

# **FY2022**

**(Fiscal year ended March 31, 2022)**

# **Financial Results Presentation**

May 17, 2022

Keihan Holdings Co., Ltd.

(Tokyo Stock Exchange Prime Market / 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

- Despite the decrease in revenue due to the impact of application of the Accounting Standard for Revenue Recognition, both **revenue and profits increased** due to an increase in revenue from real estate sales and a rebound from the impact of the COVID-19 pandemic in the previous fiscal year in the transportation business, among other businesses.

	FY2022 results	FY2021 results	Change	Change (%)	Remarks
Operating revenue	258.1 bn. yen	253.4 bn. yen	4.6 bn. yen	1.9%	Impact of application of the Accounting Standard for Revenue Recognition: -28.3 bn. yen
Operating income	13.4 bn. yen	-1.2 bn. yen	14.6 bn. yen	—	
Ordinary income	16.4 bn. yen	0.2 bn. yen	16.2 bn. yen	—	
Profit attributable to owners of parent	9.5 bn. yen	-4.5 bn. yen	14.1 bn. yen	—	

# COVID-19 Pandemic: Impact and Response

## Impact of the COVID-19 pandemic

			FY2022 results	FY2021 results	Change
Revenue status (full-year)	Keihan Electric Railway	Non-commuter pass passenger revenue	Compared to the average year: -33%	Compared to the average year: -39%	6pt
		Commuter pass passenger revenue	-18%	-19%	1pt
	Bus business	Fixed route bus revenue	Compared to the average year: -19%	Compared to the average year: -25%	6pt
	Department store business	Sales*	Compared to the average year: -21%	Compared to the average year: -18%	-3pt
Hotel occupancy rates (full-year)	Hotel Keihan		41.6%	24.6%	17.0pt
	Keihan Hotels & Resorts		30.8%	23.6%	7.2pt

\* Sales before applying the Accounting Standard for Revenue Recognition

Impact eased but situation remains difficult

## Cost reduction

Main items		FY2022 results	FY2022 target	Change
Cost reduction	Personnel expenses, repair expenses, advertising expenses	21.3 bn. yen	15 bn. yen	6.3 bn. yen

Target achieved

## Capital expenditure

Details		FY2022 results	FY2022 forecasts	Change
Capital expenditure	Promote acquisition of buildings for lease and development projects along railway lines, etc., while reducing investment as a basic measure	17.1 bn. yen	30 bn. yen	-12.8 bn. yen

Resulted well below forecasts

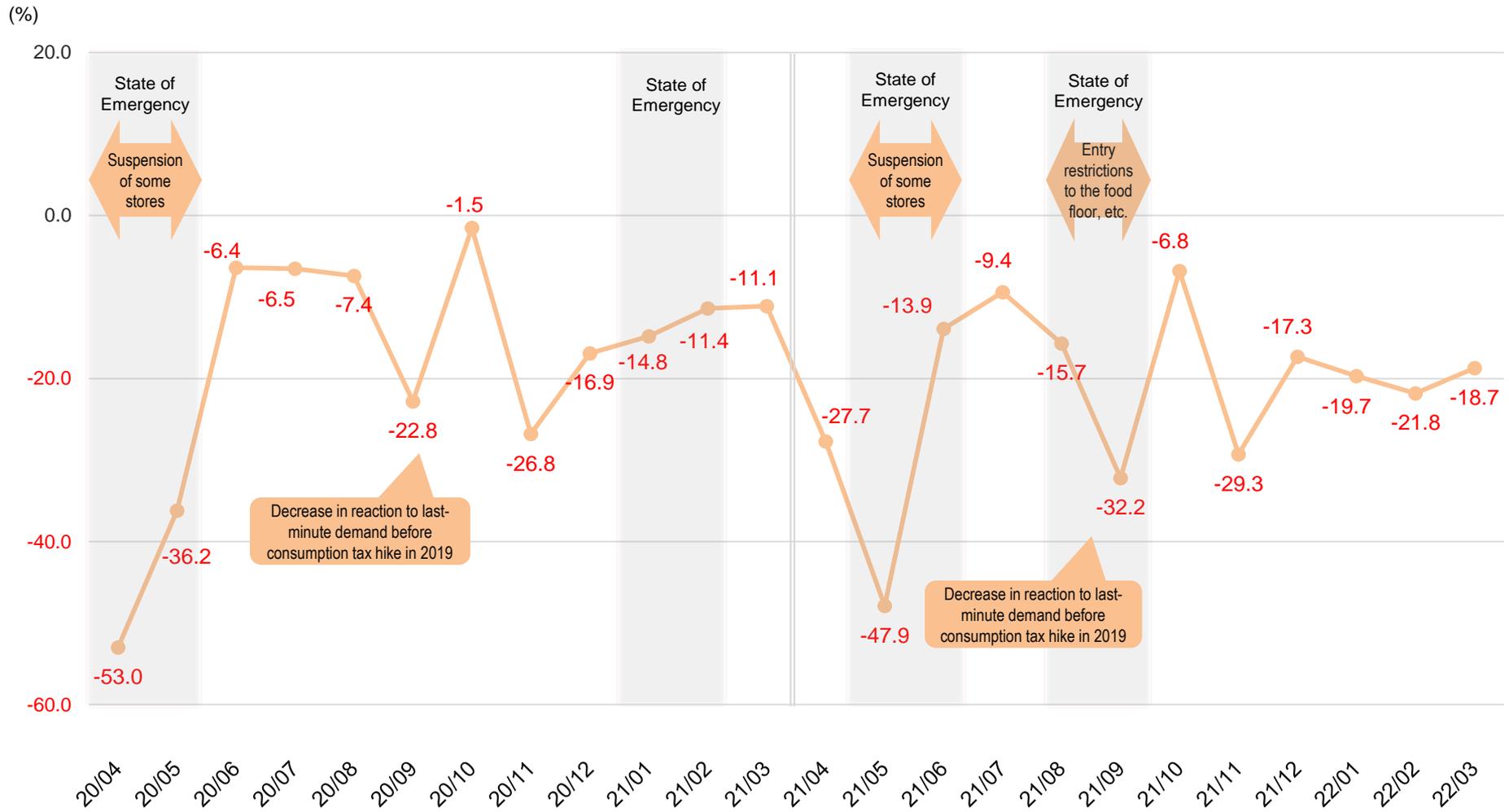
# Situation of Main Segments (1)

## Railway (Keihan Electric Railway): Passenger figures compared to 2019 (%)



# Situation of Main Segments (2)

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



\* Comparison by the operating revenue before applying the Accounting Standard for Revenue Recognition

# Situation of Main Segments (3)

## Hotel: Occupancy rates

(%)



