

FY2007 ended March 31, 2007 Financial results presentation

May 21, 2007

Keihan Electric Railway Co., Ltd.

(Tokyo Stock Exchange 1st/ Osaka Securities Exchange 1st 9045 <http://www.keihan.co.jp/>)

◆Notes on forecasts◆

Descriptions of business forecasts and future prospects are based on current information and certain assumptions about factors that may affect future business. The actual results of operating performance may differ from these forecasts.

Contents

Overview of FY2007 Financial Results	-----	2
Consolidated Statements of Income	-----	3
Consolidated Balance Sheets	-----	4
Movement of FY2007	-----	5
Trend of Land for Sale (Non-consolidated)	-----	7
Consolidated Statements of Cash Flows	-----	8
Trend of Consolidated Interest-Bearing Debt / EBITDA	-----	9
Non-consolidated Statements of Income	-----	10
Overview of FY2007 Business Results by Segment	-----	11
Consolidated-targeted Companies	-----	12
Segment Balance	-----	13
Changes in Segment Balance	-----	15
Segment Movement for FY2007	-----	17
Results of Transportation	-----	18
Results of Real Estate	-----	21
Results of Retail	-----	23
Results of Leisure and Service	-----	25
Results of Others	-----	27
Business Results Forecast of FY2008	-----	29
Forecast of Consolidated Business Results	-----	30
Forecast of Non-consolidated Business Results	-----	32

Overview of FY2007 Financial Results

Consolidated Statements of Income



(Millions of yen)

	FY2007	FY2006	Changes	Changes (%)
Operating revenue	267,273	263,009	4,263	1.6
Operating income	21,227	18,612	2,614	14.0
Ordinary income	17,375	12,283	5,091	41.5
Net income	7,841	7,232	609	8.4
ROA	1.4	1.3	0.1	
ROE	5.7	5.3	0.4	
EBITDA	36,926	34,893	2,033	5.8
Interest-bearing debt	267,046	272,433	(5,387)	(2.0)
interest-bearing debt / EBITDA	7.2	7.8	(0.6)	

* ROA : Net income to total assets

ROE : Net income to shareholders' equity

Interest-bearing debt: Loans + bonds + accounts receivable for JR TT

interest-bearing debt / EBITDA: Interest-bearing debt / (operating income + depreciation)

Consolidated Balance Sheets



(Millions of yen)

	FY2007	FY2006	Changes	Changes (%)
Total assets	577,967	568,604	9,363	1.6
Liabilities	439,032	431,730	7,302	1.7
Net assets	138,935	136,873	2,061	1.5
Liabilities and net assets	577,967	568,604	9,363	1.6

* Including minority interest in net assets of FY2006.

Main factor of increase in total assets: Increase in cash and bank deposits

Main factor of increase in liabilities: Increase in notes and accounts payable

Main factor of increase in net assets: Increase in retained earnings

Movement of FY2007 (1)



Increase in revenue and income

Operating revenue	--- + 4,263 million yen
	Revenue increase due to increasing condominium sales
	Revenue increase due to new consolidation
Operating income	----- + 2,614 million yen
	Income increase due to increasing condominium sales
Ordinary income	----- + 5,091 million yen
	Income increase due to decrease of non-operating expenses
Net income	----- + 609 million yen
	Loss on revaluation of land sales due to changing to lower of cost or market
	Allowance for loss due to liquidation of related company

Movement of FY2007 (2)



Measures for improving financial transparency

Precedent application of lower of cost or market into the sales of lands and buildings

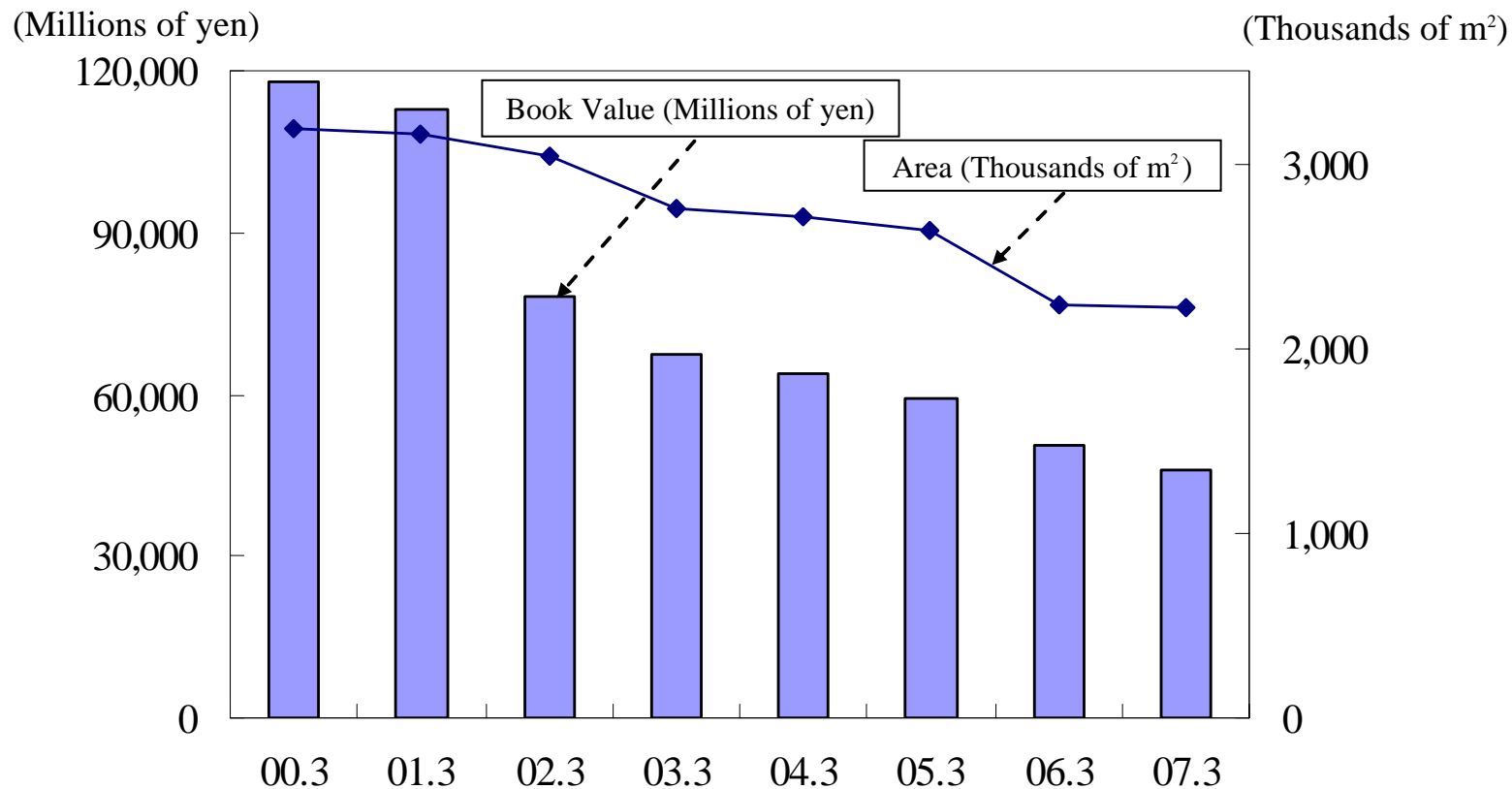
--- Extraordinary loss 1,681 million yen

Operating expenses 596 million yen

Provision of reserve for loss on liquidation of related company

--- Extraordinary loss 1,769 million yen

Trend of Land for Sale (Non-consolidated)



	00.3	01.3	02.3	03.3	04.3	05.3	06.3	07.3
Land for sale (Millions of yen)	117,755	112,987	78,333	67,260	63,915	59,259	50,660	45,934
Area (Thousands of m ²)	3,180	3,159	3,045	2,754	2,704	2,640	2,238	2,222

