



Kintetsu Group Integrated Report 2021

Administrative General Affairs Division (CSR)
Kintetsu Group Holdings Co., Ltd.

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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.



The symbol represents Kintetsu Group Holdings' Corporate Philosophy—To Support Daily Life, To Create More Value.—by two figures of “stillness” and “motion”, while also resembling the initial letter “K.” While we hold on to the fundamentals that will never change, we flexibly adapt to new changes as they come, a guiding principle that is fluid yet immutable. Our role is to support peace of mind in people's daily lives and to create new value. This mark represents our strong intention to contribute to society by supporting daily life in safety and offering new value of life.

“One step forward into the future”

This is our ideal business standard lead by the philosophy.



Editorial Policy

Editorial Policy for Kintetsu Group Integrated Report 2021

The purpose of this report is to introduce the Group's business activities and the value it provides to society, and to help shareholders, investors, customers, local residents, business partners, employees, and other stakeholders gain a better understanding and familiarity with the Group.

In addition, through the publication of this report, we will enhance our corporate value by further communicating with our stakeholders.

Period covered

April 1, 2020 to March 31, 2021
(includes some more recent initiatives)

Scope covered

Figures given in this report cover Kintetsu Group Holdings Co., Ltd. and its consolidated subsidiaries. Initiatives detailed are those of Kintetsu Group Holdings and its group companies.

Reference guidelines, etc.

- International Integrated Reporting Council (IIRC)
“International Integrated Reporting Framework”
- Ministry of Economy, Trade and Industry
“Guidance for Collaborative Value Creation”
- Global Reporting Initiative
“GRI Sustainability Reporting Standards”

Information disclosure

Information can be found on the Kintetsu Group Holdings website.



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. This report is provided for informational purposes only and is not intended as a solicitation for transactions.

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

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Message from the Group CEO



We will continue to reform the Kintetsu Group and contribute to the realization of a prosperous society by co-creation.

Tetsuya Kobayashi
Representative Director and Chairman
of the Board, Group CEO

The Reform of the Kintetsu Group During the COVID-19 Pandemic

I have been managing our company based on the belief that the role of our group is to contribute to the development and happiness of the community through our business. To this end, we have set up three different bases - a terminal in the heart of the city, a residential area, and a tourist spot - and by connecting these bases by train, we have aimed to provide a prosperous daily life and enjoyable and unusual experiences.

However, as the structural problems of Japanese society have become more apparent, such as the low birthrates, aging society, and accelerating population decline, and the growing exhaustion and depopulation of rural areas, the Group has been focusing on deepening its efforts along its railway lines in recent years. In railways business, we have introduced new limited express trains such as “Shimakaze”, “Blue Symphony”, and “Hinotori”, and shifted our strategy to proposing journeys that make transportation a pleasure. We believe that we have been able to revitalize the areas along our railway lines by taking advantage of the synergy effects of the Group and working in cooperation with local residents.

We are now in the midst of the COVID-19 pandemic, a 100 once-a-year national crisis. I believe this is a kind of “rapid wave” which may cause not only where and how to live and work, but change our

set of values.

Our group has been strengthening our disaster countermeasures realizing natural disasters as a major risk factor without sticking to the precedent. However, since our businesses were concentrated on so-called B2C, the COVID-19 pandemic caused major damage to all of us. So now, we strongly recognized that we must expect future risks and prepare for them in a proactive manner.

The world is changing after the COVID-19 pandemic. The advancement of digitalization is about to realize a society that does not rely on human mobility. We see the dramatic changes in the environment that are occurring now as an opportunity for us to change, and we will continue to go forward with our business structural reforms.

The Future of the Kintetsu Group

I would like to describe the future of the Kintetsu Group. First is about our railway business. The Kintetsu Limited Express Network has been a major asset of ours since it was constructed shortly after the war, in 1947. By leveraging this network, we will further enhance the added value of our limited express services and promote seamless integration with other services to offer high-quality, enjoyable and safe travel. In the midst of a motorized society, we will once again enhance the vitality of the railway business and contribute to the realization of a decarbonized society.

We will also promote tourism by proposing fun ways to get around and by utilizing the natural, historical, and cultural resources along Kintetsu Lines. Together with you, we will work to build tourism attractions and make the region worth visiting.

In regard to the community development, the digital transformation is bringing about a new society that people can freely choose where to live. The Kintetsu Group have a lot of residence, commercial facilities, and public transportation services. By leveraging our experiene and service assets, we will create compact and comfortable towns where people want to live, getting along with local residents.

I would like to speak a little more about our business structure. While our main customers will continue to be people living along Kintetsu Lines, we believe that we need to go beyond the B2C business that we have been promoting in our railways, real estate, merchandise sales, and other businesses. For example, in the real estate business, we will expand the number of assets we are involved with in the Tokyo metropolitan area and core cities, in addition to the areas along Kintetsu Lines in order to broaden our business. In addition, we will strengthen the group companies that are already engaged in B2B business and actively pursue M&A to ensure business diversity. In addition, we will reform existing businesses using digital technology and build a digital social infrastructure.

We will also work to expand our business areas, seizing the opportunity of the opening of the IR in Yumeshima to plan direct trains to our railway lines to bring the effects of the IR to our

operational area. In addition, we will strengthen the hub function of Uehommachi Osaka, which is the base of our group. Uehommachi is our main terminal station, with a concentration of department stores, hotels, theaters, etc. As a hub in the east of Osaka, we will strengthen the bus terminal and other functions to attract customers. The area will be redeveloped.

On the other hand, for customers from the Tokyo metropolitan area, which will increase with the opening of the Linear Chuo Shinkansen Line in Nagoya, we will look at ways to attract people to Ise-Shima and other areas along our railway lines. Furthermore, we will take the opportunity of the redevelopment of the Nagoya area to strengthen our ties with Aichi and Gifu prefectures, including the Chubu International Airport, and expand our business in the Chukyo area. We believe that it is also possible to develop a circular route for inbound travelers, such as taking a high-speed ferry from Kansai International Airport to Yumeshima IR, and from Nagoya to Central Japan International Airport after sightseeing in Nara and Ise.

We would also like to expand our business overseas. In addition to cultivating inbound demand along our railway lines, we will actively seek opportunities for overseas business by utilizing the bases and sales channels that we have established in the Group’s international logistics, travel, and hotel businesses.

To Pass on a Prosperous Society to the Next Generation

In post-war Japan, the cost of pursuing and achieving economic growth and affluence has been the structural problems of the concentration of power in Tokyo, the exhaustion of rural areas, and the increasing depopulation of the population. In the process, I feel that the traditional Japanese advantage of “living by helping one another” in the local community has been diminished. The search for convenience and material wealth has led to the “individualization” of everything and the fragmentation of society, and I believe that the COVID-19 pandemic has highlighted this fact even more.

In order to pass on a prosperous society to the next generation, it is necessary to enhance the role of local communities. We believe that supporting and enhancing each other will lead to a society that is rich in both material and spiritual resources and can develop sustainably.

We will contribute to the revitalization of local communities as a corporate group that possesses both hardware and software management resources directly related to people’s lives. We will work together with everyone to revitalize the communities along our

railway lines, which have nurtured us over the years, and contribute to passing on to the next generation a “prosperous society through co-creation.”

In addition, we will enhance our resilience and growth potential by pursuing new strategies, such as proactively engaging in B2B activities and expanding our business areas overseas and in Japan. Based on the strengths we have cultivated along our railway lines, we will become a corporate group that contributes to society more broadly in the new era.

We will also continue to develop sustainably as a company that is responsible to our stakeholders, including the people along our railway lines, our employees, and our shareholders.

Message from the President



Toshihide Ogura
Representative Director and President

The Kintetsu Group Has Walked with the Community

The Kintetsu Group was founded in 1910 as Nara Tramway Co., Ltd. , connecting Osaka and Nara. In order to connect Osaka and Nara in the shortest possible distance for high-speed mass transportation, the decision was made to dig a tunnel through Mt. Ikoma on the border of the two prefectures as the grand plan of a century. The challenging project was finally completed, and the line opened in 1914. Since then, we have expanded our business by adding new lines and merging with other companies, and our railroad business has developed a network of lines in the Kinki and Tokai regions that is close to the longest in the private railway group at 600 kilometers, and we are also engaged in a wide range of lifestyle-related businesses that are deeply rooted in the lives of people along our railway lines.

Although there have been many trials and tribulations up to today,

our predecessors have overcome adversity with an enterprising spirit and a willingness to take on challenges, and have supported the development of the region by providing value that is one step ahead of the times.

However, in recent years, the issues surrounding society have become more severe and more complicated, and it has become increasingly difficult for businesses to solve these issues simply by taking a stand-alone approach. As a public service provider, we believe that it is important for us to play a mutual role with the people who make up the local community, to support each other's efforts, and to work together to solve problems.

In the future, we will continue to judge the value of the businesses in which we operate from a social and long-term perspective, and seek the best way to pass them on to the next generation.

Formulation and Implementation of the Kintetsu Group Medium-Term Management Plan 2024

The effects of the coronavirus have been felt for a long time, since January 2020 and the Kintetsu Group, whose core business is transportation, which is part of the social infrastructure, has continued to fulfill its social responsibility by paying close attention to countermeasures against the new coronavirus.

However, the management environment has been very severe, and people's movement and consumption dropped off dramatically in fiscal 2020, resulting in our worst ever performance—a consolidated

net loss of 60 billion yen—and our inability to pay out dividends. We realize that our portfolio was heavily biased toward B2C businesses based on human flow. Although the current fiscal year continues to be difficult, we are determined to take all possible measures to secure profits.

In response to the drastic changes in the social environment, the Kintetsu Group formulated the “Kintetsu Group Medium-Term Management Plan 2024” in May 2021 to recover from the COVID-19

pandemic and move toward new business development and leaps forward.

The plan will cover the four-year period to fiscal 2024. We set fiscal 2021 as a year of dealing with COVID-19, and the years 2022 onward as the period in which we learn to live in a post-pandemic world. After establishing the foundation of our business, we will proceed with our business activities in order to respond to the diversification of people's values and their changing lifestyles in conjunction with the progress of digitalization.

Specifically, we have set up the 6 following priority measures:

“Radically reviewing our cost structure,” “Early reduction of interest-bearing debt,” “Strengthening collaboration with external partners,” “Reforming our business portfolio,” “Creating new businesses and services through DX,” and “Implementing community development that aims to resolve regional issues.” We are working diligently to improve our financial position, enhance our risk tolerance, and strengthen our profitability.

We will steadily implement this management plan and lead it to the next leap forward.

Establishing a Sustainability Policy

As we currently focus on business recovery from the COVID-19 pandemic, we have formulated the Kintetsu Group Sustainability Policy in order to clarify the significance of our business once again.

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.

Our unchanging role is to contribute to the development and happiness of the community through our business. Our businesses, which are involved in every aspect of our lives, are themselves SDGs activities that contribute to a sustainable society, and the sustainable growth of the Group and the realization of a prosperous society are two wheels that support each other.

Public transportation, including railway, is the foundation of social life. Public transportation is accessible to everyone, and is also environmentally friendly. We are promoting urban development around stations, providing a variety of lifestyle-related facilities at stations in the city center and a comfortable living environment around stations in the suburbs. In addition, we also help visitors to enjoy tourism that nourishes the soul in our operational area, which is full of history and scenic nature. We will continue to contribute to the realization of prosperous society as we flexibly respond to the changing society with Corona Damages and seize business opportunities.

Our sustainability policy clearly shows the significance of our business activities.

In order to put this policy into practice, we have set up 7 priority issues for sustainability as our long-term goal by the advantage of our Group businesses, as the result of considering various social issues. Details are referred on page 25 of this report.

First of all, we decided on the following themes to directly create value for a sustainable society through our business activities: “Creating a lifestyle that anticipates changes in values,” “Energizing communities by enhancing the network,” and “Enriching people and communities with travel.”

Next, we have set “Contributing to the realization of a decarbonized and recycling-oriented society” as our environmental initiative. In addition to promoting energy and resource conservation in each of our businesses, we will promote information disclosure in line with the framework of the TCFD (Task Force on Climate-related Financial Disclosure) recommendations.

As a group centered on railways, we have given top priority to safety, and in order to provide people with peace of mind in their daily lives, we have adopted the policy of “ensuring safety and pursuing peace of mind.”

Finally, we have defined “Bolstering our governance and risk management” and “Fostering diverse human resources and supporting their activities” as those that solidify the corporate foundation that is the premise for our business activities. We aim to build a highly transparent and fair management system for each company in the Group, and to continue to provide value to society by leveraging synergies. The foundation of a company is the “human resources” who work there. In order to provide diverse value to our customers, we aim to be a corporate group where diverse human resources gather and grow.

Value Creation by The Kintetsu Group

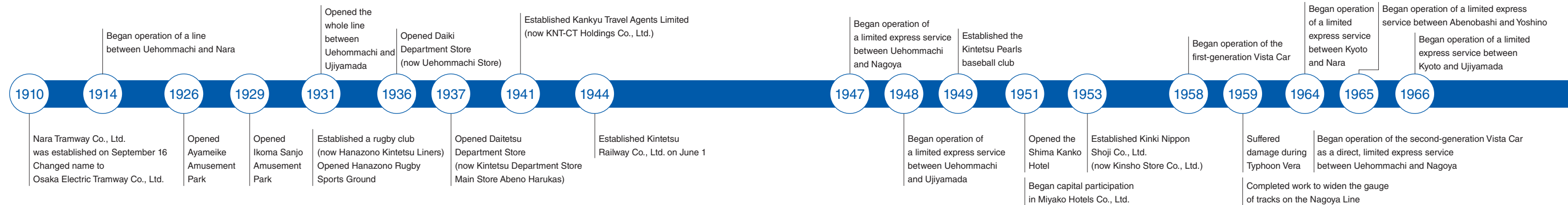
On page 23 of this report, we detail our value creation process.

We promote business activities based on the Kintetsu Group Sustainability Policy, which was established based on the Kintetsu Group's management philosophy of “To Support Daily Life, To Create More Value.” By doing so, we aim to achieve sustainable growth and contribute to the realization of a prosperous society through co-creation.

As I have mentioned so far, we will overcome the severe environment of the COVID-19 pandemic and aim to achieve sustainable growth by turning pinch points into opportunities. Even under difficult circumstances, we will place the highest priority on satisfying our stakeholders and contributing to the realization of a sustainable society by practicing sustainable corporate development.

The History of the Kintetsu Group

With an enterprising spirit and a willingness to take on challenges, the Kintetsu Group has 110-year history of turning pinch points into opportunities



The Decision to Excavate the Ikoma Tunnel was a Gamble on the Company's Future.

The Kintetsu story began on September 16, 1910 when Nara Tramway Co., Ltd. was established to build a railway connecting Uehommachi in Osaka and Nara. In October of the same year, the company was renamed Osaka Electric Tramway Co., Ltd.

In order to connect Osaka and Nara by rail, it was necessary to cross Mt. Ikoma. A number of ideas were considered, including a large detour to the north and a cable car connection, but the final decision was to excavate a tunnel over the shortest distance, which was considered the most difficult. It predicted the need for high-speed, mass transit in the future, and so came to the decision to undertake this incredibly large-scale project. The excavation of the long-distance tunnel, 3.2 km took around two-and-a-half years and cost five million yen, which went well over the company's capital at the time of three million yen. Many thought it reckless, but the company's executives managed to articulate the need for the tunnel to their shareholders and gain their understanding. So, in 1911, construction began.

Such was the difficulty and danger of the project that during digging, including one where a cave-in occurred, killing 19 workers. After myriad hardships, the tunnel was finally completed on April 30, 1914, and a line running between Uehommachi and Nara was opened. While the opening of the line led to a boom in the company's fortunes, its expenses for setting up the railway had grown to 7.87 million yen and the company was in a predicament. The company's management issued bonds, exchanged stocks for preferred stocks, and reduced the amount of capital, and despite being on thin ice, ultimately managed to claw its way out of that hole. The ability of those executives, our predecessors, to make decisions and execute them, and their spirit of taking on challenges, is the foundation of our current Nara Line.

Uehommachi Station on the day of its opening (1914)



New Services Lead to Business Expansion

During the period of recovery after World War II, Kintetsu bought and merged with smaller railways while focusing its efforts on building a limited express network. The company was Japan's first private railway to have a system that regulated seat capacity for its new limited express services, which required a separate fee in addition to the standard fare, and began operations between Uehommachi and Nagoya in 1947, and between Uehommachi and Ujiyamada the following year.

At that time, with the chaos of the post-war period, regular trains were often overcrowded, but by providing a train that was comfortable and where even women with babies could feel safe and secure, Kintetsu demonstrated how railway transportation services should evolve in the future.

In 1958, Kintetsu was the first railway in the world to introduce a double-decker limited express, and brought in services one after another that were the first of their kind in Japan, including on-board public telephones and seat radios, and hot towels service.

At the same time, Kintetsu was looking at what was going on elsewhere in the world, actively importing new services and expanding its business. One example was its modern taxi service, with the cars painted a yellow to match the shade of the United States' famous yellow cabs and illuminated signs that showed at a glance whether the taxi was vacant or occupied. Kintetsu Department Store Abeno Store was also home to Japan's first drug store; its sales style—selling necessities for 12 hours a day, 365 days a year—was a cutting-edge development that had never been seen before.

In this way, Kintetsu at that time developed its business with a global perspective, offering a variety of services that anticipated the needs of the market.



Kintetsu Taxi "Yellow Taxi" (1950)

Disaster to Opportunity: Widening the Gauge of Tracks on the Nagoya Line

While Kintetsu had begun operating services between Osaka and Nagoya, the gauge of the tracks varied, standard gauge (1,435 mm) on the Osaka Line between Osaka and Ise-Nakagawa, and narrow gauge (1,067 mm) on the Nagoya Line between Ise-Nakagawa and Nagoya. This meant passengers needed to switch trains. To reduce travel time, and increase capacity, the company made the decision to make the gauge for the entire journey uniform and began work on widening the gauge of the Nagoya Line.

However, just as work was scheduled to be completed, Typhoon Vera struck Japan on September 26, 1959 and Kintetsu's entire Nagoya Line was plunged under water. Eighty-four railcars were affected and the damage came to 2.5 billion yen. As well as putting all of its energies into repairs, the company took this opportunity to move forward with the standard gauge and open the entire length of track between Osaka and Nagoya in one go.

At the same time, Kintetsu introduced a second-generation Vista Car, an evolution of the original, double-decker limited express train that was their flagship, the Vista Car. As a result, Kintetsu's share of passengers on trains between Osaka and Nagoya rose to 30% compared to the Japanese national railway's 70%. Through this and other achievements the line became one of our core inter-city transportation routes.



The Nagoya Line Suffered Damage in Typhoon Vera (1959)

A second-generation Vista Car



Making Ise-Shima the Second Site of the Expo

For the Japan World Exposition in Osaka in 1970, Kintetsu enacted three massive projects to attract expo visitors to Nara and Ise-Shima: the extension of the Namba Line, the relocation of Kintetsu-Nara Station underground, and work on establishing the Toba Line and widening the Shima Line. The extension of the line from Uehommachi to Namba enabled Kintetsu to connect its operational area to the heart of Osaka, dramatically improving the flow of people. Kintetsu-Nara Station was completely reconstructed to make it a fitting entranceway to the international tourist destination, the city of Nara. In Ise-Shima, the company also established a new line between Ujiyamada and Toba, which previously were not connected, and by widening the gauge of the Shima Line, the company became able to offer direct limited express services all the way to Kashikojima from Osaka, Kyoto, and Nagoya. At the same time, Kintetsu added a new building to the Shima Kanko Hotel (now The Classic) and opened leisure facilities such as the Kashikojima Country Club and Shima Marineland. This made the Kashikojima area a resort area with a strong international air, which bustled as an unofficial second venue for Expo '70.

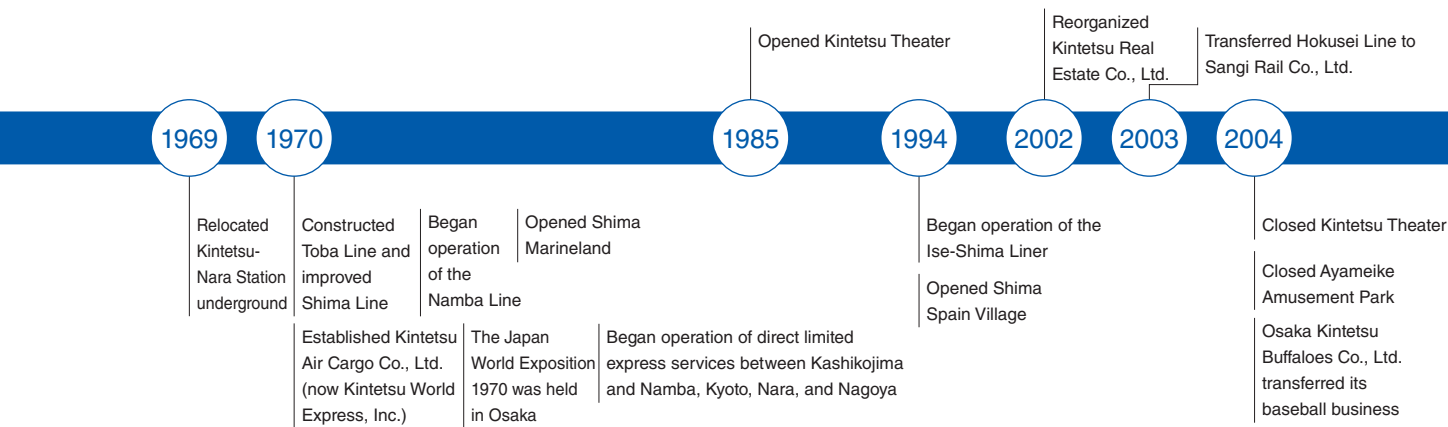
In 1994, the Ise Jingu shrine underwent the process of rebuilding and relocation—something that only happens once every 20 years. To coincide with that, Kintetsu opened Shima Spain Village and began operation of the Ise-Shima Liner. The company has continued to work on developing the Ise-Shima region as a tourist destination, as seen in measures such as its opening of Shima Kanko Hotel's Bay Suites in 2008. These efforts would play a part in Ise-Shima being chosen as the site of a G7 summit in 2016.



Work underway on constructing the Namba underground line (1969)



A poster advertising the opening of a railway connection between the Toba and Shima lines (1970)



The Collapse of the Bubble Economy and the Decision is Made to Restructure

After the economic bubble came to an end in 1991, the Kintetsu Group's management situation worsened, and the policy of actively expanding that had been in place since the company was founded, was changed to one of concentrating management resources on the area in which it already operated. It endeavored to improve its cost structure so that it could maintain a profit, even if revenue decreased.

The company realized that in the railway business, it faced a declining population. A conventional business model predicated on high-speed mass transit would not cut the mustard. As a result, the company worked to rationalize operations based on systems that require fewer employees, such as low-staffed and unstaffed operations at stations and train operations that only need one driver.

The problem of the balance between revenue and expenditure on the regional lines reached crisis, and the company transferred some of its businesses to other companies or spun off businesses through public-private partnerships one after another. With land values tumbling after the end of the economic bubble, Kintetsu Real Estate was severely affected by unrealized losses. Seeing as asset impairment accounting had been introduced as part of the international accounting standards that the Japanese government had mandated Japanese companies use, Kintetsu decided to undertake a fundamental reorganization in 2002. On the other hand, Kintetsu's baseball business, which had served to broadcast the brand name nationwide, was facing bigger losses each year and under pressure from sluggish ticket sales and rising salaries for its players. So, in 2004, the management rights to the club were transferred to Orix Baseball Club Co., Ltd. and the group withdrew from the baseball business.

Similarly, the group was forced to close the Ayameike Amusement Park and Kintetsu Theater, and to end its support for the OSK Nippon Revue theatrical troupe; moves which led it to decide on structural reforms.

The group implemented these reforms, and while the four fiscal years from 1999 showed consecutive losses, fiscal 2006 resulted in the group's best-ever profit—22.8 billion yen; the group was once more on the track to growth.

ABENO HARUKAS, Bringing Together the Kintetsu Group's Strengths

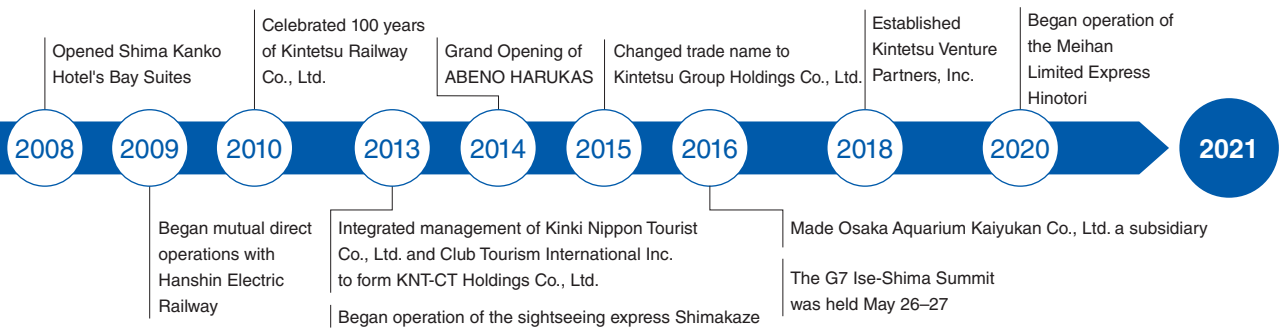
From 2010 onward, the Kintetsu Group halted the shrinking of its operational area and went on the offensive. In particular, it poured its energies into the construction of ABENO HARUKAS, a multi-story city situated right above the railway station, with a department store, hotel, observatory, art museum, and many other attractions. All of the functions for the building— facilities, management, etc.—were all handled by the Kintetsu Group, with different divisions cooperating with each other with the goal of creating a base that can provide the comprehensive services asked of a railway terminal. The aim behind the construction of ABENO HARUKAS, Japan's tallest skyscraper, was to create new value and charms through the synergistic effects of the group's collaboration and attract visitors to the terminal.

The Journey is Itself the Purpose of the Trip: the Shimakaze Sightseeing Limited Express

In 2013, Ise Jingu was rebuilt and relocated and in line with this, Kintetsu introduced a flagship sightseeing train, the Shimakaze sightseeing limited express with the design concept of a train that where the journey is itself the purpose of the trip. As people's sense of priorities toward travel diversified, the company felt a sense of urgency that there was no future for railways if they could not provide services that satisfy each and every customer individually. This kind of strategy to offer added-value is part of the heritage that has been passed down to the new sightseeing express between Nagoya and Osaka, the Hinotori. In the future, Kintetsu will work to develop a comprehensive limited express strategy that is not limited to railcar design, but incorporates in-train services, timetables, fare systems, sales channels, and other aspects.



The Shimakaze sightseeing limited express



Switch to a Pure Holding Company Structure

Changes in society are gaining speed, with the local population declining, people aging with low birthrates, the internet environment spreading, and many others transformations afoot, but new companies and services are also emerging. In such circumstances, the Kintetsu Group, which has developed in a wide range of diverse industries, determined that each industry needed to be managed through organizational structures and corporate cultures appropriate to that individual industry.

With this in mind, the Kintetsu Group switched to a pure holding company structure on April 1, 2015, to raise corporate value and achieve the twin goals of strengthening the group's management functions and introducing autonomous management for the different companies in different businesses.

Under the new structure, which allowed the holding company to plan management strategies and make adjustments, companies were able to better foster corporate cultures with different priorities: for the railway business, this meant a culture that focused on safety and peace of mind first, while for companies in the real estate, hotel, leisure, and merchandise sales sectors, their corporate cultures emphasized close attention to the markets and being at the cutting-edge of the times. With each company becoming more robust, they each looked to, and worked toward, making the group as a whole stronger.

