

The First Half of FY2008 ended September 30, 2007 Financial Results Presentation

November 22, 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.

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Overview of the First Half of FY2008

Financial Results

Consolidated Statements of Income



(Millions of yen)

	1H FY2008	1H FY2007	Change	Change (%)
Operating revenue	127,941	127,778	163	0.1
Operating income	9,355	9,634	(278)	(2.9)
Ordinary income	7,498	7,900	(402)	(5.1)
Net income	4,182	3,933	248	6.3
EBITDA	17,747	17,390	356	2.1
	1H FY2008	1H FY2007	Change	Change (%)
Interest-bearing debt	270,938	267,046	3,892	1.5

* EBITDA: operating income + depreciation

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

Consolidated Balance Sheets



(Millions of yen)

	1H FY2008	1H FY2007	Change	Change (%)
Total assets	574,520	577,967	(3,446)	(0.6)
Liabilities	437,141	439,032	(1,890)	(0.4)
Net assets	137,379	138,935	(1,555)	(1.1)
Liabilities and net assets	574,520	577,967	(3,446)	(0.6)

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

Main factor of changes in liabilities: Decrease in account payable

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

Movement of 1H FY2008 (1)



Increase in revenue and net income,
decrease in operating income and ordinary income

Operating revenue ---	+ 163 million yen	Slight increase due to decrease in large condominium sales and increase in construction material sales
Operating income ----	- 278 million yen	Income decrease due to increase in depreciation
Ordinary income -----	- 402 million yen	Income decrease due to decline in non-operating income
Net income -----	+ 248 million yen	Income increase due to decrease in extraordinary losses

Movement of 1H FY2008 (2)



Measures for improving financial transparency

Increase in depreciation expense due to the revision of taxation system

--- Operating expenses 603 million yen

Allowance for loss due to gift certificate exchange

--- Extraordinary losses 168 million yen

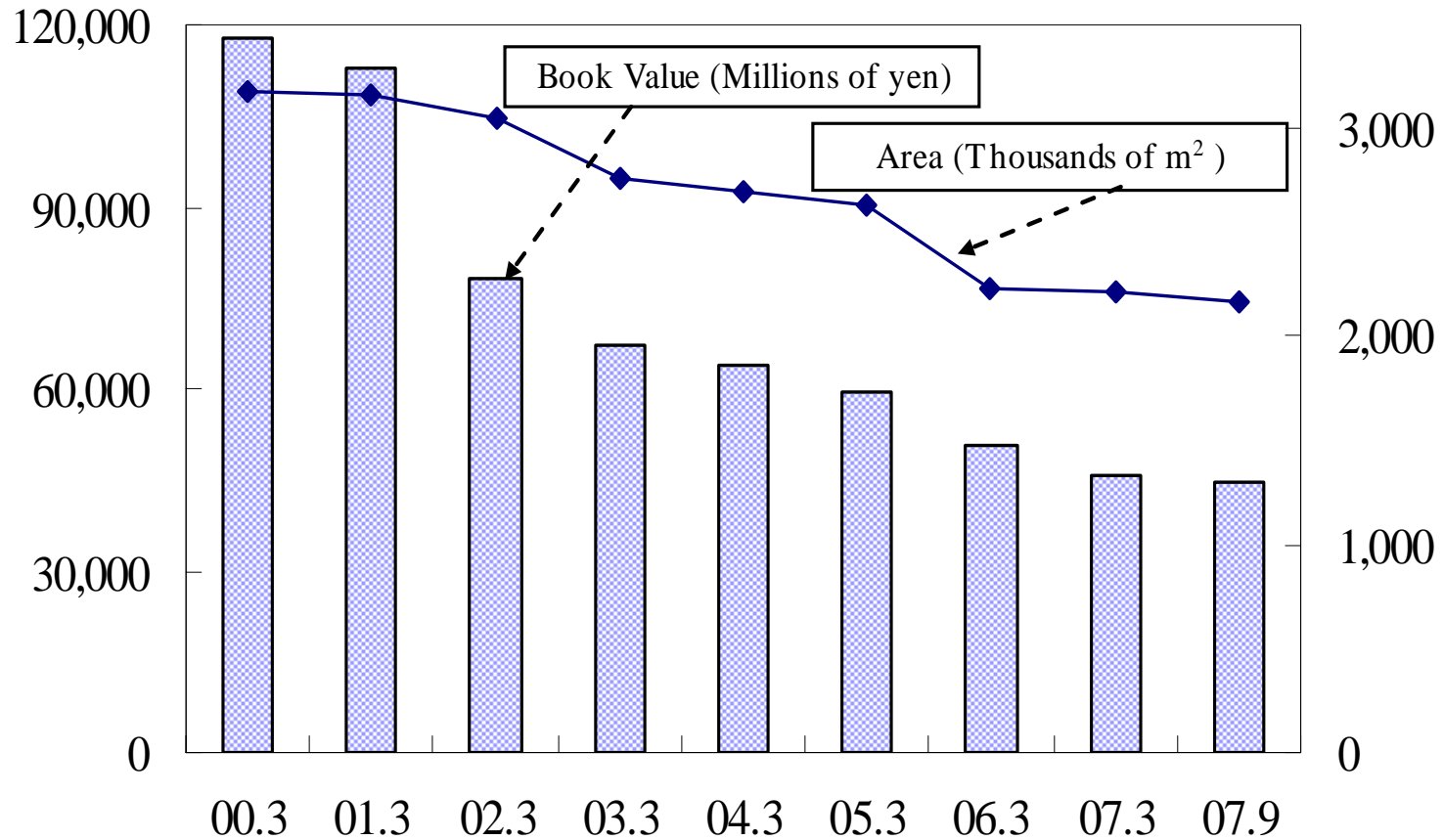
Non-operating expenses 7 million yen

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	07.9
Land for sale (Millions of yen)	117,755	112,987	78,333	67,260	63,915	59,259	50,660	45,934	44,477
Area (Thousands of m ²)	3,180	3,159	3,045	2,754	2,704	2,640	2,238	2,222	2,168

Consolidated Statements of Cash Flows



(Millions of yen)

	1H FY2008	1H FY2007	Change	Change (%)
Operating cash flows	6,307	18,473	(12,166)	(65.9)
Investing cash flows	(8,225)	(8,710)	485	5.6
Financing cash flows	(287)	(7,835)	7,547	96.3
Cash and cash equivalents at end of interim period	24,368	17,919	6,449	36.0
Interest-bearing debt* at end of interim period	270,938	266,304	4,633	1.7

Investing cash flows: Decrease in cash out due to increase of received money, such as contributions for construction

Financing cash flows: Decrease in cash out due to procurement of short-term loans

