

FY2020

(Fiscal year ended March 31, 2020)

Financial Results Presentation

May 13, 2020

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 Impact of and Policies on the COVID-19 Pandemic

Summary of Consolidated Financial Results

(Millions of yen)

FY2020 results	FY2020 results	FY2019 results	Change	FY2020 full-year forecasts	Change
Operating revenue	317,103	326,159	-9,056 (-2.8%)	325,000	-7,896 (-2.4%)
Operating income	31,123	33,715	-2,592 (-7.7%)	34,300	-3,176 (-9.3%)
Ordinary income	29,886	32,108	-2,222 (-6.9%)	33,100	-3,213 (-9.7%)
Profit attributable to owners of parent	20,121	21,480	-1,359 (-6.3%)	23,000	-2,878 (-12.5%)

Postponement of the announcement of consolidated forecasts for FY2021

Consolidated forecasts for FY2021 have not yet been determined since it is not possible to reasonably assess the impact of the COVID-19 pandemic at this stage.

The forecasts will be announced as soon as the company is ready to disclose them.

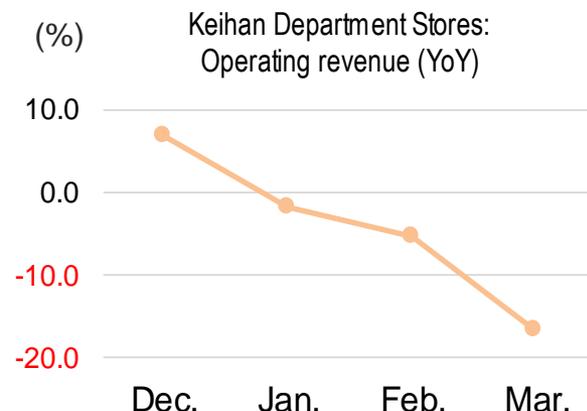
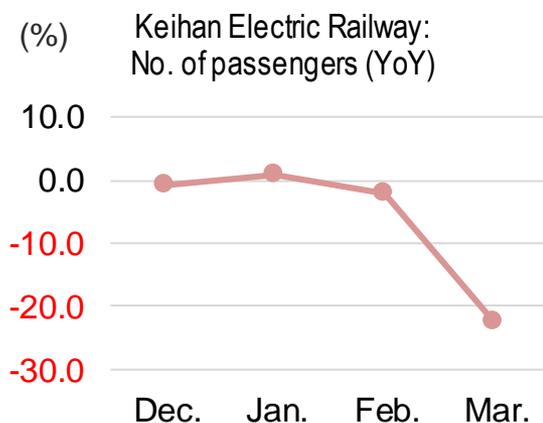
Impact of the COVID-19 Pandemic

《Financial impact of the COVID-19 Pandemic (FY2020)》

(100 millions of yen)

	Operating revenue	Operating income
Transportation	-20	-19
Real estate	-0	-0
Retail distribution	-14	-5
Leisure and service	-33	-22
Others	-1	-0
Consolidated	-70	-49

《Status of major businesses affected (December 2019-March 2020)》



Preventing the spread of COVID-19 infection

In consideration of the health and safety of customers and employees, the company will implement safety measures such as disinfection, telecommuting, business suspension and shorter business hours.

Minimizing the impact of the COVID-19 pandemic

The company will take every measure including a drastic review of investments and costs, flexibly follow the government's economic policies, and start preparations for capturing special demand that will arise after the pandemic has ended.

Executing main strategies

The company will implement new initiatives to achieve profit growth for the next generation, which is described in the long-term management strategy, and respond flexibly to future changes in circumstances.

Improving financial stability

Financing through CP issuance has been and will be conducted. In addition, the company is planning flexible financing by utilizing syndicated loans, seeking credit line increase from financial institutions, and issuing corporate bonds.

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"

Medium-term management plan
"Create Living, Community, and Excitement"

Long-term management strategy

◆ Main strategies

Redevelop Keihan areas

Co-create tourism opportunity

Create relatable contents

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
- Expo 2025 Osaka, Kansai
- Full opening of IR (Integrated Resort) in Yumeshima, Osaka

Transportation
network

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

*Includes planned projects

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

- 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)

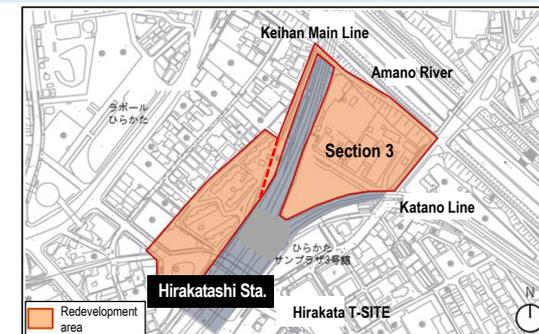
Promote innovations with an eye to the next generation

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

Hirakatashi

Community building starting from railway stations

- October 2019 The urban redevelopment plan for the redevelopment area including the land owned by Keihan Holdings was formulated.
- January 2020 The area around the station was designated as an “urgent urban renewal area.”
- March 2020 Establishment of the “Hirakatashi Station Area Urban Redevelopment Association” was approved.
- FY2024 Construction in the area including the company’s land (section 3) to be completed.
- FY2026 Project to be completed.



Partial revision of a document released by the company

Kyobashi

Community building for the entrance of the “Higashi” area on Osaka’s east to west axis

- August 2017 The area around Kyobashi Station was included in an existing “urgent urban renewal area.”
- FY2026 Project to be partially completed.
- FY2027 Project to be fully completed.

