business information and help invigorate business activities in the Umeda area. Also, by conducting this rebuilding project in conjunction with the development of surrounding public facilities, we are strengthening urban functions, improving disaster countermeasures, creating public spaces, and giving the area an aesthetically appealing appearance.

Our other projects include reconstructing the east building of the Kobe Hankyu Building in Kobe Sannomiya. As for the Tokyo metropolitan area, focusing on Tokyo's five central business districts, we are developing appealing urban areas through a variety of projects, such as the development of commercial facilities in Ginza.



A rendering of the completed 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 1.9 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 2019



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 Grande Motoazabu



Hapia Garden Kobe Takamaru

#### 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\*: Thailand, Vietnam, the Philippines, Indonesia, and Malaysia. Through these projects, we will accumulate know-how in overseas real estate projects and expand businesses.

\* As of July 2019



The Chaeng Watthana Project in Bangkok, Thailand

#### Support for New Industry Creation

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

In 2014, we opened a membership office for entrepreneurs. In the following year, we established Umeda Start-up Fund No. 1, which provides capital support. By supporting entrepreneurs and the creation of new industries, we aim to cultivate an international business base that makes the Kansai area—with Osaka-Umeda at its centre—even more internationally competitive.



GVH#5





# Entertainment

## Producing dreams and excitement for people

We enrich people’s lives by providing a varied selection of live entertainment through our businesses. These include the sports business and the stage business, which are unique strengths of the Group. The entertainment we offer centres on the Hanshin Tigers, a professional baseball team with passionate fans throughout Japan; the Hanshin Koshien Stadium; and the Takarazuka Revue, which continues adding to its storied history guided by a philosophy of “Modesty, Fairness and Grace.”



### Sports

#### HANSHIN Tigers

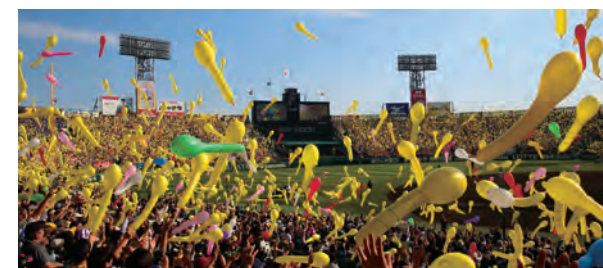


The Hanshin Tigers have one of the most illustrious histories and traditions and attract some of the highest attendances among Japan’s top 12 baseball teams. By thrilling crowds, the team members’ play continues to contribute to the development of baseball in Japan.



#### Hanshin Koshien Stadium

In addition to being famed as the home ground of the Hanshin Tigers, Hanshin Koshien Stadium hosted the 90th anniversary spring high school baseball tournament and the 100th anniversary summer high school baseball tournament in 2018. Also, the stadium is the venue for a range of major events, such as the Koshien Bowl, the final game of the Japan University American Football Championship. August 2019 marks the 95th anniversary of the stadium, which along with its history will continue to develop and have enduring appeal.



### Music

#### Billboard

With a history of more than 100 years, Billboard is the most trusted music brand in the world. Since concluding a license agreement for Japan in 2006, we have been developing an array of businesses, including clubs.



### 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.



### Stage



#### Takarazuka Revue

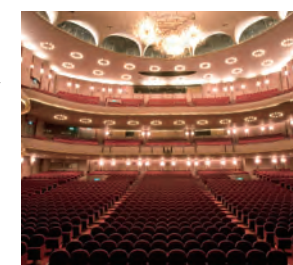
The Takarazuka Revue is one of the most unique theatrical companies in the world, consisting of only actresses, and attracts audiences with “inspiration” and “dreams.” The revue’s illustrious history stretches back more than 100 years to its debut performance in 1914. The Takarazuka Revue not only performs in Japan but also overseas. To date, the group has been on 27 overseas tours in 18 countries and regions. In autumn 2018, the Takarazuka Revue performed in Taiwan for the third time. 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 2019



#### Umeda Arts Theater

Umeda Arts Theater Co., Ltd., operates two theatres, the Main Hall, which has 1,905 seats, and the 898-seat Theater Drama City. As well as in-house musicals and Takarazuka Revue performances, Umeda Arts Theater hosts a wide variety of shows performed by other groups, including plays, concerts, and musicals.







# Information and Communication Technology

## Utilisation of ICT to Help Advance Society

We provide support for businesses in today's highly networked information society and deliver peace of mind and comfort in daily life through businesses in three areas. The activities of information services businesses include developing systems related to social infrastructure and building and maintaining e-commerce websites. In addition, broadcasting and communications businesses focus on offering regionally based television, internet, and telephone services. Meanwhile, our safety and education businesses provide security services, programming education, and other services.



