

KINTETSU
GROUP HOLDINGS

Kintetsu Group Integrated Report 2024



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.

Message from the Chairman



Based on our management philosophy—to support daily life, to create more value—the Kintetsu Group collaborates with communities and diverse stakeholders to co-create prosperity in a society that will last for generations, enhancing corporate value along the way.

After surviving the three-year-long COVID-19 pandemic, Japan's domestic economy is now on a steady path of recovery, but the business environment is changing significantly, with rising prices and interest rates, a worsening labor shortage, and increasing geopolitical risks abroad. Natural disasters are becoming more severe, with heightened risks of wind and flood damage, plus the ever-growing probability of a major earthquake. Under these circumstances, there is strong pressure on corporate enterprises to pursue sustainable management practices that protect the environment and ensure sustainability in social and economic development.

The history of Kintetsu dates back to 1910 with the founding of a railway line between Osaka-Uehommachi and Nara. The company has overcome countless hurdles in more than 110 years in business, expanding into a corporate group that today comprises approximately 250 companies and 44,000 employees worldwide.

To respond properly in these rapidly changing times and earn a trusted position in society for the next 100 years, we must identify the future ideal we want to achieve as a group, together with our group companies, and work continuously to enhance corporate value to realize our goals. I believe it is essential to pursue a growth strategy in each of our business domains, which would be served well by enhanced collaboration across the diverse businesses of the Kintetsu Group to generate synergies. It is also crucial that we continue to help create a more prosperous society by actively working with local communities and external partners, developing new services, and generating added value. To achieve our future ideals, we are especially committed to building human capital as a group overall. Attracting, developing, and keeping talented workers is the foundation of corporate management, so we will work to provide an environment that allows our employees to demonstrate their full capabilities, which includes personnel exchanges.

We are dedicated to developing society into a sustainable and prosperous undertaking and seek the support and understanding of our stakeholders in this endeavor.

Takashi Tsuji
Representative Director and
Chairman of the Board

Editorial Policy for Kintetsu Group Integrated Report 2024

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.

2024 Highlights

	Contents
Messages from Top Management	Message from the President on the medium-term management plan, issues, and initiatives Roundtable discussion with the President and two external directors on the Kintetsu Group’s leap forward
Our Value Creation Story	Value creation process, business overview, promotion frameworks, KPIs
Our Value Creation Strategy	Management strategy, human resources strategy, explanation by the DX director, medium-term management plan and forward
Major Company Strategies	Messages from the presidents of major group companies, future ideal and measures for the future
Initiatives for Materiality	Measures regarding communities, lifestyle, tourism, environment, human resources, and safety
Corporate Governance	Explanation by the director in charge, risk management committee

Period covered Figures: April 1, 2023 to March 31, 2024
Initiatives: April 2023 to September 2024

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.

Contents

- 1 Kintetsu Group Management Philosophy
Kintetsu Group Sustainability Policy
- 2 Message from the Chairman
- 3 Editorial Policy

PART 1 Messages from Top Management

- 5 Message from the President
- 9 Roundtable Discussion with the President and External Directors

PART 2 Our Value Creation Story

- 13 Value Creation Process
- 15 Business Overview
- 17 Business Area
- 23 Business Data
- 25 Kintetsu Group Sustainability Policy & Materiality (Priority Issues)

PART 3 Our Value Creation Strategy

- 31 Management Strategy
- 35 Kintetsu Group Medium-Term Management Plan 2024 Progress
- 37 Initiatives for the Next Medium-Term Management Plan
- 39 Human Resources Strategy
- 41 Strategies for the Digital Transformation
- 43 Financial / Non-Financial Highlights

Major Company Strategies

- 45 Kintetsu Railway Co., Ltd.
- 47 Kintetsu Real Estate Co., Ltd.
- 49 Kintetsu World Express, Inc.
- 51 Kintetsu Department Store Co., Ltd.
- 53 KINTETSU RETAIL HOLDINGS CO., LTD.
- 55 Kintetsu Miyako Hotels International, Inc.
- 57 KNT-CT Holdings Co., Ltd.
- 59 Kintetsu Leisure Create Co., Ltd.



PART 4 Initiatives for Materiality

Value Creation

- 61 Energizing Communities by Enhancing the Network
- 63 Creating a Lifestyle That Anticipates Changes in Values
- 65 Enriching People and Communities with Travel
- 67 Contributing to the Realization of a Decarbonized and Recycling-Oriented Society

Business Foundations

- 84 Fostering Diverse Human Resources and Supporting Their Activities
- 97 Ensuring Safety and Pursuing Peace of Mind



ESG environmental data



ESG personnel-related data

PART 5 Corporate Governance

- 101 Governance Strategy
- 103 Bolstering Our Governance and Risk Management
- 114 Kintetsu Group Companies
- 115 Corporate Officers

PART 6 Corporate Information

- 119 The History of the Kintetsu Group
- 121 Social Contribution Activities
- 123 Financial Data
- 126 Company Overview and Stock Information

Message from the President



Takashi Wakai

Representative Director and
President

Aiming to maximize results throughout the Group with
the trust of society as a cornerstone for growth

The values we hold dear

I am Takashi Wakai and I was appointed as Representative Director and President of Kintetsu Group Holdings in June 2024.

Since then, I have sensed during my dialogue with a diverse range of stakeholders from inside and outside the Group the extent of the trust and expectations they have for us.

For more than a century, the Kintetsu Group has developed a variety of businesses that support people's everyday lives, particularly our railway business. Over the long history of our business, we have earned the trust of society. Reliably inheriting that trust and sincerely building up our business activities are the values in which the Kintetsu Group must place the most importance.

At the same time, in order to continue responding to people's expectations for the Kintetsu Group in the context of significant changes to societal and business environments, we

will enhance the quality of our existing business services and take on the challenges involved in changes in the external environment to create new businesses, rather than simply creating an extension of our existing business. We will thereby achieve sustainable growth for the Kintetsu Group and contribute to society as a public institution. With a view to this sustainable growth, while protecting what must be protected, such as safety and trust, it is essential that we boldly instigate transformation where it is needed and have the courage to set forth on new paths. Those seen today as traditions were revolutionary when they initially came about, and innovation is always necessary for traditions to survive. As such, we will take on the challenge of overcoming the status quo with the strong conviction that we are sure to succeed in the end, even if we make mistakes along the way.

Reflecting on the Kintetsu Group Medium-Term Management Plan 2024

The year 2024 marks the 10th year since we divided our railway, real estate, hotel, merchandise sales and other businesses into separate companies in April 2015 and transitioned to a pure holding company structure from a corporate group with the railway company as its parent company.

Furthermore, 2024 is the final year of the Kintetsu Group Medium-Term Management Plan 2024 (the current plan), which was formulated and published during the COVID-19 pandemic in May 2021. This plan formulated our basic policy of reforming management to support the post-pandemic recovery and drive the shift toward new business development and growth.

We have implemented a variety of initiatives under the plan, which proposes 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.

With changes to the environment never before experienced by the Group, such as a drastic reduction in the movement of people during the pandemic, aspects of these priority measures that we have implemented include radically reviewing costs to improve our break-even point and enhance profitability in each business, cooperating with external partners who are not restricted by conventional frameworks—for example, entering into a joint venture with the Blackstone Group in the hotel business—reforming our business portfolio through Kintetsu World Express (KWE) becoming a wholly owned subsidiary, and promoting and assisting in structural reform at our travel business (KNT-CT).

Thanks to these initiatives, we accomplished all four of the key management indicators that were targets during the plan (operating profit of at least 86 billion yen, interest-bearing debt of 1.07 trillion yen, a net interest-bearing-debt-to-EBITDA ratio of around seven, and an equity ratio of at least 21%) a year ahead of schedule in fiscal 2023.

As part of implementing community development that aims to resolve regional issues, we are strengthening cooperation with local governments alongside our railway lines including Nara Prefecture, and also focusing on the revitalization of the Ise-Shima area. In July 2023, we established Kintetsu Leisure Create Co., Ltd., which is responsible for strengthening the leisure business and promoting cooperation between businesses, and set up our Ise-Shima Office, which is responsible for strengthening collaboration with local communities and pursuing business opportunities within the company. By combining these two, we aim to enhance the appeal of the Ise-Shima area and for the area to win through against its competitors as a tourist destination.

Furthermore, as a way of creating new businesses and services through DX, we are working to expand our service and business domains by building a group-wide customer database. In August 2024, based on the Kintetsu Group Card “KIPS” system, we began operating a data analysis platform via a common ID with points services for each group company. By utilizing this platform, our goals are to develop measures and services that are chosen by customers, and to increase the number of group company customers.

In fiscal 2024, we worked on overall remedies for strengthening our tolerance to business risk, restoring financial soundness, and solidifying our business foundation, while seeking to strengthen our management structure with a view to sustainable growth.

Initiatives for the next medium-term management plan

Now I would like to talk about our policy for the next Kintetsu Group medium-term management plan, which will start in fiscal 2025.

The business environment that surrounds the Kintetsu Group is changing increasingly quickly, and the issues of which we are aware include structural problems such as Japan's declining birthrate and aging population, accelerated lifestyle transformations due to the COVID-19 pandemic, and the rapid progress of AI. In terms of the economic situation, we also need to be prepared for rising prices and interest rates, as well as being mindful of issues such as global geopolitical risks.

In this context, the next medium-term management plan will perceive changes in the business environment with the aim of

dramatic growth for the Kintetsu Group, and redefine our aspirations and future ideals. From the perspective of “to be” (our aspirations and future ideals) rather than “as is” (the present status quo), while focusing on the future and accumulating discussions in each business and across the Kintetsu Group about the form the Group will take in the long term, we need management that will take the initiative. We will formulate the medium-term management plan with the incorporation of long-term perspectives more than ever before, with a backcasting approach. We will also strengthen our financial structure, expand our business foundation, and enhance profitability, with the goal of substantial, more sustainable corporate value.

Issues to be tackled by the entire Group

For the next medium-term management plan, the Group as a whole will evolve its initiatives for management that is sustainable and prioritizes the cost of capital.

For nearly two decades, with the restoration of financial soundness as our strategic policy, the Kintetsu Group has worked to improve the levels of interest-bearing debt and cash flow (interest-bearing debt/EBITDA ratio) and the level of equity (debt-equity ratio, equity ratio) as key financial indicators.

Going forward, while promoting improvement in these key indicators, in order to ensure that our total returns exceed the cost of capital demanded by the market, we will break down the cost of capital for each business segment and further strengthen our governance framework, in which management operates with an awareness of the cost of capital. Regarding investment, in particular, as well as business income and expenditure, while making investment discipline and its effects based on the cost of capital a focal point for quantitative judgment and also taking into account qualitative judgment according to business characteristics, we will make the necessary investments in consideration of priorities for our growth strategy, which anticipates business continuity and the future. We will strive to manage business operations with an awareness of balance sheets.

In terms of sustainable management, in accordance with our Kintetsu Group Sustainability Policy and the priority issues we have identified, we aim to resolve societal problems and improve corporate value through our business activities.

Creating a lifestyle that anticipates changes in values, energizing communities by enhancing the network, enriching people and communities with travel, and contributing to the realization of a decarbonized and recycling-oriented society are all sources for the Group's value creation in the medium and long term. These are also societal issues.

Moreover, our response to rapid changes in the labor market and to serious labor shortages is a pressing issue for the Kintetsu Group—which is developing its labor consolidation-style business in multiple companies—and has a significant impact on our value creation process. In order to comprehensively handle the Group's human resources issues, personnel issues, and human capital management, and as shared infrastructure for implementing human resources strategy in the Kintetsu Group and its group companies, we launched a new company, Kintetsu HR Partners Co., Ltd., in October 2024. This provides reliable support for sustainable management in respect to people. In the future, we will continue to pursue similar new business opportunities.

Issues to be tackled by and among our businesses

Our railway business is a source of trust in the Kintetsu Group from society. Going forward, our transportation business, which includes railways, will fulfill the role of social infrastructure for supporting the areas alongside our railway lines, and while continuing to thoroughly maintain safety, we will need to proactively incorporate new ideas and technologies, and to combine even better services with efficient business operations. We have scheduled a total of 86 billion yen in capital investment in the three years until fiscal 2025, and we are realizing our top priorities of ensuring customer safety and providing comfortable transportation services. For example, we introduced new general rolling stock in October 2024, and we are progressing with the installation of movable platform edge gates and the introduction of ticket gates that support contactless payment methods such as credit cards. In fiscal 2024, we introduced 48 railcars as new general rolling stock with an investment of 9.8 billion yen, and these are forecast to consume about 45% less electricity than conventional railcars.

Populations in the areas alongside our railway lines are declining rapidly, and an important challenge for our group companies is to collaborate in promoting community development that revitalizes these areas and resolves the

issues with which they are confronted. In order to achieve this, group companies such as those in the transportation, real estate, and merchandise sales businesses, which are close to people's everyday lives, need to continue providing a variety of services and to generate new ones, not as separate entities, but by acting from the combined standpoint of the Kintetsu Group. Furthermore, by closely cooperating with partners such as local governments, which are also contemplating these issues, I believe we can achieve community development that is regarded with even more affection than before.

We will also promote initiatives to increase visitor populations. In July 2024, we opened Shima Green Adventure as a new and exciting venue for the Ise-Shima area. This effectively utilizes the site of a former golf course and features a glamping field and other attractions to add an activity resort to the area's tourist destinations. In conjunction with attracting inbound tourists from overseas to raiiside areas such as Ise-Shima and Nara, we will continue our efforts to unify the Group's strength and increase visitor populations.

With the aim of further growth for the Kintetsu Group, it is also important for us to expand our business domains and areas while revitalizing these raiiside areas.

For some time, we have had high expectations for such

growth, with the further increase in tourism demand that is predicted in Okinawa Prefecture, which we regard as a strategically important business area. We are investing in the developer and operator of the JUNGLIA, a theme park scheduled to open in 2025 on the northern main island of Okinawa, and in June 2024, we entered into a capital and business alliance agreement with Orion Breweries, Ltd., as an

important partner for business promotion.

We are also aiming to expand our real estate business in the Tokyo metropolitan area, and on a global scale, we are considering opening a hotel in Dallas, Texas, following our hotels in Los Angeles and nearby Torrance in the United States.

Our key initiatives for fiscal 2024

Expo 2025 Osaka, Kansai, Japan will be held at Yumeshima, Osaka for 184 days from April 13, 2025.

Kintetsu Department Store is scheduled to participate in the official souvenir stores at the expo venue, and as a way of strengthening the ability of the entire Kintetsu Group to attract customers, we have started work on redeveloping our bus terminal at Osaka-Uehommachi Station for more convenient access to the expo by shuttle bus. This station is a gateway to many tourist destinations alongside our railway lines, for example, Nara and Ise-Shima. Going forward, we will work to strengthen product development and promotion with the cooperation of local governments and other partners in our operational areas, and implement group-wide measures for

capturing the demand that accompanies the expo.

The grand opening of ABENO HARUKAS, which is located at the gateway to the south of Osaka, took place in March 2014, and by the time the complex celebrated its 10th anniversary in March 2024, it had welcomed a total of 370 million visitors. ABENO HARUKAS is symbolic of the growth of the Kintetsu Group, and has made a significant contribution to revitalizing the Abeno/Tennoji area as its landmark complex. On the occasion of this 10th anniversary, we are determined to make efforts to further enhance the appeal of the complex, thereby motivating visitors to the expo and from overseas to come again.

Taking on challenges for the future

As I have said, the Kintetsu Group's greatest shared asset is the trust that society has in us. During our long history, we have acquired the trust of a diversity of stakeholders. For the Kintetsu Group, it is vital that we properly inherit this trust and continue to develop our business activities with sincerity.

My role is to combine the capabilities of our group companies and maximize results in the entire Group. I will continue to seize the initiative and take on the challenges of creating a bright future for the Kintetsu Group.



Roundtable Discussion with the President and External Directors



Issues to be tackled toward a leap forward for the Kintetsu Group

On the theme of a leap forward for the Kintetsu Group, President Wakai, External Director Mikasa, and External Audit & Supervisory Board Member Inoue joined a roundtable discussion in which President Wakai shared his thoughts about business management at the Kintetsu Group, and in response, both external directors gave their opinions and advice.

The role of external directors is to provide their opinions from an objective standpoint and compensate for any inadequate viewpoints within the company

Wakai I am grateful for the ongoing assistance with business management at the Kintetsu Group that both of you provide. In order for us to flourish as a sustainable corporate entity that will continue to contribute to society for the next 100 years, I have been disseminating messages whenever possible since being appointed as President in June 2024. As external directors, what is your main focus on overseeing the Kintetsu Group?

Mikasa I endeavor to have an objective point of view that is not restricted by the internal logic of the company. Members of the Kintetsu Group Holdings Board of Directors are frank and provide us with very honest explanations of both its positive and negative aspects, so I find it easy to make decisions.

Inoue Firstly, from my standpoint as an expert in information studies with responsibility for IT and DX, I look at issues such as whether IT and DX are being effectively used and applied, and whether safety and trust are being ensured. Secondly, I express my opinions from a woman's perspective to compensate for an absence of proper female corporate officers.

Wakai I would like to hear your thoughts regarding how we should work on issues for the Kintetsu Group to take a leap forward. What is your view of the predominance of the Kintetsu Group and the management resources we should utilize?

Mikasa The Kintetsu Group is engaged in a variety of businesses such as railways, real estate, international logistics, merchandise sales, hotels and leisure, and this business portfolio is remarkably diverse compared with other corporate groups. However, the trust that stakeholders have in the Group is still based on its beginnings as a railway business. I think the abundance of tourism resources that exists along the railway lines is another thing that upholds trust.

Wakai I, too, think the trust of society is the Kintetsu Group's greatest asset in the long history of our business activities. This is our number one resource and the cornerstone of our management.

Inoue I teach at the Nara Institute of Science and Technology (NAIST), which opened in the city of Ikoma, Nara Prefecture about 30 years ago. Looking at the area around the institute, with its established transportation network and extensive residential neighborhoods, I can sense the special capabilities of the Kintetsu Group, which are not limited to the railway business. It is as if I can truly see up close the process of how the Group has developed urban areas.

The Kintetsu Group's human resources strategy: Understanding individual work styles, prioritizing diversity, and opinions about appointing women

Wakai While the company has grown with a focus on the railways, we are also quite strong in service industries that involve interacting with customers. These services are only possible when working people are available. Right now, as changes to the labor market and labor shortages due to the declining birthrate are becoming social issues, we believe that human resources strategy is an important factor influencing business management, and in October 2024, we established Kintetsu HR Partners, which specializes in managing human resources. It is, however, rather difficult to understand what students and ordinary people seeking a career change are actually looking for and expecting.

Mikasa New graduates have strong values relating to SDGs, and an increasing number are choosing jobs that involve contributing to society and solving social issues. Work content at companies of the Kintetsu Group is relatively easy to visualize, so students are more likely to choose and enter these companies.

Inoue The courses at NAIST are information-based, so the ratio of students there who receive unofficial offers of employment is fairly high. Rather than choosing a company based on its popularity or familiarity, students do so having carefully considered whether or not it suits them. There are various reasons for this, for example, being able to do what they really want, or building a network of connections that will enable them to launch a startup.

Mikasa These may be characteristic of educational institutions where the courses are information-based.

Inoue Many students tend to enter the same companies as their college seniors, and this has not changed for a long time, which is probably because it gives them a sense of security.

Mikasa Students have psychological worries about entering the working world. They are afraid of making mistakes and liable to play it safe, and I get the feeling this tendency has been particularly pronounced in recent years. It is, therefore, important for corporations to establish a climate and environment that enable employees to take on a variety of challenges.

Wakai Not just at our company but elsewhere, too, the driving force behind those in employment is their desire to grow in a certain way and achieve certain things through their work.

Mikasa At the same time, a key point is the question of what they do not want to do. In fact, the main subject in relation to this is the workplace. These days, young people are very reluctant to be transferred to a different workplace, and for a company like Kintetsu, which has such an extensive business area, this is a major concern within the process of recruitment and training.

Wakai That tendency definitely exists. The thinking of students looking for work has changed a great deal with the times. What goals for self-actualization do students have, for example, those majoring in information-based subjects?

Inoue I am affiliated with a graduate school, where some students want to leverage their specialized research, while others want to work at corporations on manufacturing, development, and innovative proposals that utilize IT and DX, even if this work differs from their field of research.

Mikasa We just mentioned startups, but are there quite a lot of people who intend to become entrepreneurs?

Inoue At present, there are still only a few. As you might expect, the majority enter a company because they are seeking stability. In future, I would like to see more people who aim to be entrepreneurs, as is the case in the United States.

Wakai People's values in relation to work styles are changing, and their attitudes toward work are also extremely wide-ranging. Because there are various career paths based simply on the number of employees, although they are free to change career or start their own companies, from our point of view, we want them to think about what they can accomplish at Kintetsu.

Mikasa Young people are becoming less reluctant to change jobs if their current job does not suit them. However, just because you keep changing jobs does not necessarily make you more fulfilled, so ultimately, if the employee in question can try something they want to do and feel gratified, their sense of belonging increases and they are likely to stay with the company for longer.

Wakai The context is the same for diversity, which has been such a buzzword recently. Going forward, it will become increasingly important to accept and tolerate each other's nationality, age, ideology, beliefs, characteristics, gender, gender identity, and so on, and to capitalize on them in company management.

Inoue I am fully aware of the difficulties involved, but I would like to change the situation in which there are no female directors aside from external ones. When the opinions of diverse human resources including women and young people are accepted—not just from the bottom up but also from the top down—the corporation's approach is sure to change.

Wakai For a long time, there were legal restrictions on hiring women in the railway business because it involves working late at



night, so it is true that the percentage of female hires is still low. Looking at the Group as a whole, there are many women being appointed as directors, for example, at Kintetsu Department Store and Kinki Nippon Tourist, but our company has yet to achieve this. Communicating in writing the fact that we respect diversity is not enough to change the situation. We need this to take root through real and repeated dialogue and exchanges of opinions, on site and on a daily basis. We intend to address this situation with resolve and sincerity to achieve true diversity.

Challenge number one: Do not be afraid of making mistakes but have a trial-and-error mentality

Wakai When I was appointed to this position, I indicated two challenges that we need to confront. The first is that we must have a trial-and-error mentality and not be afraid of making mistakes. Obviously, mistakes are unforgivable in railway operations, which involve the pursuit of safety under all circumstances, but in keeping with changes in the mood of the times and in social conditions, there will be things to be changed in addition to those that must be protected. Director Mikasa, you have just said that students are afraid of making mistakes and are liable to play it safe. I relate this to the mentality of taking on challenges. If we can create a corporate culture that appreciates people who boldly take the initiative and learn from their mistakes, the Kintetsu Group's sustainability will improve more than ever.

Mikasa I agree. Safety and security on the railways must be protected, and with the railways as a core business, I think the challenge—in other words, change—will be to progress with global development that is not just limited to raiiside areas. For example, the new 8A series of rolling stock, which was introduced in October 2024, will enhance the expectation among residents who live in those areas. However, in terms of seeking revenue, populations in those areas are inevitably shrinking and it is difficult to strike a balance in a management framework that is required to match this situation.



Inoue The Kintetsu Group is a corporate entity, so it is natural to aim for profitability, but as a private railway company that operates on a massive scale, you are running not just highly profitable lines in urban areas but also minor local lines. What is more, you are nurturing communities by developing and maintaining housing and commercial facilities as well as railway lines. These act as the basis for creating a sense of security and of trust in society, so I hope you do not change them. Having said that, there are many more aspects relating to IT and DX, such as increased efficiency, labor saving, energy efficiency, and low carbon measures, which can be implemented without impeding customer convenience. For these, you will have to steadily instigate change.

Wakai Recently, we have entered into comprehensive partnership agreements with Nara Prefecture and other local authorities, and we are working on community development, improved access, and the promotion of tourism while also enhancing cooperation with those authorities from the perspective of community creation.

Challenge number two: Overcoming self-reliance and utilizing external resources to cultivate DX human resources

Wakai Our second challenge is that of overcoming self-reliance. We intend to accelerate various initiatives by incorporating more resources from external procurement, rather than the internal procurement we have relied on previously. Among others, it is particularly difficult to maintain DX human resources from within the company alone, so the entire Group will work on their development. Do you have any advice for the Kintetsu Group going forward when it comes to our promotion of DX?

Inoue There are two aspects to IT and DX, namely, operational efficiency and the development and generation of new business. Technologies progress quickly, things that could not be achieved until very recently are now possible, and this will increasingly be the case in the future. Specifically regarding what can be done, it is a good idea to collect as many ideas as possible. These can come from anyone, regardless of whether they are inside or outside the company, and you could broaden the scope by soliciting ideas with an ideathon. Highly skilled personnel with expertise and knowledge can ascertain which ideas are achievable, and then you will be ready to act on those ideas. Hopefully it will unfold in this way.

Mikasa DX in the railway business is a challenging environment because the devices that customers use will change rapidly. At the Nippon Life Insurance Company, we have investigated effective ways of using AI many times. It is difficult for AI to handle all call center functions, but having allowed it to accumulate a certain level of experience, I felt that it was good enough to support people's decision-making and to give them advice. This is akin to personnel from multiple workplaces freely extracting and

using data from that of the accumulated skills and know-how of experienced employees. For example, AI could provide support in person-to-person customer consultations in the travel business, and customer response from hotel concierges and station staff. This would make it easier for employees on site to do their jobs.

What should the Kintetsu Group do to continue to meet our stakeholders' expectations?

Wakai In order to meet expectation among our stakeholders, the Kintetsu Group must speedily promote initiatives that anticipate the future and consistently take the initiative. This is the final fiscal year of the Kintetsu Group Medium-Term Management Plan 2024 and in terms of numbers, we are achieving its targets as planned. However, qualitative aspects and the further reinforcement of initiatives are still to come. At present, we are progressing with the formulation of our new management plan, but what kinds of elements should we incorporate to improve corporate value even more?

Mikasa To cite Kintetsu's management philosophy of "To support daily life, to create more value" as an example, supporting daily life—in other words, the safe operation of the infrastructure of people's daily lives—is not easy, and in that context, creating more value is bound to be a major challenge. Creating more value is about initiatives to expand the areas in which your services are provided, while at the same time improving and reinforcing the quality of those services, and this approach is very praiseworthy. I would also like the Group to skillfully showcase its sustainability, which focuses on environmental issues, and I am expectant of initiatives that will further capitalize on the Kintetsu Group's geopolitical predominance as an eastern gateway to Osaka.



Inoue As we referred to under the topic of what must be protected, I would like the Kintetsu Group to continue reliably implementing those things it has undertaken, and to pursue optimization that is in keeping with the spirit of the times. Speaking from a customer standpoint, I hope you will be able to take on board people's opinions, even though they may seem insignificant, for example, "It would be great if this line also linked up with that one..." or "It would be nice if..."

Wakai Thank you very much for your candid feedback. While we are eager to pursue new initiatives and businesses in various sectors, this is not our primary objective. Instead, while leveraging and enhancing the Kintetsu brand, our focus is on ensuring that our customers and stakeholders are satisfied and that we retain their loyalty as long as possible. This is the reason for the Kintetsu Group's existence. With this in mind, we will not waver in pushing ahead with our business operations.



Our Value Creation Story

Value Creation Process (as of March 2024)

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
255 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, 302 cities, and
665 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. 44,000

Financial Capital

- Stable operating cash flow creation

Social Capital

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

Natural Capital

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

Kintetsu Group's Corporate Philosophy,

Kintetsu Group
Medium-Term
Management Plan
2024

Main Measures

Strengthening cooperation with external partners

Reforming our business portfolio

Creating new businesses and services through DX

Implementing community development that aims to resolve regional issues

Transportation Business

Collaboration and sharing of management resources

Hotel and Leisure Business

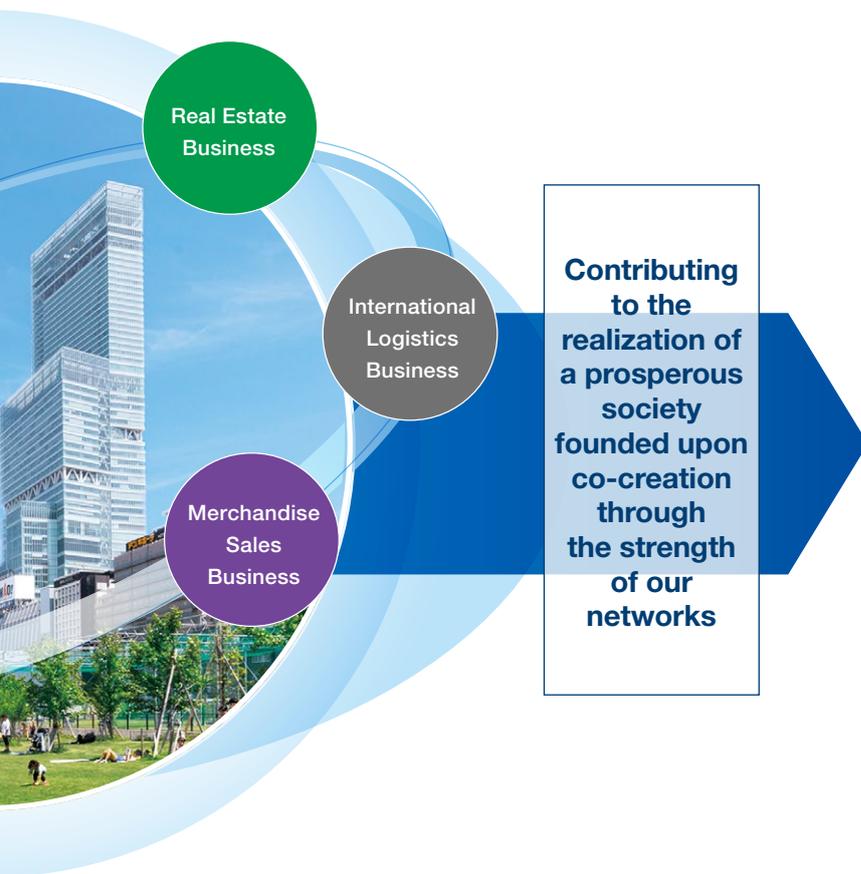
Kintetsu Group Sustainability Policy

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

Kintetsu Group Management Philosophy

Capital enhancement through value circulation

Strategies, and Businesses



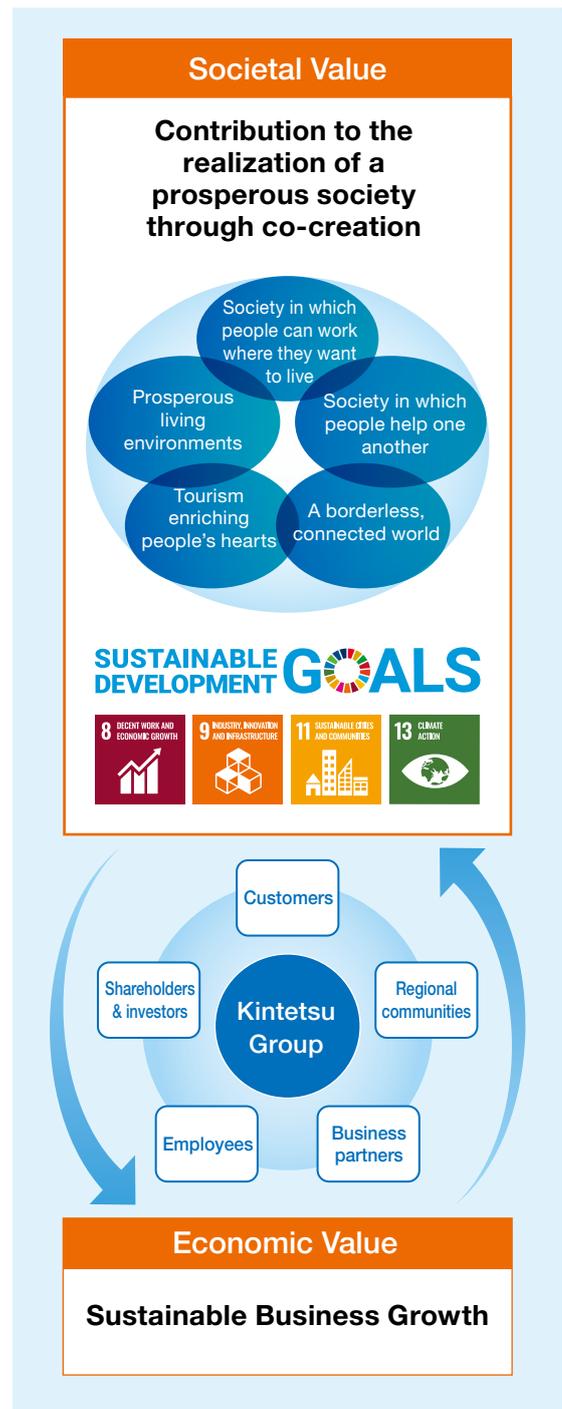
Materiality (Priority Issues for Sustainability)

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

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

and sustainable value creation

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.

Real Estate Business

Major group company

Kintetsu Real Estate Co., Ltd.



Real estate sales and Real estate leasing

Our real estate sales business provides homes for people, particularly in the region's three largest cities, that match their lifestyles. Through the use of energy-saving equipment and other measures, we are considering how best to coexist with the natural environment. Real estate leasing involves running office buildings as well as major terminal buildings on Kintetsu lines and retail buildings. We will contribute to community development, particularly centered on our stations.

International Logistics Business

Major group company

Kintetsu World Express, Inc.



As a solutions partner in logistics, we provide one-stop international transportation services to customers around the world.

Air Freight

In air freight, which has been a core business since our founding, KWE is one of the world's top 10 in volume of cargo handled.

Sea Freight

In sea freight, we have forged partnerships with the world's leading shipping companies and transport a wide range of cargo.

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.

Hotel and Leisure Business

Major group companies

Kintetsu Miyako Hotels International, Inc.
KNT-CT Holdings Co., Ltd.
Kintetsu Leisure Create 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 provide safe, secure travel to places unseen, toward tomorrows unknown, the meaning of our purpose, "Advance to the Next Wander." Our travel services give a diverse range of customers the opportunity to fulfill their aspirations and develop friendships.

Operating revenue breakdown (FY2023)

Operating revenue and profit (FY2021–2023)

Taxi services

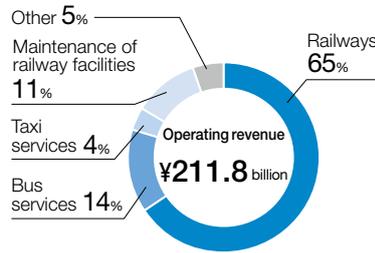
We have expanded our business with a focus on the areas along Kintetsu lines as a means for local society to get around.

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

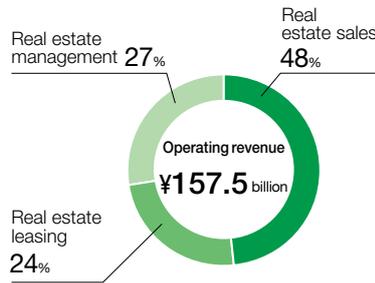
We operate ferries, car rental services, and other services, as well as engaging in transportation advertising.



We are also developing our business in various other fields, such as real estate brokerage, solutions, renovations, agriculture, solar power generation, life care, golf, overseas business, and metaverse initiatives.

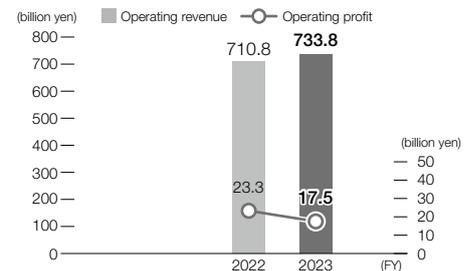
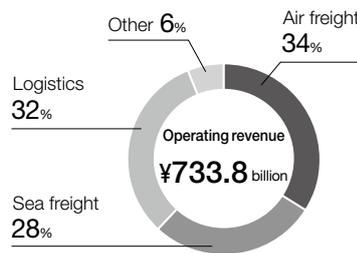
Real estate management

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



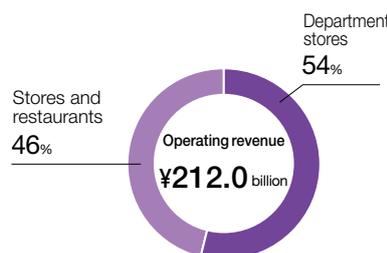
Logistics

In the logistics business, with a network of warehouses around the world, we handle inventory management and distribution processes in addition to transportation and delivery. In partnership with our group company APL Logistics Ltd (APLL), we offer flexible solutions for all kinds of logistics issues.



Stores and restaurants

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



Cinema

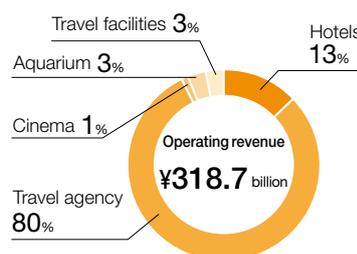
We operate the Abeno Apollo Cinema, an urban cinema complex.

Aquarium

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

Theme park

We operate Shima Spain Village, a resort complex that recreates the exotic atmosphere of a Spanish town and offers fun for children and adults alike.



