

FY2008 ended March 31, 2008 Financial Results Presentation

May 20, 2008

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.

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Overview of FY2008

Financial Results

Consolidated Statements of Income



(Millions of yen)

	FY2008	FY2007	Change	Change (%)
Operating revenue	261,952	267,273	(5,320)	(2.0)
Operating income	17,438	21,227	(3,788)	(17.8)
Ordinary income	13,467	17,375	(3,907)	(22.5)
Net income	8,336	7,841	495	6.3
ROA	1.5	1.4	0.1	
ROE	6.2	5.7	0.5	
EBITDA	34,544	36,925	(2,381)	(6.4)
Interest-bearing debt	272,272	267,046	5,226	2.0
interest-bearing debt / EBITDA	7.9	7.2	0.7	

* ROA : Net income to total assets

ROE : Net income to shareholders' equity

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

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

Consolidated Balance Sheets



(Millions of yen)

	FY2008	FY2007	Change	Change (%)
Total assets	571,303	577,967	(6,663)	(1.2)
Liabilities	437,016	439,032	(2,015)	(0.5)
Net assets	134,287	138,935	(4,647)	(3.3)
Liabilities and net assets	571,303	577,967	(6,663)	(1.2)

Main factor of changes in total assets: Decrease in investment securities at market value, increase in fixed assets due to newly consolidated Kyoto Tower Co., Ltd.

Main factor of changes in liabilities: Decrease in deferred tax liability due to investment securities at market value.

Main factor of changes in net assets: Decrease in unrealized gains on other securities

Movement of FY2008 (1)

Decrease in operating revenue, operating income and ordinary income, increase in net income

Operating revenue --- -5,320 million yen

Decrease due to decrease in large condominium sales

Operating income ---- - 3,788 million yen

Decrease due to decrease in operating revenue, and increase of depreciation expense, which was due to the revision of the taxation system

Ordinary income ----- - 3,907 million yen

Decrease due to decrease in operating income, and increase in interest expense

Net income ----- + 495 million yen

Increase due to decrease of extraordinary losses or income and other taxes

Measures for improving financial transparency

Allowance for loss due to gift certificate exchange

--- Extraordinary losses 168 million yen (Amount of last year)

Increase in depreciation expense due to the revision of
taxation system

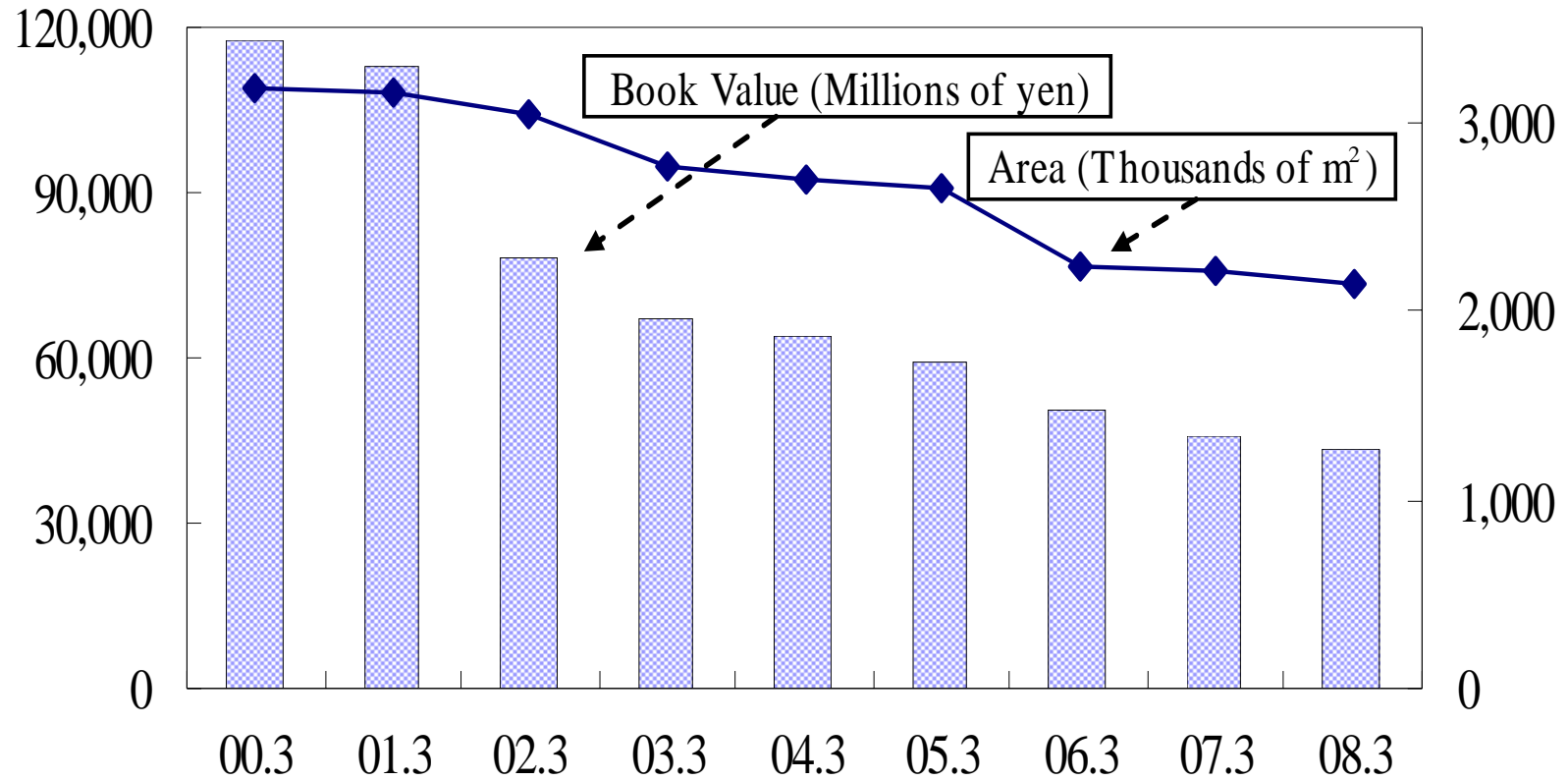
	(Millions of yen)
--- Operating expenses	1,332
Transportation	989
Real estate	175
Retail	35
Leisure and service	121
Others	8

Trend of Land for Sale (Non-consolidated)



(Millions of yen)

(Thousands of m²)



	00.3	01.3	02.3	03.3	04.3	05.3	06.3	07.3	08.3
Land for sale (Millions of yen)	117,755	112,987	78,333	67,260	63,915	59,259	50,660	45,934	43,761
Area (Thousands of m ²)	3,180	3,159	3,045	2,754	2,704	2,640	2,238	2,222	2,142

Consolidated Statements of Cash Flows



(Millions of yen)

