

FY2021 2nd Quarter Financial Results

— Held on November 10, 2021 —

Keio Corporation
京王電鉄株式会社

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President and Representative Director,
President and Executive Officer

Yasushi Komura

Director, Managing Officer
(in charge of Finance and Information Disclosure)

Satoshi Tsumura

I. FY2021 2nd Quarter Results

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1. Performance Summary

FY2021 2nd Quarter Results

- Revenue down in other businesses and Merchandise Sales, which was heavily impacted by adoption of Accounting Standard for Revenue Recognition, brought operating revenues down to 1,378 hmy*.
- Although each segment except other businesses saw year-on-year improvement, operating loss came to 13 hmy.
- Ordinary profit came to 8 hmy owing to subsidies and other revenue. Recording of income taxes, etc. brought net loss attributable to owners of parent to 10 hmy.

* Accounting Standard for Revenue Recognition applied as of fiscal 2021.
Operating revenues prior to application were 1,554 hmy.

FY2021 Full-Year Earnings Forecasts

- Business environment not as anticipated, so earnings forecasts revised downward upon review of assumptions.
- We expect operating revenues of 3,050 hmy* (-385 hmy vs. plan), operating profit of 4 hmy (-153 hmy vs. plan), and profit attributable to owners of parent of 18 hmy (-53 hmy vs. plan).
- We plan an annual dividend of 40.0 yen per share.

* Accounting Standard for Revenue Recognition applied as of fiscal 2021.
Operating revenues prior to application were 3,479 hmy (-451 hmy vs. plan).

2. FY2021 2nd Quarter Results

- Improvements were seen in 1st quarter (April - June) over previous year in which first declaration of state of emergency was made, but COVID-19 pandemic has persisted, and impact remains significant.
- 2nd quarter (July - September) was sluggish and revenue and expenditure remained mostly flat despite signs of recovery in lodging demand, etc.

(Units: ¥ hundred million)

	FY2021 1st quarter result (Apr-Jun)	FY2021 2nd quarter result (Jul-Sep)	FY2021 1st half (Apr-Sep)	YoY change
Operating Revenues	679 (766)	699 (788)	1,378 (1,554)	-3 (172)
Operating Profit	-12	-0	-13	151
Ordinary Profit	2	5	8	167
Profit Attributable to Owners of Parent	-14	4	-10	124
EBITDA	65	77	143	134
Depreciation and Amortization	77	77	154	-16

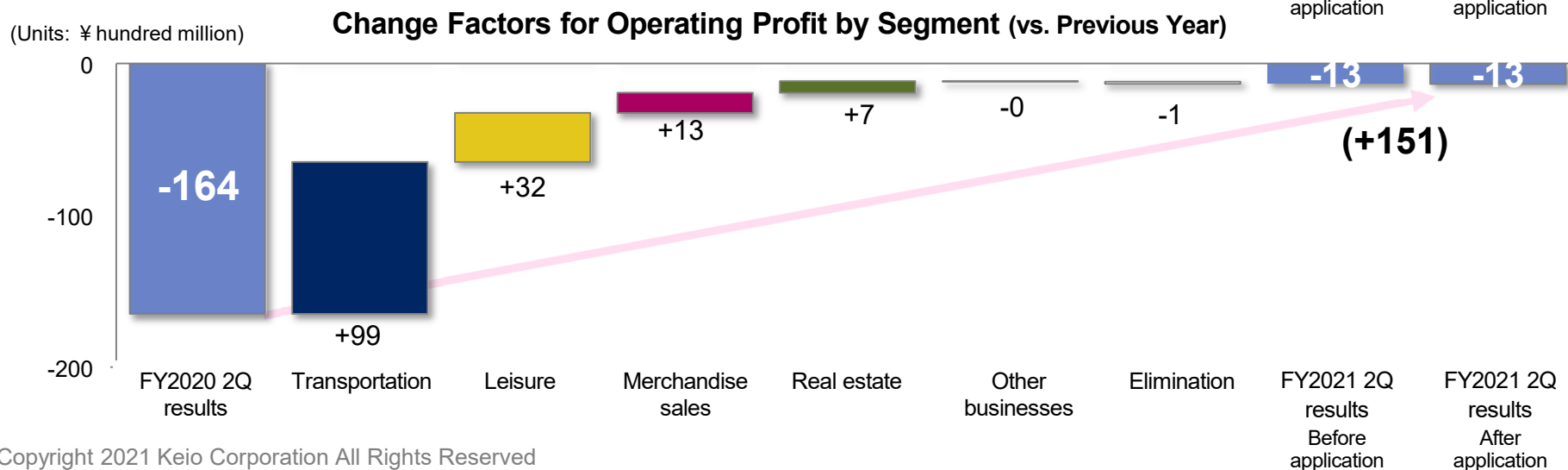
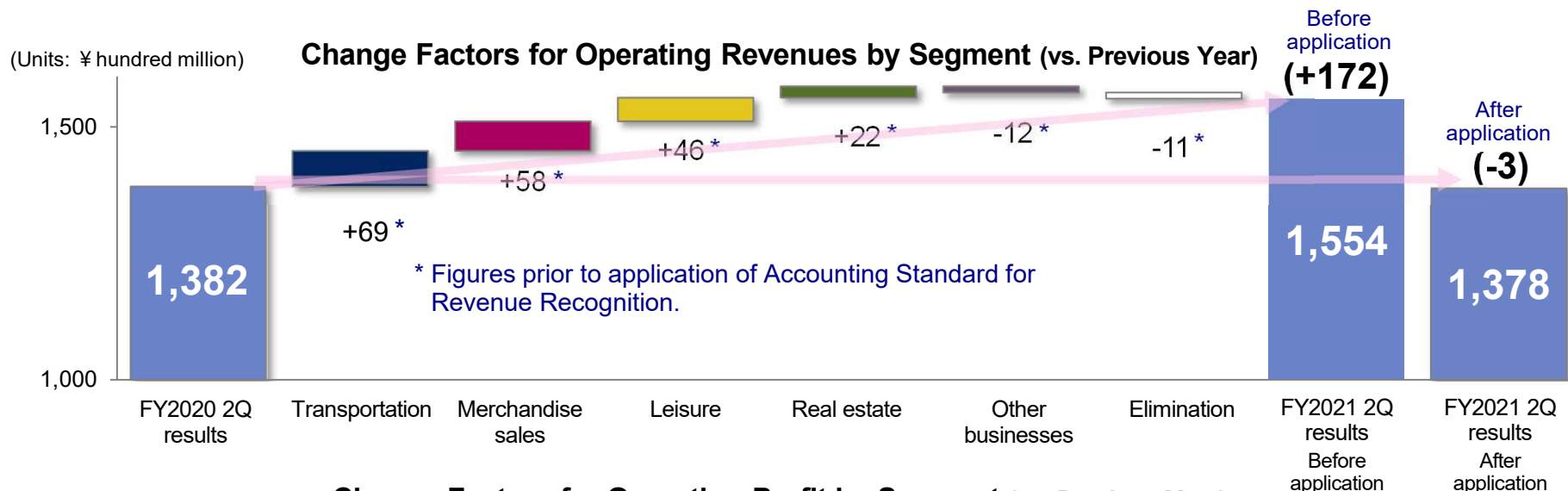
* EBITDA is operating profit + depreciation and amortization + amortization of goodwill.

* Accounting Standard for Revenue Recognition applied as of fiscal 2021.

* Parentheses below show figures prior to application of Accounting Standard for Revenue Recognition.

2. FY2021 2nd Quarter Results (Operating Revenues / Operating Profit Change Factors)

- Revenue down 3 hmy from previous year, but figures prior to application of Accounting Standard for Revenue Recognition improved in each segment except for other businesses, resulting in increase of 172 hmy in operating revenues.
- Operating profit improved in each segment except other businesses, resulting in 151 hmy increase over previous year.



2. FY2021 2nd Quarter Results (vs. FY2018)

- Operating revenues down 28.6% from prior to COVID-19 (vs. FY2018) before application of Accounting Standard for Revenue Recognition due to sluggish transportation and lodging demand associated with extension of state of emergency.

