

First Half of FY2010 ended September 30, 2009

Financial Results Presentation



November 13, 2009

Keihan Electric Railway Co., Ltd.

(Tokyo Stock Exchange 1st/Osaka Securities Exchange 1st Securities Code: 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.



Overview of the First Half of FY2010

Financial Results



Consolidated Statements of Income



(Millions of yen)

	2008/9	2009/9	Change	Main factors of changes
Operating revenue	128,461	123,887	(4,573) (3.6)%	Transportation -1,386, Retail -5,295, Leisure and service -805 Real estate +2,451
Operating income	9,728	8,667	(1,060) (10.9)%	Transportation -842, Retail -358, Leisure and service -592 Real estate +713
Ordinary income	7,778	6,577	(1,200) (15.4)%	Non-operating income -53 Non-operating expenses +86
Net income	4,879	4,685	(194) (4.0)%	Loss on sales of stocks of related companies +326 Income taxes -1,563 (Decrease in income taxes due to sales of subsidiaries, etc.)
EBITDA	18,112	17,047	(1,065) (5.9)%	

* EBITDA : Operating income + depreciation

[Changes in scope of consolidation and application of the equity method]

Consolidated subsidiaries: 43 companies (-2 companies : Keihan Fukui International Country Co., Ltd.,
Soil Engineering Co., Ltd.)

Equity method affiliates: 2 companies (No changes)

【Changes in accounting method】

Application of “Accounting Standards for Construction Work Contract”
(There was no effect on income and losses.)

Consolidated Balance Sheets



(Millions of yen)

	2008/9	2009/9	Change	Main factors of changes
Current assets	138,034	136,073	(1,960)	Notes and accounts receivable -3,730 Land and buildings for sale +2,520
Fixed assets	434,064	448,896	14,831	Investment securities +2,273
Total assets	572,098	584,969	12,870	
Current liabilities	178,020	164,366	(13,654)	Short-term bonds -4,000 Accounts payable -6,666
Long-term liabilities	262,749	284,481	21,732	Bonds +19,471 Long-term loans +2,634
Total liabilities	440,769	448,848	8,078	
Net assets	131,329	136,121	4,792	Retained earnings +3,277 Valuation difference on available-for-sale securities +1,610
Liabilities and net assets	572,098	584,969	12,870	
Interest-bearing debt at end of interim period	292,808	309,339	16,531	Bonds (including current portion) +18,689 Short-term bonds -4,000

*Interest-bearing debt: Loans + bonds + accounts payable for Japan Railway Construction, Transport and Technology Agency (JRJT)

