

KEIHAN GROUP CORPORATE REPORT 2021

English



Keihan Holdings Co., Ltd.

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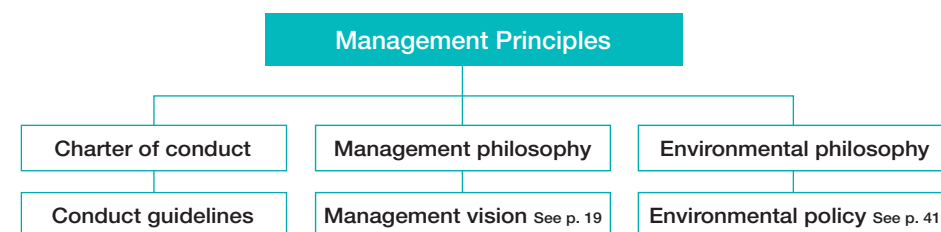


Management Principles System of the Keihan Group

Management Principles

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

Diagram of the Management Principles System



Management philosophy

1. We will take good care of local communities, customers, shareholders and employees.
2. We will comply with laws, regulations and social norms, and fulfill our corporate social responsibility.
3. We will make efforts to conduct eco-friendly corporate management, and give due consideration to environmental conservation and resource protection.
4. We will always take new approaches and reinvent ourselves.
5. Under the customer-first policy, we will develop a life-stage network based on the railway business, and create a comfortable living environment.

Environmental philosophy

Based on the recognition that global environmental conservation is one of the key common issues shared by all humankind, the Keihan Group will contribute to the sustainable development of society by making efforts to conduct eco-friendly corporate management and give due consideration to environmental conservation and resource protection.

Charter of conduct

As a corporate group engaged in the highly public business of railway service as well as diverse businesses that are closely associated with local communities, the Keihan Group has established the charter of conduct as follows so that it will be able to fulfill its corporate social responsibility by faithfully responding to the expectations of people surrounding the group and to earn the trust of local communities.

All corporate officers and employees of the Keihan Group will recognize that the achievement of this charter of conduct is the role given to them, and take the lead in its achievement.

1. We will comply with laws, regulations and social norms, and take responsible actions while maintaining a high ethical standard.
2. We will offer high-quality services,^{(*)1} on a timely basis, that are deserving of customers' trust and satisfaction, while giving primary consideration to the safety of customers.
3. We will pursue fair business practices.^{(*)2} At the same time, we will maintain a sound and normal relationship^{(*)3} with governmental and administrative bodies.
4. We will communicate widely with society, and disclose information necessary for all stakeholders on a timely basis and in an appropriate manner.
5. We will respect the human rights of all people.
6. We will work toward the creation of a safe and pleasant working environment free of all forms of harassment.
7. We will actively make efforts toward environmental conservation.
8. We will strictly manage personal information and other important information in an appropriate manner.
9. We will contribute to local communities through our business activities.
10. We will assume a firm attitude against, and work toward the elimination of, antisocial forces that threaten public order and safety.
11. We will expeditiously advance our business activities in a sound manner,^{(*)4} and pursue long-term and stable enhancement of our corporate value.

(*)1 Including providing appropriate descriptions and explanations of our services and products.

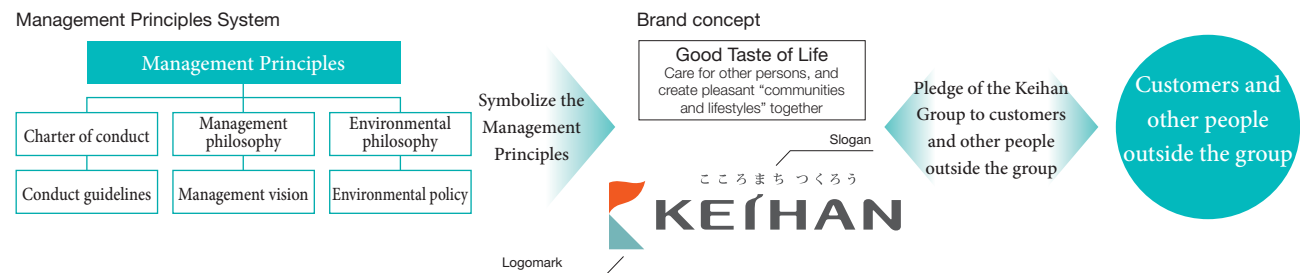
(*)2 Bid-rigging, involvement in cartels, taking advantage of one's position for self-interest, offering of gifts or entertainment that is considered inappropriate under normal social conventions, unreasonable demand as a purchaser, intellectual property infringement, and insider trading are prohibited. We should follow proper accounting procedures and make efforts to protect patents, trademarks and other intellectual property.

(*)3 It is not allowed to offer an illegal contribution or donation related to political activities.

(*)4 Information regarding business activities should be accurately recorded and stored, following relevant rules.

To enhance the value of the “Keihan Brand”

Relationship between Keihan Group's Management Principles System and the brand concept, etc.

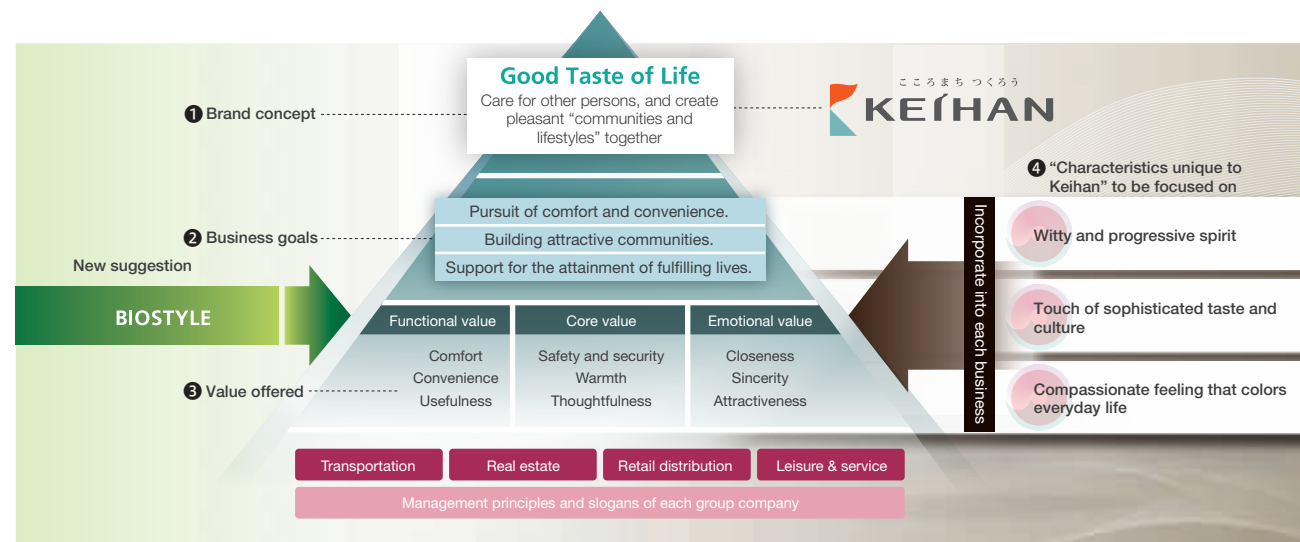


Keihan Group logomark

The logomark is in the shape of the letter K for Keihan. The orange triangle above represents a flag conjuring up an image of warmth and attractiveness, and the blue-gray triangle below represents the foundation of the Keihan Group: safety and security, warmth and thoughtfulness. The flag waving in the wind and the foundation together represent the brand concept “Care for other persons, and create pleasant ‘communities and lifestyles’ together.”

Keihan Group slogan

The slogan “Kokoromachi Tsukuro” clearly demonstrates the Keihan Group’s brand concept. Always used with the logomark, it expresses the group’s determination to create “a corporate group that creates anticipation” and to form “heartwarming communities” with customers.



1 Brand concept

The entire group’s pledge to its customers

It means that we will use the products and services offered by the Keihan Group to create pleasant communities and lifestyles together with customers. This is the pledge that each employee makes to our customers.

3 Value offered

The value that each employee offers to achieve the business goals

The business goals are expressed in more specific terms. Each of the Keihan Group’s employees will embody these when they offer products and services, focusing on our core value while at the same time considering the functional and emotional values.

2 Business goals

The goals that each business pursues to realize the brand concept

These goals specifically express the brand concept and are pursued by each business. We aim to enrich and bring joy to the lives of our customers through our products and services.

4 “Characteristics unique to Keihan” to be focused on

The identity to be consciously incorporated into each business to create a unique and unified Keihan Brand

By consciously incorporating them into each business, we aim to differentiate ourselves from our competitors and appeal to our customers. These will also form our identity and a great course of action, helping to create a unified brand.

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Editorial policy

In developing its business activities, the Keihan Group prioritizes communication with its stakeholders.

This report has been issued as a comprehensive communication tool to introduce the group’s history, current businesses, and initiatives to further improve its corporate value, giving readers a deeper understanding of the Keihan Group as we strive to achieve sustainable growth with society.

* This report contains information that we consider important in understanding the Keihan Group. It is also available on our website.

Keihan Holdings' website “Kokoromachi Tsukuro”

Coverage	Keihan Holdings Co., Ltd. and its group companies
Period	FY2021 (April 1, 2020 to March 31, 2021) * Contains some information not included in the above period.
Month of issue	November 2021 * The previous issue was released in August 2020, and the next issue is scheduled to be released in autumn 2022 (issued annually).
Guidelines referenced	Environmental Reporting Guidelines 2018 (Ministry of the Environment), GRI Sustainability Reporting Standards (GRI)

The website is titled “Kokoromachi Tsukuro,” which is the slogan of the Keihan Group. It introduces our wide-ranging activities, as well as various scenes and people’s expressions in the areas along the Keihan Railway lines, with photos and reports. Through such information, we intend to express the value that the Keihan Group pledges to its customers, including “safety and security,” “warmth” and “thoughtfulness.”



Progress with society while seeking

1906 —

Keihan Electric Railway Co., Ltd. was established.



Eiichi Shibusawa (Photo: Shibusawa Memorial Museum)

Keihan Electric Railway Co., Ltd., the predecessor of Keihan Holdings Co., Ltd., was established on November 19, 1906 by Eiichi Shibusawa, the leader of the organizing committee. Shibusawa is known as the founder of many companies, including Japan's first bank, the First National Bank, and has been dubbed the Father of Japan's Modern Economy. Construction of a railroad to connect the 1,000-year-old capital of Japan, Kyoto, with the commercial center, Osaka, through the towns and villages along the former Kyokaido Highway was a project that promised to be profitable. At the same time, the project was based on a high ideal – the development of local communities.

Shibusawa's management philosophy can be summarized as a doctrine of "harmony between morality and economy," in which the main duty of business is not simply the pursuit of personal gain, but also efforts that are dedicated to the happiness of others as a contribution to society. In the course of its history, the Keihan Group has passed on our founder's spirit as an asset of the whole group, and has progressed with society, while seeking value for society. This spirit is embodied in our current Management Principles and shared within the group.

While the social and economic environments are expected to change drastically, we are committed to contributing value to society on the basis of the spirit of our founder, Shibusawa, and our Management Principles, thus achieving sustainable development along with society.

Our founding aspiration: "To contribute to regional development by increasing transportation capacity"

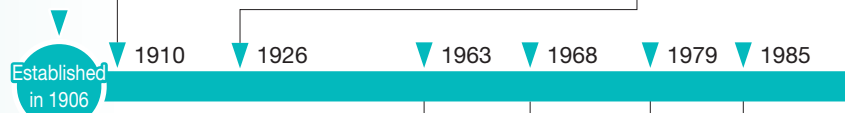
To increase transportation capacity between Osaka and Kyoto and contribute to regional development, we began operating a railway line between Temmabashi in Osaka and Gojo in Kyoto in April 1910. We worked to bring greater convenience and safety by introducing express trains and the automatic color-light three-position signal system. We also organized the first Chrysanthemum Figure Exhibition as part of our efforts to attract more passengers. We attracted schools and the Naritasan-Fudosen Temple to develop the areas along our railway lines. We were also proactive in diversifying our businesses and expanded commercial areas when we entered the bus transportation business and started other projects.



Keihan Electric Railway opened to traffic (between Temmabashi Station in Osaka and Gojo Station in Kyoto). The first Chrysanthemum Figure Exhibition was held in Kori Amusement Park.



Entered the bus transportation business.



Yodoyabashi Underground Line (between Temmabashi Station and Yodoyabashi Station) opened to traffic.



The first-period lot sales of Kuzuha Rose Town started.



Keihan Department Store (now Moriguchi Store) opened.



Hotel Keihan Osaka (now Temmabashi) opened.



Focusing on business expansion during Japan's post-war economic growth

With the rapidly increasing transportation and housing needs in the areas along our railway lines, we worked hard on increasing the railway transportation capacity and housing development. By extending the Keihan Main Line to Yodoyabashi in April 1963, we successfully improved access to central Osaka. We also entered the building rental business. In addition, we began operation of business hotels and department stores, and improved leisure facilities such as cruise ships. Diversifying our businesses in this way supported Japan's economic growth.

value for society



Oto Line (between Sanjo Station and Demachiyana Station) opened to traffic.



Lot sales of the condominium "Fine Garden" started in Keihan East Rose Town.



Grand opening of KUZUHA MALL



Nakanoshima Line (between Temmabashi Station and Nakanoshima Station) opened to traffic.



Keihan Yodo Logistics Yard opened.



Premium Car (special car with reserved seats) was introduced.



Hirakata Station was renovated.



THE THOUSAND KYOTO opened.



Strengthening our four core businesses by creating new value and challenging ourselves

Under the previous medium-term management plan "Bravely Pursuing Creation," we adopted the holding company system in April 2016, making us into a corporate group that can continue growth even in the severe business climate resulting from the decline in population, etc. In addition to strengthening our four core businesses, we also worked on improving the value of the areas along our railway lines (the company's point of origin), exploiting opportunities in the inbound tourism market, and creating content to enhance customers' life value. In May 2018, we formulated a new management vision for 2050 and a long-term management strategy targeting FY2027, and we are currently promoting the main strategies to "redevelop Keihan areas," "co-create tourism opportunity," and "create relatable contents." In December 2019, GOOD NATURE STATION opened as a flagship facility for BIOSTYLE. In this way, we are always challenging ourselves to achieve further growth as a corporate group that is valued by society, even in the midst of drastic changes in society.

GOOD NATURE STATION opened.



Top message

We will move ahead with structural reform to achieve sustainable growth for the entire group, even under the severe business environment amid the COVID-19 crisis.

As we enter a new era, we are also committed to contributing to society through ESG-focused management.

I would like to express my heartfelt sympathy to those who have been affected by COVID-19 and those close to them. I would also like to offer my deepest gratitude to medical workers and others who have been committed to preventing the spread of infection.

The COVID-19 pandemic significantly affected the businesses of the Keihan Group. However, even under these adverse conditions, we will continue to promote our group management and strive for a quick recovery of our business performance through structural reform. These great changes in society provided us with an opportunity to identify some hidden challenges. With a clear understanding of the current situation, we will proceed with ESG management into the new era and contribute to society in solving the challenges faced by our businesses.

Ishimaru Masahiro

石丸昌宏

Representative Director & President, COO
Keihan Holdings Co., Ltd.





Restructuring our management foundation with the three pillars of “Safety & Security,” “Structural Reform” and “BIOSTYLE”

We will develop our group management to quickly regain our performance.

The Keihan Group has been engaged in the transportation, real estate, retail distribution, and leisure & service businesses, including operating hotels, and remained profitable through synergy between segments. However, since spring 2020, the COVID-19 pandemic has had a significant effect. The number of passengers using Keihan Railway in FY2021 dropped by approximately 30% compared to the previous year. The transportation business, which had been the backbone of our businesses, posted an operating loss. The leisure & service

business also experienced unprecedentedly difficult conditions due to factors such as the devastating drop in demand in inbound tourism and the decline in the hotel occupancy rates.

As a result, our FY2021 consolidated financial results recorded a loss of 4.5 billion yen attributable to the owners of the parent company. This is the first loss since FY2002, when we recorded an extraordinary loss of 45 billion yen after implementing management reform through a write-down of owned real estate and restruc-

turing of group companies. However, the company was still profitable on an operating income basis at that time; this time it is in the red, which may indicate an unprecedented crisis.

On the other hand, in view of the declining population, the Keihan Group has been proactive in taking measures. We accelerated the group management to enable each of our businesses – transportation, real estate, retail distribution and leisure & service – to work independently and at the same time to remain integrated, and adopted the holding company system in April

2016. Thanks to this business portfolio, we have been able to reduce our losses from the COVID-19 crisis to some extent.

Looking at our most recent financial results, consolidated income for the first half of FY2022 has returned to the black, and we anticipate that the full-year results will also remain in the black. We will further develop our group management and encourage each business to implement proactive business strategies as we enter a new era to ensure that our business performance recovers quickly.

We have publicized our future business direction in response to the COVID-19 crisis to reinforce our management foundation.

The Keihan Group released its long-term strategic concept in May 2018. Along with our management vision for 2050, “Be the beautiful Keihan areas and the global Keihan group,” we have promoted our long-term management strategy for FY2026 based on the main strategies to “redevelop Keihan areas,” “co-create tourism opportunity,” and “create relatable contents.”

However, in response to the drastic changes in the business environment caused by the COVID-19 pandemic and our results in FY2020, we have decided to terminate our medium-term management plan (FY2019–FY2021). Instead, we publicized our future business direction in November 2020 to indicate a plan of action for the Keihan Group to maintain and develop its businesses amid significant changes in people’s lifestyles.

The future business direction includes restructuring our management foundation around the three pillars of “Safety & Security,” “Structural Reform” and “BIOSTYLE.” These are based on social trends during the pandemic and post-pandemic eras: establishment of health and prevention-conscious behavior, spread of new ways of work and life including remote working, and growing awareness of environmental and social issues.

One specific measure was the updated train schedules for the Keihan and Otsu Lines that applied from September 25, 2021. As part of our efforts for structural reform, we drastically reduced the number of services on the Keihan and Otsu Lines to match

changes in customers’ lifestyles and demand and on the same day, we expanded our Premium Car service, which had been available mainly on Limited Express and Liner trains, to other types of trains to give passengers increased safety & security.

The BIOSTYLE initiative that the Keihan Group has been promoting demonstrates the group’s uniqueness and presents society with new values that appeal to customers. It is a lifestyle that enhances the quality of life for customers and contributes to the solution of environmental and other social issues, and represents the “Keihan version of the SDGs.” I am proud to say that it is a challenging policy that is ahead of the times, and one based on the principles of “safety and security” and an “enterprising spirit,” both of which we have valued since our establishment.

In December 2019, we opened a commercial complex GOOD NATURE STATION in Shijo-Kawaramachi, Kyoto as a flagship facility for BIOSTYLE. I am convinced that the facility will get great support from customers in the post-pandemic era. In fact, an increasing number of customers are starting to identify with and use the products and services it offers, giving us confidence in the viability of this new business.

Ensuring that each project for the future steadily achieves results

We will steadily proceed with the redevelopment of the Yodoyabashi, Nakanoshima, and Hirakatashi Station areas as part of our strategy to “redevelop Keihan areas.”

The Keihan Line was constructed along the former Kyokaido Highway. During Japan’s post-war economic growth, the population along the Keihan Line exploded and the area prospered. However, these communities are now aging. In the Kansai region, the working-age population began decreasing as early as the 1990s. More than 400 million passengers were using Keihan Railway in 1991; however, by 2011 it had dropped by approximately 30% to slightly less than 280 million. Although the decline was halted by an increasing number of inbound tourists over the past several years, we experienced a sharp decrease of 30% with the COVID-19 pandemic, just as if the decrease over the past 20 years had occurred all at once.

Going forward, we will progressively implement development and redevelopment projects along the Keihan Railway lines, working on the effective use of resources there through close cooperation with related organizations in the communities. Reconstruction of the Keihan Midotsuji Building, development of the Nakanoshima 4-chome International Hub for Medical Innovation, and redevelopment of the Hirakatashi Station area are the major projects that will not only affect the relevant areas but also create landmarks and increase the value of the areas along the railway lines. In light of the coming Expo 2025 Osaka, Kansai, the Keihan Group has an important mission to stimulate the inflow of people and contribute to local communities.

We will face the challenges through our ESG management to achieve sustainable growth.

We are determined to further accelerate current initiatives in ESG management in the Keihan Group. As a company we must be sincere and genuine in this, in light of the increasing awareness of the environment and human rights. Our most important task is to ensure that our employees feel that they are achieving growth and happy in the company. We will further improve the corporate environment to encourage individual employees to grow, while focusing on initiatives for “diversity and inclusion” and “health and productivity management.”

The challenges to be addressed by the Keihan Group at this point include creating businesses that solve social issues, ensuring that our operations consider the environment and society, maintaining the organization and securing human resources to achieve continued growth and establishing a sustainable and solid business foundation.

Among these challenges, we are committed

to creating businesses that solve social issues as the BIOSTYLE PROJECT, the Keihan version of the SDGs mentioned earlier. We are already working on more than 35 projects that have been originally certified as BIOSTYLE PROJECTS, and will continue to share the concept of BIOSTYLE PROJECTS with many parties in and out of the company. With this, we aim to increase the profitability of each business and contribute to achieving the SDGs.

In environmental issues, measures to prevent global warming are urgently needed around the world. We will make reducing greenhouse gas emissions our top priority. As a railway business, we have been conscious of the environment, but we need to share this awareness across the entire Keihan Group.

Recently, the government of Japan announced its goals of reducing 46% of greenhouse gas emissions by 2030 compared to FY2014 and achieving carbon neu-

trality by 2050. In part due to the effect of the COVID-19 pandemic, the Keihan Group has already achieved results, with greenhouse gas emissions in FY2021 reduced by approximately 37.5% compared to FY2014 (comparison of the total amounts of our 10 main companies). It is true that the numerical goals announced by the government are challenging, but we will work toward decarbonization by introducing energy-saving vehicles such as Keihan Railway 13000-series train cars

and electric buses. We will disclose information on our initiatives from both financial and non-financial aspects in a future management plan.

In July 2021, we issued a sustainability bond. We will accelerate our efforts using new methods that are not bound by conventional stereotypes. We are determined to work to build a sustainable society as part of a group-wide initiative and achieve growth with society.

Fueki Ryuko (immutability and fluidity): Introducing new things that are in development while cherishing things that need to be retained.

Over two years have passed since I took over the presidency in June 2019. I will face those challenges that need action now positively and swiftly, while taking the necessary time to properly analyze and manage the severe situation brought about by the COVID-19 pandemic.

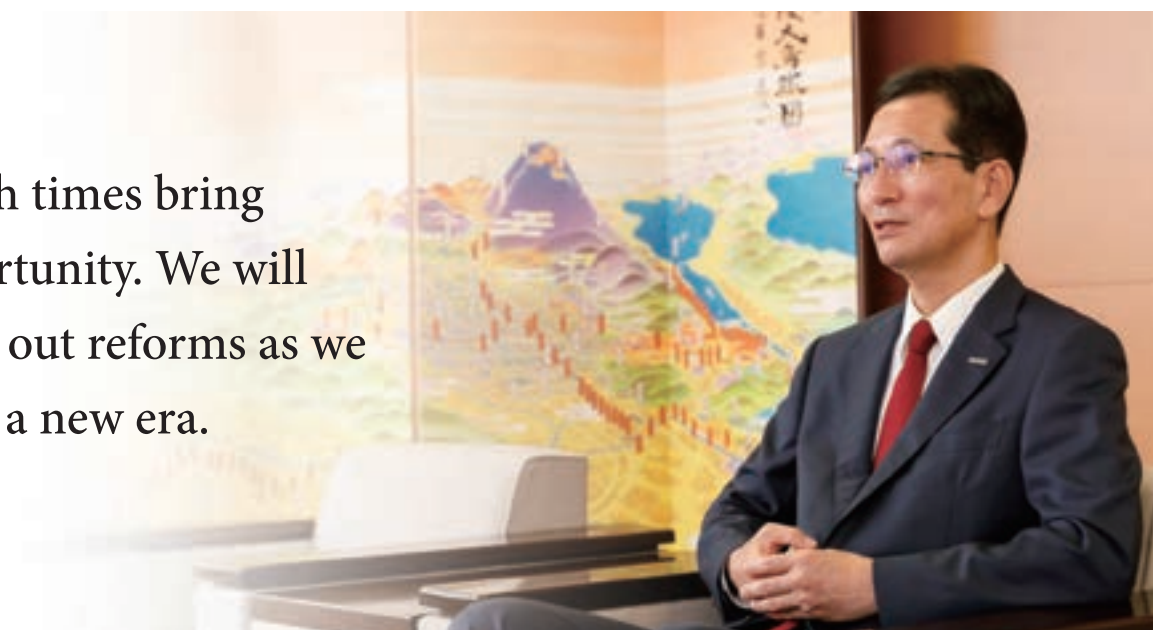
My motto is Fueki Ryuko (immutability and fluidity). This phrase means “Introducing new things that are in development while cherishing things that need to be retained,” and indicates an attitude that is ready to pursue new things at any time and a commitment to continue facing challenges, without fear of change. In corporate management, we must always consider both aggressive and defensive strategies. In the Keihan Group, it is

important to maintain a balance between our defensive strategy (Safety & Security) and our challenging, aggressive strategy (Structural Reform and BIOSTYLE). As a first step, we will proactively work on structural reform and take on the challenges that will lead to mid- to long-term sustainable growth 10 years from now.

