



あなたと あたらしい あしたへ — 京王グループ



Fiscal 2015 Second Quarter Financial Results

— November 9, 2015 —

Keio Corporation
京王電鉄株式会社

Contents

I. Fiscal 2015 Second Quarter Earnings



II. Fiscal 2015 Full-Year Earnings Forecasts



III. Fiscal 2015 Initiatives



I. Fiscal 2015 Second Quarter Earnings

1. Consolidated Statements of Income
2. Consolidated Balance Sheets
3. Consolidated Statements of Cash Flows
4. Segment Information

1. Consolidated Statements of Income

(Units: ¥ millions)

	FY2014 2Q Results	FY2015 2Q Results	Change (%)	FY2015 2Q Planned (2015.4.30 announced)	Difference (%)
Consolidated Operating Revenues	196,912	202,551	5,639 (2.9)	201,500	1,051 (0.5)
Consolidated Operating Income	19,042	22,903	3,860 (20.3)	19,100	3,803 (19.9)
Consolidated Ordinary Income	18,169	21,622	3,453 (19.0)	17,500	4,122 (23.6)
Net Income Attributable to Parent Company Shareholders	11,823	14,059	2,235 (18.9)	11,100	2,959 (26.7)
Consolidated EBITDA	36,191	40,364	4,173 (11.5)		
Consolidated and Amortization Depreciation	16,946	17,258	312 (1.8)		
Capital Expenditures	12,655	13,860	1,205 (9.5)		

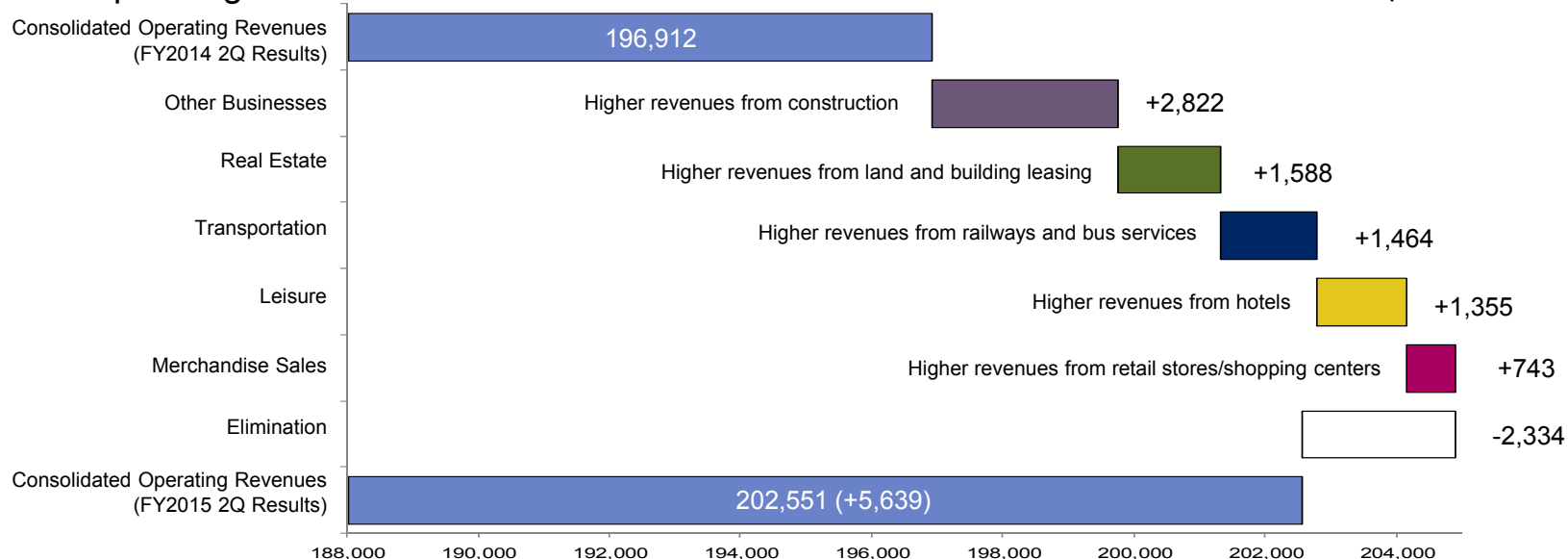
(Notes) 1 EBITDA is calculated as operating income + depreciation and amortization + amortization of goodwill.

