FY2023 2nd Quarter Financial Results

－Held on November 13, 2023－

Keio Corporation
京王電鉄株式会社

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Performance Summary

FY2023 2nd Quarter Results

- Revenues were strong in Hotels and were up across all segments, resulting in operating revenues of 1,840 hmy.

- All segments showed YoY improvement, resulting in operating profit of 239 hmy and profit attributable to owners of parent of 172 hmy.

- Operating revenues for Transportation, Merchandise Sales, and Leisure outperformed the previous forecast, resulting in an increase of 37 hmy in operating revenues and an increase of 54 hmy in operating profit as all segments outperformed expectations.

FY2023 Full-Year Earnings Forecasts

- Operating revenues are forecast at 3,930 hmy (50 hmy more than the previous forecast) and operating profit at 360 hmy (30 hmy more than the previous forecast), owing to an increase in foreign tourists visiting Japan and a rebound in domestic demand.

- Profit attributable to owners of parent is forecast at 252 hmy (unchanged from the previous forecast), mainly due to an increase in the loss on retirement of non-current assets.

- We plan an annual dividend of 45.0 yen per share.

I. Progress on Medium-Term Management Plan

1. Three-year Medium-Term Management Plan
   (FY2022 to FY2024)

2. Improvement in Railways Business Safety and Service

3. Focus on Urban Development

4. Promotion of Business Structure Reform

5. Enhancement of Earning Power

6. Building a Solid Business Base

1. Three-year Medium-Term Management Plan (FY2022 to FY2024)

Re START
- ➢ **Work on improving ease of getting around within the living sphere as a company driving new lifestyles.**
- ➢ **Central involvement in productive and attractive urban development.**
- ➢ **Creation of new transportation demand.**

Re DEVELOPMENT
<Focus on urban development>
- Generate new transportation demand by making it easier to get around within the living sphere.
- Manage areas along railway lines.
- Engage in station-centered hub development.

Re STRUCTURING
<Promotion of business structure reform>
- Pursue digital transformation to restructure costs and utilize data across the entire Group.
- Identify unprofitable domains and engage in a process of selection and concentration.
- Build a business structure that does not rely on passenger traffic and inbound business.

Re INFORCE
<Enhancement of earning power>
- Strengthen the condominium business and other real estate sales business.
- Focus on the exit strategy in acquisition and sale of new assets.
- Enter the logistics business and expand B to B domains.

Railways
"Railways with excellent service and the best safety in Japan"
- Pursue an even higher level of safety and security.
- Provide services that anticipate customers' needs.
- Exist harmoniously in communities and society by contributing even more to society.
- Build a solid business management structure focused on the future.

Solid business base
- Develop and hire human resources who possess a high degree of expertise and secure diversity.
- Implement environmental initiatives.
- Build a financial base that can withstand the cash outlays during the large-scale investment period.

The profit level restoration period is an important period to prepare for the large-scale investment that will get fully underway in the 2030s. We will target profits exceeding the record high by the 2030s.

1. Three-year Medium-Term Management Plan (FY2022 to FY2024)

Key Measures in the Medium-Term Management Plan

Key Measures	FY2022	FY2023	FY2024	FY2025 and beyond
Improvement in Railways business safety and service	Added one multiple-unit set of the 5000 series train	Revised fares Launched passenger railway loyalty point service Installed platform doors at Sasazuka Station and other stations Added one multiple-unit set of the 5000 series train Installed surveillance cameras with real-time transmission capability (in all railcars and all stations)	Install Kugayama Station platform doors	Install platform doors at all stations: Inokashira Line (mid 2020s) Keio Line (early 2030s)

Construction of grade crossings and elevated lines to the west of Sasazuka (by the end of FY2030)

RE DEVELOPMENT
<Focus on urban development>

Pursue urban development targeting hubs along the railway lines (Shinjuku, Setagaya, Chofu, Seiseki-sakuragaoka, and Hashimoto) to enhance the value of these areas

Shinjuku Station Southwest Exit area development plan (Complete construction of South area in FY2028 and the North area in the 2040s)

Engage in open innovation through co-creation with external companies

RE STRUCTURING
<Promotion of business structure reform>

- Closed Keio Presso Inn Higashi-Ginza
- Reduced Keio Travel Agency shop counters for personal travel
- Invested in Monoful Venture Partners No. 1 Fund
- Closed Keio Plaza Hotel Tama
- Introduced self check-in at Keio Plaza Hotel in Shinjuku
- Built large lounge and renovated guest rooms at Keio Plaza Hotel in Shinjuku
- Began providing Keio NEOBANK financial services
- Made NB CONSTRUCTION CO., LTD. a subsidiary
- Completed construction of MODIER KOMAZAWA
- Form real estate fund
- Begin full operation of Bus Terminal Tokyo Yaesu (FY2028)

RE INFORCE
<Enhancement of earning power>

- Acquired Park Axis Higashi Nihonbashi (for leasing)
- Completed construction of Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE
- Acquired Frontier Onarimon Building
- Completed construction of MODIER NIHONBASHI NINGYOCHO
- Acquired Keio Higashi Nihonbashi Building (for leasing)
- Completed construction of ACOLT Nakano-Fujimicho (for leasing)
- Completed construction of building in front of Keio Tamasakai Station
- Complete construction of SUNWOOD HAMADAYAMA
- Complete construction on the Tama City Sekido 4-chome Plan (tentative name for condominium units)

2. Improvement in Railways Business Safety and Service

Providing services that anticipate customers' needs

■ Launched passenger railway loyalty point service

- Accommodated changes in and new railway demand that became established during the COVID-19 pandemic.
- Set the points awarded for children's fares at a high rate and worked to create a railway line that makes it easy to raise children.
- Accumulated points can be converted to Keio points or used to charge a PASMO passport.
  * PASMO is a registered trademark of PASMO Co.,Ltd.

* Also considering an alliance with KEIO NEOBANK

■ Add additional reserved seating trains and expand operation

- Plan to add multiple-unit set of the 5000 series train in FY2023 to expand Keio Liner service.

The latest railcars are equipped with reclining seats

Building a solid business management structure focused on the future

■ Achieve carbon neutrality

- Updating to new, highly energy-efficient VVVF inverter control devices and installing LED lighting inside stations.
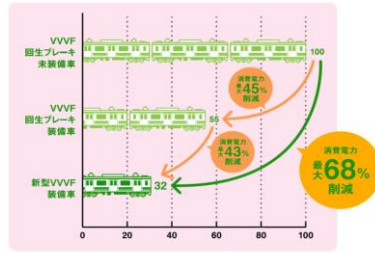
Benefit from new VVVF inverter control devices
(Plan to update 26 railcars in 3 multiple units in FY2023)

LED lighting installed inside stations
(Plan to install in Eifukucho Station and other stations in FY2023)

Fare revisions

Date implemented	October 1, 2023
Description of fare revisions	• Percentage revision: 13.3%; Percentage increase in revenue: 11.5% • Base ticket fare to increase from 130 to 140 yen • No fare increase for school commuter passes, in consideration of the burden on household budgets • Surcharge on the Sagamihara line eliminated

- The increases will add roughly 83 hmy to annual revenue from FY2024 to FY2026.
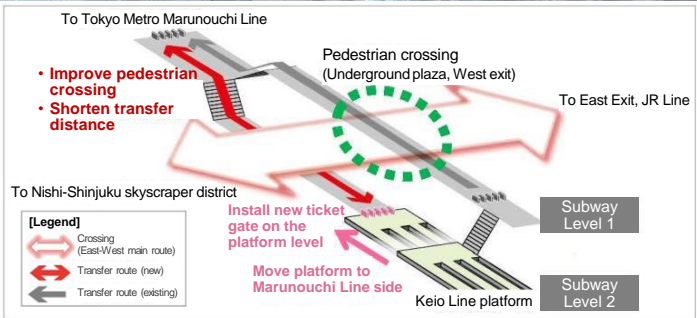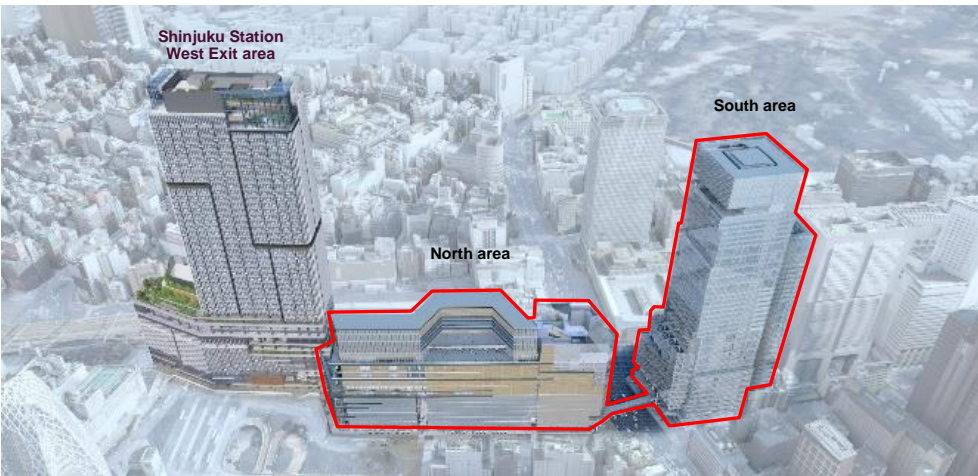- The increase in revenue for FY2023 is expected to be around 33 hmy.

3. Focus on Urban Development

RE DEVELOPMENT

Shinjuku area

■ **Shinjuku Station Southwest Exit area development plan**
- The total project cost for the Keio Group is projected at around 3,000 hmy.
- The South area is scheduled for completion in FY2028 and the North area, in the 2040s.
- We are pursuing renovation of Shinjuku Station to improve the pedestrian crossing in underground plaza at the West Exit of Shinjuku Station and shorten transfer time.

Shinjuku Station West Exit area

South area

North area

To Tokyo Metro Marunouchi Line

Pedestrian crossing (Underground plaza, West exit)

To East Exit, JR Line

- **Improve pedestrian crossing**
- **Shorten transfer distance**

To Nishi-Shinjuku skyscraper district

Install new ticket gate on the platform level

Move platform to Marunouchi Line side

Keio Line platform

Subway Level 1

Subway Level 2

[Legend]
Crossing (East-West main route)
Transfer route (new)
Transfer route (existing)

Seiseki-sakuragaoka area

■ **Community development centered on development along the Tama River**
- Increased area value and promoted an influx of people in their productive years through housing development, mainly through an area management company established in September 2023.
- Opened RIVER PARK SEISEKI-SAKURAGAOKA, a membership-based outdoor fitness club, in October 2023.

RIVER PARK

Community revitalization along the railway line

■ **Rebuilding the old Keio Plaza Hotel Tama to convert it into a complex (with commercial facilities and condominium units)**
- The goal is to revitalize the area around Tama-Center Station by enhancing the commercial functions and through an influx of new residents.
- Introducing facilities that contribute to the area in some commercial facilities and thereby contributed to community revitalization in the area.

Land area	Approx. 5,500m^2
Construction period (plan)	Nov. 2023 to FY2028

4. Promotion of Business Structure Reform

RE STRUCTURING

Open innovation

■ **Launched ROOOT, a locally originated open innovation program**

- Conducted proof of concept (PoC) trials with the seven participants in FY2022, based on the theme of "taking on the challenge of transforming the Railways business."

- In FY2023, we are pursuing new businesses and the creation of services with external players in Shimokitazawa, based on the concept of "Turning area value in value along the railway line."

- The goal is to expand this program to all along the Keio Line in the future.

■ **eSports and school facility Opened KEIO eSPORTS LAB. CHOFU**

- Second facility after Sasazuka opened in Trie KEIO CHOFU as a project selected by FY2022 KEIO OPEN INNOVATION PROGRAM

- Targeting building customer touchpoints with Gen Alpha and Gen Z and stimulating transit demand along the railway line through the area of eSports, a rapidly growing market.

- Providing programming school, e-sports experiences, and e-sports events for elementary school students.

Commencing provision of KEIO NEOBANK services

■ Began providing the first full banking services for a railway group in September 2023.

■ Allied with around 750 stores along the railway line to target young people and families with children through Keio points. The goal is to improve living convenience and acquire customers.

■ We are also considering links with loyalty points and will work to further enhance services and build customer touchpoints over the long term.
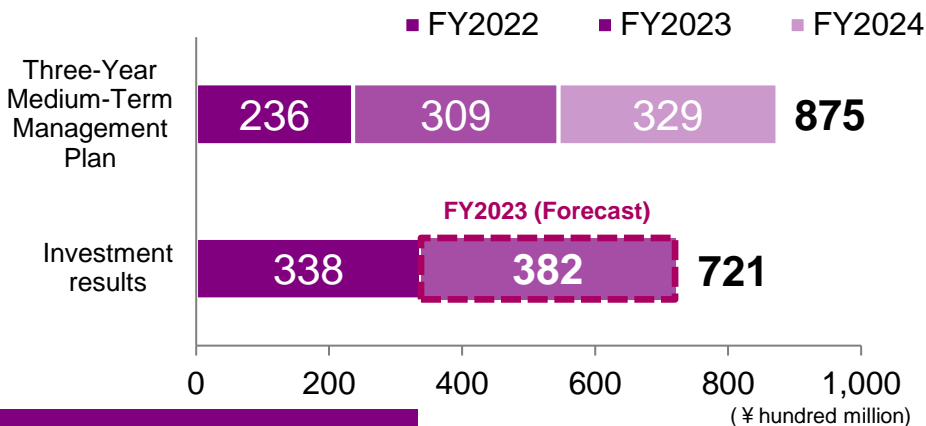
5. Enhancement of Earning Power RE INFORCE

Enhancing Real Estate business

Sales business

■ **Progress on investment in real estate for sale**
- Forecast cumulative investment up to FY2023 at 721 hmy, representing progress of 82.4% toward the three-year medium-term management plan.

Legend: ■ FY2022 ■ FY2023 ■ FY2024

	FY2022	FY2023	FY2024	Total
Three-Year Medium-Term Management Plan	236	309	329	**875**
Investment results	338	**382** (FY2023 Forecast)		**721**

(scale: 0, 200, 400, 600, 800, 1,000)
(¥ hundred million)

MODIER KOMAZAWA
(Completed in June 2023)

SUNWOOD HAMADAYAMA
(Scheduled for completion in July 2024)

Leasing business

■ The complex in front of Keio Tamasakai Station will open in the winter of 2023 as a mixed use facility harboring stores, offices, warehouses, and other facilities.