Consolidated Statements of Cash Flows



(Millions of yen)

	FY2007	FY2006	Changes	Changes (%)
Operating cash flows	35,805	34,077	1,728	5.1
Investing cash flows	(16,148)	(24,323)	8,175	33.6
Financing cash flows	(9,074)	(14,812)	5,738	38.7
Cash and cash equivalents at end of fiscal year	26,574	15,846	10,727	67.7
Interest-bearing debt* at end of fiscal year	267,046	272,433	(5,387)	(2.0)

Investing cash flows: Decrease in purchase of fixed assets

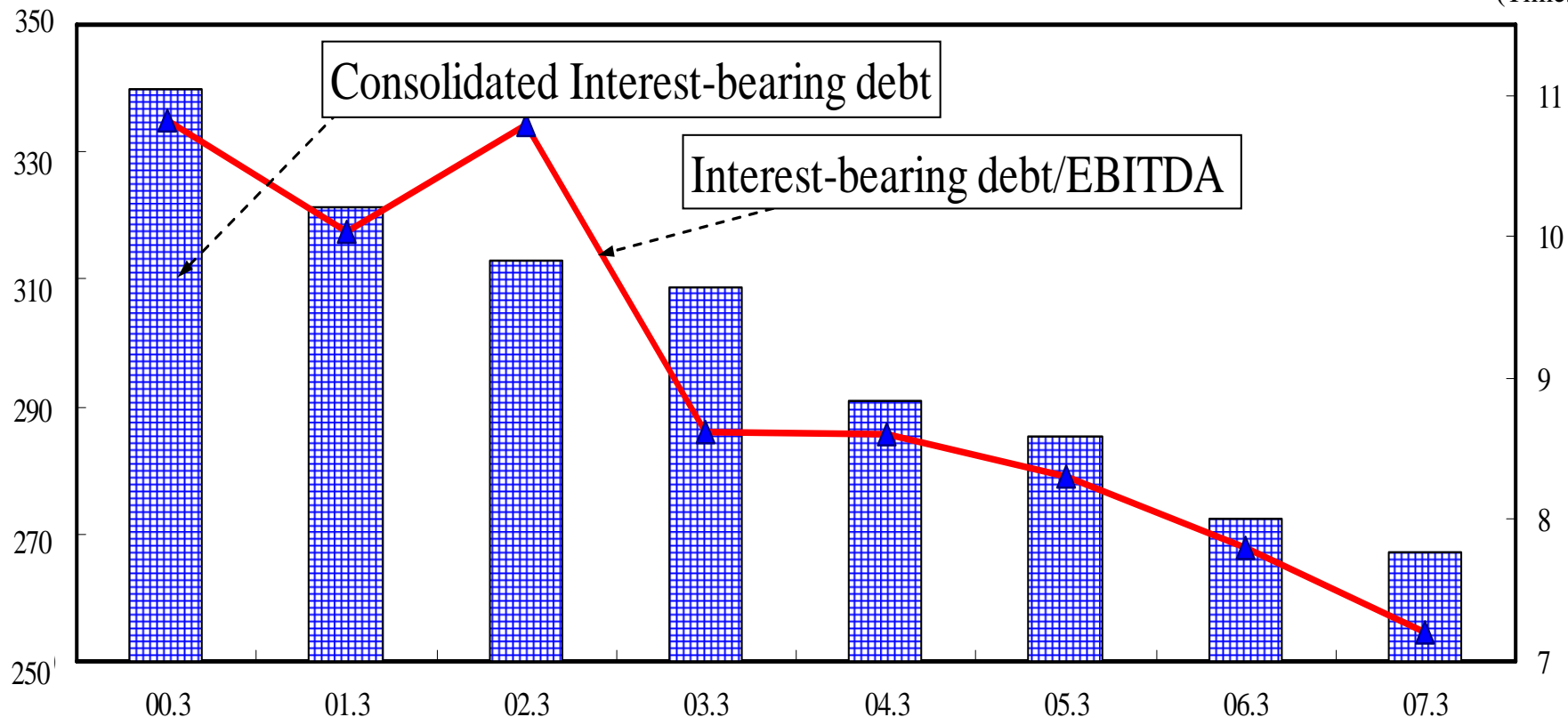
Financing cash flows: Decrease in redemption of bonds

*Interest-bearing debt: Loans + bonds + accounts payable for JR TT

Trend of Consolidated interest-bearing debt / EBITDA

(Billions of yen)

(Times)



	00.3	01.3	02.3	03.3	04.3	05.3	06.3	07.3
Interest-bearing debt (Millions of yen)	339,715	321,340	312,820	308,704	290,742	285,382	272,433	267,046
EBITDA (Millions of yen)	31,496	32,414	29,294	35,828	33,759	34,307	34,893	36,925
Interest-bearing debt/ EBITDA (Times)	10.8	9.9	10.7	8.6	8.6	8.3	7.8	7.2

* EBITDA = Operating income + Depreciation

Non consolidated Statements of Income



(Millions of yen)

	FY2007	FY2006	Changes	Changes (%)
Operating revenue	82,648	79,954	2,693	3.4
Railway operation	54,605	54,523	81	0.2
Subsidiary business	28,042	25,430	2,612	10.3
Real estate sales	14,119	11,351	2,768	24.4
Real estate leasing service	11,575	11,169	406	3.6
Leisure	2,346	2,909	(562)	(19.3)
Operating income	17,263	14,788	2,475	16.7
Railway operation	9,837	9,256	581	6.3
Subsidiary business	7,425	5,532	1,893	34.2
Real estate sales	2,614	965	1,649	170.9
Real estate leasing service	5,212	4,669	542	11.6
Leisure	(400)	(102)	(298)	(292.6)
Ordinary income	13,576	8,998	4,577	50.9
Net income	4,476	4,006	470	11.7

* For passenger transportation income, please refer to “Operating Results for Transportation (Keihan Electric Railway)” on page 20.

Overview of FY2007 Business Results by Segment

Consolidated-targeted Companies

Scope of Consolidated Accounting



79 companies [Our company, 75 subsidiaries including 45 consolidated subsidiaries, and 3 affiliates including 2 equity method affiliates]

(1) Transportation (26 companies)

Business contents	Company name
Railway	Our company, Eizan Electric Railway Co., Ltd.*1, Keifuku Electric Railroad Co., Ltd.*1, Mt. Hiei Cable Car Co., Ltd.*1, Nakanoshima Rapid Railway Co., Ltd.*2
Station service management	Keihan Station Management Co., Ltd.*1
Bus	Keihan Bus Systems Co., Ltd. *1, Keihan Bus Co.,Ltd. *1, Kojak Bus Co., Ltd. *1, Keihan Uji Bus Co., Ltd. *1, Kyoto Bus Co., Ltd. *1, Keifuku Bus Co., Ltd. *1, Keihan Kyoto Kotsu Co., Ltd. *1,
Taxi	Keihan Taxi Systems Co., Ltd. *1, Keihan Taxi Co., Ltd. *1, Tsuruga Keihan Taxi Co., Ltd. *1, Kisen Taxi Co., Ltd. *1, Uji Keihan Taxi Co., Ltd. *1, Osaka Keihan Taxi Co., Ltd. *1, Other 7 companies

(2) Real estate (10 companies)

Business contents	Company name
Real estate sales	Our company, Keifuku Electric Railroad Co., Ltd.*1, Keihan Dentetsu Real Estate Co.,Ltd. *1
Real estate leasing service	Our company, Keifuku Electric Railroad Co., Ltd.*1, Keihan Building Co. Ltd. *1, Mikuni Kanko Sangyo Co., Ltd. *1, Osaka Merchandise Mart Corporation Co., Ltd.*2 Other 4 companies

(3) Retail (7 companies)

