

FY2023 (Fiscal year ended March 31, 2023)

Financial Results Presentation

May 18, 2023

Keihan Holdings Co., Ltd.

Tokyo Stock Exchange Prime Market /

Securities Code: 9045

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

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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.

Overview

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 previous fiscal year, revenue as well as operating income and ordinary income increased compared to the previous fiscal year, when a State of Emergency was declared, due to factors such as recovery in the leisure and service business and the transportation business. Moreover, mainly due to an increase in the gain on sales of non-current assets, profit attributable to owners of parent significantly exceeded the results of the previous fiscal year.

(Millions of yen)

	FY2023 results	FY2022 results	Change	Main factors of change	FY2023 forecasts	Change
Operating revenue	260,070	258,118	1,952 (0.8%)		254,600	5,470 (2.1%)
Operating income	20,491	13,408	7,083 (52.8%)		17,200	3,291 (19.1%)
Non-operating income	2,467	5,820	-3,352	Subsidies for COVID-19 countermeasures: -1,460 Subsidies for employment adjustment: -1,263		
Non-operating expenses	2,500	2,742	-241			
Ordinary income	20,458	16,485	3,972 (24.1%)		17,000	3,458 (20.3%)
Extraordinary income	9,806	4,199	5,607	Gain on sales of non-current assets: +4,405 Compensation income: +1,659 Gain on sales of investment securities: -1,005		
Extraordinary losses	3,779	2,684	1,095	Impairment loss: +623		
Profit attributable to owners of parent	17,621	9,589	8,032 (83.8%)		16,000	1,621 (10.1%)

(Reference)

Depreciation	20,028	20,922	-894		20,200	-171
EBITDA	40,520	34,331	6,189	*EBITDA: Operating income + Depreciation	37,400	3,120
Net interest expenses	-1,341	-1,542	200		-1,345	3
Interest and dividend income	535	464	71		490	44
Interest expenses	1,877	2,007	-129		1,836	41

Segment Information

(Millions of yen)

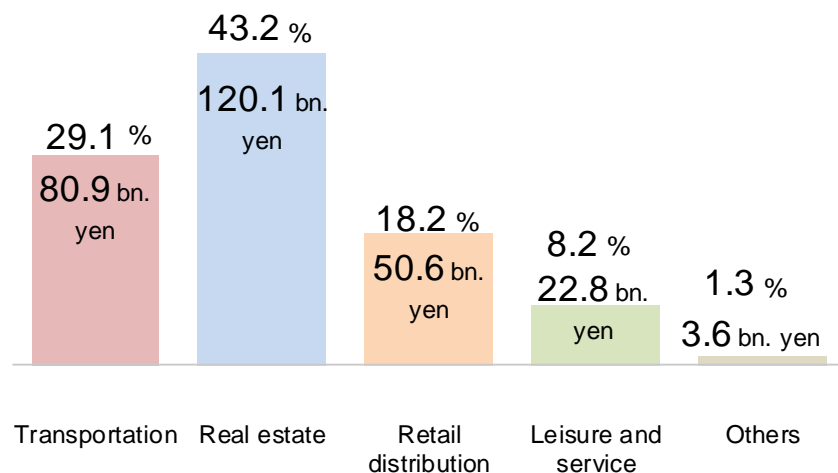
		FY2023 results	FY2022 results	Change	Change (%)	FY2023 forecasts	Change	Change (%)
Transportation	Operating revenue	80,927	70,768	10,158	14.4%	79,300	1,627	2.1%
	Operating income	6,885	173	6,711	—	4,800	2,085	43.4%
Real estate	Operating revenue	120,103	137,495	-17,391	-12.6%	117,500	2,603	2.2%
	Operating income	17,555	22,593	-5,037	-22.3%	17,000	555	3.3%
Retail distribution	Operating revenue	50,676	52,908	-2,231	-4.2%	51,300	-623	-1.2%
	Operating income	1,878	1,776	102	5.8%	2,400	-521	-21.7%
Leisure and service	Operating revenue	22,869	11,529	11,340	98.4%	20,800	2,069	10.0%
	Operating income	-3,836	-9,324	5,488	—	-4,600	763	—
Others	Operating revenue	3,660	3,169	490	15.5%	3,700	-39	-1.1%
	Operating income	-1,230	-1,393	163	—	-1,000	-230	—
Adjustments	Operating revenue	-18,167	-17,752	-414	—	-18,000	-167	—
	Operating income	-761	-417	-343	—	-1,400	638	—

Segment Information (Breakdown)

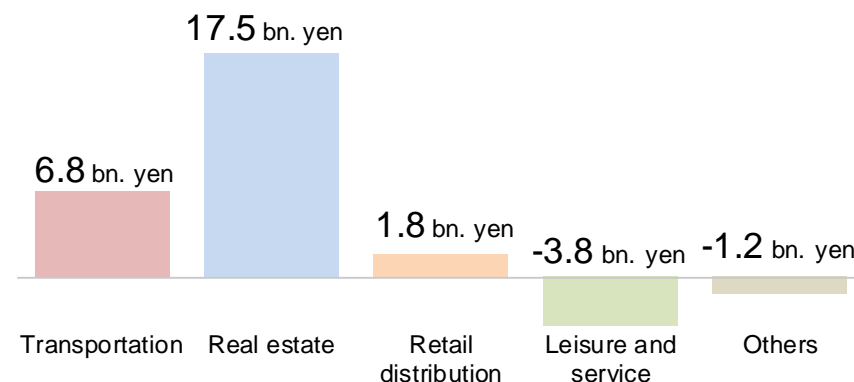
[Consolidated subsidiaries] 39 companies (1 company reduced year on year) [Equity-method affiliates] 2 companies (No change year on year)

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>



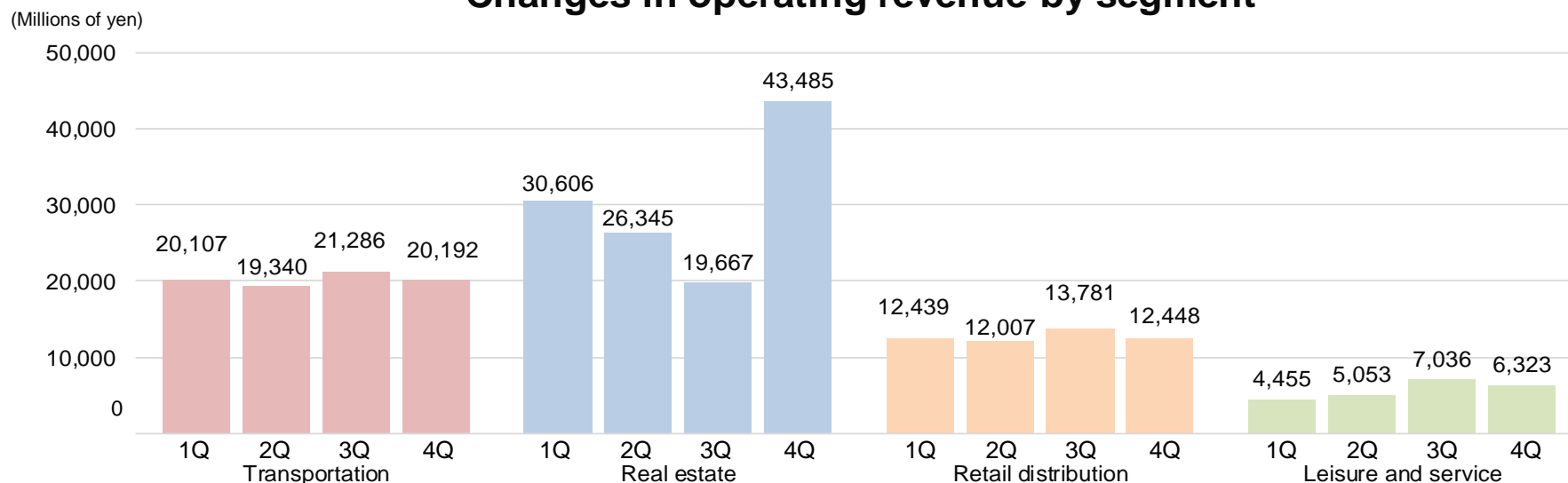
<Operating income by segment>



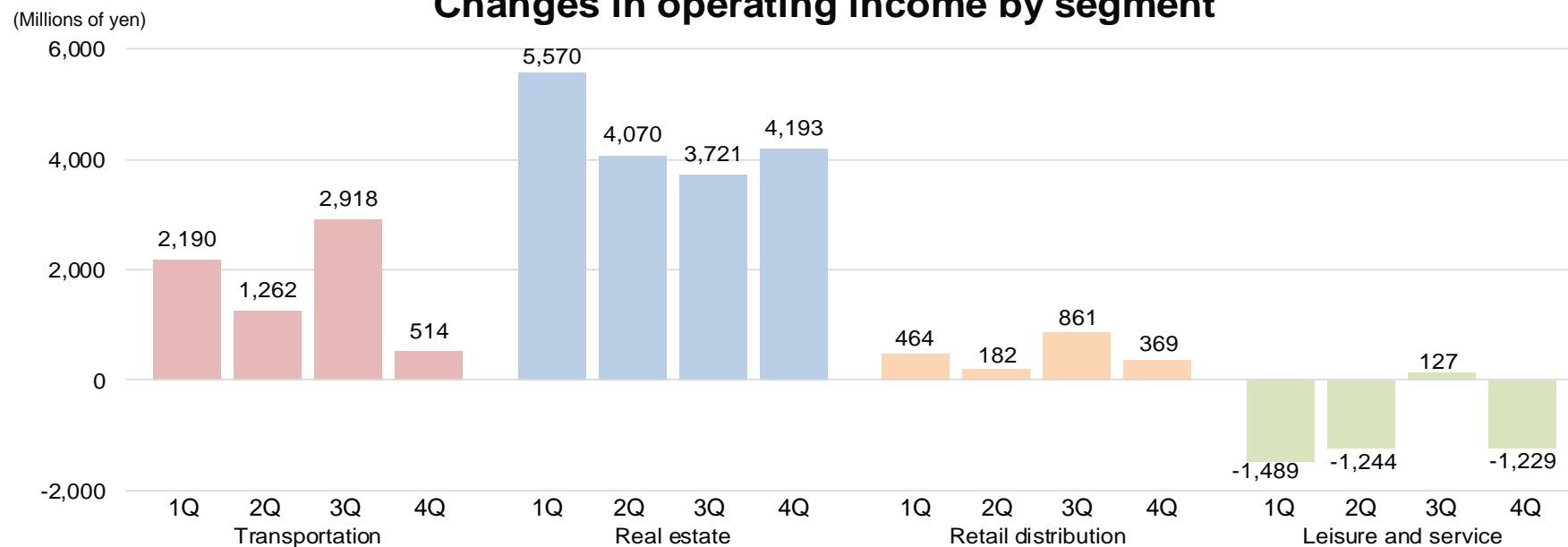
Note: The breakdown of operating revenue and operating income by segment includes intersegment transactions. The percentages represent the composition ratios in each segment.