FY2021 2nd Quarter Results Prior to Application of Accounting Standard for Revenue Recognition (Units: ¥ hundred million)

		1Q (April – June)		2Q (July – September)		1H (April – September)	
		FY2021 results	Pct. Change vs. FY2018	FY2021 results	Pct. Change vs. FY2018	FY2021 results	Pct. Change vs. FY2018
Transportation	Operating Revenues	237	-28.6	241	-27.6	478	-28.1
	Operating Profit	-4	—	-2	—	-7	—
Merchandise Sales	Operating Revenues	314	-23.4	315	-18.9	629	-21.2
	Operating Profit	2	-87.5	1	-87.6	3	-87.6
Real Estate	Operating Revenues	109	-10.5	107	-4.1	216	-7.4
	Operating Profit	29	2.7	27	13.5	56	7.7
Leisure	Operating Revenues	64	-65.6	76	-64.2	140	-64.9
	Operating Profit	-42	—	-36	—	-79	—
Other Businesses	Operating Revenues	103	-1.3	144	9.3	248	4.6
	Operating Profit	3	46.6	10	32.6	14	35.8
Consolidated	Operating Revenues	766	-29.6	788	-27.6	1,554	-28.6
	Operating Profit	-12	—	-0	—	-13	—

3. Consolidated Statements of Cash Flows

- Free cash flow came to 12 hmy as result of keeping non-essential, non-urgent capital expenditures down and increase in operating cash flow from improved performance over previous year.
- Net cash used in financing activities came to -4 hmy with redemption of corporate bonds and repayment of debt.

(Units: ¥ hundred million)

	FY2020 2nd quarter result	FY2021 2nd quarter result	Change	Notes
Net cash provided by (used in) operating activities	-14	164	179	Increase in profit before income taxes, etc.
Net cash provided by (used in) investing activities	-197	-152	44	
Free (operating + investing) cash flow	-212	12	224	
Net cash provided by (used in) financing activities	694	-4	-698	Expenditures for redemption of corporate bonds, etc.
Cash and cash equivalents at end of period	900	775	-125	

4. Consolidated Financial Position

■ Equity ratio at 37.8% as **sound financial position** maintained.

(Units: ¥ hundred million)

	FY2020 result	FY2021 2nd quarter result	Change
Total Assets	9,126	8,974	-151
Liabilities	5,682	5,579	-102
Net Assets	3,443	3,395	-48
Interest-Bearing Debt	3,996	3,955	-40
Equity Ratio	37.7%	37.8%	0.1P

Net interest-bearing debt-based equity ratio

39.4%

356 hmy increase in ending balance of cash and cash equivalents from FY2019 offset by interest-bearing debt

II. FY2021 Full-Year Earnings Forecasts

1. FY2021 Full-Year Earnings Forecasts
2. Forecasts by Segment and Assumptions
3. Forecasts for Main Businesses
4. FY2021 Earnings Forecasts (vs. FY2018)
5. Capital Expenditures Forecast
6. Dividend Forecast

1. FY2021 Full-Year Earnings Forecasts

- Declaration of state of emergency at beginning of year lasted roughly six months, resulting in significantly different business environment than anticipated.
- Future remains uncertain, so earnings forecasts revised based on assumption of no full-scale recovery.

(Units: ¥ hundred million)

	FY2020 result	FY2021 forecast	YOY change	FY2021 initial plan <small>(announced April 30, 2021)</small>	vs. plan
Operating Revenues	3,154	3,050 (3,479)	-104 (325)	3,435 (3,931)	-385 (-451)
Operating Profit	-208	4	212	157	-153
Ordinary Profit	-179	35	214	144	-109
Profit Attributable to Owners of Parent	-275	18	293	71	-53
EBITDA	142	322	180	487	-165
Capital Expenditures	361	393	32	477	-84

* EBITDA is operating profit + depreciation and amortization + amortization of goodwill.

* Accounting Standard for Revenue Recognition applied as of fiscal 2021.

* Parentheses below show figures prior to application of Accounting Standard for Revenue Recognition.

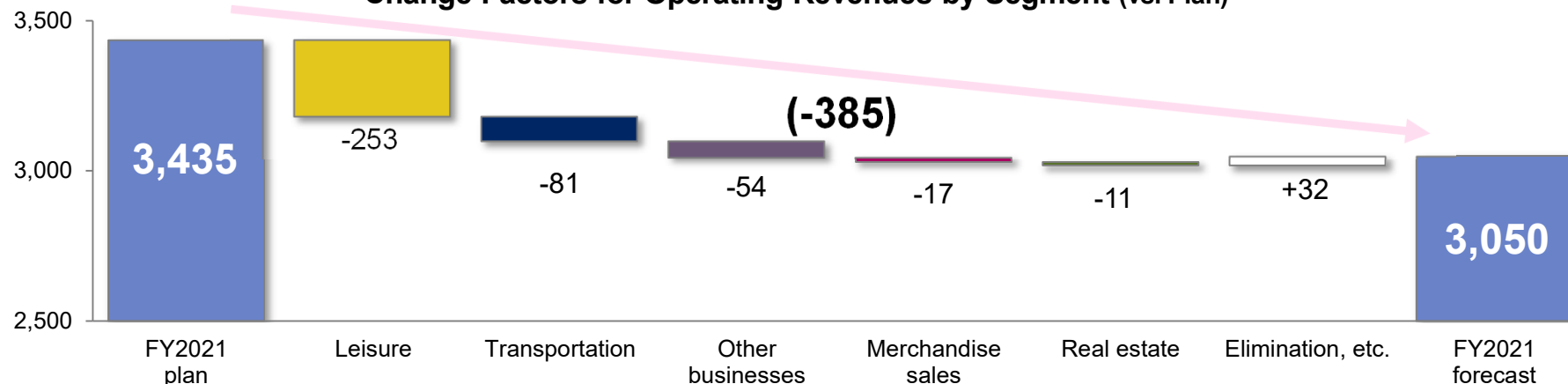
1. FY2021 Full-Year Earnings Forecasts

(Operating Revenues / Operating Profit Change Factors)

- Revenues and profit expected to be down vs. plan in all segments.
- In leisure segment in particular, operating revenues expected to be down 253 hmy and operating profit 120 hmy vs. plan.

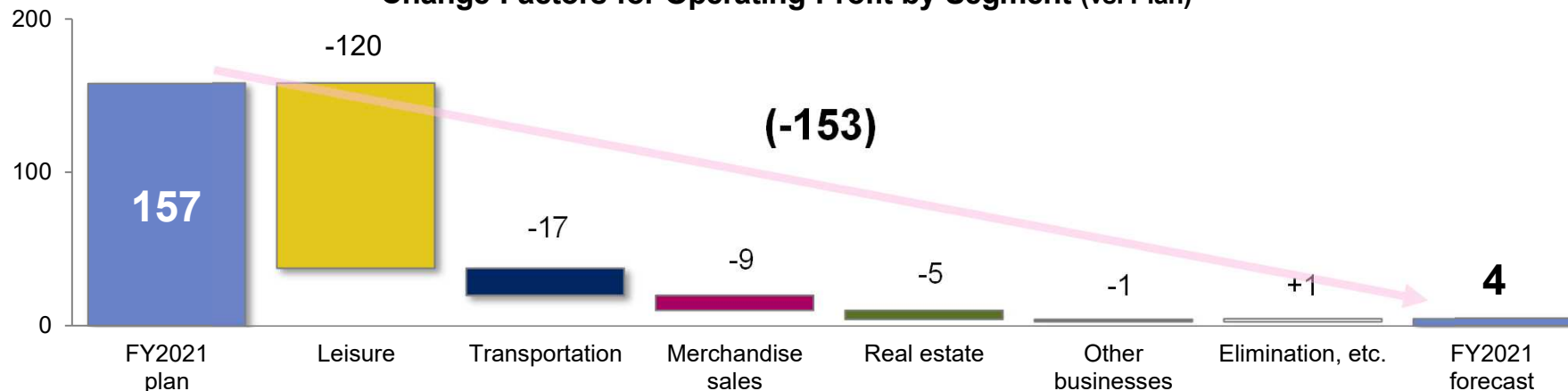
(Units: ¥ hundred million)

Change Factors for Operating Revenues by Segment (vs. Plan)



(Units: ¥ hundred million)

Change Factors for Operating Profit by Segment (vs. Plan)



2. Forecasts and Assumptions by Segment

- Level of passengers transported (railways) and domestic demand (excluding leisure) expected to be 20-30% lower than before COVID-19.

(Units: ¥ hundred million)

		FY2020 result	FY2021 forecast	Change (%)		Initial plan FY2021 (based on April 30, 2021 announcement)	Difference (%)	
Transportation	Operating Revenues	884	1,002	118	(13.4)	1,083	-81	(-7.5)
			(1,004)	(120)	(13.6)	(1,085)	(-81)	(-7.5)
	Operating Profit	-164	5	169	(—)	22	-17	(-77.7)
Merchandise Sales	Operating Revenues	1,284	1,000	-284	(-22.1)	1,017	-17	(-1.7)
			(1,398)	(113)	(8.8)	(1,493)	(-95)	(-6.4)
	Operating Profit	-0	21	22	(—)	31	-9	(-31.0)
Real Estate	Operating Revenues	480	488	8	(1.7)	499	-11	(-2.2)
			(489)	(9)	(2.0)	(500)	(-11)	(-2.2)
	Operating Profit	104	97	-6	(-6.7)	102	-5	(-5.7)
Leisure	Operating Revenues	253	326	72	(28.7)	579	-253	(-43.7)
			(358)	(105)	(41.5)	(610)	(-252)	(-41.3)
	Operating Profit	-192	-149	43	(—)	-29	-120	(—)
Other Businesses	Operating Revenues	654	614	-39	(-6.1)	668	-54	(-8.1)
			(614)	(-39)	(-6.0)	(669)	(-54)	(-8.1)
	Operating Profit	52	41	-11	(-21.4)	43	-1	(-3.4)
Consolidated	Operating Revenues	3,154	3,050	-104	(-3.3)	3,435	-385	(-11.2)
			(3,479)	(325)	(10.3)	(3,931)	(-451)	(-11.5)
	Operating Profit	-208	4	212	(—)	157	-153	(-97.5)

* Accounting Standard for Revenue Recognition applied as of fiscal 2021.

