

Fiscal 2014 Second Quarter Financial Results

– November 5, 2014 –

Keio Corporation
京王電鉄株式会社

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I. Fiscal 2014 Second Quarter Earnings

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1. Consolidated Statements of Income

(Units: ¥ millions)

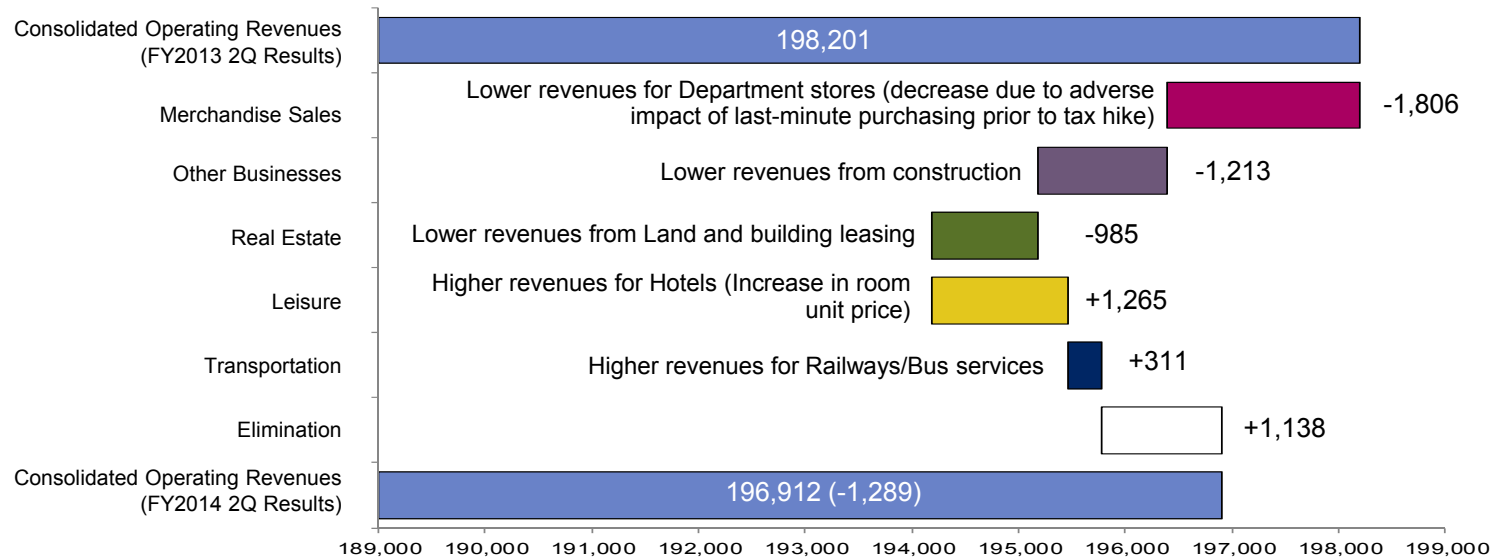
	FY2013 2Q Results	FY2014 2Q Results	Change (%)	FY2014 2Q Planned (2014.4.30 announced)	Difference (%)
Operating Revenues	198,201	196,912	-1,289 (-0.7)	198,500	-1,587 (-0.8)
Operating income	19,228	19,042	-186 (-1.0)	17,700	1,342 (7.6)
Ordinary Income	17,706	18,169	462 (2.6)	16,400	1,769 (10.8)
Net Income	10,856	11,823	967 (8.9)	10,100	1,723 (17.1)
EBITDA	35,758	36,191	432 (1.2)		
Depreciation and Amortization	16,327	16,946	619 (3.8)		
Capital Expenditures	12,148	12,655	506 (4.2)		

(Note) 1. EBITDA is calculated as operating income + depreciation and amortization + amortization of goodwill.
2. FY2014 2Q planned figures are those announced on April 30th, 2014.

1-2. Operating Revenues/Operating Income Change Factors (vs. PY)

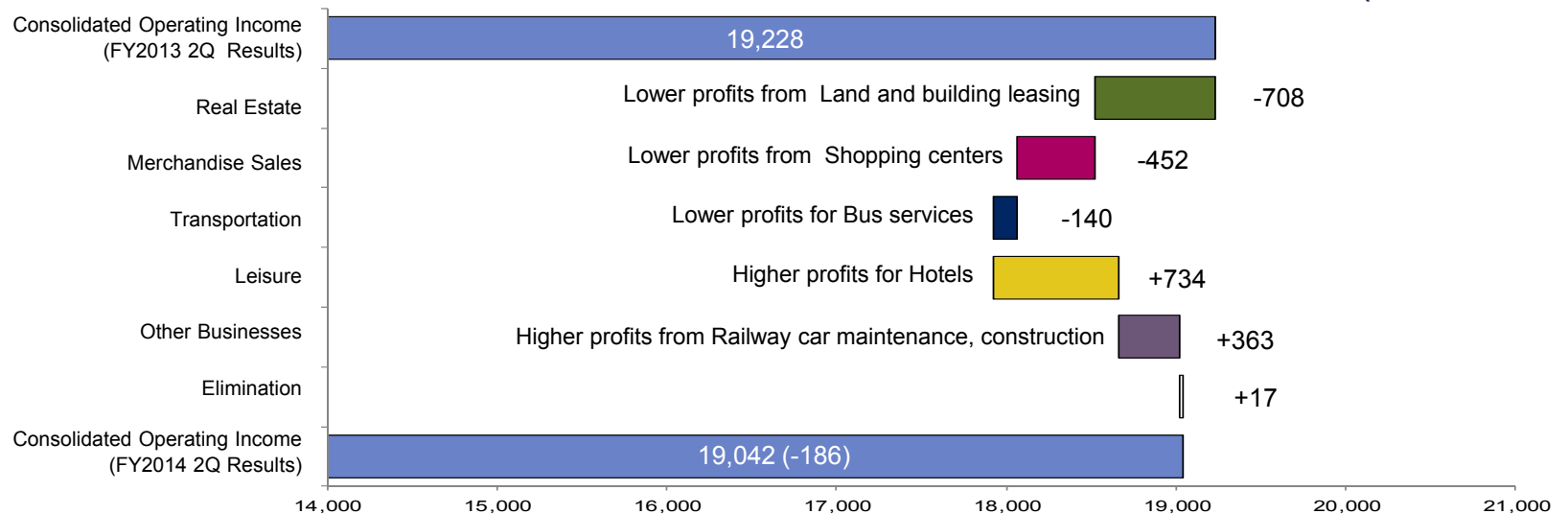
1. Consolidated Operating Revenues

(Units: ¥ millions)



2. Consolidated Operating Income

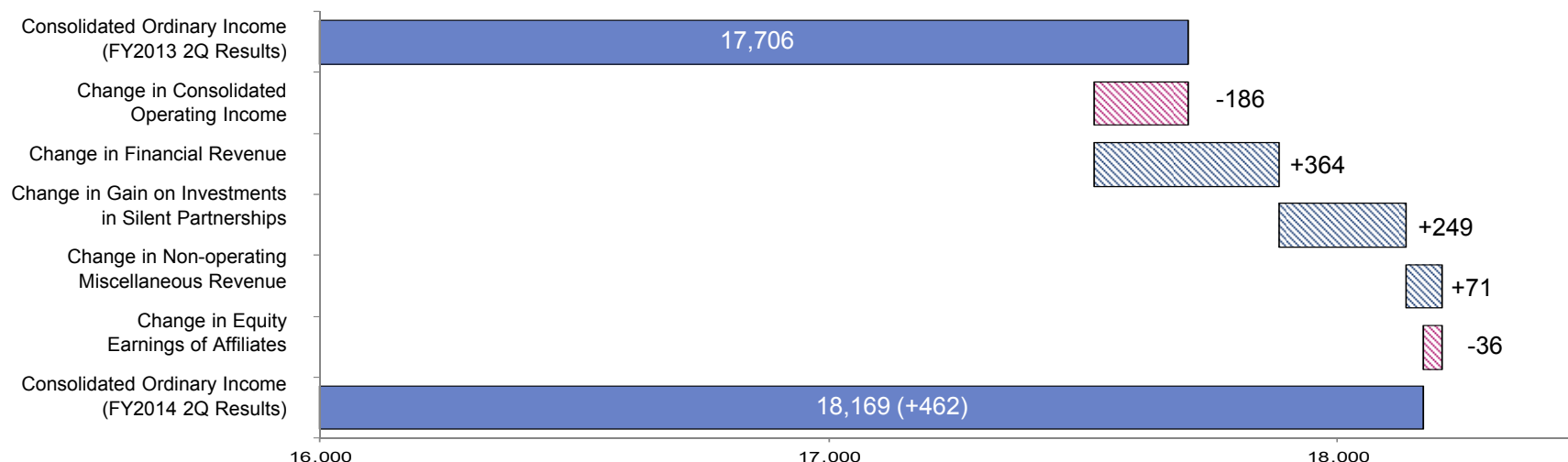
(Units: ¥ millions)



1-3. Ordinary Income/Net Income Change Factors (vs. PY)

