

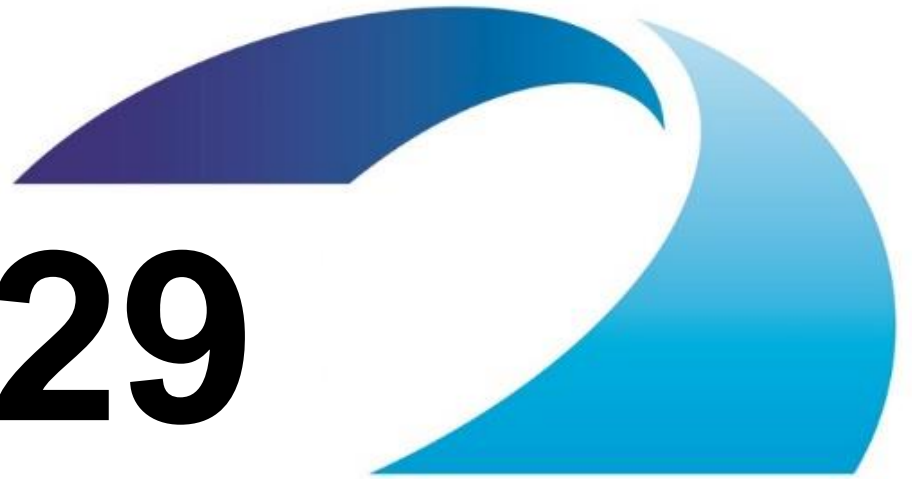
HP C 2029

HANSHIN PORT CORPORATION

Medium-Term Management Plan FY2025-2029

Connect to the World ~ Gateway to Western Japan ~

Kobe-Osaka International Port Corporation



Greetings

Connect to the World - Gateway to Western Japan -

Hanshin Port supports the social and economic activities of around 60 million people in Western Japan. It has been serving as the domestic hub port, with an international container route network to mainly North America and Asia, as well as domestic route and ferry network connecting to regional ports in the Kyushu, Seto Inland Sea and of ports of all regions that face the Sea of Japan. Furthermore, geographically the Hanshin Port is located in a key area of Western Japan and has multiple container terminals that are among the largest in Western Japan, with over 1 km long straight quays. Our location has allowed us to implement comprehensive route services with a variety of options, along with the provision of highly efficient cargo handling services.

For the logistics companies, we provide an efficient and economical transportation environment with the cargo collection business developed by Hanshin Port, our large-scale, high-standard container terminals and the utilization of digital transformation. For the cargo owners, we deliver large benefits in the form of reduced transportation time, reduced logistics costs, and the construction of stable supply chains, which we achieve through the variety of comprehensive route services provided at Hanshin Port.

Furthermore, we are advancing environmental measures aiming for the creation of a carbon neutral port, such as support for the introduction of environmentally friendly cargo handling machinery and action for next-generation fuel vessels. With an awareness of the perspectives of ESG, we will strongly promote initiatives to increase the reasons why Hanshin Port is chosen by the shipping companies and cargo owners.

To ensure that the benefits provided by the Hanshin Port continue to contribute to the business for all, and to further advance as the port chosen by our customers, all of our employees will work together to take on the challenges with the spirit of being the “first penguin to leap out of the group” and will work towards the realization of our new Medium-term Management Plan, our 4th such plan. I thank you for your continuing support and cooperation.

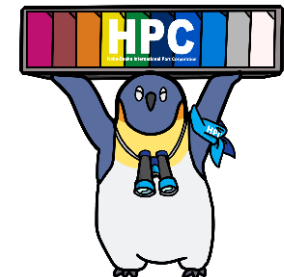


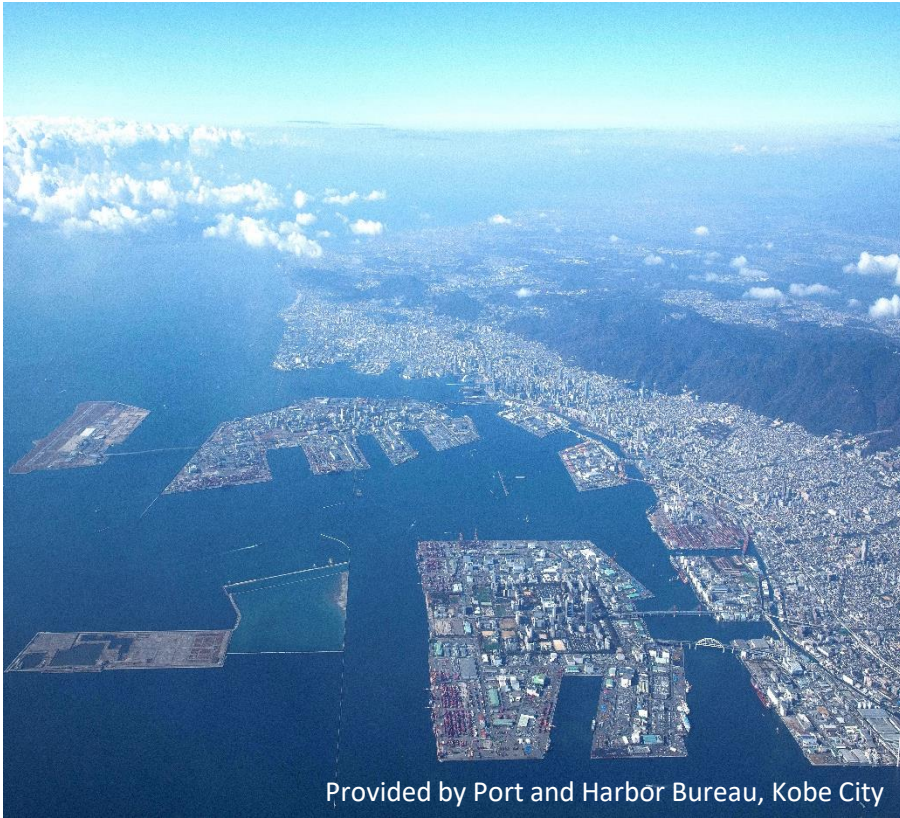
President and Representative KIDO Takafumi