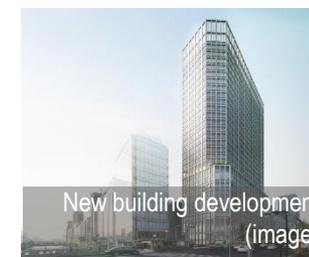


Keihan Kyobashi
Station Building
(current status)

Yodoyabashi

Keihan Midosuji Building and Nittochi Yodoyabashi Building will be jointly reconstructed after integration of the premises.

- 2020 Demolition of existing building starts.
 - 2022 Construction of new building starts.
 - FY2026 Project to be completed.
- Total floor area: Approx. 73,600 m²
 - Size: 28 floors above ground, 4 floors below ground
 - Height: Approx. 150 m



New building development
(image)

Nakanoshima

The company participates in the Nakanoshima 4-chome International Hub for Medical Innovation Project.

This is a joint project with Nippon Life Insurance Company and Kanden Realty & Development.

- 2023 Project to be completed.
- Total floor area: Approx. 58,000 m²
 - Size: 17 floors above ground



Nakanoshima Multi-linkS
(image)

Strengthening sales and marketing structure

We have established an optimal sales structure to promote the “co-create tourism opportunity” policy of the entire Keihan Group, involving the leisure and service segment such as the hotel business. Thus we aim to capture inbound and domestic demand even further.

Sales promotion center	Opening date	Area
East Japan Sales Office	April 2018	Shizuoka and eastward, overseas
West Japan Sales Office	March 2020	Aichi and westward

Enhancing transportation network and convenience

◆ Upgrade of Keifuku Electric Railroad Kitano-Hakubaicho Station

Kitano-Hakubaicho Station of Keifuku Electric Railroad was upgraded in March 2020. By unifying the station and the bus stop, we have made a clear access route between the Arashiyama area and the Kinkaku-ji Temple area and improved convenience.



◆ Upgrade of Eizan Railway Kibuneguchi Station

In March 2020, the platform was widened and barrier-free facilities were introduced at Kibuneguchi Station, the gateway to the Kibune area known as a retreat for Kyoto residents. A bus stop for the Kyoto Bus was established to improve convenience for transit passengers.



Tourism MaaS demonstration experiment

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

We plan to continue similar experiments.

- A council involving Otsu City, Keihan Holdings, Keihan Bus and Nihon Unisys conducted the project.
- Experiment period: Nov. 1 to Dec.1, 2019
- No. of downloads: 2,808
- No. of special tickets sold: 1,398
- Ticket purchase rate: Approx. 50%



BIOSTYLE

- Aim for Keihan as First Choice -

Promotion of BIOSTYLE

- 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.
 - We established guidelines so that each group company can actively work on BIOSTYLE as Keihan's strategy for the SDGs.
- Thus we aim to contribute to the achievement of the SDGs and realize our management vision.

BIOSTYLE PROJECT Guidelines			BIOSTYLE PROJECT
GOOD for Health	3 GOOD HEALTH	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
GOOD for Minds	3 GOOD HEALTH	8 DECENT WORK AND ECONOMIC GROWTH	11 SUSTAINABLE CITIES AND COMMUNITIES
GOOD for Locals	6 CLEAN WATER AND SANITATION	11 SUSTAINABLE CITIES AND COMMUNITIES	14 OCEANS AND UNDERSEA ECOSYSTEMS
GOOD for Social	3 GOOD HEALTH	5 GENDER EQUALITY	10 AFFORDABLE AND CLEAN ENERGY
GOOD for Earth	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRIAL INNOVATION AND INFRASTRUCTURE

The BIOSTYLE Promotion Office of the company examines the above criteria to promote the project implementation at each group company.

Opening of the GOOD NATURE STATION



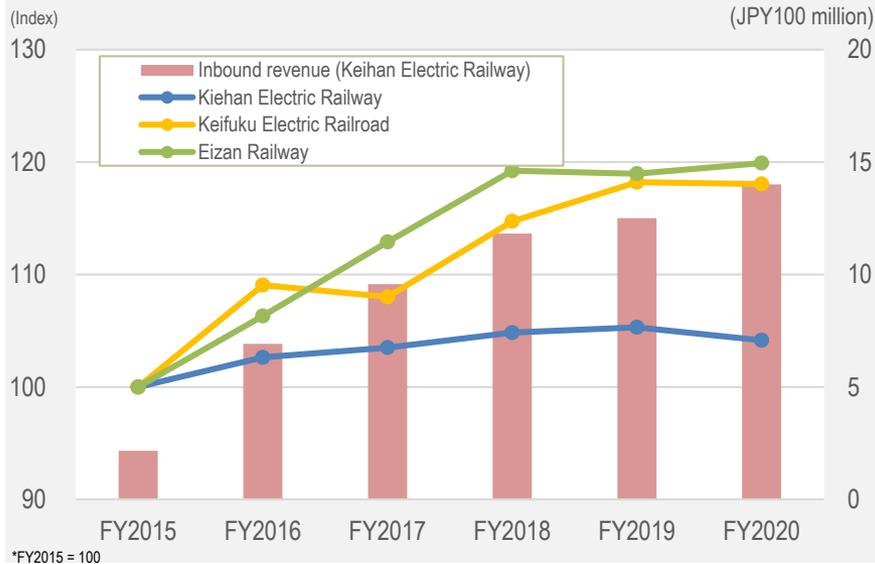
Opened on December 9, 2019 in Shijo-Kawaramachi, Kyoto City as a facility that embodies BIOSTYLE with food, beauty and accommodation.

We will strive to enhance its recognition by boosting cosmetics and food sales through e-commerce (release of original items, food delivery), and organizing events along the railway lines and in wider areas.



