

Presentation Handout

The First Half of FY2008 ended September 30, 2007

-Our Challenge to Keihan as First Choice-



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.

Consolidated Financial Results for 1H FY2008



(Billions of yen)

	1H FY2008 Actual	1H FY2007 Actual	Change (%)	Initial forecast in May	Change (%)
Operating revenue	127.9	127.7	0.1	123.0	4.0
Operating income	9.3	9.6	(2.9)	8.1	15.5
Ordinary income	7.4	7.9	(5.1)	5.8	29.3
Net income	4.1	3.9	6.3	3.3	26.7

Consolidated Financial Forecasts for FY2008



(Billions of yen)

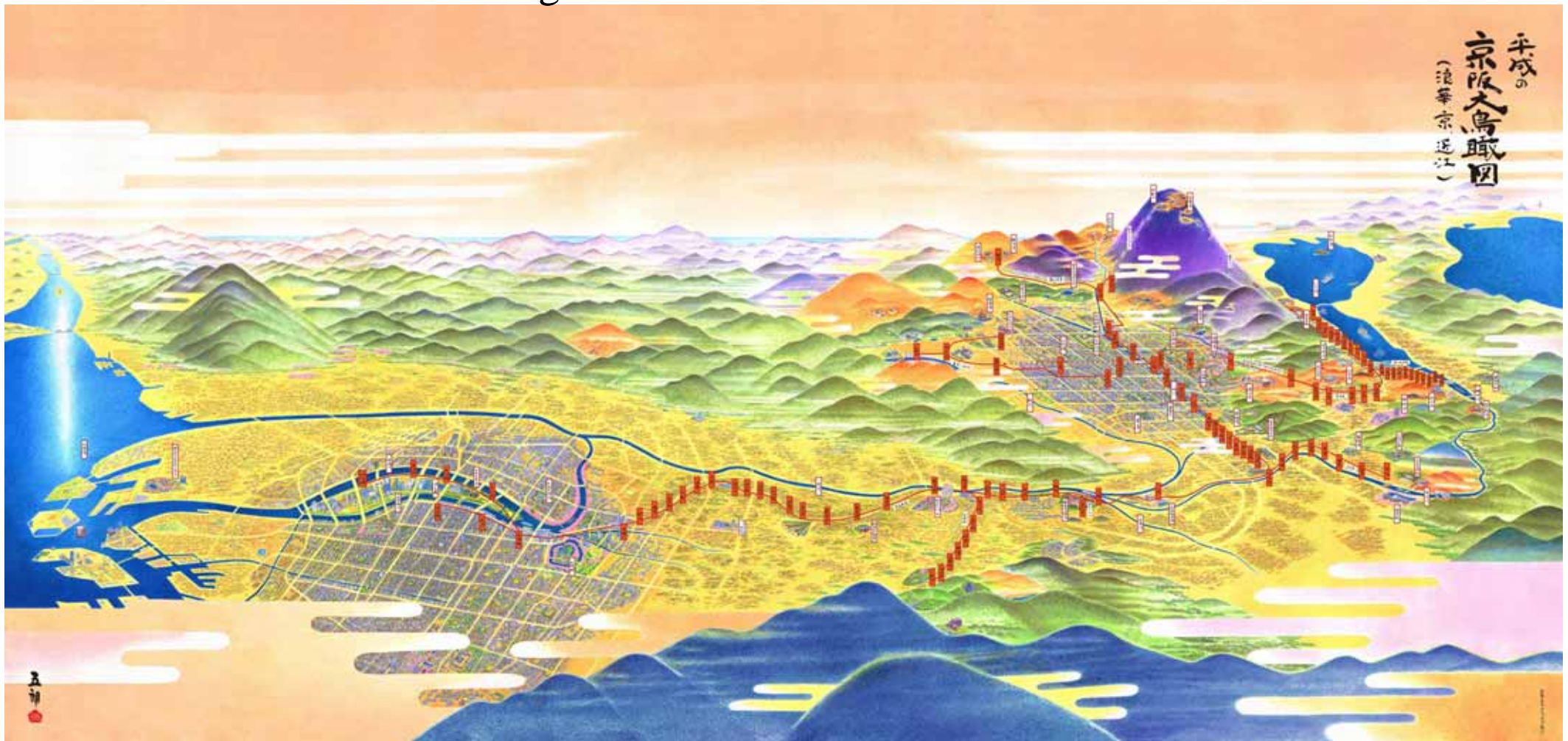
	FY2008 Forecast	FY2007 Actual	Change (%)	Initial forecast in May	Change (%)
Operating revenue	257.0	267.2	(3.8)	254.0	1.2
Operating income	15.5	21.2	(27.0)	15.5	0.0
Ordinary income	11.5	17.3	(33.8)	10.8	6.5
Net income	7.8	7.8	(0.5)	7.6	2.6

