



KINTETSU
GROUP HOLDINGS

**Kintetsu Group
Integrated Report
2022**



“To Support Daily Life, To Create More Value.”

We support your peace of mind, with sincerity.

We create new value for your life, by challenge.

We contribute to your community, through collaboration.





Kintetsu Group Sustainability Policy

The Kintetsu Group aims sustainable growth, and contributes to the realization of prosperous society for next generation, by creating new value through co-creation with various people.

Editorial Policy for Kintetsu Group Integrated Report 2022

The purpose of this report is to offer a summary of the Kintetsu Group's business activities and, from a long-term perspective, the value that it provides to society to shareholders, investors, and varied other stakeholders, in a systematic and easy-to-understand manner.

Through the publication of this report, we will further improve everyone's understanding of and familiarity with the Kintetsu Group, and we will also work to further enhance our communication and raise our corporate value.

2022 Highlights

	Contents	Section
Messages from the Top Management	Explanations of business portfolio reforms and how co-creation is making society richer	Section 1
Kintetsu World Express (KWE)	Intro to KWE, and aims and impacts of making it a wholly-owned subsidiary	Section 1–4
Value Creation/ Materiality (Priority Issues) for Sustainability	Value Creation Process/Risks, Opportunities, Promotion Frameworks, Initiatives, and KPIs	Section 3 & 5
Messages from External Corporate Officers	Explanations of the direction of future development and how we are ensuring management is sound	Section 3
Business Strategies of Major Companies	The heads of the major group companies outline the outlooks for their businesses	Section 4
Information Disclosure Related to TCFD	Analysis of the future impacts of climate change on our businesses, and how we are responding	Section 5 (pp. 64–68)
Human Rights/Human Capital	Details on our Fundamental Policy on Human Rights and Human Resource Development and Work Environment Improvement Policy	Section 5 (pp. 73–76)

Period covered

Figures: April 1, 2021 to March 31, 2022
Initiatives: April 2021 to November 2022

Scope covered

Figures: Kintetsu Group Holdings and consolidated subsidiaries
Initiatives: Kintetsu Group Holdings and group companies

Reference guidelines, etc.

- International Integrated Reporting Council (IIRC)
“International Integrated Reporting Framework”
- Ministry of Economy, Trade and Industry
“Guidance for Collaborative Value Creation”
- Global Reporting Initiative
“GRI Sustainability Reporting Standards”
- TCFD Consortium
“Guidance on Climate-related Financial Disclosures 2.0 (TCFD Guidance 2.0)”

Disclosure of various information

Both are posted on our website.

	Contents
Integrated report (this report)	This report systematically introduces the Group's business activities and the value it provides to society.
Securities report	This is the report prepared and submitted by the Company to the Kanto Local Finance Bureau in accordance with Article 24 (1) of the Financial Instruments and Exchange Act. We list detailed information related to our financial situation.
Corporate governance report	This is the report that our company has submitted to the Tokyo Stock Exchange in accordance with the Corporate Governance Code. Details our corporate governance approach, framework, etc.
Detailed sustainability information	More detailed data and information on our initiatives relating to the environment, safety, peace of mind, personnel, and other sustainability topics is available on our website: https://www.kintetsu-g-hd.co.jp/csr/
Safety report	This is the report prepared and published by Kintetsu Railway Co., Ltd. and other railway companies in the Group in accordance with Article 19-4 of the Railway Business Act, which describes their efforts to ensure the safety of transportation.

Forward-looking statements

This report contains statements regarding future performance. Such statements are not guarantees of future performance and are subject to risks and uncertainties. Please note that future performance may differ from planned figures due to changes in the business environment and other factors.

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Messages from the Group CEO and President



KWE joining the group expands our global reach and business domains. We are helping society to develop and enabling people to lead happy lives across generations.

Challenges Overcome by the Kintetsu Group

The Kintetsu Group dates back to 1910 with the founding of the Nara Tramway connecting the cities of Osaka and Nara. We have always seen our role as bringing progress and good fortune to local communities through our business, with a focus on railways.

Over time, the group has faced existential turning points in its business numerous times. I shall describe the most salient ones here.

The Isewan Typhoon that struck Japan in September 1959 impacted the Kinki and Tokai regions most heavily, causing devastating damage to railway facilities in Mie Prefecture. Before the natural disaster, standardizing the Nagoya

line and Osaka line rail gauge had been an unattainable challenge for many years. But the repair of the Nagoya line after the typhoon provided the chance to widen the gauge, so the standardization of the Osaka and Nagoya lines was accomplished all at once, enabling a line to run directly between the cities. The swift decision of then-president Isamu Saeki thus laid the foundation for the Kintetsu express rail network.

More than four decades later, in 2004, when the idea emerged to consolidate Nippon Professional Baseball's Pacific and Central Leagues into a single league, the Osaka Kintetsu Buffaloes and the Orix BlueWave worked

out a merger and we withdrew from the business of professional baseball—a move that had long been planned to improve the management structure of our leisure business. The decision to withdraw from pro baseball was met with opposition from many quarters. Fans were unhappy, but we gained their understanding and determinedly carried through with the decision.

Observing society undergoing many changes and customer needs diversifying rapidly, we transformed the group's organizational structure from having Kintetsu Railway as the central hub into a pure holding company in 2015. The aim of that move was to strengthen the group's organizational management and establish each group company's independent management. Also, by creating a corporate structure that makes it easy to create other businesses, we laid the foundation for future business progress.

As adaptations were being made, the COVID-19 pandemic hit in 2020, striking a major blow to the Kintetsu Group's business, a portfolio that leaned heavily toward consumer sales (B-to-C) centered on transportation, leisure, logistics, and other business areas dependent on personal consumption. It became clear that there would be no going back to pre-pandemic ways of thinking, working, and living. Since there is a high likelihood that this ongoing crisis will persist, we decided that a bold new strategy would be needed, one that would change the status quo and ready us at the forefront of times to come. So, first, in 2021 we welcomed SAKAE CO., LTD. into the group, a maker of industrial products with a strong position in the marketplace, then in 2022 we brought into the fold as a wholly-owned subsidiary Kintetsu World Express (KWE), a global freight forwarder in the logistics industry.

Allow me to talk about why we did this. As a corporate

group, we aim to help people lead happy lives through our businesses. And that requires sound management, so we need to generate reasonable profits as a corporation in order to give back to society. As Japan's population shrinks and the domestic marketplace alone remains limited, we felt that we needed to expand into the global marketplace to realize our growth potential, which would also boost our risk tolerance by adding business clients (B) to our base of individual customers (C). By globalizing and elevating B-to-B consolidated sales and operating profit to the level of our B-to-C business, we are expanding the scale of our operations significantly and creating a more balanced portfolio. We also plan to strengthen cooperation within the group to build the economic value of the Kintetsu Group in a sustainable way.

Another goal we have is to further transform the group's corporate culture. Our business base has grown over time by valuing the history, culture, and lifestyles rooted in the local region and community. Over time, we have pursued many groundbreaking initiatives based on the safety-first approach upon which our railway company was founded. With the changeover to a pure holding company, we aim to build a culture that reflects the unique characteristics of the group's various businesses. With Kintetsu World Express joining us as a global enterprise, we expect its energetic culture to have a strong influence on the group, enabling a broader perspective and swift decision-making as we cultivate a corporate culture of taking on challenges without undue fear of risk. We want this approach to be a source of growth for the Kintetsu Group.

Through such efforts, we aim to contribute to society in a broader sense for many years to come—not only along our railway lines—and continue to fulfill our social responsibility.

Steady Implementation of the Medium-Term Management Plan to Bounce Back from the COVID-19 Pandemic

In May 2021 we formulated the Kintetsu Group Medium-Term Management Plan 2024, taking the basic stance that management reforms were necessary to develop new businesses and the dramatic growth of the Kintetsu Group as we recover from the COVID-19 pandemic. As noted on page 29 of this report, we have expedited implementation of the plan's main measures.

As part of this effort, in October 2021 we shifted to a dual-axis strategy in the hotel business—both directly owning and operating some hotels while operating others on lease. Hotels such as the Westin Miyako Kyoto and Shima Kanko Hotel in Mie Prefecture have traditions deeply

rooted in their unique localities, and we will continue to hold onto these assets as flagship hotels that represent their locality. For another eight hotels, we will focus solely on hotel management, which lends us greater flexibility while also presenting novel challenges. Our aim is to improve the value of our hotel assets and their business performance by working with the Blackstone Group, which has a wealth of investment experience and expertise in hotel management. Blackstone is undertaking multi-billion yen renovations of the Miyako Hotel Kyoto Hachijo and Hotel Kintetsu Universal City, which will enhance their appeal upon completion.

We will also need to firm up and maintain the soundness of our core railway business to be able to fulfill our social mission and provide a range of services in the areas along Kintetsu lines that people depend on. In September 2022, Kintetsu Railway obtained approval from the Minister of Land, Infrastructure, Transport and Tourism for its first substantial passenger fare revision since 1995. We are fully aware that the fares were approved as compensation for services of a highly public nature and we recognize the obligation that comes with the mandate that the ticket price cover the full

cost of providing those services. We also plan to invest capital to meet social demand, reform the systems and structure of the railway business, boost productivity, and create appeal that will lead to new demand. We will continue to develop automatic train operation (ATO) technologies to implement for greater safety, efficiency, and sustainability in rail transportation, and we plan to support society by providing safe and comfortable services and enhancing the value of the areas along our rail lines into the future.

Building Sustainable Operations beyond Expo 2025 and a Major IR Project

Expo 2025 Osaka, Kansai will be held in Yumeshima, Osaka. The establishment of an integrated resort (IR) is being planned in the years after the expo to attract visitors from all over Japan and overseas. Over the long history of Japan, the cities of Nara and Kyoto have been known as centers of government and culture, while Osaka has been known as a center of commerce and Kobe as a port city. Each city has its unique attractions, making the Kansai a diverse, multipolar region. We need to highlight its attractiveness and appeal to expo and IR visitors to increase the number of people visiting and settling in the area, thereby enhancing the vitality and sustainability of the Kansai region over the long term.

The Kintetsu Group Sustainability Policy, formulated in 2021,

identifies seven priority issues for sustainability as business foundations, detailed on page 24 of this report. In short, they are: lifestyles, building community, tourism, the environment, safety and peace of mind, governance, and human resources. We are committed to “Energizing communities by enhancing the network” in building community.

With the Osaka Expo and integrated resort plans looming, the Kintetsu Group has decided to take steps to boost the vitality of the Kansai region, including setting up direct trains that connect to our lines so that visitors to Yumeshima who wish to travel to Nara or Ise-Shima do not have to change trains. We will also be enhancing the hub functionality of Osaka Uehommachi, our main terminal station. As our east-side hub on the east-west axis of Osaka, we will develop Uehommachi and strengthen its connectivity to the Abeno and Tennoji district, centered on ABENO HARUKAS. We will be working with the government and other stakeholders to establish the Uehommachi, Abeno, and Tennoji area overall as a cultural and economic center of Osaka. As a provider of various networks—both services and infrastructure—we are promoting compact city development with low environmental impact that takes advantage of unique local features, especially around our hub stations in Osaka, Nara, and Mie prefectures, to spotlight local appeal and enhance the value along our rail lines.

In terms of environmental initiatives, we are systematically preparing for the possibility of a large-scale disaster as the risks from climate change grow, plus we are working on energy-saving measures to reduce carbon emissions, particularly in railway operations. We also feel the acute need to work with all stakeholders to effect a modal shift to an energy-efficient railway with low environmental impact to achieve low-carbon goals and promote efficient resource use in society as a whole.



The Kintetsu Group's Role in Building the World of Tomorrow

The intrinsic purpose of running our business we consider to be enabling people to lead happy lives—anyone who is affected by the business. That would include not only our customers, but our employees and business partners who are involved in providing services, plus other stakeholders including local communities, shareholders, and investors who support our business. Making people happy is what brings sustainability to our business and society both. But also important to consider is the happiness of future generations beyond those of us alive today.

Let me talk about the efforts being made by the Kintetsu Group toward these ends.

Unexpectedly, the COVID-19 pandemic has brought about a shift in society that is enabling people to live distances away from their employers and work remotely. Even the Japanese government has announced its Vision for a Digital Garden City Nation to correct for the over-concentration of people and resources in the Tokyo area. The plan encourages people to move to outlying areas to alleviate rural depopulation and related issues. This provides a chance for someone working in Tokyo, for example, to move to an area along one of our rail lines. To enable such relocations, we will need to put information out that makes people aware of the sincere allure of these areas, and at the same time provide a lifestyle that is at least, if not more, materially and spiritually fulfilling than their current lifestyle. We feel it is our duty to create such opportunities, in collaboration with the residents of those areas, considering the Kintetsu Group's many years of close ties to local communities.

We must also work to enhance local vitality to set the stage for welcoming new people. That will require making use of digital technologies and enlisting the expertise of people from outside the area to help revitalize local industry and carry on local cultural traditions. Some areas along our rail lines once flourished with industries based on natural resources, but due to environmental changes, a shortage of young people willing to take over those jobs, and other reasons, they are now in crisis. Such areas include southern Nara Prefecture, with a forestry industry based in the Kii Mountains, and Ise-Shima, with a fishing industry based in the scenic Ise Bay and Ago Bay. We feel that these communities should be developed by protecting and coexisting with the bountiful forests and seas so that they may flourish into the next generation. Such development would include revitalizing industries that help to mitigate social issues in ways fitting for the times and handing down traditional culture to future generations along historically significant rail lines. The interactions that unfold from those processes among all sorts of people will lead to success, and we feel that the Kintetsu Group can help, with

our wide-ranging businesses.

In postwar Japan, there was a strong tendency for people to seek materialistic satisfaction to the exclusion of the social support networks that everyone had always relied upon. But an excessive pursuit of individualism and advantages for oneself alone will not bring lasting satisfaction and prosperity. In a society where people can be producers at times and consumers at others, helping each other when in need and casually interacting with each other in a spirit of equality, I believe there exists a shared good fortune that will serve the next generation in good stead.

Especially in times such as these, with a lasting pandemic, an unstable domestic and international situation, a global climate crisis, and the difficulty of forecasting the future, we recognize our duty in the Kintetsu Group to support the development of society. Drawing upon our more than 110 years of history and corporate DNA of helping communities develop along our rail lines and contributing to people's happiness, we will be expanding our business to a wider range of domains. We will also implement the plans needed to achieve our goals based on a future-oriented management approach, thereby helping enable people to lead happy lives across generations.



The History of the Kintetsu Group

1910

After its founding, new lines and integration expanded the company's base, and marked the start of business diversification

In 1910, Nara Tramway Co., Ltd. was established and later, with the completion of the Ikoma Tunnel, the line between Osaka-Uehommachi and Nara began operations. In the years that followed, routes expanded toward places such as Ise and Nagoya, while at the same time department stores and amusement parks were established alongside the railway lines.

1945

The limited express network came into being and the company began to provide pioneering services

During the period of recovery after World War II, in order to provide comfortable train travel, the company introduced a fee-based seat reservation system—the first private railway in Japan to do so—as well as the world's first double-decker train cars. Its department stores also brought in services that anticipated customers' needs, such as through Japan's first drug stores.

1970

The Osaka Expo in 1970 spurred the building of the railway network and the development of tourism in the area

In order to attract Expo visitors to Nara and Ise-Shima, the company undertook large-scale projects, such as extending the Namba Line, as well as developing tourism in Kashikojima, an area that flourished as the unofficial second venue for the Expo.

1910 Founding

1920

1930

1940

1950

1960

1970

1980

Transportation Business

1910
Nara Tramway Co., Ltd. was established

1914
Opened a line between Uehommachi and Nara (Takamacho)



1929
Began a directly managed bus service business (Kasuga Okuyama Line)

1947
Began operation of a limited express service between Uehommachi and Nagoya

1948
Began operation of a limited express service between Uehommachi and Ujiyamada

1959
Completed work to widen the gauge of tracks on the Nagoya Line



1970

- Opened the Toba Line and Namba Line
- Began operations of direct limited express services between Kashikojima and Namba, Kyoto, Nara, and Nagoya

Real Estate Business

1924
Merged with Higashiosaka Land and Buildings Co., Ltd., and took over its land and housing management business

1950
Began selling lots in the Gakuemae Residential Area

1969
Opened Kintetsu Kashikojima Country Club

1980
Completed the Kintetsu Namba Building

1973
Began real estate and logistics operations

Merchandise Sales Business



1936
Opened the entire building of Daiki Department Store (now Uehommachi Store)

1950
Opened Japan's first drug store at Kintetsu Department Store Abeno Store

1969
Opened Hamanako Kintetsu Restaurant at the Tomei Expressway's Hamanako Service Area

1953
Established Kinki Nippon Shoji Co., Ltd. (now Kinsho Store Co., Ltd.)

Hotel and Leisure Business

1926
Opened Ayameike Amusement Park

1927
Established a rugby team (now Hanazono Kintetsu Liners)

1941
Established Kankyu Travel Agents Limited (now KNT-CT Holdings Co., Ltd.)

1949
Established the Kintetsu Pearls professional baseball club

- 1951**
- Began capital participation in Miyako Hotels Co., Ltd.
 - Opened the Shima Kanko Hotel



1979
Opened Miyako Hotel Tokyo

1968
Opened Miyako Hotel San Francisco

International Logistics Business

1948
Began handling international cargo and customers at Kintetsu Railway Co., Ltd.

1955
Began handling air cargo at Kinki Nippon Tourist Co., Ltd.

1970
Established Kintetsu Air Cargo International Co., Ltd.

Business diversification

1990

The economic bubble burst, leading to a much harsher environment for business and corporate management

From the collapse of the economic bubble in 1991 onward, the company's desire to expand—a constant from its founding—switched to a policy of concentrating management resources, particularly alongside its railway lines. In conjunction with this, the company decided to undergo structural reforms to achieve renewed growth; this included rationalizing railway operations, reorganizing the real estate business, and withdrawing from its baseball concerns.

2010

ABENO HARUKAS, bringing together the Kintetsu Group's strengths

In 2014, ABENO HARUKAS opened. The Kintetsu Group worked together to provide integrated services and so create new value, and is making the Abeno and Tennoji area better and busier.

2020

The threat of the COVID-19 pandemic is overcome and the opportunity it presents for innovation seized

The Kintetsu Group has used the COVID-19 pandemic as a chance to make structural reforms—such as making Kintetsu World Express, Inc. a wholly-owned subsidiary and going for dual-axis management style for the hotel business—and has strengthened its business foundation. It will aim to keep operating as a corporate group that continues to grow.

1990

2000

2010

2020

2022

1986
Opened the Higashiosaka Line

2006
Opened the Keihanna Line

2009
Began mutual direct operations with Hanshin Electric Railway Co., Ltd. between Nara and Sannomiya

2014
Grand Opening of ABENO HARUKAS

2015
Switched to a pure holding company structure

2020
Began operation of the Meihan Limited Express Hinotori (between Namba and Nagoya)



2013
Began operation of the sightseeing express Shimakaze (between Namba and Kashikojima, and Nagoya and Kashikojima)



1989
Began renovation business

2002
Reorganized the real estate business

2015
Opened Ten-Shiba, the Tennoji Park Entrance Area



1985
Opened Miyako Hotel Osaka

1994
Opened Shima Spain Village theme park, "PARQUE ESPAÑA" and Hotel Shima Spain Mura

2004
Osaka Buffaloes Co., Ltd. transferred its baseball business

2019
Opened the first overseas branch of the eel restaurant Edogawa in Taipei, Taiwan

2018
Established KINTETSU RETAIL HOLDINGS CO., LTD.

2016
• The G7 Ise-Shima Summit was held at the Shima Kanko Hotel
• Made Osaka Aquarium Kaiyukan Co., Ltd. a subsidiary

2021
Began a joint venture in the hotel business with Blackstone

1989
Kintetsu Air Cargo International Co., Ltd. changed its name to Kintetsu World Express, Inc.

2015
Kintetsu World Express, Inc. acquired all of APL Logistics Ltd's shares and made a subsidiary



2022
Kintetsu Group Holdings Co., Ltd. made Kintetsu World Express, Inc. a wholly-owned subsidiary

Messages from the Top Management

Overview of the Kintetsu Group

Kintetsu Group's Value Creation

Business Strategies

Initiatives for Materiality

Corporate Information

Business Overview

Business Activities

Transportation Business

Major group company

Kintetsu Railway Co., Ltd.



Railways

We operate Japan's longest private railway network, which stretches across the Kinki and Tokai regions. The railway handles travel between the regions' cities, as well as to and from tourist sites, cities, and suburbs. It also operates other services around the region.

Bus services

Operating in the Kinki, Hokuriku, and Chugoku regions, we run fixed-route bus services, long-distance buses bound for various parts of Japan, limousine buses, and sightseeing buses.

Real Estate Business

Major group company

Kintetsu Real Estate Co., Ltd.



Real estate sales and Real estate leasing

Our real estate sales business provides homes for people, particularly in the region's three largest cities, that match their lifestyles. Through the use of energy-saving equipment and other measures, we are considering how best to coexist with the natural environment.

Real estate leasing involves running office buildings as well as major terminal buildings on Kintetsu lines and retail buildings. We are contributing to community development, particularly centered on our stations.

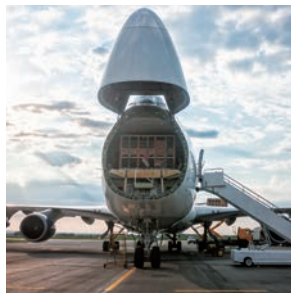
New

*Due to Kintetsu World Express, Inc. becoming a consolidated subsidiary in July 2022

International Logistics Business

Major group company

Kintetsu World Express, Inc.



Air Freight

We use aircraft to carry high-added-value products and urgent cargo. As well as transporting items between airports, we also provide integrated transportation services, such as collecting and sending goods at origin points and delivering them to destination sites, using a network that straddles national borders.

Sea Freight

Using maritime craft, we carry a wide range of items of varied sizes. Our integrated marine transportation service parallels that of our air freight business, and includes services such

Merchandise Sales Business

Major group companies

Kintetsu Department Store Co., Ltd.
KINTETSU RETAIL HOLDINGS CO., LTD.



Department stores

We operate department stores and commercial facilities, with many—including Kintetsu Department Store Main Store Abeno Harukas—located at major Kintetsu stations. We have also expanded our franchise store business, particularly in the food, housing, and service industries. In terms of our e-commerce business, we operate a site that proposes a wide range of goods unique to our department stores to customers within Japan. For customers overseas, we are selling through popular online shops, and focusing our efforts

Hotel and Leisure Business

Major group companies

Kintetsu Miyako Hotels International, Inc.
KNT-CT Holdings Co., Ltd.



Hotels

We operate the Miyako Hotels & Resorts brand of hotels in Japan and overseas. We offer a wide range of attractive services from casual urban hotels to luxury hotels.

Travel agency

We organize tours emphasizing tourists' safety and peace of mind, on the theme of providing memorable experiences and encounters for people around the globe. We help customers of any age, young and old alike, to achieve self-actualization and build a circle of friends through travel.

Operating revenue breakdown (FY2021)

Taxi services

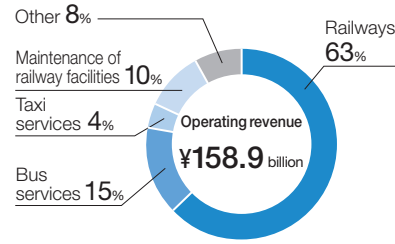
We have expanded our business with a focus on the areas along Kintetsu lines as a means for local society to get around.

Maintenance of railway facilities

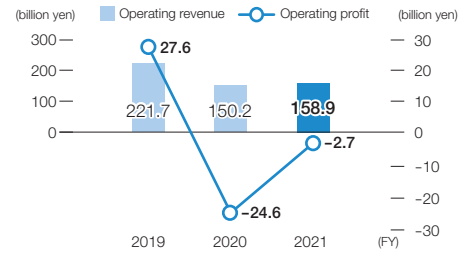
We support the safe operation of railroads by utilizing our expertise in electrical equipment, railcar servicing, track maintenance, railway structure design, and other areas.

Other transportation-related business

We operate ferries, car rental services, theme parks, and other services, as well as engaging in transportation advertising.



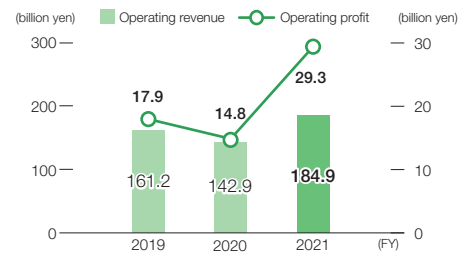
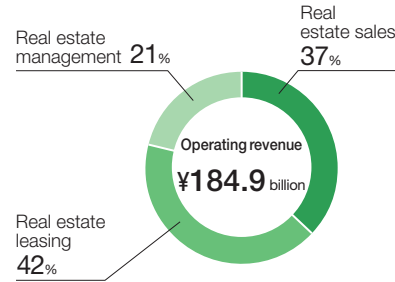
Operating revenue and profit (FY2019–2021)



We also offer real estate brokerage and other solutions and proposal-based contract work for higher-grade renovations. In addition, we have expanded our business to also cover agriculture, solar power generation, golf, and life care.

Real estate management

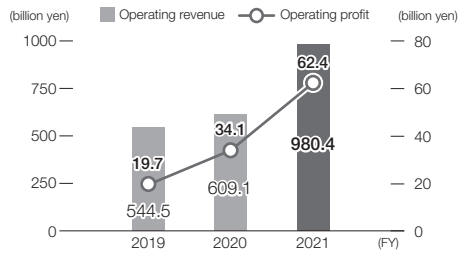
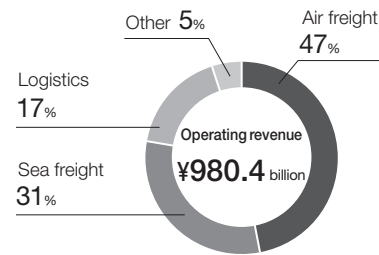
We manage and operate a wide range of facilities, including office buildings, commercial facilities, hotels, cultural and sporting facilities, and condominiums.



as customs operations in import and export countries.

Logistics

We predominantly make use of 3PL (Third-party logistics) services to handle our customers' logistics. Warehousing is the foundation of logistics, and as such we don't just handle transportation and delivery, we also deal with inventory management, distribution processes, and customer needs.

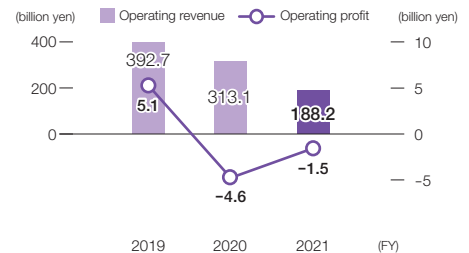
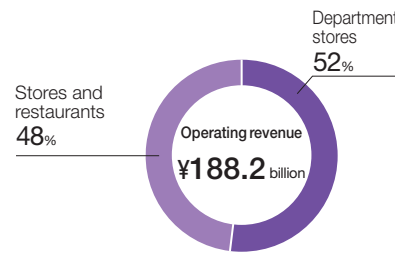


Reference figures *As these figures are from the period prior to the company's consolidation, they are not included in consolidated balance sheets.

on selling products that have been made in Japan, as well as other items.

Stores and restaurants

We operate a number of various retail and dining formats, including supermarkets, convenience stores, restaurants, and cafes, particularly in the areas along Kintetsu lines. We have also been working to create new businesses such as a craft beer business, as well as expanding our shopping support services such as online supermarkets and mobile supermarkets, in order to support the richness of daily life.

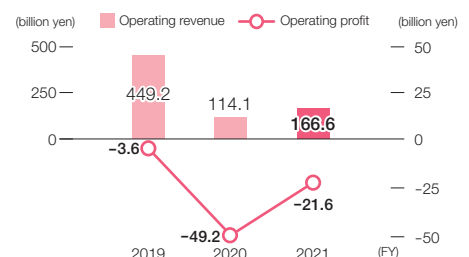
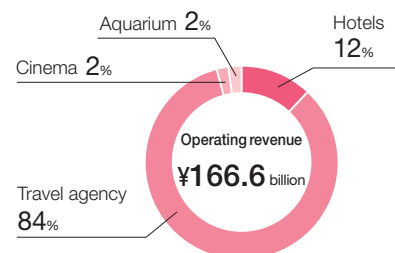


Cinema

We operate the Abeno Apollo Cinema, an urban cinema complex.

Aquarium

We run a number of facilities, including Kaiyukan, one of the world's largest aquariums, and NIFREL, an interactive "aquazoo." In this way, we are providing opportunities to experience the charm of living creatures and nature.



Kintetsu World Express

In August 2022, Kintetsu World Express (KWE) became a wholly-owned subsidiary of the Kintetsu Group. Through even greater cooperation as part of the Kintetsu Group, we aim to increase value for both organizations.

Company overview

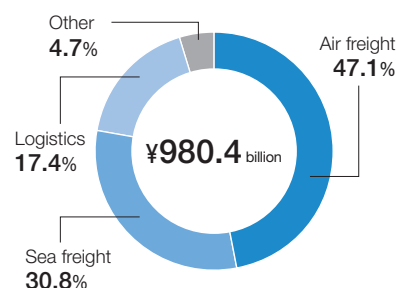
Kintetsu World Express has developed its international integrated logistics business across the globe, providing air freight, sea freight, and logistics services. As a global logistics partner to its B-to-B clients, it provides optimized logistics.

Founded: May 5, 1948
 Established: January 10, 1970
 Business activities: International integrated logistics
 Business areas: Japan, the Americas, Europe, the Middle East, Africa, East Asia, Southeast Asia, and Oceania
 Employees: 1,239 (unconsolidated); 17,069 (consolidated) (as of March 31, 2022)



Sales (FY2021 results) Consolidated ¥980.4 billion Unconsolidated ¥211.2 billion	Global network (as of September 30, 2022) 45 countries 304 cities 687 locations
Cargo-handling volume (FY2021 results) Air 740,000 mt Sea 710,000 TEUs	Cargo-handling volume world ranking (industry market data) Air 9th Sea 18th

Proportion of total operating revenue (FY2021)



* 1 TEU = 1 × 20' container equivalent

Management Plan 2027

Global Top 10 Solution Partner – A Global Brand Born in Japan

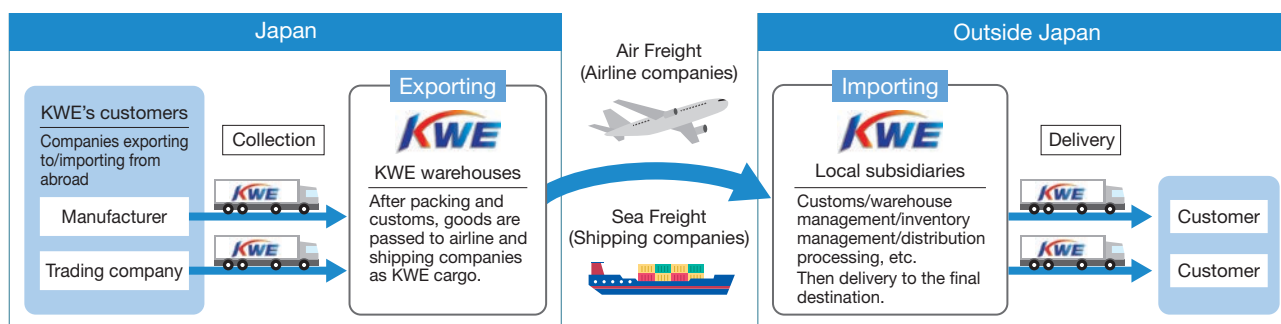
- KWE's brand recognition will continue to grow by our core strengths: superior quality, a collective and competitive spirit, and a solutions-driven attitude.
- KWE's market expansion will be paved by establishing our identity as a preferred partner across all regions.
- Through the merit of our work, KWE will become a company that brings pride to its diversified and talented workforce.

	Targets	FY2021 results
Operating revenue	1 trillion yen	980.4 billion yen
Operating profit	50.0 billion yen	62.4 billion yen
Air freight	Over 1 million metric tons	740,000 metric tons
Sea freight	Over 1 million TEUs	710,000 TEUs

Business targets

Growth strategies		Strengthening the business platform	
Targets	<ul style="list-style-type: none"> ● Enhance cooperation between Corporate Sales, Marketing & Operation (CSMO) Department and Regional Sales & Marketing (RSM) divisions ● Increase global volume: Air freight to 1 million metric tons; Sea freight to 1 million TEUs 	Establish a group platform to support growth	
Strategy	Increase global volume	Strengthen the business platform	Group governance
	Premium order management provider (APLL segment) Develop unique products (APLL segment)		Human resources
	Increase volume in Asia – Europe and the U.S. lane Sales activities/Marketing Strengthen global procurement function		IT
			Finance/Accounting

KWE's role in international transportation (for exports from Japan)



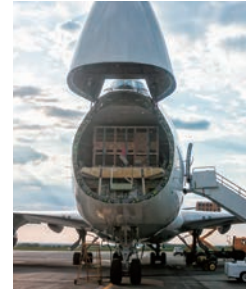
Business

Air Freight

Since 1948, KWE has provided comprehensive cargo and freight services. In addition to its long-standing partnerships with the world's major airlines, KWE utilizes its knowledge and experience to achieve better lead times and assured capacity.

It also provides a one-stop service with end-to-end tracking, customs clearance, cargo insurance, warehousing, and door-to-door service. This allows it to prioritize customer supply chain schedules, budgets, and quality, while going the extra mile to engineer unique air cargo strategies.

Example cargo Electronics (mobile devices such as smartphones, PCs, electronics components, etc.), luxury brands, automotive components, medical supplies and devices, semiconductor manufacturing equipment, etc.

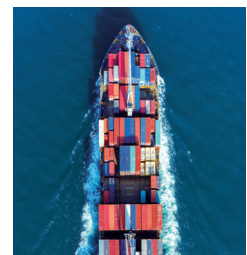


Sea Freight

As a Non-Vessel Operating Common Carrier (NVOCC), KWE offers its customers optimal solutions from options including Less than Container Load (LCL), Full Container Load (FCL), and transportation services for large machinery and equipment. In collaboration with the KWE Group company APL Logistics Ltd (APLL), KWE works to bolster carrier partnerships, secure capacity, and create competitive, high-quality services.

Also, in support of sustainability efforts, KWE's Container Round Use (CRU) matching solutions and other services help to minimize CO₂ emissions to reduce environmental impact.

Example cargo Materials, products for mass retailers, non-urgent production components, clothing, general goods, production equipment and machinery, optical devices, heavy plant equipment, etc.



Logistics KWE Group's logistics locations: 317 warehouses with a total floor area of 2,047,540 m²

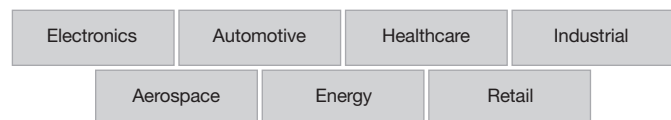
KWE handles a wide range of items, from electronics to automotive products, apparel for retail, aviation-related goods, and items used in healthcare. It creates and operates optimal solutions that consider each item's specific characteristics from every angle.

Example cargo Medical devices, external diagnosis equipment, reagents for research, analytical apparatus, smartphones, semiconductors, communications equipment, electronics components, luxury brand items, etc.



Industry-specific solutions

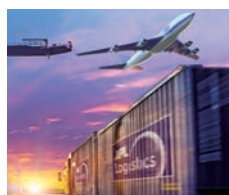
With a long track record and deep industry-specific specialist knowledge, and utilizing its global network, KWE provides optimal solutions for each customer's business that address their specific logistics issues.



Main group companies

APL Logistics

APL Logistics Ltd (APLL) has 190 locations around the world and more than 5,000 employees, and has expanded its logistics business around the world as part of the KWE Group. In regions across the globe, its specialists offer customers seamless support at every step, from first order to final delivery, providing an ideal, bespoke management service. APLL can come up with the latest supply chain solutions to contribute to varied logistical issues faced by top corporate customers expanding their businesses globally, in the retail, automotive, and other industries.



Company	Business activities
KINTETSU LOGISTICS SYSTEMS, INC.	Domestic air freight transportation, cargo vehicle transportation, and warehousing
Kintetsu Cosmos, Inc.	Temp agency work, cargo handling, and packing
Kintetsu World Express Sales, Inc.	Agency work for international air and sea freight sales
Kintetsu Trading Service Co., Ltd.	General affairs, agency work, and customs clearance procedures related to import/export tasks
Kintetsu Global I.T., Inc.	R&D of IT systems
KWE Reinsurance, Inc.	Damage insurance

Business Area

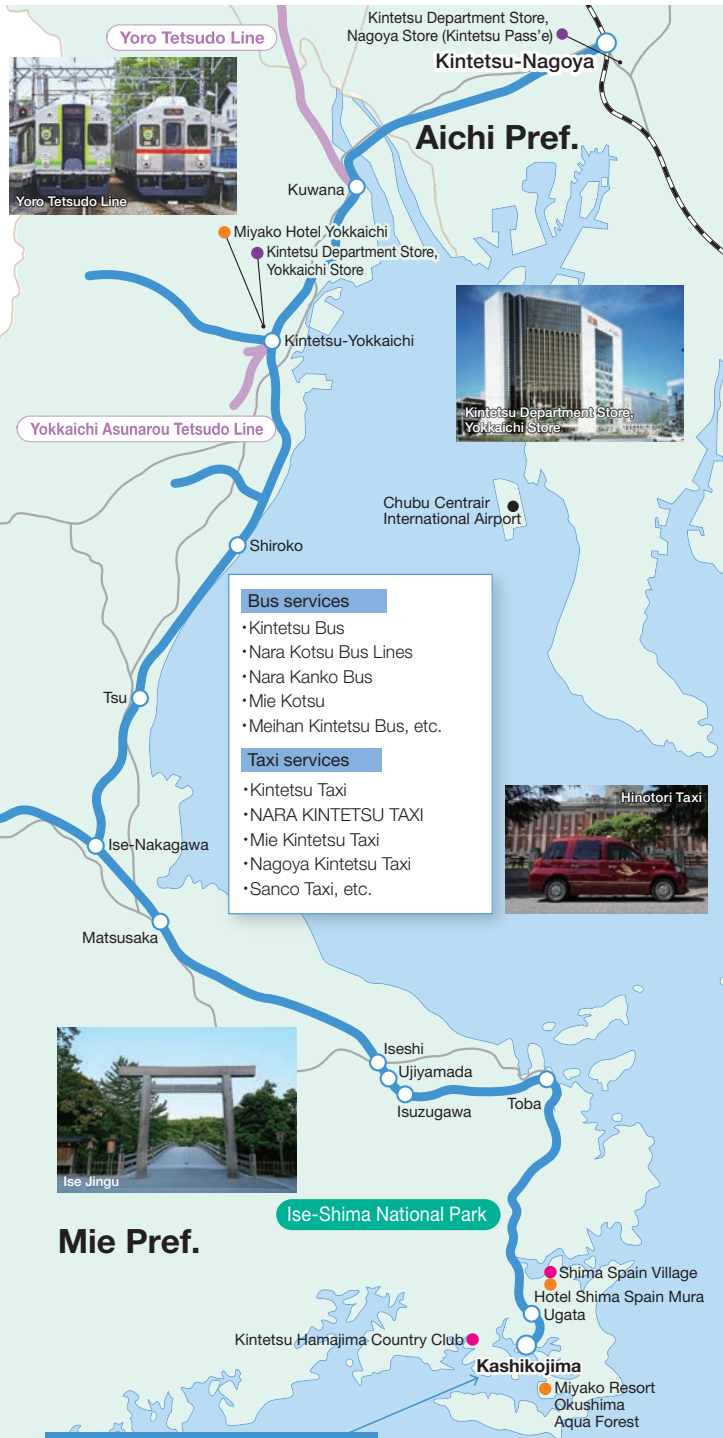
Kintetsu Operational Area

Creating an area full of wonder through a wide range of businesses

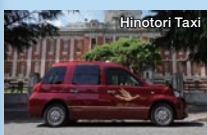
We are pushing ahead with community development and expanding into lifestyle-related businesses, centered on our operational area, which covers the Kinki and Tokai regions. As well as supporting people's daily lives, we are making full use of the regions' tourism potential to create excitement for visitors.



(as of September 30, 2022)



- Bus services**
- Kintetsu Bus
 - Nara Kotsu Bus Lines
 - Nara Kanko Bus
 - Mie Kotsu
 - Meihan Kintetsu Bus, etc.
- Taxi services**
- Kintetsu Taxi
 - NARA KINTETSU TAXI
 - Mie Kintetsu Taxi
 - Nagoya Kintetsu Taxi
 - Sanco Taxi, etc.



- Main facilities in the Kashikojima area**
- Shima Kanko Hotel
 - Miyako Resort Shima Bayside Terrace
 - Kashikojima Hojoen
 - Kintetsu Kashikojima Country Club

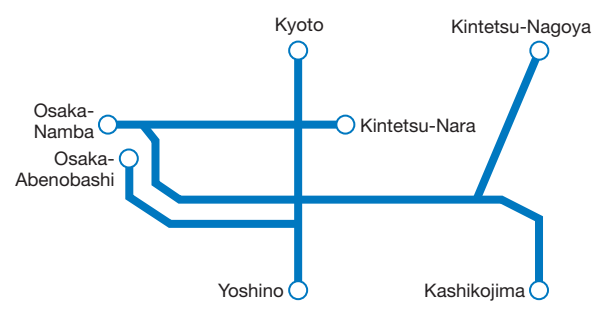
Extensive limited express network with attractive trains



AONIYOSHI, sightseeing limited express (between Osaka-Namba, Kintetsu-Nara, and Kyoto)



Hinotori, Meihan limited express (between Osaka-Namba and Kintetsu-Nagoya)



Blue Symphony, sightseeing limited express (between Osaka-Abenobashi and Yoshino)



Shimakaze, sightseeing limited express (between Osaka-Namba, Kyoto, and Kintetsu-Nagoya, and Kashikojima)

Business development in the Abeno/Tennoji area



- ABENO HARUKAS**
- HARUKAS 300 (Observatory)
 - Osaka Marriott Miyako Hotel
 - ABENO HARUKAS Art Museum
 - Kintetsu Department Store Main Store Abeno Harukas

ABENO HARUKAS and Ten-Shiba

Messages from the Top Management

Overview of the Kintetsu Group

Kintetsu Group's Value Creation

Business Strategies

Initiatives for Materiality

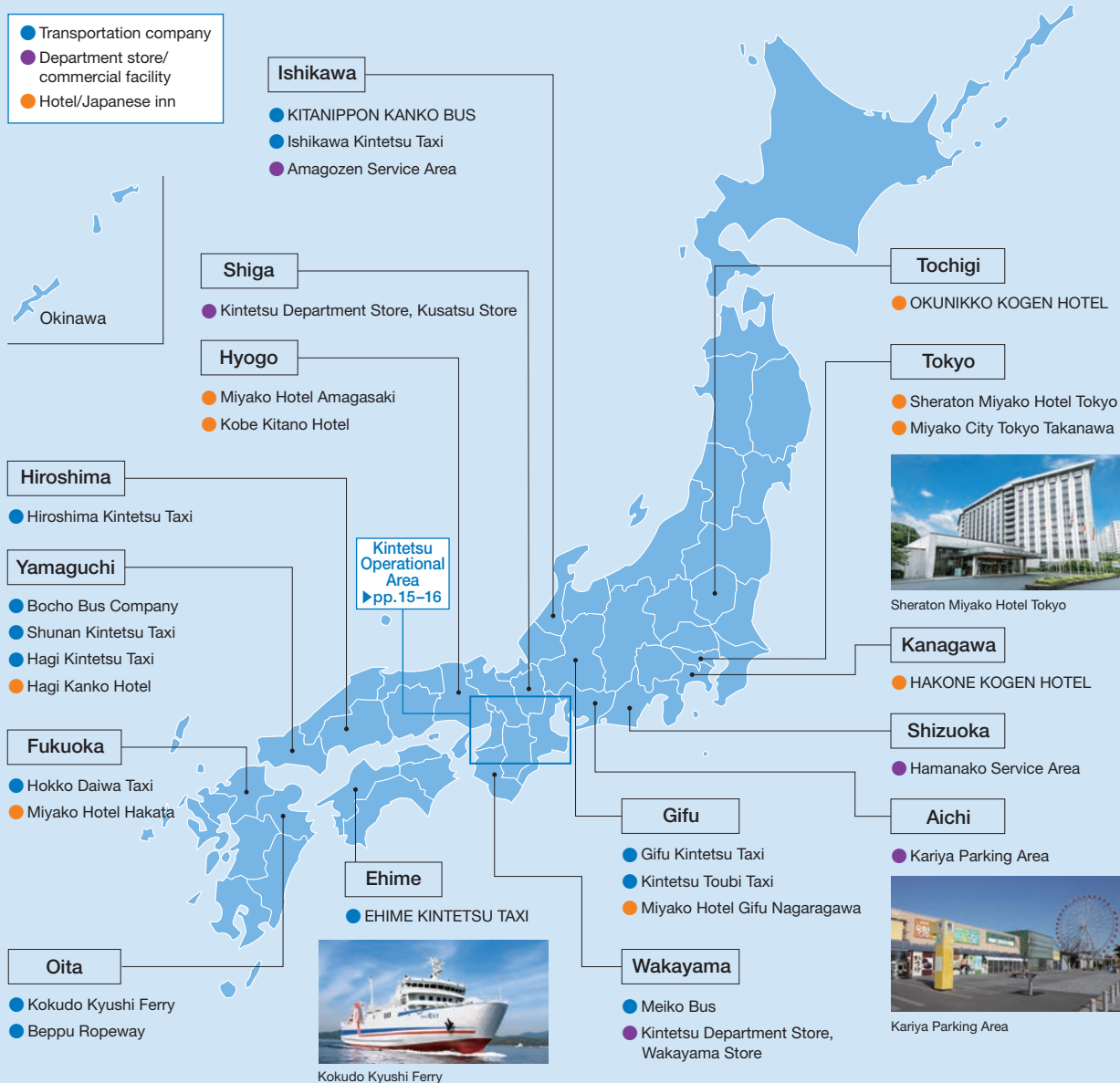
Corporate Information

Japan

Development in Japan Utilizing Our Group Strengths

Through our transport network—including buses, taxis, ferries—condominiums, office buildings, hotels, travel facilities and other forms of infrastructure, we provide valuable services throughout Japan.