An item from the original cosmetic brand "NEMOHAMO" won the Sustainable Cosmetic Award.

Transition of the passenger transportation revenue and inbound revenue



Response to the COVID-19 pandemic

- We have stepped up measures for ensuring the safety and security of customers and employees.
- The number of railway and bus services has been reduced on some routes.
- We have implemented furlough and other measures to improve the efficiency of work.



Disinfection in a train car

Enhancing the Premium Car service

◆ 3000 series Premium Cars to be introduced

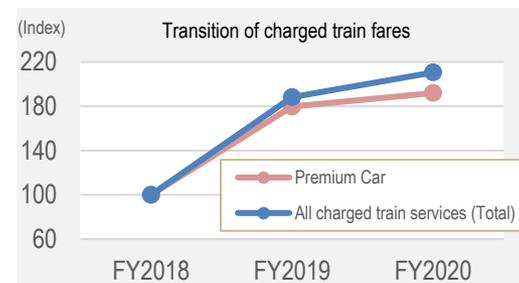
- Premium Cars will be introduced to all 3000 series trains.
- Along with the 8000 series Premium Cars in operation, we can, as a general rule, offer the Premium Car service for all limited express trains operating during daytime.

- Service launch January 2021 (planned)
- Cashless ticket machines will be installed on the platforms.



◆ Current status of 8000 series Premium Cars

- Sales from 8000 series Premium Cars have been strong since their introduction in August 2017.



Main condominiums to be sold in FY2021 and thereafter

Name of property, location		No. of housing units
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
Ishigaki Arakawa Project	Ishigaki City	84
Amagasaki Project	Amagasaki City	456*
Scheduled delivery in FY2023		
Nagoya Naka-ku Project	Nagoya City	163*
Sapporo Nishi-ku Nijuyonken Project	Sapporo City	137*
Osaka Minato-ku Project	Osaka City	199*

*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.

Diverse real estate development

◆ Detached housing business in urban areas

Zero Corporation, known for its “100-year housing,” promotes community development in line with the ever-changing forms of families by developing two-family houses and housing complex-type “unit-ownership” houses.

100年住宅の
ゼロホーム



Suggestion for barrier-free facilities



Lots for sale
(Takatsuki City, Osaka)

◆ Office acquisition



Toranomon Hills Business Tower started operation

- Completion date: January 15, 2020
- Location: Minato-ku, Tokyo
- Total floor area
Approximately 172,925 m²
(*Partially owned)

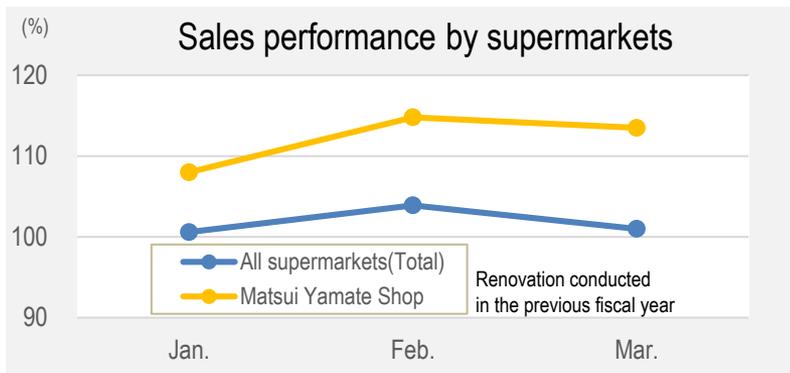
Expand business in and outside areas
along the Keihan Railway lines
as the driver of the group's growth

Response to the COVID-19 pandemic

◆ Role as basic infrastructure for daily life

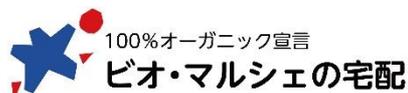
We have continued operation of food supermarkets as well as grocery stores in commercial facilities.

Measures including shutdown and shorter business hours in shops have been taken flexibly.



• Biomarket delivery service

We aim to attract new customers by offering delivery service that is seeing soaring demand.



Expansion of the Ekinaka (in-station) business

◆ “UNIQLO Hankyu Osaka-umeda Station Store” opens

Based on a business alliance with Fast Retailing Co., Ltd., we operate UNIQLO stores in or near stations of Keihan and other railway lines.



- Opening date
Late June 2020 (planned)
- Location
Hankyu Railway Osaka-umeda Station
Outside ticket gates on the 3rd floor

◆ SWEETS BOX



The shop offers sweets from different places for a limited time only.

A new shop was opened in Odakyu Railway Yamato Station in November.

Fourteen shops are operating in the Kanto area.

◆ Juicer Bar



The juice stand serves freshly squeezed juice.

A new shop was opened in Odakyu Railway Hon-Atsugi Station in March.

Eight shops are operating in the Kanto area.