	FY2008	FY2007	Change	Change (%)
Operating cash flows	10,645	35,805	(25,159)	(70.3)
Investing cash flows	(15,538)	(16,148)	609	3.8
Financing cash flows	(2,287)	(9,074)	6,786	74.8
Cash and cash equivalents at end of fiscal year	19,434	26,574	(7,139)	(26.9)
Interest-bearing debt* at end of fiscal year	272,272	267,046	5,226	2.0

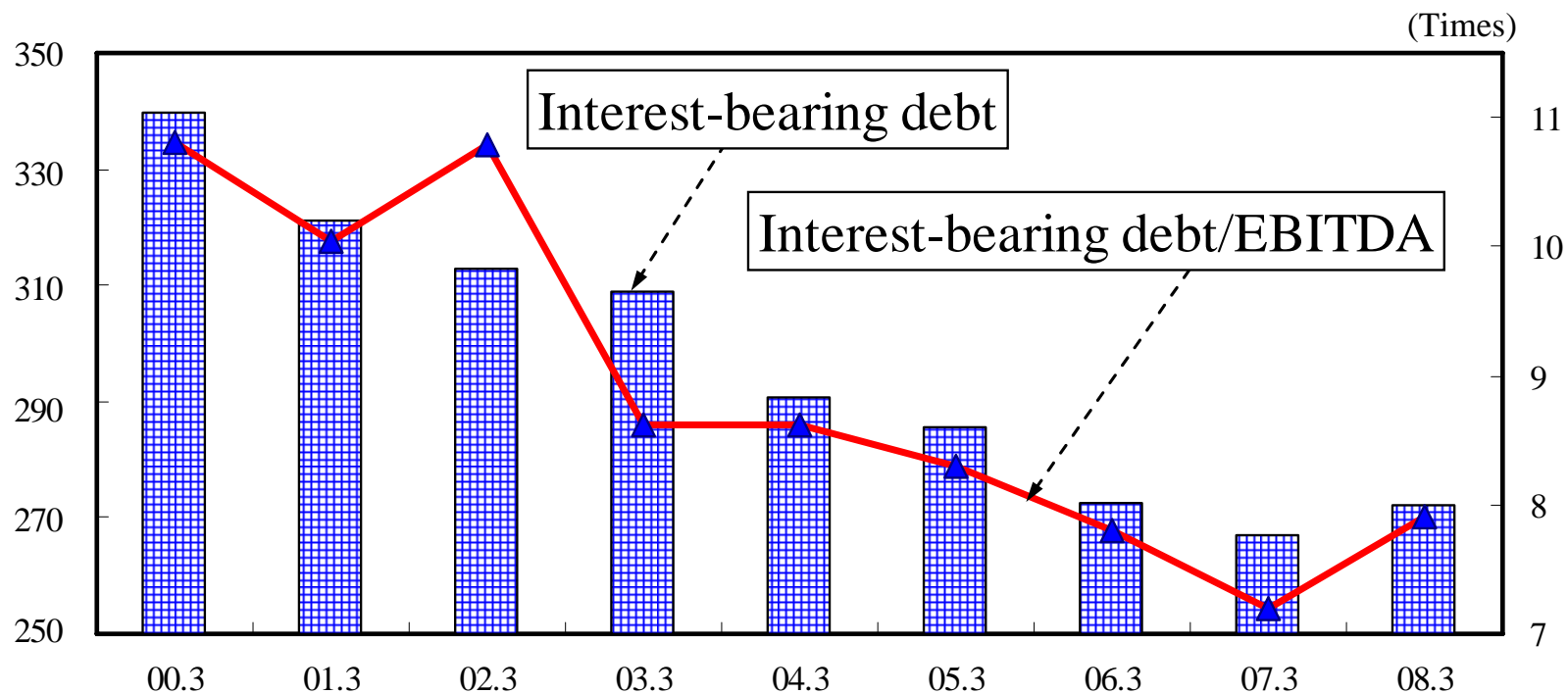
Operating cash flows: Decrease of accounts payable (such as construction materials) (-8,811 million yen from the previous year)
 Increase of income and other taxes paid (-7,857 million yen from the previous year)
 Decrease of inventory assets due to the increase of acquisitions (-4,916 million yen from the previous year)
 Investing cash flows: Decrease in cash out due to acquisition of fixed assets (1,621 million yen from the previous year)
 Financing cash flows: Decrease in cash out due to redemption of bonds (9,939 million yen from the previous year)

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

Trend of Consolidated Interest-bearing debt / EBITDA



(Billions of yen)



	00.3	01.3	02.3	03.3	04.3	05.3	06.3	07.3	08.3
Interest-bearing debt (Millions of yen)	339,715	321,340	312,820	308,704	290,742	285,382	272,433	267,046	272,272
EBITDA (Millions of yen)	31,496	32,414	29,294	35,828	33,759	34,307	34,893	36,925	34,544
Interest-bearing debt/ EBITDA (Times)	10.8	9.9	10.7	8.6	8.6	8.3	7.8	7.2	7.9

* EBITDA = Operating income + Depreciation

Non-consolidated Statements of Income



(Millions of yen)

	FY2008	FY2007	Change	Change (%)
Operating revenue	73,501	82,648	(9,146)	(11.1)
Railway operation	54,569	54,605	(36)	(0.1)
Subsidiary business	18,932	28,042	(9,110)	(32.5)
Real estate sales	5,092	14,119	(9,027)	(63.9)
Real estate leasing service	11,515	11,575	(60)	(0.5)
Leisure	2,323	2,346	(22)	(1.0)
Operating income	13,512	17,263	(3,750)	(21.7)
Railway operation	8,512	9,837	(1,325)	(13.5)
Subsidiary business	5,000	7,425	(2,425)	(32.7)
Real estate sales	257	2,614	(2,356)	(90.1)
Real estate leasing service	5,208	5,212	(3)	(0.1)
Leisure	(466)	(400)	(65)	-
Ordinary income	10,742	13,576	(2,833)	(20.9)
Net income	5,297	4,476	820	18.3

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

Overview of FY2008

Business Results by Segment

Consolidation-targeted Companies

Scope of Consolidated Accounting



75 companies [Our company, 72 subsidiary companies (including 46 consolidated subsidiaries), and 2 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 (9 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 3 companies

(3) Retail (7 companies)

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

(4) Leisure and service (28 companies)

Business contents	Company name
Hotel	Biwako Hotel Co., Ltd.*1, Hotel Keihan Co., Ltd. *1, Kyoto Tower Co., Ltd. *1
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	Keihan Life Support Co., Ltd. *1
Car road	Mt. Hiei Driveway Co., Ltd. *1
Golf course	Kuzuha Public Gold Course Co., Ltd. *1 Keihan Fukui International Country Co., Ltd. *1 Other 10 companies (include 1 consolidated subsidiary)

