

First Half of FY2016 (Ended September 30, 2015) Financial Results Presentation



November 10, 2015

Keihan Electric Railway Co., Ltd.

(Tokyo Stock 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 FY2016

Financial Results



Consolidated Statements of Income



(Millions of yen)

	1 H FY2015 Results	1 H FY2016 Results	Change	Main factors of changes	April 2015 Estimate
Operating revenue	128,239	143,269	15,030 (11.7%)	Transportation +1,829, Real estate +10,778, Retail +1,042, Leisure and service +1,321	134,800
Operating income	13,320	18,075	4,754 (35.7%)	Transportation +1,471, Real estate +2,140, Retail -314, Leisure and service +1,498	12,300
Ordinary income	11,779	16,220	4,440 (37.7%)	Non-operating income +104 (Dividend income +53, Miscellaneous income +40) Non-operating expenses +418 (Interest expenses -147, Miscellaneous expenses +566)	10,600
Profit attributable to owners of parent	8,152	13,356	5,204 (63.8%)	Extraordinary income +4,733 (Gain on bargain purchase +4,382) Extraordinary losses +2,476 (Loss on step acquisitions +2,119)	9,800

EBITDA	21,750	26,573	4,823 (22.2%)	EBITDA: Operating income + Depreciation	—
Depreciation	8,429	8,498	69 (0.8%)		—

[Changes in scope of consolidation and application of the equity method (from the previous fiscal year end)]

Consolidated subsidiaries: 41 companies (+ 1 company) : New: 2 companies—Osaka Merchandise Mart Corporation (additional purchase of the company's share), and Keihan Electric Railway Split Preparation (establishment)

Eliminated: 1 company—Juicer Bar Corporation (merged with Keihan Restaurant)

Equity method affiliates: 1 company (- 1 company) : Eliminated: 1 company—Osaka Merchandise Mart Corporation (made into a consolidated subsidiary due to additional purchase of the company's shares)

Consolidated Balance Sheets



(Millions of yen)

	FY2015 Results	1 H FY2016 Results	Change	Main factors of changes
Current assets	171,449	153,388	-18,060	Notes and accounts receivable -12,527 Cash and deposit -10,616
Fixed assets	492,787	497,369	4,582	Buildings and structures +4,754 Construction in progress +2,610 Investment securities -2,245
Total assets	664,236	650,758	-13,478	
Current liabilities	192,141	165,926	-26,215	Accounts payable -11,035 Short-term loans -8,460 Advances received -3,682
Long-term liabilities	281,581	281,845	264	
Total liabilities	473,722	447,772	-25,950	
Net assets	190,513	202,986	12,472	Retained earnings +11,311 * Equity capital ratio 30.8%(+2.5pt)
Total liabilities and net assets	664,236	650,758	-13,478	
Interest-bearing debt at end of fiscal period	311,010	301,397	-9,612	Loans payable -9,471 Bonds -125 Long-term accounts payable -15

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

Consolidated Statements of Cash Flows



(Millions of yen)

	1 H FY2015 Results	1 H FY2016 Results	Change	Main factors of changes
Operating cash flows	-3,915	10,990	14,905	Net income before income taxes +6,697 Decrease in inventories +15,083 Decrease in other current liabilities -6,097
Investing cash flows	-12,042	-9,583	2,459	Purchase of fixed assets +1,918 Proceeds from sales of fixed assets +408
Financing cash flows	5,991	-12,028	-18,020	Decrease in loans payable -16,698 Decrease in bonds -3,024
Net increase (decrease) in cash and cash equivalents	-9,966	-10,621	-655	
Cash and cash equivalents at beginning of interim period	25,831	26,552	720	
Increase in cash and cash equivalents from merger with non-consolidated subsidiary	10	4	-5	
Cash and cash equivalents at end of interim period	15,875	15,935	59	

Segment Information

(Millions of yen)

	1 H FY2015 Results	1 H FY2016 Results	Change	Change (%)
Operating revenue	128,239	143,269	15,030	11.7%
Transportation	45,108	46,937	1,829	4.1%
Real estate	28,027	38,805	10,778	38.5%
Retail	46,693	47,736	1,042	2.2%
Leisure and service	14,865	16,186	1,321	8.9%
Others	862	868	5	0.7%
Elimination	-7,317	-7,265	52	—

Operating income	13,320	18,075	4,754	35.7%
Transportation	5,046	6,518	1,471	29.2%
Real estate	5,193	7,333	2,140	41.2%
Retail	1,372	1,057	-314	-22.9%
Leisure and service	1,648	3,146	1,498	90.9%
Others	-5	4	9	—
Elimination	66	14	-51	—

(Note) Effective from 1Q FY2016, Biomarket Co., Ltd. has been transferred from the “Others” segment to the “Retail” segment due to a change in segment classification. This company has been included in the scope of consolidation since 3Q FY2015, and thus the transfer has no effect on the figures for 1H FY2015 (ended September 2014).

