

First Half of FY2020
(Ended September 30, 2019)

Financial Results Presentation

November 19, 2019

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.

Summary of Consolidated Financial Results and Forecasts

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(Millions of yen)

1H FY2020 Results	1H FY2020 Results	1H FY2019 Results	Change	1H FY2020 (projections released in May)	Change
Operating revenue	165,209	152,846	12,362 (8.1%)	159,000	5,809 (3.6%)
Operating income	21,969	17,014	4,954 (29.1%)	17,500	4,469 (25.5%)
Ordinary income	21,435	16,297	5,138 (31.5%)	16,800	4,635 (27.6%)
Profit attributable to owners of parent	15,154	10,949	4,205 (38.4%)	12,200	2,954 (24.2%)

(Millions of yen)

FY2020 full-year forecasts	FY2020 full-year forecasts	FY2019 full-year results	Change	FY2020 (full-year forecasts released in May)	Change
Operating revenue	325,000	326,159	-1,159 (-0.4%)	326,700	-1,700 (-0.5%)
Operating income	34,300	33,715	584 (1.7%)	32,000	2,300 (7.2%)
Ordinary income	33,100	32,108	991 (3.1%)	30,500	2,600 (8.5%)
Profit attributable to owners of parent	23,000	21,480	1,519 (7.1%)	22,000	1,000 (4.5%)

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

Management vision

“Be the beautiful Keihan areas and the global Keihan group”

Long-term management strategy

◆ Main strategies

Redevelop Keihan areas

Co-create tourism opportunity

Create relatable contents

Medium-term management plan

“Create Living, Community, and Excitement”

2018 2019 2020 2021 2022 2023 2024 2025 2026

Major events/
projects

- G20 Osaka Summit
- Rugby World Cup
- Opening of USJ's new area “SUPER NINTENDO WORLD™”
- Tokyo 2020 Olympic Games
- World Masters Games Kansai
- Opening of IR (Integrated Resort) in Yumeshima, Osaka (planned)
- Expo 2025 Osaka, Kansai

Transportation network

- Full opening of the Shin-Meishin Expressway
- Opening of the Naniwasuji Line (2031)
- Extension of the Osaka Metro Chuo Line
- Extension of the maglev “Chuo Shinkansen” to Osaka (2037)

*Includes planned projects

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

- 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)

Promote innovations with an eye to the next generation

- Create services and improve productivity by utilizing ICT technologies
- Promote new businesses

Opening of the GOOD NATURE STATION

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.

In recent years, there has been a new trend in consumers' lifestyles focused on health, ethics and values. In light of this, the GOOD NATURE STATION will open on December 9, 2019 in Shijo-Kawaramachi, Kyoto City as a facility that embodies BIOSTYLE with food, beauty and accommodation.



◆ Launch of e-commerce

The GOOD NATURE STATION ONLINE, an e-commerce website handling our original brands, will be launched when the GOOD NATURE STATION opens.

◆ Hotel (4F-9F)

- The guest rooms feature an interior focused on natural wood, as well as lights that automatically adjust their brightness in accordance with biological rhythm.
- No. of guest rooms: 141 (120 twin rooms and 21 double rooms)



◆ Studio (3F)

- Houses a comprehensive beauty salon themed with “vitality” and “rejuvenation” and a shop area handling cosmetic-related items.
- We will enter the SPA business to develop unique brands and products.



◆ Gastronomy (2F)

- The “premium gastronomy floor” where customers can have a special eating experience, feeling the four seasons with their five senses. This will be made possible by our thorough pursuit of ingredients.



◆ Market (1F)

- The floor concept is the “market restaurant” filled with the joy of eating.
- Features our original food brand that meets a wide variety of food-related needs.



Growth pole development in Yodoyabashi

Current status of Keihan Midosuji Building and its surrounding



New building (image)

◆ Overview of the plan

- Nearest station: Directly connected to Yodoyabashi Station of Keihan Railway and Osaka Metro Midosuji Line
- Total floor area: Approx. 73,600 m²
- Size: 28 floors above ground, 4 floors below ground
- Height: Approx. 150 m

Keihan Midosuji Building and Nittochi Yodoyabashi Building (owned by NIPPON TOCHI-TATEMONO Co., Ltd.) will be jointly reconstructed after integration of the premises.

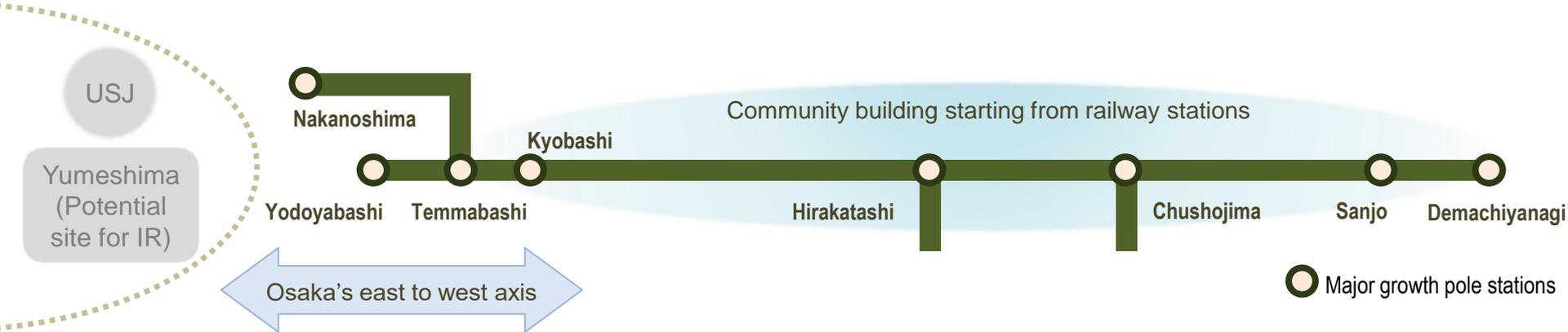
It will be a magnificent building that will serve as a gateway to Midosuji Street and a landmark of Yodoyabashi.