Number of guest rooms in our hotels

		Opening in the Medium-term Management Plan period (2018 or after)	No. of guest rooms	No. of guest rooms in the area
Hokkaido	Hotel Keihan Sapporo		200	200
Miyagi	Hotel Keihan Sendai	(Aug. 2020)	201	201
Tokyo	Hotel Keihan Tsukiji Ginza Grande	Dec. 2018	297	596
	Hotel Keihan Asakusa		178	
	Hotel Keihan Tokyo Yotsuya	Dec. 2018	121	
Aichi	Hotel Keihan Nagoya	Apr. 2020	259	259
Shiga	Biwako Hotel		175	175
Kyoto	Kyoto Tower Hotel		162	1,673
	Kyoto Tower Hotel Annex		126	
	Kyoto Century Hotel		218	
	THE THOUSAND KYOTO	Jan. 2019	222	
	CAFETEL KYOTO SANJO for Ladies	Jul. 2018	21	
	Hotel Keihan Kyoto Grande		320	
	Hotel Keihan Kyoto Hachijoguchi	Dec. 2018	234	
	L'Hôtel de Hiei		29	
	GOOD NATURE HOTEL KYOTO	Dec. 2019	141	
	Hotel Keihan Kyoto Ekiminami	(Jun. 2020)	200	
Osaka	Hotel Keihan Kyobashi Grande		214	2,010
	Hotel Keihan Universal City		330	
	Hotel Keihan Universal Tower		641	
	Hotel Keihan Tenmabashi		315	
	Hotel Keihan Yodoyabashi		210	
	Hotel Keihan Shin-Tenmabashi	(2021 spring)	300	
Total				5,114

KPI (FY2021) of 5,200 rooms almost achieved
 We aim to capture demand after the coronavirus pandemic has been contained by taking advantage of the convenient locations near stations.

Response to the COVID-19 pandemic

- Quickly suspended hotel operations to prevent the spread of infection

	As of May 13
Total number of hotels	21
Hotels suspending operation	12
Hotels postponing opening/resumption	2
Hotels that have reduced the accommodation areas	7

- Planning to utilize the employment adjustment subsidy system related to the business suspension
- Corporate performance to be improved by introducing multitasking system in and between facilities as well as IoT and AI technology
- Customer retention to be implemented by launching an official Hotel Keihan app
- Introduction of thermal cameras (Kyoto Tower Observatory)



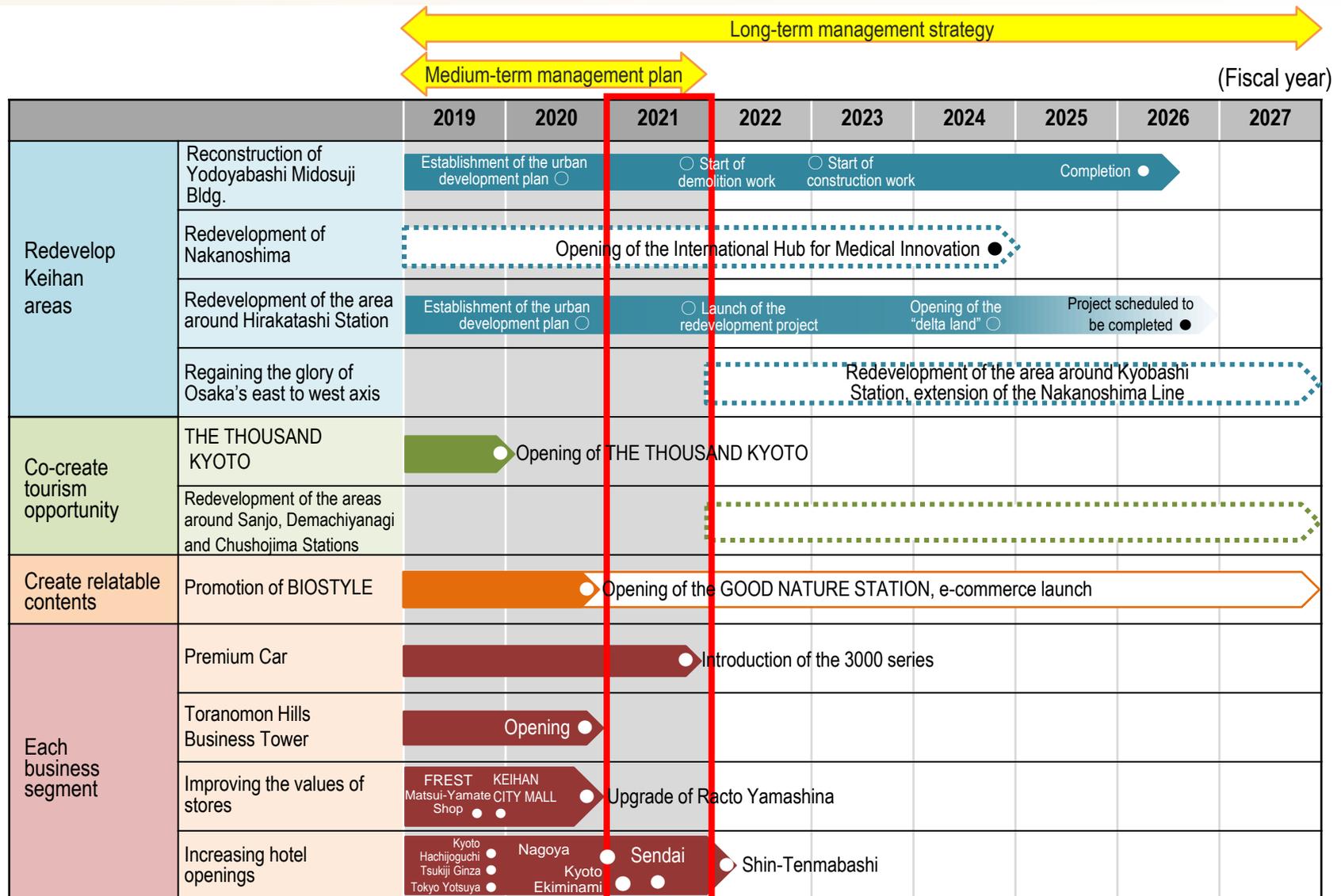
Selected as a “Diversity Management Selection 100” company

Keihan Hotels & Resorts was selected.
 It was the only company selected from the hotel industry in FY2020.

Employment of persons with disabilities as skilled resources was evaluated.



