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KEIHAN GROUP CORPORATE REPORT 2022



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English

Keihan Holdings Co., Ltd.





Be the beautiful Keihan areas

and the global Keihan group

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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 give readers a deeper understanding of the Keihan Group as we strive to achieve sustainable growth with society. It introduces the group's history, current businesses and initiatives to further improve its corporate value.

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

Coverage	Companies in the Keihan Group
Period	FY2022 (April 1, 2021 to March 31, 2022) * Contains some information not included in the above period.
Month of issue	November 2022 * The previous issue was released in November 2021, and the next issue is scheduled to be released in autumn 2023 (issued annually).
Guidelines referenced	Environmental Reporting Guidelines 2018 (Ministry of the Environment), GRI Sustainability Reporting Standards (GRI)



Keihan Holdings' website "Cocoromachi Tsukuro"

The website is titled "Cocoromachi 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. Through such information, we intend to express the value that the Keihan Group pledges to its customers, including "safety and security," "warmth" and "thoughtfulness."

History of the Keihan Group

Realizing our founding aspiration: “To contribute to regional development by increasing transportation capacity”

After the company was established in 1906 by Eiichi Shibusawa, the leader of the establishing committee, we began operating a railway line between Temmabashi Station in Osaka and Gojo Station in Kyoto in April 1910 to increase transportation capacity between the two cities and contribute to regional development. We worked to bring greater convenience and safety by introducing express trains and the automatic three-position color-light signal system. We also organized the first Chrysanthemum Figure Exhibition as part of our efforts to attract more passengers. Moreover, with a view to developing the areas along our railway lines, we attracted schools and the Naritasan-Fudosen Temple, and started a bus transportation business and other projects. We were proactive in diversifying our businesses and expanding commercial areas.



Eiichi Shibusawa (Photo: Shibusawa Memorial Museum)

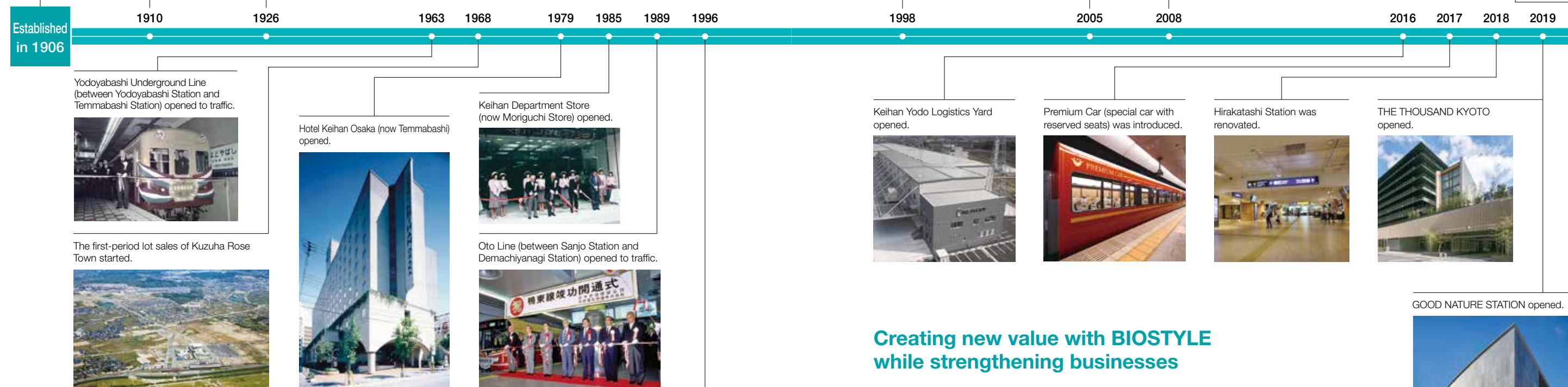


Keihan Electric Railway opened to traffic (between Temmabashi Station in Osaka and Gojo Station in Kyoto). The first Chrysanthemum Figure Exhibition was held in Kori Amusement Park.



Entered the bus transportation business.

Keihan Electric Railway Co., Ltd. was established.



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 Station in April 1963, we successfully improved access to the center of the commercial city, Osaka. Subsequently, we began selling lots in residential areas such as Kuzuha Rose Town and Biwako Rose Town, and at the same time, developed commercial complexes such as the Keihan Shopping Mall (now Keihan Mall) and Kuzuha Mall Street. We also started a building rental business, began operating business hotels and department stores, and improved leisure facilities including cruise ships. We supported Japan's economic growth by diversifying our businesses.



Developing businesses to establish “Keihan as First Choice”

In response to drastic changes in the business climate, including the economic slump when Japan's bubble economy burst, we restructured our businesses by, for example, changing the real estate business model with the Keihan Group “Re-Born 21” Plan. We also formulated the management vision “Our Challenge to Keihan as First Choice.” In October 2008, we launched the Nakanoshima Line, which contributed to revitalizing the economy in Kansai. We have also expanded our businesses to areas away from our railway lines, including operating hotels in the Tokyo metropolitan area.



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.

FY2024
Nakanoshima 4-chome International Hub for Healthcare Innovation Project: Construction of new building to be completed.

FY2025
Type-1 urban redevelopment project in Hirakata Station area: Construction of buildings on Section 3 to be completed.

FY2026
Joint reconstruction of Keihan Midotsuji Building and Nittochi Yodoyabashi Building: Construction of new building to be completed.

Creating new value with BIOSTYLE while strengthening businesses

Under the previous medium-term management plan “Bravely Pursuing Creation” (FY2016–FY2018), 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 2014 we introduced BIOSTYLE, a lifestyle that contributes to achieving the SDGs, and in December 2019 opened GOOD NATURE STATION 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.



KEIHAN BIOSTYLE PROJECT
京阪グループのSDGsにバイオスタイルプロジェクト

Spirit of the founder of the Keihan Group

“Harmony between morality and economy,” a doctrine passed down across generations

The doctrine that served as Shibusawa’s cornerstone throughout his life

Keihan Electric Railway Co., Ltd., the predecessor of Keihan Holdings Co., Ltd., was established in November 1906 by Eiichi Shibusawa, the leader of the establishing 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 advocated the 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. Throughout his life, he made it the cornerstone of his management philosophy. In other words, he believed that any business should fulfill both “morality,” which is responsible for the prosperity of the nation and the whole of humanity, and “economy,” which is the pursuit of corporate profit.



Eiichi Shibusawa

“Enterprising spirit,” a willingness to tackle difficulties

Keihan Electric Railway was the first railroad in Kansai that Shibusawa was involved in constructing. It was extremely difficult to gain approval for the railroad business, but he never gave up. After three attempts, he succeeded in having the application accepted and established Keihan Electric Railway as the leader of the establishing committee.

This “enterprising spirit,” which represents a keen foresight and a willingness to tackle difficulties, has been passed down in the Keihan Group along with the doctrine

of “harmony between morality and economy.”

In the course of its history, the Keihan Group has made progress with local communities while seeking value for society, and this spirit is embodied in our Management Principles. 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.

The founder’s spirit has been passed down in the Management Principles 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.

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.

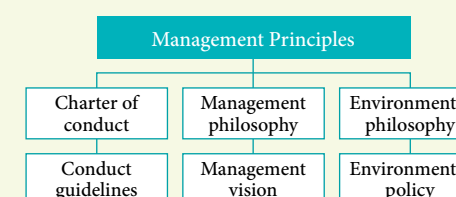
Management philosophy

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.

Management Principles System



Symbolize the
Management
Principles

Brand concept

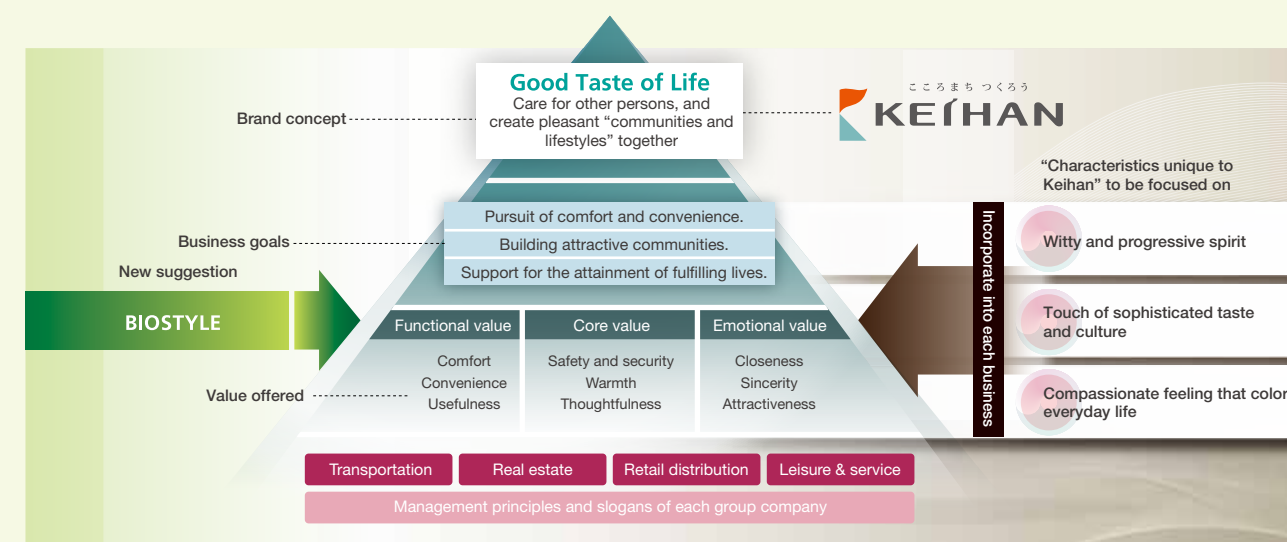


Pledge of the
Keihan Group to
customers and other
people outside the
group

Customers
and other
people outside
the group

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.

To enhance the value of the “Keihan Brand”



TOP MESSAGE



Masahiro Ishimaru

石丸昌宏

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

The Keihan Group will return to a growth trajectory and solve social issues through its group management to stay in demand for the next 100 years.

Since 2020, the COVID-19 pandemic has completely changed our society, and the Keihan Group has experienced an exceedingly difficult business environment. For about three years, states of emergency were declared and pre-emergency measures were taken in succession, in accordance with infection surges. As a result, many facilities were forced to suspend or shorten their business hours, which had a tremendous impact on people's movement and urban vitality.

Prior to the pandemic, in 2018, the Keihan Group released its long-term strategic concept and formulated its long-term management strategy to achieve the group's management vision for 2050, "Be the beautiful Keihan areas and the global Keihan group." We have since promoted the main strategies: "redevelop Keihan areas," "co-create tourism opportunity," and "create relatable contents." During the pandemic, in November 2020, we immediately set out our Future Business Direction and have addressed structural reform as a group-wide effort.

Recently, we have seen some positive signs, including trends that will act as a tailwind for the Keihan Group, such as a sharp increase in the demand for travel

and an expansion in the demand for inbound tourism in the near future. In addition, with an eye on the external environment, including Expo 2025 Osaka, Kansai, we are moving forward with various projects, including the development of the Nakanoshima 4-chome International Hub for Healthcare Innovation, the redevelopment of the Hirakatashi Station area, and the reconstruction of the Keihan Midotsuji Building in Yodoyabashi. All of these projects will raise the value of the areas along our railway lines and serve as a driving force for the group in the future, and I believe that, as we proceed with these projects, the business environment will become favorable.

Taking on challenges ahead of the times, even a step or half a step ahead, and taking an ever more advanced approach form the very essence of the "enterprising spirit" that is part of the identity of the Keihan Group. In this report, we will explain the strategies of each of our business segments, which have built up their strengths to take the offensive in response to the changing business environment, and will also report on the enduring characteristics of the Keihan Group and the various ongoing initiatives that are unique to Keihan.

Promoting "Structural Reform" to go to the offensive

Instead of sitting on its hands in the difficult situation, the Keihan Group formulated its Future Business Direction in November 2020 and has been strengthening its businesses by implementing various measures to rebuild its management base with a focus on "Safety & Security," "Structural Reform," and "BIOSTYLE."

Regarding structural reform, as passenger demand has dropped significantly since the COVID-19 pandemic, we have introduced measures that are based on the assumption that demand will not recover to pre-

pandemic levels. For example, in the railway business, we updated train schedules in September 2021 and fundamentally reviewed the business management system to ensure stable profits in the post-pandemic era. In our other businesses, we took on the challenge of developing a management structure that can withstand the severe market environment and providing products and services that meet the needs of the new era. As a result, profit attributable to owners of parent in the FY2022 consolidated results returned to the black at



Turning the tough environment
and changes into opportunities,
the entire group has taken the
challenge of reform.

9,589 million yen.

In addition to a series of structural reform projects, our balanced business portfolio, shaped by the group management that we have been developing, has been effective. Among other factors, the strong performance of the real estate business supported the results. The increased passenger demand resulting from the

reduced impact of the pandemic, albeit not sufficient, also contributed to the results.

Based on the assumption that society will never return to the state before the pandemic, with the resulting drastic changes to the business environment, the Keihan Group will step up its efforts for structural reform to steadily return to a growth trajectory.

Pursuing further “Safety & Security” with swift action

Since the principle of safety and security forms the foundation of the Keihan Group’s management, we must not be satisfied with the present situation but must improve it. As shown during the COVID-19 crisis, pandemic control is also an important issue to be addressed. In addition, we need to be more prepared than ever before for natural disasters caused by climate change. Not only must we improve our facilities; we must not fail to train our employees to be prepared for disasters. Thus, we conduct group-wide training from time to time. We had to partially suspend operations of the Eizan Railway Kurama Line due to a landslide caused by torrential rains in July 2020, but thanks to the support from the national and local governments, the service was fully resumed in September 2021.

To prepare for a future decrease in the labor force,

we are piloting the use of digital technology to inspect facilities and equipment. Meanwhile, in January 2022, we began operating platform screen doors at Keihan Railway Kyobashi Station to ensure the safety of passengers boarding and exiting trains. In September of the same year, we held the groundbreaking ceremony for the consecutive grade separation project on the Keihan Main Line (Neyagawa City and Hirakata City). Through the removal of 21 railroad crossings, the project will eliminate traffic congestion and railroad crossing accidents, integrate urban areas by removing regional divides, and contribute to regional development. We will continue to step up our efforts to take swift action and develop and pass on the principle of safety and security, which is the foundation of the Keihan Group, to the next generation.

Promoting projects that society can identify
with as “BIOSTYLE”

Special feature p. 13

BIOSTYLE is a concept that will serve as the origin for the creation of new services and businesses for the Keihan Group in the future. It proposes a lifestyle that is healthy, beautiful, and brings a high quality of life, and that contributes to a recycling-oriented society. The Keihan Group hopes to contribute to the creation of a bright, recycling-oriented society, where people can happily introduce into daily life things that are good for themselves and the earth without burden.

From the very beginning, the Keihan Group has been running its businesses in cooperation with local communities, valuing their environment, culture, and residents. We proposed BIOSTYLE in 2014 and selected “create relatable contents” as one of the main strategies of our long-term management strategy with a focus on BIOSTYLE. Thus we are committed to creating products, services and businesses that customers can identify with

and that contribute to solving social issues. In December 2019, we opened GOOD NATURE STATION in Shijo-Kawaramachi, Kyoto as a flagship facility that embodies BIOSTYLE. In FY2021, we launched the BIOSTYLE PROJECT to take action as the entire Keihan Group, also incorporating the concept of the SDGs. Now we are introducing activities that place an emphasis on commercializing the BIOSTYLE concept.

Promoting BIOSTYLE as a business that is supported, not only in the areas along the Keihan Railway lines but also in the wider world, will contribute to achieving the SDGs as well as fulfilling our management vision. We aim to provide new value that can only be created by the Keihan Group, thereby becoming the corporate group of choice for our customers, investors, employees, and society at large.

Community building starting from railway stations:
Redevelopment project in Hirakatashi Station area

Special feature p. 31

Let me explain the progress of major projects related to our long-term management strategy. One of the main strategies is to “redevelop Keihan areas,” which advocates “community building starting from railway stations.” In this connection, we are working on redevelopment of the area around Hirakatashi Station. In January 2022, construction on land partially owned by the Keihan Group (Section 3) was launched to develop a complex with commercial, office, accommodation, residential, and governmental functions that is directly connected with the station. The construction is scheduled to be completed within FY2025.

