

Hankyu Hanshin Holdings
Sustainability Data Book 2021

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Editorial Policy

This report outlines the approach, initiatives, major performance results in FY2021, future policies and plans of the Hankyu Hanshin Holdings Group for the realization of a sustainable society.

- Guidelines for Reference: GRI Sustainability Reporting Standards [GRI Standards Content Index](#) 
- Report Scope: Hankyu Hanshin Holdings, Inc. the six core companies of the Hankyu Hanshin Holdings Group, the companies that belong to the Group's respective core businesses (Urban Transportation, Real Estate, Entertainment, Information and Communication Technology, Travel, International Transportation, and Hotels), and other operating companies (The following different report scopes apply to some parts of this data book.)
 - Hankyu Hanshin Holdings, Inc.
 - Hankyu Hanshin Holdings, Inc. and six core companies: a total of seven companies (Hankyu Hanshin Holdings, Inc., 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.)
 - Hankyu Hanshin Holdings, Inc. and its consolidated subsidiaries in Japan: a total of 76 companies
 - Hankyu Hanshin Holdings, Inc. and all its consolidated subsidiaries: a total of 96 companies* Hankyu Hanshin Holdings, Inc. and the six core companies account for about 70% of the Group's consolidated operating income.
- Period Covered: FY2021 (April 1, 2020–March 31, 2021) This data book also covers some initiatives implemented in FY2022.
- Date of issue: December 2021 ■ Next Issue scheduled for October 2022
- Reporting system: Information on sustainability is provided in the Sustainability Data Book, the corporate website, and other media listed below.
 - Sustainability Data Book: Provides detailed non-financial ESG (environmental, social, and governance) information
 - Corporate website: Examples of the Group's initiatives in line with the priority issues, the GRI Standards Content Index, etc. posted on the Group's sustainability website
 - Integrated Report: Provides information about the review of FY2021 and the Group's management policies and ESG initiatives
 - Securities Report: Provides more detailed financial information
 - Corporate Governance Report: Provides information mainly on the Group's corporate governance approach and systems in compliance with Japan's Corporate Governance Code
 - Safety Reports: Provide information mainly on the railway operators' safety initiatives (issued by [Hankyu Corporation](#), [Hanshin Electric Railway Co., Ltd.](#), [Kita-Osaka Kyuko Railway Co., Ltd.](#), and [Nose Electric Railway Co., Ltd.](#)) 

Top Message



The Hankyu Hanshin Holdings Group has a long history of more than 100 years since its foundation. Through its history, it has contributed to high-quality community building and has offered new lifestyles desired by people through a broad range of businesses, from the development of residential and commercial facilities to the provision of attractive entertainment, such as Hanshin Tigers games and Takarazuka Revue performances, based on its railway business. With the Group Management Philosophy “By delivering ‘safety and comfort’ and ‘dreams and excitement,’ we create satisfaction among our customers and contribute to society” as our mission, we are aiming to achieve sustained growth while looking ahead to the future and are actively working on ESG (Environment, Social, and Governance), which is fundamental to sustained growth.

Meanwhile, society is now facing various challenges, including response to climate change, growing interest in safety and security, response to diversifying values, and further progress in technological innovation. In the Sustainable Development Goals (SDGs), which the UN member states aim to achieve by 2030, companies are expected to play an increasing role.

Amid these circumstances, we have made the Hankyu Hanshin Holdings Group Sustainability Declaration, which outlines the Group’s project themes toward the realization of a sustainable society. Under this declaration, we are striving to become an even more sustainable business. Based on the Declaration, we will further accelerate the Group’s ESG initiatives and build relationships of trust with various stakeholders, such as customers, local communities, shareholders, business partners, and employees. We will strive to resolve social issues through our business and make group-wide efforts to enhance sustainable corporate value and eventually realize a sustainable society.

Kazuo Sumi

Chairman and Representative Director,
Group Chief Executive Officer

Takehiro Sugiyama

President and Representative Director

Approach toward Sustainability

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

Customers First	Everything we do is for the customer. That’s where it all starts.
Sincerity	Gain customers’ confidence by always being sincere.
Foresight & Creativity	With our pioneer spirit and flexible thinking, we create a new value.
Respect for People	Everyone is absolutely invaluable to the Group.

Principles How to act to uphold our values and fulfil our mission

1. We treasure encounters with people, and do our best in the position of a customer.
2. We abide by the laws and regulations, and act with a clear awareness of our social responsibilities.
3. We take pride and responsibility in our work, and carry it out promptly.
4. We are not concerned with what is just before us, but think from medium- and long-term perspectives.
5. We are not satisfied with present conditions, but fix our eyes on the future and act.
6. We have caring feelings and respect each other.
7. We communicate in a lively way and create a workplace with a positive atmosphere.
8. We cooperate with one another for the prosperity of the Group.

Positioning of the Sustainability Declaration

The Hankyu Hanshin Holdings Group released the Sustainability Declaration in May 2020, which outlines the Group’s commitment to addressing various challenges in order to help realize a sustainable society.



Vision and strategy for the Group’s sustainable growth
 *We are currently updating our Long-Term Management Vision for 2025

Three core elements underlie our pursuit of sustainable growth

- 1) General principles
- 2) Priority issues (materiality matrix) and the policies for each one
- 3) Project themes, non-financial KPIs

Our value to society

Mission

By delivering “Safety and Comfort” and “Dreams and Excitement”, we create satisfaction among our customers and contribute to society.

The Sustainability Declaration embodies our contribution.



Initiatives for the SDGs (Sustainable Development Goals)

The SDGs are the universal goals that the United Nations Member States aim to achieve by 2030 to solve social issues in 17 areas, including environment, education, and community development. The Hankyu Hanshin Holdings Group will contribute to the achievement of the SDGs through the six priority issues defined in its Sustainability Declaration.



The Hankyu Hanshin Holdings Group supports the Sustainable Development Goals (SDGs).

General Principles and Priority Issues in the Sustainability Declaration

General Principles

Create a future grounded in “Safety and Comfort” and a future colored by “Dreams and Excitement”.

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

Priority Issues, Policies, and Project Themes

Priority issues and policies	Project themes	Relevant SDGs
 <p>Safe, reliable infrastructure</p> <p>Provide railways and other infrastructure that are safe and disaster-resilient. Ensure that anyone can safely access our facilities and services.</p>	<ol style="list-style-type: none"> Eliminate accidents and improve safety at railways and commercial facilities Promote actions to prevent/reduce accidents and respond promptly and properly to accidents if they occur Establish safe and comfortable facilities and services that satisfy the needs of a diversity of people 	 
 <p>Thriving communities</p> <p>Help build sustainable communities with rich natural and cultural heritage, making great places to live in, work in, and visit.</p>	<ol style="list-style-type: none"> Develop a good living environment (providing good residences, creating green spaces and public spaces, establishing cultural and educational facilities, etc.) Develop and expand commercial/business areas where people communicate with each other Create a line-side environment that makes it easier for women to work and raise children Promote measures to extend the healthy lifespan of the elderly Offer services that satisfy the needs of foreign visitors/residents Enhance collaboration and partnerships with universities, research institutions, ventures, local communities, etc. 	   
 <p>Life designs for tomorrow</p> <p>Promote refined and inspired lifestyle solutions for a better tomorrow.</p>	<ol style="list-style-type: none"> Propose products/services that help realize a lifestyle in harmony with nature Propose products/services that lead to revitalization and promotion of local communities and cultures Propose products/services that respond to diverse values and create comfort and excitement Propose products/services for young people who will lead the next generation Create and disseminate cultures through sports and entertainments Improve existing services and create new businesses by utilizing ICT innovation 	  
 <p>Empowering individuals</p> <p>Provide an inclusive workplace that values diversity and taps into individual talent. Cultivate tomorrow's leaders for society.</p>	<ol style="list-style-type: none"> Improve employee satisfaction and create a more positive workplace Promote health and productivity management Promote diversity Respect human rights and prevent harassment Cultivate tomorrow's leaders 	   
 <p>Environmental protection</p> <p>Contribute toward a low-carbon, circular economy</p>	<ol style="list-style-type: none"> Cut greenhouse gas (CO₂) emissions Improve energy efficiency (promote energy saving) Use more renewable energy (e.g. solar) Aim for more eco-friendly buildings (green buildings) Produce less waste and recycle more 	  
 <p>Robust governance</p> <p>Act honestly and in good faith, as stakeholders expect us to do.</p>	<ol style="list-style-type: none"> Promote effective and transparent corporate governance Ensure compliance and prevent corruption Enhance risk management, including climate change Pay attention to opinions of stakeholders in doing business 	 

*The SDG icon that is placed first is the most relevant to each priority issue.

Steps to Determine Priority Issues (Materiality Matrix)

STEP 1

Creating a long list of social issues

Based on guidelines such as the SDGs, GRI Standards, SASB Standards and ISO 26000, organize a list of universal social issues (1), a list of social issues particularly relevant to the Hankyu Hanshin Holdings Group (2), and create a long list (349 items) of social issues with importance to the Group.

Universal social issues

- Addressing climate change
- Adapting to circular society
- Developing sustainable communities
- Promoting gender equality and diversity
- Balancing economic growth and employee satisfaction
- Enhancing corporate governance
- Problem solving through partnerships

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Social issues particularly relevant to the Hankyu Hanshin Holdings Group

- Depopulating society
- Aging population
- Tight labor market
- Increasing public interest in safety and security
- Aging infrastructure
- Adapting to diverse values
- Accepting multiple cultures along with an increase in the foreign population
- Advancement of technology innovation



STEP 2

Summarizing into a short list

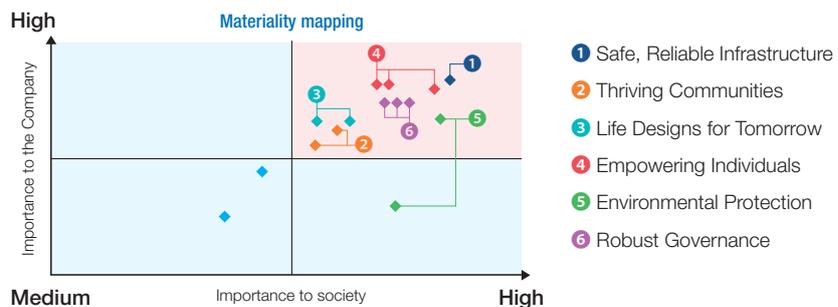
Make a short list (54 items) of items by removing items from the long list (349 items) that are irrelevant to the Group and combining those that overlap.



STEP 3

Identification of priority issues

Based on their level of importance to the Group and to society, rank the items in order of priority. In addition, conduct questionnaires of and interviews with the responsible personnel for each core business and interviews with five external experts [WEB](#). Following additional examination of the findings of the surveys and interviews, determine six priority issues. The Board of Directors then approves the six priority issues.



Six priority issues (materiality matrix)

Hankyu Hanshin Holdings Group
サステナビリティ宣言



Progress of Sustainable Management

■ Setting of non-financial KPIs based on the Sustainability Declaration

As shown in the table below, in May 2020, we set non-financial KPIs common to all Group companies based on the Hankyu Hanshin Holdings Group Sustainability Declaration. Each core business segment has also set its own targets.

Priority issues	Non-financial KPIs	
Safe, reliable infrastructure	Zero culpable incidents in our railway business	· Applies to Hankyu Corporation, Hanshin Electric Railway, Kita-Osaka Kyuko Railway, and Nose Electric Railway
Empowering individuals	Employee satisfaction: Always better than in previous survey Percentage of woman in management positions: About 10% (FY2031) Percentage of woman among new hires: Always more than 30%	· Applies to Hankyu Hanshin Holdings Inc. and 6 core companies · An employee satisfaction survey is conducted every two years.
Environmental protection	Rate of CO ₂ emissions cuts (1) 26% compared to FY2014 (in FY2031)* (2) 40% compared to FY2014 (in FY2031)*	· Applies to Hankyu Hanshin Holdings and subsidiaries' Japanese worksites · Applies to Railway energy consumption of Hankyu and Hanshin's railway operations

* We are preparing to adjust our rate of CO₂ emissions cuts targets in line with Japanese government's goal to go carbon neutral by 2050.

■ Establishment of the Corporate Sustainability Committee

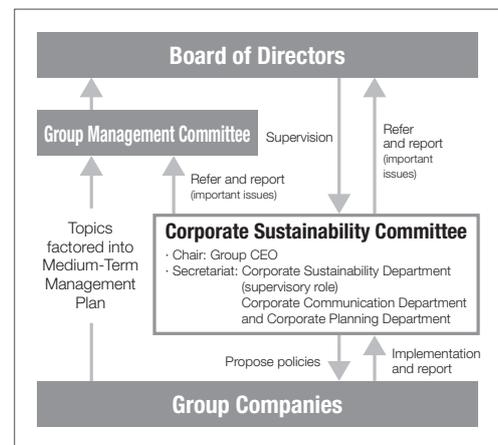
Toward the cross-sectional promotion of sustainability throughout the Group, we have established the Corporate Sustainability Committee, which is chaired by the Group CEO and comprises all representative directors, the Executive Officer in charge of the Personnel and General Affairs Division (in charge of ESG, environment, social contribution, personnel affairs, risk management, and compliance), the Executive Officer in charge of the Group Planning Division (in charge of corporate planning and finance), etc. This committee meets twice (in September and February) every fiscal year.

The committee formulates policies on the priority issues toward sustainable management, supervises the progress of relevant measures, and deliberates and decides on issues that should be reflected in the Medium-Term Management Plan from both financial and non-financial perspectives. The results of this committee's deliberations will be proposed to the Group Management Committee for further deliberations, which comprises all representative directors and the representatives of the Group's core businesses, and also reported to the Board of Directors for supervision. We are thus promoting sustainable management by positioning it as an integral part of the entire Group's management system.

Corporate Sustainability Committee's major agenda items

Meeting time	Agenda items
September 2020	· Progress of measures concerning the priority issues toward sustainable management
February 2021	· Progress of the formulation of an action plan concerning the priority issues toward sustainable management and the setting of non-financial KPIs · Response to the Task Force on Climate-related Financial Disclosures (TCFD) and the United Nations Global Compact

Sustainability promotion framework



■ Establishment of the Corporate Sustainability Department and the PDCA cycle for sustainable management

In April 2020, Hankyu Hanshin Holdings established the Corporate Sustainability Department, an independent department dedicated to sustainable management, to ensure that the PDCA (plan-do-check-act) cycle* will work reliably for the Hankyu Hanshin Holdings Group's sustainable management. This department serves as the secretariat of the Corporate Sustainability Committee.

* The Corporate Sustainability Department serves as the hub of the reliable functioning of the PDCA cycle, comprising the following four stages: (1) planning - the Corporate Sustainability Committee formulating plans and policies; (2) doing - each core business carrying out necessary measures in line with those plans and policies; (3) checking - the Corporate Sustainability Committee monitoring and deliberating on the progress of those measures and seeking opinions and observations from stakeholders; and (4) acting - improving those plans and measures toward further promotion.

■ Support for the TCFD and the United Nations Global Compact

In May 2021, the Hankyu Hanshin Holdings Group endorsed the Task Force on Climate-related Financial Disclosures (TCFD)*¹ and the United Nations Global Compact*² to show its active commitment to sustainable management.



*1: Task Force on Climate-related Financial Disclosures (TCFD): Created in 2015 by the Financial Stability Board at the request of the G20, the TCFD encourages businesses to provide high-quality information about how climate change will impact their strategy and finances over the medium and long term, so that investors have sufficient information to make their investment decisions.

*2: United Nations Global Compact: Announced at the World Economic Forum held in 1999, the UNGC is a pact that enshrines behavioral principles for businesses around the world. It consists of ten principles in the areas of human rights, labor, environment, and anti-corruption.

(1) Improve Employee Satisfaction and Create a More Positive Workplace

Approach

To provide better quality services to our customers, it is important to improve employee satisfaction and working conditions and create an environment where diverse human resources can demonstrate their individuality and abilities and play an active role.

The Hankyu Hanshin Holdings Group has set “Improve employee satisfaction and create a more positive workplace” as one of the project themes for “Empowering individuals,” a priority issue for sustainable management. In May 2021, we endorsed the United Nations Global Compact*¹. Based on the ILO Declaration on Fundamental Principles and Rights at Work, we respect the Ten Principles of the United Nations Global Compact and the basic rights of employees*² and work to create a workplace where employees can work with motivation according to the business characteristics of each company they work.

* 1: United Nations Global Compact (UNGC): It was announced at the World Economic Forum held in 1999, the UNGC is a pact that enshrines behavioral principles for businesses around the world. It consists of ten principles in the areas of human rights, labor, the environment, and anti-corruption.

* 2: Basic rights of workers stipulated by international rules and related laws and regulations, including the right to freedom of association, collective bargaining, and collective action, prohibition of inappropriate discrimination in employment and occupation, and wage levels above the minimum wage

Management / Organization

■ Corporate Sustainability Committee

To promote cross-sectional sustainability throughout the Group, we have established the Corporate Sustainability Committee, which is chaired by the Group CEO (supervisor). The Committee manages issues related to the priority issues listed in the Sustainability Declaration and their progress, and it reports to the Board of Directors as needed.

■ Promotion of sustainability in the Company and Group companies

To promote the Group's actions initiatives for sustainability based on the Sustainability Declaration, the Personnel and General Affairs Division of the Company takes the lead in disseminating information that supports the initiatives of each Group company and collecting information from each Group company. In addition, the personnel department of each Group company is working to improve its own work environment.

Based on the idea that human resources are the sources necessary for the sustainable growth of the Group, the Company and the six core companies have set the following target as a comprehensive indicator and have promoted the Group's initiatives, checking the action plan and its achievements every fiscal year.

Indicator	Range	FY2020 Results	Target
Employee satisfaction	Hankyu Hanshin Holdings, Inc. and 6 core companies	3.72* (5-point scale)	Always better than in the previous survey (conducted every two years)

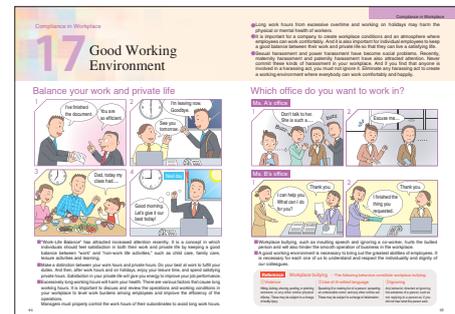
* The results for FY2020 are based on the survey conducted at four companies (Hankyu Hanshin Holdings, Hankyu Corporation, Hanshin Electric Railway and Hankyu Hanshin Properties).

Initiatives

Delivering messages to Group employees

In the Group, the Group CEO and the President of the Company regularly deliver top messages to Group employees through Group magazines and other means. Covering various topics, the messages are aimed at spreading the Group Management Philosophy, conveying the medium-term management outlook as well as the importance of employee satisfaction, which leads to customer satisfaction, and introducing the way of thinking that we want employees to value in their work.

In the Compliance Handbook distributed to all directors and employees of the Group, we convey the message to Group employees that we should work not only to create a workplace where employees can work with peace of mind but also to ensure that individual employees can lead a fulfilling life, harmonizing work and private life, under the theme of “Good Working Environment.” The Compliance Handbook has been translated into English so that its content can be communicated globally to employees who work overseas.



Conducting a satisfaction survey to improve employee engagement

The Company and the six core companies aim to further improve employee satisfaction by designing and conducting an original employee satisfaction survey suitable for the Group to regularly monitor employee satisfaction and reflect the survey results in the Group's initiatives. The survey is designed such that employee satisfaction can be analyzed from all angles by setting survey items related to employee engagement, including “Willingness to contribute to your jobs, workplaces, and the company,” in addition to the item “Recognition of the current situation of your jobs, bosses, the company.” The survey results are used to grasp the characteristics of each company and to horizontally roll out effective systems and initiatives that contribute to improving employee satisfaction and implement them jointly throughout the Group.

Developing the personnel systems

The Group has developed the following personnel systems according to the status of each company.

◆ A system that contributes to providing incentives to employees

- The Group has introduced an employee stock ownership plan for more than 40 Group companies, including the six core companies, to support the asset accumulation of employees and provide long-term incentives to them.
- The Company has introduced a performance-based annual salary system (applied to about 20 to 30% of the total remuneration depending on the job class) for all employees to clarify responsibility for business performance and provide incentives.

◆ A system that contributes to improving the standard of living of employees

- A dependent allowance and other allowances are available in the salary system.
- A cafeteria plan (a selection-type employee benefit menu) and a mutual benefit association have been introduced in the employee benefit system.

| DATA | Number of employees participating in the employee stock ownership plan: 1,558 persons (as of March 2021)

Preventing overwork and improving productivity

The Group recognizes that overwork has a large impact on the mind and body of employees and may hinder providing better services to our customers, and it strives to prevent the overwork of employees. In Group companies that consider to have high risk of overwork due to business characteristics or other reasons, measures to prevent and improve overwork are promoted after deliberation by the Board of Directors of each company. For each workplace, we have adopted a working hours management method (in which the superior recognizes the working hours of employees by checking log records on a PC and calling the roll) according to the workplace environment in order to grasp and reduce the total working hours of employees. We also grasp the status of taking annual paid leave and encourage employees to take leave as needed.

The Group is also working to improve productivity. We have introduced common groupware with functions, such as schedule management and the sending and receiving of messages, which is used by approximately 12,000 employees (as of August 2021). This enables employees to communicate with each other quickly and accurately by sharing information across the Group, leading to improving productivity and strengthening group collaboration.

Human resource development

Developing employees in the workplace

Each Group company has a target management system to promote the growth of employees through work experience and a regular interview system to draw out appropriate support from superiors as needed. We also provide employees with various career experiences while doing job rotation as needed.

Developing employees through training (each company)

Each Group company plans and implements training programs aimed at developing the capabilities required of employees to fulfill their expected roles, depending on the business characteristics of each company.

Example: Human resource development system of Hankyu Hanshin Holdings, Inc.

The Company implements the following human resource development programs.

- Leadership / Management strategy training
In the training for employees in the unit chief class, we invite an outside lecturer to deliver a lecture on the basic perspective and approach of management strategy and awareness promotion as a leader who will lead the next generation.
- Dispatch to MBA graduate school
We dispatch employees selected from among the applicants to a graduate school to undergo an adult MBA program. They develop a network of external contacts and acquire advanced and specialized knowledge and skills in all fields related to management by addressing research topics that they have set themselves.
- Night talk
We provide employees in management positions with an opportunity for small-group dialogue with directors in each department. We thus provide the opportunity for them to acquire the optimal perspective for the entire Group by discussing and exchanging views on cross-business topics. We also promote personnel exchanges throughout the Group beyond core business and company borders.
- Learning support system (self-development support)
A system that supports the independent learning of employees. We pay up to 220,000 yen per person per year for fees for attendance at capacity building programs other than those organized by the company.