Progress status of major strategic investment projects



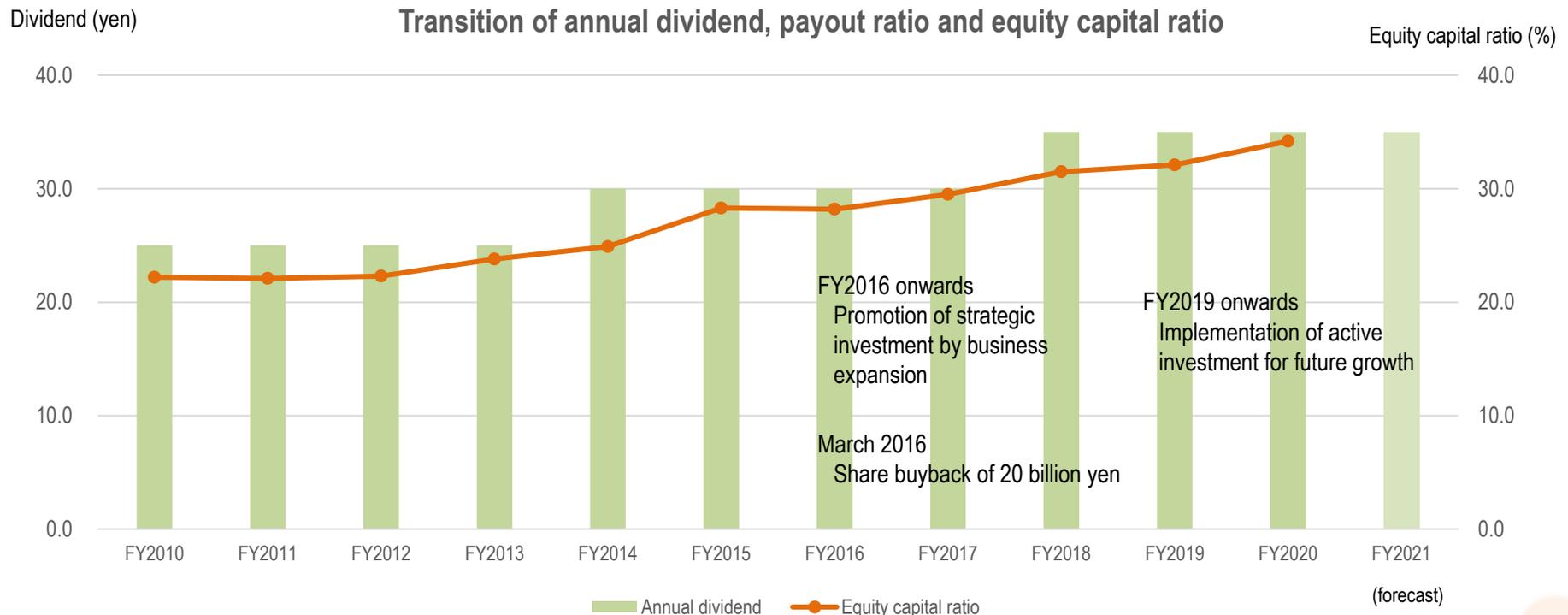
* Strategic investment of JPY100 billion is allocated for use during the term of the Medium-Term Management Plan. We have decided the specific use of approximately 70% of the fund. We will continue promoting our main strategies while considering the financial status and in accordance with changes in the situation.

Shareholder return policy

Continuing stable dividend payment

In fiscal 2020, despite the impact of COVID-19 pandemic, **we plan to pay a dividend of 35 yen.**

In fiscal 2021, we will aim for a **stable dividend payment** while placing top priority on infection prevention and improvement of deteriorated business performance, and making efforts to be prepared for the days after the pandemic has ended and to secure profits.



*Converted factoring in the share consolidation

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.



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



Introduction of energy-saving railroad car

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



Conservation of the satoyama environment



S (Society)

Contribution to sustainable development of local communities

- The company celebrated its 110th anniversary on April 15, 2020. A commemorative logo was designed after seeking ideas from employees. In addition, a commemorative forum “The Expo and Shibusawa, Future of Kansai” (tentative title), Family Rail Fair and other events for customers will be conducted.



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

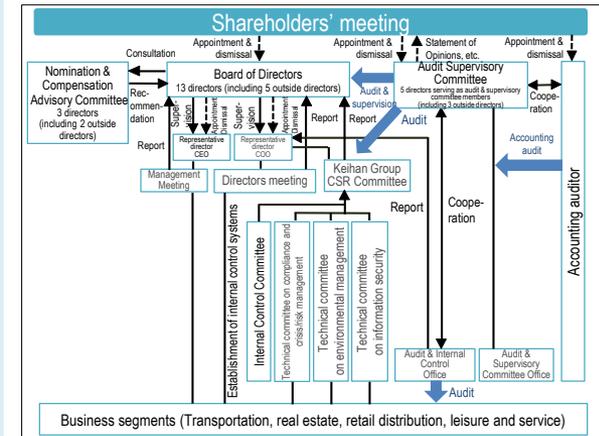
- Promoting women’s empowerment
We aim to increase the number of women in leadership positions such as management by more than 50% by the end of FY2021 (compared to FY2016).
- Approach toward a healthy company
In 2020, Keihan Holdings Co., Ltd. was selected as a “health and productivity enterprise 2020.”



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 FY2020 Financial Results

Consolidated Statements of Income

- Both revenue and profits decreased because the real estate business experienced a reactionary decrease in large condominium sales which had been robust in the previous year. Other reasons include a decrease in inbound tourists and outing restrictions in Japan due to the COVID-19 pandemic.

