



Update on the Keihan Group's Long-term Management Strategy and Formulation of the Medium-term Management Plan "Refining Our True Value 2028"

May 15, 2026 Keihan Holdings Co., Ltd.

To realize its management vision “Beautiful Keihan Lines, and Global Keihan Group,” which looks ahead to 2050, the Keihan Group formulated its long-term management strategy (target year: FY2031), together with the medium-term management plan “BIOSTYLE: Deepening and Challenge” (FY2024–FY2026), and has since been advancing the initiatives under these plans with a unified Group-wide effort.

Having overcome the unprecedented challenges of the COVID-19 pandemic, we have firmly returned to a growth trajectory and delivered record-high profits for three consecutive years. FY2026 marks the third year.

Looking at the external environment, the business climate is becoming increasingly challenging and uncertain, with rising prices, higher interest rates, and rapidly changing global conditions. Under these circumstances, to navigate an increasingly volatile era, we have updated the quantitative targets of our long-term management strategy and, based on a review of our growth story toward achieving our targets, formulated a new medium-term management plan. Based on these actions, we are decisively shifting to a more proactive, growth-oriented approach.

Precisely because we live in such uncertain times, we are reaffirming the Keihan Group’s true value—our mission, strengths, and potential—and leveraging them to enhance the value of the areas along the Keihan railway lines on a sustainable basis. We will steadily advance key initiatives, including the Nakanoshima Line extension under consideration and the development of core hubs such as Sanjo and the Kyoto Tower. At the same time, we will identify and cultivate the rich and distinctive assets along our railway lines, with the ancient capital Kyoto serving as a prime example, in close collaboration with local communities and incorporate these assets into our services. Through these efforts, we will thoroughly refine the uniqueness and appeal of the areas served by our railway lines, thereby strengthening our earning power.

In addition, we will continuously enhance asset efficiency through ROA monitoring by business and by promoting asset sales with a focus on reducing interest-bearing debt. We will also step up our efforts to improve capital efficiency by flexibly implementing shareholder returns, while maintaining an appropriate balance with growth investments.

By embracing change and continuously reexamining our true value, the Keihan Group will remain a pioneer in navigating an uncertain future. We will promote both value enhancement along our railway lines through world-class, distinctive community building and the pursuit of capital efficiency, thereby aiming for the next stage of growth.

Keihan Holdings Co., Ltd.
Representative Director & President

平川 良浩
Yoshihiro Hirakawa

The Keihan Group aspires to be a **“Community-building Company”** that **enriches daily life and tourism** across the areas served by its railway lines connecting to Kyoto.

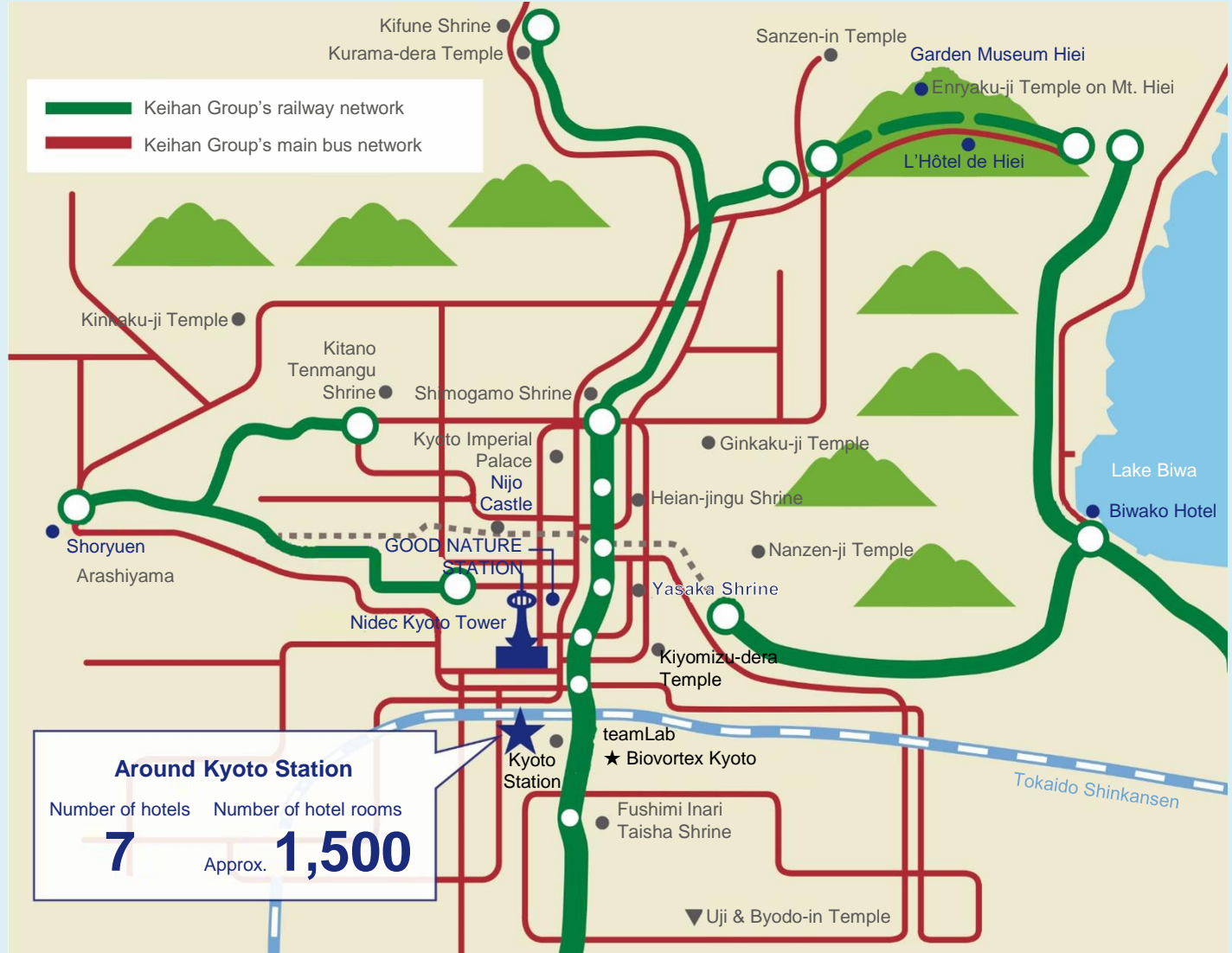
Building on our long-standing ties with **Kyoto**, we will rediscover each community’s historical and cultural resources and translate them into services that drive higher value creation.

By refining the diverse assets found **along our railway lines** and sincerely responding to increasingly varied lifestyles and needs, we will continue to create both economic and social value together with the communities we serve.

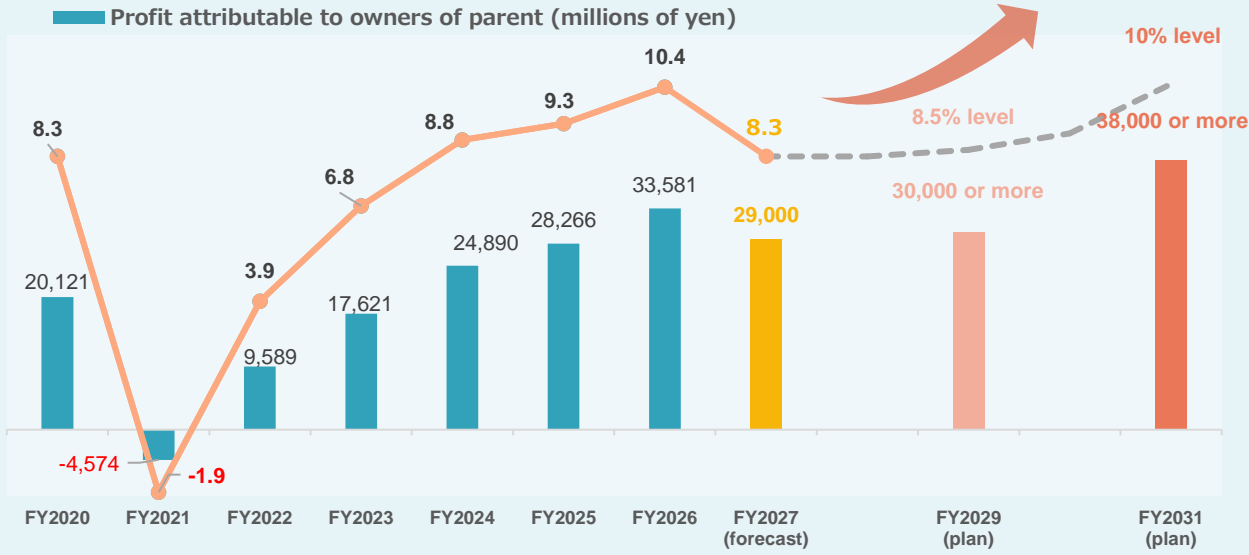


Transportation networks covering central Kyoto, along with a wide range of assets

Keihan Group's main facilities



* In this document, “Kyoto Tower” collectively refers to “Nidec Kyoto Tower” and “Kyoto Tower Building.”



Updated quantitative targets (FY2031)

ROE
10% level
(Previous target: 8% level)

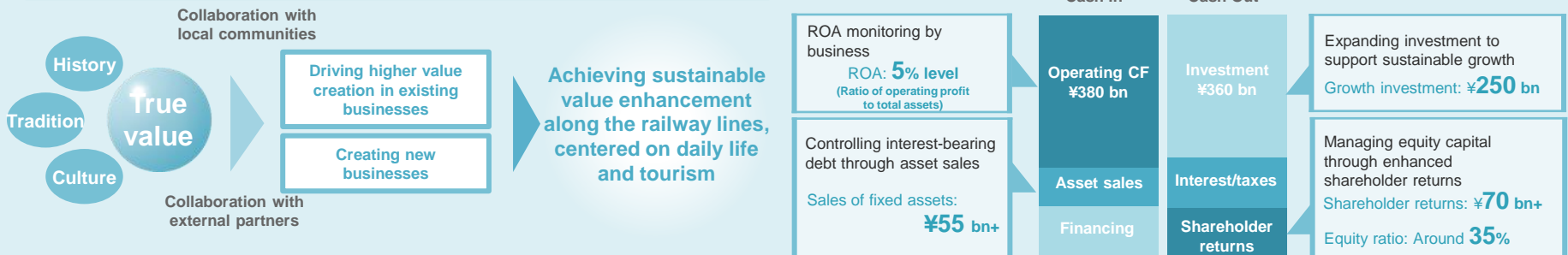
Profit attributable to owners of parent
38 bn yen or more
(Previous target: 30 bn yen or more)

Growth story toward achieving ROE of 10% in FY2031

<Driving new value creation along the railway lines by leveraging Keihan's true value and enhancing corporate value through BS management>

Driving higher value creation in our businesses by identifying and deepening the use of resources along the railway lines

Optimizing the capital structure to achieve sustainable growth in corporate value



Medium-term Management Plan (FY2027–FY2029)
“Refining Our True Value 2028”

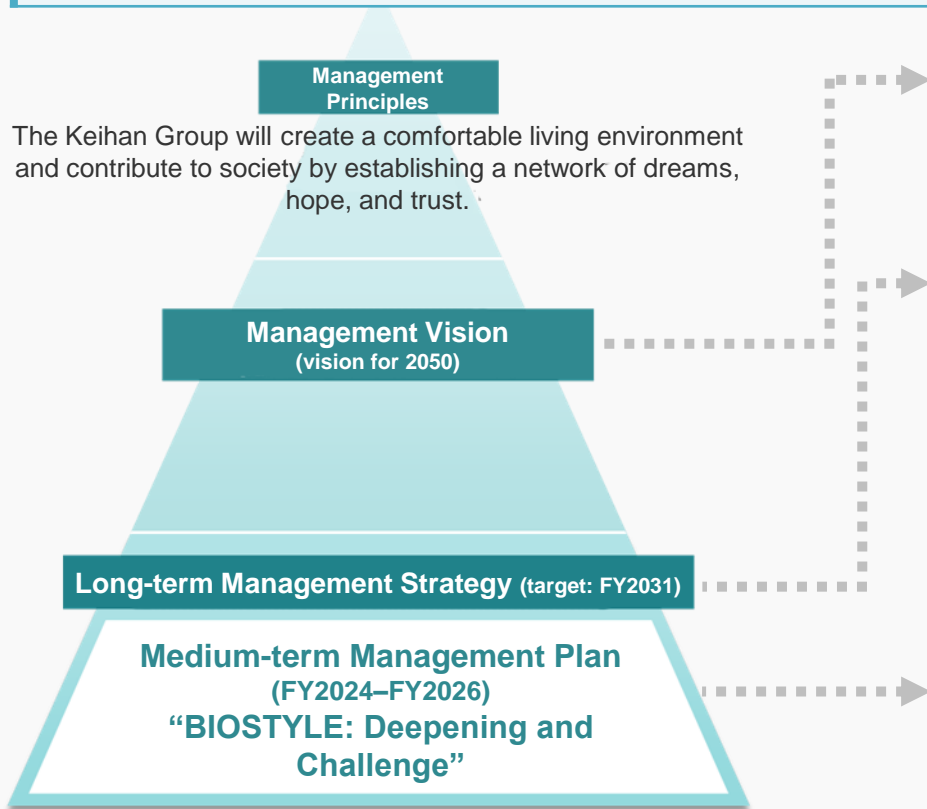
- A “run-up phase focused on refining our businesses” toward profit growth in FY2031
- Expanding existing businesses while identifying key issues and strengthening our core capabilities

01

Overview of Our Progress to Date

Keihan Group's Long-term Strategic Concept (FY2024 onward)

- The Keihan Group formulated a **long-term management strategy with FY2031 as its target year**, along with a three-year **medium-term management plan** titled **“BIOSTYLE: Deepening and Challenge”** based on that strategy, and worked to drive higher value creation in existing businesses while creating new businesses based on BIOSTYLE.
- **Progress** under the medium-term management plan has **generally been on track in line with the main strategies and individual business strategies**. In quantitative terms, performance has significantly exceeded the plan, supported in part by the positive impact of Expo 2025 Osaka, Kansai.
- However, **the business environment is becoming increasingly challenging** due to soaring construction costs and other price increases, labor shortages, and rising interest rates.