Segment Information (Quarterly Changes)

Changes in operating revenue by segment



Changes in operating income by segment



Segment Information (Transportation)

(Millions of yen)

	FY2023 results	FY2022 results	Change	Change (%)
Operating revenue	80,927	70,768	10,158	14.4%
Railway	65,962	58,271	7,690	13.2%
Bus	22,507	19,596	2,911	14.9%
Elimination	-7,542	-7,098	-443	—
Operating income	6,885	173	6,711	—
Railway	5,775	1,104	4,671	423.1%
Bus	1,085	-954	2,039	—
Elimination	24	23	0	—

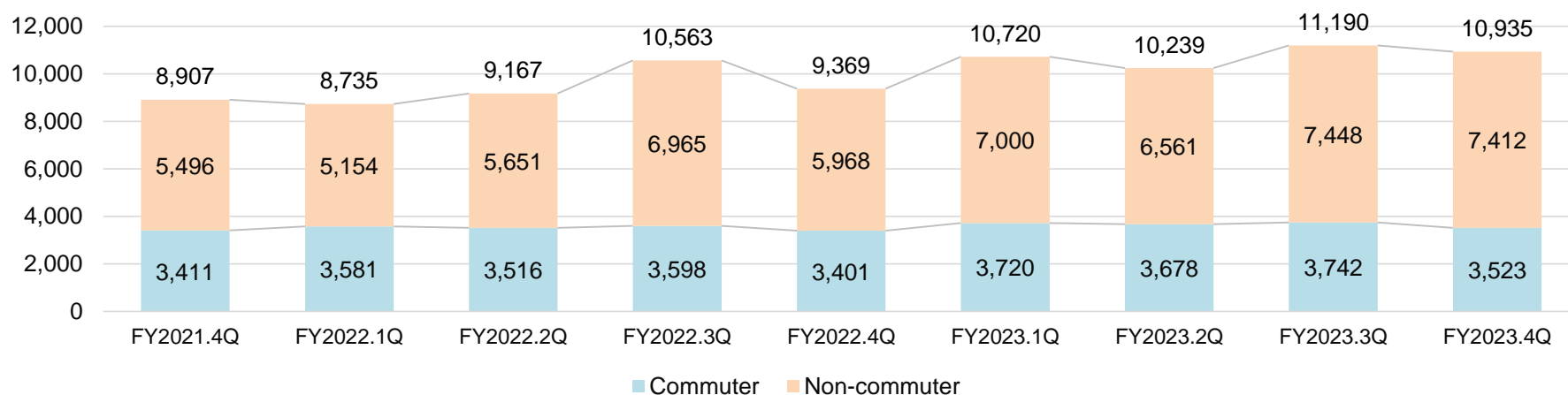
(Major factors affecting performance)

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

Operating Results for Transportation Keihan Electric Railway

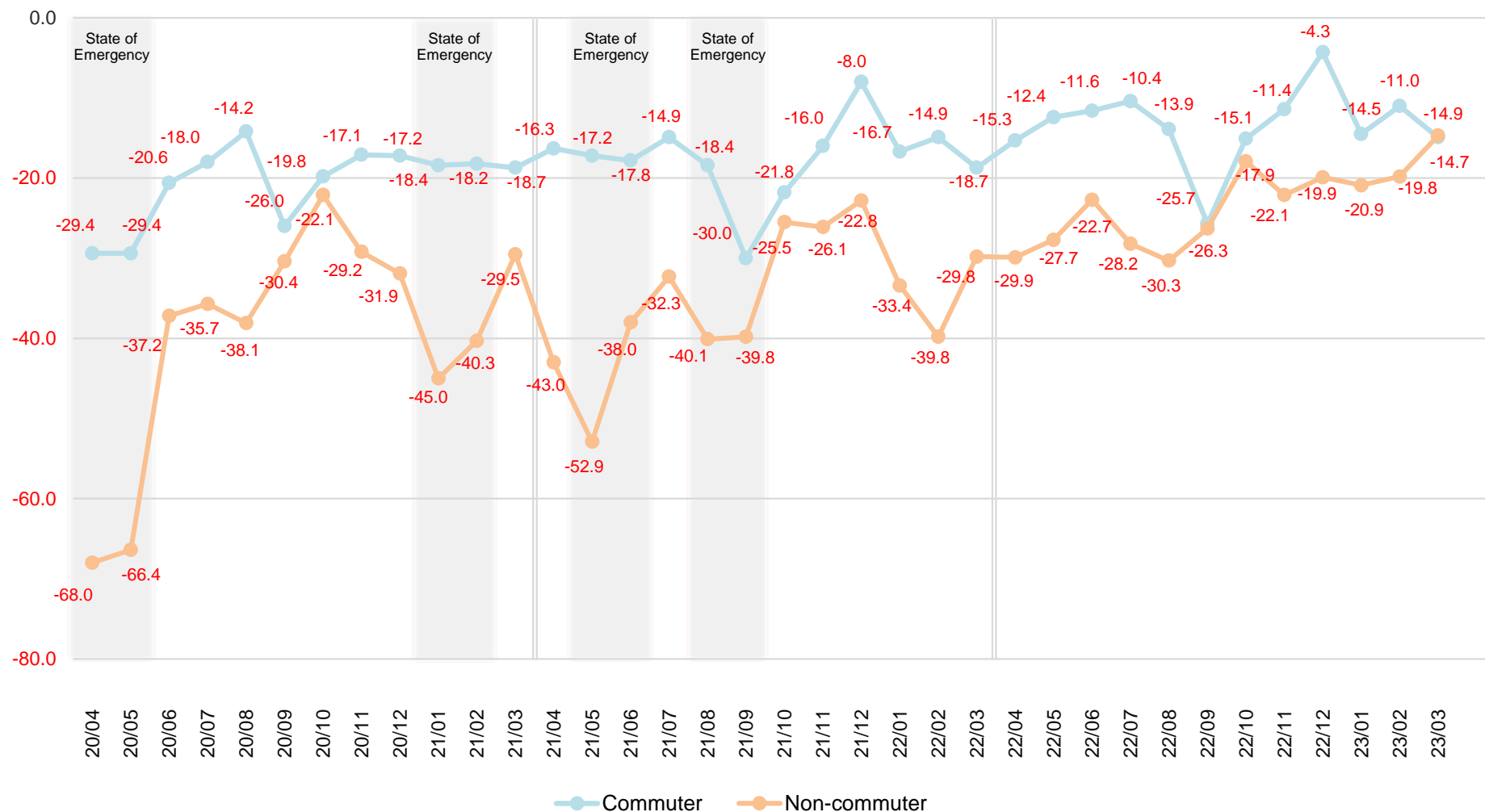
	FY2023 results	FY2022 results	Change	Change (%)
	millions of yen	millions of yen	millions of yen	%
Passenger transportation revenue	43,085	37,835	5,249	13.9
Non-commuter passes	28,421	23,738	4,683	19.7
Commuter passes	14,663	14,096	566	4.0
	thousands of people	thousands of people	thousands of people	%
Number of passengers	243,608	219,235	24,373	11.1
Non-commuter passes	115,377	97,391	17,986	18.5
Commuter passes	128,230	121,843	6,387	5.2

Changes in passenger transportation revenue (millions of yen)



Passenger figures compared to 2019

(%)



Segment Information (Real Estate)

(Millions of yen)

	FY2023 results	FY2022 results	Change	Change (%)
Operating revenue	120,103	137,495	-17,391	-12.6%
Real estate	102,968	117,583	-14,615	-12.4%
Real estate sales	71,791	87,214	-15,423	-17.7%
Real estate leasing service	26,999	25,907	1,091	4.2%
Other businesses	4,177	4,461	-283	-6.4%
Construction	24,525	26,768	-2,242	-8.4%
Elimination	-7,389	-6,856	-532	—
Operating income	17,555	22,593	-5,037	-22.3%
Real estate	16,757	23,113	-6,356	-27.5%
Real estate sales	4,651	11,077	-6,425	-58.0%
Real estate leasing service	11,679	11,578	100	0.9%
Other businesses	426	457	-31	-6.8%
Construction	977	623	354	56.8%
Elimination	-178	-1,143	964	—

(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 previous fiscal year, although sales of condominiums, such as The Fine Tower West Coast and Fine Residence Shin-Yurigaoka, 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)

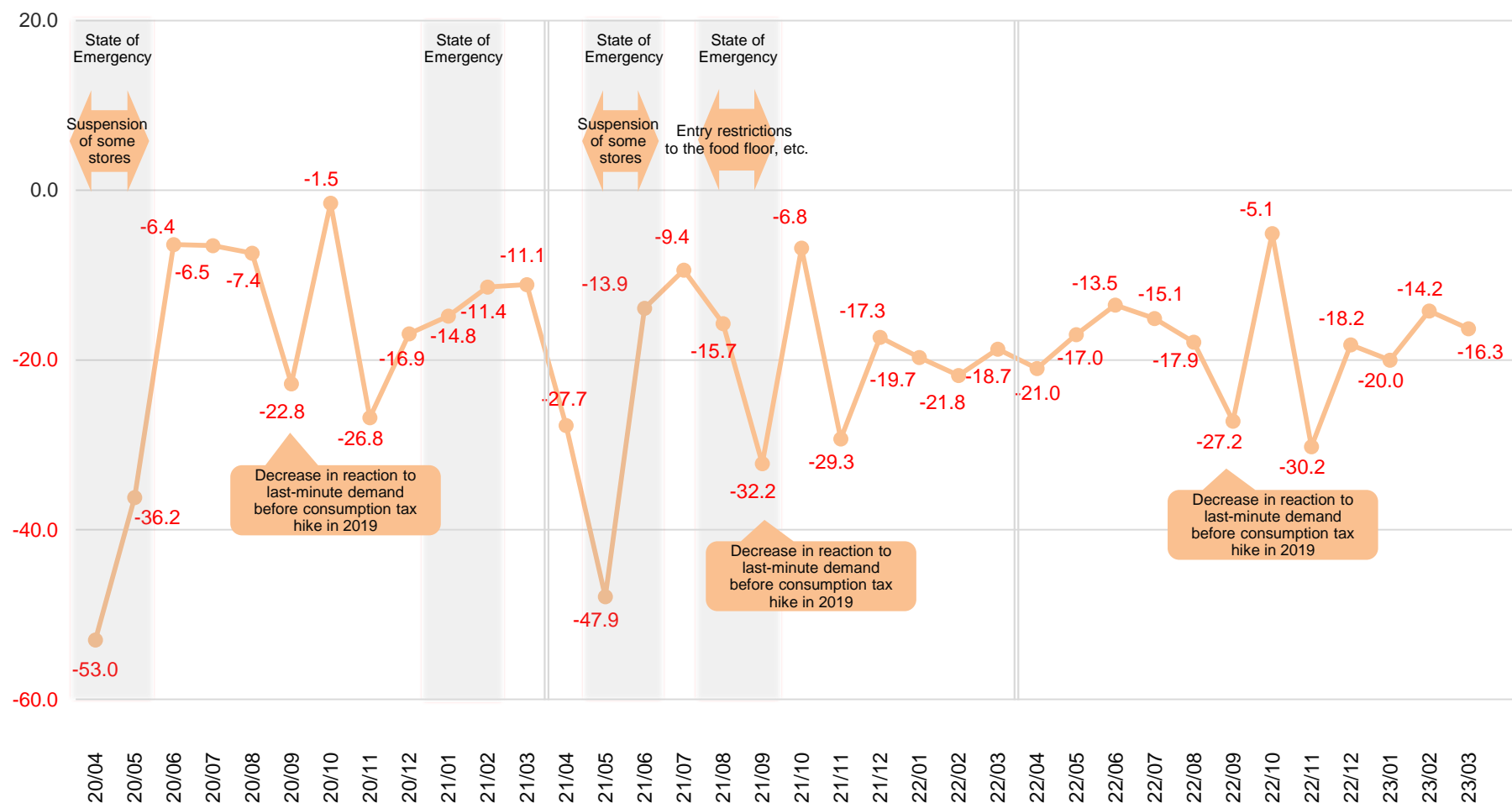
	FY2023 results	FY2022 results	Change	Change (%)
Operating revenue	50,676	52,908	-2,231	-4.2%
Department store	19,958	19,742	216	1.1%
Store	14,995	16,941	-1,946	-11.5%
Shopping mall management	12,808	12,265	542	4.4%
Other businesses	4,365	5,405	-1,040	-19.2%
Elimination	-1,450	-1,446	-3	—
Operating income	1,878	1,776	102	5.8%
Department store	-149	-231	81	—
Store	508	622	-114	-18.4%
Shopping mall management	1,333	1,281	51	4.1%
Other businesses	167	74	92	124.8%
Elimination	19	29	-9	—

(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 previous fiscal 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 previous fiscal year.