In addition to high-standard offices, commercial facilities will be invited to lower floors, including the underground part directly connected to Yodoyabashi Station.

Multi-purpose square featuring a 4-story atrium



Schedule	
2020	Demolition of existing building starts
2022	Construction of new building starts
2025	Completion



Nakanoshima

The area will be developed as a global hub for business, cultural, and academic exchanges.

We were selected as a preferred bidder regarding the development of the International Hub for Medical Innovation organized by Osaka City.

◆ Draft plan of facility

- Name of facility: Nakanoshima Multi-linkS
- Scheduled completion: October 2023
- Total floor area: Approx. 58,000 m²
- Size: 17 floors above ground



The International Hub for Medical Innovation (image)

Hirakatashi

December 2018

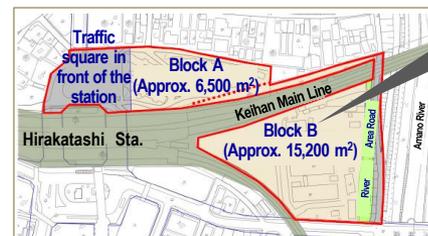
- The Hirakatashi Station Area Urban Redevelopment Preparation Association was established.

October 2019

- The urban redevelopment plan for the redevelopment area including the “delta land” owned by Keihan Holdings was formulated.

FY2026

- Project to be completed



Redevelopment area (image)

A partial rework of the briefing on the Redevelopment Project of Type 1 Urban Area around Hirakatashi Station (Hirakata City)

Encouraging visitors to tour around the Mt. Hiei and Lake Biwa area



◆ Eizan Railway's "Hiei" wins the Laurel Prize

- "Hiei" is a tourist train launched in 2018.



◆ Tourism MaaS demonstration experiment

By examining how MaaS can contribute to improving convenience of intraregional transportation, attracting tourists and encouraging them to tour around the area, we aim to promote measures to revitalize this area.

- A council involving Otsu City, Keihan Holdings, Keihan Bus and Nihon Unisys was established
- Experiment period: Nov. 1 to Dec.1



- HIEIZAN Free Wi-Fi: 20 hotspots available (From October onwards)



◆ Demonstration experiment of self-driving shuttle bus services in Otsu City

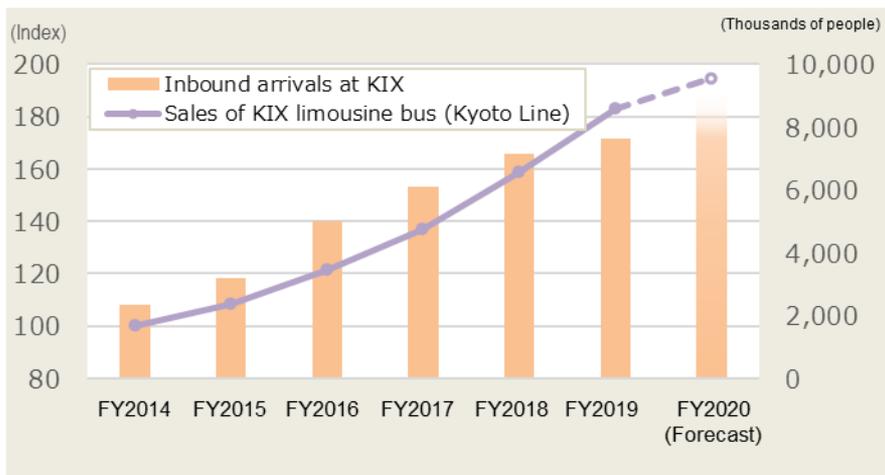
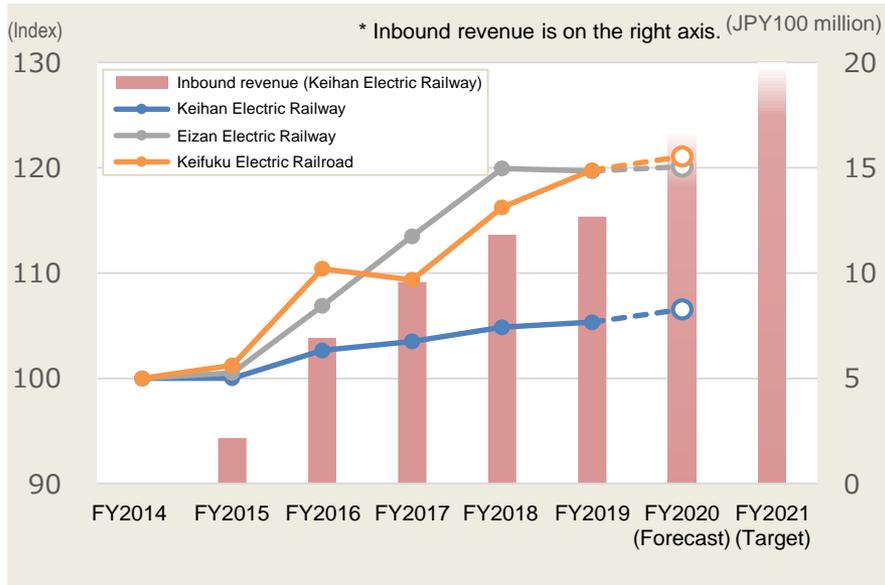
- We are engaged in a feasibility study (until FY2021) for the practical operation of self-driving buses to secure means of transportation for elderly people, offer secondary transportation for tourists, and provide a solution to the severe problem of driver shortage.
- The bus ran at Autonomous Driving Level 4 (High Driving Automation) in some areas.

