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March 25,2025

Press Release

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Representative:	Takashi Wakai, Representative Director and President
Code No.:	9041
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Formulation of Kintetsu Group Long-Term Vision 2035 and Medium-Term Management Plan 2028

Kintetsu Group Holdings Co.,Ltd. (the “Company”) hereby announces that at the Board of Directors meeting held today, the Kintetsu Group Long-Term Vision 2035 and the Kintetsu Group Medium-Term Management Plan 2028 have been formulated and resolved.

I. Introduction

Under the Kintetsu Group Medium-Term Management Plan 2024 which started in May 2021, in order to recover from the COVID-19 pandemic, the Kintetsu Group has steadily implemented its priority measures, including lowering the break-even point through structural reform, balance sheet optimization, and transformation of business portfolio.

At the same time, the business environment surrounding the Kintetsu Group is facing a major turning point, involving factors such as population decline and aging, inflation, labor shortages, rising interest rates, progressively advancing digital technologies, and heightening geopolitical risks on a global scale.

To appropriately respond to the changing business environment and to maintain our status as a trusted and chosen corporate group, we have formulated our ideal vision for the long term (10 years) as the Kintetsu Group Long-Term Vision 2035, which outlines the target direction of the Kintetsu Group over the long term. Based on this vision, we have developed the Kintetsu Group Medium-Term Management Plan 2028, using a back-casting approach to define mid-term goals and initiatives through to fiscal 2028.

In order to realize the management philosophy “To Support Daily Life, To Create More Value.,” the Kintetsu Group aims to become a corporate group that constantly tackles challenges that only the Kintetsu Group can address by demonstrating the comprehensive strength of the Group. In addition, from a medium- to long-term perspective, we will build a foundation for business growth and financial soundness, and contribute to the realization of a prosperous society for future generation by creating unique value that only the Kintetsu Group can deliver through co-creation with a wide range of stakeholders, including customers, local communities, shareholders, business partners and employees.

II. Target Direction of the Kintetsu Group

As a Partner of Communities and Toward a New Era

We are constantly tackling challenges that only the Kintetsu Group can address and are building a dynamic corporate group in a wide range of fields that balances strength and flexibility and continues to contribute to society.

III. Kintetsu Group Long-Term Vision 2035

1. Long-Term Vision (Ideal Vision for 10 Years Hence)

Evolving into a corporate group that continuously creates value by uniting the collective strengths of the Group and boldly taking on new challenges, centered on businesses that support lifestyles and interactions in Japan and overseas

(Our intent behind the Long-Term Vision)

- In a business environment that is undergoing major changes, the Kintetsu Group will establish a shared infrastructure for strengthening each business and strengthening Group management, and through taking on bold challenges the Group will create conglomerate premiums (i.e. value that can only the Kintetsu Group can deliver) and become a corporate group that enhance corporate and shareholder value that meets the expectations of multiple stakeholders.
- In order to make this a reality, the Kintetsu Group will promote deepening/revitalizing value along railway lines and deepening/expanding business away from railway lines and globally. Through these efforts, we aim to enhance the Kintetsu Group's presence both in Japan and overseas, and achieve sustainable growth.

2. Priority Strategies

(1) Deepening/revitalizing value along railway lines

By uniting the Group's collective strengths through organic collaboration and actively pursuing external alliances, we will work to co-create the appeal and value of the areas along railway lines with local communities in ways that only the Kintetsu Group can. Through these efforts, we aim to remain a vital presence in these communities, and evolve the areas into sustainable areas with local characteristics both as urban centers and tourist destination.

i Enhancing the appeal of Abeno, Uehommachi, and Namba areas

- In the Abeno, Uehommachi, and Namba areas, which are the urban hub of Osaka, we will promote urban development that makes the most of the traditions and characteristics of local communities, and we will aim to increase and revitalize both the resident population and those interacting with locals by turning wide areas into some of the most popular areas to live and visit in Osaka.
- Osaka's landmark ABENO HARUKAS celebrated its 10th anniversary last year since opening. Kintetsu Department Store, the core facility, is undergoing large-scale renovation (remodeling) to strengthen its competitiveness. We will continue to enhance its appeal as a commercial hub.
- We will promote advanced utilization of Group assets around ABENO HARUKAS and establish a framework for collaboration with surrounding facilities and local communities.

ii Strengthening the brand value of Ise-Shima area

- In the Ise-Shima area, where the Kintetsu Group's important assets are concentrated, the Shikinen Sengu ritual at Ise Jingu Shrine, held once every 20 years, will take place in 2033. In addition, the future opening of the Linear Chuo Shinkansen is expected to significantly reduce travel time from the Tokyo metropolitan area via Nagoya Station, which will serve as a key gateway. We will take this opportunity to promote branding that further enhances the diversity and high-quality sensibilities of the Ise-Shima area.
- In cooperation with external partners and local communities—as well as through internal initiatives—we will develop an area marketing and promotion system, enhance tourism content, and make effective use of existing Group assets. Through these efforts, we aim to refine Ise-Shima into a leading high-quality destination area, with a view to promoting wide-area sightseeing tours of the Kii Peninsula, including Kyoto, Nara and the Nanki region, we aim to further increase the visitor population.

iii Expanding business through the development of the bay area around Yumeshima

- We will work with the Osaka IR main operating entity to integrate the Kintetsu Group's diverse business operations to generate new business opportunities.
- In anticipation of creating new attractions through bay area development, including the opening of Osaka IR, etc., We aim to capture new demand and attract more visitors by promoting the

development of a direct train service connecting Yumeshima Station on the Osaka Metro Chuo Line — the gateway to the Osaka-Kansai Expo and Osaka IR — with key Kintetsu line destinations such as Nara-Yamatoji and Ise-Shima. In addition, we will enhance the use of existing assets such as the Osaka Aquarium Kaiyukan.

iv Expanding incorporation of inbound demand

- With the number of foreign visitors in 2024 having exceeded 36 million, a record high, we will promote the plentiful tourism resources along its railway lines, such as the World Heritage sites of Nara Yamatoji (Nara/Asuka-Fujiwara/Yoshino, etc.) and Ise-Shima, which allow visitors to experience Japanese culture and history, as a strength unique to the Kintetsu Group, and we will work to expand the value of the areas along its railway lines as desirable places for inbound travelers.
- In order to increase the visitor population traveling from Osaka, Kyoto and Nagoya to railway line areas such as Nara Yamatoji and Ise-Shima, we will further strengthen the marketing and promotional activities and improve secondary transportation.
- We will establish a framework to strengthen the Group's expertise in serving inbound travelers that each Group company, including hotels, department stores, travel agencies, and railways, has cultivated from the perspective of Group collaboration, and we will work to capture even more inbound demand.

(2) Deepening/expanding business away from railway lines and globally

In key business areas beyond the areas along railway lines, we will endeavor to grow our presence significantly both globally and away from railway lines by boldly taking on challenges beyond existing framework and by uniting our collective strengths, while actively pursuing alliances with external parties to establish new business foundations.

i Strengthening business infrastructure in non-railway lines and expanding business domains in the Tokyo metropolitan area, etc.

- In order to strengthen the business foundations in the Tokyo metropolitan area, we will establish new corporate functions, enhance Group collaboration in our business domains (travel, hotels, real estate, etc.) that we operate in the Tokyo metropolitan area, expand and deepen customer touchpoints, and consider advanced use of its assets.
- In Okinawa, one of Japan's leading tourist destinations, we have been building a business foundation in Okinawa through a capital and business alliance with Orion Breweries Ltd. and an investment in the operating company for JUNGLIA OKINAWA, which is scheduled to open in the northern part of Okinawa Main Island this July. We will continue to promote collaboration with both companies, and at the same time, we will continue to explore new business domains related to tourism, leisure, hotels. and real estate, which are strengths of the Kintetsu Group.

ii Deepening/expanding business and enhancing presence globally

- In the international logistics business, in order to achieve the goal of becoming a “Global Top 10 Solution Partner — Becoming a global brand born in Japan,” we will promote the expansion of profits related to major trade lanes (air and sea routes between Asia and Europe and the U.S.) and major product categories (electronics, healthcare, automobiles, etc.). The Asian market is a priority area, and we will work to expand customer touchpoints and high-value-added businesses in this area.
- In addition to expanding the international logistics business in the Asian market, we will also explore new business opportunities centered around the Taipei office, with the aim of becoming a global corporate group with a broad presence across Asia.
- In the U.S., in the hotel business, we will work to open a new hotel in Plano, Texas (scheduled for completion in fiscal 2027), and we will also work to expand the Miyako Hotel chain in the U.S., including through management contracts and franchises. In addition, we will expand the real estate business, by making investments in physical real estate in addition to real estate funds.

3. Shared Infrastructure for Strengthening Group Management

(1) Advancing sustainable management

Under the sustainability policy, which it to aim sustainable growth and contribute to the realization of prosperous society for future generations, by creating new value through co-creation with various people, we will work on achieving Group growth by creating a sustainable society through community

development in a way unique to the Kintetsu Group, and by simultaneously strengthening our management foundation to support group-wide growth.

(2) Advancing human capital management

We will foster a high level of corporate ethical awareness among all employees, build a system in which diverse human resources can thrive, and strengthen management and specialized human resources who contribute to the growth of the Group. In this way, we will develop human resources who can work toward the long-term vision of human capital management, Unwavering trust, resonant individuality, and bold challenges, and we will enhance our human resource capabilities from the following perspectives.

- i Fostering a high level of corporate ethical awareness
- ii Bringing together the capabilities of all Group personnel
- iii Hiring and developing specialized human resources to support the growth of our diverse business portfolio
- iv Creating an attractive workplace that continues to draw people in
- v Encouraging a culture in which employees are motivated to take on challenges themselves

(3) Advancing DX management

While leveraging external alliances, we will accelerate DX as a group from the following perspectives in order to create new value by expanding the Group’s economic sphere, providing new services, and transforming operations by leveraging digital technology across the entire Group and for all Group employees.

- i Promotion of both offensive (growth oriented) and defensive (risk management) DX strategies
- ii Hiring and developing DX professionals
- iii Cybersecurity enhancement

(4) Evolving Group-wide collaboration

By further strengthening the mechanisms for Group-wide collaboration in terms of human resource exchange and business activities, we will pursue initiatives that only the Kintetsu Group can undertake by maximizing group capabilities.

(5) Evolving through branding

By leveraging the brand that the Kintetsu Group has developed over many years, and by promoting and implementing brand value maximizing initiatives across the Group, we will evolve into the Kintetsu Group that is chosen by multiple stakeholders.

4. Target Management Indicators

Consolidated indicators	FY2024 (Forecast)		FY2035 (Target)
Operating profit	88.0 billion yen	⇒	Over 130.0 billion yen
ROIC	4.3%		WACC +1.0% or more

* ROIC = Operating profit after tax / (Interest-bearing debt + Shareholders’ equity)

5. Corporate and Shareholder Value

Through investments that appropriately reflect a cost-of-capital perspective and the steady implementation of measures based on each strategy, we aim to sustainably raise the level of profits. With this as the foundation, we aim to maximize corporate value and enhance shareholder value by controlling net interest-bearing debt, including streamlining the balance sheet etc., and accumulating capital, and achieving the target return on invested capital (ROIC), while increasing shareholder returns over the medium to long term.

IV. Kintetsu Group Medium-Term Management Plan 2028 (FY2025 to FY2028)

1. Basic Policy

“Building a new foundation” and “steady growth” to evolve into a value-creating corporate group

(Role of this Medium-Term Management Plan)

- Under the Medium-Term Management Plan 2024 announced in May 2021, we have initiated drastic management reforms and laid the foundation for growth by strengthening our business risk tolerance, restoring financial soundness, and solidifying our business foundation.
- The Medium-Term Management Plan 2028 is positioned as the sowing and growing season for achieving the ideal vision by building a new foundation for business growth and financial soundness in order to realize our long-term vision.
- Aiming for the ideal vision, we will promote measures at both the business and corporate levels (shared infrastructure for strengthening Group management) to achieve steady growth.

2. Financial Strategy

We will continue to consider the balance of growth and financial soundness, and we will strive to improve financial efficiency by making investments with awareness of capital costs and profitability, introducing a turnover-type real estate business, and streamlining the balance sheet, among other measures, while also working to strengthen equity by controlling net interest-bearing debt and accumulating capital.

- We will incorporate ROIC concepts into each investment decision and each company’s performance evaluation, and we will set measures for the Group as a whole and for each company, aiming to strengthen equity by improving profit levels while also controlling net interest-bearing debt.
- To improve capital efficiency, we will expand business models that utilize borrowed capital, such as turnover-type real estate business, and strive to improve the turnover rate for asset holdings and enhance the quality of the balance sheet.
- From the perspective of cash allocation, we will ensure a balance between reducing interest-bearing debt, investing in growth, and returning profits to shareholders.

3. Shareholder Return Policy

With the dividend forecast for the fiscal year ending March 31, 2025 (Annual dividends per share of 50 yen) as the baseline, by introducing a progressive dividend policy with a minimum Dividend on Equity (DOE) of 2.0%^(Note) from the Plan fiscal year, our basic policy is to return profits to shareholders in line with medium- and long-term growth, not limited to single-year fluctuations in profits, in addition to stable dividends. Based on this, we aim to increase the dividend payout ratio.

(Note) Except in the case of events that would have a significant negative impact on financial results

4. Target Management Indicators

Consolidated indicators	FY2024 (Forecast)	FY2028 (Plan)
Operating profit	88.0 billion yen	100.0 billion yen or more
Net interest-bearing debt	1.0300 trillion yen	Less than 1 trillion yen
Net interest-bearing debt/EBITDA ratio	6.6 times	Approx. 6.0 times
Equity ratio	22% or more	25% or more
ROIC	4.3%	4.5% or more
ROE	8.4%	Further improvement

* EBITDA = Operating profit + depreciation (excluding amount recorded under IFRS 16) + amortization of goodwill

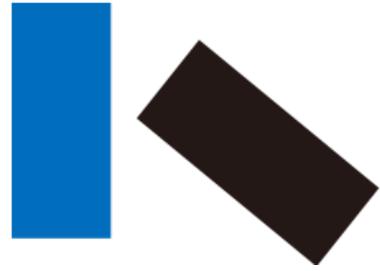
* ROE = Profit attributable to owners of parent / equity

* Figures for each indicator do not include the impact of the new lease accounting that is scheduled to be applied from fiscal 2027.

(Reference Material)

Kintetsu Group Long-Term Vision 2035

Medium-Term Management Plan 2028 (FY2025 to FY2028)



KINTETSU
GROUP HOLDINGS

Kintetsu Group Long-Term Vision 2035
Medium-Term Management Plan 2028
(FY2025 to FY2028)



Transportation
Business



Real Estate
Business

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



International
Logistics Business



Merchandise
Sales Business



Hotel and Leisure
Industry

March 25, 2025
Kintetsu Group Holdings Co., Ltd.
(Tokyo Stock Exchange Prime Market,
Securities Code: 9041)
<https://www.kintetsu-g-hd.co.jp/lang/english/>

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1) Message from the President

The previous Medium-Term Management Plan covered the period from fiscal 2021 to fiscal 2024. During this time, in order to overcome the challenges of the COVID-19 pandemic, we steadily implemented our key measures, such as a fundamental review of our cost structure and reform of our business portfolio, and carried out management reforms toward a great leap forward in the future.

The external environment surrounding the Kintetsu Group—including societal and economic factors—is changing rapidly and substantially. We clarified the strategic direction of the Kintetsu Group to maintain our status as a trusted and preferred company for multiple types of stakeholders, including customers, local communities, shareholders, business partners and employees into the future. On top of this, we summarized our ideal vision for 10 years from now as our “Long-Term Vision 2035” and formulated our “Medium-Term Management Plan 2028” (hereinafter referred to as “this Medium-Term Management Plan”), based on a backcasting approach to set the goals and strategies based to realize that vision.

The strategic future direction of the Kintetsu Group is to become a trusted partner to local communities and a company that leads the way into a new era. We will continue to take on challenges that only the Kintetsu Group can address, actively engage in a wide range of business fields, and strive to become a dynamic corporate group that balances strength and flexibility while making continuous contributions to society.

As a step in that direction, this Medium-Term Management Plan is positioned as a period of seeding and nurturing for the Long-Term Vision 2035. During the period of this Medium-Term Management Plan, we will leverage the trusted brand that we have cultivated as well as business groups with significant room for growth, steadily implementing our priority strategies in railway lines, non-railway lines and globally over the medium and long-term. We will also work to develop shared infrastructure to enhance group-wide management capabilities in areas such as sustainability, human capital, digital transformation (DX) and group-wide collaboration.

This Medium-Term Management Plan also newly introduced ROIC (Return on Investment Capital) as a management indicator, representing our efforts to enhancing capital efficiency. In addition, our aim will be to achieve a cash flow that balances reducing interest-bearing debt, steadily investing in growth, and returning values to shareholders, to further enhance our engagement with our multiple stakeholders and to enhance both corporate and shareholder value.

We sincerely appreciate your continued support and look forward to your ongoing encouragement as the Kintetsu Group takes the next leap forward.

March 25, 2025 Takashi Wakai,
Representative Director and President

2) Target Direction of the Kintetsu Group ①

As a Partner of Communities,
and Toward a New Era

*Constantly tackling challenges
only Kintetsu can address*

Dynamism in a Wide Range of Fields

- Being a corporate group with a new presence across a wide range of domestic and international fields
- Being a corporate group where all employees working in each field can be proud and confident in the Group

Balancing Strength and Flexibility

- Being a corporate group that is constantly flexible and capable of adapting to environmental changes thanks to a diversified business portfolio and a strong foundation in areas such as trust, human resources, governance, and finances

Consistently Contributing to Society

- Being a corporate group that leads the way in transforming and creating innovation in communities, society, and industries, and that continues to contribute to society

