



**Corporate Strategy Division
Kintetsu Group Holdings Co., Ltd.**

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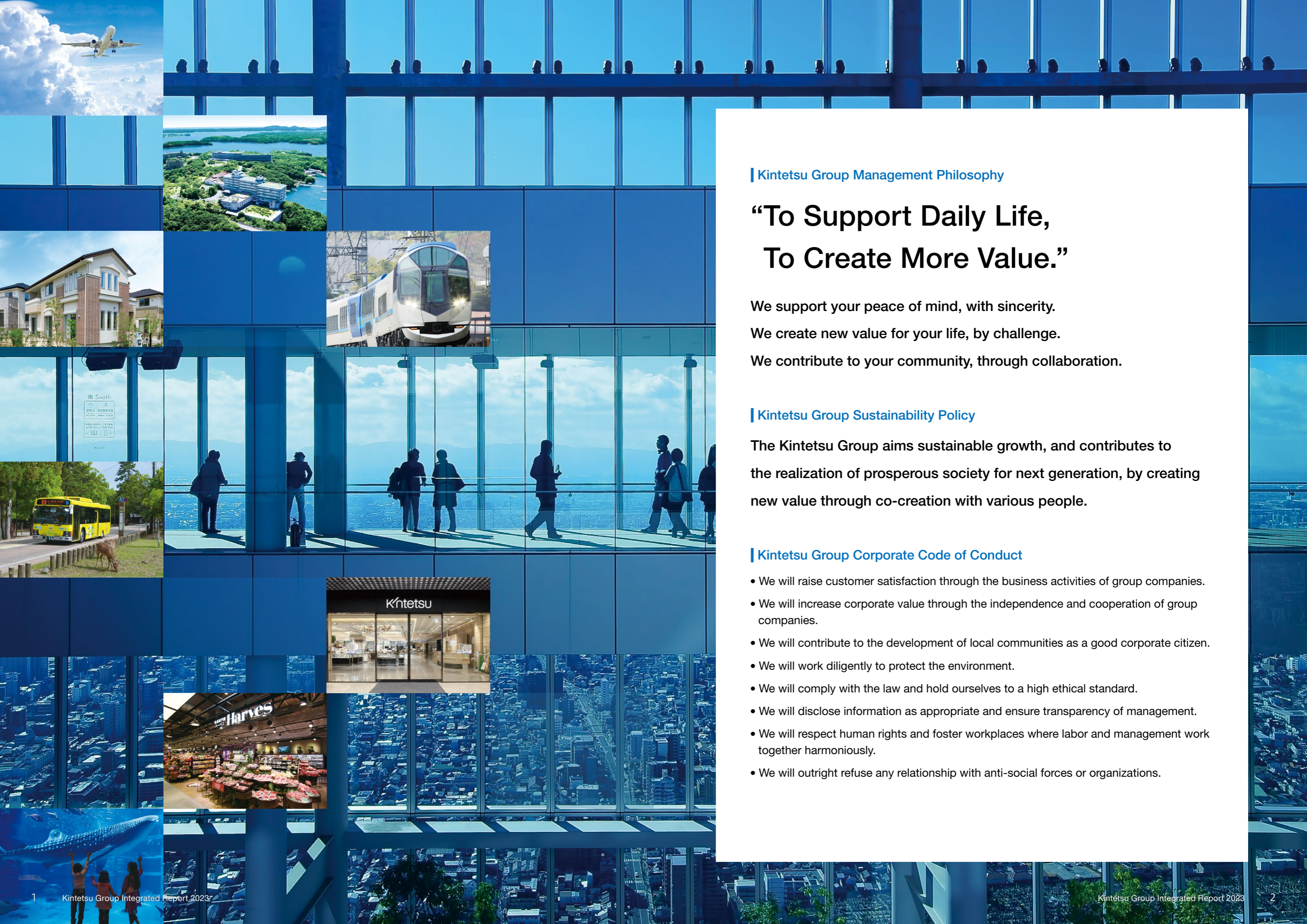


Kintetsu Group Integrated Report 2023



Kintetsu Group Integrated Report 2023





| Kintetsu Group Management Philosophy

“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.

| Kintetsu Group Corporate Code of Conduct

- 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.

Editorial Policy for Kintetsu Group Integrated Report 2023

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.

2023 Highlights

	Contents	Part of report
Messages from Top Management	Chairman: The stance of the Kintetsu Group President: Kintetsu Group issues and key initiatives	PART 1
Value Creation / Sustainability Policy & Materiality (Priority Issues)	Value creation process / promotion frameworks / risks, opportunities, and KPIs	PART 2–PART 4
Management Strategy / Human Resources Strategy / Strategies for the Digital Transformation	Explanations by the director in charge	PART 3
Initiatives for Important Business Areas	Steps taken and outlook for the Abeno/Tennoji area and Ise-Shima area	PART 3
Major Company Strategies	Business outlook and measures for the future set by the directors of major group companies	PART 3
Environmental Targets	Revision of the Kintetsu Group Environmental Targets	PART 4
Roundtable Discussion with External Directors	Roundtable discussion with three external directors on corporate value enhancement and sustainable management	PART 5

Period covered Figures: April 1, 2022 to March 31, 2023
Initiatives: April 2022 to December 2023

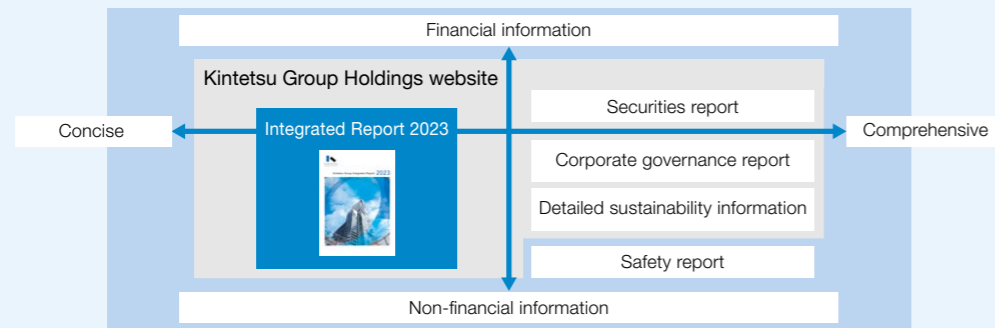
Scope covered Figures: Kintetsu Group Holdings and consolidated subsidiaries
Initiatives: Kintetsu Group Holdings and group companies

Disclosure of various information

Posted on our website, etc.
(<https://www.kintetsu-g-hd.co.jp/>)

Reference guidelines, etc.

- IFRS Foundation "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 3.0 (TCFD Guidance 3.0)"



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 our 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	Detailed data and information on our initiatives relating to the environment, safety, peace of mind, personnel, and other sustainability topics are available on our website. (https://www.kintetsu-g-hd.co.jp/csr/)
Safety report	This report is prepared and published by Kintetsu Railway Co., Ltd. and other transportation companies in the Group in accordance with the Railway Business Act and Road Traffic 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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Message from the Chairman



Tetsuya Kobayashi

Representative Director and
Chairman of the Board

**Boldly taking on the challenges of the new era,
preserving what is important, and passing on our
assets to future generations**

Taking on All Challenges

The history of the Kintetsu Group dates back to 1910 with the founding of the Nara Tramway. We have taken on many challenges throughout our history of more than 110 years, including the construction of a railway between Osaka-Uehommachi and Nara, a project saddled with construction difficulties and a lack of funds; the recovery from the devastating Isewan Typhoon in the fall of 1959; and the construction of the new Kintetsu express rail network. In addition, we extended the railway from Osaka-Uehommachi to Osaka-Namba through a tunnel in the year of the 1970 Osaka Expo; developed tourist facilities in Ise-Shima; and opened ABENO HARUKAS in 2014.

Moreover, around the year 2000, we implemented

structural reforms throughout the Group without setting any boundaries and resolutely rebuilt our financial structure, which had been damaged by the collapse of the bubble economy and the effects of the accounting “Big Bang” (the mandated adoption of International Accounting Standards by Japanese corporations). In 2015, Kintetsu Railway was reorganized as a pure holding company in order to strengthen the Group’s management functions and institute autonomous management at each operating company. Under the governance of the new holding company, named Kintetsu Group Holdings, we have taken on bold challenges that go beyond mere business growth. For example, we transitioned to a system that allows operating companies in the railway,

real estate, hotel, and distribution sectors to establish the optimal corporate culture for their respective businesses. The philosophy common to all our management strategies is to take on the many challenges and difficulties encountered while also gathering extensive information and making bold decisions with an eye to the business environment of the future. I believe this approach enables us to turn crises into opportunities.

During the COVID-19 pandemic that began in 2020, the business associated with transporting people, which is the core of the Kintetsu Group’s operations, suffered a major setback. Even amid those difficult times, we continued to take on every challenge, promoting dual-axis management of our hotel businesses (which include directly owned hotels and contracted hotels) while proactively moving forward by reviewing our portfolio and by making Kintetsu World Express, a global logistics operation, a wholly-owned subsidiary.

However, our attempts to forecast the economic environment surrounding our corporate operations have become more difficult than ever. The Kintetsu Group is facing challenges that encompass ongoing advances in digital technology, uncertain global economic trends and geopolitical risks, business continuity planning in a time of unpredictable personnel shortages, and the increasing complexity of the issues that companies must contend with. These include the multitude of stakeholders and emerging ESG issues we face. We can easily foresee that problems will emerge that even a company with 113 years of experience will be challenged to solve. For management in this era of high uncertainty, it is more important than ever that we adhere to our stated philosophy. We intend to continue contributing to society by meeting every challenge head-on as we strive to enhance our corporate value.

Preserving Our Assets for Posterity

The Kintetsu Group has been able to develop and grow its business for 113 years thanks to the support of its many stakeholders, who include its shareholders, customers, business partners, employees, and members of the public sector. By building on the support of these various parties, our company has been able to accumulate assets classified as non-financial information. These include assets that are difficult to quantify—such as brands, goodwill, human resources, and expertise—that can exceed the value of the cash, deposits, and fixed assets recorded in our consolidated financial statements. I believe that those assigned with management responsibilities have a duty not only to protect these quantifiable assets, but also to preserve and pass on those assets that are difficult to quantify.

Looking to other matters, in April 2023 it was discovered that Kinki Nippon Tourist, a member of the Group, had been overcharging local governments for contracted services. We apologize to all concerned for the distress and inconvenience this incident has caused.

In response to this incident, this company’s parent, KNT-CT Holdings, conducted its own study and also took into account the recommendations for preventive measures contained in the investigative report received from an independently established investigative committee. In September 2023, the company published the recurrence preventive measures that had been compiled and formulated in this effort.

In his book *Bushido*, the author Inazo Nitobe puts forth, as a universal teaching, a spirit of honesty, courage, and

benevolence that all business people should adopt. I believe we should reflect this teaching in the manner in which we implement the preventive measures stated above. It is important that we share this information not only with the companies involved, but with the entire Kintetsu Group as the basis for inculcating these preventive measures. An adherence to honesty requires correct actions that ensure compliance with laws and regulations. These represent the foundation of business, along with reliably fulfilling contractual matters and earning appropriate profits. In addition, if we do not manage our organization and engage in communication with courage and a spirit of benevolence, all rules will become but mere formalities.

A scandal at a single company within the Group can lead to a damaged brand and loss of credibility across the entire Kintetsu Group. In an effort to restore trust and confidence, we will continue to provide stringent compliance education and re-examine the governance systems that are in place at each group company. I believe that a company is an organization, that an organization is composed of people, and that these people create the brands that engender trust. We will focus the strengths of everyone in the Kintetsu Group to ensure that we preserve for posterity the assets we have accrued from our stakeholders, and that these assets are securely passed on to future generations. In this regard, we remain committed to meeting our corporate responsibilities as a Group that fulfills its role as a valued public institution.

Message from the President



Takashi Tsuji
Representative Director and
President

The new Kintetsu Group: Meeting the challenges of a changing society

Implementing our Medium-Term Management Plan with resolve

I was appointed president of Kintetsu Group Holdings in June 2023. Previously, I served as president of Kintetsu Railway, the core company of the Group, for four years. For more than three of those years, I had to contend with the unexpectedly challenging economic circumstances that resulted from the COVID-19 pandemic. However, having been dealt this unprecedented crisis, I believe we were able to improve the sustainability of our railway business by implementing drastic structural reforms as well as various other measures. I pledge to apply the lessons learned from that difficult experience to the management of the Group.

Looking back at the performance of the Kintetsu Group in fiscal 2022, it is clear that we vigorously implemented Kintetsu Group Medium-Term Management Plan 2024, which we formulated in May 2021. In August 2022, the Kintetsu World Express (KWE) Group, one of the world's leading international logistics businesses, became a wholly-owned subsidiary, transforming the Group from a

Japan-focused corporate group to one that operates globally with a renewed emphasis on B-to-B transactions. As a result, we have been able to construct a balanced portfolio of businesses.

As well, we expanded our asset-light businesses: the KWE Group, a freight forwarder that does not maintain its own transport fleet; and our hotel business, which we have split into two tracks—wholly-owned hotels we manage directly and contracted management hotels. At the same time, we have lowered our break-even point permanently by implementing a variety of rationalization measures to benefit each of our businesses, and at Kintetsu Railway, we have sought to improve the sustainability of the business by obtaining approval to revise fares. Through these initiatives, we have transformed the Group's business model and established a new foundation for the Kintetsu Group.

Developing initiatives focused on the future

As the impacts of the COVID-19 pandemic gradually subside, it has become clear which aspects of our lives have returned to normal and which have changed permanently due to the pandemic response. I believe my role is to create a "new Kintetsu Group" that benefits all in this era of a changing society under the current "new normal."

In light of the progress achieved in reforming our business portfolio and the fact that the Japanese economy is exhibiting a full-fledged recovery, in June 2023 we raised our operating profit target for fiscal 2024 from over 65 billion yen to over 86 billion yen. We have also updated our target management indicators for fiscal 2024, including increasing the interest-bearing-debt-to-EBITDA ratio from around eight to around seven. Beyond that, we are forecasting over 100 billion yen in operating profit and a net interest-bearing-debt-to-EBITDA ratio of around six.

As we set out to promote a variety of initiatives, I have identified five issues of particular focus that are affecting the Group.

First, the declining birthrate and aging population of Japan are contributing to an accelerating population decline along our railway lines in addition to a corresponding decline in demand for associated businesses. Second, the geopolitical risks we face are becoming more complex, as seen in Russia's prolonged invasion of Ukraine and ongoing Middle East conflicts. Third, the risk of natural disasters is increasing, such as the risk of a Nankai Trough earthquake and the worsening damage from flooding and high winds due to the effects of climate change. At the same time, the Group's facilities, which were intensively developed during the postwar period of high economic growth, are aging and equipment is becoming obsolete. The fourth issue is the labor shortage, which has become increasingly apparent in recent years, and which is having an effect on business continuity. The impact of this phenomenon on business as well as society at large is expected to become even more serious in the future, with a shortage of bus and taxi drivers making it difficult to provide public transportation services, which are an essential aspect of the infrastructure of daily life. The fifth and final issue is the increasing global awareness of the need for sustainability. Conservation of the global environment in the form of addressing climate change as well as promoting human happiness, a vibrant society, and respect for human rights are all important themes, but our efforts remain a

work in progress. Recently, Kinki Nippon Tourist, a member of the Group, was involved in an incident involving the overbilling of a local government; as a result, we are strongly committed to establishing a compliance system that will enable us to regain public trust.

While remaining aware of these issues and future management goals, we will focus on the following measures with a medium- and long-term perspective.

First, local governments and residents situated alongside our railway lines are working together with the group companies to revitalize these railside areas by creating vibrant towns and tourism attractions. I myself have visited many local governments along these routes and have had a series of conversations with upper management. In the fall of 2023, we concluded a comprehensive partnership agreement with Nara Prefecture and the city of Ikoma. Working in collaboration with many stakeholders, we intend to promote a regional revitalization effort that incorporates new perspectives, contributes to the growth of the resident population, and sparks demand. In order to create a vibrant nonresident population by leveraging the charm of the cultural, natural, and tourist resources along the railway line, we have established the Ise-Shima Office together with Kintetsu Leisure Create in the Ise-Shima region, our most important tourism center. Moreover, we are collaborating with the entities in the region and formulating new strategies.

Next, we will proceed with measures that take advantage of the opportunities presented by Expo 2025 Osaka, Kansai, and the Yumeshima Integrated Resort (IR) scheduled to be completed in 2030. As an infrastructure company rooted in the Kansai region, we intend to do our utmost to attract large crowds to Expo 2025 and to Yumeshima IR while encouraging them to visit the areas along our railway lines, which are full of engaging tourist attractions. We also plan to enhance the appeal of Uehommachi Terminal, where the Group's facilities are concentrated, and create an attractive eastern gateway to Osaka. As a first step, we are redeveloping our bus terminal in preparation for Expo 2025.

In parallel with our effort to strengthen our facilities along the railway lines, we will seek to provide high value-added services by combining the Group's strengths as we expand into markets outside Japan and strengthen activities to attract inbound customers at the points of origin. We will also enhance our operations in the Tokyo metropolitan area and in parts of the country not served by our railway lines.

To keep pace with the times, we intend to emphasize the digital transformation as a means of addressing various problems and creating value. In June 2023, we established the Digital Transformation Management Office in our company. Through this initiative, we intend to improve efficiency and productivity, spark demand by building a new digital customer base, and develop personnel skilled in the digital transformation throughout the Group.

We are committed to focusing more intently than ever before on implementing sustainable management and turning challenges into opportunities. By providing a wide range of our services to local communities—centered on public transportation, which is highly efficient and has a low environmental impact—we aim to achieve sustainable growth for the Group as well as for society at large. Moreover, we recognize that our employees represent the very core of our business. In order to contribute to their spiritual enrichment as well as their physical and mental well-being, we will continue

to create an environment in which our employees can experience both growth and a sense of accomplishment. We will also create a comfortable work environment by promoting health and productivity management and other benefits. In addition, to strengthen the foundation for sustainable business operations, we are developing a robust risk management and compliance system.

While I have already addressed the five measures we will focus on above, the true strength of the Group lies in the fact that a variety of our businesses function in close contact with customers, and thus they are able to monitor minute changes in customer demand firsthand. Personally, I believe that the keys to uncovering problems and devising solutions can be found in the workplace, so I visit our workplaces often to listen to our employees as a means of understanding customers and their needs through close interaction. Regardless of the current era or the industrial sectors we operate in, we manage to earn the trust of our stakeholders by managing our businesses from the customer's perspective.

Maintaining our commitment to meeting challenges and contributing to society

Since joining the company in 1982, I have spent most of my career in the railway business, mainly in positions related to civil engineering. Two major projects that I was involved in early in my career were the double-tracking of the Shima Line, which provides access to Shima Spain Village and other resort facilities in the Shima area, and the construction of the new Keihanna Line, which provides a link to Keihanna Science City. The former project resulted from the more diverse tourist base and competition with private vehicles; the latter resulted from a review of town development plans and the like. Unfortunately, we did not achieve the outcomes we initially expected from those projects. However, today we have renewed our efforts to revitalize the Ise-Shima area in addition to our initiatives to establish reciprocal direct links to Yumeshima in Osaka while strengthening cooperation with local governments. Now, we find ourselves in an era in which we can realize the full potential of both these businesses.

Clearly, the majority of our businesses cannot be evaluated overnight, and it can take a very long time to accrue results. We therefore feel it is important to manage our business from a long-term perspective.

As part of this effort, the Group is focusing on working together as a single unit by increasing opportunities for dialogue. This includes holding training-camp-style study sessions that bring together the presidents of our major companies. In relation to this initiative, we remain dedicated to maintaining a broad perspective and maximizing the Group's strengths through collaborations among all our companies.

In an era in which sustainability has come to the fore, we take pride in our work as a Group that provides much-needed social infrastructure and services. We pledge to continue taking on the challenge of enriching our changing society hand-in-hand with our stakeholders.

Value Creation Process (as of September 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.

External Environment

- A declining population in Japan with fewer children and aging citizens
- Climate change, increase in natural disasters
- Acceleration of digitization
- 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
257 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, 300 cities, and 683 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, Strategies, and Businesses



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.

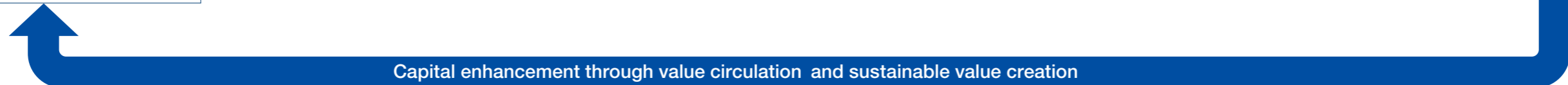
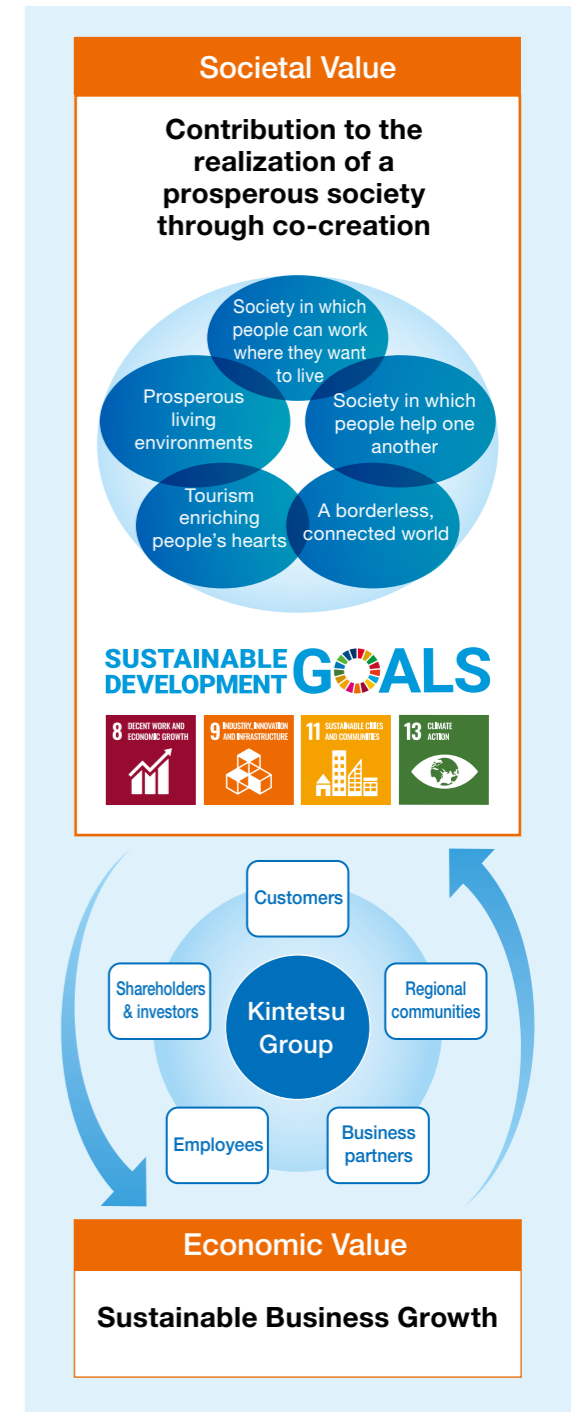
Kintetsu Group Management Philosophy

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

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

Value Creation



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.

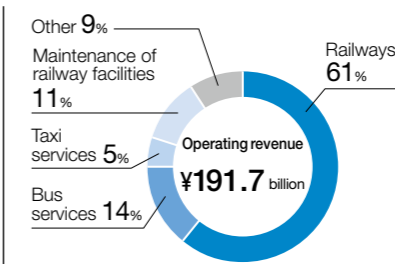
Bus services
Operating in the Kinki, Hokuriku, and Chugoku regions, we run fixed-route bus services, long-distance buses bound for various parts of Japan, limousine buses, and sightseeing buses.

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.

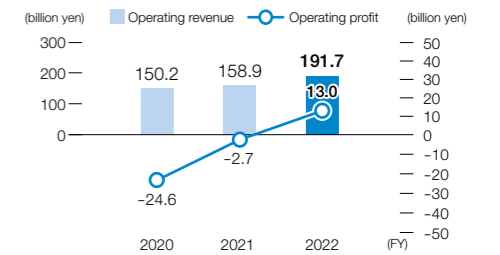
Maintenance of railway facilities
We support the safe operation of railroads by utilizing our expertise in electrical equipment, railcar servicing, track maintenance, railway structure design, and other areas.

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

Operating revenue breakdown (FY2022)



Operating revenue and profit (FY2020-2022)



Real Estate Business

Major group company
Kintetsu Real Estate Co., Ltd.

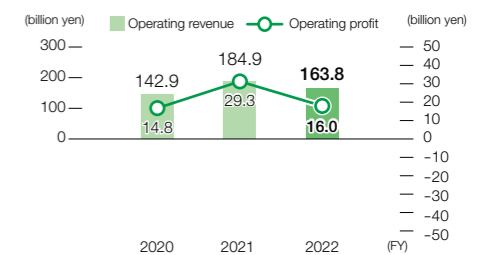
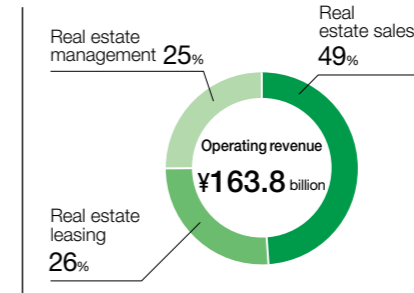


Real estate sales and Real estate leasing
Our real estate sales business provides homes for people, particularly in the region's three largest cities, that match their lifestyles. Through the use of energy-saving equipment and other measures, we are considering how best to coexist with the natural environment.

Real estate leasing
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.

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 cover agriculture, solar power generation, life care, and golf.

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



International Logistics Business

Major group company
Kintetsu World Express, Inc.

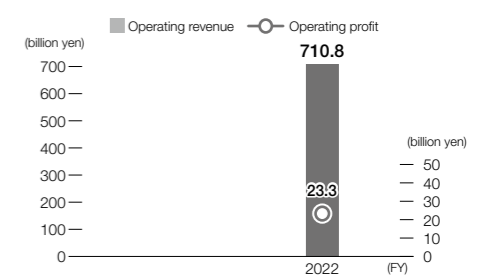
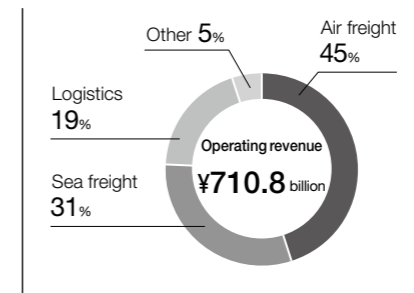


Air Freight
We use aircraft to carry high-added-value products and urgent cargo. As well as transporting items between airports, we also provide integrated transportation services, such as collecting and sending goods at origin points and delivering them to destination sites, using a network that straddles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

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.



* These figures are from the consolidated balance sheets from July 2022 on.

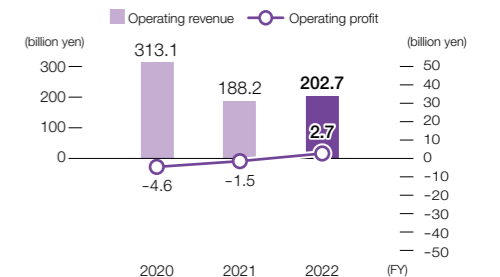
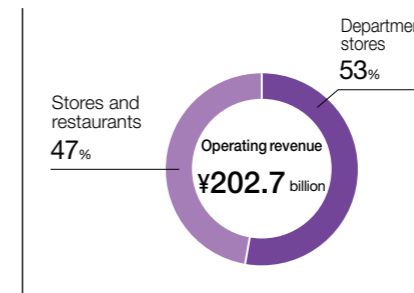
Merchandise Sales Business

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 the out-of-store sales business, to meet customers' wide range of needs, we are working to develop goods not sold in our department stores, as well as building relationships with suppliers.

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.



Hotel and Leisure Business

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

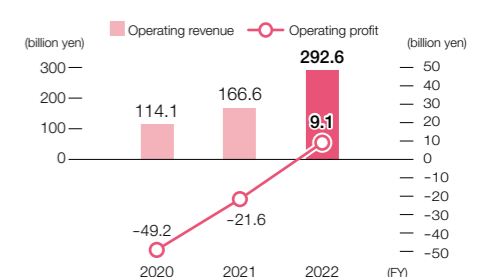
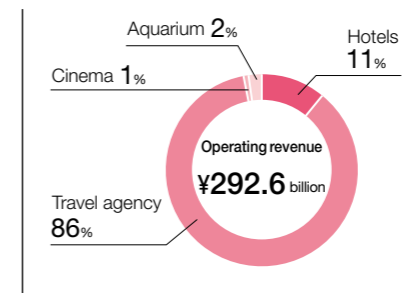


Hotels
We operate the Miyako Hotels & Resorts brand of hotels in Japan and overseas. We offer a wide range of attractive services from casual urban hotels to luxury hotels.

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.

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.

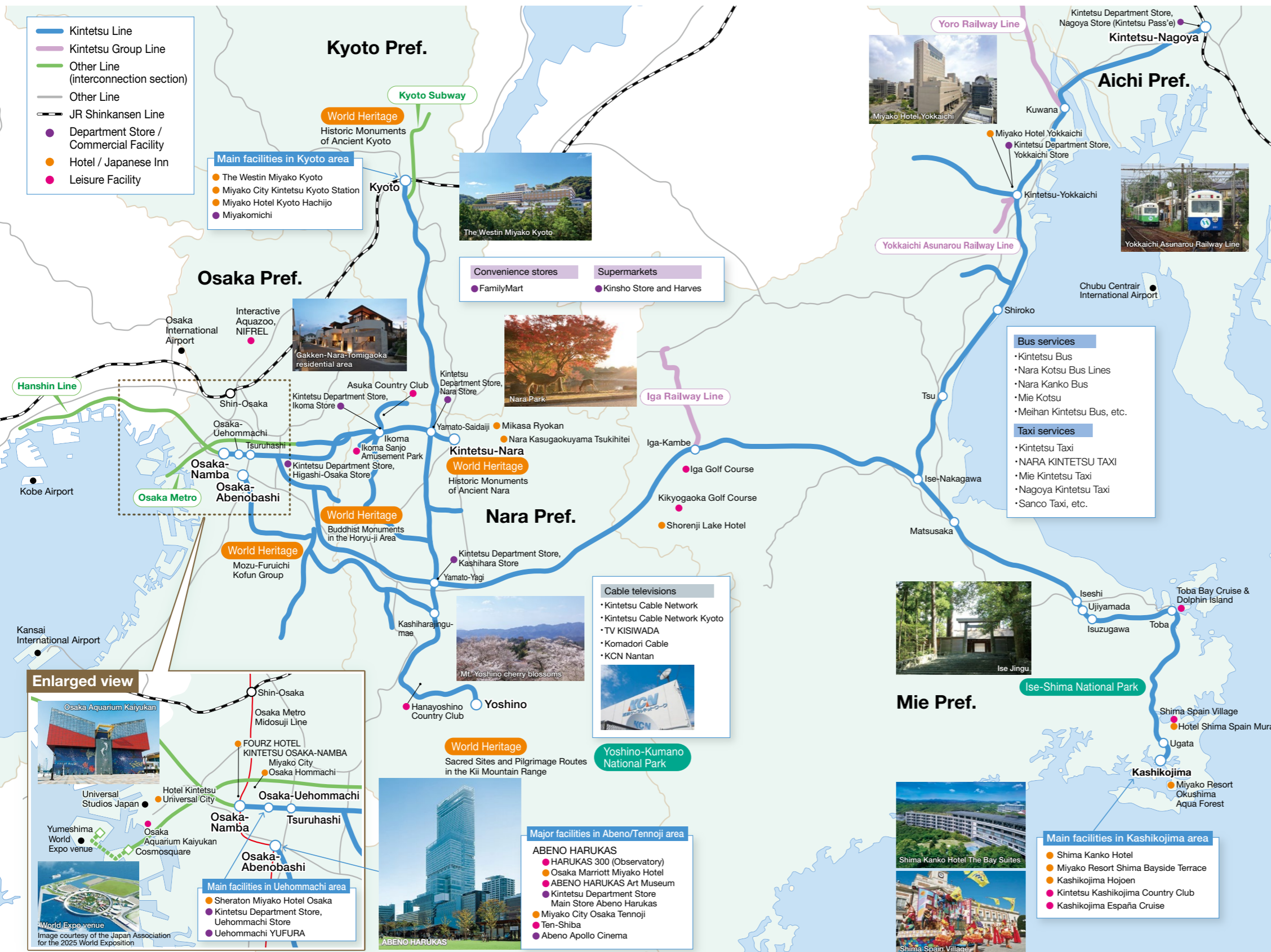


Business Area: Kintetsu Operational Area

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, 2023)



Initiatives for Expo 2025 Osaka, Kansai

Operation of train with original train wrap for Expo 2025 Osaka, Kansai
 (Starting November 2023)



Official store #1 opens
 (September 2023 in Kintetsu Department Store Main Store Abeno Harukas)



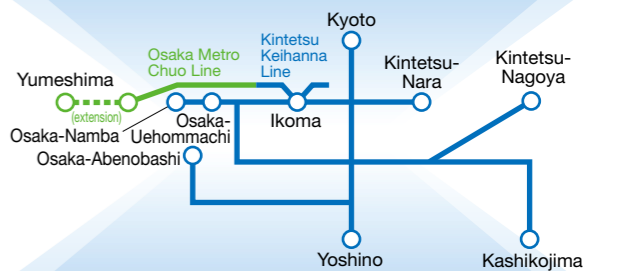
Connecting Yumeshima directly by our rail lines
 Attract customers to the Nara area via Ikoma Station utilizing a direct connection between the Osaka Metro Chuo Line and the Kintetsu Keihanna Line

Connecting Yumeshima to our terminal by shuttle bus

- Uehommachi** Bus terminal development for the Expo; Promotion of sightseeing tours that connect with Kintetsu rail lines
- Abeno Tennoji** Promotions in conjunction with Expo; Conversion to Expo satellite sites through group collaboration

Bay area tourism around Yumeshima and lodging facilities

Strengthen sales collaboration between group facilities such as the Osaka Aquarium Kaiyukan and Hotel Kintetsu Universal City and the Expo site and individual facilities



Extensive limited express network with attractive trains

<p>AONIYOSHI, sightseeing limited express (between Osaka-Namba, Kintetsu-Nara, and Kyoto)</p>	<p>Hinotori, Meihan limited express (between Osaka-Namba and Kintetsu-Nagoya)</p>
<p>Blue Symphony, sightseeing limited express (between Osaka-Abenobashi and Yoshino)</p>	<p>Shimakaze, sightseeing limited express (between Osaka-Namba, Kyoto, and Kintetsu-Nagoya, and Kashikojima)</p>

Business Area: Overseas / Japan

Overseas

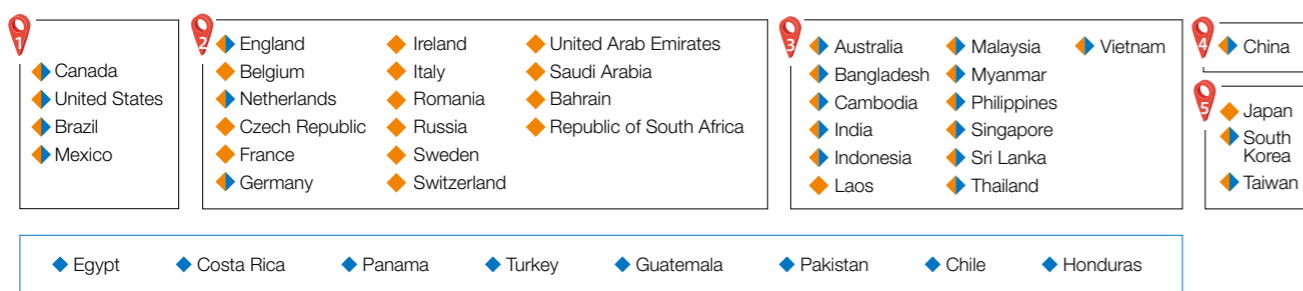
Worldwide Development Driven by Our Global Networks

We will expand our business globally, to Asia, Europe, the Americas, and elsewhere, centered on international logistics.

(as of March 31, 2023)



KWE Group 683 locations worldwide | 45 countries | 300 cities



KNT-CT Holdings Group

- KINTETSU INTERNATIONAL EXPRESS (U.S.A.), 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.

