

The First Half of FY2009 ended September 30, 2008 Financial Results Presentation

November 21, 2008

Keihan Electric Railway Co., Ltd.

(Tokyo Stock Exchange 1st/Osaka Securities Exchange 1st 9045 <http://www.keihan.co.jp/>)

[Notes on forecasts]

Descriptions of business forecasts and future prospects are based on current information and certain assumptions about factors that may affect future business. The actual results of operating performance may differ from these forecasts.

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Overview of the First Half of FY2009

Financial Results

Consolidated Statements of Income



(Millions of yen)

	2008/9	2007/9	Change	Change (%)
Operating revenue	128,461	127,941	519	0.4
Operating income	9,728	9,355	372	4.0
Ordinary income	7,778	7,498	280	3.7
Net income	4,879	4,182	697	16.7
EBITDA	18,112	17,747	365	2.1

	2008/9	2008/3	Change	Change (%)
Interest-bearing debt	277,897	272,272	5,624	2.1

EBITDA : operating income + depreciation

Interest-bearing debt: Loans + bonds + accounts payable for Japan Railway Construction, Transport and Technology Agency (JRJT)

Consolidated Balance Sheets



(Millions of yen)

	2008/9	2008/3	Change	Change (%)
Total assets	579,416	571,303	8,112	1.4
Liabilities	442,523	437,016	5,506	1.3
Net assets	136,893	134,287	2,605	1.9
Liabilities and net assets	579,416	571,303	8,112	1.4

Main factor of changes in total assets: Increase in fixed assets due to acquisition of rental properties and decrease in notes and accounts receivable

Main factor of changes in liabilities: Increase in long-term loans

Main factor of changes in net assets: Increase in retained earnings

Movement of 1H FY2009 (1)

Revenue and earnings growth

Operating revenue ·····+519 million yen

Revenue growth due to the increase in real estate sales, full contribution of Kyoto Tower consolidated to previous mid-term revenue, and decrease in large sales of construction materials

Operating income ·····+372 million yen

Earning growth due to revenue growth

Ordinary income ·····+280 million yen

Operating income growth and increase of non-operating expenses

Net income ·····+697 million yen

Earning growth due to the increase of extraordinary income

Movement of 1H FY2009 (2)

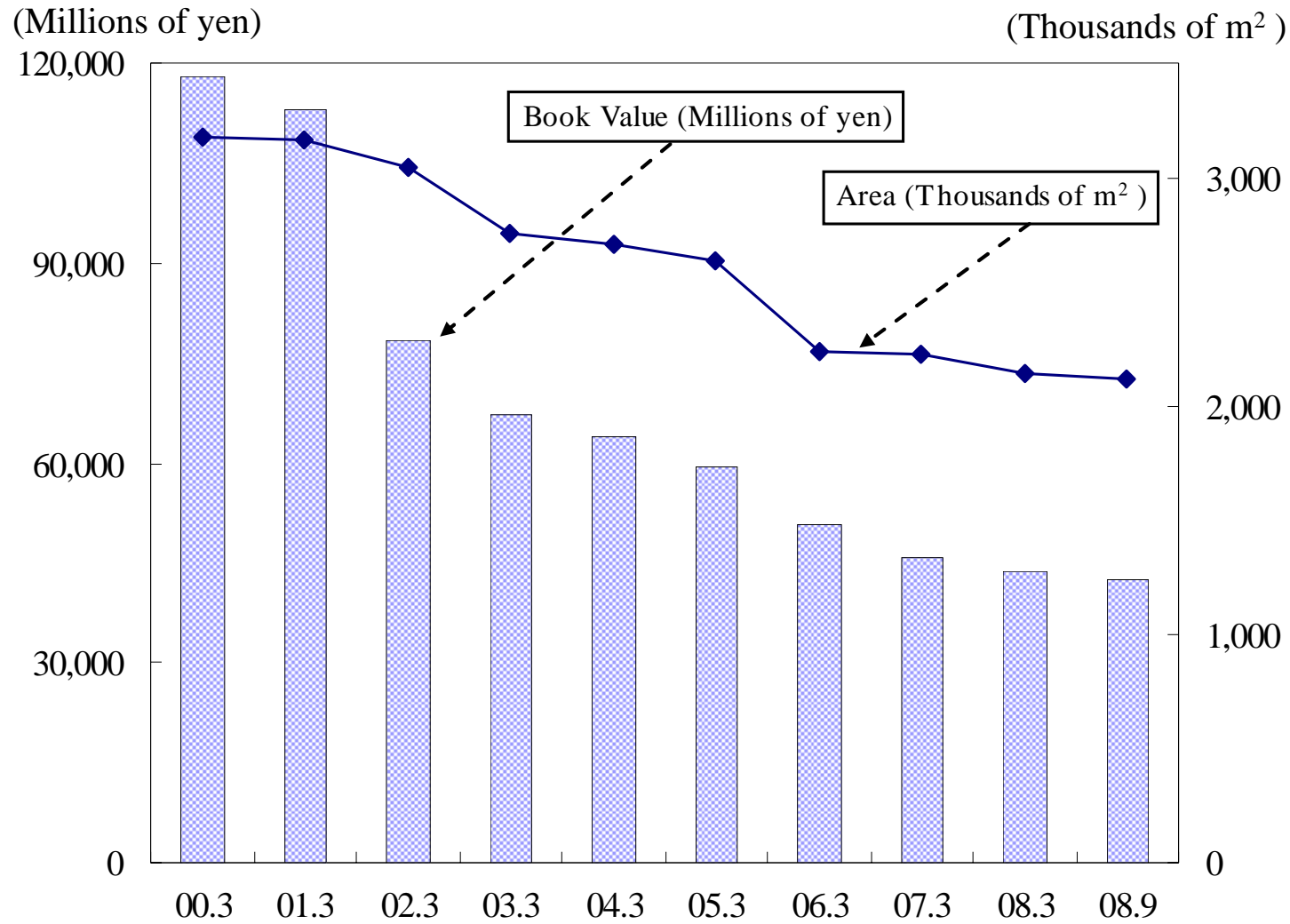
Measures for improving financial transparency

- Early application of “Accounting Standards for Lease Transactions”
- Application of “Accounting Standards for Measurement of Inventories”
- Increase in depreciation expense due to the revision of “Corporation Tax Law”

--- Operating expenses 98 million yen

Transportation	90 million yen
Real estate	5
Retail	0
Leisure and service	2
Others	(0)

Trend of Land for Sale (Non-Consolidated)



	00.3	01.3	02.3	03.3	04.3	05.3	06.3	07.3	08.3	08.9
Book Value (Millions of yen)	117,755	112,987	78,333	67,260	63,915	59,259	50,660	45,934	43,761	42,569
Area (Thousands of m ²)	3,180	3,159	3,045	2,754	2,704	2,640	2,238	2,222	2,142	2,122

Consolidated Statements of Cash Flows



(Millions of yen)

	2008/9	2007/9	Change	Change (%)
Operating cash flows	13,296	6,307	6,989	110.8
Investing cash flows	(19,965)	(8,225)	(11,740)	(142.7)
Financing cash flows	4,053	(287)	4,341	-
Cash and cash equivalents at end of interim period	16,819	24,368	(7,549)	(31.0)
Interest-bearing debt at end of interim period (*)	277,897	270,938	6,958	2.6

<Operating cash flows>

Increase in cash flow due to the decrease in notes and accounts receivable (accounts receivable for construction, etc.)