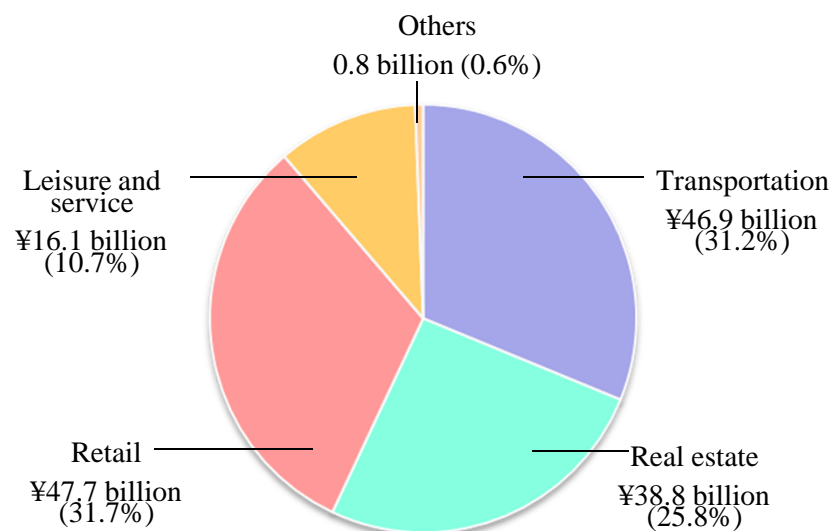
Segment Information (Breakdown)



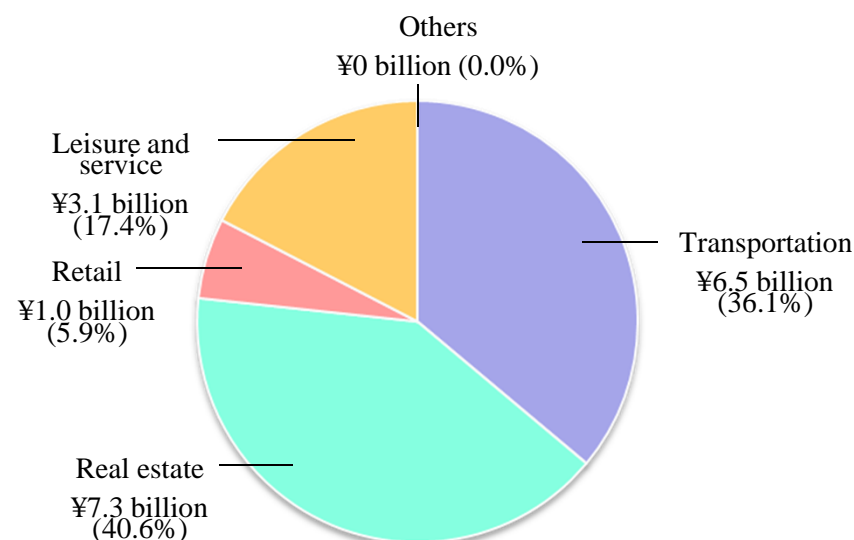
[Consolidated subsidiaries] 42 companies (Keihan Electric Railway covers both the transportation business and the real estate business)
 [Equity method affiliates] 1 company

Transportation	Keihan Electric Railway Co., Ltd., Keifuku Electric Railroad Co., Ltd., Keihan Bus Co., Ltd., and 14 other companies
Real estate	Keihan Electric Railway Co., Ltd., Keihan Dentetsu Real Estate Co., Ltd., Keihan Asset Management Co., Ltd., Osaka Merchandise Mart Corporation, and 6 other companies
Retail	Keihan Department Stores Co., Ltd., Keihan The Store Co., Ltd., Keihan Ryutsu Systems Co., Ltd., Biomarket Co., Ltd., and 1 another company
Leisure and service	Hotel Keihan Co., Ltd., Kyoto Tower Co., Ltd., Kyoto Century Hotel Co., Ltd., Biwako Kisen Steamship Co., Ltd., and 6 other companies
Others	Keihan Card Co., Ltd.

<Operating revenue by segment>



<Operating income by segment>



Note: Breakdown of operating revenue and operating income by segment, including intersegment transactions.

Results of Transportation

(Millions of yen)

	1 H FY2015 Results	1 H FY2016 Results	Change	Change (%)	Summary
Operating revenue	45,108	46,937	1,829	4.1%	Railway 38,597 (+2,066) Bus 13,507 (+226) Elimination -5,167 (-464)
Operating income	5,046	6,518	1,471	29.2%	Railway 5,619 (+947) Bus 880 (+538)

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

	Number of passengers (Thousands of people)				Passenger transportation revenue (Millions of yen)			
	1 H FY2015 Results	1 H FY2016 Results	Change	Change (%)	1 H FY2015 Results	1 H FY2016 Results	Change	Change (%)
Non-commuter passes	71,556	74,252	2,696	3.8%	16,625	17,183	557	3.4%
Commuter passes	70,159	71,377	1,218	1.7%	8,053	8,201	147	1.8%
Total	141,715	145,630	3,914	2.8%	24,678	25,384	705	2.9%

Results of Real Estate



(Millions of yen)

	1 H FY2015 Results	1 H FY2016 Results	Change	Change (%)	Summary
Operating revenue	28,027	38,805	10,778	38.5%	Real estate 32,315 (+10,427) Construction 8,049 (+73) Elimination -1,559 (+276)
Operating income	5,193	7,333	2,140	41.2%	Real estate 7,569 (+2,192) Construction -322 (-212)

<<Results by business>>

(Millions of yen)

	Operating revenue				Operating income			
	1 H FY2015 Results	1 H FY2016 Results	Change	Change (%)	1 H FY2015 Results	1 H FY2016 Results	Change	Change (%)
Real estate sales	12,093	22,347	10,253	84.8%	812	3,097	2,285	281.4%
Real estate leasing service	8,672	8,607	-64	-0.7%	4,508	4,364	-144	-3.2%
Other businesses	1,121	1,360	239	21.3%	56	107	51	90.5%
Total	21,887	32,315	10,427	47.6%	5,377	7,569	2,192	40.8%

<<Main condominium buildings for sale>>

	Sales amount (Millions of yen)	Number of units sold	Location
The Kyoto Residence Shijo-Kawaramachi	5,344	99	Shimogyo-ku, Kyoto-shi
Fine Flats Tennoji Urbanex	2,064	71	Tennoji-ku, Osaka-shi
Fine Flats Kyoto Momoyama Gokonomiya	1,966	51	Fushimi-ku, Kyoto-shi
Shinagawa Tower Residence	1,711	20	Minato-ku, Tokyo
Aito	1,443	75	Fushimi-ku, Kyoto-shi

