

# **FY2021**

## **(Fiscal year ended March 31, 2021)**

# **Financial Results Presentation**

May 14, 2021

Keihan Holdings Co., Ltd.

(Tokyo Stock Exchange 1st / Securities Code: 9045 <https://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

# Summary of Consolidated Financial Results

(Millions of yen)

	FY2021 results	FY2020 results	Change	Change (%)
Operating revenue	253,419	317,103	-63,683	-20.1%
Operating income	-1,265	31,123	-32,388	-
Ordinary income	238	29,886	-29,647	-99.2%
Profit attributable to owners of parent	-4,574	20,121	-24,695	-

	FY2021 results	FY2021 target	Change
Cost reduction	15.8 bn. yen	13.5 bn. yen	2.3 bn. yen
Capital expenditure	33.2 bn. yen	35.4 bn. yen	-2.1 bn. yen

## <<Financial impact>>

	Operating revenue	Operating income	Main impact
Transportation	-32.1 bn. yen	-29.9 bn. yen	Decrease in train and bus passengers
Real estate	-2.1 bn. yen	-0.6 bn. yen	Decrease in showroom and rental meeting room users
Retail distribution	-15.4 bn. yen	-2.6 bn. yen	Decrease in commercial facility users
Leisure and service	-27.4 bn. yen	-13.7 bn. yen	Decrease in hotel and leisure facility users
Others	-1.8 bn. yen	-0.7 bn. yen	Decrease in commercial facility users
Total	-78.9 bn. yen	-47.8 bn. yen	

## <<COVID-19-related subsidies>>

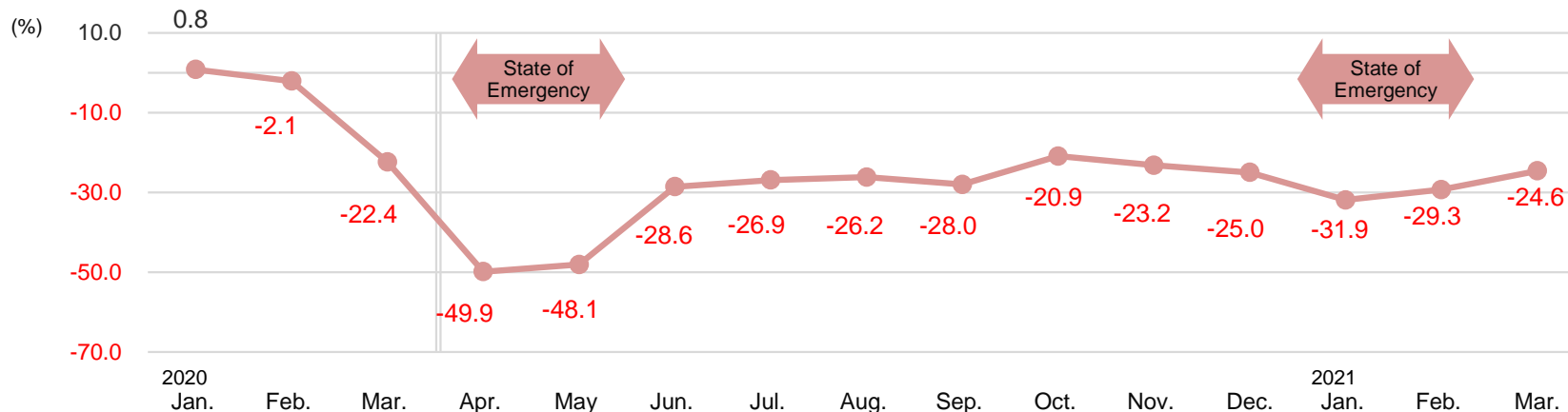
**1,849 million yen** of the employment adjustment subsidy and **756 million yen** of the subsidy for COVID-19 countermeasures were recorded as non-operating income.

## <<Accounting of fixed costs for idle facilities, etc.>>

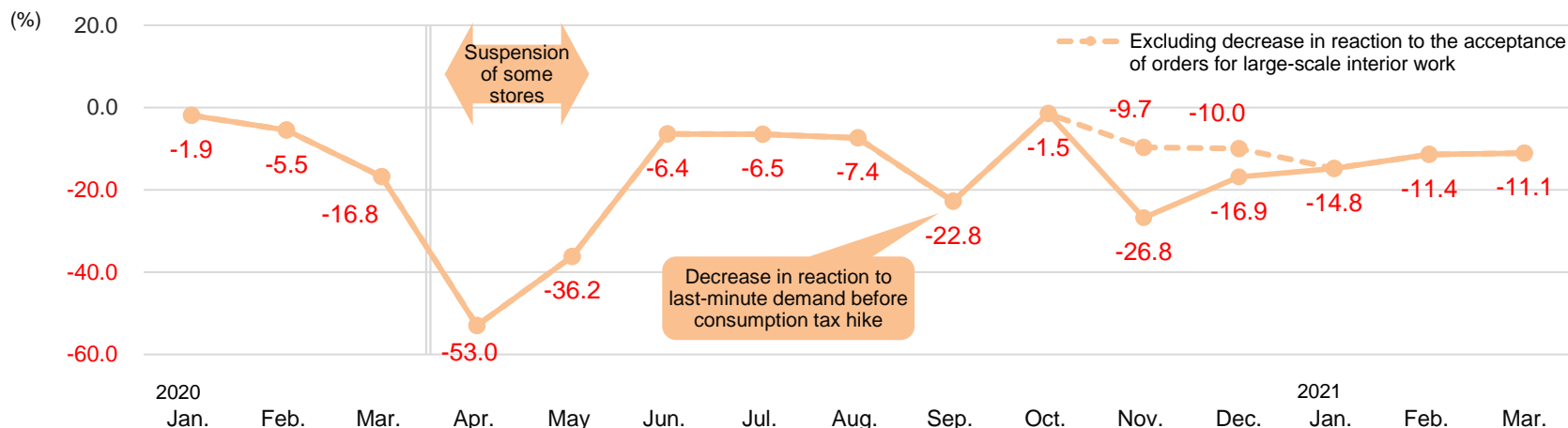
While the State of Emergency was declared (April and May 2020), **947 million yen** of fixed costs involved in idle facilities, etc. (labor costs, rent, depreciation, etc.) was recorded as loss due to COVID-19 under extraordinary losses.