(Change in accounts receivable: 7,188 million yen over the same period last year)

Increase in cash flow due to the decrease in income and other taxes paid

(5,562 million yen over the same period last year)

Decrease in cash flow due to the acquisition of inventory assets

(Change in inventory assets: -5,030 million yen over the same period last year)

<Investing cash flows>

Decrease in cash flow due to the acquisition of fixed assets

(-11,507 million yen over the same period last year)

<Financing cash flows>

Increase in cash flow due to the increase of long-term loans

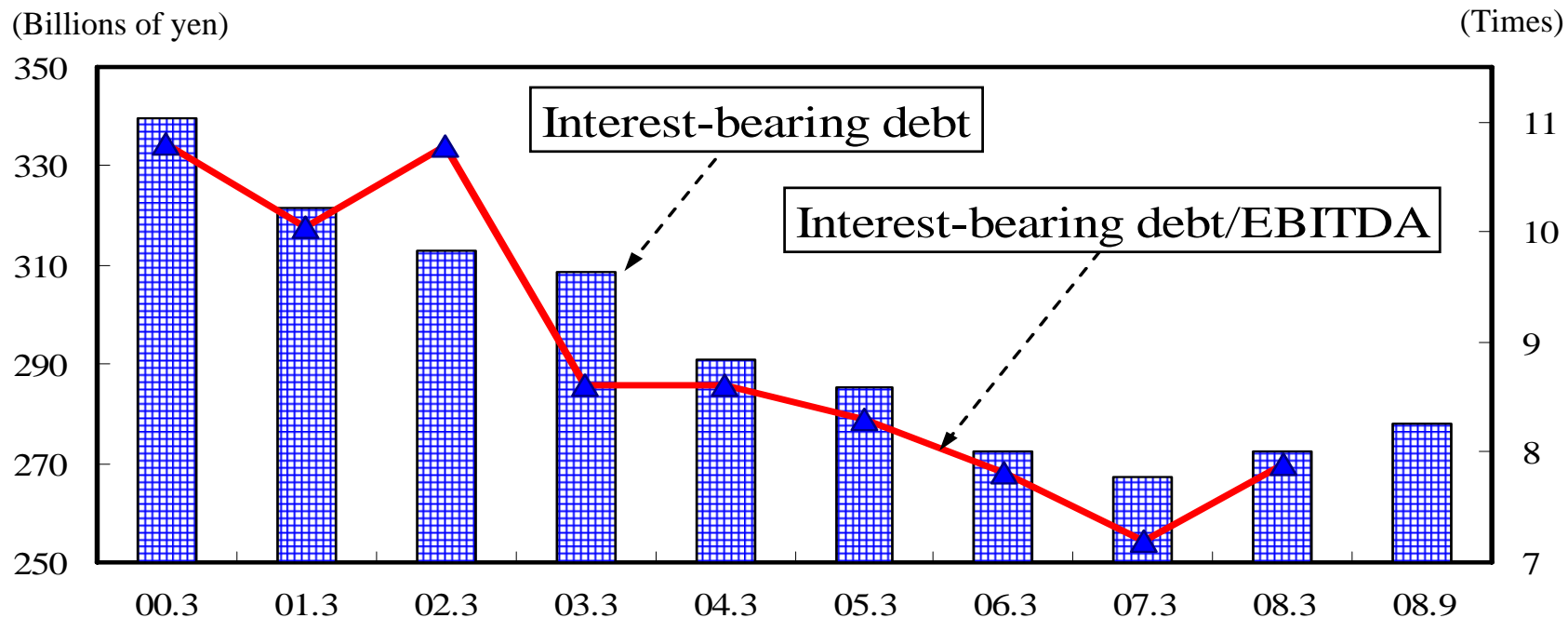
(10,043 million yen over the same period last year)

Decrease in cash flow due to the payment of long-term loans

(-5,540 million yen over the same period last year)

* Consolidated interest-bearing debt: Loans + bonds + accounts payable for JR TT

Trend of Consolidated Interest-Bearing Debt / EBITDA



	00.3	01.3	02.3	03.3	04.3	05.3	06.3	07.3	08.3	08.9
Interest-bearing debt (Millions of yen)	339,715	321,340	312,820	308,704	290,742	285,382	272,433	267,046	272,272	277,897
EBITDA (Millions of yen)	31,496	32,414	29,294	35,828	33,759	34,307	34,893	36,925	34,544	18,112
Interest-bearing debt / EBITDA (Times)	10.8	9.9	10.7	8.6	8.6	8.3	7.8	7.2	7.9	-

*EBITDA = operating income + depreciation

Non-Consolidated Statements of Income



(Millions of yen)

	2008/9	2007/9	Change	Change (%)
Operating revenue	39,276	37,572	1,703	4.5
Railway operation	27,424	27,280	144	0.5
Subsidiary business	11,851	10,292	1,559	15.1
Real estate sales	4,546	3,052	1,493	48.9
Real estate leasing service	5,849	5,768	80	1.4
Leisure	1,456	1,471	(14)	(1.0)
Operating income	7,876	7,848	27	0.4
Railway operation	4,793	4,732	60	1.3
Subsidiary business	3,082	3,115	(32)	(1.1)
Real estate sales	393	333	60	18.3
Real estate leasing service	2,684	2,763	(79)	(2.9)
Leisure	4	18	(14)	(75.2)
Ordinary income	6,828	6,599	229	3.5
Quarterly net income	4,277	3,190	1,086	34.1

* For passenger transportation income, please refer to "Operating Results for Transportation (Keihan Electric Railway)" on page 20.

Overview of the First Half of FY2009

Business Results by Segment

Consolidation-Targeted Companies

76 companies [Our company, 72 subsidiary companies (including 46 consolidated subsidiaries), and 3 affiliates (including 2 equity method affiliates)]

(1) Transportation (26 companies)

Business contents	Company name
Railway	Our company, Eizan Electric Railway Co., Ltd. *1, Keifuku Electric Railroad Co., Ltd. *1, Mt. Hiei Cable Car Co., Ltd.*1, Nakanoshima Rapid Railway Co., Ltd.*2
Station service management	Keihan Station Management Co., Ltd. *1
Bus	Keihan Bus Systems Co., Ltd. *1, Keihan Bus Co., Ltd. *1, Kojak Bus Co., Ltd. *1, Keihan Uji Bus Co., Ltd. *1, Kyoto Bus Co., Ltd. *1, Keifuku Bus Co., Ltd. *1, Keihan Kyoto Kotsu Co., Ltd. *1
Taxi	Keihan Taxi Systems Co., Ltd. *1, Keihan Taxi Co., Ltd. *1, Tsuruga Keihan Taxi Co., Ltd. *1, Kisen Taxi Co., Ltd. *1, Uji Keihan Taxi Co., Ltd. *1, Osaka Keihan Taxi Co., Ltd. *1 Other 7 companies

(2) Real estate (9 companies)

Business contents	Company name
Real estate sales	Our company, Keifuku Electric Railroad Co., Ltd. *1, Keihan Dentetsu Real Estate Co., Ltd. *1
Real estate leasing service	Our company, Keifuku Electric Railroad Co., Ltd. *1, Keihan Building Co., Ltd. *1, Mikuni Kanko Sangyo Co., Ltd. *1, Osaka Merchandise Mart Corporation Co., Ltd. *2 Other 3 companies