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

(%)



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

Segment Information (Leisure and Service)

(Millions of yen)

	FY2023 results	FY2022 results	Change	Change (%)
Operating revenue	22,869	11,529	11,340	98.4%
Hotel	19,977	9,364	10,613	113.3%
Leisure	2,918	2,186	731	33.5%
Elimination	-26	-22	-4	—
Operating income	-3,836	-9,324	5,488	—
Hotel	-3,696	-8,814	5,117	—
Leisure	-158	-528	370	—
Elimination	18	18	0	—

Hotel occupancy rates

	FY2023 results	FY2022 results	Change
Hotel Keihan	69.8%	41.6%	28.2 pt
Keihan Hotels & Resorts	59.3%	30.8%	28.5 pt

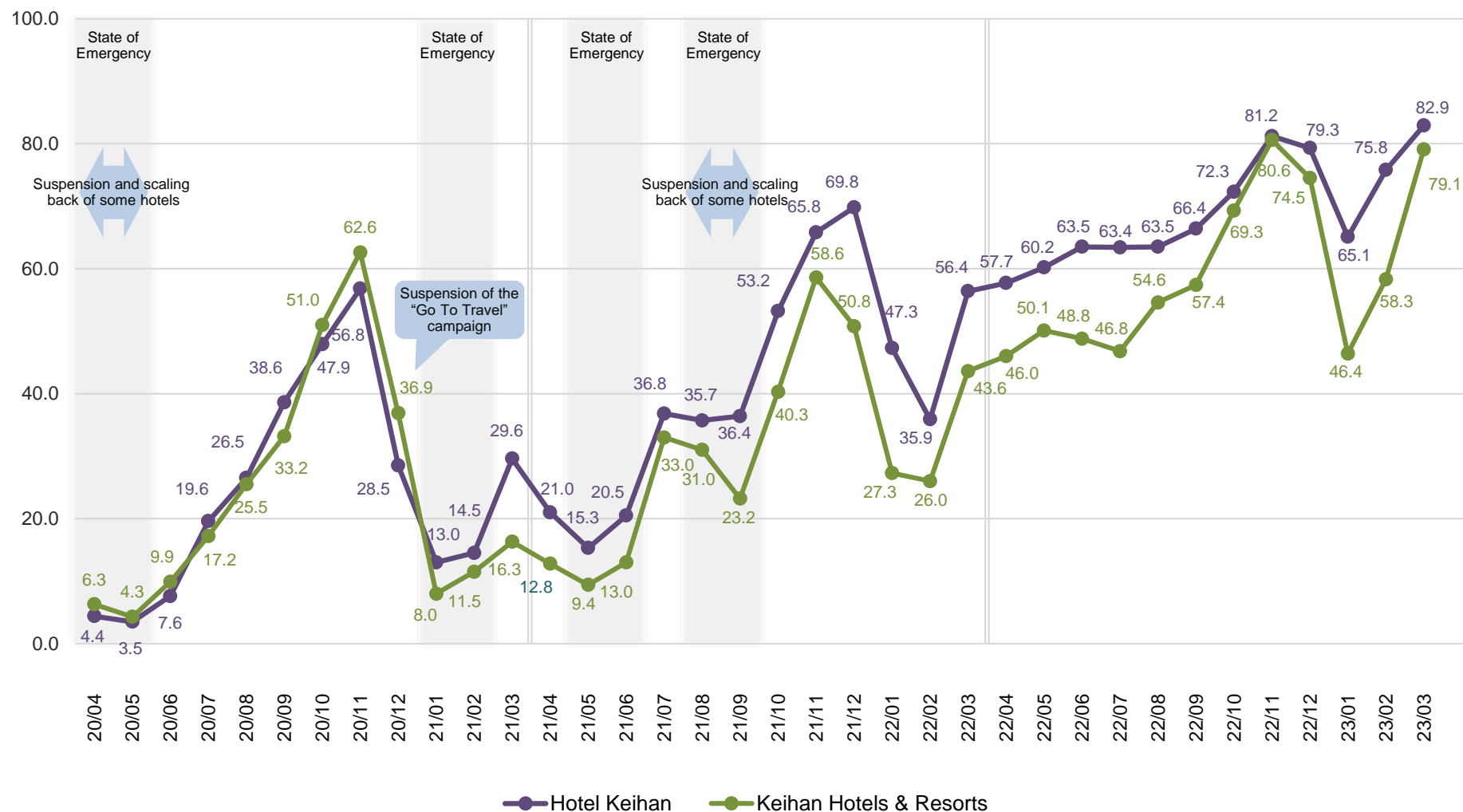
(Major factors affecting performance)

- 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 previous fiscal 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 previous fiscal year, when a State of Emergency was declared.

Segment Information (Leisure and Service)

Hotel: Occupancy rates

(%)



Consolidated Balance Sheets

(Millions of yen)

	FY2023 results	FY2022 results	Change	Main factors of changes
Current assets	217,002	186,794	30,207	Land and buildings for sale: +20,484 Notes and accounts receivable-trade and contract assets: +10,928
Non-current assets	557,846	550,466	7,379	Construction in progress: +7,743
Total assets	774,849	737,261	37,587	
Current liabilities	148,777	127,477	21,300	Accounts payable: +12,645 Current portion of bonds: +10,000
Long-term liabilities	352,560	353,907	-1,347	Bonds payable: -20,000 Long-term loans payable: +13,025
Total liabilities	501,338	481,384	19,953	
Net assets	273,510	255,876	17,634	Retained earnings: +14,981 *Equity capital ratio: 34.6% (+0.5 pts)
Total liabilities and net assets	774,849	737,261	37,587	
Interest-bearing debt	341,625	345,311	-3,685	Bonds payable: -10,000 Loans payable: +6,314

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2023 results	FY2022 results	Change	Main factors of change
Cash flows from operating activities	16,932	21,673	-4,741	Increase in inventories: -28,542 Increase in trade receivables: -9,030 Increase in other current liabilities: +27,772
Cash flows from investing activities	-13,109	-17,641	4,531	Proceeds from sales of non-current assets: +6,704 Decrease in payments for purchase of non-current assets: +1,574 Proceeds from sales of investment securities: -1,243
Cash flows from financing activities	-7,435	-10,264	2,829	Decrease in payments for repayment of interest-bearing debt: +2,747
Net increase (decrease) in cash and cash equivalents	-3,612	-6,232	2,620	
Cash and cash equivalents at beginning of period	20,322	26,554	-6,232	
Cash and cash equivalents at end of period	16,727	20,322	-3,594	

Capital Expenditure and EBITDA by Segment

(Millions of yen)

	Capital expenditure					EBITDA				
	FY2023 results	FY2022 results	Change	FY2023 forecasts	Change	FY2023 results	FY2022 results	Change	FY2023 forecasts	Change
Total	29,712	17,193	12,518	36,900	-7,187	40,520	34,331	6,189	37,400	3,120
Transportation	9,478	6,142	3,336	11,500	-2,021	17,738	12,022	5,715	15,700	2,038
Real estate	13,262	9,473	3,789	12,100	1,162	24,196	29,043	-4,847	23,700	496
Retail distribution	1,496	826	669	2,500	-1,003	2,932	2,837	94	3,500	-567
Leisure and service	5,217	586	4,630	2,100	3,117	-2,646	-8,181	5,534	-3,400	753
Others	117	46	71	100	17	-1,071	-1,211	140	-800	-271
Adjustments	139	118	20	8,600	-8,460	-628	-179	-449	-1,300	671

FY2024 Forecasts

Consolidated Statement of Income (Performance Forecasts)

- Revenue for the real estate business is forecast to increase due to an increase in sales of newly developed properties and condominiums. In addition, recovery from the impact of the COVID-19 pandemic is expected in the transportation business and the leisure and service business, among other businesses.

(Millions of yen)

	FY2024 forecasts	FY2023 results	Change	Change (%)	Main factors of change
Operating revenue	292,000	260,070	31,929	12.3%	
Operating income	23,400	20,491	2,908	14.2%	
Ordinary income	22,300	20,458	1,841	9.0%	Subsidies for employment adjustment: -513 Subsidies for COVID-19 countermeasures: -260
Profit attributable to owners of parent	18,500	17,621	878	5.0%	Compensation income: -1,872 Impairment loss: -895
(Reference)					
Depreciation	20,500	20,028	471	2.4%	
EBITDA	43,900	40,520	3,379	8.3%	
Interest-bearing debt	378,000	341,625	36,374	10.6%	
Net interest expenses	-1,500	-1,341	-158	—	
Interest and dividend income	500	535	-35	-6.7%	
Interest expenses	2,000	1,877	122	6.5%	

Segment Information (Performance Forecasts)

(Major factors affecting performance)

- **Transportation:** Increase in revenue due to recovery from the impact of the COVID-19 pandemic and introduction of the railway station barrier-free fare system; decrease in profits due to an increase in operating expenses, such as repair costs, exceeding the increase in revenue.
- **Real estate:** Increases in both revenue and profits due to factors such as an increase in the sales of condominiums as well as sales of newly developed properties, such as hotels.
- **Retail distribution:** Increases in both revenue and profits due to factors such as recovery from the impact of the COVID-19 pandemic and the effects of store renovations.
- **Leisure and service:** Increases in both revenue and profits due to factors such as recovery from the impact of the COVID-19 pandemic and the full-year contribution of Hotel Keihan Namba Grande, which opened in March 2023.

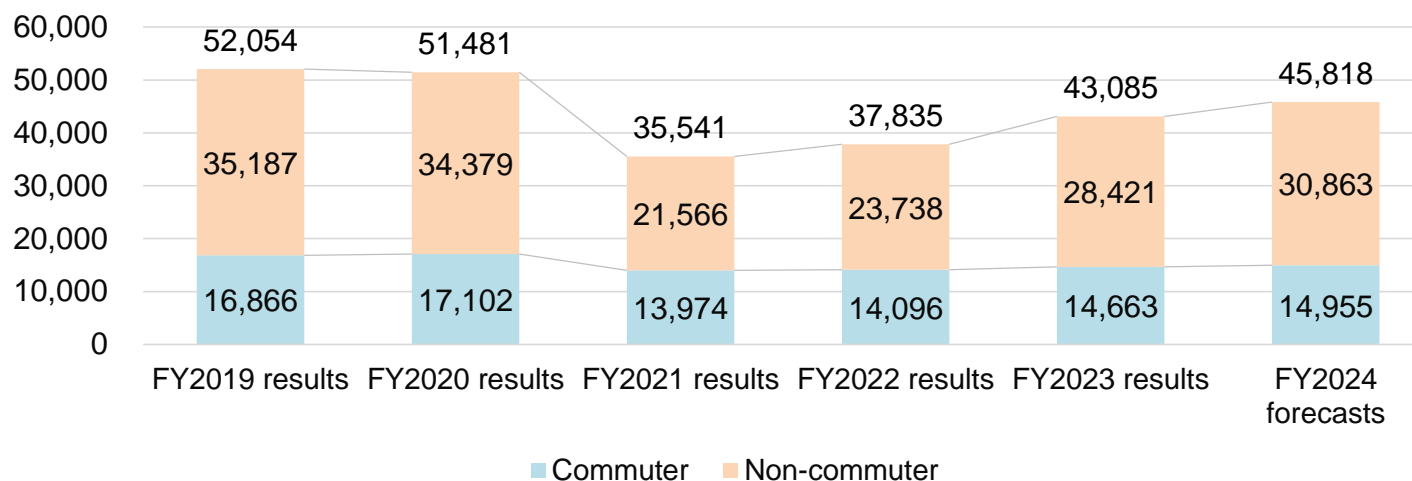
(Millions of yen)

		FY2024 forecasts	FY2023 results	Change
Transportation	Operating revenue	85,700	80,927	4,772
	Operating income	6,700	6,885	-185
Real estate	Operating revenue	137,900	120,103	17,796
	Operating income	18,100	17,555	544
Retail distribution	Operating revenue	53,000	50,676	2,323
	Operating income	2,100	1,878	221
Leisure and service	Operating revenue	29,200	22,869	6,330
	Operating income	-1,700	-3,836	2,136
Others	Operating revenue	4,300	3,660	639
	Operating income	-1,100	-1,230	130
Adjustments	Operating revenue	-18,100	-18,167	67
	Operating income	-700	-761	61

Operating Results for Transportation (Performance Forecasts) Keihan Electric Railway

	FY2024 forecasts	FY2023 results	Change	Change (%)
	millions of yen	millions of yen	millions of yen	%
Passenger transportation revenue	45,818	43,085	2,733	6.3
Non-commuter passes	30,863	28,421	2,441	8.6
Commuter passes	14,955	14,663	292	2.0
	thousands of people	thousands of people	thousands of people	%
Number of passengers	251,363	243,608	7,754	3.2
Non-commuter passes	123,690	115,377	8,312	7.2
Commuter passes	127,673	128,230	-557	-0.4

Changes in passenger transportation revenue (millions of yen)



Capital Expenditure and EBITDA by Segment (Performance Forecasts)