# Situation of Main Affected Segments (1)

## <<Railway (Keihan Electric Railway): Passenger Figures compared to 2019>>

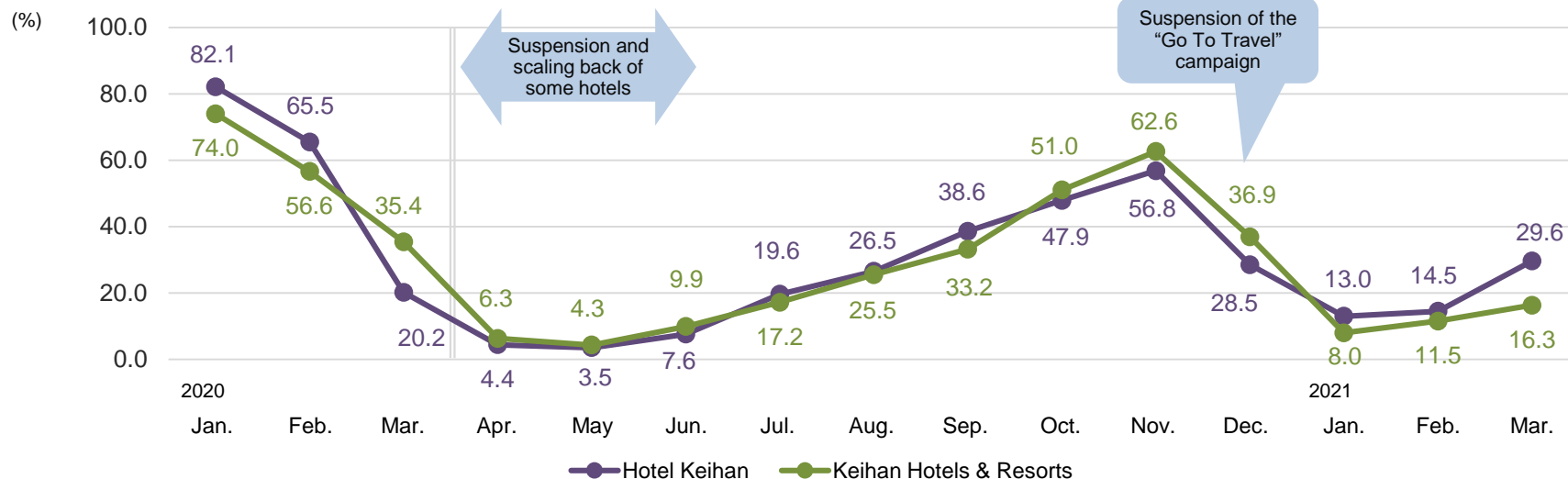


## <<Department Store (Keihan Department Stores): Operating revenue compared to 2019>>



# Situation of Main Affected Segments (2)

## <<Hotel: Occupancy rates>>



# Summary of Forecasts

(Millions of yen)

	FY2022 full-year forecasts	FY2021 results	Change	Change (%)
Operating revenue	263,000	253,419	9,580	3.8%
Operating income	12,500	-1,265	13,765	-
Ordinary income	11,000	238	10,761	-
Profit attributable to owners of parent	5,300	-4,574	9,874	-

## [Preconditions for forecasts]

- Economic activity in Japan is gradually recovering since bottoming out in April to May 2020.
- Inbound demand will hardly recover during this fiscal year.
- The impact of factors such as the declaration of the State of Emergency in April 2021 due to the resurgence of COVID-19 infections is not included in the forecasts, since it is difficult to reasonably assess the impact at this stage.

## [Impact of application of Accounting Standard for Revenue Recognition]

- Operating revenue: -30 billion yen (including -29.5 billion yen for the retail distribution business)



## Cost reduction

- We aim to reduce operating expenses by 15 billion yen in FY2022.

Main items		FY2022 target
Cost reduction	Personnel expenses, repair expenses, rent, advertising expenses	15 bn. yen

## Investment reduction

- We will continue investment reduction in FY2022.

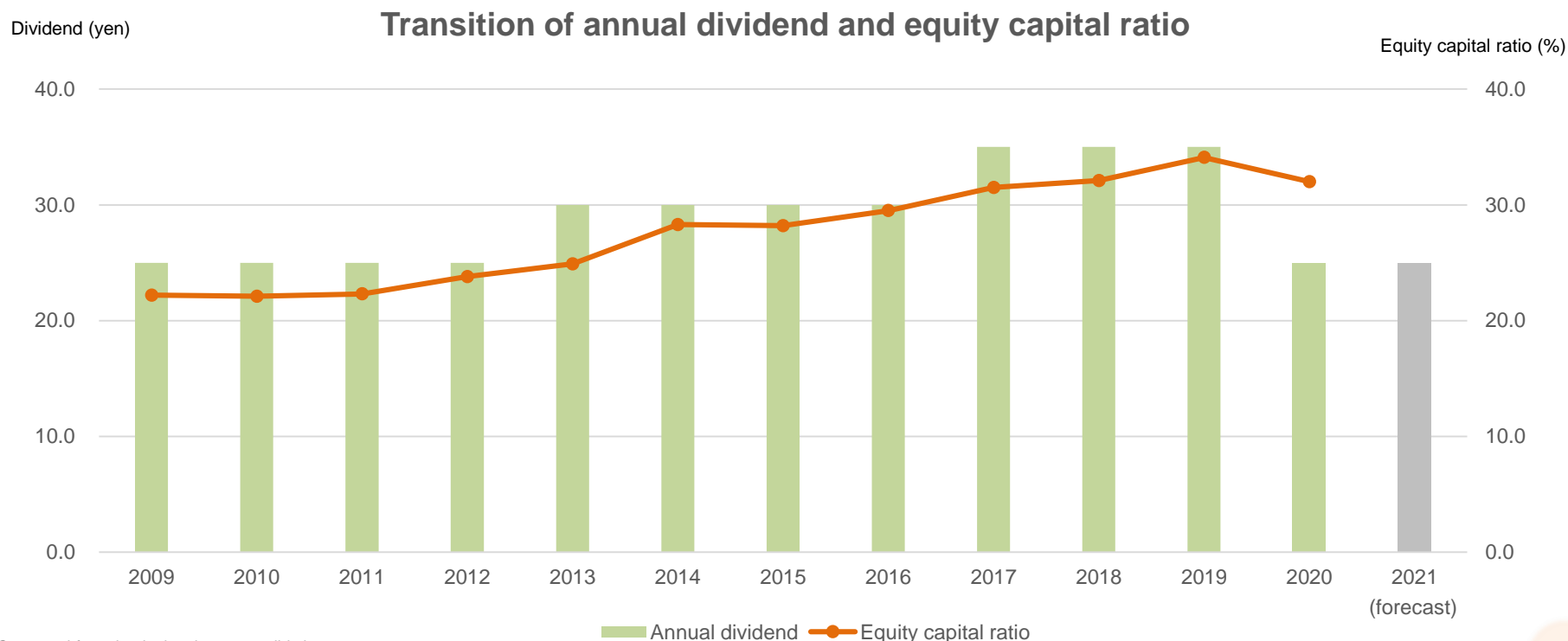
Details		FY2022 full-year forecasts
Capital expenditure	Reviewing new investment according to the changing business environment	30 bn. yen

## Securing liquidity on hand

- In addition to securing sufficient cash/deposits and liquidity on hand, we will implement flexible financing amid the COVID-19 pandemic by utilizing loan programs from financial institutions and the short-term corporate bond issuance limit.