Experiment period: Nov. 2 to 8
(Second time following March)



An experiment of over 3 months is planned in FY2021 using midsize self-driving buses.

Transition of the passenger transportation revenue and inbound revenue



* FY2014 = 100

Getting ready to welcome inbound tourists

◆ Establishment of a tourist information center at Kitahama Station

- In recent years, Kitahama Station has been used by an increasing number of transfer passengers (including inbound tourists) from Osaka Metro Sakaisuji Line.
- An information center will be newly established to serve as a gateway for tourists coming from Kansai International Airport or Osaka city to the Keihan areas such as Higashiyama in Kyoto.

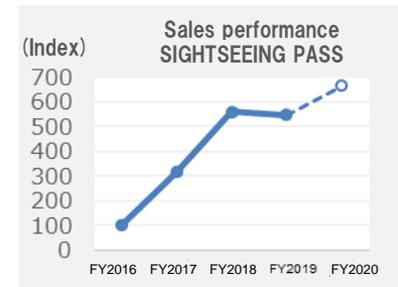
- Operation will be commissioned to “Huber,” a company experienced in the operation of tourist information centers.
- Face-to-face guidance, guided tours, and a luggage storage service will be provided.
- To be opened in February 2020.



Kitahama Tourist Information Center (image)

◆ Special passes for inbound tourists

- Sales of special passes for inbound tourists (including those combined with special passes of other companies) have grown steadily since the launch in August 2015.



* FY2016 = 100

Enhancing transportation network

◆ Upgrade of Kitano-Hakubaicho Station on the Keifuku Railway (Randen) Kitano Line

The station is a transportation hub in northwest Kyoto, directly connected to the Arashiyama area and close to Kinkakuji Temple and Kitano Tenmangu Shrine.

- By unifying the station and the bus stop, we will be able to improve connection with bus services and specify an access route from the Arashiyama area to the Kinkakuji Temple area.
- Creation of a barrier-free station
- To be completed in March 2020

Upgraded Kitano-Hakubaicho Station (image)



Initiatives toward safety and security

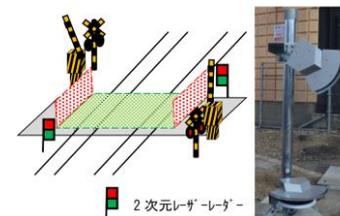
◆ Introduction of a multiple information continuous control ATS system in Keihan Railway

- The system was introduced by August 2018 between Hirakatashi and Demachiyanaagi stations, as well as on the Uji Line and the Katano Line.
- It has also been in service between Moriguchishi and Hirakatashi stations since October 2019.
- It will cover the entire Keihan Line in FY2021.

Securing a higher level of safety and strengthening emergency response function

◆ Further enhancement of safety at railway crossings

- Railroad crossing alarm system: To be installed on the entire Keihan Line in FY2020
- Trial operation of the railroad crossing obstacle detecting device supported by 2D laser radar



The railroad crossing obstacle detecting device now under trial operation

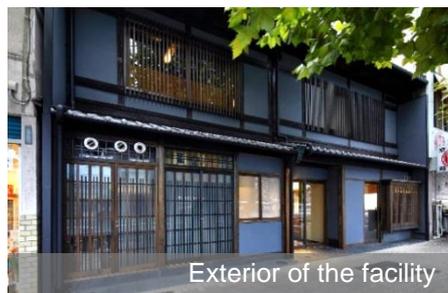
Participation in the Kyomachiya traditional houses renovation project

By acquiring or renting Kyomachiya in Kyoto City and renovating them, we will advance the conservation and utilization of Kyomachiya, pass down the history, tradition and culture of Kyoto to the next generation, and contribute to local communities.

We will focus on the business to utilize existing housing stock and enhance our business lineup.

◆ The first “inheritance” project to renovate Kyomachiya

- A Kyomachiya that once was a dry food shop was renovated as an accommodation facility.



Exterior of the facility



- Name: Yadoru Kyoto Matcha No Yado
- Opening date: November 1, 2019
- Nearest station: 5 minutes on foot from JR San-in Main Line Umekoji-Kyotonishi Station
- No. of guest rooms: 4 (2 to 6 persons per room)

Launch of serviced office business

Utilizing buildings and facilities owned by the Keihan Group, we started the serviced office business to meet diverse needs for office spaces.

We will offer many different development menus and contents and seek the enhancement of profit opportunities by utilizing a wide variety of real property.



Business lounge

- Name: ServiceOffice W Kyoto-ekimae
- Opening date: November 1, 2019
- Nearest station: 5 minutes on foot from JR Kyoto Station

Expand business areas



- Name: Toranomon Hills Business Tower
- Scheduled completion: December 2019
- Location: Minato-ku, Tokyo
- Total floor area: Approx. 173,000 m² (* Partially owned)



- Name: CENTURY DIAMOND TOWER
- Completion date: November 15, 2019
- Location: Manila, Philippines
- Total floor area: 60,413 m² (* Partially owned)

Main condominiums to be sold in the term ended March 31, 2020 and thereafter

Name of property, location		No. of housing units
Scheduled delivery in FY2020		
FINE City Sapporo The North Gate	Sapporo City	66
FINE City Nishinomiya Koshien	Nishinomiya City	135*
FINE Extra City	Osaka City	138*
Scheduled delivery in FY2021		
FINE City Shin-Koshigaya	Koshigaya City	179
GRAN ARENA RESIDENCE	Yamato City	604*
THE HIGH HORIE	Osaka City	141
Scheduled delivery in FY2022		
THE FINE TOWER OTEMAE	Osaka City	241
Chiba Inage-ku Project	Chiba City	103
Sapporo Nishi-ku Project	Sapporo City	72*
Ishigaki Arakawa Project	Ishigaki City	84

* 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.