■ In addition to plans to open a Keio Store and other stores, Keio-Unyu Co., Ltd. plans to support the logistics operations of TOMIZAWA SHOUTEN, which plans to have an office and warehouse in the building.

Commencement of Sunwood takeover bid (TOB)

■ The takeover bid for Sunwood, with which we concluded a capital and business alliance, was commenced on November 7, 2023 to make it a wholly owned subsidiary.

■ We aim to strengthen relationships through human resource exchanges and other efforts in addition to actively exploring new joint business projects.

SUNWOOD

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6. Building a Solid Business Base

Initiatives in Sustainability

■ Setting KPIs based on materialities
・Promote sustainable growth by clearly delineating our vision as the Keio Group and expressing progress toward our vision in quantitative terms.

Materialities｜Promoting digitization

KPI	Target (FY2023)	[Reference] Status in FY2022
Number of Keio app MAUs (active users in one month)	150,000	120,000
Percentage who took training courses on innovation and DX ideas (non-consolidated, section manager level or above)	100%	–

Materialities｜Dynamic human resources

KPI (non-consolidated)	Target (FY2023 onward)	[Reference] Status in FY2022
Percentage of new female graduates hired	50% (career track) [Joining company from FY2024 onward]	33.3% (Career track)
Percentage of women in management	30% [FY2030]	7.7%
Percentage of men/women who took childcare leave	100%	Women: 100%; Men: 41.0%
Percentage who took annual vacation	At previous year's level or higher	86.3%

Monitoring KPIs for dynamic human resources (non-consolidated)	Target (FY2023)	[Reference] Status in FY2022
Total engagement	3.5 or higher out of 5 points total	3.50
Workplace psychological safety score	3.5 or higher out of 5 points total	3.46
Training and drills on safety and security	–	34.8 hours/person
Training to develop the professionals necessary to implement management strategy	–	19.3 hours/person

Materialities｜Environmentally friendly

KPI	Target	[Reference] Status in FY2022
CO_2 emissions (Scopes 1 and 2)	[FY2030] ・Reduction of 30% vs. FY2019 (consolidated) ・Reduction of 46% vs. FY2013 (Railways) [FY2050] Net zero	Consolidated: Reduction of 9.0% vs. FY2019 Railways: Reduction of 21.3% vs. FY2013

II. FY2023 2nd Quarter Results

1. FY2023 2nd Quarter Results

2. Operating Revenues / Operating Profit Change Factors (YoY comparison)

3. Status of Main Businesses

4. Earnings by Segment (vs. FY2018)

5. Consolidated Financial Position

1. FY2023 2nd Quarter Results

■ YoY increase in both operating revenue and profit from capturing demand for lodging by foreign tourists visiting Japan and a rebound in domestic demand.

■ Operating revenues for Transportation, Merchandise Sales, and Leisure outperformed the previous forecast, resulting in an increase of 37 hmy in operating revenues and an increase of 54 hmy in operating profit as all segments outperformed expectations.
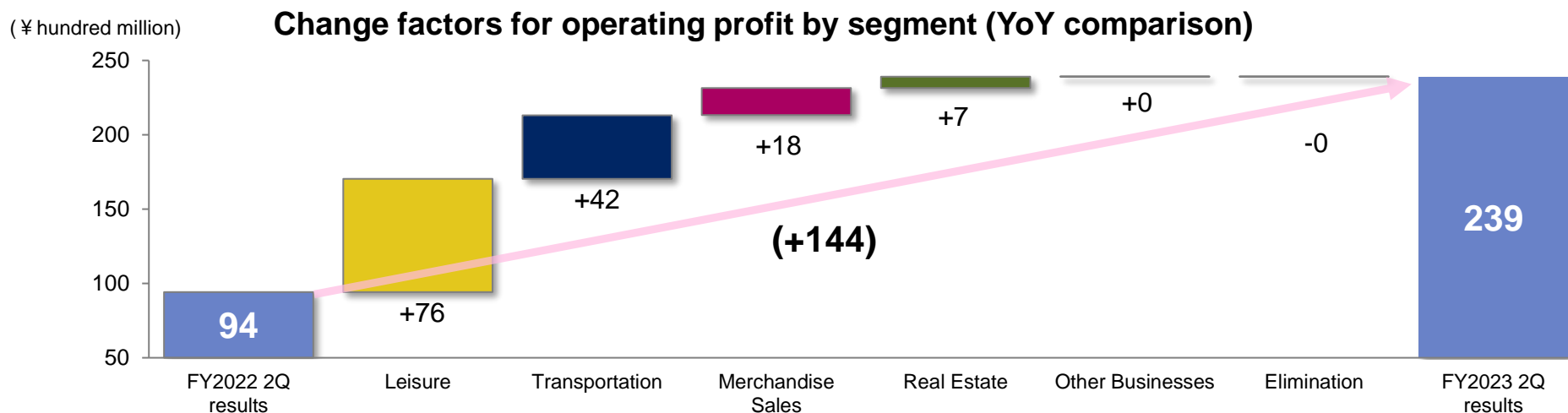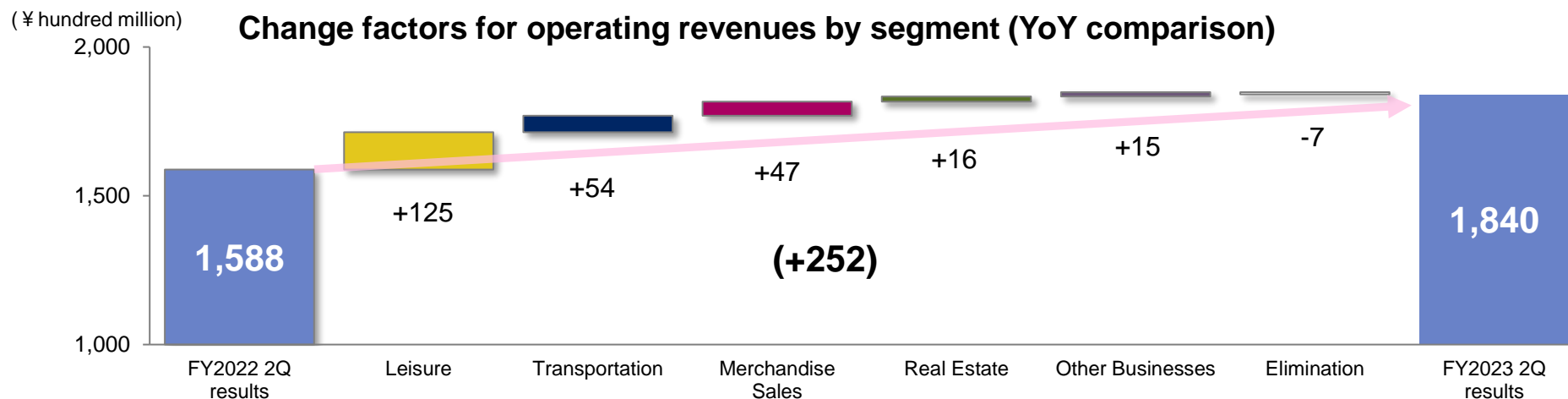
(Units: ¥ hundred million)

	FY2023 1Q Results (Apr.-Jun.)	FY2023 2Q Results (Jul.-Sep.)	FY2023 1H Results (Apr.-Sep.)	Change	vs. Previous Forecast (based on August 2, 2023 announcement)
Operating Revenues	**887**	**952**	**1,840**	252	37
Operating Profit	**119**	**119**	**239**	144	54
Ordinary Profit	**121**	**114**	**235**	140	59
Profit Attributable to Owners of Parent	**88**	**83**	**172**	129	42
EBITDA	**188**	**194**	**383**	146	51
Depreciation and Amortization	**69**	**74**	**143**	1	-3

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

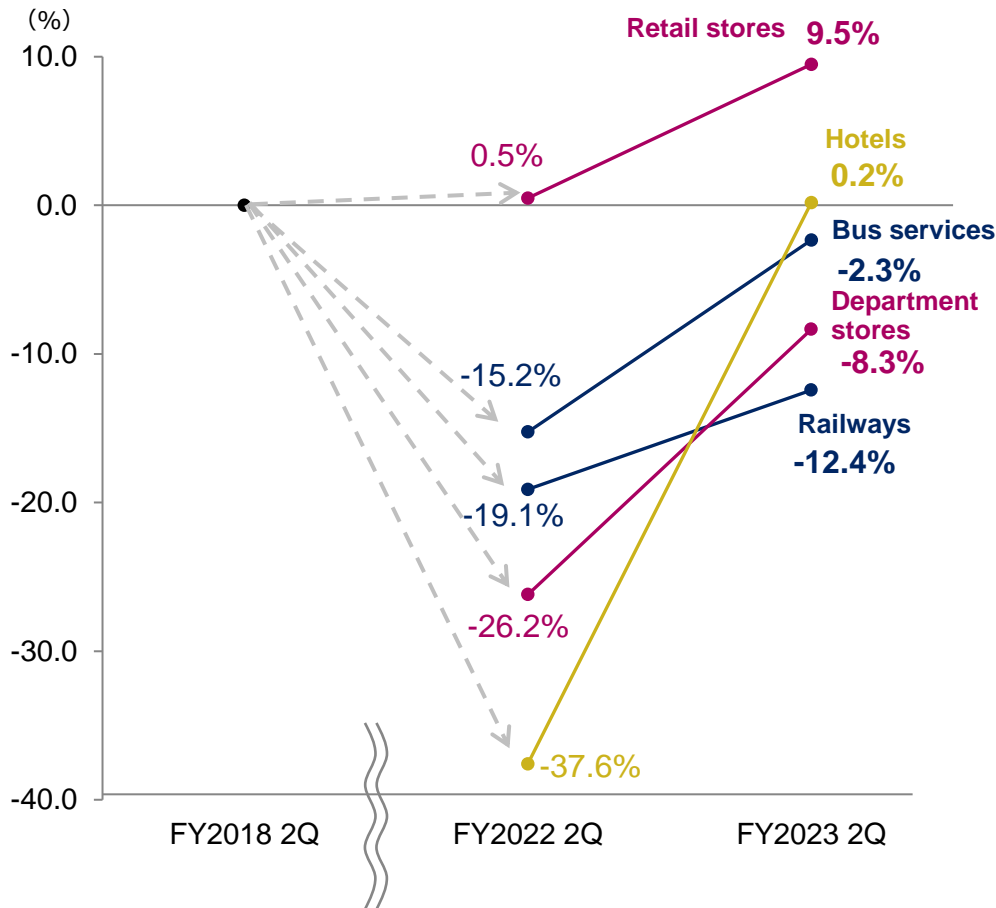# 2. Operating Revenues / Operating Profit Change Factors (YoY comparison)

- Operating revenues rose across all segments, increasing 252 hmy YoY.
- Operating profit increased by 144 hmy YoY, improving across all segments.

Change factors for operating revenues by segment (YoY comparison)

(¥ hundred million)

FY2022 2Q results	Leisure	Transportation	Merchandise Sales	Real Estate	Other Businesses	Elimination	FY2023 2Q results
1,588	+125	+54	+47	+16	+15	-7	1,840

(+252)

Change factors for operating profit by segment (YoY comparison)

(¥ hundred million)

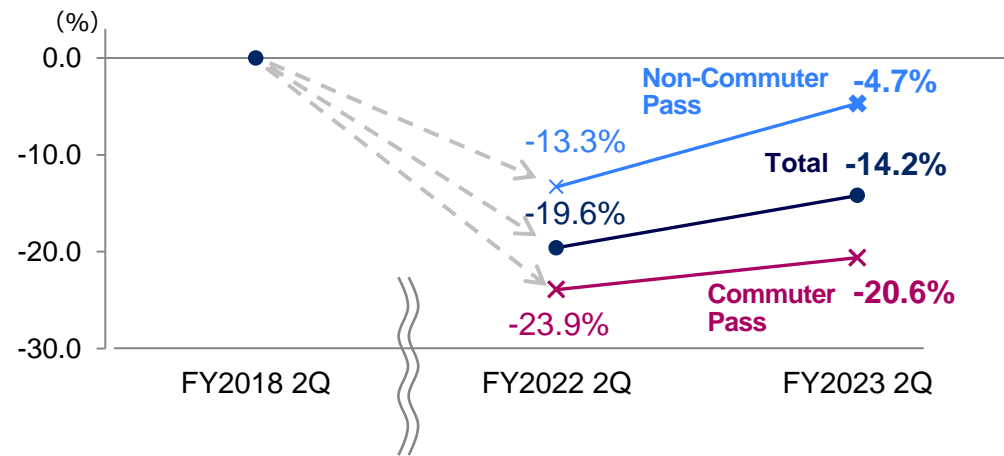| FY2022 2Q results	Leisure	Transportation	Merchandise Sales	Real Estate	Other Businesses	Elimination	FY2023 2Q results
94	+76	+42	+18	+7	+0	-0	239

(+144)

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3. Status of Main Businesses

- In Railways, non-commuter passes rebounded, and a rebound in fixed-route buses and express buses also caused operating revenues for bus services to rebound YoY.
- Hotels rebounded strongly from last year as the Keio Plaza Hotel (Shinjuku) average room rate exceeded the pre-pandemic level.
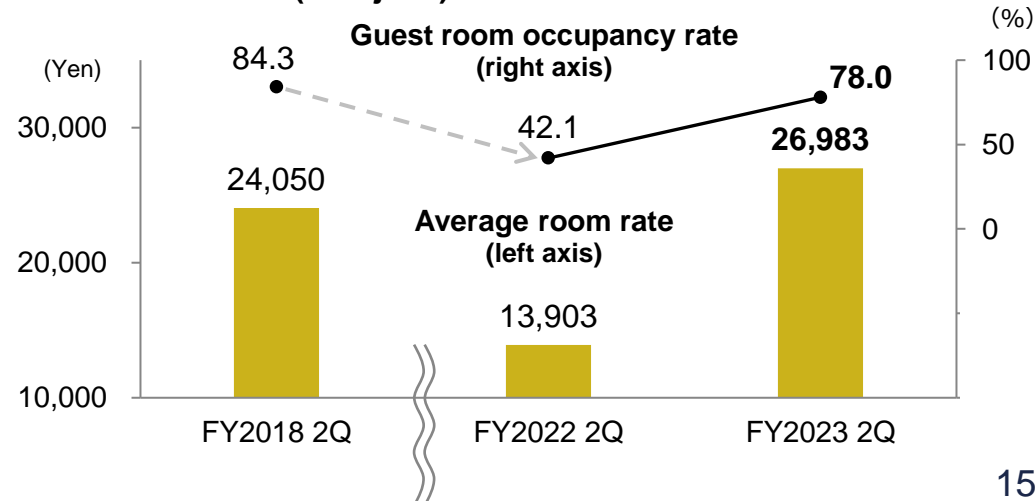
Operating revenue: Percentage change vs. FY2018

(%)

- Retail stores **9.5%**
- 0.5%
- Hotels **0.2%**
- Bus services **-2.3%**
- Department stores **-8.3%**
- -15.2%
- -19.1%
- Railways **-12.4%**
- -26.2%
- -37.6%

FY2018 2Q   FY2022 2Q   FY2023 2Q

Railways: Percentage change in passengers carried vs. FY2018

(%)

- Non-Commuter Pass **-4.7%**
- -13.3%
- Total **-14.2%**
- -19.6%
- Commuter Pass **-20.6%**
- -23.9%

FY2018 2Q   FY2022 2Q   FY2023 2Q

Keio Plaza Hotel (Shinjuku)

(Yen)   (%)

Guest room occupancy rate (right axis)

- 84.3
- 42.1
- **78.0**
- 24,050
- 13,903
- **26,983**

Average room rate (left axis)

FY2018 2Q   FY2022 2Q   FY2023 2Q

* Operating revenues for department stores and retail stores show the revenues before application of the Accounting Standard for Revenue Recognition.