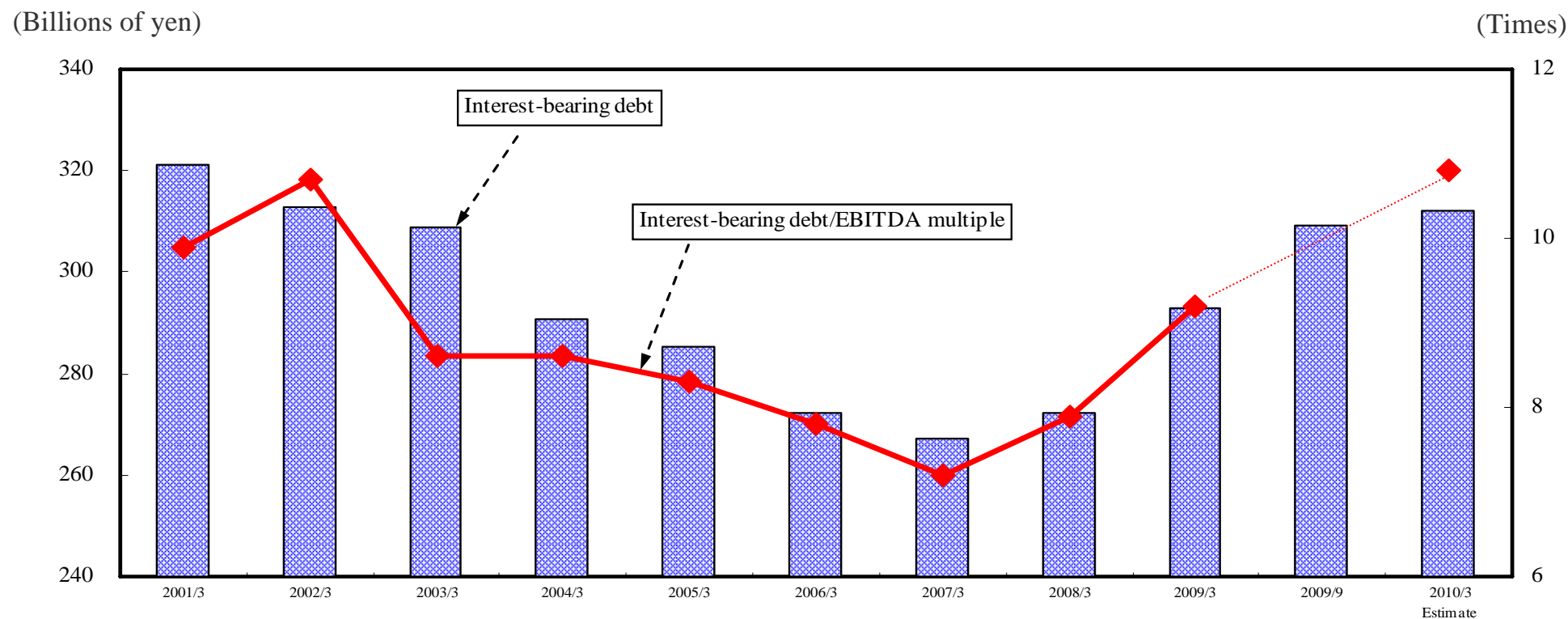
Consolidated Statements of Cash Flows



(Millions of yen)

	2008/9	2009/9	Change	Main factors of changes
Operating cash flows	13,296	6,610	(6,686)	Net income before income taxes -1,634 Changes in notes and accounts receivable -7,821 Changes in inventories +3,500
Investing cash flows	(19,965)	(22,081)	(2,116)	Purchase of fixed assets -2,711
Financing cash flows	4,053	15,030	10,976	Proceeds from issuance of bonds +19,392 Changes in short-term bonds -4,000 Proceeds from long-term loans -6,450
Net increase (decrease) in cash and cash equivalents	(2,615)	(441)	2,174	
Cash and cash equivalents at end of fiscal period	16,819	28,577	11,758	

Trend of Consolidated Interest-bearing Debt / EBITDA Multiple



	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2008/3	2009/3	2009/9	2010/3 Estimate
Interest-bearing debt (Billions of yen)	321.3	312.8	308.7	290.7	285.3	272.4	267.0	272.2	292.8	309.3	312.0
EBITDA (Billions of yen)	32.4	29.2	35.8	33.7	34.3	34.8	36.9	34.5	31.8	17.0	29.0
Interest-bearing debt/EBITDA multiple (Times)	9.9	10.7	8.6	8.6	8.3	7.8	7.2	7.9	9.2	-	10.8

Non-consolidated Statements of Income



(Millions of yen)

	2008/9	2009/9	Change	Change (%)
Operating revenue	39,276	36,964	(2,312)	(5.9)
Railway operation	27,424	27,090	(334)	(1.2)
Subsidiary business	11,851	9,873	(1,978)	(16.7)
Real estate sales	4,546	2,123	(2,422)	(53.3)
Real estate leasing service	5,849	6,332	483	8.3
Leisure	1,456	1,417	(39)	(2.7)
Operating income	7,876	6,955	(920)	(11.7)
Railway operation	4,793	3,786	(1,006)	(21.0)
Subsidiary business	3,082	3,169	86	2.8
Real estate sales	393	22	(371)	(94.3)
Real estate leasing service	2,684	3,119	434	16.2
Leisure	4	27	23	492.6
Ordinary income	6,828	5,341	(1,487)	(21.8)
Net income	4,277	4,320	42	1.0

Segment Information

(Millions of yen)

