

FY2011 Financial Results Presentation



May 17, 2011

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 FY2011

Financial Results

Consolidated Statements of Income



(Millions of yen)

	2010/3	2011/3	Change	Main factors of changes	2011/02 Estimate
Operating revenue	254,761	259,511	4,750 (1.9%)	Transportation -1,938, Real estate +3,465, Retail +2,770, Leisure and service +156, Others +90	254,000
Operating income	13,766	16,269	2,503 (18.2%)	Transportation -213, Real estate +1,362, Retail +546, Leisure and service +728, Others +79	14,100
Ordinary income	9,200	11,846	2,646 (28.8%)	Non-operating income +156 (Dividends income +141, Miscellaneous income +16) Non-operating expenses +13 (Interest expenses -145, Miscellaneous expenses +167)	9,600
Net income	4,498	6,478	1,980 (44.0%)	Extraordinary income +159 (Gain on sales of fixed assets +263, Subsidy +203) Extraordinary loss +200 (Loss on revision of retirement benefit plan +1,074, Impairment loss -550)	5,500

ROA	0.8%	1.1%	0.3pt	ROA: Net income to total assets	—
ROE	3.5%	4.9%	1.4pt	ROE: Net income to shareholders' equity	—
EBITDA	31,186	33,985	2,798 (9.0%)	EBITDA: Operating income + depreciation	—
Depreciation	17,420	17,715	295 (1.7%)		—
Capital expenditures	43,853	29,781	(14,072) (-32.1%)	Transportation +988, Real estate -15,092, Retail +2,867, Leisure and service -2,830	—

[Changes in scope of consolidation and application of the equity method (year-on-year)]

Consolidated subsidiaries:	36 companies (-5 companies)
	New: 1 company - Biwako Food Service Co., Ltd. (Part of the business of Biwako Kisen Restaurant Co., Ltd. was transferred to the company.)
	Eliminated: 6 companies - Biwako Kisen Restaurant Co., Ltd. (The company was merged with Biwako Kisen Steamship Co., Ltd.) Keihan Taxi Co., Ltd., Uji Keihan Taxi Co., Ltd., Tsuruga Keihan Taxi Co., Ltd., Kisen Taxi Co., Ltd., Osaka Keihan Taxi Co., Ltd. (Transfer of shares)
Equity method affiliates:	2 companies (No changes)

Consolidated Balance Sheets



(Millions of yen)

	2010/3	2011/3	Change	Main factors of changes
Current assets	131,166	132,791	1,625	Notes and accounts receivable +2,488, Land and buildings for sale +2,097, Cash and deposit -1,921
Fixed assets	458,463	473,437	14,973	Property, plant and equipment +10,400 (newly-purchased buildings, etc.) Intangible fixed assets -481, Investments and other assets +5,054
Total assets	589,629	606,229	16,599	
Current liabilities	166,510	176,890	10,380	Current portion of bonds +9,696, Income taxes payable +2,434, Short-term loans -7,988
Long-term liabilities	290,066	292,985	2,919	Provision for retirement benefits +998, Long-term accounts payable -2,046
Total liabilities	456,577	469,876	13,299	
Net assets	133,052	136,352	3,300	Retained earnings +3,559, Valuation difference on available-for-sale securities -514 *Equity capital ratio 22.1% (-0.1pt)
Liabilities and net assets	589,629	606,229	16,599	

Interest-bearing debt at end of fiscal period	310,289	310,269	(20)	Loans payable -9,629, Long-term accounts payable -2,510, Bonds +10,119, Short-term bonds +2,000
Interest-bearing debt/ EBITDA multiple (Times)	9.9	9.1	(0.8)	

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

Consolidated Statements of Cash Flows



(Millions of yen)

	2010/3	2011/3	Change	Main factors of changes
Operating cash flows	20,525	27,558	7,032	Income before income taxes +2,605 Changes in inventories +1,878 Changes in provision for retirement benefits+1,408
Investing cash flows	(34,660)	(26,044)	8,616	Purchase of fixed assets +14,067 Proceeds from contribution for construction -4,098
Financing cash flows	14,113	(3,776)	(17,889)	Proceeds from long-term loans -12,001 Changes in short-term loans -7,735 Repayment of long-term loans -5,254 Changes in short-term bonds +6,000
Net increase (decrease) in cash and cash equivalents	(22)	(2,262)	(2,240)	
Increase in cash and cash equivalents resulting from merger with non-consolidated subsidiaries	-	12	12	
Cash and cash equivalents at end of interim period	28,996	26,746	(2,249)	

Segment Information

(Millions of yen)

	2010/3	2011/3	Change	Change (%)	2011/2 Estimate
Operating revenue	254,761	259,511	4,750	1.9	254,000
Transportation	96,543	94,605	(1,938)	(2.0)	93,800
Real estate	53,335	56,801	3,465	6.5	54,200
Retail	93,290	96,060	2,770	3.0	94,700
Leisure and service	22,485	22,641	156	0.7	22,600
Others	1,249	1,339	90	7.2	1,200
Elimination	(12,143)	(11,937)	205	-	(12,500)