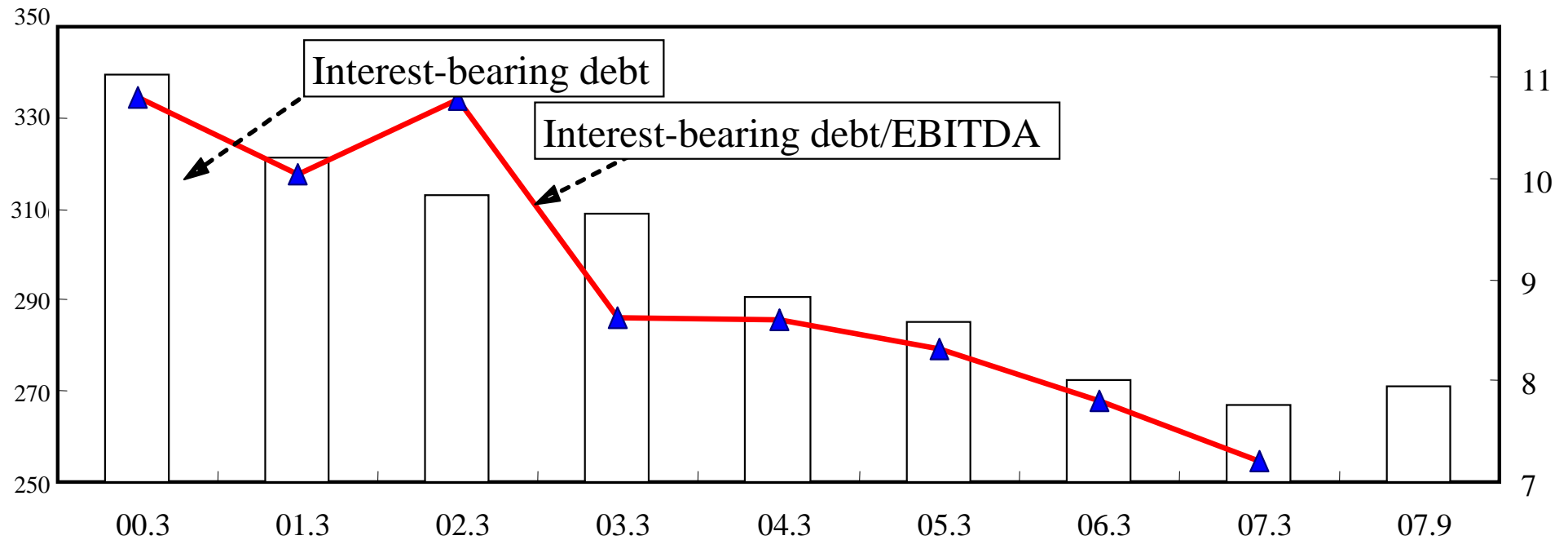
* Interest-bearing debt: Loans + bonds + accounts payable for JR TT

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	07.9
Consolidated Interest-bearing debt (Millions of yen)	339,715	321,340	312,820	308,704	290,742	285,382	272,433	267,046	270,938
EBITDA (Millions of yen)	31,496	32,414	29,294	35,828	33,759	34,307	34,893	36,925	17,747
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)

	1H FY2008	1H FY2007	Change	Change (%)
Operating revenue	37,572	36,924	648	1.8
Railway operation	27,280	27,398	(118)	(0.4)
Subsidiary business	10,292	9,526	766	8.0
Real estate sales	3,052	2,342	709	30.3
Real estate leasing service	5,768	5,730	38	0.7
Leisure	1,471	1,452	18	1.3
Operating income	7,848	7,706	142	1.8
Railway operation	4,732	5,328	(595)	(11.2)
Subsidiary business	3,115	2,378	737	31.0
Real estate sales	333	(263)	596	-
Real estate leasing service	2,763	2,620	142	5.5
Leisure	18	21	(2)	(11.8)
Ordinary income	6,599	5,793	805	13.9
Net income	3,190	2,744	446	16.3

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

Overview of the First Half of FY2008

Business Results by Segment

Consolidation-targeted Companies

Scope of Consolidated Accounting



79 companies [Our company, 76 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 Kotsu 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	Company name
Department store	Keihan Department Stores Co., Ltd. *1
Store	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. *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
Advertising	Keihan Agency Co., Ltd. *1
Automobile maintenance service	KT Motors 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 Other 13 companies (include 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 September 30, 2007)

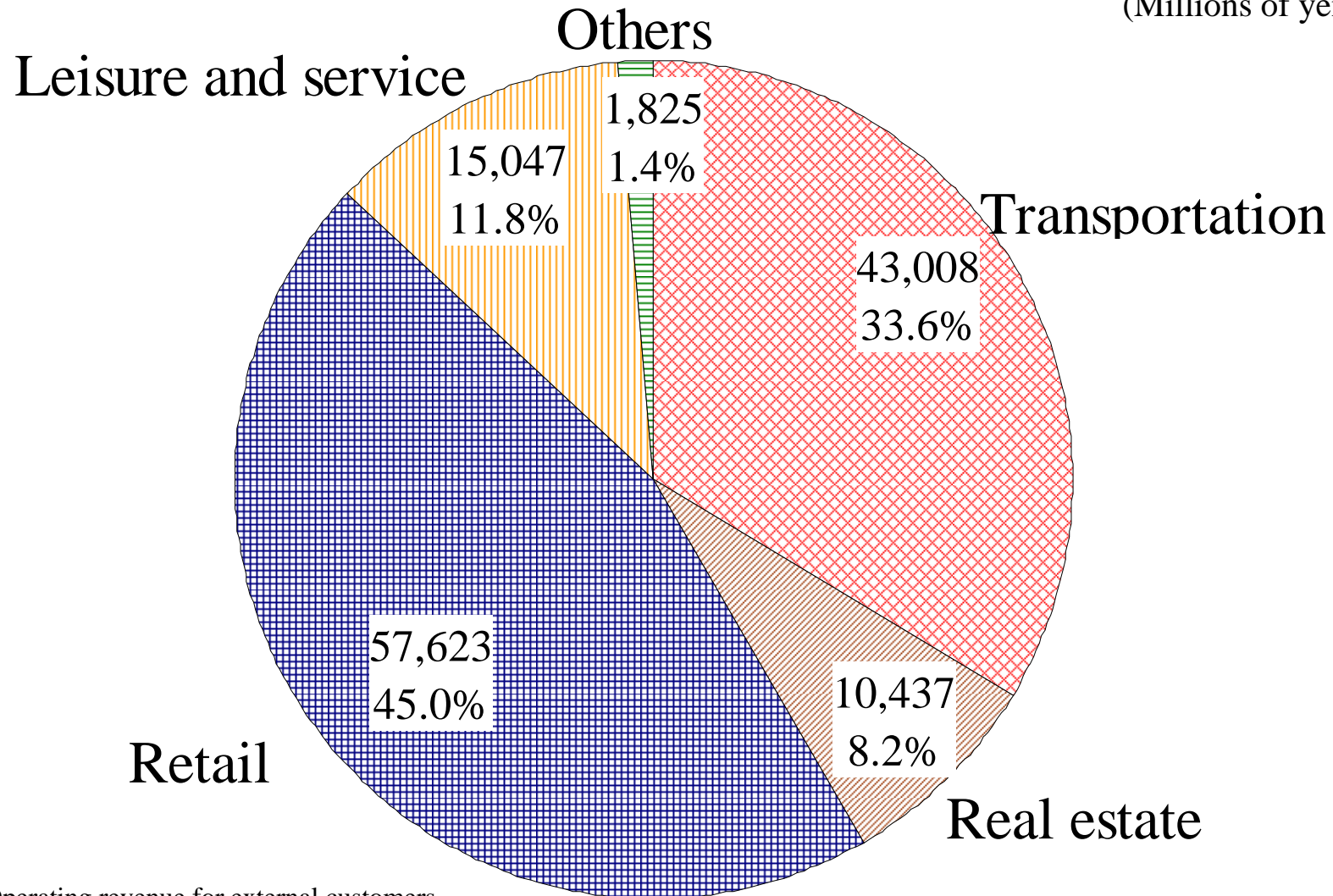
- *1 Consolidated subsidiaries *2 Equity method affiliates
- In the above numbers, our company and Keifuku Electric Railroad Co., Ltd. are redundantly included.
- Of the consolidated subsidiaries, Keifuku Electric Railroad Co., Ltd. is listed on the second section of the Osaka Stock Exchange.
- Kyoto 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 current interim term due to additional purchase of the company's share.