2) Target Direction of the Kintetsu Group 2

From railway lines to non-railway lines, as well as towards global

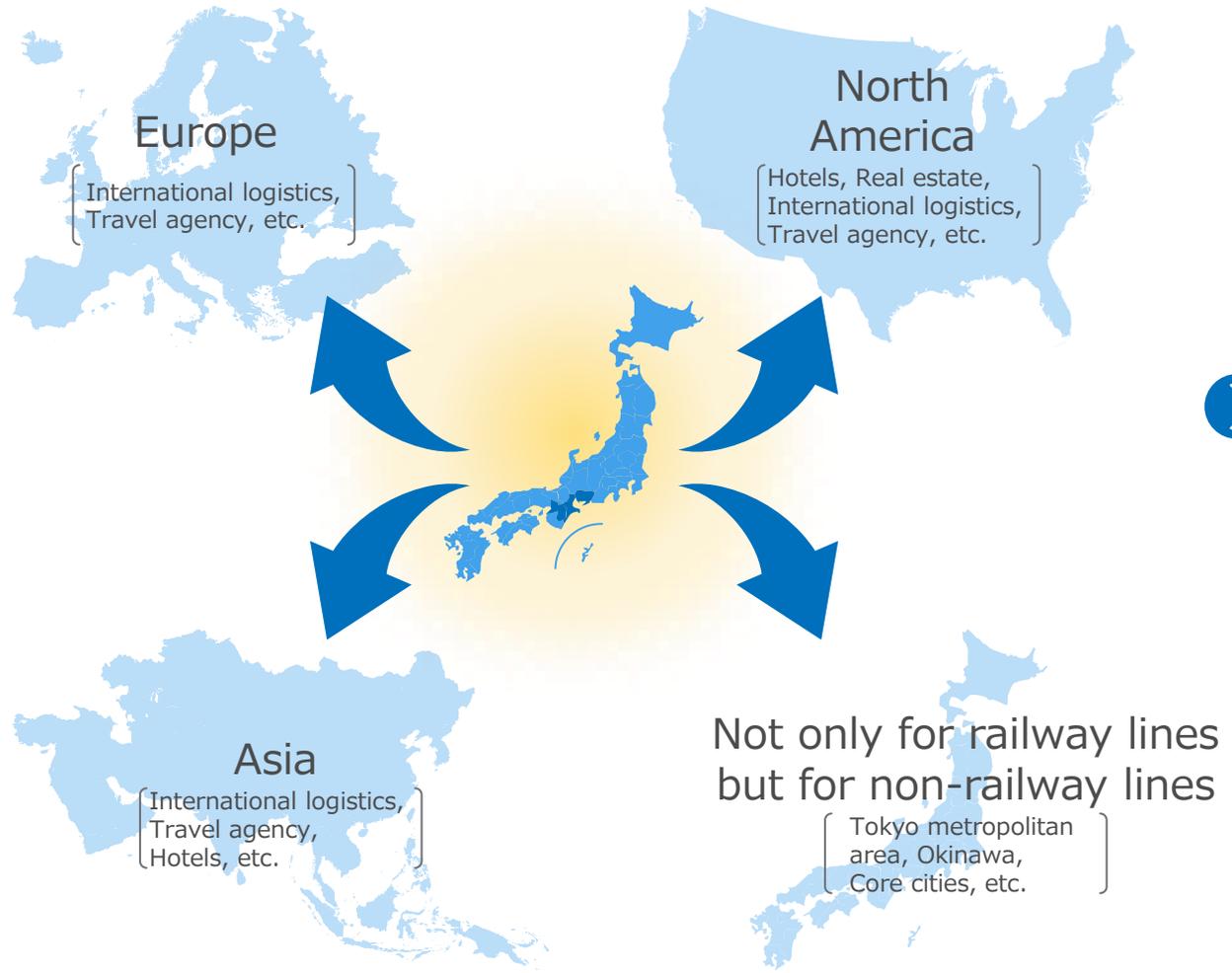


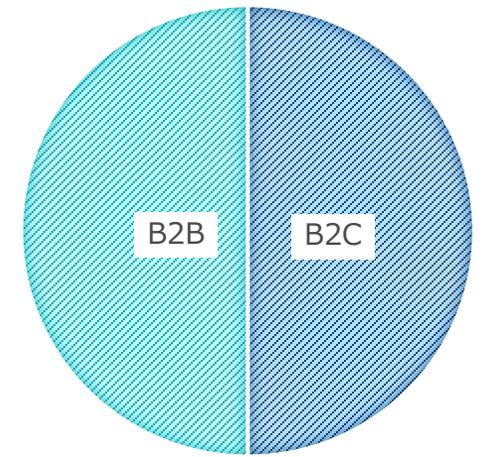
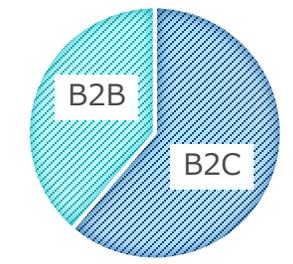
Illustration: Scale (operating profit)

(Current)

(Future)

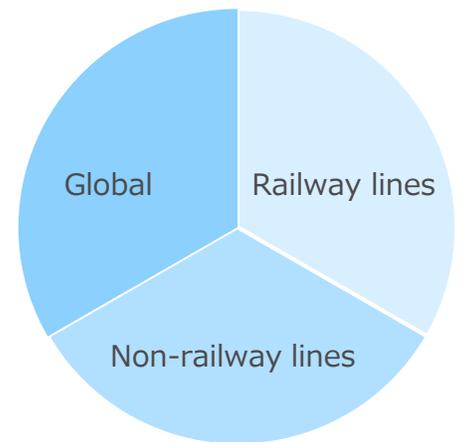
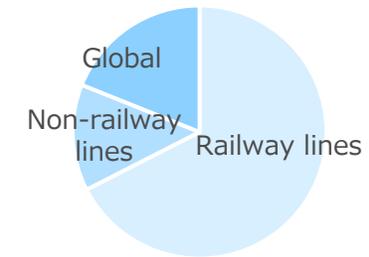
Businesses

Maintaining/enhancing B2B2C/B2C by expanding B2B



Area

In addition to upkeep and expansion of businesses along railway lines, expanding through dynamic activities away from railway lines and in the global business domain



3) Investment Highlights

Growth in profitability/ expansion in scale

- Seeking to become a corporate group that can generate over 100.0 billion yen in operating profit during the period of this Medium-Term Management Plan and about 1.5x profit vs. fiscal 2024 in roughly 10 years hence, in fiscal 2035
- Aiming for sustainable growth by generating conglomerate premiums through accelerating growth in the real estate, international logistics, and hotel and leisure businesses, while deepening the value of existing businesses such as transportation and merchandise sales along railway lines

Improvement of capital efficiency

- Seeking to improve profit levels by introducing new management indicators for return on capital such as ROIC (at consolidated and Group company levels), advancing management with greater awareness of capital cost and efficiency, and optimizing management resource allocation

Promotion of sustainable management

- Aiming for sustainable growth and helping to bring about a prosperous society through co-creation via initiatives for priority strategies under the Sustainability Policy with the concerted efforts of the entire Group, and by setting and taking action on the key themes of value creation and strengthening of business foundations
- Improving engagement from a medium- to long-term perspective, viewing human capital as one of our key management resources

Enhancing shareholder returns

- Ensuring stable dividend payments and returning profits to shareholders in line with medium- and long-term growth, not limited to single-year fluctuations in profits, by introducing a progressive dividend with a minimum dividend on equity (DOE) ratio of 2.0%

Strengthening governance

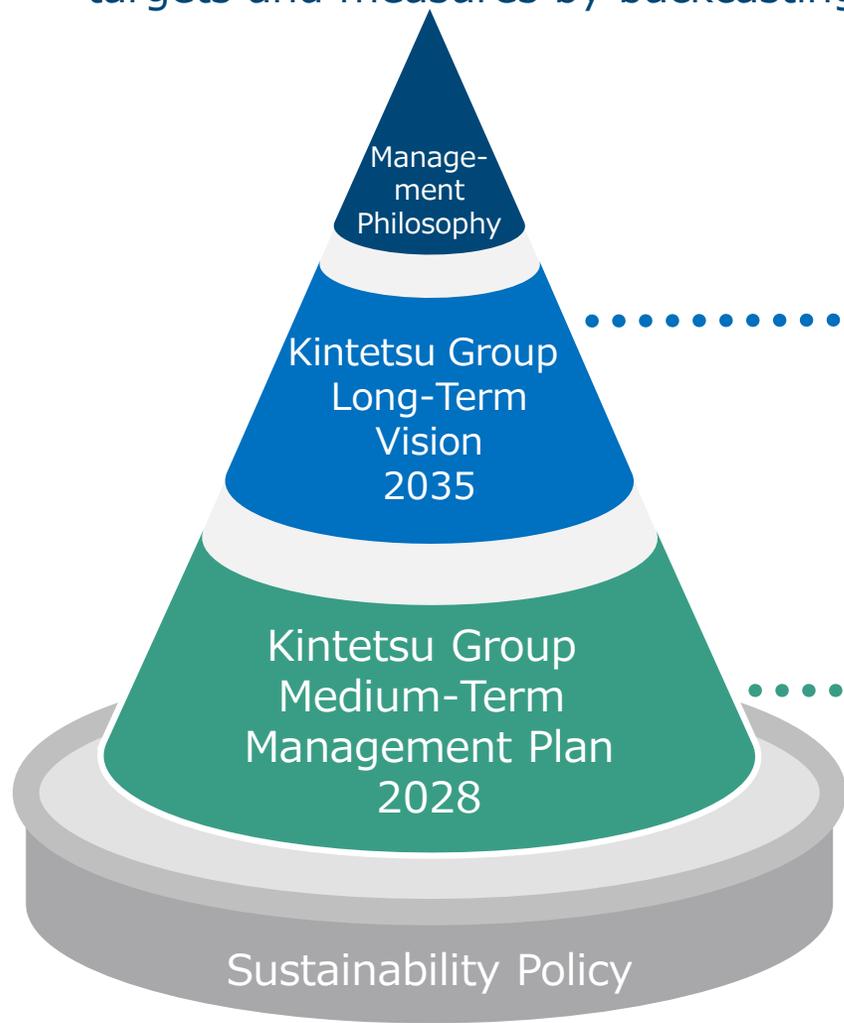
- Continuing to advance initiatives to strengthen corporate governance
- By clarifying criteria for decisions regarding business continuation or withdrawal based on investment discipline, we will promote portfolio management with a strong focus on capital efficiency.
- Strengthening and implementing risk management systems to appropriately control management and business risks

Improving corporate and shareholder value

- Aiming to promote the above initiatives while aiming for steady growth in each business and appropriate corporate action. Aiming to increase corporate value and shareholder value by further enhancing engagement with multiple types of stakeholders and meeting their expectations

4) Contents of this Document

- Based on the Strategic Direction of the Kintetsu Group, we formulated the Long-Term Vision 2035 defining the Ideal Vision for 10 Years Hence and formulated the Medium-Term Management Plan 2028 that outlines the targets and measures by backcasting from the long-term vision



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Evolving into a corporate group that continuously creates value by uniting the collective strengths of the Group and boldly taking on new challenges, centered on businesses that support lifestyles and interactions in Japan and overseas

Kintetsu Group Medium-Term Management Plan 2028

Basic Policy
 “Building a new foundation” and “steady growth” to evolve into a value-creating corporate group

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1) Key Achievements

- Amid the severe business environment of the COVID-19 pandemic, we strengthened our resilience to business risks, restored financial soundness, and solidified our business foundation as a result of implementing the priority measures set forth in the previous Medium-Term Management Plan 2024, from fiscal 2021 to fiscal 2024.

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Medium-Term Management Plan 2024			
							FY2021	FY2022	FY2023	FY2024
Holdings	<ul style="list-style-type: none"> Transition to pure holding company system 	<ul style="list-style-type: none"> Establishment of Taipei Office 		<ul style="list-style-type: none"> Establishment of Kintetsu Venture Partners 					<ul style="list-style-type: none"> Establishment of Ise-Shima office 	<ul style="list-style-type: none"> Creation of capital and business alliance with Orion Breweries, Ltd. Formation of Kintetsu HR Partners
Transportation		<ul style="list-style-type: none"> Launch of the Blue Symphony sightseeing limited express 			<ul style="list-style-type: none"> Launch of the Hinotori limited express 			<ul style="list-style-type: none"> Launch of the Aoniyoshi sightseeing limited express 	<ul style="list-style-type: none"> Revision of railway passenger fares 	<ul style="list-style-type: none"> Launch of the 8A series, new general rolling stock 
Real Estate	<ul style="list-style-type: none"> Opening of Ten-Shiba 				<ul style="list-style-type: none"> Opening of Ten-Shiba i:na 	<ul style="list-style-type: none"> Launch of participation in overseas real estate funds Formation of a private real estate fund in collaboration with Development Bank of Japan Inc. 			<ul style="list-style-type: none"> 10th anniversary of ABENO HARUKAS 	<ul style="list-style-type: none"> Opening of Shima Green Adventure 
Merchandise Sales/ Hotel and Leisure		<ul style="list-style-type: none"> Acquisition of Osaka Aquarium Kaiyukan as a subsidiary 		<ul style="list-style-type: none"> Establishment of KINTETSU RETAIL HOLDINGS Opening of Miyako City Tokyo Takanawa 	<ul style="list-style-type: none"> Opening of Miyako Hotel Hakata 	<ul style="list-style-type: none"> Opening of Miyako City Osaka Hommachi 	<ul style="list-style-type: none"> Launch of hotel joint venture with Blackstone¹⁾ Grand reopening of The Westin Miyako Kyoto 		<ul style="list-style-type: none"> Formation of Kintetsu Leisure Create, which controls the leisure business 	<ul style="list-style-type: none"> 30th anniversary of Shima Spain Village 
International Logistics									<ul style="list-style-type: none"> Acquisition of Kintetsu World Express as a wholly-owned subsidiary 	

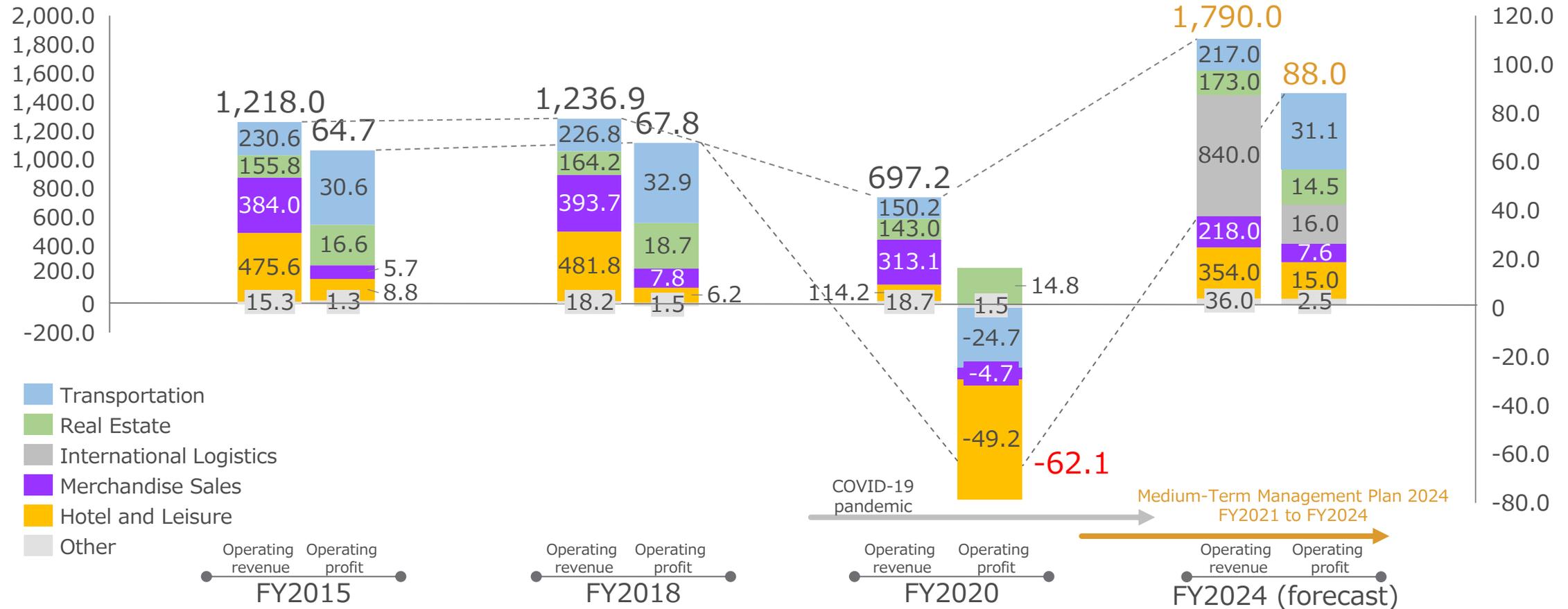
1. A portion of held hotel assets (eight properties) was transferred, and Kintetsu Miyako Hotels International was entrusted with hotel management operations, converting to a management contracting system.

2) Operating Revenue/Operating Profit Trend

- Both operating revenue and operating profit increased due to the implementation of priority measures such as business portfolio reforms (e.g., the full acquisition of Kintetsu World Express (international logistics business)) and a fundamental review of the cost structure.

Operating revenue
(Billions of yen)

Operating profit
(Billions of yen)



Note: The operating revenue and operating profit in each fiscal year do not equal the sum of the reportable segments

3) Overview of the Medium-Term Management Plan 2024: Management Indicators

- While maintaining a balance between growth and financial soundness, we worked to reduce net interest-bearing debt, and accumulate capital by improving profit level and cash flow generation capacity. We have achieved all management KPI targets in FY2023 and expect to once again achieve all targets in FY2024.

	Medium-Term Management Plan 2024 FY2024 Target ¹⁾	FY2023 Results	FY2024 Forecast	Difference (Forecast vs. Target)
Operating profit	86.0 billion yen or more	87.4 billion yen	88.0 billion yen	+2.0 billion yen
Net interest-bearing debt ²⁾	Less than 1.0700 trillion yen	1.0010 trillion yen	1.0300 trillion yen	-40.0 billion yen
Net interest-bearing debt/EBITDA ³⁾ ratio	Approx. 7.0 times	6.6 times	6.6 times	-0.4 pt
Equity ratio	21% or more	21.3%	22% or more	+1 pt

1. From updated plan announced June 2, 2023

2. Net interest-bearing debt = Interest-bearing debt (borrowings + bonds payable) + lease obligations (excluding amount recorded under IFRS 16) – cash and deposits

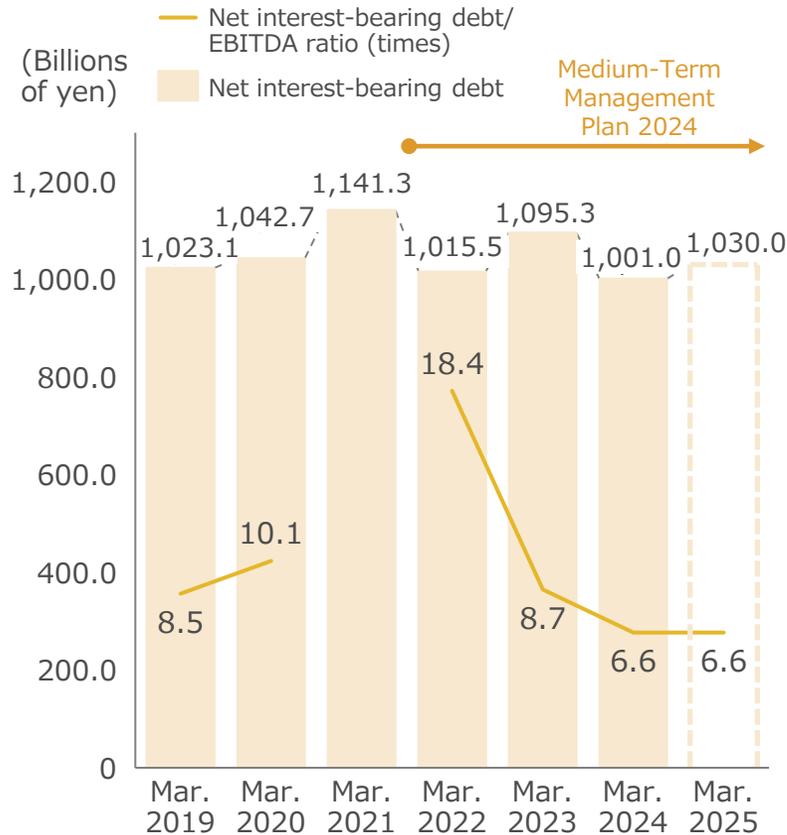
3. EBITDA = Operating profit + depreciation (excluding amount recorded under IFRS 16) + amortization of goodwill

3) Overview of the Medium-Term Management Plan 2024: Financial Strategy

- Stable shareholder returns while maintaining a balance between financial soundness and investment

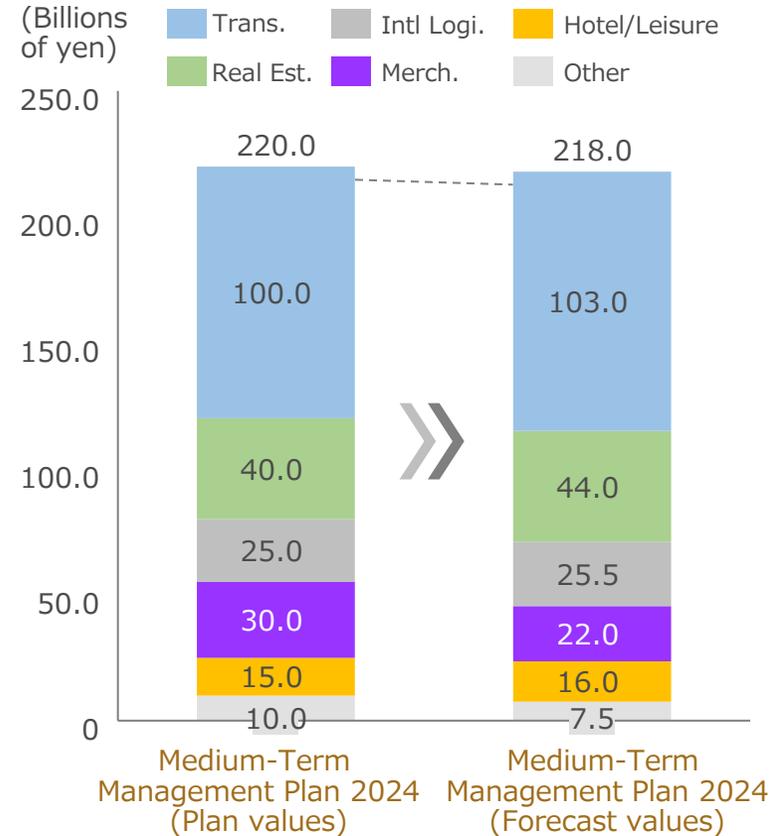
Consolidated net interest-bearing debt trend