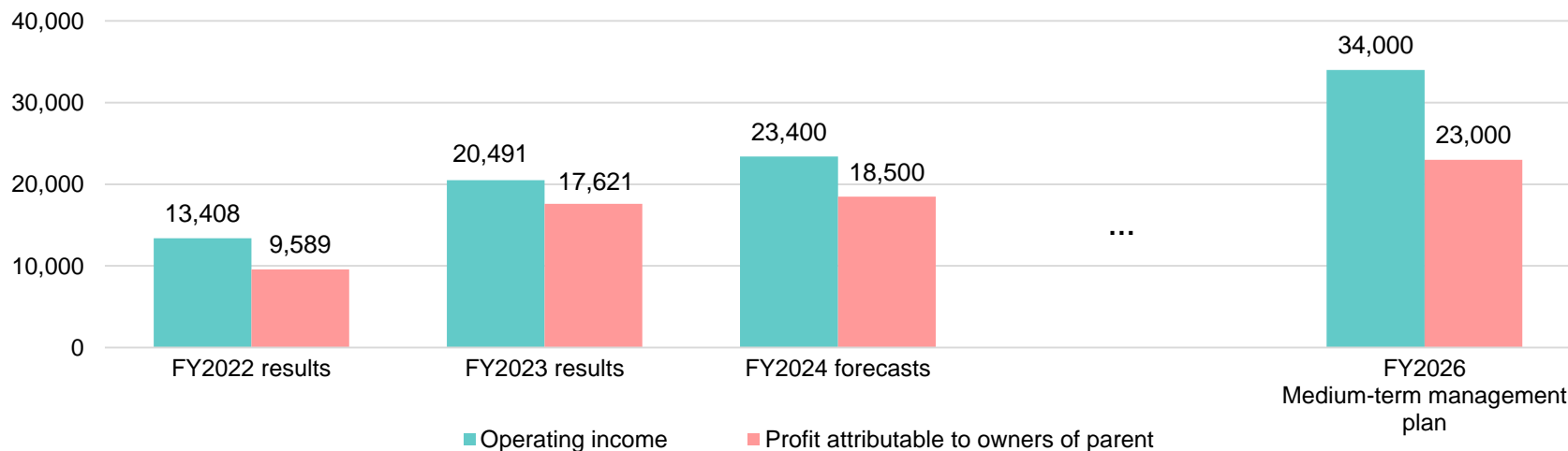
(Millions of yen)

	Capital expenditure			EBITDA		
	FY2024 forecasts	FY2023 results	Change	FY2024 forecasts	FY2023 results	Change
Total	44,800	29,712	15,087	43,900	40,520	3,379
Transportation	18,200	9,478	8,721	17,500	17,738	-238
Real estate	11,600	13,262	-1,662	24,900	24,196	703
Retail distribution	2,700	1,496	1,203	3,200	2,932	267
Leisure and service	2,200	5,217	-3,017	-200	-2,646	2,446
Others	200	117	82	-1,000	-1,071	71
Adjustments	9,900	139	9,760	-500	-628	128

Reference (Management Indicators)

	FY2022 results	FY2023 results	FY2024 forecasts		(Millions of yen) FY2026 Medium-term management plan
Operating income	13,408	20,491	23,400		34,000
Profit attributable to owners of parent	9,589	17,621	18,500		23,000
EBITDA	34,331	40,520	43,900	...	58,000
Net interest-bearing debt/EBITDA multiple (times)	9.47	8.02	8.20		6x level
ROE	3.9%	6.8%	6.7%		7% level

Changes in major management indicators (millions of yen)





Keihan Group's Long-term Management Strategy and Medium-term Management Plan

“BIOSTYLE: Deepening and Challenge”



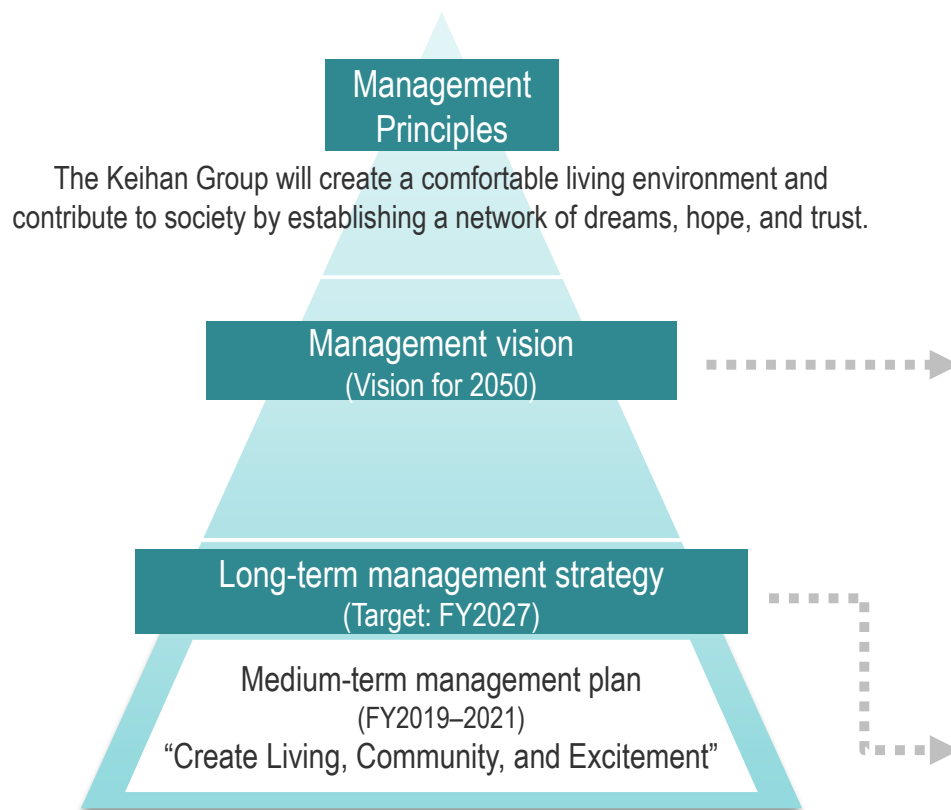
1	Background to Formulation of the New Long-term Management Strategy and Medium-term Management Plan	26	Medium-term Management Plan	
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1. Background to Formulation of the New Long-term Management Strategy and Medium-term Management Plan

May 2018

- Formulated the **Keihan Group's long-term strategic concept** as a guideline for the future, with a view to achieving further growth as a corporate group that is valued by society even in the midst of anticipated changes in the social and economic environment

Keihan Group's long-term strategic concept (as of May 2018)



Be the beautiful Keihan areas and the global Keihan Group

- We will create value for towns and tourism and disseminate them to the world so that the areas along Keihan Railway lines which are rich in history, culture, and landscape will be chosen by more people as areas where they want to live and visit beyond countries and time.
- We will create a beautiful life cycle in areas along Keihan Railway lines that brings fullness to the mind and body and contributes to the realization of a sustainable society, and spreads the ring of empathy to the world.
- We will attract many inbound tourists to the areas along our lines and take on the challenge to expand our business Asia-wide.

Started initiatives to achieve our management vision based on **"safety and challenge"** using a backcasting approach

Designed to establish a foundation as a corporate group that will grow sustainably in the future, with the target year of FY2027, when major large projects will be completed

FY2019–2021 (mid-year)
Medium-term management plan
“Create Living, Community, and
Excitement”

FY2021 (mid-year) –2023
Future Business Direction

- The main strategies included in the long-term management strategy (to redevelop Keihan areas, co-create tourism opportunity, and create relatable contents), as well as the strategy for each business, were **mostly achieved**.

COVID-19 pandemic



- The flow of people has significantly decreased and **the values and lifestyles of customers have drastically changed**.

- While assessing the rapidly changing business environment in the immediate future, we worked to rebuild the management base by implementing measures based on **Safety & Security, Structural Reform, and BIOSTYLE**.
- We advanced the main strategies (to redevelop Keihan areas, co-create tourism opportunity, and create relatable contents) while reviewing them to achieve sustainable growth in the future.

- **Establishment of a system to respond to changes in demand** through structural reform is **mostly complete**. In line with the trend toward normalization of social and economic activities, our business performance is on a recovery track.

[Changes in consolidated operating income]



- The management vision for 2050 and the basic policy for its achievement, “safety and challenge,” remain unchanged. However, due to changes in the external environment accelerated by the COVID-19 crisis and the postponement of large projects, **the long-term management strategy** with the target year of FY2027 **needs to be revised, as its preconditions are now far from those when it was formulated**.
- Based on the above, we have **newly established a long-term management strategy and a medium-term management plan**, designating FY2024 as the turning point for shifting from a “COVID-19 emergency response” phase to a “re-growth trajectory” phase, in order to build a foundation for sustainable growth in the post-pandemic era.

(Reference) Reflections on the Future Business Direction

Three directions	Companies involved	Main projects	Completion period*
Safety & Security	Keihan Electric Railway	■ Installing screen doors on the inbound platform of Kyobashi Sta.	Feb. 2022
	Keifuku Electric Railroad	■ Adopting the “barrier-free fare system”	Apr. 2023
	Eizan Electric Railway	■ Completing accessibility upgrading on the Kitano Line	May 2021
	Keihan Hotels & Resorts	■ Fully resuming service on the Kurama Line	Sep. 2021
Structural Reform	Keihan Real Estate	■ Obtaining “Sakura Quality: A Clean Practice” certification for THE THOUSAND KYOTO and Biwako Hotel	Feb. 2022
		■ Selling condominiums associated with medical institutions, etc.	—
	Keihan Electric Railway	■ Completing sales of magnetic commuter passes	Mar. 2021
	Keihan Electric Railway/ Eizan Electric Railway Eizan Electric Railway/ Keifuku Electric Railroad	■ Establishing a management system to respond to changes in demand	To be continued
BIOSTYLE	Keihan Bus	■ Updating train schedules	Sep. 2021
	Bus companies	■ Revising fares	Apr. 2023
	Keihan The Store	■ Revising discount services for PiTaPa	Jun. 2022
	Department stores and hotels	■ Updating bus schedules and revising fares	To be continued
		■ Converting the in-station convenience store “Anthree” to the food market “Moyori-ichi”	FY2024
		■ Establishing a management system featuring multitasking	To be continued
	Keihan Electric Railway	■ Introducing six sets of energy-saving 13000-series train cars	Sep. 2021
	Keihan Bus	■ Introducing electric vehicles for the Station Loop Bus service	Dec. 2021
	Keihan Real Estate	■ Opening the glamping facility Everglades Biwako	Apr. 2021
		■ Developing ZEH condominiums	—

*Scheduled completion period for projects currently in progress

What is BIOSTYLE?

- Initiative by the Keihan Group to create **“products, services and businesses that can increase people’s life value and solve social issues at the same time”**
- Unique guidelines have been established to promote BIOSTYLE.

BIOSTYLE
PROJECT
Guidelines

GOOD for Health



GOOD for Minds



GOOD for Local



GOOD for Social



GOOD for Earth



GOOD for
KEIHAN Brand

GOOD for
KEIHAN Business

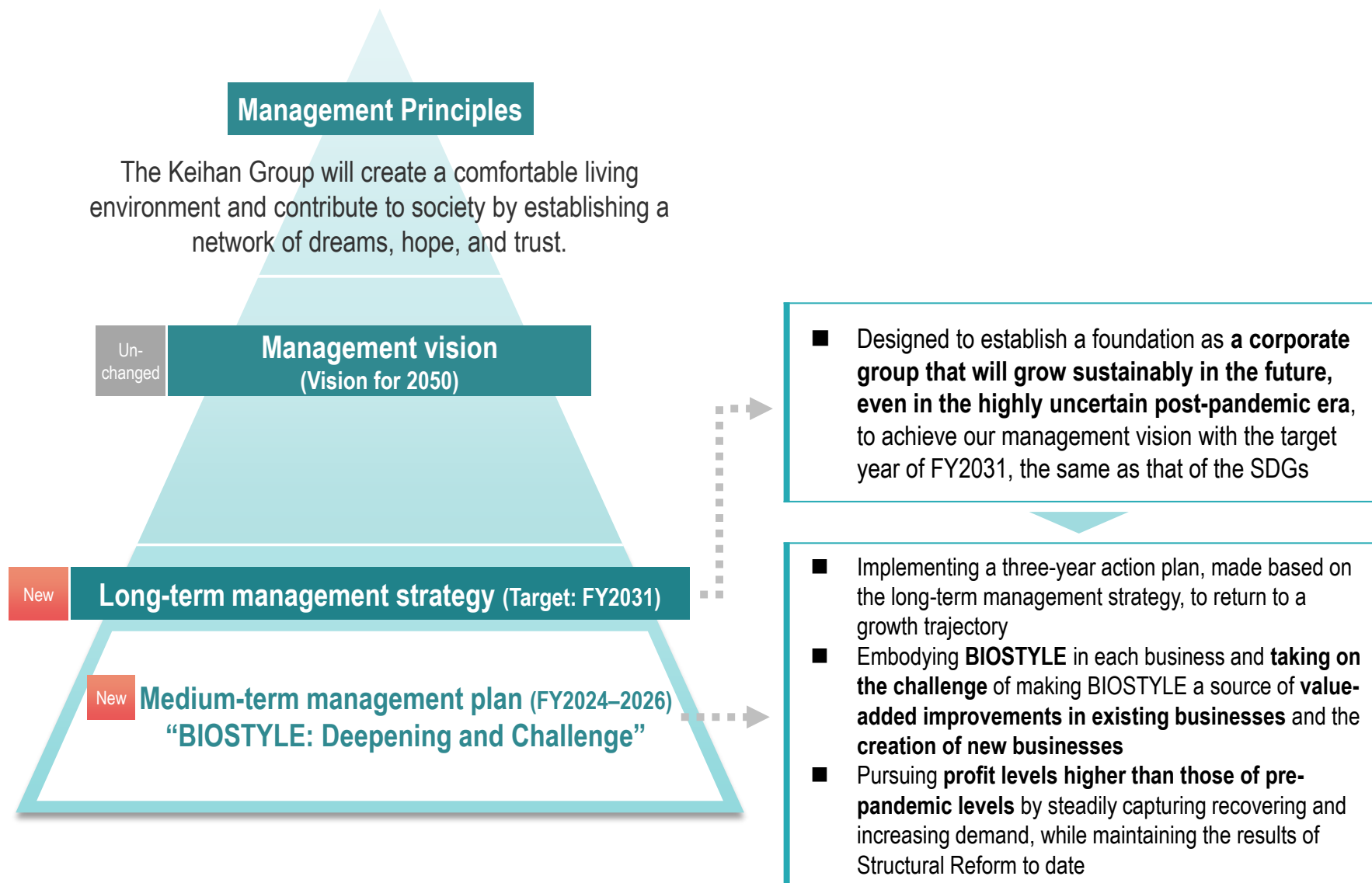
2. Long-term Management Strategy (Until FY2031)