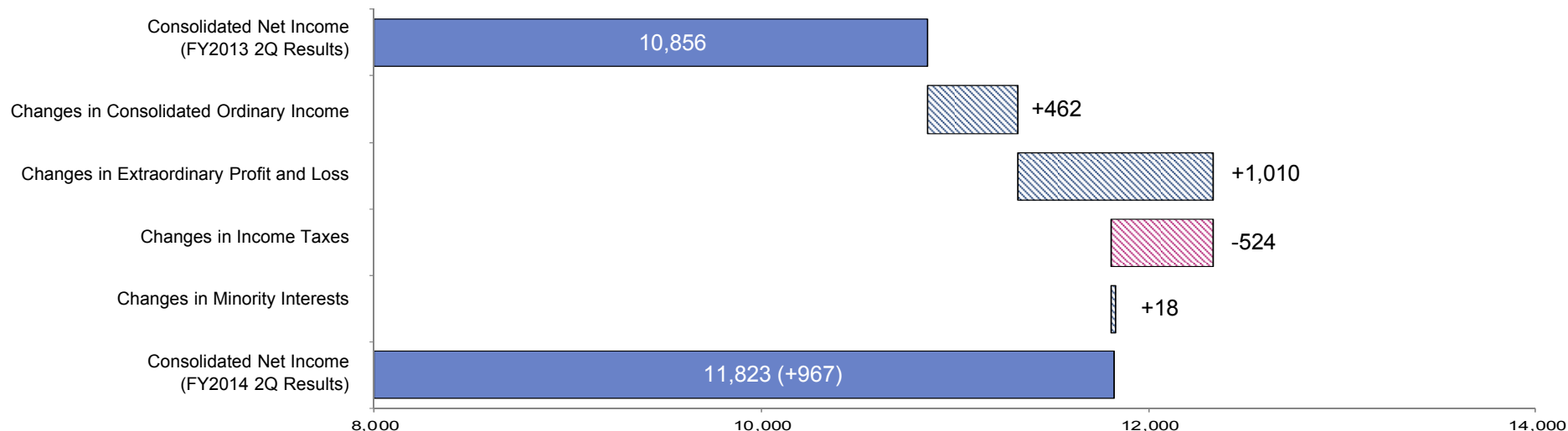
1. Consolidated Ordinary Income

(Units: ¥ millions)



2. Consolidated Net Income

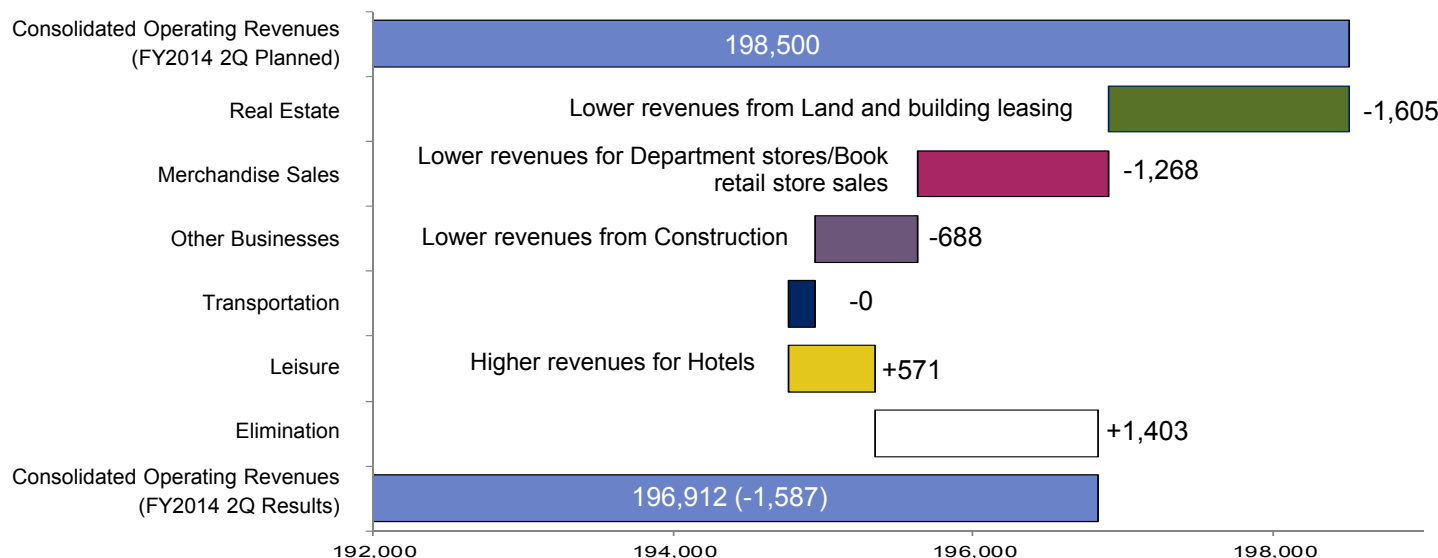
(Units: ¥ millions)



1.4. Operating Revenues/Operating Income Change Factors (vs. Plans <announced on April 30>)

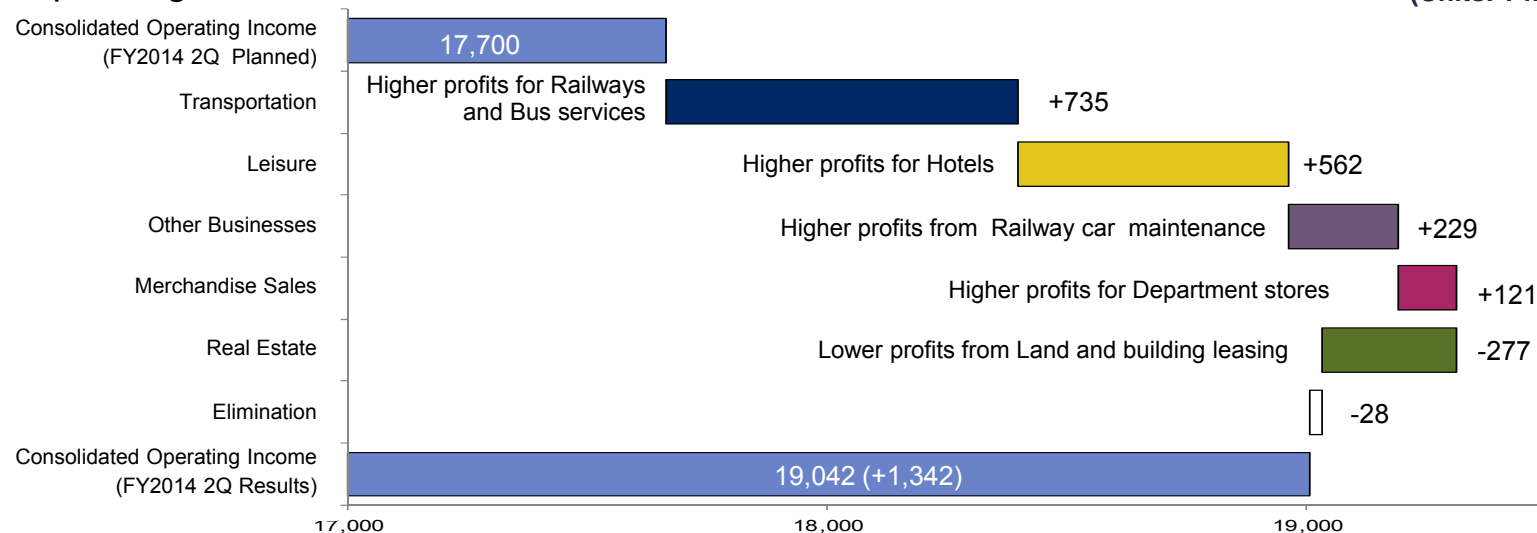
1. Consolidated Operating Revenues

(Units: ¥ millions)



2. Consolidated Operating Income

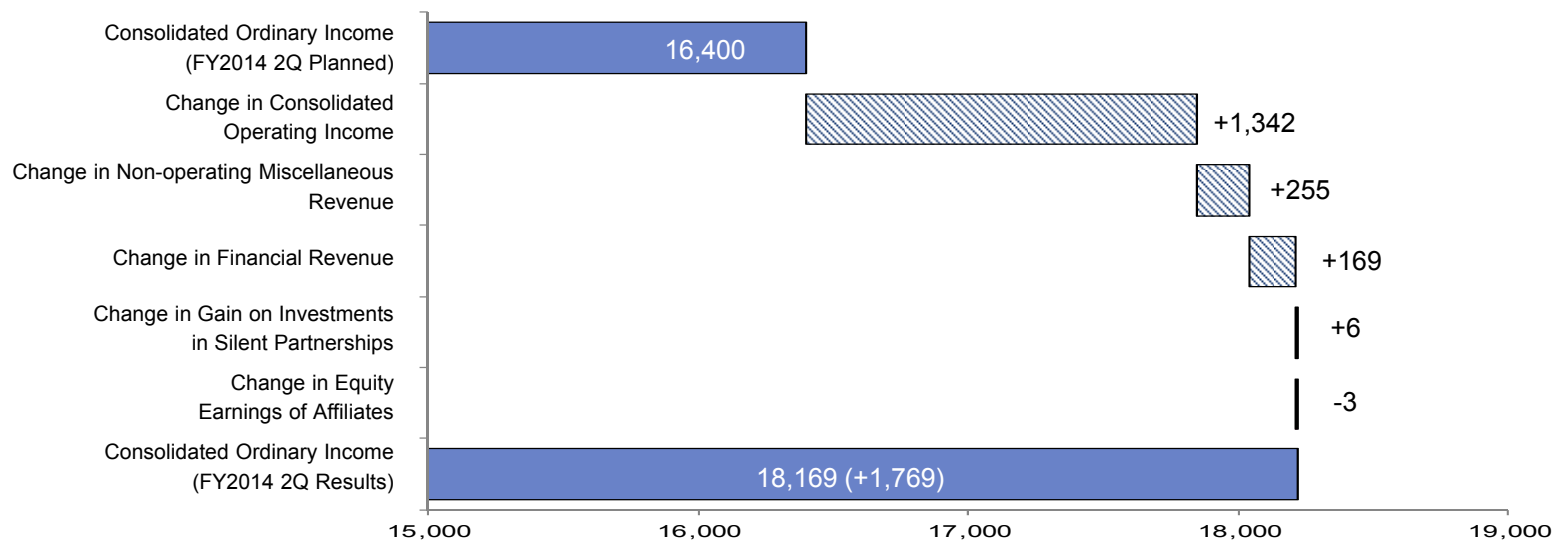
(Units: ¥ millions)