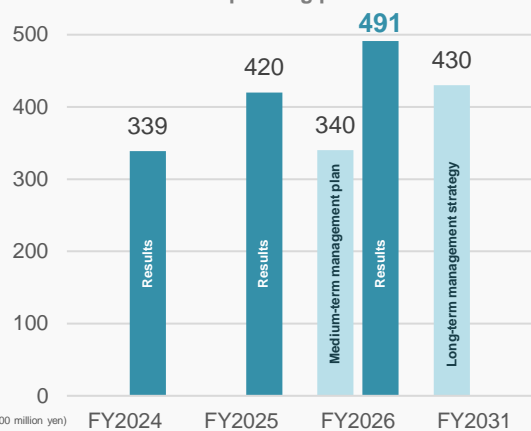
Beautiful Keihan Lines, and Global Keihan Group

- Advancing toward the realization of our management vision while setting FY2031, which coincides with the SDGs' deadline, as the target year to establish a foundation for **sustainable growth as a corporate group in the highly uncertain post-COVID-19 environment**
- Advancing a three-year action plan developed in accordance with the long-term management strategy to support our return to a growth trajectory
- Implementing **BIOSTYLE** across all business segments and **striving to drive higher value creation in our existing businesses while creating new businesses** based on BIOSTYLE
- Maintaining the results achieved through our ongoing structural reforms while steadily capturing demand that is recovering and expanding, with the goal of **exceeding pre-COVID-19 profit levels**

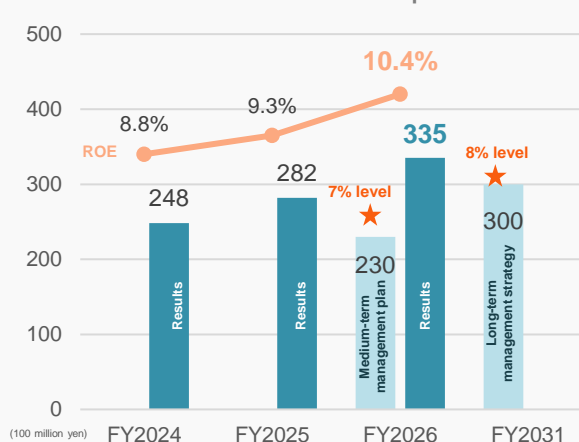
Record profits achieved for three consecutive years

- Driven by the expansion of the real estate sales business and a stronger-than-expected recovery in demand in the transportation and hotel businesses following the pandemic, **the Group achieved the quantitative targets of both the long-term management strategy and the previous medium-term management plan** ahead of schedule.

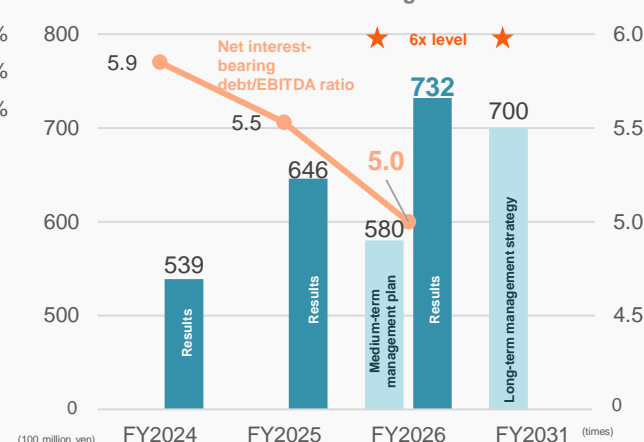
Operating profit



Profit attributable to owners of parent and ROE



EBITDA and net interest-bearing debt/EBITDA ratio



Main strategies

Redevelop Keihan areas	<ul style="list-style-type: none"> Opening of Nakanoshima Qross and Yodoyabashi Station One along Osaka's east-to-west axis Opening of Station Hill Hirakata, a project that advances "Carrying out community building starting from railway stations"
Co-create experience value	<ul style="list-style-type: none"> Opening of "teamLab ★ Biovortex Kyoto" to the southeast of Kyoto Station
Conserve the global environment	<ul style="list-style-type: none"> Launch of an offsite PPA for solar power generation utilizing reservoirs in Hirakata City Start of operations at Group facilities powered by 100% net renewable energy

Business strategies

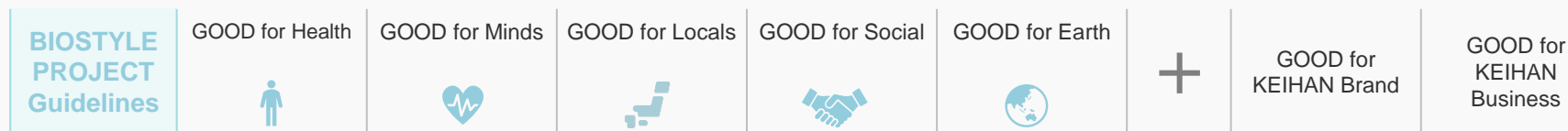
Transportation	<ul style="list-style-type: none"> Fare revisions in railway and bus services Introduction of two Premium Cars per service
Real estate	<ul style="list-style-type: none"> Acquisition of rental properties in Sendai, Naha, and other locations Promotion of land readjustment projects in Keihanna Science City and Yawata
Retail distribution	<ul style="list-style-type: none"> Completion of conversion to Moyori-ichi stores Start of operation at the Process Center
Leisure and service	<ul style="list-style-type: none"> Renovation of existing hotels, including Hotel Keihan UT

Progress of BIOSTYLE Management

- The Group is steadily advancing BIOSTYLE Management, which aims to create both social and economic value, while driving higher value creation in its businesses.

BIOSTYLE (Keihan version of SDGs)

- An initiative of the Keihan Group through which we aim to create **products, services, and businesses that can increase people's life value and solve social issues at the same time**



This is a “**local production for local consumption**” initiative to use renewable electricity generated at reservoirs in Hirakata City to power Group facilities in the city



The project equips Hirakatashi Station, a major transportation hub bustling with people, with functions that **support daily life and enable richer ways of living and working**, thereby helping address social issues.



Keihan Electric Railway is accelerating the introduction of eco-friendly 13000-series train cars. **Power consumption during operation is reduced by about 35%** compared with conventional vehicles.



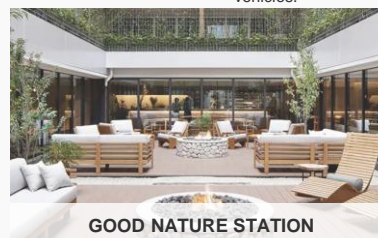
Expanding efforts to utilize vacant houses and land will contribute to the **revitalization of urban areas along the railway lines that are entering a renewal phase.**



Accelerating the development of safe and reliable original products and establishing a stable, quality-focused food supply system will support **healthy eating habits among customers in the areas along the railway lines.**



Biwako Hotel **contributes to the conservation of Satoyama agriculture** by offering local ingredients such as rice grown in terraced fields, creating a positive cycle between environmental conservation and business.



This commercial complex embodying BIOSTYLE offers various **lifestyle concepts that contribute to a circular economy**, centered on a sustainable hotel that is highly regarded both in Japan and abroad.



The project involves participating in a large-scale residential development on the former site of Fushimi Technical High School near the Keihan Main Line, aiming to achieve a **net-zero energy balance within the district** through measures such as local production and consumption of electricity.

02

Toward Achieving Our Management Vision



Management Vision (vision for 2050)

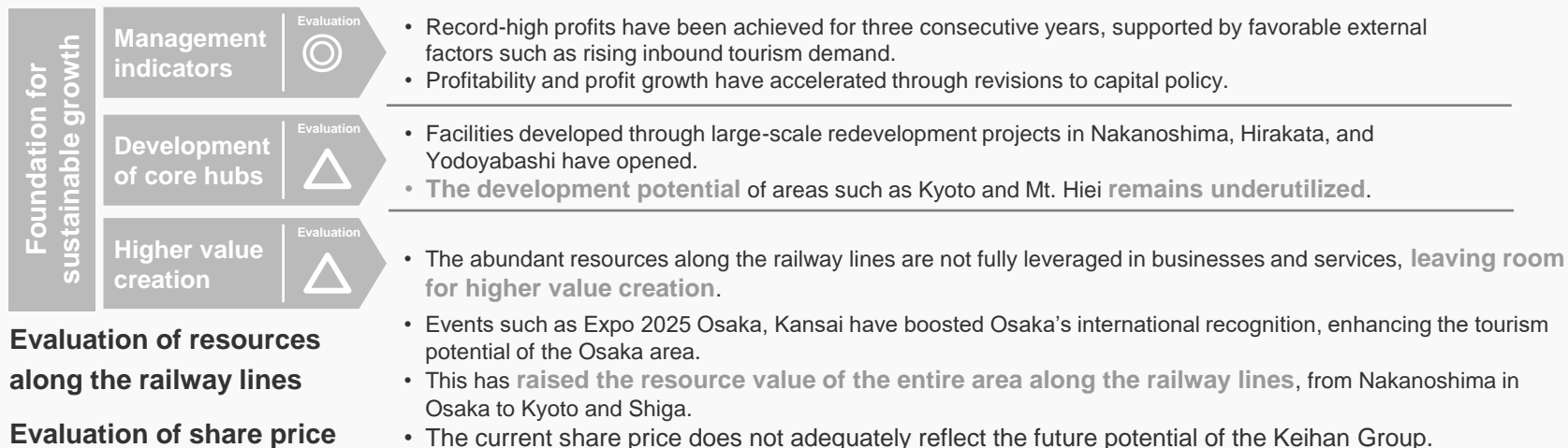
Beautiful Keihan Lines, and Global Keihan Group

We will create value for towns and tourism and disseminate it to the world so that the areas along Keihan Railway lines which are rich in history, culture, and landscape will be chosen by more people as areas where they want to live and visit beyond countries and generations.

We will create a beautiful life cycle in areas along Keihan Railway lines that brings fulfillment to the mind and body and contributes to the realization of a sustainable society, thereby expanding the ring of empathy to the world.

Evaluation of internal environment

◆ Evaluation of the progress of the long-term management strategy



Evaluation of external environment



Even in an increasingly challenging business environment, Keihan still has ample room for further growth through its unique efforts for higher value creation, including better utilization of resources along its railway lines.

Understanding key themes in light of the internal and external environment

- The four key themes outlined in the long-term management strategy remain unchanged.



In a business environment where uncertainty continues to grow, we must **redefine and fully leverage the Keihan Group's strengths and expertise—our “true value”**—which have not been fully utilized to date, thereby creating new value.



What we must do to achieve the management vision

Refining and Realizing Our True Value

① Areas along the railway lines driving competitive advantage

Kyoto, a world-renowned tourist city

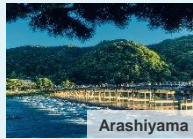
▶ One-of-a-kind tourist transportation network

- The railway and bus network covering Kyoto's major tourist destinations

Major tourist spots within walking distance of Keihan Group stations



(Courtesy of Byodo-in Temple)



▶ A high-potential business area



- The business area located near the high-traffic Gion/Kiyomizu area and extending into the Rakuhoku, Uji, Mt. Hiei, and Lake Biwa areas, which are expected to see further growth in tourism demand

▶ Rich customer touchpoints in Kyoto tourism

Kyoto City annual tourist numbers (2024)

Approximately **56 million** people



Symbol of Kyoto
Nidec Kyoto Tower

A hub that serves as the starting and ending point of the journey in Kyoto



Tourist hub
Operation of hotels

Operating 9 hotels with over 1,600 rooms across Kyoto City



Tourism experiences
Co-creation with local communities

Co-creating local experiences with the local community, such as sake-brewery tourism in Fushimi



Tourism-related commerce
Sharing culture and traditions

Operating experience-based facilities and shops that showcase local attractions

① Areas along the railway lines driving competitive advantage

Osaka's east-to-west axis: An area poised for further growth



- Stretching from Kyobashi near Osaka Castle to the Bay Area, where IR and Expo site developments are planned, Osaka's east-to-west axis is becoming an increasingly important **urban corridor that integrates cultural, tourism, academic, and interaction functions**.
- Along this corridor are **the Kyobashi area**, with the highest ridership on the Keihan Line, and **the Nakanoshima and Kujo areas**, where line extensions are planned.

Distinctive areas along the railway lines, rich in history and culture

- **The distinctive and vibrant array of communities along the railway lines** connecting Osaka, the commercial capital, and Kyoto, the ancient capital, was shaped by **the railway company** serving the former Kyokaido route.