2 FY2015 2Q planned figures are those announced on April 30th, 2015.

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

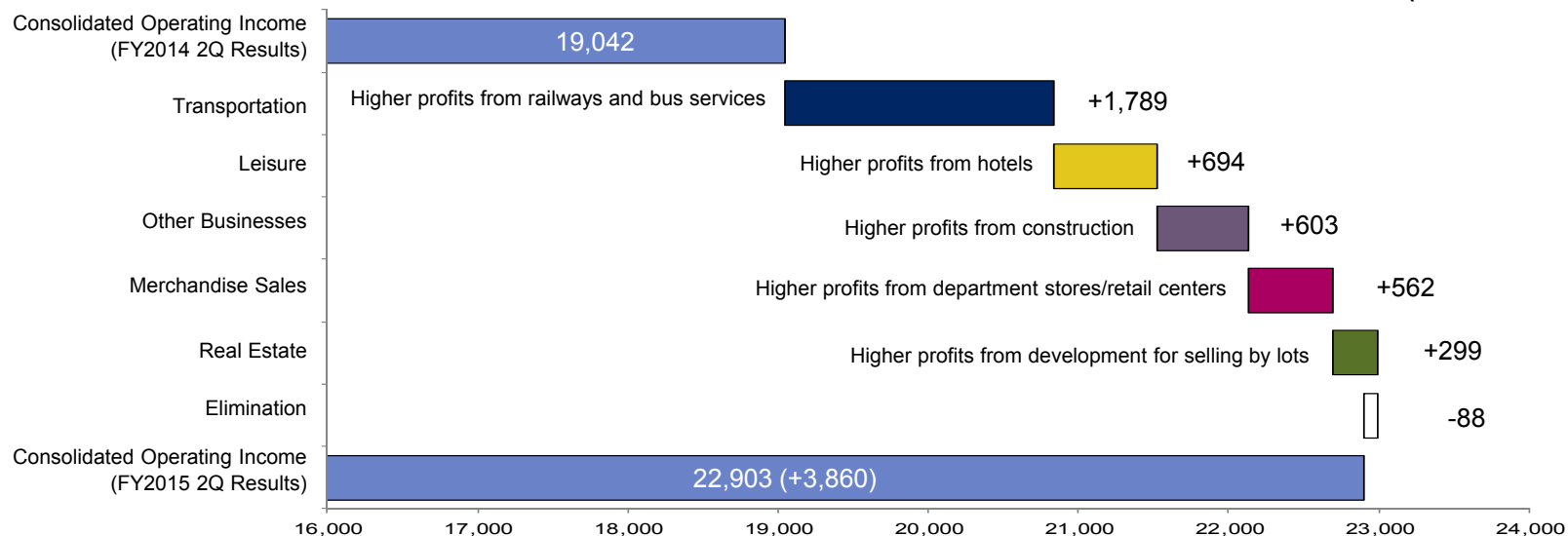
1. Consolidated Operating Revenues

(Units: ¥ millions)



2. Consolidated Operating Income

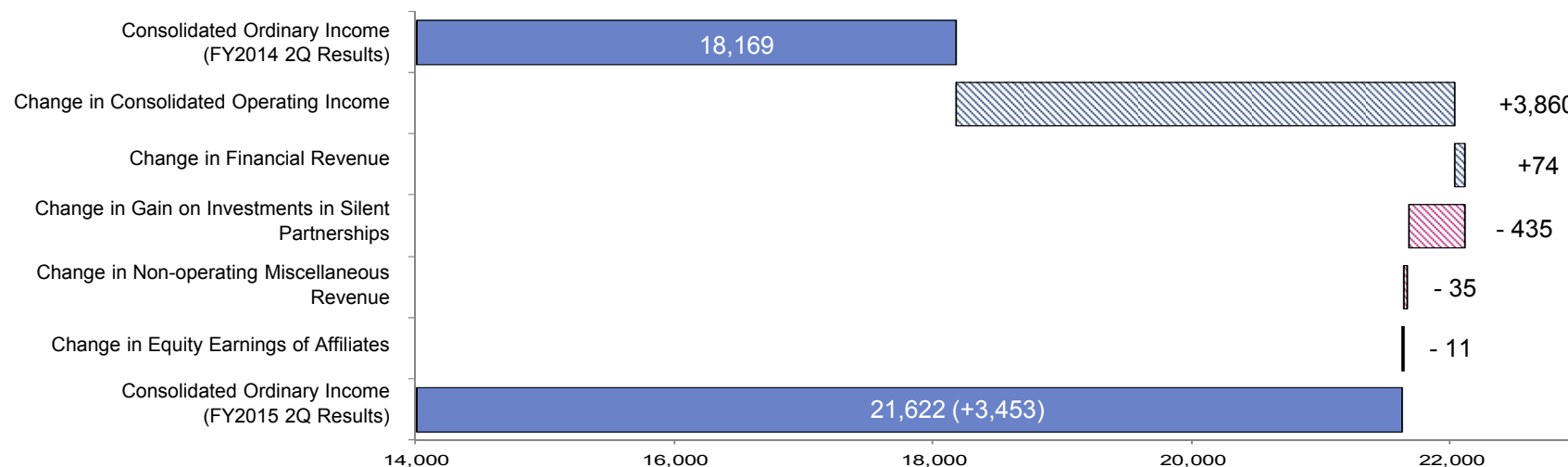
(Units: ¥ millions)



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

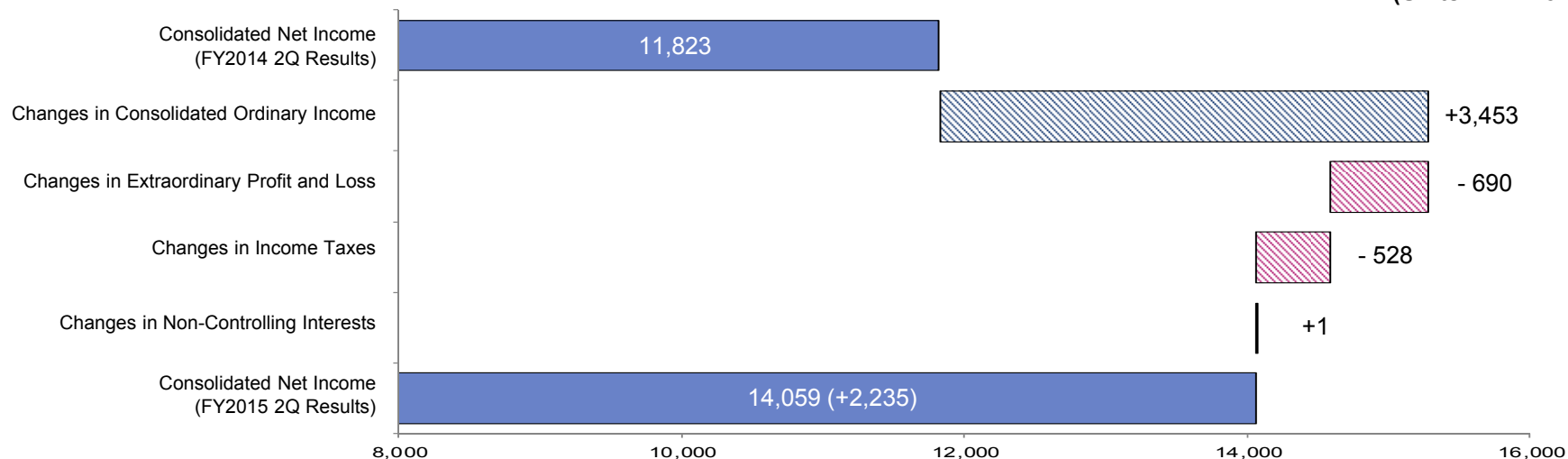
1. Consolidated Ordinary Income

(Units: ¥ millions)



