

First Half of FY2019
(Ended September 30, 2018)

Financial Results Presentation

November 13, 2018

Keihan Holdings Co., Ltd.

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

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◆ 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.

Actual results may differ due to various factors that may arise in the future.

Overview of the First Half of FY2019

Financial Results

Consolidated Statements of Income

- Despite the impact of natural disasters such as typhoons, operating revenue, operating income, and ordinary income increased due in part to the sale of development properties in the real estate business. Profit attributable to owners of parent decreased due to a drop in gain on sale of Keihan Life Support shares, which was posted in the previous fiscal year.

(Millions of yen)

	1H FY2018 Results	1H FY2019 Results	Change	Main factors of changes	1H FY2019 (projections released in May)	Change
Operating revenue	143,752	152,846	9,093 (6.3%)	* Impact of natural disasters -JPY1.9 bn	148,000	4,846 (3.3%)
Operating income	15,740	17,014	1,274 (8.1%)	* Impact of natural disasters -JPY1.1 bn	15,600	1,414 (9.1%)
Non-operating income	962	1,064	102			
Non-operating expenses	1,848	1,782	-66			
Ordinary income	14,854	16,297	1,442 (9.7%)		14,700	1,597 (10.9%)
Extraordinary income	3,858	894	-2,964	Gain on sale of subsidiaries and associates -3,164		
Extraordinary losses	418	453	35	Losses due to disasters 107		
Profit attributable to owners of parent	12,532	10,949	-1,583 (-12.6%)	* Impact of natural disasters -JPY0.8 bn	10,000	949 (9.5%)
Depreciation	9,298	9,605	306			
EBITDA	25,039	26,620	1,580 (6.3%)	* EBITDA: Operating income + Depreciation		
Interest and dividend income	512	602	89			
Interest expenses	1,278	1,219	-59			
Net interest expenses	-765	-616	148			

Segment Information

Impact of natural disasters

Breakdown of operating revenue: Transportation -JPY0.5 bn; Retail distribution -JPY0.7 bn; Leisure and service -JPY0.6 bn

Breakdown of operating income: Transportation -JPY0.5 bn; Retail distribution -JPY0.1 bn; Leisure and service -JPY0.4 bn

(Millions of yen)

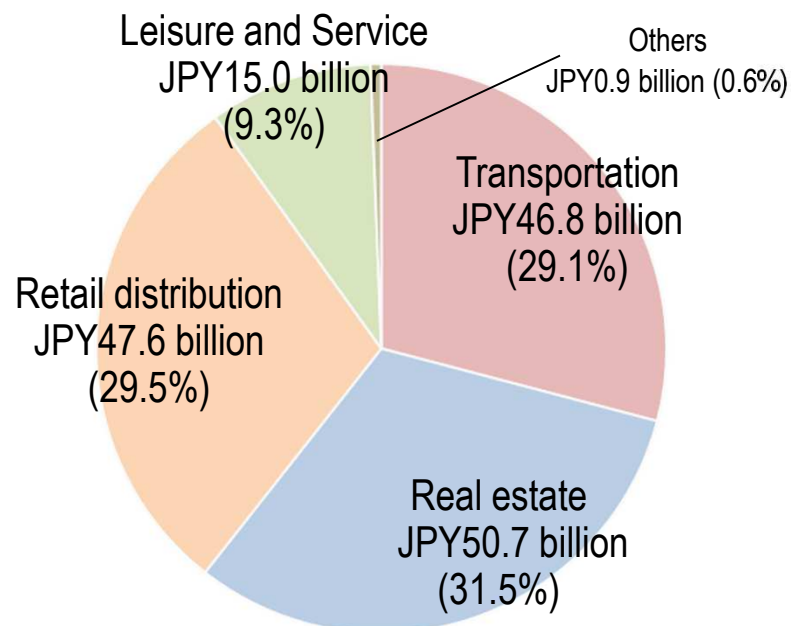
		1H FY2018 Results	1H FY2019 Results	Change	Change (%)
Transportation	Operating revenue	46,595	46,863	268	0.6%
	Operating income	5,993	6,414	420	7.0%
Real estate	Operating revenue	40,026	50,733	10,706	26.7%
	Operating income	6,230	7,264	1,033	16.6%
Retail distribution	Operating revenue	48,609	47,625	-984	-2.0%
	Operating income	975	1,150	175	18.0%
Leisure and service	Operating revenue	15,951	15,009	-941	-5.9%
	Operating income	2,914	2,097	-816	-28.0%
Others	Operating revenue	929	921	-8	-0.9%
	Operating income	12	-10	-22	—
Adjustments	Operating revenue	-8,360	-8,307	53	—
	Operating income	-385	98	484	—

Segment Information (Breakdown)

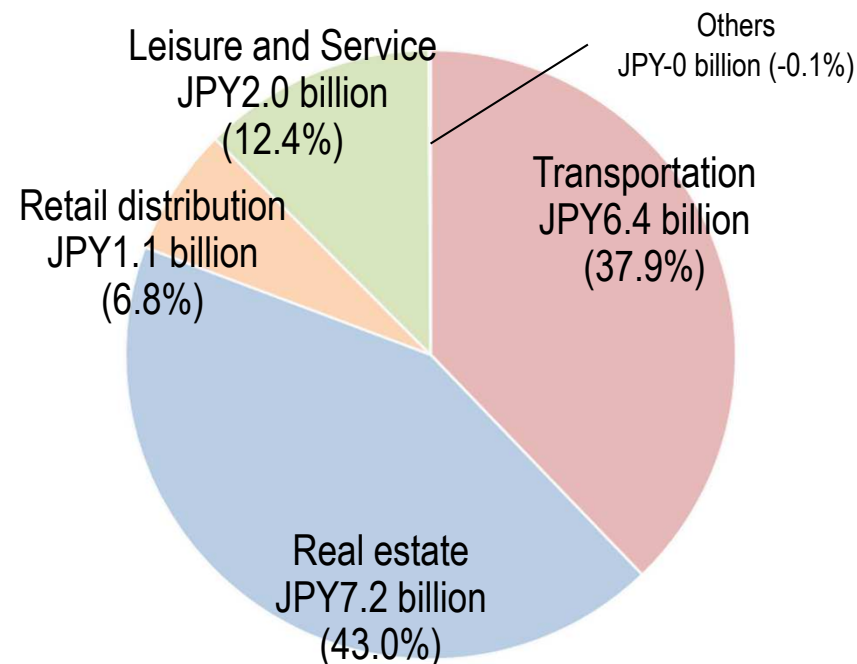
[Consolidated subsidiaries] 40 companies (No change year on year) [Equity-method affiliates] 2 companies (No change year on year)

Transportation	Keihan Electric Railway Co., Ltd., Keifuku Electric Railway Co., Ltd., Keihan Bus Co., Ltd., and 12 other companies
Real estate	Keihan Holdings Co., Ltd., Keihan Dentetsu Real Estate Co., Ltd., Zero Corporation Co., Ltd, Keihan Building Co., Ltd., and 7 other companies
Retail distribution	Keihan Department Stores Co., Ltd., Keihan The Store Co., Ltd., Keihan Ryutsu Systems Co., Ltd., Biomarket Co., Ltd. and 1 another company
Leisure and service	Hotel Keihan Co., Ltd., Keihan Hotels & Resorts Co., Ltd, Biwako Kisen Steamship Co., Ltd. and 5 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.