Segment Balance (1)



<Operating revenue>

(Millions of yen)

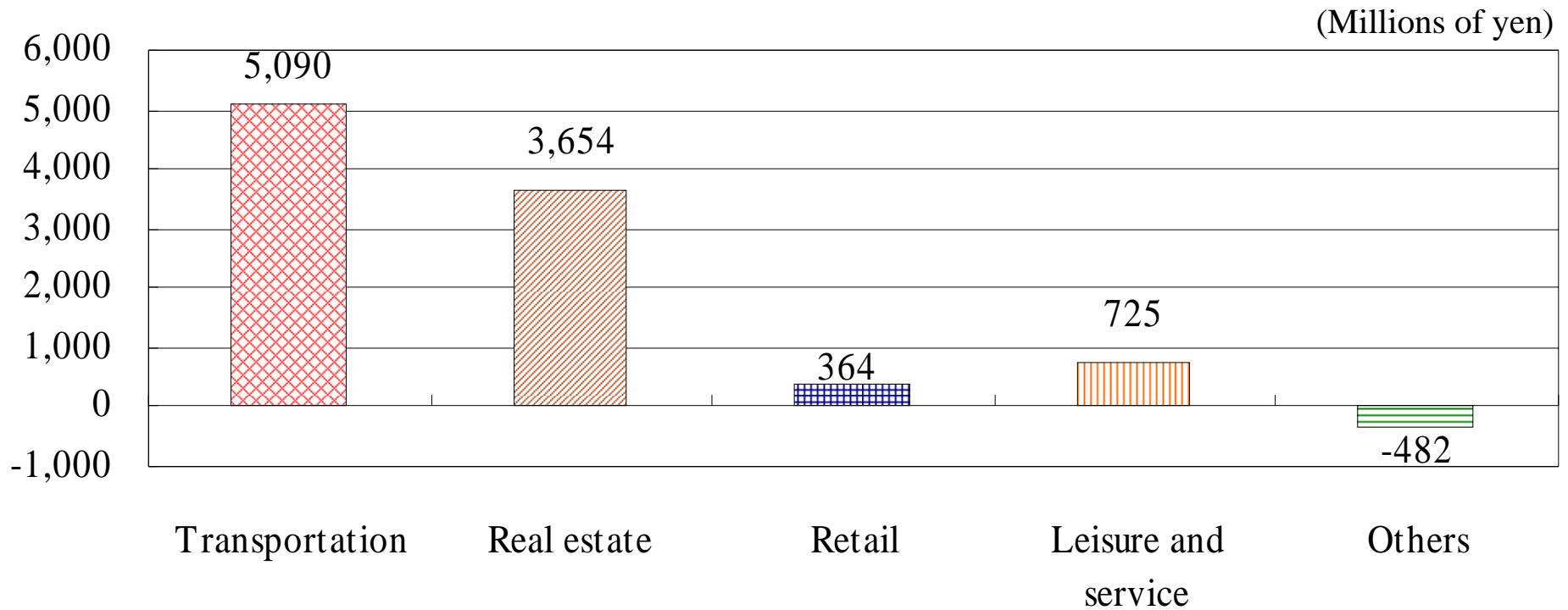


* Operating revenue for external customers

Segment Balance (2)