◆ New brand for the compact urban condominium “THE HIGH”

Newly built compact urban condominium suggesting new standards for lifestyles in the middle of big cities

Offers convenience in the city center, high-ceilinged spacious rooms, and a quality lifestyle



Renovation of a suburban commercial facility

◆ Upgrade of Racto Yamashina Shopping Center

We invited MUJI as a new tenant of the entire three floors of the former Daimaru Yamashina Store site.

Partnering with Ryohin Keikaku Co., Ltd, a company that values connection with the shop's surrounding area, we have renovated a suburban commercial facility that was once supported by a department store.

It is a new shop with the theme of cooperation with the community, equipped with a large, specialized shop area focused on food.



- Name: MUJI Keihan Yamashina
- Opening date: November 1, 2019
- Nearest stations: Keihan-yamashina Station (Keihan Railway Keishin Line), Yamashina Station (JR & Kyoto Municipal Subway)
- Sales floor area: Approx. 4,000 m²
- Size: 2 floors above ground, 1 floor below ground

Expansion of commissioned property management business

◆ Engagement in commissioned property management for PASSAGGIO NISHIARAI

In June 2019, we started commissioned property management of a shopping center in Tokyo.

This is an onsite project at a shopping center. We will continue our efforts to enhance business in the Kanto area.



- Nearest station: 1 minute on foot from Tobu Skytree Line Nishiara Station
- Total floor area: 21,996.9 m²
- Size: 4 floors above ground, 1 floor below ground

Expansion of the Ekinaka (in-station) business to outside the Keihan areas

◆ SWEETS BOX



The shop offers sweets from different places for a limited time only. A new shop was opened in Odakyu Railway Noborito Station in November. Thirteen shops are operating in the Kanto area.

◆ Juicer Bar



The juice stand serves freshly squeezed juice. A new shop was opened in Odakyu Railway Machida Station in September. Eight shops are operating in the Kanto area.

THE THOUSAND KYOTO

In January 2019, THE THOUSAND KYOTO was opened near to Kyoto Station as the highest-class brand hotel of the Group.

We will promote the branding strategy while maintaining the high price range, and enhance the hotel's visibility to increase its occupancy rate.

[Marketing efforts]

- Joined the Preferred Hotels & Resorts to further enhance visibility and brand recognition in the global market
- First-class service offered by staff, including a sommelier who won the All-Japan Best Sommelier Competition in 2017
- Hosted a business meeting to attract inbound tourists
- Participated in the tour expo to enhance visibility outside of Japan



Received Good Design Award 2019

Enhancing capabilities of existing hotels

- We are promoting cooperation with agencies to attract an increasing number of inbound tourists from China and Western countries.

Survey on inbound tourists who stayed in Kyoto City (2018)

2018		%	YoY (P)	2017		%
1	China	27.7	2.7	1	China	25.0
2	Taiwan	14.0	-3.7	2	Taiwan	17.7
3	United States	13.0	0.2	3	United States	12.8
4	Korea	5.4	-0.1	4	Korea	5.5
5	Australia	4.3	-0.1	5	Hong Kong	4.8
6	Hong Kong	3.8	-1.0	6	Australia	4.4

Source: Kyoto City Tourism Association

- Promotion of work-style reform supported by IoT and cost management
 - Introduction of automated check-in/check-out machines in Hotel Keihan



Hotels opening soon

◆ 2020

- Hotel Keihan Kyoto Station South (200 rooms)
- Nagoya (259 rooms)
- Sendai (200 rooms)