	2008/9	2009/9	Change	Change (%)
Operating revenue	128,461	123,887	(4,573)	(3.6)
Transportation	43,553	42,167	(1,386)	(3.2)
Real estate	17,686	20,138	2,451	13.9
Retail	51,420	46,125	(5,295)	(10.3)
Leisure and service	19,703	18,897	(805)	(4.1)
Others	3,880	4,248	368	9.5
Elimination	(7,782)	(7,689)	93	-
Operating income	9,728	8,667	(1,060)	(10.9)
Transportation	5,028	4,185	(842)	(16.8)
Real estate	3,959	4,673	713	18.0
Retail	416	58	(358)	(86.1)
Leisure and service	728	135	(592)	(81.4)
Others	(375)	(374)	1	-
Elimination	(28)	(11)	17	-

Results of Transportation

	2008/9	2009/9	Change	Change (%)
				(Millions of yen)
Operating revenue	43,553	42,167	(1,386)	(3.2)
Railway operation	28,776	28,385	(391)	(1.4)
Station service management	2,694	2,545	(148)	(5.5)
Bus	12,578	11,993	(585)	(4.7)
Taxi	2,566	2,133	(433)	(16.9)
Elimination	(3,063)	(2,891)	171	-
Operating income	5,028	4,185	(842)	(16.8)

<Operating results for transportation (Keihan Electric Railway)>

	Number of passengers (Thousands of people)				Passenger transportation revenue (Millions of yen)			
	2008/9	2009/9	Change	Change (%)	2008/9	2009/9	Change	Change (%)
Commuter passes	75,715	73,053	(2,661)	(3.5)	8,872	8,525	(346)	(3.9)
Non-commuter passes	71,382	71,182	(200)	(0.3)	16,858	16,897	38	0.2
Carriage on parcels	-	-	-	-	0	0	(0)	(2.4)
Total	147,098	144,236	(2,861)	(1.9)	25,731	25,423	(307)	(1.2)

Results of Real Estate

(Millions of yen)

	2008/9	2009/9	Change	Change (%)
Operating revenue	17,686	20,138	2,451	13.9
Real estate sales	10,403	12,349	1,945	18.7
Real estate leasing service	7,774	8,434	660	8.5
Elimination	(491)	(646)	(154)	-
Operating income	3,959	4,673	713	18.0

<<Operating income by business>>

	2008/9	2009/9	Change	Change (%)
Real estate sales	1,030	1,216	186	18.1
Real estate leasing service	2,926	3,457	531	18.1

<<Main condominium buildings for sale>>

- N4. TOWER
(Nakanoshima 4-chome, Kita ward, Osaka city)
- Fine Residence Yokohama Katakura Park Premier
(Kanagawa ward, Yokohama city)
- Keihan East Rose Town Fine Garden Square
(Kyotanabe city and Yawata city, Kyoto)

<<New leasing properties>>

- September 2008 Keihan Dojima Building
(Kita ward, Osaka city)
- March 2009 Keihan Otemachi Building
(Chiyoda ward, Tokyo)
- September 2009 INTAGE Akihabara Building
(Chiyoda ward, Tokyo)

Results of Retail

(Millions of yen)

	2008/9	2009/9	Change	Change (%)
Operating revenue	51,420	46,125	(5,295)	(10.3)
Department store	25,785	23,902	(1,883)	(7.3)
Store	14,944	14,619	(325)	(2.2)
Shopping mall management	5,219	5,257	37	0.7
Construction material sales	6,869	3,654	(3,215)	(46.8)
Elimination	(1,398)	(1,307)	91	-
Operating income	416	58	(358)	(86.1)

<<New properties>>

November 2008 Kiki Kyobashi (Miyakojima-ward, Osaka city)

July 2009 UNIQLO Keihan Hirakata Store (Hirakata city, Osaka)

August 2009 UNIQLO Namba Walk Store (Chuo ward, Osaka city)

Results of Leisure and Service

(Millions of yen)

