

FY2014

(Fiscal year ended March 31, 2014)

Financial Results Presentation



May 16, 2014

Keihan Electric Railway Co., Ltd.

(Tokyo Stock Exchange 1st / Securities Code: 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.

Overview of FY2014 Financial Results

Consolidated Statements of Income

(Millions of yen)

	FY2013 Results	FY2014 Results	Change	Main factors of changes	Oct 2013 Estimate
Operating revenue	279,156	289,203	10,047 (3.6%)	Transportation +333, Real estate +9,230, Retail -797, Leisure and service +1,342, Others +149	280,500
Operating income	23,289	25,085	1,795 (7.7%)	Transportation +530, Real estate +635, Retail +393, Leisure and service +262, Others +31	21,100
Ordinary income	18,933	21,457	2,524 (13.3%)	Non-operating income +223 (Dividends income +70, Miscellaneous income +155) Non-operating expenses -504 (Interest expenses -492)	17,700
Net income	11,077	14,420	3,342 (30.2%)	Extraordinary income +814 (Gain on sales of investments securities +625, Contribution for construction +145) Extraordinary loss -593 (Impairment loss -690)	11,300

ROA	3.6%	3.8%	0.2pt	ROA: Operating income to total assets	—
ROE	7.4%	8.9%	1.5pt	ROE: Net income to shareholders' equity	—
EBITDA	40,361	41,688	1,327 (3.3%)	EBITDA: Operating income + Depreciation	37,700
Depreciation	17,071	16,603	-467 (-2.7%)		16,600
Capital expenditures	19,977	31,179	11,201 (56.1%)		32,000

[Changes in scope of consolidation and application of the equity method (from the previous fiscal year end)]

Consolidated subsidiaries: 37 companies (No change)

Equity method affiliates: 2 companies (No change)

Consolidated Balance Sheets

(Millions of yen)

	FY2013 Results	FY2014 Results	Change	Main factors of changes
Current assets	134,596	147,216	12,620	Land and buildings for sale +7,310 Cash and deposit +3,028
Fixed assets	518,866	523,965	5,099	Buildings and structures +8,572 Land -3,423
Total assets	653,462	671,182	17,719	
Current liabilities	176,940	179,858	2,918	Accounts payable +3,032
Long-term liabilities	318,400	321,459	3,059	Net defined benefit liability +19,121 Provision for retirement benefits -14,558
Total liabilities	495,340	501,318	5,977	
Net assets	158,121	169,864	11,742	Retained earnings +10,442 Valuation difference on available-for-sale securities +2,542 Remeasurements of defined benefit plans -2,501 * Equity capital ratio 24.9% (+1.1pt)
Total liabilities and net assets	653,462	671,182	17,719	

Interest-bearing debt at end of fiscal period	327,880	321,044	-6,836	Loans payable -2,808 Long-term accounts payable -2,651 Short-term bonds payable -1,000 Bonds -376
Interest-bearing debt / EBITDA multiple (Times)	8.1	7.7	-0.4	

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

Consolidated Statements of Cash Flows



(Millions of yen)

	FY2013 Results	FY2014 Results	Change	Main factors of changes
Operating cash flows	43,901	29,573	-14,328	Income before income taxes +3,931 Change in inventories -9,980 Change in notes and accounts receivable -6,857
Investing cash flows	-28,489	-15,132	13,356	Change in proceeds from sales of fixed assets +6,417 Change in proceeds from sales of investment securities +2,491 Change in purchase of fixed assets -5,010
Financing cash flows	-11,941	-11,412	529	
Net increase (decrease) in cash and cash equivalents	3,470	3,028	-441	
Increase in cash and cash equivalents from newly consolidated subsidiary	204	—	-204	
Cash and cash equivalents at end of fiscal period	22,802	25,831	3,028	

Segment Information

(Millions of yen)

	FY2013 Results	FY2014 Results	Change	Change (%)	Oct 2013 Estimate
Operating revenue	279,156	289,203	10,047	3.6%	280,500
Transportation	89,328	89,661	333	0.4%	88,800
Real estate	78,948	88,179	9,230	11.7%	81,100
Retail	96,224	95,427	-797	-0.8%	95,000
Leisure and service	26,081	27,423	1,342	5.1%	26,700
Others	1,487	1,637	149	10.0%	1,600
Elimination	-12,914	-13,125	-211	—	-12,700

Operating income	23,289	25,085	1,795	7.7%	21,100
Transportation	6,398	6,928	530	8.3%	5,800
Real estate	13,936	14,571	635	4.6%	12,600
Retail	2,052	2,445	393	19.2%	1,900
Leisure and service	890	1,153	262	29.5%	800
Others	-31	-0	31	—	0
Elimination	43	-13	-57	—	0

Note: Effective from FY2014, Keihan Engineering Service Co., Ltd. has been transferred from the transportation segment to the real estate segment due to a change in segment classification. Figures for FY2013 (ended March 2013) have been adjusted to reflect this change in segment classification in order to facilitate comparison.

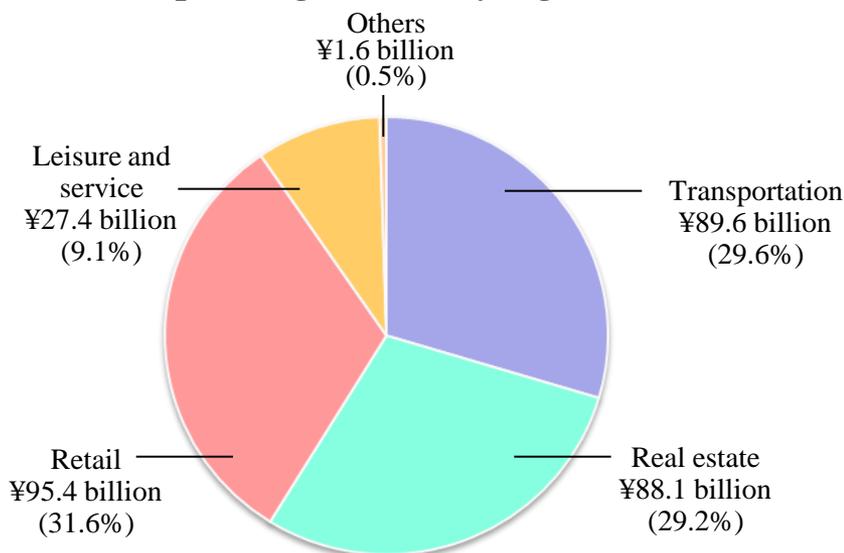
Segment Information (Breakdown)