木戸貴文

Medium-Term Management Plan (FY2025-2029)

- 1 Previous Efforts
- 2 The Surrounding Environment and Our Role
- 3 Fourth Medium-Term Management Plan (FY 2025-2029)
 - 3 - 1 Management Philosophy and Management Policy
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1. Previous Efforts

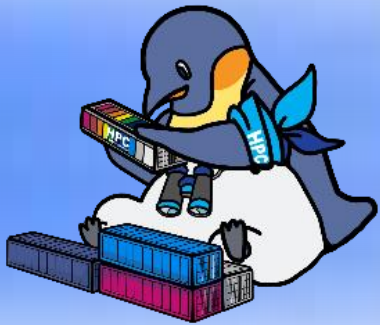
1. Previous Efforts

①	The Influence of Hanshin Port and the Status of Cargo Collection Initiatives	<ul style="list-style-type: none"> • We have utilized incentives to attract new shipping routes and established new routes to Southeast Asia. • Initiated the 'Japan Ports Utilization Promotion Project' with 14 ports in Western Japan and at the Sea of Japan side to further strengthen the collection of cargo from regional ports. • Strengthened transportation routes by constructing a comprehensive international feeder network in the Seto Inland Sea and Kyushu areas. • Created new container cargo through the establishment of a refrigerated and frozen mixed cargo support system and other initiatives
②	The Status of Other Key Initiatives	<ul style="list-style-type: none"> • In response to the trend towards larger vessels, we are progressively installing high-standard gantry cranes that meet user needs. • We have implemented facility upgrades to accommodate larger ferries and introduced measures to promote ferry usage as part of our ferry revitalization efforts. • Container Freight Station (CFS) has been developed in the Port Island area of Kobe Port. • We have conducted technical exchanges and strengthened relationships through activities such as face-to-face training with the Sihanoukville Autonomous Port, Kingdom of Cambodia, and observation tours at Hanshin Port.
③	Business Performance and Organizational Management Status	<ul style="list-style-type: none"> • We have secured a net profit for ten consecutive years since establishment. • Depreciation expenses have increased due to the upgrading of terminals and the renewal of aging facilities. • Our organizational structure is strengthened through flexible employee recruitment and the introduction of an executive officer system. • We are improving the efficiency of administrative tasks through the promotion of internal digital transformation (DX).
④	Response to International Event Risks	<ul style="list-style-type: none"> • We have implemented support measures for terminal users and others affected by the spread of COVID-19. • Work environment to address the expansion of infectious diseases has been established.

1. Previous Efforts

Status of Achievement of Previous Planned Goals

		Previous Planned Goals (Up to 2024)	Achievements (2023)
Container Cargo Volume	① Domestic Market Share	To maintain at least 22% and further expand	23.3%
	② Container Cargo Volume at Hanshin Port	Over 5.5 million TEU	5.07 million TEU
Securing Transport Capacity for International Trunk Routes, etc.	③ Transport Capacity for International Trunk Routes	Over 90,000 TEU per week	67,000 TEU per week
	④ Transport Capacity for International Feeder Routes	Over 7,000 TEU per week	7,100 TEU per week
Establishing a Stable Financial Position	⑤ Equity Ratio	Ensure over 10%	16.5%



2. The Surrounding Environment and Our Role

2. The Surrounding Environment and Our Role

Growth of Southeast Asian cargo and intensified competition with East Asian ports

Reorganization of alliances and consolidation of ports of call

Upsizing of container ships and ferries

Securing cargo volume to become a port of choice for users

Declining labor force population (aging society with fewer children) and work style reforms

Increasing needs for more efficient terminal operations

Spreading of cutting-edge technologies (AI, IoT, etc. at overseas ports)

Rising disaster risks (major earthquakes, typhoons, etc.)