### Information Services

#### Itec Hankyu Hanshin Co., Ltd.

In addition to such internet businesses as e-commerce and website production, this company uses capabilities fostered over many years to conduct a wide range of systems development related to social infrastructure, including railways and buildings.

Further, the company provides solutions related to clinical tests, diagnosis, digital catheters, and other areas of the medical field and offers contract services in such areas as the development of high-quality software. By delivering assurance and comfort in daily life and strengthening its solutions even further, the company aims to roll out services nationwide.



### Broadcasting and Communications

#### Bay Communications Inc. (Baycom) Himeji Cable Television Co., Ltd. (WINK)

Primarily in line-side areas, these subsidiaries provide information infrastructure that gives convenient access to television, internet, and telephone services. Recently, we have begun offering higher-specification services, such as optical internet, and have been focusing efforts on the production of original community channel programs rooted in local areas.



### Safety

#### Mimamorume Co., Ltd.



In the *Mimamorume* system, children carry wireless IC tags. When a child passes through the school gates, their guardian is notified by email. Using this system in combination with monitoring cameras installed by municipal authorities, the *Machinaka Mimamorume* service provides notifications of the locations of those that require monitoring, such as children or senior citizens. In this way, we are helping to create towns where people can live safely and confidently.



### Education

#### Robot-Programming Classes



We conduct *ProgLab* robot-programming classes for children. Reflecting the level of interest in programming education, the number of students is approximately 4,000. 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.







# 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.

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

心に届く旅  
**阪急交通社**  
Direct to your heart



Focused on guided tours, the Group's Travel Business operates worldwide. Through a range of media that includes newspaper advertisements, magazines, the internet, and television commercials and mail-order commercials, we sell travel packages under a varied selection of brands. We have a lineup of five brands: *Trapics*, which celebrated its 30th anniversary in 2019, *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, domestic bus tours using *CRYSTAL CRUISER Sumire*, hiking, community-based tourism, and other activities.



### 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.



### Travel for Visitors to 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

We use our accumulated expertise to provide worry-free, comfortable business trips. Our services include reservations and ticketing for all the world's airlines, visa applications for every country, hotel reservations after arrival at destination, and arranging interpreters. Moreover, through such services as business travel management, which helps reduce costs and manage risks, we support customers' overseas business development.







# 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 Operating 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

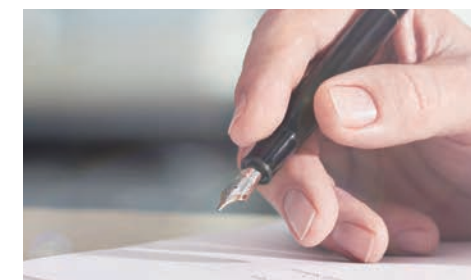
Highly knowledgeable logistics consulting experts propose optimal logistics solutions using advanced IT. By comprehensively taking advantage of all our logistics, from storage and management to distribution processing and delivery, we are able to provide speedy and high-quality services in Japan and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



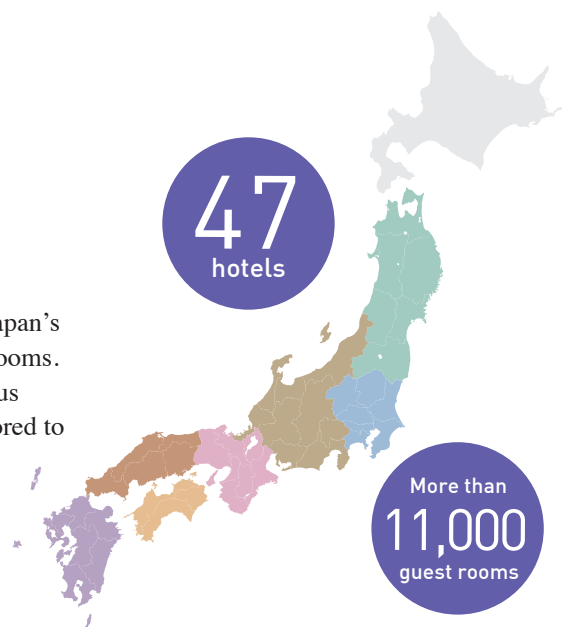


# Hotels

## Japan's leading hotel chain operator

We operate the Hankyu-Hanshin-Daiichi Hotel Group, which is one of Japan's leading hotel chain operator with 47 hotels and more than 11,000 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; Dai-ichi Hotel (currently Dai-ichi 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.



