

First Half of FY2025 (Ended September 30, 2024)

Interim Financial Results Presentation

November 15, 2024

Keihan Holdings Co., Ltd.

Tokyo Stock Exchange Prime Market

Securities Code: 9045

<https://www.keihan.co.jp/>

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Descriptions of business forecasts and future prospects are based on current information and certain assumptions about factors that may affect future business.

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

Overview of the First Half of FY2025 Interim Financial Results

Consolidated Statements of Income

- Both revenue and profits increased due to inbound tourism demand captured in the transportation business and the leisure and service business, in addition to an increase in revenue in the real estate business.

(Millions of yen)

	1H FY2025 results	1H FY2024 results	Change	Main factors behind change	1H FY2025 forecasts (released in Aug.)	Change
Operating revenue	158,374	133,867	24,506 (18.3%)		155,100	3,274 (2.1%)
Operating income	22,757	17,172	5,584 (32.5%)		20,100	2,657 (13.2%)
Non-operating income	1,071	733	338			
Non-operating expenses	1,343	1,059	283			
Ordinary income	22,485	16,845	5,639 (33.5%)		19,600	2,885 (14.7%)
Extraordinary income	837	4,987	-4,149	Gain on sales of non-current assets: -4,487		
Extraordinary losses	655	774	-118			
Profit attributable to owners of parent	15,619	14,484	1,135 (7.8%)		13,800	1,819 (13.2%)

(Reference)

Depreciation	10,517	9,816	700			
EBITDA	33,274	26,989	6,285	* EBITDA: Operating income + Depreciation		
Net interest income	-667	-633	-33			
Interest and dividend income	322	276	45			
Interest expenses	989	910	79			

Segment Information

(Millions of yen)

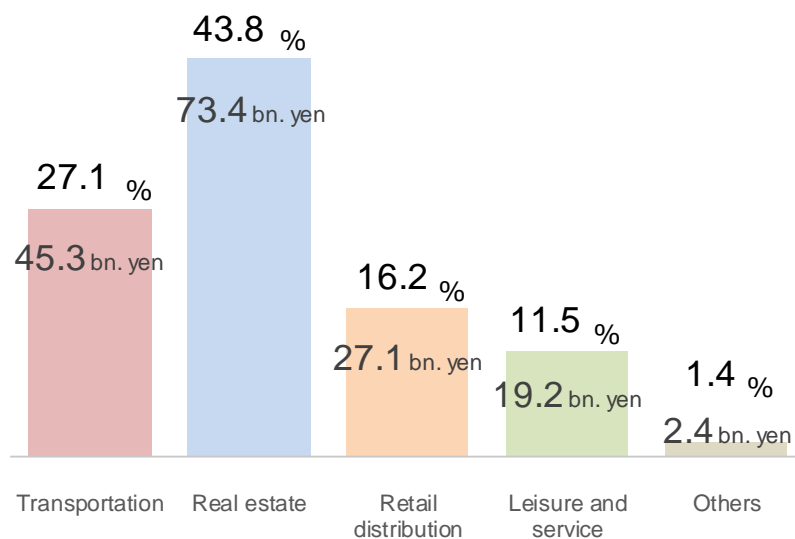
		1H FY2025 results	1H FY2024 results	Change	Change (%)
Transportation	Operating revenue	45,313	43,588	1,725	4.0%
	Operating income	7,179	6,184	994	16.1%
Real estate	Operating revenue	73,451	54,855	18,596	33.9%
	Operating income	12,248	9,024	3,223	35.7%
Retail distribution	Operating revenue	27,119	25,433	1,685	6.6%
	Operating income	1,109	1,079	30	2.8%
Leisure and service	Operating revenue	19,237	16,821	2,416	14.4%
	Operating income	2,363	1,549	813	52.5%
Others	Operating revenue	2,419	2,216	203	9.2%
	Operating income	-26	-436	409	—
Adjustments	Operating revenue	-9,167	-9,047	-120	—
	Operating income	-116	-229	112	—

Segment Information (Breakdown)

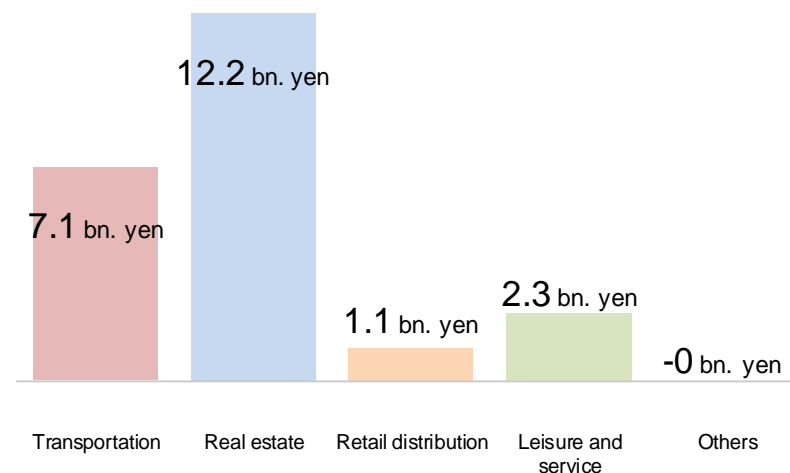
[Consolidated subsidiaries] 39 companies (No change year on year) [Equity-method affiliates] 2 companies (No change year on year)

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 Tatemono Co., Ltd., and 6 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>

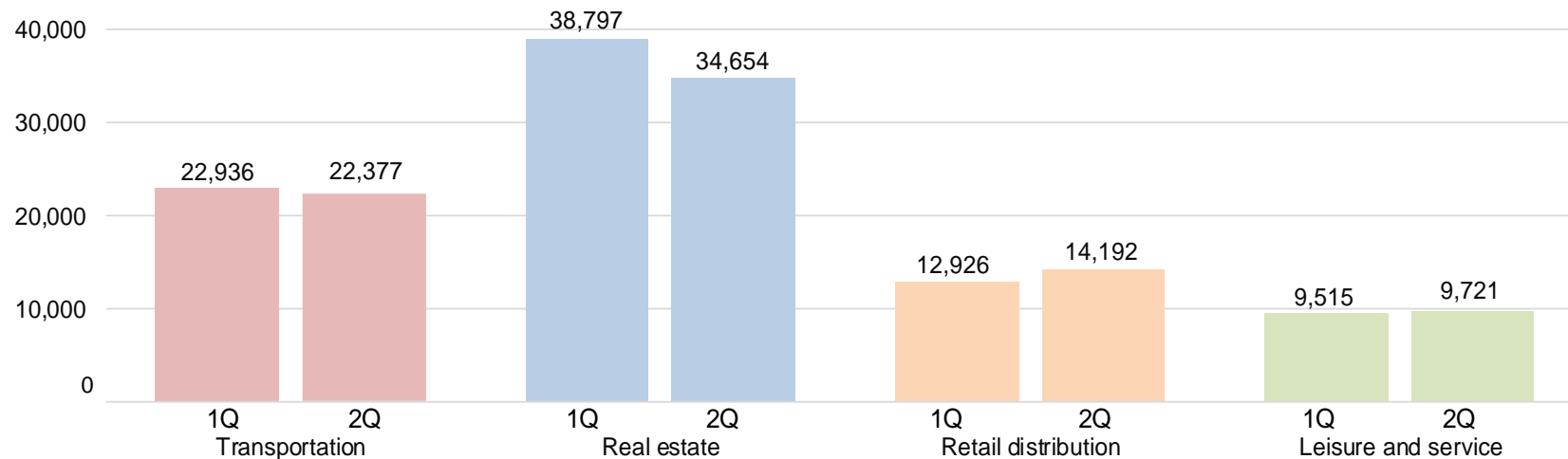


Note: The breakdown of operating revenue and operating income by segment includes intersegment transactions. The percentages represent the composition ratios in each segment.

Segment Information (Quarterly Changes)

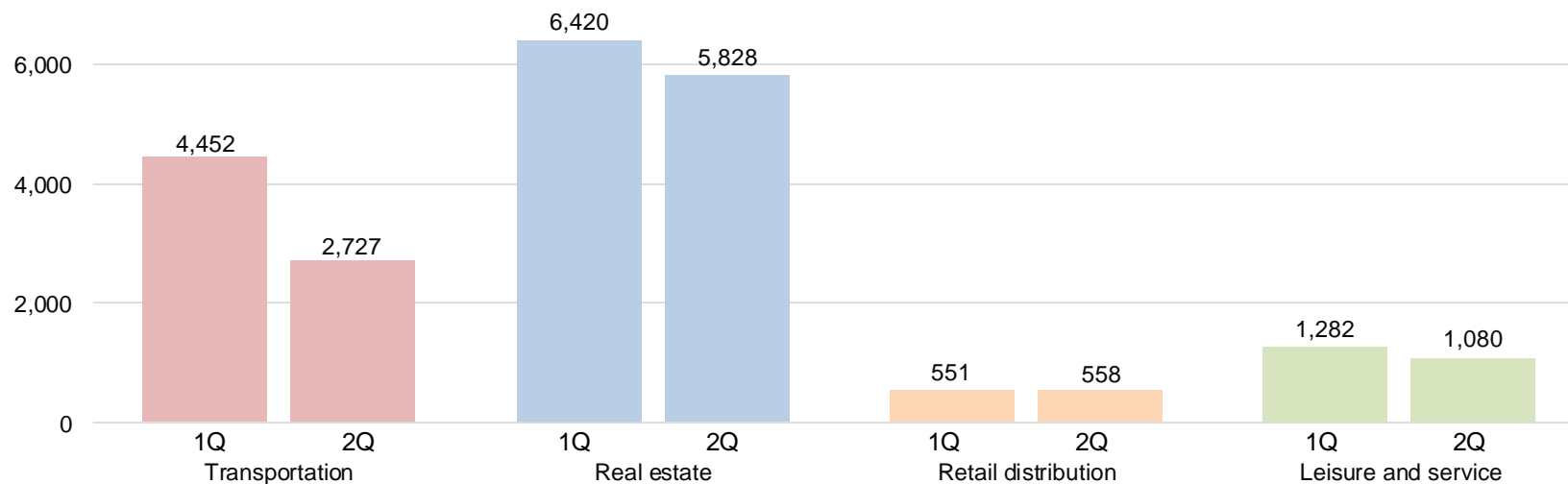
Changes in operating revenue by segment

(Millions of yen)
50,000



Changes in operating income by segment

(Millions of yen)
8,000



Segment Information (Transportation)

(Millions of yen)

	1H FY2025 results	1H FY2024 results	Change	Change (%)
Operating revenue	45,313	43,588	1,725	4.0%
Railway	37,353	35,489	1,864	5.3%
Bus	11,921	11,625	296	2.5%
Elimination	-3,961	-3,526	-434	—
Operating income	7,179	6,184	994	16.1%
Railway	6,229	5,135	1,093	21.3%
Bus	931	1,040	-108	-10.5%
Elimination	18	8	9	—