* Parentheses below show figures prior to application of Accounting Standard for Revenue Recognition.

2. Forecasts by Segment and Assumptions

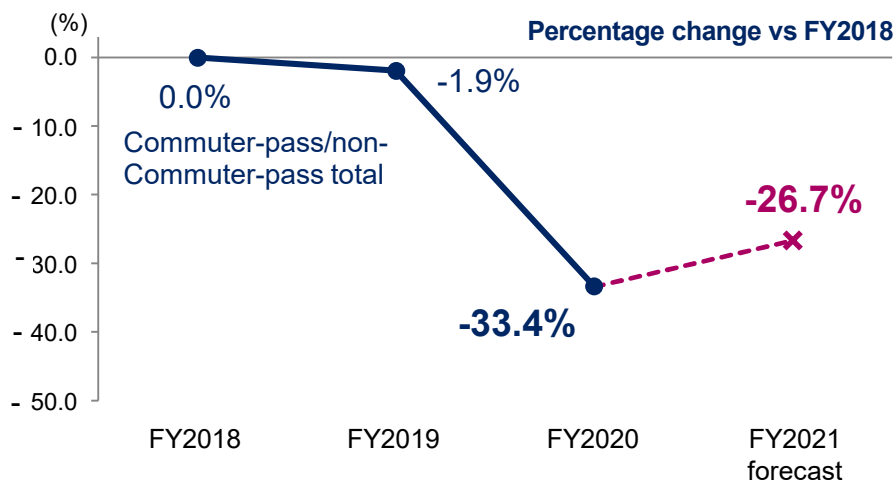
Railways transportation results

(Units: Thousands of People, ¥ million)

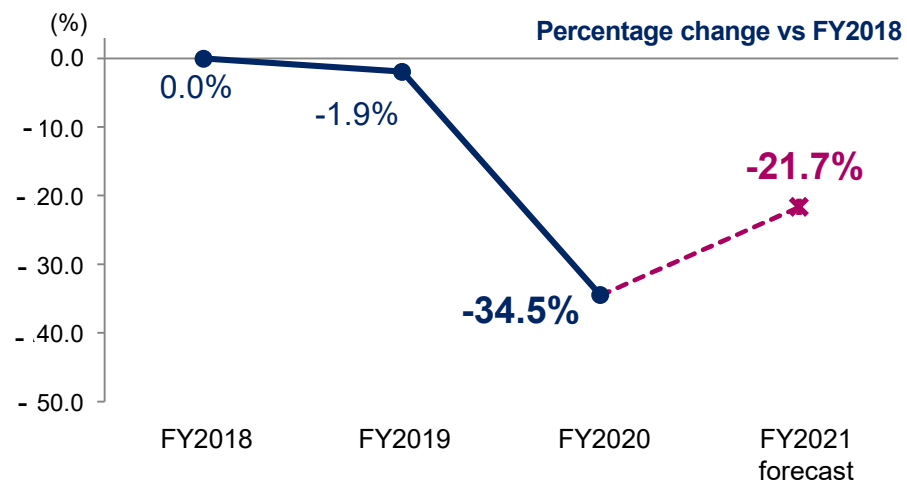
		FY2021 Forecasts					
		FY2020 result	FY2021 forecast	Change (%)		Initial Plan FY2021 <small>(based on April 30, 2021 announcement)</small>	Difference(%)
Passengers Transported	Commuter-Pass	269,745	298,650	28,905	(10.7)	319,717	-21,067 (-6.6)
	(Business)	231,373	231,386	13	(0.0)	251,737	-20,351 (-8.1)
	(Student)	38,372	67,264	28,892	(75.3)	67,980	-716 (-1.1)
	Non-Commuter-Pass	180,899	209,730	28,831	(15.9)	223,192	-13,462 (-6.0)
	Total	450,644	508,380	57,736	(12.8)	542,909	-34,529 (-6.4)
Passengers Revenues	Commuter-Pass	25,155	25,948	792	(3.2)	28,082	-2,134 (-7.6)
	(Business)	23,739	23,478	-261	(-1.1)	25,563	-2,085 (-8.2)
	(Student)	1,416	2,470	1,053	(74.4)	2,519	-48 (-1.9)
	Non-Commuter-Pass	29,614	34,370	4,756	(16.1)	37,081	-2,710 (-7.3)
	Total	54,770	60,319	5,548	(10.1)	65,164	-4,845 (-7.4)

3. Forecasts for Main Businesses

Keio Corporation (railways) passenger revenues



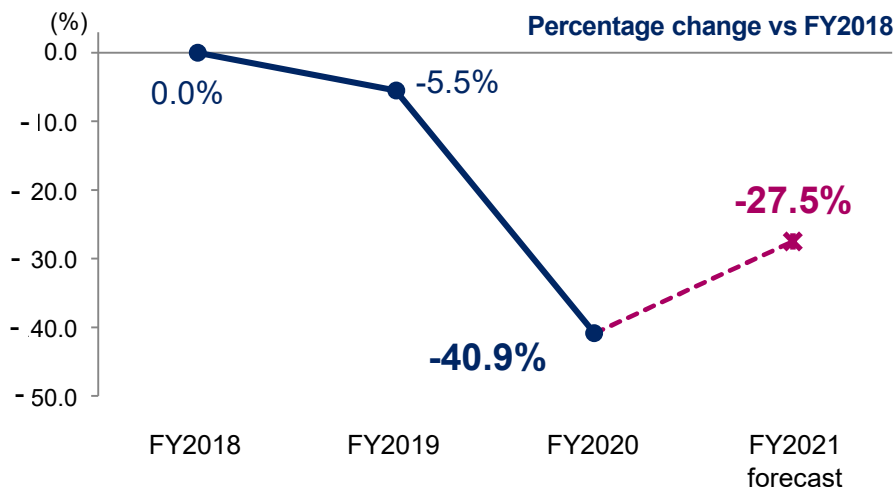
Keio Dentetsu Bus Group (fixed route*1) sales



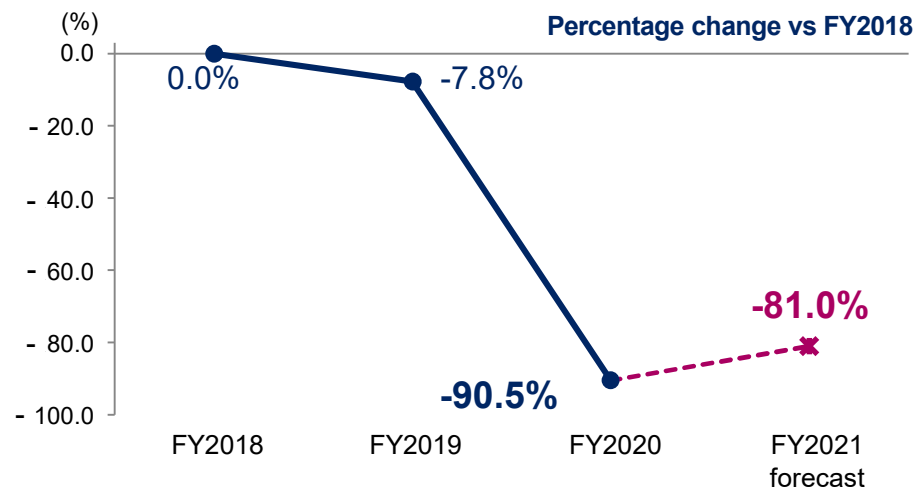
(*1) Excludes "Silver Pass" revenue and impact of ending bus usage perks in April 2021

(Prior to application of Accounting Standard for Revenue Recognition)

Keio Department Store (Shinjuku) sales



Keio Plaza Hotel (Shinjuku) lodging revenue



4. FY2021 Earnings Forecasts (vs. FY2018)

- 1st half was down 28.6% compared to before COVID-19 (FY2018), but 2H will be down 16.2%, and full-year around 22.2%.