Business contents	Business contents
Department store	Keihan Department Stores Co., Ltd.*1
Stores	Keihan The Store Co.,Ltd.*1
Shopping mall management	Keihan Ryutu Systems Co., Ltd*1,
Construction material sales	Keihan Sangyo Co., Ltd.*1 Other 3 companies

(4) Leisure and Service (30 companies)

Business contents	Company name
Hotel	Biwako Hotel Co., Ltd.*1, Hotel Keihan Co., Ltd.*1, Kyoto Tower Co., Ltd.*2
Restaurant	Keifuku Electric Railroad Co., Ltd.*1, Keihan Restaurant Co., Ltd.*1, Biwako Kisen Restaurant Co., Ltd.*1, Keihan Bus Service Co., Ltd.*1 Juicer Bar Corporation Co., Ltd.*1
Sightseeing ship	Biwako Kisen Steamship Co.,Ltd*1, Osaka Aqua Bus Co., Ltd. *1
Amusement park	Our company
Automobile maintenance service	KT Motors Co., Ltd.*1
Advertising	Keihan Agency Co., Ltd.*1
Tourist	Keihan Travel Service Co., Ltd.*1
Welfare for elderly and nursing care	Keihin Life Support Co., Ltd.*1
Car road	Mt. Hiei Driveway Co., Ltd.*1
Golf course	Kuzuha Public Golf Course Co., Ltd.*1 Other 13 companies includes 1 consolidated subsidiary

(5) Others (10 companies)

Business contents	Company name
Utility work	Keihan Engineering Service Co.,Ltd*1
Landscaping	Keihan Gardening Co., Ltd*1
Survey and design	Kanko Co., Ltd.*1, Soil Engineering Co., Ltd*1
Specific-purpose financing	Keihan Financial Management Co., Ltd*1
Credit card	Keihan Card Co., Ltd*1 Other 4 companies

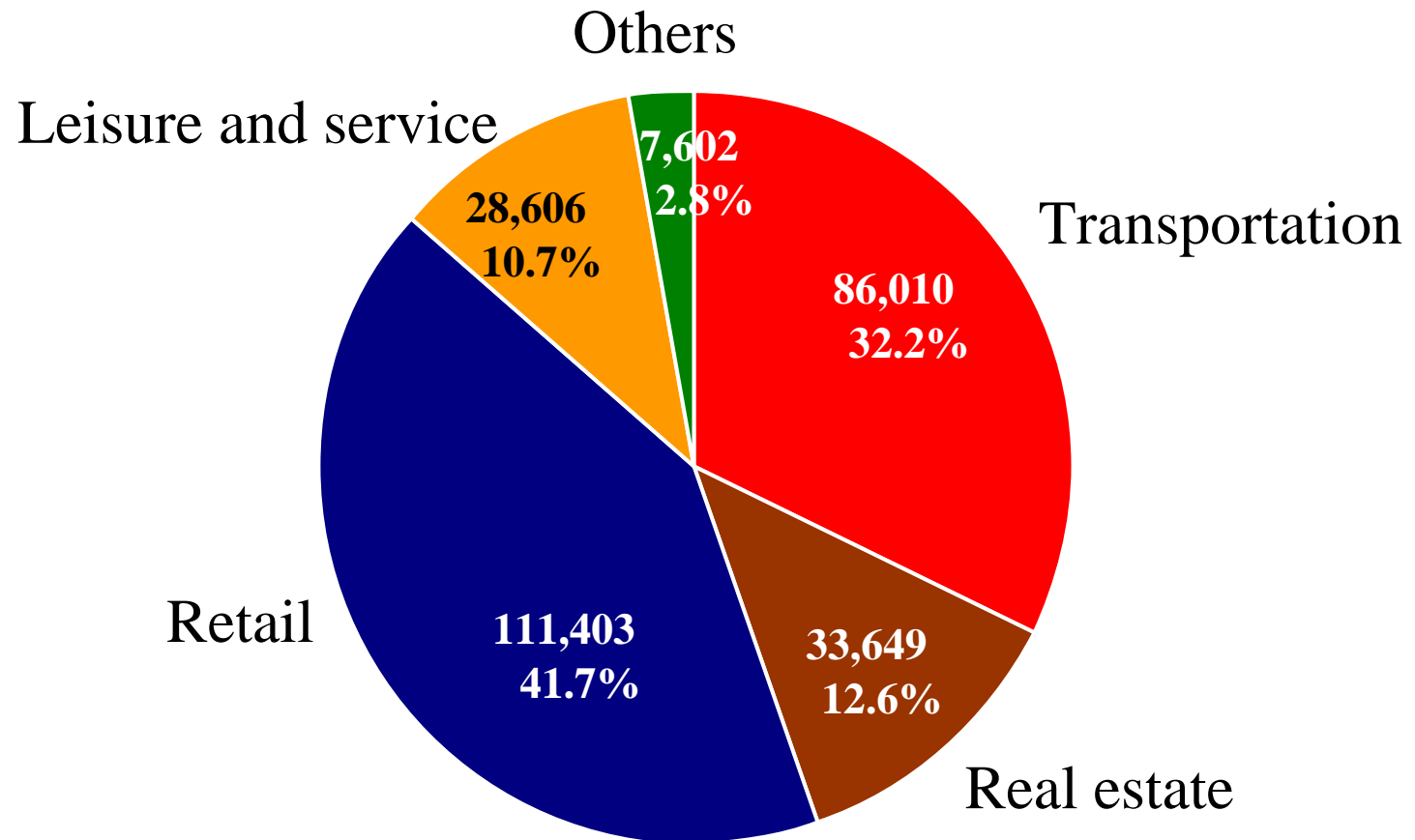
(As of March 31, 2007)

- * 1 Consolidated subsidiaries * 2 Equity method affiliates
2. In the above numbers, our company and Keifuku Electric Railroad Co., Ltd. are redundantly included.
2. Of the consolidated subsidiaries, Keifuku Electric Railroad Co., Ltd. is listed on the second section of the Osaka Securities Exchange.
4. In March 2006, Keihan Engineering Service Co., Ltd. and Keihan Construction Co., Ltd. were merged, and all stocks of Seiko Kogyo Co., Ltd. were transferred to Shiomi Holdings Co., Ltd. In April 2006, Keihan Bus Co., Ltd., Keihan Uji Kotsu Co., Ltd., and Keihan Uji Kotsu Tanabe Co., Ltd. were merged, and Keihan Ryutsu Systems Co., Ltd. and Keihan Dentetsu Shoji Co., Ltd. were merged. In January 2007, Keihan Uji Service Co., Ltd. was completed to liquidate.

Segment Balance (1)

(Millions of yen)