Hirakatashi is the station with the third largest ridership in the Keihan Railway after Kyobashi and Yodoyabashi Stations. It is also the departure and termination point for numerous bus routes, making it one of the most important business areas for the Keihan Group. On the other hand, facilities that were built around the station during Japan’s rapid economic growth are aging and the residents are also getting older, thus the major issue here is to “redevelop Keihan areas.”

While the area around Hirakatashi Station was developed as a bedroom community, I believe that what is required when redeveloping areas along the Keihan Railway lines in the future is to create a community with enriched living and working styles, based on the premise that work and home lifestyles are becoming more diverse. It is important not only to build facilities but also to create places where residents can interact and relax. To this end, the Keihan Group is participating in discussions as part of the Hirakata HUB Council, an area management organization.

This redevelopment area features a favorable location with a cultural hall and a river park in the vicinity, in addition to the complex currently under construction. Taking full advantage of the characteristics of the Hirakata area, which is rich in nature, we will share our wisdom with the local community and take on the challenge of utilizing the public space around Hirakatashi Station.

With the history of the station area developed by the wisdom of our predecessors, I hope that the Hirakata Project will also bring new excitement to the local community.

“Yodoyabashi Station East District Urban Revitalization Project” contributing to the creation of vibrancy in Osaka’s east-to-west axis Special feature p. 34

We are also launching a next-generation community building in the Yodoyabashi Station East Area Urban Revitalization Project. We are developing a landmark building with a height of approximately 150 meters, the tallest in the area, and construction of the new building began in July 2022. In Osaka, large-scale development is currently underway along the north-to-south axis connecting the downtowns of Kita and Minami. The east-to-west axis, which links the tourist, business, medical, and cultural areas of Osaka from Kyobashi and Osaka Castle to Temmabashi, Yodoyabashi and Nakanoshima, is another urban axis essential to Osaka’s future growth. The Keihan Group operates along this east-to-west axis, and Yodoyabashi is located right at the intersection of the north-to-south and east-to-west axes. Because this project will play a major role in the growth of Osaka and

the development of the Kansai region, it is positioned as an important project on which the entire Keihan Group should work together, involving not only the real estate business but also other businesses including transportation and retail distribution.

This project has been certified as a “sustainable building leading project” featuring a cutting-edge, eco-friendly building. The building will feature a sophisticated, lively atmosphere befitting a gateway to Midosuji Street and provide a place to support business networking and growth, as well as a temporary evacuation site and an emergency storage warehouse for people who have difficulty returning home in the event of a disaster. Thus, it will also serve as a local disaster response center in cooperation with local governments and organizations.

Developing sustainability management

Eiichi Shibusawa, the leader of the establishing committee, advocated a doctrine of “harmony between morality and economy,” which states that 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. The spirit of the Keihan Group, which practices sustainability, originates from here. We are already working to solve social issues mainly through BIOSTYLE, but with a view to strengthening our ESG (Environment, Society and Governance) business activities and building a sustainable, recycling-oriented society, we reorganized the Keihan Group CSR Committee as the Sustainability Committee in July 2022, thereby enhancing our ESG management promotion system. At the same time, we established a technical committee on environmental management handling environmental issues and a Human Resources Strategy Committee handling personnel issues to enhance our commitment to these themes.

Regarding environmental issues, first of all, we intend to steadily achieve the CO₂ reduction target in

BIOSTYLE Environmental Action 2030 announced in May 2022. As we promote action to preserve the global environment, we must also draw a clear and reliable roadmap that is consistent with our financials, while also looking at the burden of energy and environmental costs. In addition, we will carry out initiatives to achieve decarbonization and the SDGs in cooperation with local communities, such as by concluding a comprehensive partnership agreement toward a sustainable community with the Hirakata Municipal Government.

Meanwhile, it is essential to create new value-added products, services and businesses by addressing environmental issues so that the group’s business activities are not curtailed by such issues. BIOSTYLE is precisely a philosophy for pursuing both social and economic values. While responding to the major social demand for global environmental conservation, the Keihan Group will create new value through BIOSTYLE to achieve sustainable growth.

Adhering to the universal value that service is provided by people

In terms of human resources, with the establishment of the Human Resources Strategy Committee, we are discussing how we can provide job satisfaction to our employees and create opportunities for diverse talent to play an active role. The Keihan Group’s people-oriented management has remained unchanged since the company’s establishment. We will discuss, not formally but essentially, how we should face the changes in the coming era. One of the mid- to long-term business risks will be the decrease in the labor force, which will be a major challenge in the future. Whereas the railway business has traditionally been a labor-intensive

business, we will be compelled to continue to operate with a limited workforce. Under these circumstances, it will be necessary to promote labor savings and automation in some operations.

Each of our employees has struggled in their workplace during the nearly three years of the COVID-19 crisis. As a manager, I am proud of and sincerely thankful for their efforts that embody the founder’s spirit. Service is provided by people, and each employee’s commitment to their mission is essential. This is a universal value that we must not lose sight of and that we must adhere to in any era.

Creating new value as a “BIOSTYLE” corporate body

Our financial results for the first half of FY2023 showed an increase in both revenues and profits compared to the same term of the previous year and to the forecasts. I believe that this is the result of the Keihan Group’s concerted efforts based on an awareness that a company’s success or failure depends on how quickly it can respond to changes in society.

Going forward, the Kansai region will see improvements in various business environments, including a recovery in the demand for inbound tourism, the upcoming World Expo in Osaka, Kansai, and the development of an integrated resort. In the midst of

these tailwinds, we will demonstrate the true value of the structural reform we have been working on, and will firmly seize business opportunities without missing any.

The Keihan Group is working to become a truly “BIOSTYLE” corporate body, where each business makes profits from products and services that contribute to solving social issues. In addition to contributing to achieving the SDGs by 2030, we also want to enhance our corporate value to realize our management vision and stay in demand for the next 100 years. We would like to ask for your continued support in anticipation of the growth of the Keihan Group.

Our mission is to continue
to create new value as we
solve social issues.



Special
feature

1

BIOSTYLE PROJECT: Activities at the forefront

KEIHAN BIOSTYLE PROJECT

Keihan Group's SDGs: BIOSTYLE PROJECT

Creating beautiful lifestyles and a connected society,
not because we have to, but with pleasure and
with no burden. This is the Keihan Group's 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. 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 a certification system for the BIOSTYLE PROJECT within the Keihan Group to promote it and build on our achievements.



1 GOOD for Health

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



4 GOOD for Social

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



2 GOOD for Minds

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.



5 GOOD for Earth

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



3 GOOD for Locals

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

Ryoji Yamaguchi

Food Products Management Division,
Sales Headquarters
Keihan Department Stores Co., Ltd.



Developing branded meat with
the utmost attention to detail

We develop safe, reliable and tasty meat brands representing a “quadruple win.”

As a department store company with a directly managed food section, which is rare nationwide, Keihan Department Stores Co., Ltd. has developed meat brands and sells Okinawa Agu Pork and Miyazaki Herb Premium. In response to the issue that most of the Awamori sake lees produced in Okinawa are an unused resource, we have utilized them in the feed for Okinawa Agu Pork, which has been well received in terms of taste and quality. Meanwhile, in the case of Miyazaki Herb Premium, the next-generation Japanese black beef that has been developed through a joint effort involving our company, our supplier manufacturers, meat packers, producers and feed companies, we have established a system that ensures traceability through the entire process from production to sales. By improving quality, preventing any price collapse, and continuously producing and supplying safe, reliable and tasty meat, we are working to create a “quadruple win” supply chain securing wins for the buyer, the seller (our company), local communities and the producer.



Keihan Department Store's meat brands

BIOSTYLE PROJECT | 5GOOD



1 GOOD for Health



We suggest an organic diet and lifestyle by offering organic vegetables and processed foods.

Through the “Bio Marche Home Delivery” service, Bio Market Co., Ltd. handles more than 1,500 items that incorporate the producers' passion and commitment, including 100% organic JAS agricultural products and organic processed foods. Including wholesale, we handle the largest volume of organic agricultural products in Japan. Thus we work to provide safe food and contribute to building a recycling-oriented society. We are also proactively involved in promoting organic agriculture by working with producers and manufacturers to improve quality and by providing opportunities for customers to experience organic agriculture.



Organic vegetables grown with
attention to detail, from soil preparation

Reina Yamazoe

Metropolitan Delivery Business Section,
Direct Sales Business Division
Bio Market Co., Ltd.



Offering
safe food

We hold events that value “real communication” with local customers.

Keihan Ryutsu Systems Co., Ltd. has established a Festival Committee with the aim of enjoying time together with customers while learning about, experiencing and fostering a shared understanding of the global environment and sustainability. In an event themed on food waste, we held a workshop involving coloring a calendar with pictures of vegetables, so that children could learn about seasonal vegetables and nurture their interest in food. To this end, we made use of “vegetable crayon” made from the outer leaves and other parts of vegetables that would otherwise be thrown away during harvest, and we simultaneously opened a pop-up store selling sustainable commercial products. In this way, we involved not only our customers but also the tenants, encouraging the entire facility to work together on the project. The Festival Committee will continue to value the connection with customers and strive to improve the attractiveness of commercial facilities with the goal of pursuing things that can only be done in the real world, with a greater focus on real experience.



Workshop involving coloring a calendar featuring seasonal vegetables

Koji Takamoto

Planning and Development Division
Keihan Ryutsu Systems Co., Ltd.



We run comfortable cruises that contribute to regional revitalization and sell local specialty products.

Osaka Aqua Bus Ltd. runs the Yodogawa Romantic Cruise between Hachikenyahama Pier in Temmabashi and Hirakata Pier and the on-board program Suisuku. The Yodogawa Romantic Cruise is designed to boost waterway transportation on the Yodogawa River and attract more people to interactions by enhancing local charms. Local specialty products are on sale on the boat. Suisuku is an on-board learning program designed to promote river protection and revitalize the Yodogawa River by encouraging participants to study the five themes on the waterside area: the history, creatures, community building, disaster risk reduction and ships. These cruises enable us to contribute to bringing more prosperity to the area.



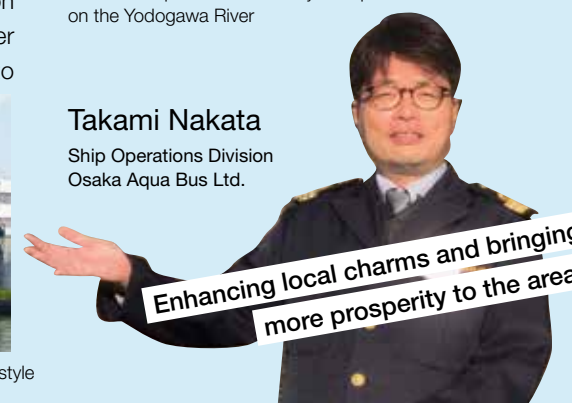
Passing through Kema Lock in the Panama Canal style



Cruise to experience waterway transportation on the Yodogawa River

Takami Nakata

Ship Operations Division
Osaka Aqua Bus Ltd.



BIOSTYLE PROJECT | 5GOOD



2 GOOD for Minds



BIOSTYLE PROJECT | 5GOOD



3 GOOD for Locals



Saeko Yonetsu

Zero Home Business Division
Zero Corporation Co., Ltd.



We offer a total living environment with a “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 for a year to customers who have ordered a custom-built Zero Home as the “gift delivery service coloring your mind, body and lifestyle.” The “100-year housing” by Zero Home has focused on quality, construction methods and an after-sales maintenance system to create homes that can be lived in for many years and that give consideration to the people who live in them. Not only to build a house, but also to encourage a more affluent life thereafter—through this initiative, we produce a total living environment that gives a rich and comfortable lifestyle with everlasting peace of mind.



Collaboration with foods selected by
Bio Marche and GOOD NATURE STATION

Ikuko Kindaichi

Development and Planning Team,
Business Promotion Division
Keihan Real Estate Co., Ltd.



We work with the local community to develop an outdoor resort that takes advantage of the natural environment.

Featuring 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 the Biwako Quasi-National Park. In the first phase, taking advantage of the lakeside location we opened Everglades Biwako, an outdoor lodging facility (glamping facility) in April 2021. Visitors can enjoy learning about the environment around the lagoon, where wild birds and other animals and plants are the major players. We aspire to operate our business in harmony with nature.

With advice from experts, we plan to conduct nature observation programs for children and participatory programs for visitors while monitoring the natural environment. In the second and third phases of the project, we aim to create a base for outdoor activities and lifestyles that respect the natural environment of Lake Biwa and the Hira Mountains.



Glamping facility offering experiences in nature

Yasuha Takeda
PMO Business Division
Keihan Gardening Co., Ltd.



Flower and greenery experts create a relaxing environment through gardening.

Keihan Gardening Co., Ltd. provides a relaxing and comfortable living environment through business activities related to flowers and greenery. Currently we are responsible for the operation and management of five city parks under the designated administrator system, and are proactively employing local senior citizens as daily management staff. In addition to this, we organize regular seminars and workshops, thereby supporting local community activities through community development with flowers and greenery.

We are also supporting employment through activities to educate people with disabilities and their instructors on the knowledge and techniques of flower cultivation.



Local community activities by Keihan Gardening Co., Ltd.

Akemi Fukata

Public Relations Division
Zero Corporation Co., Ltd.



We are helping to recycle forest resources through the “Return the Saplings Project” and other activities.

Since 2012, Zero Corporation Co., Ltd. has been using domestic lumber for housing materials, thereby protecting forests and reducing CO₂ emissions. In December 2020, with the aim of promoting the recycling of forest resources and building a robust supply chain, we made a comprehensive partnership agreement with the Miyazaki Prefectural Government, Miyazaki Prefecture Federation Forest Owners' Cooperative Association and Miyazaki Prefecture Federation of Lumber Cooperatives, as Miyazaki Prefecture is the largest producer of cedar materials in Japan. We will deepen our ties with related organizations in the prefecture by supporting new mountain developments and Miyazaki Forestry School. In 2021, we launched the Return the Saplings Project to plant in the mountains the number of saplings needed for the pillars of the houses we deliver in a year. We are doing what we can, step by step, to solve the issues facing the forestry industry not only to contribute to the global environment but also to maintain our business activities.



Protecting mountains through the circulation cycle of forests



Donation ceremony for the Return the Saplings Project

BIOSTYLE PROJECT | 5GOOD



4 GOOD for Social



BIOSTYLE PROJECT | 5GOOD



5 GOOD for Earth



We are revitalizing Nakanoshima with art through various collaborative projects.

Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd., and Nakanoshima Rapid Railway Co., Ltd. have hosted Kite Mite Nakanoshima, an art event at the station, since 2012. It is designed to encourage people to visit Nakanoshima for its art and share the area's image as the place for culture and art. In cooperation with local governments, facilities and companies in the Nakanoshima area, we are involved in a variety of collaborative projects, such as art exhibitions and promotion of cultural and historical aspects of the area. We are working to organize projects, such as workshops by artists at kindergartens and welfare facilities, to connect people, the community and its history through the appeal of art, and to provide opportunities for children and adults to experience diverse values and expressions by interacting with the community.



Workshop at Kite Mite Nakanoshima

Akiko Isshiki

Business Promotion Group,
Corporate Planning Office
Keihan Holdings Co., Ltd.



We contribute to the conservation of satoyama* through the “Wild Flowers Project” and “The Culinary Colours of SATOYAMA.”

* Satoyama: Secondary nature near human settlements

At Biwako Hotel, which is operated by Keihan Hotels & Resorts Co., Ltd., we carry out initiatives under the theme of satoyama conservation. As part of the Wild Flowers Project to reproduce the ridges of terraced rice paddies (a typical landscape in Shiga), we are cultivating approximately 100 species of wild grasses and flowers, which are mainly domestic ones growing in the satoyama environment. In another project titled The Culinary Colours of SATOYAMA, we have been working for about 20 years to link the enjoyment of food to environmental conservation. For example, in cooperation with a brewery in the prefecture, we developed an original Japanese sake with a high rice polishing ratio (with less of the rice surface removed). We also offer the rice grown in terraced rice paddies in the Ogi district of Otsu City and the Hata district of Takashima City, as well as funa-zushi (fermented sushi made using crucian carp) cooked in-house. The rice of funa-zushi is also used for the “Lake Biwa hot pot” we have invented. By encouraging people to eat lots of local ingredients in a tasty and waste-free way, we are building a system to balance our business with environmental conservation activities.