(3) Retail (7 companies)

Business contents	Company name
Department store	Keihan Department Stores Co., Ltd. *1
Store	Keihan The Store Co.,Ltd. *1
Shopping mall management	Keihan Ryutsu Systems Co., Ltd. *1
Construction material sales	Keihan Sangyo Co., Ltd. *1 Other 3 companies

(4) Leisure and service (28 companies)

Business contents	Company name
Hotel	Biwako Hotel Co., Ltd.*1, Hotel Keihan Co., Ltd. *1, Kyoto Tower Co., Ltd. *1
Restaurant	Keifuku Electric Railroad Co., Ltd. *1, Keihan Restaurant Co., Ltd. *1, Biwako Kisen Restaurant Co., Ltd. *1, Keihan Bus Service Co., Ltd. *1, Juicer Bar Corporation Co., Ltd. *1
Sightseeing ship	Biwako Kisen Steamship Co., Ltd. *1, Osaka Aqua Bus Co., Ltd. *1
Amusement park	Our company
Automobile maintenance service	KT Motors Co., Ltd. *1
Advertising	Keihan Agency Co., Ltd. *1
Tourist	Keihan Travel Service Co., Ltd. *1
Welfare for elderly and nursing care	Keihan Life Support Co., Ltd. *1
Car road	Mt. Hiei Driveway Co., Ltd. *1
Golf course	Kuzuha Public Gold Course Co., Ltd. *1 Keihan Fukui International Country Co., Ltd. *1 Other 10 companies (include 1 consolidated subsidiary)

(5) Others (10 companies)

Business contents	Company name
Utility work	Keihan Engineering Service Co.,Ltd. *1
Landscaping	Keihan Gardening Co., Ltd. *1
Survey and Design	Kanko Co., Ltd. *1, Soil Engineering Co., Ltd. *1
Specific-purpose financing	Keihan Financial Management Co., Ltd. *1
Credit card	Keihan Card Co., Ltd. *1 Other 4 companies

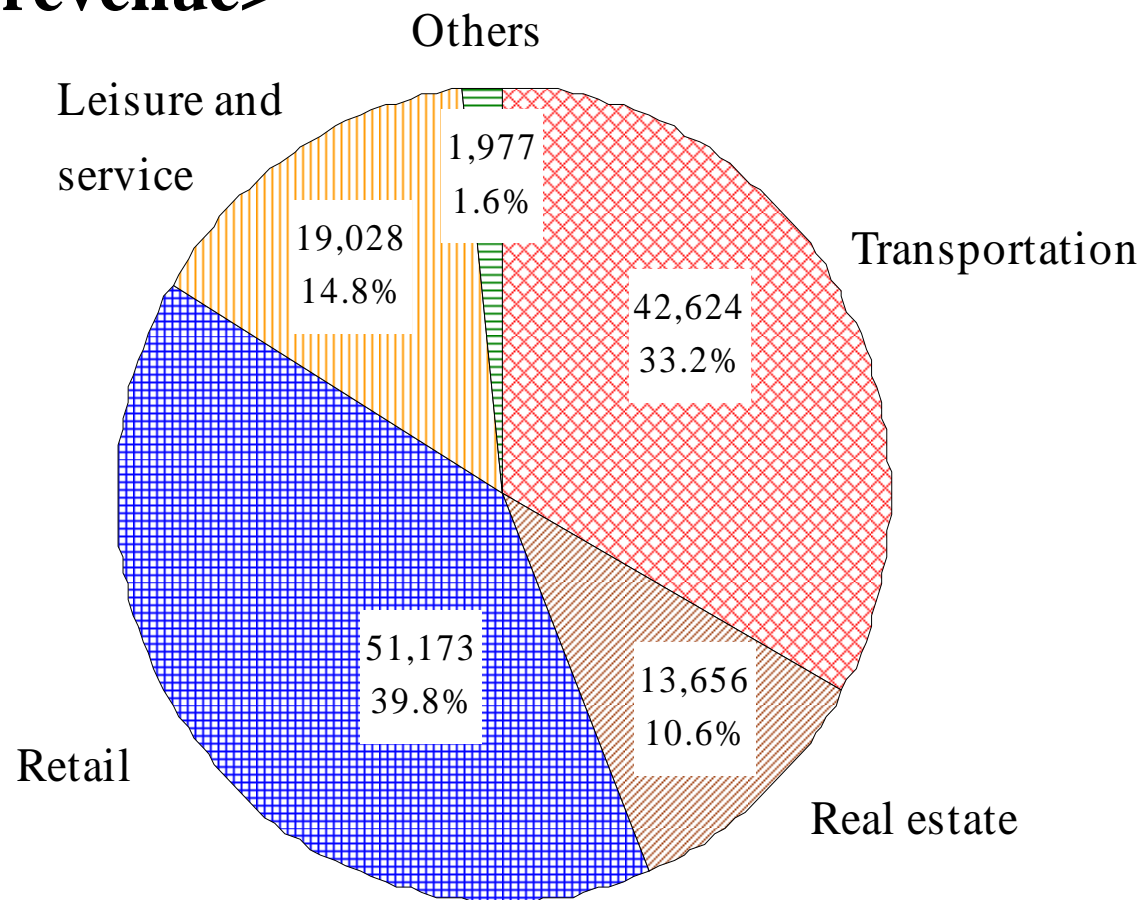
(As of September 30, 2008)

1. *1 Consolidated subsidiaries *2 Equity method affiliates 2. In the above numbers, our company and Keifuku Electric Railroad Co., Ltd. are redundantly included.
3. Of the consolidated subsidiaries, Keifuku Electric Railroad Co., Ltd. is listed on the second section of the Osaka Securities Exchange.

Segment Balance (1)