[Consolidated subsidiaries] 38 companies

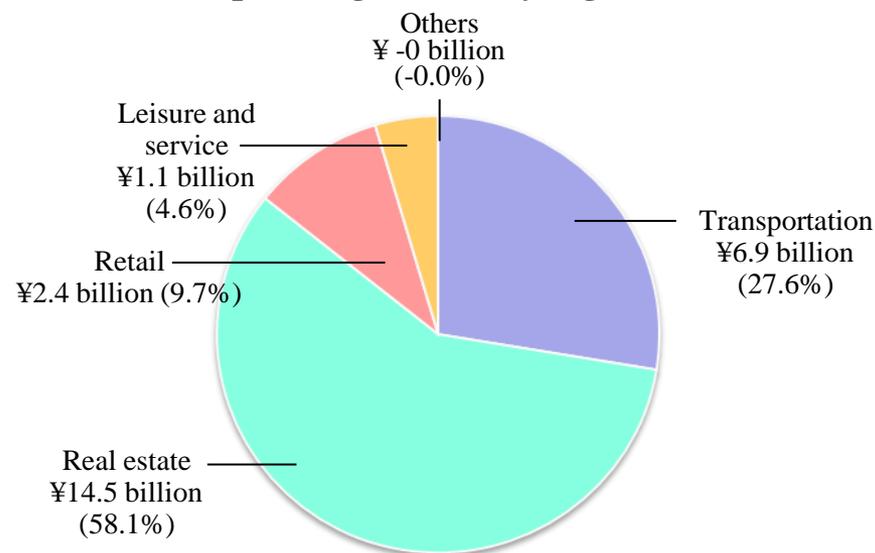
(Keihan Electric Railway covers both the transportation business and the real estate business) [Equity method affiliates] 2 companies

Transportation	Keihan Electric Railway Co., Ltd., Keifuku Electric Railroad Co., Ltd., Keihan Bus Co., Ltd., and 12 other companies
Real estate	Keihan Electric Railway Co., Ltd., Keihan Dentetsu Real Estate Co., Ltd., Eastern Kogyo Co., Ltd., and 5 other companies
Retail	Keihan Department Stores Co., Ltd., Keihan The Store Co., Ltd., Keihan Ryutsu Systems Co., Ltd., and 2 other companies
Leisure and service	Hotel Keihan Co., Ltd., Kyoto Tower Co., Ltd., Kyoto Century Hotel Co., Ltd., Biwako Kisen Steamship Co., Ltd., and 6 other companies
Others	Keihan Card Co., Ltd.

<Operating revenue by segment>



<Operating income by segment>



Note: Breakdown of operating revenue and operating income by segment, including intersegment transactions.

Results of Transportation

(Millions of yen)

	FY2013 Results	FY2014 Results	Change	Change (%)	Main factors of changes	Oct 2013 Estimate
Operating revenue	89,328	89,661	333	0.4%	Railway 72,281 (+344) Bus 26,327 (+133) Elimination -8,947 (-144)	88,800
Operating income	6,398	6,928	530	8.3%	Railway 6,406 (+307) Bus 458 (+218)	5,800
Depreciation	11,010	10,445	-564	-5.1%		—
Capital expenditures	12,612	10,590	-2,022	-16.0%		—

<< Operating results for transportation (Keihan Electric Railway) >>

	Number of passengers (Thousands of people)				Passenger transportation revenue (Millions of yen)			
	FY2013 Results	FY2014 Results	Change	Change (%)	FY2013 Results	FY2014 Results	Change	Change (%)
Non-commuter passes	144,753	144,758	5	0.0%	33,637	33,565	-72	-0.2%
Commuter passes	133,805	136,060	2,255	1.7%	15,654	15,859	204	1.3%
Total	278,558	280,819	2,260	0.8%	49,292	49,424	131	0.3%

Results of Real Estate

(Millions of yen)

	FY2013 Results	FY2014 Results	Change	Change (%)	Main factors of changes	Oct 2013 Estimate
Operating revenue	78,948	88,179	9,230	11.7%	Real estate 69,708 (+5,125) Construction 23,059 (+2,212) Elimination -4,588 (+1,892)	81,100
Operating income	13,936	14,571	635	4.6%	Real estate 13,969 (+822) Construction 687 (+261)	12,600
Depreciation	3,847	3,812	-34	-0.9%		—
Capital expenditures	4,772	17,284	12,511	262.2%	FY2014 : Second-stage construction of KUZUHA MALL, etc	—

<<Results by business>>

(Millions of yen)

	Operating revenue				Operating income			
	FY2013 Results	FY2014 Results	Change	Change (%)	FY2013 Results	FY2014 Results	Change	Change (%)
Real estate sales	46,107	51,333	5,226	11.3%	5,298	6,549	1,251	23.6%
Real estate leasing service	16,263	16,129	-134	-0.8%	8,028	7,303	-725	-9.0%
Real estate management	2,211	2,245	33	1.5%	-180	116	296	—
Total	64,583	69,708	5,125	7.9%	13,146	13,969	822	6.3%

<<Main condominium buildings for sale>>

Name	Sales amount (Millions of yen)	Number of units sold	Location
Fine Quarter City	7,718	262	Kita-ku, Osaka-shi
Dojima the Residence Mark Tower	6,621	269	Kita-ku, Osaka-shi
Fine City osaka-jo koen	6,008	191	Chuo-ku, Osaka-shi
Fine Flats Naramachi Sanjo	2,857	80	Nara-shi, Nara
A-standard Hongo Sanchome	2,436	56	Bunkyo-ku, Tokyo

Results of Retail

(Millions of yen)

	FY2013 Results	FY2014 Results	Change	Change (%)	Main factors of changes	Oct 2013 Estimate
Operating revenue	96,224	95,427	-797	-0.8%	Department store 55,366 (+366) Store 25,964 (-636) Shopping mall management 10,893 (-119) Restaurant 6,320 (-86)	95,000
Operating income	2,052	2,445	393	19.2%	Department store 551 (-38) Store 857 (+424) Shopping mall management 941 (-72) Restaurant 79 (+80)	1,900
Depreciation	1,250	1,273	23	1.9%		—
Capital expenditures	1,015	1,891	875	86.2%		—