## Revenue forecasts (for all segments)

- Although the impact of the COVID-19 pandemic will remain to a certain extent, **economic activity in Japan will recover moderately** due to improved consumer confidence and a social trend of resumption of outings in accordance with the infection status.
- Declaration of a State of Emergency, request for business suspension, or large-scale outing restrictions in response to an infection surge will not be in place.
- **There will be a sign of recovery of inbound demand at the end of the fiscal year.**

## Revenue forecasts (for each segment)

			FY2023 forecasts	FY2022 results
Revenue forecasts (full-year)	Keihan Electric Railway	Non-commuter pass passenger revenue Commuter pass passenger revenue	Compared to the average year: Around -20%	Compared to the average year: -33%
			Around -17%	-18%
	Bus business	Fixed route bus revenue	Compared to the average year: Around -13%	Compared to the average year: -19%
	Department store business	Sales*	Compared to the average year: Around -15%	Compared to the average year: -21%
	Real estate business	Operating revenue	Reactionary decrease after the previous fiscal year	Strong real estate sales
Hotel occupancy rates (full-year)	Hotel Keihan Keihan Hotels & Resorts		Around 75% Around 55%	41.6% 30.8%

\* Sales before applying the Accounting Standard for Revenue Recognition

# Summary of Forecasts

- Overall revenue is forecast to decrease due to a large reactionary decrease in real estate sales after the previous fiscal year. However, recovery from the impact of the COVID-19 pandemic is expected for the transportation business and the leisure and service business, among other businesses.

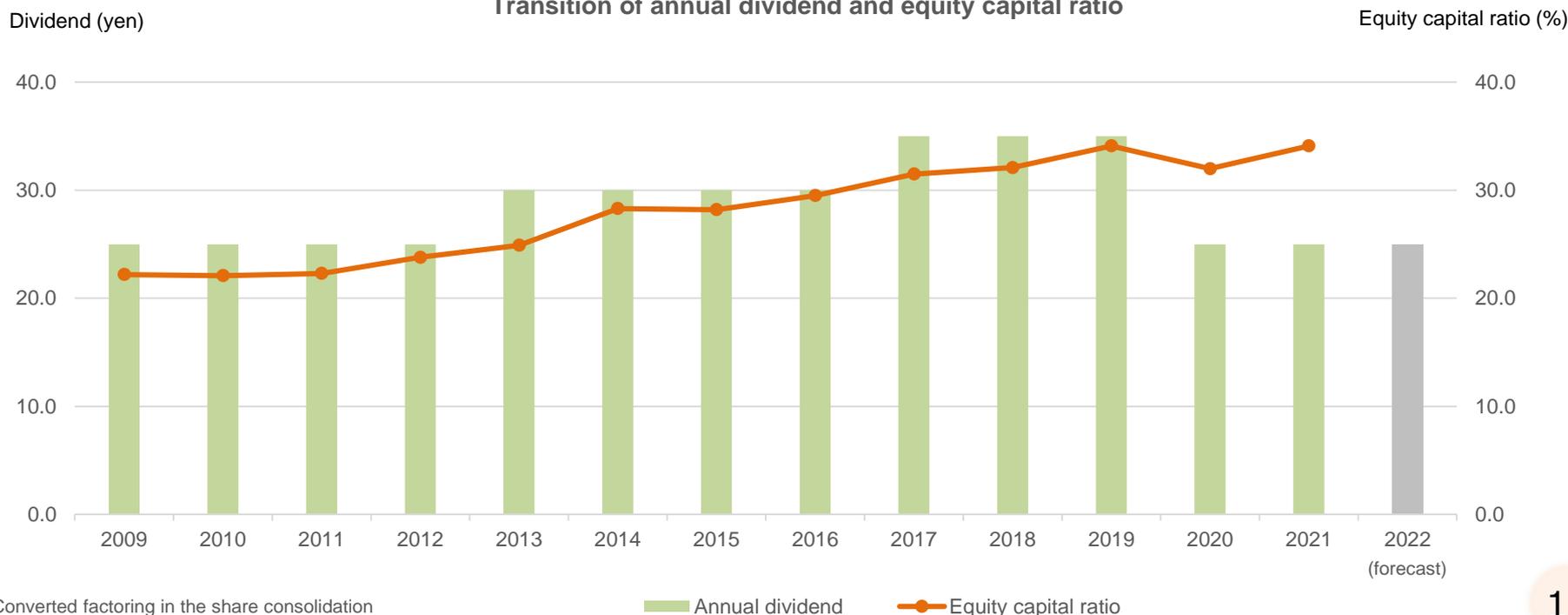
	FY2023 full-year forecasts	FY2022 results	Change	Change (%)
Operating revenue	255 bn. yen	258.1 bn. yen	-3.1 bn. yen	-1.2%
Operating income	16.5 bn. yen	13.4 bn. yen	3 bn. yen	23.1%
Ordinary income	15.5 bn. yen	16.4 bn. yen	-0.9 bn. yen	-6.0%
Profit attributable to owners of parent	12 bn. yen	9.5 bn. yen	2.4 bn. yen	25.1%

## Basic policy on profit distribution

While maintaining a stable management foundation, we will make aggressive investments and strengthen our financial structure toward growth, and continuously provide shareholder returns based on results.

- In FY2022, we plan to maintain a stable dividend and pay a year-end dividend of 25 yen per share.
- In FY2023, we plan to pay the same amount as in FY2022 (0 yen for the interim dividend and 25 yen for the year-end dividend).

Transition of annual dividend and equity capital ratio



\* Converted factoring in the share consolidation

# Progress of Measures Based on the Future Business Direction

- 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**.

## Medium-to-long Term Changes in Lifestyle

Establishing **health and prevention-conscious** behavior

Spreading **new ways of work and life** (remote work, etc.)

Raising awareness of **environmental and social issues**



## Future Business Direction

**Safety & Security**

**Structural Reform**

**BIOSTYLE**

\* 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

### Improving accessibility

- Jan. to Feb. 2022: **Screen doors were installed at Kyobashi Station (platforms 1 and 2)** to prevent falls from the platform.



- Jun. 2022: With the completion of the accessibility improvement work at Tobakaido Station, **the introduction of elevators and slopes to eliminate steps** has basically been completed in stations with a daily average ridership of over 3,000.



- Utilization of the “barrier-free fare system” is now being considered in order to maintain, renew, and accelerate the introduction of accessible facilities.

### Enhancing measures against disasters

- Keihan Electric Railway is conducting **seismic reinforcement of elevated bridge columns**. (Almost completed at the end of FY2022.)
- Disaster relief work for Eizan Railway Kurama Line was completed**, ensuring a more effective response to natural disasters.