## Continuing stable dividend payment

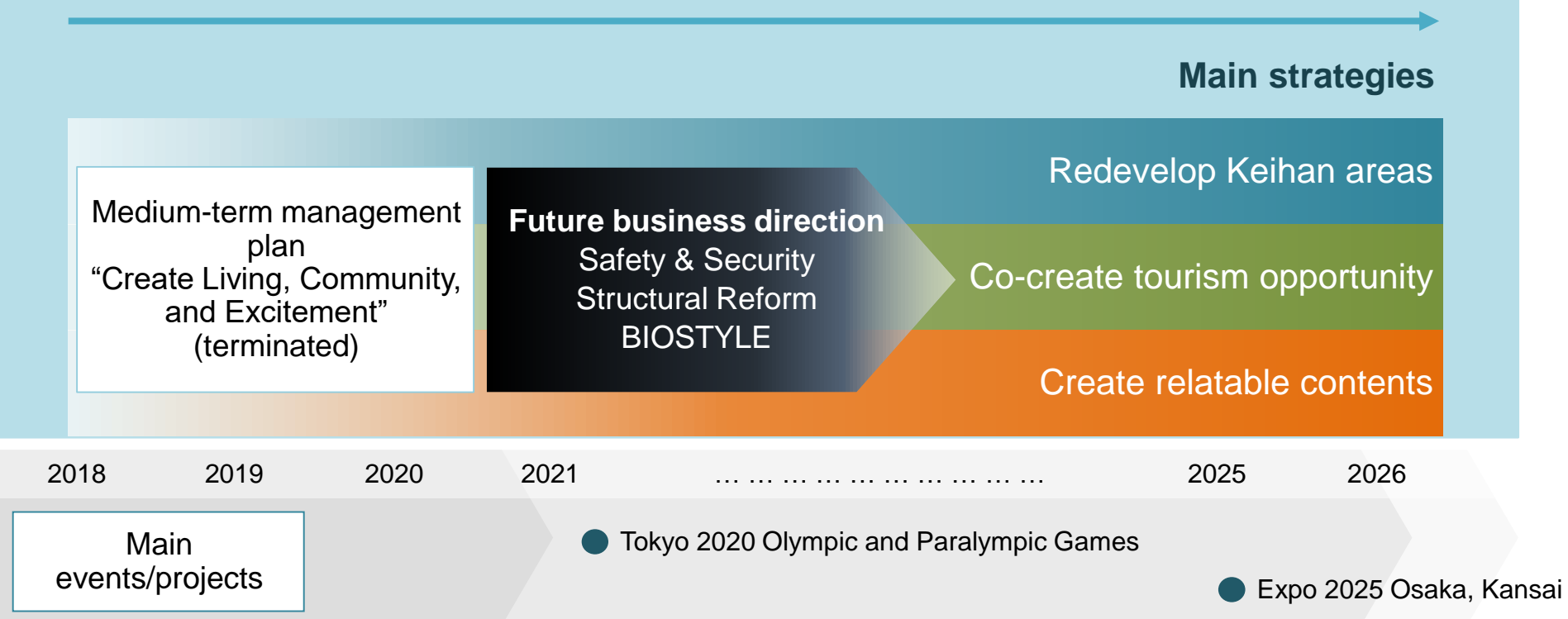
- In **FY2021**, despite the significant impact of the COVID-19 pandemic on business, we plan to pay a year-end dividend of **25 yen per share**.
- For **FY2022**, we aim to continue the dividend payment of **25 yen per share** by promoting measures advocated in the future business direction, despite the ongoing uncertain business environment.



# Measures Based on the Long-term Management Strategy and the Future Business Direction

- To achieve sustainable growth in society during and after the COVID-19 pandemic, the Keihan Group will promote the **main strategies** advocated in the long-term management strategy (FY2019 to FY2027) while reviewing them according to the changing business environment.

## Long-term Management Strategy (FY2019 to FY2027)



## Redevelop Keihan areas

- Increasing the value of the areas along the Keihan Railway lines is the basis for the Keihan Group's business. So we will continue developing the **Yodoyabashi**, **Nakanoshima** and **Hirakatashi** station areas in line with changing lifestyles.

### Yodoyabashi

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

Oct. 2020 Demolition of existing building started.  
2022 Construction of new building starts.  
FY2026 Project to be completed.

- Total floor area: Approx. 73,600 m<sup>2</sup>
- Size: 28 floors above ground, 4 floors below ground
- Height: Approx. 150 m



### 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 m<sup>2</sup>
- Size: 17 floors above ground



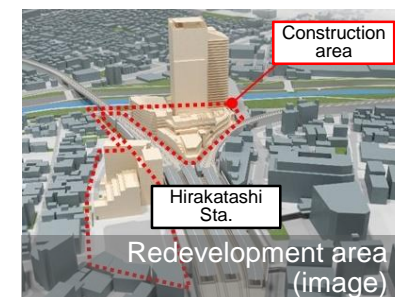
### Hirakatashi

Community building starting from railway stations

Mar. 2020 Establishment of the redevelopment association was approved.  
Feb. 2021 The right conversion plan was approved.  
FY2024 Construction in the land partially owned by Keihan Group (section 3) to be completed.  
FY2026 Project to be completed.

[Section 3]

- Total floor area: Approx. 94,000 m<sup>2</sup>
- Size: 26 floors above ground (high-rise building)  
10 floors above ground (low-rise building)  
29 floors above ground (residential building)



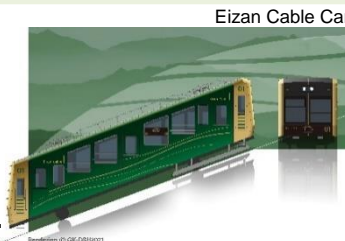
© 2021 Hirakatashi Station Area Urban Redevelopment Association

## Co-create tourism opportunity

- While assessing the tourism situation during and after the COVID-19 pandemic, we will surely capture the local demand and start preparations toward the recovery period.

### Design of vehicles unified in Mt. Hiei area

- As part of the Dengyo Daishi Saicho 1200-year commemoration project, the vehicle designs of the **Eizan Cable Car** (connecting Yase in Kyoto and Mt. Hiei) and the **Mt. Hiei shuttle bus** were unified.



### Tourism MaaS demonstration experiment

- We are promoting measures to revitalize the **Mt. Hiei and Lake Biwa area** and the **Oku-Kyoto area** (Ohara, Kurama, Kibune).



Otsu and Mt. Hiei MaaS  
"Koto Koto Navi"  
Period: Oct. 16 to Dec. 6, 2020



Oku-Kyoto MaaS  
Period: Oct. 27, 2020 to Jan. 31, 2021

### Serving as a partner for the city-owned land utilization project to the southeast of Kyoto Sta.

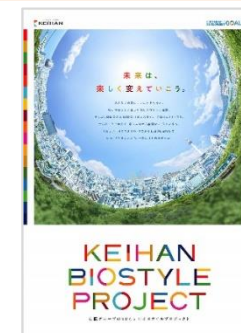
- We work as a partner of teamLab, which was selected as a preferred bidder with its plan to create a cultural complex containing an art museum and a civic gallery to connect the area with the world.