Offering modern facilities with competitiveness and disaster resilience equal to major ports overseas

Our Role (Challenges to Address)

Ensuring a management foundation resilient to changes in the external environment

Inflation, depreciation of the yen, and rising prices

Cybersecurity

Geopolitical risks

The "2024 Problem" in Japan's logistics industry

Offering logistics functions that contribute to the reduction of users' environmental impact

Digital transformation (DX)

Modal shift

Transition to next-generation fuels

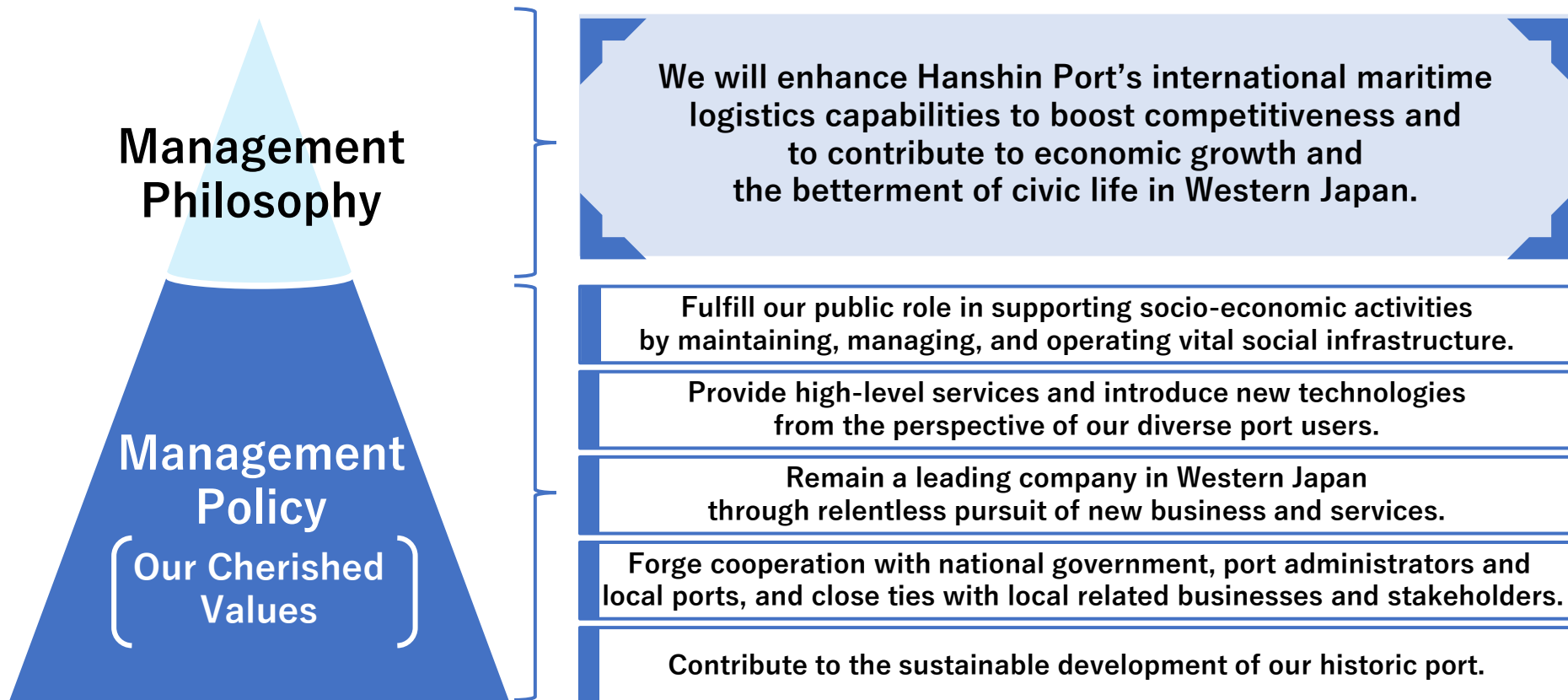
Response to sustainability challenges

Carbon neutrality



3. Fourth Medium-Term Management Plan (FY 2025-2029)

3-1 Management Philosophy and Management Policy (Our Cherished Values)



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3-2 Core Strategy (Overview)

Guided by our management philosophy and management policy, we will tackle the following core strategy to flexibly respond to the environment surrounding Hanshin Port and the expectations of our stakeholders.

Core Strategy

Strengthening the management foundation



Further enhancement of cargo collection and creation initiatives (Cargo Volume)

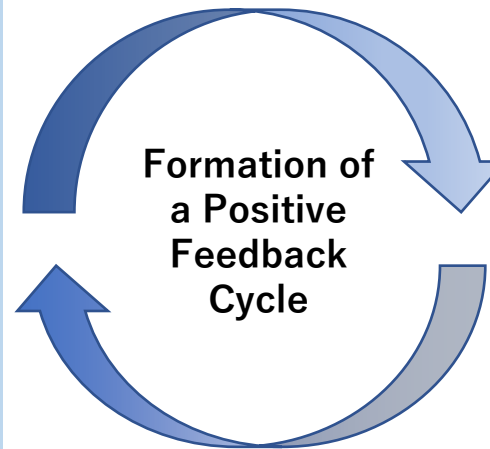


Developing and operating terminals to increase productivity and capital efficiency (Cost, Convenience)



Supporting the formation of a Carbon Neutral Port (CNP) as an effort towards a decarbonized society