<Operating revenue>

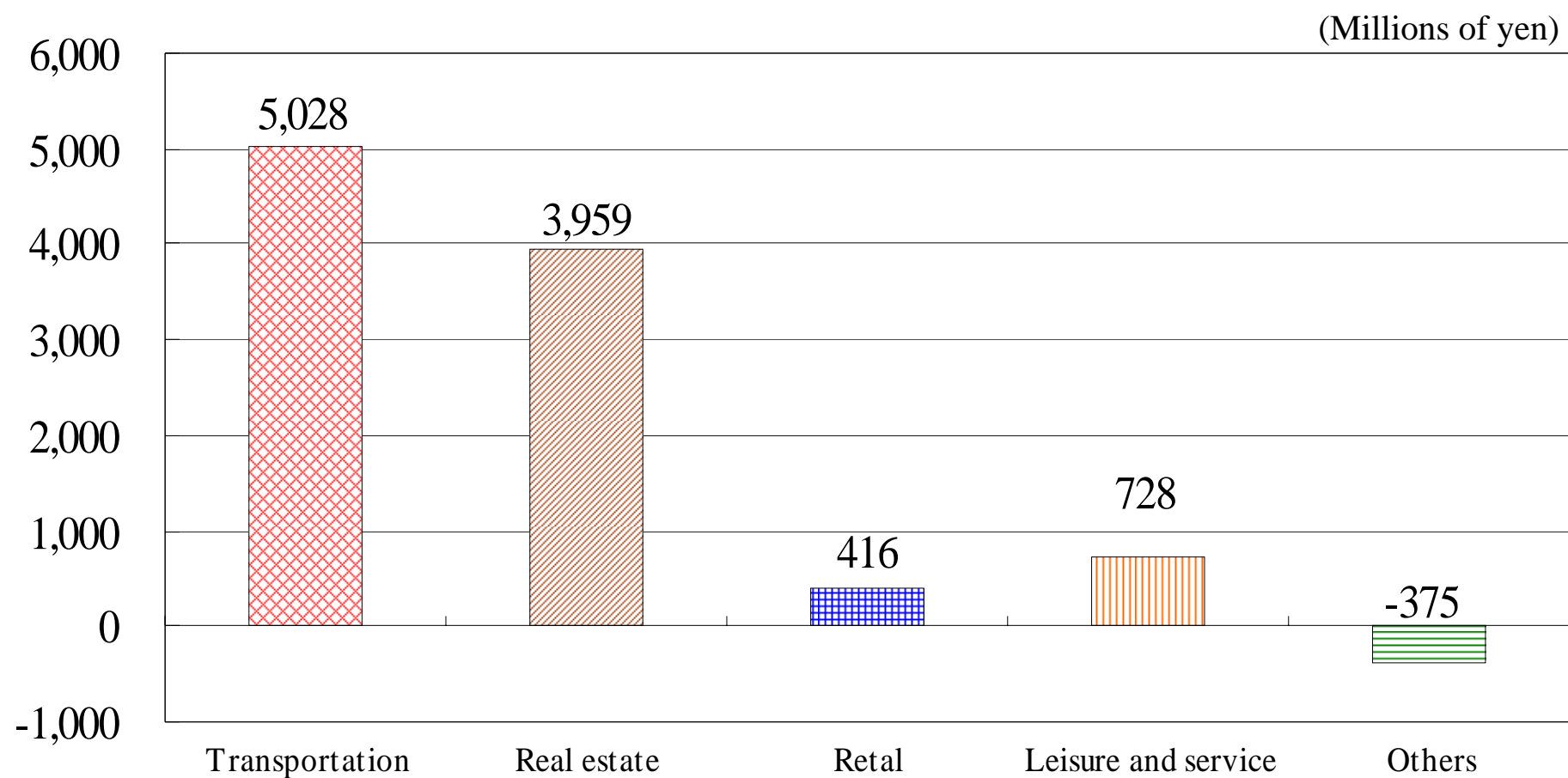
(Millions of yen)



* Operating revenue for external customers

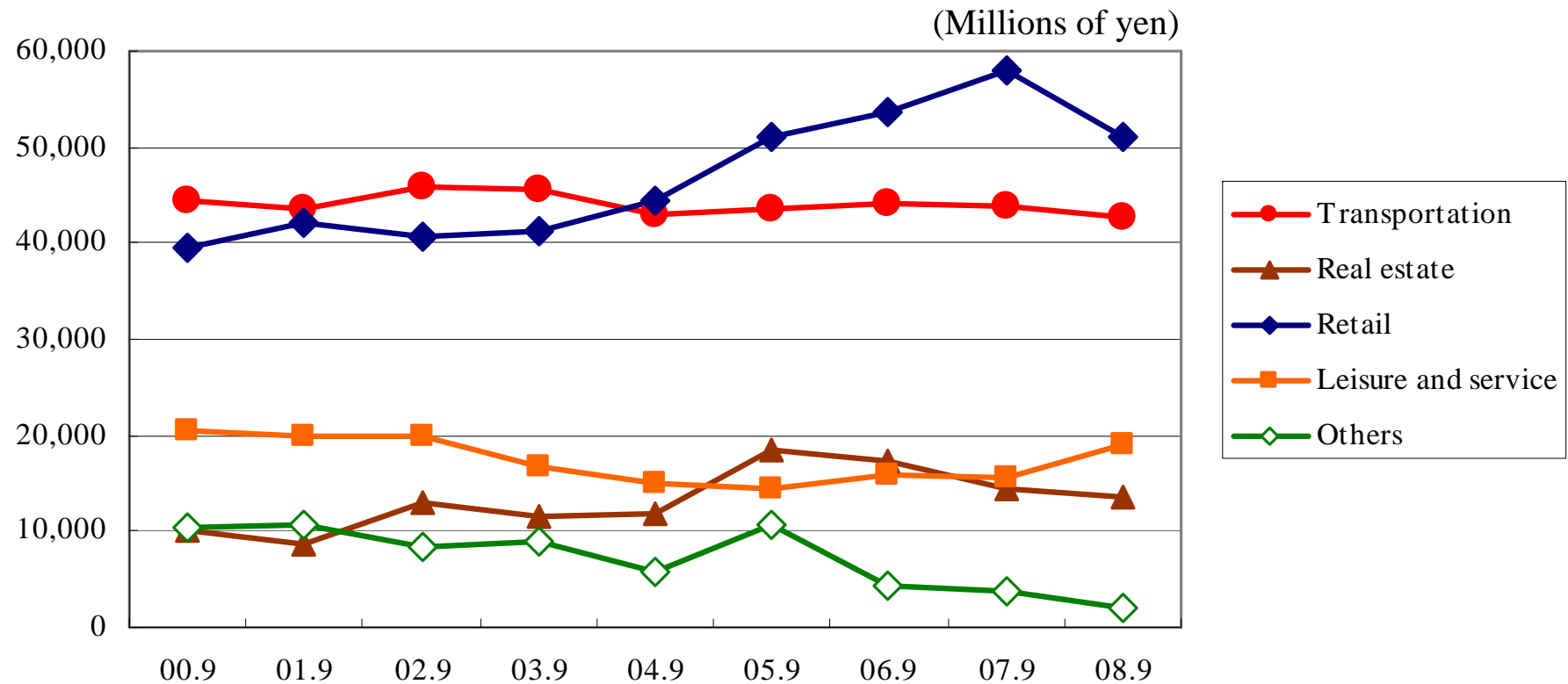
Segment Balance (2)