Operating income	13,766	16,269	2,503	18.2	14,100
Transportation	5,980	5,766	(213)	(3.6)	4,900
Real estate	7,458	8,820	1,362	18.3	7,800
Retail	1,057	1,604	546	51.7	1,300
Leisure and service	(359)	368	728	-	400
Others	(359)	(279)	79	-	(400)
Elimination	(11)	(11)	(0)	-	100

* Since new accounting standards for disclosing segment information is applied from FY2011, the results for FY2010 have been revised according to the new segment classification.

Results of Transportation



(Millions of yen)

	2010/3	2011/3	Change	Change (%)	Remarks	2011/2 Estimate
Operating revenue	96,543	94,605	(1,938)	(2.0)	Railway operation 79,950 (-356) Bus 24,371 (+156) Taxi 2,071 (-2,172)	93,800
Operating income	5,980	5,766	(213)	(3.6)	Railway operation 5,731 (-81) Bus 60 (-51) Taxi -64 (-45)	4,900
Depreciation	11,836	11,846	10	0.1		-
Capital expenditures	12,742	13,730	988	7.8		-

- Sales of taxi business as of October 1, 2010
- Welfare for elderly and nursing care service (Railway operation): Increased revenue in nursing home by 300 million yen
Increased revenue in day-care service by 65 million yen

Name	Opening date	Location
Rose Life Takanohara	November 1, 2009	Kizugawa city, Kyoto
Moriguchi Day Service Center	May 1, 2009	Moriguchi city, Osaka

<< Operating results for transportation (Keihan Electric Railway) >>

	Number of passengers (Thousands of people)				Passenger transportation revenue (Millions of yen)			
	2010/3	2011/3	Change	Change (%)	2010/3	2011/3	Change	Change (%)
Commuter passes	140,435	136,204	(4,230)	(3.0)	16,565	16,015	(550)	(3.3)
Non-commuter passes	143,316	144,395	1,078	0.8	33,937	33,866	(70)	(0.2)
Total	283,751	280,599	(3,151)	(1.1)	50,503	49,881	(621)	(1.2)

Results of Real Estate



(Millions of yen)

	2010/3	2011/3	Change	Change (%)	Remarks	2011/2 Estimate
Operating revenue	53,335	56,801	3,465	6.5	Real estate 45,128 (+2,966) Construction 12,032 (+52)	54,200
Operating income	7,458	8,820	1,362	18.3	Real estate 8,674 (+1,429) Construction 111 (-25)	7,800
Depreciation	3,519	3,798	279	7.9		-
Capital expenditures	26,401	11,309	(15,092)	(57.2)	2011/3: Keihan Midosuji Building, etc. 2010/3: INTAGE Akihabara Building, etc.	-

<<Results by business>>

	Operating revenue				Operating income			
	2010/3	2011/3	Change	Change (%)	2010/3	2011/3	Change	Change (%)
Real estate sales	28,685	31,487	2,801	9.8	667	1,617	949	142.2
Real estate leasing service	13,476	13,641	164	1.2	6,576	7,057	480	7.3
Total	42,162	45,128	2,966	7.0	7,244	8,674	1,429	19.7

• Valuation loss of land and buildings for sale: 962 million yen (-223 million yen) (Recorded as cost of sales)

<<Main condominium buildings for sale>>

Name	Sales amount	Number of units sold	Location
The Kourien Tower	5,128	260	Neyagawa city, Osaka
REFFINEZ KONOIKE SHINDEN	3,411	139	Higashi-osaka city, Osaka
Fine Residence Heiwadai	2,449	51	Nerima ward, Tokyo
Fine Flats Kyoto Saiin	2,080	72	Ukyo ward, Kyoto
The Lions Hirakata Gotenyama	1,042	342	Hirakata city, Osaka

<<New leasing properties>>

Name	Acquired date	Location
Keihan Midosuji Building	September 2010	Chuo ward, Osaka city
INTAGE Akihabara Building	September 2009	Chiyoda ward, Tokyo

* Trust beneficiary rights of all properties were acquired.