(5) Others (9 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 3 companies

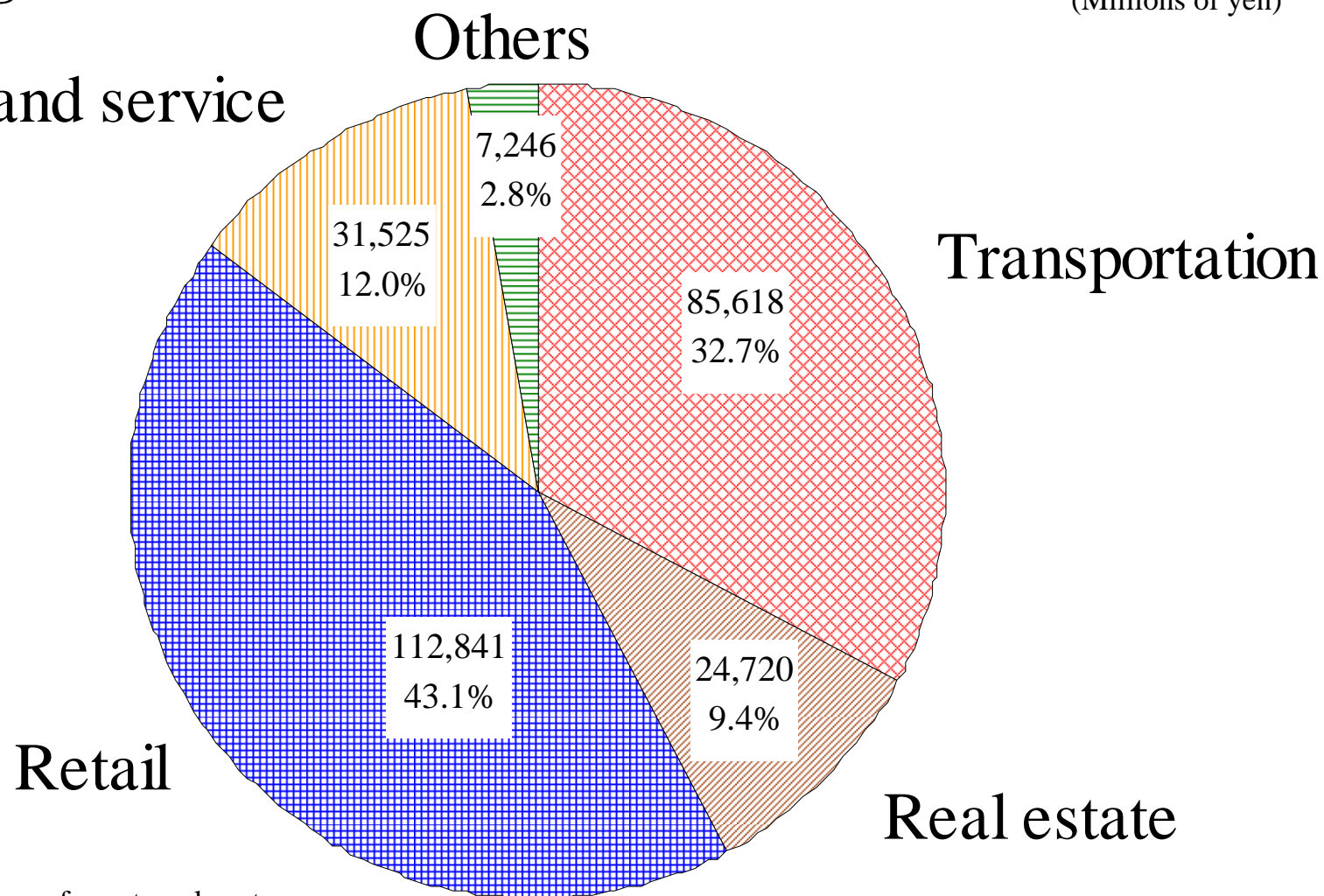
(As of March 31, 2008)

- *1 Consolidated subsidiaries *2 Equity method affiliates
- In the above numbers, our company and Keifuku Electric Railroad Co., Ltd. are redundantly included.
- Of the consolidated subsidiaries, Keifuku Electric Railroad Co., Ltd. is listed on the second section of the Osaka Securities Exchange.
- Liquidation of Hira Sakudo Co., Ltd. has been completed.
Kyoto Tower Co., Ltd., which has so far been one of the affiliated companies accounted for using the equity method, became a consolidated company at the end of the first interim FY2008 term due to additional purchase of the company's share.
Keihan Fukui International Country Co., Ltd., which has so far been a non-consolidated company, was included in the consolidated companies since FY2008 because the importance of this company is raised.

Segment Balance (1)

<Operating revenue>

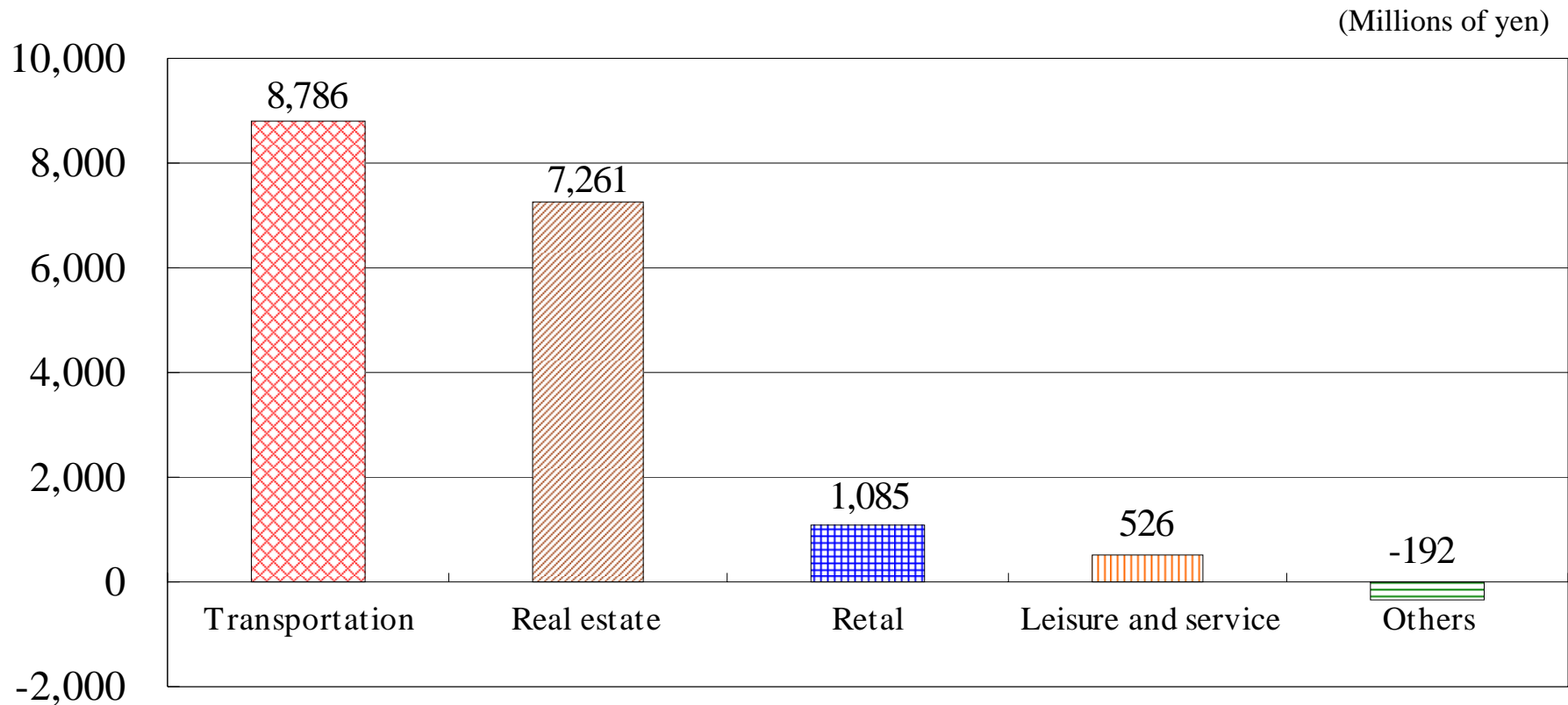
(Millions of yen)