4. Earnings by Segment (vs. FY2018)

(Units：¥hundred million)

		1Q（April － June）		2Q（July － September）		1H（April － September）	
		FY2023 Results	Change vs. FY2018 (%)	FY2023 Results	Change vs. FY2018 (%)	FY2023 Results	Change vs. FY2018 (%)
Operating Revenues	Transportation	298	-34 (-10.3)	302	-30 (-9.1)	601	-64 (-9.7)
	Merchandise Sales	268	-142 (-34.7)	260	-128 (-33.0)	528	-270 (-33.9)
	Real Estate	113	-8 (-6.6)	125	13 (12.1)	239	5 (2.3)
	Leisure	159	-28 (-15.1)	181	-31 (-14.7)	341	-59 (-14.9)
	Other Buisinesses	113	8 (8.2)	154	22 (16.6)	268	30 (12.9)
	Consolidated	887	-201 (-18.5)	952	-135 (-12.4)	1,840	-336 (-15.4)
Operating Profit	Transportation	46	-12 (-20.8)	42	-4 (-9.0)	88	-16 (-15.5)
	Merchandise Sales	17	1 (7.0)	11	2 (36.0)	28	4 (16.7)
	Real Estate	31	2 (10.4)	34	9 (38.3)	65	12 (23.4)
	Leisure	20	-1 (-7.3)	24	4 (19.9)	44	2 (5.6)
	Other Buisinesses	3	1 (60.9)	7	-0 (-10.3)	11	0 (5.8)
	Consolidated	119	-8 (-6.7)	119	11 (10.5)	239	2 (1.2)

Prior to application of Accounting Standard for Revenue Recognition

	1Q		2Q		1H	
Department Stores	201	-20 (-9.2)	183	-14 (-7.4)	385	-35 (-8.3)
Retail Stores	135	11 (9.5)	138	12 (9.5)	273	23 (9.5)

5. Consolidated Financial Position

■ The equity ratio improved to 38.2%, maintaining financial soundness, mainly due to the profit attributable to owners of parent recorded.

(Units: ¥ hundred million, %)

	FY2022 Results	FY2023 2Q Results	Change
Total Assets	9,552	9,875	323
Liabilities	6,036	6,105	68
Net Assets	3,515	3,770	255
Interest-Bearing Debt	4,026	4,093	67

Financial soundness indicators

	FY2022 Results	FY2023 2Q Results
Net interest-bearing debt	3,316	3,300
Equity ratio	36.8	38.2

III. FY2023 Full-Year Earnings Forecasts

1. FY2023 Full-Year Earnings Forecasts

2. Operating Revenues / Operating Profit Change Factors

3. Forecasts for Main Businesses

4. Forecasts by Segment

5. Investment Forecast

6. Dividend Forecast

1. FY2023 Full-Year Earnings Forecasts

- Operating revenues are expected to increase by 50 hmy and operating profit by 30 hmy over the previous forecast due to the increase in foreign tourists visiting Japan and the rebound in domestic demand.
- Profit attributable to owners of parent is expected to be on par with the previous forecast, mainly due to an increase in the loss on retirement of non-current assets.
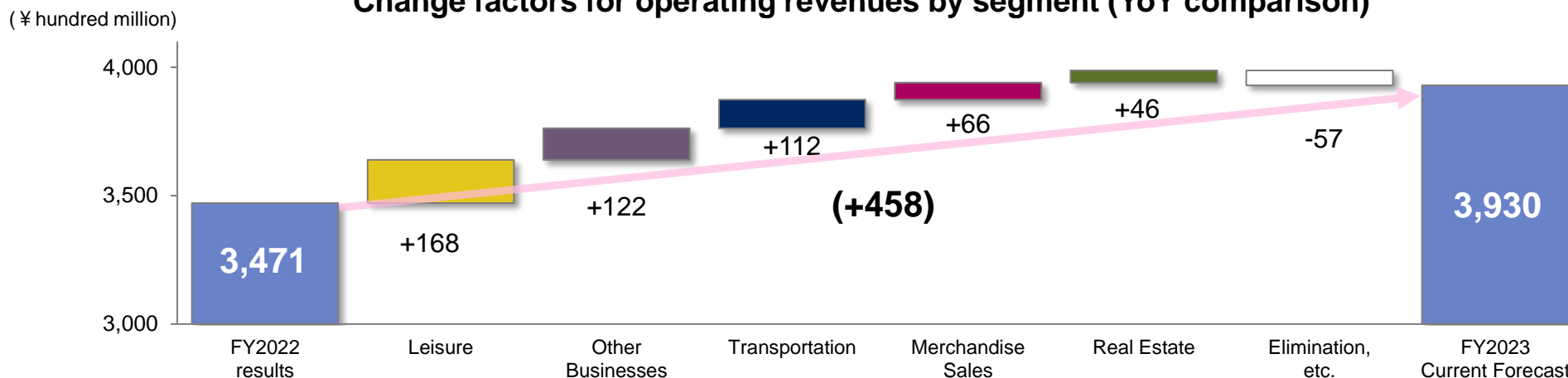
(Units: ¥ hundred million)

	FY2022 Results	FY2023 Current Forecast	YoY Change	FY2023 Previous Forecast (based on August 2, 2023 announcement)	vs. Forecast
Operating Revenues	3,471	3,930	458	3,880	50
Operating Profit	214	360	145	330	30
Ordinary Profit	217	352	134	317	35
Profit Attributable to Owners of Parent	131	252	120	252	—
EBITDA	506	669	163	644	25
Depreciation and Amortization	291	308	17	313	-4

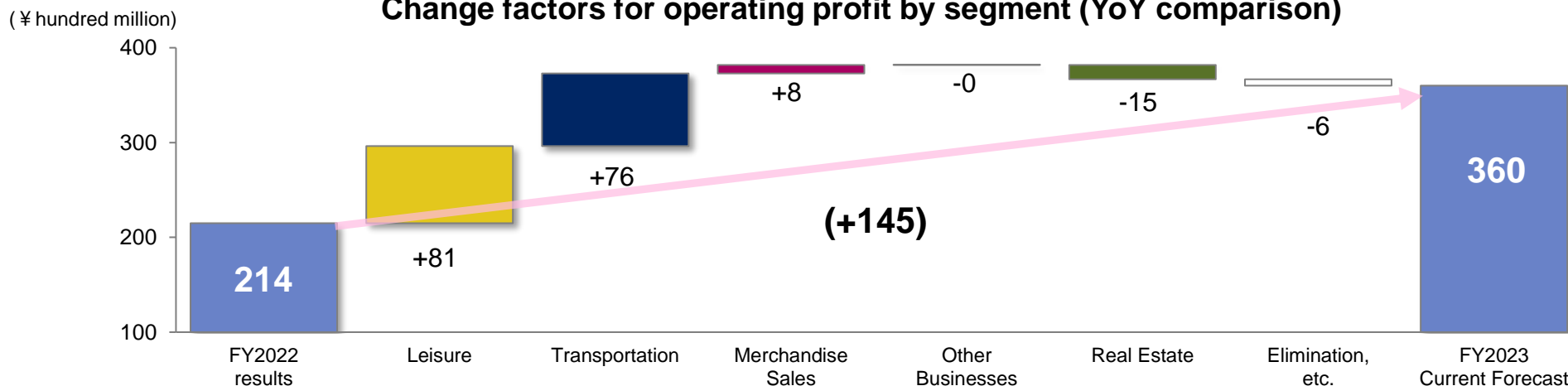* EBITDA is operating profit + depreciation and amortization + amortization of goodwill.

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2. Operating Revenues / Operating Profit Change Factors (YoY comparison)

■ Both operating revenues and operating profit are forecast to increase from the previous year due to the increases in railway passenger fares and making NB CONSTRUCTION CO. LTD. a subsidiary, in addition to strong performance in Hotels due to the increase in foreign visitors to Japan.

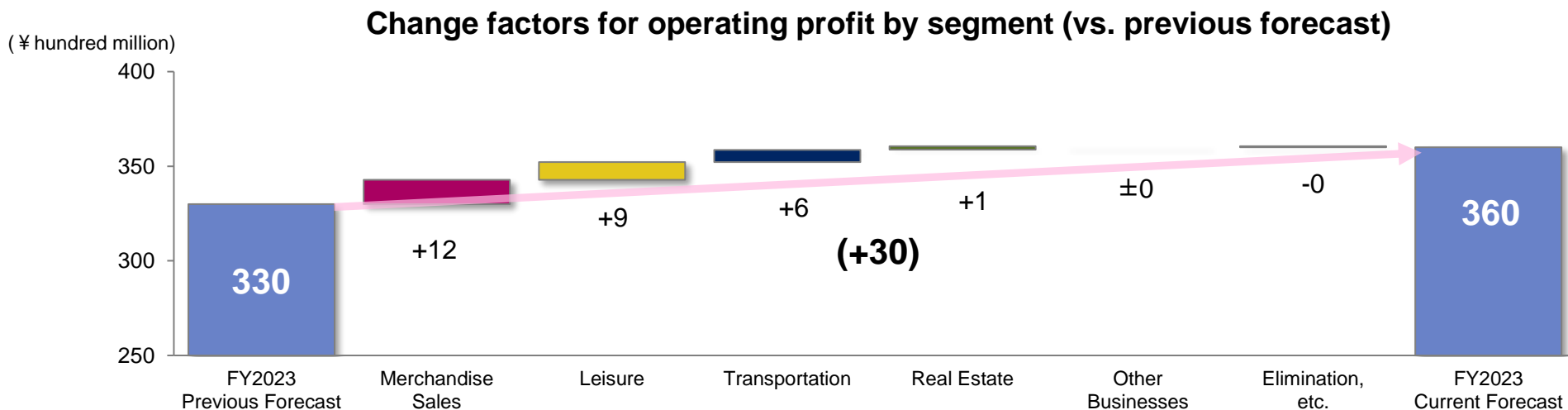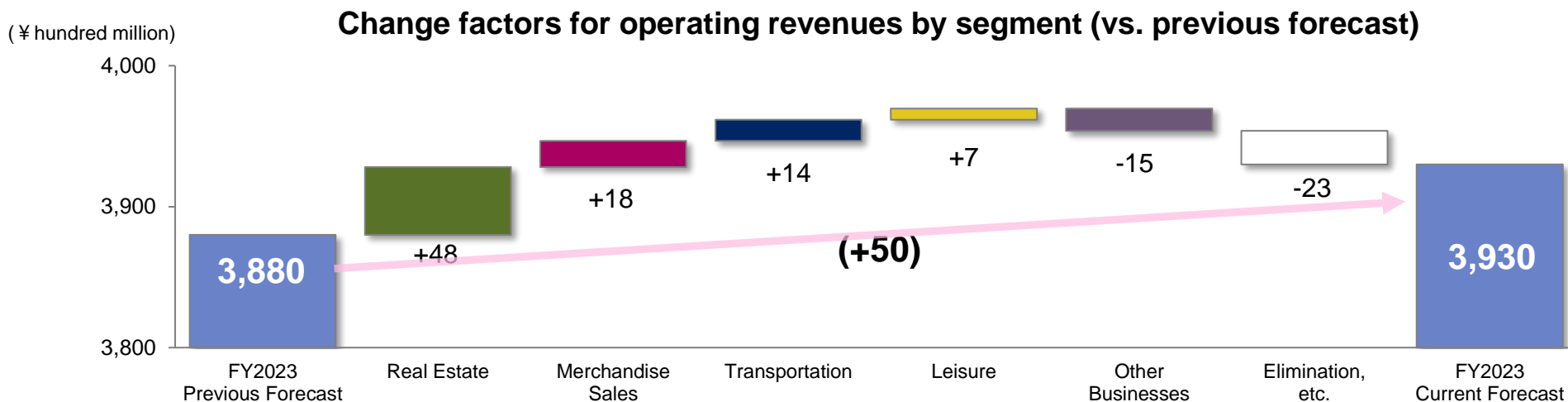## Change factors for operating revenues by segment (YoY comparison)

(¥ hundred million)

FY2022 results	**3,471**	
Leisure	+168	
Other Businesses	+122	
Transportation	+112	
Merchandise Sales	+66	
Real Estate	+46	
Elimination, etc.	-57	
FY2023 Current Forecast	**3,930**	

(+458)

Change factors for operating profit by segment (YoY comparison)

(¥ hundred million)

FY2022 results	**214**	
Leisure	+81	
Transportation	+76	
Merchandise Sales	+8	
Other Businesses	-0	
Real Estate	-15	
Elimination, etc.	-6	
FY2023 Current Forecast	**360**	

(+145)

2. Operating Revenues / Operating Profit Change Factors (vs. Previous Forecast)

■ Transportation, Merchandise Sales, and Leisure outperformed the forecast. We therefore forecast an increase in operating profit of 30 hmy compared to the previous forecast.