(Millions of yen)

	FY2020 results	FY2019 results	Change	Main factors of changes	FY2020 full-year forecasts	Change
Operating revenue	317,103	326,159	-9,056 (-2.8%)	*Impact of the COVID-19 pandemic -JPY7 billion	325,000	-7,896 (-2.4%)
Operating income	31,123	33,715	-2,592 (-7.7%)	*Impact of the COVID-19 pandemic -JPY4.9 billion	34,300	-3,176 (-9.3%)
Non-operating income	2,083	2,016	66			
Non-operating expenses	3,320	3,623	-303			
Ordinary income	29,886	32,108	-2,222 (-6.9%)		33,100	-3,213 (-9.7%)
Extraordinary income	3,920	4,312	-391			
Extraordinary losses	2,592	4,372	-1,779	Loss from disasters -936		
Profit attributable to owners of parent	20,121	21,480	-1,359 (-6.3%)		23,000	-2,878 (-12.5%)
Depreciation	20,784	19,819	965		21,000	-215
EBITDA	51,908	53,535	-1,626	*EBITDA: Operating income + Depreciation	55,300	-3,391
Interest and dividend income	1,000	937	62		986	13
Interest expenses	2,189	2,401	-211		2,212	-23
Net interest expenses	-1,188	-1,463	274		-1,226	37

Segment Information

(Millions of yen)

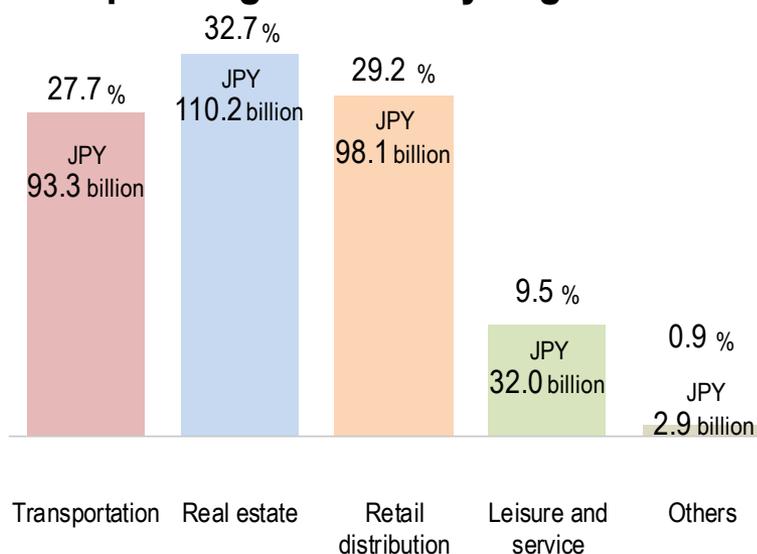
		FY2020 results	FY2019 results	Change	Change (%)	FY2020 full-year forecasts	Change	Change (%)
Transportation	Operating revenue	93,365	93,926	-561	-0.6%	95,100	-1,734	-1.8%
	Operating income	10,862	11,221	-358	-3.2%	11,600	-737	-6.4%
Real estate	Operating revenue	110,228	118,607	-8,378	-7.1%	110,200	28	0.0%
	Operating income	16,906	17,468	-562	-3.2%	17,100	-193	-1.1%
Retail distribution	Operating revenue	98,186	98,727	-541	-0.5%	100,400	-2,213	-2.2%
	Operating income	3,258	2,923	335	11.5%	3,500	-241	-6.9%
Leisure and service	Operating revenue	32,081	30,621	1,460	4.8%	35,500	-3,418	-9.6%
	Operating income	1,336	1,817	-481	-26.5%	3,300	-1,963	-59.5%
Others	Operating revenue	2,908	1,843	1,065	57.8%	3,500	-591	-16.9%
	Operating income	-921	-57	-863	-	-400	-521	-
Adjustments	Operating revenue	-19,667	-17,567	-2,100	-	-19,700	32	-
	Operating income	-319	342	-662	-	-800	480	-

Segment Information (Breakdown)

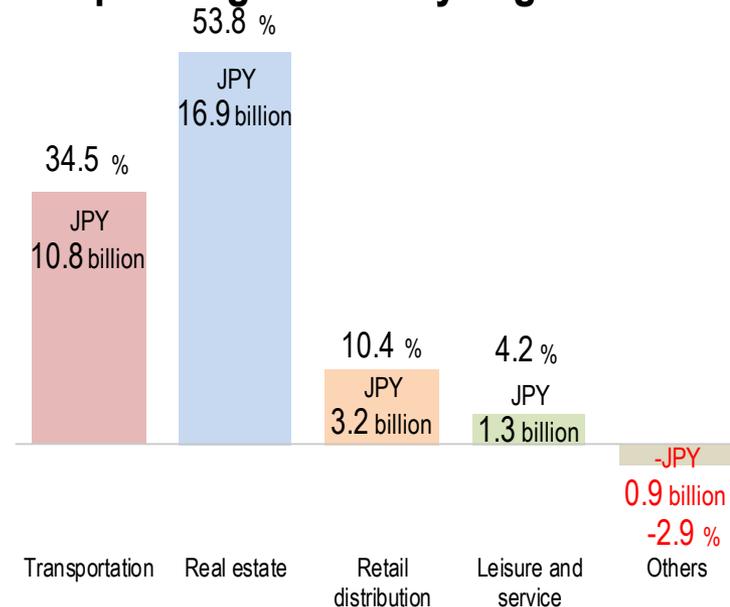
[Consolidated subsidiaries] 42 companies (Addition of one company year on year) [Equity-method affiliates] 2 companies (No change year on year)

Transportation	Keihan Electric Railway Co., Ltd., Keifuku Electric Railroad 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	BIOSTYLE Co., Ltd., 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

The percentages represent the composition ratios in each segment. The total of the composition ratios in each segment makes 100%.