Japan

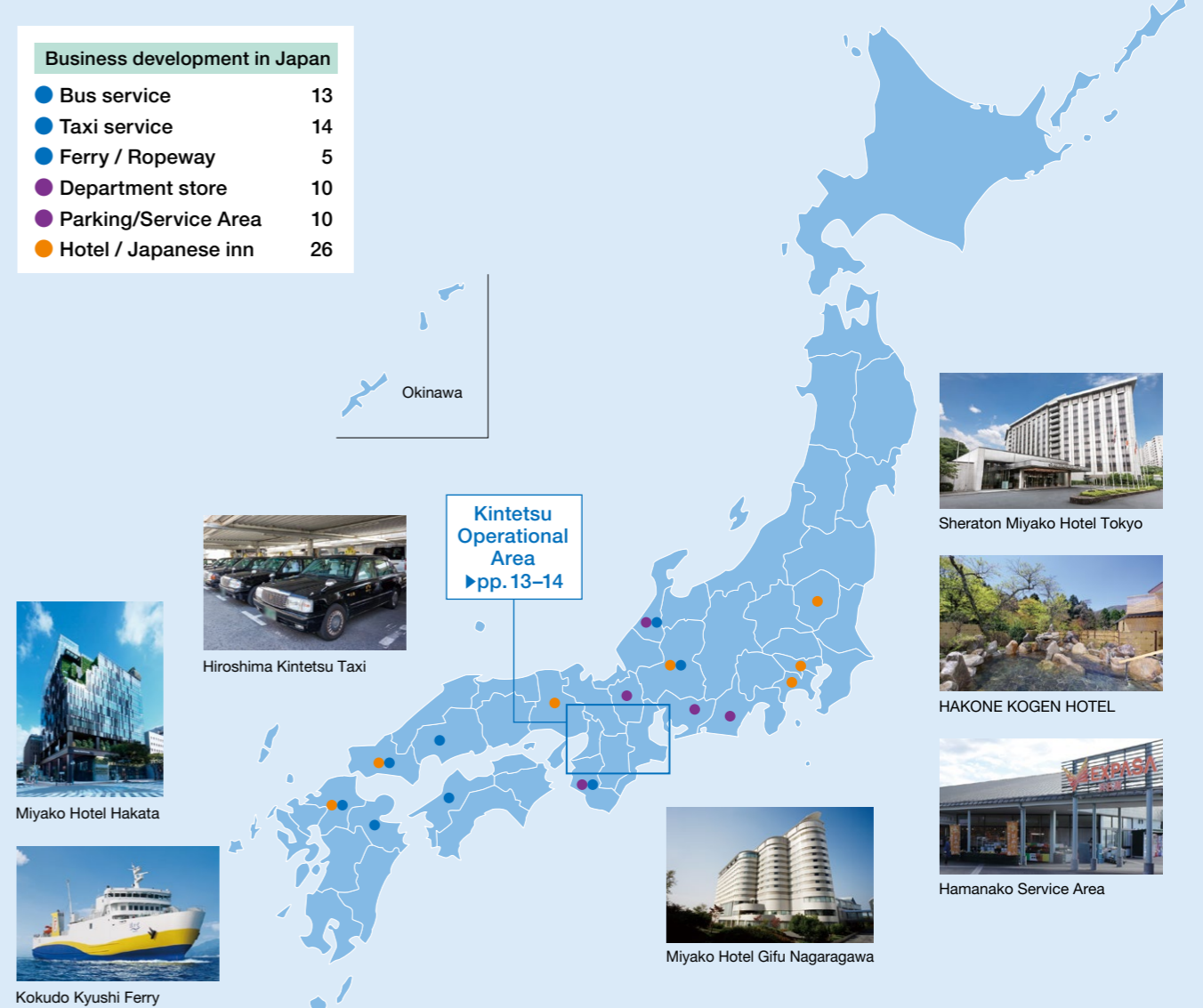
Development in Japan Utilizing Our Group Strengths

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, 2023)

Business development in Japan

● Bus service	13
● Taxi service	14
● Ferry / Ropeway	5
● Department store	10
● Parking/Service Area	10
● Hotel / Japanese inn	26



Tokyo

- Sheraton Miyako Hotel Tokyo
- Miyako City Tokyo Takanawa

Kanagawa

- HAKONE KOGEN HOTEL

Tochigi

- OKUNIKKO KOGEN HOTEL

Shizuoka

- Hamanako Service Area

Aichi

- Kariya Parking Area

Gifu

- Gifu Kintetsu Taxi
- Kintetsu Toubi Taxi
- Miyako Hotel Gifu Nagaragawa

Ishikawa

- KITANIPPON KANKO BUS
- Ishikawa Kintetsu Taxi
- Amagozen Service Area

Shiga

- Kintetsu Department Store, Kusatsu Store

Hyogo

- Miyako Hotel Amagasaki
- Kobe Kitano Hotel

Wakayama

- Meiko Bus
- Kintetsu Department Store, Wakayama Store

Hiroshima

- Hiroshima Kintetsu Taxi

Yamaguchi

- Bocho Bus Company
- Shunan Kintetsu Taxi
- Hagi Kintetsu Taxi
- Hagi Kanko Hotel

Fukuoka

- Hokko Daiwa Taxi
- Miyako Hotel Hakata

Oita

- Kokudo Kyushi Ferry
- Beppu Ropeway

Ehime

- EHIME KINTETSU TAXI

Transportation Business



Railways (Kintetsu Railway)

Rail lines (total route-km)	501.1 km
Annual passenger transport	270.76 million km
Stations	286 stations
Passengers (annually)	501.39 million people
Daily average	1.37 million people
Train cars Total	1,885 cars
Limited express	461 cars
Standard	1,416 cars
Cable	8 cars

Other railways

Company	Train cars	Rail lines
Iga Railway	10	16.6 km
Yoro Railway	31	57.5 km
Yokkaichi Asunarou Railway	14	7.0 km
Nara Ikoma Rapid Railway	—	8.6 km

Bus services

Company	Vehicles	Business area
Kintetsu Bus	395	Osaka, Nara
Nara Kotsu Bus Lines	755	Nara, Kyoto, Osaka, Wakayama
Bocho Bus	259	Yamaguchi, Shimane
KITANIPPON KANKO BUS	32	Ishikawa, Toyama
(Consolidated subtotal)	1,441	—
Mie Kotsu Group	1,070	Mie, Aichi, etc.
Nara Kanko Bus	74	Nara, Osaka, Kyoto
Other	98	—
(Non-consolidated subtotal)	1,242	—
Total	2,683	—

Taxi services

Company	Vehicles	Business area
Kintetsu Taxi	348	Osaka
NARA KINTETSU TAXI	242	Nara
Nagoya Kintetsu Taxi	248	Aichi
Other	420	Ishikawa, etc.
(Consolidated subtotal)	1,258	—
Sanco Taxi	134	Mie
EHIME KINTETSU TAXI	118	Ehime
Other	383	Gifu, Yamaguchi, etc.
(Non-consolidated subtotal)	635	—
Total	1,893	—

Rent-a-car service (as of September 30, 2023)

Offices	Vehicles
18	Rental cars 622
	Lease cars 1,893



Marine transportation

Company	Boats/ships	Distance
Kokudo Kyushi Ferry	3	31.0 km
Shima Marine Leisure	7	41.8 km
Total	10	72.8 km

Scenic highway

Name	Distance
Shigi-Ikoma	20.9 km
Nara Okuyama	9.0 km
Ise-Shima	16.3 km
Total	46.2 km

Ropeway

Facility	Distance	Cars
Katsuragi Ropeway	1,305 m	2
Gozaisho Ropeway	2,161 m	36
Beppu Ropeway	1,816 m	2
Total		40

Real Estate Business



Sales of detached houses (cumulative)

	Along line	Not along line	Total
Area	25.64 million m ²	3.06 million m ²	28.69 million m ²
House and lot	14,003 units	2,918 units	16,921 units
Lot only	21,326 lots	3,885 lots	25,211 lots

Building/condominium management

Company	Units managed
Kintetsu Facilities	Over 1,000 facilities
KINTETSU-COMMUNITY	Approx. 98,000 units

Condominiums for sale by region (cumulative total)

Properties	Units
Kinki region	433
Tokyo metropolitan area	205
Chubu area	134
Other	33
Total	805

Main leased properties

Properties	Leased space	Main properties
Office buildings	14 56,000 m ²	Midosuji Grand Building, Kintetsu Ginza Chuo-dori Building
Commercial facilities	70 293,000 m ²	ABENO HARUKAS, Uehommachi YUFURA
Under elevated tracks	48 48,000 m ²	Lon Mall Fuse, Miyakomichi
Leased condos	1,448 71,000 m ²	Laurel Tower Nagoya Sakae
Parking lots	11,000	Pat Kintetsu Ayameike Ekimae parking lot

International Logistics Business



Global network

45 countries, 300 cities, 683 locations

Logistics sites

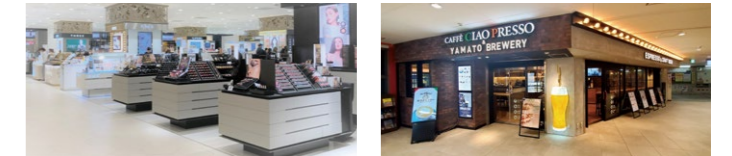
322 warehouses, 2.11 million m²

Volume of cargo handled

Freight transport	Volume	Cargo-handling volume world ranking
Air	637,000 t	10th
Sea	698,000 TEUs	18th

1 TEU = 1 x 20' container equivalent

Merchandise Sales Business (as of September 30, 2023)



Department stores

Business	Outlets	Main outlets
Department stores, commercial facilities	13	Kintetsu Department Store, Uehommachi YUFURA
Franchise business	58	Hands, Plugs Market, Seijo Ishii

Retail

Business	Outlets	Main outlets
Convenience stores	86	FamilyMart
Retail	17	Goto-Chi, Seijo Ishii
Tenants	130	Time's Place, Meets Sweets
Restaurants	37	Edogawa, Hyakuraku
Food	49	Caffè Ciao Presso, Hakoyume
Service areas (SA/PA)	4	Hamanako, Kariya, Amagozen, Goseminami
Craft beer halls	3	Yamato Craft Beer Table
Supermarkets	37	Kinsho, Harves
Other	4	Irodori Mall

Hotel and Leisure Business

Hotels / Japanese inns

	Miyako Hotels & Resorts				Other		Total			
	Directly managed		Outsourced		Japanese inns		Japanese inns			
	Hotels	Rooms	Hotels	Rooms	Inns	Rooms	Inns	Rooms		
Kinki region	6	2,080	4	1,659	2	40	1	17	13	3,796
Ise-Shima	3	416	2	235	1	165	—	—	6	816
Tokyo metropolitan area	2	669	—	—	—	—	2	122	4	791
Other	1	118	2	400	1	20	1	75	5	613
Overseas	2	382	—	—	—	—	—	—	2	382
Total	14	3,665	8	2,294	4	225	4	214	30	6,398



Travel

	Private travel	Group travel
KNT	29 outlets	74 branches
Club Tourism	—	22 branches
Members		
Club Tourism members	Approx. 7 million	
KNT members	Approx. 2.9 million	

Theme parks, amusement parks, aquariums, cinemas

Facilities	Area	Visitors annually
Shima Spain Village	34 ha	880,000
Parque España	24 ha	350,000
Ikoma Sanjo Amusement Park		
Osaka Aquarium Kaiyukan	27,000 m ²	2,060,000
Interactive Aquazoo, NIFREL	7,000 m ²	660,000
Abeno Apollo Cinema	9 screens	860,000

Kintetsu Group Card KIPS

Card type	Members
With credit function	KIPS credit card 590,000
Without credit function	KIPS point card 810,000
	KIPS ICOCA Card 300,000
Total	1,700,000

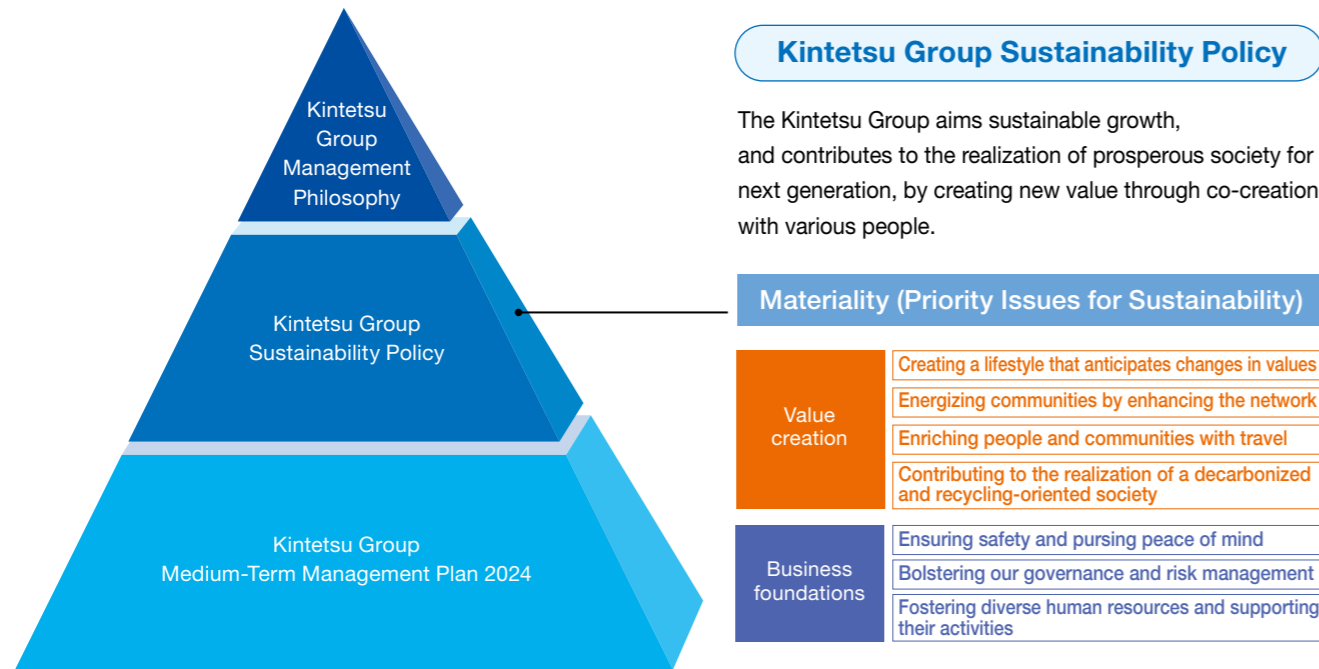
Kintetsu Cable Network Subscribers

Cable television	350,000
Internet	240,000
(Total of five group companies)	



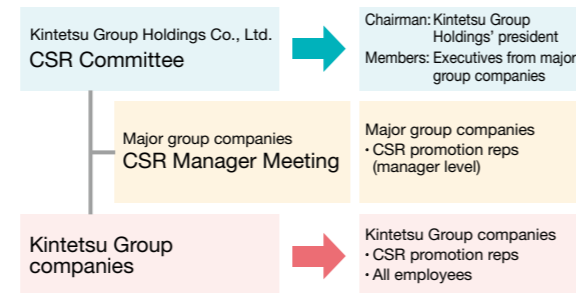
Kintetsu Group Sustainability Policy & Materiality (Priority Issues)

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.



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 major group companies. The key topics it has recently examined are listed below.



Key Topics Before the CSR Committee

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
- ESG evaluation of the Kintetsu Group

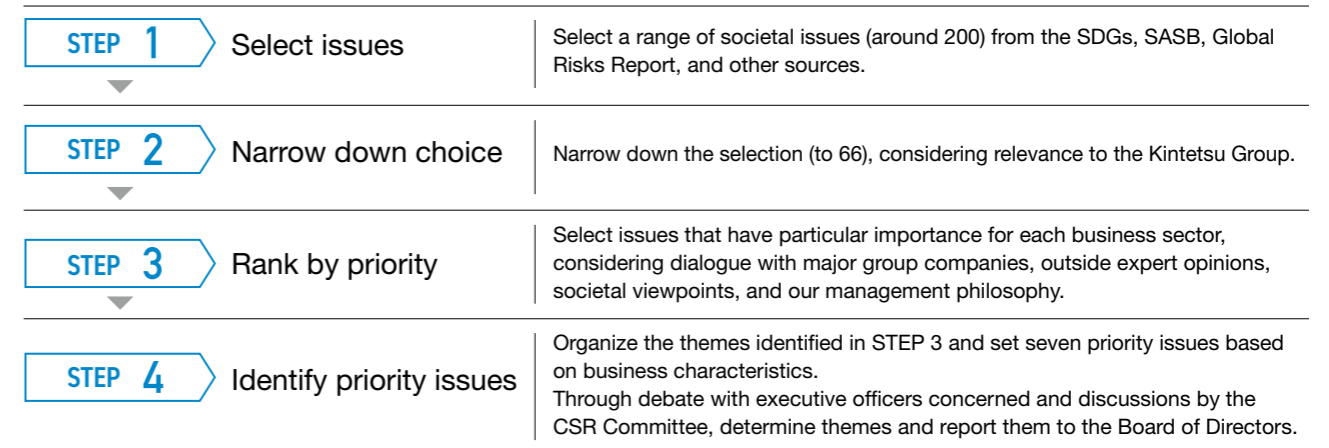
March 13, 2023

- Sustainability activities (Summary of current fiscal year and priority issues for next fiscal year)
- Disclosure of sustainability information in securities reports
- Status of compliance with legal regulations and corporate ethics
- Risk management
- Review of the Kintetsu Group Environmental Targets
- Understanding of Scope 3 CO₂ emissions
- Disclosure of TCFD information
- ESG evaluation of the Kintetsu Group

October 16, 2023

- Status of achievement of KPIs for materiality (priority issues)
- Kintetsu Group Integrated Report 2023
- Signing of the United Nations Global Compact
- Bolstering our risk management
- Status of achievement of the Kintetsu Group Environmental Targets
- Review of the Kintetsu Group Environmental Targets
- Understanding of Scope 3 CO₂ emissions
- ESG evaluation of the Kintetsu Group

Materiality (Priority Issues for Sustainability)—Identification Process

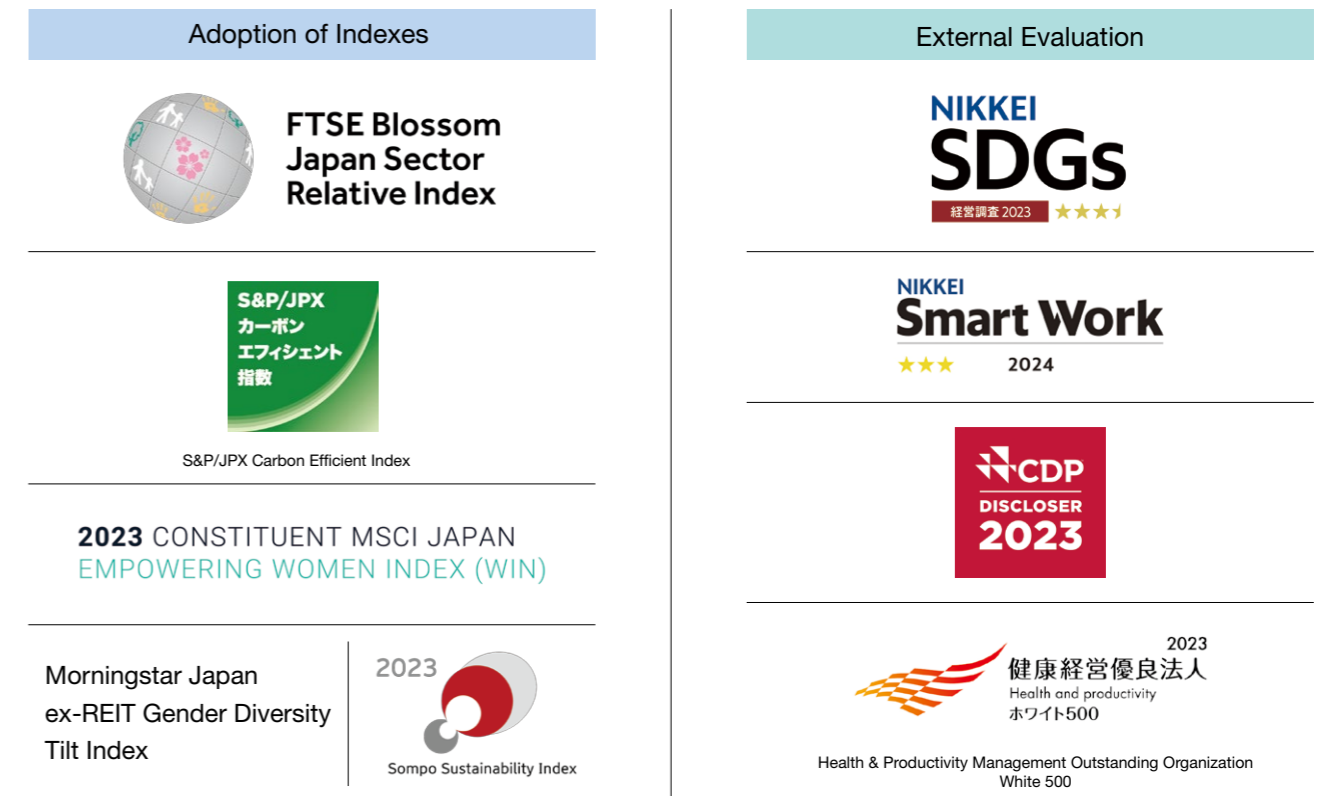


Signing of the United Nations Global Compact






In October 2023, the Kintetsu Group signed a statement of support for the UN Global Compact and became registered as a UNGC participating company. The Group supports the ten principles set out by the UNGC relating to human rights, labor, the environment, and anti-corruption, and engages in sustainable management.



Status of External Evaluation, etc. (as of December 31, 2023)



Materiality (Priority Issues for Sustainability)—Direction, Risks and Opportunities

	Materiality (Priority Issues for Sustainability)	Direction to aim for	Related societal issues	Risks	Opportunities	Related SDGs	
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.	<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 	<ul style="list-style-type: none"> Expansion of online business and creation of new customer contact points through digital means 		
	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.	<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"> 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"> 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 		
	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.	<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 				
	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.	<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"> 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 		
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.	<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"> Large-scale calamities 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 		
	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.	<ul style="list-style-type: none"> Highly transparent management Business activities in compliance with laws and ethics 	<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 		
	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.	<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 	<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 		

Messages from Top Management

Our Value Creation Story

Our Value Creation Strategy

Initiatives for Materiality

Corporate Governance

Corporate Information

Major Initiatives and Key Performance Indicators (KPIs) for Priority Issues for Sustainability

Materiality	Title	Main details	Pages	Business category	Key Performance Indicators (KPIs)	FY2021 results	FY2022 results	Target year	Target
Creating a lifestyle that anticipates changes in values	Creating new businesses and services through DX	Building a customer database, improving operational efficiency	pp. 31–32	Railways	Number of new general-purpose railcars that meet diverse needs	–	–	2025	80 in total
	Maintaining and diversifying means of transportation through co-creation	Linkage with bicycles, maintenance of bus routes, demand-oriented transport	pp. 53–54	Department stores	E-commerce sales	5.8 billion yen	4.3 billion yen	2024	Gradual expansion
	Promoting digitalization in railway and bus passenger services	Smartphone season tickets, digital tickets, credit card touch boarding	p. 54	Stores	Proportion of total sales of key health products	0.3%	2.5%	2025	3%
	Challenge of co-creation for peace of mind and richer lives	10th anniversary of the En-katsu Project, pre- and post-natal care hotels, new services at stations	p. 55						
Energizing communities by enhancing the network	Development of the Abeno and Tennoji Area	Urban development around ABENO HARUKAS	pp. 33–34	Real estate	Creation of resident and non-resident populations through redevelopment of area around a station	–	–	2023 on	Monitoring indicators
	Promoting redevelopment of our operational area	Development around stations (Uehommachi, Saidaiji, Yokkaichi, etc.)	p. 56	Railways	Number of railway passengers	456 million	501 million	2025	517 million
	Stronger cooperation with local authorities	Collaborative agreements with Nara Prefecture, Ikoma City, Yao City and Higashiumiyoshi Ward in Osaka	pp. 57–58	Department stores	Number of commercial service facility complexes constructed as part of community development	–	2	2024	Gradual expansion
	Compact community development around major stations	Development of condominiums around major stations, conversion of department stores into town centers	p. 58	Stores	Number of mobile supermarkets in operation	20 (cumulative)	22 (cumulative)	2024	30 (cumulative)
Enriching people and communities with travel	Promoting the revitalization of the Ise-Shima area	History of development, initiatives and revitalization	pp. 35–36	Railways	Number of users of Ise-Shima limited express trains	Approx. 1.2 million	Approx. 2 million	2026	Pre-COVID level (approx. 2.65 million in FY2018)
	Campaigns in the Kintetsu area	Kintetsu Railway's regional cooperation and discovery of tourism resources	p. 59		Number of inbound rail passengers	–	–	2026	Pre-COVID level (approx. 4.90 million in FY2018)
	Invigorating region through co-creation business	KNT-CT Holdings Group's efforts to attract visitors and revitalize regional tourism	p. 60	Travel agency	Number of participants in universal tourism	–	71,688	2024	100,000
					Number of programs to attract visitors to the region	10	11	2025	20
Contributing to the realization of a decarbonized and recycling-oriented society	Environmental Management System and Kintetsu Group Environmental Targets	CO ₂ emissions reduction targets increased, overseas added to scope	pp. 61–62	Group	Energy use (compared to FY2015)	–16.9%	–14.3%	2030	–20% or more
	Energy Use and CO ₂ Emissions	Scope 3 emissions coverage expanded, disclosure by category	pp. 63–65		CO ₂ emissions (total) domestic (compared to FY2015)	–38.2%	–40.9%	2030	–50%
					CO ₂ emissions (total) domestic + international (compared to FY2022)	–	Base year	2030	–20%
	Energy-Saving and CO ₂ Reduction Initiatives	Renewable energy, SAF, EV buses, taxis, etc.	pp. 66–68	Department stores	Food wastage reduction rate (compared to FY2019)	–26.9%	–25.7%	2030	–20%
	Information Disclosure Related to TCFD	Climate change risks and opportunities organized, impact amounts reviewed	pp. 69–72	Stores and restaurants	Reduction rate of food loss volume (compared to FY2018)	–26.5%	–27.4%	2030	–40%
	Resource-Saving, Recycling and Biodiversity Conservation Initiatives	Plastic reduction, food waste reduction, forest maintenance	pp. 73–74	Travel agency	Number of participants in eco-tourism	–	4,125	2024	10,000
Ensuring safety and pursuing peace of mind	Initiatives in the railway business (Kintetsu Railway)	Safety assurance approach, safety management systems, disaster prevention and safety measures	pp. 89–91	Railways	Number of accidents involving railway operations for which the company was responsible	0	0	Every fiscal year	0
	Various safety-related initiatives	Safe driving workshops, barrier-free programs	p. 92		Number of accidents involving railway operations and transportation disruptions	80	92	Every fiscal year	Fewer than the previous fiscal year
Bolstering our governance and risk management	Corporate Governance	Board of Directors, skills matrix	pp. 99–103	Kintetsu Group Holdings	Ratio of external directors	33.3%	33.3%	2023	Maintain one third or higher
	Compliance	Legal and ethical compliance framework, legal and ethical consultation system	p. 104						
	Risk Management	Enhancement of risk management	pp. 105–106	Railways	BCM rating (Development Bank of Japan)	Highest rank	Highest rank	2025	Maintain the highest rank
	Supply Chain Management	Partnership Building Declaration, KWE Vendor Code of Conduct	p. 106						
Fostering diverse human resources and supporting their activities	Human Resources Strategy	Valuing people and their diversity in group management	pp. 29–30	Kintetsu Group Holdings	Percentage of female employee hires to total number of career-track hires	–	17.4%	2025	30% or more
	Human Capital	Fundamental policy on human resources (recruitment, development and environmental improvement)	pp. 76–77		Percentage of mid-career hires to total number of career-track hires	–	30.4%	Every fiscal year	20% or more
	Recruitment	Strengthening recruitment of diverse employees and of human resources for DX	p. 78		Number of employees hired as career-track IT-related personnel	–	6	Every fiscal year	5 or more
	Development	Competence development training and personnel development	pp. 79–80		Hours per career-track employee of participation in skills development training	–	21.9 hours	Every fiscal year	20.0 hours
	Creating a Positive Work Environment	Environmental improvement, employee engagement	pp. 80–81		Of those, hours of IT/DX training	–	1.9 hours	Every fiscal year	3 hours
	Health and Safety	Health & Productivity Management Declaration, common targets for health management (obesity rate, stress)	pp. 82–83		Employee turnover rate among all career-track employees at the Company	–	2.0%	Every fiscal year	2.0% or less
					Percentage of career-track employees at the Company interviewed directly by the Human Resources Division	–	25.7%	Every fiscal year	40% or more
	Human Rights	Fundamental policy on human rights, implementation and handling of human rights due diligence	pp. 86–88		Section manager-level employees at the Company who have taken training on how to manage their subordinates	–	74.5%	FY2023	100%
			Major companies	See pp. 84–85	–	–	–	–	
					Comprehensive evaluation indicators				
				Kintetsu Group Holdings	Maintaining and improving external ESG evaluation → See p. 20				



Sustainable management and enhancing corporate value in a post-pandemic world

Takashi Wakai
Director, Senior Managing Executive Officer
Responsibilities: Corporate Strategy Division

Updated target indicators for our medium-term management plan

The Kintetsu Group Medium-Term Management Plan 2024 is a four-year plan with the basic policy of reforming management to support the post-pandemic recovery and drive the shift toward new business development and growth. During fiscal 2021-22, the first two years of the plan's implementation, the Kintetsu Group has been focused on reducing the break-even point for each business in the Group, liquidating and securitizing assets, and expanding B-to-B businesses. These tasks have been undertaken by the entire Group as part of an effort to engage in reform of our business structure as well as our business structure portfolio. As a result, in fiscal 2022, operating revenue increased by 125.7% year-on-year to 1,561.0 billion yen, and operating profit increased by 63.2 billion yen to 67.1 billion yen. These results were attributed to the post-pandemic rebound in spending after a period of being housebound and the conversion of Kintetsu World Express to a wholly-owned subsidiary in July 2022.

In fiscal 2023 and 2024, when the constraints on social and economic activities are expected to have dissipated to a large extent, our priority initiatives will be as follows: to strengthen our business risk tolerance by formulating and implementing business structural reforms; to restore the financial soundness that temporarily deteriorated due to the pandemic; and to solidify our business foundation for future growth.

To achieve these goals, we revised our target management indicators in June 2023. Specifically, we increased operating income for fiscal 2024 from over 65 billion yen to more than 86 billion yen and reduced our net interest-bearing debt-to-EBITDA ratio from 8 to around 7. These changes reflect revisions to railway freight rates and the acquisition of Kintetsu World Express as a subsidiary.

While fully acknowledging the shifting business environment and the new society that has emerged in the post-pandemic era, the "new Kintetsu Group" remains committed to proactively developing businesses that will strengthen profitability, help to resolve societal issues, and provide stable returns to shareholders.

Financial strategy

In terms of our financial strategy, we are dedicated to a policy of assured financial soundness. Moreover, we will continue to reduce interest-bearing debt while diversifying risk through improved profitability by generating high cash flow at Kintetsu World Express, seeking to recover demand in each business to pre-pandemic levels, establishing a robust business management structure, and shifting to an asset-light model in our hotel business and other businesses.

We seek to reduce net interest-bearing—which rose to 1,095.3 billion yen at the end of fiscal 2022 due to our acquisition of Kintetsu World Express as a subsidiary—to less than 1,000 billion yen. We are also committed to increasing our equity ratio from 18.2% to a minimum of 25%.

Capital investment policy

With regard to capital investments, we will carefully identify and undertake the investments necessary for business continuity and future-oriented growth strategies with an emphasis on investment efficiency, in line with future EBITDA growth. We plan to invest a total of 220 billion yen over the four years of our medium-term management plan. In our railway business, we will secure funds through the fare revisions undertaken in the spring of 2023, and we intend to make investments to ensure our continuation as a form of sustainable social infrastructure. This will include a systematic upgrade to new general rolling stock as well as our focus on maintaining the soundness of equipment. We will also make investments that will contribute to growth, such as digital strategies and revitalization of the areas alongside our railway lines. In our real estate segment, we are planning well-balanced investments in the redevelopment of the areas around our stations and in the outdoor experience-based facilities at Ise-Shima, which will contribute to the revitalization of the railway line. We are also making highly profitable investments elsewhere outside our railways.

Our medium-term management plan: Priority measures and a focus on sustainable management

Under our medium-term management plan, we are promoting the following six priority measures: ① Radically reviewing our cost structure; ② Early reduction of interest-bearing debt; ③ Strengthening cooperation with external partners; ④ Reforming our business portfolio; ⑤ Creating new businesses and services through DX; and ⑥ Implementing community development that aims to resolve regional issues.

Among these, items ①, ③, and ④ were achieved in fiscal 2021 and 2022, and we are currently in an expansion phase for these items. With regard to item ②, we continue to focus on the financial strategy described above. As for item ⑤, as stated in a separate article, the officer in charge of the Digital Transformation Management Office is working to establish a digital customer base that will lead to demand generation through data analysis and digitization of customer contact points across the Group.

Item ⑥ is a measure on which we place particular emphasis from the perspective of sustainable management. Revitalizing the areas alongside our railway lines while providing solutions to societal issues through business is also a source of the Group's sustainable growth. As we deepen cooperation with various stakeholders, including local governments, we will strive to improve urban development and tourism attractiveness through co-creation with local communities. In addition, in the fall of 2023, we updated the Kintetsu Group's environmental targets, including raising the CO₂ emissions reduction target in fiscal 2030 from a minimum of 40% to 50% compared to fiscal 2015 levels. We will further engage in efforts to create compact cities that contribute to energy efficiency and

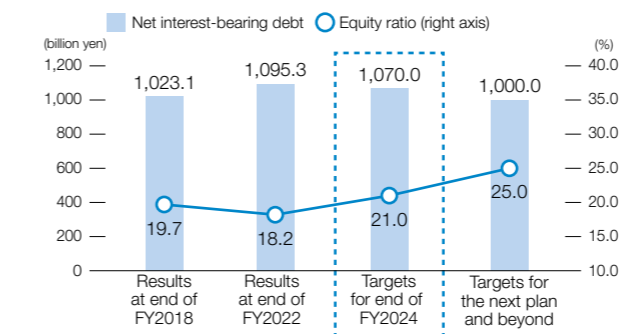
resource conservation centered on public transportation with a low environmental impact. As well, we will pursue energy efficiency and CO₂ reduction initiatives in our international logistics business and other businesses, which we expect will lead to the achievement of carbon neutrality by 2050. At the same time, we have signed the United Nations Global Compact (UNGC). We fully support the 10 principles related to human rights, labor, the environment, and anti-corruption established by the UNGC, and we intend to further promote sustainable management throughout the Group.

Addressing our stakeholders

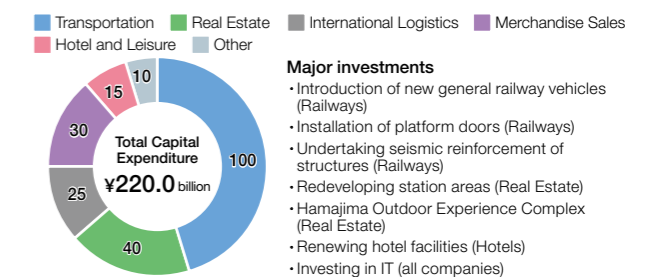
Earning the trust of our stakeholders represents the very foundation of the Group's management. In light of the fact that Kinki Nippon Tourist, one of our group companies, was involved in a compliance-related scandal related to the overbilling of local governments as part of its contract work, and acknowledging that the Group's business domains and business areas have expanded and target risks have diversified due to the acquisition of Kintetsu World Express as a wholly-owned subsidiary, we are committed to minimizing risks and reducing any related losses. We are therefore strengthening the risk management system of the entire Group as we reinforce our current management foundation.

In conclusion, we will continue to engage in various forms of collaboration with our multiple stakeholders (including shareholders, customers, business partners, employees, and public sectors) by actively disseminating information in response to emerging needs. Through dialogue such as this, we will continue to focus on improving our management transparency while contributing to the emergence of a prosperous society founded on co-creation.

Ensuring financial soundness



Capital Investment Plan (FY2021–FY2024)



Shareholder returns

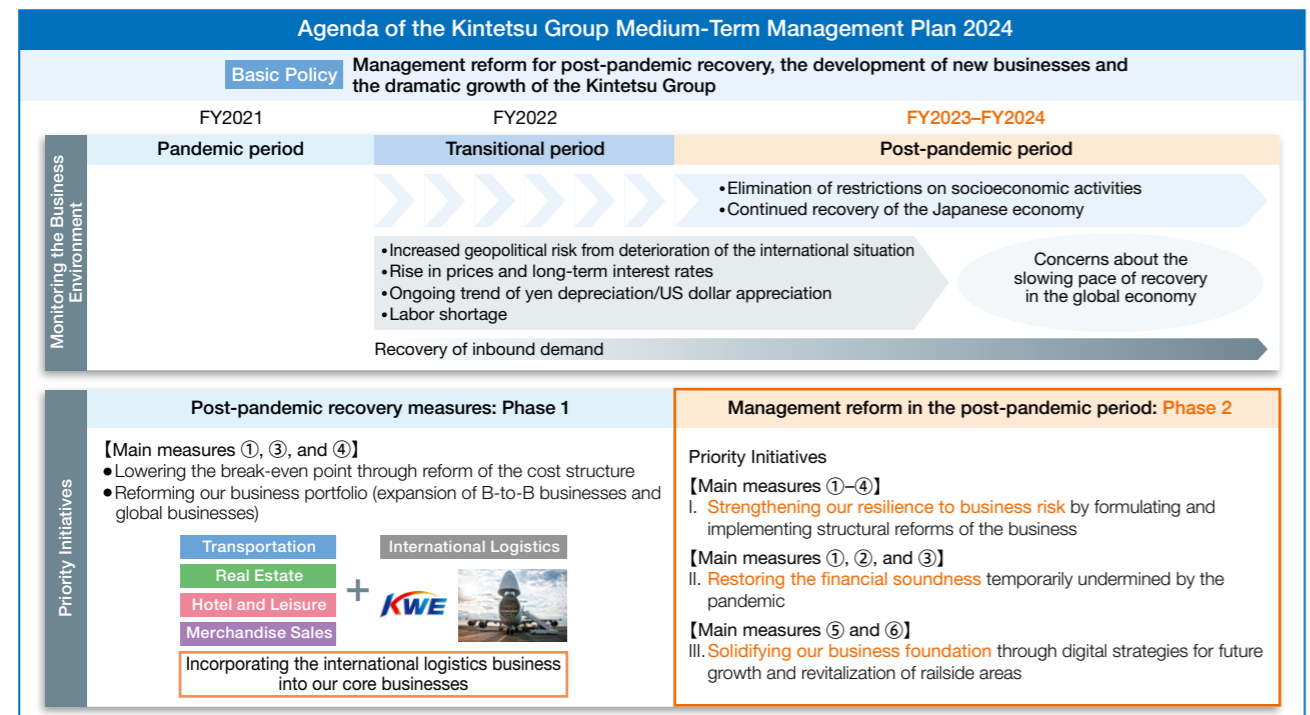
Ensuring stable shareholder returns commensurate with performance while strengthening our profitability and financial foundation

Kintetsu Group Medium-Term Management Plan 2024 Progress

We are implementing the Kintetsu Group Medium-Term Management Plan 2024, which was formulated in May 2021 and is grounded in our policy of adopting management reforms as part of our post-pandemic recovery and commitment to growth and business development.

In the first two years of the plan leading up to fiscal 2022, we implemented firm measures targeting post-pandemic recovery and posted positive results as a consequence. We have positioned the final two years of the plan, concluding in fiscal 2024, as the second phase of our management reform initiative in the post-pandemic period. As part of this effort, we are focusing on strengthening our tolerance to business risk, restoring financial soundness, and solidifying our business foundation. In June 2023, we updated our target management indicators.

1 Monitoring the Business Environment and Implementing the Priority Initiatives of the Management Plan



2 Progress of Our Six Main Measures

Main measures	Past initiatives and achievements	Future initiatives	Progress and future developments
① Radically reviewing our cost structure	Achieved a lower break-even point through structural cost reductions accomplished through structural reforms of the business. Cost reductions achieved (comparison with pre-pandemic period on a consolidated basis) FY2021: About 60 billion yen FY2022: About 49 billion yen	To establish structural cost reductions and further deepen business structural reforms implemented during the pandemic	Mostly achieved. Committed to achieving further results.
② Early reduction of interest-bearing debt	Significantly reduced interest-bearing debt through asset sales and other measures.	To continue adhering to the policy of ensuring financial soundness and increasing equity for the next leap forward	Will maintain focus.
③ Strengthening cooperation with external partners	Hotel business: Sold eight hotels to an SPC with Blackstone. Real estate business: Incorporated real estate holdings into an SPC with the Development Bank of Japan.	In the hotel business, to promote two-pronged ownership/direct management and outsourced management in collaboration with Blackstone	Mostly achieved. Committed to achieving further results.
④ Reforming our business portfolio	Incorporated the international logistics business (Kintetsu World Express) into the Group's core business through a TOB.	To develop a balanced business portfolio (integration within the Group, transformation of the corporate culture, and strengthening of risk management) through process management integration (PMI) at Kintetsu World Express	Mostly achieved. Committed to achieving further results.
⑤ Creating new businesses and services through DX	Formulated long-term digital transformation strategies and evaluated measures for establishing a digital services platform.	To employ the digital services platform to develop a group-wide customer database without delay	Will maintain focus. (pp. 31-32)
⑥ Implementing community development that aims to resolve regional issues	Strengthened collaborations with local communities and companies, mainly in the areas around railway stations.	To solve societal issues, improve appeal to tourists, and promote regional revitalization and sustainable regional development through co-creation with local communities in railside areas	Will maintain focus. (pp. 33-34, 56-59)

3 Updating Target Management Indicators

In June 2023, we updated the target indicators of the medium-term management plan to reflect the post-pandemic recovery strategies of each of the Group's businesses, railway fare revisions, the impact of the acquisition of Kintetsu World Express on our consolidated financials, and the future direction of our business.

Main measures	FY2018 results	FY2022 results	FY2023 forecast	FY2024 targets		Targets for the next plan and beyond
				Initial plan	Updated plan	
Operating profit	¥67.7 billion	¥67.1 billion	¥80.0 billion	¥65.0 billion or more	¥86.0 billion or more	¥100.0 billion or more
Interest-bearing debt	¥1.0559 trillion	¥1.2793 trillion	—	Less than ¥1 trillion	—	—
Net interest-bearing debt	¥1.0231 trillion	¥1.0953 trillion	¥1.0500 trillion	—	Less than ¥1.0700 trillion	Less than ¥1 trillion
Interest-bearing debt/EBITDA ratio	8.8 times	10.2 times	—	8-9 times	—	—
Net Interest-bearing debt/EBITDA ratio	8.5 times	8.7 times	7.3 times	—	About 7.0 times	About 6.0 times
Equity ratio	19.7%	18.2%	—	23% or more	21% or more	25% or more

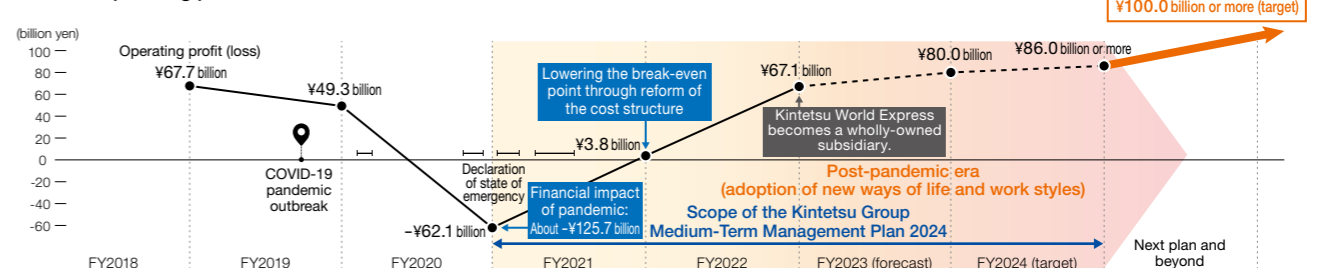
Notes:
 • Interest-bearing debt: Borrowings + bonds payable
 • Net interest-bearing debt: Interest-bearing debt + lease obligations (excluding amount recorded under IFRS 16) - cash and deposits
 • EBITDA: Operating profit + depreciation (excluding amount recorded under IFRS 16) + amortization of goodwill

Reflecting the increase in cash and deposits due to the acquisition of Kintetsu World Express, we have adopted new target indicators for "net interest-bearing debt" and "net interest-bearing debt/EBITDA ratio" (which are calculated by adding lease obligations and deducting cash and deposits).

Consolidated indicators	FY2018 results	FY2022 results	Initial plan	Updated plan
ROE	9.6%	21.6%	About 10%	About 10%
ROA	3.5%	3.5%	About 3.5%	3.2% or more

Notes:
 • ROE (Return on Equity): Profit attributable to owners of parent ÷ equity
 • ROA (Return on Assets): Ordinary profit ÷ total assets

Trend in operating profit and loss



4 Basic Initiatives for the Next Plan and Beyond

The Kintetsu Group's Leap Forward: Aiming to Expand the Scope of Business and Increase Profitability

Measures and Course of Action to Implement

- **Expanding the business territory (Area portfolio)**
Pursuing stable growth by expanding the business territory beyond the railway line to the Tokyo Metropolitan Area and outside Japan
- **Expanding the scope of business (Business portfolio)**
Expanding the scope of the business through M&A, collaborating with external partners, and financing through private funds
- **Promoting the digital transformation**
Establishing a new digitized customer base and developing new businesses and services

- **Developing our railside areas**
Developing attractive railside areas and increasing the number of people who interact with each other and settle along the railway line in the long term
- **Expanding revenue opportunities through major events**
Expanding the Group's revenue opportunities by leveraging major events such as Expo 2025 Osaka, Kansai and the opening of the Osaka Integrated Resort
- **Promoting human capital management**
Ensuring the diverse workforce needed to maintain and expand the business
- **Strengthening sustainability initiatives**
Seeking to address societal issues and increase corporate value through our business activities

Human Resources Strategy



Valuing people and their diversity in group management

Nobu Hayashi
 Director, Managing Executive Officer
 Responsibilities: Human Resources Division

People and their ideas support the foundations of Kintetsu Group

“To Support Daily Life, To Create More Value” is our management philosophy. As a corporate group, in striving to give physical form to this philosophy, we depend on people, our most valuable resource. In a constantly changing environment in which our customers’ needs continue to diversify, the abilities that our talented personnel deliver include understanding our ideals and envisioning the future, making proper assessments and good decisions, leading change, and having a good sense of others’ feelings and connecting with them. Above all, personal determination is crucial to realizing this purpose.

People with a diverse range of knowledge and experience and unique personalities are essential to the Kintetsu Group. We encourage high aspirations in steadfastly implementing operations and working to create new value in the Group’s wide range of businesses. That approach is how we aim to embody our management philosophy and achieve sustainable growth. To reach our goals, one of the priority issues for sustainability that we have identified is “fostering diverse human resources and supporting their activities.” The basic human resource policy we have established aims to hire and foster the development of individuals with drive, ability, and character and create a positive work environment that allows them to flourish. Based on this two-pronged policy, we are committed to enhancing our human capital across the entire Group.

Confronting the labor shortage—a major issue

Dealing with the current labor shortage is a critical challenge for the Group in the area of human capital. In Japan as a whole, competition for human resources is intensifying. Fortunately, no company in the Group has faced bankruptcy due to the labor shortage. Nevertheless, an ongoing shortage exists, resulting from many people having left the labor pool due to the COVID-19 pandemic, combined

with restrictions on recruitment. Some industries have been unable to respond adequately to the recovering demand, and the inability to hire specialized personnel who are indispensable for the Group’s operations poses a significant problem—such as digital talent, qualified personnel in technical fields, and chefs.