Results of Retail



(Millions of yen)

	2010/3	2011/3	Change	Change (%)	Remarks	2011/2 Estimate
Operating revenue	93,290	96,060	2,770	3.0	Department store 51,957 (+1,704) Store 29,274 (-371) Shopping mall management 11,010 (+491) Restaurant 6,808 (+1,179)	94,700
Operating income	1,057	1,604	546	51.7	Department store 372 (+310) Store 491 (+200) Shopping mall management 726 (+95) Restaurant -6 (-52)	1,300
Depreciation	1,158	1,182	23	2.1		-
Capital expenditures	853	3,721	2,867	335.8	2011/3: Keihan Department Suminodo Store, etc.	-

- Shopping mall management: Hawks Town Mall (Fukuoka city, Fukuoka) Acceptance of property management
Attraction of FOREVER21 (Commercial Building in Shibuya ward, Tokyo / Previous HMV Shibuya)
- Restaurant: An increasing factor generated by merger with non-consolidated subsidiaries: 1,206 million yen

<< New Properties >>

Name	Opening date	Location
Keihan Department Suminodo Store	October 8, 2010	Daito city, Osaka
SWEETS BOX Tambabashi Store	September 24, 2010	Fushimi ward, Kyoto city
Hakodateichiba AEON Mall Kyoto Hana Store	April 21, 2010	Ukyo ward, Kyoto city
UNIQLO Nankai Namba Station Store	October 16, 2009	Chuo ward, Osaka city
SWEETS BOX Nankai Namba Station Store	October 15, 2009	Chuo ward, Osaka city
UNIQLO Namba Walk Store	August 28, 2009	Chuo ward, Osaka city
UNIQLO Keihan Hirakata Store	July 24, 2009	Hirakata city, Osaka

<< Sales of Department Store >>

(Millions of yen)

Store	Sales amount	Change
Moriguchi Store	24,793	(706)
Kuzuha Store	9,936	45
Kyobashi Store	7,669	(152)
Hirakata Store	6,388	(52)
Suminodo Store	2,551	2,551
Miscellaneous revenue	618	18
Total	51,957	1,704

<< Sales of Store >>

(Millions of yen)

Division	Sales amount	Change
Store	12,795	(315)
Convenience store	5,859	19
Kiosk	980	(89)
Station business	8,636	(18)
Miscellaneous revenue	1,001	31
Total	29,274	(371)

* UNIQLO retail stores (Station Business)
1,882 (+177) (7 stores)

Results of Leisure and Service

(Millions of yen)

	2010/3	2011/3	Change	Change (%)	Remarks	2011/2 Estimate
Operating revenue	22,485	22,641	156	0.7	Hotel Leisure 18,104 (+410) 4,742 (-453)	22,600
Operating income	(359)	368	728	-	Hotel Leisure 220 (+697) 138 (+28)	400
Depreciation	905	886	(18)	(2.0)		-
Capital expenditures	3,862	1,031	(2,830)	(73.3)	2010/3: Hotel Keihan Asakusa, etc.	-

<< Hotel occupancy rates >>

		2010/3	2011/3	Change	Remarks
Hotel Keihan	Kyobashi	84.6%	89.4%	4.8pt	
	Temmabashi	72.6%	75.2%	2.6pt	
	Kyoto	86.6%	91.5%	4.9pt	
	Universal City	66.6%	77.1%	10.5pt	
	Universal Tower	61.2%	69.8%	8.6pt	
	Asakusa	79.8%	85.7%	5.9pt	Opened on November 21, 2009
	Sapporo	76.7%	79.5%	2.8pt	Opened on June 6, 2009
Biwako Hotel		71.6%	73.2%	1.6pt	
Kyoto Tower		88.1%	87.9%	(0.2pt)	

Non-consolidated Statements of Income



(Millions of yen)

	2010/3	2011/3	Change	Change (%)	Remarks
Operating revenue	73,400	74,936	1,536	2.1	
Railway operation	53,909	53,188	(720)	(1.3)	Number of passengers -1.1% Passenger transportation revenue -1.2%
Subsidiary business	19,491	21,748	2,256	11.6	
Real estate sales	4,111	5,627	1,516	36.9	
Real estate leasing service	13,133	13,641	507	3.9	
Leisure	2,246	2,479	233	10.4	Number of visitors in Hirakata Park +6.2%
Operating income	11,922	12,537	614	5.2	
Railway operation	6,101	5,807	(294)	(4.8)	
Subsidiary business	5,821	6,729	908	15.6	
Real estate sales	(341)	(113)	228	-	
Real estate leasing service	6,526	7,057	530	8.1	
Leisure	(363)	(213)	149	-	
Ordinary income	6,857	8,897	2,040	29.8	Non-operating income +13 Non-operating expenses -1,412 (Interest expenses -136, Provision for loss on guarantees -1,189)
Net income	5,176	4,107	(1,068)	(20.6)	Extraordinary income -1,070 (Gain on extinguishment of tie-in shares -778) Extraordinary loss +2,205 (Loss on revision of retirement benefit plan+1,074, Impairment loss+640, Loss on valuation of stocks of subsidiaries and affiliates+545)



Business Results Forecast of FY2012



Forecast of Consolidated Business Results (1)



(Millions of yen)