(as of September 30, 2022)



Kintetsu Real Estate

- Condominium sales business
93,338 units in 797 buildings
(cumulative, mainly in the Tokyo, Osaka, and Nagoya areas)
- Detached homes sales business
16,889 homes, 25,206 land plots sold
(cumulative, mainly in the Tokyo, Osaka, and Nagoya areas)

Kintetsu facilities

- Approx. 800 operation and maintenance facilities
(mainly in the Tokyo, Osaka, and Nagoya areas)

KINTETSU-COMMUNITY

- Approx. 100,000 homes managed
(from Tokyo metropolitan area to Kyushu)

KNT-CT Holdings Group

- Kinki Nippon Tourist (132 offices in Japan)
- Club Tourism International (13 offices in Japan)
- Kinki Nippon Tourist Corporate Business
- KNT Business Create
- Kinki Nippon Tourist Shoji

Hotel/Japanese inn

- 23 Miyako Hotels & Resorts affiliated facilities in Japan

Overseas

Worldwide Development Driven by Our Global Networks

With Kintetsu World Express as a wholly-owned subsidiary, we will expand our business globally, to Asia, Europe, the Americas, and elsewhere, centered on international logistics.

(as of September 30, 2022)



Messages from the Top Management

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KWE Group

687 locations worldwide

45 countries | **304** cities

324 warehouses/logistics facilities

Japan 8 companies <small>Incl. 3 equity-method affiliates</small>	East Asia 21 companies <small>Incl. 2 equity-method affiliates</small>	Southeast Asia & Oceania 20 companies <small>Incl. 2 equity-method affiliates</small>	APLL 65 companies <small>Incl. 1 equity-method affiliate</small>
Americas 7 companies	Europe, Middle East, and Africa 16 companies <small>Incl. 1 equity-method affiliate</small>	Other businesses 2 companies	

KNT-CT Holdings Group

- KINTETSU INTERNATIONAL EXPRESS (U.S.A.), INC.
- KINTETSU INTERNATIONAL EXPRESS (CANADA) INC.
- KINTETSU INTERNATIONAL EXPRESS (OCEANIA) PTY. LTD.
- HOLIDAY TOURS MICRONESIA (GUAM), INC.
- Kintetsu International Express (China)
- KNT Taiwan

Hotel

- Miyako Hotel Los Angeles
- Miyako Hybrid Hotel Torrance, California

Restaurant

- Edogawa Taipei Zhongshan Store

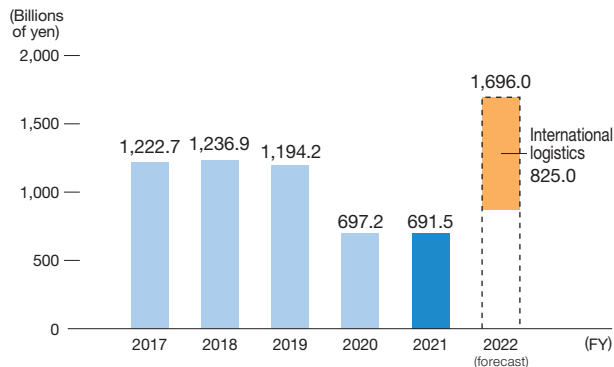
Railcar manufacturing

- KINKISHARYO International, L.L.C.

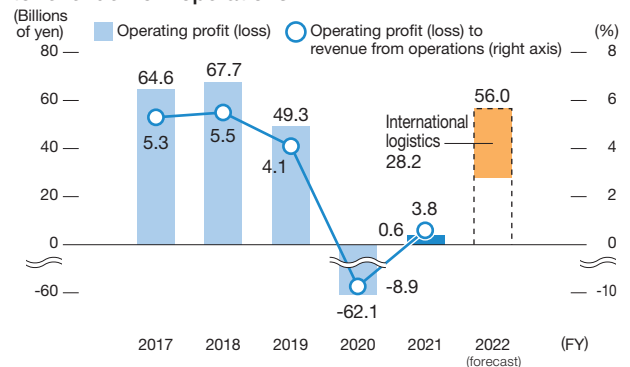
Financial Highlights

* As Kintetsu World Express, Inc. (KWE) became a consolidated subsidiary in July 2022, fiscal 2022 (forecast) includes KWE's earnings forecast for the second quarter onward.

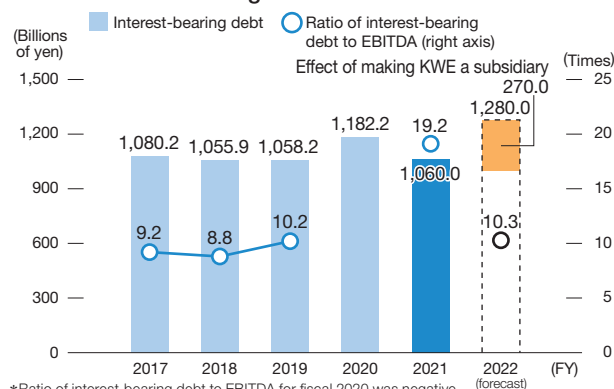
Operating revenue



Operating profit (loss) and operating profit (loss) to revenue from operations

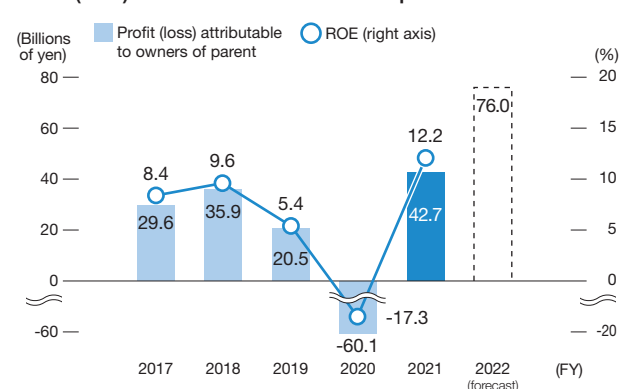


Ratio of interest-bearing debt to EBITDA

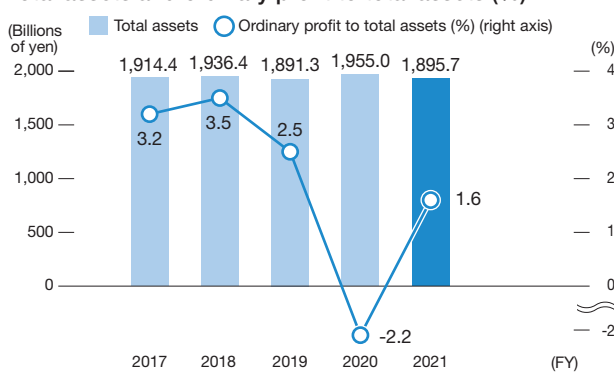


*Ratio of interest-bearing debt to EBITDA for fiscal 2020 was negative, therefore it is omitted.
*EBITDA for fiscal 2022 (forecast) includes goodwill amortization.

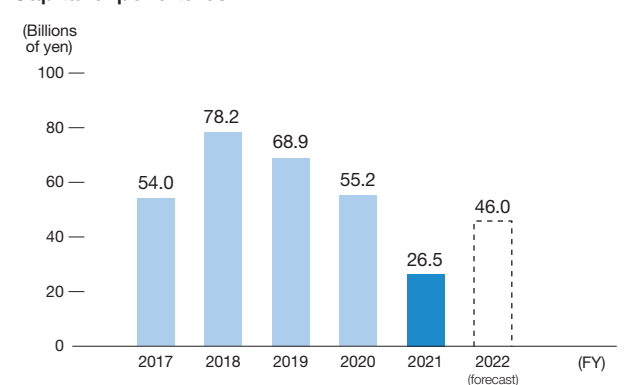
Profit (loss) attributable to owners of parent and ROE



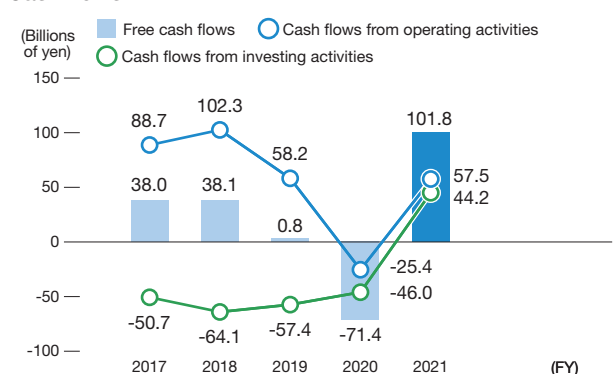
Total assets and ordinary profit to total assets (%)



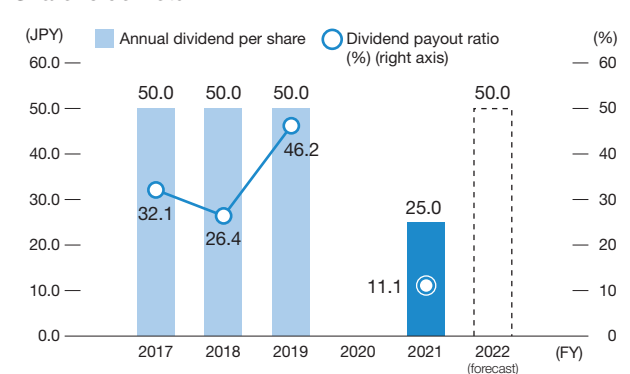
Capital expenditures



Cash flows



Shareholder return

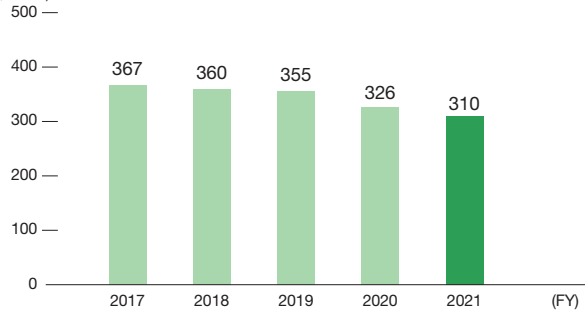


*Dividends before the reverse stock split (on October 1, 2017) are converted based on the standard after the reverse stock split.
*Annual dividend per share and dividend payout ratio for fiscal 2020 are not described because no dividend was paid.

Non-Financial Highlights

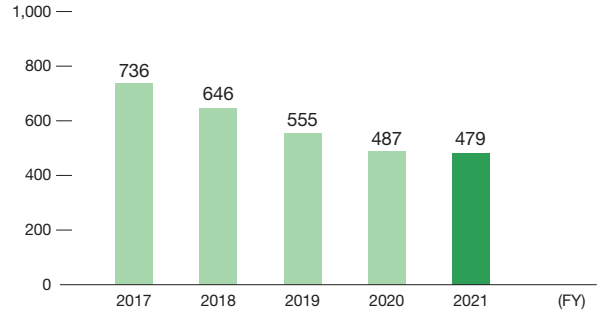
Energy use (companies subject to periodic reporting pursuant to the Energy Conservation Act*1)

(Crude oil equivalent
1,000 k)

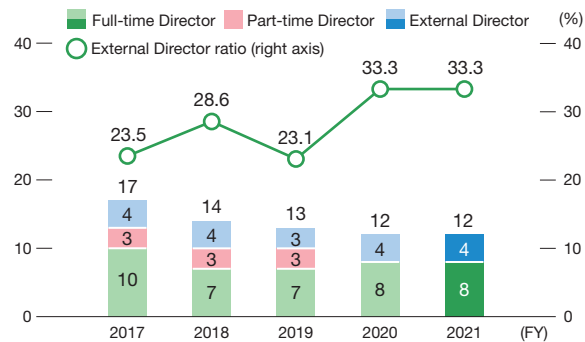


CO₂ emissions (companies subject to periodic reporting pursuant to the Energy Conservation Act*1)

(1,000 t-CO₂)

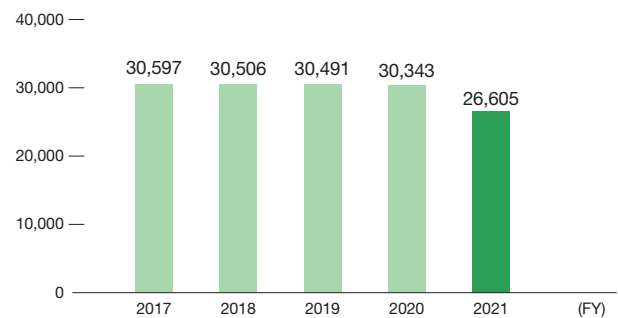


Number of directors and external director ratio (non-consolidated)



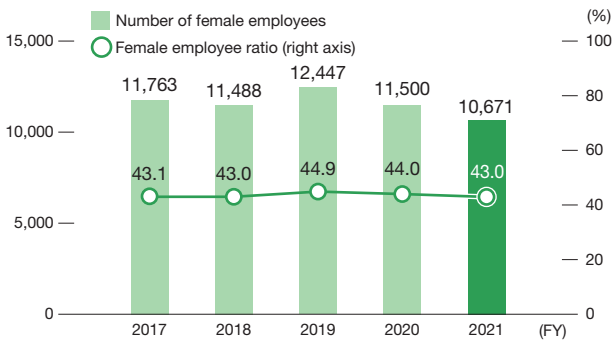
*At the conclusion of general meeting of shareholders of each fiscal year

Number of employees (consolidated)

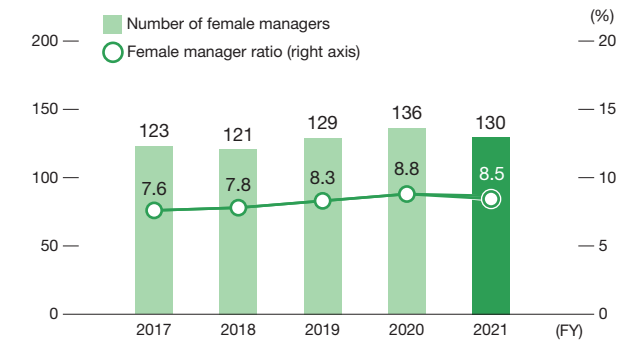


*Denotes the number of full-time employees and does not include temporary employees.

Number of female employees and female employee ratio (major companies*2)



Number of female managers and female manager ratio (major companies*2)



*1 Kintetsu Railway, Kintetsu Bus, Nara Kotsu Bus Lines, Bocho Bus, Kintetsu Taxi, Kintetsu Real Estate, Kintetsu Department Store, Kintetsu Retailing, Kinsho Store, Kintetsu Miyako Hotels International, Kin-Ei, Osaka Aquarium Kaiyukan

*2 Kintetsu Group Holdings, Kintetsu Railway, Kintetsu Real Estate, Kintetsu Department Store, Kintetsu Retailing, Kinsho Store, Kintetsu Miyako Hotels International, KNT-CT Holdings Group

Value Creation Process (Revised February 2023)

The value creation process refers to generating a flow of sustainable value through business activities. The Kintetsu Group aims to achieve sustainable growth and contribute to the realization of a prosperous society founded upon co-creation. We do this by addressing social issues with integrity and promoting business activities that prioritize sustainability. With the international logistics business as one of our new core businesses, we will take on the challenge of fulfilling the vision of society as a “borderless, connected world” we aspire to create.

External Environment

- A declining population in Japan with fewer children and aging citizens
- Climate change, increase in natural disasters
- Acceleration of digitization
- Transition to a decentralized regional society
- Heightened geopolitical risk
- Growing awareness of sustainability
- Changes in lifestyles and diversification

Management Resources

- Developing a wide range of businesses to support people’s lives
265 group companies
- A wide-area transportation network and commercial facilities, mainly in the Kinki and the Tokai regions
582.2 km of railway lines
- A logistics network extending around the globe
45 countries, 304 cities, and 687 business locations

Intellectual Capital

- Expertise accumulated in a wide range of businesses

Human Capital

- Highly specialized human resources across a variety of industries
Number of consolidated employees: approx. 45,000

Financial Capital

- Stable operating cash flow creation

Social Capital

- Extensive customer base, mainly in our operating area
- Relationships of trust with stakeholders

Natural Capital

- Rich natural and cultural tourism resources in areas along Kintetsu lines
2 national parks and 5 World Heritage sites

Kintetsu Group’s Corporate Philosophy,

Kintetsu Group Medium-Term Management Plan 2024

Main Measures

- Strengthening cooperation with external partners
- Reforming our business portfolio
- Creating new businesses and services through DX
- Implementing community development that aims to resolve regional issues



Kintetsu Group Sustainability Policy

The Kintetsu Group aims sustainable growth, and contributes to the realization of prosperous society for next generation, by creating new value through co-creation with various people.

Kintetsu Group Management Philosophy



Capital enhancement through value circulation

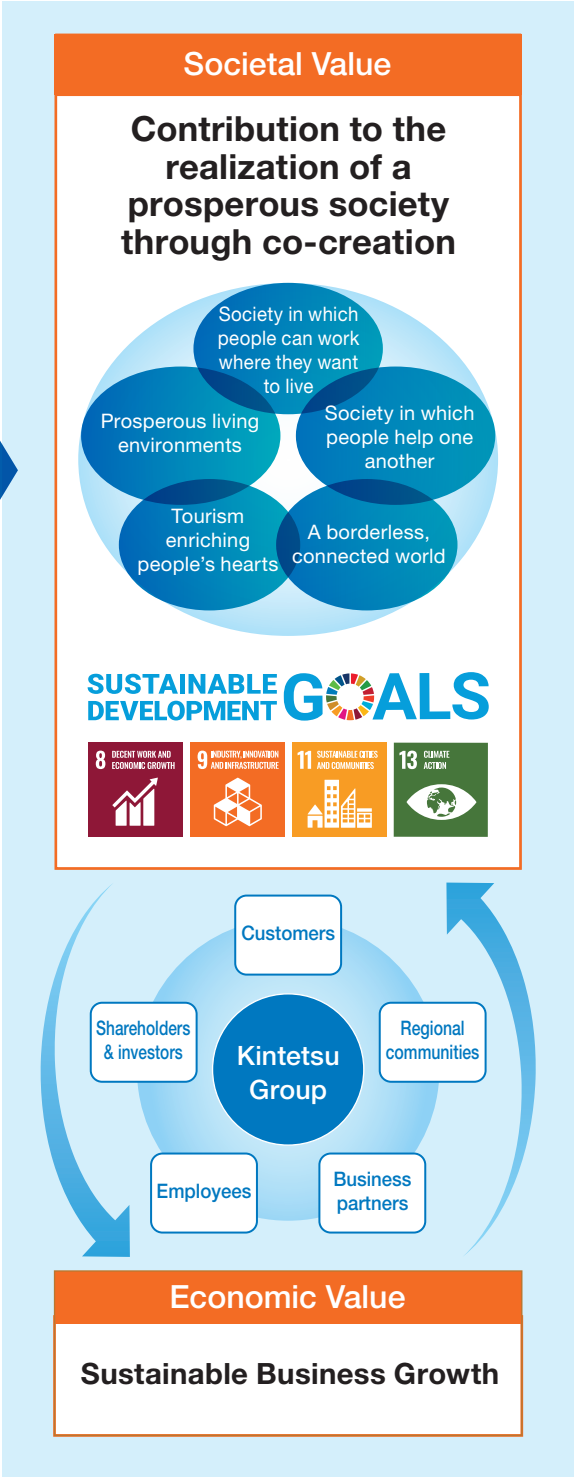
Strategies, and Businesses



Materiality (Priority Issues for Sustainability)	
Value creation	<ul style="list-style-type: none"> Creating a lifestyle that anticipates changes in values Energizing communities by enhancing the network Enriching people and communities with travel Contributing to the realization of a decarbonized and recycling-oriented society
Business foundations	<ul style="list-style-type: none"> Ensuring safety and pursuing peace of mind Bolstering our governance and risk management Fostering diverse human resources and supporting their activities

“To Support Daily Life, To Create More Value.”

Value Creation



and sustainable value creation

Messages from the Top Management

Overview of the Kintetsu Group

Kintetsu Group's Value Creation

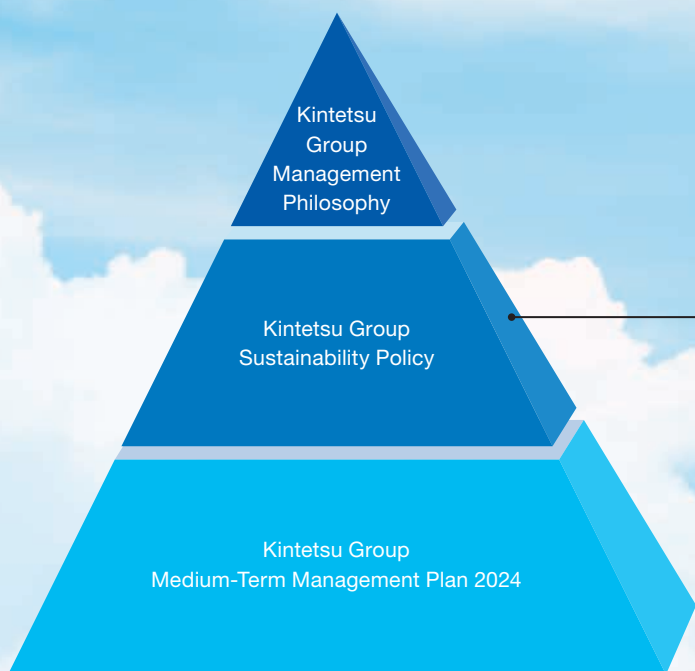
Business Strategies

Initiatives for Materiality

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Kintetsu Group Sustainability Policy & Materiality (Priority Issues)

In order to clarify the significance of the Kintetsu Group's business activities, we formulated the Kintetsu Group Sustainability Policy in November 2021. The policy identifies seven priority issues that we will work toward over the long term, and by implementing initiatives, we aim to achieve sustainable growth and contribute to the realization of a prosperous society through co-creation.



Kintetsu Group Sustainability Policy

The Kintetsu Group aims sustainable growth, and contributes to the realization of prosperous society for next generation, by creating new value through co-creation with various people.

Materiality (Priority Issues for Sustainability)

Value creation	Creating a lifestyle that anticipates changes in values
	Energizing communities by enhancing the network
	Enriching people and communities with travel
	Contributing to the realization of a decarbonized and recycling-oriented society
Business foundations	Ensuring safety and pursuing peace of mind
	Bolstering our governance and risk management
	Fostering diverse human resources and supporting their activities

Sustainability Promotion Framework

To strengthen the relationship of trust we have built with all of our stakeholders—whether customers, regional communities, shareholders, business partners, employees, or others—and to resolve societal issues and raise corporate value in the long term, we have put in place a CSR Committee. The committee is chaired by Kintetsu Group Holdings' president, and comprises executive officers from the company as well as CSR representatives from throughout the group. The key topics it has recently examined are listed below.



A meeting of the CSR Committee

Key Topics Before the CSR Committee

July 2, 2021

- Response to harassment case

September 17, 2021

- Kintetsu Group Integrated Report 2021
- Value creation process
- Kintetsu Group sustainability policy and materiality (priority issues)
- Review of the Kintetsu Group's environmental targets
- Health and productivity management for the Kintetsu Group, etc.

March 1, 2022

- Status of compliance with legal regulations and corporate ethics
- Setting KPIs for materiality (priority issues)
- TCFD scenario analysis
- Setting health and productivity management targets
- Partnership-building declaration, etc.

September 8, 2022

- Kintetsu Group Integrated Report 2022
- Setting KPIs for materiality (priority issues)
- Environmental initiatives (TCFD information disclosure, etc.)
- Establishment of human rights basic policy for the Kintetsu Group
- Report on the activities of the Harassment Prevention Subcommittee, etc.

Materiality (Priority Issues for sustainability) – Identification Process

STEP 1	Select issues	Select a range of societal issues (around 200) from the SDGs, SASB, Global Risks Report, and other sources.
STEP 2	Narrow down choice	Narrow down the selection (to 66), considering relevance to the Kintetsu Group.
STEP 3	Rank by priority	Select issues that have particular importance for each business sector, considering dialogue with major group companies, outside expert opinions, societal viewpoints, and our management philosophy.
STEP 4	Identify priority issues	Organize the themes identified in STEP 3 and set seven priority issues based on business characteristics. Through debate with executive officers concerned and discussions by the CSR Committee, determine themes and report them to the Board of Directors.

	Materiality (Priority Issues for Sustainability)	Direction to aim for
Value creation	Creating a lifestyle that anticipates changes in values	As people's lifestyles and preferences diversify, we will anticipate how their values will change and provide services that enrich every aspect of their lives—at home, at work, and at play.
	Energizing communities by enhancing the network	Through co-creation, we will enhance our transportation network, the Kintetsu Group and regional communities, and people-to-people networks, while contributing to community building and creating a vibrant city that contributes to the development and happiness of the region.
	Enriching people and communities with travel	Through co-creation, we will discover the wonders of the historical culture and tourist resources along Kintetsu lines, create the enjoyment of travel, and propose travel that resonates with the heart. In addition, we will enrich the region by increasing outside visitors and fostering industry through tourism.
	Contributing to the realization of a decarbonized and recycling-oriented society	In addition to taking advantage of the high energy efficiency and environmental superiority of railroads, we will work to conserve energy and resources in each of our businesses and contribute to the realization of a decarbonized and recycling-oriented society.
Business foundations	Ensuring safety and pursuing peace of mind	As a corporate group that supports daily life with a focus on railroads, we place the highest priority on ensuring safety, which is the foundation of our business, and providing peace of mind in every aspect of our lives.
	Bolstering our governance and risk management	We will focus on building a highly transparent and fair management system in each Group company, which will lead to the realization of synergies and the provision of value. We will also work to ensure thorough compliance and strengthen risk management throughout the group.
	Fostering diverse human resources and supporting their activities	We will strive to develop human resources who will lead the next generation by accepting a diverse range of human resources and creating an environment where employees can maximize their abilities. We will provide diverse values to everyone through the activities of our employees in a wide range of fields.

Materiality (Priority Issues for sustainability)	Related societal issues	Risks	Opportunities
Creating a lifestyle that anticipates changes in values	<ul style="list-style-type: none"> Responding to low birthrates, aging society, and declining population Growing awareness of sustainability Promoting innovation and technical progress 	<ul style="list-style-type: none"> Decreased demand due to population decline Decline in non-resident population Decrease in domestic and inbound tourists Intensifying competition, emergence of new competitors Revisions to existing business models prompted by changing and diversifying lifestyles Shortage of labor Political instability, economic stagnation, and rising prices caused by geopolitical risks Slowdown in innovation and technological progress 	<ul style="list-style-type: none"> Expansion of online business and creation of new customer contact points through digital means Business opportunities based on an increase in active seniors A return to regional core cities Revived awareness of the value of real-world experiences Creation of new business models Development of an efficient business operation framework
Energizing communities by enhancing the network	<ul style="list-style-type: none"> Responding to low birthrates, aging society, and declining population Maintaining and growing the regional economic base Maintaining and renewing critical regional infrastructure Providing a sustainable transportation system 	<ul style="list-style-type: none"> Facility damage and business shutdowns due to increased number and severity of natural disasters Higher procurement costs for energy Tighter policies and regulations Response to environmental issues, including supply chains 	<ul style="list-style-type: none"> Developing businesses with low environmental impact Growing preferences for environmentally friendly services
Enriching people and communities with travel	<ul style="list-style-type: none"> Promoting a sustainable tourism industry Maintaining and growing the regional economic base Protection and preservation of cultural and natural heritage 	<ul style="list-style-type: none"> Large-scale fires or accidents Outbreak of new infectious diseases Harm to reputation for quality and safety 	<ul style="list-style-type: none"> Early business recovery by boosting resilience Growing preference for services that offer safety and peace of mind
Contributing to the realization of a decarbonized and recycling-oriented society	<ul style="list-style-type: none"> Responding to climate change Promoting sustainable resource usage, production, and consumption Environmentally friendly business activities 	<ul style="list-style-type: none"> Deterioration of stakeholder trust Harm to corporate value due to serious legal and ethical violations, including in the supply chain Increasing sophistication of stakeholder demands 	<ul style="list-style-type: none"> Increasing corporate value through management personnel diversification
Ensuring safety and pursuing peace of mind	<ul style="list-style-type: none"> Preventing accidents Responding to climate change-related disasters Deter malfunctioning of critical infrastructure Prevention of infectious diseases Quality and safety of products and services 	<ul style="list-style-type: none"> Labor shortages, intensifying competition for human resources Adequacy of working environment Mental and physical health of employees Protection of human rights, including in the supply chain Diversity and inclusiveness measures Responding to technological innovation, etc. 	<ul style="list-style-type: none"> Creating new value through employee diversification Improving productivity through better use of technology Creating new value through enhanced education and training
Bolstering our governance and risk management	<ul style="list-style-type: none"> Highly transparent management Business activities in compliance with laws and ethics 		
Fostering diverse human resources and supporting their activities	<ul style="list-style-type: none"> Promoting safe, secure working environments Respect human rights Promoting diversity and inclusiveness Expansion of education system Responding to low birthrates, aging society, and declining population 		

	Example initiatives	Key Performance Indicators (KPIs)	Related SDGs
	<ul style="list-style-type: none"> Provide products and services that contribute to new lifestyles Provide products and services that solve lifestyle issues Provide products and services that consider health and the environment Develop management foundations through the use of digital technology 	[Railways] <ul style="list-style-type: none"> Number of new general-purpose railcars that meet diverse needs [Department stores] <ul style="list-style-type: none"> E-commerce sales [Stores] <ul style="list-style-type: none"> Proportion of total sales of key health products 	
	<ul style="list-style-type: none"> Regional revitalization through co-creation with local governments and local businesses Promote area management for the Abeno/Tennoji area Provide a place for exchange and co-creation among residents Department stores are becoming regional core stores and suburban stores are becoming town centers. Promote redevelopment around major stations 	[Real estate] <ul style="list-style-type: none"> Creation of resident and non-resident populations through redevelopment of area around a station [Railways] <ul style="list-style-type: none"> Number of railway passengers [Department stores] <ul style="list-style-type: none"> Number of urban development-designed commercial service complexes [Stores] <ul style="list-style-type: none"> Number of mobile supermarkets in operation 	
	<ul style="list-style-type: none"> Improve the attractiveness and dissemination of local tourism resources in cooperation with local governments, etc. Promote micro-tourism Introduce new sightseeing limited express trains Capture inbound demand in post-pandemic era Temp Expo/IR visitors to our operational areas 	[Railways] <ul style="list-style-type: none"> Number of people using the Ise-Shima Limited Express Number of inbound rail passengers [Travel agency] <ul style="list-style-type: none"> Number of people utilizing universal tourism Number of visitors brought in by regional visitor attraction programs Number of Peace Program and SDGs Program initiatives 	
	<ul style="list-style-type: none"> Promotion of energy saving Promotion of CO₂ reduction and use of renewable energy Promotion of a modal shift Reduction of food loss Management of the entire supply chain Logistics services using low-carbon fuels 	[Kintetsu Group] <ul style="list-style-type: none"> Energy consumption CO₂ emissions [Railways] <ul style="list-style-type: none"> LED lighting installation rate [Department stores, Stores and restaurants] <ul style="list-style-type: none"> Food waste emissions and disposal rate [Travel agency] <ul style="list-style-type: none"> Number of participants in green tourism and eco-tourism 	
	<ul style="list-style-type: none"> Ensure safety on railways and at facilities Strengthen disaster countermeasures Thorough hygiene management Promotion of barrier-free access 	[Railways] <ul style="list-style-type: none"> Number of accidents involving railway operations for which the company was responsible Number of accidents involving railway operations and transportation disruptions [Real estate] <ul style="list-style-type: none"> Percentage of condominiums with stockpiles of emergency items [Hotels] <ul style="list-style-type: none"> HACCP implementation 	
	<ul style="list-style-type: none"> Enhance corporate governance Thorough compliance Rigorous measures to fight corruption Strengthen risk management Maintain and deepen relationships of trust with stakeholders Promote responsible procurement 	[Kintetsu Group Holdings] <ul style="list-style-type: none"> Ratio of external directors [Railways] <ul style="list-style-type: none"> BCM rating (Development Bank of Japan) 	
	<ul style="list-style-type: none"> Improve uptake of childcare leave and prevent employees from leaving the workforce for childcare or nursing care Promote health and productivity management Prevent harassment Increase the ratio of female hires and female managers Support employees' career development Improve labor productivity through the use of technology, work style reforms, etc. 	[Major companies] <ul style="list-style-type: none"> Ratio of female employee hires Ratio of female managers Obesity rate Percentage of high-stress employees [Railways, Department stores] <ul style="list-style-type: none"> Rate of employees taking childcare leave [Department stores] <ul style="list-style-type: none"> Childcare/nursing care turnover rate 	
		Comprehensive evaluation indicators [Kintetsu Group Holdings] Maintaining and improving external ESG evaluation	

Messages from the External Corporate Officers

My Hopes for Excellent Operational Area Resource and Global Business Development

Masanori Yanagi

External Director



Drawing a Favorable Operational Area Environment into Business Focus

As an external director, I am involved in the management of the Kintetsu Group, and my sense is that the railroad lines are rich in cultural and natural attractions, some of which are of overwhelming value to the Group's management, and I want to make the most of these attractions. With respect to the railway business, Kintetsu has the longest lines of any private railway and links Kyoto, Nara, Ise, and other areas in a region of extremely high historical value, which I see as a great strength. The corporate group is engaged in a truly diverse range of fields, from the transportation business—which includes railway, bus, and taxi companies—to real estate, retail, manufacturing, and international logistics. That diversity is another key strength. Although the group was hit hard by the COVID-19 pandemic overall, government approval to raise passenger fares in the core railway business has allowed management to set goals to establish sound financials. Starting there, I believe it is essential for the group to gather its strengths, return to its roots as a railway company, and pursue two things I will describe below to achieve sustainable operations going forward.

The first is to tap into the resurgent tourism industry. We must attract visitors to the operational areas from all over Japan and from overseas as inbound tourists. The competition will be fierce among tourist destinations in the post-pandemic era, but the areas along the Kintetsu lines include many lesser-known attractions that are both diverse and deeply captivating. As Japan pursues a national strategy of welcoming tourism, if everyone involved joins together to refine what exists into first-class tourist resources, we can enjoy an expansion in the number of both first-time and repeat visitors.

The second thing is to tap into the region's latent appeal. In the Economist's survey of the world's most livable cities in 2022, Osaka was the top spot among cities in Asia. According to The Institute for Urban Strategies at the Mori Memorial Foundation, in its Japan Power Cities 2022 reports, Osaka

was ranked No. 1, followed by Kyoto at No. 2 and Nagoya at No. 5. The Kintetsu Group needs to utilize the railway terminals in these attractive cities so that even with Japan's declining population, it becomes possible to increase the resident population by attracting schools and developing housing along train lines, thereby boosting the vitality of its operational areas.

These days, with growing interest in dual-location living, the areas along Kintetsu lines have both urban and leisure appeal and hold great potential for people to establish a second residence, such as a weekend home or vacation home.

Hopes for Global Business

The acquisition of Kintetsu World Express as a wholly-owned subsidiary marks a major turning point in the company's global group development. With its solid position in the international logistics industry, Kintetsu World Express is an extremely valuable asset and will significantly impact the consolidated bottom line. The group should be striving to work more actively in the B-to-B and overseas spheres, and the new subsidiary can be an important driver of growth in such endeavors.

Also, decarbonization is a major global issue today. The expansion of solar power generation is one way to achieve this, both as a railway company with low environmental impact and as a corporate group with expanding global interests, which can bring great advantages to the world while also benefiting corporate operations.

When I worked for the Japan Development Bank and the Development Bank of Japan, starting with maritime transport, I was involved in a wide range of business areas, including airlines, hotels, railways, and real estate. The Kintetsu Group is involved in most of these, so I aim to use my expertise in industrial development as best I can in my role as an external director.

I will be committed to helping the Kintetsu Group develop its operational areas and do business at the global level.



For the Sound Management of the Kintetsu Group

Masahiro Maeda

External Audit & Supervisory Board Member

Messages from the Top Management

Overview of the Kintetsu Group

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What Is Expected of an External Auditor

I have been involved in research and the teaching of corporate law at the university level for many years. The duty of an Audit & Supervisory Board Member, as I see it, is to ensure that the company's directors are carrying out their duties in a lawful manner. From the highly independent perspective of an auditor who is external to management, I try to perform my duties in a way that helps maintain sound management, primarily by working on the Audit and Supervisory Board. If a scandal were to occur, even once, it could do immeasurable harm to the reputation of the organization. So, although the pursuit of operational efficiency is important, with the stock market's ever-growing insistence on profits, sound management comes first and that is where an auditor like myself plays a key role.

I feel fortunate that Kintetsu Group Holdings has such a well-developed auditing system. The system includes monthly meetings of the Audit & Supervisory Board which provide the opportunity to receive all kinds of information, such as information from full-time board members gleaned from the various meetings they have attended, information provided by members of the Office of Audit & Supervisory Board, the section that staffs the Board, and reports from the Internal Audit Department and financial auditors.

Kintetsu Group Management—Bold Yet Deliberate

The Kintetsu Group is managed in a deliberate way overall that I feel is both stable and reliable. But management is also capable of bold, fast decision-making at critical junctures, exemplified by decisive action to revise the medium-term management plan during the COVID-19 pandemic, an extremely critical time. The revision included a new dual-axis approach to the hotel business and structural reforms in other businesses that led to a quick recovery in business results. This bold yet deliberate approach is a great strength

of the Kintetsu Group's management, which seems well in tune with its corporate philosophy—To Support Daily Life, To Create More Value.

I am particularly eager to see how the group reforms its business portfolio—one of six priority measures listed in the medium-term management plan. Future risks, such as new infectious diseases or unexpected catastrophes, are unpredictable. So, I feel it will be important for the corporation to bolster itself in terms of sustainable growth and risk tolerance by diversifying through M&A and new business development, as seen with the recent acquisition of Kintetsu World Express as a wholly-owned subsidiary.

Youth Today and the Human Resources That Society Needs

Having taught at a university for over 35 years, in recent years I have noticed an appreciable change in temperament among young people. Particularly since the 2008 global financial crisis, students have been feeling more pressure due to greater difficulty in finding a job, and they are more anxious about their future; university life is not as carefree as it once was. One's college years should be a time for trying lots of new things regardless of success and is of great value in trying to figure out what does or doesn't suit your aptitudes and temperament. I feel sorry for students who feel forced to focus on finding a job or acquiring qualifications. Similarly, in corporate management, rather than merely focusing on profit in the short term, it is becoming increasingly important to focus on long-term sustainability and make decisions using a more multifaceted approach.

I understand that university students are in a difficult position, but I hope that they can expand their interests in their student years and develop a broader perspective on society to be able to contribute to it. And I expect that the Kintetsu Group, which operates sustainable businesses supporting society, will continue to base its management on a rich diversity of human capital.

Kintetsu Group Medium-Term Management Plan 2024 Progress

The Kintetsu Group Medium-Term Management Plan 2024 was formulated in May 2021. We have made steady progress on six main measures for the recovery from the COVID-19 pandemic, the development of new businesses and the dramatic growth of the Kintetsu Group.

1 Principal Initiatives of the 2024 Plan's Main Measures

We set fiscal 2021 as a year for taking thorough measures to cut costs and reorganize our business structure to return to profitability. The year was also needed for focusing on reducing interest-bearing debt by liquidating company assets and restoring our equity capital.

We have designated fiscal 2022 and forward for accelerating new business development in a post-pandemic world, thereby strengthening our profitability and leading to new successes.