Hirakata

Developed as a post town along **the former Kyokaido route**, located **between Osaka and Kyoto**



Hirakata Post Town on Kyokaido

Kadoma

Home to Panasonic's headquarters and developed as a **manufacturing hub**



Kadoma City Cultural Creation Library KADOMADO



② Intangible assets cultivated through business activities

Trust-based relationships with the local communities

Value creation capability

- **A high level of credibility as a railway group** committed to safety and security
- **Trust-based relationships with the local communities** built through long-standing collaboration with Kyoto's shrines and temples and with government and local organizations
- **A strong capability for value creation**, cultivated by learning from Kyoto's spirit of pursuing the essence—a spirit shaped by the fusion of tradition and innovation—and by delivering services that genuinely meet customer needs

Value Creation Story for Achieving Our Management Vision

“Beautiful Keihan Lines, and Global Keihan Group”

Management Vision (vision for 2050)

Regional contribution

Social value

- Areas along the railway lines where locals want to keep living
- Areas along the railway lines that attract visitors
- Areas along the railway lines that inspire visitors to live there

Realizing BIOSTYLE Management

Profit growth

Economic value

- Creation of sustainable and stable cash-flow
- Shareholder returns through sustainable profit growth

Value offered

- Station area redevelopment
- Tourism & experiences
- Keihan's unique content
- Transportation network
- Living environment & functions

Community building that enriches daily life and tourism

Higher value creation
Problem solving

Enhancement of real estate value
Creating resident and visitor populations

Vision for Community Development Along the Railway Lines

Intangible Value Creation

Vision for Community Development Along the Railway Lines

External environment (social issues)

Rising prices

Higher interest rates

Worsening labor shortages

Economic and social shrinkage in the areas along the railway lines

Increasing intensity and frequency of natural disasters

Valuing **the spirit of pursuing the essence**—represented by Kyoto, where tradition and innovation have long coexisted—and **identifying and enhancing assets along our railway lines** to drive higher value creation in business

Management capital

- Areas along the railway lines with historical and cultural resources: Kyoto, Osaka, and Shiga
- Growth potential of Osaka's east-to-west axis

Areas along the railway lines driving competitive advantage

True value

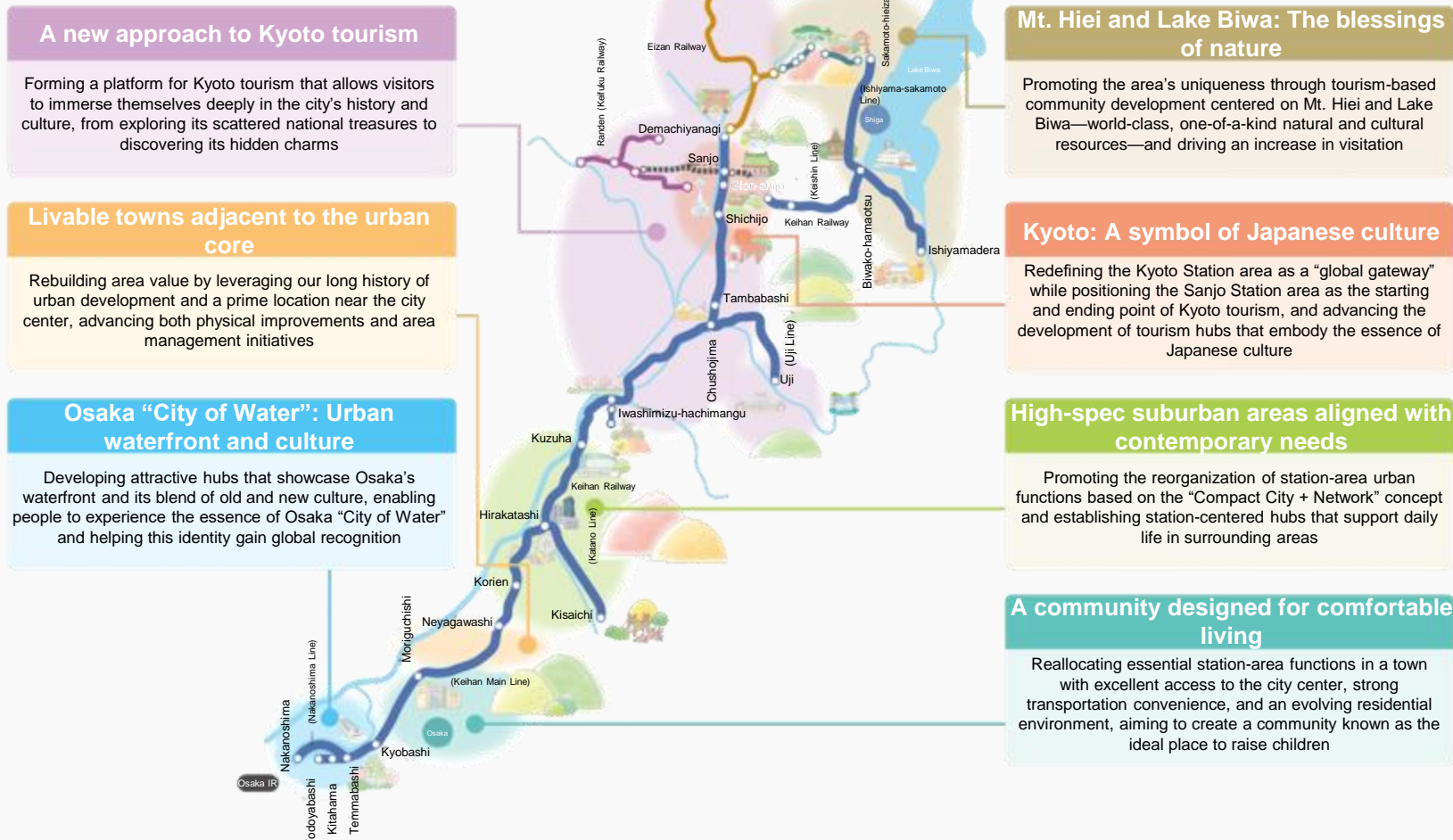
Intangible assets cultivated through business activities

- Trust-based relationships with the local communities built through long-standing collaboration
- A high level of credibility as a railway group
- A strong capability for value creation, cultivated by delivering services that genuinely meet customer needs

Value Creation Story: Vision for Community Development Along the Railway Lines

Formulation of the Vision for Community Development Along the Railway Lines

- Areas along the Keihan railway lines spanning diverse regional characteristics, extending from Osaka, the “City of Water,” to the ancient capital Kyoto and onward to Mt. Hiei and Lake Biwa
- Enhancing the value of the areas along the railway lines by weaving together layered strengths in daily life, commerce, history, and culture
- Maximizing profits through area management that sets area-specific KPIs and promotes cross-functional collaboration across business segments

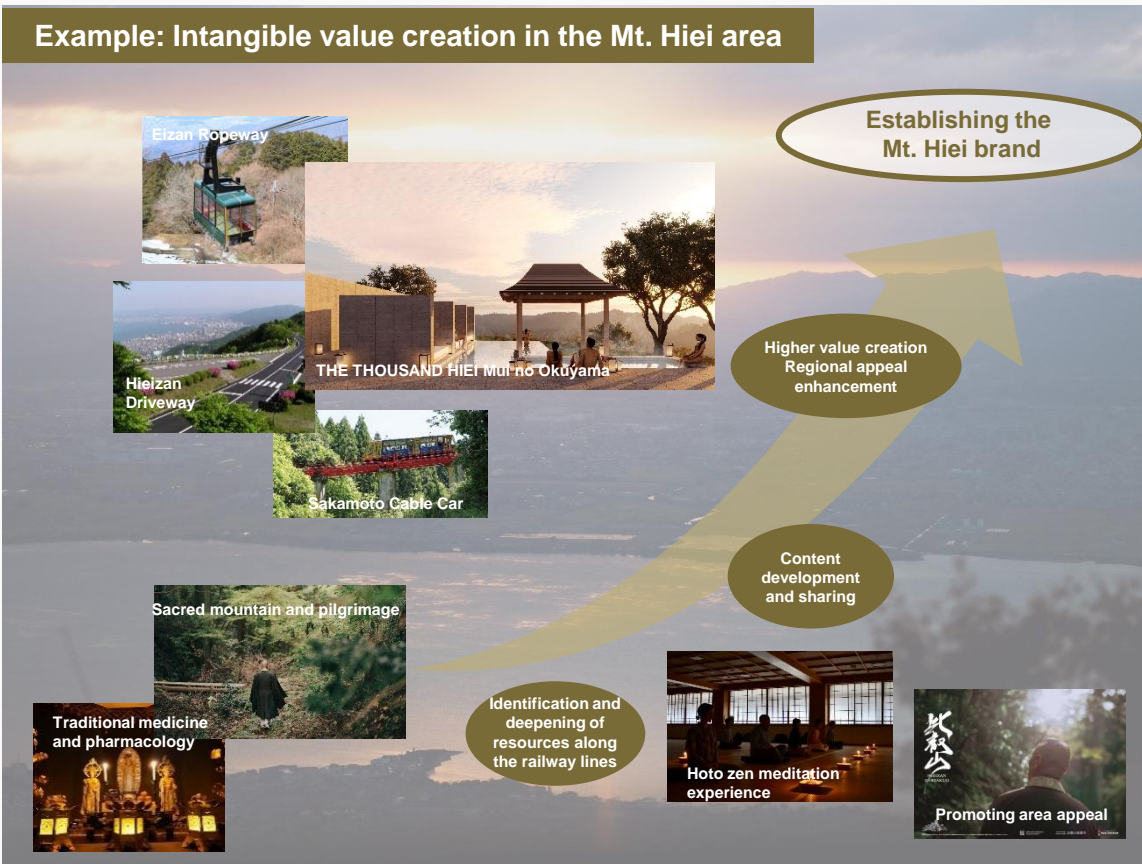


Promoting the creation of intangible value

- Identifying and deepening the history, traditions, and culture embedded in each area, and enhancing regional appeal through the development and dissemination of new content
- Expanding business opportunities by creating higher value in existing businesses through the use of local resources and creating new, entertainment-driven businesses

Purpose: Creating intangible value that not only generates revenue but also earns the enduring trust and affection of the local community

Example: Intangible value creation in the Mt. Hiei area



Intangible value creation steps

Driving further monetization through content utilization

- Creating higher value in existing businesses and developing new businesses by leveraging content developed in collaboration with local communities and Group companies

Revitalizing the areas along the railway lines and encouraging use of existing services

- Enhancing regional appeal by developing and sharing content that conveys the “true value” of the area, and promoting greater use of the Group’s existing services

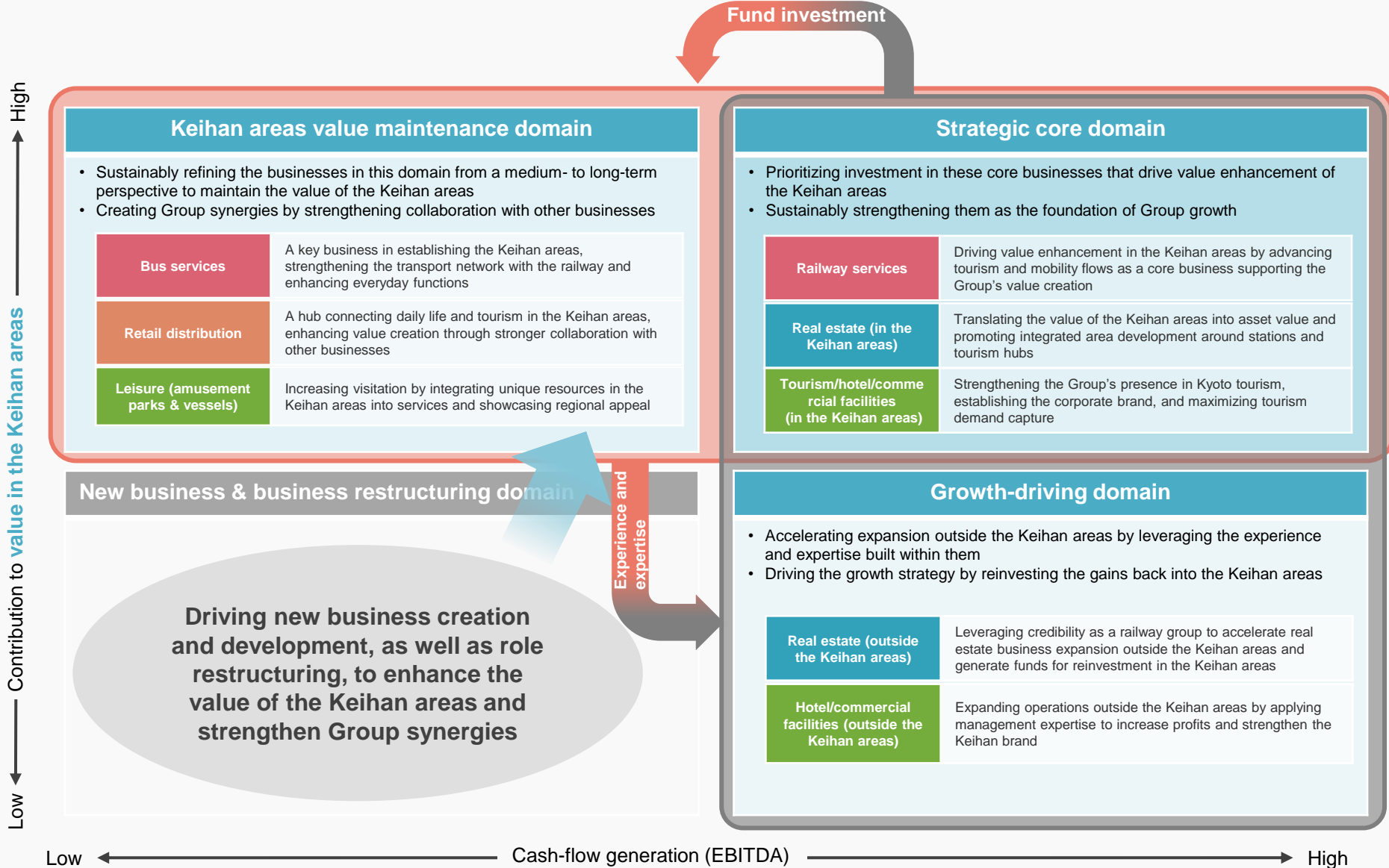
Developing and sharing content leveraging resources along the railway lines

- Developing and sharing Keihan’s original content that leverages the “true value” of the resources along the railway lines in collaboration with local communities and media partners

Identifying and deepening resources along the railway lines

- Identifying and deepening the “true value” of the history, traditions, and culture unique to the Keihan areas