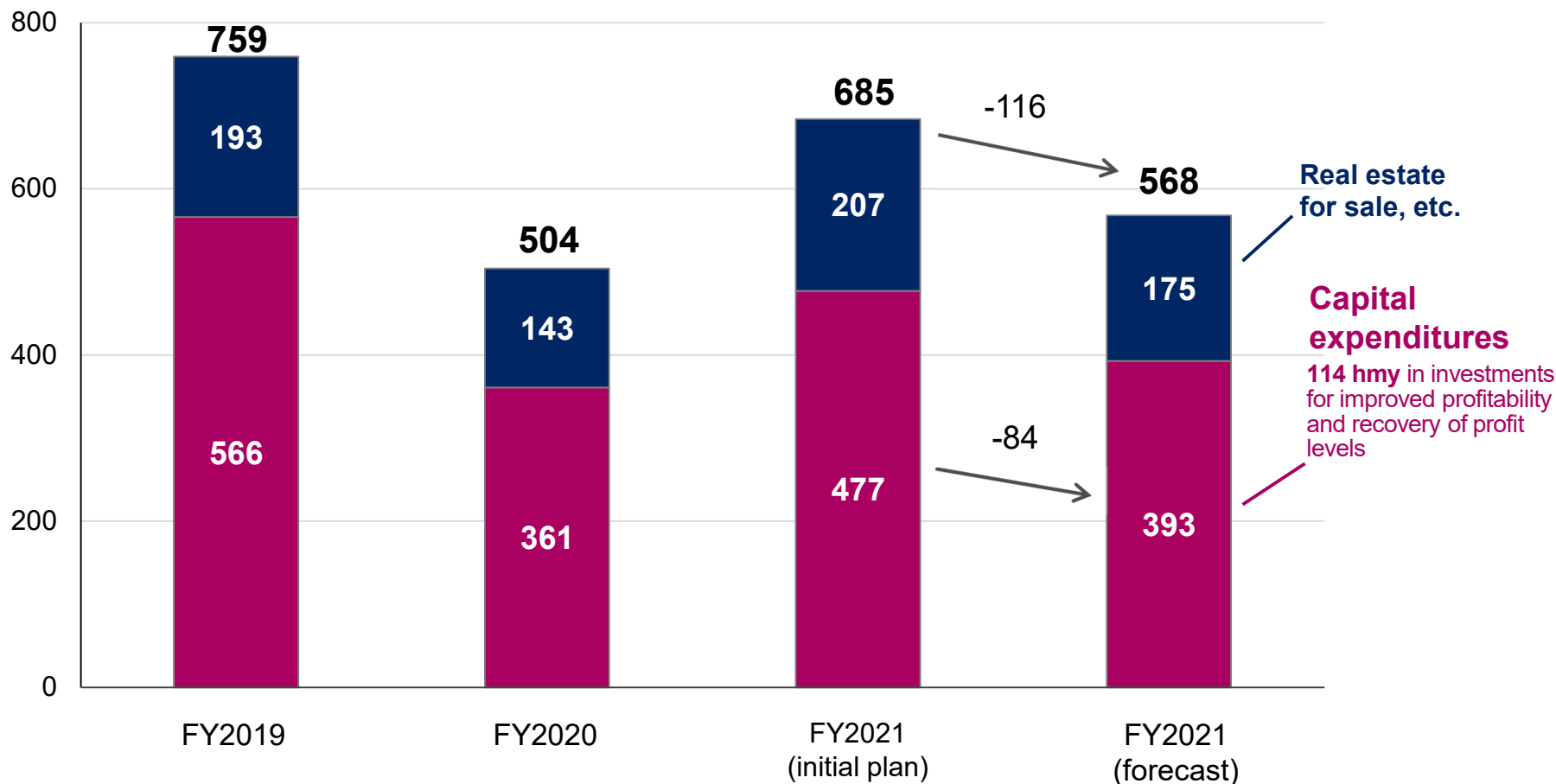
FY2021 Earnings Forecasts Prior to Application of Accounting Standard for Revenue Recognition (Units: ¥ hundred million)

		1H (April - September)		2H (October - March)		Full year (April - March)	
		FY2021 result	Pct. change vs FY2018	FY2021 forecast	Pct. change vs FY2018	FY2021 forecast	Pct. change vs FY2018
Transportation	Operating Revenues	478	-28.1	525	-19.9	1,004	-24.0
	Operating Profit	-7	—	12	-71.0	5	-96.6
Merchandise Sales	Operating Revenues	629	-21.2	768	-11.1	1,398	-16.0
	Operating Profit	3	-87.6	18	-30.2	21	-57.9
Real Estate	Operating Revenues	216	-7.4	273	2.6	489	-2.1
	Operating Profit	56	7.7	40	-3.3	97	2.9
Leisure	Operating Revenues	140	-64.9	217	-46.1	358	-55.4
	Operating Profit	-79	—	-70	—	-149	—
Other Businesses	Operating Revenues	248	4.6	366	-11.6	614	-5.7
	Operating Profit	14	35.8	26	-35.4	41	-20.8
Consolidated	Operating Revenues	1,554	-28.6	1,925	-16.2	3,479	-22.2
	Operating Profit	-13	—	17	-89.4	4	-99.0

5. Capital Expenditures Forecast

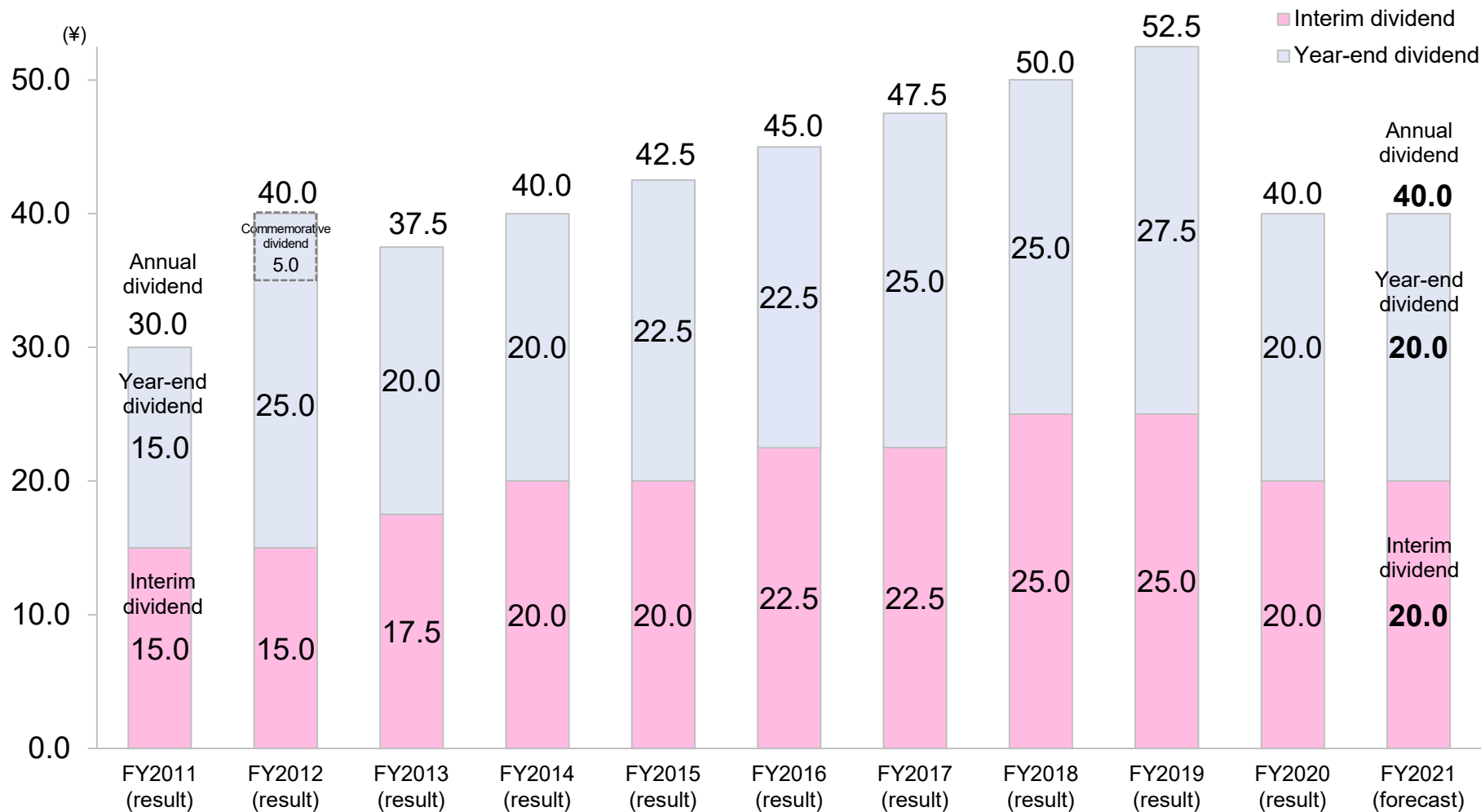
- Capital expenditures for FY2021 forecast at 393 hmy (down 84 hmy from initial plan) after reviewing renovation work, etc. while placing top priority on ensuring customer safety.
- Will continue to make investments to improve profitability and recover profit levels (considering implementation outside of scope planned).

