

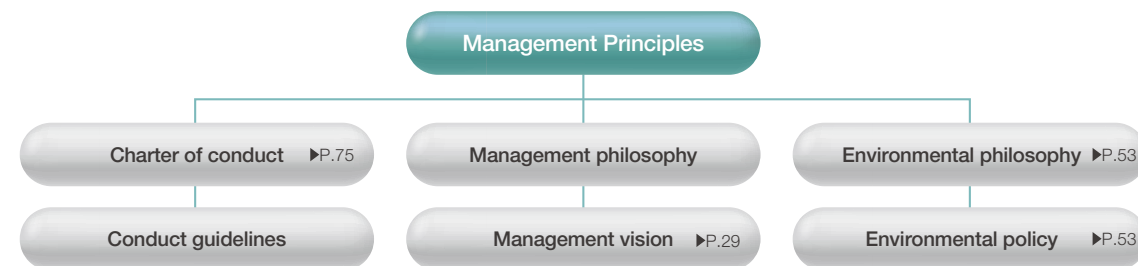
KEIHAN GROUP INTEGRATED REPORT 2024



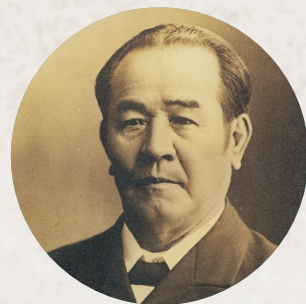
Management Principles

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



Spirit of the founder of the Keihan Group



Eiichi Shibusawa (Photo: Shibusawa Memorial Museum)

A 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

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

Keihan Holdings Co., Ltd. (formerly Keihan Electric Railway Co., Ltd.) was established in 1906 by the so-called father of Japanese capitalism, Eiichi Shibusawa, as the chairman of the organization committee. Shibusawa was also instrumental in the establishment of various enterprises that contributed to the modernization of Japan, including Japan's first bank, the First National Bank, as well as companies in the electricity, gas, shipping, cement, and shipbuilding sectors. Shibusawa was enthusiastic about the establishment of railway companies essential for the modernization of Japan. All up, he was involved in the founding of around 50 companies. Of these, our Company was founded based on the noble idea of laying a railway to link the 1,000-year-old ancient capital “Kyoto” with the commercial center “Osaka” through the towns and villages along the former Kyokaido (a main road), thereby aiming to not only generate profits for the Company, but also contribute to the development of local communities.

Influenced by the ideas in the Analects of Confucius that he avidly read in his childhood, 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 interests of the public. Throughout his life, he made it the cornerstone of his management philosophy. 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. In a sense, this thinking could be considered a precursor to today's ESG principles and a philosophy that continues to be inherited by the Keihan Group.

Management vision for 2050

“Be the beautiful Keihan areas and the global Keihan Group”

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

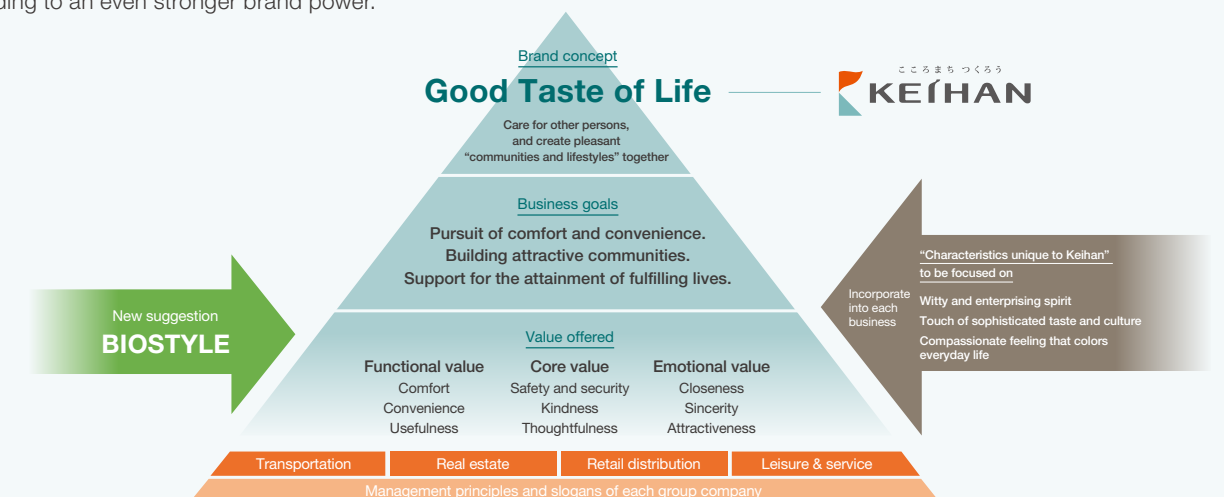
We will create a beautiful life cycle in areas along Keihan Railway lines that brings fulfillment to the mind and body and contributes to the realization of a sustainable society, thereby expanding the ring of empathy to the world.

We will attract many inbound tourists to the areas along our lines and take on the challenge to expand our business Asia-wide.



Keihan Group brand management

Our brand concept, Good Taste of Life: Care for other persons, and create pleasant “communities and lifestyles” together, represents the value provided by the Keihan Group and is a promise to our customers. It also symbolizes our Management Principles System. The business goals are what each business in the group pursues in order to realize the Keihan brand, while the nine values offered are for every employee to understand and reflect in their actions. This creates a positive cycle in which customers choose Keihan as their first choice, leading to an even stronger brand power.



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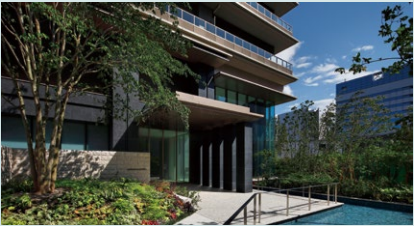
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Editorial policy

The Keihan Group promotes BIOSTYLE Management, which creates both social and economic value. We have published our Integrated Report in order to communicate our value creation story and our medium-to long-term growth potential to all stakeholders, including investors. This Report, which is our second, comprehensively introduces the progress of our long-term management strategy along with non-financial information such as environmental management and human resources strategy. Following from the previous Report, we have once again included conversations with our CEO and Outside Directors.

Coverage	Keihan Holdings Co., Ltd. and its consolidated subsidiaries
Period	FY2024 (April 1, 2023 to March 31, 2024) * Contains some information not included in the above period.
Month of issue	November 2024 * The next issue is scheduled to be released in autumn 2025.
Guidelines referenced	This report references the IFRS Foundation’s International Integrated Reporting Framework, the Ministry of Economy, Trade and Industry’s Guidance for Collaborative Value Creation, and the GRI Standards for sustainability reporting.

Keihan Group INTRODUCTION



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History of value creation



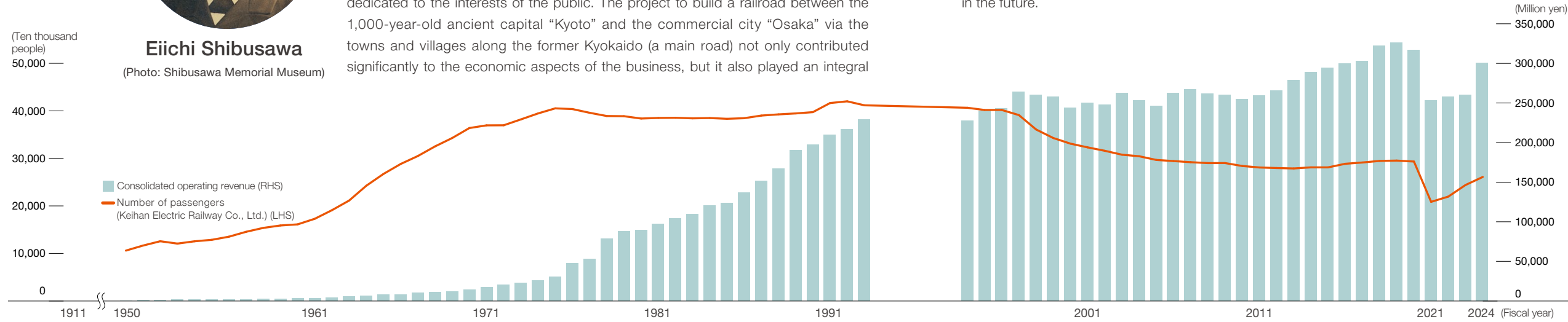
Eiichi Shibusawa

(Photo: Shibusawa Memorial Museum)

Inheriting the spirit of the founder and aspiring to create new value

Keihan Holdings Co., Ltd. (formerly Keihan Electric Railway Co., Ltd.) was founded in 1906 by the so-called father of Japanese capitalism, Eiichi Shibusawa, as the chairman of the organization committee. Shibusawa advocated that the main duty of business should not simply be the pursuit of personal gain, but also efforts dedicated to the interests of the public. The project to build a railroad between the 1,000-year-old ancient capital “Kyoto” and the commercial city “Osaka” via the towns and villages along the former Kyokaido (a main road) not only contributed significantly to the economic aspects of the business, but it also played an integral

role in the development of local communities. Over the course of the company’s history, the spirit of the founder has been handed down, driving development together with society. This spirit is currently shared throughout the group as our Management Principles. We will continue to provide value to society on the basis of the founder’s spirit and aim to achieve sustainable development in the future.



Inheriting the spirit of the founder and actively embracing the challenge of creating new value



In 1910, we started operating a railway line between Temmabashi in Osaka and Gojo in Kyoto. We worked to improve convenience and safety with the operation of express trains and the introduction of an automated three-position color light signaling system. We also actively sought to diversify our business operations and expand our presence by entering the bus transportation business and organizing the Chrysanthemum Figure Exhibition to attract more passengers.

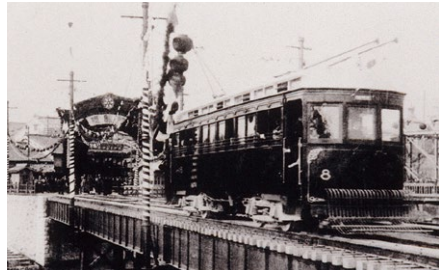
In the post-war period, in responding to demand for transportation and housing along our railway lines where the population was rapidly increasing, we stepped up efforts to bolster railway transportation capacity and develop housing. By extending the Keihan Main Line to Yodoyabashi, we successfully improved access to the city center of Osaka. We also constructed large-scale commercial buildings that are integrated into station buildings and entered the leased building business in earnest.

Following the oil shocks of the 1970s, as the economy shifted to stable growth, we continued to invest in augmenting transport capacity and improving safety through projects such as elevating and quadrupling railway tracks and constructing underground lines. In addition, we actively took steps to diversify our business portfolio by entering the businesses of built-for-sale condominiums, business hotels, and department stores. We also improved our leisure facilities by commissioning cruise ships.

To adapt to drastic changes in the operating environment, including the economic downturn 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’,” aiming to become a large, yet reputable company. The opening of the Nakanoshima Line helped revitalize the economy in the Kansai region and, in addition to enhancing value along our railway lines with the opening of the Kuzuha Mall, we also expanded our business operations in areas away from our railways by, for example, opening hotels in the greater Tokyo area. In 2016, we transitioned to a holding company system with the aim of being a corporate group that can continue to achieve growth even in a challenging operating environment characterized by population decline and other factors.

Alongside the strengthening of our four core businesses, we are working to bring about a sustainable society by positioning BIOSTYLE, Keihan’s version of the SDGs, as a new focal point, thereby aiming to create both social and economic value at the same time. We continue to challenge ourselves in order to remain a corporate group valued by society.

1910 Keihan Electric Railway Co., Ltd. services started (between Temmabashi Station in Osaka and Gojo Station in Kyoto)



1910 First Chrysanthemum Figure Exhibition held at Korien



1963 Completion of Yodoyabashi underground extension (between Temmabashi Station and Yodoyabashi Station)



1968 First-stage lot sales of Kuzuha Rose Town started



1970 Opening of the Keihan Shopping Mall (now Keihan Mall) in the Kyobashi Station building



1979 Hotel Keihan Osaka (now Tenmabashi) opened



1982 Lake Biwa cruise ship Michigan commissioned



1985 Keihan Moriguchi Department Store opened



1998 Lot sales of condominium Fine Garden started in Keihan East Rose Town



2005 KUZUHA MALL opened



2008 Nakanoshima Line services started (between Temmabashi Station and Nakanoshima Station)



2017 Premium Car (reserved seat carriages) introduced



2018 Opening of Hotel Keihan Tsukijiginza Grande



2019 THE THOUSAND KYOTO opened



2019 GOOD NATURE STATION opened



2024 Completion of STATION HILL HIRAKATA



At a glance

The Keihan Group operates four core businesses across approximately 50 companies. As stated in our Management Principles, we will “create a comfortable living environment and contribute to society by establishing a network of dreams, hope, and trust” through these businesses that are closely related to everyday life. This commitment is what drives our ongoing efforts.



Transportation

Business operations

We manage various railway services including the Keihan Railway, which provides intercity, regional, and tourism transportation in the three prefectures of Osaka, Kyoto, and Shiga in the Kansai region, as well as Eizan Railway and Keifuku Electric Railroad (Randen). Our offerings also extend to bus services, such as fixed-route buses that support regional transportation, scheduled sightseeing buses, express buses, and limousine buses. Additionally, we oversee Hirakata Park, an amusement park that celebrated its 110th anniversary in 2022.

Key operating companies

- Keihan Electric Railway Co., Ltd.
- Eizan Electric Railway Co., Ltd.
- Keifuku Electric Railroad Co., Ltd.
- Keihan Bus Co., Ltd.

Breakdown of operating revenue

27.7% (FY2024)

Operating revenue and operating income

(Million yen)

	2022	2023	2024
Operating revenue	70,768	80,927	89,046
Operating income	173	6,885	9,208

(Fiscal year)



Real estate

Business operations

In real estate sales, we are engaged in the development of condominiums across the Kansai and Tokyo areas, as well as major regional cities such as Sapporo. We also engage in the sale and brokerage of standalone homes. Our real estate leasing business includes ownership of office buildings such as OMM in the Kansai area and the Keihan Otemachi Building and Keihan Yokohama Building in the Tokyo area. Our operations also extend to landscaping, building maintenance, and construction consulting services.

Key operating companies

- Keihan Real Estate Co., Ltd.
- Keihan Tatemono Co., Ltd.

Breakdown of operating revenue

43.3% (FY2024)

Operating revenue and operating income

(Million yen)

	2022	2023	2024
Operating revenue	137,495	120,103	138,860
Operating income	22,593	17,555	20,171

(Fiscal year)



Retail distribution

Business operations

Our retail presence is significant, with five department stores primarily along the Keihan Railway lines. We operate suburban shopping centers like KUZUHA MALL, the urban shopping centers Keihan Mall and Keihan City Mall, and various other commercial facilities, including Frest supermarkets and our innovative shops MOYORI ICHI, which are located mainly inside and outside stations.

Key operating companies

- Keihan Department Stores Co., Ltd.
- Keihan The Store Co., Ltd.
- Keihan Ryutsu Systems Co., Ltd.

Breakdown of operating revenue

16.7% (FY2024)

Operating revenue and operating income

(Million yen)

	2022	2023	2024
Operating revenue	52,908	50,676	53,439
Operating income	1,776	1,878	2,771

(Fiscal year)



Leisure & service

Business operations

Nationally, we own and operate 21 hotels, totaling around 4,800 rooms, in the locations along our railway lines in Osaka, Kyoto, and Shiga, as well as in other areas in Tokyo and Sapporo. Additionally, we manage several facilities that serve as symbols of their region, such as the landmark Nidec Kyoto Tower, the sightseeing ships Michigan and Bianca on Lake Biwa, the Garden Museum Hiei, and the Aqua Liner that sails around the waters of Osaka.

Key operating companies

- Hotel Keihan Co., Ltd.
- Keihan Hotels & Resorts Co., Ltd.
- Biwako Kisen Steamship Co., Ltd.

Breakdown of operating revenue

10.9% (FY2024)

Operating revenue and operating income

(Million yen)

	2022	2023	2024
Operating revenue	11,529	22,869	34,976
Operating income	-9,324	-3,836	3,265

(Fiscal year)



Other businesses

Business operations

Biostyle Co., Ltd. operates GOOD NATURE STATION, a mixed-use commercial facility conceptualized around the theme of “BIOSTYLE,” which contributes to a recycling-oriented society by realizing a lifestyle that is healthy, beautiful, and brings a high quality of life. It also has its own natural cosmetics brand, NEMOHAMO, as well as the patisserie RAU. We also develop card business, among other ventures.

Key operating companies

- Keihan Card Co., Ltd.
- Biostyle Co., Ltd.

Breakdown of operating revenue

1.4% (FY2024)

Operating revenue and operating income

(Million yen)

	2022	2023	2024
Operating revenue	3,169	3,660	4,578
Operating income	-1,393	-1,230	-837

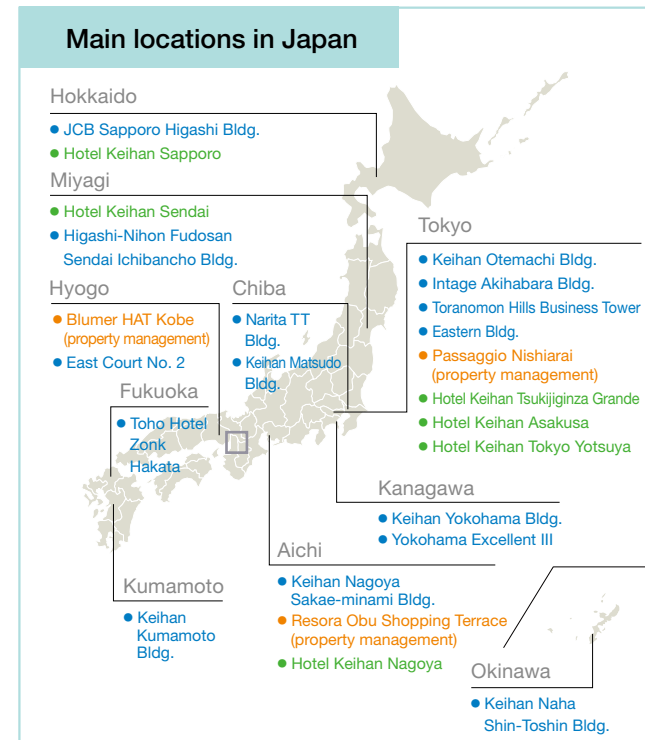
(Fiscal year)

* The figures provided for each business include adjustments for intercompany transactions.

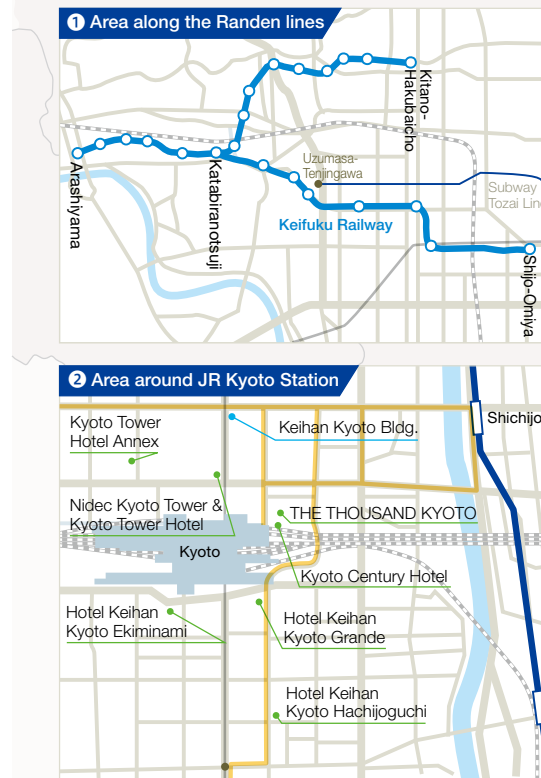
Keihan Group INTRODUCTION

Domestic business area

The Keihan Group has promoted urban development and community building around our railway stations, with a focus on stations along the Keihan Railway lines with their rich history, culture, and landscapes. We have also worked to connect 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.

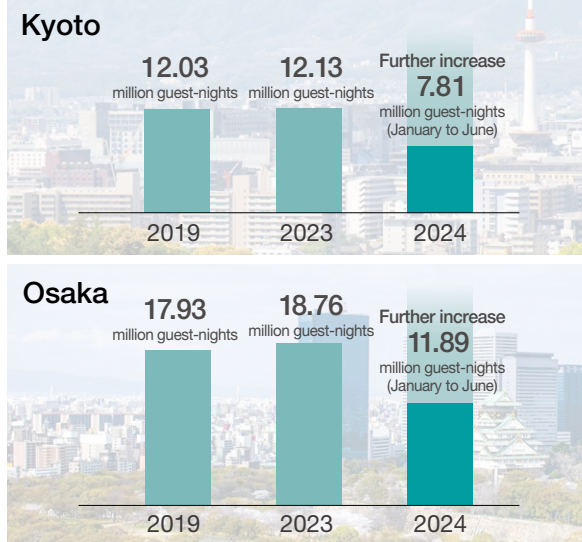


Kinki area railway lines and bases



Total number of foreign guests

The Keihan Railway lines connecting Osaka and Kyoto are highly popular routes used for sightseeing among foreign visitors to Japan.



Prepared based on the Japan Tourism Agency's "Statistical Survey on Overnight Travel"

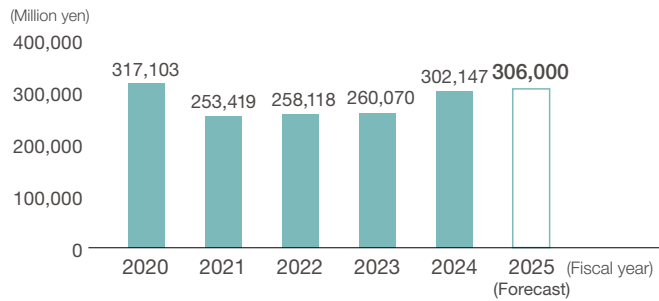


Financial and non-financial highlights

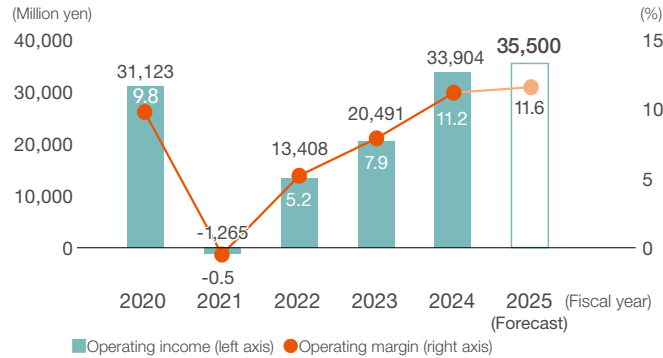
Financial highlights

* Since the start of FY2022, we have been implementing the Accounting Standard for Revenue Recognition and other standards.

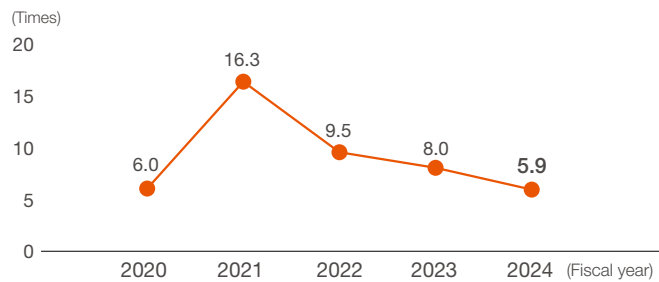
Operating revenue



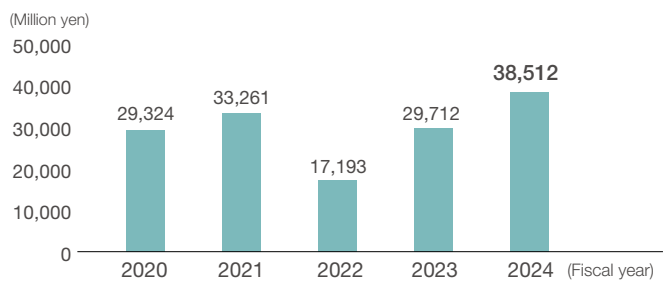
Operating income/operating margin



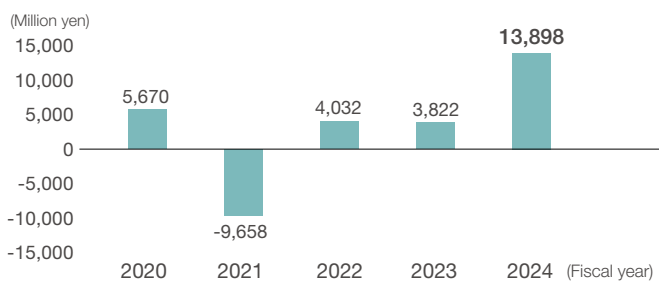
Net interest-bearing debt/EBITDA multiple



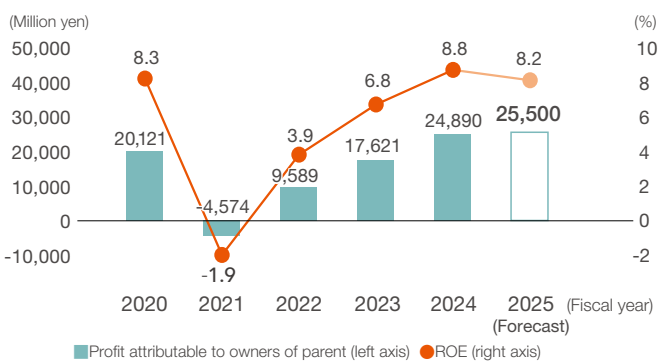
Capital expenditure



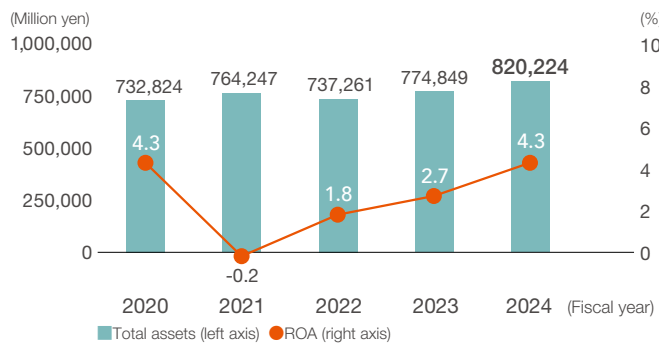
Free cash flow



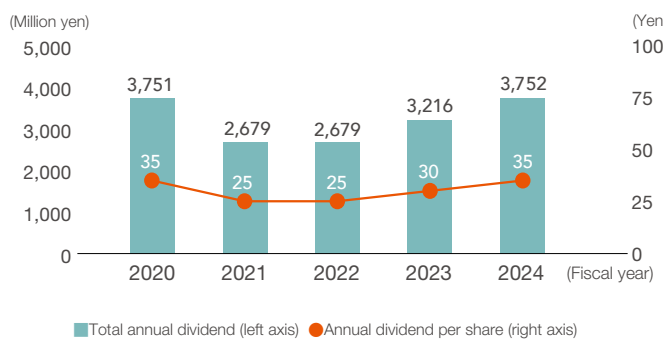
Profit attributable to owners of parent/ROE



Total assets/ROA

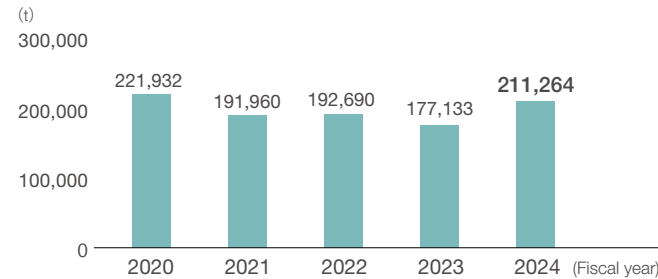


Shareholder returns

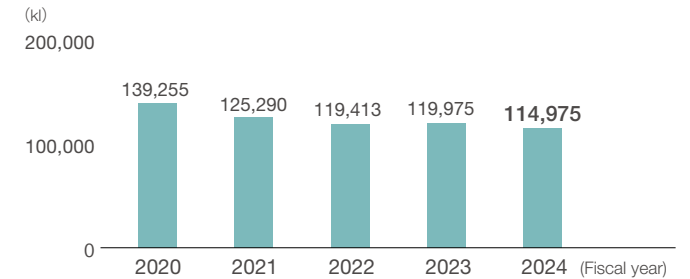


Non-financial highlights

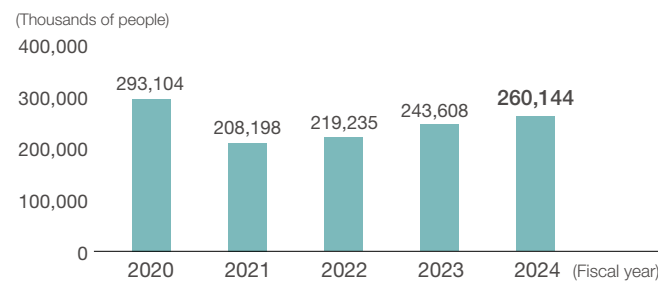
CO₂ emissions



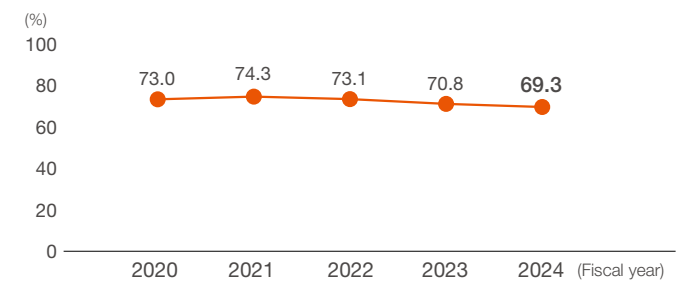
Energy usage



Keihan Railway passengers transported

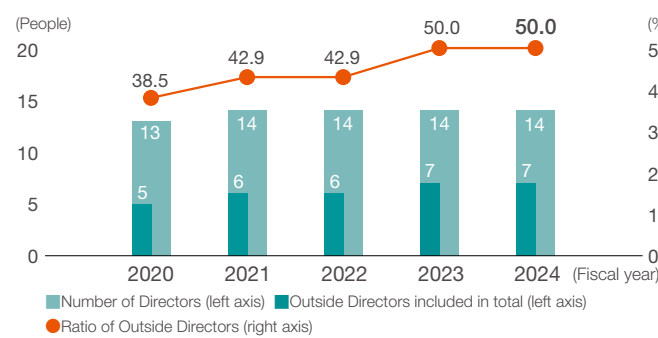


Customer Satisfaction Index*

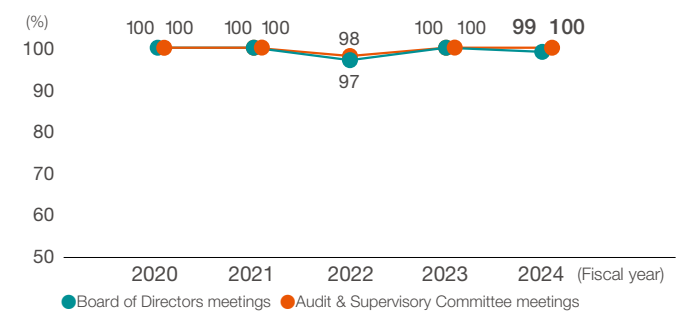


* This is part of Japan's largest customer satisfaction survey conducted by SPRING (Service Productivity & Innovation for Growth), part of the Japan Productivity Center. The data is specific to Keihan Railway.