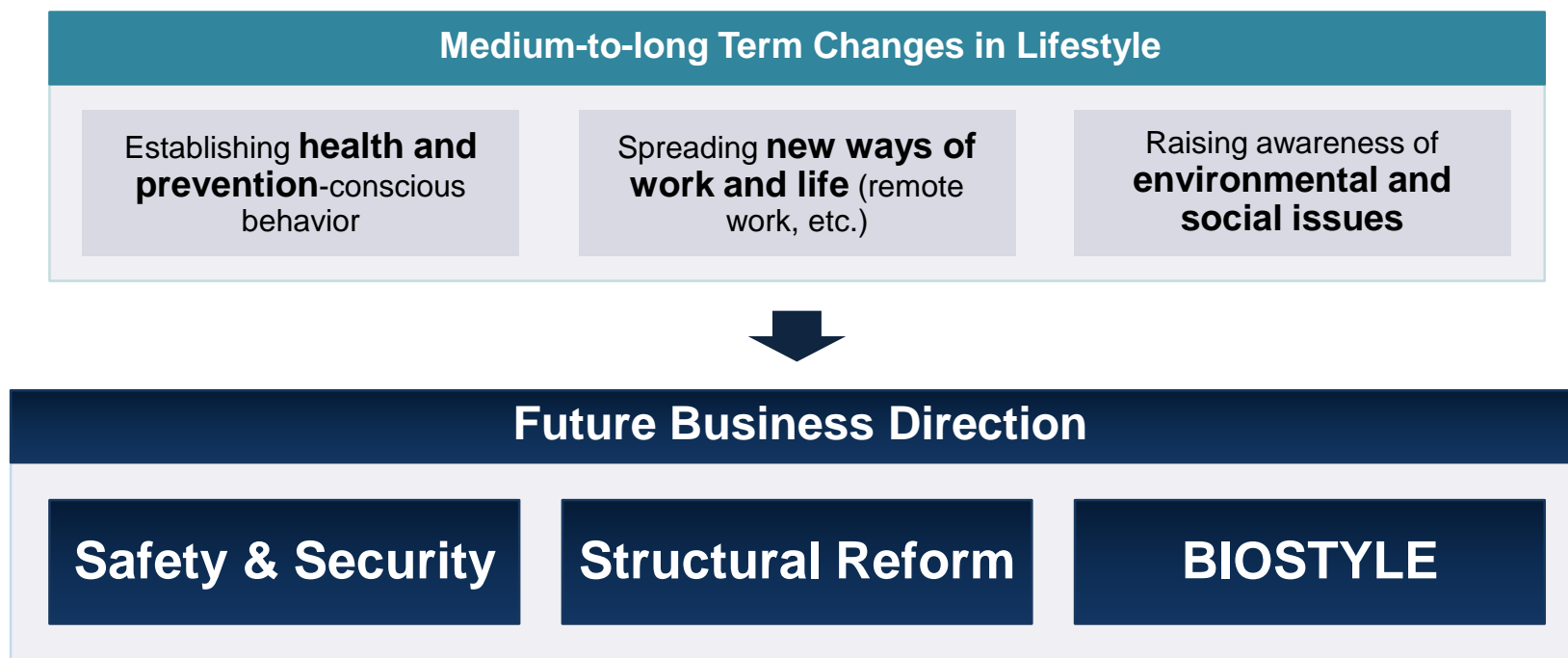
## Create relatable contents

- The COVID-19 pandemic has brought BIOSTYLE to the attention of customers. Given that, the Keihan Group will promote and establish the **BIOSTYLE PROJECT**.

- BIOSTYLE** is an initiative proposed by the Keihan Group, which can be introduced to daily life with pleasure and without burden, leading to the realization of a recycling-oriented society.
- BIOSTYLE is regarded as the Keihan version of the SDGs, and the guidelines are established to encourage group companies to actively work on the **BIOSTYLE PROJECT**.
- We are promoting the purpose and details of the project to our stakeholders under the theme of **"Change the future with pleasure."**



- Given drastically changing lifestyles, the Keihan Group will steer its business toward **Safety & Security**, **Structural Reform**, and **BIOSTYLE** in the future.
- Along with the main strategies advocated in the long-term management strategy, the Keihan Group will implement measures based on this business direction to restore its management foundation.



\* BIOSTYLE: Initiative proposed by the Keihan Group as the Keihan version of the SDGs, which “can be introduced to daily life with pleasure and without burden, leading to the realization of a recycling-oriented society.”

## Safety & Security

- Providing **products and services that can reassure customers** even under a pandemic, natural disaster, or other insecure conditions

### Launching the 3000-series Premium Cars

#### Keihan Electric Railway

- Cars No. 6 of all the 3000-series trains became Premium Cars on January 31, 2021.
- Like the 8000-series Premium Cars, fine ions are used to purify the air in the car. A device that generates “nanoeX\*” is installed.  
This service provides reserved seats and a high-quality travel space, allowing passengers to avoid congestion and ensure their safe mobility.



\* nanoeX is a trademark of Panasonic Corporation.

### Railway safety and disaster prevention measures

#### Keihan Electric Railway

- To prepare for large-scale disasters, the first “vehicle evacuation drill” assuming floods in the train depot was conducted. A vehicle evacuation plan was also formulated.
- To ensure safety for passengers, construction of platform screen doors on platforms for Kyoto (No. 1 and 2) at Kyobashi Station was started, to be completed within FY2022.

#### Eizan Electric Railway

- Thorough disaster risk reduction measures are now being applied to areas between the stations of Ichihara and Kurama on the Kurama Line, in cooperation with the Kyoto Prefectural Government.  
We are planning to resume operations by autumn 2021.

### “Self-preview system” for houses introduced

#### Keihan Real Estate

- The “self-preview system” for houses and other properties was introduced to meet the needs for contactless services.



PROPERTY SELF-INSPECTION



## Structural Reform

- Establishing a system that can cover changes in demand in existing segments and promoting products and services that can flexibly respond to new lifestyles

### Updating the train schedule to respond to changing customer needs

- Keihan Electric Railway is reviewing its train schedule drastically to respond to changing lifestyles (adjusting the number of train services, moving forward last train times, etc.).
- The update will be conducted in autumn 2021.

### Developing management systems to respond to changing demand

#### Transportation

- Keihan Electric Railway established a management system to offer necessary services efficiently by utilizing remote surveillance control systems and promoting station staff deployment that allows a flexible response.
- Maintenance work has been reduced through measures such as decreasing facilities.

#### Leisure and service

- In the hotel business, insourcing and multitasking have been promoted.
- Service of comfortable working spaces started, utilizing the convenient location of the hotels.

### Updating the bus schedule and revising fares

- Keihan Bus and other bus companies in the group reduced their bus services and reorganized their routes according to the situation of service utilization.
- Fares have been revised in some areas in order to develop an environment that reassures passengers, and to maintain the bus routes.

#### Retail distribution

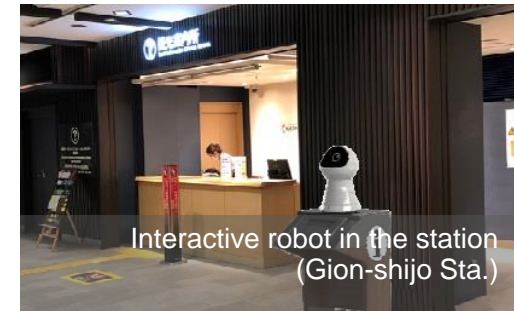
- In the department store business, insourcing and multitasking have been promoted.
- In the store business, work efficiency has been improved by consolidating the logistics and product suppliers of supermarkets and convenience stores.
- The restaurant and convenience store businesses are now considering the closure of unprofitable stores and the future style of business.



## Utilizing digital technology

### Transportation

- Contactless sales service of Premium Car tickets and Liner tickets has been enhanced by the introduction of cashless ticket vending machines.
- A demonstration experiment of operational reforms supported by ICT and IoT is being implemented in Gion-shijo Station. An interactive robot provides information of the station, while IoT cameras automatically detect white cane or wheelchair users and give the information to station staff on a real-time basis.



### Real estate

- Kanko Co., Ltd. became the first company in Japan that introduced the cutting-edge aerial laser system “CityMapper-2” to provide high-precision aerial survey data.



Plane for survey



Survey data by CityMapper-2

### Leisure and service

- Cleaning and catering robots have been utilized in hotels.



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## BIOSTYLE

- Promoting **products and services that can** increase people's life value and **solve social issues** at the same time

### Initiatives toward a decarbonized society



#### Keihan Electric Railway

- Six sets of the new 13000-series trains have been introduced for improved safety and accessibility as well as in consideration of the environment.
- Electricity consumption during travel was reduced by approximately 40% compared with conventional cars.



#### Keihan Bus

- All vehicles for the fixed route bus "Station Loop Bus" connecting JR Kyoto Station, Keihan Shichijo Station, and Umekoji were replaced with electric vehicles this year.
- This is the first case in Japan where all vehicles on a fixed route are electric.



#### Hieizan Driveway

- On April 1, 2021, the micromini electric vehicle sharing service "TOYOTA SHARE," operated by Toyota Toyopet Shiga Co., Ltd., was started on Hieizan Driveway.



### Initiatives toward "coexistence with nature"



- On April 20, 2021, a glamping facility "Everglades Biwako" was opened in a company-owned field adjacent to the Omi Maiko lagoon on Lake Biwa, Shiga Prefecture.
- The company aims to operate the business by emphasizing coexistence with nature through natural environment surveys and rare species conservation.





## Enhancing cooperation with local communities

### Zero Corporation



- On December 18, 2020, the company made a partnership agreement with the Miyazaki Prefectural Government and forestry organizations.
- By using lumber from Miyazaki for all houses, both custom-built and ready-built, the company promotes the recycling of forest resources.