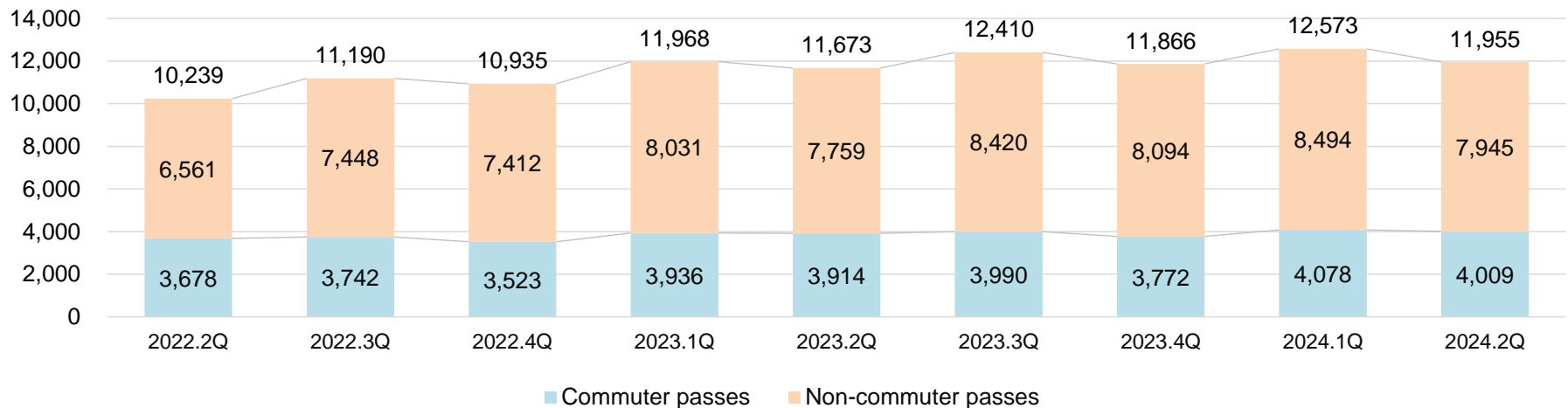
(Major factors affecting performance)

- The railway business saw increases in both revenue and profits due to factors such as an increase in the number of passengers transported in line with a recovery in passenger demand.
- The bus business saw an increase in revenue due to factors such as an increase in the number of passengers who are tourists, including those from overseas, but a decrease in profits due to factors such as an increase in repair costs.

Operating Results for Transportation: Keihan Electric Railway

	1H FY2025 results	1H FY2024 results	Change	Change (%)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	%
Passenger transportation revenue	24,528	23,641	886	3.8
Non-commuter passes	16,440	15,790	650	4.1
Commuter passes	8,087	7,850	236	3.0
	(Thousands of people)	(Thousands of people)	(Thousands of people)	%
Number of passengers	133,387	130,128	3,259	2.5
Non-commuter passes	64,555	62,346	2,208	3.5
Commuter passes	68,831	67,781	1,050	1.5

Changes in passenger transportation revenue (millions of yen)



Segment Information (Real Estate)

(Millions of yen)

	1H FY2025 results	1H FY2024 results	Change	Change (%)
Operating revenue	73,451	54,855	18,596	33.9%
Real estate	67,097	49,286	17,810	36.1%
Real estate sales	50,764	33,844	16,920	50.0%
Real estate leasing service	14,215	13,368	846	6.3%
Other businesses	2,117	2,073	43	2.1%
Construction	10,295	9,424	871	9.2%
Elimination	-3,941	-3,855	-85	—
Operating income	12,248	9,024	3,223	35.7%
Real estate	12,008	9,058	2,950	32.6%
Real estate sales	5,862	2,863	2,999	104.7%
Real estate leasing service	5,846	5,939	-92	-1.6%
Other businesses	299	255	44	17.4%
Construction	290	40	249	610.0%
Elimination	-50	-74	24	—

(Major factors affecting performance)

- The real estate sales business saw increases in both revenue and profits due to an increase in the sales of condominiums, such as The Fine Tower Osaka Higobashi and Fine City Omiya-koen.
- The real estate leasing business saw an increase in revenue due to factors such as the opening of Nakanoshima Cross and Station Hill Hirakata, but a decrease in profits due to factors such as expenses related to the opening of new facilities.

Segment Information (Retail Distribution)

(Millions of yen)

	1H FY2025 results	1H FY2024 results	Change	Change (%)
Operating revenue	27,119	25,433	1,685	6.6%
Department store	10,995	9,706	1,288	13.3%
Store	7,831	7,622	209	2.7%
Shopping mall management	6,781	6,483	298	4.6%
Other businesses	2,436	2,276	159	7.0%
Elimination	-925	-655	-270	—
Operating income	1,109	1,079	30	2.8%
Department store	-148	-190	41	—
Store	319	380	-60	-15.8%
Shopping mall management	887	839	47	5.7%
Other businesses	46	43	2	6.1%
Elimination	4	6	-2	—

(Major factors affecting performance)

- The department store business saw increases in both revenue and profits due to factors such as strong sales from overseas tourists.
- The store business saw an increase in revenue due to factors such as the full-year contribution of the Frest Korien Shop, which opened in the previous fiscal year, and the opening of THE STORE Hirakata Mall, but a decrease in profits due to factors such as expenses related to the opening of new facilities.
- The shopping mall management business saw increases in both revenue and profits due to factors such as the opening of Hirakata Mall and renovations of facilities conducted in the previous fiscal year.

Segment Information (Leisure and Service)

(Millions of yen)

	1H FY2025 results	1H FY2024 results	Change	Change (%)
Operating revenue	19,237	16,821	2,416	14.4%
Hotel	17,188	14,955	2,233	14.9%
Leisure	2,062	1,879	183	9.8%
Elimination	-13	-13	-0	—
Operating income	2,363	1,549	813	52.5%
Hotel	2,077	1,334	743	55.7%
Leisure	276	205	71	35.0%
Elimination	8	9	-1	—

Hotel occupancy rates

	1H FY2025 results	1H FY2024 results	Change
Hotel Keihan	82.0%	81.6%	0.4pt
Keihan Hotels & Resorts	79.7%	74.2%	5.5pt

(Major factors affecting performance)

- The hotel business saw increases in both revenue and profits due to factors such as inbound tourism demand captured.
- The leisure business saw increases in both revenue and profits due to factors such as a recovery in demand for sightseeing boats.

Consolidated Balance Sheets

(Millions of yen)

	1H FY2025 results	1H FY2024 results	Change	Main factors behind change
Current assets	220,627	240,594	-19,967	Notes and accounts receivable-trade and contract assets: -19,904
Non-current assets	602,712	579,629	23,082	Buildings and structures: +32,580 Construction in progress: -10,390
Total assets	823,339	820,224	3,114	
Current liabilities	185,600	175,192	10,407	Current portion of bonds: +20,000 Short-term loans payable: +11,438 Accounts payable: -23,883
Long-term liabilities	321,209	340,211	-19,001	Long-term loans payable: -10,726 Bonds payable: -10,000
Total liabilities	506,810	515,403	-8,593	
Net assets	316,529	304,820	11,708	Retained earnings: +11,866 * Equity capital ratio: 37.6% (+1.2 pts)
Total liabilities and net assets	823,339	820,224	3,114	
Interest-bearing debt	349,037	338,325	10,711	Bonds payable: +10,000 Loans payable: +711

Consolidated Statements of Cash Flows

(Millions of yen)

	1H FY2025 results	1H FY2024 results	Change	Main factors behind change
Cash flows from operating activities	29,593	16,990	12,603	Decrease in inventories: +6,429 Decrease in trade receivables: +5,449
Cash flows from investing activities	-41,583	-11,303	-30,280	Purchase of non-current assets: -27,191 Proceeds from sales of non-current assets: -6,700
Cash flows from financing activities	6,309	-7,034	13,343	Redemption of bonds: +20,000 Repayments of long-term loans payable: -8,099
Net increase (decrease) in cash and cash equivalents	-5,681	-1,342	-4,339	
Cash and cash equivalents at beginning of period	22,768	16,727	6,041	
Cash and cash equivalents at end of period	17,087	15,385	1,702	

FY2025 Forecasts

◆ 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.

Consolidated Statement of Income (Performance Forecasts)

- Both revenue and profits are forecast to increase due to increased revenue in the leisure and service business and transportation business, reflecting an increase in overseas tourists, as well as steady condominium sales in the real estate business.

(Millions of yen)

	FY2025 forecasts (latest)	FY2025 forecasts (released in May)	Change	Change (%)	FY2024 results	Change	Change (%)
Operating revenue	311,900	306,000	5,900	1.9%	302,147	9,752	3.2%
Operating income	39,200	35,500	3,700	10.4%	33,904	5,295	15.6%
Ordinary income	37,700	34,000	3,700	10.9%	33,111	4,588	13.9%
Profit attributable to owners of parent	26,500	25,500	1,000	3.9%	24,890	1,609	6.5%

(Reference)

Depreciation	22,000	22,300	-300	-1.3%	20,002	1,997	10.0%
EBITDA	61,200	57,800	3,400	5.9%	53,906	7,293	13.5%
Interest-bearing debt	362,000	364,000	-2,000	-0.5%	338,325	23,674	7.0%
Net interest-bearing debt	344,000	346,000	-2,000	0.6%	315,496	28,503	9.0%
Net interest-bearing debt/EBITDA ratio	5.62	5.99	-0.37	—	5.85	-0.23	—
ROE	8.6%	8.2%	0.4pt	—	8.8	-0.2pt	—

Net interest income	-1,600	-1,500	-100	—	-1,276	-323	—
Interest and dividend income	600	500	100	20.0%	514	85	16.6%
Interest expenses	2,200	2,000	200	10.0%	1,790	409	22.8%

Segment Information (Performance Forecasts)

(Major factors affecting performance: after the previous forecasts in May)

- Transportation: Increases in both revenue and profits due to factors such as an increase in the number of passengers, reflecting a recovery in demand.
- Real estate: Increases in both revenue and profits due to factors such as steady condominium sales.
- Retail distribution: Increases in both revenue and profits due to strong performance of shopping malls.
- Leisure and service: Increases in both revenue and profits due to factors such as inbound tourism demand captured.