We are still in a severe business environment amid the COVID-19 crisis, but the Keihan Group will always face reality and move forward, looking ahead to the future.

Finally, I would like to ask for the continued support of all our stakeholders, including our shareholders, investors and customers.

Tough times bring
opportunity. We will
carry out reforms as we
enter a new era.



Business segments

The Keihan Group is made up of approximately 50 group companies that are engaged in a wide variety of businesses, mainly in the four fields of transportation, real estate, retail distribution and leisure & service. Amid significant changes in the social and economic environments caused by factors such as climate change, natural disasters and the COVID-19 pandemic, the Keihan Group will work solutions to social issues through its businesses and achieve sustainable growth.

Transportation



Connect region with region, and people with people, in a safe, secure, convenient and comfortable network

- Railway
- Bus

Primarily in the three prefectures of Osaka, Kyoto and Shiga in the Kansai region, we have been working to extend the safe, secure, convenient and comfortable transportation network through our railways which support intercity, regional and tourism transportation, and our buses which mainly focus on regional transportation. We have also been enhancing our services so that we can increase satisfaction for commuters as well as tourists.

Main places of business or facilities

Railway	[Keihan Electric Railway Co., Ltd.]			
	Operating kilometers	91.1 km	No. of stations	89
			No. of vehicles	708
Railway	[Eizan Electric Railway Co., Ltd.]			
	Operating kilometers	14.4 km	No. of stations	17
			No. of vehicles	23
Railway	[Keifuku Electric Railroad Co., Ltd.]			
	Operating kilometers	12.3 km	No. of stations	24
			No. of vehicles	30
Bus	[Keihan Bus Co., Ltd.]			
	No. of vehicles	599	[Keihan Electric Railway Co., Ltd.] Hirakata Park	
	No. of bus stations	11		

(Note) The Nakanoshima Line (operating kilometers: 3.0 km; number of stations: 4), included in the figures of Keihan Electric Railway Co., Ltd., is operated by Keihan Electric Railway Co., Ltd. as a Type II Railway Business Operator conducting business using the railway facilities owned by Nakanoshima Rapid Railway Co., Ltd.

Overview of the Keihan Group (as of March 31, 2021)

Operating revenue (consolidated)	253,419 million yen
No. of consolidated companies	42
No. of employees (consolidated)	6,967 persons

Real estate



Create highly comfortable, convenient and attractive communities

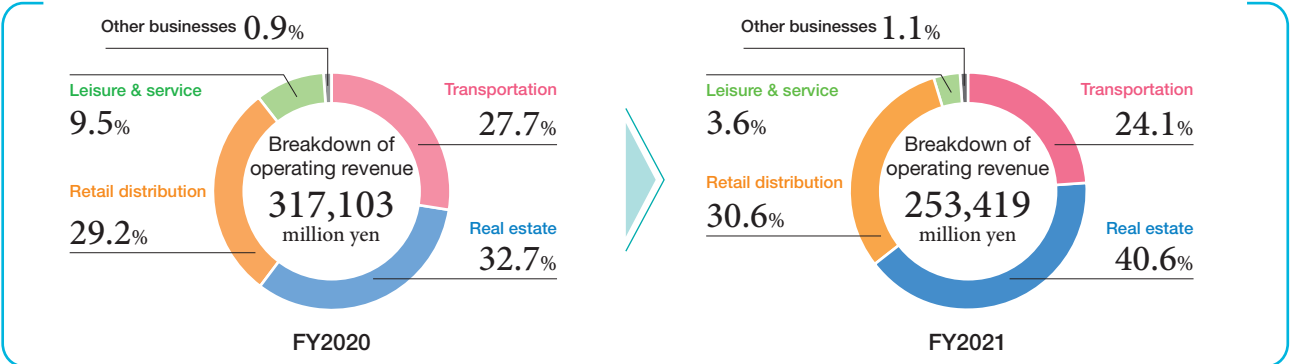
- Real estate sales
- Real estate leasing
- Other businesses

We develop large-scale new towns, condominiums and houses in the areas along the Keihan Railway lines as well as in other areas. We are also actively engaged in leasing commercial facilities and office buildings as well as the landscape gardening business. Thus, we are involved in community building with the goal of overall development of the living environment.

Main places of business or facilities

Real estate sales	[Keihan Real Estate Co., Ltd.]		[Zero Corporation Co., Ltd.]	
	No. of offices 9		No. of offices 4	
Real estate leasing	[Keihan Holdings Co., Ltd.]			
	Keihan Yodo Logistics Yard, Kumiya Shopping Town, Toranomon Hills Business Tower, etc.			
Real estate leasing	[Keihan Tatemono Co., Ltd.]		[Eastern Kogyo Co., Ltd.]	
	OMM		Eastern Building	

(Note) 1. Keihan Holdings has comparted ownership of Toranomon Hills Business Tower.
2. Keihan Holdings became the owner of Eastern Building on April 1, 2021, when Keihan Holdings absorbed and merged Eastern Kogyo Co., Ltd.



Retail distribution



Create happy and fulfilling lives through shops and services that customers love

- Department stores
- Stores
- Shopping mall management
- Other businesses

We operate various forms of commercial facilities, including department stores, shopping malls and supermarkets. We offer attractive services at each store to suggest more comfortable, convenient, happy and fulfilled lives. We are also utilizing the know-how we have gained there to proactively expand away from the areas along the Keihan Railway lines.

Main places of business or facilities

Department stores	[Keihan Department Stores Co., Ltd.]			
	Keihan Department Store: Mall Kyobashi Store, Moriguchi Store, Suminodo Store, Hirakata Store, Kuzuha Mall Store			
Stores	[Keihan The Store Co., Ltd.]			
	Frest	5 stores	Anthree	33 stores
Shopping mall management	[Keihan Ryutsu Systems Co., Ltd.]			
	Keihan City Mall, KIKI Kyobashi, Keihan Mall, KUZUHA MALL			

Leisure & service



Offer relaxing moments to all our guests with friendly and cordial services

- Hotels
- Leisure

We are engaged in the hotel business in the areas along the Keihan Railway lines as well as in other areas, and operate many facilities that have become symbols of their area, such as Kyoto Tower as the landmark of Kyoto, and the Michigan and Bianca cruise boats operating on Lake Biwa. We offer relaxing moments to all our guests with friendly and cordial services.

Main places of business or facilities

Hotels	[Hotel Keihan Co., Ltd.]			
	Hotel Keihan Universal Tower and 14 other hotels			
Hotels	[Keihan Hotels & Resorts Co., Ltd.]			
	THE THOUSAND KYOTO, Kyoto Tower Hotel, Kyoto Century Hotel, Biwako Hotel and 1 other hotel			
Leisure	[Osaka Aqua Bus Ltd.]			
	No. of vessels	8	[Biwako Kisen Steamship Co., Ltd.]	No. of vessels
				7

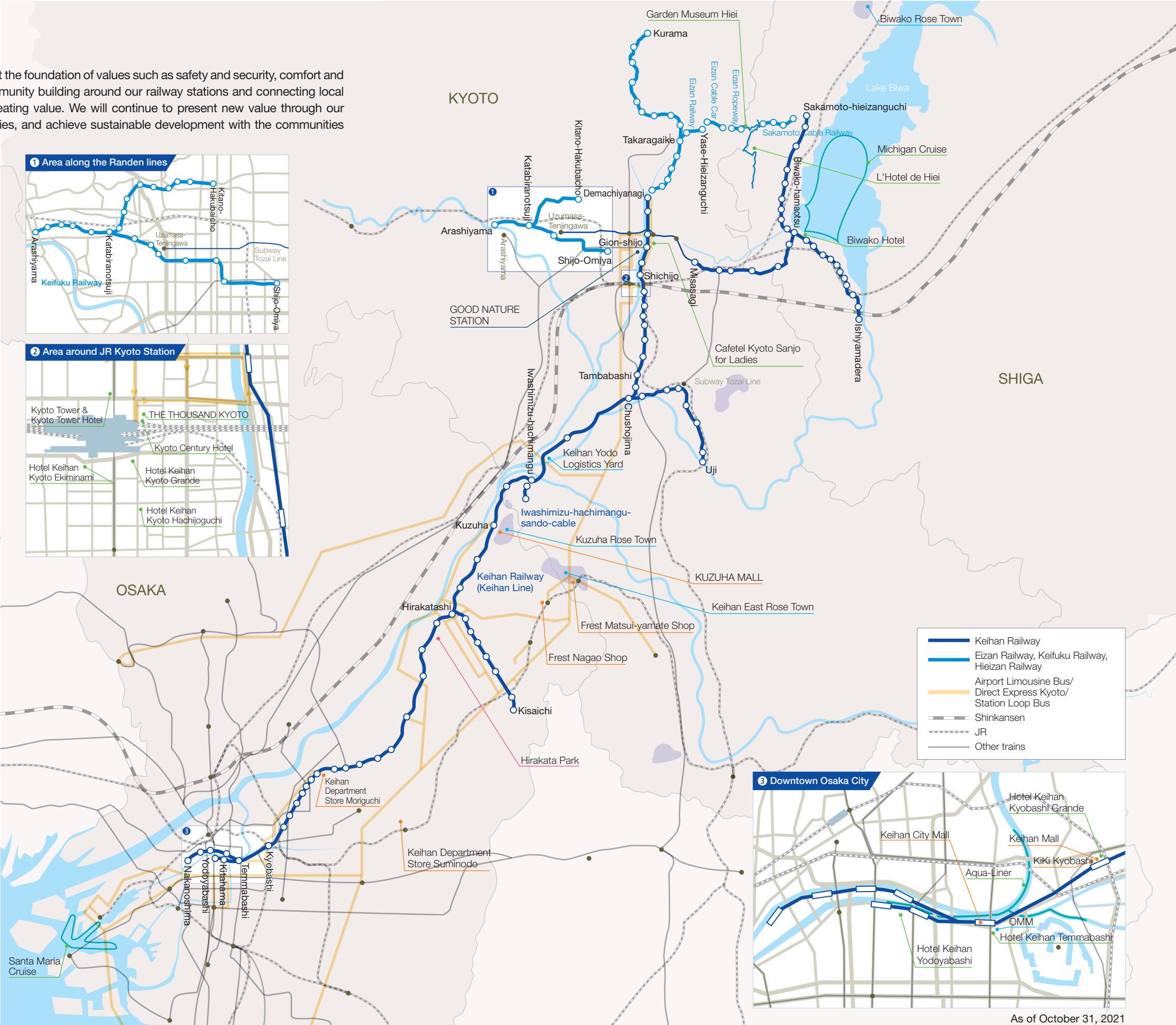
Domestic business area

The Keihan Group offers transportation networks that support the foundation of values such as safety and security, comfort and convenience, while promoting urban development and community building around our railway stations and connecting local communities, thereby expanding our business area and creating value. We will continue to present new value through our business activities in close association with local communities, and achieve sustainable development with the communities and society.



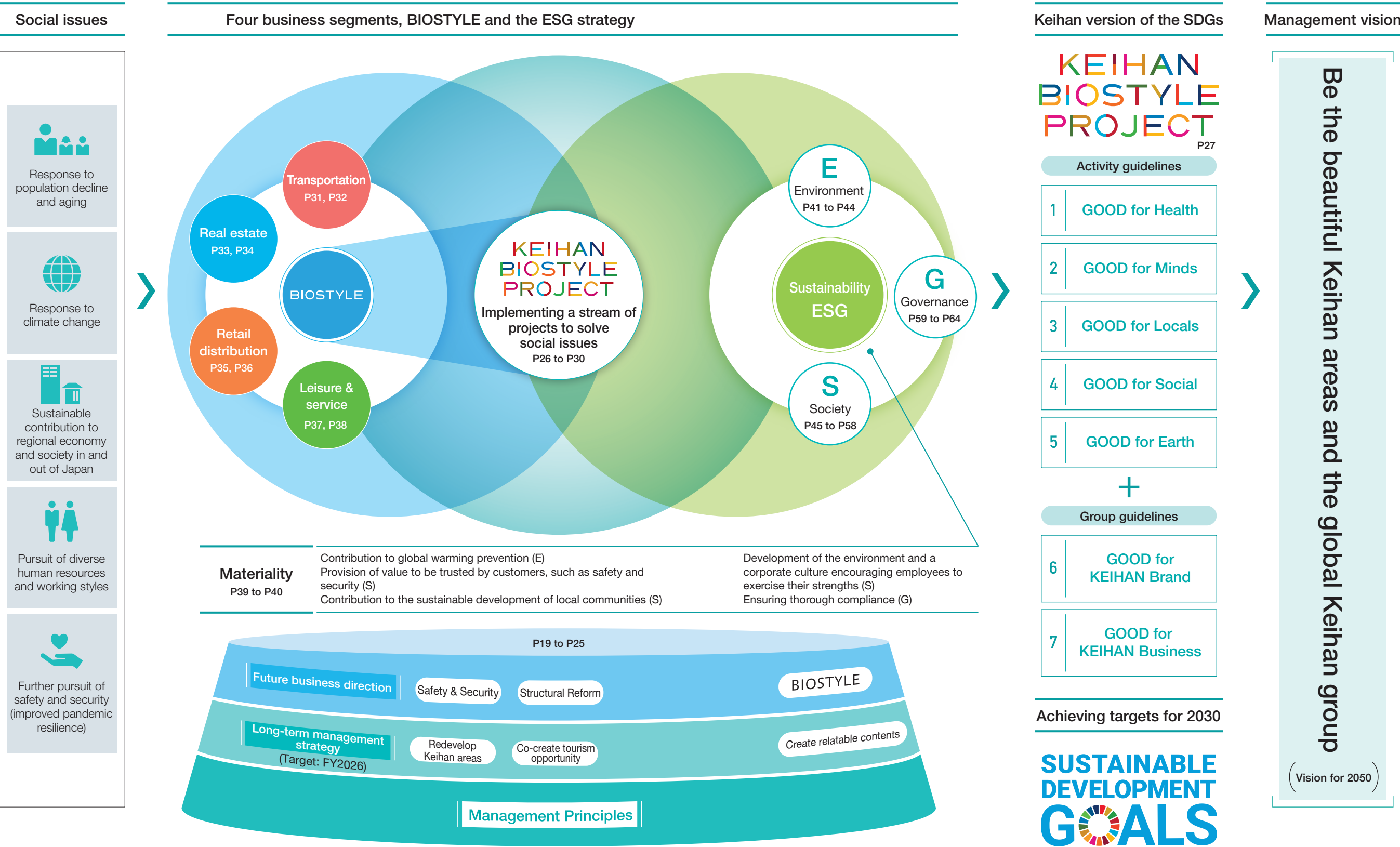
List of Keihan Group companies

- Transportation**
Keihan Electric Railway Co., Ltd., Keihan Station Management Co., Ltd., Keihan Leisure Service Co., Ltd., Eizan Electric Railway Co., Ltd., Keifuku Electric Railroad Co., Ltd., Keihan Engineering Service Co., Ltd., Nakanoshima Rapid Railway Co., Ltd., Keihan Agency Inc., Keihan Bus Co., Ltd., Kyoto Keihan Bus Co., Ltd., Keihan Kyoto Kotsu Co., Ltd., KB Enterprise Co., Ltd., Kojak Bus Co., Ltd., Kyoto Bus Co., Ltd., KT Auto Industry Co., Ltd.
- Real estate**
Keihan Kind Co., Ltd., Keihan Real Estate Co., Ltd., Keihan Asset Management Co., Ltd., Keihan Tatemono Co., Ltd., Zero Corporation Co., Ltd., Keihan Building Techno Service Co., Ltd., Keihan Sangyo Co., Ltd., Kanko Co., Ltd., Keihan Gardening Co., Ltd., Keihan City Zoen Osaka Co., Ltd.
- Retail distribution**
Keihan Ryutsu Systems Co., Ltd., Keihan Department Stores Co., Ltd., Keihan Tomonokai Co., Ltd., Keihan The Store Co., Ltd., Keihan Restaurant Co., Ltd., Bio Market Co., Ltd., Cafe Co.
- Leisure & service**
Hotel Keihan Co., Ltd., Hotel Keihan Management Co., Ltd., Keihan Hotels & Resorts Co., Ltd., Keihan Stays Co., Ltd., Biwako Kisen Steamship Co., Ltd., Biwako Kisen Service Co., Ltd., Biwako Food Service Co., Ltd., Osaka Aqua Bus Ltd., Hieizan Railway Co., Ltd., Kuzuha Public Golf Course Co., Ltd., Hieizan Driveway Co., Ltd., Garden Museum Hiei Co., Ltd.
- Other businesses**
Keihan Business Management Co., Ltd., Keihan Card Co., Ltd., Keihan Smile Heart Co., Ltd., Biostyle Co., Ltd., Hachikenya Co., Ltd.



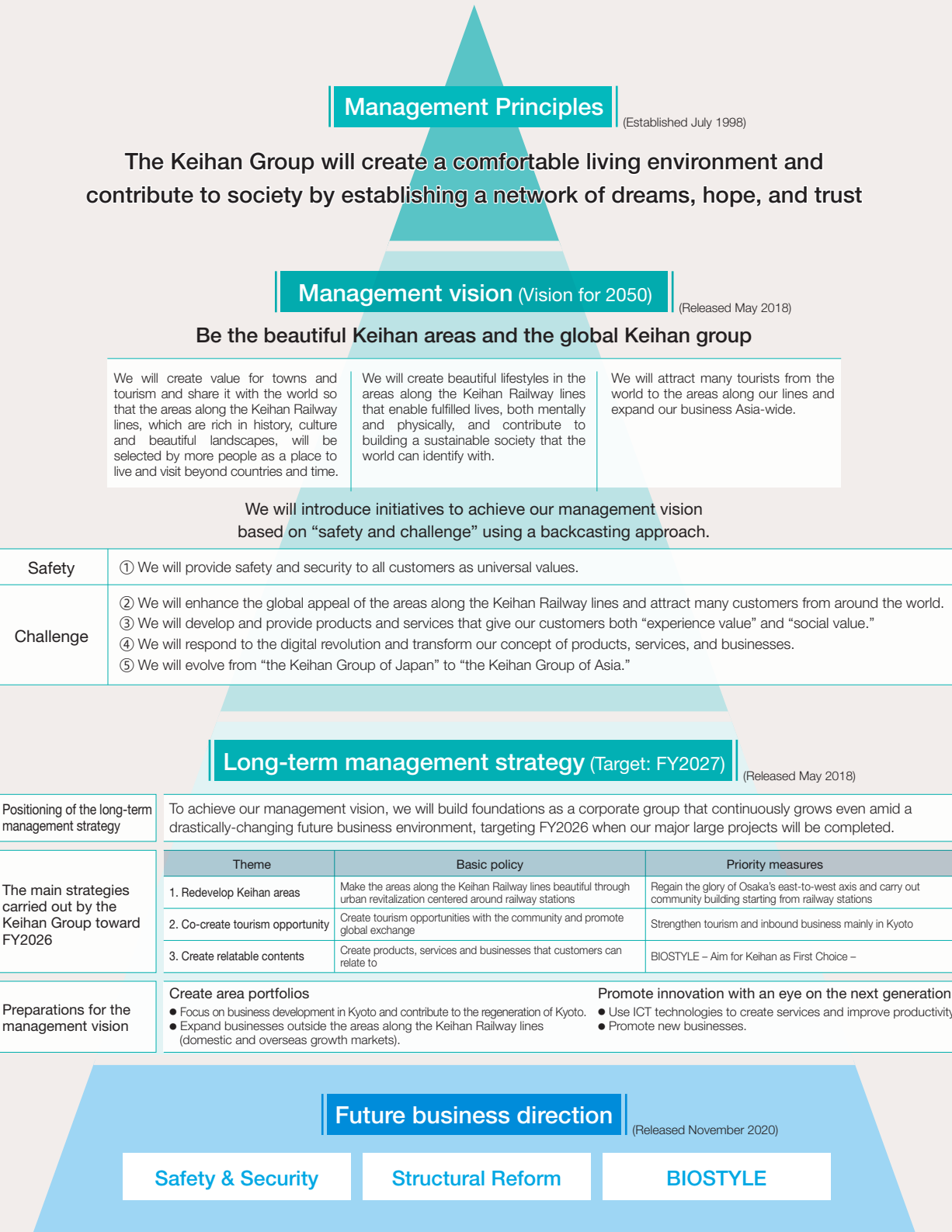
Social issues that the Keihan Group recognizes, BIOSTYLE and the ESG strategy

By incorporating the idea of BIOSTYLE (see p. 26) into each business, the Keihan Group will create products, services and businesses that contribute to solving social issues. The entire group is proactively promoting this as the KEIHAN BIOSTYLE PROJECT under guidelines we have developed. We believe that the initiatives implemented will contribute to achieving the SDGs and assist us in achieving the Keihan Group’s management vision. We will do what we can do, what we must do, one by one.



Management strategy for value creation

To achieve our management vision for 2050 “Be the beautiful Keihan areas and the global Keihan group” as part of the Keihan Group’s long-term strategic concept, we have formulated a long-term management strategy targeting the year FY2026 and are promoting its main strategies to “redevelop Keihan areas,” “co-create tourism opportunity” and “create relatable contents.” We are also working on the future business direction to replace the medium-term management plan.



Long-term management strategy and its main strategies

Main strategy 2

Co-create tourism opportunity

Basic policy

In the growing tourism market, use the Keihan Group's comprehensive strengths and create tourism opportunities together with communities. Provide and publicize attractive tourism experiences mainly in Kyoto in an effort to increase visitors from other areas of Japan and from abroad.

Develop the three major tourism areas of Kyoto—Area in front of Kyoto Station, Shijo-Kawaramachi and Sanjo

- Opened **THE THOUSAND KYOTO**, a hotel developed as part of the project to make the **Kyoto Station area** into a global base. Opened **GOOD NATURE STATION**, a flagship complex for **BIOSTYLE**, in **Shijo-Kawaramachi**, the largest commercial area in Kyoto.
- Concentrate tourism, commercial, and transportation functions around **Sanjo Station** and develop the area as a base for tourism in Higashiyama.



Develop a tourism route that connects tourism resources concentrated in areas along the Keihan Railway lines, and create tourism contents.

Establish a golden route for tourism in Kyoto

- Connect Kyoto's major sightseeing spots of **Rakuoku**, **Higashiyama** and **Fushimi/Uji** to create a golden route for tourism.
- Develop Sanjo as a base of the Higashiyama area in the center of the route. Redevelop **Demachiyana**, a gateway to the Rakuoku area, and **Chushojima**, located adjacent to the former Fushimi port.

Co-create tourism opportunities along the "Flow of Water"

- The areas along the Keihan Railway lines retain the history and culture of waterway transportation along the Yodo River, which connected Kyoto and Osaka and made the areas known nationwide. In recent history, the **Flow of Water** (waterways) prospered also with the opening of the Lake Biwa Canal that links Kyoto and Lake Biwa.
- We will co-create tourism opportunities with local communities using the rich lifestyles and culture of the areas along the Keihan Railway lines, which were fostered in the history of the Flow of Water originating from Mt. Hiei and Lake Biwa and running through Kyoto and the Yodo River to the Osaka Bay area.