Results of Retail



(Millions of yen)

	1 H FY2015 Results	1 H FY2016 Results	Change	Change (%)	Summary
Operating revenue	46,693	47,736	1,042	2.2%	Department store 23,771 (-984) Store 13,730 (+491) Shopping mall management 6,850 (-127) Others 4,674 (+1,532)
Operating income	1,372	1,057	-314	-22.9%	Department store -285 (-288) Store 559 (+65) Shopping mall management 725 (-62) Others 86 (+8)

<< Major New Stores >>

Name	Opening date	Location
SWEETS BOX, Seibu-Ikebukuro Store	September 28, 2015	Toshima-ku, Tokyo
An3, Subway Yodoyabashi Store	September 28, 2015	Chuo-ku, Osaka-shi
Jackson Beef Steak House	August 1, 2015	Yawata-shi, Kyoto
Juicer Bar, Akihabara East-West Free Street Store	July 29, 2015	Chiyoda-ku, Tokyo
MUJI com ekimo, Umeda Store	July 17, 2015	Kita-ku, Osaka-shi
Juicer Bar, Yokohama Porta Store	April 29, 2015	Nishi-ku, Yokohama-shi
UNIQLO, Kansai Airport Departure Area Store	March 27, 2015	Sennan-gun, Osaka
SWEETS BOX, Beans Musashi Urawa Store	December 11, 2014	Minami-ku, Saitama-shi

<< Main Stores Closed >>

Name	Closing date	Location
Juicer Bar, Tsunashima Store	September 22, 2015	Kohoku-ku, Yokohama-shi
Juicer Bar, Meieki Termina Store	August 16, 2015	Nakamura-ku, Nagoya-shi
Saint Marc, Matsui-Yamate Store	June 30, 2015	Yawata-shi, Kyoto
Ashikari, Kyoto Station Store	March 29, 2015	Shimogyo-ku, Kyoto-shi

<< Sales of Department Store >>

(Millions of yen)

Store	Sales amount	Change
Moriguchi Store	10,769	217
Hirakata Store*	2,051	-1,182
Kyobashi Store	3,390	22
Kuzuha Store	4,901	27
Suminodo Store	2,386	-61
Miscellaneous revenue	271	-8
Total	23,771	-984

* The Hirakata Store is temporarily closed, due to renovation construction.

<< Sales of Store >>

(Millions of yen)

Division	Sales amount	Change
Store	5,944	192
Convenience store	3,029	262
Kiosk*	—	-286
Station business	3,995	302
Miscellaneous revenue	760	19
Total	13,730	491

*“Kiosk” business has been changed into Convenience store business.

Results of Leisure and Service

(Millions of yen)

	1 H FY2015 Results	1 H FY2016 Results	Change	Change (%)	Summary
Operating revenue	14,865	16,186	1,321	8.9%	Hotel 13,935 (+1,290) Leisure 2,358 (+49)
Operating income	1,648	3,146	1,498	90.9%	Hotel 2,913 (+1,375) Leisure 336 (+114)

<< Hotel occupancy rates >>

		1 H FY2015 Results	1 H FY2016 Results	Change	Number of rooms
Hotel Keihan	Temmabashi	94.2%	85.9%	-8.3pt	315
	Kyoto	96.5%	98.2%	1.7pt	312
	Universal Tower	87.3%	96.7%	9.4pt	641
	Universal City	85.1%	98.2%	13.1pt	330
	Kyobashi	96.1%	97.4%	1.3pt	214
	Sapporo	96.1%	94.9%	-1.2pt	200
	Asakusa	96.3%	96.7%	0.4pt	178
Biwako Hotel		84.2%	91.7%	7.5pt	171
Kyoto Tower	Kyoto Tower Hotel	97.2%	96.2%	-1.0pt	162
	Kyoto Dai-ni Tower Hotel	96.0%	98.0%	2.0pt	303
	Kyoto Tower Hotel Annex	98.3%	98.3%	0.0pt	122
Kyoto Century Hotel		91.8%	74.9%	-16.9pt	221
Total		—	—	—	3,169

* Hotel Keihan Temmabashi, Hotel Keihan Kyoto, Hotel Keihan Universal Tower, and Kyoto Century Hotel have been renovated. (Renovation is underway for some of the hotels.)

Non-consolidated Statements of Income



(Millions of yen)

	1 H FY2015 Results	1 H FY2016 Results	Change	Change (%)	Main factors of changes	April 2015 Estimate
Operating revenue	40,883	44,681	3,798	9.3%		42,800
Railway	26,283	27,075	792	3.0%	Number of passengers +2.8% Passenger transportation revenue +2.9%	
Subsidiary business	14,599	17,605	3,005	20.6%		
Real estate sales	5,048	8,411	3,363	66.6%	Sales of condominium buildings +3,540	
Real estate leasing service	7,994	7,411	-583	-7.3%		
Leisure	1,557	1,783	225	14.5%	Number of visitors to Hirakata Park +9.8%	
Operating income	9,051	10,597	1,546	17.1%		8,800
Railway	4,188	4,793	605	14.4%		
Subsidiary business	4,862	5,804	941	19.4%		
Real estate sales	589	1,579	990	168.1%		
Real estate leasing service	4,075	3,987	-87	-2.2%		
Leisure	197	236	38	19.6%		
Ordinary income	9,111	10,429	1,318	14.5%	Non-operating income +143 (Dividend income +174) Non-operating expenses +372 (Interest expenses -120) Miscellaneous expenses +492)	8,900
Net income	6,362	7,697	1,334	21.0%	Extraordinary income +285 (Gain on sales of fixed assets +261) Extraordinary losses +18 (Reduction entry of land contribution for construction +15)	6,700