<Operating revenue>

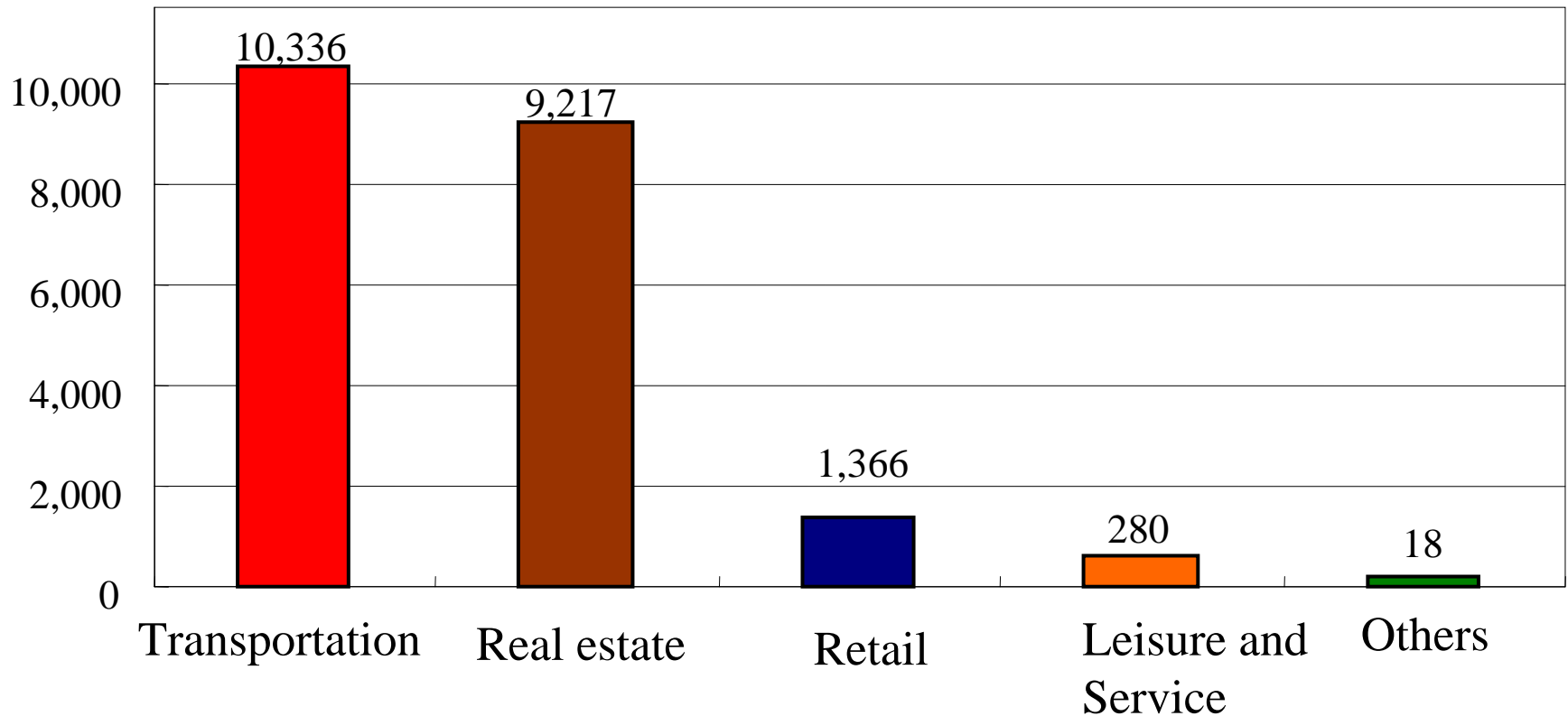


* Operating revenue for external customers

Segment Balance (2)

(Millions of yen)

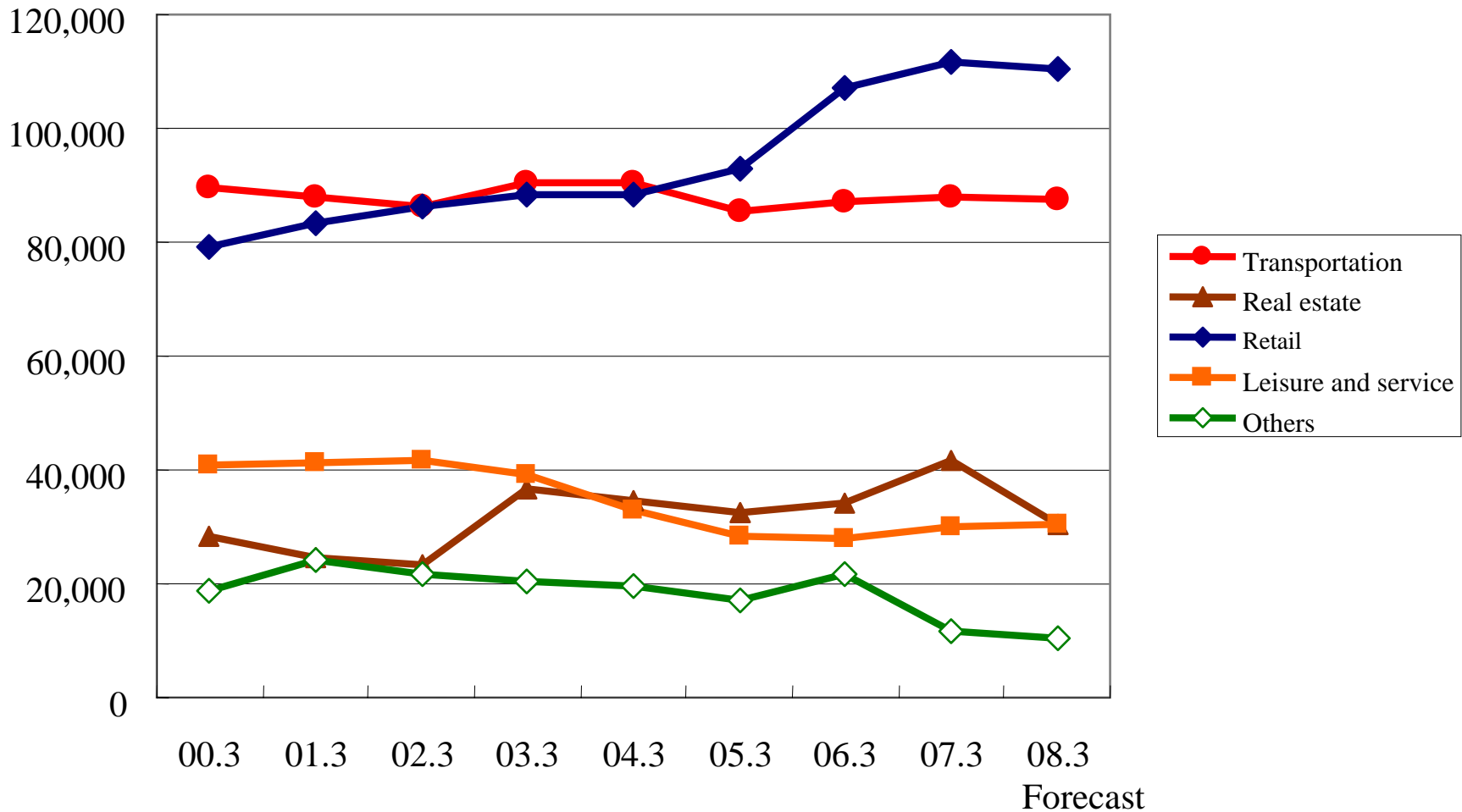
<Operating income>



Changes in Segment Balance (1)

(Millions of yen)