	FY2011 Results	FY2012 Forecast	Change	Change (%)	Main factors of changes
Operating revenue	259,511	256,300	(3,211)	(1.2)	Transportation -4,505, Real estate +398, Retail +739 Leisure and service +558
Operating income	16,269	15,000	(1,269)	(7.8)	Transportation -716, Real estate -770, Retail -304 Leisure and service +431
Ordinary income	11,846	9,500	(2,346)	(19.8)	Non-operating income -711 Non-operating expenses +366
Net income	6,478	5,700	(778)	(12.0)	Extraordinary income -1,603 Extraordinary loss -2,838

Capital expenditures	29,781	45,100	15,318	51.4	[Breakdown of capital expenditures] Transportation 13,200 (-530) Real estate 28,800 (+17,490) Retail 2,000 (-1,721) Leisure and service 600 (-431) Corporate, etc. 500 (+511) <<Main capital expenditures for FY2012 >> (Transportation) Investment on our railway 8,354 (Real estate) Investment on our real estate 28,654
Depreciation	17,715	18,400	684	3.9	
EBITDA	33,985	33,400	(585)	(1.7)	
Interest-bearing debt	310,269	340,000	29,730	9.6	
Interest-bearing debt / EBITDA multiple (Times)	9.1	10.2	1.1	-	

Forecast of Consolidated Business Results (2)



<< By segment >>

(Millions of yen)

	FY2011 Results	FY2012 Forecast	Change	Change (%)	Main factors of changes
Operating revenue	259,511	256,300	(3,211)	(1.2)	
Transportation	94,605	90,100	(4,505)	(4.8)	Taxi -2,071, Railway operation -1,187
Real estate	56,801	57,200	398	0.7	Real estate sales -3,434 Real estate leasing service +1,028 Construction +3,417
Retail	96,060	96,800	739	0.8	Department store +1,779, Store -898
Leisure and service	22,641	23,200	558	2.5	Hotel +663
Others	1,339	1,400	60	4.5	
Elimination	(11,937)	(12,400)	(462)	-	

Operating income	16,269	15,000	(1,269)	(7.8)	
Transportation	5,766	5,050	(716)	(12.4)	Railway operation -886, Taxi + 64
Real estate	8,820	8,050	(770)	(8.7)	Real estate sales -543, Real estate leasing service -242, Construction +46
Retail	1,604	1,300	(304)	(19.0)	Store -155, Department store -142
Leisure and service	368	800	431	116.8	Hotel +311
Others	(279)	(200)	79	-	
Elimination	(11)	0	11	-	

Forecast of Non-Consolidated Business Results



(Millions of yen)

	FY2011 Results	FY2012 Forecast	Change	Change (%)	Main factors of changes
Operating revenue	74,936	77,000	2,063	2.8	
Railway operation	53,188	52,320	(868)	(1.6)	Number of passengers -1.7% Passenger transportation revenue -1.4%
Subsidiary business	21,748	24,680	2,931	13.5	
Operating income	12,537	11,110	(1,427)	(11.4)	
Railway operation	5,807	4,840	(967)	(16.7)	
Subsidiary business	6,729	6,270	(459)	(6.8)	
Ordinary income	8,897	7,060	(1,837)	(20.6)	Non-operating income -15 Non-operating expenses 395
Net income	4,107	4,410	302	7.4	Extraordinary income -711 Extraordinary loss -3,324

<< Forecast of operating results for transportation (Keihan Electric Railway) >>

	Number of passengers (Thousands of people)				Passenger transportation revenue (Millions of yen)			
	FY2011 Results	FY2012 Forecast	Change	Change (%)	FY2011 Results	FY2012 Forecast	Change	Change (%)
Commuter passes	136,204	131,431	(4,773)	(3.5)	16,015	15,505	(510)	(3.2)
Non-commuter passes	144,395	144,467	71	0.0	33,866	33,688	(178)	(0.5)
Total	280,599	275,898	(4,701)	(1.7)	49,881	49,193	(688)	(1.4)

TOPICS

SUMMARY of ATTACK 2011

- For Further Growth -

Outline of Keihan Group's Mid-Term Management Plan "ATTACK 2011 (FY2010-2012)"

Basic Concept

"Build up a Robust Management Base" capable of conquering the difficulties
and **"Realize the Growth towards Our Vision"** as early as possible.

Reinforcement of Business Base (Defense)

- Review and restructure by **distinction and concentration of business and assets**
- Pursue the reorganization and integration of the business for management efficiency
- **Raise profitability and efficiency to the fullest**

Realization of Growth (Offense)

- Strengthen competitiveness and **maximize cash flow** with autonomous management in respective business groups
- Prioritize the business of **real estate, retail and hotel**, and **concentrate our management resources on them**
- Expand the area to be developed

Summary of ATTACK 2011

Results and forecast for the qualitative targets

[External environment]

The consumption slowdown caused by economic stagnation is more protracted than expected.

Especially in the retail and hotel businesses, price competition is intensifying, and business is remarkably affected by the outbreak of a new strain of influenza.

In the railway business, the number of commuter pass holders decreased more than expected.