Sightseeing boat Himawari

The Lake Biwa Canal Cruise

Progress

We are assessing the tourism situation during and after the COVID-19 pandemic to surely capture the local demand. We have also started preparations for the recovery period.

Design of vehicles unified in Mt. Hiei area

In March 2021, Keifuku Electric Railroad Co., Ltd. and Kojak Bus Co., Ltd. started operation of the Eizan Cable Car and Mt. Hiei shuttle bus with a unified design with the theme "Mt. Hiei and Lake Biwa: A Corridor of Mountain, Water and Shine" as part of the Dengyo Daishi Saicho 1200-year commemoration project. The tourism route features the same unified concept introduced on the sightseeing train "Hiei" by Eizan Electric Railway Co., Ltd.



Eizan Cable Car



Mt. Hiei Shuttle Bus

Tourism MaaS demonstration experiment

From October 2020, Keihan Holdings Co., Ltd. and Keihan Bus Co., Ltd. started a demonstration experiment of the app-based MaaS "Koto Koto Navi" in Otsu City and Mt. Hiei as a joint project with the Otsu Municipal Government and Nihon Unisys, Ltd. Keihan Holdings Co., Ltd. also conducted a demonstration experiment of the web-based MaaS "Oku-Kyoto MaaS" in the Rakuoku area (Yase, Kurama, Kibune, etc.) in cooperation with the Kyoto Municipal Government, Kyoto City Tourism Association, and East Japan Railway Company. These projects confirmed how the convenience of in-area travel could be improved and how excursions could receive more publicity.



Koto Koto Navi
Period: Oct. 16 to Dec. 6, 2020



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

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

Keihan Holdings Co., Ltd. is participating in the limited liability partnership represented by teamLab Inc. for the Kyoto Station southeast area project with the aim of establishing and operating a facility that will serve as a center for the creation and sharing of new value on city-owned land in the area. The Keihan Group hopes that the project will attract many people from Japan and abroad to the area, provide them with opportunities to communicate with each other, and create a new flow of people, thus contributing to the development of a community focused on the arts, culture and young people, which the City of Kyoto is promoting.



Main strategy 3

Create relatable contents

Basic policy

Create products, services and businesses that improve the life value of customers and contribute to solving social and environmental issues, encouraging customers to identify with and choose the Keihan Group.

Develop products and services that enable us to share values with customers

- The maturing and saturating domestic market requires products and services that enable customers and companies to share values (identify with those values).
- The Keihan Group aims to improve the **quality of life** of its customers as well as to share its values with customers through its products, services and businesses, contributing to the social aim of **achieving a sustainable society**.
- As the main initiative for the above, we will establish **BIOSTYLE** as the Keihan Group's new brand. It is a lifestyle centered on living a healthy, beautiful, and high-quality life and contributing to a recycling-oriented society.

Progress

The COVID-19 pandemic has brought BIOSTYLE to the attention of our customers. The Keihan Group will promote and establish the BIOSTYLE PROJECT as a result of this.

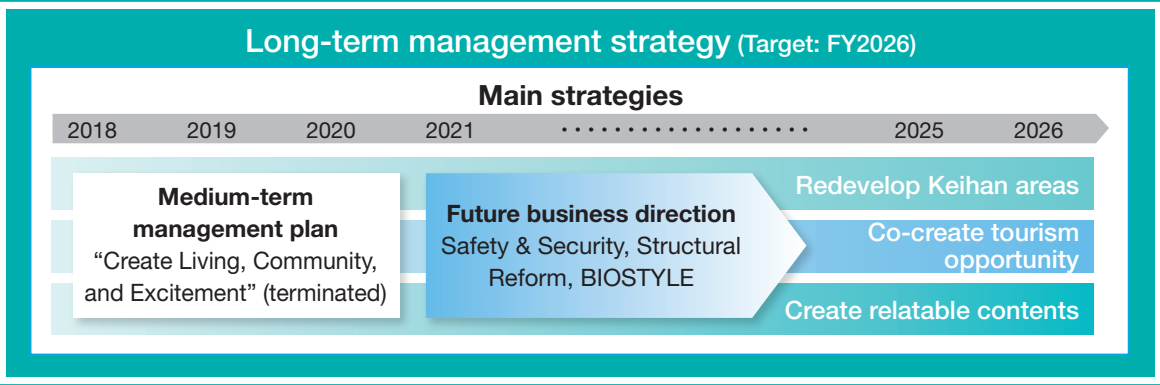
"Change the future with pleasure" promotion

Establishing the BIOSTYLE PROJECT Guidelines in April 2020 and introducing the Keihan Group's unique certification system has enabled a group-wide effort toward achieving the SDGs (35 projects have been certified as of October 2021). We have been promoting the purpose and details of this project to our customers and other stakeholders using the theme of "Change the future with pleasure" since March 2021.

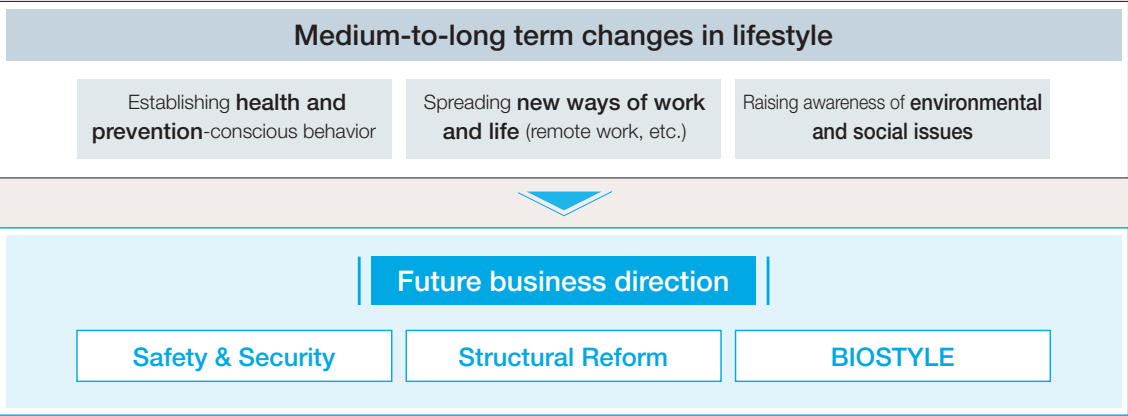


**KEIHAN
BIOSTYLE
PROJECT**

Future business direction



The medium-term management plan “Create Living, Community, and Excitement” (FY2019–FY2021) was terminated during FY2021 because the business environment changed drastically from the time of formulation as a result of the COVID-19 pandemic and numerical targets in the FY2021 financial results were achieved mostly ahead of schedule (excluding the effects of the COVID-19 pandemic). The Keihan Group has decided to chart the rapidly-changing business environment for the time being, and to restructure its management foundation through a group-wide effort to implement measures based on our future business direction identified as Safety & Security, Structural Reform and BIOSTYLE, along with the main strategies set out in the long-term management strategy.



Safety & Security

Basic policy

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

In the transportation business, we are improving measures for safety, disaster risk reduction, and hygiene. In the real estate business, we develop and offer housing and facilities that fulfill the changing needs of customers with a focus on safety, security and eco-friendliness. In the leisure & service business, we provide safety-focused services, such as by avoiding the Three Cs.

Main initiatives

Launch of 3000-series Premium Cars

The 3000-series Premium Cars were introduced in January 2021, enabling Keihan Electric Railway Co., Ltd. to offer the Premium Car service on all limited express trains in principle during the

daytime. This service provides reserved seats and a high-level travel space. Moreover, a device that generates “nanoeX” is installed to purify the air in the car.



* nanoe is a trademark of Panasonic Corporation.

Safety and disaster risk reduction measures for the railway service

To be prepared for large-scale disasters, Keihan Electric Railway Co., Ltd. conducted an evacuation drill on the train, assuming flooding in a train depot. Eizan Electric Railway Co., Ltd. introduced comprehensive disaster risk reduction measures to areas between Ichihara and Kurama Stations on the Kurama Line, where train operations had been suspended due to a landslide that occurred in July 2020. Operations were resumed in September 2021.

“Self-preview system” for houses introduced

Keihan Real Estate Co., Ltd. introduced the “self-preview system” for houses that provides non-contact services in response to changes in the social environment and customers’ needs. Customers can freely preview the houses they like without visiting the sales centers or offices face-to-face.



Structural Reform

Basic policy

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

In the transportation business, we update our schedules to meet changing customer needs and demand, and increase operational efficiency with the assistance of digital technology. In the retail distribution business, we develop unique products and services as a cross-functional effort across the group using an e-commerce platform. In the leisure & service business, we use the geographical advantages of assets.

Main initiatives

Updating train schedules to respond to changing customer needs

Keihan Electric Railway Co., Ltd. updated the train schedules in September 2021, adjusting the number of train services and moving forward the last train times, to meet changes in the use of our services caused by the spread of staggered work hours and teleworking. We reduced the number of services on the Keihan Line on weekdays and holidays by approximately 15% and 20%, respectively. Stopping train services late at night, when the number of passengers drops off significantly, has given us the time to carry out maintenance of railway facilities at night, resulting in the formulation of more efficient operational plans.



Coworking space in Hotel Keihan Temmabashi



Toworoom in Kyoto Tower Hotel

Developing management systems to respond to changing demand

Keihan Electric Railway Co., Ltd. established a management system to offer necessary services efficiently using a remote surveillance control system and deploying station staff in a way that allows a flexible response. Maintenance work has been reduced by reducing equipment at stations and other facilities.

In our hotel business, we are insourcing guest room cleaning and other operations and introduced multitasking so that staff can carry out tasks including hotel reception, restaurant service and guest room cleaning in different time slots. In addition, in line with the spread of teleworking, we are making use of the convenient location of hotels to offer comfortable working spaces.

Keihan The Store Co., Ltd. has consolidated the logistics and product suppliers of its supermarkets and convenience stores, and Keihan Department Stores Co., Ltd. is promoting insourcing and multitasking.

We are also reconsidering the style of our businesses, including restructuring our restaurant business.

Updating bus schedules and revising fares

Keihan Bus Co., Ltd., Kojak Bus Co., Ltd. and other bus companies in the group reduced the number of bus services they offer and reorganized their routes to match service utilization. Fares have been revised in some areas, including southern Kyoto Prefecture where Kyoto Keihan Bus Co., Ltd. operates, so that we can develop an environment that reassures passengers, offer comfortable transportation services, and maintain bus routes as a public service.

Future business direction

Utilizing digital technology

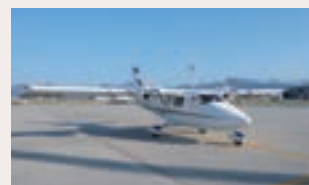
In line with the launch of the 3000-series Premium Cars in January 2021, Keihan Electric Railway Co., Ltd. introduced cashless ticket vending machines for the contactless sales of Premium Car tickets and Liner tickets at stations where limited express trains stop. The company is also improving its operational efficiency by using drones to inspect bridges and other railway facilities.



Inspections using a drone

Kanko Co., Ltd. became the first company in Japan to introduce the cutting-edge aerial laser system CityMapper-2. The sensor used by the system can collect four times as much information as that collected by conventional machines. Featuring a system

that integrates an oblique camera system consisting of six cameras into one head, it can quickly obtain high-precision image and geographical data required for 3D modeling in one flight. It will serve various needs from disaster relief in the mountains to the creation of urban 3D maps.



Twin-engine plane for measurement featuring CityMapper-2

Hotel Keihan Co., Ltd. introduced the cleaning robot Whiz and, along with Keihan Hotels & Resorts Co., Ltd., adopted a self-order system allowing customers to place orders using a smartphone as well as the catering robot Servi, thus offering a buffet service with contactless orders.

* The name "Servi" is a registered trademark of SoftBank Robotics Group Corp.

Received the Director General's Award from the Geospatial Information Authority of Japan under the Ministry of Land, Infrastructure, Transport and Tourism

Kanko Co., Ltd. provides general construction consultant services (survey work, GIS, construction consultation, etc.) and is mainly involved in business commissioned by the national and local governments, such as investigations related to urban planning and regional revitalization, plan formulation, ground/aerial surveys and mapping, support for various ledgers, research and design of civil engineering structures and railway facilities, and traffic investigation and planning. The company is playing a more significant role in reducing disaster risks and surveying the damage to keep pace with the increase in the occurrence of devastating natural disasters. Particularly, the demands for aerial shooting and surveys of the current situation based on laser measurement have been increasing. After the torrential rains in July 2018 caused by Typhoon Prapiroon and the rain front, the company conducted aerial surveys of the damage in response to an emergency request from the Geospatial Information Authority of Japan. In recognition of the quick response and results obtained on that occasion, the company received the excellent business/excellent engineer award from the Director General of the Geospatial Information Authority of Japan in July 2019.



Geospatial Information Authority of Japan Director General's Award

BIOSTYLE

Basic policy

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

In the real estate business, we develop and offer housing and facilities that fulfill the changing needs of customers with a focus on safety, security and eco-friendliness, while at the same time, promote sustainable community building along the railway lines by properly handling vacant houses. In the leisure & service business, we work to differentiate ourselves and improve competitiveness through BIOSTYLE ("Ethical," "Well-being," and "Entertainment"). We will establish and promote BIOSTYLE as a group-wide effort using the guidelines that encourage each group company to proactively work on BIOSTYLE PROJECTS.

Main initiatives

Initiatives for a decarbonized society

From FY2021 to FY2022, Keihan Electric Railway Co., Ltd. introduced six sets of 13000-series train cars, for which the power consumption during driving is reduced by approximately 35% compared with conventional cars. Keihan Bus Co., Ltd. introduced electric vehicles for the Station Loop Bus service connecting Kyoto Station, Shichijo Station, and Umekoji in December 2021. This is the first case in Japan in which all vehicles on a fixed route are electric. Hieizan Driveway Co., Ltd. started the micromini electric vehicle sharing service TOYOTA SHARE, operated by Toyopet Shiga Co., Ltd., on Hieizan Driveway. This is the first initiative in Japan on a toll sightseeing road.



Keihan Railway 13000-series cars



Electric bus



TOYOTA SHARE

Coexistence with nature

Utilizing the natural environment of Lake Biwa and the Hira Mountains, Keihan Real Estate Co., Ltd. is developing an outdoor resort in a company-owned field adjacent to the Omi-Maiko lagoon on Lake Biwa, Shiga Prefecture. The glamping facility Everglades Biwako was opened in April 2021. The company cooperates with local communities to develop the project by emphasizing coexistence with nature through surveys of the natural environment and conservation of rare species.



Everglades Biwako

BIOSTYLE



What is BIOSTYLE?

BIOSTYLE = The Keihan version of the SDGs

BIOSTYLE is "a lifestyle to enjoy selecting healthy and good things while staying true to yourself." The Keihan Group introduced this lifestyle in 2014, aiming to create products, services and businesses that contribute to a sustainable society. Since the goals of BIOSTYLE and the SDGs have much in common, we have positioned BIOSTYLE as the Keihan version of the SDGs and are introducing it as a group-wide initiative.

BIOSTYLE evolves

While the COVID-19 pandemic significantly affected business activities of the Keihan Group, which are based on the move of people, it also brought great changes to the values and lifestyles of customers. Now that the pandemic has brought BIOSTYLE to the attention of our customers, we will evolve the BIOSTYLE concept with the times and reflect it in the products and services of each group company, so that we can offer products, services and businesses that reassure our customers.

BIOSTYLE PROJECT accelerates BIOSTYLE

To encourage proactive initiatives by each group company, in April 2020 we formulated the BIOSTYLE PROJECT Guidelines that introduce our unique "5GOOD" principles to bring health and happiness (good for the health, minds, locals, society and the earth).

In preparation to launching a stream of new projects for the future based on BIOSTYLE as the Keihan version of the SDGs, we have established an in-house BIOSTYLE PROJECT certification system to promote it and build on our achievements.

BIOSTYLE

BIOSTYLE PROJECT

Activity guidelines5GOOD

1 GOOD for Health

3 GOOD HEALTH AND WELL-BEING

11 ECONOMIC LIFE AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Businesses and initiatives promoting people's healthy lifestyles and contributing to the realization of a lively society.
(Examples)

- Recreation and leisure that contributes to a healthy lifestyle
- Opportunities for physical exercise and sports
- Healthy and reliable food

2 GOOD for Minds

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

11 ECONOMIC LIFE AND COMMUNITIES

Realizing a stress-free society where people can live peacefully and comfortably and offering services that bring happiness and satisfaction to users. Becoming a company whose employees enjoy job satisfaction.
(Examples)

- Promoting a healthy work-life balance through work-style reform
- Ideas to eliminate various forms of stress from daily life
- Expanding the range of businesses by pursuing comfort

6 GOOD for KEIHAN Brand

Pioneering businesses and initiatives contributing to the improvement of Keihan Brand's value by inspiring sympathy and excitement among people.

7 GOOD for KEIHAN Business

Feasible businesses and initiatives that can be implemented on a continuous basis.

3 GOOD for Locals

6 CLEAN WATER AND SANITATION

11 ECONOMIC LIFE AND COMMUNITIES

14 LIFE BELOW WATER

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS

Businesses and initiatives contributing to regional revitalization, industrial development, and environmental conservation in local areas, mainly along the Keihan Railway lines.
(Examples)

- Local production for local consumption
- Activities to strengthen connections to the Keihan area
- Improving "triple-win" (for the buyer, the seller and society) to "quadruple-win" (for the producer as well)

4 GOOD for Social

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Businesses and initiatives contributing to the realization of a society where every member can live happily and of more beautiful lifestyles.
(Examples)

- Creating a society where people with disabilities can enjoy active lives
- Restoring Kyoto and Osaka to their historical place at the forefront of a diverse society
- Introducing procurement standards focusing on fair trade

5 GOOD for Earth

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS

Businesses and initiatives contributing to global environmental conservation, such as countermeasures against global warming and plastic waste issue.
(Examples)

- Building a society where waste and food are recycled
- Promoting efficient energy use and reducing losses in ways that do not oblige people just to be patient
- De-plasticizing
- Being thankful for biodiversity

Issuing a sustainability bond

In July 2021, Keihan Holdings Co., Ltd. issued its first sustainability bond. We will make our BIOSTYLE PROJECT-based sustainability management widely known to our stakeholders including our customers, shareholders, investors and business partners, as well as local communities, so that we can achieve sustainable growth and further improve our corporate value.

Issuance volume	10 billion yen
Use of funds	① Construction of new train cars "Keihan 13000 series" ② GOOD NATURE STATION ③ De-plasticizing efforts at NEMOHAMO and GOOD NATURE MARKET ④ Products using fair trade cacao at RAU and SIZEN TO OZEN

Registered as a "Team Expo 2025 Program/Co-creation Challenge"

The BIOSTYLE PROJECT promoted by the Keihan Group is registered as a "Team Expo 2025 Program/Co-creation Challenge," a participative program of Expo 2025 Osaka, Kansai. We aim to embody BIOSTYLE by introducing a stream of new activities toward the future through co-creation efforts with people who hope to collaborate with, create ideas for, or utilize the Keihan Group's facilities, products and services.

Certified BIOSTYLE PROJECT list (as of October 31, 2021)

	Project name	(reference page)	Company name/Month of certification	GOOD for				
				Health	Minds	Locals	Social	Earth
1	De-plasticizing efforts	(P.30)	Biostyle Co., Ltd./Apr. 2020		●			●
2	Completely natural cosmetics	(P.30)	Biostyle Co., Ltd./Apr. 2020	●	●			●
3	Sustainable cooperation with producers	(P.30)	Biostyle Co., Ltd./Apr. 2020		●	●	●	
4	Reducing food waste and promoting circular agriculture	(P.30)	Biostyle Co., Ltd./Apr. 2020				●	●
5	Making many people happy with cacao from a country of happiness	(P.30)	Biostyle Co., Ltd./Apr. 2020	●	●		●	●
6	Sales of organic vegetables and processed foods	(P.36)	Bio Market Co., Ltd./Apr. 2020	●				●
7	Energy-saving "13000-series" train cars	(P.32)	Keihan Electric Railway Co. Ltd./Apr. 2020					●
8	Introduction of hybrid electric vehicles	(P.32)	Keihan Bus Co., Ltd., Kyoto Bus Co., Ltd./Apr. 2020					●
9	Promotion of ZEHs	(P.29)	Zero Corporation Co., Ltd./Apr. 2020				●	●
10	Initiatives for coexistence with nature around Lake Biwa	(P.29)	Biwako Kisen Steamship Co., Ltd./Apr. 2020		●	●		●
11	Promotion of the "Wild Flowers Project"	(P.38)	Keihan Hotels & Resorts Co., Ltd./Apr. 2020	●	●	●		●
12	Antiviral processing for all buildings	(P.50)	Zero Corporation Co., Ltd./Aug. 2020	●	●			
13	"The Culinary Colours of SATOYAMA*" "secondary nature"	(P.38)	Keihan Hotels & Resorts Co., Ltd./Aug. 2020	●	●	●		●
14	"100-year housing" by Zero Home		Zero Corporation Co., Ltd./Sep. 2020	●	●	●		●
15	Winning WELL Certification	(P.29)	Biostyle Co., Ltd./Sep. 2020	●	●	●	●	●
16	Festival Committee	(P.58)	Keihan Ryutsu Systems Co., Ltd./Nov. 2020		●	●		
17	Omi-Maiko Project	(P.34)	Keihan Real Estate Co., Ltd./Nov. 2020	●	●	●		●
18	Comfortable cruise that contributes to regional revitalization (Yodogawa Romantic Cruise)	(P.58)	Osaka Aqua Bus Ltd./Nov. 2020	●	●	●		●
19	Promotion of employment of people with disabilities	(P.53)	Keihan Smile Heart Co., Ltd./Nov. 2020		●		●	
20	Development of safe, reliable and tasty meat brand	(P.36)	Keihan Department Stores Co., Ltd./Nov. 2020	●		●	●	
21	Renovation of train cars on Eizan Electric Railway	(P.32)	Eizan Electric Railway Co., Ltd./Nov. 2020			●		●
22	Partnership agreement with the Miyazaki Pref. Government to promote the recycling of forest resources	(P.34)	Zero Corporation Co., Ltd./Jan. 2021			●		●
23	New possibilities for stations	(P.56)	Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd., Nakanoshima Rapid Railway Co., Ltd./Jan. 2021			●	●	
24	Revitalizing Nakanoshima with art	(P.56)	Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd., Nakanoshima Rapid Railway Co., Ltd./Jan. 2021			●	●	
25	Selected as a winner of the New Diversity Management Selection 100	(P.53)	Keihan Hotels & Resorts Co., Ltd./Mar. 2021		●		●	
26	Social contribution activities at Kyoto Tower, the symbol of Kyoto	(P.58)	Keihan Hotels & Resorts Co., Ltd./Mar. 2021	●		●	●	●
27	Environmental activities at Keihan Group hotels	(P.38)	Keihan Hotels & Resorts Co., Ltd., Hotel Keihan Co., Ltd., Biostyle Co., Ltd./Mar. 2021			●	●	●
28	DX-assisted initiatives for improving convenience and safety for customers	(P.49)	Keihan Bus Co., Ltd., Kyoto Keihan Bus Co., Ltd., Keihan Kyoto Kotsu Co., Ltd., Kojak Bus Co., Ltd./Apr. 2021		●	●	●	
29	"Hirakata HUB Council," full-scale launch of community building in the Hirakatashi Station area		Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd./Apr. 2021		●	●	●	
30	NOx emission reduction and fuel saving for the paddle-wheeler Michigan	(P.44)	Biwako Kisen Steamship Co., Ltd./May 2021			●		●
31	Introducing electric buses to build a decarbonized society	(P.32)	Keihan Bus Co., Ltd./May 2021			●	●	●
32	"Gift delivery service coloring your mind, body and lifestyle"	(P.29)	Zero Corporation Co., Ltd., Bio Market Co., Ltd., Biostyle Co., Ltd./Jul. 2021	●	●	●	●	●
33	Urban beekeeping on the hotel rooftop	(P.29)	Keihan Hotels & Resorts Co., Ltd./Oct. 2021			●	●	●
34	Be good to the environment and people through gardening		Keihan Gardening Co., Ltd./Oct. 2021	●	●	●	●	●
35	Development of original, eco-friendly gardening materials	(P.29)	Keihan Gardening Co., Ltd./Oct. 2021		●			●

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BIOSTYLE

Development of original, eco-friendly gardening materials

Keihan Gardening Co., Ltd. developed an organic potting soil product that was launched in May 2015. With organic potting soil as the main product, the company is working on developing original, eco-friendly gardening materials, including paper planters (planters made from recycled paper) and wood chips (mulch made from thinned wood).