Possible measures to address the labor shortage include bolstering recruitment, preventing employee turnover, and reducing the number of personnel needed. Among these, preventing turnover depends on the workplace culture and many other factors, and cannot be resolved overnight. When I joined Kintetsu Railway in 1984, the company had approximately 9,400 employees in its railroad division, a number that peaked at 10,400 or so around 1993. By the end of fiscal 2022, that number had dropped significantly to around 6,600. This was the result of efforts to streamline operations under the challenging conditions of increased private vehicle ownership and a declining population along our railway lines. Currently, we must not only confront the labor shortage but also continue to aim to run operations using fewer employees. The danger of having fewer people in the workplace, however, is a weakening of bonds between people, resulting in a decreased sense of belonging. My own interactions with senior colleagues in the workplace gave me a sense that the company was a place where I belonged. I also learned many things from my seniors. Although some people today, especially younger people, are reluctant to build such relationships, I believe it is very important for preventing turnover to create a workplace environment where people can work with peace of mind and rely on interpersonal relationships. Our group companies strive to improve working conditions, including compensation, and pursue measures to foster interaction and build trust among coworkers and between supervisors and their subordinates. For example, starting this year, we began jointly sponsoring events for employees and their families to gather and interact, co-hosted by the labor union and health insurance

association. Kintetsu Railway has also resumed its system of providing company subsidies for employee athletic meets and workplace get-togethers, which had been suspended during the pandemic.

Up to this point, group companies have been taking steps individually to address the labor shortage based on their specific circumstances. While individual company efforts will remain central, to address this issue collaboratively group-wide, several companies, including Kintetsu Group Holdings, have joined together to establish a project team to support individual company initiatives and study ways to raise the standard for the Group as a whole. In 2017, we launched Kintetsu Oshigoto Station (*Oshigoto* means “job” in Japanese) as a one-stop service that provides job information and accepts applications for jobs in the Group. It has achieved a certain level of success in recruiting part-time employees, mainly along the Kintetsu railway lines. We will continue to take advantage of the Group’s scale to expand our job advertising and recruiting events, tap into more senior talent, including retirees from group companies, and strengthen the recruitment of personnel from other countries. We also recognize that some occupations in the Group are having difficulty attracting workers because of the social perception that the jobs involve hard work at low wages, diminishing their attractiveness. Yet, the Group’s various businesses contribute significantly to society and the work is very rewarding. So, in addition to improving working conditions, we feel it is necessary going forward to improve the image of the work and communicate how the industry and the Group involve rewarding work that helps to solve issues in society.

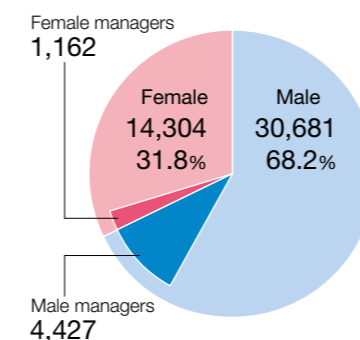
Promoting diversity

While I have been talking about the labor shortage up to this point, it is important to mention that the Group maintains a 45,000-strong workforce that is extremely diverse and talented, working in a broad range of business domains and areas.

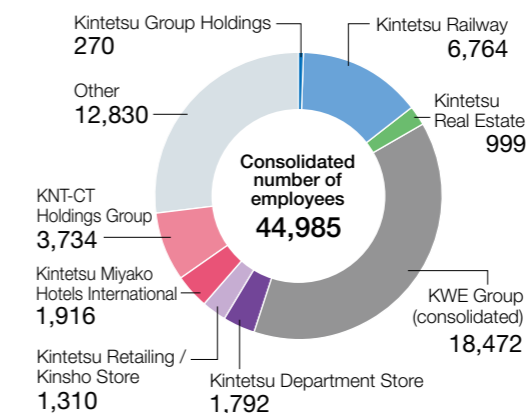
We consider the promotion of diversity to be a vital component of our business development, as diversity brings fresh views and new ideas, leading to the creation of new value. It also helps us to respond to the diversifying needs of customers and offers mutual inspiration for personal growth among colleagues coming from different cultures with different ways of thinking. Considerable challenges remain at an individual company level, such as the preponderance of men holding management positions at Kintetsu Railway and other major companies, but KPIs are being set with efforts directed at increasing the ratio of female managers at these companies and addressing other issues.

Diversity in the Group’s human resources was also given a big boost in the summer of 2022 with the acquisition of Kintetsu World Express, which operates a global logistics business. We will use this opportunity to secure even more diverse talent and facilitate further exchange within the Group to leverage such a valuable asset—people—maximizing their value and creating synergies for the entire Group.

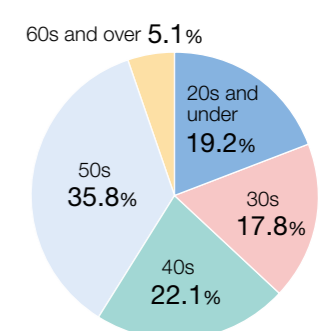
Employee breakdown by gender (consolidated)



Employee breakdown by company (consolidated)



Ratio of employees by age (major companies)



Note: FY2022 results

Strategies for the Digital Transformation



Effecting a transformation through digitalization and an eagerness to meet new challenges

Hideo Fujii
Senior Officer
Digital Transformation Management Office

Background and purpose to our implementation system

The Kintetsu Group launched the Digital Transformation Management Office in June 2023. This initiative was inspired by the emerging challenges the Kintetsu Group has had to contend with in Japan—including the declining population, declining birthrate, and aging of the population—along with the societal changes that emerged due to the COVID-19 pandemic. The Group is experiencing a serious impact from the population trends noted above, both in terms of decreased demand and a decline in the working population. Moreover, changes in behavioral patterns arising from the COVID-19 pandemic require the Group, which has a portfolio focused on “B-to-C” businesses primarily in the mobility segment, to be adaptable to exigencies, which requires that we review our portfolio. Working in collaboration with each company in the Group, we have recognized the need to pursue two parallel strategies: a “defensive digital transformation” aimed at streamlining operations and improving productivity; and an “offensive digital transformation” to implement a growth strategy that encompasses the needs to stimulate demand and develop new businesses. To this end, we have established the Digital Transformation Management Office. This office will support each group company to proactively promote digitalization and will promote the following five specific measures: ① Establishing a digital services platform; ② Standardizing back-office operations and systems; ③ Utilizing data as well as AI and other technologies; ④ Hiring and training personnel with digital expertise; and ⑤ Strengthening cybersecurity through collaboration.

Specific measures for implementation

① Establishing a digital services platform

Our objective is to integrate and unify the digital customer contact points maintained by each group company, improve customer convenience, and utilize customer data to strengthen relationships and stimulate demand. In the future, we aim to collaborate with partner companies and government services and use data to create a platform that responds to the various

lifestyle needs of those living along our railway lines.

② Standardizing back-office operations and systems

We will consider introducing a group-wide system for back-office operations such as human resources, accounting, and administrative affairs. In particular, when updating the Group accounting system that is currently in operation, we will not simply update it, but will treat it as an opportunity to optimize our operations as a Group.

③ Utilizing data as well as AI and other technologies

We are planning to establish a new team within our company to acquire expertise in data usage and AI, conduct research on new technologies, and implement demonstration projects. We will also consider supporting the business transformation (the development of new services and businesses) by collaborating with each group company.

④ Hiring and training personnel with digital expertise and placing them at group companies

We are working to secure personnel with digital expertise who can strategically lead the Group’s digital transformation by hiring new graduates and appointing external personnel with the aim of increasing the current number of personnel by 50% over three years. Furthermore, we will continue to provide training with the goal of ensuring that 10% to 20% of our employees have the required skills to take on the role of leading the way in solving workplace issues and utilizing measures using digital technology. We plan to provide level-specific training to improve the digital transformation literacy of all employees while fostering a corporate culture that focuses on problem-solving through the digital transformation not only in terms of skills but also in terms of mindset.

⑤ Strengthening cybersecurity through collaboration

The cyber risks to which the Group is exposed are increasing year by year, and further attacks are expected in the run-up to Expo 2025 Osaka, Kansai. The Group, which is responsible for operating many social infrastructure elements, is required to take steps to improve its level of information security in the Group without being bound by conventional wisdom in order to reduce the impact on customers and ensure stable business continuity. We feel that this is our current reality and we will continue to promote this initiative.

Management Reform Utilizing Digital Technologies: The Kintetsu Group’s Stance Toward the Digital Transformation

1 Establishing Group Measures Targeting the Digital Transformation

The Offensive Digital Transformation: Strengthening competitiveness

Stimulate demand for individual group companies and the Group as a whole by integrating and utilizing the data and customer contact points held by each group company.

- Utilize marketing that combines digital and concrete customer contact points.
- Pursue customer uptake and revenue opportunities through the use of Group data.

The Defensive Digital Transformation: Improving operational efficiency and productivity

Concentrate the labor force on core businesses by introducing technology suitable for each group company based on consistency with individual business characteristics and business strategies.

- Achieve automation and operational efficiency using AI, robots, and sensing technologies.
- Strengthen information-sharing and improve the efficiency of back-office operations by expanding the digital infrastructure.

2 Establishing a System to Promote the Digital Transformation

Establishing a group-wide digital transformation management system

Establishing a Digital Transformation Management Office within the Kintetsu Group Holdings Company

- Formulate the Group’s digital vision.
- Plan and promote group-wide digital transformation measures.
- Support the digital transformation measures of group companies.
- Coordinate measures and optimize investment for the entire Group.
- Hire and train personnel with digital expertise and assign them to group companies.

3 Measures to Prioritize in the Future

- ① Establish a digital services platform.
- ② Standardize back-office operations.
- ③ Utilize technology (data & AI).
- ④ Hire and train personnel with digital expertise.
- ⑤ Strengthen cybersecurity through collaboration.

Establishing a group-wide Customer Data Platform Through the Digital Services Platform

1 Overview and Direction of the Digital Services Platform

Phase 1 (currently in effect): Strengthen intra-group collaboration.

- Introduce new customer contact points that interlink each company’s apps and websites.
- Introduce mechanisms such as points/payment apps and ID integration as a medium for mutual cooperation.
- Build a data analysis platform to aggregate and utilize data.
- Share customers of group companies as the Kintetsu Group and cross-sell to them.
- Deepen customer understanding and strengthen relationships with one-to-one marketing.
- Utilize data as a means of developing new businesses and services.

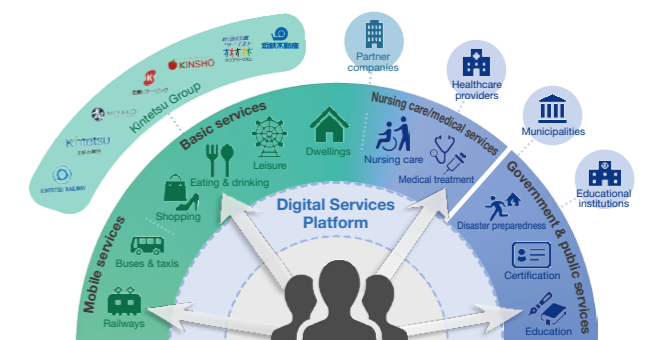
Phase 2: Collaborate with partner companies.

- Expand services that the Kintetsu Group does not offer, responding to a wide range of diverse lifestyle needs such as health/medical care, education, and child-rearing.

Phase 3: Cooperate with other economic areas and administrative services.

- Plan for further expansion of the Kintetsu Economic Zone.
- Contribute solutions to regional issues as reflected by our customer base.

The Concept of a Digital Services Platform



2 Current Level of Progress and Future Plans

① Data analysis platform

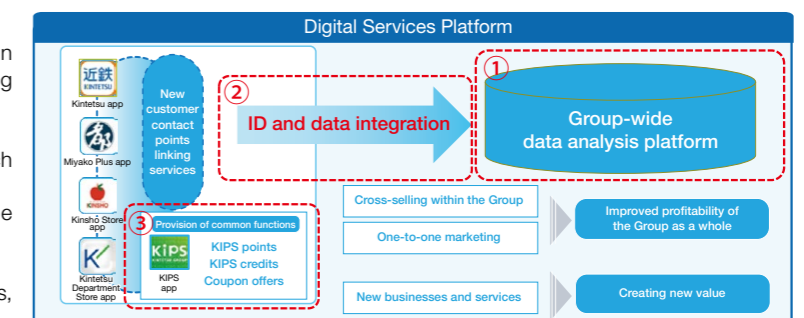
Collect and analyze data within the Group in preparation for the start of operations in spring 2024.

② ID and data integration

Develop a common ID that links customers of each group company. This will be available from the digital ticket site in the Ise-Shima area in spring 2024.

③ Digitization of customer contact points

The KIPS app, a common point service for customers, is scheduled to be released in summer 2024.



Feature

Materiality
(Priority Issues for Sustainability)

Energizing communities by enhancing the network

Development of the Abeno and Tennoji Area

ABENO HARUKAS 10th Anniversary: Efforts to Develop Abeno/Tennoji, Osaka, and Kansai

ABENO HARUKAS opened in 2014 as a high-rise complex measuring 300 meters tall. On March 7, 2024, the facility will mark ten years since its grand opening.

Centered on ABENO HARUKAS, several companies from the Kintetsu Group have worked together, and through multiple, varied initiatives with the people of the local community, we have helped to make the Abeno and Tennoji area more prosperous and to transform it into an urban area that all can enjoy.

While the facility has passed on its crown as Japan's tallest complex to Azabudai Hills, which opened in the Toranomon district of Tokyo in November 2023, it remains an important Osaka landmark and contributes to the Abeno and Tennoji area, but also to Osaka and the Kansai region.

Impact of ABENO HARUKAS

Unlike the working center of the city of Osaka in the north and the socializing center in the south, the Abeno and Tennoji area where ABENO HARUKAS is located has long had the air of a center of everyday life where traditional culture lives and breathes. To turn the area into a third city center, which also acts as the entranceway to the area to the south of the prefecture and beyond, we constructed this landmark, at that time Japan's tallest complex with a large-scale department store, offices, a world-class hotel, art museum, observatory, and train station. Moreover, we renewed the Tennoji Park area into Ten-Shiba with its extensive lawns. The same period saw a large shopping mall open across the road and infrastructure put in place throughout the area. These efforts raised the area's appeal and improved accessibility, transforming it into somewhere all kinds of people—business people, young people, families, overseas visitors, and other besides—could interact.

ABENO HARUKAS attracts around 40 million visitors each year, while Ten-Shiba sees more than 5 million.

HARUKAS 300, the uppermost part of ABENO HARUKAS that acts as an observatory, offers stunning, unimpeded 360° views of the surrounding area and a variety of events, while the complex's art museum (an urban art gallery without its own collection) puts on a wide range of exhibitions of Japanese, Oriental, western

and modern art styles. These functions have raised the value of the area, and also continued to draw many customers. The Osaka Marriott Miyako Hotel, which is in the upper part of ABENO HARUKAS, has received great praise as a hotel in the sky with a fantastic panoramic view, and has cemented its position as one of Osaka luxury hotels, with its business doing well. The office floors, which boast a total floor space of more than 60,000 m², have been lauded for the convenience of its transport connections, and high degree of recognition and functionality. Since its opening, it has maintained a high occupancy rate with almost full capacity throughout. At Kintetsu Department Store Main Store Abeno Harukas, meanwhile, we have taken advantage of its approximate 100,000 m² of floor space, which makes it one of the largest in Japan, to gradually evolve inspired by the concept of a town-like space where encounters with things, experiences, and people abound, to make it more attractive and to appeal to wide range of target demographics as a store that fuses department store and community functions where people want to spend time.

After the outbreak of COVID-19, areas of the facility other than the offices saw reduced footfall, but these are now recovering and we are seeing ABENO HARUKAS flourish with even more visitors than before the pandemic.

ABENO HARUKAS' links to the community

Since the preparatory stages for ABENO HARUKAS, we have valued feedback from those living and working in the area. Even as early as the planning stage, Kintetsu Railway, Kintetsu Department Store, and other companies cooperated with local merchant associations and residents' neighborhood associations to ensure the ABENO HARUKAS and neighboring town could grow together.

Kintetsu Department Store has created stores that contribute to local communities and that have earned an indispensable place in the minds of local people. A good example of this is

the En-katsu Project (see p. 55) which we have been running since Kintetsu Department Store Main Store Abeno Harukas opened and which develops various citizen activity programs.

The Welcoming Abeno & Tennoji Campaign has also been going for more than ten years. This is jointly organized by companies operating commercial facilities in the area—Kintetsu Real Estate, Tokyu Land, and JR West. Through the campaign's music and town walking events, we have been collaborating to help people rediscover the appeal of the location and further invigorate the area.

10th anniversary and efforts for the future

With the aim of further improving our ability to attract customers and communication capabilities, we have been rolling out Virtual ABENO HARUKAS through the metaverse since March 2023, and our group companies cooperate each other for urban development that fuses the real and the virtual. In July of the same year, we opened soranosu, a new facility, on the same floor (the 17th) as the entrance to the office floors. The soranosu caters to needs for diversifying ways of working and acts as a place to realize freedom in terms of working styles and as a venue for exchanges among those who work at ABENO HARUKAS and those who live locally.

At Kintetsu Department Store Main Store Abeno Harukas, in 2023 we carried out the first major renewal work since it opened. We continue to work on appealing store development with the intention of making it a lifestyle landmark that can be enjoyed day in, day out by customers who come from a very wide area—inside and outside Japan—and people living in our operational area or its surrounds. We continue to work nonstop to evolve the store, including by introducing new, special brands and through other

efforts to strengthen our luxuries zone; developing multiple floors that make use of "scrambled merchandising" to mix clothing, lifestyle-related miscellanea, and food; opening the first official store for Expo 2025 Osaka, Kansai; and introducing new-style restaurants to Harukas Dining.

Furthermore, with 2024 as the facility's 10th anniversary year, we will develop a variety of events and services that bring the Kintetsu Group together under the theme of "A Brighter Place to Be." Moreover, in 2025 our goal will be to work with Expo 2025 Osaka, Kansai to attract visitors, and to encourage further use by overseas visitors by making the most of our advantageous access links to and from Kansai International Airport.

We at the Kintetsu Group will continue to strengthen our ties with the local community and with local facilities and companies as we strengthen the Abeno and Tennoji area's branding, and focus our energies on further developing the area as a core part of Osaka that can be enjoyed by people who gather here from all over the world, and gain the affection of those who live in the area and those from further afield.

A Brighter Place to Be

ABENO HARUKAS celebrates its 10th anniversary on March 7

History of ABENO HARUKAS

- 2014.3** Grand Opening of ABENO HARUKAS
- 2015** Opened Ten-Shiba in Tennoji Park
- 2018** Opened Edge the Harukas in the HARUKAS 300 observatory
- 2019** Opened Ten-Shiba i:na in the area by the entrance gates to Tennoji Zoo
- 2023**
 - Launched Virtual ABENO HARUKAS
 - Established the soranosu multipurpose space
 - Undertook the first major renovations to Kintetsu Department Store Main Store Abeno Harukas since it opened
- 2024.3** 10th anniversary of ABENO HARUKAS

Business development in the Abeno/Tennoji area

- Ten-Shiba
- Abeno Lucias
- Apollo Building
- Abeno Apollo Cinema
- Osaka Metro Tennoji Station
- JR Tennoji Station
- Osaka Metro Tennoji Station
- Osaka Metro Tennoji Station
- Miyako City Osaka Tennoji
- Hoop
- Abeno and
- ABENO HARUKAS
 - HARUKAS 300 (Observatory)
 - Osaka Marriott Miyako Hotel
 - ABENO HARUKAS Art Museum
 - Kintetsu Department Store Main Store Abeno Harukas

ABENO HARUKAS

Overview of ABENO HARUKAS	
60 floors above ground, 5 floors underground	
Total floor space: 306,000 m ²	(Tower building: 212,000 m ²)
Department store: 167,000 m ²	(Tower building: 83,000 m ²)
Offices: 62,000 m ²	
Hotel: 32,000 m ² (360 rooms)	
Initial investment: approx. ¥130 billion	(consolidated basis)

Feature

Materiality
(Priority Issues for Sustainability)

Enriching people and communities through travel

Promoting the Revitalization of the Ise-Shima Area

The Kintetsu Group and Ise-Shima

The Group has been expanding its business while developing the areas along its rail lines. The Ise-Shima region is a prime example. This feature section looks at the Kintetsu Group's development of Ise-Shima over the years leading to the present day.

The beginnings of Ise-Shima development

The Kintetsu Group's involvement with Ise-Shima dates back to 1929 when the Shima Electric Railway (now the Shima Line) was built to transport cultivated pearls and related cargo. The railway ran from the former Shinjuko Station (one station away from Kashikojima Station today) to Toba Station. Sangu Kyuko Electric Railway was launched in 1931, starting direct service between Uehommachi and Ujiyamada. This became the Kintetsu Yamada Line, which continues to provide transportation to Ise Jingu shrine to the present day. Ise-Shima National Park was established as Japan's first national park after the war in 1946, and Shima Kanko Hotel was opened on Kashikojima in 1951.



Shima Kanko Hotel The Club

The development and expansion of an express train network

In 1964, with the opening of the Tokaido Shinkansen, efforts were made to entice Shinkansen riders to visit Ise-Shima. At the same time, an expanded express train network began to offer direct express trains from Osaka, Kyoto, and Nagoya, increasing the convenience of travel to the area. Timed for the hosting of the 1970 Japan World Exposition in Osaka, direct service from Osaka, Kyoto, and Nagoya to Kashikojima was established, positioning the island as "the Expo's second venue," coinciding with resort development in the area, which included the expansion of the Shima Kanko Hotel and the opening of Shima Marineland.



Poster for the opening of the Toba-Shima Line

The ritual rebuilding of the Ise Jingu shrine and the Kintetsu Group's development of Ise-Shima

Since ancient times, the Ise Jingu shrine has been rebuilt every 20 years in a process known as Shikinen Sengu. In recent times, the Group has developed and invested in Ise-Shima to coincide with the generational rebuilding. In 1994, a year after the 61st Shikinen Sengu, Shima Spain Village theme park opened and the Ise-Shima Liner train went into operation. Kashikojima Hojoen opened in 1995, making Ise-Shima a year-round resort destination. Then, in 2013, for the 62nd Shikinen Sengu, the Shimakaze sightseeing limited express train went into service, where the ride itself is the attraction. The train has been quite popular.



Shimakaze, sightseeing limited express

Hosting the Summit

The G7 Ise-Shima Summit was held on Kashikojima in 2016 and the G7 Transport Ministers' Meeting was held in 2023, and in preparation we performed many renovations, including on Kashikojima Station, Shima Kanko Hotel, and Kashikojima Hojoen. The G7 summit brought the name of Ise-Shima to the world's attention, which will lead to attracting future conferences and the like and attract inbound visitors.



G7 Ise-Shima Summit (courtesy of the Ministry of Foreign Affairs)

Mie Pref.

- Sancoinn Ise-shi-Ekimae and Sancoinn Ise-shi-Ekimae Annex Grande
- Ise-shi
- Ujiyamada
- Ise Jingu (Geku)
- Isuzugawa
- Toba
- Toba Bay Cruise & Dolphin Island
- Toba Seaside Hotel
- Ise Jingu (Naiku)
- Ise-Shima Skyline
- Ise-Shima National Park
- Shima Spain Village
- Hotel Shima Spain Mura Ugata
- Outdoor experience complex (scheduled to open)
- Kashikojima
- Miyako Resort
- Okushima Aqua Forest

Shima Kanko Hotel The Classic

Shima Kanko Hotel The Bay Suites

Miyako Resort Shima Bayside Terrace

Kashikojima Hojoen

Kintetsu Kashikojima Country Club

Kashikojima España Cruise

Shima Kanko Hotel The Classic

Shima Kanko Hotel The Bay Suites

Miyako Resort Shima Bayside Terrace

Kashikojima Hojoen

Kintetsu Kashikojima Country Club

Kashikojima España Cruise

Shima Kanko Hotel The Classic

Shima Kanko Hotel The Bay Suites

Miyako Resort Shima Bayside Terrace

Kashikojima Hojoen

Kintetsu Kashikojima Country Club

Kashikojima España Cruise

Initiatives of Our Group Companies

Kintetsu Railway offers a "cycling train" that allows passengers to bring their bicycles directly onto the train, and through a collaboration between Kintetsu Railway and Kintetsu Department Store, fresh fish for sale at the department store is transported from Ise and Matsusaka to Osaka on a train with a chassis decorated as a guide to the fish of Ise-Shima. In accommodation, Kashikojima Hojoen offers a Japanese-style floor, Suikei, with special rooms that provide an elegant, relaxing space designed using traditional Japanese sensibilities. In front of Ise-shi Station, Sancoinn Ise-shi-Ekimae Annex Grande newly opened under Sancoinn's premium brand, Grande.

In 2024, as Shima Spain Village celebrates its 30th anniversary, the Kintetsu Group continues to engage in initiatives to increase the attractiveness of the Ise-Shima area and draw visitors, including holding various events and working with Kintetsu Real Estate to open an outdoor experience complex.

Revitalizing the Ise-Shima Area

Ise-Shima is the most important tourist destination for the Group, home to many businesses and facilities, so to focus resources on the region's revitalization, an Ise-Shima Office was established in the Business Strategy Division of Kintetsu Group Holdings on June 27, 2023, followed by the establishment of Kintetsu Leisure Create Co., Ltd., an intermediate holding company for the leisure business on July 1.

The aims of business restructuring

In the current climate for tourism and leisure, inbound demand is expected to recover in a post-pandemic phase, while competition between tourist destinations may intensify in the run-up to big international events such as Expo 2025 Osaka, Kansai. We will work with local communities and collaborate in leisure and other areas to strengthen group businesses, thereby helping to improve the attractiveness of the region overall and build its brand strength.

Future initiatives in the Ise-Shima area

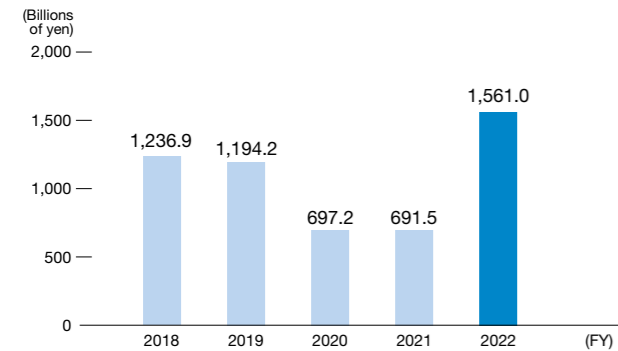
Our Ise-Shima Office and Kintetsu Leisure Create are working together, not only within the Kintetsu Group but in collaboration with local governments and businesses to improve the name recognition of the Ise-Shima area, build its brand, and draw more visitors. In preparation for the Osaka Expo coming up in 2025 and the 63rd Shikinen Sengu in 2033, we want to increase the destination allure of the Ise-Shima area, so the Kintetsu Group is formulating a consistent vision for the Ise-Shima area. In addition, to attract more visitors from Tokyo and inbound tourists from overseas, we will produce more information along with other measures to promote the Ise-Shima area as a whole.

Related events	1946	1953	1964	1970	1973	1993	2013	2016	2023
	Ise-Shima National Park designation	59th Shikinen Sengu (shrine rebuilding)	Tokaido Shinkansen bullet train begins service	Japan World Exposition (Osaka)	60th Shikinen Sengu	61st Shikinen Sengu	62nd Shikinen Sengu	G7 Ise-Shima Summit	G7 Transport Ministers' Meeting in Ise-Shima, Mie
Kintetsu's development history	1929	1959	1969	1970	1971	1987	1994	1995	2008
	Shima Electric Railway opens between Toba Station and Shinjuko Station	Dolphin Island Marine Amusement Park (now Dolphin Island) opens	Shima Kanko Hotel is expanded	Ujiyamada-Toba line opens	Toba Seaside Hotel opens	Kintetsu Hamajima Country Club opens	Ise-Shima Liner train service begins	Kashikojima España Cruise on the Esperanza begins service	Shima Kanko Hotel The Bay Suites opens
	1951	1964	1970	1973	1992	1995	2007	2013	2015
	The Shima Kanko Hotel opens	New Kashikojima-so Villa opens	Kintetsu Kashikojima Country Club opens	Direct express train service begins between Osaka, Kyoto, Nagoya and Kashikojima	3rd Kashikojima-so Villa (now Kashikojima Hojoen, Sanyo building) opens	Prime Resort Kashikojima opens	Hotel Kintetsu Aquavilla Ise Shima opens	Shimakaze train service begins	Shima Kanko Hotel and Kashikojima Station are renovated
	1952		1970			1995		2015	2019
	Kashikojima-so Villa opens	Ise-Shima Skyline toll road opens	Shima Marineland opens	Shima line improvement work		Kashikojima Hojoen opens	Kayou building is added	Shima Kanko Hotel The Bay Suites Renamed Shima Kanko Hotel The Classic	Prime Resort Kashikojima renamed Miyako Resort Shima Bayside Terrace
									Hotel Kintetsu Aquavilla Ise Shima renamed Miyako Resort Okushima Aqua Forest
									2024
									Hamajima Outdoor Experience Complex to open

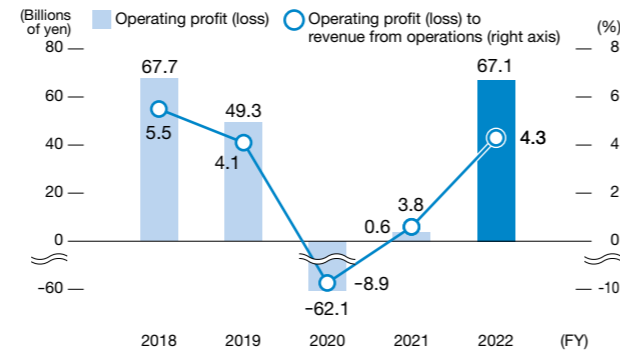
● Railways ● Accommodation ● Leisure

Financial Highlights

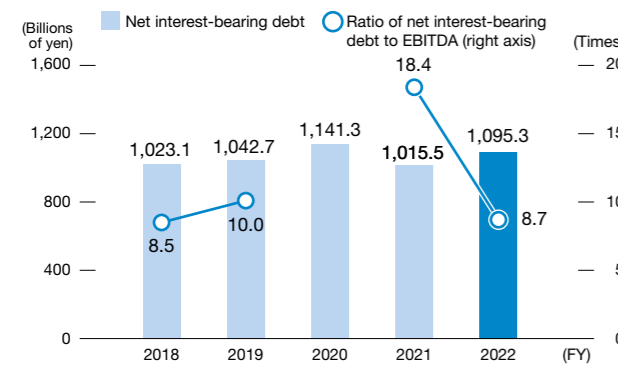
Operating revenue



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

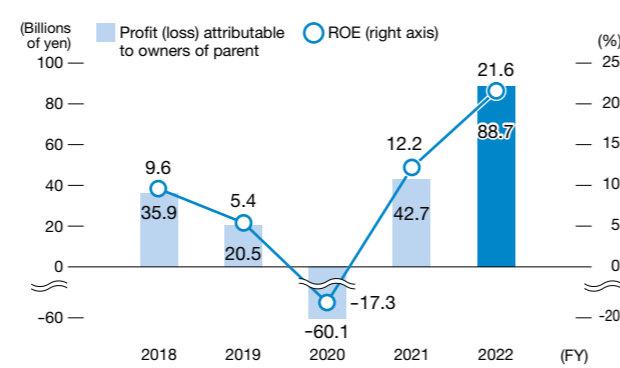


Ratio of net interest-bearing debt to EBITDA

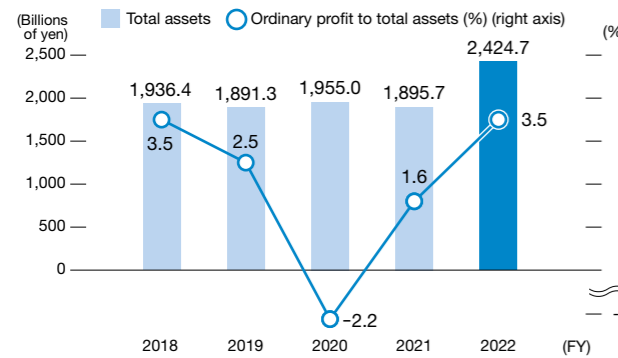


*Ratio of net interest-bearing debt to EBITDA for fiscal 2020 was negative, therefore it is omitted.

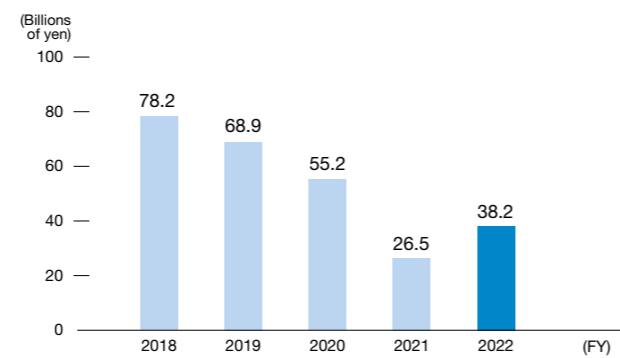
Profit (loss) attributable to owners of parent and ROE



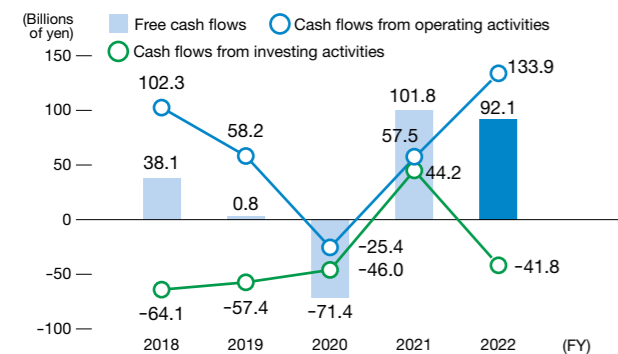
Total assets and ordinary profit to total assets (%)



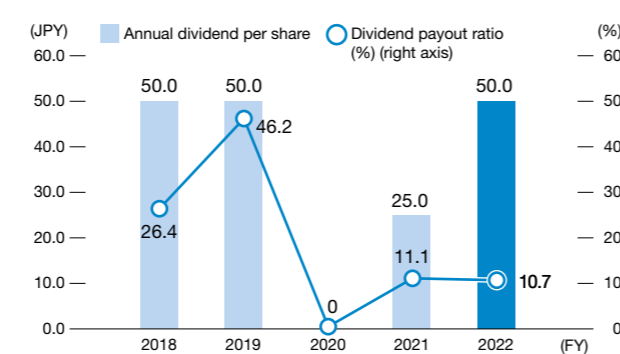
Capital expenditures



Cash flows

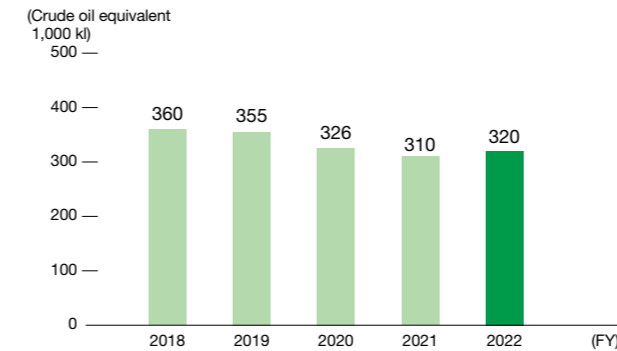


Shareholder returns

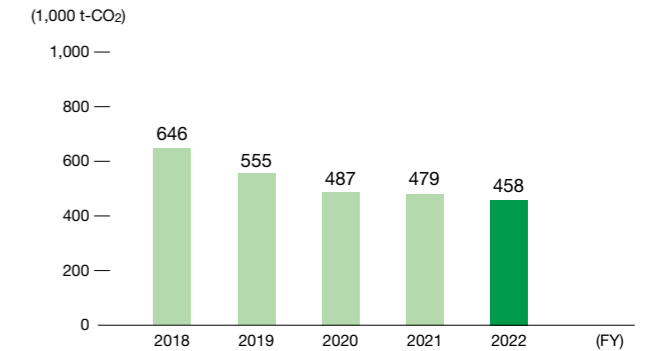


Non-Financial Highlights

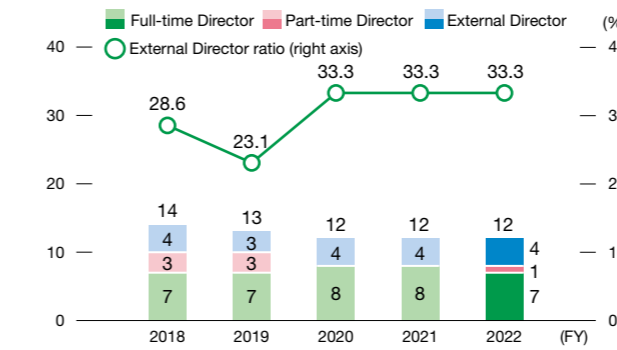
Energy use (companies subject to periodic reporting pursuant to the Energy Conservation Act*)



CO₂ emissions (Scope 1 + 2) (companies subject to periodic reporting pursuant to the Energy Conservation Act*)

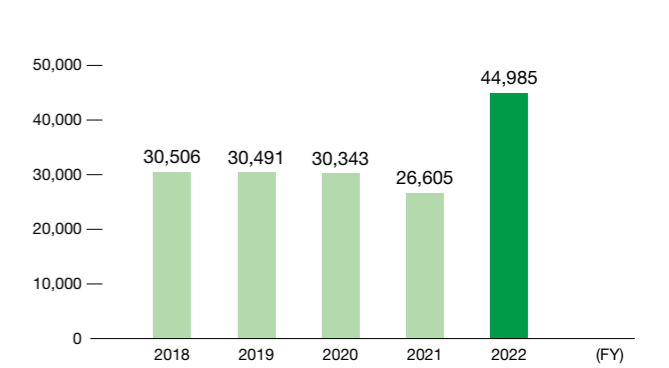


Number of directors and external director ratio (non-consolidated)



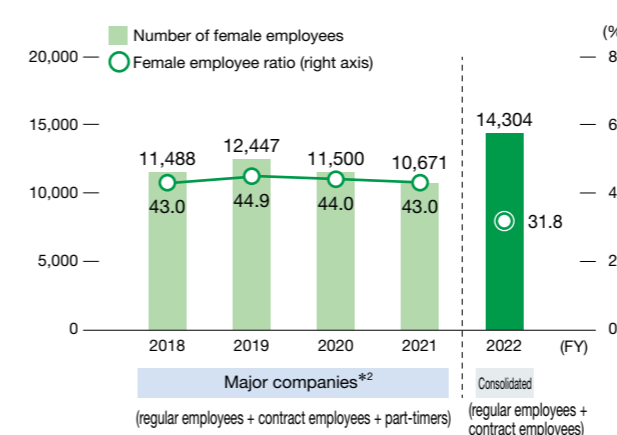
*At the conclusion of general meeting of shareholders of each fiscal year

Number of employees (consolidated)

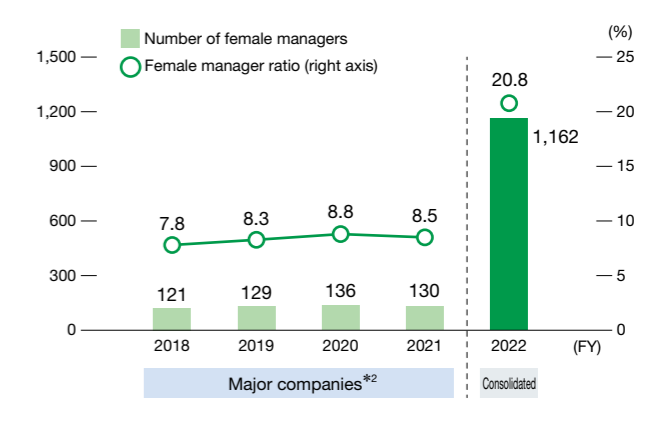


*Denotes the number of full-time employees and does not include temporary employees.

Number of female employees and female employee ratio



Number of female managers and female manager ratio



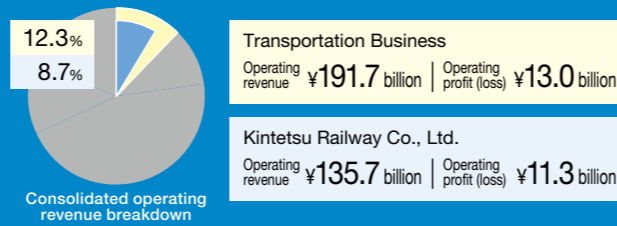
*1 For fiscal 2021 and before, 12 companies: Kintetsu Railway, Kintetsu Bus, Nara Kotsu Bus Lines, Bocho Bus, Kintetsu Taxi, Kintetsu Real Estate, Kintetsu Department Store, Kintetsu Retailing, Kinsho Store, Kintetsu Miyako Hotels International, Kin-Ei, and Osaka Aquarium Kaiyukan
For fiscal 2022, 14 companies including the aforementioned 12 companies plus 2 companies: Kintetsu World Express and Kintetsu Logistics Systems.

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

Major Company Strategies

Transportation Business

Kintetsu Railway Co., Ltd.



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.



Yasushi Hara
Representative Director and President

along our lines—such as in the Nara-Yamatoji and Ise-Shima regions—this presents us with a real opportunity.

Future Direction

For us to fulfill our missions as a public transportation provider as we go into the future, we must create an operational area full of appeal so that people want to live here. In line with this belief, we have determined our future ideal.

In April 2023, in order for us to continue offering the safe and comfortable transportation we have always provided to our customers, we made changes to our fares. Our forecasts suggest this will result in a total increase in revenue of 47 billion yen over the three years to fiscal 2025. We plan to use this increase as the basis for roughly 86 billion yen of capital investments over three years.

Making sure our future ideal becomes a reality is predicated on our ability to offer safe transportation, the foundation of our railway business. We will move to expand our business by ensuring that customer safety—our highest priority—keeps up with technological advancements and changes in the environment and that we provide comfortable transportation services.

In terms of securing safety, as well as working on maintaining the soundness of our infrastructure and on safety/disaster-preparedness measures, to make sure that we offer customers comfortable services, we will promote actions such as updating our commuter trains and improving and renovating toilets and other station facilities.

Another factor that is an important part of our efforts to bring about our future ideal is energizing our operational area. Therefore, we will work with the other companies of the Kintetsu Group, and cooperate with local governments, to help the area flourish based around our stations.