Medium-term Management Plan (FY2024–2026)

“BIOSTYLE: Deepening and Challenge”

Positioning of the Long-term Management Strategy and Medium-term Management Plan

Keihan Group's long-term strategic concept (FY2024 onward)



Important Changes in the External Environment and Four Priority Themes

Changes in the external environment

Increasing awareness
of sustainability



Increasing intensity
and frequency of
natural disasters



Aging and declining
population



Economic and social
shrinkage in the areas
along the railway lines



Diversification of
human resources
and work styles



Growing needs for
a safe and secure
society



Opportunities and risks

Opportunities

- Increasing demand for products and services that contribute to the solution of social issues
- Recovery and expansion of tourism demand
- Acceleration of community building by the private sector through the utilization of public spaces, etc.
- Increasing demand for new products and services due to changing lifestyles and technological innovations such as AI and IoT

Risks

- Suspension of operations and losses due to intense disasters
- Decreasing number of customers and labor shortage due to a declining population
- Local economy shrinkage or its acceleration
- Impact of changes in lifestyles and work styles on existing business models

Priority themes

- Four priority themes have been established based on changes in the external environment and opportunities/risks. Main strategies, strategy for each business, etc. under the new long-term management strategy and the medium-term management plan are formulated based on these themes.

Four priority
themes



Creation of businesses
that contribute to the
solution of social issues

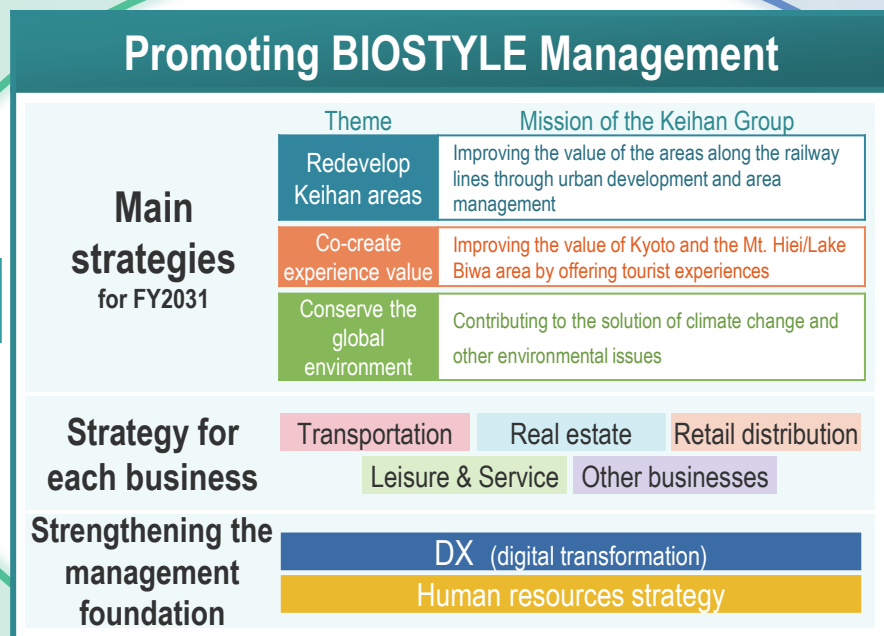
Operation in consideration
of the environment and
society

Organization and human
resources that continue to
grow

Sustainable and strong
management foundation

Overview of the Long-term Management Strategy

Placing “**BIOSTYLE (Keihan version of the SDGs),**” which we have been working to establish as the Keihan Group’s new brand for the creation of a sustainable, recycling-oriented society, at the core of management and business activities, we will promote **BIOSTYLE Management** that creates both social and economic value.



Creating social value (solving social issues)

Creating economic value (profit growth)

Advancing toward achieving the management vision

Management vision

Be the beautiful Keihan areas and the global Keihan Group

Contributing to the achievement of the SDGs

SUSTAINABLE DEVELOPMENT GOALS



Long-term Management Strategy:

Main Strategies (Redevelop Keihan areas)

Basic policy

With railway stations as a base, we will promote urban development featuring the characteristics of local history, culture, and industries, as well as area management involving local communities. By connecting the areas with a traffic network, we will revitalize attractive and beautiful areas along the Keihan Railway lines to increase the value of, and attract more residents and visitors to, these areas.

Priority measure 1 Regaining the glory of Osaka's east-to-west axis

- Promoting urban development by taking advantage of regional characteristics along Osaka's east-to-west axis, from **Kyobashi**, the gateway to Kyoto and close to Osaka Castle, through **Nakanoshima**, which is planned to become a hub for regenerative medicine, to the bay area, where the IR project is under way

Nakanoshima 4-chome International Hub for Medical Innovation Project

Completion FY2024
Total floor area Approx. 57,000 m²

See p. 41 for details



Rendering

Own site development in Nakanoshima 4-chome

Considering joint development with adjacent landowners in anticipation of the opening of the Naniwasuji Line

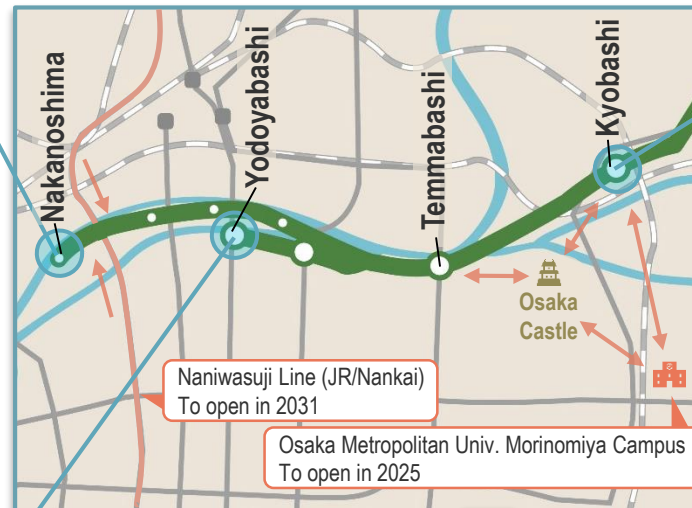
Joint reconstruction of Keihan Midosuji Building and Nittochi Yodoyabashi Building

Opening Summer 2025
Total floor area Approx. 72,850 m²

See p. 41 for details



Rendering
©Takenaka Corporation



Redevelopment of the Kyobashi Station area

Advancing consideration of the launch of development as a critical area for regaining the glory of Osaka's east-to-west axis



Kyobashi Station boasts the largest ridership on the Keihan Line. The area houses Keihan Mall and Hotel Keihan Kyobashi Grande.

Redevelopment of the Temmabashi Station area and extension of the Nakanoshima Line

Deepening discussions with a view to 2030 and beyond

Long-term Management Strategy: Main Strategies (Redevelop Keihan areas)

Priority measure 2 Carrying out community building starting from railway stations

- **Concentrating urban functions around railway stations** and continuously implementing community building that takes advantage of regional characteristics, including history and culture, in cooperation with local businesses and communities
- Evolving railway stations from mere boarding and alighting spots to spaces where people gather and **new communication is inspired** by integrating the station and the community

Type-1 urban redevelopment project in Hirakatashi Station area

Completion	Around summer 2024
Total floor area	Approx. 94,000 m ²

See p. 41 for details



Rendering

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Station area development along with the consecutive grade separation project on the Keihan Main Line (Neyagawa City and Hirakata City)

Considering the development of new elevated stations and areas under the elevated tracks for regional development through the integration of urban areas now divided by tracks



Development of the Hashimoto Station area

Promoting the development of a sustainable community where multiple generations can gather and continue to live with peace of mind, utilizing company-owned land near the station

Redevelopment of the areas in front of Kadomashi Station and north of Furukawabashi Station

Participating in projects such as the redevelopment of Kadoma Plaza, a commercial facility in front of Kadomashi Station, and the development of Kadoma City's first high-rise condominium, a commercial facility, and a large plaza open to the community on city-owned land north of Furukawabashi Station



North of Furukawabashi Sta. (rendering)

Long-term Management Strategy:

Main Strategies (Co-create experience value)

Basic policy

We will discover and improve valuable resources mainly along the Kyoto Tourism Golden Route, and co-create attractive, experience-based content with local communities. By utilizing these for advancing tourism-based community building and themed tourism, we will promote sustainable tourism and increase the number of visitors, including repeat visitors, from Japan and abroad.

Priority measure 1 Developing new tourist bases

- Developing tourist bases that will provide new options for Kyoto visitors in **the area southeast of Kyoto Station** near Kyoto City University of Arts (which will be relocated to the east of Kyoto Station in 2023) and **the Sanjo area** near tourist attractions in Higashiyama, among other areas

Kyoto Station Southeast Area Project

Completion FY2025

Total floor area Approx. 10,000 m²

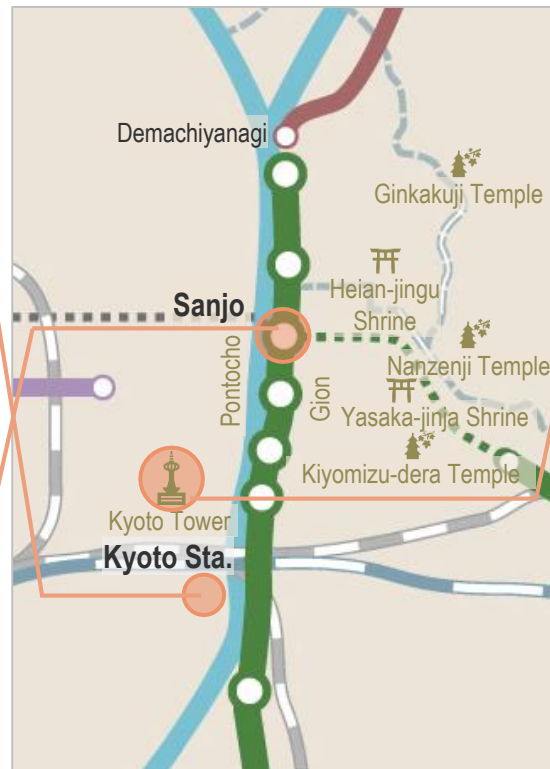
See p. 41 for details



Rendering

Redevelopment of the Sanjo Station area

Developing a complex facility in front of Sanjo Station, which will serve as a tourist base in Higashiyama and promote Japanese and Kyoto culture, thereby enhancing its function as a terminal station



Redevelopment of Kyoto Tower

Deepening discussions about the redevelopment of Kyoto Tower for FY2031 and beyond

Renovating facilities at the top of Mt. Hiei

Renovating facilities at the top of Mt. Hiei to make the area more attractive to tourists



Long-term Management Strategy:

Main Strategies (Co-create experience value)

Priority measure 2 Establishing the Kyoto Tourism Golden Route through themed tourism

- Establishing the Kyoto Tourism Golden Route by **co-creating story-based tourist experiences with local communities** under such themes as traditional industry, art, food, history, and nature, as well as by providing comfortable area-wide tours using **MaaS** and other methods in Kyoto and surrounding areas