Dai-ichi Hotel Tokyo

Hotel New Hankyu Osaka

### Hankyu-Hanshin-Daiichi Hotel Group: Listed Hotels (As of 1st July 2019)

#### Kinki Area

-Direct operation: 11-  
Hotel New Hankyu Kyoto  
remm Shin-Osaka  
Hotel Hankyu International  
Hotel New Hankyu Osaka  
Hotel New Hankyu Annex  
Umeda OS Hotel  
Hotel Hanshin Osaka  
Hotel Hanshin Annex Osaka  
Senri Hankyu Hotel  
Hotel Hankyu Expo Park  
Takarazuka Hotel

-Chain hotel: 6-  
Hotel Boston Plaza Kusatsu  
(Biwako Lake)  
Hotel Royal Hill Fukuchiyama & Spa  
Amano Hashidate Hotel  
Osaka Dai-ichi Hotel  
HOTEL BAY GULLS (Kansai International Airport)  
ARIMA KIRARI

#### Kanto Area

-Direct operation: 8-  
Dai-ichi Hotel Tokyo  
Dai-ichi Hotel Annex  
remm Hibiya  
remm Akihabara  
remm Roppongi  
remm Tokyo Kyobashi  
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: 3-  
Hotel Ichibata  
Kure Hankyu Hotel  
Tokyo Dai-ichi Hotel Shimonoseki

#### Shikoku Area

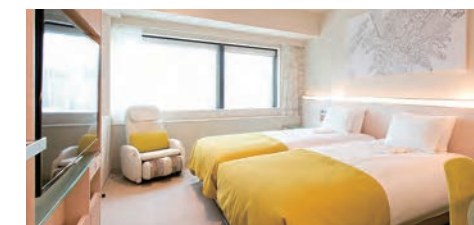
-Chain hotel: 6-  
Takamatsu Kokusai Hotel  
JR Hotel Clement Takamatsu  
JR Hotel Clement Tokushima  
The Crown Palais New Hankyu Kochi  
Tokyo Dai-ichi Hotel Matsuyama  
Imabari Kokusai Hotel

#### Kyushu Area

-Direct operation: 1-  
remm Kagoshima

### "remm" Hotels Offering a Good Night's Sleep

Launched in 2007, "remm" hotels are designed to create an environment in which the customer can enjoy quality sleep. Since the establishment of the chain's inaugural hotel in Hibiya, we have opened remm hotels in Akihabara, Kagoshima, Shin-Osaka, Roppongi, and Tokyo's Kyobashi area. In December 2019, we will open "remm+" as a premium iteration of the brand in Ginza.



A guest room at remm Roppongi

### A New Brand: Hotel Hankyu RESPIRE

In November 2019, in Yodobashi Umeda Tower we will open our first offering under a new hotel brand, Hotel Hankyu RESPIRE OSAKA. Mainly targeting overseas visitors to Japan, the hotel will consist entirely of guest rooms that accommodate two or more guests, such as double, twin, and triple rooms.

With the holding of the Osaka-Kansai Expo decided, Osaka promises to grow even further as an international tourism city. Located in the city's prime Umeda area, the new hotel will comprise more than 1,000 guest rooms for overnight stays.



Hotel Hankyu RESPIRE OSAKA

### 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.



La Baie (Restaurant)







## 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.

### Priority Areas

### Social Contribution Activities of Each Group Company —In fiscal 2019, 94 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 15,000 children have participated in 322 of our programmes.



#### Hankyu 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. To date, we have provided approximately 11,000 children from 140 schools with an opportunity to learn about future career opportunities.



#### Mt. Koya Road Construction Volunteer Activities

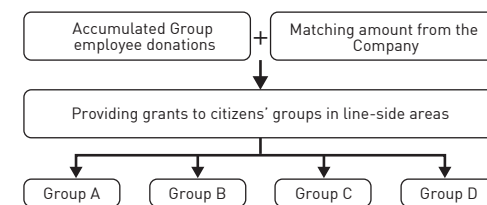
(Hankyu Travel International Co., Ltd., Airserve, Inc., Hankyu Travel Support Co., Ltd., Hanshin Travel International Co., Ltd., and Hops Co., Ltd.)

We encourage our employees and members of the public to participate as volunteers in the maintenance and restoration of Mt. Koya's Nyoninmichi and Choishimichi roads, which are "Sacred Sites and Pilgrimage Routes in the Kii Mountain Range" that have been registered as a UNESCO World Heritage Site. The roads were important pilgrimage routes to Kumano Kodo and to Mt. Koya.