Wild flowers and greenery in the garden of the Biwako Hotel



Hotel staff experiencing farming on terraced rice paddies

Yoshikazu Maeda

General Manager, Biwako Hotel
Keihan Hotels & Resorts Co., Ltd.



At the forefront of the BIOSTYLE PROJECT

GOOD NATURE STATION, a commercial complex that embodies BIOSTYLE, opened in Shijo-Kawaramachi, Kyoto in 2019. Its concept is “Enjoy and taste only what you can trust. The place where ‘good natured’ things and experiences gather to energize people and the earth.” Please let me introduce some of the initiatives at the forefront of the BIOSTYLE PROJECT.

Introducing a “GOOD NATURE” lifestyle to the world

GOOD NATURE STATION

Mayumi Shimada Conductor, GNS Operations Division
Biostyle Co., Ltd.



Organic

We offer cosmetics and food products that extract the best of ingredients, taking advantage of the blessings of nature and the climate

Completely natural cosmetics with no roots or leaves left over: 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, exhaust smoke or other pollutants. Ingredients include plants cultivated and picked on its own JAS-certified organic farm and adjacent satoyama.* The low-temperature vacuum extraction method is used to ensure that the nutrients in the ingredients are not destroyed. The roots, leaves, stems, flowers and fruits are all used in the production process, generating no waste.

* Satoyama: Secondary nature near human settlements

The market and restaurants delivering the joy of food

In the building, products from the original food brand GOOD NATURE MARKET, certified organic agricultural products, processed foods and snacks and other healthy and eco-friendly foods are on sale. Visitors can observe the process of fermentation and maturation of fermented foods such as miso and pickled plums—traditional Japanese food culture—in jars. The cafés and restaurants offer original menus that feature vegetables, herbs, Chinese herbs, vegan items, flowers and other naturally derived ingredients, as well as sweets made with fair trade cacao.



Carefully transforming selected ingredients into cosmetics, using our unique methods



The market increases food awareness with organic foods, etc.

De-plasticizing

We are promoting de-plasticizing and contributing to solving the worsening plastic waste issue

Shifting from plastics to a variety of eco-friendly materials

We are trying to produce 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.

The natural cosmetics brand NEMOHAMO series also uses eco-friendly materials such as biomass polyethylene for the containers and bagasse (non-wood paper derived from sugarcane residue) for the cosmetic boxes. From April 2022, we are implementing NEMOHAMO Sustainable Action, a container collection and recycling program.



Cutlery and other items made from eco-friendly materials

Minimizing disposable amenities to reduce plastic waste

The GOOD NATURE HOTEL KYOTO does not offer toothbrushes, hairbrushes or shavers in the guest rooms to encourage guests to bring their own. Also, water servers are installed on each floor and tumblers in the guest rooms in an effort to minimize the use of PET bottles. From April 2022, we are reducing plastic waste even further and selling items such as bamboo toothbrushes and wooden hairbrushes to guests who request them.



Tumblers

Bamboo toothbrushes

Food waste control

Circular economy

We reduce food waste and promote circular agriculture

We are working not only to reduce food waste, but also to create new value for customers and producers. For example, the market offers “5GOOD Salad” that uses bean curd normally discarded by a tofu store in Kyoto. Furthermore, 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. Then it is used as fertilizer by Omi Sonoda Farm in Omihachiman City, Shiga Prefecture, which is involved in farming with a reduced amount of agricultural chemicals. We harvested the first rice grown using the fertilizer in October 2021 and sold and offered the rice in our facility.



Composting food waste with a disposal machine



Cooperating with Suginosei, an essential oil producer in Kyoto

Local production for local consumption

We make our products widely known through cooperation with producers

We cooperate with local producers of agricultural products, crafts and processed foods, mainly in Kyoto. We purchase their products for our markets and restaurants, and invite them to open stores in the MAENIWA Plaza on the first floor. In addition, we hold events that allow visitors to feel the passion of the producers. We also organize and sell tours for participants to visit producers and experience the local harvest. These tours provide the producers with tourism income and allow participants to experience the unique and attractive sustainable tourism only available in the area.



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

Fair trade

Food waste control

We contribute to social issues through cacao beans

There are sometimes problems with the production system for cacao as it can involve child labor. The chef chocolatier at the patisserie in our facility, RAU Patisserie & Chocolate, 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 Good Cacao Series in our original food brand GOOD NATURE MARKET, including cacao curry, Kyoto-style cacao rice crackers and cacao tea blended with domestic organic sencha tea, thus contributing to reducing food waste.

Facility friendly to people and the environment

We are the first in the world to simultaneously obtain WELL and LEED Certifications

In August 2020, the GOOD NATURE HOTEL KYOTO was awarded WELL Certification (v1)¹ at the Gold level, and the entire facility was awarded LEED Certification² at the Silver level. The hotel is the first in the world to simultaneously obtain WELL and LEED Certifications based on the hotel version of the evaluation criteria.

The air conditioning system and washroom environment that create a clean and safe space, the lighting system developed uniquely for comfortable sleeping and waking, the great green wall that reproduces Kyoto's vegetation and the guest room design that represents Kyoto and Japan were highly evaluated, leading to the acquisition of WELL Certification at the Gold level. In November 2022, the facility's operator, Biostyle Co., Ltd., received the environmental conservation contributor's award from Kyoto Prefecture in recognition of its "contribution to fostering environmental conservation awareness among consumers by proposing healthy and eco-friendly lifestyles and promoting initiatives that are easily accepted by consumers."

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



The great green wall of Asiatic jasmine, reproducing the vegetation of Kyoto



Receiving the environmental conservation contributor's award

Learn more about the project on site!

GOOD NATURE STATION SDGs Tour

In September 2022, we launched the SDGs Tour in earnest, as an evolution of our existing small-scale tours of the facility to share with many people the initiatives that contribute to the SDGs.

During the tour, the Director or the Manager will brief the participants on the project and the Conductor will explain the concept of the facility and the sustainable initiatives in the building. There is also a plan where the Conductor will respond to the participants' questions and opinions at the end of the tour. This tour is a fun way to think about how each of us can take SDG actions.



Plans for hotel guests are also available; we take on the challenge of building a comprehensive, recycling-oriented society.

At the forefront of the BIOSTYLE PROJECT

Offering hotel stays that comfortably connect people, society and the future, with an eye to the millennium ahead

THE THOUSAND KYOTO

THE THOUSAND KYOTO, operated by Keihan Hotels & Resorts Co., Ltd., is a "Sustainable Comfort Hotel" that inherits the nature, wisdom of life and spirit of hospitality of Kyoto, the 1,000-year capital. In addition to carrying on the traditions and culture of Kyoto, we work with local communities to enhance the attractiveness of the region and create added value. We also aim to establish sustainable tourism by incorporating environmental activities into our hotel operations. With the rebranding in July 2022, we are working on even more proactive SDG actions.

Miwa Sakurai General Manager, THE THOUSAND KYOTO/Kyoto Century Hotel
Keihan Hotels & Resorts Co., Ltd.



Taking sustainable action befitting the "1,000 Year Hotel" through rebranding

In July 2022, we rebranded the hotel to drive sustainability improvements throughout the Keihan Group. We have updated the hotel's concept from "Personal Comfort Hotel" to "1,000 Year Hotel," and have positioned ourselves as a "Sustainable Comfort Hotel" that will survive in the 1,000-year capital in front of Kyoto Station. Under the slogan "Think 1,000 year comfort," we are undertaking 100 SDG actions in one year and holding participatory events for guests in the hotel.



The hotel was the first accommodation facility in Japan to achieve 3 Gyoiko-zakuras in the "An ESG Practice" certification.* We were certified as an internationally recognized accommodation facility that implements SDGs initiatives.

* Under Sakura Quality, a certification system run by the Japan Tourism Quality Certification Association

Kyoto culture x sustainability

Programs to enjoy the culture of the 1,000-year capital Kyoto and harmony with nature

We offer a variety of activities, both inside and outside the hotel, where participants can experience Kyoto's unique sustainability. OKUTRIP KYOTO is a sightseeing program to experience deep Kyoto, and THE THOUSAND SALON is a culture class to learn about Kyoto's aesthetics and wisdom. We are also planning and hosting a series of events in the hotel in which guests can participate.

Circular economy

Collecting and recycling used stainless steel bottles

We are participating in a program for the collection and recycling of used stainless steel bottles in cooperation with Tiger Corporation, acting as a collection site. This is the first collection site established in Kyoto City, and we are the first accommodation facility in Japan to have a collection site. We will also contribute to reducing the use of PET bottles by lending out Tiger's stainless steel bottles produced with attention given to human rights, health and the environment.

Urban greening

Promoting greening in front of Kyoto Station through beekeeping, and commercializing honey

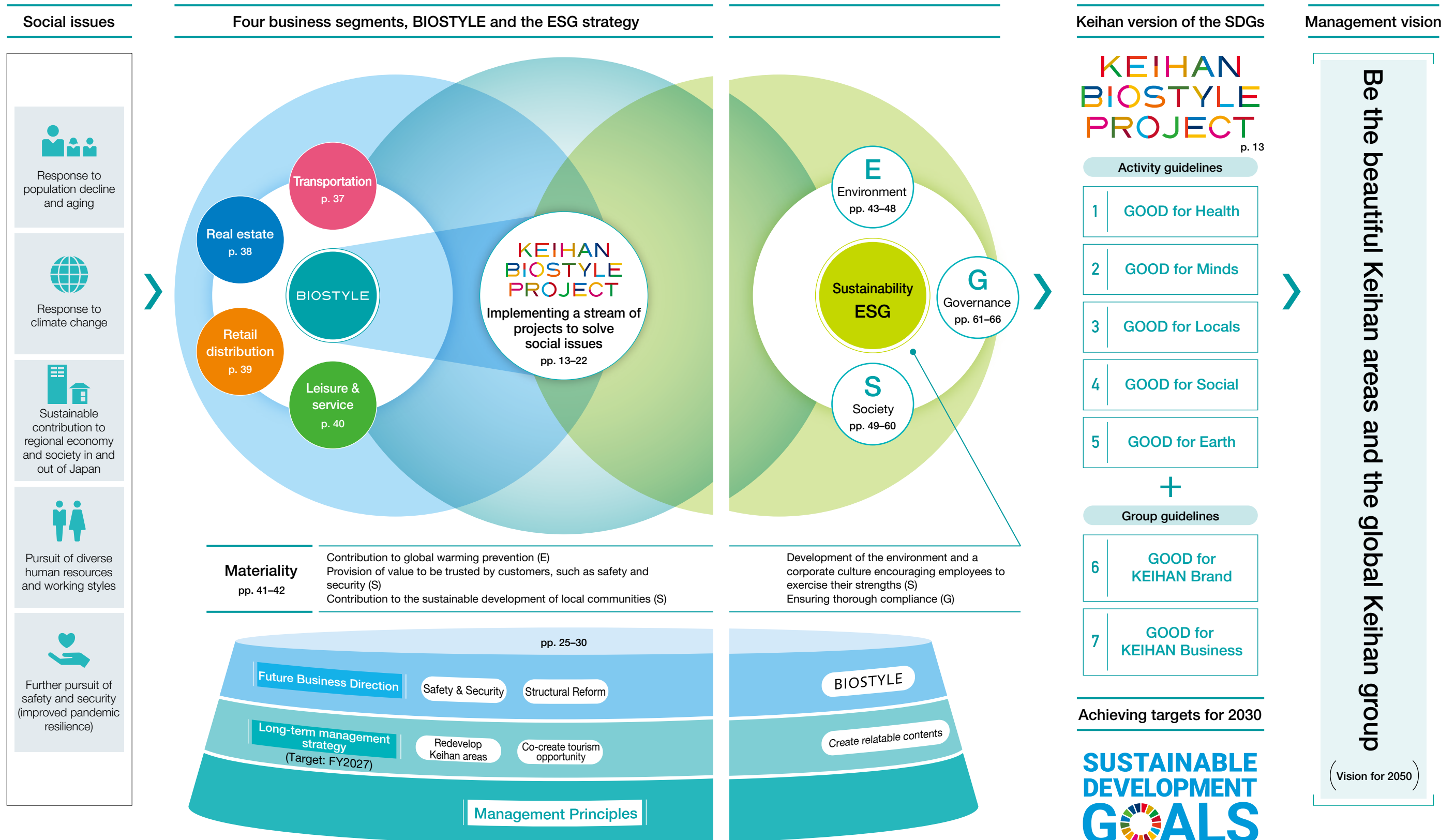
We started urban beekeeping on the rooftop in May 2021. Bees pollinate plants in the urban area, and this supports the ecosystem cycle and promotes greening. In 2022, we began selling the honey collected.



Urban beekeeping on the hotel rooftop

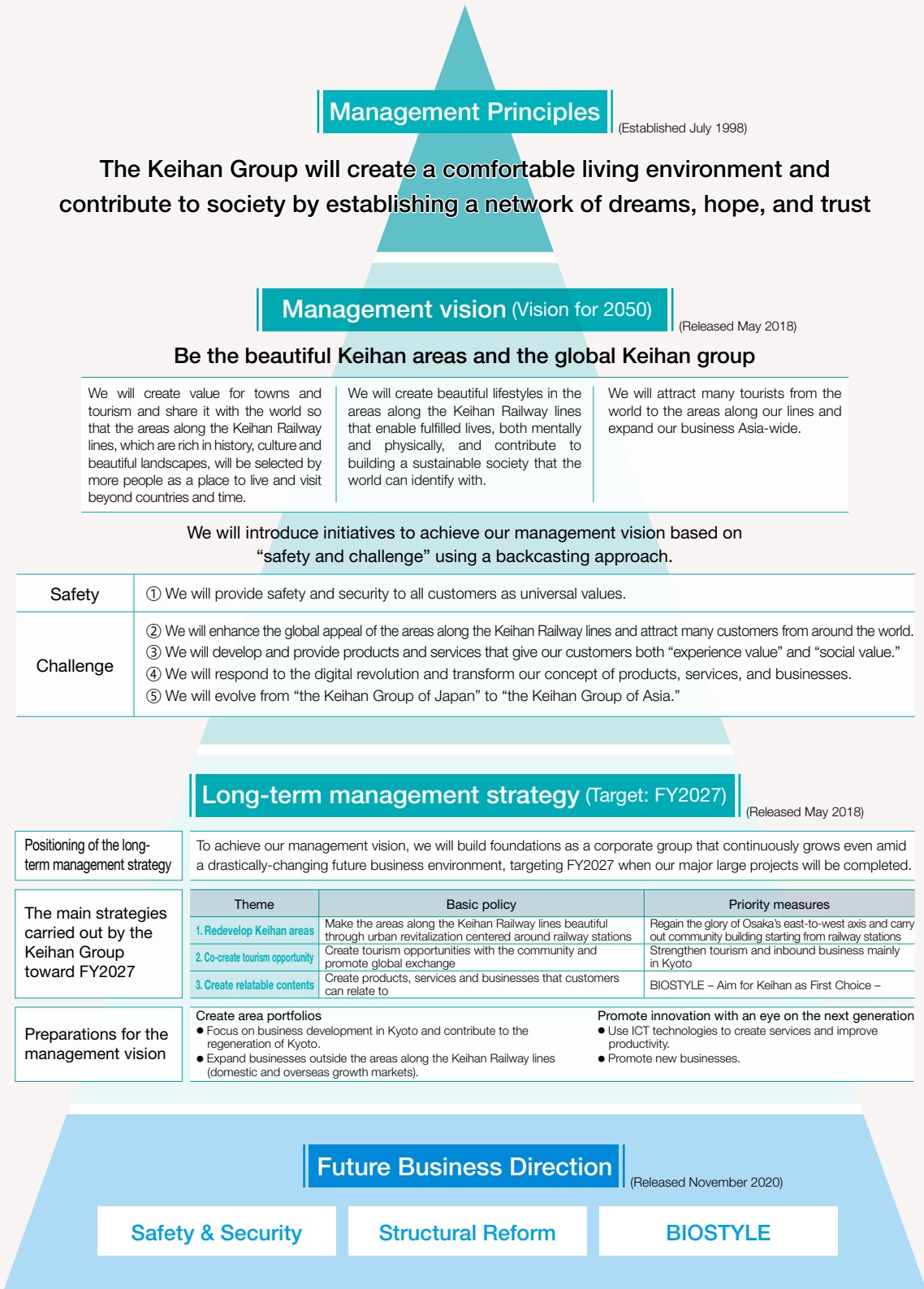
Social issues that the Keihan Group recognizes, BIO-STYLE and the ESG strategy

By incorporating the idea of BIOSTYLE (see p. 13) 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 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 FY2027 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: Progress

Main strategy

1 Redevelop Keihan areas

Making the areas along the Keihan Railway lines beautiful through urban revitalization centered around railway stations

We promote community building centered around railway stations, taking advantage of the area’s history, culture and industries, to revitalize appealing and beautiful areas along the Keihan Railway lines and increase the number of residents and visitors by connecting the areas with a traffic network.