Main measures		Major initiatives	
①	Radically reviewing our cost structure	Lowering break-even point by revising business operation frameworks	Reduction of unprofitable divisions
②	Early reduction of interest-bearing debt	Collaborating with Blackstone for dual-axis management of hotel business	Disposing of non-core assets
③	Strengthening cooperation with external partners		
④	Reforming our business portfolio	Expanding business fields through mergers and acquisitions (M&A)	Promoting open innovation using corporate venture capital (CVC)
⑤	Creating new businesses and services through DX	Developing a digital services platform for the Kintetsu operational area	Expanding our online shopping business
⑥	Implementing community development that aims to resolve regional issues	A one-stop regional DX platform that can seamlessly provide a range of services, including MaaS and payment services	Promoting redevelopment of areas around stations

2 Progress in the Main Measures

Main measures ① Radically reviewing our cost structure

Pursue cost reductions by implementing business structure reforms to lower the break-even point

Anticipated amount of FY2022 cost reductions (consolidated)

*Compared to pre-pandemic **Approx. -¥49 billion** * Does not include the reduction of variable costs linked to sales

Future policies

- Lower the break-even point further by using ongoing efforts to improve operational efficiency
- In addition to a radical revision of the cost structure, accelerate new business development suited to a post-pandemic era to bolster profitability
- Phase out temporary cost reductions as demand recovers, but implement flexible cost reductions if demand declines in the event of a resurgence of infections

Initiatives by Major Companies

Business area	Target	Main items to be implemented/measures to be taken	Anticipated amount of FY2022 cost reductions (compared to pre-pandemic)
Railways	Quickly establish management foundations that will secure stable profits even if revenue decreases post-pandemic	<ul style="list-style-type: none"> ● Change timetables in response to customer usage patterns ● Streamline and digitalize station operations, etc., as part of establishing efficient business operations 	-¥11.0 billion
Hotels	Lower break-even sales by 20% by reducing fixed costs	<ul style="list-style-type: none"> ● Reduce personnel costs by cutting back on hiring and by promoting employee multitasking; consolidate hotel back-office operations ● Reduce capital expenses by switching to contracted management in collaboration with Blackstone 	-¥6.5 billion
Department stores	Continue to reduce SG&A expenses by 10% or more compared to FY2019	<ul style="list-style-type: none"> ● Shift mode of advertising from print media to apps as part of digitalization strategy ● Improve personnel efficiency by promoting multitasking and low-cost operations at regional core stores and suburban stores 	-¥5.5 billion
In-station stores and restaurants	Withdraw from loss-making stores and promote rationalization through digitalization	<ul style="list-style-type: none"> ● Cut rent and personnel expenses by withdrawing from unprofitable stores 	-¥1.0 billion
Travel agency	Reduce expenses for FY2022 onward by approx. ¥20 billion compared to FY2018	<ul style="list-style-type: none"> ● Reduce fixed costs such as personnel and facility expenses by making major cuts in personnel, consolidating the head office through organizational restructuring, and significantly reducing the number of outlets and branches ● Increase productivity by accelerating a shift to Web-based sales, promoting DX, and reallocating personnel as appropriate ● FY2022 forecast (compared to FY2018): -¥28.4 billion (fixed costs: -¥17.5 billion plus variable costs: -¥10.9 billion) 	-¥17.5 billion

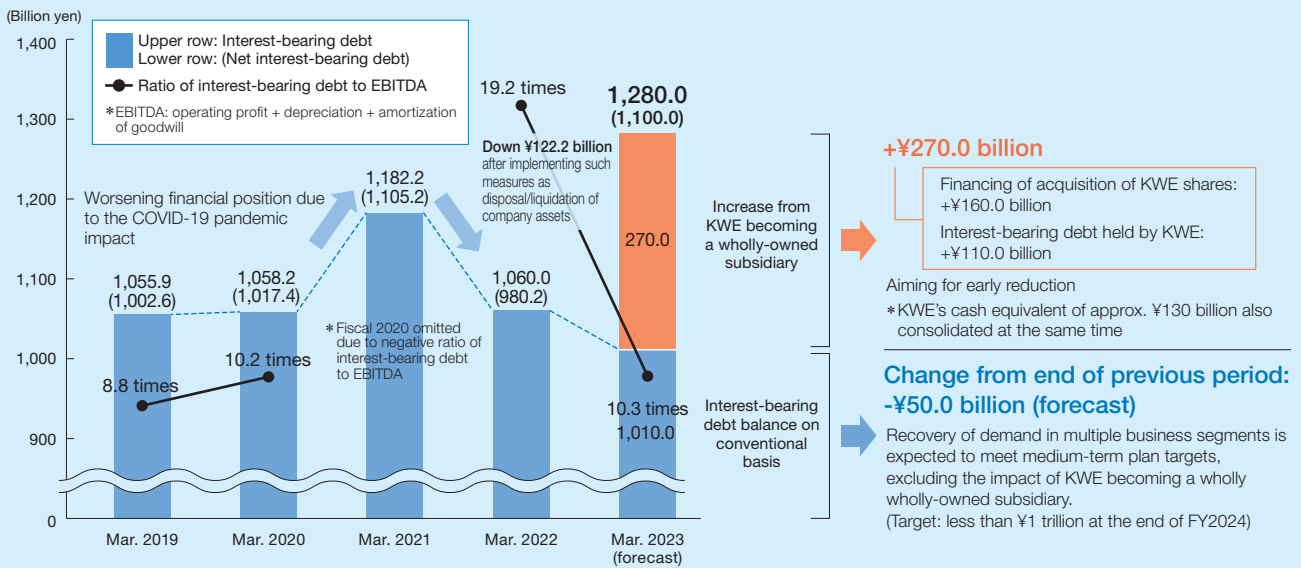
Main measures ②

Early reduction of interest-bearing debt

Our Financial Policy for the Future

Reduction of interest-bearing debt	Maintain as a top priority policy. Aim to reduce interest-bearing debt, which increased with the acquisition of Kintetsu World Express (KWE), as soon as possible using the cash flow generated by the company as a source of funds (see below)
Capital expenditures	Invest in business continuity and strategic investments for future growth while focusing on investment efficiency
Shareholder return	Aim for reliable payment of dividends in light of our equity capital building and business performance

Consolidated interest-bearing debt



Main measures ③

Strengthening cooperation with external partners

Collaboration with Blackstone

In 2021, eight hotels were sold to a special purpose company in which Blackstone and we invested, we are now pursuing hotel management on dual axis—Kintetsu-owned-and-operated hotels and contracted-operation hotels. We are looking to improve the value of the latter's assets and their business performance by taking full advantage of the collaboration with Blackstone, with its rich experience in hotel management overseas.

Miyako Hotel Kyoto Hachijo and Hotel Kintetsu Universal City will be renovated by the company. AI-based revenue management services will be introduced for these two hotels and Miyako Hotel Hakata—a feature that has a proven track record in Blackstone's overseas hotels.

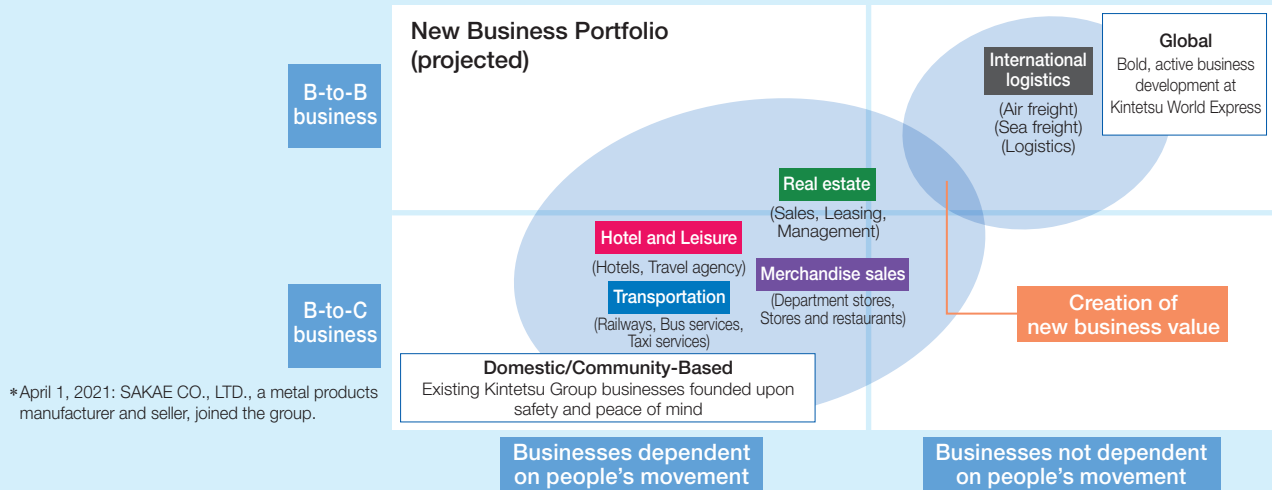


Miyako Hotel Kyoto Hachijo

Main measures ④

Reforming our business portfolio

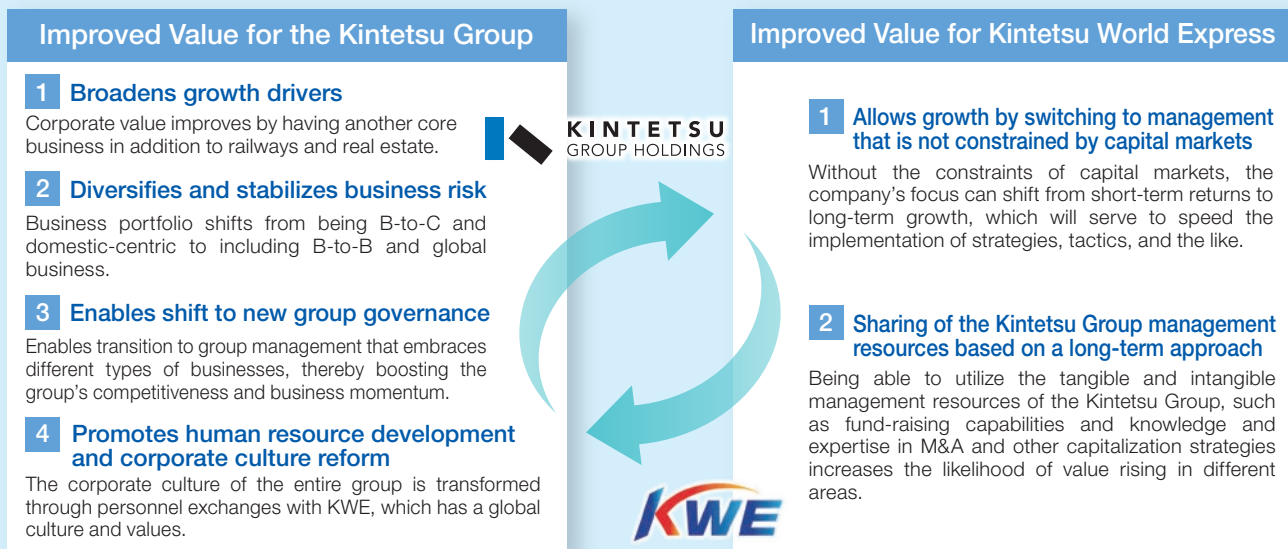
We are aiming to strengthen the risk tolerance of our business portfolio through M&A and other initiatives. We are also incorporating international logistics as a core business and expanding the scope of our business activities (global, B-to-B, not reliant on the physical movement of people) to transform our business portfolio.



Kintetsu World Express Becomes a Wholly-Owned Subsidiary

Objective of Acquiring Ownership

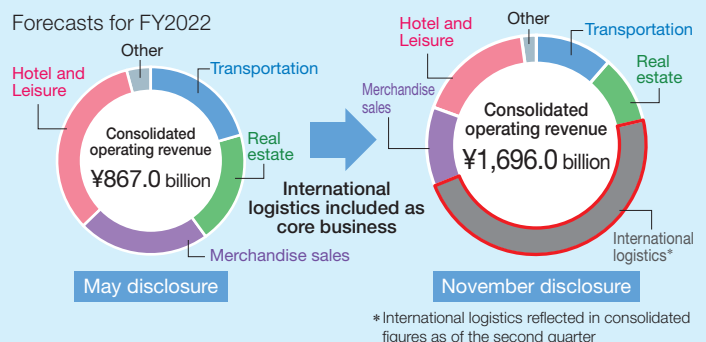
To increase the value of both KWE and the Kintetsu Group by further deepening their collaboration



Financial Impact (approximate values)

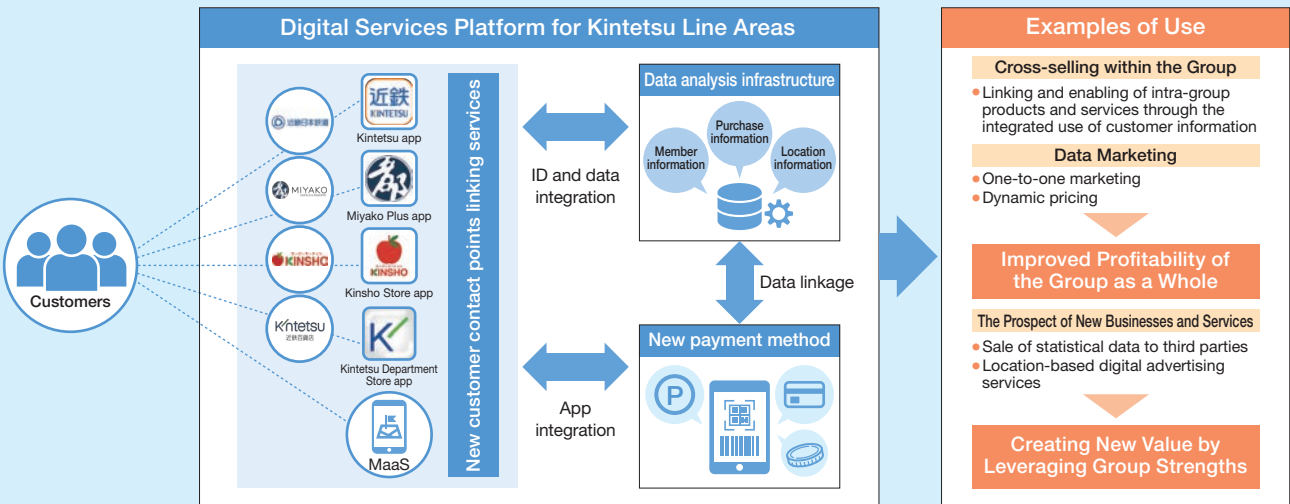
- 1 Increase in interest-bearing debt: approx. 270 billion yen
 - Acquisition funds for making KWE a wholly-owned subsidiary: approx. 160 billion yen
 - Interest-bearing debt of KWE to be consolidated: approx. 110 billion yen
- 2 Increase in cash and deposits: approx. 130 billion yen
- 3 Gain on step acquisition: 47.5 billion yen (recorded as extraordinary income)
- 4 Impact on our consolidated financial results in FY2022
 - Increase in consolidated ordinary profit of approx. 15 billion yen
 - (After taking into account amortization of goodwill, etc., interest expenses, decrease in equity in earnings of affiliates, etc.)

Change in operating revenue by segment



Developing a Digital Services Platform for Kintetsu Line Areas

The Digital Services Platform for Kintetsu Line Areas aims to provide customers with improved conveniences while establishing many points of contact with consumers, new payment methods, and infrastructure for data analysis. In addition to consolidating data within the group, the sharing of user IDs across the group from the apps of individual companies will facilitate smooth use of group services and contribute to increased revenues.



3 Update to Medium-Term Management Plan Target Indicators, etc.

We will update the target indicators of the medium-term management plan and aim to release the plan around the spring of 2023. The update will reflect post-pandemic recovery strategies in each group business, railway fare revisions, the impact of KWE's acquisition on the consolidated financials, and our business direction for the future.

Update to Target Indicators, etc.

① Post-pandemic recovery strategies for group businesses

② Revision of railway passenger fares

③ Making KWE a wholly-owned subsidiary

Kintetsu Group Medium-Term Management Plan 2024 (announced May 2021)

Basic Policy

Management reform for the recovery from the COVID-19 pandemic, the development of new businesses and the dramatic growth of the Kintetsu Group

Targets and management indicators

Consolidated indicators	FY2018 results	FY2021 results	FY2024 targets
Operating profit (loss)	¥67.7 billion	¥3.8 billion	¥65.0 billion or more
Interest-bearing debt	¥1.0559 trillion	¥1.06 trillion	Less than ¥1 trillion
Ratio of interest-bearing debt to EBITDA (times)	8.8 times	19.2 times	8-9 times
Equity ratio	19.7%	20.0%	23% or more

* EBITDA = operating profit + depreciation

Reflects impact of fare revision in railway business

KWE Management Plan 2027

Target (long-term vision)

Global Top 10 Solution Partner
A Global Brand Born in Japan

Targets and management indicators

Consolidated indicators	FY2018 results	FY2021 results	FY2027 targets
Operating revenue	¥592.0 billion	¥980.4 billion	¥1 trillion
Operating profit	¥20.7 billion	¥62.4 billion	¥50.0 billion
Air freight	600,000 mt	740,000 mt	Over 1 million mt
Sea freight	700,000 TEUs	710,000 TEUs	Over 1 million TEUs



Kintetsu Railway Co., Ltd.

We faithfully support our customers' daily lives, particularly through our railway business, and we provide peace of mind and better ways of living.

Business Overview

We possess a total of 501.1 kilometers of track, connecting major cities and tourist destinations across the Kinki and Tokai regions' five prefectures (Osaka, Kyoto, Nara, Mie, and Aichi). Through our operations, we support our customers' daily lives and tourism activities; prior to the COVID-19 pandemic, an average of 580 million passengers used our lines each year.

As part of our leisure business, we also run sites such as Shima Spain Village and Ikoma Sanjo Amusement Park, bringing excitement and joy to thousands of customers living in the areas along our railway lines and elsewhere.

Management Resources

- An operational area that boasts diversity and varied appeal (Osaka, Nagoya, Kyoto, and other urban centers; tourist destinations such as five UNESCO World Heritage sites and two national parks)
- An extensive limited express network
- High levels of trust due to many years of providing safe, comfortable transportation services
- Highly specialist personnel and expertise in supporting trip and interaction in the area

Business Environment

Population declines in the Kintetsu operational area, fueled by low birthrates and the aging society, as well as competition with motorization due to the expanding expressway network, are having a major impact.

As well as these long-standing issues, it is predicted that the drop in demand for transportation brought about by lifestyle changes resulting from the COVID-19 pandemic, particularly for commuting and business trips, is set to become permanent. On the other hand, as pandemic-related restrictions have

come to an end and things are returning to normal, demand for tourist-related travel and going out is forecast to expand. As a company with significant tourism resources in its operational area, this presents us with a massive opportunity. To take advantage of this chance, we will work on measures to stimulate demand for tourism and going out, including by publicizing the appeal of tourism in the operational area and by running sightseeing limited express trains. We are also making efforts to achieve carbon neutrality, a global trend. Rising awareness of sustainability is an excellent opportunity to gain recognition for the value presented by railways, which are energy efficient and highly efficient means of transport. I would like to see us grasp that chance.

Business area along Kintetsu lines



Takashi Tsuji
Representative Director and President



Future Ideal

We create an operational area full of wonders, as a company loved and chosen by people.

Providing safe, comfortable services, while working with the bright areas along our railway lines.

Messages from
the Top Management

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Future Direction

The business environment we find ourselves in is an extremely challenging one, and we have made unceasing managerial efforts—including implementing a variety of measures designed to stimulate demand, and reducing costs by raising the efficiency of our operational framework. However, under current circumstances, this will not be enough to maintain our safe, comfortable transportation services.

As such, to continue sound business operations, in September 2022 we received approval from the Minister of Land, Infrastructure and Transport to begin implementing passenger fare revisions, which we will do in April 2023. The average price increase will be 17.0%, and in the three years from fiscal 2023 to 2025, we predict total increased revenue of around 47 billion yen. Utilizing that increased revenue, we plan to make capital investments of approximately 86 billion yen over three years. As continuing strengthening measures, we will keep making strides in maintaining the soundness of our equipment and infrastructure, measures toward safety and disaster preparedness, beautification of stations, renovation of existing rolling stock, and our acceleration of efforts to improve accessibility. To this, we will add new

measures: we will promote updates to general rolling stock, measures to improve in-car security, the introduction of next-generation sales devices, and more besides.

The role of the railway operator is not limited to transporting passengers to their destinations safely and comfortably. Our duty is also to create interaction between people, contribute to community development where stations are at the heart of the hustle and bustle, and add to the development and happiness of the region through our business operations.

As an expression of that desire, we have formulated our future ideal as the creation of an operational area full of wonders, as a company loved and chosen by its customers. To achieve this, we need to provide our customers with continually better services that resonate with them. We must also run our business in a way that is sound and sustainable. To that end, we will make the most of our management resources, first and foremost the many and varied charms of our operational area, and develop the area along Kintetsu lines as one full of dreams in cooperation with a shining region.

Through repeated efforts like these, we will provide all those who bring us their custom with safe, comfortable services, and will fulfill our mission as a public transportation provider going forward.

Main Capital Expenditure (FY2023–2025)

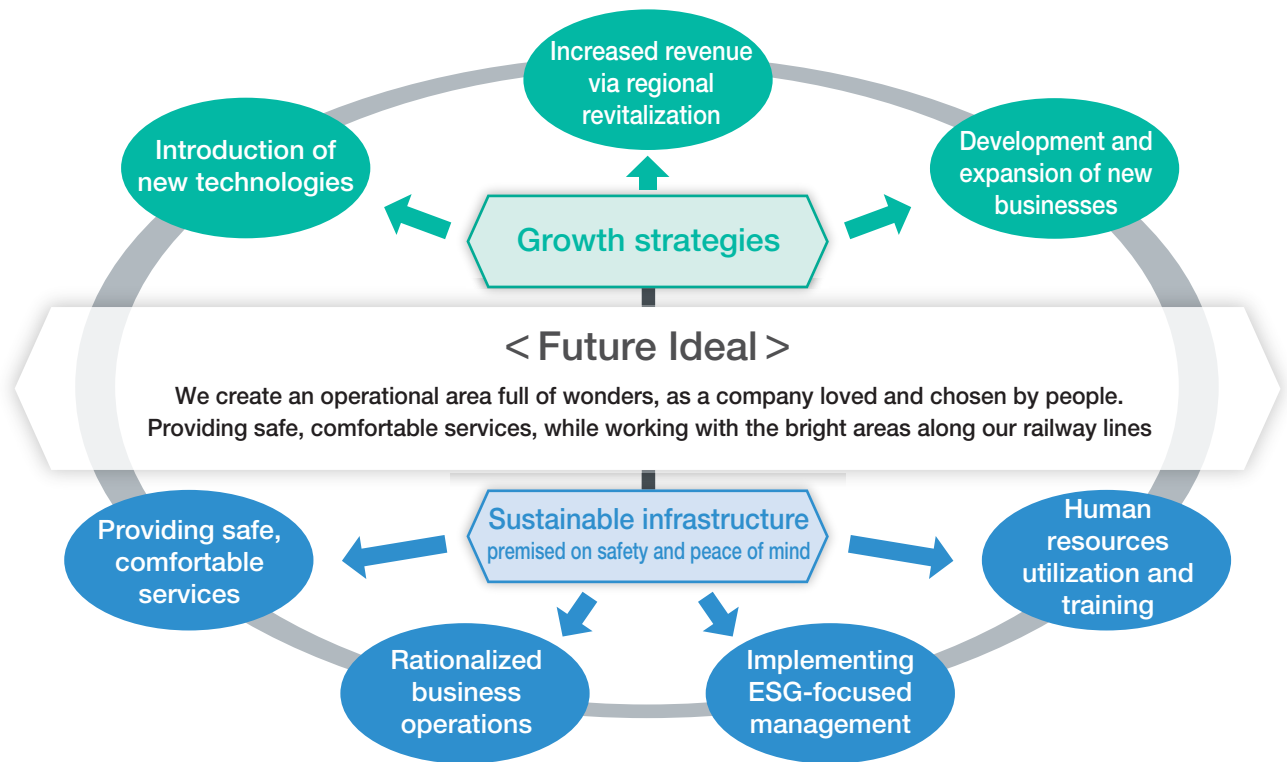
Continuing improvement measures

Equipment and infrastructure maintenance	¥24 billion	Acceleration of accessibility improvements	¥6 billion
Safety & disaster preparedness measures	¥12 billion	Greater efficiency via DX and remote operations	¥4 billion
Station beautification & renovation of existing rolling stock	¥11 billion	Regional revitalization, etc.	¥2 billion

New measures

Updates for existing general rolling stock, in-car security measures	¥18 billion
Introduction of next-generation sales devices	¥6 billion
Forward-looking technology development	¥3 billion

Measures/Initiatives toward the Future



Sustainable infrastructure premised on safety and security

While disasters are becoming more severe and railway facilities are deteriorating, the demands and expectations of society toward railway services such as accessibility and security are growing.

In such circumstances, in order to continue providing safe, comfortable transportation services, we will continue to make investments toward accessible facilities, safety and disaster preparedness measures, and other areas.



Accessibility (installing elevators)



Earthquake-proofing work



Embankment strengthening

Introduction of new general rolling stock

From fiscal 2024 onward, we plan to introduce new general rolling stock.

These new railcars are designed to be beneficial for both customers and the environment, and we plan to make them more comfortable by promoting in-car security measures, energy-savings, and accessibility.



Growth strategies

Operation of sightseeing limited express, AONIYOSHI

On April 29, 2022, we started operations of AONIYOSHI, a sightseeing limited express that runs between Osaka-Namba Station, Kintetsu-Nara Station, and Kyoto Station.

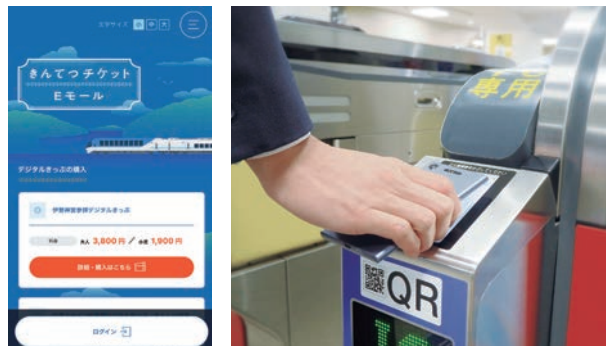
As well as catering to the needs of users, such as those for whom riding a train is a journey in itself or for in-bound tourists, the train offers a new kind of travel featuring direct journeys between the three cities of Osaka, Nara, and Kyoto.



Introduction of digital ticket services

In March 2022, we introduced a digital ticket service that utilizes QR codes, which allows users to enjoy seamless travel, from purchase to use, via their smartphones.

Going forward, we will increase the number of stations where these can be used, and the variety of digital tickets available, and will endeavor to make travel even more comfortable and even smoother.



SDGs topics

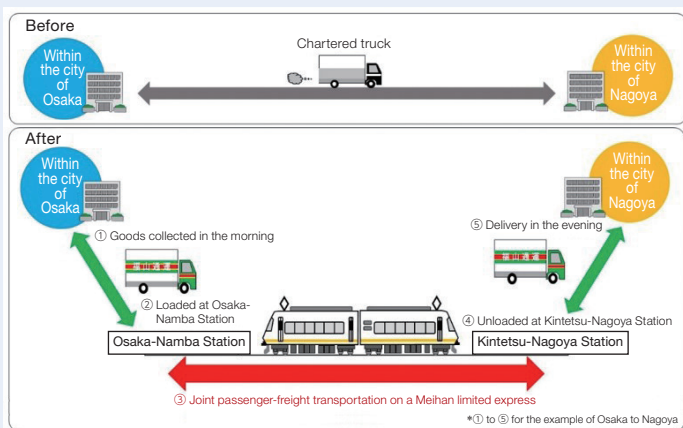
Encouraging energy-savings and CO₂ reductions

Joint passenger-freight transportation using limited express trains

We are working on joint-passenger transportation so as to make effective use of empty space on our limited express trains. Through this business, we can deliver goods on the same day they are sent, which is more convenient for the user and also the modal shift involved aids with driver shortages and efforts to reduce CO₂ emissions. This initiative has been highly praised and in September 2022 we received an official commendation from the Kinki District Transport Bureau for excellence in environmental conservation in the transportation industry.



Joint passenger-freight transportation using the Urban Liner



Revitalizing Kintetsu's operational area with local communities

Renewal of Harinakano Station

We have signed a collaborative agreement with the local authorities in Higashisumiyoshi Ward, an area in the city of Osaka, and we are deepening our cooperation with the ward. As the nearby Nagai Park and Nagai Botanical Gardens are undergoing renewals, we have added a tagline to our Japanese station name signs at Harinakano Station. Moreover, in collaboration with Yanmar Holdings Co., Ltd., we have renovated the station's platforms, concourse, and toilets. We are also working to add digital signage and spaces to promote regional revitalization.



Operation of cycling trains

In hand with local authorities and tourist associations along our lines, we are now running cycling trains—trains on which passengers can bring their bicycles without an additional fee or need to book in advance—between Matsusaka Station and Kashikojima Station, and on the Tawaramoto Line. By offering a new way of going for days out that fuses train and bike, we endeavor to revitalize these regions and spread the word of their appeal.





Kintetsu Real Estate Co., Ltd.

Our business covers everything from managing office buildings or commercial facilities to supporting where people live. This allows us to make lifestyle proposals that fit in to changing ways of living.

Business Overview

As a comprehensive real estate developer, we have expanded in a wide range of fields centered on the areas along Kintetsu lines, including residential area development, condominiums, real estate brokerage, renovation, office building leasing, the running of commercial facilities such as ABENO HARUKAS, agricultural business, solar power business, and golf course business. The company also promotes effective use of all of the properties owned by the Kintetsu Group.

Management Resources

- A history spanning more than 50 years and a track record of supplying more than 130,000 condominiums and homes
- Possession and operation of facilities that act as regional bases (ABENO HARUKAS, Ten-Shiba, etc.)
- Network of 27 Plat-HOME (platform) for Housing and Living integrated sales bases along Kintetsu lines
- Expertise about the effective use of land depending on the location (agriculture, solar power, business under elevated train tracks, etc.)
- Human resources with diverse qualifications and skills

Business Environment

In the real estate industry, the COVID-19 pandemic has changed people's lifestyles and this has led to greater interest in living environments. As such, in the residential business the number of transactions involving both new and existing properties is increasing, as is demand for renovations. For our company, too, we are responding to changes in customer needs after the pandemic, promoting an urban-center condominium

sales business, and contributing to regional revitalization in the areas along Kintetsu lines.

In the office leasing market, the spread of remote working has led to trends in higher proportions of empty rooms and drops in asking rents. We have seen some evidence of this in our own business. However, we have started a new business that makes deals in real estate liquidity, and by accumulating knowhow in real estate securitization and applying this to future business development, we will strengthen our revenue base.

Future Direction

The COVID-19 pandemic caused very rapid changes to the structure of society. Coupled with IT technological advances, new business fields are coming into being in the ways people work, live, and spend their leisure time. We are seizing this business opportunity, and proposing new lifestyles adapted to various senses of values, while also raising the appeal of our operational area.

Through verification tests of Ise-Shima workations and other efforts, we have started initiatives aimed at responding to new ways of working. We will also move forward with our redevelopments focused on making the areas around major stations on our lines as compact cities. With regard to the growing number of vacant plots and houses, through business activities such as buying and reselling, we are strengthening our ability to act as real estate brokers. Meanwhile, we are pressing forward smoothly with our renovation business, and will promote community development in our operational area, particularly centered on our Plat-HOME (platform) for Housing and Living integrated sales bases.



Takahisa Kurahashi

Representative Director and President



Future Ideal

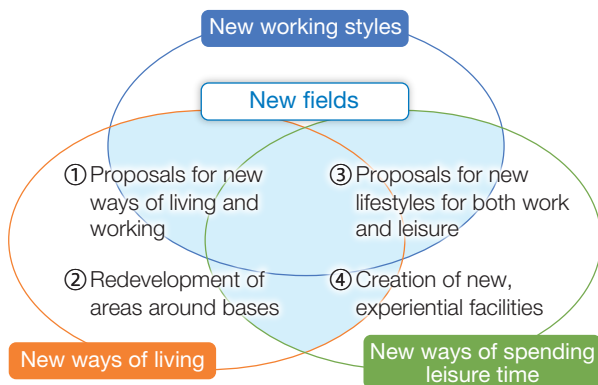
Our role will continue to be as a platform that can offer better home and daily lives by supporting prosperous lifestyles for all.

We will propose diverse ways of living and create platforms that form the basis for new ways of living, working, and enjoying leisure time.

Messages from
the Top Management

Measures/Initiatives toward the Future

Expanding the business to cater to new lifestyles and adapting to this new age, without limiting ourselves to the conventional real estate framework



① Proposals for new ways of living and working

- Expanding Plat-HOME (platform) for Housing and Living, sales bases that integrate real estate brokerage, renovations, and our detached home business (27 stores along our lines)
- Developing homes with integrated garages (K·BLOC) to make effective use of land underneath elevated train tracks or unused land

② Redevelopment of areas around bases

- Concentrating capital investments in our bases in our operational area, incorporating concepts such as “smart cities,” “compact cities,” and “eco-cities,” to raise the population of residents and visitors

③ Proposals for new lifestyles for both work and leisure

- Promoting the workation business in the Ise-Shima region
- Highlighting new ways of enjoying golf courses, where those on their own can also enjoy the outdoors

④ Creation of new, experiential facilities

- Shifting Kintetsu Hamajima Country Club, which we currently run, to a complex that makes use of the spectacular natural surroundings (scheduled to open in 2024) to offer visitors outdoor experiences, and contributing to the prosperity and revitalization of the Ise-Shima area
- Beginning the K·DogSpa business, a new self-service facility for dog lovers

Strengthening the housing business

- By linking the three businesses of real estate brokerage, renovations and detached homes, we will form a cyclical model that incorporates stages from gathering real estate information to purchases, rebuilding work, and sales; at the same time as enacting measures for empty homes and land, this contributes to regional revitalization
- Unifying in-house information gathering about customer needs and other topics, putting in place DMP (an information management platform), and—by utilizing that information—providing customers with attentive and timely services

Challenging ourselves to take on new business fields

- Creating a new Kintetsu operational area as a virtual space—as part of a metaverse-based business, and based on resources the Kintetsu Group has gained in real life—to bring about synergies between real and virtual, and develop new market value for the area

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Promoting the development of Kintetsu operational area bases

Using the Kintetsu Group's combined strength, we will promote the redevelopment of the operational area based on its characteristics, scale, and issues. In particular, we aim to pursue sustainable community development adapted to each project's individual traits, which might involve concepts such as “smart cities,” “compact cities,” or “eco-cities.” In the spring of 2023, we plan to open a new facility—based on a concept of a commercial facility that brings together people, town, and greenery—to the south of Yamato-Saidaiji Station. We also hope to recall the type of connections people have slowly lost with the move to nuclear families and the effects of the COVID-19 pandemic, to provide richer lifestyles where people support one another.





Kintetsu World Express, Inc.

Contribute to the development of a global community through logistics services by creating new values, sustaining the environment and collaborating with our clients, shareholders and employees

Business Overview

We provide comprehensive international forwarding solutions to customers around the globe. Air freight has been our core business from the beginning, and we now rank among the top ten in the world in volume. We also handle a wide range of sea freight in partnership with major ocean carriers. Our contract logistics services include inventory management and value-added services as well as transportation to and from warehouses worldwide. And we work closely with KWE Group company, APL Logistics Ltd (APLL), to offer customized, flexible solutions for all kinds of supply-chain challenges.

Management Resources

- A diverse staff of 18,277 employees in 45 countries
- Over 50 years of experience in providing high-quality logistics services that prioritize the customer's needs
- A global network in 687 locations, 304 cities, and 45 countries
- Service quality certified to international management and security standards
- Highly competitive, continuing growth in freight volume, now at 740,000 metric tons air freight and 710,000 TEUs sea freight annually

Business Environment

The recovery of the global economy with the slowdown of the COVID-19 pandemic in fiscal 2021 and new technological innovations have driven significant growth in international transportation demand. At the same time, shipping and sales costs have continued to rise with the short supply of

capacity, and our company recorded our highest profits ever two years in a row. However, we continue to face an uncertain business outlook with ongoing supply chain disruptions due to supply constraints, the Russia-Ukraine conflict creating new geopolitical risks, the soaring rise of prices for critical resources, and global economic inflation.

Future Direction

We are now a wholly-owned subsidiary of Kintetsu Group Holdings.

Being prepared to respond flexibly to the long-term fundamental changes that global supply chains are now undergoing is key to handling crises that may arise in the future.

We are collaborating closely with the Kintetsu Group, sharing and leveraging business resources to meet diverse logistics needs in this rapidly changing business environment as we move forward toward our long-term vision of becoming a Global Top 10 Solution Partner — a Global Brand Born in Japan.



Nobutoshi Torii
President and Chief
Executive Officer



Long-Term Vision

Global Top 10 Solution Partner — A Global Brand Born in Japan

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Action on sustainability material topics

We have identified the six materialities of the KWE Group, which are topics that are of high importance to both stakeholders and society, the economy, and the environment, using objective indicators. Currently, KWE is working to set and implement measures and targets for each materiality.

1 Anti-Corruption

Targets

- Promote communication about anti-corruption policy and procedures
- Identify risks of misconduct in the workplace, identify confirmed cases of misconduct, and implement appropriate measures

Initiatives in FY2022 and proposed future measures

- Conducting group-wide compliance training to increase employee understanding of compliance
- Implementing the KWE Group integrated whistleblowing system

2 Data Security

Targets

- Strengthen IT security/architecture
- Raise IT security awareness

Initiatives in FY2022 and proposed future measures

- Continuing cyber-security measures
- Continuing employee training
- Planning and implementing periodic security assessments
- Continuing risk reduction for data center, server, network, and other risks

3 Diversity and Equal Opportunity

Targets

- Promote appointment of women to management positions
- Promote recruitment from minority groups
- Promote employee education on human rights and equal opportunity

Initiatives in FY2022 and proposed future measures

- Setting diversity and inclusion policy and regulations
- Continuing to promote advancement of women to management
- Continuing to promote hiring from minority groups
- Continuing to promote human rights and equal opportunity training

4 Emissions

5 Energy

Targets

- Reduce CO₂ emissions
- Promote clean energy use

Initiatives in FY2022 and proposed future measures

- Switching Japan HQ office electricity use to 100% renewable energy sources
- Performing scenario analysis based on TCFD recommendations
- Releasing the KWE CO₂ Calculator estimating emissions associated with freight transport
- Increasing participation in SAF programs
- Continuing to shift from engine fuel-powered forklifts to electric ones
- Continuing to promote rail transport
- Continuing to reduce paper use
- Updating air conditioning equipment at No. 4 Baraki Terminal
- Shifting to LED lighting inside Yokkaichi Terminal, No. 4 Baraki Terminal, No. 2 Baraki Terminal, and Narita Terminal
- Updating to high efficiency elevators at No. 2 Baraki Terminal and Osaka Nanko Terminal



Container transported as is by truck

6 Social Impacts in the Supply Chain

Targets

- Fulfill ethical, social, and environmental responsibilities in the supply chain

Initiatives in FY2022 and proposed future measures

- Continuing to inform vendors of the KWE Vendor Code of Conduct
- Creating guidelines for safety and health, labor, vendor management, and environmental compliance
- Monitoring and surveying vendors



Kintetsu Department Store Co., Ltd.

We will create and offer new value in response to drastic changes in our customers' lives.

Business Overview

Centered on the Kinki and Chubu regions, we currently manage ten department stores: Flagship store ABENO HARUKAS, Uehommachi, Higashi-osaka, Nara, Kashihara, Ikoma, Wakayama, Kusatsu, Yokkaichi, and Nagoya; together with three commercial facilities: Abeno and, Hoop, and Uehommachi YUFURA. While expanding the number of stores we run in the food, home, and service industries—predominantly through franchising, as seen in our Hands, FamilyMart, and SEIJO ISHII stores; we are also working to create new businesses, one example being online stores aimed at both domestic and foreign customers.

Management Resources

- Expertise in sales and attracting customers, as well as Kintetsu brand value
- Regional network covering the Abeno/Tennoji area, Nara, Wakayama, Mie prefectures, and others.
- 1.9 million registered customers (KIPS cardholders, Kintetsu Tomonokai members, out-of-store customers, etc.)
- 2,225 group employees (as of February 2022)
- 13 directly managed or operated commercial facilities

Business Environment

The global situation is becoming increasingly uncertain due to factors such as the conflict in Ukraine and tensions between the U.S. and China. In addition, consumer awareness and values have undergone significant changes due to the COVID-19 pandemic. People's needs to improve their lifestyles, not just in terms of clothing, food, and homes, are changing to more ethical consumer behavior. At the same time, we have seen customers move away from the homogeneity of conventional department stores, particularly with regard to fashion and apparel. If we keep treading the same old path, we will lose the value we offer society, and we feel this sense of crisis.



Takuji Akita

Representative Director
and President

Future Direction

I would like department stores to be places that can discover value that meets their customers' preferences and get them excited about shopping. We should go back to the drawing board to discover the department store raison d'être, and take on the challenge of creating new customer bases and new value.

Therefore, we have greatly reviewed our merchandising strategy and have been working on "Scrambled Merchandising," which combines fashion (our specialty) with food and home-related goods, in order to expand our reach to new customer demographics. On the other hand, each store has been promoting "community co-creation" activities to discover and showcase the appeal of the local area. In the future, having run trials with Dosanko Plaza, which is officially recognized by the Hokkaido government, we want to collaborate with various regions across the country, and through efforts such as running shops that specialize in a particular region's goods, we will discover local specialties and publicize those to boost development. We also aim to make promoting the value of regions along our railway routes and throughout the country a core element of our "Scrambled Merchandising" strategy.

Going further, as part of our efforts to promote ESG management, we are also taking on the challenge of agricultural business. We will produce high value-added agricultural products by utilizing digital transformation (DX) and work with local producers to build a network from production to sales, promoting regional revitalization by establishing "urban road stations." Moreover, we will link with the Kintetsu Group's many different products, experiences, and services, with our out-of-store staff acting as concierges to propose the value of those offerings and enhance the richness of our customers' lives.



Future Ideal

A platformer that enriches life

We will develop ourselves as a lifestyle platform that helps bring about a more sustainable society; by providing consumers with comprehensive services, we will create richer, in other words more worthwhile, ways of living.

Messages from
the Top Management

Measures/Initiatives toward the Future

We will reform and develop the main store ABENO HARUKAS as an urban department store with a focus on value, and rebuild cooperative relationships with nearby commercial facilities.

The main store will be a center of discovery and surprise that draws in customers from a very wide area.

- Strengthening our special selection (luxury) zone
- Increasing value by placing importance on seasons for food and confectionary sales locations
- Using “Scrambled Merchandising” on central floors

In fiscal 2022, we undertook some remodeling on our fashion floors. With “Scrambled Merchandising,” we have added food, lifestyle-related miscellanea, as well as cafes and workshops that bring people in. In the future, we will continue to evolve the store and tie this into drawing more customers to the central floors.



“Scrambled Merchandising” at Irodori Marché

“Hoop” complements the main for luxury foods, bringing together select products that can only be found here. Meanwhile, “Abeno and” will be reformed as a venue for high-quality lifestyle proposals aimed at the increasing number of young families that live nearby.

Developing “town centers” around stores in key regional cities or suburbs

- Accurately grasping the region’s and customers’ needs and, with a focus on seasonal foods, adding “Scrambled Merchandising” on central floors and features such as specialist stores and local government and community functions on upper floors. By doing so, we are developing “town centers,” with the goal of carving out an indispensable role in each region.
- At our Nara store, in the fiscal year 2022, we will expand and renew the “Yamatoji Shop” and “Nara-ni-yoshi” zone to promote the attractiveness of Nara. On the fashion floors, we will implement “Scrambled Merchandising” by introducing “Dosanko Plaza,” the miscellaneous lifestyle goods retailer “Humpty Dumpty,” the fruits café “Fruit Full Café,” and “Kaldi Coffee Farm.”



Nara-ni-yoshi



Dosanko Plaza

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Advancing the franchising business

- Going forward, we aim to expand our business areas by working on our restaurant and home center businesses, among others, while also focusing our management resources on high-profit businesses through product portfolio management.

From regional co-creation to rural revitalization

- In addition to researching digital transformation (DX) in primary industries such as agriculture, we are promoting collaboration with regional and rural governments and producers to establish new businesses that will contribute to regional co-creation and rural revitalization
- Taking on the challenge of agricultural and aquaculture businesses
- Developing Haruchika Marché, which sells and sends fresh vegetables to urban areas
- Developing Dosanko Plaza, a line of shops that specialize in a particular region’s goods
- Cooperating with regional department stores to run a website that introduces region-specific items and other goods, among other measures

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Clothing recovery project

Since 2021, our stores have been running a project to recover clothing that is no longer needed. This project has been carried out with Shoichi Co., Ltd., allowing the unwanted items that customers drop off at our stores to be used as part of Shoichi’s volunteer projects and to be donated to facilities such as orphanages or special needs schools in Southeast Asia. From when the project began in August 2021 to October 2022, all of our stores combined had received around 33,000 items of clothing. Through this project, we are working hand in hand with our customers to bring about a recycling-oriented society.



KINTETSU RETAIL HOLDINGS CO., LTD.

Through the retail and restaurants businesses, we create futures that excite to support customers' lifestyles.

Business Overview

Kintetsu Retailing includes a number of businesses, mostly within Kintetsu Railway stations. These include convenience stores, high-quality food supermarkets, and retail store and restaurant management. It also covers the management of tenants' in-station stores and the Time's Place shopping mall, and of roadside service stations alongside expressways. In recent years, we have gone into new business areas such as craft beer or, with the aim of revitalizing our regions, irodori kintetsu, a business that discovers, processes, and sells desirable products from those regions.

Kinsho Store, meanwhile, has expanded to operate a total of 37 Supermarket KINSHO and Harves stores that offer highly appealing products and services, particularly along Kintetsu lines and in the southern part of Osaka Prefecture.