### Efforts for safety and security at hotels

- THE THOUSAND KYOTO and Biwako Hotel** obtained “Sakura Quality” certification for service quality for tourists and “A Clean Practice” certification for adequate infection prevention measures.



# Measures by Segment (Structural Reform)

## 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

### Efforts for structural reform at Keihan Electric Railway

- **Fundamental review of business management systems, products, and services is under way** to secure stable profits in the post-pandemic era, based on the assumption that demand for railway services will not return to pre-pandemic levels.

Measure	Implementation period	Details
Updating train schedules	Sep. 2021	Adjusting the number of services and moving forward the last train times according to the service utilization situation ⇒ Keihan Line: No. of services reduced by approx. 15% on weekdays and by approx. 20% on holidays
Developing management systems to respond to changing demand	FY2021 onwards	Automating operations at 21 stations out of 60 stations on the Keihan Line all day to reduce the station staff by approx. 25%
Termination of sales of coupon tickets and magnetic commuter passes	Mar. 2021	Terminating the coupon ticket service (Keihan Line and Cable Line) and sales of magnetic commuter passes
Others	FY2021 onwards	Improving operational efficiency by optimizing the number of train vehicles and equipment at stations and utilizing digital technology, etc.

### Efforts for structural reform in the bus business

- **Discount systems** for commuter passes and PiTaPa (a transportation IC card) **have been revised** in order to develop an environment that reassures passengers and to maintain the bus routes.

Company	Measure	Implementation period	Details
Keihan Bus	Revising the commuter pass discount rate	Jun. 2022	Revising the discount rate from 30% to 25%
Keihan bus and three others	Revising the discount service for PiTaPa	Jun. 2022	Eliminating usage-based discounts and revising caps on registration-based discounts

## Efforts for structural reform in the retail distribution business

- Conversion of the in-station convenience store “Anthree” to “**Moyori-ichi,**” a **new-style food market** that offers unique and quality food, is under way to **fulfill the changing roles of in-station areas.**
- **Conversion of the 19 Anthree stores out of 32 stores will be completed by FY2024.**
- **Supermarket stores are used as food processing centers** to offer deli products, bread, and sweets.



- **An e-commerce mall opened in late May 2022.** As a new service to meet the segmented needs coming from diversifying lifestyles, we have developed an e-commerce mall that allows multiple stores to open on a single platform, offering highly distinctive products introduced by department store buyers.

## Efforts for structural reform at hotels

- **Operation of restaurants by tenants** is promoted to ensure stable profits.

Hotel Keihan	Carried out in 4 restaurants (planned for 4 more restaurants)
Keihan Hotels & Resorts	Carried out in 1 restaurant (planned for 1 more restaurant)

- **Banquet rooms and office spaces at Kyoto Tower Hotel are leased as part of efforts to promote the use of hotels by utilizing their geographical advantages.**



## BIOSTYLE

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

### Developing ZEH condominiums

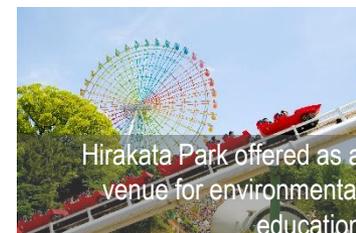
- Keihan Real Estate develops and supplies **ZEH condominiums (with "ZEH-M Oriented" certification)\*** in Sapporo City as an effort toward a decarbonized society.
- \* Condominiums that aim to reduce primary energy consumption by 20% or more, etc.
- Obtained a five-star rating, the highest rank in the BELS\* certification criteria**, by reducing primary energy consumption by 27% in a residential building.



\* BELS is an energy efficiency performance indication system for buildings, under which a third-party organization evaluates and indicates energy efficiency performance, etc.

### Cooperating with local governments along railway lines

- Keihan Holdings entered into a **"Comprehensive partnership agreement toward a sustainable community" with Hirakata City**.
- We are stepping up our efforts to achieve decarbonization and the SDGs in cooperation with local governments along railway lines.



### De-plasticizing efforts

- The entire Keihan Group is making further **de-plasticizing efforts** in line with the Ministry of the Environment's Plastic Resource Circulation Act, which came into effect in April 2022.



Hotel Keihan changed the in-room amenities to be provided at the amenity bar

- Keihan The Store cooperates with **Kadoma City to offer a mobile supermarket service** in housing complexes with a large proportion of aged residents.
- This contributes to **supporting people who have difficulty going shopping and revitalizing local communities**.



# Initiatives toward Increase in Profits

## Main condominiums to be sold in FY2023 and thereafter

Name of property, location		No. of housing units
Scheduled delivery in FY2023		
Fine Residence Kobe Shin-Nagata	Kobe City	80*
Fine Residence Hirakata Korien-cho	Hirakata City	130*
The FINE Tower WEST COAST	Osaka City	199*
Fine Residence Kyoto Nishikyogoku	Kyoto City	35
Branz Tower Sapporo Odori Koen	Sapporo City	179*
Scheduled delivery in FY2024		
The FINE Tower OSAKA HIGOBASHI	Osaka City	197
The FINE Tower HISAYA ODORI	Nagoya City	163*
Urasoe Gusukuma Project	Urasoe City	100*
Sapporo Toyohira-ku I/II Project	Sapporo City	104
Scheduled delivery in FY2025		
Saitama Kita-ku Bonsai-cho Project	Saitama City	158*
Takasaki Saya-cho Project	Takasaki City	70*
Naha Chatan Project	Naha City	221*

\* This is a joint project. The number of housing units is the total number of housing units. The number of housing units and when the sales are recorded are subject to change.

## Expanding the detached housing business area

- Keihan Real Estate started its detached housing business in Sapporo City, in addition to the sales of condominiums and the development of hotels and office buildings.



## Increasing investment in real estate leasing



Yokohama Excellent III

- Acquired Dec. 24, 2021
- Location Yokohama City, Kanagawa
- Size 10 floors above ground, 1 floor below ground



Lexington Plaza Sakae-minami

- Acquired Apr. 1, 2022
- Location Nagoya City, Aichi
- Size 8 floors above ground, 1 floor below ground

# Progress of the Long-term Management Strategy

# Progress of the Main Strategies

## 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 **Hirakatashi, Nakanoshima and Yodoyabashi** Station areas in line with changing lifestyles.

### Hirakatashi

#### Type-1 urban redevelopment project in Hirakatashi Station area

- Mar. 2020 Establishment of the redevelopment association was approved.
- Feb. 2021 The right conversion plan was approved.
- Jan. 2022 Construction on land partially owned by Keihan Group (Section 3) started.
- FY2025 Construction in Section 3 to be completed.
- FY2026 Project to be completed.