1.5. Ordinary Income/Net Income Change Factors (vs. Plans <announced on April 30>)

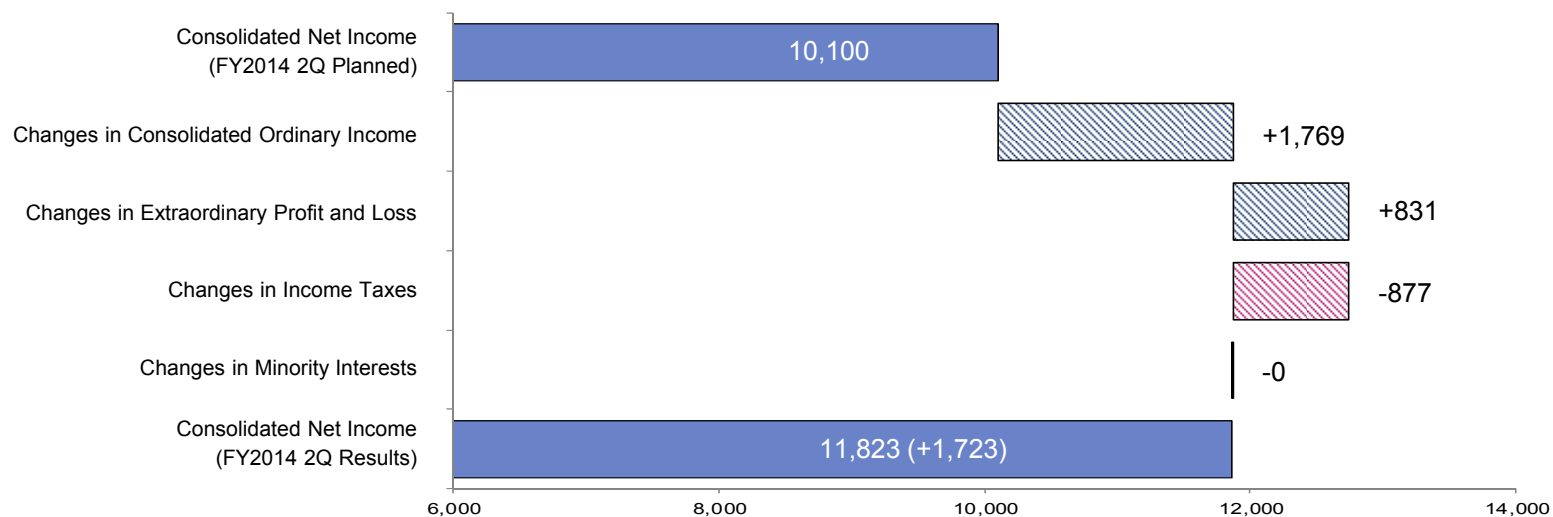
1. Consolidated Ordinary Income

(Units: ¥ millions)



2. Consolidated Net Income

(Units: ¥ millions)



2. Consolidated Balance Sheets

(Units: ¥ millions)

	FY2013 Results	FY2014 2Q Results	Change	Change Factors
Total Assets	787,825	772,403	-15,421	Decrease in property, plant and equipment due to progression of depreciation for railway business Reimbursement of investment securities
Liabilities	495,218	474,596	-20,621	payment of construction deposits
Net Assets	292,607	297,807	5,199	Increase due to booking of term net Income
Total Liabilities and Net Assets	787,825	772,403	-15,421	
Interest-Bearing Debt	328,941	325,161	-3,779	

(Note) Interest-bearing debt is calculated as loans payable + bonds payable + long-term accounts payable to Japan railway construction, transport and technology agency.

3. Consolidated Statements of Cash Flows

(Units: ¥ millions)

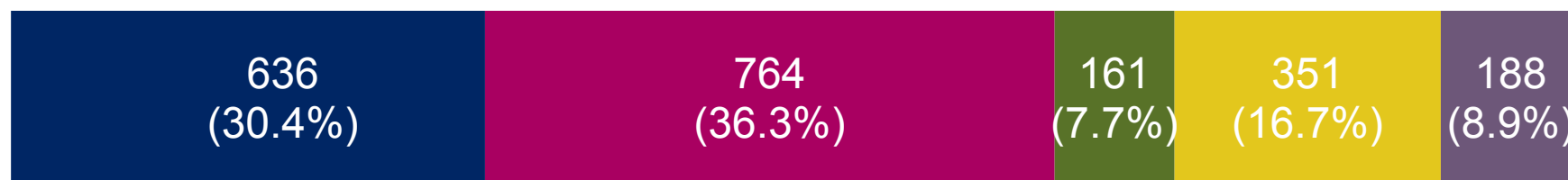
	FY2013 2Q Results	FY2014 2Q Results	Change	Change Factors
Net Cash Provided by (Used in) Operating Activities	31,232	28,324	- 2,907	
Net Cash Provided by (Used in) Investing Activities	-26,192	-16,073	10,119	Increase in proceeds from sales and redemption of investment securities
Net Cash Provided by (Used in) Financing Activities	-37,590	-6,495	31,904	Decrease in expenditures due to redemption of bonds
End of Quarter Balance for Cash and Cash Equivalents	51,249	77,230	25,981	

4. Segment Information (Corporate Composition)

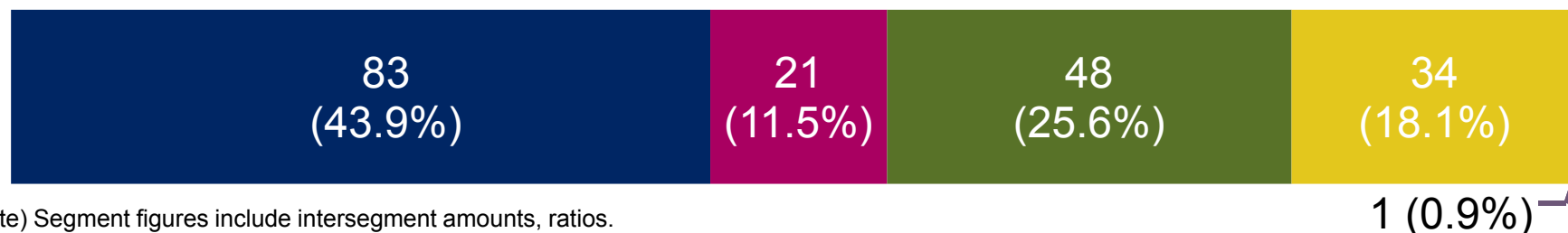
Consolidated **39 Companies as of the end of Sep. 2014**
 (Keio Corporation overlaps multiple business segments)

Transportation	Merchandise Sales	Real Estate	Leisure	Other Businesses
Keio Corporation Keio Dentetsu Bus Keio Jidousha Six others	Keio Department Store Keio Store Keio Shoseki Hanbai Six others	Keio Corporation Keio Realty and Development Keio Chika Chushajou ReBITA	Keio Plaza Hotel Keio Travel Agency Keio Agency Four others	Keio Setsubi Service Keio Juuki Seibi Keio Kensetsu Nine others

Operating Revenues FY2014 2Q: ¥1,969 hundred million <Units: ¥ hundred millions>



Operating Income FY2014 2Q: ¥190 hundred million <Units: ¥ hundred millions>



(Note) Segment figures include intersegment amounts, ratios.