Targets	(1) Training in the workplace	(2) Training [Off-JT]		(3) Self-development support
		Stratified training	Objective-based training	
Managerial staff	Goal-setting interview (as-needed interview)	<ul style="list-style-type: none"> ■ Training for the Group's new directors and auditors 	<ul style="list-style-type: none"> Work-life design course Health literacy education / IT literacy education programs * New value creation project research External dispatch training [Kobe University / Kwansai Gakuin University] Dispatch to MBA graduate school Seminar for employees returning from childcare leave 	<ul style="list-style-type: none"> Learning support system Correspondence education support system Congratulatory money system for qualification winners
		<ul style="list-style-type: none"> 5th year training for employees in management positions ■ New manager training Manager promotion training Night talk 		
Non-managerial employees	Goal-setting interview (as-needed interview)	<ul style="list-style-type: none"> Change leadership program training Follow-up (President meeting) Evaluator training Promotion training 	<ul style="list-style-type: none"> Finance practice basic course Labor law basic course 	<ul style="list-style-type: none"> Learning support system Correspondence education support system Congratulatory money system for qualification winners
		<ul style="list-style-type: none"> Follow-up (President meeting) Leadership / Management strategy training Promotion training 		
		<ul style="list-style-type: none"> How to think and communicate to get others' consent 		
New employees	Mentor system	<ul style="list-style-type: none"> Follow-up training for new employees New employee on-board training ■ Group joint training for new employees 		

■ Group joint training ▭ Selective-type training (including those who are interested or apply)

* Gradually introduced to each level of employees in accordance with the company policy

◆ Developing employees through training (common to the Group)

The Group has set up a Group joint training program for employees who have reached a milestone in their career (when they join the company, when they promote to managerial position and director or auditor position). In addition, Hankyu Hanshin Business Associate, which is broadly entrusted with the personnel and accounting operations of the Group, plans and holds training programs for Group employees (Hankyu Hanshin Learning Program / Hankyu Hanshin Business School) throughout the year to support human resource development across the Group. Through these actions, we create opportunities to foster employee awareness as a member of the Group, strengthen cooperation between groups, and create opportunities for Group employees in a similar job class or involved in a similar capacity building theme to work hard together.



| DATA |

Number of employees who participated in the Hankyu Hanshin Learning Program (total): 1,045 persons (FY2021)

Number of employees who participated in the Hankyu Hanshin Business School (total): 166 persons (FY2021)

◆ Business proposal system

The Group has a business proposal system that allows Group employees to participate in the planning and proposal of new businesses. The staff of the secretariat regularly holds study sessions on business trends in technology or other fields and seminars on various fields to help improve the imagination and business shaping skills of individual employees. Through this system, we work to develop human resources with an entrepreneurial mindset and improve the motivation of all Group employees.

| DATA |

Number of applications for the business proposal system: 112 (FY2021)

◆ Employee award system

The Group has established the Hankyu Hanshin Group Awards, an employee award system that honors the active efforts of employees based on the values of the Group Management Philosophy on a group-wide basis. The Best Service Award, the Nice Partner Award, the Best Innovation Award, and the Synergy Award are annually granted to initiatives based on values, such as customer first, foresight, and creativity, and to group joint initiatives that have brought a remarkable synergistic effect. Certificates of commendation and prizes are granted to award winners, who are introduced in a company newsletter and a Group magazine.

■ Collaboration with Group employees (opportunities for employees to engage with company management)

The Group has concluded a collective agreement* and a labor-management agreement, after discussing important agreements between labor and management, with the labor union or employee representatives of each company.

Hankyu Corporation and Hanshin Electric Railway, which are the core companies of the Group, have the Hankyu Corporation Labor Union and the Hanshin Electric Railway Labor Union, respectively, which are voluntarily formed by employees in each company. A collective agreement has been signed between the companies and their labor unions to set wage levels, working hours, and other treatment standards for employees. Every year, we carry out revision negotiations on wages in the spring and revision negotiations on working conditions other than wages in the fall, and after sincere discussions between labor and management, we determine working conditions, including wage levels. At each workplace, we ensure opportunities for employees to participate in improving the workplace environment, including setting up opportunities for discussions and negotiations between labor and management on a regular basis, with the aim of creating a more comfortable work environment for employees.

In the Company, employee representatives are selected, and a labor-management agreement has been concluded between the Company and the employee representatives. They exchange views as needed.

In each case, we regularly hold exchanges of views and negotiations based on the common understanding that we aim to develop the entire Group, improve employee satisfaction and working conditions, and enhance work environments.

* Collective agreement: Documented agreement between labor and management regarding collective bargaining, personnel affairs (recruitment, promotion / transfer leave, retirement), wages (standard wages, non-standard wages), working hours, safety and health, welfare, union activities, etc.

DATA

Indicator	Targets		Unit	Results
Number of employees*1	Hankyu Hanshin Holdings, Inc. and consolidated subsidiaries	As of March 31, 2021	person(s)	23,192
Number of temporary employees*2				8,648
Voluntary turnover rate of employees	Hankyu Hanshin Holdings, Inc. and domestic consolidated subsidiaries	FY2021	%	3.9%
Hours in excess of statutory working hours per month (excluding holidays)	Hankyu Hanshin Holdings, Inc. and 6 core companies	FY2021	hour(s)	13.7
Annual paid leave acquisition rate	Hankyu Hanshin Holdings, Inc. and 6 core companies	FY2021	%	61.6%
Number of employees that participated in development training (total)	Hankyu Hanshin Holdings, Inc. and 6 core companies	FY2021	person(s)	5,051
Total times of development training			hour(s)	87,825
Average hours of development training per employee (Off-JT organized by the personnel department only)			hour(s)	8.34 (1.04 days)

*1: Excluding those on secondment elsewhere and including those seconded to us

*2: Average number of employees per year; Including contract employees and fixed-term contract employees and excluding dispatched employees

(2) Respect for Human Rights

Approach

The Hankyu Hanshin Holdings Group regards “Respect for People” as one of the values of the Group Management Philosophy. To embody it, we have stipulated the Basic Philosophy on Respect for Human Rights and the Basic Policy on Respect for Human Rights, and we are engaged in awareness-raising activities to develop a better instinct for human rights in individual employees. In particular, considering harassment in the workplace as a serious issue that prevents employees from demonstrating their abilities, we have promoted efforts to eradicate harassment on a group-wide basis, including delivering top messages, implementing education and awareness-raising activities, and conducting a questionnaire survey of employees.

In May 2021, we endorsed to the United Nations Global Compact*. We have also stated in the Basic Philosophy on Respect for Human Rights that we comply with laws and regulations related to the human rights of workers and those related to our business activities in each country and region where we conduct our business activities and that we do not discriminate or violate human rights based on birth, nationality, beliefs (religion), gender, race, age, or disability. We also do not tolerate forced labor, child labor, and discrimination due to sexual orientation and gender identity.

We also require our business partners to respect human rights and strive to prevent human rights violations in our relationships with all people, including our customers.

Hankyu Hanshin Holdings Group Basic Philosophy on Respect for Human Rights

We will contribute to the establishment of a fair and abundant society in which all people's human rights are respected and in which no person is discriminated against because of their birth, nationality, beliefs, gender, race, age, or disability.

Today, respecting the human rights of customers, trading partners, shareholders, local communities, employees, and all other people is a vital part of every company's social responsibilities. To that end, we are determined to develop a better instinct for human rights by maintaining a deep knowledge and understanding of human rights and the surrounding issues. We recognize that human rights are closely relevant to us all, and endeavor to make sensitivity to human rights a core part of our thoughts and our actions.

Hankyu Hanshin Holdings Group Basic Policy on Respect for Human Rights

● Recruitment

We make fair and equitable hiring decisions without practicing any discrimination.

● Human rights enlightenment

To eliminate all forms of discrimination, we enhance our sensitivity to human rights so that we can notice human rights violations around us.

● Workplace environment

We promote the creation of a workplace environment where all employees recognize each other's differences and can demonstrate their abilities.

● Coexistence with society

As a member of society, we conduct our business activities, keeping in mind that we live together with all people.

● Relationship with business partners

We require our business partners to respect human rights, and we take a resolute attitude toward business partners who participate in or promote human rights violations.

● Prevention

We always make Group-wide efforts to prevent human rights violations, respecting human rights in our relationships with all people, including our customers.

* The United Nations Global Compact (UNGC)  : It was announced at the World Economic Forum held in 1999, the UNGC is a pact that enshrines behavioral principles for businesses around the world. It consists of ten principles in the areas of human rights, labor, the environment, and anti-corruption.

The responsibilities placed on companies and organizations participating in the United Nations Global Compact have been determined based on the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development (Earth Summit), and the United Nations Convention against Corruption.

In May 2021, the Group signed the United Nations Global Compact, agreeing with its philosophy, and it has joined the Global Compact Network Japan (GCNJ), a local network in Japan.

[Human Rights]	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights and Principle 2: make sure that they are not complicit in human rights abuses.
[Labour]	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, Principle 4: the elimination of all forms of forced and compulsory labour, Principle 5: the effective abolition of child labour, and Principle 6: the elimination of discrimination in respect of employment and occupation.
[Environment]	Principle 7: Businesses should support a precautionary approach to environmental challenges, Principle 8: undertake initiatives to promote greater environmental responsibility, and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
[Anti-Corruption]	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Management / Organization

Corporate Sustainability Committee

To promote cross-sectional sustainability throughout the Group, we have established the Corporate Sustainability Committee, which is chaired by the Group CEO (supervisor). The Committee manages issues related to the priority issues listed in the Sustainability Declaration and their progress, and it reports to the Board of Directors as needed.

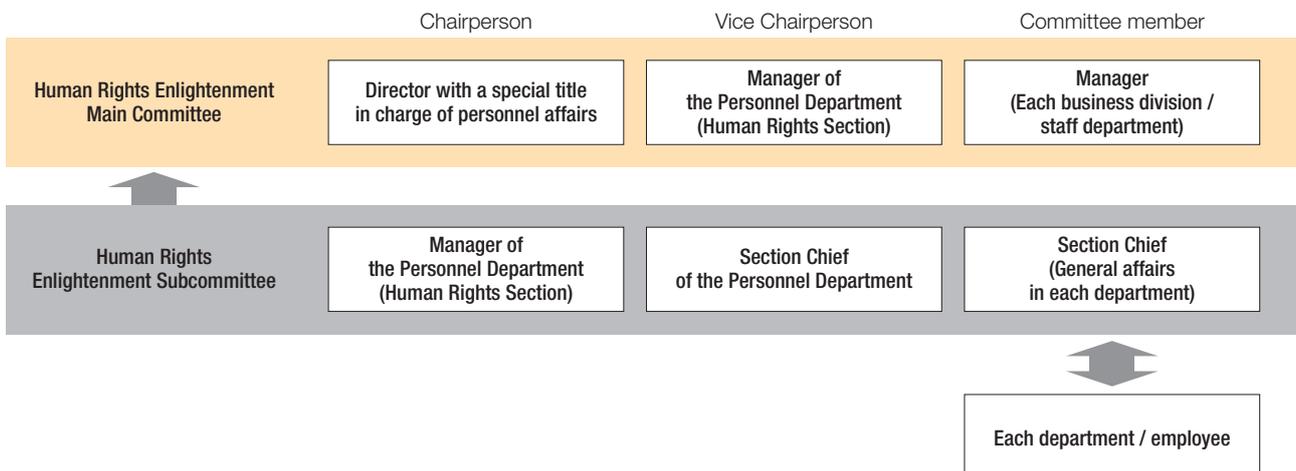
Human rights enlightenment promotion system in the core companies

In the Group, the core companies in each core business segment are promoting human rights enlightenment initiatives according to its business characteristics together with group companies under their umbrella. For instance, Hankyu Corporation holds meetings of the Human Rights Enlightenment Promotion Main Committee, chaired by the director with a special title in charge of personnel affairs (supervisor), and the Human Rights Enlightenment Promotion Subcommittee, which is a subordinate organization of the Main Committee, twice a year to deliberate human rights enlightenment initiatives and make a decision as a company.

The Group as a whole provides employees who promote human rights enlightenment activities in each Group company with opportunities to learn about various human rights issues in order to help each Group company plan and implement human rights enlightenment training programs for employees. The Company and the six core companies have set the following target and have promoted the initiatives, checking the action plan and its achievements every fiscal year.

Indicator	Range	FY2021 Results	Target
Attendance rate at human rights training organized by the Company at the time of promotion of employees	Hankyu Hanshin Holdings, Inc. and 6 core companies	100%	Always 100%

Example: Human rights enlightenment promotion system at Hankyu Corporation



Initiatives

Specific initiatives are listed for each theme of the Basic Policy on Respect for Human Rights.

Recruitment

◆ Selecting a person who promotes human rights enlightenment and fair process in recruitment and selection*

The Group has appointed a person who promotes human rights enlightenment and fair process in recruitment and selection at 66 companies, regardless of the number of employees, to ensure fair and impartial selection in recruitment activities.

* Under the Fair Recruitment and Human Rights Awareness Promoter system of the Ministry of Health, Labour and Welfare, a person who promotes human rights enlightenment and fair process in recruitment and selection assumes the role of establishing a fair recruitment and selection system within each business establishment from the perspective of ensuring equal employment opportunities and plays a role as a contact point for cooperation with Labor Bureaus and other bodies.

◆ Holding internship programs

The Company holds multiple internship programs to offer students with a wide range of work experience opportunities. In FY2021, a total of 535 students participated in the internship programs.

Human rights enlightenment

◆ Spreading the Basic Philosophy and Basic Policy on Respect for Human Rights

The Group publishes the Compliance Handbook, to be distributed to all employees of the Group, in which the Basic Philosophy and Basic Policy on Respect for Human Rights are introduced in an easy-to-understand manner with examples of behaviors that go against respect for human rights to raise employee awareness of human rights. In the Handbook, information of the Harassment Consulting Office is provided to accept a wide range of consultation on harassment. Thus, we work to protect our employees.



◆ Human rights enlightenment training

The Group annually conducts human rights enlightenment training for the top management of each Group company and all employees in management positions in the Company, who total up to about 800, to regularly raise their awareness of various human rights issues that those responsible for management should know. Human right enlightenment training is also conducted for employees at each level, including new directors, new managers, and new employees of each Group company, to promote the spread of the Basic Philosophy and Basic Policy on Respect for Human Rights and continuously educate them about the prevention of harassment. Through the training, we aim to develop a better instinct for human rights in individual employees by providing the opportunity to learn about the Basic Philosophy and Basic Policy on Respect for Human Rights and to understand correctly and think deeply about discrimination and human rights violations due to birth, race, disability, sexual orientation, gender identity, and other factors.

Examples of training topics

- Race: Examine our own way of thinking about race with the colored pencil called “hadairo” (skin color) as a start
- Sexual orientation / Gender identity: Understand sexual minorities (LGBT / SOGI)
- Foreign residents in Japan: Understand the historical background of the residence of foreigners in Japan and multicultural coexistence through fieldwork in a Korean Town in Osaka Prefecture
- Persons with disabilities: Consider reasonable consideration for people with disabilities using a specific case where a customer on a wheelchair visits a store

◆ Displaying enlightenment posters

The Company creates approximately 1,500 posters that enlighten Group employees on human rights every year and puts them up at each workplace in the Group with the aim of spreading the Basic Philosophy and Basic Policy on Respect for Human Rights to Group employees. On the posters, the contact information of Harassment Consulting Office and an illustration of the flow after consultation are clearly presented to promote the use of consultation services.



Workplace environment

Enhancing harassment prevention measures

In anticipation of the enforcement of the revised Act on Comprehensive Promotion of Labor Policies (mandatory measures to prevent power harassment) from June 2020, we have been making company-wide efforts to prevent power harassment under the leadership of top management.

Delivering top messages

Believing that changing the mindset of senior employees is the most important factor in eradicating power harassment, we repeatedly deliver top messages from the President of the Company and the top management of each Group company. With the aim of preventing harassment, these messages are delivered through online distribution to Group employees, the President's instruction at a training program for the managerial staff, and other means.

Formulating a harassment prevention measure plan

Every year from FY2021, each Group company formulates a harassment prevention measure plan and systematically implements actions in line with the plan. The auditors of the Company and each Group company support the steady implementation of the actions by checking their progress in each company and providing advice.

Conducting harassment prevention measure training

We conducted training on the theme of "Creating a harassment-free workplace" for the top management of each Group company and all managers of the Company. The training provides the opportunity for them to learn about behavior that may correspond to harassment and key points for providing guidance to subordinates. They also learn the proper attitude and points to note when providing consultation to subordinates as a primary contact point for consultations on harassment, the observance of confidentiality, and non-disadvantageous treatment of employees who report harassment.

Thoroughly complying with labor laws and regulations

The Group complies with international rules and local laws and regulations and does not tolerate working conditions that may infringe on human rights or ideas that violate equal pay for equal work. We also strive to improve the workplace environment and working conditions, which form the basis of respect for human rights. The Company annually conducts a personnel and labor-related survey of each Group company. Through this survey, we check the status of its compliance with labor laws and regulations, and share information on revisions to labor laws and regulations to the Group.

Coexistence with society

The Group is engaged in business activities, always bearing it in mind that our services are used by a diverse range of customers. Not only in the urban transportation business, including train and bus services, but also in the entertainment business and the hotel business, we work to make our services more comfortable for customers, regardless of the presence or absence of disabilities and the language used.

Promoting human rights enlightenment through the urban transportation business

To play a role as a public transport provider, we have established the Transit Information Center and information desks to listen to a wide range of views from customers, including problems with the use of our services and feedback on the convenience of the services. We also display posters that promote human rights enlightenment and perform automatic broadcasting about respect for human rights in station buildings based on requests from outside organizations and the government.

Responding to graffiti at the Group facilities

If graffiti that can be regarded as discriminatory is found at stations or commercial facilities managed by the Group, we promptly cooperate with the administrative authority or the police to take appropriate action.

Relationship with business partners

We not only respect human rights ourselves but also require our business partners to do so. We take a resolute attitude toward business partners who participate in or promote human rights violations. If an employee of the Company commits an act of harm to an employee of a business partner, we severely punish the employee of the Company. If an employee of the Company is damaged due to an act of harm by an employee of a business partner, we promptly help the employee of the Company and take appropriate action. If we detect a human rights violation in our business activities, we properly address it without neglecting it.

■ Prevention

◆ Enacting regulations on harassment prevention

In anticipation of the enforcement of the revised Act on Comprehensive Promotion of Labor Policies from June 2020, the Group stipulated in its regulations that employees of all of the companies, regardless of the business scale, should not engage in power harassment and that employees who engage in behavior related to power harassment will be strictly punished. And the Group made it known among employees.

◆ Establishing a consultation system for harassment and human rights violations

The Group has established the Harassment Consulting Office for Group employees within the Personnel Department of the Personnel and General Affairs Division of the Company to accept consultation on harassment in the workplace. (Anonymous consultation and reporting are also available.) For the use of consultation services, it is clearly stated that the privacy of an employee who seeks consultation is protected and that there is no disadvantageous treatment of the relevant employee due to seeking consultation. If an employee subject to harassment, including an employee who seeks consultation, is in a troubled situation, we will work to improve the situation.

The Group also conducts training that incorporates role-playing for the staff in charge of harassment consulting office in each Group company to help them acquire knowledge and skills that can respond appropriately to consultation. We are thus strengthening a consultation system in which employees can seek consultation without worry. Since FY2017, 266 employees have participated in the training (including training on the Basic Philosophy and Basic Policy on Respect for Human Rights) for the staff in charge of harassment consulting office that is organized by the Company (cumulative total up to the end of March 2021).

In addition to the Harassment Consulting Office, we also accept cases of harassment and human rights violations at the Corporate Ethics Consultation Desk*, which is a whistleblowing system that can be used by the Group's officers and employees as well as the business partners of the Group. (Anonymous consultation and reporting are also available.)

* Please refer to "Corporate Ethics Consultation Desk (Internal Whistle-Blower Procedures)" of "Corruption prevention and compliance" in the "GOVERNANCE" part (page 64).

◆ Conducting a questionnaire survey on the workplace environment

Each Group company conducts a questionnaire survey of employees on the workplace environment every other year. The questionnaire contains a wide range of questions related to harassment, including whether the respondent is subject to harassment, whether there are harassment cases around the respondent, and whether harassment prevention measures taken by the company work effectively for employees. The questionnaire results are used as important materials for each company to formulate harassment prevention measures. When conducting a questionnaire survey, we inform Group employees of the Harassment Consulting Office, where they can seek consultation, and encourage them to use consultation services along with the message "Don't worry alone and please consult with us."

| DATA | Number of respondents to the questionnaire on the workplace environment (the questionnaire conducted jointly with the Company): 14,490 persons (FY2021)

(3) Promote Diversity

Approach

The Hankyu Hanshin Holdings Group has set “Promote diversity” as one of the project themes for “Empowering individuals,” a priority issue for sustainable management.

Employees are the starting point for the sustainable growth of the Group, which operates many labor-intensive businesses. Accordingly, the Group has established a policy of fostering a corporate culture in which individual employees can maximize their ability regardless of gender, age, life stage, or disability. Based on this policy, we will make group-wide efforts to promote diversity and build an activated organization where various values interact with each other.

Management / Organization

■ Corporate Sustainability Committee

To promote cross-sectional sustainability throughout the Group, we have established the Corporate Sustainability Committee, which is chaired by the Group CEO (supervisor). The Committee manages issues related to the priority issues listed in the Sustainability Declaration and their progress, and it reports to the Board of Directors as needed.

■ Promotion of sustainability in the Company and Group companies

To promote the Group’s initiatives for sustainability based on the Sustainability Declaration, the Personnel and General Affairs Division of the Company takes the lead in disseminating information that supports the initiatives of each Group company and collecting information from each Group company. In addition, the personnel department of each Group company is working to promote diversity in the company. The Company and the six core companies have set the following targets and have promoted the initiatives, checking the action plan and its achievements every fiscal year.

For the employment of people with disabilities, we established Assist Hankyu Hanshin, a special subsidiary company, in 2005. This company plays a central role in creating employment opportunities for people with disabilities to achieve the following target.

Indicator	Range	FY2021 Results	Target
Percentage of women in management positions	Hankyu Hanshin Holdings, Inc. and 6 core companies	4.7%	Around 10% in FY2031
Percentage of women among new hires		44.5%	Always more than 30%
Paternity leave uptake rate	Hankyu Hanshin Holdings, Inc. and Hankyu Hanshin Properties Corp.	8.6%	100% in FY2026
Employment rate of people with disabilities	19 companies certified as special subsidiaries*	2.84%	Always above the legal employment rate

* The 19 companies include Hankyu Hanshin Holdings, Inc. and the six core companies.

Initiatives

◆ Career opportunities for female employees (gender diversity and equal opportunities)

Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, the Group has set action targets, including the improvement of the percentage of women among new hires and the percentage of women in management positions. Promoting the following initiatives, we are striving to create an environment where employees can play an active role.

◆ Active recruitment of female employees and support for career development

The Group is actively working toward the recruitment of women by enhancing the introduction of the active participation of female employees and our support system for balancing work and childcare on the recruitment page on our website and at recruitment briefing sessions.

In addition, we help individual female employees develop their career through diverse work experience by assigning them to various workplaces. We also help them build their capacity by selecting target persons, regardless of their gender or other attributes, for training programs conducted by each Group Company according to its business characteristics.

◆ Enhancement of measures to support work-life balance

To create a comfortable workplace environment for employees who need to balance work with childcare, nursing care, and medical treatment, each Group company has established the following systems that support the balance of work and personal life as needed and has taken supportive measures.

- Setting the childcare leave / nursing care leave period exceeding the legal period
- Encouraging employees to take childcare leave (at the time of spouse's childbirth, etc.)
- Institutionalizing the use of expired annual paid leave for childcare purposes
- Conducting reinstatement support seminars for those who take childcare leave
- Establishing systems that realize flexible work styles (including allowing employees to select short working hours and set the period of short-time work beyond the legal limit, to acquire annual paid leave on a half day basis, to use staggered working hours, to work on a flextime schedule, and to work from home)
- Distributing leaflets that introduce systems that support the balance of work and childcare / nursing care and handbooks for supporting the balance of work and childcare (to the relevant employees and their superiors)



As a result of these efforts to promote career opportunities for female employees, the Company was selected as a constituent of the MSCI Japan Empowering Women Index (WIN)* in June 2021 for the second consecutive year.