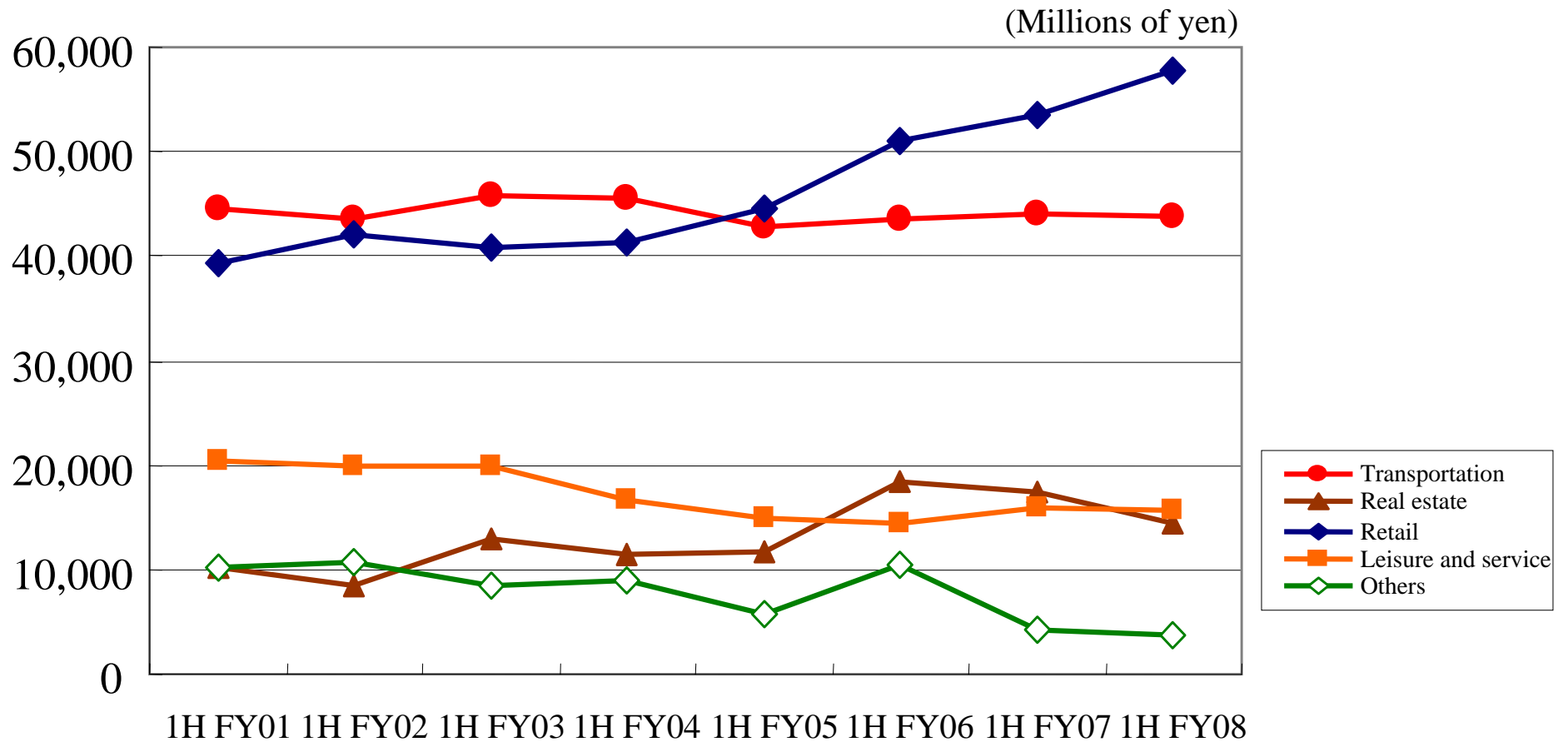
<Operating income>



Changes in Segment Balance (1)



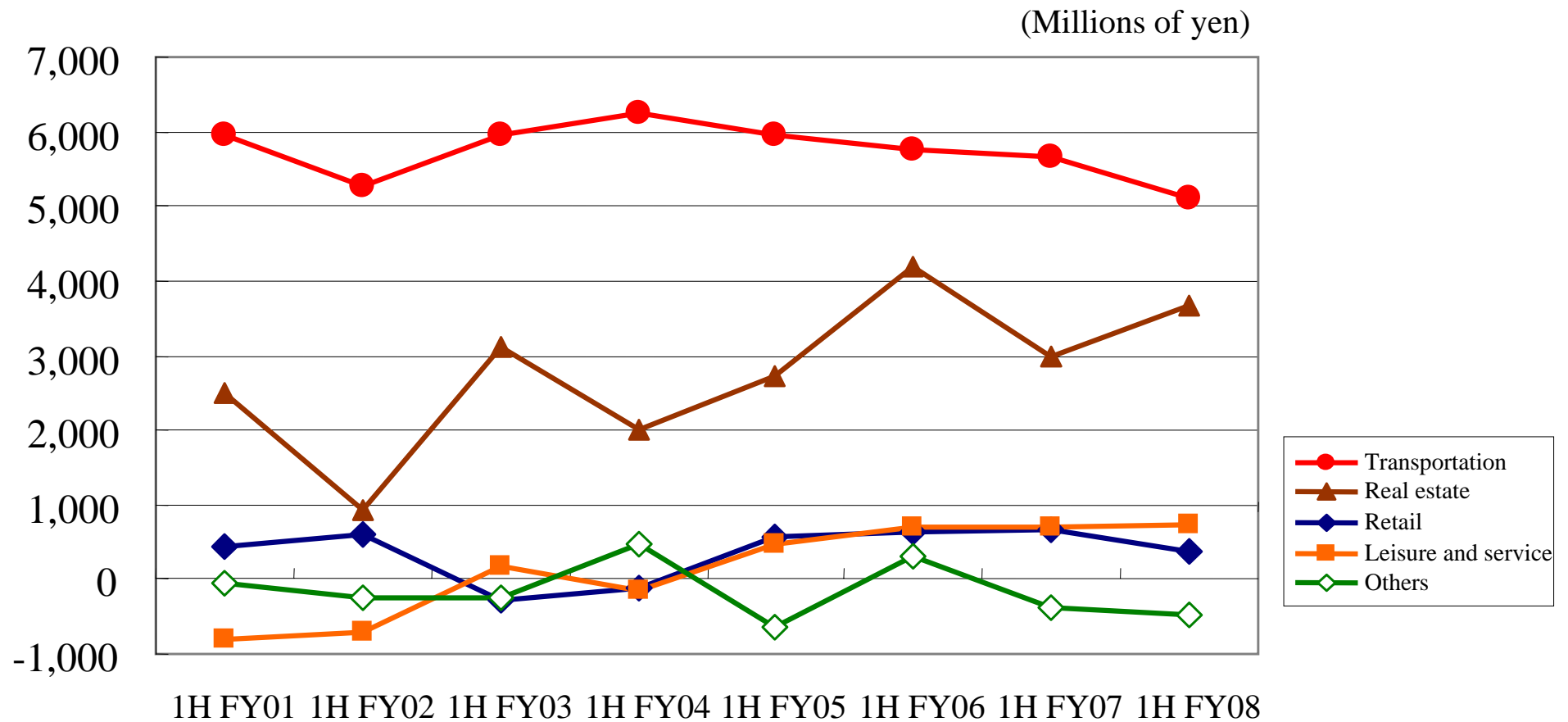
<Operating revenue>



Changes in Segment Balance (2)



<Operating income>



Segment Movement for 1H FY2008



[Transportation]<Revenue decrease of 148 million yen, and income decrease of 568 million yen>

Railway operation --- declining birthrate and opening of the competing railway.
Bus --- Decline in passenger volume.

[Real estate]<Revenue decrease of 2,958 million yen, and income increase of 667million yen>

Real estate sales --- Number of condominium sales has decreased.
Increase in sales of high-margin residential areas.

[Retail]<Revenue increase of 4,227 million yen, and income decrease of 316 million yen>

Department store --- fiercer competition.
Construction material sales --- Number of sales has increased.

[Leisure and service]<Revenue decrease of 231 million yen, and income increase of 14 million yen>

Restaurant --- Liquidated a consolidated subsidiary at the end of the previous term.
Welfare for elderly and nursing care --- Increase in users.