Under the priority measure to “Regain the glory of Osaka’s east-to-west axis and carry out community building starting from railway stations,” we are developing the east-to-west axis of Osaka City, including Yodoyabashi, Kyobashi and Nakanoshima, as well as the Hirakatashi area. In addition, we aim to achieve synergy with urban development in the city center by revitalizing the stations and surrounding areas, including areas connected to Osaka’s east-to-west axis, in ways that match their regional characteristics.

Hirakatashi

▶ Special feature on pp. 31–33



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Type-1 urban redevelopment project in Hirakatashi Station area
Hirakatashi Station was renovated in 2018 as the first project under the concept of “community building starting from railway stations.” We will continue to work on the redevelopment project in the station area to establish a suburban base to bring ideal and enriched living and working styles.

Mar. 2020	The redevelopment association was established.	[Section 3] Total floor area: Approx. 94,000 m ²
Feb. 2021	The right conversion plan was approved.	Size: 26 floors above ground (high-rise building)
Jan. 2022	Construction on land partially owned by the Keihan Group (Section 3) started.	10 floors above ground (low-rise building)
FY2025	Construction on Section 3 to be completed.	29 floors above ground (residential building)
FY2026	Redevelopment project to be completed.	

Yodoyabashi

▶ Special feature on p. 34

Joint reconstruction of Keihan Midosuji Building and Nittochi Yodoyabashi Building



New building development (rendering)

Keihan Midosuji Building and Nittochi Yodoyabashi Building will be jointly reconstructed after integrating the premises. The new building will feature high-standard offices. We plan to attract commercial facilities to the lower floors, including the underground floors that are directly connect to Yodoyabashi Station.

FY2023: Construction of new building started.
FY2026: Project to be completed.
Total floor area: Approx. 73,000 m²
Size: 31 floors above ground, 3 floors below ground

Nakanoshima

▶ Special feature on p. 34

Nakanoshima 4-chome International Hub for Healthcare Innovation Project



New building development (rendering)

We are participating in the development project of Nakanoshima 4-chome International Hub for Healthcare Innovation (tentative name). This is a joint project with Nippon Life Insurance Company and Kanden Realty & Development Co., Ltd.

FY2022: Construction of new building started.
FY2024: Project to be completed.
Total floor area: Approx. 57,000 m²
Size: 17 floors above ground



Demolition work (Apr. 2022)



Progress (Apr. 2022)

Main strategy 2 Co-create tourism opportunity Creating tourism opportunities with the community and promoting global exchange

We utilize the Keihan Group's comprehensive strengths for creating tourism opportunities together with communities, and provide and publicize attractive tourism experiences around Kyoto, increasing visitors both from Japan and abroad. Under the priority measure to "Strengthen tourism and inbound business mainly in Kyoto," we are developing Sanjo and other areas, while monitoring the recovery of the tourism market in the medium- to long-term. In addition, we are introducing initiatives to expand tourist routes along the area from Rakuho through Higashiyama to Fushimi/Uji, using Kyoto Station, Shijo-Kawaramachi and Sanjo as the bases. At the same time, we are creating tourist routes and content that will enhance the attractiveness of Kyoto as a sightseeing spot, in conjunction with the Flow of Water originating from Mt. Hiei and Lake Biwa, running through Kyoto to Osaka.

Promoting Tourism MaaS

The Keihan Group Digital Ticketing System, which utilizes the official LINE account and is equipped with functions for digital ticketing, tourist information, vouchers and a "Stamp Rally" (stamp collection), was introduced in the Rakuho, Mt. Hiei and Sakamoto areas.



Keihan Group Digital Ticketing System

Creating new tourism content through regional cooperation

We are creating and improving premium tours to experience the morning, afternoon, and evening attractions of Mt. Hiei.



Hieizan Premium Tour

Main strategy 3 Create relatable contents Creating products, services and businesses that customers can relate to

We 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. Under the priority measure "BIOSTYLE – Aim for Keihan as First Choice –," we establish a new brand for the Keihan Group by progressively expanding and developing content, including the flagship facility GOOD NATURE STATION that opened in Shijo-Kawaramachi. We also incorporate BIOSTYLE into the products and services of each of the group's businesses to develop products and services that customers can relate to.

In-house BIOSTYLE certification system reformed

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

Launching new hotels in anticipation of the recovery period

Hotel Keihan Tenmabashi Ekimae opened in April 2022. Preparations are also underway for the opening of Hotel Keihan Namba Grande in spring 2023.



Hotel Keihan Tenmabashi Ekimae (opened Apr. 2022 with 304 guest rooms)



Rendering of Hotel Keihan Namba Grande (to open in spring 2023 with 227 guest rooms (TBD))

Example of certified cases



Completely natural cosmetics



Providing organic diets

Future Business Direction: Progress

Safety & Security

We provide products and services that can reassure customers even under a pandemic, natural disaster, or other insecure conditions. As major initiatives, in the transporting business, we improve 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.

Improving accessibility

- Platform screen doors have been in use at Keihan Railway Kyobashi Station since January 2022.



Screen doors



Training for safe operation

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



Tobakaido Sta. (slope)



Tobakaido Sta. (accessible restroom)

- Keihan Electric Railway Co., Ltd. has adopted the barrier-free fare system to introduce more screen doors, improve information facilities and update accessible facilities.

Enhancing measures against disasters

- Keihan Electric Railway Co., Ltd. conducted seismic reinforcement of elevated bridge columns. (Almost completed at the end of FY2022.)
- Eizan Electric Railway Co., Ltd. completed disaster relief work on the Kurama Line, and will respond more effectively to natural disasters.



Slope collapse restoration completed (Eizan Railway)



Rockfall protective fences (Eizan Railway)

Initiatives for safety and security in the hotel business

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



Structural Reform

We establish a system that can cover changes in demand in existing segments and promote products and services that can flexibly respond to new lifestyles. As major initiatives, in the transportation business, we update our schedules to meet changing customer needs and to level 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.

Initiatives for structural reform by Keihan Electric Railway Co., Ltd.

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

Updating train schedules

- We updated train schedules for the Keihan and Otsu Lines on September 25, 2021, adjusting the number of train services and moving forward the last train times according to the utilization status of the service.

Keihan Line: Reduced the number of services by approximately 15% on weekdays and by approximately 20% on holidays.

Otsu Line: Reviewed the operation area of some trains during the daytime and introduced a "school holiday schedule" on the Ishiyama-Sakamoto Line.

Increasing operational efficiency

- With a remote surveillance control system at stations on the Keihan Line, operations at 22 stations out of 60 stations have been automated all day, reducing the staff assigned at stations by approximately 25%.
- We are improving operational efficiency by reviewing maintenance staff deployment through the reduction of train vehicles and equipment at stations and the utilization of drones.



Customer



Station staff

Further improving convenience at stations

- We strengthened cooperation with secondary traffic services by collaborating with micromobility sharing services (bicycles, e-scooters).
- We installed “Telecube” private working booths at Yodoyabashi and Kyobashi Stations.



Telecube at Yodoyabashi Station

Initiatives for structural reform in the bus business

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

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

Initiatives for structural reform in the retail distribution business

- Keihan The Store Co., Ltd. is converting the in-station convenience store “Anthree” to “Moyori-ichi,” a new-style food market that offers unique and quality food, to fulfill the changing roles of in-station areas. Conversion of the 19 Anthree stores out of 32 stores will be completed by FY2024. Supermarket stores are used as food processing centers to offer deli products, bread, and sweets.
- As a new service to meet the segmented needs coming from diversifying lifestyles, Keihan Department Stores Co., Ltd. has developed an e-commerce mall that allows multiple stores to open on a single platform, offering highly distinctive products introduced by department store buyers.



“Moyori-ichi inside Kyobashi Station” opened on Apr. 18

Initiatives for structural reform in the hotel business

- Operation of restaurants is being transferred to tenants to ensure stable profits.
Hotel Keihan Co., Ltd.: Carried out in 7 restaurants (planned for 1 more restaurant)
Keihan Hotels & Resorts Co., Ltd.: Carried out in 3 restaurants (planned for 1 more restaurant)
- Banquet rooms and office spaces at Kyoto Tower Hotel are leased as part of efforts to promote the use of hotels by utilizing their geographical advantages.



Kyoto Tower



Banquet room leased to TKP Corporation



Leased as a vaccination site

BIOSTYLE

We promote products and services that can increase people's life value and solve social issues at the same time. As major initiatives, 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.

Developing ZEH condominiums

- Keihan Real Estate Co., Ltd. is developing a ZEH condominium (with “ZEH-M Oriented” certification)^{*1} in Sapporo City as an effort toward a decarbonized society. It received a five-star rating, the highest rank in the BELS^{®2} certification criteria, by reducing primary energy consumption by 27% in a residential building.
^{*1} A condominium that can reduce the annual primary energy consumption by 20% or more
^{*2} An energy efficiency performance indication system for buildings, under which a third-party organization evaluates and indicates energy efficiency performance, etc.



Exterior rendering



BELS

De-plasticizing efforts

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



Hotel Keihan Co., Ltd. changed the in-room amenities to be provided at the amenity bar

Cooperating with local governments along our railway lines

- Keihan Holdings Co., Ltd. entered into a “Comprehensive partnership agreement toward a sustainable community” with the Hirakata Municipal Government.
- We are stepping up our efforts to achieve decarbonization and the SDGs in cooperation with local governments along our railway lines.



Signing ceremony for the comprehensive partnership agreement



Promoting the use of electric buses



Hirakata Park offered as a venue for environmental education

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



Mobile supermarket

Special feature 2

– Long-term management strategy –

Redevelop Keihan areas

Hirakatashi / Yodoyabashi / Nakanoshima

Type-1 urban redevelopment project in Hirakatashi Station area (Section 3): Construction started

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Community building starting from railway stations through industry-government-academia collaboration

Hirakata Project

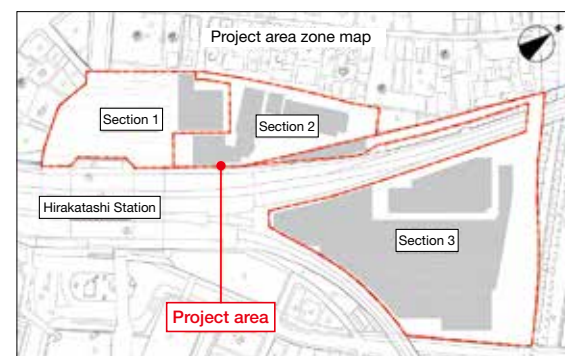
The Hirakata Project was launched in 2018 with the renovation of Hirakatashi Station and went into full swing with the establishment of the Hirakatashi Station Area Urban Redevelopment Association. “Community building starting from railway stations,” advocated in one of the Keihan Group’s main strategies to “redevelop Keihan areas,” is steadily progressing. In January 2022, construction on land partially owned by the Keihan Group (Section 3) was launched. (To be completed in FY2025)

Why redevelop Hirakata?

Enhancing attractiveness of a core city along the Keihan Railway lines

In the area around Hirakatashi Station, advanced land use and urbanization have been in place as a pioneer of urban redevelopment projects from around 1965. Now, nearly 50 years later, the area needs another redevelopment. In order to enhance attractiveness of Hirakata City, a core city along the Keihan Railway lines, the Keihan Group has decided to carry out a comprehensive development of the station area, including company-owned land, together with the Hirakata Municipal Government and nearby landowners. In March 2020, the Hirakatashi Station Area Urban Redevelopment Association was established. Currently, a complex with commercial, office, accommodation, residential, and governmental functions are being constructed as an integral part of the station.

Creating a sustainable city by updating urban functions to accommodate changing lifestyles and needs—our goal is to develop an ideal suburban base to bring enriched living and working styles.



History of the redevelopment project

March 2020	January 2021	February/March 2021	January 2022	Completion
Establishment of the redevelopment association After study sessions and the establishment of a preparatory association, the Hirakatashi Station Area Urban Redevelopment Association was established and the redevelopment project began in earnest.	Establishment of the Hirakata HUB Council An organization to promote area management and other intangible aspects of community building through industry-government-academia collaboration.	Demolition and office relocation With the start of demolition work in Section 3, the Hirakata Office of Keihan Electric Railway Co., Ltd. was relocated.	Start of building construction Construction was started in Section 3 after the ground-breaking ceremony. In May, a rendering of the facility design was released.	FY2025 Buildings to be completed! Construction in Section 3 will be completed in FY2025 and the redevelopment project will be completed in FY2026.
 Demolition of the Hirakata Office (March 2021)	 Launch of construction work (Jan 2022)	 Work inside the multi-story parking garage (July 2022)	 The multi-story parking garage started service (Nov 2022)	

What are the features of the facility design?

Design that expresses the uniqueness of Hirakata with historical and natural motifs

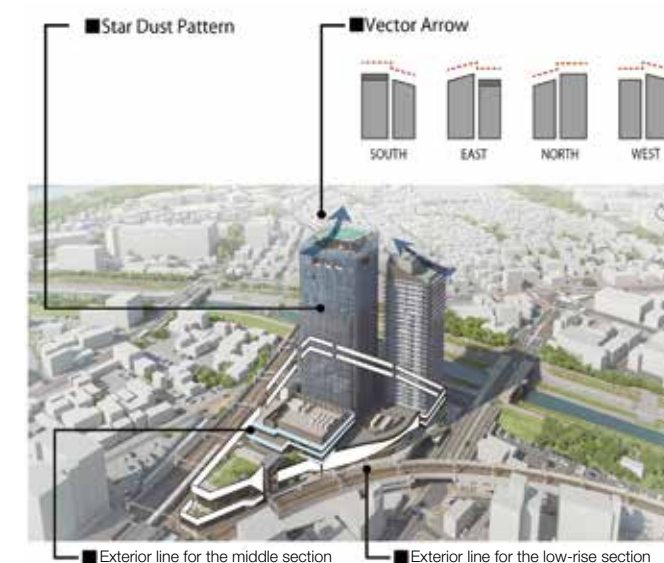
A design code has been established based on Hirakata’s uniqueness, featuring its historical and natural motifs, to create a sense of unity.

Star Dust Pattern: The high-rise building is designed to represent the flow of the Amano River with the stardust pattern, inspired by the twinkling of stars, as the city is known for the legend of Tanabata.

Vector Arrow: The tops of the two buildings are designed with a motif of a guidepost at Soza-no-Tsuji, a junction between the Kyokaido Highway in the prosperous post town of Hirakata and the Iwafune-kaido Highway to the Yamato District (Nara). The skyline is designed to give an impression

of an upward vector, symbolizing a guidepost for the city of Hirakata. The profile of the cut design at the top of the twin towers will change depending on the direction of view, representing the redevelopment of the station area that respects diversity in the era of the new normal.

Exterior Line: The middle and low-rise sections of the buildings express a loop that connects the urban space of Hirakatashi Station to the bustling facility, and then to the waterfront area of the Amano River. To achieve this, horizontal lines and curves create rhythm, and the façade was designed to bring a sense of unity and flow.



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Four functions planned for Section 3

Commerce

We are working to create an attractive facility that will set a new standard for Hirakata and a pleasant space to walk around, inspiring various encounters and scenes. The building will be connected to the existing elevated railroad facility, with the second floor leading from the east gate of Hirakatashi Station to the Amatsu Bridge over the Amano River.

Office


We design safe, secure, and comfortable office spaces in line with the working style under the new normal. The offices will be a place where high-quality communication takes place, supported by the integrated design and the enhanced attractiveness of the space.