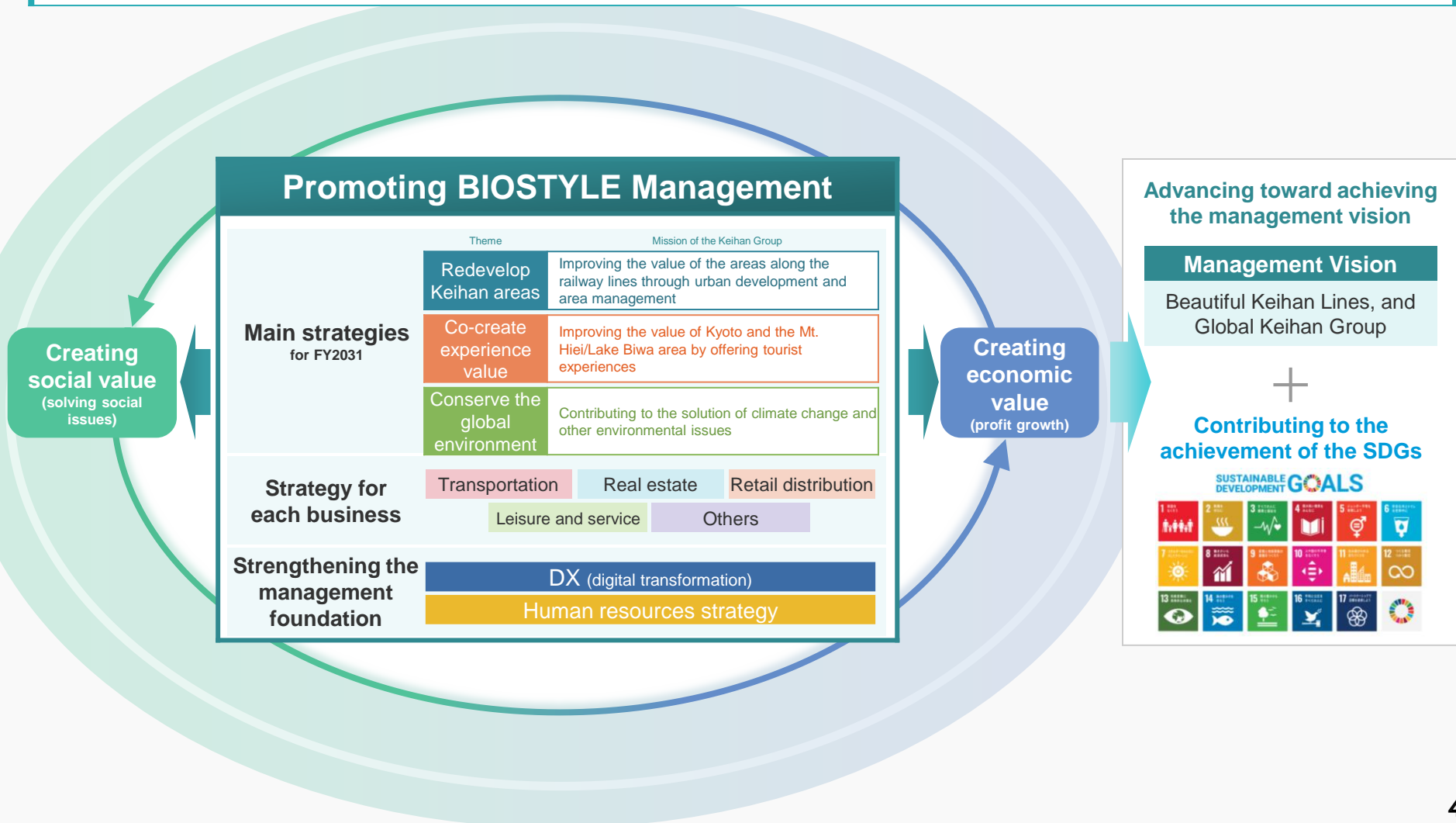
- Management is conducted with **a focus on medium- to long-term, company-wide optimization**, recognizing that value created along the railway lines through community development is realized over time as real estate value and mobility demand.



03

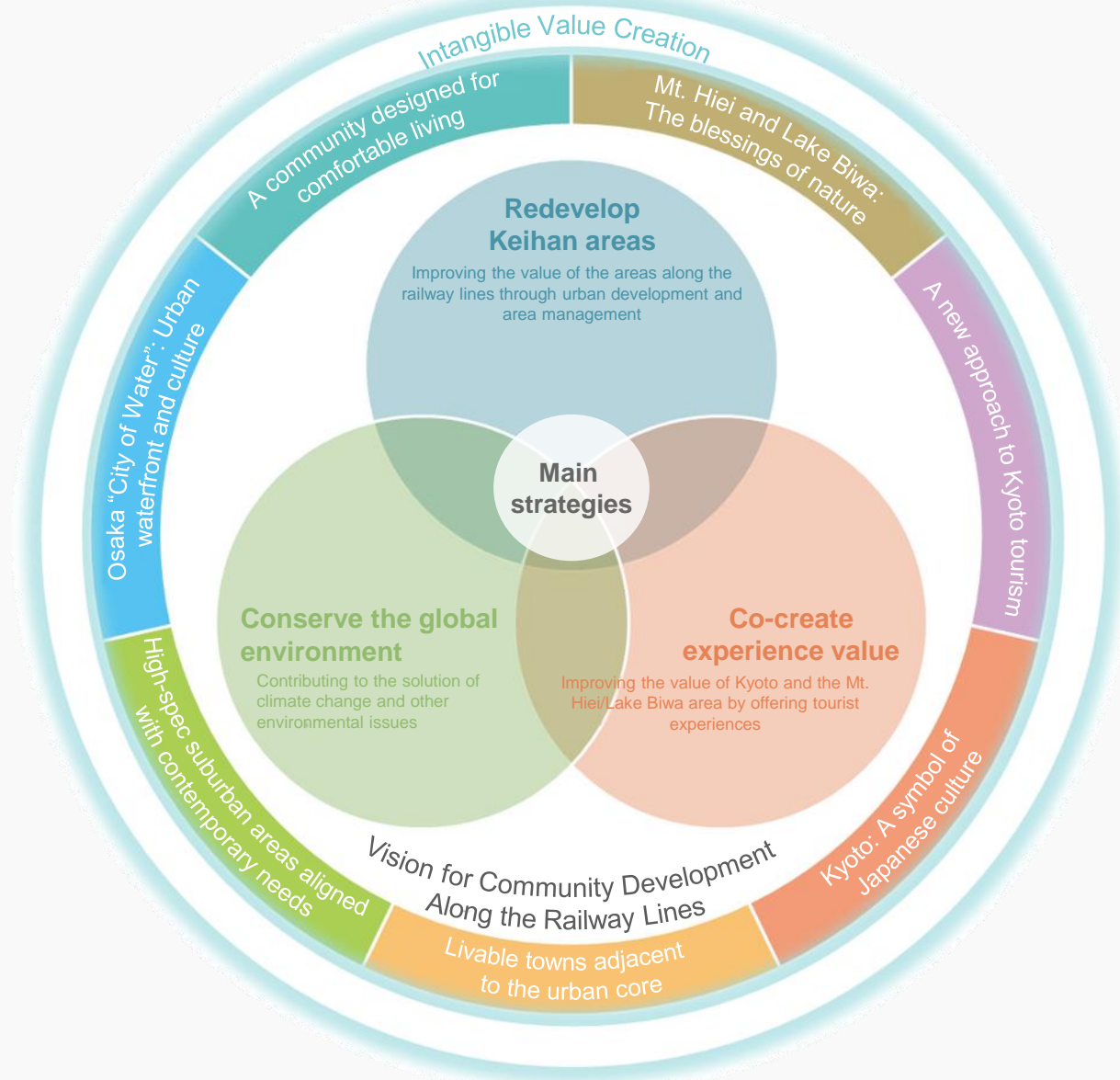
Long-term Management Strategy 2030 —Quantitative Target Update

We place at the core of our management and business activities “**BIOSTYLE (the 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. We will promote **BIOSTYLE Management**, which creates both social and economic value.



Long-term Management Strategy: Positioning within the Value Creation Story

- Advancing the main strategies by leveraging the distinct characteristics of each area defined in the Vision for Community Development Along the Railway Lines and enhancing the value of the Keihan areas from a long-term perspective



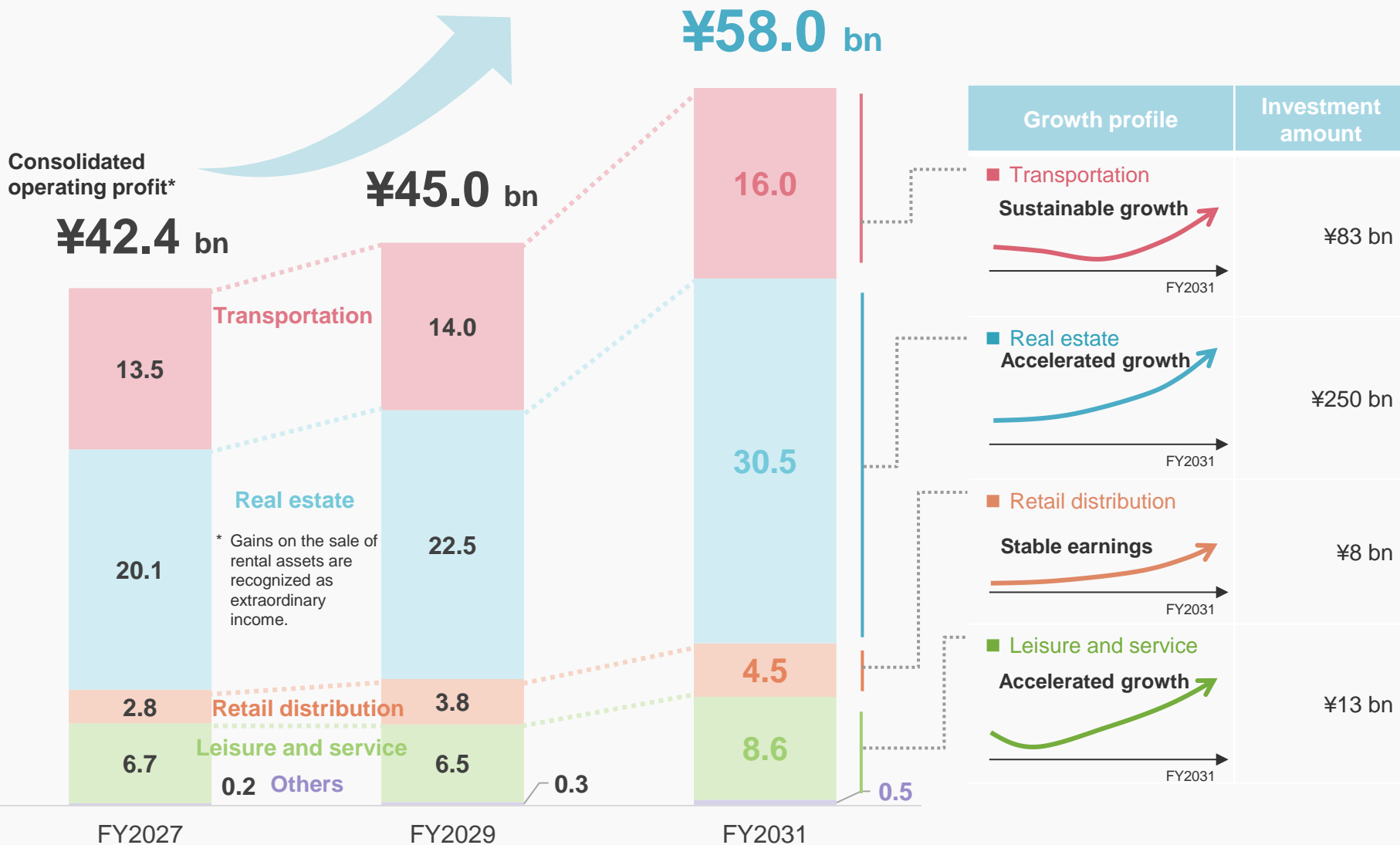
Review of quantitative targets of the long-term management strategy based on changes in the internal and external environment

- Continuing to advance **BIOSTYLE Management** and current main strategies to build a foundation for sustainable growth as a corporate group
- Aiming for higher targets by accelerating the execution of key initiatives and achieving **steady profit growth** toward FY2031

Management indicators	FY2027 forecast	FY2029 Target level	FY2031 New target level	Long-term policy
Operating profit	¥42.4 bn	45 bn yen or more	58 bn yen or more (Previous target: 43 bn yen or more)	Sustainable profit growth
Profit attributable to owners of parent	¥29 bn	30 bn yen or more	38 bn yen or more (Previous target: 30 bn yen or more)	
EBITDA	¥69 bn	75 bn yen or more	88 bn yen or more (Previous target: 70 bn yen or more)	Expansion of business scale
Net interest-bearing debt/EBITDA ratio	6.2x	6x level	5x level (Previous target: 6x level)	Resilience to business environment risks
ROE	8.3%	8.5% level	10% level (Previous target: 8% level)	Maintaining a high level

Long-term Management Strategy: Operating Profit Growth Path

- Maximizing the Keihan Group's strengths and expertise to achieve steady profit growth toward FY2031



* Consolidated operating profit for each fiscal year does not correspond to the total of segment figures.

Investment phase to fundamentally strengthen “safety and security” and “service quality”

- Maximizing the funding secured through fare revisions to make focused investments in new train cars and the renewal of existing infrastructure. Although depreciation will remain elevated for a time, these investments will reduce future maintenance costs and strengthen competitiveness.