[Others]<Revenue decrease of 369 million yen, and income decrease of 88 million yen>

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

Results of Transportation (1)



<Business results>

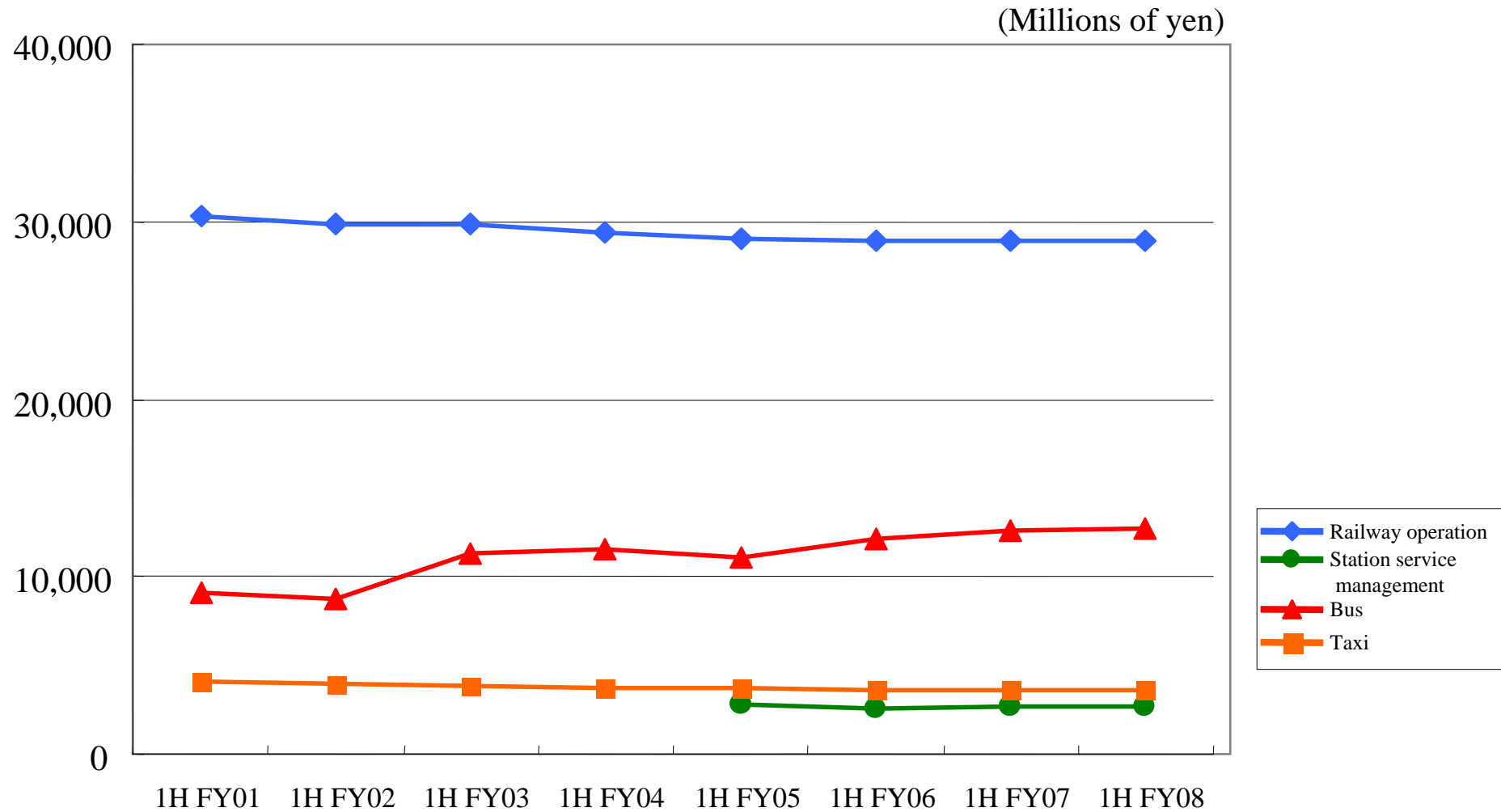
(Millions of yen)

	1H FY2008	1H FY2007	Change	Change (%)
Operating revenue	43,922	44,071	(148)	(0.3)
Railway operation	28,894	28,925	(30)	(0.1)
Station service management	2,645	2,678	(33)	(1.2)
Bus	12,656	12,646	10	0.1
Taxi	2,756	2,766	(9)	(0.3)
Elimination	(3,030)	(2,944)	(85)	-
Operating income	5,090	5,659	(568)	(10.0)

Results of Transportation (2)



<Trend of operating revenue>



Results of Transportation (3)



<Operating results for transportation (Keihan Electric Railway)>

		1H FY2008	1H FY2007	Change	Change (%)	
Number of passengers	(Thousands of people)	146,512	148,309	(1,797)	(1.2)	
Commuter passes	(ditto)	75,887	78,119	(2,232)	(2.9)	
Non-commuter passes	(ditto)	70,624	70,189	434	0.6	
Transportation revenue	Passenger transportation revenue	(Millions of yen)	25,646	25,834	(187)	(0.7)
	Passenger fare	(ditto)	25,646	25,833	(187)	(0.7)
	Commuter passes	(ditto)	8,886	9,133	(247)	(2.7)
	Non-commuter passes	(ditto)	16,760	16,700	59	0.4
	Carriage on parcels	(ditto)	0	0	(0)	(1.9)
	Miscellaneous transportation revenue	(ditto)	1,633	1,564	69	4.4
	Total	(ditto)	27,280	27,398	(118)	(0.4)

Results of Real Estate (1)