Hotel

Candeco Hotels, the world's unique four-star hotel chain, will move in, featuring a Sky Spa on the top floor. We are developing initiatives that are unique to the hotel, which values local characters, while also focusing on the design. Together with the local community, we will create a landmark hotel that will become a shining light.

Residence

To address the issue of Hirakata City, where the population of citizens in their 20s and 30s is smaller than the national average, we develop a high-rise condominium for rent that is directly connected to the station, facilitating living spaces for those generations. We will provide “the future of housing” in line with the new normal.



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BIOSTYLE PROJECT

Hirakata HUB Council, a public-private partnership, creates an area that integrates work, residence, and recreation.

The Hirakata HUB Council was established in January 2021. This is a public-private partnership that will support startups through area management and incubation, create mechanisms to solve social issues in the area, and develop an exchange base where diverse talent gather. We are exploring how to utilize the public space around Hirakatashi Station and create a comfortable place for relaxation and interaction for residents and visitors, taking advantage of the characteristics of the Hirakata area, which is rich in nature.

In April of the same year, the Council was selected by the Ministry of Land, Infrastructure, Transport and Tourism as an entity carrying out an urban area revitalization project under a public-private partnership. Since then, we have held workshops and symposiums, and in FY2023 we plan to conduct social experiments using public space. Going forward, we will develop a vision for the future of the area, involving a variety of stakeholders and future community builders.



Mr. Kiichiro Kumagai
Chairperson of the Future Vision Subcommittee, Hirakata HUB Council
Vice President/Professor at the Faculty of Science and Engineering, Setsunan University

The redevelopment of the Hirakatashi Station area has begun, and the community around the station is about to be revitalized. Meanwhile, it is essential to develop both tangible and intangible infrastructure in order to foster a sustainable community. The Hirakata HUB Council includes participants not only from the Keihan Group, but also from the redevelopment association, governments, private businesses, financial institutions, and universities, creating a valuable forum for free discussions beyond the boundaries of positions and interests. I anticipate that the Council's activities will lay the foundation for an area platform centering around Hirakatashi Station.



Symposium



Workshop



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Rendering of the area in the future, created by Hirakata HUB Council

Landmark building at the gateway to Midosuji Street

The next-generation community building has begun

Yodoyabashi Station East District Urban Revitalization Project

In this project, Keihan Midosuji Building and Nittochi Yodoyabashi Building will be jointly reconstructed after integrating the premises. The new building will feature high-standard offices, and commercial facilities will be attracted to the lower floors, including the underground floors that are directly connect to Yodoyabashi Station. We are developing a landmark building with a height of approximately 150 meters, the tallest in the area. Construction started on July 8, 2022. (To open in summer 2025)



Improving the international competitiveness of the Yodoyabashi area



Rendering of the area connected to the concourse

The 150-meter-high building, the tallest in the Yodoyabashi area, will create a sophisticated, lively district with an architectural design that forms a unified landscape for Midosuji Street. The landmark, soaring at the gateway to Midosuji Street, is expected to contribute to improving Osaka's international competitiveness.

This project has been certified as a “sustainable building leading project” (CO₂ saving type). Energy savings throughout the building will be achieved by reducing the heat load with natural ventilation using void spaces and a high-performance exterior, and by processing the exhaust heat with a high-efficiency cogeneration system. The building is designed to provide both functionality and comfort.

Industrializing the latest healthcare innovation and accelerating globalization

Nakanoshima 4-chome International Hub for Healthcare Innovation Project*

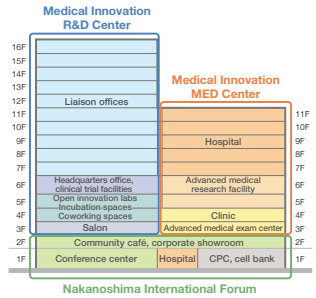
The project to develop an international hub for medical innovation in Nakanoshima, Osaka, involves developing three facilities: the R&D Center, which will lead in medical innovation; the MED Center, which will be responsible for its implementation; and the International Forum, which will be responsible for sharing the results. (To open in 2024)

* A joint project with Nippon Life Insurance Company and Kanden Realty & Development Co., Ltd.



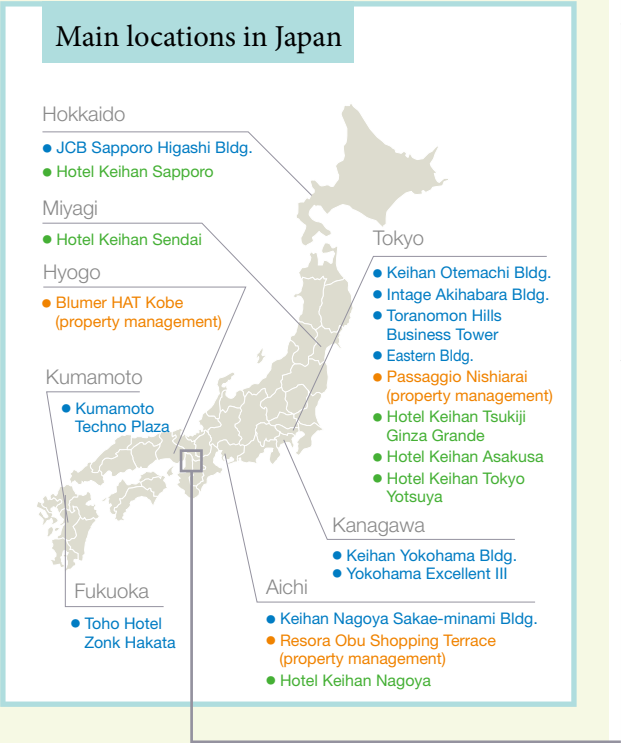
Circulating knowledge

The project will develop medical facilities, offices, incubation facilities, and conference facilities in an integrated manner, creating a cluster of medical institutions related to regenerative medicine, companies, startups, and support organizations. By doing so, it will industrialize cutting-edge medical innovation in line with future advances in medical technology, such as genome medicine based on regenerative medicine, and will make an international contribution by ensuring that the latest medical services are available to patients in Japan and overseas. In December 2021, the project was approved by the Minister of Land, Infrastructure, Transport and Tourism as an excellent private-sector urban revitalization project.



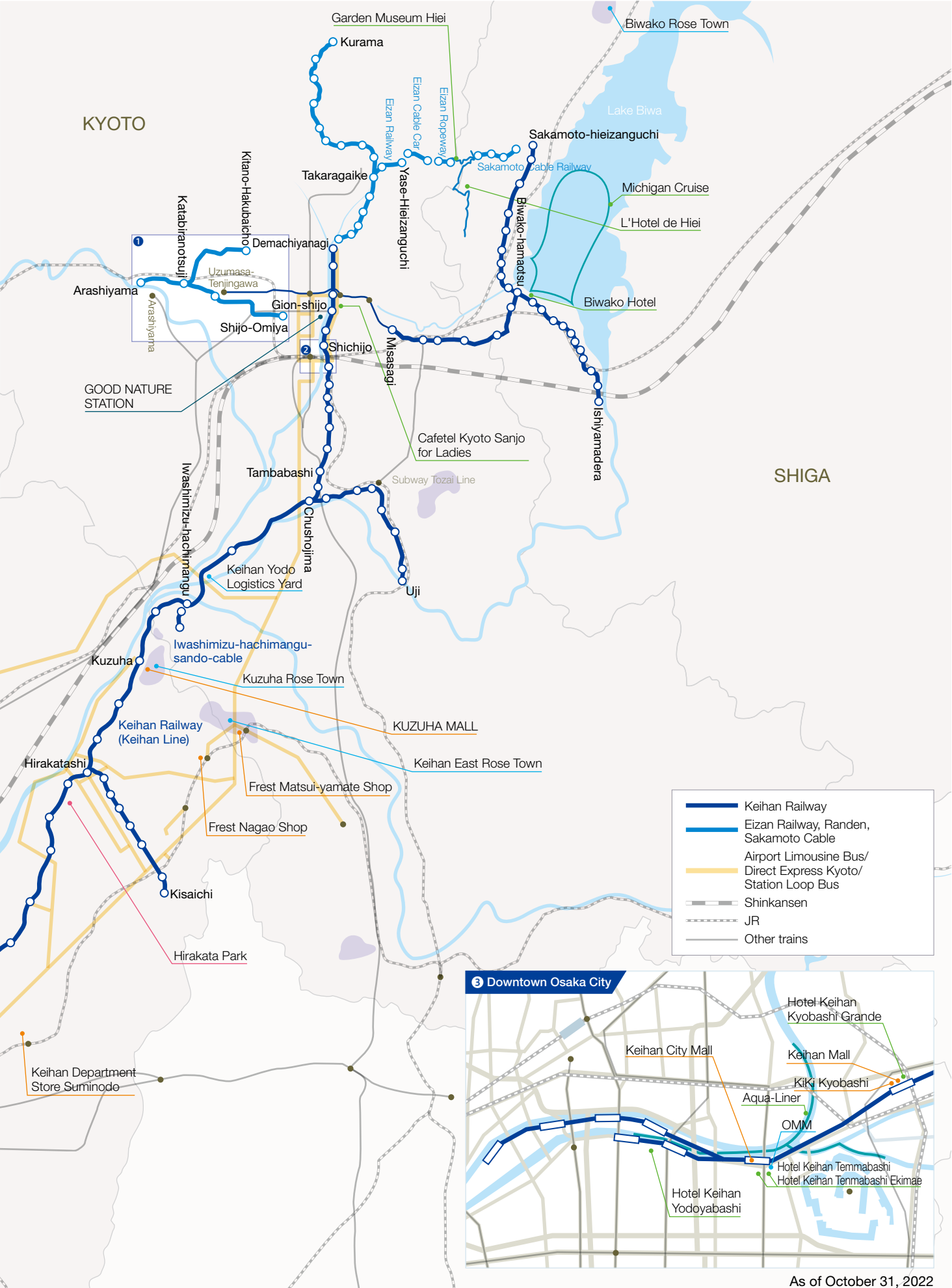
Domestic business area map

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., 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.

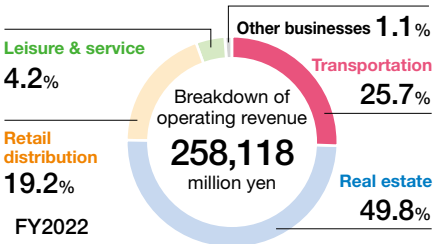




Transportation

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

Primarily in the three prefectures of Osaka, Kyoto and Shiga in the Kansai region, we have been working to provide 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
(as of March 31, 2022)

Railway

Keihan Electric Railway Co., Ltd.

Operating kilometers	No. of stations	No. of vehicles
91.1 km	89	706

Eizan Electric Railway Co., Ltd.

Operating kilometers	No. of stations	No. of vehicles
14.4 km	17	23

Keifuku Electric Railroad Co., Ltd.

Operating kilometers	No. of stations	No. of vehicles
12.3 km	24	30

* 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.

Bus

Keihan Bus Co., Ltd.

No. of vehicles	No. of bus stations
600	11

* Number of bus stations at the end of October 2022 was 10.

Amusement parks

Keihan Electric Railway Co., Ltd.

Hirakata Park

Overview of FY2022 results

Operating revenue	Operating income
-------------------	------------------

70,768 million yen
7.7% increase year-over-year

173 million yen
N/A year-over-year

In the railway business, Keihan Electric Railway Co., Ltd. updated train schedules for the Keihan and Otsu Lines on September 25, 2021, adjusting the number of train services to match the utilization of the service. The company also increased the number of Liner trains, in which all seats are reserved, and shortened the travel times of limited express trains by reviewing operating speeds and intervals. In addition, platform screen doors were made available at Keihan Railway Kyobashi Station. These were some of our efforts to improve facilities that ensure the safety of passengers and enhance operational safety. Eizan Electric Railway Co., Ltd. resumed operations between Ichihara and Kurama Stations on the Kurama Line in September 2021 after a long suspension since July 2020 due to a landslide.

In the bus business, as part of our efforts to establish a decarbonized society, Keihan Bus Co., Ltd. replaced all vehicles for the Station Loop Bus service, which connects Shichijo Station with Kyoto Station (THE THOUSAND KYOTO) and Umekoji, with electric vehicles in December 2021.

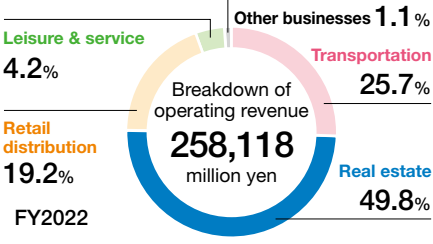
Measures based on the Future Business Direction

- 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

Real estate

Create highly comfortable, convenient and attractive communities

We develop condominiums, houses, and large-scale new towns 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
(as of March 31, 2022)

Real estate sales

Keihan Real Estate Co., Ltd.

No. of offices
10

Zero Corporation Co., Ltd.

No. of offices	No. of housing exhibits
4	4

* Number of offices refers to business offices handling real estate under the Real Estate Brokerage Act.

Real estate leasing

Keihan Holdings Co., Ltd.

Keihan Yodo Logistics Yard,
Kumiyama Shopping Town,
Toranomon Hills Business Tower,
Eastern Building, etc.

* Keihan Holdings has comparted ownership of Toranomon Hills Business Tower.

Keihan Tatemono Co., Ltd.

OMM

Overview of FY2022 results

Operating revenue	Operating income
-------------------	------------------

137,495 million yen
24.7% increase year-over-year

22,593 million yen
21.5% increase year-over-year

We have implemented our main strategy to “redevelop Keihan areas” by starting construction for the type-1 urban redevelopment project in Hirakatashi Station area and the Nakanoshima 4-chome International Hub for Healthcare Innovation Project, in which the Keihan Group is involved.

In real estate sales, we sold land lots and buildings at Keihan East Rose Town and Forest Rose Nara Tomigaoka, among others, and condominiums including the FINE Tower OTEMAE, Classy House Amagasaki GRAND PLACE, and THE HIGH HORIE. We have also been proactive in developing business outside the Kansai region, selling properties including Fine Residence Fujimino, Gran Arena Residence, and Fine City Musashino Fujimi.

In real estate leasing, we acquired Yokohama Excellent III (Naka-ku, Yokohama City; 10 floors above ground and 1 floor below ground) in December 2021 to expand and reinforce our business.

Measures 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



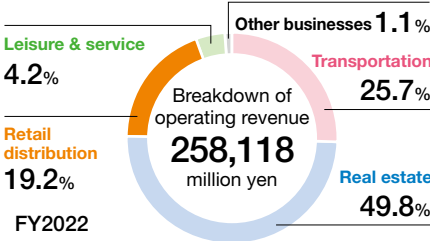
Retail
distribution

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

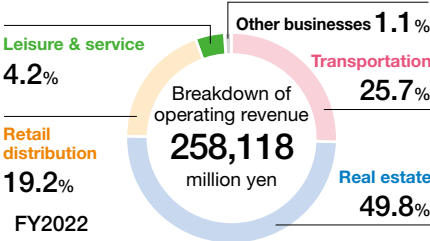
Leisure &
service

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

We operate various forms of commercial facilities, including department stores, shopping malls and supermarkets, and 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.



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
(as of March 31, 2022)

Department stores

Keihan Department Stores Co., Ltd.

Moriguchi Store, Hirakata Store,
Mall Kyobashi Store,
Kuzuha Mall Store, Suminodo Store

Shopping mall management

Keihan Ryutsu Systems Co., Ltd.

Keihan City Mall, KiKi Kyobashi,
Keihan Mall, KUZUHA MALL,
Kyoto Tower Sando

Stores

Keihan The Store Co., Ltd.

Frest	Anthree	Moyori-ichi
5 stores	26 stores	2 stores

* As of the end of October 2022, there are 5 Frest stores, 21 Anthree stores and 6 Moyori-ichi stores.

Overview of FY2022 results

Operating revenue	Operating income
52,908 million yen 36.3% decrease year-over-year	1,776 million yen 49% increase year-over-year

In shopping mall management, we improved our earning capacity by taking on property management contracts for Kobe Port Museum, a cultural complex that opened in Chuo-ku, Kobe City, and Higashi-Totsuka Aurora City, a commercial facility in Totsuka-ku, Yokohama City.