<Operating income>



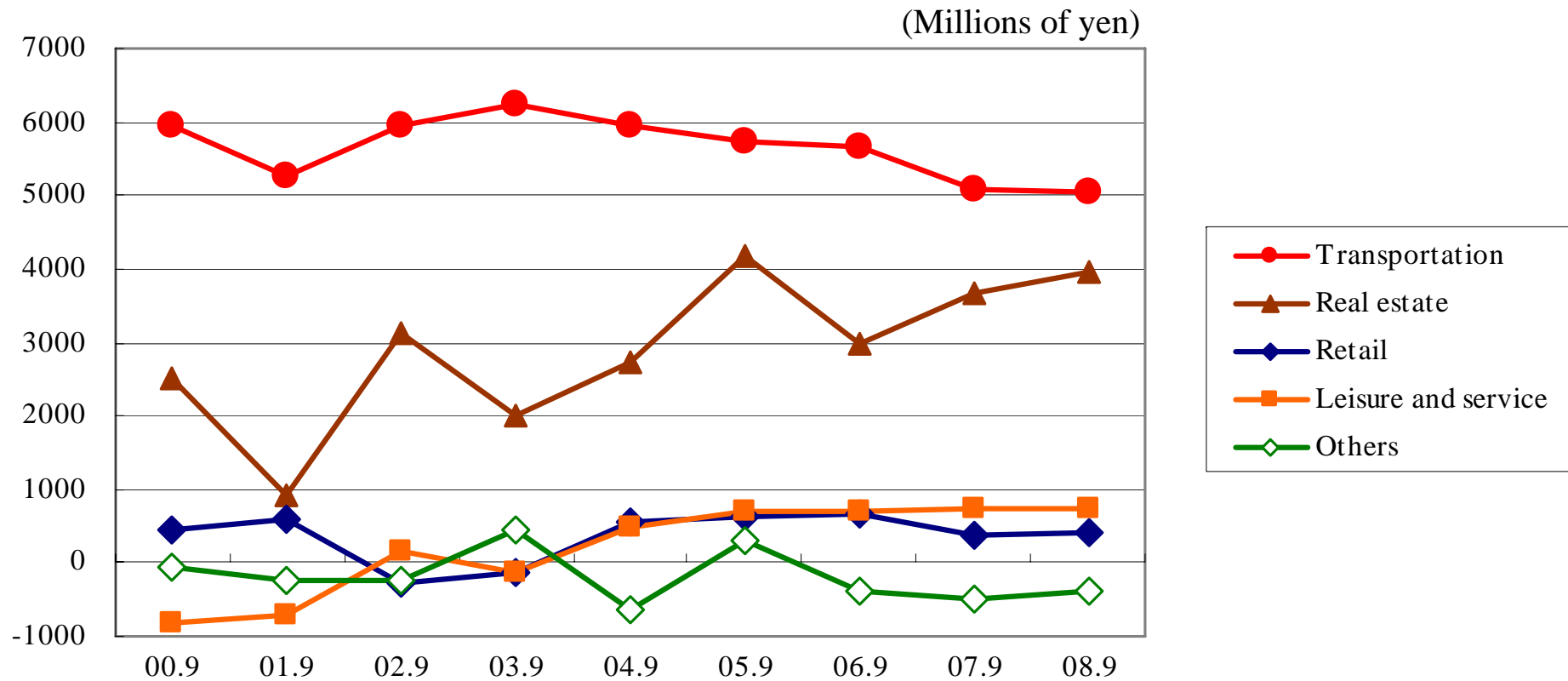
Changes in Segment Balance (1)

<Operating revenue>



Changes in Segment Balance (2)

<Operating income>



Segment Movement for 1H FY2009



[Transportation] <Revenue decrease of 369 million yen, and income decrease of 62 million yen>

- Railway --- Increase in the number of passengers and partial withdrawal of incidental business
- Bus --- Increase in fuel cost

[Real estate] <Revenue increase of 3,296 million yen, and income increase of 305 million yen>

- Real estate sales --- Increase in condominium sales (Keihan East Rose Town Fine Garden Square)

[Retail] <Revenue decrease of 6,437 million yen, and income increase of 52 million yen>

- Construction material sales --- Decrease in large sales of construction materials
- Store --- Full contribution of stores opened in the previous fiscal year

[Leisure and service] <Revenue increase of 3,986 million yen, and income increase of 2 million yen>

- Hotel --- Full contribution of Kyoto Tower (Adopted as consolidated subsidiary since mid-term end of FY2008), and opening of Hotel Keihan Universal Tower
- Welfare for elderly and nursing care --- Increase in the number of users

[Others] <Revenue increase of 52 million yen, and income increase of 107 million yen>

- Landscaping --- Increase in completed construction revenue
- Credit card --- Number of member increased.

Results of Transportation (1)



<Business results>

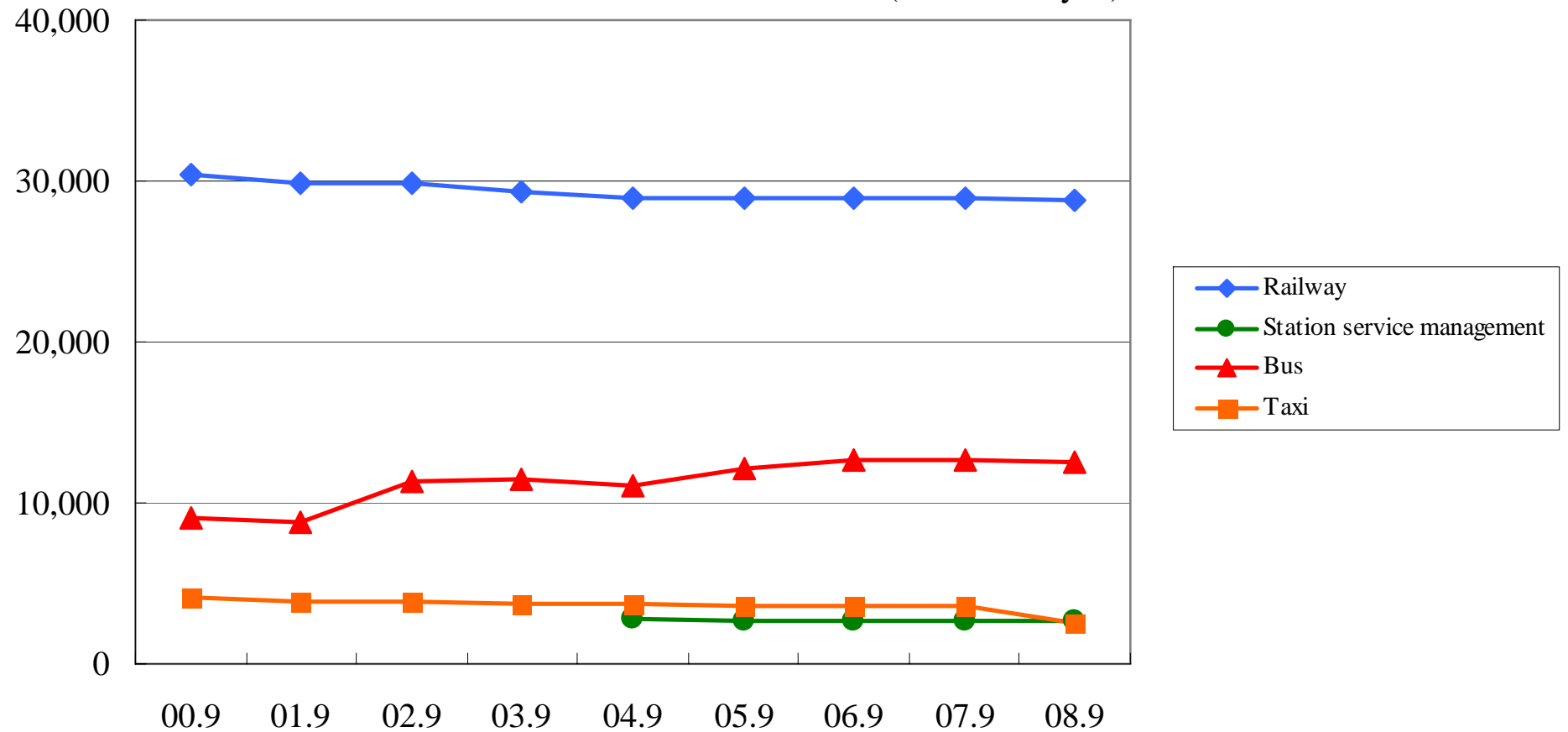
(Millions of yen)