(Units: ¥ hundred million)



6. Dividend Forecast

■ Annual dividend per share will be 40.0 yen.



Note: On October 1, 2017, we consolidated every 5 shares of common stock into 1 share. Accordingly, the yearly dividends are now on a post-stock consolidation basis.

III. FY2021 Initiatives

1. Medium- to Long-Term Scenario
2. Medium- to Long-Term Policy
3. FY2021 Initiatives

1. Medium- to Long-Term Scenario

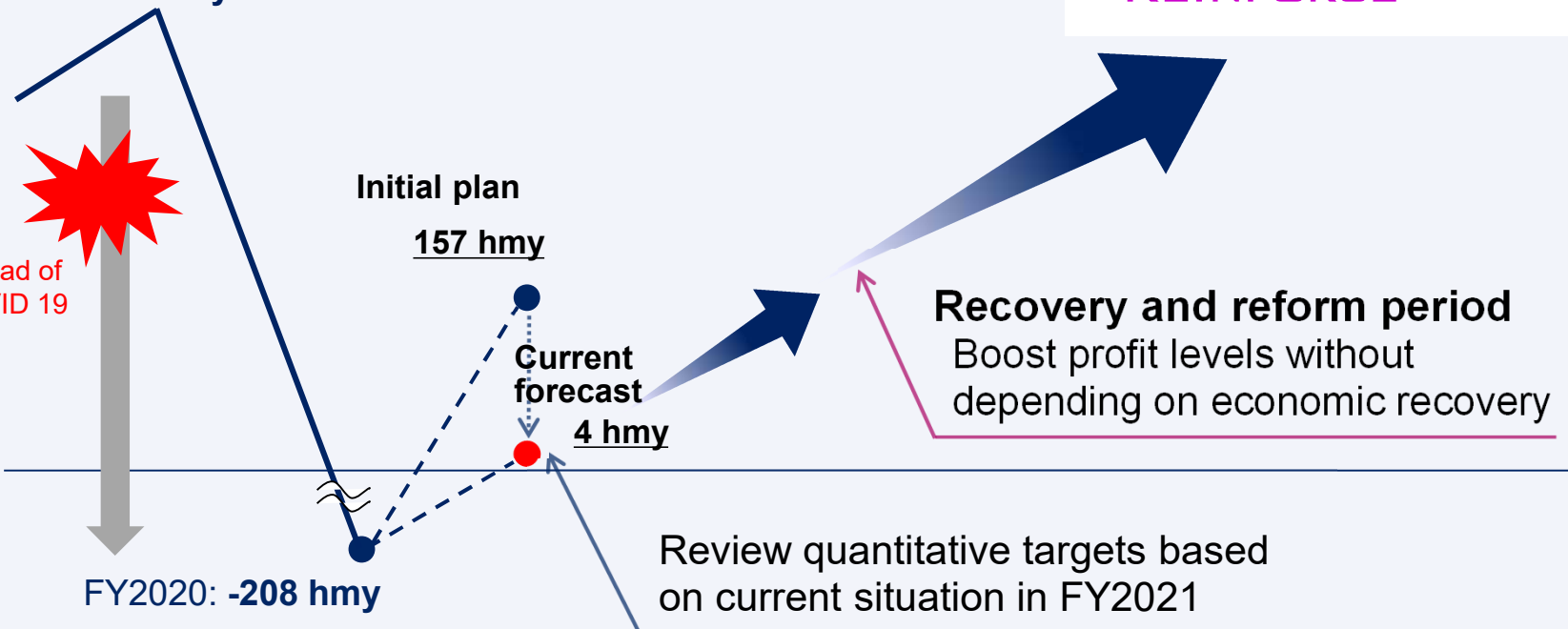
- Quantitative targets for FY2021 revised downward due to prolongation of COVID-19 pandemic, but will boost profit levels by promoting structural reform to complete large scale investments.



RESTART
REDEVELOPMENT
RESTRUCTURING
REINFORCE

Consolidated operating profit
 FY2018: **400 hmy**

Spread of
 COVID 19



2. Medium- to Long-Term Policy

- Look into things in order to give them shape between FY2022 and FY2024.

* Announced on May 18, 2021, republished from materials used at results briefing.



- Work on improving ease of getting around within living sphere as company driving new lifestyles
- Central involvement in productive and attractive urban development
- Creation of new transportation demand



<Focus on urban development>

- * Redevelopment of living sphere centered on review of station offerings
- * Redevelopment of hubs
- * Enhancement of real estate developer functions
- * Promotion of large city suburb-type MaaS



<Promotion of business structure reform>

- * Utilization of DX and review of cost structure
- * Rebuilding of hotels and merchandise sales businesses



<Enhancement of earning power>

- * Structural shift from land and building leasing to general real estate business
- * Active expansion of real estate/B2B domains
- * Launch of logistics business along railway lines

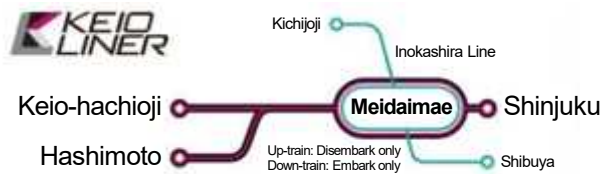
3. FY2021 Initiatives

Stop added for Keio Liner



Meidaimae added to stops for Mt. TAKAO Saturday/Holiday Keio Liner.

- Meidaimae added to stops, creating opportunities for various uses, including going out along Inokashira Line and in Takao area.

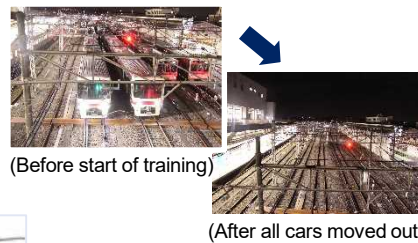


Preparation for natural disasters (railways business)



- Improve ability to respond to natural disasters in tangible and intangible ways, including conducting training and building monitoring system.

Prepare for flooding of rail yard when → rivers overflow Conduct training for moving train cars to stations



(Rain gauge)



(Water gauge)

← Determine speed rules and suspension of operations according to observed amount of rainfall

Nishitokyo Bus: Commuter Liner



- Commuter Liner express bus in operation since June 2021 as new commuting style under COVID-19 pandemic.
- Establish routes according to human traffic data based on AI analysis of location information and directly connect residential areas with urban areas without going through terminal stations.



Connecting Hachioji/Hino and Shinjuku West Exit

Autonomous driving field tests (bus services)



- Selected as the implementer of project related to realization of autonomous driving service, recruited by Tokyo Metropolitan Government.
- Conduct autonomous driving experiments using fixed-route buses in Nishi-Shinjuku area.
- Verify technical and operational aspects for full-scale autonomous driving and proceed with studies for solving problems such as future crew member shortages.

Timing of implementation	2-3 weeks from November 2021 to January 2022
Locations	Shinjuku Station West Exit – Metropolitan Government Office - Tokyo Metropolitan Assembly Building - Shinjuku Station West Exit



3. FY2021 Initiatives

New Mikan Shimokita facility to be opened



- Mikan Shimokita facility being developed near Shimo-Kitazawa Station to be opened in spring 2022 (some parts to be opened in summer 2022).
- Commercial area, primarily unique restaurants, and workplaces to be tenants, proposing a new Shimo-Kitazawa.



Renovation of commercial facilities



■ Keio Shinjuku Oiwake Bldg.

- IKEA opened in lower levels (B1F-3F) in May 2021.



■ Keio Crown-Gai Sasazuka.

- Part of central area and western side renovated and opened in October 2021.



Expanding shared office business



- Roll out 12 (Juni) series of shared offices based on concept of greater freedom in living.
- Aim to open 10 facilities by 2026, including by promoting new development in Kanda area.



<<12 SHINJUKU3CHOME>>
Opened September 2021



<<12 NISHISHINJUKU>>
Opened October 2021

Promoting condominium business



- Promote condominium business through joint venture business with other developers.
- Aim for further business expansion.



<<Brillia Tower Seiseki-sakuragaoka
BLOOMING RESIDENCE>>
Phase 2 sales underway



<<Livio RAISON
THURSDAY CHOFU>>
All sold

3. FY2021 Initiatives

Improvement of area appeal and micro tourism



■ Opening of Takaone activity hotel in front of Takaosanguchi Station.

- Provide various services in addition to hotel, including activities and use of café area for telecommuting.
- Aim to improve overall appeal of Takaosan area by introducing new content.