Business Environment

The population in the Kintetsu operational area has been shrinking due to low birthrates and the aging society, and in addition, the effects of the COVID-19 pandemic have had a significant impact on us. Despite this, fiscal 2022 saw the start of an easing of restrictions on movement and behavior and support for travel within Japan, and we returned to profitability for the first time in three years.

However, due to behavioral changes resulting from the COVID-19 pandemic, teleworking and online meetings have taken root. It seems that business use for commuting or work trips is unlikely to return to pre-pandemic levels.

On the other hand, demand for the kind of real-life, visceral experiences that cannot be duplicated in the virtual world is growing, and demand for tourism and days out is predicted to rise. We recognize that as a company with so many highlights

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), which is used by more than 500 million passengers each year. Through our business, we are helping support our customers' movement, from commuting workers and students in major and regional cities, to long-distance transport between Osaka and Nagoya on the Hinotori or Urban Liners services, and tourism transport to Nara-Yamatoji and Ise-Shima or similar on the AONIYOSHI, Blue Symphony, Shimakaze, and Ise-Shima Liner services.

Management Resources

- An operational area that boasts diversity and varied appeal (high-rise buildings, shopping facilities, and art museums in city centers; tourist destinations such as five UNESCO World Heritage sites, and two national parks; and amusement parks and resorts, including Shima Spain Village)
- 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

Measures/Initiatives toward the Future

Sustainable infrastructure that offers safety and peace of mind

For safe operations, as well as our efforts to create infrastructure that is resilient to disasters (such as strengthening line embankments or implementing heavy rainfall countermeasures for river bridge piers), we will move ahead with measures to ensure passengers can use our services with peace of mind, including through installing movable platform edge gates and fitting security cameras inside trains.



Line embankment strengthening

● Providing comfortable services

Our goal is to provide the varied people that use our transportation with comfortable, easy-to-use services, and to that end we are carrying out efforts to improve a variety of services, including making stations and trains more accessible, beautifying stations (improving toilets, etc.), introducing sharing services for baby strollers, and creating private rooms for baby care.



Ramps at Hozenji Station Sharing services

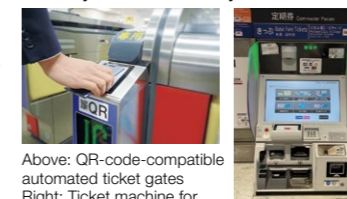
Growth strategies

● Introducing and expanding services that make use of digital technologies

We are gradually expanding the digital ticket services that we offer, and in February 2023 we installed QR-code-compatible automated ticket gates in the Osaka and Kyoto areas.

Next, in July 2023, we launched an online season ticket reservation service, which allows customers to reserve season tickets in advance online and then buy them smoothly at automated ticket machines.

Going forward, we will continue to make life easier and more convenient for customers.



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

Above: QR-code-compatible automated ticket gates
Right: Ticket machine for season tickets

● Revitalization efforts in collaboration with local governments

In cooperation with authorities in our operational area to revitalize these regions, we have operated trains wrapped with graphic designs and cycling trains, run exciting events at stations, decorated our stations with designs inspired by the local area, and made other efforts to publicize the appeal of the regions through our trains and stations.

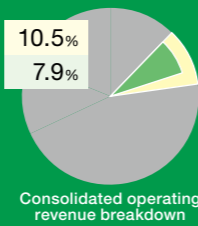


Toba-Shima Memory trains wrapped with a graphic design Exciting events at our stations

▶ To push ahead with these measures and initiatives, we are working to develop and utilize the right personnel.

Real Estate Business

Kintetsu Real Estate Co., Ltd.



Real Estate Business	
Operating revenue	¥163.8 billion
Operating profit (loss)	¥16.0 billion
Kintetsu Real Estate Co., Ltd.	
Operating revenue	¥123.8 billion
Operating profit (loss)	¥14.3 billion

Future Ideal

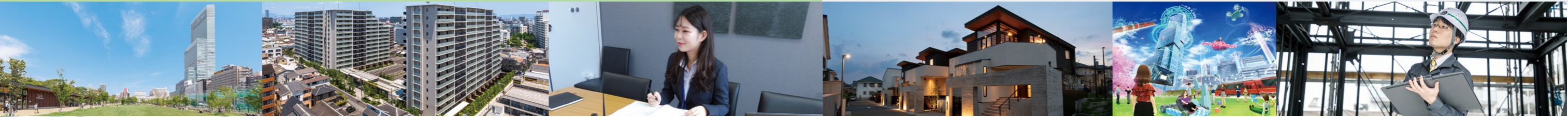
We will go beyond the confines of real estate to be a company that can propose new lifestyles.

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 29 Plat-HOME (platform) for Housing and Living integrated sales bases along Kintetsu lines
- The Virtual ABENO HARUKAS metaverse space has had more than 90,000 visitors
- Human resources with diverse qualifications and skills (52 1st-class architects, 4 real estate appraisers, etc.)



Takahisa Kurahashi
Representative Director and President

of urban development are in a state of flux. Trends such as companies from other industries entering the real estate industry and computerization are progressing. In addition, given concerns about potential risks that could affect the whole of society—such as rising interest rates or a renewed spread of COVID-19—we predict that the business environment in which we operate will change dramatically.

Future Direction

We will move forward with redevelopment projects centered around the major stations along our lines. Incorporating concepts such as “smart cities,” “compact cities,” and “eco-cities” to match regional characteristics, we aim to develop towns suitable to act as bases for their respective areas. In our operational area, we have rolled out a network of 29 Plat-HOME (platform) for Housing and Living integrated sales bases for real estate brokerage and renovation business, which offer one-stop services, and we will strengthen our housing business going forward.

Moreover, we will work to foster a pioneering organizational culture that encourages us to take on challenges in these businesses. As examples of our new initiatives that go beyond traditional real estate, we have constructed and begun operation of Virtual ABENO HARUKAS, a metaverse business; begun work on transforming Hamajima Country Club into an outdoor experience complex that makes use of the great nature at the location (scheduled to open in 2024); developed homes with integrated garages (K·BLOC) to make effective use of unused land underneath elevated train tracks; and developed the K·DogSpa self-service facilities for dog lovers. In the future, we will continue to break out of the confines of the real estate business and to boldly tackle new business fields.

Business Environment

While the effects of the pandemic are gradually subsiding, interest in living environments has risen as a result of changing lifestyles. Against this backdrop, demand for housing, such as condominiums and detached homes, is positive. Furthermore, there has been a steady recovery in the number of overseas visitors to Japan, and ABENO HARUKAS—which marks its 10th anniversary in 2024—now welcomes a large number of customers from inside and outside Japan. We also expect that redevelopment work and infrastructure preparation associated with Expo 2025 and the integrated resort (IR) in Osaka will have a significant impact on land values throughout the Kansai region and on demand for housing and offices.

Meanwhile, even in the real estate industry, the diversification of lifestyles and the shrinking Japanese population mean that the elements and functions required

Measures/Initiatives toward the Future

Promoting base building in the Kintetsu operational area

Our strategy for redevelopment in a shrinking, aging society is to position the major stations in our operational area, and the areas around them, as bases where we can concentrate capital investment. Based on the characteristics of each base, we will introduce the functions of “smart cities,” “compact cities,” and “eco-cities” to raise the population of residents and visitors. Our developments are not limited to infrastructure, we will also put in place systems to create new businesses and revitalize local communities.



Cocoonimo SAIDAJI, in front of Yamato-Saidajji Station on the Kintetsu Nara Line



SMART SPOT within soranosu, on the 17th floor of ABENO HARUKAS

Strengthening the housing business

Through synergies in our real estate brokerage, renovation, and reselling businesses, we will create a circular model that incorporates everything from collating real estate information to buying, rebuilding, and selling. As well as putting in place measures to deal with empty houses and empty land, we will help to revitalize our operational area. We are rolling out Plat-HOME (platform) for Housing and Living integrated sales bases and SMART SPOT, unmanned spots where customers can make online consultations about housings. In these ways, we will propose new ways of housing and living.

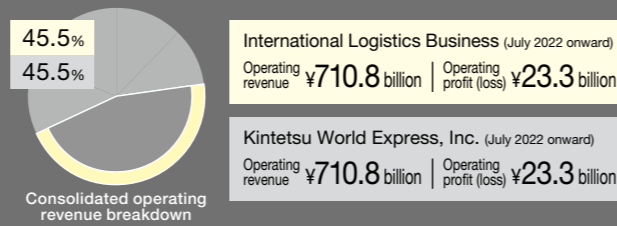
Challenging ourselves to take on new business fields

We are 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 further develop market value for the area. Moreover, we are transforming Hamajima Country Club into an outdoor experience complex, and in 2024 we will open our glamping facility and outdoor attractions there.



Artist's impression of the glamping facility

International Logistics Business Kintetsu World Express, Inc.



Future Ideal

Global Top 10 Solution Partner — A Global Brand Born in Japan
Operating revenue of ¥1 trillion, operating profit of ¥50 billion, more than 1 million metric tons of air freight, and more than 1 million TEUs of sea freight



Nobutoshi Torii
President and
Chief Executive Officer

However, we are also aware that such changes are one part of the process of returning to normality from an unusual situation, like the unprecedented experience we had with the COVID-19 pandemic. Therefore, in the logistics market, for which we can expect sustainable growth in the future, our policy remains unchanged—to expand the volume we handle and achieve sustainable development.

Precisely because the situation is so harsh, we have to be more sensitive than ever to market changes so that we do not miss out on business opportunities. To this end, we believe it is vital that we strive every day to collect information that is highly sensitive to such opportunities, and to make accurate decisions and act rapidly.

Future Direction

We held repeated discussions among management about the ideal we should strive for in the changing international logistics market to raise the Group's brand value and grow sustainably by continuing to be chosen by customers. As a result of these discussions, we formulated a long-term vision. To work toward the numerical targets in the vision, the Group aims to come together and act to improve quality, competitiveness, and its ability to address issues, and to be a lasting company selected by customers.

The concept we came up with was "Global Top 10 Solution Partner — A Global Brand Born in Japan." The first part refers to our aim to take our place in the top ten companies in the world in terms of operating revenue, air freight volume, and sea freight volume. The second part, meanwhile, hints at the way in which we are able to flexibly respond to customers' needs and offer a distinctly Japanese level of meticulous service.

Business Environment

Currently, inventory is continuing to build up in various regions around the world, and there are concerning factors, including geopolitical risks such as the Russia-Ukraine conflict and confrontation between the US and China as well as continued increases in interests rates in developed nations. Due to concerns over these risks that could lead to economic stagnation, and also changes in consumer trends and values, we find demand for transportation is not as strong as it could be, which means the future outlook remains unclear. We are afraid that the market could change faster than expected, the balance between supply and demand in international transportation could crumble, or an intensification of competition in the market could impact our performance.

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's APL Logistics Ltd (APLL) to offer customized, flexible solutions for all kinds of supply-chain challenges.

Management Resources

- A diverse staff of 18,552 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 683 locations, 300 cities, and 45 countries
- Service quality certified to international management and security standards
- Highly competitive, continuing growth in freight volume, now at 630,000 metric tons air freight and 690,000 TEUs sea freight annually

Measures/Initiatives toward the Future

Expanding volume

In the international logistics market, the top ten companies—mostly European and American logistics companies known as "mega-forwarders"—possess around 40% of market share. For us to compete with and overcome these mega-forwarders, it is imperative that we expand volumes for air freight and sea freight, our lead drivers of operating revenue. At a minimum, we need to expand volumes to 1 million metric tons for air freight and 1 million TEUs (1 TEU = 1 × 20' container equivalent) for sea freight. As a Japanese forwarder, our strengths lie in lanes starting and ending in Japan or within Asia, but our market share of the lanes with the world's highest volumes—Asia-Pacific lanes and Asia-Atlantic lanes—is still low and improving it is a constant issue for us.

Specifically, as part of our Management Plan 2027, we have set the core pillar of our growth strategy as expanding market share in eight lanes (including air and sea lanes between Asia and the Americas and between Asia and Europe). With the numeric targets in place, we will promote the strengthening of our sales activities.



Kintetsu World Express (U.K.) Ltd.



KWE-Kintetsu World Express (Thailand) Co., Ltd.

Introducing and operating next-generation IT

To support a business scale that can cope with 1 million metric tons of air freight and 1 million TEUs of sea freight, we plan to bolster the IT functions that will be the core of our operations. As concrete examples, we are carrying out the following initiatives.

- Expanding functions of core task systems
- Promoting the move of IT assets to the cloud
- Improving employees' IT resilience and toughening up IT security, in preparation for cyber-attacks
- Automating tasks and improving productivity by promoting the digitalization of information and data

Developing human resources and promoting diversity

As another way to support this larger business scale, we will train employees who can act from a global perspective. Specific examples include the following.

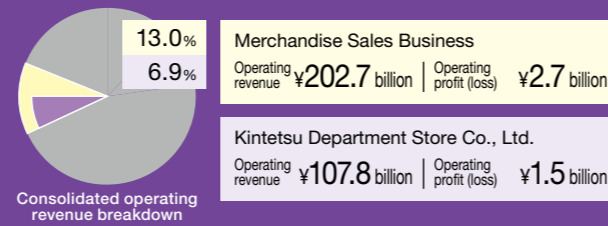
- Training and developing personnel who, even in an age where the business environment is undergoing dramatic change, can respond to those changes flexibly and proactively, contribute to business development, and shoulder the company's lasting development
- Recruiting and appointing personnel by respecting diversity, and investigating and preparing for the introduction of working styles (systems) that are compatible with individuals' varied lifestyle



Kintetsu World Express (U.S.A.), Inc.

Merchandise Sales Business

Kintetsu Department Store Co., Ltd.



Future Ideal

A platformer that enriches life

To bring about a richer, more sustainable society, we will follow changes to customers' lifestyles and become a company that can create and offer new value.



Takuji Akita
Representative Director
and President

to resolve the issues that face local communities and help to make society richer and more sustainable.

To continue to be a company that can make lives richer going into the future, we are working full out on a range of measures that go beyond the conventional department store framework.

Future Direction

As a platformer that enriches life, we aim to follow the changes customers experience in their daily lives, and for our department stores to create new value. As our primary business strategies to that end, we are promoting a focus on luxury to improve our branding at Kintetsu Department Store Main Store Abeno Harukas, and in lower floors we will actively undertake large-scale remodeling and continue to enhance the store's appeal.

At our other stores, we will press forward with developments that fuse lifestyle and community functions, and projects such as "Scrambled Merchandising," which mixes clothing, food, and lifestyle goods. At the same time, we will achieve low-cost operations.

In terms of our franchising business, which is a key object of our focus as a high-revenue business, progress is faster than expected and we will continue to strengthen existing businesses and develop new business lines. In addition, we will enter the agricultural business—not only in retail but also as a producer—to work with other producers in our operational area to construct networks that will cover everything from production to sales; in this way we will strive to reinvigorate the region. Through these strategies, we will not only keep our existing businesses on track, we will continue to transform to create new business and enter new business fields.

Business Environment

The restrictions on social and economic activities resulting from the spread of COVID-19 that went on for so long have finally come to an end, and our shops are bustling like they did before the pandemic. The effects of the reforms to our business structure that we have been working on are now bearing fruit.

On the other hand, the experience of the pandemic and factors such as anxiety about society have resulted in major changes to people's awareness and values, raising their interest in ways of living that offer safety and peace of mind, as well as in the global environment. As a company tied up with local lifestyles, and under our ESG policy of sticking close to communities and existing alongside them, we will endeavor

Business Overview

In our central Kinki region and in the Chubu region, we currently manage ten directly operated stores, including our flagship Kintetsu Department Store Main Store Abeno Harukas, and three other commercial facilities.

As well as our regional co-creation department store business that grows and develops with local communities, we are working to create new business models such as our franchising business through which we have developed a wide variety of stores in different industries, and our entry into the agriculture business.

Management Resources

- 13 directly managed stores and facilities centered on the Kinki and Chubu regions
- Registration of 1.9 million high-quality customers in our operational area through our KIPS card, out-of-store sales, Kintetsu Tomonokai, etc.
- Initiatives to create new value with our 2,142 group employees and 7,000 partner companies
- Sales power based on out-of-store sales staff centered around wealthy customers
- Sales and customer-attraction expertise and a hospitality mindset cultivated in the department store business

Measures/Initiatives toward the Future

Improving profitability at our flagship store, Kintetsu Department Store Main Store Abeno Harukas

Our goal is an appealing, urban department store that can bring in customers from a wide area—from inside and outside Japan—as our flagship store and we are undertaking major remodeling. As well as promoting the introduction of selected brands and enhancing our luxury zone through a renewal, we have opened multiple new shops that are firsts for western Japan at confectionery and food sales locations. In the store's fashion zone, since last fiscal year we have been developing Scrambled Merchandising that focuses on lifestyles and we are creating a new floor to house this mix of clothing, food, interior goods, and services.

In addition, as one of a range of our initiatives for Expo 2025 Osaka, Kansai, we opened the first official Expo store in September 2023. Going forward, we will work hard to improve our ability to attract customers and expand our clientele, and to further enhance the appeal of the Abeno and Tennoji areas.



Bi-sion Terrace



Expo 2025 Osaka, Kansai official store at ABENO HARUKAS

Initiatives at regional and suburban stores

Taking advantage of the strengths of sites around our stations as well as our established customer base, we will shift toward our "town centers," i.e., urban-development-focused commercial services facilities that combine lifestyle and community functions. We will further enhance our food floors, introduce large specialist stores that cater to local needs, and incorporate city services such as from local governments. Through appealing content like these, our aim is to carve out a necessary position for local communities.



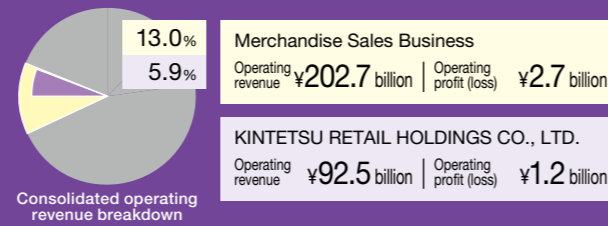
Sky Terrace at ABENO HARUKAS

Strengthening the franchising business

We are moving ahead with franchising collaborations in various industries, going beyond just selling things, to offer experiences and services. In fiscal 2023, we opened Baby Face in the Sky Terrace at ABENO HARUKAS as our second restaurant business, and our new dessert brand jointly developed with Fujiya, Pekolicious at Kintetsu Department Store Main Store Abeno Harukas. We had expanded our franchising business to 58 stores in 21 industries as of September 2023. We will keep taking on the challenge of increasing the number of stores for our existing businesses and entering new businesses, in order to achieve sales of 20 billion yen soon.

Merchandise Sales Business

KINTETSU RETAIL HOLDINGS CO., LTD.



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.

Business Overview

Kintetsu Retailing operates 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. With the aim of revitalizing our regions, we have gone into new business areas such as craft beer and 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 (approx. 120 stores*)
- 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 products that offer safety and peace of mind, particularly those processed in-store
 - Business expansion in convenient locations close to or inside train stations
- *As of September 2023



Shigenobu Oya

Representative Director and President

to respond to SDGs and environmental issues, we are called on to go beyond our previous business lines and to promote business activities that can respond to changes in customers' consumer behavior and to digitalization. We must also put in place working environments that aim to support work for everyone.

Future Direction

Kintetsu Retailing's mission is to pump life back into in-station and station-vicinity shopping experiences, therefore, the development of the Kintetsu operational area is essential for our growth strategy. We have announced that we will fulfill this strategy by further conveying the appeal of the area by using our railway facilities for logistics, invigorating existing stores and the in-station Time's Place shopping mall, and expanding our irodori kintetsu brand, which sells goods produced in the area. In addition, we will strengthen our manufacturing and retail business for our Hyakuraku Chinese cuisine and products such as craft beers, reconstruct and develop franchising for our restaurant business, and strive to invest in and develop the personnel we need to achieve our growth strategy.

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.

Business Environment

In the retail and restaurant businesses, with the COVID-19 pandemic drawing to a close, demand among Japanese customers and overseas visitors is recovering, and Expo 2025 Osaka, Kansai, which is scheduled for 2025, is also expected to play a role. That said, due to the inflation that has come with the recent international situation, we face a number of issues in the industry: including a drop in consumer confidence, soaring cost prices and other expenses, labor shortages, and difficulties retaining personnel. Nor can we ignore the likely impact on the industry of social issues such as Japan's low birthrates and aging population, and the "2024 problem" (in 2024, legal changes will result in a cap on the hours drivers in the logistics industry can work, which may eventually cause stagnation in logistics). Also, given the need

Measures/Initiatives toward the Future

Initiatives to address labor shortages Kintetsu Retailing

As a result of society-wide low birthrates and the aging population, Japan now faces shortages in its workforce. Therefore, we are working to enact measures that will allow us to continue operating our stores and maintain our competitiveness, even as this problem grows worse. In a first for the Kansai region, in November 2022 the FamilyMart chain of convenience stores opened up a store that uses an unmanned payment system in Fuse Station. In May 2023, meanwhile, we introduced serving robots at our golf course restaurant. In these and other ways, we are making advances to reduce the number of staff required.



Serving robot at Iga Golf Course



Staff member at work at Yamato Brewery

Craft beer initiatives Kintetsu Retailing

As part of our craft beer business which we launched in 2019, beer that is made at Yamato Brewery, close to Kintetsu-Nara Station, makes its way to customers via outlets such as directly managed restaurants at Kintetsu-Nara Station and Yamato-Saidaiji Station. At some of these restaurants, we have introduced automated beer servers that are connected to payment systems. In the future, we will increase the supply of our beer by opening a second brewery and will reach a wider area by expanding the number of stores/restaurants that carry craft beer, and by developing other sales channels. With these efforts we will help revitalize our operational area.

Improving efficiency by concentrating shipping and manufacturing Kinsho Store

The perishables and agricultural produce we receive from producers, as well as general processed foods, are all received at logistics centers, after which they are sent to stores by truck, thereby bringing together shipping and receiving tasks in one place. Also, by concentrating processing at our processing center for products like meat and salted salmon, we are working to both streamline tasks and lessen the burden in terms of tasks performed in-store. Going forward, for further streamlining and efficiency improvements, we are looking into processing general perishables and preparing carry-out food at these centers.



Staff member at work at the processing center

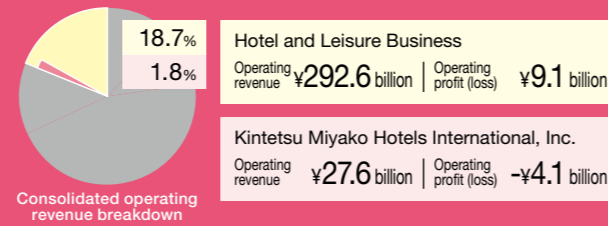


Checking an AI-automated orders terminal

Utilizing IT Kinsho Store

Based on a vast range of data such as sales results, weather information, and planning data, we have introduced AI-automated ordering systems for foods categories like milk and tofu and certain categories like prepared food products. We are working to further reduce time needed to make orders, opportunity losses, and waste losses, by improving the accuracy of ordering through these systems.

Hotel and Leisure Business Kintetsu Miyako Hotels International, Inc.



Future Ideal

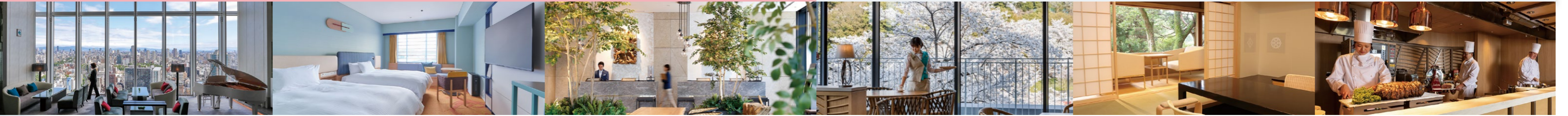
We will improve the attractiveness of the Miyako brand and promote the dual-axis management approach with both directly managed hotels and management contract hotels. We will provide hospitality that is the continuation of tradition and ceremony, while still evolving in response to the times.

Business Overview

We are developing the Miyako Hotels & Resorts brand to respond to customers' diverse needs in a number of business categories: Miyako Hotel, which are full-service city hotels; Miyako City, which are casual-service city hotels; Miyako Resort, which are full-service resort hotels; hotels next to theme parks; and Japanese inns. We focus on the tradition, peace of mind, quality, and hospitality that we have passed down for more than 130 years, and offer our guests diligent thoughtfulness and a heartwarming time that comes from the elegance we have cultivated.

Management Resources

- More than 130 years of history since our founding in 1890
- Trust in the Miyako brand, in which tradition lives on
- Diverse personnel with the skills and specialisms to suit hospitality
- 22 hotels and Japanese inns around Japan, with around 5,400 guest rooms
- Loyalty program, Miyako Plus, with around 120,000 members



Takashi Nishimura
Representative Director and President

Future Direction

We are rolling out our historic hotel and Japanese inn brands, which are rooted in our region, to the rest of Japan. Of course, we will continue to pass on the excellent standards of service of the Miyako brand, part of an unbroken tradition, but our goal is to continue to refine and evolve this so that we can improve our hospitality and offer customers the added-value they will love, and so that our hotels and Japanese inns will be chosen by guests.

Since October 2021, we have been promoting a dual-axis management approach with both directly managed hotels and management contract hotels. For directly managed hotels, we carried out renovations for guest rooms at the Sheraton Miyako Hotel Osaka and Miyako City Kintetsu Kyoto Station. For management contract hotels, meanwhile, we are using capital from the Blackstone Group (the company that contracts us) to undertake extensive renovation work at guest rooms and other locations at the Miyako Hotel Kyoto Hachijo and Hotel Kintetsu Universal City.

Seizing on the major business opportunity that Expo 2025 Osaka, Kansai presents us with, we are making preparations and proactively implementing initiatives such as planning redevelopment work for the Kintetsu Group's assets, and strengthening our information gathering and publicity work in order to gain management contracts for other hotels.

Business Environment

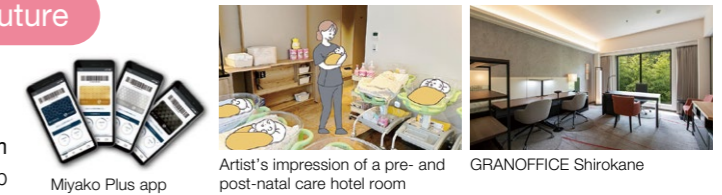
The hotel industry has in recent years faced an incredibly harsh business environment due to the COVID-19 pandemic. However, with the significant easing of restrictions on foreign visitors entering Japan in October 2022 and the Japanese government's reclassification of COVID-19 as a class-5 disease (the same as the flu) in May 2023, demand in the industry is rapidly recovering. As well as placing importance on domestic demand and strengthening our foothold there, we will implement steady efforts to capture the rapidly rising demand among inbound visitors. On the other hand, there is a chronic shortage of the personnel needed to respond to this rise. As such, we will do everything we can to prevent job turnover by improving the way workers are treated, and to offer customers hospitality that exceeds their expectations.

Measures/Initiatives toward the Future

Enhancing value of the Miyako brand and improving our publicity of it

Raising appeal by updating the membership program

- In 2022, Miyako Hotels & Resorts' membership program, Miyako Plus, underwent a major renewal to be reborn as a more attractive program that can enhance member loyalty. By September 2023, the membership had grown to 120,000, and by providing a highly convenient app and services adapted to membership status, we aim to encourage customer use and to grow a membership organization that will contribute to revenue.



Increasing charm by promoting new businesses

- In July 2023, we started operations for a pre- and post-natal care hotel at Miyako City Osaka Hommachi. This service caters to the latent need for support for those who are going to give birth or have recently done so, while taking advantage of the special characteristics of a hotel, and will lead to new business opportunities.
- At the Sheraton Miyako Hotel Tokyo, in April 2022 we opened the GRANOFFICE Shirokane office space for guests. It fuses office services with a variety of other hotel services, to provide a new workstyle for the post-pandemic age.

Promoting measures to improve employee satisfaction

Using the strength that comes from having a network of many hotels, we promote measures that will boost employee satisfaction. Increasing their motivation and loyalty to the company, in turn, leads to a higher-quality service for our guests.

- We hold accommodation hospitality and hotel cuisine contests, among others, for employees to demonstrate the skills they have gained in their daily work, while also representing their respective hotels.
- We have enhanced our hotel experience programs with the goal of giving back to employees while also increasing the knowledge they have of our products.

- We conduct study seminars to help employees become a sommelier or gain specialist technical qualifications from The Japan Hotel and Restaurant Service Development Association. Participating employees from different hotels can join in online during their normal working hours, improving their knowledge and skills through exchanging ideas.



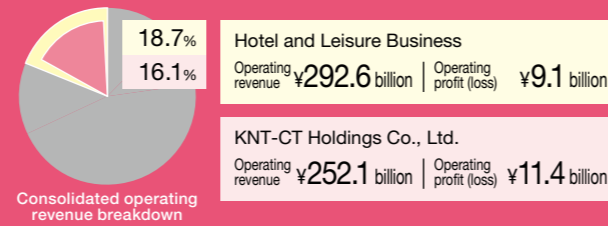
Promoting greater task efficiencies through automation and mechanization

- We have installed automated check-in machines at all of our Miyako City hotels. These machines are fitted with the ability to scan passports, so they can also provide overseas guests with a smart check-in option.
- We have introduced cleaning robots at the Westin Miyako Kyoto and Sheraton Miyako Hotel Osaka. As well as saving labor, these robots can work any time of day or night to provide clean spaces.



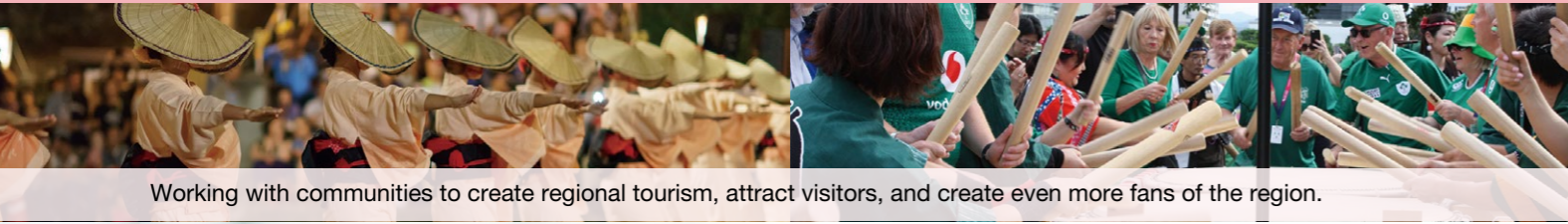
Hotel and Leisure Business

KNT-CT Holdings Co., Ltd.



Future Ideal

We are the company that provides enjoyments and excitements in variety of scenes in everyday life as well as in the extraordinary. Through the proposal capabilities and networks that we have gained in the travel business, as well as diverse alliances, we will provide not only extraordinary pleasures such as travel and events, but also everyday pleasures such as life support.



Working with communities to create regional tourism, attract visitors, and create even more fans of the region.

Business Overview

Kinki Nippon Tourist and Club Tourism are the two core brands of KNT-CT Holdings Co., Ltd. Kinki Nippon Tourist provides companies and corporations with a wide range of services not limited to group travel. For individuals, meanwhile, it offers travel products that are optimized to individual customers' needs. Club Tourism is one of Japan's biggest media-based travel agencies, with strengths in themed travel. Through co-creation activities with customers and communities, the company has developed a highly original travel business.

Management Resources

- Extensive marketing, planning and proposal capabilities, as well as operational capabilities with excellent hospitality gained through our business operations by our creative and experienced human resources
- Our client base, which comprises educational institutions, corporations, public agencies and municipal offices
- Membership base of about 10 million individuals (CT has 7 million members and KNT has 3 million members)
- Nationwide suppliers' network (The KNT-CT Partners Association consists of lodging, sightseeing, and transportation-related facilities with around 3,400 facilities, and the "Tabimaru-kai" organization incorporates around 170 companies and 480 agency shops that carry out affiliated sales.)



Akimasa Yoneda
President & CEO

Future Direction

Taking on board the lessons of Kinki Nippon Tourist's overcharging cases, to ensure thorough measures to stop it from happening again and to regain society's trust, we will carry out three initiatives: ① reforming awareness, ② reforming work tasks, and ③ reforming the organization.

We already conducted awareness surveys for all 4,600 employees of the KNT-CT Holdings Group, and taking that survey as a starting point, we are promoting reforms to employee awareness by holding direct dialogue between management and frontline employees, establishing a corporate academy where employees can learn about these topics, and running ethical training.

In terms of reforms to work tasks, we formulate a series of guidelines and make our internal procedures stricter, while also utilizing IT systems, so as to create mechanisms to ensure compliance with laws and regulations and to prevent us from engaging in any further improper conduct.

Organizational reforms, meanwhile, have involved establishing the Compliance Committee and Compliance Reforms Division. In addition, we established a new Legal Ethics Management Center at both Kinki Nippon Tourist (KNT) and Club Tourism (CT), and we will be thorough in bringing together and managing practical tasks related to compliance, and raising awareness of group-wide compliance policy and training.

In these ways, KNT-CT Holdings Group is promoting reforms to the corporate culture from the perspectives of both compliance and governance.

We will also continue to make changes to our business structure, and to diversify our business portfolio by creating new value in the travel business, and creating new businesses in travel-related fields and adjacent domains.

Business Environment

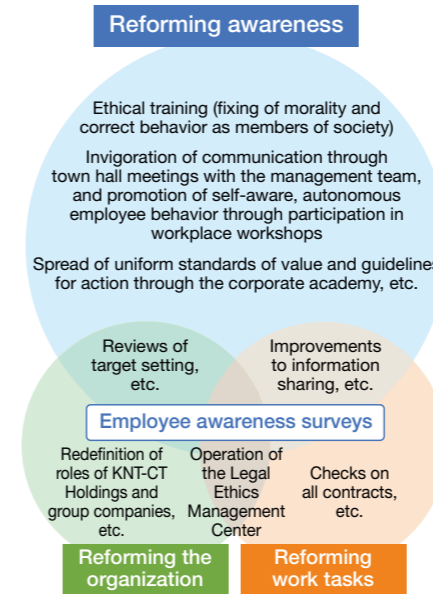
I would like to express our sincerest apologies to the customers, business partners, and all others who were impacted by the overcharging cases at Kinki Nippon Tourist.

With regard to the cases, we commissioned an investigation committee, made up of external experts and others. Based on the committee's results, we have formulated recurrence prevention measures, and we are currently implementing these.

We are also extremely sorry to those customers who were overcharged and we have returned their money after our serious discussions.

In the future, we as a company will all work together to recover the trust of everyone in society, and to reform our corporate culture.

Measures/Initiatives toward the Future



Initiatives involving employees / Utilization of IT systems and DX

Overall framework for recurrence prevention measures

- Reforming awareness**
 - Ethical training
 - To establish guiding principles that steer employees so they do not deviate from sincere, proper business activities.
 - Town hall meetings and workplace workshops
 - To foster a free, open corporate culture through direct dialogue between management and frontline employees.
 - Corporate academy
 - To spread our code of conduct and have employees take part in discussions related to the company's societal raison d'être and our ideal.
 - To reconstruct our corporate identity.
- Reforming work tasks**
 - Systematization of stocking and billing detail management
 - Contract reviews that use AI contract evaluation tools
 - Introduction of digital forensic tools
- Reforming the organization**
 - Reviews of target setting and budget management methods
 - Redefinition of roles of KNT-CT Holdings and group companies

Creation of new businesses and diversification of business portfolios

Enhancement of the regional co-creation business
Publicity for regional appeal by creating destination-focused products in collaboration with local authorities



Matsue Water Lantern Festival

Development of inquiry-based learning programs
As well as school trips, we support schools in various situations.



Pre-travel (taking a lesson)

Spreading Japan's appeal overseas
Sales of *onigiri* (rice balls) in Los Angeles awaken a desire to visit Japan



Publicity poster

Store

Creating a Lifestyle that Anticipates Changes in Values



1 Maintenance and diversification of means of transportation

The Kintetsu Group works with local authorities and companies to provide transportation in many different forms within a one-mile radius of its stations or in areas not covered by public transportation. As well as encouraging use of public transportation, these efforts contribute to resolving local issues and help bring prosperity to the area.

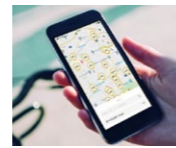
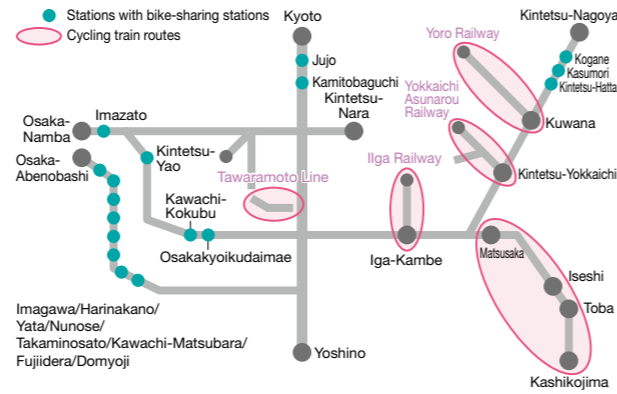
Strengthening links between rail and road

Expanding bike-sharing services in our area

Kintetsu Railway is working with a number of companies to install bike-sharing stations at 17 stations and 20 other locations (as of October 2023) in Osaka, Kyoto, and Aichi prefectures, and to improve ease of use for those using the bicycles to commute to work or school, or for tourism purposes.

At seven such locations, including Fujiidera Station and Domyoji Station, we use Hello Cycling, a bike-sharing platform developed by OpenStreet Co., Ltd., to directly manage the service, and we will expand into tourist areas in Nara and Mie prefectures.

* Bike-sharing services allow users to use an app to hire and return bicycles even at different locations



App



Bike-sharing station



Cycling train

Cycling trains

Throughout the year, we run trains that allow passengers to take their bicycles on with them on the Kintetsu-Tawaramoto Line, between Matsusaka Station and Kashikojima Station, along the whole Yoro Railway, most of Iga Railway, and part of Yokkaichi Asunarou Railway. This increases daily use and also cycling tourism.

Moreover, from December 2023 to March 2024, in collaboration with national and Mie prefectural governments, Kintetsu Railway is trialing school-commute cycling trains between Toba Station and Kashikojima Station to help some students at two high schools in the area.

Maintaining route bus services

Strengthening cooperation with local authorities

The various companies that run our bus business—Kintetsu Bus, Nara Kotsu Bus Lines, Bocho Bus Company, Mie Kotsu, and others—have been participating in regional public transportation meetings, and through these and other channels have been improving communication with local authorities and residents of our operational area. For certain routes, we also receive support from local authorities for our operations.

From September 2022 to February 2023, with support from the cities of Yao and Fujiidera (support to get people out), Kintetsu Bus implemented a campaign to encourage bus use where passengers in the two cities could ride a route bus for just 100 yen a journey. The effect of this was a 20% or more rise in users compared to other routes during the campaign.

With a halt to operations by Kongo Bus, in response to appeals from four towns and cities, including Tondabayashi in Osaka Prefecture, and a decision by the regional public transportation promotion organization, in December 2023 we took over certain routes previously operated by Kongo Bus from local authorities, and we are working together to secure this local means of transportation.



Securing sustainability through fare revisions

We face an extremely challenging business environment—structural issues such as the shrinking population and fewer customers due to the pandemic; need to respond to driver shortages; soaring fuel costs; and other factors—and therefore some of our companies have carried out fare revisions: Mie Kotsu in March 2023, Kintetsu Bus in November 2023, and Nara Kotsu in February 2024. At the same time, we will deepen our ties with local authorities, maintain the bus network to the greatest possible extent, and fulfill our mission as a provider of public transportation.



Route bus (Nara Kotsu)

Providing demand-responsive transportation through taxis and other means

A range of our companies, including Nara Kintetsu Taxi and the rest of the Nara Kotsu Group, Gifu Kintetsu Taxi, and Meihan Kintetsu Bus, are collaborating with local authorities to roll out transportation services that can flexibly respond to demand with taxis and buses.

With support from local authorities, we are able to provide various means of transportation for daily use or tourism over a broad area not well covered by public transportation with fares less expensive than normal taxis.

Demand-responsive transportation by the Nara Kotsu Group (Nara Prefecture)

- Taxis: in Tenri, Kashiba, Heguri, Sango, Uda, and Oyodo
- Buses: Yoshino Town Smile Bus and Totsukawa Village Bus

Demand-responsive transportation by Gifu Kintetsu Taxi (Gifu Prefecture)

- Taxis: in Godo, Sekigahara, Ikeda, and Yoro

Demand-responsive transportation by Meihan Kintetsu Bus (Gifu Prefecture)

- Buses: in Wanouchi and Yoro



Demand-responsive taxi (Nara Kintetsu Taxi)



Demand-responsive bus (Meihan Kintetsu Bus)

2 Promoting digitalization in railway and bus passenger services

We are promoting diverse purchase and payment methods for passenger tickets using digital technologies, and working on greater convenience and better streamlining.

New passenger services being introduced by Kintetsu Railway

FY2021	Introduced digital tickets (compatible with QR codes via a smartphone, designated areas only)
FY2022	Expanded use of digital tickets (expanded types of tickets and areas where they can be used, introduced PayPay payments)
July 2023	Introduced online reservation service for season tickets Enabled season ticket sales via ticket machines (and ended their sales at ticket offices)
February 2024	Started a Kintetsu ICOCA point reward service
FY2024	Expand digital ticket use to almost all stations Enable card touch payments for passengers on all lines (excl. some stations)



Ticket machine fitted with QR code reader and card touch payment function

New passenger services by our railway and bus companies

Iga Railway	Introduced smartphone season ticket sales (February 2023) as well as transportation IC card systems and ICOCA season ticket sales (scheduled for March 2024)
Yoro Railway	Introduced smartphone student season ticket sales (March 2023) and online season ticket reservations (May 2023)
Bocho Bus Company & Meihan Kintetsu Bus	Introduced transportation IC card systems (March 2023)
Nara Kotsu Bus Lines	Online cash-based IC card season ticket (CI-CA plus) sales and automatic renewal service (March 2023) Introduced card touch payments (demonstration in April 2023, full-scale introduction and expansion of routes in October 2023)

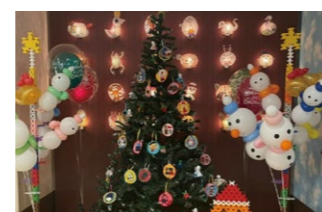


3 Challenge of co-creation for peace of mind and richer lives

The Kintetsu Group works with various others on activities and services that help to bring people peace of mind and make their lives richer.