* Operating revenue for external customers

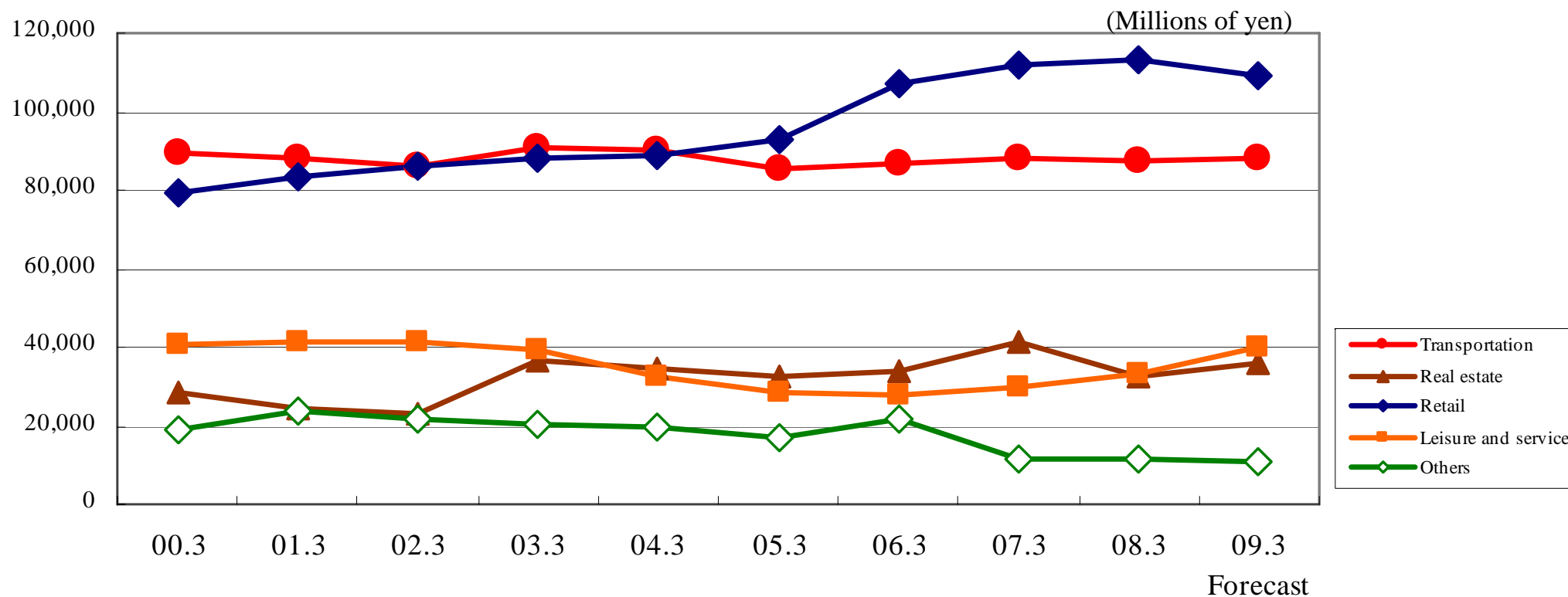
Segment Balance (2)

<Operating income>



Changes in Segment Balance (1)

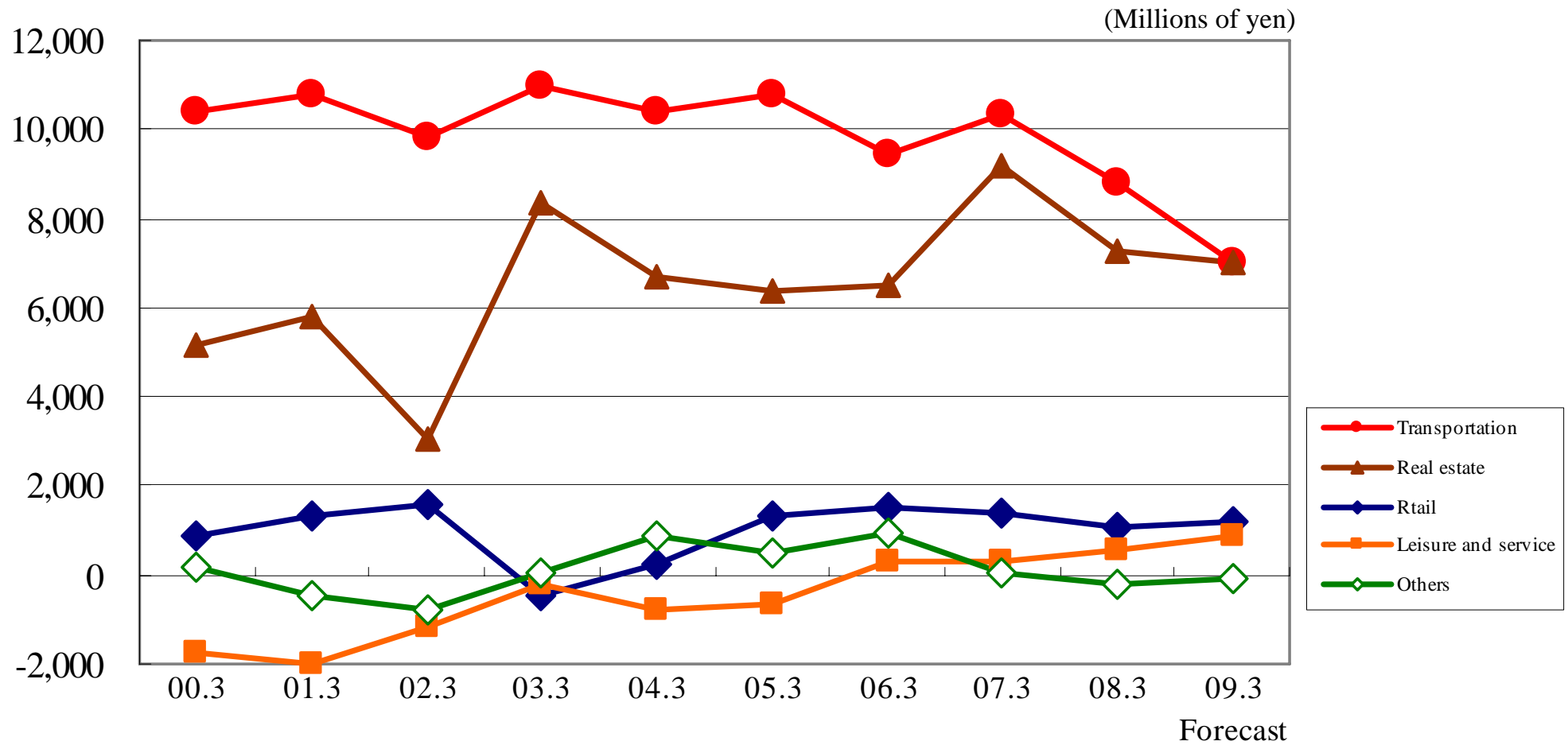
<Operating revenue>



Changes in Segment Balance (2)