<< Major New Stores >>

Name	Opening date	Location
KUZUHA MALL (Renewal Opening)	March 12, 2014	Hirakata-shi, Osaka
FREST petit Kuzuha Store	March 12, 2014	Hirakata-shi, Osaka
An3 KUZUHA MALL Store	March 12, 2014	Hirakata-shi, Osaka
Plug-in Drug Kuzuha Store	March 12, 2014	Hirakata-shi, Osaka
SWEETS BOX Keihan Kuzuha Store	March 12, 2014	Hirakata-shi, Osaka
UNIQLO Kintetsu Uehommachi Sta. Store	February 25, 2014	Tennoji-ku, Osaka-shi
SWEETS BOX ekimo Namba Store	October 31, 2013	Chuo-ku, Osaka-shi
SWEETS BOX SEIBU SHINJUKU PePe Store	September 26, 2013	Shinjuku-ku, Tokyo
Juicer Bar Tokyu Minami-machida Store	April 10, 2013	Machida-shi, Tokyo
Juicer Bar Tokyu Nagatsuta Store	April 10, 2013	Midori-ku, Yokohama-shi

<< Main Stores Closed >>

Name	Closing date	Location
Hakodate Ichiba Gojo Store	February 28, 2014	Ukyo-ku, Kyoto-shi
Ashikari Kyoto Yodobashi Store	February 11, 2014	Shimogyo-ku, Kyoto-shi
Hakodate Ichiba Katsura Store	July 28, 2013	Nishikyo-ku, Kyoto-shi
FREST Komagawa Store	June 30, 2013	Higashisumiyoshi-ku, Osaka-shi
Keihan The Store Makino Store	January 31, 2013	Hirakata-shi, Osaka

<< Sales of Department Store >>

(Millions of yen)

Store	Sales amount	Change
Moriguchi Store	24,600	89
Kuzuha Store	10,368	29
Kyobashi Store	7,350	17
Hirakata Store	7,072	70
Suminodo Store	5,373	167
Miscellaneous revenue	600	-7
Total	55,366	366

<< Sales of Store >>

(Millions of yen)

Division	Sales amount	Change
Store	11,293	-490
Convenience store	5,572	-83
Kiosk	662	-53
Station business	7,192	-203
Miscellaneous revenue	1,242	194
Total	25,964	-636

Results of Leisure and Service

(Millions of yen)

	FY2013 Results	FY2014 Results	Change	Change (%)	Main factors of changes	Oct 2013 Estimate
Operating revenue	26,081	27,423	1,342	5.1%	Hotel 23,058 (+1,538) Leisure 4,529 (-190)	26,700
Operating income	890	1,153	262	29.5%	Hotel 1,291 (+412) Leisure 81 (-150)	800
Depreciation	963	1,070	107	11.2%		—
Capital expenditures	1,639	1,622	-16	-1.0%		—

<< Hotel occupancy rates >>

		FY2013 Results	FY2014 Results	Change	Number of rooms
Hotel Keihan	Kyobashi	89.3%	89.7%	0.4pt	214
	Temwabashi	82.5%	93.8%	11.3pt	317
	Kyoto	97.2%	98.3%	1.1pt	286
	Universal City	82.9%	83.4%	0.5pt	330
	Universal Tower	83.9%	90.0%	6.1pt	641
	Asakusa	95.6%	96.3%	0.7pt	178
	Sapporo	94.5%	96.8%	2.3pt	200
Biwako Hotel		83.2%	82.8%	-0.4pt	171
Kyoto Tower	Kyoto Tower Hotel	91.7%	85.9%	-5.8pt	162
	Kyoto Dai-ni Tower Hotel	83.2%	89.4%	6.2pt	303
	Kyoto Tower Hotel Annex	95.8%	94.8%	-1.0pt	122
Kyoto Century Hotel		90.5%	90.5%	0.0pt	220
Total		—	—	—	3,144

Non-consolidated Statements of Income



(Millions of yen)

	FY2013 Results	FY2014 Results	Change	Change (%)	Main factors of changes
Operating revenue	86,254	85,996	-258	-0.3%	
Railway	52,558	52,721	163	0.3%	Number of passengers +0.8% Passenger transportation revenue +0.3%
Subsidiary business	33,696	33,275	-421	-1.3%	
Real estate sales	16,437	16,272	-165	-1.0%	
Real estate leasing service	14,896	14,766	-130	-0.9%	
Leisure	2,362	2,236	-126	-5.3%	
Operating income	15,544	15,000	-544	-3.5%	
Railway	6,326	6,525	198	3.1%	
Subsidiary business	9,218	8,475	-742	-8.1%	
Real estate sales	2,343	2,236	-106	-4.5%	
Real estate leasing service	7,202	6,465	-736	-10.2%	
Leisure	-327	-227	100	—	
Ordinary income	12,609	12,838	229	1.8%	Non-operating income +353 (Dividends income +301) Miscellaneous expenses -421 (Interest expenses -435)
Net income	7,687	9,082	1,394	18.1%	Extraordinary income +848 (Gain on sales of investments securities +612, Contribution for construction +136) Extraordinary loss -377 (Impairment loss -464, Reduction entry of land contribution for construction +104)

FY2015 Forecasts

Forecast of Consolidated Business Results (1)



(Millions of yen)

	FY2014 Results	FY2015 Forecast	Change	Change (%)	Main factors of changes
Operating revenue	289,203	285,200	-4,003	-1.4%	Transportation -1,561, Real estate -6,079, Retail +4,272, Leisure and service +576
Operating income	25,085	22,100	-2,985	-11.9%	Transportation -1,528, Real estate -2,471, Retail +354, Leisure and service +646
Ordinary income	21,457	18,600	-2,857	-13.3%	Non-operating income -78, Miscellaneous expenses -206
Net income	14,420	12,800	-1,620	-11.2%	Extraordinary income +18,082, Extraordinary loss +17,999