Kyoto Tourism Golden Route: Rakuhoku–Higashiyama–Fushimi/Uji



Co-creating tourist experiences with local communities in each area

Higashiyama–Kyoto Station Area

Theme: **Traditional industry and art**

Developing **craft and art tourism** in cooperation with local communities, in conjunction with the Sanjo Station area redevelopment project, to provide a deeper experience of traditional industry nurtured over generations and of newly emerging art forms

Fushimi/Uji Area

Theme: **Food and food-related tradition and culture**

Developing **gastronomy tourism** in cooperation with local communities based on sake, vegetables, and Uji tea, which are produced by the excellent water of Fushimi, and other related culture and traditions

Mt. Hiei/Lake Biwa/Oku-Kyoto Area

Theme: **History and nature**

Establishing **adventure tourism** in cooperation with Hieizan-Biwako DMO and other organizations, featuring the rich natural surroundings and scenery, as well as learning of the history and culture, of Mt. Hiei and Oku-Kyoto (inner Kyoto area)

Priority measure 3 Creating tourism content that connects Kyoto and Osaka

- Focusing on the **“Flow of Water,”** which runs from Lake Biwa to Kyoto and Osaka Bay through the Yodogawa River with its rich history, culture and scenery, to create tourism and experience-based content centered on waterway transportation (river and sea boats), while taking advantage of the extension of the Lake Biwa Canal Cruise to Otsu Port, improvement of the flow conditions between Fushimi and Hirakata for the launch of large boats, and construction of the Yodogawa Ozeki Lock
- Encouraging use of the Keihan Line by creating and promoting tourism content unique to the Keihan area, based on the theme of **art**, in cooperation with museums and other facilities in Kyoto and Nakanoshima, Osaka



Lake Biwa Canal



Cruise boat Himawari on the Yodogawa River

Long-term Management Strategy:

Main Strategies (Conserve the global environment)

Basic policy

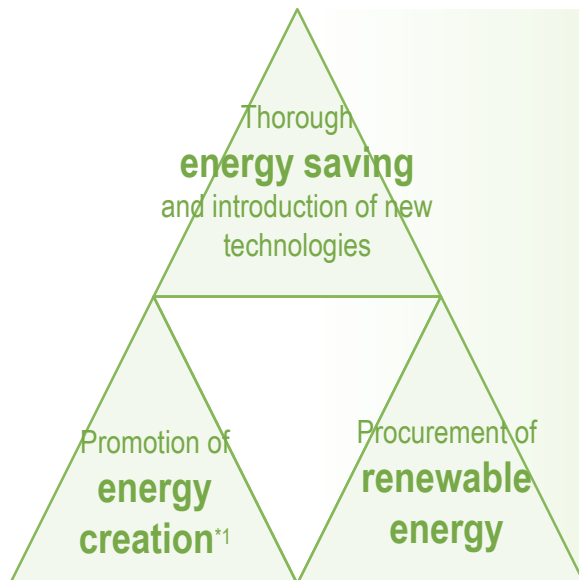
To achieve our CO₂ emission reduction target, we will steadily reduce energy consumption through thorough energy saving and introduction of new technologies, and consider promoting energy creation, such as PV power generation, and procuring renewable energy. We will also work on developing products and services that will be chosen in a decarbonized society.

Priority measure Promoting BIOSTYLE Environmental Action 2030

- Promoting **BIOSTYLE Environmental Action 2030**, the Keihan Group's medium- to long-term environmental plan released in May 2022

Course of action

Promoting the reduction of CO₂ emissions and the development of products and services that will be chosen in a decarbonized society through “**thorough energy saving and introduction of new technologies**,” “**promotion of energy creation**,” and “**procurement of renewable energy**”



Reducing CO₂ emissions

CO₂ emission reduction target*2

Reducing CO₂ emissions **by 46%** by FY2031 (compared to FY2014), with the goal of achieving net-zero CO₂ emissions by FY2051

*2 Applies to nine companies (Scope 1 & Scope 2)



Developing products and services that will be chosen in a decarbonized society

*1 Introduction of PV power generation equipment, etc.

Long-term Management Strategy:

Main Strategies (Conserve the global environment)

Thorough energy saving and introduction of new technologies

- Reducing energy consumption and CO₂ emissions through capital investment and more efficient business operations

Main investments

- Accelerating the introduction of **energy-saving train cars** in the railway business
- Promoting the introduction of **electric buses**
- **Converting all lighting to LED lighting** in company-owned facilities such as stations, office buildings, commercial facilities, and hotels
- Obtaining **DBJ Green Building Certification** for newly developed buildings
- Optimizing operation and upgrading air conditioning, gas, and other facilities

Developing products and services that will be chosen in a decarbonized society

- Developing **new products and services that will be chosen in a decarbonized society** through the promotion of energy creation and the procurement of renewable energy
- Launching a service to **install PV power generation equipment at no initial cost** to residents in newly built detached houses for sale in the real estate sales business



Promotion of energy creation

- **Promoting the installation of PV power generation equipment, etc.** at Group-owned facilities
- Considering participation in a program to install PV power generation equipment outside of the Group's premises



PV power generation equipment will be installed at **Fushimi-inari Sta.** on the Keihan Main Line (FY2025)

Procurement of renewable energy

- Purchasing J-Credits, non-fossil certificates, etc.

GOOD NATURE STATION starts operation with virtually 100% renewable electricity (FY2024)



Efforts for information disclosure

- Promoting information disclosure and specific initiatives to reduce CO₂ emissions **throughout the supply chain**

Promoting a circular economy

- Contributing to the creation of a recycling-oriented society by promoting waste recycling

Long-term Management Strategy: Main Strategies (Schedule)

Period of the medium-term management plan

(fiscal year)

		2024	2025	2026	2027	2031
Redevelop Keihan areas	Nakanoshima 4-chome International Hub for Medical Innovation Project	Completion					
	Own site development in Nakanoshima 4-chome	Under consideration and deliberations					
	Joint reconstruction of Keihan Midotsuji Bldg. and Nittochi Yodoyabashi Bldg.	Opening					
	Redevelopment of the Kyobashi Sta. area	Under consideration and deliberations					
	Redevelopment of the Temmabashi Sta. area and extension of the Nakanoshima Line	Deepening discussions with a view to 2030 and beyond					
	Type-1 urban redevelopment project in Hirakatashi Sta. area	Opening of the area directly connected to the station Completion of the urban redevelopment project					
	Station area development along with the consecutive grade separation project on the Keihan Main Line	Under consideration and deliberations					
	Development of the Hashimoto Sta. area	Under consideration and deliberations					
	Redevelopment of the areas in front of Kadomashi Sta. and north of Furukawabashi Sta.	Completion of the Furukawabashi project The Kadomashi project under consideration and deliberations					
Co-create experience value	Kyoto Sta. Southeast Area Project	Opening					
	Redevelopment of the Sanjo Sta. area	Under consideration and deliberations					
	Redevelopment of Kyoto Tower	Deepening discussions with a view to 2030 and beyond					
	Renovating facilities at the top of Mt. Hiei	Under consideration and deliberations					
Conserve the global environment	Thorough energy saving and introduction of new technologies, promotion of energy creation, procurement of renewable energy	Under consideration to be implemented as needed					

Medium-term Management Plan: Main Strategies

Redevelop Keihan areas

Nakanoshima 4-chome International Hub for Medical Innovation Project

Completion FY2024

Total floor area Approx. 57,000 m²



Rendering

- Contributing to the industrialization and globalization of medical innovation by developing facilities that promote the “circulation of knowledge” where people involved in medical innovation and cutting-edge information gather

Redevelop Keihan areas

Joint reconstruction of Keihan Midotsuji Building and Nittochi Yodoyabashi Building

Opening Summer 2025

Total floor area Approx. 72,850 m²

Property use

30F Commercial area, observation terrace
12F–29F Offices
10F–11F Business lounge
4F–8F Offices
B1F–2F Commercial area



©Takenaka Corporation

- Building a high-standard office building, the highest in the area at 150 meters high, in Yodoyabashi, the gateway to Midotsuji, with advanced eco-friendly technology

FY2024

FY2025

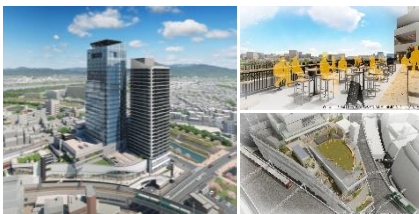
FY2026

Redevelop Keihan areas

Type-1 urban redevelopment project in Hirakatashi Station area

Opening Around summer 2024

Total floor area Approx. 94,000 m²



Rendering

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- Building “a walkable community” by developing a large-scale commercial facility, offices, a hotel, and rental high-rise residences, which will be connected to the commercial space under the elevated railway tracks, in an integrated manner with the station
- Participating in area management and other intangible aspects of community building around the station as a member of the Hirakata HUB Council, a community development organization formed through industry-government-academia collaboration

Co-create experience value

Kyoto Station Southeast Area Project

Opening FY2025

Total floor area Approx. 10,000 m²



Rendering

- Participating in an LLP led by teamLab Inc. to establish and operate a cultural complex that connects the area with the world with a focus on art as a “base for creating and sharing new value”

To be implemented as needed

Co-create experience value

Establishing the Kyoto Tourism Golden Route through themed tourism, creating tourism content that connects Kyoto and Osaka

Conserve the global environment

Thorough energy saving and introduction of new technologies, promotion of energy creation, and procurement of renewable energy

Medium-term Management Plan: Strategy for Each Business (Transportation)

We will create new demand and optimize operations while further improving “safety and security,” the foundation of the Keihan Group, to build a strong business structure.

Main measures for BIOSTYLE Management

Promoting more eco-friendly transportation business

- Driving the **consecutive grade separation project on the Keihan Main Line** (eliminating traffic congestion by removing railroad crossings and reducing CO₂ emissions)
- Accelerating the introduction of eco-friendly **13000-series train cars** at Keihan Electric Railway
- Introducing vehicles equipped with VDF inverters and regenerative braking, remodeling existing vehicles with regenerative braking, and newly installing regenerative power storage equipment on **Keifuku Electric Railroad**
- Introducing more **electric buses** in the bus business (Keihan Bus, etc.)
- Promoting **effective vehicle operation**
- Converting lighting to LED lighting at stations and other railway facilities



Contributing to a decarbonized society and reducing costs while building a sustainable transportation system

Further efforts for safety and security

Keihan Electric Railway

- Accelerating the introduction of **platform screen doors** and other accessibility facilities



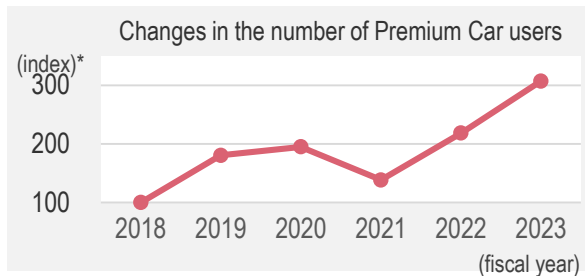
Platform screen doors will be installed on eight tracks in four stations, including Hirakatashi Station, by FY2026

- Installing **on-board security cameras** on newly built or remodeled vehicles
- Driving the **consecutive grade separation project on the Keihan Main Line** (improving operational security by removing railroad crossings)

Medium-term Management Plan: Strategy for Each Business (Transportation)

Providing special riding experiences on Keihan Electric Railway

- **Increasing the number of Premium Cars** to provide a quality travel experience in response to customers' changing lifestyles and growing needs for safe and reliable travel services



*FY2018 set at 100



- Considering the introduction of **sightseeing trains** to attract more visitors to the areas along the railway lines

Transforming operations through the use of digital technology, etc.

- Encouraging the substitution and supplementation of labor through the use of IoT, AI, robots, etc.

Keihan Electric Railway

- Considering the expansion of **driver-only operation**
- Efficient operation of vehicles and railway facilities
- Promoting DX in maintenance operations, including Condition Based Maintenance (CBM)



Bus business

- Considering the introduction of **self-driving** vehicles

Capturing new mobility demand

- Implementing proactive marketing measures through collaboration between the railway and bus businesses to capture opportunities that are expected to create new mobility demand, such as the grand opening of the **Kyoto Racecourse** in FY2024, the **World Expo in Osaka, Kansai** to be held in FY2026, and the **Osaka IR** to be opened in FY2030
- Improving convenience for tourists by utilizing **MaaS** and introducing **QR code tickets**, as well as by strengthening cooperation with temples, shrines, tourist facilities, and transportation services along the railway lines in Kyoto, in order to attract inbound tourists

Examining the ideal bus office operation and routes

- **Examining the ideal operation** of bus offices and routes of each bus company, **including the possibility of integration**, with the aim of achieving efficient, sustainable operations for the business as a whole



Medium-term Management Plan: Strategy for Each Business (Real estate)

We will promote the creation of comfortable and secure communities and residences, provide new products and services that meet customer needs, and expand business areas and asset types, thereby driving the Group's growth.