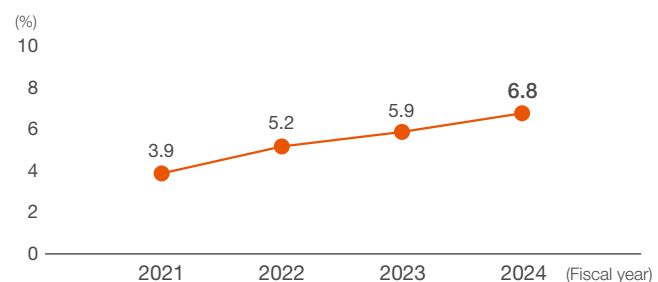
Number of Directors and ratio of Outside Directors



Outside Director attendance rate at Board of Directors meetings/Audit & Supervisory Committee meetings

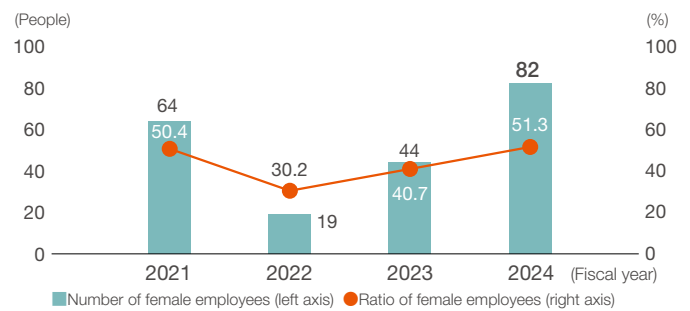


Ratio of female managers



* Pertains to Keihan Holdings Co., Ltd.

Number and ratio of female employees*



* Total for Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd., Keihan Real Estate Co., Ltd., Keihan Department Stores Co., Ltd., and Hotel Keihan Management Co., Ltd. (a subsidiary operating under Hotel Keihan Co., Ltd.)

Keihan Group INTRODUCTION

Value creation process

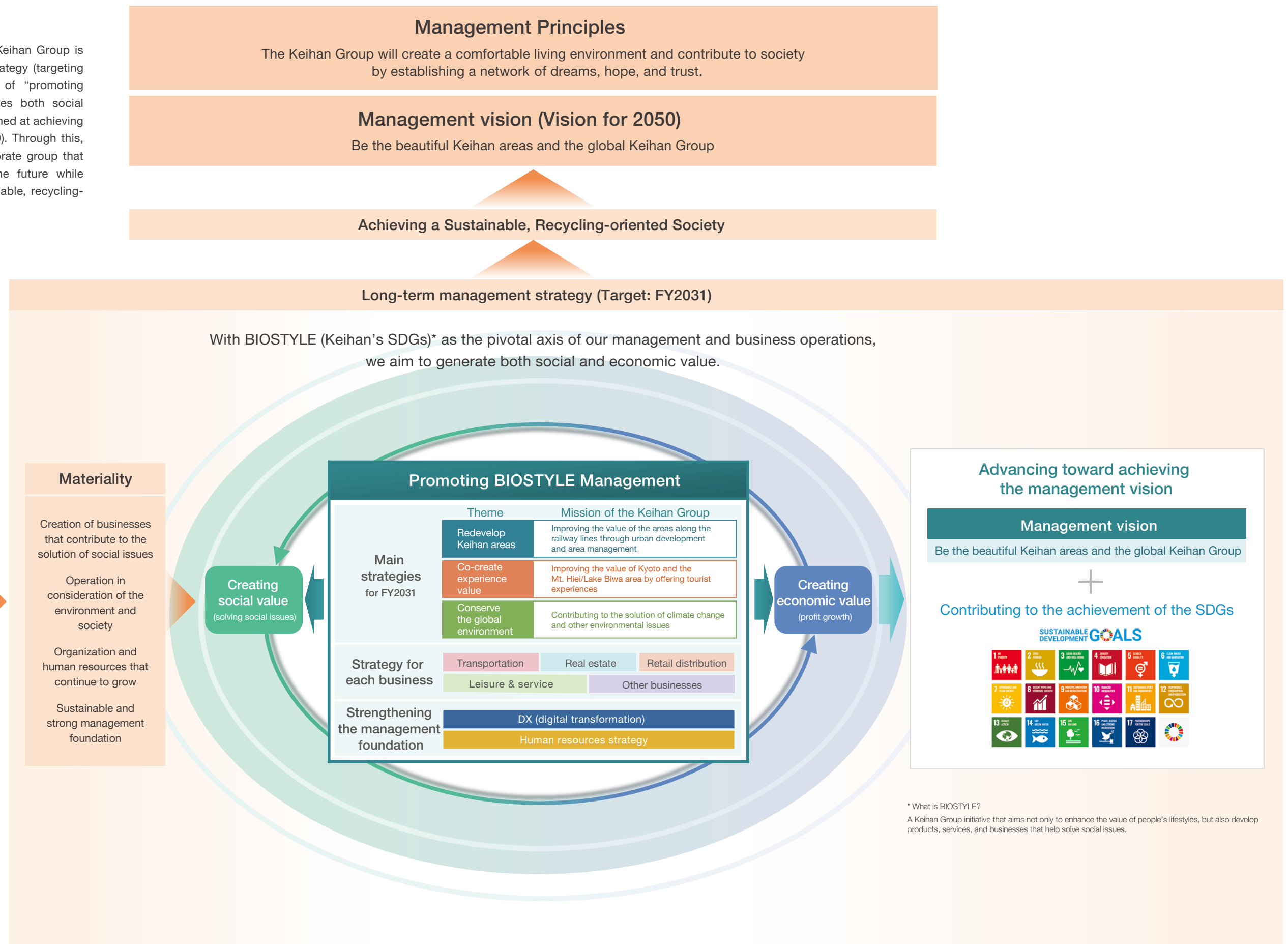
Under its Management Principles, the Keihan Group is advancing a long-term management strategy (targeting FY2031) centered around the theme of “promoting ‘BIOSTYLE Management’ that generates both social and economic value.” This strategy is aimed at achieving our management vision (Vision for 2050). Through this, the Keihan Group strives to be a corporate group that continues to grow sustainably into the future while contributing to the creation of a sustainable, recycling-oriented society.

Opportunities and risks

Opportunities
Increasing demand for products and services that contribute to the solution of social issues
Recovery and expansion of tourism demand
Acceleration of community building by the private sector through the utilization of public spaces, etc.
Increasing demand for new products and services due to changing lifestyles and technological innovations such as AI and IoT
Risks
Suspension of operations and losses due to intense disasters
Decreasing number of customers and labor shortage due to a declining population
Local economy shrinkage or its acceleration
Impact of changes in lifestyles and work styles on existing business models

Changes in the external environment

Increasing awareness of sustainability
Increasing intensity and frequency of natural disasters
Aging and declining population
Economic and social shrinkage in the areas along the railway lines
Diversification of human resources and work styles
Growing needs for a safe and secure society



The Keihan Group's Materiality

Four key themes (material issues)

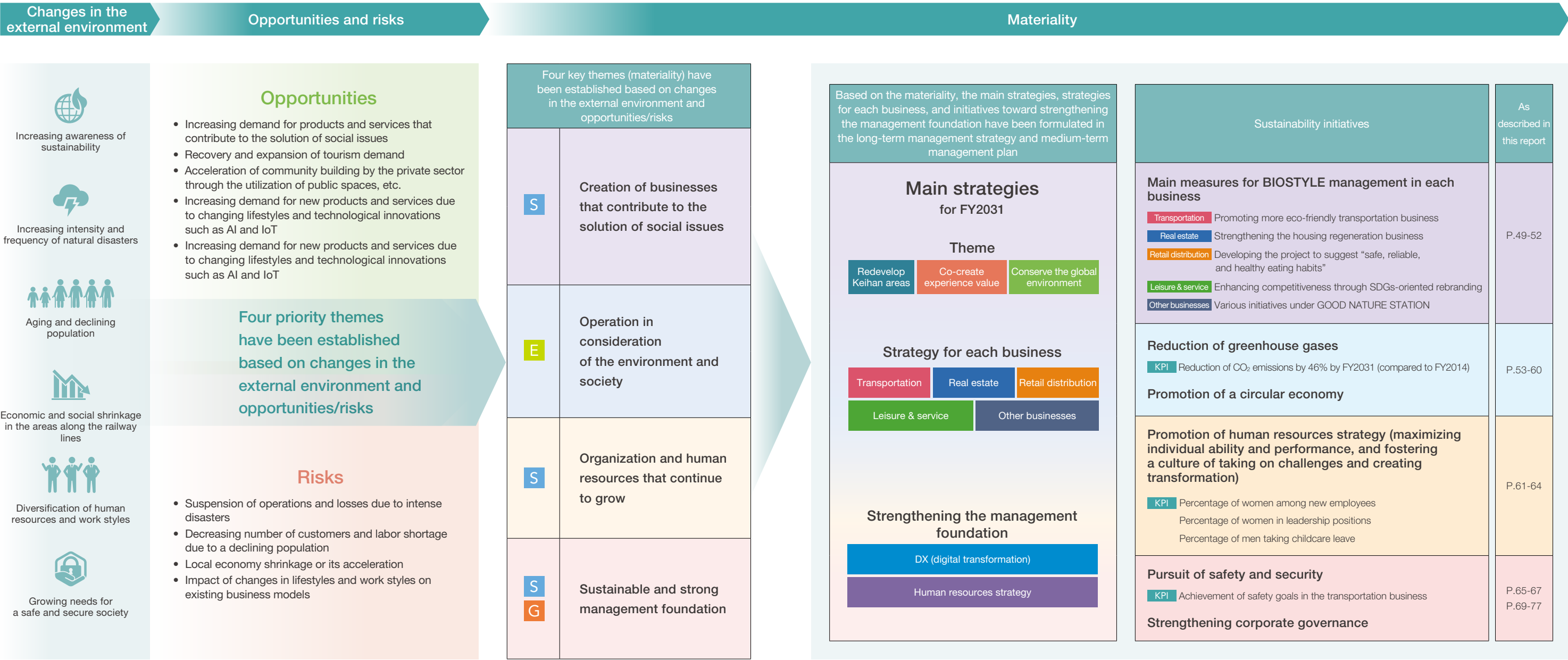
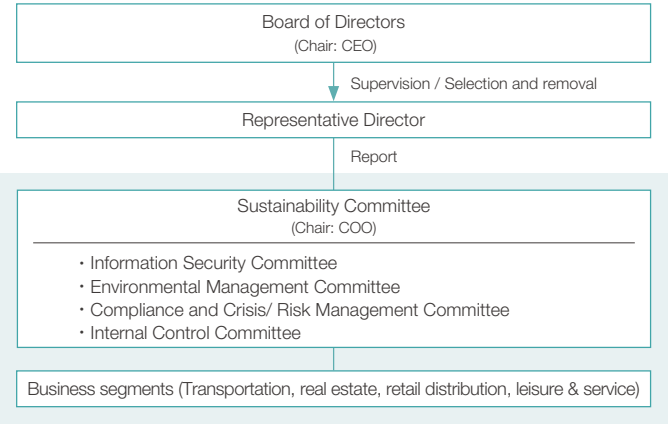
Upon analyzing changes in the external environment the Keihan Group finds itself in, we identified opportunities and risks for management going forward. These formed the basis for the establishment of our four key management themes (material issues). For our long-term management strategy and medium-term management plan, we have formulated core strategies and business-specific strategies based on these four themes.

Sustainability within the Keihan Group

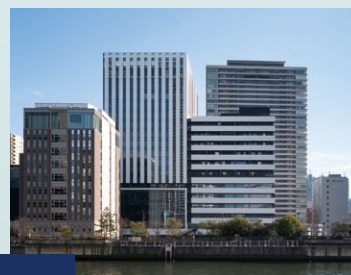
In line with our Management Principles, we believe that sustainability management for the Keihan Group involves addressing social issues through our businesses and aiming for sustainable development alongside society. To promote sustainability management, we are promoting initiatives in non-financial areas based on four key themes (materiality).

Sustainability promotion system

With the aim of enhancing the Keihan Group's corporate value in the medium to long term, we have established the Sustainability Committee to deliberate and decide on important policies and measures related to sustainability, manage their progress, and organize internal control and risk management systems. The Sustainability Committee is chaired by the Representative Director & President, COO, and includes Directors who are the General Managers responsible for the transportation, real estate, retail distribution, and leisure & service businesses, among others. The details of the discussions are regularly presented (put on the agenda or reported) to the Board of Directors.



Management message



18 COO message

23 Discussion: CEO + Outside director

COO message

We are now back on track for renewed growth.
We will maintain this momentum and press ahead to achieve our long-term management strategy.

石丸昌宏

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



Management message

COO message

Opening of Station Hill Hirakata and future developments

As part of the redevelopment around Hirakatashi Station—a major project of one of the Keihan Group's main strategies: Redevelop Keihan areas, the mixed-use facility, Station Hill Hirakata, was completed in May 2024. This building is connected to the station and is the centerpiece of the redevelopment. Following the openings of offices, a hotel, and a rental residential tower, the commercial area known as Hirakata Mall also opened in September.

On the day of the opening, a long line formed at the entrance, which made us realize just how much everyone in the community had been looking forward to its completion. Station Hill Hirakata is directly connected to the station and offers a wide range of functions, thereby attracting people for various purposes. With the hope that different kinds of people can meet and interact there, we have created some symbolic public spaces throughout the facility that can serve as places of interest where memories might be made. Since its opening, we have already seen many young people, including high school and university students, relaxing there, which is confirmation that we have achieved the start we were hoping for.

The city of Hirakata is one of the “core” cities of Osaka Prefecture. The daily number of passengers getting on and off trains at Hirakatashi Station, which is located halfway between Kyoto and Osaka, is the third highest of all Keihan Electric Railway stations, making it an important station. Only the inner-city stations of Kyobashi and Yodoyabashi see more passengers in a single day. In addition to transfers to and from one of our branch lines, the Katano Line, the station serves as a hub for suburban transportation with about 1,000 bus departures daily. Therefore,

how we can develop the station to enhance the attractiveness of Hirakata City has been a mission for the entire Keihan Group.

Prior to the redevelopment, the Hirakata Office of Keihan Electric Railway was located in this area, and on the fourth floor, there was a rail transport-related training center. Not long after I joined the company, I too underwent training for station and conductor operations. The values of safety and security, which are part of Keihan's DNA, were drummed into me during that time. Many employees share a similar experience, which is why Hirakata feels a bit like a hometown for us. The development of the company-owned land at Hirakatashi Station had been discussed several times over the past 30 years, but it was only about eight years ago that the development plans began to take shape. The development of Station Hill Hirakata faced numerous challenges along the way, including the COVID-19 pandemic. However, with everyone's support, it progressed at an unprecedented speed, taking only four years from the establishment of the redevelopment association, enabling us to bring this symbolic project for Hirakata's redevelopment to fruition. Based on the development concept of equipping Hirakatashi Station with essential functions for daily life—accessible for many people within about 20 minutes on foot, by bicycle, or by public transport—and enabling fulfilling lifestyles and work styles, we now intend to accelerate our area management efforts. Just a five-minute walk away, there is a riverside park along the Yodo River, which hosts various events, as well as a large cultural hall. If we can establish a connection to these places, I feel there is still plenty of potential for the further revitalization of the entire area. We have finally realized the Keihan Group's long-held dream of developing Hirakata, but this is certainly not the end—it is a new beginning. Up ahead, we will further deepen our cooperation

with the community in various ways to enhance the value of Hirakata, our founding location, and drive forward community development.

The successful opening of Station Hill Hirakata was an extremely significant event. Rather than seeing it merely as a site development, we will promote area management in collaboration with the community and link it to future developments at various locations along the Keihan Group's railway lines. Building on the experience of Hirakata's development—where we deepened collaboration with the local community and many stakeholders, and all group companies were united in driving the project forward—we will continue to bring together the group's collective strengths to realize our corporate slogan of “creating communities of heartfelt living” and press ahead with “community building starting from railway stations.”

Promoting BIOSTYLE management

The main theme of our long-term management strategy targeting FY2031 is to promote what we call “BIOSTYLE management” that creates both social and economic value. Based on this, in FY2024 we launched our three-year medium-term management plan, BIOSTYLE: Deepening and Challenge (FY2024–2026). The plan is underpinned by three main strategies: (1) redevelop Keihan areas; (2) co-create experience value; and (3) conserve the global environment. The third strategy was added in light of its growing importance as a social issue.

Urban development that leverages the local attributes of an area and area management in collaboration with the community (redevelop Keihan areas)

The predecessor of the Keihan Group, Keihan Electric Railway, was founded by Eiichi Shibusawa, the chairman of the organization committee. Shibusawa advocated the theory of harmony between morality and economy, which holds that “morality,” as a responsibility for the prosperity of the nation and the whole of humanity, and “economy,” as the pursuit of corporate profit, must coexist in business. This philosophy could be considered a precursor to today's ESG principles. In addition to our DNA of “safety and security” that is essential to the transportation industry, since the time of our founding, we have maintained a strong sense of mission to make the community a better place.

I believe that our journey of growth has closely paralleled the growth of the communities we serve. Railways form lines and link up with bus routes, from where communities gradually take shape across an area. As such, we have not only operated railways, but we have also expanded into a wide range of other business domains, including real estate, hotels, tourism development, and retail, and in doing so, we have grown together with local communities. By contributing to the community, the Keihan Group has built up profits and achieved growth. In recent years, the group's real estate and hotel businesses have leveraged the expertise gained along



the railway lines to generate profits outside of those areas, for example, in the Tokyo metropolitan area, Sapporo, Sendai, Nagoya, and Okinawa. This creates a cycle where cash flows back into investments to revitalize the communities along the railway lines.

While the Hirakata development is but just one project that embodies our initiative to redevelop Keihan areas, the Nakanoshima Cross building is another that was completed in January and has been opening in stages since April. Nakanoshima had long prospered as the center of Osaka's economy, culture, and administration, but for quite some time now, it has been overshadowed by the axis connecting the northern and southern districts of the city. With the aim of revitalizing Osaka's east-west axis, we have participated in the development and establishment of an unprecedented international hub for medical innovation in Nakanoshima, along the east-west axis that extends to the bay area where an integrated resort is slated to be built. This hub brings together medical institutions, businesses, startups, and support organizations to contribute to strengthening Osaka's international competitiveness. In addition, we plan to open facilities in Yodoyabashi starting in FY2026, and with a view to 2030 and beyond, we will continue to explore redevelopment projects around Kyobashi Station, our land in Nakanoshima, and the areas around Temmabashi Station, as well as the extension of the Nakanoshima Line. Through these initiatives, we will look to promote urban development and area management along the Osaka east-west axis extending out to the integrated resort.

Creating tourist attractions linked to our railway network (co-creating experience value)

The Keihan Group's railway lines pass through many attractive areas, including the center of Kyoto, Fushimi, Uji, the Rakuhoku



Management message

COO message



districts of Kurama and Kibune, and Mount Hiei. And further afield, Shiga Prefecture is not only blessed with the beautiful scenery of Lake Biwa, but it also has some unique offerings in the way of fermented food culture, including *funazushi*, one of Japan's most renowned dishes, and the cultural practice of using spring water for everyday use. Currently, many tourists tend to spend most of their time in the innercity areas of Kyoto and Osaka, but the areas along the Keihan Railway were originally part of the old thoroughfare in the Edo period (1603-1868) that connected all of the post towns between Kyoto and Osaka. As a result, the places along the way are home to many towns, each with its own rich history and culture. I think one of the strengths of the Keihan Group is its ability to develop untapped areas and content. By co-creating with local communities, we aim to uncover high-value experiences, connect history, culture, and nature along our railway lines, and revitalize the entire area. Our goal is to boost both domestic and international visitor numbers, as well as repeat visitors. For example, along the waterways that flow from Lake Biwa to Kyoto, and then into Osaka Bay via the Yodo River, we are working on revitalizing the area by developing tourist attractions and experiences centered around boat transportation. The Lake Biwa Canal Cruise, which revives the boat transportation of the Biwa Lake Canal, an industrial heritage of the Meiji era (1868-1912), began operating extended services to Otsu Port in the spring of 2024. In the Kyoto area, we plan to redevelop the company-owned land in front of Sanjo Station, situated along the Kamo River and close to tourist attractions in Higashiyama, with the aim of establishing it as a hub for showcasing Japanese and Kyoto culture.

Reducing GHGs and developing products and services for a decarbonized society (Conserve the global environment)

To conserve the global environment, we are actively addressing environmental issues, including efforts to reduce greenhouse gases. We are committed to curbing our CO₂ emissions through

thorough energy savings and adoption of new technologies, promotion of energy creation, and procurement of renewable energy. As we steadily go about adopting energy-efficient train cars and electric buses, in order to incorporate renewable energy into our electricity mix, we have started generating solar power at the Frest Matsuiyamate supermarket and we have also signed a corporate PPA (power purchase agreement) utilizing a reservoir in Hirakata City. The renewable energy generated within the city of Hirakata is used at local facilities, including the Keihan Group's amusement park, Hirakata Park. This unique initiative emphasizes local production for local consumption and collaboration with the community. At Fushimi-inari Station, we are making preparations for the installation of solar power generation equipment with the aim of achieving a station with net-zero emissions. We are also adopting renewable energy power sources in our hotel business. Going forward, we will continue to reduce our CO₂ emissions while staying mindful of which products and services will be favored in a decarbonized society, and endeavor to maintain a balance with our business activities to enhance sustainability.

Achieving our earnings targets one year ahead of schedule

We recorded profit and revenue growth in all four business segments in FY2024. In fact, we posted record-high operating income, ordinary income, and profit attributable to owners of the parent, surpassing the pre-COVID-19 levels. We were able to restore annual dividends to the pre-COVID-19 level of ¥35 per share, marking a significant step forward in the first year of our medium-term management plan.

In the following year, FY2025, the large-scale redevelopment projects in Hirakata and Nakanoshima that were positioned as part of one of our main strategies were completed and opened. However, this is by no means the end of the process; we will continue to build upon these developments and turn them into new actions. In addition, we will steadily advance the projects that follow and work on turning those currently at the assessment stage into tangible realities. We will also accelerate the various measures outlined in our business strategy along with efforts to strengthen our management foundation in a bid to expand profits, chalk up record-high earnings for the second consecutive year, and achieve the quantitative targets of our medium-term management plan one year ahead of schedule. Plus, we hope to further expand shareholder returns.

As a provider of public infrastructure, we will maintain financial soundness and continue to execute investments that support sustainable growth. We expect to generate operating cash flow of ¥130 billion over the three-year period of the medium-term management plan. Our funding policy takes into account a balance with EBITDA, so in terms of financial discipline, we aim to maintain a net interest-bearing debt/EBITDA ratio of 6x-7x. We have earmarked ¥100 billion for growth investments in our

main strategies centered on redeveloping Keihan areas and in adding greater value to our existing businesses. In addition, we have allocated ¥40 billion for M&As, alliances, and other strategic investments, which we intend to reliably execute going forward. We recognize that the FY2031 targets of ¥43 billion in operating income, ¥30 billion in profit attributable to owners of the parent, ¥70 billion in EBITDA, and an 8% ROE are the minimum targets. We will continue to actively implement growth and strategic investments to drive further profit growth and enhance shareholder returns.

HR strategy in pursuit of our enterprising spirit

The record-high earnings in FY2024 were buoyed by changes in the external environment, including a recovery in the movement of people following the COVID-19 pandemic, and in particular, a sharp increase in inbound tourists. That said, I believe this result is attributable to the extraordinary efforts of our employees. I am deeply grateful to our employees, who have consistently upheld a strong sense of mission to support local communities across the entire group. Even in the midst of the pandemic, they worked diligently in their respective roles to proactively tackle new projects geared towards structural reforms and the post-COVID era. Once again, I came to realize that the most important type of capital supporting the Keihan Group's corporate value is its human resources. It is crucial that we build a company where a diverse pool of talent can work with peace of mind, find fulfillment in their work, and unleash their full potential. The resilience developed through overcoming adversity, along with the mindset of contributing to society, is invaluable, and I am confident it will continue to underpin the Keihan Group's sustained growth up ahead.

Not only the COVID-19 pandemic, but also climate change and extreme weather events brought on by global warming, typhoons, earthquakes, and other unpredictable disasters and phenomena have continued to occur, and the Keihan Group too has certainly been significantly impacted. As is often said these days, I truly feel that we are in a situation where the outlook for the future is uncertain and trying to predict what lies ahead is difficult. The needs of our customers and the expectations of the community and society are also growing increasingly diversified.

Wasting no time to embrace any kind of challenge, even if it is just one step or half a step ahead of the times, and taking such endeavors to a deeper level are the very essence of the "enterprising spirit" that is part of the identity of the Keihan Group. This has allowed us to overcome challenges and drive growth. However, as time progresses, the roles the Keihan Group must fulfill, and the opportunities available to us, will also change.

In this context, it is imperative that we nurture personnel who can proactively take on challenges so that the Keihan Group can continue to grow sustainably. While maintaining a high level of awareness to uphold our values of safety and security, we aim to further elevate our enterprising spirit and adopt a more in-

depth approach, not limiting ourselves to our traditional comfort zone and not just fulfilling our assigned roles, but also applying creativity and innovation. We want to foster this corporate culture across the entire group more than ever before. To that end, it is vital that our strategies, tactics, and policies are challenging. As a company, we will ensure that this direction is firmly in our sights.

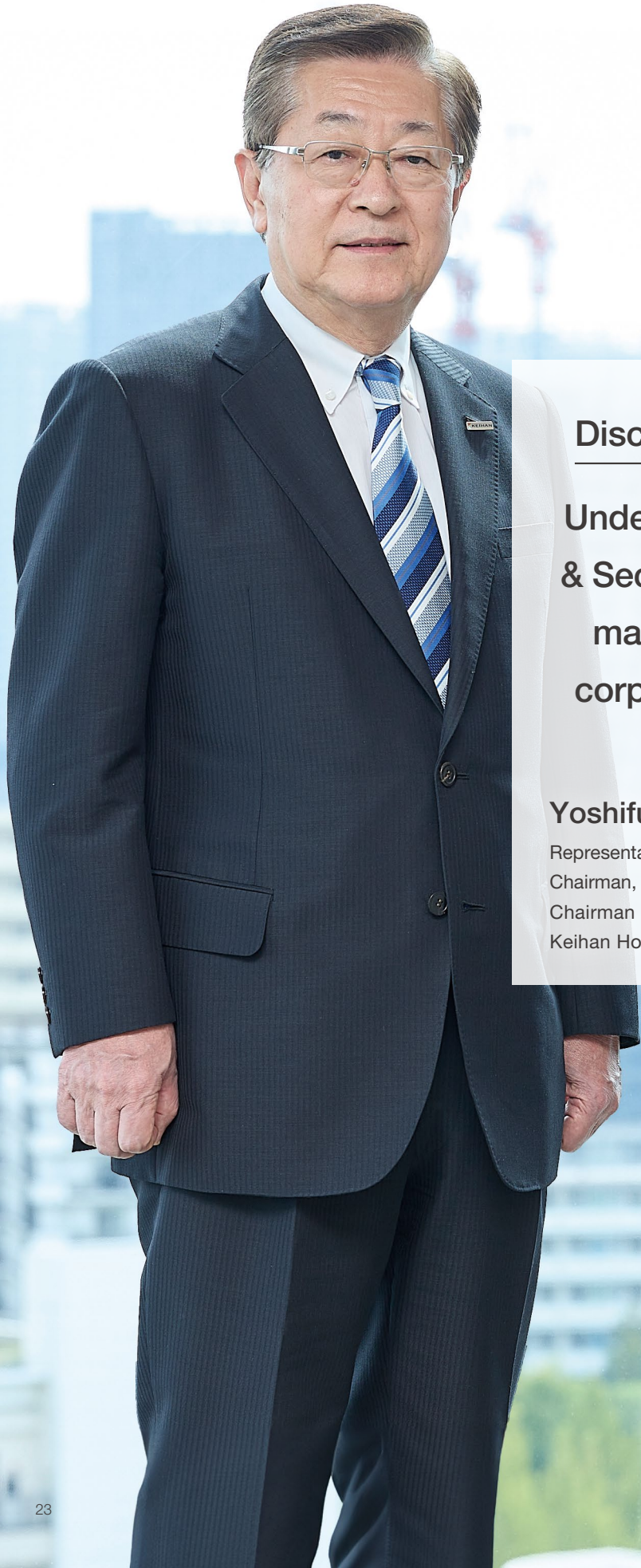
It is precisely because of these chaotic times that a solid guiding principle is needed. That principle is BIOSTYLE, but practicing BIOSTYLE management is no easy task and comes with various challenges. As such, many opportunities for employees to play an active role will emerge. By having employees with different values and lifestyles, who are willing to challenge themselves, engage with a strong sense of ownership and mission, a positive cycle is created within the organization. This cycle fosters even more diverse human resources, which leads to the creation of new social and economic value, and in turn contributes to stronger growth and competitiveness for the company. By continuing with this, we will look to improve the Keihan Group's earnings and enhance compensation for every employee. It goes without saying, but the precondition here is that each employee's life is fulfilling, which is something I do not want to lose sight of.