Capital expenditure	31,179	24,700	-6,479	-20.8%	[Breakdown of capital expenditure]
Depreciation	16,603	17,300	696	4.2%	Transportation 13,000 (+2,410)
EBITDA	41,688	39,400	-2,288	-5.5%	Real estate 9,100 (-8,184)
Interest-bearing debt	321,044	317,000	-4,044	-1.3%	Retail 1,000 (-892)
Interest-bearing debt / EBITDA multiple (Times)	7.7	8.0	0.3	—	Leisure and service 1,300 (-323)
					Corporate, etc. 300 (+510)
					<<Main capital expenditure for FY2014>>
					(Transportation) Investment on our railway 8,023
					(Real estate) Investment on our real estate 9,006

Forecast of Consolidated Business Results (2)

<< By Segment >>

(Millions of yen)

	FY2014 Results	FY2015 Forecast	Change	Change (%)	Main factors of changes
Operating revenue	289,203	285,200	-4,003	-1.4%	
Transportation	89,661	88,100	-1,561	-1.7%	Railway -886 Bus -407
Real estate	88,179	82,100	-6,079	-6.9%	Real estate sales -5,196 Construction -1,591 Real estate leasing service +277
Retail	95,427	99,700	4,272	4.5%	Shopping mall management +3,327 Store +2,398 Department store -1,522
Leisure and service	27,423	28,000	576	2.1%	Hotel +650
Others	1,637	1,700	62	3.8%	
Elimination	-13,125	-14,400	-1,274	—	

Operating income	25,085	22,100	-2,985	-11.9%	
Transportation	6,928	5,400	-1,528	-22.1%	Railway -1,209 Bus -272
Real estate	14,571	12,100	-2,471	-17.0%	Real estate sales -2,862 Construction -293 Real estate leasing service +653
Retail	2,445	2,800	354	14.5%	Shopping mall management +355 Store +151 Department store -150
Leisure and service	1,153	1,800	646	56.1%	Hotel +490
Others	-0	0	0	—	
Elimination	-13	0	13	—	

Forecast of Non-Consolidated Business Results

(Millions of yen)

	FY2014 Results	FY2015 Forecast	Change	Change (%)	Main factors of changes
Operating revenue	85,996	85,000	-996	-1.2%	
Railway operation	52,721	51,960	-761	-1.4%	Number of passengers -2.0% Passenger transportation revenue -1.3%
Subsidiary business	33,275	33,040	-235	-0.7%	
Operating income	15,000	13,900	-1,100	-7.3%	
Railway operation	6,525	5,560	-965	-14.8%	
Subsidiary business	8,475	8,340	-135	-1.6%	
Ordinary income	12,838	12,200	-638	-5.0%	Non-operating income +199 Non-operating expenses -263
Net income	9,082	8,600	-482	-5.3%	Extraordinary income +18,422 Extraordinary loss +18,592

<< Forecast of operating results for transportation (Keihan Electric Railway) >>

	Number of passengers (Thousands of people)				Passenger transportation revenue (Millions of yen)			
	FY2014 Results	FY2015 Forecast	Change	Change (%)	FY2014 Results	FY2015 Forecast	Change	Change (%)
Non-commuter passes	144,758	144,523	-235	-0.2%	33,565	33,525	-40	-0.1%
Commuter passes	136,060	130,548	-5,512	-4.1%	15,859	15,251	-608	-3.8%
Total	280,819	275,071	-5,748	-2.0%	49,424	48,776	-648	-1.3%

**Summary of Keihan Group's
Medium-term Management Plan
(FY2013 – 2015)**

Basic Policy

Building the foundations for a strong Keihan for the next 100 years

Corporate Strategy

Strengthen the operating structure through extensive efficiency gains

◆ Operating divisions

Create an efficient operating system through a radical review of the business structure

- Overhaul business approaches
- Restructure and integrate businesses in the Group
- Exit unprofitable businesses or businesses with limited potential

◆ Administrative divisions

Achieve extensive efficiency gains through cost control

- Create a lean head office at Keihan Electric Railway by reducing the size of administrative divisions
- Reduce costs in administrative divisions at Group companies

Revitalize areas along the Keihan Railway lines

◆ Push ahead with site development

- Push ahead with the creation of highly livable areas by developing strategic sites such as the KUZUHA MALL second-stage development plan in order to ensure areas along our lines continue to be chosen by the public well into the future

◆ Implement our Kyoto strategy

- Establish a position as the leading company in Kyoto
- Customers always associate Keihan with Kyoto