Maintaining financial soundness and reducing net interest-bearing debt through Kintetsu World Express' ability to generate cash flow and each business's recovery from the COVID-19 pandemic



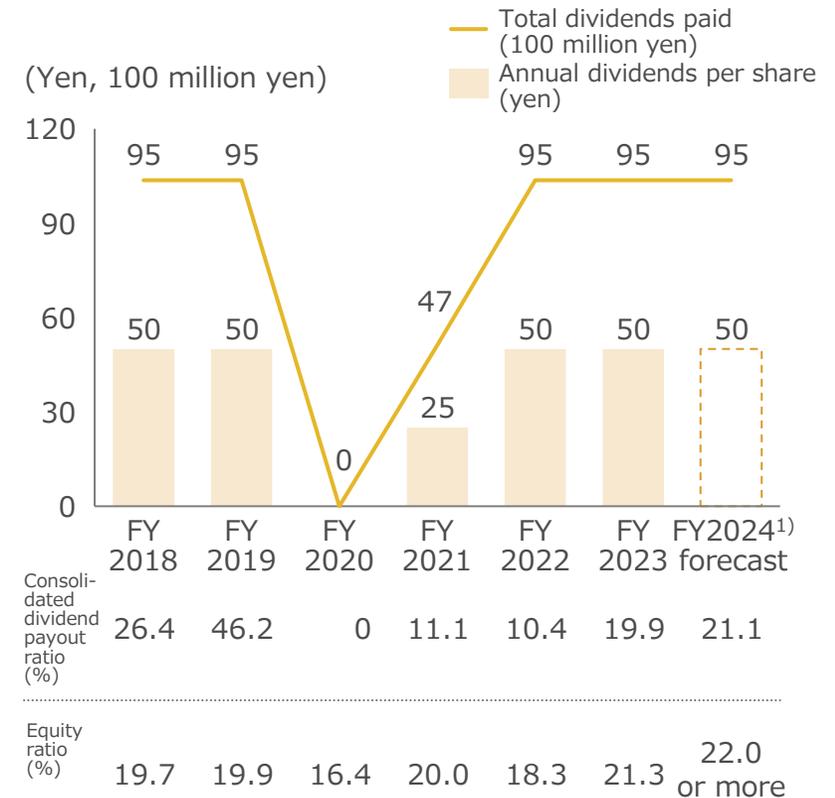
Capital investment plan and forecast

While placing emphasis on investment discipline and efficiency, we are continuously making necessary investments for business continuity and growth within the planned scope



Shareholder return trend

While working to strengthen profitability and the financial foundation, we will provide stable shareholder returns in line with business performance



1. Includes interim dividend (25 yen per share) with a record date of September 30, 2024, already paid

3) Overview of the Medium-Term Management Plan 2024: Priority Measures

- Having achieved substantial progress on the six priority measures, we will continue to pursue further deepening of these effort
- Building a foothold for our next growth through cost structure review, collaboration with external partners, and business portfolio reforms

Medium-Term Management Plan 2024 priority measures	Achievements to date	Current status	Items for future deepening/focusing
<p>① Radical review of cost structure</p>	<p>Structural cost reductions through business restructuring have lowered the breakeven point</p>	<p>Generally achieved</p>	<p>Entrenching structural cost reductions implemented during the COVID-19 pandemic and further deepening business restructuring</p> <ul style="list-style-type: none"> • Cost reduction (consolidated) *Versus pre-pandemic levels <ul style="list-style-type: none"> - FY2023 results: Approx. -43.0 billion yen - FY2024 forecast: Approx. -42.0 billion yen <p>* Does not include the reduction of variable costs linked to sales</p>
<p>② Early reduction of interest-bearing debt</p>	<p>Asset sales and other actions have significantly reduced interest-bearing debt</p>		<p>Continuing actions for control of net interest-bearing debt and capital accumulation with consideration for the balance between growth and financial soundness</p>
<p>③ Strengthening collaboration with external partners</p>	<p>Hotel business: Sold eight hotels to an SPC with Blackstone Real estate business: Incorporated real estate holdings into an SPC with Development Bank of Japan Inc. Area expansion: Created capital and business alliance with Orion Breweries, Ltd.</p>		<p>Expanding hotel business by deepening the two-pronged management approach of owning/directly managing hotels and management contracting</p> <p>Promoting business in Okinawa, which is expected to grow in terms of tourism and other areas</p>
<p>④ Business portfolio reform</p>	<p>Used TOB to incorporate Kintetsu World Express (international logistics business) into the Group's core business</p>		<p>Developing a well-balanced business portfolio by flexibly confronting changes in the business environment and achieving medium- to long-term growth for Kintetsu World Express</p> <p>Revitalizing the Group by incorporating a new corporate culture</p>
<p>⑤ Creating new businesses and services through DX</p>	<p>Formulated a long-term DX strategy and advancing measures to build a digital service platform (introduction of KIPS app/ Kintetsu-ID (shared Group ID))</p>	<p>Ongoing focus</p>	<p>Analyzing customer data collected by the digital service platform to deepen customer understanding, improve service, and create demand</p>
<p>⑥ Implementing community development that aims to solve regional issues</p>	<p>Strengthened ties with communities and businesses, especially along railway lines</p>		<p>Promoting regional revitalization and sustainable regional development through co-creation with local communities along railway lines to solve local social issues and improve appeal to tourists</p>

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1) Value Creation Process

External Environment

- A declining population in Japan with fewer children and an aging population, personnel shortage, etc.
- Expanding inbound demand
- Rising prices and interest rates
- Heightening geopolitical risks
- Global warming/climate change
- Advancing digital technologies

Management Resources

- Developing a wide range of businesses to support people's lives:
255 group companies
- A wide-area transportation network centered on the Kinki and the Tokai regions, and commercial facilities located at hubs:
582.2 km of railway lines
- A logistics network extending around the globe:
45 countries, 302 cities, and 665 business locations

Intellectual Capital

- Expertise accumulated in a wide range of businesses

Human Capital

- Highly specialized human resources across a variety of industries:
Number of consolidated employees: Approx. 44,000

Financial Capital

- Generation of stable operating cash flow

Social Capital

- Extensive customer base, especially along railway lines
- Relationships of trust with multiple types of stakeholders

Natural Capital

- Rich natural and cultural tourism resources in areas along railway lines:
2 national parks and 5 World Heritage Sites

Kintetsu Group's Corporate Philosophy, Strategies, and Businesses



Kintetsu Group Sustainability Policy

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

Materiality (Priority Issues for Sustainability)

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

Value Creation

Societal Value

Contribution to the realization of a prosperous society through co-creation

Economic Value

Sustainable business growth

Note: The figures are as of March 2024

Capital enhancement through value circulation and sustainable value creation

2) The Kintetsu Group's Business Environment

- Identifying key business challenges to address, based on the megatrends surrounding the Group

Megatrends surrounding the Group



A declining population in Japan with fewer children and an aging population, personnel shortage, etc.



Expanding inbound demand



Rising prices and interest rates



Heightening geopolitical risks



Global warming/climate change



Advancing digital technologies

Business issues for Group focus



Deepening railway line value by revitalizing areas along lines



Building new business infrastructure away from railway lines



Enhancing the Kintetsu Group's global presence



Expanding incorporation of inbound demand



Strengthening sustainable management



Investing in human capital and addressing labor shortages



Streamlining and evolving services through DX



Evolving Group-wide collaboration and maximizing brand value

3) The Kintetsu Group's Strengths

- There is significant room to utilize the Kintetsu Group's trusted brand that has been cultivated through years of business activities, as well as the high attractiveness and potential of railway lines, as strengths in deepening the business and expanding the scope of business. The Group also has business companies with a strong presence in industries and regions, and by continuing to incorporate their organic integration and strategic external alliances, we see great potential for the creation of conglomerate premiums.

1. Trusted brand developed in the more than 110 years since our founding

- With a focus on railroads, we have formed a brand of trust built up through safety and security
- We are trusted not only by customers, but also by local governments, domestic and international partners, etc.

1910 Establishment of Nara Tramway Co., Ltd.

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

2014 Grand opening of ABENO HARUKAS

2016 G7 Ise-Shima Summit held at the Shima Kanko Hotel

(Source: The Ministry of Foreign Affairs)

2. Extensive, appealing content

- Japan's largest network of railways¹⁾ features not only cities, but World Heritage Sites, national parks, and a wealth of other tourist resources
- Enormous potential to attract people for interactions, including inbound visitors

Map locations: Nagoya, Kyoto, Osaka, Ise, Nara, Asuka-Fujiwara, Yoshino, Shima

3. Corporate group with a strong presence in various industries

- A key area for the Group, where many businesses, not just transportation, maintain a strong presence and play an important role in their respective industries and areas

Real Estate: Kintetsu Real Estate
Strong presence as a condominium developer in the Kansai region

International Logistics: Kintetsu World Express
As a major forwarder born in Japan, we have a strong global presence

Merchandise Sales: Kintetsu Department Store

Hotel: Kintetsu Miyako Hotels

Travel: KNT-CT Group
As a leading travel agency in Japan, we support a wide range of needs

4. Growth potential through collaboration with external partners

- Close ties formed over time with local governments and stakeholder institutions along railway lines to stimulate mutual revitalization

Local governments	Stakeholder institutions
• Prefectures and municipalities along railway lines	• Suppliers • Various organizations

- Achieving growth through active alliances with domestic and global players

Alliance partners (examples)

Hotel Business	Marriott INTERNATIONAL	Blackstone
Non-railway lines/Global	Orion	Metro Taipei

1. Excluding JR

4) Kintetsu Group's "Ideal Vision for 10 Years Hence"

Long-Term Vision

Evolving into a corporate group that continuously creates value by uniting the collective strengths of the Group and boldly taking on new challenges, centered on businesses that support lifestyles and interactions in Japan and overseas

Towards the Kintetsu Group that supports "Society" by providing sustained high levels of service and information through engagement with multiple stakeholders (customers, local communities, shareholders, business partners, employees, etc.)

Supporting lifestyles

Supporting interaction

Priority Strategies

Deepening/revitalizing value along railway lines

- By leveraging the Group's collective strengths and actively pursuing external alliances, we are working to enhance and create the appeal and value of the areas along railway lines through co-creation with local communities, only possible by the Kintetsu Group, and we will continue to be a presence that supports the areas along our railway lines
- Priority areas along railway lines are evolving into sustainable areas with local characteristics both in urban and tourist aspects

Deepening/expanding business away from railway lines and globally

- In key business areas, the Group is mobilizing its collective strength and actively pursuing external alliances to establish new business foundations
- The Kintetsu Group's presence has grown significantly both globally and away from railway lines through bold challenges that are not bound by existing frameworks

Shared infrastructure for strengthening Group management

Sustainability



5) Priority Strategies

A Deepening/revitalizing value along railway lines

- Creating **exciting value** only the Kintetsu Group can make **along railway lines**

1 Enhancing the appeal of Abeno, Uehommachi, and Namba

Making Abeno, Uehommachi, and Namba into some of the most popular areas to live and visit in Osaka

- Utilizing local traditions and unique character to boost local long-term residents and those interacting with locals
- Advanced utilization of Group assets around ABENO HARUKAS and establishment of a system for collaboration with surrounding facilities and the local community

2 Strengthening the brand value of Ise-Shima area

Making Ise-Shima a high value-added area with refined diversity and high-quality sensibility

- Seizing the opportunity of the Jingu Shikinen Sengu ritual, in which many worshippers visit once every 20 years and the future opening of the Linear Chuo Shinkansen Line between Tokyo and Nagoya, promoting branding to refine the diversity and high-quality sensibility that Ise-Shima has to offer

3 Expanding business through the development of the bay area around Yumeshima

Turning the bay area around Yumeshima into a place for creating new business opportunities

- Attracting railway line visitors through the introduction of direct trains to Yumeshima that connect the bay area with railway lines, and initiatives for new business opportunities founded on (planned) investment in Osaka IR KK

4 Expanding incorporation of inbound demand

Making areas along railway lines desirable places for inbound travelers

- Maximizing inbound demand by promoting the appeal of the abundant tourism resources along railway lines, such as the Nara-Yamatoji area and Ise-Shima, and by combining Group businesses related to inbound tourism

B Deepening/expanding business away from railway lines and globally

- Building and growing the **new Kintetsu Group presence** through bold challenges

5 Strengthening business infrastructure in non-railway lines and expanding business domains in the Tokyo metropolitan area, etc.

Creating a second home area by strengthening Group collaboration functions in the Tokyo metropolitan area

- Strengthening corporate functions in the Tokyo metropolitan area to enhance collaboration in business domains (travel, hotels, real estate, etc.) and global operations in the area, as well as to make more sophisticated use of Tokyo area assets

Becoming a corporate group contributing to the development of Okinawa through the tourism and leisure business

- Exploring new business domains in businesses related to tourism, leisure, hotels, and real estate, originating in partnerships with JUNGLIA OKINAWA (scheduled to open in July 2025) and Orion Breweries, Ltd.

6 Deepening/expanding business and enhancing presence globally

Becoming a global brand born in Japan in the international logistics business

- Establishing a position as a "Global Top 10 Solution Partner" by focusing on the Asian market

Becoming a global corporate group doing business widely in Asia

Becoming a corporate group recognized in the U.S. market, in international logistics business as well as hotel and real estate businesses

- Miyako Hotel to open in Plano, Texas (scheduled for completion in fiscal 2027) as hotel expansion continues to accelerate
- Expanding the real estate business by investing in real property in addition to real estate funds

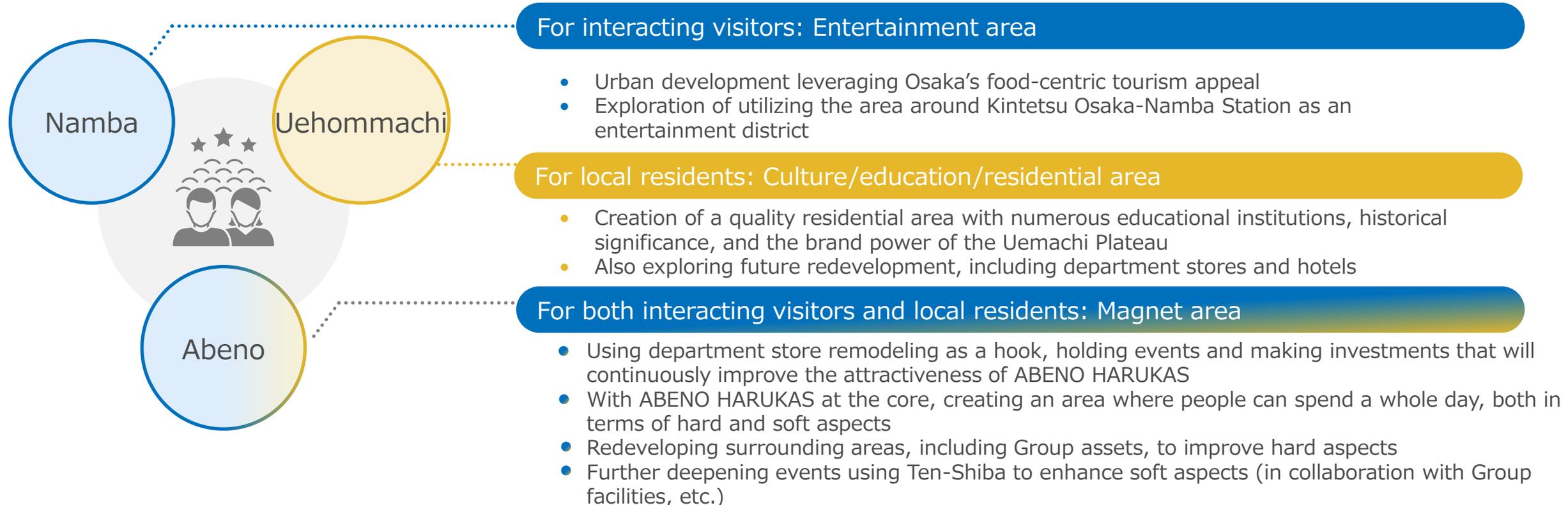
5) Priority Strategies: **A** Deepening/Revitalizing Value Along Railway Lines

- By leveraging the rich tourism resources that allow visitors to experience Japanese culture and history along railway lines, we are allocating management resources in priority areas to attract more people



5) Priority Strategies: **A** Deepening/Revitalizing Value Along Railway Lines (Abeno, Uehommachi, Namba Areas)

- Transforming Abeno, Uehommachi, and Namba into a major, wide-area district in Osaka that people want to live in and visit
- Aiming to increase and revitalize both the resident population and those interacting with locals by turning wide areas into some of the most popular areas to live and visit in Osaka
- Strengthening the competitiveness of ABENO HARUKAS: Department store remodeling and advanced utilization of nearby Group assets
- Promotion structure: Building a promotion structure with participation of not only the Kintetsu Group, but also neighborhood residents, local governments, transportation operators, and local businesses



5) Priority Strategies: **A** Deepening/Revitalizing Value Along Railway Lines (Ise-Shima Area)

- To harness the great potential of the Ise-Shima region, we are enhancing the area's diversity and high-quality sensibility, and promoting branding initiatives that make the most of these strengths
- While refining the area as a premier destination area, we aim to expand visitor traffic by developing excursion routes throughout the Kii Peninsula.