A Chance to Reform: Conquering the Covid-19 Pandemic and Achieving Further Growth

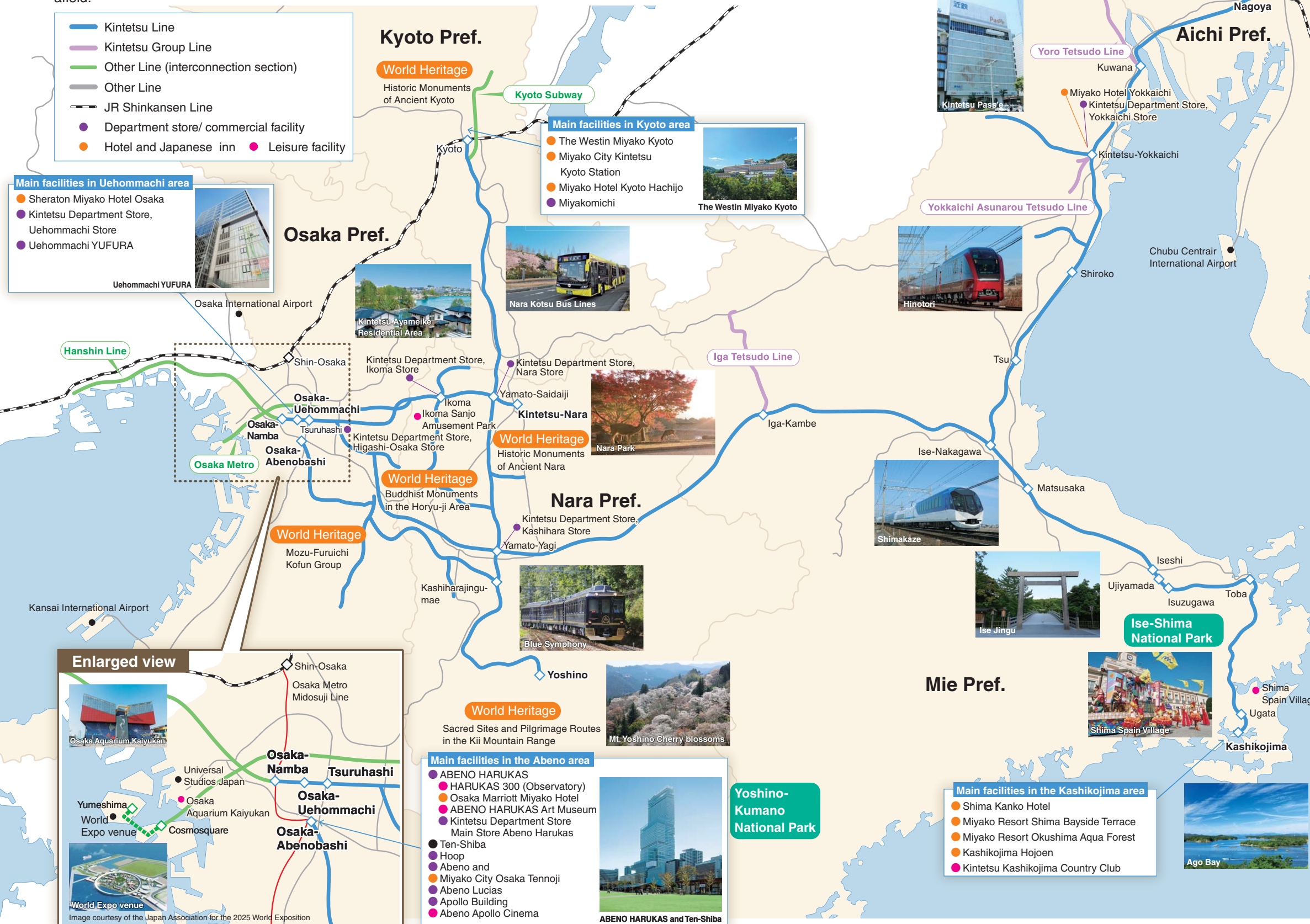
The COVID-19 pandemic led to a decrease in people's movement and consumption and, as a result, the railway, hotel, travel agency, department store, and other businesses were severely affected, leading in to the worst financial result in Kintetsu's history in fiscal 2020, a loss of around 60 billion yen.

The extent to which people have changed the way they think and live as a result of the pandemic is something unprecedented in Kintetsu's 110-year history. This unheard-of crisis has shaken the group's businesses to the core, yet it also presents the group with a chance to restructure and achieve a new stage of dramatic growth.

Currently, the Kintetsu Group is steadily working to implement and achieve its newly formulated Kintetsu Group Medium-term Management Plan 2024. The ultimate aim of the plan is to restore the group to a pre-pandemic standard and to make it a corporate group that is needed by local residents and that can continue to grow hand in hand with the region.

Business Area

We are pushing ahead with community development and expanding into lifestyle-related businesses, centered on our railway network, 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. Our business network goes far beyond the areas served by our trains, though, as our businesses forge a path throughout Japan and even further afield.



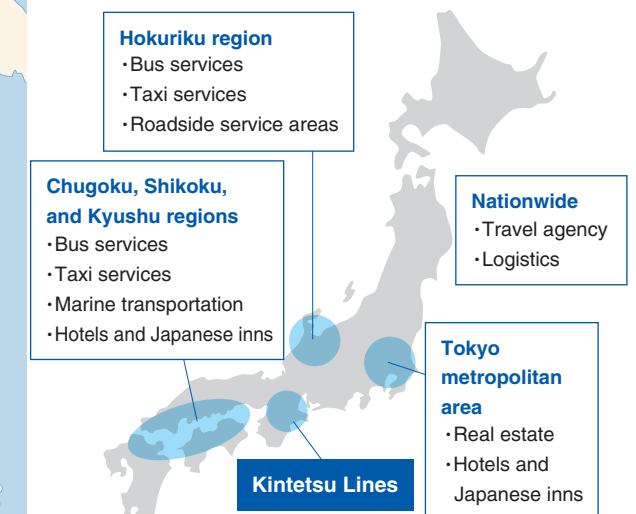
Main Businesses along Kintetsu Lines

- Railway: 582.2 km (group total)
- Buses and taxis
- Real estate:
 - Condominiums 60,677 units (cumulative total for Kinki and Chubu regions)
 - Detached houses 13,915 units (cumulative total along Kintetsu Lines)
- Department stores: 10 stores
- Supermarkets: 37 stores
- Convenience stores: 93 stores
- Hotels and Japanese inns: 18 facilities (Miyako Hotels & Resorts facilities in Kinki and Tokai regions)
- Theme parks
- Cable television, etc.

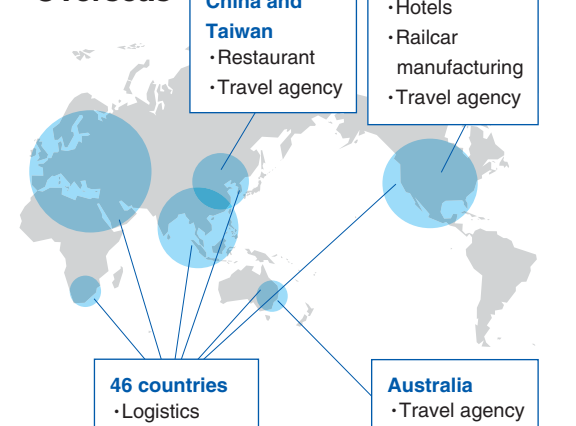
※ Figures correct as of September 30, 2021

Main Businesses outside Kintetsu Lines

Japan

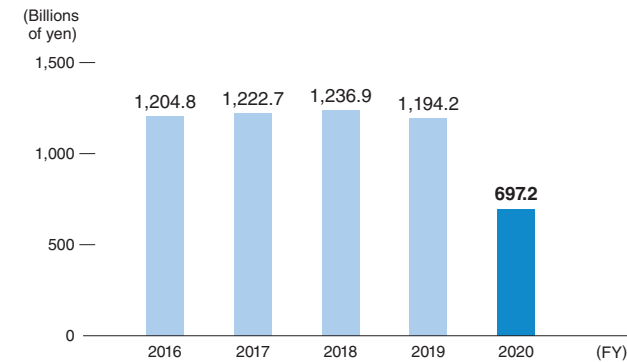


Overseas

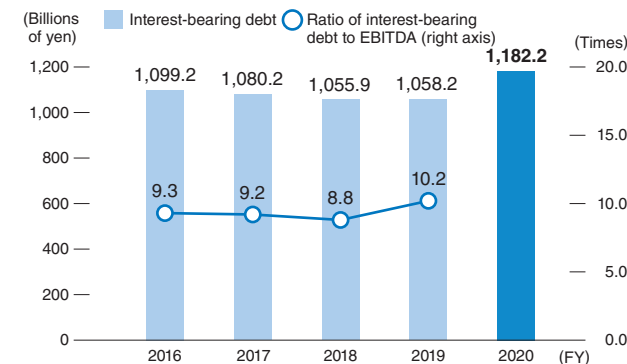


Financial Highlights

Operating revenue

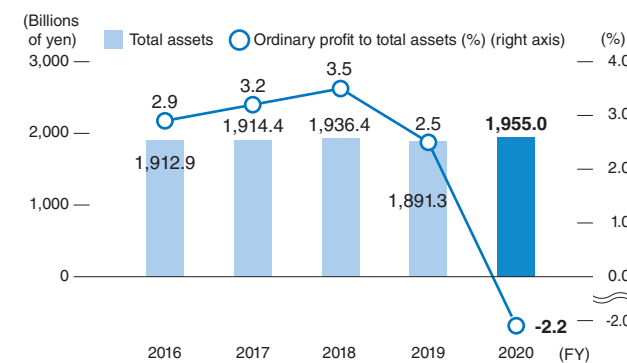


Ratio of interest-bearing debt to EBITDA

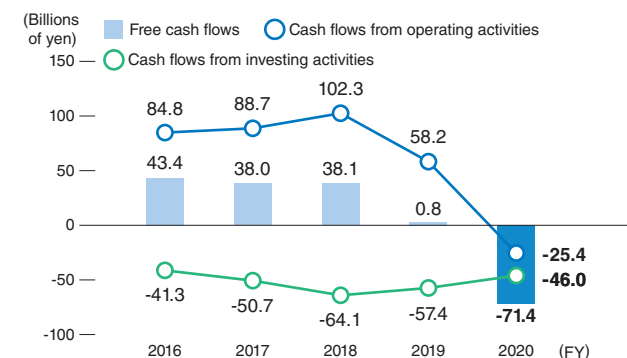


*Ratio of interest-bearing debt to EBITDA for fiscal 2020 was negative, therefore it is omitted.

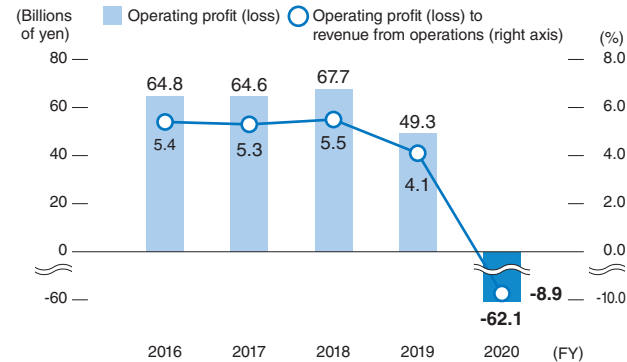
Total assets and ordinary profit to total assets (%)



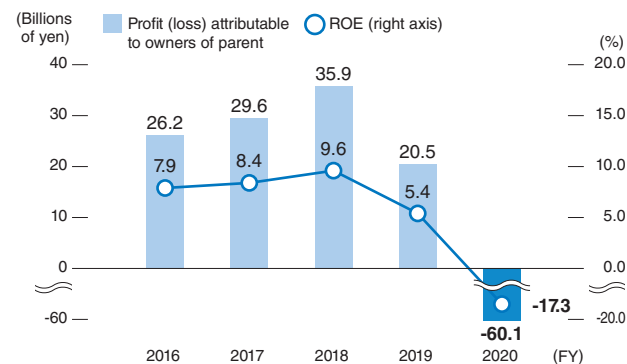
Cash flows



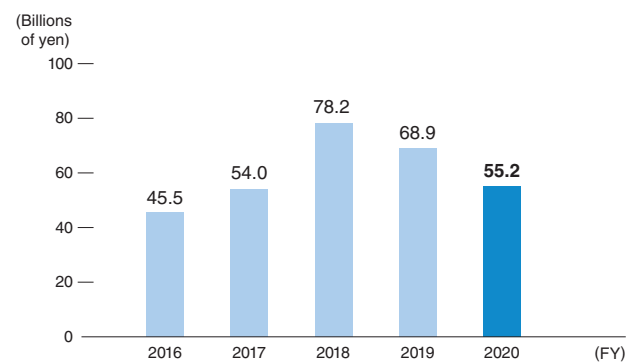
Operating profit (loss) and operating profit (loss) to revenue from operations



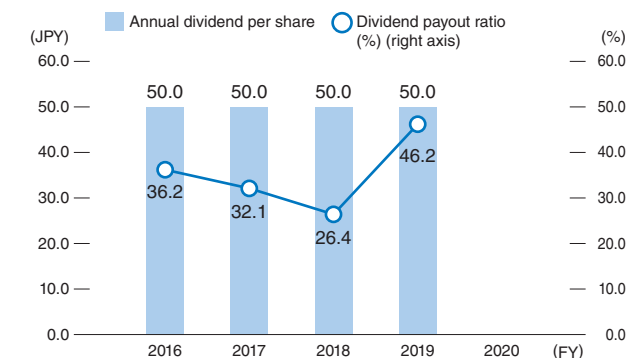
Profit (loss) attributable to owners of parent and ROE



Capital expenditures



Shareholder return

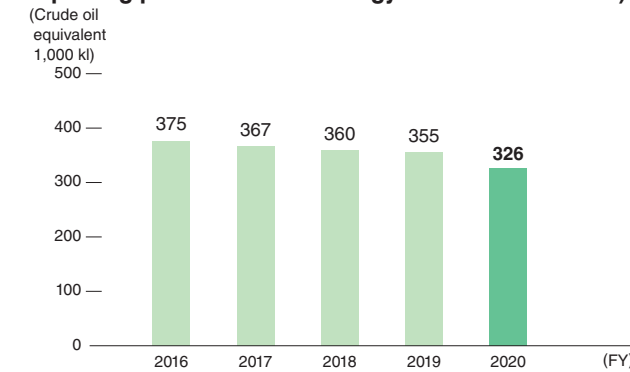


*1 Dividends before the reverse stock split (on October 1, 2017) are converted based on the standard after the reverse stock split.

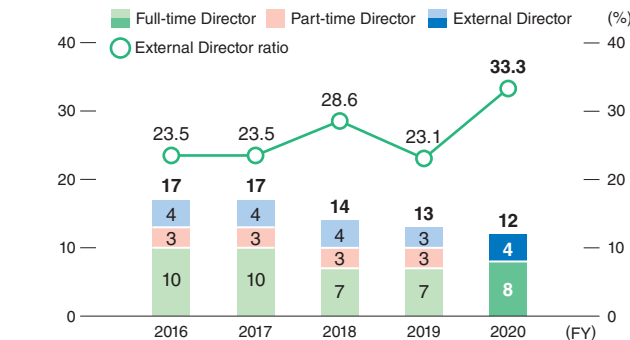
*2 Annual dividend per share and dividend payout ratio for fiscal 2020 are not described because no dividend was paid.

Non-Financial Highlights

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

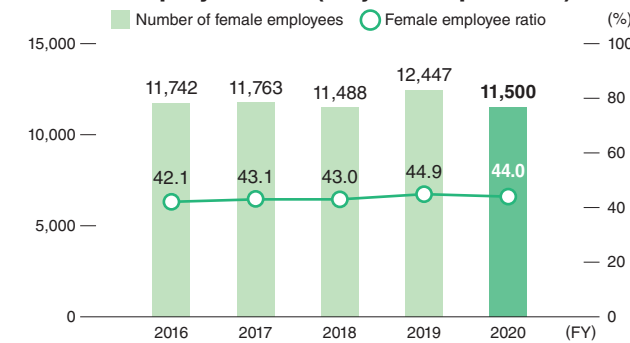


Number of directors (non-consolidated) and external director ratio



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

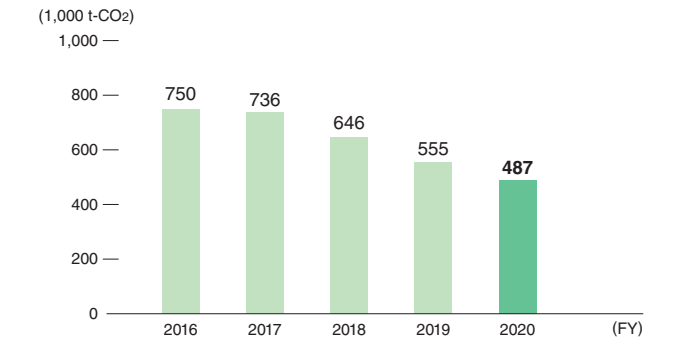
Number of female employees and female employee ratio (major companies*2)



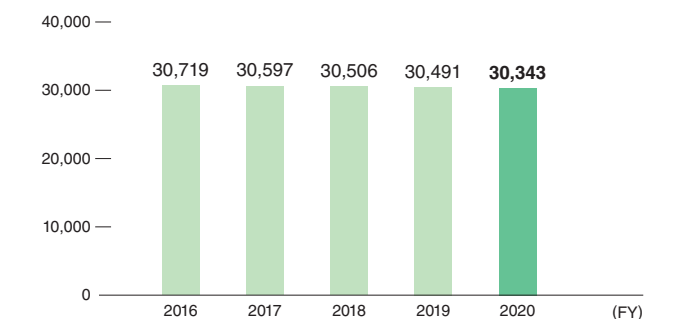
*1 Kintetsu Railway, Kintetsu Bus, Nara Kotsu Bus Lines, Bocho Bus, Kintetsu Taxi, Kintetsu Real Estate, Kintetsu Department Store, Kintetsu Retailing, Kinsho Store, Kintetsu Miyako Hotels, Kin-Ei, Osaka Aquarium Kaiyukan

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

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

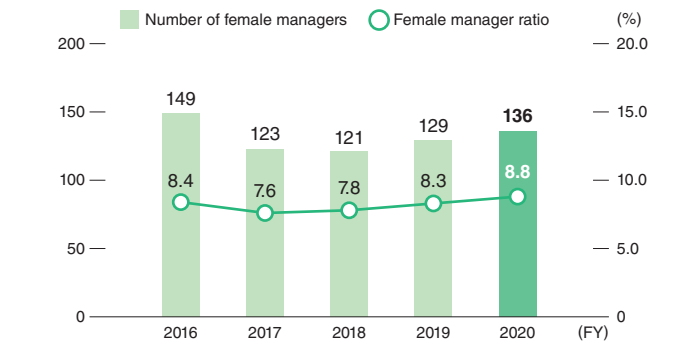


Number of employees (consolidated)



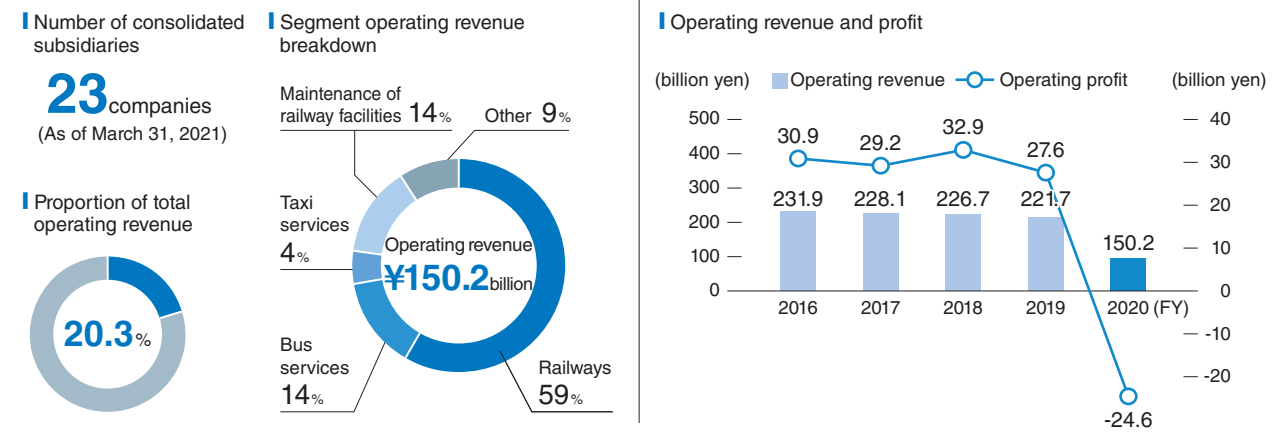
*Denotes the number of full-time employees and does not include temporary employees.

Number of female managers (major companies*2)



Business Activities

Transportation Business



Railways

Kintetsu Railway Co., Ltd.

Japan's longest private railway network, with lines totaling around 500 kilometers, which stretches across five prefectures in the Kinki and Tokai regions. The railway handles travel between and within the regions' cities, as well as tourism and local transport services.



Bus services

Kintetsu Bus Co., Ltd.; Nara Kotsu Bus Lines Co., Ltd.; Bocho Bus Company Limited; and others

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



Taxi services

Kintetsu Taxi Co., Ltd.; NARA KINTETSU TAXI Co., Ltd.; Mie Kintetsu Taxi Co., Ltd.; and others

As a means of transport for the local society, we have expanded our business with a focus on the areas along Kintetsu lines, and have installed dedicated taxi stands at stations, hotels, hospitals, and other locations, so as to satisfy customers' needs.



Maintenance of railway facilities

Kintetsu Electrical Engineering Co., Ltd.; Kintetsu Railcar Engineering Co., Ltd.; Kintetsu Track Engineering Co., Ltd.; ALL NIPPON ENGINEERING CONSULTANTS CO., LTD.; and others

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



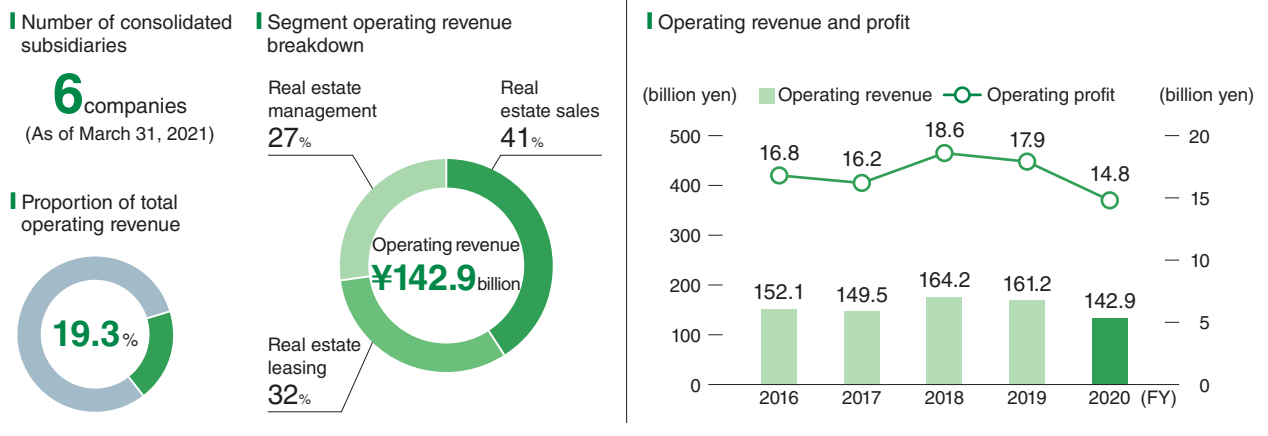
Other transportation-related business

Kokudo Kyushi Ferry Co., Ltd.; Kintetsu Rent-A Lease Co., Ltd.; Kintetsu Leisure Service Co., Ltd.; AD KINTETSU CO., LTD.; and others

We operate ferries that connect Shikoku and Kyushu via the shortest route, rent cars at major Kintetsu stations, operate theme park and amusement park along Kintetsu lines, and engage in transportation advertising.



Real Estate Business



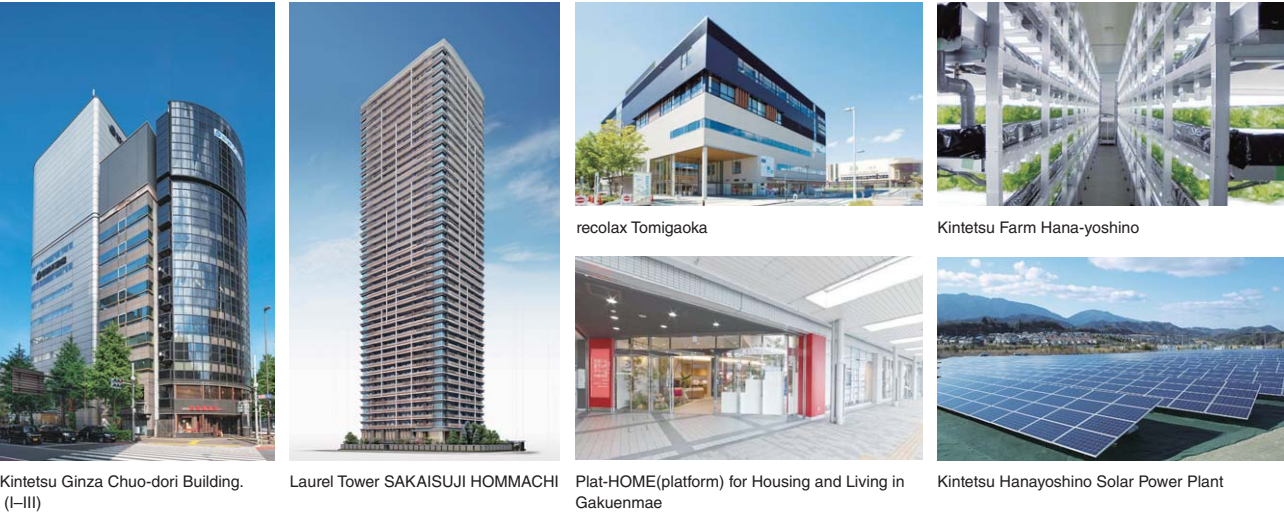
Real estate sales and Real estate leasing

Kintetsu Real Estate Co., Ltd.; and others

Our real estate sales business provides homes for people 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 as part of our operations.

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

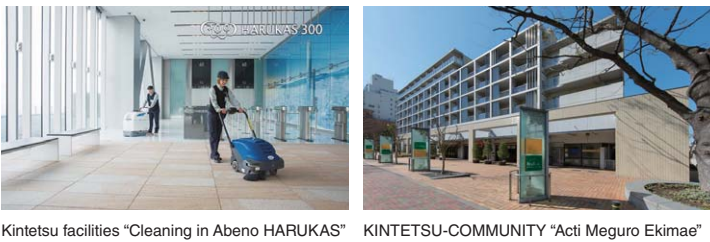
We also offer real estate brokerage and other solutions and proposal-based contract work for upgrade renovations. In addition, using the group's combined strengths, we have expanded our business to also cover agriculture, solar power generation, golf, and life care facilities.



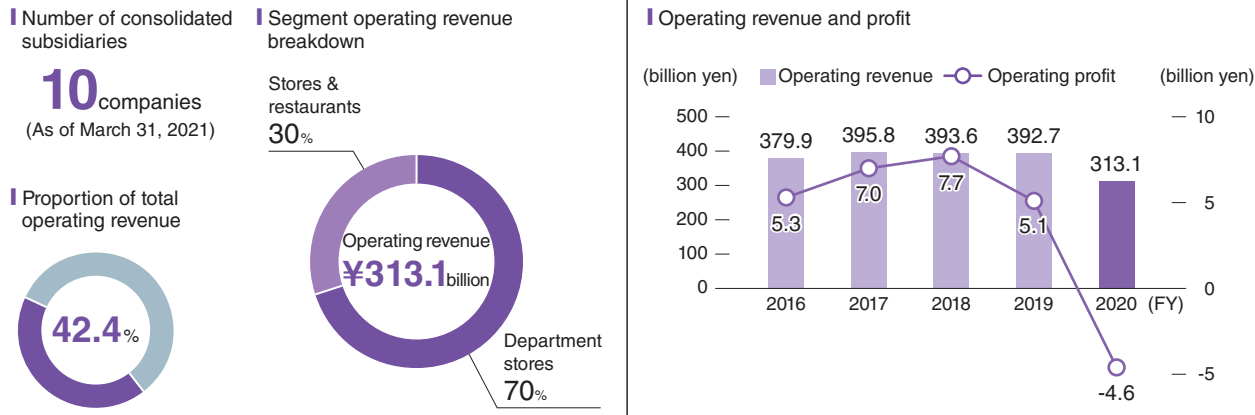
Real estate management

Kintetsu facilities Co., Ltd.; KINTETSU-COMMUNITY CO., LTD.; and others

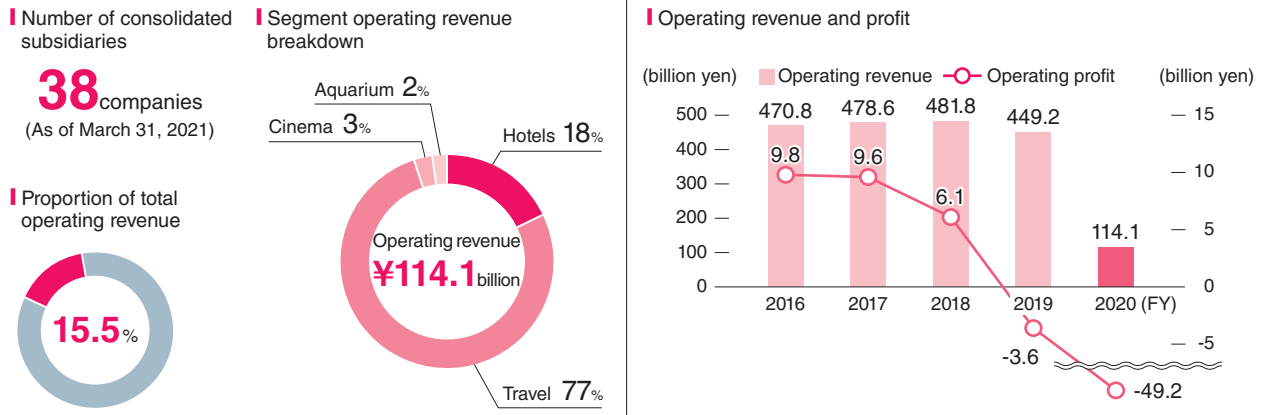
We manage and operate a wide range of facilities, including office buildings, commercial facilities, hotels, cultural and sporting facilities, and condominiums.



Merchandise Sales Business



Hotel and Leisure Business



Department stores

Kintetsu Department Store Co., Ltd.; and others

We operate 10 department stores and 3 other commercial facilities, including the Kintetsu Department Store Main Store Abeno Harukas, stores at Osaka-Uehommachi and Yamato-Saidaiji, and at other major Kintetsu stations. We have also expanded into 14 different industries through franchising, and in terms of our e-commerce endeavors, we operate a site that proposes a wide range of goods unique to our department stores to customers within Japan. For customers overseas, we are selling through popular online shops, and focusing our efforts on selling Japanese cosmetics, hygiene products, and other items.