Section 3	
Site area	Approx. 15,000 m <sup>2</sup>
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)
Property use	Commercial facilities, office, hotel, residence

### Nakanoshima

#### Participation in the Nakanoshima 4-chome International Hub for Medical Innovation Project

- Nov. 2021 Construction of new building started.
- FY2025 Project to be completed.

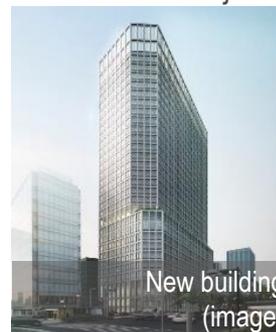


Total floor area	Approx. 57,000 m <sup>2</sup>
Size	17 floors above ground

### Yodoyabashi

#### Joint reconstruction of Keihan Midosuji Building and Nittochi Yodoyabashi Building

- Jun. 2022 Construction of new building to start.
- FY2026 Project to be completed.



Total floor area	Approx. 73,000 m <sup>2</sup>
Size	31 floors above ground, 3 floors below ground

## 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.

### Promoting Tourism MaaS

- In anticipation of creating new tourism demand by using MaaS, a “digital stamp rally” (stamp collection) program was implemented in Kyoto City, utilizing JR West’s MaaS app “WESTER.”



### Creating new tourism content through regional cooperation

- Creating and improving premium tours to experience the morning, afternoon, and evening attractions of Mt. Hiei.



### Launching new hotels in anticipation of the recovery period



Hotel Keihan Tenmabashi Ekimae	
Opening date	Apr. 3, 2022
No. of guest rooms	304



Hotel Keihan Namba Grande	
Opening date	Spring 2023
No. of guest rooms	249 (TBD)

## 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**.

### In-house BIOSTYLE certification system reformed

- The “BIOSTYLE PROJECT Certification” system was revamped to become the “BIOSTYLE Business Certification” system with a view to incorporating the concept of BIOSTYLE into business and accelerating the creation of added value and new business.
- The entire Group promotes the creation of the BIOSTYLE business by clarifying the qualitative and quantitative evaluation items and introducing an in-house award system.

<Example of certified cases>



Completely natural cosmetics



Providing organic diets



Promoting ZEHs

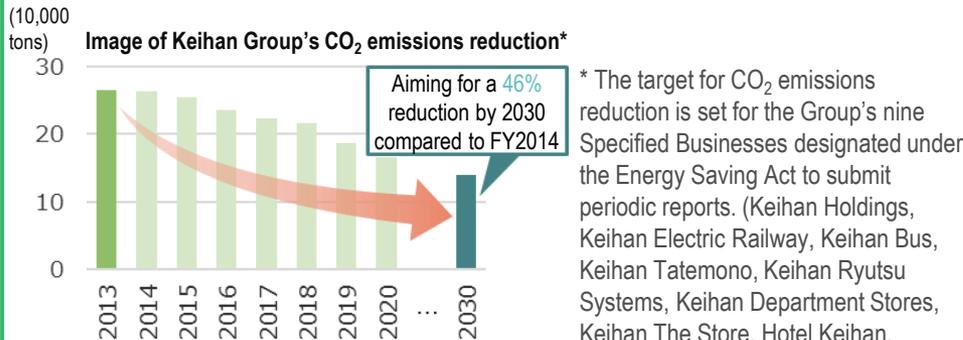
## Formulating the “BIOSTYLE Environmental Action 2030”

- The climate change action plan with a target year of 2030 was formulated to promote initiatives to address environmental issues, including reducing greenhouse gases and waste and the efficient use of water resources.

## BIOSTYLE Environmental Action 2030

### Target for reducing CO<sub>2</sub> emissions

Targets a 46% reduction in emissions by 2030 compared to FY2014 with the aim of achieving virtually zero emissions by 2050.



\* The target for CO<sub>2</sub> emissions reduction is set for the Group's nine Specified Businesses designated under the Energy Saving Act to submit periodic reports. (Keihan Holdings, Keihan Electric Railway, Keihan Bus, Keihan Tatemono, Keihan Ryutsu Systems, Keihan Department Stores, Keihan The Store, Hotel Keihan, Keihan Hotels & Resorts)

### Main initiatives

- Reduced energy consumption
- Capital expenditure to contribute to CO<sub>2</sub> emissions reduction
- Use of clean energy
- Creation of decarbonized businesses; next-generation community building through regional cooperation



## Promoting information disclosure in support of the TCFD

- We expressed support for the TCFD (Task Force on Climate-Related Financial Disclosures) recommendations.
- We will disclose information properly in accordance with the items recommended for disclosure by the TCFD.



Information disclosed by Keihan Holdings



## Restructuring the organization to promote environmental management

- We promote measures to address environmental issues, including the establishment of the Sustainability Committee, which promotes and manages the progress of ESG initiatives by the Keihan Group, under the Board of Directors.

[Environmental management promotion system after July 2022]



\* The arrow indicates the flow of reports.

# Overview of FY2022 Financial Results

# Consolidated Statements of Income

- Despite the decrease in revenue due to the impact of application of the Accounting Standard for Revenue Recognition, both revenue and profits increased due to an increase in revenue from real estate sales and a rebound from the impact of the COVID-19 pandemic in the previous fiscal year in the transportation business, among other businesses.

(Millions of yen)

	FY2022 results	FY2021 results	Change	Main factors of change	FY2022 forecasts	Change
Operating revenue	258,118	253,419	4,698 (1.9%)	Impact of application of the Accounting Standard for Revenue Recognition: -28,356	255,400	2,718 (1.1%)
Operating income	13,408	-1,265	14,673 (-)		12,400	1,008 (8.1%)
Non-operating income	5,820	5,032	787	Subsidies for COVID-19 countermeasures: +964		
Non-operating expenses	2,742	3,528	-786			
Ordinary income	16,485	238	16,247 (-)		14,700	1,785 (12.1%)
Extraordinary income	4,199	5,331	-1,131	Gain on sales of investment securities: -2,400 Compensation income: +429		
Extraordinary losses	2,684	4,592	-1,907	Impairment loss: -2,245		
Profit attributable to owners of parent	9,589	-4,574	14,164 (-)		8,500	1,089 (12.8%)
Depreciation	20,922	21,232	-309			
EBITDA	34,331	19,967	14,363	*EBITDA: Operating income + Depreciation		
Interest and dividend income	464	609	-144			
Interest expenses	2,007	2,086	-78			
Net interest expenses	-1,542	-1,476	-65			

# Segment Information

(Millions of yen)