Management Resources

Kintetsu Retailing

- Business expansion in convenient locations inside train stations
- Development of original-brand stores in the restaurant business, such as Edogawa, Hyakuraku, and Caffè Ciao Presso
- Wealth of operational expertise in diverse industries and operational models

Kinsho Store

- Brand recognition and trust from society backed up by more than 65 years of sales
- Ability to provide fresh perishables that offer safety and peace of mind, particularly those processed in-store
- Business expansion in convenient locations close to or inside train stations

Business Environment

Due to the COVID-19 pandemic, the number of people dining out together at restaurants dropped, but demand for takeout grew and sales in the e-commerce market have continued to grow. These and other trends show how customers' consumer behavior has undergone great change. On the other hand, changes in lifestyles and the advances of digitalization are opportunities to create new contact points with customers or

new businesses. As such, we have been expanding our efforts to develop and expand e-commerce websites, create unmanned stores, promote sales that use apps or signage, place orders for products that utilize AI, and other initiatives.

Future Direction

Kintetsu Retailing's mission is to pump life back into in-station and station-vicinity shopping experiences, and so the development of the Kintetsu operational area is essential for our growth strategies. That is why we are working to publicize the wonders that the area along our lines has to offer through measures such as expanding our store openings at Yamato-Saidaiji and Ujiyamada stations, and developing our irodori kintetsu brand, which sells goods produced in the area. In our craft beer business, we will strive to introduce stores with limited staffing and online sales, while for restaurants we will develop chef-less stores will seek to develop, and seek to expand sales channels for, takeout dishes.

Through Kinsho Store, we will endeavor to create "personalized" stores that customers will select creating points of difference from our rivals in the fiercely competitive supermarket industry. We have shifted from a focus on price to a focus on value through the development of our private brand "Harves Quality" products. In addition to our proposal-based sales activities—such as by proposing menus on sales floors and by providing information through apps—we will strengthen other services, too, including our online and mobile supermarkets.



Shigenobu Oya

Representative Director
and President



Future Ideal

Kintetsu Retailing

We will become a local developer for in-station and station-vicinity stores.
By making the areas within and underneath train stations more fun and more appealing, we will produce exciting, lively places to visit.

Kinsho Store

We want to be a lifestyle partner that brings customers abundance to their dining tables.
We will propose high-quality products, services, information, and dishes to make life richer.

Messages from the Top Management

Measures/Initiatives toward the Future

Kintetsu Retailing Developing takeout dishes at Hyakuraku Yamato-Saidaiji

- The Chinese cuisine brand Hyakuraku has been around for 60 years, and as a new initiative that takes advantage of its strengths, in April 2022, we opened a Hyakuraku takeout store at Yamato-Saidaiji Station that focuses on dim sum, including steamed pork buns, gyoza dumplings, and steamed *shumai* dumplings.

Future plans

- Expanding sales channels for frozen foods via online sales, vending machines, and wholesalers
- Developing brands around products, and taking on the challenge of franchising



Kinsho Store Use of IT technology and streamlining of logistics

- Investigating expanding the automatic ordering—which works off sales predictions using AI—that we have currently introduced for tofu and other items in the daily foods category, to prepared food categories
- Investigating expanding process center functions—which gather and process meat, salted salmon and similar items—and using them for all fresh foods and prepared food products



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Kintetsu Retailing

Aiming for superior workplaces

One of our duties, as a company involved in store operations that is supported by its many employees, is to aspire to ensuring all employees can work in good health and safety, and to that end we implement a wide range of initiatives. At head office departments, in April 2021 we introduced a flextime system and working from home. In terms of employee health, in May 2022 we set ourselves health management target, and in August that same year we established an external helpdesk for health-related matters. That same August, we also made it possible for parents to use paid leave they had accumulated to look after their children, so as to support their raising children and balancing work. In the future, too, we are aiming to develop workplaces where anyone can find it easy to work, and we will be taking strides in putting in place a working environment that supports that.



Kinsho Store

Environmentally friendly wooden spoons and paper straws

In July 2020, we stopped giving out disposable plastic bags for free, and as well as encouraging customers to bring reusable bags, we have been providing disposable bags containing biomass materials, and charging for them. Also, in April 2022, we started gradually switching our disposable plastic spoons and straws to ones made from wood and paper respectively, which we provide without charge. We use notices and similar to ask customers to only take as many as they really need, so as to help us make more effective use of resources, and we are working to reduce the amount of overall amount of plastic we give out each year.





Kintetsu Miyako Hotels International, Inc.

We create a heart-warming time with a subtle and graceful sensibility.

Business Overview

From city hotels to resort hotels and traditional Japanese inns, we operate 22 facilities with a total of around 5,400 rooms inside and outside Japan, providing attractive service to our guests.

We have inherited the Miyako brand's reputation for being able to meet guests' diverse needs, and we continue to deliver "heart-warming time with a subtle and graceful sensibility" to our guests.

Management Resources

- Hospitality inherited from 130 years of tradition
- Historical hotels rooted in the region
- Around 5,400 guest rooms in 22 facilities inside and outside Japan
- Around 90,000 Miyako Plus members (as of December 2022)
- Miyako brand reputation for being able to meet guests' diverse needs

Business Environment

The COVID-19 pandemic has put the hotel industry in a difficult situation. Although the situation is still uncertain, demand is expected to recover due to the lifting of movement restrictions and easing of immigration restrictions. In particular,

the Expo 2025 Osaka, Kansai is a major business opportunity for us. In addition to hotels in Osaka area, which are located near the Expo venues, we will make efforts to take advantage of the strengths of our bases, such as attracting guests to hotels located in Kyoto and Ise-Shima areas.

Future Direction

Kintetsu Miyako Hotels International has developed a hotel business that can meet guests' diverse needs, including city hotels, resort hotels, and traditional Japanese inns.

We have three business categories: Miyako Hotel, which are full-service city hotels; Miyako City, which are casual-service city hotels; and Miyako Resort, which are full-service resort hotels. By continuing to pass on and refine our service, we aim to be the hotel brand of choice for guests.

Going forward, we will promote efforts in the area of management contract hotels' operations, and we will apply the expertise we have gained by working with other companies to all of our hotels. This will enhance our operational capabilities and we will strive to provide hospitality that goes beyond even our guests' expectations.



Takashi Nishimura
Representative Director
and President



Future Ideal

We will improve the attractiveness of Miyako brand and promote the dual-axis management approach with both owned/directly managed hotels and management contract hotels.

We will provide hospitality that has been refined by 130 years of tradition, which continues to evolve in response to the times.

Messages from
the Top Management

Measures/Initiatives toward the Future

Promotion of the dual-axis hotel business management approach

- In 2021, we sold eight hotels to specific purpose companies financed by Blackstone and ourselves, and started to prompt the dual-axis hotel business approach with both owned/directly managed hotels and management contract hotels.
- Owned/directly managed hotels: investigating redevelopment and opening new hotels at assets owned by Kintetsu Real Estate Co., Ltd.; Management contract hotels: assessing proactive expansion in major cities



Sheraton Miyako Hotel Osaka



Miyako Hotel Kyoto Hachijo

Owned/directly managed hotels

- As an investment to raise the brand power of Miyako Hotels & Resorts, prioritizing renovation of guest rooms at core hotels and those with high profitability

Management contract hotels

- Collaborating with Blackstone to improve the value and performance of our hotel business by maximizing their knowledge
- Investigating Blackstone's renovation investment plans for Miyako Hotel Kyoto Hachijo and Hotel Kintetsu Universal City particularly for guest rooms, of which the total amount of investment will be several billion yen

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Shima Kanko Hotel

Publicizing appealing food in collaboration with the local region

Shima Kanko Hotel is located in a land blessed with delicious ingredients from surrounding mountains and seas. And through its Gastronomy campaign, the hotel hopes to share the ingredients' attractiveness with the world through cuisine.

Each month, the hotel holds a Ise-Shima Gastronomy tasting event, at which those involved in the dishes that draw out the full flavor of the local ingredients give talks, and works to convey the appeal and culinary richness of the Ise-Shima region and the wider Mie Prefecture.

One "blue seafood" (a sustainable marine resource) that is farmed in the prefecture is *sujiakonori* (*Enteromorpha prolifera*), a type of seaweed. As well as developing dishes that use *sujiakonori* as an ingredient, chefs are also creating dishes using Taki sustainable salmon—salmon that has been farmed on-land and fed with local ingredients. In the future, in order to protect our finite marine resources, we will be working with those in the aquaculture industry to spread the word about the quality of farmed ingredients.



Ise-Shima Gastronomy banquet



Miyako Hotel Kyoto Hachijo

Collaborating with Kyoto Prefectural Nougai High School Food SDGs Project

We are working on learning and practicing the importance of "food" and "SDGs" (the UN's Sustainable Development Goals) in cooperation with Kyoto Prefectural Nougai High School.

Miyako Hotel Kyoto Hachijo takes eggs, meat, and vegetables that the school has produced, and transforms them into safe, secure food for their guests. This provides the school's students with an opportunity to learn about their responsibilities as producers and about real distribution. The initiative also allows hotel staff to deepen their understanding of agriculture and livestock. By bringing both groups together, not only does it enable local production for local consumption, the effort these people of all ages put into food education contributes to the local food culture and the SDGs.

At present, as a further initiative, we are operating "composting" aiming to circulate food by recycling raw waste.



"Composting" aiming to circulate food



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Blue Planet

KNT High Class

高級旅館・高級ホテルの予約は
近畿日本ツーリストのハイクラスサイト



旅のアバターコンシェルジュ

オンライン(事前予約制)

KNT-CT Holdings Co., Ltd.

We aim to be a “Hybrid Communication Company” inspired by the concept of providing memorable experiences and encounters for people around the world.

Business Overview

Kinki Nippon Tourist (KNT) and Club Tourism (CT) are the two core brands of KNT-CT Holdings Co., Ltd. Since its founding, KNT has provided its customers with the best products through its unique and abundant experiences and achievements, as well as the planning capabilities to provide corporate and business services with human touch communication. CT is a media-based travel agency that has developed unique tours with theme-specific originality.

Management Resources

- Extensive marketing, planning and proposal capabilities, as well as operational capabilities with excellent hospitality which gained through our business operations by our creative and experienced human resources
- Our sales networks and track record of trust with educational institutions, corporations, public agencies and municipal offices
- Membership base of more than 10 million people (CT has 7 million members and KNT has 3.4 million members)
- Nationwide suppliers' network (The “KNT-CT Partners Association” consists of lodging, sightseeing, and transportation-related facilities with around 3,600 facilities, and the “Tabimaru-kai” organization incorporates around 170 companies and 480 agency shops that carry out affiliated sales.)

Business Environment

Customers' needs have diversified as a result of the effects of the COVID-19 pandemic on consumer behavior. There are also concerns that issues such as political instability, soaring crude oil prices, the weakness of Japanese Yen, and other price rises may be here for the long term. Therefore, the future is unclear, and our existing business models find themselves in an increasingly challenging environment.

Under these circumstances, we are working on business structure reforms, reviewing cost structures, promoting DX, and investing in systems to meet new needs. Simultaneously, we are going to expand our BPO business and regional co-creation business to diversify our business portfolio, and to create new businesses. Through such measures, we are working to build a structure that will allow us for sustainable growth.

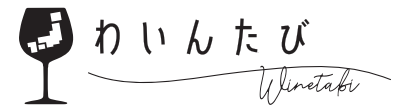
Future Direction

We have been focusing on the travel business, and we are striving to transform ourselves into a new business model which is capable of diversifying customer needs, and achieving sustainable growth under the rapidly changing business environment.

To implement this, we are continuously concentrating on specialized fields in our existing businesses. At the same time, we are establishing and expanding new businesses in travel-related services and proximity areas by leveraging our strengths in the travel business in order to diversify our business portfolio. In addition, we aim to become a “Hybrid Communication Company” that combines highly efficient services using IT and warm human services.



Akimasa Yoneda
President & CEO



Future Ideal

We are the company that provides enjoyments and excitements in variety of scenes in everyday life as well as in the extraordinary.

Organically combining our strengths in the travel business, such as proposal capabilities and know-how with diverse alliance networks, we will provide not only extraordinary pleasures such as travel and events, but also everyday pleasures such as life support.

Messages from the Top Management

Measures/Initiatives toward the Future

Promotion of Avatar DX project

Travel Avatar Concierges

- Offering assistant services through avatar concierges who have special expertise in each destination and theme (as of July 2022: 19 avatars / 11 destinations / 5 themes)

Future plans

- Introducing year-round services available in multiple languages
- In addition to "Pre-Trip," wide-ranging assistant services through "Mid-Trip" and "Post-Trip" will be provided through the application.

Development of VR malls

- Selling products with rich regional flavors and themes from all over Japan
- Utilizing Avatars to introduce the charms of specific destinations and the local products



VR Mall concept

Expansion of the New Club 1000 business

- Offering venues ("clubs") for exchange interests on an online platform, and expanding our communication business that connects like-minded people with their peers and enlivening them with regular events. (15 clubs as of September 2022 ⇒ 30 clubs by the end of FY2022)

- Developing the subscription service "Club Tourism Pass (CTP)" as one of the online platforms since October 2021

Expansion of the regional co-creation business

- Creating a new business model which bring together regional tourism resources and contents, and enhancing destination-based travels rooted in the areas



Signed the "Comprehensive Collaborative Agreement on Tourism Promotions and Regional Revitalizations" with the Nishimeya Village, Aomori Prefecture

Creation of new businesses

Short- and medium-term initiatives

- As the services directly related to travel business, establishing and expanding our on-demand printing, contact center, temp agency, and e-commerce businesses
- Developing a virtual tour business by using VR/AR and AI
- Developing and marketing new future foods that are environmentally friendly to the Earth as a part of SDGs education

Medium- to long-term challenges

- Currently promoting regional development support business, ethical promotion business, and educational development business in business fields related to travel

Overview of the Kintetsu Group

Kintetsu Group's Value Creation

Business Strategies

Initiatives for Materiality

Corporate Information

SDGs topics



Blue Planet (KNT)

In October 2021, KNT launched "Blue Planet," a website selling luxury inns and hotels. The website introduces carefully selected traditional Japanese inns and hotels based on the Group's unique sustainability policy in response to the needs of customers seeking sustainable travel these days.

We intend to further promote this activity and use "Blue Planet" as a platform for the KNT-CT Holdings Group's SDG-related activities and expand it as a brand for SDG-related products and services, such as Club Tourism's universal tours.



The Blue Planet is a brand that represents our sustainability initiatives.



Creating a Lifestyle that Anticipates Changes in Values

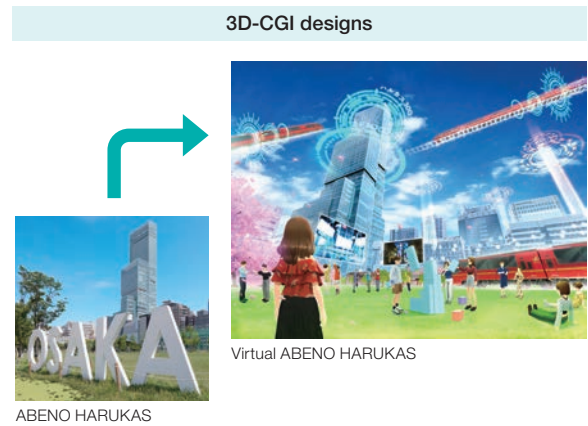
1 Providing value through digital technologies

Launch of the Virtual ABENO HARUKAS on metaverse space

In the spring of 2023, we plan to work with Cluster, Inc. to utilize its strengths in virtual spaces and make ABENO HARUKAS, the focus of many of our resources, the stage for our creation of Virtual ABENO HARUKAS, which will fuse the real and the virtual.

Kintetsu Real Estate Co., Ltd. will take the lead, and collaborate with Kintetsu Railway Co., Ltd., Kintetsu Department Store Co., Ltd., Osaka Marriott Miyako Hotel, and others to trial new business models. Moreover, we provide business incubation functions where young people and creators are free to come up with new ideas at Ten-Shiba, the green plaza we operate in a metaverse space.

Looking ahead, in addition to this urban metaverse, we will also work to bring tourist attractions, suburban districts, and other locations along our lines into the metaverse.



Unmanned stores

In a joint project between Kintetsu Retailing Co., Ltd. and FamilyMart Co., Ltd., in November 2022 we opened a convenience store that uses an unmanned payment—the first shop of its kind in Kansai—on the fourth floor of Fuse Station, on the Nara Line platform. The store, a practical application of an unmanned payment system developed by TOUCH TO GO Co., Ltd., allows customers to do their shopping quickly and without a clerk present.

Kintetsu Real Estate Co., Ltd., meanwhile, has opened two unmanned stores, under the “SMART SPOT” name, since December 2021 to enable online consultations about housing. The company also launched its K-DogSpa business in November 2022. These facilities are self-service spas for dogs, a new service that is perfect for dog lovers to bathe and clean their dogs. There are now three stores open close to Kintetsu stations, including Kawachi-Hanazono Station.



Digitalization of train and bus tickets

At our various train and bus companies, we have considered how they are used and their characteristics, and are promoting digital tickets and cashless payments to make buying and using tickets easier. Recently, we have been undertaking the following measures.

Company	Timeframe	Measures
Kintetsu Railway	Since Mar. 2022	Digital ticket service that uses QR codes (see page 53)
Iga Railway	Since Mar. 2022	Digital travel passes in collaboration with RYDE, Inc.
Yoro Railway	Since Mar. 2022	Smartphone season tickets developed with KINCHAKU Co., Ltd.
Yokkaichi Asunarou Railway	Since Aug. 2021	Transport IC card system and IC season tickets with support from the city of Yokkaichi
Kintetsu Bus	Since Sep. 2022	Bus Mori! smartphone season ticket provided by Wellnet Corporation
Nara Kotsu Bus Lines	From Mar. 2023	Online launch of a cash-based IC card season ticket, CI-CA plus, and start of automatic renewal services
Mie Kotsu Group	Since Apr. 2022	Mie Kotsu Group App with digital tickets available via the app



2 Responses and proposals for various lifestyles

■ New style of rolling stock to meet diverse needs

The new style of general rolling stock that Kintetsu Railway Co., Ltd. will introduce in autumn 2024 is fitted with features that will make them easy to use for various different customers. For example, they will have seats for passengers with baby strollers or large baggage, and there are seats that can switch between facing parallel or perpendicular to the direction of travel. They are made to be more accessible and are fitted with security cameras to provide comfortable journeys.



Spaces for strollers and large baggage

■ Nature Style—a life closer to nature

In the autumn of 2022, Kintetsu Real Estate Co., Ltd. started selling homes with a new concept. This new way of suburban life, a result of lifestyle changes prompted by the COVID-19 pandemic, is known as Ikoma Kikumidai Nature Style and is located in Ikoma, a city in Nara Prefecture. Here, residents can enjoy a way of life that is closer to nature from the comfort of their own homes. We plan to expand this concept from Kikumidai Residential Area to other locations.



Kikumidai Residential Area

■ Garage House, proposals for diverse home lives

In March 2022, Kintetsu Real Estate Co., Ltd. and Kintetsu Railway Co., Ltd. opened K-BLOC HANAZONO, the first garage house on the Kintetsu Line, with 6 buildings and 12 units, utilizing the area under the elevated railroad tracks east of Kawachi-Hanazono Station.

A joint development with DAYTONA HOUSE, we offer a new style of home for diversifying ways of working and living. In the future, we plan to expand this concept to other sites in stages.



K-BLOC HANAZONO

■ Assisting with PTA duties

Since the summer of 2022, Kinki Nippon Tourist Co., Ltd. has been utilizing the experience and expertise it has gained through many years of working closely with educational institutions through its educational travel business, in order to provide contracted PTA services. We plan to expand the range of services we offer, with the aims of reducing the number of tasks that parents, guardians or schools are required to do, so that they can spend more time with children.



3 Food with new value

■ Group collaboration provides fresher vegetables

Since July 2022, we have been transporting fresh vegetables from Kintetsu Farm Hanayoshino (operated by Kintetsu Real Estate) to Haruchika Marché, inside the Kintetsu department store at ABENO HARUKAS, in Osaka via the Sakura Liner limited express. This ensures that they can be sold the very same day as they are harvested. Haruchika Marché has been well received, and in November 2022, another was opened in Kintetsu Department Store, Higashi-Osaka Store.

Example transport flow

Transported by Sakura Liner, around 3 hours from harvest to shopfloor



Kintetsu Farm Hanayoshino



Departs Fukugami Station



Transported on the Sakura Liner



Arrives at Osaka Abenobashi Station



Haruchika Marché

■ Lifestyle-related indicators and targets (KPIs)

Company	Indicator	FY2021 results	Target year	Target
Kintetsu Railway	Introduction of a new style of general rolling stock to meet diverse needs	—	FY2024	40 railcars
Kintetsu Department Store	E-commerce sales	¥5.8 billion	FY2024	Gradual expansion
Kinsho Store	Proportion of total sales of key health products	0.3%	FY2025	3%

Energizing Communities by Enhancing the Network




1 Community development in the areas along Kintetsu lines


Promoting redevelopment projects around stations

Kawachi-Kosaka Station

In the 13,000 m² area we own close to the station, we will consider the local characteristics as we push ahead with a comprehensive development plan (replacing Kosaka Buildings 1-5)




Work to take down Kosaka Building 1



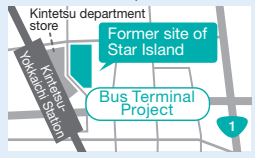
Gakuemmae Station

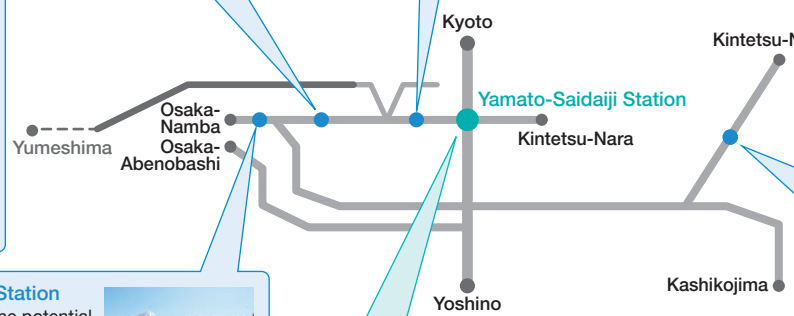
We acquired an approx. 50,000 m² plot of land around a kilometer north of the station, and we are beginning to go ahead with a large-scale residential development plan, which will include more than 500 condominiums and more than 100 house plots.



Kintetsu-Yokkaichi Station

We will promote a development plan that ensures the result becomes a regional landmark, taking into account how best to commercialize the concept of Bus Terminal Project promoted by the Ministry of Land, Infrastructure, Transport and Tourism.





Community development around Yamato-Saidaiji Station

In line with the redevelopment of the area to the south of Yamato-Saidaiji Station, we are working with local authorities and others to promote the integrated redevelopment of station and surrounding area using the land we own around the station, and making the area more prosperous.

Station (Since 2020)

- To match the accessible north-south walkway that Nara City has put in place, we have reorganized the ticket gates, extended the concourse, and in line with our “Kinmirai (Near-Future) Station” concept, made the station a model station for the use of cutting-edge technologies such as AI robot guides.
- We have gradually expanded the Time’s Place Saidaiji in-station shopping mall, and created the VIEW TERRACE, which gives customers a view of the train lines as they eat.



VIEW TERRACE

Station-front plazas (Since 2021)

Nara City has developed plazas in front of the station, on the southside in fiscal 2021 and on the northside in fiscal 2022.

Kintetsu department store (2022)

We renovated the department store as a “regional co-creation town center” with the concepts of strengthening Nara publicity and making the store an indispensable part of regional life.

New commercial facility in front of the station (2023)

We will open a new facility where visitors can feel nature, centered on a lawn plaza, with the concept of a commercial facility where people, town, and nature can interact.



Community development around Nara Medical University Hospital

In November 2022, Kintetsu Railway Co., Ltd. signed a cooperative agreement with Nara Prefecture, Nara Medical University, and Kashihara City for community development in district to the south side of Nara Medical University Hospital. This collaboration between the region and the railway aims to help each other develop sustainably, and working with others involved we will establish a new station in the same area (on the Kashihara Line between Yagi-nishiguchi Station and Unebiryomae Station). We will take active part in this community development project centered on the new station.



Signing ceremony

2 Co-creation for regional bases and contributing to revitalizing local industry

Regional co-creation town centers

Kintetsu Department Store Co., Ltd. is pressing ahead with its shift to making its stores in key regions and suburbs “regional co-creation town centers,” which fuse commercial, lifestyle, and community functions. We have signed cooperation agreements with local authorities, and as well as advancing our discovery and sales of regional goods, we are introducing large specialist stores that cater to local needs and open mixed sales floors that combine clothing, food, and miscellaneous goods. In such ways, we are creating local community spaces.

Store	Timeframe	Characteristics	Agreement with local authorities
Kusatsu	2020	<ul style="list-style-type: none"> Community-based “Plugs Market” and “Oumiji” 	2020: Signed an industrial promotion agreement with Shiga Prefecture
Yokkaichi	2022	<ul style="list-style-type: none"> Community-based “Plugs Market” and “Iseji Terrace” 	2022: Signed an industrial promotion agreement with Mie Prefecture
Nara	2022	<ul style="list-style-type: none"> Community-based “Yamatoji Shop” and “Nara-ni-yoshi” “Scrambled Merchandising” mixing clothing, food, and miscellaneous goods 	—
Kashihara	2022 or later	<ul style="list-style-type: none"> Community space from the village of Yoshino, “Yagimoku Hiroba” Scheduled to introduce the community-based “Plugs Market” 	2021: Concluded a comprehensive partnership agreement with Kashihara City



Iseji Terrace



Nara-ni-yoshi



Yagimoku Hiroba

Expanding the “Plat-HOME (platform) for Housing and Living” integrated sales base network

Kintetsu Real Estate Co., Ltd. has established 27 “Plat-HOME (platform) for Housing and Living” stores and 2 unmanned “SMART SPOT” stores in areas along the Kintetsu lines to provide a one-stop shop for consultations and information about housing—including real estate brokerage, renovations, and detached homes—and other lifestyle-related topics. At the flagship stores in Gakuemae and Hanayoshino, we hold various seminars, culture workshops, and other events and these stores acts as a venue for interaction that can help make lives richer.



Plat-HOME (platform) for Housing and Living

Expanding the “irodori kintetsu” brand of regional produce

Kintetsu Retailing Co., Ltd. is working with producers and processing companies in the Kintetsu operational area through its “irodori kintetsu” brand. This involves developing and selling original regional goods that boast local characteristics.

The desserts, prepared food, alcoholic drinks, and other goods made using local ingredients that we have developed so far as currently being sold at a specialist shop at Osaka-Abenobashi Station.



irodori kintetsu Abenobashi Store

Community development indicators and targets (KPIs)

Company	Indicator	FY2021 results	Target year	Target
Kintetsu Real Estate	Redevelopment projects (Uehommachi, Kawachi-Kosaka, Gakuemae, Yamato-Saidaiji, and Yokkaichi) to increase resident and visitor populations in the development areas	—	FY2023 onward	Monitoring indicators*
Kintetsu Railway	Number of railway passengers	456 million	FY2025	517 million
Kintetsu Department Store	Commercial service facility complexes constructed as part of community development in cooperation with communities and local authorities	Yokkaichi Store, Nara Store (FY2022 results)	FY2024	Gradual expansion of facility numbers
Kinsho Store	Mobile supermarkets in operation	20 (cumulative)	FY2024	30 (cumulative)

* We do not set specific targets, but use indicators to verify results in order to manage progress.

Enriching People and Communities with Travel



1 Ise-Shima Area

Making use of the many resources with which the area is blessed—including Ise Jingu shrine, picturesque coastal scenery, culture of female divers, and rich food culture—we will work with the region to make spread the word about the charms of the area and make proposals for various ways to enjoy it so as to give the whole region a boost.

■ New ways to enjoy Ise-Shima

Developing an outdoor experience complex

Kintetsu Real Estate Co., Ltd. and Kintetsu Golf & Resort Inc. are making Kintetsu Hamajima Country Club an outdoor experience complex, one of only a few in Japan. When it opens in 2024, it will feature glamping and experiential attractions.

The concept for our glamping is that it should be extremely luxurious, where glampers can enjoy time on the grass under the stars, so we will provide a stay that is completely unlike their everyday surroundings. By experiential attractions, we mean facilities such as zip lines that deliver thrills among nature and allow visitors to enjoy a change of air. We have incorporated active elements into the Ise-Shima area and through cooperation between different group companies, we are creating new activity in the region.

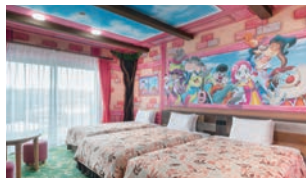


Glamping facility

Renewal of the character rooms at Hotel Shima Spain Mura

In February 2022, we updated the designs in our 20 themed character rooms at Hotel Shima Spain Mura so guests can feel even closer to the characters of the Shima Spain Village theme park.

In addition to special perks unique to the character rooms, guests can also enjoy a special full-course dinner meal themed to the characters.



RV Park at Toba Seaside Hotel

In order to cater to a wider variety of travel styles, in October 2022 the Toba Seaside Hotel opened up an area of the hotel grounds as a fee-charging facility where guests can enjoy sleeping in their campervans.



Note: An RV Park is a facility for guests wishing to sleep in their vehicles, and meets standards set by the Japan Recreational Vehicle Association.

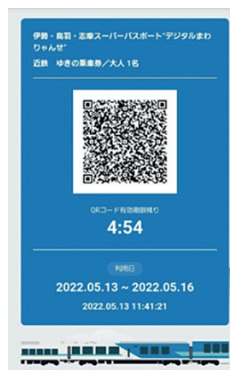
■ Initiatives for smoother travel

Digital ticket services that use QR codes

Kintetsu Railway Co., Ltd. started offering digital ticket services that use QR codes in March 2022, and since then has been gradually expanding the service to include different ticket types. On the service's website, Kintetsu Ticket E-Mail, customers can purchase tickets such as the Ise Jingu Shrine Visit Digital Ticket and the Ise/Toba/Shima Super Passport Digital Pass. They can then hold a QR code displayed on their smartphone screen over scanners on automated ticket gates on the railway. They can also use the code at their destination. This enables them to buy and use tickets and enjoy their trips seamlessly via their smartphone.

Moreover, we are expanding our online sales channels, including offering the Kintetsu Ise-Shima Free Pass on the Central Japan Railway Company's EX Travel Portal website, and the Ise/Toba/Shima Super Passport Digital Pass via the Rakuten Travel Experiences and Jalan websites.

Note: "QR code" is a registered trademark of DENSO WAVE Incorporated.





■ Railway-specific initiatives to strengthen local ties

MEET SMILE! Ise-Shima

In collaboration with several cities, including Ise, Toba, and Shima, we are running a campaign in the Kintetsu area—MEET SMILE! Ise-Shima—from September 2022 to March 2023. The theme for the campaign is smiling faces, and the region is coming together and conveying the charms of the Ise-Shima area and its wealth of nature and good food.

Through the campaign's photo contest, limited-edition train cars, travel packages, and events, we hope to enliven the entire region and attract visitors to Ise-Shima as tourism demands begins to recover following the COVID-19 pandemic.



Opening event



Campaign logo

cocoyan! walking tour video series

Since October 2022, we have been releasing a series of videos on our official YouTube channel. These videos combine maps and footage of spots that locals recommend to suggest walking routes and new ways to enjoy the Kintetsu operational area. The first video to be released was an introduction to Ise Jingu's Geku sanctuary.



Cycling trains

Local trains running between Matsusaka Station and Kashikojima Station now allow passengers to bring on their bicycles without needing to be folded or put in a specialist container. As well as proposing a new style of going out that combines train and bike travel, we are working with rental bicycle shops in the region to encourage cycling tourism in Ise-Shima.

Since September 2022, we will be running these trains almost year-round.



Bargain train travel packages in collaboration with Shima and Toba

Through cooperation with the cities of Shima and Toba, since autumn 2021 and into fiscal 2022, we have been selling discounted train travel packages by which customers can enjoy local foods and aimed to boost tourism demand through our railway services.



Adult travel in the finest of luxury—sales of Kintetsu's custom-made travel packages

Between October 2022 and March 2023, we are selling travel packages that allow customers to enjoy luxurious travel to and within the Ise-Shima area. This special plan involves exclusive tours or similar that boast extraordinary levels of hospitality, with travel courtesy of the Shimakaze limited express and stays at each of five facilities, including Shima Kanko Hotel The Bay Suites.



Private compartment on the Shimakaze, sightseeing limited express



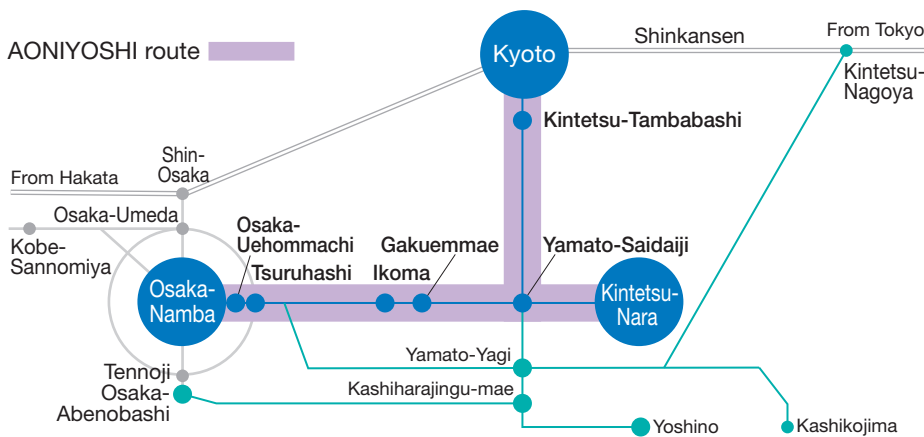
Shima Kanko Hotel The Bay Suites

2 Nara Area

Home to several scattered World Heritage sites and the teeming deer of Nara Park, which is located next to the conveniently placed Kintetsu-Nara Station. Lots of people come from throughout Japan and the rest of the world to experience the old-world feel of Nara and we are working to promote initiatives that convey its wonders.

■ AONIYOSHI, sightseeing limited express

In April 2022, with the goal of capturing demand among domestic and international tourists coming to Nara via Kyoto, we debuted a sightseeing limited express train to run directly between Osaka, Nara, and Kyoto, a service that has been extremely well received. From the moment passengers step aboard the train, their journey into antiquity begins, with an interior design that features designs in the style of Tempyo-period (710–794) art inspired by the treasures of Nara’s Shosoin Repository. In December, the number of return journeys between Kyoto and Nara each day was increased by one, taking the daily total to four return journeys a day.



Publicizing the wonder of the Nara Park area

Nara Deer Trains, wrapped with a graphic design

To make journeys to Nara even more fun, in December 2022 we started operating Nara Deer Trains.

The images that illustrator Gemi created, inspired by the deer and scenery of the area around Kintetsu-Nara Station, have been applied to the inside and outside of rolling stock, resulting in train cars that are a pleasure to ride in. These trains are mainly operating between Kintetsu-Nara Station and Kobe-Sannomiya Station.



Giving Kintetsu-Nara Station a secondary station name: “Nara Park”

Nara Park is within walking distance of Kintetsu-Nara Station, and to make it more widely known how convenient the station is for those wishing to visit the park, in December 2022, we gave Kintetsu-Nara Station a secondary station name, “Nara Park.”



Electric scooter sharing service

Since August 2022, AD KINTETSU CO., LTD. has been recognized under the Ministry of Economy, Trade and Industry’s New Business Exception System, and has been running a trial for an electric scooter sharing service called TabiMO in the center of the city of Nara, the first such business in the prefecture. We will propose new ways of touring tourist attractions and tie it in to regional revitalization.



■ Improving access to Okuyoshino

Nara Kotsu Bus Lines Co., Ltd. has been running some Saturday, Sunday, and public holiday services of Japan’s longest route bus route, the Yagi-Shingu Limited Express Bus, as the Yamakaze sightseeing limited express since October 2022. By shortening the route it runs, the time it takes to get from Yamato-Yagi Station to Totsukawa Onsen, in the south of Nara Prefecture, has been cut down by around 35 minutes to just 3 hours and 50 minutes or so.



Yamakaze, sightseeing limited express

3 New Year visits to shrines and temples along our lines

Kintetsu's railway lines run through Nara, Kyoto and Ise, home to many historical shrines and temples, including Ise Jingu, Kashihara Jingu, Kasugataisha Shrine, and Ohmiwa-jinja Shrine. In the first few days of the New Year, the areas are busy with the many people making traditional shrine or temple visits.

At the beginning of 2023, Kintetsu Railway Co., Ltd. sold special handy tickets for those making New Year shrine or temple visits for the first time in three years and ran local trains all night on New Year's Eve.

In January, we also offered tours using limited express trains that operated a direct service between Hanshin Electric Railway's Kobe-Sannomiya Station and Ise. Nara Kotsu Bus Lines Co., Ltd. and Mie Kotsu Co., Ltd. put on extra buses to provide access from stations, while Club Tourism International Inc. sold shrine visit travel plans to visitors coming to the Kintetsu operational area from all over Japan. The entire group is working to support those making New Year shrine and temple visits or other trips in the area.



Example shrine visit ticket



Ise Jingu



Kashihara Jingu



Kasugataisha Shrine



Ohmiwa-jinja Shrine

4 Promoting business that attract visitors to the region

Kinki Nippon Tourist Co., Ltd. and Club Tourism International Inc. have concluded cooperative agreements with local authorities in regions across Japan to promote activities that raise the number of visitors to each area by utilizing its tourism resources, added to regional revitalization, and contribute to enhancing the lives of the people that live there. We are working to develop tourism in each region, and are planning and selling destination-based travel packages. Moreover, we are endeavoring to offer support for personnel training in tourism-related industries and for sales activities in larger cities. Our aim is to create a model for private companies and local authorities to work together toward countryside revitalization.

In April 2022, KNT-CT Holdings Co., Ltd. announced that it would be working with Kochi Prefecture on discovering new tourism resources and on attracting tourists to the area, with an eye on tourism post-pandemic. In addition, Club Tourism International Inc. and Kinki Nippon Tourist Co., Ltd. have sign cooperative agreements with each of the following authorities, and are pressing ahead with initiatives.



April 2022: presentation of initiatives toward countryside revitalization between Kochi Prefecture and KNT-CT Holdings Co., Ltd.

Cooperative agreements with local authorities since FY2021

In fiscal 2021, Club Tourism International Inc. signed cooperative agreements in the field of tourism, and in fiscal 2022, Club Tourism International Inc. and Kinki Nippon Tourist Co., Ltd. signed comprehensive cooperative agreements relating to tourism recovery and regional revitalization.

Signed	Partner	Signed	Partner
Oct. 2021	Kamikawa Town, Hokkaido	Mar. 2022	Lake Nakaumi/Lake Shinji/ Mt. Daisen Area Tourist Bureau
Nov. 2021	Taito City, Tokyo	May 2022	Shin'etsu 9 City, Town, and Village Tourist Association Alliance
Nov. 2021	Hachimantai City, Iwate	Jun. 2022	Minamiboso City, Chiba Prefecture
Nov. 2021	Nanae Town, Hokkaido	Nov. 2021	Nishimeya Village, Aomori Prefecture

Tourism-related indicators and targets (KPIs)

Company	Indicator	FY2021 results	Target year	Target
Kintetsu Railway	Active measures to attract visitors ① Users of Ise-Shima limited express trains ② Foreign visitors using our trains	① Approx. 1.2 million ② Approx. 4.9 million (Figure for ② is for FY2018)	FY2026	① Aim to return to pre-pandemic levels (FY2018: approx. 2.65 million) ② Aim to return to pre-pandemic levels
	Accessible tourism participants	—	FY2024	350,000
KNT-CT Holdings	Regional efforts to attract visitors ① Number of programs ② Number of passengers attracted/sent	① 10 ② 76,000 attracted/sent to 3 prefectures in the Tohoku region	① FY2025 ② FY2023	① 25 ② 216,000 attracted/sent to 3 prefectures in the Tohoku region
	Peace program & SDGs program ① Developments target ② Proposals target ③ Orizuru Project implementation ratio	—	FY2023	① 25 ② 100% implementation ratio for proposals ③ 20% implementation

Materiality

Contributing to the realization of a decarbonized and recycling-oriented society



In order to contribute to the realization of a decarbonized and recycling-oriented society, we are promoting various initiatives such as energy saving, CO₂ saving, resource saving, and recycling, aiming to achieve the “Kintetsu Group Environmental Targets” formulated for fiscal 2030 and carbon neutrality by 2050.

1 Environmental Management System

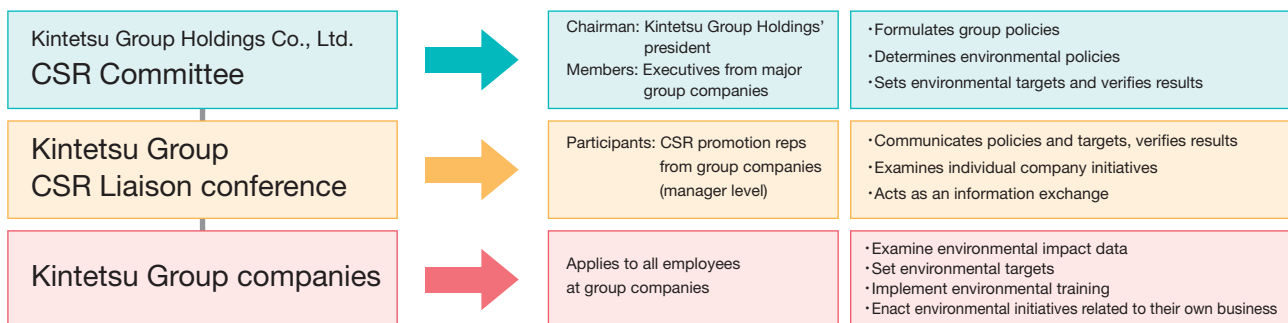
■ Kintetsu Group Environmental Policy

(Created April 1, 2015)

The Kintetsu Group recognizes that protecting the global environment is a vital issue that should be worked toward jointly by all mankind, and therefore aims for environmentally friendly corporate management.

1. We will comply with all related laws and regulations and endeavor to protect the environment.
2. We will work to prevent global warming and reduce our environmental impact through initiatives aimed at reducing energy and resource use and waste, while promoting recycling.
3. We will raise employees’ awareness of the environment through environmental training.
4. We will value the relationship we have with regional communities, and through environmental conservation activities we will make a major contribution to society.
5. We will spread this environmental policy among employees and make it available to the public.

■ The Kintetsu Group’s environmental promotion framework



■ Kintetsu Group Environmental Targets for FY2021–2030

(Created October 2021)

Each company in the Kintetsu Group will formulate its own environmental targets, monitor and analyze environmental impact data, and provide environmental education and enlightenment to employees in order to achieve the Kintetsu Group’s environmental targets.

1. The Kintetsu Group will aim to reduce energy use—measured by crude oil equivalency (kl)—in FY2030 by at least 20% compared to FY2015 levels.
2. The Kintetsu Group will aim to reduce CO₂ emissions (total and intensity) in FY2030 by at least 40% compared to FY2015 levels. Going further, the group will aim for “virtually zero” CO₂ emissions in 2050.
3. The Kintetsu Group will strive to reduce the amount of water it uses and waste it produces.
4. The Kintetsu Group will endeavor to have all group companies operate in an environmentally conscious way with respect to their respective business and their supply chains.

* Scope of coverage

Clauses 1 and 2 refer to 12 companies with particularly high energy use. The 12 companies are in specific transport industries or specific industries that must make periodic reports under the Energy Conservation Act and their CO₂ emissions make up 95% or more of total emissions by Kintetsu Group Holdings and all consolidated subsidiaries.

Relevant companies: Kintetsu Railway; Nara Kotsu Bus Lines; Kintetsu Bus; Bocho Bus; Kintetsu Taxi; Kintetsu Real Estate; Kintetsu Miyako Hotels International; Kintetsu Department Store; Kintetsu Retailing; Kinsho Store; Osaka Aquarium Kaiyukan; and Kin-Ei.