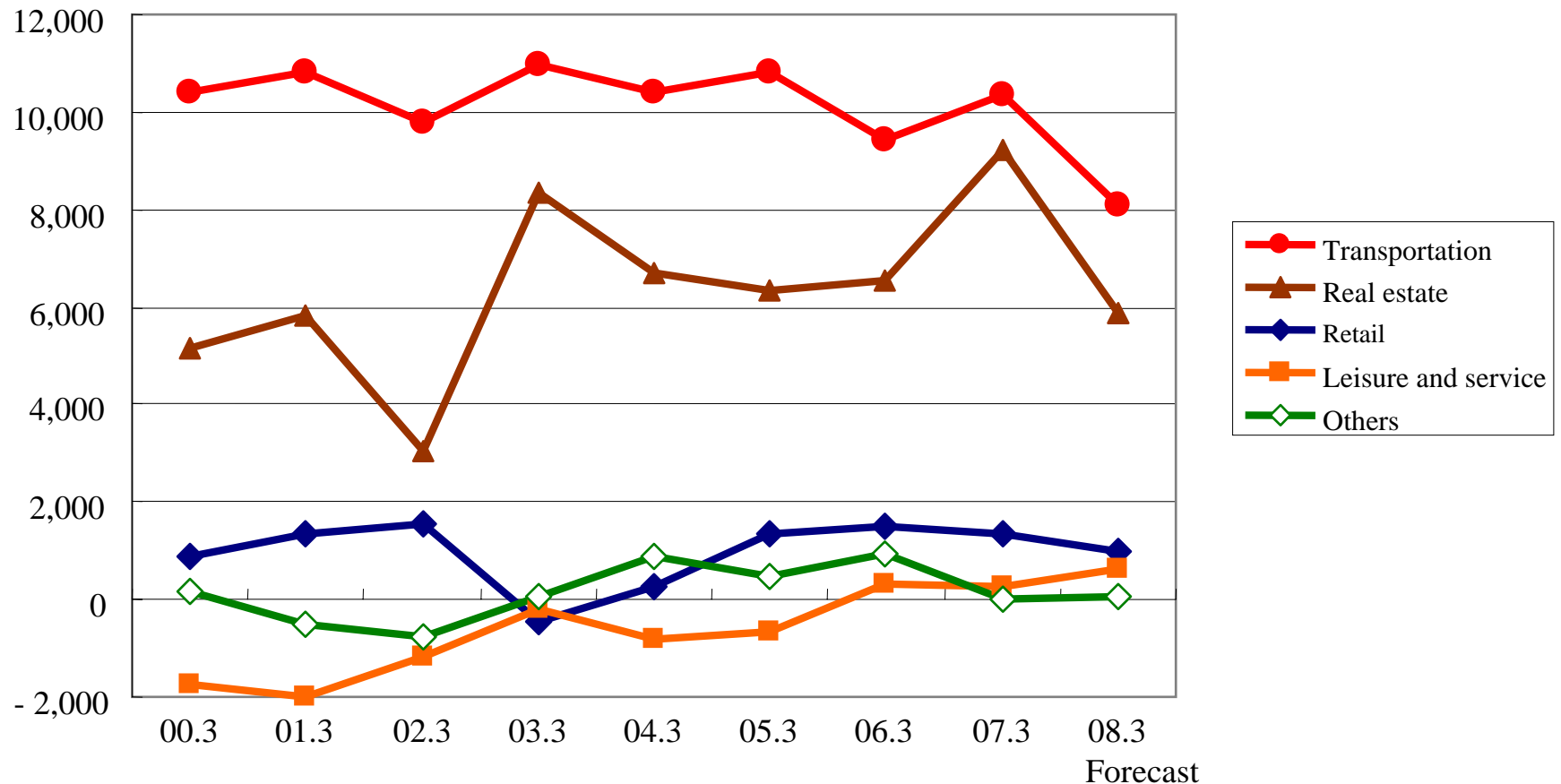
<Operating revenue>



Changes in Segment Balance (2)

(Millions of yen)

<Operating income>



Segment Movement for FY2007



[Transportation]<Revenue increase of 932 million yen, and income increase of 884 million yen>

Railway operation --- The downward trend for the number of passengers has ceased

Bus --- The number of contracts for operation bases with local government has increased and passenger traffic receipts are favorable.

[Real estate]<Revenue increase of 7,527 million yen, and income increase of 2,684 million yen>

Real estate sales --- Number of condominium sales has increased.

[Retail]<Revenue increase of 4,688 million yen, and income decrease of 122 million yen>

Department store --- Number of competitive stores has increased.

Construction material sales --- Number of orders has increased.

[Leisure and Service]<Revenue increase of 2,343 million yen, and income decrease of 12 million yen>

Juicer Bar Corporation --- New consolidation and expansion of stores

Sightseeing ship --- Staying at Otsu Prince Hotel when calling at the port

[Others]<Revenue decrease of 10,101 million yen, and income decrease of 936 million yen>

Civil engineering and construction---Sold out at the end of the previous fiscal year

Results of Transportation (1)



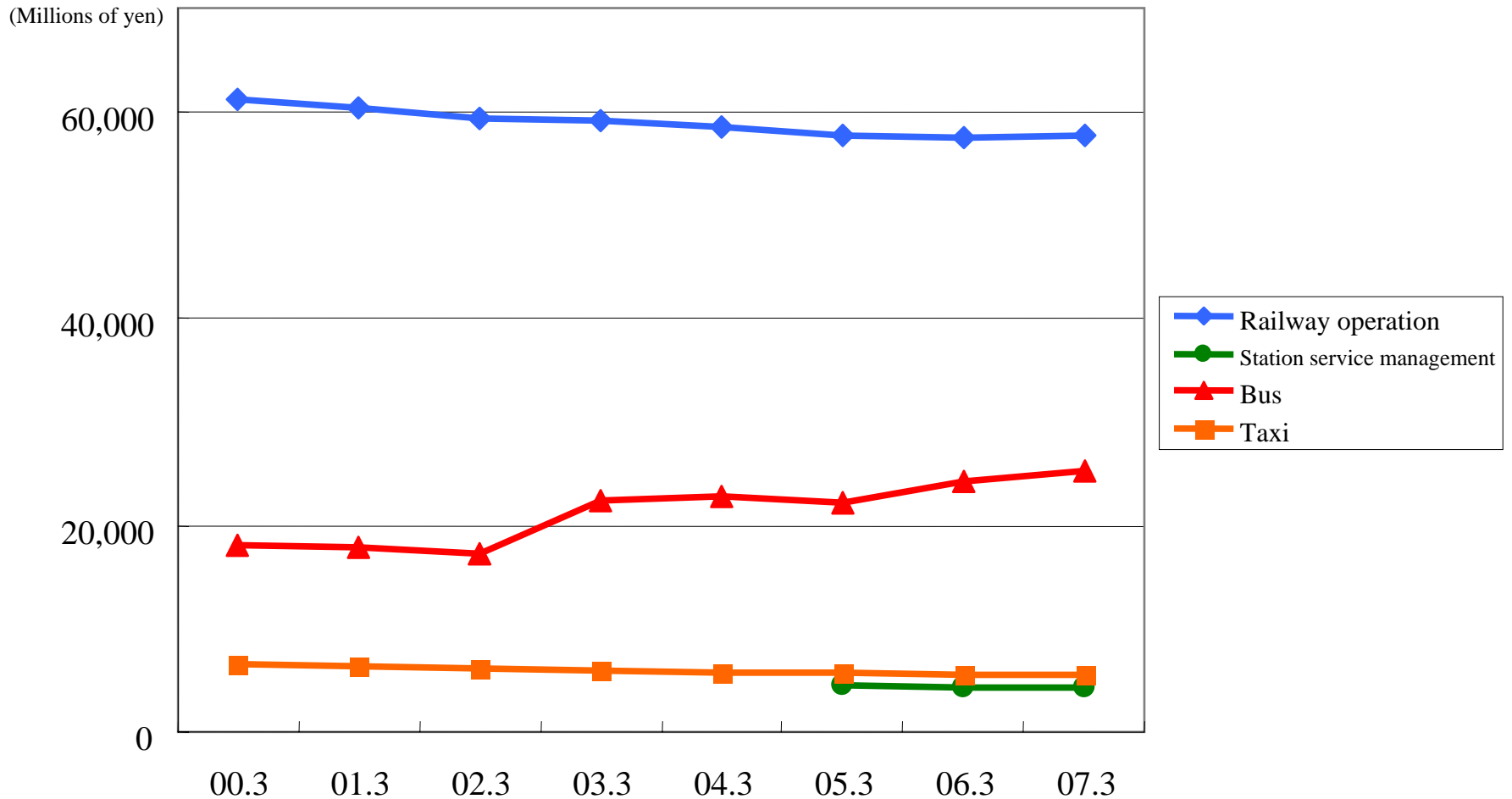
Business results

(Millions of yen)

	FY2007	FY2006	Changes	Changes (%)
Operating revenue	87,817	86,885	932	1.1
Railway operation	57,632	57,491	141	0.2
Station service management	5,358	5,223	135	2.6
Bus	25,167	24,313	853	3.5
Taxi	5,613	5,613	0	0.0
Elimination	(5,954)	(5,756)	(198)	—
Operating income	10,336	9,452	884	9.4
Depreciation	10,069	10,257	(187)	(1.8)
Capital expenditures	9,578	8,522	1,056	12.4