* MSCI Japan Empowering Women Index (WIN): This index selects Japanese companies that are leading the industry in terms of gender diversity based on data on the employment and promotion of women in companies and on disclosed information on diversity initiatives.

**2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

MSCI <https://www.msci.com/our-solutions/esg-investing>

◆ Support for seniors (age diversity and equal opportunities)

The Company and some Group companies have created an environment that supports diverse work styles and lifestyles for employees aged 60 and over.

- Hankyu Hanshin Holdings, Inc.: Employees who wish to prepare for their second career are allowed to choose short working hours or days and to work a second job or a separate job. In addition, employees aged 50 are provided the opportunity to attend the work-life design course, in which participants think about their future work styles and lifestyles through the review of their whole career, on the milestone of turning 50 years old, when they start thinking about their work styles and lifestyles after the age of 60.
- Hankyu Corporation: The Life Plan Seminar is held to improve employees' understanding of retirement benefits and pensions and a reemployment system after retirement as an opportunity to think about work styles and life plans after retirement.

■ Employment promotion for people with disabilities

◆ Initiatives of special subsidiaries

To create an environment where people with disabilities can work comfortably and to actively create employment opportunities for people with disabilities in the future, the Group works to hire people with disabilities, with the special subsidiary company “Assist Hankyu Hanshin” playing a central role.

The company is entrusted with cleaning services, job assist services (correspondence delivery, printing, business card making, coffee shop management, etc.), and other services from each Group company, and employees with disabilities perform tasks according to their individual aptitudes. In addition to providing personalized education and support so that employees with disabilities can experience the joy of growing through their work, it also focuses on training the instructor staff.

In recognition of the initiatives so far, the company received the Heartful Corporate Challenge Support Award from Osaka prefectural government in September 2019. In December 2020, it also received the first certification in Osaka Prefecture under the Certification System for Excellent Small and Medium-sized Business Owners regarding Employment of People with Disabilities*.

* Certification System for Excellent Small and Medium-sized Business Owners regarding Employment of Persons with Disabilities (Monisu Certification System): The Minister of Health, Labour and Welfare certifies SMEs excelling in implementing initiatives to promote the employment of people with disabilities and stabilize their employment.

◆ Employment support for people with disabilities

Hankyu Corporation accepts work experience of people with disabilities who attend a special school or supporting institution as employment support for them. This initiative provides them with the opportunity to experience the atmosphere of an actual workplace, and as a result, it makes them deepen their understanding of the Group, leading to their employment in Group companies. It has gained favorable reputation from supporting institutions and other bodies.

■ Spread of diversity awareness

The Group annually conducts human rights enlightenment training for the top management of each Group company and all employees in management positions in the Company, who total up to about 800, as well as human rights training (including training on Basic Philosophy and Policy on Respect for Human Rights) for employees at each level, including new directors, new managers, and new employees of each Group company, in order to develop a better instinct for human rights and spreading diversity awareness.

In particular, in the international transportation core business, which is operated globally, many local employees work at 29 overseas subsidiaries and 134 overseas bases (as of August 2021). Thus, we aim to create a corporate culture in which diverse human resources can play an active role.

DATA

Workforce composition at Hankyu Hanshin Holdings, Inc. and 6 core companies (As of March 31, 2021)

Indicator		Unit	Hankyu Hanshin Holdings	Hankyu Corporation	Hanshin Electric Railway	Hankyu Hanshin Properties	Hankyu Travel International	Hankyu Hanshin Express	Hankyu Hanshin Hotels	Total
Number of Employees *1	Male	person(s)	1,081	3,019	1,133	318	764	600	1,275	8,190
	Female		176	311	104	109	474	268	895	2,337
	Percentage of women	%	14.0%	9.3%	8.4%	25.5%	38.3%	30.9%	41.2%	22.2%
No. of management employees *1-2	Male	person(s)	661			80	280	243	303	1,567
	Female		32			4	11	8	23	78
	Percentage of women	%	4.6%			4.8%	3.8%	3.2%	7.1%	4.7%
No. of new recruits *3	Male	person(s)	27	97	57	23	16	18	97	335
	Female		14	18	10	12	40	29	146	269
	Percentage of women	%	34.1%	15.7%	14.9%	34.3%	71.4%	61.7%	60.1%	44.5%
Average years of service	Male	year(s)	20.5	22.2	20.4	13.2	19.8	21.1	16.0	20.1
	Female		9.7	13.9	15.3	10.4	11.4	9.5	7.7	10.1
	Gender difference		10.8	8.3	5.1	2.8	8.4	11.6	8.3	10.0

*1: Including those on secondment elsewhere; excluding those seconded to us

*2: Since all managerial staff members at Hankyu Corporation and Hanshin Electric Railway are seconded from the Company, the total number at the three companies is shown.

*3: New graduate recruits and mid-career recruits who joined the company in FY2021

Results in promoting diversity

Indicator		Targets		Unit	Results
Number of employees	Male	Hankyu Hanshin Holdings, Inc. and domestic consolidated subsidiaries	As of March 31, 2021	person(s)	16,409
	Female				5,026
	Percentage of women			%	23.4%
Employment rate of people with disabilities		19 companies certified as special subsidiaries*1	As of June 1, 2020	%	2.84%
Paternity leave uptake rate	Male	Hankyu Hanshin Holdings, Inc. and Hankyu Hanshin Properties Corp.*2	FY2021	%	8.6%
	Female				100%
Number of employees who take nursing care leave	Male	Hankyu Hanshin Holdings, Inc. and 6 core companies	FY2021	person(s)	1
	Female				4

*1: The 19 companies include Hankyu Hanshin Holdings, Inc. and the six core companies.

*2: The two companies are targeted according to the target setting range of the Group.

Actions to improve the workplace environment (including promoting career opportunities for female employees) at Hankyu Hanshin Holdings and 6 core companies

Purpose	Actions (examples)
Preventing overwork and improving productivity	<ul style="list-style-type: none"> Introducing a mechanism to grasp the actual working hours of the managerial staff Improving operational efficiency Reviewing business operations (pre-distribution of meeting materials)
Establishment of a system for harassment	<ul style="list-style-type: none"> Creating an anonymous whistleblowing system (Harassment Consulting Office) Establishing regulations on compliance, including harassment
Enhancement of measures to support work-life balance	<ul style="list-style-type: none"> Ensuring exemption or limitation of overtime work Creating a half-day paid leave system Creating a spouse maternity leave system
Physical health management and promotion	<ul style="list-style-type: none"> Creating a support system for women's specific health issues

(4) Occupational Safety & Health and Health Management

Approach

The Group, which operates many labor-intensive businesses, recognizes that the safety and health of its employees are important for sustainable growth and has set “Promote health and productivity management” as one of the project themes for “Empowering individuals,” a priority issue for sustainable management. To protect the safety of all people involved in the Group’s business activities and to support the maintenance of physical and mental health of Group employees, which is the basis for their activities, we comply with the Industrial Safety and Health Act and other relevant laws and regulations. We have also established the Occupational Safety and Health Management Rules and the Declaration on Employee Health Management to ensure safety management, prevent occupational accidents, improve the health awareness of individual employees, and create a comfortable workplace environment.

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

* Priority measures policy for “Hankyu Hanshin Wellness Challenge”
“1. Physical health,” “2. Mental health,” “3. Workplace health”

Management / Organization

■ Corporate Sustainability Committee

To promote cross-sectional sustainability throughout the Group, we have established the Corporate Sustainability Committee, which is chaired by the Group CEO (supervisor). The Committee manages issues related to the priority issues listed in the Sustainability Declaration and their progress, and it reports to the Board of Directors as needed.

Occupational Safety and Health Committee / Health management organization

Based on the Industrial Safety and Health Act, the Group has set up an Occupational Safety and Health Committee and other committees at each company and business site, which its employees participate, according to the type of business and the number of employees, to oversee and promote the safety and health activities of each company. The Occupational Safety and Health Committee of the Company holds a monthly meeting, which is chaired by the director in charge in the Personnel and General Affairs Division, to oversee and promote safety and health activities of the Company. In the meeting, the head of each organization and employee representatives discuss various topics related to occupational safety and health to build effective initiatives.

In addition, each Group company has set up a health management organization as needed to promote health management activities.

Composition of the Occupational Safety and Health Committee of Hankyu Hanshin Holdings

Chairperson	Director in charge in the Personnel and General Affairs Division		
Committee member	Head of the Group Planning Division	Vice Chairperson	Employee representative
	Head of the Group Business Development Division	Committee member	Persons recommended by the employee representative (4 persons)
	Head of the Group Auditing Division		
	Industrial physician		
Health supervisor			
Secretariat	Personnel Department, Personnel and General Affairs Division		

Health management organization of Hankyu Corporation



The Company and the six core companies have set the following targets and have promoted the initiatives, checking the action plan and its achievements every fiscal year.

Indicator	Range	FY2021 Results	Target
Specific health guidance implementation rate	Hankyu Hanshin Holdings, Inc. and 6 core companies	30.9%	More than 60% in FY2026
Smoking rate	Hankyu Hanshin Holdings, Inc., Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Hankyu Hanshin Properties Corp.	21.7%	Less than 15% in FY2026

Initiatives

■ Ensuring of safety in the workplace

◆ Actions undertaken during Safety Week

The Group works to ensure safety in the workplace with the aim of achieving zero occupational accidents (year-round). For instance, in line with National Safety Week conducted by the Ministry of Health, Labour and Welfare, we require employees to wear a Safety Week badge and display posters to raise employee awareness of safety.

◆ Provision of safety education

The Group provides training and drills to employees engaged in railway operations, in which it is particularly required to ensure safety, in order to improve their business knowledge and skills. We also regularly hold an educational program and a lecture meeting as an effort to raise safety awareness and foster a safety culture in the workplace. Please refer to the safety reports for safety education in our railway companies.

Safety report: Hankyu Corporation, Hanshin Electric Railway, Kita-Osaka Kyuko Railway, Nose Electric Railway 

In order for customers to use our commercial facilities and office buildings without worry as well as to ensure the safety of employees and those involved in our businesses, we sequentially offer an emergency and rescue course to employees engaged in the real estate leasing business.

◆ Actions with contractors

We recognize that to ensure safety in the workplace, it is important that we collaborate with contractors to further raise our awareness of safety and take effective action. In particular, collaboration with a large number of contractors is essential, and this is extremely important in promoting railway operations, which carry a potential risk. For instance, the Engineering Department of Hanshin Electric Railway has formed the Safety Cooperation Association with more than 60 companies involved in business promotion. By working together to set common targets, conduct safety patrols, and award safety commendations, the company strives to further strengthen safety in business promotion.

■ Physical health management and promotion

◆ Measures at the time of infectious disease pandemic

To prevent the spread of COVID-19 and other infectious diseases, the Group takes infection control measures in business as well as for employees.

● Examples of measures to prevent the spread of COVID-19 for employees

- Thorough physical condition management (temperature measurement before going to work, etc.)
- Promotion of staggered working hours and working from home
- Thorough measures (advocated by the Japanese government) to avoid the 3Cs (closed spaces, crowded places and close-contact settings) and the 5 situations (social gatherings with alcohol consumption, long feasts in large groups, conversation without a mask, living together in a small limited space, switching locations)
- Alcohol disinfection of offices and common spaces and thorough wearing of masks

◆ Infectious disease prevention and management measures

Prevention and management of infectious diseases, such as influenza viruses and COVID-19, helps not only to protect the health of employees but also to enable stable business continuity by preventing employees from being absent from work due to an infectious disease. The Group recognizes the importance of prevention and management of infectious diseases.

We provide subsidies for influenza vaccinations at medical institutions inside and outside the company mainly to employees at Hankyu Corporation and Hanshin Electric Railway, which are involved in railway operations. Moreover, we have swiftly established a vaccination system for Group employees and their families as a workplace vaccination program for COVID-19 and have carried out vaccination since June 2021.

[DATA] Number of employees who used the influenza vaccination cost subsidy program (Hankyu Hanshin Holdings, Inc. and 6 core companies): 7,220 persons (FY2021)
 Number of people who were vaccinated for COVID-19 under the workplace vaccination program of the Group: 37,583 persons (as of September 2021)

◆ Infectious disease prevention and management for employees stationed overseas

The Group operates the real estate business and the international transportation business overseas. Based on the recognition that it is important to respond to health issues, including infectious diseases to watch out for, for employees stationed overseas, we have established a system that allows them to live with peace of mind and focus on business activities.

Specifically, we provide health checkups and vaccinations recommended by the Ministry of Health, Labour and Welfare and the Ministry of Foreign Affairs to employees scheduled to be stationed overseas and their accompanying family members, and we help them receive mental health checkups and seek health consultation during overseas assignment. We thus support employees stationed overseas and their accompanying family members both physically and mentally.

◆ Providing opportunities for specific health guidance and cancer screening

The Group takes measures to promote the health management of employees who are subject to specific health guidance as a result of specific health checkups (health checkups focusing on metabolic syndrome). Specifically, we encourage the relevant employees to receive specific health guidance through office organizations and distribute the results of specific health checkups with an additional remark about the risk of developing lifestyle-related diseases based on the results of the health checkups.

To prevent cancer, which is said to be one of the three major diseases in Japan, it is effective to undergo regular health checkups for early detection and treatment. We have a system that allows Group employees who are members of the Hankyu Hanshin Health Insurance Society to receive cancer screening through an at-home test and undergo gynecological cancer screening free of charge.

◆ Providing education on physical health

Smoking is said to be the greatest risk factor that can be prevented among the causes of illness and death. Based on this, the Group provides support, conducts education and enlightenment activities, and improves the environment to promote smoking cessation. The Company and the six core companies (including the Hankyu Hanshin Health Insurance Society) provide subsidies for outpatient treatment for smoking cessation, including online outpatient treatment, and plan to hold a non-smoking enlightenment seminar in FY2022.

| DATA | The total number of applicants for online outpatient treatment for smoking cessation by the Hankyu Hanshin Health Insurance Society (Hankyu Hanshin Holdings, Inc. and 6 core companies): 339 persons (September 2020–April 2021)

■ Mental health and measures

◆ Using a stress check program

The Group conducts a stress check as required by law and responds to highly stressed employees through interviews with an industrial physician. We also use group analysis of stress check results to improve the workplace environment.

| DATA | Stress check acceptance rate (Hankyu Hanshin Holdings, Inc. and domestic consolidated subsidiaries): 87.6% (FY2021)*
Number of people who were vaccinated for COVID-19 under the workplace vaccination program of the Group: 37,583 persons (as of September 2021)

* A stress check is carried out by a third-party external inspection organization in about 90% of companies.
In the case of the Company, Happiness-i Co., Ltd. (a third party) conducts a stress check and analyzes and verifies its results.

◆ Enhancing a consultation system

The Company has a counseling room in the business facility, which also can be used by employees of some Group companies. An industrial counselor, who understands the business characteristics of the Group, provides counseling, offering an easier-to-consult environment for users. Group employees and their family members who are members of the Hankyu Hanshin Health Insurance Society can use 24-hour external telephone consultation services to seek consultation on mental health.

◆ Providing education on mental health

The Group conducts training on the theme of mental health measures for all new employees in the Group and employees who have been promoted to positions equivalent to subsection chiefs in some companies. Thus, we work to raise employee awareness of the importance of mental health management (self-care / line care [care by supervisors]) and improve their mental health literacy on these career milestones.

■ Certification as a Health and Productivity Management Organization*

The Group agrees with the purpose of the Health and Productivity Management Organization System promoted by the Ministry of Economy, Trade and Industry, and 15 Group companies, including the six core companies responsible for the Group's businesses, have been certified as a Health and Productivity Management Organization 2021. In addition, Hankyu Corporation, Hanshin Electric Railway, and Itec Hankyu Hanshin have been certified as a Health and Productivity Management Organization 2021 "White 500" organization in the large enterprise category.



Large enterprise category (White 500): Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Itec Hankyu Hanshin Co., Ltd.

Large enterprise category: Hankyu Hanshin Properties Corp., Hankyu Hanshin Hotels Co., Ltd., Hankyu Travel International Co., Ltd., Hankyu Hanshin Express Co., Ltd., Bay Communications Inc.

SME category (Bright 500): Hankyu Hanshin REIT Asset Management, Inc.

SME category: Kita-Osaka Kyuko Railway Co., Ltd., Hankyu Taxi Inc., Hanshin Cable Engineering Co., Ltd., Chuo Densetsu Co., Ltd., Hankyu Hanshin Insurance Service Co., Ltd., Hankyu Mediac Co., Ltd.

* Health and Productivity Management Organization System: A corporation that practices good health management is selected by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

DATA

Indicator	Targets	Unit	FY2019	FY2020	FY2021
Number of work-related employee fatalities	Hankyu Hanshin Holdings, Inc. and domestic consolidated subsidiaries	case(s)	0	0	0
Lost-time incident rate*	Hankyu Hanshin Holdings, Inc. and 6 core companies	—	0.65	0.61	0.39
	(National average for all industries)		1.83	1.80	1.95
	(National average for the railway / postal industries) (to benchmark against industry standards)		3.42	3.50	3.31

* The number of casualties due to occupational accidents per million working hours (at least one day off work)

Indicator	Targets	Unit	FY2021
Number of employees trained on health and mental health (health and safety)	New employees	Hankyu Hanshin Holdings, Group	763
	Employees in positions equivalent to subsection chiefs	Hankyu Hanshin Holdings, Inc., Hankyu Corporation, and Hanshin Electric Railway Co., Ltd.	71
	Employees in management positions, etc.	Hankyu Hanshin Holdings Inc. and 6 core companies	115

(5) Contribute to Local Communities and Society

Approach

Since its founding, the Hankyu Hanshin Holdings Group has promoted high-quality community building based on railway operations and has grown together with local communities, including areas along the Hankyu and Hanshin lines. For the Group, residents in local communities are both customers and partners who support the local communities together.

Since 2009, the Group has been engaged in Sustainable Community Development and Tomorrow's Leader Development through the Hankyu Hanshin Dreams and Communities of the Future Project as part of its social contribution initiatives. We are also expanding the range of social contribution initiatives by working on industry-government-academia collaboration while taking advantage of our business characteristics.

We believe that these initiatives to contribute to local communities will lead to the sustainable improvement of corporate value (daily life value, social value, and economic value) for the Group and eventually to the improvement of the Group's brand value. We will continue to work with various stakeholders to create communities that people will truly want to live in.

Management / Organization

■ Corporate Sustainability Committee

To promote cross-sectional sustainability throughout the Group, we have established the Corporate Sustainability Committee, which is chaired by the Group CEO (supervisor). The Committee manages issues related to the priority issues listed in the Sustainability Declaration and their progress, and it reports to the Board of Directors as needed.

■ Hankyu Hanshin Dreams and Communities of the Future Project

As part of the Group's commitment to creating communities that people will truly want to live in, we have operated the Hankyu Hanshin Dreams and Communities of the Future Project  since 2009. The Corporate Sustainability Department, which serves as the secretariat of the Corporate Sustainability Committee, cooperates with each Group company to promote the Group social contribution initiatives related to the priority areas of this project while taking advantage of the business characteristics of each company.



◆ Basic policy

We intend to promote the creation of communities along our line-side areas that people will truly want to live in.

◆ Priority areas

Our links to the future: “Sustainable Community Development” and “Tomorrow’s Leader Development”

Sustainable Community 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.

Themes of specific initiatives

1. Creating a safe, comfortable, and environmentally aware local community
2. Contributing to the preservation of biodiversity and the natural environment
3. Promoting sustainable lifestyles
4. Preserving, utilizing, and developing local historical and cultural resources
5. Mitigating climate change
6. Contributing to the emergence of a society committed to recycling and waste reduction

Tomorrow’s Leader 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.

Themes of specific initiatives

1. Enabling children to experience and learn about nature and ecology
2. Fostering mental enrichment in children through cultural and artistic activities
3. Supporting the healthy development of children through sports
4. Enabling children to gain a deeper understanding of society and their communities
5. Cultivating in children a sense of compassion and acknowledgement of diversity
6. Instilling in children the wisdom of their parents and grandparents
7. Supporting children with disabilities, children orphaned by traffic accidents or disasters, children in single-parent families, and children confined to social welfare facilities

Initiatives

■ Hankyu Hanshin Dreams and Communities of the Future Project

◆ Promotion of CSR activities at each Group company

Each Group company uses its know-how to engage in a variety of social contribution initiatives that lead to “Sustainable Community Development” and “Tomorrow’s Leader Development”, which are the priority areas of the project. We promoted the social contribution initiatives of each Group company through public relations, sponsorships, and additional contributions. In FY2021, 96 initiatives were certified.

Of these, the Hankyu Hanshin Dreams and Communities Challenge Troop, a hands-on learning program for elementary school students held in summer, has been implemented since FY2011 as a social contribution initiative that leverage Group unity. In the Hankyu Dreams and Communities Exciting Work Program, a school visiting class program for elementary school students conducted by Hankyu Corporation, managerial members from the company visit elementary schools to convey the spirit of challenge of the company’s founder, Ichizo Kobayashi, and the history of community development. The purpose of the program is to foster students’ attachment to their community and their dreams for the future. Up to FY2021, the staff have visited a total of 236 schools and have provided approximately 20,000 children with the opportunity to think about their future jobs.

These two programs received the Minister’s Award (Grand Prix) at the 8th Career Education Awards held by the Ministry of Economy, Trade, and Industry in fiscal 2018, and the highest award (the Minister’s Award) at the “Youth Experience Activity Promotion Company Award” sponsored by the Ministry of Education, Culture, Sports, Science and Technology in fiscal 2021.

Other examples: Emergency shelters for children offered at our Group’s taxis, sales offices, and stores for crime prevention in local communities; Customer appreciation events at train depots and factory.



School visiting class

◆ Support for civic groups through financial assistance and cooperation in public relations

We operate the Hankyu Hanshin Dreams and Communities of the Future Fund, through which we subsidize civic groups in our line-side areas through donations raised by Group employees and additional contributions of the same amount from the company. In FY2021, 14 groups, including four groups to which we had continued to grant subsidies, received a total of 8.27 million yen (cumulative total: 149 groups, 88.06 million yen). We have collaborated with the subsidized civic groups to promote various actions, including co-hosting projects for customers.

Example: Hands-on workshops and events held in collaboration between civic groups and Group companies at the Group's commercial facilities and railway stations

◆ Promotion of social contribution initiatives by current and past Group employees

To support for current and past Group employees to participate in and to continue social contribution initiatives, we give them information on the initiatives through the Group PR magazines and e-mail newsletters and opportunities for volunteering inside and outside the company.

Example: Fair trade products sale held for employees; Volunteer group support fund "Dreams and Communities Volunteer Support Program" for supporting the volunteer activities of current and past employees

◆ Hankyu Hanshin Dreams and Communities Social Lab

Our Group companies and civic groups in our line-side areas work together to hold hands-on workshops and seminars on a regular basis at Stajimo NISHINOMIYA, a line-side community base in Hankyu Nishinomiya Gardens, and railway stations of the Hankyu and Hanshin lines. In addition to disseminating information on the Hankyu Hanshin Dreams and Communities of the Future Project, we hold seminars that lead to learning in local communities and disaster area support and events aimed at learning about the familiar environment for a wide range of generations, from adults to children. By providing local residents with opportunities to learn about social issues, we aim to gain sympathy and momentum for our initiative to create communities that people will truly want to live in.

