

**First Half of FY2023**  
**(Ended September 30, 2022)**

# **Financial Results Presentation**

November 17, 2022

Keihan Holdings Co., Ltd.

(Tokyo Stock Exchange Prime Market / Securities Code: 9045

<https://www.keihan-holdings.co.jp/>)

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◆ 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.

Actual results may differ due to various factors that may arise in the future.

# Summary of Consolidated Financial Results and Forecasts

# Summary of Consolidated Financial Results

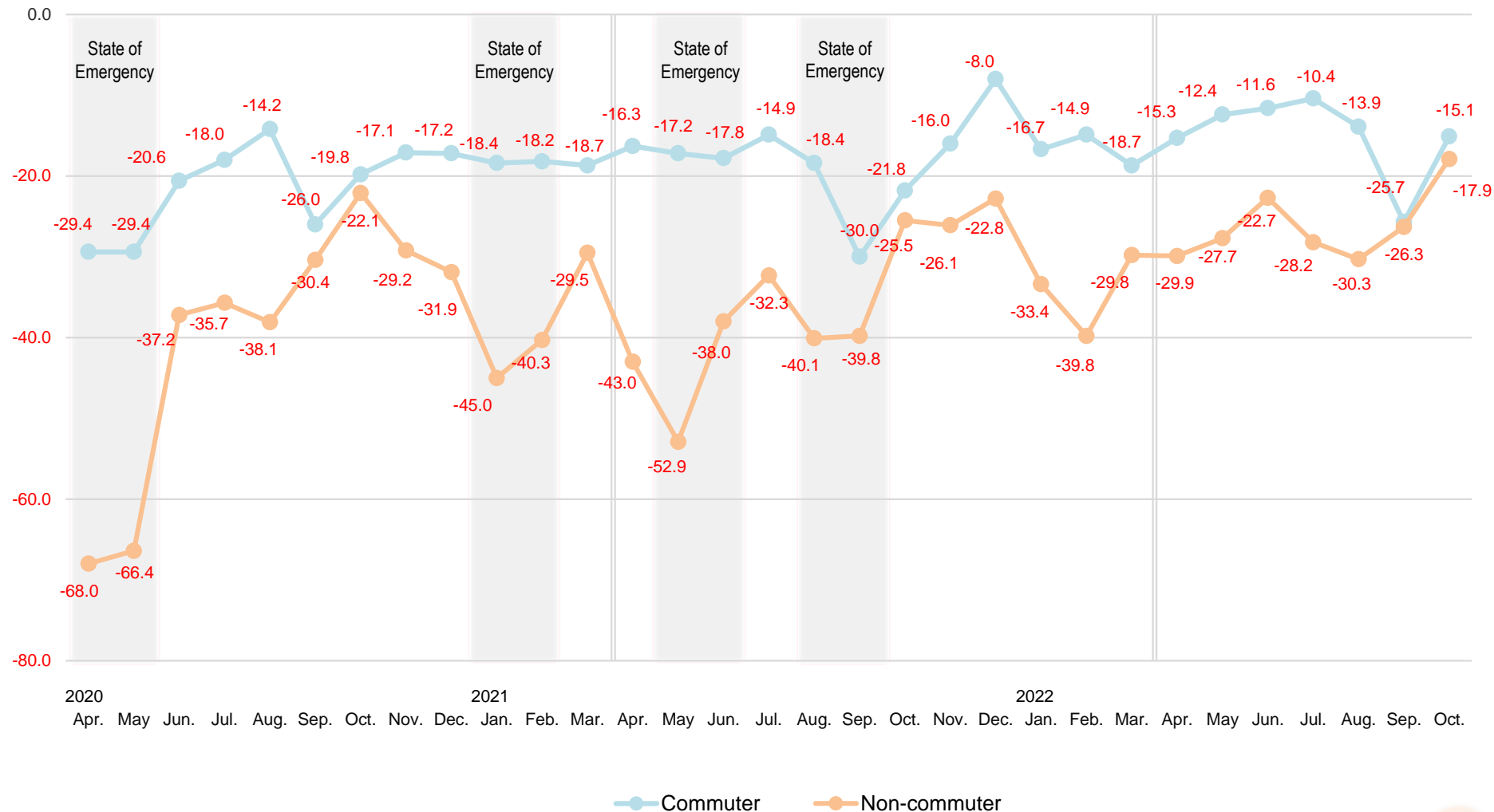
- Despite a decline in the real estate business in reaction to the sales of newly developed properties in the same term of the previous year, revenue as well as operating income and ordinary income increased compared to the same term of the previous year, when a State of Emergency was declared, due to factors such as a certain level of recovery in the transportation business and the leisure and service business. Moreover, mainly due to an increase in the gain on sales of non-current assets, profit attributable to owners of parent largely exceeded the results of the same term of the previous year.

	1H FY2023 results	1H FY2022 results	Change	Change (%)	Remarks
Operating revenue	123.1 bn. yen	118.5 bn. yen	4.5 bn. yen	3.9%	
Operating income	10.1 bn. yen	2.7 bn. yen	7.3 bn. yen	264.2%	
Ordinary income	10.5 bn. yen	3.7 bn. yen	6.8 bn. yen	182.7%	
Profit attributable to owners of parent	10.5 bn. yen	1.9 bn. yen	8.5 bn. yen	438.6%	Gain on sales of non-current assets: +4.5 bn. yen year on year

# Situation of Main Segments (1)

## Railway (Keihan Electric Railway): Passenger figures compared to 2019

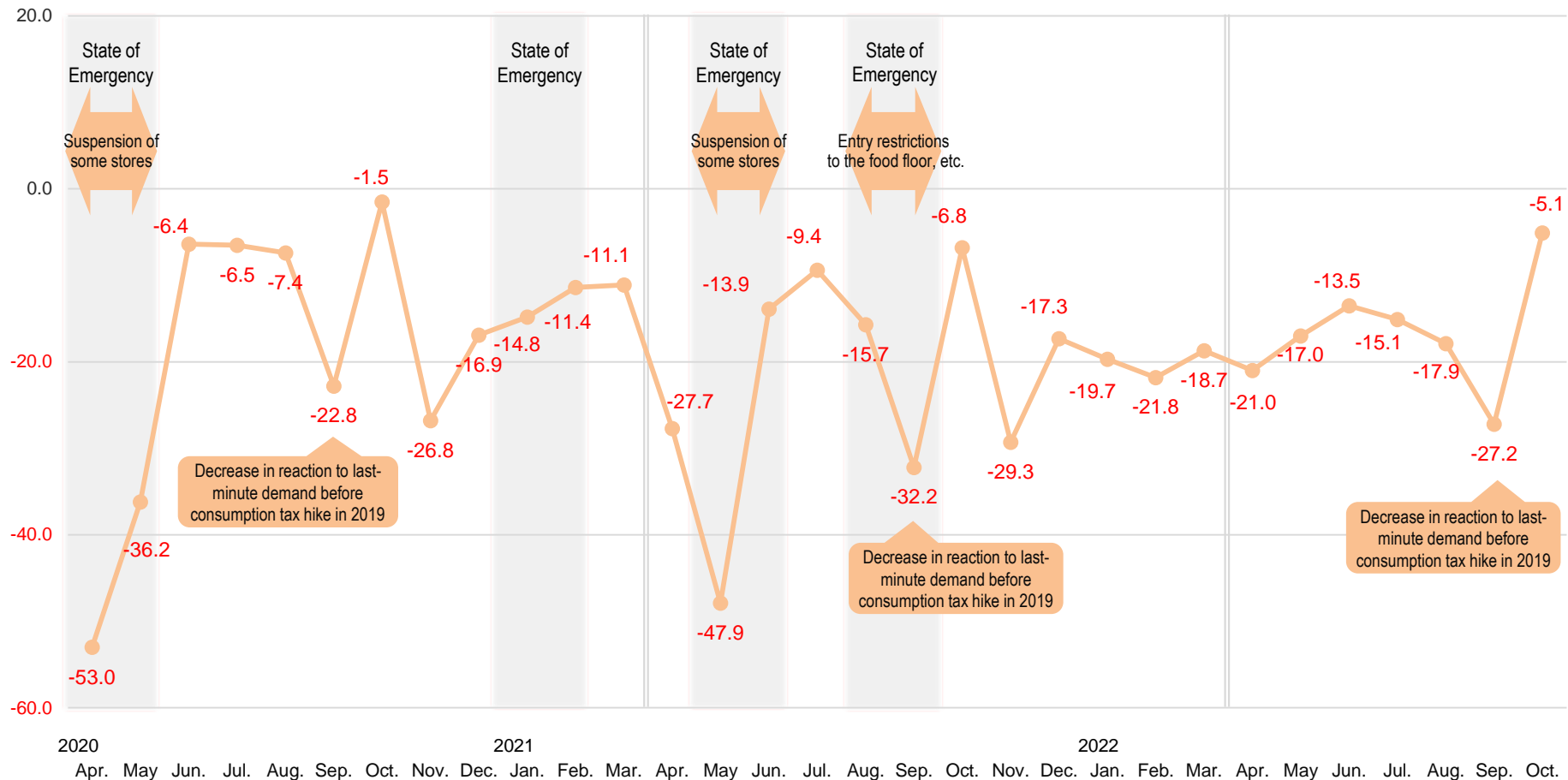
(%)