4. Segment Information (Transportation-1)

(Units: ¥ millions)


	FY2013 2Q Results	FY2014 2Q Results	Change (%)	Change Factors	FY2014 2Q Planned (2014.4.30 announced)	Difference (%)
(Railways)	40,697	40,960	263 (0.6)	Refer to next page	40,917	43 (0.1)
(Bus Services)	17,292	17,531	239 (1.4)		17,412	119 (0.7)
(Taxi Services)	6,368	6,284	-83 (-1.3)		6,372	-88 (-1.4)
(Other)	1,232	1,306	73 (6.0)		1,301	4 (0.4)
(Elimination)	-2,212	-2,393	-181 —		-2,223	-170 —
Operating Revenues	63,378	63,689	311 (0.5)		63,780	-91 (-0.1)
Operating Income	8,466	8,326	-140 (-1.7)		7,591	735 (9.7)
Depreciation and Amortization	11,276	11,684	407 (3.6)			
Capital Expenditures	5,778	4,977	-801 (-13.9)			
EBITDA	19,743	20,010	267 (1.4)			

4. Segment Information (Transportation-2 [Railways Transportation Results])

		FY2013 2Q Results	FY2014 2Q Results	Change (%)		Change Factors
Passengers Transported (thousands of people)	Commuter-Pass	185,649	186,289	640	(0.3)	Improvements in employment conditions, etc.
	(Business)	135,490	137,535	2,045	(1.5)	
	(Students)	50,159	48,754	-1,405	(-2.8)	
	Non-Commuter-Pass	130,803	131,092	289	(0.2)	Increase in visitors to facilities along rail lines
	Total	316,452	317,381	929	(0.3)	
Passenger Revenues (¥ millions)	Commuter-pass	16,771	16,770	-0	(-0.0)	
	(Business)	14,791	14,859	68	(0.5)	
	(Students)	1,980	1,911	-68	(-3.5)	
	Non-Commuter-Pass	22,226	22,381	155	(0.7)	Increase in passengers transported
	Total	38,997	39,152	154	(0.4)	

[Reference] Railway Initiatives

Overview of Business Commuter Pass for both Shinjuku and Shibuya Stations

- “Docchimo”- “” a business commuter pass that allows passengers to use both Shinjuku and Shibuya stations. On sale since September 1

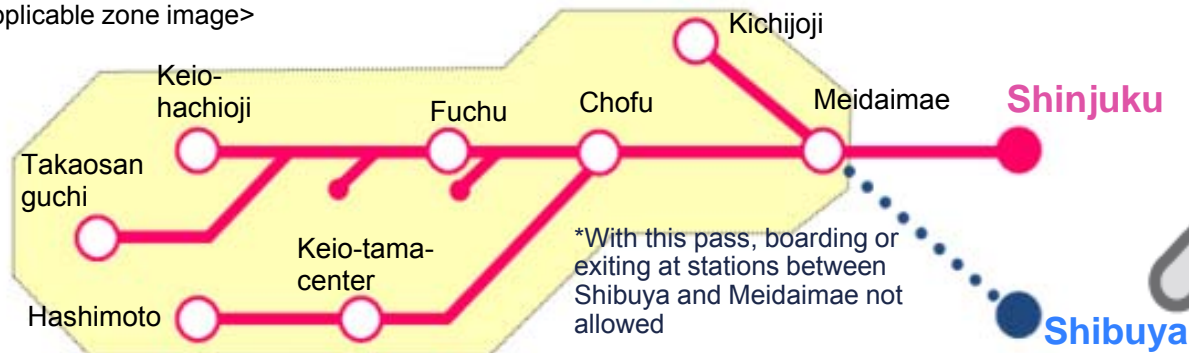
Pass type sold: PASMO business commuter pass * not available for IC commuter pass or student commuter pass

Pass price: Commuter pass to Shinjuku or Shibuya stations + 1,000 yen (one-month)

[+2,850 yen for 3-month pass, +5,400 yen for 6-month pass] *Pricing for adult fares. Fare for children is half the price of adult fares

Applicable zones

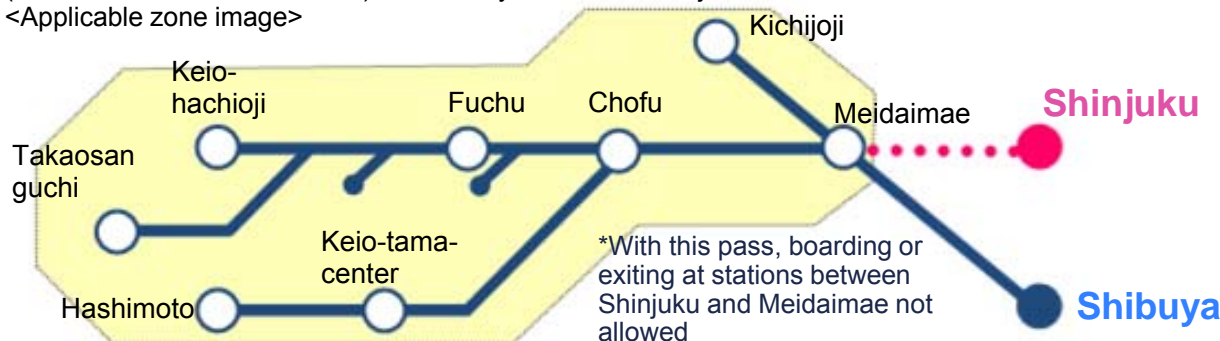
- (1) Boarding and exiting allowed at all stations between a station west of Meidaimae Station (Keio Line and Inokashira Line) and Shinjuku Station + Shibuya Station
<Applicable zone image>



<Pass image>



- (2) Boarding and exiting allowed at all stations between a station west of Meidaimae Station (Keio Line and Inokashira Line) and Shibuya Station + Shinjuku Station
<Applicable zone image>



<Advertisement poster>



4. Segment Information (Merchandise Sales)

(Units: ¥ millions)

	FY2013 2Q Results	FY2014 2Q Results	Change (%)	Change Factors	FY2014 2Q Planned (2014.4.30 announced)	Difference (%)
(Department Stores)	43,331	40,917	-2,413 (-5.6)	Decrease due to adverse impact of last-minute purchasing	41,865	-947 (-2.3)
(Retail Stores)	18,276	18,646	370 (2.0)	Increase in existing store sales	18,202	444 (2.4)
(Retail Stores - Books)	4,920	4,523	-396 (-8.1)		5,072	-548 (-10.8)
(Retail Stores - in Stations)	4,125	3,953	-171 (-4.2)		4,257	-303 (-7.1)
(Shopping Centers)	5,262	6,197	935 (17.8)	Kirarina Keio Kichijoji opened	6,106	91 (1.5)
(Other)	5,572	5,629	56 (1.0)		5,732	-102 (-1.8)
(Elimination)	-3,274	-3,461	-187 —		-3,560	98 —
Operating Revenues	78,213	76,406	-1,806 (-2.3)		77,674	-1,268 (-1.6)
Operating Income	2,636	2,183	-452 (-17.2)		2,062	121 (5.9)
Depreciation and Amortization	1,452	1,838	385 (26.6)			
Capital Expenditures	1,366	1,783	416 (30.5)			
EBITDA	4,088	4,021	-66 (-1.6)			

[Reference] Major Initiatives of Each Brand

Kirarina Keio Kichijoji Grand Opening

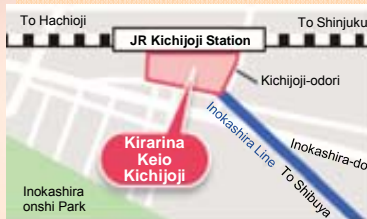
- A grand opening was held for three stores produced by the Keio Department Store as well as a new shop produced by the Keio Store, all of which were opened in the basement level 1 Food parc. Current status (from Inokashira Line side)



- The Keio Department Store produced three stores with a focus on high-quality meats, fish, and fresh produce.



A new type of food sales floor, "Food parc" delivers high quality and freshness to your daily lifestyle



- The Keio Store opened KITCHEN COURT, which promotes the concept of "the joy of choice, the taste of satisfaction."



4. Segment Information (Real Estate)

(Unites: ¥ millions)

	FY2013 2Q Results	FY2014 2Q Results	Change (%)	Change Factors	FY2014 2Q Planned (2014.4.30 announced)	Difference (%)
(Land and Building Leasing)	14,916	14,980	63 (0.4)		14,825	154 (1.0)
(Development for Selling by Lots)	6,101	4,665	-1,435 (-23.5)		7,112	-2,447 (-34.4)
(Other)	484	631	147 (30.4)		673	-41 (-6.2)
(Elimination)	- 4,353	-4,114	239 —		-4,843	728 —
Operating Revenues	17,148	16,163	-985 (-5.7)		17,768	-1,605 (-9.0)
Operating Income	5,575	4,867	-708 (-12.7)		5,144	-277 (-5.4)
Depreciation and Amortization	1,909	1,832	-76 (-4.0)			
Capital Expenditures	950	667	-283 (-29.8)			
EBITDA	7,687	6,902	-785 (-10.2)			

Ref.: Real Estate Operating Income Details

(Units: ¥ hundred millions)

Land and Building Leasing	50	49	-1 (-2.3)		45	4 (8.9)
Development for Selling by Lots	6	1	-5 (-78.3)		5	-4 (-73.7)

[Reference] Major Initiatives of Each Brand

New Initiatives by ReBITA

- ReBITA applied its planning and management experience in the field of shared residential housing to develop BUKATSUDO, a new type of shared space based on the concept of “A new space for culture and activities for adults.” ReBITA was selected to lead a revitalization project for the Yokohama Landmark Tower Dockyard Garden (nationally designated Important Cultural Property) initiated through a public-private partnership project by the City of Yokohama, the Yokohama Arts Foundation, and other groups.



