

Hankyu Hanshin Holdings

Results Briefing for Fiscal 2022 (Ended March 2022) and Briefing for Long-Term Vision

Reference Data

Contents

(1) Supplementary Data on FY2022 Results and FY2023 Forecasts	...	2
(2) Earnings Forecasts for Each Segment	...	18
(3) Progress in Each Project	...	25
(4) Sustainable Management	...	38
(5) Other	...	46

Main briefing materials

**I . Performance Highlights for Fiscal 2022
(Ended March 2022)**

II . Long-Term Vision: *Toward 2040*

III . Summary of the Medium-Term Management Plan

IV . Forecast for fiscal 2023 (Ending March 2023)

(1) Supplementary Data on FY2022 Results and FY2023 Forecasts

FY2022 results [Urban Transportation] Referential Information

《Hankyu Corporation》 Transportation revenue (tier 1 + tier 2)

(¥ million)

Totals for commuter passes and other tickets	Q1	Q2	Q3	Q4	Total
FY2022 Results	17,077	17,919	20,643	18,436	74,077
FY2021 Results	13,885	18,126	19,429	17,635	69,075
Change	+3,192	-206	+1,214	+800	+5,001
(%)	+23.0%	-1.1%	+6.2%	+4.5%	+7.2%

Factors of YoY Change (estimated)
 • COVID-19 impact (YoY change in impact) +¥5,114 million and others

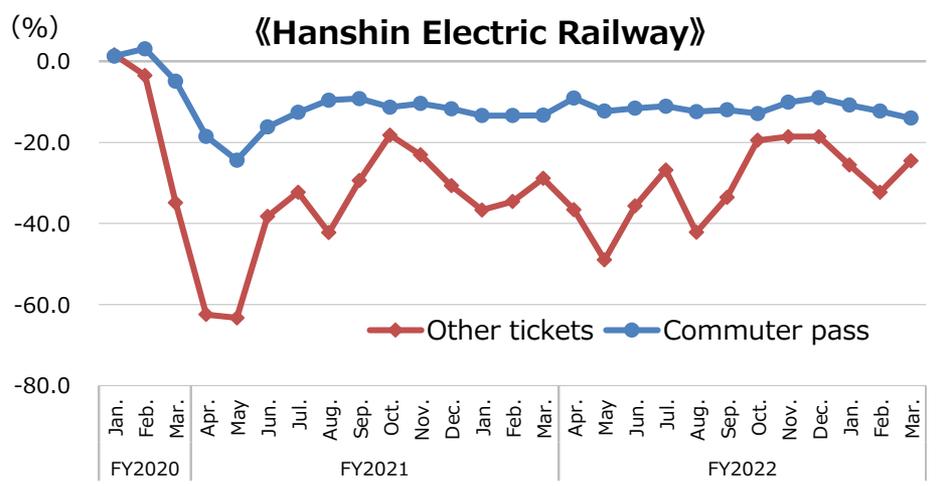
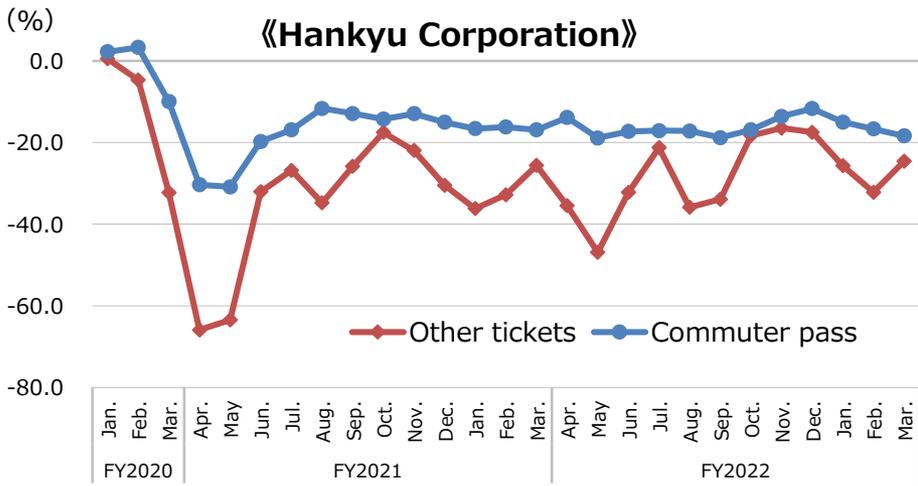
《Hanshin Electric Railway》 Transportation revenue (tier 1 + tier 2)

(¥ million)

Totals for commuter passes and other tickets	Q1	Q2	Q3	Q4	Total
FY2022 Results	6,001	6,418	7,097	6,509	26,026
FY2021 Results	4,968	6,386	6,714	6,132	24,202
Change	+1,033	+32	+382	+376	+1,823
(%)	+20.8%	+0.5%	+5.7%	+6.1%	+7.5%

Factors of YoY Change (estimated)
 • COVID-19 impact (YoY change in impact) +¥1,746million and others

Ridership (compared to same period of fiscal 2019)

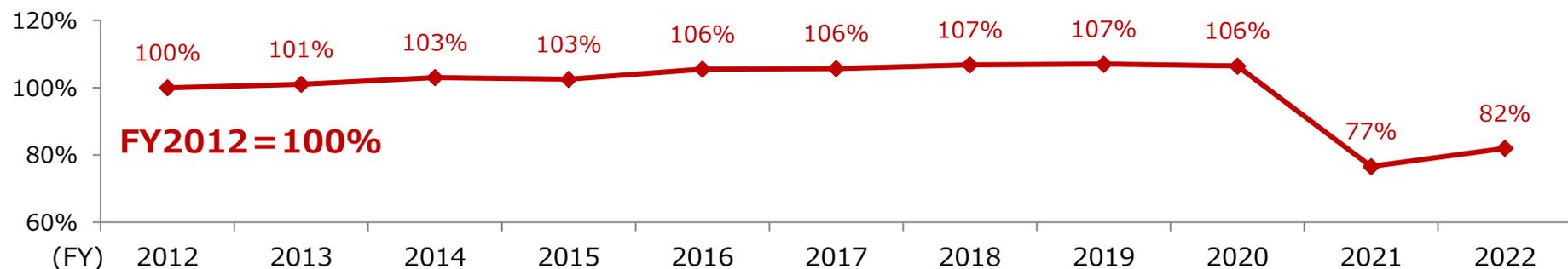


FY2022 results [Urban Transportation] Referential Information

Hankyu Line: Transportation revenue (tier 1 + tier 2)

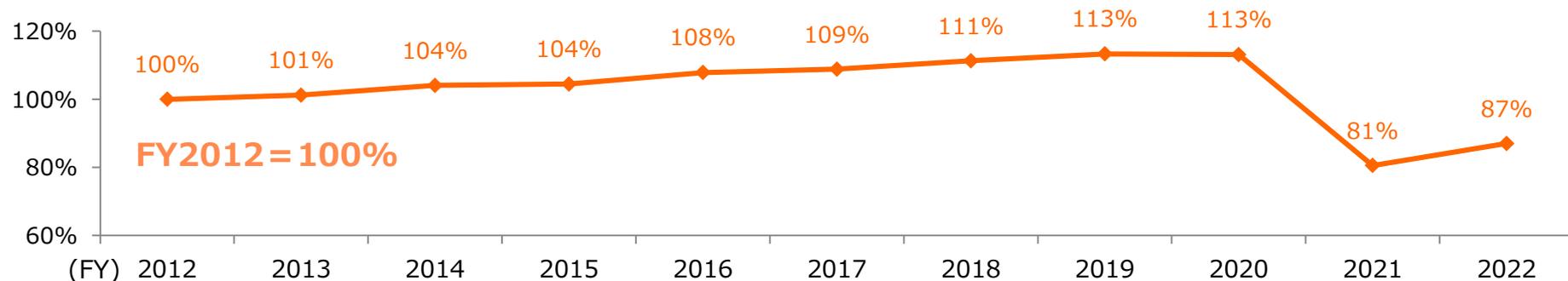
(¥ million)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Commuter passes	29,922	30,391	31,299	31,549	32,272	32,628	33,198	33,456	34,119	28,093	28,654
Other tickets	60,268	60,749	61,630	60,910	62,920	62,720	63,137	63,059	61,887	40,982	45,422
Total	90,191	91,141	92,929	92,459	95,192	95,348	96,335	96,516	96,007	69,075	74,077



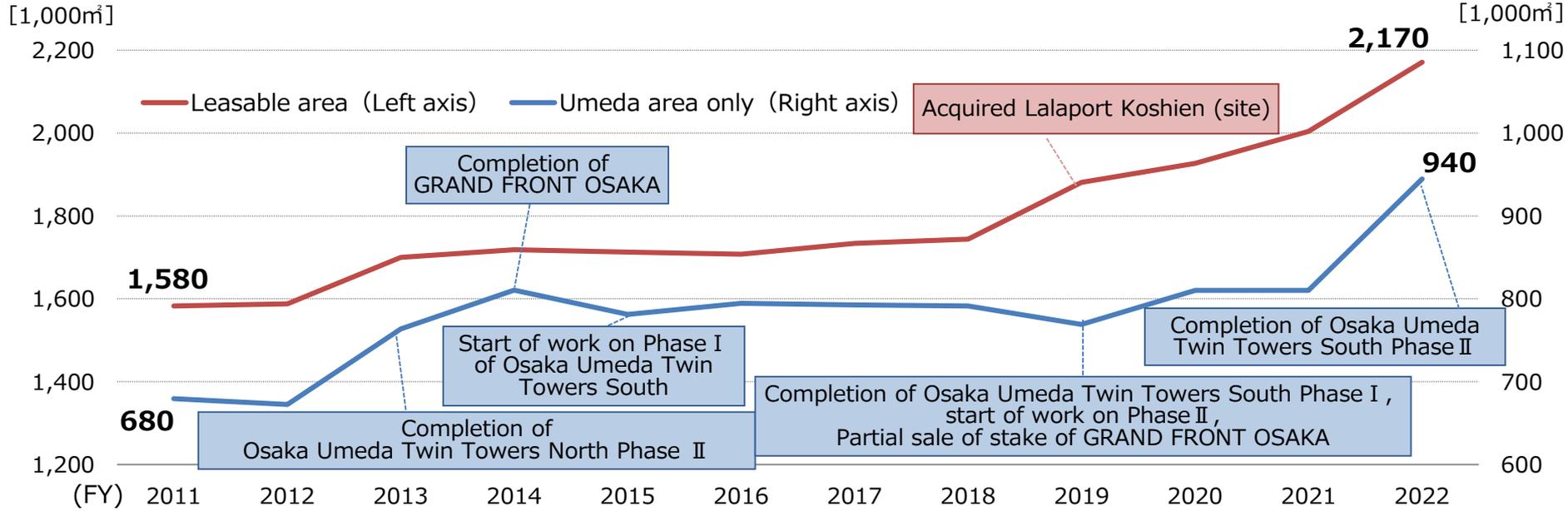
Hanshin Line: Transportation revenue (tier 1 + tier 2)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Commuter passes	10,623	10,740	11,008	11,107	11,372	11,563	11,797	12,024	12,327	10,476	10,628
Other tickets	19,422	19,669	20,260	20,286	21,035	21,136	21,638	22,030	21,665	13,725	15,397
Total	30,045	30,410	31,269	31,394	32,407	32,699	33,436	34,054	33,993	24,202	26,026



FY2022 results [Real Estate] Referential information

Leasable area (at the end of fiscal year)



【Osaka Umeda Twin Towers North】
(Former name: Umeda Hankyu Building)

【GRAND FRONT OSAKA】

【Osaka Umeda Twin Towers South】
(Complete construction in February 2022)



FY2022 results [Entertainment] Referential information

Hanshin Tigers Home Game : Admission numbers

•Number of regular season games : 71 (+11 from previous year)
 [Breakdown]
 Hanshin Koshien Stadium : 3 games with no spectators,
 25 games open to season ticket holders only,
 34 games open to season ticket holders and
 pre-purchased ticket holders
 Kyocera Dome : 9 games open to pre-purchased ticket holders

(Thousands of people) (CY)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021
Admissions	2,728	2,772	2,690	2,878	2,911	3,035	2,899	3,091	518	749	749
Ranking	5	2	2	3	4	2	6	3	2	2	2

(Note) "Admissions" indicates the actual number of admissions for a given season (calendar year).

Takarazuka Revue : Audience numbers

•Number of shows : Takarazuka Grand Theater : 390 (+150 from previous year)
 Tokyo Takarazuka Theater : 387 (+122 from previous year)
 •Shows were suspended during the following periods:
 Takarazuka Grand Theater : April 26 - May 10, February 5 - 27
 Tokyo Takarazuka Theater : April 27 - May 10, January 8 - 29

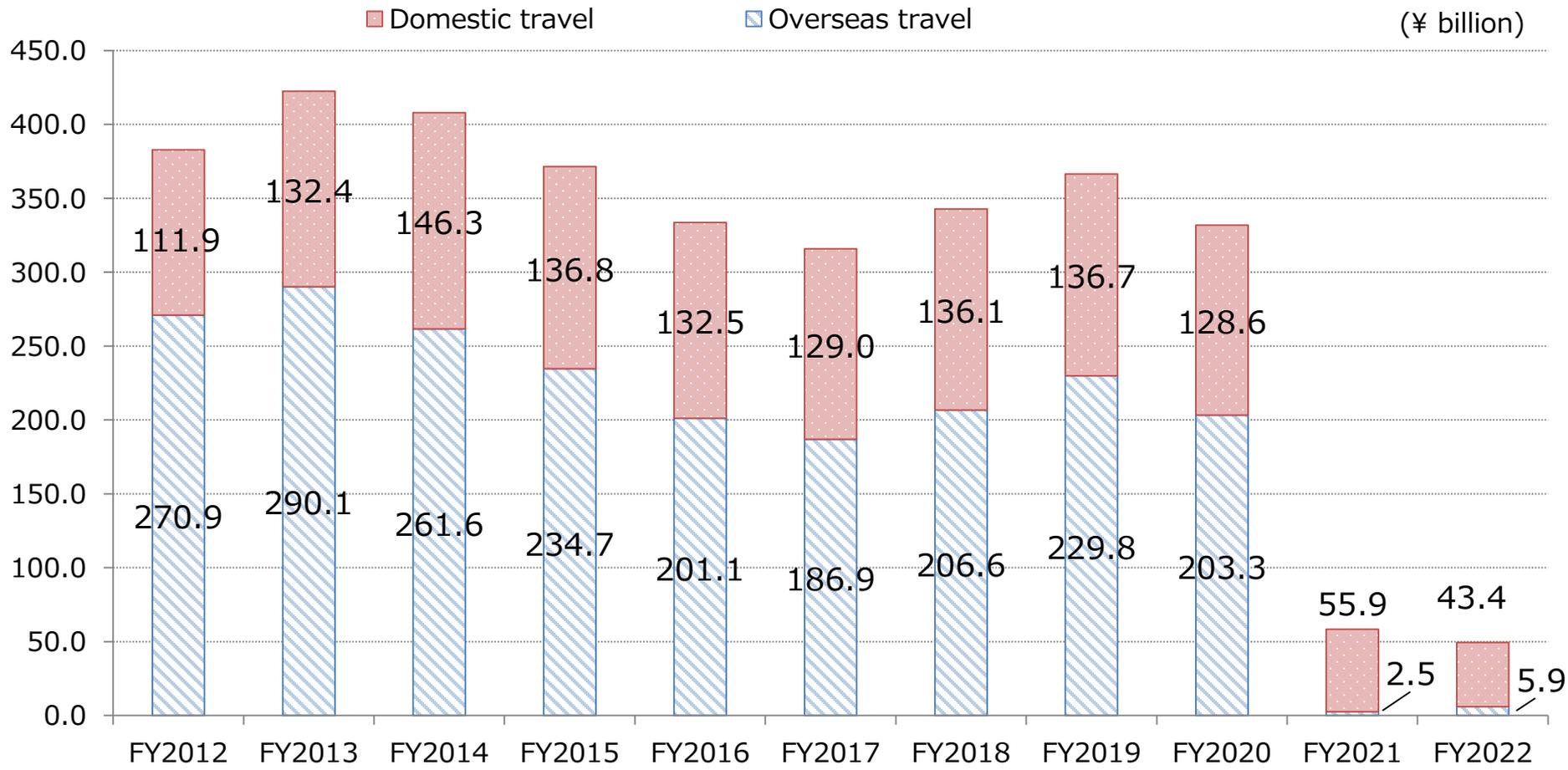
(Thousands of people) (FY)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total	2,502	2,672	2,668	2,825	2,844	2,996	3,128	2,991	1,565	2,727
Takarazuka Grand Theater	1,014	1,074	1,179	1,149	1,169	1,191	1,207	1,106	485	904
Tokyo Takarazuka Theater	965	977	969	1,000	967	992	990	917	460	785
Other theaters	523	621	520	623	586	619	598	572	200	428
Live screening*1	-	-	-	53	122	195	333	396	133	151
Live streaming*2	-	-	-	-	-	-	-	-	287	459