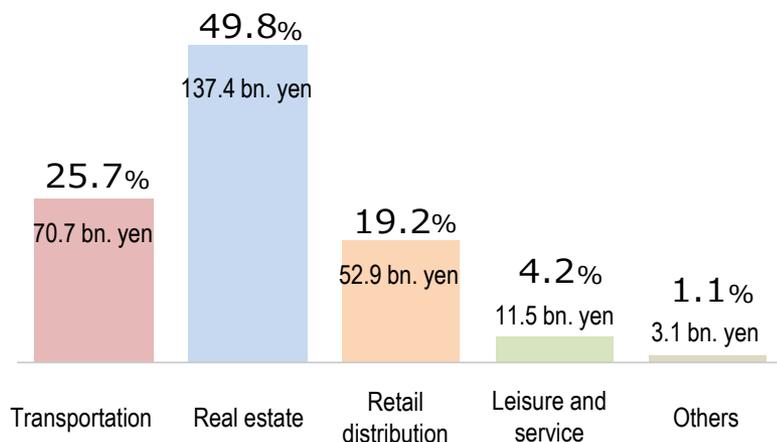
		FY2022 results	FY2021 results	Change	Change (%)	FY2022 forecasts	Change	Change (%)
Transportation	Operating revenue	70,768	65,694	5,073	7.7%	70,000	768	1.1%
	Operating income	173	-9,658	9,832	—	-400	573	—
Real estate	Operating revenue	137,495	110,270	27,224	24.7%	136,600	895	0.7%
	Operating income	22,593	18,590	4,002	21.5%	22,500	93	0.4%
Retail distribution	Operating revenue	52,908	83,109	-30,200	-36.3%	52,500	408	0.8%
	Operating income	1,776	1,192	584	49.0%	1,700	76	4.5%
Leisure and service	Operating revenue	11,529	9,724	1,804	18.6%	11,300	229	2.0%
	Operating income	-9,324	-10,823	1,498	—	-9,500	175	—
Others	Operating revenue	3,169	3,061	108	3.5%	3,200	-30	-0.9%
	Operating income	-1,393	-1,401	7	—	-1,400	6	—
Adjustments	Operating revenue	-17,752	-18,441	688	—	-18,200	447	—
	Operating income	-417	835	-1,252	—	-500	82	—

# Segment Information (Breakdown)

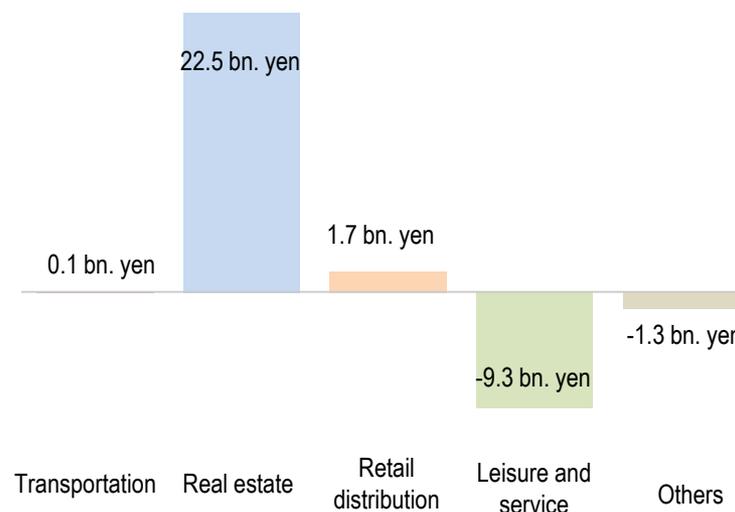
[Consolidated subsidiaries] 40 companies (2 companies reduced year on year) [Equity-method affiliates] 2 companies (No change year on year)

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 Tatemono Co., Ltd., and 7 other companies
Retail distribution	Keihan Department Stores Co., Ltd., Keihan The Store Co., Ltd., Keihan Ryutsu Systems Co., Ltd., Biomarket Co., Ltd.
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>

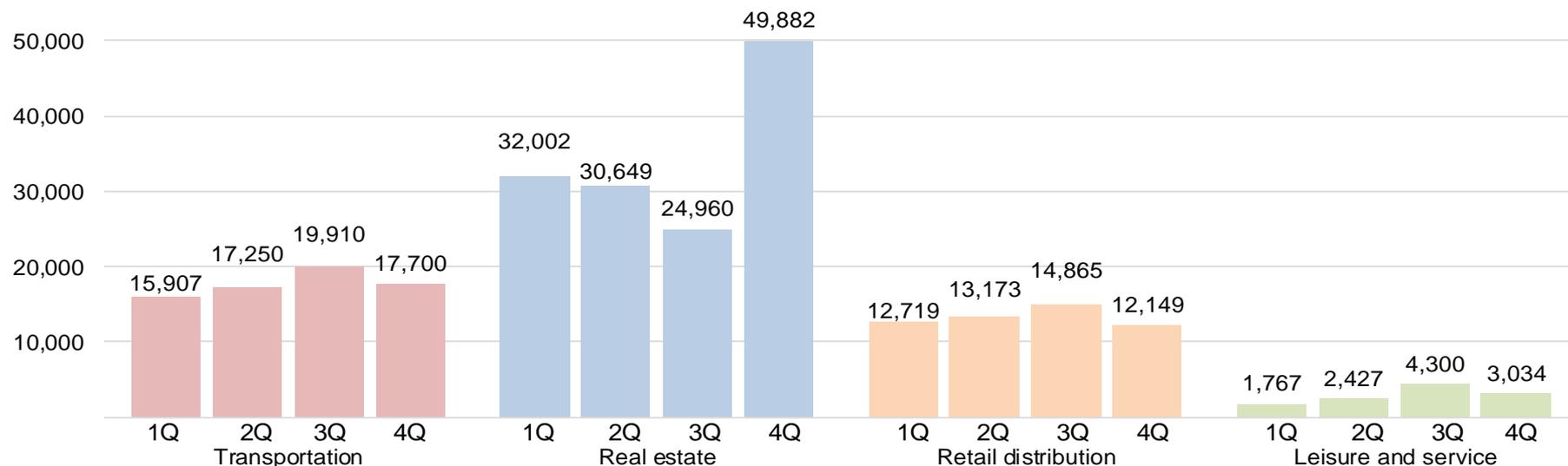


Note: The breakdown of operating revenue and operating income by segment includes intersegment transactions. The percentages represent the composition ratios in each segment.