<Business results>

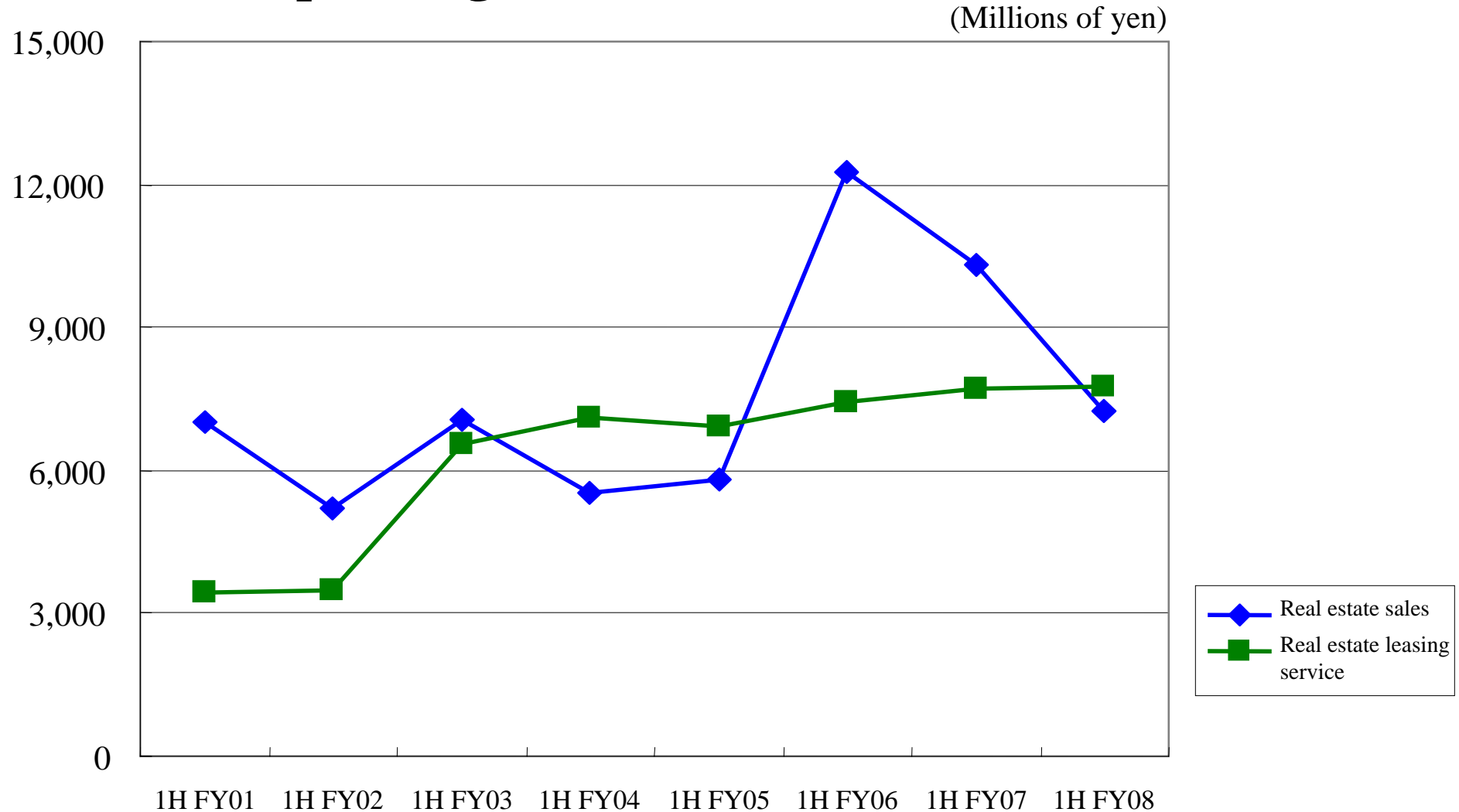
(Millions of yen)

	1H FY2008	1H FY2007	Change	Change (%)
Operating revenue	14,389	17,348	(2,958)	(17.1)
Real estate sales	7,222	10,327	(3,104)	(30.1)
Real estate leasing service	7,734	7,699	35	0.5
Elimination	(567)	(678)	110	-
Operating income	3,654	2,986	667	22.3

Results of Real Estate (2)



<Trend of operating revenue>



Results of Retail (1)



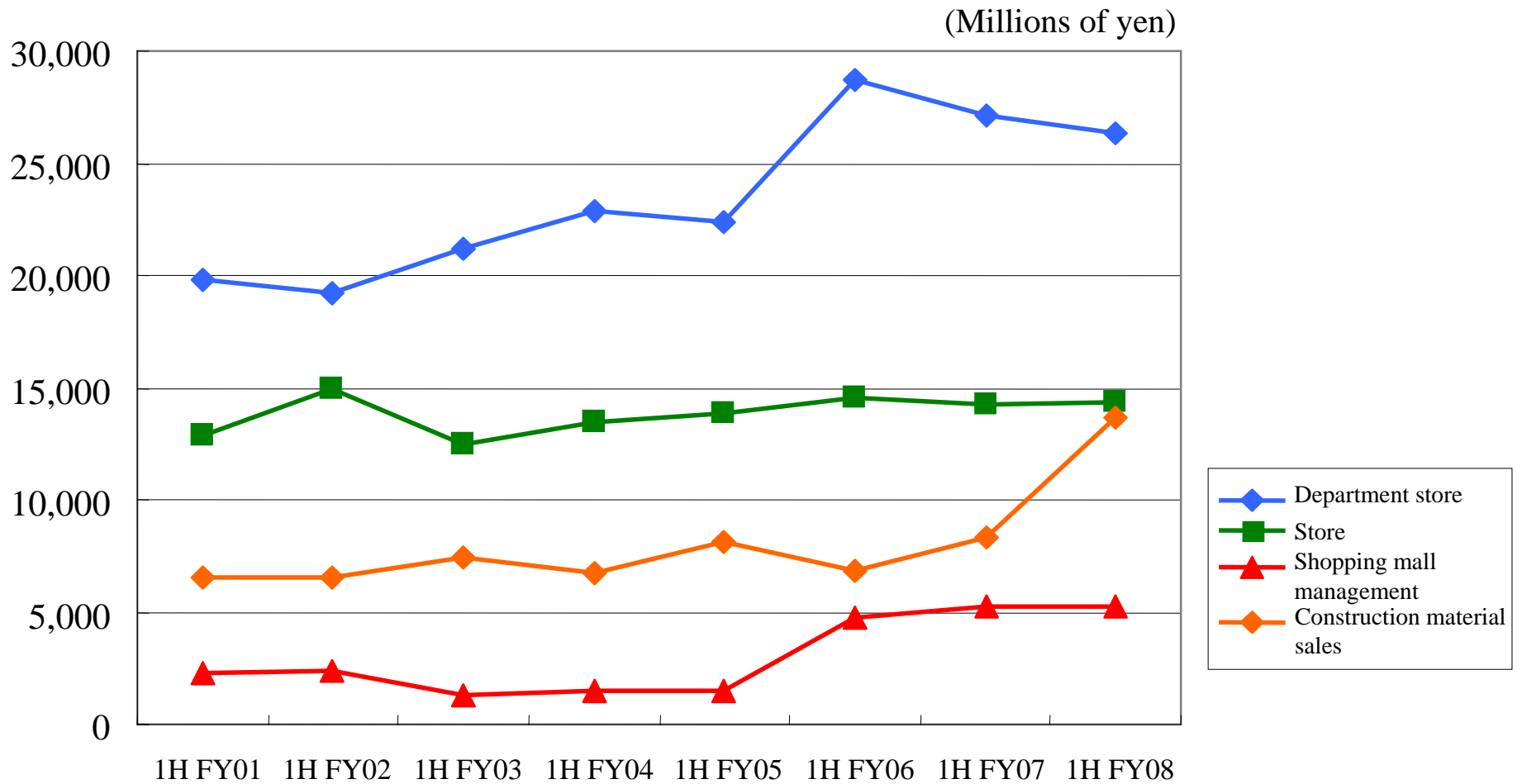
<Business results>

(Millions of yen)