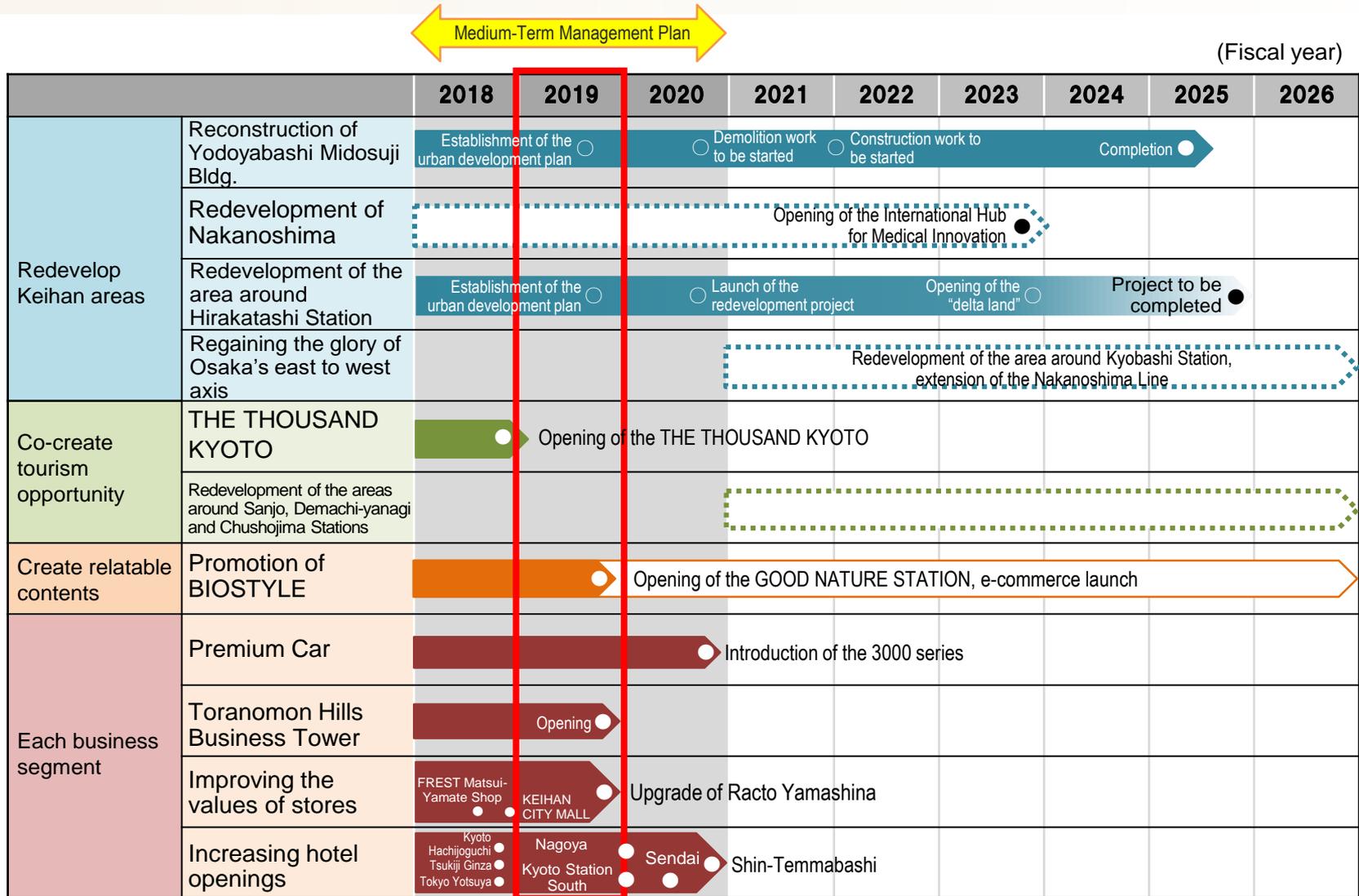
◆ 2021

- Hotel Keihan Shin-Temabashi (300 rooms)



Kyoto Station South (image)

Progress status of major strategic investment projects



* Strategic investment of JPY100 billion is allocated for use in the three years covered by the Medium-Term Management Plan. We have decided the specific use of approximately 70% of the fund.

E (Environment)

Contribution to global warming prevention

GOOD NATURE STATION

- The facility is planning to obtain LEED certification (a global certification for green buildings) and WELL Building Standard® certification with regard to wellness (to be the first hotel in the world to obtain the WELL certification).



- We aim to realize recycling agriculture by installing composters in the facility and using food waste as fertilizer.



Introduction of energy-saving railroad car



Conservation of the satoyama environment

THE THOUSAND KYOTO

promotes energy-saving through greening of the building, utilizing photovoltaic power generation and well water.



S (Society)

Contribution to sustainable development of local communities

- We will discover and introduce new appeals of Kyoto from local perspectives (hands-on harvesting tours in farms near Kyoto, etc.).



Provision of value trusted by customers such as “safety and security”

- Initiatives of Keihan Railway to improve safety
We will make every effort to improve safety and develop human resources by formulating a medium-term plan for safety and security. We have been implementing safety improvement measures including introduction of the multi-information continuous control ATS system. We have also carried out drills against disasters and accidents on a continuous basis.

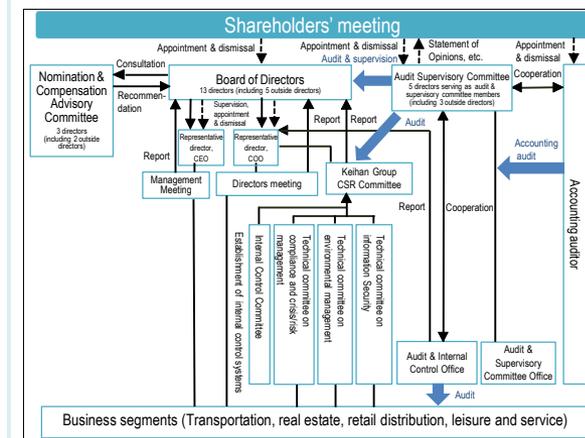
Development of the environment and a corporate culture encouraging employees to exercise their strengths

- Promoting women’s empowerment
We aim to increase the number of women in leadership positions 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 the “Health Declaration” in 2018
- Promotion of diversity management
Participated in the personnel exchange program “Mintetsu Career Train” with other major private railway companies

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

- Continuously implemented education and training programs for employees
- Established the Compliance Hotline
- Conducted an awareness survey on compliance

Overview of the First Half of FY2020

Financial Results

Consolidated Statements of Income

- In the real estate business, sales of high-end condominiums have been robust. Revenue from the transportation business also increased due to a reactionary rise after the natural disasters in the same half term of the previous year and a rise in the number of tourists to the Kyoto area. Thus both revenue and profits increased.

(Millions of yen)

	1H FY2020 Results	1H FY2019 Results	Change	Main factors of changes	1H FY2020 (projections released in May)	Change
Operating revenue	165,209	152,846	12,362 (8.1%)		159,400	5,809 (3.6%)
Operating income	21,969	17,014	4,954 (29.1%)		17,500	4,469 (25.5%)
Non-operating income	1,091	1,064	26			
Non-operating expenses	1,625	1,782	-157			
Ordinary income	21,435	16,297	5,138 (31.5%)		16,800	4,635 (27.6%)
Extraordinary income	2,455	894	1,560	Compensation income +1,093		
Extraordinary losses	1,166	453	712	Loss on reduction of non-current assets +807		
Profit attributable to owners of parent	15,154	10,949	4,205 (38.4%)		12,200	2,954 (24.2%)
Depreciation	10,035	9,605	429			
EBITDA	32,004	26,620	5,384 (20.2%)	* EBITDA: Operating income + Depreciation		
Interest and dividend income	580	602	-21			
Interest expenses	1,143	1,219	-75			
Net interest expenses	-562	-616	54			