	2008/9	2007/9	Change	Change (%)
Operating revenue	43,553	43,922	(369)	(0.8)
Railway	28,776	28,894	(118)	(0.4)
Station service management	2,694	2,645	49	1.9
Bus	12,578	12,656	(77)	(0.6)
Taxi	2,566	2,756	(189)	(6.9)
Elimination	(3,063)	(3,030)	(32)	-
Operating income	5,028	5,090	(62)	(1.2)

Results of Transportation (2)

<Trend of operating revenue>

(Millions of yen)



Results of Transportation (3)

<Operating results for transportation (Keihan Electric Railway)>

		2008/9	2007/9	Change	Change (%)
Number of passengers (Thousands of people)		147,098	146,512	586	0.4
Commuter passes (ditto)		75,715	75,887	(172)	(0.2)
Non-commuter passes (ditto)		71,382	70,624	758	1.1
Transportation revenue	Passenger transportation Revenue (Millions of yen)	25,731	25,646	84	0.3
	Passenger fare (ditto)	25,731	25,646	84	0.3
	Commuter passes (ditto)	8,872	8,886	(13)	(0.2)
	Non-commuter passes (ditto)	16,858	16,760	98	0.6
	Carriage on parcels (ditto)	0	0	(0)	(1.5)
	Miscellaneous transportation revenue (ditto)	1,693	1,633	59	3.7
	Total (ditto)	27,424	27,280	144	0.5

Results of Real Estate (1)

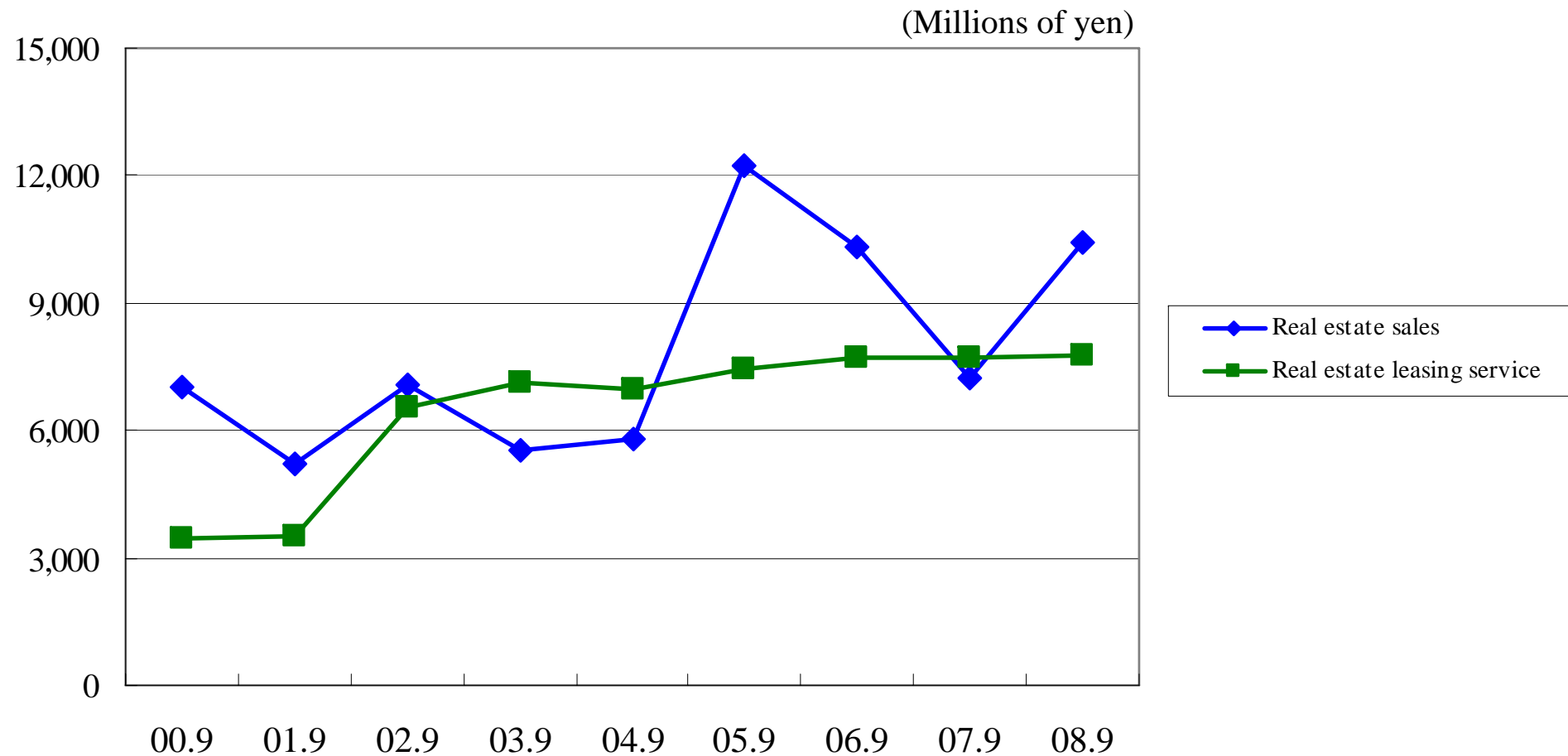
<Business results>

(Millions of yen)

	2008/9	2007/9	Change	Change (%)
Operating revenue	17,686	14,389	3,296	22.9
Real estate sales	10,403	7,222	3,180	44.0
Real estate leasing service	7,774	7,734	39	0.5
Elimination	(491)	(567)	75	-
Operating income	3,959	3,654	305	8.4

Results of Real Estate (2)

<Trend of operating revenue>



Results of Retail (1)