	1H FY2008	1H FY2007	Change	Change (%)
Operating revenue	57,858	53,630	4,227	7.9
Department store	26,311	27,129	(817)	(3.0)
Store	14,373	14,275	97	0.7
Shopping mall management	5,200	5,207	(6)	(0.1)
Construction material sales	13,667	8,359	5,307	63.5
Elimination	(1,693)	(1,341)	(352)	-
Operating income	364	680	(316)	(46.5)

Results of Retail (2)

<Trend of operating revenue>



Results of Leisure and Service (1)



<Business results>

(Millions of yen)

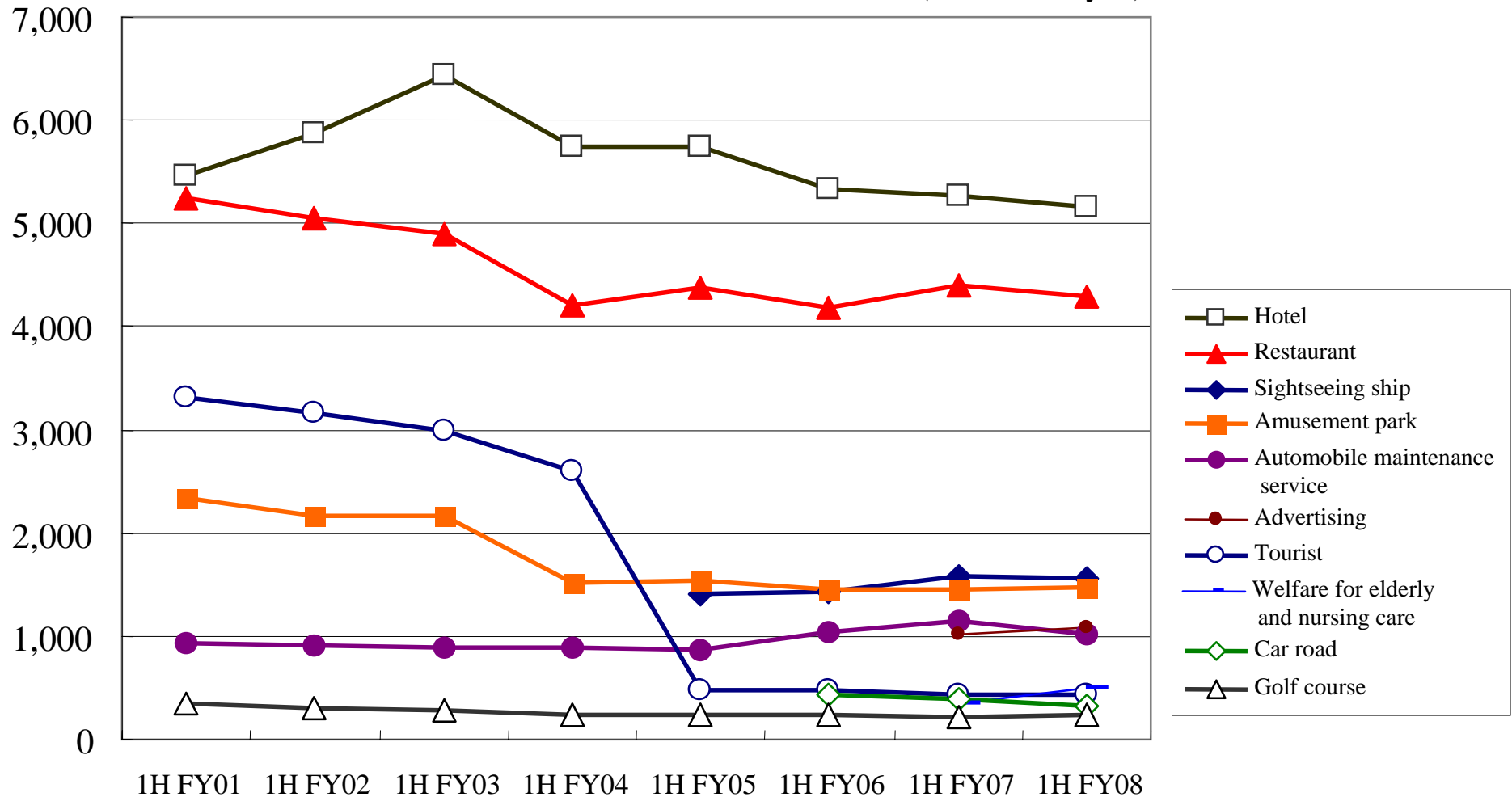
	1H FY2008	1H FY2007	Change	Change (%)
Operating revenue	15,716	15,948	(231)	(1.5)
Hotel	5,160	5,277	(117)	(2.2)
Restaurant	4,297	4,402	(104)	(2.4)
Sightseeing ship	1,551	1,575	(23)	(1.5)
Amusement park	1,471	1,452	18	1.3
Advertising	1,075	1,021	53	5.2
Automobile maintenance service	1,024	1,147	(123)	(10.7)
Tourist	441	437	4	1.0
Welfare for elderly and nursing care	491	353	137	38.9
Car road	333	397	(63)	(16.0)
Golf course	231	222	8	3.9
Elimination	(361)	(341)	(20)	-
Operating income	725	710	14	2.0

Results of Leisure and Service (2)



<Trend of operating revenue>

(Millions of yen)



Results of Others (1)