Promotion of ZEHs

Zero Corporation Co., Ltd. is working to promote ZEHs (Net Zero Energy Houses), in which the annual primary energy consumption is the same as the energy generated. This is made possible by improved insulation efficiency, energy-saving functions and solar power energy generation, etc.



Gift delivery service coloring your mind, body and lifestyle

Zero Corporation Co., Ltd., Bio Market Co., Ltd., and Biostyle Co., Ltd. regularly deliver Bio Marche or GOOD NATURE STATION products for free to customers who have ordered a custom-built Zero Home for a year, in an effort to produce a total living environment that gives a rich and comfortable lifestyle with everlasting peace of mind.



Initiatives for coexistence with nature around Lake Biwa

With “Coexistence with Lake Biwa” as the Environmental Policy, Biwako Kisen Steamship Co., Ltd. works proactively on environmental conservation activities at its business base, Lake Biwa. The company conducts hands-on environmental learning activities on Lake Biwa using “megumi,” a tour boat equipped with functions for this purpose, and also operates “Uminoko,” a boat for accommodation training as a commissioned business. On its cruises, the company emphasizes activities that provide experiences with the nature and food culture around Lake Biwa and has hosted a “Funa-zushi cooking cruise” since 2009.



Urban beekeeping on the hotel rooftop

Keihan Hotels & Resorts Co., Ltd. began urban beekeeping on the rooftop of THE THOUSAND KYOTO in front of Kyoto Station. Helping to pollinate plants in urban area leads to the growth and fruiting of plants that cannot pollinate by themselves. Wild birds then carry their seeds, bringing more greenery to the surrounding areas. Bees again contribute to pollinating to those plants. Thus a new cycle is established.



Suggesting a “GOOD NATURE” lifestyle through carefully selected items and experiences

Flagship facility that embodies BIOSTYLE

The most typical initiative of the BIOSTYLE PROJECT is GOOD NATURE STATION. This flagship facility that embodies BIOSTYLE opened in Shijo-Kawaramachi, Kyoto in December 2019, introducing a lifestyle aimed at living a healthy, beautiful and high-quality life and contributing to a recycling-oriented society.

Under the concept of “Enjoy and taste only what you can trust. The place where ‘good natured’ things and experiences gather to energize people and the earth,” the facility sells organic foods and cosmetics made only from natural materials. The entire facility, including GOOD NATURE HOTEL KYOTO on higher floors, suggests a “GOOD NATURE” lifestyle.

In August 2020, the hotel was awarded WELL Certification (v1)^{*1} at the Gold level, and GOOD NATURE STATION was awarded LEED Certification^{*2} at the Silver level. In the Michelin Guide Kyoto, Osaka + Wakayama 2022, three restaurants in the facility were awarded one star for two consecutive years, and a restaurant was selected as a Bib Gourmand.

^{*1} WELL Certification: International building and indoor environmental assessment system that focuses on the health and comfort of residents living and working in buildings

^{*2} LEED Certification: International environmental assessment system for architecture and the city environment

4-9F GOOD NATURE HOTEL KYOTO

Interior of the 141 large guest rooms features natural wood. The café, restaurant & bar primarily serves a vegan menu containing lots of natural ingredients such as herbs, organic vegetables and Chinese herbs.

3F GOOD NATURE BEAUTY & CAFE

Sells the original cosmetic brand NEMOHAMO and goods made by master craftsmen. The floor also has a café offering original sweets.

2F GOOD NATURE GASTRONOMY

The floor has five restaurants. They offer highly creative dishes based on new concepts, regardless of their specialized fields.

1F GOOD NATURE MARKET

Food items from the original food brand SIZEN TO OZEN, as well as organic vegetables, natural foods and local specialty foods from Kyoto and other areas, are sold on this floor.

The original cosmetic brand NEMOHAMO

The original cosmetic brand NEMOHAMO products, made only from natural ingredients, are produced in Ashiya Town, Fukuoka Prefecture, a scenic place facing the Genkainada Sea. The factory is equipped with eco-friendly facilities that emit no wastewater or other pollutants. Ingredients feature approximately 20 kinds of plants, including those cultivated and picked on its own JAS-certified organic farm and adjacent satoyama*. The unique, low-temperature vacuum extraction method is applied to ensure that the nutrients in the ingredients are not destroyed. The flowers, leaves, stems and roots are all used in the production process, generating no waste. The series is also used in hotel amenities. *Satoyama: Secondary nature



Reducing plastic waste from the building

GOOD NATURE STATION produces as little plastic waste as possible from the building. Soups and drinks are served in paper containers called Butterfly Cups developed in Ireland, straws are made from sugarcane, and knives and forks are made from biodegradable plastics that eventually break down into water and carbon dioxide through the action of microorganisms. Biomass polyethylene is used for the containers of the original cosmetics brand NEMOHAMO series. The hotel does not offer toothbrushes, hairbrushes or shavers in the guest rooms to encourage guests to bring their own. Furthermore, water servers and tumblers are installed at the hotel in an effort to minimize the use of plastic bottles.



Eco-friendly Butterfly Cups, a knife and a fork for takeaway items



Tumblers

Sustainable cooperation with producers

We cooperate with local producers of agricultural products, crafts and processed foods, mainly in Kyoto. To help promote

the products they have produced with love, we purchase their products for our markets and restaurants, and invite them to open stores in our pilot space MAENIWA.

In addition, we hold events in the workshop space in the building so that visitors can listen to the ideas of the producers and participate in hands-on programs. Tour items for participants to visit producers and experience the local harvest are also available. These tours provide the producers with tourism income and allow participants to experience the unique and attractive sustainable tourism only available in the area.

Reducing food waste and promoting circular agriculture

Food stores in the facility aim not only to reduce food waste, but also to create new value for customers and producers. The market on the first floor offers “5GOOD Salad” that uses bean curd that is discarded every day by a nearby tofu store. Moreover, in cooperation with the NPO Japan Food Recycle Network, the food waste generated in the facility is composted using a disposal machine installed in the building and then used as fertilizer by Omi Sonoda Farm in Omihachiman City, Shiga Prefecture, which is involved in farming with a reduced amount of agricultural chemicals. The first rice crop was harvested in September 2021.



Composting food waste with a disposal machine

Fair trade cacao from Costa Rica

There are sometimes problems with the production system for cacao as it can involve child labor. The chef chocolatier at the patisserie RAU met directly with cacao producers in Costa Rica and decided to use their fair-trade, pesticide-free cacao because of its excellent production environment and quality. Cacao shells, which are generated in the process of making chocolates, are usually discarded. However, we use them as an ingredient in the cacao series for the food brand SIZEN TO OZEN.



Cacao from Costa Rica is used for chocolates sold at the patisserie

Transportation



Overview of FY2021 results

Operating revenue	Operating income
65,694 million yen (29.6% decrease year-over-year)	-9,658 million yen (N/A year-over-year)

Keihan Electric Railway Co., Ltd. enhanced the Premium Car service (special car with reserved seats), making it available on all limited express trains in principle during the daytime, and completed the introduction of the new ATS system (multi-information continuous control automatic train stop) on all Keihan Railway lines. These were some of the efforts to enhance operational safety and improve services.

Meanwhile, Keihan Bus Co., Ltd. extended the route of the Station Loop Bus, which connects Kyoto and Shichijo Stations, to Umekoji, in an effort to improve competitiveness and convenience.

However, due to factors such as the effect of the COVID-19 pandemic, the operating revenue and income of the entire transportation business recorded the figures above.

Measures in the transportation business based on the future business direction

- Enhancing measures on safety, disaster risk reduction (for natural disasters) and hygiene (in train cars and stations)
- Updating schedules to meet changing customer needs and leveled demand
- Increasing operational efficiency in the railway business utilizing digital technology
- Promoting and establishing the BIOSTYLE PROJECT

Enhancement of the Premium Car service

Cars No. 6 of all the 3000-series train cars of Keihan Electric Railway Co., Ltd. became Premium Cars (special cars with reserved seats) in January 2021. With this, the Premium Car service became available on all limited express trains in principle during the daytime. Like in the 8000-series Premium Cars, nanoeX* air purifiers that generate fine ions are installed in the cars.

The service has been offered also on rapid express trains during the daytime since the train schedule update in September 2021. Thus we have enhanced the safe mobility service by providing reserved seats and a high-quality travel space.

* nanoe is a trademark of Panasonic Corporation.



3000-series train with a Premium Car

Route extension of the Station Loop Bus

Keihan Bus Co., Ltd. extended the route of the Station Loop Bus, which connects Kyoto and Shichijo Stations, to Umekoji in July 2020.

This is a measure to improve convenience when transferring from the Keihan Railway lines by connecting Shichijo Station, where limited express trains stop, and the Umekoji area, which houses the Kyoto Railway Museum and Kyoto Aquarium. In addition to the conventional “Kyoto Station (THE THOUSAND KYOTO-mae) – Shichijo Keihan-mae” route, a new route “Shichijo Keihan-mae – Umekoji/Hotel Emion Kyoto” was introduced. All vehicles for this service will become electric in December 2021.

Initiatives in the transportation business

KEIHAN BIOSTYLE PROJECT

Keihan Group's SDGs: BIOSTYLE PROJECT

Reducing the environmental burden by constructing/renovating train and bus vehicles



With the energy-saving 13000-series train cars, which were constructed to replace the 2200-series and 2600-series cars, Keihan Electric Railway Co., Ltd. reduced electricity consumption during driving by approximately 35% compared with conventional 2600-series cars. LED lighting has been used for the interior lights and headlights from the second train sets (introduced in FY2015) onward.

Eizan Electric Railway Co., Ltd. is also working on reducing the environmental burden in line with the renovation of the train cars. LED lighting was introduced for the interior lights and destination indicators when Car No. 723 was renovated in October 2020.

The bus companies in the Keihan Group are proactively introducing low-emission vehicles, such as those equipped with automatic idle reduction systems and hybrid electric vehicles, and working to improve fuel efficiency and reduce fuel usage by promoting eco-driving. In recognition of these efforts, Kyoto Bus Co., Ltd. was recognized by the Kyoto Municipal Government as a “specially excellent business operator under Kyoto City’s emission reduction plan system for business.” The company’s efforts to improve fuel efficiency through proactive introduction of hybrid electric vehicles and creation of efficient routes in cooperation with other transportation business operators were highly evaluated.



Hybrid electric vehicle (Kyoto Bus)



Interior of Eizan Railway Car No. 723 with LED lighting

Toward a decarbonized society: Introducing electric buses to reduce CO₂ emissions by 1,550 tons



To contribute to achieving carbon neutrality by 2050 and creating a decarbonized society, Keihan Bus Co., Ltd. is replacing all vehicles for the Station Loop Bus, a route bus operating in Kyoto City (Kyoto Station [THE THOUSAND KYOTO-mae] – Shichijo Keihan-mae – Umekoji/Hotel Emion Kyoto), with electric vehicles in December 2021. Prior to this, the company made a business agreement with the Kansai Electric Power Co., Inc. and BYD Japan Co., Ltd. to reduce energy and maintenance costs by utilizing electric vehicles.

This is the first case in Japan in which all vehicles on a fixed route, operated by more than one vehicle, are electric (in-house investigation; excluding green slow mobility and buses within a facility). Electric buses do not emit gases during driving, significantly reduce running noise compared to conventional diesel buses, and can be used as an emergency power source in times of a disaster. They are expected to be used in a variety of situations.

The reduction in CO₂ emissions from this introduction of electric buses is estimated at 1,550 tons in 10 years.



Electric bus



Signing of the business agreement by the three companies

Real estate



Overview of FY2021 results

Operating revenue	Operating income
110,270 million yen (0.0% increase year-over-year)	18,590 million yen (10.0% increase year-over-year)

Regarding real estate sales, we proactively promoted the sales of condominiums, such as Fine Residence Minami-Kusatsu, THE HIGH HORIE, Fine City Sapporo Hiragishi and Gran Arena Residence, as well as land lots and houses in Keihan East Rose Town and Forest Rose Nara Tomigaoka.

For real estate leasing, we worked to further enhance and reinforce our business with measures that included acquiring TODA BUILDING Toyonaka.

Measures in the real estate business based on the future business direction

- Developing and offering housing and facilities that fulfill the changing needs of customers with a focus on safety, security and eco-friendliness
- Promoting sustainable community building along the railway lines by properly handling vacant houses
- Promoting and establishing the BIOSTYLE PROJECT

Condominium development in cooperation with medical institutions

Keihan Real Estate Co., Ltd. is developing condominiums in cooperation with medical institutions. One example is ASMACI Kobe Shin-Nagata, an integrated complex of housing and hospital. We offer comprehensive support to bring enriched and healthy lives to all generations.

Real estate sales

Keihan Real Estate Co., Ltd. sold condominiums including THE HIGH HORIE and Fine City Shin-Koshigaya. In recognition of the designs and concepts of the condominiums developed, the company has received the Good Design Award for eight consecutive years. Show apartment of THE HIGH HORIE is in COCOROMA, Keihan's comprehensive condominium museum.



COCOROMA

Keihan Nishisanso Square

Keihan Nishisanso Square, an office building with a commercial complex, was opened in front of Nishisanso Station in November 2020. On the first floor is TOMO-NI, an interaction zone themed on the SDG-based community building and operated by Pasona Panasonic Business Service Co., Ltd. The second to fourth floors are rental offices. The facility will bring vibrancy to the Moriguchi/Kadoma area and contribute to regional revitalization. In addition to this, we lease real estate for offices, commerce, logistics and various other purposes, including Toranomon Hills Business Tower and Keihan Yodo Logistics Yard, both in the areas along the Keihan Railway lines as well as in other areas.

Initiatives in the real estate business

KEIHAN BIOSTYLE PROJECT

Keihan Group's SDGs: BIOSTYLE PROJECT

Launch of a glamping facility to start the Omi-Maiko Project

Taking advantage of the natural environment around Lake Biwa and the Hira Mountains, Keihan Real Estate Co., Ltd. is developing an outdoor resort in a company-owned field adjacent to the Omi-Maiko lagoon (Minami-Komatsu pond) in Biwako Quasi-National Park. The Omi-Maiko area boasts rich history and culture as well as a natural environment featuring various expressive elements in gradient tones, from Lake Biwa to the lagoon, lakeside area, satoyama* and the Hira Mountains. With the hope that the place will be able to continue presenting enjoyable times, experiences and encounters in each season in an integrated manner, we named the concept of this project OMI-MAIKO TONES.

As the first step, we opened the glamping facility Everglades Biwako in April 2021 jointly with Everglades Co., Ltd. Here visitors can enjoy canoeing on the Omi-Maiko lagoon, barbecuing in natural settings, and watching the stars around a bonfire. The resort facility also organizes kids' events featuring American culture and offers opportunities for environmental study. We will continue its operation while focusing on coexistence with nature and conducting surveys of the natural environment.

*Satoyama: Secondary nature



OMI-MAIKO TONES



Glamping facility offering experiences in nature

Partnership agreement with the Miyazaki Pref. Government to promote the recycling of forest resources

Since 2012, Zero Corporation Co., Ltd. has been using lumber from Miyazaki Prefecture for through columns, standard pillars, crown posts, and columns supporting spandrel walls in all the houses it builds, thereby protecting and nurturing mountains and forests in Japan and reducing CO₂ emissions through the promotion of photosynthesis in the forests. In December 2020, with the aim of promoting the recycling of forest resources and building a more robust supply chain, the company made a comprehensive partnership agreement with the Miyazaki Prefectural Government, Miyazaki Prefecture Federation Forest Owners' Cooperative Association and Miyazaki Prefecture Federation of Lumber Cooperatives.

To protect mountains and forests, it is important to continue the cycle of planting trees, nurturing the forests, and cutting down trees. However, actually, the circulation cycle is not functioning well due to issues such as the aging and demotivation of mountain and forest owners and the lack of forestry workers.

Through the conclusion of this agreement, we will deepen our ties with related organizations in Miyazaki Prefecture by supporting new mountain development and Miyazaki Forestry School. At the same time, to help resolve the challenges, we will contribute to the recycling of forest resources and promote qualitative enhancement of the supply chain.



Protecting mountains through the circulation cycle of forests



Signing the comprehensive partnership agreement with Miyazaki Pref. and local organizations

Retail distribution



Overview of FY2021 results

Operating revenue	Operating income
83,109 million yen (15.4% decrease year-over-year)	1,192 million yen (63.4% decrease year-over-year)

We opened new shops and renovated some others in KUZUHA MALL to improve the attraction of the facility, and invited IKEA Shibuya to Takagi Building, a master lease commercial building in Shibuya-ku, Tokyo, to improve our earning capacity.

Meanwhile, Bio Market Co., Ltd. successfully captured consumers' demand brought about by the establishment of new lifestyles and the rise in health awareness, and steadily increased membership of the organic vegetable delivery service.

However, due to factors such as the effect of the COVID-19 pandemic, the operating revenue and income of the entire retail distribution business recorded the figures above.

Measures in the retail distribution business based on the future business direction

- Developing unique products and services as a cross-functional effort across the group using an e-commerce platform
- Promoting and establishing the BIOSTYLE PROJECT

Renovation of KUZUHA MALL

Keihan Ryutsu Systems Co., Ltd. renovated KUZUHA MALL from spring to early summer in 2021 and opened 29 shops, out of which 20 were new ones including those that opened in the areas along the Keihan Railway lines for the first time.

During the COVID-19 pandemic, more people began to turn their eyes to suburban areas due to the trend in teleworking and the stay-at-home economy. In response to this, we opened shops that suggest new lifestyles (outdoor activities, takeaway food, etc.) and enhanced the product lineup of household goods and children's clothing, thus producing an even more convenient suburban shopping mall.



"Taiwan Castella Pong Pong," the first shop in the Keihan area

Invited IKEA to Takagi Building, Shibuya

We invited IKEA Japan K.K. to open an urban-type store as a tenant of the Takagi Building, a master lease property of Keihan Ryutsu Systems Co., Ltd. in Shibuya Center-gai. As a result, IKEA Shibuya was opened in November 2020. To suggest lifestyles that the customers can identify with, we will promote the development of new businesses and improve the value offered by products, services and shops.

Initiatives in the retail distribution business

KEIHAN BIOSTYLE PROJECT

Keihan Group's SDGs: BIOSTYLE PROJECT

Suggesting organic dietary life by offering organic vegetables and processed foods

Since its establishment in 1983, Bio Market Co., Ltd. has always supported organic agriculture. The "Bio Marche Home Delivery" service offers 100% organic JAS vegetables and roughly 700 processed organic food items to approximately 8,800 members throughout Japan. The company also operates a wholesale business and online shops. Vegetables that were grown in crop fields across Japan taking advantage of each area's climate are delivered directly to customers' homes once a week.

We provide safe and reliable food through the largest-scale membership-based home delivery business for organic agricultural products and processed foods in Japan. At the same time, we are working to establish a production and distribution system that allows for the sustainable development of organic agriculture, which conserves biodiversity with less impact on water quality and the environment.



Organic vegetables and processed foods

Development of safe, reliable and tasty meat brand representing "quadruple win"

Keihan Department Stores Co., Ltd. sells "Miyazaki Herb Premium," Japanese black beef from Miyazaki, as the top brand, and also features "Tokachi Ittetsu Beef" and "Okinawa Agu Pork." The Okinawa Agu Pork, which is as expensive as beef, is favored by customers for its light, smooth fat and juicy meat. To make effective use of unused resources from Okinawa, we use Awamori sake lees for feed, which also contributes to reducing food waste. Based on this experience, we worked to produce marbled meat with a light taste and developed the next-generation Japanese black beef, Miyazaki Herb Premium, and the next-generation domestic beef, Tokachi Ittetsu Beef. They became hot-selling products featuring light marbling and lean meat with an umami flavor.

In addition, to convey the voices of consumers to the producers, we conduct sensory evaluations of taste with the participation of customers, as well as on-site tours, in an effort to improve product quality. We have developed a system that ensures traceability through the product distribution process, involving producers, feed companies, suppliers, meat packers and the seller (Keihan Department Store) to deliver safe and reliable meat products. To improve quality and prevent a price collapse, we are constantly exchanging opinions with related parties and working to create a "quadruple win" supply chain (wins for the buyer, the seller, society and the producer).



Keihan Department Store's meat brands

Leisure & service



Overview of FY2021 results

Operating revenue	Operating income
9,724 million yen (69.7% decrease year-over-year)	-10,823 million yen (N/A year-over-year)

In the hotel business, we made efforts to improve our earning capacity by launching Hotel Keihan Nagoya, Hotel Keihan Kyoto Ekiminami and Hotel Keihan Sendai.

We also worked proactively to capture the demand resulting from the Go To Travel Campaign and opened coworking spaces at Kyoto Tower Hotel Annex and other hotels, utilizing their geographical advantages. At Kyoto Tower Hotel, we released concept rooms featuring Keihan Railway, Eizan Railway and Keihan Bus to differentiate ourselves. In this way, we conducted proactive promotion activities.

However, due to factors such as the effect of the COVID-19 pandemic and fiercer competition due to the increased supply of guest rooms caused by new hotel launches, the operating revenue and income of the entire leisure & service business recorded the figures above.

Measures in the leisure & service business based on the future business direction

- Developing products and services from the perspective of consumers
- Using the geographical advantages of assets
- Differentiating ourselves and improving competitiveness through BIOSTYLE (“Ethical,” “Well-being,” and “Entertainment”)
- Promoting and establishing the BIOSTYLE PROJECT

Coworking spaces and other new services

At Kyoto Tower Hotel Annex, we renovated Regina, the restaurant on the first floor, into a coworking space by utilizing its convenient location at a three-minute walk from Kyoto Station.

At Biwako Hotel, we released the Lakeside Workation Plan in September 2020 to promote workation (work & vacation), featuring the environment where users can keep away from crowds and work comfortably while viewing Lake Biwa.

The Hotel Keihan Chain also released “shared office plans,” offering private offices in the guest rooms. Each hotel is offering new services using their convenient locations.

Concept rooms at Kyoto Tower Hotel

Since autumn 2020, Kyoto Tower Hotel has offered concept rooms utilizing the group assets. The concept rooms include: Keihan Railway Train Room #8011; Keihan Bus Concept Room with a mock-up of the driver’s seat in a Keihan Bus ; Eizan Railway Train Room featuring the design of the observation train Kirara; and Sakamoto Cable Concept Room with the motif of Sakamoto Cable Cars.



Keihan Railway Train Room #8011

Initiatives in the leisure & service business

KEIHAN BIOSTYLE PROJECT

Keihan Group’s SDGs: BIOSTYLE PROJECT

“Wild Flowers Project” and “The Culinary Colours of SATOYAMA*” at Biwako Hotel



Biwako Hotel promotes some projects to conserve the satoyama environment. As part of the “Wild Flowers Project” to reproduce the ridges of terraced rice paddies (a typical landscape of Shiga) on the hotel’s premises, approximately 100 species of wild grasses and flowers have been planted. They are mainly domestic species growing in the satoyama environment, which serves as a habitat for diverse creatures.

“The Culinary Colours of SATOYAMA,” a project also involving guests and producers, was launched when we began considering environmental conservation activities as a company operating a hotel business on the shore of Lake Biwa. With the goal of reducing the environmental burden, we sought activities that would link the enjoyment of food to environmental conservation so that customers seeking relaxation would not be obliged to sacrifice comfort for the environment. The project has been in operation for almost 20 years under the concept of “eating is conserving.” By encouraging people to eat lots of delicious local ingredients, including the rice grown in terraced rice paddies in the Ogi district of Otsu City and the Hata district of Takashima City, specially nourished pork, Omi black chicken, and Biwa trout, we are building a system to balance our business with environmental conservation activities, such as maintaining the terraced rice paddies.