Ise-Shima's potential

Number of visitors to Ise Jingu Shrine

The number of visitors from 2022 to 2033, when the Shikinen Sengu ritual¹⁾ takes place, to increase by 23 million²⁾ (anticipated)

- Number of visitors at Ise Jingu Shrine has grown each year, a trend expected to spread to the entire Ise-Shima area



Inbound travelers

Increase in the share of inbound visitors to total guests from 2% (current) → 10% (regional average) (anticipated)

- Significant room to attract inbound travelers by strengthening integrated regional promotions



Linear Chuo Shinkansen Line Plan

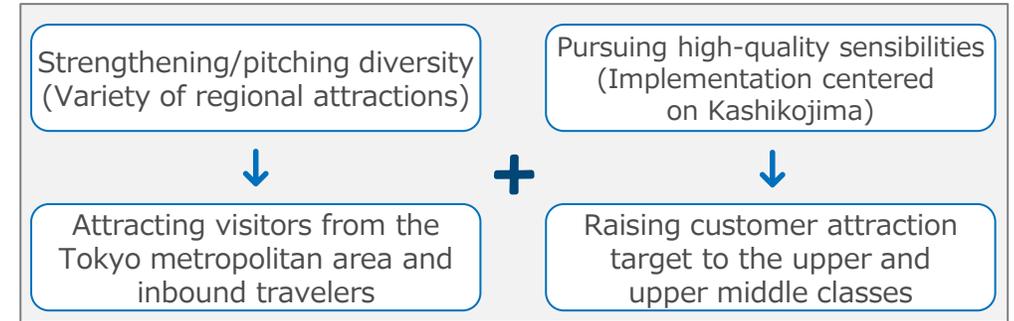
Travel time from the Tokyo metropolitan area to Ise reduced from approx. 3 hours to approx. 2 hours

- The number of visitors from the Tokyo metropolitan area is expected to increase once the Linear Chuo Shinkansen Line linear maglev line opens, with Nagoya Station as the gateway
- +1.00 million/year vs. current (anticipated)

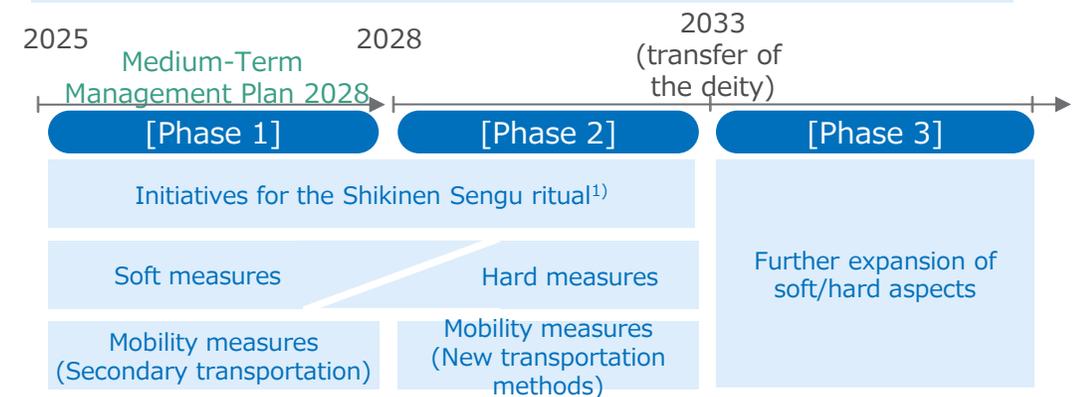


(Source : Central Japan Railway Company's official website for the maglev Chuo Shinkansen)

Ideal for Ise-Shima, and the initiatives for implementation



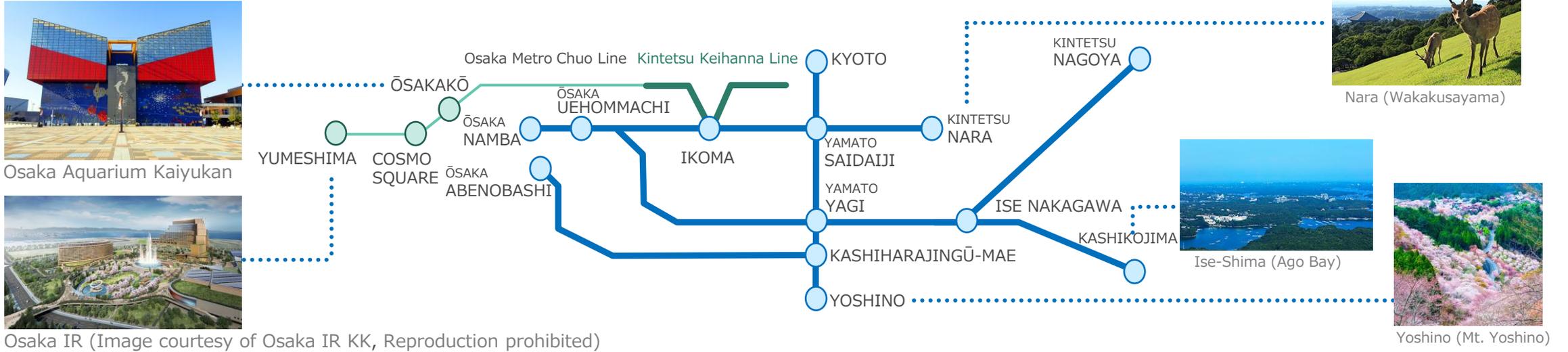
Making Ise-Shima one of Japan's leading tourist destinations by refining diversity and high-quality sensibility



1. Shikinen Sengu ritual is a Shinto ritual that takes place at the Ise Jingu Shrine once every 20 years to newly build the sacred building and remake the sacred apparel, furnishings and treasures, etc. This 63rd time will involve ceremonies and events from 2025 to 2033, with many worshippers forecast to visit from across the country.
 2. Comparing the cumulative total number of visitors from 2022 to 2033 (actual + estimate) and the cumulative total number of visitors from 20 years ago, from 2002 to 2013 (actual)

5) Priority Strategies: **A** Deepening/Revitalizing Value Along Railway Lines (Bay Area Around Yumeshima)

- By leveraging the significant potential of the Osaka Bay Area, such as Yumeshima, which is forecast to become a new city center for Osaka and function as an international tourism base, we aim to promote the expansion of business domains and drive future growth for the Group



Potential of bay area around Yumeshima

Osaka IR

- Osaka IR, which is scheduled to open in 2030 will have about 20.00 million visitors each year (forecast)
- The economic ripple effect of Osaka IR on the Kinki region will exceed 1 trillion yen each year (forecast)

Expo Site

- Moves to form Yumeshima's international tourism base are accelerating with calls for applications for developers of the Yumeshima Second Phase Area, which is the site of the Osaka-Kansai Expo scheduled to commence in the second half of fiscal 2025

Business opportunities for the Kintetsu Group

Collaboration with Osaka IR KK

- Initiatives for new business opportunities founded on (planned) investment in Osaka IR KK and the combination of IR-related businesses and the Kintetsu Group's wide-ranging business groups

Attract customers to the area along Kintetsu lines

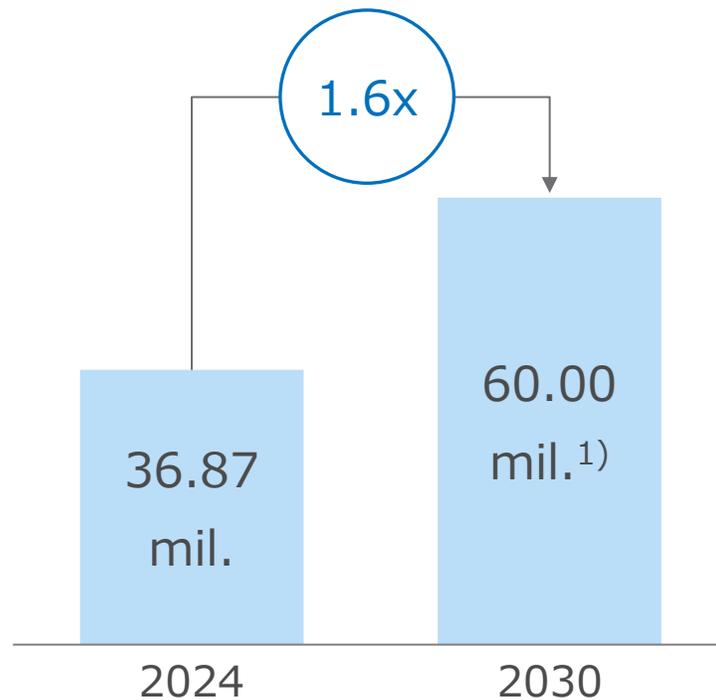
- In anticipation of the opening of Osaka IR, consider the development and operation of a direct train service to Yumeshima and the area along Kintetsu lines (Nara-Yamatoji area, Ise-Shima, etc.)
- Attract customers from the many visitors to the bay area around Yumeshima to the nearby Osaka Aquarium Kaiyukan and to railway lines leveraging the convenience of transportation

5) Priority Strategies: **A** Deepening/Revitalizing Value Along Railway Lines (Inbound)

- With significant growth in the number of foreign visitors to Japan, we aim to attract even more inbound travelers by capitalizing on plentiful tourism resources along railway lines and refining these areas into desirable places for inbound travelers

Number of foreign visitors to Japan

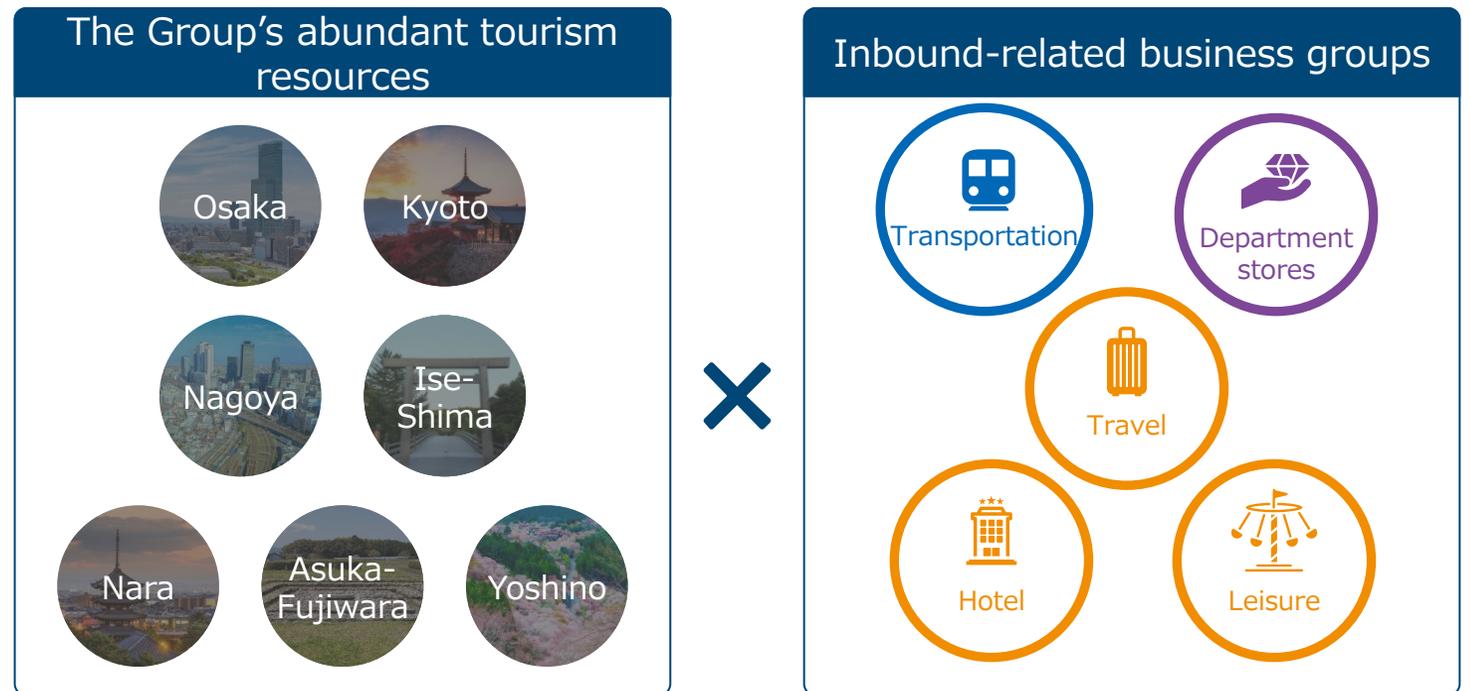
Number of visitors expected to exceed 36.00 million in 2024, a record high, and 60.00 million in 2030



1. 2030 Japanese government target

Maximizing incorporation of inbound demand

Maximizing inbound demand as a business by combining the Group's abundant tourism resources with inbound-related business groups



5) Priority Strategies: **B** Deepening/Expanding Business Away from Railway Lines

- Through the development and expansion of its business infrastructure in the Tokyo metropolitan area, Kintetsu will evolve into a “Kintetsu Group that creates a new presence also expanding non-railway lines”

Full-scale business development in the Tokyo metropolitan area

Enhancing business foundations

- Reinforcing Tokyo metropolitan area business
 - Establishing a new corporate function base in the Tokyo metropolitan area
 - Strengthening acquisition of talent in areas such as digital, new business and global
 - Strengthening Group collaboration including Tokyo-based Kintetsu World Express and KNT-CT
 - Enhancing presence in the Tokyo metropolitan area

Creating a new streetscape that leverages the Group’s assets

- Currently exploring methods for future advanced utilization of the Sheraton Miyako Hotel Tokyo in Shirokanedai
 - Considering collaboration with external partners as well capitalizing on Shirokanedai’s promise as a central Tokyo area
- Exploring best utilization methods of other Group assets in the city center



Sheraton Miyako Hotel Tokyo

Comprehensive development project in front of Kanazawa Station

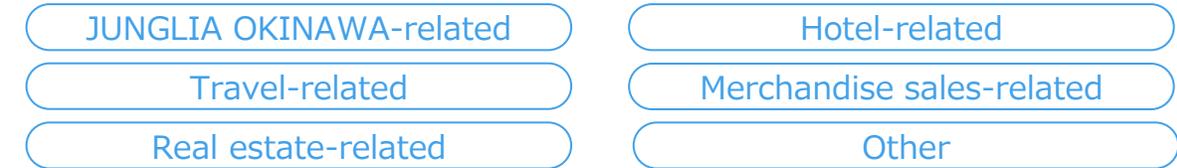
There is also the extension of the Hokuriku Shinkansen, etc. and to capture the tourism demand in Kanazawa that is popular not only with domestic tourist but also inbound visitors, we are creating a new base in the Hokuriku area by implementing a comprehensive development project, aimed at advanced use of the land owned in front of the station (site of the former Kanazawa Miyako Hotel).



Kanazawa Station
Site of the Kanazawa Miyako Hotel

Expanding business with Okinawa as a key business area

Seizing the opportunity of high growth in tourism demand in Okinawa, we will expand our related business domain through horizontal development of existing businesses, taking a step beyond our existing focus on customer referral to Okinawa



Creating new businesses in Okinawa in collaboration with Orion Breweries Ltd, JUNGLIA OKINAWA, and local companies, by combining the strengths of Kintetsu Group’s tourism and real estate, etc. with the knowledge and presence of local companies



5) Priority Strategies: **B** Deepening/Expanding Business Globally

- In the international logistics business, establishing a solid position as a global top 10 player by thoroughly capturing the Asian market
- Centered on the Taipei Office, exploring business opportunities for the Group, including hotels and travel, not only in Taiwan but also in the rest of Asia
- Expanding the hotel and real estate businesses and deepening existing business in the U.S., with a view to collaborating with external parties

Business strategy: International logistics business (KWE)

Long-Term Vision (ideal state)

- A “Global Top 10 Solution Partner”
Becoming a global brand born in Japan

Basic strategies for achieving the Long-Term Vision

- Thoroughly capturing the Asian market
 - Expanding merchandise volume by strengthening sales to/from Japan, where we have a competitive advantage, and intra-Asia
 - Expanding market share by strengthening eight trade lanes between the growth area of Asia, Europe, and the U.S.



Establishing industry-leading position in the Asian region

Expanding business foundations outside the international logistics business in the Asian region

- Since the establishment of the Taipei Office (April 2016), we have been promoting the attraction of inbound travel and building cooperative relationships with local companies and related organizations
- By making use of the network we have built and the Group’s bases in the Asian region, we will strengthen our efforts to discover new business opportunities in various business domains, such as hotels and travel, and aim to expand the Kintetsu Group’s business foundation in the Asian region

Expansion of business foundations in the U.S.

Hotel

- In addition to the current two locations (downtown Los Angeles and Torrance, California), we are expanding our footprint with the opening of a new hotel in Plano, Texas (scheduled for completion in fiscal 2027).
- This will mark the beginning of expansion into major U.S. cities while maintaining a balance between direct management and management contracting (MC) systems.

Real Estate

- Accumulating experience in real estate fund investment and expanding business to real estate investment

International Logistics

- Providing information to the Group’s U.S. businesses through the Kintetsu World Express Group’s locations (currently 43) as the Group’s largest points of contact with customers

Travel

- Increasing the number of KNT-CT Group offices (currently 9) and strengthening the MICE business from the U.S. to Japan (especially for Japanese companies)



Considering the establishment of strategic bases (branches, local offices, etc.) centered on Kintetsu Enterprises Company of America*, which has a track record of business in the U.S., in order to promote intra-Group collaboration, share information, cultivate human resources, and explore new business in the U.S.

*Kintetsu Enterprises Company of America launched a hotel and shopping mall business in 1968 in San Francisco’s Japantown neighborhood, and currently operates two hotels and office facilities in Los Angeles under the Miyako brand.

6) Vision for Sustainability



Long-Term Vision
Sustainability management

Achieving Group growth by creating a sustainable society through sustainable community development in a way unique to the Kintetsu Group, as well as by strengthening the management foundation

Materiality (Priority Issues for Sustainability)



Value Creation

Creating a lifestyle that anticipates changes in values

Energizing communities by enhancing networks

Enriching people and communities with tourism

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



Vision for Sustainable Management



Sustainable community development

- Promoting regional development that addresses environmental and social issues such as decarbonization, maintenance of natural resources, regional revitalization, mitigation of overtourism, and upkeep of local transportation



Strengthening our management foundation

- Continued pursuit of safety initiatives
- Strengthening corporate governance, improving corporate ethics, and diversifying human resources by appointing female officers
- Strengthening risk management and enhancing the system for preemptive risk control and post-incident response, while taking advantage of past lessons learned

7) Vision for Human Capital



Long-term vision
Human capital management

Unwavering trust, resonant individuality, and bold challenges

Fostering a high level of corporate ethical awareness

- Foster high ethical standards among all employees in our many businesses related to social infrastructure
- Facing multiple stakeholders such as customers and business partners, sincerely and develop human resources that can be trusted



Bringing together the capabilities of all Group personnel

- Bringing together the Group's diverse human resources and encouraging a culture for co-creation and synergies
- Create a place in which the strengths of all Group employees can be maximized



Hiring and developing specialized human resources to support the growth of our diverse business portfolio

- Strengthen the management personnel so that it can lead Group companies and the Group's overall management
- Reinforce human resources in the areas that will drive growth
- Leveraging the individual abilities and expertise, and developing human resources that can satisfy and gain the trust of customers



Creating an attractive workplace that continues to draw people in

- Offer benefits and salaries that are top of the class in each industry in which we operate
- Encouraging a culture that continues to attract people through meaningful work and an environment that allows for further growth



Encouraging a culture in which employees are motivated to take on challenges themselves

- Create a corporate culture that values people who can boldly take on new challenges with a sense of ownership and learn from their mistakes, rather than being defensive



8) Vision for DX

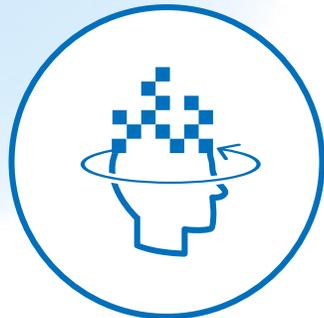


Long-term vision
DX management

Creating new value by leveraging digital technology across the entire Group and for all Group employees



Group-wide use of
digital technology



Offensive (growth oriented) and Defensive (risk management) DX strategies

- **Offense**
 - Expand the Group's economic areas through data in collaboration with other companies and local governments
 - Deliver a superior customer experience through the use of digital technology
 - Creating new businesses and services through the use of data and digital technology
- **Defense**
 - Streamline operations to enable employees to focus on creative work that makes the most of their abilities and unique characteristics
 - Promote DX that combines aspects that are common to the Group and is optimized for each industry

Hiring and Developing DX professionals

- Evolve all Group employees into digital human resources aligned with their work and hierarchy

Cybersecurity Enhancement

- Improve the level of security throughout the Group in response to changes in the external environment

9) Vision for Group-wide Collaboration and Branding and the Role of Major Business



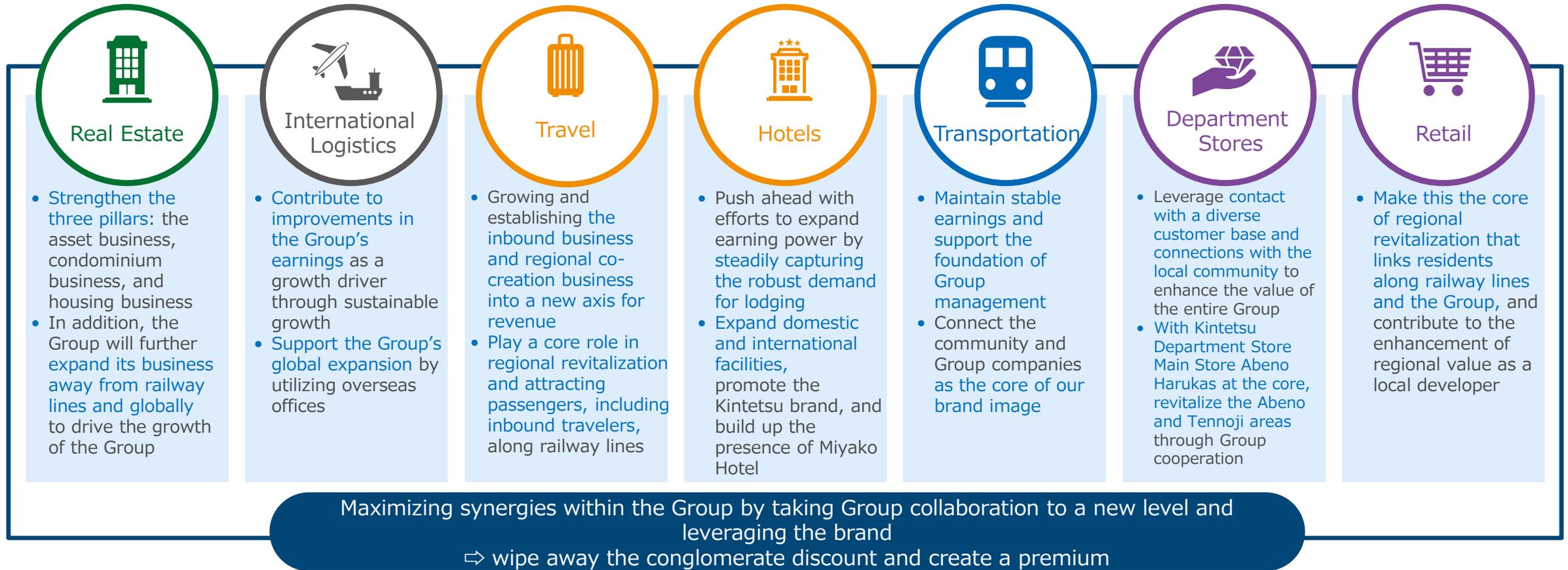
Long-term vision Group collaborative branding

In addition to each Group company fulfilling its own role, the Group aims to evolve into a chosen company group by maximizing organic connections and brand value by taking collaboration in human resources, know-how and information, thereby significantly reinforcing the Group's overall strength.