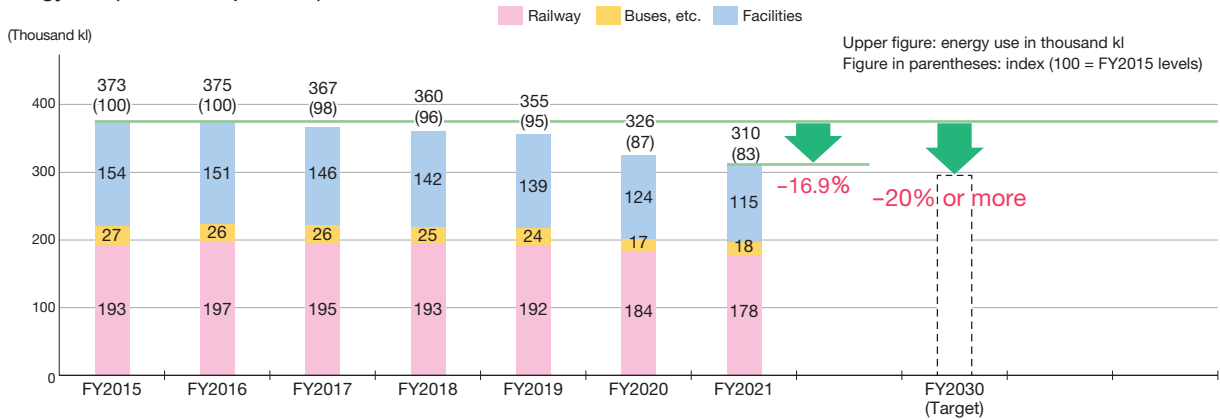
Clauses 3 and 4 refer to all consolidated subsidiaries

2 Energy-Saving and CO₂ Reduction Initiatives

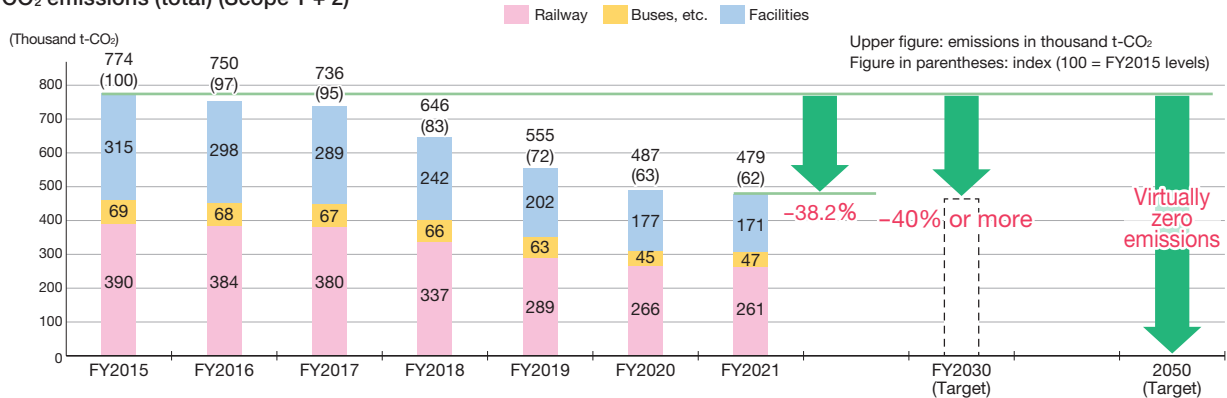
■ Developments in the Kintetsu Group Environmental Targets (KPIs) (companies subject to periodic reporting pursuant to the Energy Conservation Act: 12)

Indicator	FY2015 results	FY2021 results	Percentage change (compared with FY2015 levels)	Target year	Target	
Energy use	373,361 kl	310,362 kl	-16.9%	FY2030	-20% or more	
CO ₂ emissions	Total	774,414 t-CO ₂	478,770 t-CO ₂		-38.2%	-40% or more
	Intensity (railway)	1.350 t-CO ₂ /1,000 km	0.961 t-CO ₂ /1,000 km		-28.8%	
	Intensity (buses, etc.)	0.726 t-CO ₂ /1,000 km	0.757 t-CO ₂ /1,000 km		4.3%	
Intensity (facilities)	0.144 t-CO ₂ /m ²	0.085 t-CO ₂ /m ²	-41.0%			

Energy use (crude oil equivalent)



CO₂ emissions (total) (Scope 1 + 2)



■ Energy-saving and CO₂ reduction indicators and targets (KPIs)

Company	Indicator	FY2021 results	Target year	Target
Kintetsu Railway	① Percentage of station LED lighting ② Percentage of train interior LED lighting ③ Energy use reduction rate (COE kl) (compared with FY2013 levels) ④ CO ₂ emission reduction rate (total, intensity) (compared with FY2013 levels)	① 87.7% ② 34.9% ③ -9.2% ④ -39.6% (total) -35.8% (intensity)	FY2030	① 90% or higher ② 40% or higher ③ Reduction of over 20% ④ Reduction of over 50%
Kintetsu Real Estate	New condominium buildings and detached houses ① Percentage of those with thermal insulation Class 4 ② Percentage of "high-efficiency equipment" (water heater, LED lighting, water-saving toilet)	① 84.6% ② 100%	FY2022	① 100% ② 100%
Kintetsu Department Store	Greenhouse gas reduction rate (compared with FY2015 levels)	-42.6%	FY2030 2050	Reduction of over 50% Zero emissions
Kinsho Store	Number of stores still using CFC refrigerants (R22)	14 stores	FY2025	0 stores

■ Initiatives in the railway business

Kintetsu Railway Co., Ltd. is committed to achieving its environmental targets by switching to station/railcar-interior LED lighting and energy-efficient railcars. As of end-March 2022, for example, energy-saving railcars account for 64% of the company's railcars (1,222 out of 1,906). New railcars to be phased in from 2024, replacing the aging counterparts, consume about 45% less electricity per car.

■ Initiatives in the bus service business

Bus companies are increasingly switching to buses emitting less CO₂ such as hybrid/electric buses. Kintetsu Bus Co., Ltd., for example, started operating two electric buses in February 2022, with five larger ones scheduled to be in operation during fiscal 2022. Nara Kotsu Bus Lines Co., Ltd. will also introduce electric buses in fiscal 2022.

Mie Kotsu Co., Ltd., meanwhile, started using "Mie Umashikuni Green Electricity" (electricity generated by hydropower plants in Mie Prefecture, where their environmental value is leveraged to eliminate CO₂ emissions) from December 2021 to power their electric buses operated by the Ise business office. This is part of the company's drive to promote local energy production for local consumption and CO₂-free operations.

■ Sourcing electricity from renewable energy

With the purchase of FIT non-fossil fuel certificate (originating from solar power farms in Mie Prefecture), Sanko Real Estate Co., Ltd. switched entirely to renewable energy in April 2022 for its electricity use.

This virtually translates into an annual consumption of 6 million kWh (or 2,500 metric tons of CO₂ emissions) of renewable electricity.

■ Solar power generation

Kintetsu Real Estate Co., Ltd. generates a total of about 30 million kWh a year at four locations in Mie Prefecture (Iga, Shima, Ise, and Nabari), one in Nara Prefecture (Oyodo-cho) and one in Oita Prefecture (Oita City) to power about 6,000 households. Likewise, Sanko Real Estate Co., Ltd. generates a total of about 140 million kWh a year at 33 locations primarily in Mie Prefecture, including Ise-Futami Megasolar "Hikari no Machi," to power about 38,900 households.

■ Using sustainable aviation fuel (SAF)

As part of its initiative to promote low-carbon transportation, Kintetsu World Express, Inc. is increasingly switching to SAF (Sustainable Aviation Fuel). SAF produces about 80% less CO₂ emissions than its conventional counterparts through its lifecycle, from production and collection of raw materials (biomass resources, used cooking oil, waste gases, etc.) to manufacturing and combustion.

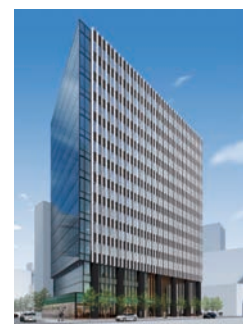
In support of All Nippon Airways' SAF program, moreover, the company used SAF cargo flights in September 2021, the first flights originating from Japan. Subsequent developments in 2022 include participation in Cathay Pacific Airway's SAF program in April, conclusion of an SAF agreement with Lufthansa Cargo AG in October and of another SAF agreement with All Nippon Airways in November. We will continue to work on various environmental programs to help realize a decarbonized society.



Signing an agreement with Lufthansa Cargo AG

■ Awarded the highest ranked "CASBEE Smart Wellness Office Certification"

Sanko Real Estate's Second Nagoya Sanko Building (provisional name), which is scheduled to open in the spring of 2024, was awarded the "S rank" CASBEE Smart Wellness Office Certification for the first time in the Tokai region. Its earth-friendly urban development initiatives include installation of multipurpose restrooms using rainwater for flushing and of fast-charging stations for electric vehicles.



Artist's impression (exterior view)

Note: CASBEE Smart Wellness Office Certification: A system complementary to "CASBEE" (CASBEE for the Nagoya Municipal Government), a comprehensive environmental performance evaluation system launched in 2019 by the Institute for Built Environment and Carbon Neutral for SDGs, where environmental initiatives are evaluated for the use, performance and measures of buildings contributing to maintenance and promotion of users' health and amenity,

Energy use and CO₂ emissions (companies subject to periodic reporting pursuant to the Energy Conservation Act: 12)

Energy use (total)	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
① Railway	kl	195,163	192,850	191,701	184,457	177,827
② Buses, etc.	kl	25,698	25,410	24,209	17,131	17,784
③ Facilities	kl	146,369	141,624	138,645	123,942	114,751
Total	kl	367,230	359,884	354,555	325,530	310,362

CO ₂ emissions (total)	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
① Railway	t-CO ₂	380,000	337,000	289,000	266,000	261,000
② Buses, etc.	t-CO ₂	67,120	66,376	63,350	44,710	46,500
③ Facilities	t-CO ₂	288,603	242,347	202,174	176,756	171,270
Total	t-CO ₂	735,723	645,723	554,524	487,466	478,770

CO ₂ emissions (intensity)	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
① Railway	t-CO ₂ /Thousand km	1.324	1.179	1.000	0.943	0.961
② Buses, etc.	t-CO ₂ /Thousand km	0.758	0.754	0.753	0.750	0.757
③ Facilities	t-CO ₂ /m ²	0.136	0.115	0.093	0.081	0.085

* "Railway" is the total for Kintetsu Railway.

* "Buses, etc." is the total for Nara Kotsu Bus Lines; Kintetsu Bus; Bocho Bus; and Kintetsu Taxi.

* "Facilities" is the total for Kintetsu Real Estate; Kintetsu Miyako Hotels International; Kintetsu Department Store; Kinsho Store; Kintetsu Retailing; Osaka Aquarium Kaiyukan; Kin-Ei; and Nara Kotsu Bus Lines.

* CO₂ emissions refer to those reported by each company to the Ministry of Land, Infrastructure, Transport and Tourism or the Ministry of Economy, Trade and Industry through periodic reporting pursuant to the Energy Conservation Act.

* The total CO₂ emissions for these 12 companies make up 95% or more of total emissions by Kintetsu Group Holdings and all consolidated subsidiaries.

* CO₂ emissions from Kintetsu World Express are not included in the results prior to fiscal 2021 as it became a consolidated subsidiary in fiscal 2022 (6,941 t-CO₂ in FY2021).

CO₂ emissions by scope (major group companies: 4)

The CO₂ emissions produced by the Kintetsu Group are split into three categories: Scope 1 (direct emissions from fuel use), Scope 2 (indirect emissions from electricity and other energy usage), and Scope 3 (indirect emissions from supply chains). "Supply chain" refers to the linked processes take a product from manufacture to reaching the consumer: development, procurement, manufacture, transport, and sale. By calculating Scope 3 emissions, a company can ascertain the overall impact of its activities. As shown in the table below, we have been reporting our CO₂ emissions (by scope) to CDP since 2010.

(Unit: t-CO₂)

	FY2017	FY2018	FY2019	FY2020	FY2021
Scope 1	59,772	57,884	53,285	46,881	40,141
Scope 2 (location-based)	648,418	551,456	527,586	477,452	436,259
Scope 2 (market-based)	562,257	450,212	361,094	323,042	338,209
Scope 3	65,019	132,916	156,454	108,976	104,927
Scope 1 + 2 Total (location-based)	708,190	609,340	580,871	524,333	476,400
Scope 1 + 2 Total (market-based)	622,029	508,096	414,379	369,923	378,350

* Total CO₂ emissions from Kintetsu Railway, Kintetsu Real Estate, Kintetsu Department Store and Kintetsu Miyako Hotels International, accounting for about 80% of those from all consolidated subsidiaries.

* Location-based emissions are calculated using the common emission coefficient in Japan.

* Market-based emissions are calculated using emissions coefficients from Kansai Electric Power Company, and hence are different from those reported through periodic reporting pursuant to the Energy Conservation Act.

■ Energy use and CO₂ emissions (consolidated subsidiaries: 70)

Type	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Electricity	MWh	1,229,409	1,196,323	1,189,658	1,117,451	1,098,525
City gas	Thousand m ³	21,055	21,186	19,720	16,512	17,029
Propane	t	740	717	702	579	682
Kerosene	kl	350	303	254	245	168
Fuel oil	kl	7,597	7,629	7,394	6,839	6,117
Gasoline	kl	2,127	1,574	1,758	1,581	1,867
Light oil	kl	17,025	17,524	17,264	17,134	17,757
Cold water	GJ	151,662	169,089	155,245	148,058	127,347
Total (energy)	GJ	14,473,851	14,171,606	14,005,194	12,917,016	12,748,502
Total (crude oil equivalent)	kl	373,425	365,627	361,334	333,259	328,911
Total (CO ₂ emissions)	t-CO ₂	739,196	630,670	522,760	468,751	500,182

* Total emissions from Kintetsu Group Holdings and its consolidated subsidiaries whose energy use is available (FY2021: 70 companies).

* CO₂ emissions are calculated using emissions coefficients from Kansai Electric Power Company.

3 Resource-Saving, Recycling and Biodiversity Conservation Initiatives

■ Developments in the Kintetsu Group Environmental Targets

Targets		FY2015 results	FY2021 results	Percentage change
The Kintetsu Group is committed to reducing water use and the amount of waste.	Water	6,057 m ³	4,442 m ³	-26.7%
	General waste	22,916 t	26,401 t	15.2%
	Industrial waste	60,728 t	49,795 t	-18.0%

■ Resource-saving, recycling, biodiversity conservation indicators and targets (KPIs)

Company	Indicator	FY2021 results	Target year	Target
Kintetsu Department Store	① Amount of food loss (compared with FY2019 levels) ② Food recycling rate	① -26.9% ② 19.6%	FY2030	① 20% reduction ② 50%
	Percentage of eco-friendly packaging materials	4.4%	FY2030	50%
Kintetsu Retailing	① Food loss volume (compared with FY2018 levels) ② Food wastage rate	① -26.5% ② 1.3%	FY2030	① -40% ② Below 1.0%
Kinsho Store	Food wastage rate	0.42 %	FY2030	0.36%
Kintetsu Miyako Hotels International	Number of hotels using foodstuff with sustainability certificates	Two facilities	FY2022	Seven facilities
KNT-CT Holdings	Tours to raise awareness of environmental friendliness and natural conservation ① Number of participants in green tourism ② Number of participants in eco-tourism ③ Number of Blue Planet accommodation facilities and products ④ Number of J-credit users	—	FY2024	① 10,000 participants ② 10,000 participants ③ 400 facilities, 150 products ④ 6,000 users

■ Food loss reduction initiatives

Kintetsu Department Store Co., Ltd. and Kuradashi jointly launched the socially beneficial online shopping website “KIKI MARKET” in September 2021 to reduce waste (food loss, etc.), where products nearing expiration dates are sold online. Specifically, they include foodstuff, cosmetics, everyday items and miscellaneous goods.

In addition, the Kintetsu Department Store’s app disseminates information on products to be discarded, labeling them as “Mottainai (a sense of regret over waste) food” to be sold, thereby minimizing food loss.

■ Plastic waste reduction initiatives

With the Plastic Resource Circulation Act enforced in April 2022, the merchandise sales and hotel businesses are stepping up efforts to reduce plastic waste.

Each company’s key initiatives

Kintetsu Miyako Hotels International	Phasing out conventional accommodation amenities (toothbrushes, etc.), forks, knives, straws, etc. to be replaced by those made of alternative materials (biomass resins, recycled plastics, etc.) and by lightweight alternatives
Kintetsu Retailing	Using paper coffee cups/straws, wooden spoons and bamboo bagasse bowls at the “Come on met Terrace Toba” in the Toba Station
Kinsho Store	Phasing out free plastic spoons, straws, etc. to be replaced by their wooden or paper counterparts while encouraging customers to make full and effective use of resources

■ Eco and human friendly powder coating

SAKAE CO., LTD. has been manufacturing eco-friendly products since 2002, giving priority to human welfare and the global environment. For example, the company uses solvent (thinner)-free power coating for their products. Powder coating, because of its properties, can be recovered for recycling purposes, which reduces offensive odors, poisoning risks during production processes and resource consumption. Powder coating is used for the company’s mainstay products (approximately 80% of worktables and 90% of tool wagons). SAKAE CO., LTD. is committed to developing and distributing eco-friendly products using clean energy and non-toxic materials, emphasizing human welfare and the global environment while delivering safe and secure products as a company supporting the manufacturing industry.



Powder coating line



Eco-friendly products: worktables and tool wagons

■ Exhibition of a green turtle and plastic waste

Osaka Aquarium Kaiyukan Co., Ltd. has been organizing an exhibition since December 23, 2021, where plastic waste (plastic bags, food packaging materials, etc.) excreted for more than a month by a green turtle captured in November 2020 by the Iburi Center (Tosashimizu City, Kochi Prefecture) is exhibited along with the turtle itself. The turtle at first did not feed at all as plastic waste obstructed its digestive tract.

With drugs administered through injection to activate the bowel, however, the turtle recovered its health. The exhibition is expected to provide viewers with an opportunity to raise their environmental awareness.



Plastic waste excreted

■ Awarded with the “Business Innovation in Harmony with Nature and Community®” certificate

Six companies including Sanko Real Estate Co., Ltd are jointly building the high-rise condominium “NAGOYA the TOWER,” which, under construction as of December 2022, was awarded with the “Business Innovation in Harmony with Nature and Community®” certificate by the Association for Business Innovation in Harmony with Nature and Community (hereinafter “ABINC®”).

The certificate recognizes the project’s environmental consciousness such as its plans for leafy surroundings (with woodlands and grasslands constituting about 70% of the premises) and nature observation meetings.

* ABINC-certified businesses: Businesses that are planned and managed in compliance with the guidelines of the “Business Innovation in Harmony with Nature and Community®,” meet the land use standards and are certified through examinations



NAGOYA the TOWER landscape (artist’s impression)

Resource input

Type	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Office paper	Thousand sheets	155,360	145,870	207,120	184,530	120,920
Clean water	Thousand m ³	4,403	4,651	4,470	3,527	3,540
Recycled water	Thousand m ³	195	205	192	182	105
Groundwater	Thousand m ³	1,135	1,094	1,084	865	797
Total water (Clean water + Recycled water)	Thousand m ³	4,598	4,856	4,662	3,709	3,646

* Total amount of Kintetsu Group Holdings and its consolidated subsidiaries whose resource inputs are available (FY2021: 58 companies).

Waste amount

Type	FY2017	FY2018	FY2019	FY2020	FY2021
General waste	25,639 t	28,434 t	21,858 t	23,039 t	26,401 t
Industrial waste	64,859 t	83,639 t	60,330 t	82,134 t	49,795 t
Total	90,498 t	112,073 t	82,188 t	105,173 t	76,196 t

* Total amount of Kintetsu Group Holdings and its consolidated subsidiaries whose waste emissions are available (FY2021: 29 companies for general waste and 26 companies for industrial waste).

General waste (FY2021)

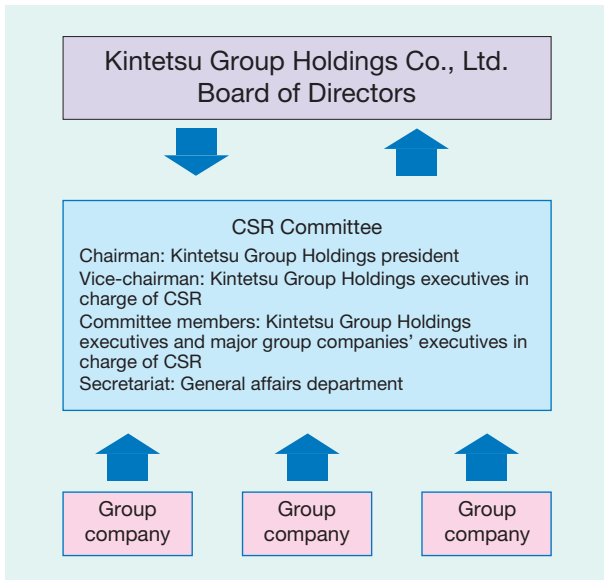
	Total of Kintetsu Group Holdings and its consolidated subsidiaries (29 companies)	
	Emission amount	Recycled amount
General waste	26,401 t	13,587 t

Industrial waste (FY2021)

	Total of Kintetsu Group Holdings and its consolidated subsidiaries (26 companies)				
	Emission amount	Industrial waste disposal	Recycling	Reuse	Other
Combustion residue	26 t	26 t	0 t	0 t	0 t
Sludge	1,727 t	1,617 t	13 t	0 t	97 t
Oil	424 t	266 t	150 t	1 t	6 t
Acid	47 t	21 t	0 t	0 t	26 t
Alkaline	5 t	4 t	1 t	0 t	0 t
Plastic	1,163 t	1,022 t	22 t	7 t	112 t
Paper	55 t	55 t	1 t	0 t	0 t
Wood	2,146 t	1,961 t	61 t	31 t	93 t
Textiles	2 t	2 t	0 t	0 t	0 t
Plant waste	194 t	0 t	194 t	0 t	0 t
Rubber	2 t	2 t	0 t	0 t	0 t
Metal	4,060 t	370 t	2,379 t	205 t	1,106 t
Glass/ceramics	804 t	783 t	19 t	0 t	2 t
Building waste	38,651 t	31,057 t	7,454 t	74 t	66 t
Other	489 t	489 t	0 t	0 t	0 t
Total	49,795 t	37,674 t	10,294 t	318 t	1,508 t

4 Information Disclosure Related to TCFD

Climate-change-related governance



We have established our CSR Committee as a way of developing relationships of trust with all of stakeholders—including customers, regional communities, shareholders, business partners, and employees—and to address societal issues and raise corporate value in the long term.

The CSR Committee, headed by the Kintetsu Group Holdings president, comprises the Kintetsu Group Holdings executives and major group companies' executives in charge of CSR, with regular meetings held about twice a year. The committee's role includes setting policies and targets for climate change and other issues related to environmental protection, overseeing their implementation, evaluating the risks and opportunities involved and reviewing countermeasures, all designed to contribute to realizing a "decarbonized, recycling-oriented society," a key theme in sustainability.

The Board of Directors, meanwhile, reviews critical issues such as business opportunities and risks associated with the impact of climate change. In addition, the boards of directors at Kintetsu Railway Co., Ltd. and other group companies discuss other critical issues, including investment to build a robust infrastructure to address climate change risks.

Climate-change-related risk management

Each company and division identify and evaluate climate change risks, from company-wide to divisional, at various levels while critical risks are discussed by the Board of Directors, etc.

Company-wide risk management

The Board of Directors, Management Committee, Group Strategy Committee, etc.

"Risk management rules" are in place, where fundamentals are set to properly manage business risks faced by Kintetsu Group Holdings and its consolidated subsidiaries. In accordance with these rules, a risk management body comprising the Board of Directors and the members of Management and Group Strategy Committees identifies and manages business risks (climate change risks, etc.) for prevention purposes, with appropriate countermeasures developed and put into practice to minimize damage should such risks materialize. At the same time, the Corporate Strategy Division and the Administrative General Affairs Division jointly collect risk information from other departments and group companies to consolidate potential risks, which are ranked by degree of seriousness from a company-wide perspective.

Of risk factors, those involving critical administrative issues are discussed at Management Committee, etc. to set directions and develop measures for further discussion and approval by the Board of Directors.

Indicators and targets

With the Kintetsu Group Environmental Targets for fiscal 2021 to 2030 in place, the Kintetsu Group is stepping up efforts to reduce its energy use and CO₂ emissions (see Page 57).

Climate-change-related risk management

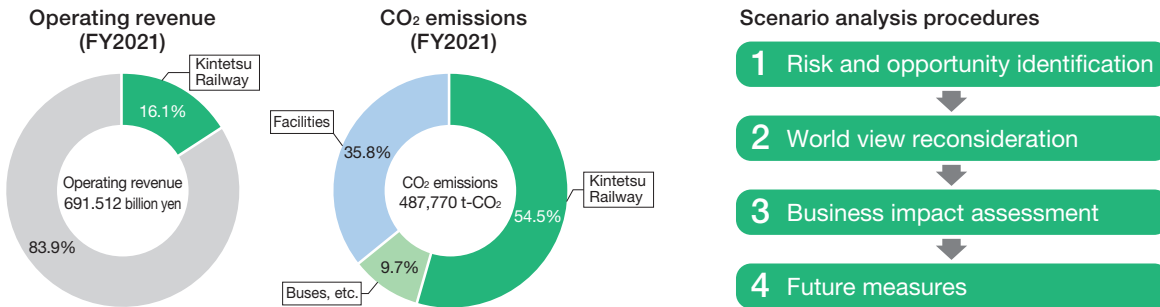
CSR Committee

The CSR Committee comprising the Kintetsu Group Holdings president and executives and major group companies' executives manages CSR-related issues (ESG including climate change strategies) and finds solutions from a long-term perspective while setting climate change policies and targets, overseeing their implementation and evaluating the risks and opportunities involved. Likewise, major group companies evaluate their own climate change risks and opportunities, with the results and countermeasures reported to, and evaluated and overseen by the CSR Committee and its members.

Countermeasures exceeding a certain amount, meanwhile, are reviewed by the Board of Directors, along with those featuring energy conservation, which contributes to climate change mitigation. An appropriate management system is thus in place, with the CSR Committee and the Board of Directors overseeing the whole procedure.

Climate strategies (railway business)

A scenario analysis was conducted for the railway business, the Kintetsu Group's core business, based on information available as of the summer of 2022.



① Risk and opportunity identification (railway business)

		Risk descriptions	Rating	Risk management measures
Transition risks	Policies, laws and regulations	Increased burden due to tax reforms (carbon tax, etc.)	High	<ul style="list-style-type: none"> Introduction of energy-saving railcars and facilities Optimal combination of energy sources Proactive approach to subsidy systems Introduction of large-scale storage batteries
		Increased energy cost due to policies promoting renewable energy and energy saving (renewable energy surcharge, etc.)	High	
	Market	Increased energy cost due to higher crude oil prices	High	
		Unstable power supply due to a change in the energy mix (increased use of renewable energy)	Medium	
	Technology	Increased material cost due to the environmental cost passed on by suppliers	Medium	
Reputation	Increased cost of introducing new technology (low-carbon technology, energy-saving technology, etc.)	Medium		
	Loss of reputation with customers due to delay in addressing environmental issues	Medium		
Physical risks	Acute risks (increasingly severe disaster)	Difficulties in financing due to loss of reputation with investors	Medium	
		Increased damage caused by storm and flood	High	
		Disruption of power supply from utilities	Medium	
	Chronic risks (temperature rises)	Shortage of commodities due to distribution disruption caused by suppliers	Medium	
		Decreased operating revenue due to hot weather (with more customers staying at home and inbound tourists decreasing)	Medium	

		Opportunity descriptions	Rating	Opportunity exploitation measures
Opportunities	Resource efficiency	Development of energy-saving technology to reduce electricity consumption	High	<ul style="list-style-type: none"> Introduction of energy-saving railcars and facilities Proactive approach to subsidy systems
		Policies promoting renewable energy and energy saving	Medium	
	Energy sources	Decreased energy cost due to optimized energy procurement	Medium	<ul style="list-style-type: none"> Mobilization of large-scale storage batteries and modification of the company's transmission systems Introduction of renewable energy facilities
	Products & services	Increased demand for railway transportation due to increased environmental awareness of consumers (increasing modal shift from automobiles to trains)	High	<ul style="list-style-type: none"> Enhanced communication of the environmental advantage of railways Introduction and promotion of energy-saving railcars
		Market	Policies emphasizing public transportation systems designed for compact, clean urban development to stimulate demand (accelerated shift to smart cities and MaaS)	High
	Increased green investment		Medium	<ul style="list-style-type: none"> Information disclosure related to TCFD
	Vitalization of the carbon market		Medium	<ul style="list-style-type: none"> Participation in the carbon market, leveraging the environmental advantage of railways
	Resilience	Increased customer confidence through construction to prevent damage caused by storm and flood	Medium	<ul style="list-style-type: none"> Reinforcement construction to be prepared for large-scale disaster Quick restoration/reconstruction from disaster (quick resumption of services)

② World view reconsideration (railway business)

We analyzed impacts expected in fiscal 2030 and fiscal 2050 based on “2°C scenario” and “4°C scenario,” both of which predict temperature rises.

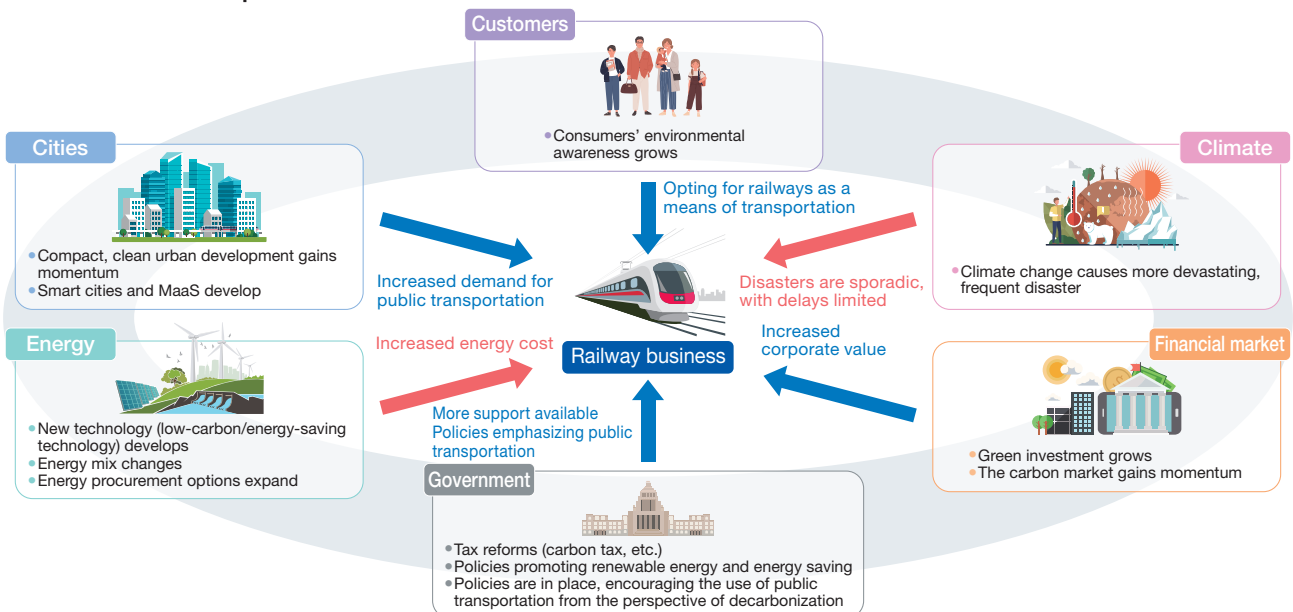
Positive impact →
Negative impact →

2°C scenario world in 2050

Low-carbon initiatives help renewable energy and smart cities develop further.

(2°C scenario)

• With more stringent measures in place against global warming, global temperature rise by the end of the century will be limited to 2°C above pre-industrial levels.

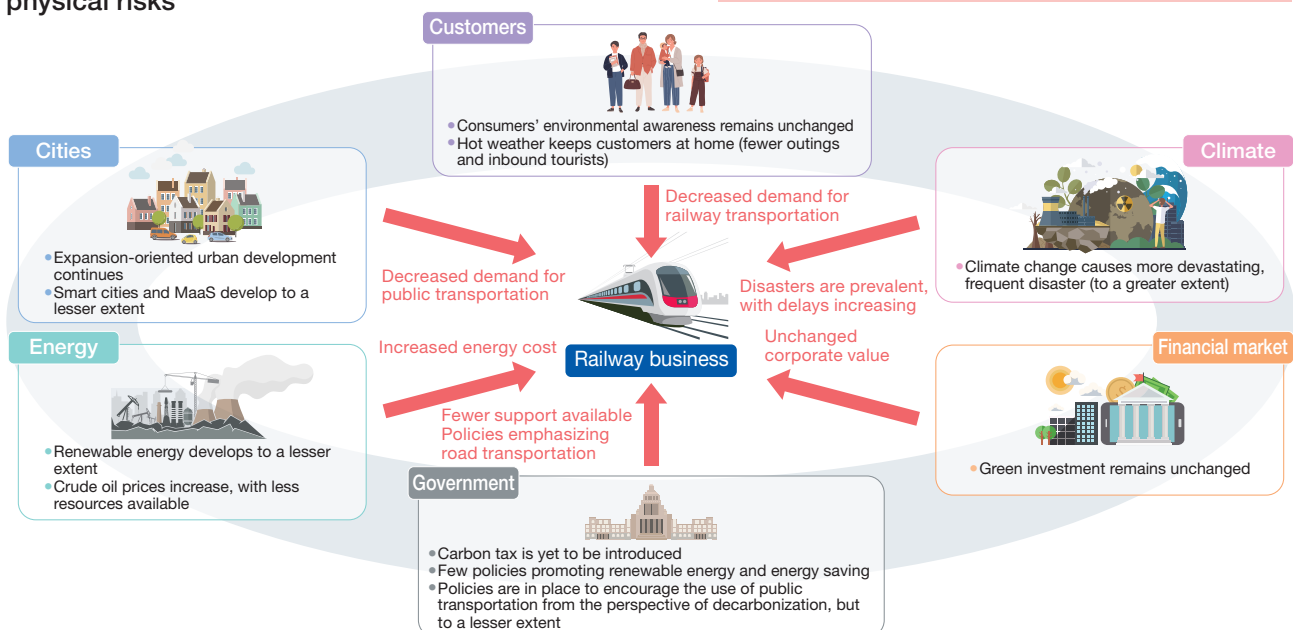


4°C scenario world in 2050

Low-carbon initiatives lag, resulting in greater physical risks

(4°C scenario)

• With more stringent measures not in place against global warming, the average global temperature by the end of the century will be about 4°C above pre-industrial levels.



③ Business impact assessment (railway business)

According to the 2°C scenario and the 4°C scenario, possible impacts on the railway business were evaluated for items whose risks are rated “High.” Specifically, the costs of the impacts on its business in 2030 and 2050 were calculated, based on data forecasted and provided by IEA and the Japanese Government.

Prerequisites for calculating the costs of the impacts

	Parameters	2030		2050		Source
		2°C	4°C	2°C	4°C	
Transition risks	Unit carbon price	100\$/t-CO ₂	—	160\$/t-CO ₂	—	IEA “World Energy Outlook 2021” (October 2021)
	Percentage rise of renewable energy surcharge (compared with 2020 levels)	100%	50%	—	—	“2013 Report on Feasibility of Promoting Renewable Energy Towards 2050,” The Ministry of the Environment (January 2015)
	Percentage rise of crude oil prices (compared with 2020 levels)	33%	83%	19%	110%	IEA “World Energy Outlook 2021” (October 2021)
Physical risks	Flood occurrence frequency	About 1.5 times	About 2 times	About 2 times	About 4 times	“Review of Water Control Technology in Light of Climate Change,” The Ministry of Land, Infrastructure, Transport and Tourism (April 2021)

Additional costs of the impacts (annual)

	Item	2030		2050		Remarks
		2°C	4°C	2°C	4°C	
Transition risks	Burden of the carbon tax	+5 billion yen	—	*	—	* While the goal is to reach net zero CO ₂ emissions in 2050, failure to do so will result in tax burdens.
	Increased electric bill					
	Increased renewable energy surcharge	+2 billion yen	+1 billion yen	—	—	
	Increased crude oil prices	+0.5 billion yen	+3 billion yen	+0.3 billion yen	+4 billion yen	Calculated, taking into account Japan’s future power generation mix in addition to higher crude oil prices
Physical risks	Impacts of storm and flood					
	Amount of damage to facilities	+0.15 billion yen	+0.3 billion yen	+0.3 billion yen	+0.9 billion yen	Calculated, taking into account damage to facilities caused by storm and flood (averaged over the past decade) and the resulting loss of revenue
	Decreased revenue due to suspended operations	+0.2 billion yen	+0.4 billion yen	+0.4 billion yen	+1.2 billion yen	

④ Measures to be taken (railway business)

Potential impacts of climate change on the railway business were analyzed, based on the 2°C scenario and the 4°C scenario, both provided by specialized institutions, where “tax reforms,” “increased energy cost” and “increasingly severe disaster” were identified as serious risks to the railway business.

The 4°C scenario forecasts an increase in damage to railway facilities due to natural disaster, resulting in restoration/reconstruction costs, and decreased revenue caused by suspended operations.

The 2°C scenario, meanwhile, forecasts cost increases brought on by the introduction of the carbon tax and renewable energy, while a shift from other transportation modes can be expected, with the environmental advantage of railways maintained.

The railway business will continue to promote energy saving, reduce CO₂ emissions, put protection measures in place to be prepared for large-scale disaster, and introduce new types of energy-efficient railcars, thereby minimizing risks, maximizing opportunities and contributing to realizing a decarbonized, recycling-oriented society.

Climate strategies (real estate, international logistics, merchandise sales, hotel and travel agency businesses)

Risks and opportunities

		Risk descriptions	Business category	Rating	Risk management measures	
Transition risks	Policies, laws and regulations	Increased cost due to the carbon tax	Real estate	High	<ul style="list-style-type: none"> Promoting properties with excellent environmental performance 	
			Merchandise sales	High	<ul style="list-style-type: none"> Promoting energy-saving measures such as energy-saving equipment to be installed at facilities and stores Introducing energy-saving facilities 	
			Hotels	Medium		
		International logistics	Medium			
		Real estate	High	Increased energy cost due to policies promoting renewable energy and energy saving (renewable energy surcharge, etc.)	Real estate	<ul style="list-style-type: none"> Promoting energy-saving measures such as energy-saving equipment to be installed at facilities and stores
		Merchandise sales				
	Hotels					
Real estate	High	Increased construction cost due to more stringent energy efficiency standards for new construction and renovation, ZEB requirements for newly constructed buildings and ZEH requirements for newly constructed condominiums and houses	<ul style="list-style-type: none"> Improving environmental performance by replacing lighting in common areas with their LED counterparts and by upgrading facilities Reviewing possibilities of complying with ZEB requirements for new construction and of leveraging renewable energy Opting for decarbonized products (ZEH, etc.) when building houses 			
Travel agency	High	Regulations to encourage the use of transportation and accommodation with less CO ₂ emissions	<ul style="list-style-type: none"> Planning and offering tours with less CO₂ emissions 			
International logistics	Medium	Increased cost due to more stringent CO ₂ emission reporting requirements	<ul style="list-style-type: none"> Providing information on emissions from air, sea and truck transportation 			
Reputation	Medium	Decreased sales due to failure to provide low-GHG transportation modes	International logistics	<ul style="list-style-type: none"> Building relationships with carriers that promote decarbonization initiatives Participating in SAF programs, etc. 		

		Risk descriptions	Business category	Rating	Risk management measures
Physical risks	Chronic risks (temperature rises)	• Decreased customer traffic due to hot weather, etc.	Merchandise sales	High	<ul style="list-style-type: none"> Upgrading the EC shopping site
		• Food poisoning risks, etc. • Employees' health management risks	Merchandise sales Hotels	High	<ul style="list-style-type: none"> Strict food hygiene practices Improving employees' health management and optimizing working hours
		• Decreased desire to travel and destination changes due to hot weather, etc.	Hotels Travel agency	Medium	<ul style="list-style-type: none"> Tour development tailor-made to tourist seasons and destination changes (travel package development, factoring in ecological changes and new ocean/air routes) Developing unique travel packages (themed tours, etc.) and those featuring environmental sustainability
	Acute risks (increasingly severe disaster)	Temporary closing of stores to ensure the safety of customers and employees, following suspension of public transport operations	Merchandise sales	High	<ul style="list-style-type: none"> Developing crisis management manuals Collecting and communicating information using safety confirmation systems
		Damage, including flood damage, to facilities due to large-scale natural disaster such as typhoon and heavy rain and the resulting suspension of operations	International logistics	Medium	<ul style="list-style-type: none"> Developing measures against disaster (flooding, etc.) in partnership with the relevant authorities and business partners Developing a reliable logistics network by opting for alternative facilities and routes (applicable to warehouses of the forwarding business)

		Descriptions of opportunities and advantages	Business category	Opportunity capture measures
Opportunities	Products & services	Increased needs for properties with excellent environmental performance (low-carbon construction, etc.)	Real estate	<ul style="list-style-type: none"> Building super-insulated houses Adopting products with excellent environmental performance (ZEH, etc.) Improving environmental performance by replacing lighting in existing facilities with their LED counterparts and by upgrading facilities Reviewing possibilities of complying with ZEB requirements for new construction and of leveraging renewable energy
		Switching to SAFs and promoting carbon offset in partnership with carriers to improve reputation among customers	International logistics	<ul style="list-style-type: none"> Participating in SAF programs Scrutinizing credit quality and strategically participating in offset programs of business partners (air carriers) as well as in their SAF programs
		• Increased demand for protection against heat and cold • Sales of disaster kits • Increased demand for eco-friendly products and services	Merchandise sales	<ul style="list-style-type: none"> Setting up special corners Expanding overall sales through external sales and EC shopping sites Preventing stockout situations
		• Increased demand for eco-friendly products and services	Hotels Travel agency	<ul style="list-style-type: none"> Planning and offering tours with less CO₂ emissions
		• Resort hotels available for a longer period due to global warming	Hotels Travel agency	<ul style="list-style-type: none"> Offering new ways to enjoy resort life and developing new travel packages
	Market	• Opening stores near or adjacent to stations, or at convenient locations such as station premises, each of which are not affected so much by weather	Hotels	<ul style="list-style-type: none"> Strengthening partnerships among the Kintetsu group companies and increasing the convenience and amenity of access to hotels
		• Developing markets in response to changing lifestyles, with customers' awareness of sustainability in mind	Merchandise sales	<ul style="list-style-type: none"> Opening stores at convenient locations through enhanced partnerships among the Kintetsu group companies Offering eco-friendly products and services
		• Offering purchasing options that allow customers to buy what they want without visiting stores	Merchandise sales	<ul style="list-style-type: none"> Increasing the number of mobile supermarkets Expanding EC sales Increasing the number of stores featuring online supermarkets
Resilience	• Developing products by leveraging areas and methods that are not affected by climate change	Travel agency	<ul style="list-style-type: none"> Developing products using IT such as VR to provide virtual experience 	

Ensuring Safety and Pursuing Peace of Mind



1 Initiatives in the railway business (Kintetsu Railway)

■ Ensuring safety and pursuing peace of mind for transportation

To ensure that all executives and other employees are acutely aware of the need for safety and that they incorporate that into their respective roles, we have formulated our Safety Policy. We also set safety targets and safety-focused measures for each fiscal year, and the entire company is coming together to secure safety in transportation. In addition, in recent years the threat to safety in the transportation industry posed by natural disasters has grown, and so we have formulated a Fundamental Policy on Disaster Preparedness to act as a company-wide policy on how to prepare for and react to natural disasters.

Safety Policy

In line with the main points of operational safety standards, we will all work together with the aim of further raising safety levels.

Main points of our operational safety standards:

1. Securing safety is the duty of transportation.
2. Compliance with official regulations is the foundation of safety.
3. Correct working procedures are a requisite for safety.