<Operating income>



Segment Movement for FY2008



[Transportation] <Revenue decrease of 361 million yen, and income decrease of 1,550 million yen>

Railway operation --- Opening of Imazatosuji subway line, decrease in the horse races at the racetrack along the line, and increase of depreciation expense due to the revision of the taxation system

Taxi --- Decline in passenger volume.

[Real estate] <Revenue decrease of 8,850 million yen, and income increase of 1,956 million yen>

Real estate sales --- Number of large condominium sales has decreased.

[Retail] <Revenue increase of 1,671 million yen, and income decrease of 280 million yen>

Department store --- fiercer competition (for Moriguchi store)

Store --- Newly opened

[Leisure and service] <Revenue increase of 2,915 million yen, and income increase of 245 million yen>

Keihan Life Support Co., Ltd. --- Increase in the number of users

Kyoto Tower Co., Ltd. --- Made into a consolidated subsidiary due to additional acquisition of stock

[Others] <Revenue increase of 73 million yen, and income decrease of 210 million yen>

Utility works --- Decrease in amount of completed work.

Credit card --- Number of member increased.

Results of Transportation (1)



<Business results>

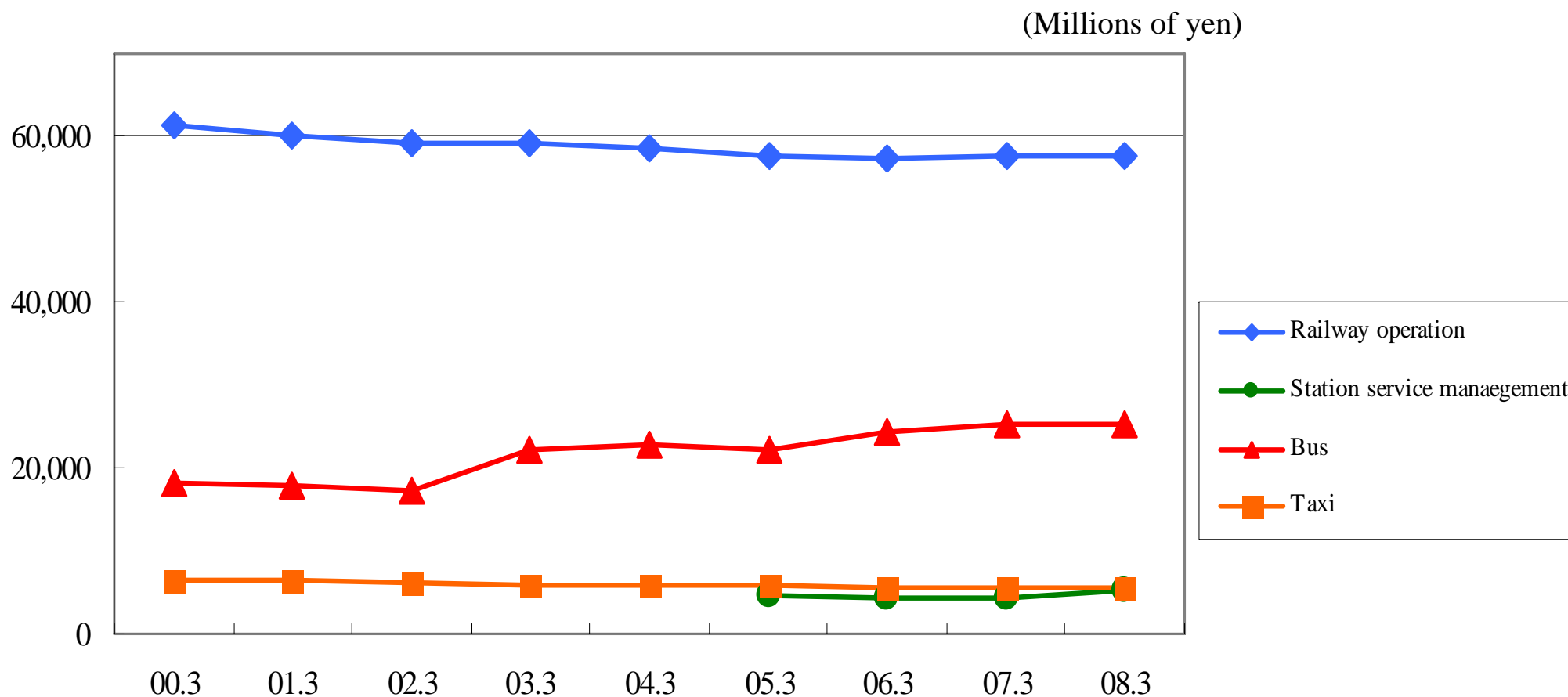
(Millions of yen)

	FY2008	FY2007	Change	Change (%)
Operating revenue	87,455	87,817	(361)	(0.4)
Railway operation	57,614	57,632	(18)	(0.0)
Station service management	5,293	5,358	(65)	(1.2)
Bus	25,208	25,167	40	0.2
Taxi	5,484	5,613	(129)	(2.3)
Elimination	(6,144)	(5,954)	(189)	-
Operating income	8,786	10,336	(1,550)	(15.0)
Depreciation	11,227	10,069	1,157	11.5
Capital expenditures	11,987	9,578	2,408	25.1

Results of Transportation (2)



<Trend of operating revenue>



Results of Transportation (3)



<Operating results for transportation (Keihan Electric Railway)>

		FY2008	FY2007	Change	Change (%)
Number of passengers (Thousands of people)		289,817	291,712	(1,894)	(0.6)
Commuter passes (ditto)		147,243	150,480	(3,237)	(2.2)
Non-commuter passes (ditto)		142,573	141,231	1,342	1.0
Transportation revenue	Passenger transportation Revenue (Millions of yen)	51,231	51,361	(130)	(0.3)
	Passenger fare (ditto)	51,230	51,360	(130)	(0.3)
	Commuter passes (ditto)	17,415	17,754	(339)	(1.9)
	Non-commuter passes (ditto)	33,814	33,605	209	0.6
	Carriage on parcels (ditto)	1	1	(0)	(1.3)
	Miscellaneous transportation revenue (ditto)	3,338	3,244	93	2.9
	Total (ditto)	54,569	54,605	(36)	(0.1)