* Satoyama: Secondary nature



Satoyama reproduced in the garden of the Biwako Hotel



Guests experiencing farming in terraced rice paddies

Eco-cleaning and other environmental activities at hotels



As part of our efforts to conserve the environment, all hotels in the Keihan Group conduct “eco-cleaning,” changing bed linen once every three days for guests staying more than one night.

THE THOUSAND KYOTO uses photovoltaic power generation and well water gained from Kyoto’s rich water veins to introduce abundant greenery in the building, expressing the beautiful mountain scenery of Kyoto. In addition to contributing to reducing CO₂ emissions, it has served as a disaster risk reduction base for the local communities as a hotel located at the gateway to Kyoto.

GOOD NATURE HOTEL KYOTO introduced greenery on all the walls surrounding the courtyard, and is also using well water. In August 2020, it became the first hotel and commercial complex in Kansai that was awarded an LEED (Leadership in Energy & Environmental Design) Certification* at the Silver level. The program, designed to evaluate eco-friendly green buildings, recognized the hotel’s efforts to save energy as well as to save water by adjusting water pressure in the building.

* LEED Certification: Environmental assessment system for architecture and the city environment developed and operated by USGBC (United States Green Building Council; a non-profit organization), with certification managed by GBCI (a third-party organization that manages certification for green businesses, such as LEED and WELL Building Standard, and professional credentialing).



Courtyard at GOOD NATURE HOTEL KYOTO



LEED Certification

Keihan Group's ideas on CSR

Materiality of the Keihan Group

Keihan Group's ideas on CSR

Since the establishment of Keihan Holdings' predecessor, Keihan Electric Railway Co., Ltd., in 1906, the Keihan Group has succeeded in developing while contributing to society through its diverse business activities that are closely associated with local communities.

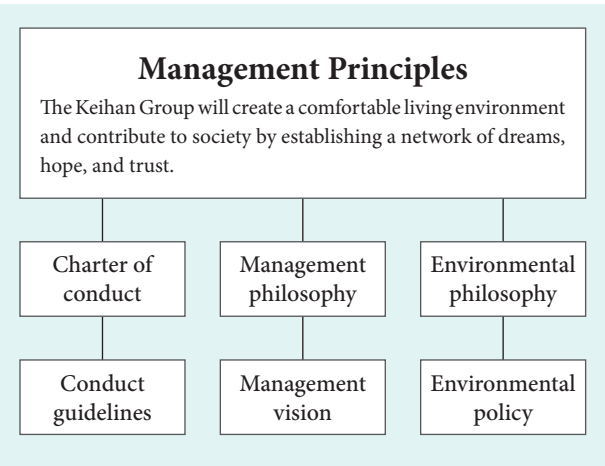
The Management Principles were established in 1998 to stipulate the spirit that forms the foundation of the Keihan Group, which has developed its business over a long period of time based on the doctrine of "harmony between morality and economy." The doctrine was suggested by Eiichi Shibusawa, leader of the company's organizing committee. We believe that our efforts to sincerely practice and implement the Management Principles, that is, providing new value to society, tackling social issues and pursuing sustainable development with society through our diverse

businesses, form the Keihan Group's CSR management.

The long-term strategic concept released in May 2018 states that we will follow the Management Principles in contributing to the achievement of the SDGs and pursuing sustainable development in harmony with society by creating BIOSTYLE-based products, services and businesses that will contribute to the solution of social issues and by focusing on business activities in consideration of ESG.

Even in the midst of drastic changes in society, each of the corporate officers and employees of the Keihan Group will continue their efforts to implement the Management Principles by placing emphasis on communication with diverse stakeholders supporting the group, including customers, local communities, shareholders, investors and business partners.

Management Principles System of the Keihan Group



Activities to instill the Management Principles

We have distributed the Management Principles Card, describing the Management Principles, management philosophy, charter of conduct, and environmental philosophy, to all corporate officers and employees. We are also striving to instill the Keihan Group's Management Principles, charter of conduct, etc. through such opportunities as new employee training in the Keihan Group.



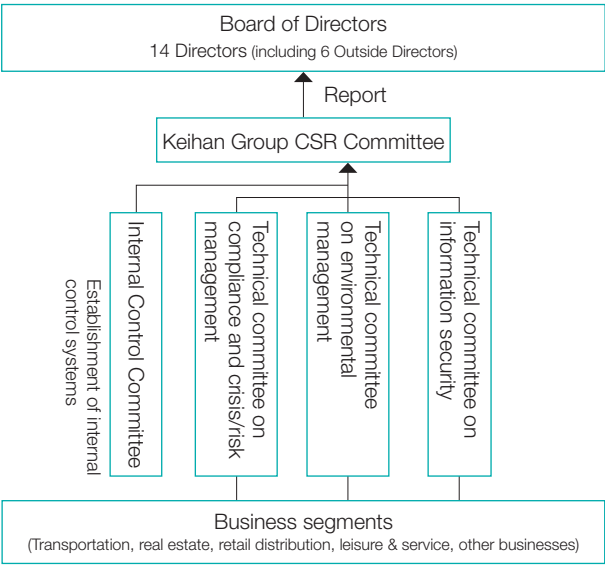
Management Principles Card

CSR promotion system

In 2005, we established the Keihan Group CSR Committee with our President as Chairperson. The purpose of the committee is to establish internal control and risk management systems to fulfill the group's social responsibility, and to ensure prompt and continuous verification, evaluation and improvement. At the same time, it also aims at creating a balance between the pursuit of economic benefit and social responsibility through communication with stakeholders, thereby contributing to the enhancement of the Keihan Group's corporate value.

In the committee, we established the Internal Control Committee and three technical committees as subsidiary organizations with our Executive Officers serving as chairpersons. The CSR Committee has also formulated a new Keihan Group CSR Activities Approach Policy, which identifies the "Materiality (CSR Focused Themes)," or the challenges the Keihan Group should give high priority to, and is promoting strategic implementation of group-wide activities.














The activities of the CSR Committee, including those of the Internal Control Committee and the three technical committees, are regularly reported to the Board of Directors (meetings are held twice a year for each committee).



CSR Activities Approach Policy

Based on the idea that sincerely practicing the Management Principles leads to the implementation of its corporate social responsibility, the Keihan Group has pursued long-term, sustainable development along with society as a corporate group trusted by society. We also recognize that the promotion of solutions to challenges from ESG perspectives is very important in establishing a

foundation that will support the Keihan Group's long-term growth. By putting special emphasis on the response to the ESG challenge "Materiality (CSR Focused Themes)" we have identified from the perspectives of society and the Keihan Group, we are committed to establishing a foundation that will support the group's long-term growth and contribute to achieving the SDGs.

Materiality (CSR Focused Themes)	Focal activity goals
Contribution to global warming prevention (E) ▶ P.41	<ul style="list-style-type: none">• Further promotion of environmental management• Further promotion of the development of products and services that lead to the reduction of energy consumption and greenhouse gas (CO₂) emissions (including introduction of energy-saving facilities, etc.)  
Provision of value to be trusted by customers, such as safety and security (S) ▶ P.45	<ul style="list-style-type: none">• Further reinforcement of the foundation that ensures safety and security• Further development of facilities and an environment ensuring the comfort of all customers  
Development of the environment and a corporate culture encouraging employees to exercise their strengths (S) ▶ P.51	<ul style="list-style-type: none">• Initiatives for work-style reform• Promotion of diversity (Promotion of women's empowerment, etc.)• Emphasis on human resources development• Promotion of health and productivity management    
Contribution to the sustainable development of local communities (S) ▶ P.55	<ul style="list-style-type: none">• Further promotion of business activities and social contribution activities that contribute to regional revitalization, solutions to local challenges and enhanced communication with local communities    
Ensuring thorough compliance (G) ▶ P.59	<ul style="list-style-type: none">• Further promotion of activities by the technical committee on compliance and crisis/risk management, technical committee on environmental management, and technical committee on information security 

Environment | E |

Environment
Efforts for
the environment

Contribution to global warming prevention
– Toward decarbonization and a recycling-oriented society –

The Keihan Group aims to be an eco-friendly corporate group that contributes to creating a society that embodies sustainable development. We have formulated the environmental philosophy and the Keihan Group's environmental policy, and established the technical committee on environmental management under the Keihan Group CSR Committee. Thus the entire group is promoting environmental management.



Environmental management of the Keihan Group

Environmental philosophy and the Keihan Group's environmental policy

The Keihan Group formulated its environmental philosophy in 2002, and has since made group-wide efforts to improve the environment and comply with environmental laws. In September 2021, the group formulated its environmental policy, focusing on the following items:

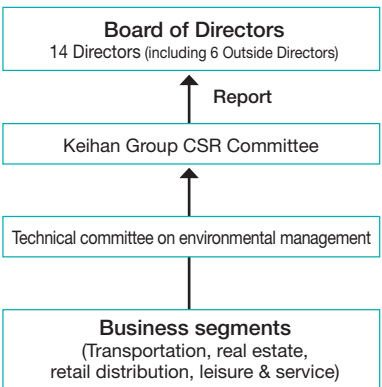
- (1) Reduction of greenhouse gas emissions
- (2) Reduction of waste and effective use of water resources

Environmental philosophy

Based on the recognition that global environmental conservation is one of the key common issues shared by all humankind, the Keihan Group will contribute to the sustainable development of society by making efforts to conduct eco-friendly corporate management and give due consideration to environmental conservation and resource protection.

Environmental management promotion system

The technical committee on environmental management, established in 2005 under the Keihan Group CSR Committee, is responsible for environmental management for the entire Keihan Group. The committee is involved in environmental risk management, including monitoring each group company's compliance with environmental laws and summarizing their CO₂ emission status, to promote better results. Proceedings of the committee are reported to the Board of Directors.



Environmental education and inspection

To ensure thorough compliance with environmental laws, we hold seminars on environmental laws and regulations to keep group companies informed about amendments to laws and other topics. Through regular environmental inspections, we confirm legal compliance and provide support for improvement.



CO₂ reduction

While global warming prevention is recognized as a global issue, the government of Japan announced its goals of reducing CO₂ emissions by 46% by 2030 compared to FY2014 and achieving carbon neutrality by 2050. The Keihan Group also considers CO₂ emissions reduction as a pressing issue and proactively works on this. In accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) requirements, we will recognize the risks and opportunities related to climate change and disclose information properly.

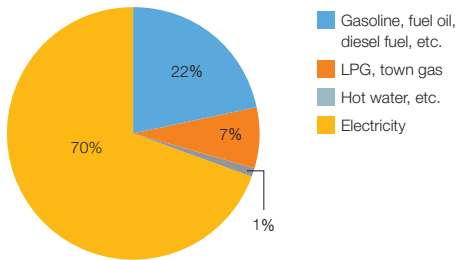
CO₂ emissions and energy consumption of the Keihan Group

The Keihan Group works on saving energy and reducing CO₂ emissions as a group-wide effort. Energy consumption of the group companies are properly managed and the results are reported to the technical committee on environmental management. The reduction status is duly monitored.

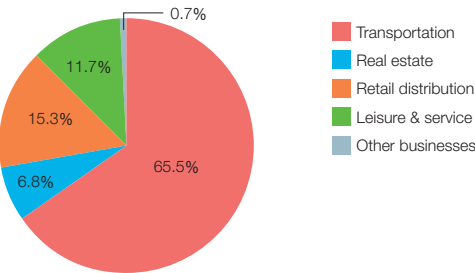
CO₂ emissions and energy consumption of the entire group (t)

	FY2019	FY2020	FY2021
Scope 1	70,854	73,167	57,852
Scope 2	182,473	148,765	134,108
Total	253,327	221,932	191,960
Energy consumption (crude oil equivalent)	137,203 kl	139,255 kl	125,290 kl

(Reference) Breakdown of the group's CO₂ emissions in FY2021 by energy type



(Reference) Breakdown of the group's CO₂ emissions in FY2021 by business segment



CO₂ emissions of the main companies

CO₂ emissions of the main companies are shown in the table below. The amount in FY2021 was reduced by approximately 37.5% compared to FY2014.

(t)

		FY2014	FY2019	FY2020	FY2021
Trans- portation	Keihan Electric Railway Co., Ltd. ¹	154,398	107,133	87,462	81,353
	Keihan Bus Co., Ltd.	27,300	27,166	27,329	25,242
Real estate ²		7,716	16,780	13,231	12,434
Retail distribution ³		50,240	39,123	31,464	28,443
Leisure & service ⁴		26,210	26,940	28,248	18,806
Total		265,864	217,142	187,734	166,278

The main companies are the Specified Businesses designated under the Energy Saving Act to submit periodic reports. The amounts of CO₂ emissions are based on figures reported in accordance with the Energy Saving Act. For FY2021, due to the effects of the COVID-19 pandemic, energy consumption as a whole has been reduced in accordance with the operating status of facilities (lower hotel occupancy rates, temporary closure of stores, etc.).

¹ Real estate business of Keihan Electric Railway Co., Ltd. was transferred to Keihan Holdings Co., Ltd. in 2015.

² Keihan Holdings Co., Ltd., Keihan Tatemono Co., Ltd.

³ Keihan Ryutsu Systems Co., Ltd., Keihan Department Stores Co., Ltd., Keihan The Store Co., Ltd., Keihan Restaurant Co., Ltd.

⁴ Hotel Keihan Co., Ltd., Keihan Hotels & Resorts Co., Ltd.

Energy consumption intensity

The main companies aim to reduce their energy consumption intensity by 1% year-over-year.

Energy consumption intensity for train cars

	FY2019	FY2020	FY2021
Railway electricity consumption by Keihan Electric Railway Co., Ltd. (kl) / travel distance (thousand km)	0.66	0.65	0.63
Reduction rate year-over-year (%)	—	1.5	3.0

Energy consumption intensity in office buildings and commercial facilities

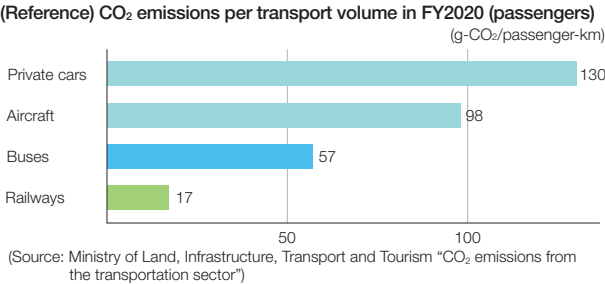
	FY2019	FY2020	FY2021
Energy consumption in office buildings and commercial facilities* (kl) / floor area (thousand m ²)	32.75	32.02	29.24
Reduction rate year-over-year (%)	—	2.2	8.6

* Keihan Holdings Co., Ltd., Keihan Tatemono Co., Ltd., Keihan Ryutsu Systems Co., Ltd.

Environment | E |

Specific initiative ①: Railway electricity consumption reduction project

Railways are considered to be more energy efficient than other modes of transportation, yet they require large amounts of electricity for operation and produce CO₂ in the process of generating electricity. Keihan Electric Railway Co., Ltd. started the “Railway electricity consumption reduction project” in 2003 and has implemented various initiatives to save energy, including introducing energy-saving train cars and LED lighting at railway facilities.



Introduction of energy-saving train cars

Introduction of energy-saving cars equipped with variable-frequency drive (VFD) inverters and regenerative braking is currently underway. VFD is a method of driving AC motors using semiconductor devices to vary the voltage and frequency to control the motor speed efficiently without using electrical resistance. Regenerative braking uses the motor as a generator and creates a braking force by converting kinetic energy into electrical energy when slowing down. The electricity generated is returned to the overhead lines and used by other trains. Thus it contributes greatly to reducing electricity consumption. As of the end of March 2021, 97.6% of the train cars (689 out of 706) are equipped with regenerative braking. Electricity consumption on the latest 13000-series train cars has been reduced by approximately 35% compared to the conventional 2600-series cars.

Introduction of LED lighting at railway facilities

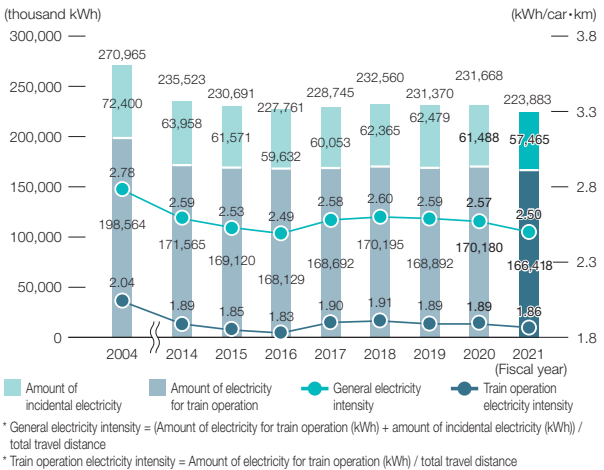
LED lighting is now being introduced for signal systems, and as of the end of March 2021, 417 signals use LED lighting. At the stations, highly efficient LED lighting is installed when updating lighting. In FY2021, the lighting on Temmabashi Station platforms, the Kyobashi Station concourse and Hirakatashi Station exits was replaced with LED lighting.

LED lighting has been introduced also on train cars for interior lights and headlights. As of the end of March 2021, interior lights on 302 (out of 706) train cars and headlights on 208 (out of 233) train cars have been replaced with LED lighting.

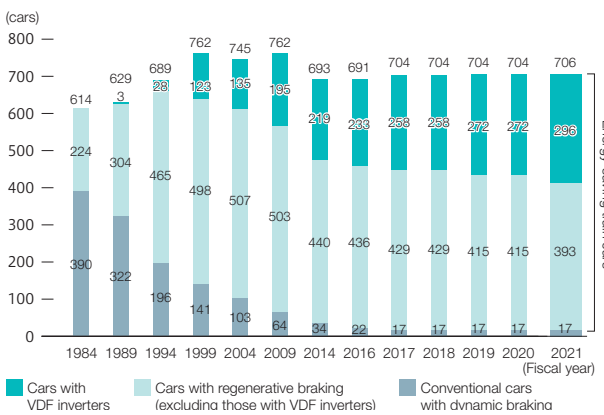
Specific initiative ②: Introduction of electric buses

In December 2021, Keihan Bus Co., Ltd. is introducing electric buses on the approximately seven-kilometer route connecting Kyoto Station, Shichijo Station and other venues. This is the first case in Japan in which all vehicles on a fixed route are electric. The bus is capable of traveling approximately 150 km on a single charge of 120 minutes and reduces annual CO₂ emissions by 38 tons per vehicle compared to the conventional diesel bus.

Changes in railway electricity consumption

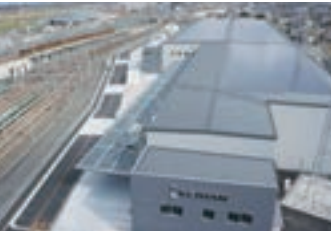


Status of introduction of energy-saving train cars



Specific initiative ③: Construction of facilities that consider the environment and social factors

Initiatives for energy-saving are also underway for commercial and office buildings. Keihan Yodo Logistics Yard, an inland logistics facility that opened in 2016, was awarded four stars as a building “with exceptionally high environmental and social awareness” in the DBJ Green Building Certification, a system for evaluating real estate that considers the environment and social factors. On the roof of the facility are solar photovoltaic panels with a power generation capacity of approximately 1.5 million kWh per year (which can power 400 general households), and on the south side of the building is a green belt. LED lighting is installed in the building, which can be used as a disaster management base following a disaster. These points were highly evaluated in the certification process.



Keihan Yodo Logistics Yard

Awarded for being an “excellent company contributing to environmental conservation”

Kyoto Bus Co., Ltd., was awarded by the Kinki District Transport Bureau for being an “excellent company contributing to environmental conservation in the transport industry” for FY2022. The company worked hard to alleviate traffic congestion in Kyoto City by significantly increasing the number of bus services on the route connecting Kōkusaikaikan Station, Yase Station and Ohara during the tourist season. It has also contributed to reducing environmental burden by continuing to introduce hybrid electric vehicles.



Reduction of waste

The Keihan Group works on reducing environmental burden by checking the total amount of waste from its main companies.

Amount of waste from the main companies in FY2021 (t)

		General waste	Industrial waste
Transportation	Keihan Electric Railway Co., Ltd.	932	560
	Keihan Bus Co., Ltd.	67	74
	Real estate ^{*1}	117	103
	Retail distribution ^{*2}	1,996	1,120
	Leisure & service ^{*3}	425	210
	Total	3,537	2,067

^{*1} Keihan Tatemono Co., Ltd.
^{*2} Keihan Ryutsu Systems Co., Ltd., Keihan Department Stores Co., Ltd., Keihan The Store Co., Ltd.
^{*3} Hotel Keihan Co., Ltd., Keihan Hotels & Resorts Co., Ltd.

Specific initiative ①: Reduction of plastic waste

To reduce plastic waste, which is one of the causes of ocean pollution, Keihan The Store Co., Ltd. has been implementing initiatives that include the bring-your-own-bag program in some shops of the supermarket chain Frest, since 2007. In addition, since October 2019, Keihan The Store Co., Ltd. and Keihan Department Stores Co., Ltd. have been jointly producing and selling Keihan's original Odekake Eco-bag (reusable shopping bag).

Effective use of water resources

Since FY2020, the Keihan Group has managed water consumption for the entire group in an effort to reduce it.

Water consumption for the entire group (thousand m³)

	FY2020	FY2021
Transportation	697	607
Real estate	188	161
Retail distribution	940	945
Leisure & service	959	456
Other businesses	51	63
Total	2,835	2,232

Specific initiative: Reducing water consumption when washing train cars

Keihan Electric Railway Co., Ltd. is using water efficiently and reducing water consumption at the Neyagawa and Yodo train depots when washing train cars by selecting the most appropriate washing method (e.g., front washing and side washing) according to the position and amount of dirt and by controlling the washing speed.

KEIHAN BIOSTYLE PROJECT

Keihan Group's SDGs: BIOSTYLE PROJECT

NOx emission reduction and fuel saving for the paddle-wheeler Michigan

Biwako Kisen Steamship Co., Ltd. has been renovating the facilities on the paddle-wheeler Michigan for two years from FY2021 to FY2022. NOx emissions will be reduced by approximately 15% to 22% by renovating the main engine and electric generator. In addition, fuel consumption is expected to drop by 10% by adding a small driving engine to the auxiliary propulsion equipment, while diesel fuel consumption is expected to drop by electrifying on-board air-conditioning and water heater systems.



Society | S

Social
Efforts for safety
and security

Provision of value to be trusted by
customers, such as safety and security

For the Keihan Group, “safety and security” are universal values to be offered to all customers and are the foundation of its existence. Meanwhile, the social environment surrounding the group is undergoing drastic changes, including the aging society, low fertility rate, diversifying values, threat of infectious diseases and abnormal weather caused by global warming. We will make every effort to reinforce the foundation that ensures safety and security, and create facilities and an environment that meet the changing needs of society so that every customer will be able to utilize the services of the Keihan Group without anxiety.



Further reinforcement of the foundation that ensures safety and security

Safety control system based on transportation safety management

Our group companies engaged in the railway and cable car businesses, namely Keihan Electric Railway Co., Ltd., Eizan Electric Railway Co., Ltd., Keifuku Electric Railroad Co., Ltd., Nakanoshima Rapid Railway Co., Ltd., and Hieizan Railway Co., Ltd., companies engaged in the bus business, namely Keihan Bus Co., Ltd., Kyoto Keihan Bus Co., Ltd., Keihan Kyoto Kotsu Co., Ltd., Kojak Bus Co., Ltd., and Kyoto Bus Co., Ltd., and companies engaged in the tourist boat business, namely Biwako Kisen Steamship Co., Ltd. and Osaka Aqua Bus Ltd., have been working to manage transportation safety based on the Railway Business Act and other laws.

To offer safe transportation that gives reassurance to each customer, we have established the Safety Management Regulations and appointed safety managers, thus continuing our initiatives to establish and enhance safety control systems based on the proactive commitment of top management. For details on each railway company's efforts to ensure safety, please check the Safety Report on our website.