Be the beautiful Keihan areas and the global Keihan Group

The areas along the Keihan Group's railway lines, which connect Kyoto and Osaka and extend all the way out to Lake Biwa in Shiga Prefecture, are rich in history, culture, and scenic beauty, with each area having its own distinct characteristics. Based on our desire to further enhance this and connect with people around the world, we have adopted the following management vision: *Be the beautiful Keihan areas and the global Keihan Group*.

The World Expo is set to be held in Osaka in 2025 and an unprecedented number of visitors from within Japan and from overseas are expected to attend. The Keihan Group will be fully prepared for this event by providing bus services connecting the Expo venue at Yumeshima with Nakanoshima Station and the south exit of Osaka Station, as well as running extra train services to Nakanoshima Station. At the risk of repeating myself, the areas along the Keihan Group's railway lines are home to numerous tangible and intangible assets, such as world-renowned history, culture, and scenery. We will continue to make every effort to ensure that many people can visit various places at this time in order to enjoy all of the diverse experiences on offer.

We want to create a virtuous cycle in which the energy of the Keihan Railway makes both locals and visitors happy, ultimately increasing the corporate value of the Keihan Group. We also want to welcome many overseas tourists, connect with the world, and challenge ourselves to expand our operations worldwide. All corporate officers and employees will work tirelessly together for the future growth and development of the Keihan Group. I hope all stakeholders have strong expectations for the growth of the Keihan Group and I look forward to your continued support in the future.



Discussion: CEO + Outside director

Underpinned by our brand of “Safety & Security” and guided by BIOSTYLE management, we aim to enhance corporate value over the medium to long term

Yoshifumi Kato

Representative Director & Chairman, CEO,
Chairman of the Board
Keihan Holdings Co., Ltd.



Ken Chan Chien-Wei

Director
Keihan Holdings Co., Ltd.



Please tell us about your background prior to your appointment as an outside director.

Ken Chan I am Singaporean, but I was born in Tokyo and spent my early childhood in Japan. I then attended school in Singapore through to the end of high school and, in 1992, I graduated from a university in the US before joining a securities firm. Since 2000, I have been in charge of investments in Japanese real estate and companies at a Singaporean government-affiliated investment organization. In 2019, I started my own fund management company, which I currently manage. In fact, during my time at the investment organization, I collaborated with the Keihan Group in Fukuoka, which is when I had the opportunity to meet Mr. Kato. I was appointed as an outside director of the Company in June 2023.

The Company has expanded and achieved growth in non-railway businesses. What do you think are the key factors behind this success?

Ken Chan I believe, first and foremost, that management leadership has been a major factor. The Company has a really clear-cut vision, centered around the concept of “BIOSTYLE,” which has penetrated all areas of business. Because the vision is clear, employees putting it into practice are thriving, while their knowledge and know-how continues to accumulate. In particular, of all the railway companies, the Keihan Group excels in real estate, and its employees possess excellent capabilities and know-how. The Group is looking to expand its real estate investments not only across Japan, but in overseas markets as well. Naturally, investments in areas beyond the Company’s railway lines are being made in a sound manner following a thoroughgoing analysis of the regional characteristics. Many people tend to view the value of real estate solely from a physical perspective, but at the end of the day, real estate thrives when it is associated with some kind of content. For example, with hotels, it is all about the kinds of services on offer, what can be developed, and how it is designed. The more experience we gain in investment, the more expertise we accumulate, which will serve us well in the next opportunity, so I think the Company is employing a very good strategy.

Mr. Chan said that employees are thriving. What are your thoughts on the development of human resources?

Kato First of all, demonstrating a clear policy is important. If a clear policy is in place, employees can move forward without hesitation. But simply presenting a policy is not enough; management must also monitor progress and consider what kind of support it should provide. For example, in the business of real estate, where progress is not always easy, it is important for leaders to identify the right partners and coordinate collaboration to support employees in making progress with their work. When

Management message

Discussion: CEO + Outside director

delegating tasks, communication must be maintained all the time, while leaving the work to employees as much as possible. I believe this is how people grow and develop. It is also important to nurture talent with a view to developing future leadership candidates. Once we become a manager, I think more than half of our time is spent developing our subordinates. People who are capable themselves may not focus much on that aspect. I always say that our job is not complete unless we develop our subordinates.

What is your approach to expanding businesses outside of the Company's railway line areas?

Kato For example, in expanding our chain of business hotels, we are focusing on Japan's six major cities or the government ordinance-designated cities. By establishing hotels in these cities, even if demand drops slightly, the Company would have strategies to address it. If a hotel performs poorly, there is also the option of repurposing the building. By starting with the major cities, we are establishing a presence in Tokyo, Sapporo, Sendai, and Nagoya. Our real estate business also initially focused only on the railway lines, but it has successfully expanded into Tokyo and has even achieved some success in Hokkaido, so it is now turning its attention to not just the domestic market, but also overseas markets.

How will you contribute as an outside director?

Ken Chan First, I understand that I am expected to bring an external perspective and play a key role in evaluating real estate investments as the Company expands in this area. Actually, during Board meetings, whenever there is an agenda item related to real estate, I sense that everyone's eyes are on me. The Keihan Group considers complementarity to be key when it comes to real estate investment. It has the railway, the development of areas along the lines, and also town planning, so new real estate investments are positioned as drivers of further growth. As real estate investment fits in well with the Company's mainstay railway business, I believe this approach is the right direction to take to enhance corporate value.

However, the market still sees the Keihan Group's stock as part of the railway sector, and concerns remain about passenger numbers not fully recovering to pre-pandemic levels and future population decline, which is probably why the stock's intrinsic value is not fully reflected in the share price. After assuming my position as an outside director, I noticed in discussions with overseas investors that their evaluations of Japan's railway sector are out of touch with the current situation, which has led to the sector being undervalued. Especially in the case of the Keihan Group, even though the railway business is still the core business, the real estate business segment is generating higher earnings. What is



important here is that listed companies are beholden to the market, so it is important to enhance value and improve valuations by adopting a market-oriented approach. This involves actively engaging in communication with the market, including investors, through initiatives such as investor relations.

What are your expectations of Mr. Chan as an outside director?

Kato Mr. Chan has served as an outside director for more than a year now, and he has contributed on multiple fronts, not just real estate investment. Indeed, with an increasingly bigger share of revenue coming from the real estate business, we find Mr. Chan's valuable experience and insights to be extremely reassuring. In addition, given that the Keihan Group has traditionally been a domestic company, we aim to incorporate more of a global perspective, especially in response to the trend in inbound tourism. We therefore have high expectations that he will play a role in this area as well. He also mentioned the share price and investor relations. These are issues we need to address. Since Mr. Chan also has experience as an equity analyst, we would greatly appreciate his support. In fact, he has already helped us with some IR activities.

Ken Chan Yes, I previously attended meetings with overseas investors and also served as the interpreter. Over the past year, I have gained a deeper understanding of the Company's situation, so going forward, I think I can provide more support in terms of communication with investors.

How will the Company's business portfolio evolve in the future?

Kato Currently, the Keihan Group's business portfolio is divided into the segments of transportation, real estate, retail distribution, leisure & service, and "other" businesses, but the most important aspect of "Safety & Security" in our railway operations is the foundation of all these businesses. This aspect must always remain a part of our business operations. With this aspect customers can trust us to purchase real estate, and enjoy shopping with peace of mind at supermarkets and department stores. This brand is a strength in all of our businesses, and as long as it remains solid, I believe we can expand beyond real estate into various domains. However, considering the changes occurring in society, such as population decline and the uptake of teleworking, railway passenger numbers will gradually decrease if we stand by and do nothing. This is something I have continued to emphasize, and I always keep it in mind when exploring management strategies. As a result, the weighting of our business portfolio has shifted towards real estate, which means we need to employ a cross-sectional approach across our businesses for other aspects outside of "Safety & Security." "Safety & Security" is a major pillar of our operations, but other cross-sectional elements are also needed. This is where our BIOSTYLE concept comes into play. BIOSTYLE is an initiative of the Keihan Group through which we aim to create products, services, and businesses that can increase people's life value and solve social issues at the same time. I first introduced this concept in 2014, and looking at the current trends in society, I think it was the right direction to take. Each of our businesses must constantly consider what actions to take and what would be most beneficial in order to realize the BIOSTYLE concept. By developing this approach, I believe the Company as a whole will have a really cohesive strategy and become an organization that is truly needed by society.

Ken Chan ESG and the SDGs have become widely recognized in society, and it is amazing that Keihan had been considering incorporating the BIOSTYLE concept into each of its businesses 10 years ago. At the same time, as the next step, I think overlaying BIOSTYLE even more across each business is, from a strategic point of view, the right course of action to take.

Why did you advocate the BIOSTYLE concept?

Kato Japan went through a period of rapid economic growth and reached world-class living standards. At the same time, global environmental issues, such as global warming and abnormal weather events, have grown increasingly serious. When considering how future generations of people would live their lives, I thought that the Keihan Group, which operates



a wide range of businesses closely related to people's daily lives, could and should make proposals on ways of living for the next generation. After much study, I arrived at the concept of BIOSTYLE as the best answer to the question, during a time when the concepts of ESG and the SDGs were not yet widespread. Even though it was initially an experimental attempt, by making the necessary investments to acquire suitable companies in order to put BIOSTYLE into practice, and by establishing the flagship complex GOOD NATURE STATION in Kyoto's Shijo Kawaramachi district to promote the concept, the approach has gradually taken hold throughout the Group. Now, we say that BIOSTYLE is Keihan's version of the SDGs.

The medium-term management plan, "BIOSTYLE: Deepening and Challenge," kicked off in FY2024. As CEO, how would you rate the Company's performance in FY2024?

Kato I think we are making steady progress. When I became president in 2011, I adopted the slogan of "safety and challenges." As I mentioned earlier, safety is an absolute must for a railway company. At the same time, with the decline in the number of passengers due to a shrinking population, growth is impossible without embracing challenges. A company that prioritizes safety is prone to becoming inward-looking and typically avoids challenges. This is why I have continued to say we must step up to the plate and swing away without fear of failure. In the current medium-term management plan, the theme of "challenge" has also been emphasized, and now President Ishimaru has taken on that role. As a result, the atmosphere has changed significantly from before, and there is now an attitude of actively taking on challenges even outside the railway lines, if there is the possibility of doing so.

Discussion: CEO + Outside director

What do you think is appealing about the Keihan Group?

[Ken Chan](#) When I first received the offer to become an outside director, I strongly felt that I wanted to give it a try. Railways and real estate are essential pieces of infrastructure that are really important in people’s lives, and I felt that finding ways to increase their value would be very rewarding. From around 15 years ago, when Japan started to set its sights on becoming a major tourist destination, the term “inbound” began to be heard more frequently, and the number of overseas tourists using the country’s railways to visit various regions is increasing. The areas along the Keihan Railway lines in particular have a lot of appeal and we can expect to see an increase in transient population, including tourists, in these areas. Places like Fushimi Inari are consistently ranked among the top tourist spots, attracting many visitors. I believe the Company can provide experiential value in various areas and make these places enjoyable for people. The key theme for the next 10 to 20 years will be how to attract inbound tourists and get them to use Keihan’s infrastructure.

[Kato](#) The transportation sector benefits from both business and tourism demand, and in the case of the Keihan Group, there are historic landmarks all along Keihan Railway lines, so we are particularly blessed with tourism content compared to other railways in the Kansai region. When I became president, I adopted the policy of “safety and challenges,” followed by the initiatives of “Redevelop Keihan areas” and “Create tourism opportunity.” These initiatives have gradually evolved, and as the COVID-19 pandemic has subsided and inbound tourism is returning, we are steadily seeing results. “Redeveloping Keihan areas” and “creating tourism opportunity” have no end. And while we have Yasaka Shrine and Fushimi Inari for example, we must not rely solely on existing sites, but also make new proposals, including new routes. The areas along our railway lines have been developed since ancient times, so the towns have history. Being old means that obsolescence is inevitable, which is why we must constantly revamp these destinations. We must constantly improve what is already there to prevent it from becoming outdated, while also developing new tourism content. These two tasks must be continuously pursued forever, which I believe is also the mission of the railway.

What kind of initiatives are being implemented for new tourism content?

[Kato](#) For example, we are working on a tourism initiative that utilizes the Lake Biwa Canal that flows from Lake Biwa to Kyoto. It was created in the Meiji era (1868-1912) as an artificial waterway to bring water from Lake Biwa to Kyoto. This water system called “Flow of Water” flows through the Kamo River and joins the Yodo River before reaching Osaka Bay. Before the advent of railways,

towns developed along the waterway as a result of its use for transportation purposes. However, with the opening of Keihan Electric Railway, the use of water transportation drastically declined, and the use of the canal was ultimately suspended in 1951, the year I was born. However, Lake Biwa and the canal are truly wonderful tourist resources, with many things to see, such as the fresh green of spring, cherry blossoms, and autumn foliage. I thought there was no better way to ignite the creation of tourism than by utilizing this waterway. Accordingly, in collaboration with local governments along our railway lines, such as Kyoto City and Otsu City, in 2018 we were able to revive boat transportation on the Lake Biwa Canal for the first time in 67 years with the launch of a sightseeing service called the Lake Biwa Canal Cruise. We also operate a sightseeing vessel called the Santa Maria in Osaka Bay, as well as the Aqua Liner, a water bus that tours the central city area from Nakanoshima to Osaka Castle. In addition, we have established water transport on the Yodo River, connecting Osaka’s Temmabashi and Hirakata. The only remaining route to complete is the one linking Hirakata and Fushimi in Kyoto. Therefore, the grand vision of connecting a water route parallel to the Keihan Railway lines from Lake Biwa to Osaka Bay is about to become a reality. If the entire route is connected, various partners will most likely join in and further enhance its appeal. As such, I think it can become an extremely valuable asset as a tourism resource for Japan.

Lastly, as an outside director, what are your expectations for the Company’s management going forward?

[Ken Chan](#) As I mentioned at the beginning, strong leadership is key. A company always starts with its leader, and operates under the leader’s responsibility. I hope that under continued strong leadership, the Company will deepen its BIOSTYLE management approach and grow into a resilient corporate group. I also intend to provide support by offering opinions from an external point of view, especially a global one, while closely monitoring whether management and business execution are enhancing longer-term corporate value, and providing necessary advice as needed.



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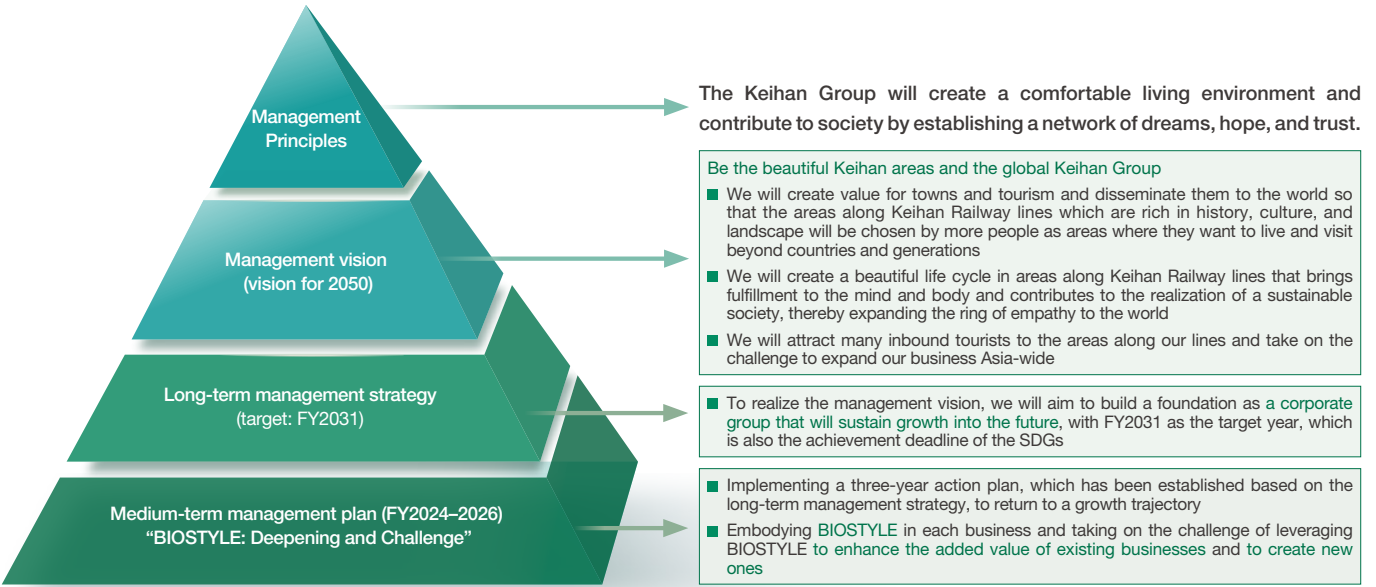
Strategies for value creation

Progress on the Keihan Group’s long-term management strategy and medium-term management plan

March 2023: Formulation of long-term management strategy (target: FY2031) and medium-term management plan “BIOSTYLE: Deepening and Challenge” (FY2024–2026)

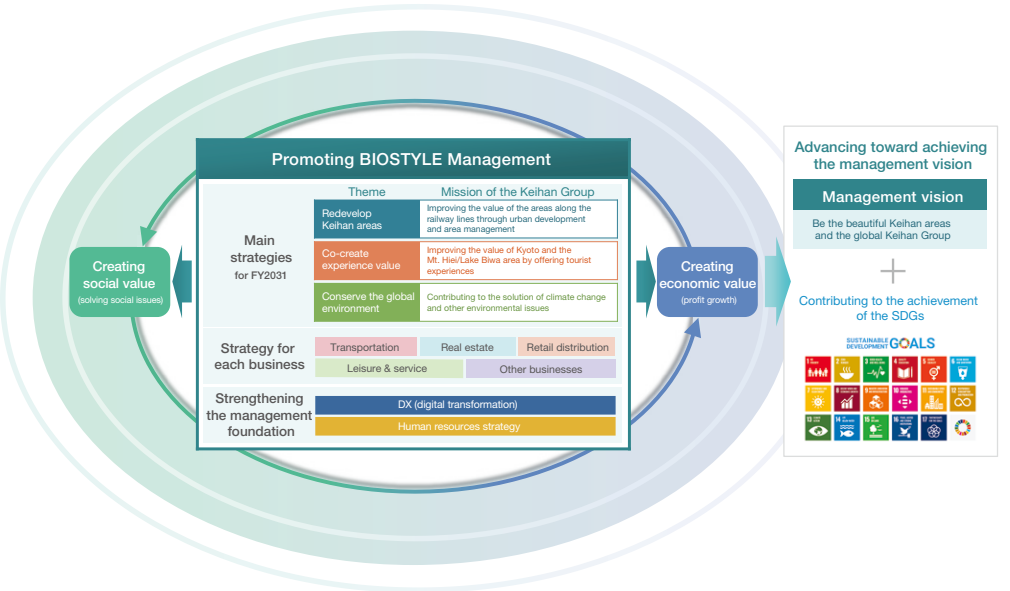
The external environment surrounding the Keihan Group is growing more volatile and uncertain, mainly due to increasingly intense natural disasters, Japan’s low birth rate coupled with an aging and shrinking population, and advancements in digitalization, not to mention the diversification of customer values and lifestyles brought about by the COVID-19 pandemic. Under these circumstances, to realize our management vision and once again build a foundation for sustainable growth, we formulated a long-term management strategy and a medium-term management plan.

Keihan Group’s long-term strategic concept (FY2024 onward)



Overview of the long-term management strategy

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



What is **BIOSTYLE** ?

— An initiative of the Keihan Group to create products, services, and businesses that can increase people’s life value and solve social issues at the same time

Long-term management strategy Main Strategy



Rearranging Keihan areas

Basic policy

Centered around railway stations, we will promote urban development featuring the characteristics of local history, culture, and industries, as well as area management involving local communities. By connecting with a traffic network, we will revitalize attractive and beautiful areas along the Keihan Railway lines to increase the value of, and attract more residents and visitors to, these areas

Priority measure

Revitalizing Osaka’s east-west axis

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

Community building starting from railway stations

Concentrating urban functions around railway stations and continuously carrying out community building by leveraging the history, culture, and other characteristics of the region in cooperation with local businesses and the community itself

Instead of treating stations as a mere platform, bringing the station and the community together to create spaces where people gather and new communication arises



Co-create experience value

Basic policy

We will discover and improve valuable resources mainly along the so-called “Kyoto Tourism Golden Route,” and co-create attractive, experience-based content with local communities. By utilizing these for advancing tourism-based community building and themed tourism, we will promote sustainable tourism and increase the number of visitors, including repeat visitors, from Japan and abroad

Priority measure

Developing new tourist bases

Developing tourist bases that will provide new options for visitors to Kyoto in the area southeast of Kyoto Station close to the Kyoto City University of Arts and the Sanjo area near tourist attractions in Higashiyama, among other areas

Establishing the Kyoto Tourism Golden Route through themed tourism

Establishing the Kyoto Tourism Golden Route by co-creating story-based tourist experiences with local communities under such themes as traditional industry, art, food, history, and nature, as well as by providing comfortable area-wide tours using MaaS and other methods in Kyoto and surrounding areas

Creating tourism content that connects Kyoto and Osaka

Creating tourism content that links Kyoto with Osaka, such as the old waterways called “Flow of Water” used for transportation that run from Lake Biwa to Kyoto and Osaka Bay via the Yodo River; encouraging use of the Keihan Line by creating and promoting unique tourism content, based on the theme of art, in cooperation with museums and other facilities in Kyoto and the Nakanoshima district of Osaka



Conserve the global environment

To achieve our CO₂ emission reduction target, we will steadily reduce energy consumption through thorough energy savings and adoption of new technologies and consider promoting energy creation, such as PV power generation, and procuring renewable energy. We will also work on developing products and services that will be chosen in a decarbonized society

Strategies for value creation

Progress on the Keihan Group's long-term management strategy and medium-term management plan

Progress on the main initiatives in the medium-term management plan

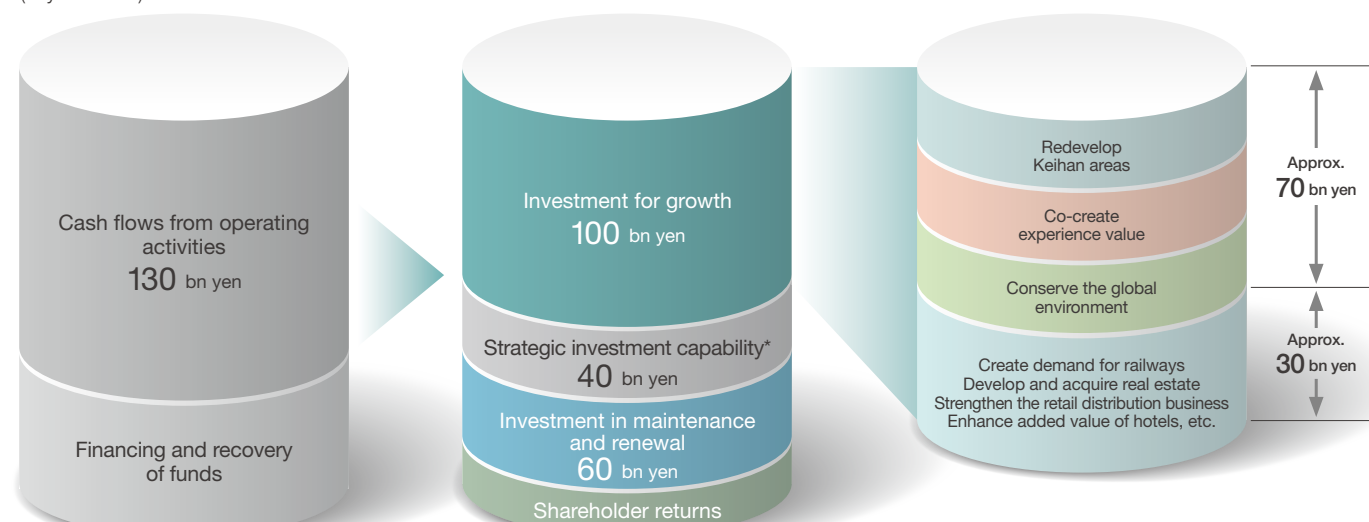
Main Strategy	Redevelop Keihan areas Nakanoshima 4-chome International Hub for Medical Innovation Project (Nakanoshima Gross) Type-1 urban redevelopment project in Hirakatashi Station area (Station Hill Hirakata) Joint reconstruction of Keihan Midotsuji Building and Nittochi Yodoyabashi Building (Yodoyabashi Station One)	P.33-36
	Co-create experience value Establishment of a so-called "golden route" for sightseeing in Kyoto through the development of theme-based tourism Creation of tourist attractions connecting Kyoto and Osaka	
	Conserve the global environment	
Strategy for each business	Initiatives in the transportation, real estate, retail distribution, and leisure & service businesses Initiatives at Good Nature Station	P.37-44 P.49-50
Strengthening the management foundation	DX Evolving into a corporate group that can provide tangible value in a rapidly advancing digital society by utilizing digital technology	P.45
	Human resources strategy Fully maximizing the capabilities and performance of every individual in our diverse workforce and promoting a culture of challenge and transformation	P.45 P.61-64

Capital allocation in the medium-term management plan

- Aggressively invest in growth that contributes to the enhancement of corporate value and the Keihan brand, centered around the three main strategies of the long-term management strategy.
- For shareholder returns, continue to pay stable dividends in line with financial results and flexibly carry out share buybacks.
- Take out loans and issue corporate bonds to secure funds while maintaining a balance with EBITDA.

*Targeting a net interest-bearing debt/EBITDA ratio of 6.0 level

(3-year total)



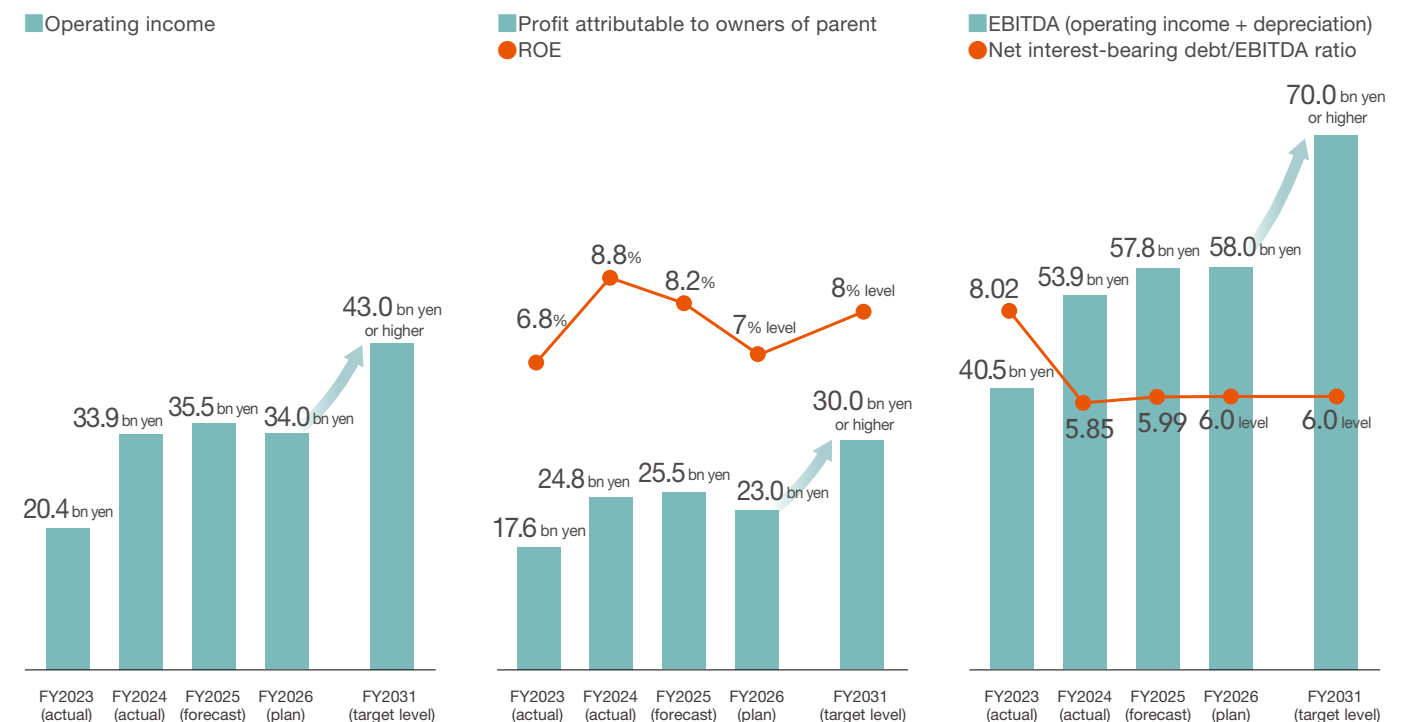
*Investment capability for M&A, alliances, etc.

Quantitative targets

In FY2024, by capturing domestic and inbound demand, particularly in the transportation and leisure & service businesses, we recorded sharp year-on-year growth in sales and profit. Earnings surpassed levels prior to the COVID-19 pandemic and we booked record-high profits, marking a smooth start as the first year of the medium-term management plan.

In FY2025, we will set our sights on posting record-high profits for the second consecutive year and meeting the quantitative targets of the final year of the medium-term management plan one year ahead of schedule.

We will continue to maintain this momentum in pursuit of growth and work towards achieving our long-term management strategy by generating further profit growth and enhancing shareholder returns.



Taking steps to practice a style of management that is mindful of capital costs and the share price

To enhance corporate value sustainably, since FY2024 we have continued to promote our long-term management strategy (targeting FY2031) and the medium-term management plan running from FY2024 to FY2026 (BIOSYLE: Deepening and Challenge). We are also focused on enhancing return on equity (ROE) and improving market valuations.

ROE targets

For new investments, we make investment decisions based on criteria that consider capital costs, and in our long-term management strategy, we have set a target of achieving an ROE of 8%.

Initiatives aimed at appropriate allocation of management resources

For our long-term management strategy and medium-term management plan, we have formulated measures for the appropriate allocation of management resources, including growth strategies that take the market environment into account. Our approach to capital allocation in the medium-term management plan is described on P.31.

Strategies for value creation

Long-term management strategy: Main strategy initiatives

Redevelop Keihan areas

Priority measure

1

Revitalizing Osaka's east-west axis

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

Nakanoshima 4-chome International Hub for Medical Innovation Project

We have developed a unique hub for the industrialization of future healthcare, where medical institutions, companies, startups, and support organizations can gather under one roof (completed in January 2024 and opened in stages from April onwards).