Results of Real Estate (1)



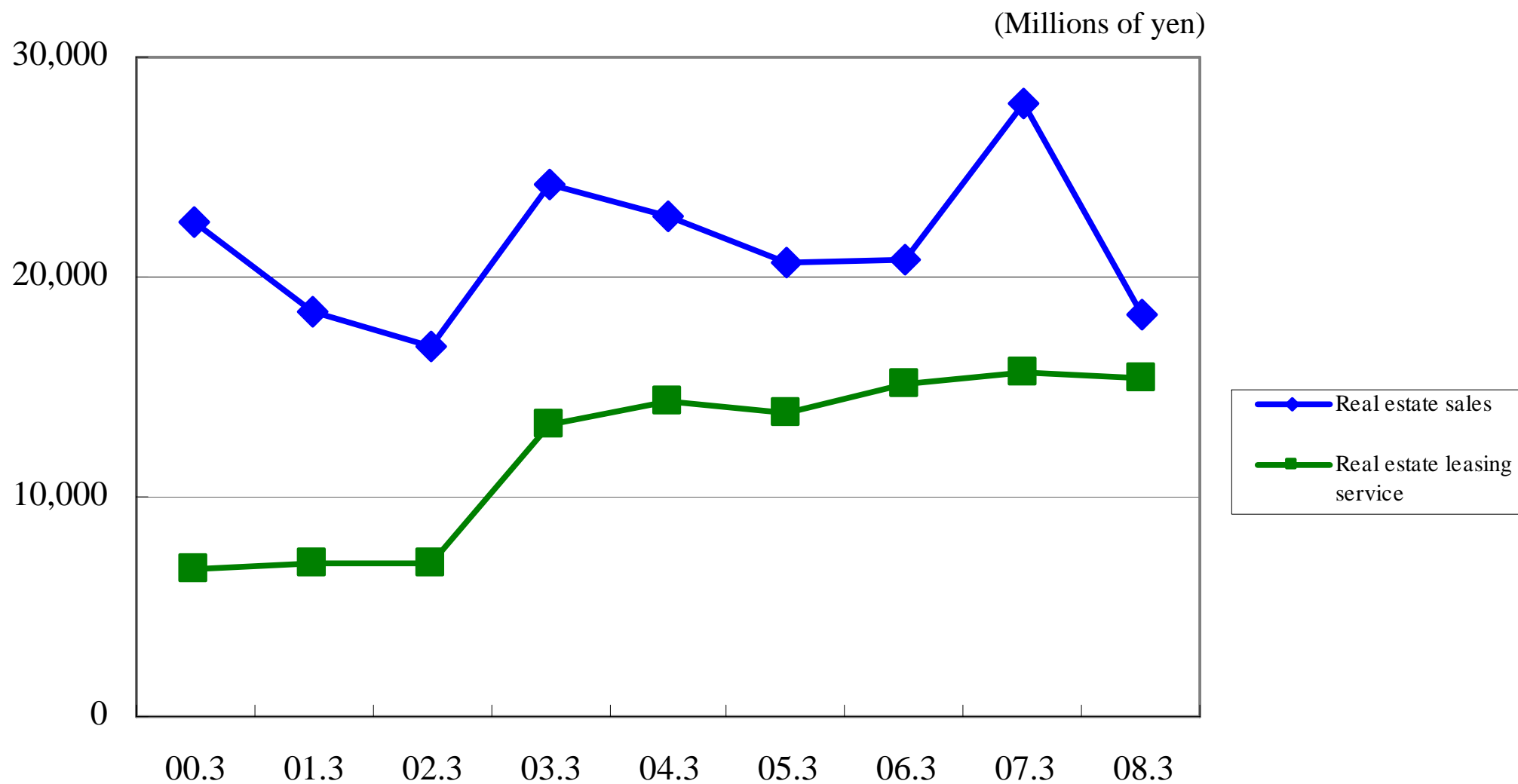
<Business results>

(Millions of yen)

	FY2008	FY2007	Change	Change (%)
Operating revenue	32,671	41,522	(8,850)	(21.3)
Real estate sales	18,323	27,865	(9,541)	(34.2)
Real estate leasing service	15,441	15,626	(185)	(1.2)
Elimination	(1,092)	(1,969)	876	-
Operating income	7,261	9,217	(1,956)	(21.2)
Depreciation	3,430	3,262	168	5.2
Capital expenditures	2,633	3,756	(1,123)	(29.9)

Results of Real Estate (2)

<Trend of operating revenue>



Results of Retail (1)