Growth drivers

Bridges to growth

Sources of growth (increase in regional value)



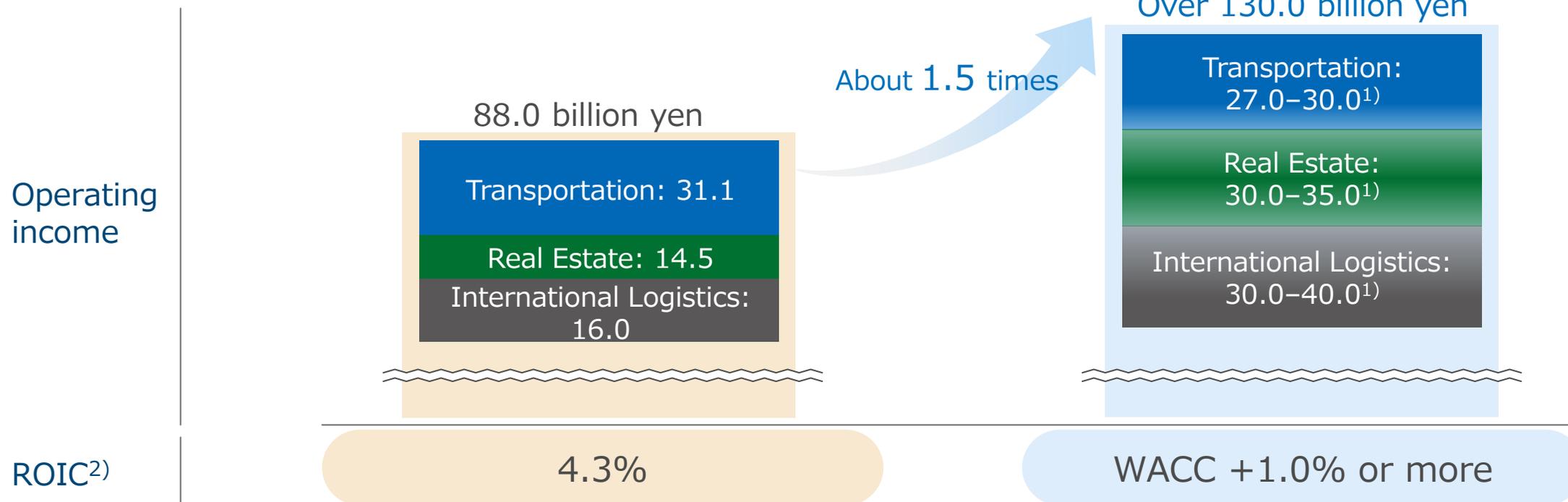
10) Management Goals for FY2035

- Through investments that appropriately reflect a cost-of-capital perspective and the steady implementation of measures based on each strategy, we aim to sustainably raise the level of profits and increase operating income by about 50% over the 88.0 billion yen forecast for FY2024, to 130.0 billion yen.
- With this as the foundation, we aim to maximize corporate value and improve shareholder value by controlling net interest-bearing debt and building up capital, as well as achieving the required return on invested capital (ROIC), aiming to increase shareholder returns over the medium to long term.

FY2024 (Forecast)

FY2035 (Target)

(Unit: billions of yen)



1. 2035 figures by business are for illustrative purposes only.

2. ROIC = Operating profit after tax / (Interest-bearing debt + Shareholders' equity)

Note: The section titled "Actions to Achieve Management Conscious of Cost of Capital and Stock Price" in the Report on Corporate Governance submitted in June 2024, the cost of capital^(Note) is stated to be around 3%. Note: Cost of capital = WACC

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3 Kintetsu Group Long-Term Vision 2035

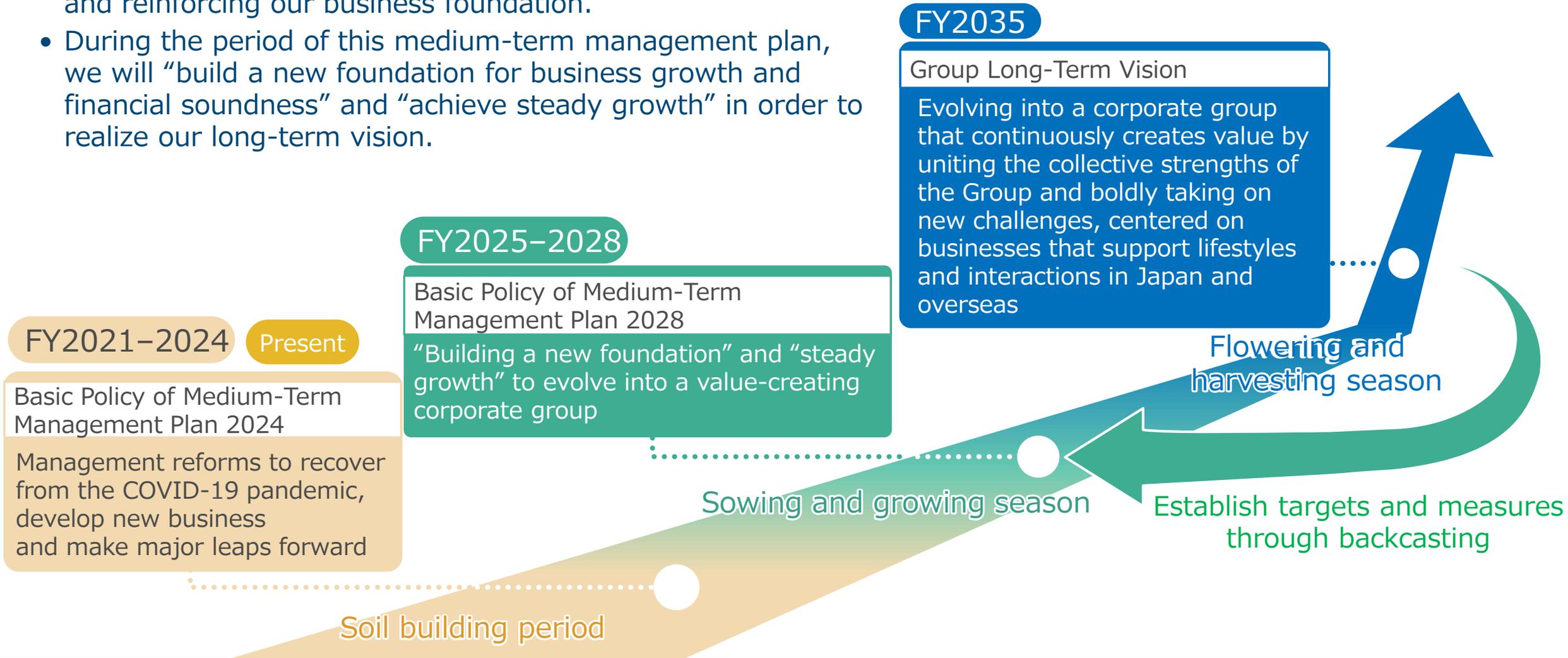
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1) Role and Basic Policy of the Medium-Term Management Plan 2028

- Under the Medium-Term Management Plan 2024, we have initiated fundamental management reforms and solidified the foundation for growth by enhancing our resilience to business risks, restoring financial soundness, and reinforcing our business foundation.
- During the period of this medium-term management plan, we will “build a new foundation for business growth and financial soundness” and “achieve steady growth” in order to realize our long-term vision.



2) Plan for FY2028

- As the first step toward our goal of generating more than 130 billion yen in operating profit in FY2035, we plan to achieve an operating profit of 100.0 billion yen or more in FY2028.
- We are also working to improve capital efficiency and increase corporate and shareholder value by introducing ROIC as a management indicator.

		FY2024 Full Year Forecast	FY2028 Plan
Profitability	Operating profit	88.0 billion yen	100.0 billion yen or more
Financing	Net interest-bearing debt ¹⁾	1.0300 trillion yen	Curbed to levels below 1 trillion yen
Management efficiency	ROE ²⁾	8.4%	Further improvement
	ROIC ³⁾ New indicator	4.3%	4.5% or more
Financial discipline	Capital adequacy ratio	22% or more	25% or more
	Net interest-bearing debt/EBITDA ⁴⁾ ratio	6.6 times	Approx. 6.0 times

Intent behind introduction of ROIC

Implement management with a stronger focus on cost of capital and efficiency

- We intend to recognize and manage each Group company's ROIC and improve capital efficiency and drive ROIC improvement
- Optimize allocation of management resources by utilizing them for Group-wide portfolio management

Increasing the capital efficiency of the entire Group leads to improvements in corporate and shareholder values

1. Net interest-bearing debt = Interest-bearing debt (borrowings + bonds payable) + lease obligations (excluding amount recorded under IFRS 16) - cash and deposits

2. ROE = Profit attributable to owners of parent / equity 3. ROIC = Operating profit after tax / (Interest-bearing debt + Shareholders' equity)

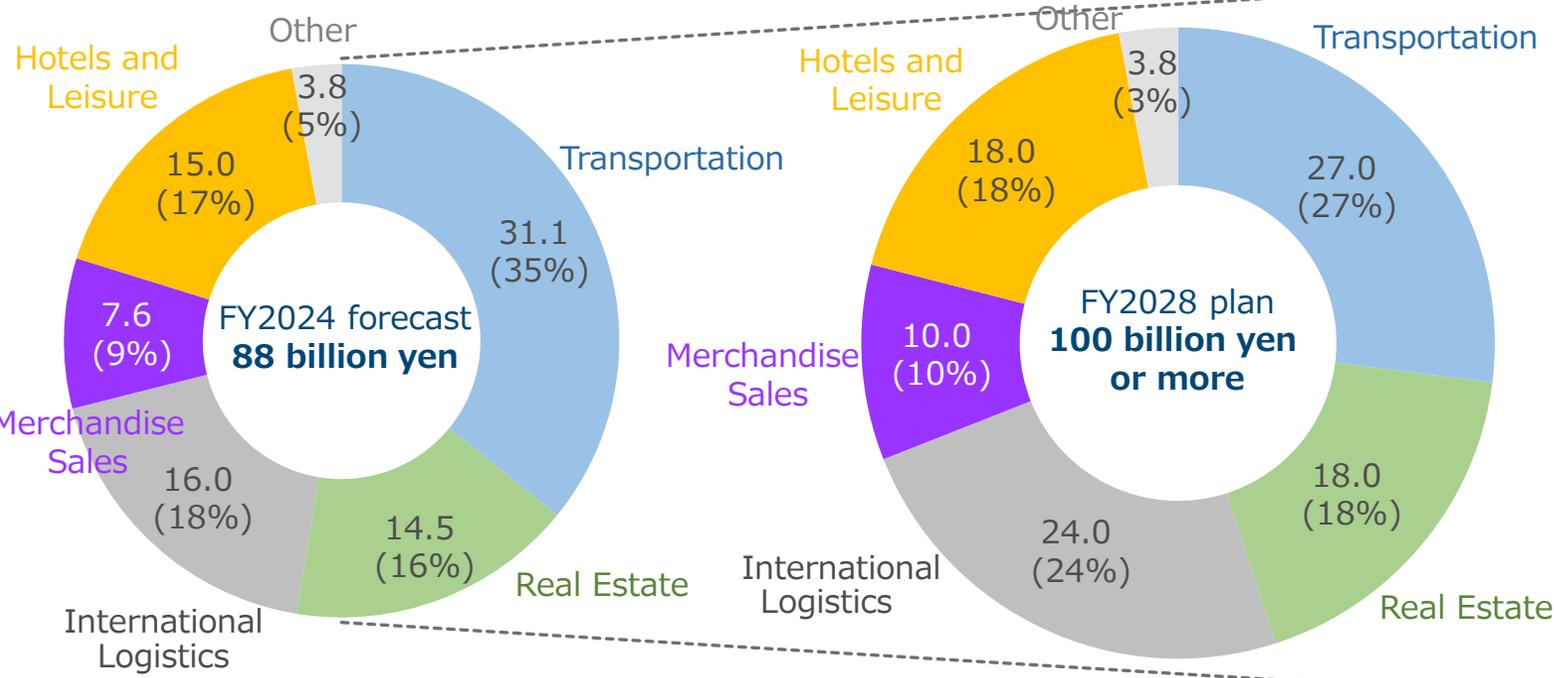
4. EBITDA = Operating profit + depreciation (excluding amount recorded under IFRS 16) + amortization of goodwill

Note: Indicators are before application of the new lease accounting standards.

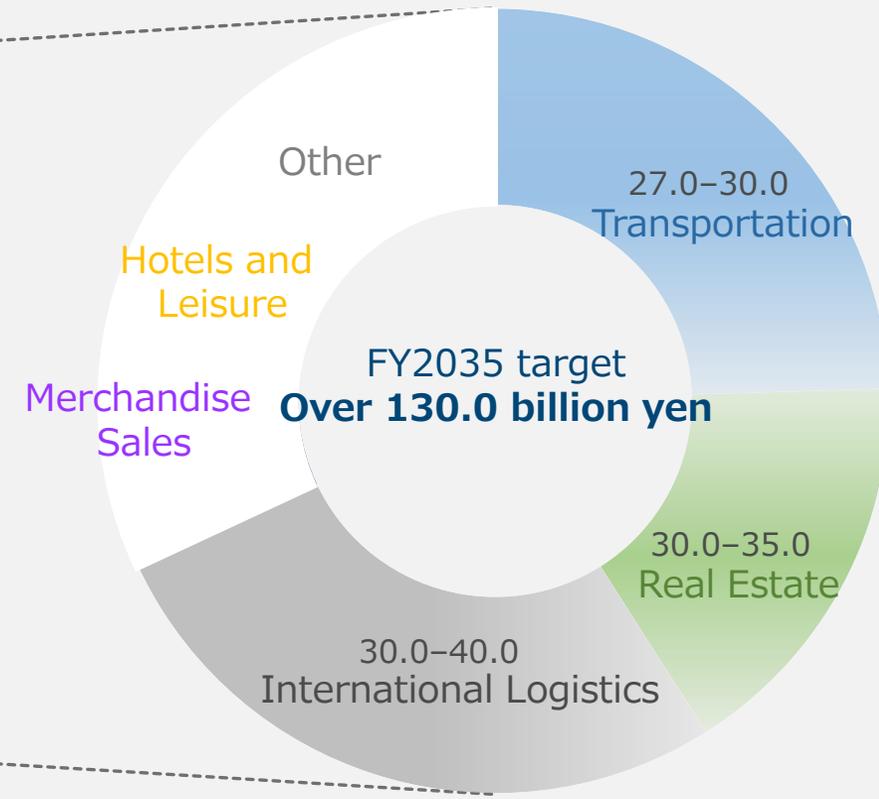
2) Plan for FY2028 (Operating profit by major segment)

- Plan to accumulate operating income while balancing the portfolio to reach 100.0 billion yen or more

Billions of yen (Composition %)



<Reference> FY2035 (10 years from now)
 Figures for each segment are for illustrative purposes only.



3) Financial Strategy

- Control net interest-bearing debt below 1 trillion yen to ensure financial soundness while executing growth and strategic investments to realize our long-term vision

Investments

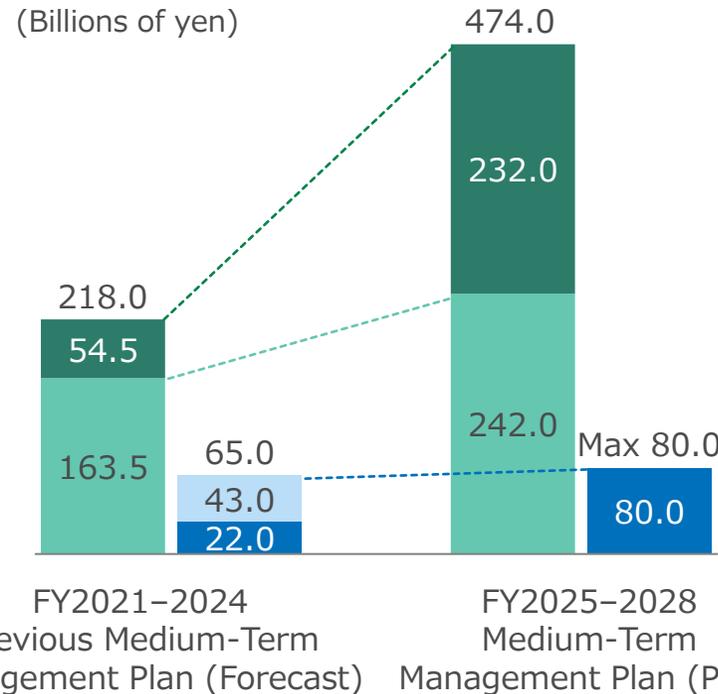
- In the previous medium-term management plan, capital investment was curbed as an emergency response during the COVID-19 pandemic
- This Medium-Term Management Plan includes growth investment of about 230.0 billion yen for future growth and also establishes a strategic investment quota



In the previous medium-term plan, efforts focused on renewal investments due to the decline in profitability during the COVID-19 pandemic, and future-oriented growth strategies were carefully selected

[Growth Investments] *Main details

- Real estate (new development, etc.) 18.5 billion yen
- Hotel and merchandise sales (renovation, etc.) 18.0 billion yen
- International logistics (IT investment, etc.) 10.0 billion yen



Significant increase in growth investment in this medium-term management plan

[Growth Investments] *Main details

- Real estate (new development, etc.) 120.0 billion yen
- Hotel (new acquisition, renovation, etc.) 36.0 billion yen
- International logistics and travel (IT investment, etc.) 35.0 billion yen

[Renewal Investments] *Main details

- Investment in renewal restrained by the COVID-19 pandemic, etc.
- Transportation 140.0 billion yen
 - *New construction of general rolling stock 28.0 billion yen
 - Real estate 30.0 billion yen