# Situation of Main Segments (2)

## Department Store (Keihan Department Stores): Operating revenue compared to 2019

(%)

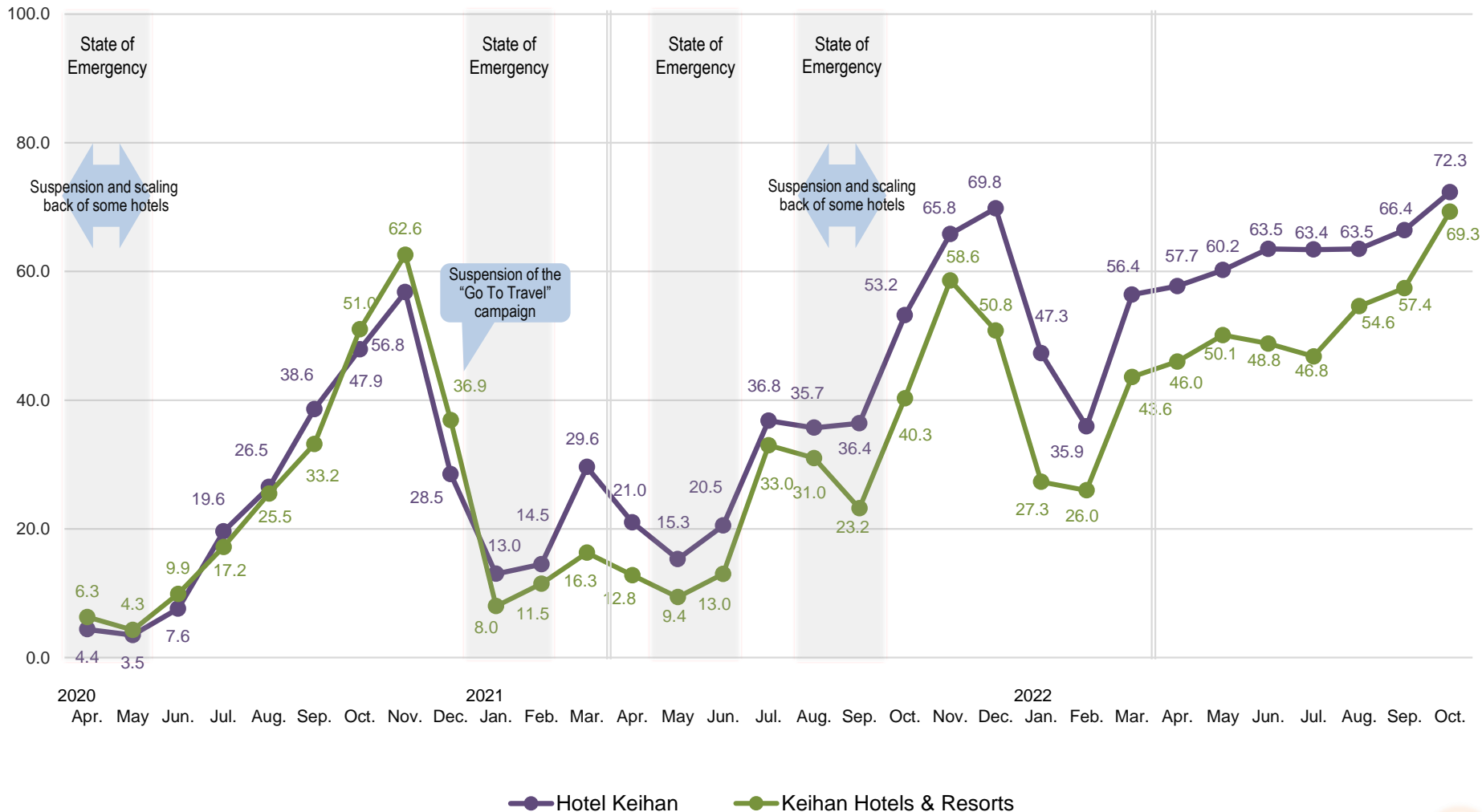


\* Comparison by the operating revenue before applying the Accounting Standard for Revenue Recognition

# Situation of Main Segments (3)

## Hotel: Occupancy rates

(%)



# Preconditions for FY2023 Forecasts

## Revenue forecasts (for all segments)

- Although the impact of the COVID-19 pandemic will remain to a certain extent, economic activity in Japan will recover moderately due to improved consumer confidence and a social trend of resumption of outings in accordance with the infection status.
- Declaration of a State of Emergency, request for business suspension, or large-scale outing restrictions in response to an infection surge will not be in place.
- Inbound demand will recover moderately from the second half of the fiscal year, but it will not achieve a full-fledged recovery.

## Revenue forecasts (for each segment)

			FY2023 forecasts (latest)	FY2023 forecasts (released in May)
Revenue forecasts (full-year)	Keihan Electric Railway	Non-commuter pass passenger revenue Commuter pass passenger revenue	Compared to the average year: Around -22%	Compared to the average year: Around -20%
	Bus business	Fixed route bus revenue	Around -15%	Around -17%
	Department store business	Sales*	Compared to the average year: Around -12%	Compared to the average year: Around -13%
Hotel occupancy rates (full-year)	Hotel Keihan Keihan Hotels & Resorts		Compared to the average year: Around -15%	Compared to the average year: Around -15%
			Around 75%	Around 75%
			Around 55%	Around 55%

\* Sales before applying the Accounting Standard for Revenue Recognition



# Summary of Performance and Dividend Forecasts

- Revenue is forecast to decrease due to the impact of COVID-19 resurgence on the retail distribution business, among other businesses. However, profits in each stage are expected to exceed the previous forecasts due to the strong performance of the real estate business, anticipated cost review in the transportation and other businesses, and an increase in profits resulting from subsidies, including those for employment adjustment, and the sales of non-current assets.