Birds-Eye View Management

Birds-eye view of Keihan in the Heisei era (Osaka, Kyoto, and Shiga)

Management Strategy by “Ant’s Eye” and “Bird’s Eye” views

→ -Our Challenge to Keihan as First Choice-



Nakanoshima Strategy (1)



Aiming to open the line in Autumn 2008, the construction is steadily progressing.

Progress of construction of Nakanoshima Line

◆Shield construction was completed with the entire line fully passed through

Shield construction was completed with the entire line fully passed through at the end of October, 2007

(Construction completion: approx. 68% as of November 19, 2007)

◆Station design concept

Construction of gate station for Aquapolis Osaka – Gateway to the Waterfront -

Make a design suitable to Nakanoshima features (Rich natural environment, and cultural and historical stocks) and the direction of development of western Nakanoshima area (Internationality, human exchange, information, and culture zone).

“ Wood (Natural lumber) ” and “ Water ” are used as the design motif.

The walk-through passage is provided in the station, which allows people to access the RIHGA ROYAL HOTEL OSAKA, Osaka International Convention Center, and Nakanoshima underground mall.

Nakanoshima Strategy (2)

Business Development in Nakanoshima Area

◆ Redevelopment of Nakanoshima 4-chome district

Development of condominiums (34 floors above ground, total number of units: 343) and development of complex facilities are being planned.

◆ Creation of Water-Enjoying Space

Together with the Acquapolis-regenerating project “Hachiken’yahama Development,” we will improve Temmabashi station, serving as the terminal station of the Nakanoshima line, to develop an amphibious traffic terminal.

In addition, we will expand the in-station commercial facilities and promote the area to increase traffic.

In-station commercial facilities : Expansion of restaurants, outlet stores, and take-out businesses
(PANANTE)
To be opened in mid-March, 2008
The sales target for the first year: Approx. 1.8 billion yen
(Actual result for FY 2006: Approx. 1.2 billion yen)



Kyoto Strategy: “Kyoto is Keihan, Keihan is Kyoto.” (1)



Promotion of sightseeing in Kyoto

We will create a name linking the nationally famous sightseeing spots, to be established as a major sightseeing route in Kyoto.

◆ Higashiyama area in Kyoto

To be changed in Autumn 2008, along with the opening of the Nakanoshima line

Current station name	New station name	(Closest tourist spots)
Marutamachi	Jingu-Marutamachi	(Heian-Jingu Shrine)
Shijo	Gion-Shijo	(Gion)
Gojo	Kiyomizu-Gojo	(Kiyomizu-dera Temple)

Keifuku Electric Railroad, Arashiyama line

Carried out in March, 2007. The name “Randen” is finally adopted.

Former station name	New station name	
Uzumasa	Uzumasa-Koryuji	
Omuro	Omuro-Ninnaji	
Ryoanjimichi	Ryoanji	7 other stations



Kyoto Strategy: “Kyoto is Keihan, Keihan is Kyoto.” (2)



Strengthening the railway network

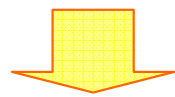
◆ Development of the railways for Lake Biwa, Higashiyama, and Arashiyama.

January 2008: Along with the extension of Kyoto municipal Tozai subway line, Keishin line will be directly linked to Uzumasa-Tenjingawa station.