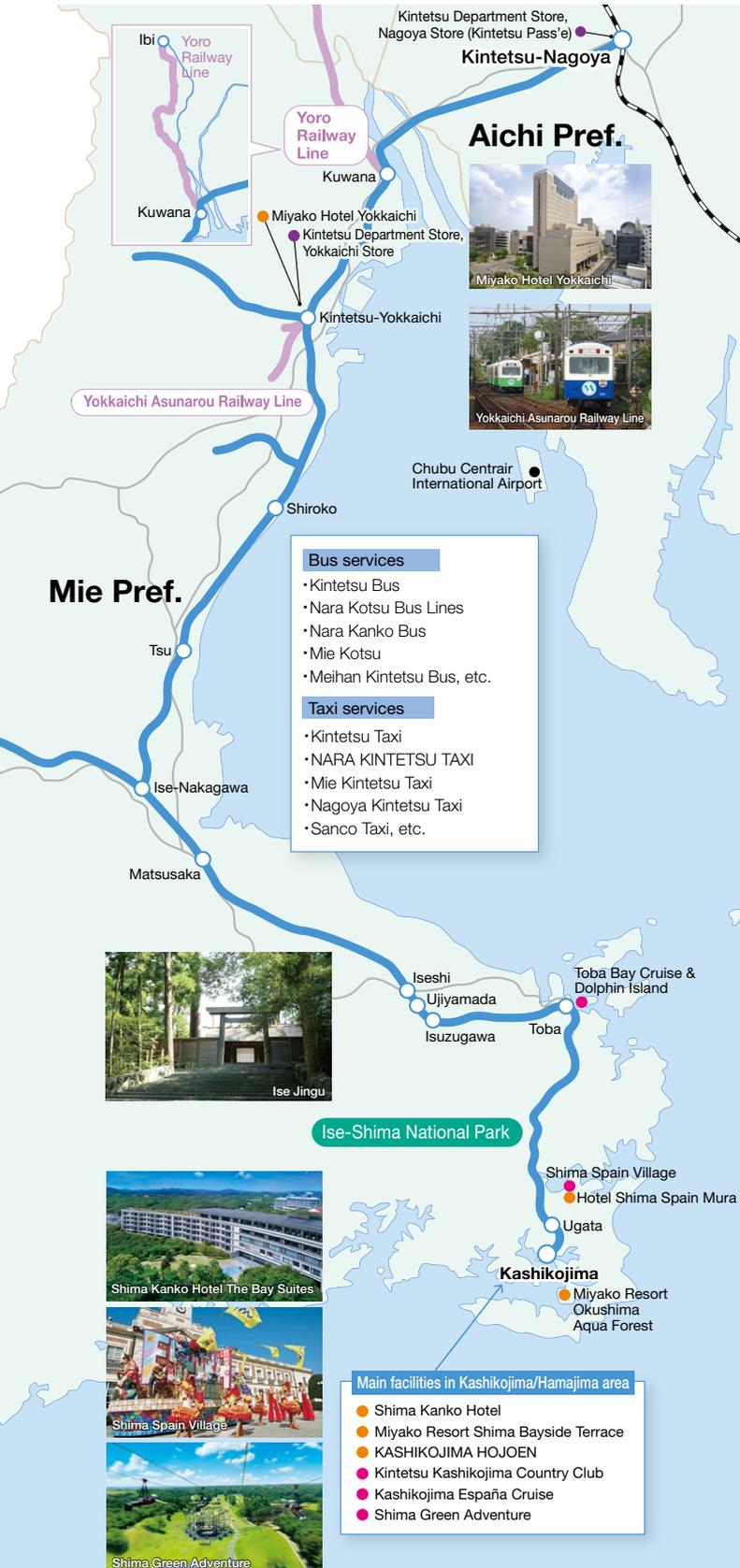
Business Area: Kintetsu Operational Area

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, 2024)



Extensive limited express network with attractive trains



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



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



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



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

Other general-purpose railcars



8A series



9820 series



7020 series



5800 series

Business Area: 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, 2024)

Business development in Japan	
● Bus service	13
● Taxi service	14
● Ferry / Ropeway	5
● Department store	10
● Parking/Service Area	10
● Hotel / Japanese inn	26
○ Travel agency	15
○ International logistics	5



Major facilities

Tokyo ● Sheraton Miyako Hotel Tokyo ● Miyako City Tokyo Takanawa	Aichi ● Kariya Parking Area	Shiga ● Kintetsu Department Store, Kusatsu Store	Hiroshima ● Hiroshima Kintetsu Taxi	Fukuoka ● Hokko Daiwa Taxi ● Miyako Hotel Hakata
Kanagawa ● HAKONE KOGEN HOTEL	Gifu ● Gifu Kintetsu Taxi ● Kintetsu Toubi Taxi ● Miyako Hotel Gifu Nagaragawa	Hyogo ● Miyako Hotel Amagasaki ● Kobe Kitano Hotel	Yamaguchi ● Bocho Bus ● Shunan Kintetsu Taxi ● Hagi Kintetsu Taxi ● Hagi Kanko Hotel	Oita ● Kokudo Kyushi Ferry ● Beppu Ropeway
Tochigi ● OKUNIKKO KOGEN HOTEL	Ishikawa ● KITANIPPON KANKO BUS ● Ishikawa Kintetsu Taxi ● Amagozen Service Area	Wakayama ● Kintetsu Department Store, Wakayama Store	Ehime ● EHIME KINTETSU TAXI	
Shizuoka ● Hamanako Service Area				

Initiatives for Expo 2025 Osaka, Kansai

Expo 2025, to be held in Osaka, Kansai, is expected to attract 28 million visitors. The first official store of the Expo opened in Abeno Harukas Kintetsu Main Store in September 2023, and we aim to use this major event for the growth of the Kintetsu Group.

The renovation of the Osaka-Uehommachi Station bus terminal and station will enhance Expo shuttle bus convenience to and from the station. We will also try to attract Expo visitors to sightseeing locations along our lines by utilizing the direct service connecting the Kintetsu Keihanna Line and Osaka Metro Chuo Line.

A train with original wrapping for Expo 2025 Osaka, Kansai was put into operation in November 2023, 500 days before the start of the event, and a train with special wrapping to promote the Signature Pavilion “Dialogue Theater—sign of life—” produced by filmmaker Kawase Naomi went into operation in October 2024, six months before the Expo opens. The trains will help build ongoing momentum for Expo 2025 Osaka, Kansai.



Expo 2025 Osaka, Kansai official store



Train with original wrapping for Expo 2025 Osaka, Kansai



“Dialogue Train” with special wrapping

Business Development in Okinawa

In addition to having a rich natural environment and unique culture, Okinawa is a promising destination for an anticipated rise in tourism demand, especially with its proximity to the growing market of East Asia. Our previous involvement was merely to provide travel plans for guests heading to Okinawa, but we are now positioning Okinawa as an important business development area. We see great potential in applying our know-how for tourism to Okinawa gained in developing Ise-Shima and other areas along our train lines.

We are also strengthening our partnerships with other companies. For example, we invested early in Japan Entertainment, the company that has developed and will operate the theme park JUNGLIA, to open in northern Okinawa in 2025. We also began a capital and business alliance with the Okinawa-based Orion Breweries, Ltd., which is committed to helping Okinawa prosper.

We plan to strengthen Kintetsu’s brand presence in Okinawa while creating synergies that contribute meaningfully to the local economy and society. We will continue to work with partners such as Japan Entertainment and Orion Breweries, and through business participation with the local community, we aim to generate revenue in the hotel, tourism, and real estate businesses.



Rendering of JUNGLIA (provided by Japan Entertainment)

Initiatives of the Mie Kotsu Group

The Mie Kotsu Group operates 26 group companies across four main business segments: Transportation, Real Estate, Distribution, and Leisure Services.

Safe and reliable operations in the transportation business, which primarily focuses on bus services, establish strong trust and confidence in the group’s companies. In real estate, the group sells condominiums and detached houses, leases and manages buildings and commercial facilities, and is also involved in solar power generation. Real estate leasing is a key growth driver for the group, with the opening of the Meieki Sanco Building in April 2024 and the 2nd Nagoya Sanco Building in June, designed around the themes of wellness and environmental sustainability. The group plans to open one of the largest rental buildings in Mie Prefecture, located near Kintetsu Yokkaichi Station, in the spring of 2025. The real estate business’s solar power operations, which include 33 facilities with a total generation capacity of 114 megawatts, provide a stable revenue stream and contribute to the spread of renewable energy. In distribution, the group handles petroleum products and sales of buses and trucks, while also operating the household goods retail chain, Hands, as a franchise business. In the leisure services segment, the group operates hotels, inns, a ropeway service, golf courses, and more. Although the COVID-19 pandemic had a significant impact on our business, a rebound in inbound tourism has restored demand for lodging, with notable growth in hotel performance.



2nd Nagoya Sanco Building



Yokkaichi Station Sanco Building (tentative name)

Business Area: Overseas

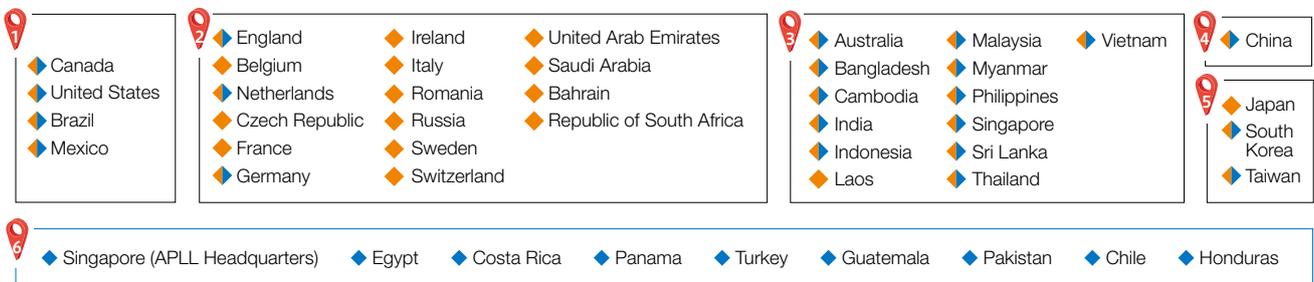
Worldwide Development Driven by Our Global Networks

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

(as of March 31, 2024)



KWE Group | **665** locations worldwide | **45** countries | **302** cities



KNT-CT Holdings Group

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

Hotel

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

Restaurant

- Edogawa Taipei Zhongshan Store

Railcar manufacturing

- KINKISHARYO International, L.L.C.

Business Expansion in the United States

Kintetsu Enterprises Company of America operates two hotels and one office building in Los Angeles, California. The Miyako Hotel Los Angeles is located in the heart of Los Angeles, in the historic Little Tokyo district, home to a longstanding Japanese-American community. The hotel serves local business and leisure guests, as well as Japanese tourists. Meanwhile, the Miyako Hybrid Hotel is located in Torrance, a suburb of Los Angeles with a large concentration of Japanese companies, and primarily caters to airline and business demand.

In 2024, Shohei Ohtani, a star player in Major League Baseball, was traded to the Los Angeles Dodgers. Just before the season opener at the end of March, a massive mural of Ohtani was unveiled on the wall of the Miyako Hotel Los Angeles, generating widespread attention. The mural came about after a renowned local mural artist approached the hotel with the idea, and the hotel eagerly embraced the project. The Ohtani mural has become a new cultural landmark in Little Tokyo, drawing not only Japanese fans visiting Los Angeles eager to see Ohtani play, but also local residents who frequently come to take pictures of it.



Initiatives of the Taipei Office

In April 2016, Kintetsu Group Holdings established the Taipei Office as its first overseas base in Asia, with the aim of attracting more inbound tourists from Taiwan, East Asia, and Southeast Asia and shoring up the Group's business foundation. The Taipei Office actively fosters relationships with local companies and municipalities, such as signing friendship agreements with the Taiwan Railway Corporation Ltd. and the Taipei Rapid Transit Corporation (Taipei Metro). Through such efforts, we are focusing on attracting inbound tourists from Taiwan, introducing tourism resources and group facilities along the Kintetsu railway network. The office is also exploring new business opportunities across a range of fields to leverage the diverse business domains of the Kintetsu Group, including railways, real estate, distribution, and hotel and leisure operations.

The Kintetsu Group will continue to further expand these initiatives, aiming to strengthen the Group's business foundation in Taiwan and across the broader Asia region of Asia.



Friendship agreement signing ceremony with Taipei Metro



Train with original Kintetsu wrapping (operated by Taipei Metro)

Kinki Sharyo's Manufacturing of Overseas Rolling Stock

Kinki Sharyo has been a manufacturer of railroad vehicles since its founding in 1920, including rolling stock for the Shinkansen and Kintetsu Limited Express in Japan, and railcars in operation in the United States, Dubai, and other parts of the world.

Kinki Sharyo's railroad vehicles combine superior quality, safety, and comfort, designed to meet the evolving needs of society and customers. They have earned high acclaim both in Japan and internationally, and the company has received numerous design awards, including an international Brunel Award and the prestigious Good Design Award.



The above are examples of some of our past deliveries.

Business Data (as of March 31, 2024)

Transportation Business



Railways (Kintetsu Railway)

Rail lines (total route-km)	501.1 km
Annual passenger transport	271.87 million km
Stations	286 stations
Passengers (annually)	521.83 million people
Daily average	1.43 million people
Train cars Total	1,885 cars
Limited express car	461 cars
Standard car	1,416 cars
Cable car	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	396	Osaka, Nara
Nara Kotsu Bus Lines	751	Nara, Kyoto, Osaka, Wakayama
Bocho Bus	240	Yamaguchi, Shimane
KITANIPPON KANKO BUS	30	Ishikawa, Toyama
(Consolidated subtotal)	1,417	—
Mie Kotsu Group	1,080	Mie, Aichi, Gifu
Nara Kanko Bus	74	Nara, Osaka, Kyoto
Other	46	—
(Non-consolidated subtotal)	1,200	—
Total	2,617	—

Taxi services

Company	Vehicles	Business area
Kintetsu Taxi	348	Osaka
NARA KINTETSU TAXI	228	Nara
Nagoya Kintetsu Taxi	229	Aichi
Other	414	Ishikawa, etc.
(Consolidated subtotal)	1,219	—
Kintetsu Toubi Taxi	109	Gifu
Shunan Kintetsu Taxi	98	Yamaguchi
Other	406	Mie, Ehime, etc.
(Non-consolidated subtotal)	613	—
Total	1,832	—

Rent-a-car service (as of September 30, 2024)

Offices	Vehicles
18	Rental cars 472
	Lease cars 1,935



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 Skyline toll road	20.9 km
Nara Okuyama Driveway toll road	9.0 km
Ise-Shima Skyline toll road	16.3 km
Total	46.2 km

Ropeway

Facility	Distance	Cars
Katsuragisan 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 total)

	Along line	Not along line	Total
Area	25.65 million m ²	3.06 million m ²	28.70 million m ²
House and lot	14,048 units	2,918 units	16,966 units
Lot only	21,335 lots	3,885 lots	25,220 lots

Building/condominium management

Company	Units managed
Kintetsu Facilities	Over 1,000 facilities
KINTETSU-COMMUNITY	Approx. 96,000 units

Condominiums for sale by region

Cumulative total	Properties	Units	FY2023	Properties	Units
Kinki region	442	56,151	Kinki region	9	1,058
Tokyo metropolitan area	208	29,409	Tokyo metropolitan area	4	198
Tokai region	136	8,059	Tokai region	2	76
Other	33	1,829	Total	15	1,332
Total	819	95,448			

Main leased properties

Properties	Leased space	Main properties
Office buildings	18 93,000 m ²	Midosuji Grand Building, Kintetsu Ginza Chuo-dori Building
Commercial facilities	65 470,000 m ²	ABENO HARUKAS, Uehommachi YUFURA
Under elevated tracks	28 50,000 m ²	Kawachi-Hanazono Station, etc.
Rented housing	1,248 60,000 m ²	Laurel Tower Nagoya Sakae
Parking lots	Approx. 12,000	Pat Kintetsu Ayameike Ekimae parking lot

International Logistics Business



Global network

45 countries, 302 cities, 665 locations

Logistics sites (as of August 31, 2024)

312 warehouses, 2.11 million m²

Volume of cargo handled

Freight transport	Volume	Cargo-handling volume world ranking
Air	486,000 t	10th
Sea	727,000 TEUs	17th

1 TEU = 1 × 20' container equivalent

Merchandise Sales Business



Department stores

Business	Outlets	Main outlets
Department stores, commercial facilities	13	Kintetsu Department Store, Uehommachi YUFURA
Franchise business (as of September 30, 2024)	69	CAINZ, Kokumin drugstore, Seijo Ishii

Retail

Business	Outlets	Main outlets
Convenience stores	86	FamilyMart
Retail	17	Goto-Chi, Seijo Ishii
Tenants	125	Time's Place, Meets Sweets
Restaurants	37	Edogawa, Hyakuraku
Food	50	Caffè Ciao Presso, Hakoyume
Service areas (SA/PA)	4	Hamanako, Amagozen, Kariya, Gose-minami
Craft beer halls	4	YAMATO Craft Beer Table
Supermarkets	36	Kinsho, Harves
Other	6	Irodori Mall

Hotel and Leisure Business

Hotels / Japanese inns

	Miyako Hotels & Resorts						Other		Total	
	Directly managed		Outsourced		Japanese inns		Hotels, Japanese inns, etc.			
	Facilities	Rooms	Facilities	Rooms	Facilities	Rooms	Facilities	Rooms	Facilities	Rooms
Kinki region	6	2,070	4	1,659	2	38	2	86	14	3,853
Ise-Shima	2	414	2	235	1	165	1	17	6	831
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	13	3,653	8	2,294	4	223	6	300	31	6,470



Travel

	Private travel	Group travel
Kinki Nippon Tourist	25 branches	70 branches
Club Tourism	23 branches	—
FY2023 results	Domestic / Abroad (people)	
Kinki Nippon Tourist Group	School trip 1.01 million / 25,000	
Kinki Nippon Tourist Private	Personal trip 0.53 million / 5,000	
Club Tourism	Personal trip 1.08 million / 47,000	

Theme parks, amusement parks, aquariums, cinemas

	Facilities	Area	Visitors annually
Shima Spain Village	Parque España	34 ha	830,000
Ikoma Sanjo Amusement Park		24 ha	380,000
Shima Green Adventure (opened July 2024)		109 ha	—
Osaka Aquarium Kaiyukan		27,000 m ²	2,820,000
Interactive Aquazoo, NIFREL		7,000 m ²	740,000
Abeno Apollo Cinema		9 screens	910,000

Kintetsu Group Card KIPS

Card type	Members
With credit function	
KIPS credit card	580,000
Without credit function	
KIPS point card	780,000
KIPS ICOCA Card	300,000
Total	1,660,000

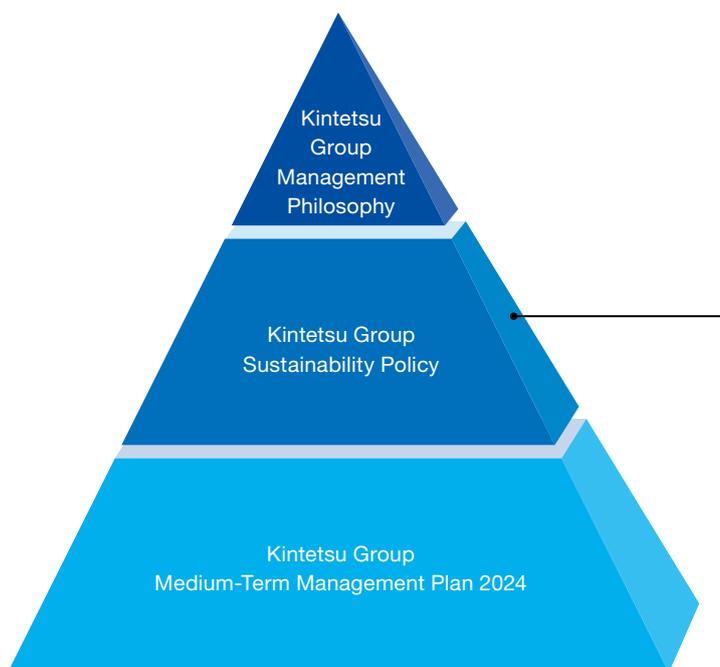
Kintetsu Cable Network Subscribers

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 to toward over the long term, and by implementing initiatives, we aim to achieve sustainable growth and contribute to the realization of a prosperous society through co-creation.



Kintetsu Group Sustainability Policy

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

Materiality (Priority Issues for Sustainability)

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

Sustainability Promotion Framework

To strengthen the relationship of trust we have built with all of our stakeholders—whether customers, regional communities, shareholders, business partners, employees, or others—and to resolve societal issues and raise corporate value in the long term, we have put in place a Sustainability Promotion Committee. The committee is chaired by Kintetsu Group Holdings’ president, and comprises executive officers from the company as well as the presidents of the major group companies. The key topics it has recently examined are listed below. In March 2024, the CSR Committee was restructured into three committees—the Sustainability Promotion Committee, the Risk Management Committee, and the Legal & Ethical Affairs Committee—with the first two structured so that the presidents of the major group companies serve as committee members to strengthen sustainability and governance.



Key Topics Before the Sustainability Promotion Committee

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

June 4, 2024

- Kintetsu Group sustainable management
- ESG evaluation of the Kintetsu Group
- Sustainability issues and key initiatives
- Kintetsu Group Environmental Targets and Measures
- Human capital, human rights, health management
- Governance, Risk Management Committee
- Kintetsu Group Integrated Report 2024

■ Materiality (Priority Issues for Sustainability) – Identification Process

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

■ 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 August 31, 2024)

Adoption of Indexes

FTSE Blossom
Japan Sector
Relative Index

2024

Sompo Sustainability Index

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Morningstar Japan
ex-REIT Gender
Diversity Tilt Index

S&P/JPX
Carbon
Efficient
Index

External Evaluation

NIKKEI
SDGs
経営調査 2023 ★★★★★

NIKKEI
Smart Work
★★★ 2024

2024
健康経営優良法人
Health and productivity
ホワイト500

Health & Productivity Management Outstanding Organization
White 500

CDP
DISCLOSER
2023

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

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

Related societal issues	Risks	Opportunities	Related SDGs
<ul style="list-style-type: none"> Responding to low birthrates, aging society, and declining population Growing awareness of sustainability Promoting innovation and technical progress 	<ul style="list-style-type: none"> Decreased demand due to population decline Decline in non-resident population Decrease in domestic and inbound tourists Intensifying competition, emergence of new competitors Revisions to existing business models prompted by changing and diversifying lifestyles Shortage of labor Political instability, economic stagnation, and rising prices caused by geopolitical risks Slowdown in innovation and technological progress 	<ul style="list-style-type: none"> Expansion of online business and creation of new customer contact points through digital means Business opportunities based on an increase in active seniors A return to regional core cities Revived awareness of the value of real-world experiences Creation of new business models Development of an efficient business operation framework Increase in inbound tourism Expansion of business domains 	
<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 	
<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 Inadequate information security services 	<ul style="list-style-type: none"> Early business recovery by boosting resilience Growing preference for services that offer safety and peace of mind 	
<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 Risks specific to new businesses 	<ul style="list-style-type: none"> Increasing corporate value through management personnel diversification 	
<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 	

Major Initiatives for Priority Issues for Sustainability

Materiality	Title	Major initiatives
Creating a lifestyle that anticipates changes in values	Stronger Cooperation with Local Authorities	Agreements with Nara Prefecture, Ikoma City, Yao City and Higashisumiyoshi Ward in Osaka City
	Compact Community Development around Major Stations	Development of department stores as town centers, development of condominiums near major train stations
Energizing communities by enhancing the network	Development of the Abeno and Tennoji Areas	10th anniversary of ABENO HARUKAS, business conditions, number of visitors
		Osaka Marriott Miyako Hotel, ABENO HARUKAS Art Museum, Ten-Shiba, creating excitement, maximizing appeal
Enriching people and communities with travel	Publicizing the Charms of Tourism Resources along Railway Lines	Publicizing the charms of tourism resources along railway lines
	Inigorating the Region through Co-Creation Business	Kinki Nippon Tourist, Club Tourism initiatives
	Attracting Visitors to the Region through the Inbound Travel Business	Cycling tours, support services for visitors to Japan
Contributing to the realization of a decarbonized and recycling-oriented society	Environmental Management System and Kintetsu Group Environmental Targets	Kintetsu Group environmental target achievement status
	Energy Use and CO ₂ Emissions	Scope 3 emissions coverage expanded, disclosure by category
	Energy-Saving and CO ₂ Reduction Initiatives	Renewable energy, electric buses, environmentally certified buildings, SAF
	Information Disclosure Related to TCFD	Climate change risks and opportunities organized
	Resource-Saving, Recycling and Biodiversity Conservation Initiatives	Horizontal recycling of PET bottles, reduction of plastic
Ensuring safety and pursuing peace of mind	Initiatives in the Railway Business (Kintetsu Railway)	Safety management systems, disaster prevention and safety measures, training and education
		Introduction of new general-purpose railcars
Fostering diverse human resources and supporting their activities	Human Capital	Fundamental policy on human resources (recruitment, development and environmental improvement)
	Recruitment and Development	Competence development training and personnel development
	Creating a Positive Work Environment	Work environment improvement, employee engagement
	Health and Safety	Health & Productivity Management Declaration, common targets for health management (obesity rate, stress)
	Human Rights	Implementation and handling of human rights due diligence
Bolstering our governance and risk management	Corporate Governance	Board of Directors, skills matrix
	Compliance	Legal and ethical compliance framework
	Risk Management	Risk management system, business risks, risk maps
	Supply Chain Management	Request to business partners, KWE supplier code of conduct

Key Performance Indicators (KPIs) for Priority Issues for Sustainability

Materiality	Business category	Key Performance Indicators (KPIs)	FY2022 results	FY2023 results	Target fiscal year	Target
Creating a lifestyle that anticipates changes in values	Railways	Number of new general-purpose railcars that meet diverse needs	–	–	2025	116 in total
	Stores	Proportion of total sales of key health products	2.5%	2.5%	2025	3%
Energizing communities by enhancing the network	Real estate	Creation of resident and non-resident populations through redevelopment of area around a station	–	–	2024 on	Monitoring indicators
	Railways	Number of railway passengers	501 million	522 million	2025	527 million
	Department stores	Commercial services facility complexes constructed as part of community development in cooperation with communities and local authorities	2 stores	2 stores	2024	Gradual expansion
	Stores	Number of mobile supermarkets in operation	22 (cumulative)	22 (cumulative)	2024	30 (cumulative)
Enriching people and communities with travel	Hotels	Tie-ups with local companies	9 facilities	12 facilities	2024	14 facilities
	Railways	Number of users of Ise-Shima limited express trains	Approx. 2.0 million	Approx. 2.3 million	2026	Pre-COVID level (approx. 2.65 million in FY2018)
	Travel agency	Number of participants in universal tourism	71,688	70,051	2024	74,500
Number of participants in tours promoting adult education		81,505	94,828	2024	105,000	
Contributing to the realization of a decarbonized and recycling-oriented society	Group	Energy use (compared to FY2015)	–14.3%	–22.1%	2030	–20% or more
		CO ₂ emissions (total) domestic (compared to FY2015)	–40.9%	–30.5%	2030	–50%
		CO ₂ emissions (total) domestic + international (compared to FY2022)	–	8.0%	2030	–20%
	Department stores	Food wastage reduction rate (compared to FY2019)	–25.7%	–14.7%	2030	–20%
	Stores	Reduction rate of food loss volume (compared to FY2018)	–27.4%	–20.4%	2030	–40%
	Hotels	Number of hotels using foodstuff with sustainability certificates	9	15	2024	15
		Reduction of plastic amenities per guest (compared to FY2021)	–23%	–40.6%	2024	–50%
	Travel agency	Number of participants in green tourism	9,625	9,714	2024	10,000
Number of participants in eco-tourism		4,125	4,164	2024	5,000	
Number of J-credit users		3,082	9,076	2024	10,000	
Ensuring safety and pursuing peace of mind	Railways	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	92	79	Every fiscal year	Fewer than the previous fiscal year
	Real estate	Percentage of condominiums with stockpiles of emergency items	100%	100%	2024	100%
	Hotels	HACCP implementation (number of food poisoning incidents)	0	0	Every fiscal year	0
Food allergy response measures (number of serious allergy incidents)		0	0	Every fiscal year	0	
Bolstering our governance and risk management	Kintetsu Group Holdings	Ratio of external directors	33.3%	33.3%	2024	Maintain one third or higher
	Railways	BCM (business continuity management) rating (Development Bank of Japan)	Highest rank	Highest rank	2025	Maintain the highest rank
Fostering diverse human resources and supporting their activities	Kintetsu Group Holdings	Percentage of female employee hires to total number of career-track hires	17.4%	38.1%	Every fiscal year	30% or more
		Employee turnover rate among all career-track employees at the Company	2.0%	2.4%	Every fiscal year	2.0% or less
Comprehensive evaluation indicators						
	Kintetsu Group Holdings	Maintaining and improving external ESG evaluation				

Management Strategy



The Corporate Strategy and Planning Division: Providing a rapid response to management challenges

Shiro Hara

Director, Senior Managing Executive Officer
Responsibilities: Corporate Strategy and Planning Division

Background and rationale for the establishment of the Corporate Strategy and Planning Division

The Kintetsu Group continues to deal with longstanding structural challenges in the Japanese economy as characterized by the country's aging population and a falling birthrate that is leading to a population decline. At the same time, we are obligated to address interrelated management issues related to sustainability, human capital, and the digital transformation. Moreover, the risks affecting the Kintetsu Group are rapidly changing even as they become more complex, necessitating an effort to enhance our risk management.

To respond to these rapid changes in the economic environment, we have decided to consolidate the former Corporate Strategy Division and Business Strategy Division into the Corporate Strategy and Planning Division, effective June 21, 2024. These two divisions, previously functionally independent, have now been integrated into a single entity to establish a system focused on effectively addressing the management challenges facing the Kintetsu Group.

Previously, the Corporate Strategy Division had been responsible for devising a management plan and managing its implementation as part of its work on formulating a group management strategy. This division was also responsible for the restructuring of group companies as well as mergers and acquisitions, including the acquisition of Kintetsu World Express, Inc. as a wholly owned subsidiary. In addition, as part of its responsibility to manage group companies, it provided management guidance to individual companies, compiled corporate data, and engaged in research and analysis.

At the same time, the Business Strategy Division had been considering developing a mobility-centered transportation service, a new seafood production business, and business opportunities arising as part of Expo 2025 Osaka, Kansai and the integrated resort project. It had also been promoting regional collaboration through the introduction of mobility-as-a-service (MaaS) and

group-wide collaboration using the Group's KIPS point system. As well, with an awareness of the recent progress in digitization, it had been compiling a customer information infrastructure for the Group in preparation for the digital transformation that would eventually be undertaken across the Group. Further, the Ise-Shima Office and Taipei Office, which were located within the Business Strategy Division, had been collecting business-related data and considering business opportunities.

However, limits exist to what any one division can do in response to the aforementioned shifts in the economic environment; moreover, we have determined that combining the functions of both divisions in an integrated and comprehensive manner is an essential step. Therefore, we decided to integrate these two divisions. By integrating the Corporate Strategy Division, which is familiar with the management data of each of our group companies, and the Business Strategy Division, which excels at collaborating with government agencies and other companies and entities outside the Group, we believe we will enhance our ability to respond to management issues and promote a variety of measures more rapidly and with greater attention to detail.

Having identified Okinawa Prefecture as an important territory capable of supporting our corporate growth, the Kintetsu Group has invested in Japan Entertainment Co., Ltd., the developer and operator of the JUNGLIA theme park scheduled to open in Okinawa in the summer of 2025. We have also formed a capital alliance with Orion Breweries, Ltd., which is expected to serve as our partner in promoting our business in Okinawa. Going forward, the Corporate Strategy and Planning Division will play a leading role as a facilitator for stable business collaborations and corporate growth in Okinawa.

New functions of the Corporate Strategy and Planning Division

The newly established Corporate Strategy and Planning Division will not only fulfill the combined functions of the Corporate Strategy Division and the Business Strategy Division but will also take on

the duties of collecting data and managing the risks associated with various management decisions, tasks that were previously the responsibilities of other departments.

In order to respond to management challenges over the medium and long terms, we must have access to external information such as economic trends, economic indicators, and market trends as well as management information from each of our group companies. For this reason, we have formed a team within the Corporate Strategy and Planning Division to compile management data. This team will collect not only publicly available data but also a broad array of information from experts and knowledgeable individuals in each industry, examine and analyze the data, and provide the salient information to management to ensure the quality of management decision-making is enhanced and refined.

With regard to the risks surrounding the Kintetsu Group, it is becoming increasingly important that we manage them across the Group and respond when appropriate. These risks include various events such as outbreaks of infectious diseases and the occurrence of large-scale disasters and accidents, not to mention shifts in the economic environment. In the spring of 2024, we established a Risk Management Committee to employ the PDCA cycle when addressing risk management. To make this approach even more effective, we have formed a risk management team within the Corporate Strategy and Planning Division to work on risk management as part of the management of each group company.

Driving the next leap forward for the Kintetsu Group

When we consider trends affecting Japan and the world at large, we can clearly see that the use of generative AI and other such technological advances is progressing at an accelerated pace. It is important that we fully understand such technologies and deploy them appropriately to survive in this era of intense competition. Domestic consumption trends are also exhibiting major shifts, and the Japanese economy's long period of deflation is expected to shift to one of inflation. Consequently, the conventional strategies for identifying consumer needs are no longer effective. The world is entering a highly uncertain economic environment that includes not only growing geopolitical risks but also shifting trends in exchange rates and resource pricing.

To respond to these rapid economic shifts and underpin the further development of the Kintetsu Group, we must quickly identify and implement the necessary measures. With the establishment of the Corporate Strategy and Planning Division, we have put in place an organizational structure, but this is not sufficient to ensure this structure functions as intended. It is essential that all members of the Corporate Strategy and Planning Division develop the desire to respond to emerging management challenges as a well-functioning unit that works effectively with our group companies. By fostering this awareness, strengthening cooperation, and steadily resolving management issues, we will drive the next leap forward for the Kintetsu Group.

Structure and Primary Responsibilities of the Corporate Strategy and Planning Division



Projects promoted by the Corporate Strategy and Planning Division

- Formulating medium- and long-term management plans
- Considering structural reform of group companies
- Promoting business collaboration in Okinawa (with Japan Entertainment Co., Ltd. and Orion Breweries, Ltd.)
- Implementing initiatives targeting Expo 2025 Osaka, Kansai and the Osaka integrated resort project
- Compiling a customer information infrastructure for the Group and improving services
- Establishing Kintetsu HR Partners Co., Ltd., a company intended to address the human capital challenges of the Kintetsu Group
- Implementing initiatives to revitalize the Ise-Shima area

Management Strategy



A medium-term management plan focused on enhancement of corporate value

Naoyoshi Ueda

Director, Managing Executive Officer

Responsibilities: Corporate Strategy and Planning Division

Implementing our medium-term management plan

Under the Kintetsu Group Medium-Term Management Plan 2024, the Kintetsu Group has been taking steps to lower its break-even point by reducing structural costs, transitioning to an asset-light structure through asset sales, and transforming its business portfolio by strengthening the capital ties between the company and Kintetsu World Express, Inc.

For fiscal 2024, the final year of our current medium-term management plan, we have identified the following target management indicators: operating profit of at least 86 billion yen, net interest-bearing debt of less than 1.07 trillion yen, a net interest-bearing debt/EBITDA ratio of around 7, and an equity ratio of 21%. In fiscal 2023, Kintetsu Railway Co., Ltd. implemented fare revisions; moreover, the performance of Kintetsu World Express Inc., which became a consolidated subsidiary in fiscal 2022, contributed to the results on a full-year basis. Consequently, consolidated operating revenue increased 4.4% year-on-year to 1,629.5 billion yen and operating profit increased 30.2% to 87.4 billion yen. As a result, we have largely achieved our target management indicators one full year ahead of schedule.

We will continue to work on strengthening our resilience to business risk by formulating and implementing structural reforms of the business, restoring the financial soundness temporarily undermined by the pandemic, and solidifying our business foundation through digital strategies for future growth and revitalization of railside areas, thereby strengthening the management foundation that will underpin our sustainable growth. We intend to fully recover from the impact of the COVID-19 pandemic as we proceed with management reforms intended to develop new businesses and drive our progress. Moreover, by strengthening our profitability and addressing societal issues, we will foster a sustainable increase in corporate value that will support stakeholder returns.

Priority measures

Under our current medium-term management plan, we are promoting six key initiatives. Four of these—① Radically reviewing our cost structure; ② Early reduction of interest-bearing debt; ③ Strengthening cooperation with external partners; and ④ Reforming our business portfolio—have been largely achieved over the three years ended in fiscal 2023, and we are continuing to pursue and expand on these initiatives.

Meanwhile, we continue to make progress with our fifth key initiative, ⑤ Creating new businesses and services through DX (digital transformation). For example, in March 2024 in the Ise-Shima region, we made digital tickets available for purchase on our website, and in August 2024 we launched an app that employs a common ID for the KIPS point service.

Our sixth and final key initiative, ⑥ Implementing community development that aims to resolve regional issues, is an important theme for sustainability and one of the more pressing issues for the Kintetsu Group. Clearly, the revitalization of railside areas through urban development initiatives is an important source of the Kintetsu Group's profit. In light of this, we are seeking to increase the visiting and resident populations by positioning major railway stations and adjacent areas as the hubs of our redevelopment strategy. This approach is essential for a society such as ours that is characterized by a declining birthrate and aging population. We are also working with local governments along our railway lines to promote local attractions by holding lively events at stations and using other promotions to revitalize the railside areas.

Financial strategy

We will continue to focus on restoring our financial soundness, which is highlighted as one of our priority financial strategies under our current medium-term management plan. To that end, we are undertaking structural reforms of each one of our businesses as a means of increasing our ability to generate cash flow. At the same

time, we will continue to reduce interest-bearing debt through appropriate capital controls with a group-wide perspective.

Net interest-bearing debt increased to 1,095.3 billion yen at the end of fiscal 2022 due to our acquisition of Kintetsu World Express Inc., as a wholly owned subsidiary, among other factors. However, we intend to reduce this debt to around 1 trillion yen by the end of fiscal 2024, the final year of the current medium-term management plan, and will continue to accumulate capital with the eventual objective of achieving a minimum equity ratio of 25%.

Capital investment policy

Looking to capital investment, we expect to achieve the scale of investment specified within the timeline of our current medium-term management plan. In line with projected EBITDA growth, we will carefully select the investments necessary for maintaining business continuity and supporting our future-oriented growth strategies while placing emphasis on investment discipline and efficiency, subject to our stated priorities. Specifically, we plan to invest 216 billion yen over the four years of the current medium-term management plan.

With regard to our railway business, we will balance our investments in order to maintain a sustainable social infrastructure through the planned renewal of general-purpose rolling stock and by maintaining the soundness of our facilities. We will also undertake growth-oriented investments such as the revitalization of railside areas.