Japanese and Western confectionery counter at Main Store Abeno Harukas



Hoop



International online shop

Stores & restaurants

Kintetsu Retailing Co., Ltd.; Kinsho Store Co., Ltd.; and others

We operate a number of various retail and dining formats, including convenience stores, supermarkets, restaurants, and cafes, particularly in the areas along Kintetsu lines. Recently, we have 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.



Harves Yamamoto Store



Edogawa Naramachi Branch



YAMATO Craft Beer Table

Hotels

Kintetsu Miyako Hotels International, Inc. and Kintetsu Enterprises Company of America

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.



The Westin Miyako Kyoto



Miyako City Osaka Hommachi

Travel agency

KNT-CT Holdings Co., Ltd.; Club Tourism International Inc.; and others

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



Kinki Nippon Tourist



CLUB TOURISM FIRST

Cinema

Kin-Ei Corp.

We operate the Abeno Apollo Cinema, an urban cinema complex that contributes to the liveliness and development of the Abeno area through its realistic atmosphere.



Apollo Building and Lucias Building



Abeno Apollo Cinema

Aquarium

Osaka Aquarium Kaiyukan Co., Ltd.

Kaiyukan, one of the world's largest aquariums, and NIFREL, an interactive "aquazoo", have been well received by many customers as facilities where they can experience the charm of living things and nature.



Osaka Aquarium Kaiyukan



Interactive Aquazoo, NIFREL

Cultural Programs and Sports Initiatives

Cultural Programs

We promote a variety of cultural programs, one of which is the Museum Yamato Bunkakan, which preserves and exhibits Oriental artworks.

The Museum Yamato Bunkakan

The museum was opened as part of the celebrations to commemorate the 50th anniversary of Kintetsu Railway's founding, and houses around 2,000 artworks that come predominantly from Japan, China, and Korea. The museum's collection contains four national treasures—including the Matsuura screens—and thirty-one important cultural properties.

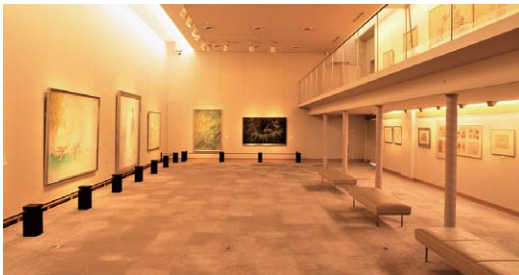
Address: 1-11-6 Gakuen-minami, Nara-shi
Opened: October 1960



Shouhaku Art Museum

The museum collects and displays artworks and art-related materials with a particular focus on the traditional Japanese-style paintings of three generations of the distinguished Uemura painting dynasty—Shoen, Shoko, and Atsushi.

Address: 2-1-4 Tomigaoka, Nara-shi
Opened: March 1994



ABENO HARUKAS Art Museum

With its prime location above one of our railway terminals, this urban art museum allows anyone to easily enjoy art and culture. The museum holds various exhibitions, of genres such as Japanese, Oriental, Western, and contemporary art.

Address: ABENO HARUKAS 16F, 1-1-43 Abenosuji, Abeno-ku, Osaka
Opened: March 2014



Kintetsu Rugby Football Team (Hanazono Kintetsu Liners)

We deliver the joy and excitement of rugby to many people.

Established: 1929
Home ground: Hanazono Rugby Stadium
Composition: 48 players and 32 support staff (as of September 30, 2021)
Major achievements: 6 appearances at the All-Japan Rugby Football Championship (won 3 times)
53 appearances at the National Company Rugby Championship (incl. 50 times in a row and won 8 times)
Appeared at the Kansai Company A League (won 17 times)
2015: 7th place in the Japan Rugby Top League
2016: 13th place in the Japan Rugby Top League
2017: 16th place in the Japan Rugby Top League
2018: 3rd place in the Japan Rugby Top Challenge League
2019: Won the Japan Rugby Top Challenge League
2020: 2nd place in the Japan Rugby Top Challenge League, joint-9th place in the Japan Rugby Top League Playoff Tournament

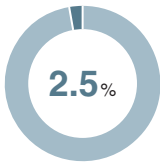


Other

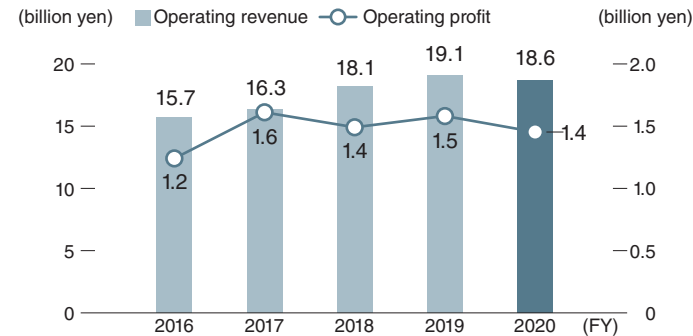
Number of consolidated subsidiaries

3 companies
(As of March 31, 2021)

Proportion of total operating revenue



Operating revenue and profit



Kintetsu Cable Network Co., Ltd.;
Kintetsu Information System Co., Ltd.;
Kintetsu Insurance Service Co., Ltd.; and others

We provide telecommunications such as cable television, internet, and phone services, as well as other services that are an integral part of people's lives. We have also expanded into areas such as information processing and insurance agency businesses.

In April 2021, we brought SAKAE CO., LTD. into the Kintetsu group. SAKAE produces and sells metal equipment used in the manufacturing industry and boasts a top-class domestic market share for its major products, which include workbenches, carts, and tool cabinets.



Kintetsu Cable Network



SAKAE

Equity-method Affiliates 8 Companies (As of March 31, 2021)

Kintetsu World Express, Inc.;
Mie Kotsu Group Holdings, Inc.;
The Kinki Sharyo Co., Ltd.; and others

Kintetsu World Express, Inc. is a comprehensive international freight handler that handles air and sea freight and offers one-stop logistics solutions. Through our worldwide network, we are supporting our customers' global businesses with our optimal logistics services.

Mie Kotsu Group Holdings, Inc. consists of companies engaged in the distribution and leisure service industries, in addition to the core bus and real estate businesses, and aims to achieve sustainable growth as a corporate group that operates a comprehensive lifestyle industry closely linked to the community.

The Kinki Sharyo Co., Ltd. has been manufacturing and selling railcars throughout its history, which dates back to its founding in 1920. As well as Kintetsu Railway's express trains and shinkansen bullet trains for the Japanese market, the company has manufactured railcars for the US and other parts of the world. It has been highly praised for its railcars, which combine exceptional quality, safety, and comfort.



Kintetsu World Express "air freight containers"



Mie Kotsu "Shinto Liner"



Kinki Sharyo "Doha Metro"

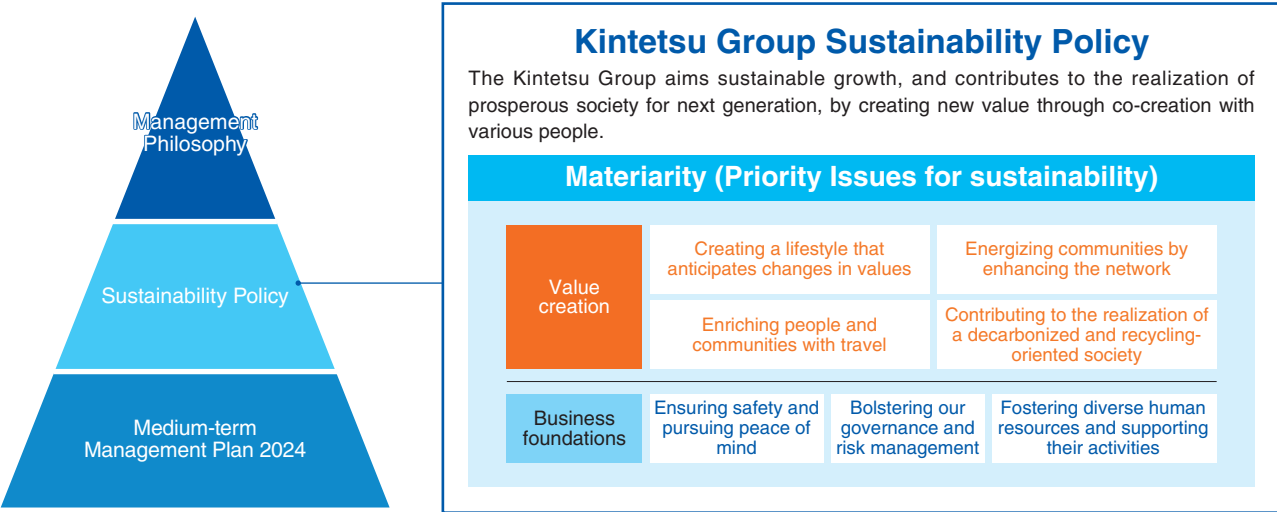
Value Creation Process

The Kintetsu Group aims to achieve sustainable growth and contribute to the realization of a prosperous society by faithfully addressing social issues and promoting business activities through co-creation.



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 Medium-term Management Plan 2024 (FY2021–2024)

The COVID-19 pandemic has undoubtedly brought about major changes in the business environment. In order to recover from the effects of the pandemic and move toward new business development, in May 2021, we formulated Kintetsu Group Medium-term Management Plan 2024.

Changes in the Business Environment Due to the COVID-19 Pandemic and the Direction of our Strategy

We were developing our businesses under the Kintetsu Group Management Plan, which we formulated in May 2019, but the spread of COVID-19 has transformed the environment in which we operate. Our financial foundations took a hit—with our biggest losses ever in fiscal 2020—and the business environment that we had based our plan on changed beyond recognition. That made it necessary for us to revise our strategy. In order to put the group back on a sustainable growth trajectory, we determined that the fiscal years to 2024 would be a period of recovery from the pandemic, and that we would have to rebuild our business foundations. As such, in May 2021 we revised the group's management plan.

Some of the changes the pandemic brought are temporary—for instance the drop in demand for transportation and the complete

disappearance of tourism demand—but we recognize that others—such as fewer people commuting to work or taking business trips, and the expansion of online businesses—are permanent. Considering how the business environment will alter in the future, we set three courses of action: (1) to improve our financial soundness by fundamentally reviewing our cost structures and replacing our assets in order to rebuild our foundations for growth ; (2) to strengthen profitability by developing new businesses that cater to post-pandemic society, while demonstrating group synergy; and (3), to enhance our tolerance for risk by reviewing businesses in our portfolio that are particularly affected by changes in individuals' consumer behavior.

Business environment		Impact on our business	
Regional community issue	- Aging society - Declining population	Temporary impact	- Decrease in transportation demand - Deterioration of financial soundness - Disappearance of tourism demand
Pandemic-prompted change	- People moving around less - Changing ways of working - Reviewing the way we live - Acceleration of digitalization	Permanent effect	- Decrease in demand for commuting and business trips - Reconsideration of how offices are used - Expansion of online businesses - Transition from a centralized urban society to a decentralized regional society

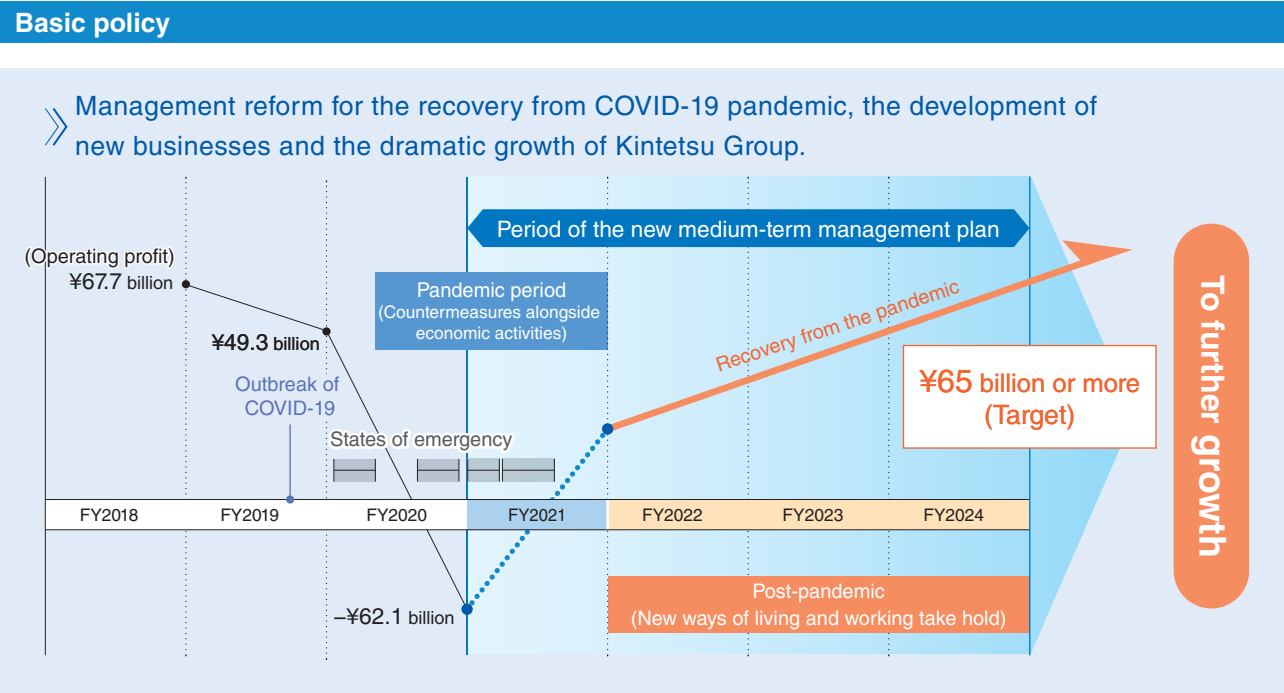
Direction of review

- To improve our financial soundness by fundamentally reviewing our cost structures and replacing our assets in order to rebuild our foundations for growth
- To strengthen profitability by developing new businesses that cater to post-pandemic society, while demonstrating group synergy
- To enhance our tolerance for risk by reviewing businesses in our portfolio that are particularly affected by changes in individuals' consumer behavior

Our Target and Main Measures

Our target of the four-year medium-term management plan starting in fiscal 2021, is management reform for the recovery from COVID-19 pandemic, the development of new businesses and the dramatic growth of Kintetsu Group. To that end, we will work on six main measures.

Fiscal 2021 will be a year of dealing with the pandemic. We will aim to return to profitability by thoroughly reducing costs and reviewing our business operation framework. Also, we will concentrate on reducing interest-bearing debts and increasing our equity capital, by off-balancing our assets. We have set fiscal 2022 onward as a post-pandemic period, and by accelerating the development of new businesses that meet the needs of society after COVID-19, we will improve our earnig power and leading to further growth.



Main measures		Major initiatives	
1	Radically reviewing our cost structure	Topic1 Lowering break-even point by revising business operation frameworks	Reduction of unprofitable divisions
2	Early reduction of interest-bearing debt	Topic2 Collaborating with Blackstone for two-pronged hotel business	Developing real estate business using special purpose companies (SPCs), etc.
3	Strengthening cooperation with external partners	Topic3 Expanding business fields through mergers and acquisitions (M&A)	Disposing of non-core assets
4	Reforming our business portfolio	Topic3 Expanding business fields through mergers and acquisitions (M&A)	Promoting open innovation using corporate venture capital (CVC)
5	Creating new businesses and services through DX	Topic4 Developing a digital services platform for the Kintetsu operational area A one-stop regional DX platform that can seamlessly provide a range of services, including MaaS and payment services	Expanding our online shopping business
6	Implementing community development that aims to resolve regional issues	Topic4 Developing a digital services platform for the Kintetsu operational area A one-stop regional DX platform that can seamlessly provide a range of services, including MaaS and payment services	Topic5 Promoting redevelopment of areas around stations

Financial Strategies

During the period of this medium-term management plan, we will place the highest priority on reducing interest-bearing debt, which increased due to the pandemic and restoring equity capital. By doing so, we aim to early improve our financial soundness. At the end of fiscal 2020, we held 1.1822 trillion yen in interest-bearing debt, and under the plan our target is to reduce this to less than 1 trillion yen by the end of fiscal 2024. Also, we plan to restore the equity ratio from the 16.4% at the end of fiscal 2020, to over 23% by the end of fiscal 2024. To achieve these goals, we will not only accumulate profits by strengthening our earning power through a drastic review of our cost structure and new business development that cater to post-pandemic society, but also by off-balancing our assets as necessary.

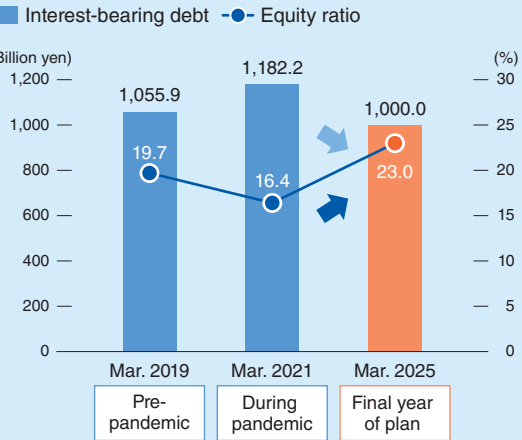
In hotels business, we are working with Blackstone to operate some hotels on a specialized contracted management basis. Meanwhile, in real estate business, we are putting some of our assets toward special purpose companies (SPCs). In June last year, we sold off our shares in an equity-method affiliate, Fukuyama Transporting Co., Ltd. In the future, we will work to enhance our financial foundations, such as by disposing of non-core assets.

Capital investment will be curbed as much as possible, as we will

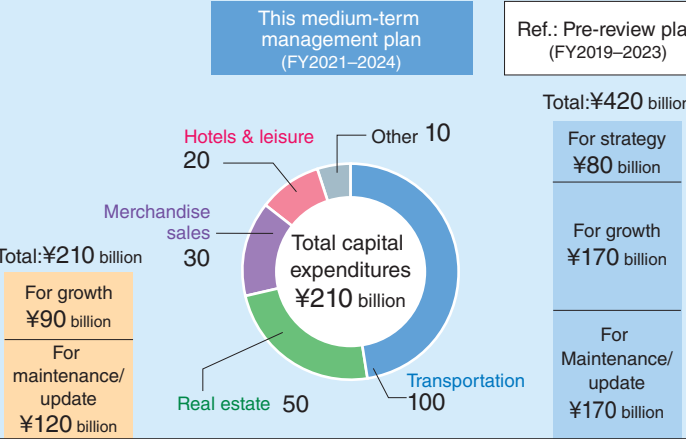
place the highest priority on reducing interest-bearing debt. We will freeze strategic investments that were to be allocated mainly to new 3 major projects by reviewing the scale and timing of the projects, and we will review our investment plan for growth investments on a zero basis. With an eye on the post-pandemic society, we will implement our plan while carefully examining the details of necessary investments, such as the creation of new businesses and services through DX and urban development aimed at solving regional issues. We will also limit investment in maintenance and renewal as much as possible, giving top priority to ensuring safety.

With regard to shareholder returns, we aim to resume dividend payments as soon as possible by building up our equity capital.

Changes in interest-bearing debt and equity ratio



Capital expenditures plan



Targets and management indicators

Consolidated indicators	FY2018 results	FY2020 results
Operating profit (loss)	¥67.7 billion	−¥62.1 billion
Interest-bearing debt	¥1.0559 trillion	¥1.1822 trillion
Ratio of interest-bearing debt to EBITDA (times)	8.8 times	—
Equity ratio	19.7%	16.4%

*EBITDA = operating profit + depreciation

Reference indicators

Consolidated indicators	FY2018 results	FY2020 results
ROE	9.6%	−17.3%
ROA	3.5%	−2.2%

*1 ROE (return on equity) = Profit attributable to owners of parent/equity
*2 ROA (return on assets) = Ordinary profit/total assets

FY2024 targets
¥65 billion or more
Less than ¥1 trillion
8–9 times
23% or more

FY2024 targets
approx. 10%
approx. 3.5%

Principal Initiatives of the Main Measures

Topic 1 Lower our break-even point

Railways Quickly establish management foundations that will secure stable profits even if revenue decreases post-pandemic

- ▶ **Development of an efficient business operation framework**
- Using digital technologies, we will reduce costs while raising safety, stability, and peace of mind.
 - By rationalizing station operations and adjusting the number of personnel, we will promote reductions in personnel expenses (reducing staffing from 7,200 employees at the end of FY2019 to 6,600 by the end of FY2024).
 - As well as further cost-cutting for branch lines, we will conduct a radical review of the future of our operation framework.
- ▶ **Revision to our timetables that matches how customers use our lines**
- Revision to timetables on July 3, 2021:
- Reduce the number of trains, especially at night, move up the last train, cancel some limited express trains, and change to irregular trains according to demand
- ▶ **Major revision of capital expenditures**
- Minimize capital expenditures while placing top priority on ensuring safety
- FY2021–2024 planned capital expenditures:
- Pre-pandemic: ¥129.2 billion; Post-revision: ¥71.4 billion (a decrease of ¥57.7 billion)

Department stores Create a new business model by reforming the cost structure and business portfolio

- ▶ **In FY2021 onward, reduction of sales, general, and administrative expenses by ¥6 billion from FY2019 levels (a decrease of 10%)**
- By bringing outsourced tasks inside the company, and promoting multitasking, we will raise personnel efficiency.
 - We will promote the use of digital technologies for advertising.
- ▶ **Establish low-cost operation system for regional core stores and suburban stores**
- Transition from the department store model to become a commercial developer, with a focus on tenants, for low-cost store operations

In-station stores and restaurants Withdrawal from loss-making stores and promote rationalization through digitalization

- ▶ **Withdrawal from unprofitable stores**
- Restaurant business:
Close 22 stores from a FY2019 total of 102
 - Service area business:
Withdraw from 4 areas from a FY2019 total of 8
- ▶ **Personnel number adjustments and other measures to optimize personnel expenses**
- We will adjust personnel numbers with store closures and withdrawals
From 930 employees at the end of FY2019 to 740 by the end of FY2024
 - We will promote the efficiency of tasks by reviewing tasks and using digitalization

Hotels Lowered break-even sales by 20% by reducing fixed costs

- ▶ **Optimization of labor costs through personnel adjustments, etc.**
- We will gradually reduce the number of employees and contract workers over the course of the FY2022 due to restraints on new hiring and natural attrition.
From 2,400 employees at the start of FY2020 to 2,080 in FY2022
 - We will reduce personnel expenses by ¥2.5 billion by FY2022 (compared to pre-pandemic levels).
- ▶ **Reduction of expenses and review of operations framework**
- ▶ **Withdrawal from unprofitable hotels**
- Miyako City Tsu (Closed February 28, 2021)
 - Kashiwara Kanko Hotel (Closed July 31, 2021)

Travel agency Reduce expenses for FY2022 onward by ¥20 billion compared to FY2018 levels

- ▶ **Business selection and reorganization**
- Reduction of the number of stores for individual travelers
 - Consolidation of branch stores for group travel
 - Integration of head office and other back-office divisions through corporate restructuring
- ▶ **Personnel number adjustments**
- Reduce the number of enrolled personnel by around two-thirds by the end of FY2024, from approx. 7,000 at the end of FY2020

Topic 2 Dual-axis management of hotel business

In the hotel business, which has been greatly affected by the COVID-19 pandemic we will continue to promote our business with both management with assets, which is essential for group business management, and non-asset management, which specializes in operations.

Flagship hotels such as The Westin Miyako Kyoto and Shima Kanko Hotel, where we own the assets, will continue to operate as the core of our hotel business. At eight hotels—including Miyako Hotel Kyoto Hachijo and Hotel Kintetsu Universal City—we will eliminate risks associated with holding assets, by running them as contracted managers specialized in the fee-based business.

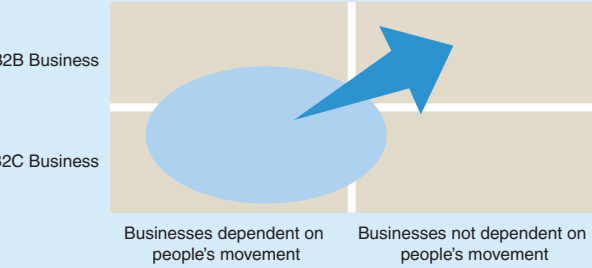
Through collaboration with Blackstone, with its rich experience in hotel management overseas, we plan to enhance our global competitiveness as we look to the post-pandemic world. We will roll out our combined expertise to all of our hotels and raise the standard for marketing power for the entire Miyako hotel chain.

Flagship hotels Continue management with assets as the core of the business	Owned/directly managed • The Westin Miyako Kyoto • Osaka Marriott Miyako Hotel • Sheraton Miyako Hotel Tokyo	• Shima Kanko Hotel The Classic • Shima Kanko Hotel The Bay Suites
Hotels inseparable from railway facilities	• Sheraton Miyako Hotel Osaka	• Miyako City Osaka Tennoji • Miyako City Kintetsu Kyoto Station
Hotels leased from third parties	• Miyako City Tokyo Takanawa	• Miyako City Osaka Hommachi • Miyako Hotel Yokkaichi
Contracted hotel operations Eliminate risks associated with owning assets, specialized in the fee-based business	Management outsourced to us • Miyako Hotel Kyoto Hachijo • Hotel Kintetsu Universal City • Miyako Hotel Hakata • Kobe Kitano Hotel	• Miyako Resort Shima Bayside Terrace • Miyako Resort Okushima Aqua Forest • Miyako Hotel Gifu Nagaragawa • Miyako Hotel Amagasaki

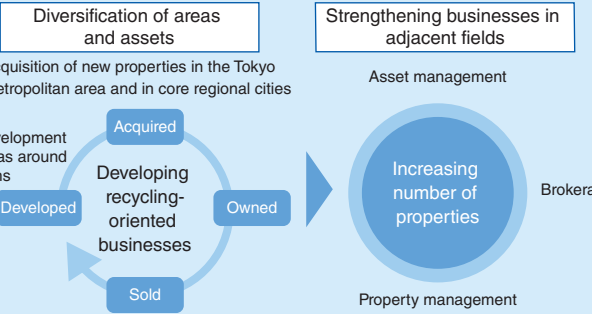
Topic 3 Changes in our business portfolio

Our business composition is biased toward the B2C market and businesses based on people's movement. And so the impact of COVID-19 has been significant. In the future we will reform our business structure to cultivate and strengthen the B2B market and businesses that are not reliant on movement, thereby strengthen our tolerance to risk.

First, we aim to diversify our areas and assets by expanding our real estate business through the use of SPCs, etc., and expanding the number of properties that we are involved in. In addition, in order to strengthen our B2B businesses, on April 1, 2021, as part of our M&A efforts, we brought SAKAE CO., LTD.—a manufacturer and seller of metal equipment for the manufacturing industry—into the group. By working with our group companies that operate in the interior design and building maintenance industries, we hope to maximize the group's internal synergy.



Developing real estate business using special purpose companies (SPCs), etc.



Future policies:

- In existing businesses, shift to a business model that is not overly dependent on the movement of people through structural reforms.
- We will push ahead with M&A designed to strengthen our B2B businesses and create group synergies.
- To accelerate the creation of new businesses, we are promoting open innovation using CVC.

Expansion of business fields through M&A

On April 1, 2021, SAKAE CO., LTD. joined the Kintetsu Group

- SAKAE produces and sells metal equipment used in the manufacturing industry and boasts a top-class domestic market share for its major products, which include workbenches, carts, and tool cabinets.
- Aim to maximize group synergies through collaboration with group companies engaged in interior decoration work and building maintenance businesses.