Segment Information

(Millions of yen)

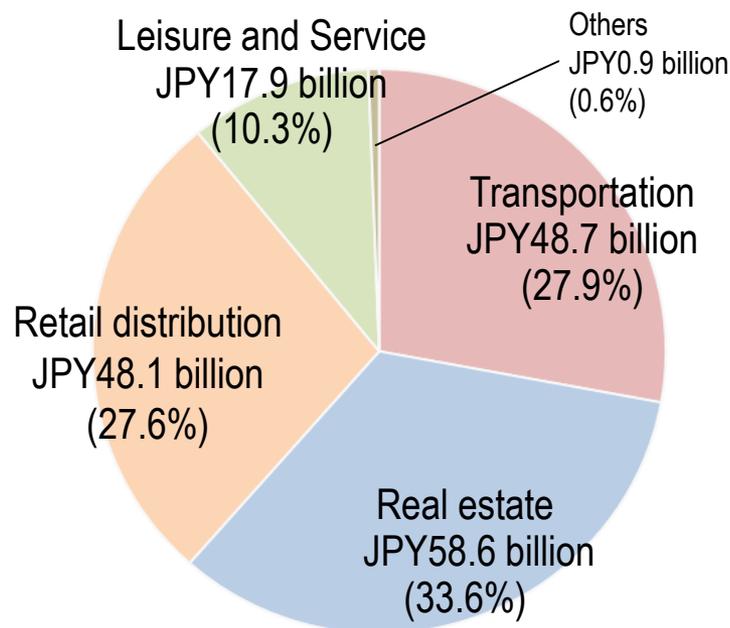
		1H FY2020 Results	1H FY2019 Results	Change	Change (%)
Transportation	Operating revenue	48,709	46,863	1,845	3.9%
	Operating income	8,141	6,414	1,727	26.9%
Real estate	Operating revenue	58,663	50,733	7,930	15.6%
	Operating income	10,248	7,264	2,984	41.1%
Retail distribution	Operating revenue	48,195	47,625	570	1.2%
	Operating income	1,579	1,150	428	37.2%
Leisure and service	Operating revenue	17,960	15,009	2,950	19.7%
	Operating income	1,788	2,097	-309	-14.7%
Others	Operating revenue	956	921	34	3.8%
	Operating income	-4	-10	5	—
Adjustments	Operating revenue	-9,275	-8,307	-968	—
	Operating income	216	98	118	—

Segment Information (Breakdown)

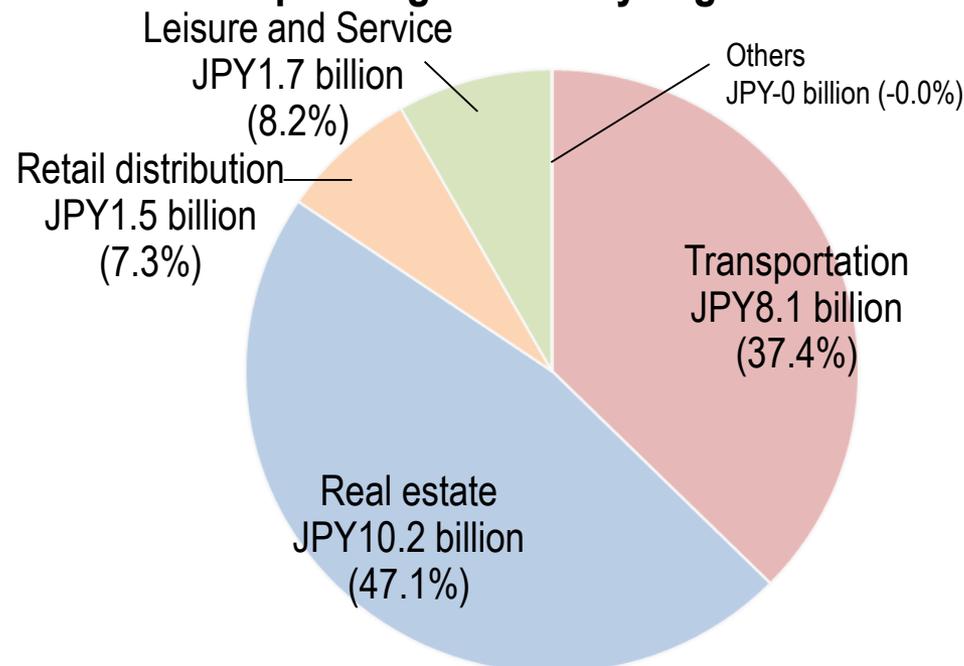
[Consolidated subsidiaries] 41 companies (Addition of one company year on year) [Equity-method affiliates] 2 companies (No change year on year)

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 8 other companies
Retail distribution	Keihan Department Stores Co., Ltd., Keihan The Store Co., Ltd., Keihan Ryutsu Systems Co., Ltd., Biomarket Co., Ltd., and 1 other 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 FY2020 Results	1H FY2019 Results	Change	Change (%)
Operating revenue	48,709	46,863	1,845	3.9%
Railway	39,416	38,061	1,354	3.6%
Bus	14,193	13,736	457	3.3%
Elimination	-4,900	-4,934	33	—
Operating income	8,141	6,414	1,727	26.9%
Railway	6,661	5,537	1,123	20.3%
Bus	1,470	871	599	68.8%
Elimination	10	6	4	—

(Major factors affecting performance)

- The railway business saw increases in both revenue and profits since Keihan Electric Railway recorded an increase in non-commuter pass passenger revenue due to a reactionary rise after the natural disasters in the same half term of the previous year and a rise in the number of tourists to the Kyoto area.
- The bus business saw increases in both revenue and profits due to revenue increase from vehicle improvement work, a rise in the number of users of the Kansai International Airport route (limousine bus), and reduced personnel expenses.