# Segment Information (Quarterly Changes)

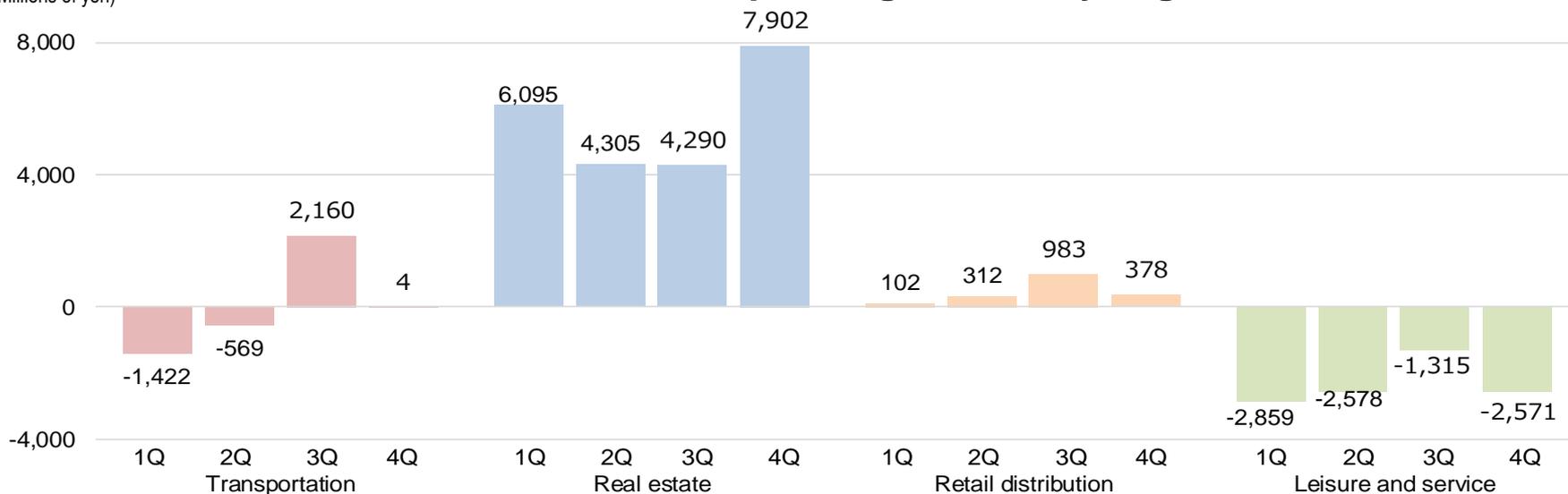
(Millions of yen)

## Transition of operating revenue by segment



(Millions of yen)

## Transition of operating income by segment



# Segment Information (Transportation)

(Millions of yen)

	FY2022 results	FY2021 results	Change	Change (%)
Operating revenue	70,768	65,694	5,073	7.7%
Railway	58,271	55,051	3,219	5.8%
Bus	19,596	18,479	1,116	6.0%
Elimination	-7,098	-7,836	737	—
Operating income	173	-9,658	9,832	—
Railway	1,104	-6,674	7,778	—
Bus	-954	-3,006	2,052	—
Elimination	23	23	0	—

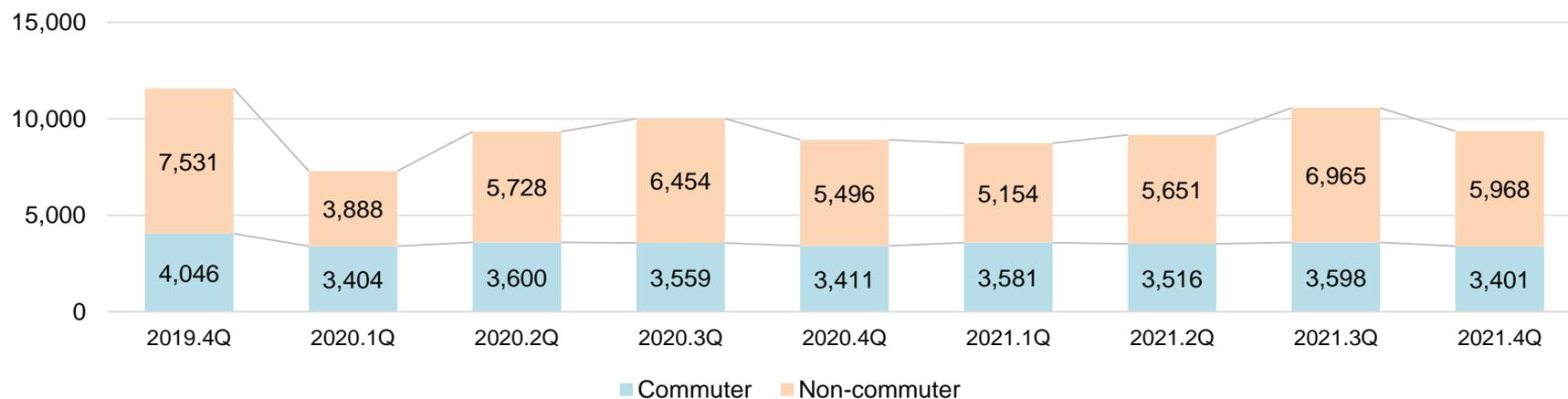
## (Major factors affecting performance)

- The railway business saw increases in both revenue and profits due to a rebound from the impact of the COVID-19 pandemic in the previous fiscal year in terms of the number of passengers, as well as efforts for cost reduction.
- The bus business saw increases in both revenue and profits due to a rebound from the impact of the COVID-19 pandemic in the previous fiscal year in terms of revenue from bus passengers, etc., as well as efforts for cost reduction.

# Operating Results for Transportation Keihan Electric Railway

	FY2022 results	FY2021 results	Change	Change (%)
Passenger transportation revenue	millions of yen 37,835	millions of yen 35,541	millions of yen 2,294	% 6.5
Non-commuter passes	23,738	21,566	2,172	10.1
Commuter-passes	14,096	13,974	122	0.9
Number of passengers	thousands of people 219,235	thousands of people 208,198	thousands of people 11,036	% 5.3
Non-commuter passes	97,391	90,676	6,715	7.4
Commuter-passes	121,843	117,522	4,320	3.7

## Transition of passenger transportation revenue (millions of yen)



# Segment Information (Real Estate)

(Millions of yen)

	FY2022 results	FY2021 results	Change	Change (%)
Operating revenue	137,495	110,270	27,224	24.7%
Real estate	117,583	90,802	26,781	29.5%
Real estate sales	87,214	61,968	25,246	40.7%
Real estate leasing service	25,907	24,974	932	3.7%
Other businesses	4,461	3,859	602	15.6%
Construction	26,768	24,922	1,845	7.4%
Elimination	-6,856	-5,454	-1,402	—
Operating income	22,593	18,590	4,002	21.5%
Real estate	23,113	17,930	5,183	28.9%
Real estate sales	11,077	6,178	4,899	79.3%
Real estate leasing service	11,578	11,348	230	2.0%
Other businesses	457	403	53	13.2%
Construction	623	609	13	2.2%
Elimination	-1,143	50	-1,193	—

## (Major factors affecting performance)

- The real estate sales business saw increases in both revenue and profits due to the sales of condominiums such as The Fine Tower Otemae and newly developed properties such as hotels, despite a decrease in reaction to the sales of land and buildings in the previous fiscal year, such as Minami-Kusatsu Primtown.
- The real estate leasing business saw increases in both revenue and profits due to factors such as the contribution of Toranomom Hills Business Tower and Keihan Nishisanso Square.