Initiatives for safety and security by Keihan Railway

Keihan Electric Railway Co. Ltd. has been conducting various initiatives, both tangible and intangible, so that customers can utilize our railway services comfortably and without anxiety as services that support their everyday lives.

Improvement of safety facilities

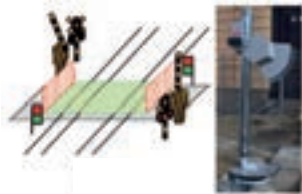
To prevent falls from the platform and accidents with trains, we have installed attention-seeking signs that visually and psychologically warn of danger at the edge of the platform. Flashing LED footlights are installed on the platform and comb-shaped rubber strips are attached to the edge of the platform to bring the attention of customers to areas where there is a wide gap between the platform and the train. In addition, we have introduced safety equipment, such as fall detection devices and emergency call buttons that, if someone falls on the line, immediately inform the train operator of the emergency and prevent a train accident.

To improve safety on the platforms even further, we are constructing platform screen doors on platforms 1 and 2 at Kyobashi Station, planning to complete them within FY2022.

By the end of March 2020, we had also installed an emergency notification system at all railroad crossings on the Keihan Line. This system sends signals to trains should any trouble occur. In addition, at the Kyomachi crossing (between Fushimi-momoyama and

Tambabashi Stations) and the Tambabashi-dori crossing (between Tambabashi and Sumizome Stations), we started full-scale operation of the railroad crossing obstacle detection system based on two-dimensional laser radar technology. At the end of March 2021, we also completed upgrading the multi-information continuous control ATS system on all the lines including train depot lines. This links the operations of the emergency notification system installed at all railroad crossings on the Keihan Line and the obstacle detection and platform emergency notification systems with the ATS system. This has significantly enhanced safety in train operation.

During FY2022, we will upgrade train cars and electric power substations, conduct seismic reinforcement work, and improve accessibility to the facilities to maintain and improve operational safety and enhance customer services.



Two-dimensional laser radar

Daily initiatives to ensure safety

We conduct various forms of training every year to keep ourselves prepared for accidents, disasters and other emergencies. General drills for recovery from an accident are carried out by Keihan Electric Railway Co., Ltd. as a joint effort with related organizations, including the police, fire departments and the Kinki District Transport Bureau, to prepare ourselves for severe accidents.

We also implement BCP drills in readiness for major earthquakes and other natural disasters, and terror attack drills in readiness for terrorist attacks on railway facilities involving explosives and other hazardous materials. Each drill is conducted under different scenarios so that we will be able to act promptly in an emergency.

In addition, a general training center was opened in November 2020. We have improved conventional facilities and teaching materials by, for example, installing on the train operation simulator a new function for checking bogies with 3D data (this is the first of its kind in Japan). The update was designed to improve skills for all employees involved in train operations and encourage stronger cooperation between departments.



General drill for recovery from an accident

Safety measures at Hirakata Park

At the regular inspection of amusement rides of Hirakata Park, the railway technology sector of Keihan Electric Railway Co., Ltd. carries out safety checks and inspections on five rides, including the roller coaster Red Falcon, at the Neyagawa train depot.

Taking advantage of direct management by a railway company, and applying inspection methods for railway cars to amusement rides, we are able to ensure safety with our high-level techniques.



Overhauling a roller coaster

Resuming full operations on the Eizan Railway Kurama Line

Eizan Electric Railway Co., Ltd. suspended train operations for 437 days due to a landslide around Kibuneguchi Station caused by the heavy rain in July 2020. As a result of the relief work of the railway facilities as well as the erosion control work conducted by the Kyoto Prefectural Government, we were able to reduce disaster risks and prepare an environment for safe train operation, allowing us to resume train operations on September 18, 2021.



Before the relief work

After the relief work

Initiatives for safety and security by group bus companies

To prevent traffic accidents, bus companies in the Keihan Group provide various education and training programs: education for new employees, training for operational managers and other business training programs, including some provided by outside educational institutions. Keihan Bus Co., Ltd. takes practical approaches that are easy for the drivers to understand, such as the “3 seconds 3 meters rule” (three-second confirmation when starting, three-second inter-vehicle gap while running, and three-meter inter-vehicle gap when stopping).

We are also working to improve safety through the progressive introduction of vehicles equipped with the Emergency Driving Stop System (EDSS). Under this system, if a driver is unable to continue driving safely due to a sudden change in physical condition or for other reasons, passengers can use the emergency brake button in the passenger area behind the driver's seat to automatically stop the vehicle.

Keihan Bus Co., Ltd., Keihan Kyoto Kotsu Co., Ltd., Kojak Bus Co., Ltd., and Kyoto Bus Co., Ltd. have received a three-star evaluation (the highest) under the “charter bus operators safety assessment certification system” by the Nihon Bus Association.



Training for employees

Society | S |

Ensuring safety and reliability of food

The Keihan Group is improving its manuals and implementing training programs so as to provide customers with safe and reliable foodstuffs and dishes. We are also working on HACCP-based sanitary management. In addition to conventional general sanitary checks, we optimize and visualize process control to improve our sanitary management to ensure the safety and reliability of food for our customers.

The group companies engaged in retail and restaurant businesses carry out food labeling training, sanitation training and inspection surveys of the shops by quality control managers. Bio Market Co., Ltd. works on quality improvement and stricter inspection in cooperation with producers and manufacturers.

Hotels in the group are developing regulations on food safety

and reliability and operation manuals, and sharing information and training across the group. We are also actively employing consulting firms for food inspection and quality management, and have implemented a training program on food safety. In this way, we are continually working to improve our cooking and service operations.

In February 2021, a restaurant at the Biwako Hotel run by Keihan Hotels & Resorts Co., Ltd. was found to have been serving foodstuffs past their expiration dates. We take this incident seriously, implement measures to prevent any recurrence of similar incidents, and work to regain trust by implementing food sanitary tests, improving group training for employees and restructuring our quality management system with the help of specialists.

Initiatives for promoting organic foods

Bio Market Co., Ltd. has been continuing its business activities for approximately 40 years since its establishment in 1983, based on the belief that “spreading organic farming will create a sustainable society conscious of the natural environment, as well as enrich the lives of consumers.”

With the increase in public interest in the safety and reliability of food, the company has established a cooperative system with producers and manufacturers and implemented various projects, including producer-consumer exchange events and hands-on-style Research Farm (some projects have been cancelled due to the COVID-19 pandemic). This promotes the production of tasty and safe organic foods and enhances the distribution network.



Research Farm

SIZEN TO OZEN

The food brand SIZEN TO OZEN from Biostyle Co., Ltd. is based on the concept “To enjoy the true taste of nature in a newer and more enriched style.” It offers a wide product lineup representing the principle to “Enjoy and taste only what you can trust” using pesticide-free vegetables and additive-free ingredients and adopting carefully selected cooking methods.



SIZEN TO OZEN

Development of facilities and an environment ensuring the comfort of all customers

The Keihan Group is committed to improving its services to become a corporate group that customers will choose. We accept the opinions of our customers honestly and at the same time, are quick to catch the changes in society. We can then reflect them in our daily business activities so that we can offer high-quality services that will win the satisfaction and trust of as many customers as possible.

To respond to customers’ opinions

Customer satisfaction (CS) promotion system led by the Keihan Railway Customer Center

The Keihan Railway Customer Center was established within Keihan Electric Railway Co., Ltd. in 2007. The center handles inquiries about train schedules, transportation connections and related matters, accepts opinions, requests and encouragement on services by the crews and on the environment for users of the trains and stations, and utilizes this feedback to improve the management of our business. In response to customers’ opinions, we launched the Railway CS Subcommittee in 2008, which works solely to improve our CS. When we receive opinions and requests for Keihan Group companies, we share the information and cooperate with the relevant company to respond appropriately.

During FY2021, we received approximately 43,000 inquiries, opinions and requests.

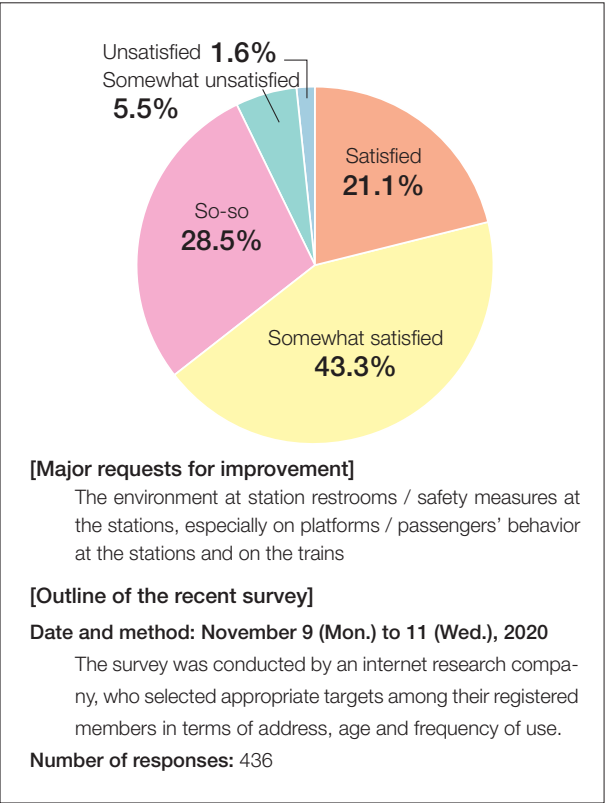


Keihan Railway Customer Survey

Keihan Electric Railway Co., Ltd. conducts the Keihan Railway Customer Survey in the belief that its mission is not limited to ensuring safety and security in railway operations but also includes providing convenient and comfortable services. We are working to improve our future services and operations through an understanding of undisclosed opinions and requests that do not reach the Keihan Railway Customer Center.

In the survey implemented in November 2020, we received opinions and requests related to the environment at station restrooms, safety measures at the stations, especially on platforms, and passengers’ behavior at the stations and on the trains, as well as ventilation in train cars, among other factors. Based on the customers’ opinions we have received so far, we are renovating station restrooms, and are continuing with our efforts to encourage good behavior and safety through our train announcements and by putting up posters. As part of the safety measures on platforms, we are improving the equipment and devices that prevent passengers from falling onto the line from the platform and being struck by a train. We are also erecting platform screen doors at Kyobashi Station. In addition, to prevent the spread of the COVID-19 infection, we are using ventilation systems and opening some windows on the train cars to ensure ventilation, and regularly disinfecting train cars.

General satisfaction level with Keihan Railway – Results of the customer survey conducted by Keihan Electric Railway Co., Ltd. –



“Opening to the public” by Zero Home

Zero Corporation Co., Ltd. is involved in the real estate, custom-built housing and construction businesses with the theme of “100-year housing by Zero Home.” The company established the policy of “opening to the public” in 2002. Since then, it has disclosed the results of customer surveys, complaint records and leaking roof cases on its website to encourage those who are planning to build/purchase a house to select the company without anxiety, and to relieve the concerns of those who have built/purchased a house.



“Opening to the public” by Zero Home

To offer customer-friendly transportation

Development of a comfortable environment for users

Keihan Electric Railway Co., Ltd. is working to improve the customer handling abilities of its staff through initiatives such as a CS training program provided by outside lecturers for station crews on the Keihan Line. In addition, it has also been implementing a restroom renovation project since FY2017 to enhance convenience and comfort at its stations. Toilet bowls in the stalls have been changed to Western-style ones equipped with electronic bidets. New restrooms are also installed with powder rooms, fittings for children, and easy-to-understand guides for international tourists. Water-saving sanitary ware and LED lighting are also being introduced from the perspective of environmental conservation. In FY2021, a comprehensive renovation of Yodoyabashi Station was completed.

Eizan Electric Railway Co., Ltd. widened platforms, introduced accessible facilities, and renovated restrooms at Kibuneguchi Station, and the new station building has been available since March 2020. Keifuku Electric Railroad Co., Ltd. renovated Kitano-Hakubaicho Station and put it into use in March 2020.



New Kibuneguchi Station

Society

Enhancement of information service

To enhance information services in case of train delays and other problems, Keihan Electric Railway Co., Ltd. offers information on the Keihan Railway's website and on information displays for passengers installed at all stations on the Keihan Line. Information on train operations is promptly displayed on a route map in a visually understandable manner. Guidance in four languages is also available. During normal times, the displays are used for various purposes, such as providing tourism information along the railway lines and promoting good behavior.

In September 2021, we started a service that allows passengers to confirm the current location of trains and delays on the Keihan Line via their smartphone.

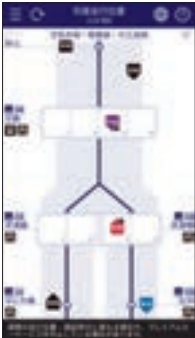
To enhance information services for tourists, we are now installing comprehensive information boards for tourists. Information on the boards includes Keihan Railway's route map, access to major tourist spots, and station and bus station maps. The boards had been installed at 20 stations by the end of March 2021. We are also installing a digital signage system for maps around the station. By operating the touch panel screen, users can obtain the necessary information in four languages. This system had been installed at 11 stations by the end of August 2021.

Keihan Bus Co., Ltd., Kyoto Keihan Bus Co., Ltd., Keihan Kyoto Kotsu Co., Ltd. and Kojak Bus Co., Ltd. introduced Keihan Group Bus Navi, a next-generation comprehensive search system, in March 2017. By scanning the QR code displayed at bus stops, users can display operational information, confirm the estimated arrival time and fare, search bus stations, and issue a delay certificate. Through English websites and a bus stop numbering system, we aim to provide passengers with a more comfortable bus ride.*

*Functions differ by company.



Information display for passengers



Current train information service



Keihan Group Bus Navi
* QR Code is a registered trademark of DENSO WAVE Incorporated.

Initiatives to enhance accessibility

Keihan Electric Railway Co., Ltd. is installing spaces for wheelchairs in its train cars, and had completed installation in 523 train cars by the end of March 2021.

On the Keihan Line, a total of 181 train cars of the 13000 series, which were first introduced in 2014, and the 6000 series, which have undergone renovation, have installed door chimes that inform persons with visual impairment of the opening and closing of the doors with a sound. Priority seats are clearly identified by the display and colors on seat covers, seat backs, curtains and stickers.

We have worked with the national and local governments to progressively introduce elevators and other accessible facilities at stations. In FY2019, we completed installing an elevator and an accessible restroom at Kitahama Station. In FY2020, in accordance with the restroom renovation at Kyobashi Station (Katamachiguchi), differences in level on the restroom floor have been eliminated. By the end of March 2021, 61 stations out of 63 stations with a daily average ridership of over 3,000 (stipulated as targets in the basic policy of the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.) have been changed into accessible stations. In spring 2022, Tobakaido Station will become an accessible station.

Keifuku Electric Railroad Co., Ltd. changed all stations on the Randen Kitano Line into accessible stations on completing the work at Katabiranotsuji Station. The company has also completed the installation of multilingual information displays with variable message signs at 21 stations, excluding Yamanouchi Station.

Bus companies in the Keihan Group are actively introducing vehicles easy for elderly people and persons with physical disabilities to ride on, such as a non-step bus (with no steps at the entrance/exit), one-step bus (with one step at the entrance/exit) and kneeling bus (bus with a lift that carries wheelchairs). In addition, on the occasion of new-employee training, the bus companies teach employees points to note when wheelchair users and other passengers with special needs ride on the bus.



Barrier-free Katabiranotsuji Station

Initiatives to improve transportation convenience

To support outings of passengers with special needs, including elderly people and pregnant women, as a public transportation provider, Keihan Bus Co., Ltd. made a partnership agreement with the Neyagawa Municipal Government in Osaka Prefecture to promote their bus use. Meanwhile, Kyoto Keihan Bus Co., Ltd. made an agreement with the Yahata Municipal Government in Kyoto Prefecture in regard to the basic evacuation plan for residents when flooding is anticipated.

To build communities where residents can live a long and anxiety-free life

The Keihan Group works on building communities where residents can live a long and anxiety-free life by community revitalization and other measures to support everyday life.

Community building that contributes to increasing regional value

Keihan Real Estate Co., Ltd. promotes housing development focused on a lifestyle design that contributes to regional revitalization. The condominium Fine City Musashino Fujimi received the Kids Design Award 2018 in recognition of its initiatives to provide a safe and secure childrearing environment. Meanwhile, in relation to the Kyomachiya traditional houses renovation project that the company is promoting with the concept "to connect people and create communities," the accommodation facility "Tsumugi – Machiya Inn" was awarded the Good Design Award 2020 for its creation of a sustainable regional community that provides opportunities for guests and residents to interact. The company is also promoting the Machinaka Home Project to regenerate urban-type residences in high-density urban districts that are due for renewal/redevelopment. In 2021, the next-generation housing series QUEAD, which solved challenges unique to houses in high-density districts by using a sophisticated fusion of functionality and design, was launched.

Keifuku Electric Railroad Co., Ltd. is implementing the Randen Sumosumo Project by acquiring or renting vacant houses along the Randen lines, renovating them, and selling or renting them out to households with young children. Due to the trend towards a declining birthrate and aging population, more and more houses are being abandoned even in the historic city of Kyoto. We will continue our efforts for regional revitalization and bring vibrancy to communities through the utilization of vacant houses.



A seasonal event at Fine City Musashino Fujimi



Renovation of Kyomachiya traditional houses

Various living-related services

Keihan Real Estate Co., Ltd. provides a "Keihan My Home Utilization Supporter" service to facilitate owned houses being used as assets, "Matsui-yamate Plaza," Keihan's renovation showroom, to respond to the diverse home renovation needs of its customers, and "Keihan Owners Club Kokoromachi," a membership organization for residents of Keihan-brand housing complexes. Zero Corporation Co., Ltd. handles various requests for housing rehabilitation. These two companies are also engaged in intermediary services and the purchase of land lots and houses, offering a group-wide, one-stop service to deal with all kinds of customer concerns related to houses.

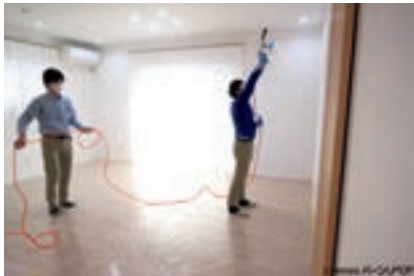
Disaster risk reduction for condominiums

Keihan Real Estate Co., Ltd. is gradually introducing its FINE BOX program, a disaster risk reduction program for condominiums that provides disaster management equipment for living in a disaster-stricken condominium as well as a survival kit that can be customized for each household. Professional support is also available when establishing organizations and making plans to reduce disaster risks. The system encourages everyone involved in the condominium to clarify their own role and take action.



Antiviral and antibacterial processing for all buildings

Since July 2020, Zero Corporation Co., Ltd. has been processing all its houses with Recona Air Refresh, a photocatalyst coating that uses a patent technology. The antiviral and antibacterial effects on the ceilings and walls will last around the clock, providing healthy and comfortable housing that protects residents from viruses and bacteria.



* Recona Air Refresh is a product of Burn Repair, Inc., a member of the Candeal Group.

Keihan Group companies have contact points for customers. Keihan Holdings Co., Ltd. also accepts opinions and requests for Keihan Holdings and the entire Keihan Group through its website, and lists contact points for each group company.

<https://www.keihan-holdings.co.jp/contact/>



Society | S

Social
Efforts for employees

Development of the environment and a corporate culture encouraging employees to exercise their strengths

The Keihan Group is working to develop a good, satisfactory working environment and a corporate culture that encourages employees with different perspectives and lifestyles to exercise their strengths to the fullest, with a view to building a foundation to create and provide value for local communities and customers.



Promotion of work-style reform

Work-style reform promotion system

To promote work-style reform, reduce long working hours and improve productivity within the Keihan Group, personnel and IT-related divisions of Keihan Holdings are working together to share information with and provide guidance to group companies in encouraging the working methods best suited for each business.

Specific initiatives for work-style reform

Keihan Holdings Co., Ltd. and Keihan Electric Railway Co., Ltd. have introduced activities that are designed not only to reduce working hours but also to improve productivity and create value. These activities include the introduction of the teleworking system that allows employees to work outside the company using a mobile PC, and installation of personal booths at head office where employees can concentrate on their work.

Through initiatives such as “no overtime day,” a flextime system, and a ban (in principle) of working after 20:00 and holiday work, we are working to reduce overtime work, encourage a self-directed work style, and allow time for creative thinking and recuperation. We are also encouraging employees to use up their paid holidays. As a result, the percentages of annual paid leave used by full-time employees in FY2021 were 61.4% for Keihan Holdings Co., Ltd. and 87.2% for Keihan Electric Railway Co., Ltd., achieving a higher standard than the average (average: 56.3% according to the General Survey on Working Conditions 2020 by the Ministry of Health, Labour and Welfare).

Percentage of annual paid leave used (Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd.)

	FY2017	FY2018	FY2019	FY2020	FY2021
Keihan Holdings Co., Ltd.	51.0%	54.0%	55.8%	62.7%	61.4%
Keihan Electric Railway Co., Ltd.	92.6%	92.8%	93.5%	93.5%	87.2%



Personal booths

Personnel system

In 2017, Keihan Holdings Co., Ltd. introduced productivity improvement items for setting goals for personnel evaluation. In addition, we have included a certain amount of overtime allowance with the salary of employees in supervisory positions as well as managerial positions to allow discretion in terms of working hours and promote a productivity-focused work style.



Promotion of diversity & inclusion

Respecting human rights

The Keihan Group has declared respect for the human rights of all people in its charter of conduct. Every year, in Constitution Week in May and Human Rights Week in December, we hold movie screening events and seminars to promote respect for human rights. We also publish articles on respecting human rights in our group magazine. In this way, we are making efforts to raise awareness of human rights.

Initiatives for women’s empowerment

We believe it is becoming more important to introduce women’s perspectives in management to continue to provide products and services that our customers need and to achieve sustainable growth.

In light of this, we formed an action plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace (FY2017–FY2021), setting our goals to “raise the percentage of women employed for general positions to 30% or over” and “raise the percentage of women in leadership positions (such as management) by the end of FY2021 by 50% or over compared to the end of FY2016.” As a result, we have been proactive in recruiting female applicants and allocating female employees to wider workplaces to support their careers and improve the workplace environment. The percentage of women employed for general positions in FY2021 was 46.7%, and the percentage of women in leadership positions at the end of FY2021 was increased by 50% compared to the end of FY2016. With the new plan for FY2022 to FY2026, we are continuing our efforts with the goals to “raise the percentage of women employed for general positions to 30% or over,” “raise the percentage of women in leadership positions by 30% or over compared to the end of FY2021” and “raise the percentage of men taking childcare leave to 7% or over.” We are now working to create a good and satisfactory working environment for all employees, regardless of gender.

In selecting company directors, Keihan Holdings Co., Ltd. makes it a rule to appoint people who have knowledge, experience and the ability to effectively implement their roles and responsibilities, regardless of gender. Moreover, we have provided support programs for management and career enhancement for female employees in leadership positions.

Equal opportunities and fair recruitment

The personnel systems of Keihan Holdings Co., Ltd. and Keihan Electric Railway Co., Ltd. are operated without discrimination on the basis of gender or other factors in the treatment of employees to establish an energetic corporate culture.

Keihan Electric Railway Co., Ltd. appoints human rights promotion officers for fair recruiting, and conducts nondiscriminatory screening with a focus on the applicants’ personal characters, regardless of job categories. As a result, Keihan Electric Railway Co., Ltd. has been designated as a certified company by the Fair Recruitment and Human Rights Promotion Center.

Number and percentage of new female employees (Keihan Holdings Co., Ltd.)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
New employees in general positions	11	15	16	16	15	13
Women included in the above	3	6	6	6	7	5
Percentage of new female employees	27.3%	40.0%	37.5%	37.5%	46.7%	38.5%

Number and percentage increase of women in leadership positions (Keihan Holdings Co., Ltd.)

	End of FY2017	End of FY2018	End of FY2019	End of FY2020	End of FY2021
Number of women in leadership positions	12	14	14	14	15
Percentage increase compared to the end of FY2016	20%	40%	40%	40%	50%

* Leadership position: Assistant Director or above. The number of women in leadership positions at the end of FY2016 was 10.