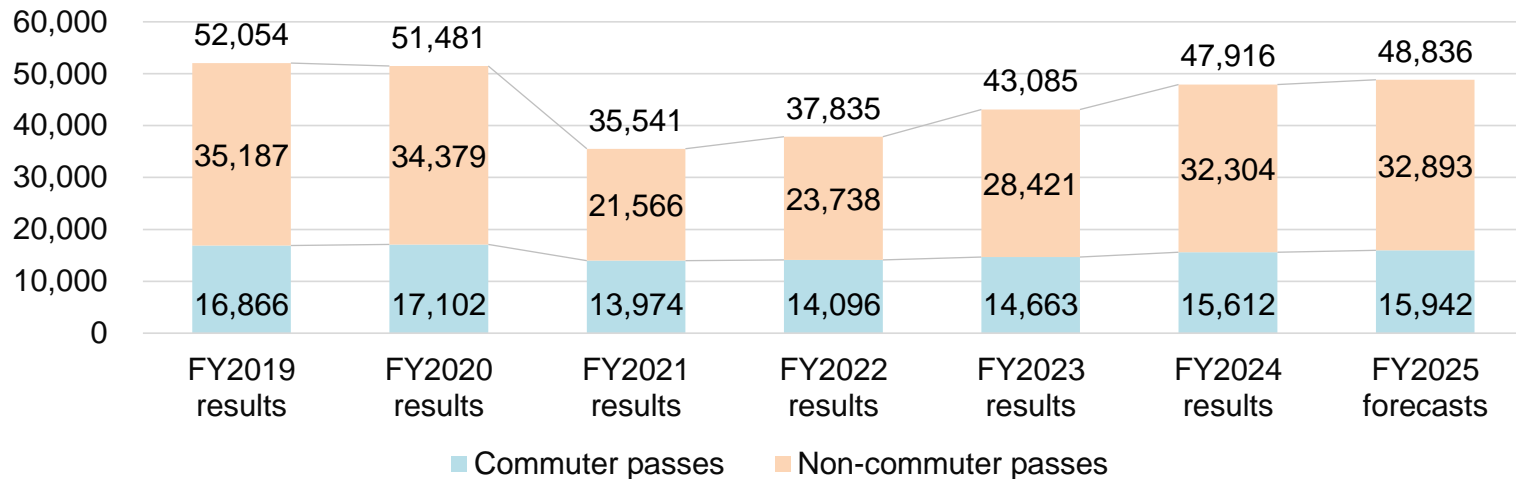
(Millions of yen)

		FY2025 forecasts (latest)	FY2025 forecasts (released in May)	Change	FY2024 results	Change
Transportation	Operating revenue	90,500	89,800	700	89,046	1,453
	Operating income	10,700	9,700	1,000	9,208	1,491
Real estate	Operating revenue	138,800	136,000	2,800	138,860	-60
	Operating income	22,100	20,600	1,500	20,171	1,928
Retail distribution	Operating revenue	57,000	55,900	1,100	53,439	3,560
	Operating income	3,200	3,000	200	2,771	428
Leisure and service	Operating revenue	39,400	37,500	1,900	34,976	4,423
	Operating income	4,400	3,500	900	3,265	1,134
Others	Operating revenue	5,000	4,900	100	4,578	421
	Operating income	-300	-400	100	-837	537
Adjustments	Operating revenue	-18,800	-18,100	-700	-18,752	-47
	Operating income	-900	-900	—	-675	-224

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

	FY2025 forecasts (latest)	FY2025 forecasts (released in May)	Change	Change (%)	FY2024 results	Change	Change (%)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	%	(Millions of yen)	(Millions of yen)	%
Passenger transportation revenue	48,836	48,531	305	0.6	47,916	920	1.9
Non-commuter passes	32,893	32,791	102	0.3	32,304	589	1.8
Commuter passes	15,942	15,740	202	1.3	15,612	330	2.1
	(Thousands of people)	(Thousands of people)	(Thousands of people)	%	(Thousands of people)	(Thousands of people)	%
Number of passengers	263,686	261,945	1,741	0.7	260,144	3,541	1.4
Non-commuter passes	128,916	128,717	199	0.2	127,155	1,760	1.4
Commuter passes	134,770	133,228	1,542	1.2	132,988	1,781	1.3

Changes in passenger transportation revenue (millions of yen)



Capital Expenditure and EBITDA by Segment (Performance Forecasts)

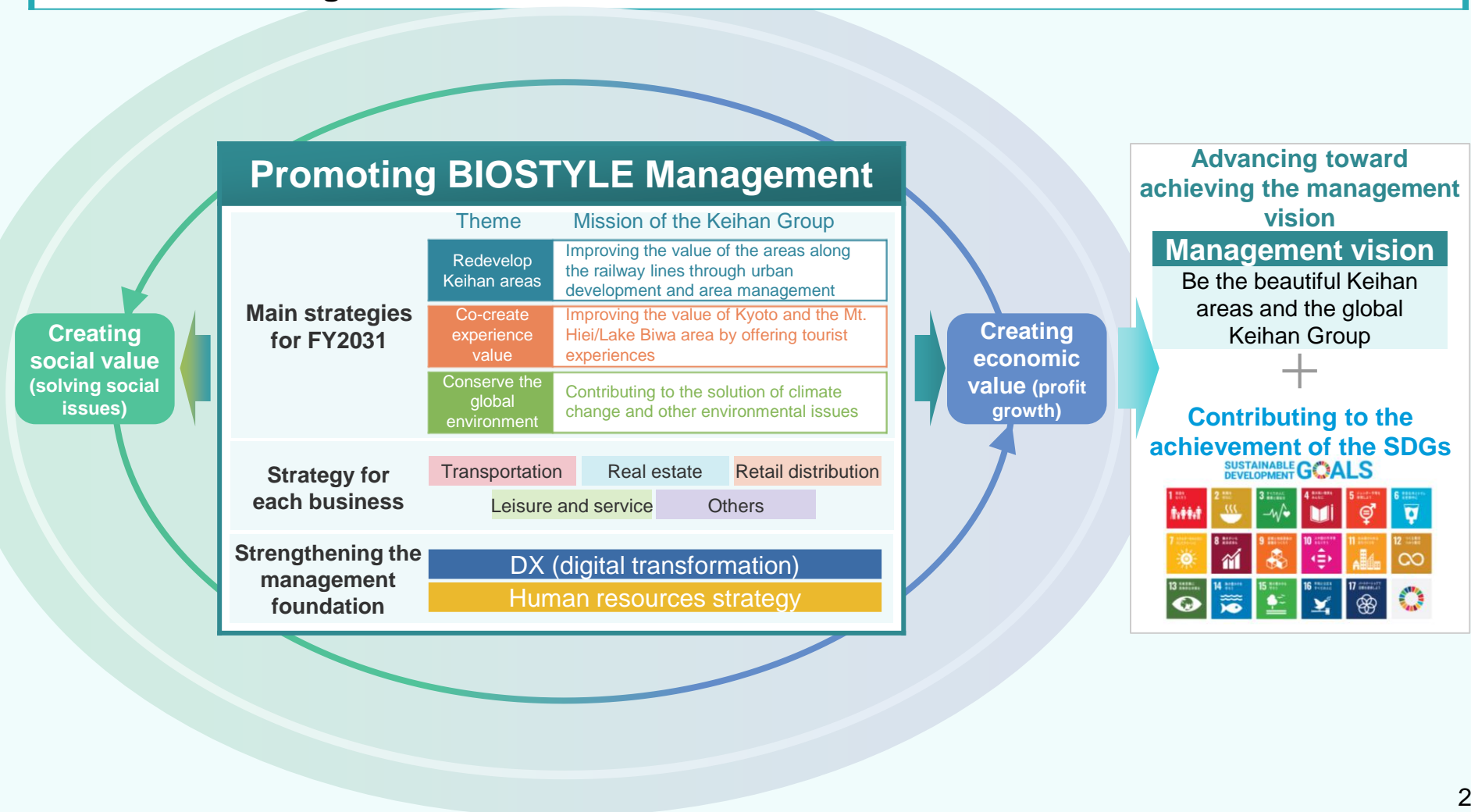
(Millions of yen)

	Capital expenditure					EBITDA				
	FY2025 forecasts (latest)	FY2025 forecasts (released in May)	Change	FY2024 results	Change	FY2025 forecasts (latest)	FY2025 forecasts (released in May)	Change	FY2024 results	Change
Total	65,700	71,300	-5,600	38,512	27,187	61,200	57,800	3,400	53,906	7,293
Transportation	22,100	24,000	-1,900	16,180	5,919	21,800	20,900	900	19,743	2,056
Real estate	35,600	31,100	4,500	20,178	15,421	30,200	28,600	1,600	26,991	3,208
Retail distribution	2,600	2,900	-300	1,728	871	4,400	4,300	100	3,832	567
Leisure and service	3,600	3,300	300	1,272	2,327	5,700	4,900	800	4,570	1,129
Others	200	200	—	243	-43	-200	-300	100	-719	519
Adjustments	1,600	9,800	-8,200	-1,090	2,690	-700	-600	-100	-511	-188

Progress of the Medium-term Management Plan “BIOSTYLE: Deepening and Challenge”

Overview of the Long-term Management Strategy

Placing “**BIOSTYLE (Keihan version of the SDGs),**” which we have been working to establish as the Keihan Group’s new brand for the creation of a sustainable, recycling-oriented society, at the core of management and business activities, we will promote **BIOSTYLE Management** that creates both social and economic value.



Medium-term Management Plan: Main Strategies

Redevelop
Keihan areas

New

See p. 22 for details.

Type-1 urban redevelopment project in Hirakatashi Station area

Opening

From June 2024 (in phases)

Total floor area

Approx. 95,000 m²



Real estate

- High-rise rental condominium "THE TOWER HIRAKATA"

Retail
distribution

- Commercial facility "Hirakata Mall"
- Sustainable market "THE STORE"

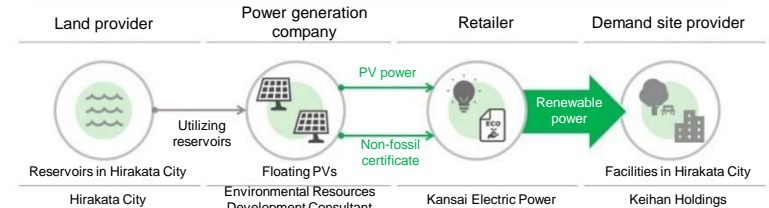
Conserve the global
environment

New

See p. 25 for details.

Conclusion of an offsite corporate photovoltaic PPA utilizing reservoirs in Hirakata City

- Keihan Group's facilities will use renewable power from reservoirs.



FY2024

FY2025

FY2026

Conserve the global
environment

Selling houses with PV power generation systems at Keihan East Rose Town in southern Kyoto Pref.



Redevelop
Keihan areas

Opening Nakanoshima Cross, International Hub for Healthcare Innovation on Nakanoshima

Co-create experience value

Extending the Lake Biwa Canal Cruise (Lake Biwa-Kyoto) from the Miidera Temple area to Otsu Port in Otsu City

Conserve the global
environment

Installing a PV power generation system at the Frest Matsui-yamate Shop

Conserve the global
environment

Creating a next-generation decarbonized district by participating in a large-scale residential district development project at the former site of Fushimi Technical High School in Kyoto

Redevelop
Keihan areas

New

See p. 23 for details.