	2008/9	2009/9	Change	Change (%)
Operating revenue	19,703	18,897	(805)	(4.1)
Hotel	8,880	8,839	(41)	(0.5)
Restaurant	4,110	4,008	(101)	(2.5)
Welfare for elderly and nursing care	575	621	46	8.1
Others	6,595	5,787	(808)	(12.3)
Elimination	(458)	(359)	98	-
Operating income	728	135	(592)	(81.4)

<<Room availability>>

	2008/9	2009/9	Change
Hotel Keihan Kyobashi	86.8%	80.4%	(6.4)
Hotel Keihan Temmabashi	79.6%	71.6%	(8.0)
Hotel Keihan Kyoto	94.7%	82.7%	(12.0)
Hotel Keihan Universal City	68.6%	63.8%	(4.8)
Hotel Keihan Universal Tower	40.1%	51.5%	11.4
Biwako Hotel	80.7%	71.8%	(8.9)
Kyoto Tower Hotel	87.2%	83.6%	(3.6)

<<New properties>>

May 21, 2008 Hotel Keihan Universal Tower
 June 6, 2009 Hotel Keihan Sapporo
 November 21, 2009 Hotel Keihan Asakusa
 (planned)
 November 1, 2009 Rose Life Takanohara

Results of Others

(Millions of yen)

	2008/9	2009/9	Change	Change (%)
Operating revenue	3,880	4,248	368	9.5
Utility work	2,358	3,120	762	32.3
Landscaping	642	837	195	30.5
Survey and design	843	703	(139)	(16.6)
Specific-purpose financial service	124	104	(20)	(16.7)
Credit card	472	513	41	8.7
Elimination	(561)	(1,031)	(470)	-
Operating income	(375)	(374)	1	-

Business Results Forecast of FY2010

Forecast of Consolidated Business Results (1)



(Millions of yen)

	FY2009 Results	FY2010 Forecast	Change	Change (%)	Estimate as of August [] represents the estimate as of May.
Operating revenue	260,766	253,100	(7,666)	(2.9)	254,100 [260,000]
Operating income	14,687	11,800	(2,887)	(19.7)	13,000 [14,500]
Ordinary income	10,967	7,100	(3,867)	(35.3)	7,700 [8,900]
Net income	7,401	4,500	(2,901)	(39.2)	5,100 [5,300]
EBITDA	31,870	29,000	(2,870)	(9.0)	- [32,100]
Capital expenditures	39,419	37,800	(1,619)	(4.1)	- [43,000]
Interest-bearing debt	292,808	312,000	19,191	6.6	- [314,000]
Interest-bearing debt / EBITDA multiple (Times)	9.2	10.8	1.6	-	- [9.8]

Forecast of Consolidated Business Results (2)



(Millions of yen)

	FY2009 Results	FY2010 Forecast	Change	Change (%)	Estimate as of August <i>[] represents the estimate as of May.</i>	
Operating revenue	260,766	253,100	(7,666)	(2.9)	254,100	[260,000]
Transportation	86,665	84,100	(2,565)	(3.0)	84,700	[86,200]
Real estate	33,416	41,000	7,583	22.7	36,800	[37,000]
Retail	103,921	96,000	(7,921)	(7.6)	100,700	[102,500]
Leisure and service	37,673	37,200	(473)	(1.3)	38,100	[40,500]
Others	15,017	10,700	(4,317)	(28.8)	9,900	[10,100]
Elimination	(15,927)	(15,900)	27	-	(16,100)	[(16,300)]
Operating income	14,687	11,800	(2,887)	(19.7)	13,000	[14,500]
Transportation	6,751	5,300	(1,451)	(21.5)	5,600	[6,000]
Real estate	7,346	7,000	(346)	(4.7)	7,000	[7,000]
Retail	947	500	(447)	(47.2)	800	[800]
Leisure and service	(58)	(600)	(541)	-	(100)	[800]
Others	(178)	(400)	(221)	-	(300)	[(100)]
Elimination	(120)	0	120	-	0	[0]

Forecast of Consolidated Business Results (3)