Opening of Keio Kids' Platz Sakurajosui



- Keio Group authorized day care center Keio Kids' Platz Sakurajosui to be opened in April 2022 (application submitted).
- Provide wide range of services to child-rearing generation and promote development of environment conducive to child rearing.

Overview of Keio Kids' Platz Sakurajosui

Opening date	April 1, 2022 (tentative)
Location	4-Minute walk from Sakurajosui Station
Enrollment capacity	45



<<Exterior of Keio Kids' Platz Sakurajosui (illustration)>>

Utilizing digital technology



■ Selling day-use passes for Keio Plaza Hotel.

- Introduce online tickets for TAMA-GO MaaS service and launch support for advance, non-contact, and cashless transactions.



Overview of day-use pass "The Five -Day Use-"

Sales period	September 1, 2021 - March 31, 2022 *Exclusions: December 31 and January 1
Use period	180 days from date of purchase

Online ticket (screenshot)

Rebuilding of hotels business

■ Review unprofitable domains and build sustainable structure.

- Identify demand trends by area in hotels business, review scale and format, and promote rebuilding.

MaaS initiative



■ TAMA-GO field tests in Ome area. November 9-29, 2021

- Provide various services such as area tourist information, process creation functions, and on-demand transportation operations.
- Improve convenience and ease of getting around for tourists in Ome area where Group is developing its transportation business, attracting new tourists and promoting repeat visits.

IV. Reference Material

1. FY2021 2nd Quarter Results
2. Overview by Segment
3. Segment Information (Transportation)
4. Segment Information (Merchandise Sales)
5. Segment Information (Real Estate)
6. Segment Information (Leisure)
7. Segment Information (Other Businesses)
8. Consolidated Balance Sheets and Consolidated Statements of Cash Flows
9. Remaining a Sustainable Company

1. FY2021 2nd Quarter Results

(Units: ¥ hundred million)

	FY2021 2nd Quarter Earnings		
	FY2020 2Q result	FY2021 2Q result	Change (%)
Operating Revenues	1,382	1,378 (1,554)	-3 (-0.3) (172) (12.5)
Operating Profit	-164	-13	151 (—)
Ordinary Profit	-158	8	167 (—)
Profit Attributable to Owners of Parent	-135	-10	124 (—)
EBITDA	8	143	134 (—)
Depreciation and Amortization	171	154	-16 (-9.7)
Capital Expenditures	116	191	74 (63.9)

* EBITDA is operating profit + depreciation and amortization + amortization of goodwill.

*Accounting Standard for Revenue Recognition applied as of fiscal 2021.

*Parentheses below show figures prior to application of Accounting Standard for Revenue Recognition.

2. Overview by Segment

(Units: ¥ hundred million)

	Operating Revenues			Operating Profit		
	FY2020 2Q result	FY2021 2Q result	Change (%)	FY2020 2Q result	FY2021 2Q result	Change (%)
Transportation	409	478 (478)	69 (16.9) (69) (17.0)	-106	-7	99 (—)
Merchandise Sales	571	478 (629)	-108 (-18.9) (58) (10.2)	-10	3	13 (—)
Real Estate	194	215 (216)	21 (11.0) (22) (11.4)	49	56	7 (15.6)
Leisure	94	129 (140)	34 (36.9) (46) (48.6)	-111	-79	32 (—)
Other Businesses	260	249 (248)	-11 (-4.5) (-12) (-4.6)	14	14	-0 (-2.2)
Elimination	-148	-157 (-160)	-9 (—) (-11) (—)	-0	-1	-1 (—)
Consolidated	1,382	1,378 (1,554)	-3 (-0.3) (172) (12.5)	-164	-13	151 (—)

*Accounting Standard for Revenue Recognition applied as of fiscal 2021.

*Parentheses below show figures prior to application of Accounting Standard for Revenue Recognition.

3. Segment Information (Transportation)

(Units: ¥ hundred million)

	FY2021 2nd Quarter Earnings		
	FY2020 2Q result	FY2021 2Q result	Change (%)
Operating Revenues	409	478	69 (16.9)
		(478)	(69) (17.0)
(Railways)	269	309	40 (14.9)
(Bus Services)	118	140	21 (18.3)
(Taxi Services)	38	44	6 (17.2)
(Other)	10	11	0 (6.8)
(Elimination)	-28	-27	0 (—)
Operating Profit	-106	-7	99 (—)
(Railways)	-63	4	67 (—)
(Bus Services)	-32	-8	23 (—)
EBITDA	-2	84	86 (—)
Depreciation and Amortization	104	91	-12 (-12.4)
Capital Expenditures	62	107	45 (72.8)

*Accounting Standard for Revenue Recognition applied as of fiscal 2021.

*Parentheses below show figures prior to application of Accounting Standard for Revenue Recognition.

3. Segment Information (Transportation)

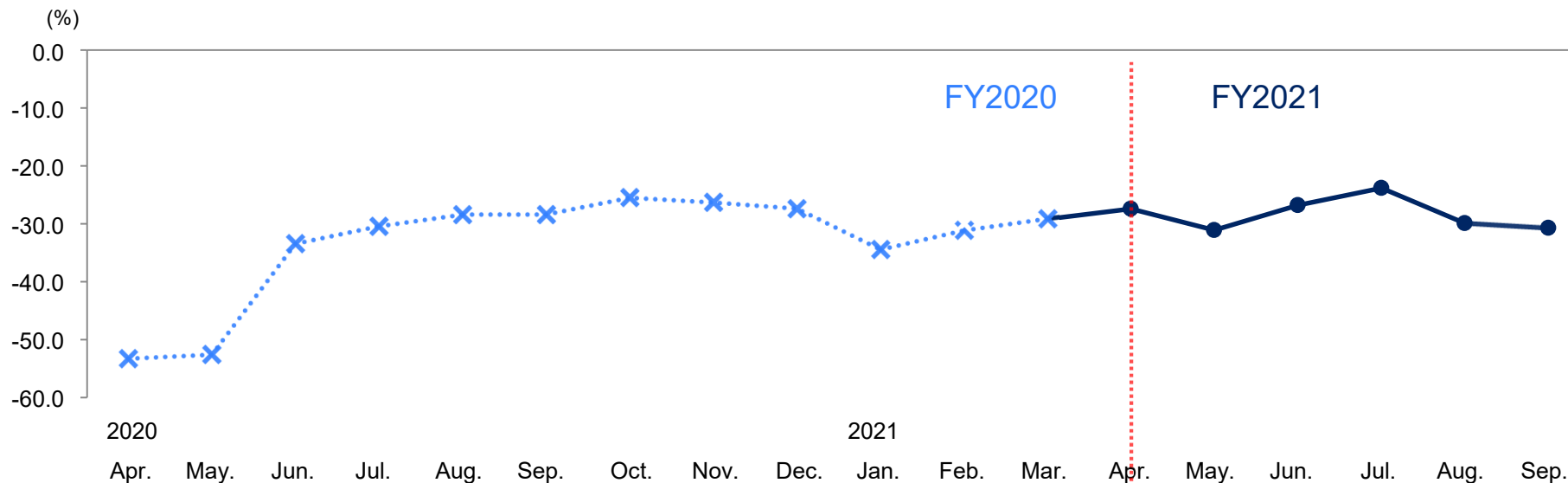
Railways transportation results

(Units: Thousands of People, ¥ million)