Looking to our real estate business, we aim to increase revenue by redeveloping areas around stations that contribute to the revitalization of railside areas while acquiring and developing properties that are expected to be highly profitable, including those located outside the areas of our railway lines. We will also consider real estate financing initiatives in an effort to balance growth investments with our commitment to maintaining a sound financial footing.

In addition, with respect to our international logistics business, we are promoting investments in digital infrastructure intended to improve competitiveness while adhering to our policy of maintaining an asset-light approach. In our merchandise sales and hotel/leisure businesses, we will renovate stores and guest rooms with the intention of maintaining or improving our profitability.

Implementing sustainable management

To contribute to the emergence of a decarbonized society committed to recycling, we are reducing our energy consumption, lowering our CO₂ emissions, and implementing resource conservation and recycling initiatives with the aim of contributing to the Kintetsu Group Environmental Targets and the target of carbon neutrality by 2050.

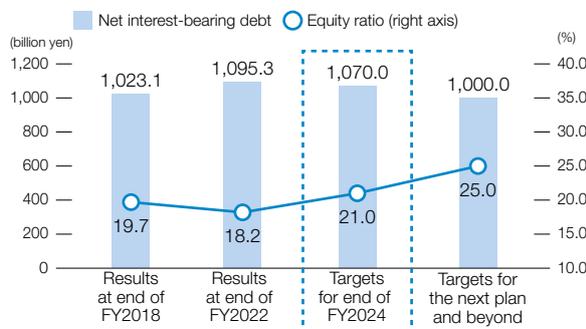
In 2023, we updated the Kintetsu Group Environmental Targets, raising our minimum CO₂ emissions reduction target for fiscal 2030 from 40% to 50% relative to 2015 levels. As we continue to work toward achieving carbon neutrality by 2050, we remain committed to advancing additional initiatives in each of our businesses.

Further, we have signed on to the United Nations Global Compact (UNGC). We have pledged our support for the 10 principles of the UNGC in terms of human rights, labor, the environment, and anti-corruption while continuing to promote sustainable management initiatives through the Kintetsu Group.

Finally, we are upholding our commitment to disclosing information proactively in response to existing needs. Moreover, we will strive to improve management transparency through wide-ranging dialogue with our multiple stakeholders, who include our local communities, customers, investors, business partners, and employees. We will remain dedicated to the emergence of a more affluent society through our pledge to engage in co-creation.

Ensuring financial soundness

Trends in net interest-bearing debt and equity ratio



Capital Investment Plan (FY2021–FY2024)



Major investments

- Introduction of new general railway vehicles (Railways)
- Installation of platform edge gates (Railways)
- Undertaking seismic reinforcement of structures (Railways)
- Redeveloping station areas (Real Estate)
- Shima Green Adventure (Real Estate)
- Renewing hotel facilities (Hotels)
- Investing in IT (all companies)

Shareholder returns

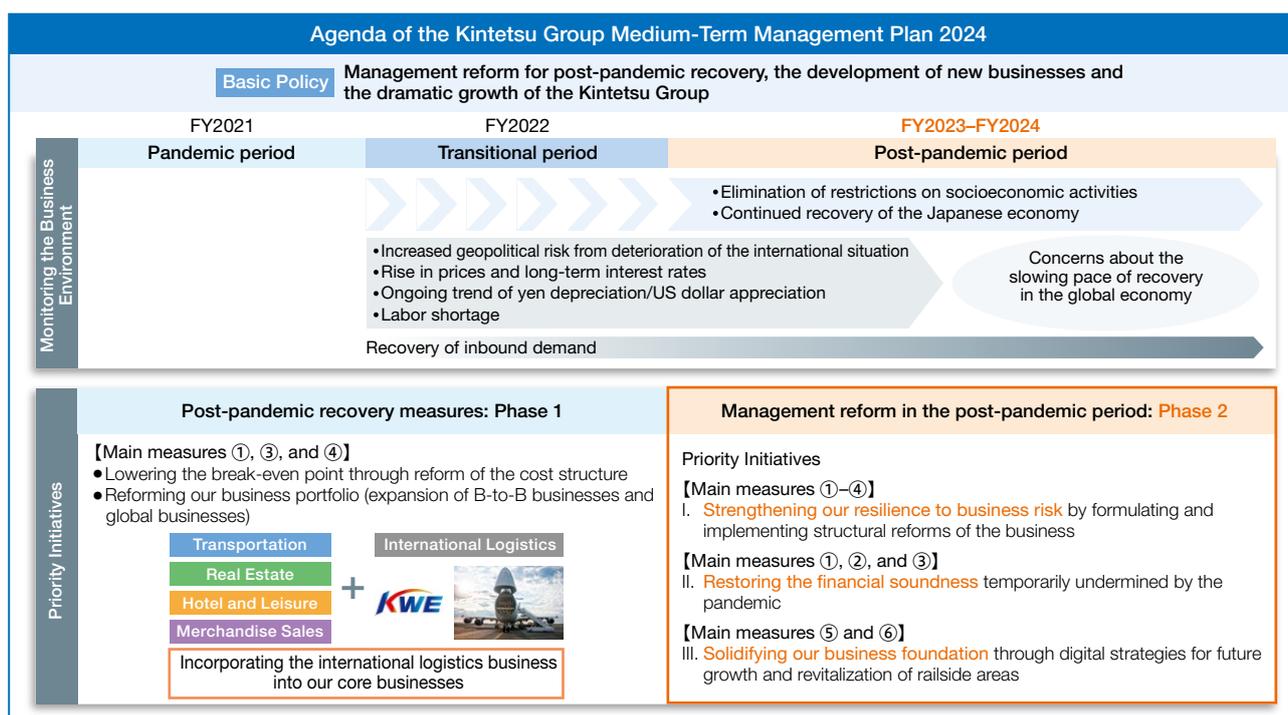
Ensuring stable shareholder returns commensurate with performance while strengthening our profitability and financial foundation

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 fiscal 2024, which is the final year of the plan, we will work on its overall completion for strengthening our tolerance to business risk, restoring financial soundness, and solidifying our business foundation, while striving to strengthen our management foundation for sustainable growth.

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.	Seek to establish structural cost reductions and further deepen business structural reforms implemented during the pandemic Cost reductions (on a consolidated basis) compared with pre-pandemic period FY2023 results: Approx. 43 billion yen FY2024 forecast: Approx. 42 billion yen	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 accelerate the increase in equity for the next leap forward	Mostly achieved. Committed to achieving further results.
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. Business area expansion: Capital and business alliance with Orion Breweries, Ltd.	In the hotel business, to promote two-pronged ownership/direct management and outsourced management in collaboration with Blackstone To promote business in Okinawa, in which there are high expectations for growth in tourism, etc.	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. (Introduced KIPS app and Kintetsu-ID (Group Common ID).)	To heighten our understanding of customers, improve services, and generate demand by analyzing customer data collected from digital service platforms	Will maintain focus.
⑥ Implementing community development that aims to resolve regional issues	Strengthened collaborations with local communities and companies, mainly in railside areas.	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.

3 Updating Target Management Indicators

Main measures	FY2018 results	FY2022 results	FY2023 results	FY2024 forecast	FY2024 targets	Targets for the next plan and beyond
Operating profit	¥67.7 billion	¥67.1 billion	¥87.4 billion	¥88.0 billion	¥86.0 billion or more	¥100.0 billion or more
Net interest-bearing debt	¥1.0231 trillion	¥1.0953 trillion	¥1.0010 trillion	¥1.0300 trillion	Less than ¥1.0700 trillion	Less than ¥1 trillion
Net interest-bearing debt/EBITDA ratio	8.5 times	8.7 times	6.6 times	6.8 times	About 7.0 times	About 6.0 times
Equity ratio	19.7%	18.2%	21.2%	—	21% or more	25% or more

Notes:

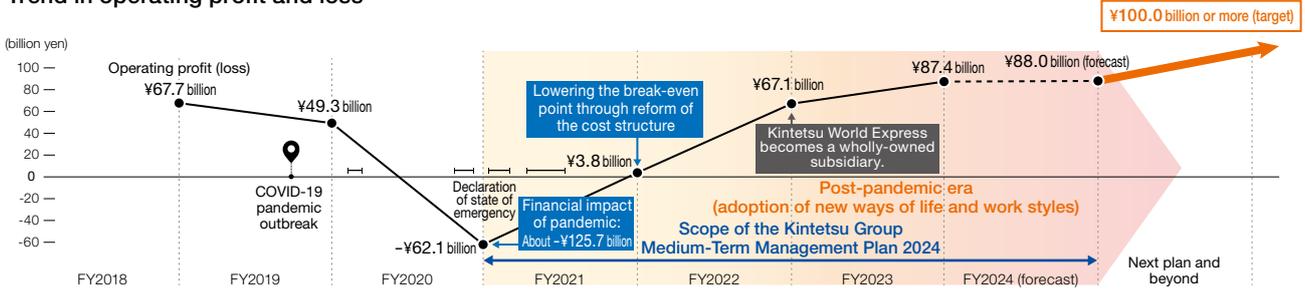
- Interest-bearing debt: Borrowings + bonds payable
- Net interest-bearing debt: Interest-bearing debt + lease obligations (excluding amount recorded under IFRS 16) – cash and deposits
- EBITDA: Operating profit + depreciation (excluding amount recorded under IFRS 16) + amortization of goodwill

Consolidated indicators	FY2018 results	FY2022 results	FY2023 results	FY2024 targets
ROE	9.6%	21.6%	10.0%	About 10%
ROA	3.5%	3.5%	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 Toward Realizing Management with an Awareness of the Cost of Capital and Stock Prices

Policy	While creating value through co-creation with multiple stakeholders that include customers, local communities, shareholders, business partners, and employees, and based on the idea that we should distribute that value among stakeholders in a well-balanced way, the Kintetsu Group will continue to generate revenue for shareholders that exceeds the cost of capital, and to provide shareholder returns while ensuring financial soundness.
Present recognition	Cost of capital for the entire Kintetsu Group: Approx. 3% (at present)
Initiatives	In order to ensure the capital profitability expected by the market even in a situation in which the cost of capital increases due to a rise in interest rates and other factors in the future, we will set profitability indicators according to the characteristics of each business, conduct analysis and assessment of capital profitability and market evaluation, set our financial targets, and study processes to achieve them. We will then utilize these initiatives for the sustainable enhancement of our corporate value. We will disclose specific initiatives in the next management plan, the first year of which will be fiscal 2025.

Initiatives for the Next Medium-Term Management Plan

In the next Kintetsu Group medium-term management plan, which starts in fiscal 2025, we will redefine our future ideal in the long term, and demonstrate to multiple stakeholders what we intend to implement and achieve with a backcasting approach during the course of the plan, with the ultimate goal of sustainable growth for the Group.

1 Main Points of the Next Medium-Term Management Plan

The next plan will cover the four years from fiscal 2025 to fiscal 2028 (the fiscal year ending March 31, 2029).

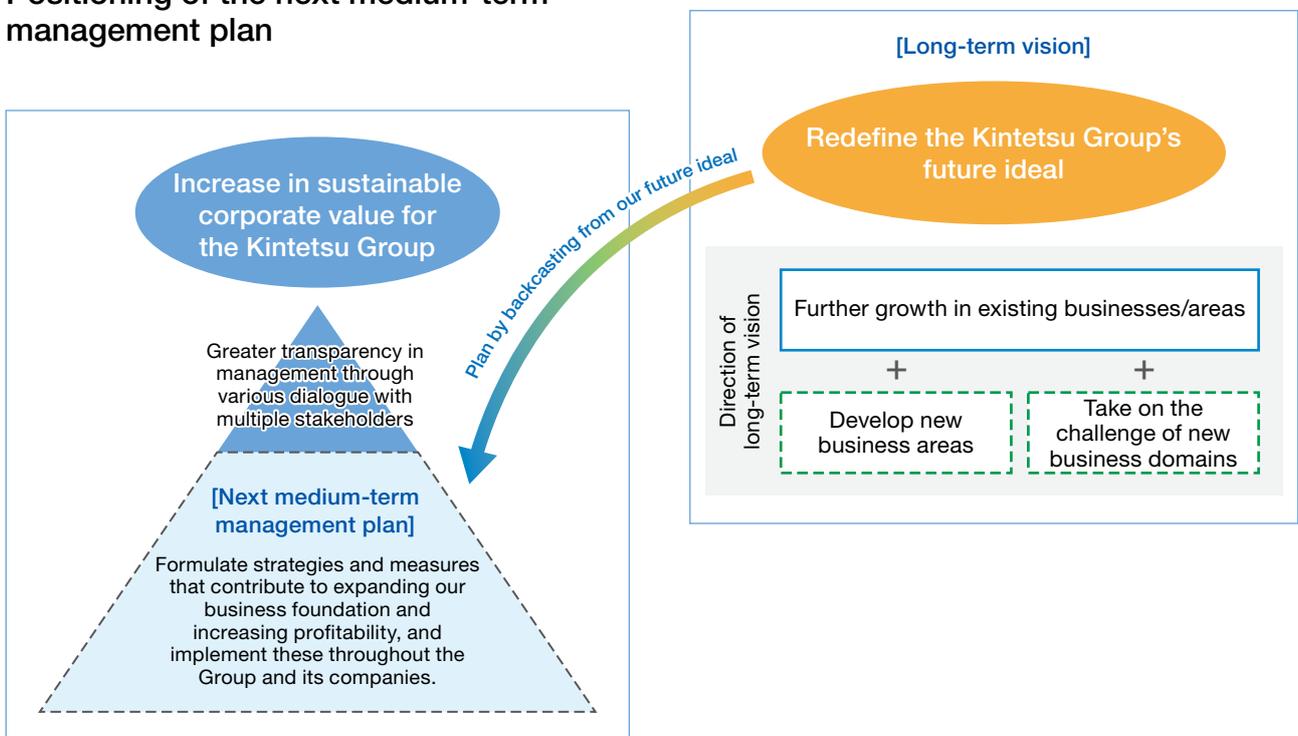
Initially, we will perceive changes to the business environment inside and outside the company, formulate strategies and measures that contribute to expanding our business foundation and increasing profitability, and implement these at each group company and throughout the Group.

By appropriately reflecting the perspective of the cost of capital in these strategies and measures, we will seek further increases in profit levels and specify our unique qualities as a group/conglomerate (those things we can achieve because of being the Kintetsu Group) that transcend the sum total of its businesses. Furthermore, we will continue to focus on striking a balance between growth and financial soundness, as well as controlling net interest-bearing debt and accumulating capital. We will also work on appropriate shareholder returns as a key issue.

In addition, we will emphasize the long-term sustainability perspectives in community co-creation, human resources, and others to take the appropriate action to create non-financial value, thereby generating and increasing value expected by multiple stakeholders.

Our aim is to increase corporate value through comprehensive initiatives for profit levels, financial soundness, and non-financial value.

Positioning of the next medium-term management plan



2 Group-Wide Communication

More so than in the past, formulation of the next medium-term management plan has been advanced within the Group via consensus. Prior to conventional discussions and considerations at the Group's operating companies, members responsible for planning medium-term management at our major group companies have participated in the establishment of guidelines for the next plan.

In establishing the guidelines, while reviewing the current medium-term management plan, members shared important external and internal changes to the environment, summarized and identified strengths and weaknesses in the Kintetsu Group, reflecting on the history of the Group, to redefine our long-term future ideal, as well as repeated discussions of various hypotheses from the perspectives of both the entire Group and its companies.

The necessary guidelines were formulated through these discussions, in which the Kintetsu Group's viability—which is based on the safety and security cultivated up to now in our original railway business and is dependent on the trust of many different people—was reaffirmed. At the same time, a common understanding was created that the Group is a unity of various businesses, including not just private railway management but also travel and international logistics. Furthermore, these business domains extend from the areas alongside our railway lines (the Kinki and Tokai regions) to the Tokyo metropolitan area, Kyushu, and overseas. This provides scope for dynamic growth, although we need to combine that growth with trust.

3 Communication That Combines a Diversity of Values

As a way of enriching communication throughout the Group, three teams of employees of around thirty, forty, and fifty years old were assembled from our major group companies. These teams held intensive debates about the common themes of development and growth in railside areas, demonstrating our presence beyond those areas and overseas, strengthening our revenue base, and the future ideal for the entire Group.

About ten employees in each age group freely discussed these themes, exchanging various views and opinions without being influenced by factors such as their current responsibilities or the companies at which they are employed. We received numerous forthright comments from the participants relating to issues that included the Kintetsu Group's diversity with various values and backbones, new findings, the Group's outstanding potential, and investment criteria. Many participants also told us the debates had been a very worthwhile opportunity. At a subsequent meeting to exchange information, the topic of "Issues I would like to tackle if I became President of Kintetsu Group Holdings" came up. We were able to make significant progress with internal communication, which was emphasized as part of the process for formulating the next plan.



The intensive debates



Human Resources Strategy



Aiming to inspire employees and promote their growth

Nobu Hayashi

Director, Senior Managing Executive Officer
Responsibilities: Human Resources Division

Believing in people is our management philosophy

Without human resources, the Kintetsu Group would not be able “to support daily life, to create more value,” as stated in our management philosophy. If the Group is to grow sustainably as societal values and lifestyles evolve, it is vital that we reassess the value we provide to customers and transform our culture to provide value that meets people where they are. Without a doubt, good talent is critical to this endeavor. This transformation begins with personnel who are curious, empathetic, creative, and, above all, have the grit that is needed to see work through to completion.

In the Human Resources Division, we believe in people and are committed to enabling talent to grow through recruitment and training, effective utilization, and creating a supportive work environment.

Implementing a strategy to address our human resources issues

The Japanese employment landscape is changing rapidly. There is an ongoing decline in the working-age population caused by a dwindling birthrate and aging population, coupled with rising wages and changing attitudes toward employment. The labor shortage is a particularly urgent issue for the Kintetsu Group. We run many labor-intensive businesses, operate across numerous business domains and sectors, and must contend with differences in the corporate culture of our group companies. We need to secure diverse types of personnel, including managerial talent, specialized professionals, international staff, and frontline workers for a broad range of work genres.

These challenges highlight the need for better talent allocation and the introduction of a flexible human resources system to accommodate shifting attitudes toward work. I

feel that we need to adopt a comprehensive, long-term view in our human resources strategy to address these issues.

As a commitment toward this end, the Kintetsu Group established Kintetsu HR Partners Co., Ltd. in October 2024 to handle all human resources-related operations for the Group. This new entity is designed to support group companies and their human resource policies, helping to resolve human resources issues. I will focus on maintaining and enhancing employee motivation and will do so by reconsidering the basic relationship between the individual and the organization and the fundamental meaning of work and living up to our ideals.

The following specific strategies have been devised to achieve our stated ends. First, we will create a recruitment system to ensure that we have a sufficient number of people with the necessary qualities for all industries, roles, and employment types across the Group. By collaborating closely with each company, we aim to enhance recruitment to bring in more regular employees and part-time workers. Kintetsu HR Partners will also maintain strong connections with external recruitment agencies to attract outsourced personnel and employees from countries outside of Japan. Next, we will create a training system that uses group-wide business ethics training to focus on how individuals should conduct themselves while also teaching professional skills in a variety of occupations. By organizing training programs that were previously challenging for individual companies to implement, Kintetsu HR Partners aims to raise the capabilities of employees throughout the Group. We will also create a system for enabling more well-attuned assignments—putting the right people in the right positions group-wide. The idea is to support personnel development through strategic placements based on a proper understanding of our employees’ abilities, aptitudes, and career aspirations attained by collating their information. Finally, we will build that system to collect and analyze the personnel-related

information necessary within the Group as a foundation for achieving the three items discussed above.

Continuing to promote employee well-being

I have just described the Kintetsu Group's human resources strategy of establishing a new company, but our human resources work does not end there. It is essential to keep asking ourselves what well-being means to employees and how to raise their motivation by modifying existing systems and incorporating new ones as needed.

I believe that employee education will become an increasingly important human resources strategy going forward. While we will continue to provide opportunities to develop business skills, we also want to expand business ethics training that focuses on how individuals should conduct themselves. We will continue to implement human rights due diligence and provide human rights training based on the Fundamental Policy on Human Rights of the Kintetsu Group. We will also provide thorough education on compliance with laws and ethics to prevent power harassment and sexual harassment and to protect employees from customer harassment and other forms of harassment. Additionally, we will provide education on the concept of unconscious bias to raise awareness about how personal biases and assumptions

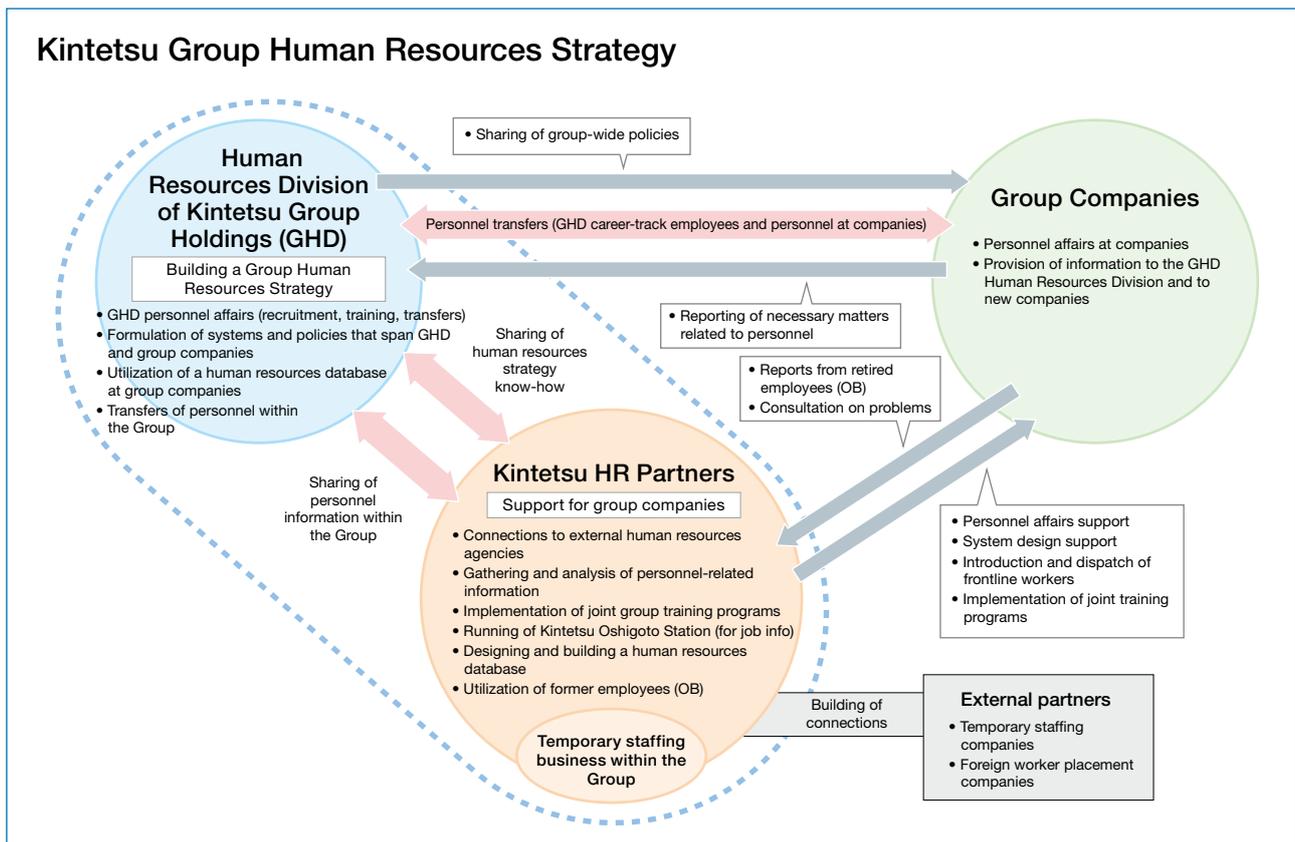
can affect mutual understanding among employees.

Promoting employee health is another key focus. To ensure that our employees can work in good health both mentally and physically, we will continue to actively implement various health promotion measures, including disease prevention initiatives, under the Kintetsu Group Health & Productivity Management Declaration, our health management policy.

We will provide education and create a workplace environment that allows our employees to work happily and energetically in a spirit of mutual trust.

Embracing challenges leads to Group development

In conclusion, I would like to reiterate that at its core, human resources work is about boosting employee motivation and supporting employee growth. It is about creating an environment where employees feel engaged and inspired to work hard, where they feel a sense of fulfillment from making a difference, and are able to grow as individuals by overcoming obstacles and accomplishing things they had not thought possible. When employees embrace their work with this mindset and push their boundaries, it naturally fuels the development of the Group overall. To support this, I aim to introduce diverse human resources initiatives that will foster a bold spirit to take on new challenges across the Group.



Strategies for the Digital Transformation



Establishing the digital infrastructure designed to shape the future of the Kintetsu Group

Hideo Fujii

Managing Executive Officer

Responsibilities: Corporate Strategy and Planning Division

Our Group's digital promotion system

Since the launch of the Digital Transformation Management Office within the Business Strategy Division (recently renamed the Corporate Strategy and Planning Division) in June 2023, we have identified and implemented five key measures: establishing a digital services platform; standardizing back-office operations and systems; strengthening and coordinating cybersecurity; utilizing data analysis, AI, and other advanced technologies; and hiring and training digital talent. We have done so as part of our three-pronged mission: to provide support for the digital initiatives required by each company to execute its own business strategies; to promote digital initiatives that should be undertaken across the Group and that cannot be fully effected by each company on its own; and to promote initiatives that utilize the Group's accumulated knowledge and economies of scale.

Our Group is currently focused on addressing three pressing societal issues: Japan's shrinking labor force, a phenomenon attributable to population decline arising from a falling birthrate and aging population; changes in social behavior occurring as a result of the COVID-19 pandemic; and the need to develop new businesses that strengthen our resilience to emergencies. In so doing, we recognize the necessity of using digital technology to promote the management and business strategies of each company in our Group. At the same time, we must consider the increasing sophistication of digital technology, the growing demand for personnel with skills in the digital realm, and the significant impact of cyberattacks on business operations due to reliance on digital technology. As it is difficult for each group company to respond on its own, we must renew our focus on consolidating the Group's knowledge and systems.

We define this knowledge and these systems as the infrastructure required to implement digital technology. Further, we believe that effectively building the foundation for and operating digital technology while training personnel with particular skills in this area are key factors for ensuring the growth of the Kintetsu Group. The Digital Transformation Management Office is committed to establishing and managing the digital infrastructure required by the Kintetsu Group.

Development of the Kintetsu Group's digital infrastructure

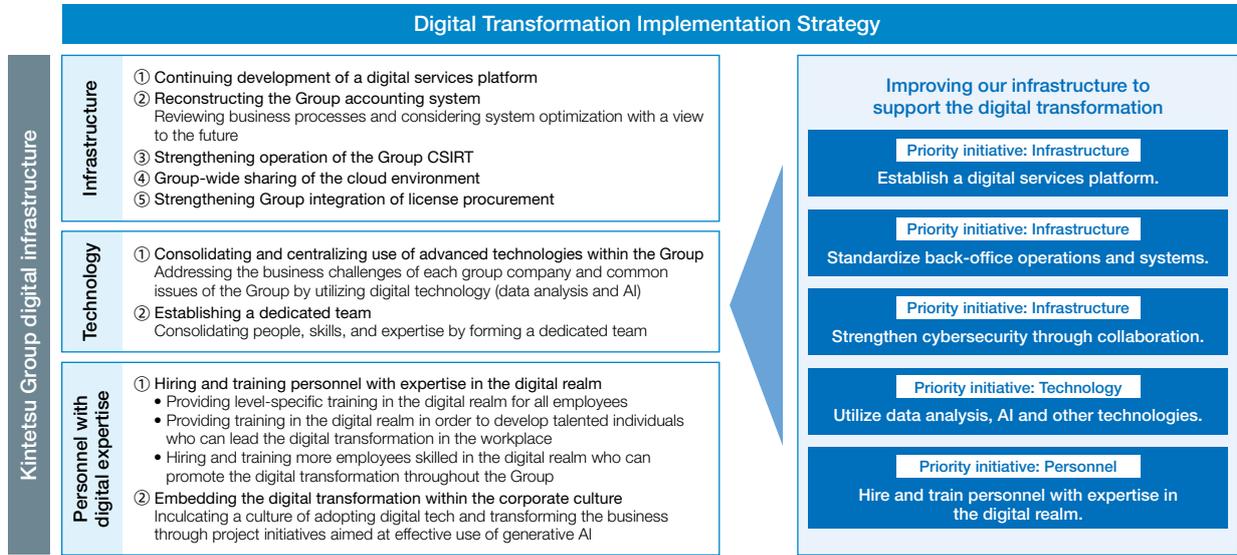
Looking to the components of the digital infrastructure, the very foundation involves planning and developing an environment that is established throughout the Group and is necessary for solving common challenges. We are continuing to advance our digital services platform, which became fully operational in August 2024, and are rebuilding the Group's accounting system. We will also strengthen the operation of our Group's Computer Security Incident Response Team (CSIRT) as a cybersecurity measure, which is essential when deploying digital technology.

In terms of technological innovation, we have launched a dedicated team to consolidate our skills and knowledge in the areas of data analysis, AI, and other advanced digital technologies that are required across the Group, with our company taking the lead. We are also buttressing our system so that we can focus on issues such as digital marketing and business efficiency that are common throughout the Group while we develop and implement solutions to address the other challenges we face.

As we continue to develop personnel with exceptional skills in the digital realm, we are providing training with the intention of imparting to all our employees the knowledge required to succeed in this domain. We will accomplish this by establishing minimum training standards throughout the Group commensurate with the roles and responsibilities demanded of individual employees. We will also hire and train personnel who can manage and consult on initiatives intended to improve business operations and create value at each group company while also maintaining and operating our digital environment.

On September 1, 2024, we were recognized as a Digital Transformation Certified Operator by the Ministry of Economy, Trade and Industry in appreciation of our efforts in this area. In Japan, Digital Transformation Certification is a national system under the Act on Facilitation of Information Processing. It certifies businesses that are prepared to transform their operations through the adoption of digital technology. We will continue to work swiftly to establish a digital infrastructure that will drive the future growth of the Kintetsu Group.

Overview of Our Digital Transformation Implementation Strategy and Key Initiatives



Messages from Top Management

Our Value Creation Story

Our Value Creation Strategy

Initiatives for Materiality

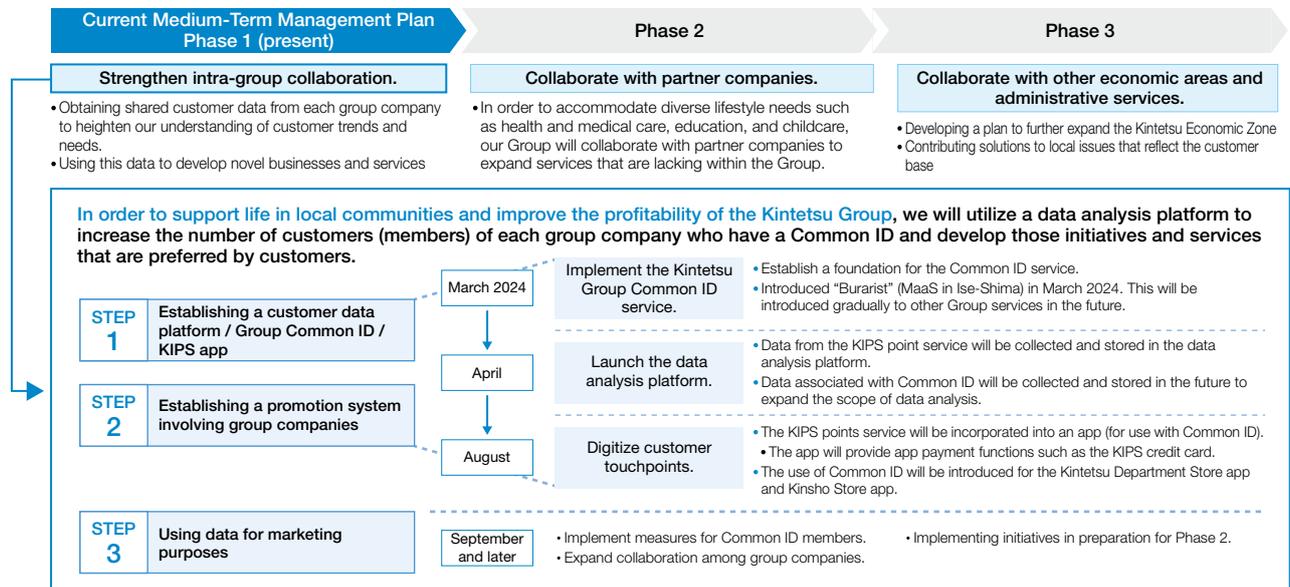
Corporate Governance

Corporate Information

Priority initiative: Infrastructure Establish a digital services platform.

Expanding services and the scope of our business by compiling a group-wide customer database

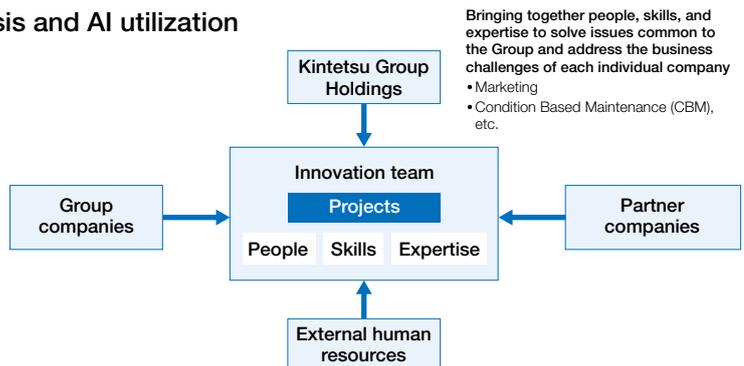
Overview and plan of the digital services platform



Priority initiative: Technology Utilize data analysis, AI and other technologies.

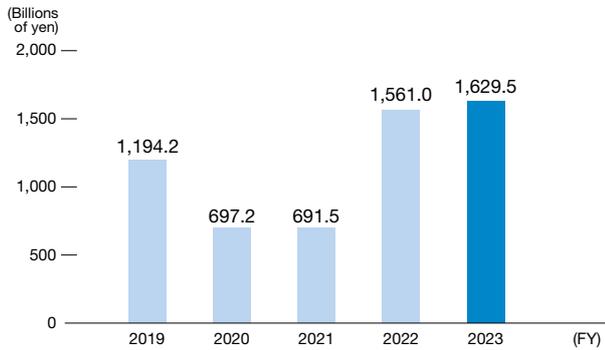
Launching a team dedicated to data analysis and AI utilization

- Addressing the business challenges of each group company and common issues of the Group by utilizing digital technology (data analysis and AI)
- Consolidating people, skills, and expertise by forming a dedicated team

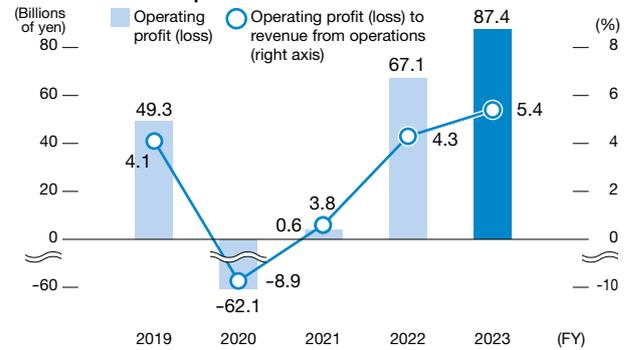


Financial Highlights

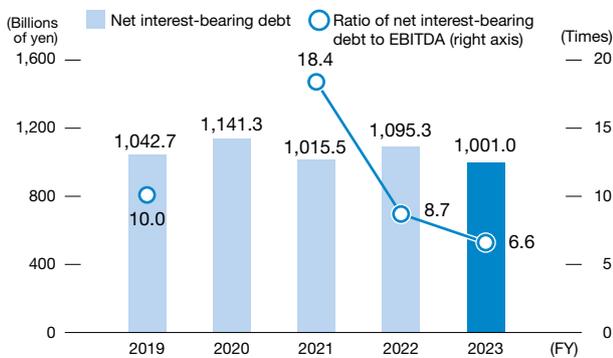
Operating revenue



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

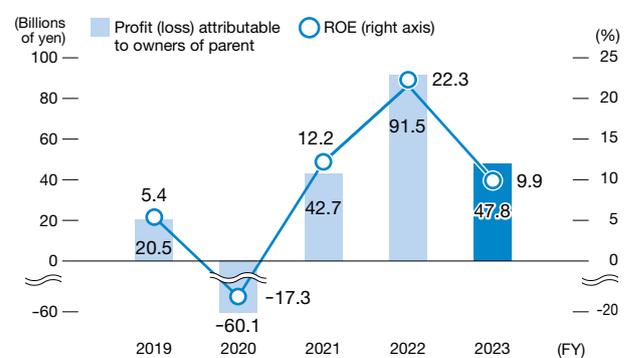


Ratio of net interest-bearing debt to EBITDA

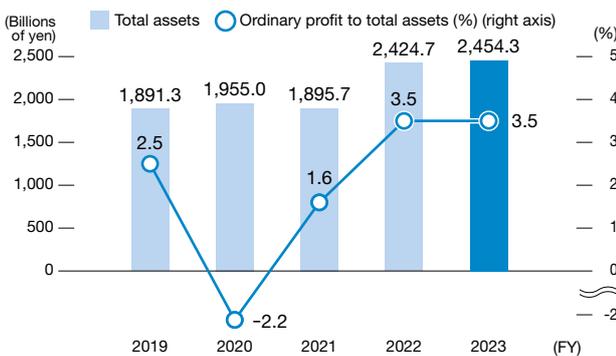


*Ratio of net interest-bearing debt to EBITDA for fiscal 2020 was negative, therefore it is omitted.