< Operating results for transportation (Keihan Electric Railway) >

	Number of passengers (Thousands of people)				Passenger transportation revenue (Millions of yen)			
	FY2009 Results	FY2010 Forecast	Change	Change (%)	FY2009 Results	FY2010 Forecast	Change	Change (%)
Commuter passes	145,709	140,088	(5,621)	(3.9)	17,233	16,527	(706)	(4.1)
Non-commuter passes	144,183	144,471	287	0.2	34,161	34,223	61	0.2
Carriage on parcels	-	-	-	-	1	1	(0)	(3.0)
Total	289,893	284,559	(5,334)	(1.8)	51,395	50,751	(644)	(1.3)

< Operating results for real estate >

	Operating revenue (Millions of yen)				Operating income (Millions of yen)			
	FY2009 Results	FY2010 Forecast	Change	Change (%)	FY2009 Results	FY2010 Forecast	Change	Change (%)
Real estate sales	18,731	25,554	6,823	36.4	1,498	472	(1,026)	(68.5)
Real estate leasing service	15,747	16,611	863	5.5	5,843	6,490	647	11.1

Forecast of Non-Consolidated Business Results



(Millions of yen)

	FY2009 Results	FY2010 Forecast	Change	Change (%)	Estimate as of August [] represents the estimate as of May.	
Operating revenue	76,926	74,200	(2,726)	(3.5)	75,300	[76,000]
Railway operation	54,886	54,130	(756)	(1.4)	-	[54,980]
Subsidiary business	22,040	20,070	(1,970)	(8.9)	-	[21,020]
Real estate sales	7,826	4,570	(3,256)	(41.6)	-	[5,310]
Real estate leasing service	11,925	13,130	1,204	10.1	-	[13,280]
Leisure	2,288	2,370	81	3.6	-	[2,430]
Operating income	12,241	10,760	(1,481)	(12.1)	11,140	[11,240]
Railway operation	6,390	5,310	(1,080)	(16.9)	-	[5,760]
Subsidiary business	5,851	5,450	(401)	(6.9)	-	[5,480]
Real estate sales	738	(270)	(1,008)	-	-	[(250)]
Real estate leasing service	5,544	6,160	615	11.1	-	[6,080]
Leisure	(432)	(440)	(7)	-	-	[(350)]
Ordinary income	9,562	6,980	(2,582)	(27.0)	6,980	[6,800]
Net income	5,089	6,030	940	18.5	5,390	[4,090]

TOPICS

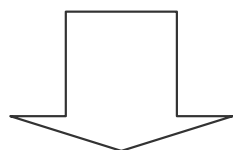
Overview of Nakanoshima Line

Business Plan and Funding Plan

The total project cost is set to approx. ¥130 billion, with approx. ¥20 billion cut from the initial budget of ¥150.3 billion.

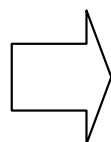
[Business plan]

Operation of railway business:
Keihan Electric Railway Co., Ltd.



Rental expense
(Railway usage charge)

Construction and possession
of facilities:
Nakanoshima Rapid Railway
Co., Ltd.