*1 Audiences who paid to see performance screened live in cinema

*2 Audiences who paid to view livestream performance on home TV or device

FY2022 results [Travel] Referential information

Billings



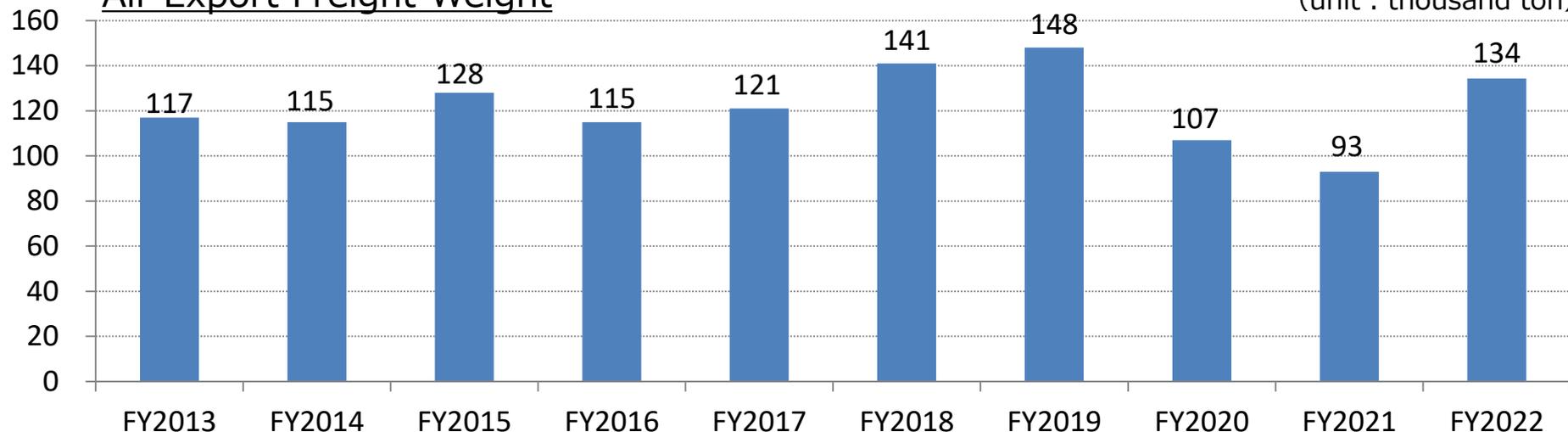
*Figures for fiscal 2011 to fiscal 2015 represent the simple aggregate amounts from Hankyu Travel International and Hankyu Hanshin Business Travel. The figures from fiscal 2016 and onwards represent the aggregate amounts from the two companies as well as from Hanshin Travel International (offsetting intercompany transactions).

FY2022 results [International Transportation] Referential information

[Total handling volume for Japanese and non-Japanese companies in the International Transportation Business segment]

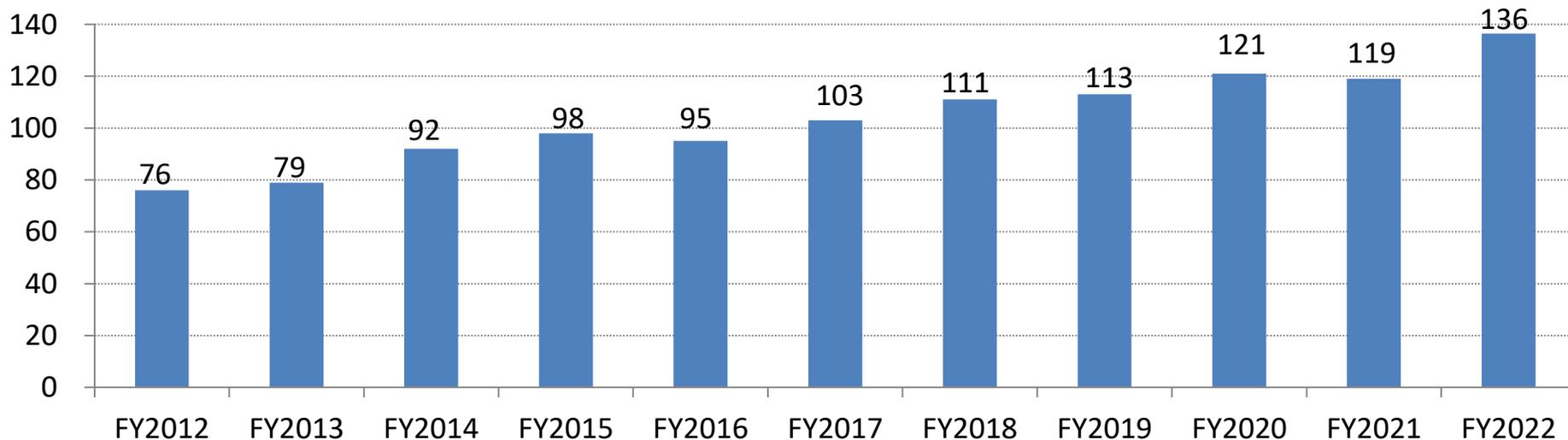
Air Export Freight Weight

(unit : thousand ton)



TEU*-measured overseas export volume

(unit : thousand TEU)



FY2022 results [Hotels] Referential information

【Performance Highlights of Hankyu Hanshin Hotels for Fiscal 2022*1】

◆Occupancy rates (YoY)

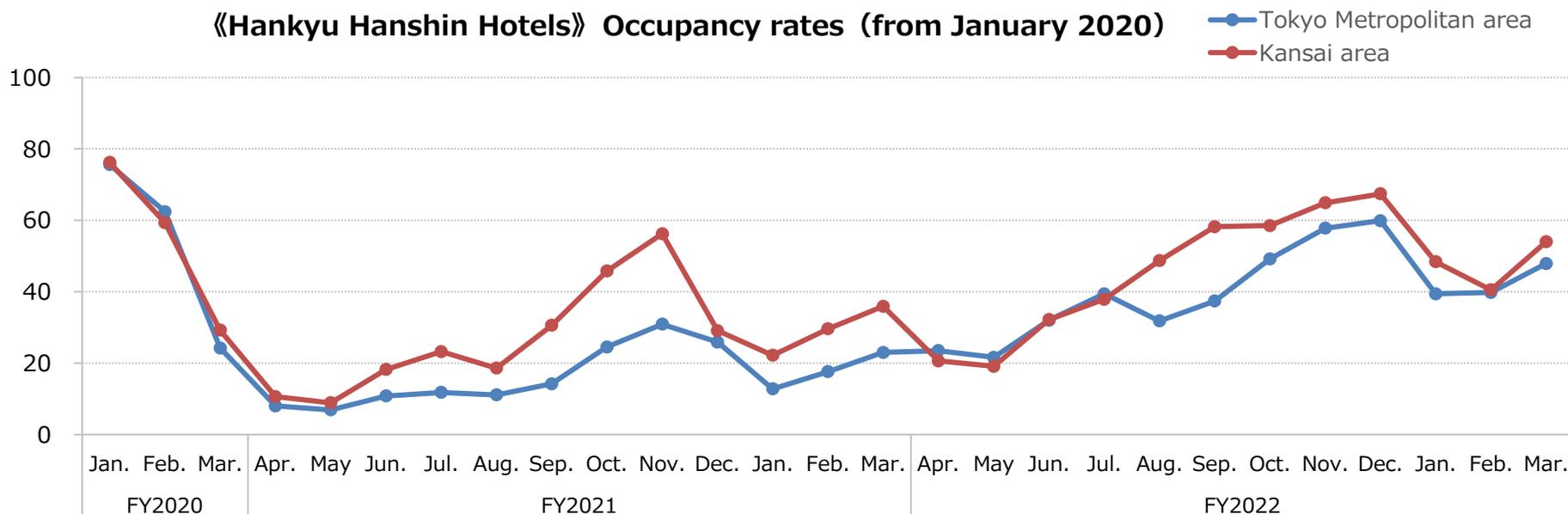
◆Average daily rates (ADR) (YoY)

Total	45.1%*2	(+20.3P)	Total	¥8,422*2	(-¥2,033)
Kansai area	46.8%	(+17.9P)	Kansai area	¥8,358	(-¥1,929)
Tokyo Metropolitan area	40.9%	(+24.1P)	Tokyo Metropolitan area	¥8,968	(-¥2,862)

*1 The data omits the COVID-related temporary closures of some hotels.

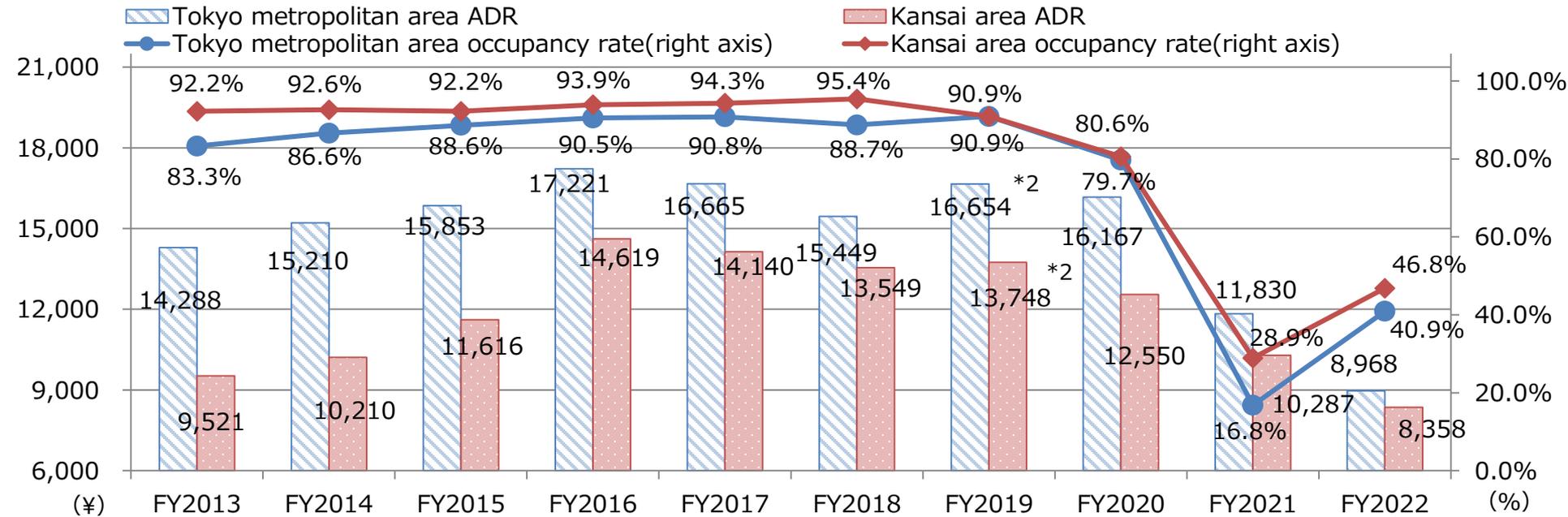
*2 Including remm Kagoshima

《Hankyu Hanshin Hotels》 Occupancy rates (from January 2020)

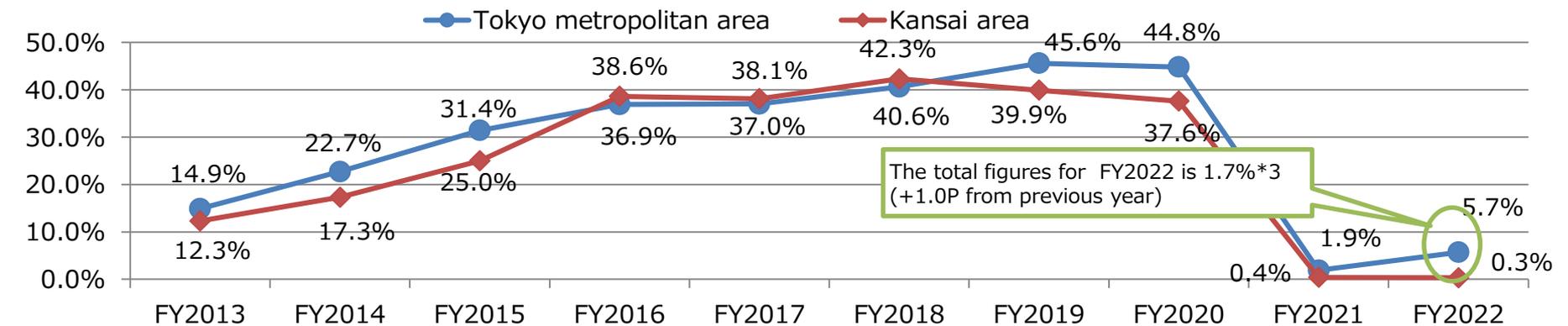


FY2022 results [Hotels] Referential information

Average daily rates (ADR) and occupancy rates*1



Non-Japanese guests as a percentage of overnight-stay guests



*1 The data omits the COVID-related temporary closures of some hotels.

*2 Since FY2020, we started reporting the earnings of overseas online travel agents on a gross basis, rather than on a net basis as before. The new method (gross basis) has been applied retroactively to the previous fiscal year.

*3 Including remm Kagoshima

FY2022 results 《Reference》 Consolidated Statements of Capital Expenditure

(¥ billion)	FY2022 Results ①	FY2022 Forecasts (As of Jan.) ②	Change = ① - ②	FY2022 Forecasts (As of Oct.) ③	Change = ① - ③	FY2022 Forecasts (As of Jul.) ④	Change = ① - ④	FY2022 Forecasts (As of May) ⑤	Change = ① - ⑤	FY2021 Results ⑥	Change = ① - ⑥
Total	120.3	139.7	-19.4	139.7	-19.4	137.5	-17.2	137.5	-17.2	108.5	+11.8
[Breakdown for each business segment]											
Urban Transportation	30.3			39.4	-9.1			44.8	-14.5	29.5	+0.8
Real Estate	76.8			81.6	-4.8			73.2	+3.6	68.8	+8.1
Entertainment	5.1			6.7	-1.6			6.6	-1.5	1.7	+3.4
Information and Communication Technology	5.1			6.8	-1.7			6.9	-1.8	4.5	+0.6
Travel	0.7			1.4	-0.7			1.5	-0.8	1.4	-0.6
International Transportation	2.5			2.9	-0.4			2.9	-0.4	0.7	+1.8
Hotels	0.7			0.9	-0.2			1.2	-0.5	1.9	-1.2

Note : The figures announced in July 2021 and January 2022 did not include a segment breakdown.

FY2022 results 《Reference》 Consolidated Statements of Depreciation and amortization

(¥ billion)	FY2022 Results ①	FY2022 Forecasts (As of Jan.) ②	Change = ① - ②	FY2022 Forecasts (As of Oct.) ③	Change = ① - ③	FY2022 Forecasts (As of Jul.) ④	Change = ① - ④	FY2022 Forecasts (As of May) ⑤	Change = ① - ⑤	FY2021 Results ⑥	Change = ① - ⑥
Total	59.1	60.7	-1.6	60.7	-1.6	60.7	-1.6	60.7	-1.6	55.7	+3.4
[Breakdown for each business segment]											
Urban Transportation	27.2			27.7	-0.5			27.8	-0.6	27.1	+0.1
Real Estate	19.6			20.4	-0.8			20.8	-1.2	17.3	+2.3
Entertainment	3.5			3.8	-0.3			3.6	-0.1	2.9	+0.6
Information and Communication Technology	4.8			4.9	-0.1			5.1	-0.3	4.2	+0.6
Travel	0.9			0.9	+0.0			1.0	-0.1	0.9	+0.0
International Transportation	1.6			1.6	-0.0			1.2	+0.4	1.3	+0.3
Hotels	2.2			2.2	+0.0			2.3	-0.1	2.4	-0.2

Note : The figures announced in July 2021 and January 2022 did not include a segment breakdown.

