

Hankyu Hanshin Holdings Group
Supplementary Materials of
Financial Results for the First Quarter
of Fiscal 2020
(Ended June 30, 2019)

August 2nd, 2019

Hankyu Hanshin Holdings, Inc.

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

Consolidated Statements of Income(Summary)

	1Q FY2020 Results	FY2019 Results	Change	
Consolidated Subsidiaries	96 companies	94 companies	+2 (2 companies increase)	
Equity-Method Affiliates	11 companies	11 companies		
Total	107 companies	105 companies	+2	
(¥ million)	1Q FY2020 Results	1Q FY2019 Results	Change	Remarks
Revenues from operations	187,161	192,429	-5,267 (-2.7%)	For details, please see next page
Operating income	30,888	31,578	-689 (-2.2%)	
Non-operating income	4,043	2,563	+1,480	Equity in income of affiliates +1,506
Non-operating expenses	2,744	2,939	-194	
Ordinary income	32,188	31,202	+985(+3.2%)	
Extraordinary income	460	650	-190	
Extraordinary loss	446	1,820	-1,374	Loss on retirement of noncurrent assets -904
Net income attributable to owners of the parent	21,395	19,197	+2,198 (+11.5%)	
(Reference)	1Q FY2020 Results	1Q FY2019 Results	Change	
Depreciation and amortisation	13,474	12,973	+500	
Financial balance ① - ②	-1,532	-1,564	+31	
Interest and dividend income①	819	858	-39	
Interest expense②	2,352	2,422	-70	

Consolidated Statements of Income (Breakdown for each business segment)

[Key results in current period]

Revenue and income declined on the whole. The Travel business achieved excellent results for overseas and domestic destinations. Results were also strong in the Entertainment business and in the Information and Communication Technology business. However, these results were offset by a decline in the Real Estate business reflecting decreased condominium sales. They were further offset by a decline in the International Transport business, which faced harsh business conditions.

(¥ million)	Revenues from operations			Operating income		
	1Q FY2020 Results	1Q FY2019 Results	Change	1Q FY2020 Results	1Q FY2019 Results	Change
Urban Transportation	60,125	59,563	+561	12,862	12,795	+66
Real Estate	48,708	54,124	-5,416	8,106	11,085	-2,978
Entertainment	23,005	22,547	+458	7,918	7,306	+612
Information and Communication Technology	11,232	10,610	+621	480	255	+225
Travel	11,004	9,231	+1,773	2,091	543	+1,547
International Transportation	19,135	21,886	-2,751	-216	291	-508
Hotels	16,233	16,201	+32	291	280	+11
Other	6,680	7,505	-825	159	194	-34
Adjustment	-8,963	-9,241	+277	-805	-1,174	+368
Total	187,161	192,429	-5,267	30,888	31,578	-689

※ The "Information and Communication Technology" was newly created in the quarter under review (Q1 FY2020). Previously, the business was called 'Communication, Media and Others' and existed within the "Entertainment and Communications", which itself has been renamed to the "Entertainment". The purpose of the change was to boost competitiveness. Following this change, there are now seven reportable core businesses: Urban Transportation, Real Estate, Entertainment (formerly named Entertainment and Communications), Information and Communication Technology, Travel, International Transportation, and Hotels. The Q1 FY2019 data used for year-on-year comparisons has been adjusted according to the new business segment structure.

Urban Transportation results

Revenue and income increased. Hankyu and Hanshin lines performed well, more than offsetting an increase in railway costs (e.g. depreciation and amortisation).

(¥ million)	1Q FY2020 Results	1Q FY2019 Results	Change	%
Revenues from operations	60,125	59,563	+561	+0.9%
Operating income	12,862	12,795	+66	+0.5%

Real Estate results

Revenue and income declined. Condominium sales revenue decreased following sales of high-value condominiums in 1Q FY2019. There was a further reactionary decline following the receipt in 1Q FY2019 of tenants' construction fees associated with Phase I of the Umeda 1-1 Project.