Name of facility: Nakanoshima Cross
Total floor area: Approx. 57,075 m²



Development of Yodoyabashi Station One

This is a project to jointly redevelop Chuo-Nittochi Co., Ltd.'s Nittochi Yodoyabashi Building and our own Keihan Midotsuji Building into a landmark building with a height of approximately 150 meters, the highest in the area. The underground passages of Yodoyabashi Station will be upgraded to improve the walking environment from this facility to the station concourse and surrounding areas. Construction is ongoing with a view to opening the facility in around summer 2025.

Scale: Total floor area of around 73,000m²; 3 basement levels and 31 floors above ground
Use: Offices, retail stores, restaurants, carpark



Conceptual image of completion



Priority measure

2

Community building starting from railway stations

For your reference Please refer to the special feature about the redevelopment of the Hirakatashi Station area on P.35–36.

Initiatives ahead of Expo 2025 Osaka, Kansai, Japan

The companies in the Keihan Group are pressing ahead with various initiatives in preparation for Expo 2025 Osaka, Kansai, Japan.

Greater earnings opportunities in the ship business

Osaka Aqua Bus Co., Ltd. has been contracted by Iwatani Corporation to operate passenger services using a hydrogen fuel cell ship from Nakanoshima Gate to Yumeshima, the Expo site. The hydrogen fuel cell ship to be operated was selected in 2021 as a subsidized project by the New Energy and Industrial Technology Development Organization (NEDO). Since it uses hydrogen as fuel, it emits no CO₂ or environmentally harmful substances during operation, and offers passenger comfort without noise or vibration.

In addition, we will aim to capture tourism demand by conducting proof-of-concept tests with a view to establishing a tourist route from Osaka Bay to the upper reaches of the Yodo River.



Photo: Iwatani Corporation

Co-create experience value

Priority measure

1

Establishing the Kyoto Tourism Golden Route through themed tourism

In Kyoto and the surrounding areas, we will collaborate with the community to create narrative-driven tourist experiences around the themes of traditional industries, art, food, and history

Sake brewery tours in the Fushimi and Lake Biwa areas

In the Fushimi and Lake Biwa areas, we will develop tours for small groups of luxury travelers to experience unique food culture, traditions, and lifestyle culture through sake. A Fushimi product that we co-created with the Fushimi Sake Brewers Association received an EAT! MEET! JAPAN Award from the Ministry of Agriculture, Forestry and Fisheries, which recognizes food experiences that offer deep insights into the food and food culture of various regions in Japan.



Priority measure

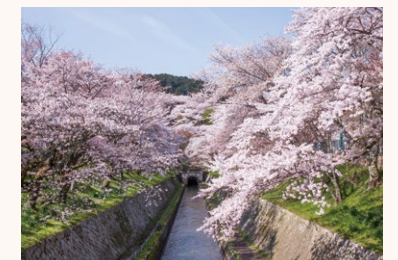
2

Creating tourism content that connects Kyoto and Osaka

Promoting the development of tourism and experiences centered around the waterways used for transportation, from Lake Biwa to Kyoto and Osaka Bay via the Yodo River

Lake Biwa Canal Cruise extended to Otsu Port

Together with the cities of Otsu and Kyoto, in 2018 we revived the boats that once plied the waterways of the Lake Biwa Canal as a sightseeing service. Biwako Kisen Steamship Co., Ltd. has been commissioned to operate the services. In spring 2024, we started operating an extended service from near Miidera to Otsu Port in an effort to enhance the appeal of the cruise and to attract more visitors through regional collaboration.



Conserve the global environment

Priority measure

Promoting "BIOSTYLE Environmental Action 2030"

For your reference Please see P.53–60 for more information.

Strengthening transportation access between the Keihan Railway lines and the Expo site

Keihan Bus Co., Ltd. will operate direct shuttle buses connecting the Expo site with bus terminals being developed at Nakanoshima Station and the south side of Osaka Station (on the former Marubiru site). Environmentally friendly electric business will also be used. Also, we are currently conducting demonstration testing with Osaka City to operate some services with self-driving EV buses. We plan to implement autonomous driving at 60 km/h and merging assistance at entrances and junctions. Moreover, Keihan Electric Railway Co., Ltd. plans to operate extra services to Nakanoshima Station to enhance the convenience of getting to the Expo site and to promote the sights of Kyoto to Expo visitors.



Ninenzaka in Kyoto

Redevelopment of Hirakatashi Station area

The Keihan Group, in collaboration with the community, has completed the construction of the Station Hill Hirakata mixed-use facility as part of the type-1 urban redevelopment project in the Hirakatashi Station area. The redevelopment brings together the station and the community to create spaces where people gather and new communication arises.



March 2020
Establishment of redevelopment association

January 2021
Establishment of HUB Council

February 2021
Approval of exchange of rights plan
Demolition of existing building (~March)

January 2022
Start of new construction

Completion May 2024
Building completion

Community building starting from railway stations

Over 100 years ago, the Keihan Group laid down railway lines and, to welcome many people along its routes, created tourist destinations centered around the stations, developed residential areas, and established distribution facilities, thereby building vibrant communities. However, 100 years later, with issues such as population decline and an aging society with a low birthrate, there is now a need for community development suitable for the coming era. As such, we are pursuing new community developments by considering what can only be done at stations and what can be done because of stations, starting with the aim of fulfilling the role of the “station” as a transportation hub to address challenges in the community and broader society. Also, rather than ending with the completion of buildings, we will look to promote area management and advance developments in a way that “builds communities.”

CONCEPT The 20-minute neighborhood HIRAKATA

We sought to create a station that becomes an indispensable place in the lives and lifestyles of those who live and work in Hirakata, where the vibrancy of people from all walks of life sustains its appeal. The development concept is to equip Hirakatashi Station—accessible for many people within about 20 minutes by walking, cycling, or using public transportation—with the necessary functions for daily life to enable fulfilling lifestyles and work styles.



KEYWORDS

01 Station as a hub

We aim to turn Hirakatashi Station into the face of the town, making it comfortable, convenient, and enjoyable.

02 Compact city

A transportation hub equipped with everything one needs to “work, live, and play.” The functions that provide everything you need for daily life can be found at Hirakatashi Station.

03 Walkable

We will aim to enhance accessibility around public spaces where people gather to create a comfortable town that encourages walking.

Redeveloped facility: Station Hill Hirakata

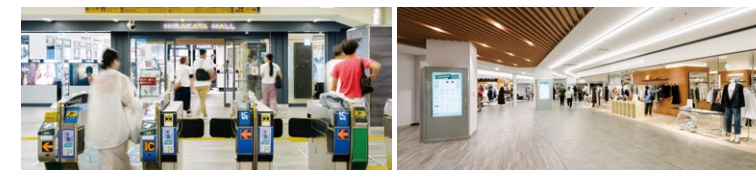
Keihan Holdings Co., Ltd. provided cooperation and support to this urban redevelopment project as a business partner and association member and promoted urban redevelopment in areas where it has company-owned land. Keihan Electric Railway Co., Ltd. and Keihan Real Estate Co., Ltd. have also participated in the project as association members, and the Keihan Group has leveraged its collective strengths to develop a mixed-use facility (including commercial, office, residential, and hotel spaces) integrated with the station to realize the concept.



01 September 6 Opening

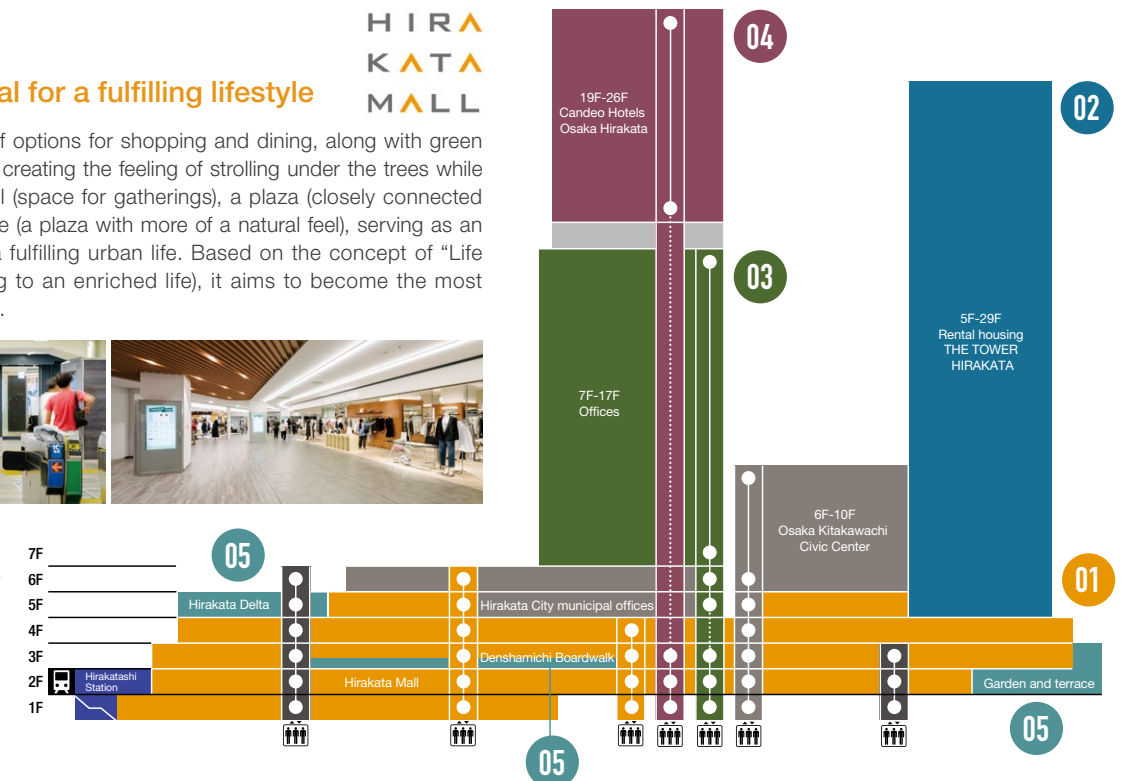
Promenade essential for a fulfilling lifestyle

Hirakata Mall offers plenty of options for shopping and dining, along with green plazas and waterside areas, creating the feeling of strolling under the trees while shopping. It combines a hall (space for gatherings), a plaza (closely connected to the building), and a square (a plaza with more of a natural feel), serving as an essential public space for a fulfilling urban life. Based on the concept of “Life Promenade” (a path leading to an enriched life), it aims to become the most comfortable place in Hirakata.



Station Hill Hirakata — Data

Total floor area	Approx. 95,000m ²
High rise	26 floors above ground (height of approx. 127m)
Low rise	10 floors above ground
Residential tower	29 floors above ground (height of approx. 109m)



02 June Tenancy start

Rental residences conducive to a generational cycle

We have developed THE TOWER HIRAKATA, a rental residential building suited to the changing life stages of all kinds of people across different generations. Our aim is to create a generational cycle. Leveraging a diverse planning approach, we have built shared spaces, such as lounges conducive to intergenerational exchange, and installed facial recognition systems and smart home services. Our aim is to create a residence that enables an enriched lifestyle in Hirakata.



03 June Tenancy start

Offices that create a new flow of people

We have designed safe, secure, and comfortable office spaces suited to the working styles of the so-called “new normal.” Our aim is to provide office spaces that foster high-quality communication, supported mainly by the integrated design and the enhanced attractiveness of the space.



04 June 30 Opening

A landmark hotel to deliver new value

We opened Candeo Hotels Osaka Hirakata, a hotel where guests can experience the charm of Hirakata. By offering new value, something that was long missing in Hirakata, we wish the hotel to become a source of local pride and enhance the appeal of the city.



05

Public spaces that connect the community and the station

Our aim is to connect the community to the station and create an open facility. To that end, we have built public spaces throughout. The Hirakata Delta, consisting of a sky garden, a courtyard, and a stepped terrace, is a symbolic space where people can take a break as they wander. And the river terrace and garden overlooking the Amano River both feature benches where visitors can take a seat and enjoy the lively atmosphere while feeling connected to nature. In addition, the Danhamichi Boardwalk, which offers a close-up view of the Keihan trains, is an open space that invites visitors to take a stroll while trainspotting.



Business overview and medium-term management plan progress

Transportation

We will create new demand and optimize operations while further improving “safety and security,” the foundation of the Keihan Group, to build a strong business structure.



Keihan Electric Railway Co., Ltd. liner train



Keihan Bus Co., Ltd. electric bus

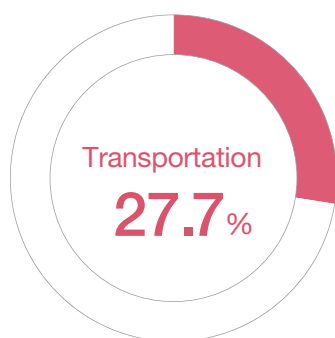


Hirakata Park

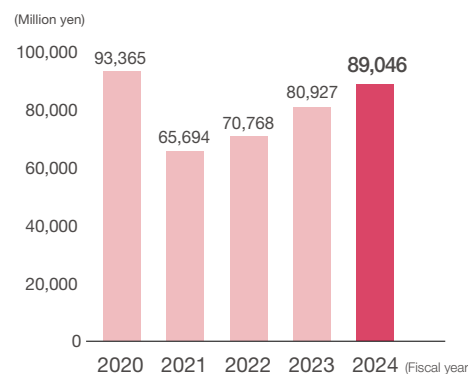
FY2024 management status

Keihan Electric Railway Co., Ltd. has advanced the railway construction for the Keihan Main Line (Neyagawa/Hirakata City) continuous grade separation project. On August 26, 2023, we revised the timetable for the Keihan Line and expanded our seating services by increasing the number of liner trains with reserved seats in all cars and making some liner trains stop at Neyagawashi Station and Koriem Station. In addition, we renovated the east gate at Hirakata Station, the gateway to the “Type-1 urban redevelopment project in Hirakata Station area.” We also utilized the barrier-free fare system to install platform screen doors, which have now been put into use. Keihan Bus Co., Ltd. launched the operation of large electric buses on April 8, 2023, on some routes in the cities of Kadoma, Neyagawa, and Shijonawate. Due to an increase in the number of railway passengers and revenues from bus operations as a result of the recovery in passenger demand, operating revenue increased to 89,046 million yen and operating income increased to 9,208 million yen.

Operating revenue composition

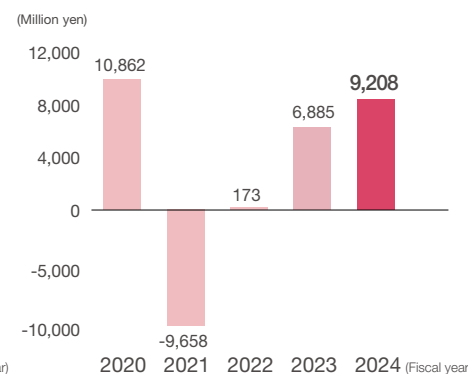


Changes in operating revenue



* Since the start of FY2022, we have been implementing the Accounting Standard for Revenue Recognition and other standards.

Changes in operating income



Transportation

Keihan Electric Railway Co., Ltd.

Passengers: **260,144** thousand
 Passenger revenue: **47,916** million yen

Bus business

Passengers: **80,638** thousand*

* Keihan Bus Co., Ltd.; Kyoto Keihan Bus Co., Ltd.; Keihan Kyoto Kotsu Co., Ltd.; Kojak Bus Co., Ltd.; Kyoto Bus Co., Ltd.

Main measures for BIOSTYLE management in the medium-term management plan

Promoting more eco-friendly transportation business

Contributing to a decarbonized society and reducing costs while building a sustainable transportation system

For your reference See P.51 for BIOSTYLE management initiatives in transportation.



Measures in the medium-term management plan

Further efforts for safety and security

Installation of platform screen doors

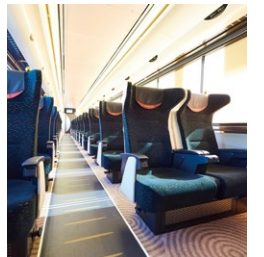
In FY2024, Keihan Electric Railway Co., Ltd. installed platform screen doors on the platforms of Hirakata Station Tracks 3 and 4 (for Osaka-bound trains) to provide safer and more secure access to the platforms of its stations. In FY2025, we plan to install these platform screen doors at Moriguchishi Station and Kayashima Station, with the aim of completing installation on 10 tracks at five stations by the end of FY2026, including at Kyobashi Station and Hirakata Station.



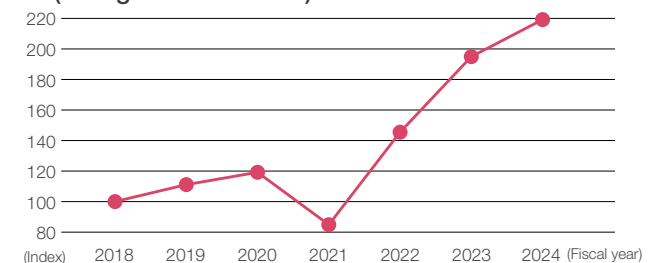
Providing special riding experiences

Changes in the number of Premium Car users

The number of passengers using Keihan Electric Railway Co., Ltd.'s Premium Car, a surcharge-based train service, has been steadily increasing since its launch. In response to growing demand for seats, we are planning to increase the number of Premium Cars to two on our 3000 series trains around the autumn of 2025, to provide a high-quality travel experience.



■ Changes in the average number of users per day (taking FY2018 as 100)



Increasing the number of liner trains

On August 26, 2023, Keihan Electric Railway Co., Ltd. revised its train timetables and, for the liner trains with reserved seats in all cars, added one Yodoyabashi-bound train for the weekday morning peak hours, two Demachiyanagi-bound trains for the evening peak hours, and introduced a new Yodoyabashi-bound train for the evening peak hours. In addition, we worked to expand our seating services by making some liner trains stop at Koriem Station and Neyagawashi Station during the weekday morning peak hours.

Capturing new mobility demand

QR code-based ticketing service

Keihan Electric Railway Co., Ltd. has introduced a ticketing service through “SURUTTO QRtto,” a QR code-based digital ticket system launched by SURUTTO KANSAI Council on June 17, 2024. We have also launched a wide range of special promotional tickets offering enhanced convenience for users, and plan to expand the range of products going forward.

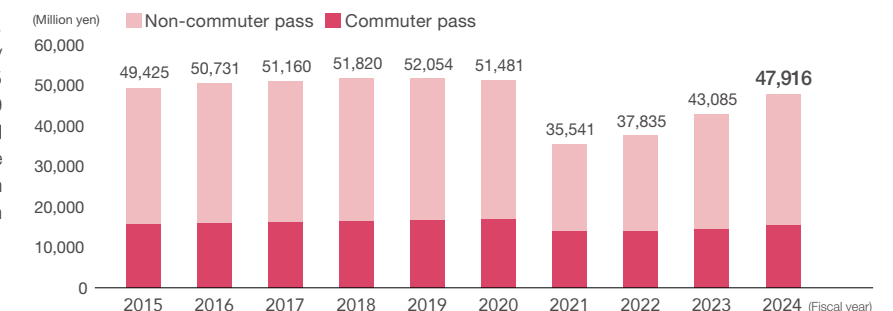
* “SURUTTO QRtto” is a registered trademark of SURUTTO KANSAI Co., Ltd.
 * “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

Shuttle bus service to Expo 2025 Osaka, Kansai, Japan venue

Keihan Bus Co., Ltd. will operate direct shuttle buses from Nakanoshima Station and Osaka Station (South) to Yumeshima, the venue for the Expo 2025 Osaka, Kansai, Japan, which will be held from April 13 to October 13, 2025. Keihan Railway Co., Ltd. will also operate special trains to Nakanoshima Station, improving convenience by smoothly transferring passengers from Kyoto, Uji, and Hirakata areas to the Expo venue, and from the Expo venue to sightseeing areas in Kyoto.

Changes in Keihan Railway's passenger revenue

Passenger revenues of Keihan Electric Railway Co., Ltd. had been increasing moderately since FY2015, partly due to an increase in inbound demand, but fell to 35.5 billion yen in FY2021 due to the impact of the COVID-19 pandemic. In FY2024, passenger revenue recovered to 47.9 billion yen, thanks to the recovery from the COVID-19 pandemic and an increase in revenues from barrier-free fare system, which we began receiving in April 2023.



Strategies for value creation

Business overview and medium-term management plan progress

Real estate

We will promote the creation of comfortable and secure communities and residences, provide new products and services that meet customer needs, and expand business areas and asset types, thereby driving the Group's growth.



OMM



Fine Residence Joto Chuo



Keihan East Rose Town Midorigaoka Bright Garden

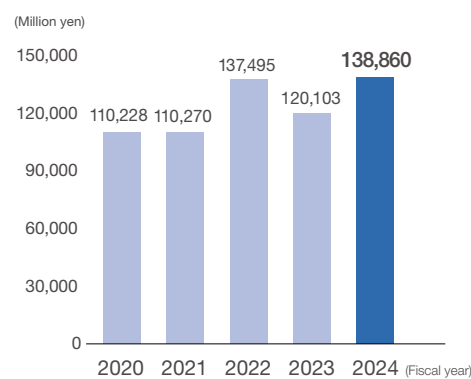
FY2024 management status

The construction of Nakanoshima Cross, an international center for medical innovation, was completed in January 2024, and medical institutions and other businesses began operating in stages in April. In our real estate sales business, we sold land and buildings such as Keihan East Rose Town and Minami-Kusatsu Primtown, as well as condominiums such as The FINE Tower OSAKA HIGOBASHI, The FINE Tower WEST COAST, and Fine Residence Joto Chuo in the Kansai area, and The FINE Tower HISAYA ODORI, NAGOYA the TOWER, and Fine Residence Odakyu Sagamihara in other areas. In real estate leasing, we acquired East Court 2nd Avenue, Keihan Naha Shin-toshin Building, and Keihan Matsudo Building (some of which were renamed following acquisition). As a result, operating revenue and operating income increased to 138,860 million yen and 20,171 million yen, respectively.

Operating revenue composition

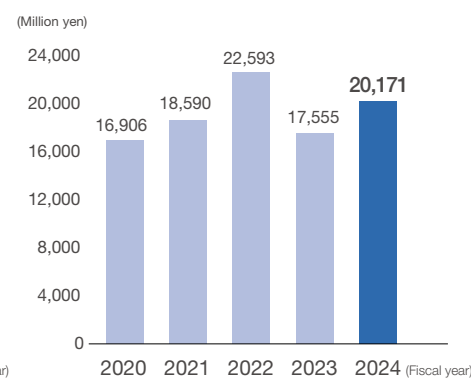


Changes in operating revenue



* Since the start of FY2022, we have been implementing the Accounting Standard for Revenue Recognition and other standards.

Changes in operating income



Real estate

Leasing assets

245.2 billion yen

Annual number
of condominiums sold

879*

Annual number
of houses sold

574

* Number based on business share

Main measures for BIOSTYLE management
in the medium-term management plan

Strengthening the housing regeneration business

Promoting sustainable community building that circulates residents and generations

For your reference See P.51 for BIOSTYLE management initiatives in real estate.



Measures in the medium-term management plan

Developing products and services that meet diversifying values and lifestyles

ZEH condominium
(with “ZEH-M Oriented” certification)

Keihan Real Estate Co., Ltd. has sold Fine City Sapporo URBAN FORWARD Airy, a condominium development with “ZEH-M Oriented” specifications, in Sapporo. “ZEH-M Oriented” are condominiums certified as having excellent environmental performance, such as improving energy efficiency by more than 20%.



Highly insulated housing

Zero Corporation Co., Ltd. sells “BASE3,” which are wooden houses designed to meet the G1 and G2 standards for insulation that are more stringent than the ZEH standards. G1 requires 30%* greater energy-saving than the energy conservation standards stipulated by the government, and G2 requires 50%* reduction in energy consumption.

BASE3
ゼロホームの高性能住宅

*Average heat transfer coefficient of the building facade; in the case of Area 6

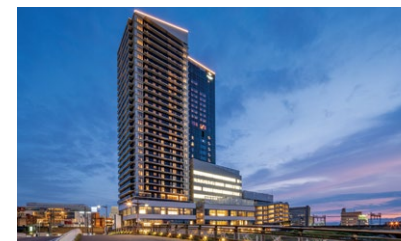
Expanding domestic business areas and asset types in the real estate sales
and leasing businesses

Promoting the acquisition of land for development and rental properties in the three major metropolitan areas as well as in highly advantageous core cities in other regions.

Promoting the development and acquisition of non-residential real estate assets that match the areas and needs

A strong track record of condominium projects in the Kansai area

- ① At Station Hill Hirakata, residents have begun moving into the 29-floor rental residential tower, “THE TOWER HIRAKATA”



Development of condominiums in Sapporo

- ② Many achievements including Fine City Sapporo URBAN FORWARD

Condominium development in Aichi Prefecture

- ③ The FINE Tower HISAYA ODORI, etc.

Acquisition of rental properties in core regional cities

- ④ Kumamoto Techno Plaza (name changed to Keihan Kumamoto Building) (FY2023)
⑤ Naha Shin-Toshin Business Center (name changed to Keihan Naha Shin-Toshin Building)
⑥ Matsudo Toyo Building (name changed to Keihan Matsudo Building)

Development of condominiums in the Tokyo metropolitan area

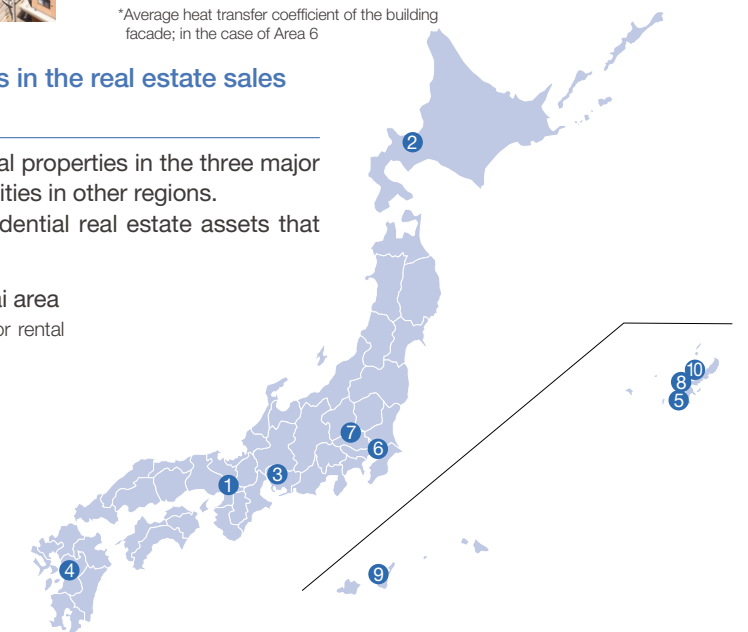
- ⑦ Many achievements including Fine Residence Takasaki Station Side

Condominium development in Okinawa Prefecture

- ⑧ The FINE Tower URASOE GUSUKUMA

Development and sales of hotels in Okinawa Prefecture

- ⑨ VIVOVIVA Ishigakijima
⑩ RIHGA ROYAL RESORT OKINAWA CHATAN



Business overview and medium-term management plan progress

Retail distribution

We will increase profits by evolving and developing commercial activities in the areas along the railway lines to respond to diversifying lifestyles, while supplying commercial content that contributes to the main strategies and establishing tourism commerce.



KUZUHA MALL



Frest Matsui-yamate Shop



MOYORI ICHI Kadamashi Station

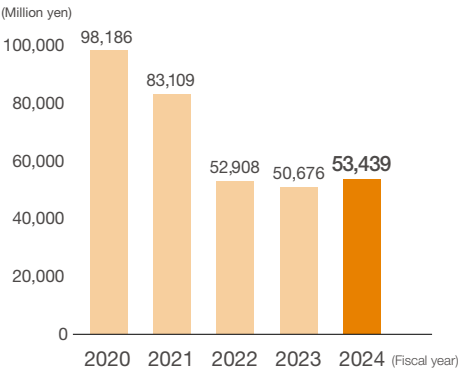
FY2024 management status

In the KUZUHA MALL shopping mall, in addition to the ongoing renovation and the opening of Food Marche, we opened and renovated stores on the main building's Dining Street and improved the environment with new plantings and terrace seating. In our stores business, we reopened the Frest Korien store and finished converting the in-station convenience store “An-3” into the new MOYORI ICHI in-station style, which is based on the concept of being the useful local store you always want to use. In addition to enhancing the attractiveness and competitiveness of these facilities, the recovery in inbound demand and food and beverage demand contributed to an increase in operating revenue to 53,439 million yen and a significant increase in operating income to 2,771 million yen.

Operating revenue composition

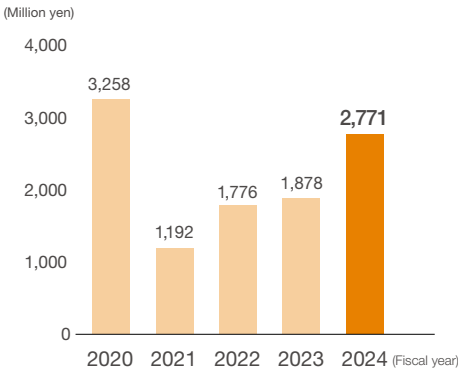


Changes in operating revenue



* Since the start of FY2022, we have been implementing the Accounting Standard for Revenue Recognition and other standards.

Changes in operating income



Retail distribution

Shopping mall* store area

142,500㎡

* Combined total of KUZUHA MALL, Hirakata Mall, Keihan Mall, and Keihan City Mall

Retail* sales

31,753 million yen

* Combined total of Keihan Department Stores, Frest, An-3, and MOYORI ICHI

Operating margin

5.2%*

* Consolidated subsidiaries only

Main measures for BIOSTYLE management in the medium-term management plan

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

Expanding business while encouraging customers’ healthy eating habits in the areas along the railway lines

For your reference See P.52 for BIOSTYLE management initiatives in retail distribution.



Measures in the medium-term management plan

Evolving and developing commercial activities in the areas along the railway lines

Renovation of KUZUHA MALL

In 2023, Keihan Ryutsu Systems Co., Ltd. carried out a one-year phased renovation of KUZUHA MALL, one of the largest shopping malls along the railway line. The renovations focused on enhancing the food experience, with the food court and Dining Street areas transformed to make them more attractive to visitors. The food court, together with the surrounding food retail area, was designated the “Food Marche,” and Dining Street was upgraded with new plantings, new terrace seating, and new restaurants, some of which made their first appearance in a commercial complex. The basic concept of the Food Marche is to create a comfortable space full of greens. In addition, to accommodate diversifying lifestyles and tastes, the mall offers visitors the opportunity to discover new products at hobby shops and similar venues. At the SANZEN-HIROBA museum, two more Keihan train cars were added to the exhibit, in which light and sound are used to create a lively atmosphere, making it a space that can be enjoyed no matter how many times one visits.