Segment Information (Transportation)

(Millions of yen)

	1H FY2018 Results	1H FY2019 Results	Change	Change (%)
Operating revenue	46,595	46,863	268	0.6%
Railway	38,151	38,061	-89	-0.2%
Bus	13,478	13,736	257	1.9%
Elimination	-5,035	-4,934	100	—
Operating income	5,993	6,414	420	7.0%
Railway	5,228	5,537	308	5.9%
Bus	760	871	110	14.6%
Elimination	4	6	1	—

(Major factors affecting performance)

- The railway business saw revenue decrease due to the impact of service suspensions owing to natural disasters. However, profits increased on the back of an increase in the number of commuter pass passengers and full-year contribution of Premium Cars and Liner trains at Keihan Electric Railway, as well as a drop in costs.
- The bus business saw increases in both revenue and profits due to a rise in the number of users of the Kansai International Airport route (limousine bus).

Operating Results for Transportation Keihan Electric Railway



	1H FY2018 Results	1H FY2019 Results	Change	Change (%)
	Millions of yen	Millions of yen	Millions of yen	%
Passenger transportation revenue	25,888	25,849	-39	-0.2
Non-commuter passes	17,470	17,305	-165	-0.9
Commuter passes	8,418	8,544	125	1.5
	Thousands of people	Thousands of people	Thousands of people	%
Number of passengers	148,845	148,390	-454	-0.3
Non-commuter passes	75,603	73,902	-1,701	-2.2
Commuter passes	73,241	74,487	1,246	1.7

(Major factors affecting non-commuter pass passenger revenue)

- Impact of natural disasters (-JPY307 million); full-year contribution of Premium Cars and Liner trains (+JPY172 million)

(Major factors affecting commuter pass passenger revenue)

- Improved employment situation

Segment Information (Real Estate)

(Millions of yen)

	1H FY2018 Results	1H FY2019 Results	Change	Change (%)
Operating revenue	40,026	50,733	10,706	26.7%
Real estate	32,628	43,902	11,273	34.6%
Construction	9,558	9,885	326	3.4%
Elimination	-2,160	-3,054	-893	—
Operating income	6,230	7,264	1,033	16.6%
Real estate	6,497	7,433	935	14.4%
Construction	-127	-119	8	—
Elimination	-138	-49	89	—

(Major factors affecting performance)

- The real estate sales business saw increases in both revenue and profits due in part to the sale of development properties and robust sales of condominiums with large profit margins.
- Although revenue of the real estate leasing service was roughly unchanged from the same half term of the previous year, profits decreased partly on the back of a rise in repair costs.

Breakdown of the Real Estate Business

(Millions of yen)

	1H FY2018 Results	1H FY2019 Results	Change	Change (%)
Operating revenue	32,628	43,902	11,273	34.6%
Real estate sales	20,396	31,608	11,211	55.0%
Real estate leasing service	10,543	10,581	37	0.4%
Other businesses	1,689	1,713	23	1.4%
Operating income	6,497	7,433	935	14.4%
Real estate sales	1,195	2,398	1,202	100.6%
Real estate leasing service	4,999	4,846	-153	-3.1%
Other businesses	301	188	-113	-37.5%

Segment Information (Retail distribution)

(Millions of yen)

	1H FY2018 Results	1H FY2019 Results	Change	Change (%)
Operating revenue	48,609	47,625	-984	-2.0%
Department store	23,079	23,326	247	1.1%
Store	15,797	15,105	-692	-4.4%
Shopping mall management	7,397	7,275	-121	-1.6%
Others	4,487	4,004	-482	-10.8%
Elimination	-2,152	-2,086	65	—
Operating income	975	1,150	175	18.0%
Department store	-308	-221	87	—
Store	439	457	18	4.2%
Shopping mall management	857	827	-29	-3.4%
Others	-17	81	99	—
Elimination	5	5	-0	—

(Major factors affecting performance)

- Department stores saw revenue increase due to robust sales of cosmetics on the back of inbound demand. Their losses were also improved.
- Stores saw profits increase owing to the robust UNIQLO business by capturing inbound demand, while revenue dropped due to the shift to a fixed-term leasehold for some of the tenant contracts.
- Shopping mall management saw both revenue and profits decrease due to business suspensions following natural disasters as well as the impact of shorter business hours.

Segment Information (Leisure & Service)

(Millions of yen)

	1H FY2018 Results	1H FY2019 Results	Change	Change (%)
Operating revenue	15,951	15,009	-941	-5.9%
Hotel	13,701	12,838	-863	-6.3%
Leisure	2,337	2,185	-152	-6.5%
Elimination	-87	-13	73	—
Operating income	2,914	2,097	-816	-28.0%
Hotel	2,483	1,817	-665	-26.8%
Leisure	419	268	-151	-36.0%
Elimination	10	10	0	—

<< Hotel occupancy rates >>

	1H FY2018 Results	1H FY2019 Results	Change
Hotel Keihan	97.5%	94.0%	-3.5pt
Keihan Hotels & Resorts	94.9%	89.4%	-5.5pt

(Major factors affecting performance)

- The hotel business saw both revenue and profits decrease due in part to business suspensions following natural disasters and the renovation of the Kyoto Century Hotel.
- The leisure business also saw both revenue and profits decrease partly owing to the impact of natural disasters.

Consolidated Balance Sheets

(Millions of yen)

	FY2018 Results	1H FY2019 Results	Change	Main factors of changes
Current assets	168,266	161,414	-6,852	Notes and accounts receivable -11,340 Land and buildings for sale +6,588
Non-current assets	530,519	534,882	4,362	Construction in progress +2,813 Investment securities +2,716
Total assets	698,786	696,296	-2,490	
Current liabilities	161,600	154,396	-7,203	Accounts payable -9,052 Short-term loans payable -3,456 Short-term bonds +7,000
Long-term liabilities	313,626	309,259	-4,367	Long-term loans payable -4,578
Total liabilities	475,226	463,656	-11,570	
Net assets	223,559	232,639	9,080	Retained earnings +8,805 * Equity capital ratio 32.9% (+1.4pt)
Total liabilities and net assets	698,786	696,296	-2,490	

Note: The “Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.” have been applied from the beginning of the current period, presenting deferred tax assets under investments and other assets (non-current assets) and deferred tax liabilities under non-current liabilities. Figures for FY2018 have been restated after applying the partial amendments retroactively.