FY2016 Forecasts



Forecast of Consolidated Business Results



(Millions of yen)

	FY2015 Results	FY2016 Forecast	Change	Change (%)	Main factors of changes	April 2015 Estimate
Operating revenue	294,906	299,600	4,693	1.6%	Transportation +1,658, Real estate -354, Retail +2,799, Leisure and service +1,038	287,000
Operating income	29,437	28,200	-1,237	-4.2%	Transportation +313, Real estate -1,652, Retail -661, Leisure and service +900	22,000
Ordinary income	27,435	24,700	-2,735	-10.0%	Non-operating income -909, Non-operating expenses +589	18,600
Profit attributable to owners of parent	17,864	19,200	1,335	7.5%	Extraordinary income -13,337, Extraordinary losses -17,473	14,800
Capital expenditure	15,878	45,200	29,321	184.7%	<Breakdown of capital expenditure> Transportation 13,000 (+1,398) Real estate 9,900 (+7,548) Retail 2,600 (+1,916) Leisure and service 4,900 (+3,676) Corporate, etc. 14,800 (+14,781)	48,200
Depreciation	17,107	17,600	492	2.9%		17,600
EBITDA	46,545	45,800	-745	-1.6%		39,600
Interest-bearing debt	311,010	319,400	8,389	2.7%	<<Main capital expenditure for FY2016>> (Transportation) Investment on our railway 8,739 (Real estate) Investment on our real estate 9,036	334,000
Interest-bearing debt/ EBITDA multiple (Times)	6.68	6.97	0.29	—		8.43
Net interest-bearing debt/ EBITDA multiple (Times)	6.11	6.65	0.54	—		7.99

Forecast of Consolidated Business Results (Segment Information)



(Millions of yen)

	FY2015 Results	FY2016 Forecast	Change	Change (%)	Main factors of changes	April 2015 Estimate
Operating revenue	294,906	299,600	4,693	1.6%		287,000
Transportation	90,341	92,000	1,658	1.8%	Railway +1,658, Bus +102	89,900
Real estate	89,454	89,100	-354	-0.4%	Real estate sales -1,756, Real estate leasing service +953	81,400
Retail	98,200	101,000	2,799	2.9%	Store +1,506, Shopping mall management +66, Department store -712, Other +1,691	101,000
Leisure and service	29,761	30,800	1,038	3.5%	Hotel +1,020, Leisure +56	27,600
Others	1,707	1,700	-7	-0.4%		1,800
Elimination	-14,559	-15,000	-440	—		-14,700

Operating income	29,437	28,200	-1,237	-4.2%		22,000
Transportation	8,086	8,400	313	3.9%	Bus +203, Railway +134	6,700
Real estate	14,752	13,100	-1,652	-11.2%	Real estate sales -841, Real estate leasing service -809	11,000
Retail	3,161	2,500	-661	-20.9%	Department store -571, Shopping mall management -54, Store +20	2,500
Leisure and service	3,299	4,200	900	27.3%	Hotel +818, Leisure +63	1,800
Others	-4	0	4	—		0
Elimination	142	0	-142	—		0

Note: Effective from 1Q FY2016, Biomarket Co., Ltd. has been transferred from the “Others” segment to the “Retail” segment due to a change in segment classification.

Figures for FY2015 (ended March 2015) and estimates as of April 2015 have been adjusted to reflect this change in segment classification in order to facilitate comparison.

Forecast of Non-Consolidated Business Results



(Millions of yen)

	FY2015 Results	FY2016 Forecast	Change	Change (%)	Main factors of changes	April 2015 Estimate
Operating revenue	86,342	88,200	1,857	2.2%		84,500
Railway	52,675	53,970	1,294	2.5%	Number of passengers +2.2% Passenger transportation revenue +2.4%	52,830
Subsidiary business	33,666	34,230	563	1.7%		31,670
Operating income	16,512	16,100	-412	-2.5%		14,000
Railway	7,301	7,450	148	2.0%		6,390
Subsidiary business	9,210	8,650	-560	-6.1%		7,610
Ordinary income	15,211	14,600	-611	-4.0%	Non-operating income +177 Non-operating expenses +376	12,600
Net income	9,250	10,500	1,249	13.5%	Extraordinary income -17,873 Extraordinary losses -19,083	9,100

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

	Number of passengers (Thousands of people)				Passenger transportation revenue (Millions of yen)			
	FY2015 Results	FY2016 Forecast	Change	Change (%)	FY2015 Results	FY2016 Forecast	Change	Change (%)
Non-commuter passes	144,509	148,959	4,449	3.1%	33,593	34,553	959	2.9%
Commuter passes	136,279	137,990	1,710	1.3%	15,831	16,052	220	1.4%
Total	280,788	286,949	6,160	2.2%	49,425	50,605	1,179	2.4%

TOPICS

Progress of FY2016 Initiatives

Keihan Group's Medium-term Management Plan (FY2016 – FY2018)



Basic Policy

Keihan Group's Determination to Take on
Challenges at the “Second Foundation Stage”
- Bravely Pursuing Creation -