Completion of conversion of in-station stores to “MOYORI ICHI” markets

Keihan The Store Co., Ltd., which had been gradually converting its “An-3” convenience stores, located mainly in stations along the railway line, into the food market “MOYORI ICHI,” a new-style food market that offers unique and quality food, completed the conversion of all 19 stores as of March 2024. Under the concept of being the useful local store you always want to use, MOYORI ICHI has earned a good reputation for its quality-focused food under the product themes of “ready-to-eat” and “affordable luxury.”

Keihan Department Stores: self-organized sales areas, a new business category

The specialty cosmetics boutique Nanairo Beaute opened at Hirakata Mall which started operations on September 6, 2024, representing a first-of-its-kind business category for Keihan Department Store. As the largest cosmetics shop on the railway line, offering a mix of around 50 international and domestic brands, including luxury cosmetics, Nanairo Beaute combines the high-quality customer experience associated with department stores, the ease of semi-self-service, and the convenience of direct access to the station, and even offers a counseling corner where beauty consultants offer tailored suggestions to customers.



Promoting community building along the railway lines

Opening of SeekSxpot, a community-based incubation facility

In November 2023, Keihan Ryutsu Systems Co., Ltd. opened “SeekSxpo” inside Keihan City Mall, a shopping center it operates. The facility serves as the physical base of the Keihan x Osaka University's Institute for Open and Transdisciplinary Research Initiatives “Futuristic and Intellectual Co-Creation Town Division (FICCT)” which uses data science to find ways to connect with residents along the railway line. It seeks to help revitalize the community through the co-creation of various programs with tenants of our commercial facilities, local companies, educational institutions, and similar organizations.



Establishing tourism commerce

Renovation of KYOTO TOWER SANDO

In April 2023, Keihan Ryutsu Systems Co., Ltd. extensively renovated its KYOTO TOWER SANDO facility, which operates in the Kyoto Tower Building. Taking advantage of its prime location right in front of Kyoto Station, it has evolved into a place where you can encounter the charms of the new Kyoto. Under the concept of “Kyoto Lounge: a must-visit for your Kyoto trip,” the facility features new branches of seven popular restaurants from all over Kyoto Prefecture, an expanded cafe area, and a public art installation featuring original works from the poet Tahi Saihate. It aims to be a facility that always offers a rewarding experience to both locals and visitors no matter how many times they come.

Strategies for value creation

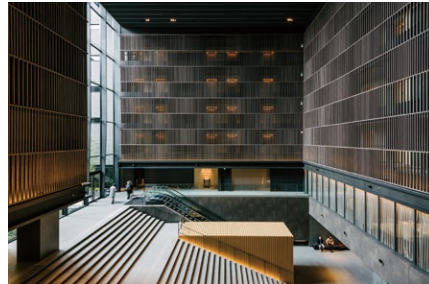
Business overview and medium-term management plan progress

Leisure & service

We will strengthen our competitiveness by promoting branding through the provision of valuable customer experience and advancing high-value-added renovations in order to capture domestic and inbound demand, which is expected to further increase in the future.



Hotel Keihan Tenmabashi Ekimae



THE THOUSAND KYOTO



Osaka Aqua Bus "Aqua Liner"

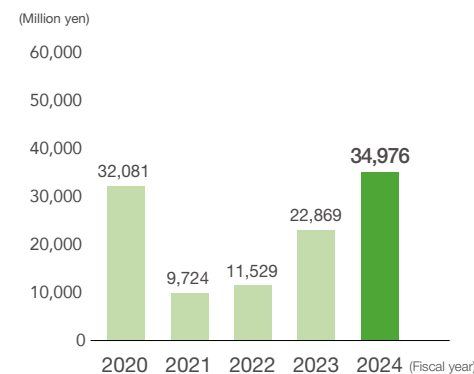
FY2024 management status

In the hotel business, the Hotel Keihan Namba Grande, which opened in March 2023, contributed to business performance throughout the entire fiscal year. We also made efforts to further strengthen our competitiveness and improve the attractiveness of our facilities, including renovating the guest rooms at the Hotel Keihan Universal Tower to make families and groups feel at ease and relaxed, and renovating the interior of some of the guest rooms of the Kyoto Tower Hotel. In addition, THE THOUSAND KYOTO, which celebrated its fifth anniversary, offered special accommodation plans and held various events. A strong recovery in inbound and domestic travel demand has also helped the leisure industry to recover, resulting in a significant increase in operating revenue and operating income to 34,976 million yen and 3,265 million yen, respectively.

Operating revenue composition

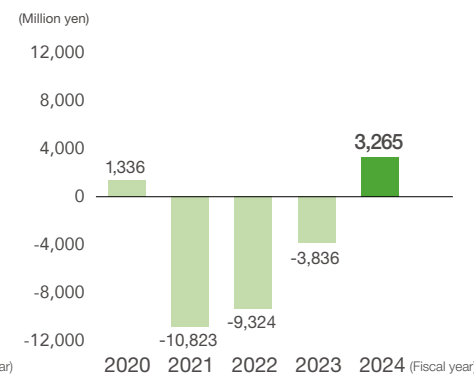


Changes in operating revenue



* Since the start of FY2022, we have been implementing the Accounting Standard for Revenue Recognition and other standards.

Changes in operating income



Leisure & service

Number of hotels

21*

Number of hotel rooms

4,852*

Hotel occupancy rate

Hotel Keihan Co., Ltd. 81.1%
Keihan Hotels & Resorts Co., Ltd. 73.0%

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

Main measures for BIOSTYLE management in the medium-term management plan

Enhancing competitiveness through SDGs-oriented rebranding

Providing sustainable and special stay and tourism experiences that contribute to the SDGs

For your reference See P.52 for BIOSTYLE management initiatives in leisure & service.

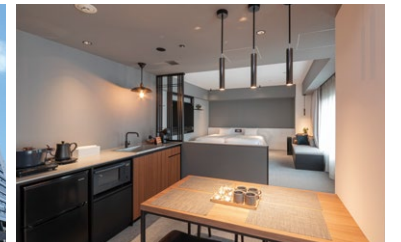


Measures in the medium-term management plan

New hotel launch

Opening of Hotel Keihan Namba Grande

In March 2023, the Hotel Keihan Namba Grande opened near Namba Station, which is operated by Nankai Railway and the Osaka Metro. Under the design concept of "a garden nestled on a green hill," the hotel offers an exterior and interior space that evokes tranquility. The 227 guest rooms include a variety of concept rooms, offering not only a base for sightseeing and business trips but also rooms where guests can relax as if they were at home. Guided by the keywords "ethical" and "third place" (after home and work), the hotel proposes a new stay experience that adapts to diversifying lifestyles.



Adding value to products and services

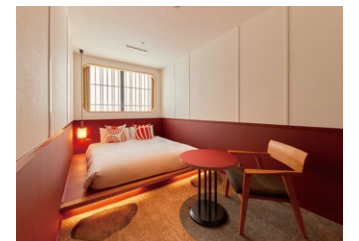
Hotel Keihan Universal Tower guest room renovation

In June 2023, we started a phased renovation of all guest rooms at the Hotel Keihan Universal Tower, with 12 floors completed within FY2024. The theme guiding the renovations is COZY. Some rooms feature low beds on the raised floor and some are with bunk beds, creating a comfortable indoor space for families with children or groups. The design, which evokes a luxury cruise ship floating in the ocean, is intended to help guests relax and unwind by immersing them in an environment inspired by the undersea world and scenes of moonlight reflected on the surface of the water.



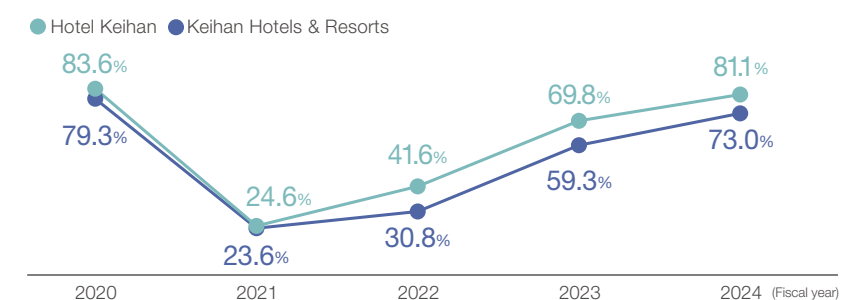
Renovating the interior of some of the guest rooms at Kyoto Tower Hotel

The Kyoto Tower Hotel renovated 111 of its 161 rooms in February 2023 and February 2024. The first renovation phase, which incorporated the colors and shapes of Kyoto life into the design, newly established the Deluxe Family Room type that can accommodate up to eight people, in addition to double and superior room types. The second renovation phase used the red and white color scheme of the Nidec Kyoto Tower as key colors and incorporated Kyoto-style accents throughout the rooms, including *juzu* (prayer beads) and *washi* (Japanese paper), which are traditional crafts associated with Kyoto's *monzen-machi* (towns situated at the gates of temples or shrines).



Hotel occupancy rate trends

Hotel Keihan Co., Ltd. and Keihan Hotels & Resorts Co., Ltd. recorded occupancy rates of 83.6% and 79.3%, respectively, in FY2020, but in FY2021 these rates plummeted to 24.6% and 23.6%, respectively, due to the impact of the COVID-19 pandemic. Subsequently, there was a gradual recovery, with Hotel Keihan and Keihan Hotels & Resorts recording occupancy rates of 41.6% and 30.8%, respectively, in FY2022, followed by 69.8% and 59.3% in FY2023. In FY2024, occupancy rates returned nearly to pre-COVID levels, with Hotel Keihan and Keihan Hotels & Resorts recording rates of 81.1% and 73.0%, respectively.



Medium-term management plan: Strengthening the management base

DX (digital transformation)

Promoting the Keihan Group’s digital customer strategy

We will promote the digitalization of customer contact points, products, and services, as well as data-driven marketing, to provide optimal value to each individual customer along the railway lines. In July 2024, Keihan Holdings Co., Ltd. established the Intangible Value Creation Group within the Corporate Planning Office to promote digital customer strategies for the entire Keihan Group.

Digitalization of customer contact points and digital marketing to meet diverse customer needs

Release and use of the KANSAI MaaS app

In September 2023, the Kansai MaaS Council, which is led by the major railroad companies in the Kansai region, released the smartphone app KANSAI MaaS, which incorporates many useful functions for traveling in the Kansai region. Its functions include multimodal route searches in the Kansai region, electronic ticketing, and tourism-related information such as leisure activities, lodging facilities, and recommended routes for tourists to follow. The app also provides unique information services that only a railway company can offer, such as station maps and location information for running trains, all in a one-stop solution. In October 2024, we expanded the app’s functions and services, including introducing support for the Expo shuttle bus and providing tourist information in English.

Overhaul of Okeihan Points program

In September 2024, the Keihan Group began issuing the e-kenet mobile card, which users of the Okeihan Points LINE Mini App can use by presenting a barcode membership card on the screen of their smartphone or similar device to earn points in Keihan Group’s Okeihan Points points program. By presenting their virtual membership card at participating Okeihan Point stores, users can earn and spend points, and can even use Okeihan Points directly at the cash register in 1-yen increments. The app offers discount coupons and lets users review their points history, among other convenient and money-saving functions. In addition, through the integration with the official Okeihan Points LINE account, customers can receive attractive information tailored to their needs via LINE, such as the latest information about member stores they have marked as favorites on the app.

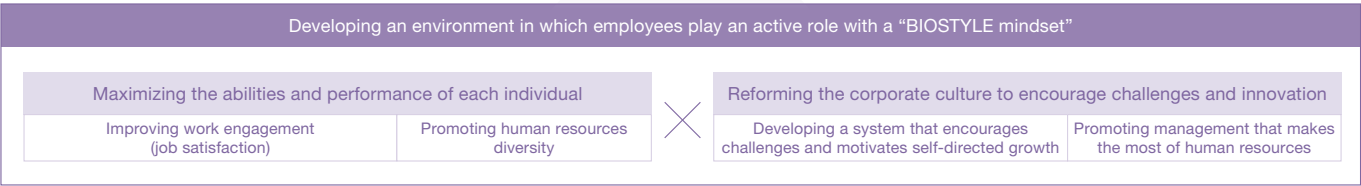


Human resources strategy

We will maximize the abilities and performance of each of our diverse human resources, and reform the corporate culture to encourage challenges and innovation with a view to creating an environment in which employees can play an active role with a “BIOSTYLE mindset.”

Sustainable enhancement of corporate value

Creating new value
(both social and economic value)



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

Human resource management that encourages self-directed growth <ul style="list-style-type: none">• Opportunities and empowerment to promote growth and challenges• Career design support in line with each individual’s career aspirations	Creating an environment in which each of our diverse human resources can demonstrate their abilities without anxiety <ul style="list-style-type: none">• Independent and creative work style not limited by time or place• Stimulating internal communication	Ensuring the skills required to execute the strategy <ul style="list-style-type: none">• Training programs that promote and support skills development• More employment of experienced staff
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Achieving sustainable growth



- 47 Material issue 1 :
Creating businesses that contribute to solving social issues
- 53 Material issue 2 :
Operations that consider the environment and social factors
- 61 Material issue 3 :
Organization and human resources that continue to grow
- 65 Material issue 4 :
Sustainable and robust management base

What is BIOSTYLE ?

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

“Safety and security” and “BIOSTYLE”: ten years on, the evolution continues

About ten years ago, before the SDGs were even proposed, we thought about our company's values and the direction we should aim for in the future. Keihan Holdings has a long history of commitment to safety, and we all share the belief that safety and security is our primary mission. However, now that we are expanding into a variety of businesses other than railways, we wanted to create another core value. The result, which we named BIOSTYLE, proposes a lifestyle that is healthy, beautiful, and brings a high quality of life, and that contributes to a recycling-oriented society. BIO means “organic” in the context of food products, but it is also a word that refers to life and living organisms. With the goal of contributing to the realization of a sustainable society that respects life and providing a lifestyle suitable for the new era, in 2019, we opened GOOD NATURE STATION in Shijo-Kawaramachi, Kyoto as a facility that embodies BIOSTYLE. We are grateful for the widespread support and praise this initiative has received. In FY2024, under the Keihan Group's Long-term Management Strategy and Medium-term Management Plan, we began to promote BIOSTYLE management, which creates both social and economic value, with BIOSTYLE positioned at the core of our management.



Kinya Inoue

Executive Officer
In charge of Management Strategy
Group [Sustainability and BIOSTYLE],
Corporate Planning Office
Keihan Holdings Co., Ltd.

History of BIOSTYLE

- 2014** Acquire the shares of Bio Market Co., Ltd. (operator of organic vegetable “Bio Marche Home Delivery” service)
- 2014** Announce the launch of development of BIO-Style Kyoto-Shijo-Kawaramachi Project (now GOOD NATURE STATION)
- 2015** Medium-term management plan “Bravely Pursuing Creation”
As a top-priority project of the main strategy of “creating content to enhance customers' life value,” promote BIO-Style, a lifestyle that is healthy, beautiful, and brings a high quality of life, and that contributes to a recycling-oriented society, and aim to establish it as a new Keihan brand next to our pledged value of safety and security.
- 2017** Establish Biostyle Co., Ltd. (company that operates GOOD NATURE STATION)
- 2018** Long-term management strategy/medium-term management plan “Creating Living, Community, and Excitement”
Work to create products, services, and businesses that contribute to solving social issues under the priority measure of BIOSTYLE – Aim for Keihan as First Choice – as part of the main strategy of “creating relatable content.”
- 2019** Launch GOOD NATURE STATION
- 2020** Establish the BIOSTYLE Guidelines and introduce in-house certification system
- 2020** Terminate the medium-term management plan due to COVID-19 pandemic and announce Future Business Direction
Rebuild our management base by focusing on “Safety & Security,” “Structural Reform,” and “BIOSTYLE” as our future business direction.
- 2022** Launch BIOSTYLE Business Certification system by revamping the in-house certification system and incorporating an evaluation of feasibility
- 2023** Long-term management strategy/medium-term management plan “BIOSTYLE: Deepening and Challenge”
With BIOSTYLE (Keihan's version of the SDGs), which we have been working to establish as a new brand for the Keihan Group, at the core of our management and business activities, promote BIOSTYLE management which creates both social and economic value.



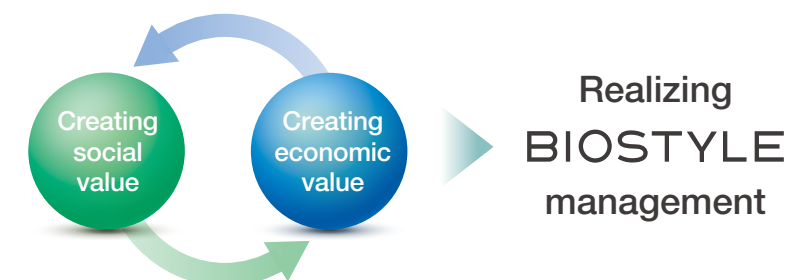
Keihan Group's SDGs: BIOSTYLE PROJECT
Let's change the future with fun.

Promotion of BIOSTYLE PROJECT

The Keihan Group has established its own guidelines, and each group company is promoting its own BIOSTYLE PROJECT in conformance with the guidelines. Initiatives that satisfy feasibility requirements are internally certified (BIOSTYLE Business Certification), and outstanding examples are eligible for awards.

BIOSTYLE Guidelines

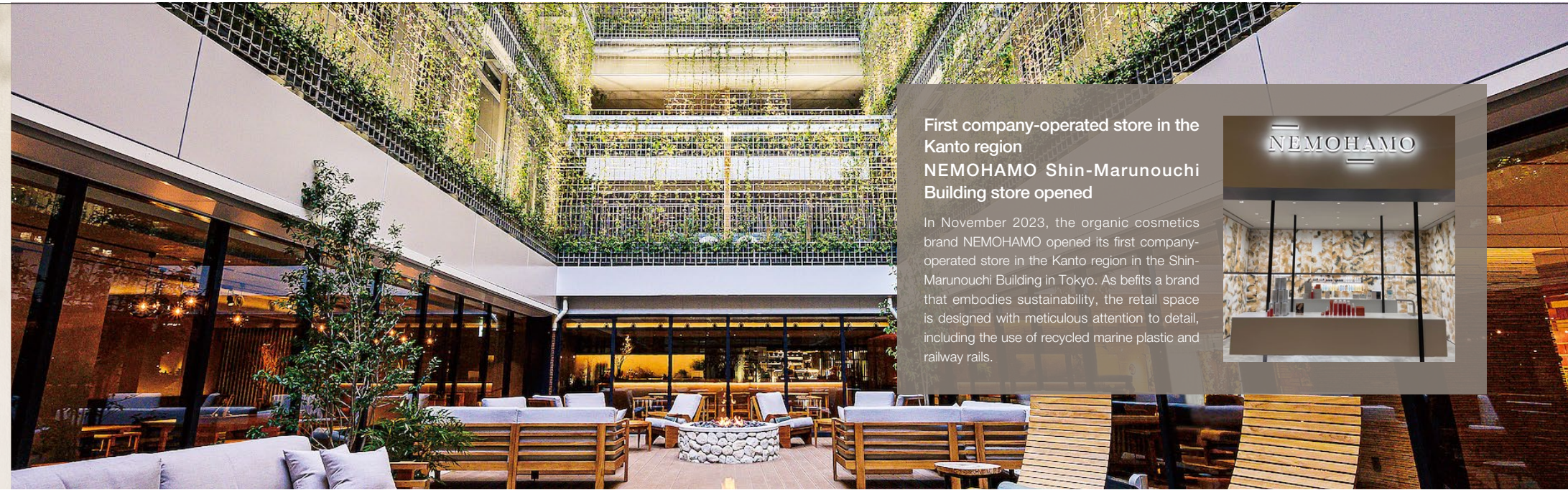
1	GOOD <i>for Health</i>	Businesses and initiatives promoting people's healthy lifestyles and contributing to the realization of a lively society
2	GOOD <i>for Minds</i>	Realizing a stress-free society where people can live peacefully and comfortably and offering services that bring happiness and satisfaction to users
3	GOOD <i>for Locals</i>	Businesses and initiatives contributing to regional revitalization, industrial development, and environmental conservation in local areas
4	GOOD <i>for Social</i>	Businesses and initiatives contributing to the realization of a society where every member can live happily and of more beautiful lifestyles
5	GOOD <i>for Earth</i>	Businesses and initiatives contributing to global environmental conservation, such as countermeasures against global warming and plastic waste issue
6	GOOD <i>for KEIHAN Brands</i>	Businesses and initiatives contributing to improvement of Keihan brand value
7	GOOD <i>for KEIHAN Business</i>	Businesses and initiatives that can be established and implemented on an ongoing basis



GOOD NATURE STATION

Keihan's flagship facility for BIOSTYLE

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.” Here are some of the initiatives at the forefront of the BIOSTYLE PROJECT.



First company-operated store in the Kanto region NEMOHAMO Shin-Marunouchi Building store opened

In November 2023, the organic cosmetics brand NEMOHAMO opened its first company-operated store in the Kanto region in the Shin-Marunouchi Building in Tokyo. As befits a brand that embodies sustainability, the retail space is designed with meticulous attention to detail, including the use of recycled marine plastic and railway rails.



WELL and LEED Certifications

The complex has obtained Silver level LEED Certification, which recognizes environmentally friendly green buildings. The hotel has obtained WELL Certification, which recognizes environmentally friendly and healthy buildings, at the Gold level. It is the first hotel in the world to have obtained both LEED and WELL Certification under their hotel evaluation criteria.

GOOD for Health, GOOD for Social, GOOD for Earth



Organic cosmetics that are gentle on the skin and the environment

NEMOHAMO, an original cosmetic brand, is made with various plants cultivated and picked using natural farming methods on its own organic farm and adjacent satoyama. In the production process too, we protect the rich soil of the surrounding area by not discharging industrial waste or wastewater, and we ensure traceability as much as possible throughout the process, from raw materials to manufacturing and sales.

GOOD for Health, GOOD for Minds, GOOD for Social



Local production for local consumption

We partner with local Kyoto-based producers of agricultural products, crafts, and processed foods, sourcing those items for our products at the market and restaurant ingredients. They also set up shop in the plaza on the first floor. In addition, we are organizing hands-on tours visiting producers for on-site harvesting.

GOOD for Health, GOOD for Social, GOOD for Locals



Taking on the challenge of food circulation through food waste composting

When the vegetables and fruits sold on the first floor do not meet specifications or are unsuitable for sale, we process them in-store into juices and soups to ensure they are put to good use. In addition, food waste is composted using a disposal machine installed in the building. This compost is then used as fertilizer by farmers engaged in farming with a reduced amount of agricultural chemicals and organic fertilizer cultivation to grow rice, which is then harvested together with our staff and sold in our market.

GOOD for Social, GOOD for Earth



Making de-plasticizing a part of our daily routine

The hotel does not offer disposable plastic amenities such as toothbrushes, hairbrushes or shavers in the guest rooms to encourage guests to bring their own. We also put in place initiatives throughout the building to eliminate disposable items and reduce the burden on the environment. For example, we offer original aromas made from essential oils extracted from discarded wood from forest thinning, plastic-free butterfly cups, and cutlery made from bioplastics.

GOOD for Social, GOOD for Earth



100% carbon-free electric power

In FY2024, we began purchasing non-fossil fuel certificates that certify “electricity generated by methods that do not emit carbon dioxide.” We are converting all electric power used throughout the building, including the hotel, to electric power that is 100% derived from renewable energy sources.

GOOD for Social, GOOD for Earth



Original “Farm to Bar” sweets

Our original sweets brand RAU is a “Farm to Bar” brand that handles everything from the selection of ingredients to production and sales. At RAU, chocolatiers carefully select pesticide-free Costa Rican cacao, meeting directly with the producers, and purchase it at fair prices to realize a high-quality and sustainable supply chain. Cacao shells are usually discarded, but to reduce waste, we use them as an ingredient in the cacao curry and cacao tea sold in our market.

GOOD for Health, GOOD for Social



BIOSTYLE initiatives in each business

The Keihan Group's current Medium-term Management Plan incorporates BIOSSTYLE into each business and sets out the challenge of adding value to existing businesses and creating new businesses.

Transportation

Promoting more eco-friendly transportation business

Contributing to a decarbonized society and reducing costs while building a sustainable transportation system



Introduction of large electric buses

Keihan Bus Co., Ltd. has begun operating its first route serviced by five large electric buses. This is expected to reduce CO₂ emissions by about 52 tons per train car per year compared to conventional buses. When the World Expo is held in Osaka in 2025, the company plans to operate shuttle buses to the venue, and electric buses are expected to be used for this as well.



Introduction of new train cars that reduce environmental impact

Keifuku Electric Railroad Co., Ltd. will replace seven train cars with new models equipped with variable frequency drive (VFD) inverters and regenerative braking over the fiscal years 2025 to 2029, thereby significantly reducing power consumption and contributing to the achievement of the SDGs by reducing the cars' environmental impact. The train cars also provide a user-friendly environment that not only enhances operational safety and stability for everyone but also supports accessibility features such as barrier-free and multi-language support.

Real estate

Strengthening the housing regeneration business

Promoting sustainable community building that circulates residents and generations



Large-scale community development project at the former site of Fushimi Technical High School

Keihan Real Estate Co., Ltd., together with two other companies, has signed a basic agreement with Kyoto City to promote the development of a large-scale residential district, aiming to open by the end of FY2028. The district will feature ZEH housing, which has a zero energy balance, as well as a next-generation decarbonized district where the electricity is based on self-consumption and local production for local consumption.



Shimotsu No. 2 residential condominium reconstruction project

Keihan Real Estate Co., Ltd. is participating as a member of the reconstruction association in this project, the largest reconstruction project in western Japan, based on Japan's Act on Facilitation of Reconstruction of Condominiums. The scheme of separating the construction area into east and west sections and using the existing buildings on the west side as temporary housing was praised by the national government and adopted as a "Model Project for Extending the Life of Condominium Stock."

Initiatives contributing to regional revitalization and area value enhancement



Revitalizing Nakanoshima with art: Kite Mite Nakanoshima

This event has been held since 2012 to widely communicate the appeal of Nakanoshima, one of the most popular areas in Aqua Metropolis Osaka and home to many cultural and art facilities. In cooperation with cultural facilities and companies in the Nakanoshima area, the stations on the Nakanoshima Line are used as museums to exhibit works of art and host workshops. In addition, the project actively engages in collaborations with kindergartens and schools on joint projects, fostering connections with the next generation.

Retail distribution

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

Expanding business while encouraging customers' healthy eating habits in the areas along the railway lines



First "Frest Mobile Supermarket" launched

Keihan The Store Co., Ltd. has launched a mobile supermarket that travels around Hirakata City and Neyagawa City on a truck. In addition to meeting the needs of customers who find everyday shopping inconvenient, the mobile supermarket takes advantage of its regular patrols to engage in monitoring activities, and the company has signed an agreement with both cities to monitor the wellbeing of their senior citizens.



Opening of a next-generation supermarket

On September 6, 2024, Keihan The Store Co., Ltd. opened the Hirakata Mall branch of THE STORE. Based on the concept of "a sustainable market that contributes to environmental conservation, the local economy, and cultural heritage," it is a new type of store that offers a wide range of products that are good for the body, nature-friendly, and contribute to the protection of the Earth's environment. These products include local vegetables and private brand products developed in cooperation with local companies, chicken packaged with no plastic tray, organic produce and processed foods, plant-based food, and beef raised in an environment that respects animal welfare.

Leisure & service

Enhancing competitiveness through SDGs-oriented rebranding

Providing sustainable and special stay and tourism experiences that contribute to the SDGs



Promoting the TAGAYASE PROJECT

At Keihan Hotels & Resorts Co., Ltd., employees themselves are engaged in activities that enrich the local environment and people's hearts, and are implementing projects to protect, nurture, and re-cultivate the original local landscape and food culture, including urban farming and beekeeping at THE THOUSAND KYOTO, and a project at Biwako Hotel titled The Culinary Colours of SATOYAMA. In August 2024 we began taking reservations for an urban beekeeping tour guided by hotel staff who care for the bees.



Shiga no Megumi Cruise

Biwako Kisen Steamship Co., Ltd. organizes many planned cruises aimed at helping people get to know Lake Biwa and the surrounding area better, utilizing local resources such as seafood caught in Lake Biwa, foodstuffs and specialty products grown in the Shiga region, and the region's natural, historical, and cultural heritage. Under the "Shiga biodiversity action certification program," by which Shiga Prefecture recognizes businesses engaged in conservation of biodiversity and sustainable use of natural resources, the Company received a three-star (the highest) evaluation.

Kisaichi Gate

Since 2023 we have been hosting "Kisaichi Gate" on the plaza in front of Kisaichi Station on the Katano Line of the Keihan Railway. This project is a next-generation social experiment to create a relationship between urban and suburban populations and encourage social interaction with a focus on the future of the area. In cooperation with entrepreneurs who start businesses by leveraging local resources, as well as with local communities and government agencies, we have held events such as brewing and sales of craft beers using hops produced in Kisaichi. In the future, we aim to formulate a long-term vision and utilize the plaza on a daily basis through a sustainable management organization.



Environmental philosophy and the Keihan Group’s environmental policy

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.

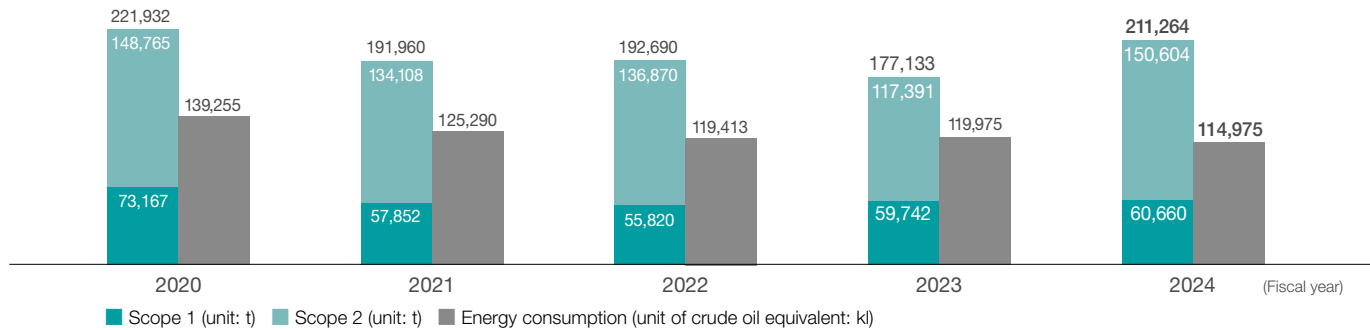
The Keihan Group formulated its environmental philosophy in 2002, and has since made group-wide efforts to improve the environment and comply with environmental laws. In September 2021, the group formulated its environmental policy, focusing on the following items:(1) Reduction of greenhouse gas emissions, (2) Reduction of waste and effective use of water resources.