FY2022 results 《Reference》 Consolidated Statements of EBITDA※

(¥ billion)	FY2022 Results	FY2022 Forecasts (As of Jan.)	Change	FY2022 Forecasts (As of Oct.)	Change	FY2022 Forecasts (As of Jul.)	Change	FY2022 Forecasts (As of May)	Change	FY2021 Results	Change
	①	②	= ① - ②	③	= ① - ③	④	= ① - ④	⑤	= ① - ⑤	⑥	= ① - ⑥
Total	100.7	99.0	+1.7	93.0	+7.7	93.0	+7.7	86.0	+14.7	60.3	+40.4
[Breakdown for each business segment]											
Urban Transportation	32.9			36.4	-3.5			40.5	-7.6	21.9	+11.0
Real Estate	52.6			50.9	+1.7			51.7	+0.9	46.4	+6.2
Entertainment	12.8			11.1	+1.7			5.8	+7.0	0.7	+12.1
Information and Communication Technology	10.7			11.0	-0.3			10.8	-0.1	9.9	+0.8
Travel	-4.8			-10.1	+5.3			-7.0	+2.2	-6.5	+1.7
International Transportation	9.6			6.6	+3.0			2.8	+6.8	3.6	+6.0
Hotels	-11.0			-11.6	+0.6			-16.4	+5.4	-15.6	+4.6

(※) EBITDA=operating income + depreciation expenses + amortization of goodwill

Note : The figures announced in July 2021 and January 2022 did not include a segment breakdown.

FY2022 results

[Reference] Applying the Accounting Standard for Revenue Recognition (ASBJ 29)

◆ What is the new revenue standard?

- ASBJ 29 specifies (1) when and (2) how a reporter will recognize revenue.
- Based on International Financial Reporting Standards, ASBJ was enforced for all companies in Japan in April 2021 (the start of fiscal 2022).

◆ Summary of standard

- ① The reporter must recognize revenue when the underlying sales or usage occurs (when the customer buys the good or uses the service).
- ② If the reporter provides the good or service to the customer directly^(Note 1), then it must recognize the revenue at the gross amount^(Note 2). If the good or service is provided by an agent, then the reporter must recognize the revenue at the net amount^(Note 2).

(Note 1)

Examples of criteria: The reporter is primarily responsible for fulfilling the promise to provide the specified good or service; the reporter has discretion in establishing the price for the good or service; the reporter has inventory risk before the specified good or service has been delivered.

(Note 2)

Gross amount : All gross revenue from the sale is recorded as revenue from operations, without deducting sales costs.

Net amount : Sales costs are deducted from gross revenue and the difference is recorded as revenue from operations.

◆ Examples of group transactions affected by the new standard

	Segment	Transaction	Current practice	New practice	Impact on revenue, income for fiscal 2022
①	Urban Transportation	Commuter pass	Report revenue prorated by month, <u>starting from month of sale</u>	Report revenue prorated by month, <u>starting from the month of commencement</u>	No impact on revenue or income (only the timing of recognition changes)
②	Travel	Organized tours*	Report revenue on <u>net basis</u>	Report revenue on <u>gross basis</u>	<u>Revenue approx. +¥45.9 billion</u> No impact on income
②	Urban Transportation	Sales and purchase in retailing business	Report revenue on <u>gross basis</u>	Report revenue on <u>net basis</u>	<u>Revenue approx. -¥3.8 billion</u> No impact on income

*The transactions most affected are those in the travel business related to organized tours.

FY2023 Forecasts 《Reference》 Consolidated Statements of Capital Expenditure

(¥ billion)	FY2023 Forecasts ①	Main investments	FY2022 Results ②	Main investments	Change ① - ②
Total capital expenditure	89.0		120.3		-31.3
(Breakdown for each business segment)					
Urban Transportation	38.2	<ul style="list-style-type: none"> • Kita-Osaka Kyuko Railway Line Extension Project • New rolling stock, remodeling of existing rolling stock • Investment in station apparatus 	30.3	<ul style="list-style-type: none"> • New rolling stock, remodeling of existing rolling stock • Investment in station apparatus 	+7.9
Real Estate	34.0	<ul style="list-style-type: none"> • Umekita Phase II Development Project • Development on west side of Hankyu Nishinomiya Gardens 	77.5	<ul style="list-style-type: none"> • Umeda 1-1 Project(Osaka Umeda Twin Towers South) • Yaesu 2 Naka Redevelopment • LOGiSTA, Logicross Ibaraki Saito • Umekita Phase II Development Project 	-43.5
Entertainment	4.3		5.1		-0.8
Information and Communication Technology	6.1		5.1		+1.0
Travel	1.1		0.7		+0.4
International Transportation	3.3		2.5		+0.8

Note: The FY2022 results for the Real Estate segment have been aggregated in way that enables comparison with FY2023; they may be aggregated differently in the future.

FY2023 Forecasts

《Reference》 Consolidated Statements of Depreciation and Amortization, EBITDA

(¥ billion)	FY2023 Forecasts ①	FY2022 Results ②	Change ①-②
Total Depreciation and amortization (Breakdown for each business segment)	62.7	59.1	+3.6
Urban Transportation	27.0	27.2	-0.2
Real Estate	24.9	21.8	+3.1
Entertainment	3.9	3.5	+0.4
Information and Communication Technology	5.6	4.8	+0.8
Travel	1.0	0.9	+0.1
International Transportation	1.8	1.6	+0.2
Total EBITDA (Breakdown for each business segment)	128.0	100.7	+27.3
Urban Transportation	48.3	32.9	+15.4
Real Estate	50.0	41.3	+8.7
Entertainment	15.1	12.8	+2.3
Information and Communication Technology	11.6	10.7	+0.9
Travel	-0.9	-4.8	+3.9
International Transportation	6.3	9.6	-3.3

EBITDA = Operating income + Depreciation expenses + Amortization of goodwill

Note: The FY2022 results for the Real Estate segment have been aggregated in way that enables comparison with FY2023; they may be aggregated differently in the future.

FY2023 Forecasts

[Reference] Consolidated Statements of Income (Breakdown by type of business)

(¥ billion)	Revenue from operations			Operating income		
	FY2023 Forecasts	FY2022 Results	Change	FY2023 Forecasts	FY2022 Results	Change
	①	②	=①-②	①	②	=①-②
Urban Transportation	188.4	161.6	+26.8	21.3	5.6	+15.7
[Breakdown]						
Railway	135.4	118.5	+16.9	26.3	14.7	+11.6
Automobile	40.7	34.1	+6.6	0.0	-4.2	+4.2
Retailing	13.2	10.9	+2.3	1.0	0.8	+0.2
Others	8.9	8.7	+0.2	0.6	0.7	-0.1
Real Estate	296.0	246.6	+49.4	25.1	19.4	+5.7
[Breakdown]						
Real estate leasing	123.2	112.5	+10.7	30.7	30.1	+0.6
Real estate sales and others	159.9	135.5	+24.4	11.2	11.4	-0.2
Hotel	40.7	25.6	+15.1	-7.8	-13.2	+5.4
Entertainment	72.1	62.9	+9.2	11.2	9.3	+1.9
[Breakdown]						
Sports	37.3	29.4	+7.9	5.5	3.7	+1.8
Stage	34.8	33.4	+1.4	7.4	6.9	+0.5

Note: (1) Segment totals may not match the aggregate of the amounts for each type of business due to separate head office expenses / adjustments.

(2) The FY2022 results for the Real Estate segment have been aggregated in way that enables comparison with FY2023; they may be aggregated differently in the future.

(2) Earnings Forecasts for Each Segment

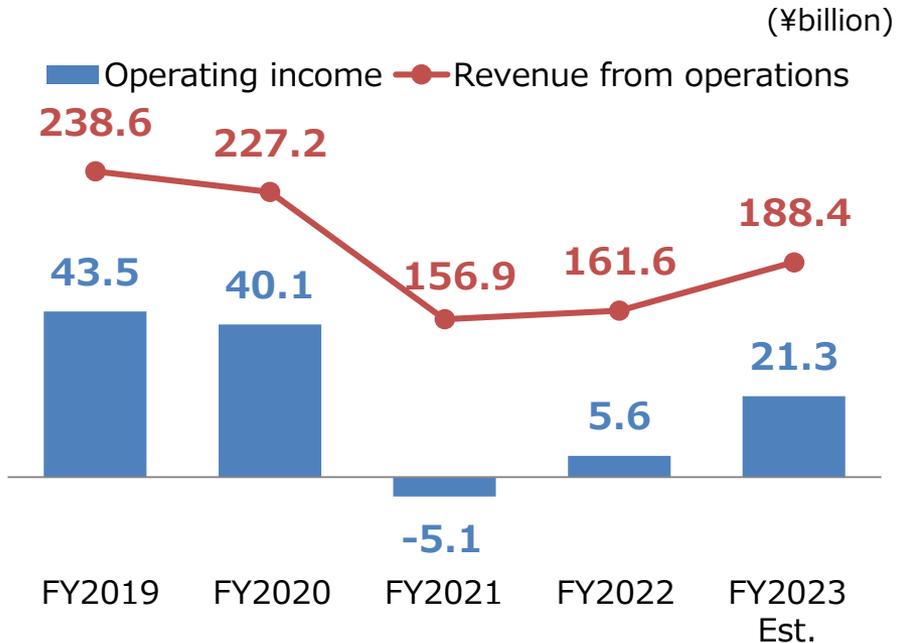
① Outlook for Urban Transportation

Urban Transportation Factors of change in operating income FY2022→FY2023

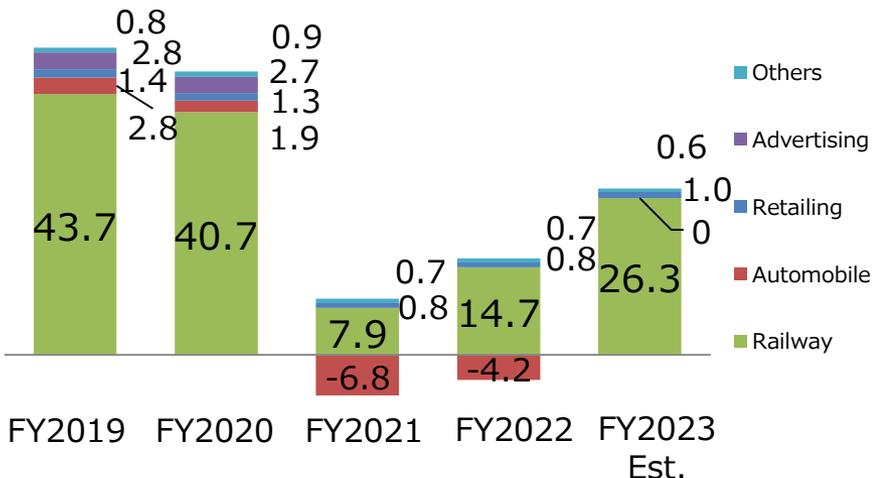
- Income growth expected with reasonable recovery from COVID impact (higher revenue from railway operations and automobile business).
- Railway operations: Although this recovery will create growth in ridership revenue over the next three years, operating income won't return to pre- COVID levels until FY2026.

Projections for ridership revenue (relative to FY2019), excluding effects of key actions

	FY2023	FY2026
Commuter pass	Around -10%	Around -10%
Other tickets	Around -10%	Similar to FY2019 level



Operating income by type of business (excluding head office expenses/adjustments)



Note: In FY2021, the advertising business was consolidated into the railway operations.

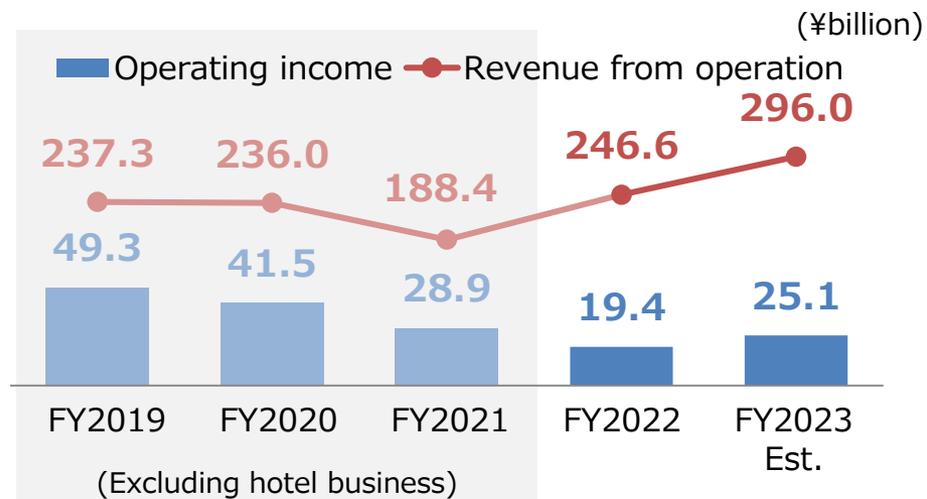
② Outlook for Real Estate

Real Estate

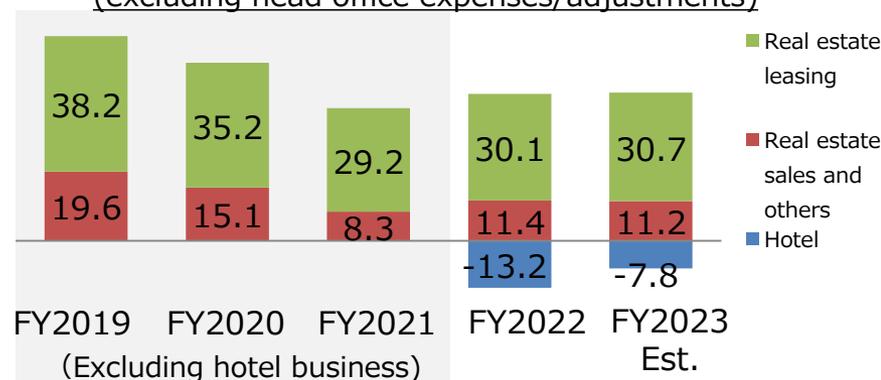
Factors of change in operating income

FY2022→FY2023

- Income growth expected with reasonable recovery from COVID impact (higher revenue from hotels).
- Leasing: Between FY2023 and FY2026, leasing revenue will increasingly drive income growth (exceeding pre-COVID levels) with the opening of Osaka Umeda Twin Towers South, among other things.
- Sales: Similarly, sales revenue will increasingly drive income growth over the same period as the overseas real estate businesses expands and as domestic condominium sales increase.
- Hotels: Hotels income should turn positive in FY2025 with the business recovering from the COVID impact (with a recovery in inbound tourism) and with the business being reorganized.



Operating income by type of business (excluding head office expenses/adjustments)



Note: Hotels is included from FY2022 onward, as the business was consolidated into the Real Estate segment in FY2023. The FY2022 results for the Real Estate segment have been aggregated in way that enables comparison with FY2023; they may be aggregated differently in the future.

<Reference> Hotel business

	FY2019	FY2020	FY2021
Revenue from operations	64.9	60.3	19.1
Operating income	1.2	-3.1	-17.9

《Reference》 Structural Reforms in the Hotels Business

■ Description of Structural Reforms in the Hotels Business

① Operational

- In the hotels business, we decided some time ago that any new hotels we open should be no-frills hotels, and we put the existing full-service hotels under review in terms of the business model and use of assets, with a view to ensuring the profitability of the real estate.
- We will focus resources on no-frills hotels (which have good profit potential) and a selected number of full-service hotels. Conversely, we will close hotels that are unprofitable, underperforming, or dilapidated. Seven hotels will be closed, as shown below.