# Segment Information (Retail Distribution)

(Millions of yen)

	FY2022 results	FY2021 results	Change	Change (%)
Operating revenue	52,908	83,109	-30,200	-36.3%
Department store	19,742	42,444	-22,701	-53.5%
Store	16,941	25,525	-8,583	-33.6%
Shopping mall management	12,265	12,344	-78	-0.6%
Other businesses	5,405	6,569	-1,163	-17.7%
Elimination	-1,446	-3,774	2,327	—
Operating income	1,776	1,192	584	49.0%
Department store	-231	-60	-170	—
Store	622	545	76	14.0%
Shopping mall management	1,281	1,001	280	28.0%
Other businesses	74	-309	384	—
Elimination	29	15	13	—

## (Major factors affecting performance)

- The department store business saw decreases in both revenue and profits due to factors such as the impact of application of the Accounting Standard for Revenue Recognition and scaling back amid the COVID-19 pandemic.
- The store business saw a decrease in revenue due to factors such as the impact of application of the Accounting Standard for Revenue Recognition, but saw an increase in profits due to factors such as a rebound from the impact of the COVID-19 pandemic in the previous fiscal year.
- The shopping mall management business saw a decrease in revenue due to factors such as the impact of application of the Accounting Standard for Revenue Recognition, but saw an increase in profits due to factors such as a rebound from the impact of the COVID-19 pandemic in the previous fiscal year.

## Impact of application of the Accounting Standard for Revenue Recognition (Net amount)

(Millions of yen)

	Impact (Operating revenue)
Department store	-20,850
Store	-7,394
Shopping mall management	-1,055

# Segment Information (Leisure & Service)

	FY2022 results	FY2021 results	Change	Change (%)
Operating revenue	11,529	9,724	1,804	18.6%
Hotel	9,364	7,492	1,872	25.0%
Leisure	2,186	2,257	-70	-3.1%
Elimination	-22	-24	2	—
Operating income	-9,324	-10,823	1,498	—
Hotel	-8,814	-10,203	1,388	—
Leisure	-528	-637	108	—
Elimination	18	17	1	—

## Hotel occupancy rates

	FY2022 results	FY2021 results	Change
Hotel Keihan	41.6%	24.6%	17.0pt
Keihan Hotels & Resorts	30.8%	23.6%	7.2pt

### (Main factors affecting performance)

- The hotel business saw increases in both revenue and profits due to factors such as a rebound from the impact of the COVID-19 pandemic in the previous fiscal year in Hotel Keihan Universal Tower, etc., and the full-year contribution of Hotel Keihan Sendai and Hotel Keihan Kyoto Ekiminami, which opened the previous fiscal year.
- The leisure business saw a decrease in revenue due to factors such as the impact of application of the Accounting Standard for Revenue Recognition, but saw an increase in profits due to factors such as a rebound from the impact of the COVID-19 pandemic in the previous fiscal year.

# Consolidated Balance Sheets

(Millions of yen)

	FY2022 results	FY2021 results	Change	Main factors of changes
Current assets	186,794	197,185	-10,390	Land and buildings for sale: -7,020 Cash and deposits: -6,234
Non-current assets	550,466	567,062	-16,595	Buildings and structures: -5,184
<b>Total assets</b>	<b>737,261</b>	<b>764,247</b>	<b>-26,986</b>	
Current liabilities	127,477	165,893	-38,416	Short-term loans payable: -12,341 Accounts payable: -10,863
Long-term liabilities	353,907	349,758	4,149	Long-term loans payable: +11,053
<b>Total liabilities</b>	<b>481,384</b>	<b>515,652</b>	<b>-34,267</b>	
<b>Net assets</b>	<b>255,876</b>	<b>248,595</b>	<b>7,280</b>	Retained earnings: +6,347 * Equity capital ratio: 34.1% (+2.1 pts)
<b>Total liabilities and net assets</b>	<b>737,261</b>	<b>764,247</b>	<b>-26,986</b>	
<b>ROA</b>	<b>1.8%</b>	<b>-0.2%</b>	<b>2.0pt</b>	* ROA: Operating income to total assets
<b>ROE</b>	<b>3.9%</b>	<b>-1.9%</b>	<b>5.8pt</b>	* ROE: Net income to shareholders' equity
<b>EBITDA</b>	<b>34,331</b>	<b>19,967</b>	<b>14,363</b>	* EBITDA: Operating income + Depreciation
<b>Interest-bearing debt</b>	<b>345,311</b>	<b>351,600</b>	<b>-6,289</b>	Short-term bonds payable: -5,000 Loans payable: -1,288
Interest-bearing debt/ EBITDA multiple (times)	10.06	17.61	-7.55	
Net interest-bearing debt/ EBITDA multiple (times)	9.47	16.28	-6.81	

# Consolidated Statements of Cash Flows

(Millions of yen)

	FY2022 results	FY2021 results	Change	Main factors of changes
Cash flows from operating activities	21,673	15,282	6,391	Decrease in inventories: +18,198 Profit before income taxes: +17,023 Decrease in other current liabilities: -24,205
Cash flows from investing activities	-17,641	-24,940	7,299	Decrease in payments for purchase of non-current assets: +7,073
Cash flows from financing activities	-10,264	21,301	-31,566	Decrease in proceeds from issuance of bonds: -19,904 Decrease in income due to long-term loans payable: -15,087
Net increase (decrease) in cash and cash equivalents	-6,232	11,643	-17,875	
Cash and cash equivalents at beginning of period	26,554	14,911	11,643	
Cash and cash equivalents at end of period	20,322	26,554	-6,232	

# Capital Expenditure by Segment

	FY2022 results	FY2021 results	Change	FY2022 forecasts	Change
Capital expenditure	17,193	33,261	-16,067	30,000	-12,806
Transportation	6,142	14,641	-8,498	14,800	-8,657
Real estate	9,473	16,521	-7,048	6,500	2,973
Retail distribution	826	491	335	1,700	-873
Leisure and service	586	1,248	-661	1,000	-413
Others	46	108	-61	100	-53
Adjustments	118	249	-131	5,900	-5,781

# EBITDA by Segment

(Millions of yen)

	FY2022 results	FY2021 results	Change
EBITDA	34,331	19,967	14,363
Transportation	12,022	2,059	9,963
Real estate	29,043	24,761	4,282
Retail distribution	2,837	2,474	362
Leisure and service	-8,181	-9,259	1,078
Others	-1,211	-1,164	-47
Adjustments	-179	1,096	-1,276

# FY2023 Forecasts

# Consolidated Statement of Income (Performance Forecasts)

こころまち つくろう

- Overall revenue is forecast to decrease due to a large reactionary decrease in real estate sales after the previous fiscal year. However, recovery from the impact of the COVID-19 pandemic is expected for the transportation business and the leisure and service business, among other businesses.