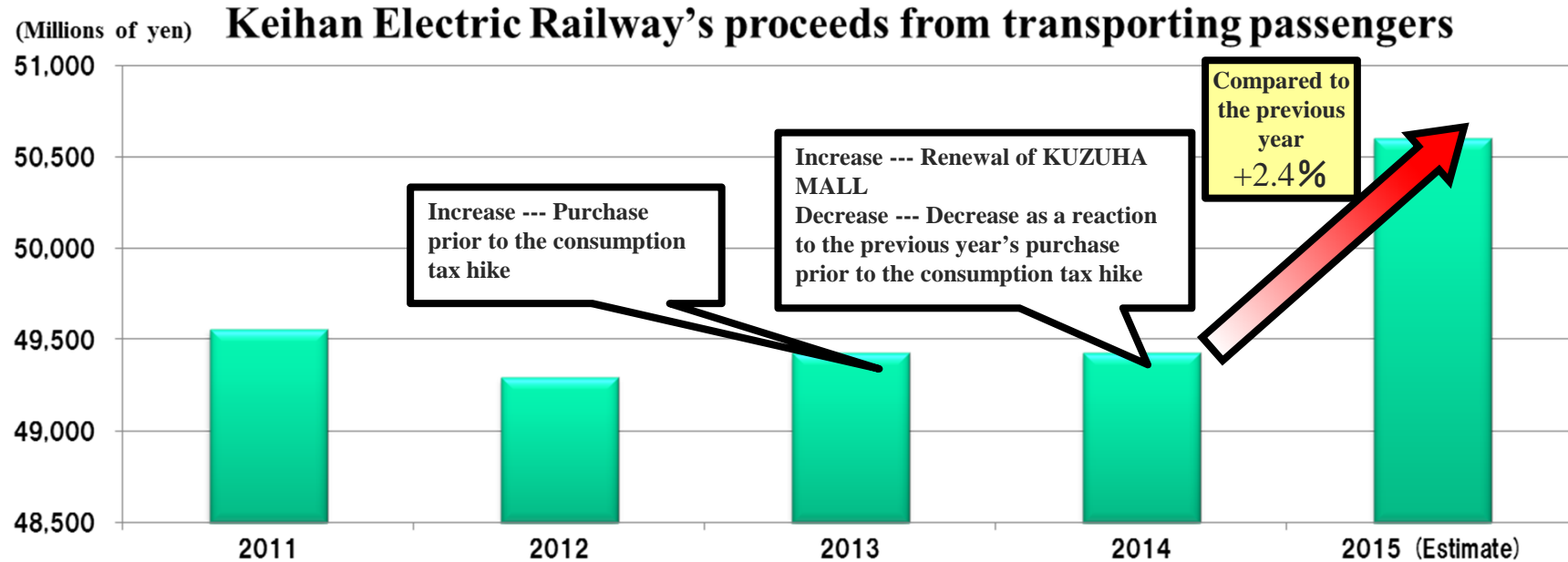
Main Strategies

- ◆ Achieve new growth through the creation of sightseeing opportunities
- ◆ Revitalize the areas along the Keihan Railway lines—efforts to redesign the areas along Keihan Railway lines
- ◆ Create contents to enhance the “value of living”
- ◆ Establish a “steadfast group management” style
 - Transition to a holding company system (April 1, 2016)

Strengthen the Management Foundation

- ◆ Continuous measures to revitalize railway transportation toward regaining the glory of railway transportation
- ◆ Real estate business as the engine of the group's growth
- ◆ Retail business to enhance the value of “community” and “living”
- ◆ Hotel and leisure businesses to create sightseeing opportunities

Proceeds from Transporting Passengers



◆ Income Increase for the Third Consecutive Fiscal Year Estimated

- Increase in the number of sightseers heading toward Kyoto
- Increase in the number of passengers getting on and off at Fushimi-Inari Station
(Increase in the number of visitors to the Fushimi Inari Taisha Shrine)
- Increase in the number of passengers getting on and off at Uji Station
(Completion of the Heisei Repair of Hoo-do Hall [national treasure] of the Byodoin Temple)
- Renewal of KUZUHA MALL (March 2014)
- Increase as a reaction to the previous year's income decrease due to the consumption tax hike (FY2016)

◆ Group Companies' Railway Business (First Half of FY2016, compared to the previous year)

- Eizan Electric Railway Co., Ltd.
Proceeds from transporting passengers: up 5.9%
- Keifuku Electric Railroad Co., Ltd.
Proceeds from transporting passengers: up 8.8%

Response to Foreign Travelers to Japan

Introduce an even wider variety of special tickets

◆ KYOTO-OSAKA SIGHTSEEING PASS /KYOTO SIGHTSEEING PASS

- Sell sightseeing passes for foreign travelers to Japan to have unlimited rides on Keihan Railway lines
- Provide such passes together with coupons that can be used not only at the group's various facilities, including Kyoto Tower, but also at shrines and temples located along Keihan Railway lines



Increase sales among foreign travelers to Japan, by selling such passes at Kansai Tourist Information Centers (in Kansai International Airport, Shinsaibashi, and Kyoto), which are facilities for foreign travelers to Japan, and also at the group's hotels, as well as by implementing product designs to further accommodate such travelers' needs

Measures to improve services for travelers

- Introduce the KYOTO Wi-Fi, a service provided by Kyoto City
- Allocate a number to each station with consideration given to foreign visitors to Japan
- Install many more signboards in four languages at stations

◆ Uji/Fushimi 1-day Ticket

- Enable visitors to have unlimited rides for one day on the Keihan Railway lines running in areas where the Fushimi Inari Taisha Shrine, the Byodoin Temple, and other renowned structures popular among foreign travelers to Japan are located
- Expanded the scope of the valid areas last year, resulting in a three-fold increase in sales