Investment outcomes and profit growth phase

- Stabilization of depreciation and revenue growth translating directly into profit
- Benefits from introducing high value-added services, including sightseeing trains

2026



2030

Focused investments

<New train cars>

67 cars



<Safety-related investments>

Autonomous

operation

<Service-related investments>

Renovation of **stations**

<Platform screen doors>

11 tracks



Profit pressure from temporarily higher depreciation

Funding secured through fare revisions

Cost reductions through additional labor-saving measures

Benefits from introducing high value-added services

- Sightseeing trains
- Revenue growth driven by attracting passengers by leveraging Kyoto as a tourism resource



Building a highly efficient earnings base through “diversified” real estate investments

- **Sales:** Strengthening acquisitions while carefully selecting projects, and selling company-owned properties at the optimal timing based on market conditions to ensure steady capital recovery and control asset size
- **Leasing:** Promoting property acquisitions with a view toward a sustainable future reinvestment cycle, expanding rental income through value enhancement of existing properties, and advancing the strategic redevelopment of aging assets

Profit accumulation and establishment of a reinvestment cycle

- **Sales:** Maximizing profits through strategic property sales
- **Leasing:** Steady accumulation of rental income and the establishment of a reinvestment cycle through property sales and acquisitions

2026

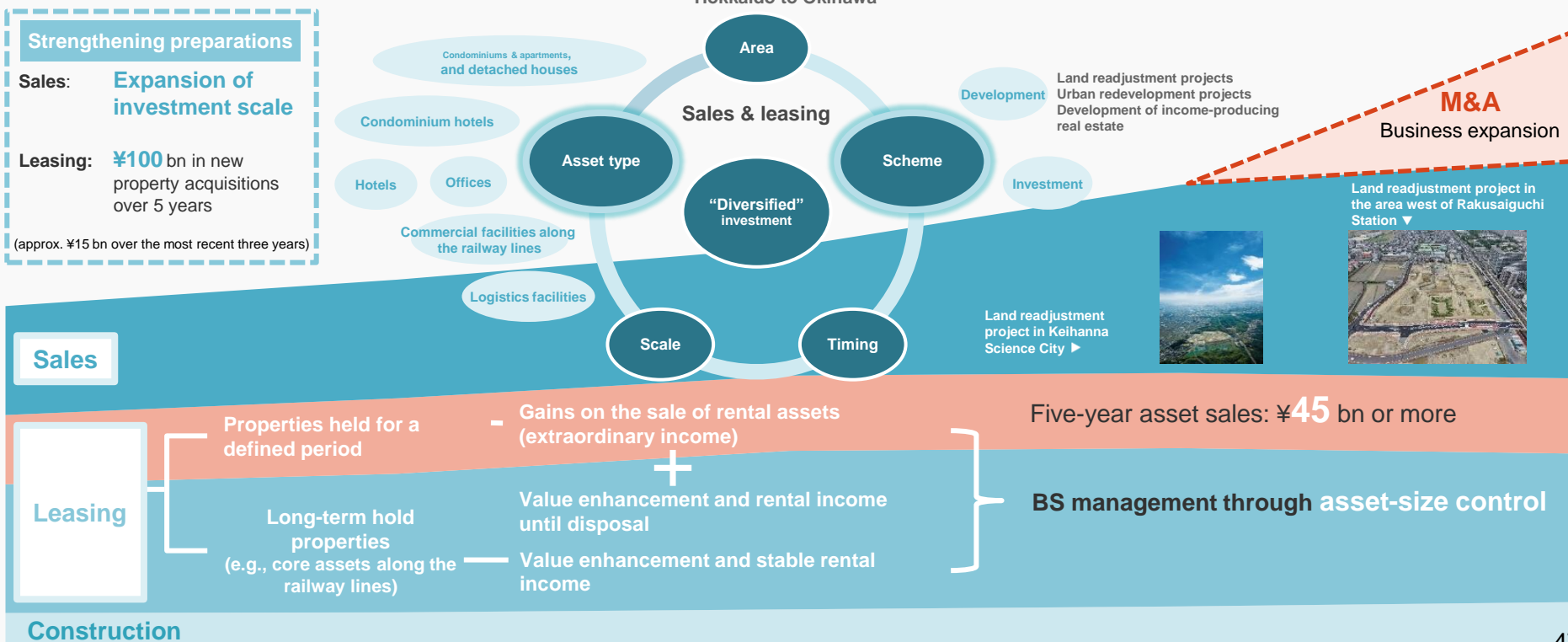


2030

Phase of strengthening investment preparation through “diversified” real estate investments

Maximizing profits through strategic sales and disposals

Accelerating the reinvestment-cycle business for income-producing real estate through SPCs and funds



Long-term Management Strategy: Retail Distribution Growth Story

Retail distribution

Strengthening unique value and expanding business domains

Further enhancing the Group's distinctive retail strengths—curation of diverse area value and characteristics, supply of high value-added original products, and a broad range of retail formats—to drive demand-creating products and services along the railway lines, thereby improving profit margins and expanding the store network

Enriching daily life along the railway lines and contributing to enhancing the value of the Keihan areas

- Strengthening synergies among retail group companies to create three customer scenes—everyday life, experiential/special moments, and celebratory/memorable occasions
- Promoting community development along the railway lines by enriching both daily life and tourism

2026



2030



▲ Kyoto Tower Sando



▲ Arashiyama Shoryuen

Strengthening tourism-related commerce

- ▶ Creating new tourism-related commerce
- ▶ Expanding from Kyoto to Osaka and Shiga

Sustainable growth as essential lifestyle infrastructure along the railway lines

Expanding retail operations

- ▶ Food retail: Leveraging the product-planning and curation of the Process Center and Bio Marche to supply high-quality, original products
 - ▶ Moyori-ichi: Providing flexible, highly convenient product offerings tailored to the area, customer segment, and time of day
 - ▶ Department stores: Focusing on self-curated sections and categories that allow strong specialization
- Developing a finely tuned presence centered on the Keihan area to support everyday life

Enhancement of shopping malls

- ▶ Enhancing the four malls by leveraging unique area characteristics
- ▶ Expanding outside the Keihan areas by applying 50 years of experience and expertise

Strengthening tourism-related commerce

- Completion of the Sanjo Station Area Project

Expansion of the food retail store network

- Supermarkets “Frest” “THE STORE”
- Food market “Moyori-ichi”



26 stores ▶ 45 stores

Sales: ¥13 bn ▶ ¥20 bn

Shopping mall management

- Renovation of Kuzuha Mall



Long-term Management Strategy: Leisure and Service Growth Story

Leisure and service

Active development of new facilities and deeper capture of inbound demand

- Promoting renovations and high value-added enhancements that elevate area attractions into lodging value, ensuring strong capture of inbound demand
- Advancing new facility development while prioritizing the establishment of a future earnings base, even if opening costs temporarily exceed returns

Maximizing profitability and establishing a distinctive experiential-value brand

- Strengthening earning power through network expansion and stable operation of new facilities
- Evolving into a highly profitable, market-resilient business by offering a unique and distinctive stay experience integrated with tourism resources along the railway lines

2026



2030

Higher value creation

Advancing development of core facilities aimed at delivering a **unique and distinctive stay experience**

Reopening of the renovated L'Hôtel de Hiei

- ▶ Offering experiential value that leverages the attractions of Mt. Hiei



Completion of the Sanjo Station Area Project



Commencement of the Kyoto Tower renovation

New facility development

Accelerating expansion into **western Japan** and other regions

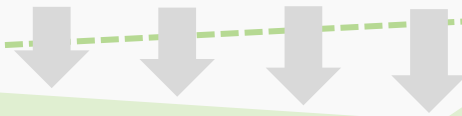
2 facilities

4 facilities

Target: 6 facilities in total

Profit contribution
from new facilities

Opening costs will temporarily exceed returns



Guest-room renovation-driven **value enhancement**

Tourism vessel business aligned with the Osaka IR

Existing assets

Number of hotels

20

Number of hotel rooms

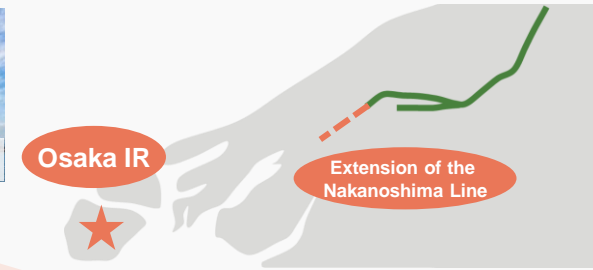
Approx. 5,000

Kyoto, Osaka, Shiga, Sapporo, Sendai, Tokyo, Nagoya



Long-term Management Strategy: Priority Initiatives for the Future

- Steadily advancing medium- to long-term **community development along the railway lines**—including the Kyoto Tower renovation, development around Sanjo Station, and the Otsu Port area—while **capturing bay-area growth demand** driven by the Osaka IR opening and the extension of the Nakanoshima Line
- Refining the value of the Keihan areas across both “everyday life” and “tourism” through collaboration among all business segments, strengthening profitability and capital efficiency, and **establishing a sustainable investment cycle** with a clear focus on **enhancing the value of the entire area**, thereby supporting long-term corporate value growth



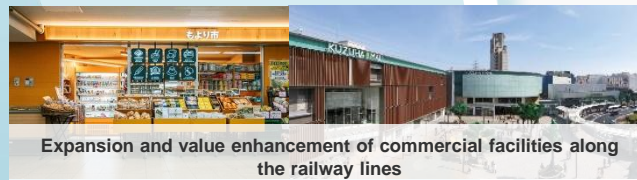
2031 onward



2030



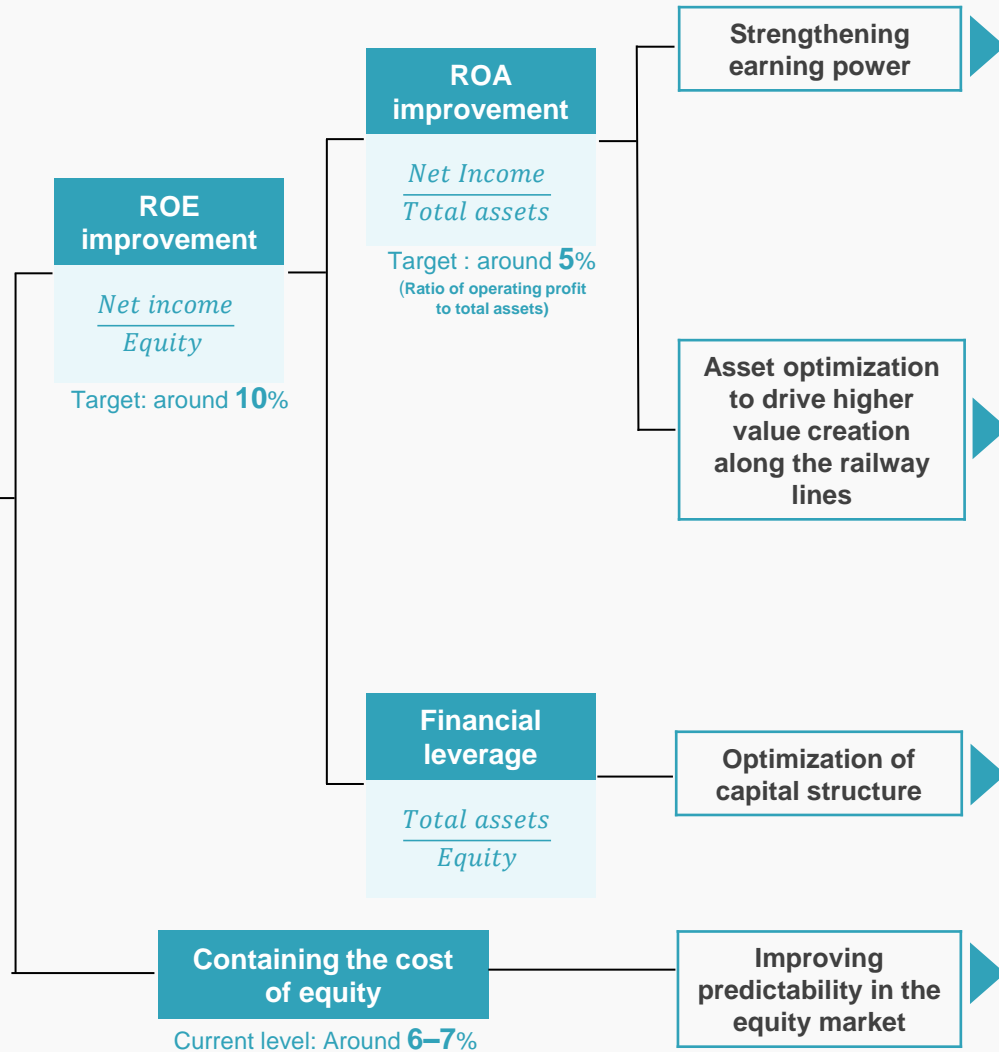
2028



Long-term Management Strategy: Initiatives to Enhance Corporate Value

- Achieving sustainable ROE improvement while maintaining stable ROA by strengthening earning power and balancing development along the railway lines with appropriate control of asset size

Expanding the equity spread



- Driving higher value creation by leveraging the strengths of areas along the railway lines
- Transportation: Introducing sightseeing trains and new train cars, and improving operational efficiency
- Real estate: Improving profit margins through diversified development schemes
- Retail distribution: Enhancing profit margins through network expansion and stronger product capabilities
- Leisure and service: Expanding hotel development into new areas and entering new business formats

- Optimizing the business portfolio by monitoring segment-level ROA and asset composition
- | FY2026 | ROA
(Ratio of operating profit to total assets) | Asset composition ratio |
|---------------------|--|-------------------------|
| Transportation | 5.2% | 31% |
| Real estate | 4.9% | 60% |
| Retail distribution | 8.7% | 4% |
| Leisure and service | 15.7% | 5% |
- Real estate: Controlling asset size as a stable source of CF
 - * Maintaining an appropriate turnover cycle and optimizing the balance between investment and recovery