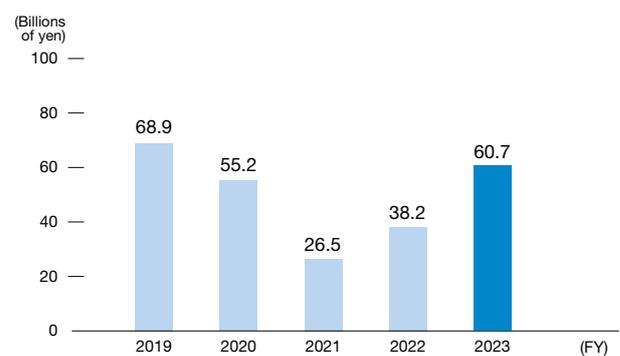
Profit (loss) attributable to owners of parent and ROE



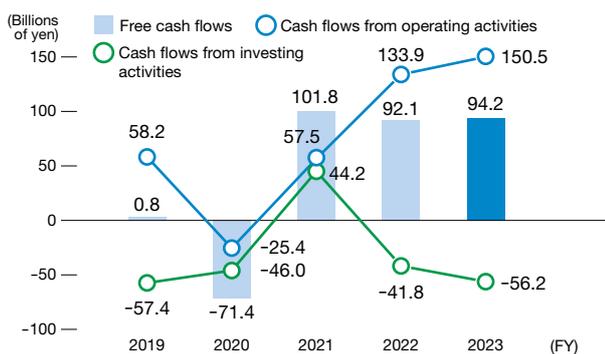
Total assets and ordinary profit to total assets (%)



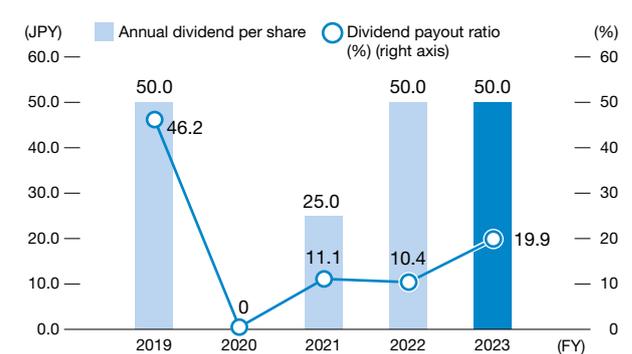
Capital expenditures



Cash flows



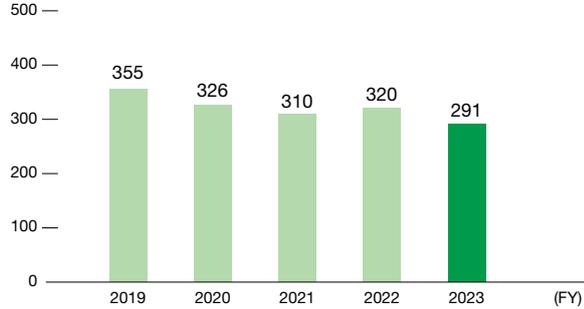
Shareholder returns



Non-Financial Highlights

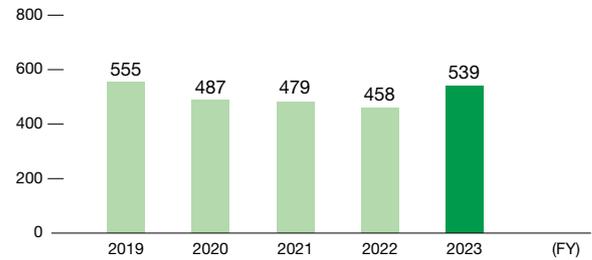
Energy use (companies subject to periodic reporting pursuant to the Act on Rationalizing Energy Use*)

(Crude oil equivalent
1,000 kl)

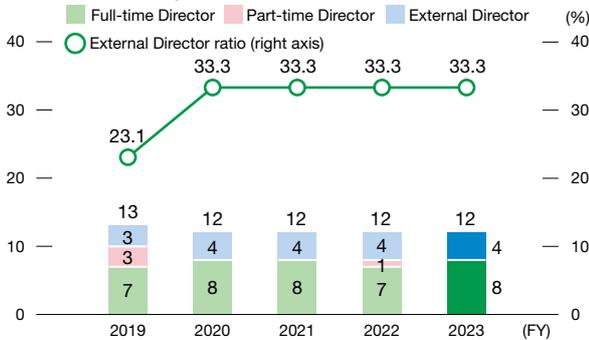


CO₂ emissions (Scope 1 + 2) (companies subject to periodic reporting pursuant to the Act on Rationalizing Energy Use*)

(1,000 t-CO₂)

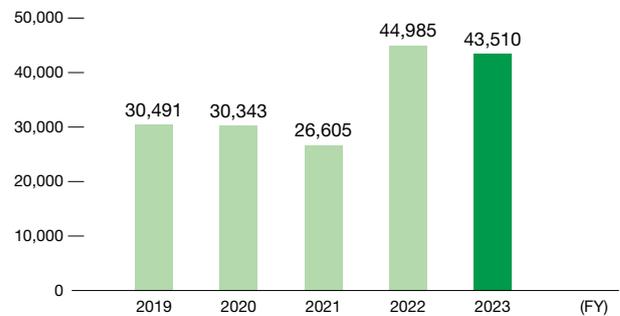


Number of directors and external director ratio (non-consolidated)



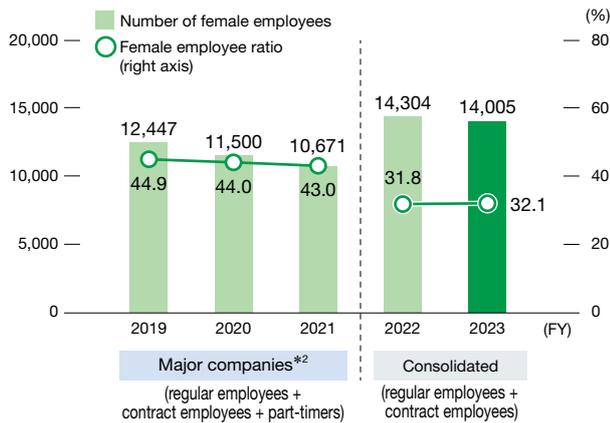
*At the conclusion of general meeting of shareholders of each fiscal year

Number of employees (consolidated)

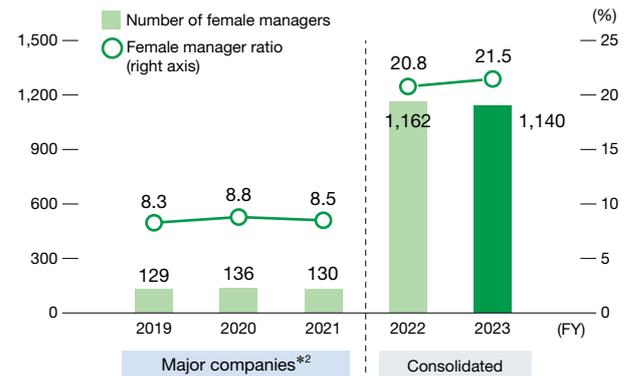


*Denotes the number of full-time employees and does not include temporary employees.

Number of female employees and female employee ratio



Number of female managers and female manager ratio

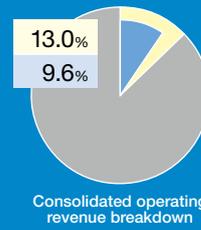


*1 For fiscal 2021 and before, 12 companies: Kintetsu Railway, Kintetsu Bus, Nara Kotsu Bus Lines, Bocho Bus, Kintetsu Taxi, Kintetsu Real Estate, Kintetsu Department Store, Kintetsu Retailing, Kinsho Store, Kintetsu Miyako Hotels International, Kin-Ei, and Osaka Aquarium Kaiyukan
For fiscal 2022, 14 companies including the aforementioned 12 companies plus 2 companies: Kintetsu World Express and Kintetsu Logistics Systems.
For fiscal 2023, 16 companies including the aforementioned 14 companies plus 2 companies: Shima Spain Village and KASHIKOJIMA HOJOEN.

*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.



Transportation Business
Operating revenue ¥211.8 billion | Operating profit (loss) ¥32.2 billion

Kintetsu Railway Co., Ltd.
Operating revenue ¥155.9 billion | Operating profit (loss) ¥28.4 billion



Business Environment

The COVID-19 pandemic that had such a big impact on us all for three years has, finally, faded away and there has been a recovery in personal travel. However, people's lifestyles have changed significantly, and while the number of passengers in fiscal 2023 recovered to around 90% of the number in fiscal 2018, we do not foresee train demand returning to pre-pandemic levels.

Additionally, there are many other factors that are making our business environment increasingly challenging, including the declining population along our railway lines because of low birthrates, the aging of society, and growing concentrations of residents in city centers; recent interest rate rises; soaring material, energy, and personnel costs; and increased competition to secure human resources.

On the other hand, tourism demand is putting the wind into our sails, with an increase in inbound tourists (foreign visitors coming

to Japan), the holding of Expo 2025 Osaka, Kansai, and other factors. We recognize that as a company with so many highlights 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.

Making sure our future ideal becomes a reality is predicated on our ability to offer safe transportation, the foundation of our railway business, and that we can provide customers with safe, comfortable transportation services. Taking into account the changes we made to our fares in April 2023, we are currently making steady capital investments to improve safety and convenience. In October 2024, we started operating new general rolling stock that are convenient for the varied people that use our trains, while also being kind to the environment, on the Nara, Kyoto, Kashihara, and Tenri lines. In fiscal 2025, we plan to introduce them on the Osaka, Nagoya, Minamiosaka, and other lines. Additionally, we will work to implement safety and disaster-preparedness measures such as installing platform edge gates and reinforcing line embankments, maintain the soundness of our infrastructure, and enact initiatives that include renovating and renewing station facilities.

Meanwhile, to further accelerate regional revitalization, one of our most important growth strategies, in June 2024 we established a new Tourism Development & Regional Co-Creation Department. To build up visitor populations, while maintaining and expanding regular visitor (fans of the area) and resident numbers, we are proactive in our efforts to stimulate tourism demand and collaborate with people in the communities and local authorities.



Yasushi Hara
Representative Director
and President

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 and Shima Green Adventure)
- 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

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.

Measures/Initiatives toward the Future

Providing safe, comfortable services

• Safe services

To continue to offer operations that are safe into the future, we are preparing for worsening natural disasters by working on infrastructure that can withstand disasters through measures such as strengthening line embankments and implementing heavy rainfall countermeasures for river bridge piers. We will also move ahead with measures to create an environment that ensures passengers can use our services with peace of mind, including through installing movable platform edge gates and fitting security cameras inside trains.

• Comfortable services

To make sure that the varied people that use our transportation can do so comfortably, we are promoting accessibility, improving station toilets and similar, introducing sharing services for baby strollers, and making other changes to enhance various services. With the new general rolling stock that we introduced in October 2024, we have set aside "Yasashiba" spaces for baby strollers and large items of luggage, which has boosted comfort on our trains.



Platform edge gates on Platform 2 at Tsuruhashi Station



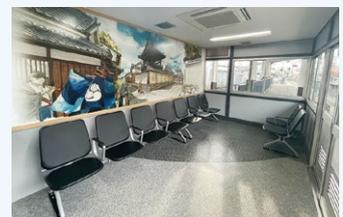
"Yasashiba," a space for baby strollers and large items of luggage

Regional revitalization

With the goal of creating an operational area full of appeal that people want to visit and live in, we are working on initiatives such as offering a new way of enjoying the area along our lines via cycling trains and making regional PR efforts that utilize our trains and stations. Through these kinds of initiatives to revitalize the region, we will maintain and expand the number of visitors and residents in our operational area.



Cycling train



Waiting room at Tondabayashi Station

Securing safe transportation through cooperation with affiliated companies

The Kintetsu Group possesses a large number of companies in various railway-related fields (including railway rolling stock, electrical equipment, and tracks) that are engaged in manufacturing, operations and administration, maintenance, inspections, design, and other roles.

In cooperation with these affiliates, we will work all-out to secure safe transportation, which is the very foundation of our railway business.

Safe transportation

Railway business:
Kintetsu Railway Co., Ltd.

Rolling stock business:
The Kinki Sharyo Co., Ltd.

Railway electrical equipment business:
Kintetsu Electrical Engineering Co., Ltd.

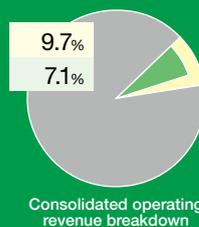
Rolling stock servicing business:
Kintetsu Railcar Engineering Co., Ltd.

Track maintenance work business:
Kintetsu Track Engineering Co., Ltd.

General construction consultancy business:
ALL NIPPON ENGINEERING CONSULTANTS CO., LTD.

Real Estate Business

Kintetsu Real Estate Co., Ltd.



Real Estate Business
 Operating revenue **¥157.5 billion** | Operating profit (loss) **¥15.1 billion**

Kintetsu Real Estate Co., Ltd.
 Operating revenue **¥115.4 billion** | Operating profit (loss) **¥13.2 billion**



Business Environment

In 2023, the Japanese government reclassified COVID-19 as a class-5 disease (the same as the flu), and since this the flow of people within the country and the number of inbound tourists have recovered. As a result, we are seeing many more customers coming to ABENO HARUKAS, which has marked the 10th anniversary of its opening. Residential demand for condominiums and detached homes, too, continues to rise. Moreover, with progress being made to redevelop and improve infrastructure in the run-up to Expo 2025 Osaka, Kansai and the opening of an integrated resort (IR), further development is expected for the whole Kansai region.

Meanwhile, even in the real estate industry, the diversification of lifestyles and the shrinking Japanese population mean that the elements and functions required 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, we predict that the business environment in which we operate will continue to be very challenging given interest rate rises, soaring construction costs, labor shortages, and other hurdles to overcome.

Future Direction

In order to advance home building that considers the environment, for all new-build condominiums that we start work on from fiscal 2024 onward, we will construct them with ZEH-M Oriented specifications as standard and acquire certification as low-carbon buildings.

In July 2024, we opened Shima Green Adventure, an activity resort facility that comprises a glamping field where guests can enjoy a break from the norm, and an attraction field where they can enjoy nature through exercise, all on the former site of the Kintetsu Hamajima Country Club.

Through the redevelopment projects that we have centered around the major stations along our lines, we aim to develop towns suitable to act as bases for their respective areas according to their characteristics. In our operational area, we have rolled out a network of 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.

We also have initiatives that go beyond traditional real estate, examples include our construction and operation of Virtual ABENO HARUKAS, a metaverse business; development of homes with integrated garages (K-BLOC) to make effective use of unused land underneath elevated train tracks; and the development of K-DogSpa self-service facilities for dog lovers. Going forward we will continue to actively take on challenges such as entering overseas markets and new business fields outside traditional real estate.



Takahisa Kurahashi
 Representative Director
 and President

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 10 million visitors.
- Human resources with diverse qualifications and skills (58 1st-class architects, 4 real estate appraisers, etc.)

Future Ideal

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

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 create distinctive regional identities alongside the people that live, work, and spend time in each. We will work to lead urban development that leads the next generation. These efforts are not limited to infrastructure, but also put in place systems to encourage the creation of new businesses and more dynamic local communities.



Plat-HOME (platform) for Housing and Living site at Gakuenmae

Strengthening our core businesses in condominiums, assets, and housing

Through synergies in our real estate brokerage, renovation, and reselling businesses, we will push forward with a circular model that incorporates everything from collating real estate information to buying, rebuilding, and selling. Following on from our opening of Fukuoka Tenjin Office in 2022, we opened our Ohashi Office, our third in the Fukuoka area in June 2024. In the next ten years, we hope to have 100 such offices throughout Japan and we will endeavor to further expand our services in each area of the country.



Kintetsu's brokerage, Ohashi Office in Minami Ward, Fukuoka City

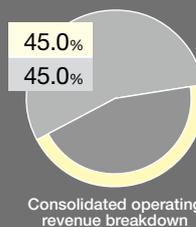
Challenging ourselves to take on new business fields

In 2020, we made a capital investment in a US real estate fund, while in 2023 we invested in a similar fund for Australia. Following on from this, in June 2024 we established our Overseas Business Department to proactively promote our business overseas. In our metaverse business, we have signed an agreement with Tennoji Zoo for Virtual ABENO HARUKAS to enhance the appeal of the Abeno/Tennoji area and contribute to local development via a new scheme that will create an official zoo world in the metaverse and donate all proceeds from sales.



Virtual Tennoji Zoo

International Logistics Business Kintetsu World Express, Inc.



International Logistics Business
Operating revenue ¥733.8 billion | Operating profit (loss) ¥17.5 billion

Kintetsu World Express, Inc.
Operating revenue ¥733.8 billion | Operating profit (loss) ¥17.5 billion



Business Environment

With production of digital-related items on the rise due to the spread of generative AI, the global economy is showing signs of a recovery in trade and production, and service-related economic activities are also on the mend. The economic situation in the US, which really drives the global economy, is not all blue skies, though, and added to this are geopolitical risks such as worsening situations in the Russia-Ukraine conflict or in the Middle East and increasing trade friction between the US and China. Other factors, too, threaten to derail the global economy's recovery, including economic stagnation in China, rising prices for resources, and continued high interest rates.

In the international logistics market, demand-supply bottlenecks for air and marine freights are being driven by the overwhelming demands of e-commerce and disruptions to

transportation by sea, and the cost of transporting goods continues to be very high. Even in an environment buffeted by rapid changes like these, we in the Kintetsu Group believe that there are opportunities for continued growth in the logistics market going forward. As such, our policy of expanding the volume of goods we handle and pursuing sustainable development remains unchanged. We must stay finely attuned to changes in the market so that we do not miss out on such business opportunities. We, therefore, understand the importance of working daily to be highly sensitive to such changes and gather information to make accurate judgments and act swiftly.

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.

Nobutoshi Torii
President and
Chief Executive Officer



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 18,651 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 665 locations, 302 cities, and 45 countries
- Service quality certified to international management and security standards
- Highly competitive, continuing growth in freight volume, now at 480,000 metric tons air freight and 720,000 TEUs sea freight annually

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

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.



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
- Improving employees' IT resilience and toughening up IT security, in preparation for cyber-attacks
- Promoting the move of IT assets to the cloud
- 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



KWE Group Company

APL Logistics



Electric truck

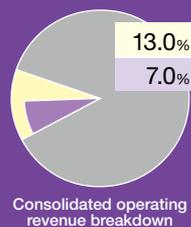
● Aiming to be the world's best premium order management provider

The company's strengths lie in its advanced order management capabilities that strategically combine its original digital solutions—built up with customers in US retail—and its logistics infrastructure. By visualizing product life cycles from procurement to the delivery destination and working to minimize its environmental impact, it can provide optimal supply chain solutions at the best prices.

● Working to develop a forward-looking personnel system

Within global labor markets, APL Logistics aspires to be a company that workers choose to be their place of work. As such, it pursues diversity, equity, and inclusion, and gives all of its workers chances to play active roles.

Merchandise Sales Business Kintetsu Department Store Co., Ltd.



Merchandise Sales Business	
Operating revenue	¥212.0 billion
Operating profit (loss)	¥5.7 billion
Kintetsu Department Store Co., Ltd.	
Operating revenue	¥113.5 billion
Operating profit (loss)	¥3.9 billion



Business Environment

We managed to overcome the difficult circumstances of the COVID-19 pandemic, during which people's movement and economic activities largely ground to a halt, and we have focused our energies on reforming our business structure through forward-looking renovations and cost structure reforms at each of our stores, as well as by expanding highly profitable businesses. We are also maintaining a sense of speed in our efforts to construct the business foundations that will form the cornerstone of future growth. At the moment, we have urban center stores and suburban stores, and through a two-pronged office strategy that considers their respective commercial characteristics and needs, we are working to create stores that provide value to customers. Also, to be prepared for the risk of natural disasters, and to ensure that customers can shop in safety and with peace of mind, we

utilize business continuity plans (BCP) and earthquake response manuals, and have measures in place to ensure safe, secure store environments.

Future Direction

Since our founding, our business operations have been led by our aim to use our retail business to contribute to the development of our local communities. This desire to fulfill our mission as a department store business to contribute to enhancing people's lives and the development of regional society with the expectation of greater prosperity and growth for our business, is also enshrined in our management philosophy. Furthermore, even before we formulated the current medium-term management plan in 2021, we set out our vision to be a platformer that enriches life as the future ideal to which we aspire, and we have been working to this end. By that, we mean using our stores, out-of-store sales, e-commerce services, apps, and social media channels as a single marketplace to connect the customers who live, work, and spend time in the living and economic sphere along our lines, our main commercial area, with things, experiences, and services provided by a range of different companies and organizations, including ourselves, other companies in the Kintetsu Group and the business partners with whom we work. As part of our efforts to bring about a more sustainable society, meanwhile, we are providing comprehensive lifestyle-related services with the aim of creating richer lives and adding value to lifestyle culture. We will follow closely the ways in which people's lives change, and work to develop department stores that offer them new value.



Takahiro Kajima
Representative Director
and President

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 1.82 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 2,103 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

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.

Measures/Initiatives toward the Future

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

In March 2024, ABENO HARUKAS turned ten years old. We will continue to work alongside people in the community to enliven the Abeno/Tennoji area and help with urban development to make it an area full of life and energy. Moreover, as our flagship, and to attract customers from far and wide, inside and outside Japan, we aim to make it a truly amazing urban department store. We are taking on the challenge of providing new value by opening the Haruchika Bar on the food sales floor and the Kintetsu Department Store-produced Unagiya Hareruhi. We will continue to endeavor to expand our customer-attraction functions and customer demographics, and strive to further enhance the appeal of the Abeno/Tennoji area.



Ceremony to celebrate the 10th anniversary of ABENO HARUKAS, with manager-for-a-day All Hanshin, a comedian (center right)

Initiatives at key 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 "town centers," i.e., urban-development-focused commercial services facilities that combine lifestyle and community functions. By enhancing our food and products as well as drugstores in these town centers via our franchising business, and by developing appealing content such as the introduction of city services, we aim to carve out an indispensable position in these communities.



Kokumin drugstore (Ikoma Store)

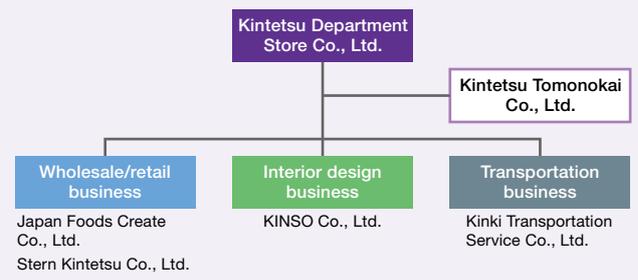


HELLOWORK mini! (Nara Store)

Initiatives at consolidated subsidiaries

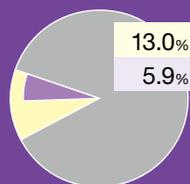
The Kintetsu Department Store Group comprises our company (Kintetsu Department Store Co., Ltd.) and five subsidiaries, and has developed business activities in areas such as wholesaling, retail, interior design, and transportation. KINSO Co., Ltd., for instance, leverages the wide-ranging networks it has as a member of the Kintetsu Group to offer a range of comprehensive services to department stores, hotels, cultural facilities, restaurants, and retail stores that integrate planning, design, construction work, furniture and fittings creation, interior decoration, and displays. It will also make active efforts to open up new business partnerships.

Six Kintetsu Department Store Group Companies



Merchandise Sales Business

KINTETSU RETAIL HOLDINGS CO., LTD.



Merchandise Sales Business
 Operating revenue **¥212.0 billion** | Operating profit (loss) **¥5.7 billion**

KINTETSU RETAIL HOLDINGS CO., LTD.
 Operating revenue **¥96.0 billion** | Operating profit (loss) **¥2.0 billion**



Business Environment

In the retail and restaurant businesses, demand is recovering as economic activities return to normal, but the business environment surrounding the industry is as difficult as ever, with factors such as the rocketing prices of all sorts of goods and labor shortages having an impact. Another issue that confronts us is how to counter various risks to our business, which include cyber-attacks and frequent natural disasters such as the Noto Peninsula Earthquake in January 2024. Against this backdrop, there is a need for us to make improvements in labor shortages through DX-powered automation and data analysis, and the appropriate allocation of workers. At the same time, we must strengthen our ability to offer added-value, create appealing sales locations, develop business, and invest in and train necessary personnel so that customers want to use our

stores, even in an age where physical sales are increasingly challenging.

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.



Masahiko Torii
 Representative Director
 and President

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 36 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 2024

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

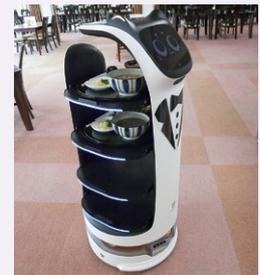
We want to be a lifestyle partner that brings customers abundance to their dining tables.

We will propose high-quality products, services, information, and dishes to make life richer.

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

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.



Staff member at work at Yamato Brewery

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, we will look to achieve further streamlining and efficiency improvements.



Staff member at work at the processing center

Utilizing IT Kinsho Store

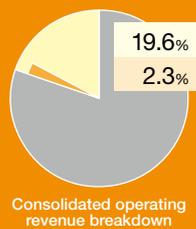
Based on a vast range of data such as sales results, weather information, and planning data, we have introduced AI-automated ordering systems for prepared food products and food categories like processed meat and vegetables. We are working to further reduce time needed to make orders, opportunity losses,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



Checking an AI-automated orders terminal

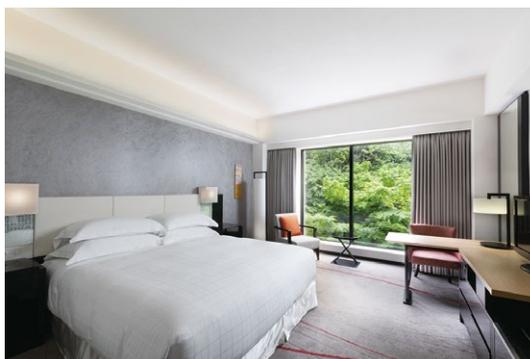
Hotel and Leisure Business

Kintetsu Miyako Hotels International, Inc.



Hotel and Leisure Business
 Operating revenue **¥318.7 billion** | Operating profit (loss) **¥13.4 billion**

Kintetsu Miyako Hotels International, Inc.
 Operating revenue **¥37.7 billion** | Operating profit (loss) **¥1.9 billion**



Business Environment

The COVID-19 pandemic caused the business environment of the past few years to be very difficult, but with its downgrading to a class-5 disease in May 2023, there has been a rapid recovery in demand for hotel accommodation. As well as a recovery in demand among Japanese guests, we have successfully taken on the prodigious demand among foreign visitors to Japan for places to stay. The result has been a steady improvement in our room occupancy rates, while room rates have also exceeded pre-pandemic levels.

Conversely, since we were unable to recruit new graduates during the pandemic, and because of the sudden nature of this recovery in demand, a lack of workers has become a pressing management issue for us. We therefore believe that improving workers' conditions and their working environments

is absolutely essential to achieve sustainable business growth in the future.

Future Direction

We are rolling out our historic hotel and Japanese inn brands, which are rooted in our region, to the rest of Japan. As well as passing on the excellent standards of service of the Miyako brand, part of an unbroken tradition, we also need to further refine the brand by responding to changes in society and enhancing the skills of our employees. Through these efforts, we wish to increase profitability, but also improve our working environments to ensure we are a company where employees find it easy, and exciting, to work.

As a new business initiative, we have been collaborating with the Blackstone Group since 2021 to move management of eight Miyako-brand hotels from direct management to contracted management. Blackstone Group capital has financed extensive renovation work to guest rooms and restaurants at Miyako Hotel Kyoto Hachijo and Hotel Kintetsu Universal City, and post-renovation these guest rooms have commanded much higher room rates, so the results of our collaboration are already showing themselves.

Additionally, in 2023 we increased our stake in Kintetsu Enterprises Company of America, the company that runs Miyako hotels in Los Angeles and Torrance in the US, and made it a wholly owned subsidiary. We at Kintetsu Miyako Hotels International are now a core part of the Kintetsu Group's hotel and Japanese inns business, which straddles national borders. In the future, we will continue to look at entering overseas markets as we aim to be one of Japan's finest hotel chains with a truly international reach.



Shigenobu Oya
 Representative Director
 and President

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
- 25 hotels and Japanese inns around Japan, with around 5,900 guest rooms
- Loyalty program, Miyako Plus, with around 180,000 members

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.

Measures/Initiatives toward the Future

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

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 2024, the membership had grown to 180,000, 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.



Miyako Plus app

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.



Hotel cuisine contest

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.



Terminals where guests can check in or out themselves (Miyako Hotel Kyoto Hachijo)

Some of the wide-ranging facilities we manage



Miyako Hybrid Hotel Torrance, California



Nara Kasugaokuyama Tsukihitei



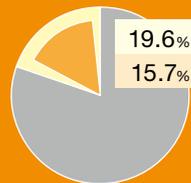
Glamping field at Shima Green Adventure



Kashihara Jingu YOUSEIDEN

Hotel and Leisure Business

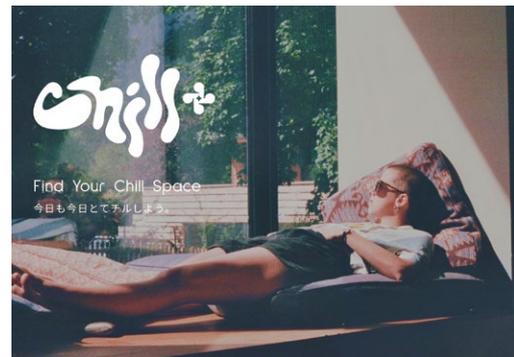
KNT-CT Holdings Co., Ltd.



Consolidated operating revenue breakdown

Hotel and Leisure Business
 Operating revenue ¥318.7 billion | Operating profit (loss) ¥13.4 billion

KNT-CT Holdings Co., Ltd. (consolidated)
 Operating revenue ¥255.4 billion | Operating profit (loss) ¥7.2 billion



Business Environment

Now that the pandemic has largely drawn to a close, travel demand is recovering, and there has been a renewed expansion of travel to Japan by foreign visitors. While these and other factors mean the current market environment is very positive, taking a long-term perspective, there are still concerns about contractions in travel demand due to the shrinking population. New issues also continue to crop up with rising risks due to uncertainty in economic and international circumstances regarding phenomena like increasingly severe labor shortages, the weakness of the yen, and rising goods prices. The improper conduct by Kinki Nippon Tourist (KNT)—its overcharging of local authorities and other customers, as well as its violation of the Antimonopoly Act—is something that we are sincerely apologetic for, and KNT-CT Holdings Group has come together to work on recurrence prevention measures and to reform the corporate culture; we are doing our best to restore

the trust of everyone in society. We must continue to pass on the spirit behind our founding, a spirit of not being put off by the prospect of failure but to keep trying to overcome new challenges. As a company responsive to change, not one that avoids adapting itself, we will take on challenges with an eye to the future.

Future Direction

KNT-CT Holdings Group is made up of a total of 22 group companies, most notably KNT and Club Tourism (CT), inside and outside Japan, that revolve around the travel industry but have developed a whole variety of businesses. To create new value and sensations, we have gone beyond conventional norms and continued to try new things. In our new, recently formulated medium-term management plan, we set our intention to add to our conventional business portfolio, centered on travel within and outside Japan, with businesses in two growth fields—regional co-creation and inbound tourism—and we will strengthen and accelerate our efforts. By doing so, we will develop both businesses as core businesses of the KNT-CT Holdings Group, while also working as a united group toward our goal of resolving the issues that the tourism industry faces in each area, and continuing to help ensure that Japan remains a world-class tourist destination.

Another area in which we are working diligently to make progress is working environments. We are developing workplaces that make it easier for female employees to play an active part, allow even more workers to choose from a diverse range of working styles, and promoting a better work-life balance.

KNT-CT Holdings Group will, in 2025, celebrate the 70th anniversary of its founding. All of the group's executives and other employees will join together to achieve sustainable evolution with a sense of courage to tackle an unknown world and the pride of facing a new future, i.e., the spirit of the KNT-CT Group Purpose.



Yoshinobu Koyama
 President & CEO

Business Overview

Kinki Nippon Tourist (KNT) and Club Tourism (CT) are the two core brands of KNT-CT Holdings Co., Ltd. KNT 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. CT 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 2.9 million members)
- Nationwide suppliers' network (The KNT-CT Partners Association consists of lodging, sightseeing, and transportation-related facilities with around 3,300 facilities, and the "Tabimaru-kai" organization incorporates around 160 companies and 340 agency shops that carry out affiliated sales.)

Future Ideal

Advance to the Next Wonder

In addition to the evolution of travel, we will create new value beyond travel and contribute to the creation of a society yet to be seen.

Measures/Initiatives toward the Future

Initiatives in the inbound tourism and regional co-creation businesses

CT has launched Yokoso Japan Tour, a global website aimed at those thinking of visiting Japan. With information in English and Chinese (traditional), over the space of one year it has introduced more than 10,000 travel courses, and customers from outside the country have been able to directly book tours in many different areas of Japan.

Since 2020, KNT has been outsourced to run and manage Hikone Castle, a designated National Treasure of Japan, and in 2024 it played a part in organizing Cherry Blossom Festival 2024, a special night-time event at the castle. KNT is also contracted to run and manage the Taiga Drama Museum every year. Until December 2024 it is continuing publicity efforts rooted in the region for the Dear Radiance and Echizen Exhibition at the museum.



Yokoso Japan Tour, a global site for visitors to Japan



NAKED Hikone Cherry Blossom Festival 2024

Initiatives to create future business

As businesses we have created for the future to spread word of the region's resources as a new type of attraction, we have opened up a new business in the US called Onigiri Sun, which offers freshly made *onigiri* (rice balls) that highlight the appeal of Japanese rice; sold "wine travel" wine sets that include a glassful of each of several Japanese wines produced by multiple wineries; and launched the Chill+ website that aims to be a marketplace specializing in "chill consumption" where the focus is on relaxation.

Left: Wine travel Hokuriku (set of three 100 mL bottles)
Right: Poster for the grand opening of Onigiri Sun



Initiatives in B2B operations

We are contributing to the development of the tourism industry through two B2B businesses: The first is our operations business, which incorporates the needs of various customers, including Japanese inns and hotels, by providing services that enhance customer satisfaction for all users, aimed at selling required products and tackling the SDGs and various other issues. The second, meanwhile, is our interior design and furniture, fixtures, and equipment (FFE) business, which helps provide Japanese inns, hotels, and others with the equipment, furniture, and designs they need during renovations or for new openings to support the creation of spaces that truly impress their guests.



Interior design and FFE business

Hotel and Leisure Business

Kintetsu Leisure Create Co., Ltd.



Business Environment

In July 2023, the Kintetsu Group put together a new strategic organization in the Ise-Shima area: Kintetsu Leisure Create Co., Ltd. and also opened up the Ise-Shima Office within Kintetsu Group Holdings.

Since the end of World War II, and in large part timed to coincide with the regular ritual rebuilding of Ise Grand Shrine, the Kintetsu Group has treasured and developed the Ise-Shima area as one of Japan's best tourist destinations, establishing a railway, buses, taxis, and other forms of transport access; accommodation facilities such as the Shima Kanko Hotel; and leisure facilities like Shima Spain Village. The result of these efforts was the selection of the Shima Kanko Hotel as the venue for a G7 summit in 2016, which suddenly spread the name of Ise-Shima all around the world.

Now the pandemic has drawn to a close, Ise-Shima is

returning to something of its former energy. In 2024 in particular, Shima Spain Village has carried out collaborative events with external parties, which brought many visitors to the site. In July, we opened Shima Green Adventure and added yet more appeal to the Ise-Shima area.

Going forward, we and the Ise-Shima Office will work hand-in-hand to energize the Ise-Shima area and stabilize and strengthen the group leisure business, and we hope to contribute to enhancing the appeal of the whole area and our own brand reputation.

Future Direction

In the future, to increase the number of customers coming to the Ise-Shima area, we believe there are two main paths for us to take.

The first is to dig deeper into the existing market. At present, the majority of visitors to Ise-Shima travel from the Kansai and Tokai regions, but there are still many people from those places who have yet to visit, so there is clearly untapped demand. So far, we have advertised mainly in Kintetsu's operational area, but to capture those who have yet to visit Ise-Shima, we plan to publicize the area across a wide area through Kansai and Tokai; it is important to inform even more people about what Ise-Shima has to offer. As a measure to do so, since fiscal 2024 we have been active in sharing information via digital signage at major train terminals outside the Kintetsu area, as well as social media such as Instagram and YouTube. This is something we hope to continue.

The second is to open up new markets. Taking Expo 2025 Osaka, Kansai and the 2030 opening of an integrated resort in Osaka as a hook to bring visitors from the Tokyo metropolitan area, overseas visitors, and wealthier visitors from inside and outside Japan—demographics that we have not been able to



Nen Miwa
Representative Director
and President

attract sufficiently—to the area. We also believe that the 2030s, which will see the 63rd ritual rebuilding of Ise Grand Shrine and the planned opening of the maglev bullet train line, will be a chance to dramatically increase the number of visitors to Ise-Shima, and understand the importance of systematically preparing for this, while also actively joining forces with

companies and organizations inside, but also outside, the area.

By taking the correct approach to existing and new markets, we hope to survive and prosper in the competition between regions for tourists, which will only get fiercer in the future.

Business Overview

As an intermediate holding company that counts Shima Spain Village Co., Ltd., KASHIKOJIMA HOJOEN CO., LTD., and Shima Marine Leisure Co., Ltd. as wholly owned subsidiaries, our role is to offer suitable support to facilities when they need investment for improvements, propose strategic investment plans, cooperate with other companies, promote area marketing, and train personnel.

Future Ideal

We will be a company that collaborates with local partners to boost the brand power of the entire Ise-Shima area and to energize the region.

Measures/Initiatives toward the Future

Advertising to enhance Ise-Shima's appeal

With the goal of publicizing all of Ise-Shima, we have launched new promotion activities. Each year will feature a set theme and target demographic, and we will continuously convey the charms of the Ise-Shima area with diversity and originality.