Status of CO₂ emissions

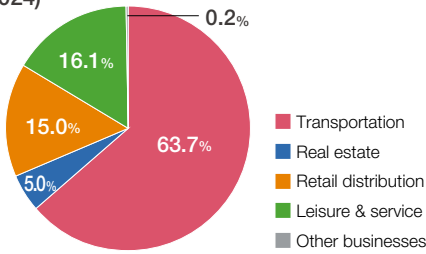
CO₂ emissions of the Keihan Group (consolidated market-based Scope 1 and Scope 2)

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. Note that in FY2024, although energy usage decreased, CO₂ emissions rose due to an increase in the grid emission factor.

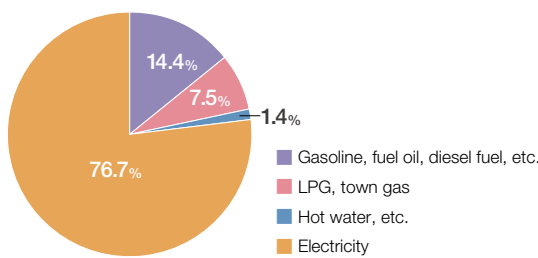
CO₂ emissions and energy consumption of the entire group



Breakdown of the group’s CO₂ emissions by business segment (FY2024)



Breakdown of the group’s energy usage (FY2024)



CO₂ emissions per unit of operating revenue (t-CO₂ / million yen)

Fiscal year	2022	2023	2024
	0.75	0.68	0.70

Energy consumption intensity

Energy consumption intensity for train cars

Fiscal year	2022	2023	2024
Railway electricity consumption by Keihan Electric Railway Co., Ltd. (kl) / travel distance (thousand km)	0.637	0.639	0.632

Energy consumption intensity in office buildings and commercial facilities

Fiscal year	2022	2023	2024
Energy consumption in office buildings and commercial facilities* (kl) / floor area (thousand m²)	29.05	29.95	25.94

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

Scope 3 emissions (FY2024 consolidated basis)

					(unit: t)
Cat1	Purchased products and services	658,862	Cat6	Business travel	781
Cat2	Capital goods	62,559	Cat7	Employee commuting	1,175
Cat3	Fuel and energy activities not included in Scope 1 and 2	35,247	Cat11	Use of sold products	365,664
Cat4	Transportation and distribution (upstream)	4,967	Cat12	End-of-life treatment of sold products	12,737
Cat5	Waste from operations	14,161	Cat13	Leased assets (downstream)	49,201
Total for FY2024					1,205,355

*In the case of categories 8, 9, 10, and 14, there is nothing to be calculated, while category 15 is excluded from calculation.

Reducing greenhouse gas emissions

In May 2022, we formulated “BIOSTYLE Environmental Action 2030” and announced our goals for CO₂ reduction along with measures to achieve these reductions, with FY2031 as our target.

CO₂ emissions reduction target (Scope 1 and Scope 2)

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 (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 83% of the group’s total emissions.

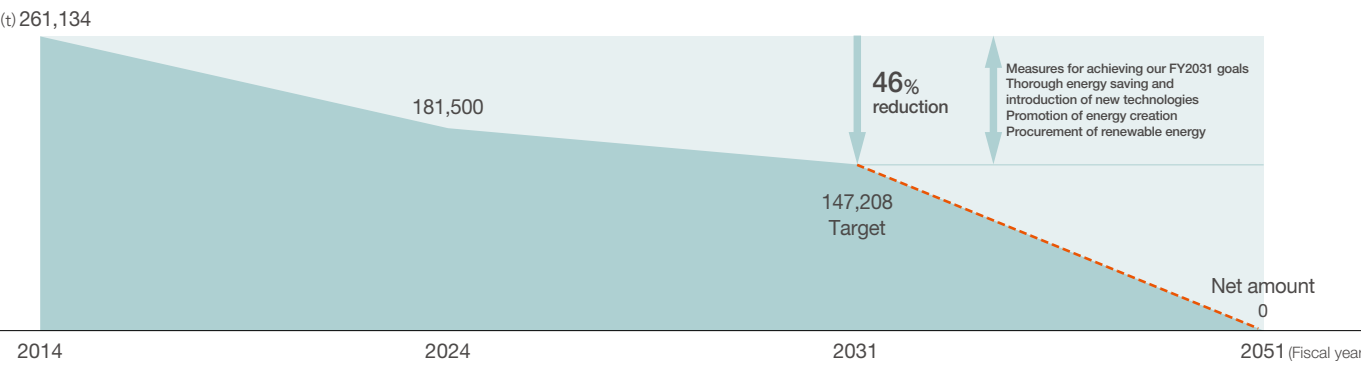
CO₂ emissions of main companies (Scope 1 and Scope 2)

CO₂ emissions of the nine main companies with regard to the CO₂ emissions reduction target are shown in the table below. The amount in FY2024 was reduced by 30% compared to FY2014.

Fiscal year	2014	2020	2021	2022	2023	2024
Transportation ^{*1}	181,698	114,791	106,595	102,328	89,030	112,650
Real estate ^{*2}	7,716	13,231	12,434	12,318	11,167	8,552
Retail distribution ^{*3}	45,510	29,563	26,781	28,198	24,303	31,262
Leisure & service ^{*4}	26,210	28,248	18,806	21,182	24,035	29,036
Total	261,134	185,833	164,616	164,026	148,535	181,500

*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.

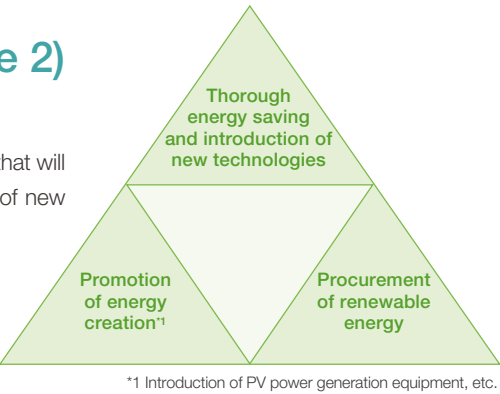
CO₂ emissions reduction roadmap



CO₂ reduction initiatives (Scope 1 and Scope 2)

Course of action

Promoting the reduction of CO₂ emissions and the development of products and services that will be chosen in a decarbonized society through “thorough energy saving and introduction of new technologies,” “promotion of energy creation,” and “procurement of renewable energy”



Thorough energy saving and introduction of new technologies

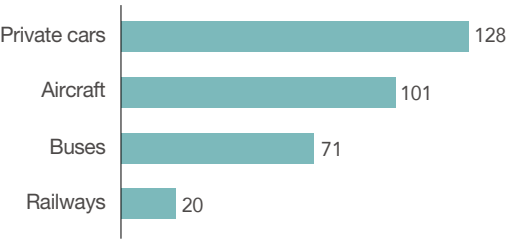
We will reduce energy consumption and CO₂ emissions through capital investment and more efficient business operations.

Environmental advantages of rail transport & energy efficiency in railways

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.

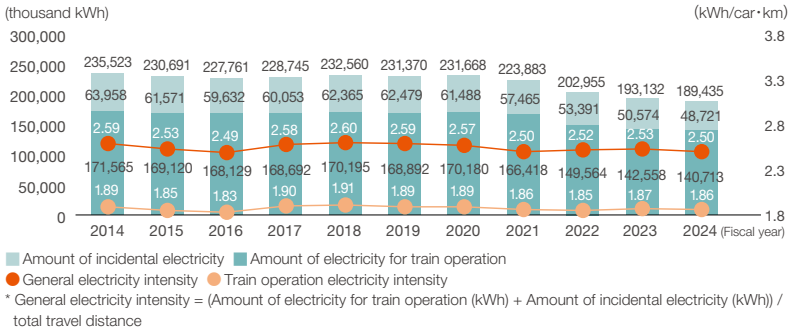
CO₂ emissions per transport volume (passengers)

CO₂ emission intensity: g-CO₂/passenger-km (FY2023)



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

Changes in railway electricity consumption by Keihan Electric Railway Co., Ltd.

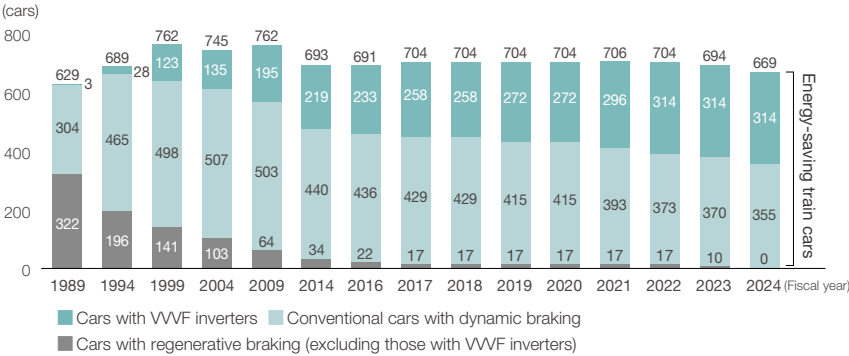


Introduction of energy-saving train cars (Keihan Electric Railway Co., Ltd.)

Introduction of energy-saving train cars equipped with variable voltage variable frequency (VVVF) inverters and regenerative braking is currently underway. VVVF 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, thereby contributing greatly to reducing electricity consumption. As of the end of March 2024, 100% of the train cars 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



LED lighting installed at railway facilities (FY2024)

Signaling systems (signals)	612/815	75.1%
Train cars	Interior lights	465/669
	Headlights	206/220

Installing LED lighting at stations (FY2024)

Implemented in FY2024	Sembayashi, Takii, Moriguchishi, Furukawabashi, Kayashima, Hirakatashi, Makino, Tambabashi, Kawachimori, Kisaichi
LED lighting adoption rate	51.0%

Introduction of electric buses

In December 2021, Keihan Bus Co., Ltd. introduced small electric buses on the Station Loop Bus route connecting Kyoto Station, Shichijo Station, and other venues (four buses introduced). In April 2023, we introduced five large electric buses at the Kadoma bus station. In addition, Kyoto Bus Co., Ltd. introduced two electric buses in January 2024, and Keifuku Bus Co., Ltd. introduced four small electric buses in March 2024.



Electric bus (Kyoto Bus Co., Ltd.)

Energy conservation measures in commercial and office buildings

We are pushing forward with energy-saving measures in existing buildings, such as upgrading to LED lighting and modernizing air conditioning systems. In FY2024, these upgrades included air conditioning upgrades in the OMM and Eastern buildings and LED lighting upgrades at Keihan Department Stores.

Environmental accreditation for newly developed buildings

We are encouraging the acquisition of DBJ Green Building certification. Our new building, Yodoyabashi Station One, is also in the process of acquiring ZEB-oriented certification.

DBJ Green Building Certification	Keihan Yodo Logistics Yard (three stars) Station Hill Hirakata (portion owned by Keihan Holdings) (three stars)
LEED Certification	GOOD NATURE STATION (silver rank)

Promotion of energy creation (solar power)

To become carbon neutral, society as a whole must increase its renewable energy sources. In addition to installing solar power generation equipment at its facilities, the Keihan Group is working on corporate power purchase agreement (PPA) initiatives to develop renewable energy sources in partnership with power generation companies. In April 2024, 562 solar panels were installed on the roof of the Frest Matsui-yamate store and began generating electricity. In August 2024, we signed a corporate PPA agreement with an electric utility to utilize a reservoir in Hirakata City. This will supply renewable energy to Keihan Group facilities in Hirakata City, including Hirakata Park, our amusement park. This project is a public-private partnership initiative based on an agreement signed by five parties: Keihan Holdings, a power generation company, a retail electric power company, Hirakata City, and Hirakata City Shodai Land Improvement District. The project was also supported by the Ministry of Economy, Trade and Industry as an example of customer-driven solar power adoption.

Installation location	Category	Annual power generation capacity (approximate)(kwh)
Company-owned land near Hashimoto station	FIT	50,000
Company-owned land near Chushojima station	FIT	45,000
KUZUHA MALL	FIT	78,000
Keihan Yodo Logistics Yard	FIT	1,800,000
GOOD NATURE STATION	Self-consumption	4,000
THE THOUSAND KYOTO	Self-consumption	3,300
Frest Matsui-yamate Shop	Self-consumption	400,000
Fushimi-inari station (in planning)	Self-consumption	80,000



Frest Matsui-yamate Shop



Installation of solar panels on reservoir (rendering of completed project)

Procurement of renewable energy

We are exploring the introduction of renewable energy as part of our measure to achieve FY2031 goals. At GOOD NATURE STATION, starting from FY2024, we have carbon-neutralized the entire building’s electricity by purchasing non-fossil certificates.

Developing products and services that will be chosen in a decarbonized society

We will develop the new products and services that will be chosen in a decarbonized society through the promotion of energy creation and the procurement of renewable energy.

Provision of carbon-free services

• Besides GOOD NATURE STATION, Keihan Hotels & Resorts Co., Ltd. has introduced CO₂ emission-free electricity for illuminating Kyoto Tower, the monument lighting at THE THOUSAND KYOTO (starting FY2024), and the lighting at Biwako Hotel (starting November 2023), while Hotel Keihan Co., Ltd. has done the same at its Smart Laundry (starting February 2024).

Environmental response for houses for sale in the real estate sales business

In alignment with our medium-term management plan, we are promoting the development and rollout of eco-friendly housing and offices, including Zero Energy Houses (ZEH).

• For condominiums: Fine City Sapporo URBAN FORWARD Airy has been certified as ZEH-M oriented.

Promoting a circular economy

We contribute to the creation of a recycling-oriented society by promoting waste recycling and the effective use of water resources.

Reducing waste and promoting recycling

Amount of waste from the main companies (FY2024)

		(t)	
		General waste	Industrial waste
Transportation	Keihan Electric Railway Co., Ltd.	508	668
	Keihan Bus Co., Ltd.	119	163
Real estate ^{*1}		1,143	139
Retail distribution ^{*2}		2,882	2,867
Leisure & service ^{*3}		1,426	764
Total		6,078	4,601

^{*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.

Plastic reduction

- Hotel Keihan Co., Ltd. switched the complimentary bottled water in guest rooms from PET bottles to paper cartons.

Promotion of recycling

- Collecting waste cooking oil

Waste cooking oil is collected by a recycling company. The recycling company converts this oil into biodiesel fuel, which is then used by Biwako Kisen Steamship Co., Ltd. to power Shiga Prefecture’s educational ship, Uminoko. (16 locations, including KUZUHA MALL, Keihan City Mall, Keihan Moriguchi Department Store, and Kyoto Tower Hotel)

- Keihan The Store Co., Ltd. installed reverse vending machines for PET bottles at some stores to promote PET to PET recycling by customers

Reducing food loss

- Keihan The Store Co., Ltd. organized food drives (at which NPOs and similar organizations collect food from customers) at three of its Frest stores
- Composting was introduced at KUZUHA MALL
- At Keihan Moriguchi Department Store, a waste collection company turns food waste into fertilizer, which is then delivered to farmers along the railway line for agricultural use.
- Bio Market Co., Ltd. launched the summer-only “Fuzoroi Yuki-yasai-dayori” delivery service, which delivers nonstandard products to customer’s homes on an irregular basis

Water conservation

- Hotel Keihan Co., Ltd. introduced a detergent-free Smart Laundry service to reduce water consumption
- 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

Biodiversity

Shiga biodiversity action certification program

Biwako Hotel (three stars)

The Biwako Hotel is committed to creating mechanisms that contribute to the conservation of satoyama. It continues to make active use of rice grown in terraced rice paddies, local sake, and local ingredients. In addition, the staff are engaged in pesticide-free vegetable cultivation.

Biwako Kisen (three stars)

Biwako Kisen is engaged in initiatives that are considerate of the natural environment, including the conservation of Lake Biwa. It is involved in educational activities through boat trips such as the Lake Biwa environmental experience learning cruise. Moreover, stores at the lake station are engaged in selling local specialties and serving dishes primarily made from local produce. Biwako Kisen is making efforts to anchor businesses within the community.

Information disclosure initiatives

We received a rating of B (management level) in the 2023 Climate Change Questionnaire from CDP, an international NGO committed to the disclosure of information on environmental impacts. Furthermore, in March 2024, Keihan Holdings received an environmental rating loan from the Development Bank of Japan (DBJ) based on its high evaluation of our forward-thinking approach to environmental considerations.

Collaboration with local governments

In pursuit of a sustainable local society by promoting decarbonization and achieving SDGs, we have concluded a comprehensive partnership agreement toward a sustainable community with the Hirakata Municipal Government.

Environmental education and inspection

To ensure strict compliance with environmental laws and regulations, we hold environmental regulatory seminars to inform our group companies about legal amendments and other relevant information. Regular environmental inspections are also conducted to verify compliance and provide support for improvements.

Response to TCFD Recommendations

In May 2022 the Keihan Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and we are considering and disclosing responses to the TCFD recommendations that are integrated with our business strategy, anticipating the impacts (risks and opportunities) of climate change on our business.



1 Governance

Environmental management promotion system

The Sustainability Committee has been established under the Board of Directors to promote and manage the progress of the Keihan Group’s ESG activities. 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 Sustainability Committee. The technical committee formulates and implements measures related to environmental issues such as global warming. Once the deliberations of the technical committee are discussed within the Sustainability Committee, they are submitted (put on the agenda or reported) to the Board of Directors twice a year in principle.

2 Strategy

In line with the framework proposed by the TCFD, we used scenario analysis to predict and analyze changes in the external environment by 2030, assessing the impact of future climate change on our business.

Identifying the scope of business to be analyzed

We focused our analysis on the transportation business (railway and bus businesses) and real estate business (real estate sales and leasing businesses), which account for approximately 70% of the group’s operating revenue.

Scenario setting

World view of the envisioned 1.5°C~2°C scenario (2°C or lower scenario)

A scenario where the entire world strengthens regulations and policies to achieve carbon neutrality by 2050, climate change measures that exceed the current level are implemented, and the temperature increase is limited to 1.5°C~2°C above pre-industrial levels

- Increased transition risks due to tightened regulations and policies, leading to rising electricity prices from increased demand for renewable energy-sourced power
- While an increase in physical risks is also anticipated, they are less severe than in the 4°C scenario

World view of the envisioned 4°C scenario

A scenario where no significant climate change measures are implemented beyond the current level, leading to a temperature rise of around 4°C above pre-industrial levels

- Increased physical risks such as rising costs for heat countermeasures and exacerbated losses from extreme weather events
- An increase in transition risks is also expected, though less severe than in the 2°C or lower scenario

Identification of risks and opportunities

Based on the TCFD recommendations, we identified risks and opportunities related to the group (the businesses under analysis), assessing the timing of their manifestation and the degree of impact.

Legend: [Manifestation period^{*1} | Impact size]

Category			Details of risks and opportunities	
			Transportation	Real estate
Transition risks	Policy and legal risks	Carbon price	[Medium term Large] · Various costs (operations, facility management, raw material procurement, etc.) will increase due to the introduction of a carbon tax and higher energy-related tax rates.	
		Introduction of environmental regulations	[Medium term Small] · In bus operations, regulatory restrictions on diesel vehicles to reduce CO ₂ emissions will lead to costs for the introduction of electric vehicles (EVs).	
		Carbon emission targets and policies		[Medium term Large] · Costs for construction and repairs will increase due to compliance with government targets for ZEB and ZEH. · Costs incurred for purchasing emission credits will arise for older properties that are difficult to decarbonize.
	Market risk	Change in energy costs	[Short to medium term Large] · Fluctuations in electricity and fuel costs due to changes in the energy mix will lead to an increase in energy costs.	
	Reputation risks	Change in customer reputation		[Medium term Not assessed] · If environmental response is delayed, being perceived as reluctant to decarbonize could lead to a decrease in customers.
Physical risks	Chronic risks	Rise in average temperature	[Medium to long term Small] · Air conditioning costs will increase due to rising temperatures.	
				[Medium to long term Small] · Decreased labor productivity at construction sites due to higher temperatures will cause project delays.
	Acute risk	Exacerbation of extreme weather events	[Medium term Moderate] · Increased frequency of meteorological disasters, such as large typhoons, will lead to steeper losses due to facility damage and transportation stoppages.	
Opportunities	Energy sources	Utilization of new technologies and low-carbon energy sources	[Short to medium term Large] · Operating costs are reduced through the promotion of energy conservation and renewable energy adoption.	
	Products and services	Development of new products and services through R&D and innovation	[Short to medium term Moderate] · Maintenance costs will decrease through the introduction of highly efficient vehicles and electric buses. [Long term Small] · Income will increase as ways for using public transportation are expanded, leveraging our knowledge of seat reservation services, etc. · Users will increase due to improved convenience of MaaS, etc.	
			[Long term Small] · The environmental superiority of public transportation will be recognized and the number of users will increase.	[Medium to long term Large] · Asset value and revenue will increase by meeting the demand for environmental and disaster response.
	Market	Change in stakeholder reputation	[Short to medium term Not assessed] · Promotion of environmental response is well-received by shareholders, investors, and financial institutions.	
		Utilization of incentives by the public sector	[Medium to long term Not assessed] · The subsidy programs may be expanded for promoting decarbonization.	

^{*1} Short term: 0–2 years (immediate), Medium term: 3–9 years (around 2030), Long term: 10–30 years (around 2050)

Estimation of financial impact

For risk and opportunity items where objective future forecast data could be obtained in the set scenario, we estimated the quantitative financial impact, identifying key items with particularly significant financial impacts.

(The parameters used for estimation are based on objective data from sources such as the International Energy Agency (IEA).
For more details, please visit: <https://www.keihan.co.jp/corporate/sustainability/environment/tcfcd.html> (Japanese only))

Financial impact of key items^{*2}

Legend: [Manifestation period^{*1} | Impact size]

Category		Details	Scenario	Financial impact estimation results for 2030	
				Transportation	Real estate
Transition risks	Policy and legal risks	Various costs (operations, facility management, raw material procurement, etc.) will increase due to the introduction of a carbon tax and higher energy-related tax rates.	1.5~2°C	1,389 million yen/year	351 million yen/year
		Costs for construction and repairs will increase due to compliance with government targets for ZEB and ZEH.		—	1,543 million yen/year
	Market risk	Fluctuations in electricity and fuel costs due to changes in the energy mix will lead to increased energy costs.		225 million yen/year	193 million yen/year
Physical risks	Acute risk	Increased frequency of meteorological disasters, such as large typhoons, will lead to steeper losses due to facility damage and transportation stoppages. ^{·3}	4°C	119 million yen/year	28 million yen/year
Opportunities	Energy sources	Operating costs are reduced through the promotion of energy conservation and renewable energy adoption. ^{·4}	1.5~2°C	904 million yen/year	38 million yen/year
	Products and services	Maintenance costs will decrease through the introduction of highly efficient vehicles and electric buses.		146 million yen/year	—
		Asset value and revenue will increase by meeting the demand for environmental and disaster response.		—	2,510 million yen/year

^{*2} Estimated financial impact for the following businesses:
Transportation business: Keihan Electric Railway Co., Ltd., Keihan Bus Co., Ltd.; Real estate business: Keihan Holdings Co., Ltd., Keihan Real Estate Co., Ltd., Keihan Tatemono Co., Ltd., Zero Corporation Co., Ltd.
^{*3} Estimated increase in losses based on past cases in the event of a natural disaster
^{*4} Estimated based on energy usage in FY2022 for existing businesses, without considering the increase in energy usage due to future business expansion

Scenario analysis results and response measures

Transportation	1.5~2°C scenario	Risks include the expected impacts of increased costs due to the introduction of a carbon tax and increased energy costs resulting from changes in the energy mix. To mitigate these impacts, we will promote the introduction of energy-saving vehicles and electric buses, which are expected to have energy-saving effects. The introduction of energy-saving vehicles and electric buses is also expected to create opportunities for maintenance cost reduction. In addition, as the environmental superiority of public transportation is recognized and the number of users increases, we identified items that are expected to have a minor impact in 2030, but that may manifest opportunities in the long-term timeframe.
	4°C scenario	Risks include the possibility of being affected by transportation stoppages and schedule disruptions due to large typhoons and meteorological disasters, as well as property damage. Regarding extreme weather events, we recognize that they will become increasingly severe over time from 2030, the year of this analysis, to 2050 and the end of the century. Adopting a long-term perspective, we will work on building more robust crisis management and BCP systems, such as implementing flood control and corrosion prevention measures for railway facilities and strengthening vehicle evacuation systems.
Real estate	1.5~2°C scenario	Risks include increased costs due to the introduction of a carbon tax and increased energy costs resulting from changes in the energy mix. Furthermore, the impact of increased construction and repair costs due to compliance with government targets for ZEB and ZEH is expected to be significant, and we will consider reducing this impact by revising equipment specifications and procurement methods. That being said, the rising environmental awareness of customers and investors could be a tailwind, leading to increased rents for office properties and higher sales prices for residential properties due to environmental responses. We will thus utilize national subsidy programs and other systems to promote environmental measures for buildings for sale, including making them ZEH-oriented, acquisition of DBJ Green Building certification, and environmental measures for new buildings.
	4°C scenario	Risks include the potential for damage to owned properties due to large typhoons and meteorological disasters. Although the impact size is smaller compared to the transportation business, we will work on building crisis management systems in cooperation with tenants and residents, as well as continuously review and strengthen our BCPs in preparation for the increasingly severe extreme weather events expected after 2030.

3 Risk management

For identified climate-related risks, the technical committee on environmental management will take the lead in discussing avoidance, mitigation, and other such measures. The details of these discussions will be submitted to the Board of Directors after deliberation by the Sustainability Committee. We will also periodically review climate-related risks and opportunities.

4 Metrics and targets

In reducing CO₂ emissions in particular, we have set a numerical target of reducing CO₂ emissions by 46% by FY2031 (compared to FY2014).

At the Keihan Group, as part of our long-term management strategy formulated and announced in March 2023, we have set “Converse the global environment” as one of our main strategies. We are promoting the reduction of CO₂ emissions and the development of products and services that will be chosen in a decarbonized society through “thorough energy conservation and the introduction of new technologies,” “promotion of energy creation (introduction of solar power generation equipment, etc.),” and “procurement of renewable energy.” Under this policy, we will promote initiatives to minimize risks and maximize opportunities and strive to improve our resilience.

Human resources strategy

Human resources development policy and workplace environment development policy, including securing diversity of human resources

We have established a human resources strategy in which we maximize the abilities and performance of each of our diverse human resources, and reform the corporate culture to encourage challenges and innovation with a view to creating an environment in which employees can play an active role with a “BIOSTYLE mindset.” This will enable us to continue to create new value and achieve sustainable enhancement of corporate value. In our effort to maximize the abilities and performance of each individual, we aim to improve work engagement (job satisfaction) and promote human resources diversity. Furthermore, as part of reforming the corporate culture to encourage challenges and innovation, we are developing a system that encourages challenges and motivates self-directed growth, and promoting management that leverages human resources. These initiatives form the human resources development policy and workplace environment development policy, which include securing diversity of human resources.

Metrics and targets

In order to provide products and services essential to our customers and to sustain corporate growth, we recognize the importance of diverse perspectives in management, including women's insights. Based on the human resources strategy and the initiatives implemented thus far, Keihan Holdings Co., Ltd. and the four major group companies (Keihan Electric Railway Co., Ltd., Keihan Real Estate Co., Ltd., Keihan Department Stores Co., Ltd., and Hotel Keihan Management Co., Ltd. [an operating subsidiary of Hotel Keihan Co., Ltd.]) have set the above targets in FY2024 to promote the development of an environment that contributes to the sustainable improvement of corporate value.

	Targets	FY2024
Percentage of women among new employees	30.0% or more	51.3%
Percentage of women in leadership positions	10.0% or more by the end of FY2031	9.7%
Percentage of male employees taking childcare leave (including leave for childcare purposes)	100%	100%

* Leadership positions refers to the Assistant Director level and above

Promoting human resources diversity

Human rights policy

In line with the United Nations Human Rights Council's Guiding Principles on Business and Human Rights, in April 2023, we established the Keihan Group Human Rights Policy. This policy integrates respect for human rights into our corporate values and ensures the rights of all involved in the Keihan Group's business activities are respected.

WEB <https://www.keihan.co.jp/corporate/sustainability/social/human-rights.html> (Japanese only)

Human rights education and raising awareness

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 FY2024, we conducted training sessions online and in person across our regional offices on topics such as eliminating discrimination against persons with disabilities and fostering an inclusive mindset. We also regularly share information on legal requirements and the latest topics related to human rights in the Keihan Group's magazine to raise awareness of the issue.

Number of participants in human rights awareness raising seminars (every May and December)

Fiscal year	2022	2023	2024
Number of participants (group-wide)	347	350	450

* Held in Osaka, Neyagawa, Hirakata, Kyoto, and Otsu

Human rights due diligence

In March 2024, we conducted human rights due diligence training for directors in charge of personnel affairs, harassment consultation representatives, and other key stakeholders in each group company, with guidance from external lecturers. Starting with this, we have been advancing human rights due diligence initiatives from FY2025, including identifying and assessing human rights risks throughout the group.

Efforts towards a harassment-free workplace

The Keihan Group has established the elimination of all forms of harassment as part of its charter of conduct. To that end, we have implemented group-wide harassment prevention regulations to enhance the effectiveness of our efforts. We conduct a wide range of training programs tailored to each position and role within the group, including basic training for new employees in the Keihan Group and training for newly appointed managers at all levels to raise awareness and promote education on harassment prevention. We aim to provide an optimal training environment to enhance the effectiveness of our programs by adopting a flexible approach that combines group training, on-site training by Keihan Holdings Co., Ltd., and online training.