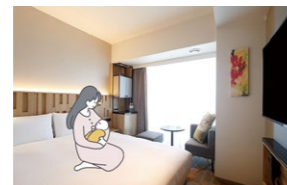
10th anniversary of the En-katsu Project at Kintetsu Department Store Main Store Abeno Harukas

The En-katsu Project launched in 2013, the same year that Kintetsu Department Store Main Store Abeno Harukas opened, and in June 2023 it reached its 10th anniversary. The project aims to develop programs to make society that little bit better. Centered on department stores, the project runs around 60 resident activity programs each month, bringing together resident activity organizations, members of the local community, and individual volunteers. Over the ten years, around 180,000 people have taken part. Going forward, we will continue to expand this community.



Launch of pre- and post-natal care at our hotels

At Kintetsu Miyako Hotels International's Miyako City Osaka Hommachi, since July 2023, we have been working with Sky Recruiting Solutions to provide some guest rooms to offer physical and emotional care to those who are expecting or have recently given birth and to support the health of their children.



Educational activities to help prevent groping and other bad behavior

Working alongside the Stop Chikan Badge Action Center, which fights molestation, the Kintetsu Group carries out awareness-raising activities to help prevent groping and other bad behavior on its trains. As part of the En-katsu Project, each year Kintetsu Department Store Main Store Abeno Harukas exhibits badges from a groping prevention badge contest organized by the center, and in May 2023 Kintetsu Group Holdings and the center presented Kindai University Junior High School with a groping prevention seminar set and gave a talk on the subject.



Groping prevention badge contest (Kintetsu Department Store Main Store Abeno Harukas)



Prescription medication retrieval lockers

New station services

October 2022	Started a trial of a service to provide sanitary pads for free in the toilets at Yamato-Saidaiji Station, in collaboration with Next Innovation
August 2023	Started Share Buggy, a lending service for baby strollers, at Kintetsu-Yao Station, in collaboration with Babydoor
September 2023	Installed prescription medication retrieval lockers at Osaka-Abenobashi Station, in collaboration with GOODAID
December 2023	Installed "telecubes" (private working booths) at Kyoto Station, in collaboration with Telecube Services

Lifestyle-related indicators and targets (KPIs)

Company	Indicator	FY2021 results	FY2022 results	Target year	Target
Kintetsu Railway	Introduction of a new style of general rolling stock to meet diverse needs	—	—	FY2025	80 total
Kintetsu Department Store	E-commerce sales	¥5.8 billion	¥4.3 billion	FY2024	Gradual expansion
Kinsho Store	Proportion of total sales of key health products	0.3%	2.5%	FY2025	2.5%

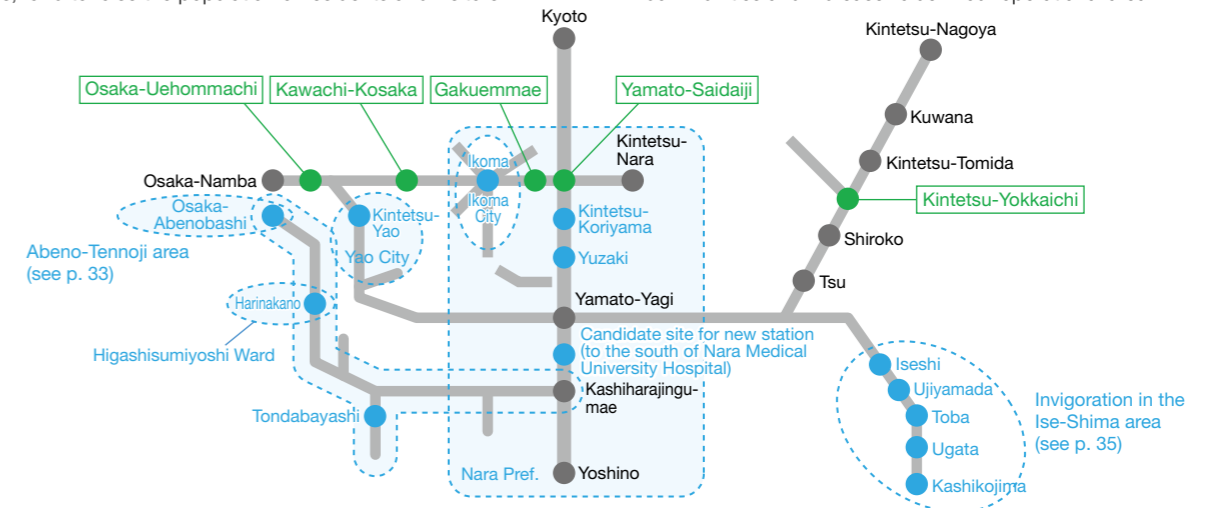
Materiality

Energizing Communities by Enhancing the Network



Redevelopment of the area

As Japanese society is facing a shrinking, aging population, with declining birthrates, we are placing our major stations and the areas around them as our bases of operations, and are redeveloping these to match local characteristics and to incorporate functions from concepts such as "compact cities," "smart cities," and "eco-cities," and to raise the population of residents and visitors.



Stronger cooperation with authorities

We are strengthening the way in which we collaborate with local authorities in various capacities, including improving and publicizing the appeal of areas through our stations and trains, community development centered on our stations, making lifestyles richer, and revitalization of tourism. Through these we aim to energize communities and increase value in our operational area.

1 Promoting redevelopment of our operational area

Osaka-Uehommachi

We are currently carrying out studies into how to re-equip the area around the station to make it a place that brings together people and ideas, and to improve how it functions as a terminal. Firstly, looking to Expo 2025 Osaka, Kansai, we will transform the area into a transport hub, redeveloping the existing bus terminal and train station, and more besides. During the expo, Kintetsu Bus will be running a shuttle bus between Uehommachi and the expo venue.



Yamato-Saidaiji (Completed 2023)

In 2023, as part of the project by the city of Nara, overhauls of accessible north-south walkway through the station and the station plaza were completed alongside our redevelopment work on the station and the surrounding area with cooperation throughout the Kintetsu Group. This integrated development for both station and surrounds has involved improving the station's functions as a transport hub, but also the introduction of station operations that utilize cutting-edge technologies; the expansion of the in-station shopping mall; renewal of the Kintetsu Department Store; and the opening of Coconimo SAIDAIJI, a commercial facility that uses its greenery to draw people in.



Coconimo SAIDAIJI

Kintetsu-Yokkaichi

We are promoting a development plan that makes use of land that used to be the site of a commercial facility in front of the station to create a regional landmark, taking into account the Bus Terminal Project promoted by the Ministry of Land, Infrastructure, Transport and Tourism.

Separately, Sanko Real Estate, part of the Mie Kotsu Group, is currently constructing a large-scale office building called Yokkaichi Station Sanko Building (tentative name) with the aim of opening it in spring 2025. The building has acquired energy-efficient ZEB Ready certification, and is the first building in Mie Prefecture to be awarded the highest S-rank CASBEE Smart Wellness Office certification.



Kawachi-Kosaka

We are moving forward with developing a complex on a 13,000 m² site close to the station that takes local characteristics into account.

Gakuemmae

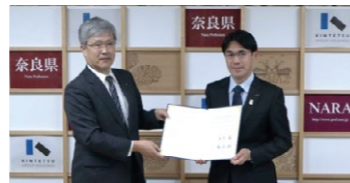
We have acquired an approx. 50,000 m² plot of land, and we are promoting a large-scale comprehensive development project that will include 500 condominiums and 100 houses.

2 Stronger cooperation with local authorities

Comprehensive collaborative agreement with Nara Prefecture

Nara Prefecture and Kintetsu Group Holdings concluded a comprehensive collaborative agreement on November 27, 2023. Based on our shared understanding of local issues, we are implementing the following measures through collaboration and cooperation, with the aim of energizing the region, achieving sustainable community development, and boosting tourism.

- (1) Station-centered community development and access improvements
- (2) Maintenance and enhancement of regional public transportation through linking diverse transport modes
- (3) Achievement of convenient lifestyles that offer safety and peace of mind
- (4) Boosting tourism and attracting visitors, etc.



Nara Prefecture community development in which Kintetsu Railway is taking part [Moving Kintetsu-Koriyama Station and developing the surrounding area]

We are participating in a city-led investigation committee that is looking into developing the region around the station to promote walking and healthy lifestyles by enhancing the station as a public transportation hub, and we are working on translating it into business.

[Construction of a new station and community development to the south of Nara Medical University Hospital]

The University Hospital and Surrounds Development Committee, which comprises Nara Prefecture, Nara Medical University, Kashihara City, and the Kintetsu Group, is moving ahead with plans to establish a new train station to the south side of the hospital, and is cooperating to make it a reality.



Artist's impression of the Kintetsu-Koriyama Station and surrounds project

Comprehensive collaborative agreement with Ikoma City

Ikoma City and Kintetsu Group Holdings concluded a comprehensive collaborative agreement on September 1, 2023. The Kintetsu Group has developed a wide range of businesses in Ikoma, and has previously worked with the city on various projects, particularly on developing housing. With this agreement, the city and the Group are working together to investigate and implement the following specific measures to enhance value in our operational area.

- (1) Base formation: community development around Gakken-Kita-Ikoma, Ikoma, Higashi-Ikoma, and Minami-Ikoma stations
- (2) Promoting commercialization of community development in the Gakken Takayama district
- (3) Energizing the region
 - Housing measures (redeveloping/reorganizing new towns)
 - Transforming Kintetsu Department Store Ikoma into a town center
- (4) Tourism boosting in Mt. Ikoma
- (5) Expo 2025 Osaka, Kansai, etc.



Mt. Ikoma area branding based on retro themes



Collaborative agreement on regional revitalization with Yao City

Yao City and Kintetsu Railway concluded a collaborative agreement on regional revitalization on October 30, 2023. We are working together to deepen this cooperative relationship, work on the activities below, and create towns and our operational area full of charm.

- (1) Improving value of areas around stations
- (2) Encouraging more people to visit and live long-term in the operational area
- (3) Improving convenience of public transportation and encouraging its use
- (4) Achieving decarbonized towns, etc.



Example Kintetsu Railway initiatives in Yao

- Events to publicize the appeal of manufacturing companies, regional publicity utilizing Yao Station, and work to create new draws to the Mt. Takayasu area



Factory Train
FactorISM event in Kintetsu Railway trains



Factory Station
WAO! YAO



Decorated train
Takayasu Manabiyama



Stalls at the Mt. Takayasu summer festival
—Enjoy edamame beans and other goodies from Yao—

Collaborative agreement with Higashisumiyoshi Ward in Osaka

Higashisumiyoshi, a ward of the city of Osaka, and Kintetsu Railway concluded an agreement on revitalizing the region and train line area in March 23, 2022. The two are carrying out various initiatives, including installing bike-sharing stations at three stations, cooperating with Komagawa Shopping Street, renovating Harinakano Station and adding a secondary station name highlighting its proximity to Nagai Park and Nagai Botanical Gardens, putting in place routes to the park, and collaborating in events at the botanical garden.



South Osaka Project: a Town Full of Art

On the Kintetsu Minamiosaka Line and Nagano Line, we have been implementing South Osaka Project: a Town Full of Art to expand the area's appeal through art. At locations such as Harinakano and Tondabayashi stations, artworks by students and other involved in art in the area are shown in galleries or as murals.



Renewal of Yuzaki Station

In June 2022, we remodeled the Yuzaki Station building to represent a traditional Yamato-mune style of architecture with modern design upon completion of the new plaza that Kawanishi, in Nara, had built in front of the station.

In the future, in collaboration with the town, we will publicize its charms to help ensure Yuzaki Station and the plaza attract lots of visitors.



3 Compact community development around major stations

Developing condominiums near major stations in Nara and Mie prefectures

Kintetsu Real Estate is developing condominiums close to stations in Nara Prefecture where its limited express trains stop—Yamato-Yagi, Kashiharajingu-mae, and Ikoma—and near Kintetsu-Tomida in Mie Prefecture. Sanko Real Estate, part of the Mie Kotsu Group, is also developing condominiums, within walking distance of two major stations where limited express trains stop in Mie Prefecture: Tsu and Shiroko. By providing homes in these convenient, advantageous locations, which offer easy access to Osaka and Nagoya, and have superior living environments in place, we aim to raise the value of our operational area and increase its fixed population.



Laurel Court Kashihara Jingu The Residence



Laurel Square Yokkaichi Tomida



Praise Shiroko Ekimae

Developing our department stores into “town centers” in key regional cities and suburbs

Kintetsu Department Store is transforming its stores in key regional cities and suburbs into “town centers,” by which it means facilities that offer community-development-based, integrated commercial services. This involves strengthening our food business; developing sales areas that mix clothing, foodstuffs, and miscellaneous lifestyle goods; introducing large specialist stores, and other measures to combine commercial functions with lifestyle and community functions to become indispensable to the region. We have also signed collaborative agreements with Shiga Prefecture, Mie Prefecture, and Kashihara City, and are working to energize the area. We have now carried out renovations to Kusatsu Store in fiscal 2020, Yokkaichi Store and Nara Store in fiscal 2022, and Kashihara Store in fiscal 2023.



Plugs Market (Kashihara Store)



K's Denki (Nara Store)



Humpty Dumpty (Nara Store)

Prosperous community development KPIs

Company	Indicator	FY2021 results	FY2022 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	501 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	FY2024	Gradual expansion of facility numbers
Kinsho Store	Mobile supermarkets in operation	20 (cumulative)	22 (cumulative)	FY2024	30 (cumulative)
Kintetsu Miyako Hotels International	Tie-ups with local companies	—	9 facilities	FY2023	14 facilities

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

Enriching People and Communities with Travel



1 Expanding campaigns in the Kintetsu area

The unusual at your doorstep: Publicizing the Mt. Ikoma area

Most years, Kintetsu Railway conducts promotional campaigns in the Kintetsu area with the aim of uncovering tourism assets throughout its area, while strengthening tourism in collaboration with locals. We cooperate with local authorities, and concentrate our publicity efforts on specific regions to spread awareness and attract visitors, but also to discover hidden or new tourism resources and draw customers to the area over the long term.

In 2023, for the ninth campaign, we went with the theme of Let's Go to Mt. Ikoma, which took place in the Mt. Ikoma area in conjunction with the cities of Ikoma and Higashiosaka from August 1 to December 10.

Aimed at those living in the area in and around Kansai—those who can make day trips to the area—we worked to mainly attract a new, younger demographic in addition to families visiting Ikoma Sanjo Amusement Park and older hikers. To that end, we held an evening lantern event and a Higashiosaka-viewing sauna event in the grounds of the amusement park.

Moreover, with the cooperation of shrines and temples in the area, we have been able to offer visitors special access and special stamps to be collected, while as other measures to encourage visitors to spend time in the area, we have sold tickets

for mystery puzzle games, password campaigns for special perks at stores in the Mt. Ikoma area, and tours of the decommissioned Ikoma Tunnel.

As part of our efforts to attract inbound tourists from outside Japan, to gauge the appeal of the Mt. Ikoma area from an overseas visitor perspective, we have run trial tours and conducted questionnaires.

During the three days of the lantern event, around 1,700 people—mostly young people—took part, and the sight of the lanterns in the night sky alongside the magical nightscape was highly praised. Over the four months of the campaign, the number of visitors to Ikoma Sanjo Amusement Park and users of the Mt. Ikoma cable car rose steeply even compared to pre-pandemic levels. The result, therefore, was a flourishing area and a contribution to business there.



History of campaigns in the Kintetsu area

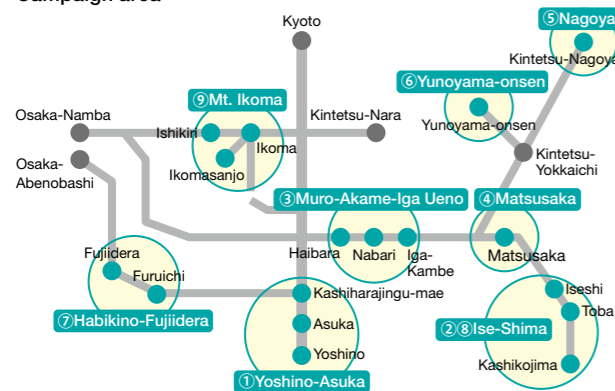
Since the first such campaign in the Yoshino-Asuka area in 2012, we have held area campaigns about once a year for different parts of our operational area. Our efforts, however, go beyond the end of each campaign—they have led to activities such as our footbath trains to Yunoyama-onsen and the taking root of our campaign in Matsusaka. We use the campaigns as a starting point for work to strengthen ties with local communities and tie in to ongoing initiatives.

No.	Year	Campaign
①	2012	Yoshino-Asuka
②	2013	Shrine Transfer in Ise-Shima
③	2014	Muro-Akame-Iga Ueno
④	2015	It's Great in Matsusaka
⑤	2017	Let's Go to Nagoya
⑥	2018	1,300 years of hot springs at Yunoyama-onsen
⑦	2019	Tumulus of Habikino & Fujiidera
⑧	2022	MEET SMILE! Ise-Shima
⑨	2023	Let's Go to Mt. Ikoma

Main campaign programs

- Special access to Buddhist images not normally open to the public at temples and shrines in the area
- Hospitality and events featuring local people
- Tourist trains and trains wrapped with graphic designs
- Celebratory event trains
- In-car sales of local specialties
- Limited-edition travel products, hiking events, and stamp rallies

Campaign area



2 Community ties: Invigorating region through co-creation business

The KNT-CT Holdings Group has taken as its motto “Leveraging our resources for the benefit of communities.” Under this motto, its group companies and sites throughout Japan are collaborating with people in their communities to address the individual issues they face. In the future, we will utilize the strengths we have built up in the travel business—knowledge, expertise, and networks—and focus even further on our regional co-creation business to help these communities prosper.

Tsukimi-no-Owara: Bon dancing event we nurture with the region

Each year, Club Tourism International works with local people to hold an original festival named Tsukimi-no-Owara that allows people to enjoy different styles of traditional bon dancing from every town or village at Etchu-Yatsuo in Toyama Prefecture, originally featured at autumn Owara-Kaze-no-Bon festival in the area in early September.

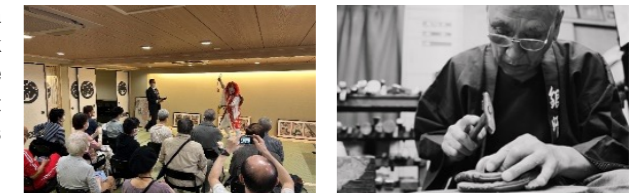
The company collaborates with town and tourism associations, conservation societies, and other organizations, and provides overall management and operational support that includes organizing venues, guidance, and cleaning. We are also creating tours and drawing visitors to these communities. With the support of local people, this is an initiative we continue to treasure and cultivate, over the past 26 events.



Sustainable community development by unearthing hidden tourism resources and creating products

In 2021, Club Tourism International signed a cooperative agreement with Taito City in Tokyo, and has promoted regional development by uncovering lesser-known tourism resources that are not in the spotlight, and its photography tours of places where photography is not normally possible—such as bathhouses or craftsmen's working environments—have proved popular.

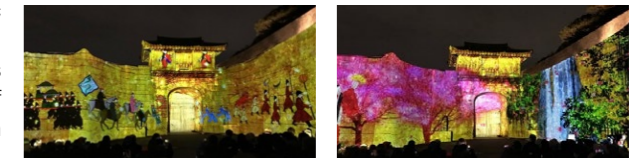
The authorities in Taito City also praised the efforts, adding that having companies in the district realize their own appeal acts to spur them on. Many of the district's sites have also featured in the media and the initiatives have been recognized with awards—our work with the region receiving the Special Award at the Sports Culture Tourism Awards 2022, and our craftsmen's working environment photography tour, the Special Award at the Japan Tourism Agency's Sustainable Tourism Travel Product Awards 2023.



“Ryukyu historical romance: An evening of Ryukyu entertainment beside Shuri Castle” in Okinawa

In September 2022, Okinawa Prefecture outsourced the running of events designed to attract visitors to the prefecture to Kinki Nippon Tourist Okinawa, which organized an event in Shuri Castle Park that featured projection mapping and traditional Ryukyu performances. Overall production of the event came from one of Okinawa's most famed entertainers, Daichi Hirata, and the show used light, sound, and performances to bring Okinawa's historic culture and the desire to rebuild Shuri Castle to life.

Club Tourism International, meanwhile, created travel products and drew in visitors from outside Okinawa, raising awareness of efforts to rebuild the castle, while also contributing to the invigoration of the local tourist industry.



Tourism-related indicators and targets (KPIs)

Company	Indicator	FY2021 results	FY2022 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 —	① Approx. 2.0 million ② —	FY2026	① Aim to return to pre-pandemic levels (FY2018: approx. 2.65 million) ② Aim to return to pre-pandemic levels (FY2018: approx. 49.0 million)
KNT-CT Holdings	Accessible tourism participants	—	71,688	FY2024	100,000
	Regional efforts to attract visitors				
	① Number of programs ② Number of passengers attracted/sent to 3 prefectures in the Tohoku region	① 10 ② 76,000	① 11 ② 222,000	① FY2025 ② FY2023	① 20 ② 230,000
	Peace program & SDGs program				
	① Developments target ② Proposals target ③ Orizuru Project implementation ratio	—	① 5 ② 227 (100% proposals) ③ 1%	FY2023	① 5 ② 100% implemented came from proposals ③ 1,000 participants (indicator changed to number of participants)

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 and Kintetsu Group Environmental Targets

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 comply with all related laws and regulations and endeavor to protect the environment.
2. We 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 raise employees' awareness of the environment through environmental training.
4. We value the relationship we have with regional communities, and through environmental conservation activities we make a major contribution to society.
5. We spread this environmental policy among employees and make it available to the public.

Kintetsu Group Environmental Targets for FY2021–2030

(Revised November 2023) (Created October 2021)

Each company in the Kintetsu Group formulates its own environmental targets, monitors and analyzes environmental impact data, and provides environmental education and enlightenment to employees in order to achieve the Kintetsu Group Environmental Targets.

1. The Kintetsu Group aims to reduce energy use—measured by crude oil equivalency (kl)—in FY2030 by at least 20% compared to FY2015 levels.
2. (1) The Kintetsu Group (Japan) aims to reduce CO₂ emissions (total) in FY2030 by 50% compared to FY2015 levels.
(2) The Kintetsu Group (Japan) aims to reduce CO₂ emissions (intensity) in FY2030 by at least 40% compared to FY2015 levels.
(3) The Kintetsu Group (Japan and overseas) aims to reduce CO₂ emissions (total) in FY2030 by 20% compared to FY2022 levels.
(4) The Kintetsu Group (Japan and overseas) aims to achieve “virtually zero” CO₂ emissions in FY2050.
3. The Kintetsu Group strives to reduce the amount of water it uses and waste it produces.
4. The Kintetsu Group endeavors to have all group companies operate in an environmentally conscious way with respect to their respective business and their supply chains.

* Scope of coverage

Clause 1 and Clause 2 (1) and (2) refer to 14 companies with particularly high energy use. Clause 2 (3) and (4) refer to the above 14 companies and the Kintetsu World Express Group (overseas). Clauses 3, 4, and the preamble refer to all consolidated subsidiaries.

* The 14 companies refer to specific transportation businesses or specific businesses for which periodic reporting is required in compliance with the Energy Conservation Act. Their total CO₂ emissions account for more than 95% of those from Kintetsu Group Holdings and its consolidated subsidiaries. Included are domestic offices subject to the Energy Conservation Act.

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; Kin-Ei; Kintetsu World Express (KWE); and Kintetsu Logistics Systems

* Standards are subject to revision based on the number of companies specified in Clauses 1 and 2.

* Target 2 refers to Scope 1 + 2 CO₂ emissions.

Revision of the Kintetsu Group Environmental Targets (November 2023)

The Kintetsu Group Environmental Targets were revised in November 2023, with domestic offices committed to more ambitious CO₂ emissions reduction targets (total) for fiscal 2030. New targets were set, including targets for overseas offices.

Pre-revision

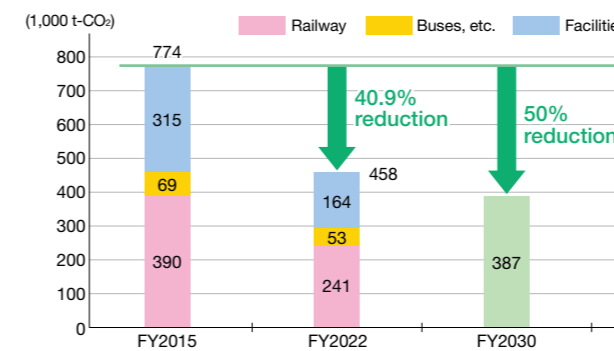
2. The Kintetsu Group aims to reduce CO₂ emissions (total and intensity) in FY2030 by **at least 40%** compared to FY2015 levels. Going further, the Group aims for “virtually zero” CO₂ emissions in 2050.

Post-revision

2. (1) The Kintetsu Group (Japan) aims to reduce CO₂ emissions (total) in FY2030 by **50%** compared to FY2015 levels. More ambitious domestic targets
- (2) The Kintetsu Group (Japan) aims to reduce CO₂ emissions (intensity) in FY2030 by at least 40% compared to FY2015 levels.
- (3) The Kintetsu Group (**Japan and overseas**) aims to reduce CO₂ emissions (total) in FY2030 by **20% compared to FY2022 levels**. New targets, including targets for overseas offices
- (4) The Kintetsu Group (Japan and overseas) aims to achieve “virtually zero” CO₂ emissions in FY2050.

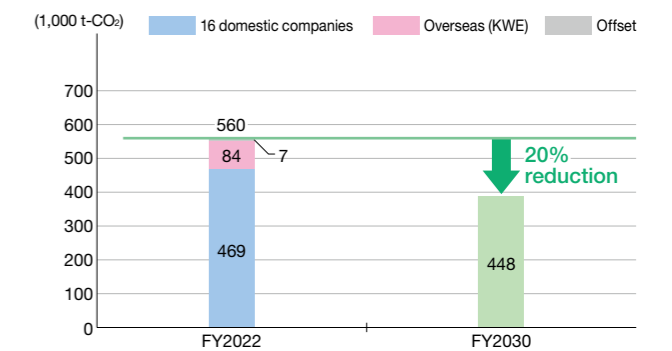
Revision details (CO₂ emissions reduction targets)

2. (1) More ambitious domestic targets



* Total emissions of 12 companies (FY2015) and of 14 companies (FY2022)

2. (3) New targets, including targets for overseas offices

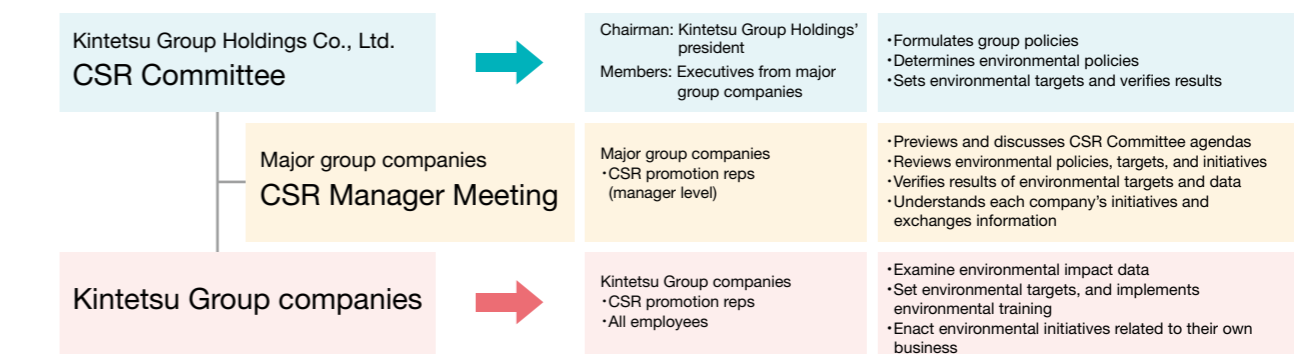


* FY2022 (baseline emissions) = 16 domestic companies + KWE (overseas) + Offset
* Including Shima Spain Village and Kashikojima Hojoen, both of which became consolidated subsidiaries in FY2023.

Revision background

- CO₂ emissions (Scope 1 + 2) from domestic offices in FY2022 decreased by 40.9% compared to FY2015 levels, overachieving the FY2030 target (-40%).
- The Kintetsu Group's overseas operations expanded dramatically, with the KWE Group becoming a wholly-owned subsidiary in 2022.

The Kintetsu Group environmental promotion framework

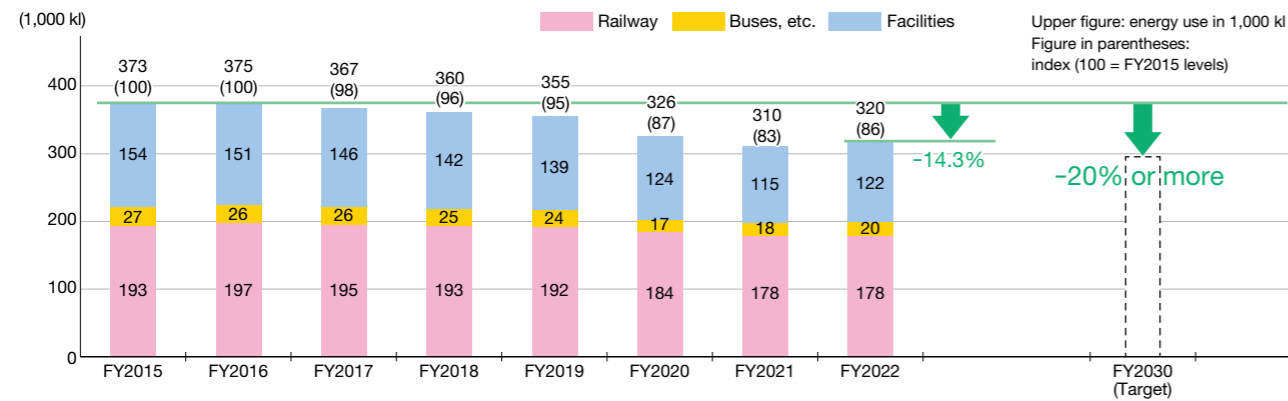


2 Energy Use and CO₂ Emissions

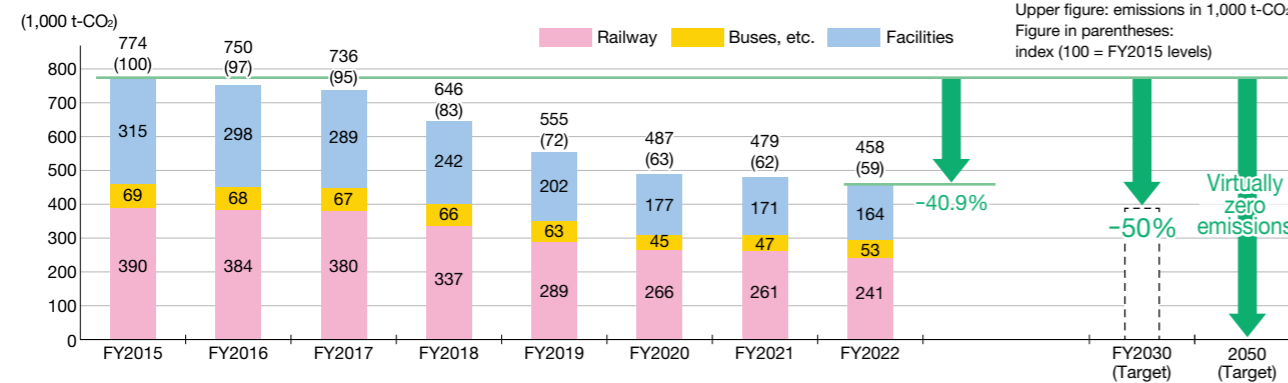
Achievement status of the Kintetsu Group Environmental Targets (companies subject to periodic reporting pursuant to the Energy Conservation Act: 14)

Indicator		Unit	FY2015 results	FY2022 results	Percentage change (compared with FY2015 levels)	FY2030 targets
Energy use (crude oil equivalent)		kl	373,361	320,029	-14.3%	-20% or more
CO ₂ emissions	Total	t-CO ₂	774,414	457,938	-40.9%	-50%
	Intensity (railway)	t-CO ₂ /1,000 km	1.350	0.890	-34.1%	-40% or more
	Intensity (buses, etc.)	t-CO ₂ /1,000 km	0.726	0.774	6.6%	
	Intensity (facilities)	t-CO ₂ /m ²	0.144	0.070	-51.4%	

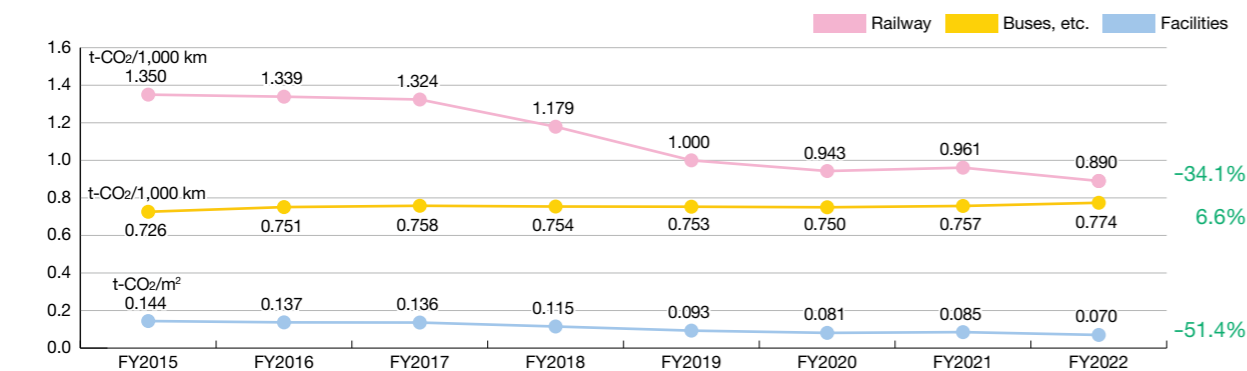
Energy use (crude oil equivalent)



CO₂ emissions (total) (Scope 1 + 2)



CO₂ emissions (intensity): Railway and buses (per vehicle trip), Facilities (per floor area)



Energy use and CO₂ emissions (companies subject to periodic reporting pursuant to the Energy Conservation Act: 14)

Energy use (total)	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
① Railway	kl	192,850	191,701	184,457	177,827	177,898
② Buses, etc.	kl	25,410	24,209	17,131	17,784	20,123
③ Facilities	kl	141,624	138,645	123,942	114,751	122,008
Total	kl	359,884	354,555	325,530	310,362	320,029

CO ₂ emissions (total)	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
① Railway	t-CO ₂	337,000	289,000	266,000	261,000	241,000
② Buses, etc.	t-CO ₂	66,376	63,350	44,710	46,500	52,560
③ Facilities	t-CO ₂	242,347	202,174	176,756	171,270	164,378
Total	t-CO ₂	645,723	554,524	487,466	478,770	457,938

CO ₂ emissions (intensity)	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
① Railway	t-CO ₂ /1,000 km	1.179	1.000	0.943	0.961	0.890
② Buses, etc.	t-CO ₂ /1,000 km	0.754	0.753	0.750	0.757	0.774
③ Facilities	t-CO ₂ /m ²	0.115	0.093	0.081	0.085	0.070

- 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. (Domestic offices only, according to Energy Conservation Act standards, with overseas offices excluded)
- "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; Nara Kotsu Bus Lines; Kintetsu World Express; and Kintetsu Logistics Systems
- Emissions from Kintetsu World Express and Kintetsu Logistics Systems, both of which became consolidated subsidiaries in 2022, have been factored in since FY2022.
- The total CO₂ emissions for these 14 companies make up 95% or more of total emissions by Kintetsu Group Holdings and its consolidated subsidiaries.

Energy use (total of consolidated subsidiaries)

Type	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Electricity	MWh	1,196,323	1,189,658	1,117,451	1,098,525	1,180,356
City gas	1,000 m ³	21,186	19,720	16,512	17,029	17,556
Propane	t	717	702	579	682	1,169
Kerosene	kl	303	254	245	168	184
Fuel oil	kl	7,629	7,394	6,839	6,117	5,785
Gasoline	kl	1,574	1,758	1,581	1,867	2,605
Light oil	kl	17,524	17,264	17,134	17,757	31,022
Cold water	GJ	169,089	155,245	148,058	127,347	142,314
Total (amount of heat)	GJ	14,171,606	14,005,194	12,917,016	12,748,502	14,097,036
Total (crude oil equivalent)	kl	365,627	361,334	333,259	328,911	363,704

CO₂ emissions by scope (major group companies: 8)

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 to 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. Companies subject to Scope 3 reporting increased in fiscal 2022, with the calculation range expanding.

(Unit: t-CO₂)

	Four major companies				Eight major companies + KWE Group
	FY2018	FY2019	FY2020	FY2021	FY2022
Scope 1	57,884	53,285	46,881	40,141	77,122
Scope 2 (location-based)	551,456	527,586	477,452	436,259	516,935
Scope 2 (market-based)	450,212	361,094	323,042	338,209	400,376
Scope 1 + 2 Total (location-based)	609,340	580,871	524,333	476,400	594,057
Scope 1 + 2 Total (market-based)	508,096	414,379	369,923	378,350	477,498
Scope 3	132,916	156,454	108,976	104,927	1,379,011

* Scope 3 emissions in FY2022 increased dramatically, with the calculation range expanding, not including emissions from overseas offices.
 * The results in FY2018-2021 are the total emissions from the four major Kintetsu Group companies (Kintetsu Railway, Kintetsu Real Estate, Kintetsu Department Store, and Kintetsu Miyako Hotels International), which account for about 80% of emissions from the entire Kintetsu Group.
 * The results in FY2022 are the total emissions from the above-mentioned companies, plus emissions from Kintetsu Retailing, Kinsho Store, and Kintetsu World Express Group companies at home and abroad (Kintetsu World Express, Kintetsu Logistics Systems, etc.), which together account for about 85% of emissions from businesses subject to the Kintetsu Group Environmental Targets.
 * Location-based emissions are calculated using a common CO₂ emission factor set by each country for electricity.
 * Market-based emissions are calculated using a CO₂ emission factor from the company from which electricity is sourced.
 * The figures in the table represents figures submitted to CDP.
 While the Kintetsu Group Environmental Targets apply to 14 companies (specific emission-intensive businesses) subject to the Energy Conservation Act, the response to CDP only covers the above-mentioned scope (eight companies subject to the Energy Conservation Act, and the Kintetsu World Express Group) due to the response deadline.

Scope 3 CO₂ emissions

(Unit: t-CO₂)

Category	Description	FY2022
1	Products and services purchased	1,057,928
2	Capital goods	161,228
3	Fuel and energy activities not included in Scope 1 + 2 emissions	72,754
4	Transport, distribution (upstream)	1,300
5	Waste produced in business activities	10,658
6	Business trips	1,819
7	Employees' commuting	3,553
8	Leased assets (upstream)	5,725
9	Transport, distribution (downstream)	0
10	Processing of products sold	0
11	Use of products sold	0
12	Disposal of products sold	0
13	Leased assets (downstream)	64,046
14	Franchises	0
15	Investment	0
Total		1,379,011

Endorsed through a third-party verification report on greenhouse gas emissions, etc.

Kintetsu World Express was endorsed by SGS Japan in December 2022 for its greenhouse gas emissions and energy use in fiscal 2021, based on verification through the ISO 14064-3:2019, etc.

Verification period: April 1, 2021 to March 31, 2022
 Verification item: Scope 1 + 2 greenhouse gas emissions, energy use (Kintetsu World Express only)

Information disclosure though response to CDP

CDP, a nonprofit charity comprising institutional investors at home and abroad, runs a disclosure system for companies worldwide, requesting provision of information on details regarding climate change risks and opportunities, countermeasure strategies, greenhouse gas emissions, etc. Our responses to CDP started in 2010 for information disclosure purposes. In Japan, CDP currently (as of 2023) covers companies listed in the prime market, with its questionnaires primarily covering topics such as "climate change," "forests," and "water." Our response concerns "climate change." The questionnaires on "climate change" are in line with disclosure requirements mandated by TCFD.

	2018	2019	2020	2021	2022
	C	B	B	B	B

3 Energy-Saving and CO₂ Reduction Initiatives

Railway initiatives

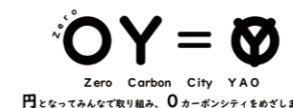
Introducing a new fleet of rolling stock

Energy-saving initiatives at Kintetsu Railway include a switch to station/railcar-interior LED lighting and energy-efficient railcars. As of the end of March 2023, 96.7% of station lighting has been replaced with LEDs and energy-efficient railcars account for 64% of the rolling stock (1,207 out of 1,877 railcars, with extremely energy-efficient VVVF railcars totaling 974, accounting for 52% of the rolling stock). In addition, a new type of railcar that consumes about 45% less electricity than conventional counterparts will be introduced in autumn of 2024; about 80 new railcars are scheduled to be in operation by fiscal 2025, replacing old types, followed by systematic upgrading.



Decarbonization community development through partnerships with municipalities

Kintetsu Railway and Yao City signed a Local Community Vitalization Partnership Agreement in October 2023 to cooperate in "decarbonization community development." This agreement, among others, aims toward a "zero-carbon Yao City," encouraging the use of railways and bicycles and conservation of the natural environment around Mt. Takayasu.



Bus and taxi initiatives

Operating large electric buses

Kintetsu Bus started operating five large electric buses in March 2023 in Osaka, Higashiosaka, and Ibaraki, following two small electric buses introduced in fiscal 2021. The buses are CO₂ emission-free during operation, and can reduce 100 metric tons of CO₂ per year compared to diesel-powered buses. In times of disasters, moreover, their large batteries can serve as emergency power sources. Six more electric buses will be introduced in fiscal 2023.



Introducing electric buses

Nara Kotsu Bus Lines and the Nara Prefectural Government jointly introduced two small electric buses in March 2023 for the "Grutto bus line," etc., which visit tourist sites in Nara. They are free of engine vibrations, shift shocks, and tailpipe emissions such as CO₂, providing a smooth, quiet ride.