	FY2023 forecasts (latest)	FY2023 forecasts (released in May)	Change	Change (%)
Operating revenue	254.6 bn. yen	255.0 bn. yen	-0.4 bn. yen	-0.2%
Operating income	17.2 bn. yen	16.5 bn. yen	0.7 bn. yen	4.2%
Ordinary income	17.0 bn. yen	15.5 bn. yen	1.5 bn yen	9.7%
Profit attributable to owners of parent	16.0 bn. yen	12.0 bn. yen	4.0 bn. yen	33.3%
Annual dividend	30 yen per share	25 yen per share	The dividend forecast increased by 5 yen from the previous forecast of 25 yen per share after comprehensively reviewing the current performance, financial position, and other factors.	

# Progress of Measures Based on the Future Business Direction

- Given drastically changing lifestyles, the Keihan Group will **steer its business toward Safety & Security, Structural Reform, and BIOSTYLE** in the future.
- Along with the main strategies advocated in the long-term management strategy, the Keihan Group will implement measures based on this business direction to **restore its management foundation**.

## Medium- to Long-term Changes in Lifestyle

Establishing **health and prevention-conscious** behavior

Spreading **new ways of work and life**  
(remote work, etc.)

Raising awareness of **environmental and social issues**



## Future Business Direction

**Safety & Security**

**Structural Reform**

**BIOSTYLE**

\* BIOSTYLE: Initiative proposed by the Keihan Group as the Keihan version of the SDGs, which “can be introduced to daily life with pleasure and without burden, leading to the realization of a recycling-oriented society.”

# Measures by Segment (Safety & Security)

## Safety & Security

Providing **products and services that can reassure customers** even under a pandemic, natural disaster, or other insecure conditions

### Introducing the “barrier-free fare system”

- The “**barrier-free fare system**” has been adopted to accelerate the installation of accessible facilities.

Collection plan	
Scheduled start date	Apr. 1, 2023
Collection period	3 years*
Annual collections (estimate)	1,500 million yen
Total collections (estimate)	4,500 million yen

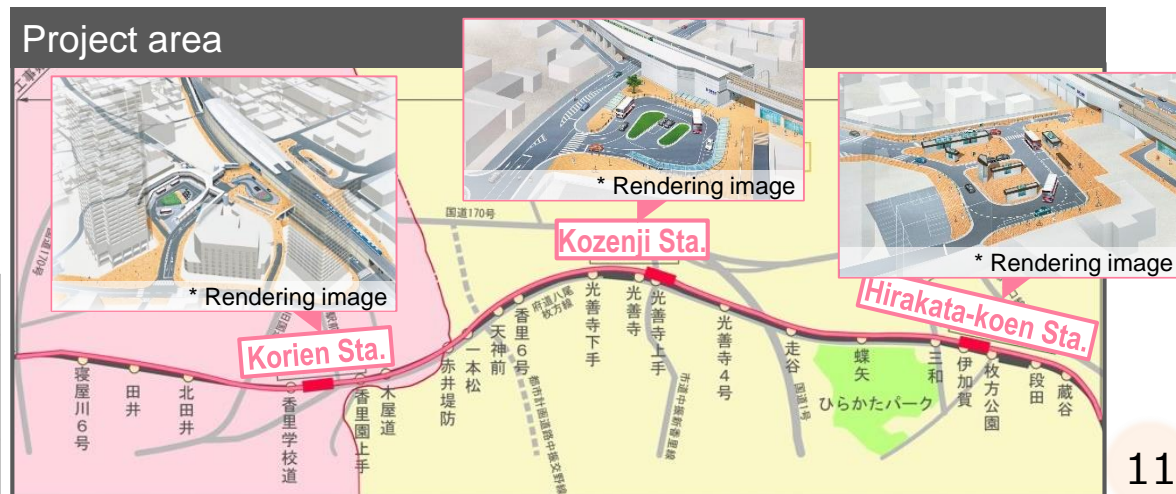
\* Whether to continue after three years is to be reviewed.

Installation plan	
Major facilities installed	<ul style="list-style-type: none"> <li>Screen doors (8 platforms at 4 stations)</li> <li>Intercom with videophone (all Keihan Line stations)</li> <li>Updating station broadcasting system</li> </ul>
Total expenses (estimate)	5,995 million yen

### Starting construction work for the consecutive grade separation project on the Keihan Line (Neyagawa City and Hirakata City)

- The groundbreaking ceremony was held in September 2022 to mark the start of the railroad construction.
- By removing railroad crossings, the project aims to eliminate traffic congestion and railroad crossing accidents, help resolve the regional divide, and integrate urban areas, thus contributing to regional development.

Total length	Approx. 5.5 km
No. of railroad crossings removed	21
No. of stations elevated	3



# Measures by Segment (Structural Reform)

## Structural Reform

Establishing a system that can cover changes in demand in existing segments and promoting products and services that can flexibly respond to new lifestyles

### Efforts for structural reform at Keihan Department Stores

- In May 2022, the e-commerce mall “Yorozu wo Tsugumono” opened under the concept of “the fun of knowing things that are known only to those in the know,” offering a succession of products carefully selected by department store buyers.

#### Stores



##### Shima no Sachi-sachi

A food specialty store offering a selection of delicacies from remote islands handpicked by buyers



##### Kasa-moyo

An umbrella specialty store where you can choose your favorite one from a wide variety of items

- In September 2022, the food and lifestyle select store “5.0°F (go-ef)” opened under the theme of “Food and lifestyle changing with the evolution of refrigeration technology” at the Keihan Department Store’s Moriguchi Store to improve self-managed sales floors.

#### Stores

##### 5.0°F

- Sells **original frozen foods**, fresh frozen ingredients, cooking utensils, storage containers, etc.
- Live cooking** by professional chefs and other events are held at the kitchen counter on the sales floor.

Also has a store in the e-commerce mall “Yorozu wo Tsugumono”



### Efforts for structural reform at Keihan The Store

- Conversion of the in-station convenience store “Anthree” to “**Moyori-ichi**,” a **new-style food market** that offers unique and quality food, is under way to fulfill the changing roles of in-station areas.
- In 2022, **Moyori-ichi** stores were opened at **Korien Station** in August and at **Neyagawashi Station** in October, and another will be opened at **Kuzuha Station** in December.



Moyori-ichi Korien Station



Moyori-ichi Neyagawashi Station

#### Products

“**Rail Gourmet: Local Products along the Keihan Railway Lines**” are offered at the station, featuring a collection of attractive items from both popular and hidden stores along the railway lines, as well as quality food, such as **deli products and bread cooked in-house and sushi from Daiki Suisan**.



- Sells **lunchboxes cooked in-house** on the same day in the kitchen of the directly managed supermarket Frest
- Features many selections of “**Rail Gourmet**” foods, such as cream bread from Tsukumodo Honpo, a famous store in Hirakata



## BIOSTYLE

Promoting **products and services** that can increase people's life value and **solve social issues** at the same time

### Efforts at THE THOUSAND KYOTO

- In the hotel business, we aim to enhance our brand and competitiveness by offering **valuable experiences that pursue** not only individual comfort but also **sustainability** that is good for nature, culture, and society.
- THE THOUSAND KYOTO is undertaking **100 SDG actions** a year as an initiative to think about the next millennium together with guests visiting the millennial capital, Kyoto.