Marketing based on surveys and data analysis

At Shima Spain Village, which in 2024 marks the 30th anniversary of its opening, we have been collaborating on external content such as virtual YouTubers and special Pokémon events to explore new possibilities for the facility's future.

For these kinds of initiatives, we are carrying out marketing activities that utilize questionnaire surveys and calculate their economic ripple effect. As well as understanding changes in customer needs and behavior, and their impact on other companies in the Group, we wish to tie the results in to creating new charm for the Ise-Shima area.



©Pokémon. ©Nintendo/Creatures Inc./GAME FREAK inc.
©SHIMA SPAIN VILLAGE CO., LTD
©A/N ©S.S.V.

Boosting tourism centered on Ago Bay

The gently undulating ria landscape of Ago Bay is something unique to Ise-Shima, and taking advantage of its special characteristics, and as a measure that can help to address issues with secondary transportation in the area, we are looking into creating travel packages where Ago Bay is the star of the show or studying new boats where the vehicle itself is the purpose of the trip.



Energizing Communities by Enhancing the Network



Through co-creation, we will enhance 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.

1 Development of the Abeno and Tennoji Area

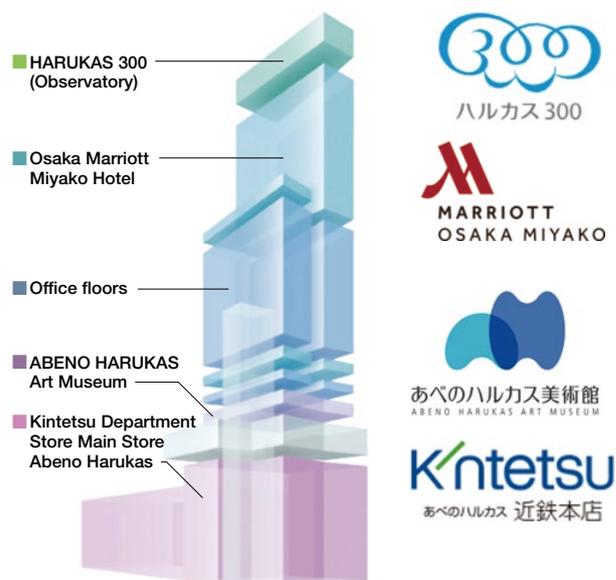
■ ABENO HARUKAS 10th Anniversary

The Abeno and Tennoji area has long had the air of a center of everyday life where history and traditional culture live and breathe, but since the opening of ABENO HARUKAS in 2014, the area has been granted a new appeal that can be enjoyed by people of all ages, and is regarded as the main entranceway to Osaka's south.

Standing 300 meters tall, and with 60 floors above ground, ABENO HARUKAS is a high-rise complex and Osaka landmark that is home to facilities such as Kintetsu Department Store Main Store Abeno Harukas, which is one of Japan's largest department stores; Osaka Marriott Miyako Hotel, which offers world-class service; office floors spanning more than 60,000 m²; an urban art museum; and the HARUKAS 300 observation deck. We were also contracted by Osaka City to redevelop the entrance area of Tennoji Park—Ten-Shiba—which opened in 2015, and we are helping to energize the whole area.

The area is dotted with other locations famed throughout the region: Tennoji Zoo, which has a history stretching back more than a century; the Osaka City Museum of Fine Arts, which is scheduled to reopen after renovations in March 2025; Tsutenkaku Tower, famous as a symbol of Osaka; and Shitennoji Temple, one of Japan's oldest Buddhist temples that was established by Prince Shotoku. Using the excellent access from Kansai International Airport, we hope to further increase the number of inbound tourists using the area.

The Kintetsu Group also runs a number of commercial facilities in the Abeno and Tennoji area, including Hoop, "Abeno and," Abeno Lucias, and the Apollo Building. We will continue to focus our energies on steadily developing the area as a place loved by locals and that brings together and entertains people from around the world.



■ Business situation at ABENO HARUKAS

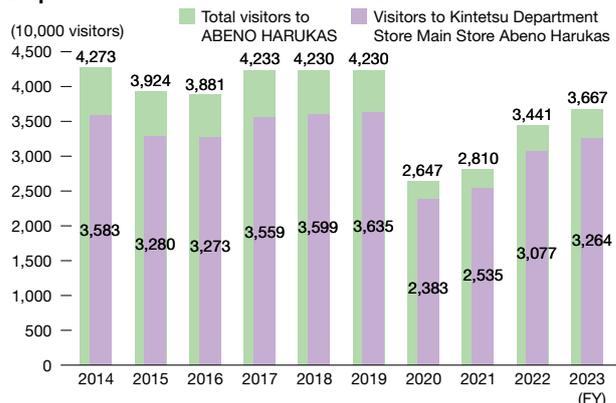
A decade after its grand opening in 2014, ABENO HARUKAS celebrated its 10th anniversary in March 2024. Each year, approximately 40 million people visit the complex, and the cumulative total number of visitors over the ten-year period has been around 370 million. We have also invested a total of about 130 billion yen and our original plans suggested it would take around 15 years to recover our initial investment, but supported by positive sales revenue, we are progressing at a level that will allow us to accomplish this earlier.

At Kintetsu Department Store Main Store Abeno Harukas, in 2023 we undertook the store's biggest renovations since its opening. With the aim of attracting customers from a wide area inside and outside Japan, we are strengthening our luxury goods sales areas, while also developing multiple floors to be used for "scrambled merchandising" to mix clothing, lifestyle-related miscellanea, and food with a focus customers' lives.

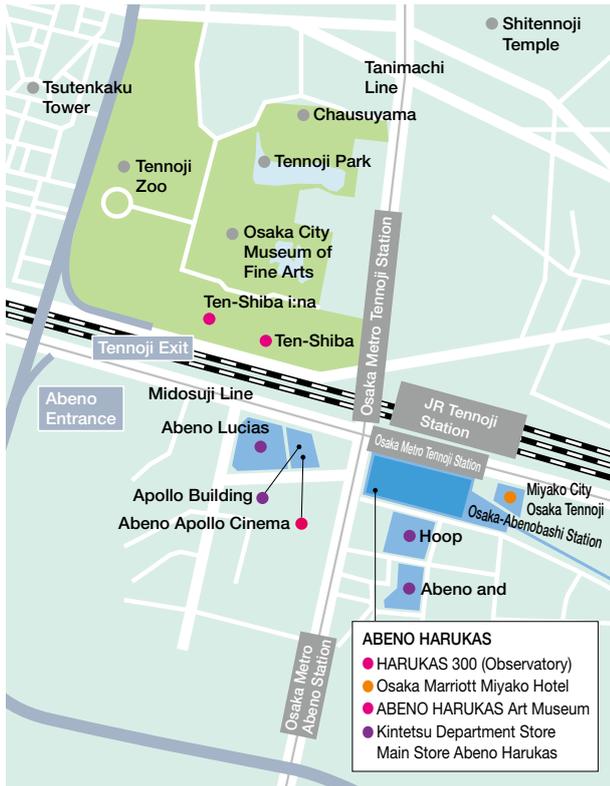
The entire Kintetsu Group will work together as a team to ensure

that further investment in ABENO HARUKAS acts as a virtuous cycle and leads to the creation of value for both the Group itself and the region.

Visitor numbers for ABENO HARUKAS and Kintetsu Department Store Main Store Abeno Harukas



Map of the Abeno and Tennoji area



Osaka Marriott Miyako Hotel and ABENO HARUKAS Art Museum are creating excitement

On ABENO HARUKAS' upper floors, the Osaka Marriott Miyako Hotel has received great praise as a hotel in the sky with a fantastic panoramic view, cementing its position as one of Osaka's premier luxury hotels. Miyako Hotels & Resorts is a hotel brand that has been built on tradition and a history of more than 130 years. Also, as a dual-branding hotel working in partnership with Marriott, an international hotel brand, we are able to provide a luxurious time and space that brings together Japanese attentiveness to guests and world-class hospitality.

ABENO HARUKAS 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, and ensures that anyone can easily experience and enjoy art and culture, thanks to its ideal location atop a train terminal. It is a full-fledged art museum, able to display even items designated as National Treasures of Japan or Important Cultural Properties, and many visitors come to the museum to see its well-loved exhibitions which revolve around a wide range of themes, from cultural properties such as National Treasures of Japan from within Kintetsu's operational area, to objects connected to modern anime or films.



Park management at Ten-Shiba on behalf of Osaka City

"Ten-Shiba" is the name of the entrance area to Tennoji Park, and includes a children's playground, futsal courts, cafes, and restaurants around a central approx. 7,000 m² lawn area. In 2014, after signing a management agreement with Osaka City, we at the Kintetsu Group were contracted to take responsibility of park management for this part of Tennoji Park.

In 2015, we undertook renovation work on the entrance area to create the lawn area, and Ten-Shiba was reborn as a new base with links to surrounding areas. In the year after the renovations, the number of visitors more than trebled to 4.2 million and has become well-loved among local people as a place to catch their breath.

Later, in 2019, as a new, lively location that connects Tennoji Zoo and Ten-Shiba, we opened Ten-Shiba i:na with its food and drink establishments, activity facility, event plazas, and more, and it soon attracted many users.

Ten-Shiba has also been the site for public screens showing international sporting events, and each year the different seasons see varied events such as Oktoberfest and Chinese New Year. As a result, the total number of visitors since the area opened has climbed to 32 million, and Ten-Shiba has played a large part in enhancing the appeal of the Abeno and Tennoji area.



Maximizing the attraction of the Abeno and Tennoji area, "Harukas Town"

Kintetsu Department Store is systematically renovating its flagship store, Main Store Abeno Harukas, as well as two connecting commercial facilities: Hoop and "Abeno and." In September 2024, it opened the Cainz "Abeno and" Store, the first Cainz home center in the city of Osaka. Also, to respond to the new needs of local customers, we are constructing a medical mall to the south side of Main Store Abeno Harukas, which we hope to open in the summer of 2025. By clarifying the roles that each of these sites perform as commercial facilities, we will strive to further enhance the appeal of Harukas Town, with ABENO HARUKAS—which has now celebrated its 10th anniversary—at its heart.

Creating a Lifestyle That Anticipates Changes in Values



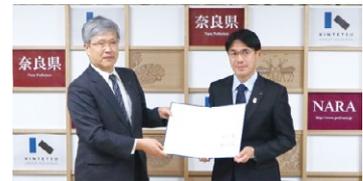
As people’s lifestyles and preferences diversify, we will anticipate how their values will change and provide services that enrich every aspect of their lives—at home, at work, and at play.

1 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]

Alongside the city government and related parties from the region, we are participating in an 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 moving the station into business.

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

Four parties—Nara Prefecture, Nara Medical University, Kashihara City, and Kintetsu Railway—have concluded a collaborative agreement to move ahead with plans to establish a new train station to the south side of the hospital and develop the area, and are looking into how the project can be commercialized.



Rendering 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.



■ Efforts to increase the resident population even as the national population shrinks

Those towns that were once developed as “New Towns,” no longer warrant the name. We are working to address this issue by revitalizing these towns, and we need to implement urban development that aims to provide effective lifestyle and social infrastructure through concepts such as smart cities and compact cities. In the future, through public-private partnerships between local authorities in our operational area and the entire Kintetsu Group, we will work to create greater added-value for the area along our lines.

[Support for job hunters in the operational area]

In collaboration with Nara Labor Bureau and HELLOlife (from Osaka's Nishi Ward), we have opened HELLOWORK mini! job search support centers inside Kintetsu Yamato-Saidaiji Station and Kintetsu Department Store's Nara Store.

Through this initiative, we expect to see more people get jobs in Nara Prefecture, and by being involved in initiatives to promote business along our lines through various collaborations, we hope to tie our efforts into revitalizing our operational area.



2 Compact Community Development around Major Stations

■ 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,” i.e., urban-development-focused commercial facilities. 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.



Plugs Market (Kashihara Store)



Lobby Garden by Sky Terrace (Kusatsu Store)



UplugsGATE (Uehommachi Store)

■ 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

Enriching People and Communities with Travel



Through co-creation, we will discover the wonders of the historical culture and tourist resources along Kintetsu lines and propose travel that resonates with the heart. In addition, we will enrich the region by increasing outside visitors and fostering industry through tourism.

1 Publicizing the Charms of Tourism Resources along Kintetsu Lines

The Kintetsu operational area boasts countless outstanding tourism resources, including five UNESCO World Heritage sites, two national parks, and famed Shinto shrines and Buddhist temples. Our strength lies in our railway network that connects these resources and the three major cities of Osaka, Kyoto, and Nagoya. We also run sightseeing expresses where the ride itself is the attraction. These include the Shimakaze sightseeing limited express that connects our train terminals and the Ise-Shima area, and AONIYOSHI service that directly connects the south of Osaka, Nara, and Kyoto. In these ways, we are working to create ways for people from outside our operational area to take advantage of these services.

As part of Let's Go to Mt. Ikoma, our ninth Kintetsu area campaign, we have worked with shrines and temples along our lines to convey the charms of the Ikoma area through events such as special access to the Shishikaku Hall at Hozan-ji Temple and the Treasure Hall at Ishikiri Tsurugiya-jinja Shrine, areas normally not open to the public.



Shishikaku Hall at Hozan-ji Temple

■ Nara tourism campaign: I'm a Nara Fan.

At the Kintetsu Group, since 2017 we have been rolling out I'm a Nara Fan, a campaign promoting tourism in Nara. Since October 2024, we have enlisted Anne Watanabe as the face of the campaign with the goal of raising the profile of the campaign and attracting tourists to the prefecture.

In the television commercial, Ms. Watanabe uncovers the wonders of Nara, coming into contact with the prefecture's history and culture and interacting with Nara locals, and little by little her character becomes a fan of Nara.



[Enhancing tourism resources]

Kintetsu Railway is working with local authorities and local partners to put on a range of different tours in order to enable as many people as possible to experience all that the area along its lines has to offer.

In the Nara area, working with Nakagawa Masashichi Shoten, a company with its head office in the prefecture, we have produced and sold tickets for a collaborative tour that makes use of our AONIYOSHI sightseeing limited express. The tour, entitled "Train Tea Party! A Study Tour for Adults," allowed participants to take part in tea ceremony aboard the train as it traveled from Osaka-Namba Station to Kintetsu-Nara Station. After arriving at their destination, they could then experience how to dye *kaya-ori fukin*, a thin mesh dish cloth unique to Nara.

In the Yoshino area, meanwhile, to mark the 20th anniversary of the inscription of Sacred Sites and Pilgrimage Routes in the Kii Mountain Range as a UNESCO World Heritage site, we collaborated with Nankai Electric Railway on a sightseeing tour that involves a train journey and walk around the fascinating lands of the UNESCO World Heritage sites at Mt. Koya and Mt. Yoshino. On the day of the tour, local people greeted participants at the stations.

In the Toba area, we ran a summer holiday homework train in collaboration with Toba City for elementary school students to do independent research during their summer break. The students could gather waste that had washed up on the shore, and sort it as part of beach cleanup activities, or collected glass that came ashore ("sea glass") to create their own original pieces as part of accessories making. In these and other ways, we are providing various experiences that utilize the region's resources.

Going forward, we will continue to enhance the tourism resources along our lines by uncovering and publicizing these resources.



Train Tea Party! A Study Tour for Adults



Mt. Koya & Mt. Yoshino Sightseeing Tour



Summer Holiday Homework Train Tour in Toba

2 Invigorating Region through Co-Creation Business

Kinki Nippon Tourist (KNT) and Club Tourism (CT) are leveraging each other's strengths to help energize the region. In 2023, in the city of Chichibu in Saitama Prefecture, the two companies collaborated on a variety of events and tours throughout the year. By doing so, it has assisted in informing various customer demographics about Chichibu's appeal.

- Chichibu Shibazakura Festival: car park operations, management, and publicity (April & May)
- Chichibu Premium Dining—Chichibu Drinks Republic: a short-term festival where the main venue is Bamba-dori Street, which is the main route into Chichibu-jinja Shrine. This event was selected by the Japan Tourism Agency in 2023 as a project supporting the creation of tourism contents aimed at attracting visitors and expanding consumption away from the major cities among inbound tourists (seconded employees to and collaborated with Chichibu Area Tourism Organization) (October)
- 13th Japanese Geopark Nationwide Contest in Kanto (Chichibu): sent lecturers (October)
- Chichibu Whisk(e)y Matsuri: sales of our first tour to the festival (November)
- Chichibu Night Festival: sales of a tour with special viewing seating (December)



Special website for the Chichibu Night Festival tour



Chichibu Shibazakura Festival event put on by the two companies working together



Outdoor hopping on Bamba-dori Street

3 Attracting Visitors to the Region through the Inbound Travel Business

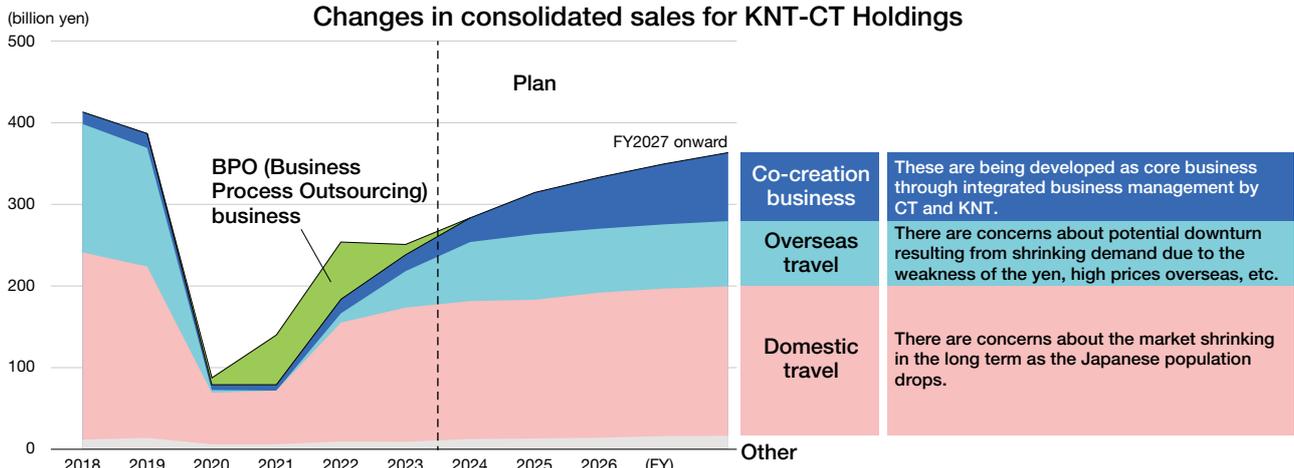
KNT is aiming in particular to attract wealthy tourists visiting Japan from Europe and North America, and so has been focusing its energies on cycling tourism as a type of adventure travel. As its first foray into this field, in 2023 the company organized a cycling tour for US tourists in the Shinetsu Shizenkyo area centered on the city of Iiyama in Nagano Prefecture. In 2024, it plans to organize a second tour.

Tourist International Assistance Service started offering a remote concierge support service for Japanese inns and hotels in June 2024. Using the interpretation app Oyraa, the service offers visitors to Japan interpretation support in 153 languages. Moreover, in October it launched a total assistance service that helps visitors to Japan and foreigners living in Japan where operators are available 24 hours a day, 365 days a year. The Kintetsu Group will continue to work together to resolve the issues that face inbound tourists.



US tourists cycling tour

Changes in consolidated sales for KNT-CT Holdings



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 16 companies with particularly high energy use.
Clause 2 (3) and (4) refer to the above 16 companies and the Kintetsu World Express Group (overseas)
Clauses 3, 4, and the preamble refer to all consolidated subsidiaries.

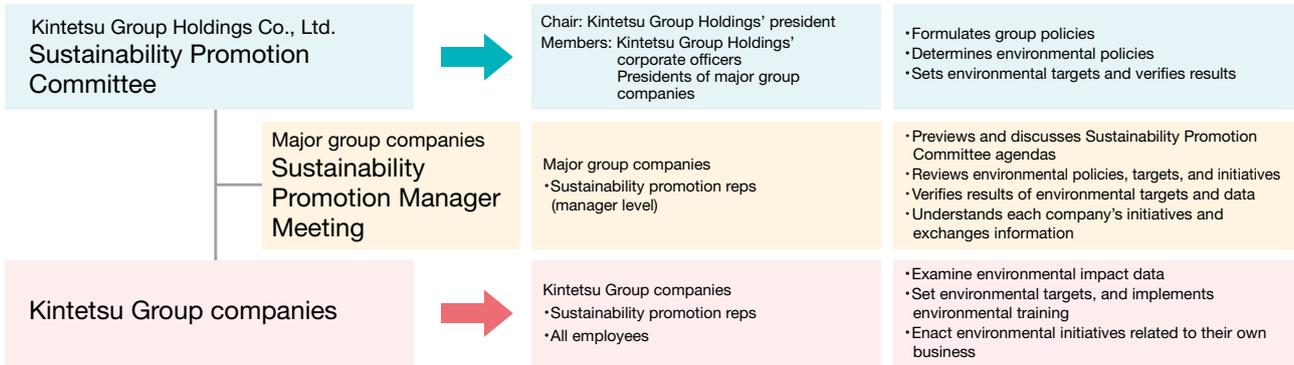
* The 16 companies refer to specific transportation businesses or specific businesses for which periodic reporting is required in compliance with the Act on Rationalizing Energy Use. Their total CO₂ emissions account for more than 95% of those from Kintetsu Group Holdings and its consolidated subsidiaries (Japan). Included are domestic offices subject to the Act on Rationalizing Energy Use.

Relevant companies: Kintetsu Railway; Kintetsu Bus; Nara Kotsu Bus Lines; Bocho Bus; Kintetsu Taxi; Kintetsu Real Estate; Kintetsu World Express (KWE); Kintetsu Logistics Systems; Kintetsu Department Store; Kintetsu Retailing; Kinsho Store; Kintetsu Miyako Hotels International; Kin-Ei; Osaka Aquarium Kaiyukan; KASHIKOJIMA HOJOEN; and Shima Spain Village

* 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.

■ The Kintetsu Group environmental promotion framework



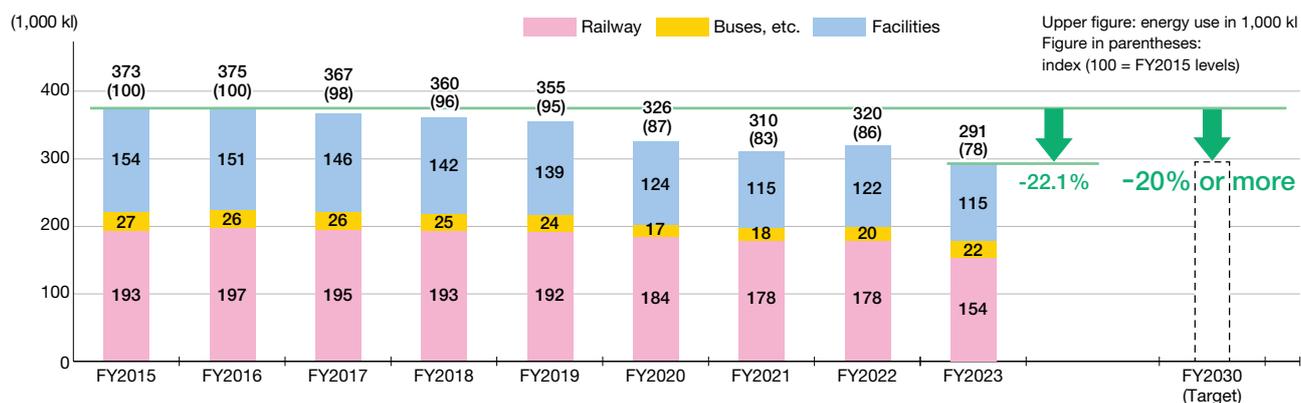
■ Achievement status of the Kintetsu Group Environmental Targets

Indicator	Item	Target	Unit	Base year (FY2015) results	FY2023 results	Percentage change (compared to the base year results)	FY2030 targets
Energy use	Total	16 domestic companies	kl	373,361	290,935	-22.1%	-20% or more
CO ₂ emissions	Total	16 domestic companies	t-CO ₂	774,414	538,532	-30.5%	-50%
	Intensity	Railway	t-CO ₂ /1,000 km	1.350	0.979	-27.5%	-40% or more
		Buses and taxis	t-CO ₂ /1,000 km	0.726	0.847	16.7%	
		Facilities	t-CO ₂ /m ²	0.144	0.094	-34.7%	
	Total	16 domestic companies KWE (overseas)	t-CO ₂	559,658 (FY2022 result)	604,166	8.0%	-20%
Water	Volume used	Consolidated subsidiaries	1,000 m ³	6,057	5,214	-13.9%	—
General waste	Amount generated		t	22,916	29,314	27.9%	—
Industrial waste			t	60,728	43,328	-28.7%	—

2 Energy Use and CO₂ Emissions

Energy use (companies subject to periodic reporting pursuant to the Act on Rationalizing Energy Use: 16 in Japan)

Energy use (crude oil equivalent)



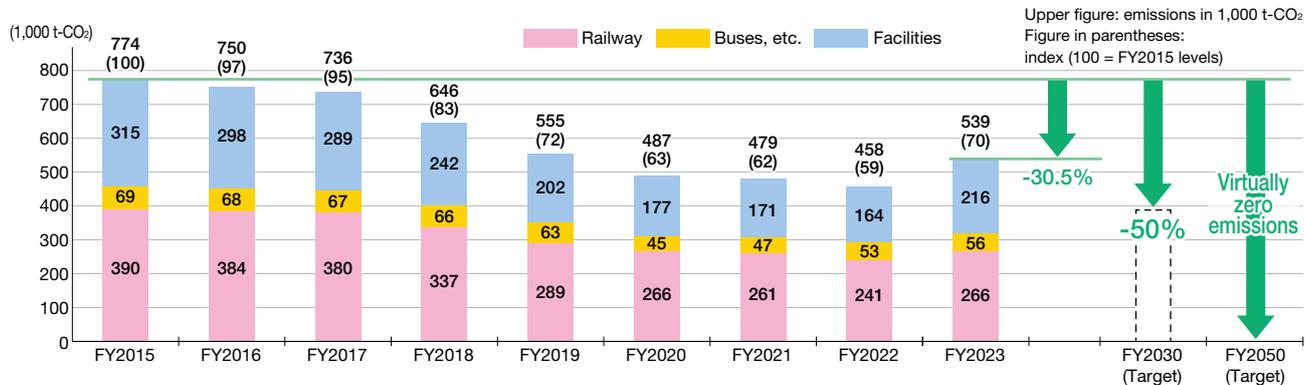
Energy use (total)	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Railway	kl	191,701	184,457	177,827	177,898	154,425
Buses, etc.	kl	24,209	17,131	17,784	20,123	21,551
Facilities	kl	138,645	123,942	114,751	122,033	114,959
Total	kl	354,555	325,530	310,362	320,054	290,935

Energy use (total of consolidated subsidiaries)

Type	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Electricity	MWh	1,189,658	1,117,451	1,098,525	1,180,356	1,190,934
City gas	1,000 m ³	19,720	16,512	17,029	17,556	17,591
Propane	t	702	579	682	1,169	468
Kerosene	kl	254	245	168	184	832
Fuel oil	kl	7,394	6,839	6,117	5,785	7,427
Gasoline	kl	1,758	1,581	1,867	2,605	4,326
Light oil	kl	17,264	17,134	17,757	31,022	22,902
Cold water	GJ	155,245	148,058	127,347	142,314	140,513
Total (amount of heat)	GJ	14,005,194	12,917,016	12,748,502	14,097,036	12,605,964
Total (crude oil equivalent)	kl	361,334	333,259	328,911	363,704	325,234

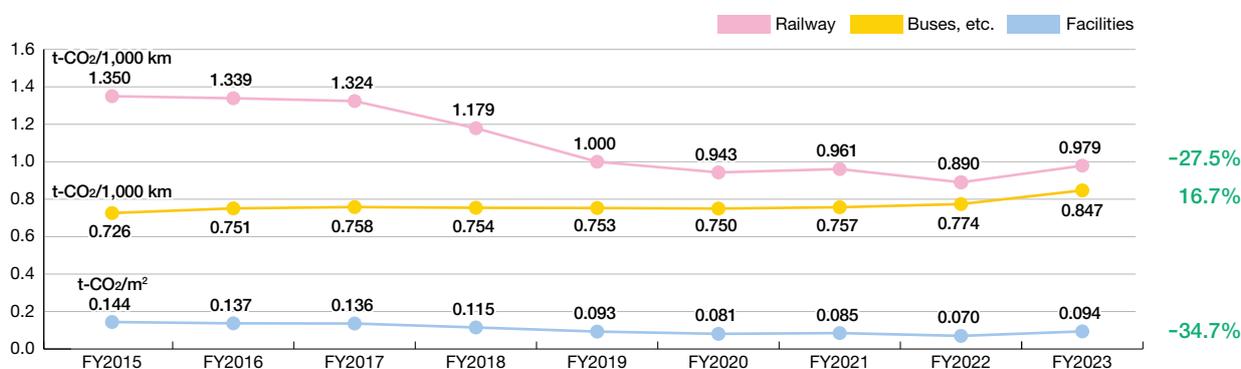
CO₂ emissions (total and intensity) (companies subject to periodic reporting pursuant to the Act on Rationalizing Energy Use: 16 in Japan)

CO₂ emissions (total) (Scope 1 + 2)



CO ₂ emissions (total)	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Railway	t-CO ₂	289,000	266,000	261,000	241,000	266,292
Buses, etc.	t-CO ₂	63,350	44,710	46,500	52,560	56,462
Facilities	t-CO ₂	202,174	176,756	171,270	164,378	215,778
Total	t-CO ₂	554,524	487,466	478,770	457,938	538,532

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



CO ₂ emissions (intensity)	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Railway	t-CO ₂ /1,000 km	1.000	0.943	0.961	0.890	0.979
Buses, etc.	t-CO ₂ /1,000 km	0.753	0.750	0.757	0.774	0.847
Facilities	t-CO ₂ /m ²	0.093	0.081	0.085	0.070	0.094

- 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 Act on Rationalizing Energy Use. (Domestic offices only, according to the Act on Rationalizing Energy Use standards, with overseas offices excluded)
- “Railway” is the total for Kintetsu Railway.
- “Buses, etc.” is the total for Kintetsu Bus; Nara Kotsu Bus Lines; Bocho Bus; and Kintetsu Taxi.
- “Facilities” is the total for Nara Kotsu Bus Lines; Kintetsu Real Estate; Kintetsu World Express; Kintetsu Logistics Systems; Kintetsu Department Store; Kinsho Store; Kintetsu Retailing; Kintetsu Miyako Hotels International; Kin-Ei; Osaka Aquarium Kaiyukan; KASHIKOJIMA HOJOEN; and Shima Spain Village
- Newly consolidated subsidiaries are included while FY2015 baseline emissions remain unchanged.
 FY2022: Kintetsu World Express and Kintetsu Logistics Systems are included.
 FY2023: KASHIKOJIMA HOJOEN and Shima Spain Village are included.
- The total CO₂ emissions for these 16 companies make up 95% or more of total emissions by Kintetsu Group Holdings and its consolidated subsidiaries (Japan).

■ CO₂ emissions by scope (16 domestic companies + overseas KWE Group)

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.

(Unit: t-CO₂)

	Four major companies			Eight major companies + KWE Group	Sixteen major companies + KWE Group
	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1	53,285	46,881	40,141	77,233	126,730
Scope 2 (location-based)	527,586	477,452	436,259	516,935	525,521
Scope 2 (market-based)	361,094	323,042	338,209	400,376	487,401
Scope 1 + 2 Total (location-based)	580,871	524,333	476,400	594,168	652,251
Scope 1 + 2 Total (market-based)	414,379	369,923	378,350	477,609	614,131
Scope 3	156,454	108,976	104,927	1,379,011	3,377,364
Breakdown by category					
1. Products and services purchased	-	-	-	1,057,928	1,234,192
2. Capital goods	-	-	-	161,228	232,506
3. Fuel and energy activities not included in Scope 1 + 2 emissions	-	-	-	72,754	76,861
4. Transport, distribution (upstream)	-	-	-	1,300	1,754,294
5. Waste	-	-	-	10,658	14,714
6. Business trips	-	-	-	1,819	8,478
7. Employees' commuting	-	-	-	3,553	6,706
8. Leased assets (upstream)	-	-	-	5,725	9,425
9. Transport, distribution (downstream)	-	-	-	0	0
10. Processing of products sold	-	-	-	0	0
11. Use of products sold	-	-	-	0	0
12. Disposal of products sold	-	-	-	0	0
13. Leased assets (downstream)	-	-	-	64,046	40,188
14. Franchises	-	-	-	0	0
15. Investment	-	-	-	0	0

* Target companies for each fiscal year are as follows:

- FY2019–2021 Kintetsu Railway; Kintetsu Real Estate; Kintetsu Department Store; and Kintetsu Miyako Hotels International
- FY2022 In addition to the four companies mentioned above, Kintetsu World Express, Kintetsu Logistics Systems, Kintetsu Retailing, Kinsho Store, and the Kintetsu World Express (KWE) Group (domestic) are included.
- FY2023 In addition to the eight companies mentioned above, Kintetsu Bus, Nara Kotsu Bus Lines, Bocho Bus, Kintetsu Taxi, Kin-Ei, Osaka Aquarium Kaiyukan, KASHIKOJIMA HOJOEN, Shima Spain Village, and the Kintetsu World Express (KWE) Group (overseas) are included.

* Market-based emissions are calculated using a CO₂ emission factor from each contracted electricity company. Location-based emissions are calculated using a common CO₂ emission factor from each country for electricity.

* Emissions increased significantly, with Scope 3 calculation targets expanded in FY2022 to collect more data.

■ Information disclosure through 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 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.

2019	2020	2021	2022	2023
B	B	B	B	B

3 Energy-Saving and CO₂ Reduction Initiatives

Railway business initiatives

■ Introducing a new fleet of rolling stock

Kintetsu Railway is switching to energy-efficient railcars and LED lighting for stations and railcars. As of the end of March 2024, station lighting has been completely replaced with LEDs and 1,207 energy-efficient railcars have been introduced, accounting for 64% of the rolling stock (1,877 railcars). (Specifically, 974 extremely energy-efficient VVVF railcars are in service, accounting for 52% of the rolling stock.)

In addition, new types of railcars that consume about 45% less electricity than their conventional counterparts have been in service since October 2024 and 116 of these railcars will replace old types by fiscal 2025, followed by scheduled upgrading.



New general rolling stock

■ 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 Co., Ltd. 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.

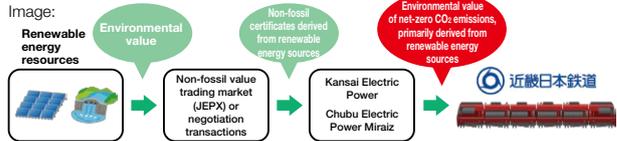
■ All Hinotori limited express services are virtually CO₂ emission-free



Hinotori, limited express

Switch!
SUSTAINABLE
TRAIN

Image:



All of the Kintetsu Railway's Hinotori limited express trains (40 runs on weekdays and 44 runs on Saturdays, Sundays, and holidays) switched on July 1, 2024 to using electricity primarily derived from renewable energy sources. This translates into an approximately 4,000 metric tons of reduction in CO₂ emissions per year. As a result, all of the Hinotori limited express services are now virtually CO₂ emission-free, with an electricity supply plan applied to Hinotori limited express services utilizing electricity primarily derived from renewable energy sources, as per non-fossil certificates granted to the Kansai Electric Power Co., Ltd. and Chubu Electric Power Mirazis Co., Ltd.

* Non-fossil certificates, which certify fuels are derived from renewable energy sources, include FIT non-fossil certificates and non-FIT non-fossil certificates (for renewable energy sources only) that can be obtained through non-fossil value trading market (JEPX) or negotiation transactions. Retailers can show the electricity they procure is renewable and contributes to reduction of CO₂ emissions through certification.

Bus business initiatives

■ Introducing fuel cell buses (hydrogen bus)

AEON Mall Atsuta free shuttle bus services, outsourced by AEON RETAIL Company to Meihan Kintetsu Bus, switched in March 2024 to the use of fuel cell buses for environmental conservation, to reduce their environmental load, and to help create a decarbonized society. This is one initiative in the development of the Atsuta area, development that has been newly launched in partnership with the Aichi Prefecture and participating companies to contribute to creating a sustainable recycling-oriented society.



■ Introducing articulated buses

Two hybrid articulated-buses (GREEN LINER) joined the Mie Kotsu fleet in April 2024, following another two hybrid articulated-buses (SHINTO LINER) introduced in December 2020 to provide services within tourism-heavy Ise City (Geku-Naiku line). Articulated buses have proven effective in alleviating congestion and reducing waiting times, leading to the introduction of two new GREEN LINER services provided in Yokkaichi City.



Real estate business initiatives

■ ABENO HARUKAS awarded the highest rank in DBJ Green Building Certification

The skyscraper complex ABENO HARUKAS, owned and managed by Kintetsu Real Estate, was awarded the highest rank in the DBJ Green Building Certification (Office Category) in September 2024.

The certification, established by the Development Bank of Japan (DBJ), is designed to promote green buildings, real estate established with environmental and social considerations. It involves a five-point scale, based on comprehensive evaluation of a building's environmental performance, disaster mitigation measures, consideration of local communities, response to stakeholders, and other factors.

This achievement follows the highest rank granted in the DBJ Green Building Certification for planning, which was obtained in 2011 prior to the opening of ABENO HARUKAS.



DBJ Green Building
2024

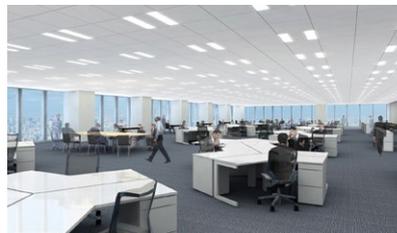
Highly evaluated in a variety of categories, such as energy-saving performance and consideration of convenience and safety.