Main measures for BIOSYLE Management

Strengthening the housing regeneration business

- Enhancing detached housing development in urban districts utilizing vacant houses and land
 - ▶ Contributing to the **regeneration of urban districts along the railway lines** that are due for renewal/redevelopment by utilizing our technology and know-how of house building cultivated in Kyoto, a unique city in Japan
- Participating in condominium reconstruction projects
 - ▶ Accumulating rebuilding know-how by **promoting apartment complex rebuilding projects** based on the Act on Facilitation of Reconstruction of Condominiums, so as to secure profits in the future

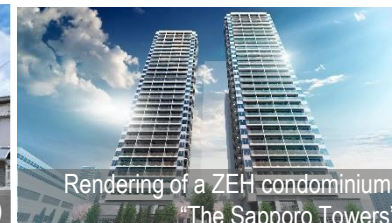


Promoting sustainable community
building that circulates residents and
generations

Developing products and services that meet diversifying values and lifestyles

Real estate sales

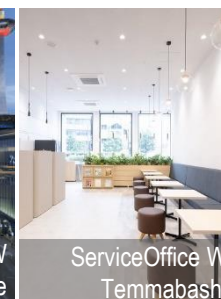
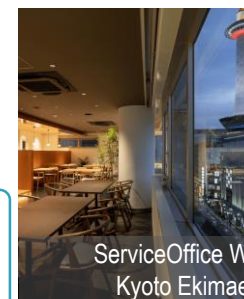
- Developing and marketing **environment-conscious** houses and offices, such as ZEHs and wood-frame buildings



Real estate leasing

- Increasing service locations in the **workplace rental business**

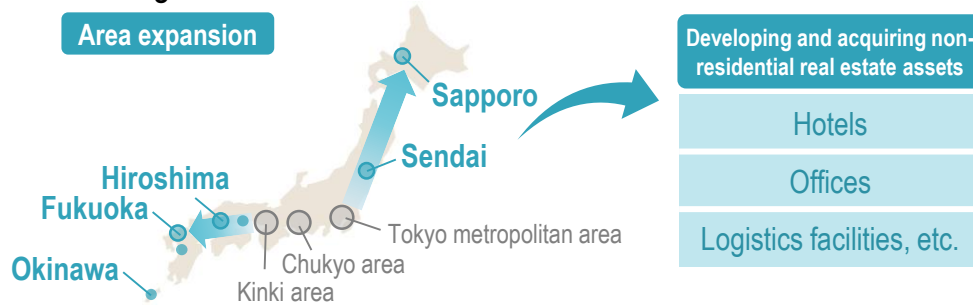
Gradually expanding
from the current two
locations (Kyoto Station
and Temmabashi)



Medium-term Management Plan: Strategy for Each Business (Real estate)

Expanding domestic business areas and asset types in the real estate sales and leasing businesses

- Promoting the acquisition of land for development and rental properties in the three major metropolitan areas as well as in highly advantageous **core cities in other regions**
- Developing and acquiring **non-residential real estate assets** that match the areas and needs in anticipation of future shrinkage of the domestic housing market



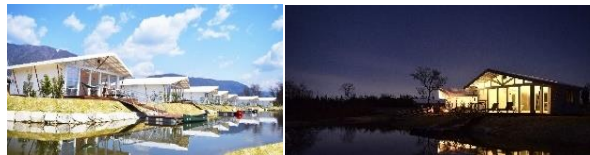
Effective utilization of owned properties

- Promoting **large-scale development, renovation, and conversion** of unused land and old or deteriorating properties

Major upcoming projects

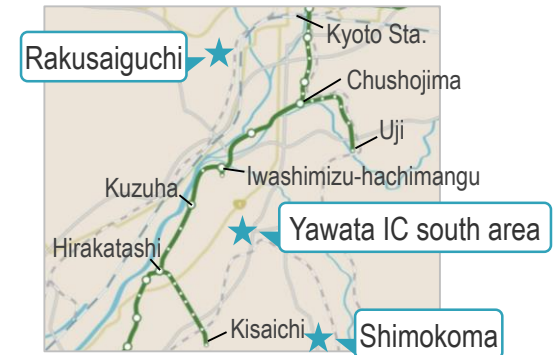
- **Land in Omi-Maiko** (Otsu City, Shiga)
- **Land in Deyashiki, Hirakata City** (Hirakata City, Osaka)
- **JCB Sapporo Higashi Bldg.** (Chuo-ku, Sapporo City, Hokkaido)

As part of this initiative, Everglades Biwako (a glamping facility) opened in April 2021 in Omi-Maiko. Further development will be explored and promoted in the future.



Promoting development projects utilizing urban development methods

- Proactively participating in **urban development** along the railway lines and in other areas, including land readjustment projects in **Shimokoma, the Yawata IC south area, and Rakusaiguchi**



Overseas business expansion

- Investing the Group's managerial resources in overseas projects in **the real estate leasing business**, etc., while assessing the business direction

Anticipated areas

- Emerging countries with high economic growth potential (mainly ASEAN-5)
- Europe, the U.S., and Australia, where maturity and stable growth are expected

Medium-term Management Plan: Strategy for Each Business (Retail distribution)

We will increase profits by evolving and developing commercial activities in the areas along the railway lines to respond to diversifying lifestyles, while supplying commercial content that contributes to the main strategies and establishing tourism commerce.

Main measures for BIOSTYLE Management

Developing the project to suggest “safe, reliable, and healthy eating habits”

■ Product development

Promoting the **development of health-conscious products**

by combining the strengths of the department store, supermarket, and organic produce sales businesses



■ Launch of a process center

Launching a new process center to accelerate the development of safe and reliable original products and increase production capacity for stable supply

■ Mobile supermarket service

Offering a **mobile supermarket service** that regularly sells food and other products at condominiums, nursing care facilities, residential areas, etc. to create new points of contact with customers and solve the regional issue of the “last mile” arising from the aging of the population and other factors

Expanding business while encouraging customers' healthy eating habits in the areas along the railway lines

Evolving and developing commercial activities in the areas along the railway lines

- Creating and providing **new consumer experiences in response to changing customer needs** through the gradual renovation of shopping malls and other facilities
- **Expanding self-organized sales areas**, which are unique to department stores that offer customer-oriented, high-quality, and ahead-of-the-times products and services, establishing a brand, and promoting its development as tenant stores in commercial facilities, either those of the Group or those of other companies
- Strengthening “**Yorozu wo Tsugumono**,” an e-commerce mall that offers special products carefully selected from all over Japan by department store buyers
- Providing optimal services to meet the needs of customers and the community by converting the in-station convenience store “Anthree” to the food market “**Moyori-ichi**” and reorganizing the station spaces



Kuzuha Mall



Moyori-ichi Temmabashi Sta.

Medium-term Management Plan: Strategy for Each Business (Retail distribution)

Promoting community building along the railway lines

- Utilizing the know-how cultivated through the operation of commercial facilities in community building to create **lively spaces** that connect with the community in public spaces, such as stations, plazas, and spaces under elevated railway tracks, and to develop urban functions
- Promoting **area management** from a commercial perspective, including the creation of a communication plaza in the public space where people can gather and interact, in order to make the area more attractive and valuable on a continuous basis
- Promoting open innovation in commercial facilities **through partnerships and collaboration with startups**
- Opening an **incubation facility** to create a place for industry-academia-government interaction

Advancing development projects along the railway lines

- **Type-1 urban redevelopment project in the Hirakatashi Station area**
Forming a base for suggesting enriched lifestyles and work styles, and developing BIOSTYLE-based stores
- **Joint reconstruction of the Keihan Midosuji Building and the Nittochi Yodoyabashi Building**
Creating a commercial space on lower floors (B1–2F)



Establishing tourism commerce

- Promoting **community building through tourism** by developing story-based experience programs and products that carry on the history and regional characteristics of the areas along the railway lines
- **Developing a tourist base** that carries on Kyoto's Higashiyama culture and creates new tourist experiences to make it **an established base in Kyoto**
- Promoting branding and area value enhancement through **the development of tourism and commercial content** in the Mt. Hiei/Lake Biwa area, thereby capturing inbound and domestic tourism demand



- Launching **tourist-focused “Moyori-ichi” stores** in major tourist destinations in Kansai, which take advantage of the characteristics of each area and sell local products and original products and content developed by the company, in cooperation with local companies and famous stores



Medium-term Management Plan: Strategy for Each Business (Leisure & Service)

We will strengthen our competitiveness by promoting branding through the provision of valuable customer experience and advancing high-value-added renovations in order to capture domestic and inbound demand, which is expected to recover in the future.

Main measures for BIOSTYLE Management

Enhancing competitiveness through SDG-oriented rebranding

- Developing and offering products and services that incorporate **local food, culture, and experiences of living in harmony with nature**

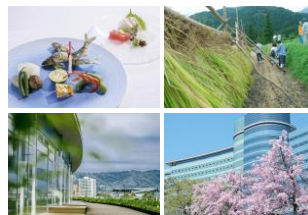
THE THOUSAND KYOTO

- **Rebranded** in July 2022 to drive sustainability for the entire Keihan Group
- Providing comfortable and sustainable experiences and undertaking 100 SDG actions in one year



Biwako Hotel

- Acting with and nurturing local communities through projects such as **“The Culinary Colours of SATOYAMA,”** which was designed to protect local communities through the consumption of foods produced in Shiga



Providing sustainable and special stay and tourism experiences that contribute to the SDGs

Adding value to products and services

- Advancing **high-value-added** renovation of guest rooms and other facilities in existing hotels to create spaces that satisfy guest needs

Hotel Keihan Namba Grande, which opened in March 2023, offers concept rooms that can be used not only as bases for business trips and sightseeing, but also as places for guests to relax as if they were at home.



- Creating and providing **special emotional experiences** that leverage the company's strengths and local attractions

THE THOUSAND KYOTO offers wine lectures by the chef-sommelier and other events.



Medium-term Management Plan: Strategy for Each Business (Leisure & Service)

New hotel launch

- Considering **opening new hotels** to expand the business scale

- ▶ Carefully selecting areas and locations for the new hotels while observing the recovery of tourism demand

Potential areas

- Tokyo metropolitan area, Fukuoka, other ordinance-designated cities, tourist cities

Business models

- Examining a wide range of business models, including new as well as existing ones, and considering unique products and services that feature attractive content specific to the area and location

Expanding profit-earning opportunities in the ship business

- Creating attractive tourism products jointly with local accommodation and tourist facilities to attract new influxes of people to be brought about by **the extension of the Hokuriku Shinkansen from Kanazawa to Tsuruga**



Transforming operations through the use of digital technology, etc.

- **Transformation to smart hotels**

Developing smart hotels through the use of IoT, AI, robots, etc. to provide a smooth stay experience and improve operational efficiency

- **Enhancing digital marketing**

Improving and automating hotel membership management through the use of digital tools to improve productivity and profitability

Continuing structural reform of the business

- Evolving the structural reform initiatives promoted under the COVID-19 crisis to build an operating structure that can respond flexibly to changes in the business environment




Main initiatives for structural reform

- Promoting multitasking
- Utilizing hotel facilities by taking advantage of their geographical advantages
- Outsourcing restaurant operations
- Introducing catering robots, etc.

Medium-term Management Plan: Strategy for Each Business (GOOD NATURE STATION)

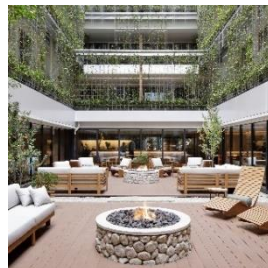
While increasing the visibility and expanding the sales channels of the GOOD NATURE STATION, a commercial complex offering sustainable experiences, and the product brands NEMOHAMO, RAU, Sachi Takagi, and GOOD NATURE MARKET, we will conduct new product development and new store launches on a continuous basis, thereby establishing a profit base.