2. Net Income Attributable to Parent Company Shareholders

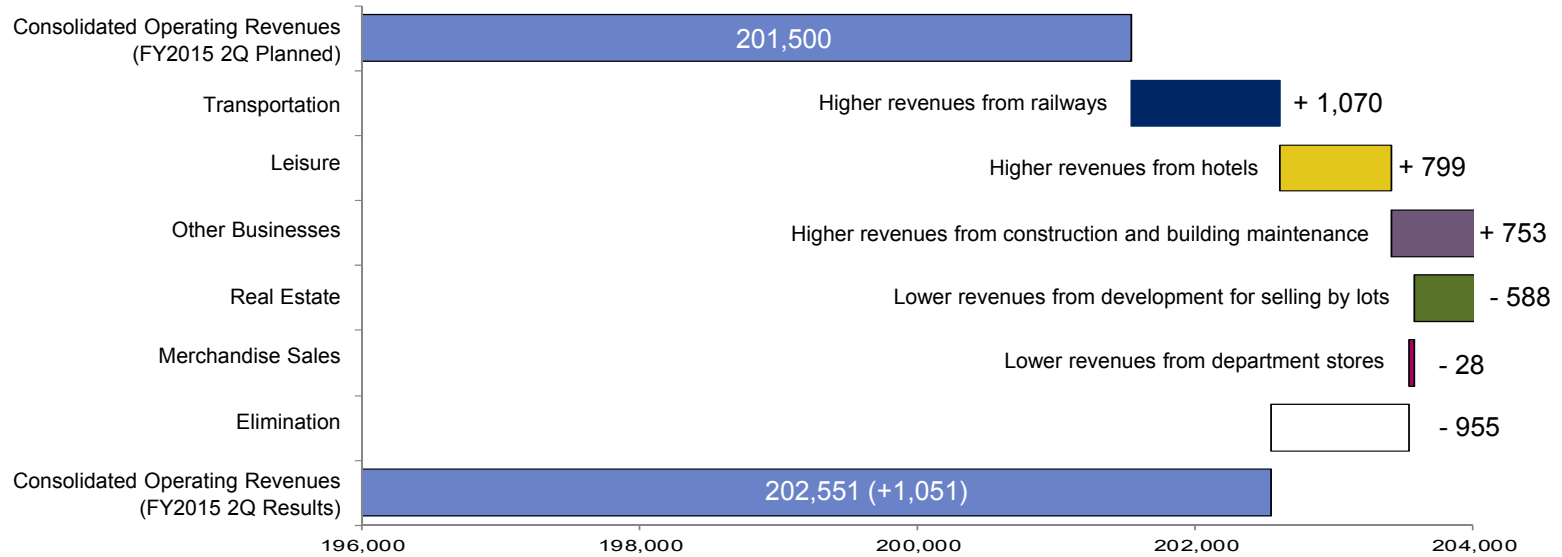
(Units: ¥ millions)



1-4. Operating Revenues/Operating Income Change Factors (vs. Plans <announced on April 30>)

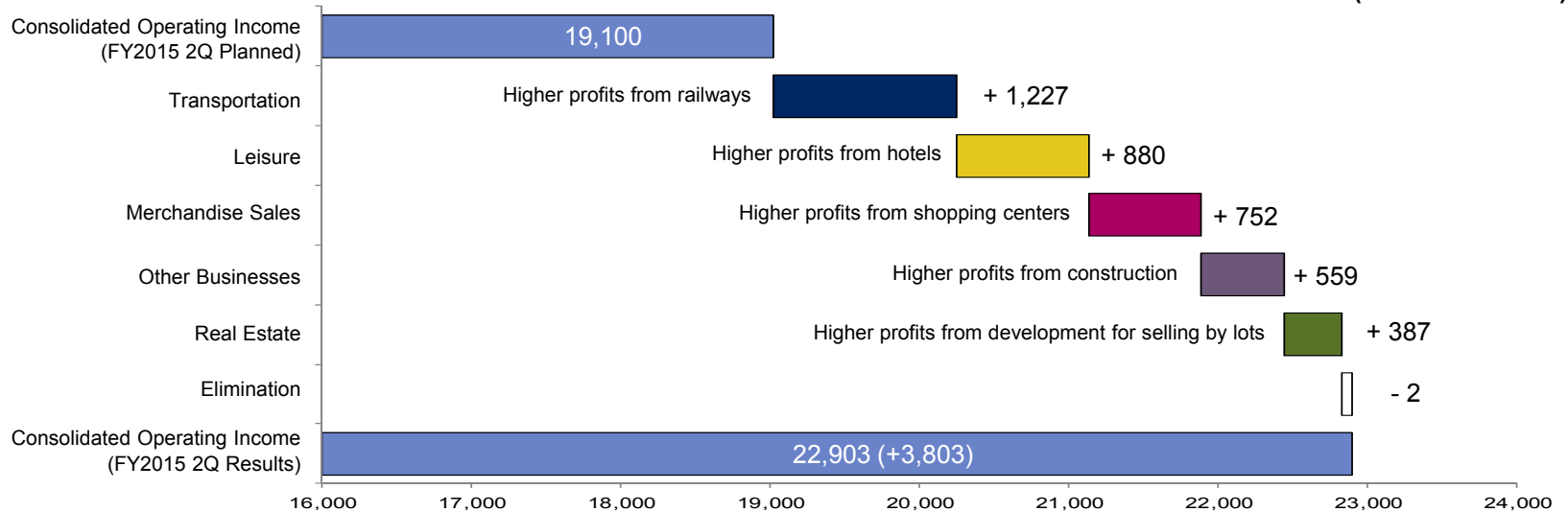
1. Consolidated Operating Revenues

(Units: ¥ millions)