Increase in Cargo Volume



Increase in the Number of Routes and Service Quality

Maintenance and Expansion of International Trunk Routes

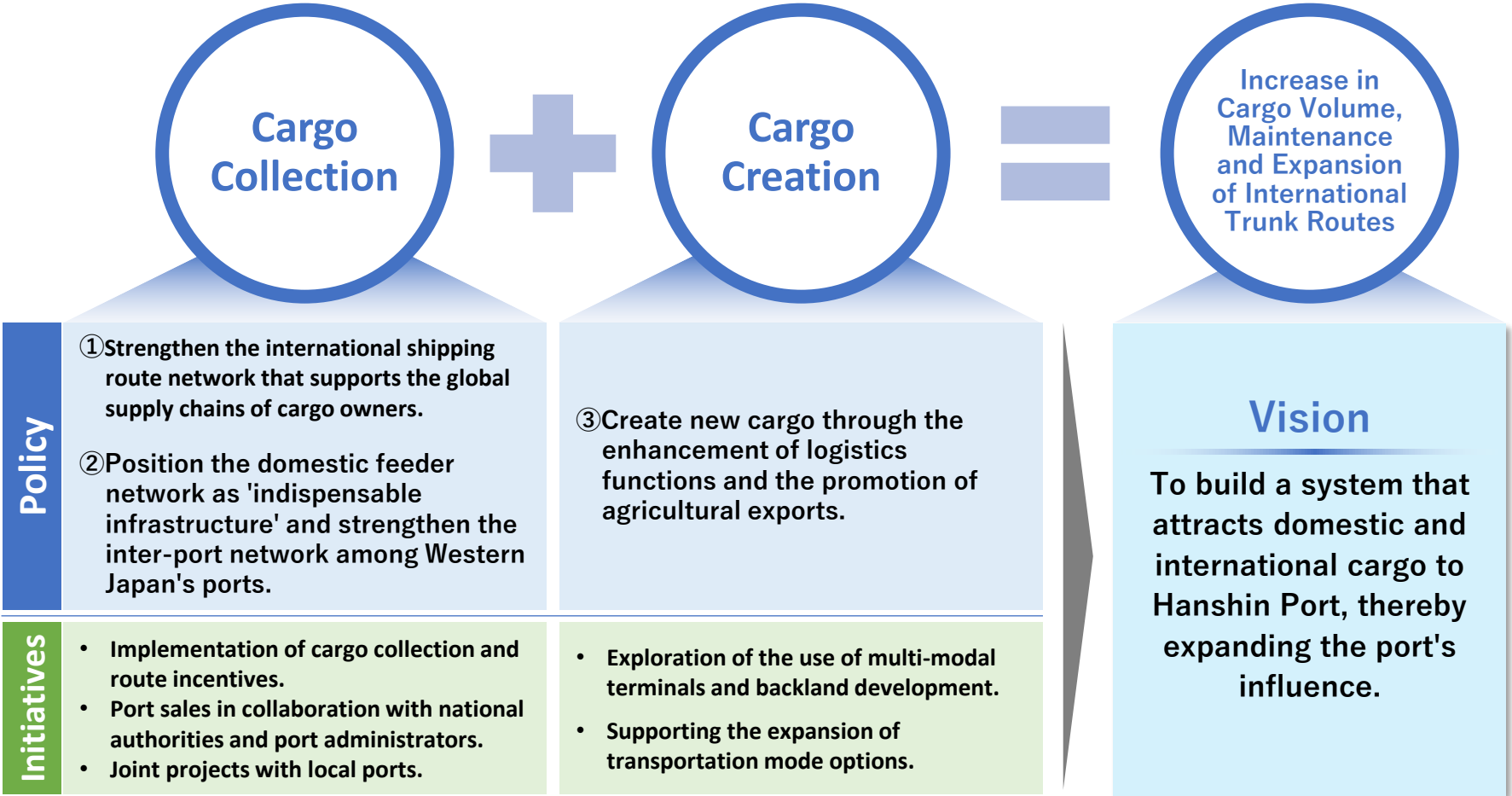
Aspired Image

'Hanshin Port'
chosen by
shipping companies
and cargo owners



3-3 Core Strategy 1: Further enhancement of cargo collection and creation initiatives

Increase Hanshin Port's cargo volume and maintain and expand international trunk routes through strategic cargo collection and creation initiatives.



3-3 Core Strategy 1: Further enhancement of cargo collection and creation initiatives



① Strengthen the international shipping route network that supports the global supply chains of cargo owners.

- Expansion of the international container route network supporting the global supply chains of the cargo owners, with targeted route and cargo attraction.
- Attracting routes and cargo with the aim of acquiring multi-directional and high frequency direct services and associated shuttle services, including international trunk routes to Central and South America and Africa, and Southeast Asian routes.
- Route attraction aimed at acquiring transshipment cargo from Southeast Asia and other regions.
- Port sales in unison with national authorities and port administrators.



② Position the domestic feeder network as 'indispensable infrastructure' supporting Japan's economy and industries and strengthen the inter-port network among Western Japan's ports.

- Attracting cargo and routes in a manner that accurately captures the trends at major cargo owners in order to shift freight currently transiting through neighboring overseas ports to route via Hanshin Port.
- Developing new transportation modes that connect the Sea of Japan ports with Hanshin Port to contribute to logistics efficiency.
- Supporting the modal shift initiatives of cargo owners in response to the '2024 problem' in Japan's logistics industry.
- Expansion of joint projects with local ports in Western Japan and the Sea of Japan side and expansion of collaborating ports.