Change factors for operating revenues by segment (vs. previous forecast)

(¥ hundred million)

	Real Estate	Merchandise Sales	Transportation	Leisure	Other Businesses	Elimination, etc.	
3,880	+48	+18	+14	+7	-15	-23	3,930

(+50)

FY2023 Previous Forecast — Real Estate — Merchandise Sales — Transportation — Leisure — Other Businesses — Elimination, etc. — FY2023 Current Forecast

Change factors for operating profit by segment (vs. previous forecast)

(¥ hundred million)

	Merchandise Sales	Leisure	Transportation	Real Estate	Other Businesses	Elimination, etc.	
330	+12	+9	+6	+1	±0	-0	360

(+30)

FY2023 Previous Forecast — Merchandise Sales — Leisure — Transportation — Real Estate — Other Businesses — Elimination, etc. — FY2023 Current Forecast

3. Forecasts for Main Businesses

Transportation

- In Railways, passengers carried is expected to be on par with the previous forecast (the roughly 33 hmy from fare increases is already reflected in the previous forecast).
- An increase in both operating revenues and operating profit is forecast for bus services, which are seeing a rebound in demand for both fixed-route buses and express buses.

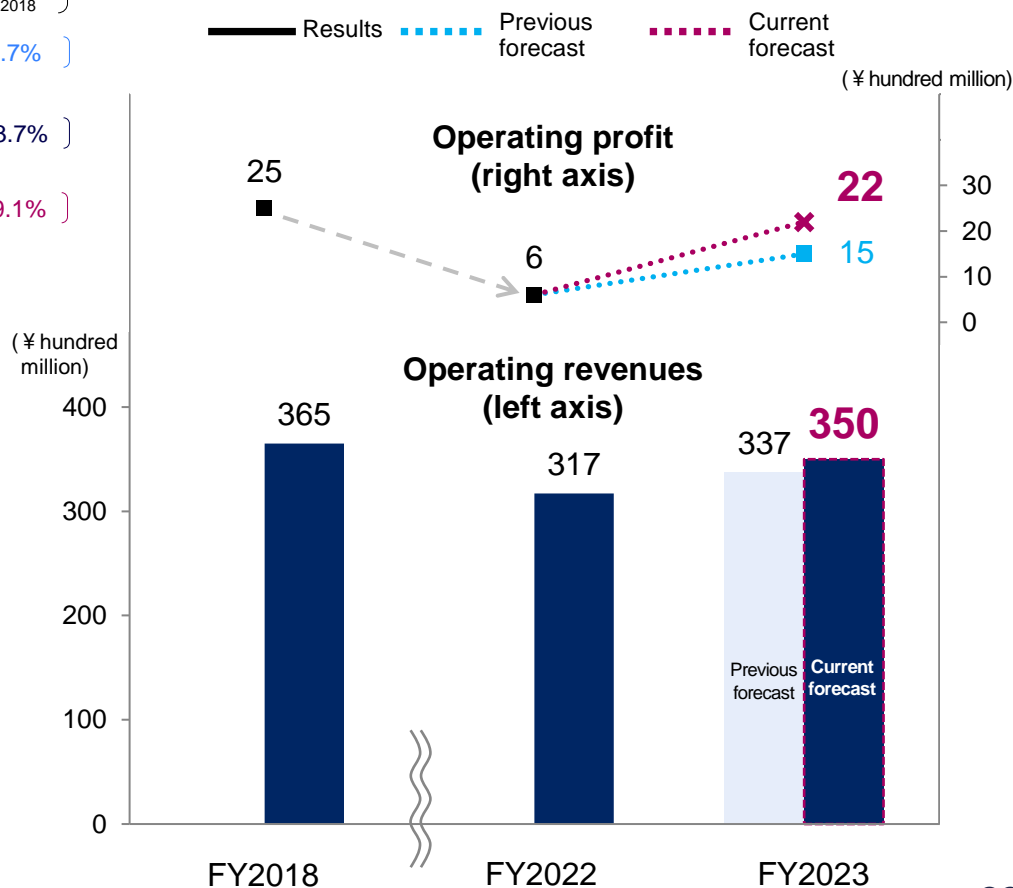### Railways

Percentage change in passengers carried vs. FY2018
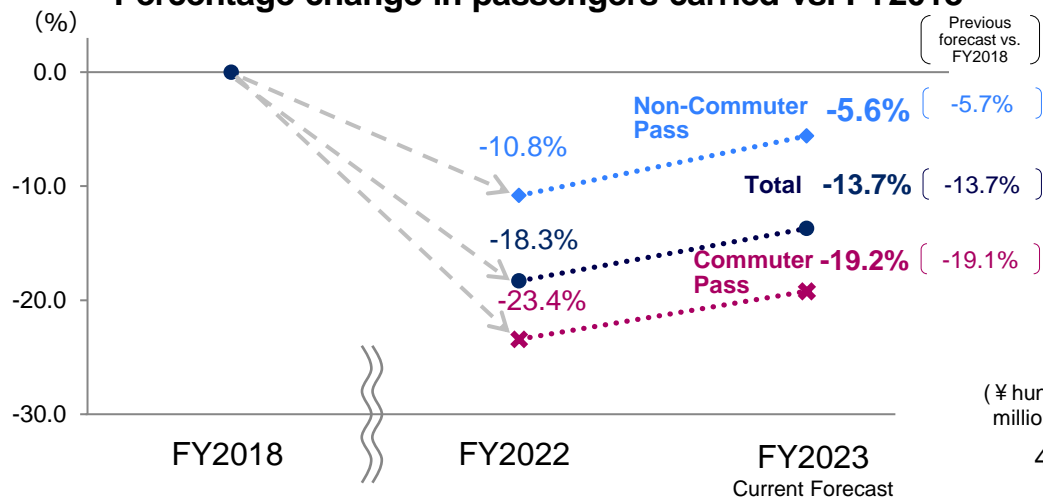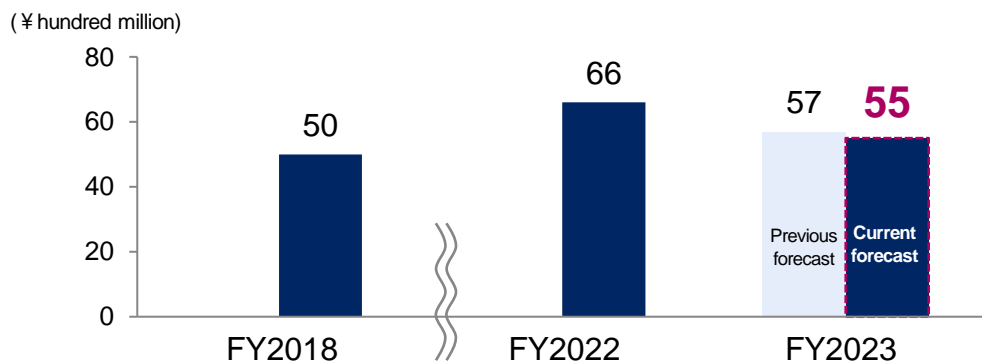
Bus Services

Trend in operating revenues and operating profit


Trend in Power Costs
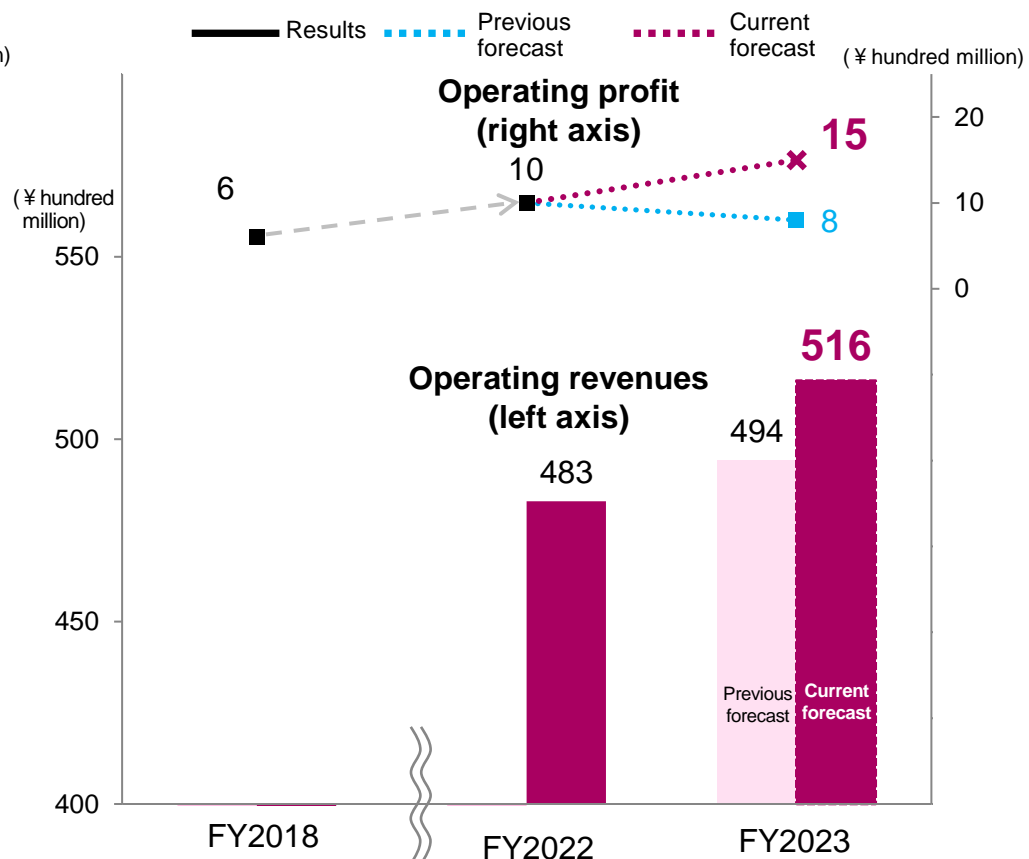
3. Forecasts for Main Businesses

Merchandise Sales

- Department Stores are expected to see an increase in operating profit over the previous forecast due to a decrease in utility expenses and an increase in sales from new customers captured, mainly on the food floor.
- Retail Stores are expected to see an increase in both operating revenues and operating profit over the previous forecast in light of the increase in unit price per customer and the number of customers, and strong sales in the convenience store business.
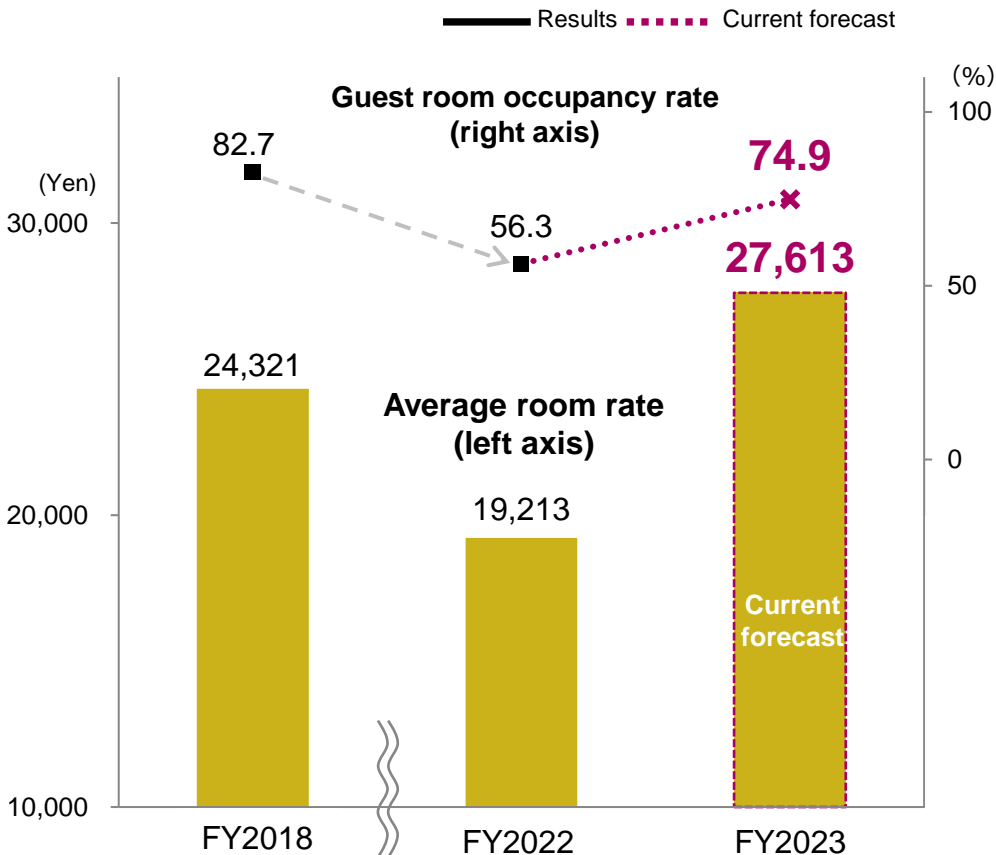