2. Consolidated Operating Income

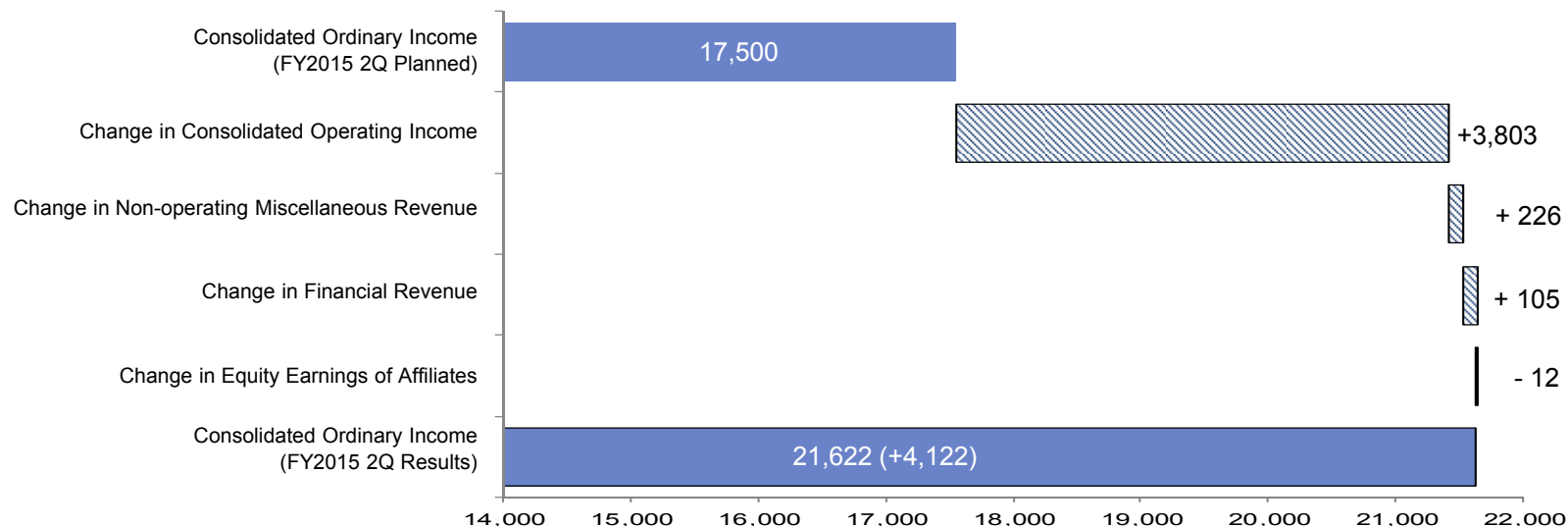
(Units: ¥ millions)



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

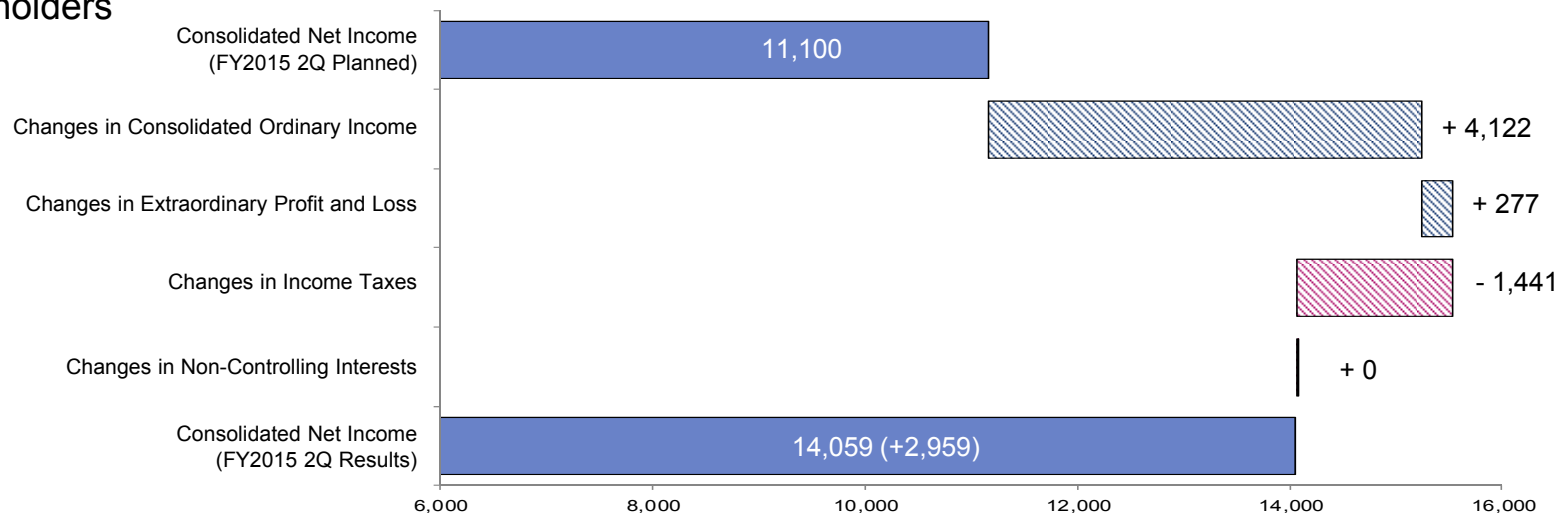
1. Consolidated Ordinary Income

(Units: ¥ millions)