Interest-bearing debt	316,399	315,331	-1,068	Loans payable -8,035 Short-term bonds +7,000
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* Interest-bearing debt: Loans payable + bonds + short-term bonds

Consolidated Statements of Cash Flows

(Millions of yen)

	1H FY2018 Results	1H FY2019 Results	Change	Main factors of changes
Cash flows from operating activities	6,607	17,225	10,618	Decrease in notes and accounts receivable-trade +7,836 Decrease in inventories +1,887
Cash flows from investing activities	-11,559	-17,000	-5,440	Decrease in income due to the sale of non-current assets -8,501
Cash flows from financing activities	2,520	-3,854	-6,375	Decrease in income due to long-term loans payable -13,457 Increase in short-term bonds +6,000
Net increase (decrease) in cash and cash equivalents	-2,432	-3,629	-1,197	
Cash and cash equivalents at beginning of current period	18,324	20,300	1,976	
Cash and cash equivalents at end of fiscal period	15,892	16,671	779	

FY2019 Forecasts

Consolidated Statement of Income (Performance Forecast)

- Initial targets are expected to be achieved in all operating revenue, operating income, ordinary income, and profit attributable to owners of parent due to an increase in revenue following the sale of land for business use in the real estate business and a review of costs, despite the expected impacts of natural disasters.
- Impact of natural disasters: Operating revenue -JPY2.1 bn; operating income -JPY1.3 bn; profit attributable to owners of parent -JPY1.4 bn

(Millions of yen)

	FY2019 full-year forecasts released in May	New FY2019 full-year forecasts	Change	Change (%)	FY2018 Results	Change	Change (%)
Operating revenue	322,500	322,500	—	—	322,276	223	0.1%
Operating income	30,000	31,000	1,000	3.3%	31,458	-458	-1.5%
Ordinary income	28,000	29,600	1,600	5.7%	29,630	-30	-0.1%
Profit attributable to owners of parent	20,000	21,000	1,000	5.0%	22,712	-1,712	-7.5%
Capital expenditure	75,000	63,200	-11,800	-15.7%	39,745	23,454	59.0%
Depreciation	20,700	20,000	-700	-3.4%	19,113	886	4.6%
EBITDA	50,700	51,000	300	0.6%	50,571	428	0.8%
Interest-bearing debt	360,000	341,000	-19,000	-5.3%	316,399	24,600	7.8%
Interest-bearing debt/ EBITDA multiple (Times)	7.10	6.69	-0.41	—	6.26	0.43	—
Net interest-bearing debt/ EBITDA multiple (Times)	6.71	6.35	-0.35	—	5.85	0.50	—
Interest and dividend income	798	925	127	15.9%	854	71	8.4%
Interest expenses	2,516	2,402	-113	-4.5%	2,561	-158	-6.2%
Net interest expense	-1,717	-1,476	240	—	-1,707	230	—

Segment Information (Performance Forecasts)

(Major factors affecting forecasts: compared to forecast released in May)

- All businesses: Impact of natural disasters on operating revenue -JPY2.1 bn, on operating income -JPY1.3 bn
Breakdown of operating revenue: Transportation -JPY0.5 bn; retail distribution: -JPY0.7 bn; leisure & service -JPY0.8 bn
Breakdown of operating income: Transportation -JPY0.5 bn; retail distribution: -JPY0.1 bn; leisure & service -JPY0.6 bn
- Transportation business: Review of expenses
- Real estate business: Robust sales of land for business use and sales of high-end condominiums
- Retail distribution: Difficulty in department store business

(Millions of yen)

		FY2019 full-year forecasts released in May	New FY2019 full-year forecasts	Change	FY2018 Results	Change (%)
Transportation	Operating revenue	93,800	92,700	-1,100	92,262	437
	Operating income	9,700	9,800	100	9,180	619
Real estate	Operating revenue	110,300	115,000	4,700	113,132	1,867
	Operating income	14,700	15,900	1,200	15,316	583
Retail distribution	Operating revenue	101,400	99,600	-1,800	100,709	-1,109
	Operating income	3,000	2,900	-100	2,845	54
Leisure and service	Operating revenue	32,800	31,400	-1,400	31,298	101
	Operating income	2,100	2,000	-100	4,877	-2,877
Others	Operating revenue	1,900	1,900	—	1,824	75
	Operating income	0	0	—	34	-34
Adjustments	Operating revenue	-17,700	-18,100	-400	-16,951	-1,148
	Operating income	500	400	-100	-795	1,195

Operating Results for Transportation (Performance Forecasts) Keihan Electric Railway



	FY2019 full-year forecasts released in May	New FY2019 full-year forecasts	Change	Change (%)	FY2018 Results	Change	Change (%)
Passenger transportation revenue	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
	52,270	51,853	-417	-0.8	51,820	32	0.1
Non-commuter passes	35,600	35,064	-536	-1.5	35,278	-214	-0.6
Commuter passes	16,670	16,789	119	0.7	16,541	247	1.5
Number of passengers	Thousands of people	Thousands of people	Thousands of people	%	Thousands of people	Thousands of people	%
	295,667	294,281	-1,386	-0.5	294,409	-128	-0.0
Non-commuter passes	152,217	149,612	-2,605	-1.7	151,946	-2,334	-1.5
Commuter passes	143,450	144,669	1,219	0.8	142,463	2,205	1.5

Capital Expenditure by Segment (Performance Forecasts)

(Millions of yen)

	FY2019 full-year forecasts released in May	New FY2019 full-year forecasts	Change	FY2018 Results	Change
Capital Expenditure	75,000	63,200	-11,800	39,745	23,454
Transportation	18,200	19,300	1,100	14,952	4,347
Real estate	22,800	20,300	-2,500	21,345	-1,045
Retail distribution	3,000	2,500	-500	1,188	1,312
Leisure and service	6,700	6,900	200	1,959	4,941
Others	0	0	—	7	-7
Entire company	24,300	14,200	-10,100	293	13,906

EBITDA by Segment (Performance Forecasts)