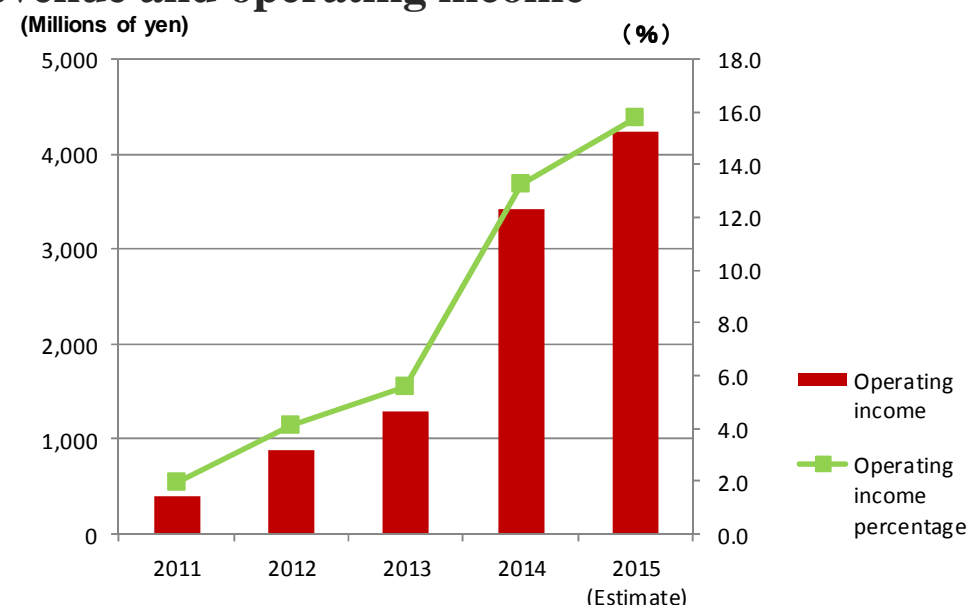
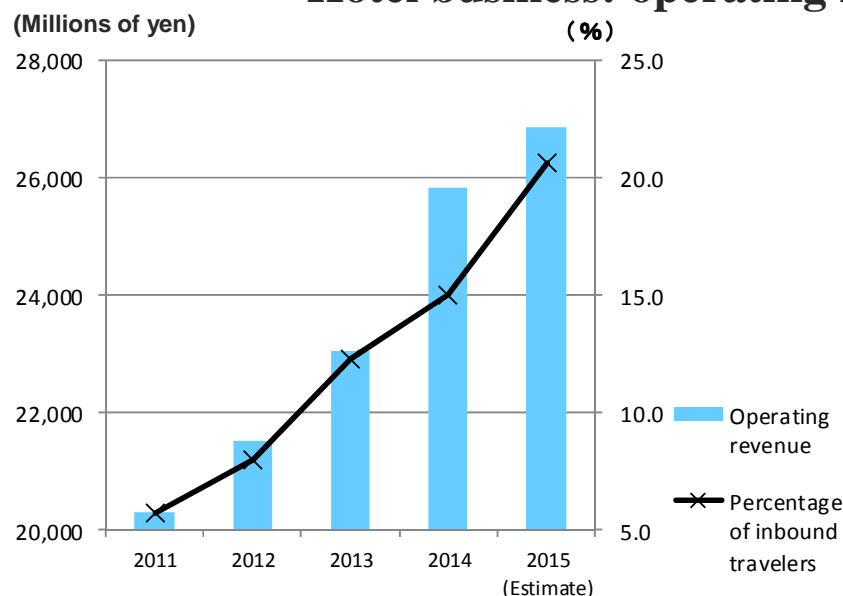
Effects on the Keihan Group's companies

(First Half of FY2016, compared to the previous year)

- Kyoto Regular Tour Bus
Number of passengers on courses for foreign travelers --- up 48.7%
- Osaka Aqua-Bus (Santa Maria)
Number of foreign travelers to Japan --- up 37.6%

Hotel Business

Hotel business: operating revenue and operating income



*The FY2016 percentage of inbound travelers only indicates the result for the first half of FY2016

Measures taken to enhance our earning power

◆ Reinforced our competitive edge through renewal

- Full renewal of guest rooms at Hotel Keihan Kyobashi (February 2014)
- Renewal targeted for family guests at Hotel Keihan Universal City (March 2014)
- Similar efforts to be made in the future at other hotels as well

◆ Enhanced our earning power through the group's synergy

- Introduced the common online reservation system and online membership system throughout the Keihan Group's hotels
- Reinforced our revenue management
- Established the Integrated Procurement Center for the Keihan Group's Hotels

Continuous measures to revitalize railway transportation toward regaining the glory of railway transportation



Provide high-quality services in pursuit of comfort and convenience

◆ Introduce the Keihan Express Premium Car (provisional name)

**Special car with reserved seats for Keihan express trains of the 8000 series
Enable both commuters and sightseers to take seats without fail, and
provide them with an even higher-quality transportation environment**

- Investment amount: Approx. 1.6 billion yen
- Introduction: First half of FY2018 (scheduled)
- Convert one of the 10 cars constituting an express train of the 8000 series (i.e., convert the No. 6 car)
- Characteristics (planned)
 - Reserved seats (charged/online reservation)
 - Reclining seats to be newly developed to provide passengers with comfortable, personal spaces
 - Three (2+1)-row seat arrangement in a car converted to have only one door
 - Large tables and sockets
 - Services to be provided by special attendants



Express train of the 8000 series



Keihan Express Premium Car (provisional name) (conceptual images)

Continuous measures to revitalize railway transportation toward regaining the glory of railway transportation



Make collaborative efforts in line with measures to create sightseeing opportunities

◆ Launched the operation of Sky Bus Kyoto

- We launched the operation jointly with Myojo Bus Co. in October 2015.
- Operated as a regular tour bus, this is the second Sky Bus of all cities in Japan, after Tokyo. The two-story open-top bus is expected to serve as a sightseeing resource that will attract much public attention.
- Route (e.g.)
JR Kyoto Station – Nijo Castle – Kinkakuji Temple - Torii Gate of the Heianjingu Shrine - Kiyomizudera Temple – Kyoto Tower – JR Kyoto Station



Sky Bus Kyoto

Strengthen transportation networks

◆ Establish a new station between Katabiranotsuji Station and Tokiwa Station on the Arashiyama Line of Keifuku Electric Railroad Co., Ltd.