2. Consolidated Net Income Attributable to Parent Company Shareholders

(Units: ¥ millions)



2. Consolidated Balance Sheets

(Units: ¥ millions)

	FY2014 Results	FY2015 2Q Results	Change	Change Factors
Total Assets	782,422	775,153	-7,269	Lower proceeds from collection of receivables, lower appraised value of investment securities
Liabilities	474,696	459,757	-14,939	Payment of construction deposits
Net Assets	307,726	315,395	7,669	Increase due to booking of term net Income Attributable to Parent Company Shareholders
Total Liabilities and Net Assets	782,422	775,153	-7,269	
Interest-Bearing Debt	308,157	306,299	-1,857	

(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)

	FY2014 2Q Results	FY2015 2Q Results	Change	Change Factors
Net Cash Provided by (Used in) Operating Activities	28,324	29,151	826	
Net Cash Provided by (Used in) Investing Activities	-16,073	-26,655	-10,582	Decrease in proceeds from sales and redemption of investment securities
Net Cash Provided by (Used in) Financing Activities	-6,495	-4,579	1,915	Increase in proceeds from long-term loans payable
End of Quarter Balance for Cash and Cash Equivalents	77,230	62,640	-14,590	

4. Segment Information (Corporate Composition)

Consolidated

39 Companies as of the end of Sep. 2015

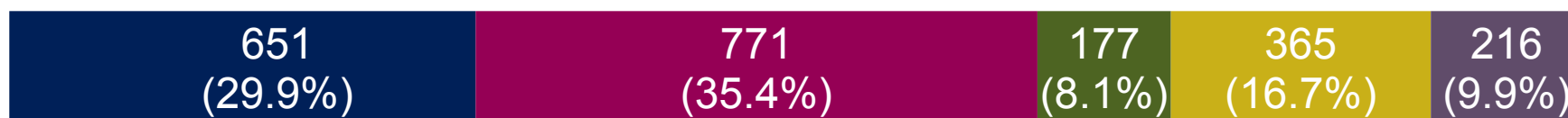
(Keio Corporation and Keio Juuki Seibi overlap multiple business segments)

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 & Development ReBITA Two others	Keio Plaza Hotel Keio Travel Agency Keio Agency Four others	Keio Setsubi Service Keio Juuki Seibi Keio Construction Nine others

Operating Revenues

FY2015 2Q: 2,025 hundred million yen

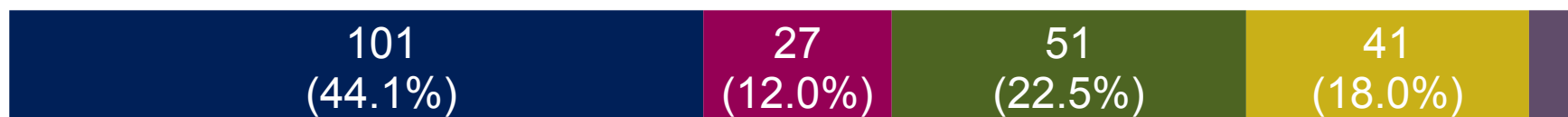
<Unit: Hundred millions of yen>



Operating Income

FY2015 2Q: 229 hundred million yen

<Unit: Hundred millions of yen>



(Note) Segment figures include intersegment amounts and ratios.

7
(3.4%)

4. Segment Information (Transportation-1)

(Units: ¥ millions)

	FY2014 2Q Results	FY2015 2Q Results	Change (%)	Change Factors	FY2015 2Q Planned (2015.4.30 announced)	Difference (%)
(Railways)	40,960	41,981	1,020 (2.5)	See next page	41,067	913 (2.2)
(Bus services)	17,531	18,078	546 (3.1)		17,864	214 (1.2)
(Taxi services)	6,284	6,272	-12 (-0.2)		6,170	101 (1.6)
(Other)	1,306	1,330	23 (1.8)		1,321	8 (0.7)
(Elimination)	-2,393	-2,508	-114 –		-2,341	-167 –
Operating Revenues	63,689	65,154	1,464 (2.3)		64,083	1,070 (1.7)
Operating Income	8,326	10,115	1,789 (21.5)		8,888	1,227 (13.8)
Depreciation and Amortization	11,684	11,437	-246 (-2.1)			
Capital Expenditures	4,977	5,337	360 (7.2)			
EBITDA	20,010	21,553	1,542 (7.7)			

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

(Units: Thousands of people, ¥ millions, %)

		FY2014 2Q Results	FY2015 2Q Results	Change (%)	Change Factors
Passengers Transported (thousands of people)	Commuter-Pass	186,289	196,134	9,845 (5.3)	Improvements in employment conditions, decrease due to adverse impact of last minute purchasing prior to consumption tax hike during the period a year ago, etc.
	(Business)	137,535	145,374	7,839 (5.7)	
	(Students)	48,754	50,760	2,006 (4.1)	
	Non-Commuter-Pass	131,092	133,991	2,899 (2.2)	Decrease due to adverse impact of last minute purchasing prior to consumption tax hike during the period a year ago, etc.
	Total	317,381	330,125	12,744 (4.0)	
Passenger Revenues (¥ millions)	Commuter-Pass	16,770	17,438	667 (4.0)	
	(Business)	14,859	15,448	588 (4.0)	
	(Students)	1,911	1,990	78 (4.1)	
	Non-Commuter-Pass	22,381	22,851	470 (2.1)	
	Total	39,152	40,289	1,137 (2.9)	