Department Stores
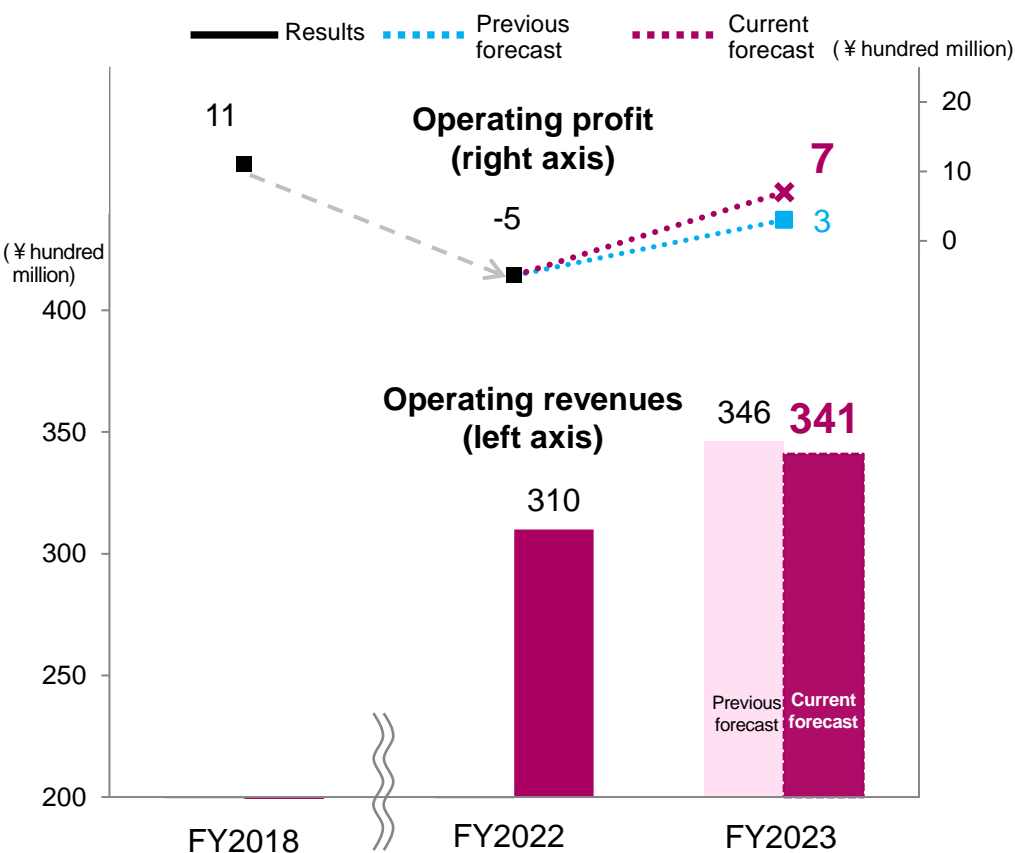
Retail Stores

* FY2018 Operating revenues are omitted because they reflect the numbers before the Accounting Standard for Revenue Recognition was applied.
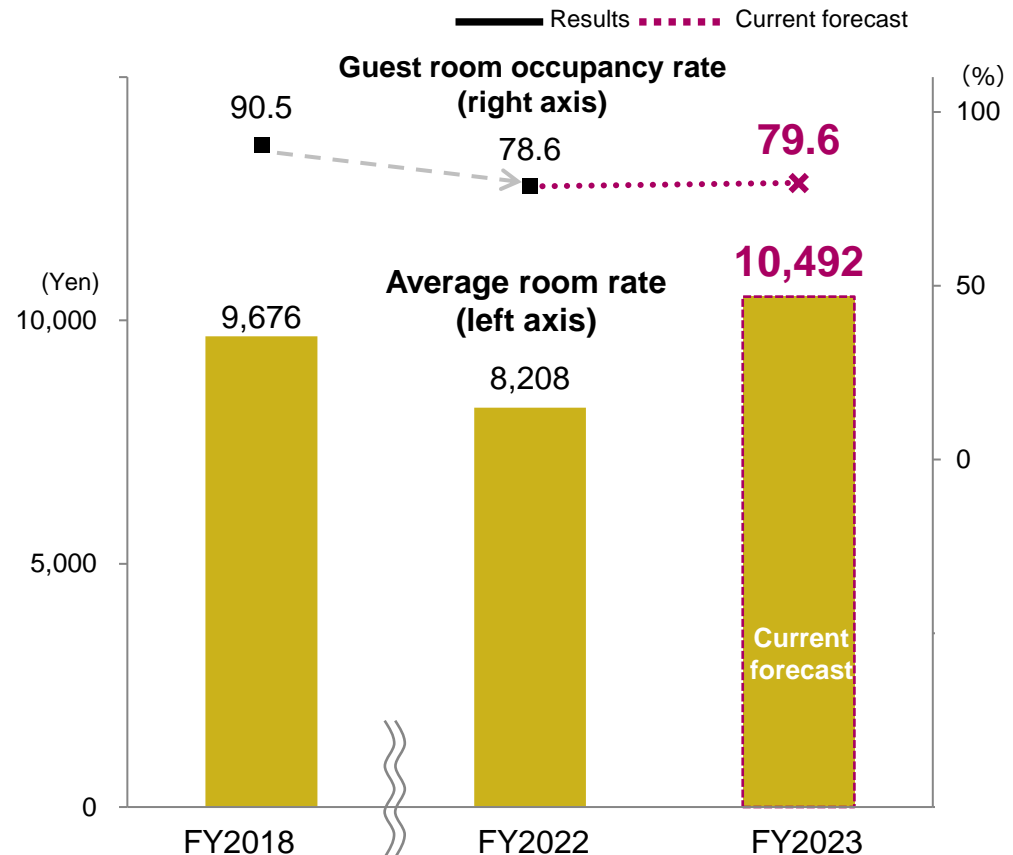
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3. Forecasts for Main Businesses

Leisure (Hotels)

- Lodging demand remained strong, mainly from leisure demand and foreign tourists visiting Japan.
- Average room rates at Keio Plaza Hotel (Shinjuku) and Keio Presso Inn are expected to be higher than the pre-pandemic level.

Keio Plaza Hotel (Shinjuku)

Keio Plaza Hotel chart — Results / Current forecast

Guest room occupancy rate (right axis): 82.7 → 56.3 → **74.9**

Average room rate (left axis): 24,321 (FY2018) → 19,213 (FY2022) → **27,613** (FY2023 Current forecast)

Keio Presso Inn (all locations)

Keio Presso Inn chart — Results / Current forecast

Guest room occupancy rate (right axis): 90.5 → 78.6 → **79.6**

Average room rate (left axis): 9,676 (FY2018) → 8,208 (FY2022) → **10,492** (FY2023 Current forecast)

4. Forecasts by Segment

(Units: ¥ hundred million)

|		FY2023 Full-Year Earnings Forecasts					
		FY2022 Results	**FY2023 Current Forecast**	**Change (%)**		**FY2023 Previous Forecast** (based on August 2, 2023 announcement)	**vs. Forecast (% change)**	
Operating Revenues	Transportation	1,111	1,224	112 (	10.1)	1,209	14 (	1.2)
	Merchandise Sales	1,028	1,094	66 (	6.4)	1,075	18 (	1.7)
	Real Estate	528	575	46 (	8.9)	527	48 (	9.1)
	Leisure	527	695	168 (	31.9)	687	7 (	1.1)
	Other Businesses	647	769	122 (	18.9)	785	-15 (	-2.0)
	Elimination	-371	-429	-57 (	—)	-405	-23 (	—)
	Consolidated	3,471	3,930	458 (	13.2)	3,880	50 (	1.3)
Operating Profit	Transportation	39	115	76 (	195.0)	109	6 (	6.0)
	Merchandise Sales	39	48	8 (	22.7)	35	12 (	36.2)
	Real Estate	120	105	-15 (	-12.4)	104	1 (	1.8)
	Leisure	-21	59	81 (	—)	50	9 (	18.6)
	Other Businesses	44	44	-0 (	-0.2)	44	— (	—)
	Elimination	-7	-14	-6 (	—)	-13	-0 (	—)
	Consolidated	214	360	145 (	67.6)	330	30 (	9.1)

5. Investment Forecast

- The investment forecast for FY2023 remains unchanged from the initial plan.
- In addition to investments that will contribute to improved safety and services, we continue to invest in increasing value and actively procuring real estate for sale in the real estate sales business.

(¥ hundred million)

Real estate for sale, etc.*

Capital expenditures

Of which, investment in Railways business

	FY2022 Results	FY2023 Forecast	FY2023 Medium-Term Management Plan
Total	905	1,104	957
Real estate for sale, etc.*	376	428	309
Capital expenditures	528	675	648
Of which, investment in Railways business	186	380	360
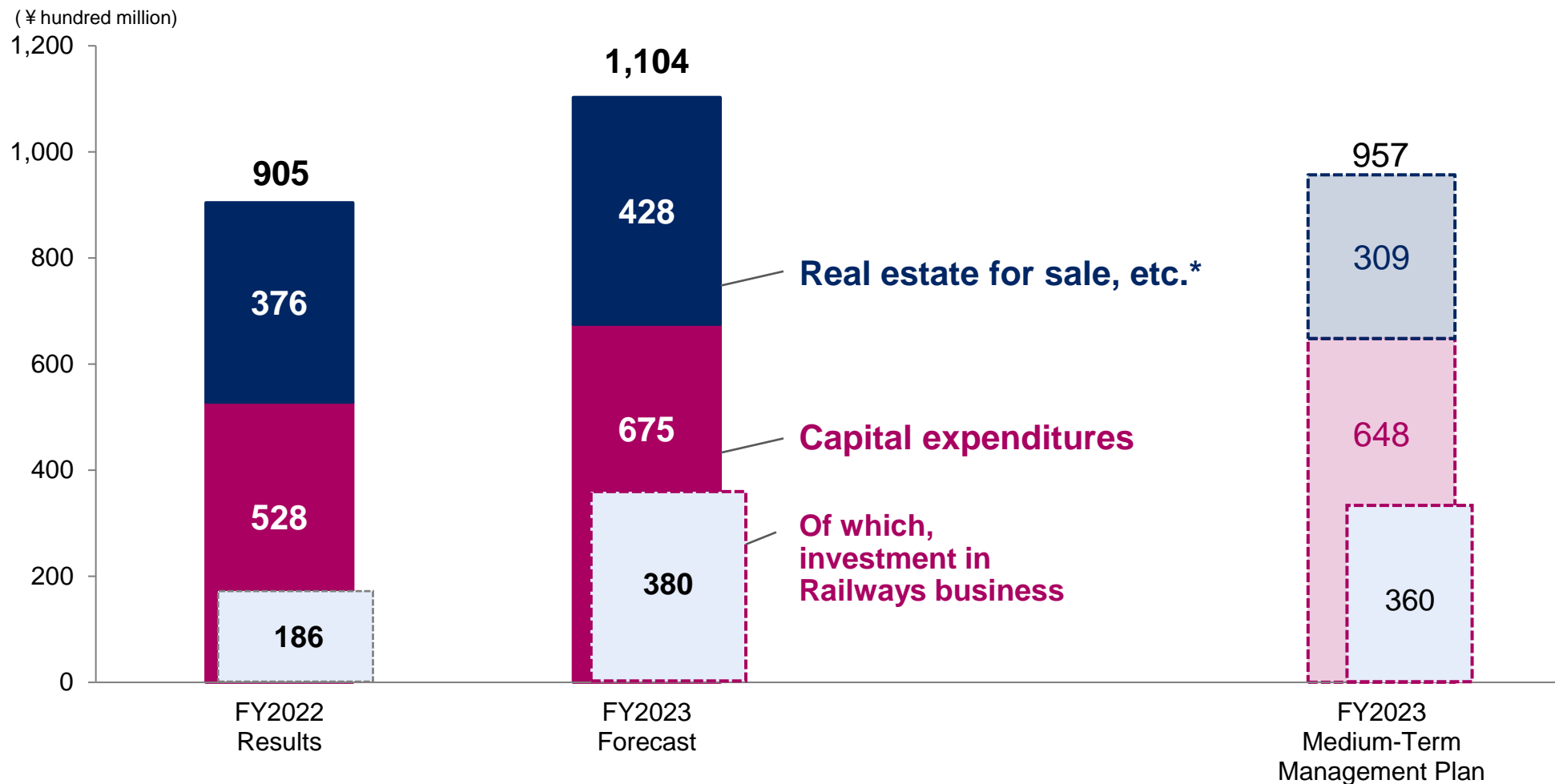
* Real estate for sale figures include investment and lending.

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6. Dividend Forecast

- Our fundamental policy is to return profits to shareholders based on earnings performance and other factors, while building internal reserves required for strengthening the management base in preparation for future business expansion and changes in management environment.
- We plan to increase the annual dividend by 5 yen per share to 45.0 yen per share for FY2023.
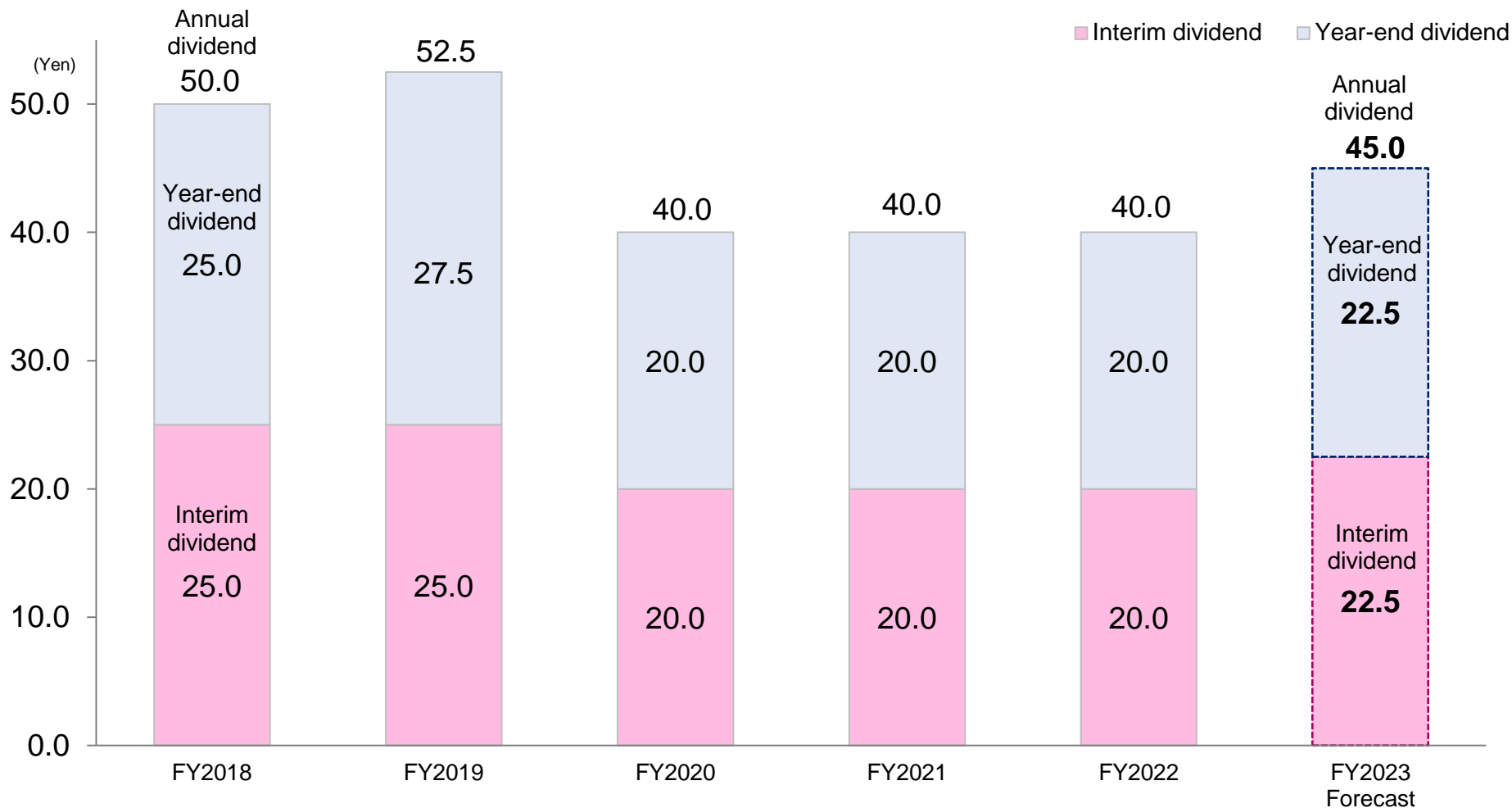
IV. Reference Material (FY2023 2nd Quarter Results)