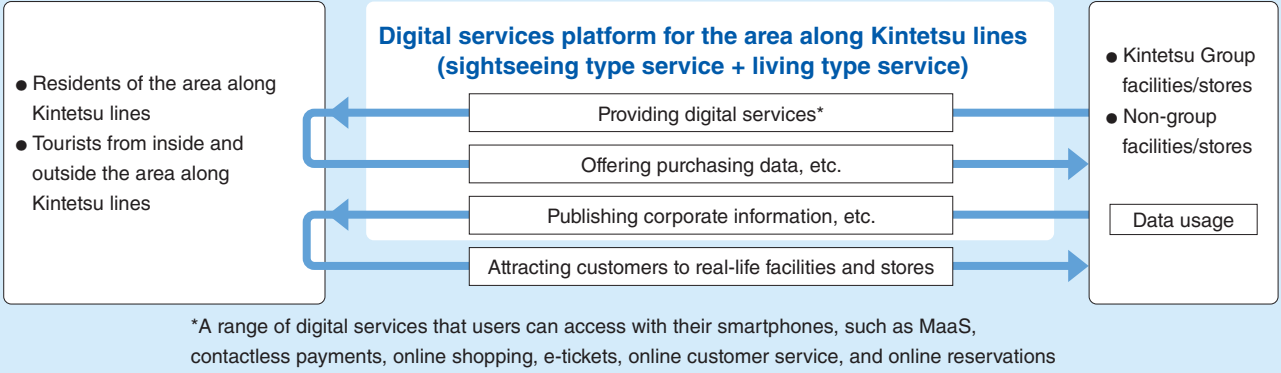


SAKAE's Osaka Factory

Topic 4 Developing a digital services platform for the area along Kintetsu lines

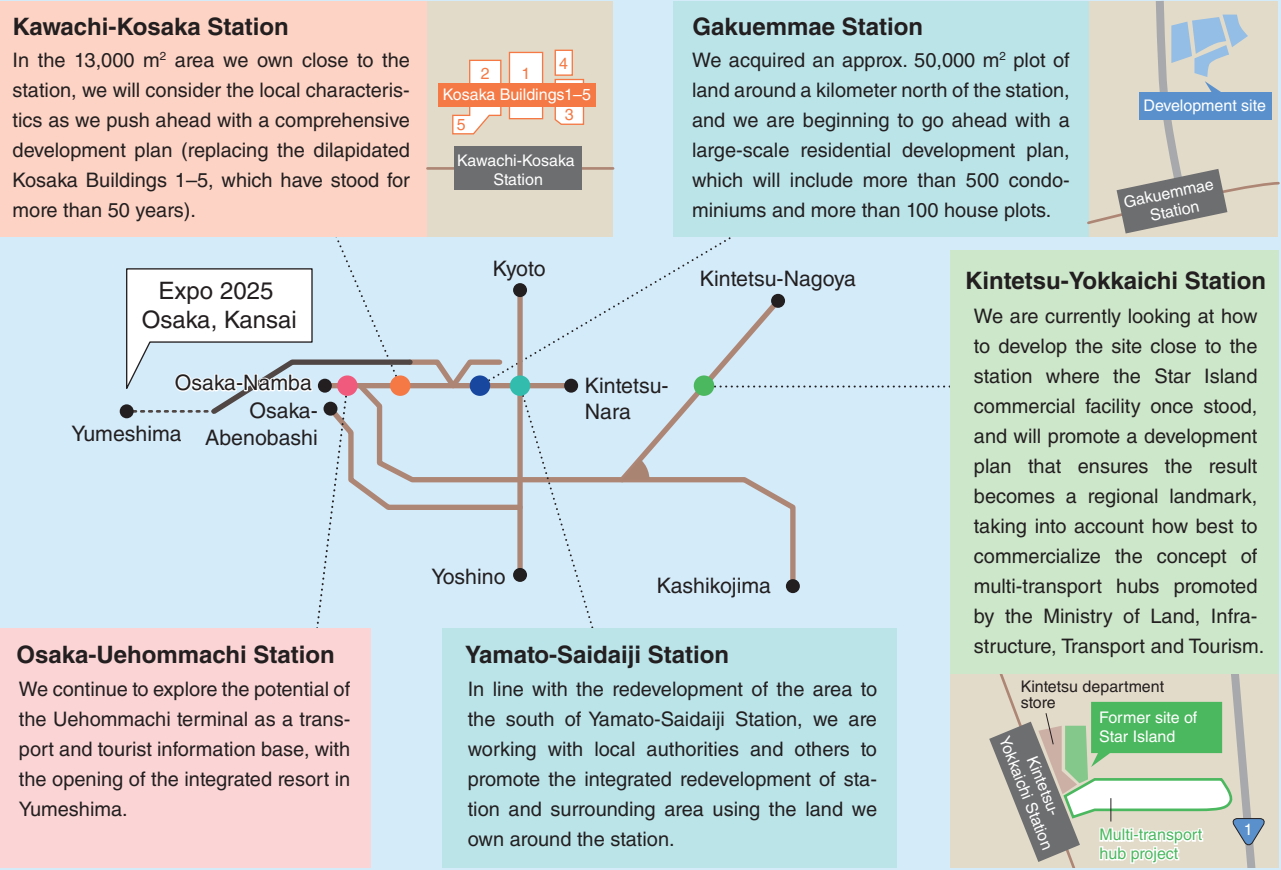
We will develop a new platform that will act as a regional DX base, using digital technologies to connect consumers with facilities and stores by seamlessly providing MaaS, contactless payment, and other digital services as a one-stop solution.

For consumers, this means they will be able to access a variety of digital services in one place. For example, we are examining how we could sell travel packages online pre-travel, provide local information and the ability to change reservations mid-travel, and then make recommendations for future destinations post-travel. On the other hand, in terms of benefits for facilities and stores, we will use the customer contact points we share throughout the group to allow us to share information at optimal times. Building new contact points with consumers in this way will lead to an increase in opportunities for revenue.



Topic 5 Promoting redevelopment of areas around stations

Through systematic redevelopment in the vicinity of major stations along Kintetsu lines we will promote urban development aimed at the efficient provision of living and social infrastructure, such as smart cities and compact cities, adapted to regional characteristics and scale.



Message from the External Directors

Contributing to a prosperous society by utilizing the advantage of the Kintetsu Group

Kunie Okamoto
External Director



Contributing to society while making the most of our great tourism resources

I am interested in history, and when I was working in Osaka as a young man, I used to take Kintetsu trains to Nara and Kyoto on my days off. Now that I am involved in management as an external director, I feel that the fact that the Kintetsu lines is a treasure trove of history, culture and nature is a major attraction. The COVID-19 pandemic has had a tremendous impact on the area, but I believe that an important theme for the Kintetsu Group is to make use of the tourism resources along the railway lines to attract inbound and other tourists, as Japan aims to become a tourism nation.

On the other hand, the fact that the group's operational area is so vast, and only in parts densely populated, which can be a negative factor in terms of management. However, railroads are a public institution, and they need to continue to play a role for the benefit of society, while taking into consideration their profitability. To this end, I believe that three points should be kept in mind.

The first is the SDGs. Among 17 themes set forth in the SDGs as global issues, it is important for all executives and employees to share which themes we should make effort and contribute as the Kintetsu Group. In particular, we have to take the initiative in working on the significant issues today such as climate change and DX.

The second is the CS, as Customer Satisfaction. It isn't enough for us to be satisfied with current efforts at CS. What we have to do is to clarify what and how we focus on relationship with customer for CS compared to other companies.

The last is ES, as Employee Satisfaction. I believe that a solid bond between the management and employees, where the management talks about their dreams and the employees work hard with passion, will lead to the improvement of CS.

The group's management should strike a balance between independence and cooperation

Major issue for us is how to proceed with our businesses under the situation of decreasing population. First of all, we must focus on tourism. Attracting tourists, both domestic and foreign, is a business opportunity for the Kintetsu Group. In addition, it is important to have a strategy that build strong relationships of trust with local residents, so that they look to the group as a one-stop provider for every aspect of their lives. ABENO HARUKAS, with its concentration of various functions, is contributing to improving the quality of life in central and southern Kansai, with Tennoji as its base, and we need to expand these efforts.

Therefore, group management becomes important. As declining population, low birthrates and aging society, it is extremely important for businesses to cooperate with each other. On the other hand, since the Kintetsu Group is consist of so many industries with different characteristics, each business needs to be independent and strong in order to compete and gain an advantage in each industry. Under the holding company structure, it is important to strike a balance between grouping and independence in order to achieve efficient and effective group management.

As an external director

From the standpoint of an external director, I try to make proposals on management from a third-party perspective as much as possible, based on the perspectives and values I have cultivated over the years. In doing so, I try to base my comments on what today's society demands, and also on the soundness of the business and the risks involved, based on my own experience as a financial institution.

Through discussions at the Board of Directors, I will work to ensure that the Kintetsu Group continues to contribute to society.

I would like to contribute to the strengthening of management by taking advantage of the characteristics of a corporate group that is loved by the people along the railway lines.

Toshiko Katayama
External Director



It is important to make proposals on how to live from a long-term perspective.

I believe it is important to make proposals that contribute to the sustainable growth of the Kintetsu Group over the medium to long term based on my expertise as a lawyer. In particular, since one of my specialist fields is consumer-oriented management that enhances the social value of the Kintetsu Group's diverse businesses through co-creation and collaboration with consumers, I would like to bring new insights based on two-way communication between consumers and companies to the management decision-making process.

One of the characteristics of the Kintetsu Group is that it supports people in all aspects of their lives, including transportation, housing, food, and tourism, and has been a corporate group that has been loved by residents along its railway lines for many years. In order to fulfill this role, the board of directors is making decisions quickly to ensure the soundness of the company's finances and management, even during the COVID-19 pandemic which is highly evaluated.

As for future challenges for the Kintetsu Group, while the COVID-19 pandemic is expected to continue and the business environment is difficult to predict, we have to stay close to the changes in consumers' lifestyles and further enhance our features and strengths as a corporate group. As a company closely connected to the lifestyles of residents along the railway lines, we must respond to consumer needs, and at the same time, we must propose ways of living from a long-term perspective, with a view to the future of society as a whole, including responses to global environmental issues. I think it is an important task to create communities along the railway lines where people can have dreams for the future and can live with peace of mind for years to come.

Expectations for efforts to realize a prosperous society through co-creation

I believe that what the Kintetsu Group should do is to pursue consumer-oriented management. In the past, many companies have conducted monitoring systems to listen to customer opinions as part of their marketing activities, but in order to gain the satisfaction and trust of consumers, we should emphasize two-way communication through honest discussions with consumers. Specifically, through small-group dialogues and all kinds of contact with consumers, consumers and companies should learn more about each other's ideas and discuss until they are satisfied to deepen mutual understanding. Although opinions may sometimes clash, the value lies in the fact that through repeated dialogue, both parties gain new insights, think together about the future of society and true affluence, come up with answers, and work together to create a new prosperous society.

The Kintetsu Group has set forth "Realization of a prosperous society through co-creation" in its medium-term management plan, and I have high expectations for the company to put into practice the consumer-oriented management that I have been emphasizing. In addition, with the accelerating changes of the times, it has become difficult for a single company to address social issues on its own. Therefore, it is essential to cooperate and collaborate with a wide range of stakeholders, including consumers, external companies, and local governments.

As the importance of external directors increases in corporate governance, I will strive to enhance the corporate value of the Kintetsu Group by understanding the importance of their responsibility and fulfilling our mission by contributing to the further vitalization of the Board of Directors.

Strategies of Major Companies

Kintetsu Railway Co., Ltd.

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

Takashi Tsuji Representative Director and President



Business Overview

We possess a total of 501.1 kilometers of track, spanning five prefectures (Osaka, Kyoto, Nara, Mie, and Aichi) in the Kinki and Tokai regions. Those tracks connect some of the area’s major cities, as well as some of Japan’s most special tourist destinations—Kyoto, Nara, and Ise-Shima just to name a few. As well as supporting tourism, we also help millions of customers with their daily lives, taking them to and from work and school. As part of our leisure business, we also run sites such as Shima Spain Village and Ikoma Sanjo Amusement Park. Our work brings excitement and joy to customers in Japan and overseas, including those along the railway lines.

Internal Environment

Strengths

- Trust built up over many years in our operational area and through railway transportation
- Excellent limited express train network
- A treasure trove of tourist destinations, including 5 World Heritage Sites

Issues

- Population along the railway lines declining and aging
- Aging of infrastructure such as vehicles and bridges

External Environment

Main business opportunities and initiatives

Recovery in tourism demand

- Enhance lineup of products and services that respond to demand, such as investing in sightseeing limited expresses train

Holding of the World Expo and opening of the Integrated Resort (IR)

- Capturing demand for transportation from residents along the line and demand from domestic and overseas customers for sightseeing along the railway lines
- Examine running trains directly to Yumeshima for the opening of the IR

Contribution to decarbonized society

- Use trains as a highly efficient, low-environmental-impact means of transport

Main risks and countermeasures

Decline in population along the railway lines, change in lifestyle brought about by the COVID-19 pandemic

- Utilize tourism resources along the railway lines to expand the population of exchange
- Promotion of moving in and settling down by increasing the value of the line

Labor shortages

- Rationalize and systemize tasks for a framework that requires fewer people to manage

Large-scale disasters

- Promotion of earthquake reinforcement and other disaster prevention measures, and development of crisis management systems, including periodic reviews of business continuity plans

New pandemics

- Establish and review business continuity plans that cover infectious diseases
- Reduce the risk of infection by implementing thorough hygiene measures and reducing face-to-face work

Medium- and Long-term Strategies

Future ideal

The railway business will remain at the heart of the Kintetsu Group’s role as a form of sustainable infrastructure that support movement and interaction in the region.

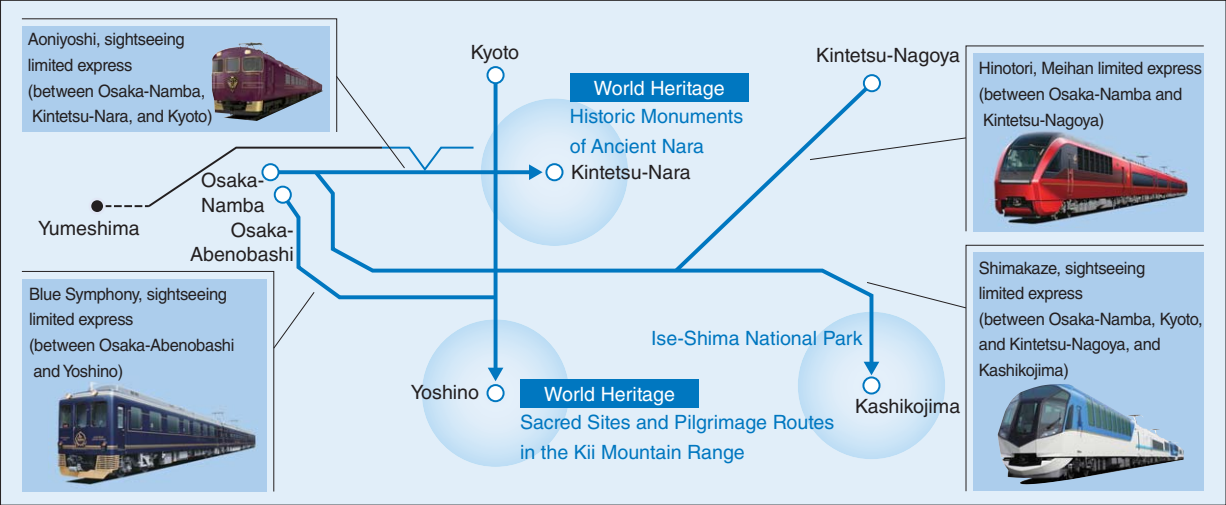
We will flexibly respond to changes in society (declining population, aging society, decentralized society) and continuously provide transportation services that are safe and offer peace of mind.

Create tourism demand by developing attracting train

- ▶ One year on from the Meihan Limited Express Hinotori’s debut

 - In February 2021, we completed introducing all 72 railcars (which form 11 trains)
 - We went for a sense of the special by making a more relaxed travel environment to further stimulate demand
- ▶ In April 2022, we will begin operating a new sightseeing limited express, Aoniyoshi

▶ We are looking into operating a regular direct train service between Yumeshima and tourist attractions on the railway lines



Capturing demand for sightseeing and outings

- ▶ At the moment we are focusing on attracting domestic tourists, including micro-tourism, and we will make preparations when inbound tourism will recover
- ▶ We will promote Mobility as a Service (MaaS) to strengthen ties with secondary transportation methods
- ▶ We are examining introducing dynamic pricing that can respond to varying levels of demand for different seasons, days of the week, times, and destinations

Reforming business management through digital transformation (DX)

- ▶ We will promote station operations that utilize AI, robots, and other digital technologies
- ▶ The use of sensing technologies will allow us to monitor the situation at facilities and in railcars and aid us in maintenance
- ▶ We will formulate sales strategies based on big data findings
- ▶ We will promote research into driverless

Kintetsu Real Estate Co., Ltd.

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

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 area 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.

Internal Environment

Strengths

- Integrated strengths of the group
- Brand power in the Kintetsu Group's operational area
- Varied business expansion as a comprehensive real estate developer

Issues

- Improvement of brand power outside the operational area by expanding business scale and areas
- Acquisition of positive assets in major cities
- Entry into new business sectors

External Environment

Main business opportunities and initiatives

Redevelopment of areas around major Kintetsu stations

- Promote community development that accommodates regional traits and issues

Development of fluidized real estate business using special purpose companies (SPCs), etc.

- Diversify assets and business areas
- Enter into fee-based businesses, such as asset management and property management

Lifestyle diversification

- Make proposals for people's lives—at home, at work, and at play—that cater to changing lifestyles

Main risks and countermeasures

Decreasing demand for homes in the long term as the population declines

- Provide specialized homes, such as residences for the elderly
- Expand bases to offer one-stop solutions for queries about home and daily lives
- Support local communities by providing opportunities for local residents to interact and co-create

Lessening demand for leasing of office buildings or commercial facilities as lifestyles change

- Strengthen leasing capabilities
- Propose and create services that meet new needs

Medium- and Long-term Strategies

Future ideal

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

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

Strengthening the area's appeal

We have established strategic bases in the form of major Kintetsu stations and their immediate vicinities, and by strengthening the connections between these areas we will maximize the appeal of the entire operational area.

We will draw together residents, shops, and offices to develop an area where people can lead rich lives and bring about a positive environment that attracts further revitalization in a virtuous circle.

► **We are using the group's collective strengths and promoting development that takes the region's traits, scale, and issues into account**

- We will create appealing places through the appropriate use of methodologies such as smart cities, eco-cities, and space-efficient cities

► **We will expand our network of "Sumai to Kurashi no Puratto HOME" integrated sales bases to 27 locations along Kintetsu lines**

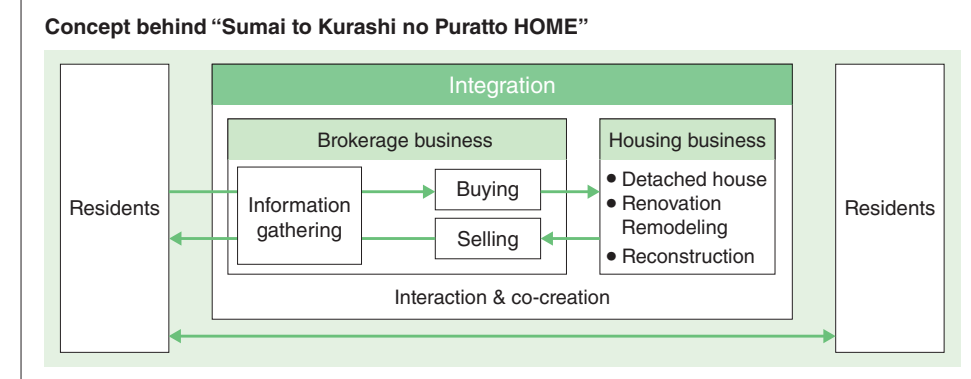
- We will integrate our real estate brokerage and housing businesses to make proposals for new home and daily lives

- We will provide opportunities for local residents to interact and co-create, both in real life and online, and so support local communities, including by promoting member-based communities through Lifestyles-as-a-Service (LaaS)

► **Shift toward becoming an issue-resolution-based business**

- Through our community developments along Kintetsu lines, we have built up the expertise needed to resolve issues in cities and suburbs, and we aim to become a consultancy business that can offer solutions to national issues

- We will expand into the life care business as a response to the aging of society



Challenging ourselves to take on new business sectors

► **Investment in positive assets in Tokyo metropolitan area and major cities via SPCs**

⇒ We will increase the number of properties that we are involved in, and expand opportunities for revenue, particularly through

fee-based businesses such as asset management and property management

► **Promotion of the work vacation project in the Ise-Shima area**

Kintetsu Department Store Co., Ltd.

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

Takuji Akita President



Business Overview

Our main commercial area is established along Kintetsu lines. We currently manage ten department stores: Flagship store Abeno Harukas, Uehommachi, Higashi-osaka, Nara, Kashihara, Ikoma, Wakayama, Kusatsu, Yokkaichi, and Nagoya; together with three commercial facilities: And, Hoop, and Uehommachi YUFURA. While expanding the number of stores we run in the food, home, and service industries — predominantly through franchising such as in the case of our Tokyu Hands, FamilyMart, and SEIJO ISHII stores; we are also working to create new businesses, one example being online stores aimed at domestic and foreign customers.

Internal Environment

Strengths

- Impressive brand recognition and reputation along Kintetsu lines
- Mobilization of refined customers in the area
- Spirit of meticulous hospitality cultivated at our department stores
- A regional hub which connects directly to major cities and train stations

Issues

- Declining of population in rural and suburban areas
- Progress of digitalization
- Changes in values, lifestyles, and behavior

External Environment

Main business opportunities and initiatives

Diversification of customer behavior and lifestyles

- Advance autonomous businesses (franchises, etc.)
- Strengthen online shopping
- Make out-of-store sales functions more customer service-focused

Development of digital technologies

- Establish touch points that allow anyone, from anywhere, to connect at any time
- Build foundations for diverse relationships

Return to key regional cities

- Develop “Town centers” around stores in key regions and suburbs
- Initiatives in the regional co-creation business

Main risks and countermeasures

Extension of the COVID-19 pandemic

- Strive to implement preventive measures for both in-store sales and labor management
- Promote reforms to cost structures

Changes to social and economic circumstances

- Develop a new business model based on the group's medium-term management plan and promoting reforms to the corporate structure and our business portfolio

Disasters

- Put in place a crisis management framework and formulate BCPs

Medium- and Long-term Strategies

Future ideal

We will be a platform for people to lead richer lives.

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

Medium- and long-term target

We will shift to being a co-creative multi-style developer that enriches lives.
We are working to change from “product” provider to “value” provider

Maximizing the appeal of “Harukas Town” in the Abeno and Tennoji area

- ▶ We will make reforms to further strengthen the position of the flagship store Abeno Harukas
- We will develop the store so that it can attract customers from all around the world
- ▶ We will promote the community development business in the Abeno and Tennoji area
- We will advance our community development business on both tangible and intangible fronts through cooperation with neighboring companies and facilities
- ▶ We will endeavor to stimulate inbound tourism demand
- We will attract individual travelers and visitors from South East Asia

Develop “Town centers” around stores in key regions and suburbs

- ▶ Switch to “Town centers” (commercial service facility complexes incorporate urban development functions)
- We will switch to commercial service complexes that incorporate urban development functions which consist of lifestyle function, commercial function, and community function; and form the core of cities and towns in front of our stations
- ▶ Efficiency improvements for our store management systems
- We will transition from just the department store model to become a commercial developer, with a focus on tenants, for low-cost store operations
- ▶ Regional co-creation business initiatives
- We will cooperate with local industrialists, producers, organizations, and governments to co-create new businesses that will revitalize the region

Using the strengths of our department stores to create profitable businesses

- ▶ Advance independent businesses (franchising, etc.)
- Taking on the challenge of franchising
- ⇒ We have launched the first Japanese store of popular Taiwanese miscellaneous goods shop, “Maji Treats(Shinnou Seikatsu)”
- We are working to develop a new retail format by combining multiple franchises with our own food-, home-, and service-based business system
- We aim to grow our businesses by expanding the number of stores in our existing business lines and starting new ones
- ▶ Strengthening of our online shopping business
- Domestic online shopping
- Our online store provides a wide range of daily necessities and other items with gifts, food, and cosmetics being the most popular ones
- International online shopping
- We will strengthen sales via our online shopping site aimed predominantly at Chinese customers, and bolster our business in the B2B market, for example by launching stores on buyer-focused sites
- ▶ Make out-of-store sales functions more customer service-focused

Strengthening functions and foundations for supporting growth

- ▶ Expansion of diverse relationships and convenience through the use of digital technologies
- We will put in place a digital environment that allows customers to order and pay at any time and from anywhere
- We will develop a mechanism by which the rich lineup of products available at our flagship store Abeno Harukas can also be purchased at other stores
- We will introduce one-to-one communication based on histories of customers' behavior

KINTETSU RETAIL HOLDINGS CO., LTD.

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

Shigenobu Oya Representative Director and President



Business Overview

Kintetsu Retailing, a subsidiary of Kintetsu Retail Holdings, and includes a number of businesses, mostly within Kintetsu Railway stations. These include convenience stores, high-quality food supermarkets, gift shops, sundry goods, and other goods shops. We also have a leasing business, various food and drink establishments, and roadside service stations alongside expressways. We have also gone into new business areas such as craft beer. Kinsho Store operate our supermarket business under the brand names Supermarket Kinsho and Harves. In terms of our international business, we set up a joint venture, Kintetsu Restaurant International Co., Ltd. in Taiwan, and opened the eel restaurant Edogawa.

Internal Environment

Strengths	Issues
Kintetsu Retailing - Convenient locations inside train stations - Development of original-brand stores in the restaurant business Kinsho Store - Brand power and trust as part of the Kintetsu Group - High convenience due to location close to or under stations	Kintetsu Retailing - Business expansion limited due to location inside stations - Review of restaurant business during the COVID-19 pandemic Kinsho Store - Aging of customers - Acquisition of support from next generation of customers

External Environment

Main business opportunities and initiatives	Main risks and countermeasures
Advancement of digital technologies - Raise efficiency of register payments, e.g., self-service registers - Form new customer contact points through apps, etc. Changes in lifestyles - Push ahead with launches of craft beer taprooms - Expand restaurant business aimed at solo diners - Fuse real-life stores with online shopping Recovery of tourism demand - Attract demand to goods stores and restaurants at tourist destinations	Decrease in customers, labor shortages, and increased wages due to the declining population Economic recession and deflation Bipolarization of consumption - Raise efficiency of, and rationalize, tasks through reviews and digitalization - Implement labor-saving initiatives by introducing DX - Improve skills through multitasking Changes in lifestyles - Switch to a business line that operates stores that cater to new lifestyles

Medium- and Long-term Strategies

In-station stores and restaurants

Future ideal

We will become a local developer for in-station and station-basement stores.

By making the areas within and underneath train stations more fun and more appealing, we will produce exciting, lively places to visit.

Revitalizing stores within our stations and along Kintetsu lines

- ▶ We will bring about regional revitalization through the discovery, processing, and selling of appealing regional products
- ▶ We will develop systems by which in-station, real-life stores and online shopping sites send customers to one other
- ▶ We will expand the store area within or underneath stations such as Yamato-Saidaiji or Ujiyamada
- ▶ We will develop our station agency business via in-station convenience store staff

Supermarkets

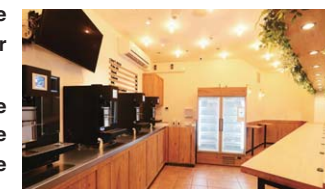
Future ideal

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.

Expanding new businesses and shifting gears to chef-less operations

- ▶ We will develop new sales channels, such as stores with limited staffing and online sales, for the craft beer business
- ▶ We will shift gears for the restaurant business as we move to highly profitable chef-less operations by launching new specialized, limited-menu stores and franchising in the café business



Yamato Craft Beer Switch Kintetsu-Nara Station Store (craft beer store with limited staffing)

From pursuing costs to pursuing value



- ▶ Conventionally, we have appealed to customers who prioritize low costs and loyalty points, but we will develop products under our private brand, Harves Quality, and propose new dishes to appeal to customers who prioritize value
- ▶ We will gather and analyze customer data to create sales areas that connect with customers, and implement one-to-one marketing

Creating personalized shopping experiences that customers will choose

- ▶ We will strengthen our proposal-based sales activities (responding to customer concerns through measures such as daily changing menus)
- ▶ We will strengthen sales support services, such as online and mobile super-markets
- ▶ We will create new customer contact points through mobile phone apps



Example of development at the delicatessen sales point at the Harves Tennoji store

Kintetsu Miyako Hotels International, Inc.

In addition to clarifying service concepts in each of our business categories, we will meet our diverse customers' needs and provide a level of hospitality that exceeds all expectations at excellent facilities.

Takashi Nishimura Representative Director and President



Business Overview

Kintetsu Miyako Hotels International runs Miyako Hotels & Resorts, a chain that contains everything from casual-service hotels in cities to luxury resort hotels. Our 23 hotels, and around 6,200 rooms, provide a wonderful service for our guests in three business categories: Miyako Hotel, which are full-service city-based hotels; Miyako City, which are casual-service hotels; and Miyako Resort full-service resort hotels. Our goal for the future is to be able to pass down tradition and dignity, while always continuing to evolve. Many of our historic hotels are rooted in the region, and going forward we wish to be a hotel chain that customers choose, and to get there we will continue to quickly respond to customers' needs.

Internal Environment

Strengths

- A 130-year-old hospitality tradition
- Numerous hotels rooted in the region, such as The Westin Miyako Kyoto and the Shima Kanko Hotel
- The Miyako brand, which caters to diverse customer needs, from city hotels to luxury hotels

Issues

- Further improving the Miyako brand reputation
- Response to greater use of IT and digital technologies

External Environment

Main business opportunities and initiatives

Recovery in tourism demand

- Cooperate with the region to publicize the excellence of local food and the charm of other tourism resources
- Provide services that are safe and offer peace of mind

Development of digital technologies

- Enhance convenience for customers by using IT to automate existing services
- Updating the member system to improve customer management and increase sales

Changes in lifestyles

- Offer flexible services that adapt to the "new normal," and other lifestyle changes
- Value our legacy of tradition but provide hospitality that always meets the sensibilities of the time

Main risks and countermeasures

Extension of the COVID-19 pandemic

- Strengthen sales of products aimed at the "new normal"
- Reopen the domestic market

Labor shortages

- Promote multiple business styles to produce a system that allows a limited workforce to manage operations and push for greater employee diversity

Intensifying competition

- Apply expertise gained cooperating and collaborating with others in the industry to the entire chain
- Raise the standard of our marketing and sales capabilities to further enhance the Miyako brand



Medium- and Long-term Strategies

Future ideal

We will improve the appeal of the Miyako brand and raise its status as a hotel management company.