Results of Transportation (2)

Trend of operating revenue



Results of Transportation (3)

Operating results for transportation (Keihan Electric Railway)

		FY2007	FY2006	Changes	Changes (%)
Number of passengers (Thousands of people)		291,712	294,114	(2,402)	(0.8)
Commuter passes (ditto)		150,480	157,763	(7,282)	(4.6)
Non-commuter passes (ditto)		141,231	136,350	4,880	3.6
Transportation revenue	Passenger transportation revenue (Millions of yen)	51,361	51,375	(14)	(0.0)
	Passenger fare (ditto)	51,360	51,374	(13)	(0.0)
	Commuter passes (ditto)	17,754	18,721	(967)	(5.2)
	Non-commuter passes (ditto)	33,605	32,652	953	2.9
	Carriage on parcels (ditto)	1	1	(0)	(27.8)
	Miscellaneous transportation revenue (ditto)	3,244	3,147	96	3.1
Total (ditto)		54,605	54,523	81	0.2

Results of Real Estate (1)



Business results

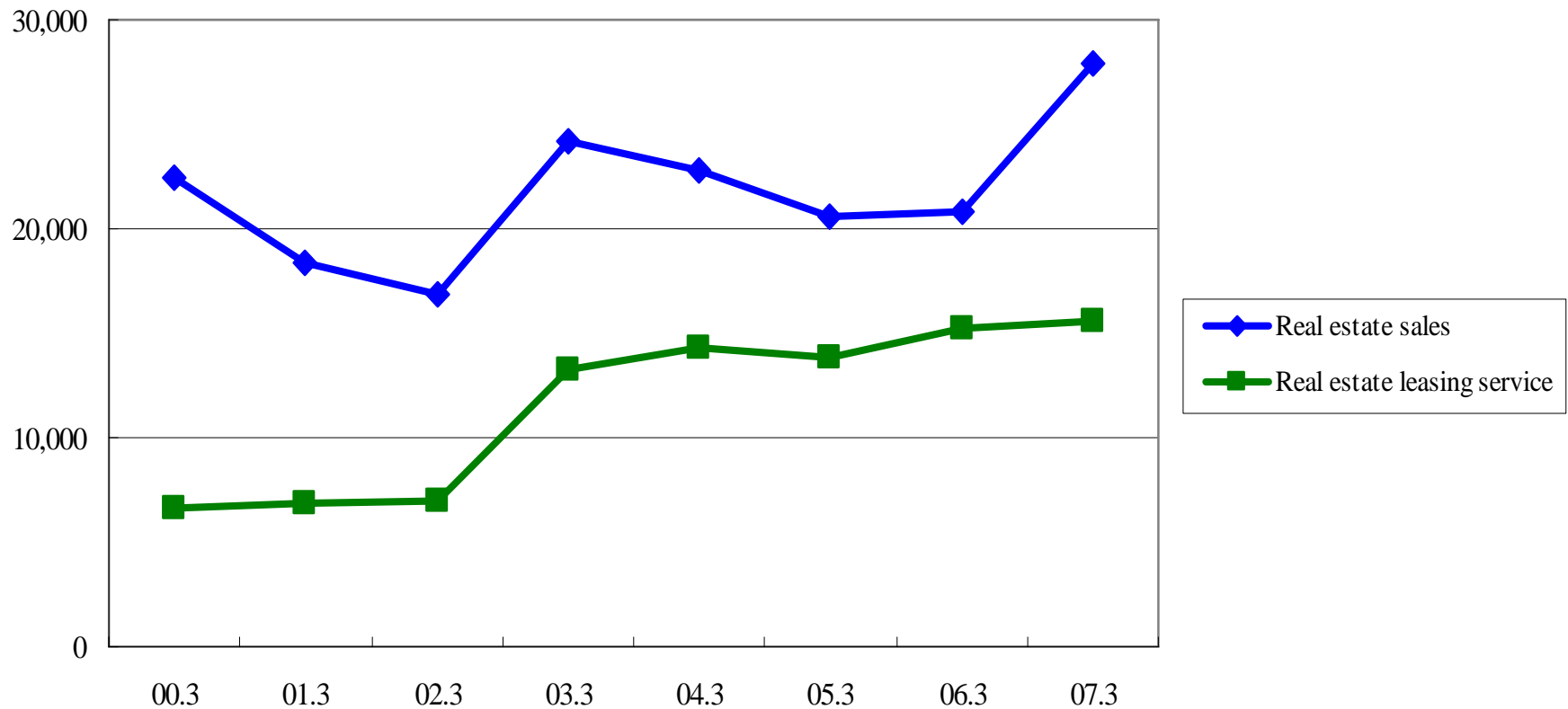
(Millions of yen)

	FY2007	FY2006	Changes	Changes (%)
Operating revenue	41,522	33,995	7,527	22.1
Real estate sales	27,865	20,807	7,057	33.9
Real estate leasing service	15,626	15,197	429	2.8
Elimination	(1,969)	(2,009)	40	—
Operating income	9,217	6,533	2,684	41.1
Depreciation	3,262	3,171	91	2.9
Capital expenditures	3,756	6,667	(2,911)	(43.7)

Results of Real Estate (2)

Trend of operating revenue

(Millions of yen)



Results of Retail (1)



Business results

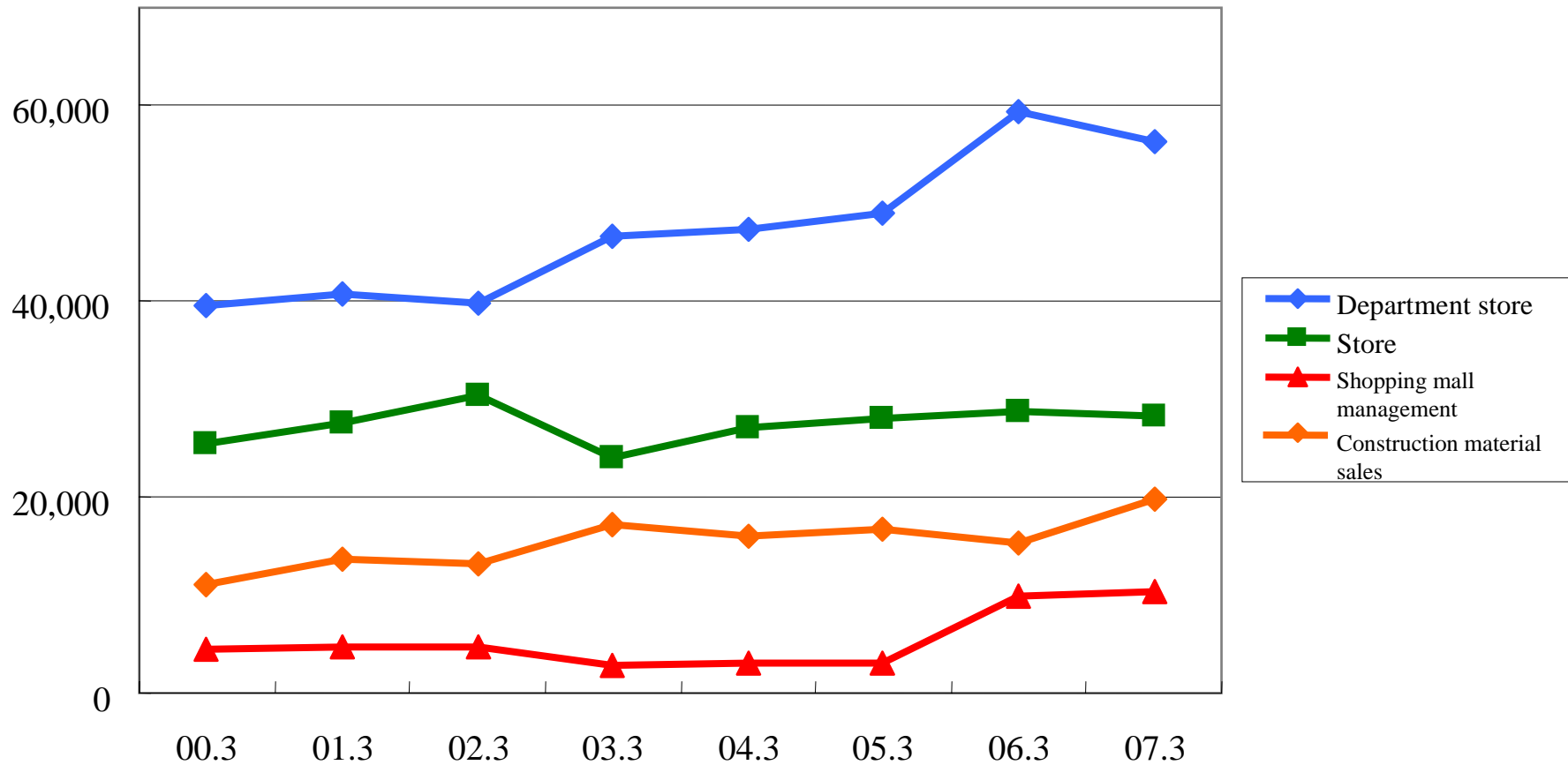
(Millions of yen)