③ Create new cargo through the enhancement of logistics functions and the promotion of agricultural exports.

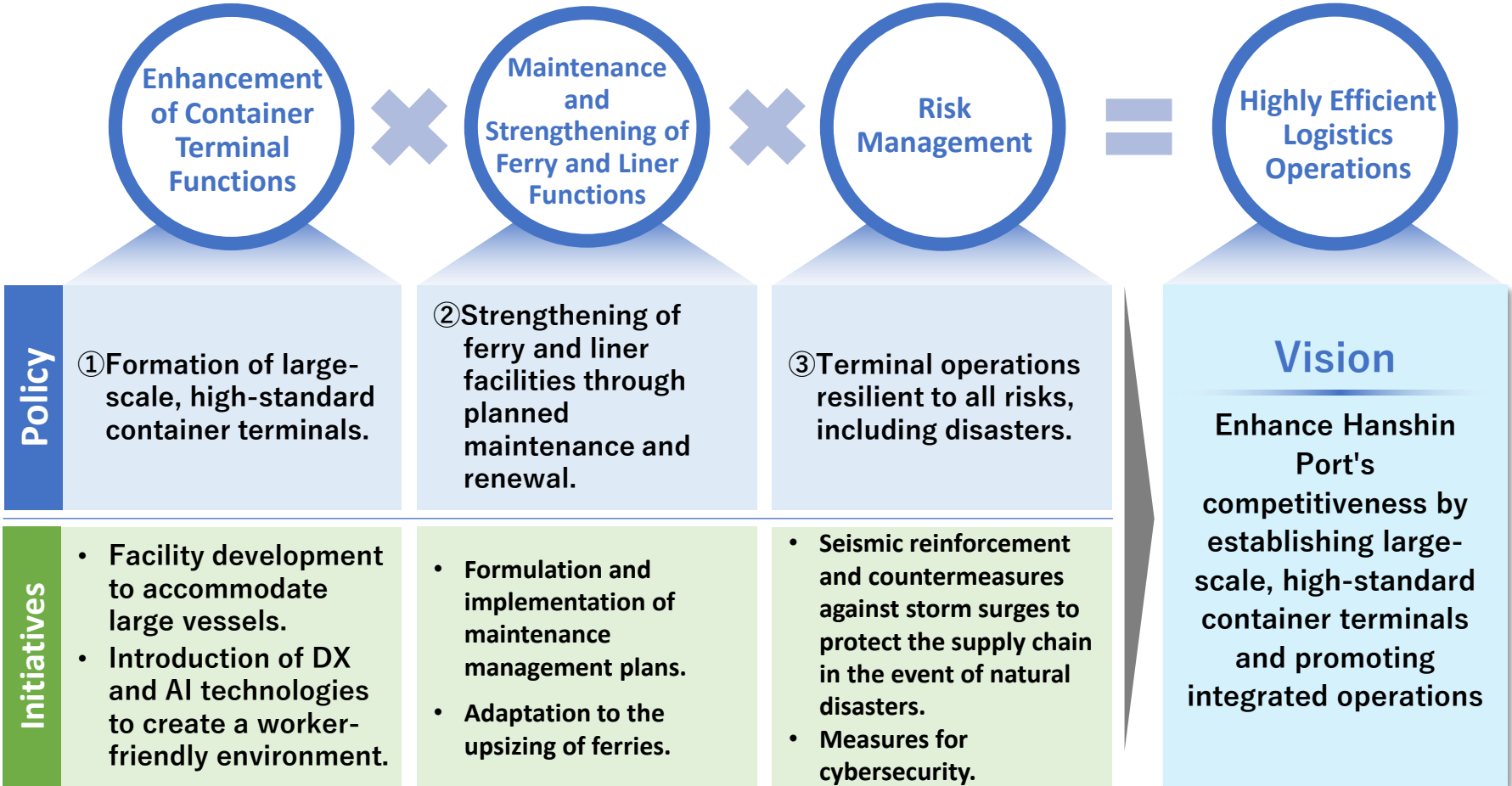
- Participation in the development of multi-modal terminals that cater to distribution processing and reconsolidation to generate cargo demand, and conceptualizing (planning and consideration) the enhancement of port functions for areas surrounding container terminals, taking into consideration the introduction of a new bonded system.
- Expanding transportation mode options based on product characteristics in line with the government's agricultural export targets, and promoting projects that lead to export cargo.

3-3 Core Strategy 2:

Developing and operating terminals to increase productivity and capital efficiency

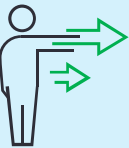


Enhance container terminal functions and maintain and upgrade facilities to achieve highly efficient logistics operations.



3-3 Core Strategy 2:

Developing and operating terminals to increase productivity and capital efficiency



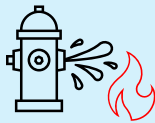
① Formation of a “Large-Scale High-Standard Container Terminal” with integrated operation of multiple berths extending over 1,000 meters in quay length

- Facility development focused on efficiency for integrated terminal usage.
- Introduction of smooth transshipment functions between international trunk routes, and international and domestic feeder routes.
- Planned facility development and renewal to accommodate large vessels, capturing the trends of mega carriers accurately.
- Introduction of DX and AI technologies that contribute to creating a worker-friendly environment, anticipating future declines and aging in the port labor workforce.
- Adoption of advanced technologies such as CONPAS.
- Participation in the port logistics information platform (Cyber Port).