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

Strengthening of operational capabilities

► Raise management capabilities to further enhance the Miyako brand image

► Strengthen sales of products aimed at the "new normal"

- Boost sales of afternoon teas
- Expand lineup of takeout and online products
- Shift to co-working spaces in our food reception areas

► Reopen the domestic market

- Bolster sales of long-stay plans and region-specific plans
- Create products aimed at wealthier customers, such as suite plans

Strengthening of marketing and business development capabilities

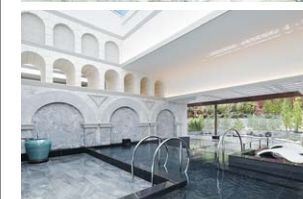
► Through brand collaboration with the world's largest hotel chain, Marriott, we will strengthen our sales capabilities via Marriott's brand recognition and their member organization

Joint-brand projects:

- The Westin Miyako Kyoto
- Sheraton Miyako Hotel Tokyo
- Osaka Marriott Miyako Hotel
- Sheraton Miyako Hotel Osaka

- Through the alliance with Blackstone, which has extensive experience in overseas hotel management, we will accumulate global competitiveness in anticipation of a post-pandemic world. We will also apply the expertise we have gained to all of our hotels and through this raise the standard of our marketing capabilities throughout the entire chain
- In the growth phase of post-pandemic, we will drive new developments at our facilities through assetless management specialized on operations

The Westin Miyako Kyoto reopened after a renovation



Spa Kacho uses natural hot spring waters



SPA lucida at Miyako Hotel Hakata

KNT-CT Holdings Co., Ltd.

We provide safe and reliable travel under our credo that “we will create great encounters and excitements for people all over the world”.

Akimasa Yoneda President & CEO



Business Overview

Our business is operated under 2 brands of Club Tourism (CT) and Kinki Nippon Tourist (KNT).

CT provides individual themed travels which are based on hobbies and preferences. KNT provides dynamic packages that cater to the diverse needs of individual travelers. Also, it operates corporate travel business using specialisms cultivated in MICE and Sports-related businesses, and group travel business, particularly in educational travels and regional exchanges that make the most of regional traits. As a comprehensive travel agency, we provide one-stop solutions that can cover everything from arrangements for individual travelers to group travels and running international conferences.

Internal Environment

Strengths

- Planning and proposal capabilities
- Business networks of educational institutions and corporations
- Membership organization especially for frequent travelers and active seniors
- Supplier network that extends to all over Japan

Issues

- As a comprehensive travel agency, we have developed a full-line and full-specification business which has resulted in the diversification of our management resources
- Insufficient business efficiency and innovations due to slow utilization of IT and DX
- Insufficient collaborations between KNT and CT

External Environment

Main business opportunities and initiatives

Increase in numbers of active seniors

- Responding to the diverse needs of customers with a variety of themed travels based on original planning capabilities

Change in lifestyles

- Appealing to a wide range of age groups by planning products that meet new needs of travels
- Providing various hobby-based services through assorted alliances

New Normal

- Strengthening ties with affiliated institutions to enhance products lineup offered during travels
- Boosting online sales by improving our websites
- Introducing the new type of online customer service system by the new “Travel Avatar Concierges”
- Expanding into the new business markets (through BPO, etc.)

Main risks and countermeasures

Drop in travel demands due to the pandemic

- Developing safe and reliable travel alternatives such as online educational field trips
- Expanding “New-style Tours” by Club Tourism which includes the COVID-19’s countermeasures

IT Securities

- Formulating countermeasures based on the corporate IT security standards, and monitoring all our business operations by them

Natural disasters/Terrorist incidents

- Creating BCPs (Business Continuity Plans) and conducting periodical drills

Medium- and Long-term Strategies

Future ideal

We are the company that to offer enjoyments and excitements in a variety of scenes in everyday life as well as any extraordinary needs.

Through our travel business, we have cultivated proposal-making capabilities, expertise, and networks. And we have organically fused these with various alliances to produce a form of support for people’s lives that offer fun and excitements in everyday life.

Expansion of the Club Tourism business

- ▶ Making the our travel sales up by activating our membership organization which boasts around 7 million members who consist of a wide range of age groups, and by strengthening our product planning ability
- ▶ We have just launched the “New Club 1000” business. It is a lifestyle-related business that makes use of an online platform to bring together people who share the same hobbies and interests, and offer various services. Through alliances with other organizations, we are able to connect like-minded people either through online or offline

Examples of New Club 1000 communities



Train and Railroad Club



Fishing Club

Subscription service called “Club Tourism PASS”



Expansion of corporate travel business

- ▶ Offering one-stop solutions to various demands for new travel styles in the field of corporate travels, such as “workation” and new type of MICE including a hybrid MICE here in Japan and overseas

Improvements of individual travel business

- ▶ Shift from shop sales to any online sales such as the KNT Dynamic Packages
- ▶ Expanding range of products that convey the charms of the regions through collaborations with the KNT-CT Partners Association which includes around 3,800 hotels, public transportations, and other accommodations
- ▶ Developing a new type of online contacts, new “Travel Avatar Concierges” which are able to offer online guidances and supports for travelers, and withdrawing from shop-based systems and promoting DX



Travel Concierges provide smooth customer experience support

Improvement of group travel business

- ▶ We will shift from existing conventional full-line and full-specification sales to the highly specialized and competitive business by offering educational travels, regional exchange programs and other solutions that make the regions be attractive

Supporting Lives Initiatives

Creating a Lifestyle that Anticipates Changes in Values



Kintetsu Ise-Shima Workations

Kintetsu Real Estate, Kintetsu Miyako Hotels International and Kintetsu Railway are working together to examine new ways of living and working, one measure that they introduced in the autumn of 2020 was Kintetsu Ise-Shima Workations at Miyako Resort Okushima Aqua Forest, which required the help of several other companies.

In November 2021, Kintetsu Group began operating Workation Trains with the Raku (Series 20000) train dedicated to groups, so that users could make the most effective use of their travel time. Going forward, the group will continue to strengthen internal collaboration and aims to discover new ways of working.



Cottage at Miyako Resort Okushima Aqua Forest

Teleworking-friendly environments

Kintetsu Real Estate is proposing homes with environments that suit working from home. As well as selling residences in Gakken-Nara-Tomigaoka that come with special teleworking-friendly Kokochi spaces, the company is incorporating teleworking lounges into its new condominium buildings.

Kintetsu Retailing meanwhile, runs the Caffè Ciao Presso Due, which has private rooms, within ABENO HARUKAS.



Caffè Ciao Presso Due

Promoting movement and consumption with startups

In April 2021, Kintetsu Venture Partners invested in KabuK Style, which has developed a subscription accommodation service, HafH (Home away from Home). Between KabuK Style's HafH service and Kintetsu Group's transportation and other services, the two are aiming to respond to a new need—to live and work wherever one wants—that has risen out of changes to lifestyles and ways of working, and to

promote more movement and more consumption in Kintetsu Group's operational area.

Club Tourism PASS

Club Tourism International has collaborated with KDDI Corporation and, in October 2021, they launched Club Tourism PASS, a subscription service that suggests new ways of having fun, including travel, and provides a series of enjoyable services, mainly online but with some offline.

Improved Osaka-Nagoya transportation services

Introduction of the new Meihan limited express Hinotori completed

In February 2021, Kintetsu Railway finished introducing all 11 trains of Hinotori, the new Meihan limited express. The trains provide a luxurious space from which to enjoy the journey, bringing new value to the Nagoya-Osaka route. It also led to an improvement in the limited express service overall, with Hinotori—which stops at very few stations—leaving Osaka-Namba Station for Kintetsu-Nagoya Station on the hour every hour, and the Urban Liner—which stops at all the major stations—departing at half past the hour.



Hinotori



Urban Liner

Meihan limited express Urban Liner enables joint passenger-freight transportation

In cooperation with Fukuyama Transporting Co., Ltd., the Urban Liner began operating joint passenger-freight services in July 2021. This is a new service that can transport daily necessities and other goods between the centers of Osaka and Nagoya on the same day. This makes effective use of free space on an existing train service, raising convenience through same-day, safe and secure deliveries, while resolving issues of driver shortages and helping to reduce CO₂ emissions.



Luggage being loaded

Community Development Initiatives

Energizing Communities by Enhancing the Network



Community development in the Abeno/Tennoji area

Standing 300-meters tall, ABENO HARUKAS is Japan's tallest skyscraper, a multi-story complex that includes a railway station, department store, art museum, offices, a hotel, observatory, and much more. A stone's throw away, Ten-Shiba, the entrance area to Tennoji Park, is a lawn area with restaurants, a hostel, and more besides.

More recently, Kintetsu Department Store Main Store Abeno Harukas began major renovations in 2021. The Kintetsu Group is working with neighboring companies and facilities to further develop the Tennoji area and is pushing forward with community development that brings people together.



ABENO HARUKAS and Ten-Shiba

Making department stores centers of regional co-creation

Kintetsu Department Store has been building up "town centers" around department stores in key regional cities or suburbs as it aims to switch its stores there into combined commercial service facilities that fuse lifestyle, commercial, and community functions. This will allow the company to work on regional co-creation activities and contribute to regional revitalization. In February 2020, Kusatsu Store signed an industrial recovery agreement with Shiga Prefecture, while Kashihara Store concluded a comprehensive partnership agreement with Kashihara City in May 2021.

"Sumai to Kurashi no Puratto HOME" expansion

In April 2021, Kintetsu Real Estate rolled out "Sumai to Kurashi no Puratto HOME", which was opened in Gakuummae as a one-stop provider of lifestyle support and information on real estate brokerage and renovations, to 27 locations along Kintetsu Lines. In conjunction with this, the company is promoting the membership-based community "LaaS" and contributing to building up local communities.



LaaS members' lounge

Mobile supermarket Tokushimaru

For those customers who find it difficult to visit one of its supermarkets, Kinsho Store operates a Tokushimaru, a "mobile supermarket" service that loads up a small van with uses a van to deliver small dishes and daily necessities. It started in Ikoma in 2018, but by October 2021 there were 17 vans in operation in Osaka, Nara, and Kyoto prefectures. For elderly customers who live alone, the service is also a way of keeping an eye on them and making sure that they are all right.



Tokushimaru

Yell Rail—crowdfunding aimed at revitalizing Kintetsu's operational area

In March 2021, ADKINTETSU launched Yell Rail, a purchase-based crowdfunding service. More specifically, Yell Rail is a service that was created with the concept of supporting the area and that offers assistance to projects being run by clients who are facing issues. One example of a project it has helped is Shika Gami, which aims to protect the deer and environment of Nara Park. In the future, it will help various projects to revitalize Kintetsu's operational area.



Yell Rail

Sustainable regional railways

The Kintetsu Group operates a number of local lines that have too few passengers to survive alone. It can run these railways in a sustainable manner through dedicated public-private partnerships that use national systems, while the facilities and railcars belong to local authorities or other bodies. Iga Railway; Yoro Railway; and Yokkaichi Asunarou Railway are the railway business operators and they provide services that remain close to their local areas and helping maintain, and even raise, activity in their towns.

Most recently, in August 2021, Yokkaichi Asunarou Railway received assistance from Yokkaichi City and was able to introduce a transportation IC card system, which allows it to also sell IC commuter passes, and offer the convenience of cashless, contactless payment.



Iga Railway



Yoro Railway



Yokkaichi Asunarou Railway

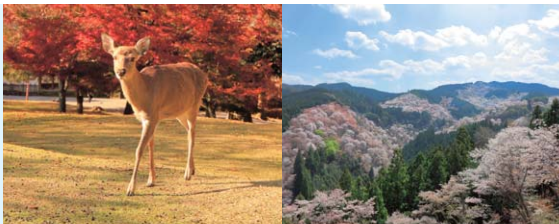
Tourism Initiatives

Enriching People and Communities with Travel



Nara Area

Nara and our operational area have taken center stage in Japan's history, and the area is full of history and culture, home to three UNESCO World Heritage sites and countless national treasures.



Aoniyoshi

The Aoniyoshi service will debut in April 2022 as a sightseeing limited express that directly connects Osaka, Nara, and Kyoto. The aim behind the service is to stimulate demand by proposing travel where the journey is itself the purpose for visitors to Nara and inbound tourists after the pandemic. With the relaxed interior, the moment you step into the railcar it is like being transported back to the Tenpyo era (729–749 CE).



Blue Symphony

The Blue Symphony service is a well-loved sightseeing express that offers a higher-quality, grown-up journey from Osaka to the World Heritage site at Yoshino and the mythical ancient capital of Asuka. In September 2021, Blue Symphony celebrated five years of operation and through a campaign in collaboration with the local area, it plans to help with a boost in tourism.



Revitalizing the Ikoma area

Kintetsu Railway in collaboration with Ikoma City, is using retro-themed regional branding to assist with the revitalization of the area.



The path to Hozan-ji temple



Kinki Cultural Association & Yamato Cultural Association

Kinki Cultural Association

The association aims to promote a love of conserving the area's cultural treasures and raising people's awareness of history, and to that end publishes a journal, Kinki Bunka (Kinki Culture) and holds field trips to historical ruins or ancient shrines and temples.

Yamato Cultural Association

To convey the wonders of the history and culture of Nara-Yamatoji in the Tokyo metropolitan area, the association holds monthly lectures and lectures for the public.

Ise-Shima Area

The area is home to a varied wealth of attractions, including the 2,000-year-old Ise Jingu shrine, picturesque coastal scenery, homeland of cultured pearls and wealthy marine and agricultural products that has led to the region being dubbed "Miket-sukuni."



Ise-Shima Gastronomy

The Shima Kanko Hotel is running the Ise-Shima Gastronomy campaign to protect and support local resources and demonstrate the charms of food produced in Ise-Shima.



Travel assistance that brings together Shima food and railway journeys

In cooperation with Shima City, we are selling discount train travel packages that allow passengers to savor the winter flavors of Shima's food between November 2021 and March 2022. The campaign aims to encourage tourism, local production and consumption, and railway travel, and uses funds from Shima City.



Limited express network

Here we take a look at some of the varied limited expresses that take passengers between Ise-Shima and Osaka, Nagoya, and Kyoto, including the purpose in itself, the Shimakaze sightseeing express, the Ise-Shima Liner, and Vista Car. At Nagoya and Kyoto these connect to the Shinkansen bullet train line.



Shinto Liner

In April 2021, Mie Kotsu Co., Ltd. began operating the Shinto Liner, an articulated bus service that directly connects the two main Naiku and Geku sanctuaries. The limited express schedule allows passengers to ride between the two quickly and in comfort.



Ago Bay Marine Cab

This boat service takes passengers between Kashikojima Port and Miyako Resort Okushima Aqua Forest and offers pleasure cruises around Ago Bay and other cruise activities.



New helicopter service

In collaboration with AirX Inc., we are offering a special set plan that includes direct helicopter flights between Tokyo and Ise-Shima (using a heliport close to Shima Spain Village) and accommodation at Kintetsu Group facilities. In the future, we will consider offering tourism services related to the World Expo and the IR and will work with an eye on the next generation of mobility.



Environmental Initiatives



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

1 Environmental management system

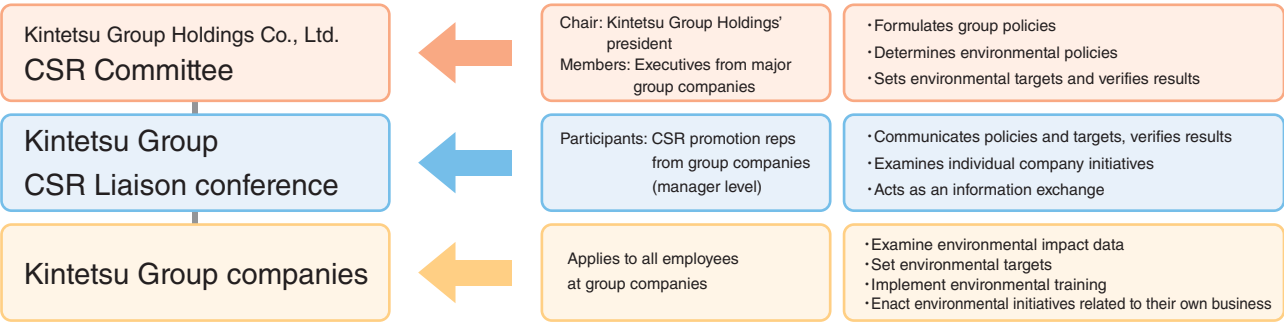
Kintetsu Group Environmental Policy

(Created April 1, 2015)

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

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

The Kintetsu Group’s environmental promotion framework



Status of achievements of Kintetsu Group medium-term environmental targets (FY2016–2020)

Medium-term environmental targets	FY2016 Results	FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Results	FY2020 Targets
1. The Kintetsu Group will aim to achieve a 100% implementation rate for important environmental targets in FY2020. Number of group companies that:						
(1) Set environmental targets	58	58	54	54	54	54
(2) Implemented environmental training	40	47	52	51	48	54
(3) Examined results for energy and resource use	50	54	54	54	54	54
2. The Kintetsu Group will aim to reduce energy and resource use* at group companies in FY2020 by at least 5% compared to FY2015 levels. (*Electricity, water, paper, and other resources) Cut achieved and number of companies	-1% 27	-2% 28	-3% 36	-4% 35	-5% 45	-5% 54
3. The Kintetsu Group will aim to reduce CO ₂ emissions (total and intensity) in FY2020 by 5% compared to FY2015 levels.	Total - 3.1%	Total - 5.0%	Total - 16.6%	Total - 28.4%	Total - 37.1%	Total - 5%
4. The Kintetsu Group will aim to have all group companies operate in an environmentally conscious way with respect to their respective business in FY2020. Number of companies	34	37	42	45	47	47

Kintetsu Group Environmental Targets for FY2021–2030

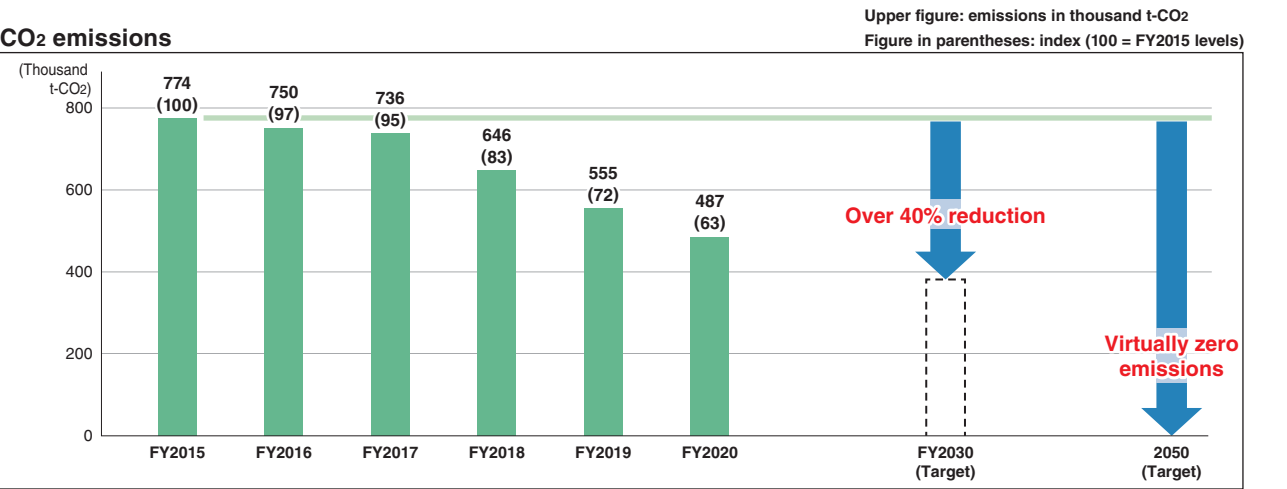
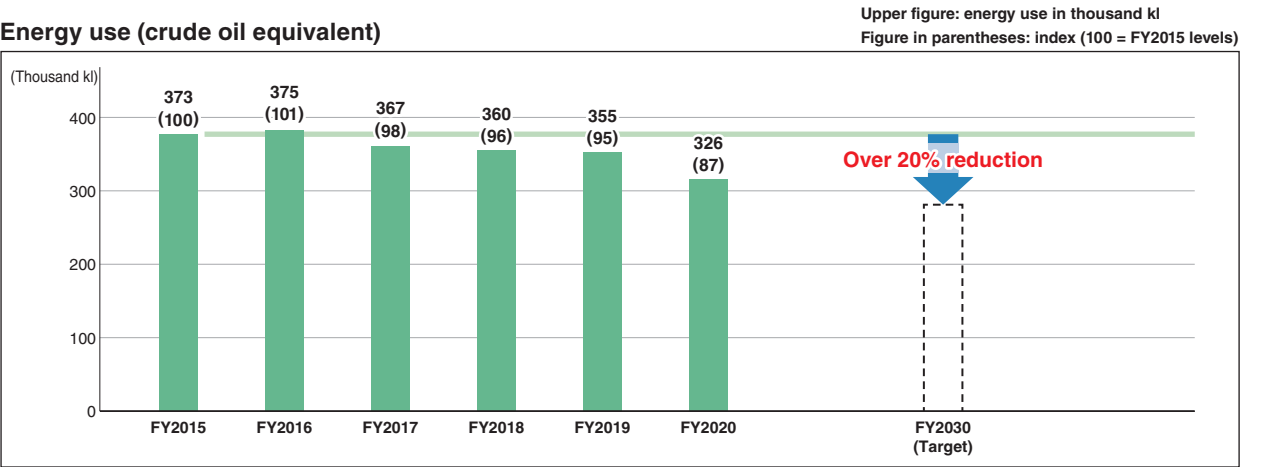
(Created October 2021)

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

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

*Scope of coverage
Clauses 1 and 2 refer to 12 companies with particularly high energy use. The 12 companies are in specific transport industries or specific industries that must make periodic reports under the Energy Conservation Act and their CO₂ emissions makes up 95% or more of total emissions by Kintetsu Group Holdings and all consolidated subsidiaries.
Relevant companies: Kintetsu Railway; Nara Kotsu Bus Lines; Kintetsu Bus; Bocho Bus; Kintetsu Taxi; Kintetsu Real Estate; Kintetsu Miyako Hotels International; Kintetsu Department Store; Kintetsu Retailing; Kinsho Store; Osaka Aquarium Kaiyukan; and Kin-Ei.
Clauses 3 and 4 refer to all consolidated subsidiaries

Energy use and CO₂ emissions: results and future targets



Agreement with the TCFD’s recommendations

In August 2021, we announced our agreement with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Climate change is a major societal issue, and so we conduct business with a focus on ensuring our railway is more energy-efficient and environmentally friendly than those of our competitors. We are also working to further reduce our environmental impact, which will help bring about a decarbonized, recycling-oriented society. We will continue to push forward with analyzing potential climate change scenarios and formulating strategy. As well as disclosing appropriate information via our website or other sources, we will work on groupwide measures that take a long-term perspective toward climate change, and contribute to efforts to achieve the Japanese government's target of a decarbonized society by 2050.



Climate-related strategies

We determine and evaluate risks and opportunities related to climate change for the Kintetsu Group’s major companies. In the future, we will press ahead with scenario forecasting and scenario analysis to evaluate the degree of impact on our businesses.

Risks

●Transition risks (risks associated with the transition to a decarbonized society)	
Measures & regulations	• Potential rise in energy procurement costs with introduction of carbon taxes • Potential rise in costs relating to adhering to regulations, e.g., ZEB (net Zero Energy Buildings)
Market	• Potential rise in energy procurement costs
Reputation	• A delay in implementing environmentally focused business activities could estrange customers
●Physical risks (risks associated with physical changes resulting from climate change)	
Acute	• Large-scale typhoons or rainstorms would lead to railway stoppages, closures for commercial facilities, and cancelled bookings for hotels and travel, leading to decreased sales • Potential rise in repair costs for facilities and equipment that are damaged
Chronic	• Temperature rises could cause passengers to stay at home, decreasing railway sales and sales at commercial facilities, etc. • Potential rise in air-conditioning costs for railcars and office buildings

Opportunities

Resource efficiency increases	• Improved efficiency through technical innovations could lead to reduced costs • Development of energy-saving technologies might result in reduced costs
Products & services	• Potential rise in passengers choosing energy-efficient, low-environmental-impact trains and buses • Potential sustainable business growth and improved income/outgoing balance if authorities logically offer greater support for energy-efficient, low-environmental-impact trains and buses or promote a modal shift • Sales may rise if customers choose environmentally friendly condominiums or houses

Climate-change-related governance

We have established our CSR Committee as a way of developing relationships of trust with all of stakeholders—including customers, regional communities, shareholders, business partners, and employees—and to address societal issues and raise corporate value in the long term. The CSR Committee is chaired by Kintetsu Group Holdings' president and comprises Kintetsu Group Holdings executives and CSR-responsible executives from major group companies. The committee's roles include formulating policy and targets related to environmental protection issues (including climate change) and oversees their implementation. The Board of Directors, meanwhile, is responsible for managing business risks, which include the risk presented by climate change. Important matters, such as investing to strengthen the resilience of infrastructure against climate change risk, are discussed at the individual boards of directors at Kintetsu Railway Co., Ltd. and other companies.

2 Environmental Data

CO2 emissions by business (FY2016–2020)

CO2 emissions by business (total and intensity)

CO2 emissions (total)	Unit	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
(1) Railway	t-CO2	390,000	384,000	380,000	337,000	289,000	266,000
	Index	100	98.5	97.4	86.4	74.1	68.2
(2) Buses, etc.	t-CO2	69,480	68,470	67,120	66,376	63,350	44,710
	Index	100	98.5	96.6	95.5	91.2	64.3
(3) Facilities	t-CO2	314,934	297,765	288,603	242,347	202,174	176,756
	Index	100	94.5	91.6	77.0	64.2	56.1
Total	t-CO2	774,414	750,235	735,723	645,723	554,524	487,466
	Index	100	96.9	95.0	83.4	71.6	62.9

CO2 emissions (intensity)	Unit	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
(1) Railway	t-CO2/Thousand km	1.350	1.339	1.324	1.179	1.000	0.943
	Index	100	99.2	98.1	87.3	74.1	69.9
(2) Buses, etc.	t-CO2/Thousand km	0.726	0.751	0.758	0.754	0.753	0.750
	Index	100	103.4	104.4	103.9	103.7	103.3
(3) Facilities	t-CO2/Thousand km	0.144	0.137	0.136	0.115	0.093	0.081
	Index	100	95.1	94.4	79.9	64.6	56.3

- Covers specific transport industries or specific industries that have particularly high energy use and must make periodic reports under the Energy Conservation Act.
- CO2 emissions figures are those reported by each company to the Ministry of Land, Infrastructure, Transport and Tourism or Ministry of Economy, Trade and Industry.
- “Railway” is the total for Kintetsu Railway.
- “Buses, etc.” is the total for Nara Kotsu Bus Lines; Kintetsu Bus; Bocho Bus; and Kintetsu Taxi.
- “Facilities” is the total for Kintetsu Real Estate; Kintetsu Miyako Hotels International; Kintetsu Department Store; Kinsho Store; Kintetsu Retailing; Osaka Aquarium Kaiyukan; Kin-Ei; and Nara Kotsu Bus Lines.
- The total CO2 emissions for these 12 companies makes up 95% or more of total emissions by Kintetsu Group Holdings and all consolidated subsidiaries.
- “Intensity” is total CO2 emissions per single unit, which varies by industry (m² in the case of floor surface area and km for distance run by railcars, buses, etc.).
- The intensity for “Railway” and “Buses, etc.” is CO2 emissions divided by distance traveled in kilometers. For “Facilities,” emissions are divided by floor surface area in m².

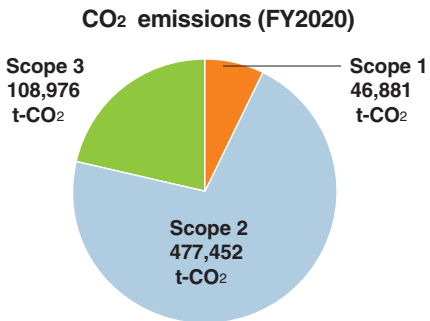
CO2 emissions by scope (FY2016–2020)

The CO2 emissions produced by the Kintetsu Group are split into three categories: Scope 1 (direct emissions from fuel use), Scope 2 (indirect emissions from electricity and other energy usage), and Scope 3 (indirect emissions from supply chains). “Supply chain” refers to the linked processes take a product from manufacture to reaching the consumer: development, procurement, manufacture, transport, and sale. By calculating Scope 3 emissions, a company can ascertain the overall impact of its activities. We have detailed our fiscal 2020 emissions by scope below.