### Keihan Department Stores

- The “safe and tasty meat,” which had been distributed through the supply chain with ensured traceability for all processes from production to sales, has been available on the e-commerce website since April 2021.



## BIOSTYLE initiatives at hotels



### ■ Ethical Considering the environment, people and the entire community

- NEMOHAMO, the original cosmetics brand of BIOSTYLE Co., Ltd., is being introduced as hotel amenities.



### ■ Well-being Aiming to enjoy physical, mental and social health and satisfaction

- Providing visibly healthy food, mainly salads



### ■ Entertainment Aiming to add value to experience

- Kyoto Tower Hotel offers special guest rooms such as the “Keihan Railway Train Room” and the “Keihan Bus Concept Room.”



## Keihan Group 110th anniversary commemorative project

### 110th anniversary commemorative forum held



- On November 1, 2020, the commemorative forum “Eiichi Shibusawa, the Expo and Future of Kansai: Create the next generation from Osaka, Kansai” was held at Dojima River Forum (with 300 participants selected by lottery).
- Keynote lectures were given and a panel discussion was held to look back on the spirit of the founder Shibusawa from the perspective of the Expo, and consider the future course of action and initiatives of the Keihan Group.



## Reinforcing detached housing business along railway lines

Zero Corporation opened the Zero Home Moriguchi Housing Exhibition Ground in July 2020 to reinforce the detached housing business along the Keihan railway lines.



## Business outside areas along railway lines

### NAGOYA the TOWER

- Scheduled delivery FY2024
- Location Nagoya City, Aichi
- Size 42 floors above ground, 1 floor below ground



### TODA BUILDING Toyonaka

- Acquired March 2, 2021
- Location Toyonaka City, Osaka
- Size 4 floors above ground



## Main condominiums to be sold in FY2022 and thereafter

Name of property, location		No. of housing units
Scheduled delivery in FY2022		
THE FINE TOWER OTEMAE	Osaka City	241
Classy House Amagasaki GRAND PLACE	Amagasaki City	456*
Fine Residence Fujimino	Fujimino City	76
Scheduled delivery in FY2023		
Fine Residence Osaka Hommachi	Osaka City	99
Fine Residence Kobe Shin-Nagata	Kobe City	80*
Osaka Minato-ku Project	Osaka City	199*
Branz Tower Sapporo Odori Koen	Sapporo City	179*
Scheduled delivery in FY2024		
Osaka Nishi-ku Project	Osaka City	197
NAGOYA the TOWER	Nagoya City	435*
Nagoya Naka-ku Project	Nagoya City	163*

\* 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.

## Overview of FY2021

# Financial Results

# Consolidated Statements of Income

- Revenue decreased significantly due to the decreased inbound demand and outing restrictions in Japan caused by the COVID-19 pandemic. Profits at each stage also recorded a substantial decline.

(Millions of yen)

	FY2021 results	FY2020 results	Change	Main factors of changes	FY2021 forecasts	Change
Operating revenue	253,419	317,103	-63,683 (-20.1%)	* Impact of the COVID-19 pandemic: -78,900	251,100	2,319 (0.9%)
Operating income	-1,265	31,123	-32,388 (-)	* Impact of the COVID-19 pandemic: -47,800	-3,400	2,134 (-)
Non-operating income	5,032	2,083	2,948	Subsidies for employment adjustment: +1,849 Subsidies for COVID-19 countermeasures: +756		
Non-operating expenses	3,528	3,320	208			
Ordinary income	238	29,886	-29,647 (-99.2%)		-2,000	2,238 (-)
Extraordinary income	5,331	3,920	1,410	Gain on sales of investment securities: +2,578 Compensation income: -836		
Extraordinary losses	4,592	2,592	1,999	Impairment loss: +2,055 Loss on COVID-19: +947		
Profit attributable to owners of parent	-4,574	20,121	-24,695 (-)		-6,500	1,925 (-)
Depreciation	21,232	20,784	447			
EBITDA	19,967	51,908	-31,940	* EBITDA: Operating income + Depreciation		
Interest and dividend income	609	1,000	-391			
Interest expenses	2,086	2,189	-103			
Net interest expenses	-1,476	-1,188	-287			

# Segment Information

(Millions of yen)

		FY2021 results	FY2020 results	Change	Change (%)	FY2021 forecasts	Change	Change (%)
Transportation	Operating revenue	65,694	93,365	-27,670	-29.6%	65,200	494	0.8%
	Operating income	-9,658	10,862	-20,521	-	-10,500	841	-
Real estate	Operating revenue	110,270	110,228	41	0.0%	109,000	1,270	1.2%
	Operating income	18,590	16,906	1,684	10.0%	18,200	390	2.1%
Retail distribution	Operating revenue	83,109	98,186	-15,077	-15.4%	83,000	109	0.1%
	Operating income	1,192	3,258	-2,066	-63.4%	900	292	32.5%
Leisure and service	Operating revenue	9,724	32,081	-22,356	-69.7%	9,500	224	2.4%
	Operating income	-10,823	1,336	-12,159	-	-11,200	376	-
Others	Operating revenue	3,061	2,908	153	5.3%	3,000	61	2.1%
	Operating income	-1,401	-921	-480	-	-1,500	98	-
Adjustments	Operating revenue	-18,441	-19,667	1,226	-	-18,600	158	-
	Operating income	835	-319	1,154	-	700	135	-



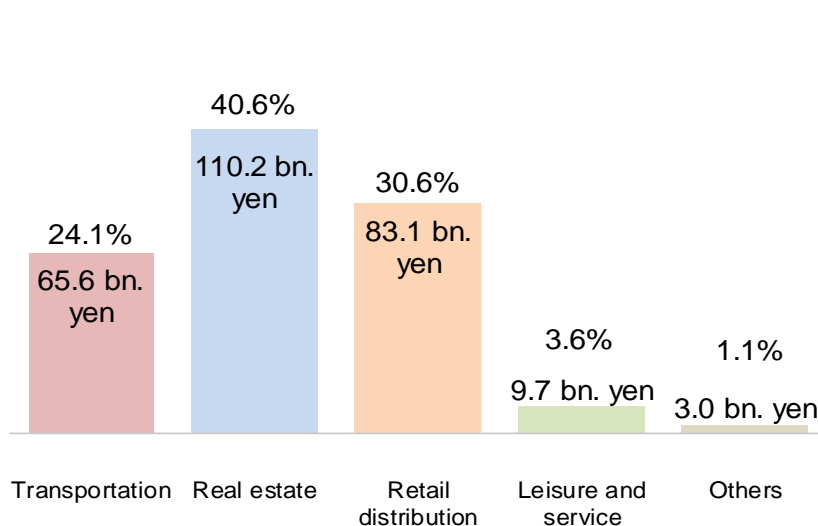
# Segment Information (Breakdown)

[Consolidated subsidiaries] 42 companies (No change year on year)

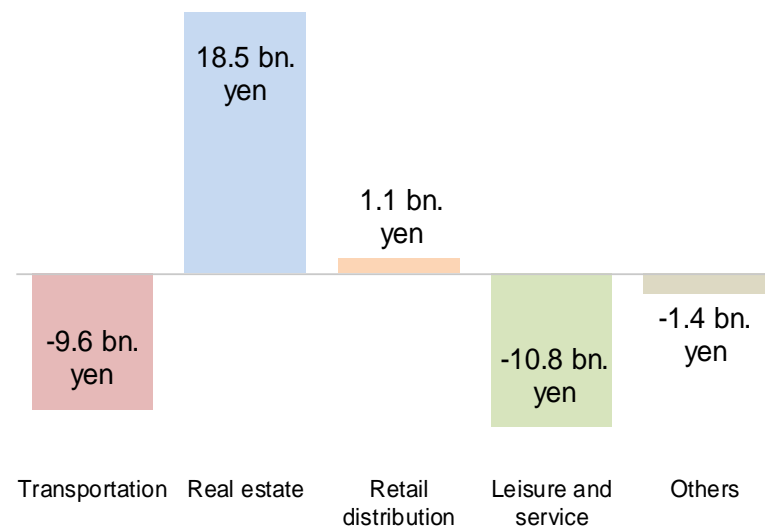
[Equity-method affiliates] 2 companies (No change year on year)