End of FY2022	Dai-ichi Hotel Annex ^{*1} , Kichijoji Dai-ichi Hotel, remm Kagoshima ^{*2} , Umeda OS hotel ^{*3} <small>*1 Closed on February 12, 2022 *2 At the end of FY2022, remm Kagoshima has ceased to be a directly managed hotel and become a chain hotel managed by the property's owner. *3 Umeda OS hotel is managed under contract by Hankyu Hanshin Hotels(Closed at the end of December 2021)</small>
End of FY2023	Daiichi Hotel Tokyo Seafort
Around the end of FY2025	Hotel new Hankyu Osaka
Around the end of FY2026	Senri Hankyu Hotel

② Personnel

- As well as downsizing the workforce as part of the restructuring program (reallocating resources), we will run a business process inventory to see where we could improve productivity. In this way, we hope to achieve enable leaner operation. By hiring fewer people, we will allow the workforce to shrink naturally.

③ Financial

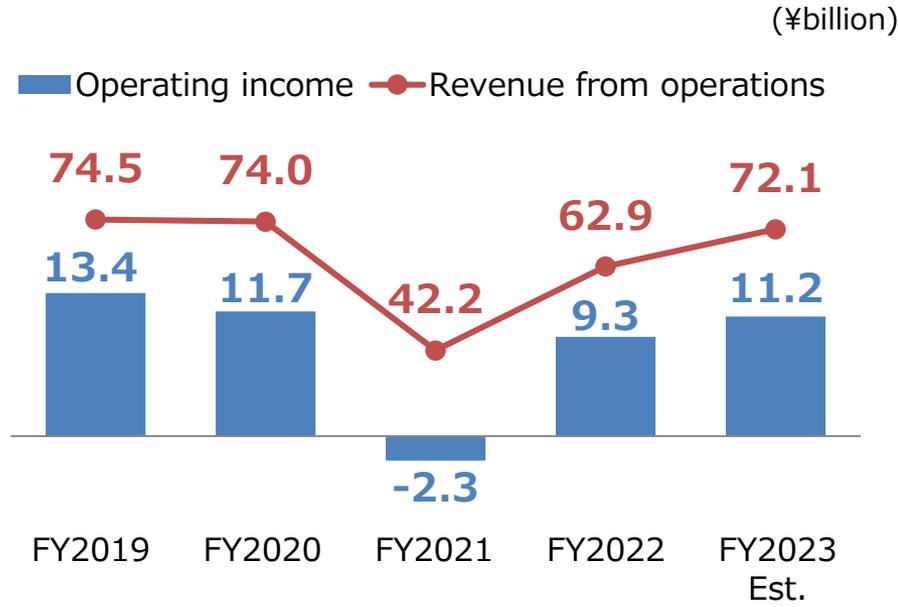
- We have recorded impairment loss to reflect the diminished profitability of assets amid the pandemic.

* As a results of ① and ③, the structural reform-related loss of 18.6 billion yen (impairment and costs of reallocating resources) was recorded as the extraordinary loss in FY2021.

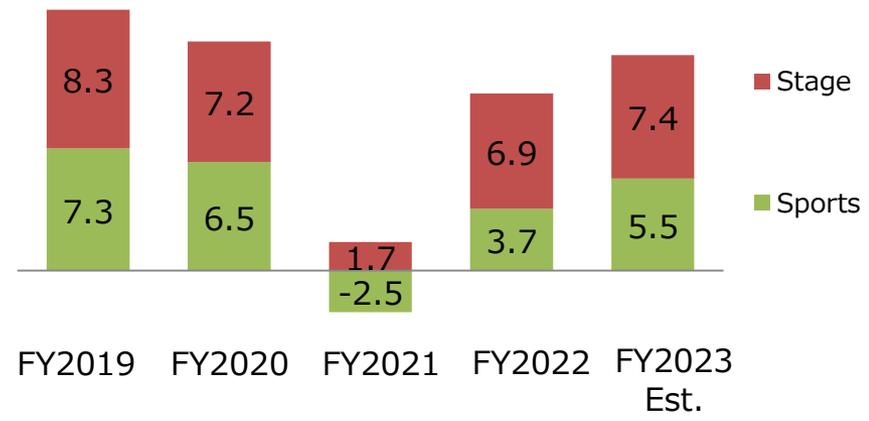
③ Outlook for Entertainment

Entertainment Factors of change in operating income FY2022→FY2023

- Income growth expected with reasonable recovery from COVID impact (higher admissions in sports business, more shows in stage business)
- Sports: Admissions for Hanshin Tigers' regular season games should recover to pre-COVID levels after FY2025.
- Stage: Shows will continue to be staged frequently, and we should also see growth in show-related content like livestreaming and online shopping.
- Consequently, the segment should see a recovery in operating income (exceeding pre-COVID levels) between now and FY2026.



Operating income by type of business (excluding head office expenses/adjustments)



④ Outlook for Information and Communications Technology / Travel

Information and Communication Technology

Factors of change in operating income

FY2022→FY2023

- Higher orders for information services
- Rise in sales costs (associated with revenue growth) and rise in personnel expenses (associated with business expansion)

- Operating income will increase over the next three years with growth (including M&A-based growth) in the information services business and expansion in the broadcast and communications business.

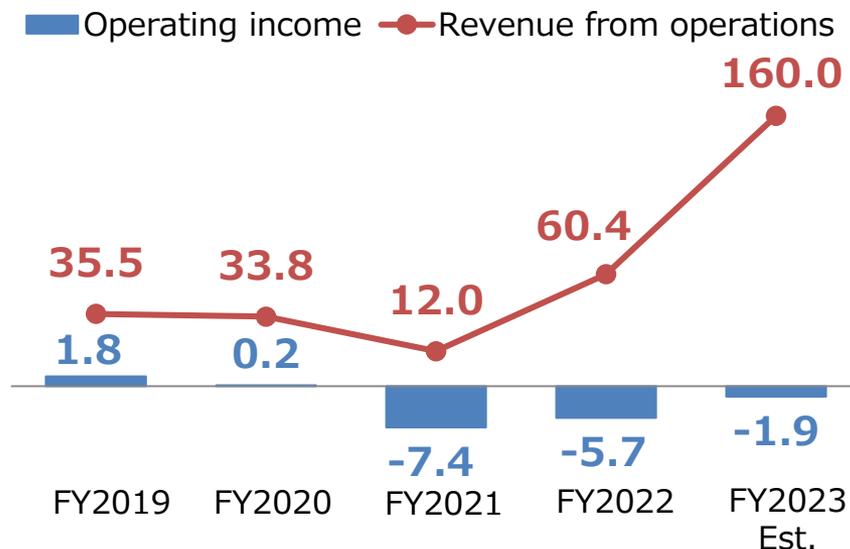
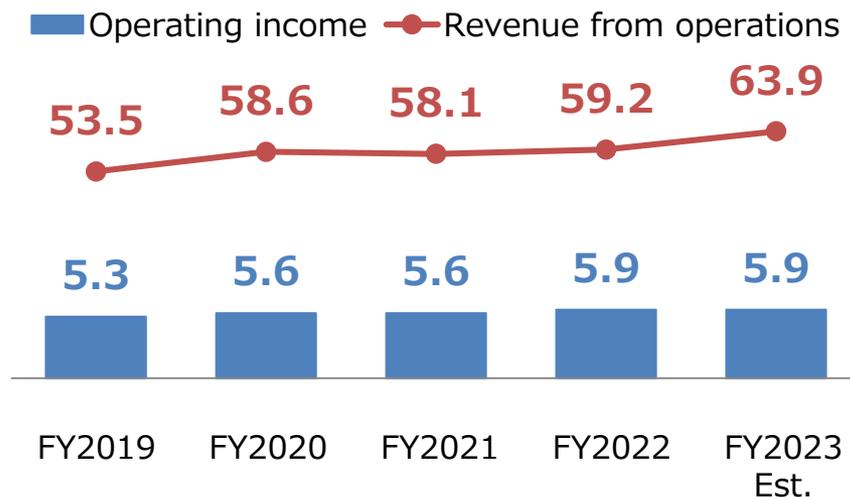
Travel

Factors of change in operating income

FY2022→FY2023

- Income growth expected with reasonable recovery from COVID impact (recovery in demand for domestic travel).
- Over the next three years, operating income should improve (recover to pre-COVID levels) with a recovery in demand for international travel.

(¥billion)



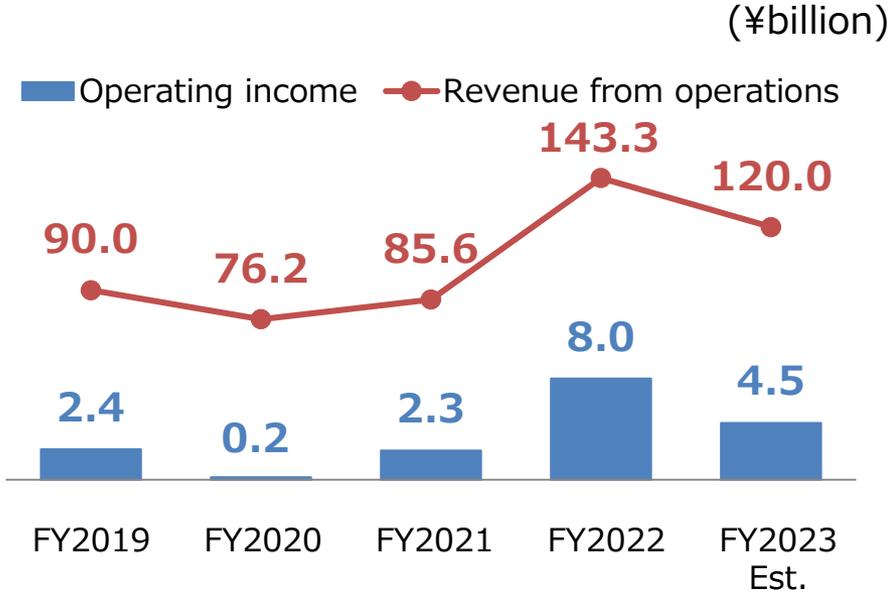
Note: In FY2022, we started applying the Accounting Standard for Revenue Recognition (ASBJ No. 29). Under this standard, operating revenue from planned tours is now presented on a gross basis rather than on a net basis as it was before.

⑤ Outlook for International Transportation

International Transportation
Factors of change in operating income
FY2022→FY2023

- The supply crunch for air and ocean transportation should gradually ease.

- Although operating income will temporarily dip with the easing of the supply crunch, by FY2026 it will have returned to growth amid higher handling volume (exceeding levels before the U.S.-China trade friction).



(3) Progress in Each Project

List of Key Projects

	(FY)	2022	2023	2024	2025	2026	...	2031	...
Umeda	Umeda 1-1 project (Osaka Umeda Twin Towers South)	● Completion of construction (Feb 2022)							
	Umekita Phase II Development Project				● Advance openings (Around summer 2024)				
	<small>Schedule to be determined</small> Shibata 1 Project							● Full openings (FY2028)	
									● Close Hotel new Hankyu Osaka (Around the end of FY2025)
Line-side Area	Kobe Sannomiya Hankyu Building	● Completion of construction (Apr 2021)							
	LOGiSTA, Logicross Ibaraki Saito	● Completion of construction (May 2021)							
	KOSHIEN PLUS	● Completion of construction (Feb 2022)							
	Development on west side of Hankyu Nishinomiya Gardens			● Completion of construction (Aug 2023)					
	Kita-Osaka Kyuko Railway Line Extension Project			● Intended start of service (FY2024)					
	Project to Redevelop Site of Takarazuka Hotel					● Completion of construction of northern wing (FY2025)			● Completion of construction of southern wing (FY2026)
	Project to Redevelop Site of Yodogawa Ward Office							● Completion of construction (FY2027)	
	<small>Schedule to be determined</small> Senri-Chuo Redevelopment								● Close Senri Hankyu Hotel (Around the end of FY2026)
	<small>Schedule to be determined</small> Naniwasuji Connection Line/ Shin-Osaka Connection Line								
Tokyo Metropolitan Area	H-CUBE MINAMIAOYAMA (Completed in FY2021)	● Sell-off							
	Hankyu Hanshin Ueno Okachimachi Buidling	● Completion of construction (Jan 2022)							
	Yaesu 2 Naka Redevelopment							● Completion of construction (FY2029)	
	<small>Schedule to be determined</small> Project to Redevelop Site of Hotel Grand Palace								

Umeda 1-1 Project (Osaka Umeda Twin Towers South)

- Begun in October 2014, this large project symbolizes the merger between Hankyu and Hanshin in 2006. The construction was completed in February 2022. The office area entered service in March. The Hanshin Umeda Main Store fully opened in April.
- With Umeda Hankyu Building being renamed Osaka Umeda Twin Towers North on April 1, the two buildings were reborn as Osaka Umeda Twin Towers. The buildings will serve as a symbol of Umeda.

【Project summary】

Location	1-1 Umeda, Kita-ku, Osaka
Site area	Approx. 12,200 m ² *1
Total floor space	Approx. 260,000 m ²
Scale	38 floors above ground and 3 below ground
Purpose	Department store, offices, halls, etc.

*1 Including the road between Dai Hanshin Building and Shin Hankyu Building

【Schedule】

October 2014	Phase I start demolition work
July 2015	Phase I construction begins
April 2018	Completion of phase I construction (Shin Hankyu Building and Dai Hanshin Building East Wing)
June 2018	Partial opening of new department store Phase II (west wing of Dai Hanshin Building): Start demolition work
June 2019	Phase II construction begins
September 2021	Completion of phase II construction, the department store part
October 2021	Opening of the new department store in the phase II department store part*2
February 2022	Completion of all construction
March 2022	Opening of office Floors
April 2022	Full opening of the department store

【Building exterior】

Osaka Umeda Twin Towers South



*2 Some construction work continued ahead of the full opening 27

Umekita Phase II Development Project

【Background】

- JV9, which includes Hankyu Corporation, and Hankyu Hanshin Properties Corporation entered a consortium with four other firms. The consortium submitted a bid for the Umekita Phase II Development Project in a public tendering process organized by the Urban Renaissance Agency (a semipublic Independent Administrative Institution). The consortium won the bidding.
- The core theme of the project is to integrate green space with innovation. Building on the first phase of the project (which culminated in the opening of Grand Front Osaka), the consortium is working to achieve this theme and set a new standard in urban design for Kansai and even the whole of Asia.

【Outline of plan】

<Private-sector zone specifications*1>

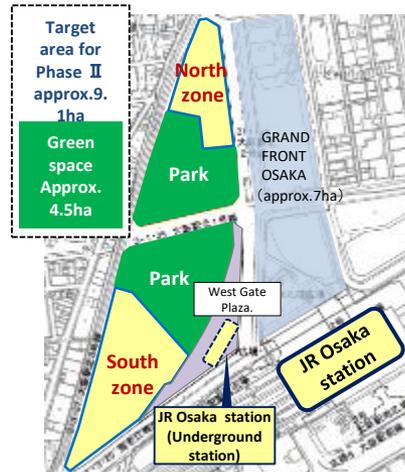
	North zone	South zone
Site area	Approx. 15,720m ²	Approx. 30,430m ²
Total floor space	Approx. 136,800m ²	Approx. 407,250m ²
Facilities	Innovation facilities, hotel (operator:Hilton), residence, commercial facilities, others	Offices, MICE facilities, hotel (operator:Hankyu Hanshin Hotels), residence, others

*1 See the November 24 press release titled "Operator chosen for three hotels in Umekita Phase II Development Project"

<Urban open space specifications*2>

Site area	Approx. 45,000m ²
Total facility floor area	Approx. 12,500m ²
Facilities	Museum, experiential learning facilities, roofed open spaces, restaurants, shops, others

*2 This is the competitive tender submitted in May 2018.