In the store business, we opened Moyori-ichi Temmabashi Station in November 2021. We are gradually converting the in-station convenience store “Anthree” to “Moyori-ichi,” a new-style store that offers unique and quality food in the in-station areas with the concept of “a store that serves the community and that you always want to use.”

Measures 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

Main places of business or facilities
(as of March 31, 2022)

Hotels

Hotel Keihan Co., Ltd.

Hotel Keihan Universal Tower
and 13 other hotels

* Number of hotels at the end of October 2022 was 15.

Keihan Hotels & Resorts Co., Ltd.

THE THOUSAND KYOTO,
Kyoto Century Hotel,
Biwako Hotel,
Kyoto Tower Hotel and
1 other hotel

Sightseeing ships

Osaka Aqua Bus Ltd.

No. of vessels
8

Biwako Kisen Steamship Co., Ltd.

No. of vessels
7

Overview of FY2022 results

Operating revenue	Operating income
11,529 million yen 18.6% increase year-over-year	-9,324 million yen N/A year-over-year

In the hotel business, Hotel Keihan Sendai and Hotel Keihan Kyoto Ekiminami, both of which opened in the previous fiscal year, made a full-year contribution. In July 2021, Biwako Hotel opened the Club Lounge exclusively for guests staying on the Premier Luxury Floor, where they can enjoy services such as breakfast using ingredients produced in Shiga Prefecture. Kyoto Century Hotel offered an accommodation plan with an interactive mystery-solving program. Other hotels also offered accommodation plans featuring anime and vehicles. Thus, we have worked to enhance the attractiveness of our facilities and strengthen our competitiveness.

Measures 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

Keihan Group's ideas
on sustainability

Materiality of
the Keihan Group

Keihan Group's ideas on sustainability

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 establishing 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 sustainability 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.

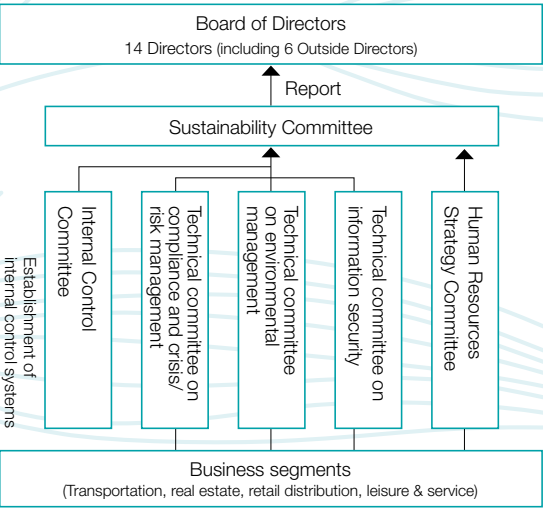
Even in the midst of drastic changes in society, each of the corporate officers and employees of the Keihan Group will continue their efforts to implement the Management Principles by placing emphasis on communication with diverse stakeholders supporting the group, including customers, local communities,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

Sustainability promotion system

To advance ESG management, create BIOSTYLE-based products, services and businesses that contribute to solving social issues, and build a sustainable and recycling-oriented society, we reformed the Keihan Group CSR Committee into the Sustainability Committee in July 2022.

Under the Sustainability Committee, we established the Internal Control Committee, three technical committees and the Human Resources Strategy Committee as subsidiary organizations with our Executive Officers serving as chairpersons. The Sustainability Committee also identifies the "Materiality," or the challenges the Keihan Group should give high priority to, and is promoting strategic implementation of group-wide activities.

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



Policy on sustainability activities

We 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 Materiality 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 (Themes Focusing on Sustainability)

		Focal activity goals
E	Contribution to global warming prevention ▶ p. 43	<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.)  
S	Provision of value to be trusted by customers, such as safety and security ▶ p. 49	<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  
S	Development of the environment and a corporate culture encouraging employees to exercise their strengths ▶ p. 55	<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    
S	Contribution to the sustainable development of local communities ▶ p. 59	<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    
G	Ensuring thorough compliance ▶ p. 61	<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

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 Sustainability Committee. Thus the entire group is promoting environmental management, including efforts to achieve our CO₂ emission reduction targets.



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 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.

BIOSTYLE Environmental Action 2030

In May 2022, we formulated "BIOSTYLE Environmental Action 2030," the Keihan Group's Climate Change Action Plan for all the group companies. This is an environmental initiative that reflects the concept of the BIOSTYLE PROJECT. Through implementing the Action Plan, we will proactively address environmental issues including greenhouse gas reduction, waste reduction, and effective use of water resources.

In reducing CO₂ emissions in particular, we have set a numerical target of reducing CO₂ emissions by 46% by FY2031 (compared to FY2014), with the goal of achieving net-zero CO₂ emissions by FY2051. We will work steadily toward achieving this target.

Reducing greenhouse gas emissions

We give top priority to addressing climate change based on the recognition that it is a global issue and that reducing CO₂ emissions is an important management challenge for continuing our business. We will steadily pursue our goal by setting specific numerical targets and roadmaps for reducing CO₂ emissions.

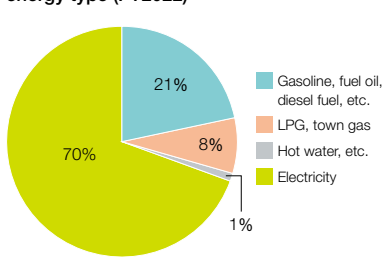
CO₂ emissions of the Keihan Group

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.

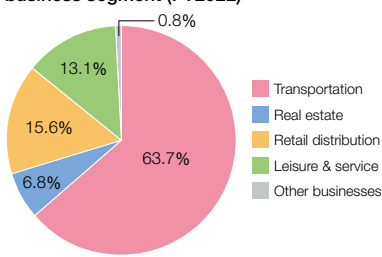
CO₂ emissions and energy consumption of the entire group

	FY2020	FY2021	FY2022
Scope 1	73,167	57,852	55,820
Scope 2	148,765	134,108	136,870
Total	221,932	191,960	192,690
Energy consumption (crude oil equivalent)	139,255 kl	125,290 kl	119,413 kl

Breakdown of the group's CO₂ emissions by energy type (FY2022)



Breakdown of the group's CO₂ emissions by business segment (FY2022)



CO₂ emissions reduction target

Reducing CO₂ emissions by 46% by FY2031 (compared to FY2014), with the goal of achieving net-zero CO₂ emissions by FY2051

* The CO₂ emissions reduction target applies to CO₂ emissions (Scope 1 and Scope 2) of nine main companies (nine Specified Businesses designated under the Energy Saving Act to submit periodic reports: Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd., Keihan Bus Co., Ltd., Keihan Tatemono Co., Ltd., Keihan Ryutsu Systems Co., Ltd., Keihan Department Stores Co., Ltd., Keihan The Store Co., Ltd., Hotel Keihan Co., Ltd., Keihan Hotels & Resorts Co., Ltd.) In FY2014, the total emissions of the nine companies amounted to 261,134 tons.
* The emissions of these nine companies comprise approximately 85% of the group's total emissions.

Course of action in BIOSTYLE Environmental Action 2030

Reduction of energy use	<ul style="list-style-type: none">Organizing schedules to meet changing customer needsPromoting energy savings in stores, offices, etc.Improving energy efficiency by strengthening energy management
Capital investment leading to CO ₂ emission reductions	<ul style="list-style-type: none">Introducing energy-efficient vehicles and electric busesInitiatives for eco-friendly buildings (Green buildings, ZEBs/ZEHs)Converting all lighting to LED lighting in company-owned facilitiesUpdating air conditioning, gas and other facilities
Use of clean energy	<ul style="list-style-type: none">Purchasing renewable energyConsidering introducing carbon offsettingConsidering introducing solar photovoltaic power generation using company-owned facilities and sites
Creation of decarbonized businesses; next-generation community building through regional cooperation	<ul style="list-style-type: none">Creating products, services and businesses that are selected in a decarbonized society (Promoting the BIOSTYLE PROJECT)Cooperating with communities along our railway lines

CO₂ emissions and energy consumption intensity of the main companies

CO₂ emissions of the nine main companies, along with the figures for the base year for CO₂ emission reduction targets, are shown in the table below. The amount in FY2022 was reduced by approximately 37% compared to FY2014.

	FY2014	FY2020	FY2021	FY2022
Transportation ^{*1}	181,698	114,791	106,595	102,328
Real estate ^{*2}	7,716	13,231	12,434	12,318
Retail distribution ^{*3}	45,510	29,563	26,781	28,198
Leisure & service ^{*4}	26,210	28,248	18,806	21,182
Total	261,134	185,832	164,616	164,026

For FY2022, as in the previous year, energy consumption as a whole has been reduced due to the effects of the COVID-19 pandemic and in line with the operating status of facilities (lower hotel occupancy rates, temporary closure of stores, etc.) Real estate business of Keihan Electric Railway Co., Ltd. was transferred to Keihan Holdings Co., Ltd. in FY2017.

*1 Keihan Electric Railway Co., Ltd., Keihan Bus Co., Ltd.

*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.

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

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

Energy consumption intensity for train cars

	FY2020	FY2021	FY2022
Railway electricity consumption by Keihan Electric Railway Co., Ltd. (kl) / travel distance (thousand km)	0.651	0.633	0.637
Reduction rate year-over-year (%)	0.6	2.8	-0.7

Energy consumption intensity in office buildings and commercial facilities

	FY2020	FY2021	FY2022
Energy consumption in office buildings and commercial facilities* (kl) / floor area (thousand m ²)	32.02	29.24	29.05
Reduction rate year-over-year (%)	2.2	8.6	0.64

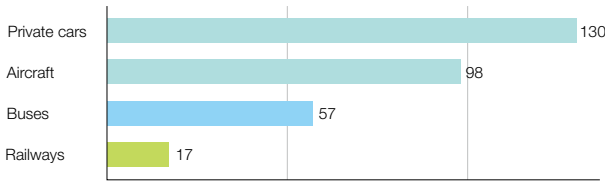
* Facilities owned by Keihan Holdings Co., Ltd., Keihan Tatemono Co., Ltd., and Keihan Ryutsu Systems Co., Ltd.

E Environment

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.

(Reference) CO₂ emissions per transport volume in FY2020 (passengers)



(Source: Ministry of Land, Infrastructure, Transport and Tourism “CO₂ emissions from the transportation sector”)

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 2022, 97.6% of



Keihan Railway 13000-series train

Introduction of LED lighting at railway facilities

LED lighting is now being introduced for signal systems, and as of the end of March 2022, 542 signals use LED lighting. At the stations, highly efficient LED lighting is installed when updating lighting. In FY2022, the lighting on the Miyanosaka Station concourse, Doi Station platforms (both inbound and outbound) and stairs on the Yodo Station inbound platform 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 2022, interior lights on 322 (out of 704) train cars and headlights on 210 (out of 232) train cars have been replaced with LED lighting.

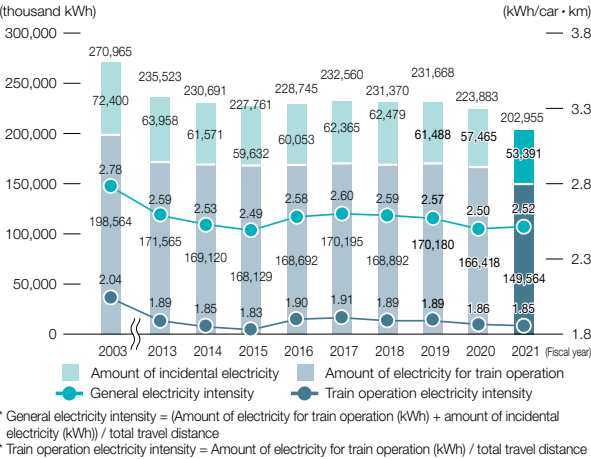
Construction of facilities that consider the environment and social factors

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 three stars as a building “with excellent 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

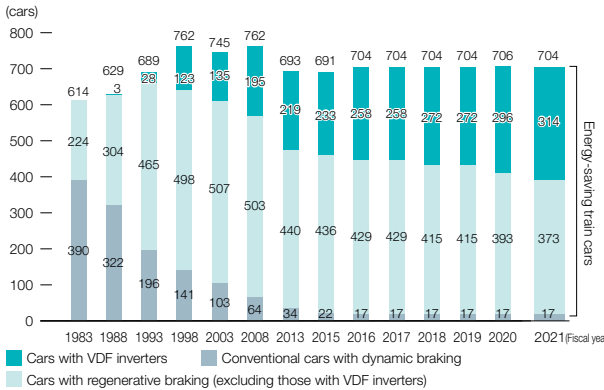
Changes in railway electricity consumption



* General electricity intensity = (Amount of electricity for train operation (kWh) + amount of incidental electricity (kWh)) / total travel distance
* Train operation electricity intensity = Amount of electricity for train operation (kWh) / total travel distance

the train cars (687 out of 704) 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.

Status of introduction of energy-saving train cars



Introduction of electric buses

In December 2021, Keihan Bus Co., Ltd. introduced 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. Electric buses will be introduced progressively going forward.



Electric buses

* Since September 2022, the route has been extended to “Kyoto Station Hachijoguchi Exit,” “Oishibashi (Kujo Station)” and “Jujo/Kyoto Yubel Hotel.”

Information disclosure based on TCFD recommendations



In May 2022, Keihan Holdings Co., Ltd. expressed its support for the TCFD (Task Force on Climate-related Financial Disclosures) recommendations and disclosed information in line with its framework. In line with the purpose of the TCFD recommendations to proactively encourage climate-related financial information disclosure, we will assess the risks and opportunities affecting the group’s business, analyze climate-related scenarios, formulate strategies, and disclose information on the four elements (governance, strategy, risk management and metrics and targets).

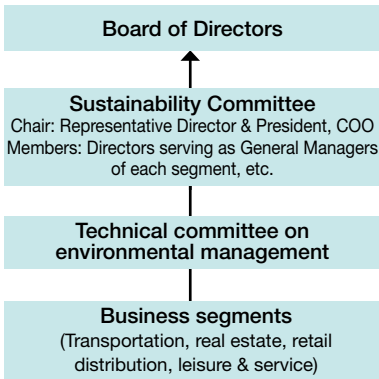
(1) Governance	Organization’s governance around climate-related risks and opportunities
(2) Strategy	Actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning
(3) Risk management	How the organization identifies, assesses, and manages climate-related risks
(4) Metrics and targets	Metrics and targets used to assess and manage relevant climate-related risks and opportunities

Governance

Environmental management promotion system

To carry out group-wide environmental management under the Keihan Group’s environmental policy, the Sustainability Committee, which is responsible for promoting the Keihan Group’s ESG and managing its progress, was established under the Board of Directors in July 2022. The Committee is chaired by the Representative Director & President, COO, and its members include Directors who are General Managers of the transportation, real estate, retail distribution, and leisure & service businesses.

In addition, a technical committee on environmental management was established under the Sustainable Committee. The technical committee formulates and implements measures related to environmental issues that require target setting and progress management as part of the group’s strategy on decarbonization, waste reduction, effective use of water resources, and other topics. The deliberations of the technical committee are submitted (put on the agenda or reported) through the Sustainability Committee to the Board of Directors twice a year in principle.



Strategy

Identifying the scope of business to be analyzed

An analysis was conducted for the transportation business (railway and bus businesses), which is the main segment of the group and accounts for more than 50% of its CO₂ emissions.

World view of the envisioned 1.5°C scenario

In this scenario, the entire world implements stricter regulations and policies (e.g., carbon taxes, price hikes) to achieve carbon neutrality by 2050, progress is made in addressing climate change, and the temperature increase is limited to 1.5°C above pre-industrial levels. With energy, the switch away from fossil fuels continues and the demand for electricity derived from renewable energy sources increases. As a result, fuel prices will drop and electricity prices will rise due to increased demand and investments in renewable energy. This will have a significant impact on the railway business, as trains are powered by electricity. Customers will become more conscious of the environment, so the demand for railways will rise. Expansion of new ways to utilize railways is envisioned, such as using public transportation for tourism and transporting freight, which will have less impact on the environment.

Setting scenarios and parameters

The TCFD recommends that considerations be based on different climate-related scenarios, including a 2°C or lower scenario. In line with this recommendation, we developed the following scenarios, set up parameters for risk items and examined the impact of each scenario.