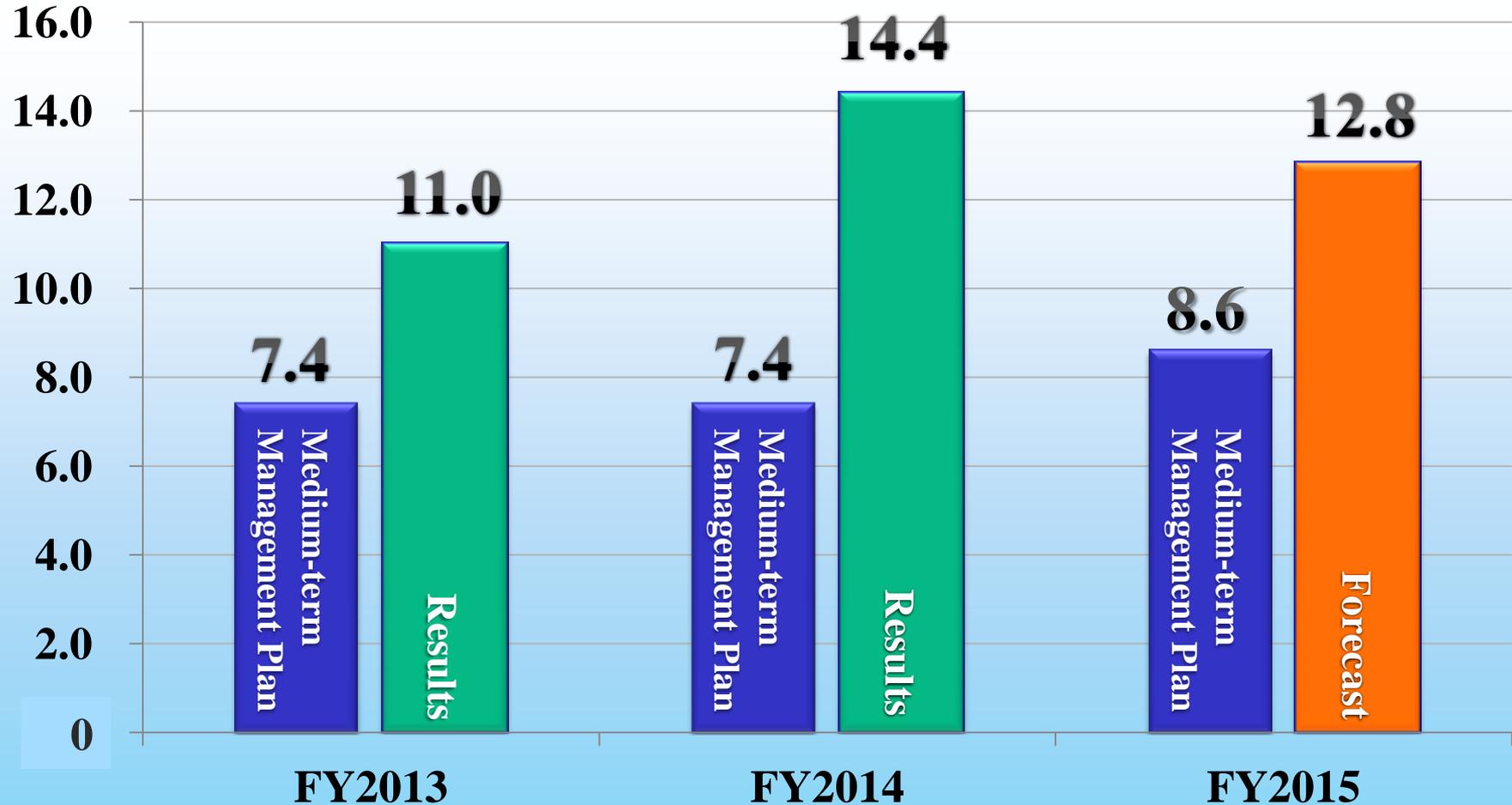
◆ Promote new businesses to develop areas along rail lines

- Promote lifecycle support businesses

Comparison of Medium-term Management Plan with FY2014 Results and FY2015 Forecast

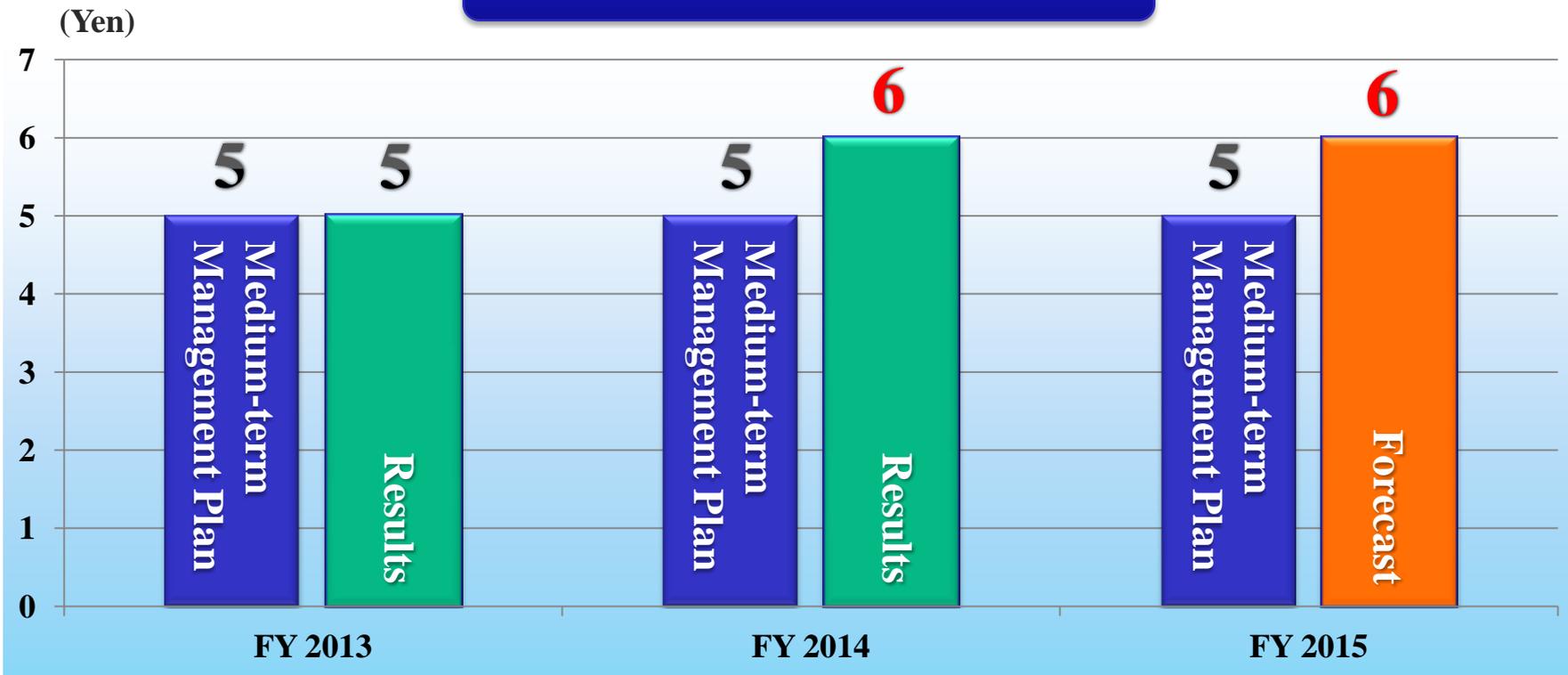
Net income

(Billions of yen)



Comparison of Medium-term Management Plan with FY2014 Results and FY2015 Forecast

Annual Dividend



- ◎ Build a stable earnings base in the railway business by enhancing the value of areas along rail lines to play a more important role in the community
- ◎ Actively invest in the Group's businesses and strengthen its financial position to support growth
- ◎ Pay sustained returns to shareholders in line with operating results

Continue to pay stable returns to shareholders while taking into account capital levels and operating results

Summary of Keihan Group's Medium-term Management Plan (FY2013 – 2015)



Operating results versus targets / operating forecasts (quantitative targets)