Establishing own brands

 <p>NEMOHAMO</p>	 <p>RAU Sachi Takagi</p>	 <p>GOOD NATURE MARKET</p>
<p>An organic cosmetics brand that uses natural ingredients, without any petroleum-derived ingredients</p> <ul style="list-style-type: none"> ■ Focusing on its marketing as a hotel amenity (expanding B2B sales channels) ■ Opening a new flagship store in Tokyo 	<p>Patisserie brands offering sweets that are both beautiful and delicious and that no one has ever seen before</p> <ul style="list-style-type: none"> ■ Opening permanent stores, mainly in department stores in the Tokyo metropolitan area ■ Strengthening production infrastructure and the production management system 	<p>A food brand that develops products using materials that would normally be discarded (e.g., cacao shells)</p> <ul style="list-style-type: none"> ■ Enhancing product development and expanding the product lineup ■ Expanding sales channels by focusing on wholesaling

Making GOOD NATURE STATION more attractive

- Hosting **unique activities** and expanding and improving experience-based content in the facility in preparation for a full-fledged recovery of inbound tourism



Establishing multiple GOOD NATURE STATION stores

- Considering not only new store launches by each brand, but also **developing multiple commercial complexes** consisting of restaurants, markets, stores, and hotels



Medium-term Management Plan: Strengthening the Management Base (DX)

By utilizing digital technology in each of the Keihan Group's businesses, we will create experience value and sophisticate the Group's business management, thereby evolving into a corporate group capable of providing reliable value even in a rapidly developing digital society.

Creating experience value

Main measure Promoting the Keihan Group's digital strategy

1. Digitalizing customer contact points



- ▶ Expanding points of contact with customers through the development of products and services, utilizing digital technology to attract new customers and increase membership

Developing the Keihan Group Digital Ticketing System

Developing an e-commerce platform

Utilizing Kansai MaaS

2. Integrating customer data



- ▶ Integrating the Keihan Group's customer data to understand our customers and their needs more deeply

Integrating Keihan Group Customer IDs

Installing the Keihan Group's customer data infrastructure

3. Digital marketing to meet diverse customer needs



- ▶ Improving information service and proposal capabilities for products and services that accurately meet customer needs

Restructuring the Group's point system

Redesigning the websites of Keihan Holdings/Electric Railway

4. Developing new products, services, and businesses that enhance the experience value of customers



- ▶ Developing new products, services, and businesses that enhance the experience value of customers through co-creation with businesses and startups inside and outside the Group

Data utilization, sales promotion support, and joint planning of new products and services by the entire Keihan Group

Sophisticating the Group's business management

- Promoting the digitalization of business management (e.g., real-time visualization and analysis of financial and non-financial data) to enable rapid, accurate, and data-based decision-making and response even in a difficult-to-predict business environment

Medium-term Management Plan: Strengthening the Management Base (Human resources strategy)

We will maximize the abilities and performance of each of our diverse human resources, and reform the corporate culture to encourage challenges and innovation with a view to creating an environment in which employees can play an active role with a “BIOSTYLE mindset.” This will enable us to continue to create new value and achieve sustainable enhancement of corporate value.

Sustainable enhancement of corporate value

Creating new value
(both social and economic value)

Developing an environment in which employees play an active role with a “BIOSTYLE mindset”

Maximizing the abilities and performance of each individual

Improving work engagement (job satisfaction)

Promoting human resources diversity



Reforming the corporate culture to encourage challenges and innovation

Developing a system that encourages challenges and motivates self-directed growth

Promoting management that makes the most of human resources

Main initiatives (in the case of Keihan Holdings Co., Ltd.)

Human resource management that encourages self-directed growth

- Opportunities and empowerment to promote growth and challenges
- Career design support in line with each individual's career aspirations

Creating an environment in which each of our diverse human resources can demonstrate their abilities without anxiety

- Independent and creative work style not limited by time or place
- Stimulating internal communication

Ensuring the skills required to execute the strategy

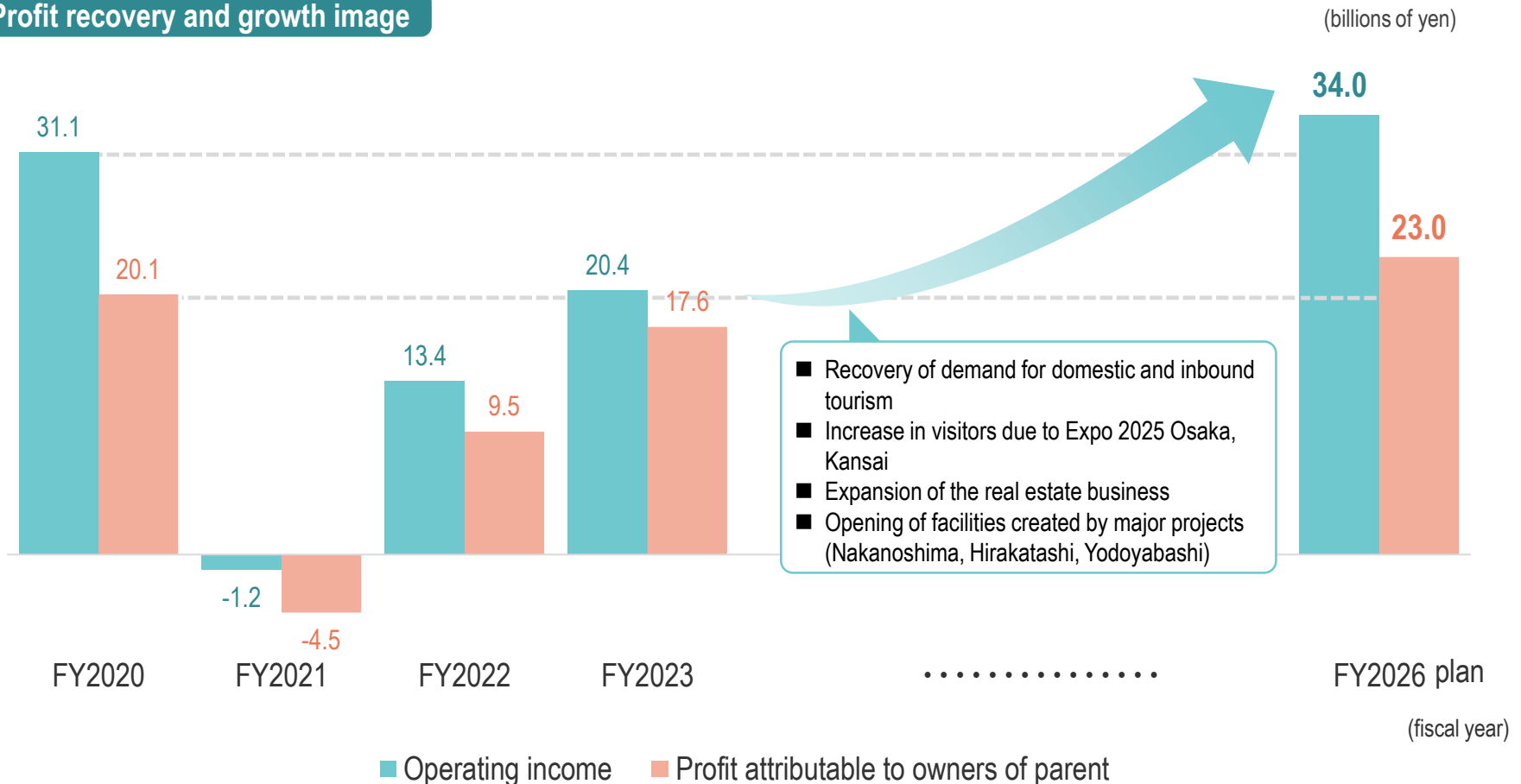
- Training programs that promote and support skills development
- Experienced recruitment

Medium-term Management Plan: Profit Recovery and Growth Image

Preconditions for revenue

- Keihan Electric Railway's passenger revenue (excluding the effects of future measures, etc.)
 - ▶ FY2026 Non-commuter pass passenger revenue: Around -10% compared to the average year
 - Commuter pass passenger revenue: Around -15% compared to the average year
- Inbound demand
 - ▶ Exceeds pre-COVID-19 crisis levels in FY2026, partly due to Expo 2025 Osaka, Kansai

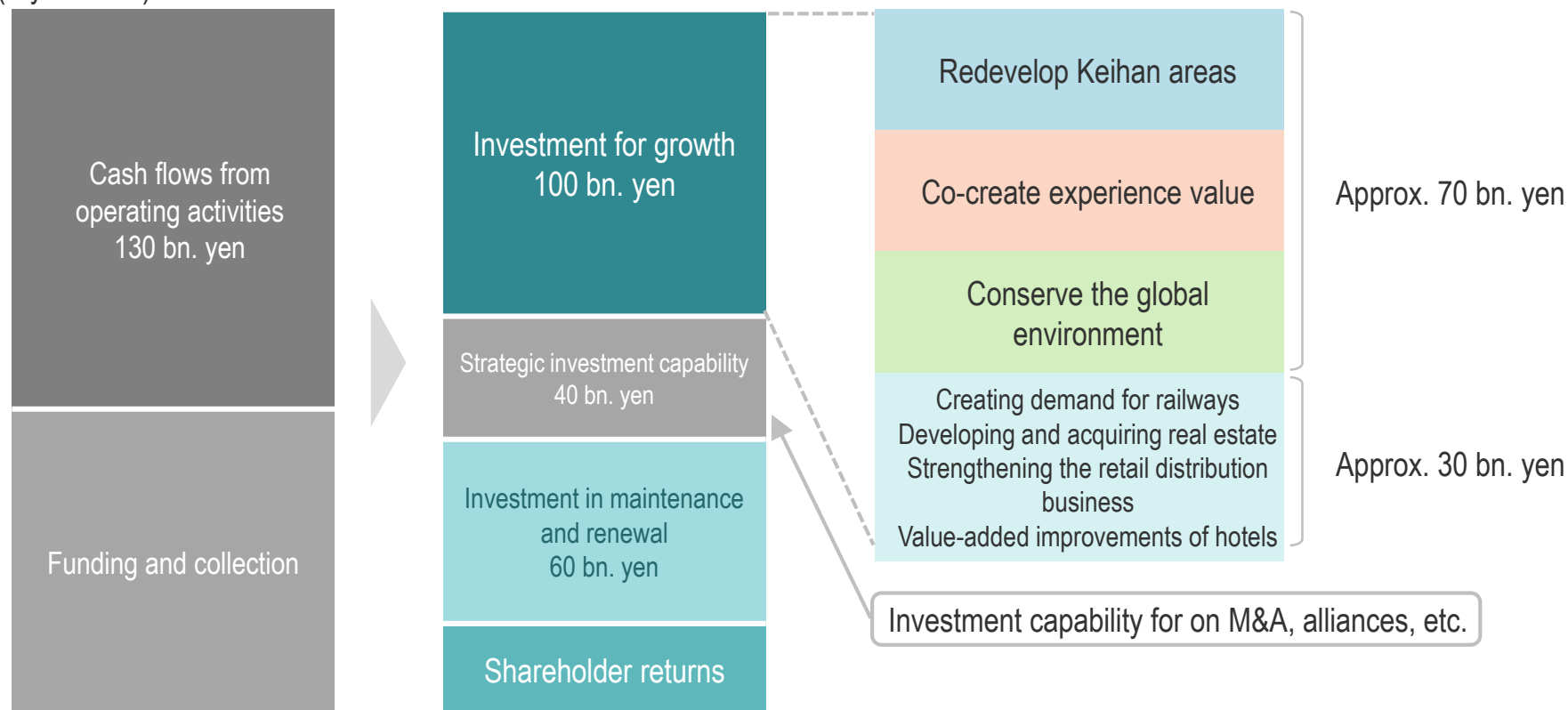
Profit recovery and growth image



Medium-term Management Plan: Idea of Fund Allocation

- Proactively making investment for growth that contributes to the enhancement of corporate value and the Keihan brand, centered around the three main strategies included in the long-term management strategy
- Continuing stable dividend payments in line with business performance and flexible share buybacks in terms of shareholder returns
 - *Aiming for early resumption of a dividend of 35 yen per share (pre-COVID-19 crisis level) or above
- Taking on loans and issuing corporate bonds to secure funds while maintaining a balance with EBITDA
 - *Targeting a net interest-bearing debt/EBITDA multiple of 6x level

(3-year total)



Quantitative Targets

Management indicators	FY2023 results	FY2026 plan	FY2031 target level
Operating income	20.4 bn. yen	34 bn. yen	43 bn. yen or more
Profit attributable to owners of parent	17.6 bn. yen	23 bn. yen	30 bn. yen or more
EBITDA (operating income + depreciation)	40.5 bn. yen	58 bn. yen	70 bn. yen or more
Net interest-bearing debt /EBITDA multiple	8.02x	6x level	6x level
ROE	6.8%	7% level	8% level