◆ Operation of the Dreams and Communities of the Future SDGs Trains through government-industry-civil society cooperation

To commemorate the 10th anniversary of the Hankyu Hanshin Dreams and Communities of the Future Project, we launched the operation of the Dreams and Communities of the Future SDGs Trains (Hankyu: three formations of trains; Hanshin: one formation of trains) in May 2019 in cooperation with the national and local governments as well as companies and civic groups that are making advanced efforts to achieve the SDGs. Powered by 100% renewable energy, the trains deliver various messages toward the achievement of the SDGs.



Since the Tokyu Group joined this project in September 2020, the SDGs Trains have been operated in eastern and western Japan under collaboration with a wider range of partners.

◆ Achievements through these initiatives

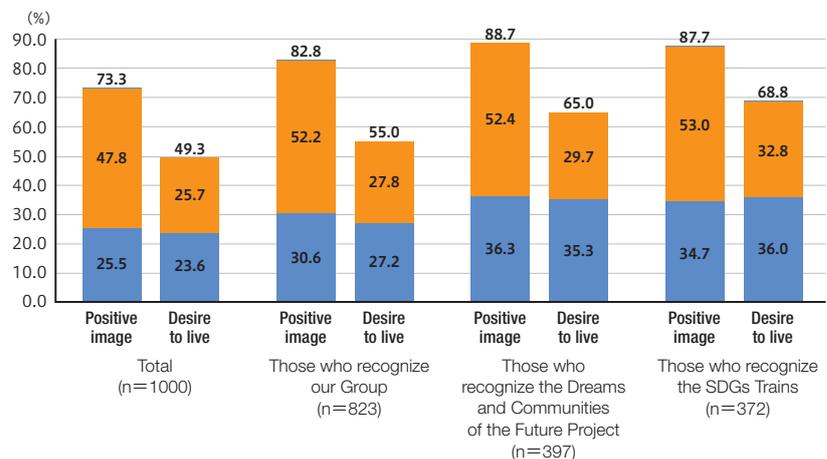
In this project, we regularly conduct a customer survey in cities and towns along our line-side areas. The FY2021 survey results indicate that the more customers recognize the project and the SDGs Trains, the more they have a positive image of our Group and a desire to live in our line-side areas.

● Positive image of our Group

- I have
- I slightly have

● Desire to live in the line-side areas of the Hankyu and Hanshin lines

- I want to live
- I slightly want to live



Survey target: Male and female residents aged 18 to 69 in 23 cities and towns along our line-side areas

Survey method: Random sampling survey through the internet

Number of respondents: 1,000

Survey period: March 13 to 14, 2021

Other Initiatives

■ Social contribution taking advantage of the Group's business

◆ Conclusion of an Agreement on Travel Arrangement and Volunteer Cooperation in the Event of a Disaster

Hankyu Travel International has signed an Agreement on Travel Arrangement and Volunteer Cooperation in the Event of a Disaster with the local government. In the event of a disaster, the company will arrange accommodation and transportation for the staff of other local governments and related organizations heading to the relevant local government for support. It will undertake accommodation arrangements in consideration of distributed evacuation to hotels and inns, which is increasingly required due to the COVID-19 pandemic. It will also contribute to disaster prevention measures and economic revitalization in the community through volunteer activities by its employees.

■ Social contribution through social involvement of Group employees

◆ Volunteer leave

The Company and some Group companies have a volunteer leave system. In the Company, employees can take up to five days of volunteer leave per year.

◆ Cooperation with a program of Kwansei Gakuin University

Since 2019, the Company has cooperated with a project-based learning program organized by Kwansei Gakuin University. The theme of this program is the proposal of businesses for resolving issues in local communities and society. We supervise the program and provide advice on business proposals made by students. Our employees who are active on the front lines of business or have experience in new business development provide direct advice to help students improve their practical thinking ability and business sensitivity.

■ Social contribution through donations and support

Recognizing that it is widely involved in local communities and society through its business activities, the Group makes donations to a wide range of activities, including fund-raising activities, nature conservation activities, activities to maintain and promote art, culture and sports, educational activities, and international exchange activities.

■ Dialogue with stakeholders

We emphasize dialogue with stakeholders to strengthen relationships of trust with them and to listen sincerely to social demands.

- Dialogue with customers: At events, such as Hankyu Hanshin Dreams and Communities Social Lab and Children's Learning Week
- Dialogue with NPOs: At the subsidy presentation ceremony of the Hankyu Hanshin Dreams and Communities of the Future Fund, visits to subsidized groups, and regular online exchange meetings
- Dialogue with external experts: Dialogue in determining priority issues for sustainable management 

(6) Ensure Business Safety and Reliability

General Principal

The Hankyu Hanshin Holdings Group puts “Safe, reliable infrastructure” at the top of the priority issues for sustainable management. All of the Group’s business activities based on railway operations are rooted in the belief that “Safe, reliable infrastructure” is the core of its businesses, on which it should place the highest priority to gain the trust of society. With the mission and pride of providing safety and reliability to our customers in railway operations, where we are entrusted with their lives, as well as other operations, we always pursue safety and reliability with the concerted effort of the Group.

While working to secure safety and reliability on a daily basis in the railway and all other business segments, we aim to build a safe and disaster-resistant infrastructure so that we can respond as much as possible to diverse requests from society with regard to risks that may threaten our business continuity, such as infectious diseases and natural disasters.

Approach in the Railway Business

Under the mission of ensuring the absolute safety of transportation, the railway companies of the Group observe all safety policies and focus their efforts on achieving the safety objectives. We have formulated safety management regulations and have established a safety management system headed by the President. Under this system, we use the PDCA cycle (PLAN → DO → CHECK → ACT) to continue to improve our initiatives for the safety of transportation, which we voluntarily and actively promote. Thus, we strive to improve daily safety and ensure safety during emergencies through measures in both aspects of infrastructure and personnel.

Target

Indicator	Range	FY2021 Results	Target
Zero culpable incidents in our railway business	Hankyu Corporation, Hanshin Electric Railway, Kita-Osaka Kyuko Railway, Nose Electric Railway	Zero	Always zero

The following four companies engaged in railway operations have announced their safety policies and initiatives to ensure the safety of transportation in their safety reports. Please refer to the safety reports for details of each company’s initiatives.

[Hankyu Corporation](#), [Hanshin Electric Railway](#), [Kita-Osaka Kyuko Railway](#), [Nose Electric Railway](#) 



Platform doors at Kobe-Sannomiya Station on the Hanshin Line



Landslide prevention work beside the track



Joint training with the local fire department

Initiatives in the Railway Business

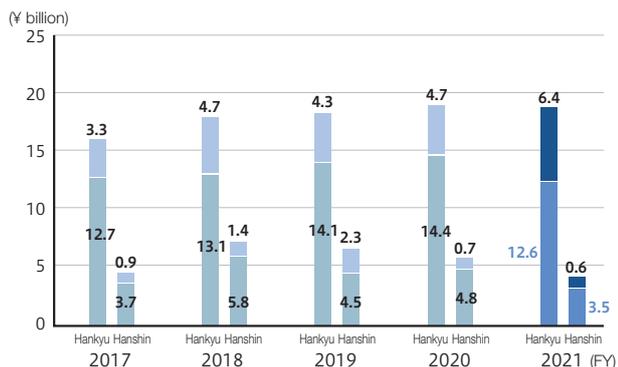
(1) Eliminate accidents and improve safety

By type		Purpose	Examples of specific initiatives / equipment
Infrastructure	Platform	Fall prevention	<ul style="list-style-type: none"> ● Platform screen door ● Safety fence ● Fall prevention warning light ● Platform gap filler rubber ● Equipment to prevent falls through the space between connected trains ● Braille block with an inward line ● CP (Color Psychology) line
		Fall detection	<ul style="list-style-type: none"> ● Fall detection mat ● Emergency train stop button
	Train car	Overspeed prevention	<ul style="list-style-type: none"> ● ATS: Automatic train stop system
		Emergency alarm	<ul style="list-style-type: none"> ● Emergency alarm system ● Emergency call system
		Fall prevention	<ul style="list-style-type: none"> ● Large partition board ● Vertical handrail
	Grade crossing	Recording of operational conditions	<ul style="list-style-type: none"> ● Operational condition recording device
		Abnormality detection	<ul style="list-style-type: none"> ● Obstacle detector ● Detector for unclosed grade crossing bars
		Emergency alarm	<ul style="list-style-type: none"> ● Grade crossing emergency alarm system
	Personnel	Traffic accident and congestion prevention	<ul style="list-style-type: none"> ● Abolition of grade crossings through the promotion of grade separation
Developing employees who value safety		<ul style="list-style-type: none"> ● Enhancement of safety awareness through patrol of work-site departments and exchange of views with employees by top management ● Establishment of a training institute, a human resources development center, and a safety exhibition room to learn about past accidents ● Holding of safety workshops and safety report meetings on transportation ● Implementation of safety conferences and training to improve skills related to the repair and maintenance of railway facilities 	
	Enlightening customers	<ul style="list-style-type: none"> ● Implementation of the Accident Prevention Campaign (asking those passing grade crossings for their cooperation in confirming safety) 	

(2) Promote actions to prevent/reduce accidents and respond promptly and properly to accidents if they occur

Purpose	Examples of specific initiatives
Initiatives for disaster prevention and mitigation	<ul style="list-style-type: none"> ● Removal of concrete block walls on station platforms and other locations and installation of fences in preparation for collapse due to an earthquake ● Landslide prevention work alongside of railroad tracks in preparation for heavy rain ● Seismic reinforcement of elevated track pillars, etc.
Initiatives for prompt evacuation guidance and early resumption of operation	<ul style="list-style-type: none"> ● Installation of ladders and other tools to smoothly guide customers to evacuate from trains that have stopped in the event of an earthquake, etc. ● Introduction of a system to monitor the condition of bridges and bridge piers ● Use of the weather information system to ensure safety in the operation of trains in abnormal weather ● Joint training with the local fire departments
Initiatives for enhancing information provision	<ul style="list-style-type: none"> ● Provision of timely information on the possibility of implementation of planned suspension of train services and its content ● Promotion of information provision (through the use of apps) and multilingual support for information provision in emergencies (Deployment of tablets with a multilingual voice translation system at stations and their use for train announcements)

| DATA | Capital investment in railway operations



■ Safety-related capital investment ■ Other capital investment

Note: The total length of lines operated is 143.6 km for Hankyu Corporation and 48.9 km for Hanshin Electric Railway.

As a railway operator, the Group provides a form of public infrastructure. We therefore make giving priority to the safety of our customers a fundamental policy of management and conduct ongoing safety-related capital investments in our railway operations accordingly. However, in fiscal 2021, in view of the substantial impact of COVID-19, we reduced originally planned capital investment and reviewed the timing of investment while giving consideration to safety. As a result, safety-related capital investments totaled ¥12.6 billion at Hankyu Corporation and ¥3.5 billion at Hanshin Electric Railway. These investments were primarily used for the construction of new trains and renovation of existing ones, as well as construction to further improve our stations, and seismic reinforcement of elevated tracks.

Approach in the Businesses Other Than the Railway Business

Our mission of “providing safety and reliableness,” which we have embraced in the railway business, is also the core of the other businesses. Placing the highest priority on safety and to secure safety and reliableness of customers and local communities as in the past, we will deliver to our customers “Safety and Comfort” and “Dreams and Excitement,” listed in the Group Management Philosophy.

Initiatives in the Businesses Other Than the Railway Business

◆ Urban Transportation (Automobile)

In the automobile business as well as the railway business, we have created an environment for safe operation in both aspects of infrastructure (ensuring the safety of vehicles and equipment) and personnel. In particular, since a vehicle is operated by the driver alone in the automobile business, we strengthen our efforts to prevent accidents caused by the health condition of the driver more than legally required. For instance, Hankyu Bus has introduced visual function test equipment for elderly drivers to provide appropriate guidance on changes in their dynamic and night-time vision and visual acuity for depth. Hanshin Bus subsidizes the full cost of a complete health checkup, including a brain health checkup for drivers who reach the age of 50, since if any symptoms of disease appear while they are on duty, this will directly lead to a serious accident.

◆ Real Estate

Hankyu Corporation and Hanshin Electric Railway, together with West Japan Railway Company, Grand Front Osaka TMO, and Osaka Metro Co., Ltd., have launched the Umeda Bo-sai (disaster prevention) Scrum, a disaster prevention campaign targeting people living in and coming to the Umeda area, to increase emergency response capability in the area (including communicating information using digital signage and holding seminars on disaster prevention).

Hankyu Hanshin Properties sequentially offers an emergency and rescue course to employees engaged in the real estate leasing business so that customers can use its commercial facilities with peace of mind. In addition, in order for all building users, including people with disabilities and foreigners, to evacuate safely in the event of a disaster, it has installed multilingual broadcasting equipment for use in emergencies and has deployed communication tools that complement the equipment. It also works to enhance evacuation guidance education and training for the building management staff and tenants, and it has secured a certain amount of disaster relief supplies for building management personnel involved in disaster recovery activities.



◆ Entertainment

At the Hanshin Koshien Stadium, which is the venue for professional baseball games and large-scale events, we have increased the number of air conditioners and have reviewed the holding guidelines through discussions with organizers to prevent customers from having a heat stroke. We have also carried out drainage improvement work on the ground to improve the safety of the ground in the event of heavy rain.

At the Takarazuka Grand Theater, the Tokyo Takarazuka Theater, and the Umeda Arts Theater, we have carried out seismic reinforcement work for the necessary locations so that customers can enjoy the performances with peace of mind. We have also regularly offered employee education programs in preparation for disaster response and have secured a certain amount of disaster relief supplies.

◆ Information and Communication Technology

Bay Communications and Hanshin Cable Engineering contribute to disaster prevention and mitigation in local communities by signing a disaster prevention agreement with local governments to create an environment where they can use disaster prevention terminal devices.

◆ Travel

To realize safe and comfortable travel for customers, Hankyu Travel International works to strengthen safe travel management by regularly evaluating the suitability of safety measures and quality control, reviewing the serious accident response manual and other rules, and taking precautionary measures, including conducting accident response training.

◆ International Transportation

Aiming to build a supply chain that guarantees advanced transportation quality and safety in pharmaceutical logistics, Hankyu Hanshin Express has obtained CEIV Pharma* certification under the quality certification program for the international transportation of pharmaceuticals, promoted by IATA (International Air Transport Association), at Kansai International Airport and Narita International Airport on June 1, 2019 and March 15, 2021, respectively.

* CEIV Pharma: Abbreviation for "The Center of Excellence for Independent Validation in Pharmaceutical Logistics." A globally unified standard established by the IATA as a transportation quality certification that conforms to GDP (Good Distribution Practice, a distribution standard that guarantees the quality of pharmaceutical distribution processes).

◆ Hotels

To provide safe and reliable meals, Hankyu Hanshin Hotels ensures that the quality control department thoroughly complies with the checking system before and during the sales of menu items. It also works to improve the emergency response manual and the management system for disaster relief supplies and equipment and to strengthen collaboration with local governments so that customers can use our hotels with peace of mind.



(7) Business Responding to Social Issues

Approach

Society is now facing various challenges, including response to climate change, growing interest in safety and security, response to diversifying values, and further progress in technological innovation. In the Sustainable Development Goals (SDGs), companies are expected to play an increasing role.

The Hankyu Hanshin Holdings Group has identified six priority issues under the Sustainability Declaration to resolve social issues related to stakeholders, including customers, local communities, shareholders, business partners, and employees, through its business and to sustainably enhance corporate value and eventually realize a sustainable society.

We will make group-wide efforts toward a sustainable future, one that offers a fulfilling, joyful life to all and inspires the next generation to dream with hope, addressing social issues through our business as in the past.

Initiatives

Specific initiatives are introduced below for each project theme in priority issues (1), (2), and (3) listed in the Sustainability Declaration.

Priority issue (1): Safe, reliable infrastructure



Please refer to “(6) Ensure Business Safety and Reliability” in the “SOCIAL” part (page 30) for details of project themes 1 and 2.

■ Project theme 3: Establish safe and comfortable facilities and services that satisfy the needs of a diversity of people

◆ Promoting a barrier-free environment in facilities and services used by various customers

In the railway business, we have been promoting initiatives to make our facilities barrier-free so that all customers including elderly and physically handicapped can comfortably use stations and trains. For stations, in particular, we are working to make our facilities friendly to all customers as hubs for local transportation in line with the barrier-free law and the basic barrier-free initiatives formulated by the municipalities along our line-side areas.

In the new development of commercial facilities and office buildings in the real estate business, we work to create facilities that are easy to access and use for elderly and disabled customers (including physically handicapped) by assessing their access and usability and taking measures in line with the barrier-free law and other relevant laws and regulations.

◆ Encouraging railway transportation employees to acquire a service care-fitter qualification

In the railway business, we are committed to promoting the acquisition of a service care-fitter qualification, which certifies knowledge and skills for service care fitting. We strive to provide appropriate care as needed so that all customers including elderly and physically handicapped can use stations and trains with peace of mind.

◆ Considering access to commercial facilities and office buildings during design and development stages

The Group has promoted its community building initiative centering on the railway business and has developed the real estate business as a means of developing our line-side areas. We have designed and developed many commercial facilities and office buildings in consideration of access via public transport, providing users with convenience and safety due to their location and contributing to reducing the environmental impact associated with people’s movement.

◆ Creating a more comfortable and satisfying work environment for tenant employees in commercial facilities and office buildings

Tenant employees working in the Group's commercial facilities and office buildings are important partners for the Group. Under the belief that creating a more comfortable and satisfying work environment for tenant employees leads to their retention and eventually to an increase in the value of facilities, we promote the following initiatives as a facilities manager.

● Improving employee lounges

We improve employee lounges in large-scale commercial facilities so that tenant employees can relax both physically and mentally for health during breaks.

● Conducting disaster drills

To protect the safety of customers and tenant employees in the event of a disaster, we regularly conduct disaster drills in cooperation with our tenants.

● Holding a customer service role-playing contest and presenting a commendation

A customer service role-playing contest is annually held at each large-scale commercial facility. This helps improve the skills and motivation of tenant employees partly because winners are qualified for the SC Customer Service Role-Playing Contest (hosted by the Japan Council of Shopping Centers).

● Hankyu Hanshin Workers' Service

In the Umeda area of Osaka, which is one of the major business areas in the Kansai region, we launched in October 2015 the Hankyu Hanshin Workers' Service, a service program available exclusively to people working in the Group's office buildings. Based on the concept of "Make work fun!" the program is aimed at helping office workers create their communities and providing welfare benefits to them through organizing various events in which they can interact with each other beyond the framework of companies, introducing an SNS communication app, and offering them discount coupon for dining and shopping at the Group's commercial facilities.

Priority issue (2): Thriving communities



■ Project theme 1: Develop a good living environment

(providing good residences, creating green spaces and public spaces, establishing cultural and educational facilities, etc.)

◆ Hankyu Hanshin's community building in Saito

Saito International Culture Park City has been developed by taking advantage of the natural environment in a vast hilly area. Since the beginning of the development of the area, the Group, as a major landowner of the area, has played a central role in the project, which is aimed at creating new communities demanded in the 21st century. The area offers a good educational environment and a safe and comfortable living environment with a town security system, high-level disaster prevention functions, and the lush and specious landscape developed based on an urban planning program. Saito was awarded the Grand Prize of the 2011 Osaka Environmental Awards for a series of activities, including the introduction of EV car sharing, greening of roofs and use of rainwater for condominiums, and activities for the conservation of *satoyama* and terraced rice paddies in which residents participate. The initiative to support residents participating in community activities was also highly recognized from outside and received the 2018 Good Design Award.

◆ Participating in housing sales in ASEAN countries

We have actively participated in the housing sales business in ASEAN countries, taking advantage of the know-how of developing a high-quality living environment, which the Group has cultivated so far in Japan. For instance, in the condominium business in Thailand, we have adopted the Group's unique project for condominiums "Geofit+*" for the condominium first sold in 2016 and subsequent ones, which has been highly evaluated by local customers.

* Geofit+: A cyclical project that involves gathering feedback from many residents, practically testing it out, and then utilizing it in creating more comfortable housing environment.

■ Project theme 2: Develop and expand commercial/business areas where people communicate with each other

◆ Enhancing value of the Umeda area of Osaka

The Group has been working to enhance the value of the Umeda area of Osaka, the Group's most important site, by systematically rebuilding (upgrading) and developing buildings according to plans from a long-term perspective.

In November 2019, we opened Hotel Hankyu Respire OSAKA with over 1,000 rooms in the Yodobashi Umeda Tower. In the spring of 2022, Osaka Umeda Twin Towers South will be completed, and the Umeda South Hall, which houses offices, including "WELLCO," a floor dedicated to office workers, two halls (large and small) and a foyer, is scheduled to open.

◆ Developing new communities (Urban regeneration project)

The Group believes that it can contribute to the sustainable development of local communities through urban regeneration projects. Based on the idea of community building, which has been cultivated through the development of our line-side areas, we are involved in urban regeneration development, making the most of the potential of the relevant area, while listening to the voices of local residents and helping resolve various issues, including building communities focusing on disaster and crime prevention.

Example: In front of Nishinomiya-kitaguchi Station on the Hankyu Line

Hankyu Corporation has promoted its community building initiative centered around Hankyu Nishinomiya Gardens, a commercial complex opened in 2008 under the concept of "creating a community in which people living in the area can feel relaxed, like in their gardens," as a regeneration project for the former site of Hankyu Nishinomiya Stadium, which was closed in 2002. Various educational institutions invited by the company, including Konan University and Kwansai Gakuin University Law School, are located in the adjacent area. The Hyogo Performing Arts Center has been built on a nearby site provided by the company. These lead to the enhancement of cultural and educational facilities in the area.



Example: Osaka Station North Area (Umekita)

As a regeneration project for the former site of Umeda Freight Station, 12 developers, including Hankyu Corporation, opened Grand Front Osaka in 2013 with the concept of "an urban area where encounters with a diversity of people and a variety of stimulation will nurture new ideas and innovation." At the Umekita Plaza, a relaxing space of 10,000 m², festivals unique to Osaka and the Kansai region and daily events are held with the aim of making it a place where a wide range of people, from children to the elderly, can gather. The Knowledge Capital provides places and opportunities for business people, researchers, creators, and general users to create new value by fusing their sensibilities and technologies, as a hub of intellectual creative activities.

Example: Other

In the Tomihisa Cross project (Nishi Tomihisa district first-class urban regeneration), which is a ultra-high-rise complex regeneration project boasting the highest height and largest scale (at the time of completion) in an area inside the JR Yamanote Line, residential facilities, including a 55-story condominium, as well as commercial and public facilities, including a large-scale supermarket, a certified child center, and an emergency supplies warehouse, have been established in a historic area located almost in the center of Shinjuku Ward based on the concept of "the most comfortable area in the world."

■ Project theme 3: Create a line-side environment that makes it easier for women to work and raise children

◆ Project to support women working along the Hanshin lines

Hanshin Electric Railway launched the HANSHIN Women Support Project in November 2014 with the aim of helping women living in the areas along the Hanshin lines make full use of their capabilities and play more active roles. On the project's website "Cheer*full Cafe" opened in April 2016, a wide variety of content is available, including interviews with women working in the Hanshin line-side area and the Park Guide, in which more than 800 parks along the Hanshin lines can be searched by type of playground equipment and facility. In addition, we hold events where mothers can participate with their children to deepen exchange with each other and support the activities of the Cheerful Supporter organization, with which over 300 women are registered, such as providing information on the line-side areas and holding exchange events.