- Location: 1-5 Kaminodancho, Uzumasa, Ukyo-ku, Kyoto-shi
 - A transit to Uzumasa Station on the JR Sagano Line (Sanin Main Line) will enhance access to World Cultural Heritage sites along the Arashiyama Line, such as Kinkakuji Temple, Ryoanji Temple, and Omuro-Ninnaji Temple, as well as to JR Kyoto Station.
 - Access to the Toei Kyoto Studio Park will be also enhanced.



New station (conceptual image)

- Establishment: Around the spring of 2016

Real estate business as the engine of the group's growth



Continue sales business with the focus on short-term turnover

◆ Sell apartments in major cities throughout Japan

<The Kyoto Residence Goshō-Minami>

Location: 546 Bishamon-cho, Takeya-cho-agaru, Gokomachi-dori, Nakagyo-ku, Kyoto-shi

Completed: December 2016, 5 above-ground floors, 43 apartments

<Fine City Sapporo, The Tower Odori Park>

Location: 7-6-6 Minami-Ichijo-Nishi, Chuo-ku, Sapporo-shi

Completed: February 2017, 31 above-ground floors and 1 underground floor, 116 apartments

<Fine City Oji-Kamiya River & Forest>

Location: 1-5-1 Shinden, Adachi-ku, Tokyo

Completed: July 2017, 15 above-ground floors, 319 apartments



Fine City Oji-Kamiya River & Forest (conceptual image)

Make the most effective use of the group's assets

◆ Develop a commercial building in Kyobashi, Chuo-ku, Tokyo First Cabin Kyobashi (provisional name), a compact hotel, expected to be housed in the commercial building

Location: 2-7-22 Kyobashi, Chuo-ku, Tokyo

Opening: March 2017, 9 above-ground floors, approx. 230 guest rooms



First Cabin Kyobashi (provisional name),
external appearance (conceptual image)

Real estate business as the engine of the group's growth



Make the most effective use of the group's assets

◆ Acquired 100% ownership of Osaka Merchandise Mart Corporation

Acquired 100% ownership of Osaka Merchandise Mart Corporation, which used to be an affiliate

February 2015: Additional purchase of the company's shares (25%)

May 2015: Additional purchase of the company's shares (55%)
(acquired 100% ownership)

Osaka Merchandise Mart Building

Location: 1-7-31 Otemae, Chuo-ku, Osaka-shi
(Directly connected to Keihan Temmabashi Station)

Constructed: August 1969

Outline: 22 above-ground floors, 4 underground floors, a total floor area of 131,415 m²
Wholesale stores, offices, retail stores/restaurants, exhibition rooms, conference rooms



Osaka Merchandise Mart Building



Conference room "Grand"

Contribute to enhancing the earning power of our real estate leasing service, as well as to revitalizing the areas along the Keihan Railway lines

Retail business to enhance the value of “community” and “living”



Further enhance our in-station shopping business

◆ Renewal of Keihan Department Store, Hirakata

- Implemented a renewal of the food floor (1st floor) and the fashion floor (1st floor of the annex), converting them to a sweets & gifts section and a daily gourmet food section, respectively (September 11)

◆ Opening of MUJI com ekimo, Umeda Store

- Began to operate the first small store of MUJI in Osaka Prefecture as our in-station shopping business, under a license store contract with Ryohin Keikaku Co., Ltd. (July 17)
- Aim to open a multiple number of similar stores mainly in the Kansai region

Keihan Department Store, Hirakata



◆ Development of the in-station shopping business at Shin-Osaka Station

- Keihan The Store Co., Ltd.—Obtained a developer business contract for the in-station shopping business at Shin-Osaka Station on the Midosuji Line of the Osaka Municipal Transportation Bureau (Shopping mall scheduled to be opened in March 2016)

MUJI com ekimo, Umeda Store



◆ Others

<SWEETS BOX>

- Seibu Ikebukuro Store (September 28)
- Echika Ikebukuro Store (October 13)

<Juicer Bar>

- Akihabara East-West Free Street Store (July 29)

<An3>

- Subway Yodoyabashi Store (September 28)