【Schedule】

Dec. 2020	Construction in private-sector zones
Around summer 2024	Advance openings*3
FY2028	Full openings

*3 For some private-sector zone facilities and part of the urban open space



Umekita Phase II Development Project

■ **Hankyu Hanshin Hotels plans to open a new upscale hotel.***

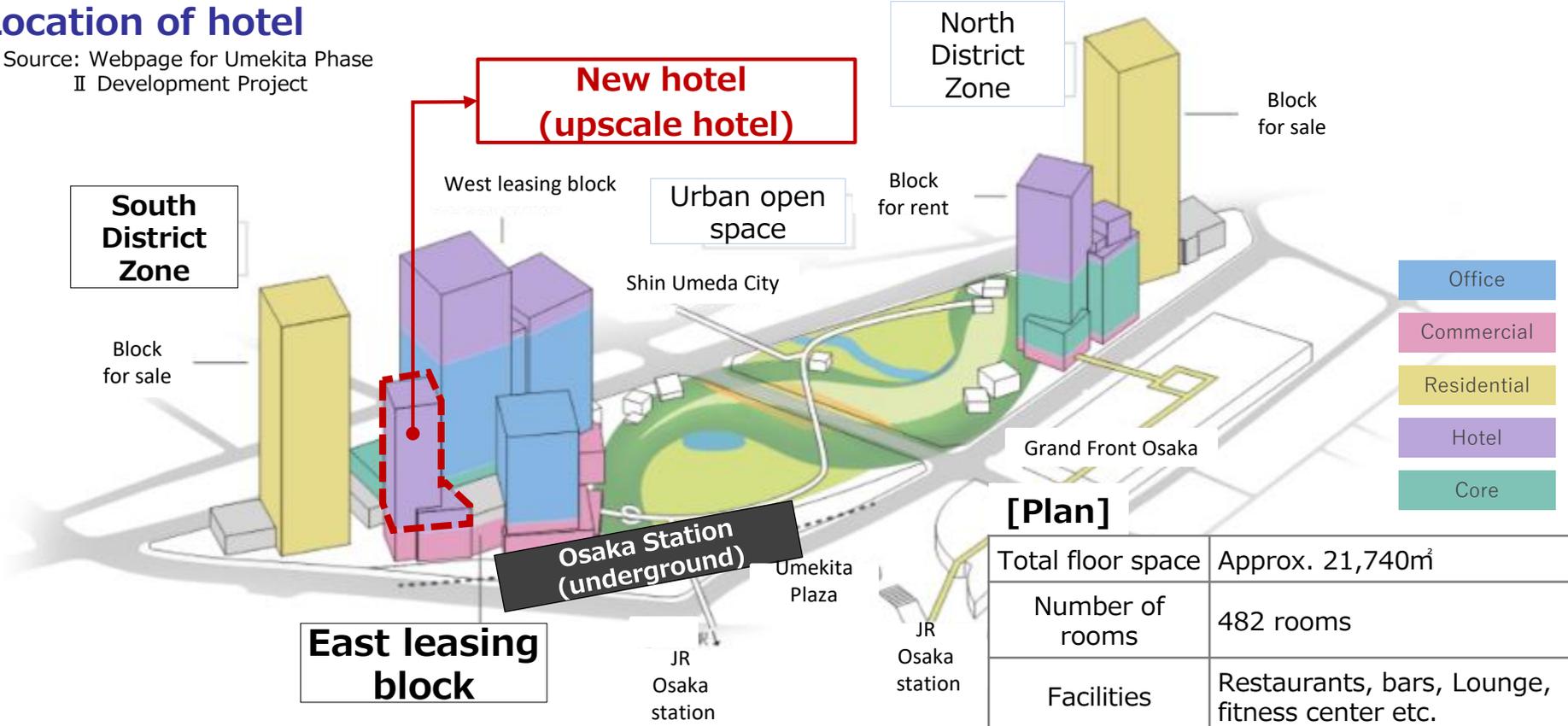
- Hankyu Hanshin Hotels will open an upscale hotel in the east leasing block (floors 5–28) in the Umekita Phase II South District Zone.

*An upscale hotel means a hotel that is a grade above that of a normal business hotel.

- The hotel will offer excellent convenience by being situated very close to JR’s new underground Osaka Station, which offers direct access to Kansai International Airport.

Location of hotel

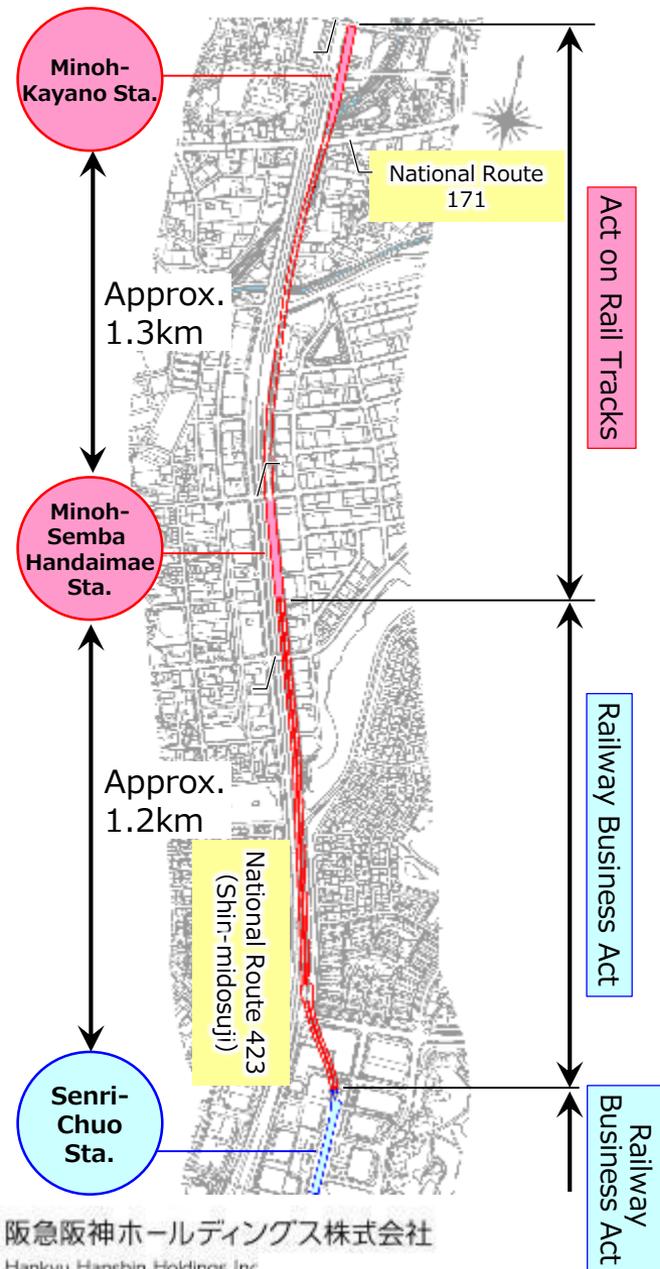
Source: Webpage for Umekita Phase II Development Project



[Plan]

Total floor space	Approx. 21,740m ²
Number of rooms	482 rooms
Facilities	Restaurants, bars, Lounge, fitness center etc.
Scheduled opening	Second half of FY2025

Kita-Osaka Kyuko Railway Line Extension Project



【Development plan summary】

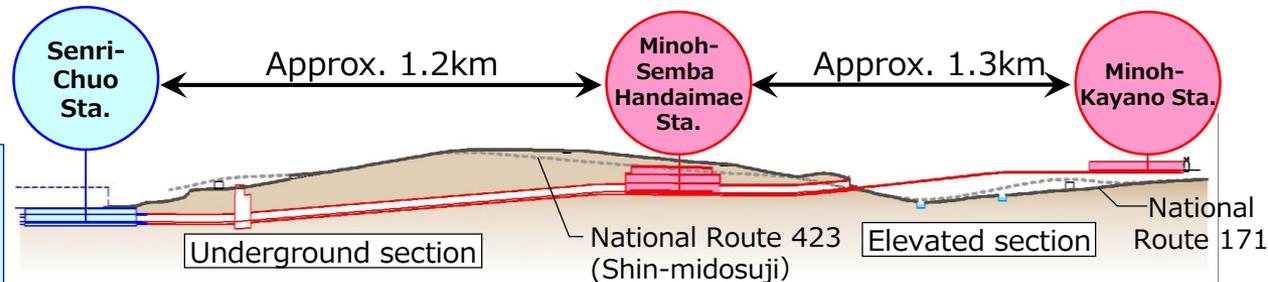
Extension distance	from <i>Senri-Chuo</i> Sta. to <i>Minoh-Kayano</i> Sta. 2.5km
New stations	<i>Minoh-Semba Handaimae</i> Sta., <i>Minoh-Kayano</i> Sta.
Estimated project cost	¥87.4 billion yen
Demand	45,000 people per day

【Business scheme】

Developer	Kita-Osaka Kyuko Railway Co., Ltd. and Minoh City (development of infrastructural components between <i>Minoh-Semba Handaimae</i> Sta. and <i>Minoh-Kayano</i> Sta.)
Operator	Kita-Osaka Kyuko Railway Co., Ltd.
Funding program	Social capital development grant
Portion to be borne by Kita-Osaka Kyuko Railway Co., Ltd	¥11.0 billion yen; Amount commensurate with profits

【Schedule】

December, 2015	Obtained a license for railway business and a charter for railway track operations
December, 2016	Commencement of construction
FY2024	Intended start of service

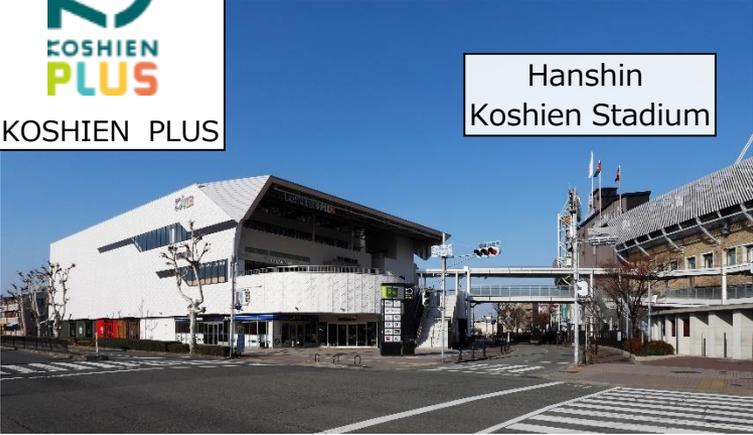


Project Progress Along Other Line-side Areas①

In order of opening date	<p style="text-align: center;">Kobe Sannomiya Hankyu Building</p> 	<p style="text-align: center;">LOGiSTA, Logicross Ibaraki Saito</p>   <p style="text-align: center;">A zone B zone</p>
Location	2-1, 4-chome Kanocho, Chuo-ku, Kobe (Direct access to Hankyu Kobe-sannomiya Station)	1-chome, Saito Moegi, Ibaraki (In the Sanroku Line area of the eastern section of Ibaraki City's International Culture Park 'Saito')
Site area	Approx. 7,100㎡	A zone : Approx. 51,000㎡(*) B zone : Approx. 16,000㎡(*)
Total floor space	Approx. 34,300㎡	A zone : Approx. 116,000㎡(*) B zone : Approx. 31,000㎡(*)
Number of floors	Building's main section : 29 floors above ground and 3 below ground Section under elevated railway : 2 floors above ground and 1 floor below ground	A zone : 5 floors above ground B zone : 4 floors above ground
Purpose	Hotel "remm plus Kobe Sannomiya", offices, commercial facilities "EKIZO Kobe Sannomiya", railway station	Logistics facilities
Scheduled opening	April 26, 2021	May 31, 2021(completion date)

* Includes the portion belonging to our partner

Project Progress Along Other Line-side Areas②

In order of opening date	<p style="text-align: center;">KOSHIEN PLUS</p>   <p style="text-align: center;">Hanshin Koshien Stadium</p>	<p style="text-align: center;">Development on west side of Hankyu Nishinomiya Gardens</p> 
Location	8-15 Koshien-cho, Nishinomiya, Hyogo (South side of Hanshin Koshien Stadium)	544 Takamatsu-cho, Nishinomiya, Hyogo (Direct access to Hankyu Nishinomiya-kitaguchi Station)
Site area	Approx. 3,200㎡	Approx. 3,000㎡
Total floor space	Approx. 5,000㎡	Approx. 18,300㎡
Number of floors	3 floors above ground	14 floors above ground
Purpose	The Museum Of Hanshin Koshien Stadium, commercial facilities	Commercial facilities, offices, rental housing
Scheduled opening	March 3, 2022	September 2023 (scheduled)

Project Progress Along Other Line-side Areas③

In order of opening date	Redevelopment of Site of Takarazuka Hotel	Development of Site of Yodogawa-ku Ward Office
		
Location	65-1, Umenochō, Takarazuka, Hyogo (near Hankyu Takarazuka-minamiguchi Station)	1-21-3, Jusō-higashi, Yodogawa-ku, Osaka (near Hankyu Jusō Station)
Site area	Approx. 9,800m ²	Approx. 7,300m ²
Total floor space	North wing: Approx. 41,000m ² South wing: Approx. 37,800m ²	Approx. 84,300m ²
Number of floors	North wing: 32 floors above ground (Total condominium units: 316 units) South wing : 32 floors above ground (Total condominium units: 322 units)	39 floors above ground (Total condominium units: 712 units)
Purpose	Residences, supermarket, clinic, preschool facility, etc.	Residences, supermarket, preschool facility, public library, etc.
Scheduled opening	North wing: Sales to begin in FY2025 South wing: Sales to begin in FY2026	Sales to begin in FY2027

Real Estate Development in Tokyo Metropolitan area

Projects in Tokyo

H-CUBE MINAMIAOYAMA
(Dec 2021: Sold)



Hankyu Hanshin Ueno Okachimachi Building
(Jan 2022: Construction completed)



Project to Effectively Use Site of Hotel Grand Palace
(Sep 2021: Concluded basic agreement with relevant parties over effective use of site)

Yaesu 2 Naka Redevelopment
(FY2029: Construction to be completed)



PILOT Hankyu Hanshin Green Building
(Feb 2019: Construction completed)

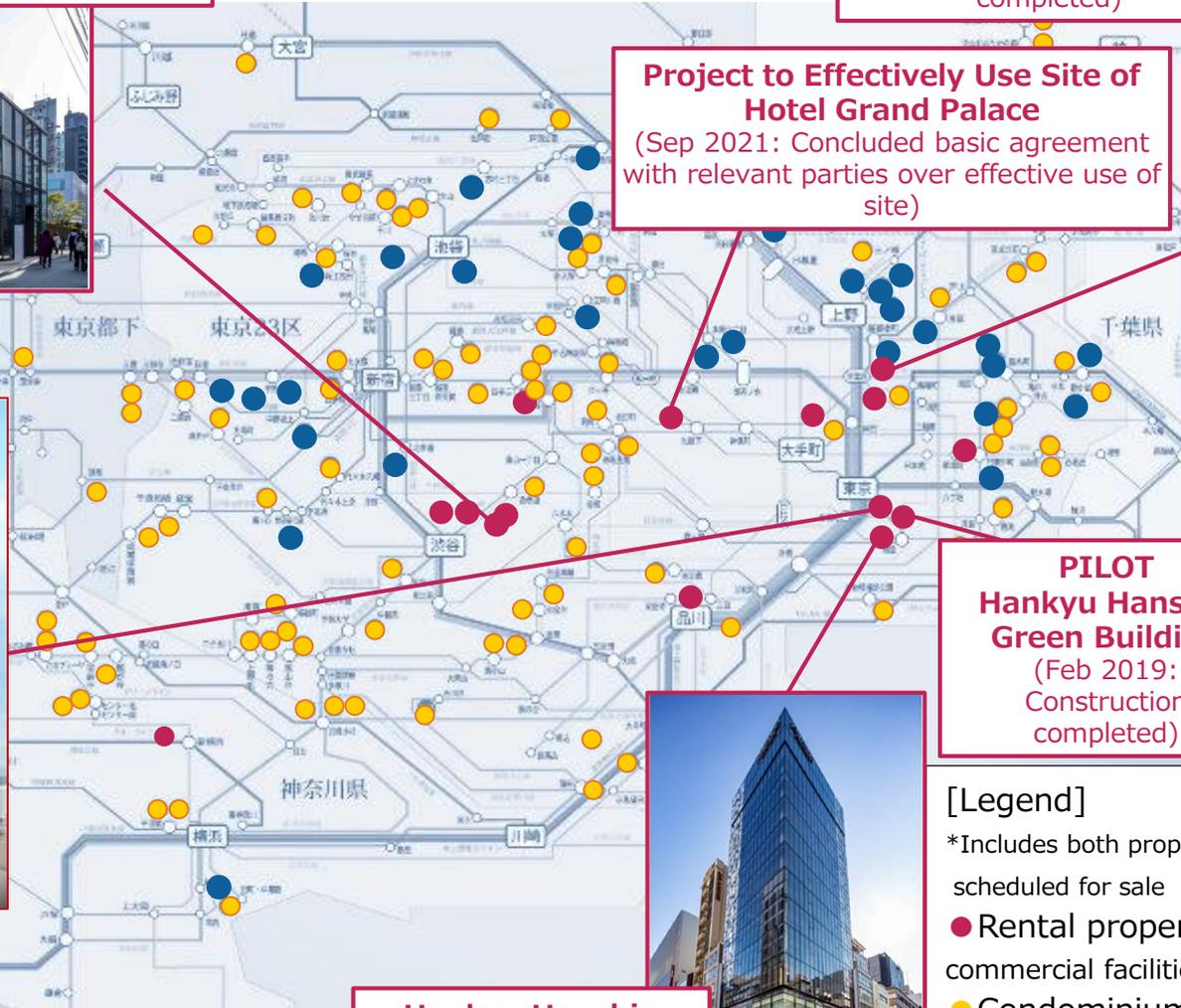


Hankyu Hanshin Ginza Building
(Mar 2020: Construction completed)