ABENO HARUKAS is highly recognized as a top-class building in Japan with the highest levels of environmental and social considerations due to the following features:

- ① Energy and resource saving in a variety of facilities and programs (efficient air conditioning and lighting, use of bio-gas fuel and co-generation, etc.)
- ② Excellent specifications as an office building, well-equipped facilities (cafeterias, convenience stores, clinics, conference rooms, etc.) and in terms of convenience and comfort for office workers ("refresh corners," rooftop gardens, etc.)
- ③ Well-designed vibration control systems, disaster mitigation measures, and anti-crime measures

[ABENO HARUKAS (Tower building) overview]

Site area: approx. 28,700 m²
 Total floor area: approx. 212,000 m²
 (approx. 306,000 m², including the Wing building)
 Structure: Steel-framed reinforced concrete, steel construction
 Number of stories: 5 underground, 60 above ground
 Height: 300 m



ABENO HARUKAS office floor



ABENO HARUKAS

■ Kintetsu Group's major eco-friendly buildings

Name	Certification, etc.
ABENO HARUKAS	Highest rank in DBJ Green Building Certification (Office Category)
Misato Green Warehouse (Kintetsu World Express' logistic facilities)	LEED Certificate
Yokkaichi Station Sanco Building (tentative name)	S rank in CASBEE Smart Wellness Office Certification
2nd Nagoya Sanco Building	S rank in CASBEE Smart Wellness Office Certification ZEB Oriented. The first building constructed according to the Nagoya Urban Open Space System

■ Yokkaichi Station Sanco Building (tentative name) awarded the highest S rank in CASBEE Smart Wellness Office Certification

Sanko Real Estate's plan for the Yokkaichi Station Sanco Building (tentative name) was awarded the highest S rank in CASBEE Smart Wellness Office Certification for the first time in Mie Prefecture, with its features rated highly, as designed for the comfort of building users, supported by unique building specifications, performance, and initiatives. The plan is to collaborate with the government's Busta Project, which is underway in the area surrounding Kintetsu-Yokkaichi Station, and the Yokkaichi Municipal Urban Development Project to create a new landscape and a prosperous area around Yokkaichi Station, contributing to community revitalization. The building is scheduled for completion in spring of 2025.

Awarded the highest S rank in CASBEE Smart Wellness Office Certification for the first time in Mie Prefecture

In addition to CASBEE, a system used to evaluate a building's overall environmental performance, the CASBEE Smart Wellness Office Certification is designed to evaluate the specifications, performance, and initiatives of a building in terms of maintaining and promoting the health and comfort of building users.

Evaluation points:

- The building has abundant greenery in harmony with the surroundings.
- Extensive window areas provide a wide-open atmosphere, well-insulated with Low-E pair glass.
- Security zones can be created on each floor.
- The environment is worker-friendly, with an energy-saving design certified as ZEB Ready.



■ 2nd Nagoya Sanco Building awarded the highest S rank in CASBEE Smart Wellness Office Certification

Sanko Real Estate's 2nd Nagoya Sanco Building, which opened in June 2024 (Nakamura Ward, Nagoya City) based on the concept of achieving both eco-friendliness and the good health of workers, was certified with the energy-saving certificate ZEB Oriented and awarded the highest S rank in CASBEE Smart Wellness Office Certification. It is the first building constructed according to the Nagoya Urban Open Space System as designated by the city of Nagoya, designed to provide local communities with a space for relaxation and prosperity, create a new urban landscape, and contribute to local revitalization.



1. Use of open spaces inside and outside the building

The open space outside the building features trees and benches located along the street on its periphery, providing a comfortable and safe walking area and a parking space for food trucks and shared bikes. The open areas inside the building, meanwhile, are equipped with benches and tables to facilitate an urban community. These open spaces inside and outside the building are also designated as temporary evacuation areas in the event of large-scale earthquakes, contributing to disaster mitigation.

2. Common use open indoor space MUQUA

The common use open indoor space MUQUA is an expansive area with a height of about 10 m and an area of about 300 m², welcoming visitors with the scent of cedar wood produced in Mie Prefecture. The use of cedar translates into about 29 metric tons of CO₂ sequestration, reducing environmental load.

3. Work lounge KOQU, for exclusive use by residents

KOQU is a work lounge based on the concept, "work together with nature and become healthier." It is a space that provides a relaxed work environment, designed for diverse work styles. Recycled and upcycled interior materials, furniture, fixtures, and equipment are used for eco-friendly purposes.

4. Using renewable energy to power entire buildings

- All of the electricity used in the building is sourced primarily from renewable energy sources, resulting in virtually zero CO₂ emissions (using a non-fossil certificate with tracking information).
- Use of wood produced in Mie Prefecture, adoption of low-carbon construction materials
- Installation of fast charging spots
- Use of solar panels to partially power lighting, use of rainwater to flush some toilets

International logistics initiatives (Kintetsu World Express Group)

■ 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 2024, equipped with tracking information (25 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 11,570 metric tons*² of Scope 2 CO₂ emissions originating from electricity consumption in fiscal 2023. 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 location standards



Renewable energy certificate

■ Promoting the use of sustainable aviation fuel (SAF)

Air carriers have been promoting the use of sustainable aviation fuel (SAF) since September 2021. 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.

Initiatives conducted in fiscal 2023 and 2024

- Selected to be subsidized by the program administered by the Tokyo Metropolitan Government to promote sustainable aviation fuel (SAF) use in air cargo transportation for reducing Scope 3 emissions
- Signed agreements with All Nippon Airways and Kyocera Corporation for CO₂ emission reductions through promotion of SAF use
- Signed an agreement with IAG Cargo on SAF
- Participated in an SAF demonstration program administered by Japan Airlines
- Signed an agreement with the Volvo Group on use of SAF
- Participated in the FRY to FLY Project, designed to achieve resource recycling and create a decarbonized society
- Signed an additional agreement with Cathay Pacific Airways for use of SAF

■ Green power certificate

Misato Green Warehouse, one of Kintetsu World Express’ domestic logistics hub, again purchased green power certificates (equivalent to 1.2 million kWh)*¹ in 2023 and switched almost entirely to electricity produced by renewable energy sources. Misato Green Warehouse, meanwhile, was previously certified with the ISO 14001 and acquired the US LEED certificate*², which evaluates effective use of facility sites and energy saving performance.

*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”

■ KWE Thailand introduces EV trucks

Five EV trucks were added to the KWE Thailand fleet in June 2024, with charging stations set up at the KWE Thailand headquarters and the Navanakorn Distribution Center. The Thai government aims to increase the share of EVs in the country’s automobile production to 30% by 2030, which is expected to accelerate a shift to EVs nationwide. KWE Thailand is committed to reducing CO₂ emissions from its supply chain by using EV trucks for collection and delivery services.



EV truck

4 Information Disclosure Related to TCFD

■ Climate-change-related governance



We have established our Sustainability Promotion 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 Sustainability Promotion Committee, chaired by the Kintetsu Group Holdings' president, comprises the Kintetsu Group Holdings' corporate officers and presidents of major Kintetsu Group companies, 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 Regulations 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 regulations, a risk management body comprising the Board of Directors, the Management Committee, Group Strategy Committee, and Risk Management Committee 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. Also, the Corporate Strategy and Planning Division collects 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.

Climate-change-related risk management

Sustainability Promotion Committee

The Sustainability Promotion Committee comprising the Kintetsu Group Holdings' president and corporate officers and the major Kintetsu Group companies' presidents manages sustainability-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 Sustainability Promotion 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 Sustainability Promotion Committee and the Board of Directors overseeing the whole procedure.

■ 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. 67–71.)

■ Climate-change-related strategies

The Sustainability Promotion 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 • Introduction of renewable energy generation 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	
		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	
	Travel agency	High	• Regulations to encourage the use of transportation and accommodation with less CO ₂ emissions • Planning and offering tours with less CO ₂ emissions		
	Market	• 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
		• Increased operation costs due to introduction of next-generation aircraft, vessels, and vehicles • Development and supply of new forms of fuel (SAF, biofuel, etc.): Decreased usage rates and increased purchasing costs due to supply shortages	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
	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	
Physical risks	Chronic risks (temperature rises)	Railways	Moderate	• Promotion of measures to encourage outings by developing tourism and providing attractive transportation services	
		Merchandise sales	High	• Upgrading the EC shopping site	
		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	
		Merchandise sales	High	• Strict food hygiene practices • Improving employees' health management and optimizing working hours	
		Hotels	Low	• Creating supplier portfolios • Ensuring stable supply and reaching new customers through increased partnerships with local communities and farmers	
		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	
	Acute risks (increasingly severe disaster)	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
		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	Moderate	• Double-track construction to bolster the supply chain of essential commodities, which impacts train service operations
			Merchandise sales	Low	• Creating supplier portfolios
		Disruption in power supply from power companies	Railways	Moderate	• Diversification of electricity suppliers (including private power generation and multiple power companies) • Introduction of large-scale 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

Messages from Top Management

Our Value Creation Story

Our Value Creation Strategy

Initiatives for Materiality

Corporate Governance

Corporate Information

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 generation 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
	• Increased orders and revenue brought about by higher environmental performance ratings		• Aggressively incorporating environmental measures into the corporate strategy for better feedback from customers
	• Increased demand for protection against heat and cold • Sale of emergency response kits	Merchandise sales	• Setting up special corners • Expanding overall sales through external sales and EC shopping sites • Preventing stockout situations
	• Increased demand for eco-friendly products and services • Resort hotels available for a longer period due to global warming	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
Market	• Policies emphasizing public transportation systems designed for compact, clean urban development to stimulate demand (accelerated shift to smart cities and MaaS)	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
	• Increased green investment		• Information disclosure related to TCFD
	• Vitalization of the carbon market		• Participation in the carbon market, leveraging the environmental advantage of railways
	• Developing new services and expanding business areas	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
	• Opening stores near or adjacent to stations, or at convenient locations such as station premises, each of which are not affected so much by weather	Hotels	• Strengthening partnerships among the Kintetsu Group companies and increasing the convenience and amenity of access to hotels
	• Developing markets in response to changing lifestyles, with customers' awareness of sustainability in mind	Merchandise sales	• 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
	• 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)		• Expanding EC sales • Increasing the number of stores featuring online supermarkets • Increasing the number of mobile supermarkets
Resilience	• Increased customer confidence through construction to prevent damage caused by storm and flood	Railways	• Reinforcement construction to be prepared for large-scale disaster • Quick restoration/reconstruction from disaster (quick resumption of services)
	• Developing products by leveraging areas and methods that are not affected by climate change	Travel agency	• Developing products using IT such as VR to provide virtual experience

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	—	—	
	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
Physical risks	Impacts of storm and flood					
	Amount of damage to facilities	+0.15 billion yen	+0.3 billion yen	+0.3 billion yen	+0.9 billion yen	Calculated, taking into account damage to facilities caused by storm and flood (averaged over the past decade) and the resulting loss of revenue
	Decreased revenue due to suspended operations	+0.2 billion yen	+0.4 billion yen	+0.4 billion yen	+1.2 billion yen	

5 Resource-Saving, Recycling and Biodiversity Conservation Initiatives

■ Resource input (consolidated subsidiaries: 59)

Type	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Office paper	10,000 sheets	20,712	18,453	12,092	22,402	21,093
Clean water	1,000 m ³	4,470	3,527	3,540	3,716	4,220
Recycled water	1,000 m ³	192	182	105	94	181
Groundwater	1,000 m ³	1,084	865	797	695	814
Total water (Clean water + Recycled water)	1,000 m ³	4,662	3,709	3,646	3,810	4,401

■ Waste amount

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
General waste	Metric tons	21,858	27,710	26,401	27,896	29,314
Industrial waste	Metric tons	60,330	32,223	49,795	21,061	43,328
Total	Metric tons	82,188	59,933	76,196	48,957	72,642

* Total amount of Kintetsu Group Holdings and its consolidated subsidiaries whose wastes are available (FY2023: 26 companies for general waste and 26 companies for industrial waste).

General waste (FY2023)

	Total of Kintetsu Group Holdings and its consolidated subsidiaries (26 companies)	
	Waste amount	Recycled amount
General waste	29,314 t	13,222 t

Industrial waste (FY2023)

	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	2,042 t	1,887 t	70 t	0 t	85 t
Oil	512 t	429 t	74 t	0 t	9 t
Acid	47 t	26 t	1 t	0 t	21 t
Alkaline	7 t	7 t	0 t	0 t	0 t
Plastic	2,856 t	2,720 t	8 t	15 t	113 t
Paper	97 t	95 t	2 t	0 t	0 t
Wood	1,698 t	1,513 t	116 t	14 t	54 t
Textiles	6 t	6 t	0 t	0 t	0 t
Plant waste	772 t	772 t	0 t	0 t	0 t
Rubber	0 t	0 t	0 t	0 t	0 t
Metal	6,689 t	630 t	4,011 t	100 t	1,947 t
Glass/ceramics	1,062 t	1,023 t	36 t	0 t	3 t
Building waste	27,007 t	21,741 t	4,549 t	257 t	459 t
Other	533 t	533 t	0 t	0 t	0 t
Total	43,328 t	31,383 t	8,868 t	387 t	2,690 t

■ “Bottle to bottle” horizontal recycling of plastic bottles

Kinsho Store’s initiative

Kinsho Store, in partnership with Suntory Beverage & Food Limited, launched “bottle to bottle” horizontal recycling*¹ of polyethylene terephthalate (PET) bottles in August 2024, where used PET bottles collected at its 27 stores are recycled into new PET bottles. Each store has been reducing its environmental load and playing a part in creating a recycling-oriented society for eco-friendly purposes, specifically by serving as a recycling station for recyclables, where used and washed PET bottles from households are collected for recycling. Many consumers regularly participate in this recycling initiative.

PET bottles collected at stores participating in the initiative are recycled into PET flakes via mechanical recycling*² and processed into bottles for use in Suntory beverages.



*1: Horizontal recycling refers to recycling used products into raw material to manufacture the same type of product.

*2: Mechanical recycling refers to a process where used plastic products are collected, segregated, crushed, and washed to remove dirt and foreign matter on the surface, followed by heating to disperse and remove pollutants.

Initiatives at Shima Spain Village

Likewise, Shima Spain Village, Coca-Cola Bottlers Japan, Ito En, and Kyoei J&T Recycling jointly launched “bottle to bottle” horizontal recycling for PET bottles in July 2024 where used bottles are recycled from facilities and offices at the complex resort Shima Spain Village.

* Horizontal recycling refers to recycling used products into raw material to manufacture the same type of product. Used PET bottles collected on the premises of Shima Spain Village are sent to Kyoei J&T Recycling’s factory for reprocessing and recycling as raw material. Reprocessed plastic resources are then used to manufacture new bottles. Shima Spain Village is also promoting “bottle to bottle” horizontal recycling of PET bottles in partnership with said companies.

“Bottle-to-bottle” horizontal recycling at facilities in Shima Spain Village



■ Introducing a plastic crusher

Shima Spain Village introduced a plastic crusher in April 2024 as part of its environmental initiative; plastic waste collected separately at its facilities and offices is fed to the crusher to reduce volume, and by extension, the environmental load.

In addition, wastewater treated at its sewage treatment facility is reused to flush toilets and for similar purposes to further reduce environmental load. Shima Spain Village will continue to conserve the environment and make the most of any resources available.



Plastic crusher

■ Planting 100 mangroves

KWE Indonesia participated in tree planting in July 2023 in North Jakarta, where 30 participants planted 100 mangroves. Mangrove forests can absorb and store CO₂ in large quantities, playing a pivotal role in reducing climate change risks and conserving biodiversity. Participants learned about the benefits of mangroves before planting. KWE Indonesia will continue to engage in mangrove planting, raise the environmental awareness of its employees, and contribute to environmental conservation in Indonesia.



Mangrove planting

■ Switching to earth-friendly bedding for use in all guest rooms

Sanco Inn switched in April 2024 to bedding made of Suprelle™ blue for use in all guest rooms at its 15 Sanco Inn Hotels. Suprelle™ blue, produced collaboratively by the German company ADVANSA and Plastic Bank, is an inner pad material made primarily from waste plastics collected by impoverished workers in coastal countries that would otherwise end up in the ocean as plastic waste. As collected waste plastics are converted into digital currencies, using Suprelle™ blue for bedding contributes to reducing both ocean plastic waste and poverty. With all guest rooms in the 15 Sanco Inn Hotels equipped with these bedclothes, Sanco Inn has reduced ocean plastic waste equivalent to about 375,200 PET bottles, which translates into about 24.4 metric tons of CO₂ emissions.

Sanco Inn has been working on an initiative to reduce environmental loads, setting up Amenity Bars in the hotel lobbies where guests can choose the amenities they need and switching to eco-friendly materials such as recycled plastic for use in manufacturing amenities. Sanco Inn will continue to focus on environment-conscious management to help create a sustainable society.



■ Biodegradable plastic materials made from plants

Kintetsu Venture Partners took a stake in Amica Terra Co., Ltd. in February 2024. Amica Terra is a venture company that plays a part in creating a recycling-oriented society by developing and manufacturing modo-cell®, a biodegradable* plastic alternative made from plants. Specifically, modo-cell® is made primarily from plant-derived materials such as plant fibers and starch. It is a sustainable material, as most plant fibers derived from waste resources (bamboo from abandoned bamboo groves, agricultural waste, plant residue from food factories, etc.) can be used as a main raw material.

The Kintetsu Group and Amica Terra will jointly promote the development and distribution of products made from modo-cell®, utilizing them to help create a decarbonized, recycling-oriented society.

* Biodegradation is the breakdown of organic matter by microorganisms into molecules, and, by extension, to carbon dioxide and water, which are fed back to nature. (Source: Japan BioPlastics Association website)



Pellets made from modo-cell® (Source: Amica Terra)



Products made from modo-cell® (Source: Amica Terra)

■ Vegetable Crayon

Kintetsu Retailing, mizuuro, and Kajitsukobo jointly launched Vegetable Crayon in March 2024 where vegetables produced along Kintetsu lines that would otherwise be disposed of are used as raw materials to reduce food loss and create new values. Vegetable Crayons are unique in that:

① They are safe for children to use.

Vegetable Crayons are made primarily from edible oil and wax extracted from rice bran, using outer leaflets as additional raw materials (usually disposed of when harvesting). They are designed for safe use by toddlers and kids, with food grade colorants used to complement vegetable pigments. Being made solely from non-toxic raw materials, they are completely safe even if eaten.

② Using substandard vegetables as raw materials

Vegetables produced along Kintetsu lines that are disposed of or not sold on the market, specifically substandard vegetables and scraps, are used as raw materials in food recycling efforts.

③ Using vegetables produced along Kintetsu lines

Raw materials (vegetables) are sourced from our suppliers.



Vegetable Crayon

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	FY2022 results	FY2023 results	Target fiscal year	Target
Kintetsu Railway	Percentage of station LED lighting	–	96.7%	100%	2030	90% or higher
	Percentage of train interior LED lighting	–	39.8%	47.3%	2030	40% or higher
	Energy use reduction rate	2013	-9.2%	-21.2%	2030	-20% or higher
	Total CO ₂ emissions (Scope 1 + 2) reduction rate	2013	-44.2%	-38.4%	2030	-50% or higher
	CO ₂ emissions (intensity) reduction rate	2013	-40.5%	-34.5%	2030	-50% or higher
Kintetsu Real Estate	Percentage of new condominiums and houses with thermal insulation Class 4	–	99.8%	100.0%	2024	100%
	“High-efficiency equipment” percentage (water heaters, LED lighting, water-saving toilets)	–	100%	98%	2024	100%
	Percentage of new condominiums certified as ZEH-M Oriented and low-carbon buildings (groundbreaking year basis)	–	–	–	2030	100%
Kintetsu World Express	Total CO ₂ emissions (Scope 1 + 2) reduction rate	2022	–	-3.6%	2030	-35%
		2022	–	–	2050	-100%
Kintetsu Department Store	Greenhouse gas emissions reduction rate	2015	-46.8%	-32.1%	2030	-50% or higher
	Greenhouse gas emissions	2015	–	–	2050	Virtually zero
	Energy use	2015	-20.3%	-20.6%	2030	-20% or higher
Kinsho Store	Number of stores still using CFC refrigerants (R22)	–	10 stores	4 stores	2025	0 stores
Kintetsu Miyako Hotels International	Percentage of guest rooms with LED lighting	–	67%	67%	2030	80%
	Number of eco-accommodations	–	–	7.7%	2024	10%

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

Company	Key Performance Indicator (KPI)	Baseline fiscal year	FY2022 results	FY2023 results	Target fiscal year	Target
Kintetsu Railway	Water consumption (total)	2015	-16.8%	-9.5%	2030	-10% or higher
Kintetsu Department Store	Amount of food loss	2019	-25.7%	-14.7%	2030	-20%
	Food recycling rate	–	17.9%	14.3%	2030	50%
	Percentage of eco-friendly packaging materials	–	7.7%	7.5%	2030	50%
Kintetsu Retailing	Food loss volume	2018	-27.4%	-20.4%	2030	-40%
	Food wastage rate	–	1.15%	1.14%	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	–	9 facilities	15 facilities	2024	15 facilities
	Reduction rate of designated plastic amenities per guest	2021	-23%	-40.6%	2024	-50%
KNT-CT Holdings	Tours to raise awareness of environmental friendliness and natural conservation					
	① Number of participants in green tourism	–	9,625 users	9,714 users	2024	10,000 users
	② Number of participants in eco-tourism	–	4,125 users	4,164 users	2024	5,000 users
	③ Number of Blue Planet accommodation facilities and products (The 2024 target is the number of facilities where the Blue Planet sustainability policy questionnaire will be conducted.)	–	183 facilities 87 products	211 facilities	2024	1,000 facilities
	④ Number of J-credit users	–	3,082 users	9,076 users	2024	10,000 users

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

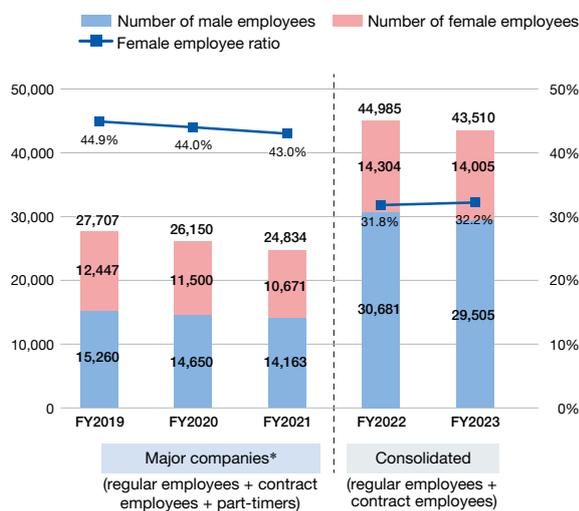
■ Cooperation within the Kintetsu Group

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. In October 2024, a new human resources company (Kintetsu HR Partners Co., Ltd.) was established to create a system for addressing personnel-related issues throughout the Group.

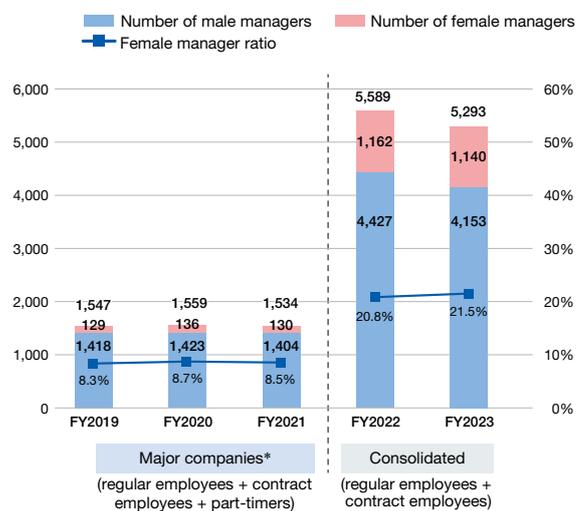
As part of recruitment activities, seminars are held with the Kintetsu Group companies to provide company information and promote group discussions. Level-specific training is also conducted with the Kintetsu Group companies to boost employee capabilities—training aimed at new employees, mid-career employees,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

■ Main indicators on human resources

Number of employees and female employee ratio

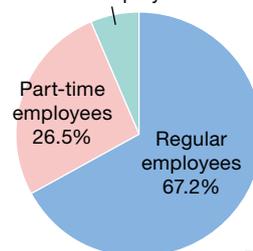


Number of managers and female manager ratio



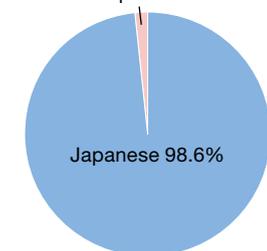
Ratio by employment status (consolidated)

Contract employees 6.3%

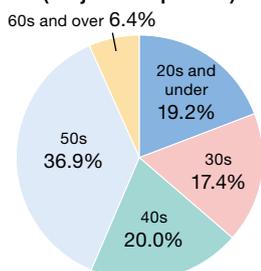


Ratio of non-Japanese employees (major companies)

Non-Japanese 1.4%

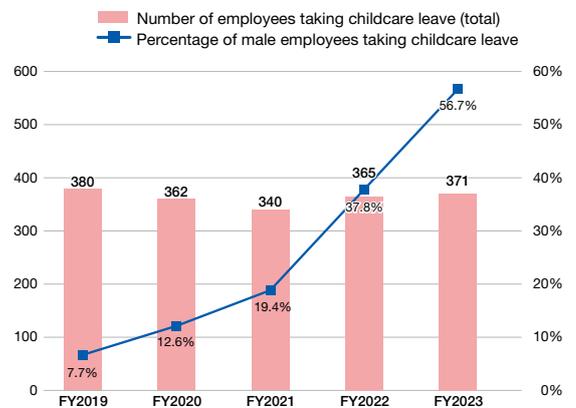


Ratio by age (major companies)



Notes:
 • FY2023 results
 • Regular employee base

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, Inc., the KNT-CT Holdings Group (up to fiscal 2021), and Kinsho Store Co., Ltd. (up to fiscal 2020).

* 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.

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

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of hires	4,438	3,367	2,422	427	951
Of those, female	2,817	2,045	1,490	190	501
Female hire ratio	63.5%	60.7%	61.5%	44.5%	52.7%
Number of regular employees hired	729	687	665	336	693
Of those, number of mid-career hires	212	145	79	89	140
Proportion of regular employees who were mid-career hires	29.1%	21.1%	11.9%	26.5%	20.2%
Newly graduated hires who left	244	193	287	506	358

* The number of hires since 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 2019 and 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

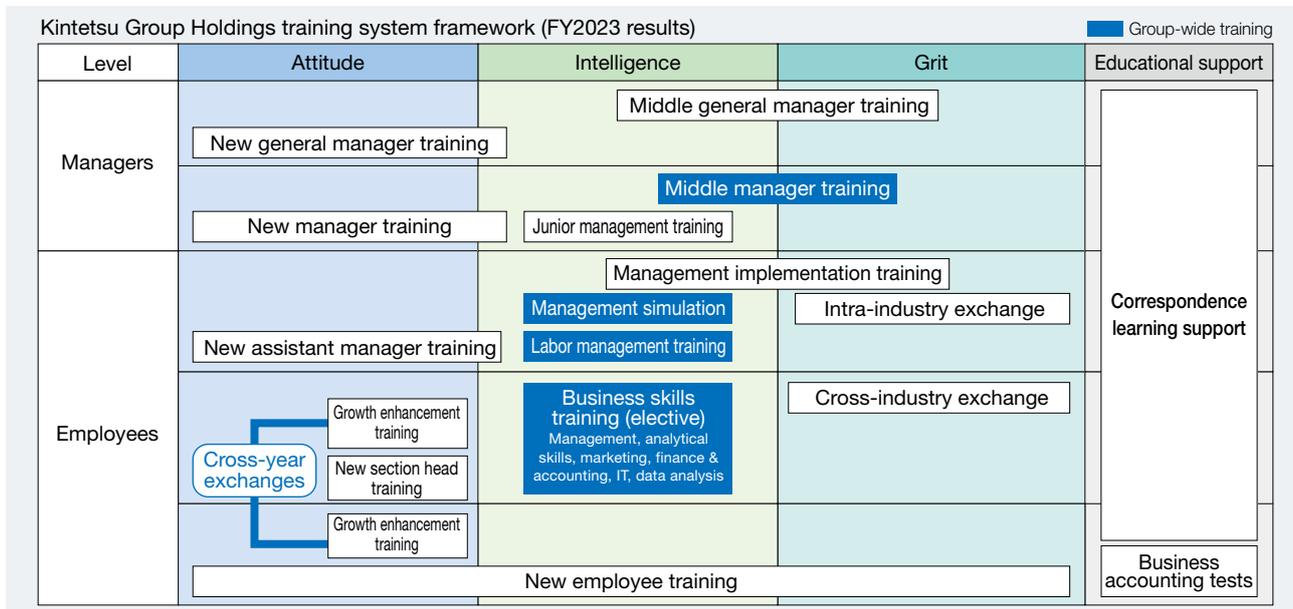
The Kintetsu Group provides systematic training and support for employee self-development and qualifications acquisition to encourage continued growth on the job. We also encourage self-improvement through a grant system for employees who earn standard qualifications within the Kintetsu Group.

■ 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.

Traits of an “ideal employee” (excerpt)

- I. Personal Attitude
Morality, honesty, courage, compassion
- II. Approach to Work
Ownership mentality, takes responsibility, proactive, seeks out challenges, aims for total optimization
- III. Professional Skills
Ability to gather information, creativity, editorial skills, delivers results
- IV. Personal Abilities
Flexibility, discernment, objectivity, self-reflection, desire for self-improvement, perseverance, determination, inner composure



■ 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 to improve hospitality; Service Care-Fitter training; company history on-the-job training (at Jogajji Temple and the site of the 1971 Aoyama tunnel accident); accident and disaster relief training; training of train engineer and conductor instructors
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 is setting up satellite offices to make it easier for employees who commute and to increase work efficiencies. A teleworking system is being 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 considers each group company's situation and enables employees to use their experience and abilities to the fullest.



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

■ Initiatives to deal with customer harassment

Kintetsu Railway recognizes the need to take action against customer harassment to protect the human rights of employees and create a workplace environment that provides peace of mind and the conditions for good mental and physical health so that employees can provide high-quality service to customers. Based on this understanding, the company

established the Kintetsu Railway Basic Policy on Customer Harassment in October 2024. Efforts are also underway to formulate policies and develop procedures for responding to incidents, along with consultation systems tailored to the circumstances of the individual group companies.

■ 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
63.5%	65.4%	49.4%

* 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).

* The difference in wages between male and female workers largely reflects the difference in average age among all employees (34 for women and 45 for men). 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. 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

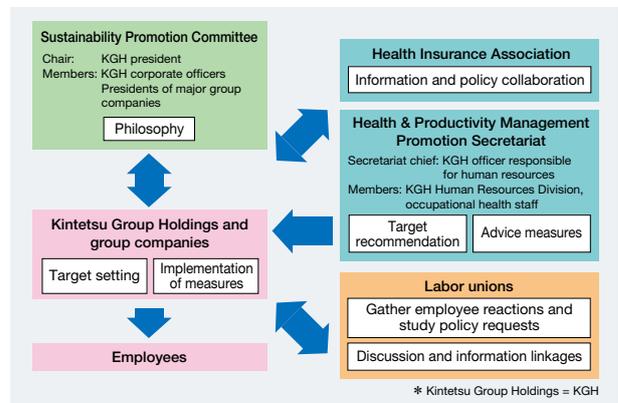
(Created September 2021)

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

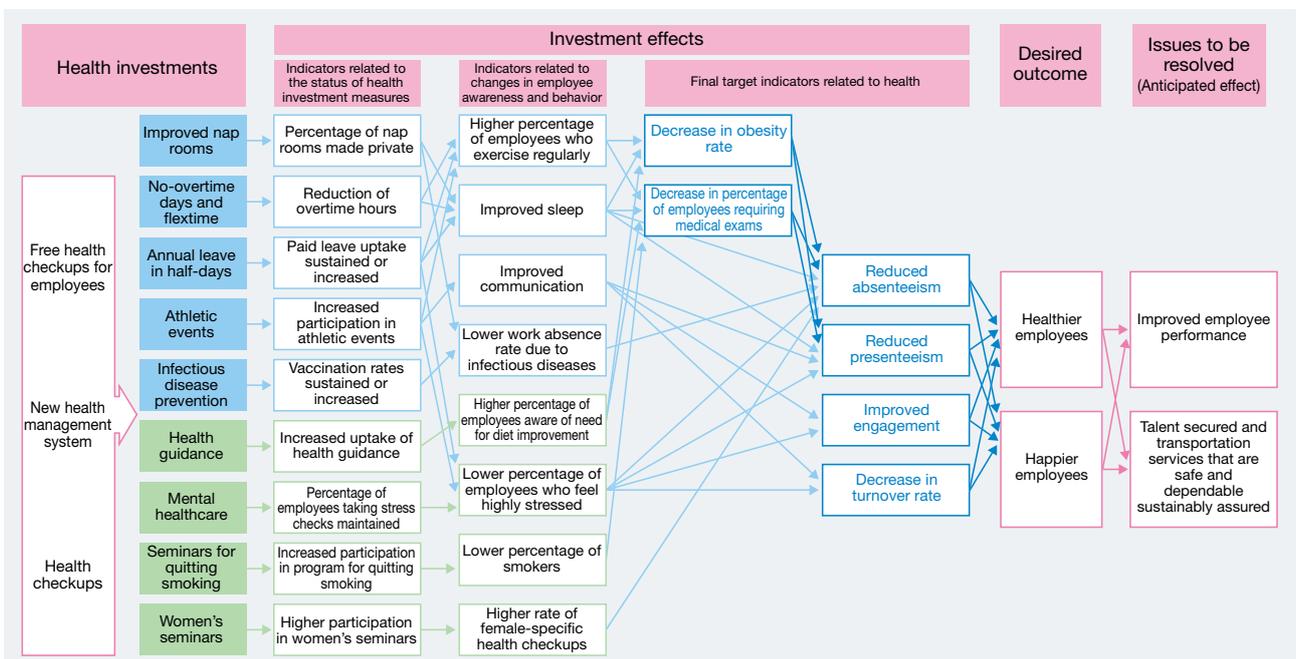
To promote health and productivity management, in fiscal 2021 we established a health and productivity management framework centered around the Sustainability Promotion Committee chaired by Kintetsu Group Holdings' president (known as the CSR Committee until March 2024). The Kintetsu Group is working 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 (FY2024)

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

■ Selected for the Health & Productivity Stock Selection for the first time

In March 2024, Kintetsu Group Holdings was recognized as a company that excels in health management and was selected for the first time for the Health & Productivity Stock Selection by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. In addition, Kintetsu Group Holdings and Kintetsu Railway Co., Ltd. were both selected as Health & Productivity Management Outstanding Organizations (White 500) for the fifth consecutive year, a certification awarded by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi.



1-5 Human Capital Indicators and Targets (KPIs)

■ Recruitment-related indicators and targets (KPIs)

Company	Indicator	FY2023 results	Target	Target year
Kintetsu Group Holdings	Percentage of female employee hires to total number of career-track hires	38.1%	30% or higher	FY2025
	Percentage of mid-career hires to total number of career-track hires	28.6%	20% or higher	Every fiscal year
	Number of employees hired as career-track IT-related personnel	9	5 or more	Every fiscal year
Kintetsu Railway	Percentage of female hires in railway transport divisions	11.3%*	30% or higher	Every fiscal year
	Percentage of female hires in railway engineering divisions	4.1%*	5% or higher	Every fiscal year
Kintetsu Retailing	Number of new graduate and mid-career hires	21	20 or more	Every fiscal year
	Percentage of regular female employee hires	52.4%	45% or higher	Every fiscal year
Kintetsu Miyako Hotels International	Percentage of male recruits among new graduate hires	29.5%	30% or higher	Every fiscal year
	Number of mid-career hires per year	80	50 or more	Every fiscal year

* New graduates hired in April 2024 are shown

■ Main training-related indicators and targets (KPIs)

Company	Indicator	FY2023 results	Target	Target year
Kintetsu Group Holdings	Hours per career-track employee of participation in skills development training	31.8 hours	20.0 hours	Every fiscal year
	Of those, hours of IT/DX training	2.2 hours	3 hours	Every fiscal year
Kintetsu Railway	Training for specialized skills acquisition and improved safety awareness	125,083 employees* ¹ 296,963 hours* ²	—	—
	Training related to legal ethics and promoting diversity	21,754 employees* ¹ 21,944 hours* ²	—	—
	Other training (e.g., training to acquire general-purpose skills, etc.)	9,815 employees* ¹ 18,901 hours* ²	—	—
	Average hours of training per employee per year	49.0 hours* ³	50.0 hours	FY2025
Kintetsu World Express	Enhancing and providing opportunities for overseas training programs for the development of employees stationed abroad	23 employees	25 employees	Every fiscal year
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	1,110	More than 1,000	Every fiscal year
KNT-CT Holdings	Training attendance rate for all employees	Academy lectures (1st: 97.7%) Human rights and harassment training (100.0%) E-learning on information security (97.1%)	100%	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	FY2023 results	Target	Target year
Kintetsu Group Holdings	Employee turnover rate among all career-track employees at the Company	2.4%	2.0% or less	Every fiscal year
	Percentage of career-track employees at the Company interviewed directly by the Human Resources Division	34.9%	40% or higher	Every fiscal year
	Section manager-level employees at the Company who have taken training on how to manage their subordinates	76.1%	100%	FY2024
Kintetsu Railway	Employee turnover rate	2.1%	2.0% or less	Every fiscal year
	Paid leave uptake rate	90.9%	90.0% or higher	Every fiscal year
Kintetsu Real Estate	Employee turnover rate	4.3%	2.5% or less	Until FY2025
	Utilization rate of shorter hours and shorter work days for childcare	67.9%	70% or higher	Every fiscal year
Kintetsu Retailing	Paid leave uptake rate	45.5%	35.0% or higher	Every fiscal year
	Employee turnover rate	7.0%	4.0% or less	FY2025
Kintetsu Miyako Hotels International	Average years of service	12 years	15 years or longer	FY2029
	Paid leave uptake rate	60.8%	60% or higher	FY2025
	Percentage of men taking childcare leave	61.5%	30% or higher	FY2025
	Total number of employees taking harassment training	1,680	All employees	Every fiscal year
KNT-CT Holdings	Parental leave return-to-work rate	88.5%	95%	FY2027
	Awarded Silver Certificate of Excellent Health Company	3 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	
	FY2023 results	FY2024 target	FY2023 results	FY2024 target
Kintetsu Group Holdings and Kintetsu Railway	31.8%	Under 30%	17.7%	Under 15%
Kintetsu Real Estate	27.5%	Below FY2023 results (27.5%)	6.1%	Below FY2023 results (6.1%)
Kintetsu World Express	20.5%	20% (FY2027)	11.1%	10.8% (FY2027)
Kintetsu Department Store	24.7%	Below FY2023 results (24.7%)	15.5%	Below FY2023 results (15.5%)
Kintetsu Retailing	26.1%	Below FY2023 results (26.1%)	14.6%	Below FY2023 results (14.6%)
Kinsho Store	27.6%	—	13.5%	—
Kintetsu Miyako Hotels International	22.1%	Below FY2023 results (22.1%)	21.8%	Below FY2023 results (21.8%)
Club Tourism International	24.2%	Below FY2023 results (24.2%)	18.6%	Below FY2023 results (18.6%)
Kinki Nippon Tourist	23.7%	Below FY2023 results (23.7%)	20.9%	Below FY2023 results (20.9%)

* 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.