Focus on the reinforcement of business base

Partial review of the investment for growth centering on the retail and hotel businesses is needed.

Development of our domain area, centering on Kyoto and Nakanoshima, and new profit-making businesses have not completed.

	Qualitative targets	Items to be implemented
Reinforcement of Business Base	<ul style="list-style-type: none"> - Distinction and concentration of business and assets - Reorganization and integration for management efficiency - Reinforcement of profitability - Promotion of efficiency measures 	<ul style="list-style-type: none"> · Withdrawal from unprofitable businesses and stores (Sales of taxi business and Fukui Country International Co., Ltd. and Daisen Lake Hotel, liquidation of Soil Engineering Co., Ltd., and closing of FREST Owada) · Reorganization and integration of real estate leasing, restaurant, and Biwako Kisen Steamship Group · Attraction of tourists by strengthening our cooperation with JTB · Railway: Promotion of the efficiency from mid- and long-term perspective · Promotion of efficiency in each businesses
Realization of Growth	<ul style="list-style-type: none"> - Expansion of revenue base - Promotion of the area strategy 	<ul style="list-style-type: none"> · Acquisition of real estate for leasing and expansion of condominium sales · Opening of Keihan Department Suminodo Store · Opening of superior business hotels (Sapporo and Asakusa) · Launching KUZUHA MALL second-stage development plan · Expansion business outside of our domain area especially in metropolitan areas (Real estate leasing and sales, property management of commercial facilities)

Summary of ATTACK 2011



Results and forecast for the numeric targets

(Billions of yen)

	FY2010 Results	FY2011 Results	To ATTACK	FY2012 Forecast	To ATTACK
Operating income	13.8	16.3	(0.1%)	15.0	(27.6%)
EBITDA	31.2	34.0	(6.8%)	33.4	(20.3%)
ROA (Operating income to total assets)	2.3%	2.7%	0.1P	-	-
Net income	4.5	6.5	13.9%	5.7	(28.8%)
ROE (Net income to shareholders' equity)	3.5%	4.9%	0.6P	-	-
Interest-bearing debt/ EBITDA multiple (Times)	9.9	9.1	(0.2P)	10.2	1.7P
Interest-bearing debt at end of fiscal period	310.3	310.3	(8.1%)	340.0	(4.9%)
Investments (Three-year total)	118.7				(12.4%)

Our efforts to build the business base is bearing fruit.

However, the numeric target for the final year is expected not to be attained mainly due to the reduction of growth investment.

We will continue to make efforts to get as close as possible to the target.

Basic Policy in FY2012

Continue to focus on reinforcing business base.

Invest for future growth with careful attention to the recovery of earning ability of existing businesses and changes in financial structure.

Business environment

The number of passengers tends to decrease due to the aging society, falling birthrate, and economic stagnation.

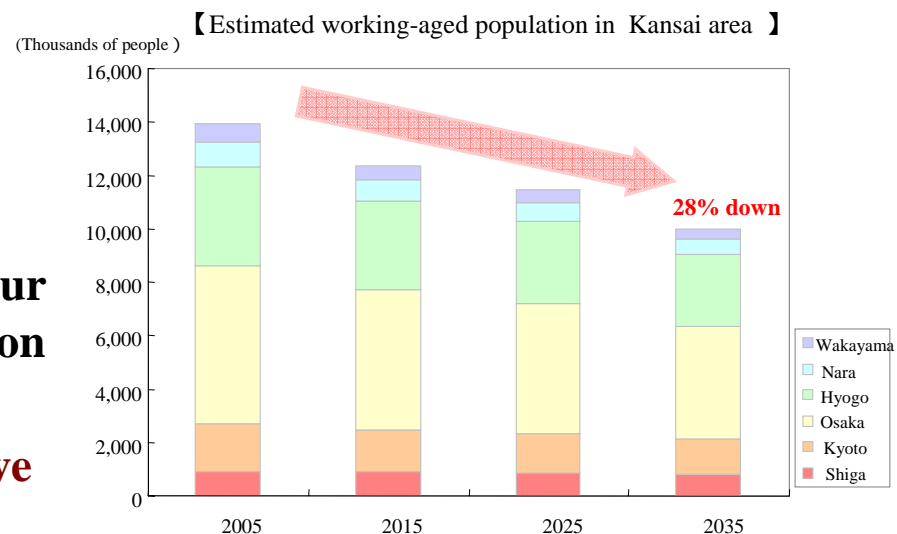
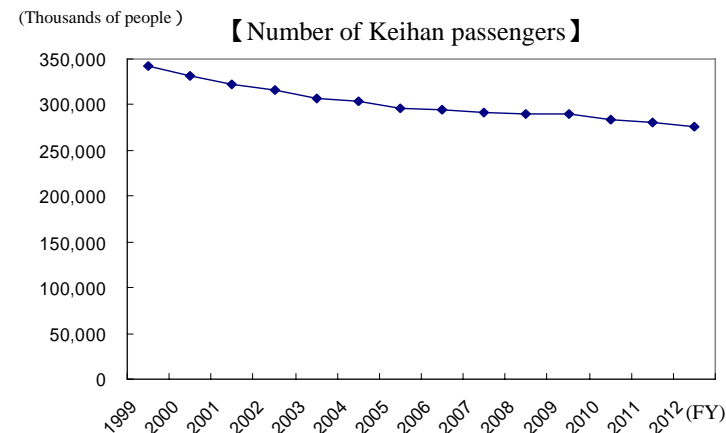