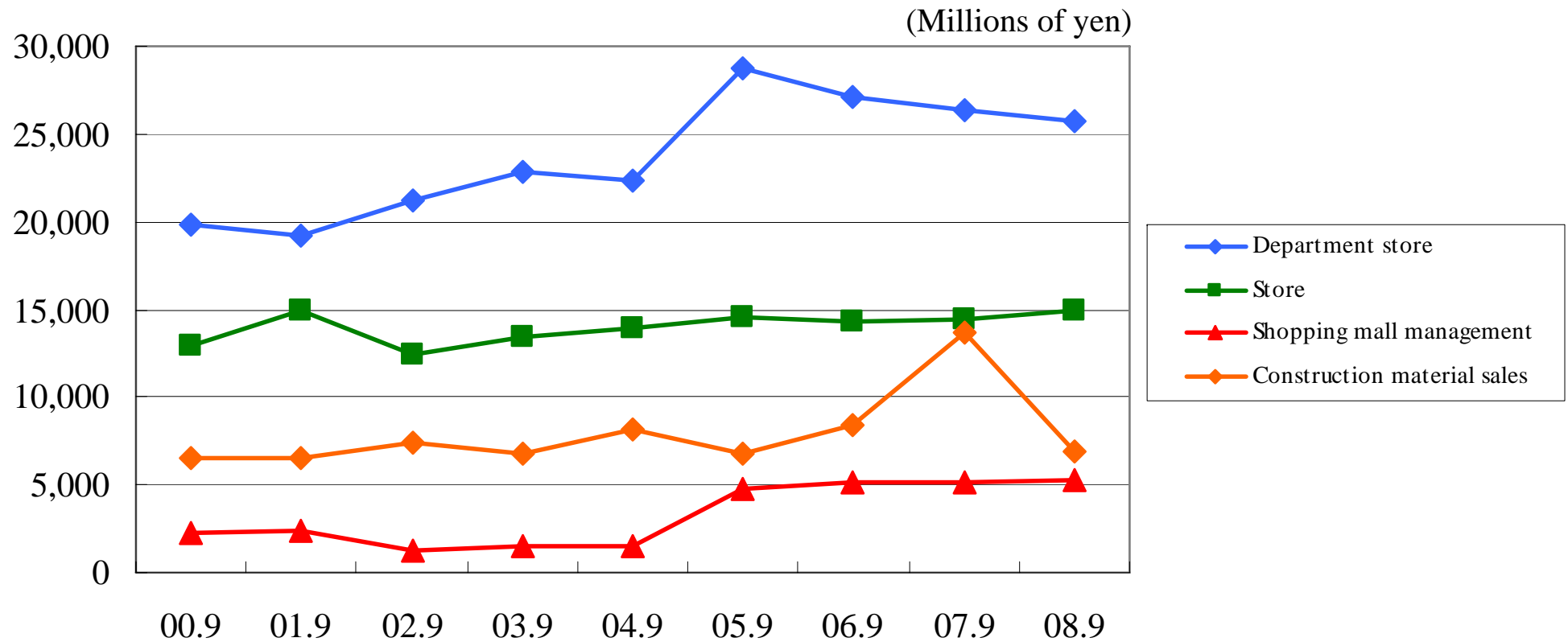
<Business results>

(Millions of yen)

	2008/9	2007/9	Change	Change (%)
Operating revenue	51,420	57,858	(6,437)	(11.1)
Department store	25,785	26,311	(525)	(2.0)
Store	14,944	14,373	571	4.0
Shopping mall management	5,219	5,200	18	0.4
Construction material sales	6,869	13,667	(6,797)	(49.7)
Elimination	(1,398)	(1,693)	295	-
Operating income	416	364	52	14.3

Results of Retail (2)

<Trend of operating revenue>



Results of Leisure and Service (1)

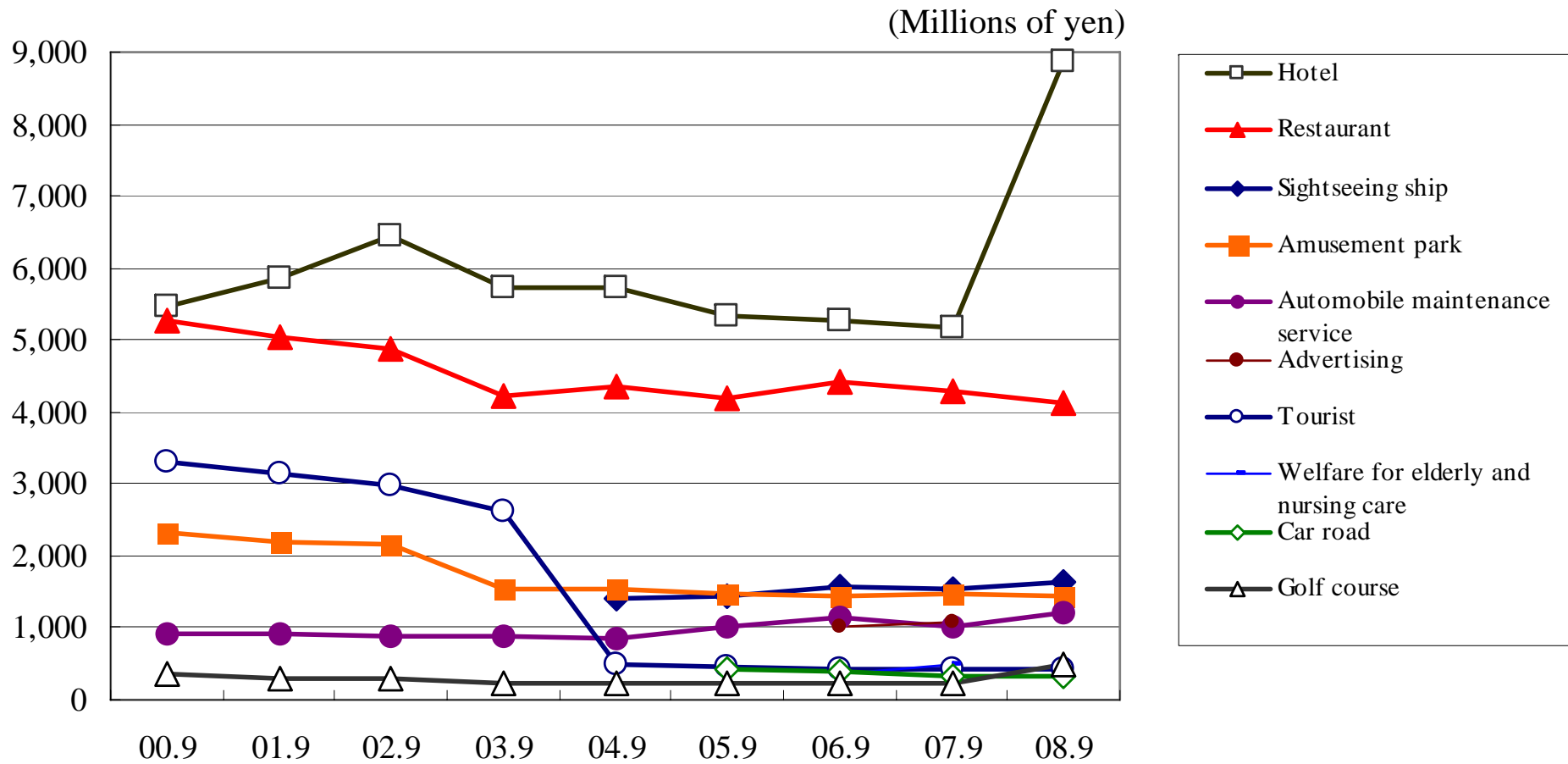
<Business results>

(Millions of yen)

	2008/9	2007/9	Change	Change (%)
Operating revenue	19,703	15,716	3,986	25.4
Hotel	8,880	5,160	3,720	72.1
Restaurant	4,110	4,297	(187)	(4.4)
Sightseeing ship	1,629	1,551	77	5.0
Amusement park	1,456	1,471	(14)	(1.0)
Automobile maintenance service	1,213	1,024	188	18.4
Advertising	1,072	1,075	(2)	(0.3)
Tourist	417	441	(23)	(5.4)
Welfare for elderly and nursing care	575	491	83	17.1
Car road	317	333	(15)	(4.8)
Golf course	488	231	257	111.4
Elimination	(458)	(361)	(96)	-
Operating income	728	725	2	0.4

Results of Leisure and Service (2)

<Trend of operating revenue>



Results of Others (1)