Joint reconstruction of Keihan Midosuji Bldg. and Nittochi Yodoyabashi Bldg.

Opening

Summer 2025 (scheduled)

Total floor area

Approx. 73,000 m²



Co-create experience value

Kyoto Station Southeast Area Project



Redevelop Keihan areas

Carrying out community building starting from railway stations

- **Concentrating urban functions around railway stations** and continuously implementing community building that takes advantage of regional characteristics, including history and culture, in cooperation with local businesses and communities
- Evolving railway stations from mere boarding and alighting spots to spaces where people gather and **new communication is inspired** by integrating the station and the community

Type-1 urban redevelopment project in Hirakatashi Station area

- Station Hill Hirakata, a station-based complex with all the facilities and services necessary for daily life, has fully opened.
- Aiming to create a walkable town, a variety of new public spaces have been established.

Population of Hirakata City



Approx. 400,000

Ridership at Hirakatashi Sta.



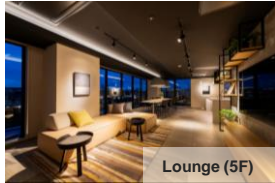
3rd largest
of Keihan stations

Bus services per day



Keihan Bus
Approx. 1,000 per day

Real estate: Expanding asset types

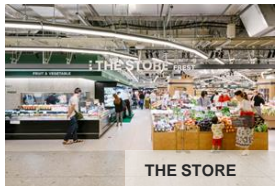


Lounge (5F)

High-rise rental condominium (5–29F) “THE TOWER HIRAKATA”

Unveiled a rental condominium that promotes young people's inflow and mobility in response to the issue of the declining ratio of young people in Hirakata City

Retail distribution: Promoting development projects along the railway lines



THE STORE

Commercial area (1–5F) “Hirakata Mall”

Houses approximately 90 shops, including THE STORE, a sustainable market that contributes to environmental conservation, the local economy, and cultural succession, operated by Keihan The Store Co. Ltd.



Hirakata Delta

Public spaces

Symbolic public spaces such as plazas and terraces are located at points where the community and facilities connect.

Hotel (19–26F) “Candeo Hotels Osaka Hirakata”



Sky Spa at the hotel

Offices (7–17F)



Office (13F)

Total floor area: Approx. 95,000 m² Completion: May 2024

Progress of the Main Strategies

Redevelop Keihan areas

Regaining the glory of Osaka's east-to-west axis

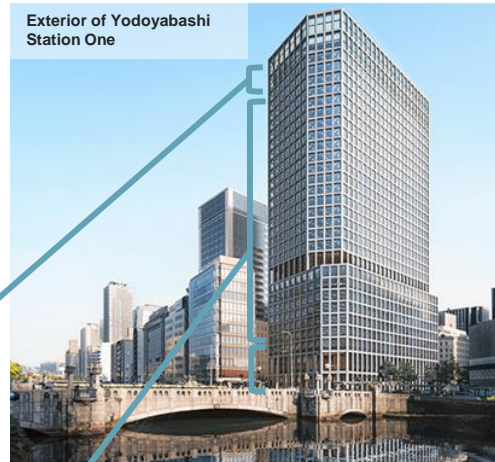
- Promoting urban development by taking advantage of regional characteristics along Osaka's east-to-west axis, from **Kyobashi**, the gateway to Kyoto and close to Osaka Castle, through **Nakanoshima**, which is planned to become a hub for regenerative medicine, to the bay area, where the IR project is under way

Joint reconstruction of Keihan Midosuji Bldg. and Nittochi Yodoyabashi Bldg.

- A landmark building of approximately 150 m, the highest in the area, is under construction in Yodoyabashi, the junction of Osaka's east-to-west axis and Midosuji.
- The facility is named **Yodoyabashi Station One**.

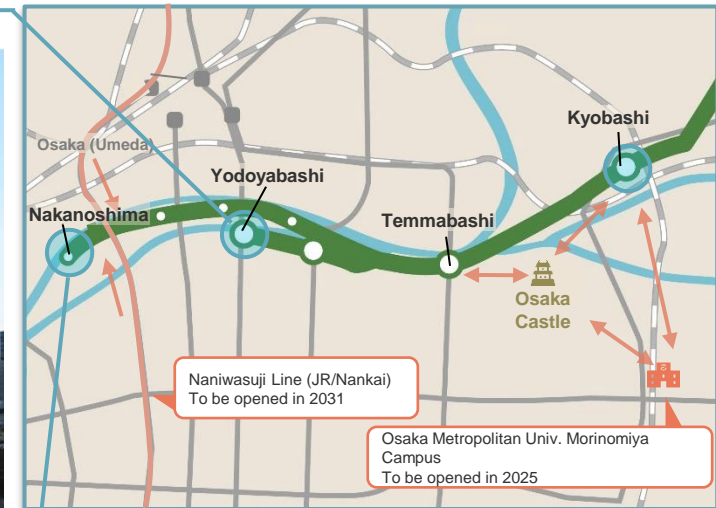
Commercial floors (B1–2F, 30F)

The 30th floor will feature a retail complex with a luxury restaurant, all-day dining, and event space.



Office floors (4–29F)

The 10th floor will include a Worker Lounge for the exclusive use of tenants, as well as SENQ Yodoyabashi, an office that creates opportunities for open innovation.



Nakanoshima 4-chome International Hub for Healthcare Innovation Project

A unique center to industrialize healthcare innovation, integrating medical institutions, companies, startups, support organizations, and other entities, was opened.

Nakanoshima Cross

Opening: April 2024
Total floor area: Approx. 57,000 m²



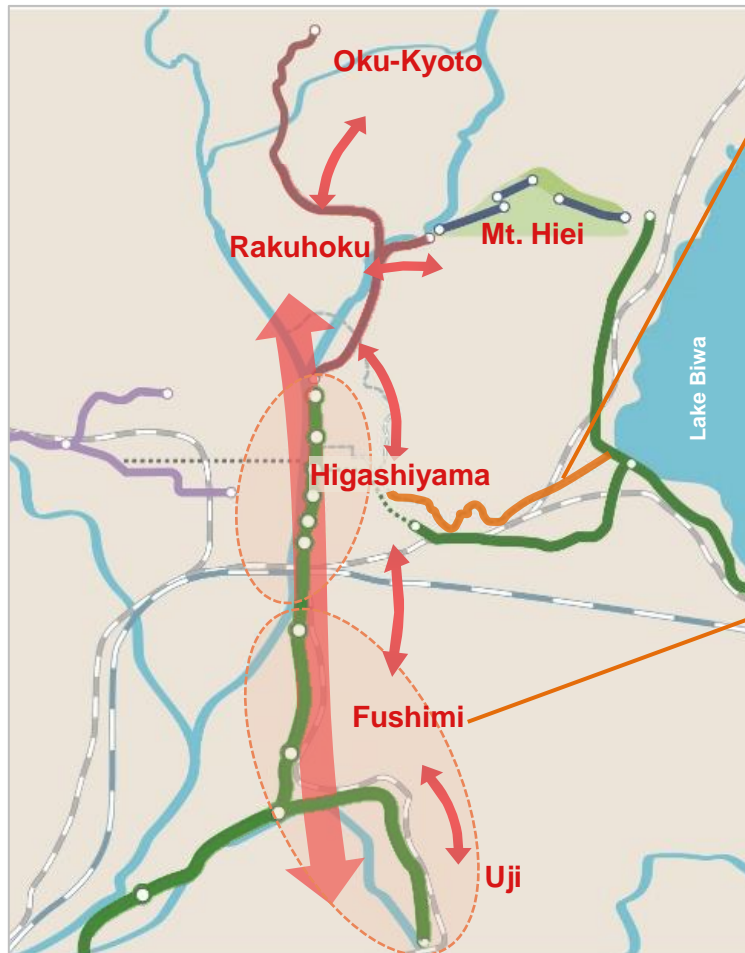
Total floor area: Approx. 73,000 m²
Completion: May 2025 (scheduled)

Size: 31 floors above ground, 3 floors below ground
Opening: Summer 2025 (scheduled)

Co-create experience value

- Establishing the Kyoto Tourism Golden Route through themed tourism
- Creating tourism content that connects Kyoto and Osaka

- Co-creating story-based tourist experiences with local communities under such themes as traditional industry, art, food, and history in Kyoto and surrounding areas
- Focusing on the “Flow of Water,” which runs from Lake Biwa to Kyoto and Osaka Bay through the Yodogawa River, to create tourism and experience-based content centered on waterway transportation



Extension of the Lake Biwa Canal Cruise to Otsu Port

- The Lake Biwa Canal Cruise, which connects Otsu City and Kyoto City, was extended from around Miidera Temple to Otsu Port in Otsu City in 2024.
- The waterway transportation connecting Kyoto City to Lake Biwa is expected to enhance the attractiveness and deepen the tourism of the entire area.



Sake brewery tourism in the Fushimi and Lake Biwa areas

- Content for small groups of wealthy individuals to experience unique food culture, traditions and lifestyles through Japanese sake in the Fushimi and Lake Biwa areas has been developed.



Conserve the global environment

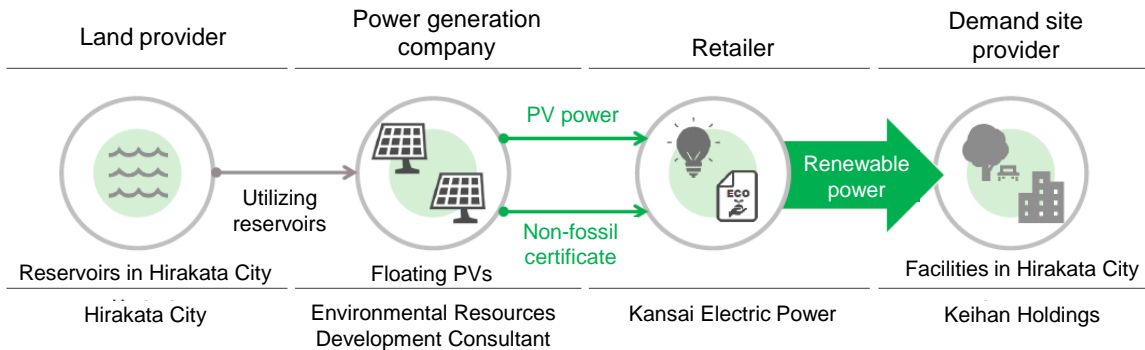
Promoting BIOSTYLE Environmental Action 2030

- Promoting BIOSTYLE Environmental Action 2030, the Keihan Group's medium- to long-term environmental plan released in May 2022

Promotion of energy creation

◆ Conclusion of an offsite corporate photovoltaic PPA utilizing reservoirs

- This is a “local production for local consumption” initiative to use electricity generated from renewable energy sources at reservoirs in Hirakata City, Osaka, at facilities in Hirakata City. Hirakata Park and KUZUHA MALL, which are operated by the Keihan Group, will be supplied with such electricity from FY2025.
- It is expected to reduce CO₂ emissions by approximately 2,700 tons per year, and the Keihan Group will continue to pursue initiatives to create a decarbonized society.