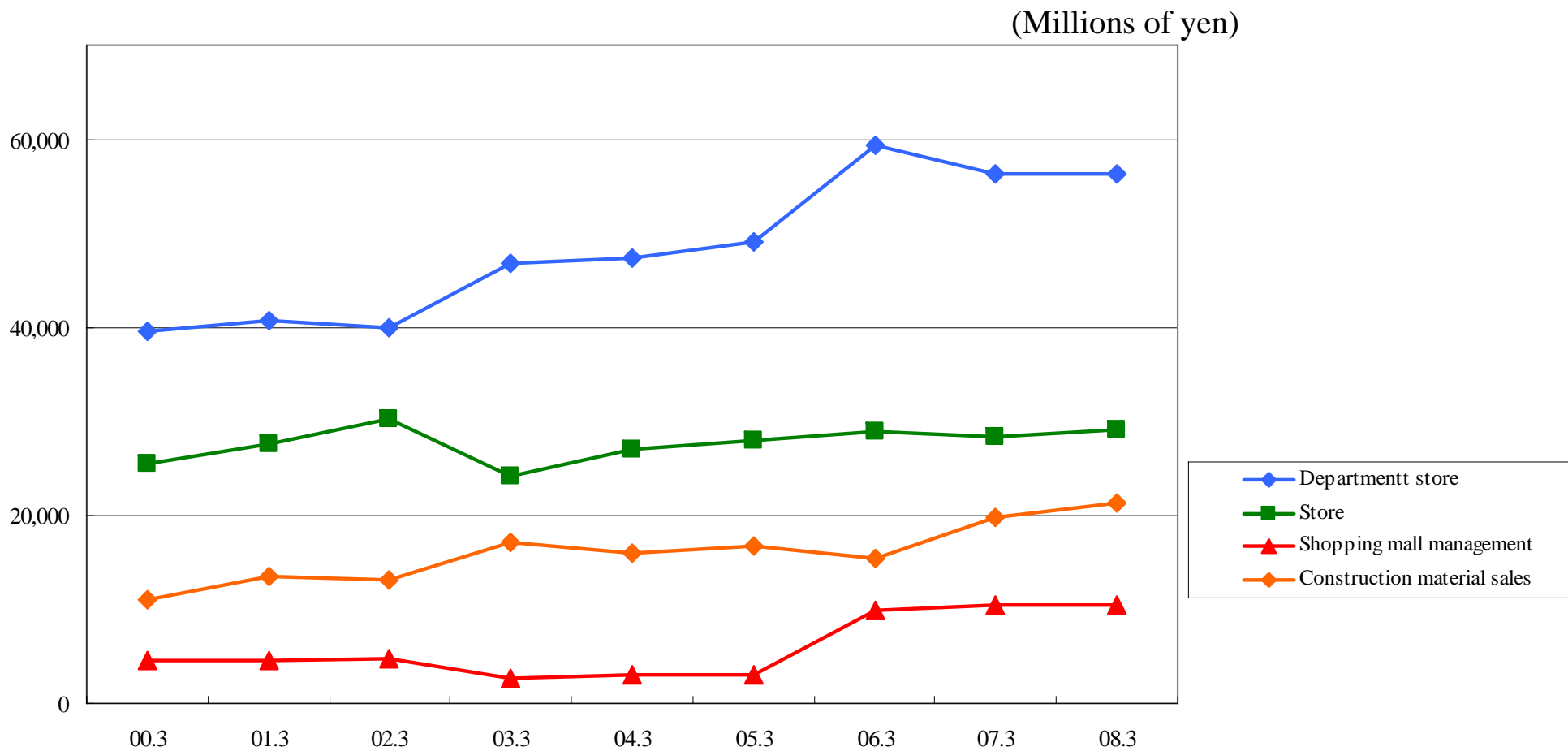
<Business results>

(Millions of yen)

	FY2008	FY2007	Change	Change (%)
Operating revenue	113,454	111,783	1,671	1.5
Department store	56,212	56,326	(114)	(0.2)
Store	29,181	28,341	839	3.0
Shopping mall management	10,401	10,371	30	0.3
Construction material sales	21,309	19,875	1,434	7.2
Elimination	(3,650)	(3,131)	(518)	-
Operating income	1,085	1,366	(280)	(20.5)
Depreciation	1,041	1,013	28	2.8
Capital expenditures	1,019	1,774	(754)	(42.6)

Results of Retail (2)

<Trend of operating revenue>



Results of Leisure and Service (1)



<Business results>

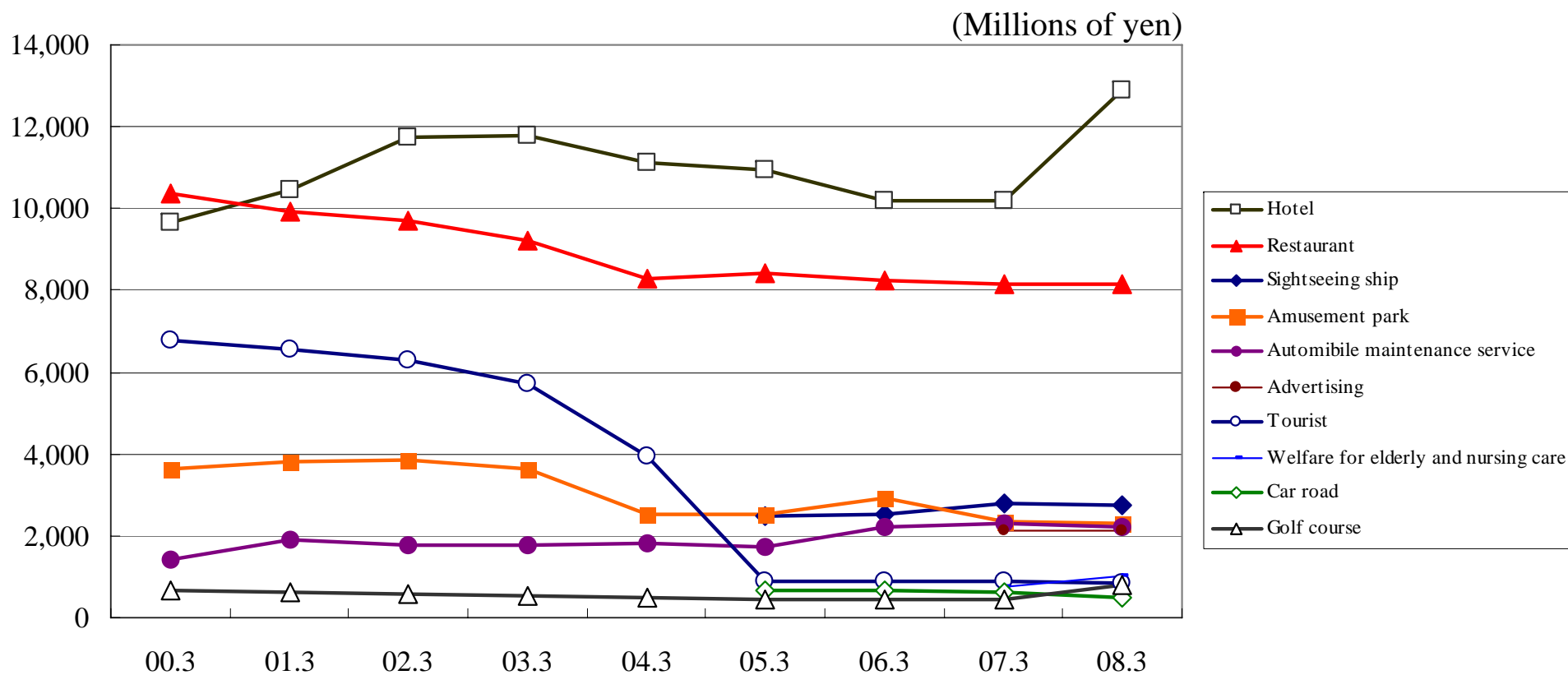
(Millions of yen)

	FY2008	FY2007	Change	Change (%)
Operating revenue	32,971	30,055	2,915	9.7
Hotel	12,881	10,177	2,703	26.6
Restaurant	8,153	8,314	(161)	(1.9)
Sightseeing ship	2,760	2,796	(36)	(1.3)
Amusement park	2,323	2,346	(22)	(1.0)
Automobile maintenance service	2,206	2,292	(86)	(3.8)
Advertising	2,143	2,112	30	1.5
Tourist	1,040	768	271	35.3
Welfare for elderly and nursing care	859	878	(18)	(2.1)
Car road	487	631	(143)	(22.7)
Golf course	815	442	373	84.3
Elimination	(700)	(707)	7	-
Operating income	526	280	245	87.4
Depreciation	1,255	1,200	55	4.6
Capital expenditures	1,361	664	697	104.9

Results of Leisure and Service (2)



<Trend of operating revenue>



Results of Others (1)