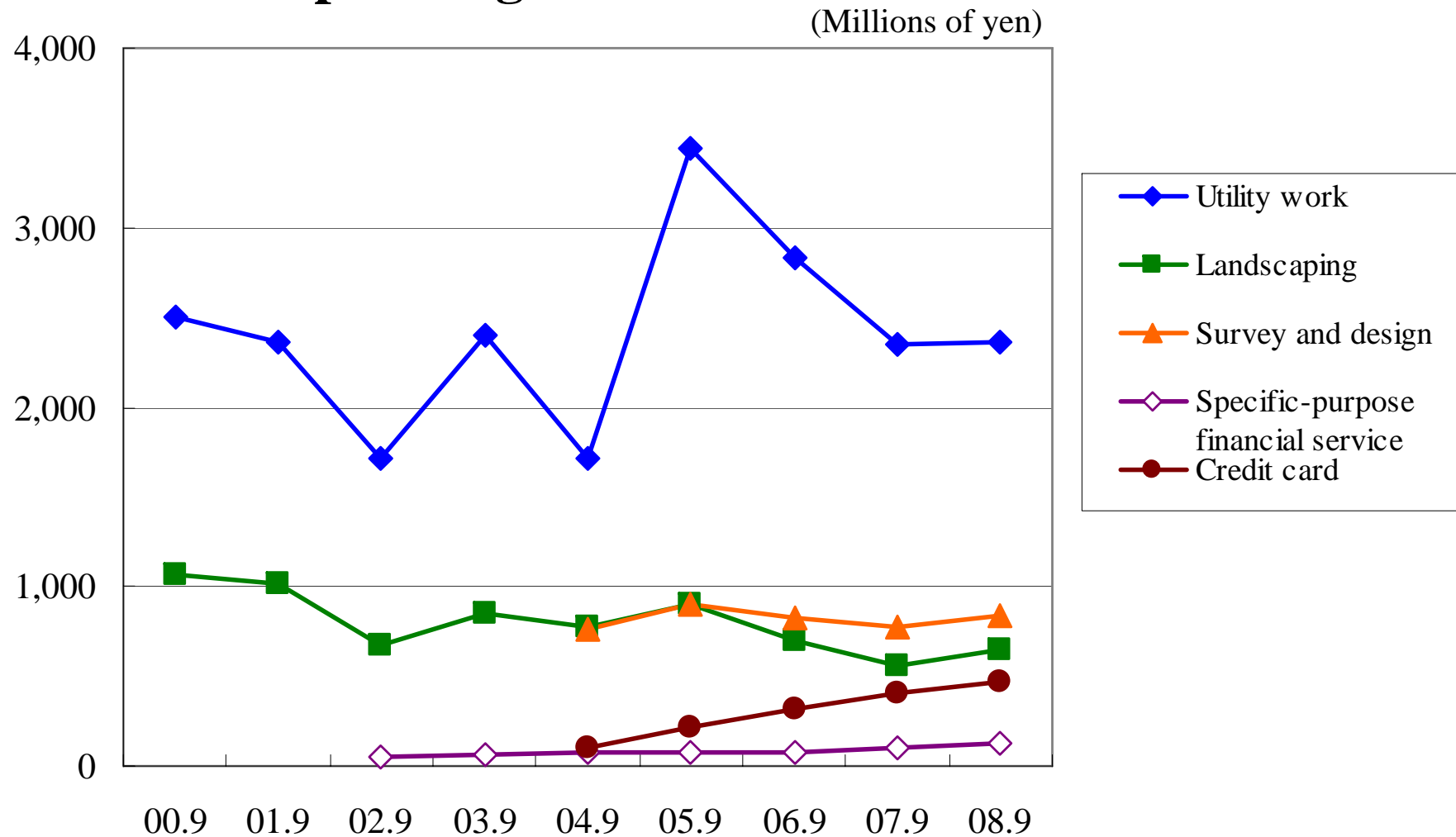
<Business results>

(Millions of yen)

	2008/9	2007/9	Change	Change (%)
Operating revenue	3,880	3,827	52	1.4
Utility work	2,358	2,346	12	0.5
Landscaping	642	554	87	15.9
Survey and design	843	778	64	8.3
Specific-purpose financial service	124	96	28	29.4
Credit card	472	403	69	17.1
Elimination	(561)	(351)	(210)	-
Operating income	(375)	(482)	107	-

Results of Others (2)

<Trend of operating revenue>



Business Results Forecast of FY2009

FY2009

Forecast of Consolidated Business Results (1)



(Millions of yen, Times)

	FY2009 Forecast	FY2008 Results	Change	Change (%)
Operating revenue	268,800	261,952	6,847	2.6
Operating income	16,000	17,438	(1,438)	(8.2)
Ordinary income	11,500	13,467	(1,967)	(14.6)
Net income	7,100	8,336	(1,236)	(14.8)
EBITDA	33,500	34,544	(1,044)	(3.0)
Capital expenditures	38,000	17,102	20,897	122.2
Interest-bearing debt	280,000	272,272	7,727	2.8
Interest-bearing debt / EBITDA*	8.4	7.9	0.5	

* Interest-bearing debt: Loans + bonds + accounts payable for JR TT
 Interest-bearing debt / EBITDA: Interest-bearing debt / (operating income + depreciation)

<By segment>

(Millions of yen)

	FY2009 Forecast	FY2008 Results	Change	Change (%)
Operating revenue	268,800	261,952	6,847	2.6
Transportation	88,100	87,455	644	0.7
Real estate	36,000	32,671	3,328	10.2
Retail	109,200	113,454	(4,254)	(3.7)
Leisure and service	40,300	32,971	7,328	22.2
Others	10,700	11,567	(867)	(7.5)
Elimination	(15,500)	(16,169)	669	-
Operating income	16,000	17,438	(1,438)	(8.2)
Transportation	7,000	8,786	(1,786)	(20.3)
Real estate	7,000	7,261	(261)	(3.6)
Retail	1,200	1,085	114	10.5
Leisure and service	900	526	373	71.1
Others	(100)	(192)	92	-
Elimination	0	(28)	28	-
Ordinary income	11,500	13,467	(1,967)	(14.6)
Net income	7,100	8,336	(1,236)	(14.8)

FY2009

Forecast of Non-Consolidated Business Results (1)



(Millions of yen)

	FY2009 Forecast	FY2008 Results	Change	Change(%)
Operating revenue	77,900	73,501	4,398	6.0
Railway operation	55,770	54,569	1,200	2.2
Subsidiary business	22,130	18,932	3,197	16.9
Real estate sales	7,900	5,092	2,807	55.1
Real estate leasing service	11,660	11,515	144	1.3
Leisure	2,570	2,323	246	10.6
Operating income	12,320	13,512	(1,192)	(8.8)
Railway operation	7,030	8,512	(1,482)	(17.4)
Subsidiary business	5,290	5,000	289	5.8
Real estate sales	230	257	(27)	(10.8)
Real estate leasing service	5,290	5,208	81	1.6
Leisure	(230)	(466)	236	-
Ordinary income	9,210	10,742	(1,532)	(14.3)
Net income	5,650	5,297	352	6.7

<Operating results for transportation (Keihan Electric Railway)>

		FY2009 Forecast	FY2008 Results	Change	Change (%)
Number of passengers (Thousands of people)		294,950	289,817	5,132	1.8
Commuter passes (ditto)		148,576	147,243	1,332	0.9
Non-commuter passes (ditto)		146,374	142,573	3,800	2.7
Transportation revenue	Passenger transportation revenue (Millions of yen)	52,440	51,231	1,208	2.4
	Passenger fare (ditto)	52,439	51,230	1,208	2.4
	Commuter passes (ditto)	17,749	17,415	333	1.9
	Non-commuter passes (ditto)	34,690	33,814	875	2.6
	Carriage on parcels (ditto)	1	1	0	2.2
	Miscellaneous transportation revenue (ditto)	3,330	3,338	(8)	(0.2)
	Total (ditto)	55,770	54,569	1,200	2.2