	FY2007	FY2006	Changes	Changes (%)
Operating revenue	111,783	107,094	4,688	4.4
Department store	56,326	59,280	(2,953)	(5.0)
Store	28,341	28,830	(489)	(1.7)
Shopping mall management	10,371	9,806	564	5.8
Construction material sales	19,875	15,406	4,469	29.0
Elimination	(3,131)	(6,229)	3,097	—
Operating income	1,366	1,488	(122)	(8.2)
Depreciation	1,013	1,198	(184)	(15.4)
Capital expenditures	1,774	4,648	(2,874)	(61.8)

Results of Retail (2)

Trend of operating revenue

(Millions of yen)



Results of Leisure and Service (1)



Business results

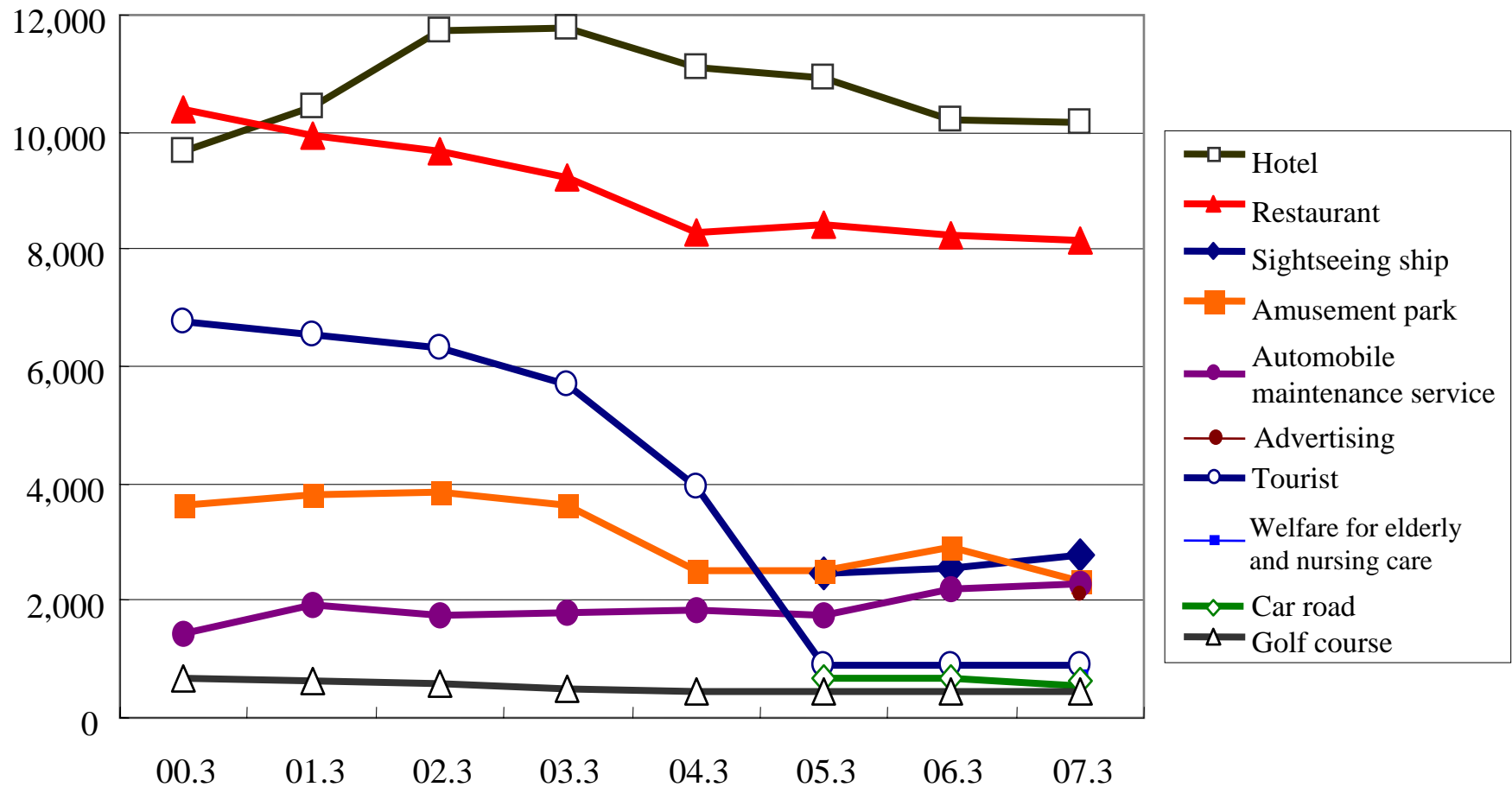
(Millions of yen)

	FY2007	FY2006	Changes	Changes (%)
Operating revenue	30,055	27,711	2,343	8.5
Hotel	10,177	10,203	(25)	(0.2)
Restaurant	8,314	8,238	76	0.9
Sightseeing ship	2,796	2,539	257	10.1
Amusement park	2,346	2,909	(562)	(19.3)
Automobile maintenance service	2,292	2,195	97	4.5
Advertising	2,112	—	2,112	—
Tourist	878	906	(27)	(3.1)
Welfare for elderly and nursing care	768	—	768	—
Car road	631	661	(30)	(4.5)
Golf course	442	437	5	1.2
Photograph	—	27	(27)	(100.0)
Elimination	(707)	(406)	(301)	—
Operating income	280	292	(12)	(4.2)
Depreciation	1,200	1,236	(36)	(3.0)
Capital expenditures	664	534	129	24.2

Results of Leisure and Service (2)

Trend of operating revenue

(Millions of yen)



Results of Others (1)