[Reference] Major Initiatives of Each Brand

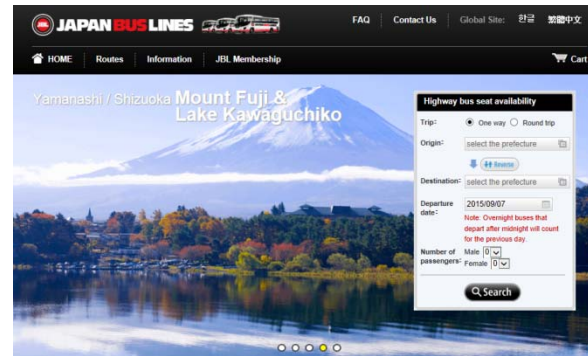
FY2015 Initiatives of Transportation Segment Companies

Freeway Bus Service Initiatives

- During the summer, we promoted our bus services to mountain climbers visiting the Northern, Central, and Southern Alps for the summer.
- We participated in JAPAN BUS LINES, a freeway bus reservation site for overseas visitors.
 - ⇒ Promotion of freeway bus service network linking Shinjuku with areas that are popular with overseas visitors (Mt. Fuji, Hida Takayama, etc.)



We carried out promotion activities with the aim of attracting newly targeted customers. As part of these efforts, we enlisted for PR purposes Tomoko Suzuki, a celebrity who is well known among hikers and mountain climbers.



[JAPAN BUS LINES homepage]



Taxi Initiatives

- We launched Happy Child Support Taxi (*hapi chiru support taxi*), a taxi service for elementary students
 - ⇒ This service can be used by elementary students during after school hours for commuting to after-school care centers, tutoring schools (*juku*) or extra-curricular lessons, etc.
- A taxi service for pregnant women has already been launched, and we will further strengthen transportation services that support people's lives.



4. Segment Information (Merchandise Sales)

(Units: ¥ millions)

	FY2014 2Q Results	FY2015 2Q Results	Change (%)	Change Factors	FY2015 2Q Planned <small>(2015.4.30 announced)</small>	Difference (%)
(Department Stores)	40,917	41,160	243 (0.6)		42,043	-882 (-2.1)
(Retail Stores)	18,646	19,149	502 (2.7)		18,368	780 (4.2)
(Retail Stores – Books)	4,523	4,179	-344 (-7.6)		4,162	16 (0.4)
(Retail Stores – in Stations)	3,953	3,856	-97 (-2.5)		3,825	30 (0.8)
(Shopping Centers)	6,197	6,553	356 (5.8)		6,482	71 (1.1)
(Other)	5,629	5,723	93 (1.7)		5,746	-22 (-0.4)
(Elimination)	-3,461	-3,472	-10 –		-3,450	-22 –
Operating Revenues	76,406	77,149	743 (1.0)		77,178	-28 (-0.0)
Operating Income	2,183	2,745	562 (25.8)		1,993	752 (37.7)
Depreciation and Amortization	1,838	1,962	123 (6.7)			
Capital Expenditures	1,783	2,704	921 (51.7)			
EBITDA	4,021	4,707	686 (17.1)			

[Reference] Major Initiatives of Each Brand

FY2015 Initiatives of Merchandise Sales Segment Companies

Keio Department Store Opening of Small Satellite Store

- In April 2015, we opened our third small satellite store in Mitsui Shopping Park LaLaport FUJIMI
- We also promoted Keio Department Store's own womenswear brand "mi deu" by launching "mi deu blue," a new series suited to the shopping center.



[Small satellite store]

First store: Mitsui Shopping Park LaLaport Shin Misato; Second store: Celeo Hachioji

Renewal Opening of Station Store (Keio Takaosanguchi Station)

- We refurbished the station store to coincide with the renewal of Takaosanguchi Station
- In collaboration with outdoor goods manufacturer Montbell Co. Ltd., we introduced mountaineering goods alongside traditional products (foods, souvenirs, etc.)
- We launched a foreign language product guide to make the store more accessible to foreign customers



<<Station store "Kaede," which was renewed in April 2015>>

4. Segment Information (Real Estate)

(Units: ¥ millions)

	FY2014 2Q Results	FY2015 2Q Results	Change (%)	Change Factors	FY2015 2Q Planned <small>(2015.4.30 announced)</small>	Difference (%)
(Land and Building Leasing)	14,980	15,770	789 (5.3)		15,526	243 (1.6)
(Development for Selling by Lots)	4,665	4,918	252 (5.4)		5,606	-687 (-12.3)
(Other)	631	743	112 (17.8)		710	33 (4.7)
(Elimination)	-4,114	-3,681	433 -		-3,502	-178 -
Operating Revenues	16,163	17,751	1,588 (9.8)		18,340	-588 (-3.2)
Operating Income	4,867	5,166	299 (6.2)		4,779	387 (8.1)
Depreciation and Amortization	1,832	2,234	401 (21.9)			
Capital Expenditures	667	1,356	689 (103.3)			
EBITDA	6,902	7,604	701 (10.2)			

Ref.: Real Estate Operating Income Details

(Units: ¥ hundred millions)

Land and Building Leasing	49	48	-0 (-1.4)		47	1 (3.0)
Development for Selling by Lots	2	4	2 (111.4)		2	1 (75.0)

[Reference] Major Initiatives of Each Brand

Opening of Merkmal Keio Sasazuka

- We redeveloped a building next to Sasazuka Station owned by group company Keio Juuki Seibi Co., Ltd. Merkmal Keio Sasazuka. A complex with 21 above ground floors and 2 below ground floors consisting of commercial facilities, offices, residences, etc., was completed in March 2015, and commercial facility Frente Sasazuka was opened in April 2015.