Action 1: Selling honey collected through urban beekeeping on the hotel rooftop



Action 2: Developing "food loss reduction menus" using imperfect onions



Action 3: Serving as a collection point for used stainless steel bottles



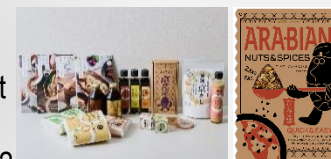
THE THOUSAND KYOTO

### Efforts at GOOD NATURE STATION

- The **GOOD NATURE MARKET**, a new brand of food products that are good for one's health, minds, locals, society, and the earth, was launched in May 2022.
- We aim to **increase awareness and sales** through the development of new products using normally discarded materials (cacao shells, etc.), expansion of sales channels, brand promotion, etc.

#### Products

- Sells CACAO CURRY, cacao cola, various seasonings, etc.
- "Arabian Nuts & Spice," a new product developed jointly with Ryukoku University, was launched in October 2022.



- The "SDGs Tour," which allows participants to experience and feel sustainable initiatives at the facility, used to accept only group reservations from travel agencies. From September 2022, **general reservations have been also accepted.**

#### SDGs Tour

- The tour provides a behind-the-scenes story of how original cosmetics "NEMOHAMO" and other company-brand products are produced, as well as a visit to private areas that are not usually open to the public, utilizing its unique perspectives and content.



# Initiatives toward Increase in Profits

## Main condominiums to be sold in FY2023 and thereafter

Name of property, location		No. of housing units
Scheduled delivery in FY2023		
Fine Residence Kobe Shin-Nagata	Kobe City	80*
Fine Residence Hirakata Kori-en-cho	Hirakata City	130*
The FINE Tower WEST COAST	Osaka City	199*
Fine Residence Fukushima Noda	Osaka City	112*
Branz Tower Sapporo Odori Koen	Sapporo City	179*
Scheduled delivery in FY2024		
The FINE Tower OSAKA HIGOBASHI	Osaka City	197
The FINE Tower HISAYA ODORI	Nagoya City	163*
The FINE Tower URASOE GUSUKUMA	Urasoe City	90*
Hotel Condo VIVOVIVA Ishigakijima	Ishigaki City	98*
Scheduled delivery in FY2025		
Saitama Kita-ku Bonsai-cho Project	Saitama City	158*
Takasaki Saya-cho Project	Takasaki City	70*
Naha Chatan Project	Naha City	221*

\* This is a joint project. The number of housing units is the total number of housing units. The number of housing units and when the sales are recorded are subject to change.

## Expanding asset types in real estate sales

### Hotel Condo VIVOVIVA Ishigakijima

- The first newly built hotel condominium for sale on Ishigaki Island
- Scheduled delivery: Late Feb. 2024



\* Rendering image

## Increasing investment in real estate leasing

### Kumamoto Techno Plaza

- Acquired Sep. 30, 2022
- Location Kumamoto City, Kumamoto
- Size 7 floors above ground, 1 floor below ground



# Progress of the Long-term Management Strategy



# Progress of the Main Strategies

## Redevelop Keihan areas

Increasing the value of the areas along the Keihan Railway lines is the basis for the Keihan Group's business. So, we will continue developing the **Hirakatashi, Nakanoshima and Yodoyabashi Station** areas in line with changing lifestyles.

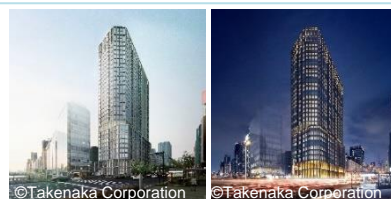
## Yodoyabashi

– **Joint reconstruction of Keihan Midosuji Building and Nittochi Yodoyabashi Building:**  
Construction of new building started in July 2022

### Features

1. Urban development that contributes to improving Osaka's international competitiveness and attractiveness at the gateway to Midosuji

- Creating a sophisticated, lively district through the formation of a **unified landscape**, impressive illumination at night, etc.



2. High-standard office building with both functionality and comfort, adopted as a sustainable building leading project (CO2 saving type)

- **Saving energy** through dimming control, use of exhaust heat, etc. Also featuring natural ventilation through the use of atrium space, etc.



3. Three spaces contributing to the city, designed to support the sophisticated, lively district and business activities

- Featuring a **multi-story, multi-purpose plaza**, a **business lounge** with co-working spaces, and an **observation terrace** open to the general public

4. Improvement of the pedestrian space and disaster resilience in the surrounding area

- **Renovating the underground passageway at Yodoyabashi Station**, which connects at the B1 level. Also developing a temporary evacuation site and an emergency stockpile warehouse in the building.

### Project outline

Site area	Approx. 3,940 m <sup>2</sup>
Size	31 floors above ground, 3 floors below ground
Height	Approx. 150 m
Total floor area	Approx. 72,850 m <sup>2</sup>
Scheduled opening	Summer 2025

### Property use

30F	Commercial area, observation terrace
12F–29F	Offices
10F–11F	Business lounge
4F–8F	Offices
B2F–2F	Commercial area

## Nakanoshima

– **Nakanoshima 4-chome International Hub for Medical Innovation Project** –

Nov. 2021 Construction of new building started.

FY2024 Project to be completed.

Total floor area	Approx. 57,000 m <sup>2</sup>
Size	17 floors above ground



## Hirakatashi

– **Type-1 urban redevelopment project in Hirakatashi Station area** –

FY2025 Construction on land partially owned by the Keihan Group (Section 3) to be completed.

Section 3	Total floor area	Approx. 94,000 m <sup>2</sup>
	Size	26 floors above ground (high-rise building) 10 floors above ground (low-rise building) 29 floors above ground (residential building)



Rendering image  
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# Progress of the Main Strategies

## Co-create tourism opportunity

While assessing the tourism situation during and after the COVID-19 pandemic, we will surely capture the local demand and start preparations toward the recovery period.

## Efforts in anticipation of a full-fledged recovery of tourism demand

- In the **Kyoto Station/Higashiyama area**, **Fushimi area**, **Mt. Hiei/Lake Biwa area**, etc., efforts are under way to strengthen cooperation with local communities, attract more visitors to each area, and add value to tourism services.

### Kyoto Station/Higashiyama area

Facility renovation, equipment repair, etc.

[Concept]

- Promoting excursions themed on **art and traditional crafts** in line with the relocation of Kyoto City University of Arts to the southeast of Kyoto Station
- Developing accommodation facilities and spaces to stay that contribute to the SDGs

[Facilities/projects]\*

- Hotels around Kyoto Station
- Promoting excursions through the use of apps

### Fushimi area

Holding events and sightseeing tours

- Co-organizing **“Sake Lees Gourmet Walk”** from Oct. 15 with Fushimi Sake Brewers Association
- Commercializing tours for luxury class people  
→ **Promoting branding** as a sake brewery town and **inspiring visits and excursions** to the area



### Mt. Hiei/Lake Biwa area

Facility renovation, equipment repair, etc.

[Concept]

- Promoting excursions utilizing **great views, scenery, and experiences of nature**

[Facilities]\*

- Biwako Hotel
- Railway and cable car stations, etc.