CO2 emissions by scope

	FY2016	FY2017	FY2018	FY2019	FY2020
Scope 1	58,191	59,772	57,884	53,285	46,881
Scope 2	549,181	562,257	551,456	527,586	477,452
Scope 3	64,722	65,019	132,916	156,454	108,976
Total	672,094	687,048	742,256	737,325	633,309

*Total for major group companies



FY2020 energy use and CO2 emissions

Type	Total of the Company and its consolidated subsidiaries (54 companies)	
Electricity	1,117,451	MWh
City gas	16,512	Thousand m³
Propane	579	t
Kerosene	245	kl
Fuel oil	6,839	kl
Gasoline	1,581	kl
Light oil	17,134	kl
Cold water	148,058	GJ
Total (energy)	12,917,016	GJ
Total (CO2 emissions)	468,751	t-CO2

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

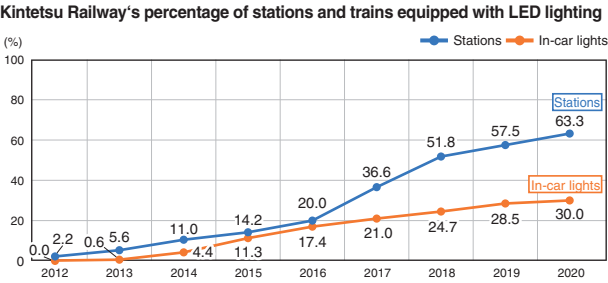
FY2020 waste production

General waste	Total of the Company and its consolidated subsidiaries (21 companies)
General waste	23,039 t

Industrial waste	Total of the Company and its consolidated subsidiaries (21 companies)
Combustion residue	1 t
Sludge	1,078 t
Oil	307 t
Acid	53 t
Alkaline	7 t
Plastic	896 t
Paper	175 t
Wood	4,740 t
Textiles	233 t
Plant waste	6,800 t
Rubber	100 t
Metal	10,908 t
Glass/ceramics	20,745 t
Building waste	35,295 t
Other	795 t
Total	82,134 t

3 Energy-saving and CO₂ Reduction Initiatives

Percentage of stations and trains equipped with LED lighting



Solar power generation

Kintetsu Real Estate Co., Ltd. is running its power generation business from solar power farms in six locations: Iga, Shima, Ise, and Nabari in Mie Prefecture; Oyodo in Nara Prefecture; and Oita in Oita Prefecture. Between them, the six sites produce a total of approx. 33 GWh a year, which is equivalent to the amount used by around 6,800 normal households.

As well as its 28 existing sites—including Ise-Futami Megasolar “Hikari no Machi”—Sanko Real Estate began power generation operations at Tsu Megasolar “Mori no Machi” in October 2020. The company's sites produce approx. 140 GWh, around 38,900 households' worth.

Bus stations belonging to Nara Kotsu Bus Lines Co., Ltd. and Mie Kotsu Co., Ltd., the Sheraton Miyako Hotel Osaka, and other facilities also have solar panels installed.



Ise-Futami Megasolar Hikari no Machi

ZEH-M Oriented certification for Laurel Court Momoyamadai The Residence

In December 2020, Kintetsu Real Estate's condominium building, Laurel Court Momoyamadai The Residence, was the first in the northern part of Osaka Prefecture to receive ZEH-M certification.

This certification recognizes condominium buildings that have massively improved heat insulation and other features, that maintain quality indoor environments through high-efficiency equipment systems, and that try to reduce primary energy consumption for the entire building—including shared areas—by 20% or more. Laurel Court Momoyamadai The Residence was designed to reduce primary energy consumption by a full 28%.

The Japanese government has positioned housing complexes as an integral part of reaching its 2030 targets for ZEH, and so Kintetsu Real Estate will work to gradually promote zero-energy condominium buildings.

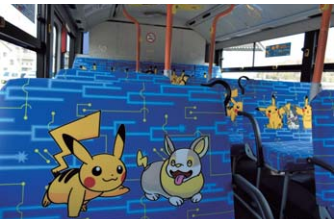
Introduction of electric buses

In August 2021, Kintetsu Bus Co., Ltd. made use of a fund supported by the Ministry of Land, Infrastructure, Transport and Tourism that aims to regional transportation more environmentally friendly, to introduce electric buses. The buses will start operating in the spring of 2022 on two routes: between Osaka-Uehommachi Station and JR Momodani Station, and between Yaenosato Station in Higashi-osaka and Higashiosaka City Medical Center. These bus services are forecast to save around 428 metric tons of CO₂ over the course of the next decade. Furthermore, the buses' batteries can be used as emergency power supplies in the event of a disaster.

Mie Kotsu has been running large-scale electric buses service—which was later rolled out nationwide—in Ise since March 2014, and in March 2020 the buses had a Pokémon makeover inside and out.



An electric bus being introduced by Kintetsu Bus



Interior of a Mie Kotsu electric bus
©2021 Pokémon ©1995-2021, Nintendo/Creatures Inc./Game Freak Inc.

New travel packages make use of environmentally friendly EVs

Kinki Nippon Tourist Metropolitan (now Kinki Nippon Tourist) started selling a new travel package, E Vacation, using electric vehicles (EVs) jointly developed and commercialized with Nissan. During the pandemic, this new style of travel, which allows travelers to avoid crowded places, has proved popular. The company's new package, which uses a car-sharing service developed by Nissan, Nissan e-share mobi, involves stays at traditional Japanese inns and hotels that are equipped with EV charging stations in Kanagawa and Shizuoka prefectures. By using EVs, which produce zero CO₂, the company has created a travel format that is also kind to the environment at tourist destinations.

4 Resource-saving and Recycling Initiatives

Efforts to tackle food loss

In order to reduce food loss, Kintetsu Miyako Hotels International, Inc. is implementing a range of measures throughout the food ordering, cooking, and serving processes, including more precise ordering, making effective use of food scraps left during cooking, and providing more appropriately sized portions.

In May 2020, the company put up posters in all the group's hotels to raise awareness, and will continue to work on creating hotel food environments that delight.

Kinsho Store Co., Ltd. has been collecting leftover food produced during cooking and processing at stores and recycling it as animal feed.

Initiatives to combat food loss are also underway at Kintetsu Department Store Co., Ltd. and Kintetsu Retailing Co., Ltd.

Effective use of food waste as animal feed

At Nifrel, which is run by Osaka Aquarium Kaiyukan Co., Ltd., they have been cooperating with their neighbor in the Expocity complex, Daily Qanat Izumiya LaLaport Expocity, since December 2020, to make effective use of ingredients that don't make it into products to sell by using them as animal feed at Nifrel. As part of Nifrel's environment enrichment activities, staff are giving the animals special foods and toys and finding novel ways to give them food, to stimulate the animals and ensure they lead exciting lives. Being able to give them seasonal foods that vary from their ordinary food plays a part in those efforts.



Hungry ring-tailed lemurs

Sustainability-focused uniforms

The Westin Miyako Kyoto, run by Kintetsu Miyako Hotels International, Inc., updated its staff's uniforms in March 2021. The materials used in the uniforms have been carefully selected: textiles that have been chosen for their minimal economic impact at every stage of the manufacturing processes (raw material selection, dyeing, etc.) and textiles made from recycled plastic bottles or other sustainability-considerate textiles. The uniforms' designs are a fusion of sustainability and traditional culture, with collars and belts featuring braiding and Nishijin brocade, both traditional Kyoto crafts.



Staff wearing the new uniforms

Tidal restoration efforts in Ago Bay

Ago Bay, which lies within the Ise-Shima National Park, has lost around 70% of its tidal flats to land reclamation. Now, as part of community development efforts to create a more productive, more biodiverse coastal region, sea water is being brought into fallow areas as an experiment in how to reintroduce tidal flats.

In 2012, the Ministry of the Environment, from the perspective of coastal scenery and preserving and fostering biodiversity, opened water gates to allow sea water into a fallow area of the Miyako Resort Okushima Aqua Forest site, beginning an initiative to reintroduce tidal flats. The campaign was advanced by cooperation between the Ministry of the Environment, Kintetsu Miyako Hotels International, Inc., members of the fishing industry, and affiliated government bodies and in April 2015, Shima City joined in and efforts are still ongoing on behalf of the Ministry of the Environment.

Since opening the water gates, there have been periodic surveys of the wildlife and environment, and wildlife observation sessions and other nature activities have been put on for local residents and hotel guests.



Looking for wildlife on the tidal flats

Condominium building receives prizes at the Osaka Green Landscape Awards

In January 2021, the Kintetsu Real Estate-run condominium building, Laurel Square Kento The Residence, picked up two awards—the Governor's Award and the Biodiversity Award—at the 14th Osaka Green Landscape Awards, held by the prefectural government. The awards aim to reward initiatives that act as models

for how greenery can improve urban environments within the prefecture and for how greenery can raise the attractiveness of housing complex grounds.



Laurel Square Kento The Residence

Safety and Peace of Mind Initiatives



1 Initiatives in the Railway Business

Safety management system

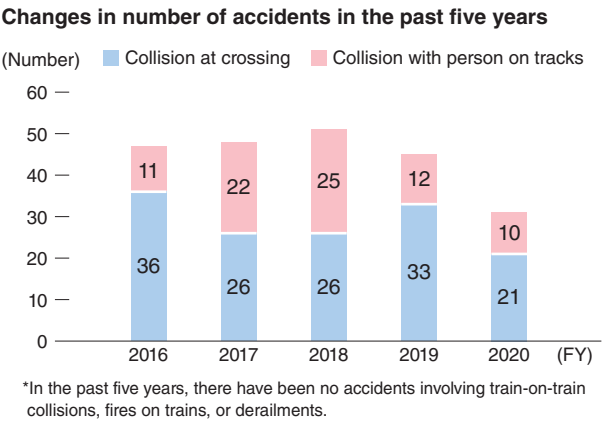
With the aim of improving safety for our transportation services, we have established safety management regulations, which are a clear indication of our basic policy for ensuring safety. We have also set safety supervisors who oversee safety for railways and cable cars, and also defined the roles and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

Safety-related investment: results and future plans

In fiscal 2020, we invested 21.5 billion yen in railway safety-related equipment, and we are carrying out a variety of safety measures, including earthquake-proofing, embankment work, and updating track equipment and railway crossing devices. Similar investment for fiscal 2021 is forecast to total 12.0 billion yen.

(billion yen)						
Results						Plan
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Railway equipment investment	19.7	21.1	24.2	24.2	26.5	16.6
Of that, in safety equipment	14.2	16.1	16.8	18.4	21.5	12.0

Number of railway driving accidents



Station accessibility: results

We are making progress with initiatives such as removing steps from our major stations between the ticket gates and the platforms, and making movement smoother by installing elevators and slopes. We base our efforts on the provisions of the Act on Promotion of Smooth Transportation, etc., of Elderly Persons, Disabled Persons, etc.

Making stations easier to use

Facility or equipment	Number of equipped stations
Wheelchair-accessible toilets	165
Of those, multipurpose toilets	149

*Stations with toilets converted to be wheelchair-accessible: Iga-Kambe, Koboreguchi, Hiratacho, and Edobashi (FY2020)
*Stations with toilets converted to be multipurpose (stoma-friendly): Iga-Kambe, Koboreguchi, Hiratacho, Edobashi, and Iseda (FY2020)

Working to make getting around smoother for wheelchair users and other passengers

Facility or equipment	Number of equipped stations
Elevators	130
Escalators	81

*Of our 280 stations, 251 allow passengers to travel from outside the station to the platform without using steps.
*Stations with elevators: Isuzugawa, Takaminosato, and Iseda (FY2020)

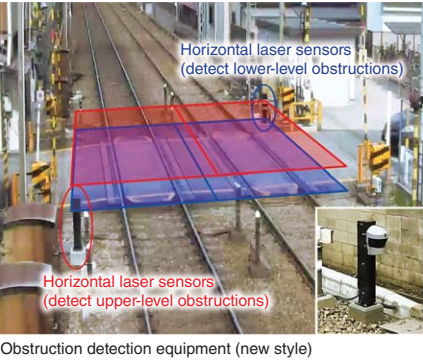
Ensuring safe travel for visually impaired passengers

Facility or equipment	Number of equipped stations
Guidance chimes	130

*We are making progress with the installation of braille stickers guiding passengers to handrails.

Safety measures at railway crossings

As a safety measure at railway crossings, we have installed equipment that detects obstructions caused by stopped or broken-down vehicles, and relays this information to train drivers via signal lights or a wireless safety system. The conventional sensor system could detect objects that passed a straight line between sensors, but the new systems can verify objects on the railway crossing with the lasers projected by its horizontal laser sensors, so it is able to detect items within a larger area.



Obstruction detection equipment (new style)

Main disaster countermeasures

Railway embankments

To prevent landslides at eroded or weathered embankments, we are undertaking systematic improvement works.



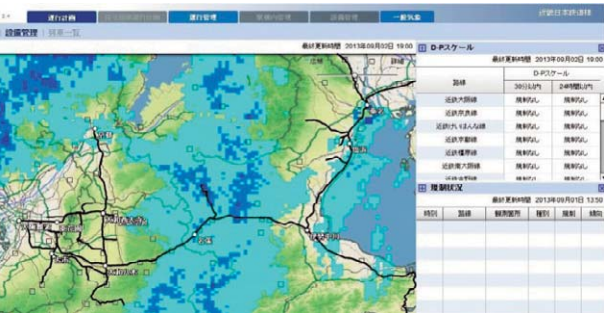
Embankment improvement work

Rainstorm measures

During unusually heavy rain, such as from heavy downpours, we observe river water levels via monitoring cameras to make sure trains operate safely when crossing bridges; where water levels rise dramatically, special driving regulations come into effect. In such ways, we are striving to ensure safe train operations.

Rainfall measurement systems

We put in varying driving regulations depending on the level of rainfall, so as to ensure safety from embankment landslides or similar. To that end, we have installed rainfall measurement devices all along our lines and have introduced a system that can gather other rainfall data and deal with localized heavy rain.



Rainfall measurement system

Anemometers

These devices measure wind direction and speed and their transmitters are located at stations, bridges, elevated sections of track, and other areas subject to powerful gusts. During strong winds, special driving regulations come into effect, and we are working to ensure safe operations for our trains.

Wide-area power outage measures

In the event of a widespread power outage due to a large-scale disaster, we can utilize the storage battery system located at the Higashi Hanazono substation, which would allow us to run trains caught without power in the underground section of the Namba Line or in the Ikoma Tunnel to their nearest station, keeping passengers safe.



Large-scale battery system

Emergency earthquake warning system

We have installed an emergency earthquake warning system, which transmits earthquake reports from the Japan Meteorological Agency (JMA) to trains that are in operation. Information sent from the JMA about the scale and estimated time of the quake—sent seconds or tens of seconds before the earthquake hits—is received in operation control rooms and voice messages are automatically sent to moving trains to minimize damage and injuries.

Improving safety for bridges and station buildings

We are continuously working to earthquake-proof bridges, stations, and infrastructure.

Tsunami countermeasures in Tokai area

To protect customers and staff on lines in Mie and Aichi prefectures should a tsunami strike, we have established evacuation maps based on local authorities' tsunami path and flooding forecasts, and distributed these to train staff. These maps display the locations of public evacuation points and emergency evacuation points that we have designated, as well as their altitudes. We have also placed emergency evacuation guidance signs on our lines to help passengers evacuate smoothly in the event of a tsunami.

BCP (Business Continuity Plan)

To improve our ability to respond to unusual circumstances, we formulate BCP. BCP set out in advance a task priority order, methods, and other measures to return the business to normal operations and aim to effect this as quickly as possible. We have established BCP to first ensure customer safety, but also to advance the recovery of the railway business should something occur.

“Kinmirai Station” initiative makes use of advanced technologies

To respond to diversifying customer needs and forecasts of labor shortages, we are currently examining what we call the “Kinmirai Station” concept, a new way of managing stations using the latest technologies. At Yamato-Saidaiji Station, which is undergoing renovations, we have introduced large-screen multi-displays, and are running verification tests for guide robots that use AI and ticket gate monitoring systems for wheelchair users.



Guide robots use AI and can offer information about trains, station equipment, nearby facilities, and other topics, in four languages.

2 Other Initiatives

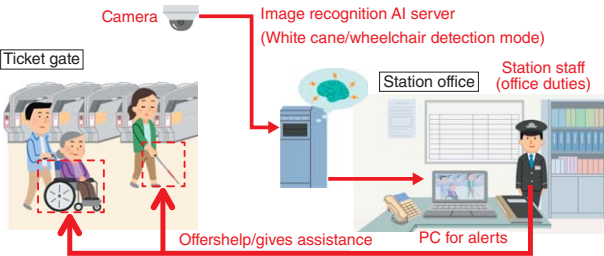
Condominium buildings shared spaces gain teleworking lounges with private booths

Kintetsu Real Estate, in a first for the Tokai region, has introduced 24-hour teleworking lounges with private booths in the shared space of its Laurel Tower Nagoya Sakae condominium building, which was completed in January 2021. During the COVID-19 pandemic, as part of working style reform, many companies are recommending or implementing ways of working that are focused on working from home. Among other things, this working style helps workers to avoid the risk of catching COVID-19, and for those who can't make a space to concentrate on work in their own condominiums, they can make effective use of this work space and time without leaving the building in which they live. Kintetsu Real Estate aims to establish new lifestyles and will be rolling this out to its other condominium buildings.

Ticket gate monitoring system

In June 2020, we introduced a ticket gate monitoring system at Yamato-Saidaiji that utilizes AI and cameras to identify wheelchair users or visually impaired travelers, then sends an alert to station staff.

This makes it easier for staff to identify when customers who might require help come to the station, while busy with other work. Our aim for the system is to help provide customers with a safer, more reassuring experience.



Ticket gate monitoring system

Agreement to build temporary emergency housing in the event of a disaster

As a core Osaka-based member company of the Wooden Home Builders Association of Japan (WHBAJ), in February 2019, Kintetsu Real Estate signed an agreement with Osaka Prefecture to construct and supply temporary emergency housing should a large-scale disaster occur.

If such a disaster should happen, the area affected is predicted to suffer from housing shortages in the immediate aftermath. Due to the need to secure accommodation for victims quickly, the WHBAJ has been concluding agreements with individual prefectures to provide wooden temporary shelters. As well as building these in an emergency, Kintetsu Real Estate has created temporary housing plans, specifications, and distribution plans, and through its participation in disaster preparedness drills and creation of instruction manuals, it is contributing to regional communities.

Quality and safety management initiatives

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

Introduction of new buses fitted with an EDSS

Mie Kotsu, in order to raise safety on its buses, has been steadily introducing buses fitted with an Emergency Driving Stop System (EDSS) since September 2019. Meihan Kintetsu Bus Co., Ltd. has also been introducing buses equipped with the system since March 2019, and in November 2019, it brought in sightseeing buses with EDSS and a lift. We plan to continue systematically introducing buses fitted with EDSS.

*EDSS is an emergency system that can be used if the driver is suddenly unable to continue driving. The system can be triggered by the driver, or a passenger, using the onboard emergency brake switch, at which point the system automatically takes control and gradually brings the bus to a stop.

Agreement with Nagoya City and other local authorities to provide accommodation to support workers in a large-scale disaster

In November 2020, Kinki Nippon Tourist Chubu (now Kinki Nippon Tourist) signed an agreement with Nagoya City to open up accommodation facilities to support workers from Nagoya or other local authorities in the event of a major emergency. In the case of a large-scale earthquake or storm and rain damage, or similar, the agreement promotes cooperation to enhance the city's ability to respond to a disaster by offering or receiving support. The aim is to swiftly and smoothly secure accommodation and methods of getting around for the support workers local authorities dispatch to one another in such cases. KNT Chubu, in the event of an emergency, agreed to quickly begin making hotel reservations and provide rooms either at accommodation facilities with which it has special contracts, or from its own inventory of guest rooms, and to offer support workers means of travel and necessary information.

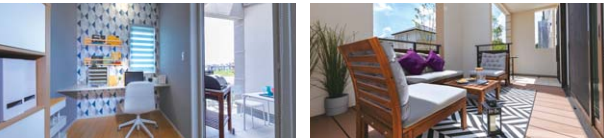
Examples of other agreements

Company	Partner	Agreement
Kinki Nippon Tourist Hokkaido	TEC-FORCE, Hokkaido Regional Development Bureau, MLIT	Agreement concerning cooperation to ensure accommodation for support workers sent to disaster areas swiftly and smoothly
Kinki Nippon Tourist Kanto	Mito City, Ibaraki Prefecture	Agreement concerning ensuring accommodation in a disaster
Kinki Nippon Tourist Chubu	Central Nippon Expressway Company Limited	Agreement concerning cooperation to ensure accommodation in a disaster

*Now all part of Kinki Nippon Tourist

Start of sales for teleworking-friendly homes in Kintetsu’s Gakken-Nara-Tomigaoka residential area

Kintetsu Real Estate has begun selling homes that are geared toward teleworking, one new form of living that has emerged during the pandemic, at residential area in Gakken-Nara-Tomigaoka. Kokochi spaces are comfortable private areas that are designed to complement working from home but can also be used for doing household chores or hobbies, and include private terrace areas and wooden terraces that are perfect for taking tea, house parties, barbecues and the like. Going forward, we will continue to make proposals for ways to live in this new age that meet the needs of customers.



Kokochi spaces

3 COVID-19 Pandemic Countermeasures

The companies that make up the Kintetsu Group place the safety and peace of mind of their customers and employees as their highest priority. In their respective businesses, they are working on measures to prevent the spread of this infectious disease, such as ensuring adequate ventilation and social distancing, and placing sanitizing fluid. Equally, group companies are implementing initiatives to respond to this new way of living.



Osaka Marriott Miyako Hotel lit-up

Supporting the fight against COVID-19

Anti-viral, anti-bacterial coatings

Kintetsu Railway, etc.

From June 2020

We are adding anti-viral, anti-bacterial coatings that continuously reduce and suppress viruses and bacteria to objects that customers come into direct contact with—such as straps, handrails, or seats—as well as air-conditioner filters, toilets, etc.



Miyako Green Guarantee introduced

Kintetsu Miyako Hotels International

October 2020

Kintetsu Miyako Hotels International has introduced the Miyako Green Guarantee, which was established as a new standard for hygiene and disinfection, to all of its hotels.

Its spirit of hospitality remains undimmed, and the company is responding to new lifestyles by maintaining appropriate distances between people and implementing thorough hygiene management, doing all it can to protect the health and safety of customers and employees.



2020

Initiatives catering to new lifestyles

Content to be enjoyed at home streamed

Osaka Aquarium Kaiyukan, Hanazono Kintetsu Liners

March 2020

During the time it was temporarily closed, Osaka Aquarium Kaiyukan has been releasing footage of its animals on its official YouTube channel for people to watch at home. The aquarium broadcast around 60 videos in a project that aimed to make people's lives a little bit brighter by showing them how the animals were getting on.



April 2020

To raise rugby fans' spirits while they are stuck at home, the Hanazono Kintetsu Liners have been streaming their training sessions "Liners Boot Camp" every Saturday on their official Instagram account.



Socially distanced online communications helpdesk launched

Kintetsu Real Estate

May 2020

Kintetsu Real Estate launched a new communications helpdesk to let customers view new properties online from their homes via their phone or internet lines. Customers do not need to download a special app, but can listen to explanations as they look at documents on their computer or smartphone.

The aim of the helpdesk is not only to help reduce the number of face-to-face meetings needed, it can also offer detailed answers to any questions or doubts a customer may have before applying for a home or signing a contract.

Transport of Takeda/Moderna COVID-19 vaccines began

Kintetsu World Express

May 2021

Full-scale exports of the Takeda/Moderna vaccine from Europe to Japan began.

As a forwarding company, Kintetsu World Express undertook all tasks relating to the international transport from there to here.

The company collaborated closely with affiliated companies inside and outside Japan, and developed a system that would allow the speed and safety needed for the strict temperature management and risk management required to transport this vaccine. By providing high-quality international transport services, the company is contributing to bringing the end of the pandemic a little closer.



Home delivery service offered by department store

Kintetsu Department Store

December 2020

Kintetsu Department Store introduced a new pick-and-go service that allows customers to buy foods of a quality unique to our department stores and have them delivered to their homes the same day. This service helps support those who are staying at home and avoiding the Three Cs (closed spaces, crowded places, and close-contact settings) and this is the time it has been introduced in a department store in Kansai. Part one of this initiative involved introducing the system at food counters in the Abeno Harukas store, and we plan to gradually expand the number of counters and product categories.

February 2021

At Kintetsu Department Store Main Store Abeno Harukas, we launched a service that allows customers to place orders on their phones. This new service is not limited to items on the online shop, but any item available to buy in-store; customers can simply use their phones to order and pay for goods from their own homes. Feedback has been positive, with customers saying things like, "The clothes I'd seen on social media and in magazines have arrived, and I'm so pleased with them!" and "I'm not used to shopping online but it was so easy by phone!" A large number of customers who wouldn't normally shop online have been taking advantage.



Vaccinations at workplaces began

Kintetsu Group

June 2021

We started vaccinating Kintetsu Group employees at their workplaces, which covers up to approximately 17,000 people. We began in the city of Nara on June 21, and in Yokkaichi in Mie Prefecture on June 28, and by August we had finished vaccinating 6,000 railway or station staff who wanted to be vaccinated. From August onward, we expanded this initiative to volunteers throughout all group companies.



2021

Bus tours with accommodation and PCR testing included implemented

Club Tourism International

April 2021

Club Tourism International ran a new style of travel developed for this pandemic world: a bus tour that included monitoring and measures to prevent the spread of the disease. For the tour, we trialed four measures, including PCR testing prior to participation and health management reports, for Club Tourism International Inc.'s group travel, and the results of the trial will be used to strengthen safety and peace of mind for future tours.

Club Tourism International has also rolled out Club Tourism New Style, tours set in line with our independent guidelines, which are based on four key pandemic countermeasures: 1) avoiding the Three Cs; 2) minimizing contact; 3) anti-droplet measures; and 4) health management. Since October, we have also been offering packages such as a plan that is only available to those that have been vaccinated twice.



Human Resources Initiatives



1 Human Rights

Basic approach

The Kintetsu Group is supported by the efforts of each and every employee. In order to continuously improve corporate value as our management environment changes to be remarkable, it is important to create an environment in which diverse employees feel motivated to work and continue to play an active role. The Kintetsu Group is committed to creating a workplace where each and every employee, regardless of lifestyle differences, can have peace of mind and fully demonstrate their abilities through its human resource systems and development, and cooperation with related organizations.

Basic policy toward human rights

1. We recognize that it is our corporate responsibility to provide positive workplaces, and a society, where the dignity of the individual is enshrined, and that are fair and free from discrimination. Therefore, we will promote organized, systematic training and practice throughout the entire group with the aim of completely eradicating human rights and social integration issues.
2. We will ensure that all employees are aware of and truly understand human rights and discrimination and put our efforts into initiatives that focus on not committing or allowing discrimination, which show every employee that working on resolving human rights and social integration issues is something they should be doing independently.

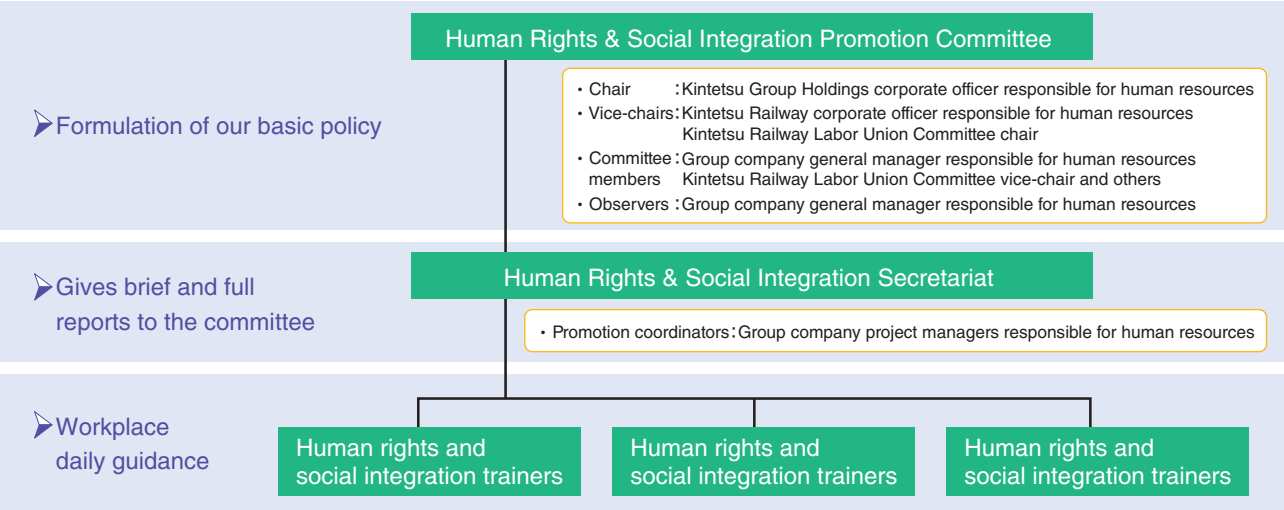
Harassment prevention measures

One clause of the Legal and Ethical Guidelines that Kintetsu Group Holdings and Kintetsu Railway follow, states that, “We will prohibit harassment.” As well as implementing educational activities through legal and ethical training, we explain the different forms harassment can take through materials that we distribute to employees. To deal with queries about harassment, we established legal and ethical helpdesks and, in June 2021, job-hunting harassment helpdesks inside and outside the company. In terms of our harassment training, we started implementing e-learning on sexual harassment in fiscal 2020, and this successfully raise employee knowledge about the subject. Each company has its own Harassment Prevention Subcommittee to discuss developing systems to monitor harassment cases that have occurred and implement measures to prevent them, as well as awareness-raising, training, and other efforts. In these ways, we are strengthening the harassment prevention framework throughout the entire Kintetsu Group.

Human rights enlightenment initiatives

The Human Rights & Social Integration Promotion Committee, which is chaired by the corporate officer responsible for human resources, meets once a year and formulates our basic policy toward human rights and social integration, and promotes efforts to raise awareness of social integration, including of social groups that have been historically discriminated against, and other human rights-related issues. The labor union is also part of this committee, so labor and management are working together to systematically tackle these issues.