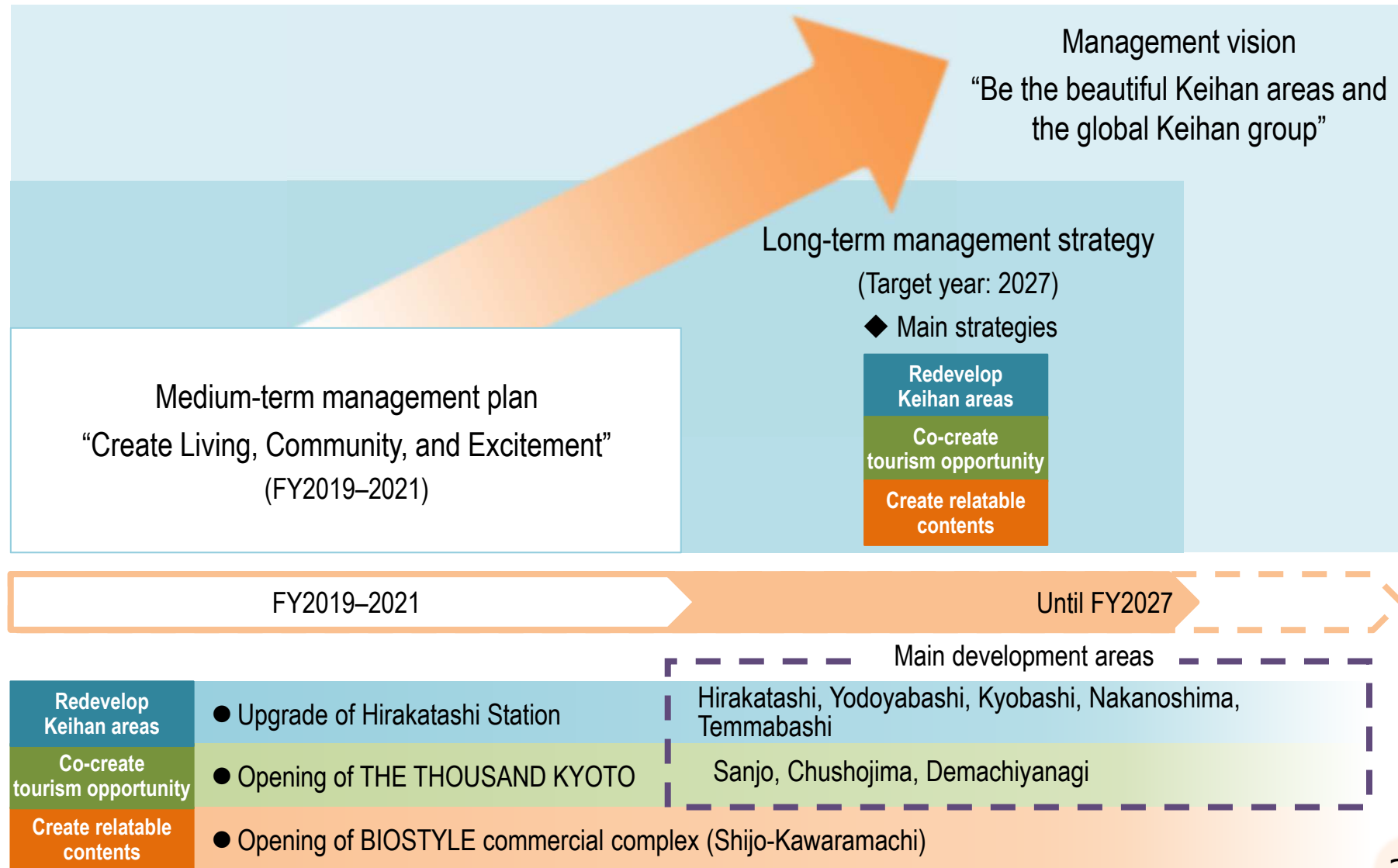
(Millions of yen)

	FY2019 full-year forecasts released in May	New FY2019 full-year forecasts	Change	FY2018 Results	Change
EBITDA	50,700	51,000	300	50,571	428
Transportation	21,700	21,800	100	20,469	1,330
Real estate	20,600	21,200	600	20,334	865
Retail distribution	4,400	4,200	-200	4,171	28
Leisure and service	3,200	3,100	-100	6,040	-2,940
Others	0	0	—	71	-71
Entire company	800	700	-100	-515	1,215

Progress Status of
Keihan Group's Medium-Term
Management Plan
“Create Living, Community,
and Excitement”

Overall structure of the long-term strategic concept

Keihan Group's long-term strategic concept



Overview of the long-term management strategy

The main strategies carried out by the Keihan Group toward FY2027

Theme	Basic policy	Priority measures
Redevelop Keihan areas	Make the areas along the Keihan Railway lines beautiful through urban revitalization with railway stations at the core	Regain the glory of Osaka's east to west axis and carry out community building starting from railway stations
Co-create tourism opportunity	Create tourism opportunities with the community and promote global exchange	Strengthen tourism and inbound business mainly in Kyoto
Create relatable contents	Create products, services, and businesses that customers can relate to	BIOSTYLE -Aim for Keihan as First Choice-

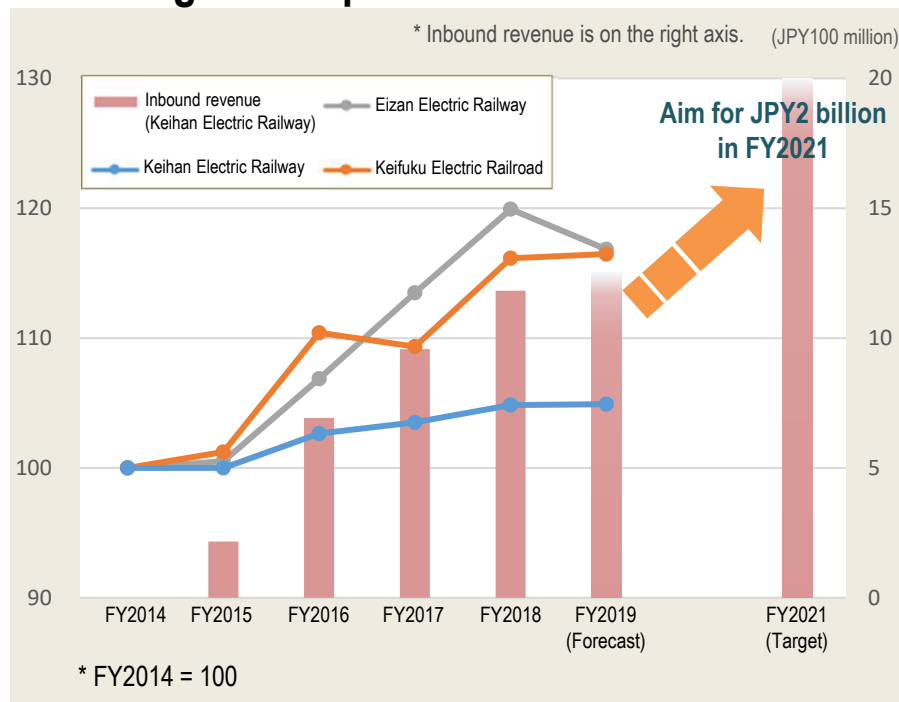
Preparations for the management vision

Create area portfolios	Promote innovations with an eye to the next generation
<ul style="list-style-type: none">■ Focus on business development in Kyoto and contribute to the re-creation of Kyoto■ Expand business to outside the areas along the Keihan Railway lines (domestic and overseas growth markets)	<ul style="list-style-type: none">■ Create services and improve productivity by utilizing ICT technologies■ Promote new businesses