### Establishing Hieizan-Biwako DMO

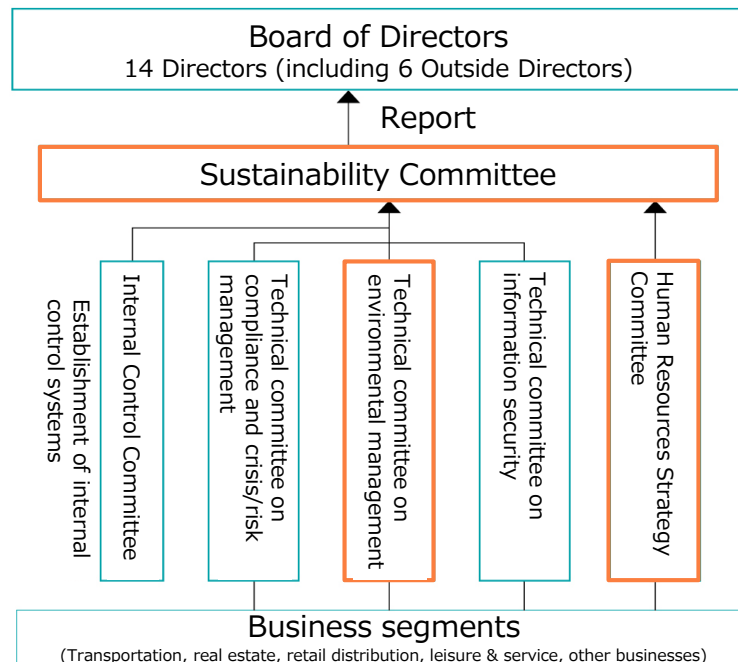
- **Hieizan-Biwako DMO was established in May 2022 (now in the registration application process)** to attract more visitors and improve the environment for receiving visitors to the Mt. Hiei/Lake Biwa area, which extends from Mt. Hiei to its foothills.

\* Partially funded by subsidies

## Fully launching the sustainability promotion system

- The **Sustainability Committee**, which promotes and manages the progress of ESG initiatives by the Keihan Group, was established under the Board of Directors in July 2022.
- Under the Sustainability Committee were established the “**Technical committee on environmental management**” to address environmental issues and the “**Human Resources Strategy Committee**” to promote value creation through diverse human capital.

### Sustainability promotion system



## Reducing food waste

- The **food drive** (food donation) project has been under way at Frest Matsui-yamate Shop and Frest Nagao Shop.
- Biwako Kisen Steamship started to **re-deliver surplus food from its onboard restaurant** to a children's support group in Otsu City in September 2022.



## Enhancing communication with local communities

- On October 16, the Keihan Group's customer appreciation event “**Family Rail Fair**” was held at the Neyagawa train depot of Keihan Electric Railway for the first time in three years.

### Scenes from the day



# Overview of the First Half of FY2023 Financial Results

# Consolidated Statements of Income

- Despite a decline in the real estate business in reaction to the sales of newly developed properties in the same term of the previous year, revenue as well as operating income and ordinary income increased compared to the same term of the previous year, when a State of Emergency was declared, due to factors such as a certain level of recovery in the transportation business and the leisure and service business. Moreover, mainly due to an increase in the gain on sales of non-current assets, profit attributable to owners of parent largely exceeded the results of the same term of the previous year.

(Millions of yen)

	1H FY2023 results	1H FY2022 results	Change	Main factors of change	1H FY2023 forecasts (released in August)	Change
Operating revenue	123,143	118,564	4,579 (3.9%)		118,500	4,643 (3.9%)
Operating income	10,174	2,793	7,381 (264.2%)		7,900	2,274 (28.8%)
Non-operating income	1,553	2,426	-873	Subsidies for employment adjustment: -723		
Non-operating expenses	1,188	1,492	-303			
Ordinary income	10,539	3,727	6,811 (182.7%)		8,000	2,539 (31.7%)
Extraordinary income	5,137	1,748	3,388	Gain on sales of non-current assets: +4,571 Gain on sales of investment securities: -1,000		
Extraordinary losses	728	466	261			
Profit attributable to owners of parent	10,506	1,950	8,555 (438.6%)		8,600	1,906 (22.2%)
Depreciation	9,966	10,297	-330			
EBITDA	20,141	13,090	7,050	* EBITDA: Operating income + Depreciation		
Interest and dividend income	295	241	53			
Interest expenses	961	1,030	-69			
Net interest expenses	-666	-789	123			

# Segment Information

		(Millions of yen)			
		1H FY2023 results	1H FY2022 results	Change	Change (%)
Transportation	Operating revenue	39,448	33,157	6,290	19.0%
	Operating income	3,452	-1,991	5,444	—
Real estate	Operating revenue	56,951	62,652	-5,700	-9.1%
	Operating income	9,641	10,400	-759	-7.3%
Retail distribution	Operating revenue	24,446	25,893	-1,446	-5.6%
	Operating income	647	414	232	56.1%
Leisure and service	Operating revenue	9,509	4,194	5,315	126.7%
	Operating income	-2,734	-5,437	2,703	—
Others	Operating revenue	1,660	1,416	243	17.2%
	Operating income	-638	-757	118	—
Adjustments	Operating revenue	-8,872	-8,750	-122	—
	Operating income	-193	164	-358	—

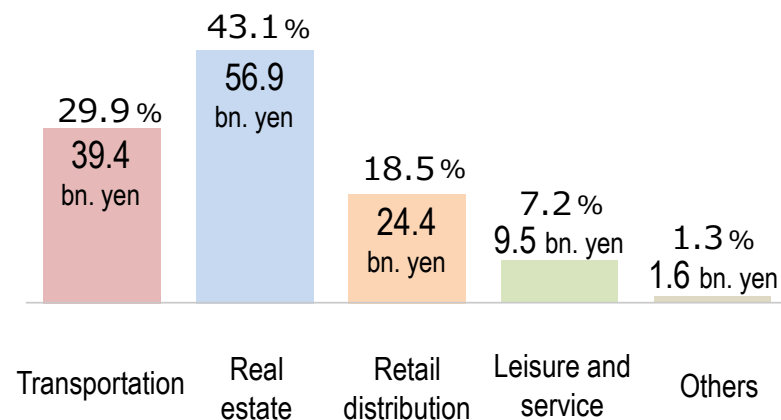


# Segment Information (Breakdown)

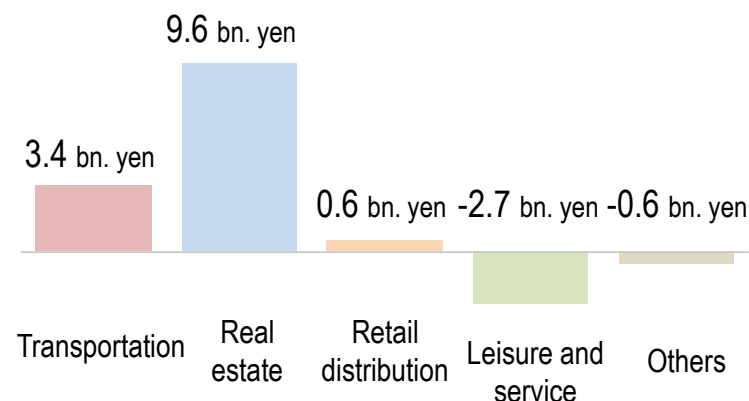
[Consolidated subsidiaries] 39 companies (2 companies reduced year on year) [Equity-method affiliates] 2 companies (No change year on year)

Transportation	Keihan Electric Railway Co., Ltd., Keifuku Electric Railroad Co., Ltd., Keihan Bus Co., Ltd., and 12 other companies
Real estate	Keihan Holdings Co., Ltd., Keihan Real Estate Co., Ltd., Zero Corporation Co., Ltd., Keihan Tatemono Co., Ltd., and 6 other companies
Retail distribution	Keihan Department Stores Co., Ltd., Keihan The Store Co., Ltd., Keihan Ryutsu Systems Co., Ltd., Biomarket Co., Ltd.
Leisure and service	Hotel Keihan Co., Ltd., Keihan Hotels & Resorts Co., Ltd., Biwako Kisen Steamship Co., Ltd., and 5 other companies
Others	BIOSTYLE Co., Ltd., Keihan Card Co., Ltd.