We are also strengthening our counseling system by conducting training for the harassment consultation representatives of each group company, fostering an environment where employees feel comfortable seeking support.

Number of harassment training attendees

Fiscal year	2022	2023	2024
①Group training (basic training for new employees in the Keihan Group, etc.)	634	550	506
②On-site training (visits to group companies by Keihan Holdings Co., Ltd.)	53	14	20
③Online training sessions	60	823	149
Total	747	1,387	675

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. Keihan Smile Heart Co., Ltd. employs seven staff members with disabilities (as of March 2024). The staff is engaged in office support, including cleaning office floors, disposing of documents, supplying paper for printers, printing business cards for group companies, and preparing seminar materials. The company also provides practical training for students at the upper-secondary department of schools for special needs education. In addition to daily tasks, dedicated study time is incorporated into the staff's work to enhance their individual mental, physical, and emotional strengths and maximize collective strength as a team. The percentage of people with disabilities employed at Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd., and Keihan Smile Heart Co., Ltd. was 3.20% in total as of March 2024. We are working to promote the employment of people with disabilities and create a comfortable working environment for them.



Strengthening of recruitment capabilities

In order to secure a diverse workforce, we are strengthening our group-wide initiatives by holding joint company briefings and internships, for example, alongside other efforts at each Keihan Group company. In addition to hiring new graduates, we focus on mid-career hires (hiring experienced personnel) to secure external talent with the capabilities, skills and experience essential for advancing our management and business strategies, who will contribute to enhancing the group's corporate value. Keihan Holdings Co., Ltd. has also established a system to attract full-time employees with specialized knowledge and practical skills in specific business areas and operational fields. We will harness the contributions of our diverse talent to revitalize the organization and create new value.

Developing a system that encourages challenges and motivates self-directed growth and promoting management that makes the most of human resources

Human resources development and skills development

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

Keihan Holdings Co., Ltd. provides stratified training and external training to strengthen employees' management skills and supervisory abilities. In addition to introducing a learning management system to support autonomous learning that is not environment-dependent, we support employee self-development through initiatives such as providing subsidies for distance learning and qualification programs to enhance skills in areas of language, digital competencies, and more.

Career design support

Keihan Holdings Co., Ltd. has introduced a mentoring system to support younger employees in career design and foster networking. Off-site meetings are also held to enhance internal communication, reinforce the Management Principles, and provide necessary follow-up. In FY2024, we aimed to deepen practical understanding of BIOSTYLE management among employees below the management level by introducing a business game designed to help them understand and experience it firsthand. We also introduced initiatives to promote career autonomy through individual interviews focused on medium-to-long-term career discussions as well as training on job crafting and experiential learning, aimed at helping employees clarify the meaning of their work and create a cycle of personal growth through their experience. We are committed to accelerating the growth and expansion of the Keihan Group through individual career development by creating more opportunities for employees to align their personal career aspirations with organizational goals and take steps to realize their careers from an early stage. Additionally, a talent management system was introduced in FY2025 and has been carried out in phases. We will also enhance work engagement by utilizing human resources data, such as employee experience, skills, and career preferences, to drive talent development and ensure optimal placement.



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

Creating an office environment that promotes communication and fosters ideas

We are developing a work environment where employees can work proactively and creatively at each Group company. Following the relocation of their head offices in 2024, Keihan Electric Railway Co., Ltd. and Keihan The Store Co., Ltd. eliminated fixed seating and adopted paperless operations, creating a flexible work environment that encourages communication across departments.

Keihan Holdings Co., Ltd. continues to systematically develop office spaces that support activity-based working (ABW), a creative, efficient, and diverse way of working that allows employees to choose where, when, and with whom they work based on the nature of their tasks. In September 2024, a new communication space was developed by a working team of younger employees.



Keihan Holdings Co., Ltd.
Communication space



Head Office, Keihan Electric Railway Co., Ltd.



Head Office, Keihan The Store Co., Ltd.

Implementing flexible working hours and promoting paid leave

Through initiatives such as “no overtime day,” a flextime system, and a ban (in principle) of working after 8 p.m. and holiday work, Keihan Holdings Co., Ltd. and Keihan Electric Railway Co., Ltd. are working to reduce overtime work and make it easier to work while encouraging a self-directed work style and allowing time for creative thinking and recuperation.

Percentage of annual paid leave used

Fiscal year	2022	2023	2024
Keihan Holdings Co., Ltd.	62.7%	70.6%	72.1%
Keihan Electric Railway Co., Ltd.	82.8%	83.9%	92.9%

Balancing childcare and 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 have introduced a system of working from home, and offer a system for saving unused annual paid holidays and using them for days leave for childcare and/or nursing care for family members.

As a result of these programs, Keihan Holdings Co., Ltd. has 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 2024, we increased the maximum number of work-from-home hours, improved the environment for using company-led childcare facilities, supported the use of babysitters, and extended the period of reduced working hours for childcare. On top of that, in 2023, Keihan Hotels & Resorts Co., Ltd. became the first Kyoto-based accommodation business to receive Platinum Kurumin Certification. Companies that have demonstrated initiatives that surpass the standards of those that have received the Kurumin certification are honored with this award.

Kurumin Mark acquisition

Company name	Years obtained	Number of times obtained
Keihan Holdings Co., Ltd.	2009, 2011, 2013, 2018, 2021	5
Keihan Electric Railway Co., Ltd.	2020	1
Keihan Hotels & Resorts Co., Ltd.	2021, 2023	2
Zero Corporation Co., Ltd.	2022	1



Promotion of health and productivity management

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 2024, Keihan Holdings Co., Ltd. was selected as a Certified KENKO Investment for Health Outstanding Organization for the fifth consecutive year. Furthermore, Keihan Business Management Co., Ltd. was recognized as a "Bright 500" enterprise, one of the top 500 corporations in the Certified KENKO Investment for Health Outstanding Organization (Small and Medium-Sized Enterprise Category) award for the second consecutive year.

2024 Certified KENKO Investment for Health Outstanding Organization

Large Enterprise Category	Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd.
Small and Medium-Sized Enterprise Category (Bright 500)	Keihan Business Management Co., Ltd.
Small and Medium-Sized Enterprise Category	Keifuku Electric Railroad Co., Ltd., Keihan Asset Management Co., Ltd., Keihan Tatemono Co., Ltd., Zero Corporation Co., Ltd.



Health consultation service

We offer a permanent health consultation service provided by public health nurses to listen to employees' concerns and take appropriate measures. For employees who may have difficulty seeking assistance within the company, we have established a system that allows them to access free counseling services provided by the Japan Industrial Counselors Association.



Expanded health checkups

We have expanded health screenings so that our female employees can have breast cancer and gynecological screening tests (mammography, cervical cancer; cervical cytology exam, ovarian cancer; CA125) at mobile health checkup venues alongside their regular checkups, and we also subsidize part of the screening costs. In doing this, we aim to create an environment that makes it easier to undergo screenings, facilitating early detection and treatment of breast, cervical, and ovarian cancers. In addition, we have established an environment for the administration of rubella and measles antibody tests, hepatitis virus tests, prostate cancer tests (for male employees), influenza vaccinations, and checkups for adult diseases by the Keihan Group Health Insurance Association and for the prevention of lifestyle-related diseases by the Japan Health Insurance Association at these mobile health checkup venues alongside regular health examinations. Together with the above, the Keihan Group Health Insurance Association subsidizes the cost of comprehensive medical checkups and offers free colon cancer tests (for employees aged 30 and over, fecal occult blood tests) and stomach cancer risk tests (those aged 40 and under, ABC screening). These efforts aim to detect and treat cancers at an early stage.

Provision and promotion of health information

We regularly disseminate useful health information to our employees through our group magazine and internal intranet, thereby raising awareness about health. Through the PepUp health information service introduced by the Keihan Group Health Insurance Association, employees can access their regular health checkup results, health age, medical expenses, and articles tailored to their health status at any time.

We hold seminars on general life-saving courses and the prevention of lifestyle-related diseases, as well as seminars open to all employees, regardless of gender or position, aimed at improving knowledge about health issues specific to women. Additionally, as we understand that breast and cervical cancers are common health issues, we conduct breast and cervical cancer screening seminars for female employees who reach the ages of 40, 45, and 50 to deepen their knowledge about the screenings.

Support for employees returning to work or needing workplace measures

We have established guidelines and support systems to facilitate a smooth return to work for employees temporarily absent due to mental health concerns. Upon returning to work, employees undergo commuting training and thorough consultations with our industrial physicians, public health nurses, and supervisors. When an employee has an abnormal finding from a routine medical examination or returns to work after a certain period of absence due to injury or illness, we consult with our industrial physicians to determine appropriate adjustments to their working hours and responsibilities based on their health condition. Our industrial physicians and public health nurses hold regular meetings with employees, offering support to both employees and their workplaces until all necessary measures are fully implemented.

Establishment of an exercise regime

In order to prevent lifestyle-related diseases among employees and promote health, we encourage the establishment of exercise regimes. We recommend participation in walk rallies organized by the Health Insurance Association using PepUp, encouraging employees to walk more than 8,000 steps a day. Additionally, by conducting physical fitness tests and health-support events, we aim to increase interest in health and exercise by allowing employees to assess their physical condition.



Number and percentage of employees with exercise regimes

Fiscal year	2021	2022	2023	2024
Number	1,082	1,597	1,573	1,851
Percentage	41.46%	55.55%	57.10%	67.16%

*Total for Keihan Holdings Co., Ltd., Keihan Electric Railway Co., Ltd., Keihan Real Estate Co., Ltd., Keihan Department Stores Co., Ltd., and Hotel Keihan Management Co., Ltd. (a subsidiary operating under Hotel Keihan Co., Ltd.)

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

Efforts for safety and security

For the Keihan Group, “safety and security” is a universal value that we provide to all our customers, and it is the foundation of our group’s existence. Through the relentless efforts of all our employees, we enhance both safety quality and efficiency, ensuring that these will be reliably passed on to the next generation. We will also thoroughly prepare to protect our customers from disasters.

Safety measures at Keihan Electric Railway Co., Ltd.

With the provision of safe and reliable passenger transportation services as its primary mission, Keihan Electric Railway Co., Ltd. is undertaking a wide range of measures to ensure safety.

In recent years, there has been an increase in the risk of natural disasters due to climate change and other factors, including severe damage caused by torrential rain in various regions. Against this backdrop, we have been implementing the weather-related measures such as reinforcing bridge piers and installing waterproof switches, while also actively pursuing the measures such as working with local governments along the railway line to revise the manual for preventing flooding of underground facilities. We are also steadily implementing seismic reinforcement of elevated bridges and stations to prepare for large-scale earthquakes such as the Nankai trough earthquake, which is predicted to have a 70-80% probability of occurring within 30 years. As countermeasures against acts of terrorism, acts of violence on trains, and other social problems, we are installing in-car security cameras to deter crime and conducting regular anti-terrorism drills in collaboration with the police and other authorities to enhance the security of the transportation environment. Although the number of railway passengers on our lines has been recovering since the Japanese government reclassified COVID-19 under Category 5 of the Infectious Disease Control Act, I do not expect our ridership to return to pre-pandemic levels. To maintain a stable station environment that customers can access with peace of mind in the midst of a rapidly changing business environment, starting in FY2024, we adopted the barrier-free fare system to introduce more platform screen doors and to properly maintain and update accessible facilities. We are also focusing on training railway employees, who are the key to safety, and will continue to work to further improve the general training center. In spite of these safety measures, in FY2024 we failed to achieve multiple safety goals set by the company. Let me take this opportunity to reaffirm my determination to face this failure honestly, analyze its causes, take appropriate countermeasures, and continue to work tirelessly as a company to improve safety with the active involvement of top management.



Yoshihiro Hirakawa

Representative Director & President, Keihan Electric Railway Co., Ltd.

Basic policy for safety

1 Safety first

Under the principle of safety first, we always strive to ensure the safety of transportation and take appropriate safety measures.

2 Compliance with laws

We comply with laws and regulations related to transportation safety and faithfully perform our duties with integrity.

3 Continuous improvement

We properly operate the safety control system and aim for continuous improvement.

Safety goals

Safety goals for FY2024

- **Qualitative goals to be achieved**
As railway professionals supporting the safety and security of society, we always act in a way that meets societal trust.

• Quantitative goals to be achieved

		Results
1. Continuation of zero liability accidents	1 accident	not achieved *
2. Continuation of zero incidents	0 incidents	achieved
3. Transport disruptions due to internal causes below FY2023 record	11 incidents	not achieved

* On June 3, 2023, after the end of operations, a malfunction occurred in the brake mechanism of Iwashimizu-hachimangu-sando-cable resulting in a three-day suspension of service. This was caused by a broken automatic brake system positioning bolt and resultant brake system failure.

Capital investment in FY2024

Railway facility investment: 9.5 billion yen
Of which, safety-related investment: 6.7 billion yen

(Details of safety investments)
New 13000-series train cars, substation relocation and renewal, new platform screen doors (platforms 3 and 4 of Hirakatashi station), interlocking device updates, renewal of 7000-series train cars, replacement of Otsu Line 800-series safety device

For more details, please refer to the “Safety Report” of Keihan Electric Railway Co., Ltd.
<https://www.keihan.co.jp/corporate/sustainability/safety-report/> (Japanese only)



Other transportation safety results (partial list)

Safety measures at Eizan Electric Railway Co., Ltd.

Safety goals

Safety goals for FY2024

		Results
1. Zero at-fault driving accidents	0 accidents	achieved
2. Zero incidents	0 incidents	achieved
3. Zero transport disruptions due to internal causes	1 incident	not achieved *

* A track circuit failure occurred at Ninose station on March 25, 2024

Safety measures at Keihan Bus Co., Ltd.

Safety goals

Transportation safety goals for FY2024

		Results
1. Zero fatal/serious accidents	2 accidents*	not achieved
2. Reduction of accidents for which we are responsible by 15% compared to the previous year	a decrease of 1.6%	not achieved

* Of which, 0 resulted in fatalities

Expenditure on transportation safety

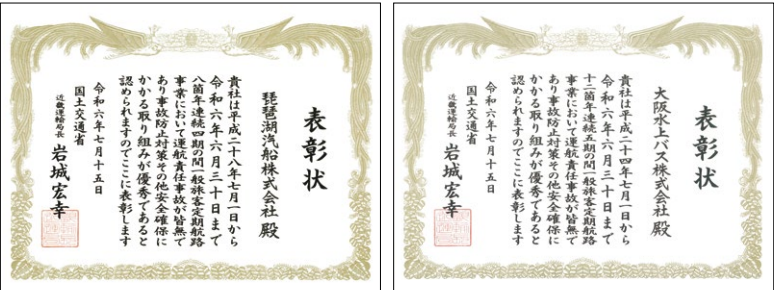
FY2024 0.87 billion yen (train cars, operations, and education)

Ship safety

Award for consecutive years of no accidents for which the ship operator is responsible

Biwako Kisen Steamship Co., Ltd.	8 consecutive years
Osaka Aqua Bus Co., Ltd.	12 consecutive years

- Implemented measures to comply with Japan's Act to Partially Amend the Maritime Transportation Act, etc. (effective April 1, 2024)



Ensuring safety and reliability of food

Initiatives in the retail distribution business

- Held food hygiene training sessions for employees
- Implemented food hygiene inspections at shopping malls and held seminars for tenants
- Held Food Quality Control Promotion Committee meetings at Keihan Department Store Co., Ltd.
- Practiced regular safety patrol, etc. at Keihan The Store Co., Ltd.

Initiatives in the hotel business

- Held committee meetings on food safety
- Held training sessions for employees
- Conducted internal audits
- Conducted external audit of Hotel Keihan Co., Ltd.

Co-creation with suppliers

Keihan Group Sustainable Procurement Policy

The Keihan Group has established the “Keihan Group Sustainable Procurement Policy” as a guideline that all corporate officers and employees of the Keihan Group should adhere to in promoting sustainable procurement. Furthermore, based on this policy, we have formulated “Requests to Our Suppliers” as a guideline that we would like all the suppliers of Keihan Group companies to understand and practice.

Keihan Group Sustainable Procurement Policy (excerpt)

(Fair business practices)

- We do not engage in corrupt practices such as bribery, corruption, and inappropriate hospitality and gift-giving in our procurement activities.

(Respect for human rights)

- We do not engage in any acts that infringe on human rights, such as discrimination and harassment based on race, nationality, creed, religion, gender, sexual orientation, presence or absence of disability, social status, etc.
- We do not engage in or allow unfair labor practices such as forced labor and child labor.

(Consideration for the environment)

- We strive to implement measures to conserve energy, resources, and water, and to reduce environmental impact.
- When purchasing and procuring goods and services, we strive to select those that have as little impact on the environment as possible.



Foundations supporting value creation

Corporate governance

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Foundations supporting value creation

Corporate governance

Basic approach

The Management Principles of the Keihan Group, with Keihan Holdings at its core, is to create a comfortable living environment and contribute to society by establishing a network of dreams, hope, and trust. We will take good care of local communities, customers, shareholders, and all other stakeholders of the group as we go about developing a life-stage network based primarily on the transportation business, and also endeavor to comply with laws, regulations, and social norms and pursue efficient and sensible corporate management by enhancing the supervisory function of the Board of Directors and facilitating swift decision-making.

Main corporate governance initiatives

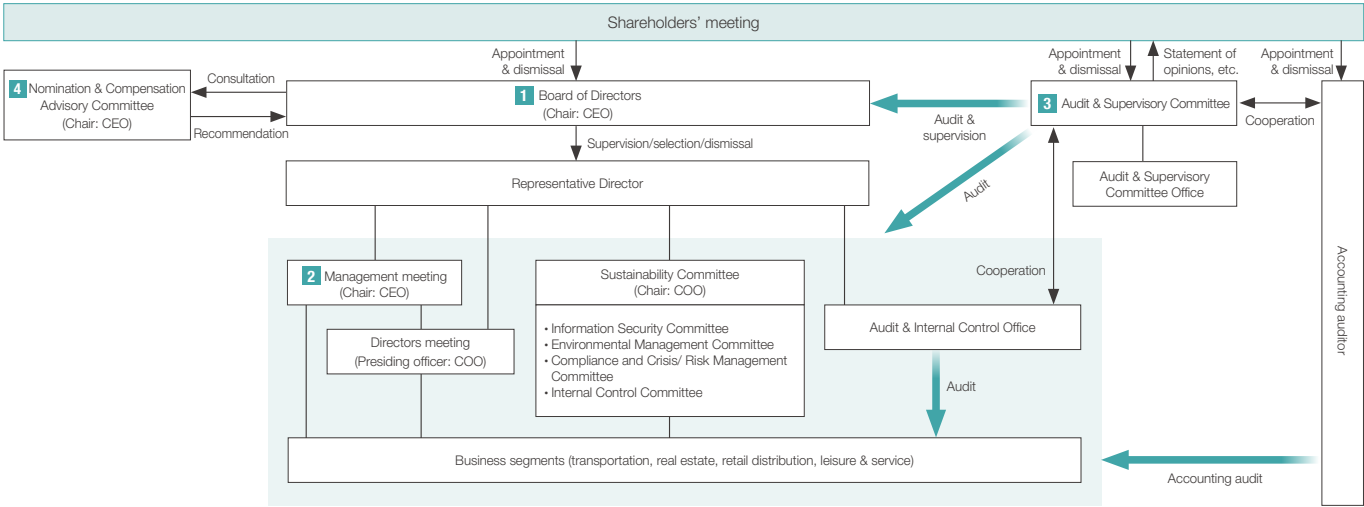
June 2007	<ul style="list-style-type: none">• Adoption of executive officer system For the purpose of promoting efficient management by assigning roles across group strategy and business execution functions• Establishment of Nomination & Compensation Advisory Committee For the purpose of enhancing the transparency of director/executive officer appointments and compensation
April 2016	<ul style="list-style-type: none">• Transition to holding company structure For the purpose of further strengthening the competitiveness of each business, expanding the group’s businesses, creating new businesses, enhancing the value of the areas along the Keihan Railway lines from a medium-to-long term perspective, and generating sustained growth and boosting corporate value
June 2016	<ul style="list-style-type: none">• Revisions to corporate officer compensation system (introduction of stock compensation-type stock options)
October 2016	<ul style="list-style-type: none">• Start of Board effectiveness evaluation
June 2017	<ul style="list-style-type: none">• Transition to a company with an Audit & Supervisory Committee For the purpose of further bolstering the corporate governance system mainly by realizing quick decision-making by the Board of Directors and further improving the effectiveness of auditing and supervisory functions
June 2021	<ul style="list-style-type: none">• Discontinuation (abolishment) of takeover defense measures
June 2022	<ul style="list-style-type: none">• Revisions to corporate officer compensation system (introduction of restricted stock compensation) For the purpose of providing an incentive to executive officers and directors (excluding outside directors) who are not Audit & Supervisory Committee members for the sustained further enhancement of corporate value and to promote the sharing of value with shareholders

Corporate governance system

Outline of the corporate governance system

We aim to achieve swift decision-making in management by delegating a significant portion of decisions on important matters of business execution to the Board of Directors. We also endeavor to enhance the supervisory function of the Board by leveraging the extensive experience and outstanding insight of outside directors. Moreover, we aim to strengthen auditing and supervisory functions by having Audit & Supervisory Committee members with Board voting rights carry out audits.

Diagram of corporate governance system



1 Board of Directors

At the center of our management structure is the Board of Directors, which, in principle, meets once a month. It makes decision on, and oversees, management strategies and important matters of business execution, including those concerning group companies. From the perspective of strengthening the supervisory function of the Board, 7 of the 14 directors (13 male and 1 female (7.1% female director ratio)) have been appointed from outside the Group. Also, pursuant to the provisions of the Articles of Incorporation and a resolution of the Board of Directors, a significant portion of decisions on important matters of business execution are delegated to the Board in an effort to achieve swift decision-making in management.

2 Management meeting

A management meeting, which is typically convened once a week, has been established under the auspices of the Board of Directors to discuss group management strategies and report on the discussion findings to the Board as required. Also, with the aim of expediting matters of business execution, executive officers have been assigned to each of the group's four business segments (transportation, real estate, retail distribution, and leisure & service) and management departments.

3 Audit & Supervisory Committee

The Audit & Supervisory Committee meets once a month, in principle, to mainly decide on basic policies for audits, audit plans, and other important matters, and to also share information about audits already carried out. 4 of the 5 directors serving as Audit & Supervisory Committee members are outside directors and every effort has been made to bolster the functions of the Audit & Supervisory Committee primarily by appointing directors with experience in transport administration and company management, corporate accounting professionals, experts in corporate law, and specialists in cultural, academic, and tourism fields. In addition, one full-time Audit & Supervisory Committee member has been appointed pursuant to a resolution of the Audit & Supervisory Committee. The full-time Audit & Supervisory Committee member attends the management meetings and collaborates closely with the Internal Audit Department and others in a bid to make the auditing and supervisory functions of the Audit & Supervisory Committee more effective.

4 Nomination & Compensation Advisory Committee

Established as an advisory body to the Board of Directors and comprising a majority of outside directors, the Nomination & Compensation Advisory Committee deliberates on motions and other matters related to appointments of, and compensation for, executive officers and directors who do not sit on the Audit & Supervisory Committee from the viewpoint of enhancing the transparency of such decisions. It then reports its findings to the Board of Directors.

Evaluation of effectiveness of Board of Directors

Once a year we ask all directors to complete a questionnaire about the general administration of the Board and what matters have been discussed. The results are then reported to the Board for analysis and evaluation. The following is an overview of the evaluation of the effectiveness of the Board of Directors in FY2024.

Items of evaluation in questionnaire

- General administration of the Board
- Proposal/reporting items
- Going forward

Evaluation results

• General administration of the Board

The Board's overall administration and discussions were assessed to be more or less appropriate, mainly regarding the sharing of documents before meetings, the matters of discussion and the time taken to discuss them, the number of proposal and reporting items, and the content of materials.

• Proposal/reporting items

In the previous fiscal year's effectiveness analysis and evaluation, the need for more discussions about environmental issues, digital transformation, and crisis management was highlighted, along with the need to discuss and report, in a timely manner, the progress of the company's long-term management strategy and the medium-term management plan (BIOSTYLE: Deepening and Challenge). For the former, the formulation of the Keihan Group's digital customer strategy and the status report of deliberations at our Sustainability Committee were appropriately submitted to the Board of Directors for deliberation. For the latter, the company held briefing sessions for all outside directors on the progress of the company's long-term management strategy and the medium-term management plan, as well as the status of sustainability initiatives, and submitted the progress of individual projects to the Board of Directors as appropriate. As a result, it was assessed that plenty of opportunities to discuss both of these items had been secured.

• Going forward

The status of human capital initiatives was raised as a matter that needs to be discussed in particular. The Board will also be required to continually discuss and report, in a timely manner, the progress of the company's long-term management strategy and the medium-term management plan (BIOSTYLE: Deepening and Challenge). In order to further stimulate discussions at the Board of Directors meetings, the company has been working to secure opportunities for independent outside directors to visit the group's business sites. Through these and other initiatives, including questionnaires, we will continue to work to further improve the effectiveness of the Board of Directors.

Corporate officer compensation system

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.

Foundations supporting value creation

Corporate governance

Corporate officers

(As of July 1, 2024)

●: Outside ●: Independent

									
	Yoshifumi Kato	Masahiro Ishimaru	Masaya Ueno	Yoshihiro Hirakawa		Yoshihisa Domoto	Yasushi Matsushita	Shinya Hashizume	Ken Chan Chien-Wei
Position	Representative Director & Chairman, CEO, Chairman of the Board	Representative Director & President, COO	Director & Senior Executive Officer	Director & Senior Executive Officer		Director & Managing Executive Officer	Director & Managing Executive Officer	Director	Director
Responsibilities		General Manager, Corporate Planning Office	General Manager (in charge of Personnel Division), Group Management Office; Assistant General Manager (in charge of Intangible Value Creation Group), Corporate Planning Office [General Manager of Leisure & Service Business]	Assistant General Manager (in charge of Management Strategy Group [New Business]), Corporate Planning Office [General Manager of Transportation Business]		Assistant General Manager (in charge of Community Building Promotion Group), Corporate Planning Office [General Manager of Real Estate Business]	Assistant General Manager, Corporate Planning Office; Assistant General Manager (in charge of Accounting and Finance Division), Group Management Office [General Manager of Retail Distribution Business]		
Brief career summary	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 2017 Representative Director & Chairman, Keihan Electric Railway Co., Ltd. (current position) June 2019 Representative Director & Chairman, CEO, Chairman of the Board, the Company (current position) June 2019 Representative Director & Chairman, Keihan Tatemono Co., Ltd. (current position)	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)	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) June 2023 Representative Director & President, Keihan Hotels & Resorts Co., Ltd. (current position)	April 1986 Joined the Company June 2015 Executive Officer, the Company June 2017 Managing Director, Keihan Electric Railway Co., Ltd. June 2019 Senior Managing Director, Keihan Electric Railway Co., Ltd. June 2021 Director & Managing Executive Officer, the Company June 2021 Representative Director & President, Keihan Electric Railway Co., Ltd. (current position) June 2023 Director & Senior Executive Officer, the Company (current position)		April 1988 Joined the Company June 2017 Executive Officer, the Company June 2017 Representative Director & President, Keihan Real Estate Co., Ltd. (current position) June 2021 Director & Managing Executive Officer, the Company (current position) July 2021 Director & Chairman, Zero Corporation Co., Ltd. (current position)	April 1987 Joined the Company June 2017 Executive Officer, the Company June 2019 Representative Director & President, Keihan Ryutsu Systems Co., Ltd. (current position) July 2020 Representative Director & Chairman, Keihan The Store Co., Ltd. (current position) June 2023 Director & Managing Executive Officer, the Company (current position) June 2023 Representative Director & Chairman, Keihan Department Stores Co., Ltd. (current position)	April 2006 Professor, Graduate School of Literature and Human Sciences, Osaka City University and Osaka City University Urban Research Plaza April 2008 Distinguished Professor, The Industry – Academia – Government Collaboration Organization, Osaka Prefecture University; Director, Research Institute for Tourism Industry April 2017 Distinguished Professor, Organization for Research Promotion, Osaka Prefecture University; Director, Research Institute for Tourism Industry of Research Center for the 21st Century; Professor, Graduate School of Economics, Osaka Prefecture University 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)	Oct. 2000 Vice President, GIC Real Estate Pte. Ltd. April 2006 Representative Director, GIC Real Estate International Japan Co., Ltd. (Present: GIC Japan Co., Ltd.) Sept. 2019 Representative Director, Patience Capital Group Co., Ltd. (current position) June 2023 Director, the Company (current position)
Attendance at Board of Directors meetings	11/11 times	11/11 times	11/11 times	11/11 times		11/11 times	9/9 times	11/11 times	9/9 times
Attendance at Audit & Supervisory Committee meetings									
Nomination & Compensation Advisory Committee	●							●	●
Audit & Supervisory Committee									
Skills matrix of each Director									
Corporate management	●	●	●	●		●	●		●
Transportation	●			●					
Real estate/Urban development						●		●	●
Retail distribution	●		●				●		
Leisure & service/Tourism			●						●
BIOSTYLE			●						
Finance & accounting	●						●		
Personnel & labor relations	●	●	●						
Legal affairs & risk management	●	●							

* The attendance status for the above-mentioned Board of Directors and Audit & Supervisory Committee meetings reflects the situation for FY2024 (from April 1, 2023 to March 31, 2024).
* The skills matrix above represents areas of expertise for each individual based on their experience and does not encompass all skills and experiences that they possess.