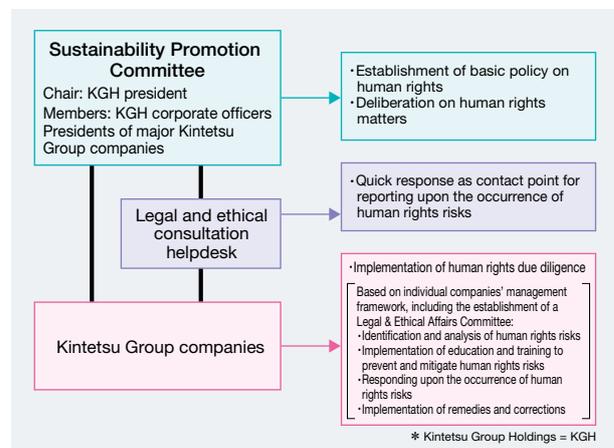
3. Scope of Application

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 Sustainability Promotion Committee, chaired by the president of Kintetsu Group Holdings, meets approximately twice a year, setting our basic policy toward human rights, and deliberates on human rights. 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

To prevent human rights violations, the Group identifies and analyzes human rights risks that may arise from our business activities, and is taking measures to prevent and mitigate them.

(1) Identifying human rights risks

① List of major human rights risks

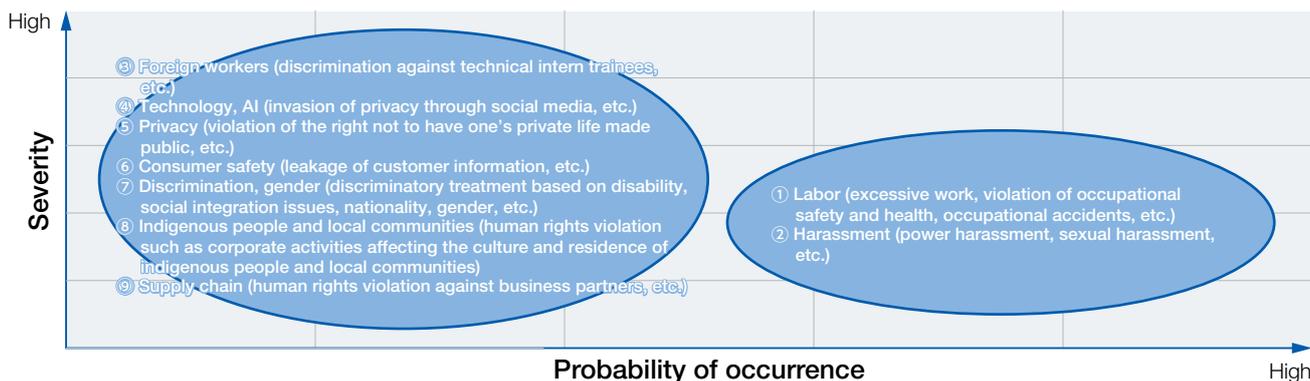
Human rights risks have been organized with reference to the booklet “Measures Currently Required for Companies Regarding Business and Human Rights” (Human Rights Bureau of the Ministry of Justice) and other sources.

Category	Major risks
① 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
② Harassment	Power harassment, sexual harassment, maternity harassment, paternity harassment, nursing care harassment, customer harassment
③ Foreign workers, child labor	Discriminatory treatment on the basis of being a foreign national; child labor
④ Technology, AI	Defamation, invasion of privacy, or discrimination associated with the spread of technology, AI, and other digital technologies
⑤ Privacy	Violation of the right to not have one's private life or private affairs made public; provision of personal information without consent
⑥ 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
⑦ Discrimination, gender	Discriminatory treatment based on gender, sexual minority, disability, social integration issues, nationality, religion, employment status, etc.
⑧ Indigenous people and local communities	Human rights violation such as corporate activities affecting the culture and residence of indigenous people and local communities
⑨ Supply chain	Human rights violation such as a labor violation or harassment in the supply chain

② Identification and analysis of human rights risks

We classify human rights risks based on the level of impact (five-point scale of probability and severity) of a violation. If a human rights risk materializes, we provide remediation and implement corrective action in accordance with the level of impact.

[Distribution of risk categories in group companies (simulation)]



③ Engagement with stakeholders (holding inter-group meetings and consulting with experts)

■ A meeting is held once a year with the major group companies to address human rights due diligence.

At the meeting, the participants identify and analyze human rights risks, discuss what human rights-related issues the companies face, and work to develop countermeasures for the next fiscal year.

■ The Human Rights & Social Integration Promotion Committee convenes annually to provide human rights education to participants and to formulate annual targets and training plans. Discussions include sharing data on incidents such as discriminatory graffiti found within station premises and the measures taken in response.

■ Consultations with experts were held to explore effective methods for implementing human rights due diligence. Employees in the workplace are best positioned to recognize and anticipate human rights risks in corporate activities, therefore, it is desirable to gather information from as many employees as possible, not just having the department in charge analyze and assess the risks. Based on the analysis, efforts should focus on constraining and clearing up human rights risks (such as potential misconduct) and preparing in advance for a proper response by determining what priority to assign any misconduct when it occurs. We were advised that developing such response capabilities is central to the purpose of human rights due diligence and critical for the sustainable growth of the Kintetsu Group.

(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"> • Formulation of the Basic Policy on Customer Harassment • 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) 	<ul style="list-style-type: none"> • Dissemination of the KWE Vendor Code of Conduct • Creation of various guidelines (health and safety, labor, vendor management, environment, compliance) • Plans to conduct audits and surveys of vendors
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"> • 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"> • Appropriate handling of personal information • Promoting "coexistence and co-creation" with the KNT-CT Partners Association, a nationwide suppliers' network

(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 Sustainability Promotion Committee and committees set up at the individual group companies to handle responses.



Human rights training at the Kintetsu Group

(4) Information disclosure

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

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

Transport safety management is a system under which transportation companies independently and actively promote initiatives to make transport safer and to continuously enhance safety. As part of this, we have internal audit departments—distinct from the departments that implement transport safety measures—undertake an in-house audit of our safety management systems once a year. This internal audit system led to our recognition with the Minister of Land, Infrastructure, Transport and Tourism Award in November 2023 for our excellent safety-related initiatives in the transportation business. This award was given in recognition of our contribution to the improvement of transportation safety through a system that reports on the current status and issues based on objective data and proposes 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.

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.

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.

■ Future safety investment plans and KPIs

Indicator	FY2022 results	FY2023 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	92	79	Every fiscal year	Fewer than the previous fiscal year

(billion yen)

Indicator	Results					Forecast			
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Capital investment relating to safety and peace of mind	Approx. 19	Approx. 22	Approx. 9	Approx. 14	Approx. 23	Approx. 27	Approx. 28	Approx. 30	Approx. 26
(Ref.) Kintetsu Railway capital expenditure	24.2	26.5	9.3	17.9	28.8	33.1	30.3	33.1	28.3

■ Disaster mitigation 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.

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



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



Embankment strengthening work (Nagano Line)

Main investment plans

- Anti-seismic reinforcement work for stations and elevated tracks
- Anti-seismic reinforcement work and water ingress prevention for shield tunnels
- Countermeasures against bridge scouring, efforts to strengthen railway embankments, water ingress and lightning-strike prevention for electrical equipment, etc.

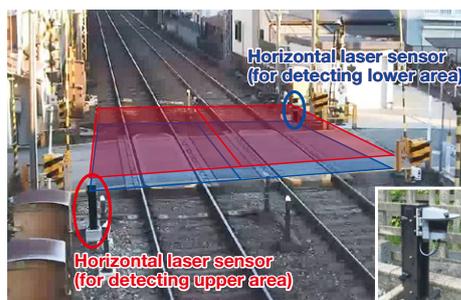
■ Safety measures

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 (664 locations updated as of the end of fiscal 2023).

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.



Horizontal laser sensor detection equipment

By detecting the area at a railway crossing horizontally using horizontal laser sensors, it is possible to detect items within a larger area.

Main investment plans

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 general rolling stock and in-car security measure

- Updating dilapidated general rolling stock
 - Introducing new general rolling stock (from October 2024)
- In-car security measures
 - Promoting placement of security cameras in all train cars (scheduled to be completed by fiscal 2028)
 - 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.



Area where crossings have been removed between Kishi and Tondabayashi Stations on the Nagano Line

■ Accessibility equipment

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
129	78	166 (151)	133

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

Main investment plans

- Installing platform edge gates
 - 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)
 - Installing platform edge gates on platforms 2 & 3 at Kintetsu-Nagoya Station (March 2027)
 - Placement is being made in order at stations with more than 100,000 users (to put in place at a total of five platforms between fiscal 2023 and 2025)
- Minimizing the gaps between trains and the platform
 - We are ensuring a minimal gap (in terms of height and distance) between trains and the platform edge through measures such as raising platforms, having lower floors for new rolling stock, and installing comb-shaped rubber on platform edges

- 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.



Platform edge gates with cables at Tsuruhashi Station, which started being used for two train cars in May 2024

■ 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



Terrorism response drill with the police, fire departments, and other railway operators

2 Safety and Security on the New General Rolling Stock

Kintetsu Railway Co., Ltd. began running the 8A series, a new general rolling stock, in October 2024. This type of rolling stock was designed to support the daily lives of passengers along our lines, based on the concept of train cars that are easy to use for many different people, and that are kind to passengers and the environment. Compared to conventional rolling stock, the new ones use around 45% less electricity, and provide safe and secure transportation services.

In fiscal 2024, we introduced 48 of these new train cars to our Nara, Kyoto, Kashihara, and Tenri lines. Going forward, we plan to roll them out to other areas. In the future, we will replace other rolling stock with the new type in order as necessary.



■ Safety equipment

○ In-car security camera

- In emergencies, train officials or others can check the situation inside the train car.



○ Emergency intercom

- We have increased the number of emergency intercoms, to two in each train car, for passengers to be able to speak to train officials during emergencies.



○ Door controls

- To make it easier to remove luggage or similar when caught in closing doors, we have added new door control functions.

■ Accessibility equipment

○ Floor height

- We have lowered the height of our entrance/exit doors, and reduced the gap between these and platforms, to make our trains easier to board and alight.

○ Fall-prevention outer canopy

- To prevent anyone from falling from the platform into the gap between trains while connecting train cars, we have added a fall-prevention outer canopy at the front of each multiple-car train section.



■ In-car equipment

○ “Yasashiba,” a space for baby strollers and large pieces of luggage

- We have introduced two of these spaces in each train car. Passengers with baby strollers or those with larger pieces of luggage such as suitcases can sit down without worrying about their items.
- While these seats can be used by any passenger, it allows those with baby strollers or large pieces of luggage to place these next to them, within easy reach.



○ Handrails/hanging straps

- We have increased the number of handrails and hanging straps in various locations throughout the train to offer support when the train shakes.
- For the straps, we developed a new shape after research into comfort when gripped.



○ Anti-bacterial/anti-viral measures

- We have installed equipment that uses deep-ultraviolet LEDs to kill bacteria in the air in the rolling stock.
- For the fabric covers for the seats, which customers touch, we have added anti-bacterial and anti-viral properties.

○ In-car displays

- Inside the train cars, we have introduced large LCDs above the doors, and this show passengers information on which stations the train will stop at, as well as layout information for those stations, in multiple languages, and train status information.



Governance Strategy



Enhancing governance as the foundation for our business activities

Akihiko Matsumoto

Director, Senior Managing Executive Officer
Responsibilities: Administrative General Affairs Division

Introduction

The Kintetsu Group has long work to enhance its corporate governance as the foundation of its business activities and in this section I would like to introduce some important initiatives undertaken so far.

History of governance reform

Looking back at our governance reforms, the starting point was the reforms we carried out to the corporate officer system in 2003, which were significant changes. The aims behind this reform included strengthening management's decision-making and business execution functions, accelerating business implementation, and clarifying the responsibilities of each director. Specifically, as well as introducing an officer system, we shortened the term for directors from two years to one, reduced the total number of directors, and scrapped the retirement golden handshake system for corporate officers.

Until that time, the Board of Directors comprised 25 directors but since then we have gradually reduced the number. Now it is less than half that number and one-third of directors are independent external directors, and we have appointed multiple female officers.

After the 2003 reforms, in 2012 we established the new positions of senior managing executive officer and managing executive officer. While officers concurrently served as directors, in 2024 we appointed managing executive officers who were not also directors, and we carried out revisions as appropriate.

In terms of directors' remuneration, to clearly reflect business performance in amounts, in 2006 we introduced performance-linked compensation, while in 2015 we increased the proportion of this as part of total remuneration.

In 2019, meanwhile, we brought in compensation via transfer-restricted shares to link remuneration to our share value. For director-specific pecuniary remuneration amounts, the Board of Directors delegated this to the board's chair, but since 2021 it has been changed so that the actual amount is determined by a resolution of the Board of Directors each year.

Since 2016, every year we have evaluated the effectiveness of the Board of Directors, and in 2018 we set up the Personnel and Compensation Advisory Committee as a consultation body, and this committee deliberates on matters such as the personnel affairs and remuneration for the Board of Directors. More than half of the committee's members are independent external directors.

As well as these officer-related reforms, we have also changed our corporate structure, taking on a pure holdings company structure in 2015. By doing so, we strengthened the Kintetsu Group's management functions, while also boosting each business area through independent management by each group company.

To make it easier for all of our shareholders to attend general meetings of shareholders, since 2010 we have striven to hold the meetings early in the year to avoid dates on which most other companies hold theirs. Additionally, since 2014 we have been using an electronic voting platform to allow institutional investors to exercise their voting rights more easily.

Furthermore, to improve our corporate value and secure profits to share with shareholders, and taking into account the corporate environment at the time, in 2006 we introduced anti-takeover measures. We then ended these in 2016 as a result of later changes to the environment.

For risk management, in 2024 we put in place group-wide risk management framework and processes.

Improving the Board of Directors

In this way, we have steadily moved ahead with various governance reform initiatives in response to our situation and taking into account the demands of society. Our efforts have focused in particular on enhancing the deliberations of the Board of Directors as the second most important decision-making body, after the general meeting of shareholders, and we have made great strides over the years.

We were not simply caught up in the idea that the best we could do would be to increase the frequency of board meetings or set aside more time. For the directors—especially external directors—we provide accurate explanations with neither too much or too little detail about major agenda items in advance, to enable them to offer appropriate judgments or advice. Before each Board of Directors meeting, as to whether the explanations cover what is necessary and are sufficient, the chairman of the board and related directors hold repeated, careful deliberations. I have been involved in the operations of the Board of Directors for many years, and things that have not changed are the real traditions here for those involved in preparing for meetings not to shirk away from hard work but to invest time and effort, and to have many external directors.

Normally, there are very few chances for us to publicize this approach that we take to the Board of Directors, but talking to people who are involved in this area at other companies are often impressed by what we do. Board of Director tasks can be hard work, but I think that they require not wasteful, unnecessary exertion but instead effective effort to enhance deliberations. The result of this has been the excellent rating we have also received from external directors who know boards at other companies, during our Board of Directors effectiveness evaluations each year. I am proud that by enhancing deliberations at the Board of Directors meetings, we have been able to contribute, however little, to improvements in our corporate governance.

I am aware that in recent years many companies have cut down on the number of agenda items for their boards of directors, but in our case we are currently adding agenda items on individual investments and similar too, and receiving great deals of valuable advice from our external directors. For the ideal meetings we should have in the future, we will conduct repeated studies and pursue a better board approach that also considers efficiency.

Compliance

I have introduced the various initiatives that we have undertaken to enhance corporate governance, but I believe that the basis for all this is compliance. Complying with laws, regulations, and corporate ethics is common sense, yet the Kintetsu Group has now grown to a size where we have around 44,000 consolidated employees (this figure grows to around 60,000 if temporary employees are included) and we operate in many industries, including international logistics. Ensuring that compliance truly is common sense among all these employees inside and outside Japan, though, is no easy task.

To increase awareness of compliance throughout the Kintetsu Group, we offer group companies support, such as by providing training materials. We are also actively implementing field training that involves visiting different group companies.

Moreover, to quickly discover and rectify actions that could become problems, we have established a legal and ethical consultation system that covers the more than 60 group companies. As well as in-house staff, the system allows reports or queries to be made to an external legal office. We have also set up a dedicated service for women, and we are working to make the system easier to utilize so as to promote its use. Each year, the system receives about 50 queries, and we carry out investigations. While a fair number of these queries turn out not to be a problem, many actually lead to the early improvement of problematic behavior, and I believe that this consultation system has gained the trust of employees and is functioning effectively.

In promoting our compliance activities, we do not have a one-size-fits-all preventive measure that will solve any problem; instead, we will continue on this path of implementing initiatives like these and try to make further improvements.

Conclusion

We do not believe that there is one universally correct way of doing corporate governance, and we do not believe that our current approach is necessarily the best. Instead, we will continue to respond to changes in the business environment as we consider what makes our Group special and aim to develop an even better governance system that can act as the foundation for efforts to further grow our corporate value.

Bolstering Our Governance and Risk Management



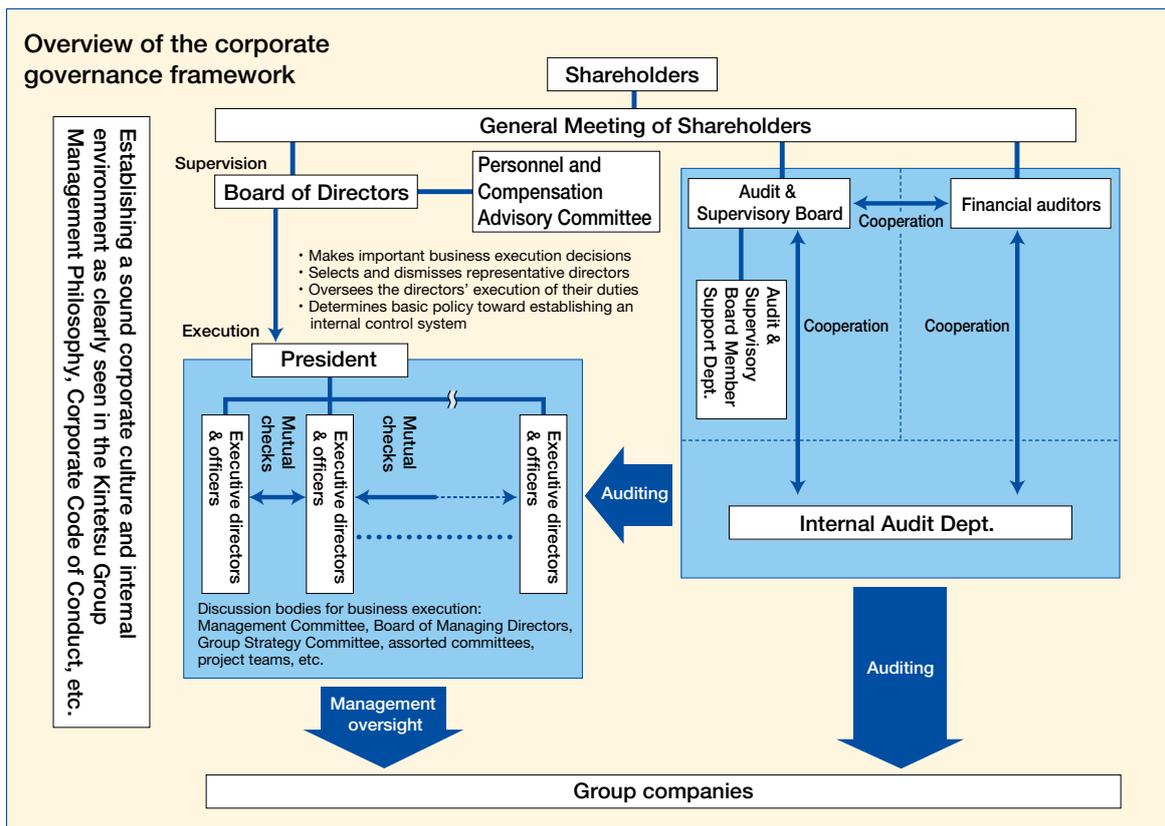
1 Corporate Governance

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.

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.



Corporate governance indicators and targets (KPIs)

Company	Indicator	FY2022 results	FY2023 results	Target year	Target
Kintetsu Group Holdings	External director ratio	33.3%	33.3%	FY2024	Maintain one third or higher

■ 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.

■ 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 business execution by Kintetsu Group Holdings, 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 2023, the Board of Directors deliberated and decided on issues such as revisions to target management indicators in our medium-term management plan and investments by major group companies (examples include construction work on a bus terminal, train station, etc., as part of the Uehommachi Terminal project). Attendance information for fiscal 2023 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 2024, are as follows.

The Board of Directors was given a positive evaluation overall. It was deemed that important matters are appropriately added to the agenda, individual explanations of important matters are given in advance of board meetings, mechanisms are in place for the board to function appropriately, detailed explanations are given by the chair and that these are easy to understand, and the presidents of group companies attend and give briefings appropriately.

In response to issues identified in the 2023 evaluation—that governance-related reports could be more extensive and that it could be beneficial to strengthen the Group's evaluation functions for total risks—the board was deemed to have enhanced reporting of important governance matters and to be gradually strengthening its measures toward more advanced risk governance.

On the other hand, there was some feedback that reports on the status of key initiatives in the medium-term management plan and risk management could be more extensive, and that the directors want to have deeper discussions on the status and outlooks for each business area, and on the correct approach to human capital investment.

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, and we aim to enhance the stringency and thoroughness of the auditing process. Moreover, we ensure members have the required expertise to discuss matters of a financial, accounting, legal, or informatics nature. 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. We have also established the Office of Audit & Supervisory Board Members as a dedicated body to take instructions from Audit & Supervisory Board members and to deal with tasks related to the Audit & Supervisory Board and its members' audits. It currently has a staff of seven.

Attendance information for fiscal 2023 is detailed in the corporate officer skills matrix.

The Audit & Supervisory Board's responsibilities include discussions on audit policy, audit plan creation, the suitability of internal control system development and operation, evaluations of financial auditors' audit methods and results, remuneration for financial auditors, audit report creation, and other topics.

The results of each Audit & Supervisory Board member's audits are periodically reported to the rest of the board, and the member shares information and exchanges opinions with the others. The board also shares information and exchanges opinions with the Audit Division and financial auditors, as well as taking reports on audit results and similar.

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 & 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 (FY2023)	Attendance at the Audit & Supervisory Board (FY2023)
Representative Director, Chairman of the Board	Takashi Tsuji	○	○						○	8/8 (100%)	-
Representative Director, President	Takashi Wakai						○	○		10/10 (100%)	-
Director, Executive Advisor	Tetsuya Kobayashi	○	○	○		○				10/10 (100%)	-
Director, Senior Managing Executive Officer	Shiro Hara	○	○		○				○	10/10 (100%)	-
Director, Senior Managing Executive Officer	Nobu Hayashi		○	○					○	10/10 (100%)	-
Director, Senior Managing Executive Officer	Akihiko Matsumoto							○	○	10/10 (100%)	-
Director, Managing Executive Officer	Hiroyuki Kasamatsu					○	○			8/8 (100%)	-
Director, Managing Executive Officer	Naoyoshi Ueda	○	○	○	○					-	-
External Director	Masanori Yanagi	○		○			○			9/10 (90%)	-
External Director	Toshiko Katayama			○				○	○	10/10 (100%)	-
External Director	Takashi Nagaoka	○		○			○			10/10 (100%)	-
External Director	Yuji Mikasa			○	○	○	○			8/8 (100%)	-
Audit & Supervisory Board Member (full-time)	Hitoshi Tada							○	○	10/10 (100%)	12/12 (100%)
Audit & Supervisory Board Member (full-time)	Tetsuo Nakamura				○		○			-	-
External Audit & Supervisory Board Member	Masahiro Maeda							○	○	10/10 (100%)	12/12 (100%)
External Audit & Supervisory Board Member	Kazumi Suzuki						○		○	10/10 (100%)	12/12 (100%)
External Audit & Supervisory Board Member	Michiko Inoue				○				○	10/10 (100%)	10/12 (83%)

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

* Information for Takashi Tsuji, Hiroyuki Kasamatsu, and Yuji Mikasa only covers Board of Directors meetings held after their appointments on June 27, 2023.

* Naoyoshi Ueda and Tetsuo Nakamura were appointed as Director and Audit & Supervisory Board Member respectively on June 21, 2024.

■ 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.

■ 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 2023, 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.

■ 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."

Amount of remuneration (FY2023)

Corporate officer type	Total (million yen)	Reward breakdown (million yen)			Number of individuals
		Fixed pecuniary	Performance-linked	Remuneration in shares	
Directors	366	209	128	29	16
(of which, external directors)	(36)	(36)	(-)	(-)	(5)
Auditors	85	85	-	-	6
(of which, external auditors)	(26)	(26)	(-)	(-)	(3)

■ Approach and policy toward group management

Amidst a rapidly changing business environment, our shift to a pure holding company structure has encouraged our group companies to pursue independent management operations. While taking advantage of the characteristics of this structure, and based on group-wide management policy, we at Kintetsu Group Holdings, the holding company, work on the optimal allocation of management resources and to organize cooperation between the different group companies. In this way, we endeavor to raise management efficiency and develop internal controls and to achieve robust growth and development for the Kintetsu Group as well as maximizing corporate value.

We hold three listed subsidiaries—Kintetsu Department Store Co., Ltd., KNT-CT Holdings Co., Ltd., and Kin-Ei Corp.—and two listed affiliates—Mie Kotsu Group Holdings, Inc. and The Kinki Sharyo Co., Ltd., (collectively, “listed group companies”). We work to construct a governance system that is appropriate for the Group, and monitor it, ensuring the independence of these listed group companies and respecting the rights of their minority shareholders.

From the perspective of group governance, we have established the Kintetsu Group Management Regulations to cover the fundamental roles and similar that group companies are expected to fulfill. These regulations provide for independent decision-making by listed group companies, but ask them to provide reports and similar information about topics for which group-wide risk management would be beneficial from an internal controls standpoint.

Additionally, as part of the process of formulating our medium-term management plans, we hold repeated and sufficient discussions about our business portfolio, which also covers the businesses of our listed group companies. We also take reports from each listed group company on the medium-term management plans that they formulate, and verify whether their management policies and business strategies will contribute to the medium- and long-term growth of both the listed group companies themselves and the entire Kintetsu Group.

Going forward, we and the relevant listed group companies will, based on a shared group strategy, look to develop our businesses and aim for growth in each, while maximizing group synergies.

■ 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. At the same time, 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. Moreover, as the companies are listed, customers can participate in their management as individual shareholders. This makes it easier to reflect important opinions from a customer perspective in management. We also believe it plays a big part in creating fans who feel love and loyalty for our companies and their products and services.

Furthermore, Kintetsu Department Store is independently running initiatives to raise its outstanding share ratio so as to retain its listed status and increase corporate value, and we receive reports on these efforts.

For our oversight of group management, we take care not to adversely affect these listed subsidiaries’ independence or the profits of their minority shareholders. For vital transactions between the listed subsidiaries 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.

The listed subsidiaries have also put in place committees that include their presidents and independent officers to act as consulting bodies with the rights and responsibilities to discuss officer personnel affairs and similar. In terms of the exercise of voting rights related to the appointment or dismissal of officers at listed subsidiaries, we have taken a policy of respecting the decisions of the listed subsidiaries that take into account the results of deliberations by those committees.

■ Significance of possessing listed affiliates and governance effectiveness

Of our affiliates, there is one that is listed on Tokyo Stock Exchange’s Prime Market (Mie Kotsu Group Holdings, Inc.) and one on its Standard Market (The Kinki Sharyo Co., Ltd.). Mie Kotsu Group Holdings has developed businesses centered on the Mie Prefecture part of our operational area and these businesses include transportation (particularly buses), real estate, merchandise sales, and leisure services, playing a significant role in driving the development and dynamism of the region. The Kinki Sharyo, meanwhile, is a supplier responsible for manufacturing railway carriages such as general rolling stock and the Shimakaze limited express, greatly supporting social infrastructure. At Kintetsu Group Holdings, we have chosen the current capital relationship because of our desire to maximize group synergies and to achieve sustainable growth and development while maintaining the autonomy and independence of the two companies.

We carefully consider the independence of our listed affiliates and not to adversely impact profits for minority shareholders, therefore, we have put in place measures to ensure the effectiveness of the governance systems at the two companies above.

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 Legal & Ethical Affairs 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 62 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 56 such reports in fiscal 2023).

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 2024)

■ 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 2023, we provided training materials to 62 group companies twice and held on-site training at 17 group companies for a total of 4,300 people.



Employees receiving training

3 Risk Management

■ Basic risk management policy

The Kintetsu Group aims to strengthen the ties between its group companies, and to be a group with smoothly functioning risk management. By doing so, we strive to develop a stable group management foundation and to raise corporate value.

Alongside this, in response to our obligations under the Financial Instruments and Exchange Act to evaluate and audit internal controls that pertain to financial reporting, we have determined fundamental plans and policies for such internal controls.

Risk management suited to the Kintetsu Group

In recent years, the risks that face us are diversifying, with examples such as the spread of infectious diseases, increasingly severe natural disasters, information security breaches, human rights infringements, and complex geopolitical issues. At the same time, society is on the lookout for legal or regulatory breaches such as corporate scandals. Stakeholders, too, increasingly demand more advanced risk management and companies are called on to prepare for risks and to have countermeasures in place.

However, there have been cases in the Kintetsu Group where risks have turned into incidents, such as the 2023 regulatory breach in the travel business or cyber-attacks. Moreover, by incorporating the international logistics business into the Group's portfolio, the nature of the risks that we must recognize as a group is also changing.

To respond to these changes, we are now working with our group companies to comprehensively identify and evaluate risks. By taking stock of and recategorizing risks, we are developing group-wide risk management mechanisms. Furthermore, by strengthening ties between group companies and colleagues, and promoting systems and people's efforts, we will understand and avoid risks and mitigate their impacts, and ensure that countermeasures function properly if they do become a reality. In this way, we will develop a stable management foundation for the Kintetsu Group and fulfill our responsibilities to our various stakeholders.

Organizational systems

We established and operated our CSR Committee with the goal of ensuring compliance with laws, regulations, and corporate ethics; formulating policies on countermeasures aimed at environmental conservation, etc.; and resolving the societal issues while enhancing corporate value from a long-term perspective. The committee was also responsible for the management of certain risks.

To enhance the risk management functions that the Kintetsu Group requires, the committee's risk management functions were spun off to form the Risk Management Committee. In June 2024, we created a new organization,

the Risk Management Office, within the Corporate Strategy and Planning Division to act as a dedicated body for risk management.

The Risk Management Committee comprises Kintetsu Group Holdings' corporate officers and the presidents of major group companies. As well as discussing the risk management status at individual group companies and formulating their action plans, the committee promotes cooperation between the departments of the holding company primarily responsible for enacting risk management and the group companies, and in this way carries out primary risk management.

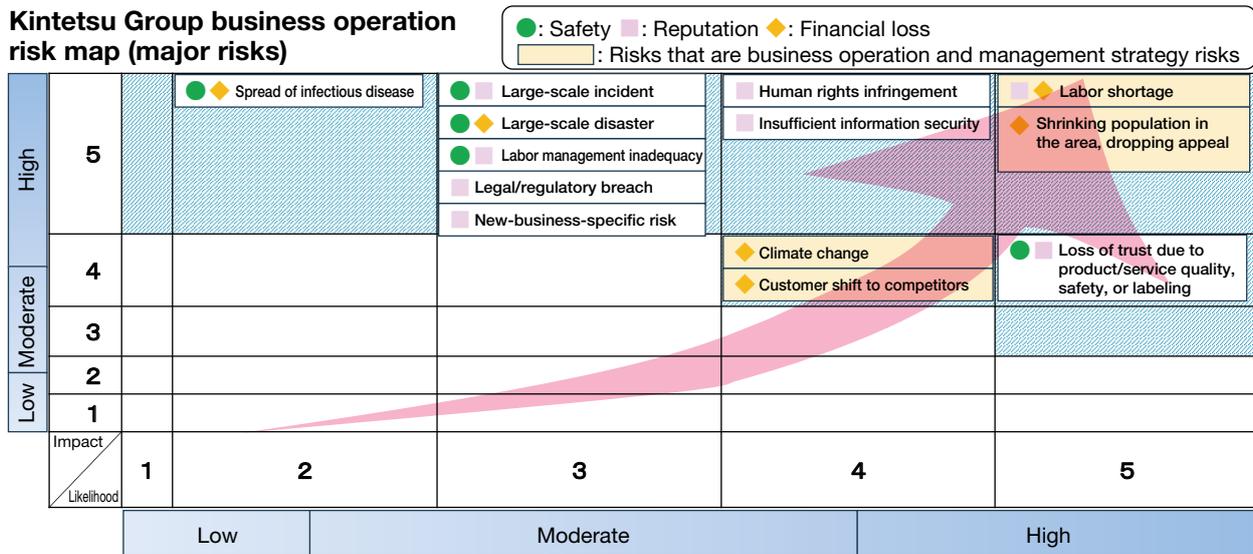
The Risk Management Office, meanwhile, is the team in charge of actually implementing the work of the Risk Management Committee, and its core function is to support and coordinate risk countermeasure plans at group companies.

Approach to Kintetsu Group risks

Our risk management is predicated on the classification of the risks that face us into two main categories—management strategy risks (that come with management decisions) and business operation risks (which are connected to business operations)—as part of our efforts to take stock of and reorganize risks. We also have three risk perspectives unique to the Kintetsu Group: safety (risks connected to the life and health of customers, employees, etc.), reputation (i.e., risks that could jeopardize society's trust in the Kintetsu Group), and financial loss (risks that could lead to a negative financial impact on the Kintetsu Group). Our evaluation to understand and categorize risks from these three perspectives was carried out on a group-wide basis. As a result, we identified 13 major risks, including large-scale incidents, human rights infringements, labor shortages, and climate change.

In the future, the Risk Management Committee and Risk Management Office will utilize a risk management PDCA cycle for the 13 major risks, including those such as worker shortages and climate change that are simultaneously management strategy risks and business operation risks. Specifically, these organizations will work to identify and understand risks and carry out integrated and comprehensive evaluations to select and determine major risks, and also to investigate countermeasure

Kintetsu Group business operation risk map (major risks)



plans and then decide on and implement these. By also evaluating the status of process operations and monitoring countermeasure plans, they will rate our operations. In terms of output, feedback from the PDCA activities will be reported within Kintetsu Group Holdings and to group companies. The Risk Management Committee will verify the status of risk management operations at group companies too, monitor implementation of their countermeasure plans, and collate the results. It will also report periodically to the Board of Directors.

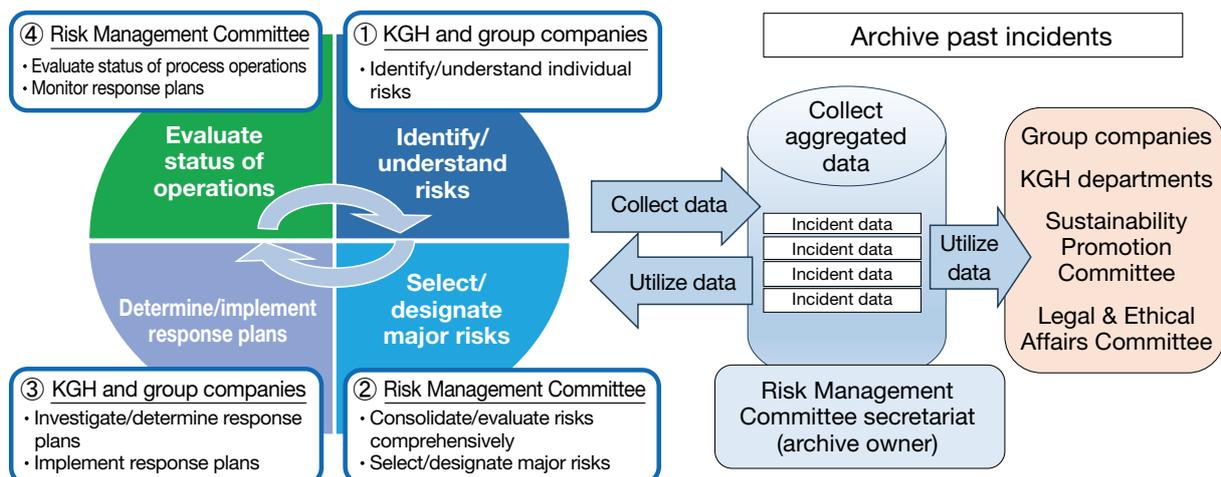
Furthermore, by archiving data on incidents where risks have become a reality either within the Kintetsu Group or at other companies, we have made it possible for us, especially those related to risk management, to draw lessons from such incidents. By doing so, we will develop mechanisms by which we can learn from mistakes and prevent recurrences.