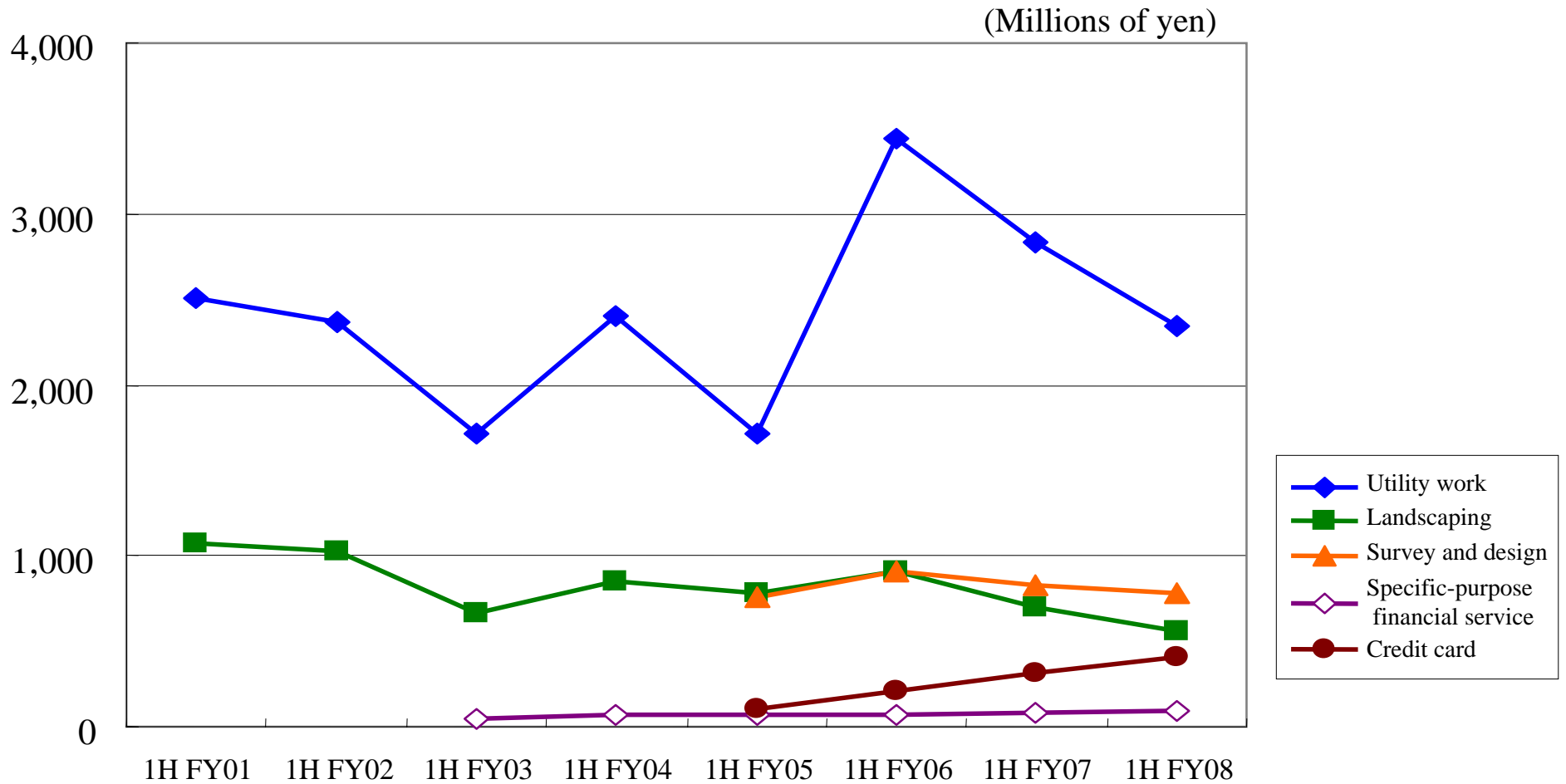
<Business results>

(Millions of yen)

	1H FY2008	1H FY2007	Change	Change (%)
Operating revenue	3,827	4,196	(369)	(8.8)
Utility work	2,346	2,837	(491)	(17.3)
Landscaping	554	694	(140)	(20.2)
Survey and design	778	829	(51)	(6.2)
Specific-purpose financial service	96	76	20	26.8
Credit card	403	319	83	26.1
Elimination	(351)	(560)	209	-
Operating income	(482)	(393)	(88)	-

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	257,000	267,273	(10,273)	(3.8)
Operating income	15,500	21,227	(5,727)	(27.0)
Ordinary income	11,500	17,375	(5,875)	(33.8)
Net income	7,800	7,841	(41)	(0.5)
EBITDA	32,800	36,925	(4,125)	(11.2)
Capital expenditures	21,793	15,806	5,986	37.9
Interest-bearing debt	275,800	267,046	8,753	3.3
Interest-bearing debt / EBITDA*	8.4	7.2	1.2	

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

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

FY2008

Forecast of Consolidated Business Results (2)



<By segment>

(Millions of yen)

	FY2008 Forecast	FY2007 Results	Change	Change (%)
Operating revenue	257,000	267,273	(10,273)	(3.8)
Transportation	87,300	87,817	(517)	(0.6)
Real estate	31,300	41,522	(10,222)	(24.6)
Retail	110,600	111,783	(1,183)	(1.1)
Leisure and service	32,500	30,055	2,444	8.1
Others	10,200	11,494	(1,294)	(11.3)
Elimination	(14,900)	(15,400)	500	-
Operating income	15,500	21,227	(5,727)	(27.0)
Transportation	8,000	10,336	(2,336)	(22.6)
Real estate	6,700	9,217	(2,517)	(27.3)
Retail	700	1,366	(666)	(48.8)
Leisure and service	400	280	119	42.5
Others	(200)	18	(218)	-
Elimination	(100)	7	(107)	-
Ordinary income	11,500	17,375	(5,875)	(33.8)
Net income	7,800	7,841	(41)	(0.5)

FY2008

Forecast of Non-consolidated Business Results (1)



(Millions of yen)

	FY2008 Forecast	FY2007 Results	Change	Change (%)
Operating revenue	74,100	82,648	(8,548)	(10.3)
Railway operation	54,520	54,605	(85)	(0.2)
Subsidiary business	19,580	28,042	(8,462)	(30.2)
Real estate sales	5,720	14,119	(8,399)	(59.5)
Real estate leasing service	11,460	11,575	(115)	(1.0)
Leisure	2,400	2,346	53	2.3
Operating income	12,880	17,263	(4,383)	(25.4)
Railway operation	7,920	9,837	(1,917)	(19.5)
Subsidiary business	4,960	7,425	(2,465)	(33.2)
Real estate sales	300	2,614	(2,314)	(88.5)
Real estate leasing service	5,090	5,212	(122)	(2.3)
Leisure	(430)	(400)	(29)	-
Ordinary income	9,860	13,576	(3,716)	(27.4)
Net income	5,340	4,476	864	19.3

FY2008

Forecast of Non-consolidated Business Results (2)



<Operating results for transportation (Keihan Electric Railway)>

		FY2008 Forecast	FY2007 Results	Change	Change (%)
Number of passengers (Thousands of people)		290,229	291,712	(1,483)	(0.5)
Commuter passes (ditto)		146,023	150,480	(4,457)	(3.0)
Non-commuter passes (ditto)		144,206	141,231	2,974	2.1
Transportation revenue	Passenger transportation revenue (Millions of yen)	51,221	51,361	(140)	(0.3)
	Passenger fare (ditto)	51,220	51,360	(140)	(0.3)
	Commuter passes (ditto)	16,982	17,754	(772)	(4.4)
	Non-commuter passes (ditto)	34,238	33,605	632	1.9
	Carriage on parcels (ditto)	1	1	0	17.1
	Miscellaneous transportation revenue (ditto)	3,299	3,244	54	1.7
	Total (ditto)	54,520	54,605	(85)	(0.2)