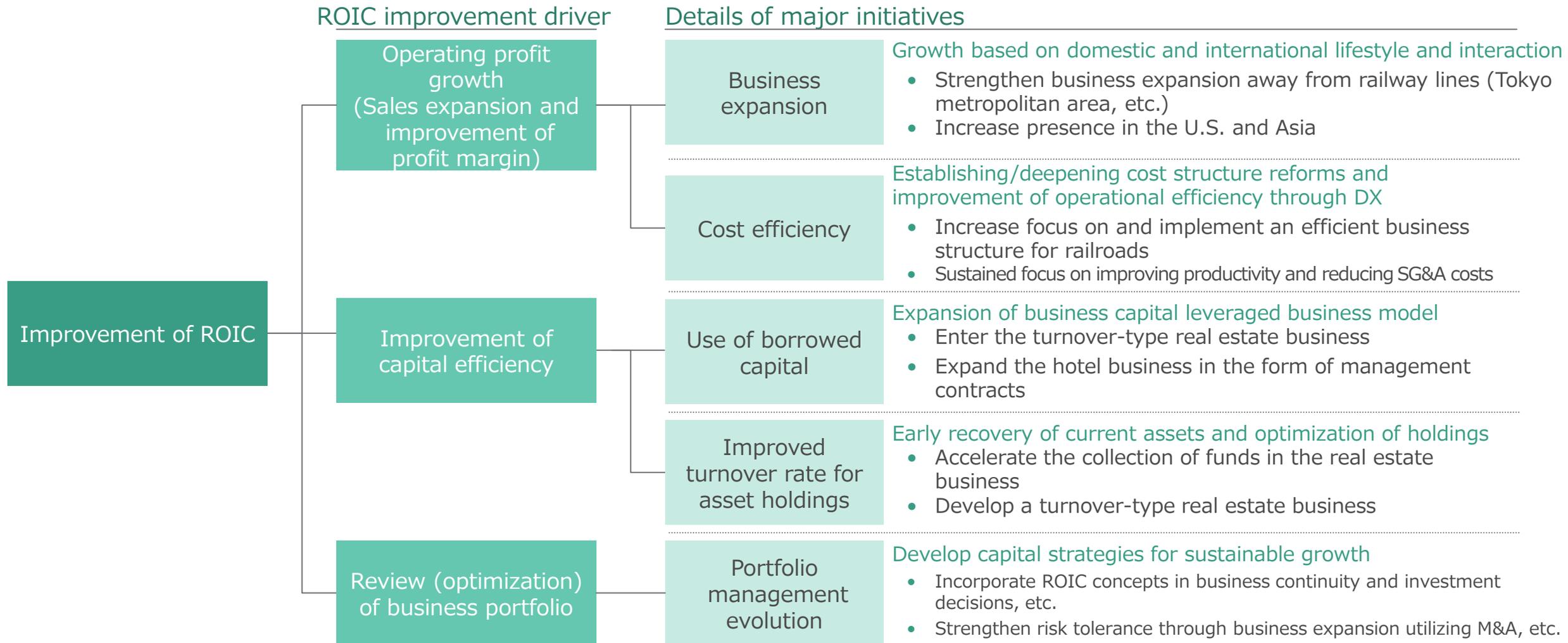
[Strategic Investment Quota]

- Up to about 80.0 billion yen

1. Kintetsu World Express

4) Initiatives to Enhance ROIC

- Establish measures and KPIs to improve ROIC and promote improvements in capital efficiency for the entire Group and each Group company

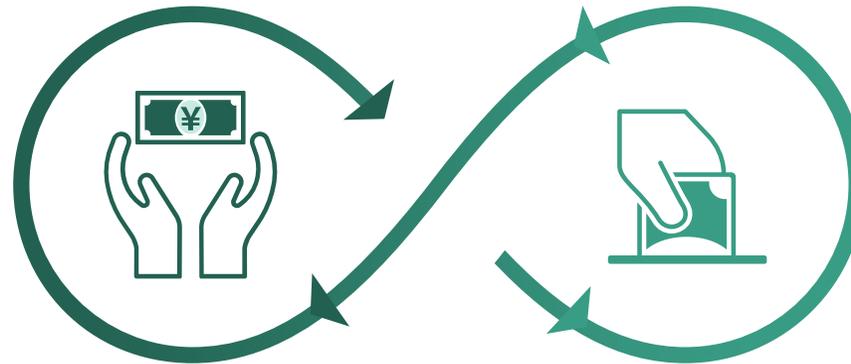


4) Initiatives to Enhance ROIC: Entry into the Turnover-Type Real Estate Business

- Utilize real estate finance (funds, etc.) to recover invested capital and reinvest the acquired funds in growth areas, thereby achieving both financial soundness and sustainable growth
- Apply real estate finance (funds, etc.) to various development projects to diversify risk while maintaining a certain level of involvement and promoting projects such as station area development
- Through asset management, generate revenue from a wide range of sources, including property management and building management

Turnover-type real estate business model utilizing fund schemes

Acquisition of external funds through real estate finance (funds, etc.)



Reinvestment of earned funds

Office buildings and residences

Commercial facilities

Hotels

Logistics facilities and warehouses

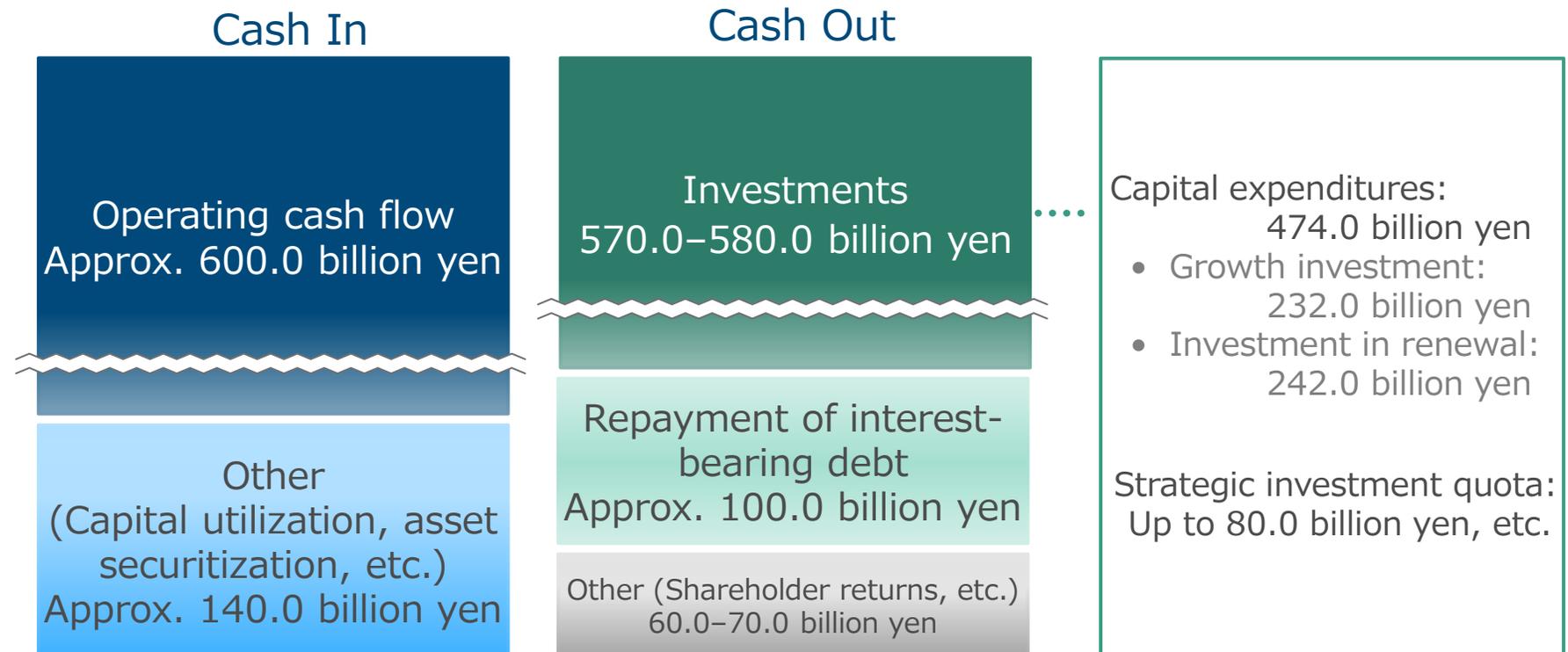
Etc.

Kintetsu Investment Partners will be established in April 2025 (planned) to take on the Kintetsu Group's asset management functions as a growth engine.

5) Cash Allocation

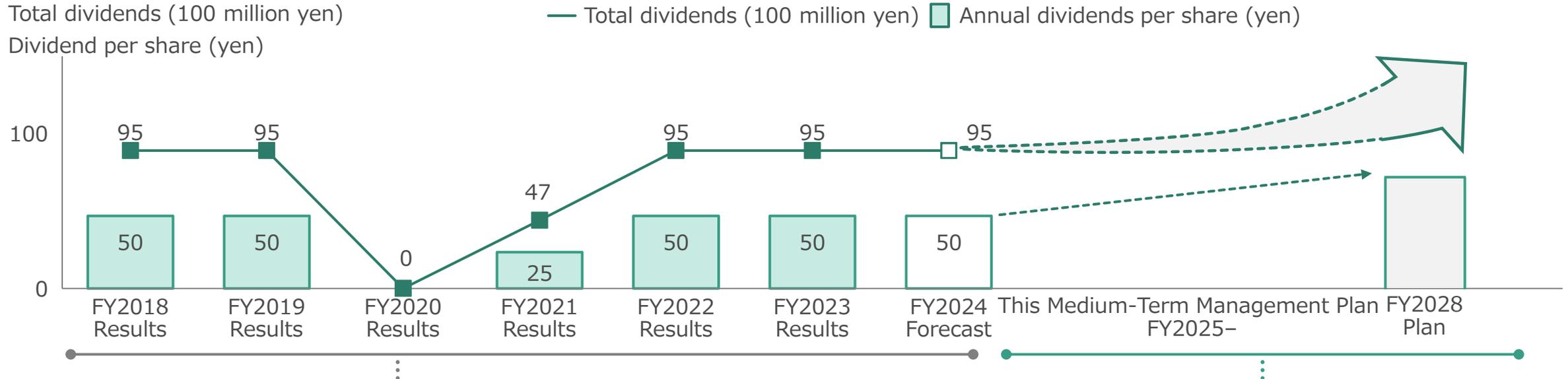
- Efficiently allocate operating cash flow and other resources toward future-oriented growth and strategic investments during this medium-term management plan, with full consideration of capital costs and profitability
- In addition, control net interest-bearing debt by introducing a turnover-type real estate business and other balance sheet optimization measures
- Provide shareholder returns aligned with medium- to long-term earnings growth

Cash Allocation FY2025–2028 Plan Cumulative Total



6) Shareholder Return Policy

- Shareholder returns commensurate with medium- to long-term growth through the introduction of a progressive dividend on equity (DOE) set with a floor of 2.0%¹⁾
- Based on this, contribute to further increase in dividend payout ratio



To date (–FY2024)

- Our basic policy is to provide stable shareholder returns (dividends) while striving to strengthen our management foundation and financial position.

Future (FY2025–)

- By introducing a progressive dividend with a minimum dividend on equity (DOE) set at 2.0%¹⁾, our basic policy is to return profits to shareholders in line with medium- and long-term growth, not limited to single-year fluctuations in profits, in addition to stable dividends.

1. Except in the case of events that would have a significant negative impact on financial results

7) Priority Strategy Initiatives

- During the period of this Medium-Term Management Plan, we will steadily implement the initiatives to be promoted during the period of this Medium-Term Management Plan while also promoting preparations and arrangements for the long term

Initiatives taken during the period of this Medium-Term Management Plan

Matters to be prepared/started during the period of this Medium-Term Management Plan for implementation in the long term

A Deepening/revitalizing value along railway lines

<p>1 Expanding the appeal of Abeno, Uehommachi, and Namba</p>	<ul style="list-style-type: none"> Pursuit of major renovation of Kintetsu Department Store Main Store Abeno Harukas (Remodeling) Group-wide initiatives through the establishment and operation of the promotion structure Pursuit of major renovation of Kintetsu Department Store Main Store Abeno Harukas (Remodeling) 	<ul style="list-style-type: none"> Form a consortium for redevelopment with the collaboration and cooperation of the local Abeno area (residents and local governments), transportation operators and local businesses Advanced use of Group assets in Uehommachi and Namba
<p>2 Strengthening Ise-Shima brand power</p>	<ul style="list-style-type: none"> Strengthening the capture of visitors from the Tokyo metropolitan area and inbound tourists Rebuild of tourism infrastructure, including measures related to services and secondary transportation measures 	<ul style="list-style-type: none"> Contribute to the success of the Jingu Shikinen Sengu ritual Infrastructure measures for existing facilities and introduction of new mobility Fostering a sense of quality in the Shima (Kashikojima) area
<p>3 Expand business through the development of the bay area around Yumeshima</p>	<ul style="list-style-type: none"> Incorporation of new business opportunities at the Osaka-Kansai Expo <ul style="list-style-type: none"> Capture demand of an official store opened in the venue, etc. Provide transportation services connecting the expo venue and railway lines and promote to attract customers to the railway lines 	<ul style="list-style-type: none"> Accelerate preparations to capture new business opportunities for the Group through (planned) investment in and cooperation with Osaka IR KK Promote the attraction of railway lines through the introduction of a train service that directly links Yumeshima and the area along Kintetsu lines
<p>4 Expanding incorporation of inbound demand</p>	<ul style="list-style-type: none"> Comprehensive capture of inbound demand through Group collaboration <ul style="list-style-type: none"> Coordination of initiatives before, during, and after travel 	<ul style="list-style-type: none"> Ongoing reinforcement of Group collaboration and expansion of target area Establishment of wide-area excursion routes (e.g., the entire Kii Peninsula) and creation of products that are differentiated from those in other areas

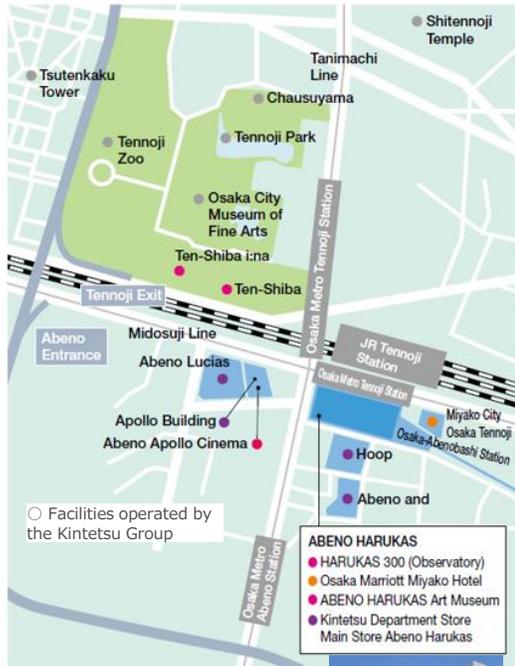
B Deepening/expanding business away from railway lines and globally

<p>5 Strengthen business infrastructure in non-railway lines and expand business domains in the Tokyo metropolitan area, etc.</p>	<p>(Tokyo metropolitan area)</p> <ul style="list-style-type: none"> Establish a new corporate function base in the Tokyo metropolitan area and strengthen the infrastructure for marketing, recruitment and global business in the Tokyo metropolitan area <p>(Okinawa)</p> <ul style="list-style-type: none"> Collaboration with JUNGLIA OKINAWA, in which we invested Strengthening hotel and other businesses through collaboration with Orion Breweries, Ltd. 	<ul style="list-style-type: none"> Redevelopment and urban development, including advanced utilization of Group assets Consult with the administration and promote plans for the creation of a new landmark in front of Kanazawa Station Further expansion of the tourism, leisure, hotel, and real estate businesses
<p>6 Deepening/expanding business and enhancing presence globally</p>	<ul style="list-style-type: none"> Business growth in Asian markets (intra-Asia, etc.) for the international logistics business <p>(U.S.)</p> <ul style="list-style-type: none"> Opening of a new hotel in Plano, Texas Continue to invest in real estate funds and accumulate experience, etc. <p>(Asia)</p> <ul style="list-style-type: none"> New business development leveraging Group collaboration in Taiwan 	<ul style="list-style-type: none"> Capture of contract logistics that leads to growth in the forwarding business Increase in the number of hotels in operation in the U.S. Expand the business scope in the real estate business through investment in real property in addition to real estate funds Exploring new business opportunities in Asia, mainly through the Taipei Office, in areas other than the forwarding business

7) Priority Strategy Initiatives: **A** Deepening/Revitalizing Value Along Railway Lines (Abeno, Uehommachi, Namba Areas)

- We intend to further revitalize the terminal by enhancing the attractiveness of the area centered on ABENO HARUKAS and reinforcing the functions of Osaka Uehommachi Station.

Maximizing the appeal of Abeno and Tennoji areas through the refinement of Group assets



Creating new attractions centered on the “remodel” of Kintetsu Department Store Main Store Abeno Harukas after its 10th anniversary

- Plan for evolution into an urban “value-creating department store” that continuously inspires customer expectations
- Developing a connected commercial zone that links ABENO HARUKAS with nearby facilities such as Hoop and other commercial facilities, and creation of a “Harukas Town” with a unique character that sets it apart from Kita and Minami
- Attraction of customers from a wide area to broaden the customer base and bring in the next generation of customers for a new sense of vitality

Establishment of a promotion system to maximize the area’s appeal

- Development of a promotion system to collaborate not only with the Kintetsu Group, but also with neighboring businesses and local communities for medium- to long-term revitalization of the area



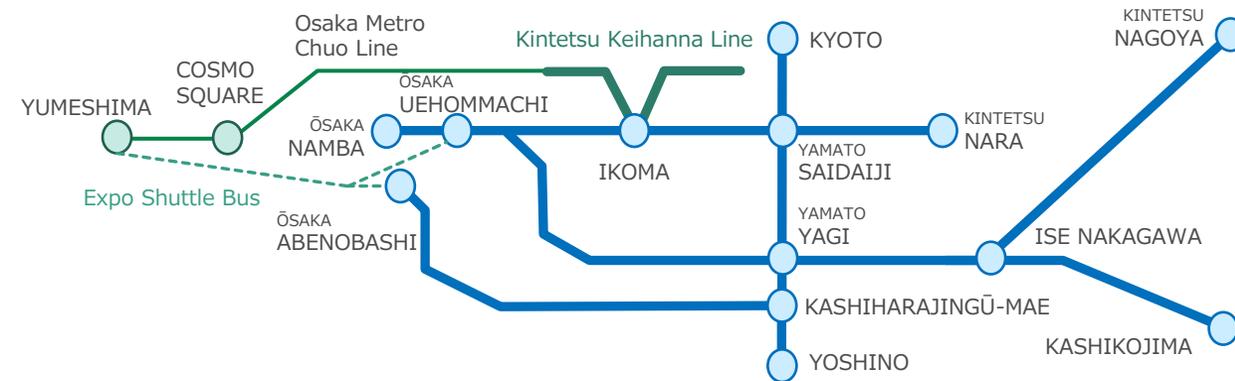
Developing business by improving access to Yumeshima, the host city for the Osaka-Kansai Expo and the planned location for the Osaka IR

Strengthening Osaka Uehommachi Station’s functionality as a hub through the redevelopment of the Uehommachi bus terminal, which connects Yumeshima and the Kintetsu railway line

- The new bus terminal will be in operation in March 2025 and will further revitalize Uehommachi as a transportation hub connecting the Osaka-Kansai Expo site and the Kintetsu railway lines.