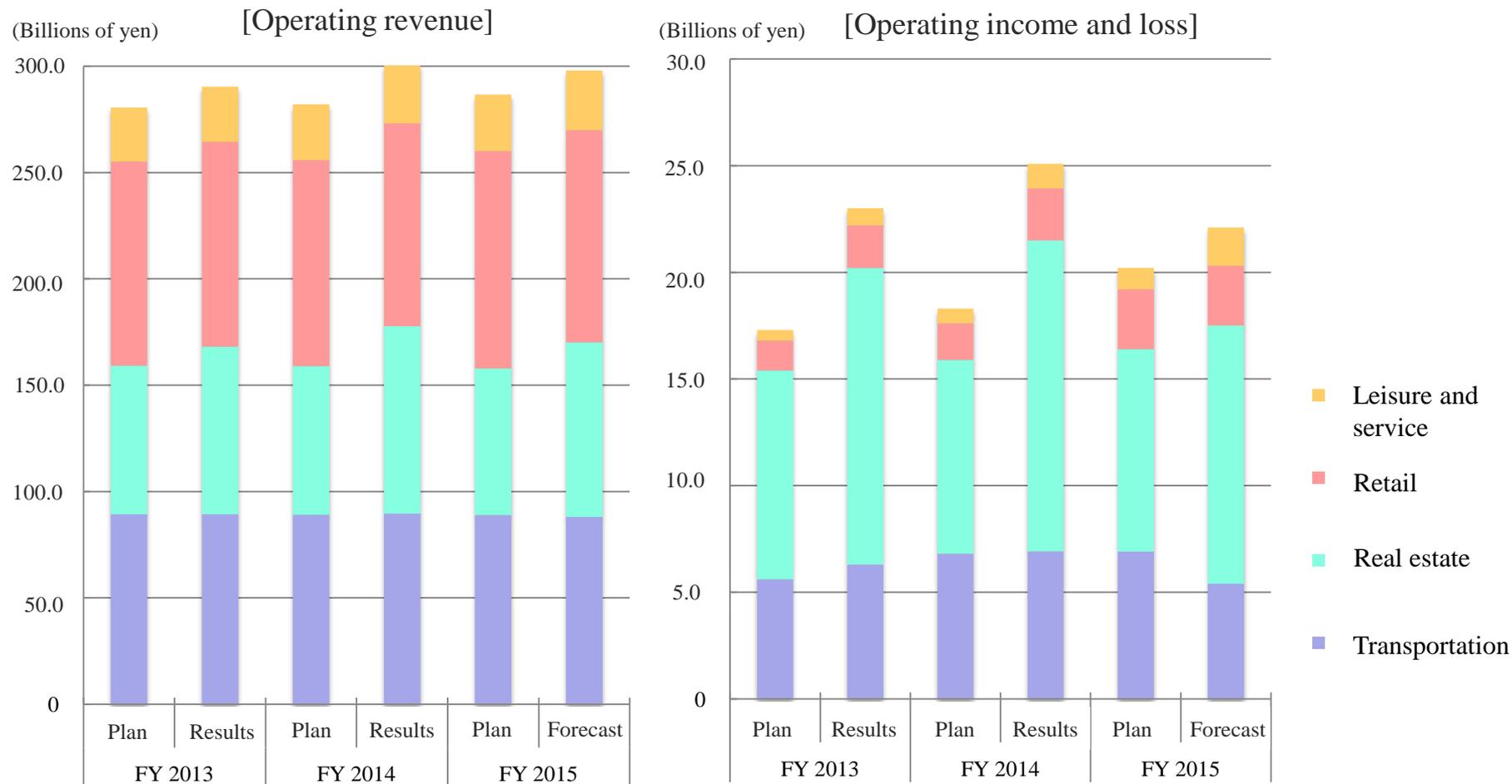
(Billions of yen)

	FY2013 Results	Compared to medium-term management plan	FY2014 Results	Compared to medium-term management plan	FY2015 Forecast	Compared to medium-term management plan
Consolidated operating income	23.2	32.3%	25.0	37.1%	22.1	9.4%
Consolidated EBITDA	40.3	15.6%	41.6	17.4%	39.4	4.0%
Consolidated interest-bearing debt / EBITDA multiple	8.1 times	-1.7 point	7.7 times	-2.3 point	8.0 times	-0.9 point
Consolidated net income	11.0	49.7%	14.4	94.9%	12.8	48.8%
Consolidated ROE (Net income to shareholders' equity)	7.4%	2.3 point	8.9%	4.0 point	—	—
Consolidated ROA (Operating income to total assets)	3.6%	0.8 point	3.8%	1.0 point	—	—

We expect to achieve the targets in our medium-term management plan due to measures aimed at strengthening earnings, such as reinforcing the operating structure and revitalizing areas along rail lines

Summary of Keihan Group's Medium-term Management Plan (FY2013 – 2015)

Operating results versus targets / operating forecasts (by segment)