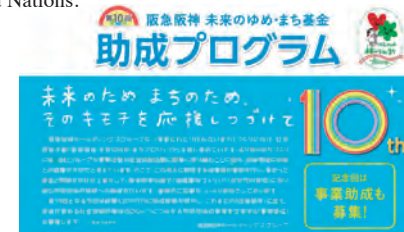
### Hankyu Hanshin Dreams and Communities of the Future Fund

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 ¥70.29 million to 129 organisations.



### A Decade of Continuous Support Based on Employee Donations

To mark the 10th anniversary of the Hankyu Hanshin Dreams and Communities of the Future Fund in the current fiscal year, we will supplement our existing provision of grants to citizens' groups by beginning to provide grants in support of projects and businesses that are conducted by citizens' groups and which are focused on realizing the Sustainable Development Goals (SDGs) of the United Nations.



## Diversity

We are developing workplaces and a range of systems in accordance with the values of the Group Management Philosophy, which calls for "respect for people." In this way, we are providing support that enables all employees to make maximum use of their abilities and to play important roles in our businesses.

### Support for Flexible Work Styles

In light of the characteristics of respective Group companies' businesses, we are introducing systems that enable flex time work, the taking of annual paid holidays in half days, "no overtime days," and other work styles.

### Support for Those Combining Work with Childcare or Nursing Care

We are developing various types of systems that allow employees to combine work and childcare or nursing care with peace of mind and which they can use to suit their life events or careers.

### Empowerment of Women

The Group is building an organisation in which all employees can play important roles regardless of gender. For example, we are hiring more women and extending the scope of their work.

### Employment of the Disabled

We have established a Groupwide system for promoting the employment of the disabled.



## Health and Productivity Management

The Group Management Philosophy sets out "respect for people" as an important value, and we believe that the health of employees and their families is the cornerstone of our future prosperity. In accordance with this value and belief, as well as the principles of health and productivity management, in April 2018 we established the Declaration on Employee Health Management with the aim of raising the health awareness of each employee and creating workplaces that offer rewarding jobs. Based on this declaration, we are taking measures to maintain and improve the health of employees so that they can fully realize their individuality and abilities.

### The Hankyu Hanshin Holdings Group's Declaration on Employee Health Management

The Hankyu Hanshin Holdings Group believes that the mental and physical well-being of employees and their families remains the source of happiness and the cornerstone of the Group's prosperous future. In addition, in order to provide our customers with safety and comfort as well as dreams and excitement, it is paramount that we enable everyone to fully demonstrate their diverse personalities and abilities in good health.

To achieve this goal, we will maintain high awareness of our own well-being and work with our colleagues in the workplace and their families to promote good health. The Hankyu Hanshin Holdings Group declares that it will actively support the well-being of each individual and strive to create a workplace environment in which all can live and work in good health and with motivation. The Group will pursue these initiatives under the slogan "Hankyu Hanshin Wellness Challenge."

Takehiro Sugiyama  
President and Representative Director  
Officer in Charge of Health Management  
Hankyu Hanshin Holdings, Inc.  
April 2018

In February 2019, Hankyu Corporation, Hanshin Electric Railway, and Itec Hankyu Hanshin in the large enterprise category and Hankyu Hanshin Insurance Services Co., Ltd., in the SME (small and medium-size enterprise) category received recognition as "Outstanding Enterprises Engaging in Efforts for Health and Productivity Management\*."

\* The Certified Health & Productivity Management Outstanding Organizations Recognition Program was jointly begun by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. The program is a system for citing companies that have outstanding health and productivity management. More specifically, the system recognizes corporate measures that address the health issues of local communities or that support the health promotion initiatives of Nippon Kenko Kaigi. Under the system, Nippon Kenko Kaigi recognizes companies annually.