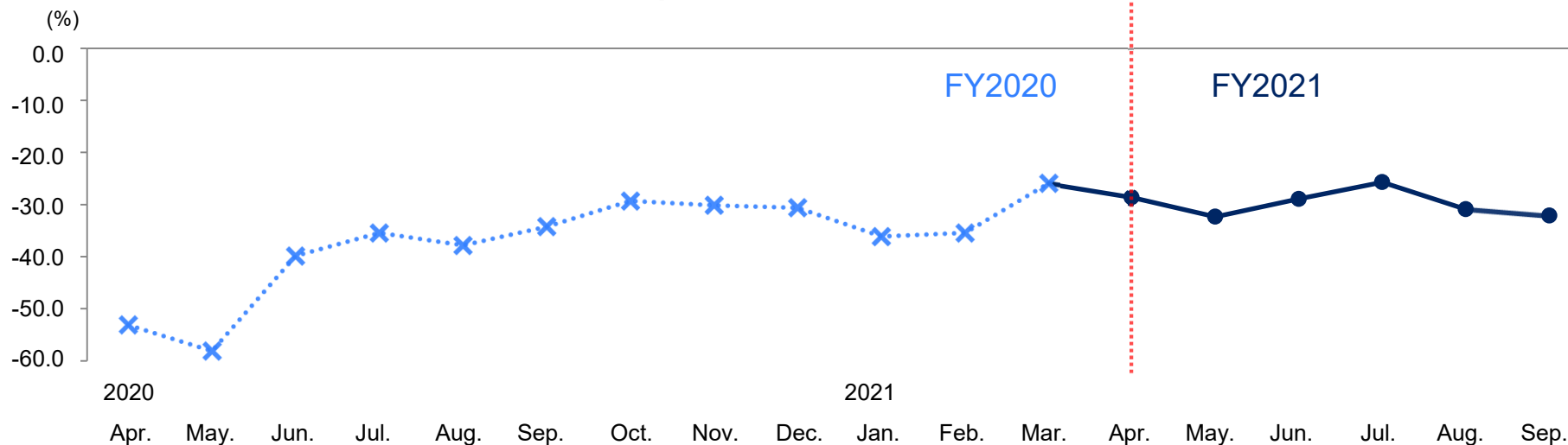
		FY2021 2nd Quarter Earnings		
		FY2020 2Q result	FY2021 2Q result	Change (%)
Passengers Transported	Commuter-Pass	134,619	145,581	10,962 (8.1)
	(Business)	118,071	112,860	-5,211 (-4.4)
	(Student)	16,548	32,721	16,173 (97.7)
	Non-Commuter-Pass	78,167	100,264	22,097 (28.3)
	Total	212,786	245,845	33,059 (15.5)
Passenger Revenues	Commuter-Pass	12,666	12,683	17 (0.1)
	(Business)	12,060	11,475	-584 (-4.8)
	(Student)	605	1,208	602 (99.4)
	Non-Commuter-Pass	12,719	16,480	3,761 (29.6)
	Total	25,385	29,164	3,778 (14.9)

3. Segment Information (Transportation)

Number of passengers carried in railways business vs. FY2018.



Bus services: Net sales of Dentetsu Bus Group vs. FY2018.



4. Segment Information (Merchandise Sales)

(Units: ¥ hundred million)

	FY2021 2nd Quarter Earnings			
	FY2020 2Q result	FY2021 2Q result	Change (%)	
Operating Revenues	571	463	- 108	(- 18.9)
(Department Stores)	214	116	- 98	(- 45.7)
(Retail Stores)	248	237	- 11	(- 4.6)
(Retail Stores for Books)	28	26	- 1	(- 6.0)
(Shopping Centers)	63	68	5	(8.0)
(Other)	45	42	- 2	(- 4.8)
(Elimination)	- 28	- 27	0	(—)
Operating Profit	- 10	3	13	(—)
(Department Stores)	- 33	- 24	8	(—)
(Retail Stores)	8	8	- 0	(- 6.5)
EBITDA	8	20	12	(154.8)
Depreciation and Amortization	18	17	- 0	(- 3.6)
Capital Expenditures	8	6	- 2	(- 24.2)

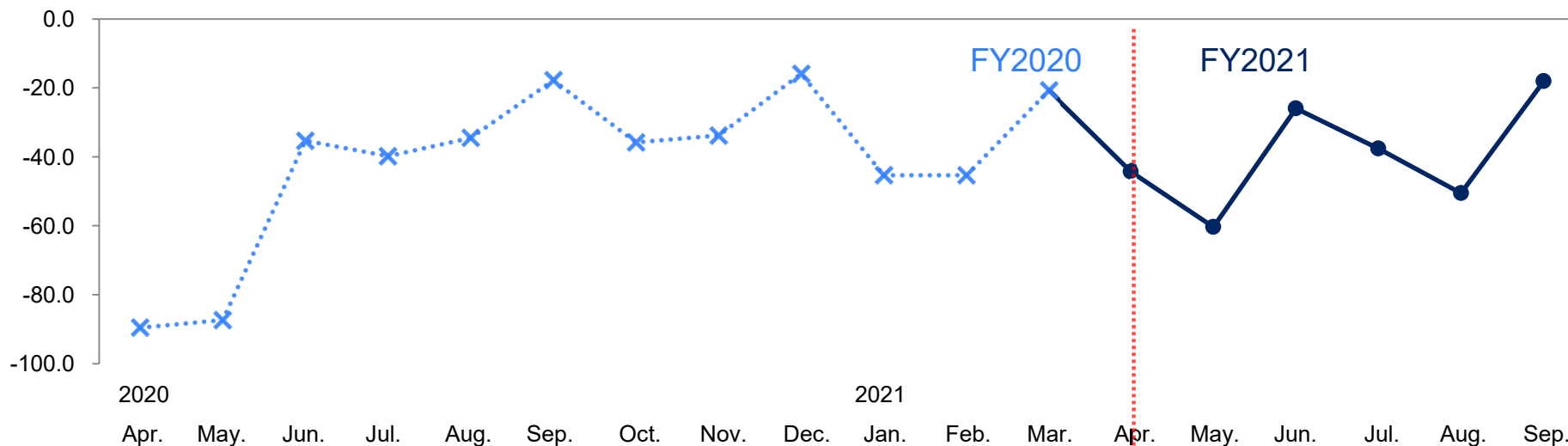
*Accounting Standard for Revenue Recognition applied as of fiscal 2021.

*Parentheses below show figures prior to application of Accounting Standard for Revenue Recognition.

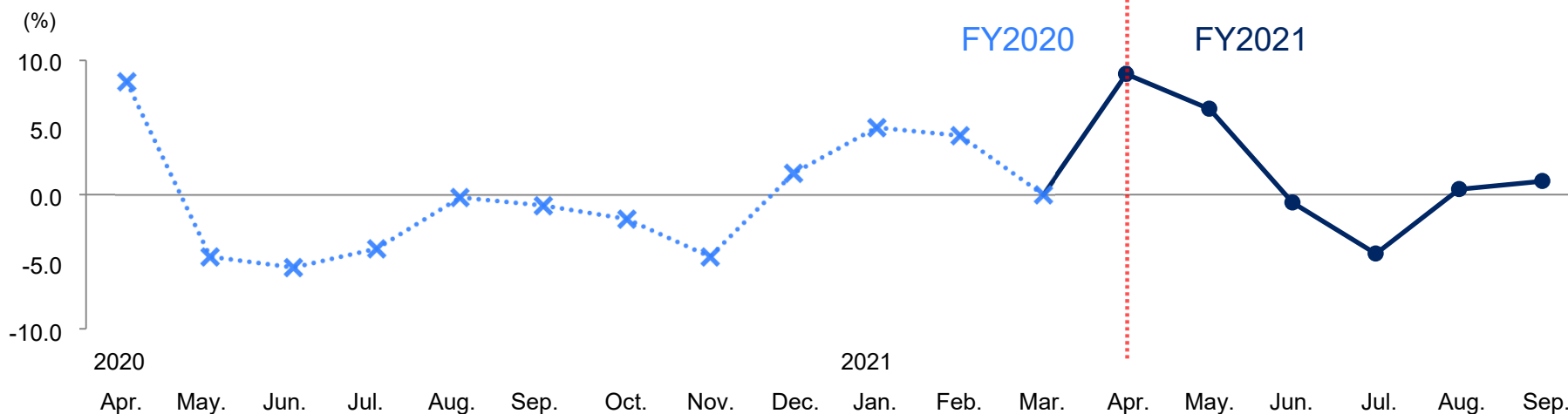
4. Segment Information (Merchandise Sales)

Comparison of department store sales in Shinjuku vs. FY2018.

(Prior to application of Accounting Standard for Revenue Recognition)



Retail store: Net sales vs. FY2018. (Prior to application of Accounting Standard for Revenue Recognition)



5. Segment Information (Real Estate)

(Units: ¥ hundred million)

	FY2021 2nd Quarter Earnings			
	FY2020 2Q result	FY2021 2Q result	Change (%)	
Operating Revenues	194	215	21	(11.0)
		(216)	(22)	(11.4)
(Land and Building Leasing)	181	185	3	(2.2)
(Development for Selling by Lots)	54	68	13	(24.7)
(Other)	9	12	2	(29.0)
(Elimination)	- 51	- 49	1	(—)
Operating Profit	49	56	7	(15.6)
(Land and Building Leasing)	53	54	1	(2.0)
(Development for Selling by Lots)	2	6	3	(133.1)
EBITDA	74	82	7	(10.0)
Depreciation and Amortization	23	23	- 0	(- 0.8)
Capital Expenditures	5	35	30	(554.2)

*Accounting Standard for Revenue Recognition applied as of fiscal 2021.

*Parentheses below show figures prior to application of Accounting Standard for Revenue Recognition.