Facility name

Merkmal Keio Sasazuka — Facility that will become a symbol for a new lifestyle stage



<<Commercial part: Frente Sasazuka>>



<<Residential part: Merkmal Keio Sasazuka Residence>>



[Outline]

- Completion/opening
Completed in March 2015
Commercial part opening in April
- Maximum height:
Approx. 93 m
- Gross floor area:
Approx. 38,400 m²
- Structure
Commercial 1F-3F
Regional contribution facility 4F
Offices 5F-8F
Residences 10F-21F
- Total cost of project:
Approx. ¥14 billion

4. Segment Information (Leisure)

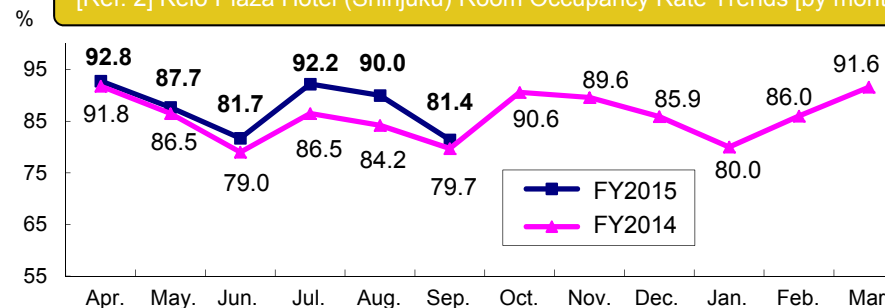
(Units: ¥ millions)

	FY2014 2Q Results	FY2015 2Q Results	Change (%)	Change Factors	FY2015 2Q planned (2015.4.30 announced)	Difference (%)
(Hotels)	21,876	23,502	1,626 (7.4)		22,412	1,089 (4.9)
(Travel Services)	9,171	9,313	142 (1.6)		9,702	-388 (-4.0)
(Advertising Services)	5,674	5,216	-457 (-8.1)		5,346	-130 (-2.4)
(Other)	3,200	3,220	20 (0.6)		3,202	18 (0.6)
(Elimination)	-4,770	-4,746	24 -		-4,956	210 -
Operating Revenues	35,151	36,507	1,355 (3.9)		35,707	799 (2.2)
Operating Income	3,429	4,123	694 (20.3)		3,243	880 (27.2)
Depreciation and Amortization	1,516	1,572	56 (3.7)			
Capital Expenditures	940	1,760	820 (87.3)			
EBITDA	4,945	5,696	751 (15.2)			

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

Room Occupancy Rates	84.6%	87.7%	3.1P
----------------------	-------	-------	------

[Ref. 2] Keio Plaza Hotel (Shinjuku) Room Occupancy Rate Trends [by month]

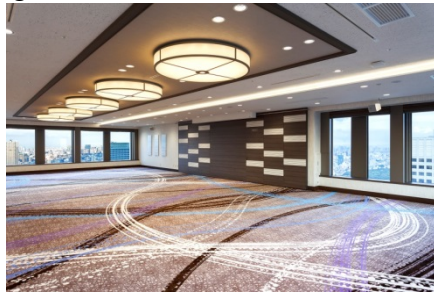


[Reference] Major Initiatives of Each Brand

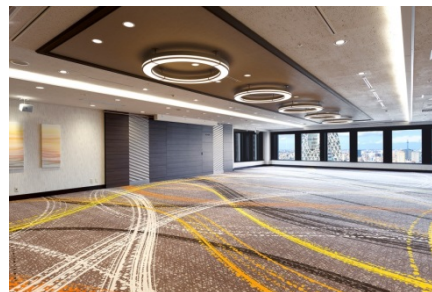
Renovation of Keio Plaza Hotel in Shinjuku and Keio Plaza Hotel in Sapporo

Keio Plaza Hotel in Shinjuku: Renovation of Banquet Halls on 47th Floor

- We enhanced the banquet halls on the 47th floor in terms of their design, functionality, and theatricality, and re-opened them on September 12.
- Following this renovation, we will gradually promote the banquet halls as locations for MICE events, the demand for which is expected to continue increasing because of Tokyo winning the Olympic bid, and thereby aim to achieve long-term revenue growth.



Aozora (blue sky)



Akebono (daybreak)



Foyer

Banquet hall	Surface area
Akebono	Approx. 190 m ²
Aozora	
Asahi	Approx. 98 m ²
Hikari	Approx. 65 m ²
Akane	

Renovation of the Reception Hall and guestrooms in Keio Plaza Hotel Sapporo

- The principal reception hall “Plaza Hall” has undergone large-scale renovation. It was re-opened on September 1, and we will aim to increase the number of wedding ceremonies held there.
- The upper floor guestrooms on floors 16 through 18 have undergone large-scale renovation. They were made available on May 1, and we will use this as an opportunity to shore up our competitive edge in markets that are expected to grow, namely, foreign visitors and the domestic rich.



Plaza Hall



Premium Twin Room

4. Segment Information (Other Businesses)

(Units: ¥ millions)

	FY2014 2Q Results	FY2015 2Q Results	Change (%)	Change Factors	FY2015 2Q Planned (2015.4.30 announced)	Difference (%)
(Building Maintenance)	8,907	9,373	466 (5.2)		9,023	350 (3.9)
(Railway Car Maintenance)	3,532	3,017	-515 (-14.6)		3,448	-431 (-12.5)
(Construction)	4,212	6,883	2,670 (63.4)		6,410	473 (7.4)
(Other)	3,098	3,296	197 (6.4)		3,071	225 (7.3)
(Elimination)	-941	-939	1 -		-1,075	135 -
Operating Revenues	18,809	21,631	2,822 (15.0)		20,878	753 (3.6)
Operating Income	178	782	603 (337.5)		223	559 (250.7)
Depreciation and Amortization	170	147	-22 (-13.4)			
Capital Expenditures	3,122	368	-2,753 (-88.2)			
EBITDA	348	930	581 (166.5)			