4. Segment Information (Leisure)

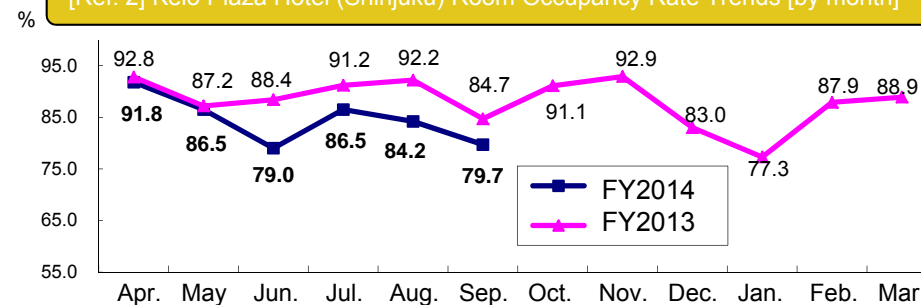
(Units: ¥ millions)

	FY2013 2Q Results	FY2014 2Q Results	Change (%)	Change Factors	FY2014 2Q planned (2014.4.30 announced)	Difference (%)
(Hotels)	21,407	21,876	468 (2.2)	Keio Plaza Hotel	21,491	384 (1.8)
(Travel Services)	9,349	9,171	-178 (-1.9)		9,487	-316 (-3.3)
(Advertising Services)	4,834	5,674	839 (17.4)		5,314	359 (6.8)
(Other)	3,143	3,200	56 (1.8)		3,151	49 (1.6)
(Elimination)	-4,850	-4,770	79 —		-4,864	94 —
Operating Revenues	33,885	35,151	1,265 (3.7)		34,579	571 (1.7)
Operating Income	2,694	3,429	734 (27.3)		2,866	562 (19.6)
Depreciation and Amortization	1,606	1,516	-89 (-5.6)			
Capital Expenditures	2,737	940	-1,796 (-65.6)			
EBITDA	4,300	4,945	644 (15.0)			

[Ref. 1] Keio Plaza Hotel (Shinjuku) Room Occupancy Rates [cumulative]

Room Occupancy Rates	89.4%	84.6%	-4.8P
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[Ref. 2] Keio Plaza Hotel (Shinjuku) Room Occupancy Rate Trends [by month]



[Reference] Major Initiatives of Each Brand

Keio Plaza Hotel Major Topics for FY2014

- The Keio Plaza Hotel has undertaken initiatives to increase customer satisfaction.
- One aspect of these initiatives was to remodel the coffee house <Jurin>. Jurin was redesigned at an all-day dining experience and reopened on October 30th.

Jurin

All Day Dining



- Newly redesigned interior offers a stylish, refreshing and comfortable atmosphere that allows customers to enjoy the panoramic view of the expansive tree line from the large window, which was named as one of Shinjuku's Top 30 Spots for Greenery.
- The café features an open kitchen, an all-day buffet counter, and sliding partitions as well as a new menu featuring a sweets buffet.

4. Segment Information (Other Businesses)

(Units: ¥ millions)

	FY2013 2Q Results	FY2014 2Q Results	Change (%)	Change Factors	FY2014 2Q Planned (2014.4.30 announced)	Difference (%)
(Building Maintenance)	9,262	8,907	-354 (-3.8)		9,270	-363 (-3.9)
(Railway Car Maintenance)	2,935	3,532	596 (20.3)		3,222	309 (9.6)
(Construction)	6,029	4,212	-1,816 (-30.1)		4,886	-673 (-13.8)
(Other)	2,818	3,098	280 (10.0)		3,195	-97 (-3.0)
(Elimination)	-1,022	-941	81 —		-1,077	135 —
Operating Revenues	20,022	18,809	-1,213 (-6.1)		19,497	-688 (-3.5)
Operating Income	-184	178	363 —		-50	229 —
Depreciation and Amortization	173	170	-3 (-1.9)			
Capital Expenditures	134	3,122	2,987 —			
EBITDA	-11	348	360 —			



II. Fiscal 2014 Full-Year Earnings Forecasts



- 1. Consolidated Statements of Income**
- 2. Segment Information**
- 3. [Reference] Forecast for Second Half of Year**

1. Consolidated Statements of Income

(Units: ¥ hundred millions)

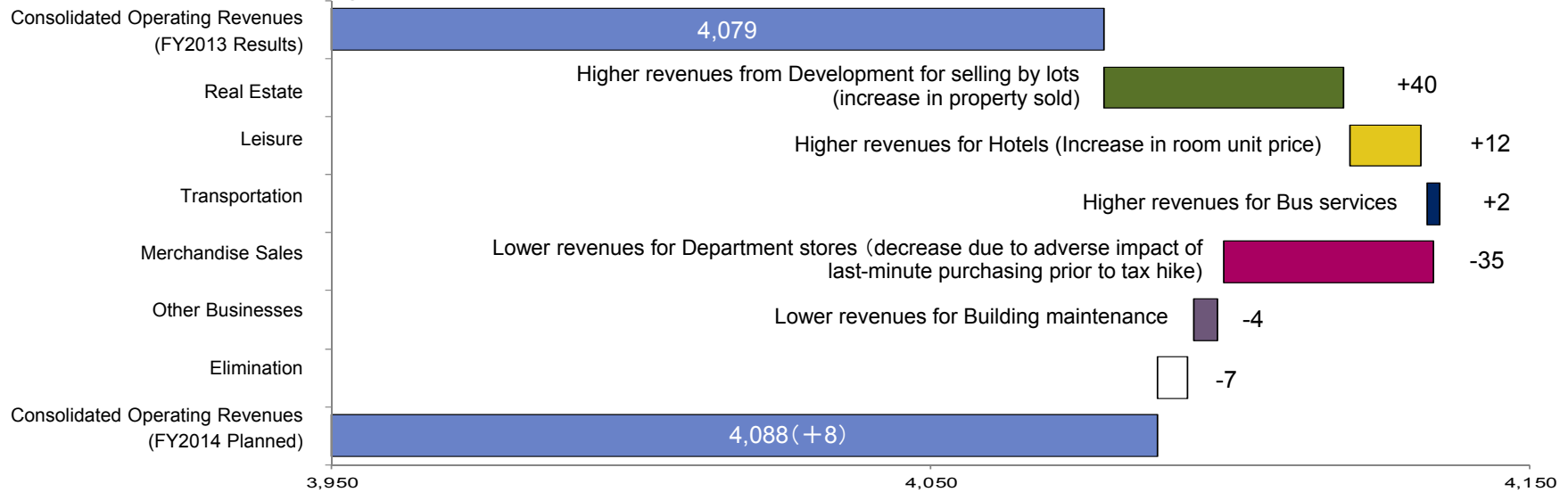
	FY2013 Results	FY2014 Forecasts	Change (%)	FY2014 Planned	Difference (%)
Operating Revenues	4,079	4,088	8 (0.2)	4,109	-21 (-0.5)
Operating Income	330	331	0 (0.1)	322	9 (2.8)
Ordinary Income	302	304	1 (0.5)	292	12 (4.1)
Net Income	161	170	8 (5.0)	170	—
EBITDA	674	686	12 (1.8)	683	2 (0.4)
Depreciation and Amortization	339	350	11 (3.4)	357	-6 (-1.9)
Capital Expenditures	388	618	229 (59.1)	618	—

(Note) EBITDA is calculated as operating income + depreciation and amortization + amortization of goodwill.

1-2. Operating Revenues/Operating Income Change Factors (vs. PY)

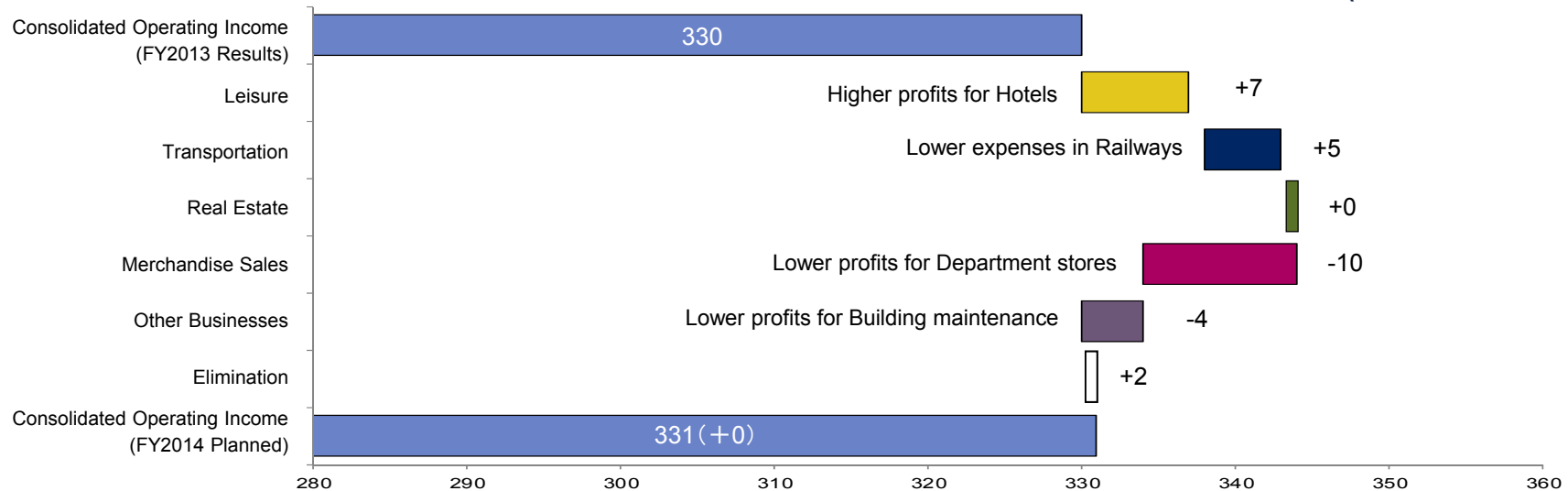
1. Consolidated Operating Revenues

(Units: ¥ hundred millions)