◆ “Machinaka Mimamorume” monitoring service to support safety in communities

The Group has offered the monitoring service “Machinaka Mimamorume” since 2016, using the technologies of security BLE (Bluetooth Low Energy) and smartphones. In this service, beacons (receivers) are installed in a town (*machinaka*), and when registered children or elderly people pass near the beacons, their guardians or family members are notified of the time when they passed. As of the end of July 2021, this service had been introduced in six municipalities* and had a proven track record in watching over children and elderly people who may wander due to dementia. Together with the Mimamorume for School Children (a service, introduced by many schools and kindergartens nationwide, which notifies the time when registered children commute to and from school by monitoring them using an antenna and other devices attached to the school gate), this service contributes to improving the safety and security of local communities.

* Itami and Kakogawa Cities in Hyogo Prefecture, Nagaokakyo City in Kyoto Prefecture, Daito City in Osaka Prefecture, Kisosaki Town in Mie Prefecture, and Toda City in Saitama Prefecture

■ Project theme 4: Promote measures to extend the healthy lifespan of the elderly

◆ Hankyu Hanshin Group's daycare service specialized in rehabilitation

“Hanshin Iki Iki Day Service” is a half-day elderly care service specialized in rehabilitation. To help the elderly maintain and improve their daily life activities, technically trained staff members support the users' rehabilitation exercises using highly reliable equipment that has acquired “TÜV / ZAT*” certification of Germany, which is the only such case in Japan. The day care service also includes a tea break as an opportunity for users to have fun and easily communicate with each other with the aim of supporting them in both physical and mental aspects and helping them live a lively (*iki iki*) life.

* TÜV: German standards and specifications under the German equipment safety law, in addition to the general ISO standards for industrial products
ZAT: Standards and specifications related to medical machines specified by the German national association for outpatient rehabilitation facilities

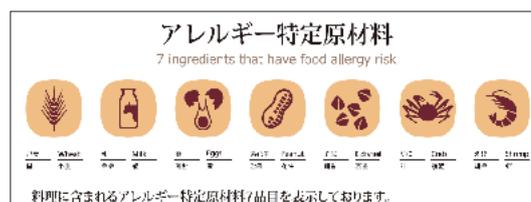
■ Project theme 5: Offer services that satisfy the needs of foreign visitors/residents

◆ Multilingual signs and announcements at stations and facilities

The expansion of multilingual services in facilities and services used by various customers not only improves their convenience but also leads to the appropriate provision of information in case of emergency. Specifically, the urban transportation companies are promoting the installation of multilingual broadcasting equipment and a multilingual passenger information system in railway vehicles and the provision of multilingual services for guidance displays and station affairs equipment at stations. Multilingual guidance services have also been enhanced at commercial facilities in the Umeda area of Osaka and facilities on Mt. Rokko in Kobe, where many foreign visitors to Japan gather as tourist destinations.

◆ Indicating ingredients with food pictograms at hotel restaurants

Hankyu Hanshin Hotels completed by March 2015 the indication of specific food allergy ingredients and food ingredients prohibited due to religious disciplines using food pictograms for breakfast buffets at all of its hotel restaurants so that all customers, including those with a food allergy and travelers from various countries and regions, can use the breakfast buffets without worry. (This was the first attempt by a major hotel chain in Japan.) We will continue to promote the further enhancement of the display of food pictograms.



■ Project theme 6: Enhance collaboration and partnerships with universities, research institutions, ventures, local communities, etc.

◆ Supporting startups to provide new value

The Hankyu Hanshin Holdings Group supports startups launching new businesses that will lead to creating new industries and revitalizing local communities with the aim of increasing the primacy of Kansai in international competition among cities and enhancing the competitiveness and attractiveness of Osaka and Umeda as a business hub. In November 2014, we opened the membership-type office “GVH #5,” set up exclusively for startup support in part of the real estate we own. Located a two-minute walk from Osaka-umeda Station on the Hankyu Line, GVH#5 is equipped with office space and meeting rooms, offering a co-working space available 24 hours a day.

◆ Promoting collaboration with local governments and communities along our line-side areas using community design methods

To contribute to community building and the revitalization of communities, which are social issues in local communities, we use community design methods to provide local governments along our line-side areas with a nursing care prevention program aimed at promoting the social participation of the elderly, a program themed on work styles to promote women's advancement, a community building program involving residents, and various other programs. We have also operated Stajimo NISHINOMIYA, a line-side community base (in Hankyu Nishinomiya Gardens), as a place to gather various people who are active in the communities and diverse information, and we have been entrusted with the management of Design and Creative Center Kobe (a designated management facility of Kobe City).



Priority Issue (3): Life designs for tomorrow



■ Project theme 1: Propose products/services that help realize a lifestyle in harmony with nature

◆ Environmental considerations in condominiums

Please refer to “Environment-friendly features adopted in the Geo condominium series” of (2) Climate Change in the “ENVIRONMENT” part (page 47).

◆ Protecting biodiversity

Please refer to “Protection of biodiversity” of (4) Biodiversity in the “ENVIRONMENT” part (page 55).

■ Project theme 2: Propose products/services that lead to revitalization and promotion of local communities and cultures

◆ Planning tour programs that lead to regional promotion in collaboration with local governments

Hankyu Travel International has proactively established ties with municipalities to jointly discover and commercialize hidden tourism materials and utilize them for the revitalization of local areas and improvement of tourist sights. The company has concluded an agreement on collaboration concerning tourism promotion with several local governments. It has also established “Chiiki Mirai Kikaku,” an organization for regional future planning, to propose visions for regional promotion while implementing projects for promoting tourism and selling local specialties, thereby providing support for a broad range of regional promotion.

◆ Revitalizing local communities by decorating trains on the Hanshin Mukogawa Line

On the Mukogawa Line operated by Hanshin Electric Railway, taking advantage of the characteristics of the area adjacent to the Hanshin Koshien Stadium and the Naruohama Stadium, four formations of trains decorated under the design theme of “baseball” have been operated from June 2020. The four formations of trains, named “Tigers,” “Koshien,” “TORACO,” and “TO-LUCKY,” adopt various elaborate designs for the exterior and interior, helping revitalize the area along the railway line.

Project theme 3: Propose products/services that respond to diverse values and create comfort and excitement

◆ “Stay-and-donate” accommodation plans

Hankyu Hanshin Hotels sells “Stay-and-donate” accommodation plans as a hotel rooted in local communities. The company has sold accommodation plans that donate to organizations that provide financial support to facilities where pediatric cancer patients can receive treatment in an environment more similar to their home and to organizations that dispatch cliniclowns (clinic clowns) to pediatric wards to support hospitalized children, and a total of about 9,000 rooms had been used (as of the end of March 2021). The Group has added the same amount of money as that of donations included in the plans before offering the donations to the organizations. Since October 2020, it has also sold “stay-and-donate” accommodation plans to support people involved in the development of COVID-19 vaccines and therapeutic agents, and a total of 1,395 rooms had been used (as of the end of July 2021).

◆ Planning tours for “green tourism” and volunteer activities

To hand down beautiful nature and cultural or scenic sites to subsequent generations, employees of Hankyu Travel International have conducted cleaning and conservation activities since 2011. Starting from 2018, the company has organized some of these activities as tours available to general customers, which have been highly appreciated. (Foot of Mt. Fuji, Shizuoka Prefecture; Amanohashidate, Kyoto Prefecture; Minami-aso Railway, Kumamoto Prefecture; etc.)

Project theme 4: Propose products/services for young people who will lead the next generation

◆ Teaching robot programming to children to develop the ability to realize their dreams

Mimamorume Co., Ltd. service program, we operate “ProgLab,” an educational project aimed at helping children, who will lead the next generation, develop their ability to realize their dreams through robot programming. As of the end of September 2021, 59 ProgLab classes were being offered nationwide (including franchise classes) to teach robot programming using an original curriculum.

Since FY2021, the curriculum has been expanded to cover the overall area of STEAM education (cross-curricular education that makes connections between learning taught through separate subjects and how to use it to resolve real-world issues). Four new courses have been newly launched, including “Logical Reading and Writing Course,” which helps children acquire the ability to organize and output their thoughts using newspapers as teaching materials, and “AI Lab” to teach from the basics to development of AI.



Project theme 5: Create and disseminate cultures through sports and entertainments

◆ Baseball and dance schools of Tigers Academy

The Hanshin Tigers opened Tigers Academy in April 2018, aimed at promoting baseball. It operates a Baseball School and Dance School for preschool and elementary school children. The Baseball School is coached by former Hanshin Tigers players, teaching basic baseball techniques while also helping improve basic physical strength and develop athletic ability. The Dance School is coached by current and former Tigers Girls, the Hanshin Tigers’ official fan service members, teaching comprehensive dance skills from the basics.

◆ Supporting theater culture through Takarazuka Revue

The Takarazuka Revue, having a history of over 100 years since the first performance in 1914, has given not only regular performances at the Takarazuka Grand Theater and the Tokyo Takarazuka Theater but also national tour performances in about 20 cities each year nationwide, as well as live viewing at movie theaters around Japan. It has also so far given performances overseas 27 times in 18 countries and regions. In FY2021, due to the impact of the COVID-19 pandemic, it had to cancel many of the regular performances and national tour performances. However, it has been actively involved in disseminating information using a live distribution service that allows the performances to be viewed on a TV or smartphone at home and using SNSs or video sharing sites. Through the Takarazuka Revue, we offer opportunities to become familiar with performance arts to people in a wide range of areas and of various ages.

■ Project theme 6: Improve existing services and create new businesses by utilizing ICT innovation

◆ Examination toward practical use of MaaS (Mobility as a Service)

In collaboration with Mitsubishi Research Institute, Inc., the Company conducted a demonstration experiment of urban MaaS for residents in our line-side areas in Nishinomiya City, which is our base city along the line-side areas, from April to August 2021. For this experiment, we recruited monitors from among the members of our Group's "STACIA PiTaPa Card," who live in Nishinomiya City. Through the experimental smartphone app "maruGot Nishinomiya" offered by us, we provided them with various services, including a route / facility search service centered on the city, a reservation and payment service, and a point service, on a one-stop basis, and we asked them to participate in various events linked with the app. Aiming to deploy MaaS in our line-side areas as a new service that helps demonstrate the comprehensive strength of the Group, we will use the results obtained in this experiment for the future practical application of urban MaaS for residents in our line-side areas.

(1) Environmental Management

Approach

In 2010, the Hankyu Hanshin Holdings Group formulated its Basic Environmental Philosophy, which declares that, with a recognition that the conservation of the global environment is a key theme common to humankind, the Group will strive to ensure that all its business activities will be environmentally sustainable. In the same year, the Group also established its Basic Environmental Policies, including those of complying with environmental laws and regulations and monitoring and reducing the environmental impact of the Group's business activities. The Group has since made sustained efforts to implement these policies.

Moreover, the Hankyu Hanshin Holdings Group Sustainability Declaration, issued in May 2020, positions environmental protection as one of the six priority issues and sets the relevant policy of contributing toward a low-carbon, circular economy.

All these embody the Group's belief that it is pivotal to leverage its strengths in the seven core businesses, including railway operations, while implementing basic measures to comply with environmental laws and regulations in order to tackle climate change and other global environmental issues.

Sustainability Declaration priority issue (5): Environmental protection

Policy

Contribute toward a low-carbon, circular economy

Project theme

- 1) Cut greenhouse gas (CO₂) emissions
- 2) Improve energy efficiency (promote energy saving)
- 3) Use more renewable energy (e.g. solar)
- 4) Aim for more eco-friendly buildings (green buildings)
- 5) Produce less waste and recycle more

Basic Environmental Philosophy

With a recognition that the conservation of the global environment is a key theme common to humankind, the Hankyu Hanshin Holdings Group will promote environmentally sustainable business activities and contribute to building a society that can achieve sustainable development in order to ensure that a greener global environment and better living environments will be handed down to the next generation.

Basic Environmental Policies

The Group implements and continuously enhances environmental measures based on the following policies:

1. We will monitor the environmental impact of our business activities and take action to reduce it.
2. We will accurately understand environmental laws and regulations and other social requirements and comply with them.
3. We will strive to raise employees' awareness so that every employee will be able to act in an environmentally sustainable manner.

Management / Organization

■ Corporate Sustainability Committee

To promote cross-sectional sustainability throughout the Group, we have established the Corporate Sustainability Committee, which is chaired by the Group CEO (supervisor). The Committee manages issues related to the priority issues listed in the Sustainability Declaration and their progress, and it reports to the Board of Directors as needed.

Main environmental agenda items of the Board of Directors and the Corporate Sustainability Committee

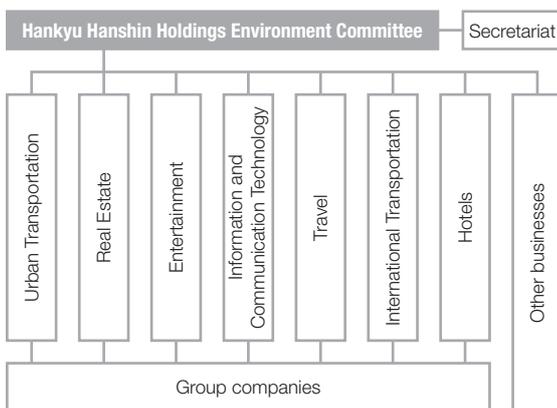
Meeting time	Agenda items
September 2020	Progress of practices for the priority issue of environmental protection
February 2021	CO ₂ emissions reduction targets and measures to achieve them Response to the TCFD
March 2021	Current status of measures for environmental protection toward Sustainable Management

■ Environment Committee

The Group has established the Environment Committee, chaired by the Hankyu Hanshin Holdings president, which discusses and decides on the environmental conservation initiatives, including the initiative to mitigate climate change, that the Group should actively implement while promoting its management and business activities. The Environment Committee meets once a year to deliberate on the status of compliance with environmental laws and regulations and the progress of energy saving measures in the Group's seven core businesses. The committee thus serves as the starting point of the Group's promotion of environmental management.

The Environment Committee secretariat annually examines whether the Group's consolidated and non-consolidated subsidiaries (excluding some) comply with environmental laws and regulations. The secretariat not only checks whether there are any violations of environmental laws and regulations but also shares information about revisions of those laws and regulations with the Group companies to minimize the risks of law and regulation violations in advance.

Organization chart



Main roles of the Environmental Committee secretariat

	Report to the Environmental Committee	<ul style="list-style-type: none"> Reporting on the progress of environmental conservation activities once a year, and reviewing activity policies and plans in response to deliberations by the committee
Environmental conservation activities	Compliance with environmental laws and regulations	<ul style="list-style-type: none"> Examining the status of compliance with environmental laws and regulations Inspecting individual cases concerning priority laws and regulations
	Environmental impact reduction	<ul style="list-style-type: none"> Compiling and monitoring data on environmental impacts, including energy-related impacts
	Employee awareness-raising	<ul style="list-style-type: none"> Organizing Environmental Conservation Months (June and December) Communication through the Group newsletter

■ Measures by Group companies

Under the Group's common Basic Environmental Philosophy and Basic Environmental Policies, each Group company establishes its philosophy and policies according to its business characteristics as necessary and implements environmental preservation activities on a core business basis. In addition, each core business formulates an action plan according to the priority issues toward Sustainable Management. Progress in the implementation of the action plan is monitored every fiscal year toward further advancement in environmental conservation activities.

To appropriately monitor the environmental impact of the entire Group's business activities, the Group has introduced an environmental impact data management system and collects and compiles, in an integrated manner, data on the environmental impact of the business activities of the Group's consolidated and non-consolidated subsidiaries (excluding some).

■ Environmental protection through financial support for NPOs

The Hankyu Hanshin Dreams and Communities of the Future Fund program, one of the Group social contribution initiatives, is aimed at providing NPOs and other organizations engaged in environmental conservation with financial support to achieve environmental protection in collaboration with civic groups. The Group has continued to dialogue regularly with the civic groups that it has supported about activities aimed at achieving environmental conservation.

Target

Indicator	Range	FY2021 Results	FY2031 Targets
Rate of CO ₂ emissions cuts (compared to FY2014)	Hankyu Hanshin Holdings and its subsidiaries' Japanese worksites	40.0%	26%*
	Energy consumption in the railway operations of Hankyu Corporation and Hanshin Electric railway	41.5%	40%

* We are preparing to adjust our rate of CO₂ emissions cuts targets in line with Japanese government's goal to go carbon neutral by 2050.

Certification

As mentioned above, the Hankyu Hanshin Holdings Group has built its original environmental management system and operates it throughout the Group. In addition, some Group business sites have been certified as complying with external standards for environmental management systems, including the ISO 14001 standard.

| DATA | Number and percentage of companies (among Hankyu Hanshin Holdings and its consolidated subsidiaries) that have business sites certified as covered by recognized environmental management systems:
12 companies accounting for 12.5% (FY2021)

■ ISO 14001 standard for environmental management systems

ISO14001 is an international standard for environmental management systems.

◆ Certified companies and business sites

- Hankyu Corporation (Shojaku factory)
- Itec Hankyu Hanshin Co., Ltd.
- Hankyu Hanshin Express Co., Ltd. (Hankyu Hanshin Narita Cargo Center and Hankyu Hanshin Osaka Cargo Terminal)
- HHE (USA) INC.
- HHE (DEUTSCHLAND) GMBH
- HHE (NETHERLANDS) B.V.
- HHE (HK) LIMITED
- HHE (MALAYSIA) SDN. BHD. (HHE: HANKYU HANSHIN EXPRESS)

■ Green Management Certification

The Green Management Certification program is run by the Foundation for Promoting Personal Mobility and Ecological Transportation, an extra-governmental organization under the Japanese Ministry of Land, Infrastructure, Transport and Tourism. The program aims to promote environmental conservation by certifying eligible transportation-related companies, including truck freight, bus, taxi, shipping, port transportation, and warehouse companies.

◆ Certified companies and business sites

- Hankyu Bus Co., Ltd. (Osaka, Itami, Ishibashi, Fushiodai, Nishinomiya, and Ashiyahama branches)
- Hankyu Kanko Bus Co., Ltd.
- Osaka Airport Transport Co., Ltd. (Airport and Airport-South branches)

* Bus and taxi companies were added to the scope of the Green Management Certification program in April 2004. Hankyu Bus was certified under this program in September 2005, a first for a route-bus operator in the Kansai region.

■ Kyoto Environmental Management System Standard (KES)

The Kyoto Environmental Management System Standard (KES) is run by the KES Environmental Organization, a Japanese nonprofit. The standard is designed to encourage all enterprises to participate in environmental improvement activities.

◆ Certified companies and business sites

- Hanshin Hotel Systems Co., Ltd. (The Ritz-Carlton, Osaka): Obtained Step 1 certification

(2) Climate Change

Approach

The Hankyu Hanshin Holdings Group has long devoted Group-wide efforts to reducing energy consumption and CO₂ emissions from the perspective of mitigating climate change. The Group has also defined contributing to a low-carbon, circular economy as a policy for the priority issue of “environmental protection” toward Sustainable Management.

We recognize that climate change can create not only risks but also opportunities for significant growth of our business activities. We will continue to comply with various laws, regulations, ordinances, etc. and monitor the environmental impact of our business activities, including CO₂ emissions, based on our Basic Environmental Policies. We will also save energy in our railway operations and other businesses and aim for more eco-friendly buildings (green buildings) in the Real Estate Business. Furthermore, we will respond appropriately to both risks and opportunities entailed by climate change and reduce the environmental impact of our business activities, including CO₂ emissions, to play a part in realizing a low-carbon society.

Management / Organization

Refer to “Management / Organization” in “Environment: (1) Environmental Management” (p. 42).

Target

Indicator	Range	FY2021 Results	FY2031 Targets
Rate of CO ₂ emissions cuts (compared to FY2014)	Hankyu Hanshin Holdings and its subsidiaries' Japanese worksites	40.0%	26%*
	Energy consumption in the railway operations of Hankyu Corporation and Hanshin Electric railway	41.5%	40%

* We are preparing to adjust our rate of CO₂ emissions cuts targets in line with Japanese government's goal to go carbon neutral by 2050.

Initiatives

■ Belonging to business associations that aim to mitigate climate change and supporting public policies toward the mitigation of climate change

The Hankyu Hanshin Holdings Group recognizes the importance of various agreements and public policies concerning actions to mitigate climate change, including the Paris Agreement, and supports these initiatives. The Group's railway operation and other divisions regularly exchange views with the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment and propose their ideas about climate change. An example of the results of these efforts is Hankyu Corporation's collaboration with the Ministry of the Environment in the COOL CHOICE project. As part of the project, in 2016, Hankyu Corporation ran a campaign to encourage the use of eco-friendly transportation means, such as railways and rental bicycles, using posters in train cars, large public screens, and stores. In the ongoing railway line extension project of Kita-Osaka Kyuko Railway, the company has been closely communicating with the municipality of Minoh, where the extended line will reach. One of the main aims of the project is to reduce the environmental impact of mobility by facilitating the use of public transportation and alleviating car traffic congestion.

Moreover, the Hankyu Hanshin Holdings Group participates in the following initiatives to mitigate climate change.

Initiatives	Group's involvement	Overview
<ul style="list-style-type: none"> Task Force on Climate-related Financial Disclosures (TCFD) TCFD Consortium 	<ul style="list-style-type: none"> Endorsed the TCFD recommendations in May 2021, listed TCFD Supporter Holds TCFD Consortium membership 	The TCFD was created by the Financial Stability Board at the request of the G20 member states. The TCFD recommends that companies and other kinds of organizations disclose the financial and other impacts of climate-related risks and opportunities on their medium- to long-term strategies and planning to help investors make appropriate investment decisions.
<ul style="list-style-type: none"> United Nations Global Compact Global Compact Network Japan (GCNJ) 	<ul style="list-style-type: none"> Endorsed the UN Global Compact in May 2021, listed United Nations Global Compact Supporter Holds GCNJ membership 	The United Nations Global Compact was announced at the World Economic Forum held in 1999, the UNGC is a pact that enshrines behavioral principles for businesses around the world. It consists of ten principles in the areas of human rights, labor, the environment, and anti-corruption.
Kansai Economic Federation (public interest incorporated association)	Participates as a vice chair	The Kansai Economic Federation (Kankeiren) is an economic organization of companies whose head offices or other bases are located in the Kansai region. The Kansai Economic Federation conducts surveys and research on the invigoration of the Kansai economy and submits proposals to the Japanese government and relevant local governments. It also promotes ESG initiatives and initiatives to achieve the SDGs, including those to mitigate climate change and to achieve carbon neutrality, and proposes related policies. The Kansai Economic Federation's policies on climate change correspond with those of the Hankyu Hanshin Holdings Group, and the Group CEO is fully committed to the Kansai Economic Federation as one of its vice chairs.

■ Group's initiatives toward a low-carbon society

◆ Actions to cut greenhouse gas (CO₂) emissions and improve energy efficiency (promote energy saving)

We will strive to reduce CO₂ emissions toward FY2031 by implementing various measures to lower energy consumption according to the characteristics of our respective businesses, especially in our Urban Transportation and Real Estate Businesses, which account for a major part of our energy consumption. Those measures include introducing energy-efficient equipment and promoting energy conservation activities.