◆ Installation of PV power generation facilities

- Solar panels were installed on the roof of the Frest Matsui-yamate Shop in April 2024, and power generation has begun.
- Installation of a PV power generation system is planned at Fushimi-inari Station on the Keihan Main Line. Preparations are under way to create a zero-carbon station.



Long-term Management Strategy: Main Strategies (Schedule)

Period of the medium-term management plan


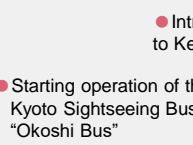

		2024/3	2025/3	2026/3	2027/3	2028/3	2031/3
Redevelop Keihan areas	Nakanoshima 4-chome International Hub for Healthcare Innovation Project	<div>Completion●Project completion</div>					
	Company-owned site development in Nakanoshima 4-chome	Under consideration and deliberation					
	Joint reconstruction of Keihan Midosuji Bldg. and Nittochi Yodoyabashi Bldg.	<div>Opening●</div>					
	Redevelopment of the Kyobashi Sta. area	Under consideration and deliberation					
	Redevelopment of the Temmabashi Sta. area, extension of the Nakanoshima Line	Deepening discussions with a view to 2030 and beyond					
	Type-1 urban redevelopment project in the Hirakatashi Sta. area	<div>Opening of the area directly connected to the station●Completion of the urban redevelopment project●</div>					
	Station area development along with the consecutive grade separation project on the Keihan Main Line	Under consideration and deliberation					
	Development of the Hashimoto Sta. area	<div>Completion●</div>					
	Redevelopment of the areas in front of Kadomashi Sta. and north of Furukawabashi Sta.	<div>Completion of the Furukawabashi project●</div>					The Kadomashi project under consideration and deliberation
Co-create experience value	Kyoto Sta. Southeast Area Project	<div>Opening●</div>					
	Redevelopment of the Sanjo Sta. area	Under consideration and deliberation					
	Redevelopment of Kyoto Tower	Deepening discussions with a view to 2030 and beyond					
	Renovating facilities at the top of Mt. Hiei	Under consideration and deliberation					
Conserve the global environment	Thorough energy saving and introduction of new technologies, promotion of energy creation, procurement of renewable energy	Under consideration to be implemented as needed					

Progress of the Strategy for Each Business: Main Topics

- Measures for each business to fulfill the medium-term management plan are progressing steadily.

Railway

- Promoting more eco-friendly transportation
- Further efforts for safety and security
- Providing special riding experiences on Keihan Electric Railway
- Capturing new mobility demand

2024/3	2025/3	2026/3
<ul style="list-style-type: none"> Increasing all-reserved Liner train services 	<ul style="list-style-type: none"> Installing platform screen doors (Hirakatashi Sta.) Introducing QR code tickets to Keihan Electric Railway Starting operation of the Kyoto Sightseeing Bus "Okoshi Bus" 	<ul style="list-style-type: none"> Installing platform screen doors (Moriguchishi Sta. and Kayashima Sta.) *Scheduled for FY2025 Introducing two Premium Cars per service (scheduled) 
<ul style="list-style-type: none"> Introducing electric buses to Group bus companies (no specific timing) 		


Real estate

- Expanding domestic business areas and asset types
- Promoting development projects utilizing urban development methods

<ul style="list-style-type: none"> Acquiring East Court 2 Bangai (Kobe) Acquiring Keihan Naha Shin-Toshin Bldg. (Okinawa) Acquiring Keihan Matsudo Bldg. (Chiba) 	<ul style="list-style-type: none"> Acquiring Narita TT Bldg. (Chiba) Acquiring Higashinihon Fudosan Sendai Ichibancho Bldg. (Sendai) Accepting move-in to the rental condo THE TOWER HIRAKATA Starting delivery of land in Shimokoma 	
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Retail distribution

- Developing the project to suggest "safe, reliable, and healthy eating habits"
- Evolving and developing commercial activities in the areas along the railway lines
- Promoting development projects along the railway lines

<ul style="list-style-type: none"> Completing renovation of KYOTO TOWER SANDO 	<ul style="list-style-type: none"> Starting operation of the first "Frest mobile supermarket" Completing renovation of KUZUHA MALL Completing conversion to Moyori-ichi 	<ul style="list-style-type: none"> Starting operation of Higashiosaka Process Center (scheduled) Opening Hirakata Mall Opening the sustainable market THE STORE 
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Leisure and service

- Enhancing competitiveness through SDG-oriented rebranding
- Adding high value to products and services
- Expanding profit-earning opportunities in the ship business
- Considering opening new hotels

<ul style="list-style-type: none"> Renovating guest rooms in Hotel Keihan Universal Tower 	<ul style="list-style-type: none"> Renovating guest rooms in Kyoto Tower Hotel Signing naming rights agreement for Kyoto Tower 	<ul style="list-style-type: none"> Operating hydrogen vessel on commission (during the Expo) 
<ul style="list-style-type: none"> Opening of NEMOHAMO Tokyo Renovating the restaurant Hyssop 		

GOOD NATURE STATION

Considering fare revision for Keihan Electric Railway

◆ Backgrounds

- At the timing of vehicle and rail equipment replacement, which is essential for safe and stable transportation, labor costs and expenses are also rising. Therefore, it was determined that fare revision is necessary to secure the revenue and profits required for the sustainable operation of the railway business into the future.
- Preparations are under way to apply for fare revision while continuing to improve operational efficiency and reduce costs.

◆ Details

Fare revision period	Autumn 2025 (scheduled)
Application period	2024 (scheduled)

Revision content	<ul style="list-style-type: none"> • The overall revision rate will be in the teens. • The “barrier-free fare system” will not be applied when the fare is revised.
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Promoting more eco-friendly transportation

◆ Accelerating the introduction of eco-friendly 13000-series train cars



- Sixty-seven cars will be newly introduced between FY2025 to FY2027.
- Over 30% of all train cars on the Keihan Line will be 13000-series cars.
- Power consumption during driving is reduced by approximately 35% compared to conventional cars.



Further efforts for safety and security

◆ Installing in-train security cameras


- To improve in-train security and deter crimes, all train cars on the Keihan Line will be equipped with in-train security cameras by the end of FY2029.

Subject cars	All train cars on the Keihan Line (607 cars owned)
Completion	End of FY2029
Location	 

Real Estate Business Driving the Group's Growth

Expanding domestic business areas in the real estate sales/leasing business and asset types

Sales

Development of hotel condos in Okinawa		No. of units
Delivery in FY2024		
VIVOVIVA Ishigakijima		98*
		
Scheduled delivery in FY2026		
RIHGA Royal Resort Okinawa Chatan		209*

* A joint project. The number of units refers to the total number of housing units. The number of units and when the sales are recorded are subject to change.

Leasing

New acquisitions in FY2025			
	Name	Narita TT Bldg.	Higashinihon Fudosan Sendai Ichibancho Bldg.
	Acquired	Jul. 2024	Oct. 2024
	Location	Narita City, Chiba	Sendai City, Miyagi
	Size	8 floors above ground	9 floors above ground, 1 floor below ground
	Total floor area	4,369.69 m ²	4,563.30 m ²
Property use	Offices, etc.	Offices, etc.	

Sales

Promoting development and acquisition of hotels, offices, and logistics facilities in addition to condominium sales

Promoting development projects utilizing urban development methods

D Land readjustment project in Gakken Seika Shimokoma

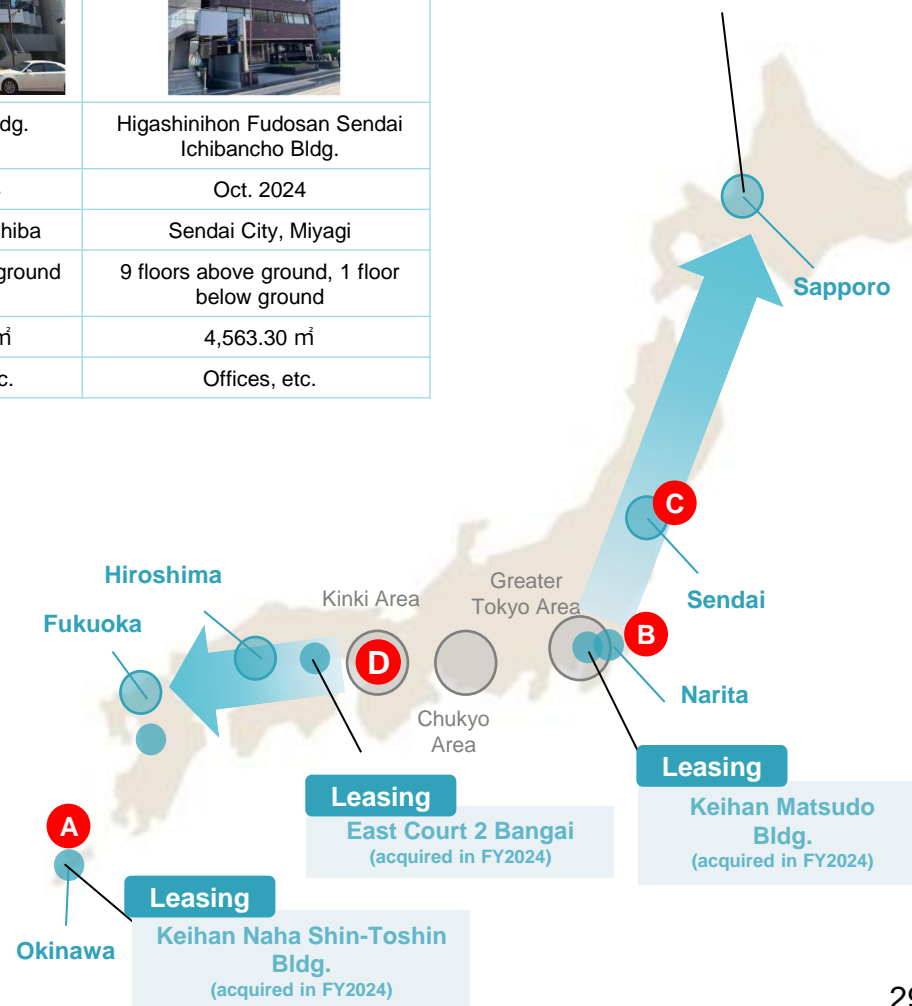


- Approx. 49 hectares of company-owned land in southern Kyoto Pref.
- Scheduled completion: End of Dec. 2024
- Delivery started in Jul. 2024

Land readjustment project in the Yawata IC south area



- Company-owned land and adjacent area in southern Kyoto Pref.
- Land development work completed
- Leasing to begin in phases from FY2025



Reinforcement of Product Competitiveness through Opening of the Process Center

Developing the project to suggest “safe, reliable, and healthy eating habits”

◆ Launch of Higashiosaka Process Center

- In November 2024, the Higashiosaka Process Center will begin operation to centrally produce some of the products for Frest and THE STORE supermarkets operated by Keihan The Store, as well as for the Moyori-ichi in-station stores.
- This will help the company differentiate itself from competitors by accelerating the development of original products and establish a safe and secure product supply system.