② Strengthening of ferry and liner facility functions through planned maintenance and renewal

- Facility development to accommodate the upsizing of ferries.
- Planned maintenance and management of liner wharf facilities based on usage.



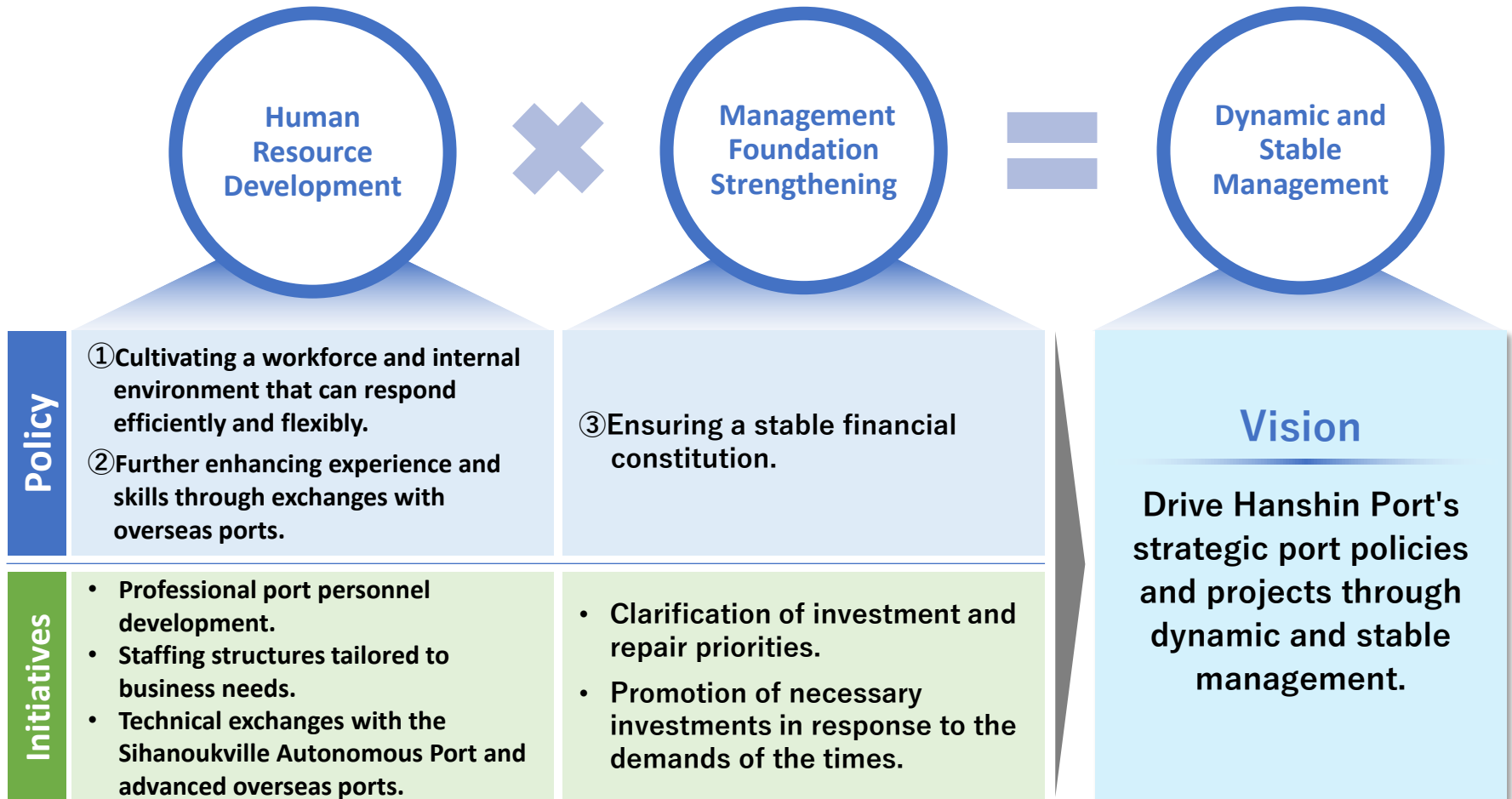
③ Terminal operations resilient to all risks, including disasters

- Promotion of earthquake-proofing and countermeasures against storm surges for the entire cargo handling area in collaboration with the government to maintain the supply chain in the event of a disaster.
- Continuous review of the Business Continuity Plan (BCP), participation in various drills, and establishment of an information-sharing system with terminal operators regarding cybersecurity measures.

3-3 Core Strategy 3:

Strengthening the management foundation to adapt to changes in the external environment

Develop a dynamic and stable management structure through human resource development and strengthening of the management foundation.