◆ Initiatives to establish transportation networks with low impacts on the environment

CO₂ emissions per unit transportation capacity from railway transportation are just 13% of those from transportation by private cars. Railways are thus a transportation means with low environmental impacts. Enhanced convenience of public transportation will contribute to less use of private cars, which is expected to result in reduction of CO₂ emissions from the transportation sector in Japan. While continuing to enhance railway networks, as represented by the Hanshin Namba Line, we will also focus efforts on improving the means of transportation for "to the station" and "from the station" by enhancing not only buses and taxis but also services to enhance usability of bicycles, such as rental bicycles and bicycle parking lots, thereby working to establish transportation networks with low environmental impacts centered around public transportation.

In addition, the Hankyu Hanshin Holdings Group is engaged in community development based on its railway operations and operates its Real Estate, Entertainment, and Hotel Businesses as part of line-side area development. Many sites for those businesses (including commercial facilities, Hanshin Koshien Stadium, and Takarazuka Grand Theater) are located within a walking distance from railway stations and contribute to both establishing transportation networks and reducing the environmental impacts of travel by many customers.

◆ Urban Transportation

● Actions to lower energy consumption entailed by railway operations

Railway operations account for about 40% of the Hankyu Hanshin Holdings Group's energy consumption. Therefore, the Group places high priority on lowering energy consumption entailed by its railway operations and has set targets for rate of CO₂ emissions cuts from Energy consumption in the railway operations of Hankyu Corporation and Hanshin Electric Railway. In addition, both railway companies devote efforts to shifting to more energy-efficient rolling stock while discussing the development of highly energy-efficient trains with train suppliers.

For example, Hankyu Corporation has introduced highly efficient variable-voltage/variable-frequency (VVVF) inverter control devices and motors in its rolling stock, as well as replacing all lights, including headlights, with LED lights. Hankyu Corporation has thus succeeded in developing highly energy-efficient rolling stock (with an electricity consumption reduction of about 50% from conventional rolling stock). Hanshin Electric Railway has also introduced a main circuit system for VVVF inverter control (equipped with an electric regenerative brake) using a permanent-magnet synchronous motor in its latest rolling stock for local train use, as well as replacing all lights, including headlights, with LED lights. Hanshin Electric Railway has thus achieved an electricity consumption reduction of about 60% from existing rolling stock for local train use.

● Actions to lower energy consumption at railway stations

We are gradually upgrading the lighting at our railway stations and other facilities to LED lights, which are less power-consuming and have a longer life, contributing to waste reduction. (Hankyu Corporation: 37 out of a total of 87 stations; Hanshin Electric Railway: 35 out of a total of 49 stations; both figures as of March 2021)

In addition, Settsu-shi Station, opened on the Hankyu Kyoto Line in 2010, is Japan's first net-zero CO₂ emissions station (or carbon neutral station). Various environmental measures adopted at this station, including the use of solar panels and LED lights, have reduced CO₂ emissions from the station to about half of those from an ordinary station. The remaining CO₂ emissions from the station are completely offset by CO₂ emissions reductions through forest conservation activities.

◆ Real Estate

● Environment-friendly features adopted in the Geo condominium series

All of the Geo condominiums*¹ sold by the Hankyu Hanshin Holding Group from around the end of July 2011 onward are equipped with various environment-friendly features, such as Low-E multi-layered glass and LED lighting (in both common and private areas), as well as electric vehicle charging equipment. Also, sunlight and solar heat are used to create energy for use in some Geo condominiums.*²

*1 May not be applicable to condominiums jointly developed with other companies.

*2 The energy creation feature is selectively added only to some condominiums exemplified below according to their scale and grade.

- Geo Tower Takatsuki Muse Front (completed in June 2012): Equipped with a solar heat system and a power generation heat discharging system to cool and heat common areas
- Geo Ashiya Higashiyamacho (completed February 2013): Equipped with a gas water heating system using solar heat and a cogeneration system to use power generation heat for hot water supply to each household
- Geo Tezukayama 1-chome (completed in March 2013): Every household equipped with a solar power generation system to generate electricity for its use

◆ Aim for more eco-friendly buildings (green buildings)

To provide many more environment-friendly buildings, the Hankyu Hanshin Holdings Group has striven to obtain environment- and society-friendliness certification for its buildings under DBJ Green Building certification, which is organized and run by the Development Bank of Japan in collaboration with the Japan Real Estate Institute, which is in charge of assessment and certification granting, or Osaka City's Comprehensive Assessment System for Built Environment Efficiency (CASBEE Osaka).

◆ DBJ Green Building certification

● Certified as 5-star DBJ Green Buildings that meet Japan's highest standards for environmental and social consideration

● Umeda 1-1 Project (Osaka Umeda Twin Towers South scheduled to be entirely completed in the spring of 2022) certified as a DBJ Green Building plan

(Certification recipients: Hanshin Electric Railway and Hankyu Corporation)

To make the building eco-friendly, energy saving and energy creation measures have been adopted, such as installing LED lights and solar power generation systems for all private areas. The building is provided with emergency power generators, which can operate for 72 hours in the event of an emergency, as well as gas cogeneration equipment and a structural health monitoring system, to enhance its disaster preparedness and support the business continuity of tenants. Moreover, the building is equipped with a large multipurpose conference zone (4,000 m²), which is, along with the rooftop plaza and pedestrian deck, planned to be used as a space for temporary evacuation or temporary stay for people unable to go home in the event of a disaster. Phase 1 of the project was completed in April 2018, and full completion is scheduled in spring 2022.



● Hankyu Nishinomiya Gardens

(Certification recipients: Hankyu Corporation and Hankyu Hanshin REIT, Inc.)

This building has abundant rooftop greenery and green walls, such as Sky Garden, to alleviate the heat island effect and utilizes natural energy with solar panels and a sprinkling system using rainwater. LED lighting and a design to take in much natural light are also employed to make the building energy-efficient.

● **Certified as 4-star DBJ Green Building with exceptionally high environmental and social awareness**

- HEP FIVE (Certification recipients: Hankyu Hanshin Properties and Hankyu Hanshin REIT, Inc.)

This building has a solar power generation system and uses clean natural energy to illuminate its Ferris wheel. The main entrance is equipped with mist spraying equipment to ease the urban heat island effect in summer.

● **Certified as 3-star DBJ Green Building with very high environmental and social awareness**

- Kobe Sannomiya Hankyu Building (Certification recipient: Hankyu Corporation)

The building is equipped with Low-E glass and LED interior lights to save energy and resources. It is also designed to be convenient and comfortable for users, with commercial zones on its lower stories, good access provided by its direct connection to multiple stations, and an observatory space open to the public, including office workers in the building. The building also has disaster management features, including emergency power generators, which can supply electricity of 15 VA/m² to private areas for 72 hours, and flood barriers installed in consideration of the risks of being flooded with seawater.



◆ **CASBEE Osaka (Osaka's Comprehensive Assessment System for Built Environment Efficiency)**

● **S rank (top in the ranking)**

- Umeda Hankyu Building

This building is designed for energy efficiency, with features such as sensor-based lighting systems that can automatically adjust the level of light and high-efficiency heat source devices for air-conditioning, as well as inverter-based control systems for air-conditioners, pumps, and elevators.



◆ **Other environment conscious buildings**

- NU chayamachi Plus

The building features green walls above the main entrance of its commercial section and on the terraces of restaurants on the third floor. The terrace has also rooftop greenery, creating a space where visitors can enjoy the greenery while doing shopping or dining. The transpiration effect of the greenery helps reduce heat inside the building, contributing to mitigating the heat island effect. Moreover, LED lights are used for most lighting, including indirect lighting, in the common areas of the building to help cut CO₂ emissions.

- HERBIS OSAKA and HERBIS ENT

The building complex is equipped with one of Japan's largest (at the time of installation) single-building ice storage air conditioning systems, which efficiently uses nighttime power. The two buildings also have other environment-friendly, energy-efficient systems, including refrigerant natural-circulation-type air conditioning, which requires no power to circulate refrigerant, and a cogeneration system, which enables effective use of energy.

◆ **Use more renewable energy (e.g. solar)**

As an action to utilize renewable energy and reduce CO₂ emissions, we have been installing solar power generation facilities on our Group premises. Our major premises equipped with solar power generators are as follows. (The figures in parentheses are annual power generation output in FY2021.)

- Urban Transportation: Hanshin Oishi Station (122,156 kWh); Hankyu Settsu-shi Station (51,442 kWh)
- Real Estate: HEP FIVE (18,000 kWh)
- Entertainment: Hanshin Koshien Stadium (160,886 kWh)

◆ Utilizing carbon offset credits

The Hankyu Hanshin Holdings Group has collaborated with Osaka Gas Co., Ltd. in using the J-Credit Scheme*¹ for carbon offsetting. Specifically, since FY2015, Hankyu Corporation has held special Takarazuka Grand Theater Carbon Offset Performances*² and offset CO₂ emitted during the performance period using the J-Credit Scheme. Meanwhile, in FY2022, Hanshin Electric Railway and the Hanshin Tigers launched a new initiative to use the same scheme to offset CO₂ emitted during the Ultra Summer series of baseball games (six games in FY2022) held by the Hanshin Tigers at the Hanshin Koshien Stadium.

*¹ The J-Credit Scheme: A scheme whereby the Japanese government certifies greenhouse gas (such as CO₂) emissions reduced or removed by sinks through efforts to introduce energy-saving devices and manage forests as credit

*² In FY2021, the performances were not held due to the COVID-19 pandemic.

■ Identifying risks and opportunities created by climate change

Risks caused by climate change are broadly divided into physical risks and transition risks.

◆ Addressing physical risks

In recent years, floods caused mainly by super typhoons and training thunderstorms have hit Japan more frequently than before and become major social issues. The Hankyu Hanshin Holdings Group recognizes that it must implement appropriate disaster preparedness measures to reduce the risks of being affected by such natural disasters.

As a risk management measure, Hankyu Hanshin Holdings, Inc. conducts risk surveys with Group companies every year to help them identify their key risks. In the Urban Transportation Business, in response to the recent situation where other companies in the same industry have been affected by floods caused by super typhoons, Hankyu Corporation and Hanshin Electric Railway designated response to natural disasters associated with climate change as their priority risk management issue for FY2020, identified specific risks, and devised necessary countermeasures. Subsequently, in FY2021, they devised specific measures to be adopted in the event of a heavy downpour, including how to avoid damage to trains and how to evacuate employees, as well as standards for judgments. In anticipation of typhoons as well, they reviewed their policy on the planned suspension of transportation services, worked out measures for equipment necessary for train services, and drew a plan to repair bridges. These measures have been incorporated in investment plans and are being implemented successively.

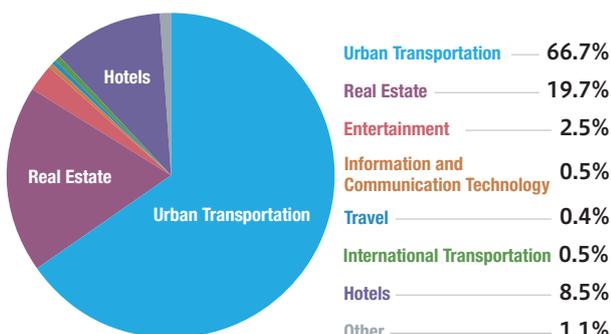
◆ Addressing transition risks

We follow the TCFD scheme to monitor transition risks created by changes due to the transition to a low-carbon society, including changes in policies, laws, and regulations, as well as technological innovation and changes in the markets. We also conform to the same scheme in devising measures to address transition risks. For details, refer to the [Integrated Report](#). [WEB](#)

DATA

In fiscal 2021, CO₂ emissions were down 15% year on year to 369,646 t-CO₂, due to the significant stagnation of socioeconomic activities following the state of emergency declared twice amid the COVID-19 pandemic. Energy consumption on a crude oil conversion basis decreased 11% year on year to 252,828 kl.

FY2021 Group-wide segment-specific CO₂ emissions



* The figures pertain to 84 Hankyu Hanshin Holdings subsidiaries in Japan; some businesses, for which it is difficult to calculate energy consumption, are excluded.

CO₂ emissions volumes and energy consumption on crude oil-conversion basis



Results (Segment-Specific)

Indicator	Unit	Business sites in Japan*1				Business sites overseas*1		
		FY2019	FY2020	FY2021	Versus FY2014	(Reference) FY2014	FY2020	FY2021
CO₂ emissions (SCOPE1&2)	Total	516,372	434,429	369,649	- 40.0%	616,365	1,082	1,005
	Urban Transportation	339,155	283,728	246,640	- 38.4%	400,619		
	Real Estate	98,476	81,557	72,954	- 39.4%	120,417	85	80
	Entertainment	13,581	11,845	9,342	- 39.5%	15,434		
	Information and Communication Technology	2,152	1,895	1,925	- 39.2%	3,169		
	Travel	2,185	2,029	1,556	- 25.9%	2,099	13	10
	International Transportation	2,049	1,933	1,856	- 20.5%	2,335	983	916
	Hotels	54,072	47,321	31,380	- 51.9%	65,274		
	Other	4,701	4,121	3,993	- 43.1%	7,018		
Energy consumption on crude oil-conversion basis (SCOPE1&2)	Total	288,732	282,735	252,828	- 20.1%	316,491	538	485
	Urban Transportation	185,543	181,390	166,856	- 16.9%	200,728		
	Real Estate	57,874	56,962	52,611	- 18.0%	64,133	56	52
	Entertainment	7,977	8,045	6,578	- 20.7%	8,299		
	Information and Communication Technology	1,273	1,335	1,428	- 20.0%	1,786		
	Travel	1,170	1,159	935	- 17.8%	1,137	10	7
	International Transportation	1,147	1,049	1,023	- 17.6%	1,241	472	427
	Hotels	31,159	30,185	20,794	- 41.5%	35,541		
	Other	2,588	2,610	2,604	- 28.2%	3,626		

Results (total)

Indicator	Unit	Business sites in Japan*1			Business sites overseas*1	
		FY2019	FY2020	FY2021	FY2020	FY2021
Greenhouse gas (GHG) emissions *2,3	SCOPE1&2	516,372	434,429	369,646	1,082	1,005
	SCOPE1	132,635	129,514	104,660	144	104
	SCOPE2	383,737	304,915	264,986	938	902
Energy consumption on crude oil-conversion basis (Scope 1&2)	kl	288,732	282,735	252,828	538	485

*1: "Business sites in Japan" denotes Hankyu Hanshin Holdings' subsidiaries based in Japan, while "business sites overseas" denotes the Company's local subsidiaries outside Japan.

However, some business sites on which data are difficult to obtain are excluded. The figures for FY2021 pertain to 84 subsidiaries in Japan and 11 subsidiaries overseas.

*2: For our GHG emissions, we calculated Scope 1 emissions (direct emissions from sources that are owned or controlled by the company) and Scope 2 emissions (indirect emissions from the generation of purchased or acquired electricity, steam, heat, and cooling). All those figures were calculated using adjusted GHG emission factors.

*3: GHGs other than CO₂ account for only a very small part of the total GHG emissions. (For example, the amount of hydrofluorocarbons [HFCs] is only 0.5% of that of CO₂ on our business activities.) Therefore, for Scope 2 emissions, we equate CO₂ emissions with GHG emissions.

(3) Pollution and Resources

Approach

The Hankyu Hanshin Holdings Group has defined producing less waste and recycling more as a policy for the priority issue of “environmental protection” toward Sustainable Management.

In accordance with its Basic Environmental Policies, the Group not only complies with various laws and regulations but also monitors the environmental impact of its business activities, including environmental pollution and waste, and takes action to reduce it. Furthermore, the Group is also committed to utilizing resources effectively mainly by promoting recycling.

Management / Organization

Refer to “Management / Organization” in “Environment: (1) Environmental Management” (p. 42).

Initiatives

■ Reducing environmental pollution

The Hankyu Hanshin Holdings Group has set a process target of reducing environmental pollution caused by its business activities as much as possible by adopting countermeasures against environmental pollution in compliance with various laws and regulations.

◆ Countermeasures against soil pollution in the Real Estate Business

In compliance with applicable laws and regulations, we appropriately conduct land history surveys and soil pollution surveys and adopt soil purification measures when we acquire and develop land.

◆ Using no more plastic straws in the Hotel Business

Hankyu Hanshin Hotels has ceased using plastic straws in the restaurants and banquet halls of its directly operated hotels and has replaced them with straws made from a resin derived from corn and other plant matter. Its directly operated restaurants offer straws only to customers who need them. Plant-based plastics, like paper, generate little energy upon incineration and emit no combustion gases containing hazardous substances.



■ Producing less waste and recycling more

The Group has set a process target of devoting further efforts to reducing waste and utilizing resources effectively by fulfilling its responsibilities as an enterprise provided for by various laws and regulations and collaboration with other companies and tenants in its commercial facilities.

◆ Plastic recycling in collaboration with other companies at the Hanshin Koshien Stadium

We recycle polyester drink containers used to serve beer and other beverages at the Hanshin Koshien Stadium through external collaboration. We have introduced a resource circulation mechanism whereby used polyester drink containers are collected with the help of customers and recycled into new polyester fiber with a technology of Teijin Frontier Co., Ltd., and the recycled material is used to produce plastic beer cup holders and other gift items, which the Hanshin Koshien Stadium offers customers. In FY2020, before the spread of the COVID-19 pandemic, we collected 4.9 tons of used drink containers, which were recycled into 11,000 cup holders provided to customers.



◆ Promoting waste reduction by introducing a pay-per-amount system

We have introduced a pay-per-amount system, instead of a common flat-fee system, to charge tenant stores in commercial facilities managed and run by the Hankyu Hanshin Holdings Group (Hankyu Sanbangai and Hankyu Nishinomiya Gardens) for waste disposal according to the amount of waste they produce. This system is aimed at giving an incentive for the stores to minimize waste and consequently reducing the total amount of waste.

◆ Recycling food waste in collaboration with other companies in the Hotel Business

Hankyu Hanshin Hotels has introduced a resource circulation mechanism whereby recyclable waste is appropriately separated from kitchen waste from its hotels and treated and transported in collaboration with Nagase Chikusan Co., Ltd. and Taisei Industries Co., Ltd. to be utilized as pig feed or compost provided to these companies' pig farms or partner farmers. We are thus committed to producing less waste and recycling more.

◆ Reducing paper use by digitizing air cargo documents in the International Transportation Business

Taking part in the International Transport Association (IATA)'s e-Freight* initiative to build a paperless transportation process for consolidated air cargo, Hankyu Hanshin Express has digitized (made paperless) all shipping documents for its consolidated air cargo from Japan to Hong Kong since FY2017. The company has established a necessary system through repeated verifications with airlines, local subsidiaries, and overseas agencies, and it has built a safer, more reliable, and faster transportation process, with a reduction in consumption of paper (equivalent to 500 A4-size sheets of paper per cargo). As of July 2021, this initiative had been expanded to 78 destinations in 25 countries and regions, with an expected monthly reduction of 80 tons of paper use.

* e-Freight: A joint initiative in the international transportation industry to build paperless transportation processes through collaboration throughout the supply chain, including carriers, freight forwarders, ground handlers, shippers, customs brokers and customs authorities

DATA

Waste

Indicator		Unit	FY2020	FY2021
Waste	Generation	t	(25,749)	55,085
	Recycled		(8,570)	19,927
	Non-recycled		(17,179)	35,158
Hazardous waste* ¹ included	Generation		(18)	172

Results of waste reduction measures

Indicator		Unit	FY2020	FY2021
Construction waste* ²	Generation	t	(678)	69,602
	Recycled		(268)	67,215
	Non-recycled		(410)	2,387
Equipment regulated by recycling laws	Disposed of		(1)	4
Disused items sold	Disposed of		(21)	696

Results concerning chemicals

Indicator		Unit	FY2020	FY2021
Volatile organic compounds (VOCs)* ³	Generation	kg	(6,450)	9,340
	Emissions		(650)	3,080
	Transferred out		(5,800)	6,260
PCB-containing waste* ⁴	Stored	t	(104)	81

Results of raw materials

Indicator		Unit	FY2020	FY2021
Office paper	Used	t	(457)	618

■ The data above covers Hankyu Hanshin Holdings' subsidiaries in Japan. However, some business sites on which data are difficult to obtain are excluded. The figures for FY2021 pertain to 84 subsidiaries in Japan.

The figures for FY2020 pertain only to domestic business sites of the six major Group companies.

*1 Industrial waste of toxic or infectious kinds, defined as "waste requiring special management" by the Waste Management and Public Cleansing Act of Japan

*2 Construction waste to which the Construction Material Recycling Act applies

*3 Specific chemical substances whose amounts emitted and transported from business sites are reported to the government in compliance with the Act on Confirmation, etc. of Release Amount of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

*4 Stored and treated in compliance with the Waste Management and Public Cleansing Act and the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes

(4) Biodiversity

Approach

The Hankyu Hanshin Holdings Group values biodiversity as a factor for developing a good living environment under the priority issue of “thriving communities” toward Sustainable Management.

Additionally, in the Hankyu Hanshin Dreams and Communities of the Future Project, which is a social contribution initiative of the Group, we have defined sustainable community development as a priority area and promoted activities aimed at contributing to the preservation of biodiversity and the natural environment.

In the Group’s business activities and social contribution initiatives, we will continue our efforts to protect biodiversity in cooperation with local communities in conformity to the principle of paying due consideration to the surrounding environments and ecosystems.

Management / Organization

Refer to “Management / Organization” in “Environment: (1) Environmental Management” (p. 42).

Initiatives

■ Consideration for biodiversity

We pay due consideration to biodiversity and implement the following measures to reduce the environmental impact of the Group’s business activities.

◆ Consideration for biodiversity and environmental impact assessments in development projects

Every time a new development project is launched in its Urban Transportation and Real Estate Businesses, the Hankyu Hanshin Holdings Group confirms whether any natural features, including trees and forests, that need protection and conservation exist on the development site, and it adopts measures to protect and conserve such natural features as needed. On the development site, we arrange green areas with plants selected with great care to ensure good harmony between these green areas and natural features in the nearby area. In development projects in areas with abundant natural features, we assess those projects’ environmental impacts on local flora and fauna and ecosystems in compliance with laws, regulations, and ordinances concerning environmental impact assessments and the conservation of nature.

◆ Reducing environmental pollution

We mitigate environmental pollution caused by our business activities to reduce their impact on the natural environment, which is home to diverse organisms.

For details, refer to “Initiatives” in “Environment: (3) Pollution and Resources” (p. 51).

■ Protection of biodiversity

The Hankyu Hanshin Holdings Group contributes to protecting biodiversity by implementing the following measures in the areas where it operates and in the local communities.

◆ Creating favorable environments for diverse organisms through urban real estate development

The building of NU chayamachi Plus features green walls above the main entrance and on the terraces of restaurants on the third floor. The rooftop terrace is also greened, providing customers with a space to enjoy natural features. GRAND FRONT OSAKA, in which the Group participated as a member of the developers, has a garden of approximately 4,000 m² to the north of the North Building and rooftop gardens, which total over 10,000 m², on the roofs of the 9th floors of both the South and North Buildings. These gardens are designed for harmony with the environment. The entire facility is surrounded with a network of ginkgo trees, zelkova trees, and waterscapes, offering a space for store customers, office workers, residents, and hotel guests to enjoy natural features and seasonal changes. The Umekita Phase 2 Development Project, in which the Group participates as a member of the consortium designated as the developer, will create a total of approximately 80,000 m² of green areas (including an urban park of about 45,000 m²) on the development site based on the community development principle of realizing a fusion of “green” and “innovation.” The development site is located on an important spot for creating a network of ecosystems from Osaka Castle to the Yodo River. Therefore, we aim to create an urban environment that will be friendly not only to plants but also to birds that use the surrounding area as a destination and other organisms that will inhabit the urban park.