Uehommachi bus terminal (image)

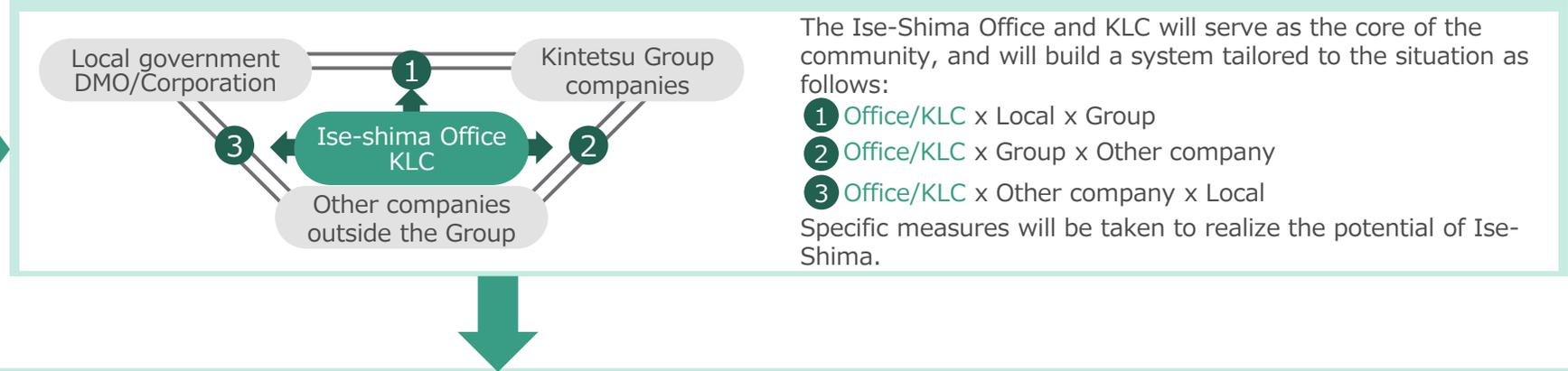


7) Priority Strategy Initiatives: **A** Deepening/Revitalizing Value Along Railway Lines (Ise-Shima Area)

- During the period of this medium-term management plan, while preparing for infrastructure development, we will significantly enhance non-physical (soft) initiatives.

July 2023
For the purpose of strengthening the Ise-Shima business

- Established the Ise-Shima Office
- Formed the Kintetsu Leisure Create (KLC)



Initiatives for the Shikinen Sengu ritual		Implement initiatives such as creating a sense of local vitality, and welcoming worshippers and travelers, while having a deep relationship with the Shikinen Sengu ritual as the Kintetsu Group
Attracting visitors from the Tokyo metropolitan area	Enhanced promotions	In addition to the Shikinen Sengu ritual and other ceremonies that will begin in 2025, continue to communicate the diversity and high-quality sensibility that Ise-Shima exudes
	Refinement of existing tourism content	Update tourism content including Ise Jingu Shrine, Ago Bay, pearls, divers, gastronomy, and other attractions in Ise-Shima
Attracting inbound tourists	Create attractive tourism content tailored for inbound visitors	In addition to advancing the training of guides for inbound tourist through cooperation with Kintetsu HR Partners and local businesses, create new high value-added tourism content by utilizing the traditional culture and local industries that have been nurtured in Ise-Shima
	Establishment of wide-area tourist routes and sales of products	In cooperation with the KNT-CT Group, develop and sell travel products to European, U.S., and Australian visitors that travel to Ise-Shima and central Nara Prefecture, and for repeat visitors from Asia that tour the Kii Peninsula
Restructuring of business base	Promotion of marketing	Collect and analyze various data from digital devices and implement a data-driven PDCA
	Expansion of secondary transportation	Establish an environment that allows tourists to choose a means of transportation from multiple options through effective use of existing mobility and introduction of new mobility devices
	Consideration of utilization of existing assets	In addition to the redevelopment of the former Shima Marineland and Kashikojima Hojoen, the former Miyabi building, consider renovation and conversion, etc. of assets currently in operation

7) Priority Strategy Initiatives: **A** Deepening/Revitalizing Value Along Railway Lines (Bay Area Around Yumeshima)

- Capture the business opportunities in the forecast development of the bay area such as Osaka IR, which is targeted to open in 2030, in addition to the Osaka-Kansai Expo, which opens in 2025, and accelerate initiatives for business expansion



Business development related to the Osaka-Kansai Expo

Open a store at the expo venue

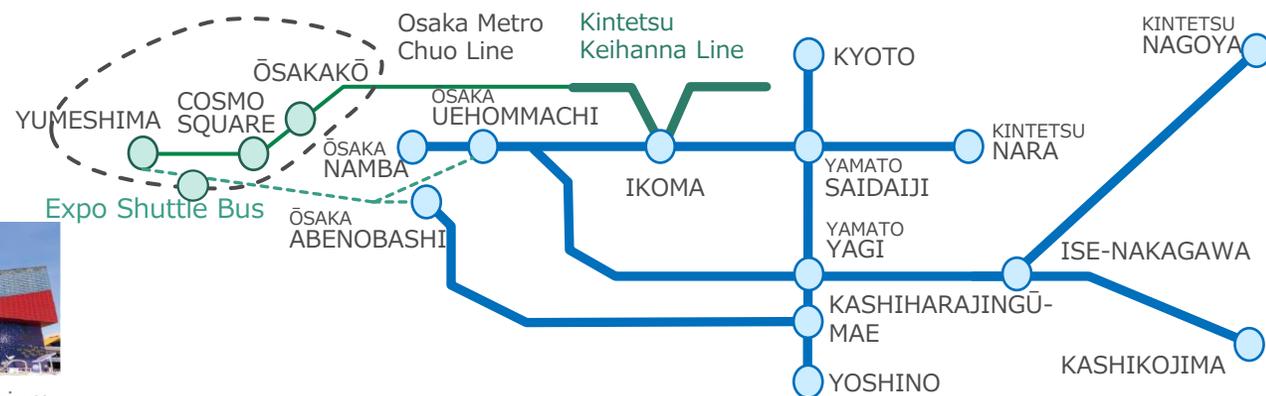
- Contribute to creating a sense of vitality, such as by opening an official store in the venue



Image of official stores at the venue of the Expo

Strengthen sending customers to Yumeshima and attracting customers to the areas along Kintetsu lines

- Contribute to Expo management from a transportation aspect such as operating the Expo Shuttle Bus that connects to Osaka-Abenobashi Station
- Strengthen attracting customers from the expo venue to Kintetsu lines (Nara-Yamatoji area, Ise-Shima, etc.) with the above 2 stations as hubs



Business development related to Osaka IR

Strengthening collaboration with Osaka IR

- Build a foundation to generate new demand in the Group, such as at MICE and hotels, through (planned) investment in Osaka IR KK and cooperation with that company

Introducing a train directly connecting Yumeshima and the areas along Kintetsu lines

- In anticipation of the opening of Osaka IR, consider the development and operation of a direct train service to the areas along the lines via Kintetsu Ikoma Station



Keihanna Line rolling stock in operation

7) Priority Strategy Initiatives: **A** Deepening/Revitalizing Value Along Railway Lines (Inbound)

- Comprehensive Group management of all inbound business opportunities
- Increase inbound revenues by more than 1.4 times in FY2028 compared with FY2024"

Strategy for attracting inbound demand

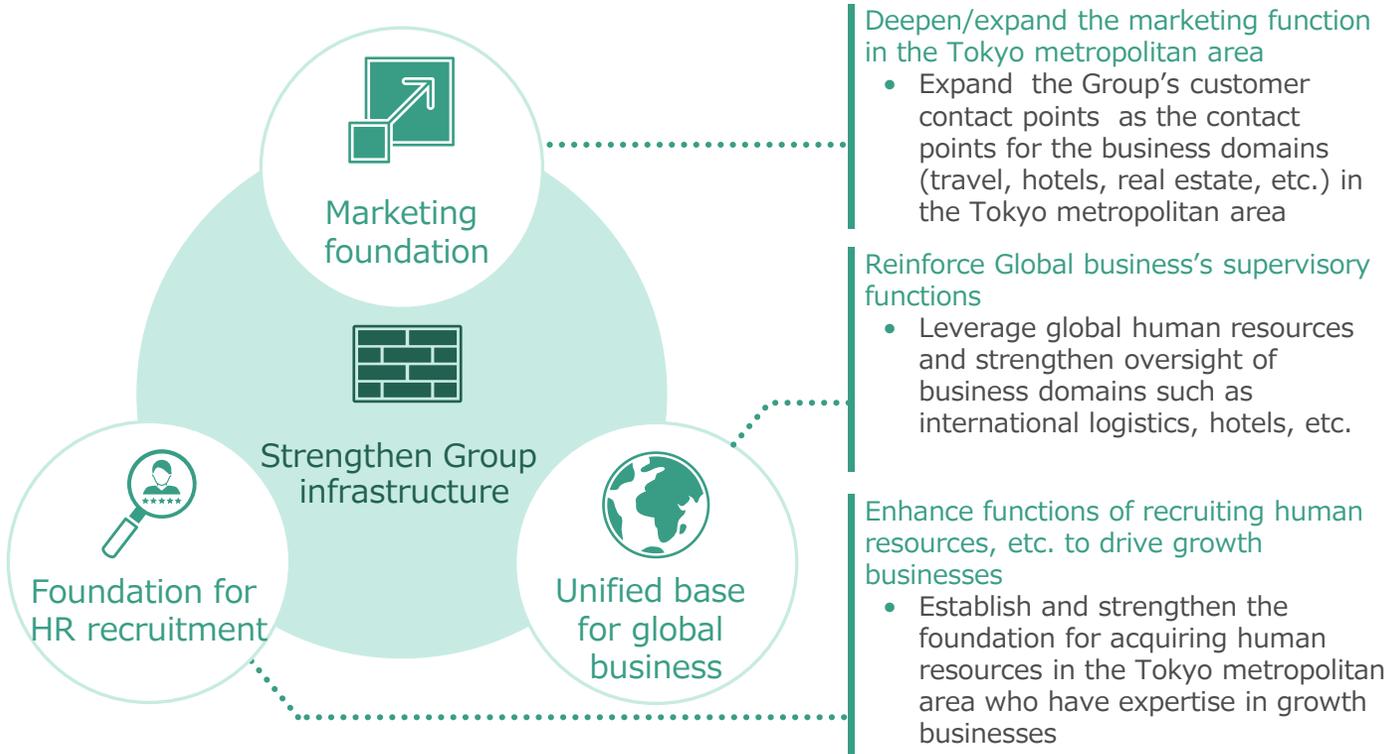
Strategy	Comprehensive Group Management				
	Before travel		During travel		After travel
	Attracting and inviting visitors	Content development and management	Access and accommodations	Shopping	Acquisition of repeat customers
	<ul style="list-style-type: none"> • Strengthen overseas sales capabilities to attract inbound groups • Attract Asian inbound visitors using the Taipei Office as a hook 	<ul style="list-style-type: none"> • Establish a business model for DMC operation in cooperation with local governments • Develop and operate arrival-based tours/events • Expand club tourism business for inbound visitors 	<ul style="list-style-type: none"> • Create an environment that facilitates inbound visits, especially by improving secondary transportation • Maximize the use of Group and chain hotels 	<ul style="list-style-type: none"> • Use the Expo as an opportunity for regional cooperation and mutual customer referral • Package sale of Group products/services 	<ul style="list-style-type: none"> • Utilize customer data to build contacts for return visits • Implement more effective measures to attract visitors through user analysis
Travel	✓	✓			
Transportation		✓	✓		
Hotels			✓		✓
Department stores				✓	✓

7) Priority Strategy Initiatives: **B** Deepening/Expanding Business Away from Railway Lines

- Build a new business foundation to strengthen the Group’s foundation in the Tokyo metropolitan area and to expand business away from railway lines, such as through collaboration with external partners in Okinawa

Significantly strengthen the Group’s management foundation in the Tokyo metropolitan area

Promote collaboration with external partners in Okinawa through investment, alliances, and other



Promote collaboration through investment

- Promote collaborations in the theme park business through investment in the management company for JUNGLIA OKINAWA, which is scheduled to open in July 2025
- Explore business opportunities in businesses ancillary to theme parks in addition to the travel business



JUNGLIA OKINAWA (image) Image courtesy of Japan Entertainment.



Promote cooperation mainly in the hotel business based on capital and business alliances

- Participate in business that utilize the Group’s know-how on resorts and hotels near theme parks, etc.
- Explore business opportunities in the tourism and leisure sector
- Provide Orion Beer products at Kintetsu Group stores

Promote discussion and consultation for the creation of a new landmark in front of Kanazawa Station

- Promote consultation with the administration for the advanced use of the land owned in front of the station (site of the former Kanazawa Miyako Hotel)
- Promote consideration of a comprehensive development project (commercial, offices, residential and hotels, etc.) linked to the creation of a new sense of vitality

7) Priority Strategy Initiatives: **B** Deepening/expanding business globally

- Expand business in the Asian markets for international logistics by increasing the volume of goods and sales in priority regions
- Expand the hotel and real estate businesses in North America

Asian market strategy for international logistics

Expand volume by further strengthening sales based on results to/from Japan and intra-Asia

Position Southeast Asia, where market expansion is expected in the post-China era, as a priority region, and expand sales through aggressive investment in human resources and quality

- Expansion of sales by increasing human and qualitative resources to Vietnam, Indonesia, India, and other countries where production bases are expected to be transferred from China
- Construction of a new warehouse in Singapore (total floor area: 29,180 m², four floors; scheduled for completion in 2027)
 - Respond to demand from healthcare-related companies, mainly from Europe and the U.S., and semiconductor equipment-related companies, etc. that have made Singapore their hub in Southeast Asia
 - Plan for the sustainable growth of the forwarding and logistics businesses



New warehouse (image)

Expand volume and business on North American and European routes to/from Asia by coordinating origin and destination

Strengthen relationships with airlines and shipping companies and improve competitiveness through centralized purchasing

In the future, consider mergers and acquisitions that complement our businesses and expand our operations as necessary to evolve our services to meet customer needs

Expansion of North American hotel business

Hotel

Develop a new hotel in Plano (near Dallas), Texas (scheduled for completion in fiscal 2027)

- Expansion of hotel business in the U.S. for the first time since 2009
- Number of guest rooms of about 220 (anticipated)
- Capture demand from Japanese expatriates, business travelers, and wealthy locals by providing Japanese-style services such as Japanese restaurants, food and bathrooms with washing areas
 - There are many Japanese companies in Plano, including the headquarters of a local subsidiary of Toyota Motor Corporation, and hotel demand is expected to be high.

As a long-term growth area, aim for expansion while maintaining a balance between Company ownership and management contracting (MC) systems in cooperation with the real estate business

- ★ Planned site for new hotel
- ★ Location of existing hotels



New hotel (image)

Real Estate

Participate in real estate development in the U.S.

- Expand the business scope in the real estate business through investment in real property in addition to real estate funds

8) Group Shared Infrastructure Initiatives

- Steadily promote the initiatives necessary to realize the long-term goals of each Group company within the Group's common infrastructure



Sustainability

Start initiatives to create a sustainable community in Ise-Shima

Develop safety, corporate governance, and risk management systems to strengthen the management foundation



Human capital

Kintetsu HR Partners will cooperate with the Human Resources Divisions of Kintetsu GHD and each Group company with the aim of raising the standard and evolving the human resource function of the entire Group

Promote the three strategies of "recruitment and retention," "training and development," and "placement and transfer" in order to improve engagement with our long-term vision of human capital management, "unwavering trust, resonant individuality, and bold challenges"



DX

Create new value through the use of data and digital technology with the Group's overall strength while developing the foundations that assume thorough improvement in efficiency and labor optimization, standardization of systems and infrastructure, securing and training DX human resources, and strengthening cybersecurity



Group cooperation

Kintetsu GHD takes the lead in developing a platform and systems to promote Group-wide cooperation and collaboration, and implement measures to maximize the Group's strength



Branding

Move ahead to become the Kintetsu Group chosen by multiple types of stakeholders by leveraging the brand assets that we have cultivated over many years and promoting initiatives to maximize the value

8) Group Shared Infrastructure Initiatives: Sustainability (Sustainable Community Development)

- Promote sustainable community development that is unique to the Kintetsu Group in each area along railway lines through co-creation with local governments and others

5 Increased value through decarbonization x tourism

- Expand efforts that contribute to decarbonization, such as the introduction of new standard railway vehicles and railway operations utilizing renewable energy

4 Utilization and maintenance of natural resources

- Contribute to the preservation of marine resources to maintain the food that is part of the region's appeal
- Expand ecotourism
- Support TNFD¹⁾ through initiatives

3 Utilization and maintenance of historical and cultural assets

- Actively contribute to the preservation of temples, shrines, local festivals, etc., and work to ensure that they are passed on to the next generation

1 Regional revitalization through inbound travel

- Recultivate the charms of local regions and communicate them to the rest of the world
- Develop local tourism infrastructure through the travel business and reception by attractive accommodation facilities
- Contribute to efforts to mitigate overtourism in urban areas through regional decentralization
- Capitalize on the above to create employment opportunities in rural areas

2 Redevelopment of regional transportation

- Rebuild local transportation with less manpower by utilizing on-demand transportation, etc.
- Link between railroads and regional transportation with stations as hubs (seamless transfers, easy-to-understand tourist information)



1. Taskforce on Nature-related Financial Disclosures

8) Group Shared Infrastructure Initiatives: Sustainability (Strengthening the Management Foundation)

- As the very foundation of our business, continue to pursue safety initiatives and reinforce corporate governance and risk management

1 Safety initiatives

- Continue to build and implement a transportation safety management system
- Strengthen the Group's response to food safety

2 Initiatives to strengthen corporate governance

- Supervisory function of the Board of Directors
 - Strengthen the Board's supervisory function by enhancing oversight by independent directors to strengthen the supervisory function of the Board of Directors
- Promoting diversity
 - Promote diversity on the Board of Directors, including the appointment of female officers
- Compensation
 - Introduce more advanced methods for determining director compensation (linked to short-, medium-, and long-term improvements in corporate value, sustainability evaluation, etc.)
- Director appointments
 - Enhance the Personnel and Compensation Advisory Committee
 - Link the skills matrix to management strategy

3 Initiatives to strengthen risk management

- Corporate ethics
 - Establish anti-corruption and bribery policies and strengthen corporate ethics training, audits, etc.
 - Set policy on tax transparency
- Risk management
 - Expand the range of activity and enhancement
 - Strengthen measures within the Group to prepare for large-scale disaster
- Supply chain
 - Consider human rights due diligence in the supply chain, reduction of CO₂ emissions, and ESG initiatives

8) Group Shared Infrastructure Initiatives: Human Capital (Structure)

- Expand investment in training and reskilling to encourage employees to take up challenges (invest about 12.0 billion yen in human capital during the period of this Medium-Term Management Plan)
- Formed Kintetsu HR Partners in October 2024 to promote human resources strategy as a unified and efficient group
- Consolidate operations related to human resources for the entire Group, and raise and advance the human resource functions of the Group overall

Kintetsu GHD Human Resources Division

- Planning of HR strategy for the entire Group
- Formulation of HR systems and policies for the entire Group



Human Resources Divisions of each Group company

- Planning of HR strategies and promotion of HR operations for individual companies



Kintetsu HR Partners

Addressing issues related to human resources across the Group and functioning as a hub to create synergies within the Group

- Strengthen and operate a common recruitment infrastructure for the Group
 - Supply and support human resources to Group companies (including operation of the Kintetsu Group job site “Oshigoto Station”)
 - Recruitment branding
 - Foreign recruitment, etc.
- Group-wide training planning and management
 - Launch the Kintetsu Business Training
 - Establishment and operation of a common database of human resources for the Group

8) Group Shared Infrastructure Initiatives: Human Capital (Human Capital Strategy)

- We will promote the three strategies of “recruitment and retention,” “training and development,” and “placement and transfer” in order to improve engagement with our long-term vision of human capital management, “unwavering trust, resonant individuality, and bold challenges.”



8) Group Shared Infrastructure Initiatives: DX

- The entire Group will work both offensively and defensively to promote DX (investing about 44.0 billion yen in DX-related investments during the period of this Medium-Term Management Plan)
- The Group's DX promotion system will be strengthened and DX initiatives accelerated significantly.

Offensive DX

1. Creating new value through the use of data and digital technology

- Advanced use of customer data
 - Make digital services more sophisticated by using the Group's common ID and KIPS app
 - Deepen customer understanding and enhance digital services through expansion of the Kintetsu digital economic sphere
- AI use in customer contact
 - Use AI in proposing plans while promoting the digital of travel operations, etc.
- Provide digital solutions for advanced supply chain management
 - Enhance the flexibility of systems cooperation and seamlessly connect supply chains by revamping the platform for international logistics systems, etc.