Introducing electric taxis

Nagoya Kintetsu Taxi introduced 10 electric taxis in April 2023, each equipped with a 60 kWh battery, running 450 km on a single charge. In addition, a fast charger and five standard chargers were installed at the Kanie business office. Prior to their introduction, the company participated in the Taxi Industry GX Project and received a subsidy from the Green Innovation (GI) Fund: Building Smart Mobility Society, where a fleet of electric taxis were introduced for the first time in Aichi Prefecture, subsidized by the fund.



Promoting a modal shift

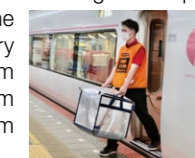
Promoting the environmental advantage of railways

The railway industry is making concerted efforts to promote the environmental advantage of railways, using an industry-wide logo and slogan adopted in autumn 2023. The industry is specifically committed to promoting changes in behavior and railway transportation to help reduce CO₂ emissions from the transportation sector and achieve decarbonization in society.



Promoting joint passenger-freight transport

Kintetsu Railway and companies located along its service lines are using empty space on trains to promote joint passenger-freight transport to reduce CO₂ emissions, delivering fresh products, alleviating driver shortages, and ensuring stable distribution. This started in 2021 with small freight transport between Nagoya and Osaka, with the scope expanding to include delivery of morning-harvested vegetables from Yoshino to Osaka, *akafuku mochi* from Ise to Nagoya, and fresh seafood from Matsusaka to Osaka.



Using large-capacity storage battery systems during a power crunch

Kintetsu Railway uses a large-capacity storage battery system at the Higashihanazono substation to participate in a demand-response program led by the Kansai Electric Power Company, which provides stable electricity supplies on a social level. Specifically, large-capacity storage batteries are used during power crunches for peak-cut purposes. These batteries can power about 2,000 households for a maximum of three hours.

International logistics initiatives (Kintetsu World Express Group)

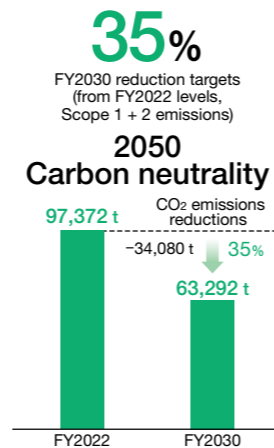
■ Setting KWE Group's CO₂ emissions reduction targets (Scope 1 + 2 emissions)

Since its establishment 75 years ago, the Kintetsu World Express (KWE) Group has been growing with its international forwarding business, with a global network consisting of 683 business locations in 300 cities in 45 countries (as of March 31, 2023). The group is now working on short-, medium-, and long-term initiatives to achieve carbon neutrality by 2050.

The KWE Group set fiscal 2030 reduction targets for CO₂ emissions (Scope 1 + 2 emissions) in August 2023 for its domestic and overseas operations—i.e., a 35% reduction from fiscal 2022 levels. Accordingly, a commitment letter was submitted to and received by SBTi in October 2023 to have the targets certified as “science-based targets.”

CO₂ emissions (Scope 1 + 2 emissions) from overseas business locations are also scheduled for verification by third parties and Scope 3 emissions, too, will be dealt with on a consolidated basis, with focuses on collecting data, acquiring third-party verification, and setting reduction targets.

The KWE Group is gearing up to achieve its long-term target (carbon neutrality by 2050) through a range of initiatives.



■ A “virtual 100% switch” to renewable energy completed at all domestic business locations in accordance with their electricity needs

Kintetsu World Express purchased a FIT non-fossil fuel certificate*1 in March 2023, equipped with tracking information (29 million kWh), where a “virtual 100% switch” to renewable energy was completed at all domestic business locations in accordance with their electricity needs. This virtually eliminated 11,600 metric tons*2 of Scope 2 CO₂ emissions originating from electricity consumption in fiscal 2022. These initiatives are expected to significantly reduce CO₂ emissions from domestic operations, with efforts underway to lower environmental impact by further reducing CO₂ emissions at home and abroad.

*1: A non-fossil fuel certificate for the “non-fossil value” inherent in green electricity produced by non-fossil energy sources such as solar, wind, and biomass power, equipped with tracking information on power sources, power plant locations, etc.

*2: Calculated based on each electricity company’s adjusted emission factor



Renewable energy certificate

■ Green power certificate

Misato Green Warehouse, a Kintetsu World Express domestic logistics hub, started a green power system*1 to purchase again a green power certificate (1.2 million kWh equivalent) in 2022. This facility was previously certified with the ISO 14001, which specifies requirements for effective environmental management and pollution prevention systems, and its roof/wall greening and LED lighting system resulted in acquisition of the LEED certificate*2.



Green power certificate

*1: A system where the environmental added value of electricity produced by renewable energy is traded in the form of a “green power certificate”

*2: A certification system developed by the U.S. Green Building Council for evaluation of “building operation,” “site operation,” and “energy-saving effects”

■ Promoting rail transport

Rail transport, which is less emission intensive than air, ocean, and truck transport, is an effective means to reduce CO₂ emissions. Kintetsu World Express (KWE) started providing distribution services in May 2021, using domestic rail transport in an effort to reduce environmental load and secure transport capacity.

For example, KWE proposed a modal shift from trucks to railways for its customers in Niigata Prefecture in a tie-up with Japan Freight Railway Company, where imports are transported from Tokyo Bay to warehouses in Niigata Prefecture, taking into account the 2024 problem* and an increased awareness of transport decarbonization. As a result, CO₂ emissions were reduced by about 75% from previous levels with the adoption of the proposal.

* 2024 problem: A range of problems that distribution services need to address, to be caused in part by work style reform laws, which limit drivers’ work hours

■ Promoting the use of sustainable aviation fuel (SAF)

Air carriers have been promoting the use of sustainable aviation fuel (SAF) since September 2021. We took part in the SAF program participated in by three air carriers (All Nippon Airways, Cathay Pacific Airways, and Lufthansa Airlines) and a fueling company in fiscal 2022.

Sustainable aviation fuel (SAF) produces about 80% fewer CO₂ emissions through its lifecycle compared to

conventional aviation fuel, from production and collection of raw materials (biomass, used cooking oil, exhaust gas, etc.) to manufacturing and combustion, making it a very effective means to reduce CO₂ emissions. We will continue to opt for cargo flights powered by SAF in cooperation with stakeholders for sustainable air cargo transport.

■ Using hydrogenated vegetable oil (HVO) for truck transport

We are expanding the use of hydrogenated vegetable oil (HVO) for truck transport. HVO, which is made from vegetable oil and used cooking oil, is a renewable, sustainable, and fossil-fuel free fuel that can reduce GHG emissions by a maximum of 90% compared to ordinary fuels. Use is thus becoming widespread primarily in Europe. In fact, KWE Benelux started providing HVO-powered truck transportation services in February 2023 for major high-tech customers, resulting in a 90% reduction in GHG emissions.



HVO-powered truck transport

■ Container round use / container matching services

For ocean transport, we are promoting container round use (where unloaded empty containers are used directly for exports without returning them to container yards or ports) and container matching services (where empty containers and export cargo are matched for optimization). This reduces CO₂ emissions and eliminates the cost of shipping back empty containers.

How container matching services work



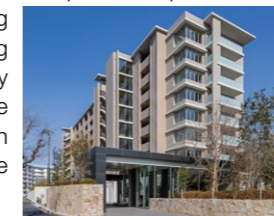
Following arrival, containers are unloaded at the customer site A.

Unloaded empty containers are forwarded to the customer site B and optimally matched with export cargo.

Real estate, hotel, and travel agency business initiatives

■ Special award received at the Osaka Climate Change Action Awards

The Laurel Court Momoyamadai the Residence, a condominium built by Kintetsu Real Estate, received a special award in April 2023 at the 2022 Osaka Climate Change Action Awards, sponsored by the Osaka Prefectural Government. The award is granted to recognize building owners and architects who demonstrate the best practices in constructing buildings that alleviate heat island effects. The condominium, certified as “ZEH-M Oriented,” has premises planted with trees and shrubs providing shade through layout planning and features high-efficiency facilities. The properties were recognized for measures taken that reduce heat radiation to the atmosphere.



Appearance

■ Solar power generation

Kintetsu Real Estate 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 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.

■ Marketing a carbon offset travel plan

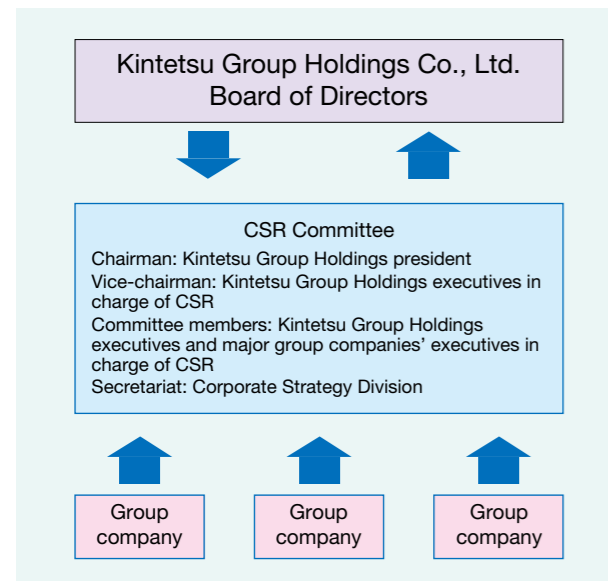
Kintetsu Miyako Hotels International and Kinki Nippon Tourist jointly launched a travel plan in June 2022 that contributes to global environmental conservation, where “carbon offset mechanisms” are used to offset (compensate) GHG emissions (CO₂ emissions, etc.) originating from transportation and accommodation during travel. Specifically, forest-derived carbon credits, certified by the J-Credit scheme administered by the general incorporated association More Trees, are used to offset CO₂ emissions.

■ Virtual switch to renewable energy at rent-a-car offices

Kintetsu Rent-A Lease purchased FIT non-fossil fuel certificates in December 2023 through ORIX Auto Corporation; electricity used between April and September 2023 at 15 out of the 18 ORIX rent-a-car offices it operates was virtually sourced from renewable energy. As a result, electricity use achieved net-zero CO₂ emissions (about 25 metric tons). This initiative will be continued.

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 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 pp. 61–65.)

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

The CSR Committee lays out a policy, based on which we conduct qualitative analysis at major group companies assuming a 2°C world and a 4°C world respectively, address climate change risks and opportunities and determine how we can best utilize these opportunities.

In addition, Kintetsu Railway conducts quantitative analysis on risks with significant impacts.

Climate change-related risks

	Risk descriptions	Business category	Impact	Risk management measures		
Transition risks	Policies, laws and regulations	Railways	High	• Introduction of energy-saving railcars and facilities		
		Real estate	High	• Promoting properties with excellent environmental performance		
		Merchandise sales Hotels	High	• Promoting energy-saving measures such as energy-saving equipment to be installed at stores and facilities • Introducing energy-saving facilities		
		International logistics	High–Low	• Setting GHG emission reduction targets, followed by implementation and maintenance • Switching to eco-cars and electric forklifts • Switching to electricity derived from renewable energy • Passing additional costs onto freight charges in an appropriate way		
		Railways	High	• Optimal combination of energy sources		
		Real estate Merchandise sales Hotels	High	• Promoting energy-saving measures such as energy-saving equipment to be installed at stores and facilities		
	Market	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	Real estate	High	• 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	
			Regulations to encourage the use of transportation and accommodation with less CO ₂ emissions	Travel agency	High	• Planning and offering tours with less CO ₂ emissions
			Increased energy cost due to higher crude oil prices	Railways	High	• Proactive approach to subsidy systems
		Unstable power supply due to a change in the energy mix (increased use of renewable energy)	Moderate		• Introduction of large-scale storage batteries	
		Increased material cost due to the environmental cost passed on by suppliers		Moderate	• Optimization of facility requirements and renewal plans • Early detection and repair of failures	
		Revenue loss due to growth in rail and ocean transport, with the shift to eco-friendly transport accelerating	International logistics	High–Moderate	• Developing ocean and rail transport services to accommodate customers' needs, creating business models in response to changes in the market • Utilizing SAF and developing eco-friendly air transport products in cooperation with air carriers. • Utilizing AI to develop CO ₂ emission reduction routes and transportation	
Technology	Increased cost of introducing new technology (low-carbon technology, energy-saving technology, etc.)	Railways	Moderate	• Detailed examination of new technology that takes into account cost and performance		
		International logistics	High–Low	• Proactively participating in SAF programs to promote SAF in the market • Reaching out to the government and affiliated organizations, making industry-wide efforts to increase the adoption rate		
	Development and supply of new forms of fuel (SAF, biofuel, etc.): Decreased usage rates and increased purchasing costs due to supply shortages					
Reputation	Loss of reputation with customers due to delay in addressing environmental issues	Railways	Moderate	• Enhanced promotion of the environmental advantage of railways • Provision of safe, punctual transportation services		
	Difficulties in financing due to loss of reputation with investors		Moderate	• Disclosure of information on progress on environmental targets • Endorsing TCFD recommendations, responding to information disclosure requirements and CDP		
	Loss of orders due to low environmental performance ratings, revenue loss due to failure in participating in bids, possible impact on recruiting	International logistics	High–Low	• Making efforts for higher customer evaluation by aggressively incorporating environmental measures into the corporate strategy		

	Risk descriptions	Business category	Impact	Risk management measures	
Chronic risks (temperature rises)	• Decreased operating revenue due to hot weather (with more customers staying at home and inbound tourists decreasing)	Railways	Moderate	• Promotion of measures to encourage outings by developing tourism and providing attractive transportation services	
	• Decreased customer traffic due to hot weather, etc.	Merchandise sales	High	• Upgrading the EC shopping site	
	• Risks of ports, harbors, and airports in low-lying areas becoming unusable due to sea-level rise • Decreased availability of related facilities	International logistics	Low-High	• Improving capabilities to deal with floods and other disasters in cooperation with customers and authorities concerned • Putting a rigorous risk management system in place through effective partnership with the KWE Group risk management committee	
	• Food poisoning risks, etc. • Employees' health management risks	Merchandise sales Hotels	High	• Strict food hygiene practices • Improving employees' health management and optimizing working hours	
	• Decreased crop yield due to heat waves, etc., increased costs of raw materials and fresh food, increased risks in product procurement (quality loss, etc.)	Hotels Travel agency	Low	• Creating supplier portfolios • Ensuring stable supply and reaching new customers through increased partnerships with local communities and farmers	
	• Decreased desire to travel and destination changes due to hot weather, etc.	Hotels Travel agency	Moderate	• 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	
	Physical risks	• Damage, including flood damage, to facilities due to large-scale natural disaster such as typhoon and heavy rain and the resulting suspension of operations	Railways	High	• Reinforcement construction to be prepared for large-scale disaster • Development of railway facilities monitoring systems (for precipitation and river levels)
			Real estate	Low	• Effecting corporate property blanket insurance for rental buildings • Assessing flood damage risks, etc. through surveys, designing structures based on flood hazard maps, etc. and providing secure housing by establishing electric rooms at higher elevations • Improving soil quality through day-to-day management or during restoration/maintenance work
			Merchandise sales	Low	• Minimizing property damage or loss by moving up closing times and implementing prevention measures against shattering, etc.
		• Revenue loss due to decreased material flow and possible increases in recovery costs, both attributable to difficulties in providing distribution services	International logistics	Low-High	• Better preparing for floods and other disasters by promoting cooperation with maintenance companies (of their own and of contractors) for proprietary logistics warehouses and with lenders for their warehouses • Creating a reliable distribution network by selecting alternative facilities and routes for forwarding warehouses • Putting a rigorous risk management system in place through cooperation with the KWE Group risk management committee
Merchandise sales			High-Low	• Developing crisis management manuals • Collecting and communicating information using safety confirmation systems • Promoting information collection and communication, with a better emergency-contact network in place	
Railways			Moderate	• Double-track construction to bolster the supply chain of essential commodities, which impacts train service operations	
Merchandise sales			Low	• Creating supplier portfolios	
Railways			Moderate	• Diversification of electricity suppliers (including private power generation and multiple power companies) • Introducing large-capacity storage batteries	
Hotels			Low	• Developing emergency response manuals and conducting regular drills	
Travel agency			Low	• Increasing revenue in non-travel businesses (community development, BPO, etc.) • Developing an advanced BCP to prepare for serious natural disasters	
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-Low	• Developing crisis management manuals • Collecting and communicating information using safety confirmation systems • Promoting information collection and communication, with a better emergency-contact network in place	
	• Disruption in distribution networks and business at stores due to damage at facilities (of their own and of suppliers), impassable roads, etc.	Railways Merchandise sales	Moderate Low	• Double-track construction to bolster the supply chain of essential commodities, which impacts train service operations • Creating supplier portfolios	
	• Disruption in power supply from power companies	Railways	Moderate	• Diversification of electricity suppliers (including private power generation and multiple power companies) • Introducing large-capacity storage batteries	
	• Typhoons and heavy rain preventing customers from arriving on time or leaving them stranded	Hotels	Low	• Developing emergency response manuals and conducting regular drills	
	• Loss of opportunities to provide travel programs due to serious natural disasters	Travel agency	Low	• Increasing revenue in non-travel businesses (community development, BPO, etc.) • Developing an advanced BCP to prepare for serious natural disasters	

Climate change opportunities

	Descriptions of opportunities and advantages	Business category	Opportunity utilization policy
Resource efficiency	• Development of energy-saving technology to reduce electricity consumption • Policies promoting renewable energy and energy saving	Railways	• Introduction of energy-saving railcars and facilities • Proactive approach to subsidy systems
Energy sources	• Decreased energy cost due to optimized energy procurement		• Mobilization of large-scale storage batteries and modification of the company's transmission systems • Introduction of renewable energy facilities

	Descriptions of opportunities and advantages	Business category	Opportunity utilization policy
Products & services	• Increased demand for railway transportation due to increased environmental awareness of consumers (increasing modal shift from automobiles to trains)	Railways	• Enhanced communication of the environmental advantage of railways • Introduction and promotion of energy-saving railcars
	• Increased needs for properties with excellent environmental performance (low-carbon construction, etc.)	Real estate	• Building super-insulated houses • Adopting products with excellent environmental performance (ZEH, etc.) • Improving environmental performance by replacing lighting systems in existing buildings and facilities with LED counterparts and upgrading facilities • Reviewing possibilities of complying with ZEB requirements for new construction and of utilizing renewable energy
	• Fewer GHG emissions due to introduction of next-generation aircraft, vessels, and vehicles; decreased costs in complying with regulations such as carbon taxes	International logistics	• Developing investment plans, taking social trends into account and developing new technology • Participating in pilot programs and discussing introduction of products and services based on cost performance
	• Fewer GHG emissions due to development and supply of new forms of fuel (SAF, biofuel, etc.); decreased costs in complying with regulations such as carbon taxes		• Proactively participating in SAF programs and increasing effort in promoting products and services in the market • Reaching out to the government and affiliated organizations, making industry-wide efforts to increase the usage rate • Aggressively incorporating environmental measures into the corporate strategy for better feedback from customers
	• Increased orders and revenue brought about by higher environmental performance ratings	Merchandise sales	• Setting up special corners • Expanding overall sales through external sales and EC shopping sites • Preventing stockout situations
	• Increased demand for protection against heat and cold • Sale of emergency response kits	Hotels Travel agency	• Planning and sale of tours with less CO ₂ emissions • Offering new ways to enjoy resort life and developing new travel packages
	• Increased demand for eco-friendly products and services • Resort hotels available for a longer period due to global warming	Railways	• Expansion of secondary transportation directly linked with railways • Development of cities along the railway lines in collaboration with local communities • Policy-based promotion of the use of railways • Information disclosure related to TCFD • Participation in the carbon market, leveraging the environmental advantage of railways
	• Policies emphasizing public transportation systems designed for compact, clean urban development to stimulate demand (accelerated shift to smart cities and MaaS)	International logistics	• Developing ocean and rail transportation services to accommodate customers' needs and creating business models in response to changes in the market • Utilizing SAF and developing eco-friendly air transport products in cooperation with air carriers. • Utilizing AI to develop CO ₂ emission reduction routes and transportation
	• Increased green investment		• Strengthening partnerships among the Kintetsu Group companies and increasing the convenience and amenity of access to hotels • Opening stores at convenient locations through enhanced partnerships among the Kintetsu Group companies • Optimum arrangement of station facilities and stores • Offering eco-friendly products and services
	• Vitalization of the carbon market	Hotels	• Expanding EC sales • Increasing the number of stores featuring online supermarkets • Increasing the number of mobile supermarkets
• Developing new services and expanding business areas	Merchandise sales		
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	Railways	• Reinforcement construction to be prepared for large-scale disaster • Quick restoration/reconstruction from disaster (quick resumption of services)
	• Developing markets in response to changing lifestyles, with customers' awareness of sustainability in mind	Travel agency	• Developing products using IT such as VR to provide virtual experience
Resilience	• Offering purchasing options that allow customers to buy what they want without visiting stores • Providing shopping opportunities near residences using mobile supermarkets (to eliminate the need to go out shopping on extremely hot days)		
	• Increased customer confidence through construction to prevent damage caused by storm and flood		

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 the data forecasted and provided by IEA and the Japanese Government.

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	—	—	
Physical risks	Increased crude oil prices	+1 billion yen	+3 billion yen	+0.5 billion yen	+3 billion yen	Calculated, taking into account Japan's future power generation mix in addition to higher crude oil prices
	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	

5 Resource-Saving, Recycling and Biodiversity Conservation Initiatives

Resource input (consolidated subsidiaries: 59)

Type	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Office paper	10,000 sheets	14,587	20,712	18,453	12,092	22,402
Clean water	1,000 m ³	4,651	4,470	3,527	3,540	3,716
Recycled water	1,000 m ³	205	192	182	105	94
Groundwater	1,000 m ³	1,094	1,084	865	797	695
Total water (Clean water + Recycled water)	1,000 m ³	4,856	4,662	3,709	3,646	3,810

Waste amount

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
General waste	Metric tons	28,434	21,858	27,710	26,401	27,896
Industrial waste	Metric tons	83,639	60,330	32,223	49,795	21,061
Total	Metric tons	112,073	82,188	59,933	76,196	48,957

* Total amount of Kintetsu Group Holdings and its consolidated subsidiaries whose wastes are available (FY2022: 28 companies for general waste and 26 companies for industrial waste).

General waste (FY2022)

	Total of Kintetsu Group Holdings and its consolidated subsidiaries (28 companies)	
	Waste amount	Recycled amount
General waste	27,896 t	12,559 t

Industrial waste (FY2022)

	Total of Kintetsu Group Holdings and its consolidated subsidiaries (26 companies)				
	Waste amount	Industrial waste disposal	Recycling	Reuse	Other
Combustion residue	0 t	0 t	0 t	0 t	0 t
Sludge	3,854 t	3,737 t	16 t	0 t	101 t
Oil	498 t	376 t	116 t	0 t	7 t
Acid	39 t	19 t	0 t	0 t	21 t
Alkaline	10 t	10 t	0 t	0 t	0 t
Plastic	1,201 t	1,028 t	34 t	24 t	115 t
Paper	109 t	109 t	0 t	0 t	0 t
Wood	1,273 t	1,035 t	72 t	45 t	121 t
Textiles	2 t	1 t	1 t	0 t	0 t
Plant waste	128 t	0 t	128 t	0 t	0 t
Rubber	2 t	2 t	0 t	0 t	0 t
Metal	5,246 t	301 t	2,412 t	179 t	2,355 t
Glass/ceramics	284 t	260 t	21 t	0 t	2 t
Building waste	7,901 t	7,085 t	564 t	244 t	9 t
Other	514 t	514 t	0 t	0 t	0 t
Total	21,061 t	14,476 t	3,364 t	492 t	2,730 t

Offering menu items featuring soybeans

Some of Kintetsu Miyako Hotels International's hotels, such as Miyako Hotel Amagasaki, have been offering new menu items featuring soybean meat since April 2021. Concerns are growing over food crises triggered by global warming, where sourcing protein from livestock products may become difficult. GHG emissions from the livestock sector pose another concern. With health-consciousness growing among consumers, "soybean meat" is receiving attention as a healthy food. We are therefore committed to offering flavorful, healthy menu items as part of our contribution to society.



Spaghetti Bolognese with soybean meat

Coffee galette made from extracted coffee grounds

Miyako Hotels International's Miyako City Osaka Tennoji, likewise, has been serving "coffee galette" for breakfast using extracted coffee grounds since August 2023, where the coffee grounds are dried and ground again with a mill to be used as an ingredient. This process can reduce coffee ground waste by about 31.2 kg a year. Extracted coffee grounds are expected to find more applications, which will further reduce waste.



Coffee galette

Water dispensers on every floor

Miyako Hotels International's Miyako City Osaka Hommachi is reducing plastic waste. Specifically, plastic bottle mineral water services to guests were discontinued in April 2023. Instead, water dispensers are available on every floor, with each guest room equipped with a water bottle made of sustainable, recycled plastic. At the same time, each staff member is encouraged to bring and use their own hotel-specific original bottle. Miyako City Osaka Hommachi is putting forth a great deal of effort to reduce plastic waste.



Water bottle at a guest room, designed for water dispenser

Using recycled material for business cards

The material for the business cards used by Kintetsu World Express executives and employees in Japan switched in October 2021 from paper to a new material, LIMEX*, which is made from limestone. This is expected to reduce water consumption by 10 liters per pack of business cards (100 sheets). Printed LIMEX business cards that would otherwise be disposed of following personnel changes can be recycled to make new cards. With each employee using LIMEX business cards, our awareness of global environmental issues is expected to grow, which in turn contributes to promoting the group's sustainability activities.

* Developed, manufactured and distributed by TBM Co., Ltd.



Business card made of new material

KNT-CT Shimanto River Headwaters Forest

Club Tourism International signed a partnership agreement in 2012 with Kochi Prefecture and Tsuno Town on a Collaborative Forest Conservation Project in Kochi Prefecture, the prefecture with the densest forests in Japan. KNT-CT Holdings took over the partnership, where forests in Tsuno Town are designated as KNT-CT Shimanto River Headwaters Forests to conduct forest management (thinning) and exchange programs (collaborative thinning).

KNT-CT Holdings received a certificate of appreciation from the prefectural governor in December 2022 in recognition of its 10-year contribution to the project, such as the Thinning Experience Tour, which features forest conservation activities in the Shimanto River headwaters forest and exchange with local communities.



The Shimanto River Headwaters Forest

Promoting local produce and reducing the use of plastic products

Kintetsu Retailing has been offering snack menu items since July 2021 at the "Come on met Bay Terrace Toba," a restaurant located in the Kintetsu Toba Station building. They feature local specialties such as Ise-Shima sea lettuce, Ise tea, and Ise yam potatoes. Cherishing the beauty of the sea of Toba, the restaurant is reducing the use of plastic products, opting for paper and wooden packaging materials. In addition, the NPO "mina" started supplying vegetables grown in the Multifunctional Farm Futami in May 2023 as ingredients for some of the items offered.



Come on met Bay Terrace Toba

6 Environmental Indexes and Targets (for each group company)

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

Company	Key Performance Indicator (KPI)	Baseline fiscal year	FY2021 results	FY2022 results	Target year	Target
Kintetsu Railway	Percentage of station LED lighting	–	87.7%	96.7%	2030	90% or higher
	Percentage of train interior LED lighting	–	34.9%	39.8%	2030	40% or higher
	Energy use reduction rate	2013	-9.2%	-9.2%	2030	-20% or higher
	Total CO ₂ emissions (Scope 1 + 2) reduction rate	2013	-39.6%	-44.2%	2030	-50% or higher
	CO ₂ emissions (intensity) reduction rate	2013	-35.8%	-40.5%	2030	-50% or higher
Kintetsu Real Estate	Percentage of new condominiums and houses with thermal insulation Class 4	–	84.6%	99.8%	2023	100%
	"High-efficiency equipment" percentage (water heaters, LED lighting, water-saving toilets)	–	100%	100%	2023	100%
Kintetsu World Express	Total CO ₂ emissions (Scope 1 + 2) reduction rate	2022	–	–	2030	-35%
					2050	-100%
Kintetsu Department Store	Greenhouse gas emissions reduction rate	2015	-42.6%	-46.8%	2030	-50% or higher
					2050	-100%
Kinsho Store	Number of stores still using CFC refrigerants (R22)	–	14 stores	10 stores	2025	0 stores
Kintetsu Miyako Hotels International	Percentage of guest rooms with LED lighting	–	–	67%	2030	80%
	Number of eco-accommodations	–	–	–	2023	10%

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

Company	Key Performance Indicator (KPI)	Baseline fiscal year	FY2021 results	FY2022 results	Target year	Target
Kintetsu Department Store	Amount of food loss	2019	-26.9%	-25.7%	2030	-20%
	Food recycling rate	–	19.6%	17.9%	2030	50%
	Percentage of eco-friendly packaging materials	–	4.4%	7.7%	2030	50%
Kintetsu Retailing	Food loss volume	2018	-26.5%	-27.4%	2030	-40%
	Food wastage rate	–	1.3%	1.15%	2030	Below 1.0%
Kinsho Store	Food wastage rate	–	0.42%	0.42%	2030	0.36%
Kintetsu Miyako Hotels International	Number of hotels using foodstuff with sustainability certificates	–	2 facilities	9 facilities	2022	7 facilities
	Reduction rate of designated plastic amenities per guest	2021	–	-23%	2024	-50%
KNT-CT Holdings	Tours to raise awareness of environmental friendliness and natural conservation					
	Number of participants in green tourism	–	–	9,625 users	2024	10,000 users
	Number of participants in eco-tourism	–	–	4,125 users	2024	10,000 users
	Number of Blue Planet accommodation facilities and products	–	–	183 facilities 87 products	2024	400 facilities 150 products
	Number of J-credit users	–	–	3,082 users	2024	6,000 users

Materiality

Fostering Diverse Human Resources and Supporting Their Activities



1 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 group 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
- Expansion 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 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

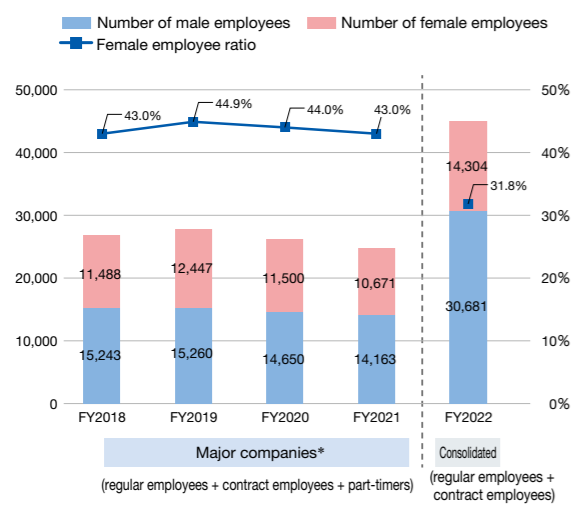
■ Cooperation within the Kintetsu Group

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.

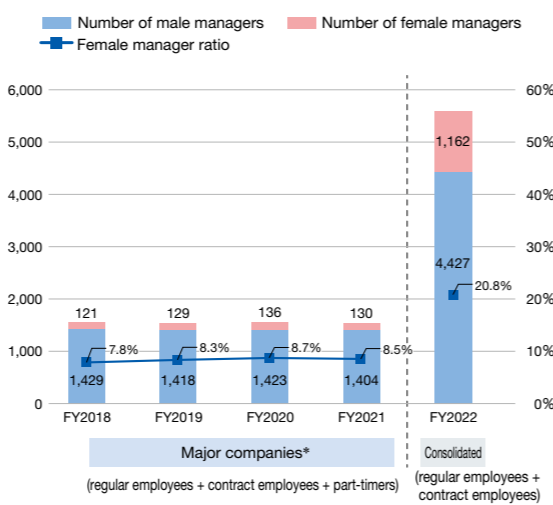
As part of recruitment activities, seminars are held with the Kintetsu Group companies to provide company information and promote group discussions. Level-specific training is also conducted with the Kintetsu Group companies to boost employee capabilities—training aimed at new employees, mid-career employees, managers, and others.

■ Main indicators on human resources

Number of employees and female employee ratio

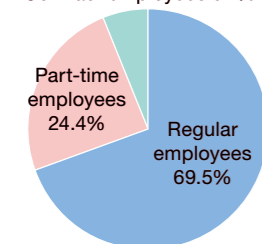


Number of managers and female manager ratio



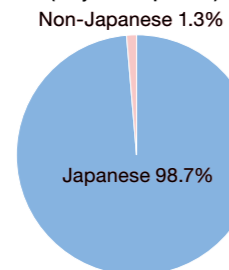
Ratio by employment status (consolidated)

Contract employees 6.1%

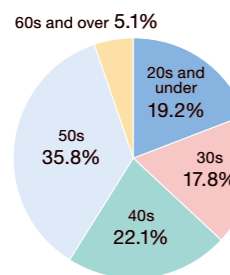


Ratio of foreign nationals (major companies)

Non-Japanese 1.3%



Ratio by age (major companies)

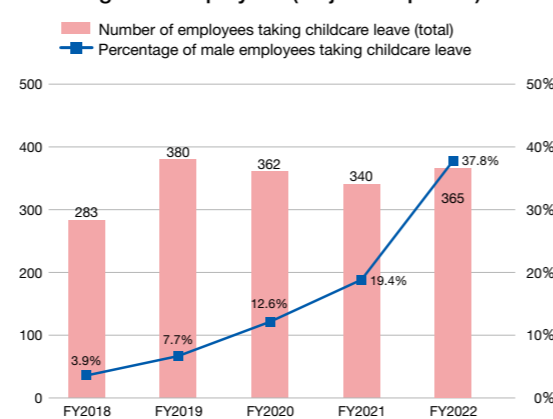


Notes:
 • FY2022 results
 • Regular employee base

* Major companies

Prior to 2021: Kintetsu Group Holdings, Kintetsu Railway, Kintetsu Real Estate, Kintetsu Department Store, Kintetsu Retailing, Kinsho Store, Kintetsu Miyako Hotels International, and KNT-CT Holdings Group's major companies. In fiscal 2022, Kintetsu World Express was added to the above list.

Number of employees taking childcare leave and uptake among male employees (major companies)



Note: The percentage of male employees taking childcare leave does not include Kintetsu Miyako Hotels International, the KNT-CT Holdings Group (up to fiscal 2021), and Kinsho Store (up to fiscal 2020).

1-1 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 Kintetsu Group 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 to utilize their specialized knowledge and skills in the field of information technology in developing a DX vision and strategy for group companies and the Kintetsu Group as a whole. In mid-career recruitment, we are hiring individuals capable of immediately drawing upon their experience in IT and DX as candidates for future management positions.

■ Number of hires, newly graduated hires who left

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of hires	4,274	4,438	3,367	2,422	427
Of those, female	2,650	2,817	2,045	1,490	190
Female hire ratio	62.0%	63.5%	60.7%	61.5%	44.5%
Number of regular employees hired	643	729	687	665	336
Of those, number of mid-career hires	177	212	145	79	89
Proportion of regular employees who were mid-career hires	27.5%	29.1%	21.1%	11.9%	26.5%
Newly graduated hires who left	214	244	193	287	506

* The number of hires in fiscal 2022 does not include part-time employees.

* 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 (based on the definition provided by the Ministry of Health, Labour and Welfare).

* For fiscal 2018 to 2020, the number of regular employees hired, number of mid-career hires, and proportion of regular employees who were mid-career hires do not include figures for the KNT-CT Holdings Group.

1-2 Development

Our basic approach

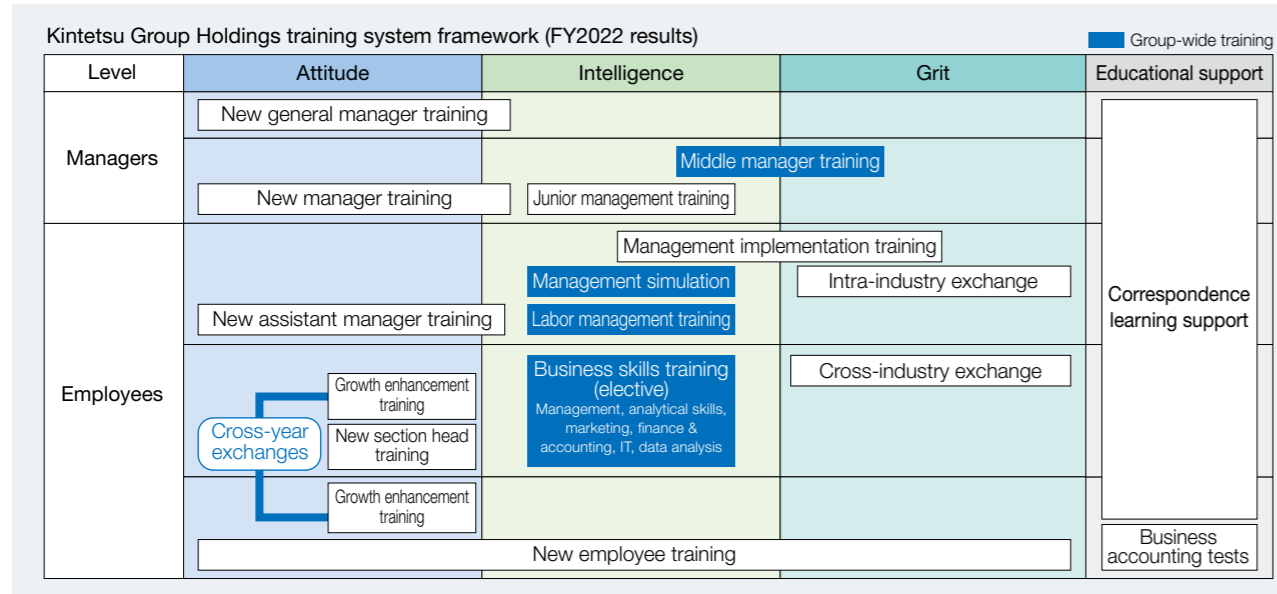
The Kintetsu Group provides systematic training and support for employee self-development and qualifications acquisition to encourage continued growth on the job. We also encourage self-improvement through a grant system for employees who earn standard qualifications within the Kintetsu Group.

Human resource development

Kintetsu Group Holdings strives to develop talent for leadership by defining the “ideal employees” to be a future executive in the Group. Development practices include hiring, level-specific training, evaluations, and promotions based on the requirements defined for each position, covering new hires to general managers. Job rotations across the Group are emphasized to develop managerial talent at all companies and a talent management system centralizes information about employees to offer training and work assignments based on individual traits, strengths, and weaknesses. We also focus on supporting growth and stimulating engagement through 1-on-1 meetings.

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

To create new businesses and services through DX, which is one of the main measures defined in the Kintetsu Group Medium-Term Management Plan 2024, we focus on training IT personnel by enrolling them in outside training courses covering such topics as generative AI and data analysis. Also, we train people in basic IT and DX literacy through a digital skills training program incorporated into the training of new employees and other level-specific training carried out jointly with the Kintetsu Group to build business skills.

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 of train engineer and conductor instructors; training of Service Care-Fitters; training to improve hospitality, company history on-the-job training (at Joganji Temple and the site of the 1971 Aoyama tunnel accident); 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 World Express	Training in dangerous goods transported by air; aviation security systems-related training; customs clearance-related training; overseas training (employees in their third to seventh year of employment are dispatched to an overseas subsidiary of Kintetsu World Express for one year)
Kintetsu Miyako Hotels International	Service etiquette training; training in initial response to complaints; chef training, contests (cooking, food & beverage, lodging)
Kintetsu Department Store	Training in outside sales skills, color and visual merchandising, marketing, and consulting sales
Kintetsu Retailing	Seminars to train restaurant managers and head chefs; in-station store rules training; workshops to improve eel-cooking techniques
Kinsho Store	Basic sales training, customer satisfaction 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; training in logical thinking; business communication training



Training session on improving hospitality at Kintetsu Railway

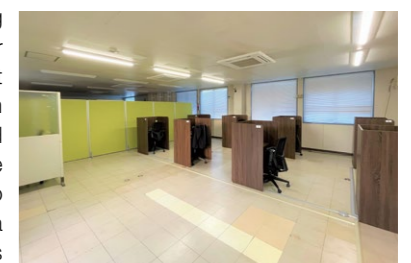
1-3 Creating a Positive Work Environment

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 for balancing work and personal life 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 are expanding our systems and working arrangements to provide an accommodating work environment for diverse personnel, including flextime and a support system for balancing work and home life. Kintetsu Railway has set up new satellite offices to make it easier for employees who commute and to increase work efficiencies. A teleworking system was introduced at group companies to enable at-home work, thereby supporting a good work-life balance. Also, to better utilize the strengths of senior employees, changes are being made 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 encourages employees to use their experience and abilities to the fullest, according to their personal circumstances.



Satellite office (Nabari)

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 group-owned buildings in three locations along Kintetsu lines (in Uehommachi, Saidaiji, and Yokkaichi), utilizing a corporate-led childcare system.



Nursery school facility for group employees (Kintetsu Hoikuen Uehommachi)

Major initiatives in support systems for balancing work with childcare or nursing care

- Longer childcare leave and shorter working hours beyond legal requirements to facilitate childcare
- Establishment of a consultation service and hosting of seminars on maternity and childcare leave
- System of shortened working hours to facilitate nursing care
- Assistance for nursing care services using outside welfare service providers

Other initiatives

* Excerpted from the initiatives of major companies

- Annual leave in half-day increments
- Flexible working hours system with no core hours
- Time off for annual paid leave in increments of hours
- Expansion of accumulated leave system
- Leave for fertility treatment

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 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. Also, Kintetsu Miyako Hotels International is enhancing its employee benefits beyond providing lodging discounts to include use of the company's products and services, such as lodging, recreation, and resort facilities.

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-assessment system

Annually, the Human Resources Division gathers information directly from all employees regarding their working conditions, career aspirations, family situation, etc. The division also conducts interviews with employees periodically to obtain more detailed information.

Goals

- The Human Resources Division 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 listen to section employees in 1-on-1 meetings and boost their motivation.

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

Wages of female employees compared to male employees

All employees	Regular employees	Non-regular employees
67.3%	69.4%	46.1%

* These figures indicate the ratio of women's to men's wages with men's wages set at 100.
 * The figures were calculated based on the provisions of the "Act on Promotion of Women's Participation and Advancement in the Workplace" (Act No. 64 of 2015) (hereinafter referred to as the "Women's Participation Promotion Act").
 * The difference in wages between male and female workers largely reflects the difference in average age among all employees (34 for women and 43 for men), whereas women get paid 96.8% of men's wages among workers under the age of 30. The reason for the lower average age of women compared to men is that a large proportion of employees are transferees from Kintetsu Railway, which employed a large number of people required to stay overnight at the company, and up until 1999, generally prohibited women from working late-night hours, resulting in fewer women being hired. Among non-regular employees (22% female, 78% male), 56.0% are in management positions with relatively high wages, largely reflecting the fact that all of the managers are men. The hourly wage employment category was calculated at 0.5 employees.