As the aging of society with a falling birthrate in Kansai area will continue, the working-aged, employed, and school-aged population is expected to decrease substantially.

This, as a result, will cause the decrease in number of passengers, and the competition among the railways is expected to intensify.



In order to maintain the population of residents in our domain area, and workers and school-aged population commuting from outside the area, we should make every effort to maintain and improve the value of the area.

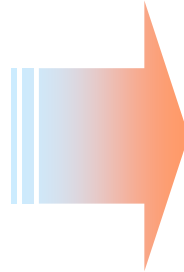


Based on "Estimated prefectural future population in Japan" (Estimated in May 2007) issued by the National Institute of Population and Social Security Research

ATTACK 2011

**Reinforcement of
business base**

Realization of growth



Three years after FY2013

**Development of our domain area to
pursue sustainable prosperity**

Expansion of business areas

**“Aggressive” attitude
should be put forward**

Important theme for FY2013 and later

Further promote the enrichment of our domain area

- Improve the value of our domain area
- Deeply cultivate the area and create new profit-making pillars
- Attract tourists and improve the environment to receive them
- Aggressive and vigorous business tie-ups

Expand business areas for further development of revenue base

- Develop business outside our domain area by making the most of our know-how

The details of the next Mid-Term Management Plan (Business portfolio, practical measures, numeric targets, etc.) are being formulated. We plan to announce them around the end of this fiscal year.

TOPICS

FY2012 EFFORTS

Promotion of Area Strategy

Improvement of our domain area's value

Launch the KUZUHA MALL second-stage development plan “Create a town that will continue to be chosen.”

Based on the development concept “Towards Kuzuha we can be proud of,” we will further enrich the lifestyle proposal that is now supported, and integrate entertainment and household-related product stores that are currently missing, to make one of the largest shopping centers in Kansai area in terms of both scale and content.

Create a town that people want to live and feel happy to live

[Project Outline]

Location: Kuzuha-hanazonocho, Hirakata city, Osaka
(Keihan Railway: Kuzuha Station)

Total floor space : approx. 200,000m²

Sales space : approx. 72,000m²

Parking space : approx. 3,000 lots

Opening : Autumn 2013 (Planned)



[Reference: Outline of Areas to be developed & present KUZUHA MALL]



(Outline of present KUZUHA MALL)

	Main Building	West Building	KIDS Building	Total
Total fl. space	88,000m ²	16,000m ²	6,000m ²	110,000m ²
Sales space	35,000 m ²	10,000m ²	5,000m ²	50,000m ²
Building scale	4 floors above ground (Parking: 4 th fl. & roof)	4 floors above ground & 1 floor underground	1-story building	
Business category	Specialty stores Keihan Dept. store GMS (Daiei/Izumiya)	Specialty stores	Specialty stores	
Opening	April 14, 2005 Pre-open: April 8		September 15, 2005	
Parking space	2,000 lots			

*The west building and the KIDS building will be demolished and reconstructed in the spring of 2012.