## <Operating revenue by segment>



## <Operating income by segment>

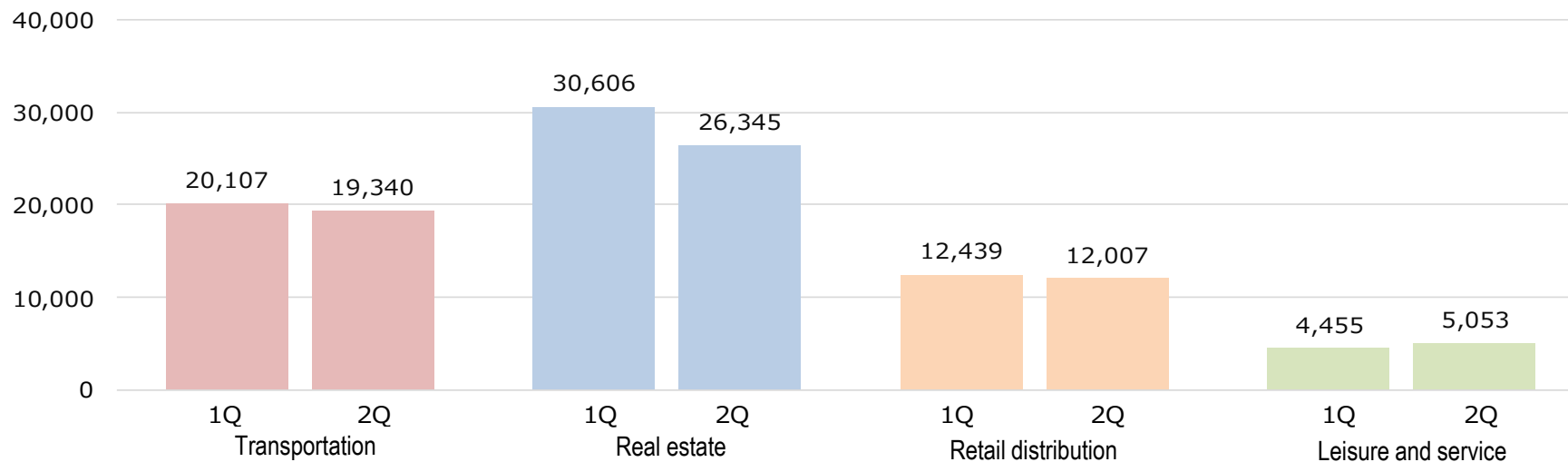


Note: The breakdown of operating revenue and operating income by segment includes intersegment transactions. The percentages represent the composition ratios in each segment.

# Segment Information (Quarterly Changes)

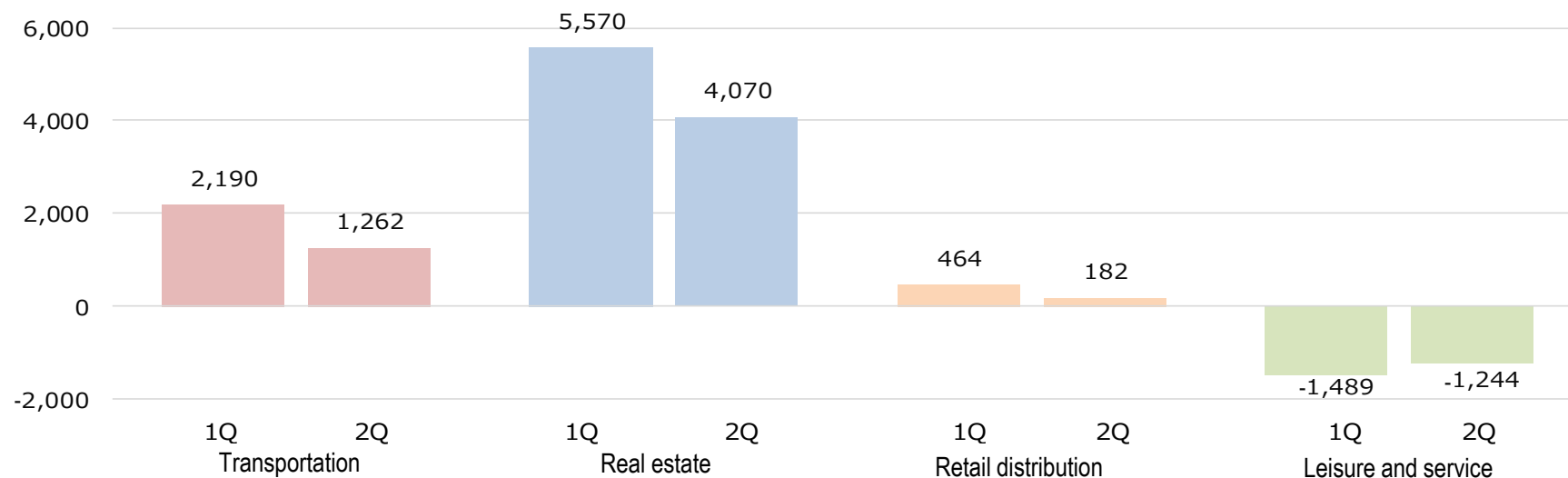
(Millions of yen)

## Transition of operating revenue by segment



(Millions of yen)

## Transition of operating income by segment





# Segment Information (Transportation)

(Millions of yen)

	1H FY2023 results	1H FY2022 results	Change	Change (%)
Operating revenue	39,448	33,157	6,290	19.0%
Railway	32,024	27,319	4,705	17.2%
Bus	11,111	9,429	1,681	17.8%
Elimination	-3,687	-3,591	-96	—
Operating income	3,452	-1,991	5,444	—
Railway	2,805	-1,358	4,164	—
Bus	643	-634	1,277	—
Elimination	3	1	2	—

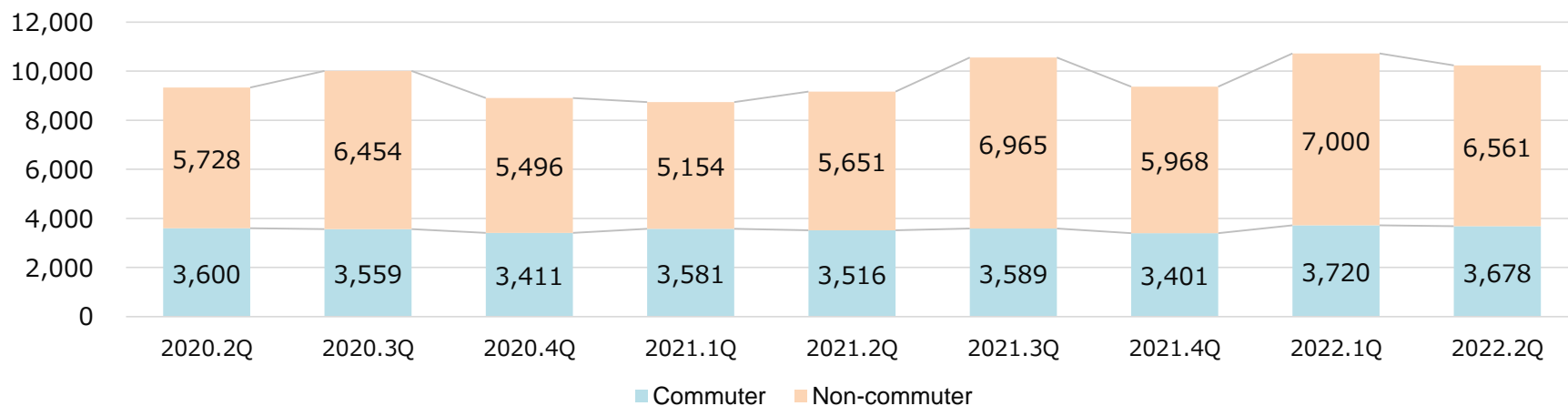
## (Major factors affecting performance)