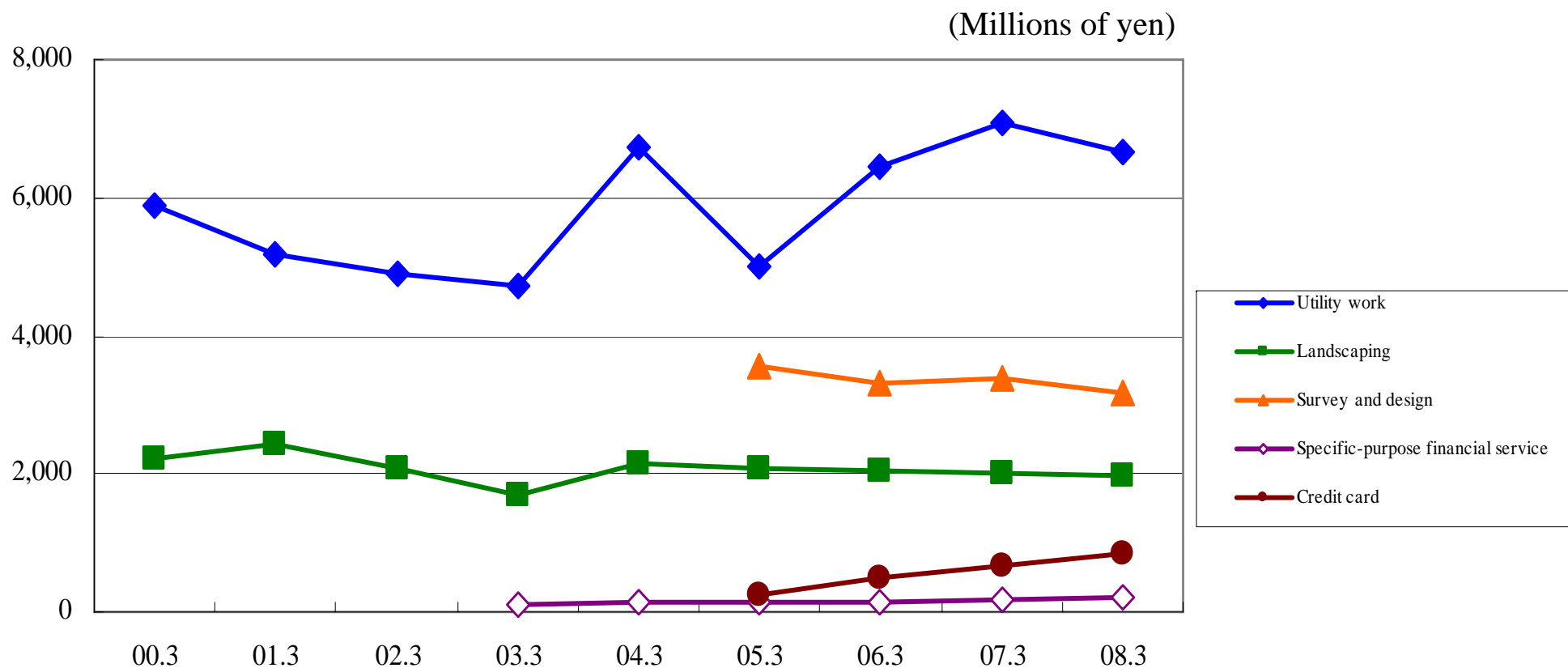
<Business results>

(Millions of yen)

	FY2008	FY2007	Change	Change (%)
Operating revenue	11,567	11,494	73	0.6
Utility work	6,654	7,081	(427)	(6.0)
Landscaping	1,969	2,001	(32)	(1.6)
Survey and design	3,180	3,366	(186)	(5.5)
Specific-purpose financial service	205	164	41	25.3
Credit card	846	685	160	23.5
Elimination	(1,288)	(1,804)	516	-
Operating income	(192)	18	(210)	-
Depreciation	150	151	(1)	(1.2)
Capital expenditures	112	46	66	140.9

Results of Others (2)

<Trend of operating revenue>



Business Results Forecast of FY2009

FY2009

Forecast of Consolidated Business Results (1)



(Millions of yen)

	FY2009 Forecast	FY2008 Results	Change	Change (%)
Operating revenue	268,800	261,952	6,847	2.6
Operating income	16,000	17,438	(1,438)	(8.2)
Ordinary income	11,500	13,467	(1,967)	(14.6)
Net income	7,100	8,336	(1,236)	(14.8)
EBITDA	33,500	34,544	(1,044)	(3.0)
Capital expenditures	28,700	17,102	11,597	67.8
Interest-bearing debt	280,000	272,272	7,727	2.8
Interest-bearing debt / EBITDA*	8.4	7.9	0.5	

*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)

	FY2009 Forecast	FY2008 Results	Change	Change (%)
Operating revenue	268,800	261,952	6,847	2.6
Transportation	88,100	87,455	644	0.7
Real estate	360,000	32,671	3,328	10.2
Retail	109,200	113,454	(4,254)	(3.7)
Leisure and service	40,300	32,971	7,328	22.2
Others	10,700	11,567	(867)	(7.5)
Elimination	(15,500)	(16,169)	669	-
Operating income	16,000	17,438	(1,438)	(8.2)
Transportation	7,000	8,786	(1,786)	(20.3)
Real estate	7,000	7,261	(261)	(3.6)
Retail	1,200	1,085	114	10.5
Leisure and service	900	526	373	71.1
Others	(100)	(192)	92	-
Elimination	0	(28)	28	-
Ordinary income	11,500	13,467	(1,967)	(14.6)
Net income	7,100	8,336	(1,236)	(14.8)

FY2009

Forecast of Non-consolidated Business Results (1)



(Millions of yen)

	FY2009 Forecast	FY2008 Results	Change	Change(%)
Operating revenue	77,900	73,501	4,398	6.0
Railway operation	55,770	54,569	1,200	2.2
Subsidiary business	22,130	18,932	3,197	16.9
Real estate sales	7,900	5,092	2,807	55.1
Real estate leasing service	11,660	11,515	144	1.3
Leisure	2,570	2,323	246	10.6
Operating income	12,320	13,512	(1,192)	(8.8)
Railway operation	7,030	8,512	(1,482)	(17.4)
Subsidiary business	5,290	5,000	289	5.8
Real estate sales	230	257	(27)	(10.8)
Real estate leasing service	5,290	5,208	81	1.6
Leisure	(230)	(466)	236	-
Ordinary income	9,210	10,742	(1,532)	(14.3)
Net income	5,650	5,297	352	6.7

FY2009

Forecast of Non consolidated Business Results (2)



Operating results for transportation (Keihan Electric Railway)

		FY2009 Forecast	FY2008 Results	Change	Change (%)
Number of passengers (Thousands of people)		294,950	289,817	5,132	1.8
Commuter passes (ditto)		148,576	147,243	1,332	0.9
Non-commuter passes (ditto)		146,374	142,573	3,800	2.7
Transportation revenue	Passenger transportation revenue (Millions of yen)	52,440	51,231	1,208	2.4
	Passenger fare (ditto)	52,439	51,230	1,208	2.4
	Commuter passes (ditto)	17,749	17,415	333	1.9
	Non-commuter passes (ditto)	34,690	33,814	875	2.6
	Carriage on parcels (ditto)	1	1	0	2.2
	Miscellaneous transportation revenue (ditto)	3,330	3,338	(8)	(0.2)
Total (ditto)		55,770	54,569	1,200	2.2