2. Consolidated Operating Income

(Units: ¥ hundred millions)



2. Segment Information (Transportation-1)

(Units: ¥ hundred millions)

	FY2013 Results	FY2014 Forecasts	Change (%)	Change Factors	FY2014 Planned	Difference (%)
(Railways)	817	815	-1 (-0.2)	Refer to next page	813	1 (0.2)
(Bus Services)	339	344	4 (1.4)		341	3 (0.9)
(Taxi Services)	129	128	-0 (-0.5)		130	-1 (-1.5)
(Other)	25	25	0 (2.1)		25	0 (0.1)
(Elimination)	-45	-45	-0 —		-44	-1 —
Operating Revenues	1,266	1,268	2 (0.2)		1,266	1 (0.1)
Operating Income	116	122	5 (5.0)		114	7 (6.8)
Depreciation and Amortization	235	239	3 (1.5)		242	-3 (-1.5)
Capital Expenditures	211	228	16 (7.9)		228	—
EBITDA	352	362	9 (2.7)		357	4 (1.2)

2. Segment Information (Transportation-2 [Railways Transportation Results])

		FY2013 Results	FY2014 Forecasts	Change (%)	Change Factors
Passengers Transported (thousands of people)	Commuter-Pass	368,582	370,955	2,373 (0.6)	Increases from newly introduced "Docchimo," etc.
	(Business)	273,274	279,231	5,957 (2.2)	
	(Students)	95,308	91,724	-3,584 (-3.8)	
	Non-Commuter-Pass	263,305	261,961	-1,344 (-0.5)	Decrease due to adverse impact of last-minute purchasing
	Total	631,887	632,916	1,029 (0.2)	
Passenger Revenues (¥ millions)	Commuter-pass	33,593	33,363	-230 (-0.7)	Unit price declines, etc.
	(Business)	29,833	29,776	-57 (-0.2)	
	(Students)	3,759	3,586	-172 (-4.6)	
	Non-Commuter-Pass	44,707	44,646	-61 (-0.1)	Decrease in passengers transported, etc.
	Total	78,301	78,010	-291 (-0.4)	

2. Segment Information (Merchandise Sales)

(Units: ¥ hundred millions)

	FY2013 Results	FY2014 Forecasts	Change (%)	Change Factors	FY2014 Planned	Difference (%)
(Department Stores)	927	876	-50 (-5.5)	Decrease due to adverse impact of last-minute purchasing	888	-12 (-1.4)
(Retail Stores)	370	376	6 (1.7)		369	7 (1.9)
(Retail Stores – Books)	98	91	-7 (-7.2)	Decrease in existing store sales	102	-11 (-10.8)
(Retail Stores – in Stations)	79	78	-1 (-2.3)		82	-4 (-5.1)
(Shopping Centers)	105	124	18 (18.0)		124	-0 (-0.1)
(Other)	115	118	3 (2.6)		121	-2 (-2.2)
(Elimination)	-64	-69	-4 —		-71	2 —
Operating Revenues	1,632	1,596	-35 (-2.2)		1,617	-20 (-1.3)
Operating Income	49	39	-10 (-20.6)		42	-2 (-6.5)
Depreciation and Amortization	30	40	9 (32.4)		41	-0 (-2.2)
Capital Expenditures	40	67	27 (68.1)		67	—
EBITDA	80	80	-0 (-0.4)		83	-3 (-4.4)

2. Segment Information (Real Estate)

(Units: ¥ hundred millions)

	FY2013 Results	FY2014 Forecasts	Change (%)	Change Factors	FY2014 Planned	Difference (%)
(Land and Building Leasing)	302	300	-2 (-0.7)		298	1 (0.5)
(Development for Selling by Lots)	124	163	38 (31.1)		174	-11 (-6.3)
(Other)	10	14	3 (30.6)		13	0 (1.2)
(Elimination)	-83	-82	0 —		-89	7 —
Operating Revenues	353	394	40 (11.5)		396	-2 (-0.6)
Operating Income	102	103	0 (0.9)		103	0 (0.5)
Depreciation and Amortization	38	37	-1 (-3.0)		38	-1 (-3.6)
Capital Expenditures	86	163	77 (89.9)		163	—
EBITDA	145	144	-0 (-0.1)		145	-0 (-0.6)

Ref.: Real Estate Operating Income Details

(Units: ¥ hundred millions)

Land and Building Leasing	93	86	-6 (-7.1)		81	4 (5.7)
Development for Selling by Lots	8	13	4 (53.6)		19	-5 (-29.9)

2. Segment Information (Leisure)

(Units: ¥ hundred millions)

	FY2013 Results	FY2014 Forecasts	Change (%)	Change Factors	FY2014 Planned	Difference (%)
(Hotels)	442	451	8 (2.0)	Keio Plaza Hotel	446	4 (1.0)
(Travel Services)	162	165	2 (1.6)		167	-2 (-1.4)
(Advertising Services)	111	112	1 (1.3)		111	1 (1.2)
(Other)	59	59	0 (1.5)		59	0 (0.0)
(Elimination)	-96	-97	-0 —		-97	0 —
Operating Revenues	678	691	12 (1.9)		687	3 (0.5)
Operating Income	47	55	7 (15.8)		52	2 (5.6)
Depreciation and Amortization	32	31	-1 (-3.7)		31	-0 (-1.1)
Capital Expenditures	52	78	26 (50.8)		78	—
EBITDA	80	86	6 (7.9)		84	2 (3.1)

[Ref.] Keio Plaza Hotel (Shinjuku) Room Occupancy Rates [cumulative]

Room Occupancy Rates	88.1%	85.3%	-2.8P
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2. Segment Information (Other Businesses)

(Units: ¥ hundred millions)

	FY2013 Results	FY2014 Forecasts	Change (%)	Change Factors	FY2014 Planned	Difference (%)
(Building Maintenance)	225	205	-19 (-8.5)		210	-4 (-2.0)
(Railway Car Maintenance)	83	83	0 (0.2)		81	1 (2.0)
(Construction)	192	208	15 (8.1)		187	20 (11.2)
(Other)	61	66	5 (8.3)		65	1 (2.1)
(Elimination)	-25	-32	-6 —		-25	-6 —
Operating Revenues	536	531	-4 (-0.9)		518	13 (2.6)
Operating Income	17	13	-4 (-23.4)		11	1 (14.2)
Depreciation and Amortization	3	3	0 (8.9)		4	-0 (-14.8)
Capital Expenditures	5	83	77 (1,315.3)		83	—
EBITDA	21	17	-3 (-18.0)		16	1 (6.1)

3. [Reference] Forecast for Second Half of Year

(Consolidated statements of
income, Segment Information)

(Units: ¥ hundred millions)

	Operating Revenues			Operating Income		
	FY2013 H2 Results	FY2014 H2 Forecasts	Change (%)	FY2013 H2 Results	FY2014 H2 Forecasts	Change (%)
Transportation	632	631	-1 (-0.2)	32	39	7 (22.6)
Merchandise Sales	850	832	-17 (-2.1)	23	17	-5 (-24.4)
Real Estate	182	232	50 (27.6)	46	54	8 (17.2)
Leisure	339	340	0 (0.1)	20	20	0 (0.8)
Other Businesses	336	343	7 (2.1)	19	11	-7 (-39.9)
Elimination	-243	-260	-17 —	-4	-3	0 —
Total	2,097	2,119	21 (1.0)	138	141	2 (1.9)

(Units: ¥ hundred millions)

	FY2013 H2 Results	FY2014 H2 Forecasts	Change (%)
Ordinary Income	125	122	-2 (-2.0)
Net Income	53	52	-1 (-2.2)

III. Fiscal 2014 Initiatives

- (1) Medium-Term Investment Schedule
- (2) Improve Safety and Revenue Potential in our Railway Business
 - (a) Grade Crossing, Elevated Line Construction near the Chofu Station
 - (b) Keio Line (Between Sasazuka and Sengawa Stations) Grade Crossings/Elevated Lines
- (3) Neighborhood Success
 - (a) Multifaceted Development of Lifestyle Support Services
 - (b) Expanded projects for senior citizens
 - (c) Takaosan Area Development Initiative
 - (d) Redevelopment of Juki Building in Sasazuka
 - (e) Development of Area around Chofu Station
- (4) Growth Initiatives
 - Keio Presso Inn Development

(1) Medium-Term Investment Schedule

	~FY2012	FY2013	FY2014	FY2015~
Grade Crossing, Elevated Line Construction near the Chofu Station	Construction began in FY2004 Complete switchover to underground line in FY2012	Remove surface structure, construct station building	Planned completion of project	
Development of Area around Chofu Station			Begin preparations aimed at above-ground utilization after completion of joint project Scheduled for completion in 2017	
Keio Line (Between Sasazuka and Sengawa stations) Grade crossings/elevated lines	FY2012 Decide urban planning	Acquired urban planning permit		Complete project in 2022 (planned)
Expanded projects for senior citizens			<Elderly housing with supportive services>	Opening planned for November of 2016
			<Pay nursing homes>	Opening planned for April of 2016
Takaosan Area Development Initiative	<Takaosanguchi Hot Spring Facility>	Excavation completed	Planned completion of development for spring of 2015	
		<Takaosanguchi Station development>		
Redevelopment of Juki Building in Sasazuka			Opening planned for spring of 2015	
Keio Presso Inn Development			<Akasaka>	Opening planned for summer of 2015
			<Yaesu>	Opening planned for summer of 2017