Details of the center

Location	Higashiosaka City, Osaka
Total floor area	Approx. 760 m ²
Floor allocation	3F Office, changing rooms 2F Bread and sweets production room 1F Shipping/receiving area, kitchen
Major delivery destinations	6 supermarkets • Frest (5 shops, including Matsui-yamate Shop) • THE STORE Hirakata Mall • 20 Moyori-ichi in-station stores • Hirakata Moyori-ichi • 19 others, including those at Kyobashi Sta. and Korien Sta.
Product lineup	Rice, deli foods, confectionery, bread, etc.



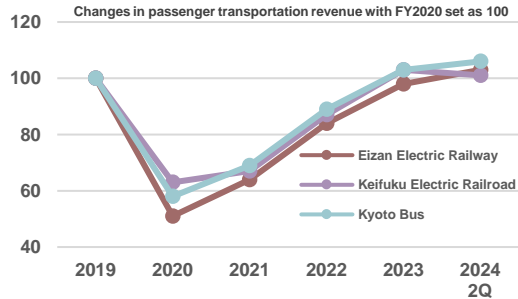
Business Environment in the Kyoto Area with Growing Tourism Demand

- In the Kyoto area, where demand for tourism and accommodations is increasing, efforts will be made to redevelop the Sanjo Station area as part of the main strategy to “co-create experience value,” as well as to enhance the capturing of demand in each business.

Transportation

Enhancing the capturing of increasing mobility demand

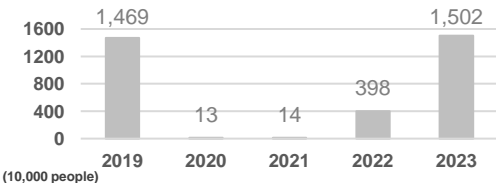
- Passenger transportation revenue increased to pre-pandemic levels or higher due to an increase in overseas tourists.



- Keihan Bus aims to attract more passengers with the Kyoto Sightseeing Bus “Okoshi Bus.”



Number of foreign passengers at KIX (international lines)



Businesses in Kyoto

Area of strong performance for Kyoto Bus



Main strategy “Co-create experience value”

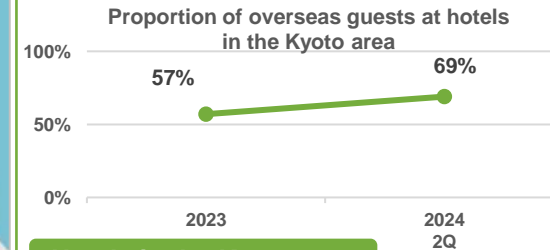
Consideration of the Sanjo Sta. area redevelopment

- The Cabinet Office announced its policy for designating the Sanjo Station area as an “Urban Revitalization Emergency Development Area.”
- Development of a complex that will serve as a base for sightseeing in Higashiyama and promote Japanese and Kyoto culture, as well as the enhancement of terminal functions, will take place.

Leisure and service

Capturing strong inbound tourism demand

- Proportion of overseas guests in accommodation is increasing.



Hotels in the Kyoto area

● Kyoto Tower Hotel	161 rooms
● Kyoto Tower Hotel Annex	126 rooms
● Kyoto Century Hotel	218 rooms
● THE THOUSAND KYOTO	222 rooms
● CAFETEL Kyoto Sanjo	21 rooms
● Hotel Keihan Kyoto Grande	320 rooms
● Hotel Keihan Kyoto Hachijoguchi	234 rooms
● Hotel Keihan Kyoto Ekiminami	200 rooms
● GOOD NATURE HOTEL KYOTO	141 rooms

DX (Digital Transformation)

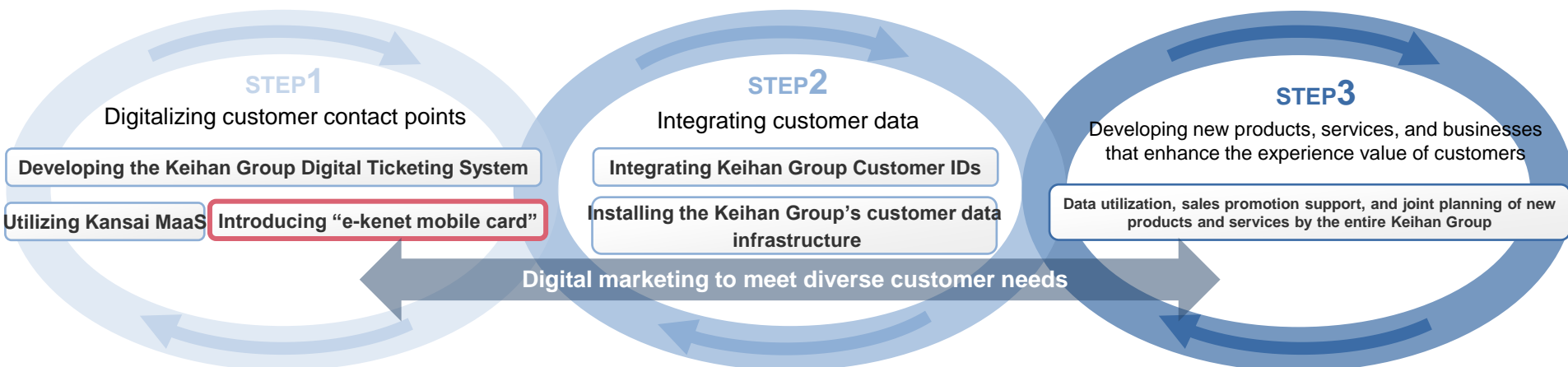
◆ Promoting the Keihan Group's digital strategy

- In July 2024, a new department was established to promote a digital strategy for customers across the Keihan Group.
- In September 2024, a LINE mini-app for the Keihan Group's common point system "Okeihan Point" was developed, and the "e-kenet mobile card," which displays a barcode membership card on the screen of smartphones or other devices, was issued.

- Expanding points of contact with customers through digital membership cards
- Attracting new customers to membership



Screen rendering



Human resources strategy

- An environment in which employees can play an active role with a "BIOSTYLE mindset" will be developed for the sustainable enhancement of corporate value.

Maximizing the abilities and performance of each individual

Creating an environment in which each of our diverse human resources can demonstrate their abilities without anxiety

- Creation of an office environment that promotes interaction and generates ideas
- Expansion of shorter working hours for childcare and telecommuting systems
- Utilization of company-led childcare services and babysitter dispatch services

(as in the case of Keihan Holdings Co., Ltd.)



Communication space at Keihan Holdings



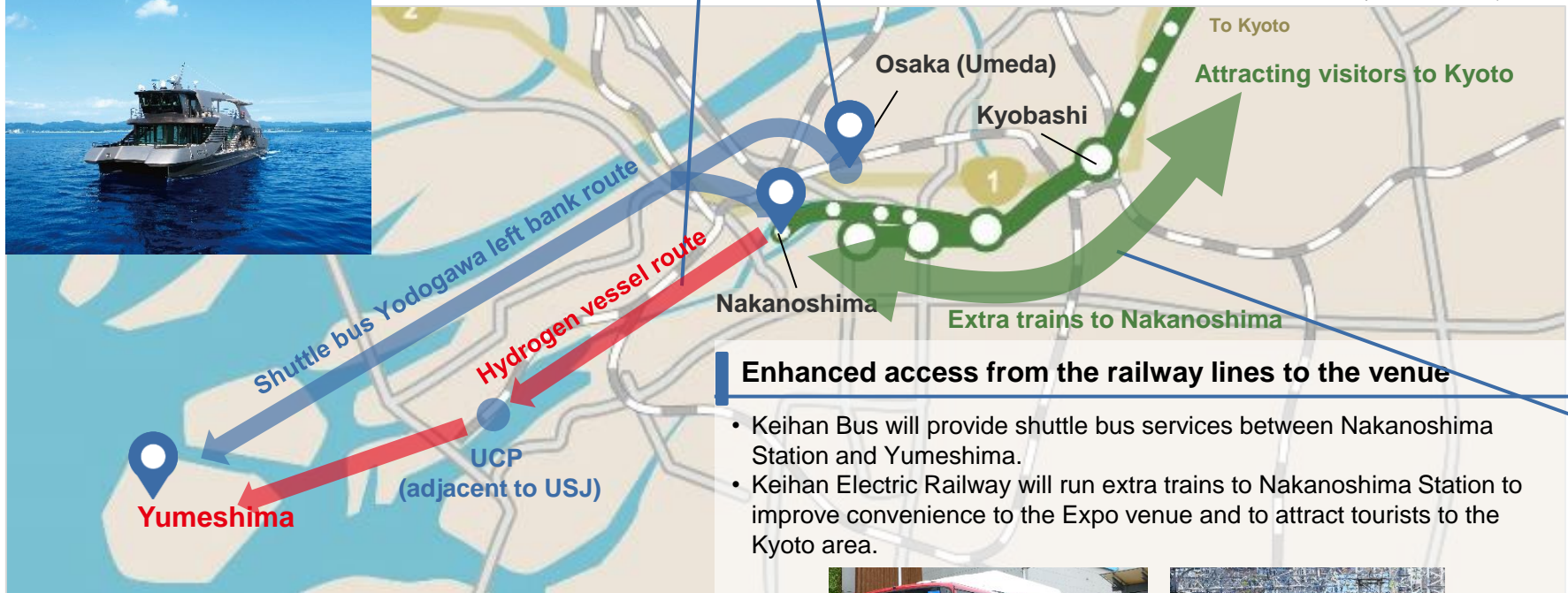
New head office of Keihan Electric Railway

Initiatives for Expo 2025 Osaka, Kansai

Toward Expo 2025 Osaka, Kansai, the Keihan Group companies are preparing to provide comfortable land and water transportation to Yumeshima, the Expo venue, and to entice visitors to the Expo to come to the areas along the railway lines.

Operating hydrogen vessel on commission

- Osaka Aqua Bus was commissioned by Iwatani Corporation to operate Japan's first hydrogen fuel cell passenger vessel.
- The route will connect Nakanoshima to Yumeshima via Universal Port.



Shuttle bus services from Osaka Station

- Keihan Bus will provide shuttle bus services between the Osaka Station (South) Osaka Marubiru Site Bus Terminal* and Yumeshima.