3-3 Core Strategy 3:

Strengthening the management foundation to adapt to changes in the external environment



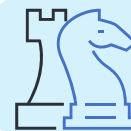
① Cultivating a workforce and internal environment that can respond efficiently and flexibly

- Developing and implementing a human resource development policy to nurture future leaders of the company.
- Creating an open and communicative workplace environment.
- Ensuring thorough compliance.
- Promoting internal digital transformation (DX) to enhance operational efficiency.
- Introducing an internal business proposal system that leads to operational improvements and the development of Hanshin Port.
- Researching and considering diversification of port management.



② Further enhancing experience and skills through exchanges with overseas ports

- Greater cooperation in the operation of the Sihanoukville Autonomous Port through human and technical exchanges, and interaction with advanced ports to enhance the technical levels of employees.
- Collaboration with the Green and Digital Shipping Corridor project, which includes major ports worldwide.



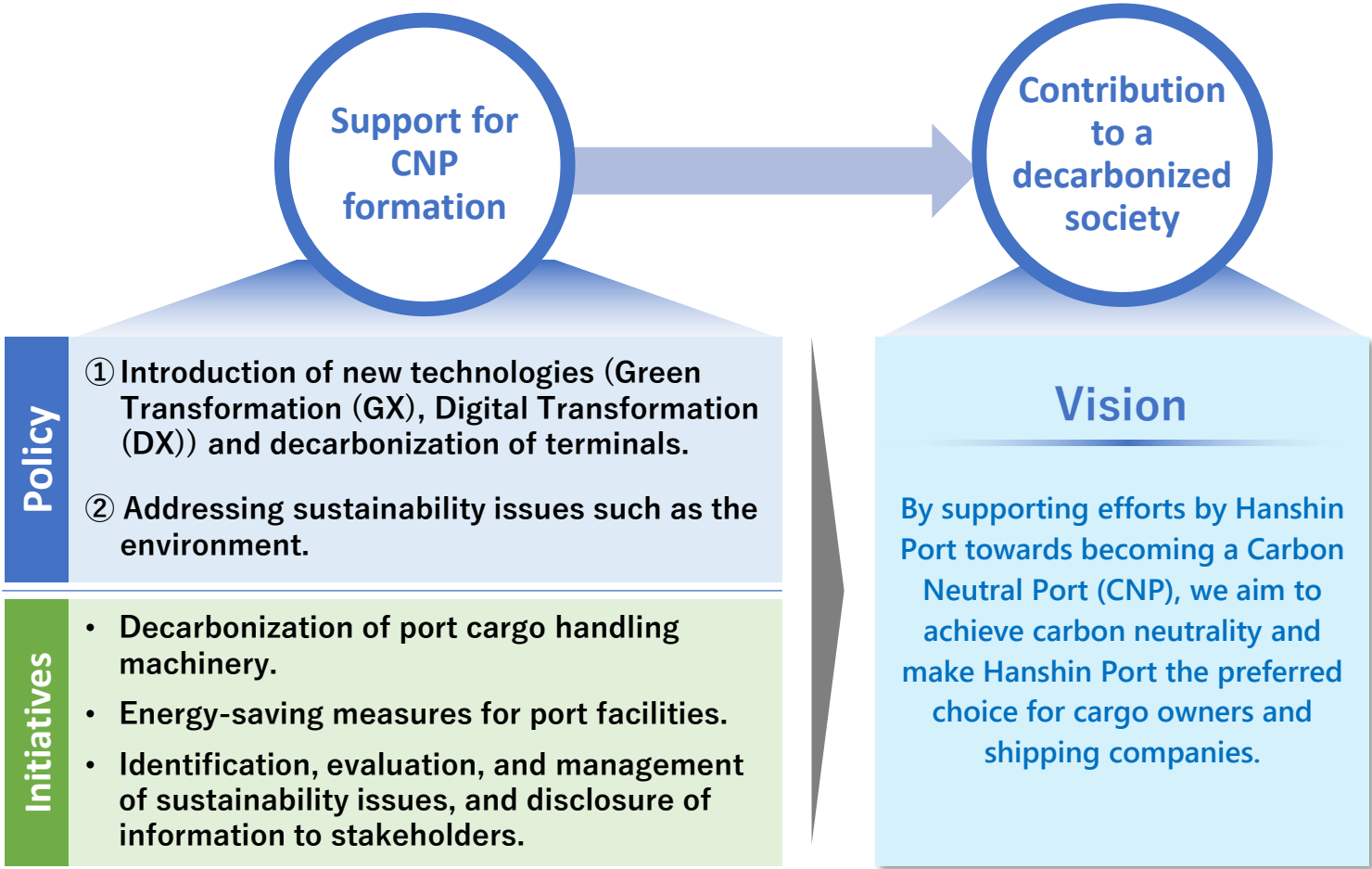
③ Ensuring a stable financial constitution

- Clarification of investment priorities, planned repairs, and the introduction of materials and technologies that reduce environmental impact.
- Securing internal reserves capable of responding to event risks, and considering investment promotion and shareholder return measures in response to the demands of the times.

3-3 Core Strategy 4:

Supporting the formation of a Carbon Neutral Port (CNP) as an effort towards a decarbonized society

Promote decarbonization and enhance the value of the port through the introduction of new technologies.