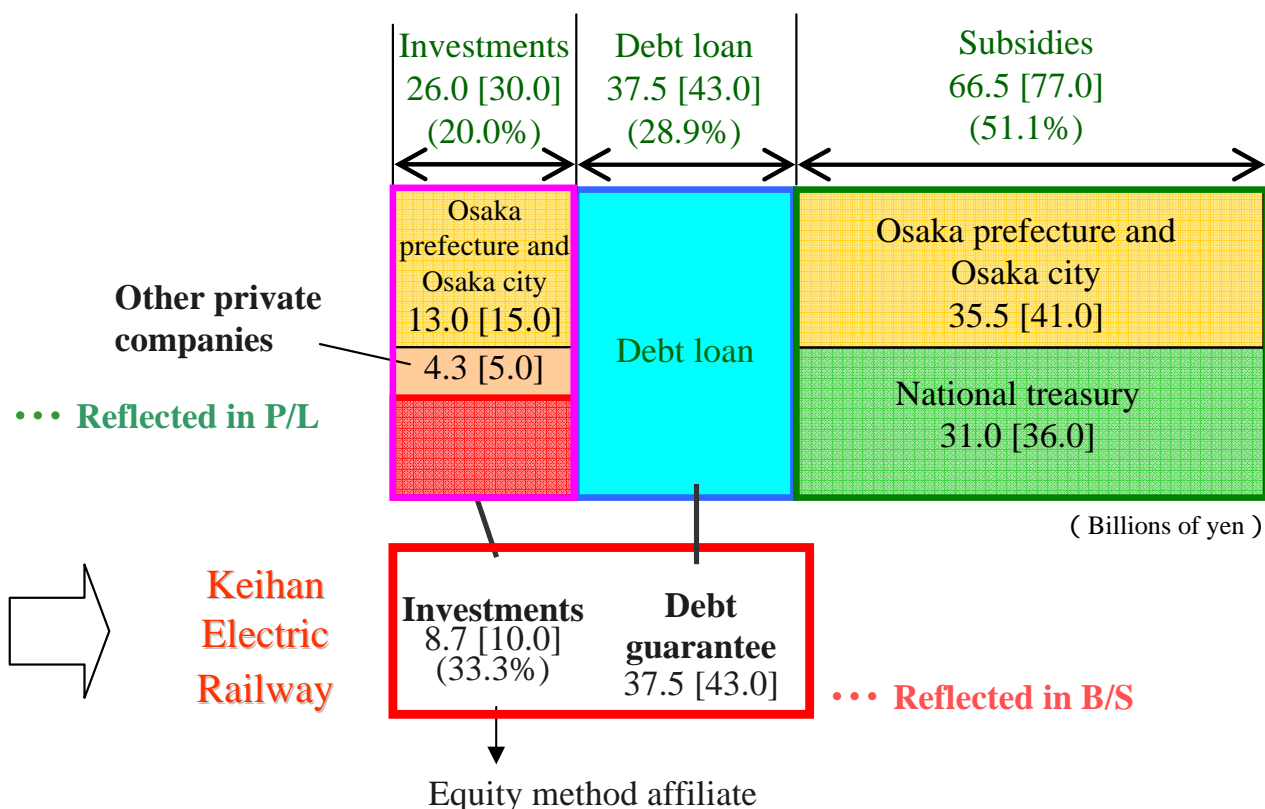


Keihan
Electric
Railway

[Funding plan]

Estimated distribution amount of ¥130.0 billion

* [] represents the initial estimate.



* Railway usage charge: Based on the amount for reimbursement of the debt loan principal and payment of the interest, and payment for taxes and public dues, and general and administrative expenses.

Current State of Nakanoshima Line

Evaluation of Nakanoshima Line

Efforts and branding coupled with the town development were evaluated.

- Osaka Katsuryoku Grand Prix in 2008
(Host: Osaka Chamber of Commerce and Industry)
- Kansai Business Community Seminar Award 2009 “Grand Prize”
(Host: Kansai Association of Corporate Executives)
- Kansai Vigorous Cultural Zone Award “New Power Award”
- Laurel Prize 2009 (Host: Japan Rail Fan Club)
- Good Design Award in 2009
(3000 series, 4 stations in Nakanoshima Line)
- 2009 Japan Mecenat Awards
Award Granted by the Commissioner for Cultural Affairs
(the Agency for Cultural Affairs of Japan) (Art Area B1)