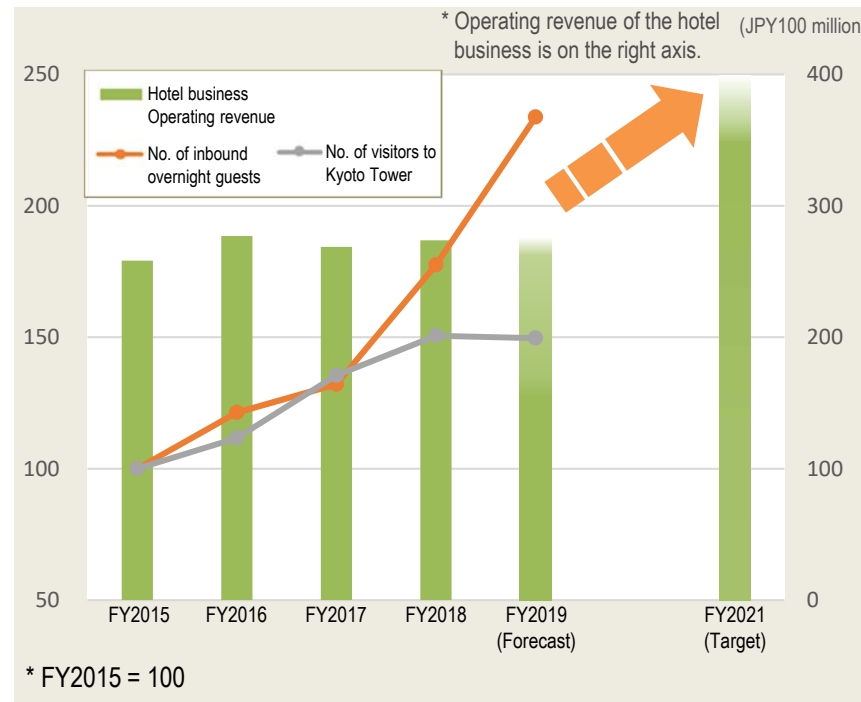
Quantitative targets of the long-term management strategy

Management indicators	FY2019 Forecast	FY2021 Plan	FY2027 Target level
EBITDA (Operating income + depreciation)	JPY51.0 bn	JPY57.0 bn	JPY72.0 bn or more
Net interest-bearing debt / EBITDA multiple	6.35x	6x level	6x level
ROE	9.2%	8% or more	8% or more
Operating income	JPY31.0 bn	JPY33.5 bn	JPY43.0 bn or more

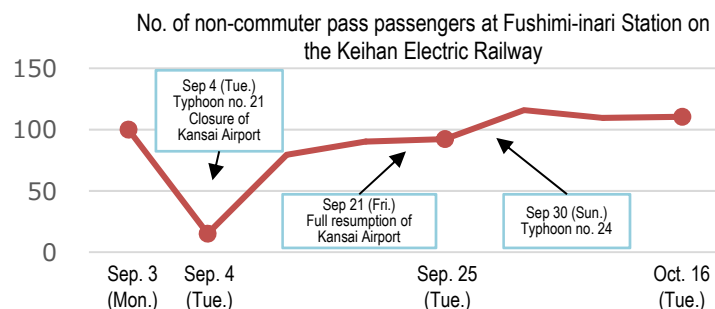
Transportation business, Passenger transportation revenue



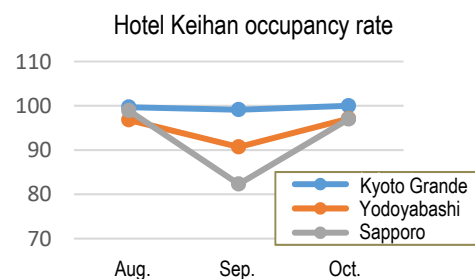
Leisure and Service business



◆ Trend of customers before and after the natural disasters that occurred in September 2018



* Sep. 3 (Mon.) before Typhoon no. 21 hit Kansai = 100



* Figures for October are preliminary.

Although we were affected by the natural disasters, the passenger and occupancy levels have recovered to roughly the level before the disasters. Going forward, we will aim for further growth by capturing inbound demand.

THE THOUSAND KYOTO

The Keihan Group's flagship hotel, addressing the needs of the global market.

The hotel will fully open in January 2019 as the top-class upper-upscale hotel of the Group.

The hotel will offer a comfortable Kyoto stay and a new Kyoto experience based on its concept of “a personal comfort hotel” that is unprecedented in Kyoto.

◆ Outline of the hotel

- Opening date: January 29 (Tue.), 2019
- Access: 2 minutes on foot from JR Kyoto Station
- No. of floors: 9 floors above ground, 1 floor below ground (Connects to Kyoto Century Hotel on B1F–3F)
- No. of guest rooms: 222 on floors 3 to 9
- Facilities: Banquet hall, food and beverage facilities, chapel, bridal salon, spa, gym, parking lot



Spa suite



Garden suite

◆ Providing new “tourism and attraction experience” content



We will launch OKUTRIP KYOTO, an initiative providing experience of the “depth of Kyoto,” targeting experience-oriented travelers.

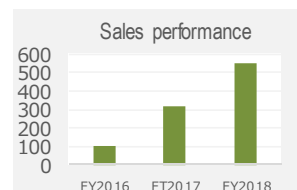
- “Experience program” for overnight guests
Offers a charter service using Hiei, a sightseeing car on the Eizan Electric Railway, as well as plans that accommodate guests' requests
- The “appeal of food” offered by restaurants
Restaurants offer experiences through food.



Attracting more inbound demand and developing readiness

◆ Enhancement of the Sightseeing Pass

- Sightseeing Pass, Keihan Electric Railway's special pass for inbound tourists
Since its launch in August 2015, its sales have grown steadily.



* FY2016 = 100

- In June 2018, we launched expanded versions for the Eizan Electric Railway (Kurama, Kibune) and Hirakata Park.
- Sales to local agents abroad are increasing.



◆ Offering of Wi-Fi

- A free Wi-Fi service has been introduced in all cars of the 8000 and 3000 series on the Keihan Railway lines.

◆ Introduction of an electronic payment service

- Electronic payment services Alipay and WeChat Pay have been introduced in all hotels of the Hotel Keihan chain as well as Keihan Department Stores, Osaka Aqua Bus and Keihan Bus (regular sightseeing buses). Going forward, the services will be introduced in more hotels and leisure and commercial facilities.

◆ Providing multilingual announcements

- We have started offering in-car and station announcements in four languages (Japanese, English, Chinese and Korean) on the Keihan Electric Railway lines.

◆ Proposal of sightseeing routes

- We started distributing the English version of Keihan My Route Kyoto, which presents the attractions of the areas around Keihan Railway stations in short and specific sightseeing route maps, in November.



Improved convenience

◆ Investment in Sky Hop Bus Marketing Japan

We have established a new company that plans and operates a hop-on-hop-off, cruise-type sightseeing bus in order to provide a convenient means of transport for the increasing numbers of inbound individual tourists.



- Established: June 14
- Start of service (Kyoto): March 2019 (planned)
- Investments from Keihan Bus Co., Ltd., Hinomaru Jidousha Kogyo Co. Ltd. and JTB Corp.

The bus will improve convenience by enhancing the traffic network within Kyoto City and contribute to the alleviation of traffic congestion in the city.

Community building starting from railway stations

Upgrade of Hirakatashi Station

◆ Toward a station that people always want to use and want to visit once

As the first step of community building starting from railway stations, the Hirakatashi Station is upgrading ahead of the redevelopment of the area around the station.

In partnership with Ryohin Keikaku Co., Ltd., the station will be renewed into a station that befits the face of a core city, considering the concourse of the central exit area on the second floor of the station and commercial facilities as an integral space.