Fundamental Policy on Disaster Preparedness

1. We will learn the lessons of past natural disasters, and work to prevent, prepare, and mitigate the effects of disasters.
2. When responding to natural disasters, we will act to prioritize the safety of customers and employees above all else.
3. When recovering after natural disasters, we will aim to restore operations as quickly as possible and work to share information in an appropriate and timely manner, but only after doing all that is necessary to secure safety.

■ Safety management system

With the aim of improving safety for our transportation services, we have established safety management regulations, which are a clear indication of our basic policy for ensuring safety. We have also set safety supervisors who oversee safety for railways and cable cars, and also defined the roles and powers of safety reps who ensure safety in the different fields that make up our railway and cable car businesses.

Meetings of the Safety Promotion Committee, etc.

When it meets, the Safety Promotion Committee formulates and reviews important safety measures, which are based on the Safety Policy. Our Railway Accident/Disaster Prevention Subcommittee, meanwhile, conducts comprehensive discussions around accidents, natural disasters, and other related topics, and comes up with effective, appropriate countermeasures.

Internal audits

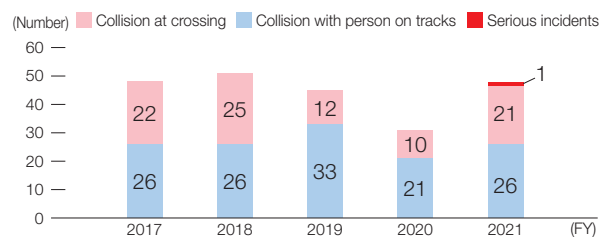
As part of our transport safety management, once a year we carry out an internal audit, and work continuously to improve safety.

Worksite investigation patrols

The president, safety supervisors, and others involved in the management of our railway departments, undertake inspection tours of the worksites that support railway safety as and when needed. As well as checking the progress of worksite initiatives, they are able to exchange ideas about how to secure transport safety, and verify how safety is being managed on the ground.

■ Number of accidents involving railway operations

Changes in number of accidents in the past five years



* In the past five years, there have been no accidents involving train-on-train collisions, fires on trains, or derailments.

Serious incident

Time and date: around 18:50 on November 23 (Tue.), 2021

Location:

Between Kuwana Station and Ise-Asahi Station on the Nagoya Line

Details:

While traveling between Kuwana Station and Ise-Asahi Station, a door on the lefthand side of the backmost car (car no. 1) of a limited express train was discovered to be around 1 centimeter open by the train guard, who manually closed the door and locked it.

Cause:

The shaft of the connecting part that connected the opening/closing rod in the aforementioned door to the door had come away from the door, so it was unable to hold the door closed, meaning the door opened as the train was moving.

Countermeasures:

We inspected all folding doors and made additional repairs to the welded parts. Also, we have taken on board the findings of the Japan Transport Safety Board's serious incident investigation report (published on December 1, 2022), we have been welding the rotating shafts that caused the incident, and strengthening our checks, and will endeavor to ensure it cannot happen again.

■ Safety and peace of mind indicators and targets (KPIs)

Indicator	FY2021 results	Target year	Target
Number of accidents involving railway operations for which the company was responsible	0	Every fiscal year	0
Number of accidents involving railway operations and transportation disruptions	80	Every fiscal year	Fewer than the previous fiscal year

(billion yen)

Indicator	Results					Forecast			
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Capital investment relating to safety and peace of mind	Approx. 17	Approx. 18	Approx. 19	Approx. 22	Approx. 9	Approx. 13	Approx. 20	Approx. 26	Approx. 27
(Ref.) Kintetsu Railway capital expenditure	21.1	24.2	24.2	26.5	9.3	18.9	25.0	30.5	30.6

■ Disaster prevention measures

Large-scale earthquakes or natural disasters—made worse by climate change—are major risks, and as such we work proactively on measures to mitigate damage. For instance, for the pillars that hold up our elevated tracks, we had completed earthquake-proofing for 95% of the pillars by the end of fiscal 2021, and we are working to complete work on them all in fiscal 2024. As for tunnels, in the case of the shield tunnels that are being used on the Namba Line, we are making progress with anti-seismic reinforcement and waterproofing measures, and work on the section between Osaka-Namba Station and Kintetsu-Nippombashi Station is scheduled to be completed at the end of fiscal 2026. In addition to these projects, we are carrying out anti-seismic reinforcement at stations, elevated tracks, and other locations. We are also pressing forward with efforts to strengthen railway embankments, and raise important equipment and facilities to prevent damage from water ingress.

In some areas, we have installed high-capacity batteries so that even if a large-scale earthquake were to cause widespread power outages, trains that lose power in tunnels or similar can move to the nearest station, to ensure passenger safety.



Anti-seismic reinforcement work on Namba Tunnel



High-capacity batteries

Main investment plans for FY2023–2025

Disaster prevention measures

Capital expenditure: approx. ¥12 billion

- Anti-seismic reinforcement work for stations and elevated tracks
- Anti-seismic reinforcement work and water ingress prevention for shield tunnels
- Countermeasures against bridge scouring, water ingress prevention for electrical equipment, etc.

■ Equipment safety measures

For railway crossings, we have partnered with the relevant authorities and brought in grade separation, consolidated crossings, installed pedestrian walkways, and undertaken other measures. Moreover, we have been moving forward with technical development to allow us to detect if a vehicle or pedestrian gets stuck at a railway crossing. In fiscal 2018, we introduced detection equipment with horizontal laser sensors that is able to detect items within a larger area. We have been updating our railway crossing warning lights so that it is possible to see if they are lit or flashing from any direction, helping to prevent accidents before they happen (630 locations updated as of the end of fiscal 2021).

Since November 2021, we have been remotely monitoring the situation at railway crossings and transformers using LTE circuits and internal networks connected to security cameras. We are also working on how we can quickly discover and identify the causes of accidents and breakdowns, raise the efficiency of recovery efforts,

and prevent any spread of accidents. In order to strengthen our in-car security measures, we are moving ahead with installing security cameras in all rolling stock. We are also expanding our installation of communications equipment in train cars that include an intercom.

Added to all of these efforts, we are working daily to check and develop our rolling stock, electrical equipment, railway lines, and structures—we strive every day toward transport safety.



Grade separation work between Kishi Station and Tondabayashi Station on the Nagano Line

Main investment plans for FY2023–2025

Ensuring infrastructure remains sound

Capital expenditure: approx. ¥24 billion

- Strengthening and continuation of work to bolster and repair bridges, tunnels, etc.
- Replacement of railway infrastructure such as tracks, electrical equipment, station equipment, operation management systems, etc.

Updating to general rolling stock and in-car security measure

Capital expenditure: approx. ¥18 billion

- Updating to dilapidated general rolling stock
- In-car security measures:
 - Promoting placement of security cameras in all train cars
 - Expanded installation of communications equipment in train cars that include an intercom, etc.

Placement of “escort zones” at railway crossings

Taking on board an accident that occurred at Koriyama No. 2 Crossing on our Kashihara Line in April 2022, the city of Yamatokoriyama put in place a “escort zone” to offer guidance for visually impaired pedestrians at the railway crossing. Kintetsu Railway Co., Ltd. has also installed obstruction detection equipment that uses horizontal lasers, and is working with the local authorities to implement safety measures.



Koriyama No. 2 Crossing on our Kashihara Line

Accessible infrastructure

As well as making progress with initiatives such as removing steps from stations between the ticket gates and the platforms, and making movement smoother by installing elevators and slopes, we are installing equipment that provides train information or station guidance in both written and audio forms.

Stations with elevators	Stations with escalators	Stations with wheelchair-accessible toilets (of which, multipurpose)	Stations with guidance chimes
128	81	164 (149)	130

* Of our 280 stations, 251 allow passengers to travel from outside the station to the platform without using steps

Main investment plans for FY2023–2025

Accessible infrastructure

Capital expenditure: approx. ¥6 billion

- Installation of movable platform edge gates
 - During fiscal 2023, installation of movable platform edge gates to cater to trains with different door placement or number of doors
 - Placement will begin in order at stations with more than 100,000 users (plans to put in place a total of five platforms' worth between fiscal 2023 and 2025)
- Reduction of the gap between platform and train
 - Promotion of reductions to the gap between platform and train by work to raise platforms and changes to new rolling stock to lower their floors

- Acceleration of efforts to make facilities more accessible

- Each train car to have one dedicated wheelchair spot (for general rolling stock)
- Installation of train car guidance displays
- Replacement of steps with elevators and slopes
- Introduction of multipurpose toilets at stations, etc.



Fitted movable platform edge gates at Osaka-Abenobashi Station

Drills and training

As well as the accident/disaster recovery drills we carry out with the help of police and fire departments, we also conduct drills that imagine tsunamis, fires on subway trains, injuries on train carriages, terrorist attacks, and other potential crises. Rather than let memories of past accidents and breakdowns fade away, in 2017 we opened an archive that includes artifacts from the time of past accidents so that they cannot be forgotten. We are gradually working to expand the archive's contents, and we use these as part of internal training.



Accident/disaster recovery drill

2 Initiatives in non-railway businesses

■ Bus service safety measures

Each of the bus companies is implementing initiatives that lead to safe bus operations, including safe driving training, drills for how to react during crises, and introducing systems that can respond if they detect an abnormality with the driver.

Nara Kotsu Bus Lines Co., Ltd. buses that pull up at bus stops next to pedestrian crossings or intersections create blind spots along their sides, and so these can lead to traffic accidents so we are working to remove these dangerous bus stops. As of March 2021, there were 43 bus stops that were deemed dangerous and with the cooperation of local authorities, police, and residents, we have been moving forward with works to move or expand these stops so that as of the end of March 2022, there were only 5 such stops remaining.



Bus stop that has been improved with expansion work

■ Food quality and safety management initiatives

Kintetsu Department Store Co., Ltd. puts together product quality labeling manuals and food hygiene management manuals, and by periodically distributing reminders or similar to employees, it is working to improve quality and hygiene management. In particular, KURASHI KAGAKU LABORATORY CO., LTD., part of the Kintetsu Group, conducts regular quality checks, and in addition to strictly managing food safety and security, it holds food hygiene seminars for food-related workers. Also, through cooperation with business partners, Kintetsu Department Store periodically surveys product quality labeling, and conducts appropriate educational activities about labeling, such as employee training.

Kintetsu Miyako Hotels International, Inc. has introduced the Miyako Green Guarantee—established in 2020 as a new, original standard for hygiene and disinfection—at all of its hotels. It is also working hard to ensure thorough compliance with HACCP, a way of managing food safety hazards in food production.



Quality check by KURASHI KAGAKU LABORATORY

■ Dedicated home delivery and emergency boxes for new condominiums

In February 2022, Kintetsu Real Estate Co., Ltd. developed a dedicated box that brings together a box for delivery companies to deposit goods in, and storage for emergency supplies, to be installed next to the front door of each condominium. As online shopping becomes more common, there are more and more people for whom using home delivery services have been normalized and who want its greater convenience. There are also more people who wish to “shelter in place” during disasters such as earthquakes or rainstorms but do not want to risk the spread of infectious diseases at evacuation points, so there is a growing awareness of the desire to secure a place in their building where they can store emergency supplies—supplies that are catered to their household’s requirements and separate to communal supplies. To meet the needs of such residents, Kintetsu Real Estate has developed a dedicated box that provides both functions—a space for delivery drivers to deposit packages, and storage for emergency supplies—which can be installed next to each condominium’s front door. The company’s goal is to have 100% of all condominiums have emergency supplies placed and ready.

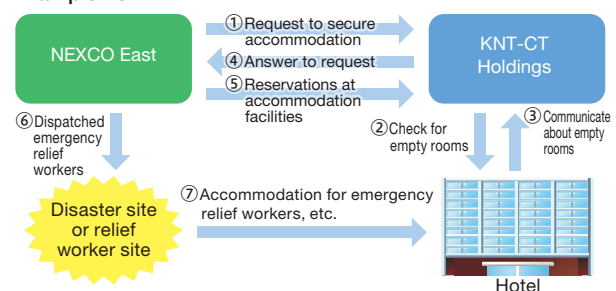


Home delivery and emergency supplies box

■ Agreement to provide accommodation during a disaster

In July 2021, KNT-CT Holdings Co., Ltd. signed an agreement with East Nippon Expressway Company Limited (NEXCO East) to work together to secure accommodation facilities during a disaster. Should a natural disaster—such as an earthquake or heavy snowfall—damage the expressway network, this will allow the two companies to smoothly and quickly find accommodation for stranded drivers or emergency relief workers, and secure means of transport to take them from the scene of the disaster to those accommodation facilities. This initiative will help raise the quality of NEXCO East’s business continuity planning (BCP), part of its crisis management; KNT-CT Holdings Group endorses this effort and will play its part.

Example flow



Fostering Diverse Human Resources and Supporting Their Activities



1 Human Rights

Fundamental Policy on Human Rights of the Kintetsu Group

(Created November 2022)

The Kintetsu Group aims to contribute to the realization of a prosperous society founded upon co-creation through the group's business activities. To that end, it is important for every employee of the group to be aware of the impact that our actions have on society in the course of doing business. The Fundamental Policy on Human Rights of the Kintetsu Group has been established based on the United Nations Guiding Principles on Business and Human Rights and other international conventions on human rights to promote respect for the human rights of all of the people involved in our business activities.

1. Respect for Human Rights

The Kintetsu Group respects the human rights of our customers, local residents, business partners, employees, and other stakeholders, and does not discriminate against anyone based on their race, nationality, religion, gender, sexual orientation, gender identity, disability, or social status. We also address important human rights and labor practice issues such as preventing harassment, limiting excessive working hours, and promoting occupational health and safety.

2. Human Rights Due Diligence

The Kintetsu Group strives to continuously implement human rights due diligence to end or avoid adverse effects on human rights through our business activities.

(1) Dialogue with Stakeholders

The Kintetsu Group engages in dialogue with our stakeholders regarding impacts on human rights and strives to improve efforts that involve respect for human rights.

(2) Education and Training

The Kintetsu Group provides relevant education and training to ensure that our employees understand and comply with our human rights policy.

(3) Remedies and Corrections

If the Kintetsu Group either directly or indirectly caused an adverse effect on human rights, we will take appropriate measures to remedy the situation and implement corrections.

(4) Information Disclosure

The Kintetsu Group will disclose information concerning our human rights-related efforts as appropriate through our website, integrated reports, etc.

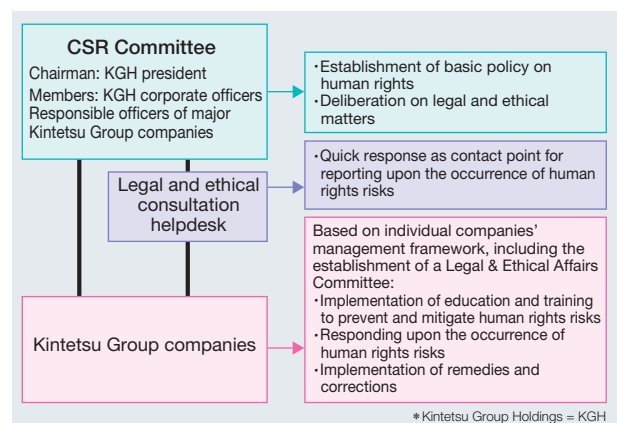
3. Scope of Application

This policy applies to all Kintetsu Group officers and employees. We request that everyone in our supply chain also understand this policy and together we shall promote respect for human rights.

Kintetsu Group Human Rights Promotion Framework

The CSR Committee, chaired by the president of Kintetsu Group Holdings, meets approximately twice a year, setting our basic policy toward human rights, and deliberates on legal and ethical matters. The individual companies in the Kintetsu Group work to promote education and training to prevent and mitigate human rights risks and respond appropriately if risks occur based on their management framework, which includes the establishment of a legal and ethical affairs committee.

With regard to human rights and social integration issues, the Human Rights & Social Integration Promotion Committee, chaired by our corporate officer responsible for human resources, meets once a year to formulate annual targets and promote awareness-raising activities. In addition, the major companies of the Kintetsu Group, our Labor Union, and the Kintetsu Railway Labor Union are also part of this committee to facilitate systematic efforts with labor and management working together.



■ Conducting Human Rights Due Diligence

(1) Identifying Human Rights Risks through Dialogues with Stakeholders

In addition to the Kintetsu Group collaborating with industry groups and the government and holding dialogues with disability organizations, Kintetsu Railway Co., Ltd. is a member of the Corporate Federation for Dowa and Human Rights Issue, Osaka. Through these efforts, we are identifying human rights risks and striving to improve efforts that involve respect for human rights.

(2) Efforts to Prevent and Mitigate Human Rights Risks through Education and Training

① Training

- Human rights training by outside lecturers (Held once every two years for the Kintetsu Group officers and managers)
- Training to prevent harassment in recruitment activities (Held once a year for recruiters and managers in the Kintetsu Group)
- Other types of training, such as e-learning, held according to the situations at individual companies

② Intranet-based education and information distribution

- “Learn all about compliance!” class (held once a month for the Kintetsu Group)
- “Human Rights News” distribution (once every six months for Kintetsu Group Holdings and Kintetsu Railway Co., Ltd.)



Human rights training seminar being given by an outside lecturer

Topics in the “Learn all about compliance!” class (2022)

Class 1	What kind of speech and conduct are considered bullying?
Class 2	When passionate instruction goes too far
Class 3	If a legal or compliance violation occurs in one's private time
Class 4	Things that should be considered by those giving and taking advice
Class 5	Someone is observing what you say and do ①
Class 6	Someone is observing what you say and do ②

“Human Rights News” Topics

FY2020	First-half	Human rights on the internet
	Second-half	Looking at COVID-19 discrimination
FY2021	First-half	Looking at human rights issues (Human rights of children, the elderly, people with disabilities, and women)
	Second-half	Looking at human rights from the Paralympics
FY2022	First-half	Prohibiting harassment—creating an environment in which everyone can work positively

③ Exerting influence on the supply chain

Formulate conduct guidelines for the suppliers of materials and other business partners that prohibit child labor and stipulate compliance, and promote respect for human rights in the supply chain (Kintetsu Railway Co., Ltd., Kintetsu World Express, Inc. and other companies)

(3) Remedies and corrections for when a negative impact on human rights occurs

A job seeker harassment helpdesk and legal and ethics helpdesk that doubles as an internal whistleblower hotline have been established at Kintetsu Group Holdings and outside the company (at a law office) (see p. 92). These are part of a system for responding quickly to human rights risks when they occur. Plus, there is a CSR Committee and committees set up at individual companies.

(4) Information Disclosure

We disclose information concerning our efforts that involve respect for human rights as appropriate through our website, integrated reports, etc.

2 Human Capital

■ Fundamental Policy on Human Resources of the Kintetsu Group (human resource development and work environment improvement policy)

The Kintetsu Group considers ensuring diversity to be an essential part of its corporate mandate and has established a basic policy with regard to human resources aimed at hiring and fostering the development of individuals with drive, ability, and character as well as creating a positive work environment that allows them to flourish.

Based on this policy, we value our employees who have a wide range of knowledge, experience, and personal qualities and work to support the daily life of customers and create more value for them, sustaining the group's stable growth.

Ensuring Diversity

Hiring and fostering the development of individuals with drive, ability and character

Creating a positive work environment that allows individuals to flourish

1 Recruitment

Taking advantage of strong cooperation within the group, we have adopted flexible hiring practices in line with the needs of each company based on their business strategy. The aim is to hire diverse personnel, regardless of whether they are fresh out of college or switching jobs mid-career.

- Boosting recruitment of female employees and mid-career hires to ensure diversity
- Boosting recruitment of digital specialists to advance DX
- Utilization of cooperation within the group and a group recruiting website to compete in a highly competitive jobs market

2 Development

We foster the development of our personnel through various training and self-development programs for their ongoing growth on the job, based on the idea that personal evolution sustains company growth.

- Development of senior management for the group through job rotations
- Establishment of a grant system for employees who earn standard qualifications within the Kintetsu Group to encourage self-improvement

3 Creating a Positive Work Environment

We firmly believe that a company draws vitality from its employees when they feel genuine enthusiasm for their work, so we listen closely to what our employees have to say about their workplaces in each group company and strive to make their work lives easier and give them greater motivation.

- Establishment of a system that enables flexible working styles unconstrained by time or physical location
- Expansion of a support system that enables individuals to balance work with childcare or nursing care
- A self-assessment system and 1-on-1 meetings to boost motivation and psychological safety

4 Health and Safety

We believe that our employees' sound mental and physical health forms the foundation that supports our operations, so we work with occupational health and safety professionals to implement measures that promote health and improve work safety in the work environments of each group company.

- Establishment of a health and productivity management framework and Health & Productivity Management Center to help maintain the mental and physical health of our employees
- Further advancement of occupational health and safety measures to eliminate work-related accidents

■ Cooperation within the Kintetsu Group

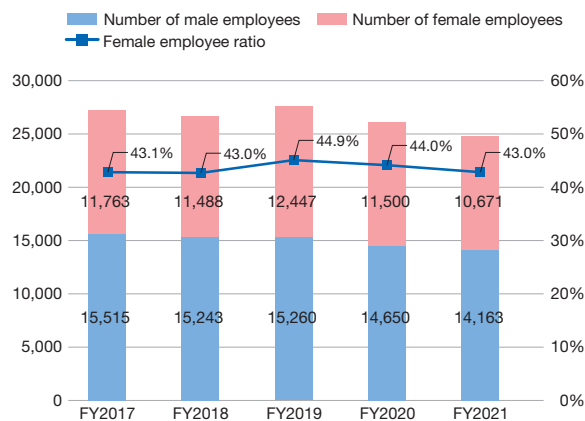
The Kintetsu Group covers a broad range of business categories and also faces wide-ranging issues related to human resources. The Kintetsu Group Human Resources Council, composed of the general managers of the human resources divisions at the group's major companies, meets once every two months to exchange information and discuss issues that each company faces such as labor shortages or excesses and mitigating solutions. Such meetings aim to improve the overall strength of the group by resolving personnel issues through knowledge-sharing and the effective utilization of human resources across the group.

Group-wide seminars are held as part of recruitment activities, along with training programs to boost employee capabilities.

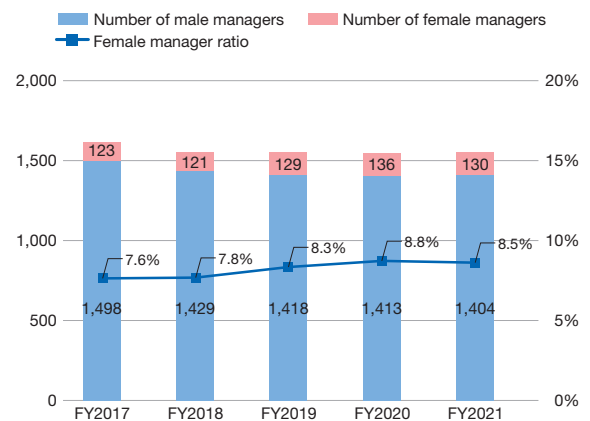
■ Main Indicators on Human Resources (major group companies)

These figures pertain to the major Kintetsu Group companies (Kintetsu Group Holdings, Kintetsu Railway, Kintetsu Real Estate, Kintetsu Department Store, Kintetsu Retailing, Kinsho Store, Kintetsu Miyako Hotels International, KNT-CT Holdings Group's major companies).

Number of employees and female employee ratio

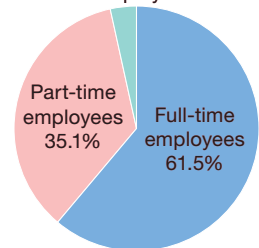


Number of managers and female manager ratio



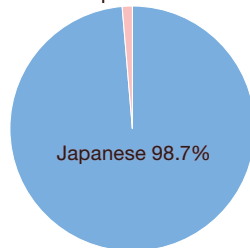
Ratio by employment status

Contract employees 3.4%

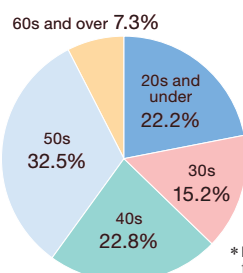


Ratio of foreign nationals

Non-Japanese 1.3%

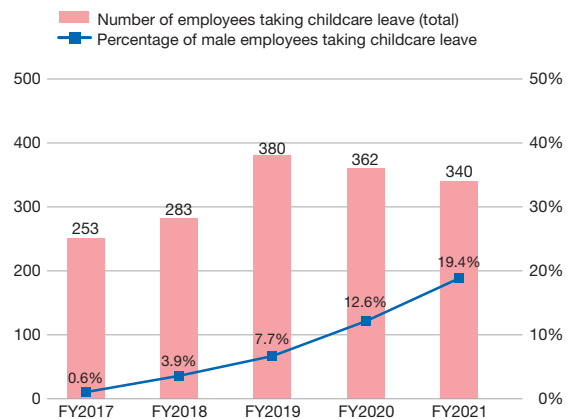


Ratio by age



* Ratio by age based on full-time employees

Number of employees taking childcare leave and uptake among male employees



Note: The percentage of male employees taking childcare leave does not include Kintetsu Miyako Hotels International, the KNT-CT Holdings Group (for all periods), and Kinsho Store (up to fiscal 2020).

2-1 Recruitment

■ Our Basic Approach

The Kintetsu Group hires the personnel we need to implement our business strategy in line with the situation faced by each group company. We are looking for diverse talent—people who are not afraid to take on new challenges and can generate new value—individuals who think outside the box in response to the rapid changes taking place in the business climate across the group. We are flexibly hiring all kinds of people, both new university graduates and individuals making a mid-career change.

We also maintain a fundamental policy of fair, non-discriminatory hiring that respects human rights and does not discriminate based on one's background, gender, age, sexual orientation, disability, nationality, race, or religion.

■ Strengthening Recruitment of Diverse Employees

For the Kintetsu Group to grow sustainably by providing diverse value to our customers, we believe it is essential to have a wide range of employees who possess disparate knowledge, experience, and personality traits. We hire mid-career people to bring in a new perspective and are currently working to hire more female employees to make up for past policies. There is a low percentage of female employees at Kintetsu Railway, for example, because the company used to have a policy prohibiting women from working late at night.

In addition, throughout the year we carry out new hiring of people with disabilities, regardless of the type of disability, to meet the mandatory employment ratio and build upon it.

■ Strengthening Recruitment of Human Resources for DX

One main measure identified in the Medium-Term Management Plan 2024 is “creating new businesses and services through DX,” a part of which is the goal to expand businesses online to offer real-world attractiveness in each business area. To achieve this, Kintetsu Group Holdings has set up a recruitment framework for new graduates for all roles in the information field separate from other office positions. In our mid-career recruitment, we are hiring individuals capable of immediately drawing upon their experience in IT and DX as candidates for future management positions.

■ Recruitment-related indicators and targets (KPIs)

Indicator	Company	FY2021 results	Target year	Target
Ratio of full-time female employee hires (%)	Kintetsu Group Holdings	21.7%	FY2025	30% or higher
	Kintetsu Railway	Railway transport divisions: 27.7% Railway engineering divisions: 4.0%	FY2025	Railway transport divisions: 30% or higher Railway engineering divisions: 5% or higher
	Kintetsu Real Estate	24.4%	FY2025	35% or higher
	Kinsho Store	51.9%	FY2025	Maintain 40% or higher
Ratio of female managers (%)	Kintetsu Department Store	8.7%	FY2030	25%
	Kintetsu Retailing	8.6%	FY2025	10% or higher
	Kinsho Store	4.4%	FY2030	10% or higher
	Kintetsu Miyako Hotels International	12%	FY2025	15% or higher
	KNT-CT Holdings	17.0%	FY2025 FY2030	28% or higher 35% or higher

■ Number of hires, newly graduated hires who left

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of hires	4,707	4,274	4,438	3,367	2,422
Of those, female	2,843	2,650	2,817	2,045	1,490
Female hire ratio	60.4%	62.0%	63.5%	60.7%	61.5%
Number of permanent staff hired	642	643	729	687	665
Of those, number of mid-career hires	166	177	212	145	79
Proportion of permanent staff who were mid-career hires	25.9%	27.5%	29.1%	21.1%	11.9%
Newly graduated hires who left	145	214	244	193	287

* These figures pertain to the major Kintetsu Group companies (Kintetsu Group Holdings, Kintetsu Railway, Kintetsu Real Estate, Kintetsu Department Store, Kintetsu Retailing, Kinsho Store, Kintetsu Miyako Hotels International, KNT-CT Holdings Group's major companies).

* The number of permanent staff hired, number of mid-career hires, and proportion of permanent staff who were mid-career hires for fiscal 2017 to 2020 do not include figures for the KNT-CT Holdings Group.

* The number of "newly graduated hires who left" pertains to those who left within 3 years and are calculated as hires who left regardless of their reason for leaving or their status of employment after leaving.

■ Employment rate of persons with disabilities

	FY2017	FY2018	FY2019	FY2020	FY2021
Kintetsu Group Holdings	—	—	1.36%	1.24%	1.74%
Kintetsu Railway	2.10%	2.40%	2.47%	2.69%	2.43%
Kintetsu Real Estate	1.92%	1.91%	1.76%	1.71%	1.50%
Kintetsu Department Store	2.18%	2.27%	2.33%	2.35%	2.37%
Kintetsu Retailing	1.69%	1.91%	2.13%	2.38%	1.70%
Kinsho Store	2.34%	2.65%	2.98%	2.64%	2.62%
Kintetsu Miyako Hotels International	1.73%	2.05%	2.08%	2.08%	2.32%
Kinki Nippon Tourist Corporate Business*1	2.22%	2.29%	2.52%	3.18%	2.57%
Kinki Nippon Tourist*2	3.50%	2.97%	2.33%	2.42%	2.33%
Club Tourism International	2.62%	2.14%	2.18%	2.04%	2.13%

*1 Results for fiscal 2017 are those of the former Kinki Nippon Tourist.

*2 Results for fiscal 2017 are those of Kinki Nippon Tourist Individual Travel and for fiscal 2018 to 2020 are those of Kinki Nippon Tourist Metropolitan.

2-2 Development

■ Our Basic Approach

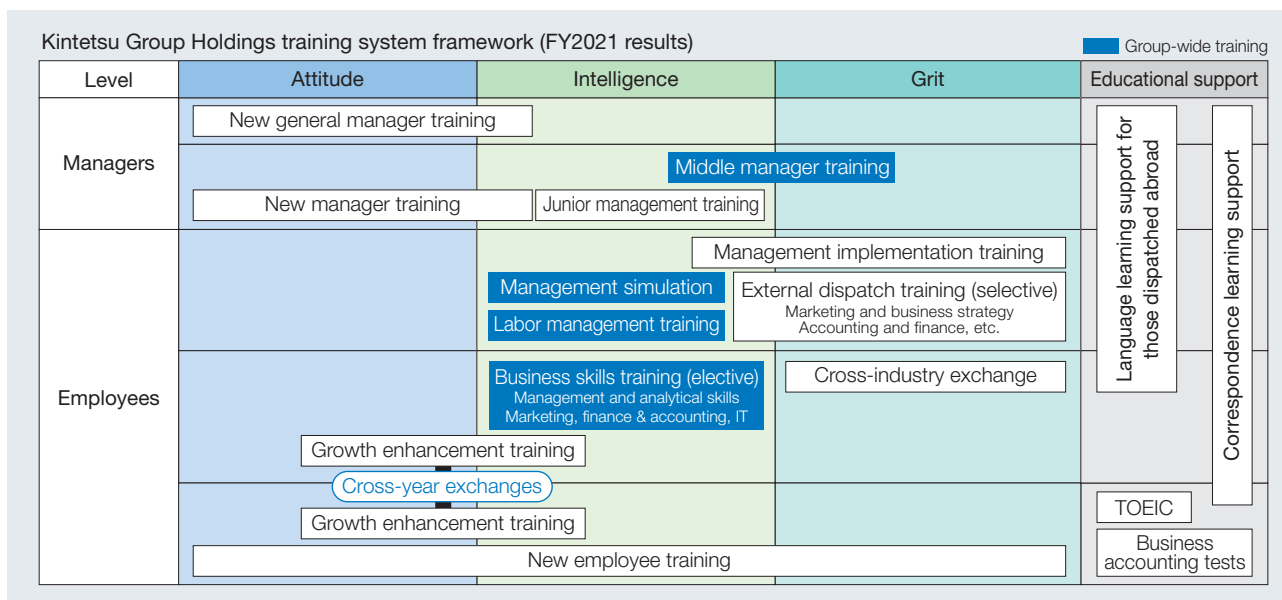
The Kintetsu Group provides systematic training and support for employee self-development and qualifications acquisition to encourage continued growth on the job. We also encourage self-improvement through a grant system for employees who earn standard qualifications within the Kintetsu Group.

■ Human Resource Development

Kintetsu Group Holdings carries out level-specific training for everyone ranging from new hires to general managers and we promote job rotations across the group to develop managerial talent at all companies. We employ a talent management system that centralizes information about employees to offer training and work assignments based on individual traits, strengths, and weaknesses. We also define the “ideal employee” and use it for human resource evaluation and other purposes.

Specific traits of an “ideal employee” (excerpt)

- Has a well-anchored self (makes sound judgments of right and wrong)
- Takes responsibility for his/her actions (feels a sense of ownership)
- Proactive and does not shirk responsibility (seeks out work on his/her own)
- Acts with awareness of the division and company as a whole (does not put oneself or one’s department first)
- Quick to understand what is important (takes action after reflecting on what he/she may be missing or wrong about)
- Never gives up (able to come up with alternative ways of doing things)
- Is always prepared and resolved (able to make important decisions in a crisis situation without hesitation)



■ Developing Human Resources for DX

Kintetsu Group Holdings and Kintetsu Railway Co., Ltd. introduced the DX Promotion Leader System in August 2022. The purpose of this system is to train people at each workplace in basic IT and DX literacy so that they may “create new businesses and services through DX,” one of the main measures in the Medium-Term Management Plan 2024. A DX-oriented training program has also been incorporated into level-specific training, including the training of new employees.

■ Developing and enhancing job role capabilities

To develop and improve the work capabilities of every employee, the Kintetsu Group provides training in all-purpose business skills, training specific to roles at each level, and training tailored to the duties performed at different jobs and positions.

Main types of training by job role

Company	Description
Kintetsu Railway	Training for train engineer instructors and conductors, training for new train engineers and conductors Training to improve hospitality, new employee visits to the site of the 1971 Aoyama tunnel accident and Jogajji Temple, and accident and disaster-relief training
Kintetsu Real Estate	Sales etiquette training, training to enhance real estate knowledge such as tax and legal matters Training to improve customer negotiation skills
Kintetsu Miyako Hotels International	Service etiquette training, training in initial response to complaints Contests (cooking, food & beverage, lodging)
Kintetsu Department Store	Customer service and sales skills training, external sales skills training, commercial development training
Kintetsu Retailing	Seminars for store managers, in-station store rules training
Kinsho Store	Basic sales training, customer service training, store manager training, store chief training, buyer training
KNT-CT Holdings	Training to improve business negotiation skills, training to improve questioning and engagement skills Marketing training



Training session on improving hospitality at Kintetsu Railway

■ Support for self-development

Self-development support content

Company	Description
Kintetsu Group Holdings	<ul style="list-style-type: none"> Grants for taking correspondence learning courses (50–90%) Subsidized exam fees (business accounting examinations, etc.)
Kintetsu Railway	<ul style="list-style-type: none"> Grant system for completing company-designated correspondence learning courses and qualifications from certification exams
Kintetsu Real Estate	<ul style="list-style-type: none"> Qualification acquisition grants (set grants provided to those who acquire qualifications) Qualification acquisition training system (assistance with tuition or work exemptions for those taking exams to become a 1st-class architect, real estate appraiser, or licensed electrical engineer)
Kintetsu Department Store	<ul style="list-style-type: none"> Support for tuition fees Correspondence learning, e-learning, external seminars, GLOBIS Management School, English studies, etc.
Kintetsu Retailing	<ul style="list-style-type: none"> Grants for employees who complete correspondence learning courses (50–90%) Exam fees paid to employees who earn company-designated qualifications
Kinsho Store	<ul style="list-style-type: none"> Arrangement of correspondence learning and publication subscriptions
Kintetsu Miyako Hotels International	<ul style="list-style-type: none"> Subsidy system for exam fees for qualifications (payment of exam fees for applicable qualifications) Subsidy system for correspondence learning courses (half of the course fee is paid upon completion of the course)
KNT-CT Holdings	<ul style="list-style-type: none"> Grants are paid to those who complete correspondence learning courses offered twice a year (July and December) or acquire a national qualification (Certified General Travel Services Manager) or other specialist qualification (area specialist, cruise consultant, Test of World Heritage Studies qualification) (excl. some group companies)
Club Tourism International	<ul style="list-style-type: none"> Complete e-learning library is available External dispatch training with open applications, job challenge system (capability development through other concurrent roles within the company), leave system for skill enhancement, etc.

■ Education and Training Results (by topic) (total hours) (FY2021)

	Skills development	Human rights, compliance, harassment	SDGs, environment, other	Total
Total	153,939 hours	13,121 hours	37,629 hours	204,689 hours
Hours per person	10.0 hours	0.9 hours	2.5 hours	13.4 hours

* The scope for both covers the major Kintetsu Group companies (Kintetsu Group Holdings, Kintetsu Railway, Kintetsu Real Estate, Kintetsu Department Store, Kintetsu Retailing, Kinsho Store, Kintetsu Miyako Hotels International, KNT-CT Holdings Group's major companies).

■ Education and Training Results (by level) (FY2021)

	Executives	Managers	General employees	New employees
Number of participants	143	1,438	13,164	577
Number of trainings	15	57	115	135
Total hours	1,038 hours	36,919 hours	136,620 hours	30,112 hours
Hours per person	7.3 hours	25.7 hours	10.4 hours	52.2 hours

* The number of participants is defined as the number of people who took the training (no duplication, the number of people who actually attended at least one training session), and even if the same person attended three types of training or the same training twice, he/she is considered as one person.

2-3 Creating a Positive Work Environment

■ Our Basic Approach

We believe it is vital to create a positive work environment and strive to improve motivation so that employees are able to reach their full potential. At each group company, we listen carefully to feedback from our employees. We are enhancing support systems such as those that encourage childcare or nursing care and are introducing systems that allow for flexible working styles. Other initiatives include improving motivation by assigning people to positions based on their self-assessments.

■ A positive work environment for a diverse range of employees

We have introduced measures that enable flexible working arrangements such as a flextime system and the ability to take paid annual leave in half-day or hourly units, in addition to teleworking and satellite offices set up in response to the COVID-19 pandemic. By enabling working styles that are not dependent on time or physical location, we are creating work environments that are easy for a wide range of employees to work in. Kintetsu Retailing Co., Ltd. has implemented a free address office layout at its head

office to improve operational efficiency.

Also, to better utilize the strengths of senior employees, we are making changes such as raising the compulsory retirement age in phases and switching to flexible hiring arrangements in our rehiring system. In such ways, we are trying to create a positive work environment that considers each group company's situation and enables employees to use their experience and abilities to the fullest.



Satellite office using the back office at Nagoya Station



Kintetsu Retailing head office

■ Systems to support working alongside childcare and nursing care

We are expanding our systems that enable individuals to work according to their private-life situations and maintain a healthy work-life balance. The systems will allow employees to work using their full capabilities even at stages in their life that require them to provide childcare or nursing care. As a way to help balance work with childcare, in April 2018 we opened nursery school facilities for group employees in three locations along Kintetsu lines (in Uehommachi, Saidaiji, and Yokkaichi) utilizing group-owned buildings in a corporate-led childcare system.



Kintetsu Uehommachi nursery school facility

■ Major initiatives to support work-life balance and working alongside childcare and nursing care

Note: This is an excerpt from the initiatives of major companies.

Work-life balance

- Expansion of system allowing employees to take annual leave in half-days, flextime system, and accumulated leave system
- Management of reasonable working hours through work computer log management
- Promotion of telework and no-overtime days
- Automation of routine work through the use of IT technology (RPA, etc.)

Balancing work with childcare and nursing care

- Ensuring that employees take childcare leave and work shorter hours than legally mandated during childcare-giving years
- A return-to-work system for employees who have left the company due to childcare or nursing care commitments
- A childcare leave and spouse's childbirth leave system for male employees
- Establishment of a consultation service and hosting of seminars on maternity and childcare leave

Employee Engagement Initiatives

We implement the following types of initiatives to give every employee a chance to understand and tune in to the company's direction for success and to feel that their job is rewarding and meaningful, which will stimulate proactive engagement.

Self-assessments

Every year, all employees submit a self-assessment to the Human Resources Division

Goals

- The HR Div. ascertains the career goals of each employee directly and will use that information to provide highly motivating job assignments
- To identify and resolve issues that may arise with individuals, at workplaces, or between superiors and subordinates

1-on-1 meetings

Managers hold 1-on-1 meetings for their section employees on a monthly basis. A practical training program for all manager-level employees is held over a period of several months on how to hold 1-on-1 meetings.

Goals

- To communicate what is expected of a person in their job role based on company and division policies and to instill an understanding of their mission and the significance of their work
- To improve psychological safety and willingness to contribute through more active communication, listening, and follow-ups by supervisors

Employee benefits and social services

The Kintetsu Group features a benefits program that supports employees in their leisure and private time and promotes good health. The system includes the use of the group's Health & Productivity Management Center at no cost to the employee. In addition to providing medical services, the center includes a sports center with a gymnasium, athletic

field, tennis courts, training gym, and other facilities, plus a company cafeteria. Some group companies have introduced a system for utilizing outside social services and they provide assistance to employees who use childcare or nursing care services as well as a discount on leisure and other services.

Childcare and other leave-related indicators and targets (KPIs)

Indicator	Company	FY2021 results	Target year	Target
Childcare leave uptake rate	Kintetsu Railway	Female: 115%*	FY2025	Maintain 80% or higher
		Male: 19.5%		30%
	Kintetsu Department Store	Male: 30.8%	FY2024	100%
Kintetsu Department Store	0%	0%		
Paid leave uptake rate	Kintetsu Group Holdings	55.2%	FY2025	70% or higher
	Kintetsu Railway	88.7%	Annually	90% or higher
Employee turnover rate	Kintetsu Retailing	Male: 2.2%	FY2025	4% or less for both men and women
		Female: 8.3%		

* In cases where the date of birth and childcare leave starting date straddle two fiscal years, the percentage may exceed 100% because calculations are made for each fiscal year.

■ Paid leave uptake rate

	FY2017	FY2018	FY2019	FY2020	FY2021
Kintetsu Group Holdings	58.1%	55.2%	78.0%	57.1%	55.2%
Kintetsu Railway	90.6%	89.3%	92.6%	88.4%	88.7%
Kintetsu Real Estate	30.0%	35.2%	47.3%	48.7%	45.3%
Kintetsu Department Store	48.7%	56.4%	53.3%	38.5%	48.2%
Kintetsu Retailing	21.9%	21.0%	32.5%	31.2%	29.5%
Kinsho Store	78.0%	76.1%	84.5%	73.0%	85.5%
Kintetsu Miyako Hotels International	33.1%	30.7%	53.7%	31.7%	51.8%
Kinki Nippon Tourist Corporate Business*1	54.9%	58.9%	73.4%	39.1%	38.0%
Kinki Nippon Tourist*2	48.5%	45.5%	53.1%	53.1%	47.4%
Club Tourism International	63.4%	57.1%	65.2%	33.4%	36.0%

*1 Results for fiscal 2017 are those of the former Kinki Nippon Tourist.

*2 Results for fiscal 2017 are those of Kinki Nippon Tourist Individual Travel and for fiscal 2018 to 2020 are those of Kinki Nippon Tourist Metropolitan.