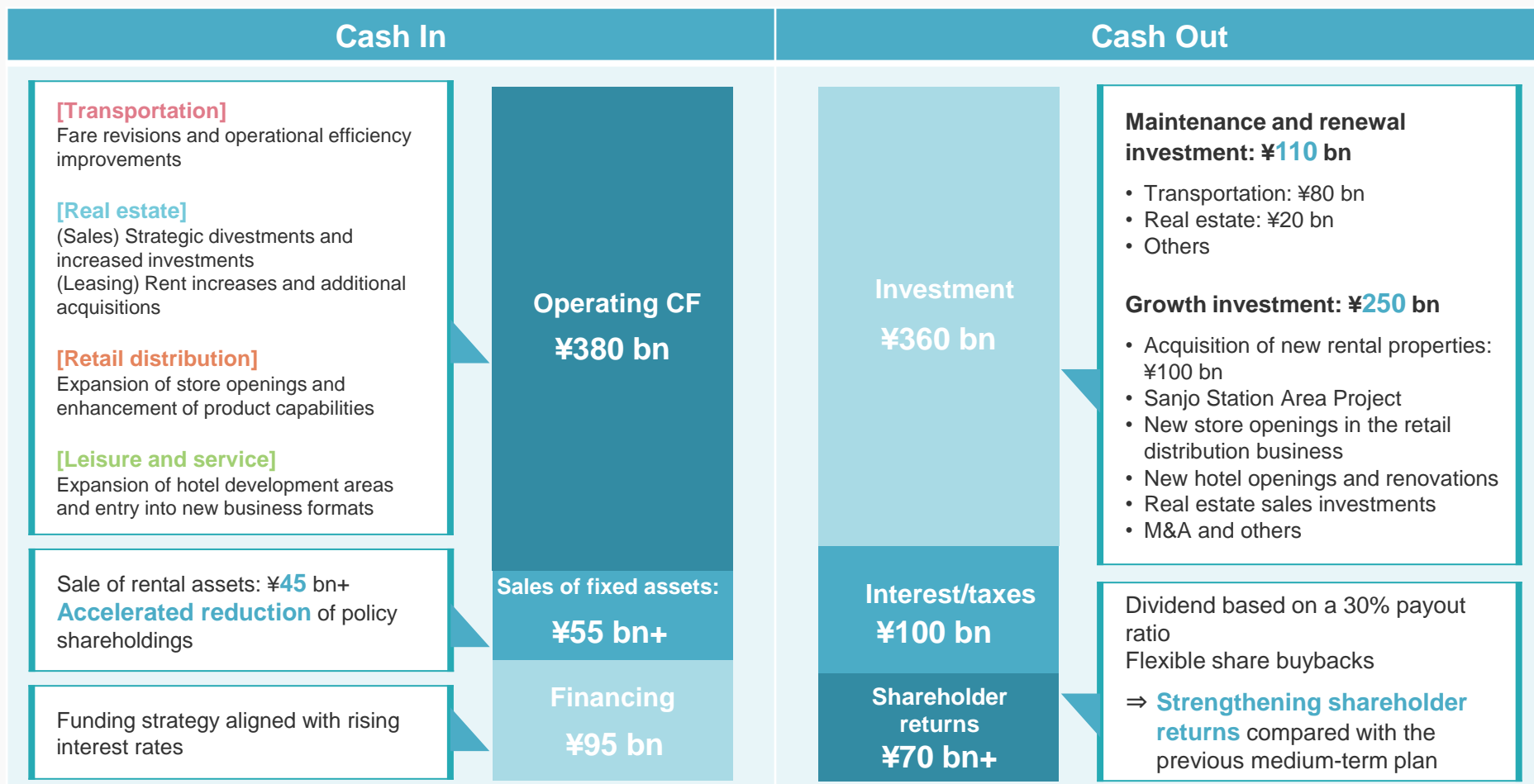
- Maintaining an equity ratio that provides flexibility for growth investment and resilience against unforeseen events such as natural disasters (around 35%)
- Resilience to business environment risks (net interest-bearing debt/EBITDA ratio at the 5x level)
- Flexible control of equity capital through shareholder returns

- Promoting BIOSTYLE Management (reducing risks of non-financial capital impairment)
- Generating stable CF
- Strengthening dialogue with the market (regular small meetings)

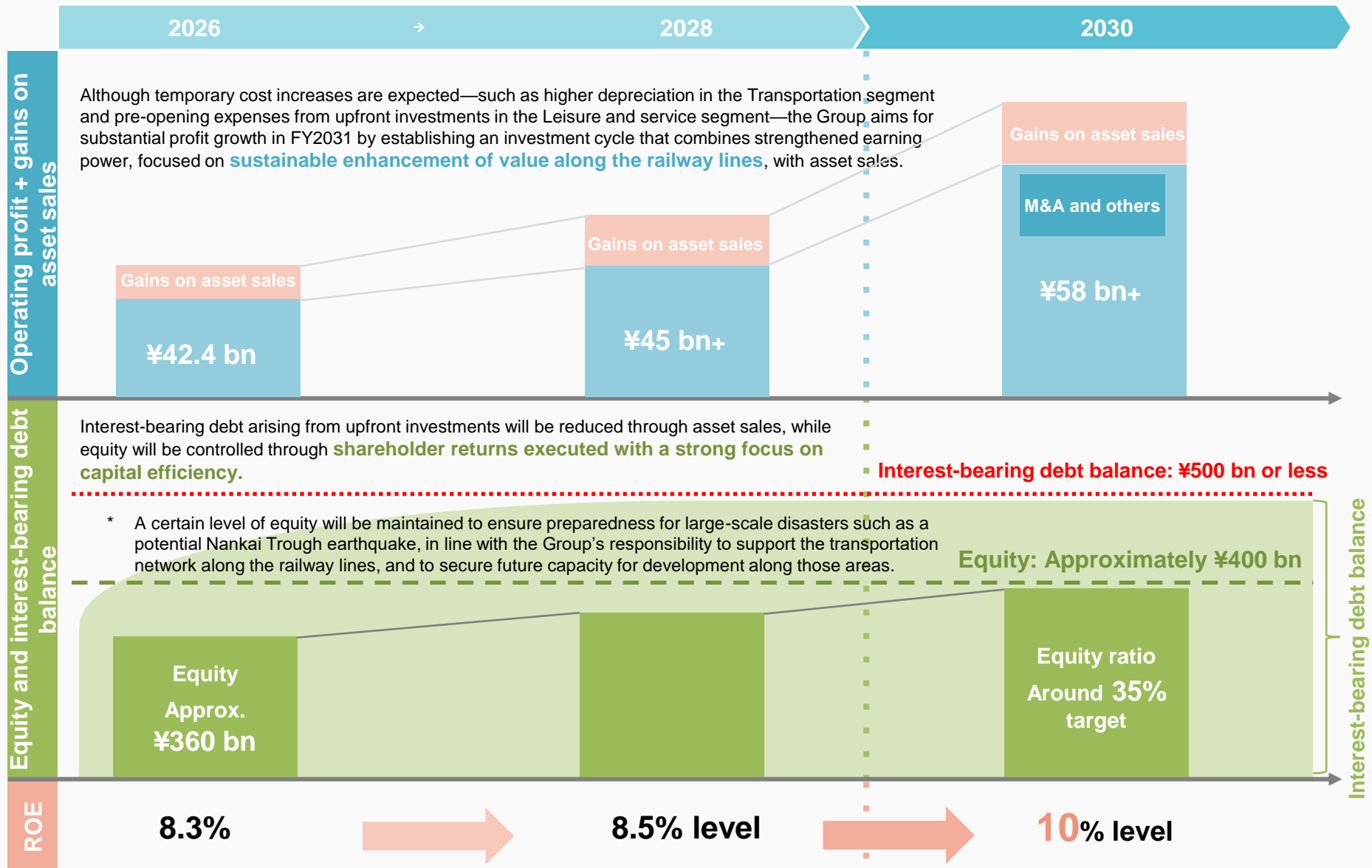
Long-term Management Strategy: Cash Allocation

Cash allocation for FY2027–FY2031

- Earning power will be strengthened and Operating CF expanded through proactive growth investments. Interest-bearing debt will be controlled to an appropriate level through the sale of rental properties and other assets, while dividends and flexible share buybacks will be executed in line with business performance to ensure sustainable growth with a focus on capital efficiency.



Long-term Management Strategy: Pathway to 10% ROE



Major Development Projects Along the Railway Lines

- The Sanjo Station Area Project, a major redevelopment initiative slated for FY2027 and beyond, is planned for completion by the end of FY2031.
- For the other projects, discussions with local communities and government authorities will continue toward formulating concrete plans.

Major projects	Mar. 2024	Mar. 2025	Mar. 2026	Mar. 2027	Mar. 2028	Mar. 2029	Mar. 2030	Mar. 2031	Redevelop Keihan areas	Co-create experience value	Conserve the global environment
■ Extension of the Nakanoshima Line	Under consideration and deliberation								●	●	●
■ Development of the Nakanoshima area	Under consideration and deliberation								●		●
■ “Nakanoshima 4-chome International Hub for Healthcare Innovation” project	Opening ●								●		●
■ Joint reconstruction of Keihan Midosuji Bldg. and Nittochi Yodoyabashi Bldg.	Opening ●								●		●
■ Redevelopment of the Temmabashi Sta. area	Under consideration and deliberation								●	●	●
■ Redevelopment of the Kyobashi Sta. area	Under consideration and deliberation toward a start around 2030								●	●	●
■ Redevelopment of the Furukawabashi Sta. north area/Kadomashi Sta. area	Completion of the Furukawabashi Sta. project ● Completion of the Kadomashi Sta. project: Scheduled for FY2033								●		●
■ Consecutive grade separation project on the Keihan Main Line (Neyagawa City & Hirakata City)	Under development								●		●
■ Redevelopment of the Hirakatashi Sta. area	Opening ●								●		●
■ Development of the Hashimoto Sta. area	Under deliberation								●		●
■ Kyoto Station Southeast Area Project	Opening ●								●	●	●
■ Kyoto Tower renovation	Scheduled to start by FY2031								●	●	●
■ Sanjo Station Area Project	Completion ●								●	●	●
■ Renovation of facilities on the top of Mt. Hiei	Under consideration and deliberation								●	●	●
■ Revitalization and redevelopment of Otsu Port	Under consideration and deliberation								●	●	●

04

Medium-term Management Plan

(FY2027–FY2029)

“Refining Our True Value 2028”

Keihan Group Long-term Strategic Concept (FY2027 onward)

The Keihan Group will create a comfortable living environment and contribute to society by establishing a network of dreams, hope, and trust.

Management Principles

No changes

Management Vision (vision for 2050)

Quantitative targets updated

Long-term Management Strategy (target: FY2031)

Newly formulated

**Medium-term Management Plan (FY2027–FY2029)
“Refining Our True Value 2028”**

* No changes to the positioning or content of the Long-term Management Strategy

- Advancing toward the realization of our management vision while setting FY2031, which coincides with the SDGs’ deadline, as the target year to establish a foundation for **sustainable growth as a corporate group in the highly uncertain post-COVID-19 environment**

Positioning of This Plan

A run-up phase focused on refining our businesses toward profit growth in FY2031

Steady profit growth
driven by expansion of existing businesses



Identifying key issues and **strengthening core capabilities**

- Profit will be pressured by higher depreciation at Keihan Electric Railway, coinciding with the period when **major redevelopment projects settle down.**
- **An opportunity** to identify the Group’s challenges for future growth and **refine the foundation for sustainable expansion**
- FY2029 positioned as the **midpoint** in the **refinement phase through FY2031**, aimed at enhancing future corporate value

Medium-term Management Plan: “Refining” Areas Along the Railway Lines—Kyoto and Lake Biwa

Establishing a tourism strategy leveraging Kyoto as a one-of-a-kind tourism asset

- Capturing and maximizing tourism demand by developing tourism hubs in **Keihan’s distinctive areas of Kyoto, Mt. Hiei, and Lake Biwa**, and **connecting tourism and experiential value** co-created across these areas

<Kyoto Station> Renovation of Kyoto Tower

- Renovating into a facility that showcases Kyoto’s appeal to the world as the gateway to the city
- Formulating detailed plans with the aim of **project initiation by FY2031**



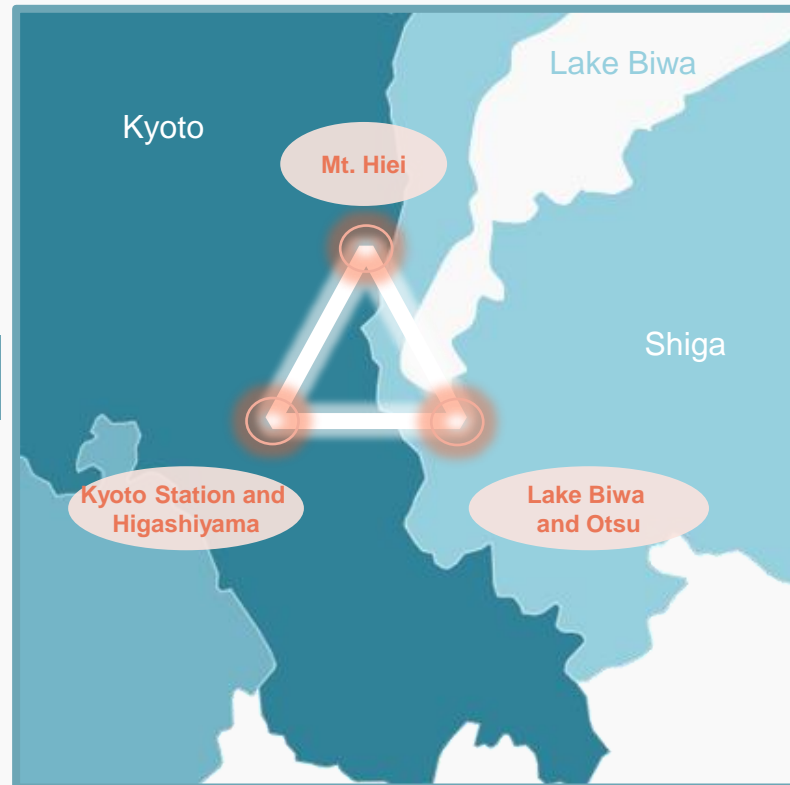
<Mt. Hiei> Mt. Hiei Area Project

- Rebranding L’Hôtel de Hiei on Mt. Hiei and opening **THE THOUSAND HIEI Mui no Okuyama in spring 2027**
- Initiating full-scale renovation of facilities on the top of Mt. Hiei



<Higashiyama> Sanjo Station Area Project

- **Creating a new tourism and exchange hub** at Kyoto’s “gateway to Higashiyama” to promote “Community building starting from railway stations”
- Advancing project planning and discussions with government authorities, targeting **completion in FY2031**