Human rights training is not limited to when employees join their companies or are promoted, and corporate officers and managers also receive the training. Each workplace also has a human rights and social integration trainer who has received extra training. We strive to promote training for every single employee and ensure that preventive measures are in place as standard, but also to respond appropriately if a breach should occur. Furthermore, to prepare the group to expand overseas, we are demanding thorough respect for human rights and are focusing on strengthening aware-raising activities related to preventing child and forced labor, including at our business partners.



Human rights education framework

2 Creating a Comfortable Workplace

Creating workplaces where diverse personnel work comfortably

The Kintetsu Group’s management philosophy is to contribute to society through collaboration with diverse people, and we are working to create an environment in which each employee can maximize his or her abilities. The Kintetsu Group is engaged in a wide range of businesses, and the activities of its employees vary widely. Each of the operating companies is promoting the activities of its employees in accordance with their respective challenges.

Policies and initiatives to ensure a good work-life balance

Company	Policy/initiatives
Kintetsu Group Holdings Kintetsu Railway	- Promotion of no-overtime days - Allowing of employees to take annual leave in half-days, expanding of flextime system and enacting of policies that support childcare leave, to support employees in their home and work lives - Managing of work computer logs to ensure appropriate use during work hours - Using of Robot Process Automation (RPA) and other IT to automate routine work - Utilizing of remote conference systems to reduce time spent traveling between different workplaces
Kintetsu Real Estate	- Putting in place of an attendance/absence system, improving of work efficiency, managing of working hours, and implementing of a no-overtime day every Tuesday - Promotion of half-day leave use for annual leave, implementing of systems that promote half-day leave use each month and the use of annual leave in units of one hour, to encourage uptake of leave - Implementing of leave accumulation system without uptake requirements
Kintetsu Miyako Hotels International	For those requiring shorter working hours in order to care for others, the maximum time they can shorten their fixed shifts by has been increased to four hours a day (January 2021)
Kintetsu Department Store	- Establishing of a Dedicated Working Hours Management Committee comprising representatives of the labor union and managers responsible for human resources affairs, as we believe that ensuring working hours are appropriate is a key part of a positive work-life balance. Efforts to improve productivity and prohibit overworking through a variety of initiatives, including amending the working hours management manual and creating educational posters - Implementing of a weekly no-overtime day at each workplace, introducing “anniversary leave”* (two days a year), a system for taking several consecutive days from annual leave to encourage systematic leave usage and, in October each year, a special month to promote leave uptake. Introduction, in October 2020, of a system where employees can take their annual leave in half-days, and general efforts to promote systems that encourage employees to better balance their work and home lives *A new system introduced in March 2017 to replace the conventional “birthday leave” which was one day a year. The new system gives employees two days extra a year that they can take regardless of the reason, so as to promote greater leave uptake. - Shortening of fixed working hours by 10 minutes (42 hours over the course of a whole year) - To develop a working environment that allows employees to balance work and caring for others or coping with injury or illness and to aid the career development of employees, introduction of a short working week system with a fixed three or four days per week (March 2021) - Addition of care-giving and infertility treatment to the reasons employees can take special (savable) paid leave, and change to make it possible to take special leave in one-day units (March 2021)
Kintetsu Retailing	- Launching of the ES Enhancement Project in August 2019, taking on board the results of an employee awareness survey conducted in November 2018. First, distribution of a digest of the survey results to all employees and feedback gained. Holding of ES-focused meetings between December 2019 and March 2020. Implementing of 30 workplace interviews about site operations. Efforts to make improvements and plans for changes to the human resources system in April 2022. - To respond to flexible working styles, introduction in April 2021 of flextime and teleworking systems for head office workers
Kinsho Store	- Systematic allowance for annual leave (five days a year) - Leave can be taken in half-day units - Minimum interval between shift extended from nine hours to ten
KNT-CT Holdings	The goals behind our creation of teleworking guidelines are as follows: - Preventing the spread of COVID-19 (and for business continuity during emergencies) - Improving work efficiency and productivity - Reducing mental and physical burden from commuting - Reducing office costs

Number of employees, female employees, managers, and female managers at major group companies

Total of major group companies					
	FY2016	FY2017	FY2018	FY2019	FY2020
Employees (total)	27,858	27,278	26,731	27,707	26,150
Full-time	14,390	14,525	15,697	15,787	15,485
Contract	862	850	1,048	1,047	875
Part-time	9,466	10,016	9,986	10,873	9,790
Female (total)	11,742	11,763	11,488	12,447	11,500
Female (%)	42.1%	43.1%	43.0%	44.9%	44.0%
Managers	1,764	1,621	1,550	1,547	1,549
Female managers (total)	149	123	121	129	136
Female managers (%)	8.4%	7.6%	7.8%	8.3%	8.8%

*Due to a reorganization of the KNT-CT Group, staff breakdowns for FY2016 and FY2017 are only those for which data could be calculated.

Uptake of leave at major group companies

Total of major group companies					
	FY2016	FY2017	FY2018	FY2019	FY2020
Childcare leave	256	253	283	380	362
Childcare leave user (Male)	0	1	2	4	3
Childcare leave user (Female)	127	127	126	153	144
Paternity leave user	56	166	174	165	172
Maternity leave user	48	57	77	62	58
Shortened-hour working	367	354	250	484	493

*Figures for the number of childcare leave users and paternity/maternity leave users are the totals for only companies where the information is available

Paid leave uptake rate

	FY2016	FY2017	FY2018	FY2019	FY2020
Kintetsu Group Holdings	58.5%	58.1%	55.2%	78.0%	65.3%
Kintetsu Railway	87.8%	90.6%	89.3%	92.6%	88.4%
Kintetsu Real Estate	29.1%	30.0%	35.2%	47.3%	48.7%
Kintetsu Department Store	42.1%	48.7%	56.4%	53.3%	38.5%
Kintetsu Retailing	21.2%	21.9%	21.0%	32.5%	31.2%
Kinsho Store	70.8%	78.0%	76.1%	84.5%	73.0%
Kintetsu Miyako Hotels International	32.5%	33.1%	30.7%	53.7%	31.7%
Kinki Nippon Tourist Corporate Business	52.0%	54.9%	58.9%	73.4%	39.1%
Kinki Nippon Tourist Metropolitan	43.5%	48.5%	45.5%	53.1%	53.1%
Club Tourism International	45.5%	63.4%	57.1%	65.2%	33.4%

Overtime, work-accidents, employees turnover, etc. at major group companies

Overtime at major group companies					
	FY2016	FY2017	FY2018	FY2019	FY2020
Kintetsu Group Holdings	—	12.0	14.2	15.0	12.5
Kintetsu Railway	21.9	21.5	22.3	21.7	16.7
Kintetsu Real Estate	12.9	11.7	11.3	11.0	7.2
Kintetsu Department Store	14.5	14.1	15.1	14.8	10.9
Kintetsu Retailing	3.8	4.8	5.2	5.2	7.6
Kinsho Store	12.0	14.0	14.4	15.0	15.0
Kintetsu Miyako Hotels International	20.6	17.5	16.7	14.8	6.3
KNT-CT Holdings	—	—	—	—	2.6

Number and rate of employees turnover at major group companies

	FY2016	FY2017	FY2018	FY2019	FY2020
Employees turnover	472	424	543	605	473
Kintetsu Group Holdings	2.3%	0.8%	0.8%	1.5%	1.8%
Kintetsu Railway	1.1%	1.0%	1.5%	2.0%	1.7%
Kintetsu Real Estate	3.5%	2.1%	3.0%	3.1%	2.3%
Kintetsu Miyako Hotels International	11.7%	11.2%	12.1%	13.4%	9.3%
Kintetsu Department Store	5.9%	4.2%	6.2%	5.5%	4.5%
Kintetsu Retailing	6.0%	3.7%	5.3%	4.4%	4.5%
Kinsho Store	3.7%	4.1%	4.0%	6.2%	3.3%
KNT-CT Holdings	—	—	—	—	17.0%

*Full-time employees only

Total of major group companies

	FY2016	FY2017	FY2018	FY2019	FY2020
Number of workers involved in work-accidents	198	196	207	217	163
Number of work-related deaths (employees)	1	0	0	0	0
Number of breaches of labor standards	3	3	0	2	2

Employment rate of persons with disabilities

Employment rate of persons with disabilities					
	FY2016	FY2017	FY2018	FY2019	FY2020
Kintetsu Railway	2.17%	2.10%	2.40%	2.47%	2.69%
Kintetsu Real Estate	1.71%	1.92%	1.91%	1.76%	1.71%
Kintetsu Miyako Hotels International	1.84%	1.73%	2.05%	2.08%	2.08%
Kintetsu Department Store	2.07%	2.18%	2.27%	2.33%	2.35%
Kintetsu Retailing	1.40%	1.69%	1.91%	2.13%	2.38%
Kinsho Store	2.53%	2.34%	2.65%	2.98%	2.64%
Kinki Nippon Tourist Corporate Business	1.95%	2.22%	2.29%	2.52%	3.18%
Kinki Nippon Tourist Metropolitan	2.16%	3.50%	2.97%	2.33%	2.42%
Club Tourism International	2.64%	2.62%	2.14%	2.18%	2.04%

*1 Due to a company reorganization, results for FY2016–2017 are those of Kinki Nippon Tourist

*2 Due to a company reorganization, results for FY2016–2017 are those of Kinki Nippon Tourist Individual Tour

Action plans (numerical targets) based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace (FY2016–2020)

Company	Target	Result				
		FY2016	FY2017	FY2018	FY2019	FY2020
Kintetsu Railway	Railway transport divisions: percentage of female hires of 30% or higher	13.0%	26.7%	24.6%	23.5%	21.0%
Kintetsu Real Estate	Percentage of female newly graduated hires of 35% or higher	8.3%	24.0%	21.9%	14.3%	14.3%
Kintetsu Miyako Hotels International	Percentage of female managers of 10% or higher	6.5%	8.6%	8.7%	9.5%	11.3%
Kintetsu Department Store	Percentage of female managers of 8% or higher	5.0%	5.9%	7.8%	8.3%	8.4%
Kintetsu Retailing	Percentage of female managers of 10% or higher	9.5%	10.1%	6.7%	8.7%	7.2%
Kinsho Store	Percentage of female newly graduated hires of 40% or higher	61.4%	34.7%	57.1%	46.7%	41.7%

*Figures for Kintetsu Miyako Hotels International include contract employees.

Action plans (numerical targets) based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace (FY2021–2025)

Company	Targets
Kintetsu Group Holdings	Percentage of female employees to reach 30% or higher of all roles, and paid leave uptake to reach 70% or higher
Kintetsu Railway	Railway transport divisions: percentage of female hires of 30% or higher Railway engineering divisions: percentage of female hires of 5% or higher Childcare leave (including maternity leave) uptake for female employees of 75% or higher, and average maternity leave length of one year or longer Childcare leave (including paternity leave) uptake for male employees of 7% or higher, and average paternity leave length of three months or longer
Kintetsu Real Estate	Percentage of female newly graduated hires of 35% or higher
Kintetsu Department Store	Percentage of female managers of 10% or higher by FY2023
Kintetsu Retailing	Percentage of female managers (supervisor level or above) of 10% or higher Percentage of employees leaving of 4% or lower for both male and female employees
Kinsho Store	Percentage of female newly graduated hires of 40% or higher (FY2019–2021)
Kintetsu Miyako Hotels International	Percentage of female managers (project manager level or above) of 15% or higher Overall average monthly overtime of 15 hours or less Enhanced procedures and systems to enable flexible ways of working
Kinki Nippon Tourist Corporate Business	An average service life in years for female employees that is at least half that of male employees (fifth period; between April 1, 2019 and March 31, 2022)
Club Tourism International	Percentage of female managers of 20% or higher (second period; between April 1, 2019 and March 31, 2022)

Efforts to make better working environments for female employees

Company	Initiatives
Kintetsu Group Holdings Kintetsu Railway	• Implementation of e-learning classes to prevent harassment (sexual harassment, harassment of pregnant women, etc.) for head office departments (August 2020) • Inclusion of information of women's rights in materials designed to raise awareness of human rights that are distributed to employees (April 2021) • Proactive recruitment of female employees and continuing support • Implementation of training, etc., to improve awareness of supervisors at railway worksites
Kintetsu Real Estate	• Target of percentage of female newly graduated hires of 35% or higher, and increase in contact points between existing female employees and female candidates
Kintetsu Miyako Hotels International	• Normalization of teleworking, and formulation of working-from-home regulations
Kintetsu Department Store	• Enhancement of systems related to support working alongside childcare (for more details, please see the “Systems to support working alongside childcare” section on the following page) • Expansion of choices for working hours (seven hours) • Promotion of personnel training programs (increased training open to all and selected training, and expansion of educational curricula for self-development)
Kintetsu Retailing	• Implementation of female participation promotion seminars (awareness-raising seminars for managers to foster an internal environment that supports female participation (particularly in management roles))
Kinsho Store	• Addition to the daycare facility system opened by Kintetsu Group Holdings • Enhancement of systems related to shortened working hours for those working alongside childcare
KNT-CT Holdings	As part of diversity promotion efforts, introduction of a system whereby employees who change their names (through marriage, adoption, etc.) can continue to use their original names if they wish to (for employee registers, email addresses, etc.)

Systems to support working alongside childcare

Company	Initiatives
Kintetsu Group Holdings Kintetsu Railway	- Implementation of measures to smooth the return to work after childcare leave - Extension of shortened working hours program to those caring for children up to the fifth grade of elementary school - Establishing of a system for pre- and post-childbirth leave and childcare leave that goes beyond legal requirements - Establishing of a system to rehire employees who left due to reasons that made it hard to continue to work due to circumstances such as marriage, pregnancy, childbirth, childcare, caregiving, spouse's job-related relocation, or other unavoidable reason
Kintetsu Real Estate	- Shortened working hour system for those caring for children up to school-going age - Creation of a guide to childbirth and childcare procedures and development of a system to raise awareness - Staggered working hours (one hour) to take/collect children to and from daycare/nursery/kindergarten/school up to the fourth grade of elementary school - Announcement of corporate daycare facilities established by Kintetsu Group Holdings
Kintetsu Miyako Hotels International	System whereby employees could take time off to look after unwell children or others was changed from half-day (four-hour) units to single-hour units (from January 1, 2021)
Kintetsu Department Store	- Establishing of pre/post-childbirth leave that is longer than that required by law (two years) - Elimination of an upper limit on the number of times employees can utilize shortened working hour systems - Establishing of a helpdesk for the childcare-related systems - Implementation of seminars on combining childcare with work (twice a year) for those on shortened working hours - Strengthening of corporate information sharing with those on childcare leave (holding gatherings each year) - Paid salary where paternity leave is five days or less to support childcare leave for male employees - Extension of shortened working hours program application window for those caring for children up to the sixth grade of elementary school - Expansion of teleworking system for those on shortened working hours for childcare or caregiving reasons from up to four times a month to up to twice a week (from March 21, 2021)
Kintetsu Retailing	- Extension of shortened working hours program to those caring for children up until they attend elementary school - Addition to daycare facility system opened by Kintetsu Group Holdings for Kintetsu Group employees
KNT-CT Holdings	Enabling of leave for unwell children to be taken in single-hour units, in line with revisions to the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members
Kinsho Store	- Paternity leave of up to five days (from September 2020) - Extension of shortened working hours program to those caring for children up until they attend junior high school

Average length of service in years at major group companies

Kintetsu Group Holdings

	FY2016	FY2017	FY2018	FY2019	FY2020
Male	–	–	20.0	19.5	19.4
Female	–	–	19.0	12.4	13.2

Kintetsu Railway

	FY2016	FY2017	FY2018	FY2019	FY2020
Male	23.4	23.6	24.1	24.4	24.2
Female	9.3	8.7	8.6	8.1	8.0

Kintetsu Real Estate

	FY2016	FY2017	FY2018	FY2019	FY2020
Male	15.4	17.0	17.3	16.8	16.5
Female	18.0	16.4	16.4	17.3	17.6

Kintetsu Miyako Hotels International

	FY2016	FY2017	FY2018	FY2019	FY2020
Male	15.0	13.7	14.4	14.1	12.2
Female	8.1	6.8	7.6	7.3	6.9

Kintetsu Department Store

	FY2016	FY2017	FY2018	FY2019	FY2020
Male	21.9	22.6	23.2	23.6	24.1
Female	16.3	16.8	17.7	18.4	18.8

Kintetsu Retailing

	FY2016	FY2017	FY2018	FY2019	FY2020
Male	6.7	7.3	7.9	8.8	9.3
Female	8.8	8.8	9.2	9.4	9.3

Kinsho Store

	FY2016	FY2017	FY2018	FY2019	FY2020
Male	23.4	22.1	24.0	18.7	18.9
Female	9.4	9.6	12.1	13.2	13.3

Kinki Nippon Tourist Corporate Business

	FY2016	FY2017	FY2018	FY2019	FY2020
Male	21.0	18.8	21.1	21.8	21.9
Female	9.0	8.8	11.1	11.5	10.8

*Due to a company reorganization, results for FY2014–2017 are those of Kinki Nippon Tourist

Kinki Nippon Tourist Metropolitan

	FY2016	FY2017	FY2018	FY2019	FY2020
Male	22.1	19.0	24.0	24.1	24.4
Female	13.1	11.4	13.0	12.6	12.4

*Due to a company reorganization, results for FY2014–2017 are those of Kinki Nippon Tourist Individual Travel

Club Tourism International

	FY2016	FY2017	FY2018	FY2019	FY2020
Male	12.0	12.2	12.0	12.2	12.9
Female	9.0	9.4	9.1	10.2	10.5

3 Recruitment and Training

Recruitment policy

During recruitment, Kintetsu Group Holdings and Kintetsu Railway appoint individuals whose role it is to promote fair recruitment selection and raise awareness of human rights, and conduct hiring that is fair and free from discrimination. Human rights are respected and there is no discrimination based on background, sex, age, sexual orientation, disability, nationality, race, religion, or any other factor.

Number of hires, female employee ratio, newly graduated hires who left, etc.

Total for major group companies

	FY2016	FY2017	FY2018	FY2019	FY2020
Number of hires	3,877	4,707	4,274	4,487	3,057
Newly graduated	424	701	652	746	503
Mid-career/limited-term contracts, etc.	412	639	325	397	205
Part-time	3,041	3,367	3,297	3,344	2,349
Of those, female	2,358	2,843	2,650	2,818	1,888
Female employee ratio	60.8%	60.4%	62.0%	62.8%	61.8%
Newly graduated hires who left	133	129	123	155	107
Proportion of permanent staff who were mid-career hires	5.3%	4.9%	6.2%	6.9%	5.2%
Permanent staff	3,241	3,223	4,502	4,670	4,627
Mid-career hires	172	159	279	322	241

Human resources development and education

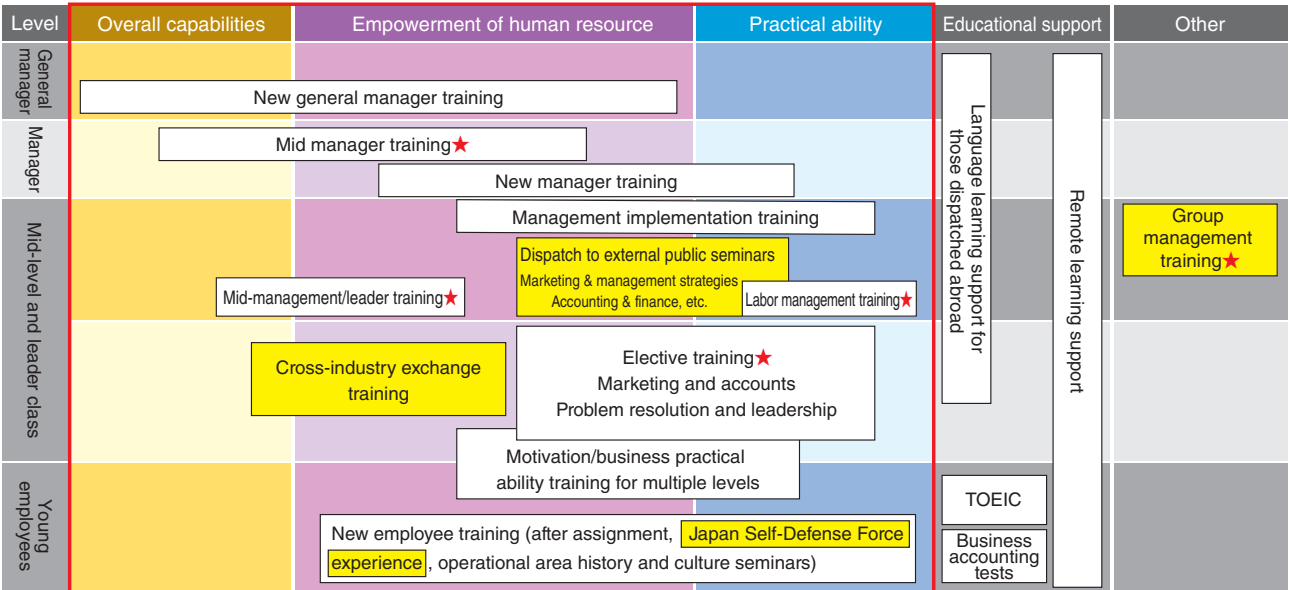
To improve the capabilities of every single employee in the Kintetsu Group, individual group companies systematically carry out employee training. At Kintetsu Group Holdings, with the cultivating of the next generation of executives in mind, we implement training that is specific to different levels, from, new employees through to the department general manager class, with a focus on overall capabilities, resourcefulness, and practical ability. In addition to remote learning, the mid-management/leader class, before promotion to management positions, are provided with opportunities to take seminars from external bodies on an elective basis, aligned with individual topics.

Annual training results and training time for FY2020

Kintetsu Group Holdings: 21 seminars, approx. 870 employees; Kintetsu Railway: 26 seminars, approx. 5,500 employees

Kintetsu Group Holdings: approx. 28,200 hours; Kintetsu Railway: 16,900 hours (excl. training carried out by worksite operation divisions)

Training system framework (FY2020 results) ★Kintetsu Group training ■ denotes FY2020 training canceled due to the pandemic



Initiatives to develop and enhance job role capabilities

Training	
	FY2020
Kintetsu Railway	New employee training, level-specific training
Kintetsu Real Estate	New employee training, level-specific (1, 2, and 3) training, DX-related seminars, harassment prevention training, labor management training, human rights training
Kintetsu Miyako Hotels International	Level-specific training (new employees, new foreign employees, fourth-year employees, newly appointed leaders, newly appointed project managers), management practice, Kintetsu Group joint training (new employees, business seminars, management simulation, labor management)
Kintetsu Department Store	Level-specific training (to gain knowledge and skills needed for qualifications, etc.), role training (for management and supervisory roles), direct customer sales technique training, outside sales technique training
Kintetsu Retailing	Since FY2020, store manager training (labor- and human resources-related procedures, accounting processes, etc.) and labor management training for management roles and above. Implementation of level-specific training from fiscal 2021. Also, K-SUPPORT seminars introduced where necessary.
Kinsho Store	New employee training, level-specific training, division rotation training, basic sales training, complaint handling training, CS training, mental health training, etc.
KNT-CT Holdings	Training followed the FY2020 human resources training program. The original plan was for all training to be collective training but, with the exception of the winter intake of new employees and second-year employees, training was conducted online
Club Tourism International	New employee orientation training, CHIE training (for first-, second-, and fourth-year employees), on-the-job training, promotion candidate training, management role training, accounting training, labor training, travel itinerary management training, tour guide practical training, career development training, flow workshop training, leadership training, etc.

Self-development support

	FY2020
Kintetsu Railway	Grant system for completing company-designated remote learning courses and qualifications from certification exams
Kintetsu Real Estate	Qualification acquisition grant: assists employees and others in their independent studies, and to help them improve their abilities we supply a set grant for each qualification for those who acquire them Qualification acquisition training system: assistance with tuition fees or work exemptions for those taking exams to become 1st-class architects, real estate appraiser, or licensed electrical engineer
Kintetsu Miyako Hotels International	Qualification exam fee support system (exam fees for designated qualifications are paid), remote learning tuition fee support system (half the tuition fees for completing designated courses are paid)
Kintetsu Department Store	Support for tuition fees, including for remote training, e-learning, external seminars, Globis Management School, English studies, etc.
Kintetsu Retailing	Employees who complete remote learning courses can receive a grant (50–90%). Employees who acquire qualifications (designated by the company) can have their exam fees paid
Kinsho Store	Employees who complete remote learning courses (designated by the company) can receive a grant (50–90%)
KNT-CT Holdings	For remote learning courses held twice a year (July and December), acquisition of a national qualification (as a Certified General Travel Services Manager), or other specialism (area specialist, cruise consultant, Test of World Heritage Studies), a grant is paid for those who are successful (excl. some group companies)
Club Tourism International	Complete e-learning library, external dispatch training with open applications, job challenge system (capability development through other concurrent roles within the company), skilling-up leave system, etc.

Mentor system

	FY2020
Kintetsu Railway	For new employees
Kintetsu Real Estate	For new employees
Kintetsu Miyako Hotels International	For new employees
Club Tourism International	For new employees

Career development consulting system

	FY2020
Kintetsu Real Estate	Rehiring support for retired employees
Kintetsu Department Store	Self-reporting system Career development training (canceled in FY2020)

Internal qualification test systems

	FY2020
Kintetsu Department Store	Internal sales qualification system (Support for acquiring qualifications, focused on sales techniques/ knowledge)
Club Tourism International	Media presentation qualification test

4 Health

Our health and productivity management declaration

The Kintetsu Group aims to improve the health of its employees and so actively works on health and productivity management. In September 2021, to further promote it, we formulated the Kintetsu Group Health & Productivity Management Declaration to embody our policy on the subject.

Kintetsu Group Health & Productivity Management Declaration (created September 2021)

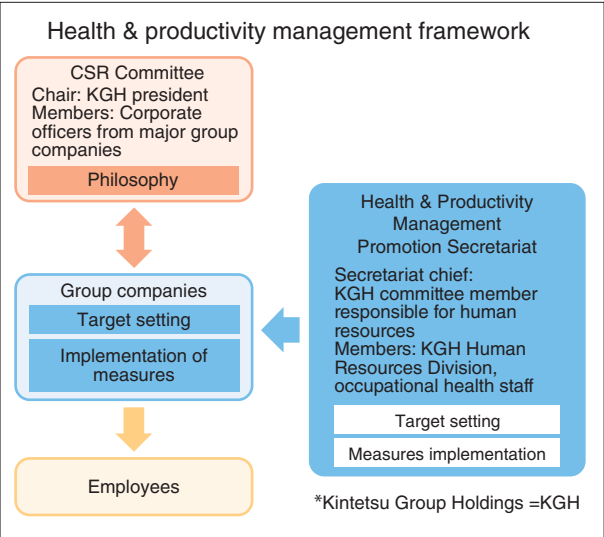
The Kintetsu Group will:
Recognize that the mental and physical health of its employees is the basis of its business, and so it actively strives to maintain and improve that health as an important management issue.
Contribute to society by creating new value, by ensuring employees can play active roles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

Health and productivity management framework

To promote health and productivity management, we established a health and productivity management framework that has the CSR Committee—chaired by the Kintetsu Group Holdings president—at its heart.

From fiscal 2022 onwards, the CSR Committee is scheduled to set the Kintetsu Group Health Targets.

To work towards achieving those targets, each group company will cooperate with the Health & Productivity Management Promotion Secretariat, which is staffed by occupational health workers with specialist expertise, to enact various measures and strive to improve employee health.



Main policies to improve health maintenance

At Kintetsu Group Holdings and Kintetsu Railway the following measures are being put into practice to enhance employee health management.

Mental health measures

As well as holding regular mental health training seminars, we introduced an external employee assistance program (EAP) to deal with employee queries and in addition to mental health consultations with occupational health doctors, we established a mental health helpdesk staffed by public health nurses. We have listened to employee feedback and the result is a framework that can respond appropriately. We also set up a counseling room within the Health & Productivity Management Center for an environment where employees can easily consult someone.

Our annual stress checks cover all workplaces, and in fiscal 2020, 99.5% of employees were checked. From these findings, we are offering interviews for those with high stress levels and improving working environments.

The percentage of those who had high stress levels in fiscal 2020 was 3.5%, a slight decrease from 4.2% in fiscal 2019. Going forward, we will continue working to create positive, open workplaces where every employee can work in a lively way.

Anti-smoking measures

We continuously promote initiatives such as guidance from occupational health doctors, no-smoking days and times, etc.

In fiscal 2020, public health nurses toured individual workplaces, and we reviewed smoking areas to develop appropriate smoking environments, but also create anti-smoking posters and put them where smokers would see them. Also, 131 employees (including non-smokers) attended seminars given by public health nurses. In collaboration with Kintetsu Railway's health insurance association, we jointly promoted an online anti-smoking program, in which approx. 100 employees took part. We also present annual awards to those workplaces whose efforts to minimize smoking are particularly good, which boost employee motivation to make a positive change.

With lowering the proportion of employees who smoke, we have heard from ex-smokers that giving up has improved their health and made them more aware of their health. The effects of these efforts will likely be seen in health check results in the future. The proportion of smokers in fiscal 2020 was 11.5% and we are continuously working to discourage the habit with the aim of reducing that to 10% by fiscal 2022.