Segment Information (Transportation)

(Millions of yen)

	FY2020 results	FY2019 results	Change	Change (%)
Operating revenue	93,365	93,926	-561	-0.6%
Railway	76,184	76,634	-450	-0.6%
Bus	27,480	27,620	-139	-0.5%
Elimination	-10,299	-10,327	28	-
Operating income	10,862	11,221	-358	-3.2%
Railway	9,272	9,788	-516	-5.3%
Bus	1,541	1,393	147	10.6%
Elimination	49	39	10	-

(Major factors affecting performance)

- The railway business saw decreases in both revenue and profits due to the COVID-19 pandemic causing a significant decrease in the number of passengers, despite that there was a reactionary rise from the previous year's natural disasters.
- The bus business saw a decrease in revenue due to factors including a decrease in revenue from bus passengers caused by the COVID-19 pandemic, but saw increase in profits due to a decrease in personnel expenses and other reasons.

Operating Results for Transportation Keihan Electric Railway

	FY2020 results	FY2019 results	Change	Change (%)
	Millions of yen	Millions of yen	Millions of yen	%
Passenger transportation revenue	51,481	52,054	-572	-1.1
Non-commuter passes	34,379	35,187	-808	-2.3
Commuter passes	17,102	16,866	235	1.4
	Thousands of people	Thousands of people	Thousands of people	%
Number of passengers	293,104	295,099	-1,994	-0.7
Non-commuter passes	145,643	149,795	-4,151	-2.8
Commuter passes	147,461	145,304	2,156	1.5

(Major factors affecting non-commuter pass passenger revenue)

- Impact of the COVID-19 pandemic (-JPY1,250 million), reactionary rise after natural disasters in the same term of the previous year (+JPY304 million)

(Major factors affecting commuter pass passenger revenue)

- Improved employment situation

Segment Information (Real estate)

(Millions of yen)

	FY2020 results	FY2019 results	Change	Change (%)
Operating revenue	110,228	118,607	-8,378	-7.1%
Real estate	91,413	100,250	-8,837	-8.8%
Real estate sales	63,753	74,907	-11,154	-14.9%
Real estate leasing service	23,872	21,826	2,045	9.4%
Other businesses	3,787	3,516	271	7.7%
Construction	24,762	24,578	184	0.7%
Elimination	-5,947	-6,222	274	-
Operating income	16,906	17,468	-562	-3.2%
Real estate	16,324	16,841	-516	-3.1%
Real estate sales	5,525	6,563	-1,038	-15.8%
Real estate leasing service	10,396	9,900	495	5.0%
Other businesses	403	377	25	6.9%
Construction	705	817	-112	-13.8%
Elimination	-123	-190	67	-

(Major factors affecting performance)

- The real estate sales business saw decreases in both revenue and profits due to a reactionary decrease in sales of large condominiums from the previous year, although sales of buildings for business use grew.
- 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.

Segment Information (Retail distribution)

(Millions of yen)

	FY2020 results	FY2019 results	Change	Change (%)
Operating revenue	98,186	98,727	-541	-0.5%
Department store	50,796	50,886	-90	-0.2%
Store	29,831	30,143	-312	-1.0%
Shopping mall management	14,818	14,788	29	0.2%
Other businesses	7,624	7,866	-242	-3.1%
Elimination	-4,883	-4,958	74	-
Operating income	3,258	2,923	335	11.5%
Department store	586	292	293	100.1%
Store	592	730	-138	-19.0%
Shopping mall management	1,986	1,839	147	8.0%
Other businesses	78	88	-10	-11.5%
Elimination	15	-28	43	-

(Major factors affecting performance)

- Department stores saw a decrease in revenue due to the warm winter causing a decline in sales of winter clothing and the impact of the COVID-19 pandemic causing restrictions on outings, but saw an increase in profits due to reduction of personnel expenses and other costs, among other reasons.
- Stores saw decreases in both revenue and profits due to factors such as the impact of the COVID-19 pandemic (restrictions on outings and decrease in inbound tourists) as well as store closures in the previous year.
- Shopping mall management saw increases in both revenue and profits due to factors including the renovation of KEIHAN CITY MALL and a review of expenses, despite the fact that the malls had to shorten their business hours due to the COVID-19 pandemic.

Segment Information (Leisure & service)

(Millions of yen)

	FY2020 results	FY2019 results	Change	Change (%)
Operating revenue	32,081	30,621	1,460	4.8%
Hotel	28,337	26,800	1,536	5.7%
Leisure	3,772	3,848	-76	-2.0%
Elimination	-27	-27	-0	-
Operating income	1,336	1,817	-481	-26.5%
Hotel	1,379	1,688	-308	-18.3%
Leisure	-62	107	-170	-
Elimination	18	21	-2	-

<< Hotel occupancy rates >>

	FY2020 results	FY2019 results	Change
Hotel Keihan	83.6%	94.1%	-10.5 pt
Keihan Hotels & Resorts	79.3%	87.6%	-8.3 pt

(Major factors affecting performance)

- The hotel business saw a revenue decrease due to intensified price competition with rival companies and the impact of the COVID-19 pandemic. However, the overall revenue increased because the full-year contribution of the new hotels that opened in the previous year covered the loss. Profits decreased due to the decline in occupancy rates and average daily rate.
- The leisure business saw decreases both in revenue and profits due to factors such as a decrease in the number of leisure facility users after the COVID-19 pandemic, as well as an increase in expenses associated with golf course renovations.