6. Segment Information (Leisure)

(Units: ¥ hundred million)

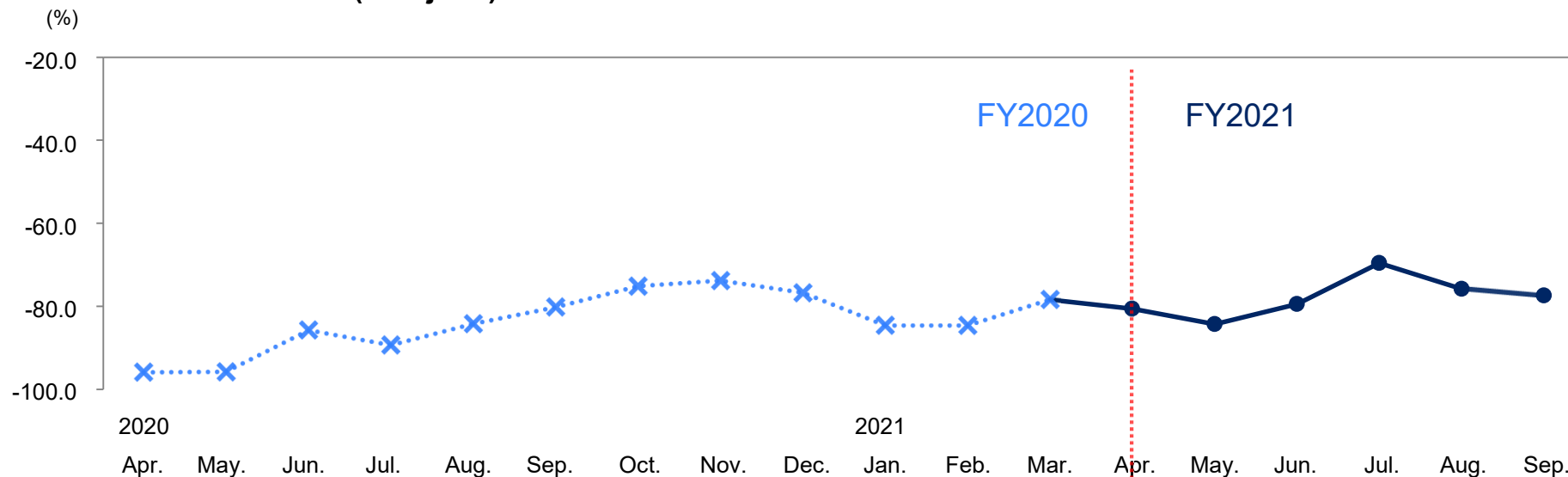
	FY2021 2nd Quarter Earnings			
	FY2020 2Q result	FY2021 2Q result	Change (%)	
Operating Revenues	94	129	34	(36.9)
		(140)	(46)	(48.6)
(Hotels)	90	115	24	(27.2)
(Travel Services)	6	14	7	(105.3)
(Advertising Services)	33	24	- 9	(- 28.4)
(Other)	18	23	5	(29.6)
(Elimination)	- 55	- 48	7	(—)
Operating Profit	- 111	- 79	32	(—)
(Hotels)	- 93	- 65	27	(—)
EBITDA	- 87	- 57	29	(—)
Depreciation and Amortization	24	21	- 2	(- 10.7)
Capital Expenditures	18	16	- 1	(- 10.6)

*Accounting Standard for Revenue Recognition applied as of fiscal 2021.

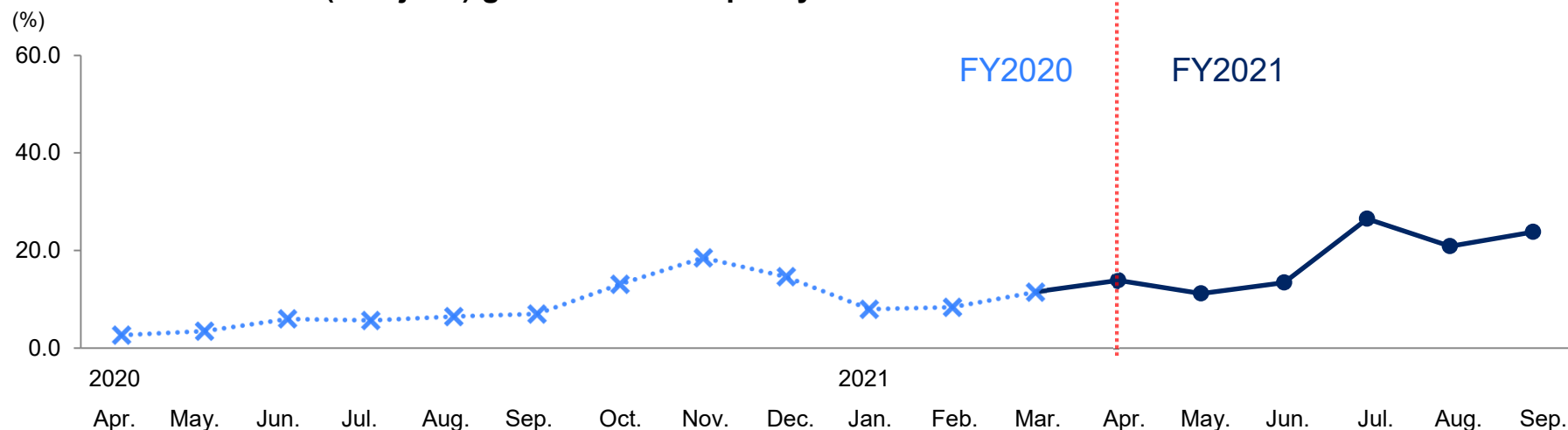
*Parentheses below show figures prior to application of Accounting Standard for Revenue Recognition.

6. Segment Information (Leisure)

Hotels: Keio Plaza Hotel (Shinjuku) sales vs. FY2018.



Hotels: Keio Plaza Hotel (Shinjuku) guest room occupancy.



7. Segment Information (Other Businesses)

(Units: ¥ hundred million)

	FY2021 2nd Quarter Earnings			
	FY2020 2Q result	FY2021 2Q result	Change (%)	
Operating Revenues	260	249	- 11	(- 4.5)
		(248)	(- 12)	(- 4.6)
(Building Maintenance)	116	106	- 9	(- 8.5)
(Railway Car Maintenance)	36	33	- 3	(- 9.2)
(Construction)	67	72	5	(8.4)
(Other)	41	42	1	(2.6)
(Elimination)	- 1	- 7	- 5	(—)
Operating Profit	14	14	- 0	(- 2.2)
EBITDA	17	16	- 0	(- 2.9)
Depreciation and Amortization	2	2	- 0	(- 6.5)
Capital Expenditures	1	2	0	(27.3)

*Accounting Standard for Revenue Recognition applied as of fiscal 2021.

*Parentheses below show figures prior to application of Accounting Standard for Revenue Recognition.

8. Consolidated Balance Sheets and Consolidated Statements of Cash Flows

Consolidated balance sheets

(Units: ¥ hundred million)

	FY2020 result	FY2021 2nd quarter result	Change	Change factors
Total Assets	9,126	8,974	-151	Decrease in working capital, etc.
Liabilities	5,682	5,579	-102	Payments for construction, etc.
Net Assets	3,443	3,395	-48	Allocation of surplus, recording of net loss attributable to owners of parent, etc.
Total Liabilities and Net Assets	9,126	8,974	-151	
Interest-Bearing Debt	3,996	3,955	-40	
Equity Ratio	37.7%	37.8%	0.1P	

* Interest-bearing debt is loans payable + commercial paper+ bonds payable.







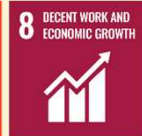










Consolidated statements of cash flows


(Units: ¥ hundred million)

	FY2020 2nd quarter result	FY2021 2nd quarter result	Change	Notes
Net Cash Provided by (used in) Operating Activities	-14	164	179	Increase in profit before income taxes, etc.
Net Cash Provided by (used in) Investing Activities	-197	-152	44	
Net Cash Provided by (used in) Financing Activities	694	-4	-698	Expenditures for redemption of corporate bonds, etc.
Cash and Cash Equivalents at End of Period	900	775	-125	

9. Remaining a Sustainable Company

- Work on priority themes in safety, society, environment, and governance and promote medium-term goals and action plan.
- Adopt an approach based on sustainable development and contribute to sustainable development of society through business activities.

CSR	Priority Themes	Related SDGs
Safety	Preventing accidents	  
	Disaster mitigation measures	
	Safety measures/measures against age-related deterioration	
Society	Improving customer convenience and comfort	      
	Dialog with customers	
	Creating a railway line for the lifestyles of multiple generations	
	Contributing to local communities	
	Partnering with local communities and governments	
	Utilizing human resources and creating pleasant workplaces	
	Initiatives for shareholders, investors, business partners, etc.	
Environment	Aiming for a low-carbon society	    
	Aiming for a society that exists in harmony with nature	
Governance	Corporate governance	 
	Compliance	
	Risk management	
	Information security	



The earnings forecasts and outlines on future performance noted in these materials include projections based on certain forecasts/assumptions made at the time of publication. Actual performance may differ from forecast figures due to various factors.