A public health nurse gives a seminar on the dangers of smoking

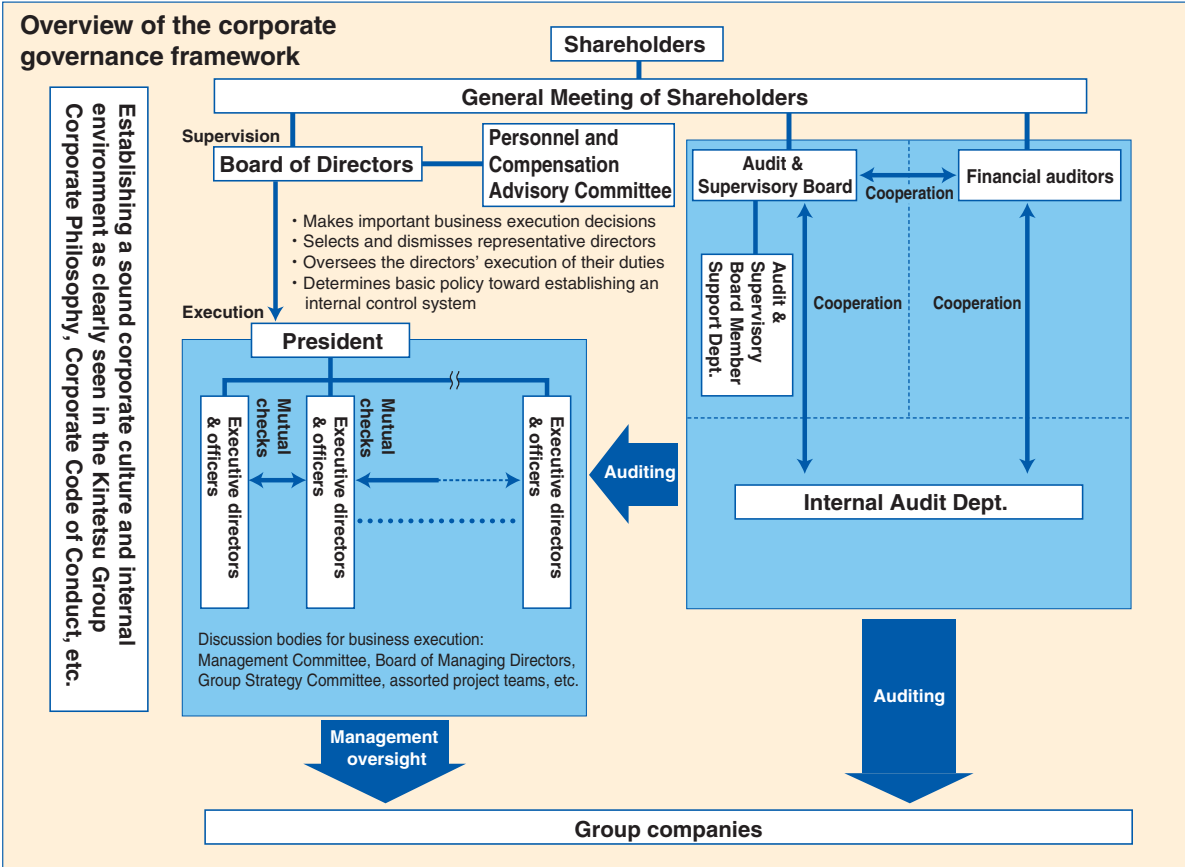
Governance Initiatives



1 Corporate Governance

Corporate governance framework

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



(As of June 2021)

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.

Directors

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

Board of Directors

The Board of Directors is chaired by KGH's 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.

In fiscal 2020, the Board of Directors met 10 times. Attendance for the external directors was as follows: Kunie Okamoto 10/10 (100%); Ryuichi Murata 9/10 (90%); and Masanori Yanagi 9/10 (90%).

To appraise its own effectiveness, the Board of Directors evaluates all directors and Audit & Supervisory Board members, and the findings are analyzed and assessed by the board. Summaries of the results are disclosed in corporate governance reports.

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—KGH's chairman and president, as well as four independent external directors—and meets at least once a year.

Audit & Supervisory Board members

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

Audit & Supervisory Board

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

In fiscal 2020, the Audit & Supervisory Board met 13 times. Attendance for the external members was as follows: Masahiro Maeda 13/13 (100%); Kazumi Suzuki 13/13 (100%); and Toshiko Katayama 9/10 (90%).

External directors' independence

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

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

Remuneration for directors and Audit & Supervisory Board members

Directorial remuneration 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.

The amount of remuneration given to individual officers is disclosed in securities reports.

2 Compliance

Legal and ethical compliance framework

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

In terms of our internal framework, in addition to establishing the CSR Committee, we have also placed legal and ethical standards managers and reps in each department.

We have established compliance frameworks in our group companies and are promoting appropriate corporate behavior.

Legal and Ethical Guidelines

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

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

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

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

Education and training

To raise awareness of compliance among every employee, from top to bottom, we continuously conduct educational and training activities through a variety of opportunities, such as new-employee orientation.

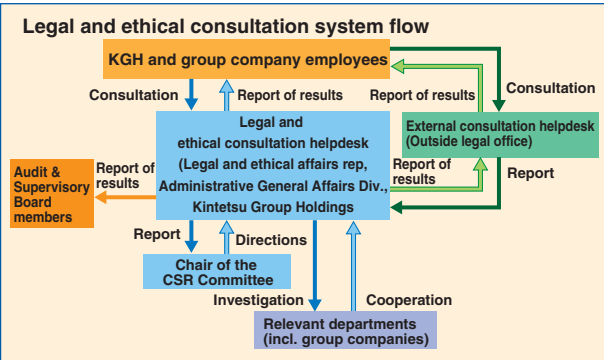
Furthermore, to raise groupwide awareness, we provide training materials to group companies as a way of supporting their legal and ethical training. We also work to prevent scandals by holding on-site training at other group companies to conduct discussions that consider individual companies’ businesses and needs, and to exchange

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 a contracted legal office) legal and ethical consultation helpdesks. The helpdesks can handle reports and queries from KGH employees and employees from 63 group companies in the transportation, real estate, hotel and leisure, logistics, and other fields.

To make the system 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 appropriately.



(As of April 2021)

specific case studies.

In fiscal 2020, we provided training materials to 63 group companies twice and went on on-site training at 12 group companies.



Employees receiving training

3 Risk Management

Regulations and other frameworks concerning loss risk management

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

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

Basic risk management policy

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

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

Kintetsu Group’s basic information security policy

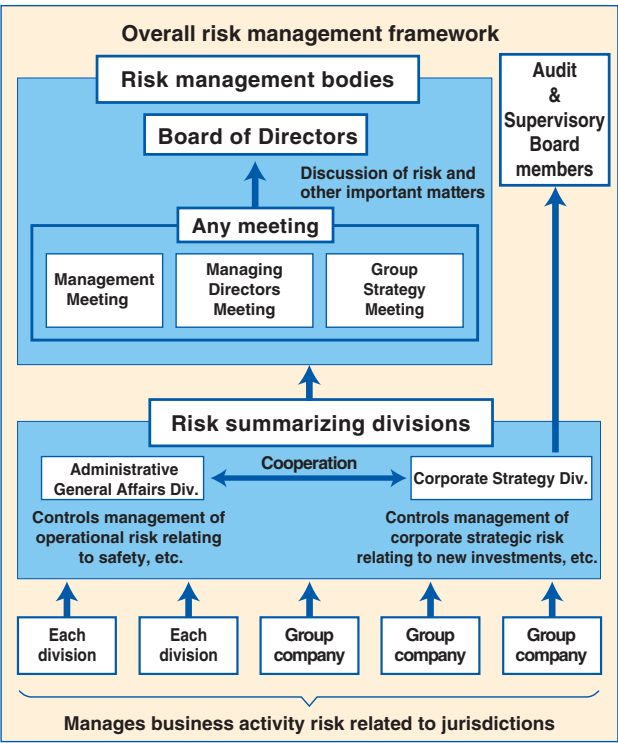
As our reliance on IT in our corporate activities has grown, so has the importance of information security measures. Therefore, to maintain a necessary information security standard, KGH and its subsidiaries have, as a group, have compiled fundamental principles that should be complied with throughout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

Business continuity plans

With the aim of improving our ability to respond to extraordinary circumstances, we formulate business continuity plans (BCPs). These plans set out in advance a task priority order, methods, and other measures to return the business to normal operations and aim to effect this as quickly as possible.

Regulations for dealing with extraordinary circumstances

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.



(As of June 2021)

Highest BCM rating rank from the DBJ

In March 2021, we received the highest-rank Business Continuity Management (BCM) rating from the Development Bank of Japan (DBJ) for the ninth 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.



In March 2021, we received the highest-rank BCM rating from the DBJ, and the rating’s findings praised us in particular for our efforts in regards to business continuity.

Corporate Officers



External Audit & Supervisory Board Member	External Audit & Supervisory Board Member	External Audit & Supervisory Board Member
Michiko Inoue	Kazumi Suzuki	Masahiro Maeda

External Director	External Director	External Director	External Director
Toshiko Katayama	Masanori Yanagi	Ryuichi Murata	Kunie Okamoto

Director, Senior Managing Executive Officer	Director, Managing Executive Officer	Director, Managing Executive Officer	Audit & Supervisory Board Member	Audit & Supervisory Board Member
Takashi Wakai	Shiro Hara	Nobu Hayashi	Hirohisa Tabuchi	Hitoshi Tada

Representative Director, Chairman of the Board and Group CEO	Representative Director, President	Representative Director, Senior Executive Vice President	Director, Senior Managing Executive Officer	Director, Senior Managing Executive Officer
Tetsuya Kobayashi	Toshihide Ogura	Yoshihiro Yasumoto	Masaaki Shirakawa	Hiroyuki Murai

Corporate Officer Profiles (as of September 30, 2021)

Directors



Tetsuya Kobayashi

Chairman of the Board and Group CEO
(Representative Director)

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

Important positions concurrently held

Director, The Kansai Electric Power
Company Incorporated



Toshihide Ogura

President
(Representative Director)

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



Yoshihiro Yasumoto

Senior Executive Vice President
(Representative Director)

**Responsibilities: Corporate
Strategy Div. and Accounting Div.**

Apr.1978 Joined the Company
Jun.2009 Officer, the Company
Jun.2012 Director, Managing Executive
Officer, the Company
Jun.2015 Director, Senior Managing
Executive Officer, the Company
Jun.2020 Senior Executive Vice President,
the Company (present position)



Masaaki Shirakawa

Director, Senior Managing
Executive Officer

**Responsibilities:
Business Strategy Div.**

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



Hirohisa Tabuchi

Audit & Supervisory Board Member
(full-time)

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



Hitoshi Tada

Audit & Supervisory Board Member
(full-time)

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



Masahiro Maeda

External Audit & Supervisory
Board Member

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



Kazumi Suzuki

External Audit & Supervisory
Board Member

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

Important positions concurrently held

Director, Nozaki Insatsu Shigyo Co., Ltd.



Hiroyuki Murai

Director, Senior Managing
Executive Officer

**Responsibilities: Administrative
General Affairs Div. and Audit Div.**

Apr.1982 Joined the Company
Jun.2016 Director, Managing Executive
Officer, the Company
Jun.2020 Director, Senior Managing
Executive Officer, the Company
(present position)



Takashi Wakai

Director, Senior Managing
Executive Officer

**Responsibilities:
Corporate Strategy Div.**

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



Shiro Hara

Director,
Managing Executive Officer

**Responsibilities:
Corporate Resources Div.**

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



Nobu Hayashi

Director,
Managing Executive Officer

Responsibilities: Secretarial Div.

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



Michiko Inoue

External Audit & Supervisory
Board Member

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)



Kunie Okamoto

External Director

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

Important positions concurrently held

Director, Hotel Okura Co., Ltd.



Ryuichi Murata

External Director

Apr.1971 Joined The Mitsubishi Bank, Ltd.
May 2006 Deputy President, The Bank of
Tokyo-Mitsubishi UFJ, Ltd.
Jun.2009 Deputy President, Mitsubishi UFJ
Lease & Finance Company
Limited
Jun.2010 President, Mitsubishi UFJ Lease
& Finance Company Limited
Jun.2012 Chairman, Mitsubishi UFJ Lease
& Finance Company Limited
Jun.2017 External Director,
the Company (present position)
Jun.2017 Advisor, Mitsubishi UFJ Lease
& Finance Company Limited
(currently Mitsubishi HC
Capital Inc.)
Jul.2018 Senior Advisor, Mitsubishi UFJ
Lease & Finance Company
Limited (present position)

Important positions concurrently held

Director, Eisai Co., Ltd.



Masanori Yanagi

External Director

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

Important positions concurrently held

Director, Fukoku Mutual Life
Insurance Company

Director, Tobu Railway Co., Ltd.

Director, Sumitomo Mitsui Trust
Holdings, Inc.



Toshiko Katayama

External Director

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

Audit & Supervisory Board Members



Hirohisa Tabuchi

Audit & Supervisory Board Member
(full-time)

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



Hitoshi Tada

Audit & Supervisory Board Member
(full-time)

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



Masahiro Maeda

External Audit & Supervisory
Board Member

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



Kazumi Suzuki

External Audit & Supervisory
Board Member

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

Important positions concurrently held

Director, Nozaki Insatsu Shigyo Co., Ltd.

Group Officers

Takashi Tsuji

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

Takahisa Kurahashi

(Representative Director and President,
Kintetsu Real Estate Co., Ltd.)

Takashi Nishimura

(Representative Director and President,
Kintetsu Miyako Hotels International, Inc.)

Officers

Akio Hata

(Responsibilities: Audit Div.)

Makoto Nakakita

(Responsibilities: Business Strategy Div.,
Tokyo Office, and Taipei Office)

Fumio Hagihara

(Responsibilities: Public Relations Div.)

Michiyasu Masuda

(Responsibilities: Secretarial Div., Corporate
Strategy Div., and Business Strategy Div.)

Financial Data

1. Summary of business results

	FY2016	FY2017	FY2018	FY2019	Millions of yen FY2020
Operating results					
Operating revenue	1,204,867	1,222,779	1,236,905	1,194,244	697,203
Operating profit (loss)	64,828	64,643	67,779	49,380	(62,115)
Ordinary profit (loss)	56,689	61,323	67,129	47,224	(41,959)
Profit (loss) attributable to owners of parent	26,247	29,614	35,962	20,561	(60,187)
Depreciation	53,278	52,538	52,196	53,924	54,779
Capital expenditures	45,555	54,057	78,229	68,907	55,207
EBITDA (operating profit + depreciation)	118,107	117,182	119,975	103,304	(7,336)
Cash flows					
Cash flows from operating activities	84,816	88,798	102,319	58,266	(25,470)
Cash flows from investing activities	(41,343)	(50,796)	(64,148)	(57,440)	(46,013)
Cash flows from financing activities	(47,445)	(36,891)	(38,905)	(12,952)	107,897
Cash and cash equivalents at end of period	51,914	52,763	52,089	39,787	76,321
Financial position					
Total assets	1,912,931	1,914,480	1,936,417	1,891,300	1,955,048
Equity	338,531	366,410	382,266	376,978	320,595
Retained earnings	55,848	75,734	102,039	110,288	40,829
Interest-bearing debt	1,099,224	1,080,230	1,055,904	1,058,274	1,182,219
Borrowings	775,704	769,150	736,264	713,774	792,571
Bonds payable	323,520	311,080	319,640	340,500	344,648
Commercial papers	-	-	-	4,000	45,000
Financial indicators					
Operating profit to revenue from operations (%)	5.4	5.3	5.5	4.1	(8.9)
Ordinary profit to total assets (%)	2.9	3.2	3.5	2.5	(2.2)
Profit to equity (%)	7.9	8.4	9.6	5.4	(17.3)
Equity ratio (%)	17.7	19.1	19.7	19.9	16.4
Ratio of interest-bearing debt to EBITDA (times)	9.3	9.2	8.8	10.2	-
Per share information (yen)					
Earnings per share (yen)	13.80	155.74	189.17	108.16	(316.62)
Net assets per share (yen)	178.02	1,927.22	2,010.87	1,983.12	1,686.55
Dividends per share (yen)	5.00	50.00	50.00	50.00	50.00
Other					
Issued shares (thousands of shares)	1,906,620	190,662	190,662	190,662	190,662
Consolidated subsidiaries (companies)	81	85	82	81	80

Note 1: The Group conducted a 1-for-10 reverse stock split with an effective date of 1st October 2017.

Note 2: “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Corporate Accounting Standard No.28) have been applied for FY2017 and thereafter.

2. Consolidated financial statements

	FY2016	FY2017	FY2018	FY2019	Millions of yen FY2020
1.Consolidated balance sheets					
Assets					
Current assets	298,431	282,328	289,716	257,302	331,123
Non-current assets	1,612,378	1,628,999	1,643,828	1,631,014	1,621,243
Property,plant and equipment	1,406,486	1,394,508	1,407,403	1,404,868	1,358,710
Intangible assets	11,819	11,912	15,755	17,227	14,963
Investments and other assets	194,073	222,578	220,669	208,918	247,568
Deferred assets	2,120	3,152	2,873	2,983	2,681
Total assets	1,912,931	1,914,480	1,936,417	1,891,300	1,955,048
Liabilities					
Current liabilities	648,943	559,904	576,515	516,707	585,804
Non-current liabilities	897,804	960,337	946,851	969,296	1,030,748
Total liabilities	1,546,747	1,520,242	1,523,367	1,486,004	1,616,553
Net assets					
Shareholders' equity	242,741	262,829	289,027	297,241	227,766
Share capital	126,476	126,476	126,476	126,476	126,476
Capital surplus	61,475	61,866	61,865	61,877	61,884
Retained earnings	55,848	75,734	102,039	110,288	40,829
Treasury shares	(1,059)	(1,248)	(1,353)	(1,401)	(1,424)
Accumulated other comprehensive income	95,790	103,581	93,238	79,737	92,829
Non-controlling interests	27,651	27,828	30,784	28,317	17,899
Total net assets	366,183	394,238	413,050	405,295	338,494
Total liabilities and net assets	1,912,931	1,914,480	1,936,417	1,891,300	1,955,048
Note: “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Corporate Accounting Standard No.28) have been applied for FY2017 and thereafter.					
2.Consolidated statements of income					
Operating revenue	1,204,867	1,222,779	1,236,905	1,194,244	697,203
Operating expenses	1,140,039	1,158,135	1,169,125	1,144,864	759,318
Operating profit (loss)	64,828	64,643	67,779	49,380	(62,115)
Non-operating income	5,639	9,559	11,533	9,065	31,374
interest and dividend income	852	1,001	1,186	1,125	833
share of profit of entities accounted for using equity method	1,948	5,976	7,140	4,848	11,722
Non-operating expenses	13,778	12,879	12,183	11,220	11,218
interest expense	10,394	9,485	8,611	7,992	7,864
Ordinary profit (loss)	56,689	61,323	67,129	47,224	(41,959)
Extraordinary income	8,627	7,310	9,061	6,962	7,055
Extraordinary losses	20,330	18,139	20,669	18,112	48,601
Profit (loss) before income taxes	44,986	50,494	55,521	36,075	(83,505)
Income taxes—current	15,944	11,889	16,542	11,438	1,510
Income taxes-deferred	1,608	7,048	(7)	5,664	(14,459)
Profit (loss)	27,433	31,556	38,986	18,971	(70,556)
Profit (loss) attributable to non-controlling interests					
Profit (loss) attributable to owners of parent	1,186	1,942	3,024	(1,589)	(10,368)
	26,247	29,614	35,962	20,561	(60,187)

Financial Data

3. Segment information

	FY2016	FY2017	FY2018	FY2019	FY2020
Operating revenue	1,204,867	1,222,779	1,236,905	1,194,244	697,203
Transportation	231,989	228,186	226,754	221,711	150,218
Railways	157,192	158,089	156,444	152,724	99,234
Bus services	34,807	34,677	34,636	33,721	22,605
Taxi services	11,709	11,497	11,537	11,089	7,520
Maintenance of railway facilities	30,048	27,655	28,347	26,710	22,640
Other transportation-related business	23,489	22,032	21,426	22,226	14,975
Real estate	152,176	149,565	164,245	161,248	142,965
Real estate sales	72,793	68,308	77,725	75,597	60,134
Real estate leasing	44,901	45,849	47,374	47,713	47,404
Real estate management	40,220	40,966	43,408	43,583	40,299
Merchandise sales	379,987	395,817	393,670	392,796	313,110
Department stores	266,095	281,817	282,220	283,047	218,149
Stores and restaurants	115,345	115,286	112,647	111,039	95,673
Hotel and leisure	470,819	478,669	481,818	449,276	114,177
Hotels	62,156	61,183	57,389	51,559	20,698
Travel agents	396,004	405,172	411,821	385,362	87,889
Cinema	3,542	3,544	3,618	3,882	2,857
Aquarium	9,374	9,015	9,175	8,626	2,732
Other	15,727	16,380	18,174	19,110	18,665

	FY2016	FY2017	FY2018	FY2019	FY2020
Operating profit (loss)	64,828	64,643	67,779	49,380	(62,115)
Transportation	30,981	29,206	32,943	27,686	(24,670)
Real estate	16,828	16,297	18,698	17,919	14,833
Merchandise sales	5,359	7,080	7,783	5,152	(4,668)
Hotel and leisure	9,822	9,627	6,185	(3,693)	(49,242)
Other	1,241	1,611	1,491	1,581	1,453
Operating profit to revenue from operations (%)	5.4	5.3	5.5	4.1	(8.9)
Transportation	13.4	12.8	14.5	12.5	(16.4)
Real estate	11.1	10.9	11.4	11.1	10.4
Merchandise sales	1.4	1.8	2.0	1.3	(1.5)
Hotel and leisure	2.1	2.0	1.3	(0.8)	(43.1)
Other	7.9	9.8	8.2	8.3	7.8
Total assets	1,912,931	1,914,480	1,936,417	1,891,300	1,955,048
Transportation	957,145	953,318	952,451	940,259	953,538
Real estate	580,421	584,259	594,594	596,264	605,520
Merchandise sales	159,781	158,994	160,445	160,826	152,576
Hotel and leisure	182,015	186,913	198,233	146,158	115,938
Other	24,784	25,476	25,180	25,553	24,921
Depreciation	53,278	52,538	52,196	53,924	54,779
Transportation	26,472	27,263	27,185	27,741	28,420
Real estate	11,472	11,429	11,558	12,146	12,550
Merchandise sales	7,345	7,165	7,049	7,606	7,536
Hotel and leisure	5,316	4,168	4,392	4,478	4,337
Other	1,975	1,836	1,728	1,630	1,688
Capital expenditures	45,555	54,057	78,229	68,907	55,207
Transportation	25,526	24,868	27,970	28,915	30,469
Real estate	5,331	15,583	34,927	19,912	13,949
Merchandise sales	7,592	6,038	7,739	9,699	4,736
Hotel and leisure	5,798	5,526	6,004	8,792	3,876
Other	1,472	1,612	1,254	1,230	2,049

Note: "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Corporate Accounting Standard No.28) have been applied for FY2017 and thereafter.

Kintetsu Group Companies
(as of September 30, 2021)

● : Consolidated subsidiaries:	80
○ : Unconsolidated subsidiaries:	42
▲ : Equity-method affiliates:	6
△ : Non-equity-method affiliates:	8
Kintetsu Group companies total:	137 (incl. Kintetsu GHD)

Transportation

Railways

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

Bus services

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

Taxi services

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

Freight services

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

International logistics solutions

- ▲ Kintetsu World Express, Inc.

Marine transportation

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

Rent-a-car services

- Kintetsu Rent-A Lease Co., Ltd.

Toll road service

- Shin Wakakusayama Motorway Co., Ltd.

Ropeways

- Beppu Ropeway Co., Ltd.

Real estate

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

Merchandise sales

Merchandise sales

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

Car sales / servicing

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

Restaurants

- Kintetsu Restaurant International Co., Ltd.

Hotel and Leisure

Hotels & Japanese inns

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

Leisure

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

Aquarium

- Osaka Aquarium Kaiyukan Co., Ltd.

Cinema

- Kin-Ei Corp.

Golf courses

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

Travel agency

- KNT-CT Holdings Co., Ltd.
- Club Tourism International Inc.
- Kinki Nippon Tourist Hokkaido Co., Ltd.
- Kinki Nippon Tourist Tohoku Co., Ltd.
- Kinki Nippon Tourist Kanto Co., Ltd.
- Kinki Nippon Tourist Metropolitan Co., Ltd.
- Kinki Nippon Tourist Chubu Co., Ltd.
- Kinki Nippon Tourist Kansai Co., Ltd.
- Kinki Nippon Tourist Chugoku-Shikoku Co., Ltd.
- Kinki Nippon Tourist Kyushu Co., Ltd.
- Kinki Nippon Tourist Corporate Business Co., Ltd.
- KNT-CT Web Travel Co., Ltd.
- Kinki Nippon Tourist Okinawa, Inc.
- United Tours Co., Ltd.
- SANKI Travel Service Co., Ltd.

- Club Tourism Life Care Service Co., Ltd.
- Club Tourism Space Tours Inc.
- Kinki Nippon Tourist Shoji Co., Ltd.
- Tourist Service Hokkaido Co., Ltd.
- Tourist Experts Inc.
- KNT Business Create Co., Ltd.
- Tourist International Assistance Service, Inc.
- Event & Convention House, Inc.
- KNT-CT IT Solutions Co., Ltd.
- KINTETSU INTERNATIONAL EXPRESS (U.S.A), INC.

- Other international travel agencies, etc.
- 8 companies ▲ 1 company
- KITANIPPON KANKO RYOKOU Co., Ltd.
- Bocho Travel Co., Ltd.

Other

Manufacturing / construction

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

Other services

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

Cable television

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

Information processing

- Kintetsu Information System Co., Ltd.

Insurance agency

- Kintetsu Insurance Service Co., Ltd.

Nursing care

- KINTETSU SMILE LIFE INC.

CVC

- Kintetsu Venture Partners, Inc.

*Segments detailed above differ from accounting segments.

Company Overview and Stock Information

(as of March 31, 2021)

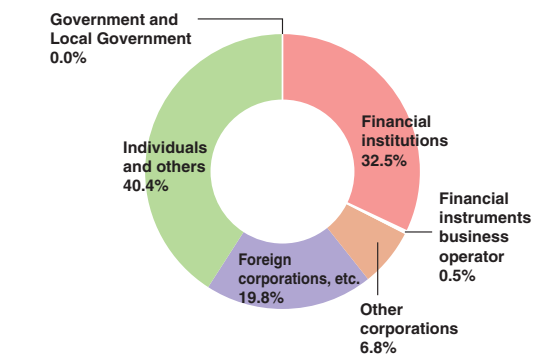
Company overview

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	277
Stock exchange listing	Tokyo Stock Exchange (First Section)
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	195,884

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)	14,380	7.5
Custody Bank of Japan, Ltd. (Trust Account)	7,998	4.2
Nippon Life Insurance Company	4,198	2.2
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing Proxy: Mizuho Bank, Ltd.)	4,124	2.2
MUFG Bank, Ltd.	3,000	1.6
Custody Bank of Japan, Ltd. (Trust Account 5)	2,903	1.5
Custody Bank of Japan, Ltd. (Trust Account 7)	2,844	1.5
Custody Bank of Japan, Ltd. (Trust Account 6)	2,574	1.4
Custody Bank of Japan, Ltd. (Trust Account 1)	2,309	1.2
JP MORGAN CHASE BANK 385781 (Standing Proxy: Mizuho Bank, Ltd.)	2,244	1.2

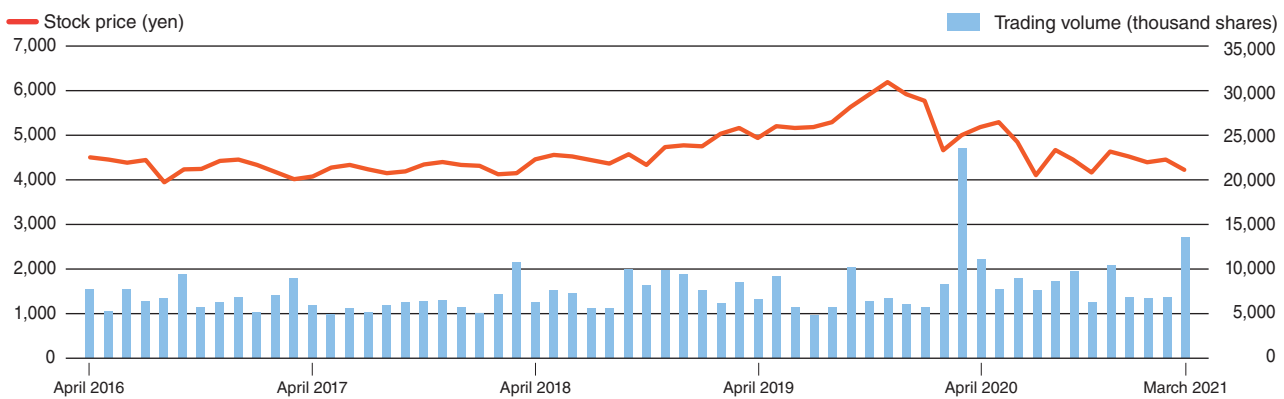
*Figures are rounded down to the nearest whole thousand.

Adoption in ESG indexes

(as of June 30, 2021)

- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index
- S&P/JPX Carbon Efficient Index
- SOMPO Sustainability Index

Stock price and Trading volume



*Figures reflect changes to the number of share units and a reverse stock split dated effective on October 1, 2017.

Kintetsu Group 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