[Legend]

- *Includes both properties that are sold or scheduled for sale
- Rental properties (Office, commercial facilities, logistics facilities)
- Condominiums for sale
- Condominiums for rent, student accommodation



Project Progress in Tokyo Metropolitan Areas

Hankyu Hanshin Ueno Okachimachi Building



Yaesu 2 Naka Redevelopment



Location	4-9-2, Taito, Taito-ku, Tokyo (near Tokyo Metro Naka-okachimachi Station and JR Okachimachi Station)	2-(from 4 to7), Yaesu, Chuo-ku, Tokyo (near JR Tokyo Station and Tokyo Metro Kyobashi Station)
Site area	Approx. 240m ²	Approx. 19,600m ² *
Total floor space	Approx. 2,200m ²	Approx. 388,300m ² *
Number of floors	12 floors above ground	43 floors above ground and 3 floors below ground
Purpose	Offices	Offices, shops, theater, serviced apartment, international school, bus terminal, car park etc.
Scheduled opening	January 31, 2022 (Completion date)	FY2029 (Scheduled)

*Includes the portion belonging to our partner

Real Estate Sales Business in Japan

Condominiums sales in Japan (for general public)

- We will maintain or increase our market share in both Kinki and Tokyo. In Kinki, we will focus on flagship properties. In Tokyo, we will focus on redevelopment/remodelling projects with a medium-to long-term timespan.
- We will also enhance the Geo brand, making it the absolute best in Kinki.



Geo was awarded the top spot in Kinki in the 2022 Oricon Customer Satisfaction Survey® in the new condominiums category.

Geo is our brand of condominiums for sales



Geo was awarded the top prize for customer satisfaction in condominium developer / sales company category.

[Properties to be sold in future]

- Geo Saito Irodori-no-oka (Minoh, Osaka) 372 units (handover from FY2024)
- Geo Tower Shimmachi (Nishi-ku, Osaka) 190 units (handover from FY2025)
- Type 1 redevelopment project for vicinity of Hirai-5-chome Station (Edogawa-ku, Tokyo) 379 units* (handover from FY2025)
- Project to Redevelop Site of Takarazuka Hotel (Takarazuka, Hyogo) 638 units (handover from FY2025)
- Project to Redevelop Site of Yodogawa Ward Office (Yodogawa-ku, Osaka) 712 units (handover from FY2027)

*Includes the units belonging to our partner



[Geo Tower Shimmachi]

[(Reference) Condominium sales in Japan]

(FY)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Units	1,356	1,374	1,302	1,087	1,159	1,114	1,516	867	1,137	1,200 units

Short-term-revenue (fix-and-flip) properties business (selling to investors)

- We will develop condominiums for real estate investing and develop properties for use as student accommodation with a view to selling around 10 blocks a year in Tokyo.



Our Geo Ent is our brand of condominiums for rent

Expanding the Real Estate Business Overseas

In ASEAN countries, we have focused on residential real estate sales business. We will now additionally focus on real estate leasing and short-term-revenue (fix-and-flip) development in order to increase the segment's top-line growth opportunities in overseas real estate markets.

Thailand
[Condominium, townhouse*]

• Niche Mono Ramkhamhaeng (Approx. 1,700 units)



Other

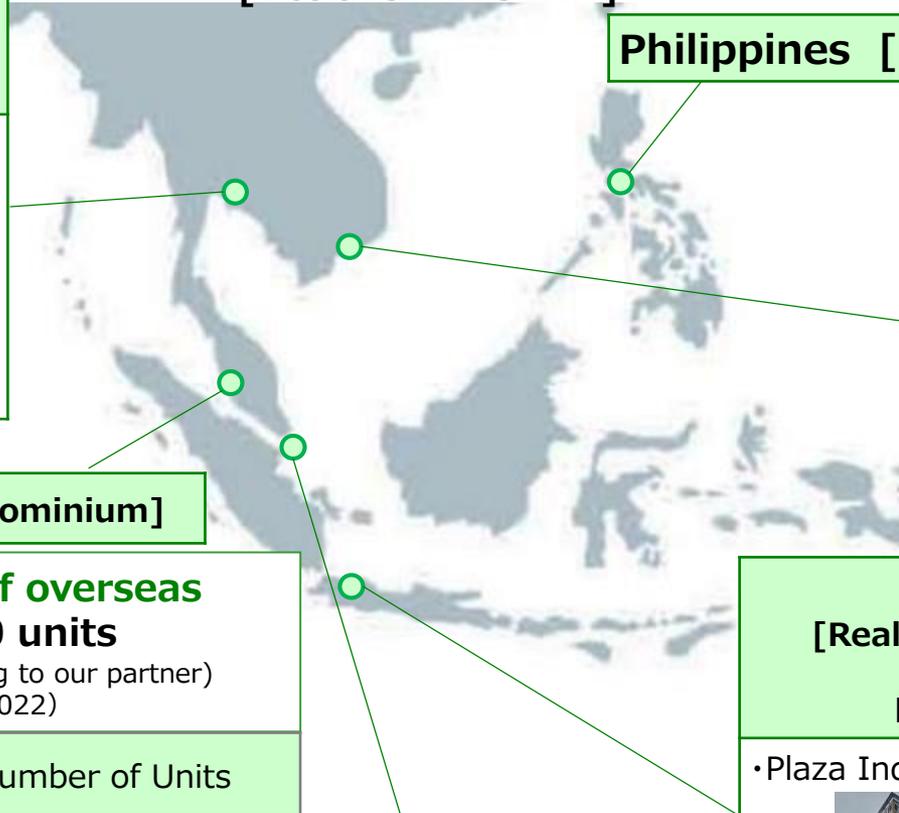
*Multi-tenant building

Malaysia [Condominium]

Cumulative total of overseas
Approx. 44,200 units
(Includes the portion belonging to our partner)
(As of March 31, 2022)

	Number of Projects	Number of Units
Thailand	27	Approx. 22,010 units
Vietnam	6	Approx. 13,990 units
Philippines	5	Approx. 4,340 units
Indonesia	3	Approx. 3,010 units
Malaysia	1	Approx. 850 units

[Actions in ASEAN]



Philippines [House, townhouse*]

Vietnam
[House, Comdominium]

• MIZUKI PARK (Approx. 4,200 units)



Other

Indonesia
[Real estate leasing, house, condominium, logistics facilities]

• Plaza Indonesia Complex



Other

Singapore
[Logistics facilities]

(4) Sustainable Management

[Reference] Sustainability Declaration

① General principles (sustainability vision) A future vision that we hope to achieve through our sustainable business practices

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

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

② Priority issues (materiality matrix) Six priority issues to address as part of our sustainable business practices

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



Our actions to contribute to the carbon neutrality goal

- To contribute to the 2050 carbon neutrality goal, we have updated as follows our strategy for our fifth priority issue: environmental protection.



Sustainability Declaration **Priority issue 5: Environmental protection**



Contribute toward a low-carbon, circular economy.

Conduct eco activities that contribute to a carbon-neutral world and a circular economy

Strategies to help achieve carbon neutrality

① Use energy efficiently

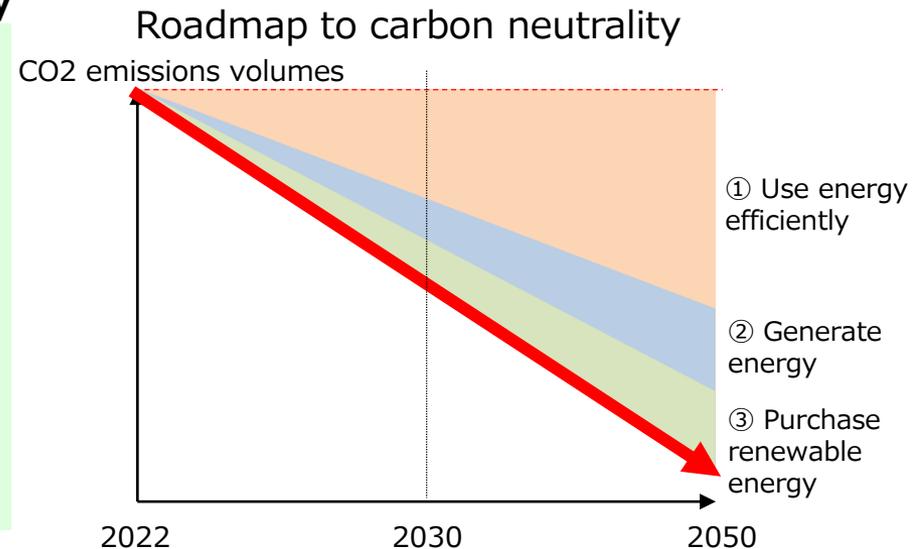
To reduce the base level of energy we consume, we will invest in energy-efficient technology while keeping an eye on financial soundness and return on investment.

② Explore ideas to generate energy

Keeping an eye on technological advances, we will introduce systems for generating and storing renewable energy if they are financially viable.

③ Purchase renewable energy (carbon credits)

If the first two strategies prove insufficient to achieve the goal, we will cover the shortfall with purchasing renewable energy (carbon credits).





Kobe-Sannomiya Hankyu Building certified as DBJ Green Building

In August 2021, Kobe-Sannomiya Hankyu Building earned three stars (indicating excellence in ecological and social sustainability) in the Development Bank of Japan's Green Building program. The building earned this accolade for achieving energy and resource efficiency, offering comfort and convenience to users, and for its high standard of disaster preparedness.



Hanshin Koshien Stadium issues KOSHIEN "eco" Challenge

In December 2021, Hanshin Koshien Stadium issued the KOSHIEN "eco" Challenge, which commits the stadium to achieving environmental sustainability in three ways:

<Three eco-sustainability measures>

① Produce less waste and recycle more

Go further in recycling plastic drinks containers

Use biomass packaging for food items (e.g. Koshien curry)

Use recycled materials in staff uniforms

② Cut CO2 emissions

Switch lighting to LED

Organize carbon-offset games

③ Use more renewable energy

Install solar panels on

Ginsan roof of Hanshin Koshien Stadium

Use wellwater and rainwater



KOSHIEN
eco Challenge

Current ESG Efforts



Actions to increase rail safety

[Universal design]

The rail companies are improving accessibility in the train and on the platform to ensure safe and comfortable rail travel for all.

Kasuga-nomichi and Nakatsu Stations of Hankyu line had posed an ongoing challenge for incorporating universal design. For Kasuga-nomichi Station, we will finish remodeling by the end of FY2023. For Nakatsu Station, discussions remain ongoing.

	As of March 31, 2022	
	Hankyu Corporation	Hanshin Electric Railway
Percentage of stations with universal design (stairway-free)	98%	100%

Stairway-free: Percentage of stations (those that serve at least 3,000 passengers a day on average) with elevators or ramps as alternatives to stairways.

[Natural disasters of extreme severity]

The rail companies are taking hard (physical) measures to control risks of flooding and earthquakes.

They are also taking soft (non-physical) safety measures such as suspending services strategically and communicating risk information to passengers.

[Platform screen doors]

Platform screen doors (for preventing passengers falling onto the track) are being rolled out at Hankyu and Hanshin stations.

Stations with platform screen doors (platform doors)

Hankyu Corporation

● Juso station

FY2019 end: Installed on Takarazuka Line 3, Kyoto Lines 4 and 5

● Kobe-sannomiya Station

FY2022 end: Installed on all platforms

● Kasuga-nomichi Station

FY2023 end: To be installed

Hanshin Electric Railway

● Kobe-Sannomiya Station

FY2022 end: Installed on all platforms

● Osaka-Umeda Station

Oct 2021: Entered service new platform 1

FY2024: To be installed on all platforms



Current ESG Efforts



Employee wellbeing

Twenty of our Group companies were listed in the “Health and Productivity Management” Organizations of 2022, Hankyu Corporation, Hanshin Electric Railway, and Itec Hankyu Hanshin were included among the 500 best (“white”) companies. Recognizing that the wellbeing of employees and their families is a paramount social concern, we have committed to two non-financial KPIs related to employee wellbeing management: percentage of employees receiving guidance for specific medical conditions, and percentage of employees who smoke.



Community engagement



私たちは、未来へつなぐ「地域環境づくり」と「次世代の育成」に貢献します。

In 2009, we launched the Hankyu Hanshin Dreams and Communities of the Future Project. As part of this project, we work on community-engagement projects with the public sector (the national government and local governments in line-side areas) and with companies and NGOs that are leading the way in SDG efforts. One project involves running Dreams and Communities trains, which are trains with SDG-themed livery.

Listings in Health and Productivity Management Organization Indicates expanding scope of employee wellbeing in the Group

Category	2020	2021	2022
Large enterprise category	5	8	10
SME category	6	7	10
Total	11	15	20



SDG-themed rail livery: The Dreams and Communities trains

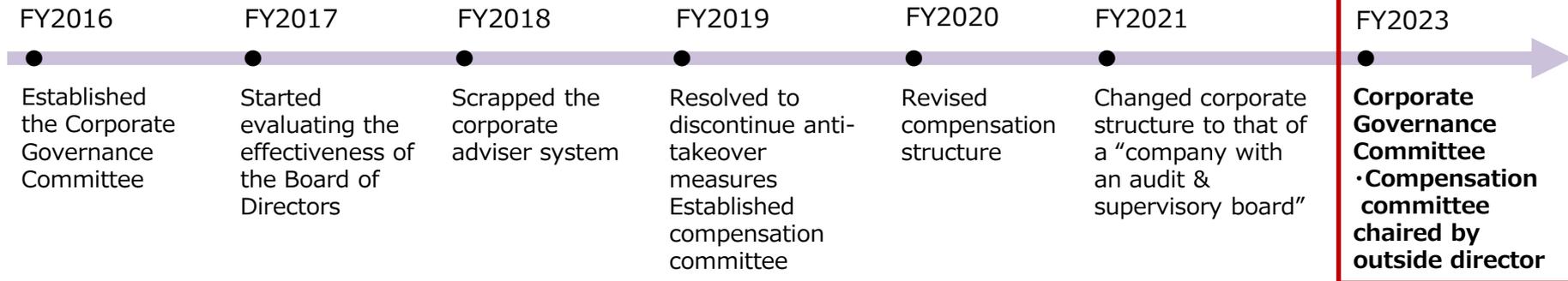
Current ESG Efforts



Robust governance

Notes: Regarding Corporate Governance Report, please visit our website.

[Actions to promote effective and transparent corporate governance]



[Participating in the UN Global Compact]

The UN Global Compact calls on companies to commit to ten principles related to human rights (protection of human rights), labor (e.g. elimination of forced and compulsory labor), environment, and anti-corruption. We signed the compact in May 2021, and commit to upholding the ten principles.