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 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>

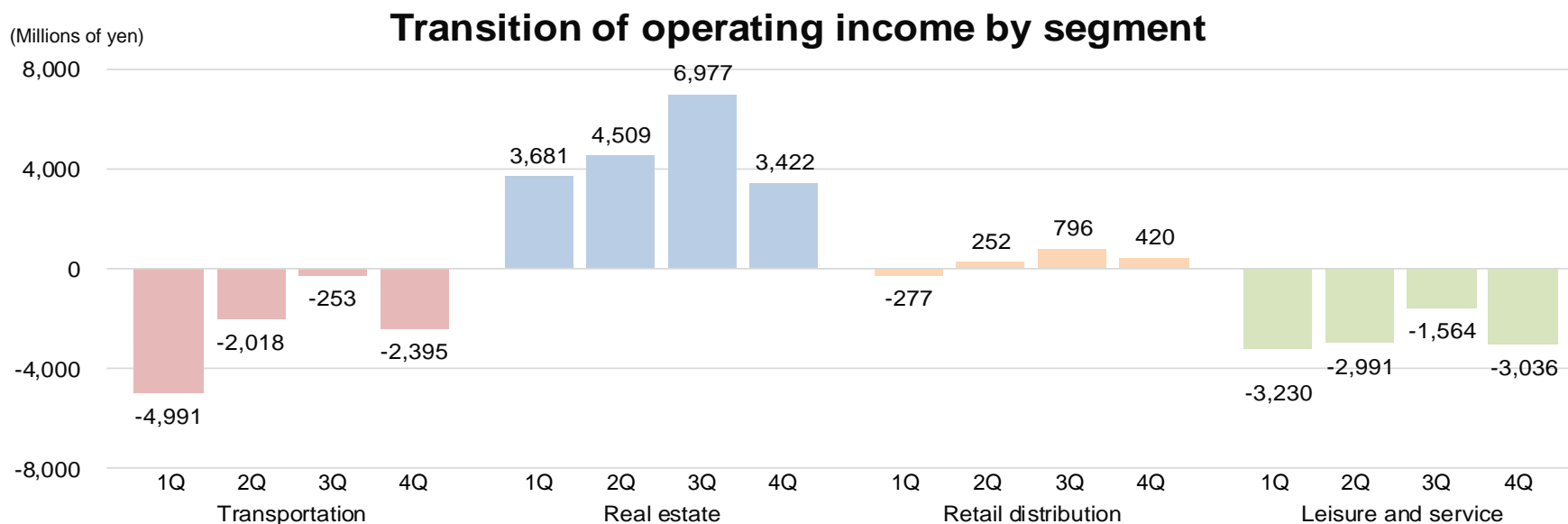
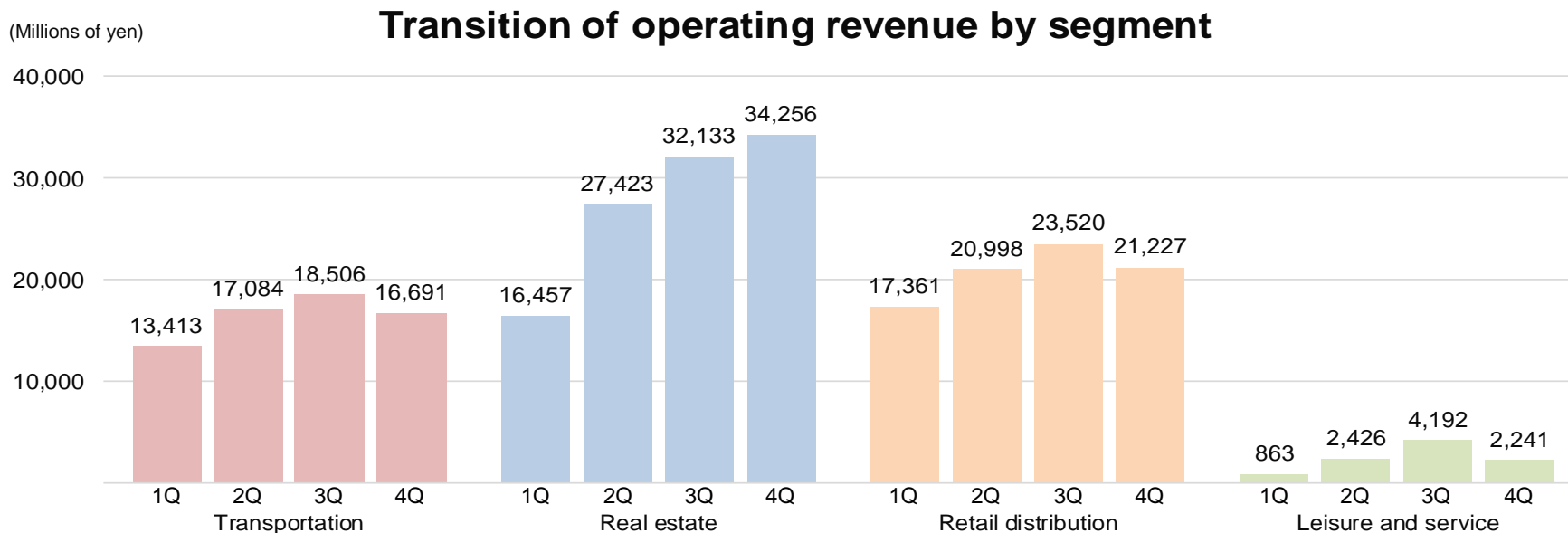


## <Operating income by segment>



Note: The breakdown of operating revenue and operating income by segment includes intersegment transactions. The percentages represent the composition ratios in each segment.

# Segment Information (Quarterly Transition)



# Segment Information (Transportation)

(Millions of yen)

	FY2021 results	FY2020 results	Change	Change (%)
Operating revenue	65,694	93,365	-27,670	-29.6%
Railway	55,051	76,184	-21,132	-27.7%
Bus	18,479	27,480	-9,001	-32.8%
Elimination	-7,836	-10,299	2,463	-
Operating income	-9,658	10,862	-20,521	-
Railway	-6,674	9,272	-15,946	-
Bus	-3,006	1,541	-4,547	-
Elimination	23	49	-26	-

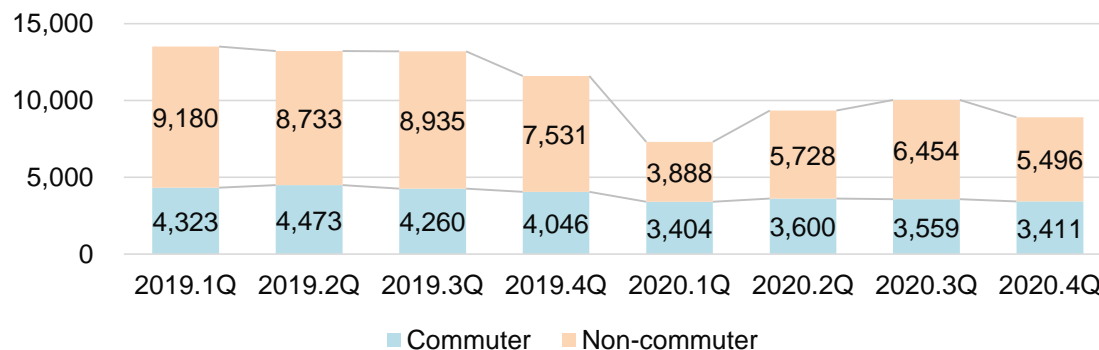
## (Major factors affecting performance)

- 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.
- The bus business saw decreases in both revenue and profits due to factors such as a decrease in revenue from bus passengers and from regular tours caused by the COVID-19 pandemic.