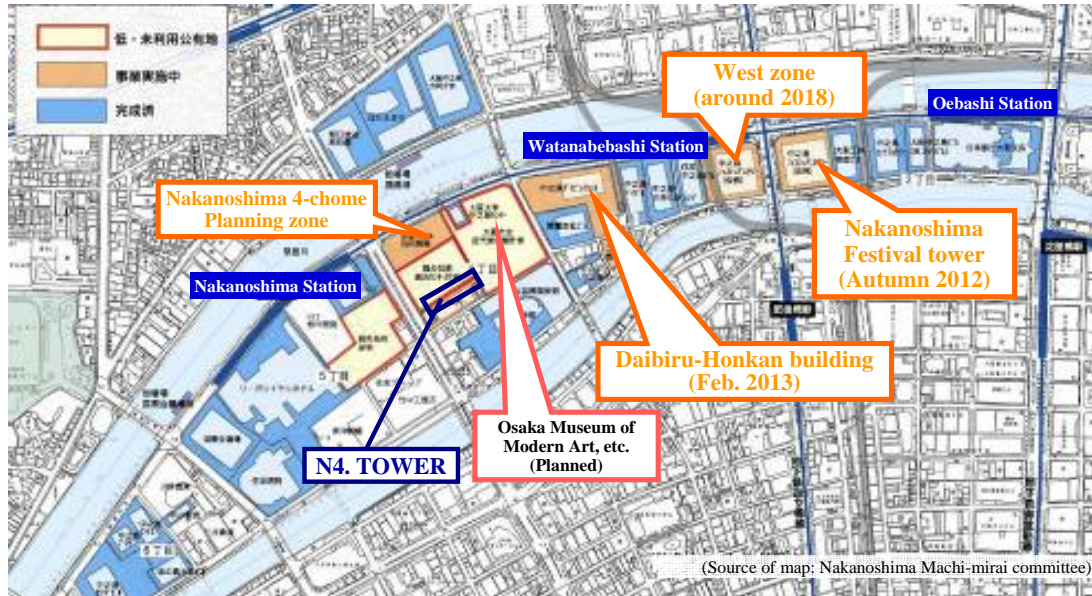
Promotion of Area Strategy

Improvement of our domain area's value

Nakanoshima Area

Nakanoshima Line users increased by promoting area development, and taking measures to raise awareness and create demand for the area through special events.

We will continue to promote “Area activation” in both hardware and software aspects in cooperation with other companies and municipal governments, including that with the Asahi Broadcasting Corporation.



[Changes in transportation revenue for the Nakanoshima Line (Year-on-year change)]

	2010/3	2010/9	2011/3
Commuter passes	+44.8%	+10.9%	+8.0%
Non-commuter passes	(4.2%)	+2.0%	+4.2%
Total	+3.1%	+3.8%	+5.0%

* Opening of Nakanoshima Line: October 19, 2008

[Major event in FY2012]

“Daihatsu Kooza” in Osaka

Schedule: August 4 –

November 6

(Total 132 shows)



Costumes: Marie-Chantal Vallancourt
© 2010,2011 Fuji Television

New entry into relocation/residential change support business

Support for “Enriched life after retirement for senior citizens” and
“Encouragement for families with small children to reside in our domain area ”



Promote our domain area as “**worthy to be chosen**” by maintaining and improving area vitality



Business Strategy (Railway operation)



We will continue to develop the business based on safety, improvement of service, and increase of efficiency.

Safety Measures

Establish the overhead crossing near Yodo Station

Elevate the railway for Kyoto completed and use of the platform started (May 28)

(Use of the platform for Osaka was started in September 2009.)

Improve safe operation by removing three railway crossings

Improve accessibility to the Kyoto Race Course on the dates of horse races

Maintain station square (To be completed in 2013)



Service Improvement

Revision of the train schedule (May 28)

Make a train schedule commensurate with passengers' load to improve availability and stimulate demand.

Reduce the number of vehicles and various expenses by realizing efficient operation.

IC card service with JR WEST

Start selling ICOCA and ICOCA commuter passes by the Keihan railway (June 1), followed by the sales of ICOCA commuter passes by JR WEST

Improvement of Profitability and Efficiency

Mid- and long-term operational improvement measures

In anticipation of depopulation, review the personnel arrangements and formulate operational improvement measures from scratch, while prioritizing security.

Increase unmanned stations utilizing a remote station monitoring system. Expand one-man train operation.

Demand-creating and revenue-increasing measures

Sell special event tickets with other companies

Business Strategy (Real estate)

We will make further efforts to strengthen the stable revenue base of a growth business (real estate leasing) as well as the short-term turnover business.

Acquisition of new lease properties

Eishin Building (Chiyoda ward, Tokyo) (Acquired on April 28)

Invest aggressively in highly-evaluated properties after a thorough examination, and promote the expansion of the real estate leasing business in terms of scale and area.

[Property Outline]

Location	Sanbancho, Chiyoda ward, Tokyo (4 min. on foot from Tokyo Metro "Hanzomon Station")
Total floor space	7,751.26m ²
Building structure	Steel-reinforced concrete 8 stories high and 2 floors below ground, flat-roofed building
Completion	January 1973



Promotion of condominium sales

- Bijours Biwako, Keihan Hamaotsu

Senior citizen-oriented condominiums in resort area

Location : Hamaotsu, Otsu city, Shiga
Building scale : 14-stories high / 130 units
Move-in dates : Late in May, 2011 (Planned)

- Grand First Senri Momoyamadai

Contribute to local revitalization by participating in the rebuilding project

Location : Momoyamadai, Suita city, Osaka
Building scale : 15-stories high with a basement,
798 units (of which, units for sale: 544)
Move-in dates : September 2011 (1st and 2nd buildings)
January 2012 (3rd to 7th buildings)
April 2012 (8th and 9th buildings) (Planned)



Business Strategy (Real estate)

Effective use of our assets

Costco Kyoto Yawata Warehouse (tentative name)

The membership warehouse business Costco is to be invited to the site for commercial facility in the sixth block of Keihan East Rose Town Minoyama.