Consolidated Balance Sheets

(Millions of yen)

		FY2020 results	FY2019 results	Change	Main factors of changes
	Current assets	177,016	180,080	-3,064	Notes and accounts receivable -9,241
	Non-current assets	555,808	551,669	4,138	Buildings and structures +14,871 Construction in progress -13,795
Total assets		732,824	731,750	1,073	
	Current liabilities	167,695	178,310	-10,614	Short-term loans payable -20,852 Current portion of bonds +9,993
	Long-term liabilities	311,069	314,744	-3,674	Bonds -10,059, Long-term loans payable +5,704
Total liabilities		478,765	493,055	-14,289	
Net assets		254,058	238,695	15,363	Retained earnings +16,367 *Equity capital ratio 34.1% (+2.0 pt)
Total liabilities and net assets		732,824	731,750	1,073	
ROA		4.3%	4.7%	-0.4 pt	*ROA: Operating income to total assets
ROE		8.3%	9.4%	-1.1 pt	*ROE: Net income to shareholders' equity
EBITDA		51,908	53,535	-1,626	*EBITDA: Operating income + depreciation
Interest-bearing debt at end of fiscal period		327,132	334,346	-7,214	Loans payable -15,147, Short-term bonds +7,999
Interest-bearing debt/EBITDA multiple (Times)		6.30	6.25	0.05	
Net interest-bearing debt EBITDA multiple (Times)		6.01	5.85	0.16	

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2020 results	FY2019 results	Change	Main factors of changes
Cash flows from operating activities	32,033	36,473	-4,439	Increase in inventories -4,520
Cash flows from investing activities	-26,363	-48,059	21,695	Purchase of non-current assets +18,375 Purchase of investment securities +2,665
Cash flows from financing activities	-12,138	12,655	-24,794	Decrease in proceeds from issuance of bonds -9,939 Decrease in short-term loans payable -9,295
Net increase (decrease) in cash and cash equivalents	-6,468	1,069	-7,538	
Cash and cash equivalents at beginning of current period	21,377	20,300	1,076	
Cash and cash equivalents at end of fiscal period	14,911	21,377	-6,466	

Capital Expenditure by Segment

(Millions of yen)

	FY2020 results	FY2019 results	Change	FY2020 full-year forecasts	Change
Capital Expenditure	29,324	43,631	-14,306	49,200	-19,875
Transportation	13,283	14,609	-1,325	15,900	-2,616
Real estate	11,824	26,080	-14,256	16,300	-4,475
Retail distribution	1,073	1,428	-354	1,800	-726
Leisure and service	1,933	3,364	-1,431	2,000	-66
Others	862	9	852	1,500	-637
Adjustments	348	-1,860	2,209	11,700	-11,351

EBITDA by Segment

(Millions of yen)

	FY2020 results	FY2019 results	Change	FY2020 full-year forecasts	Change
EBITDA	51,908	53,535	-1,626	55,300	-3,391
Transportation	22,597	23,119	-521	23,400	-802
Real estate	22,893	22,666	226	23,100	-206
Retail distribution	4,513	4,230	283	4,800	-286
Leisure and service	2,775	2,933	-158	4,800	-2,024
Others	-807	-20	-786	-300	-507
Adjustments	-64	605	-669	-500	435

FY2021 Forecasts

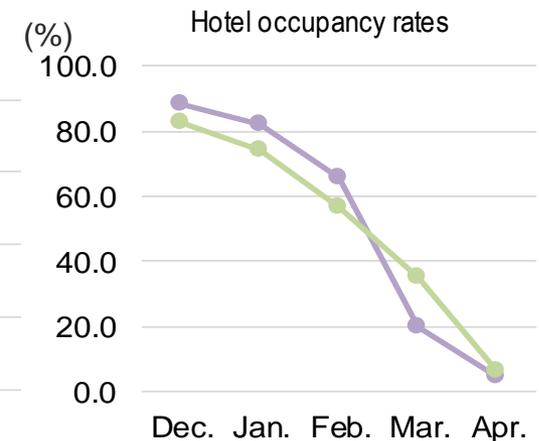
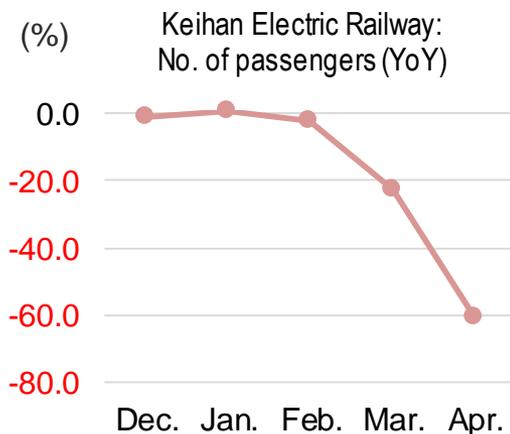
1. Postponement of the announcement of consolidated forecasts for FY2021

Consolidated forecasts for FY2021 have not yet been determined since it is not possible to reasonably assess the impact of the COVID-19 pandemic at this stage. The forecasts will be announced as soon as the company is ready to disclose them.

2. Possible impact of the spread of COVID-19 on consolidated financial results for FY2021

The outlook for the containment of the COVID-19 pandemic is unclear. The government declared a State of Emergency on April 7 and as such, the number of train and bus passengers has been decreasing. We are also implementing measures to prevent the spread of the virus at department stores, shopping malls and hotels by suspending operation or shortening business hours at some facilities and cancelling events. These factors may have a significant impact on our business performance.

《Current status (December 2019-April 2020)》



—●— Hotel Keihan
—●— Keihan Hotels & Resorts