<Lake Biwa> Revitalization and redevelopment of Otsu Port

- **Promoting Otsu Port as a tourism hub** in line with Shiga Prefecture’s basic concept for its renovation and redevelopment, and attracting visitors from across Japan through public-private collaboration
- Advancing discussions with government authorities, targeting **completion around 2030**



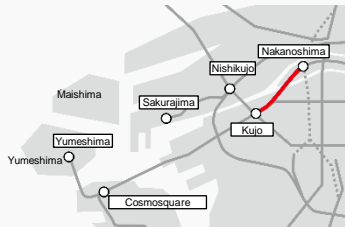
Medium-term Management Plan: “Refining” Areas Along the Railway Lines—Osaka’s East-to-West Axis

Steady advancement of initiatives to enhance value along the railway lines centered on Osaka’s east-to-west axis

- Accelerating planning for area development along **Osaka’s east-to-west axis, where development potential is rising as a post-Expo growth driver**, in anticipation of the Keihan Nakanoshima Line extension to Kujo and as the next project following Yodoyabashi
- **Business expansion driven by the opening of the Osaka IR** scheduled for 2030

Nakanoshima Line extension plan

- **Prioritizing the consideration of physical development** in the Kujo area, alongside advancing planning and discussions for the overall line extension project
- **Enhancing convenience of the Nakanoshima Line and increasing area value** by connecting to Kujo Station, served by Osaka Metro and Hanshin Railway



Redevelopment of the Kyobashi Station area

- **Positioned as a key strategic area on Osaka’s east-to-west axis**
- Advancing **the development plan that leverages the distinctive characteristics of the Kyobashi area, one of Osaka’s signature districts**, targeting project initiation around 2030



An area where diverse functions merge

Strengthening water transportation

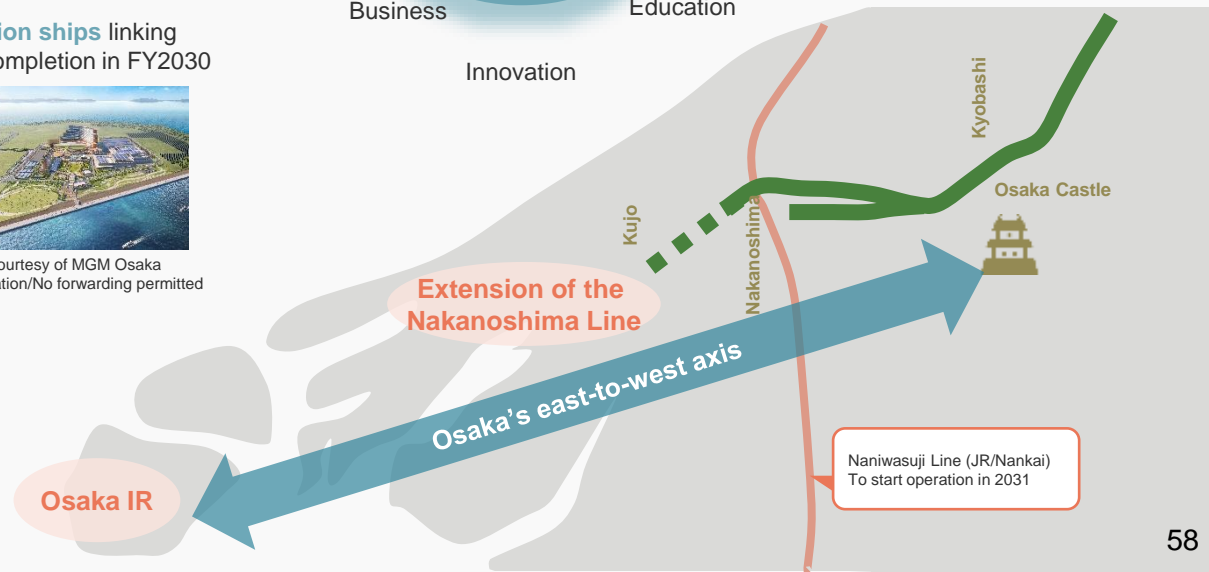
- Exploring a **water taxi service** originating from the Nakanoshima area, a symbol of Osaka “City of Water”
- Promoting plans for **wide-area, tourism-oriented convention ships** linking Osaka IR with the Seto Inland Sea and beyond, targeting completion in FY2030



Courtesy of MGM Osaka Corporation/No forwarding permitted

Exploring participation in IR facilities

- **Actively exploring business participation opportunities** in Osaka IR facilities, including conference venues, accommodation, and tourism centers, **leveraging the Group’s expertise**



Medium-term Management Plan: “Refining” Areas Along the Railway Lines—Former Kyokaido

Deepening and expanding station-area redevelopment and commercial businesses along the railway lines

- Promoting “community building starting from railway stations” driven by **station-area redevelopment that leverages local characteristics**, particularly in the area between Kyoto and Osaka
- **Strengthening commercial businesses** and expanding operations across the areas along the railway lines to **expand touchpoints that enhance their value**

Carrying out community building starting from railway stations

- **Creating vibrancy** through the concentration of urban functions around stations

Redevelopment of the Furukawabashi Sta. north area



Scheduled for completion in autumn 2026

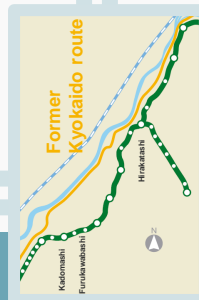
Development of the first high-rise residential tower and commercial building in Kadoma City

Redevelopment of the Kadomashi Sta. area



Scheduled for completion in FY2033

Redevelopment of the commercial facility Kadoma Plaza and the station square



Expanding food retail business essential to communities along the railway lines

- Establishing products, services, and store formats that **meet the needs of residents and visitors along the railway lines**
- Optimizing the utilization of the Process Center in line with business expansion



FY2031
Supermarkets
9 stores

FY2031
In-station food market
“Moyori-ichi”
36 stores

FY2026
6 stores

FY2026
20 stores

Dominant strategy



Creating new businesses and further expanding operations by leveraging expertise

- Building a framework for **outsourced operation of external facilities along the railway lines** by leveraging expertise in facility management in Hirakata Park
- **Full-scale entry into the comprehensive entertainment business**, including events, along the railway lines



Deepening the functions of commercial facilities as hubs connecting daily life and tourism

- Promoting the renovation of commercial facilities to **enhance regional appeal**
- Strengthening **tourism-oriented commercial** content in Kyoto and Shiga



Commencing master lease and property management operations for Arashiyama Shoryuen

March 31, 2026 onward

Ukyo-ku, Kyoto

Site area: 1,532 m²

9 stores (including restaurants and retail stores)

Medium-term Management Plan: “Refining” Areas Along the Railway Lines—Transportation Infrastructure

Initiatives toward sustainable business operations

- Developing sustainable transportation infrastructure in a declining population society by further enhancing safety and comfort, while securing new revenue streams and improving operational efficiency

Stimulating new demand and expanding revenue streams

Introducing sightseeing trains and new train cars Keihan Electric Railway

- Exploring the introduction of sightseeing trains and planning the successor to the 8000-series limited express train cars, targeting introduction in the 2030s



8000-series limited express train cars

Strengthening the capture of domestic and international tourism demand Keihan Bus

- Launching full-scale operation of circular sightseeing route buses in Kyoto City (from FY2028 onward)
- Enhancing value and diversification of tour bases (package tours)
- Introducing credit card payment on Kansai Airport limousine buses (from April 2027)

Improving operational efficiency

Advancing preparations for autonomous operation Keihan Electric Railway

- Implementing Train Automatic Stop Control (TASC) and Automatic Train Operation (ATO) systems on the Uji and Katano Lines by around FY2031, toward the realization of autonomous train operation with onboard attendants (GoA2.5)

Exploring the introduction of public ride-sharing Keihan Kyoto Kotsu

- Exploring the introduction of public ride-sharing, where local drivers provide local transport using small vehicles, to ensure essential regional mobility
- Conducting demonstration tests from 2027 and aiming for full-scale operation in FY2029

Enhancing safety and comfort

Advancing station renovation and aesthetic enhancements Keihan Electric Railway

- Promoting station renovations in coordination with the “community development along the railway lines” vision, including the platform level of Yodoyabashi Station and Furukawabashi, Hashimoto, and Sanjo Stations, with completion targeted by FY2031



Yodoyabashi Station (rendering)

Promoting digitalization

- Enhancing inspection efficiency and sophistication through the digital transformation of maintenance using CBM, drones, sensors, and AI cameras, while improving convenience through expanded QR ticketing

Installing platform screen doors Keihan Electric Railway

- On 11 additional tracks by FY2031



Platform screen doors

Advancing the continuous grade separation project on the Keihan Main Line Keihan Electric Railway

- Advancing the elevation project between Neyagawashi Station and Hirakatashi Station to alleviate road congesting and prevent level crossing accidents

Medium-term Management Plan: “Refining” Our Earning Power

Expanding outside the Keihan areas by leveraging the experience and expertise we have built within them

- Expanding the real estate sales business by broadening geographic coverage, asset types, and investment scale, while diversifying business schemes
- Expanding the hotel business through new openings in western Japan and diversification into formats such as apartment hotels

Schedule for real estate sales and hotel openings outside the Keihan areas

* The number of units listed represents the total number of units for each project. The number of units and the timing of recognition for each property are subject to change.



New hotel openings



Accelerating openings in western Japan and other regions nationwide



Apartment hotels

Existing businesses

MC/FC

Promoting BIOSTYLE Management

- Reducing CO₂ emissions to help realize a decarbonized society while developing products and services that remain competitive in that society
- Advancing analysis in preparation for the disclosure of dependencies and impacts on natural capital to ensure a sustainable business environment

GOOD NATURE STATION

- Developing sustainable products and services nationwide under the concept of “Good for both people and nature”

GOOD NATURE HOTEL KYOTO



- Advancing guest room renovations to further enhance the value of a globally recognized hotel

Received LA LISTE* Special Award 2026 “Prix de la Responsabilité Éthique et Environnementale” (Ethical and Environmental Responsibility Award)

- Accelerating plans for expansion into major cities such as Tokyo by leveraging brand strength

* A France-based restaurant and hotel guide, widely recognized worldwide alongside the Michelin Guide and others

NEMOHAMO

- Driving business expansion through brand-enhancing product development and new store openings



Organic cosmetics brand NEMOHAMO

GOOD NATURE MARKET

- Creating new food value through the development of a natural food brand originating from Kyoto



Original food brand GOOD NATURE MARKET

Biodiversity conservation

- Analyzing dependencies and impacts on natural capital, accelerating biodiversity conservation initiatives, and enhancing value and promoting local production for local consumption by integrating these efforts with services



Urban beekeeping on a hotel rooftop (THE THOUSAND KYOTO)

Raising honeybees that play a **key role in pollination**, helping maintain the ecosystem around Kyoto Station, and using the harvested honey in product offerings and restaurant services



Conservation of terraced rice fields (Biwako Hotel)

Contributing to the conservation of terraced rice fields and to the preservation of Lake Biwa's water quality, which supports a rich ecosystem, by promoting local production and consumption of rice grown in these fields

Reducing CO₂ emissions

- Reducing CO₂ emissions through thorough energy conservation, promotion of energy creation, and procurement of renewable energy

Reduction target

* Applies to 9 consolidated companies (Scope 1 and Scope 2)

Targeting net-zero CO₂ emissions by FY2051, with a **46% reduction** by FY2031 (vs. FY2014)

- Reducing energy consumption through further introduction of eco-friendly 13000-series train cars, as well as capital investments and operational efficiency improvements
- Expanding the use of renewable energy, including installation of solar power systems at stations and Group facilities and the adoption of off-site corporate PPAs



Solar power generation utilizing reservoirs (Hirakata City, Osaka)

Medium-term Management Plan: “Refining” the Management Foundation—Digital Transformation (DX)

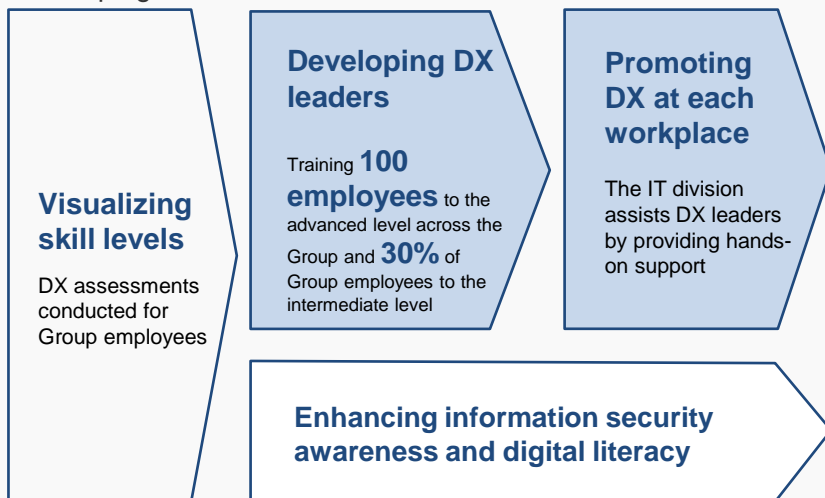
Advancing both offensive DX and defensive DX

- Strengthening the DX promotion framework and advancing both offensive DX (revenue growth and productivity improvement) and defensive DX (reinforcing business foundation) in parallel to fundamentally enhance the Group’s overall competitiveness

Strengthening DX promotion framework

Accelerating DX through talent development

- Strengthening DX promotion framework at each workplace by developing DX leaders



Developing tools for on-site-led business process transformation

- Realizing “citizen development” to drive on-site-led DX by deploying no-code and automation tools across the Group, thereby fundamentally transforming business processes

Digitalizing customer touchpoints

Introducing the Okeihan Point App (tentative name)

- Enhancing the convenience of Group points through a smartphone app, thereby promoting the use of Group services