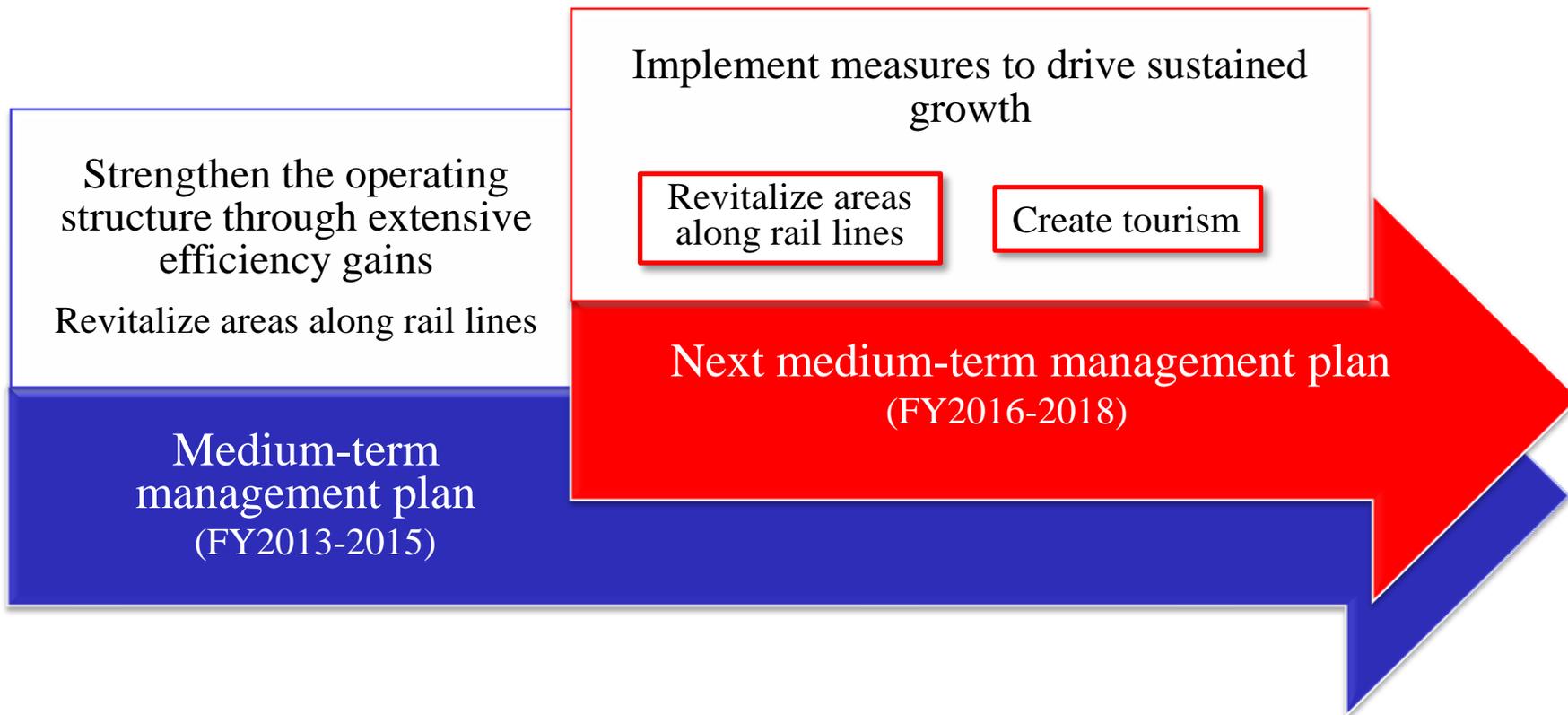
*Operating revenue and operating income include intersegment transactions.

Summary of Keihan Group's Medium-term Management Plan (FY2013 – 2015)



Qualitative targets		Actions
Strengthen the operating structure through extensive efficiency gains	Operating divisions	<ul style="list-style-type: none"> ○ Overhaul business approaches ○ Restructure and integrate businesses in the Group ○ Exit unprofitable businesses or businesses with limited potential
	Administrative divisions	<ul style="list-style-type: none"> ○ Reduced costs at Keihan Electric Railway head office through efficiency improvements
Revitalize areas along the Keihan Railway lines		<ul style="list-style-type: none"> ○ Push ahead with site development ○ Implement our Kyoto strategy ○ Promote new businesses to develop areas along rail lines
		<ul style="list-style-type: none"> ○ After completion of the second-stage development plan, KUZUHA MALL reopened on March 12 as one of Osaka's largest shopping centers ○ Non-stop Raku Raku Keihan express service – ideal for sightseeing trips to Kyoto – was restarted to coincide with the start of the tourist season ○ Kyoto Bus joined Kyoto city's flat fare bus zone system, providing greater convenience to Kyoto sightseers ○ Promoted the childcare facilities inside the Kuzuha Station building

Transitioning to the next medium-term management plan (FY2016-2018)



Details of the next medium-term management plan are currently being formulated (business portfolio, initiatives, quantitative targets, etc.); we plan to announce the full plan before the end of FY2015

TOPICS

Progress of FY2015 Initiatives

Revitalize areas along rail lines

KUZUHA MALL second-stage development

Reopened on March 12 with increased floor area

- Strengthened lineup of urban retailers; increased the number of high-quality fashion, interior and general goods stores
- Added more entertainment options; introduced facilities to encourage families and couples to spend the whole day at the mall
- Created a lively Keihan museum zone; TV rail carriages used on Keihan lines in the past are one of the exhibits



Facility overview

Address	15-1 Kuzuha Hanazono-cho, Hirakata-shi, Osaka
Floor area	Around 200,000m ² (110,000m ² before expansion)
Retail area	Around 72,000m ² (50,000m ² before expansion)
Parking	Around 3,000 spaces (2,000 spaces before expansion)
Number of stores	231 specialist stores, plus an art gallery, Keihan department store, Daiei, Izumiya, TOHO Cinemas

< Facility operations >

- In the two months after reopening, average customer traffic at the mall was roughly double the level before redevelopment
- Average daily passengers at Kuzuha Station (excluding commuter pass passengers) increased 1.3x from the level before redevelopment
- Improved the mall's ability to attract younger shoppers
- Significantly expanded the mall's trading area



Business Strategy – Transportation –

Ensure safety and peace of mind

Project to elevate Keihan Main line over multiple road intersections (Neyagawa-shi and Hirakata-shi)

Project to elevate lines will remove the need for level crossings

⇒ Drastically reduce traffic congestion and accidents and reconnect urban areas separated by the rail line