(To be fully opened in December 2018)

Starting with Hirakatashi Station, we will build unique communities around stations on the Keihan Railway lines.



Concourse of Hirakatashi Station (image)

Redevelopment of the area around Hirakatashi Station

◆ Development of the area next to the station (delta land) as a leading project of redevelopment of station areas



<Progress>

A partial rework of the Blocks Considered for Hirakatashi Station Area Redevelopment (Hirakata City)

- October 2016
Keihan Holdings Co., Ltd., Hirakata City and SO-TWO Inc. signed an agreement for prompt implementation of the redevelopment of the areas around Hirakatashi Station based on tripartite collaboration.
- August 2017
The Kita-kawachi Prefectural Residents' Center and the Kitaosaka Chamber of Commerce & Industry announced their relocation to the delta land. For a prompt decision on urban planning, considerations of a redevelopment plan to build a complex that will contain businesses, offices, housing, administrative functions and so forth have begun.
- February 2018
Keihan Holdings Co., Ltd. submitted to Hirakata City a community building plan for the entire area around the station.

Consultations are under way with related parties for promoting the redevelopment of block ③, which includes the delta land.

Regain the glory of Osaka's east to west axis

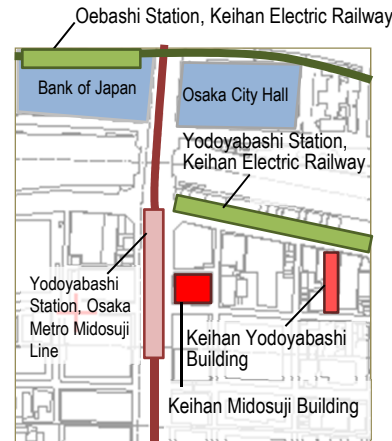
Yodoyabashi

- One of the largest office districts in Osaka, and a hub between the north to south axis, Midosuji, and the east to west axis.

Midosuji is an area where offices are being rebuilt and hotels are opening due to the relaxation of height restrictions.

- The concept by Osaka City and other parties considers re-organizing the street space in Midosuji with the aim of making it "the world's latest model of a human-first street."

⇒ We are planning to rebuild the Keihan Midosuji Building and develop the site.



Promote urban development based on stations and seek to increase the numbers of residents and visitors in the areas along the Keihan Railway lines.

Kyobashi



- The largest terminal of the Keihan Railway lines. (Approx. 180,000 passengers per day, 470,000 in total for the Kyobashi area (incl. JR and Osaka Metro))

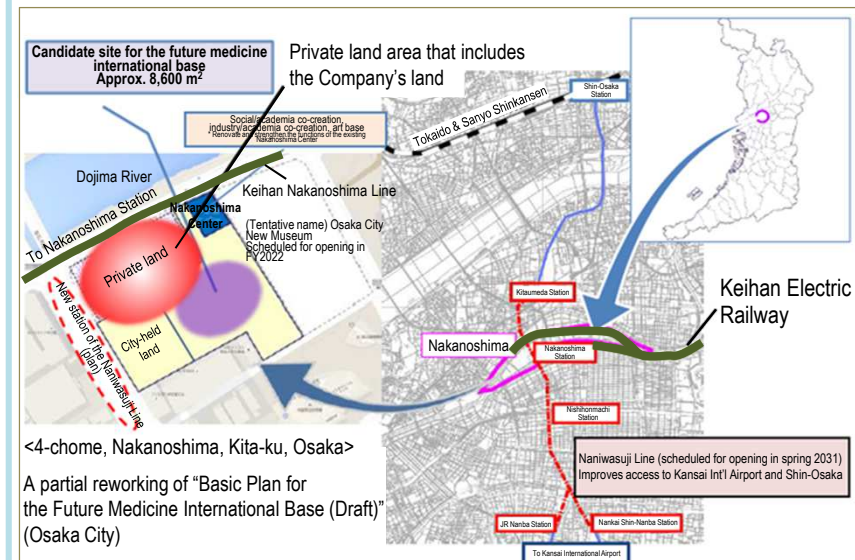
- Summer 2017

The area around Kyobashi Station was designated as a Special Urgent Urban Renaissance Area* on an expanded basis.

⇒ In January 2018, we established the Kyobashi Project Preparation Office, a department dedicated to the project. With the revitalization plan of the station building as a trigger, we will aim to create a community with improved circulation of people in the community, including the surrounding areas.

Nakanoshima

- The 4-chome district, which includes the candidate site for the future medicine international hub concept of Osaka City
 - Connects to the Keihan Nakanoshima Line due to the opening of the Naniwasuji Line in 2031 (planned), and will be revitalized as a traffic hub.
- ⇒ Based on the above concepts, promote the revitalization of the area, including the utilization of the company's land.



Contents offered by BIOSTYLE commercial complex

BIOSTYLE is a new lifestyle proposed by the Keihan Group, aimed at achieving a healthy, beautiful, and high-quality life and contributing to a recycling-oriented society.

A new commercial complex that proposes BIOSTYLE with food, beauty and accommodation will open in Shijo-Kawaramachi, Kyoto City.



Facility (image)

◆ Facility outline

- Address: Inaricho, (Kawaramachi-dori Shijo-sagaru), Shimogyo-ku, Kyoto City
- Scheduled opening: Autumn 2019
- Total floor area: 27,337 m²
- Building size: 9 floors above ground
- No. of guest rooms: Approx. 140



◆ STAY Zone (4–9F)

- A space that features natural materials where guests can feel the warmth of nature and people
- A link between food and beauty offered by BIOSTYLE



Guest room (image)

◆ BEAUTY Zone (3F)

- Proposes “prevention,” which fosters a mind and body that enable women to live in beauty and health
- Offers internally developed organic cosmetics, which are sold as merchandise and in the salon zone



Developed products (image)

◆ EAT Zone (1F)

- Expresses the world of food proposed by BIOSTYLE in a marché style. The attached kitchen provides a bustling atmosphere.
- A restaurant area where BIOSTYLE's food can be experienced while enjoying conversations with the chef.

◆ EAT Zone (2F)

- A high-quality restaurant zone offering unique foods created from the world views of creative chefs.








Marché restaurant (image)

Initiatives in the transportation business

Creating demand by providing new experience value

Keihan Electric Railway Enhancing reserved-seat Premium Cars and Liner trains

August 2017	September 2018	FY2021
<p>◆ Introduced Premium Cars in the 8000 series</p> <ul style="list-style-type: none"> No. of cars: 10 (remodeled) No. of seats: 40 No. of trains operated: 95 on weekdays 113 on weekends & holidays  <p>◆ Introduced Liner trains</p> <ul style="list-style-type: none"> Seats on all cars are for reservation only. Two Liner trains run in the commuting hours on weekday mornings. 	<p>◆ Increased runs of Premium Cars and Liner trains</p> <ul style="list-style-type: none"> Increased runs of Premium Cars (105 on weekdays; 118 on weekends & holidays) and operating hours Increased runs of Liner trains to a total of five runs on weekday mornings and nights, with the operation section expanded to Kyoto 	<p>◆ Introduce Premium Cars in the 3000 series</p> <p>The number of Premium Cars operated will be increased by combining with the 8000 series Premium Cars that have already been introduced.</p> <p>During the daytime, all special express trains will have a Premium Car, in principle.</p> <p>A more comfortable and convenient transport experience will be offered.</p>   <p>◆ PREMIUM CAR</p>  <ul style="list-style-type: none"> No. of cars: 6 (newly built) No. of seats: 40

Developing an environment toward a smart traffic network

◆ Share bicycle PiPPA

- Jointly offered by Keihan Electric Railway Co., Ltd., Daiwa House Parking Co., Ltd. and Ocean Blue Smart Co., Ltd.
- Launched in June 2018

We launched a share bicycle service in Kyoto City, which can be reserved and paid for with a smartphone and is convenient for short-time use. PiPPA has become the largest share bicycle service in Kyoto City, alleviating traffic congestion in the city.