1. Consolidated Statements of Income

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. Non-Operating Income/Expenses and Extraordinary P/L

9. Consolidated Balance Sheets

10. Consolidated Statements of Cash Flows

1. Consolidated Statements of Income

(Units: ¥ hundred million)

	FY2023 2nd Quarter Earnings				
	FY2022 2Q Results	FY2023 2Q Results	YoY Change (%)	FY2023 Forecast (based on August 2, 2023 announcement)	vs. Forecast (% change)
Operating Revenues	1,588	1,840	252 (15.9)	1,803	37 (2.1)
Operating Profit	94	239	144 (153.9)	184	54 (29.9)
Ordinary Profit	95	235	140 (146.4)	176	59 (33.7)
Profit Attributable to Owners of Parent	42	172	129 (305.3)	129	42 (32.4)
EBITDA	236	383	146 (62.0)	331	51 (15.6)
Depreciation and Amortization	142	143	1 (0.9)	146	- 3 (- 2.2)
Capital Expenditures	177	116	- 60 (- 34.4)	—	— (—)

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

2. Overview by Segment

- Hotels performed well and all segments outperformed YoY.
- Operating profit showed YoY improvement in all segments.
- Operating profit outperformed the previous forecast in all segments.

(Units: ¥ hundred million)

		FY2023 2nd Quarter Earnings				
		FY2022 2Q Results	FY2023 2Q Results	YoY Change (%)	FY2023 Forecast (based on August 2, 2023 announcement)	vs. Forecast (% change)
Operating Revenues	Transportation	546	601	54 (10.1)	587	13 (2.3)
	Merchandise Sales	480	528	47 (9.9)	517	11 (2.1)
	Real Estate	222	239	16 (7.5)	251	- 12 (- 5.0)
	Leisure	216	341	125 (58.0)	327	14 (4.4)
	Other Businesses	253	268	15 (6.0)	287	- 18 (- 6.5)
	Elimination	- 130	- 138	- 7 (—)	- 167	29 (—)
	Consolidated	1,588	1,840	252 (15.9)	1,803	37 (2.1)
Operating Profit	Transportation	46	88	42 (92.8)	75	13 (17.7)
	Merchandise Sales	10	28	18 (172.6)	17	11 (64.7)
	Real Estate	57	65	7 (13.1)	53	11 (21.9)
	Leisure	- 31	44	76 (—)	31	13 (43.2)
	Other Businesses	11	11	0 (1.0)	6	4 (62.5)
	Elimination	- 0	- 0	- 0 (—)	- 0	0 (—)
	Consolidated	94	239	144 (153.9)	184	54 (29.9)

2. Overview by Segment (Quarterly)

(Units: ¥ hundred million)

	Operating Revenues			Operating Profit		
	FY2023 1Q Results (Apr.-Jun.)	FY2023 2Q Results (Jul.-Sep.)	FY2023 1H (Apr.-Sep.)	FY2023 1Q Results (Apr.-Jun.)	FY2023 2Q Results (Jul.-Sep.)	FY2023 1H (Apr.-Sep.)
Transportation	298	302	601	46	42	88
Merchandise Sales	268	260	528	17	11	28
Real Estate	113	125	239	31	34	65
Leisure	159	181	341	20	24	44
Other Businesses	113	154	268	3	7	11
Elimination	-66	-71	-138	0	-0	-0
Consolidated	887	952	1,840	119	119	239

3. Segment Information (Transportation)

■ In Railways, the number of passengers carried rebounded and passenger revenues increased compared to the same period in the previous fiscal year.

■ Revenues for bus services also increased for fixed-route buses and express buses.

(Units：¥ hundred million)

	FY2023 2nd Quarter Earnings		
	FY2022 2Q Results	FY2023 2Q Results	YoY Change (%)
Operating Revenues	546	601	54 (10.1)
(Railways)	349	378	28 (8.3)
(Bus Services)	157	181	23 (15.2)
(Taxi Services)	54	51	- 2 (- 4.9)
(Other)	11	12	0 (4.8)
(Elimination)	- 26	- 22	4 (—)
Operating Profit	46	88	42 (92.8)
(Railways)	41	62	20 (49.4)
(Bus Services)	2	25	22 (806.0)
EBITDA	126	169	42 (34.1)
Depreciation and Amortization	80	80	0 (0.3)
Capital Expenditures	56	53	- 2 (- 5.1)

3. Segment Information (Transportation)

Railways Transportation Results

(Units: Thousands of People, ¥million)

		FY2023 2nd Quarter Results		
		FY2022 2Q Results	FY2023 2Q Results	Change (%)
Passengers Transported	Commuter-Pass	156,780	163,522	6,742 (4.3)
	(Business)	115,016	120,015	4,999 (4.3)
	(Student)	41,764	43,507	1,743 (4.2)
	Non-Commuter-Pass	118,808	130,530	11,722 (9.9)
	Total	275,588	294,052	18,464 (6.7)
Passenger Revenues	Commuter-Pass	13,260	13,831	571 (4.3)
	(Business)	11,712	12,228	516 (4.4)
	(Student)	1,548	1,603	54 (3.5)
	Non-Commuter-Pass	19,718	21,805	2,086 (10.6)
	Total	32,979	35,637	2,657 (8.1)

3. Segment Information (Transportation)

Transportation (Railways): Percentage change in number of passengers carried vs. FY2018
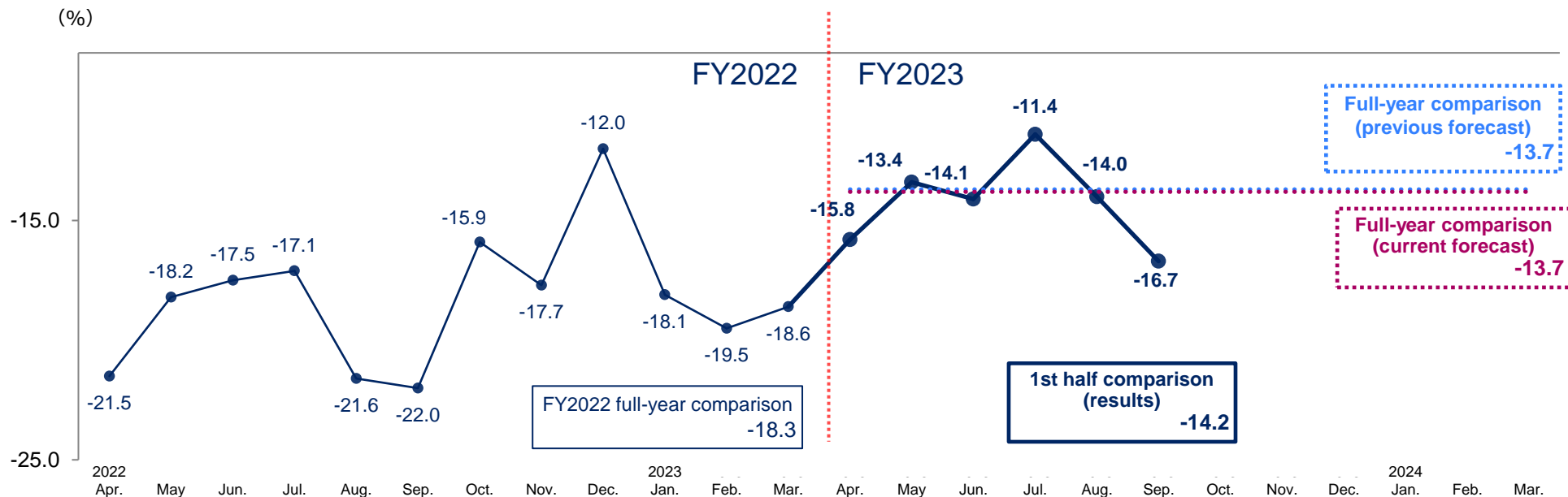
FY2023: Percentage change in number of passengers carried vs. FY2018

(%)   (Ref.)

	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q Cumulative	FY2022 Full Year
Commuter Pass Total	-23.1	-19.3	-19.7	-20.7	-17.2	-20.3	-24.1	-20.6	-23.4
Business	-23.1	-23.5	-23.4	-23.4	-21.4	-22.4	-22.7	-22.8	-26.1
Student	-22.9	-7.2	-9.2	-13.1	-3.7	-11.7	-27.9	-14.0	-14.7
Non-Commuter Pass	-5.2	-4.5	-5.2	-4.9	-2.6	-5.3	-5.4	-4.7	-10.8
Total	-15.8	-13.4	-14.1	-14.4	-11.4	-14.0	-16.7	-14.2	-18.3

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4. Segment Information (Merchandise Sales)

■ In department stores, the rebound in customer traffic led to growth in operating revenues compared to the same period in the previous fiscal year.

■ Retail stores saw revenues increase on strong performance in the supermarket and convenience store businesses.
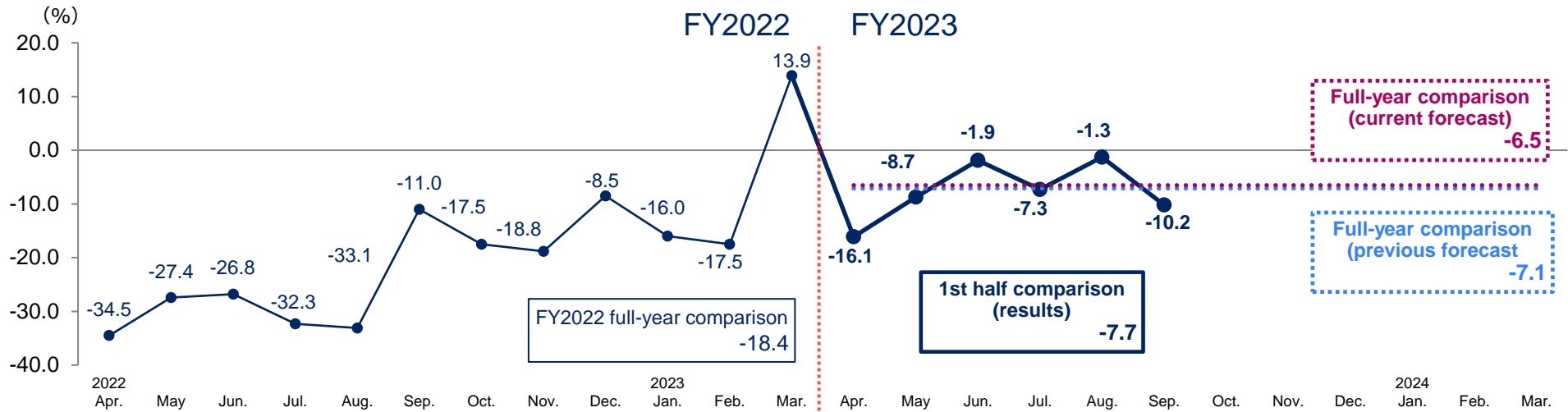
(Units: ¥ hundred million)

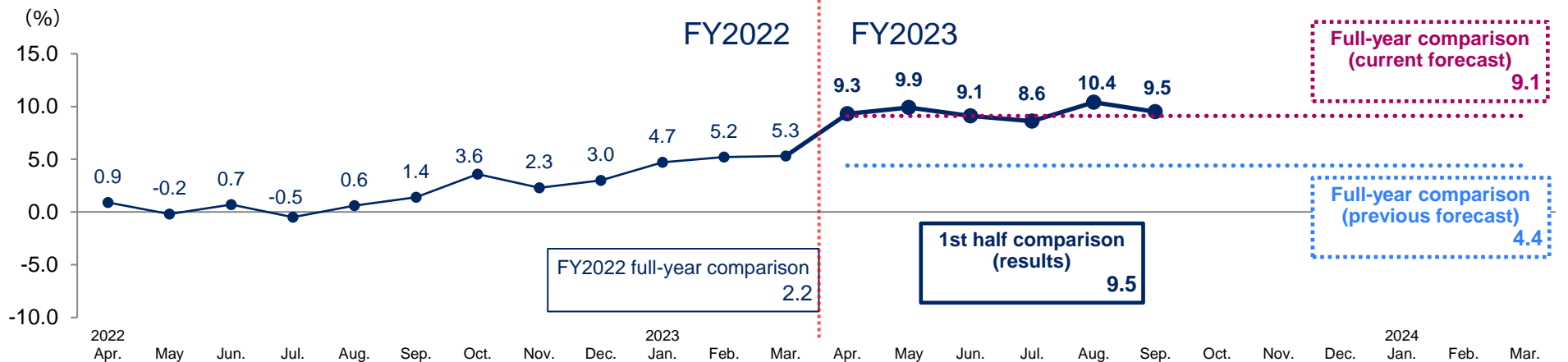|	FY2023 2nd Quarter Earnings		
	FY2022 2Q Results	FY2023 2Q Results	YoY Change (%)
Operating Revenues	480	528	47 (9.9)
(Department Stores)	131	155	23 (18.1)
(Retail Stores)	235	256	20 (8.8)
(Shopping Centers)	73	75	1 (2.5)
(Other)	68	70	1 (1.8)
(Elimination)	- 29	- 28	0 (—)
Operating Profit	10	28	18 (172.6)
(Department Stores)	- 12	- 0	12 (—)
(Retail Stores)	6	10	4 (70.9)
(Shopping Centers)	19	19	0 (1.0)
EBITDA	27	48	20 (72.9)
Depreciation and Amortization	17	19	2 (12.1)
Capital Expenditures	38	7	- 31 (- 79.7)

4. Segment Information (Merchandise Sales)

Department stores: Percentage change in department store sales in Shinjuku vs. FY2018

(Converted to figures before application of the Accounting Standard for Revenue Recognition)

FY2022   FY2023

Full-year comparison (current forecast)	-6.5
Full-year comparison (previous forecast	-7.1
FY2022 full-year comparison	-18.4
1st half comparison (results)	-7.7

Retail stores: Percentage change in net sales vs. FY2018

(Converted to figures before application of the Accounting Standard for Revenue Recognition)

FY2022   FY2023

Full-year comparison (current forecast)	9.1
Full-year comparison (previous forecast)	4.4
FY2022 full-year comparison	2.2
1st half comparison (results)	9.5

5. Segment Information (Real Estate)

■ Land and building leasing saw results on par with the same period in the previous year.
■ In real estate sales, revenues increased on higher sales of renovated properties.