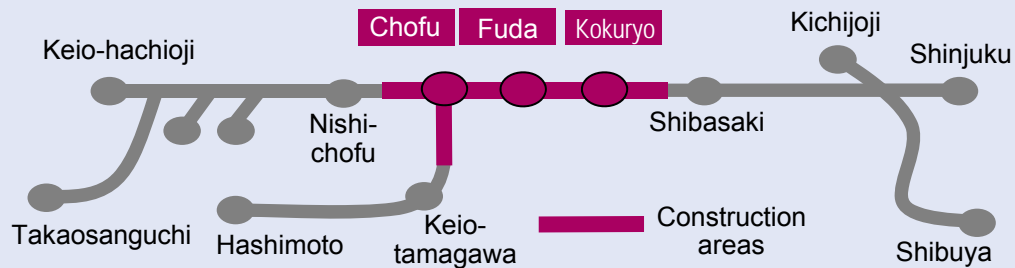
(2) Improve Safety and Revenue Potential in our Railway Business

(a) Grade Crossing, Elevated Line Construction near the Chofu Station

~FY2012	FY2013	FY2014
<p>Construction began in FY2004 Complete switchover to underground line in FY2012</p>	<p>Remove surface structures, construct station building</p>	<p>Planned completion of project</p>

[Future plans]

- During FY2014, we will complete restoration work as we work to project completion.



Around Chofu Stn



Structure prior to switch to underground station



Around current Chofu Stn

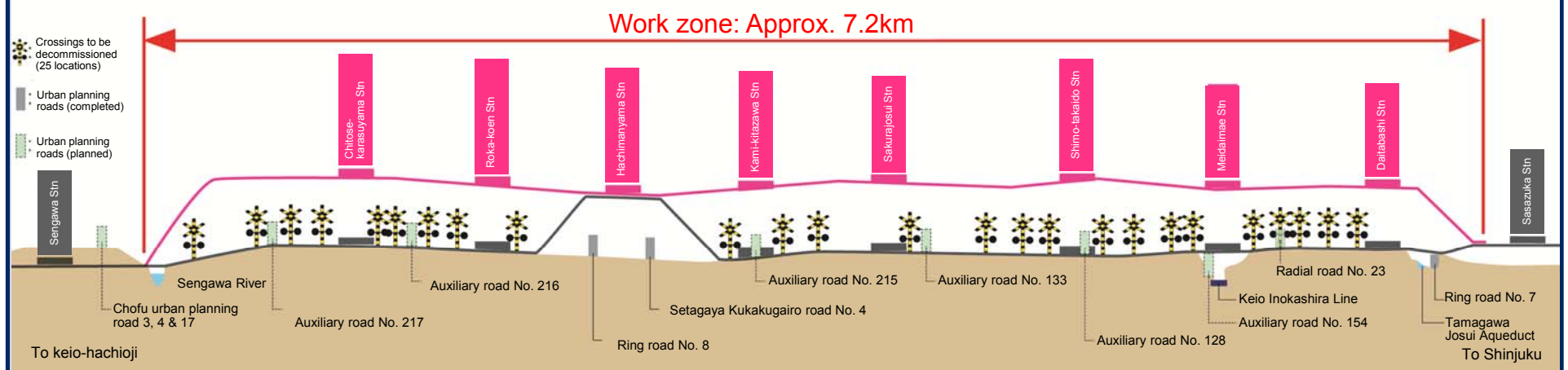
Construct facilities to match above-ground utilization
(See Slide 39 for above-ground utilization)

(2) Improve Safety and Revenue Potential in our Railway Business

(b) Keio Line (Between Sasazuka and Sengawa Stations) Grade Crossings/Elevated Lines



[Project Outline]



[Benefits of the Project]

- Facilitation of roadway traffic => **Relieve traffic congestion** caused by waiting at grade crossings
- Improvement in safety => Through elimination of grade crossing, **improve both road and railway safety**
- Regional development => **Reunite neighborhoods** once divided by a rail line

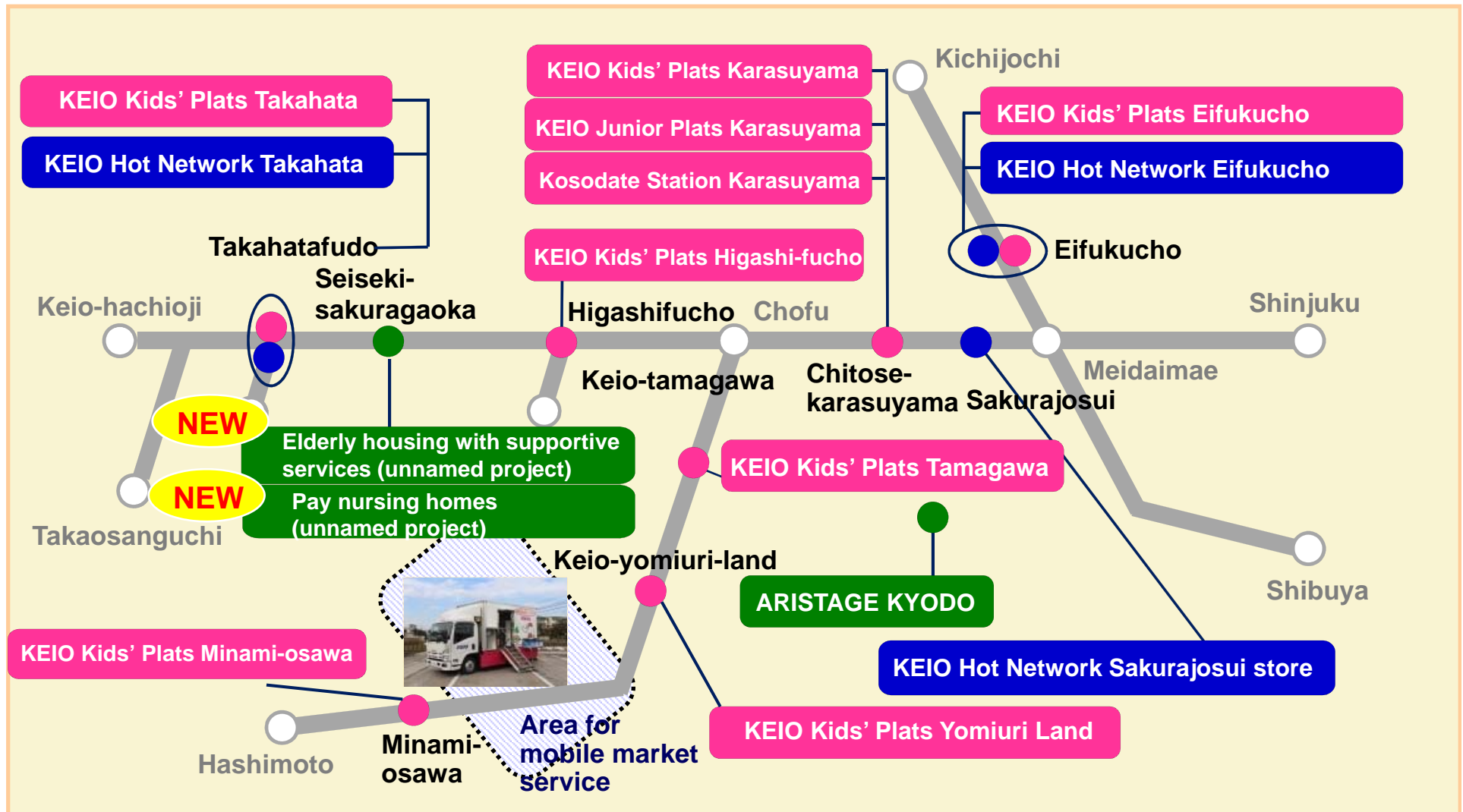
[Future schedule]

- Acquired urban planning permit in February 2014. We will collaborate with the project sponsor (Tokyo Metropolitan Government) on design as well as development land acquisition as we held compensation explanation sessions in July and August of 2014.

(3) Neighborhood Success

(a) Multifaceted Development of Lifestyle Support Services

- We will work toward “Being the Rail Line People Choose to Live Near” by evaluating a new service menu grounded in the needs of residents, particularly elderly generations and families with children. We also will look to expand our existing lifestyle support service menu.



(3) Neighborhood Success

(b) Expanded Projects for Senior Citizens

- The development of elderly housing with supportive services and pay nursing homes will eliminate the concerns and inconveniences of senior citizens living along Keio Line and provide support for an active lifestyle. This will help achieve a living environment in which senior citizens can always enjoy a life filled with energy and vitality.

Elderly housing with supportive services

Fully equipped kitchens and bathrooms in each residence based on barrier-free designs. On-site staff 24 hours/365 days to provide nutritionally balanced food services. In addition to partnering with a medical corporation to provide nursing care, the housing will also feature a consultation desk for linking residents with community medical and nursing care facilities.