Initiatives in the real estate business

Expand business in and outside areas along the Keihan Railway lines through developing and utilizing diverse properties

Launch of the “Machinaka Home” business

The business will regenerate unused real estate to urban-type residence in high-density urban districts in the areas along the Keihan Railway lines that have reached renewal period.

We seek to expand earning opportunities by diversifying development menus and contents, and utilizing various real estate.



Machinaka Home Moriguchi Obacho
(image of completion)

- Business started in July 2018
- Construction by Zero Corporation Co., Ltd.
- Proposes housing development in the urban areas along the Keihan Railway lines (between Kyobashi and Moriguchi/Kadoma)

New entry into the parking lot business

We have launched a parking lot business using real estate and facilities owned by the Keihan Group.

We also aim to operate facilities outside the Group in the future.

- Launch: April 2018
- Name: Keihan Parking
- Facilities in operation: Nakanoshima, OMM, Hashimoto Station, Fushimi Ryogaemachi
- Capacity of cars: 957 (total of four locations)



In addition, we have been commissioned with the operation of the parking lot of Osaka Prefectural EXPO '70 Commemorative Park, in which the Keihan Group participates as a designated manager.

Expansion of overseas business

We will expand our business to the ASEAN 5, where high economic growth is expected, in order to expand the business areas of the Keihan Group.

◆ Philippines Participation in an office development business

- Scheduled completion: December 2019
- Location: Makati, Manila Metropolitan Area, Philippines
- Site area: Approx. 3,166 m²
- Building size: 35 floors above ground, 5 floors below ground



◆ Thailand Condominium sale business

- Scheduled completion: April 2020
- Location: Watthana District, Bangkok, Thailand
- Site area: Approx. 2,020 m²
- Building size: 31 floors above ground
- No. of housing units for sale: 220



◆ Indonesia Detached house development business

- Scheduled completion: February 2021
- Location: Bekasi, West Java, Indonesia
- Site area: Approx. 27,965 m²
- No. of housing units for sale: 111



Initiatives in the real estate business

Main condominiums to be sold in the term ended March 31, 2019 and thereafter

Name of property, location		No. of housing units
Scheduled delivery in FY2019		
The Fine Tower Umeda Toyosaki*	(Kita-ku, Osaka City)	312*
Kitahama Mid Tower*	(Chuo-ku, Osaka City)	311*
Center Marks Tower*	(Higashi-ku, Fukuoka City)	283*
Scheduled delivery in FY2020		
Fine City Sapporo The North Gate	(Kita-ku, Sapporo City)	66
Fine City Nishinomiya Koshien*	(Nishinomiya City)	135*
Sapporo Kita-ku Project	(Kita-ku, Sapporo City)	39
(Tentative name) Shin-Osaka & Awaji Mirai Kaika Project*	(Higashi-Yodogawa-ku, Osaka City)	138*
Scheduled delivery in FY2021		
Koshigaya City Project	(Koshigaya City, Saitama)	178
Amagasaki City Nagasu Project*	(Amagasaki City)	293*
Yamato City Project*	(Yamato City, Kanagawa)	604*
Sapporo Nishi-ku Project*	(Nishi-ku, Sapporo City)	72*
Osaka Nishi-ku Kitahorie Project	(Nishi-ku, Osaka City)	141

* Joint project; the number of housing units is the total number of housing units.
The number of housing units and the timing of posting of the above properties may change.

◆ Introduction of a hotel concierge service in a condominium in Kyoto City

Kyoto Hotel Okura's concierge service will be introduced in The Kyoto Residence Goshō East, adjacent to Kyoto Gyoen National Garden.

- Location: Kamigyo-ku, Kyoto City
- No. of housing units sold: 44
- Scheduled delivery: FY2020
- The highest average selling tsubo unit price in Kyoto City



Fine City Sapporo The North Gate



Fine City Nishinomiya Koshien

Initiatives in the retail distribution business

Improving the value of stores and providing commercial contents that contribute to the main strategies

Expanding PM business contracts

◆ Upgrade of Racto Yamashina Shopping Center

We aim to revitalize the Yamashina area by attracting specialty stores with a large draw to the site of the former Daimaru Yamashina store, and renewing them into a new commercial facility.



- Scheduled opening after upgrade: November 2019
- Nearest station:
Keihan Yamashina Station,
Keihan Electric Railway
Keishin Line
Yamashina Station, JR and
Kyoto municipal subway
- Lease area: Approx. 1,638 tsubo
B1F–2F

Expanding the Ekinaka (in-station) business outside the areas along the Keihan Railway lines

◆ Acceleration of openings of SWEETS BOX in the Kanto region

Three limited-period sweets specialty stores have opened in Kanto and two are planned in November.

◆ Increase in the opening of MUJlcom

Under a business partnership with Ryohin Keikaku Co., Ltd., MUJI stores have opened in stations and on the underground floors of stations. The fourth, DIAMOR Osaka store, opened in October.

Upgrading commercial facilities

◆ Opening of MUJI Keihan Hirakata Store

The second floor of Keihan Department Hirakata Store in front of the central ticket gate of Hirakatashi Station was fully renovated to accommodate MUJI Keihin Hirakata.

- Opening date: May 17
- Sales floor area: Approx. 1,460 m²
- Operator: Keihan Department



Stores Co., Ltd. (licensed store contract)

◆ Upgrade of Keihan City Mall

Food and merchandise zones will be enhanced and a children's large specialty store will be introduced.

- Scheduled opening after upgrade: Spring 2019
- Upgraded floors: B1F–2F
- Nearest station: Temmabashi Station,
Keihan Electric Railway and Osaka Metro Tanimachi Line

◆ Upgrade of Frest Matsui Yamate Store

We will make efforts to improve profitability as the top store in the region.

- Opening after upgrade:
November 2018
- Nearest station:
JR Matsui-Yamate Station
- Start of business: 1999
(Upgraded in 2006)



Initiatives of the Leisure and Service business

Play a central role in the co-create tourism opportunity and achieve further growth by accelerating hotel openings

Increasing openings of Hotel Keihan

The hotel has opened mainly in locations in front of stations of major government-designated cities. Three hotels will open in FY2019 and two in spring 2020.