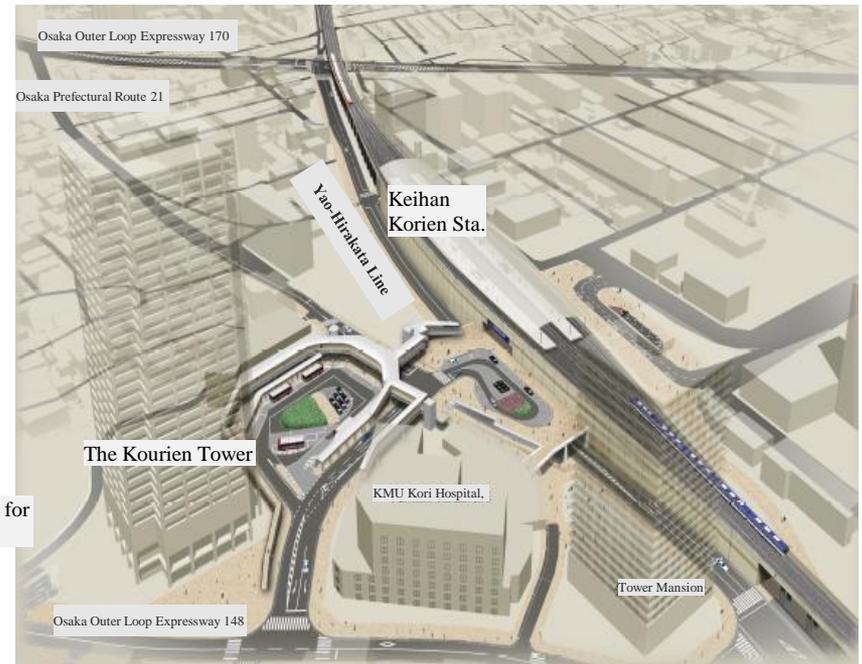
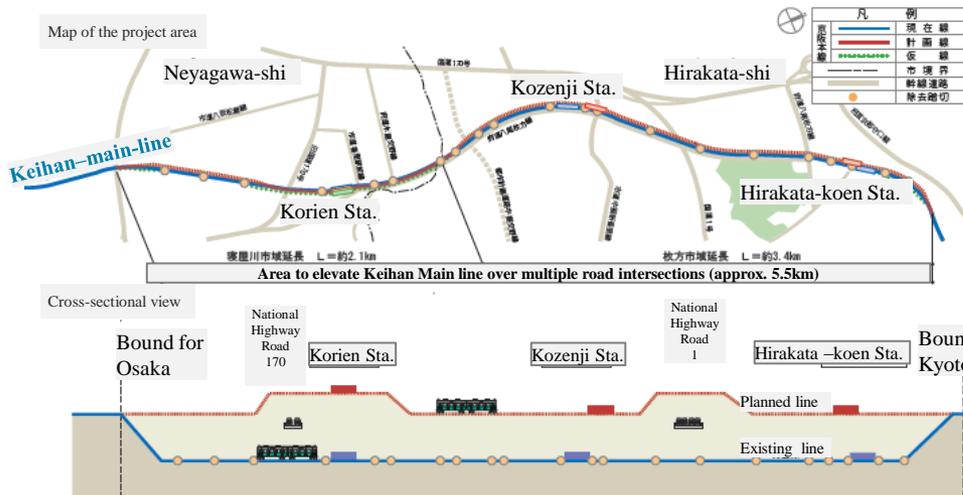
[Project overview]

Time scale: FY2014 – FY2029 (planned)

Length of elevated line: Roughly 5.5km
(Neyagawa 2.1km, Hirakata 3.4km)

Stations: Korien, Kozenji, Hirakata-koen

No. of level crossings to be removed: 21



Business Strategy – Transportation –

Develop services tailored to the needs of customers

Uji / Fushimi sightseeing campaign

“Uji & Fushimi: History tied to the water source”

To coincide with the completion of renovation work on Byodoin temple, a world heritage temple site, Keihan launched a year-long campaign to attract sightseers to the area, focused on Uji's history and its connections with the water source.

- Launched special one-day rider tickets for Uji / Fushimi
- Operation of Special Uji / Fushimi Express Trains between Yodoyabashi and Uji
- Carriages featuring special Uji / Fushimi designs
- Tie-up with Asahi Broadcasting Corporation



Special Uji/Fushimi Express Trains

Digital signage at Kyobashi Station

Digital signage (capable of showing video ads) has been installed at Kyobashi Station

- Location: Pillars at central ticket gate, Kyobashi Station
- Number of signs: 24 60-inch LCD panels

Enhances competitiveness of Keihan transport advertising, improves image of Station interior



Digital signage

Business Strategy – Real estate –

Continue to focus on short-term turnover business

◆ Major property sales

[Aito (Fujinomori Station area development project)]

Location: 12Fukakusa Kitoro-cho, Fushimi-ku, Kyoto

Completion date: February 2015,
 7 above-ground floors, 271 apartments

[Fine Flats Sekime The Residence]

Location: 5-27-4 Sekime, Joto-ku, Osaka

Completion date: Early March 2015,
 7 above-ground floors, 138 apartments



Aito

Initiatives to enhance profitability

◆ Strategically replace portfolio assets and invest in real estate funds

- Keihan Asset Management Co., Ltd. established April 1, 2014

◆ Expand the condominium management and property management businesses

Breakdown of properties under management

Office buildings	21
Leasing condominiums	10 (305 apartments)
Owner-occupied condominiums	141 (9,449 apartments) (As of May 16, 2014)

Business Strategy – Retail –

Initiatives to enhance profitability

◆ Newly opened stores

[FREST petit Kuzuha Store opened (new retail format)]

- First store in a chain of mini supermarkets to be located in Stations (opened March 12)
- Location: 1F Keihan Kuzuha Station building
- Opening times: 10:00 – 23:00

FREST petit
Kuzuha Store



[SWEETS BOX]

- Keihan Kuzuha Store (March 12)

[Plug-in drugstore]

- KUZUHA MALL Store (March 12)

[UNIQLO]

- Kintetsu Uehommachi Station Store (February 25)
- ekimo Umeda Store (April 4)
- Kansai Airport Store (April 1) *Business succession

SWEETS BOX
Keihan Kuzuha Store



[Juicer Bar]

- Tennoji Mio Plaza Store (March 14)
- Whity Umeda Store (April 11)

Juicer Bar
Whity Umeda Store



◆ Store closures

- Ashikari Kyoto Yodobashi Store (February 11)
- Juicer Bar Shapo Ichikawa Store (March 31), and others

Business Strategy – Leisure and service –

Initiatives to target tourism-related demand

<Hotel business>

◆Use hotel refurbishments to attract more customers

[Hotel Keihan Kyoto]

- Completely renovated to strengthen earnings as a flagship lifestyle hotel
- Number of rooms increased to 322 (+30)
(Renovation work implemented in stages from June 2014)



Hotel Keihan Kyoto (Image after renovation)

[Kyoto Tower Hotel]

- To mark its 50th anniversary, the hotel opened nine new rooms on March 20, such as the Tawawachan character-themed room, and two new banquet halls, Ouju and Juraku , on March 13

[Hotel Keihan Universal City]

- Stepped up efforts to attract family visitors, the main target segment
(192 rooms refurbished, opened March 20)



Kyoto Tower Hotel "Tawawachan character-themed room"