1-4 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 based on the Kintetsu Group Health & Productivity Management Declaration created in September 2021 to promote these efforts.

Kintetsu Group Health & Productivity Management Declaration

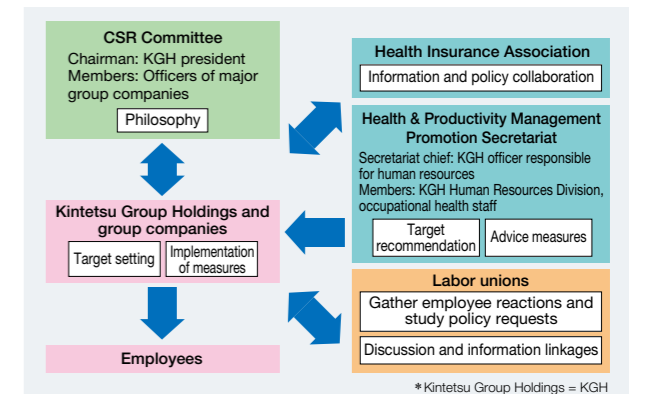
(Created September 2021)

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

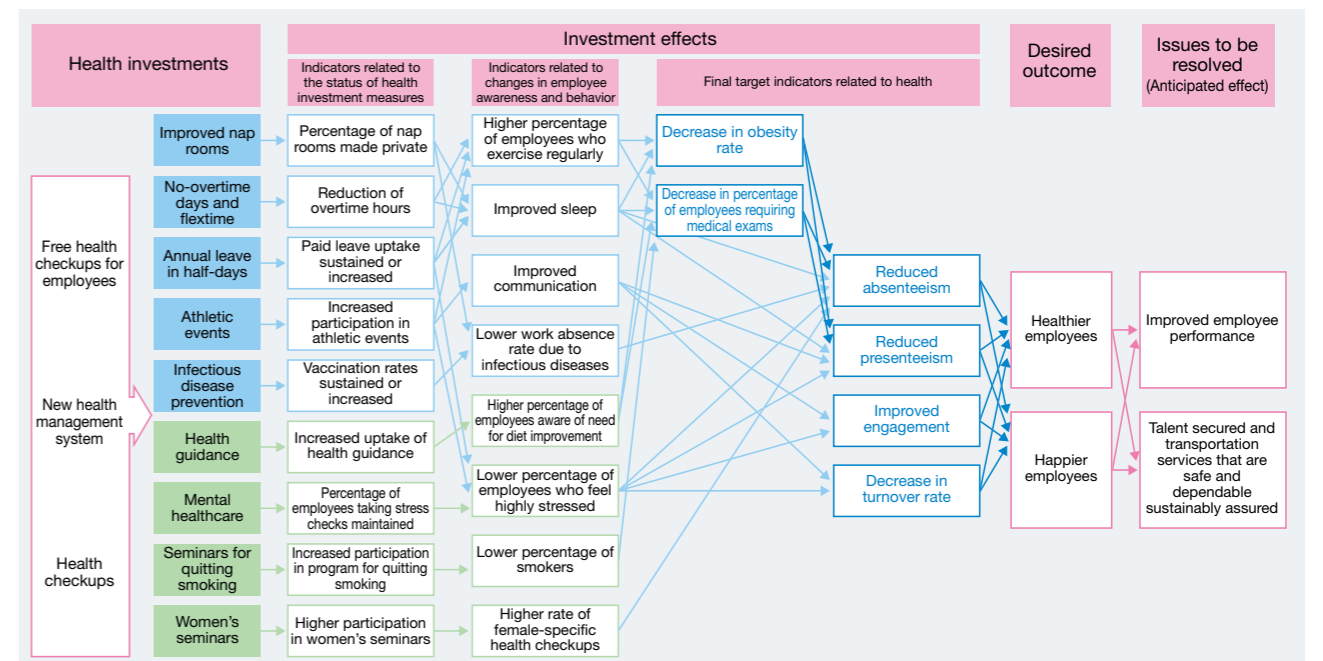
To promote health and productivity management, in fiscal 2021 we established a health and productivity management framework centered around the CSR Committee chaired by Kintetsu Group Holdings' president. The Kintetsu Group is working to achieve group-wide health targets—reduce the employee obesity rate 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 and productivity management strategy

Kintetsu Group Holdings and Kintetsu Railway are promoting health measures based on a strategic chart for health management that was created internally. Recruiting good personnel is central to carrying forward our business reliably and providing safe, dependable transportation services through which we can fulfill our social responsibility. As competition for human resources intensifies and the average age of employees rises, it has become a critical management

issue to hold down employee turnover and address employee health issues (which can lead to work loss), aiming to boost the performance of every employee. By proactively addressing these issues through health management, we hope to create the conditions that allow our employees to continue working actively and for a long time with good physical and mental health, take pride in their work, and feel a sense of belonging and fondness for their workplace.



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 was relaunched under the auspices of Kintetsu Group Holdings as the Kintetsu Group Health Management Center in June 2019. The center was renovated and expanded to offer a wider 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 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
- Establishment of a Safety & Health Promotion Center

* 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 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 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 (FY2023)

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 accidents by acting with a heightened sensitivity toward danger

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

Certified as a Health & Productivity Management Outstanding Organization

In March 2023, for the fourth consecutive year, the Ministry of Economy, Trade and Industry (METI) recognized Kintetsu Group Holdings and Kintetsu Railway as "White 500" corporations that practice outstanding health and productivity management.



2023
健康経営優良法人
Health and productivity

1-5 Human Capital Indicators and Targets (KPIs)

Recruitment-related indicators and targets (KPIs)

Company	Indicator	FY2022 results	Target	Target year
Kintetsu Group Holdings	Percentage of female employee hires to total number of career-track hires	17.4%	30% or higher	FY2025
	Percentage of mid-career hires to total number of career-track hires	30.4%	20% or higher	Every fiscal year
	Number of employees hired as career-track IT-related personnel	6	5 or more	Every fiscal year
Kintetsu Railway	Percentage of female hires in railway transport divisions	17.3%*	30% or higher	Every fiscal year
	Percentage of female hires in railway engineering divisions	3.9%*	5% or higher	Every fiscal year
Kintetsu Retailing	Number of new graduate and mid-career hires	9	20 or more	Every fiscal year
	Percentage of regular female employee hires (%)	44.4%	45% or higher	Every fiscal year
Kintetsu Miyako Hotels International	Percentage of male recruits among new graduate hires	28.8%	30% or higher	Every fiscal year
	Number of mid-career hires per year	46	50 or more	Every fiscal year

* New graduates hired in April 2023 are shown

Main training-related indicators and targets (KPIs)

Company	Indicator	FY2022 results	Target	Target year
Kintetsu Group Holdings	Hours per career-track employee of participation in skills development training	21.9 hours	20.0 hours	Every fiscal year
	Of those, hours of IT/DX training	1.9 hours	3 hours	Every fiscal year
Kintetsu Railway	Training for specialized skills acquisition and improved safety awareness	117,028 employees* ¹ 312,432 hours* ²	—	—
	Training related to legal ethics and promoting diversity	21,132 employees* ¹ 20,555 hours* ²	—	—
	Other training (e.g., training to acquire general-purpose skills, etc.)	7,759 employees* ¹ 15,943 hours* ²	—	—
	Average hours of training per employee per year	49.5 hours* ³	50.0 hours	FY2025
Kintetsu Real Estate	Training costs and support costs for gaining real estate-related qualifications	Total for training: 24 million yen Qualifications: 19 million yen Per employee: 50,000 yen	Total for training: 25 million yen	Every fiscal year
Kintetsu Retailing	Number of employees attending level-specific training	1,006	More than 1,000	Every fiscal year

*1 Total number of persons

*2 Total number of hours

*3 Total hours of training divided by the number of employees at the beginning of the fiscal year

■ Indicators and targets for creating a positive work environment (KPIs)

Company	Indicator	FY2022 results	Target	Target year
Kintetsu Group Holdings	Employee turnover rate among all career-track employees at the Company	2.0%	2.0% or less	Every fiscal year
	Percentage of career-track employees at the Company interviewed directly by the Human Resources Division	25.7%	40% or higher	Every fiscal year
	Section manager-level employees at the Company who have taken training on how to manage their subordinates	74.5%	100%	FY2023
Kintetsu Railway	Employee turnover rate	2.3%	2.0% or less	Every fiscal year
	Paid leave uptake rate	87.5%	90.0% or higher	Every fiscal year
Kintetsu Real Estate	Employee turnover rate	3.1%	2.5% or less	Until FY2025
	Utilization rate of shorter hours and shorter work days for childcare	45.7%	50% or higher	Every fiscal year
Kintetsu Retailing	Paid leave uptake rate	32.7%	35.0% or higher	Every fiscal year
	Employee turnover rate	9.6%	4.0% or less	FY2025
Kintetsu Miyako Hotels International	Average years of service	12 years	15 years or longer	FY2029
	Paid leave uptake rate	58.7%	60% or higher	FY2025
	Percentage of men taking childcare leave	25.0%	30% or higher	FY2025
	Total number of employees taking harassment training	2,064	All employees	Every fiscal year
KNT-CT Holdings	Awarded Silver Certificate of Excellent Health Company	2 companies	4 companies	FY2025

* The employee turnover rate is calculated by dividing the number of employees leaving the company (not including those who have retired or who have completed rehire contracts after retirement) by the number of employees at the beginning of the fiscal year.

■ Shared targets of major companies in health management (KPIs)

Company	Reduce obesity rate		Reduce percentage of employees who feel highly stressed	
	FY2022 results	FY2023 target	FY2022 results	FY2023 target
Kintetsu Group Holdings and Kintetsu Railway	32.2%	Under 30%	6.6%	Under 6%
Kintetsu Real Estate	28.4%	25% or lower	6.3%	3% level
Kintetsu World Express	19.5%	Below FY2021 results (22.4%)	13.0%	Below FY2021 results (11.0%)
Kintetsu Department Store	24.4%	Below FY2021 results (24.2%)	13.6%	Below FY2021 results (12.7%)
Kintetsu Retailing	26.7%	Under 28%	18.3%	Under 15%
Kinsho Store	27.9%	Below FY2021 results (28.6%)	13.6%	Below FY2021 results (21.7%)
Kintetsu Miyako Hotels International	22.1%	Below FY2021 results (22.4%)	7.2%	Below FY2021 results (4.9%)
Club Tourism International	20.8%	Below FY2022 results (20.8%)	21.9%	Below FY2022 results (21.9%)
Kinki Nippon Tourist	33.8%	Below FY2022 results (33.8%)	24.3%	Below FY2022 results (24.3%)

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

2 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.

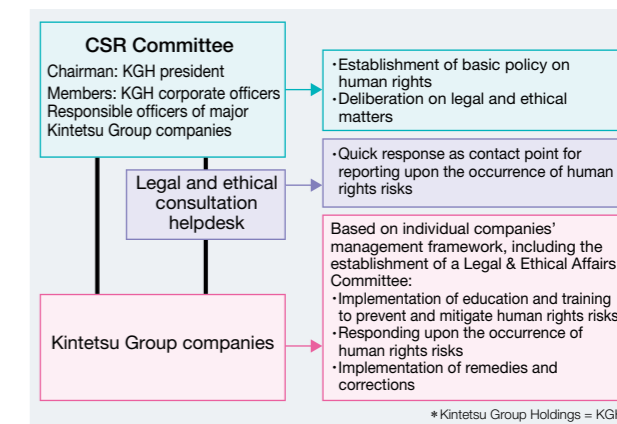
3. Scope of Application

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

① List of major human rights risks

Human rights risks have been organized with reference to the booklet “Measures Currently Required for Companies Regarding Business and Human Rights” (Human Rights Bureau of the Ministry of Justice) and other sources.

Category	Major risks
Labor	Insufficient or unpaid wages; excessive or unreasonable work hours; violation of occupational safety and health; violation of the right to social protection; forced labor; violation of freedom of residence and association
Harassment	Power harassment, sexual harassment, maternity harassment, paternity harassment, nursing care harassment
Foreign workers, child labor	Discriminatory treatment on the basis of being a foreign national; child labor
Technology, AI	Defamation, invasion of privacy, or discrimination associated with the spread of technology, AI, and other digital technologies
Privacy	Violation of the right to not have one's private life or private affairs made public; provision of personal information without consent
Consumer safety	Violation of consumer safety and right to know; violation of freedom of expression; violation of human rights due to environmental destruction or climate change
Discrimination, gender	Discriminatory treatment based on gender, sexual minority, disability, social integration issues, nationality, religion, employment status, etc.
Indigenous people and local communities	Human rights violation such as corporate activities affecting the culture and residence of indigenous people and local communities
Supply chain	Human rights violation such as a labor violation or harassment in the supply chain

② Identification of human rights risks at major companies

Based on the identified human rights risks, we identified items that could have a greater impact if they occurred because of the nature of the business of our major companies.

	Representative human rights risks
Kintetsu Group Holdings	Labor, harassment, technology and AI, privacy
Kintetsu Railway	Labor, harassment, privacy, consumer safety, discrimination and gender, indigenous people and local communities, supply chain
Kintetsu Real Estate	Labor, harassment, privacy, discrimination and gender, indigenous people and local communities
Kintetsu World Express Group	Labor, harassment, foreign workers, technology and AI, discrimination and gender, supply chain
Kintetsu Department Store	Labor, harassment, consumer safety, supply chain
Kintetsu Retailing	Labor, harassment, consumer safety, discrimination and gender, supply chain
Kinsho Store	Labor, harassment, consumer safety, supply chain
Kintetsu Miyako Hotels International	Labor, harassment, foreign workers, privacy, consumer safety
KNT-CT Holdings Group	Labor, harassment, privacy, consumer safety, discrimination and gender

(2) Efforts to prevent and mitigate human rights risks through education and training

We strive to prevent and mitigate human rights risks by ① providing education and training, ② disseminating information, and ③ exerting influence over our supply chain.

	Major internal initiatives	Major external initiatives
Kintetsu Group Holdings	<ul style="list-style-type: none"> Training (human rights, prevention of harassment in recruitment activities) (also for group companies) Dissemination of information on human rights (every 6 months) 	<ul style="list-style-type: none"> Publicize the fact that the Group is a signatory to the United Nations Global Compact Publicize our Partnership Building Declaration (7 Kintetsu Group companies)
Kintetsu Railway	<ul style="list-style-type: none"> Thorough safety training Training (human rights, harassment prevention, legal ethics) Prevention of unpaid overtime through attendance management system Encouragement to gain Care-Fitter certification 	<ul style="list-style-type: none"> Requests based on Fundamental Policy on Buying Activities (compliance with laws and regulations, respect for human rights, prohibition of child labor, work hours, etc.)
Kintetsu Real Estate	<ul style="list-style-type: none"> Training (human rights, harassment prevention, legal ethics) Prevention of unpaid overtime through attendance management system Implementation of stress checks 	<ul style="list-style-type: none"> Appropriate handling of personal information Conducting of surveys in consideration of human rights
Kintetsu World Express	<ul style="list-style-type: none"> Training programs (harassment, diversity & inclusion, compliance, IT security) *Detailed reviews to be conducted in the future 	<ul style="list-style-type: none"> Dissemination of the KWE Vendor Code of Conduct Creation of various guidelines (health and safety, labor, vendor management, environmental, compliance) Conducting of audits and surveys of suppliers *Detailed reviews to be conducted in the future
Kintetsu Department Store	<ul style="list-style-type: none"> Training (harassment prevention, Subcontract Act, quality labeling) Dissemination of Principles of Action for Suppliers Improvement plan for employees who work long hours 	<ul style="list-style-type: none"> Holding of briefing sessions for suppliers about the Principles of Action for Suppliers Fair trade questionnaire for suppliers
Kintetsu Retailing	<ul style="list-style-type: none"> Training (labor management, harassment prevention, compliance) Airing of instances of occupational accidents at board meetings Patrols of directly managed stores to identify hazardous areas and prevent occupational accidents Appropriate disclosure of product information in accordance with the Food Labeling Law Investigation of transactions (Subcontract Act) 	<ul style="list-style-type: none"> Training sessions for suppliers (prevention of industrial accidents) Establishment of a contact point for suppliers to report human rights issues
Kinsho Store	<ul style="list-style-type: none"> Training (harassment prevention, customer harassment, food labeling, occupational safety and health, Subcontract Act) 	<ul style="list-style-type: none"> Aiming for co-existence and co-prosperity with our business partners based on mutual trust and fair business relationships
Kintetsu Miyako Hotels International	<ul style="list-style-type: none"> Training (harassment prevention and compliance) Understanding and maintenance of the work environment for foreign workers System for compliance with Food Labeling Law, information disclosure education 	<ul style="list-style-type: none"> Some hotels have adopted supplementary services that are Rainforest Alliance Certified (a system that promotes the protection of forests and the human rights of workers)
KNT-CT Holdings	<ul style="list-style-type: none"> Training (harassment, human rights, labor management) Ensuring that all employees are familiar with the Compliance Policy 	<ul style="list-style-type: none"> The creation of supplier guidelines is under consideration (as of October 2023)

(3) Remedies and Corrections

A legal ethics helpdesk that doubles as an internal whistleblower hotline and a job seeker harassment helpdesk have been established at Kintetsu Group Holdings and outside the company (at a law office).

In addition, there is a CSR Committee and committees set up at the individual group companies to handle responses.

(4) Information Disclosure

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



Human rights training at the Kintetsu Group

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.

The Safety Promotion Committee, chaired by the president, meets semiannually to formulate and review important measures based on the Safety Policy. Our Railway Accident/ Disaster Prevention Subcommittee and Disaster Response Subcommittee, meanwhile, conduct comprehensive discussions around accidents, natural disasters, and other related topics, and come up with effective, appropriate countermeasures.

Internal audits

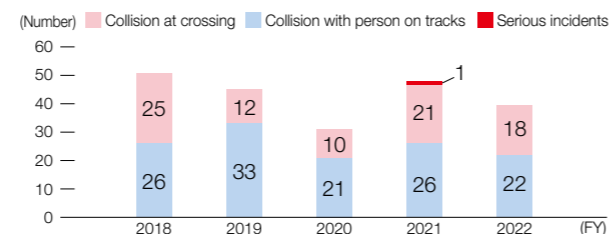
As part of our transport safety management, once a year we carry out an internal audit, and work continuously to improve safety.

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 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.

Award for excellence in transport safety management

In November 2023, Kintetsu Railway was recognized with the Minister of Land, Infrastructure, Transport and Tourism Award for its excellent safety-related initiatives in the transportation business. This award was given in recognition of our contribution to the improvement of transportation safety through the establishment of an auditing system, in which the internal audit departments report on the current status and issues based on objective data and propose improvements with respect to new safety issues arising from management decisions and changes in the social environment, with the goal of internal audits leading to correct decisions and awareness by management.



Award certificate

Future safety investment plans and KPIs

Indicator	FY2021 results	FY2022 results	Target year	Target
Number of accidents involving railway operations for which the company was responsible	0	0	Every fiscal year	0
Number of accidents involving railway operations and transportation disruptions	80	92	Every fiscal year	Fewer than the previous fiscal year

Indicator	Results					Forecast			
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Capital investment relating to safety and peace of mind (Ref.) Kintetsu Railway capital expenditure	Approx. 18	Approx. 19	Approx. 22	Approx. 9	Approx. 14	Approx. 20	Approx. 26	Approx. 28	Approx. 27
	24.2	24.2	26.5	9.3	17.9	25.8	29.5	31.3	28.8

(billion yen)

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. As well as our continuous anti-seismic reinforcement work at locations such as elevated tracks or stations, and work to prevent bridge collapses, we are also carrying out anti-seismic reinforcement and waterproofing measures on shield tunnels between Kintetsu-Nippombashi Station and Osaka-Namba Station, with a goal of completing this by the end of fiscal 2026. We are also pressing forward with efforts to strengthen railway embankments, and raise important equipment and facilities to prevent damage from water ingress.



Anti-seismic reinforcement work on a shield tunnel on the Namba Line

Embankment strengthening work (Osaka Line)

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.

Main investment plans for FY2023–2025

- 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 and lightning-strike prevention for electrical equipment, etc.

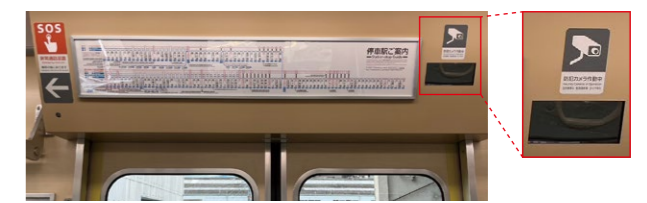
Safety measures

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 (670 locations updated as of the end of fiscal 2022).

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 (scheduled to be completed by fiscal 2028). 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.



In-car security camera

Main investment plans for FY2023–2025

Ensuring infrastructure remains sound

- 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

- 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.

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

For our grade separation project between Kishi Station and Tondabayashi Station on the Nagano Line, after our work on the inbound side (toward Osaka-Abenobashi) completed in June 2022, we finished work to elevate the outbound side (toward Kawachinagano) in June 2023, allowing the removal of two railway crossings.



Before work to elevate the outbound line

After work was completed

Accessible infrastructure

We are 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 also installing equipment that provides train information or station guidance in both written and audio forms.

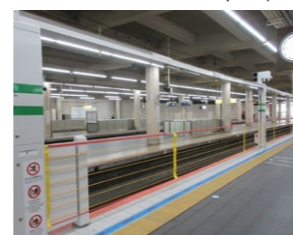
Stations with elevators	Stations with escalators	Stations with wheelchair-accessible toilets (of which, multipurpose)	Stations with guidance chimes
128	79	164 (149)	133

* Of our 283 stations, 250 allow passengers to travel from outside the station to the platform without using steps.

Main investment plans for FY2023–2025

- Installing platform edge gates
 - We are installing platform edge gates with cables that can be raised and lowered to adapt to train cars with different door locations or numbers on Platform 2 at Tsuruhashi Station (March 2025)
 - 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 raisable cable platform edge gates at Osaka-Abenobashi Station

Drills and training

As well as the accident/disaster recovery drills we carry out annually with the help of police and fire departments, we also conduct drills that imagine tsunami evacuations, 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, we opened an archive that includes artifacts from the time of past accidents so that they cannot be forgotten, and we use them as part of internal training, etc.



Accident/disaster recovery drill



Drill with the police that imagined a terrorist attack

2 Various safety-related initiatives

In-car security cameras

In December 2022, Iga Railway and the city of Iga, as part of measures to prevent a terrorist attack, introduced in-car security cameras integrated into fluorescent lights on all trains (5 formations / 10 cars) that operate on the Iga Line. Going forward, we aim to offer passengers trains that provide them with safety and peace of mind, and to improve our service.



In-car security camera

Bus safe-driving training

Nara Kotsu Bus Lines Company has been running bus safe-driving training sessions since 1952 to improve awareness of safe driving, enhance driving techniques, and achieve truly safe transport for passengers. At these sessions, selected drivers from different sites compete using the knowledge and skills they have gained in their everyday duties. At the 72nd session, held in January 2023, we made the contest even more challenging, such as by shortening the time limits for some events. Through the sessions, we will remind drivers of the importance of maintaining the basics, and promote a safer, more secure Nara Kotsu Bus Lines.



Photo from the training session

Mental accessibility programs

Since 2019, Kinki Nippon Tourist has been making proposals for "mental accessibility" programs that promote understanding of topics such as the SDGs and diversity through school education, with the goal of training human resources who can prosper in an inclusive society. Utilizing the knowledge and organizational/individual networks we have gained in the universal tourism promotion activities we have been running since 1997, we have been putting in place various programs. With the aim of improving understanding of the social model of disability, which states that society

has a duty to remove society's barriers for people with disabilities, our proposals include seminars by people with disabilities, opportunities to experience what it is like to be visually impaired or elderly, and para-sports experiences.



Photo from a mental accessibility program

Car-driving tour for the visually impaired

To cater to the desire among some visually impaired customers to have a go at driving a car, since 2010 Kinki Nippon Tourist has been conducting driving tours for them. The tours involve hiring out a racing circuit, having specialist instructors ride along with customers, and giving the customers the experience of driving in a straight line or taking a slalom, accelerating and braking—the action of driving for themselves, feeling for themselves the wind in their hair and the centrifugal force—but in perfect safety. This activity also helps to reduce the number of traffic accidents by showing visually impaired customers what it is like to be a driver, and increase their understanding of traffic safety.



Photo from the tour

The Westin Miyako Kyoto wins the Excellence in Earthquake-Proofing Construction Prize 2022

In February 2023, the Westin Miyako Kyoto, a hotel owned and managed by Kintetsu Real Estate, received an Excellence in Earthquake-Proofing Construction Prize at the Excellence in Earthquake-Proofing Construction and Contribution Awards 2022, which is organized by the Japan Building Disaster Prevention Association. The aim of these awards is to recognize builders and other relevant parties who have shown particular excellence in earthquake-proofing, disaster prevention, safety, and craftsmanship for buildings that have had anti-seismic retrofitting. It also encourages this kind of retrofitting for existing buildings, and aims to contribute to the formation of a robust building stock for Japan.



The Westin Miyako Kyoto

Safety and peace of mind indicators and targets (KPIs)

Company	KPIs	FY2021 results	FY2022 results	Target year	Target
Kintetsu Real Estate	Percentage of condominiums with stockpiles of emergency items	—	100%	2023	100%
Kintetsu Miyako Hotels International	Food poisoning cases or cases of severe allergic reactions	—	0	Every fiscal year	0

Roundtable Discussion with External Directors



Toshiko Katayama
External Director

Takashi Nagaoka
External Director

Kazumi Suzuki
External Audit & Supervisory
Board Member

How can corporate value be enhanced and what does sustainable management look like for the Kintetsu Group going forward?

Three external directors of the Kintetsu Group Holdings joined a roundtable discussion to talk about the Group—its present state, ongoing issues, and outlook for the future—from their unique outside perspective. The meeting saw a lively exchange of views on how to uphold the vision and compliance more persistently throughout the large corporate group that is Kintetsu Group Holdings, with the directors sharing their ideas on governance and approaches to risk.

What role do you focus on in your capacity as an external director?

— **Independent oversight and advice from the consumer’s perspective**

Katayama The role of an external director is to keep a close eye on the company from an outside viewpoint, which includes a legal lens, looking at the important decisions being made and ensuring that business is being executed properly. I am an

attorney by profession and have spent many years working on consumer issues. Through my daily work, I was in touch with consumer trends and consumer characteristics, and I know how difficult it is for a corporate entity to actually “take the perspective of the consumer,” as they profess they will.

I sincerely want to see everyone in the Kintetsu Group renew their approach and take to heart the wishes of consumers while engaged in their daily tasks. Management that is oriented toward consumers—that keeps in mind what

consumers want out of the Kintetsu Group—is the basis for sustainability and other positives, and I am always ready to give advice from this kind of perspective.

Nagaoka When the only perspective you have is that of an executive, your view will tend to align closely with the company’s internal logic. Our role is to provide advice and oversight as an independent party. I feel it is important to give advice not on short-term operational strategy but on medium- to long-term business strategy and to provide oversight by presenting information in terms of risk governance. I want to utilize my managerial experience at a financial institution and my expertise in business finance to help sustainably improve the corporate value of the Kintetsu Group.

Suzuki As an external auditor, I am expected to contribute to governance, especially in the areas of finance and accounting. The Corporate Governance Code states that external auditors can do more than perform “defensive functions” of governance—that we should positively and proactively exercise our authority to increase corporate value. With Kintetsu Group Holdings in particular, I am interested in the Group’s financing and organizational restructuring not only in terms of structural compliance but also in terms of effectiveness and efficiency.

What are some governance issues for the Kintetsu Group?

— **A fully ingrained management philosophy and risk governance**

Katayama When speaking about governance, one issue that cannot be ignored is the Kinki Nippon Tourist (KNT) overcharging of municipalities (for commissioned work related to COVID-19 vaccination programs), which was uncovered in April 2023. The report by the investigatory panel even pointed out that governance was an issue. I know that every department has properly put in place a system and rules, but it seems that they may not have been followed in some areas in actual business practices.

Nagaoka So, when you pose the question of what should be done, I think that what Ms. Katayama said about consumer-oriented management pertains well here.

Katayama Yes. I would like to see every employee—and that certainly includes the executives—get back to basics and reconsider the true purpose of performing corporate activities. A company is part of society, and the most important thing we

can do is to provide services and products that can be trusted by citizens and consumers. That is my answer. Corporate activities that earn the trust of society must be carried out impeccably, or sustainability for the company will be out of reach.

Nagaoka That is right on target. The Kintetsu Group is an amalgam of corporate entities that have different business characteristics, different histories and origins, and disparate corporate cultures. Accordingly, a risk governance system must be built to cover the entire Group. It needs to establish a fixed point of reference from which to evaluate geopolitical risk or compliance and catalog each event or occurrence.

At the same time, the Kintetsu Group has an admirable management philosophy and corporate code of conduct that it has developed over several decades. A more systematic way of maintaining and passing on this framework is needed, based on a bottom-up approach to ensure that it reaches all employees.

Suzuki I have a point that relates to what you both talked about. Looking at the organizational structure of the Kintetsu Group, the type of business being done by each group company is apparent from the flow of funds, but the holding company will inevitably find it difficult to assess compliance in everyday business situations. This is one of the drawbacks of a pure holding company system. The only solution is to ensure that the management philosophy and code of conduct are fully ingrained at every level throughout the Group.

Katayama And they need to be incorporated into daily activities seamlessly so that following them becomes second nature throughout the organization.

Suzuki The question I would like to ask people in those everyday business situations is, “What do you want to achieve through your work?” Because earning the trust of customers and convincing them that this is a good company and that the company’s products and services are better than any competitors’ will build confidence. In the long run, employees will become more devoted to the company and the positive effects will extend even further to manufacturing and the offering of services, creating a virtuous cycle.

Nagaoka Sometimes, people see compliance in the wrong way. They think that it does not apply to their situation or they consider it a cost. That is simply wrong. Compliance is, in fact, the very foundation that supports the company. Unless this is recognized, trust that has been built up over many years can disappear in a flash.

Suzuki People think of compliance incorrectly likely because they aren't properly informed about why laws and norms exist, why such laws and norms need to be observed, what harm could come to the company if they are not observed, and what could happen to them personally in such a case. Such foundational concepts need to be instilled throughout the company. That's another reason why it is important to establish risk governance.

Katayama In previous employment, I had the chance to observe how business was being conducted at several other companies and to talk to people doing their jobs. I discovered that there was a tendency to cut corners. People figured that what they were doing was good enough, and this was a kind of shared mindset.

Suzuki Often, attitudes will depend on the industry or type of business, or even the era. When people say, "Everyone did it this way in the past, so it should be fine," that is also a kind of insular shared mindset.

Katayama As Mr. Suzuki said, people need to understand why those rules have been put in place. And that is because not following the rules can have serious consequences. To develop a correct understanding among employees working in everyday business situations, it is necessary to get people to ask questions and engage in discussion until they understand in their own words what it means to follow the rules.



What will it take to enhance corporate value?

— Both social and economic value

Suzuki When talking about enhancing corporate value, a common problem is the potential conflict of interest between a publicly listed parent company and its publicly listed subsidiary. The parent company will usually take care not to exert management influence over the subsidiary to avoid the suspicion of acting in its own interest to the detriment of minority shareholders of the subsidiary. As with the KNT case, when something happens at the subsidiary, the parent company finds itself in the very difficult position of being required to take the blame.

However, the reason why the stock price of Kintetsu's listed subsidiaries did not fall significantly even during the COVID-19 pandemic was that the minority shareholders of the subsidiaries had faith in the parent company that everything would be okay, even when faced with a dire situation. The Group's management did not betray such faith. In fact, that should be extolled and communicated to the public.

Nagaoka It is vital to make constant efforts to communicate the Group's aim to increase corporate value, which is also the purpose of the Integrated Report. Such efforts should be directed not only to employees of the Group but also to a wide range of stakeholders, which includes the minority shareholders of the subsidiaries.

Katayama That makes a lot of sense. Communicating the message that the Group and its constituent companies are striving to provide customer satisfaction from the perspective of consumers themselves will, without a doubt, lead to higher corporate value in the long run. The company's leaders should communicate directly with consumers to help them understand the company's true value and what it is striving toward, because once consumers have made the judgment that this is a good company, no matter what happens they will steadfastly support the company, confident that the company is striving for the good of society, and they will always maintain that stance.

Nagaoka The key to building corporate value consistently is to have a business strategy that focuses on both social value and economic value. The Kintetsu Group, whose business activities have been rooted in the community for well over a hundred years and is well trusted, and whose management philosophy is "To Support Daily Life, To Create More Value," does not have to be too concerned about losing that trust. The only question now is how to formulate concrete strategies to increase its value.

The Kintetsu Group has diversified business concerns in transportation, real estate, international logistics, distribution, hotels and leisure, and other areas. It is also involved with a wide variety of services and cultural programs. So, the key will be how well it can draw upon synergies and incorporate outside expertise to improve its value creation processes and put them into action.

Suzuki That is quite true. Sustainable management for the Kintetsu Group overlaps with the interests of the surrounding community with regard to sustainability, which can also give the Group a competitive edge. By establishing an understanding throughout the Group that the betterment of the region—from the standpoint of consumers, passengers, and local communities—leads to the advancement of the company, corporate value will improve quite naturally.

Nagaoka That's exactly right. People already understand railroads to be crucial infrastructure, which should allow the Kintetsu Group to improve its corporate value quite sustainably. Why not be confident in that position and share it with all employees? Don't you think that will create a fun and exciting atmosphere?

Katayama I do, and I agree with the approach to create excitement. Railways support livelihoods, businesses, and the leisure activities of local residents, and as a business its value is closely connected to people's lives. However, I don't think people have been made fully aware of that value. I myself have lived in Osaka for many years, but I never really understood Kintetsu's real value until I came to observe the Kintetsu Group from my current position. I had just taken Kintetsu's existence for granted and simply used it without much thought.

Suzuki For residents who live along its railway lines, Kintetsu is an established presence that people really do take for granted.

Katayama That may be true, but there are lots of things I learned for the first time, having the perspective of this position. The Kintetsu Group has a wonderful business that exhibits a special warmheartedness in many areas. I have also been impressed by its hidden reserves of strength in overcoming the crisis presented by the COVID-19 pandemic—mustering all of its wisdom to continue providing rail service.

I believe that more direct, genuine communication with consumers will better convey the value of the company to them. The ability to embrace a back-and-forth style of information exchange will make consumers feel that their voices are being heard and they will engage even more with the company, stimulating a mutual excitement on both sides.



Nagaoka One other key to sustainable management I would like to point out is having active personnel exchanges. That means actively rotating personnel—say, sending railway employees to international logistics, or real estate employees to hotels, and the like. This kind of revolving door approach to human resources can maximize synergies and elevate both employee quality and overall awareness in business situations.

Of course, this is already being done to some degree, but I feel that even more rotation is needed. Since railways are the core business of the Group, personnel exchanges can create an even more open culture, allowing synergies to develop naturally. I think that such rotations are an essential tool for improving the company's sustainability.

What is required to increase value in the areas along Kintetsu lines?

— Building an ecosystem together with residents and municipalities

Nagaoka The areas along Kintetsu lines are blessed with some of Japan's finest sites for cultural and historical tourism in addition to commercial and residential areas. To make the best use of these resources, it is vital to work with local governments. The Kintetsu Group engages in these collaborations, such as the promotion of Ise-Shima as a tourist destination.

Suzuki The Kintetsu railway network extends across a broad area, so to take advantage of this network, I believe it is important to consider all things related to areas along railway lines as part of one strategy. This broad-area network provides

access to a wide variety of regional resources along its lines, ranging from business and commercial districts to upscale residential areas and residential areas for young families to cultural assets and tourist attractions. These resources must be combined well to increase the value of the railway line areas in total, and the Kintetsu Group should consider building an ecosystem that covers everything in those areas needed for living, working, child rearing, education, leisure, and the like.

Katayama Communities everywhere in Japan today are facing serious challenges. Issues such as elderly care and childcare are becoming too difficult for the government to handle without help. I believe the Kintetsu Group can take on the role of overall coordinator, bringing in NPOs that work independently on various issues along with others to develop solutions that meet the particular needs of each area or community.

Nagaoka The Kintetsu Group runs a significant amount of vital infrastructure as a business, so it would seem quite feasible for the Group to work with local governments and residents along the railway lines to address important social issues that have arisen recently, including achieving carbon neutrality. The power to remedy social issues as a business relies on human resources and that is where the Kintetsu Group excels. It has fine employees with advanced skills. The question is whether their combined wisdom can be mobilized to execute a plan with energy and passion.

Katayama Many companies are working hard to address the SDGs in their business operations or as an extension of



those operations, even when the measures they take do not directly involve profit. Such efforts create a virtuous cycle that will earn the trust of consumers. Actions taken together with residents along Kintetsu's railway lines can also be effective in revitalizing those train lines. I suggest asking employees if they would be interested in working on these kinds of things.

Suzuki This also relates to the idea of building an ecosystem that I brought up earlier. Environmental measures need to be adapted to each locality, so it is important to listen to what local citizens have to say and take their needs into consideration. For example, in one area everyone might agree to create a green space and in another, a priority would be not disturbing the environment, or in yet another location, recycling would be the best idea.

What do you expect from top management?

— Getting the corporate philosophy more fully ingrained everywhere

Katayama The most outstanding characteristic of the Kintetsu Group is that it has been supplying services and infrastructure to support the lives of area residents like us for so many years. That is a great strength, and I believe that 100 or 200 years from now, as long as people are living in this area, the business operations run by the Kintetsu Group will continue to be indispensable.

That is why I would like top management to be passionate in appealing to employees to sustainably fulfill the Group's mission of providing social value while strengthening economic foundations. Above all, it is important for every employee to understand and be aware of this mission and to implement it, so the company's leaders must present the message as "Let's do this together" rather than "Please do it yourselves." It is vital to use this kind of inclusive language so that employees can relate to the message.

Nagaoka I agree. To add one more point about making an impassioned appeal, I would like to see a focus on building the value of the Kintetsu Group brand further. The word "Kintetsu" should have a special ring to it, representing to everyone in Japan a wonderful, trustworthy corporate group that stands for high quality.

Katayama Yes, and not only in Japan but globally, too.

Nagaoka That's right. In the summer of 2022, the Group added Kintetsu World Express (KWE), an international logistics

firm, so especially in Asia we need to strive to be the kind of corporate group about which people say, "Oh, that Kintetsu!" when they hear the name. With this in mind, top management should also focus on global business activities, so toward that end, the brand value must be further enhanced.

Suzuki As an international company, diversity will also become increasingly important.

Nagaoka No doubt about it. In the global arena, branding and building a network are important to success, along with the perspective of diversity. For example, at present, there are no non-Japanese people in top management in the Kintetsu Group, so the question will need to be raised going forward: "Why aren't there any?"

Earlier I talked about the revolving door concept of rotating people in different jobs. They can also be sent overseas and foreign nationals can be brought to Japan. By extending the practice of rotation internationally, diversity is sure to increase. Also, it wouldn't be a bad idea to have a foreign director in charge of the hotel business, for example, especially since the Kintetsu Group is partnering with overseas hotel groups.

Suzuki The phrase "To Support Daily Life, To Create More Value" embodies the management philosophy of the Kintetsu Group and reflects the Group's aim to contribute to regional development and the well-being of local communities through its business activities.

Since the Kintetsu Group consists of diverse types of operating companies, there will naturally be variation from one company to another in business environment, approach to governance, risk assessment, and other matters. To put the Group's management philosophy into practice given such differences will take a constant effort to communicate the Group's purpose (what it exists for), mission (what it does), and vision (what it aims to become).

At this time, when drastic changes are taking place in the external business environment, the Kintetsu Group has integrated the international logistics firm KWE, which has further brought sudden changes to the internal business structure that are still being implemented. To continue growing as a sustainable corporate group, there needs to be a process for the constant review of how the purpose, mission, and vision are being communicated, taking into consideration the Group's diverse range of operating companies and the rapidly changing business environment and internal business structure. By continuing to ensure that the Group's employees are aware of these things, a desirable community-based management style can be renewed on an ongoing basis.