- The railway business saw increases in both revenue and profits mainly due to an increase in the number of passengers transported compared to the same term of the previous year, when a State of Emergency was declared.
- The bus business saw increases in both revenue and profits mainly due to an increase in revenue from bus passengers compared to the same term of the previous year, when a State of Emergency was declared.

# Operating Results for Transportation: Keihan Electric Railway

	1H FY2023 results	1H FY2022 results	Change	Change (%)
	millions of yen	millions of yen	millions of yen	%
Passenger transportation revenue	20,960	17,903	3,057	17.1
Non-commuter passes	13,561	10,805	2,756	25.5
Commuter passes	7,398	7,097	301	4.2
	thousands of people	thousands of people	thousands of people	%
Number of passengers	120,297	106,689	13,607	12.8
Non-commuter passes	55,108	44,788	10,319	23.0
Commuter passes	65,188	61,900	3,288	5.3

## Transition of passenger transportation revenue (millions of yen)



# Segment Information (Real Estate)

(Millions of yen)

	1H FY2023 results	1H FY2022 results	Change	Change (%)
Operating revenue	56,951	62,652	-5,700	-9.1%
Real estate	48,087	55,391	-7,303	-13.2%
Real estate sales	32,114	40,704	-8,589	-21.1%
Real estate leasing service	13,773	12,817	955	7.5%
Other businesses	2,199	1,869	330	17.7%
Construction	12,275	10,978	1,296	11.8%
Elimination	-3,412	-3,717	305	—
Operating income	9,641	10,400	-759	-7.3%
Real estate	9,739	11,344	-1,605	-14.1%
Real estate sales	2,979	5,263	-2,284	-43.4%
Real estate leasing service	6,508	5,873	634	10.8%
Other businesses	252	207	44	21.6%
Construction	-3	-52	49	—
Elimination	-95	-891	796	—

## (Major factors affecting performance)

- The real estate sales business saw decreases in both revenue and profits due to a reaction to the sales of newly developed properties in the same term of the previous year, although the sales of condominiums, such as Fine Residence Shin-Yurigaoka and The Fine Tower Otemae, increased.
- The real estate leasing business saw increases in both revenue and profits due to factors such as an increase in real estate fund income.

# Segment Information (Retail Distribution)

(Millions of yen)

	1H FY2023 results	1H FY2022 results	Change	Change (%)
Operating revenue	24,446	25,893	-1,446	-5.6%
Department store	9,300	9,200	99	1.1%
Store	7,388	8,724	-1,335	-15.3%
Shopping mall management	6,281	5,820	460	7.9%
Other businesses	2,139	2,849	-709	-24.9%
Elimination	-663	-702	39	—
Operating income	647	414	232	56.1%
Department store	-296	-363	66	—
Store	219	339	-119	-35.3%
Shopping mall management	637	436	200	46.0%
Other businesses	79	-19	99	—
Elimination	7	21	-13	—

## (Major factors affecting performance)

- The department store business and the shopping mall management business saw increases in both revenue and profits due to a rebound from the business suspension and shorter operation hours in the same term of the previous year, when a State of Emergency was declared.
- The store business saw decreases in both revenue and profits due to factors such as the closure of the Frest Korien Shop in December 2021 associated with the consecutive grade separation project on the Keihan Main Line (Neyagawa City and Hirakata City), despite a rebound from the impact of COVID-19 pandemic in the same term of the previous year.

# Segment Information (Leisure and Service)

(Millions of yen)

	1H FY2023 results	1H FY2022 results	Change	Change (%)
Operating revenue	9,509	4,194	5,315	126.7%
Hotel	8,068	3,254	4,814	147.9%
Leisure	1,454	951	503	52.9%
Elimination	-13	-11	-2	—
Operating income	-2,734	-5,437	2,703	—
Hotel	-2,747	-5,173	2,425	—
Leisure	4	-273	277	—
Elimination	9	9	0	—

## Hotel occupancy rates

	1H FY2023 results	1H FY2022 results	Change
Hotel Keihan	63.3%	27.9%	35.4pt
Keihan Hotels & Resorts	50.6%	20.5%	30.1pt

(Major factors affecting performance)

- The hotel business saw increases in both revenue and profits due to factors such as a rebound from the business suspension and scaling back in the same term of the previous year, when a State of Emergency was declared.
- The leisure business saw increases in both revenue and profits due to factors such as a rebound from the scaling back in the same term of the previous year, when a State of Emergency was declared.

# Consolidated Balance Sheets

(Millions of yen)

	1H FY2023 results	FY2022 results	Change	Main factors of change
Current assets	193,811	186,794	7,016	Land and buildings for sale: +15,478 Cash and deposits: -6,479
Non-current assets	550,305	550,466	-161	Buildings and structures: -3,227 Machinery, equipment and vehicles: -1,393 Investment securities: +3,573
Total assets	744,117	737,261	6,855	
Current liabilities	148,184	127,477	20,706	Current portion of bonds: +20,000
Long-term liabilities	330,232	353,907	-23,674	Bonds: -20,000 Long-term loan payable: -3,471
Total liabilities	478,416	481,384	-2,968	
Net assets	265,700	255,876	9,824	Retained earnings: +7,872 * Equity capital ratio: 35.0% (+0.9 pts)
Total liabilities and net assets	744,117	737,261	6,855	
Interest-bearing debt	345,644	345,311	333	Short-term bonds payable: +3,000 Loans payable: -2,666

# Consolidated Statements of Cash Flows

(Millions of yen)

	1H FY2023 results	1H FY2022 results	Change	Main factors of change
Cash flows from operating activities	903	339	564	Increase in other current liabilities: +12,956 Profit before income taxes: +9,938 Increase in inventories: -19,956
Cash flows from investing activities	-4,792	-8,456	3,664	Proceeds from sales of non-current assets: +6,923 Purchase of non-current assets: -1,674 Proceeds from sales of investment securities: -1,235
Cash flows from financing activities	-2,886	2,329	-5,215	Proceeds from long-term loans payable: -20,310 Short-term loans payable: +11,046
Net increase (decrease) in cash and cash equivalents	-6,548	-5,788	-760	
Cash and cash equivalents at beginning of period	20,322	26,554	-6,232	
Cash and cash equivalents at end of period	13,790	20,766	-6,975	

# FY2023Forecasts



# Consolidated Statement of Income (Performance Forecasts)

- Revenue is forecast to decrease due to the impact of COVID-19 resurgence on the retail distribution business, among other businesses. However, profits in each stage are expected to exceed the previous forecasts due to the strong performance of the real estate business, anticipated cost review in the transportation and other businesses, and an increase in profits resulting from subsidies, including those for employment adjustment, and the sales of non-current assets.