3-3 Core Strategy 4:

Supporting the formation of a Carbon Neutral Port (CNP) as an effort towards a decarbonized society



① Introduction of new technologies and decarbonization of terminals

- Promotion of the decarbonization of port cargo handling machinery and support for the decarbonization measures of users
- Introduction of sustainable new technologies (Green Transformation (GX), Digital Transformation (DX))
- Reduction of port facility energy consumption and introduction of green energy (promotion of LNG bunkering business, conversion of terminal lighting to LEDs, etc.)



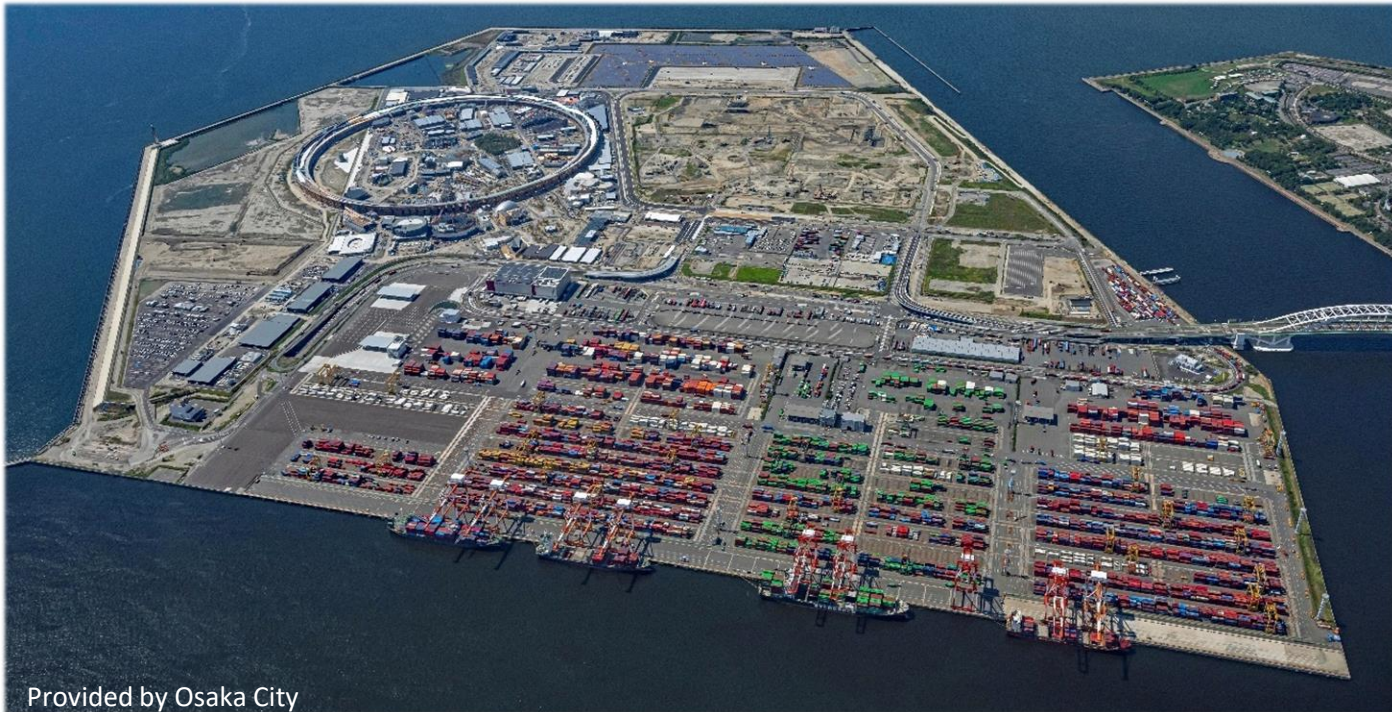
② Addressing sustainability issues such as the environment

- Identification, evaluation, and management of sustainability issues (including governance, social, and environmental matters for medium-to long-term viability), and disclosure of information to stakeholders.

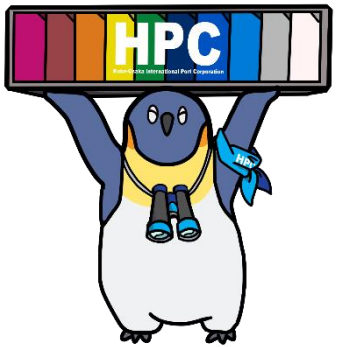
3-4 Planned Goals

		Achievements (2023)	Planned Goals
Container Cargo Volume	① Domestic Market Share	23.3%	To expand to over 23% or maintain at least 23%
	② Container Cargo Volume at Hanshin Port	5.07 million TEU	Over 5.6 million TEU
Securing Transport Capacity for International Trunk Routes, etc.	③ Transport Capacity for International Trunk Routes	Over 67,000 TEU per week	Over 100,000 TEU per week
	④ Transport Capacity for International Feeder Routes	Over 7,100 TEU per week	Over 8,000 TEU per week
Establishing a Stable Financial Position	⑤ Equity Ratio	16.5%	Ensure over 10%

For ②, ③ and ④, the descriptions are based on the “goals for the maintenance or increasing of the number of port calls by regularly scheduled overseas trade container freight vessels on major international routes” as defined in the “plan for the operation of a group of wharves (operation plan)” on Article 43-13 of the Port and Harbor Act. 19



Provided by Osaka City



Provided by Port and Harbor Bureau, Kobe City