* Provided by Daiwa House Group

Enhanced access from the railway lines to the venue

- Keihan Bus will provide shuttle bus services between Nakanoshima Station and Yumeshima.
- Keihan Electric Railway will run extra trains to Nakanoshima Station to improve convenience to the Expo venue and to attract tourists to the Kyoto area.



Capital Policy Revision

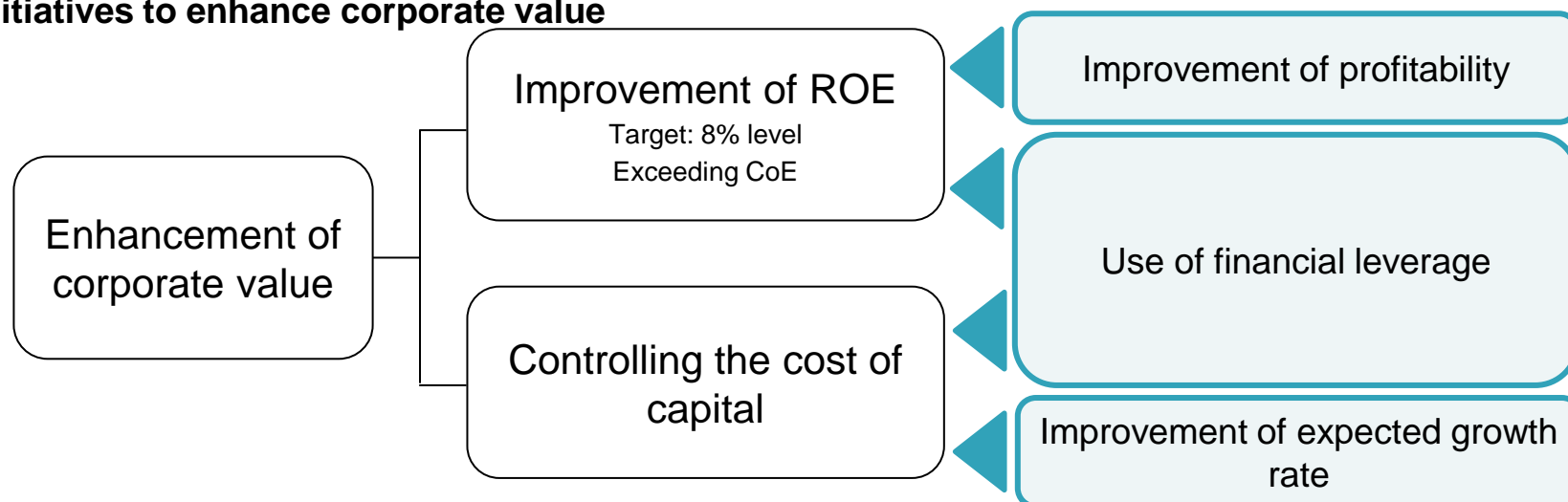
—Future Initiatives for Management Conscious of the Cost of
Capital and Share Price—

Toward Achieving Management Conscious of the Cost of Capital and Share Price

Backgrounds

- For the full year of FY2025 (fiscal year ending March 31, 2025), we expect to achieve the quantitative targets set forth in the current medium-term management plan “BIOSSTYLE: Deepening and Challenge” one year ahead of schedule and make steady progress toward the profit targets set forth in the long-term management strategy.
- Although ROE has remained above the cost of equity (CoE), in light of the current share price trend and financial situation, we have determined that it is reasonable to shift the capital policy towards a more appropriate control of shareholders' equity with a view to enhancing corporate value in the medium to long term while remaining conscious of the cost of capital.

Initiatives to enhance corporate value

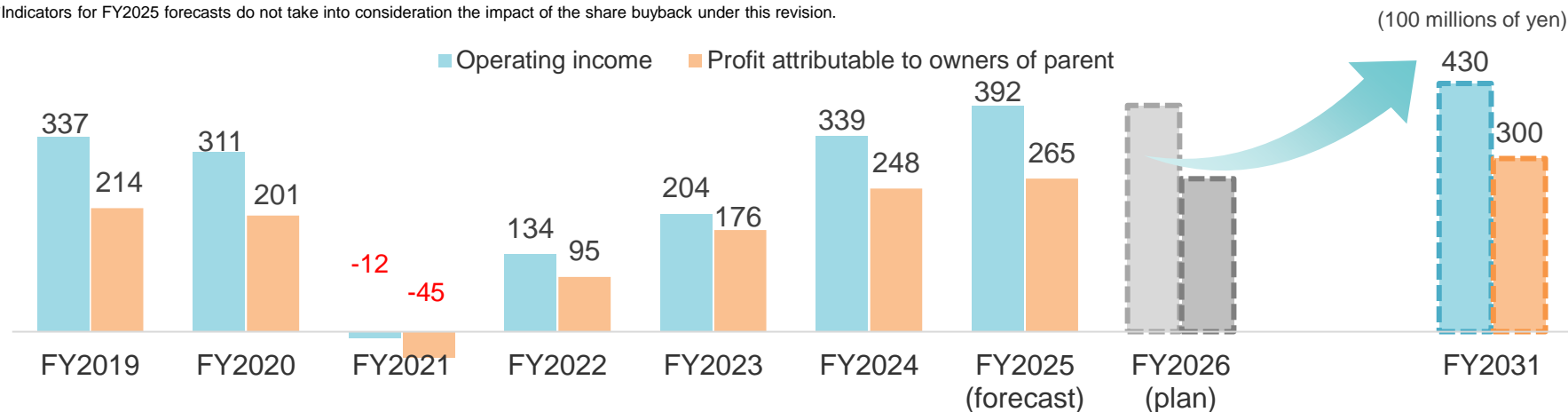


- Increase corporate value by improving ROE and controlling the cost of capital
- Raise profitability through steady implementation of the long-term management strategy and medium-term management plan and aim to exceed 8% level of ROE by using financial leverage based on the premise of maintaining financial soundness
- Optimize capital structure by **revising shareholder return policy**, improve expected growth rate by strengthening communication of medium- to long-term growth strategy through dialogue with capital markets, thus controlling the cost of capital

Changes in the Quantitative Targets

Management indicators	FY2024 results	FY2025 forecasts		FY2031 target level
Operating income	33.9 bn. yen	39.2 bn. yen	▶	43 bn. yen or more
Profit attributable to owners of parent	24.8 bn. yen	26.5 bn. yen	▶	30 bn. yen or more
EBITDA	53.9 bn. yen	61.2 bn. yen	▶	70 bn. yen or more
Net interest-bearing debt/EBITDA ratio	5.85x	5.62x	▶	6x level
ROE	8.8%	8.6%	▶	8% level

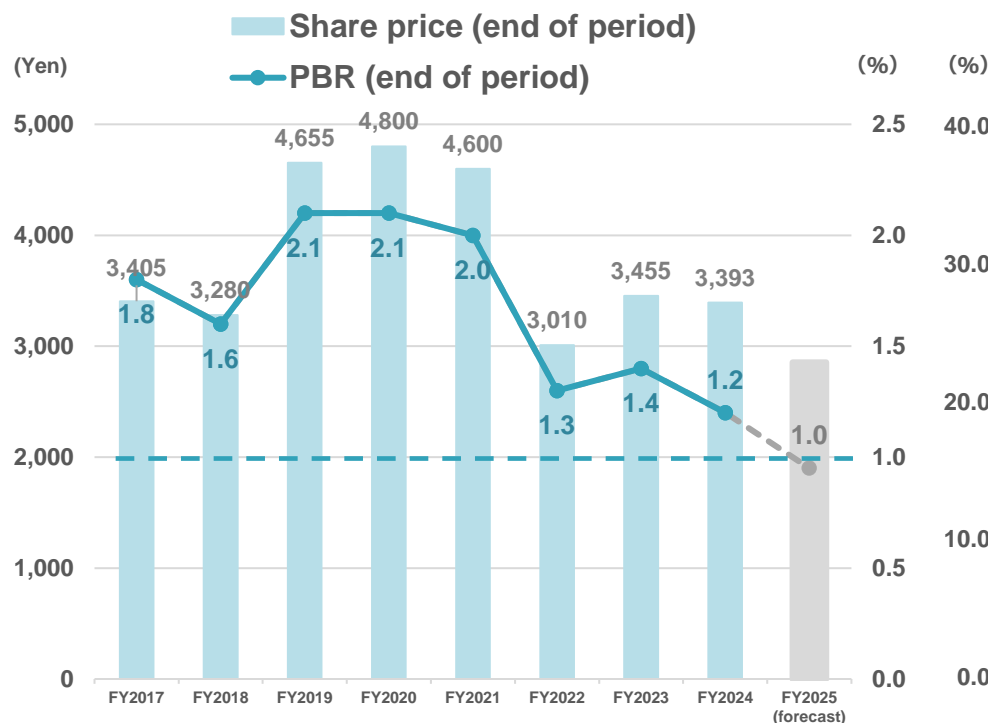
*Indicators for FY2025 forecasts do not take into consideration the impact of the share buyback under this revision.



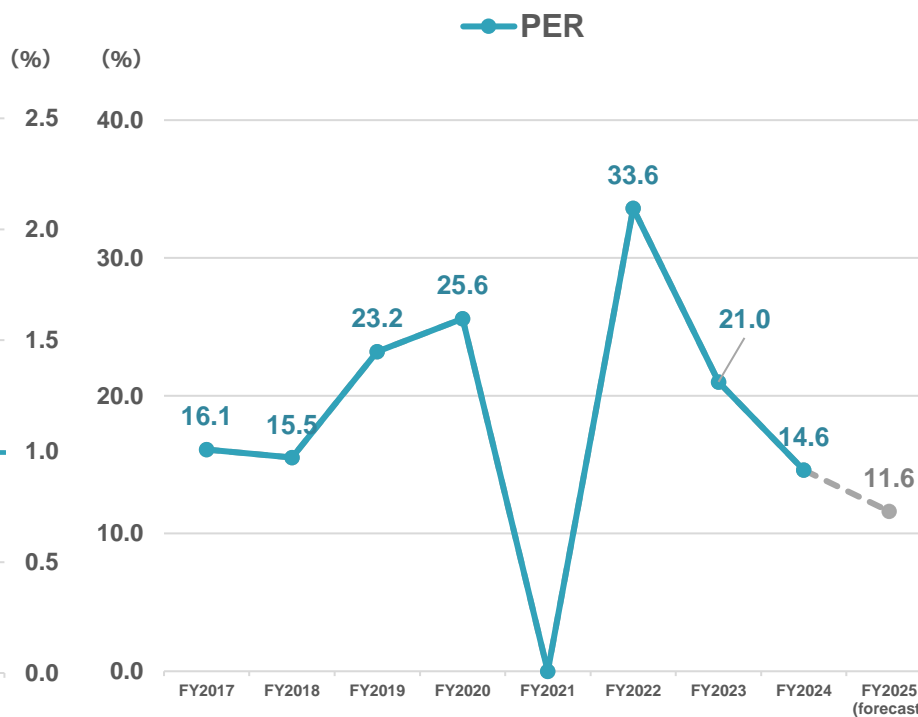
Profit levels have been favorable after the pandemic, with FY2025 expected to be the second consecutive year of record profits.