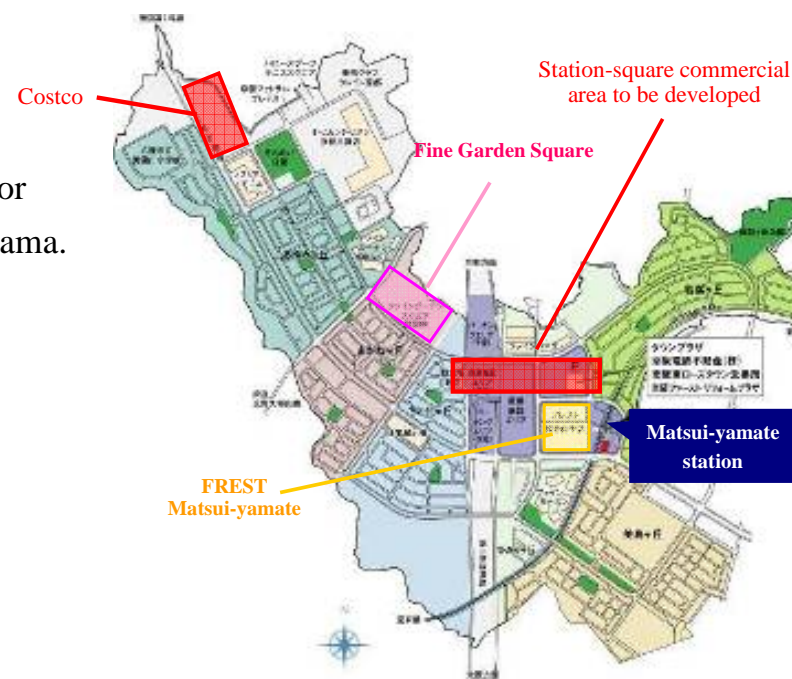
[Property Outline]

Location: Kinmeidai-kita, Yawata city, Kyoto

Site area: approx. 21,000m²

Opening: Autumn 2011(planned)

We will promote sales of housing and secure stable revenue by improving the area's value.



[Overall view of Keihan East Rose Town]

Kumiya Shopping Town second-stage plan (Spring 2012)

The land and buildings are leased to Aeon Retail Co., Ltd. to be operated as “Kumiya Shopping Town.”

In the second-stage plan, the shopping area is to be expanded by about 1.5 times through effective utilization of the flat parking area.

[Property Outline]

Location: Minamiouchi, Mori, Kumiyamacho, Kuze, Kyoto

[Present]

	Shops	Multistorey parking lot
	41,479m ²	15,263m ²
Total	56,742m ²	



[After increasing the space (Planned)]

	Shops	Multistorey parking lot
	60,140m ²	24,096m ²
Total	84,236m ²	

Business Strategy (Retail)

Improvement of profitability and efficiency of existing businesses

Expansion of the commercial property management business

Reinforcement of profitability of existing businesses

Renewal of sales space

- KUZUHA MALL (April 28)

Replace and renew 1/3 of the tenants followed by the completion of limited-term lease contracts.

Differentiate the mall from our competitors in anticipation of the second-stage development plan.

- Keihan Department Moriguchi Store (Autumn 2011, planned)

Aim at a “daily department store” to cope with increasing floor space of metropolitan department stores.

Renovate our flagship food floor to further strengthen the business. Promote self-service shopping in the fresh food floor to improve shopping ease and efficiency.



New Stores

- SWEETS BOX, JR Osaka Station, LUCUA Store (May 4)

Two SWEET BOX stores and two UNIQLO stores (planned).

Open stores in the area along other railway lines to expand our market.



Business Strategy (Leisure and Service)

Reinforcement of attracting tourists / Construction of the business base of the hotel business

Reinforcement of tourism

Set up a special team for a comprehensive and agile management system

Focus on attracting tourists both from home (Kyushu) and abroad.

Place tourism as our new profit-making pillar. Plan and propose tour products and land arrangement service, and give support to Keihan Group to receive more tourists.

Sell the business of Keihan Travel Service Co., Ltd. to reinforce cooperation with JTB

Part of the business of Keihan Travel Service Co., Ltd. is to be sold to JTB Keihan Travel Co., Ltd. (a co-parent company of JTB Corp. and our company). (July 1)

Utilize tourist attractions of the Keihan Group and our domain area, such as leisure facilities and hotels, and JTB's product planning abilities, to attract tourists to the Kansai area and promote business cooperation with JTB by offering convenient facilities near railway stations.

*Keihan Travel Service Co., Ltd. is classified as transportation business in the consolidated segment.



Construction of the business base of the hotel business

A certain result was achieved by reinforcement of sales and marketing, cost reduction, and measures for improving business efficiency.

Continue to improve room availability, ADR (Average Daily Rate), and customer satisfaction, and cope with short-term cost reduction. Promote managerial reform, to strengthen competitiveness, including business structure organization and human resource development from the mid- and long-term viewpoints.