## 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:

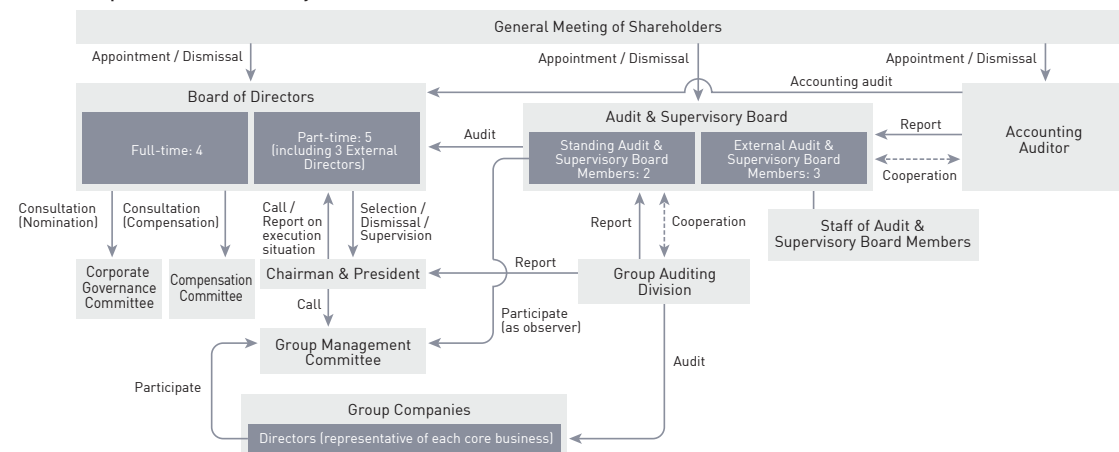
- Making decisions regarding the Group's management policies and strategies,
- Deciding on the approval of the medium-term or annual management plans of all core businesses,
- Requiring timely submission of progress reports by operating companies, and
- Having Group companies obtain approval before taking 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 and the Compensation Committee.

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 Toho Group (As of 31st March 2019)

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 film production, distribution, and promotion.

Group companies:	202 companies, 5 groups
Group employees:	34,626
Group sales:	¥1,964.6 billion



## Hankyu Hanshin Holdings Group

The Hankyu Hanshin Holdings Group consists of six core companies: Hankyu Corporation, Hanshin Electric Railway, Hankyu Hanshin Properties, Hankyu Travel International, Hankyu Hanshin Express, and Hankyu Hanshin Hotels. The Group undertakes wide-ranging development of core businesses in seven business domains: Urban Transportation, Real Estate, Entertainment, Information and Communication Technology, Travel, International Transportation, and Hotels.

Group companies:	106 companies, 5 groups
Group employees:	22,654
Group sales:	¥791.4 billion

## H2O Retailing Group

Under H2O Retailing Corporation, the group conducts business activities that include a department store business, a food business, a real estate business, hotels and restaurants, and a parcel delivery service.

Group companies:	61
Group employees:	8,793
Group sales:	¥926.9 billion



## Toho Group

This is a group centred on Toho Co., Ltd. The real estate business, which includes the Shinjuku Toho and Hibiya Chanter buildings, provides consistent support to the film production, distribution, and promotion and theatrical production and promotion businesses. The Toho Group provides entertainment to a wide range of customers and is committed to the production of animations, the production and sales of DVD software, and the expansion of its network of cinema complexes.

Group companies:	39
Group employees:	3,179
Group sales:	¥246.3 billion



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### Notes:

1. In figures for the Hankyu Hanshin Toho Group, overlapping parts of companies that span multiple groups have been eliminated.
2. The numbers of group companies include consolidated subsidiaries and equity-method affiliates. The numbers of group employees and group sales include those of consolidated subsidiaries.



Hankyu Hanshin Holdings Group Summary (As of 1st July 2019)

Hankyu Hanshin Holdings, Inc.

Established: 19th October 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 2019)

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
- Kobe Rapid Transit Railway Co., Ltd.
- Hankyu Taxi Inc.
- 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.

- [Overseas subsidiary]
- Hankyu Hanshin Properties Singapore Pte. Ltd.

- [Other organisations]
- Public Interest Incorporated Foundation Urban Innovation Institute
  - Hankyu Kyoueikai Medical Corporation

Entertainment

- Wellness Hanshin Inc.
- Umeda Arts Theater Co., Ltd.
- Takarazuka Creative Arts Co., Ltd.
- Takarazuka Stage Co., Ltd.
- Naruo Water World Co., Ltd.

- Hanshin Contents Link Corporation
- Hanshin Tigers Baseball Club, Ltd.
- P & P Hamamatsu Co., Ltd.
- Mt. Rokko Cable Car & Tourism Co.

- [Other organisations]
- Takarazuka Music School
  - Takarazuka Revue Company

Information and Communication Technology

- Itec Software Co., Ltd.
- Itec Hankyu Hanshin Co., Ltd.
- Rworks, Inc.
- FM KITA
- System Giken Co., Ltd.
- Nihon Protec Co.,Ltd.

- Hanshin Cable Engineering Co., Ltd.
- Himeji Cable Television Co., Ltd.
- Bay Communications Inc.
- Mimamorumme Co., Ltd.
- YMIRLINK Inc.

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 (PTY) Ltd.
  - Intraspeed Arcpro (Kenya) Limited
  - Intraspeed East Africa Limited
  - 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.
- HOT Logistics Co.,Ltd.

- [Representative offices]
- Milano 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.
- 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