Number and percentage of male employees taking childcare leave (Keihan Holdings Co., Ltd.)

	FY2017	FY2018	FY2019	FY2020	FY2021
Number	0	1	0	3	1
Percentage	0.0%	20.0%	0.0%	15.8%	10.0%

Society | S

Support for balancing work and childcare/ nursing care

Keihan Holdings Co., Ltd. and Keihan Electric Railway Co., Ltd. have developed systems to support employees who are involved in childcare and/or nursing care for family members. In addition to relevant leave and shorter working hours, we offer a system for saving unused annual paid holidays and using them for days leave for childcare and/or nursing care for family members. In September 2018, we introduced a system of working from home for employees involved in childcare and/or nursing care. In this way, we reduce the commuting burden and improve the working environment for employees involved in childcare and/or nursing care.

As a result of these programs, we have received the Kurumin Mark, a certification from the Ministry of Health, Labour and Welfare as a company that supports childcare five times since 2009. In August 2021, Keihan Hotels & Resorts Co., Ltd. became the first Kyoto-based accommodation business to receive the Kurumin Mark.



Number of employees taking childcare and/or nursing care leave (Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd.)

	FY2017	FY2018	FY2019	FY2020	FY2021
Male	2	3	2	4	5
Female	5	4	3	4	5

Raising the retirement age

In 2013, Keihan Holdings Co., Ltd. and Keihan Electric Railway Co., Ltd. revised their personnel systems to raise the retirement age to 65 in stages in accordance with the raising of the public pension age, in response to the revised Act on Stabilization of Employment of Elderly Persons and to enhance and utilize employees' skills to the fullest.

Handling harassment

The Keihan Group declares its commitment to the elimination of all forms of harassment in its charter of conduct and, to effectively implement this, has established harassment prevention regulations shared by the entire group. Through basic training for new employees in the Keihan Group and the Keihan Business Seminars, we raise employees' awareness and knowledge. At the same time, by providing training programs for personnel in the harassment consultation divisions of each group company, we are reinforcing systems for receiving consultation from employees.

Emphasis on human resources development

Human resources development and educational systems

All new employees of the Keihan Group receive basic training to gain the knowledge and raise the awareness required in working for the Keihan Group. The Keihan Business Seminars offer group training for Keihan Group's employees as necessary so that they can acquire and enhance their business skills (problem solving, logical thinking, coaching subordinates, etc.) and other knowledge related to financing, accounting, labor management and compliance. Starting in FY2021, in addition to conventional group training, many online seminars and video streaming seminars have also been provided, allowing employees to take part irrespective of the time and place.

In addition to the above training, Keihan Holdings Co., Ltd. offers stratified training and training programs by outside lecturers designed to improve employees' management and coaching skills. In addition, we have introduced a mentor system to support career development of younger employees and provide the necessary follow-up support. We are also actively working to support self-development with programs such as financial aid for obtaining qualifications aimed at improving linguistic and other skills.

Profit up ↑ Idea Box

The system was introduced in 2015 to facilitate sharing of business ideas and positive discussions among all Keihan Group employees across the boundaries of work and position. It is designed to promote ideas that will lead to an increase in the group's profits and foster a positive and open corporate culture, encouraging everyone to think about the group's development.

This is not just about presenting ideas. Related divisions review the presented ideas and respond, while employees from other divisions can comment on them. Thus, the system allows group-wide idea sharing.



Promotion of health and productivity management

Establishment of the Health Statement

Keihan Holdings Co., Ltd. and Keihan Electric Railway Co., Ltd. are working to enhance initiatives for health and productivity management with a view to advancing ESG-focused management. We established the Health Statement on October 30, 2018 to develop an environment and a corporate culture encouraging employees to exercise their strengths. In March 2021, Keihan Holdings Co., Ltd. was selected by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi as a Certified Health and Productivity Management Organization in the section of large companies for two consecutive years.



Health and productivity management promotion system

Keihan Holdings Co., Ltd. and Keihan Electric Railway Co., Ltd. have appointed a corporate officer in charge of personnel affairs to manage the maintenance and improvement of the health of their employees (Chief Health Officer). The Health Council consisting of the Personnel Division, Keihan Group Health Promotion Office, and Keihan Group Health Insurance Association was established to formulate and implement health-related policies.

Health Statement

In order to achieve the Management Principles of the Keihan Group, nothing is more important than to ensure that all employees maintain their physical and mental health and exercise their abilities to the fullest. We are determined to further enhance our policies to maintain and promote employees' health, and actively support their efforts to improve their lifestyles, aiming to create a workplace environment where employees can work actively, energetically, beautifully and in good health.

October 30, 2018
Keihan Holdings Co., Ltd.
Keihan Electric Railway Co., Ltd.

Establishment of an exercise regime

Keihan Holdings Co., Ltd. and Keihan Electric Railway Co., Ltd. encourage employees to establish an exercise regime to prevent lifestyle-related diseases and maintain their health.

Number and percentage of employees with exercise regimes (Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd.)

	FY2021
Number	606
Percentage	39.53%

* Exercise regime: Walking or equivalent physical activities in daily life for at least one hour per day.

KEIHAN BIOSTYLE PROJECT

Keihan Group's SDGs: BIOSTYLE PROJECT

Promotion of employment of people with disabilities

In response to society's requirement to provide job opportunities for people with disabilities, we established Keihan Smile Heart Co., Ltd. to promote employment of people with disabilities. The company was granted by the Minister of Health, Labour and Welfare as a special subsidiary in May 2017. Keihan Smile Heart Co., Ltd. has employed five staff members with disabilities, who are engaged in office support, including cleaning office floors, printing business cards, disposing of documents and refilling paper trays. It also provides practical training for students at the upper-secondary department of schools for special needs education. The percentage of people with disabilities employed at Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd., and Keihan Smile Heart Co., Ltd. was 3.2% in total in March 2021. We are working to promote employment of people with disabilities and create a comfortable working environment for them.



2020 New Diversity Management Selection 100

Keihan Hotels & Resorts Co., Ltd. has implemented a project for employing persons with disabilities to promote an inclusive environment. By allowing persons with and without disabilities to work together, we have been able to improve the self-reliance of both and create synergy, which led to successful management performances. In recognition of this, the company was selected as a winner of the 2020 New Diversity Management Selection 100 (a program of the Ministry of Economy, Trade and Industry) and received the Minister's Prize in March 2020.



Society | S

Social
Efforts for local communities

Contribution to the sustainable development of local communities

Coexistence with local communities is an important mission for the Keihan Group, which is engaged in the highly public business of railway services as well as diverse businesses that are closely associated with the local community. We will continue to maintain and deepen the relationship of trust we have with local communities and achieve sustainable growth with them through business activities and social contribution activities that will lead to regional revitalization, solutions to challenges and better communication with local communities.



Initiatives for regional revitalization, making best use of the attractions of each area

Revitalization of the Mt. Hiei and Lake Biwa area

As a member of the Hieizan promotion association organized in 1989 by business operators connected with Hieizan Enryaku-ji Temple and Mt. Hiei to promote tourism around the Mt. Hiei area, the Keihan Group has been sharing tourism information (typically, on the “Hieizan Biwako Panoramic Route”) and working to attract more tourists to Mt. Hiei.

We are also involved in the “Dengyo Daishi Saicho 1200-year commemoration committee” established to celebrate the 1200th anniversary of the death of Dengyo Daishi Saicho, which was in June 2021. In cooperation with the university collaboration project hosted by the committee, we are operating wrap advertising trains on the Keihan Railway Otsu Line under the theme “1200 years: A story toward the future” from April 2020.



Train wrap “1200 years: A story toward the future”

National Treasure Iwashimizu Hachimangu Shrine: Prayer of Light – The Heart of Japan

We participated in the “National Treasure Iwashimizu Hachimangu Shrine: Prayer of Light – The Heart of Japan” program organized by the Ocha-no-Kyoto DMO in March 2021. During the program period, we illuminated the stations on the Iwashimizu-hachimangu sando-cable line. This was part of the Japan Tourism Agency’s “New Tourism” campaign, which aims to support region-wide efforts to improve tourism resources to attract more visitors while keeping to infection prevention guidelines and practicing the “new normal” lifestyle.



National Treasure Iwashimizu Hachimangu Shrine: Prayer of Light – The Heart of Japan

Promotion of the “Flow of Water”

The Keihan Group has given the name “Flow of Water” to the Yodogawa River System, which runs along the railway lines from Mt. Hiei to the water capital Osaka through Lake Biwa, Kyoto and Uji. We have worked on creating contents and the flow of people under the theme Flow of Water.

Specifically, together with the Otsu and Kyoto Municipal Governments, we are redeveloping the Lake Biwa Canal (an artificial canal constructed in the Meiji era to draw water from Lake Biwa to Kyoto), a valuable industrial heritage from 1890, and its surrounding areas as a tourism resource. In 2015, we started trial operation of tour boats in cooperation with Biwako Kisen Steamship Co., Ltd. as the cruise operator, with the aim of restoring the once-prosperous waterway transportation for tourism. In March 2018, we started full-scale operation for the first time in 67 years.

In 2020, this cruise was selected as a Japan Heritage project by the Agency for Cultural Affairs, in recognition of the story conveying the culture and tradition through historical appeals and characteristics of the region.



The Lake Biwa Canal Cruise

KEIHAN BIOSTYLE PROJECT

Keihan Group’s SDGs: BIOSTYLE PROJECT

Brand establishment of the Nakanoshima area

To enhance the attraction of the Nakanoshima area, the Keihan Group is promoting exchange through culture and art to make the area more vibrant in cooperation with companies in Nakanoshima and nearby areas.

We opened the Art Area B1 in the concourse of Naniwabashi Station B1F on the opening of the Keihan Railway Nakanoshima Line in 2008. By organizing various programs themed on art and knowledge, we hope to present a “station as a communication space.” In recognition of our cultural activities in the area aimed at connecting society, academia and community, we received the Award Granted by the Commissioner for Cultural Affairs (2009) and the Award for Excellence (2019) at the Mécénat Awards hosted by the Association for Corporate Support of the Arts.

Since 2012, we have hosted Kite Mite Nakanoshima, an art event at the station designed to encourage people to visit Nakanoshima for its art, increase their affection for and understanding of the area, and widely share its image as “the place for culture and art.” We have organized the “Station Museum for Everyone” program to display the collaborated works of the general public, including children, and professional artists. We are also hosting workshops in cooperation with local governments and companies. These are some of our efforts to create a venue for interaction for everyone from children to adults.



Award ceremony, Mécénat Awards 2019



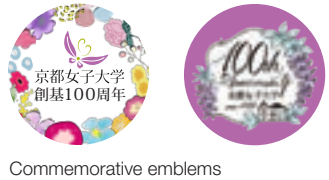
Kite Mite Nakanoshima

Society | S

Promotion of communication with local communities

Joint anniversary event with Kyoto Women’s University

In commemoration of the 100th anniversary of Kyoto Women’s University (110th anniversary of Kyoto Women’s Educational Institution) and the 110th anniversary of Keihan Electric Railway Co., Ltd., we co-hosted an event featuring the special Hyakka Train (literally meaning “100 flowers train”). The train featured an interior and train emblems with a flower motif, designed by the students at the university’s Department of Apparel and Space Design. In the train cars, we displayed “messages of gratitude and encouragement for Kyoto” from 100 students, along with their smile photos.



Cooperation with Ryukoku University in a project to promote the producers

Ryukoku University has launched a project to pass on the birthplace of Budo Sansho Japanese pepper to the next generation, aimed at connecting producers and consumers. Sympathizing with the concept behind this project, Biostyle Co., Ltd. is working in collaboration with the university on efforts such as selling the products developed by the students at GOOD NATURE STATION. The company is planning to start joint development of foods featuring Budo Sansho and cacao.



Ryukoku Marche

On-board parent-child learning program Suisuku

Osaka Aqua Bus Ltd. ran an on-board parent-child learning program Suisuku in October 2021. Mr. Norihiko Kawai from the Yodogawa Environment Committee of the Ministry of Land, Infrastructure, Transport and Tourism served as a lecturer and talked about the aquatic life of the Okawa and Yodogawa Rivers. Suisuku features a cruise designed to learn about the Yodogawa River and enjoy waterside areas. Participants study the history, creatures and community building at waterside areas and become “Yodogawa Ambassadors.”



On-board parent-child learning program Suisuku

Regional development in cooperation with Kyoto Seika University

In February 2021, Eizan Electric Railway Co., Ltd. rented out the second floor of the Demachiyanagi Station Building, which the company manages, to Kyoto Seika University as the venue for Kyoto Seika University Satellite Space Demachi. This is a project based on a comprehensive partnership agreement made with the university in April 2020, designed to revitalize the areas along the railway lines by promoting educational programs and research/cultural activities. In February, “Kyoto Seika University Exhibition 2021: PICKSI,” a public exhibition for Kyoto Seika’s fourth-year undergraduate students and second-year graduate school students, was held in the space.

The “great Tengu” monument in front of Kurama Station, which was renovated in 2019, was designed by students at Kyoto Seika University. We will seek further cooperation to contribute to revitalizing the local communities and fostering human resources that will play an important role in the future.



Comprehensive partnership agreement



The “great Tengu” monument in front of Kurama Station

Planters with Fujibakama, a near-threatened species, exhibited at all stations on the Randen Kitano Line

Keifuku Electric Railroad Co., Ltd. launched the Randen Line Fujibakama Project with volunteer groups in the Randen area and students and teaching staff from Ritsumeikan University. Fujibakama, a perennial plant of the Asteraceae family also known as thoroughwort, has been designated as a near-threatened species by Kyoto Prefecture. The company potted and displayed Fujibakama in planters at all stations on the Randen Kitano Line (between Katabiranotsuji and Kitano-Hakubaicho Stations) in October 2021, while it was in flower. Through efforts such as using planters made from recycled fire hoses, the company hopes to expand the network for biodiversity conservation.



Randen Line Fujibakama Project

Partnership agreement with Panasonic Corp. for regional revitalization

In September 2021, Keihan Holdings Co., Ltd. made a partnership agreement with Panasonic Corporation for regional revitalization through sports. The men’s volleyball team, Panasonic Panthers, had already been working to become a community-based team around its home, Hirakata City in Osaka Prefecture, and

participated in joint programs at Keihan Group’s facilities, including Hirakata Park. Going forward, we will jointly promote activities such as publicizing the team’s home games at major Keihan Railway stations, and work in close cooperation to contribute to revitalizing local communities.

KEIHAN BIOSTYLE PROJECT

Keihan Group’s SDGs: BIOSTYLE PROJECT

Operation of commercial facilities rooted in the local community

Keihan Ryutsu Systems Co., Ltd. has established a Festival Committee to offer hospitality to and enjoy time together with local customers. Every year, the committee members dress up as Santa Claus and deliver gifts to customers’ homes. In 2020, due to the COVID-19 pandemic, they made video calls to leave customers with memorable feelings of Christmas.

The company also works on ethical consumption and environmental issues and offers activities that the customers can identify with. One example is a demonstration of dyeing handkerchiefs using vegetable scraps as a way to tackle the food waste issue. The company is hosting various events to focus on communication with local customers in operating its commercial facilities.



Christmas event by the Festival Committee

Social contribution activities at Kyoto Tower

To cooperate with activities to address social issues, Kyoto Tower changes the color of its illumination at night (usually white) to the message colors of various awareness-raising campaigns. As a way to contribute to society, Kyoto Tower sends its mascot, Tawawa-chan, to local children’s homes and invites children from these facilities to the observatory.



Blue illumination showing gratitude to medical workers in the COVID-19 pandemic



Children invited to the observatory

Yodogawa Romantic Cruise to experience transportation on a waterway

In cooperation with the Hirakata Municipal Government and the Yodogawa River Office at the Kinki District Transport Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, Osaka Aqua Bus Ltd. is boosting waterway transportation on the Yodogawa River and attracting more people to interactions by enhancing local charms. As part of these efforts, the company runs the Yodogawa Romantic Cruise, connecting Hachikenyahama Pier in Temmabashi and Hirakata Pier. It offers passengers an experience of waterway transportation on the Yodogawa River, which prospered in the Edo period linking Fushimi in Kyoto and Hachikeny in Osaka, and introduces local specialty products and the history and culture of Hirakata City. This cruise connects waterway transportation (Yodogawa River) and land transportation (Kyokaido Highway) to bring a vibrant atmosphere and more prosperity to the areas.



Passing through the Kema Lock on the Yodogawa Romantic Cruise

Governance | G |

— Governance —
Efforts to
build trust

Ensuring thorough compliance
– To establish foundations that support our value creation –

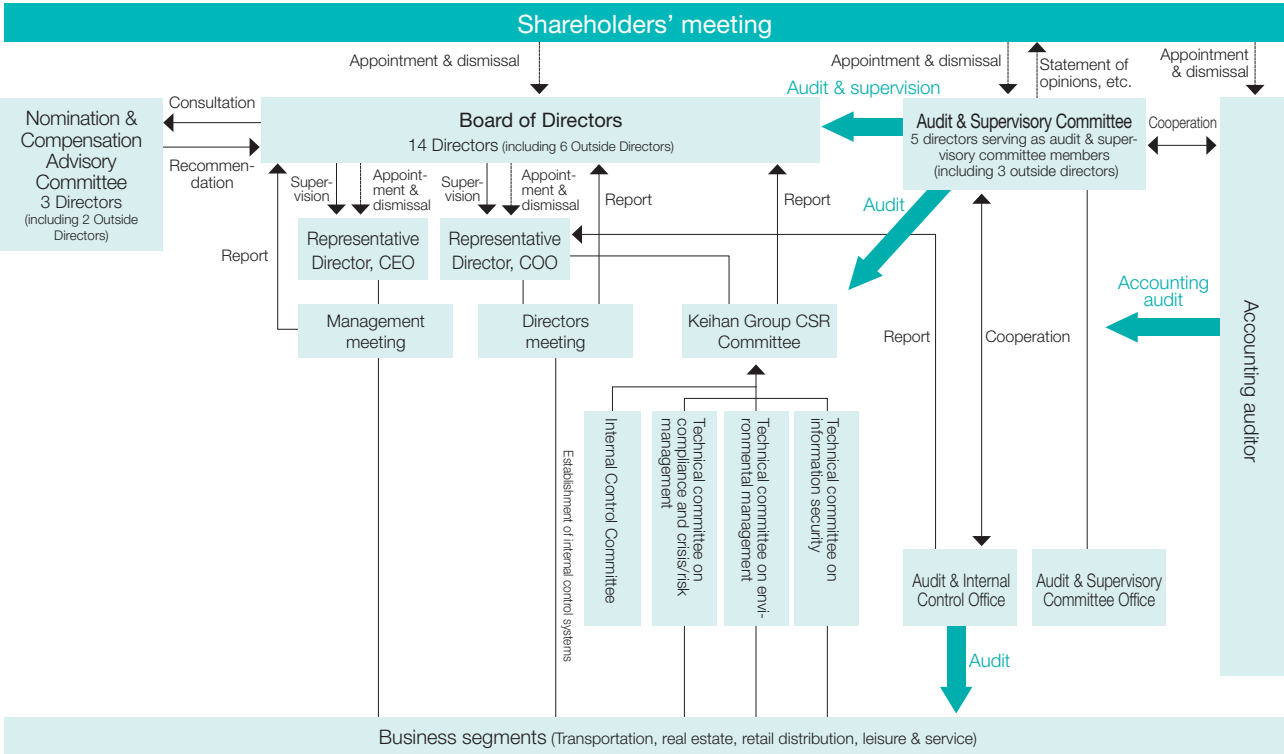
The Keihan Group is working to promote efficient and appropriate corporate management so that it can, through basing its transportation and other businesses on its Management Principles, take good care of customers, local communities and shareholders, and fulfill its corporate responsibility in compliance with laws, regulations and social norm, while protecting the environment and resources. Through this, we aim to remain a trustworthy corporate group for the many stakeholders supporting us.



Corporate governance

To enhance corporate governance, we established the Audit & Supervisory Committee. Electing six out of fourteen Directors from outside of the company helps us to improve the supervising function of the Board of Directors. At the same time, we entrust the decision-making of a significant part of the execution of important business to our Directors to ensure speedy managerial decision-making.

Corporate governance diagram



Appointment of corporate officers

Cases on the nomination and appointment of candidates for Directors who are not Audit & Supervisory Committee Members and of Executive Officers are discussed within the Nomination & Compensation Advisory Committee (of which more than half of the members are Outside Directors), and then recommendations are submitted to the Board of Directors, which discusses the cases and makes decisions. The Board of Directors discusses nomination of candidates for Directors who are Audit & Supervisory Committee Members and makes the final decision after obtaining the agreement of the Audit & Supervisory Committee.

Compensation of corporate officers

Pursuant to the provisions of the internal regulations, the compensation of Directors who are not Audit & Supervisory Committee Members (not including Outside Directors) consists of a basic fee, a performance fee (consisting of a corporate performance fee determined by a combination of consolidated earnings per share and dividend, and a personal performance fee determined by the status of ordinary income of the businesses they are in charge of and their subsidiaries and by their achievement of personal goals), and compensation-type stock options. Part of the compensation is contributed to the Executive Share Ownership Plan which will be used to obtain shares of the company. Outside Directors who are not Audit & Supervisory Committee Members receive a fixed com-

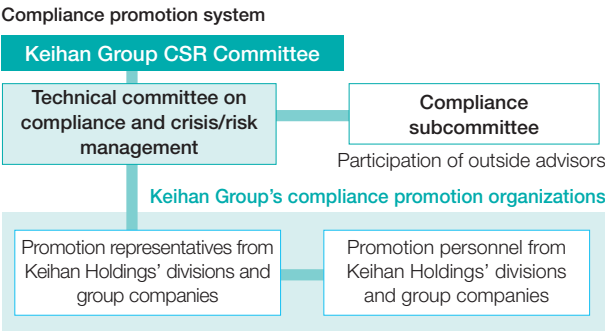
pensation as set out in the provisions of the internal regulations. The Board of Directors establishes the policies for determining the compensation contents and determines specific amounts for each Director based on the recommendations of the Nomination & Compensation Advisory Committee, of which more than half of the members are Outside Directors. Directors who are Audit & Supervisory Committee Members receive a fixed compensation as set out in the provisions of the internal regulations determined by the Audit & Supervisory Committee. The amount is determined based on the discussion by Directors who are Audit & Supervisory Committee Members.

Ensuring thorough compliance

Compliance and risk management system

We have established a technical committee on compliance and crisis/risk management within the Keihan Group CSR Committee and we select compliance promotion representatives/personnel from each division of Keihan Holdings Co., Ltd. and each group company as the group's compliance promotion organizations. Sharing compliance risk information between the technical committee and compliance promotion organizations prevents the occurrence and recurrence of legal violations. The compliance subcommittee established under the technical committee discusses with outside advisors how to assess and respond to compliance risks. Internal audits of Keihan Holdings Co., Ltd. and group companies conducted by the Audit & Internal Control Office include compliance inspections. We offer stratified training, training for compliance promotion representatives/personnel, and other training for employees designed for each group company depending on its business char-

acteristics. Through these activities, we provide education on the Management Principles, Keihan Group's social responsibility, compliance, harassment and relevant laws and regulations to enhance trainee awareness. We have also published a compliance manual to improve employees' knowledge on compliance.



Governance | G |

Compliance hotline

We have established a compliance hotline system for corporate officers and employees working in the Keihan Group. The Audit & Internal Control Office or predetermined outside contact point receives reports on illegal or incorrect conduct related to the Keihan Group's business activities. Then a factual investigation will be conducted, and the appropriate measures will be taken. Personal and other information on informants is handled appropriately with consideration for information privacy. Regulations ensure that informants never suffer disadvantageous treatment as a result of reporting wrongdoing.



Compliance hotline card

Promotion of fair business practices (Anti-corruption policy)

To eliminate unfair business practices, including violation of the Antimonopoly Act, breaches of trust and bribery, and to strengthen the internal control system over the entire Keihan Group, we have developed regulations on the promotion of fair business practices, covering all the group companies. We have also published an Antimonopoly Act compliance manual. We use the regulations and the manual to provide training and promote awareness of the Antimonopoly Act for employees of Keihan Holdings Co., Ltd. and group companies.