# Operating Results for Transportation Keihan Electric Railway

	FY2021 results	FY2020 results	Change	Change (%)
	millions of yen	millions of yen	millions of yen	%
Passenger transportation revenue	35,541	51,481	-15,940	-31.0
Non-commuter passes	21,566	34,379	-12,812	-37.3
Commuter passes	13,974	17,102	-3,128	-18.3
	thousands of people	thousands of people	thousands of people	%
Number of passengers	208,198	293,104	-84,905	-29.0
Non-commuter passes	90,676	145,643	-54,967	-37.7
Commuter passes	117,522	147,461	-29,938	-20.3

Transition of passenger transportation revenue  
(millions of yen)



(Major factors affecting non-commuter pass passenger revenue)

- Impact of the COVID-19 pandemic:  
-12,749 million yen

(Major factors affecting commuter pass passenger revenue)

- Decrease in business commuter pass:  
-2,031 million yen
- Decrease in school commuter pass:  
-929 million yen

# Segment Information (Real Estate)

(Millions of yen)

	FY2021 results	FY2020 results	Change	Change (%)
Operating revenue	110,270	110,228	41	0.0%
Real estate	90,802	91,413	-610	-0.7%
Real estate sales	61,968	63,753	-1,785	-2.8%
Real estate leasing service	24,974	23,872	1,102	4.6%
Other businesses	3,859	3,787	71	1.9%
Construction	24,922	24,762	159	0.6%
Elimination	-5,454	-5,947	492	-
Operating income	18,590	16,906	1,684	10.0%
Real estate	17,930	16,324	1,605	9.8%
Real estate sales	6,178	5,525	653	11.8%
Real estate leasing service	11,348	10,396	952	9.2%
Other businesses	403	403	0	0.1%
Construction	609	705	-95	-13.5%
Elimination	50	-123	173	-

## (Major factors affecting performance)

- The real estate sales business saw a decrease in revenue in reaction to strong sales of condominiums, including “The Kyoto Residence Goshō Higashi,” in the previous fiscal year, but saw an increase in profits due to the contribution of the detached housing business and sale of a building for business use.
- The real estate leasing business saw increases in both revenue and profits due to factors such as the full-year contribution of properties obtained in the previous fiscal year and an increase in the real estate fund revenue.

# Segment Information (Retail Distribution)

(Millions of yen)

	FY2021 results	FY2020 results	Change	Change (%)
Operating revenue	83,109	98,186	-15,077	-15.4%
Department store	42,444	50,796	-8,351	-16.4%
Store	25,525	29,831	-4,305	-14.4%
Shopping mall management	12,344	14,818	-2,474	-16.7%
Other businesses	6,569	7,624	-1,055	-13.8%
Elimination	-3,774	-4,883	1,109	-
Operating income	1,192	3,258	-2,066	-63.4%
Department store	-60	586	-646	-
Store	545	592	-46	-7.8%
Shopping mall management	1,001	1,986	-985	-49.6%
Other businesses	-309	78	-388	-
Elimination	15	15	-0	-

## (Major factors affecting performance)

- The department store business saw decreases in both revenue and profits due to factors such as the suspension of some stores amid the COVID-19 pandemic.
- The store business saw decreases in both revenue and profits because commercial facilities near stations and in airports struggled amid the COVID-19 pandemic.
- The shopping mall management business saw decreases in both revenue and profits due to factors such as the suspension of KUZUHA MALL amid the COVID-19 pandemic.

# Segment Information (Leisure & Service)

(Millions of yen)

	FY2021 results	FY2020 results	Change	Change (%)
Operating revenue	9,724	32,081	-22,356	-69.7%
Hotel	7,492	28,337	-20,845	-73.6%
Leisure	2,257	3,772	-1,514	-40.2%
Elimination	-24	-27	3	-
Operating income	-10,823	1,336	-12,159	-
Hotel	-10,203	1,379	-11,583	-
Leisure	-637	-62	-574	-
Elimination	17	18	-1	-

## << Hotel occupancy rates >>

	FY2021 results	FY2020 results	Change
Hotel Keihan	24.6%	83.6%	-59.0 pt
Keihan Hotels & Resorts	23.6%	79.3%	-55.7 pt

### (Major factors affecting performance)

- The hotel business saw decreases both in revenue and profits due to factors such as the suspension and scaling back of some hotels amid the COVID-19 pandemic.
- The leisure business saw decreases both in revenue and profits due to factors such as the suspension of operations and services amid the COVID-19 pandemic.

# Consolidated Balance Sheets

(Millions of yen)

	FY2021 results	FY2020 results	Change	Main factors of changes
Current assets	197,185	177,016	20,169	Cash and deposits: +11,643 Land and buildings for sale: +10,002
Non-current assets	567,062	555,808	11,253	Construction in progress: +7,374
Total assets	764,247	732,824	31,423	
Current liabilities	165,893	167,695	-1,802	Current portion of bonds: -10,039 Advances received: +6,703
Long-term liabilities	349,758	311,069	38,688	Long-term loans payable: +20,068 Bonds: +20,000
Total liabilities	515,652	478,765	36,886	
Net assets	248,595	254,058	-5,463	Retained earnings: -5,266 * Equity capital ratio: 32.0% (-2.1 pt)
Total liabilities and net assets	764,247	732,824	31,423	
ROA	-0.2%	4.3%	-4.5 pt	* ROA: Operating income to total assets
ROE	-1.9%	8.3%	-10.2 pt	* ROE: Net income to shareholders' equity
EBITDA	19,967	51,908	-31,940	* EBITDA: Operating income + depreciation
Interest-bearing debt at end of fiscal period	351,600	327,132	24,468	Loans payable: +17,506 Bonds: +9,960
Interest-bearing debt/ EBITDA multiple (Times)	17.61	6.30	11.31	
Net interest-bearing debt/ EBITDA multiple (Times)	16.28	6.01	10.27	



# Consolidated Statements of Cash Flows

(Millions of yen)

	FY2021 results	FY2020 results	Change	Main factors of changes
Cash flows from operating activities	15,282	32,033	-16,751	Profit before income taxes: -30,237 Increase in other current liabilities: +19,059
Cash flows from investing activities	-24,940	-26,363	1,422	
Cash flows from financing activities	21,301	-12,138	33,440	Proceeds from issuance of bonds: +19,920 Decrease in repayments of long-term loans: +15,340
Net increase (decrease) in cash and cash equivalents	11,643	-6,468	18,111	
Cash and cash equivalents at beginning of current period	14,911	21,377	-6,466	
Cash and cash equivalents at end of fiscal period	26,554	14,911	11,643	

# Capital Expenditure by Segment

(Millions of yen)

	FY2021 results	FY2020 results	Change	FY2021 forecasts	Change
Capital Expenditure	33,261	29,324	3,936	35,400	-2,138
Transportation	14,641	13,283	1,357	12,500	2,141
Real estate	16,521	11,824	4,697	11,400	5,121
Retail distribution	491	1,073	-581	700	-208
Leisure and service	1,248	1,933	-684	2,400	-1,151
Others	108	862	-754	200	-91
Adjustments	249	348	-98	8,200	-7,950

# EBITDA by Segment

(Millions of yen)

	FY2021 results	FY2020 results	Change
EBITDA	19,967	51,908	-31,940
Transportation	2,059	22,597	-20,538
Real estate	24,761	22,893	1,868
Retail distribution	2,474	4,513	-2,039
Leisure and service	-9,259	2,775	-12,034
Others	-1,164	-807	-356
Adjustments	1,096	-64	1,160

# FY2022 Forecasts

## [Revenue forecasts (for all segments)]

- Economic activity in Japan is gradually recovering since bottoming out in April to May 2020.
- Inbound demand will hardly recover during this fiscal year.
- The impact of factors such as the declaration of the State of Emergency in April 2021 due to the resurgence of COVID-19 infections is not included in the forecasts, since it is difficult to reasonably assess the impact at this stage.