【Reference】 Condominium sales : +39 (283 units; previous year 244 units)

(¥ million)	1Q FY2020 Results	1Q FY2019 Results	Change	%
Revenues from operations	48,708	54,124	-5,416	-10.0%
Operating income	8,106	11,085	-2,978	-26.9%

[Urban Transportation] Railway Performance results

Hankyu Corporation

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	1Q FY2020 Results	1Q FY2019 Results	Change	1Q FY2020 Results	1Q FY2019 Results	Change
Commuter pass	8,648	8,598	+49(+0.6%)	89,126	88,556	+570(+0.6%)
Workers	7,354	7,305	+48(+0.7%)	60,417	59,939	+478(+0.8%)
Students	1,294	1,293	+1(+0.1%)	28,708	28,617	+91(+0.3%)
Other tickets	16,339	15,790	+549(+3.5%)	81,989	80,230	+1,758(+2.2%)
Total	24,988	24,389	+599(+2.5%)	171,116	168,787	+2,329(+1.4%)

Hanshin Electric Railway

	Fare revenues (¥ million)*			Passenger volumes (Thousands)*		
	1Q FY2020 Results	1Q FY2019 Results	Change	1Q FY2020 Results	1Q FY2019 Results	Change
Commuter pass	3,095	3,036	+58(+1.9%)	32,247	31,660	+586(+1.9%)
Workers	2,755	2,700	+54(+2.0%)	25,112	24,615	+496(+2.0%)
Students	340	335	+4(+1.3%)	7,135	7,045	+90(+1.3%)
Other tickets	5,800	5,603	+196(+3.5%)	31,596	30,793	+803(+2.6%)
Total	8,895	8,640	+255 (+3.0%)	63,844	62,453	+1,390(+2.2%)

* Revenue amounts less than one million yen, and numbers of passengers less than one thousand, are omitted.
For Hankyu Railway, "other ticket revenue/ridership" includes revenue/ridership associated with the PiTaPa usage sections.
Sum of tier 1 and tier 2 railway operators for both Hankyu Corporation and Hanshin Electric Railway.

Entertainment results

Revenue and income increased. The stage business saw an increase in show-related merchandise. Similarly, the sports business enjoyed strong revenue from ticket sales and from sales of food, drink, and merchandise.

(¥ million)	1Q FY2020 Results	1Q FY2019 Results	Change	%
Revenues from operations	23,005	22,547	+458	+2.0%
Operating income	7,918	7,306	+612	+8.4%

Information and Communication Technology results

Revenue and income increased. The broadcast and communications business benefitted from an increase in subscriptions for online services.

(¥ million)	1Q FY2020 Results	1Q FY2019 Results	Change	%
Revenues from operations	11,232	10,610	+621	+5.9%
Operating income	480	255	+225	+88.3%

Travel results

Revenue and income increased. The travel business benefitted from a longer-than-usual Golden Week holiday period, with strong numbers to European and domestic destinations.

(¥ million)	1Q FY2020 Results	1Q FY2019 Results	Change	%
Revenues from operations	11,004	9,231	+1,773	+19.2%
Operating income	2,091	543	+1,547	+284.9%

International Transportation results

Revenue and income declined. Amid the US-China trade dispute, the air transport business experienced sluggish volumes, particularly in East Asia.

(¥ million)	1Q FY2020 Results	1Q FY2019 Results	Change	%
Revenues from operations	19,135	21,886	-2,751	-12.6%
Operating income	-216	291	-508	—

Hotels results

The impact of outsourcing the restaurant business
Revenues from operations : -0.9billion yen

Revenue and income increased. Revenue was negatively affected by outsourcing the restaurant business. However, the effects were more than offset by the opening of new hotels (remm Tokyo Kyobashi and Hotel Hanshin Annex Osaka), as well as by a boost to existing hotels' revenue from the G20. This boost also helped prevent income from being undercut by the costs of the new hotel openings.

(¥ million)	1Q FY2020 Results	1Q FY2019 Results	Change	%
Revenues from operations	16,233	16,201	+32	+0.2%
Operating income	291	280	+11	+4.1%

Consolidated Balance Sheets

(¥ million)		1Q FY2020 Results	FY2019 Results	Change	Remarks
Assets	Current assets	284,313	302,963	-18,650	Trade receivables: -20,492
	Noncurrent assets	2,168,497	2,163,259	+5,237	Investment securities: +7,526
	Total assets	2,452,810	2,466,223	-13,413	
Liabilities	Current liabilities	376,312	404,286	-27,974	
	Long-term liabilities	1,149,865	1,146,555	+3,309	
	Total liabilities	1,526,177	1,550,842	-24,664	
					Accounts payable: -29,835
Net assets	Shareholders' equity	866,636	853,397	+13,238	Net income attributable to owners of the parent: +21,395 Payment dividend: -4,925 Less treasury stock, at cost: -2,736
	Accumulated other comprehensive income	29,415	31,465	-2,049	
	Non-controlling interests	30,580	30,517	+62	
	Total net assets	926,632	915,381	+11,251	
Equity ratio		36.5%	35.9%	+0.6p	

	1Q FY2020 Results	FY2019 Results	Change
Debt	748,748	758,411	-9,663
Bonds	112,000	112,000	-
Lease obligations	8,245	6,644	+1,600
Interest-bearing debt	868,993	877,055	-8,062