Prevention of insider trading

We have developed regulations on the banning of insider trading and on information management related to material facts. They prescribe basic items to follow in the management of information related to material facts of Keihan Holdings, etc., and regarding the purchase and sale of shares owned by corporate officers and employees or other transactions.

Communication with stakeholders

We believe that it is important to communicate actively with our diverse stakeholders, including customers, local communities, shareholders, investors and business partners, to deepen their understanding of the Keihan Group and reflect various opinions back to management.

Communication with shareholders and investors

Based on our disclosure policy, we have been actively disclosing management-related information and encouraging communication through IR activities to deepen the understanding of Keihan Holdings Co., Ltd. and the Keihan Group by shareholders and investors and to ensure accurate evaluations.

During FY2021, we hosted two online briefings on our financial results for institutional investors and analysts. We also held individual meetings where necessary.

Dialogue with students

In November 2020, we gave a lecture at Doshisha University's Faculty of Commerce on the theme of the Keihan Group's sustainability management. A representative from our company provided a briefing on the Keihan Group's ideas on CSR and our various activities aimed at creating new value, including BIOSTYLE. This was followed by group work and opinion exchange sessions. After the lecture, we asked the 19 participating students to submit a report. We received valuable opinions and suggestions from the students, including the following: "It is necessary to continue to announce full details on individual initiatives to ensure that the BIOSTYLE PROJECT becomes widely known."

Development of the risk management system

Crisis Management Regulations

We have established Crisis Management Regulations, which are guidelines for crisis management in the Keihan Group and related matters. They determine how we collect, manage, report and disclose crisis information as well as how we respond to an emergency.

In response to this, each division of Keihan Holdings Co., Ltd. has determined its own detailed rules on the Crisis Management Regulations and developed specific systems to deal with crises. We require all group companies to comply with the Crisis Management Regulations.

To improve crisis management skills, a crisis/risk subcommittee has been established under the technical committee on compliance and crisis/risk management. This subcommittee develops countermeasures against risks that may have a significant effect on the Keihan Group.

Formulation of the Business Continuity Plan (BCP)

Keihan Holdings Co., Ltd. and Keihan Group companies are formulating a Business Continuity Plan (BCP) on the assumption of a large-scale disaster, such as the Nankai megathrust earthquake and the Uemachi Fault earthquake, as well as outbreaks of infectious diseases, such as COVID-19.

To minimize damage to business assets and support continuity with an early recovery of core businesses in the event of a large-scale disaster, the plan selects priority functions and important tasks and identifies managerial assets that may impede business continuity or early recovery. Based on strategies for substitution, recovery, scale-down and limitation, the plan lays out responses to an emergency.

To respond to the outbreak of infectious diseases, we have analyzed the impact on our business activities at each stage of infection and spread, and formulated business continuity strategies for facilities operated by group companies. We have also made preparations to maintain business continuity even when employees are not able to travel to their workplaces.

Ensuring information security

To maintain and improve information security, the Keihan Group has established the technical committee on information security under the Keihan Group CSR Committee and worked on risk reduction. Each group company has established private information protection regulations to ensure proper handing and management of personal information.

As part of our measures to protect and ensure appropriate and safe management of confidential and personal information owned by the company and to respond to information security incidents^{*1}, which are becoming more sophisticated and complex in recent years, the Keihan Group SIRT^{*2} was established in 2017 as the group's overall emergency response organization. The organization has been in action to enhance the functions and systems re-

quired in handling the process from the occurrence to settlement of an incident, and to minimize damage in an emergency through incident response drills and other activities.

We are committed to the dissemination and improvement of knowledge on security. We host information security study meetings on a regular basis for IT representatives of each group company to provide education on the circumstances surrounding the recent Internet environment and legal systems related to personal information protection. We have also distributed the Information Security Handbook to employees who use PCs in their work.

^{*1} Incidents that threaten the environment for safe computer usage, such as attacks on websites via the Internet or emails, and computer viruses.

^{*2} SIRT stands for Security Incident Response Team.

Governance | G |

Corporate officers * “The Company” refers to Keihan Holdings Co., Ltd. or its predecessor, Keihan Electric Railway Co., Ltd.



Yoshifumi Kato
Representative Director & Chairman,
CEO, Chairman of the Board

April 1975 Joined the Company
June 2005 Director, the Company
June 2007 Director & Managing Executive Officer, the Company
June 2011 Representative Director & President, CEO & COO, the Company
June 2019 Representative Director & Chairman, CEO, Chairman of the Board, the Company (current position)



Masahiro Ishimaru
Representative Director & President,
COO

April 1985 Joined the Company
June 2013 Executive Officer, the Company
June 2017 Director & Managing Executive Officer, the Company
June 2019 Representative Director & President, COO, the Company (current position)
Responsibilities
General Manager, Corporate Planning Office; General Manager, Development Office around Hirakataishi Station; General Manager, Audit & Internal Control Office; In charge of Business Promotion Group [Redevelop Keihan areas], Corporate Planning Office



Hisashi Umezaki
Director, Audit & Supervisory
Committee Member

April 1966 Joined Ministry of Transport
July 1999 Vice-Minister of Transport
Jan. 2001 Advisor, Ministry of Land, Infrastructure, Transport and Tourism
Aug. 2002 Vice President, Teito Rapid Transit Authority
April 2004 Representative Director & President, Tokyo Metro Co., Ltd.
June 2011 Senior Corporate Advisor, Tokyo Metro Co., Ltd.
June 2013 Senior Executive Advisor, Tokyo Metro Co., Ltd.
June 2014 Audit & Supervisory Board Member, the Company
June 2017 Director, Audit & Supervisory Committee Member, the Company (current position)
June 2017 Advisor, Tokyo Metro Co., Ltd. (current position)



Nobuyuki Tahara
Director, Audit & Supervisory
Committee Member

Sept. 1980 Certified Public Accountant (current position)
Dec. 1997 Representative Partner, Century Audit Corporation (now Ernst & Young ShinNihon LLC)
June 2014 Retired Representative Partner, ShinNihon LLC (now Ernst & Young ShinNihon LLC)
June 2016 Audit & Supervisory Board Member, the Company
June 2017 Director, Audit & Supervisory Committee Member, the Company (current position)



Tatsuya Miura
Director & Executive Vice President

April 1980 Joined the Company
June 2009 Executive Officer, the Company
June 2013 Director & Managing Executive Officer, the Company
June 2017 Director & Senior Executive Officer, the Company
June 2021 Director & Executive Vice President, the Company (current position)
Responsibilities
General Manager, Group Management Office; Assistant General Manager (in charge of Management Strategy Group [CSR and BIOSTYLE]), Corporate Planning Office; In charge of Accounting and Finance Division, Group Management Office



Toshihiko Inachi
Director & Senior Executive Officer

April 1982 Joined the Company
June 2013 Executive Officer, the Company
June 2017 Director & Managing Executive Officer, the Company
June 2019 Director & Senior Executive Officer, the Company (current position)
Responsibilities
Assistant General Manager (in charge of Business Promotion Group [Co-create Tourism Opportunity]), Corporate Planning Office; In charge of Kyoto Area [General Manager of Leisure & Service Business]



Koichi Kusao
Director, Audit & Supervisory
Committee Member

April 1990 Attorney at law (current position)
June 2016 Audit & Supervisory Board Member, the Company
June 2017 Director, Audit & Supervisory Committee Member, the Company (current position)



Kanako Hamasaki
Director, Audit & Supervisory
Committee Member

July 2011 Representative Director, General Incorporated Foundation Yuuhisai Koudoukan (now Yuuhisai Koudoukan Foundation); Director, the Center of Yuuhisai Koudoukan (current position)
April 2013 Associate Professor, School of Letters, Senshu University
March 2014 Committee member, Kyoto City Council on Tourism and Promotion
May 2020 Committee member, Kyoto City Council on Tourism and Promotion
April 2021 Associate Professor, Faculty of Letters, Kyoto Prefectural University (current position)
June 2021 Director, Audit & Supervisory Committee Member, the Company (current position)



Masaya Ueno
Director & Senior Executive Officer

April 1982 Joined the Company
June 2013 Executive Officer, the Company
June 2017 Director & Managing Executive Officer, the Company
June 2021 Director & Senior Executive Officer, the Company (current position)
Responsibilities
General Manager, Promotion Office of Development Project along Railway Line Area; Assistant General Manager, Corporate Planning Office; Assistant General Manager (in charge of Personnel Division), Group Management Office; Assistant General Manager, Development Office around Hirakataishi Station [General Manager of Retail Distribution Business]



Yoshihiro Hirakawa
Director & Managing Executive Officer

April 1986 Joined the Company
June 2015 Executive Officer, the Company
June 2021 Director & Managing Executive Officer, the Company (current position)
Responsibilities
Assistant General Manager, Corporate Planning Office [General Manager of Transportation Business]



Yoshihisa Domoto
Director & Managing Executive Officer

April 1988 Joined the Company
June 2017 Executive Officer, the Company
June 2021 Director & Managing Executive Officer, the Company (current position)
Responsibilities
Assistant General Manager, Corporate Planning Office; Assistant General Manager, Promotion Office of Development Project along Railway Line Area [Kyobashi Project] [General Manager of Real Estate Business]



Kazutoshi Murao
Director

April 1976 Joined Nippon Telegraph and Telephone Public Corporation
June 2009 Senior Executive Vice President & Representative Director, Nippon Telegraph and Telephone West Corporation (NTT West)
June 2012 President & Representative Director, NTT West
June 2018 Counselor to the President at NTT West (current position)
June 2019 Director, the Company (current position)



Shinya Hashizume
Director

April 2006 Professor, Graduate School of Literature and Human Sciences, Osaka City University (OCU); Professor, Urban Research Plaza at OCU
April 2008 Distinguished Professor, The Industry-Academia-Government Collaboration Organization at Osaka Prefecture University (OPU); Director, Research Institute for Tourism Industry at OPU
April 2017 Distinguished Professor, Organization for Research Promotion at OPU; Director, Research Institute for Tourism Industry, Research Center for the 21st Century at OPU; Professor, Graduate School of Economics, OPU (current position)
June 2019 Director, the Company (current position)



Tetsuo Nagahama
Director, Full-time Audit &
Supervisory Committee Member

April 1982 Joined the Company
June 2015 Full-time Audit & Supervisory Board Member, the Company
June 2017 Director, Full-time Audit & Supervisory Committee Member, the Company (current position)

Yasushi Matsushita
Executive Officer

April 1987 Joined the Company
June 2017 Executive Officer, the Company (current position)

Responsibilities
[Assistant General Manager of Retail Distribution Business]

Norio Otsuka
Executive Officer

April 1987 Joined the Company
June 2019 Executive Officer, the Company (current position)

Responsibilities
[Assistant General Manager of Transportation Business]

Yukio Yamada
Executive Officer

April 1990 Joined the Company
June 2021 Executive Officer, the Company (current position)

Responsibilities
Second in charge of Business Promotion Group [Co-create Tourism Opportunity], Corporate Planning Office
[Assistant General Manager of Leisure & Service Business]

Yoichi Yoshimura
Executive Officer

April 1988 Joined the Company
June 2017 Executive Officer, the Company (current position)

Responsibilities
In charge of Management Strategy Group [New Business], Corporate Planning Office; In charge of General Administration Division and IT Promotion Division, Group Management Office

Tsukasa Eto
Executive Officer

April 1989 Joined the Company
June 2019 Executive Officer, the Company (current position)

Responsibilities
In charge of Management Strategy Group [Overall Group Strategy, PR & Advertisement], Corporate Planning Office; General Manager in charge of Management Strategy Group [Overall Group Strategy], Corporate Planning Office; General Manager of Personnel Division, Group Management Office

Tetsuo Yamauchi
Executive Officer

April 1984 Joined Hasegawa Komuten Co., Ltd. (now HASEKO Corporation)
April 2001 Joined Keihan Real Estate Co., Ltd.
June 2021 Executive Officer, the Company (current position)

Responsibilities
[Assistant General Manager of Real Estate Business]

Financial highlights (Consolidated)

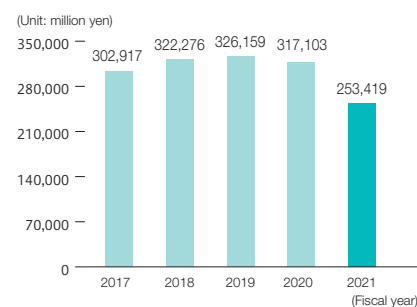
(Unit: million yen)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Operating revenue	265,629	279,156	289,203	294,906	300,188	302,917	322,276	326,159	317,103	253,419
Operating income	18,160	23,289	25,085	29,437	31,524	32,343	31,458	33,715	31,123	-1,265
Ordinary income	13,580	18,933	21,457	27,435	28,461	30,335	29,630	32,108	29,886	238
Profit attributable to owners of parent	7,005	11,077	14,420	17,864	22,385	22,636	22,712	21,480	20,121	-4,574
Total assets	642,502	653,462	671,182	664,236	670,333	679,631	698,786※2	731,750	732,824	764,247
Net assets	145,788	158,121	169,864	190,513	191,790	203,455	223,559	238,695	254,058	248,595
Interest-bearing debt	335,864	327,880	321,044	311,010	325,714	314,539	316,399	334,346	327,132	351,600
Capital expenditure	32,487	19,977	31,179	15,878	31,398	39,173	39,745	43,631	29,324	33,261
Depreciation	18,109	17,071	16,603	17,107	17,571	18,074	19,113	19,819	20,784	21,232
Cash flows from operating activities	14,818	43,901	29,573	21,459	36,334	38,569	44,438	36,473	32,033	15,282
Cash flows from investing activities	-40,872	-28,489	-15,132	-4,473	-27,750	-29,597	-32,603	-48,059	-26,363	-24,940
Free cash flow	-26,053	15,412	14,441	16,985	8,584	8,971	11,835	-11,586	5,670	-9,658
Cash flows from financing activities	18,420	-11,941	-11,412	-16,275	-5,768	-20,020	-9,858	12,655	-12,138	21,301
Net increase (decrease) in cash and cash equivalents	-7,633	3,470	3,028	710	2,816	-11,048	1,976	1,069	-6,468	11,643
Cash and cash equivalents at end of period	19,127	22,802	25,831	26,552	29,372	18,324	20,300	21,377	14,911	26,554
Earnings per share (EPS) (yen) ^{*1}	12.46	19.70	25.65	31.78	39.95	211.01	211.87	200.40	187.72	-42.68
Diluted earnings per share (yen) ^{*1}	—	—	—	—	—	211.00	211.85	200.36	187.68	—
Net assets per share (yen) ^{*1}	254.57	276.40	297.08	334.67	349.13	1,870.99	2,055.87	2,193.68	2,329.94	2,279.47
Dividend per share (yen) ^{*1}	5.00	5.00	6.00	6.00	6.00	30.00	35.00	35.00	35.00	25.00
Return on equity (ROE) (%)	5.1	7.4	8.9	10.1	11.9	11.6	10.8	9.4	8.3	-1.9
Return on assets (ROA) (%)	2.9	3.6	3.8	4.4	4.7	4.8	4.6※2	4.7	4.3	-0.2
Equity capital ratio (%)	22.3	23.8	24.9	28.3	28.2	29.5	31.5※2	32.1	34.1	32.0
Interest-bearing debt/EBITDA multiple (times)	9.3	8.1	7.7	6.7	6.6	6.2	6.3	6.3	6.3	17.6
Net interest-bearing debt/EBITDA multiple (times)	8.7	7.6	7.1	6.1	6.1	5.9	5.9	5.9	6.0	16.3

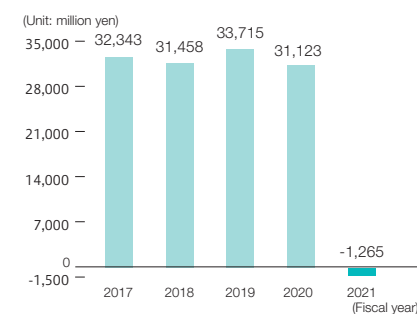
^{*1} Keihan Holdings Co., Ltd. has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2017. Earnings per share, diluted earnings per share, net assets per share and dividend per share have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

^{*2} Keihan Holdings Co., Ltd. has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018), etc. retrospectively for total assets, ROA and equity capital ratio.

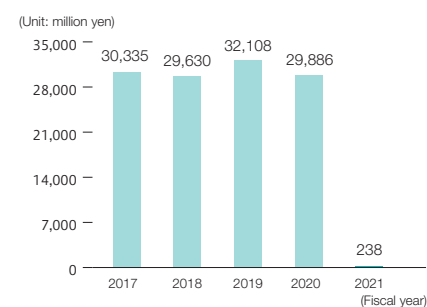
Operating revenue



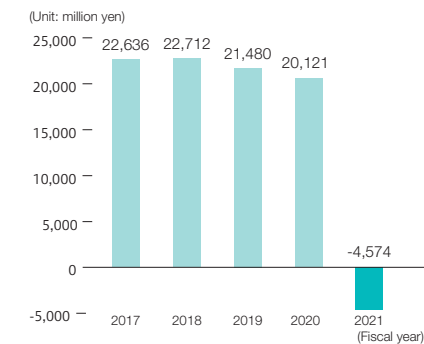
Operating income



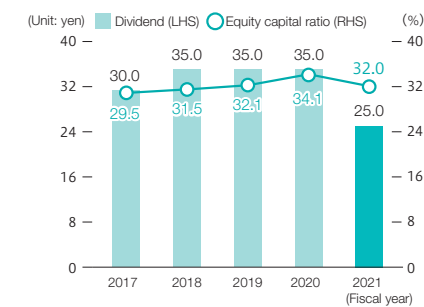
Ordinary income



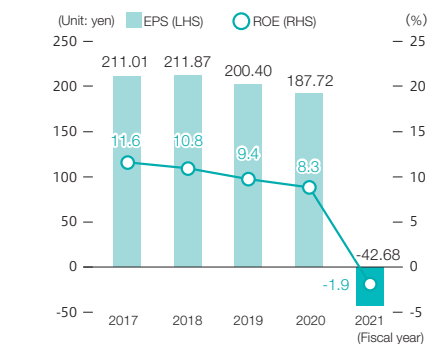
Profit attributable to owners of parent



Annual dividend and equity capital ratio



ROE/EPS



FY2021 Consolidated Statement of Income (Summary)

(Unit: million yen)

Item	Amount
Operating revenue	253,419
Operating expenses	254,684
Operating income	-1,265
Non-operating income	5,032
Non-operating expenses	3,528
Ordinary income	238
Extraordinary income	5,331
Extraordinary losses	4,592
Profit before income taxes	977
Income taxes - current	8,137
Income taxes - deferred	-2,521
Profit	-4,637
Profit attributable to non-controlling interests	-63
Profit attributable to owners of parent	-4,574

FY2021 Consolidated Business Segment Information

(Unit: million yen)

	Transportation	Real estate	Retail distribution	Leisure & service	Other businesses	Total	Adjustment	Amount recorded in consolidated financial statement
Operating revenue								
Operating revenue from external customers	63,910	95,284	82,703	9,118	2,398	253,415	3	253,419
Intersegment operating revenue or transfers	1,783	14,986	406	605	663	18,445	-18,445	—
Total	65,694	110,270	83,109	9,724	3,061	271,861	-18,441	253,419
Segment income (loss)	-9,658	18,590	1,192	-10,823	-1,401	-2,100	835	-1,265
Segment assets	247,196	431,133	29,210	34,004	8,498	750,043	14,204	764,247
Other items								
Depreciation	11,717	6,170	1,282	1,563	237	20,971	261	21,232
Increase in property, plant and equipment and intangible assets	14,641	16,521	491	1,248	108	33,011	249	33,261

FY2021 Consolidated Balance Sheets (Summary)

(Unit: million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	197,185	Current liabilities	165,893
Cash and deposits	26,561	Notes and accounts payable-trade	9,639
Notes and accounts receivable-trade	23,859	Short-term loans payable	72,662
Land and buildings for sale	133,883	Advances received	12,997
Others	12,881	Others	70,594
Non-current assets	567,062	Long-term liabilities	349,758
Property, plant and equipment	487,152	Bonds payable	100,000
Buildings and structures	218,630	Long-term loans payable	163,937
Machinery, equipment and vehicles	19,987	Retirement benefit liabilities	18,036
Land	226,675	Others	67,784
Construction in progress	12,851	Total liabilities	515,652
Others	9,007		
Intangible assets	8,065	(Net assets)	
Investments and other assets	71,843	Shareholders' equity	204,263
Investment securities	44,762	Capital stock	51,466
Deferred tax assets	12,087	Capital surplus	28,792
Retirement benefit asset	1,567	Retained earnings	145,660
Others	13,426	Treasury shares	-21,656
		Accumulated other comprehensive income	40,055
		Valuation difference on available-for-sale securities	5,965
		Revaluation reserve for land	35,191
		Foreign currency translation adjustment	-4
		Remeasurements of defined benefit plans	-1,096
		Subscription rights to shares	144
		Non-controlling interests	4,132
		Total net assets	248,595
Total assets	764,247	Total liabilities and net assets	764,247

FY2021 Consolidated Statement of Cash Flows (Summary)

(Unit: million yen)

Item	Amount
Cash flows from operating activities	15,282
Cash flows from investing activities	-24,940
Cash flows from financing activities	21,301
Net increase (decrease) in cash and cash equivalents	11,643
Cash and cash equivalents at beginning of period	14,911
Cash and cash equivalents at end of period	26,554

Corporate overview of Keihan Holdings (as of March 31, 2021)

Corporate data

Name	Keihan Holdings Co., Ltd.
Incorporation	November 25, 1949
Establishment	November 19, 1906
Capital	51,466,416,776 yen
Number of employees	139 (including those seconded from other companies, and not including those seconded to other companies)
Head office	1-7-31 Otemae, Chuo-ku, Osaka, Japan
Main business segments	Management of the group, etc.

Status of shares

Total number of authorized shares	319,177,200
Aggregate number of issued shares	113,182,703
Number of shareholders	40,265

List of Keihan Group companies (as of October 31, 2021)

Transportation

Keihan Electric Railway Co., Ltd.
Keihan Station Management Co., Ltd.
Keihan Leisure Service Co., Ltd.
Eizan Electric Railway Co., Ltd.
Keifuku Electric Railroad Co., Ltd.
Keihan Engineering Service Co., Ltd.
Nakanoshima Rapid Railway Co., Ltd.
Keihan Agency Inc.
Keihan Bus Co., Ltd.
Kyoto Keihan Bus Co., Ltd.
Keihan Kyoto Kotsu Co., Ltd.
KB Enterprise Co., Ltd.
Kojak Bus Co., Ltd.
Kyoto Bus Co., Ltd.
KT Auto Industry Co., Ltd.

Real estate

Keihan Kind Co., Ltd.
Keihan Real Estate Co., Ltd.
Keihan Asset Management Co., Ltd.
Keihan Tatemono Co., Ltd.
Zero Corporation Co., Ltd.
Keihan Building Techno Service Co., Ltd.
Keihan Sangyo Co., Ltd.
Kanko Co., Ltd.
Keihan Gardening Co., Ltd.
Keihan City Zoen Osaka Co., Ltd.

Retail distribution

Keihan Ryutsu Systems Co., Ltd.
Keihan Department Stores Co., Ltd.
Keihan Tomonokai Co., Ltd.
Keihan The Store Co., Ltd.
Keihan Restaurant Co., Ltd.
Bio Market Co., Ltd.
Cafe Co.

Leisure & service

Hotel Keihan Co., Ltd.
Hotel Keihan Management Co., Ltd.
Keihan Hotels & Resorts Co., Ltd.
Keihan Stays Co., Ltd.
Biwako Kisen Steamship Co., Ltd.
Biwako Kisen Service Co., Ltd.
Biwako Food Service Co., Ltd.
Osaka Aqua Bus Ltd.
Hieizan Railway Co., Ltd.
Kuzuha Public Golf Course Co., Ltd.
Hieizan Driveway Co., Ltd.
Garden Museum Hiei Co., Ltd.

Other businesses

Keihan Business Management Co., Ltd.
Keihan Card Co., Ltd.
Keihan Smile Heart Co., Ltd.
Biostyle Co., Ltd.
Hachikenya Co., Ltd.