◆ Managing the Rokko Alpine Botanical Garden

The Rokko Alpine Botanical Garden has around 1,500 varieties of wild plants, including alpine and cold-region plants from around the world, plants native to Rokko, and endangered species. In an around 50,000 m² area of the garden, these plants are cultivated in their near-natural conditions. With daily guided flower tours, seasonal exhibitions, and nature experience programs, the garden helps raise public awareness of the importance of preserving nature. The garden has been a member of the Japan Association of Botanical Gardens since its inception in 1947 and has also served as a local outpost for the protection of biodiversity, promoting a program aimed at preserving Japan's endangered plant species outside their habitats.



Hepatica nobilis var. pubescens
variety of liverwort, an endangered species in Hyogo Prefecture

◆ Creating and managing green areas

Hanshin Gardenings promotes urban greening through its business activities, including constructing parks and gardens and managing green areas at commercial and residential facilities, such as condominiums. The company provides local communities with opportunities to enjoy natural features in various settings at large parks and facilities, including Kobe Nunobiki Herb Gardens, Ikeda Castle Ruins Park, and Amagasaki Castle, while implementing initiatives to protect biodiversity at Amagasaki-no-mori Central Green Park.



◆ Preserving a *satoyama* area

- The service area of the Nose Electric Railway includes the Kurokawa area (Kawanishi City, Hyogo Prefecture), which is known as “Japan’s most excellent *satoyama*” (area in harmony between the community and forests). Since 2011, the company has conducted forest maintenance activities to preserve the natural environment of Mt. Myoken and the *satoyama* area in collaboration with government and civic groups. From January to March every year, Nose Electric Railway employees come together to volunteer to clear the underbrush and thin out the forest. The company thus strives to revitalize and maintain the *satoyama* area, which is home to diverse organisms.
- The Hankyu Hanshin Holdings Group is involved in the community development project in Saito as a member of the landowner. Located in the project area, Saito West Park, with an area of about 52,000 m², provides people of all generations with a place to enjoy natural features and play, learn, and have a good experience. In the north of the park is Saito Butterfly Garden, which is designed to attract butterflies and other insects from natural greens along the nearby river and provide local residents with hands-on experience with nature. In addition, Asagi Satoyama Park, with an area of about 24,000 m², includes natural forests preserved out of the pre-development forests in about one-third of its entire area. The park also has promenades in the natural forests and a wetland biotope.

(5) Water Resources

Approach

The Hankyu Hanshin Holdings Group's major area of operation is Japan, which has relatively low water risks.* However, the Group places importance on utilizing water resources effectively to contribute toward a circular economy, as declared in its policy for the priority issue of "environmental protection" toward Sustainable Management. In addition, the Group's Basic Environmental Policies, formulated in 2010, include the policy of monitoring the environmental impact of its business activities and taking action to reduce it.

The Group is committed to reducing water use as much as possible by saving water and reusing wastewater mainly in the Real Estate and Hotel Businesses.

* Japan is positioned as low to low-medium in water risks (the first and second lowest on a five-point scale) on the Aqueduct Water Risk Atlas.

Management / Organization

Refer to "Management / Organization" in "Environment: (1) Environmental Management" (p. 42).

Initiatives

◆ Encouraging reuse of bed and bath linens to save washing water and reduce wastewater

Hankyu Hanshin Hotels encourages guests staying multiple nights at its 22 directly operated hotels* (9 in the Tokyo metropolitan area; 12 in the Kansai region; 1 in another region) to use the same bed and bath linens instead of having them replaced every day, with the aim of reducing the volume of washing water and wastewater.

* Dai-ichi Hotel Tokyo, Dai-ichi Hotel Annex, remm plus Ginza, remm Tokyo Kyobashi, remm Hibiya, remm Akihabara, remm Roppongi, Dai-ichi Hotel Tokyo Seafort, Kichijoji Dai-ichi Hotel, Hotel new Hankyu Kyoto, remm Shin-Osaka, Hotel Hankyu International, Hotel new Hankyu Osaka, Hotel new Hankyu Osaka Annex, Osaka Umeda OS Hotel, Hotel Hankyu Respire Osaka, Hotel Hanshin Osaka, Hotel Hanshin Annex Osaka, Senri Hankyu Hotel Osaka, Takarazuka Hotel, remm plus Kobe Sannomiya, remm Kagoshima



◆ Using wastewater reuse equipment

HERBIS OSAKA and HERBIS ENT have wastewater reuse equipment that purifies kitchen wastewater from restaurants and uses it as washing water for toilets. In FY2021, HERBIS OSAKA reused 41,534 m³ of wastewater, and HERBIS ENT 46,589 m³.



HERBIS OSAKA outside

◆ Making use of rainwater

Hankyu Settsu-shi Station and Nishiyama-tennozsan Station are equipped with tanks beneath platforms to store rainwater collected on the platform sheds. The stored rainwater is used to water plants at the stations and wash toilets.

The Hanshin Koshien Stadium also has underground tanks to store rainwater that pours on the "Ginsan" roof and use it for watering the field and for washing toilets.

◆ Installing water-efficient toilets

Water-efficient toilets have been increasingly installed at stations. For the toilets it renewed in 2015, Hankyu Corporation introduced urinals of the latest model with the necessary washing water reduced to 0.8 liters per flush. At commercial facilities, office buildings, the Takarazuka Grand Theater, and the Takarazuka Bow Hall as well, we have replaced toilet equipment with a water-efficient model or newly installed such a model and achieved a substantial reduction in water use.

◆ An example of business activities in an area with high water risks

In Singapore, a local subsidiary of Hankyu Hanshin Properties (Hankyu Hanshin Properties Singapore) operates a warehousing business. The company monitors the amount of water used by tenants or in common areas and implements drastic water conservation measures in order to conserve water resources. The company accounts for 0.2% of operating income of the Group's Real Estate Business.

DATA

Water withdrawal

Indicator		Unit	FY2020	FY2021
Total water withdrawal			(4,190,003)	3,125,040
By water source*1	Groundwater	m ³	(184,028)	138,357
	Service water supply and industrial water supply (Municipal potable water)		(3,891,045)	2,892,189
	Rainwater and other sources		(114,930)	94,494

Water discharge

Indicator	Unit	FY2020	FY2021
Total water discharge*2	m ³	(4,190,003)	3,125,040

■ The data above covers Hankyu Hanshin Holdings' subsidiaries in Japan. However, some business sites on which data are difficult to obtain are excluded. The figures for FY2021 pertain to 84 subsidiaries in Japan. The figures for FY2020 pertain only to domestic business sites of the six major Group companies.

*1 No surface water, water collected in the quarry, external wastewater, or seawater was withdrawn.

*2 All wastewater was discharged through sewerage to external water treatment facilities. No water was discharged into the ocean, surface water, the subsurface, wells, etc.

Since almost all wastewater was discharged through public sewer pipes, the amount of water used, including municipal potable water, groundwater, and rainwater, was equated with the amount of wastewater discharged in the calculation.

Robust Governance

Approach

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, complying with relevant laws and regulations, and ensuring appropriate, timely disclosure. Reflecting this approach, the Company has established the policies below with a view to adhering to the principles of our Corporate Governance Code, sustaining growth, and enhancing corporate value over the medium to long term.

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

Governance Structure

■ Overview of Hankyu Hanshin Holdings' and the Group's corporate governance structure

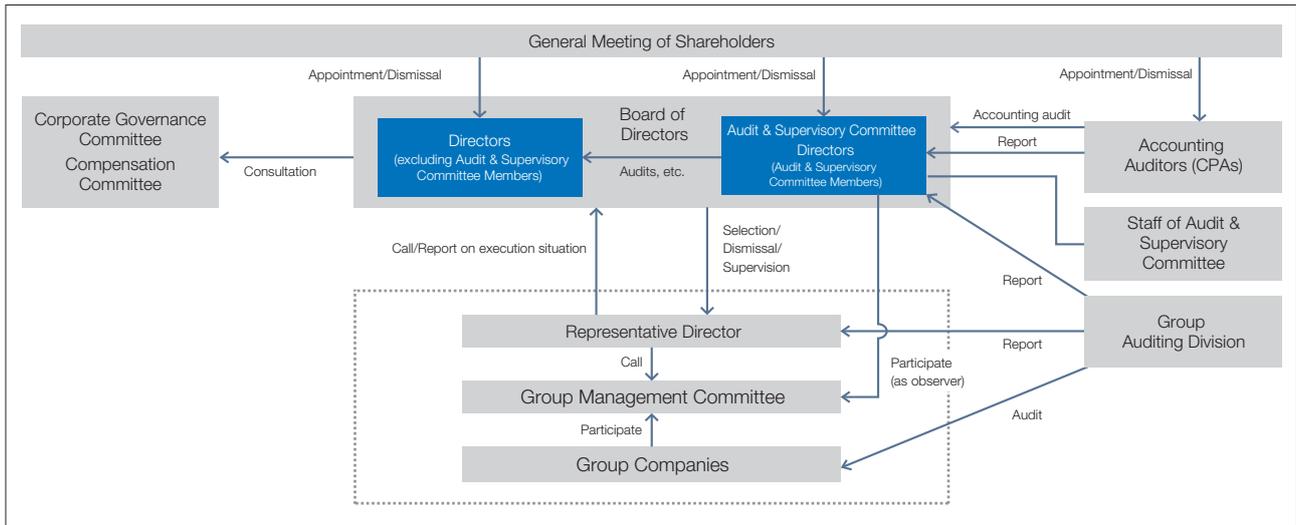
Hankyu Hanshin Holdings is a pure holding company, and the conduct of operations is basically the responsibility of Group member companies. Hankyu Hanshin Holdings' principal role is supervision and oversight of the entire Group—meaning that these functions are separate from the conduct of Group businesses.

Through this system, the Company realizes supervision and oversight and enhances the overall governance of the Group by: retaining the authority to approve the Company's and the Group's management policies and strategies, and 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 from or report to Hankyu Hanshin Holdings 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 outside directors, makes approval decisions and receives reports. Moreover, to undertake preliminary reviews the Company has established a Group Management Committee, which includes representatives of the Group's core businesses. Further, to ensure transparency in the appointment and dismissal of the Company's directors and to facilitate coordination with outside directors, the Group has established the Corporate Governance Committee, which comprises standing Audit & Supervisory Committee members, and outside directors who are independent of the Company, and representative directors. Moreover, to ensure that concrete decisions regarding the amount of director compensation (excluding that of members of the Audit & Supervisory Committee) under the responsibility of the Board of Directors, are made based on objective and transparent procedures, the Company has established a Compensation Committee comprising the chairman (or the president, in the chairman's absence or unavailability) and outside directors who are independent of the Company.

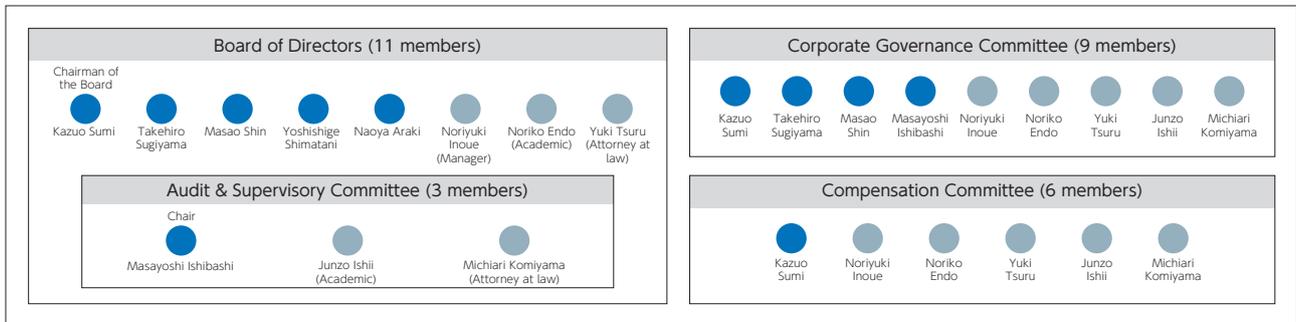
In addition, as part of efforts to strengthen its overall capabilities, the Company is strengthening the governance of funding. Measures include centralizing funding under the Company, as a rule, and distributing funds to operating companies within the limits set out in business plans that the Company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

Corporate governance system



*The Hankyu Hanshin Holdings Group takes practical steps to enact all of the principles stipulated in the Corporate Governance Code. For examples of specific action and other items relating to corporate governance, please refer to the Corporate Governance Report [WEB](#) in the sustainability section of the Group's website.

● Independent director



Recent efforts to strengthen corporate governance

Percentage of independent directors

FY2016	<p>Corporate Governance Committee established</p> <ul style="list-style-type: none"> Charged with ensuring transparency of corporate director appointments and dismissals and facilitating coordination with outside officers. Committee meets twice a year, and comprises the representative directors, standing auditors (standing Audit & Supervisory Committee members since June 2020), and outside officers. 	5/18 27.8%	
FY2017	<p>Evaluation of the Board of Directors' effectiveness</p> <ul style="list-style-type: none"> A survey was carried out to assess the management by the Board of Directors, including the sufficiency of its explanations and the appropriateness of its handling of its proceedings. (Starting in fiscal 2021, interviews are preceded by questionnaires for more effective assessment.) 	5/19 26.3%	
FY2018	<p>Abolition of senior advisors system</p>	5/14 35.7%	
FY2019	<p>Abolition of anti-takeover measures and Compensation Committee established</p> <ul style="list-style-type: none"> Charged with ensuring that the objectivity and transparency of procedures relating to decisions regarding board members' remuneration, including amounts. Committee meets once a year, and comprises the chairman and outside officers. 	5/14 35.7%	
FY2020	<p>Review of compensation system</p> <ul style="list-style-type: none"> Stock-based, performance-linked stock compensation system (paid into trust) introduced for the chairman and president in order to further motivate them to enhance the Company's corporate value and business performance, as well as to enhance shareholder value. 	6/14 42.9%	
FY2021	<p>Change in legal status regarding audit function</p> <ul style="list-style-type: none"> Became a "Company with an Audit & Supervisory Committee" as part of efforts to bolster the Board of Directors' oversight function and enhance corporate governance. Upon that change, the number of company officers was reduced to 11 and the number of independent directors was made five (including two women) in order to increase the proportion of independent officers. 	5/11 45.5%	

Initiatives

More transparent management and effective governance

Management organization for decision making, execution, and oversight of matters related to company management

Board of Directors and Directors

The Board of Directors enhances governance of the entire Group and oversight of respective companies by: retaining the authority to approve decisions regarding the Company and the Group's management policies and strategies, and the medium-term or annual management plans of all core businesses; and requiring timely reporting by operating companies about Group companies' significant investments.

In order to reinforce governance and oversight capabilities and boost decision-making quality, the Board of Directors is composed of 11 directors, five of whom are independent directors, including two women. Moreover, the 11 directors include all three members of the Audit & Supervisory Committee.*1, 2

*1. Quorum of directors: The Company's articles of incorporation stipulate that a quorum shall be reached with at least four directors and at least three Audit & Supervisory Committee members.

*2. Criteria for appointment of directors: Criteria for appointment of directors are stipulated in the Company's articles of incorporation as follows:

- (1) Directors shall be appointed at shareholders' meetings into two distinct categories: Audit & Supervisory Committee members and others.
- (2) Resolutions on the appointment of directors shall be passed with a majority of voting rights held by shareholders in attendance, provided that those in attendance constitute no less than one third of all shareholders with voting rights.
- (3) Resolutions on the appointment of directors shall not be conducted by cumulative vote.

Audit & Supervisory Committee and its members

Of the Audit & Supervisory Committee's three members, two are independent directors. By selecting committee members who are independent from the Company and have a high level of specialist expertise, the Company endeavors to further ensure sound decision making. We provide full backup to enable the Audit & Supervisory Committee members to perform their governance and oversight functions, for example by involving them in the Group Management Committee and other meetings within the Group.

Membership of the Board of Directors, etc.

Maximum number of directors stipulated in articles of incorporation	No upper limit stipulated.
Term of office stipulated in articles of incorporation	1 year (2 years in the case of Audit & Supervisory Committee members)
Chairman of the board	Chairman
Number of directors	11
Appointment of outside directors	Appointed
Number of outside directors	5
Among outside directors, number of independent directors	5

Membership of the Audit & Supervisory Committee

	Audit & Supervisory Committee
Total committee members	3
Full-time committee members	1
Internal directors	1
Outside directors	2
Committee chairperson	The internal director
Directors and employees assigned to aid the duties of Audit & Supervisory Committee members	Staff assigned exclusively to this position

Corporate Governance Committee (voluntarily established committee equivalent to a nominating committee)

To ensure transparency in the appointment and dismissal of directors and coordination with outside officers, a Corporate Governance Committee has been established, made up of three representative directors, one full-time Audit & Supervisory Committee member, and five independent directors.

In addition to selecting director candidates and providing advice relating to the dismissal of directors (excluding Audit & Supervisory Committee members), the Corporate Governance Committee serves as a forum to provide information in such areas as the Group's finances to outside directors.

Compensation Committee (voluntarily established)

To ensure that concrete decisions regarding the amount of compensation paid to directors (excluding Audit & Supervisory Committee members), which are the responsibility of the Board of Directors, are made based on objective and transparent procedures, the Company has established a Compensation Committee comprising the chairman and five independent directors.

The committee provides advice relating to the Company's compensation system and its content.

Group Management Committee

The members of the Group Management Committee include full-time directors (excluding Audit & Supervisory Committee members) and executive officers of the Company, and representatives of each of the Group's core businesses. The committee meets to deliberate and decide on the approval of resolutions of the Board of Directors; the Group's management strategies and business plans; Group companies' significant investments; and significant Group management matters.

◆ Ensuring effectiveness of the Board of Directors and Audit & Supervisory Committee

Attendance at meetings of the Board of Directors and Audit & Supervisory Committee, and Board of Company Auditors by outside directors (FY2021)

Name	Position	Attendance (times attended/times held)			Statements at Board of Directors meetings, etc.
		Board of Directors	Audit & Supervisory Committee	Board of Company Auditors	
Noriyuki Inoue	Director	10/10	—	—	Instructive comments made from a corporate manager's perspective, based on a wealth of management experience.
Noriko Endo	Director	10/10	—	—	Instructive comments based on a wealth of experience and knowledge gained through research into public and government policy.
Yuki Tsuru	Director	8/8	—	—	Instructive comments from a compliance perspective.
Junzo Ishii	Director and Audit & Supervisory Committee member	10/10	9/9	2/2	Instructive comments from a management studies expert's perspective.
Michiari Komiyama	Director and Audit & Supervisory Committee member	10/10	9/9	2/2	Instructive comments from a compliance perspective.

*On June 17, 2020, with the conclusion of the 182nd General Meeting of Shareholders, we became a company with an audit and supervisory committee. The chart above details attendance for both the pre-transition Board of Corporate Auditors and the post-transition Audit & Supervisory Committee.

*The office of the Board of Directors assists outside directors and the office of the Audit & Supervisory Committee assists outside directors who are Audit & Supervisory Committee members; in particular, the office of the Audit & Supervisory Committee is staffed with dedicated staff. Moreover, the office of the Board of Directors sends out materials relating to motions to be tabled at board meetings, in principle around seven days before the meeting date, as well as its other activities to enhance outside directors' supervision and oversight functions.

Evaluation of the Board of Directors' effectiveness

The Company conducts evaluations of the board's effectiveness at the board meeting held in April every year.

A summary of the process, items, and results of an evaluation of the effectiveness of the Board of Directors conducted in fiscal 2021 is as shown below.

1. Evaluation process

In fiscal 2021, the board's effectiveness was evaluated by conducting a questionnaire survey regarding the adequacy of the board's composition and operations, followed by interviews with board members based on the questionnaire's results.

2. Evaluation items

As a result of the questionnaire and interviews, the board's composition and operations in fiscal 2021 were deemed to be adequate, and the evaluation concluded that the board was effective and generally administered appropriately.

Conversely, it was suggested that the information provided in advance about matters tabled at board meetings could be more extensive.

◆ Reasons for adoption of current corporate governance system

As described in Governance Structure (p.58), Hankyu Hanshin Holdings 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.

In addition to this, the Company shifted to an Audit & Supervisory Committee set-up in order to reinforce that corporate governance structure and further enhance corporate value. The shift was approved by a resolution at the 182nd annual General Meeting of Shareholders on June 17, 2020.

■ Compensation system

◆ Compensation of directors

Policy

The Company's compensation system for directors (excluding Audit & Supervisory Committee members) further motivates them to enhance the Company's corporate value and business performance, as well as to enhance shareholder value. Compensation comprises two elements: basic monetary compensation paid according to position and stock-based, performance-linked stock compensation paid in trust to individuals in the posts of chairman and president.

*The Group's stock-based, performance-linked stock compensation system includes a malus clause, under which rights to receive stock-based compensation may be withheld from any person eligible for this system who commits an egregious breach of duty prior to finalization of such rights, or if any other grounds for withholding such rights arise.

*The payment of retirement benefits to directors was discontinued in April 2004 to heighten transparency of the compensation system.

Procedure

Based on the foregoing policies, to ensure that concrete decisions regarding the amount of director compensation, which are the responsibility of the Board of Directors, are made based on objective and transparent procedures, the Company has established a Compensation Committee comprising the chairman (or the president, in the chairman's absence or unavailability) and five independent directors. The Board of Directors makes compensation decisions after consultation with the Compensation Committee concerning the compensation system and content of compensation.

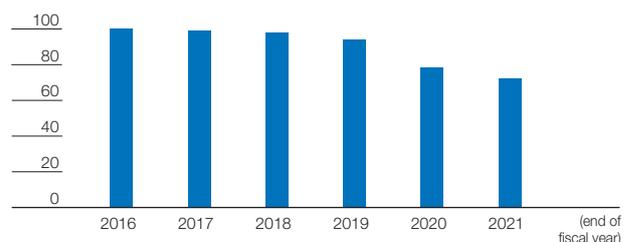
■ Other efforts to strengthen governance

Position regarding strategic shareholdings

The Company acquires shares held for strategic reasons with a view to building relationships of trust with various stakeholders and enhancing corporate value over the medium to long term by maintaining business relationships or strengthening collaborations with partner companies and maintaining relationships with regional communities.

Individual strategic shareholdings are reviewed for appropriateness each year by the Board of Directors, taking into account economic rationales such as dividend income. Where a given holding is deemed no longer appropriate, it is sold progressively, with comprehensive consideration of factors such as the Company's financial circumstances and the influence of stock sales on market conditions.

Strategic shareholdings held (Taking FY2016 final levels as 100)



Abolition of anti-takeover measures

After considering recent trends related to such measures and changes in the business environment, the Company has decided to abolish anti-takeover measures that have already been set to expire at the conclusion of the General Meeting of Shareholders held in June 2018.

Internal control system

◆ Basic approach to internal control system and the progress of system development

Recognizing the importance of ensuring that the business operations of the Company are conducted in an appropriate manner, we believe it is vital to have an internal control system for the entire Group, and to revise it when deemed necessary.

In particular, the Group has a robust structure for compliance-focused management, including a dedicated compliance office, a Compliance Manual, and compliance training, all aimed at raising awareness of compliance issues throughout the entire Group.

As part of our whistleblower system, we have a Corporate Ethics Consultation Desk for quickly bringing to our attention any incident that may threaten our compliance-focused management. If a serious incident occurs, we promptly set up a risk management committee to determine how to respond.