WE SUPPORT



[Anti-Corruption Policy]

We have declared our commitment to combat corruption (including bribery, unfair trade practices, and insider trading) and have published a basic policy (in March 2022) on how we work against corruption and how we respond if an incident arises.

Current ESG Efforts

Complying with the Task Force on Climate-Related Financial Disclosures (TCFD)

[Our compliance status]

- May 2021 We endorsed the TCFD recommendations.
- October 2021 In Integrated Report 2021, we followed the TCFD’s recommended disclosure framework as follows. For the strategy category, we specified risks and opportunities in our railway operations and Real Estate businesses, as they are significantly exposed to climate-change impacts.



[Disclosure categories and what we disclosed]

Governance	We disclosed that the Corporate Sustainability Committee is chaired by the CEO, that it meets twice a year, and that important matters are reported to the Board of Directors.
Strategy	We specified risks and opportunities related to railway operations and Real Estate businesses.
Risk Management	We disclosed that we have a dedicated risk management office and that every year our businesses conduct an annual risk survey to identify risks and determine appropriate responses, which are then reported to the Board of Directors.
Metrics and Target	We disclosed CO2 reduction targets and non-financial KPIs for the railway operations and Real Estate businesses.

[Examples of identified risks and opportunities]

Risks	Railway operations: Energy costs will rise if a carbon tax is levied Real Estate: Regulatory tightening on ZEBs and ZEHs* would lead to heavier costs associated with rebuilding or renovating.
Opportunities	Railway operations: Because railways are relatively energy-efficient, we can command competitive prices, encouraging a switch to rail. Real Estate: There is growing demand for green buildings and disaster-resilient housing.

*ZEB: Net-Zero-Energy Building
ZEH: Net-Zero-Energy House

We are calculating the financial impacts of these risks and opportunities. Based on the results, we will explore strategies for addressing them.

(5) Other

Consolidated Subsidiaries

(As of April 1, 2022)

Urban Transportation		Real Estate		Information and Communication Technology		
Railway operations	Hankyu Corporation Hanshin Electric Railway Nose Electric Railway Kita-Osaka Kyuko Railway Kobe Rapid Transit Railway Hankyu Hanshin Electric System Railway Operation Hankyu Hankyu Railway Service	Real estate leasing, sales and others	Hankyu Hanshin Properties Hankyu Corporation Hanshin Electric Railway Hankyu Hanshin Estate Service Osaka Diamond Chikagai Kyokuto Advanced Development Hankyu Hanshin Building Management Hankyu Hanshin High Security Service Hankyu Hanshin Clean Service Hankyu Hanshin REIT Asset Management Hankyu Hanshin Real Estate Investment Advisors Hankyu Hanshin Housing Support Hankyu Hanshin Properties Join HANKYU HANSHIN LOGISTICS INDONESIA HANKYU HANSHIN PROPERTIES SINGAPORE	Information and Communication Technology	Hanshin Electric Railway Itec Hankyu Hanshin System Giken YMIRLINK Rworks Nihon Protec Mimamorume Himeji Cable Television Bay Communications BAN-BAN Networks Hanshin Cable Engineering	
Automobile	Hankyu Bus Hanshin Bus Hankyu Kanko Bus Osaka Airport Transport Hankyu Taxi Hanshin Taxi Osaka Hanshin Taxi Hankyu Hanshin Motor Technology Hankyu Driving School Hattori Ryokuchi Haks Hanshin Hankyu Commuterbus Management Osaka Motor Technology (OMTEC)	Hotel	Hankyu Hanshin Hotels Hanshin Hotel Systems Arima View Hotel Amanohashidate Hotel Kure Hankyu Hotel	Travel	Travel agency	Hankyu Travel International Hankyu Hanshin Business Travel Hankyu Travel Support Hanshin Travel International
Retailing	Eki Retail Service Hankyu Hanshin Hankyu Style Labels	Entertainment	Sports	International Transportation	International transportation	Hankyu Hanshin Express Hankyu Hanshin Logipartners HANKYU HANSHIN EXPRESS (USA,DEUTSCHLAND,UK,NETHERLANDS, BEIJING,SHANGHAI,GUANGZHOU,HK, TAIWAN,KOREA,Southeast Asia, SINGAPORE,THAILAND,MALAYSIA, PHILIPPINES,INDONESIA,VIETNAM, INDIA : 18 companies) HANKYU HANSHIN INTERNATIONAL LOGISTICS SHANGHAI HANKYU HANSHIN LOGISTICS INDONESIA
Other	Alna Sharyo Hankyu Sekkei Consultant Hanshin Station Net Hanshin Sharyo Maintenance	Stage	Hankyu Corporation Takarazuka Creative Arts Takarazuka Stage Umeda Arts Theater			

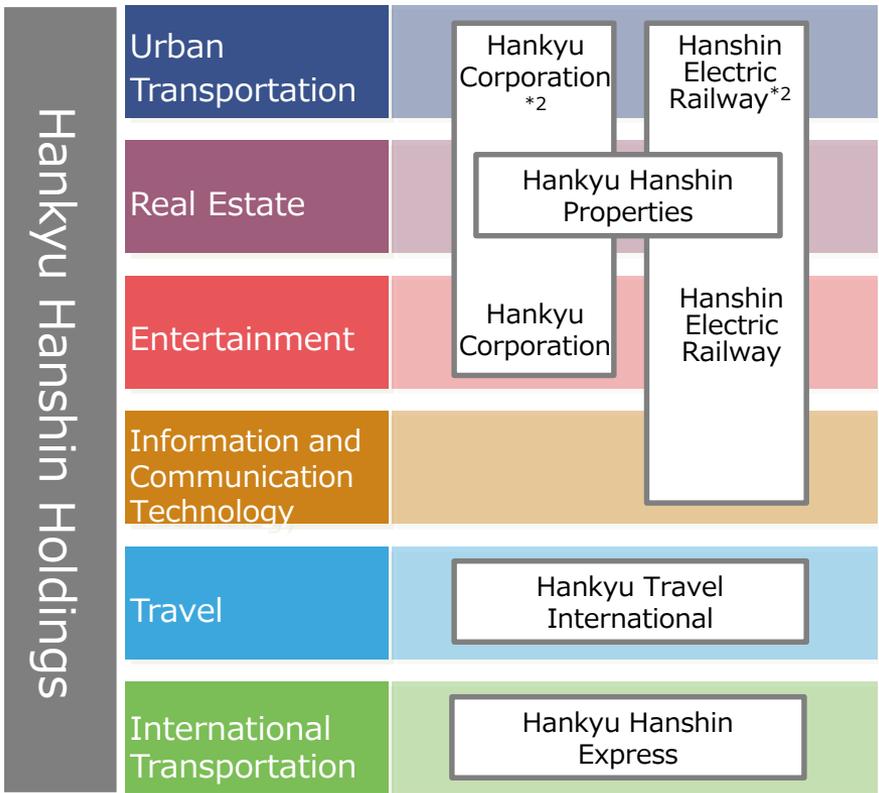
[Legend]

Name of segment	
Name of sub-segment	Name of consolidated subsidiary (Only listed companies that are managed as segment)

Revenue from Operations and operating income as a FY2022

Management composition

(As of April 1, 2022)*1

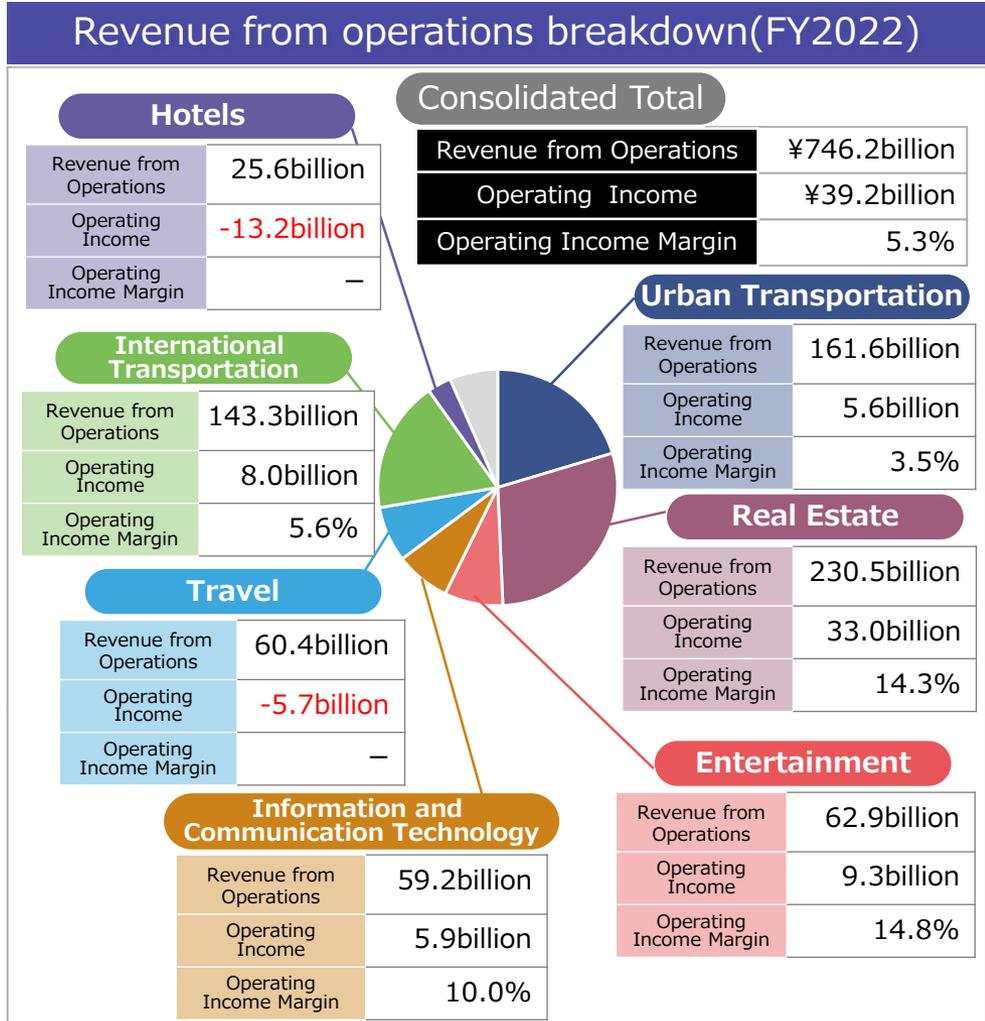


*1 On April 1, 2022, we consolidated the Hotels segment into the Real Estate segment. Accordingly, we now have five core companies and six core business segments.

*2 In the Umeda and line-side areas, Hankyu Corporation and Hanshin Electric Railway will retain their real estate for leasing and developing and work with Hankyu Hanshin Properties to promote community building efforts in connection with public transport networks and local governments.

Earnings structure

■ The Urban Transportation and Real Estate businesses generate stable cash flows and account for approximately 50% of revenue from operations. (In FY2019 results, approximately 60% of revenue from operations and 80% of operating income)



Areas served by the Hankyu and Hanshin lines①

Definition of the areas served by the Hankyu and Hanshin lines

Osaka Prefecture:

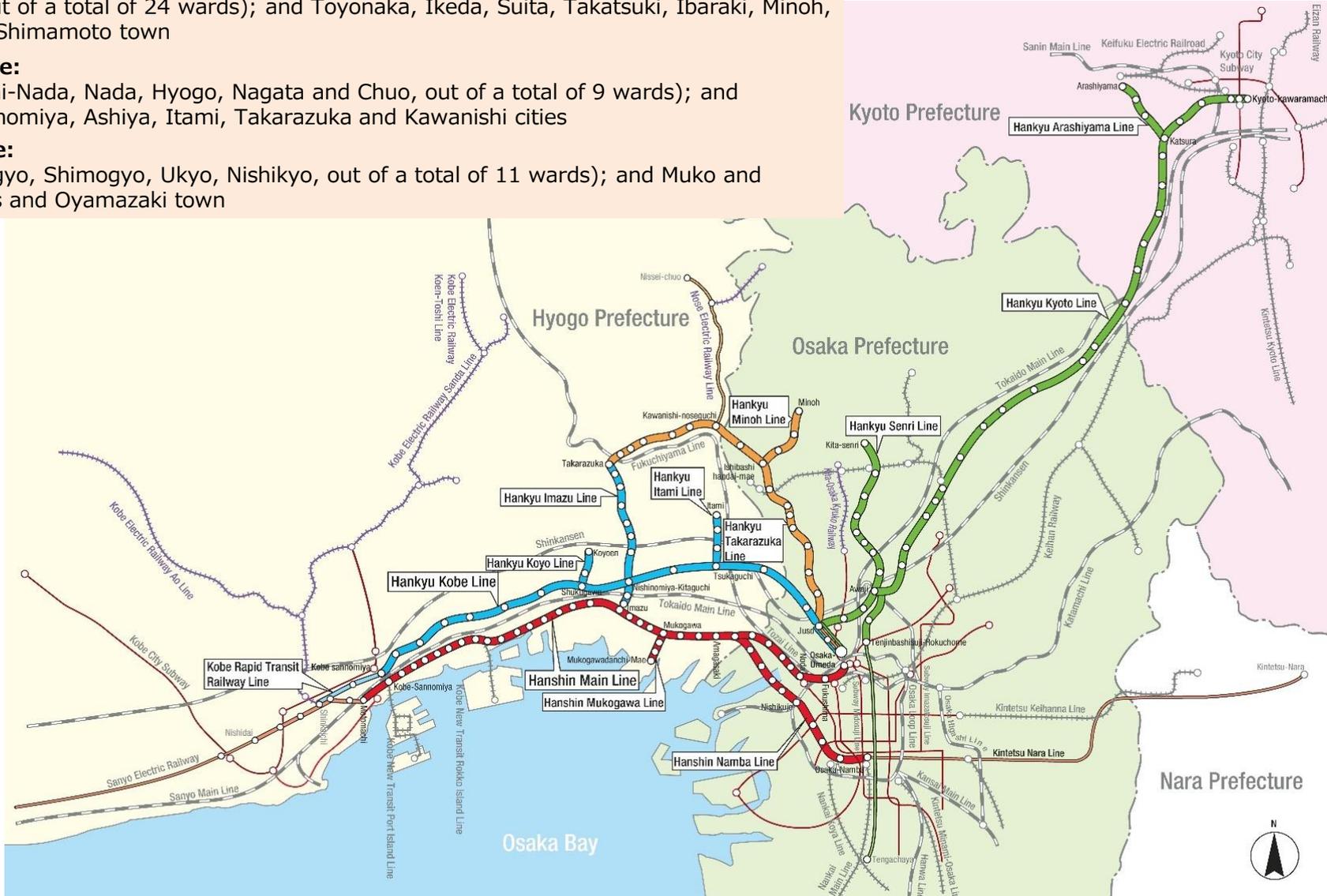
Osaka City (Fukushima, Konohana, Nishi, Naniwa, Nishi-Yodogawa, Higashi-Yodogawa, Yodogawa, Kita and Chuo, out of a total of 24 wards); and Toyonaka, Ikeda, Suita, Takatsuki, Ibaraki, Minoh, Settsu cities and Shimamoto town

Hyogo Prefecture:

Kobe City (Higashi-Nada, Nada, Hyogo, Nagata and Chuo, out of a total of 9 wards); and Amagasaki, Nishinomiya, Ashiya, Itami, Takarazuka and Kawanishi cities

Kyoto Prefecture:

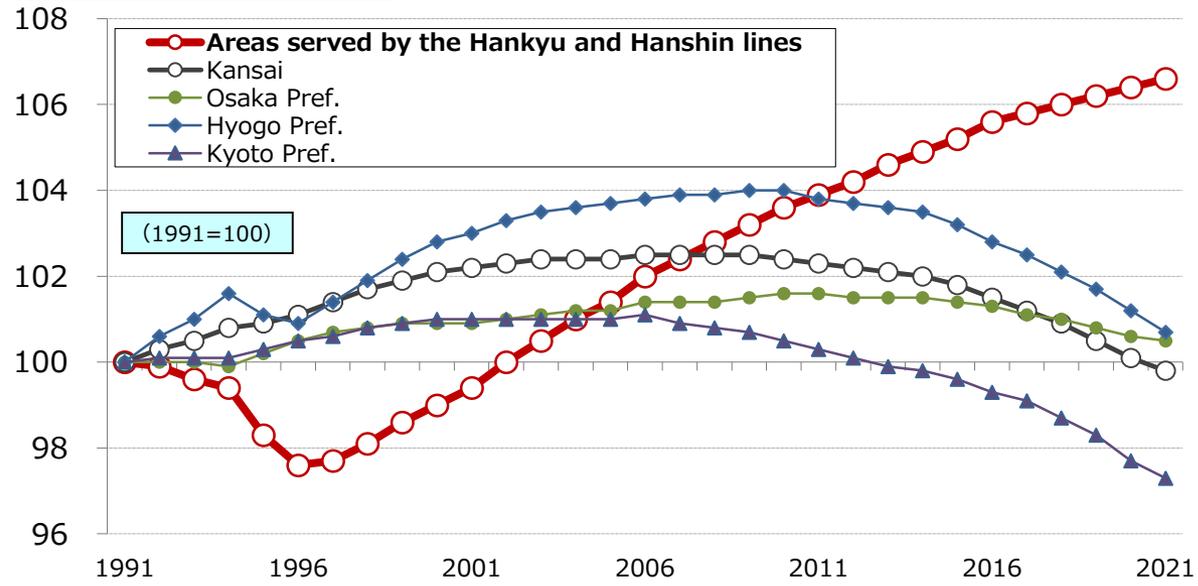
Kyoto City (Nakagyo, Shimogyo, Ukyo, Nishikyo, out of a total of 11 wards); and Muko and Nagaokakyo cities and Oyamazaki town



Areas served by the Hankyu and Hanshin lines②

Population Trends

Sources: Prepared by the Company based on data from "Local Economy Directory," published by Toyo Keizai, Inc., and "Basic Resident Register," published by the Ministry of Internal Affairs and Communications. (as of January 1, 2021)



	(km)	(thousand)
	Area	Population
Areas served by the Hankyu/Hanshin line	1,318	5,638
Osaka Pref. (service areas)	449	2,711
Hyogo Pref. (service areas)	471	2,262
Kyoto Pref. (service areas)	398	665
Non-Hankyu/Hanshin Service Areas	26,033	14,485
Osaka Pref. (non-service areas)	1,456	5,878
Hyogo Pref. (non-service areas)	7,930	3,148
Kyoto Pref. (non-service areas)	4,214	1,805
Shiga Pref.	4,017	1,386
Nara Pref.	3,691	1,331
Wakayama Pref.	4,725	938
Total	27,351	20,123

Survey of prospective condominium purchasers regarding their preferred Kansai residential area

Ranking	Station	(Area)	Ranking	Station	(Area)
1	Nishinomiya-Kitaguchi	(Nishinomiya, Hyogo Pref.)	11	Mikage(Hankyu)	(Kobe, Hyogo Pref.)
2	Osaka-Umeda, Osaka	(Osaka, Osaka Pref.)	12	Hommachi	(Osaka, Osaka Pref.)
3	Shukugawa	(Nishinomiya, Hyogo Pref.)	13	Tennoji	(Osaka, Osaka Pref.)
4	Senri-Chuo	(Toyonaka, Osaka Pref.)	14	Kita-senri	(Suita, Osaka Pref.)
5	Okamoto	(Kobe, Hyogo Pref.)	15	Karasuma Oike	(Kyoto, Kyoto Pref.)
6	Ashiya	(Ashiya, Hyogo Pref.)	16	Toyonaka	(Toyonaka, Osaka Pref.)
7	Ashiyagawa	(Ashiya, Hyogo Pref.)	17	Ibaraki	(Ibaraki, Osaka Pref.)
8	Kobe-Sannomiya, Sannomiya	(Kobe, Hyogo Pref.)	18	Kuraku-enguchi	(Nishinomiya, Hyogo Pref.)
9	Takarazuka	(Takarazuka, Hyogo Pref.)	19	Fukushima	(Osaka, Osaka Pref.)
10	Takatsuki, Takatsuki-shi	(Takatsuki, Osaka Pref.)	20	Esaka	(Suita, Osaka Pref.)

Except for Hommachi (12), Tennoji (13), Karasuma Oike (15) and Ibaraki (17), all of the top 20 stations are on Hankyu Hanshin Holdings group lines

Source: A survey of prospective condominium purchasers regarding their preferred residential area, conducted by seven major real estate developers (Sumitomo Realty & Development Co., Ltd., Daikyo Incorporated, Tokyu Land Corporation, Tokyo Tatemono Co., Ltd., Nomura Real Estate Development Co., Ltd., Mitsui Fudosan Residential Co., Ltd., and Mitsubishi Jisho Residence Co., Ltd.) and included in a press release dated September 30, 2021.

Overview of Osaka-Umeda area①

Major rental properties

(As of April 1, 2022)

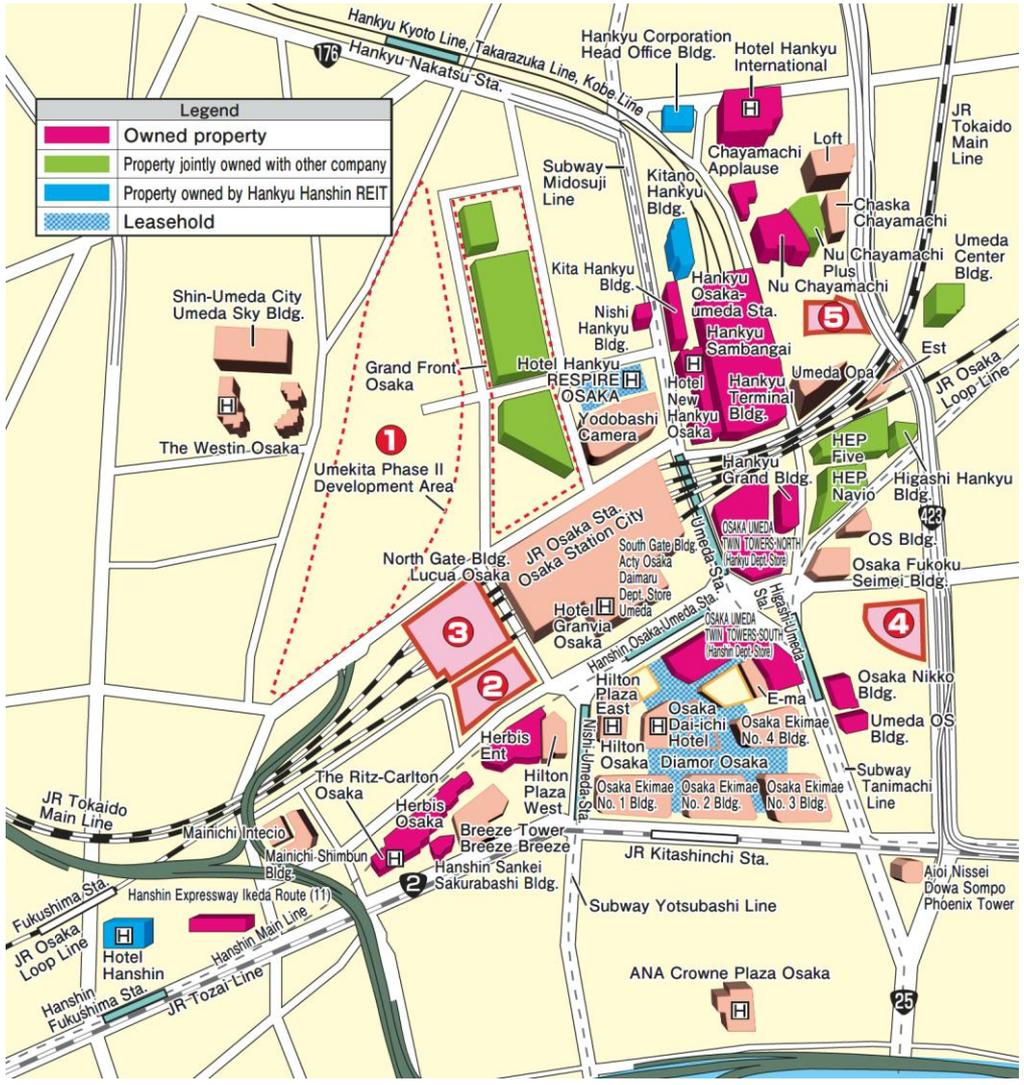
Property name	Leasable area (1,000m ²) *1	Number of floors	Completed
Osaka Umeda Twin Towers North (Hankyu Department Store, office)	213	41 floors above ground and 2 below ground	Nov 2012
Osaka Umeda Twin Towers South (Hanshin Department Store, office)	194	38 floors above the ground and 3 below ground	Feb 2022
Umeda Hanshin Daiichi Bldg. (HERBIS OSAKA)	82	40 floors above ground and 5 below ground	Mar 1997
Umeda Hanshin Daini Bldg. (HERBIS ENT)	54	28 floors above ground and 4 below ground	Nov 2004
Hankyu Chayamachi Bldg. (Applause Tower)	52	34 floors above ground and 3 below ground	Nov 1992
Hankyu Sanban Gai Shopping Center	38	5 floors above ground and 2 below ground (partially 4 below ground)	Nov 1969
Hankyu Grand Bldg.	36	32 floors above ground and 3 below ground	Aug 1977
Hankyu Terminal Bldg.	27	18 floors above ground and 4 below ground	Mar 1972
Hankyu Five Bldg.*2 (HEP FIVE)	19	10 floors above ground and 3 below ground	Nov 1998
NAVIO Hankyu (HEP NAVIO)	16	10 floors above ground and 2 below ground	Oct 1980
GRAND FRONT OSAKA*3	14	38 floors above ground and 3 below ground	Mar 2013
NU chayamachi	12	9 floors above ground and 2 below ground	Oct 2005

*1 : Leasable area does not include areas for public use
 *2 : Jointly owned property with Hankyu Hanshin REIT Asset Management
 *3 : Jointly owned property with others (other than Hankyu Hanshin REIT Asset Management)

Developments in Umeda district

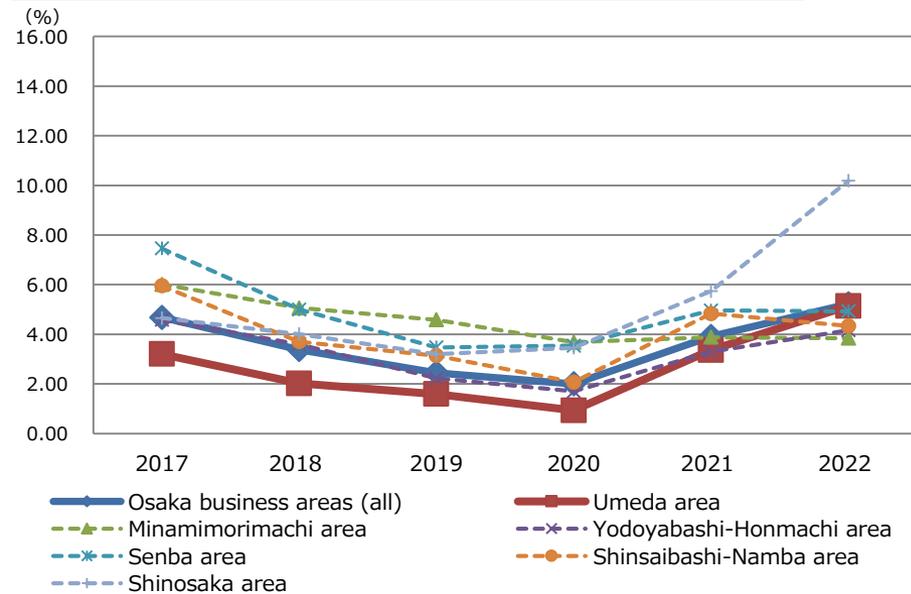
(red = Hankyu Hanshin Holdings group related Projects)

- ① Umekita Phase II Development Project
- ② Umeda 3-chome Project (Provisional Name)
 - Japan Post Holdings Co. Ltd./Osaka Terminal Building Co., Ltd.
- ③ (Provisional Name) Commercial Development Northwest of Osaka Station - West Japan Railway Company etc.
- ④ (Provisional Name) Umeda Sonezaki Project (UMEDA GARDEN) -Sumitomo Realty & development Co., Ltd.
- ⑤ Chayamachi B-2 District Redevelopment Project -TOKYU LAND CORPORATION Co., Ltd.



Overview of Osaka-Umeda area②

Trends in average vacancy rates among six main business districts in Osaka

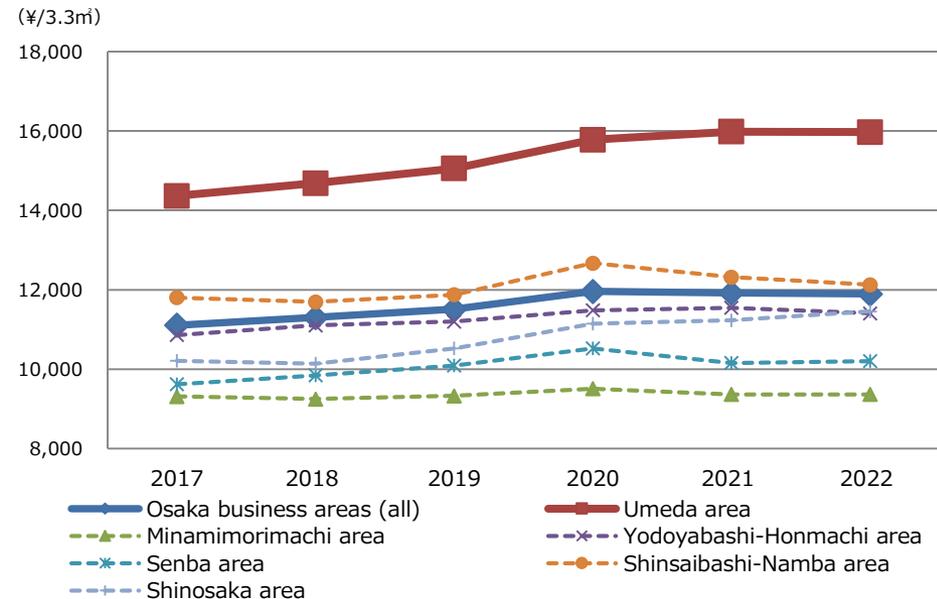


(%)	2017	2018	2019	2020	2021	2022
Osaka business areas (all)	4.68	3.38	2.45	2.00	3.91	5.22
Umeda area	3.20	2.02	1.59	0.93	3.36	5.14
Minamimorimachi area	6.01	5.06	4.58	3.68	3.88	3.84
Yodoyabashi-Honmachi area	4.58	3.60	2.22	1.70	3.30	4.16
Senba area	7.46	5.00	3.47	3.54	4.96	4.93
Shinsaibashi-Namba area	5.95	3.70	3.14	2.07	4.83	4.33
Shinosaka area	4.65	4.01	3.20	3.46	5.74	10.18

(Reference)

Tokyo business areas (all)	3.60	2.80	1.78	1.50	5.42	6.37
----------------------------	------	------	------	------	------	------

Trends in rent among six main business districts in Osaka



(¥/3.3m)	2017	2018	2019	2020	2021	2022
Osaka business areas (all)	11,107	11,302	11,510	11,957	11,917	11,893
Umeda area	14,366	14,684	15,056	15,780	15,984	15,969
Minamimorimachi area	9,314	9,249	9,331	9,508	9,364	9,365
Yodoyabashi-Honmachi area	10,861	11,105	11,200	11,485	11,548	11,407
Senba area	9,620	9,845	10,093	10,524	10,157	10,205
Shinsaibashi-Namba area	11,802	11,696	11,875	12,671	12,317	12,125
Shinosaka area	10,213	10,142	10,523	11,147	11,232	11,456

(Reference)

Tokyo business areas (all)	18,730	19,699	21,134	22,594	21,541	20,366
----------------------------	--------	--------	--------	--------	--------	--------

(Comparison of average rents in March of respective years)

Source: Miki Shoji, "Office Data."