## [Revenue forecasts (for each segment)]

- The full-year revenue for each segment is forecast based on the standards below.

Transportation	■ Keihan Electric Railway
	Non-commuter pass passenger revenue: Around -20% compared to the average year Commuter pass passenger revenue: Around -15% compared to the average year
	■ Bus business
	Fixed route bus: Around -10% compared to the average year
Real estate	■ Real estate sales and leasing businesses: The impact of the COVID-19 pandemic will be mild.
Retail distribution	■ Department store business
	Sales: Around -10% compared to the average year
Leisure and service	■ Hotel business
	Hotel occupancy rates: Around 40% to 60%

\* Revenue forecasts are based on the comparison of the performance forecasts before applying Accounting Standard for Revenue Recognition and performances in the average year.

# Consolidated Statement of Income (Performance Forecast)

- Revenue from retail distribution and other businesses is projected to decrease due to Accounting Standard for Revenue Recognition. However, since recovery from the impact of the COVID-19 pandemic is expected for the transportation business and the leisure and service business, revenue as a whole as well as profits at each stage is forecast to increase.

(Millions of yen)

	FY2022 forecasts	FY2021 results	Change	Change (%)
Operating revenue	263,000	253,419	9,580	3.8%
Operating income	12,500	-1,265	13,765	-
Ordinary income	11,000	238	10,761	-
Profit attributable to owners of parent	5,300	-4,574	9,874	-
Capital expenditure	30,000	33,261	-3,261	-9.8%
Depreciation	21,400	21,232	167	0.8%
EBITDA	33,900	19,967	13,932	69.8%
Interest-bearing debt	380,000	351,600	28,399	8.1%
Interest-bearing debt/ EBITDA multiple (Times)	11.21	17.61	-6.40	-
Net interest-bearing debt/ EBITDA multiple (Times)	10.68	16.28	-5.60	-
Interest and dividend income	419	609	-189	-31.1%
Interest expenses	2,098	2,086	12	0.6%
Net interest expense	-1,678	-1,476	-201	-

# Segment Information (Performance Forecasts)

(Major factors affecting performance)

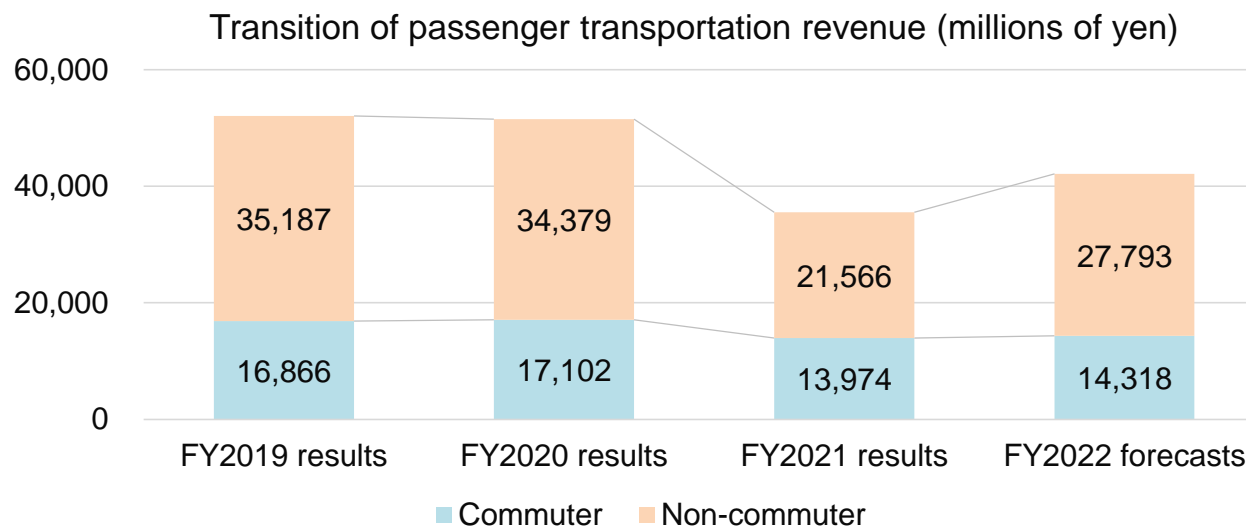
- Transportation: Recovery from the impact of the COVID-19 pandemic
- Real estate: Increase in sales of condominiums; decrease in reaction to the detached housing business and sale of a building for business use in the previous fiscal year
- Retail distribution: Recovery from the impact of the COVID-19 pandemic
- Leisure and service: Recovery from the impact of the COVID-19 pandemic
- Impact of application of Accounting Standard for Revenue Recognition: Operating revenue -30 billion yen (including -29.5 billion yen for the retail distribution business)

(Millions of yen)

		FY2022 forecasts	FY2021 results	Change
Transportation	Operating revenue	78,000	65,694	12,305
	Operating income	2,700	-9,658	12,358
Real estate	Operating revenue	124,300	110,270	14,029
	Operating income	16,000	18,590	-2,590
Retail distribution	Operating revenue	58,500	83,109	-24,609
	Operating income	2,500	1,192	1,307
Leisure and service	Operating revenue	17,000	9,724	7,275
	Operating income	-7,200	-10,823	3,623
Others	Operating revenue	3,700	3,061	638
	Operating income	-1,200	-1,401	201
Adjustments	Operating revenue	-18,500	-18,441	-58
	Operating income	-300	835	-1,135

# Operating Results for Transportation (Performance Forecasts) Keihan Electric Railway

	FY2022 forecasts	FY2021 results	Change	Change (%)
	millions of yen	millions of yen	millions of yen	%
Passenger transportation revenue	42,112	35,541	6,571	18.5%
Non-commuter passes	27,793	21,566	6,226	28.9%
Commuter passes	14,318	13,974	344	2.5%
	thousands of people	thousands of people	thousands of people	%
Number of passengers	237,851	208,198	29,652	14.2%
Non-commuter passes	116,255	90,676	25,578	28.2%
Commuter passes	121,596	117,522	4,073	3.5%





# Capital Expenditure by Segment (Performance Forecasts)

(Millions of yen)

	FY2022 forecasts	FY2021 results	Change
Capital Expenditure	30,000	33,261	-3,261
Transportation	14,800	14,641	158
Real estate	6,500	16,521	-10,021
Retail distribution	1,700	491	1,208
Leisure and service	1,000	1,248	-248
Others	100	108	-8
Adjustments	5,900	249	5,650

# EBITDA by Segment (Performance Forecasts)

(Millions of yen)

	FY2022 forecasts	FY2021 results	Change
EBITDA	33,900	19,967	13,932
Transportation	14,800	2,059	12,740
Real estate	22,400	24,761	-2,361
Retail distribution	3,700	2,474	1,225
Leisure and service	-5,900	-9,259	3,359
Others	-1,000	-1,164	164
Adjustments	-100	1,096	-1,196