(Units:¥ hundred million)

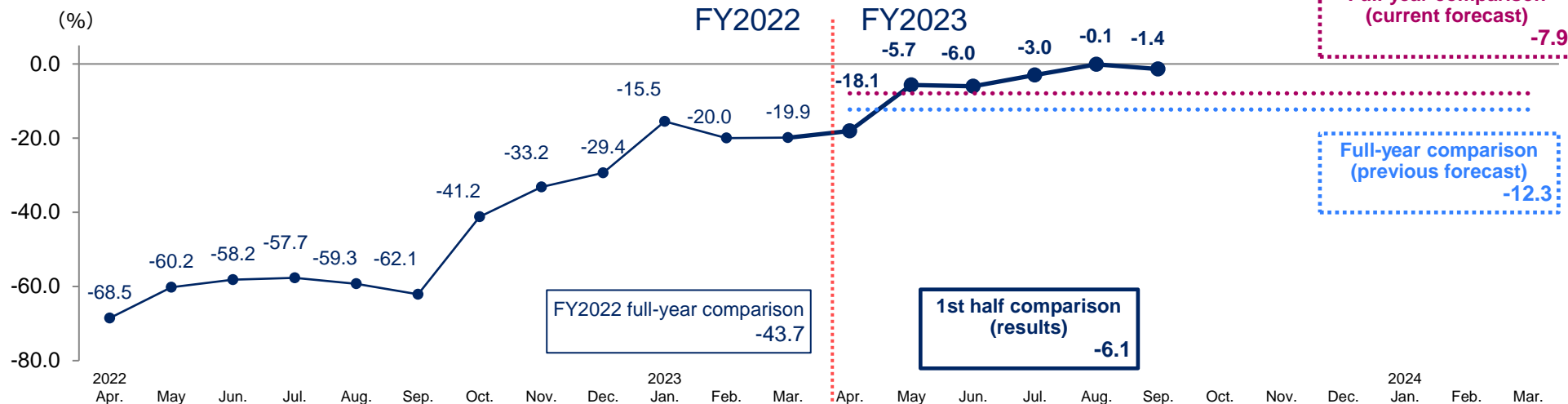|	FY2023 2nd Quarter Earnings		
	FY2022 2Q Results	**FY2023 2Q Results**	**YoY Change (%)**
Operating Revenues	222	239	16 (7.5)
(Land and Building Leasing)	187	193	5 (3.1)
(Development for Selling by Lots)	71	77	5 (8.0)
(Other)	14	22	7 (51.8)
(Elimination)	- 51	- 54	- 2 (—)
Operating Profit	57	65	7 (13.1)
(Land and Building Leasing)	53	53	- 0 (- 0.2)
(Development for Selling by Lots)	6	7	1 (22.1)
EBITDA	81	88	7 (9.3)
Depreciation and Amortization	23	23	- 0 (- 0.1)
Capital Expenditures	53	19	- 34 (- 63.5)

6. Segment Information (Leisure)

■ In Hotels, revenues increased as room rates rose substantially to a level higher than the pre-pandemic level at Keio Plaza Hotel (Shinjuku) and Keio Presso Inn, mainly due to the lodging demand these hotels captured from foreign tourists visiting Japan.

(Units:￥hundred million)

	FY2023 2nd Quarter Earnings		
	FY2022 2Q Results	FY2023 2Q Results	YoY Change (%)
Operating Revenues	216	341	125 (58.0)
(Hotels)	164	264	99 (60.5)
(Travel Services)	37	51	14 (38.2)
(Advertising Services)	30	34	4 (13.4)
(Other)	28	31	2 (7.3)
(Elimination)	- 45	- 40	5 (—)
Operating Profit	- 31	44	76 (—)
(Hotels)	- 25	46	71 (—)
EBITDA	- 10	64	75 (—)
Depreciation and Amortization	20	19	- 1 (- 5.0)
Capital Expenditures	8	7	- 1 (- 15.4)

6. Segment Information (Leisure)

Hotels: Percentage change in Keio Plaza Hotel (Shinjuku) net sales vs. FY2018

Hotels: Keio Plaza Hotel (Shinjuku) guest room occupancy rate
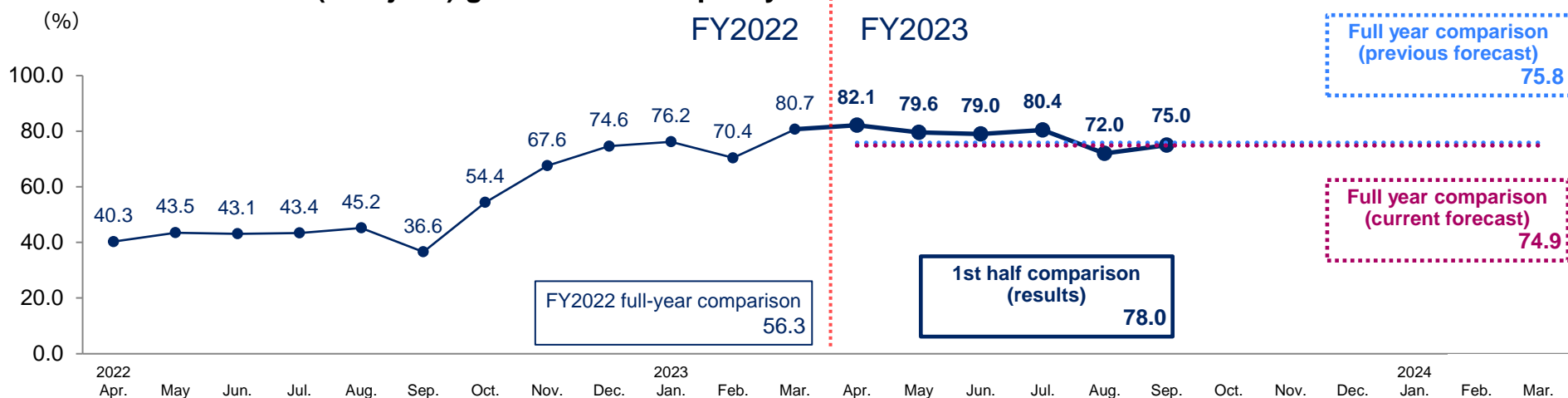
7. Segment Information (Other Businesses)

■ Railway car maintenance revenues increased, mainly due to an increase in orders.

(Units：¥ hundred million)

	FY2023 2nd Quarter Earnings				
	FY2022 2Q Results	FY2023 2Q Results	YoY Change (%)		
Operating Revenues	253	268	15	(	6.0)
(Building Maintenance)	109	111	1	(	1.7)
(Railway Car Maintenance)	27	37	9	(	34.5)
(Construction)	79	80	1	(	2.3)
(Other)	45	47	1	(	3.3)
(Elimination)	- 8	- 7	0	(	—)
Operating Profit	11	11	0	(	1.0)
(Building Maintenance)	7	6	- 0	(	- 3.8)
(Railway Car Maintenance)	1	3	2	(	195.0)
(Construction)	2	0	- 2	(	- 95.7)
EBITDA	13	14	0	(	4.2)
Depreciation and Amortization	2	2	0	(	2.1)
Capital Expenditures	1	6	4	(	317.7)

8. Non-Operating Income/Expenses and Extraordinary P/L

(¥ hundred million)

	FY2022 2Q Results	FY2023 2Q Results	Change	Change Factors
Operating Revenues	**1,588**	**1,840**	**252**	
Operating Profit	**94**	**239**	**144**	
Non-Operating Income	18	13	-4	Subsidy income: -8
Non-Operating Expenses	16	16	-0	
Ordinary Profit	**95**	**235**	**140**	
Extraordinary Income	6	2	-4	Contribution for construction: -3
Extraordinary Loss	9	3	-6	Loss on tax purpose reduction entry of non-current assets: -3
Income Taxes	50	62	12	
Profit Attributable to Owners of Parent	**42**	**172**	**129**	

9. Consolidated Balance Sheets

- Total assets increased, mainly due to increases in inventories from acquisition of real estate for sale and in property, plant and equipment.
- Liabilities increased, mainly due to an increase in loans payable and recognition of an asset retirement obligation.
- Net assets increased, mainly due to profit attributable to owners of parent recorded.

(¥ hundred million)

		FY2022 Results	FY2023 2Q Results	Change	Change Factors
	Current Assets	1,828	1,964	135	Cash and deposits: +82, Merchandise and finished goods: +64, Work in process: +45
	Non-current Assets	7,723	7,911	188	Investment securities: +121, Property, plant and equipment: +86
Total Assets		**9,552**	**9,875**	**323**	
	Current Liabilities	2,194	2,131	-62	
	Non-current Liabilities	3,842	3,973	131	Asset retirement obligation: +107, Long-term loans payable: +46
Liabilities		**6,036**	**6,105**	**68**	
Net Assets		**3,515**	**3,770**	**255**	Retained earnings: +147, Valuation difference on available-for-sale securities: +82
Total Liabilities and Net Assets		**9,552**	**9,875**	**323**	

	FY2022 Results	FY2023 2Q Results	Change
Interest-Bearing Debt	**4,026**	**4,093**	**67**
Equity Ratio	**36.8%**	**38.2%**	**1.4P**

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

10. Consolidated Statements of Cash Flows

(¥ hundred million)

	FY2022 2Q Results	FY2023 2Q Results	Change	Notes
Cash Flows from Operating Activities	165	308	143	Profit before income taxes: +235 Depreciation and amortization: +143
Cash Flows from Investing Activities	-226	-258	-32	Acquisition of tangible and intangible fixed assets: -297
Free (Operating + Investing) Cash Flow	-61	49	110	
Cash Flows from Financing Activities	66	32	-33	Proceeds from long-term loans payable: +100
Cash and Cash Equivalents at End of Period	678	792	113	

IV. Reference Material (FY2023 Full-Year Earnings Forecasts)

1. Consolidated Statements of Income

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)

1. Consolidated Statements of Income

- Transportation, Merchandise Sales, and Leisure outperformed the forecast due to the increase in foreign tourists visiting Japan and the rebound in domestic demand.
- Profit attributable to owners of parent is expected to be on par with the previously announced figure, mainly due to an increase in the asset retirement obligation.

(Units: ￥hundred million)

	FY2022 Results	FY2023 Current Forecast	FY2023 Full-Year Earnings Forecasts		FY2023 Previous Forecast (based on August 2, 2023 announcement)	vs. Forecast (% change)	
			YoY Change (%)				
Operating Revenues	3,471	3,930	458 (	13.2)	3,880	50 (	1.3)
Operating Profit	214	360	145 (	67.6)	330	30 (	9.1)
Ordinary Profit	217	352	134 (	61.7)	317	35 (	11.0)
Profit Attributable to Owners of Parent	131	252	120 (	92.2)	252	— (	—)
EBITDA	506	669	163 (	32.3)	644	25 (	3.9)
Depreciation and Amortization	291	308	17 (	5.9)	313	- 4 (	- 1.5)
Capital Expenditures	528	675	147 (	27.8)	675	— (	—)

1. Consolidated Statements of Income (2nd Half Forecast)

(Units: ¥ hundred million)

	FY2023 1st Half Results (Apr.-Sep.)	FY2023 2nd Half Forecast (Oct.-Mar.)	FY2023 Full-year Forecast (Apr.-Mar.)
Operating Revenues	1,840	2,089	3,930
Operating Profit	239	120	360
Ordinary Profit	235	116	352
Profit Attributable to Owners of Parent	172	79	252
EBITDA	383	286	669
Depreciation and Amortization	143	164	308

2. Overview by Segment

(Units: ¥ hundred million)

		FY2023 Full-Year Earnings Forecasts						
		FY2022 Results	FY2023 Current Forecast	Change (%)		FY2023 Previous Forecast (based on August 2, 2023 announcement)	vs. Forecast (% change)	
Operating Revenues	Transportation	1,111	1,224	112 (	10.1)	1,209	14 (	1.2)
	Merchandise Sales	1,028	1,094	66 (	6.4)	1,075	18 (	1.7)
	Real Estate	528	575	46 (	8.9)	527	48 (	9.1)
	Leisure	527	695	168 (	31.9)	687	7 (	1.1)
	Other Businesses	647	769	122 (	18.9)	785	-15 (	-2.0)
	Elimination	-371	-429	-57 (	－)	-405	-23 (	－)
	Consolidated	3,471	3,930	458 (	13.2)	3,880	50 (	1.3)
Operating Profit	Transportation	39	115	76 (	195.0)	109	6 (	6.0)
	Merchandise Sales	39	48	8 (	22.7)	35	12 (	36.2)
	Real Estate	120	105	-15 (	-12.4)	104	1 (	1.8)
	Leisure	-21	59	81 (	－)	50	9 (	18.6)
	Other Businesses	44	44	-0 (	-0.2)	44	－ (	－)
	Elimination	-7	-14	-6 (	－)	-13	-0 (	－)
	Consolidated	214	360	145 (	67.6)	330	30 (	9.1)