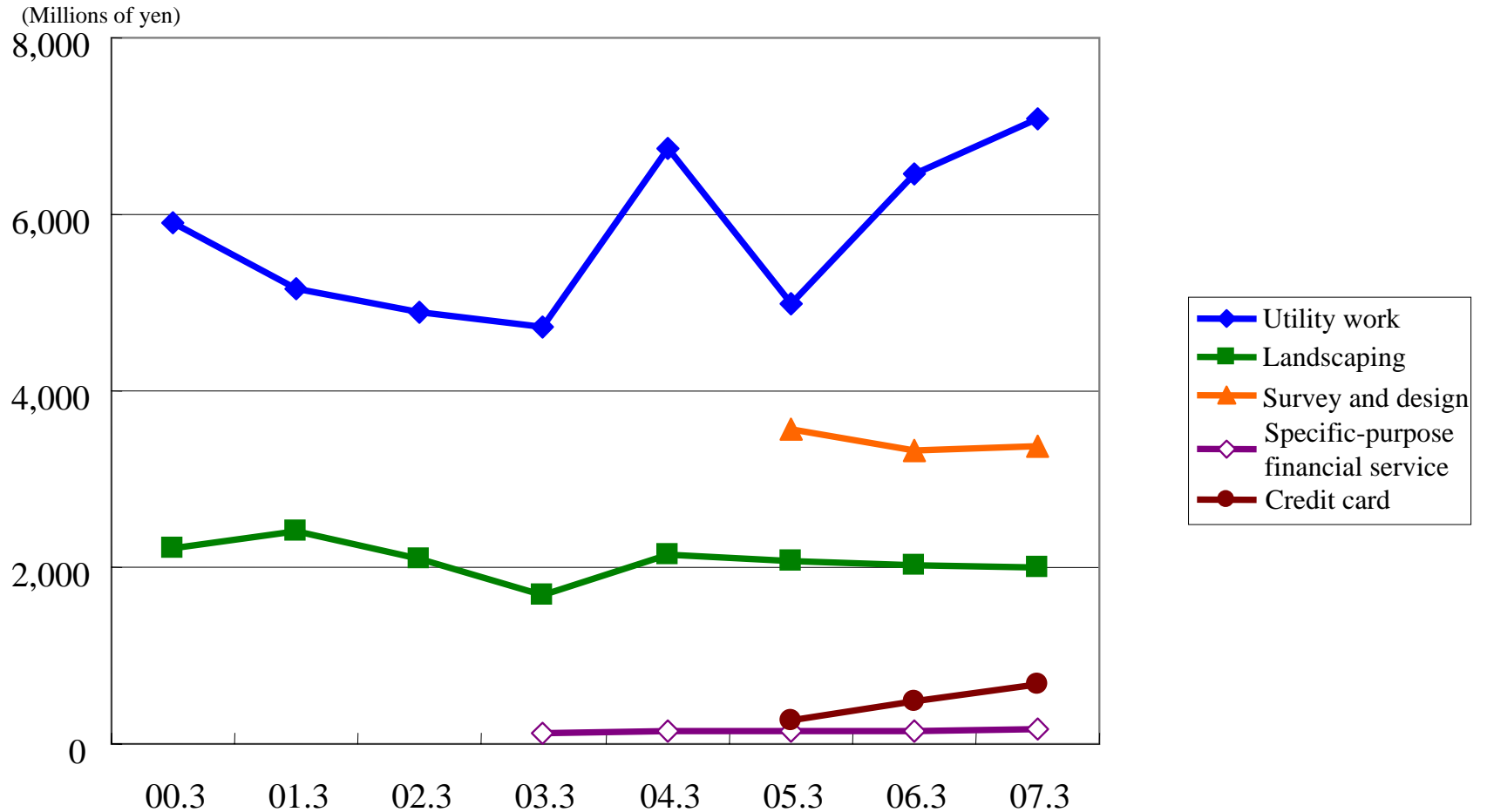
Business results

(Millions of yen)

	FY2007	FY2006	Changes	Changes (%)
Operating revenue	11,494	21,595	(10,101)	(46.8)
Utility work	7,081	6,465	616	9.5
Landscaping	2,001	2,028	(27)	(1.3)
Civil engineering and construction	-	12,095	(12,095)	(100.0)
Survey and design	3,366	3,319	46	1.4
Specific-purpose financial service	164	148	16	10.9
Credit card	685	489	196	40.2
Elimination	(1,804)	(2,950)	1,145	-
Operating income	18	955	(936)	(98.1)
Depreciation	151	416	(264)	(63.5)
Capital expenditures	46	254	(207)	(81.6)

Results of Others (2)

Trend of operating revenue



Business Results Forecast of FY2008

FY2008

Forecast of Consolidated Business Results (1)



(Millions of yen)

	FY2008 Forecast	FY2007 Results	Change	Change (%)
Operating revenue	254,000	267,273	(13,273)	(5.0)
Operating income	15,500	21,227	(5,727)	(27.0)
Ordinary income	10,800	17,375	(6,575)	(37.8)
Net income	7,600	7,841	(241)	(3.1)
EBITDA	32,720	36,926	(4,206)	(11.4)
Capital expenditures	19,700	15,806	3,894	24.6
Interest-bearing debt	270,000	267,046	2,954	1.1
interest-bearing debt / EBITDA*	8.3	7.2	1.1	

Effect of depreciation due to the revision of taxation system for FY2008: 1,114 million yen

* Interest-bearing debt: Loans + bonds + accounts payable for JR TT

interest-bearing debt / EBITDA: Interest-bearing debt / (operating income + depreciation)

By segment

(Millions of yen)

	FY2008 Forecast	FY2007 Results	Change	Change (%)
Operating revenue	254,000	267,273	(13,273)	(5.0)
Transportation	87,400	87,817	(417)	(0.5)
Real estate	30,300	41,522	(11,222)	(27.0)
Retail	110,300	111,783	(1,483)	(1.3)
Leisure and service	30,400	30,055	345	1.1
Others	10,600	11,494	(894)	(7.8)
Elimination	(15,000)	(15,400)	400	—
Operating income	15,500	21,227	(5,727)	(27.0)
Transportation	8,100	10,336	(2,236)	(21.6)
Real estate	5,900	9,217	(3,317)	(36.0)
Retail	1,000	1,366	(366)	(26.8)
Leisure and service	600	280	320	113.7
Others	50	18	32	173.2
Elimination	(150)	7	(157)	—
Ordinary income	10,800	17,375	(6,575)	(37.8)
Net income	7,600	7,841	(241)	(3.1)

FY2008

Forecast of Non-consolidated Business Results (1)



(Millions of yen)

	FY2008 Forecast	FY2007 Results	Change	Change(%)
Operating revenue	74,000	82,648	(8,648)	(10.5)
Railway operation	54,350	54,605	(255)	(0.5)
Subsidiary business	19,650	28,042	(8,392)	(29.9)
Real estate sales	5,540	14,119	(8,579)	(60.8)
Real estate leasing service	11,560	11,575	(15)	(0.1)
Leisure	2,550	2,346	204	8.7
Operating income	12,620	17,263	(4,643)	(26.9)
Railway operation	8,020	9,837	(1,817)	(18.5)
Subsidiary business	4,600	7,425	(2,825)	(38.1)
Real estate sales	(310)	2,614	(2,924)	—
Real estate leasing service	5,140	5,212	(72)	(1.4)
Leisure	(230)	(400)	170	42.6
Ordinary income	9,100	13,576	(4,476)	(33.0)
Net income	5,420	4,476	944	21.1

Effect of depreciation due to the revision of taxation system for FY2008: 805 million yen

Operating results for transportation (Keihan Electric Railway)

		FY2008 Forecast	FY2007 Results	Changes	Changes (%)
Number of passengers (Thousands of people)		290,396	291,712	(1,316)	(0.5)
Commuter passes (ditto)		145,624	150,480	(4,856)	(3.2)
Non-commuter passes (ditto)		144,772	141,231	3,540	2.5
Transportation revenue	Passenger transportation revenue (Millions of yen)	51,192	51,361	(169)	(0.3)
	Passenger fare (ditto)	51,191	51,360	(169)	(0.3)
	Commuter passes (ditto)	16,824	17,754	(930)	(5.2)
	Non-commuter passes (ditto)	34,367	33,605	761	2.3
	Carriage on parcels (ditto)	1	1	0	17.1
	Miscellaneous transportation revenue (ditto)	3,158	3,244	(86)	(2.7)
Total (ditto)		54,350	54,605	(255)	(0.5)