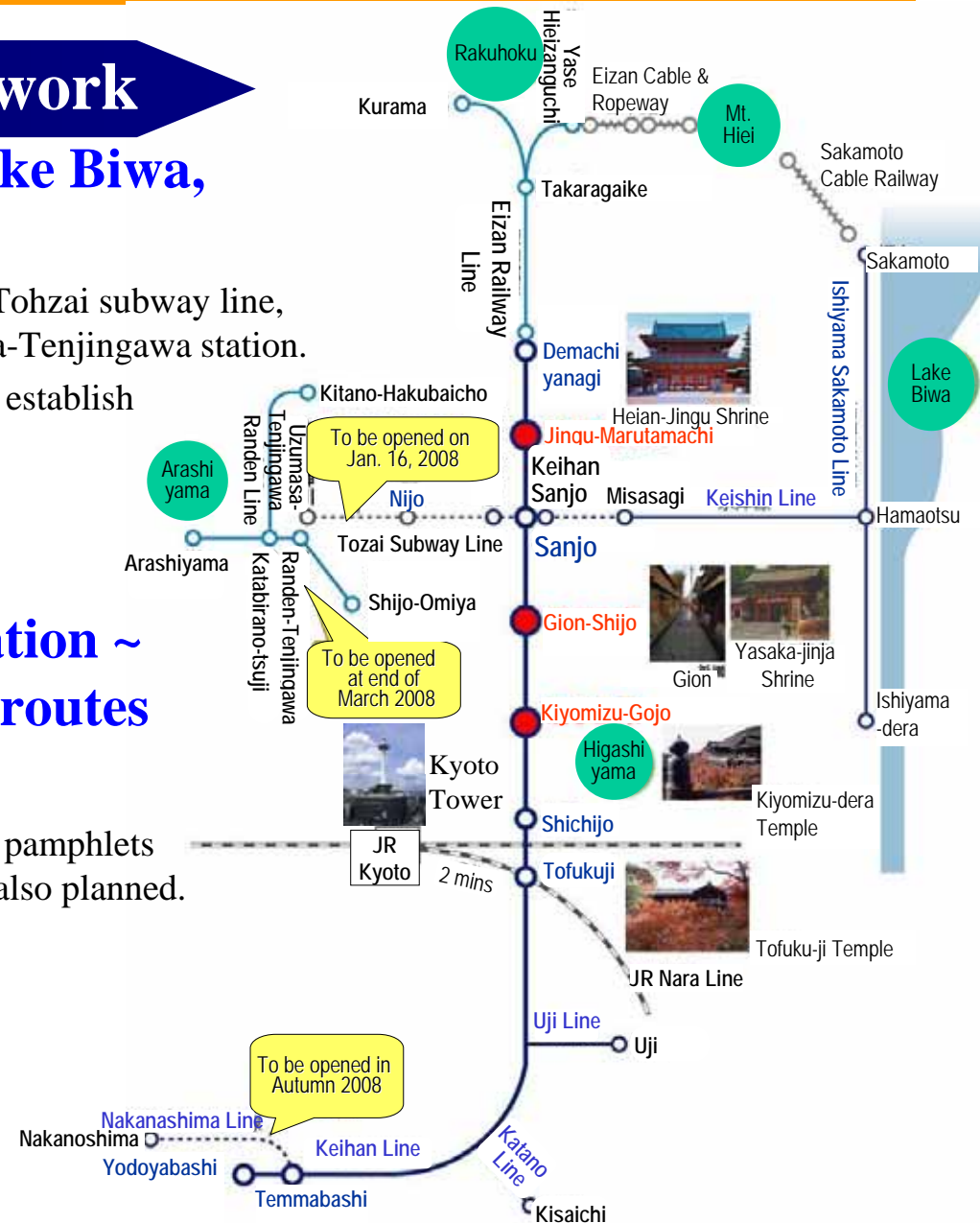
March 2008: Keifuku Electric Railroad Co., Ltd. will newly establish “Randen-Tenjingawa” station next to Uzumasa-Tenjingawa station.

◆ JR Kyoto Station ~ via Tofukuji station ~ Establishment of Gion and Kiyomizu routes by Keihan line

In cooperation with JR West, we will promote descriptions in pamphlets and joint creation of timetables. Special memorial tickets are also planned.



Annual increase of 300 to 500 thousand people is expected.



Kyoto Strategy: “Kyoto is Keihan, Keihan is Kyoto.” (3)