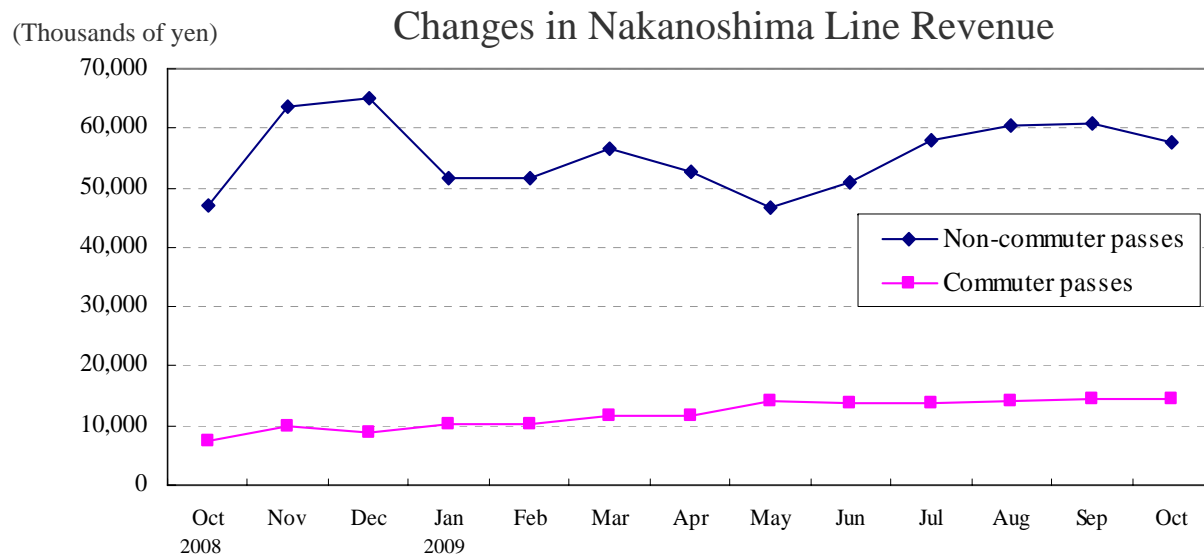
Current State of Nakanoshima Line

Results of Nakanoshima Line

- The number of passengers per day is currently approx. 30,000, which represents approx. 40% of our initial expectation.
- The transportation revenue from the Nakanoshima Line alone is expected to be approx. ¥0.8 billion (*excluding the ripple effect to Keihan main line) for the current fiscal year.

(Factors)

- Transition from existing lines (Yodoyabashi Station and Kitahama Station) is low.
- There are few passengers who have decided to change from other company lines (JR lines, subways and others) because the opening of the Nakanoshima Line is not yet well known to the public.
- The rapid business recession that started just after the Line opened has decelerated the activities of people in the Nakanoshima area.
- Lagging project development (Osaka Museum of Modern Art (Tentative name), etc.)



- Revenue from non-commuter passes tends to vary with public events.
- Revenue from commuter passes tends to increase slowly.

Future Efforts

Efforts toward increasing the number of passengers (Measures for creating demand)

- Collaboration with various events.
- Strengthening tie-ups with customer-attracting facilities in the Nakanoshima area.
- Improving the image of Nakanoshima and fortifying PR activities to increase the number of passengers from Kyoto.
- Promoting the usage of commuter passes for companies along the Nakanoshima Line.



< Effect of collecting customers by holding various events >

“The Louvre Museum Exhibition”	(June 23 to September 23	Number of visitors: 280 thousands)
Cirque Du Soleil “Corteo”	(July 29 to October 18	Number of visitors: 360 thousand)
“Aqua Metropolis Osaka 2009”	(August 22 to October 12	Number of visitors: 1,900 thousand)



< Events to be held >

“OSAKA Hikari Renaissance”	(December 1 to 25, 2009	Last year’s number of visitors: 1,380,500)
“Renoir Exhibition”	(April 17 to June 27, 2010)	

Efforts toward securing stable profits

- Establishment of business systems responding to the decreasing population
- Efforts toward reviewing and rearranging businesses

Future Efforts

Medium- to long-term efforts

- Promoting redevelopment projects of Nakanoshima 4-chome area
- Promoting new employees to reside in Keihan domain area along with the development of Nakanoshima area
- Promotion of town-developing in cooperation with other surrounding companies or governments

Opening of Nakanoshima Line has promoted a variety of development projects conducted through mutual cooperation between the government and private companies.