	1H FY2020 Results	1H FY2019 Results	Change	Change (%)
	Millions of yen	Millions of yen	Millions of yen	%
Passenger transportation revenue	26,710	25,849	860	3.3
Non-commuter passes	17,913	17,305	608	3.5
Commuter passes	8,796	8,544	252	3.0
	Thousands of people	Thousands of people	Thousands of people	%
Number of passengers	152,834	148,390	4,444	3.0
Non-commuter passes	76,093	73,902	2,191	3.0
Commuter passes	76,740	74,487	2,253	3.0

(Major factors affecting non-commuter pass passenger revenue)

- Reactionary rise after natural disasters in the same half term of the previous year (+JPY304 million); rise in the number of tourists to the Kyoto area (+JPY156 million); Premium Car and Liner services (+JPY66 million)

(Major factors affecting commuter pass passenger revenue)

- Advance purchase of commuter passes before the consumption tax rate hike (+JPY192 million)

Segment Information (Real estate)

(Millions of yen)

	1H FY2020 Results	1H FY2019 Results	Change	Change (%)
Operating revenue	58,663	50,733	7,930	15.6%
Real estate	51,124	43,902	7,222	16.5%
Real estate sales	37,515	31,608	5,907	18.7%
Real estate leasing service	11,793	10,581	1,212	11.5%
Other businesses	1,815	1,713	102	6.0%
Construction	10,626	9,885	741	7.5%
Elimination	-3,088	-3,054	-33	—
Operating income	10,248	7,264	2,984	41.1%
Real estate	10,133	7,433	2,700	36.3%
Real estate sales	4,356	2,398	1,958	81.6%
Real estate leasing service	5,555	4,846	709	14.6%
Other businesses	221	188	32	17.4%
Construction	181	-119	300	—
Elimination	-66	-49	-16	—

(Major factors affecting performance)

- The real estate sales business saw increases in both revenue and profits due to robust sales of high-end condominiums as well as sales of a building for business use.
- The real estate leasing service saw increases in both revenue and profits due to full-year contribution of properties obtained in the previous fiscal year.
- The construction business saw increases in both revenue and profits due in part to the receipt of large-scale construction orders.

Segment Information (Retail distribution)

(Millions of yen)

	1H FY2020 Results	1H FY2019 Results	Change	Change (%)
Operating revenue	48,195	47,625	570	1.2%
Department store	24,201	23,326	875	3.8%
Store	14,954	15,105	-150	-1.0%
Shopping mall management	7,357	7,275	82	1.1%
Others	3,935	4,004	-69	-1.7%
Elimination	-2,253	-2,086	-167	—
Operating income	1,579	1,150	428	37.2%
Department store	138	-221	360	—
Store	292	457	-164	-36.0%
Shopping mall management	1,019	827	191	23.1%
Others	120	81	38	47.8%
Elimination	7	5	2	—

(Major factors affecting performance)

- Department stores saw increases in both revenue and profits due to robust sales of cosmetics on the back of inbound demand.
- Stores saw decreases in both revenue and profits due to difficult conditions in the store business and the impact of store closure in the previous fiscal year.
- Shopping mall management saw increases in both revenue and profits due to the renovation of KEIHAN CITY MALL and a review of expenses.

Segment Information (Leisure & service)

(Millions of yen)

	1H FY2020 Results	1H FY2019 Results	Change	Change (%)
Operating revenue	17,960	15,009	2,950	19.7%
Hotel	15,838	12,838	2,999	23.4%
Leisure	2,136	2,185	-48	-2.2%
Elimination	-14	-13	-0	—
Operating income	1,788	2,097	-309	-14.7%
Hotel	1,576	1,817	-241	-13.3%
Leisure	202	268	-65	-24.5%
Elimination	9	10	-1	—

<< Hotel occupancy rates >>

	1H FY2020 Results	1H FY2019 Results	Change
Hotel Keihan	93.0%	94.0%	-1.0 pt
Keihan Hotels & Resorts	* 86.8%	89.4%	-2.6 pt

* Occupancy rates excluding THE THOUSAND KYOTO, which commenced operation in January 2019, stood at 94.2%.

(Major factors affecting performance)

- The hotel business saw revenue increase due to the contribution of new hotels such as THE THOUSAND KYOTO, which commenced operation in the previous fiscal year. However, profits decreased partly due to the impact of intensifying price competition among hotels around Kyoto Station.
- The leisure business saw decreases in both revenue and profits partly due to the impact of suspension of operation of a golf course associated with its renovation.

Consolidated Balance Sheets

(Millions of yen)

		1H FY2020 Results	FY2019 Results	Change	Main factors of changes
	Current assets	166,257	180,080	-13,823	Notes and accounts receivable -8,418 Cash and deposits -4,368
	Non-current assets	552,261	551,669	591	Construction in progress +4,214 Buildings and structures -4,068
Total assets		718,518	731,750	-13,232	
	Current liabilities	150,652	178,310	-27,658	Short-term loans payable -10,356 Current portion of bonds -10,003
	Long-term liabilities	316,074	314,744	1,330	Long-term loans payable +1,613
Total liabilities		466,726	493,055	-26,328	
Net assets		251,791	238,695	13,096	Retained earnings +13,276 * Equity capital ratio 34.5% (+2.4 pt)
Total liabilities and net assets		718,518	731,750	-13,232	
Interest-bearing debt		316,570	334,346	-17,776	Bonds -10,032 Loans payable -8,743

* Interest-bearing debt: Loans payable + bonds + short-term bonds

Consolidated Statements of Cash Flows

(Millions of yen)