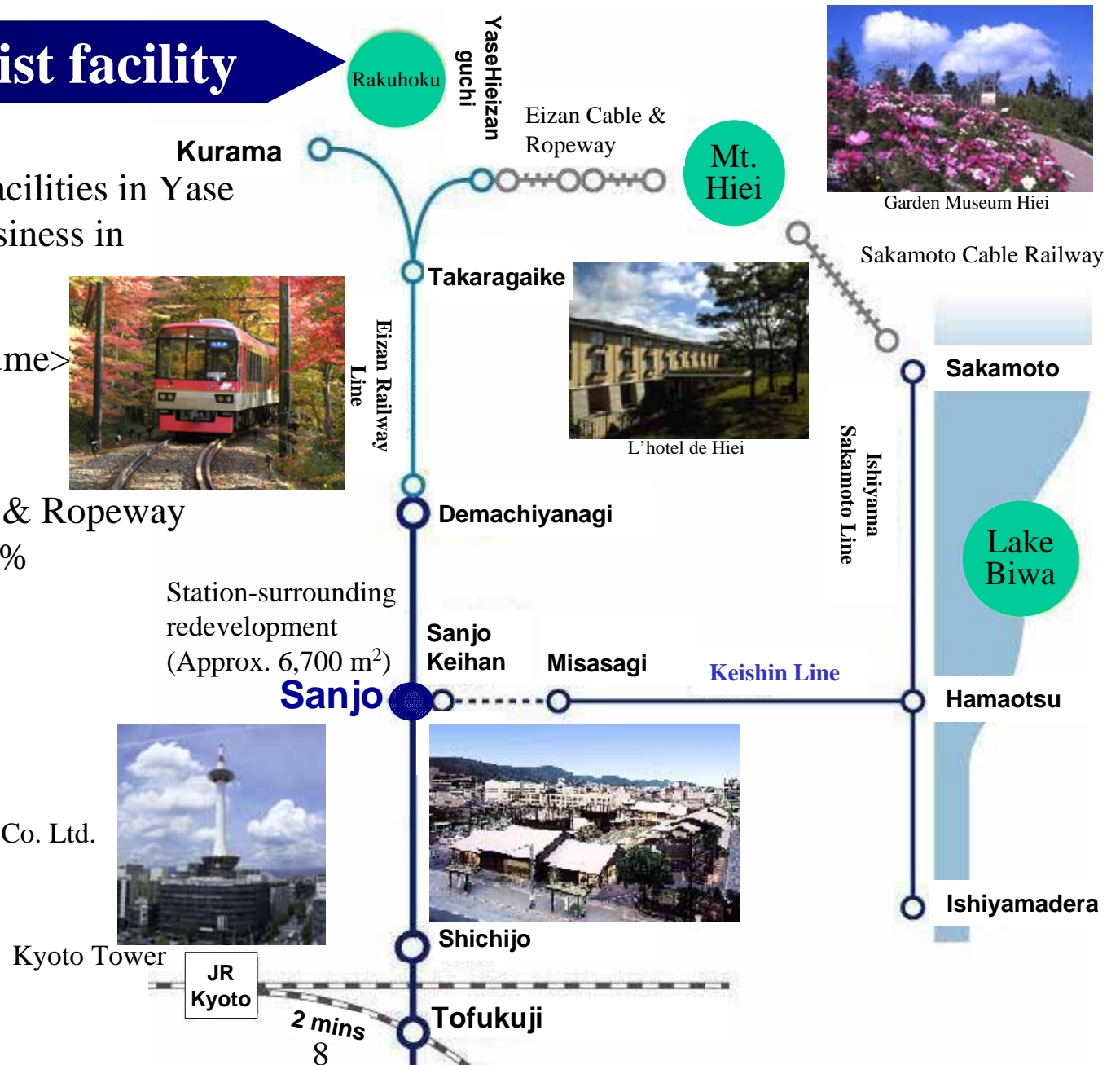
Developing tourist facility

Opening of accommodation facilities in Yase accelerates the sightseeing business in Rakuhoku and Hieizan areas.

<Year-on-year passenger volume>
Eizan Electric Railway: entire line
+ 7.0%

Keifuku Electric Railroad: Cable & Ropeway
+42.7%

Reorganized Kyoto Tower Co. Ltd.
as a subsidiary



Create a More Attractive Keihan Line (1)



Develop an amphibious traffic terminal /
Expand the in-station business



“Frest Owada” store



Kyoto



Sanjo

Station-surrounding redevelopment/
Expand the in-station business

Temmabashi

Owada



Hirakata Park



Uji

Nakanoshima



Yodoyabashi

Expand the in-station business

Kyobashi



“Keihan Kyobashi Katamachi-guchi Building” (tentative name)



“Uji Day Service Center”

Create a More Attractive Keihan Line (2)

Revitalization of Kyobashi station

◆ Construction of “Keihan Kyobashi Katamachi-guchi Building” (tentative name)

Promote Kyobashi station as a terminal of the Nakanoshima line, to increase traffic.