World view of the envisioned 2.0°C scenario

Aiming to keep the global temperature increase below 2°C above pre-industrial levels, the entire world implements regulations and policies that are not as strict as those of the 1.5°C scenario (e.g., carbon taxes, diesel vehicle operating regulations). With energy, the demand for electricity derived from renewable energy sources increases somewhat, while the demand for fossil fuels remains strong, resulting in higher fuel and electricity prices. As a result, both the railway and bus businesses will be affected by rising energy costs.

It is assumed that the number of railway passengers will increase as a result of the increased use of railways by a certain segment of environmentally conscious customers. Expansion of new ways to utilize railways is envisioned, such as using public transportation for tourism and transporting freight, which will have less impact on the environment.

E Environment

Analysis of risks and opportunities (1.5°C/2.0°C scenarios)

		Potential financial impacts		Impact size				Measures by our company
				Railways (1.5°C)	Railways (2.0°C)	Buses (1.5°C)	Buses (2.0°C)	
Transition risks	Policy and legal risks	Increased costs for carbon emissions	Operating costs will increase due to the introduction of a carbon tax and energy-related tax hikes.	Large	Large	Large	Moderate	Introducing new vehicles and electric buses with energy-saving effects; organizing efficient schedules in line with the business environment.
		Introduction of environmental regulations (diesel vehicle regulations)	Operation of diesel vehicles will be regulated to reduce CO ₂ emissions, resulting in increased costs in the bus business for introducing electric vehicles.	—	—	Large	Large	Considering the use of subsidy programs, etc. for systematic introduction of electric buses.
	Market risk	Increased cost of raw materials	Electricity costs will increase as a result of investments in renewable energy and increased demand for electricity.	Large	Large	—	—	Introducing new vehicles and electric buses with energy-saving effects; organizing efficient schedules in line with the business environment.
Physical risks	Acute risk	Increased impact of weather disasters such as typhoons and floods	Profits will decrease due to transportation stoppages, schedule disruption, and property damage caused by weather disasters such as major typhoons.	Small	Small	Small	Small	Building crisis management systems and BCPs that are better than those in place.
Opportunities	Consumer preferences	Increased environmental awareness in society	The environmental superiority of public transportation will be recognized and the number of users will increase.	Large	Large	Moderate	Moderate	Encouraging the use of public transportation by increasing the appeal of its environmental superiority; creating a cleaner corporate image by implementing a study of powering the trains with renewable energy and introducing electric buses.
	Products and services	Innovation	Maintenance costs will decrease through the introduction of highly-efficient vehicles.	Moderate	Moderate	Small	Small	Providing public transportation on a sustainable basis such as by allocating the income from cost reductions to service enhancements.
			Income will increase as ways for using public transportation are expanded, leveraging our knowledge of mixed trains and seat reservation services, etc.	Small	Small	Small	Small	Examining a wide range of ways of utilizing public transportation (e.g., on-demand bus services).
			Users will increase due to improved convenience of MaaS, etc.	Small	Small	Small	Small	Promoting MaaS; expanding the transportation network in cooperation with park-and-ride, bicycle-sharing and other services.

Scenario analysis

We analyzed the climate-related risks and opportunities for the transportation business (railway and bus businesses) based on the scenarios presented by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). We have identified the risks of the increased tax burden with the introduction of a carbon tax, higher electricity costs due to investments in renewable energy and increased demand for electricity, and increased damage from more frequent typhoons and floods. On the other hand, we found that the environmental superiority of public transportation (especially railways) is expected to be recognized, resulting in an increase in the number of users, and that the improved convenience provided by MaaS and other methods will lead to increased opportunities for use. We will minimize the risks we have identified and maintain our competitiveness in the current market by aggressively making additional investments. This will secure a high level of resilience in both scenarios.

Risk management

The technical committee on environmental management will analyze both the qualitative and quantitative (financial) impacts on the Keihan Group based on hypotheses focusing on transition risks such as policy, legal and market risks that are assumed to arise when society shifts to climate change control, and physical risks such as disasters that are likely to occur when climate change actually has an effect. Based on the analysis results, the technical committee will formulate and manage measures and roadmaps for the Keihan Group to address these issues.

Metrics and targets

In the Keihan Group's "BIOSTYLE Environmental Action 2030," the Climate Change Action Plan formulated in May 2022, we have set a numerical target of reducing CO₂ emissions by 46% by FY2031 (compared to FY2014), with the goal of achieving net-zero CO₂ emissions by FY2051. We will work steadily toward achieving this target.

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 FY2022 (t)

		General waste	Industrial waste
Transportation	Keihan Electric Railway Co., Ltd.	488	278
	Keihan Bus Co., Ltd.	120	79
Real estate ^{*1}		393	207
Retail distribution ^{*2}		2,815	1,138
Leisure & service ^{*3}		773	323
Total		4,589	2,025

^{*1} Keihan Holdings Co., Ltd., 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.

Conversion of waste cooking oil into biodiesel fuel

The Keihan Group is working to recycle approximately 70,000 liters of waste cooking oil annually by converting it into biodiesel fuel, mainly at seven companies (15 business sites) that discharge waste cooking oil. Approximately 30,000 liters is used for Uminoko, a “floating school” boat operated and managed by Biwako Kisen Steamship Co., Ltd.

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	FY2022
Transportation	697	590	585
Real estate	188	106	158
Retail distribution	940	945	865
Leisure & service	959	455	557
Other businesses	51	28	31
Total	2,835	2,124	2,196

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.

Protection of biodiversity

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. Under the “Shiga biodiversity action certification program,” the company received a three-star (the highest) evaluation for its initiatives on biodiversity, including an environmental learning cruise.



Shiga biodiversity action certification program

Keifuku Electric Railroad Co., Ltd. is involved in the protection and cultivation of Fujibakama (thoroughwort), a near-threatened species designated by Kyoto Prefecture. Seedlings were provided to schools, shrines, and temples in the Randen area for planting. During the blooming season, Fujibakama flowers planted in planters made from recycled fire hoses were displayed at 13 stations on the Arashiyama Line. The company is expanding the network and sharing information to conserve biodiversity.



Display at Kitano-Hakubaicho Station



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 Electric Railway Co., Ltd.

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

Improvement of safety facilities

To prevent falls from the platform and accidents with trains, we installed platform screen doors on platforms 1 and 2 at Kyobashi Station in FY2022. We will accelerate our efforts to install screen doors at more stations, utilizing the barrier-free fare system. We have also installed attention-seeking signs that visually and psychologically warn of danger at the edge of the platform. By the end of March 2020, we had 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 FY2023, we will upgrade train cars and electric power substations and conduct seismic reinforcement work to maintain and improve operational safety and enhance customer services.

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, floods, and other natural disasters, and terror attack drills in readiness for on-board injuries and 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.

The general training center, which opened in November 2020, provides practical training for train crews and station staff using a train operation simulator, simulating abnormal conditions and breakdowns. It also provides training in the basic skills required for all the railway staff regardless of department, as well as training to strengthen interdepartmental cooperation.



General drill for recovery from an accident

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.

Safety measures at Hirakata Park

At the regular inspection of amusement rides of Hirakata Park, inspections on five rides, including the roller coaster Red Falcon, are carried out at the Neyagawa train depot jointly by the railway technology sector of Keihan Electric Railway Co., Ltd. and the technology sector of Hirakata Park's operator, Keihan Leisure Service Co., Ltd.

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. In addition, the joint work of the two companies enables the sharing of technology and know-how.



Overhauling a roller coaster



Training for employees

S Society

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.

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

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.

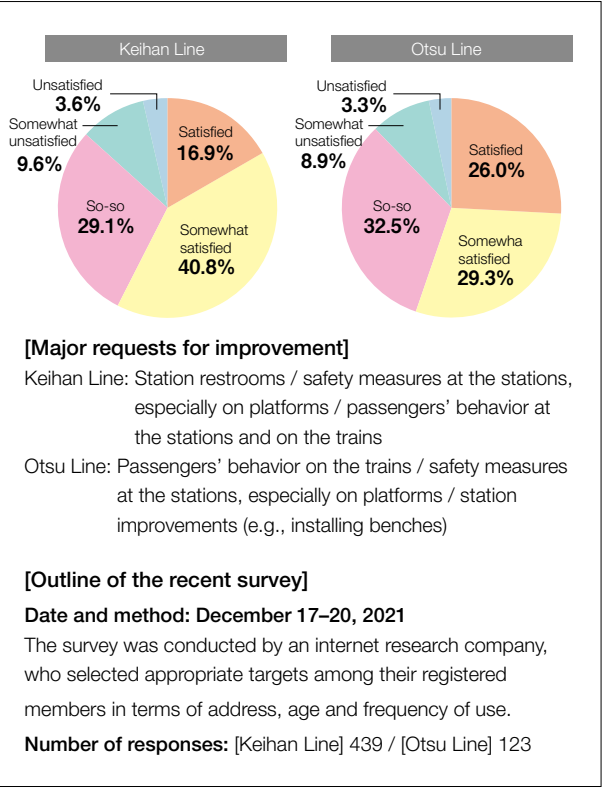
During FY2022, approximately 43,100 customers contacted the center.

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 December 2021, 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, and to aid this, we installed platform screen doors at Kyobashi Station. On the Otsu Line, we also received opinions and requests related to safety measures at the stations, especially on platforms, and passengers’ behavior on the trains. Continuing from the previous year, on both the Keihan and Otsu Lines, we are working to prevent the spread of the COVID-19 infection by 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

In pursuit of an environment ensuring the comfort of all customers, 331 employees at Keihan Electric Railway Co., Ltd., including train crews and station staff, have acquired the Care-Fitter qualification. In addition, the company has also been renovating restrooms 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.



Training for station staff

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

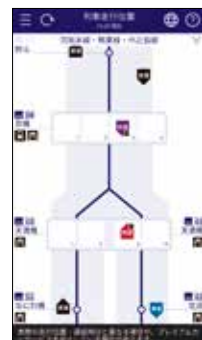
To enhance information services for tourists, we have installed comprehensive information boards for tourists at 20 stations. Information on the boards includes Keihan Railway's route map, access to major tourist spots, and station and bus station maps. On area maps at 11 stations, touch panels displaying necessary information in four languages have been installed (as of March 2022).

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 544 train cars by the end of March 2022.

On the Keihan Line, a total of 201 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 June 2022, we installed a new ticket gate on the outbound platform, installed slopes on the inbound and outbound platforms, and renovated restrooms at Tobakaido Station. Introducing elevators and slopes has basically eliminated steps in stations with a daily average ridership of over 3,000.

Keifuku Electric Railway Co., Ltd. is proceeding with improved accessibility in stations on the Arashiyama Line, following the Kitano Line, where the work has been completed at all stations. Nine of the 13 stations on the Arashiyama Line will become accessible stations by the end of March 2023.

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) and one-step bus (with one step at the entrance/exit). 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.



Slope at Tobakaido Station

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.

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.



ASMACI Kobe Shin-Nagata

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 Cocoromachi," 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.

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 to promote their bus use. Meanwhile, Kyoto Keihan Bus Co., Ltd. made an agreement with the Yawata Municipal Government in regard to the basic evacuation plan for residents when flooding is anticipated.

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 custom-built 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 Candell 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/>



Social

Efforts for
employeesDevelopment 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.



The Human Resources Strategy Committee was established in July 2022 to plan and promote value creation for human capital, including diversity and inclusion, utilization and development of human resources, health and productivity management, and improvement of employee satisfaction in the Keihan Group, in coordination with related departments. Proceedings of the Committee are reported to the Board of Directors.



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

From July 2022, Keihan Holdings Co., Ltd. has changed the layout of some of its head office floors and is gradually introducing “Activity Based Working,” a work style which allows employees to choose their work location according to the content of their work, such as by introducing individual work and web meetings. Keihan Group companies are also changing office layouts and introducing office hoteling. Through these efforts, we support creative, effective, and diverse work styles for our employees.

Through initiatives such as “no overtime day,” a flextime system, and a ban (in principle) of working after 20:00 and holiday work, Keihan Holdings Co., Ltd. and Keihan Electric Railway Co., Ltd. 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 FY2022 were 62.7% for Keihan Holdings Co., Ltd. and 82.8% for Keihan Electric Railway Co., Ltd., achieving a higher standard than the average (average: 56.6% according to the General Survey on Working Conditions 2021 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	FY2022
Keihan Holdings Co., Ltd.	51.0%	54.0%	55.8%	62.7%	61.4%	62.7%
Keihan Electric Railway Co., Ltd.	92.6%	92.8%	93.5%	93.5%	87.2%	82.8%

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 awareness-raising seminars and group-wide human rights training sessions. In addition, we regularly publish information on human rights laws and regulations and the latest news in our group magazine in an effort to raise awareness.

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	FY2023
New employees in general positions	11	15	16	16	15	13	10
Women included in the above	3	6	6	6	7	5	3
Percentage of new female employees	27.3%	40.0%	37.5%	37.5%	46.7%	38.5%	30.0%

**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	End of FY2022
Number of women in leadership positions	12	14	14	14	15	17
Percentage increase compared to the end of FY2016	20%	40%	40%	40%	50%	13%

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

* Percentage increase from the end of FY2017 to the end of FY2021 is based on FY2016, and the percentage increase at the end of FY2022 is based on FY2021 as the base year.

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

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Number	0人	1人	0人	3人	1人	6人
Percentage	0.0%	20.0%	0.0%	17.6%	10.0%	28.6%

S Society

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. Zero Corporation Co., Ltd. also received the certification.

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

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Male	2	3	2	4	5	6
Female	5	4	3	4	5	3

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.



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

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.

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 seven 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 3.1% in total as of March 2022. We are working to promote employment of people with disabilities and create a comfortable working environment for them.



Cleaning office floors

of the time and place.

In addition to the group 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 2022, 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 three 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	FY2022
Number	606	984
Percentage	39.53%	57.98%

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

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

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.

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.



The Lake Biwa Canal Cruise

Branding of Nakanoshima

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. In Art Area B1, which was established in the concourse of Naniwabashi Station B1F on the opening of the Keihan Railway Nakanoshima Line in 2008, we organize various programs themed on art and knowledge to make Naniwabashi Station a communication space. In recognition of our continuous cultural activities in the area designed to connect society, academia and community over the 10 years after the facility's

establishment, we received the Award for Excellence (2019), following the Award Granted by the Commissioner for Cultural Affairs (2009), at the Mécénat Awards hosted by the Association for Corporate Support of the Arts. In August 2022, the eighth Nakanoshima Summer Festival was held as a joint project of companies and organizations deeply associated with Nakanoshima (including Keihan Holdings). Approximately 5,000 visitors enjoyed this event, which was designed to inspire new community building among those who work or live in Nakanoshima.

Promotion of the Fushimi area

Keihan Holdings Co., Ltd. participates in the “Minato Oasis on the River: City of Water, Kyoto-Fushimi” Management and Community Development Council. As a result of the Council's efforts, Fushimi Port, the only inland river port in Japan, was registered as a Minato Oasis by the Ministry of Land, Infrastructure, Transport and Tourism in April 2021.

We also organize and carry out Sake Brewery Tours themed on “the relationship between Japanese sake from Fushimi and the traditions and lifestyle culture of Kyoto” in cooperation with the Fushimi Sake Brewers Association. By publicizing these as new tourism content, we are working to attract visitors and make the Fushimi area more vibrant.

Highlighting a sightseeing route in the Mt. Hiei and Lake Biwa area

The Keihan Group is a member of the Hieizan-Biwako DMO, a general incorporated association established in May 2022 to promote tourism in the Mt. Hiei area. To highlight the Hieizan-Biwako Panoramic Route, we are introducing vehicles with a unified design to the Keihan Railway Ishiyama-Sakamoto Line, Eizan Railway (sightseeing train “Hiei”), Eizan Cable Car and Mt. Hiei shuttle bus.

Promotion of communication with local communities

Industry-academia collaboration

Biostyle Co., Ltd. is collaborating with Ryukoku University under the theme of utilization of unused resources, and has jointly developed upcycled products on this theme, which have been on sale since October 2022. Meanwhile, as part of an industry-academia collaborative project with Kyoto University of the Arts, Hirakata Park is developing and selling original goods and working on promotions to attract visitors to the park under the theme of “presenting the attractions of Hirakata Park from a perspective unique to Gen Z.”