Location: 1-2-11 Sekido, Tama city, Tokyo
 Rooms: 53
 Opening planned: 2016
 Management: Keio Wealthy Stage Corporation

Pay nursing homes

We will create a facility that provides comfortable living to senior citizens who require continuous nursing care services. This facility will be opened in an area near the elderly housing with supportive services and will feature benefits such as priority placement for residents in elderly housing with supportive services.



Location: 4-33-10 Sakuragaoka, Tama city, Tokyo
 Rooms: 78
 Opening planned: 2016
 Management: Charm Care Corporation
 (Pay nursing home specialty company)

(3) Neighborhood Success

(c) Takaosan Area Development Initiative

The number of visitors to the Takaosan area is increasing and we expect to see increases in foreign visitors and visitor traffic generated by the opening of the Ken-O Expressway south of the Takaosan IC.

=> Takaosan is a vital tourism resource along rail lines and we will work to improve area appeal

Opening of Day-Trip Hot Spring Facility

- ◆ Hot spring discovered after excavation



[Outline]

- ◆ Gross floor area: 1,787.5 m²
- ◆ Structure: 2-floor building
- ◆ Menu: Public bath, food & beverage, sales

Takaosanguchi Station (gateway role) Development

- ◆ Renewal of station and station grounds
- ◆ Station building designed by famous Japanese architect Kengo Kuma



Initiative to improve area appeal

- ◆ Acquired portion of Ukai Co., Ltd. stock (5.7%) in March 2014
- ◆ In October, we held a bus tour for foreign visitors to Japan – “Takaosan Pleasant Hiking & Visit to Takaosan Yakuoin Temple with a meal at Ukai Toriyama!”



Ukai Toriyama

(3) Neighborhood Success

(d) Redevelopment of Juki Building in Sasazuka

~FY2012	FY2013	FY2014
		Opening planned for spring of 2015

- Redevelopment project for a building owned by Keio group company, Keio Juuki Seibi, adjacent to Sasazuka Station
- In conjunction with the Shibuya-ku city plan, contribute to community making and improve area potential

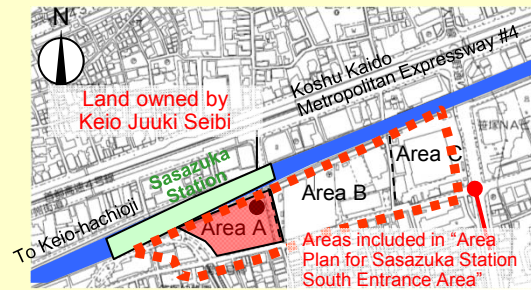
Appearance before Reconstruction

[Outline]

- Construction completed in 1967
- Built with 9 floors and 1 basement level
- Gross floor area: Approx. 22,000 m²



City Plans ("Area Plan for Sasazuka Station South Entrance Area," etc.)



New construction site

Facility name Merkmal Keio Sasazuka



Facility that will become a symbol for a new lifestyle stage



[Outline]

- Opening planned for spring of 2015
- 21 floors and 2 basement levels
- Maximum height: Approx. 93m
- Gross floor area: Approx. 38,400m²
- Commercial space: Floors 1 ~ 3
- Office space: Floors 4 ~ 8
- Residential: Floors 10 ~ 21
- Total cost of project: Approx. ¥14 billion

(3) Neighborhood Success

(e) Development of Area around Chofu Station

~FY2012	FY2013	FY2014	FY2015~
Grade crossing, elevated line construction for railway	Remove surface structures, construct station building	Planned completion of project Begin preparations aimed at above-ground utilization after completion of joint project .Opening planned 2017	Begin preparations aimed at above-ground utilization after completion of joint project .Opening planned 2017

[Future plans]

- Begin construction after completion of grade crossing, elevated line construction for railway, opening planned for 2017

[Outline]

- Commercial facility

[Lot A]

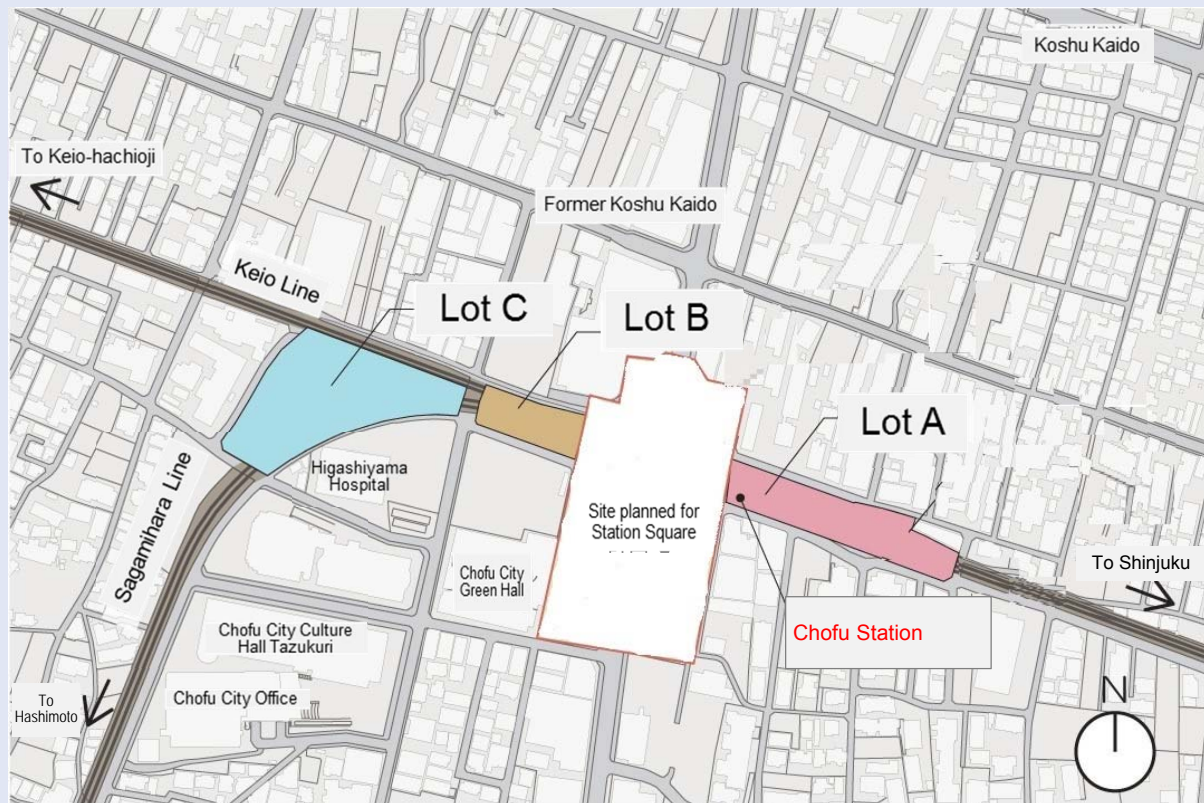
Land area: Approx. 4,000m²
Gross floor area: Approx. 19,000m²

[Lot B]

Land area: Approx. 1,700m²
Gross floor area: Approx. 6,000m²

[Lot C]

Land area: Approx. 6,200m²
Gross floor area: Approx. 24,000m²



(4) Growth Initiatives

Keio Presso Inn Development

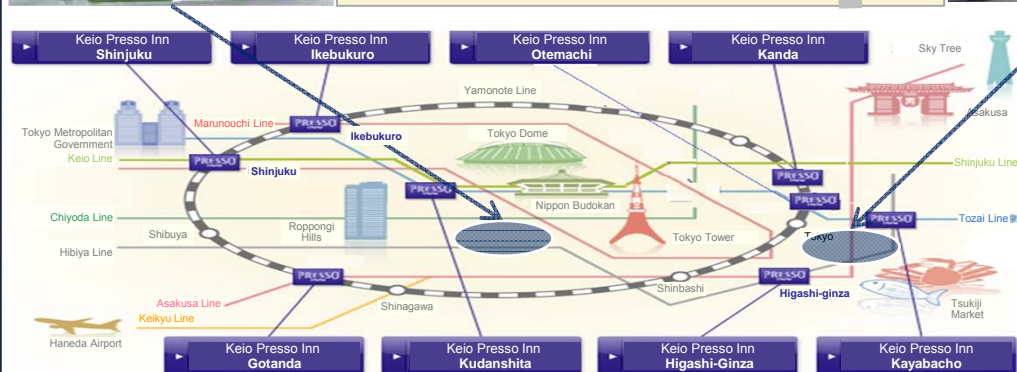
- New openings in **Akasaka** and **Yaesu**, aiming for early realization of transition from current 2,000 to 3,000 rooms
- We will reevaluate target opening and scale for **Yaesu** due to having been able to acquire the land adjacent to the original planned development site.

Keio Presso Inn Akasaka (provisional name)

- Open in summer of 2015 (planned)
- Total rooms: 157 (planned)

Keio Presso Inn Tokyo Yaesu (provisional name)

- Open in 2015 (planned) => Open in **summer of 2017** (planned)
- Total rooms: Approx. 170 (planned) => **Approx. 240** (planned)



8 hotels/approx. 2,000 rooms


+ Akasaka and Yaesu

10 hotels/approx. 2,400 rooms

Continuation of new openings

To 3,000 rooms

- In addition to the above two projects, we will continue to evaluate candidate sites for new projects.



The earnings projections 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.

[Contact]

Keio Corporation

Finance and Accounting
Department

Attn: Kimura

PHONE: +81-42-337-3135

FAX: +81-42-374-9810