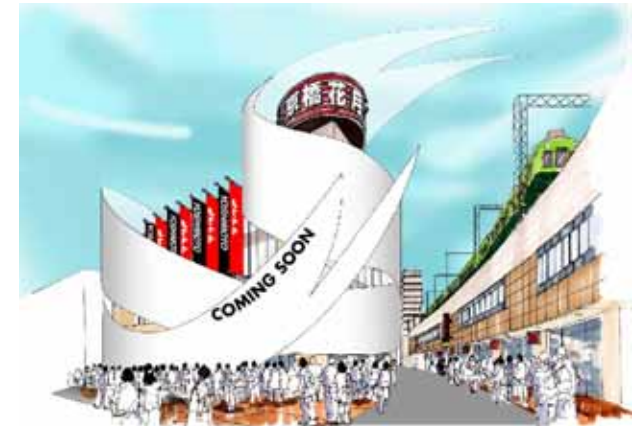
Construction scale: 5 floors above ground

Total floor area: Approx. 6,600 m²

Opening date: Autumn 2008 (planned)

Operational Management: Keihan Ryutsu Systems Co., Ltd.

Core tenant: “Kyobashi Kagetsu” theater (Yoshimoto Kogyo Co., Ltd.)



It now takes about 30 minutes from Kyobashi to Nakanoshima (Osaka International Convention Center).

→ **This will be improved to about 10 minutes after opening the Nakanoshima line.**

Development of Care Services

◆ Newly opened day care center

November 2007: Opened “Uji Day Service Center” as our third facility

Create a More Attractive Keihan Line (3)

Reinforcement of Commercial Facilities

◆“Frest Owada” store opened (September 26, 2007)

Higher-quality fresh food and prepared meals are provided.
(The yearly average sales target : Approx. 0.65 billion yen)



◆Promotion of in-station business

1. Sanjo: Opened on November 23, 2007. An3 (An-three; convenience store), Bakery
2. Temmabashi: To be re-opened in March 2008.

Expansion of shops and take-out businesses into conventional restaurants

3. Yodoyabashi: The railway ticket vending machine was moved and An3 was opened next to the central ticket wicket in November 2007.

We have plans to continue the rearrangement of existing in-station shops and expand the retail shops.

CS Improving Measures

◆Customer center opened (November 26, 2007)

This opening is the first in Kansai for the railway business field.

We will improve responses to customer enquires and requests, and reflect their voices on our management.

Expand the Keihan Brand (1)

Expansion of Keihan Area

◆ Opening of Suminodo Store (tentative name) as a Keihan Department Store (in Autumn, 2010)

This store will be opened in the shopping center located in front of Suminodo station along the JR Gakken-Toshi Line as the first store outside the Keihan line.

The shopping center business ideas developed in Kuzuha mall will be applied to this store.

Concept: “Department Store abundant in family love”

New families are targeted.

Operating area : 10,000m²

Sales target : Approx. 7.0 billion yen (for the opening year)

Total investment : Approx. 2.4 billion yen

Opening date : Autumn 2010 (planned)



◆ Opening of “Frest Komagawa” store (to be opened on December 6, 2007)

Fifth Frest store will be opened in front of Komagawa-Nakano station (Higashi-Sumiyoshi-ku, Osaka city) along the Tanimachi subway line.

We have plans to open other stores, including some outside the line.

(The yearly average sales target: Approx. 0.7 billion yen)

Expand the Keihan Brand (2)

Expanding Our Business Throughout Japan



◆ Promoting operation of superior business hotels

First hotel outside the Kinki area, “Hotel Keihan Sapporo” (tentative name) is to be opened in front of the Sapporo station in Spring 2009.

Such hotels are to be opened in metropolitan areas and government-designated cities.

◆ Condominium Business

We will expand this business, including our first original condominium in a metropolitan area, “Fine Residence Narimasu.”

<Condominiums to be sold from FY 2008 to FY 2010 (Metropolitan area)>

Fine Residence Narimasu: 70 units

Planning of Higashi-Monzen in Kawasaki city: 777 units (joint project)

Planning of Kojima in Taito-ku: One building will go on sale

Also, an original condominium project is planned for Yokohama city.



Development by Business Tie-Ups

Promotion of Mutual Passenger Transportation

◆ Collaboration with Nishitetsu Group

-From Kyushu to Kyoto, From Kyoto to Kyushu

Joint Project of NISHITETSU TRAVEL CO., LTD. and Keihan Travel Service Co., Ltd.
We will work to plan and sell new travel products and stimulate travel demand in Kyoto and Kyushu, to promote passenger transportation.



We will aggressively work to promote business that is expected to generate synergistic effects through the cooperation of both groups.