* **Aim** for FY2026 **to achieve the same level or higher as that of FY2025**

Changes in share price and PBR



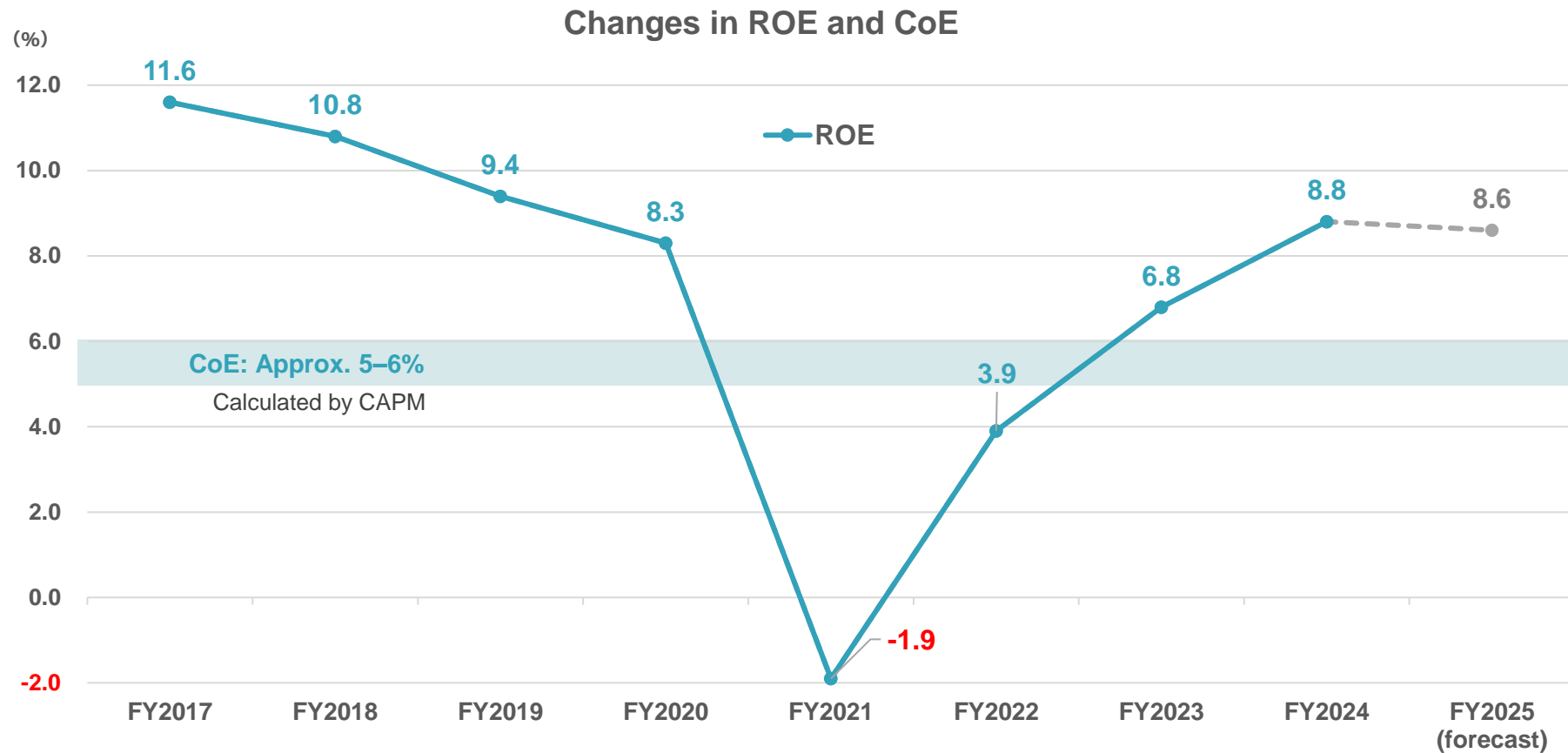
Change in PER



- Share price and PBR have remained at low levels even after the pandemic (1.0x at the end of October 2024*).
- The PER, which indicates a company's expected growth rate, has also declined in sync with the share price.
- It is necessary to steadily implement the long-term management strategy and medium-term management plan to improve ROE and enhance the evaluation of the company's growth potential.

* Closing share price on October 31, 2024 divided by projected net assets per share at the end of FY2025

Current Assessment of the Cost of Equity and Return on Equity

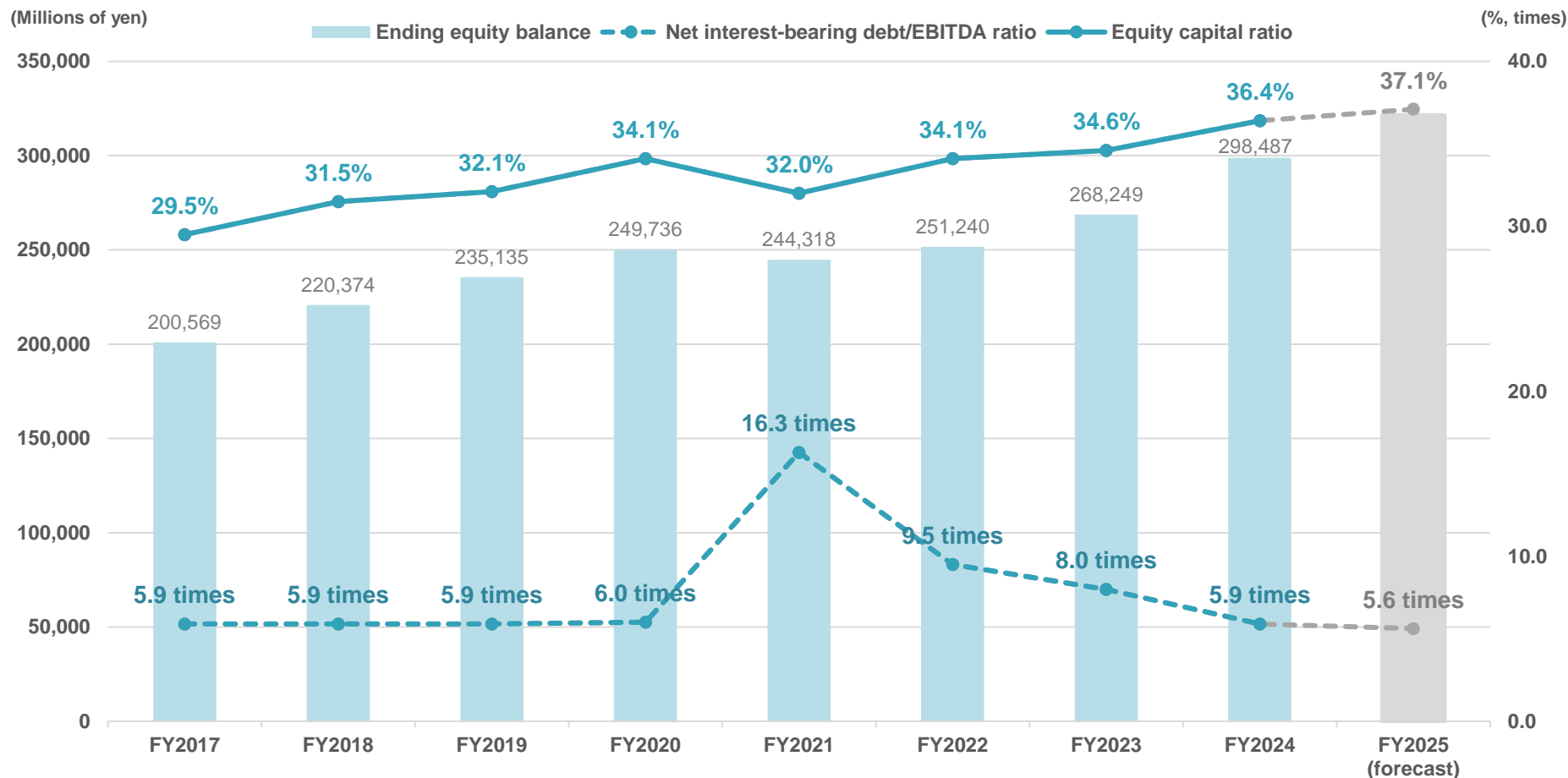


- ROE has remained above CoE through the post-pandemic recovery.
- Since CoE is expected to increase, further improvement of ROE is necessary so that the equity spread,* the difference between ROE and CoE, can continue to increase.

* An indicator of how much the profitability has exceeded shareholder expectations (value created by management)

Current Assessment of the Financial Situation

Changes in the financial situation



- Despite the decline due to the pandemic, the company has steadily accumulated equity capital and is financially sound.
- While the financial resources for the projects promoted in the medium-term management plan have been secured to a certain extent, the net interest-bearing debt/EBITDA ratio is expected to remain low, and the company has the capacity to use financial leverage.

Points

- Regarding profit distribution, the current basic policy has focused on paying stable dividends continuously while giving priority to maintaining a stable management foundation, investing in growth, and strengthening the financial structure. However, in light of the steady accumulation of equity capital, the company will shift the policy to strengthening shareholder returns while maintaining financial soundness and using financial leverage to maintain a stable management foundation and invest in growth.
- While securing the necessary funds for investing in growth, the company will increase shareholder returns by strengthening the dividend through the establishment of a new dividend payout target (dividend increase through sustainable growth) and by implementing flexible share buybacks.
- By doing so, the company aims to optimize its capital structure and control the cost of capital, thereby increasing its corporate value.

[Before revision]

Basic policy

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. To this end, we will continue to pay stable dividends while taking into consideration the level of shareholders' equity and business performance.

[After revision]

Basic policy

To sustainably improve corporate value, we will strive to ensure a stable management foundation and invest aggressively in growth while paying dividends in line with business performance and flexibly conducting share buybacks, taking into consideration the maintenance of financial soundness and capital efficiency.

Dividends and Share Buyback

Dividends

Establishing **consolidated dividend payout ratio target of approximately 30%** from **FY2026 (fiscal year ending March 31, 2026)**

* Dividends are basically paid once a year at the end of the fiscal year, with the shareholders' meeting as the decision-making body.

Share buyback

Flexibly conducting share buybacks while considering financial soundness, capital efficiency, etc.

* **Nov. 2024 – Jun. 2025: Share buyback up to 20 billion yen**

- Of this amount, 8.9 billion yen was already acquired on November 11 through an off-market purchase for the purpose of unwinding cross-shareholdings.
- The acquired treasury shares were **retired** to alleviate concerns about future share dilution.