Opening in FY2019

- ◆ **Kyoto Hachijoguchi**
Equipped with a large bath, a tourist information corner, and parking space for large buses
 - Opening date: December 1
 - No. of guest rooms: 234
 - 8 minutes on foot from JR Kyoto Station
- ◆ **Tsukiji Ginza Grande**
An accommodation-focused lifestyle hotel
 - Opening date: December 14
 - No. of guest rooms: 297
 - 2 minutes on foot from Tokyo Metro Tsukiji Station
- ◆ **Tokyo Yotsuya**
Renovation of the former Mitsui Garden Hotel Yotsuya
 - Opening date: December 21
 - No. of guest rooms: 121
 - 3 minutes on foot from JR Yotsuya Station

Scheduled for opening in spring 2020

- ◆ **Kyoto Station South (tentative name)**
 - Scheduled opening: Spring 2020
 - No. of guest rooms: 200 (planned)
 - 1 minute on foot from JR Kyoto Station
- ◆ **Nagoya Sakae (tentative name)**
 - Scheduled opening : Spring 2020
 - No. of guest rooms: 259 (planned)
 - 3 minutes on foot from Nagoya Municipal Subway Marunouchi Station



Kyoto Station South (image)



Nagoya Sakae (image)

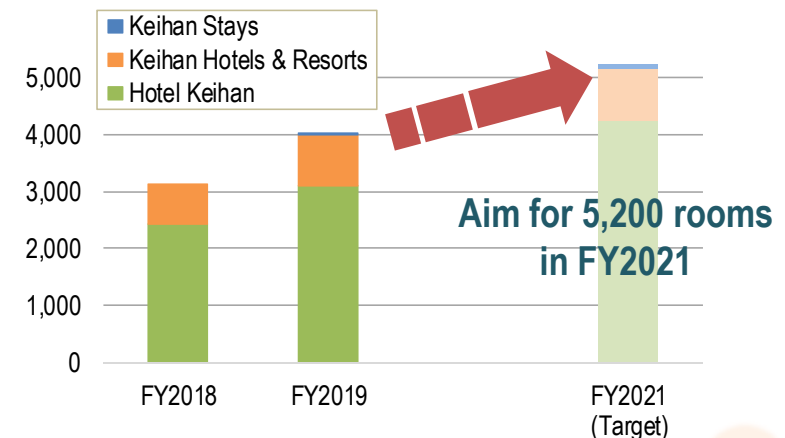
Venturing into new business formats

We opened “CAFETEL Kyoto Sanjo for Ladies,” a new format targeting women, in an effort to address diversifying accommodation needs.

- Opening date: July 2, 2018
- Address: 173 Shingokencho (Yamatooji-dori Sanjo-sagaru), Kyoto City
- Directly connected to Keihan Sanjo Station
- No. of guest rooms: 21 (no. of beds: 65)



No. of guest rooms of the hotel business



Encouraging the use of technologies such IoT and AI

Proof testing in the bus business

◆ Keihan Bus self-driving

- In June 2018, we entered into the Agreement on the Research of Next-Generation Mobility (Self-Driving Technology) with Otsu City for practical use by local buses.
- Going forward, we will aim for future practical use by establishing an industry/government/academia study group for community building using self-driving technology and by conducting self-driving proof tests in Otsu City.



◆ Sightseeing buses using ICT

Proof tests of sightseeing buses using communication robots and information-sharing systems.

In the future, we will consider offering tourism information for inbound tourists.

- Participating companies: Keihan Bus Co., Ltd., NTT West
- Place of implementation: Kansai Science City



◆ Ultra-small smart mobility

Intended to be used as a new means of transport in which anyone can travel the “last one mile” from stations or parking lots to their destination easily at tourist destinations, etc.

- Participating companies: Keihan Bus Co., Ltd., tmsuk co., Ltd., NTT DOCOMO, INC.
- Place of implementation: Arashiyama



Initiatives in the hotel business

◆ Introduction of automated check-in/out machines

- Aimed at easing congestion during peak hours and a low-cost operation
- Supports multiple languages



◆ Visualization of congestion in restaurants and laundry areas

- We introduced a service that can check the congestion and usage status of restaurants and laundry areas through the VOD system in the guest rooms.

◆ Trip AI concierge

- We introduced an AI concierge that provides automated replies to guests' inquiries on the website.
- Inquiries can be made in chats, which are responded to by AI 24 hours.

We seek to enhance service functions and improve convenience by using IoT and AI technologies.

Initiatives in ESG

The Keihan Group will contribute to the achievement of the SDGs and sustainable aim for continuous growth in harmony with society by creating products, services and businesses that contribute to solving social issues mainly through BIOSTYLE and strengthening business activities in consideration of the environment, society and governance.



E (Environment)

Contribution to global warming prevention



Introduction of energy-saving railroad car



Introduction of low-environmental load ships
Operation of environmental learning cruise ships



Penetration of ZEH



Keihan Yodo Logistics Yard equipped with photovoltaic power generation

THE THOUSAND KYOTO promotes energy-saving through greening on the building, utilizing photovoltaic power generation and well water.

- Promotion of environmental management systems
We promote the acquisition of environmental management certificates such as ISO 14001 and KES.



S (Society)

Provision of value trusted by customers such as "safety and security"

- Initiatives of Keihan Railway to improve safety
In FY2019 we have been making upgrades the ATS system into a multi-information continuous control ATS system and continuously carried out drills against disasters and accidents.

Contribution to sustainable development of local communities



The Lake Biwa Canal restoration project



Boosting waterway transportation on Yodogawa River

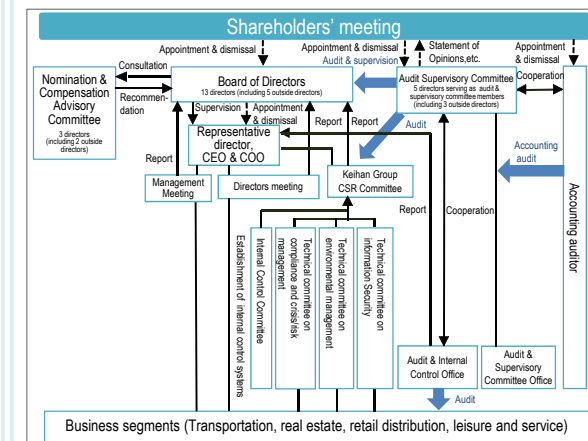
Development of the environment and a corporate culture encouraging employees to exercise their strengths

- Promoting women's empowerment
We aim to increase the number of women in a leadership position such as management by more than 50% by the end of FY2021 (compared to FY2016).
- Promoting active employment of people with disabilities
Established Keihan Smile Heart Co., Ltd. in 2017
- Approach toward a healthy company
Announced "Health Declaration" in 2018

G (Governance)

Enhancing governance system

- We have decided to be a company with an audit and supervisory committee since FY2018.
- Selecting five out of thirteen directors from outside of the company.



Risk management

- Formulation of the Business Continuity Plan (BCP)

Ensuring thorough compliance

- Providing education and training for employees