■ Average length of service in years

		FY2017	FY2018	FY2019	FY2020	FY2021
Kintetsu Group Holdings	Male	–	20.0	19.5	19.4	17.7
	Female	–	19.0	12.4	13.2	12.1
Kintetsu Railway	Male	23.6	24.1	24.4	24.2	24.0
	Female	8.7	8.6	8.1	8.0	8.1
Kintetsu Real Estate	Male	17.0	17.3	16.8	16.5	16.6
	Female	16.4	16.4	17.3	17.6	17.3
Kintetsu Department Store	Male	22.6	23.2	23.6	24.1	24.8
	Female	16.8	17.7	18.4	18.8	19.2
Kintetsu Retailing	Male	7.3	7.9	8.8	9.6	10.4
	Female	8.8	9.2	9.4	9.4	9.9
Kinsho Store	Male	22.1	24.0	18.7	18.9	19.3
	Female	9.6	12.1	13.2	13.3	12.8
Kintetsu Miyako Hotels International	Male	13.7	14.4	14.1	12.2	13.6
	Female	6.8	7.6	7.3	6.9	7.0
Kinki Nippon Tourist Corporate Business*1	Male	18.8	21.1	21.8	21.9	23.0
	Female	8.8	11.1	11.5	10.8	11.9
Kinki Nippon Tourist*2	Male	19.0	24.0	24.1	24.4	23.9
	Female	11.4	13.0	12.6	12.4	12.4
Club Tourism International	Male	12.2	12.0	12.2	12.9	13.8
	Female	9.4	9.1	10.2	10.5	11.6

*1 Results for fiscal 2017 are those of the former Kinki Nippon Tourist.

*2 Results for fiscal 2017 are those of Kinki Nippon Tourist Individual Travel and for fiscal 2018 to 2020 are those of Kinki Nippon Tourist Metropolitan.

■ Employee turnover rate

	FY2017	FY2018	FY2019	FY2020	FY2021
Kintetsu Group Holdings	0.8%	0.8%	1.5%	2.6%	4.3%
Kintetsu Railway	0.9%	1.4%	1.4%	3.5%	1.8%
Kintetsu Real Estate	2.6%	2.9%	3.0%	3.0%	4.4%
Kintetsu Department Store	3.2%	4.0%	3.0%	2.8%	2.7%
Kintetsu Retailing	3.7%	5.3%	4.4%	3.9%	4.0%
Kinsho Store	3.6%	3.8%	6.1%	2.7%	3.2%
Kintetsu Miyako Hotels International	11.2%	12.1%	13.4%	9.3%	13.4%
KNT-CT Holdings Group*	–	–	–	16.7%	10.2%

• The employee turnover rate does not include retirees who have reached retirement age.

• Fiscal 2020 figures include those who retired under an early retirement incentive plan implemented by Kintetsu Group Holdings and Kintetsu Railway Co., Ltd.

* The fiscal 2020 figures for the KNT-CT Holdings Group are the non-consolidated results for KNT-CT Holdings Co., Ltd.

2-4 Health and Safety

Kintetsu Group Health & Productivity Management Declaration

The Kintetsu Group is actively engaged in health and productivity management, aiming to raise corporate value by promoting good health among our employees. The Kintetsu Group Health & Productivity Management Declaration was created in September 2021 to further promote these efforts.

Kintetsu Group Health & Productivity Management Declaration

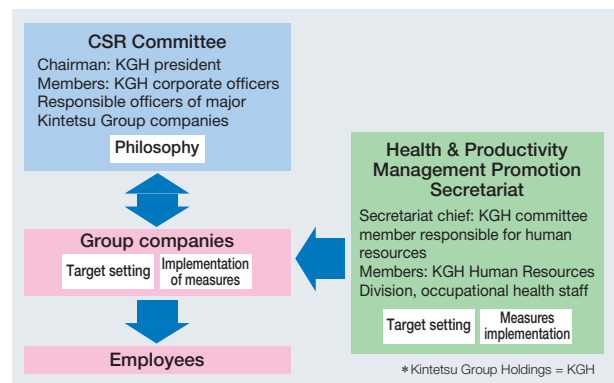
(Created September 2021)

The Kintetsu Group will:

- Recognize that the mental and physical health of its employees is the basis of its business, and so it actively strives to maintain and improve that health as an important management issue.
- Contribute to society by creating new value, by ensuring employees can play active roles healthily and energetically.

Health and productivity management framework

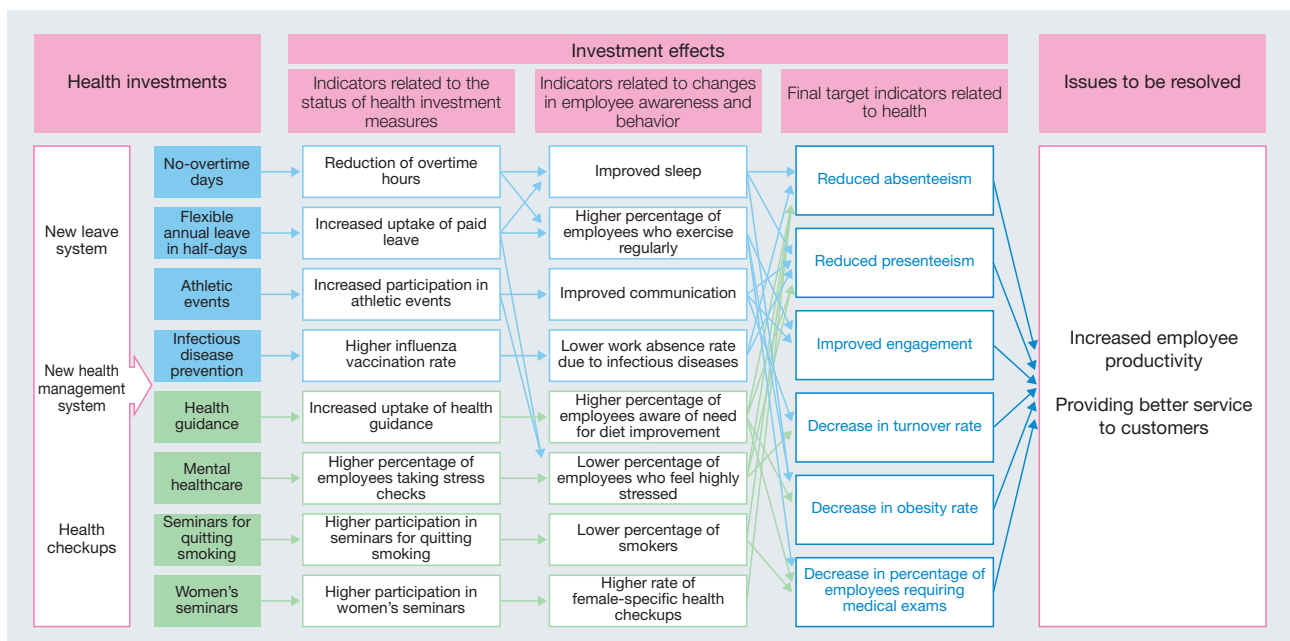
To promote health and productivity management, in fiscal 2021 we established a health and productivity management framework centered around the CSR Committee chaired by Kintetsu Group Holdings' president. The Kintetsu Group is working to achieve group-wide health targets—reduce the employee obesity rate and lower the percentage of employees who feel highly stressed. To that end, each group company will cooperate with the Health & Productivity Management Promotion Secretariat, staffed by occupational health workers who have specialized expertise, to enact various measures and promote better employee health.



Health & Productivity Management Strategy

In fiscal 2020, Kintetsu Group Holdings and Kintetsu Railway Co., Ltd. created a strategic map for health management. At Kintetsu Railway, the total number of days of absence for medical reasons (absenteeism) had been on the rise since fiscal 2017, resulting in a drop in productivity. Mental health issues seemed to play a big role, so efforts were

focused on preventing mental health problems. In fiscal 2021, mental health issues accounted for 4,306 days of absence from work, a 5.8% reduction from the previous year. The drop in absenteeism contributed to increased productivity and we will continue to aim for 3% annual reductions to further the effectiveness of health management.



Major Initiatives to Maintain and Promote Health

As a means of offering health management to employees at all group companies, the Health Management Center run by Kintetsu Railway Co., Ltd. was relaunched under the auspices of Kintetsu Group Holdings as the Kintetsu Group Health & Productivity Management Center in June 2019. The renovated center was expanded to be able to offer a wide range of health checkups to group employees. The center provides general medical care and guidance consultations following health checkups, as well as a consultation section exclusively for women and mental health counseling provided by occupational health doctors.

In addition, the major companies of the Kintetsu Group are taking numerous measures to help improve the mental and physical health of the group's employees and to meet health and productivity targets. These include regular training sessions on mental health, stress checks, newly built office lounge areas, and workplace walking events.



Kintetsu Group Health & Productivity Management Center

Physical health initiatives

- Subsidies for medical checkups to prevent lifestyle-related diseases, ongoing health guidance and education, and a health follow-up system
- Full cost covered for influenza vaccinations, provided in-house
- Guidance for quitting smoking, measures to prevent second-hand smoke, reduced number of smoking rooms
- Non-mandatory medical tests offered with periodic health checkups
- Health checkups for a wider range of employees than required by law and guidance provided by occupational health doctors
- Participation as a company in online athletic events using a walking app

* Excerpted from the initiatives of major companies

Mental health initiatives

- Stress checks covering all workplaces, consultations for people feeling highly stressed, and improvements to the work environment
- Mental health helpdesk staffed by public health nurses, external phone consultation services, and counseling room at the Health & Productivity Management Center
- Consultations with an occupational health doctor for individuals who have taken leave due to mental imbalance and returned to work
- Periodic mental healthcare training sessions
- Encouragement to take the Mental Health Management Certification Test

* Excerpted from the initiatives of major companies

Our Occupational Safety and Health Management Policy

Kintetsu Railway Co., Ltd. has established management policies for occupational safety and health at each workplace, based on which employees work together proactively toward the goal of zero work-related accidents.

Occupational Safety and Health Management Policy (FY2022)

1. Occupational Safety Management Policy

Work together to create a workplace with zero work-related accidents

- Always carry out "pointing and calling"
- Eliminate negligent work
- Zero traffic accidents through careful, anticipatory driving and actions

2. Occupational Health Management Policy

Work together to build health in mind and body

- Let's create positive, open workplaces
- Let's prevent illnesses by ourselves
- Let's stop smoking and get exercise

Certification as a Health & Productivity Management Outstanding Organization

In March 2022, for the third consecutive year, the Ministry of Economy, Trade and Industry (METI) recognized Kintetsu Group Holdings and Kintetsu Railway Co., Ltd. as "White 500" corporations that practice outstanding health and productivity management.



■ Shared Targets of Major Companies in Health Management (KPIs)

Company	Reduce obesity rate		Reduce percentage of employees who feel highly stressed	
	FY2021 results	FY2023 target	FY2021 results	FY2023 target
Kintetsu Group Holdings and Kintetsu Railway	33%	Under 30%	6.1%	Under 6%
Kintetsu Real Estate	29%	25% or lower	4.1%	3% level
Kintetsu Department Store	24.2%	Below FY2021 figures	12.7%	Below FY2021 figures
Kintetsu Retailing	28.8%	Under 28%	16.7%	Under 15%
Kinsho Store	28.6%	Below FY2021 figures	21.7%	Below FY2021 figures
Kintetsu Miyako Hotels International	22.4%		4.9%	
Club Tourism International	23.4%		15.7%	
Kinki Nippon Tourist	23.7%		Head office: 14.7% Other than head office: 21.7%	
Kinki Nippon Tourist Corporate Business	20.1%		13.0%	

* In addition to the targets above, individual companies have set their own targets, such as to reduce the smoking rate.

■ Number of work-related accidents (total for major companies)

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of workers involved in work-accidents	196	207	217	171	156
Employees	–	–	–	164	140
Contractors	–	–	–	7	16
Work-related fatalities	0	0	0	0	0
Number of breaches of labor standards	2	0	1	2	2

* These figures pertain to the major Kintetsu Group companies (Kintetsu Group Holdings, Kintetsu Railway, Kintetsu Real Estate, Kintetsu Department Store, Kintetsu Retailing, Kinsho Store, Kintetsu Miyako Hotels International, KNT-CT Holdings Group's major companies).

* Fiscal 2017 to 2019 do not include figures for the KNT-CT Holdings Group.

■ Average number of overtime hours per month

	FY2017	FY2018	FY2019	FY2020	FY2021
Kintetsu Group Holdings	12.0	14.2	15.0	12.0	15.5
Kintetsu Railway	21.5	22.3	21.7	16.7	17.6
Kintetsu Real Estate	11.7	11.3	11.0	12.6	13.2
Kintetsu Department Store	14.1	15.1	14.8	7.6	9.6
Kintetsu Retailing	4.8	5.2	5.2	7.6	8.0
Kinsho Store	14.0	14.4	15.0	15.0	17.8
Kintetsu Miyako Hotels International	17.5	16.7	14.8	6.3	7.3
KNT-CT Holdings Group	–	–	–	2.6	15.1

Bolstering Our Governance and Risk Management

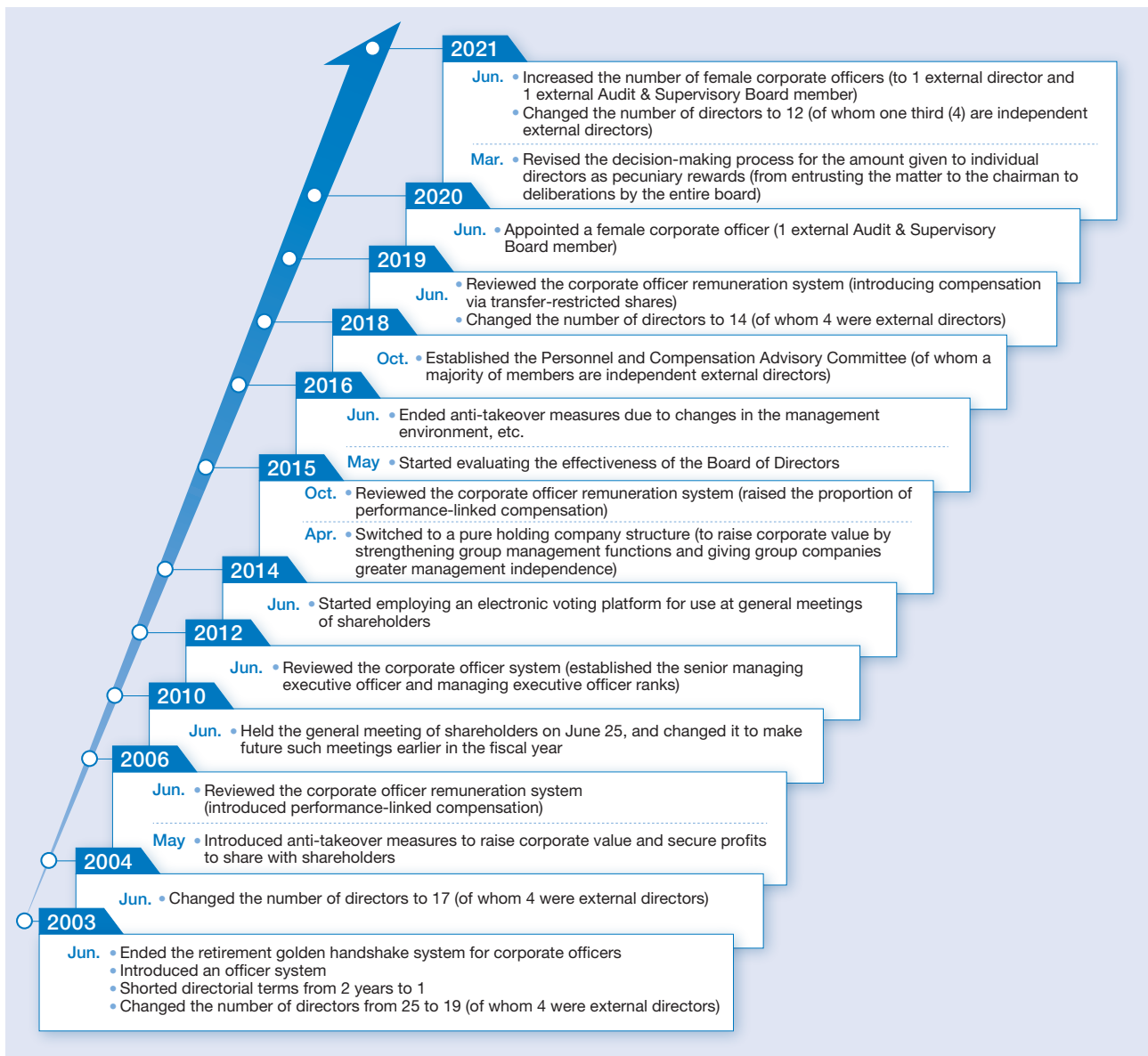


1 Corporate Governance

■ Fundamental approach

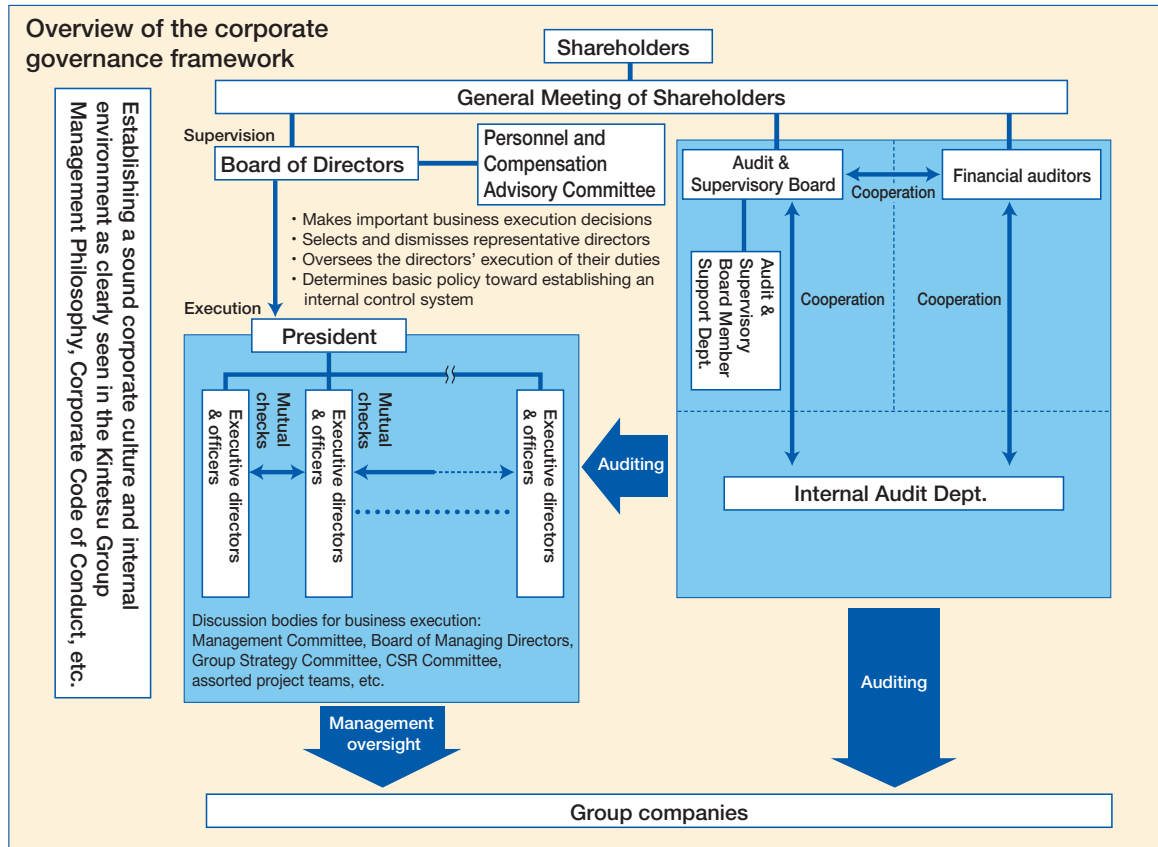
As summed up in our management philosophy—To Support Daily Life, To Create More Value—our goal is to support safety in people’s lives and boldly take on the challenge of creating new value, through sincere corporate activities. We also aim to collaborate with a diverse range of people to make our society better. Through these activities, we hope to maintain and strengthen our relationships of trust with customer, local communities, shareholders, business partners, employees and other varied stakeholders, so to this end, we are working to enhance our corporate governance and the soundness of our management.

■ A history of governance reforms



■ Corporate governance framework

We believe that having a highly transparent, fair management framework is vitally important for building relationships of trust, and to that end we work to enhance our corporate governance.



(As of June 2022)

■ Corporate Code of Conduct

The Kintetsu Group Holdings Corporate Code of Conduct, which acts as the foundation for how we behave, is detailed below.

- We will raise customer satisfaction through the business activities of group companies.
- We will increase corporate value through the independence and cooperation of group companies.
- We will contribute to the development of local communities as a good corporate citizen.
- We will work diligently to protect the environment.
- We will comply with the law and hold ourselves to a high ethical standard.
- We will disclose information as appropriate and ensure transparency of management.
- We will respect human rights and foster workplaces where labor and management work together harmoniously.
- We will outright refuse any relationship with anti-social forces or organizations.

■ Corporate governance indicators and targets (KPIs)

Company	Indicator	FY2021 results	Target year	Target
Kintetsu Group Holdings Co., Ltd.	External director ratio	33.3%	FY2022	Maintain one third or higher

■ Directors

Kintetsu Group Holdings has 12 directors, 4 of whom are external directors who do not have a personal stake in the group's success or failures. Their opinions, which come from a wealth of experience and wide-ranging points of view, are incorporated into the group's management and the board works to strengthen management oversight functions. There is currently one female director.

■ Board of Directors

The Board of Directors is chaired by Kintetsu Group Holdings' chairman and meets, in principle, once a month. In addition to deciding important matters of business execution, it regularly receives progress reports on business activities, including on the status of efforts to establish and operate internal controls. Business execution is then overseen by the board's executive directors and officers.

As well as deciding on vital topics concerning Kintetsu Group Holdings' business execution, the Board of Directors approves important matters at major group companies, reports on revenue and expenditure budgets and performance, and fulfills other roles. The attendance figures and percentages for fiscal 2021 for each director can be found below.

Director

Tetsuya Kobayashi	10/10	(100%)
Toshihide Ogura	10/10	(100%)
Yoshihiro Yasumoto	10/10	(100%)
Masaaki Shirakawa	9/10	(90%)
Hiroyuki Murai	9/10	(90%)
Takashi Wakai	10/10	(100%)
Shiro Hara	10/10	(100%)
Nobu Hayashi	7/8	(88%)
Kunie Okamoto	10/10	(100%)
Ryuichi Murata	10/10	(100%)
Masanori Yanagi	9/10	(90%)
Toshiko Katayama	10/10	(100%)

* Information for Nobu Hayashi only covers Board of Directors meetings held after his appointment on June 18, 2021.

* Information for Toshiko Katayama also covers Board of Directors meetings she attended as an Audit & Supervisory Board member prior to her appointment as a director on June 18, 2021.

Audit & Supervisory Board Member

Hirohisa Tabuchi	10/10	(100%)
Hitoshi Tada	10/10	(100%)
Masahiro Maeda	10/10	(100%)
Kazumi Suzuki	10/10	(100%)
Michiko Inoue	7/8	(88%)

* Information for Michiko Inoue only covers Board of Directors meetings held after her appointment on June 18, 2021.

■ Appraising the effectiveness of the Board of Directors

In order to evaluate its own effectiveness, the Board of Directors has continued from last year in carrying out self-assessments for all directors and auditors. The findings of these are analyzed and appraised, and an overview of these are as follows.

The Board of Directors was given a positive evaluation overall. It receives prior explanations for important matters, meetings are held at appropriate times and frequency, and the board is functioning properly in both its decision-making and oversight roles with a well-balanced composition of corporate officers. The reports it receives from the presidents of each of the group's main group companies about their respective issues and measures are also clear.

One issue that was identified during last year's effectiveness appraisal was that there was a desire for advance explanations, opportunities to question people involved, and documents to be provided earlier. This time, the situation around early distribution of documents and advance explanations was deemed to have improved.

On the other hand, due to the COVID-19 pandemic and other reasons the management environment has become more severe, and so there are more very important matters that require decisions. There was some feedback that as a result, it would be better to dig down further than previously into the background or through verification where possible when providing documents or explanations.

Taking these ideas on board, we will continue to work to improve the board's functions.

■ Diversity policy for the Board of Directors

Corporate officers are appointed based on overall considerations of experience, knowledge, abilities, personalities, and other factors, regardless of gender. However, given that female-perspective-driven management will be increasingly important going forward, we will undertake further initiatives to promote female participation. Also, in the case of external corporate officers, we will appoint myriad individuals—such as executives in other companies, attorneys, and academics from all manner of fields—and consider the diversity of the board's composition.

Audit & Supervisory Board members

Of the five members of Kintetsu Group Holdings' Audit & Supervisory Board, three are external auditors and independent officers. We ensure members have the required expertise to discuss matters of a financial, accounting, and legal nature, and we aim to enhance the stringency and thoroughness of the auditing process. There is currently one female Audit & Supervisory Board member.

Audit & Supervisory Board

In principle, the Audit & Supervisory Board meets once a month. In addition to determining basic policies toward auditing, each board member will report on their ordinary auditing activities, and members will then exchange opinions among themselves.

The attendance figures and percentages for fiscal 2021 for each member can be found below.

Hirohisa Tabuchi	12/12	(100%)
Hitoshi Tada	12/12	(100%)
Masahiro Maeda	12/12	(100%)
Kazumi Suzuki	12/12	(100%)
Michiko Inoue	8/9	(89%)

* Information for Michiko Inoue only covers Audit & Supervisory Board meetings held after her appointment on June 18, 2021.

Corporate officer skills matrix

Position	Name	Management experience	Business experience	Marketing/ Business strategy	IT/DX	Finance/ Accounting	Legal affairs	Governance/ Compliance	Human Resource development/ Diversity
Representative Director, Chairman of the Board	Tetsuya Kobayashi	○	○	○				○	
Representative Director, President	Toshihide Ogura	○	○				○	○	
Director, Senior Managing Executive Officer	Masaaki Shirakawa		○	○	○				
Director, Senior Managing Executive Officer	Takashi Wakai			○		○		○	
Director, Managing Executive Officer	Shiro Hara	○	○						○
Director, Managing Executive Officer	Nobu Hayashi		○	○					○
Director, Managing Executive Officer	Akihiko Matsumoto			○			○	○	
Director, Managing Executive Officer	Kunimitsu Izukawa			○		○			○
External Director	Kunie Okamoto	○		○		○		○	
External Director	Masanori Yanagi	○		○		○		○	
External Director	Toshiko Katayama						○	○	○
External Director	Takashi Nagaoka	○		○		○		○	
Audit & Supervisory Board Member (full-time)	Hirohisa Tabuchi		○					○	
Audit & Supervisory Board Member (full-time)	Hitoshi Tada							○	○
External Audit & Supervisory Board Member	Masahiro Maeda						○	○	
External Audit & Supervisory Board Member	Kazumi Suzuki					○		○	
External Audit & Supervisory Board Member	Michiko Inoue				○			○	○

* The table above does not detail all the knowledge, experience, or capabilities that each director or auditor may possess.

Personnel and Compensation Advisory Committee

The Personnel and Compensation Advisory Committee was established to act as a consulting body for the Board of Directors, and it aims to discuss the personnel and compensation affairs of directors, and to assist with the board's decisions. More than half of its members are independent external directors. The committee holds the functions of both a directorial candidate selection committee and a remuneration committee, and is currently composed of six members—Kintetsu Group Holdings' chairman and president, as well as four independent external directors—and meets at least once a year. In fiscal 2021, the committee met once, with all members in attendance, where it discussed revisions to the corporate officer system, personnel affairs for corporate officers, corporate officer remuneration and other topics.

External officers' independence

The seven external officers who meet the independent officer criteria have been designated as independent officers.

Independent officers are external directors and external Audit and Supervisory Board members who will not have a conflict of interest with general shareholders, and the standards by which we determine independence are detailed in corporate governance reports.

■ Remuneration for directors and Audit & Supervisory Board members

Director and auditor remuneration is decided within the scope approved by the general meeting of shareholders for total compensation. The pecuniary remuneration for individual directors is determined by the Board of Directors after deliberations by the Personnel and Compensation Advisory Committee, more than half of whose members are independent external directors. Compensation for full-time directors is made up of a fixed pecuniary reward, a performance-linked pecuniary reward, and remuneration in shares. Compensation for Audit & Supervisory Board members is pecuniary amount determined by discussions by the Audit & Supervisory Board.

Our decision-making policies on remuneration for individual directors, as well as remuneration for each type of corporate officer, are detailed below.

Decision-making policies on remuneration for individual directors

With the belief that directorial remuneration should act as a further incentive to raise corporate value and performance, it comprises three parts: a fixed pecuniary reward, a performance-linked pecuniary reward, and remuneration in shares. Individual amounts are determined in line with the following policies:

- i. **Decision-making policy on fixed pecuniary rewards**
Fixed pecuniary rewards are set in accordance with rank and consider duties, etc.
- ii. **Decision-making policy on performance-linked pecuniary rewards**
Full-time directors are provided with performance-linked pecuniary rewards. The amount is set in accordance with rank, and calculated based on the amount of two indicators: consolidated ordinary profit and profit attributable to owners of parent.
- iii. **Decision-making policy on remuneration in shares**
For full-time directors' remuneration in shares, they are given transfer-restricted shares that come with certain conditions—such as not being able to be disposed of until after leaving their position—and the number of shares is set in accordance with rank.
- iv. **Decision-making policy on pecuniary proportion of different compensation levels**
The ratio between fixed pecuniary rewards, performance-linked pecuniary rewards, and remuneration in shares are set to appropriate proportions to contribute to raising corporate value and performance.
- v. **Decision-making policy on when rewards are provided**
Pecuniary rewards are paid each month. A year's worth of remuneration in shares is provided each July, but should the Board of Directors have deemed that a major legal breach, or other specific event, has occurred, the company may choose not to provide this reward.
- vi. **Decision-making method on individual remuneration amounts**
The amount of individual remuneration is determined by the Board of Directors, following deliberations by the Personnel and Compensation Advisory Committee, based on plans created by the company.

■ Internal control system

More details of our internal control system can be found in our corporate governance report, in particular in the section “IV. Internal Control System.”

■ Significance of possessing listed subsidiaries and governance effectiveness

Of our subsidiaries, there are three that are listed on Tokyo Stock Exchange's Standard Market: Kintetsu Department Store Co., Ltd., KNT-CT Holdings Co., Ltd., and Kin-Ei Corp.

We have developed a wide range of lifestyle-related businesses, first and foremost our railway business, and Kintetsu Department Store Co., Ltd. and Kin-Ei Corp.'s important role is to develop comfortable, varied urban functions at major train terminals and locations along our lines. KNT-CT Holdings Co., Ltd.'s important role, meanwhile, is to attract visitors to Ise-Shima, Nara, and tourist attractions in the Kintetsu operational area. By having our companies connect organically in this way, we aim to achieve the goal of our management philosophy: To Support Daily Life, To Create More Value. On the other hand, for these market-listed companies, having them listed increases their autonomy and is also an advantage in terms of gaining the trust of society and securing personnel. We believe that in this way we can synergistically raise the quality of the Kintetsu Group's management.

For our oversight of group management, we take care not to adversely affect these listed companies' independence or the profits of their few shareholders. For vital transactions between the listed companies and ourselves in the parent company, we make sure to receive approval from our Board of Directors, which includes several independent external directors. Where needed, we also take on board third-party opinions to ensure the fairness of any such dealings.

Amount of remuneration (FY2021)

Corporate officer type	Total (million yen)	Reward breakdown (million yen)			Number of individuals
		Fixed pecuniary	Performance-linked	Remuneration in shares	
Directors	290	211	49	29	15
(of which, external directors)	(24)	(24)	(-)	(-)	(4)
Auditors	65	65	-	-	6
(of which, external auditors)	(18)	(18)	(-)	(-)	(4)

* Includes remuneration, etc., for 3 directors and 1 external Audit & Supervisory Board member who retired during fiscal 2021.

* The amounts for remuneration in shares are the cash amounts, taking into account expenses, during fiscal 2021.

2 Compliance

■ Legal and ethical compliance framework

To promote corporate behavior that is line with laws, regulations, and corporate ethics, we have formulated the Legal and Ethical Guidelines. We have set out our policies on strict information management, the elimination of anti-social forces, prevention of bribery and corruption and other topics, and details can be found on our website. All officers and other employees have been issued with a handbook entitled “The Legal and Ethical Standards Manual,” and we work to spread awareness of these issues. Moreover, our policy on the protection of the personal information that we handle is outlined in the separate Personal Information Protection Policy.

In terms of our internal framework, in addition to establishing the CSR Committee, we have also placed legal and ethical standards managers and persons in charge in each department, and are promoting compliance activities. We have established compliance frameworks in our group companies and are promoting appropriate corporate behavior.

■ Legal and Ethical Guidelines

We have formulated a set of guidelines pertaining to compliance with laws, regulations, and corporate ethics and have distributed copies of “The Legal and Ethical Standards Manual” to officers and other employees so as to raise awareness.

Kintetsu Group Holdings Co., Ltd. formulated the policy below with regards to legal and ethical compliance. All employees, including officers, understand the policy and strive to ensure compliance.

All managers responsible for this organization, including the officers who manage the group, will set an example and always endeavor to strengthen the internal system to guarantee the effectiveness of the Corporate Code of Conduct and the Legal and Ethical Guidelines.

1. We will thoroughly comply with laws and regulations.
2. We will rigidly enforce information management.
3. We will prohibit insider trading.
4. We will respect human rights and prevent discrimination.
5. We will prohibit harassment.
6. We will outright refuse any relationship with anti-social forces or organizations.
7. We will handle our assets appropriately.
8. We will police entertainment of guests and gift-giving.
9. We will make sure business dealings are fair and honest.
10. We will utilize our intellectual properties appropriately.
11. We will ensure the transparency of business operations.

■ Education and training

To raise awareness of compliance, we carry out training for all employees twice a year to give an understanding of the importance of compliance and the risk of breaches. Training is split into different levels, for every class of employee from new employees to corporate officers. With an understanding of their roles and responsibilities according to their position, employees are working to prevent scandals and raise corporate value.

Furthermore, to raise groupwide awareness, we provide training materials to group companies as a way of supporting their legal and ethical training. We also work to prevent

■ Legal and ethical consultation system

To quickly detect and correct infractions of legal standards, corporate ethics, or our internal regulations, we have established internal and external legal and ethical consultation helpdesks. The helpdesks can handle reports and queries from Kintetsu Group Holdings employees and employees from 61 group companies in the transportation, real estate, hotel and leisure, logistics, and other fields (there were 50 such reports in fiscal 2021).

These helpdesks also act as hotlines for internal whistleblowing, based on the provisions of the Whistleblower Protection Act. We have also established female-staffed helpdesks to deal with consultations from female employees, and internal and external (at a law firm) helpdesks that specialize in dealing with reports of job hunting harassment.

An important part of the system is that the name of anyone who raises concerns, and the nature of their consultations, are kept confidential and handled impartially.



(As of April 2022)

scandals by holding on-site training at other group companies to conduct discussions that consider individual companies' businesses and needs, and to exchange specific case studies.

In fiscal 2021, we provided training materials to 61 group companies twice and a total of 700 people went on on-site training at 16 group companies or facilities.



Employees receiving training

3 Risk Management

■ Basic risk management policy

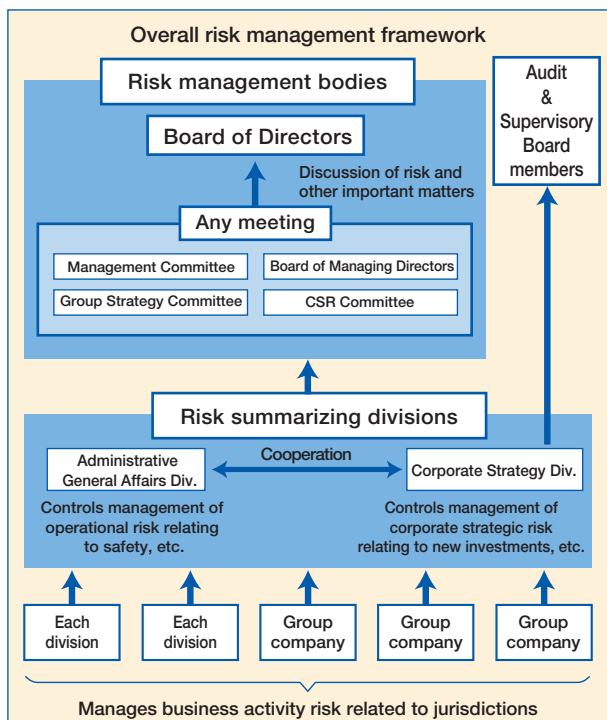
By developing and operating appropriate internal control systems, we aim to reduce risk and raise corporate value.

Under the Financial Instruments and Exchange Act, we are obliged to evaluate and audit internal controls that pertain to financial reporting. As such, we have determined fundamental plans and policies for such internal controls.

■ Regulations and other frameworks concerning loss risk management

In order to adequately manage business and other risks, we formulated our comprehensive Risk Management Regulations. We also, where necessary, carry out debates on matters of importance, including risk, at deliberating bodies such as the Board of Directors, Management Committee, Board of Managing Directors, and Group Strategy Committee.

To manage categories of risk deemed particularly important—such as crisis management for incidents and disasters, or matters of legal and ethical compliance—we have specialist staff in addition to the overall risk management framework, and prepare separate management systems, such as by formulating internal regulations or instruction manuals.



(As of June 2022)

■ Kintetsu Group's basic information security policy

As our reliance on IT in our corporate activities has grown, so has the importance of information security measures. Therefore, to maintain a necessary information security standard, Kintetsu Group Holdings and its subsidiaries have, as a group, have compiled fundamental principles that should be complied with throughout the group in the Kintetsu Group Information Security Basic Policy.

To ensure that we maintain and manage all of the information assets that we possess in an appropriate manner, we work to secure information security.

1. Information management

We have clarified roles and responsibilities relating to information security, and we will manage all of the information assets we possess appropriately in response to their importance and any risks.

2. Legal compliance

We will adhere to related laws, contracts with customers, these policies, and regulations set by individual group companies.

3. Technical security measures

In order to prevent unauthorized access to information, or its loss, falsification, leaking, or disappearance, we take both technical and physical security measures.

4. Training and education

Corporate officers, other employees and workers undergo training and drills on information security. This training aims to help them recognize their own roles and responsibilities, and also provide them with the knowledge needed to implement information security measures.

5. Managing contractors

When we outsource tasks to external parties, we share these policies with contractors, and request that they maintain the same kind of security level as the Kintetsu Group.

6. Response to breaches

In the unlikely event that an information security incident should occur, we will work swiftly to respond and minimize damage, as well as to prevent a reoccurrence.

7. Maintenance and improvement

Should the situation change in terms of information security measures or in the environment, we will carry out reviews and endeavor to maintain and continuously improve our information security.

■ Business and other risks

Taking into account the Kintetsu Group's business and financial situation, management has identified the major risks—issues that they recognize as having the potential to adversely affect the financial standing, operating results, or cash flows of Kintetsu Group Holdings or its consolidated subsidiaries—detailed in the table below.

As well as recognizing the likelihood of these risks occurring, we are working to avoid them coming about or how to respond if they do.

Moreover, forward-looking statements were determined by the Kintetsu Group as of November 11, 2022, the publication date of our Fiscal 2022 Second Quarter Report.

	Major risk	Details	Countermeasures
1	Changes in the economy, personal consumer behavior, the international situation, etc.	In our transportation, real estate, merchandise sales, and hotel and leisure business areas, our customers are general consumers. As such, there are a number of factors that could have an adverse effect on our business performance, including financial influences (the economy, personal consumer behavior, etc.) and the influence of the weather (cool summers, warm winters or other abnormalities). These business areas could also be impacted by fewer foreign visitors to Japan if there were to be a natural disaster, bad weather, or if the international were to deteriorate (terrorism, war, etc.). Performance in our international logistics business too could be adversely affected by a range of factors, including economic trends inside and outside Japan, changes in demand for transportation among our client companies, political or other social factors, natural disasters, bad weather, terrorist attack, regional warfare, or pandemic.	In addition to making structural reforms to lower our break-even point, we will make our business portfolio more resilient to risk by developing and strengthening B-to-B business. This will allow us to quickly and flexibly respond to changes in the business environment or customer trends or needs, and to enhance our business performance going forward.
2	Spread of infectious disease	The spread of the COVID-19 pandemic has placed restrictions on economic activities, halted customers' business activities, and led to a rapid drop in demand for travel and tourism. These have had a massive impact on the Kintetsu Group. Should employees become infected en masse, business execution could become difficult. Even in a post-pandemic world, its effect on the structure of society and behavior remains, and this could lead to a drop in demand for commuting and business trips, an expansion of online businesses, and other permanent changes.	We will prioritize infection prevention, and preventing its spread, and will strive to make structure reforms in each of our business areas to respond to the social and environmental environment, and to changes in behavior.
3	Changes in the cost price of freight/transport	In our international logistics business, for air freight, a return to pre-pandemic flight numbers is slow, particularly for long-distance flights. For sea freight, container shipping is still in chaos. As a result of these factors, the cost price of freight and transport by both air and sea have changed dramatically, and the situation remains unstable. In response, for air freight, we have been using charter flights to secure transportation space, but charter contracts must be bought up in fixed amounts, so if transportation demand were to drop below expectations, this could adversely affect our business performance. Labor shortages are also becoming apparent in the logistics industry, and this situation could lead to major changes in the costs of transportation and cargo handling. If these purchasing costs exceed expectations, it could become difficult to receive reasonable amounts from customers. In such a case, our business performance and financial situation could be adversely affected.	As well as strengthening cooperative relating with airline companies, marine transport companies, trucking companies, and others in the industry, we will work to request appropriate amounts from customers to respond to changes in the environment. Through these and other measures, we will respond to changes in the business environment quickly and flexibly, and work to minimize the impact on our business performance.
4	Shrinking population in the area, further motorization, competition with rivals	Low birthrates, the aging of society, and the movement of the population to urban centers mean that the population in the Kintetsu operational area—particularly the population that commutes to work or school—is shrinking, and is predicted to continue dropping in the future. The development of the expressway network, a direct rival to our railway lines, is also propelling the motorization of society. Moreover, in some lines, we are competing with other railway companies. This situation has the possibility of reducing our revenue from the railway, merchandise sales, and real estate business areas. The tourist attractions along our lines are in competition with tourist attractions elsewhere, so if the number of tourists decreases, this might impact on the railway business, but also revenue in the hotel and leisure business area. Also, in areas such as Osaka, Nara, and Mie, the opening of new stores or renovations of existing stores for rival department stores or other types of retailers could adversely affect revenue in the merchandise sales business area.	As well as working to utilize the abundant tourism resources of our operational area and to enhance our products and services to meet customer and local needs, we will develop real estate in areas where we are competitive, new business models using new technologies, and effective management frameworks. We will proactively implement these measures and use cooperation between group companies to strengthen the group's overall business foundations.