2. Overview by Segment (2nd Half Forecast)

(Units: ¥ hundred million)

	Operating Revenues			Operating Profit		
	FY2023 1st Half Results (Apr.-Sep.)	FY2023 2nd Half Forecast (Oct.-Mar.)	FY2023 Full-year Forecast (Apr.-Mar.)	FY2023 1st Half Results (Apr.-Sep.)	FY2023 2nd Half Forecast (Oct.-Mar.)	FY2023 Full-year Forecast (Apr.-Mar.)
Transportation	601	623	1,224	88	27	115
Merchandise Sales	528	566	1,094	28	19	48
Real Estate	239	335	575	65	40	105
Leisure	341	354	695	44	14	59
Other Businesses	268	501	769	11	33	44
Elimination	-138	-291	-429	-0	-14	-14
Consolidated	1,840	2,089	3,930	239	120	360

3. Segment Information (Transportation)

(Units: ¥ hundred million)

	FY2022 Results	FY2023 Current Forecast	YoY Change (%)		FY2023 Previous Forecast (based on August 2, 2023 announcement)	vs. Forecast (% change)	
			FY2023 Full-Year Earnings Forecasts				
Operating Revenues	1,111	1,224	112	(10.1)	1,209	14	(1.2)
(Railways)	710	790	79	(11.2)	788	2	(0.3)
(Bus Services)	317	350	32	(10.4)	337	13	(4.0)
(Taxi Services)	106	102	- 3	(- 3.3)	103	-1	(-1.0)
(Other)	24	25	1	(5.1)	24	0	(1.9)
(Elimination)	- 47	- 45	1	(—)	-45	- 0	(—)
Operating Profit	39	115	76	(195.0)	109	6	(6.0)
(Railways)	29	88	59	(203.4)	85	2	(2.7)
(Bus Services)	6	22	16	(258.2)	15	7	(49.4)
EBITDA	203	287	83	(41.0)	281	5	(2.0)
Depreciation and Amortization	164	171	6	(4.2)	172	- 0	(-0.5)
Capital Expenditures	246	412	166	(67.3)	412	—	(—)

3. Segment Information (Transportation)

Railways Transportation Results

(Units: Thousands of People, ¥ million)

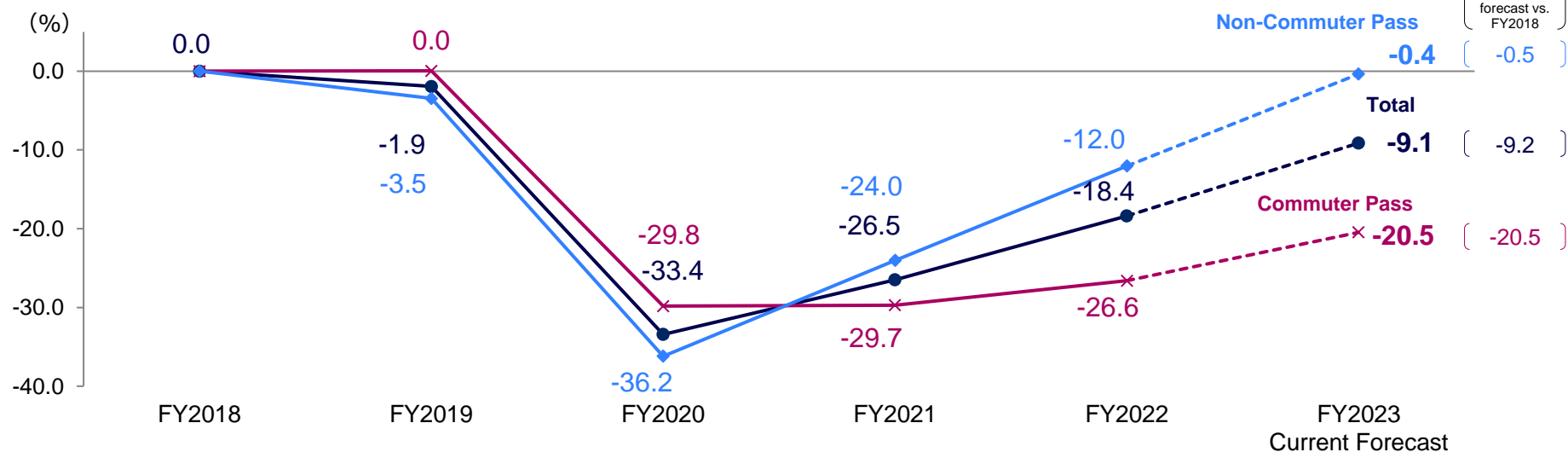|			FY2023 Forecasts						
		FY2022 Results	FY2023 Current Forecast	YoY Change (%)		FY2023 Previous Forecast (based on August 2, 2023 announcement)	vs. Forecast (% change)		
Passengers Transported	Commuter-Pass	308,409	325,212	16,803 (	5.4)	325,709	-497 (	-0.2)
	(Business)	228,617	237,399	8,782 (	3.8)	237,128	271 (	0.1)
	(Student)	79,792	87,813	8,021 (	10.1)	88,581	-768 (	-0.9)
	Non-Commuter-Pass	245,480	259,851	14,371 (	5.9)	259,508	343 (	0.1)
	Total	553,889	585,063	31,174 (	5.6)	585,217	-154 (	- 0.0)
Passenger Revenues	Commuter-Pass	26,311	28,509	2,198 (	8.4)	28,505	3 (	0.0)
	(Business)	23,352	25,249	1,896 (	8.1)	25,221	28 (	0.1)
	(Student)	2,958	3,260	301 (	10.2)	3,284	-24 (	-0.7)
	Non-Commuter-Pass	40,819	46,229	5,409 (	13.3)	46,167	61 (	0.1)
	Total	67,130	74,738	7,608 (	11.3)	74,673	65 (	0.1)

3. Segment Information (Transportation)

Railways: Percentage change in number of passengers carried vs. FY2018
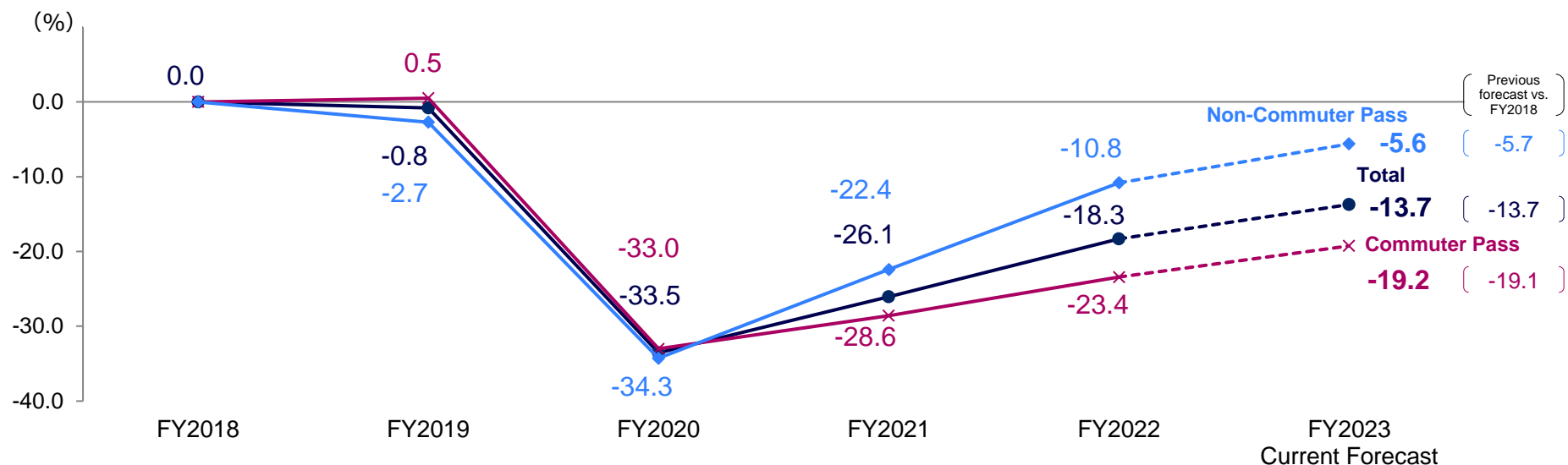
Railways: Percentage change in passenger revenues vs. FY2018

4. Segment Information (Merchandise Sales)

(Units: ¥ hundred million)

	FY2022 Results	FY2023 Current Forecast	YoY Change (%)		FY2023 Previous Forecast (based on August 2, 2023 announcement)	vs. Forecast (% change)	
Operating Revenues	1,028	1,094	66	(6.4)	1,075	18	(1.7)
(Department Stores)	310	341	30	(9.8)	346	-4	(-1.4)
(Retail Stores)	483	516	33	(6.9)	494	22	(4.6)
(Shopping Centers)	148	148	- 0	(- 0.2)	146	1	(1.1)
(Other)	143	146	2	(1.6)	147	-1	(-1.2)
(Elimination)	- 58	- 58	0	(—)	-58	0	(—)
Operating Profit	39	48	8	(22.7)	35	12	(36.2)
(Department Stores)	- 5	7	12	(—)	3	4	(133.3)
(Retail Stores)	10	15	4	(38.2)	8	6	(76.5)
(Shopping Centers)	38	28	- 9	(- 25.1)	25	3	(12.2)
EBITDA	75	94	19	(26.3)	84	9	(11.7)
Depreciation and Amortization	35	46	10	(30.1)	49	-2	(-5.8)
Capital Expenditures	57	44	- 13	(- 22.8)	44	—	(—)

FY2023 Full-Year Earnings Forecasts

5. Segment Information (Real Estate)

(Units：¥ hundred million)

	FY2022 Results	FY2023 Full-Year Earnings Forecasts						
		FY2023 Current Forecast	YoY Change (%)		FY2023 Previous Forecast (based on August 2, 2023 announcement)	vs. Forecast (% change)		
Operating Revenues	528	575	46	(8.9)	527	48	(9.1)
(Land and Building Leasing)	375	396	20	(5.6)	384	11	(3.0)
(Development for Selling by Lots)	219	259	40	(18.6)	244	15	(6.4)
(Other)	35	41	6	(17.0)	37	4	(11.8)
(Elimination)	- 101	- 122	- 20	(—)	-138	16	(—)
Operating Profit	120	105	- 15	(- 12.4)	104	1	(1.8)
(Land and Building Leasing)	97	84	- 13	(- 13.9)	88	-3	(-4.5)
(Development for Selling by Lots)	25	16	- 8	(- 34.0)	10	6	(63.0)
EBITDA	168	154	- 13	(- 8.3)	153	0	(0.4)
Depreciation and Amortization	47	48	1	(2.3)	49	-1	(-2.5)
Capital Expenditures	197	130	- 66	(- 33.7)	130	—	(—)

6. Segment Information (Leisure)

(Units：¥ hundred million)

	FY2022 Results	FY2023 Full-Year Earnings Forecasts					
		FY2023 Current Forecast	YoY Change (%)		FY2023 Previous Forecast (based on August 2, 2023 announcement)	vs. Forecast (% change)	
Operating Revenues	527	695	168	(31.9)	687	7 (	1.1)
(Hotels)	394	526	132	(33.5)	503	22 (	4.4)
(Travel Services)	78	108	29	(37.9)	112	-4 (	-4.1)
(Advertising Services)	80	84	3	(4.9)	99	-14 (	-15.0)
(Other)	58	61	3	(5.3)	60	0 (	1.5)
(Elimination)	- 83	- 84	- 0	(—)	-88	4 (	—)
Operating Profit	- 21	59	81	(—)	50	9 (	18.6)
(Hotels)	- 15	55	70	(—)	38	17 (	44.7)
EBITDA	20	99	79	(390.6)	90	9 (	10.3)
Depreciation and Amortization	42	40	- 2	(- 4.8)	40	- 0 (	-0.1)
Capital Expenditures	26	70	43	(163.9)	70	— (	—)

6. Segment Information (Leisure)

Hotels: Percentage change in net sales vs. FY2018

Keio Plaza Hotel (Shinjuku)
Keio Presso Inn (all locations)

Previous forecast vs. FY2018

-12.3	
-11.7	

FY2023 values: Keio Plaza Hotel (Shinjuku) -7.9, Keio Presso Inn (all locations) -11.5

Data points:
- FY2018: 0.0
- FY2019: -6.0, -10.3
- FY2020: -80.5, -83.6
- FY2021: -65.4, -72.1
- FY2022: -31.6, -43.7
- FY2023 Current Forecast: -7.9, -11.5

Hotels: Guest room occupancy rate

Keio Presso Inn (all locations)
Keio Plaza Hotel (Shinjuku)

Previous forecast

80.0	
75.8	

Data points:
- FY2018: 90.5, 82.7
- FY2019: 88.4, 71.2
- FY2020: 30.3, 8.8
- FY2021: 57.0, 27.8
- FY2022: 78.6, 56.3
- FY2023 Current Forecast: 79.6, 74.9

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7. Segment Information (Other Businesses)

(Units: ¥ hundred million)

	FY2022 Results	FY2023 Current Forecast	YoY Change (%)		FY2023 Previous Forecast (based on August 2, 2023 announcement)	vs. Forecast (% change)		
Operating Revenues	647	769	122	(18.9)	785	-15	(	-2.0)
(Building Maintenance)	263	271	7	(3.0)	260	11	(	4.3)
(Railway Car Maintenance)	76	90	14	(18.6)	93	-2	(	-2.7)
(Construction)	235	332	97	(41.1)	364	-31	(	-8.7)
(Other)	94	98	4	(5.1)	98	0	(	0.8)
(Elimination)	- 23	- 24	- 1	(—)	-30	6	(	—)
Operating Profit	44	44	- 0	(- 0.2)	44	—	(	—)
(Building Maintenance)	22	22	- 0	(- 0.3)	18	3	(	19.3)
(Railway Car Maintenance)	7	8	1	(19.6)	8	- 0	(	-3.2)
(Construction)	15	15	0	(0.5)	16	-1	(	-6.6)
EBITDA	49	50	1	(3.1)	50	0	(	0.4)
Depreciation and Amortization	4	5	0	(9.1)	4	0	(	4.7)
Capital Expenditures	3	25	21	(616.9)	25	—	(	—)

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.