Roundtable discussion held at ABENO HARUKAS in October 2023

Bolstering Our Governance and Risk Management



1 Corporate Governance

Our basic approach

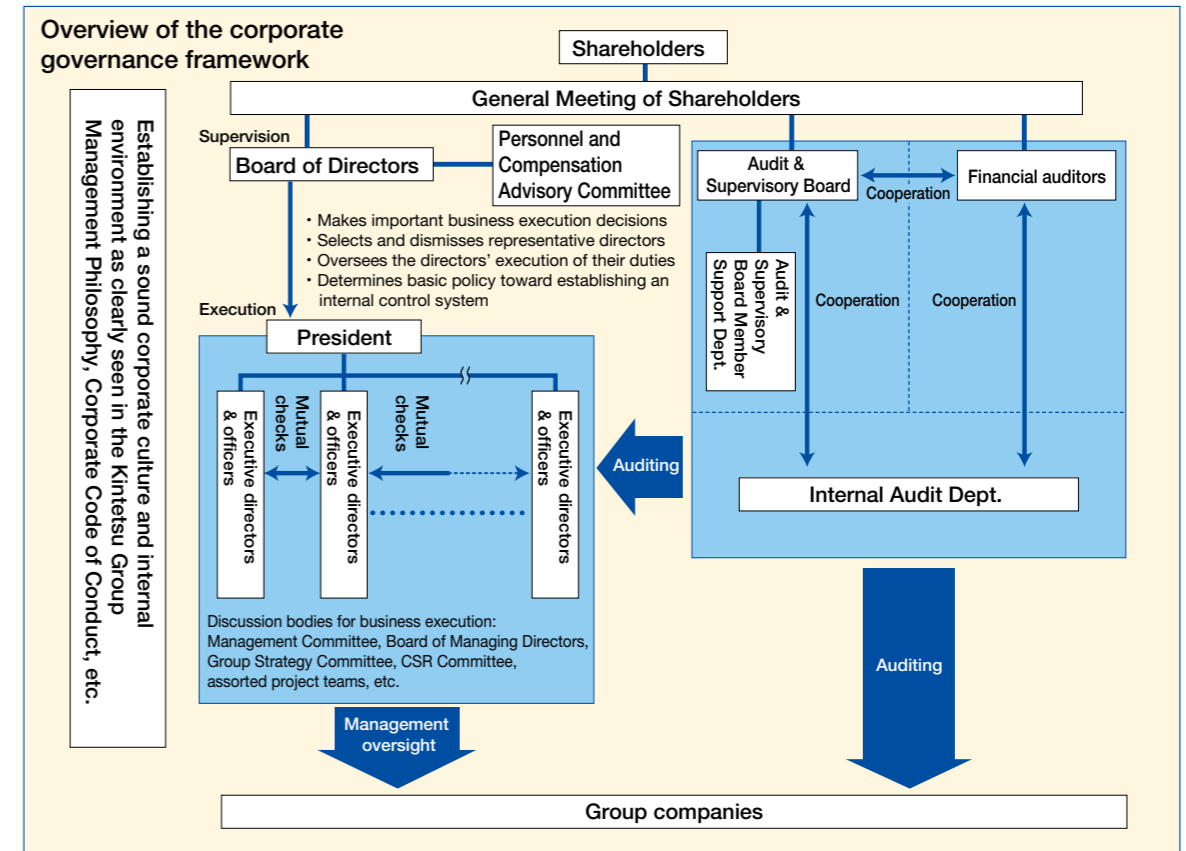
As summed up in our management philosophy—To Support Daily Life, To Create More Value—our goal is to support safety in people's lives and boldly take on the challenge of creating new value, through sincere corporate activities. We also aim to collaborate with a diverse range of people to make our society better. Through these activities, we hope to maintain and strengthen our relationships of trust with shareholders, customers, business partners, local communities, 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 2023)

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	FY2022 results	Target year	Target
Kintetsu Group Holdings	External director ratio	33.3%	33.3%	FY2023	Maintain one third or higher

■ Directors

Kintetsu Group Holdings has 12 directors, four 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. In fiscal 2022, the Board of Directors deliberated and decided on issues such as buying up shares in our companies (including making Kintetsu World Express a wholly-owned subsidiary) and investments by major group companies (examples include the construction of an outdoor experience complex in the Shima area). Attendance information for fiscal 2022 is detailed in the corporate officer skills matrix.

■ 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.

■ Appraising the effectiveness of the Board of Directors

In order to evaluate its own effectiveness, once a year the Board of Directors carries out self-assessments for all directors and auditors. The findings of these are analyzed and appraised, and an overview of the results for the most recent evaluation, in spring 2023, are as follows.

The Board of Directors was deemed to be functioning appropriately and given a positive evaluation overall. Meetings are held at a necessary and appropriate frequency, and the decision-making process for important matters or similar is appropriate. Also, the presidents of major group companies supply the board with detailed, specific reports, and Q&As and discussions are substantial.

One issue identified during the last effectiveness appraisal was that given the severe management environment with the COVID-19 pandemic and other factors, there was an increasing number of matters that necessitated very important decisions and so it would be beneficial for reference documents and explanations to take a deeper dive than previously into the backdrop to matters and studies where possible. This time, the board was deemed to have improved, with extensive documents and explanations focused on the key points, and advanced explanations about important matters were also deemed to be substantial.

On the other hand, there was some feedback that governance-related reports could be more extensive; that there could be more opportunities for debates on risk and compliance approaches and subjects such as future business outlook or medium- and long-term strategies; and that it could be beneficial to strengthen the Group's evaluation functions for total risks.

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

■ 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.

Attendance information for fiscal 2022 is detailed in the corporate officer skills matrix.

■ 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 2022, the committee met three times, with all members in attendance. In addition to discussing and investigating personnel affairs and compensation for directors, group officers, and officers, the committee also looked into the skills officers need as part of creating the skills matrix.

■ 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.

■ Corporate officer skills matrix

Position	Name	Management experience	Business experience	Marketing	IT/DX	Global business	Finance/Accounting	Legal affairs	Human resource development/Diversity	Attendance at the Board of Directors (FY2022)	Attendance at the Audit & Supervisory Board (FY2022)
Representative Director, Chairman of the Board	Tetsuya Kobayashi	○	○	○		○				10/10 (100%)	-
Representative Director, President	Takashi Tsuji	○	○						○	-	-
Director, Senior Managing Executive Officer	Takashi Wakai						○	○		10/10 (100%)	-
Director, Senior Managing Executive Officer	Shiro Hara	○	○		○				○	10/10 (100%)	-
Director, Managing Executive Officer	Nobu Hayashi		○	○					○	10/10 (100%)	-
Director, Managing Executive Officer	Akihiko Matsumoto							○	○	8/8 (100%)	-
Director, Managing Executive Officer	Hiroyuki Kasamatsu					○	○			-	-
Director	Akimasa Yoneda	○	○		○	○				-	-
External Director	Masanori Yanagi	○		○			○			9/10 (90%)	-
External Director	Toshiko Katayama			○				○	○	10/10 (100%)	-
External Director	Takashi Nagaoka	○		○			○			8/8 (100%)	-
External Director	Yuji Mikasa			○	○	○	○			-	-
Audit & Supervisory Board Member (full-time)	Hitoshi Tada							○	○	10/10 (100%)	11/11 (100%)
Audit & Supervisory Board Member (full-time)	Hajime Nishizaki		○	○						-	-
External Audit & Supervisory Board Member	Masahiro Maeda							○	○	10/10 (100%)	11/11 (100%)
External Audit & Supervisory Board Member	Kazumi Suzuki						○		○	10/10 (100%)	11/11 (100%)
External Audit & Supervisory Board Member	Michiko Inoue				○				○	9/10 (90%)	10/11 (91%)

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

* Information for Akihiko Matsumoto and Takashi Nagaoka only covers Board of Directors meetings held after their appointments on June 17, 2022.

* Information for Takashi Tsuji, Hiroyuki Kasamatsu, Akimasa Yoneda, Yuji Mikasa, and Hajime Nishizaki were appointed as directors and Audit & Supervisory Board members on June 27, 2023.

■ Remuneration for directors and Audit & Supervisory Board members

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.

Amount of remuneration (FY2022)

Corporate officer type	Total (million yen)	Reward breakdown (million yen)			Number of individuals
		Fixed pecuniary	Performance-linked	Remuneration in shares	
Directors	331	209	94	27	15
(of which, external directors)	(27)	(27)	(-)	(-)	(5)
Auditors	71	71	-	-	5
(of which, external auditors)	(19)	(19)	(-)	(-)	(3)

■ 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. are to develop comfortable, varied urban functions at major train terminals and locations along our lines. KNT-CT Holdings' 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.

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.

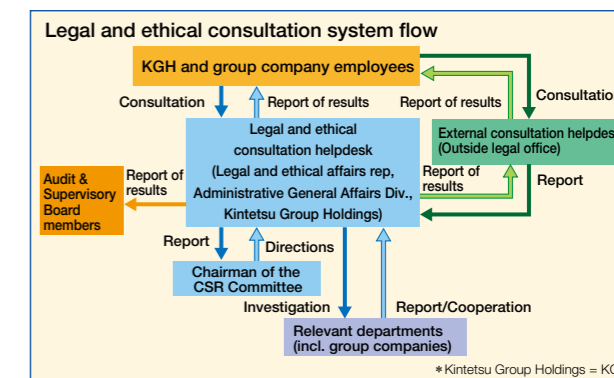
1. We will thoroughly comply with laws and regulations.
2. We will rigidly enforce information management.
3. We will prohibit insider trading.
4. We will respect human rights and prevent discrimination.
5. We will prohibit harassment.
6. We will outright refuse any relationship with anti-social forces 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.

■ 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 (via outsourcing to outside legal offices) 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. These helpdesks also act as hotlines for internal whistleblowing, based on the provisions of the Whistleblower Protection Act (there were 44 such reports in fiscal 2022).

Moreover, to ensure that the legal and ethical consultation system is easier to use, we have also established female-staffed helpdesks to deal with consultations from female employees.

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 2023)

■ Education and training

With the goal of raising awareness of compliance among all employees, from corporate officers on down, we continuously carry out educational and training activities through a variety of opportunities, including new-employee training.

Furthermore, to raise group-wide awareness, we provide training materials to group companies as a way of supporting their legal and ethical training. We also work to prevent scandals by holding on-site training at group companies through lectures

that consider their individual businesses and needs, and that include specific case studies.

In fiscal 2022, we provided training materials to 61 group companies twice and held on-site training at 20 group companies for a total of 4,000 people.



Employees receiving training

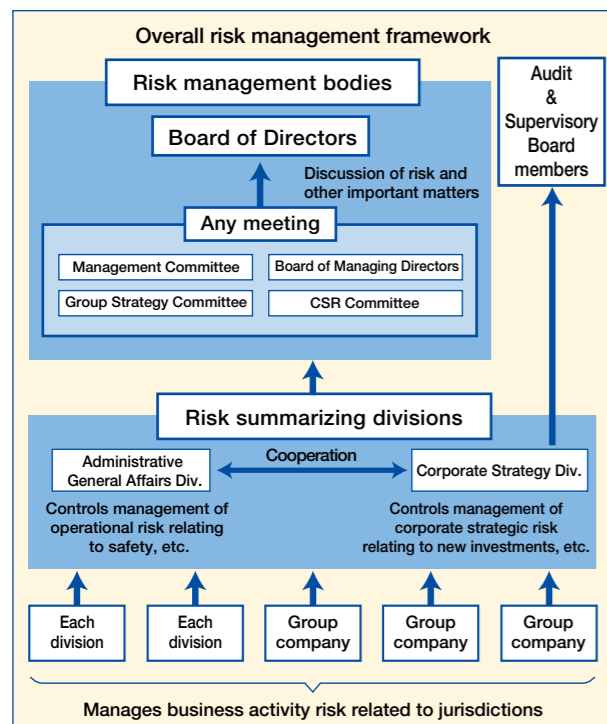
3 Risk Management

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 2023)

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 consolidated subsidiaries—detailed in the table below (as of June 2023). 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. More details can be found in our Annual Securities Report 2023.

1. Changes in the economy, personal consumer behavior, the international situation, etc.
2. Spread of infectious disease
3. Changes in the cost price of freight/transport
4. Shrinking population in the area, further motorization, competition with rivals
5. Large-scale disaster or incident
6. Exchange rate fluctuations
7. Climate change
8. Worker shortages/soaring pays
9. Legal/regulatory risks
10. Loss of trust due to product quality or food safety or labeling
11. Drop in land prices, etc.
12. Soaring prices of resources such as oil
13. Changes in interest rates for procuring funding
14. Changes in stock prices
15. Changes in lifestyles due to the evolution of digital information technologies
16. Information leaks, etc.
17. Corporate acquisitions, etc.

Enhancement of risk management

The risks we face are becoming increasingly diverse due to changes and growing complexity in the business environment and the making of Kintetsu World Express into a wholly-owned subsidiary. Considering also the areas where risks are emerging and other factors, the Kintetsu Group is enhancing its management of risk. With the main aims of preventing risks from emerging, or minimizing loss if they do emerge, we will put in place a risk management framework that spans the entire Group in spring 2024. Concrete steps toward this will include creating a risk management committee chaired by the president and establishing a PDCA cycle to manage risk.

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	FY2022 results	Target year	Target
Kintetsu Railway	Business Continuity Management (BCM) rating (Development Bank of Japan)	Highest rank	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 law and ethics, the environment, and occupational health and safety—with business partners, 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 and carries out periodic questionnaires to check conditions on the ground and promote improvements. In 2020, the Kintetsu World Express (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>

Kintetsu Group 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, as a Group, have compiled fundamental principles that should be complied with throughout the Group in the Kintetsu Group Basic Information Security Policy. Kintetsu Group Basic Information Security Policy
https://www.kintetsu-g-hd.co.jp/csr/structure/risk.html#STR-RISK_05

Highest BCM rating rank from the DBJ

In March 2023, we received the highest-rank Business Continuity Management (BCM) rating from the Development Bank of Japan (DBJ) for the eleventh 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, seven Kintetsu Group companies 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/upload/docs/en_vendor_code_of_conduct-2021nov.pdf

Corporate Officers (as of September 30, 2023)



Audit & Supervisory Board Member

Hitoshi Tada

Director, Managing Executive Officer

Hiroyuki Kasamatsu

Director, Managing Executive Officer

Nobu Hayashi

Director, Senior Managing Executive Officer

Takashi Wakai

Director, Senior Managing Executive Officer

Shiro Hara

Director, Managing Executive Officer

Akihiko Matsumoto

Director

Akimasa Yoneda

Audit & Supervisory Board Member

Hajime Nishizaki

External Audit & Supervisory Board Member

Michiko Inoue

External Audit & Supervisory Board Member

Masahiro Maeda

External Director

Takashi Nagaoka

External Director

Masanori Yanagi

Representative Director, Chairman of the Board

Tetsuya Kobayashi

Representative Director, President

Takashi Tsuji

External Director

Toshiko Katayama

External Director

Yuji Mikasa

External Audit & Supervisory Board Member

Kazumi Suzuki

Corporate Officer Profiles (as of September 30, 2023)

Directors

Ext External Corporate Officer Ind Independent Corporate Officer



Tetsuya Kobayashi

Chairman of the Board (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
Jun.2023 Chairman of the Board, the Company (present position)



Takashi Tsuji

President (Representative Director)

Apr.1982 Joined the Company
Jun.2015 Officer, Kintetsu Division Preparation Company (currently Kintetsu Railway Co., Ltd.)
Jun.2016 Managing Executive Officer of same
Jun.2019 President, Kintetsu Railway Co., Ltd.
Jun.2021 Officer, the Group
Jun.2023 Director, Kintetsu Railway Co., Ltd. (present position)
Jun.2023 President, 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, Senior Managing Executive Officer
Responsibilities: Business Strategy Div. and Public Relations & Advertising Div.

Apr.1984 Joined the Company
Jun.2019 Officer, the Company
Jun.2020 Director, Managing Executive Officer, the Company
Jun.2023 Director, Senior Managing Executive Officer, the Company (present position)



Nobu Hayashi

Director, Managing Executive Officer
Responsibilities: Secretarial Div. and Human Resources Div.

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. and Audit Div.

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



Hiroyuki Kasamatsu

Director, Managing Executive Officer
Responsibilities: Corporate Strategy Div.

Apr.1987 Joined the Company
Apr.2021 Senior Executive Officer, Kintetsu World Express, Inc.
Jun.2023 Director, Managing Executive Officer, the Company (present position)



Akimasa Yoneda

Director (part-time)

Apr.1982 Joined the Company
Jun.2016 Director, Managing Executive Officer, the Company
Jun.2019 President, KNT-CT Holdings Co., Ltd. (present position)
Jun.2023 Director, the Company (present position)



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.
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.



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. (present position)
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.



Yuji Mikasa

External Director Ext Ind

Jun.1986 Joined Nippon Life Insurance Company
Mar.2020 Director, Senior Managing Executive Officer of same
Mar.2022 Senior Executive Vice President of same (present position)
Jun.2023 External Director, the Company

Important positions concurrently held
Director, Aioi Nissay Dowa Insurance Co., Ltd.

Audit & Supervisory Board Members



Hitoshi Tada

Audit & Supervisory Board Member (full-time)

Apr.1982 Joined the Company
Jun.2020 Audit & Supervisory Board Member (full-time), the Company (present position)



Hajime Nishizaki

Audit & Supervisory Board Member (full-time)

Apr.1979 Joined the Company
Jun.2018 Director, Managing Executive Officer, Kintetsu Railway Co., Ltd.
Jun.2019 Director, Senior Managing Executive Officer of same
Jun.2021 Senior Executive Vice President of same
Jun.2023 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

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.)

Yasushi Hara (Representative Director and President, Kintetsu Railway Co., Ltd.)

Senior Officer

Hideo Fujii (Business Strategy Div.)

Officers

Hirokazu Kambayashi (Public Relations & Advertising Div. and Tokyo Office)

Jun Kobayashi (Business Strategy Div.)

Yasuyuki Iida (Business Strategy Div.)

Kenichi Etou (Corporate Strategy Div.)

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.

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.

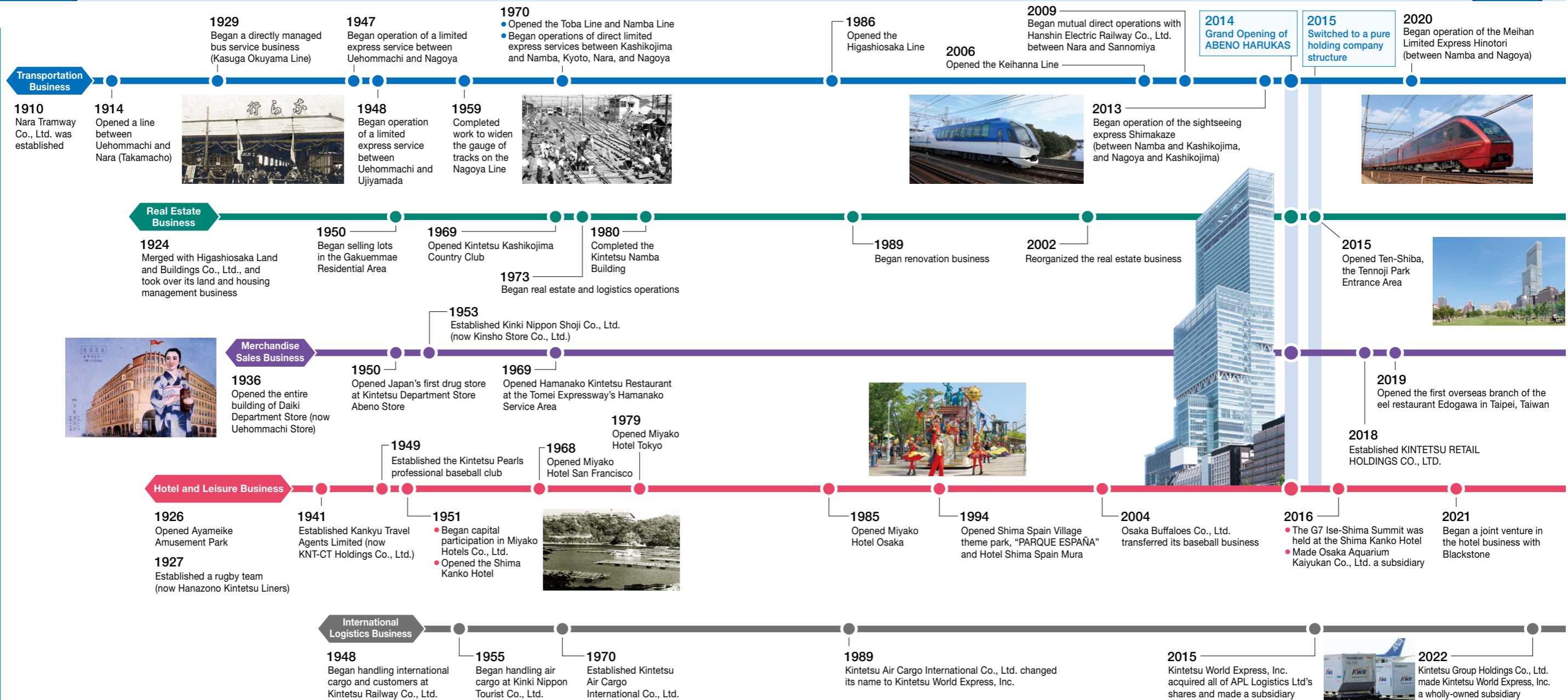
2020

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.

1910 Founding

Business diversification



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 * Kintetsu Group Holdings, Kintetsu Railway Co., Ltd. and other companies have volunteering leave systems in place.
Supporting recovery after disasters	Donations and other contributions, fund-raising activities, campaigns to recover travel demand



High-schooler department store



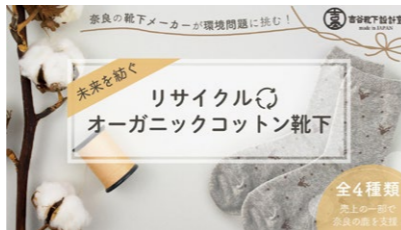
Harukas School Fair

■ Example activities

Yell Rail, a crowdfunding source to energize the Kintetsu operational area

Ad Kintetsu operates a purchase-based crowdfunding site called Yell Rail, inspired by the idea of supporting the Kintetsu operational area. The service offers help for those planning to use crowdfunding to tackle the issues that people in the area face, aids in the designing of plans for thank-you gifts, and supports the launch of project websites.

Examples so far have included the Motto Zutto Shikagami project, which aims to help protect the deer and natural environment of Nara Park, and the Recycled Organic Cotton Socks project, which recycles scraps of fabric from T-shirts to make socks. In this way, the service is supporting a variety of projects linked to resolving social issues, revitalizing local industries, or protecting cultural assets.



School club activities support

Kinki Nippon Tourist (KNT) has been providing multifaceted school club activity support since fiscal 2023. Like the PTA duties contracting it has been carrying out since fiscal 2022, this is an initiative to support schools, and with the continuing crisis presented by Japan's low birthrates, one potential cause is the very long working hours that teachers face, so this support hopes to help address multiple issues associated with school club activities. KNT is contributing to the continuation of school club activities in areas away from the major cities in particular, such as through introducing online club activities whereby students at schools in places like remote islands can received expert instruction, or by taking over administrative duties for the running of school club activities on behalf of schools.



Support to improve orphanages

KWE India has been participating in efforts by an NGO to put in place orphanages and better teaching environments for orphans since fiscal 2021. Over the past two years, the NGO has donated biogas plants to 15 orphanages in the city of Chennai. Biogas can be used as a substitute for LPG when cooking, and as well as having excellent heat efficiency, the fuel can help to reduce the use of fossil fuels. The waste product can also be used as an organic fertilizer. In June 2023, KWE India also started participating in similar activities in the Gurugram area.



■ 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.

In fiscal 2022, they took part in more than 70 initiatives in collaboration with Osaka Prefecture and the city of Higashiosaka, including school lessons, chances to try rugby, and agricultural experience programs for adults.



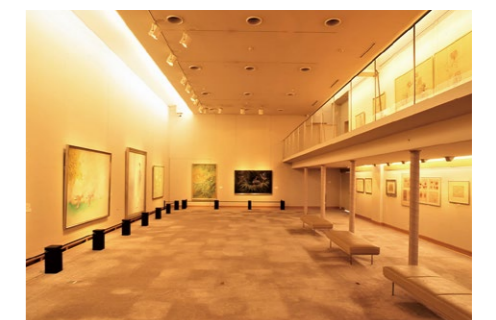
■ Promotion of art and culture

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 Association	The associations hold on-site lectures at archaeological sites or historic shrines and temples, as well as public lectures.
Shinkabukiza	This theater inside the Uehommachi YUFURA complex (directly connected to Osaka-Uehommachi Station) puts on concerts, musical, stage performances, and more.



The Museum Yamato Bunkakan



Shouhaku Art Museum



ABENO HARUKAS Art Museum

Financial Data

1. Summary of business results

Millions of yen

	FY2018	FY2019	FY2020	FY2021	FY2022
Operating results					
Operating revenue	1,236,905	1,194,244	697,203	691,512	1,561,002
Operating profit (loss)	67,779	49,380	(62,115)	3,864	67,144
Ordinary profit (loss)	67,129	47,224	(41,959)	30,658	74,612
Profit (loss) attributable to owners of parent	35,962	20,561	(60,187)	42,755	88,779
Depreciation (excluding depreciation of right-of-use assets)	52,196	53,924	54,779	51,269	56,008
Capital expenditures	78,229	68,907	55,207	26,547	38,274
EBITDA ^(#1,#2)	119,975	103,304	(7,336)	55,142	125,597
Cash flows					
Cash flows from operating activities	102,319	58,266	(25,470)	57,548	133,992
Cash flows from investing activities	(64,148)	(57,440)	(46,013)	44,264	(41,855)
Cash flows from financing activities	(38,905)	(12,952)	107,897	(102,918)	44,817
Cash and cash equivalents at end of period	52,089	39,787	76,321	75,765	208,188
Financial position					
Total assets	1,936,417	1,891,300	1,955,048	1,895,770	2,424,755
Equity	382,266	376,978	320,595	378,621	441,851
Retained earnings	102,039	110,288	40,829	80,555	161,795
Interest-bearing debt	1,055,904	1,058,274	1,182,219	1,060,088	–
Borrowings	736,264	713,774	792,571	707,144	849,132
Bonds payable	319,640	340,500	344,648	312,944	385,191
Commercial papers	–	4,000	45,000	40,000	45,000
Net interest-bearing debt ^(#3)	1,023,125	1,042,770	1,141,339	1,015,598	1,095,387
Lease obligations (excluding lease obligations related to right-of-use assets)	–	–	–	–	33,151
Financial indicators					
Operating profit to revenue from operations (%)	5.5	4.1	(8.9)	0.6	4.3
Ordinary profit to total assets (%)	3.5	2.5	(2.2)	1.6	3.5
Profit to equity (%)	9.6	5.4	(17.3)	12.2	21.6
Equity ratio (%)	19.7	19.9	16.4	20.0	18.2
Ratio of interest-bearing debt to EBITDA (times)	8.8	10.2	–	19.2	–
Ratio of net interest-bearing debt to EBITDA (times) ^(#4)	8.5	10.0	–	18.4	8.7
Per share information (yen)					
Earnings per share (yen)	189.17	108.16	(316.62)	224.81	466.81
Net assets per share (yen)	2,010.87	1,983.12	1,686.55	1,990.85	2,323.34
Dividends per share (yen)	50.00	50.00	0.00	25.00	50.00
Other					
Issued shares (thousands of shares)	190,662	190,662	190,662	190,662	190,662
Consolidated subsidiaries (companies)	82	81	80	71	197

*1 EBITDA = Operating profit + Depreciation and amortization of goodwill (excluding depreciation of right-of-use assets)
 *2 Starting from FY2021, EBITDA retroactively includes amortization of goodwill.
 *3 Net interest-bearing debt = Interest-bearing debt (excluding lease obligations related to right-of-use assets) - Cash and deposits
 *4 FY2020 result is a negative number, therefore it is represented as "–".
 *5 "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) has been applied for FY2021 and thereafter.

2. Consolidated financial statements

Millions of yen

Consolidated balance sheets	FY2018	FY2019	FY2020	FY2021	FY2022
Assets					
Current assets	289,716	257,302	331,123	331,569	702,048
Non-current assets	1,643,828	1,631,014	1,621,243	1,561,947	1,720,508
Property, plant and equipment	1,407,403	1,404,868	1,358,710	1,289,093	1,364,404
Intangible assets	15,755	17,227	14,963	13,958	169,917
Investments and other assets	220,669	208,918	247,568	258,895	186,186
Deferred assets	2,873	2,983	2,681	2,252	2,199
Total assets	1,936,417	1,891,300	1,955,048	1,895,770	2,424,755
Liabilities					
Current liabilities	576,515	516,707	585,804	504,045	779,761
Non-current liabilities	946,851	969,296	1,030,748	969,964	1,144,732
Total liabilities	1,523,367	1,486,004	1,616,553	1,474,009	1,924,493
Net assets					
Shareholders' equity	289,027	297,241	227,766	267,809	342,006
Share capital	126,476	126,476	126,476	126,476	126,476
Capital surplus	61,865	61,877	61,884	61,927	54,898
Retained earnings	102,039	110,288	40,829	80,555	161,795
Treasury shares	(1,353)	(1,401)	(1,424)	(1,150)	(1,164)
Accumulated other comprehensive income	93,238	79,737	92,829	110,812	99,845
Non-controlling interests	30,784	28,317	17,899	43,139	58,410
Total net assets	413,050	405,295	338,494	421,760	500,262
Total liabilities and net assets	1,936,417	1,891,300	1,955,048	1,895,770	2,424,755

Millions of yen

Consolidated statements of income (Summary)	FY2018	FY2019	FY2020	FY2021	FY2022
Operating revenue	1,236,905	1,194,244	697,203	691,512	1,561,002
Operating expenses	1,169,125	1,144,864	759,318	687,647	1,493,857
Operating profit (loss)	67,779	49,380	(62,115)	3,864	67,144
Non-operating profit (loss)					
Non-operating income	11,533	9,065	31,374	36,945	19,966
Interest and dividend income	1,186	1,125	833	1,174	1,962
Share of profit of entities accounted for using equity method	7,140	4,848	11,722	21,851	8,710
Non-operating expenses	12,183	11,220	11,218	10,152	12,498
Interest expense	8,611	7,992	7,864	7,386	8,837
Ordinary profit (loss)	67,129	47,224	(41,959)	30,658	74,612
Extraordinary income	9,061	6,962	7,055	40,952	53,374
Extraordinary losses	20,669	18,112	48,601	19,472	21,102
Profit (loss) before income taxes	55,521	36,075	(83,505)	52,138	106,884
Income taxes—current	16,542	11,438	1,510	6,528	13,057
Income taxes—deferred	(7)	5,664	(14,459)	2,605	2,307
Profit (loss)	38,986	18,971	(70,556)	43,003	91,519
Profit (loss) attributable to non-controlling interests	3,024	(1,589)	(10,368)	247	2,740
Profit (loss) attributable to owners of parent	35,962	20,561	(60,187)	42,755	88,779

Note: "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) has been applied for FYE March 2022 and thereafter.

Financial Data

3. Segment information

Millions of yen

	FY2018	FY2019	FY2020	FY2021	FY2022
Operating revenue	1,236,905	1,194,244	697,203	691,512	1,561,002
Transportation	226,754	221,711	150,218	158,907	191,736
Railways	156,444	152,724	99,234	107,006	128,564
Bus services	34,636	33,721	22,605	25,065	30,087
Taxi services	11,537	11,089	7,520	7,854	9,264
Maintenance of railway facilities	28,347	26,710	22,640	17,110	22,508
Other transportation-related business	21,426	22,226	14,975	13,910	19,126
Real estate	164,245	161,248	142,965	184,984	163,831
Real estate sales	77,725	75,597	60,134	70,697	82,494
Real estate leasing	47,374	47,713	47,404	79,345	43,200
Real estate management	43,408	43,583	40,299	39,414	42,038
International logistics	-	-	-	-	710,855
Japan	-	-	-	-	205,213
Americas	-	-	-	-	99,485
Europe, Middle East, and Africa	-	-	-	-	56,172
East Asia	-	-	-	-	149,338
Southeast Asia and Oceania	-	-	-	-	110,037
APLL	-	-	-	-	127,217
Other logistics businesses	-	-	-	-	4,316
Merchandise sales	393,670	392,796	313,110	188,246	202,738
Department stores	282,220	283,047	218,149	97,534	108,009
Stores and restaurants	112,647	111,039	95,673	90,712	94,728
Hotel and Leisure	481,818	449,276	114,177	166,681	292,638
Hotels	57,389	51,559	20,698	20,216	30,348
Travel agency	411,821	385,362	87,889	139,957	252,152
Cinema	3,618	3,882	2,857	3,001	3,344
Aquarium	9,175	8,626	2,732	3,506	6,792
Other	18,174	19,110	18,665	26,884	35,545

Note 1: "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) has been applied for FYE March 2022 and thereafter.
 Note 2: International logistics segment has been added to the reportable segments from FYE March 2023.

Millions of yen

	FY2018	FY2019	FY2020	FY2021	FY2022
Operating profit (loss)	67,779	49,380	(62,115)	3,864	67,144
Transportation	32,943	27,686	(24,670)	(2,721)	13,069
Real estate	18,698	17,919	14,833	29,346	16,024
International logistics	-	-	-	-	23,317
Merchandise sales	7,783	5,152	(4,668)	(1,513)	2,704
Hotel and Leisure	6,185	(3,693)	(49,242)	(21,685)	9,152
Other	1,491	1,581	1,453	1,708	3,460
Operating profit to revenue from operations (%)	5.5	4.1	(8.9)	0.6	4.3
Transportation	14.5	12.5	(16.4)	(1.7)	6.8
Real estate	11.4	11.1	10.4	15.9	9.8
International logistics	-	-	-	-	3.3
Merchandise sales	2.0	1.3	(1.5)	(0.8)	1.3
Hotel and Leisure	1.3	(0.8)	(43.1)	(13.0)	3.1
Other	8.2	8.3	7.8	6.4	9.7
Total assets	1,936,417	1,891,300	1,955,048	1,895,770	2,424,755
Transportation	952,451	940,259	953,538	934,611	934,163
Real estate	594,594	596,264	605,520	547,866	546,088
International logistics	-	-	-	-	615,909
Merchandise sales	160,445	160,826	152,576	145,997	145,388
Hotel and Leisure	198,233	146,158	115,938	141,276	182,664
Other	25,180	25,553	24,921	48,681	52,638
Depreciation (excluding depreciation of right-of-use assets)	52,196	53,924	54,779	51,269	56,008
Transportation	27,185	27,741	28,420	27,844	26,436
Real estate	11,558	12,146	12,550	11,560	10,020
International logistics	-	-	-	-	8,297
Merchandise sales	7,049	7,606	7,536	7,550	7,417
Hotel and Leisure	4,392	4,478	4,337	4,361	1,798
Other	1,728	1,630	1,688	1,717	1,789
Capital expenditures	78,229	68,907	55,207	26,547	38,274
Transportation	27,970	28,915	30,469	12,606	20,109
Real estate	34,927	19,912	13,949	5,215	4,188
International logistics	-	-	-	-	5,894
Merchandise sales	7,739	9,699	4,736	5,455	4,058
Hotel and Leisure	6,004	8,792	3,876	2,271	2,001
Other	1,254	1,230	2,049	1,117	2,121

Kintetsu Group Companies

(as of September 30, 2023)

● : Consolidated subsidiaries: 197
 ○ : Unconsolidated subsidiaries: 41
 ▲ : Equity-method affiliates: 11
 △ : Non-equity-method affiliates: 7

Kintetsu Group companies total: 257 (incl. Kintetsu Group Holdings)

Transportation [48]

Railways (5)

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

Bus services (16)

- Kintetsu Bus Holdings Co., Ltd.
- Kintetsu Bus Co., Ltd.
- Nara Kotsu Bus Lines Co., Ltd.
- Nako Service Co., Ltd.
- NARA CONVENIENT BUS LINES Co., Ltd.
- Nako Car Maintenance Co., Ltd.
- Nara Kanko Bus Co., Ltd.
- Meiko Bus Co., Ltd.
- KITANIPPON KANKO BUS Co., Ltd.
- KITANIPPON KANKO RYOKOU Co., Ltd.
- Bocho Bus Company Limited
- Bocho Kanko Bus Co., Ltd.
- Bocho Travel Co., Ltd.
- Hagi Kanko Hotel Co., Ltd.
- Kyowa Automobiles Co., Ltd.
- Other ▲1 company

Taxi services (15)

- Kintetsu Taxi Holdings Co., Ltd.
- Kintetsu Taxi Co., Ltd.
- Mie Kintetsu Taxi Co., Ltd.
- Kameyama Kotsu Co., Ltd.
- Nagoya Kintetsu Taxi Co., Ltd.
- Kintetsu Toubi Taxi Co., Ltd.
- Gifu Kintetsu Taxi Co., Ltd.
- Ishikawa Kintetsu Taxi Co., Ltd.
- EHIME KINTETSU TAXI Inc.
- Hokko Daiwa 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 (1)

- NARA POST TRANSPORT Co., Ltd.

Transportation advertising (1)

- AD KINTETSU CO., LTD.

Maintenance of railway facilities (5)

- 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.

Marine transportation (1)

- Kokudo Kyushi Ferry Co., Ltd.

Rent-a-car service (1)

- Kintetsu Rent-A Lease Co., Ltd.

Ropeway (1)

- Beppu Ropeway Co., Ltd.

Other (3)

- Kintetsu Railway Co., Ltd. (Overlap with railroads)
- Kongou Katsuragi Tourism Development Co., Ltd.
- Kintetsu Ikoma Leisure Co., Ltd.

Real estate [13]

Real estate sales (3)

- Kintetsu Real Estate Co., Ltd. (Overlap with real estate leasing)
- Kintetsu Landscape Design & Engineering Co., Ltd.
- ▲ Mie Kotsu Group Holdings, Inc.

Real estate leasing (6)

- Kintetsu Real Estate Co., Ltd. (Overlap with real estate sales)
- Kintetsu Golf & Resort Inc.
- KINTETSU SMILE LIFE INC.
- △ Nara Kanko Tochi Corporation
- Other ○1 company ▲1 company

Real estate management (5)

- Kintetsu Facilities Co., Ltd.
- MiDI Corporation
- KINTETSU-COMMUNITY CO., LTD.
- Other △2 companies

International logistics [134]

International logistics (134)

- Kintetsu World Express, Inc.
- KINTETSU LOGISTICS SYSTEMS, INC.
- Kintetsu Cosmos, Inc.
- Kintetsu World Express Sales, Inc.
- Kintetsu Trading Service Co., Ltd.
- APL Logistics Ltd
- Other ●121 companies ○1 company ▲6 companies

Merchandise sales [13]

Department stores (7)

- Kintetsu Department Store Co., Ltd.
- Kinki Transportation Service Co., Ltd.
- Japan Foods Create Co., Ltd.
- Kintetsu Tomonokai Co., Ltd.
- Stern Kintetsu Co., Ltd.
- KINSO Co., Ltd.
- K-SUPPORT Co., Ltd.

Stores and restaurants (6)

- KINTETSU RETAIL HOLDINGS CO., LTD.
- Kintetsu Retailing Co., Ltd.
- Kinsho Store Co., Ltd.
- Kintetsu Restaurant International Co., Ltd.
- Mie-KK Road & Highway Service Area Co., Ltd.
- Other ○1 company

Hotel and Leisure [36]

Hotels (5)

- Kintetsu Miyako Hotels International, Inc.
- HAKONE KOGEN HOTEL Co., Ltd.
- OKUNIKKO KOGEN HOTEL Co., Ltd.
- Kintetsu Enterprises Company of America
- Other ▲1 company

Travel agency (23)

- KNT-CT Holdings Co., Ltd.
- Club Tourism International Inc.
- Club Tourism Life Care Service Co., Ltd.
- Club Tourism Space Tours Inc.
- Kinki Nippon Tourist Co., Ltd.
- Kinki Nippon Tourist Blue Planet Co., Ltd.

- United Tours Co., Ltd.
- Kinki Nippon Tourist Shoji Co., Ltd.
- SANKI Travel Service Co., Ltd.
- Tourist International Assistance Service, Inc.
- Tourist Experts Inc.
- Kinki Nippon Tourist Okinawa, Inc.
- KBC Co., Ltd.
- Event & Convention House, Inc.
- KINTETSU INTERNATIONAL EXPRESS (U.S.A), INC.
- KNT-CT IT Solutions Co., Ltd.
- Cosmopolitan Creative Lab Co., Ltd.
- Other ●5 companies ▲1 company

Cinema (1)

- Kin-Ei Corp.

Aquarium (1)

- Osaka Aquarium Kaiyukan Co., Ltd.

Travel facilities (4)

- Kintetsu Leisure Create Co., Ltd.
- KASHIKOJIMA HOJOEN Co., Ltd.
- Shima Spain Village Co., Ltd.
- Shima Marine Leisure Co., Ltd.

Other (2)

- Asuka Golf Co., Ltd.
- Shin Wakakusayama Motorway Co., Ltd.

Other [12]

Rolling stock manufacturing (1)

- ▲ The Kinki Sharyo Co., Ltd.

Industrial metal product manufacturing (1)

- SAKAE CO., LTD.

Cable televisions (5)

- 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 (1)

- Kintetsu Information System Co., Ltd.

Insurance agency (1)

- Kintetsu Insurance Service Co., Ltd.

Construction (1)

- ▲ DAI NIPPON CONSTRUCTION CO., LTD.

Food hygiene (1)

- KURASHI KAGAKU LABORATORY CO., LTD.

Other (1)

- Kintetsu Venture Partners, Inc.

*Arranged by accounting segment.

Company Overview and Stock Information (as of March 31, 2023)

Company overview

Trading name	Kintetsu Group Holdings Co., Ltd.
Established	June 1, 1944 <small>*The predecessor Nara Tramway Co., Ltd. was established on September 16, 1910.</small>
Head office address	6-1-55 Uehommachi, Tennoji-ku, Osaka 543-8585, Japan
Capital	¥126.476 billion
Number of employees	269
Stock exchange listing	Tokyo Stock Exchange (Prime Market)
Accounting auditor	KPMG AZSA LLC

Major shareholders

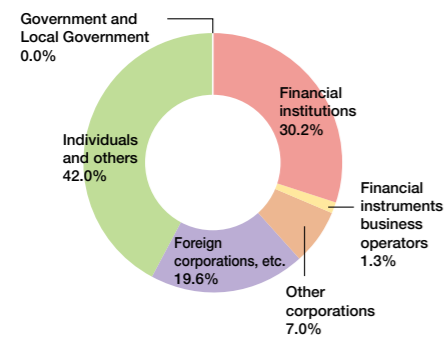
Name	Number of shares held (thousand shares)	Composition ratios to total number of shares (excluding treasury shares)
The Master Trust Bank of Japan, Ltd. (Trust Account)	26,442	13.9
Custody Bank of Japan, Ltd. (Trust Account)	8,013	4.2
Nippon Life Insurance Company	4,198	2.2
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing Proxy: Mizuho Bank, Ltd.)	4,032	2.1
JP MORGAN CHASE BANK 385781 (Standing Proxy: Mizuho Bank, Ltd.)	2,410	1.3
MUFG Bank, Ltd.	2,250	1.2
STATE STREET BANK AND TRUST COMPANY 505103 (Standing Proxy: Mizuho Bank, Ltd.)	1,672	0.9
SSBTC CLIENT OMNIBUS ACCOUNT (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	1,667	0.9
Meiji Yasuda Life Insurance Company	1,629	0.9
Mitsubishi UFJ Trust and Banking Corporation	1,500	0.8

*Figures are rounded down to the nearest whole thousand.

Stock / shareholder status

Type of stock issued	Common stock
Authorized shares	500,000,000
Issued shares	190,662,061
Number of shareholders	211,434

Share distribution by shareholder type



*Percentage calculations exclude shareholders holding less than one share.

Adoption in ESG indexes (as of June 30, 2023)

- FTSE Blossom Japan Sector Relative Index
- S&P/JPX Carbon Efficient Index
- MSCI Japan Empowering Women Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index

Stock price and trading volume