We also have a Group Auditing Division, which has its own dedicated staff and operates under the direct control of the president. This division establishes regulations and conducts internal audits of Hankyu Hanshin Holdings and its Group companies. Specifically, each of the Group's businesses audits compliance with laws and internal regulations—and other priority themes to be tackled—as well as risks peculiar to their own businesses, based on both the Group Management Philosophy (particularly the Principles) and groupwide annual auditing policies and plans.

To create a structure for ensuring appropriate operations, the Group vests auditors of each Group company with authority not only in accounting but also in operational audits, and at the same time provides guidance to smaller Group companies on Board of Directors' resolutions for the creation of an internal control system.

With regard to systems for "Evaluation and Auditing of Internal Controls over Financial Reports," a section of the Financial Instruments and Exchange Act, the Company responds appropriately by carrying out management evaluations on a consolidated basis, in line with in-house rules.

◆ Basic approach to eliminating anti-social forces and the progress of its development

We have a clear policy of thorough rejection of any involvement with organized crime groups, companies connected with organized crime groups, *sokaiya* racketeers, or other "antisocial forces" that threaten the order and safety of civic society, and firm refusal of their unreasonable demands.

To ensure full awareness of this policy throughout the entire Group, it is instituted in the Basic Policy on the Establishment of the Internal Control System and clearly set forth in the Hankyu Hanshin Holdings Group Compliance Handbook distributed to all Group directors and employees.

In practice, we cooperate closely with lawyers, police, and other organizations, and all Hankyu Hanshin Holdings Group contracts contain clauses banning involvement with antisocial forces.

We also share relevant information between Group companies, maintain high awareness of issues through employee training, and participate proactively in community meetings and activities pertaining to the elimination of organized crime and other antisocial forces.

If an incident occurs, we take a pan-organization approach in response, bringing in the relevant in-house departments and teaming up with outside experts.

Corruption prevention and compliance

We at the Hankyu Hanshin Holdings Group are constantly striving to live up to the stakeholders' expectations and become a good, trustworthy organization. Our strong focus on compliance is one of the pillars underpinning our efforts in this area.

◆ Organizational initiatives for better compliance

We have established a dedicated compliance office in the Personnel and General Affairs Division to help bolster compliance groupwide by pursuing three main initiatives as set forth below.

Moreover, the Board of Directors conducts biennial reviews to monitor compliance with the Code of Conduct, mainly involving questionnaire surveys of employees.

1. Raising awareness via the Compliance Handbook

The Compliance Handbook makes clear to all the Group's directors and employees that violations of law or social norms, or actions that betray customer trust, are prohibited, and provides handy examples of likely scenarios. In this way, the manual is part of our effort to raise awareness of the importance of compliance.

Compliance Handbook Contents

Hankyu Hanshin Holdings Group Management Philosophy

Mission, Values, and principles

Compliance for the Interest of Customers

- Customer Safety First · Sincere Response to Customers · Observance of Rules
- Proper Treatment of Personal Information · Proper Disclosure
- Act as a Sensible Member of Society · Proper Use of SNS

Compliance for the Interest of Business Partners

- Sincere Trading · Proper Use of Intellectual Property
- No Involvement with Anti-social Forces · No Bribery or Excessive Entertainment

Compliance for the Interest of Shareholders

- No Inappropriate Accounting · No Insider Trading

Compliance as a Member of Society

- Environmental Activities · Social Activities · Respect for Human Rights

Compliance in Workplace

- Good Working Environment · Clear Distinction Between Work Spending and Private Spending
- Observance of Decision-Making Procedures

Compliance for the Interest of Business Partners

08 Sincere Trading

Compliance for the Interest of Business Partners

● We are absolutely forbidden to force business partners to accept transaction terms unfavorable to them or instruct them to commit an illegal act for the benefit of our company by exploiting our strong position.

● Competition is severe for the company, but fair competition among businesses results in providing benefits for customers and the entire society. Therefore, do not act that unreasonably interferes with competition to obtain benefits only for the company is allowed.

Do not exploit your strong position.

1 We have such a huge stock left.
2 That should accept returns.
● Forcing a small-sized contractor to accept returns may be deemed as a violation of the Subcontract Act.
● The Subcontract Act also sets obligations that a subcontracting party must fulfill in making transactions with a subcontractor. You must observe these obligations.

No lockstep is allowed.

1 What will your company do with your going to response to the recent revision of the law?
2 We plan to change the price as per the recent revision of the law.
3 We will do the same as other companies do!
● In business activities, acts that hinder fair and free competition are prohibited under the Anti-Monopoly Act. Consorting with other companies to set the same price for a product or service may be deemed as a violation of the Anti-Monopoly Act.

Subcontract Act
No intention of illegal obligation and prohibited acts for subcontracting partner in order to guarantee the business of subcontracting companies and to protect the interests of subcontractors.
① Obligation: (Retention of written documents) (Setting a payment date) (Preparing and retaining documents)
② Prohibited act: (Prohibition of unfair payment) (Prohibition of unfair payment)
③ Major prohibited acts: (Refusal to receive delivery) (Delaying the payment of or reducing the agreed amount earned)
④ Unlawful payment of advance payment
⑤ Unlawful payment of advance payment

Anti-Monopoly Act
The Anti-Monopoly Act stipulates rules for business transactions in order to promote fair and free competition and to ensure the smooth operation of business. Your business help should be based on fair and free competition.
① Major prohibited acts: (Prohibition of unfair payment) (Prohibition of unfair payment) (Prohibition of unfair payment)
② Major prohibited acts: (Prohibition of unfair payment) (Prohibition of unfair payment) (Prohibition of unfair payment)
③ Major prohibited acts: (Prohibition of unfair payment) (Prohibition of unfair payment) (Prohibition of unfair payment)
④ Major prohibited acts: (Prohibition of unfair payment) (Prohibition of unfair payment) (Prohibition of unfair payment)
⑤ Major prohibited acts: (Prohibition of unfair payment) (Prohibition of unfair payment) (Prohibition of unfair payment)

Compliance for the Interest of Business Partners

11 No Bribery or Excessive Entertainment

Compliance for the Interest of Business Partners

● It is prohibited by law to bribe public officials by giving money or valuable goods with the intent to obtain more favorable treatment than other companies.
● As many Japanese businesses are expanding into international markets, bribery of foreign officials has also become a problem. People in the Hankyu Hanshin Holdings Group must also pay keen attention.
● Accepting or offering excessive entertainment to/from business partners may lead to untoward transactions. Refrain from such excessive entertainment.

Is that farewell gift appropriate?

1 I heard Mr. XXX of the YYY Department of ZZZ City Office will be transferred to another department. I will give him a farewell gift.
2 He did not accept the gift... Or maybe he wouldn't?
● A gift to a public official is prohibited by law. Even if you do not mean to give it for an inappropriate purpose, it may be recognized as a "bribe".
● A public official who is entertained or receives a gift is also subject to criminal punishment. Accordingly, you must not conduct any act that would cause trouble for public officials.

Monitor what your contractor does

1 We would like to request overseas expenses.
2 Everything is going smoothly thanks to your work.
3 We are a professional consulting firm. We will take care of everything.
4 We paid expense consulting fees, but they were used as bribery?
● In some countries, bribery of public officials may be done as a usual practice, but it is still illegal.
● Bribery of foreign officials tends to be seriously punished. In addition to a high penalty, it will seriously damage the reputation of the Hankyu Hanshin Holdings Group.
● If a fee charged by a consulting firm is too high, a part of the fee may be used as bribery. You must carefully check how the consulting fee is used by your consulting firm.

Split bills when you dine with public officials

1 Thank you. Have another drink.
2 That's not good.
● Paying for meals of public officials may be deemed as bribery. Make sure to split the bill and pay only for what you ate or drank.

Example pages from the Compliance Handbook (explanations of the desirable approach toward fair and sincere dealings and measures to counter various forms of bribery)

2. Corporate Ethics Consultation Desk (Internal Whistle-Blower Procedures)

The Corporate Ethics Consultation Desk comprises an in-house section and an external section, which is staffed by outside lawyers. It enables all Hankyu Hanshin Holdings Group officers and employees, as well as the Group's business partners, to report—anonously—behavior that violates (or may violate) laws or regulations, or is otherwise unethical.

Furthermore, the desk reports each year to the Board of Directors on the consultations it has received.

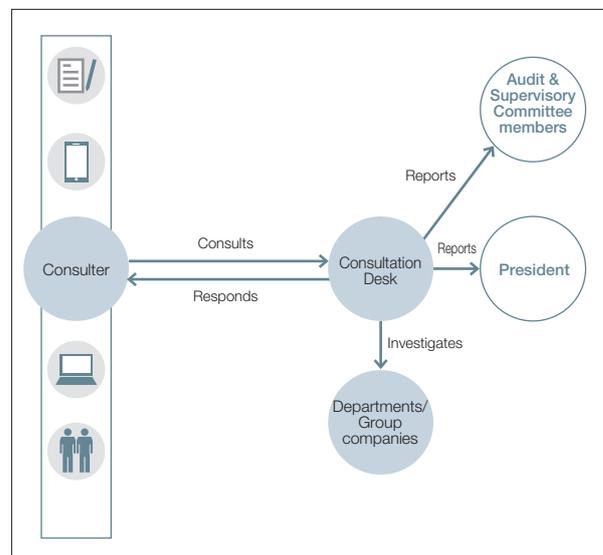
Forty-eight reports were received in fiscal 2021 from throughout the whole Group.

Our efforts surrounding the Corporate Ethics Consultation Desk have been praised and in October 2020, we received Whistleblowing Compliance Management System* certification.



*A certification system introduced by the Consumer Affairs Agency to improve the effectiveness of companies' internal whistle-blowing systems.

Corporate Ethics Consultation Desk

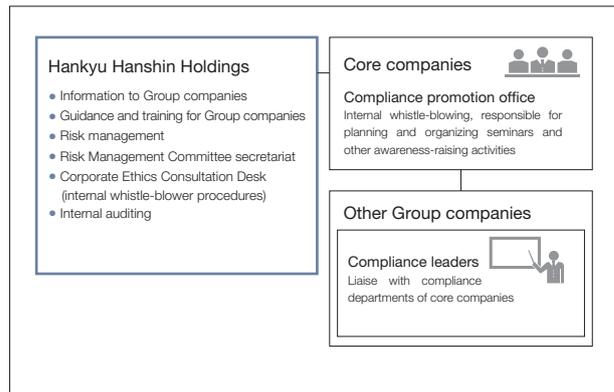


3. Other initiatives

In the case of identification of a major compliance issue during the course of an ethics consultation, a risk management committee is convened as soon as possible to discuss and decide on appropriate responses.

In addition, we are setting up compliance promotion offices at major Group companies and appointing “compliance leaders” at other companies to ensure our response is on a Group-wide basis.

Overview of group compliance



◆ Raising awareness among all officers and employees

We seek to raise awareness among all Group officers and employees regarding compliance issues through a variety of training activities and communication as described below.

1. Training

- New recruit training, training upon promotion
- Training upon first appointment to director or auditor position at a Group affiliate
- Collective training for Group companies' compliance officers
- On-site training at Group companies

2. Communication

- Compliance-related serials in Group magazines
- Compliance-related e-mail newsletter featuring case studies and updates regarding laws and regulations
- Compliance-related information posted on the Group intranet

◆ Thorough corruption prevention

Our corruption prevention extends not only to banning bribery of public officials, we are also thorough in ensuring treatment that could be construed as excessive entertaining does not occur. This is equally true overseas, where we make sure to grasp business practices in each country and raise awareness so as not to do anything that might invite suspicions of bribery or other corrupt practices.

As part of our corruption prevention measures, in May 2021, we announced our agreement with the United Nations Global Compact; we are pushing forward with corruption prevention activities based on the compact tenth principle: “Businesses should work against corruption in all its forms, including extortion and bribery.”

■ Risk management structure

We have established a risk management structure to help maintain the health of the Group's management by preventing risks from becoming reality, and at minimizing the damage if they do. Specifically, the Group has established a dedicated risk management office in the Personnel and General Affairs Division to oversee groupwide risk management. The office is responsible for determining and analyzing pan-organizational risks, while business departments and Group companies do the same for risks inherent to their own organizations. The Group has also set up a framework that enables the correct dissemination of information if an unforeseen incident occurs.

Under this framework, each Group company conducts an annual risk survey that brings to light, specifically, risks related to natural disasters (including infectious diseases), accidents, information management, compliance, and other organizational management risks. An appropriate response is then determined for each.

If a serious risk situation materializes, a Crisis Response Team, headed by the president, is formed to contain the damage spreading and minimize the fallout.

These principles and actions are prescribed in our Risk Management Regulations, and a report on risk analyses and responses is, in principle, presented to the Board of Directors annually.

Moreover, the Corporate Sustainability Committee also deliberates climate-change-related issues and the contents of these deliberations are shared with the risk management office and relevant individual departments, and are reflected in the Group's overall risk management.

■ Reflecting stakeholder sentiment in operations

At the Hankyu Hanshin Holdings Group, we believe that the views of our stakeholders—including customers, local communities, shareholders, trading partners, and employees—have an important place in our business operations.

Shareholder and investor relations

We have adopted a variety of initiatives to make shareholder meetings more rigorous and make it easier for shareholders to exercise their voting rights. These include timing meetings to avoid scheduling clashes with other companies, using online voting platforms, posting convocation and resolution notices (including English versions) on our website, and improving the voting experience for institutional investors.

- Early sending of convocation notices for the General Meeting of Shareholders
Notices of convocation for the General Meeting of Shareholders held in June 2021 were sent 21 days prior to the event (May 26, 2021).
- Avoiding scheduling clashes with other companies
The General Meeting of Shareholders held in June 2021 took place on June 16, 13 days before the day on which other companies held their own meetings.
- Exercising voting rights via electronic means
We have allowed votes to be cast online via a designated voting website.
- Entry into an electronic voting platform
Efforts to improve the environment in which other institutional investors exercise their voting rights
We belong to an electronic voting platform run by ICJ, Inc. We also post convocation and resolution notices (including English versions) on our website.
- Providing convocation notices (digest version) in English
We create English versions of convocation and resolution notices.
- IR activities
We engage with investors in a variety of ways, including briefings—attended by the president—for analysts and institutional investors regarding the mid-year and year-end results, and dedicated investor relations staff in the Group Planning Division respond to investors' inquiries. The feedback we get from investors is shared in-house and reflected in business management.

Respecting stakeholders' positions

Realizing our mission to create satisfaction among our customers and contribute to society by delivering safety, comfort, dreams, and excitement involves the ongoing pursuit of sustained growth underpinned by an active commitment to ESG. In May 2020, we launched the Hankyu Hanshin Holdings Group Sustainability Declaration a clear indication of how we intend to contribute to more sustainable use of resources across society. The declaration sets forth our determination to ramp up ESG initiatives, to further solidify the relationship of trust we enjoy with customers, local communities, shareholders, trading partners, employees, and other stakeholders, and to use the Hankyu Hanshin Holdings Group's businesses as a vehicle for overcoming the challenges we all face as a society.

Our social contribution activities, such as environmental and community action, have benefited from the institution of a clear Group policy and the establishment of a dedicated department within the Personnel and General Affairs Division, and our efforts in this area are guided by the Sustainability Declaration.

Refer to the [Hankyu Hanshin Holdings website](#)  for details

Acting on feedback from customers

We value feedback from customers, which we receive in via multiple channels, including our Listening Center and forums for dialogue with residents' groups from communities along our railway routes. This structure is designed so that customer feedback is routinely shared in-house and reflected in our business. The Hankyu Corporation incorporates its Transit Information Center and the Listening Center into its framework for collecting and acting on customer feedback. For its part, the Hanshin Electric Railway seeks to act on feedback collected by its public relations office and at its various facilities, as well as through its website and the efforts of its communications staff. Alongside the pertinent departments, we investigate and respond to opinions, questions, and other feedback as appropriate, and the results are subsequently used to improve our businesses.

Acting on feedback from experts

The priority issues relating to Sustainable Management set forth in the Materiality Matrix reflect the diverse views provided by a broad variety of experts, including professors, civic groups, and investors.

■ Taxation transparency (Tax Policy)

1. Fundamental policy

The Group wishes to remain a corporate group that has the trust of its customers and the rest of society. To this end, we are strengthening and enhancing our corporate governance by further raising the level of transparency and soundness of our business management, complying with laws and regulations, and disclosing information in an appropriate manner and at a suitable time. This fundamental approach will guide us as we aim to both contribute to society by paying a reasonable amount of tax and achieve sustainable growth and greater corporate value in the medium to long term.

2. Compliance with tax laws and regulations

As well as complying with laws and regulations pertaining to taxation, we will report and pay taxes appropriately and thereby fulfill our corporate social responsibility.

3. Tax planning

The scope of our tax planning is based on our business objectives and actual performance and we are working to improve corporate value through the effective use of tax incentives and other measures. Our tax planning is not conducted with the aim of tax avoidance.

4. Tax governance

Corporate governance of taxation is covered by our groupwide governance system. We have an oversight system in place, under which tax-related risks are reported to the Board of Directors and Audit & Supervisory Committee as appropriate.

5. Tax-related risk management

Should any dealings for which tax interpretations are unclear take place as part of our business activities, we take advice from outside experts and where needed consult with tax authorities in advance so as to minimize tax-related risk.

6. Relationship with tax authorities

We work to maintain a positive relationship with tax authorities and respond in a timely manner to their queries accurately and honestly.

Amount of tax paid

(¥ billion)

	Japan	Overseas	Total
FY2019	29.5	0.6	30.2
FY2020	14.0	0.5	14.5
FY2021	19.4	0.3	19.8

*Tax paid is a combined figure for both national and regional taxes. The figures given above are based on country-specific reports and are not directly connected to our consolidated financial statements.

■ Approach to intellectual property

The intellectual properties that we have built up through our business activities over many years—including our brands, trademarks, and confidential management assets such as written materials and expertise—are important corporate assets to the Hankyu Hanshin Holdings Group. As such, we will endeavor to create new intellectual properties, both to provide products and services that customers can choose with peace of mind and to appropriately distribute as a management asset to support future business expansion. To those ends, it is imperative that we manage and use these assets appropriately. Based on that approach, we will manage intellectual properties in the ways outlined below so as to raise their value even further.

We also have the utmost respect for intellectual properties that belong to third parties.

- (1) We will not only work to avoid or prevent the infringement of the intellectual properties we have created, but will acquire rights so as to support the expansion of our business activities and use these intellectual properties actively and strategically in our businesses.
- (2) Where third parties, including business partners, wish to do business that involves the use of our intellectual properties, we will make our permission mandatory and ensure permission is dependent on the contents of that use after an appropriate investigation.
- (3) Where we confirm that a third party has, or may have, infringed upon our intellectual property rights, we will take serious actions.

External Evaluation

The Hankyu Hanshin Holdings Group has been selected or evaluated under the following ESG indices (socially responsible investment indices) and various other systems (as of September 2021).

Status as a Constituent of ESG Indices

■ MSCI Japan ESG Select Leaders Index

This is an ESG index, provided by MSCI Inc., composed of excellent constituent companies in ESG terms selected by industry from among the constituents of the MSCI Japan IMI Top 700 Index. Hankyu Hanshin Holdings, Inc. has been a constituent of the index since the index was constructed.

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MSCI <https://www.msci.com/our-solutions/esg-investing>

■ S&P/JPX Carbon Efficient Index

This is an ESG index jointly developed by S&P Dow Jones Indices and the Tokyo Stock Exchange. The index is composed of constituents of the Tokyo Stock Price Index (TOPIX), excluding those whose carbon efficiency is extremely low or whose risk indicator values exceed a certain level. Hankyu Hanshin Holdings, Inc. has been a constituent of the index since the index was constructed.



■ MSCI Japan Empowering Women Index (WIN)

This is an ESG index composed of Japanese companies that are industry leaders in terms of gender diversity. The constituents are selected based on their disclosures on the employment and promotion of women and on diversity initiatives. In 2021, Hankyu Hanshin Holdings, Inc. was selected as a constituent for the second consecutive year.

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI <https://www.msci.com/our-solutions/esg-investing>

Other Evaluation and Certification

■ Certification as a Health and Productivity Management Organization

This program, organized by the Japanese Ministry of Economy, Trade and Industry, aims to recognize large enterprises, SMEs, and other organizations for their outstanding health and productivity management. From the Hankyu Hanshin Holdings Group, 15 companies have been recognized as outstanding enterprises in health and productivity management under the 2021 program.

Large-enterprise category (White 500): Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Itec Hankyu Hanshin Co., Ltd.

Large-enterprise category: Hankyu Hanshin Properties Corp., Hankyu Hanshin Hotels Co., Ltd., Hankyu Travel International Co., Ltd., Hankyu Hanshin Express Co., Ltd., Bay Communications Inc.

SME category (Bright 500): Hankyu Hanshin REIT Asset Management, Inc.

SME category: Kita-Osaka Kyuko Railway Co., Ltd., Hankyu Taxi Inc., Hanshin Cable Engineering Co., Ltd., Chuo Densetsu Co., Ltd., Hankyu Hanshin Insurance Service Co., Ltd., Hankyu Mediac Co., Ltd.



■ Whistleblowing system certification

The Whistleblowing Compliance Management System (WCMS) certification program, introduced by the Consumer Affairs Agency of Japan, aims to enhance the effectiveness of enterprises' whistleblowing systems in a streamlined manner in order to ensure their sound business operations and help them increase their corporate value through the promotion of compliance management and the provision of safe and secure products and services. Hankyu Hanshin Holdings' whistleblowing system (Corporate Ethics Consultation Desk) obtained WCMS certification in October 2020.



■ Japanese Customer Satisfaction Index (JCSI)

Every year, the Japan Productivity Center conducts a customer satisfaction survey with enterprises in about 30 service industries and announces highly scored enterprises. This index has ranked Hankyu Corporation top in the suburban railway category for the 12th consecutive year, while the same index put Takarazuka Revue Company top in both the entertainment and overall categories in the three consecutive years from FY2017 to FY2019.



■ Questionnaire on the areas where people want to live in the Kansai region

MAJOR7, a website (run by seven major Japanese real estate companies) about new condominiums in Japan, conducted a questionnaire survey about the areas where website users wanted to live in the Kansai region.* In the rankings based on the survey results, the top 10 areas were all in the vicinity of stations on railway lines operated by the Hankyu Hanshin Holdings Group.

1 ▶ Nishinomiya-kitaguchi; 2 ▶ Umeda/Osaka; 3 ▶ Shukugawa; 4 ▶ Senri-chuo; 5 ▶ Okamoto;
6 ▶ Ashiya; 7 ▶ Ashiyagawa; 8 ▶ Kobe-sannomiya/Sannomiya; 9 ▶ Takarazuka; 10 ▶ Takatsuki/Takatsuki-shi

* A survey on MAJOR7 (a website run by seven major Japanese real estate companies) (September 30, 2021)

■ Receiving the SDGs Partnership Award (Special Award) in the 4th Japan SDGs Award

This award is granted by the Japanese government's SDGs Promotion Headquarters to companies, organizations, etc. that are making outstanding efforts to help achieve the SDGs. In recognition of the initiative launched in 2019 by Hankyu Corporation and Hanshin Electric Railway to operate the Dreams and Communities of the Future SDGs Trains, Hankyu Hanshin Holdings, Inc. received the SDGs Partnership Award (Special Award) in the 4th Japan SDGs Award in December 2020.



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Hankyu Hanshin Toho Group

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