	Major risk	Details	Countermeasures
5	Large-scale disaster or incident	<p>There are several difficult events that severely damage the Kintetsu Group and require large sums of money to recover from. Such potential events include a Nankai Trough earthquake or similar; any tsunami that might result; fires or terrorist attacks at major train terminals or similar; damage to large bridges, railway tunnels or tracks or other railway facilities; trouble with online ticket systems for limited express trains; or any other damage to hotels, department stores, leased facilities, leisure facilities, etc. Since the group's management resources are focused on its operational area—centered on Osaka, Nara, and Mie prefectures—so an earthquake in the Nankai Trough in particular could have a serious impact on the Kintetsu Group's business performance.</p> <p>Also, should a large-scale incident occur, recovery and damage compensation would require enormous outgoings, which could also have a serious impact on our business performance. In the railway business, incidents caused by external factors, such as entry onto railway crossings when the gates are down, could impede train operations.</p>	<p>We believe that as a public transportation provider, our first priority is to ensure the safety of our customers, in our railway, bus service, and other transportation businesses, which carry millions of customers. As a result, we not only train and drill employees, in the railway business we also continuously make strategic investments, such as introducing, updating, and strengthening equipment to maintain driving safety. We also promote anti-seismic reinforcement and disaster prevention measures in each of our businesses, as well as doing all we can to ensure safety in all its forms. We periodically review the business continuity plans we have for large-scale earthquakes, and are pushing forward with further developing a crisis management system so we are prepared should a large-scale disaster or incident occur.</p>
6	Exchange rate fluctuations	<p>As our international logistics and travel businesses have expanded worldwide, fluctuation in the value of currencies in different areas could impact our business performance and financial situation.</p>	<p>To avoid the risk of exchange rate fluctuations in foreign-currency obligations/liabilities and planned transactions, we use methods such as forward exchange agreements and foreign currency swaps. During transactions, our execution and management is in line with our internal control regulations, and our policy is not to conduct speculative transactions or those with a high leverage effect.</p>
7	Climate change	<p>Of the physical risks presented by climate change, train operations may become impossible due to acute risks such as wind and water damage or landslides resulting from powerful typhoons or heavy rainfall. It could also lead to reservations for travel or hotels being canceled, or people avoiding going out for shopping or other leisure activities. Chronic risks include the potential for electricity usage and energy bills to go up through greater use of air-conditioning or similar in extremely hot weather. There are also transitional risks, such as strengthening of laws and regulations, changes in consumer behavior in terms of travel or daily life, and a greater need to invest in large-scale equipment or review our business structure.</p>	<p>In line with the TCFD's framework, we are moving forward with climate-related risk management, strategic measures, and information disclosure via our integrated reports. In preparation for increasingly severe disasters, we are promoting disaster preparedness and safety measures on our railways, and based on the Kintetsu Group Environmental Targets—with the aim of achieving carbon neutrality by 2050—we are advancing efforts to save energy and resources, and are striving to tackle climate change.</p>
8	Worker shortages/ soaring pays	<p>The railway business and many of the Kintetsu Group's other business areas are labor intensive, and as such being able to secure stable human resources is imperative. However, Japan's low birthrates and aging society mean that the working-age population will continue to drop. In the future, if we are unable to secure sufficient human resources, or if our talented personnel leave, it could affect the running of our businesses. Also, as competition to recruit becomes more intense, wages are going up and if they keep going up in the future, it may impact on our income and outgoings.</p>	<p>We are endeavoring to continue securing personnel by expanding employment classifications and geographic areas, and by rationalizing and systemizing tasks, etc., we will work to create a more effective management framework.</p>
9	Legal/regulatory risks	<p>In accordance with the Railway Business Act (Act No. 92 of 1986), setting or changing passenger fares requires approval from the Minister of Land, Infrastructure, Transport and Tourism, and so there is the chance that setting or changing passenger fares will be limited.</p> <p>In our business activities, we face various types of laws and regulations, and depending on revisions to these, they could impact on our business performance. While we in the Kintetsu Group work hard to prioritize legal compliance in our business, in the unlikely event that we did not act appropriately in regard to a law or regulation, or if there were to be a serious breach, our sales activities could be restricted or a fine imposed, which could adversely affect the group's business performance or levels of trust.</p>	<p>We gather information relating to laws and regulations inside and outside Japan, and are working to minimize any negative impact on the group's business information.</p>
10	Loss of trust due to product quality or food safety or labeling	<p>In the merchandise sales and hotel and leisure business areas, most of our customers are general consumers. As such, if we were to lose trust because of a problem with quality or food safety/labeling for the products we sell, we would lose customers, which in turn could lead to reduced revenue, and this alongside compensation payouts, legal fees, and other costs could adversely affect our business performance.</p>	<p>We verify compliance with relevant laws and regulations; check quality and hygiene management, as well as food labeling; periodically carry out training for employees; ensure product quality and food safety; and, work to label food appropriately.</p>

	Major risk	Details	Countermeasures
11	Drop in land prices, etc.	Our business performance could be adversely affected by sluggish sales of land for sale or condominiums, lower revenues from leased real estate, or evaluation losses for land and buildings for sale or fixed assets, all resulting from a slump in the real estate market and dropping land prices.	To do all we possibly can to avoid the effects of changing land prices, we are replacing existing assets we own, promoting business development in areas where we possess competitive strengths, and encouraging the development of new high-added-value properties. At the same time, by effectively utilizing largely unused land, we are working to improve the business performance of our real estate business.
12	Soaring prices of resources such as oil	Rising resource prices—for resources such as crude oil—would have a massive impact on our railway, bus service, taxi service, and international logistics businesses. Equally, rising construction costs for condominiums in the real estate business, or rising energy costs for our restaurant, hotel, or department store businesses, could lead to a drop in profits.	Each business is striving to keep down cost prices, while each company and the group in unison, when necessary, band together to negotiate with suppliers about the price of resources.
13	Changes in interest rates for procuring funding	Rapid changes in the economy or chaos in financial markets could lead to market rates rising or rapidly dropping in the future. It could also result in credit rating agencies lowering their ratings. In either case, interest rates on procured funding could rise and have an adverse effect on our business performance. At the end of fiscal 2021, our balance of consolidated interest-bearing debt totaled ¥1,060,088,000,000, so our interest expenses and corporate bond interest on non-operating expenses for fiscal 2021 totaled ¥7,386,000,000.	We are working to lower our consolidated interest-bearing debt balance, and we are working to fix long-term interest rates to reduce any impact on changes in interest rates.
14	Changes in stock prices	Changes in stock prices could cause the price of investments in securities with market values to fall, which would adversely affect our business performance. We also use part of our pension assets (including our retirement benefit trust) to invest in listed stocks, so dropping stock prices could lead to a rise in retirement benefit expenses or contributions.	We periodically work to keep up to date with the market prices for investments in securities, and to control risks. For our use of pension assets, we take on advice from outside experts, and conduct regular reviews to verify our investments.
15	Changes in lifestyles due to the evolution of digital information technologies	The evolution of IT is leading to an environment where working from home or attending meetings online is taking root, and the COVID-19 pandemic has accelerated this trend, reducing the number of people commuting or making long-distance business trips using public transportation. Going forward, if this trend were to continue, passenger revenue from trains and buses, as well as real estate leasing revenue from offices and other buildings, could decrease.	We are developing rolling stock where the aim of riding the train is the journey itself, and working to increase the number of tourists in the area by further enhancing the appeal of tourist attractions along our lines, such as in Ise-Shima or Nara. Moreover, we are developing our real estate business in areas where our competitive strengths lie, and through facility renovations we will maintain and raise the value of our assets. Through these measures, we will aim to increase the number of visitors to the Kintetsu operational area, and endeavor to provide services that are focused on the new lifestyles that are becoming established.
16	Information leaks, etc.	Through our activities—selling season tickets, gathering information on card members, and sales in the hotel, department store, and travel businesses—we hold customers' personal information and other confidential information. In the unlikely event of unauthorized access to that information, or its loss, falsification, leaking, or disappearance, we might have to pay out compensation or similar, and the resulting loss of trust could have an adverse effect on our business performance. Also, there is a risk that our systems could become unusable for a long period of time, or a similar unexpected incident occur, as a result of worse-than-expected computer system damage, communications failures, computer viruses or cyber-attacks—which in recent years have become increasingly ingenious. In such a case, this could have an adverse effect on our business performance.	To prevent any leaks of information, each group company is responsible for ensuring information security and maintaining strict control of information, in accordance with laws, regulations, the Kintetsu Group Information Security Basic Policy, and internal regulations each company sets individually. We also work to strengthen our information security framework in terms of both hardware and software, to prevent unauthorized access or computer viruses.
17	Corporate acquisitions, etc.	The companies that make up the Kintetsu Group, with the aim of raising their competitiveness toward future growth, engage in corporate buyouts and similar measures, and will continue to do so in future. Should an acquired company's performance fall short of predictions made at the time of purchase, or where it is determined to have not produced the results expected of it, due to changes in the business environment or a lack of competitiveness, the group company that acquired it could have to record it as goodwill or other impairment loss. This could impact the group's business performance. In May 2015, Kintetsu World Express, Inc. (KWE)—at that time an equity-method affiliate—acquired the global logistics company APL Logistics Ltd, and in July 2022, Kintetsu Group Holdings made KWE a consolidated subsidiary by making a tender offer for all of the company's issues shares. As of the end of September 2022, our non-current assets related to the acquisitions above totaled ¥263,693,000,000 (including ¥109,114,000,000 of goodwill) on our consolidated financial statements. However, as the allocation of the acquisition cost has not been completed, this goodwill amount is a provisional calculation.	In line with the scale, etc., of individual acquisitions, the Board of Directors, as well as various decision-making bodies at each company, have been carrying out sufficient deliberations and due diligence into investment candidates to promote corporate acquisitions, etc. At the same time, we will work to raise the asset efficiency of acquirers and maximize their profits.

■ Business continuity plans

With the aim of improving our ability to respond to extraordinary circumstances, we formulate business continuity plans (BCPs) to deal with such serious risks as major earthquakes in the Nankai Trough or elsewhere, typhoons or other weather-related damage, or the COVID-19 pandemic or other infectious disease. These plans, which aim to restore business operations as swiftly as possible, set out in advance the measures required to return the business to normal operations, the time this is expected to take, and which departments will take the lead.

■ Extraordinary Circumstances Response Regulations

Potential extraordinary circumstances are myriad, including large-scale incidents, natural disasters such as big earthquakes, widespread fires, terrorist attacks or other damage incurred from third parties, or a new infectious disease. We have set out what we would do should such an event occur—how we would respond to the severity and circumstances, how to respond as a group, how we would establish a countermeasures headquarters, etc.—in our Extraordinary Circumstances Response Regulations.

■ Risk management indicators and targets (KPIs)

Company	Indicator	FY2021 results	Target year	Target
Kintetsu Railway	Business Continuity Management (BCM) rating (Development Bank of Japan)	Highest rank	FY2025	Maintaining the highest rank

4 Supply Chain Management

■ Action guidelines for suppliers, etc.

The Kintetsu Group has expanded into a range of different businesses inside and outside Japan, and we believe that sharing awareness of CSR themes—such as legal compliance, respect for human rights, and environmental conservation—and being sincere and acting responsibly are of vital importance.

Kintetsu Railway Co., Ltd. has formulated the Fundamental Policy on Buying Activities and the Requests for Business Partners, for the companies it works with. It also carries out periodic questionnaires and, when necessary, interviews and company visits to check conditions on the ground and promote improvements.

In 2020, the KWE Group formulated its KWE Vendor Code of Conduct. The group also set “Social Impacts in the Supply Chain” as one of its areas of materiality to promote responsible procurement, and going forward will further strengthen its ties with business partners.

Kintetsu Railway Co., Ltd.
 Fundamental Policy on Buying Activities
<https://www.kintetsu.jp/shizaichotatsu/basicpolicy.html>
 Requests for Business Partners
<https://www.kintetsu.jp/shizaichotatsu/onegai.html>

■ Highest BCM rating rank from the DBJ

In March 2022, we received the highest-rank Business Continuity Management (BCM) rating from the Development Bank of Japan (DBJ) for the tenth consecutive year for having particularly exceptional initiatives toward disaster preparedness and business continuity. The BCM rating is an evaluation of such initiatives and a means of recognizing exceptional companies.



■ Partnership Building Declaration

In March 2022, we announced our Partnership Building Declaration. The aim of the declaration is to advance cooperation and mutual prosperity between companies and supply chain partners and business operators looking to create value, and to build new partnerships. In addition to Kintetsu Group Holdings, six of our consolidated subsidiaries have also made the declaration. As well as working to support efficiency enhancements at suppliers, such as by promoting electronic business transactions, by understanding the situation throughout the entire supply chain and sharing information, we are contributing to the realization of a prosperous society through co-creation.



Kintetsu World Express, Inc.
 KWE Vendor Code of Conduct
<https://www.kwe.com/about/whoweare/policy/vendor-code-of-conduct/>

Social contribution activities

■ Giving back to society in a wide range of areas

The Kintetsu Group has grown with its regions, particularly along its lines, and runs many different forms of social contribution activities.

Theme	Example activities
Contributing to the region	Workplace experiences/tours, school visits, clean-up activities, safety patrols for kids going to and from school, providing venues for regional community volunteer activities, etc.
Volunteer activities	Participation in and sponsorship of regional events and sports events, support for kids' cafeterias
Supporting recovery after disasters	Donations and other contributions, fund-raising activities, campaigns to recover travel demand

Kintetsu Group Holdings, Kintetsu Railway Co., Ltd. and other companies have volunteering leave systems in place.

Example workplace tour: Kindergarten kids tour of Kokudo Kyushi Ferry Co., Ltd.



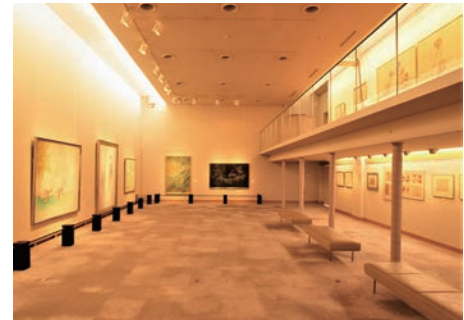
Messages from the Top Management

Overview of the Kintetsu Group

■ Promotion of art and culture

We contribute to culture and art, such as by collecting and displaying artworks at The Museum Yamato Bunkakan and other locations, and other activities, including caring for art and culture properties.

Facility/Organization	Details
The Museum Yamato Bunkakan	The museum has gathered and displays around 2,000 pieces of Oriental art, including 4 national treasures, one of which is the Matsuura screens.
Shouhaku Art Museum	The museum collects and displays artworks with a particular focus on the traditional Japanese-style paintings of three generations of the distinguished Uemura painting dynasty—Shoen, Shoko, and Atsushi.
ABENO HARUKAS Art Museum	With varied exhibitions, this urban art museum allows anyone to easily enjoy art and culture.
Kinki Cultural Association & Yamato Cultural	It also holds on-site lectures at archaeological sites or historic shrines and temples, as well as public lectures.



Shouhaku Art Museum

Kintetsu Group's Value Creation

Business Strategies

■ Hanazono Kintetsu Liners are giving back to sports and the region

Hanazono Kintetsu Liners, a rugby team that plays in Japan Rugby League One, has been helping to spread rugby by visiting schools and giving lessons, and is fostering dreams among the children, sharing the wonder and emotion of sports, and helping them to grow up healthy. The team also interacts with the people of the region in many different ways, and is working to be loved by the community.



They have collaborated with Osaka Prefecture and the city of Higashiosaka, and in fiscal 2021 took part in more than 50 school lessons or events. They have also provided chances to try rugby, lectures, and agricultural experience programs for adults.

Initiatives for Materiality

Corporate Information

Corporate Officers (as of September 30, 2022)



External Audit & Supervisory
Board Member

Michiko Inoue

External Audit & Supervisory
Board Member

Kazumi Suzuki

External Audit & Supervisory
Board Member

Masahiro Maeda

External Director

Takashi Nagaoka

External Director

Toshiko Katayama

External Director

Masanori Yanagi

External Director

Kunie Okamoto



Messages from
the Top Management

Overview of
the Kintetsu Group

Kintetsu Group's
Value Creation

Business Strategies

Initiatives for Materiality

Corporate Information

Director, Managing
Executive Officer

Nobu Hayashi

Director, Managing
Executive Officer

Akihiko Matsumoto

Director, Managing
Executive Officer

Kunimitsu Izukawa

Audit & Supervisory
Board Member

Hirohisa Tabuchi

Audit & Supervisory
Board Member

Hitoshi Tada

Representative Director,
Chairman of the Board and
Group CEO

Tetsuya Kobayashi

Representative Director,
President

Toshihide Ogura

Director, Senior Managing
Executive Officer

Masaaki Shirakawa

Director, Senior Managing
Executive Officer

Takashi Wakai

Director, Managing
Executive Officer

Shiro Hara

Corporate Officer Profiles (as of September 30, 2022)

Directors

Ext ... External Corporate Officer

Ind ... Independent Corporate Officer



Tetsuya Kobayashi

Chairman of the Board and Group CEO
(Representative Director)

Apr.1968 Joined the Company
Jun.2001 Director, the Company
Jun.2003 Managing Director, the Company
Jun.2005 Senior Executive Director,
the Company
Jun.2007 President, the Company
Apr.2015 Chairman of the Board,
the Company
Jun.2020 Chairman of the Board and
Group CEO, the Company
(present position)

Important positions concurrently held

Director, The Kansai Electric Power
Company Incorporated



Toshihide Ogura

President
(Representative Director)

Apr.1978 Joined the Company
Jun.2009 Officer, the Company
Jun.2012 Director, Managing Executive
Officer, the Company
Jun.2015 Director, Senior Managing
Executive Officer, the Company
Jun.2016 President, Mie Kotsu Group
Holdings, Inc.
Jun.2020 President, the Company
(present position)



Masaaki Shirakawa

Director, Senior Managing Executive
Officer
Responsibilities: Business Strategy Div.

Apr.1982 Joined the Company
Jun.2014 Officer, the Company
Jun.2016 Director, Managing Executive
Officer, the Company
Jun.2019 Director, Senior Managing
Executive Officer, the Company
(present position)



Takashi Wakai

Director, Senior Managing Executive
Officer
Responsibilities: Corporate Strategy Div.
and Accounting Div.

Apr.1983 Joined the Company
Jun.2016 Director, Managing Executive
Officer, the Company
Jun.2021 Director, Senior Managing
Executive Officer, the Company
(present position)



Shiro Hara

Director, Managing Executive Officer
Responsibilities: Human Resources Div.

Apr.1984 Joined the Company
Jun.2019 Officer, the Company
Jun.2020 Director, Managing Executive
Officer, the Company
(present position)



Nobu Hayashi

Director, Managing Executive Officer
Responsibilities: Secretarial Div. and
Tokyo Office

Apr.1984 Joined the Company
Jun.2018 Officer, the Company
Jun.2021 Director, Managing Executive
Officer, the Company
(present position)



Akihiko Matsumoto

Director, Managing Executive Officer
Responsibilities: Administrative
General Affairs Div.

Apr.1984 Joined the Company
Apr.2022 Managing Executive Officer,
Kin-Ei Corp.
Jun.2022 Director, Managing Executive
Officer, the Company
(present position)



Kunimitsu Izukawa

Director, Managing Executive Officer
Responsibilities: Corporate Strategy Div.

Apr.1987 Joined the Company
Sep.2020 Managing Executive Officer,
KNT-CT Holdings Co., Ltd.
Jun.2022 Director, Managing Executive
Officer, the Company
(present position)



Kunie Okamoto

External Director

Ext Ind

Jun.1969 Joined Nippon Life Insurance
Company
Apr.2005 President, Nippon Life Insurance
Company
Jun.2005 External Director, the Company
Jun.2006 Retired as External Director,
the Company
Jun.2010 External Director, the Company
(present position)
Apr.2011 Chairman, Nippon Life Insurance
Company
Apr.2018 Director and Executive Advisor to
the Board, Nippon Life Insurance
Company
Jul.2018 Executive Advisor to the Board,
Nippon Life Insurance Company
(present position)

Important positions concurrently held

Director, Hotel Okura Co., Ltd.



Masanori Yanagi

External Director

Ext Ind

Apr.1974 Joined Japan Development Bank
Jun.2011 Deputy President, Development
Bank of Japan Inc.
Jun.2015 President and CEO,
Development Bank of Japan Inc.
Jun.2018 Retired as President and CEO,
Development Bank of Japan Inc.
Aug.2018 Chairman, The Japan
Economic Research Institute
(present position)
Jun.2019 External Director, the Company
(present position)

Important positions concurrently held

Director, Fukoku Mutual Life Insurance
Company
Director, Tobu Railway Co., Ltd.
Director, Sumitomo Mitsui Trust Holdings, Inc.



Toshiko Katayama

External Director

Ext Ind

Apr.1988 Registered as an attorney at law
Apr.1993 Established Katayama Toshiko
Law Office
Jul.2005 Established Katayama, Kuroki
and Hiraizumi Law Office
(currently Katayama and
Hiraizumi Law Office)
(present position)
Jun.2020 Audit & Supervisory Board
Member, the Company
Jun.2021 External Director, the Company
(present position)

Important positions concurrently held

Director, Sumitomo Life Insurance Company



Takashi Nagaoka

External Director

Ext Ind

Apr.1976 Joined The Mitsubishi Bank, Ltd.
Jun.2011 Deputy President, The Bank of
Tokyo-Mitsubishi UFJ, Ltd.
Jun.2014 President & CEO, Mitsubishi UFJ
Securities Holdings Co., Ltd.
Jun.2014 President & CEO, Mitsubishi UFJ
Morgan Stanley Securities Co., Ltd.
Jun.2015 Member of the Board of
Directors, Deputy Chairman,
Mitsubishi UFJ Financial Group, Inc.
Apr.2018 Member of the Board of
Directors, Chairman, Mitsubishi
UFJ Securities Holdings Co., Ltd.
Apr.2022 Senior Advisor, Mitsubishi UFJ
Securities Holdings Co., Ltd.
(present position)
Jun.2022 External Director, the Company
(present position)

Important positions concurrently held

Director, ELECOM Co., Ltd.

Audit & Supervisory Board Members



Hirohisa Tabuchi

Audit & Supervisory Board Member (full-time)

Apr.1977 Joined the Company
 Jun.2008 Officer, the Company
 Jun.2011 Managing Director, the Company
 Jun.2012 Director, Senior Managing Executive Officer, the Company
 Jan.2015 Senior Executive Vice President, Kintetsu Division Preparation Company (currently Kintetsu Railway Co., Ltd.)
 Jun.2018 Audit & Supervisory Board Member (full-time), the Company (present position)



Hitoshi Tada

Audit & Supervisory Board Member (full-time)

Apr.1982 Joined the Company
 Nov.2016 Director, Managing Executive Officer, Kintetsu Railway Co., Ltd.
 Jun.2019 Audit & Supervisory Board Member (full-time), Kintetsu Railway Co., Ltd.
 Jun.2020 Audit & Supervisory Board Member (full-time), the Company (present position)



Masahiro Maeda

External Audit & Supervisory Board Member Ext Ind

Apr.1987 Associate Professor, Department of Law, Kyoto University
 Apr.1992 Associate Professor, Graduate School of Law, Kyoto University
 Apr.1996 Professor, Graduate School of Law, Kyoto University (present position)
 Jun.2014 External Audit & Supervisory Board Member, the Company (present position)



Kazumi Suzuki

External Audit & Supervisory Board Member Ext Ind

Apr.1994 Associate Professor, Faculty of Business and Economics, Kindai University
 Apr.1995 Associate Professor, School of Business Administration, Kobe University
 Apr.1999 Associate Professor, Graduate School of Business Administration, Kobe University
 Apr.2012 Professor, Graduate School of Business Administration, Kobe University
 Jun.2019 External Audit & Supervisory Board Member, the Company (present position)
 Apr.2021 Professor, Kobe University Center for Social Systems Innovation (present position)

Important positions concurrently held
 Director, Nozaki Insatsu Shigyo Co., Ltd.



Michiko Inoue

External Audit & Supervisory Board Member Ext Ind

Mar.2001 Associate Professor, Division of Information Science, Nara Institute of Science and Technology
 Apr.2011 Professor, Division of Information Science, Nara Institute of Science and Technology
 Apr.2018 Professor, Graduate School of Science and Technology, Nara Institute of Science and Technology (present position)
 Jun.2021 External Audit & Supervisory Board Member, the Company (present position)

Group Officers

Takashi Tsuji (Representative Director and President, Kintetsu Railway Co., Ltd.)
Takahisa Kurahashi (Representative Director and President, Kintetsu Real Estate Co., Ltd.)
Takashi Nishimura (Representative Director and President, Kintetsu Miyako Hotels International, Inc.)
Nobutoshi Torii (President & CEO, Kintetsu World Express, Inc.)

Senior Officer

Akio Hata (Responsibilities: Audit Div.)

Officers

Michiyasu Masuda (Responsibilities: Secretarial Div., Corporate Strategy Div., and Business Strategy Div.)
Hirokazu Kambayashi (Public Relations Div.)
Jun Kobayashi (Business Strategy Div. and Taipei Office)

Financial Data

1. Summary of business results

Millions of yen

	FY2017	FY2018	FY2019	FY2020	FY2021
Operating results					
Operating revenue	1,222,779	1,236,905	1,194,244	697,203	691,512
Operating profit (loss)	64,643	67,779	49,380	(62,115)	3,864
Ordinary profit (loss)	61,323	67,129	47,224	(41,959)	30,658
Profit (loss) attributable to owners of parent	29,614	35,962	20,561	(60,187)	42,755
Depreciation	52,538	52,196	53,924	54,779	51,269
Capital expenditures	54,057	78,229	68,907	55,207	26,547
EBITDA (operating profit + depreciation)	117,182	119,975	103,304	(7,336)	55,134
Cash flows					
Cash flows from operating activities	88,798	102,319	58,266	(25,470)	57,548
Cash flows from investing activities	(50,796)	(64,148)	(57,440)	(46,013)	44,264
Cash flows from financing activities	(36,891)	(38,905)	(12,952)	107,897	(102,918)
Cash and cash equivalents at end of period	52,763	52,089	39,787	76,321	75,765
Financial position					
Total assets	1,914,480	1,936,417	1,891,300	1,955,048	1,895,770
Equity	366,410	382,266	376,978	320,595	378,621
Retained earnings	75,734	102,039	110,288	40,829	80,555
Interest-bearing debt	1,080,230	1,055,904	1,058,274	1,182,219	1,060,088
Borrowings	769,150	736,264	713,774	792,571	707,144
Bonds payable	311,080	319,640	340,500	344,648	312,944
Commercial papers	–	–	4,000	45,000	40,000
Financial indicators					
Operating profit to revenue from operations (%)	5.3	5.5	4.1	(8.9)	0.6
Ordinary profit to total assets (%)	3.2	3.5	2.5	(2.2)	1.6
Profit to equity (%)	8.4	9.6	5.4	(17.3)	12.2
Equity ratio (%)	19.1	19.7	19.9	16.4	20.0
Ratio of interest-bearing debt to EBITDA (times)	9.2	8.8	10.2	–	19.2
Per share information (yen)					
Earnings per share (yen)	155.74	189.17	108.16	(316.62)	224.81
Net assets per share (yen)	1,927.22	2,010.87	1,983.12	1,686.55	1,990.85
Dividends per share (yen)	50.00	50.00	50.00	0.00	25.00
Other					
Issued shares (thousands of shares)	190,662	190,662	190,662	190,662	190,662
Consolidated subsidiaries (companies)	85	82	81	80	71

Note: "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) has been applied for FY2021 and thereafter.

2. Consolidated financial statements

Millions of yen

1. Consolidated balance sheets	FY2017	FY2018	FY2019	FY2020	FY2021
Assets					
Current assets	282,328	289,716	257,302	331,123	331,569
Non-current assets	1,628,999	1,643,828	1,631,014	1,621,243	1,561,947
Property, plant and equipment	1,394,508	1,407,403	1,404,868	1,358,710	1,289,093
Intangible assets	11,912	15,755	17,227	14,963	13,958
Investments and other assets	222,578	220,669	208,918	247,568	258,895
Deferred assets	3,152	2,873	2,983	2,681	2,252
Total assets	1,914,480	1,936,417	1,891,300	1,955,048	1,895,770
Liabilities					
Current liabilities	559,904	576,515	516,707	585,804	504,045
Non-current liabilities	960,337	946,851	969,296	1,030,748	969,964
Total liabilities	1,520,242	1,523,367	1,486,004	1,616,553	1,474,009
Net assets					
Shareholders' equity	262,829	289,027	297,241	227,766	267,809
Share capital	126,476	126,476	126,476	126,476	126,476
Capital surplus	61,866	61,865	61,877	61,884	61,927
Retained earnings	75,734	102,039	110,288	40,829	80,555
Treasury shares	(1,248)	(1,353)	(1,401)	(1,424)	(1,150)
Accumulated other comprehensive income	103,581	93,238	79,737	92,829	110,812
Non-controlling interests	27,828	30,784	28,317	17,899	43,139
Total net assets	394,238	413,050	405,295	338,494	421,760
Total liabilities and net assets	1,914,480	1,936,417	1,891,300	1,955,048	1,895,770

Millions of yen

2. Consolidated statements of income	FY2017	FY2018	FY2019	FY2020	FY2021
Operating revenue	1,222,779	1,236,905	1,194,244	697,203	691,512
Operating expenses	1,158,135	1,169,125	1,144,864	759,318	687,647
Operating profit (loss)	64,643	67,779	49,380	(62,115)	3,864
Non-operating income	9,559	11,533	9,065	31,374	36,945
share of profit of entities accounted for using equity method	5,976	7,140	4,848	11,722	21,851
Non-operating expenses	12,879	12,183	11,220	11,218	10,152
interest expense	9,485	8,611	7,992	7,864	7,386
Ordinary profit (loss)	61,323	67,129	47,224	(41,959)	30,658
Extraordinary income	7,310	9,061	6,962	7,055	40,952
Extraordinary losses	18,139	20,669	18,112	48,601	19,472
Profit (loss) before income taxes	50,494	55,521	36,075	(83,505)	52,138
Income taxes—current	11,889	16,542	11,438	1,510	6,528
Income taxes—deferred	7,048	(7)	5,664	(14,459)	2,605
Profit (loss)	31,556	38,986	18,971	(70,556)	43,003
Profit (loss) attributable to non-controlling interests	1,942	3,024	(1,589)	(10,368)	247
Profit (loss) attributable to owners of parent	29,614	35,962	20,561	(60,187)	42,755

Note: "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) has been applied for FY2021 and thereafter.

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3. Segment information

Millions of yen

	FY2017	FY2018	FY2019	FY2020	FY2021
Operating revenue	1,222,779	1,236,905	1,194,244	697,203	691,512
Transportation	228,186	226,754	221,711	150,218	158,907
Railways	158,089	156,444	152,724	99,234	107,006
Bus services	34,677	34,636	33,721	22,605	25,065
Taxi services	11,497	11,537	11,089	7,520	7,854
Maintenance of railway facilities	27,655	28,347	26,710	22,640	17,110
Other transportation-related business	22,032	21,426	22,226	14,975	13,910
Real estate	149,565	164,245	161,248	142,965	184,984
Real estate sales	68,308	77,725	75,597	60,134	70,697
Real estate leasing	45,849	47,374	47,713	47,404	79,345
Real estate management	40,966	43,408	43,583	40,299	39,414
Merchandise sales	395,817	393,670	392,796	313,110	188,246
Department stores	281,817	282,220	283,047	218,149	97,534
Stores and restaurants	115,286	112,647	111,039	95,673	90,712
Hotel and Leisure	478,669	481,818	449,276	114,177	166,681
Hotels	61,183	57,389	51,559	20,698	20,216
Travel agency	405,172	411,821	385,362	87,889	139,957
Cinema	3,544	3,618	3,882	2,857	3,001
Aquarium	9,015	9,175	8,626	2,732	3,506
Other	16,380	18,174	19,110	18,665	26,884

Note: "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) has been applied for FY2021 and thereafter.

Millions of yen

	FY2017	FY2018	FY2019	FY2020	FY2021
Operating profit (loss)	64,643	67,779	49,380	(62,115)	3,864
Transportation	29,206	32,943	27,686	(24,670)	(2,721)
Real estate	16,297	18,698	17,919	14,833	29,346
Merchandise sales	7,080	7,783	5,152	(4,668)	(1,513)
Hotel and Leisure	9,627	6,185	(3,693)	(49,242)	(21,685)
Other	1,611	1,491	1,581	1,453	1,708
Operating profit to revenue from operations (%)	5.3	5.5	4.1	(8.9)	0.6
Transportation	12.8	14.5	12.5	(16.4)	(1.7)
Real estate	10.9	11.4	11.1	10.4	15.9
Merchandise sales	1.8	2.0	1.3	(1.5)	(0.8)
Hotel and Leisure	2.0	1.3	(0.8)	(43.1)	(13.0)
Other	9.8	8.2	8.3	7.8	6.4
Total assets	1,914,480	1,936,417	1,891,300	1,955,048	1,895,770
Transportation	953,318	952,451	940,259	953,538	934,611
Real estate	584,259	594,594	596,264	605,520	547,866
Merchandise sales	158,994	160,445	160,826	152,576	145,997
Hotel and Leisure	186,913	198,233	146,158	115,938	141,276
Other	25,476	25,180	25,553	24,921	48,681
Depreciation	52,538	52,196	53,924	54,779	51,269
Transportation	27,263	27,185	27,741	28,420	27,844
Real estate	11,429	11,558	12,146	12,550	11,560
Merchandise sales	7,165	7,049	7,606	7,536	7,550
Hotel and Leisure	4,168	4,392	4,478	4,337	2,361
Other	1,836	1,728	1,630	1,688	1,717
Capital expenditures	54,057	78,229	68,907	55,207	26,547
Transportation	24,868	27,970	28,915	30,469	12,606
Real estate	15,583	34,927	19,912	13,949	5,215
Merchandise sales	6,038	7,739	9,699	4,736	5,455
Hotel and Leisure	5,526	6,004	8,792	3,876	2,271
Other	1,612	1,254	1,230	2,049	1,117

Kintetsu Group Companies

(as of September 30, 2022)

● : Consolidated subsidiaries: 200
○ : Unconsolidated subsidiaries: 43
▲ : Equity-method affiliates: 13
△ : Non-equity-method affiliates: 8

Kintetsu Group companies total: 265 (incl. Kintetsu Group Holdings)

Transportation

Railways

- Kintetsu Railway Co., Ltd.
- Iga Railway Co., Ltd.
- Yoro Railway Co., Ltd.
- Yokkaichi Asunarou Railway Co., Ltd.
- ▲ Nara Ikoma Rapid Railway Co., Ltd.

Bus services

- Kintetsu Bus Holdings Co., Ltd.
- Kintetsu Bus Co., Ltd.
- Nara Kotsu Bus Lines Co., Ltd.
- Bocho Bus Company Limited
- KITANIPPON KANKO BUS Co., Ltd.
- Nara Kanko Bus Co., Ltd.
- Meiko Bus Co., Ltd.
- NARA CONVENIENT BUS LINES Co., Ltd.
- Bocho Kanko Bus Co., Ltd.

Taxi services

- Kintetsu Taxi Holdings Co., Ltd.
- Kintetsu Taxi Co., Ltd.
- Mie Kintetsu Taxi Co., Ltd.
- Nagoya Kintetsu Taxi Co., Ltd.
- Ishikawa Kintetsu Taxi Co., Ltd.
- Hokko Daiwa Taxi Co., Ltd.
- Gifu Kintetsu Taxi Co., Ltd.
- EHIME KINTETSU TAXI Inc.
- Kameyama Kotsu Co., Ltd.
- Kintetsu Toubi Taxi Co., Ltd.
- NARA KINTETSU TAXI Co., Ltd.
- Bocho Taxi Holdings Co., Ltd.
- Hiroshima Kintetsu Taxi Co., Ltd.
- Shunan Kintetsu Taxi Co., Ltd.
- Hagi Kintetsu Taxi Co., Ltd.

Freight services

- Kinki Transportation Service Co., Ltd.
- NARA POST TRANSPORT Co., Ltd.

Marine transportation

- Kokudo Kyushi Ferry Co., Ltd.
- Shima Marine Leisure Co., Ltd.

Rent-a-car service

- Kintetsu Rent-A Lease Co., Ltd.

Toll road service

- Shin Wakakusayama Motorway Co., Ltd.

Ropeway

- Beppu Ropeway Co., Ltd.

Real estate

- Kintetsu Real Estate Co., Ltd.
- ▲ Mie Kotsu Group Holdings, Inc.
- △ Nara Kanko Tochi Corporation
- Other ○ 1 company △ 1 company

International logistics

- Kintetsu World Express, Inc.
- Other ● 129 companies ○ 1 company ▲ 8 companies

Merchandise sales

Merchandise sales

- Kintetsu Department Store Co., Ltd.
- KINTETSU RETAIL HOLDINGS CO., LTD.
- Kintetsu Retailing Co., Ltd.
- Kinsho Store Co., Ltd.
- Nako service Co., Ltd.
- Japan Foods Create Co., Ltd.
- Kintetsu Tomonokai Co., Ltd.
- Mie-KK Road & Highway service area Co., Ltd.

Car sales / servicing

- Stern Kintetsu Co., Ltd.
- Nako Car Maintenance Co., Ltd.
- Kyowa Automobiles Co., Ltd.

Restaurant

- Kintetsu Restaurant International Co., Ltd.

Hotel and Leisure

Hotels & Japanese inns

- Kintetsu Miyako Hotels International, Inc.
- Kintetsu Enterprises Company of America
- Kongou Katsuragi Tourism Development Co., Ltd.
- HAKONE KOGEN HOTEL Co., Ltd.
- OKUNIKKO KOGEN HOTEL Co., Ltd.
- KASHIKOJIMA HOJON Co., Ltd.
- Hagi Kanko Hotel Co., Ltd.
- Other △ 2 companies

Leisure

- Kintetsu Leisure Service Co., Ltd.
- Shima Spain Village Co., Ltd.

Aquarium

- Osaka Aquarium Kaiyukan Co., Ltd.

Cinema

- Kin-Ei Corp.

Golf courses

- Kintetsu Golf & Resort Inc.
- Asuka Golf Co., Ltd.

Travel agency

- KNT-CT Holdings Co., Ltd.
- Club Tourism International Inc.
- Kinki Nippon Tourist Co., Ltd.
- Kinki Nippon Tourist Corporate Business Co., Ltd.
- United Tours Co., Ltd.
- Club Tourism Life Care Service Co., Ltd.
- Club Tourism Space Tours Inc.
- Kinki Nippon Tourist Shoji Co., Ltd.
- SANKI Travel Service Co., Ltd.
- Tourist International Assistance Service, Inc.

- Tourist Experts Inc.
- Kinki Nippon Tourist Okinawa, Inc.
- KNT Business Create Co., Ltd.
- Event & Convention House, Inc.
- KINTETSU INTERNATIONAL EXPRESS (U.S.A), INC.
- KNT-CT IT Solutions Co., Ltd.
- Other international travel agencies, etc.
- 7 companies ▲ 1 company
- KITANIPPON KANKO RYOKOU Co., Ltd.
- Bocho Travel Co., Ltd.

Other

Manufacturing / construction

- KINSO Co., Ltd.
- Kintetsu Engineering Holdings Co., Ltd.
- Kintetsu Electrical Engineering Co., Ltd.
- Kintetsu Railcar Engineering Co., Ltd.
- Kintetsu Track Engineering Co., Ltd.
- ALL NIPPON ENGINEERING CONSULTANTS CO., LTD.
- Kintetsu Landscape Design & Engineering Co., Ltd.
- SAKAE CO., LTD.
- ▲ The Kinki Sharyo Co., Ltd.
- ▲ DAI NIPPON CONSTRUCTION CO., LTD.
- Other ● 1 company

Services

- AD KINTETSU CO., LTD.
- Kintetsu facilities Co., Ltd.
- KINTETSU-COMMUNITY CO., LTD.
- MiDI Corporation
- KURASHI KAGAKU LABORATORY CO., LTD.
- K-SUPPORT Co., Ltd.
- Other ○ 2 companies △ 3 companies

Cable televisions

- Kintetsu Cable Network Co., Ltd.
- Komadori Cable Co., Ltd.
- Kintetsu Cable Network Kyoto Co., Ltd.
- KCN Nantan Co., Ltd.
- △ TV KISIWADA CO., LTD.

Information processing

- Kintetsu Information System Co., Ltd.

Insurance agency

- Kintetsu Insurance Service Co., Ltd.

Nursing care

- KINTETSU SMILE LIFE INC.

CVC

- Kintetsu Venture Partners, Inc.

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*Segments detailed above differ from accounting segments.

Company Overview and Stock Information (as of March 31, 2022)

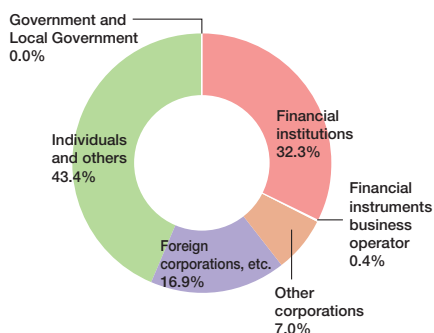
Company overview

Trading name	Kintetsu Group Holdings Co., Ltd.
Established	June 1, 1944 *The predecessor Nara Tramway Co., Ltd. was established on September 16, 1910.
Head office address	6-1-55 Uehommachi, Tennoji-ku, Osaka 543-8585, Japan
Capital	¥126.476 billion
Number of employees	255
Stock exchange listing	Tokyo Stock Exchange (Prime Market) *Post-market category change in April 2022
Accounting auditor	KPMG AZSA LLC

Stock / shareholder status

Type of stock issued	Common stock
Authorized shares	500,000,000
Issued shares	190,662,061
Number of shareholders	212,850

Share distribution by shareholder type



*Percentage calculations exclude shareholders holding less than one share.

Major shareholders

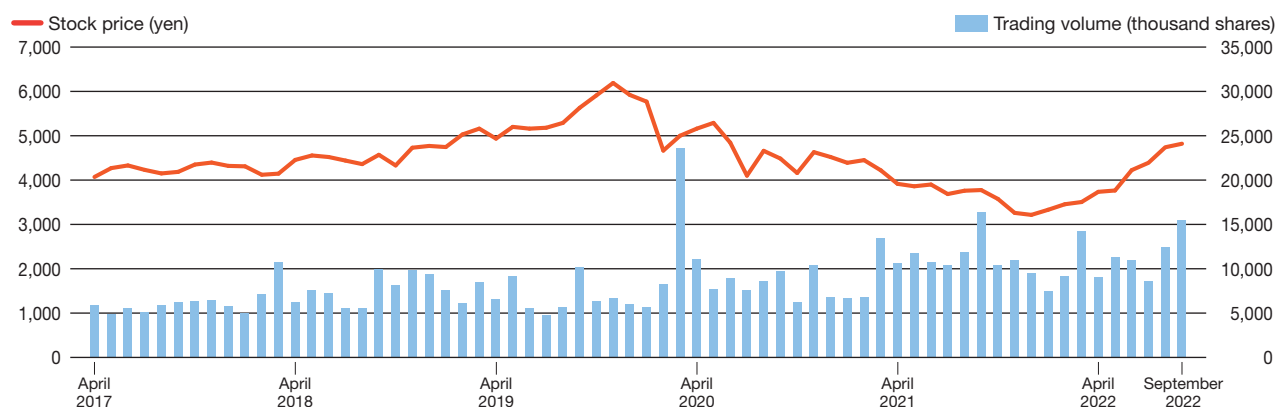
Name	Number of shares held (thousand shares)	Composition ratios to total number of shares (excluding treasury shares)
The Master Trust Bank of Japan, Ltd. (Trust Account)	27,972	14.7
Custody Bank of Japan, Ltd. (Trust Account)	8,042	4.2
Nippon Life Insurance Company	4,198	2.2
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing Proxy: Mizuho Bank, Ltd.)	3,643	1.9
MUFG Bank, Ltd.	3,000	1.6
JP MORGAN CHASE BANK 385781 (Standing Proxy: Mizuho Bank, Ltd.)	2,352	1.2
Mitsubishi UFJ Trust and Banking Corporation	2,000	1.0
Meiji Yasuda Life Insurance Company	1,629	0.9
STATE STREET BANK AND TRUST COMPANY 505103 (Standing Proxy: Mizuho Bank, Ltd.)	1,608	0.8
SSBTC CLIENT OMNIBUS ACCOUNT (Standing Proxy: The HongKong and Shanghai Banking Corporation Limited Tokyo Branch)	1,477	0.8

* Figures are rounded down to the nearest whole thousand.

Adoption in ESG indexes (as of October 31, 2022)

- MSCI Japan Empowering Women Index
- S&P/JPX Carbon Efficient Index
- SOMPO Sustainability Index

Stock price and Trading volume



* Figures reflect changes to the number of share units and a reverse stock split dated effective on October 1, 2017.



KINTETSU
GROUP HOLDINGS

Administrative General Affairs Division (CSR)
Kintetsu Group Holdings Co., Ltd.

6-1-55 Uehommachi, Tennoji-ku, Osaka 543-8585, Japan

<https://www.kintetsu-g-hd.co.jp/lang/english/>

<https://www.kintetsu-g-hd.co.jp>

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