(Millions of yen)

	FY2023 forecasts (latest)	FY2023 forecasts (released in May)	Change	Change (%)	FY2022 full-year results	Change	Change (%)
Operating revenue	254,600	255,000	-400	-0.2%	258,118	-3,518	-1.4%
Operating income	17,200	16,500	700	4.2%	13,408	3,791	28.3%
Ordinary income	17,000	15,500	1,500	9.7%	16,485	514	3.1%
Profit attributable to owners of parent	16,000	12,000	4,000	33.3%	9,589	6,410	66.8%
Capital expenditure	36,900	38,800	-1,900	-4.9%	17,193	19,706	114.6%
Depreciation	20,200	20,500	-300	-1.5%	20,922	-722	-3.5%
EBITDA	37,400	37,000	400	1.1%	34,331	3,068	8.9%
Interest-bearing debt	355,000	367,000	-12,000	-3.3%	345,311	9,688	2.8%
Interest-bearing debt/ EBITDA multiple (times)	9.49	9.92	-0.43	—	10.06	-0.57	—
Net interest-bearing debt/ EBITDA multiple (times)	8.96	9.38	-0.42	—	9.47	-0.51	—
Interest and dividend income	490	393	97	24.7%	464	26	5.7%
Interest expenses	1,836	1,888	-51	-2.7%	2,007	-171	-8.5%
Net interest expenses	-1,345	-1,494	149	—	-1,542	197	—

# Segment Information (Performance Forecasts)

(Major factors affecting performance: after the previous forecasts in May)

- Transportation : Decrease in revenue due to the impact of COVID-19 resurgence; increase in profits due to factors such as efforts for cost reduction
- Real estate : Increases in both revenue and profits due to factors such as the strong performance in real estate sales
- Retail distribution : Decrease in revenue due to factors such as a delay in recovery of facilities from the impact of COVID-19 resurgence; profit forecasts remain unchanged due to factors such as efforts for cost reduction.
- Leisure and service : Forecasts remain unchanged due to the recent recovery trend, despite the impact of COVID-19 resurgence.

(Millions of yen)

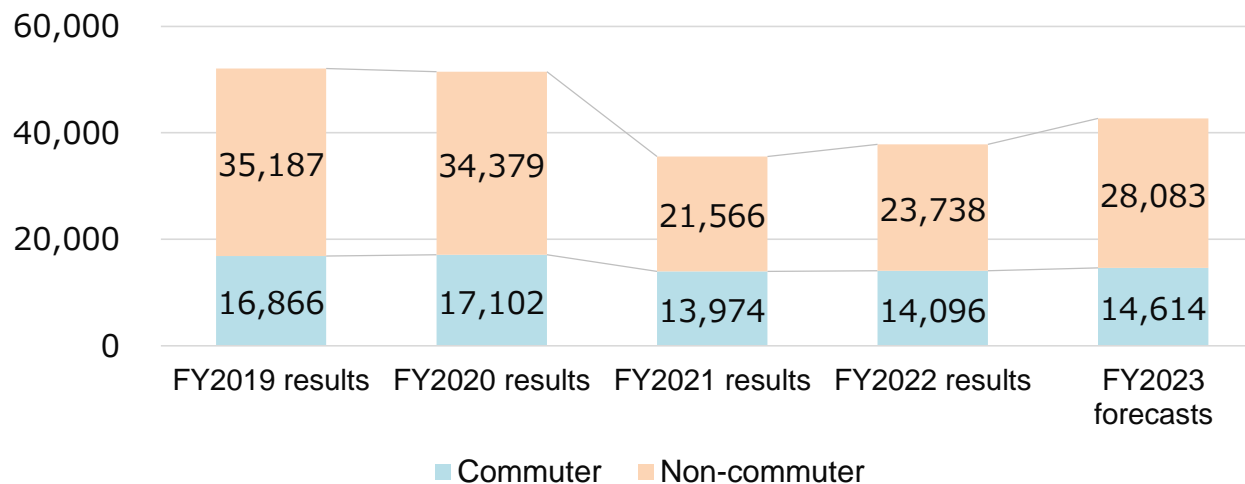
		FY2023 forecasts (latest)	FY2023 forecasts (released in May)	Change	FY2022 full-year results	Change
Transportation	Operating revenue	79,300	79,700	-400	70,768	8,531
	Operating income	4,800	4,600	200	173	4,626
Real estate	Operating revenue	117,500	116,400	1,100	137,495	-19,995
	Operating income	17,000	15,800	1,200	22,593	-5,593
Retail distribution	Operating revenue	51,300	52,900	-1,600	52,908	-1,608
	Operating income	2,400	2,400	—	1,776	623
Leisure and service	Operating revenue	20,800	20,800	—	11,529	9,270
	Operating income	-4,600	-4,600	—	-9,324	4,724
Others	Operating revenue	3,700	3,900	-200	3,169	530
	Operating income	-1,000	-900	-100	-1,393	393
Adjustments	Operating revenue	-18,000	-18,700	700	-17,752	-247
	Operating income	-1,400	-800	-600	-417	-982

# Operating Results for Transportation (Performance Forecasts): Keihan Electric Railway

(Millions of yen)

	FY2023 forecasts (latest)	FY2023 forecasts (released in May)	Change	Change (%)	FY2022 full-year results	Change	Change (%)
Passenger transportation revenue	millions of yen 42,697	millions of yen 42,994	millions of yen -296	% -0.7	millions of yen 37,835	millions of yen 4,862	% 12.9
Non-commuter passes	28,083	28,784	-700	-2.4	23,738	4,344	18.3
Commuter passes	14,614	14,210	404	2.8	14,096	517	3.7
Number of passengers	thousands of people 242,800	thousands of people 242,956	thousands of people -156	% -0.1	thousands of people 219,235	thousands of people 23,564	% 10.7
Non-commuter passes	115,135	119,692	-4,557	-3.8	97,391	17,743	18.2
Commuter passes	127,665	123,264	4,401	3.6	121,843	5,821	4.8

Changes in passenger transportation revenue (millions of yen)



# Capital Expenditure by Segment (Performance Forecasts)

(Millions of yen)

	FY2023 forecasts (latest)	FY2023 forecasts (released in May)	Change	FY2022 full- year results	Change
Capital expenditure	36,900	38,800	-1,900	17,193	19,706
Transportation	11,500	14,000	-2,500	6,142	5,357
Real estate	12,100	9,500	2,600	9,473	2,626
Retail distribution	2,500	2,700	-200	826	1,673
Leisure and service	2,100	1,900	200	586	1,513
Others	100	100	—	46	53
Adjustments	8,600	10,600	-2,000	118	8,481

# EBITDA by Segment (Performance Forecasts)

(Millions of yen)<sup>1</sup>

	FY2023 forecasts (latest)	FY2023 forecasts (released in May)	Change	FY2022 full- year results	Change
EBITDA	37,400	37,000	400	34,331	3,068
Transportation	15,700	15,800	-100	12,022	3,677
Real estate	23,700	22,400	1,300	29,043	-5,343
Retail distribution	3,500	3,600	-100	2,837	662
Leisure and service	-3,400	-3,400	—	-8,181	4,781
Others	-800	-700	-100	-1,211	411
Adjustments	-1,300	-700	-600	-179	-1,120