Cooperative development by Keihan and Obayashi in Nakanoshima
Scheduled opening : FY2013



Building structure: 34 floors above ground
Number of units for sale : 343
Number of residents :
Approx. 600
Move-in day : September 2009



Nakanoshima Banks
Scheduled opening: Spring 2010



Umeda, Kitashinchi and Dojima Area

N4.TOWER

Osaka Museum of Modern Art
(Planned)

Planning of Naniwasuji Line
(Shin-Osaka to Namba and
Shiomibashi)



Completion image

Asahi Shimbun Group
Redevelopment Project
Completion (planned): 2013 and 2018



River station Hachikenya
Opened on August 1, 2009

Cooperative development
by the Kansai Electric Power Co., Inc.
and Daibiru Corporation

NAKANOSHIMA DAIBIRU
Completion : March 2009

NAKANOSHIMA DAIBIRU WEST
Completion (Planned): Spring 2013

Progress of ATTACK 2011

ATTACK 2011(FY2010 – FY2012)

Basic Concept

“Build up a Robust Management Base” capable of conquering the difficulties and
“Realize the Growth for Our Vision” as early as possible.

Enforcement of Business Base (Defense)

Promotion of efficiency measures

- Establishment of zero-based full-scale efficiency systems
- Reviewing the operating systems of hotels, etc.

Distinction, elimination and consolidation of business

- Liquidation of Soil Engineering Co., Ltd. (begun on April 30 and completed on August 5)
- Assignment of the shares of Keihan Fukui International Country Co.,Ltd. (August 26)
- Merger by absorption of Keihan Building Co., Ltd. and Keihan Bus Systems Co., Ltd. (October 1)

Realization of Growth (Offense)

Establishment of future revenue base

- Expansion of real-estate leasing service

- Acquisition of Keihan Otemachi Building (March 30)
- Acquisition of trust beneficiary right of INTAGE Akihabara Building (September 18)

Expansion of retail and hotel businesses

- Opening inner station shops in the area outside our domain
- Hotel Keihan Sapporo (opened on June 6)
- Hotel Keihan Asakusa (to be opened on November 21)

Efforts toward safety

- Promotion of establishing the overhead crossing near Yodo Station

Elevating the railway and developing the station square in cooperation with Kyoto City and Japan Racing Association

September 12: The line (for Osaka) was elevated and an exclusive path connecting the entrance gate of the platform with the Kyoto race track and the second floor of the station was opened.

(Outline of construction)

Length of railway zone to be constructed: Approx. 2 km
(Of which, the elevated zone is 1.47 km in length.)

Number of railway crossings to be removed: 3

Total project cost: Approx. ¥28 billion (Our financial burden: ¥5.6 billion)

Schedule: September 2009: Elevation of the railway for Osaka

May 2011: Elevation of the railway for Kyoto, and removal of railway crossings



Measures for creating demand

- Promotion of sightseeing in Kyoto and Otsu
- Opening new bus lines

Keihan Kyoto Kotsu Co., Ltd.: Miyama Nature bus (on Saturdays, Sundays and national holidays from September 19 through November 29)

Keihan Bus Co., Ltd.: Opening of the through line bus from JR Matsui-Yamate Station to JR Kyoto Station (November 1)



Efficiency measures

- Reviewing of train schedule, vehicle operation, and crew operation system

Real estate

Acquiring new high-quality leasing buildings

- Keihan Otemachi Building (March 30)
- Acquisition of trust beneficiary right of INTAGE Akihabara Building (September 18)

Location: 5 minute walk from JR Akihabara Station

Usage: Office building and high-quality leasing residence

Building scale: 19 floors above ground and two floors underground

Total floor area: 19,707.86 m²

Completion: October 2005



INTAGE Akihabara Building



Hotel Keihan Asakusa

Retail

Inner station shop

(Opened in the area outside our domain)

- UNIQLO retail stores
 - Keihan Hirakata Store (July 24)
 - Namba Walk Store (August 28)
 - Nankai Namba Station Store (October 16)
- SWEETS BOX shops
 - JR Kyoto Station Shop (April 23)
 - Nankai Namba Shop (October 15)

Leisure

Opening new superior business hotels

- Hotel Keihan Sapporo 200 rooms (opened on June 6)
- Hotel Keihan Asakusa 178 rooms
(to be opened on November 21)

Development of nursing care business

- Day-care facility for the elderly (Fourth facility)
Moriguchi Day Service Center (May 1)
- Fee-based nursing home (Second facility)
Rose Life Takanohara 138 rooms (November 1)