Foundations supporting value creation

Corporate governance

Corporate officers



Takehiko Yamamoto



Toshihiko Inachi



Hisashi Umezaki



Nobuyuki Tahara



Koichi Kusao



Kanako Hamasaki

●: Outside ●: Independent

Position	Director	● ●	Director, Full-time Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member	● ●	Director, Audit & Supervisory Committee Member	● ●	Director, Audit & Supervisory Committee Member	● ●	Director, Audit & Supervisory Committee Member	● ●
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Responsibilities

Brief career summary	April 1975 Joined Mitsui O.S.K. Lines, Ltd. June 2009 Director & Senior Executive Officer, Mitsui O.S.K. Lines, Ltd. June 2010 Representative Director, Vice President, & Executive Officer, DAIBIRU Corporation June 2011 Representative Director, President, & Executive Officer, DAIBIRU Corporation April 2016 Representative Director & Chairman, DAIBIRU Corporation April 2019 Chairman, DAIBIRU Corporation June 2019 Advisor, DAIBIRU Corporation June 2024 Director, the Company (current position)	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 June 2023 Director, Full-time Audit & Supervisory Committee Member, the Company (current position)	April 1966 Joined Ministry of Transport July 1999 Administrative Vice-Minister of Transport Jan. 2001 Advisor, Ministry of Land, Infrastructure, Transport and Tourism Aug. 2002 Vice President, Telto 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)	Sept.1980 Certified Public Accountant (current position) Dec. 1997 Representative Partner, Century Audit Corporation (Present: Ernst & Young ShinNihon LLC) June 2014 Retired ShinNihon LLC (Present: Ernst & Young ShinNihon LLC) June 2016 Audit & Supervisory Board Member, the Company June 2017 Director, Audit & Supervisory Committee Member, the Company (current position)	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)	July 2011 Representative Director, General Incorporated Foundation Yuuhisai Koudoukan (Present: Yuuhisai Koudoukan Foundation); Director, the Center of Yuuhisai Koudoukan (current position) April 2013 Associate Professor, School of Letters, Sanshu 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 June 2021 Director, Audit & Supervisory Committee Member, the Company (current position) April 2024 Associate Professor, Faculty of Agricultural and Food Sciences, Kyoto Prefectural University (current position)
Attendance at Board of Directors meetings	—	9/9 times	11/11 times	11/11 times	11/11 times	11/11 times
Attendance at Audit & Supervisory Committee meetings		10/10 times	14/14 times	14/14 times	14/14 times	14/14 times
Nomination & Compensation Advisory Committee	●					
Audit & Supervisory Committee		●	●	●	●	●
Skills matrix of each Director						
Corporate management	●	●	●			
Transportation			●			
Real estate/Urban development	●					
Retail distribution						
Leisure & service/Tourism		●				●
BIOSTYLE						●
Finance & accounting		●		●		
Personnel & labor relations						
Legal affairs & risk management					●	

Executive officers

(As of July 1, 2024)
(Excluding Directors who hold concurrent positions)

Norio Otsuka

[Assistant General Manager of Transportation Business]

Toru Izumitani

In charge of Real estate leasing Group, Corporate Planning Office
[Assistant General Manager of Real Estate Business]

Tsukasa Eto

In charge of Management Strategy Group [Branding and Public Relations], Corporate Planning Office; in charge of IT Promotion Division, Group Management Office; Department Manager, Personnel Division, Corporate Planning Office, General Manager, Group Management Office

Norio Shirono

In charge of Management Strategy Group [Overall Group Strategy], Corporate Planning Office; Department Manager in charge of Management Strategy Group [Overall Group Strategy], Corporate Planning Office, General Manager of Accounting and Finance Division, Group Management Office

Yukio Yamada

In charge of Co-creation of Tourism Experience Value Group, Corporate Planning Office; in charge of Kyoto [Assistant General Manager of Leisure & Service Business]

Hiroshi Oasada

Department Manager in charge of Community Building Promotion Group [Railway Line Area Development, Area Management], Corporate Planning Office
[Assistant General Manager of Retail Distribution Business]

Kinya Inoue

In charge of Management Strategy Group [Sustainability and BIOSTYLE], Corporate Planning Office; in charge of General Administration Division, Group Management Office; General Manager, Audit & Internal Control Office

Reason for selecting skills

[Corporate management]

Directors with a wealth of experience and management achievements in corporate management are necessary to achieve the Keihan Group's long-term management strategies and medium-term management plan.

[Transportation]

Directors with a wealth of experience and achievements in the transportation business are necessary to create new demand and optimize operations while further improving "safety and security," the foundation of the Keihan Group, to build a strong business structure.

[Real estate/Urban development]

Directors with a wealth of experience and achievements in the real estate business and urban development are necessary to promote the creation of comfortable and secure communities and residences, provide new products and services that meet customer needs, and expand business areas and asset types, thereby driving the Group's growth.

[Retail distribution]

Directors with a wealth of experience and achievements in the retail distribution industry are necessary to increase profits by evolving and developing commercial activities in the areas along the railway lines to respond to diversifying lifestyles, while supplying commercial content that contributes to the main strategies and establishing tourism commerce.

[Leisure & service/Tourism]

Directors with a wealth of experience and achievements in leisure services and tourism are necessary to strengthen our competitiveness by promoting branding through the provision of valuable customer experience and advancing high-value-added renovations.

[BIOSTYLE]

Directors with a wealth of experience and achievements in BIOSTYLE are necessary to place "BIOSTYLE (Keihan version of the SDGs)" at the core of management and business activities and promote BIOSTYLE management that creates both social and economic value.

[Finance & accounting]

Directors with a wealth of experience and achievements in finance and accounting are necessary to ensure the appropriateness and accuracy of financial reporting and actively make growth investments in line with long-term management strategies while maintaining a sound financial position.

[Personnel & labor relations]

Directors with a wealth of experience and achievements in personnel and labor affairs are necessary to maximize the abilities and performance of each of our diverse human resources and reform the corporate culture to encourage challenges and innovation, in order to continue creating new value.

[Legal affairs & risk management]

Directors with a wealth of experience and achievements in legal affairs and risk management are necessary to drive business activities in compliance with legal requirements and social norms while establishing a diverse risk management system related to the group's business.

Corporate governance

Compliance

Charter of conduct

As a corporate group engaged primarily in a railway business that serves the public interest, the Keihan Group undertakes various business ventures with strong ties to the local community. In order to fulfill our corporate social responsibility and remain a trustworthy company in society by meeting the expectations of people around us with sincerity, we have established the following charter of conduct.

1.

We will abide by laws, regulations, and social norms, uphold high ethical standards, and act responsibly.
2.

We will prioritize customer safety and provide high-quality services^{*1} that earn the trust and satisfaction of customers in a timely manner.
3.

We will conduct fair business activities^{*2}. We will also maintain sound and normal relationships^{*3} with governments and administrations.
4.

We will engage in open communication with society at large and disclose necessary information to all stakeholders in a timely and appropriate manner.
5.

We will respect the human rights of all people.
6.

We will strive to create a safe and comfortable workplace free of harassment and other forms of inappropriate behavior.
7.

We will actively endeavor to protect the environment.
8.

We will handle personal information and other important information strictly and appropriately.
9.

We will contribute to the local community through our business activities.
10.

We will take a firm stand against anti-social forces that pose a threat to the order and safety of civil society and work to eliminate them.
11.

We will undertake business activities soundly^{*4} and swiftly and aim to increase corporate value over the long term in a stable manner.

^{*1} Include appropriate representations and explanations of services and products.

^{*2} Engaging in bid-rigging, forming cartels, exploiting one's position for personal gain, providing socially inappropriate entertainment or gifts, making unjust demands leveraging the position of an ordering party, infringing on intellectual property, conducting insider trading, and other similar activities are prohibited. We will also conduct proper accounting procedures and make every effort to protect intellectual property such as patents and trademarks.

^{*3} Illegal donations or contributions in connection with political activities are prohibited.

^{*4} Information related to business activities must be accurately recorded and stored in accordance with the rules on handling information.

In keeping with this charter of conduct, we identified some areas that we need to pay particular attention to from a compliance perspective, including information leaks, insider trading, unfair business practices, bribery, elimination of anti-social forces, fair presentation, and harassment. We have elaborated on these topics in the Keihan Group Compliance Guidelines, which have been distributed to all group companies to improve awareness and understanding.

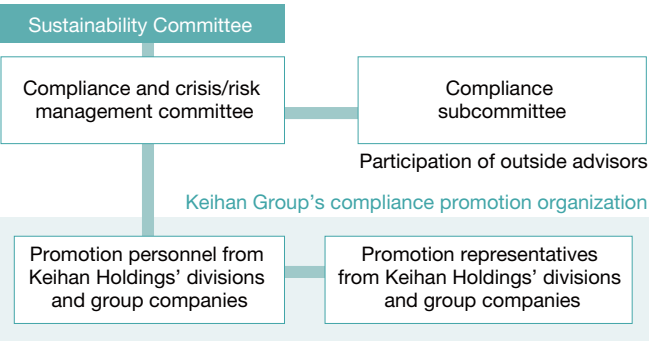
Compliance training initiatives

To raise awareness of compliance and educate our employees about our Management Principles and the Keihan Group's social responsibilities, compliance, harassment, and various laws and regulations, we hold stratified training (for example, when entering the Company, upon being promoted, and upon being appointed as a corporate officer of a group company) and group training sessions. We also publish articles about compliance in the group newsletter and provide e-learning programs and video training to employees. In addition, we visit group companies to conduct on-site training according to the business characteristics of the Company in question.

Compliance and risk management system

We have established a compliance and crisis/risk management committee under the Sustainability Committee and we have also selected compliance promotion representatives and personnel from each division of Keihan Holdings Co., Ltd. and each group company to form a compliance promotion organization. Sharing compliance risk information between the committee and the compliance promotion organization prevents the occurrence and recurrence of legal violations. The compliance subcommittee established under the committee discusses with outside advisors how to assess and respond to compliance risks. Also, this committee constantly collaborates with the Audit & Internal Control Office to conduct audits from a compliance/risk standpoint as part of the internal audits carried

out by the office at Keihan Holdings Co., Ltd. and each group company.



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 designated point of contact outside the Company receives reports on conduct considered to be illegal or inappropriate with respect to the business activities of the Keihan Group. We also have a system in place to investigate facts and take appropriate measures. We are also extra careful about how we handle the personal information of whistleblowers. Not only is their information handled appropriately, but our internal rules clearly stipulate that no whistleblower shall be treated disadvantageously for making a report. In FY2024, 18 incidents were reported to the compliance hotline, compared to 33 in FY2023.

Promotion of fair business practices (anti-corruption policy)

In accordance with the Keihan Group's charter of conduct and in order to prevent acts that impede fair business practices, including violations of Japan's Antimonopoly Act, breach of trust, and bribery, we have established regulations on the promotion of fair business practices covering the entire group. These regulations set forth the obligations and code of conduct for officers and employees and the measures to be taken when an incident arises. In addition to these regulations, we have also formulated an Antimonopoly Act compliance manual to prescribe more specific rules of conduct, and in line with the content of the regulations, we hold training sessions and awareness activities regarding the Antimonopoly Act for employees of not just Keihan Holdings Co., Ltd., but group companies as well.

Measures to eliminate anti-social forces

In keeping with our charter of conduct established under the framework of the Keihan Group's Management Principles, we will take a firm stand against anti-social forces that pose a threat to the order and safety of civil society and work to eliminate them.

More specifically, the division that takes charge of addressing anti-social forces is the General Administration Division of the Group Management Office. This division works to eliminate anti-social forces by collaborating with compliance promotion representatives and personnel of Keihan Holdings' divisions and group companies, all of whom have been appointed to form a compliance promotion organization as part of the technical committee on compliance and crisis/risk management.

In the event of any unjust demands from anti-social forces, the General Administration Division of the Group Management Office will, as necessary, consult with the relevant department, or the relevant group company, to discuss what measures to take. It will also collaborate with the police, lawyers, and other external specialist organizations and maintain a resolute stance in addressing the situation.

Also, as part of our ongoing efforts to prepare against unjust demands from anti-social forces, we have established close relationships with external specialist organizations and any information obtained will be shared, as needed, with other divisions and Keihan Group companies. We also make every effort to raise awareness of our measures at various meetings and the like.

DATA

11-year summary of financial and non-financial data

(Unit: million yen)

FY	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating revenue	289,203	294,906	300,188	302,917	322,276	326,159	317,103	253,419	258,118	260,070	302,147
Transportation	89,661	90,341	93,562	94,404	92,262	93,926	93,365	65,694	70,768	80,927	89,046
Real estate	88,179	89,454	89,033	94,014	113,132	118,607	110,228	110,270	137,495	120,103	138,860
Retail distribution	95,427	98,200	98,875	98,493	100,709	98,727	98,186	83,109	52,908	50,676	53,439
Leisure & service	27,423	29,761	31,813	30,801	31,298	30,621	32,081	9,724	11,529	22,869	34,976
Other businesses	1,637	1,707	1,755	1,792	1,824	1,843	2,908	3,061	3,169	3,660	4,578
Adjustments	-13,125	-14,559	-14,852	-16,588	-16,951	-17,567	-19,667	-18,441	-17,752	-18,167	-18,752
Operating income	25,085	29,437	31,524	32,343	31,458	33,715	31,123	-1,265	13,408	20,491	33,904
Ordinary income	21,457	27,435	28,461	30,335	29,630	32,108	29,886	238	16,485	20,458	33,111
Profit attributable to owners of parent	14,420	17,864	22,385	22,636	22,712	21,480	20,121	-4,574	9,589	17,621	24,890
Total assets	671,182	664,236	670,333	679,631	698,786 ^{*2}	731,750	732,824	764,247	737,261	774,849	820,224
Net assets	169,864	190,513	191,790	203,455	223,559	238,695	254,058	248,595	255,876	273,510	304,820
Interest-bearing debt	321,044	311,010	325,714	314,539	316,399	334,346	327,132	351,600	345,311	341,625	338,325
Capital expenditure	31,179	15,878	31,398	39,173	39,745	43,631	29,324	33,261	17,193	29,712	38,512
Depreciation	16,603	17,107	17,571	18,074	19,113	19,819	20,784	21,232	20,922	20,028	20,002
Cash flows from operating activities	29,573	21,459	36,334	38,569	44,438	36,473	32,033	15,282	21,673	16,932	40,830
Cash flows from investing activities	-15,132	-4,473	-27,750	-29,597	-32,603	-48,059	-26,363	-24,940	-17,641	-13,109	-26,932
Free cash flow	14,441	16,985	8,584	8,971	11,835	-11,586	5,670	-9,658	4,032	3,822	13,898
Cash flows from financing activities	-11,412	-16,275	-5,768	-20,020	-9,858	12,655	-12,138	21,301	-10,264	-7,435	-7,856
Net Increase (decrease) in cash and cash equivalents	3,028	710	2,816	-11,048	1,976	1,069	-6,468	11,643	-6,232	-3,612	6,041
Cash and cash equivalents at end of period	25,831	26,552	29,372	18,324	20,300	21,377	14,911	26,554	20,322	16,727	22,768
Earnings per share (yen) ^{*1}	25.65	31.78	39.95	211.01	211.87	200.40	187.72	-42.68	89.47	164.38	232.14
Diluted earnings per share (yen) ^{*1}	—	—	—	211.00	211.85	200.36	187.68	—	89.44	164.34	232.08
Net assets per share (yen) ^{*1}	297.08	334.67	349.13	1,870.99	2,055.87	2,193.68	2,329.94	2,279.47	2,343.97	2,502.22	2,783.72
Dividend per share (yen) ^{*1}	6.00	6.00	6.00	30.00	35.00	35.00	35.00	25.00	25.00	30.00	35.00
Return on equity (ROE) (%)	8.9	10.1	11.9	11.6	10.8	9.4	8.3	-1.9	3.9	6.8	8.8
Return on assets (ROA) (%)	3.8	4.4	4.7	4.8	4.6 ^{*2}	4.7	4.3	-0.2	1.8	2.7	4.3
Capital adequacy ratio (%)	24.9	28.3	28.2	29.5	31.5 ^{*2}	32.1	34.1	32.0	34.1	34.6	36.4
Interest-bearing debt / EBITDA multiple (Times)	7.7	6.7	6.6	6.2	6.3	6.3	6.3	17.6	10.1	8.4	6.3
Net interest-bearing debt / EBITDA multiple (Times)	7.1	6.1	6.1	5.9	5.9	5.9	6.0	16.3	9.5	8.0	5.9

^{*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} Accompanying the application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan, Statement No. 28, February 16, 2018), etc. from the beginning of FY2019, the figures for Total assets, Return on assets and Capital adequacy ratio have been restated for FY2018.

* The "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan, Statement No. 29, March 31, 2020), etc. has been applied from the beginning of FY2022.

(Unit: people)

FY	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total number of employees (Consolidated)	6,711	6,944	6,904	6,922	6,862	6,885	7,083	6,967	6,667	6,526	6,353
Transportation	4,589	4,760	4,694	4,695	4,438	4,431	4,426	4,359	4,215	4,082	3,917
Real estate	612	575	595	655	821	864	924	940	957	999	997
Retail distribution	821	831	850	859	870	867	873	863	760	723	702
Leisure & service	513	578	564	564	587	565	620	582	524	516	525
Other businesses	14	15	14	16	14	13	90	84	79	86	93
Group (Common)	162	185	187	133	132	145	150	139	132	120	119

* Figures for FY2015 are provided in accordance with the segmentation revised from FY2016.

DATA

Financial statements

Consolidated Balance Sheet

(Unit: million yen)

Item	Amount		Item	Amount	
	2023/3	2024/3		2023/3	2024/3
Assets			Liabilities		
Current assets			Current Liabilities		
Cash and deposits	16,784	22,828	Notes and accounts payable – trade	10,137	11,032
Notes and accounts receivable - trade, and contract assets	36,058	47,292	Short-term loans payable	53,608	77,694
Marketable securities	75	177	Current portion of bonds payable	20,000	–
Land and buildings for sale	147,347	152,330	Accounts payable	30,222	45,489
Merchandise	1,538	1,692	Income tax payable	3,751	5,412
Other	15,583	16,567	Advances received	10,178	16,499
Allowance for doubtful accounts	-385	-293	Allowance for bonuses	2,882	2,994
Total current assets	217,002	240,594	Other	17,995	16,069
Non-current assets			Total current liabilities	148,777	175,192
Property, plant and equipment			Non-current liabilities		
Buildings and structures, net	206,386	203,487	Bonds payable	80,000	90,000
Machinery, equipment and vehicles, net	17,163	17,871	Long-term loans payable	188,016	170,631
Land	231,271	232,462	Long-term accounts payable	132	110
Leased assets, net	10,537	10,016	Lease obligations	10,554	9,793
Construction in progress	18,010	35,016	Deferred tax liabilities	3,465	3,593
Other, net	3,268	3,695	Deferred tax liabilities pertaining to revaluation	32,475	30,028
Total property, plant and equipment	486,638	502,549	Allowance for corporate officers’ retirement benefits	127	76
Intangible assets	7,476	8,106	Net defined benefit liability	16,842	14,490
Investments and other assets			Other	20,945	21,486
Investment securities	45,142	50,224	Total long-term liabilities	352,560	340,211
Long-term loans receivable	198	154	Total liabilities	501,338	515,403
Deferred tax assets	4,104	1,970	Net Assets		
Net defined benefit asset	1,705	3,930	Shareholders’ equity		
Other	12,731	12,809	Capital stock	51,466	51,466
Allowance for doubtful accounts	-149	-116	Capital surplus	28,792	28,798
Total investments and other assets	63,731	68,973	Retained earnings	166,989	189,411
Total non-current assets	557,846	579,629	Treasury shares	-21,574	-21,496
Total assets	774,849	820,224	Total shareholders’ equity	225,673	248,180
			Accumulated other comprehensive income		
			Valuation difference on available for sale securities	7,021	10,182
			Revaluation reserve for land	35,031	36,400
			Foreign currency translation adjustment	72	139
			Remeasurements of defined benefit plans	449	3,586
			Total accumulated other comprehensive income	42,575	50,307
			Subscription rights to shares	121	101
			Non-controlling interests	5,139	6,231
			Total net assets	273,510	304,820
			Total liabilities and net assets	774,849	820,224

Consolidated Business Segment Information

(Unit: million yen)

	Transportation		Real estate		Retail distribution		Leisure & service		Other businesses		Total		Adjustment		Amount recorded in consolidated financial statement	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Operating revenue																
Operating revenue from external customers	79,136	87,106	105,402	123,945	50,166	52,852	22,221	34,228	3,140	4,010	260,066	302,143	4	4	260,070	302,147
Intersegment operating revenue or transfers	1,790	1,939	14,701	14,915	510	587	648	747	520	567	18,171	18,757	-18,171	-18,757	–	–
Total	80,927	89,046	120,103	138,860	50,676	53,439	22,869	34,976	3,660	4,578	278,238	320,900	-18,167	-18,752	260,070	302,147
Segment income (loss)	6,885	9,208	17,555	20,171	1,878	2,771	-3,836	3,265	-1,230	- 837	21,253	34,579	-761	-675	20,491	33,904
Segment assets	240,100	253,772	457,483	480,149	28,194	30,592	40,835	41,250	7,885	7,750	774,499	813,515	349	6,709	774,849	820,224
Other items																
Depreciation	10,853	10,535	6,640	6,819	1,053	1,060	1,189	1,304	159	118	19,896	19,838	132	164	20,028	20,002
Increase in property, plant and equipment and intangible assets	9,478	16,180	13,262	20,178	1,496	1,728	5,217	1,272	117	243	29,573	39,603	139	-1,090	29,712	38,512

Consolidated statement of income (Summary)

(Unit: million yen)

Item	FY2023	FY2024
Operating revenue	260,070	302,147
Operating expenses	239,578	268,243
Operating income	20,491	33,904
Non-operating income	2,467	1,820
Non-operating expenses	2,500	2,613
Ordinary income	20,458	33,111
Extraordinary income	9,806	7,731
Extraordinary losses	3,779	5,807
Profit before income taxes	26,485	35,035
Income taxes - current	7,906	9,854
Income taxes - deferred	341	-793
Profit	18,237	25,974
Profit attributable to non-controlling interests	615	1,084
Profit attributable to owners of parent	17,621	24,890

Consolidated Statement of Cash Flows (Summary)

(Unit: million yen)

Item	FY2023	FY2024
Cash flows from operating activities	16,932	40,830
Cash flows from investing activities	-13,109	-26,932
Cash flows from financing activities	-7,435	-7,856
Net increase (decrease) in cash and cash equivalents	-3,612	6,041
Cash and cash equivalents at beginning of period	20,322	16,727
Cash and cash equivalents at end of period	16,727	22,768

Group companies / ESG evaluation / Information disclosure system

Group companies (as of March 31, 2024)

Consolidated subsidiaries

Transportation			
Keihan Electric Railway Co., Ltd.	Keihan Kyoto Kotsu Co., Ltd.	Keihan Gardening Co., Ltd.	Keihan Hotels & Resorts Co., Ltd.
Keifuku Electric Railroad Co., Ltd.	KT Auto Industry Co., Ltd.	Keihan Sangyo Co., Ltd.	Osaka Aqua Bus Ltd.
Eizan Electric Railway Co., Ltd.	Kyoto Keihan Bus Co., Ltd.	Kanko Co., Ltd.	Biwako Kisen Steamship Co., Ltd.
Keifuku Bus Co., Ltd.	KB Enterprise Co., Ltd.		Kuzuha Public Golf Course Co., Ltd.
Mikuni Kanko Sangyo Co., Ltd.		Retail distribution	Hieizan Driveway Co., Ltd.
Keihan Engineering Service Co., Ltd.	Real estate	Keihan Department Stores Co., Ltd.	Biwako Food Service Co., Ltd.
Keihan Station Management Co., Ltd.	Keihan Real Estate Co., Ltd.	Keihan Ryutsu Systems Co., Ltd.	Hieizan Railway Co., Ltd.
Keihan Agency Inc.	Keihan Tatemono Co., Ltd.	Keihan The Store Co., Ltd.	
Keihan Bus Co., Ltd.	Keihan Asset Management Co., Ltd.	Bio Market Co., Ltd.	Other businesses
Kyoto Bus Co., Ltd.	Zero Corporation Co., Ltd.		Keihan Card Co., Ltd.
Kojak Bus Co., Ltd.	Keihan Kind Co., Ltd.	Leisure & service	Biostyle Co., Ltd.
	Keihan Building Techno Service Co., Ltd.	Hotel Keihan Co., Ltd.	

Equity-method affiliate

Transportation	Nakanoshima Rapid Railway Co., Ltd.	Real estate	PANNARAI DEVELOPMENT CO., LTD.
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ESG evaluation

MSCI ESG RATINGS

CCCBBBBA

AA

MSCI ESG Ratings AA (Industrial conglomerate)

Morningstar

Japan ex-REIT Gender Diversity Tilt Index

2024 CONSTITUENT MSCIジャパン ESGセレクト・リーダーズ指数

MSCI Japan ESG Select Leaders

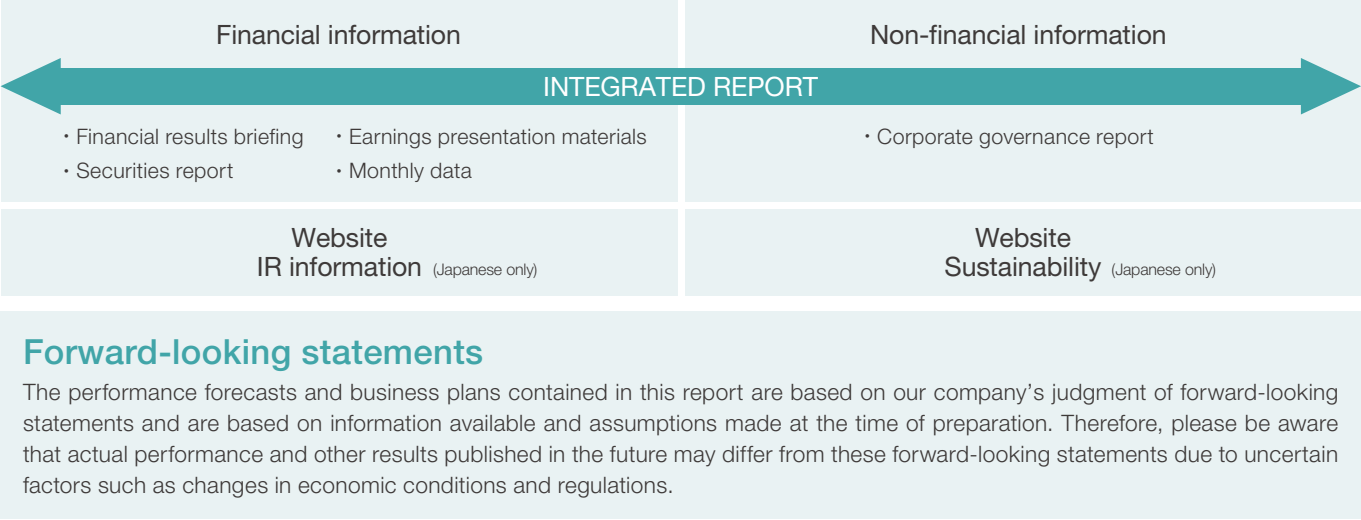
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CDP DISCLOSURE 2023

Climate change score: B

DBJ 環境格付 2023

Information disclosure structure



Corporate data / Stock information

Corporate data (as of March 31, 2024)

Name	Keihan Holdings Co., Ltd.
Incorporation	November 25, 1949
Establishment	November 19, 1906
Capital	51,466,416,776 yen
Number of employees	119 (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	Management of the group, etc.

Status of shares (as of March 31, 2024)

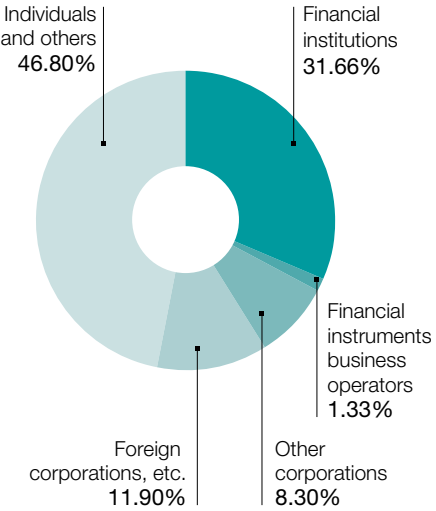
Total number of authorized shares	319,177,200
Aggregate number of issued shares	113,182,703
Number of shareholders	49,355

Major shareholders (as of March 31, 2024)

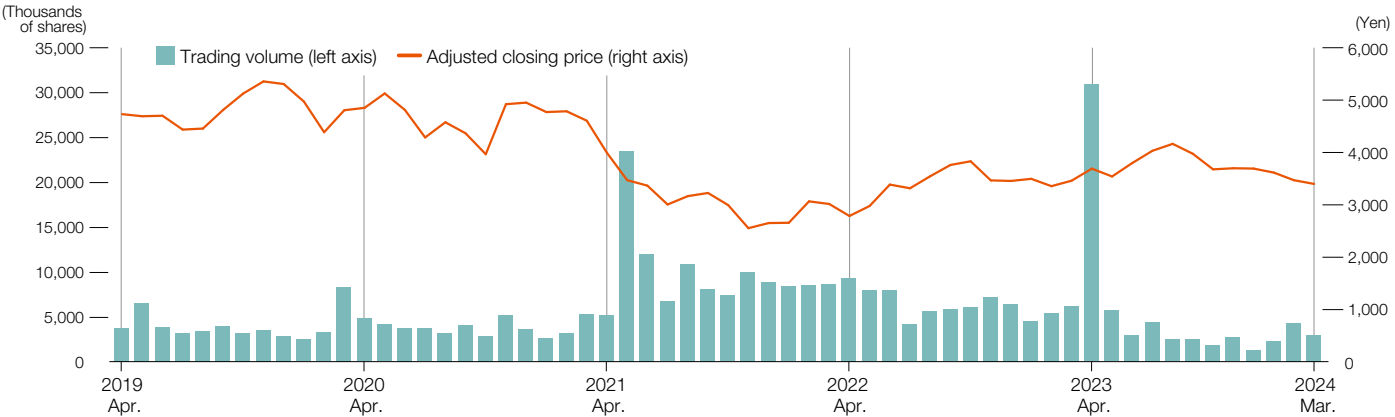
Shareholder name	Number of shares (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	14,124	13.17
Custody Bank of Japan, Ltd. (Trust Account)	5,204	4.85
Sumitomo Mitsui Trust Bank, Limited	2,550	2.38
Nippon Life Insurance Company	1,891	1.76
Sumitomo Mitsui Banking Corporation	1,700	1.59
JP MORGAN CHASE BANK 385781	1,369	1.28
STATE STREET BANK WEST CLIENT – TREATY 505234	1,139	1.06
Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank Re-trust Portion/Hankyu Corporation Retirement Benefit Trust Account)	1,073	1.00
Taiju Life Insurance Company Limited	1,053	0.98
Takenaka Corporation	1,024	0.96

(Notes) 1. Keihan Holdings Co., Ltd. holds 5,956,520 shares of treasury shares, which are excluded from the above major shareholders.
2. The shareholding ratio is calculated excluding treasury shares.

Ownership distribution status



Stock price & trading volume trends





Keihan Holdings Co., Ltd.

Integrated Report Editorial Office

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