Defensive DX

2. Thorough efficiency and labor-saving measures

- Fundamental review of business processes
- Business efficiency through the use of digital technology
 - Actively use generative AI, RPA, and low-code tools
- Further promotion of work-style reforms

3. Standardization of systems and infrastructure

- Standardization of IT infrastructure and applications and strengthening joint purchasing
 - Introduce shared communication tools within the Group
- Review of solutions for common Group issues
- Consolidation of operations and effective use of data through shared infrastructure
 - Introduce a shared back office system



DX Assumptions

4. Hiring and developing DX professionals

- Training all Group employees to become digital human resources
 - Conduct digital literacy education
 - Implement training sessions by job level according to position
 - Develop human resources to lead the organization's DX

5. Cybersecurity reinforcement

- Strengthening the Group CSIRT¹⁾ system
- Oversight based on Group security standards
- Ongoing security investments

1. Computer Security Incident Response Team

8) Group Shared Infrastructure Initiatives: Group Cooperation

- Accelerate cross-Group initiatives by establishing a framework for HR and investment/business activities as part of business governance

HR-related systems



Revitalization of communication across the Group

- Develop a digital platform that enables seamless information sharing, while creating Group-wide communication opportunities

Acceleration of HR management across Group companies

- Expand personnel exchanges among Group companies and develop human resources who can lead and grow businesses from the perspective of multiple businesses and the Group as a whole

Encourage engagement with customers

- Develop customer-centric talent who can respond flexibly and empathetically to diverse needs



Systems related to investment/business activities



Promotion of projects undertaken by the Group

- Build a system in which Kintetsu GHD is the core company and other related Group companies participate (cross-Group project teams, etc.) and pursue projects for business plans in which multiple Group companies are involved, such as priority strategies

Realization of business plans that are optimal for individual companies and the Group

- Build a system in which the strengths of a conglomerate can be leveraged to pursue diverse business opportunities with the Group's overall strengths (such as setting project incentives) and implement business expansion that is optimal for individual companies and the Group



Acceleration of initiatives that cut across the Group



9) Major Business Initiatives 1/6

Sources of growth (increase in regional value)

Long-Term
Vision

We create an operational area full of wonders, as a company loved and chosen by people.
Providing safe, comfortable services, while working with the bright areas along our railway lines.

Key
Medium-
Term
Strategies

1. Strengthen an efficient business structure firmly grounded in safe transportation
2. Increase revenue through initiatives for regional revitalization and to stimulate demand

Major initiatives (i): Strengthen an efficient business structure firmly grounded in safe transportation

- Measures against large-scale disaster
 - Continuously implement safety measures at elevated tracks, embankments, and tunnels, etc.
- Thorough labor conservation and reduction in the number of staff required by updating various equipment
 - FY2025-FY2028 Investment amount of about 6 to 8 billion yen
- Improvement of operational efficiency through DX and IT
 - Labor saving station patrol measures and expansion of train operations that only need one driver (Also consider expanding to main routes)
 - Systematization of track maintenance inspection work, etc.
- Expand the introduction of new high energy-efficient general rolling stock
 - FY2025-FY2028 Plan to introduce about 150 vehicles
 - Electricity consumption reduced by 45% (compared to conventional rolling stock)
 - Total electricity consumption reduced by 3 to 4% per year (compared to the total)
- Initiatives to further improve the income/outgoing balance
 - Reduce operating costs through timetable revisions
 - Advance measures for cooperation with local communities to create a sense of vitality in branch line areas



Kintetsu Railway General Information Center



8A series, new general rolling stock

Major initiatives (ii): Increase revenue through initiatives for regional revitalization and to stimulate demand

- Strengthen services in line with demand, increasing the number of Meihan Limited Express services, etc.
 - Increase the number of limited express services between Osaka and Nagoya, and delay the last train, etc.
- Implement sales measures that incorporate large-scale events on the railway lines
 - Address the Osaka-Kansai Expo and prepare to capture demand for the Shikinen Sengu ritual and the Osaka IR opening
- Enhance services with a high level of customer satisfaction that utilize digital technology
 - Touch payment rides such as credit cards and digital ticketing services with QR codes, etc.
 - Implement sales measures across the Group through ID integration for all services
- Increase the visitor population by deeply exploring the charm of railway lines
 - Uncover the tourism resources of local communities in railway line areas, etc., and strengthen the publication of the charms
- Maintain and expand resident populations through co-creation with the community by strengthening cooperation
 - Promote cooperation measures with the local government of each Group company and railway line, etc. for regional revitalization by creating a sense of vitality
- Expand the attraction of passengers from non-railway lines
 - Strengthen the attraction of customers from inbound and from non-railway lines to railway lines (Nara-Yamatoji area, Ise-Shima, etc.) and expand sightseeing
- Consider introducing concept and very theme-specific trains
 - New publications of the charm and the creation of Kintetsu fans through Yumeshima direct train service, new types of tourist trains, and updates to the Vista Car, etc.



Hinotori, Meihan limited express

9) Major Business Initiatives 2/6

Long-Term Vision

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

Key Medium-Term Strategies

1. Advance development projects for railway lines and in the Tokyo metropolitan area and Nagoya area
2. Build and strengthen the three pillars: the asset business, condominium business, and housing business
3. Develop overseas business

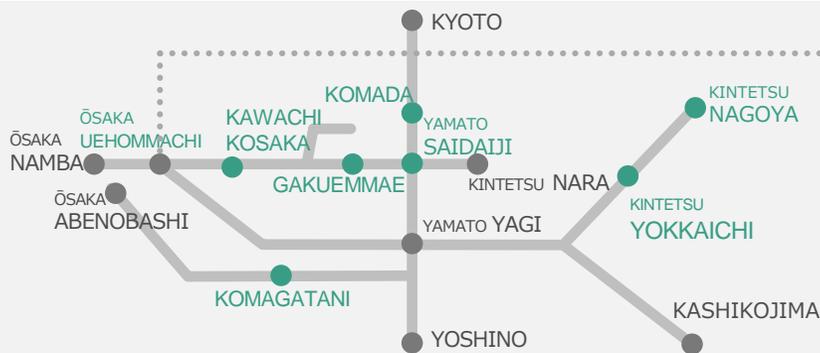
Major initiatives (i): Advance development projects for railway lines/non-railway lines

- **Advance development as a developer**
 - Advance redevelopments in front of major stations on the railways lines such as Osaka Uehommachi and development projects for non-railway lines in the Tokyo metropolitan area and elsewhere during the period of this Medium-Term Management Plan
- **“Sowing” for growth**
 - Conduct “seeding” aimed at securing profits and strengthening the foundation of the asset business for the future, and aim for gradual “flowering and harvesting” during the period of this Medium-Term Management Plan

<Along railway lines>

Redevelop in front of stations at Osaka Uehommachi Station, Kawachi-Kosaka Station, Yokkaichi Station, etc.
Develop large-scale land holdings such as in Komada and Komagatani

Development along railway lines



<Away from railway lines >
Development projects in the Tokyo metropolitan area and in front of Kanazawa Station, etc.



(Tentative name) Uehommachi 6-chome building

Major initiatives (ii): Build recycling-oriented businesses in the residential areas developed by our Company

- **Create connections with the people in the local communities in railway line areas**
 - Promote the retention of customers by publishing various information to residents along the railway lines by rolling out “Plat-HOME (platform) for Housing and Living”
 - Provide comprehensive real estate services not only in terms of infrastructure such as condominiums, detached homes, relocation according to lifecycle and renovations, but also including soft aspects, and work on maintaining and reproducing residential areas along the railway lines



Gakuemmae LaaS Salon Plat-HOME (platform) for Housing and Living

Major initiatives (iii): Expand the real estate business overseas

- **Secure stable profits and expand the network**
 - Aim to expand the information network by investing in real estate funds with diverse asset types in the U.S. and Australia, etc., and secure stable overseas profits by considering the establishment of local subsidiaries and investing in real estate



9) Major Business Initiatives 3/6

Long-Term Vision

Global Top 10 Solution Partner — A Global Brand Born in Japan
 Merchandise volume of more than 1.00 million metric tons of air freight and more than 1.00 million TEUs of sea freight

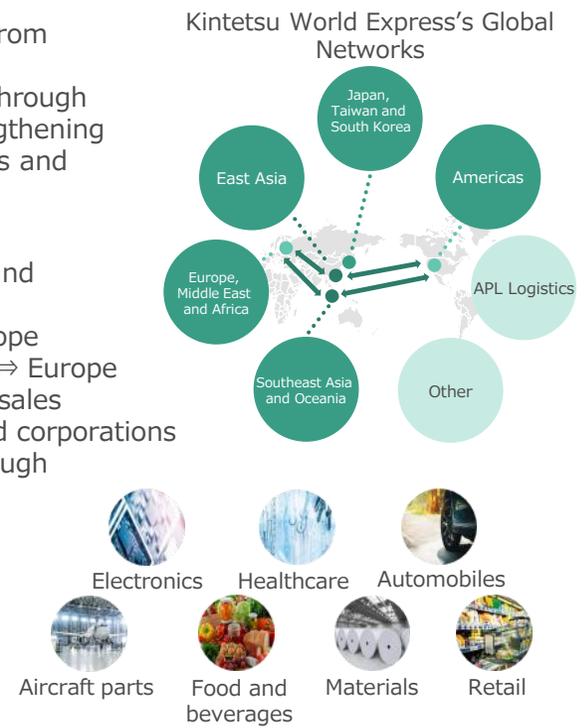
- Improve quality, competitiveness and its ability to address issues, establishing the KWE Group brand
- Establish a strong position in the market and aim to be a company chosen by customers
- Be a company where employees are proud

Key Medium-Term Strategies

1. Growth through an expansion of volume handled by strengthening sales centered on global accounts¹⁾
2. Aim to strengthen the functions of the Corporate Division, and strengthen the management foundation by building a group platform to support growth

Major initiatives (i): Growth strategies

- **Japan and intra-Asia strategy**
 - Further expand volume by strengthening sales to and from Japan and in intra-Asia
 - Strengthen competitiveness by strengthening sales through cooperation with origin and destination points, strengthening relationships with air carriers and shipping companies and through centralized purchasing
- **Trade lane strategy**
 - Expand the share of 8 air and sea lanes between Asia and Europe and the U.S., which is a large market
 - East Asia ⇔ the Americas
 - East Asia ⇔ Europe
 - Southeast Asia ⇔ the Americas
 - Southeast Asia ⇔ Europe
 - Compile and share market information and strengthen sales through cooperation with head office, headquarters and corporations
 - Strengthen sales and business system foundations through investment in human and qualitative resources
- **Item strategy**
 - Continue to strengthen sales with 7 items anticipated to achieve growth as priority items
 - Advance proactive sales activities to leading account through item specific project teams
- **Contract logistics strategy**
 - Advance the 3PL business (contract logistics) that complements and extends the forwarding business



Major initiatives (ii): Strengthening management foundation

- **Corporate governance strategy that can fight on the global stage**
 - Strengthen governance of KWE Group corporations
 - Ensuring thorough compliance and strengthen risk management
 - Foster corporate brand value
 - Promotion of sustainability activities
- **HR strategy**
 - Strengthen personnel training from a global perspective through active investment in human capital
 - Build a global personnel management platform
- **IT strategy**
 - Enhance operating efficiency and productivity by building an operating system and collaborative platform between systems
 - Strengthen IT security measures and promote the move to the cloud
- **Financial and accounting strategy**
 - Promote financial strategies such as the effective use and enhancement of funds globally
 - Implement global tax strategies to optimize tax costs and mitigate risks

1. Global companies that contribute to Kintetsu World Express Group's profits from a long-term perspective

9) Major Business Initiatives 4/6

Sources of growth (increase in regional value)

Long-Term Vision

Become a platform provider that enriches life

Key Medium-Term Strategies

Aim to be reborn as a business company (= department store) that creates value, promoting the following strategy

1. Further enhance the appeal of the Abeno/Tennoji area by remodeling our flagship Kintetsu Department Store Main Store Abeno, etc.
2. Maximize the LTV (customer lifetime value) of commercial area customers
3. Further evolve local stores

Major initiatives (i): Enhance the appeal of the Abeno/Tennoji area through remodeling of the Kintetsu Department Store Main Store Abeno and surrounding facilities

- Remodel the flagship Kintetsu Department Store Main Store Abeno
 - Renovate about 30% of the 100,000m² of the total building over four years
 - Strengthen our luxury goods sales area that has universal value
 - Establish a new Premium Salon (tentative name) that prepares a concierge and salon function for wealthy customers and provide a special and comfortable experience
 - Build a department store basement where every day is fun and people want to go to again and again⇒leverage the strength of foot trade where there are large resident populations, and aim to attract high-quality customers from a wide area
- Maximize the appeal of the Abeno/Tennoji area
 - Scheduled to invest a total of about 10.0 billion yen in four years in the Abeno/Tennoji area to remodel the Kintetsu Department Store Main Store Abeno as well as "Hoop" and "and" and foster "Harukas Town"



Major initiatives (ii): Promote a new customer policy by redefining Company-wide customers

- Promote a comprehensive customer policy
 - Build a customer strategy that includes the customers of each Kintetsu Group company in addition to the customers by department store organization
 - Promote the policy by customer demographics centered on out-of-store organizations
- Open up wealthy customers
 - Expand out-of-store sales by promoting a shift to VIP customers, including Kintetsu Group customers, and strengthening services, products and out-of-store staff (Target: About 20% increase from FY2024→FY2028)

Major initiatives (iii): Contribute to the enhancement of local value with the "Kintetsu Department Store" being the local store

- Provide the necessary things, experiences and services as local infrastructure function located in front of the station and continue to have an indispensable presence
 - Consolidate the department store function on lower floors, and provide a department store basement and quality lifestyle
 - Introduce specialist stores, services and community functions at mid-level floors and above
 - Build a contact point function for department store products carried at Kintetsu Department Store Main Store Abeno





9) Major Business Initiatives 5/6

Long-Term Vision

One of Japan's finest hotel chains with a truly international reach.

Key Medium-Term Strategies

1. Provide world-class service
2. Human resource development, and strengthening operations through DX
3. Strengthen competitiveness by investing in renovation
4. Increase the number of hotels in operation in Japan and overseas

Major initiatives (i): Provide world-class service

- Earn a good global reputation
 - Also earn a solid international reputation focused on the flagship hotels typified by Miyako Hotels & Resorts including the Westin Miyako Kyoto and the Shima Kanko Hotel
- Further improve service quality
 - Pursue world-class service quality grounded on our operational expertise that is compliant with global standards and accumulated through our collaborations with foreign brands

Major initiatives (ii): Human resource development, and strengthening operations through DX

- Human resource development
 - We strengthen operational capacity by securing high employee satisfaction level and human resources with a stable and high service ethic by pushing forward with improvements to workers' conditions and their working environments
- Aggressive utilization of DX and IT
 - We will continue to enhance labor productivity and reduce the number of staff required by actively utilizing new technologies including automated check-in machines and serving robots

Major initiatives (iii): Strengthen competitiveness by investing in renovation

- Invest in renovations at major hotels, etc.
 - Plan to sequentially invest in renovation of quest rooms and increase profitability at the Sheraton Miyako Hotel Tokyo, the Sheraton Miyako Hotel Osaka, and the Osaka Marriott Miyako Hotel, etc.



Renovation of guest rooms
Sheraton Miyako Hotel Tokyo



Renovation of guest rooms
Sheraton Miyako Hotel Osaka

Major initiatives (iv): Increase the number of hotels in operation in Japan and overseas

- Aim to expand the hotels in operation under both the direct management and MC (management contract) methods regardless of whether domestic or overseas and enhance profitability and brand power

<p>(Japan)</p> <ul style="list-style-type: none"> – Consider expansion of chains in major domestic cities and in Okinawa – Cooperate with the new company Kintetsu Investment Partners, which handles Kintetsu Group's asset management functions, and also incorporate new business schemes that combine fund schemes, MC outsourcing and renovation proposals 	<p>(Overseas)</p> <ul style="list-style-type: none"> – In addition to cooperating with both the Taipei Office and Kintetsu Enterprises Company of America, strengthen the compilation of information on APAC (Asia-Pacific) and the North America area – Plan to expand the hotels in operation overseas by both direct management and MC using the strength of the cultivated Miyako brand and the service quality of Japanese hotels – Target areas with a certain level of Japanese demand and where stable economic growth is forecast over the medium to long-term
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9) Major Business Initiatives 6/6

Long-Term Vision

Evolve from a travel agency to become a general service trading company that creates new local value

Key Medium-Term Strategies

1. Turn the community co-creation & inbound business into a growth domain and convert the profit structure, attract customers to the region
2. Deepen the integrated business operations revolving around club tourism for the personal trip business
3. Standardize the business operation infrastructure for club tourism and Kinki Nippon Tourist (maximum utilization of human resources, integration of IT systems)

Major initiatives (i): Expand the community co-creation and inbound business

- Build a community co-creation model
 - Leverage Club Tourism's thematic travel planning expertise and Kinki Nippon Tourist's destination solutions to attract customers to local regions, and advance the creation of tourist destinations/attracting customers to regions (destination tourism) through cooperation with local parties
 - * As a precedent, promote the creation of a business model for the Chub-Sangaku National Park area
 - Build an original community co-creation model contributing to local tourism promotion and problem solving, with scaled development nationwide

- Expand the inbound business
 - Focus on capturing the market for individual visitors to Japan such as the continuously expanding online accommodation sales
 - Strengthen overseas promotion of the multilingual global site YOKOSO JAPAN TOUR (listing more than 10,000 courses) at club tourism, and invest in specialist products for visiting Japan
 - Change the role of overseas bases, shifting to visiting Japan (global MIC operations, open up sales channels for products for individuals visiting Japan) and rebuilding the overseas network

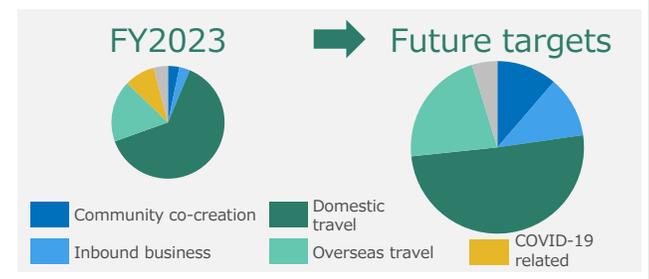


- Attract customers to the region through community co-creation x visit Japan
 - Connect inbound Japan tours to community co-creation areas to create a major flow of travelers to regional Japan
- Strengthen the unity of business operations
 - Implement the above through the integrated business operations of club tourism and Kinki Nippon Tourist, and develop as a core business

1. Business, government, schools, sports, region

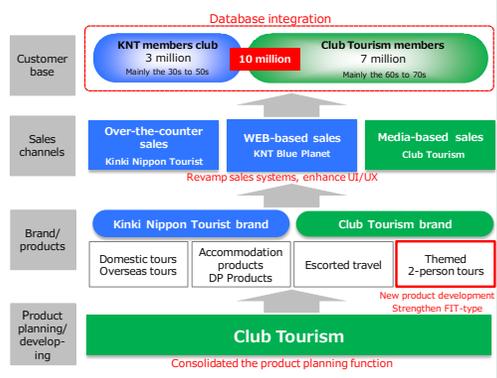
Major initiatives (ii): Transforming the business portfolio

- Expand sales while increasing the composition ratio of growth domains
 - Sales ratio of community co-creation and inbound business (Current) About 10%
 - (Future) Anticipated to be about 20%



Major initiatives (iii): Enhance the value of the personal trip business (B to C)

- Organize the business framework
 - B to B, G, S, S&R¹⁾ are Kinki Nippon Tourist
 - B to C is club tourism
- Expand sales by strengthening the integrated management of the Group
 - Optimize the structure for providing products
- New business operating model through DX
 - Integration of 10-million-member database
 - Revamp business processes through system reorganization and generative AI



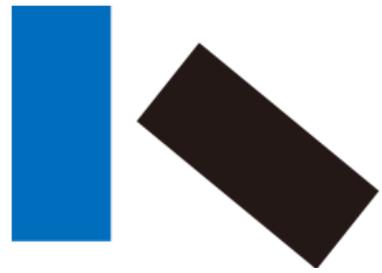
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