	1H FY2020 Results	1H FY2019 Results	Change	Main factors of changes
Cash flows from operating activities	28,197	17,225	10,972	Decrease in inventories +6,713
Cash flows from investing activities	-12,379	-17,000	4,621	Decrease in purchase of non-current assets +3,817
Cash flows from financing activities	-20,187	-3,854	-16,332	Decrease in proceeds from issuance of bonds -9,922 Decrease in short-term loans payable -8,069
Net increase (decrease) in cash and cash equivalents	-4,368	-3,629	-739	
Cash and cash equivalents at beginning of current period	21,377	20,300	1,076	
Cash and cash equivalents at end of fiscal period	17,009	16,671	337	

FY2020

Forecasts

Consolidated Statement of Income (Performance Forecast)

- Initial projections are expected to be achieved regarding profits at each stage due to robust sales of condominiums and a review of expenses, despite the expected revenue decrease caused by intensifying price competition in the hotel business and difficult conditions in the store business.

(Millions of yen)

	New FY2020 full-year forecasts	FY2020 full-year forecasts released in May	Change	Change (%)	FY2019 full-year results	Change	Change (%)
Operating revenue	325,000	326,700	-1,700	-0.5%	326,159	-1,159	-0.4%
Operating income	34,300	32,000	2,300	7.2%	33,715	584	1.7%
Ordinary income	33,100	30,500	2,600	8.5%	32,108	991	3.1%
Profit attributable to owners of parent	23,000	22,000	1,000	4.5%	21,480	1,519	7.1%
Capital expenditure	49,200	55,200	-6,000	-10.9%	43,631	5,568	12.8%
Depreciation	21,000	21,200	-200	-0.9%	19,819	1,180	6.0%
EBITDA	55,300	53,200	2,100	3.9%	53,535	1,764	3.3%
Interest-bearing debt	359,000	375,000	-16,000	-4.3%	334,346	24,653	7.4%
Interest-bearing debt/ EBITDA multiple (Times)	6.49	7.05	-0.56	—	6.25	0.25	—
Net interest-bearing debt/ EBITDA multiple (Times)	6.13	6.67	-0.54	—	5.85	0.28	—
Interest and dividend income	986	846	140	16.6%	937	49	5.3%
Interest expenses	2,212	2,266	-53	-2.4%	2,401	-188	-7.9%
Net interest expense	-1,226	-1,420	194	—	-1,463	237	—

Segment Information (Performance Forecasts)

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

- Transportation business: Drop in power and repair expenses
- Real estate business: Robust sales of condominiums
- Retail distribution: Difficult conditions in the store business
- Leisure and service: Intensifying price competition in the hotel business

(Millions of yen)

		New FY2020 full-year forecasts	FY2020 full-year forecasts released in May	Change	FY2019 full-year results	Change
Transportation	Operating revenue	95,100	94,600	500	93,926	1,173
	Operating income	11,600	10,400	1,200	11,221	378
Real estate	Operating revenue	110,200	108,100	2,100	118,607	-8,407
	Operating income	17,100	14,900	2,200	17,468	-368
Retail distribution	Operating revenue	100,400	101,500	-1,100	98,727	1,672
	Operating income	3,500	3,600	-100	2,923	576
Leisure and service	Operating revenue	35,500	38,100	-2,600	30,621	4,878
	Operating income	3,300	4,300	-1,000	1,817	1,482
Others	Operating revenue	3,500	3,500	—	1,843	1,656
	Operating income	-400	-400	—	-57	-342
Adjustments	Operating revenue	-19,700	-19,100	-600	-17,567	-2,132
	Operating income	-800	-800	—	342	-1,142

Operating Results for Transportation (Performance Forecasts) Keihan Electric Railway

	New FY2020 full-year forecasts	FY2020 full-year forecasts released in May	Change	Change (%)	FY2019 full-year results	Change	Change (%)
Passenger transportation revenue	Millions of yen 52,650	Millions of yen 52,650	Millions of yen —	% —	Millions of yen 52,054	Millions of yen 595	% 1.1
Non-commuter passes	35,518	35,705	-187	-0.5	35,187	330	0.9
Commuter passes	17,132	16,945	187	1.1	16,866	265	1.6
Number of passengers	Thousands of people 298,037	Thousands of people 297,490	Thousands of people 547	% 0.2	Thousands of people 295,099	Thousands of people 2,937	% 1.0
Non-commuter passes	150,535	151,509	-974	-0.6	149,795	739	0.5
Commuter passes	147,502	145,981	1,521	1.0	145,304	2,197	1.5

Capital Expenditure by Segment (Performance Forecasts)

(Millions of yen)

	New FY2020 full-year forecasts	FY2020 full-year forecasts released in May	Change	FY2019 full-year results	Change
Capital Expenditure	49,200	55,200	-6,000	43,631	5,568
Transportation	15,900	18,300	-2,400	14,609	1,290
Real estate	16,300	18,800	-2,500	26,080	-9,780
Retail distribution	1,800	2,300	-500	1,428	371
Leisure and service	2,000	2,300	-300	3,364	-1,364
Others	1,500	1,500	—	9	1,490
Adjustments	11,700	12,000	-300	-1,860	13,560

EBITDA by Segment (Performance Forecasts)

(Millions of yen)

	New FY2020 full-year forecasts	FY2020 full-year forecasts released in May	Change	FY2019 full-year results	Change
EBITDA	55,300	53,200	2,100	53,535	1,764
Transportation	23,400	22,300	1,100	23,119	280
Real estate	23,100	21,100	2,000	22,666	433
Retail distribution	4,800	4,900	-100	4,230	569
Leisure and service	4,800	5,700	-900	2,933	1,866
Others	-300	-300	—	-20	-279
Adjustments	-500	-500	—	605	-1,105