SWEETS BOX, Seibu Ikebukuro Store

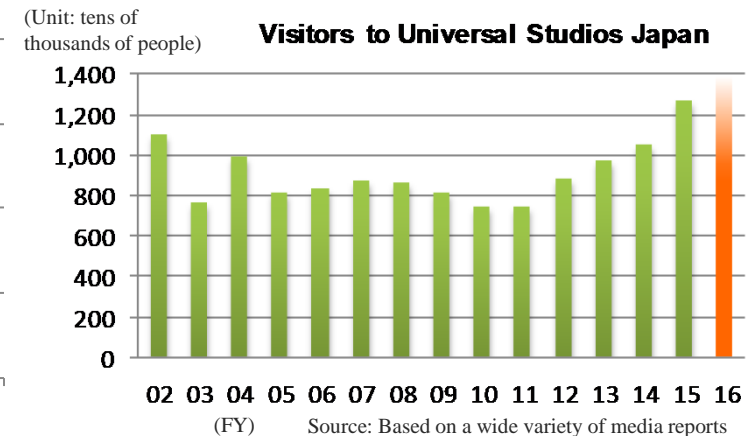
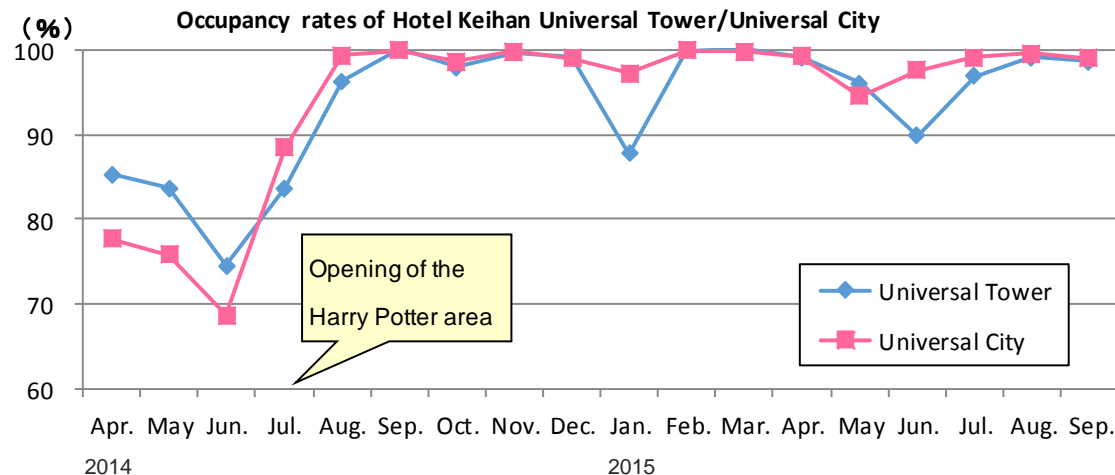


Hotel and leisure businesses to create sightseeing opportunities

Raise the quality of our existing hotels in terms of both facilities and contents

◆ Attract USJ visitors to our facilities

- The number of visitors to USJ is expected to exceed its record high marked in FY2015, mainly due to the opening of the Harry Potter area.
- The occupancy rates of the Keihan Group's two hotels near USJ remain high.



◆ Reinforce our competitive edge through renewal

<Hotel Keihan Universal Tower>

- To remain competitive against hotels newly opened near USJ, we have implemented room renovation (from the 22nd floor to the 30th floor) designed for family and group guests, the hotel's main targets.
- We are planning to implement renovation gradually in and after the next fiscal year as well, with consideration given to the needs of the hotel's target guests.



“Deluxe Family,” Hotel Keihan Universal Tower

Hotel and leisure businesses to create sightseeing opportunities



Raise the quality of our existing hotels in terms of both facilities and contents

◆ Reinforce our competitive edge through renewal

<Kyoto Century Hotel>

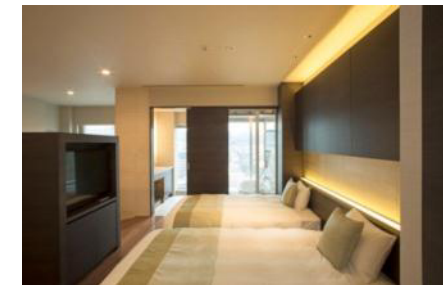
- Full renewal of guest rooms (September 18)
- BIO-Style, a concept proposed by the Keihan Group, adopted for the renewal



“Grand Comfort Room,” Kyoto Century Hotel

<Hotel Keihan Kyoto>

- Gradual renewal of the hotel’s guest rooms, restaurants, front lobby, etc. (February 2016 [scheduled])
- “Superior Floor” (26 rooms) to be newly established on the 13th floor
- Nine Japanese-style “Zen Suites” to be newly established on the 3rd floor



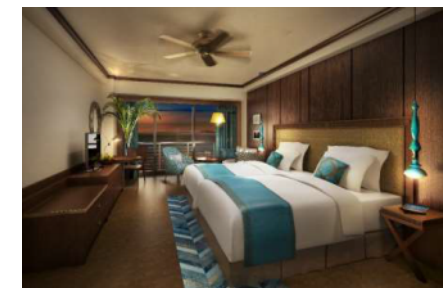
“View Bath Junior Suite,” Hotel Keihan Kyoto

<Hotel Keihan Temmabashi>

- Renewal of all guest rooms (November 1)

<Biwako Hotel>

- First large-scale renewal of guest rooms since the construction of the hotel in 1998 (October 21)
- Opening of the luxury floor, Aqua



“Aqua,” Biwako Hotel

Hotel and leisure businesses to create sightseeing opportunities



Open more hotels

<Hotel Keihan Yodoyabashi (provisional name)>

Location: 2-41-1 Kitahama, Chuo-ku, Osaka-shi
Two-minutes' walk from Keihan Kitahama Station and five-minutes' walk from Yodoyabashi Station

Opening: Summer 2017 (scheduled), 11 above-ground floors, 210 rooms (planned)

Land and structure owner: Toyo Property Co., Ltd.



Hotel Keihan Yodoyabashi (provisional name)
(conceptual image)

<Hotel Keihan Tsukiji Ginza (provisional name)>

Location: 3-507-1 Tsukiji, Chuo-ku, Tokyo
Two-minutes' walk from Tsukiji Station of the Tokyo Metro Hibiya Line

Opening: Autumn 2018 (scheduled), 14 above-ground floors, 300 rooms (planned)

Land and structure owner: Nakagawa Special Steel Inc.



Hotel Keihan Tsukiji Ginza (provisional name)
(conceptual image)

Aim to open hotels in front of stations in major ordinance-designated cities, and to directly manage more than 15 hotels in Japan by 2020