Our ideal

We have looked at the systems we have put in place, the way we approach risks, and specific countermeasures. To highlight how we prepare for risks and our ability to respond to them, it is important to have group-company specific risk countermeasures, but also to ensure that the entire Group is pulling in the same direction and has effective risk management. To that end, we will continuously operate this system, with the Risk Management Office at the heart of these efforts.

Lastly, whatever mechanisms we may have in place, to reach our ideal we need the efforts of the employees who will put them into action. Firmly grounded in efforts to secure transport safety in the railway business, the Kintetsu Group has created energy and excitement in the towns along its lines and elsewhere alongside development of non-railway businesses. Going forward, too, we will draw out the power of our people to continue creating value and implementing risk management. As such, as a group-wide initiative, we will promote ever-more advanced risk management.

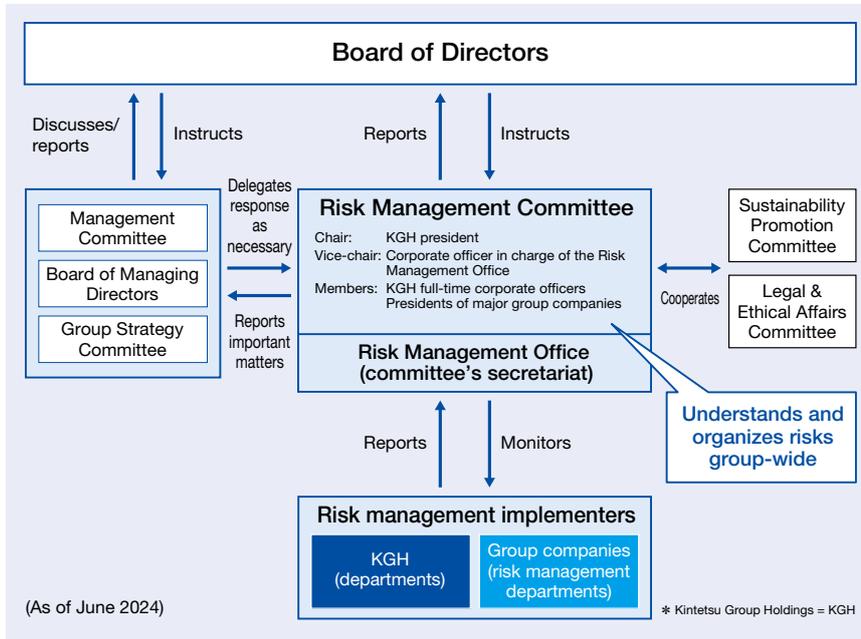
Risk management PDCA system



* Kintetsu Group Holdings = KGH

■ Reorganizing and strengthening the risk management system

We have reorganized and strengthened our group-wide risk management system as shown below.



First meeting of the Risk Management Committee (March 2024)

■ Business and other risks

Under the risk management system that we reorganized and strengthened in 2024, we have designated major risks that Kintetsu Group Holdings and group companies should address. In determining these, we looked at three perspectives: safety (risks connected to the life and health of customers, employees, etc.), reputation (i.e., risks that could jeopardize society's trust in the Kintetsu Group), and financial loss (risks that could lead to a negative financial impact on the Kintetsu Group).

Taking into consideration the major risks that we had designated, the risks related to the Kintetsu Group's business or financial standing that management recognizes as having the potential to severely impact consolidated company finances, management performance, or cash flows, are as below (as of June 2024).

More details can be found in our Annual Securities Report 2024.

- (1) Safety risks
 - ① Large-scale incident
 - ② Large-scale disaster
 - ③ Labor management inadequacy
 - ④ Spread of infectious disease
 - ⑤ Loss of trust due to product/service quality, safety, or labeling
- (2) Reputational risks
 - ① Human rights infringement
 - ② Insufficient information security
 - ③ Legal/regulatory breach
 - ④ New-business-specific risk
- (3) Financial loss risks
 - ① Labor shortage
 - ② Shrinking population in the area, dropping appeal
 - ③ Customer shift to competitors
 - ④ Over-reliance on certain businesses, etc.
 - ⑤ Climate change
 - ⑥ Development of digital society
 - ⑦ Changes in the economy, personal consumer behavior, the international situation, etc.
 - ⑧ Soaring cost of oil, electricity, materials, etc.
 - ⑨ Soaring cost of freight/transport
 - ⑩ Legal/regulatory risks
 - ⑪ Mistakes in large-scale or new investments, devaluation of assets
 - ⑫ Exchange rate fluctuations
 - ⑬ Changes in interest rates for procuring funding
 - ⑭ Changes in stock prices
 - ⑮ Corporate acquisitions, etc.

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	FY2022 results	FY2023 results	Target year	Target
Kintetsu Railway	Business Continuity Management (BCM) rating (Development Bank of Japan)	Highest rank	Highest rank	FY2025	Maintaining the highest rank

Risk Management Committee and Risk Management Office

The Risk Management Committee will designate major risks facing the Kintetsu Group, sort what direction countermeasures will take, and monitor the status of countermeasure plans and their implementation by group companies. Alongside this, the Risk Management Office supports and coordinates risk management at group companies, and ensures the appropriateness of their business activities. Also, to ensure the office is functioning properly in offering that support and coordination, it carries out various initiatives.

On January 1, 2024, there was an earthquake off the coast of the Noto Peninsula that measured 7 on the JMA's seismic intensity scale, while on August 8 that year the Japanese government made its first announcement warning of a higher than usual risk of a megaquake in the Nankai Trough. These and other events impressed upon us anew the risk of a megaquake. In response to this threat, as well as tangible measures such as seismic reinforcement of our facilities and efforts to secure alternative communication channels, it is also important to advance less tangible measures such as by formulating business continuity plans or developing systems to provide instructions or collect information. The Risk Management Office verifies the varied regulations and manuals used by major group companies, and supports group

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.

Highest BCM rating rank from the DBJ

In March 2024, Kintetsu Railway received the highest-rank Business Continuity Management (BCM) rating from the Development Bank of Japan (DBJ) for the twelfth 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.



companies in enhancing these as a necessary, but intangible, countermeasure. When called on to do so, the office also collects information on any damage group companies have sustained and offers mutual support to these companies to aid in recovery.

Group companies such as Kintetsu Railway carry out extraordinary circumstances response drills every year to help intangible countermeasures take root and to identify points for improvement. These involve imagining that a megaquake or similar has occurred, and practicing establishing countermeasures headquarters, collecting information, and making decisions. In the future, we at Kintetsu Group Holdings will carry out these kinds of drills and endeavor to enhance our ability to react if a risk becomes an incident.



Extraordinary circumstances response drill

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 sustainability 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.

■ Requests for business partners (Kintetsu Railway)

We call on you, our business partners, to make yourselves aware of our Legal and Ethical Guidelines, Safety Policy, Environmental Policy, and Fundamental Policy on Buying Activities. We also ask you to cooperate with our efforts, including those detailed below.

- Compliance with laws, regulations, and social standards, and respect for basic human rights
- Refutation of child labor; implementation of measures to prevent overworking, such as appropriate work hour management; and compliance with occupational health and safety laws and regulations
- Respect for freedom of association, right to collective bargaining, and other workers' rights
- Establishment of occupational health and safety environments, implementation of mental health measures, and promotion of health and productivity management
- Fair and transparent business dealings
- Provision of materials of a high quality and at a reasonable price to continue offering transport characterized by safety, peace of mind, and comfort
- Continuous research, development, and proposals aimed at improving quality and reducing costs
- Construction of systems that enable the stable and continuous supply of materials and services
- Appropriate information-sharing to develop and maintain mutual relationships of trust
- Swift and cooperative follow-ups after incidents, accidents, or defects
- Appropriate handling of information and thorough information management
- Understanding of water quality, atmospheric pollution, and information on chemical substances included in products; efficient use of resources and energy; and activities that consider the environment
- Refutation of relations with anti-social forces or organizations
- Elimination of bribery or other corrupt behavior, and of anti-competition actions

To confirm that the efforts above are being complied with, we may make visits to verify activities where necessary.

■ KWE Vendor Code of Conduct

Summary of the KWE Vendor Code of Conduct (excerpt)

1. Compliance with Laws
 - Competition & Antitrust Laws
 - Anti-Corruption, Anti-Bribery
 - Gifts & Entertainment
 - Data Protection
 - International Trade Controls & Trade Sanctions
 - Anti-Money Laundering & Counter Terrorism Financing
 - Insider Trading
2. Business Practices
 - KWE Property
 - Accurate Business Records
 - Confidential Information
 - Honest & Legal Conduct
3. Ethical Principles and Conflicts of Interest
4. Health and Safety
 - Safe and Healthy Working Environments
 - Prohibition of Illegal Drugs and Alcohol
5. Labour
 - Wages and Working Hours/Conditions
 - Prohibition of Child Labour
 - Prohibition of Discriminatory Treatment
6. Vendor Management
 - Legal Compliance Status of Vendors
7. Environmental Compliance

Consequences of a Breach
KWE Ethics Reporting Resource

■ 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 Group Companies

(as of March 31, 2024)

● : Consolidated subsidiaries: 196
▲ : Equity-method affiliates: 11
○ : Unconsolidated subsidiaries: 40
△ : Non-equity-method affiliates: 7

Kintetsu Group companies total: 255 (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.
- 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 △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 [132]

International logistics (132)

- 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 ●120 companies ▲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.
- △ CABLE TV KISHIWADA 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.

Messages from
Top Management

Our Value Creation Story

Our Value Creation Strategy

Initiatives for Materiality

Corporate Governance

Corporate Information

Corporate Officers (as of September 30, 2024)



Audit & Supervisory
Board Member

Tetsuo Nakamura

Director, Managing
Executive Officer

Naoyoshi Ueda

Director, Senior Managing
Executive Officer

Akihiko Matsumoto

Director, Senior Managing
Executive Officer

Shiro Hara

External Audit & Supervisory
Board Member

Kazumi Suzuki

External Director

Yuji Mikasa

External Director

Toshiko Katayama

Director, Executive Advisor

Tetsuya Kobayashi

Representative Director,
Chairman of the Board

Takashi Tsuji



Director, Senior Managing
Executive Officer

Nobu Hayashi

Director, Managing
Executive Officer

Hiroyuki Kasamatsu

Audit & Supervisory
Board Member

Hitoshi Tada

Representative Director,
President

Takashi Wakai

External Director

Masanori Yanagi

External Director

Takashi Nagaoka

External Audit & Supervisory
Board Member

Masahiro Maeda

External Audit & Supervisory
Board Member

Michiko Inoue

Corporate Officer Profiles (as of September 30, 2024)

Directors

Ext ... External Corporate Officer

Ind ... Independent Corporate Officer



Takashi Tsuji

Chairman of the Board
(Representative Director)

Apr.1982 Joined the Company
Apr.1983 Officer, Kintetsu Division
Jan.2015 Preparation Company (currently
Kintetsu Railway Co., Ltd.)
Jun.2016 Managing Executive Officer of
same
Jun.2019 Director, the Company
Jun.2019 President, Kintetsu Railway
Co., Ltd.
Jun.2021 Officer, the Group
Jun.2023 President, the Company
Jun.2024 Chairman of the Board, the
Company (present position)



Takashi Wakai

President
(Representative Director)

Apr.1983 Joined the Company
Jun.2016 Director, Managing Executive
Officer, the Company
Jun.2021 Director, Senior Managing
Executive Officer, the Company
Jun.2024 President, the Company
(present position)



Tetsuya Kobayashi

Director, Executive Advisor

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
Jun.2024 Director, Executive Advisor, the
Company (present position)



Shiro Hara

Director, Senior Managing Executive
Officer

Responsibilities: Corporate Strategy and
Planning Div. and Rugby 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, Senior 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
Jun.2024 Director, Senior Managing
Executive Officer, the Company
(present position)



Akihiko Matsumoto

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

Apr.1984 Joined the Company
Jun.2022 Director, Managing Executive
Officer, the Company
Jun.2024 Director, Senior Managing
Executive Officer, the Company
(present position)



Hiroyuki Kasamatsu

Director, Managing Executive Officer
Responsibilities: Accounting Div.

Apr.1987 Joined the Company
Jun.2023 Director, Managing Executive
Officer, the Company (present
position)



Naoyoshi Ueda

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

Apr.1987 Joined the Company
May 2015 Officer, Kintetsu Department Store
Co., Ltd.
May 2019 Managing Executive Officer of same
May 2020 President, Kinsho Store Co., Ltd.
Jun.2024 Director, Managing Executive
Officer, the Company (present
position)



Masanori Yanagi

External Director

Ext Ind

Apr.1974 Joined Japan Development Bank
Oct.2006 Director, Development Bank of
Japan Inc.
Oct.2008 Member of the Board of
Directors, Managing Executive
Officer, Development Bank of
Japan Inc.
Jun.2011 Deputy President, Development
Bank of Japan Inc.
Jun.2015 President and CEO, Development
Bank of Japan Inc.
Jun.2018 Retired from same
Aug.2018 Chairman, The Japan Economic
Research Institute (present
position)
Jun.2019 External Director, the Company
(present position)

Important positions concurrently held
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.
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

Apr.1986 Joined Nippon Life Insurance
Company
Mar.2017 Managing Executive Officer of
same
Jul.2017 Director and Executive
Managing Officer of same
Mar.2020 Director and Senior Managing
Executive Officer of same
Mar.2022 Director and Executive Vice
President of same (present
position)
Jun.2023 External Director, the Company
(present position)

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)



Tetsuo Nakamura

Audit & Supervisory Board Member (full-time)

Apr.1985 Joined the company
Jun.2010 Director, Club Tourism International Inc.
Jun.2012 Managing Director of same
Jan.2013 Director, KNT-CT Holdings Co., Ltd.
Jun.2019 Managing Director of same
Jun.2020 Director, Managing Executive Officer of Kintetsu Railway Co., Ltd.
Jun.2024 Audit & Supervisory Board Member (full-time), the Company (present position)



Masahiro Maeda

External Audit & Supervisory Board Member Ext Ind

Apr.1987 Associate Professor, Faculty of Law, Kyoto University
Apr.1992 Associate Professor, Graduate School of Law, Kyoto University
Apr.1996 Professor, Graduate School of Law, Kyoto University
Jun.2014 External Audit & Supervisory Board Member, the Company (present position)
Apr.2024 Professor, Faculty of Law, Otomon Gakuin University (present position)
Apr.2024 Professor Emeritus, Kyoto University (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, Center for Social Systems Innovation, Kobe University
Apr.2024 Professor, Graduate School of Business Administration, Kobe University (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.)
Nobutoshi Torii	(President & CEO, Kintetsu World Express, Inc.)
Yasushi Hara	(Representative Director and President, Kintetsu Railway Co., Ltd.)
Shigenobu Oya	(Representative Director and President, Kintetsu Miyako Hotels International, Inc.)

Managing Executive Officer

Hideo Fujii	(Corporate Strategy and Planning Div.)
--------------------	--

Officers

Yasuyuki Iida	(Secretarial Div. and Tokyo Office)
Kenichi Etou	(Corporate Strategy and Planning Div.)
Hiroshi Yamamoto	(Corporate Strategy and Planning Div.)
Koji Kawamura	(Corporate Strategy and Planning Div.)
Masaru Narumi	(Public Relations 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.

1910 Founding

1920

1930

1940

1950

1960

1970

1980

Transportation Business

1910
Nara Tramway Co., Ltd. was established

1914
Opened a line between Uehommachi and Nara (Takamacho)



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

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

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

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



1970

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

Real Estate Business

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

1950
Began selling lots in the Gakuemmae Residential Area

1969
Opened Kintetsu Kashikojima Country Club

1980
Completed the Kintetsu Namba Building

1973
Began real estate and logistics operations

Merchandise Sales Business

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

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

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

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

1979
Opened Miyako Hotel Tokyo

Hotel and Leisure Business

1926
Opened Ayameike Amusement Park

1927
Established a rugby team (now Hanazono Kintetsu Liners)

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

1949
Established the Kintetsu Pearls professional baseball club

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

1968
Opened Miyako Hotel San Francisco



International Logistics Business

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

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

1970
Established Kintetsu Air Cargo International Co., Ltd.

Business diversification

1990

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

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

2010

ABENO HARUKAS, bringing together the Kintetsu Group's strengths

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

2020

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

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

1990

2000

2010

2020

2024

1986
Opened the Higashiosaka Line

2006
Opened the Keihanna Line

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

2014
Grand Opening of ABENO HARUKAS

2015
Switched to a pure holding company structure

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

2024
Began operation of the 8A series new rolling stock



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



1989
Began renovation business

2002
Reorganized the real estate business

2015
Opened Ten-Shiba, the Tennoji Park Entrance Area



1985
Opened Miyako Hotel Osaka

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

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

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

2018
Established KINTETSU RETAIL HOLDINGS CO., LTD.

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

2021
Began a joint venture in the hotel business with Blackstone

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

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



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

Messages from Top Management

Our Value Creation Story

Our Value Creation Strategy

Initiatives for Materiality

Corporate Governance

Corporate Information

Social Contribution Activities

■ Cooperation with a UNHCR support campaign

Since 2017, Kintetsu Department Store Co., Ltd. has been taking part in a campaign run by Japan for UNHCR, an official support organization for the UNHCR (the Office of the United Nations High Commissioner for Refugees). Through this campaign, Japan for UNHCR's staff come to our stores to explain the activities of the UNHCR, which has support activities ongoing in around 135 countries. With these explanations and by sharing information on its continuous support programs, the organization has gained many of our customers as registered supporters. In fiscal 2023, we ran the campaign at eight of our stores: Kintetsu Department Store Main Store Abeno Harukas, Nara Store, Uehommachi Store, Higashi-Osaka Store, Kashihara Store, Ikoma Store, Yokkaichi Store, and Kusatsu Store.



■ Joint event to publicize tourism in Hokuriku's three prefectures and sell their specialties

In May 2024, the KNT-CT Holdings Group collaborated with Kintetsu Department Store Co., Ltd. and the KNT-CT Partners Association (an alliance of accommodation and tourism facilities and transport organizations from around Japan) to hold an event at Kintetsu Department Store Main Store Abeno Harukas to publicize tourism in the three prefectures of the Hokuriku region and to sell specialty products from the region, with the goal of aiding recovery from the Noto Peninsula Earthquake. To help support producers and businesses there, we all used a variety of methods to convey the charms of the Hokuriku region. In the future, too, we hope to utilize the Kintetsu Group's capabilities to work toward co-creation with local communities and address regional issues.



■ Transporting torches by Kintetsu trains

Previously, the wooden torches used in the Shuni-e Ceremony at the Nigatsu-do hall at Todai-ji Temple were carried by Iga Ichinoi Torch Association members on foot or by car, but as they have gotten older, in March 2024 a specially scheduled train belonging to Kintetsu Railway carried the torches from Akameguchi Station to Kintetsu-Nara Station. On the day, we also ran a tour allowing participants to take part in transporting the torches, while learning about the history of preparing these torches. We provided opportunities for participants to gain experience of the region's traditional culture.



■ Working with local high schools to develop products using local ingredients

In December 2023, Kintetsu Retailing held a regional cooperation event to plan, develop, and sell an original product (donuts made with croissant pastry) that was the result of a collaboration between students at Nara High School, local food producers, and businesses. The event was held at Time's Place Saidaiji, a shopping mall inside the Kintetsu station, and sales far exceeded expectations, with 360 sold despite a one-per-person limit.



■ Co-creation with local students for art on display at Shima Green Adventure

For some of the interior walls in the Harmony House at the Shima Green Adventure activity resort facility, which opened in July 2024, Kintetsu Real Estate asked students from the local Hamajima Elementary School to do the decoration. The lawn art in the Drone Garden, meanwhile, was created by students from Shima High School and Mie University.



Harmony House at Shima Green Adventure

■ 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 2023, they collaborated with Osaka Prefecture and the city of Higashiosaka on events such as school lessons and chances to try rugby.



■ Promotion of art and culture

We are proactive in our varied cultural projects to research, introduce, and share information on the history, culture, and arts on a region that includes Nara, Kyoto, and Ise, which can be said to be the birthplace of Japanese culture. Kintetsu Railway supports access to the historical and cultural treasures along our lines, including shrines, temples, and wonders of nature.

○ The Museum Yamato Bunkakan

We opened the museum in the Gakuemae area of Nara back in 1960 to celebrate the 50th anniversary of our founding and to introduce to visitors the culture and art of Japan and the Orient. The museum's collection has around 2,000 paintings, writings, carvings, ceramics, and lacquerware items, which include four designated national treasures and 31 important cultural properties. These are on display in the museum's permanent exhibitions. For each of its exhibitions, the museum also offers lectures and talks on its pieces by outside lecturers and curators, and actively works to raise people's interest in culture and the arts.



The Museum Yamato Bunkakan

○ Shouhaku Art Museum

In 1994, the museum was opened thanks to a donation of works from the famed painters Shoko and Atsushi Uemura and a financial contribution by the Kintetsu Group. The museum collects, stores, and displays artworks and related documents by three generations of the distinguished Uemura painting dynasty—Shoen, Shoko, and Atsushi. As well as introducing the art of these three, the museum holds exhibitions to popularize Japanese-style painting and develop artists.



Lecture at the Museum Yamato Bunkakan

○ Kinki Cultural Association

The association was launched in 1949 with the goal of cultivating a love for cultural properties and to improve people's knowledge about the past. Every month, it publishes the *Kinki Bunka* ("Kinki Culture") cultural journal with articles by specialist lecturers, and its other activities include on-site lectures at shrines, temples, tomb sites, archaeological sites and similar, particularly in the Kinki region, where lecturers give explanations.

○ Yamato Cultural Association

The association was launched in 1940 with the aim of introducing the history and culture of the Yamatoji area of Nara, and it holds lectures by experts in the Tokyo area.

○ Yamato Cultural Properties Preservation Association

This association was established in 1960 as a project to mark our 50th anniversary. It supports activities to preserve, restore, maintain, and manage tangible cultural properties and monuments in Nara Prefecture.

○ ABENO HARUKAS Art Museum

This art museum was opened in 2014 alongside the opening of ABENO HARUKAS. Perfectly suited to its location atop a train terminal, it aims to be an urban art museum where anyone can easily enjoy art and culture.



Shouhaku Art Museum



ABENO HARUKAS Art Museum

Financial Data

1. Summary of business results

Millions of yen

	FY2019	FY2020	FY2021	FY2022	FY2023
Operating results					
Operating revenue	1,194,244	697,203	691,512	1,561,002	1,629,529
Operating profit (loss)	49,380	(62,115)	3,864	67,144	87,430
Ordinary profit (loss)	47,224	(41,959)	30,658	74,612	84,638
Profit (loss) attributable to owners of parent	20,561	(60,187)	42,755	91,597	47,808
Depreciation (excluding depreciation of right-of-use assets)	53,924	54,779	51,269	56,008	60,238
Capital expenditures	68,907	55,207	26,547	38,274	60,785
EBITDA ^(*1,*2)	103,304	(7,336)	55,142	125,597	150,922
Cash flows					
Cash flows from operating activities	58,266	(25,470)	57,548	133,992	150,512
Cash flows from investing activities	(57,440)	(46,013)	44,264	(41,855)	(56,296)
Cash flows from financing activities	(12,952)	107,897	(102,918)	44,817	(71,995)
Cash and cash equivalents at end of period	39,787	76,321	75,765	208,188	241,657
Financial position					
Total assets	1,891,300	1,955,048	1,895,770	2,424,755	2,454,316
Equity	376,978	320,595	378,621	444,670	521,807
Retained earnings	110,288	40,829	80,555	164,614	202,990
Interest-bearing debt	1,058,274	1,182,219	1,060,088	–	–
Borrowings	713,774	792,571	707,144	849,132	864,839
Bonds payable	340,500	344,648	312,944	385,191	372,054
Commercial papers	4,000	45,000	40,000	45,000	–
Net interest-bearing debt ^(*3)	1,042,770	1,141,339	1,015,598	1,095,387	1,001,088
Lease obligations (excluding lease obligations related to right-of-use assets)	–	–	–	33,151	31,164
Financial indicators					
Operating profit to revenue from operations (%)	4.1	(8.9)	0.6	4.3	5.4
Ordinary profit to total assets (%)	2.5	(2.2)	1.6	3.5	3.5
Profit to equity (%)	5.4	(17.3)	12.2	22.3	9.9
Equity ratio (%)	19.9	16.4	20.0	18.3	21.3
Ratio of interest-bearing debt to EBITDA (times) ^(*4)	10.2	–	19.2	–	–
Ratio of net interest-bearing debt to EBITDA (times) ^(*4)	10.0	–	18.4	8.7	6.6
Per share information (yen)					
Earnings per share (yen)	108.16	(316.62)	224.81	481.63	251.38
Net assets per share (yen)	1,983.12	1,686.55	1,990.85	2,338.16	2,743.84
Dividends per share (yen)	50.00	0.00	25.00	50.00	50.00
Other					
Issued shares (thousands of shares)	190,662	190,662	190,662	190,662	190,662
Consolidated subsidiaries (companies)	81	80	71	197	196

* "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and other applicable accounting standards have been applied for FY2021 and thereafter.

* Starting from FY2024, "Accounting Standard for Corporate Taxes, Inhabitants Taxes, and Enterprise Taxes" (ASBJ Statement No. 27) and other applicable accounting standards have been applied. To reflect this change, the figures for FY2022 and FY2023 have been retroactively adjusted.

*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 "–".

2. Consolidated financial statements

Millions of yen

Consolidated balance sheets	FY2019	FY2020	FY2021	FY2022	FY2023
Assets					
Current assets	257,302	331,123	331,569	702,048	720,811
Non-current assets	1,631,014	1,621,243	1,561,947	1,720,508	1,731,615
Property, plant and equipment	1,404,868	1,358,710	1,289,093	1,364,404	1,369,058
Intangible assets	17,227	14,963	13,958	169,917	167,493
Investments and other assets	208,918	247,568	258,895	186,186	195,063
Deferred assets	2,983	2,681	2,252	2,199	1,889
Total assets	1,891,300	1,955,048	1,895,770	2,424,755	2,454,316
Liabilities					
Current liabilities	516,707	585,804	504,045	779,761	713,284
Non-current liabilities	969,296	1,030,748	969,964	1,141,913	1,155,381
Total liabilities	1,486,004	1,616,553	1,474,009	1,921,675	1,868,666
Net assets					
Shareholders' equity	297,241	227,766	267,809	344,825	383,077
Share capital	126,476	126,476	126,476	126,476	126,476
Capital surplus	61,877	61,884	61,927	54,898	54,803
Retained earnings	110,288	40,829	80,555	164,614	202,990
Treasury shares	(1,401)	(1,424)	(1,150)	(1,164)	(1,192)
Accumulated other comprehensive income	79,737	92,829	110,812	99,845	138,729
Non-controlling interests	28,317	17,899	43,139	58,410	63,842
Total net assets	405,295	338,494	421,760	503,080	585,650
Total liabilities and net assets	1,891,300	1,955,048	1,895,770	2,424,755	2,454,316

Millions of yen

Consolidated statements of income (Summary)	FY2019	FY2020	FY2021	FY2022	FY2023
Operating revenue	1,194,244	697,203	691,512	1,561,002	1,629,529
Operating expenses	1,144,864	759,318	687,647	1,493,857	1,542,099
Operating profit (loss)	49,380	(62,115)	3,864	67,144	87,430
Non-operating profit (loss)					
Non-operating income	9,065	31,374	36,945	19,966	12,268
Interest and dividend income	1,125	833	1,174	1,962	4,873
Share of profit of entities accounted for using equity method	4,848	11,722	21,851	8,710	2,285
Non-operating expenses	11,220	11,218	10,152	12,498	15,060
Interest expense	7,992	7,864	7,386	8,837	10,224
Ordinary profit (loss)	47,224	(41,959)	30,658	74,612	84,638
Extraordinary income	6,962	7,055	40,952	53,374	6,371
Extraordinary losses	18,112	48,601	19,472	21,102	13,933
Profit (loss) before income taxes	36,075	(83,505)	52,138	106,884	77,076
Income taxes—current	11,438	1,510	6,528	13,057	17,968
Income taxes—deferred	5,664	(14,459)	2,605	(511)	6,112
Profit (loss)	18,971	(70,556)	43,003	94,338	52,995
Profit (loss) attributable to non-controlling interests	(1,589)	(10,368)	247	2,740	5,187
Profit (loss) attributable to owners of parent	20,561	(60,187)	42,755	91,597	47,808

* "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and other applicable accounting standards have been applied for FY2021 and thereafter.

* Starting from FY2024, "Accounting Standard for Corporate Taxes, Inhabitants Taxes, and Enterprise Taxes" (ASBJ Statement No. 27) and other applicable accounting standards have been applied. To reflect this change, the figures for FY2022 and FY2023 have been retroactively adjusted.

Messages from
Top Management

Our Value Creation Story

Our Value Creation Strategy

Initiatives for Materiality

Corporate Governance

Corporate Information

Financial Data

3. Segment information

Millions of yen

	FY2019	FY2020	FY2021	FY2022	FY2023
Operating revenue	1,194,244	697,203	691,512	1,561,002	1,629,529
Transportation	221,711	150,218	158,907	184,727	211,897
Railways	152,724	99,234	107,006	128,564	153,027
Bus services	33,721	22,605	25,065	30,087	32,525
Taxi services	11,089	7,520	7,854	9,264	9,808
Maintenance of railway facilities	26,710	22,640	17,110	22,508	25,775
Other transportation-related business	22,226	14,975	13,910	11,510	12,866
Real estate	161,248	142,965	184,984	163,831	157,518
Real estate sales	75,597	60,134	70,697	82,494	78,191
Real estate leasing	47,713	47,404	79,345	43,200	39,112
Real estate management	43,583	40,299	39,414	42,038	44,139
International logistics	–	–	–	710,855	733,823
Japan, Taiwan and South Korea	–	–	–	235,866	196,533
Americas	–	–	–	99,485	93,157
Europe, Middle East, and Africa	–	–	–	56,172	54,332
East Asia	–	–	–	117,559	99,299
Southeast Asia and Oceania	–	–	–	110,037	86,170
APLL	–	–	–	127,217	221,296
Other logistics businesses	–	–	–	4,316	6,011
Merchandise sales	392,796	313,110	188,246	202,738	212,070
Department stores	283,047	218,149	97,534	108,009	113,651
Stores and restaurants	111,039	95,673	90,712	94,728	98,419
Hotel and Leisure	449,276	114,177	166,681	300,459	318,710
Hotels	51,559	20,698	20,216	30,348	41,061
Travel agency	385,362	87,889	139,957	252,152	255,546
Cinema	3,882	2,857	3,001	3,344	3,570
Aquarium	8,626	2,732	3,506	6,792	9,946
Sightseeing facilities	–	–	–	7,820	8,586
Other	19,110	18,665	26,884	35,545	38,558

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

* International logistics segment has been added to the reportable segments from FY2022.

* Due to the segment reclassification (Transportation, International logistics, Hotel and Leisure) implemented from FY2023, segment information for FY2022 has been presented based on the new segment classification.

Millions of yen

	FY2019	FY2020	FY2021	FY2022	FY2023
Operating profit (loss)	49,380	(62,115)	3,864	67,144	87,430
Transportation	27,686	(24,670)	(2,721)	12,545	32,295
Real estate	17,919	14,833	29,346	16,024	15,114
International logistics	–	–	–	23,317	17,592
Merchandise sales	5,152	(4,668)	(1,513)	2,704	5,776
Hotel and Leisure	(3,693)	(49,242)	(21,685)	9,676	13,477
Other	1,581	1,453	1,708	3,460	3,567
Operating profit to revenue from operations (%)	4.1	(8.9)	0.6	4.3	5.4
Transportation	12.5	(16.4)	(1.7)	6.8	15.2
Real estate	11.1	10.4	15.9	9.8	9.6
International logistics	–	–	–	3.3	2.4
Merchandise sales	1.3	(1.5)	(0.8)	1.3	2.7
Hotel and Leisure	(0.8)	(43.1)	(13.0)	3.2	4.2
Other	8.3	7.8	6.4	9.7	9.3
Total assets	1,891,300	1,955,048	1,895,770	2,424,755	2,454,316
Transportation	940,259	953,538	934,611	921,621	943,309
Real estate	596,264	605,520	547,866	546,088	557,668
International logistics	–	–	–	615,909	610,710
Merchandise sales	160,826	152,576	145,997	145,388	144,016
Hotel and Leisure	146,158	115,938	141,276	195,632	196,426
Other	25,553	24,921	48,681	52,638	52,885
Depreciation (excluding depreciation of right-of-use assets)	53,924	54,779	51,269	56,008	60,238
Transportation	27,741	28,420	27,844	26,217	26,374
Real estate	12,146	12,550	11,560	10,020	9,606
International logistics	–	–	–	8,297	12,594
Merchandise sales	7,606	7,536	7,550	7,417	7,046
Hotel and Leisure	4,478	4,337	2,361	2,017	2,370
Other	1,630	1,688	1,717	1,789	2,007
Capital expenditures	68,907	55,207	26,547	38,274	60,785
Transportation	28,915	30,469	12,606	19,854	31,525
Real estate	19,912	13,949	5,215	4,188	8,175
International logistics	–	–	–	5,894	10,665
Merchandise sales	9,699	4,736	5,455	4,058	5,248
Hotel and Leisure	8,792	3,876	2,271	2,256	4,098
Other	1,230	2,049	1,117	2,121	2,210

Company Overview and Stock Information (as of March 31, 2024)

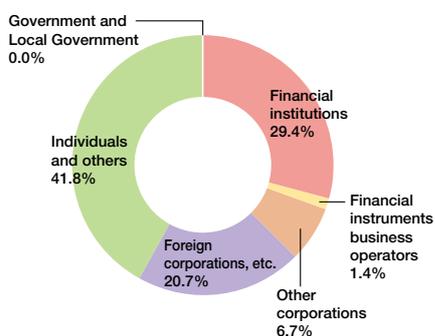
Company overview

Trading name	Kintetsu Group Holdings Co., Ltd.
Established	June 1, 1944 *The predecessor Nara Tramway Co., Ltd. was established on September 16, 1910.
Head office address	6-1-55 Uehommachi, Tennoji-ku, Osaka 543-8585, Japan
Capital	¥126.476 billion
Number of employees	279
Stock exchange listing	Tokyo Stock Exchange (Prime Market)
Accounting auditor	KPMG AZSA LLC

Stock / shareholder status

Type of stock issued	Common stock
Authorized shares	500,000,000
Issued shares	190,662,061
Number of shareholders	214,789

Share distribution by shareholder type



*Percentage calculations exclude shareholders holding less than one share.

Major shareholders

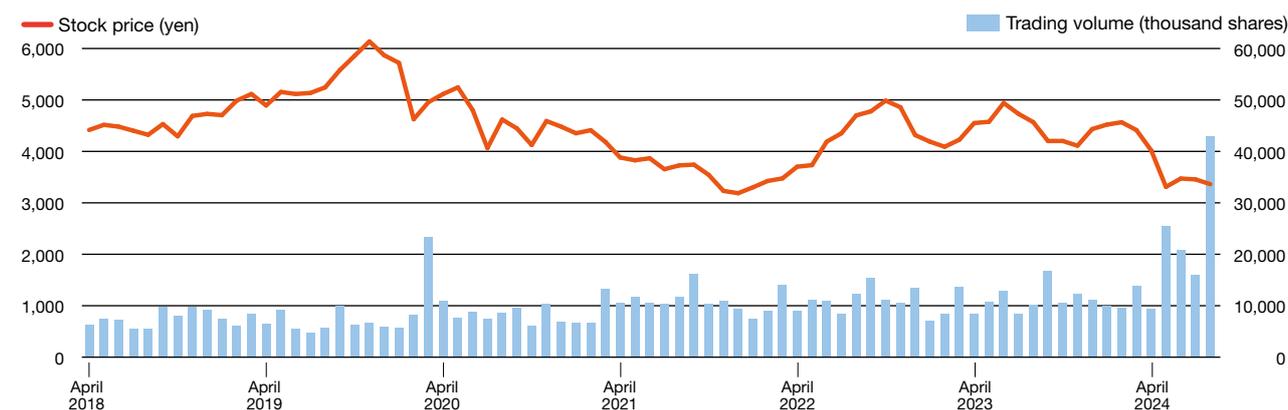
Name	Number of shares held (thousand shares)	Composition ratios to total number of shares (excluding treasury shares)
The Master Trust Bank of Japan, Ltd. (Trust Account)	26,614	14.0
Custody Bank of Japan, Ltd. (Trust Account)	8,227	4.3
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing Proxy: Mizuho Bank, Ltd.)	4,361	2.3
Nippon Life Insurance Company	4,198	2.2
JP MORGAN CHASE BANK 385781 (Standing Proxy: Mizuho Bank, Ltd.)	2,434	1.3
SSBTC CLIENT OMNIBUS ACCOUNT (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	1,759	0.9
Meiji Yasuda Life Insurance Company	1,629	0.9
STATE STREET BANK AND TRUST COMPANY 505103 (Standing Proxy: Mizuho Bank, Ltd.)	1,585	0.8
MUFG Bank, Ltd.	1,500	0.8
JP MORGAN CHASE BANK 385771 (Standing Proxy: Mizuho Bank, Ltd.)	1,432	0.8

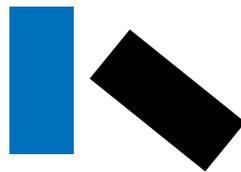
*Figures are rounded down to the nearest whole thousand.

Adoption in ESG indexes (as of June 30, 2024)

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

Stock price and trading volume





K I N T E T S U
GROUP HOLDINGS

Corporate Strategy and Planning Division
Kintetsu Group Holdings Co., Ltd.

6-1-55 Uehommachi, Tennoji-ku, Osaka 543-8585, Japan

<https://www.kintetsu-g-hd.co.jp/lang/english/>

<https://www.kintetsu-g-hd.co.jp>

Published November 2024

Published March 2025 (English)