* Rendering

Improving productivity and driving higher value creation

Leveraging advanced AI technologies

- Accelerating productivity gains and the shift toward higher value-added operations by introducing next-generation AI as an autonomous work partner

Strengthening IT infrastructure

Building a robust security foundation

- Establishing a strong security infrastructure across the Group based on the Zero Trust concept (ensuring secure access from anywhere with strict verification)

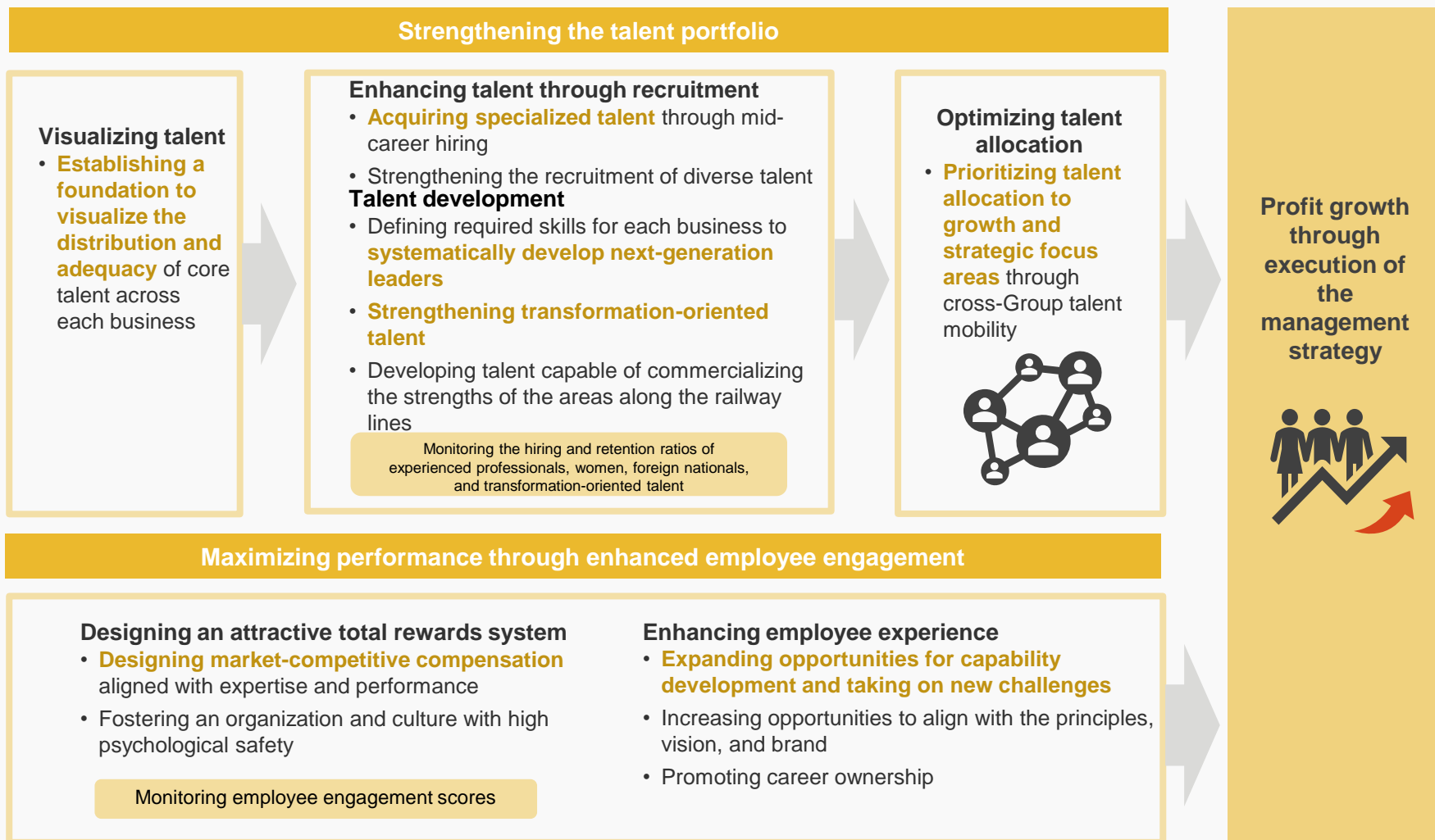
Enhancing resilience (business continuity)

- Strengthening recovery management and governance through advanced IT-BCP, ensuring stable and sustainable IT service delivery

Medium-term Management Plan: “Refining” the Management Foundation—Talent

Human resources strategy for achieving the management strategy

- Maximizing performance by enhancing employee engagement while strengthening the talent portfolio through recruitment, talent development, and talent allocation, thereby driving the execution of management strategy

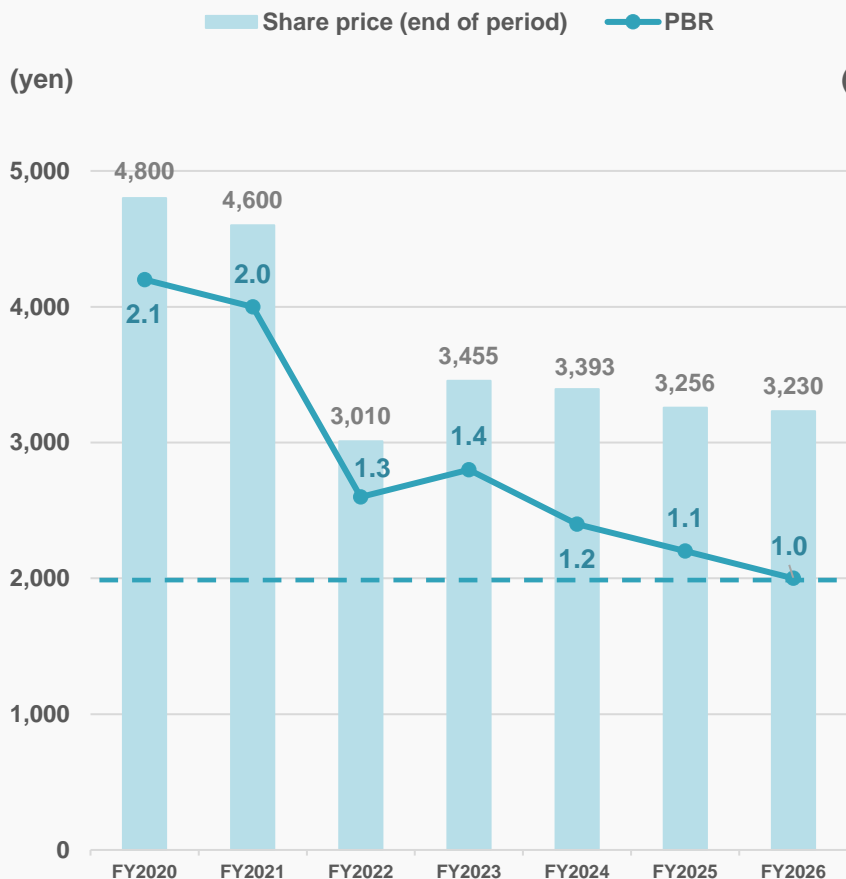


Appendix

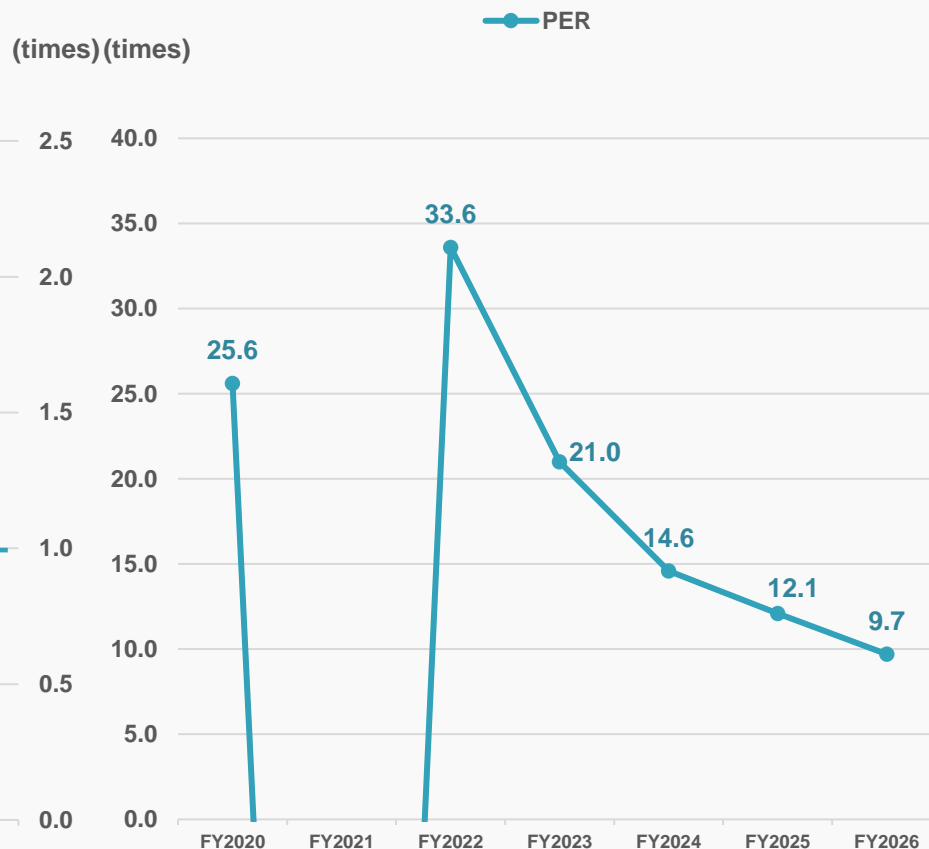
Management Conscious of the
Cost of Capital and Share Price

Changes in Share Price, PBR, and PER

Changes in Share Price and PBR

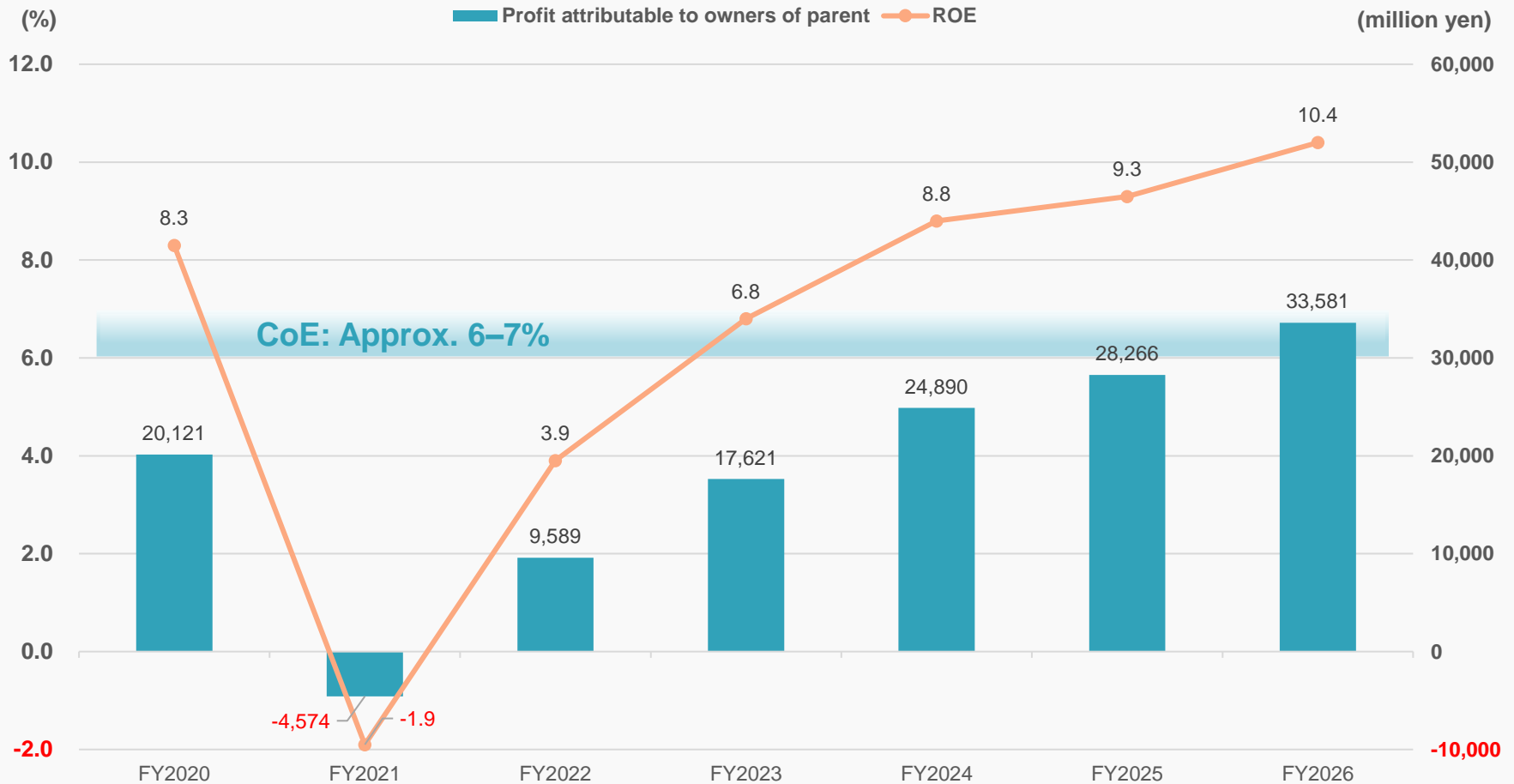


Changes in PER



The period of significant decline caused by COVID-19

Changes in Cost of Equity and Return on Equity



Shareholder Return Policy

We aim to increase dividends through sustainable profit growth, with **a consolidated dividend payout ratio of approximately 30%** based on the business performance in each fiscal year. We will flexibly conduct share buybacks while considering financial soundness, capital efficiency, etc.

- Based on the above policy, **the annual dividend payout for FY2027 is forecast to be 86 yen per share.**

Changes in annual dividends and dividend payout ratio