Product launched through industry-academia collaboration with Ryukoku University

Regional revitalization through sports

In September 2021, Keihan Holdings Co., Ltd. made a partnership agreement with Panasonic Sports Co., Ltd. for the development of local communities centered on the volleyball team Panasonic Panthers. We are carrying out joint programs in and around their hometown, Hirakata City.



Joint program (photo taken in November 2021)

Cooperation to social contribution and social welfare activities

Keihan Holdings Co., Ltd. and Keihan The Store Co., Ltd., in cooperation with the Kadoma Municipal Government, began a mobile store demonstration experiment in April 2022 to provide shopping support and revitalize the apartment complex community in the city's municipal housing, where many residents are aging and find it difficult to do their shopping. Meanwhile, 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.



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



Governance

Efforts to build trust

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

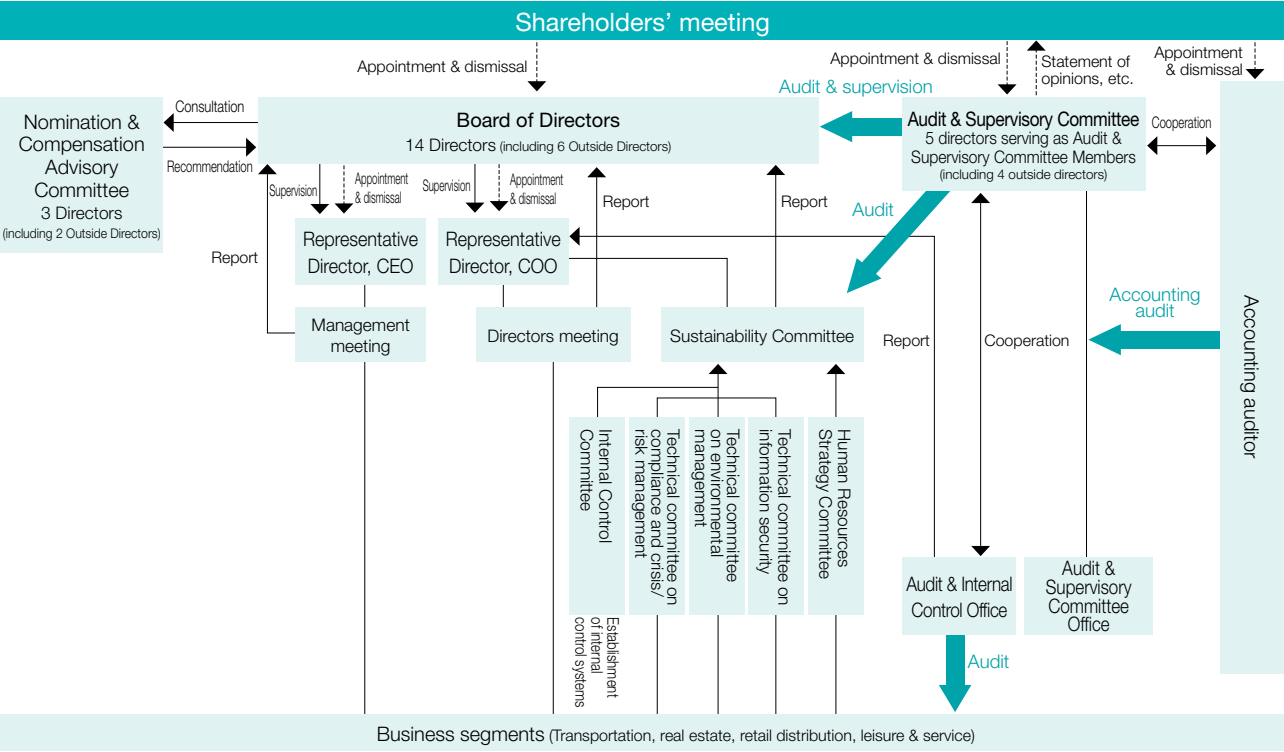
The Keihan Group is working to promote efficient and appropriate corporate management so that it can, through basing its transportation and other businesses on its Management Principles, take good care of customers, local communities and shareholders, and fulfill its corporate responsibility in compliance 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 pursuant to the internal regulations and based on a combination of consolidated earnings per share and dividend, and a personal performance fee determined pursuant to the internal regulations and based on the ordinary income of the businesses they are in charge of and their subsidiaries and on their achievement of personal goals), and restricted stock units. Outside Directors who are not Audit & Supervisory Committee Members receive a fixed compensation 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

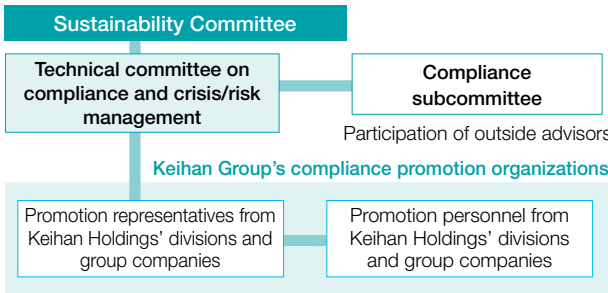
We have established a technical committee on compliance and crisis/risk management within the Sustainability Committee and we select compliance promotion representatives/personnel from each division of Keihan Holdings Co., Ltd. and each group company as the group's compliance promotion organizations. 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 characteristics. 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.

Compliance promotion system



G Governance

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.

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 Sustainable Committee and worked on risk reduction. Each group company has established private information protection regulations to ensure proper handling 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 required 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.

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 FY2022, 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 December 2021, we gave a lecture at Doshisha University’s Faculty of Commerce on the theme of the Keihan Group’s CSR and BIOSTYLE. A representative from our company provided a briefing on the Keihan Group’s ideas on CSR and our activities designed to solve social issues and create new value, including BIOSTYLE, while referring to some of the certified BIOSTYLE PROJECTS. This was followed by group work and opinion exchange sessions. After the lecture, we asked the 12 participating students to submit a report. We received valuable opinions and suggestions from the students, including the following: “Decarbonization should be promoted by designing compact cities.”

G Governance

Corporate officers



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 Hirakata-shi
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.
June 2022 Honorary 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 [Sustainability 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 Hirakata-shi 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]

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]

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



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)

Norio Otsuka
Executive Officer

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

Responsibilities
[Assistant General Manager of Transportation Business]

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



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
June 2019 Director, the Company (current position)
April 2022 Distinguished Professor, Organization for Research
Promotion at Osaka Metropolitan University (OMU);
Director, Research Institute for Tourism Industry,
Collaborative Research Center, Organization for Research
Promotion at OMU; Professor, Graduate School of
Sustainable System Sciences, OMU (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)

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]

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)

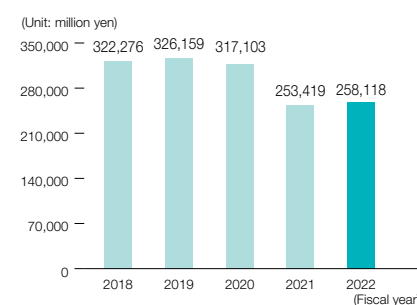
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Operating revenue	279,156	289,203	294,906	300,188	302,917	322,276	326,159	317,103	253,419	258,118
Operating income	23,289	25,085	29,437	31,524	32,343	31,458	33,715	31,123	-1,265	13,408
Ordinary income	18,933	21,457	27,435	28,461	30,335	29,630	32,108	29,886	238	16,485
Profit attributable to owners of parent	11,077	14,420	17,864	22,385	22,636	22,712	21,480	20,121	-4,574	9,589
Total assets	653,462	671,182	664,236	670,333	679,631	698,786 ^{*2}	731,750	732,824	764,247	737,261
Net assets	158,121	169,864	190,513	191,790	203,455	223,559	238,695	254,058	248,595	255,876
Interest-bearing debt	327,880	321,044	311,010	325,714	314,539	316,399	334,346	327,132	351,600	345,311
Capital expenditure	19,977	31,179	15,878	31,398	39,173	39,745	43,631	29,324	33,261	17,193
Depreciation	17,071	16,603	17,107	17,571	18,074	19,113	19,819	20,784	21,232	20,922
Cash flows from operating activities	43,901	29,573	21,459	36,334	38,569	44,438	36,473	32,033	15,282	21,673
Cash flows from investing activities	-28,489	-15,132	-4,473	-27,750	-29,597	-32,603	-48,059	-26,363	-24,940	-17,641
Free cash flow	15,412	14,441	16,985	8,584	8,971	11,835	-11,586	5,670	-9,658	4,032
Cash flows from financing activities	-11,941	-11,412	-16,275	-5,768	-20,020	-9,858	12,655	-12,138	21,301	-10,264
Net increase (decrease) in cash and cash equivalents	3,470	3,028	710	2,816	(11,048)	1,976	1,069	-6,468	11,643	(6,232)
Cash and cash equivalents at end of period	22,802	25,831	26,552	29,372	18,324	20,300	21,377	14,911	26,554	20,322
Earnings per share (EPS) (yen) ^{*1}	19.70	25.65	31.78	39.95	211.01	211.87	200.40	187.72	-42.68	89.47
Diluted earnings per share (yen) ^{*1}	—	—	—	—	211.00	211.85	200.36	187.68	—	89.44
Net assets per share (yen) ^{*1}	276.40	297.08	334.67	349.13	1,870.99	2,055.87	2,193.68	2,329.94	2,279.47	2,343.97
Dividend per share (yen) ^{*1}	5.00	6.00	6.00	6.00	30.00	35.00	35.00	35.00	25.00	25.00
Return on equity (ROE) (%)	7.4	8.9	10.1	11.9	11.6	10.8	9.4	8.3	-1.9	3.9
Return on assets (ROA) (%)	3.6	3.8	4.4	4.7	4.8	4.6 ^{*2}	4.7	4.3	-0.2	1.8
Equity capital ratio (%)	23.8	24.9	28.3	28.2	29.5	31.5 ^{*2}	32.1	34.1	32.0	34.1
Interest-bearing debt/EBITDA multiple (times)	8.1	7.7	6.7	6.6	6.2	6.3	6.3	6.3	17.6	10.1
Net interest-bearing debt/EBITDA multiple (times)	7.6	7.1	6.1	6.1	5.9	5.9	5.9	6.0	16.3	9.5

^{*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.

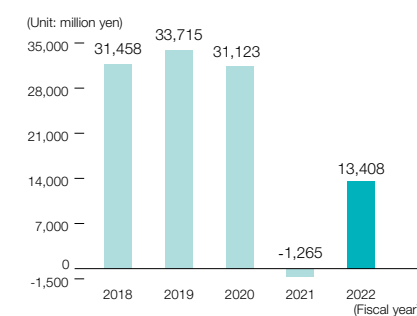
^{*2} Effective from the beginning of FY2019, Keihan Holdings Co., Ltd. has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018), etc., which have also been applied retrospectively to total assets, ROA and equity capital ratio for FY2018.

^{*3} Effective from the beginning of FY2022, Keihan Holdings Co., Ltd. has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc.

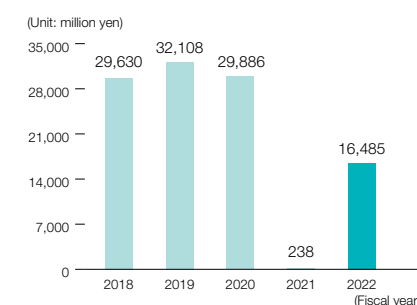
Operating revenue



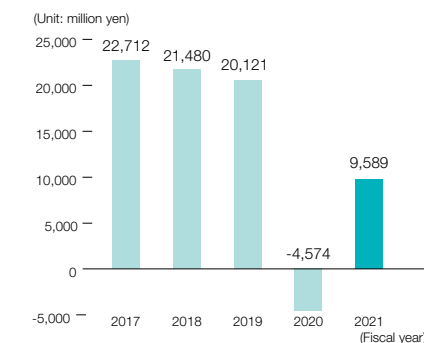
Operating income



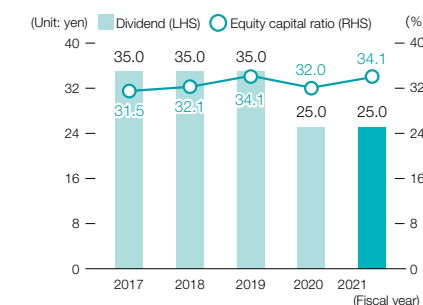
Ordinary income



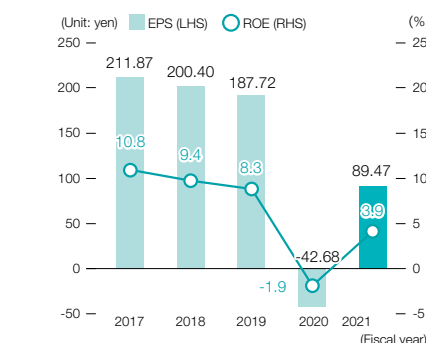
Profit attributable to owners of parent



Annual dividend and equity capital ratio



ROE/EPS



FY2022 Consolidated Balance Sheets (Summary)

(Unit: million yen)

Item	Amount
Operating revenue	258,118
Operating expenses	244,710
Operating income	13,408
Non-operating income	5,820
Non-operating expenses	2,742
Ordinary income	16,485
Extraordinary income	4,199
Extraordinary losses	2,684
Profit before income taxes	18,000
Income taxes - current	7,402
Income taxes - deferred	617
Profit	9,981
Profit attributable to non-controlling interests	391
Profit attributable to owners of parent	9,589

FY2022 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	69,046	123,116	52,517	10,926	2,508	258,116	2	258,118
Intersegment operating revenue or transfers	1,722	14,378	390	602	661	17,755	(17,755)	—
Total	70,768	137,495	52,908	11,529	3,169	275,871	(17,752)	258,118
Segment income (loss)	173	22,593	1,776	(9,324)	(1,393)	13,825	(417)	13,408
Segment assets	239,448	424,309	28,408	33,769	7,477	733,412	3,849	737,261
Other items								
Depreciation	11,848	6,449	1,061	1,143	182	20,685	237	20,922
Increase in property, plant and equipment and intangible assets	6,142	9,473	826	586	46	17,075	118	17,193

FY2022 Consolidated Balance Sheets (Summary)

(Unit: million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	186,794	Current liabilities	127,477
Cash and deposits	20,327	Notes and accounts payable-trade	10,020
Notes and accounts receivable-trade and contract assets	25,129	Short-term loans payable	60,320
Land and buildings for sale	126,863	Advances received	8,717
Others	14,474	Others	48,419
Non-current assets	550,466	Long-term liabilities	353,907
Property, plant and equipment	481,726	Bonds payable	100,000
Buildings and structures	213,445	Long-term loans payable	174,990
Machinery, equipment and vehicles	19,553	Retirement benefit liabilities	17,593
Land	230,941	Others	61,323
Construction in progress	10,267	Total liabilities	481,384
Others	7,517		
Intangible assets	7,218	(Net assets)	
Investments and other assets	61,521	Shareholders' equity	210,627
Investment securities	42,001	Capital stock	51,466
Deferred tax assets	5,369	Capital surplus	28,796
Retirement benefit asset	1,605	Retained earnings	152,007
Others	12,545	Treasury shares	-21,643
		Accumulated other comprehensive income	40,612
		Valuation difference on available-for-sale securities	5,967
		Revaluation reserve for land	35,060
		Foreign currency translation adjustment	-12
		Remeasurements of defined benefit plans	-403
		Subscription rights to shares	121
		Non-controlling interests	4,514
		Total net assets	255,876
Total assets	737,261	Total liabilities and net assets	737,261

FY2022 Consolidated Statement of Cash Flows (Summary)

(Unit: million yen)

Item	Amount
Cash flows from operating activities	21,673
Cash flows from investing activities	-17,641
Cash flows from financing activities	-10,264
Net increase (decrease) in cash and cash equivalents	(6,232)
Cash and cash equivalents at beginning of period	26,554
Cash and cash equivalents at end of period	20,322

Corporate overview of Keihan Holdings (as of March 31, 2022)

Corporate data

Name	Keihan Holdings Co., Ltd.
Incorporation	November 25, 1949
Establishment	November 19, 1906
Capital	51,466,416,776 yen
Number of employees	132 (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	51,166

List of Keihan Group companies (as of October 31, 2022)

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.
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.



Corporate website of the Keihan Group



Sustainability initiatives

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