(Millions of yen)

	FY2023 forecasts	FY2022 results	Change	Change (%)
Operating revenue	255,000	258,118	-3,118	-1.2%
Operating income	16,500	13,408	3,091	23.1%
Ordinary income	15,500	16,485	-985	-6.0%
Profit attributable to owners of parent	12,000	9,589	2,410	25.1%
Capital expenditure	38,800	17,193	21,606	125.7%
Depreciation	20,500	20,922	-422	-2.0%
EBITDA	37,000	34,331	2,668	7.8%
Interest-bearing debt	367,000	345,311	21,688	6.3%
Interest-bearing debt/EBITDA multiple (times)	9.92	10.06	-0.14	—
Net interest-bearing debt/EBITDA multiple (times)	9.38	9.47	-0.09	—
Interest and dividend income	393	464	-70	-15.2%
Interest expenses	1,888	2,007	-119	-5.9%
Net interest expenses	-1,494	-1,542	48	—

# Segment Information (Performance Forecasts)

(Major factors affecting performance)

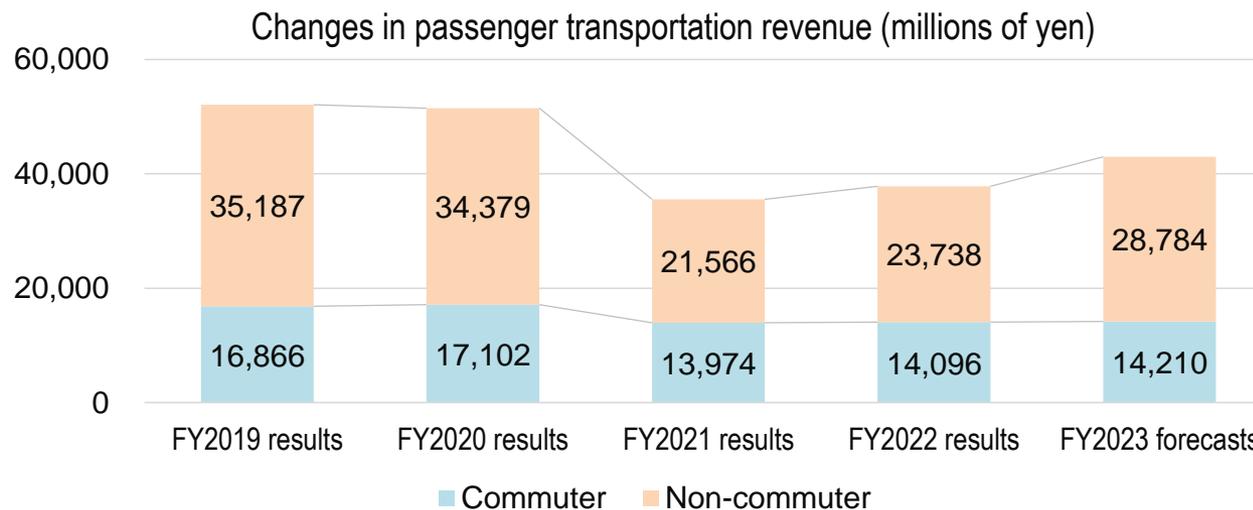
- Transportation : Increases in both revenue and profits due to factors such as recovery from the impact of the COVID-19 pandemic
- Real estate : Decreases in both revenue and profits in reaction to the sales of newly developed properties, such as hotels and office buildings, in the previous fiscal year
- Retail distribution : Decrease in revenue due to factors such as the closure of Frest Korien Shop; increase in profits due to factors such as recovery from the impact of the COVID-19 pandemic
- Leisure and service : Increases in both revenue and profits due to factors such as recovery from the impact of the COVID-19 pandemic

(Millions of yen)

		FY2023 forecasts	FY2022 results	Change
Transportation	Operating revenue	79,700	70,768	8,931
	Operating income	4,600	173	4,426
Real estate	Operating revenue	116,400	137,495	-21,095
	Operating income	15,800	22,593	-6,793
Retail distribution	Operating revenue	52,900	52,908	-8
	Operating income	2,400	1,776	623
Leisure and service	Operating revenue	20,800	11,529	9,270
	Operating income	-4,600	-9,324	4,724
Others	Operating revenue	3,900	3,169	730
	Operating income	-900	-1,393	493
Adjustments	Operating revenue	-18,700	-17,752	-947
	Operating income	-800	-417	-382

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

	FY2023 forecasts	FY2022 results	Change	Change (%)
	millions of yen	millions of yen	millions of yen	%
Passenger transportation revenue	42,994	37,835	5,159	13.6
Non-commuter passes	28,784	23,738	5,045	21.3
Commuter passes	14,210	14,096	113	0.8
	thousands of people	thousands of people	thousands of people	%
Number of passengers	242,956	219,235	23,720	10.8
Non-commuter passes	119,692	97,391	22,300	22.9
Commuter passes	123,264	121,843	1,420	1.2



# Capital Expenditure by Segment (Performance Forecasts)

(Millions of yen)

	FY2023 forecasts	FY2022 results	Change
Capital expenditure	38,800	17,193	21,606
Transportation	14,000	6,142	7,857
Real estate	9,500	9,473	26
Retail distribution	2,700	826	1,873
Leisure and service	1,900	586	1,313
Others	100	46	53
Adjustments	10,600	118	10,481

# EBITDA by Segment (Performance Forecasts)

(Millions of yen)

	FY2023 forecasts	FY2022 results	Change
EBITDA	37,000	34,331	2,668
Transportation	15,800	12,022	3,777
Real estate	22,400	29,043	-6,643
Retail distribution	3,600	2,837	762
Leisure and service	-3,400	-8,181	4,781
Others	-700	-1,211	511
Adjustments	-700	-179	-520