II. Fiscal 2015 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)

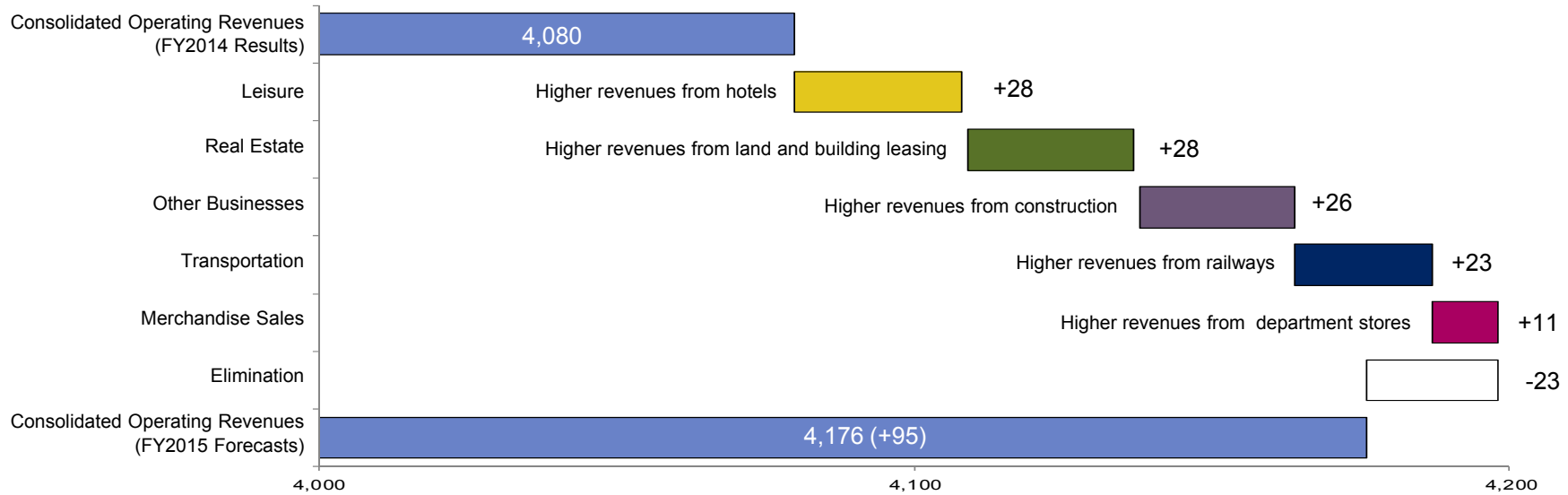
	FY2014 Results	FY2015 Forecasts	Change (%)	FY2015 Planned	Difference (%)
Consolidated Operating Revenues	4,080	4,176	95 (2.3)	4,110	66 (1.6)
Consolidated Operating Income	338	374	35 (10.5)	341	33 (9.7)
Consolidated Ordinary Income	313	347	33 (10.5)	309	38 (12.3)
Net Income Attributable to Parent Company Shareholders	172	195	22 (13.1)	184	11 (6.0)
Consolidated EBITDA	691	734	42 (6.1)	694	39 (5.7)
Consolidated Depreciation and Amortization	349	355	6 (1.7)	349	5 (1.6)
Capital Expenditures	449	658	209 (46.6)	658	—

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

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

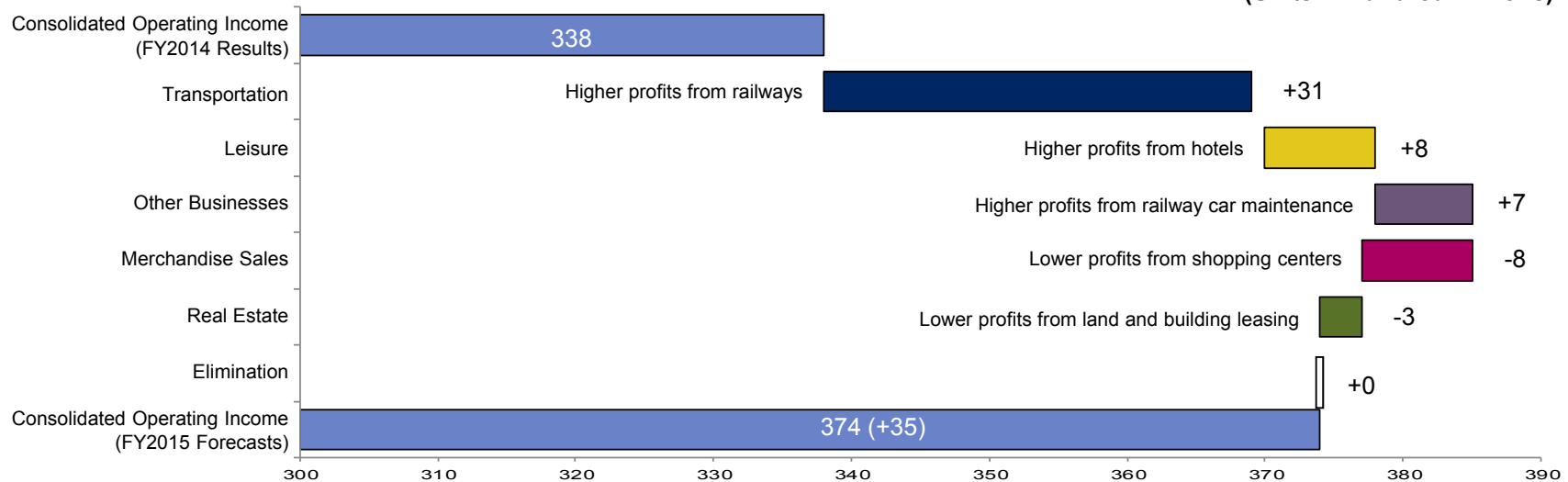
1. Consolidated Operating Revenues

(Units: ¥ hundred millions)



2. Consolidated Operating Income

(Units: ¥ hundred millions)



2. Segment Information (Transportation-1)

(Units: ¥ hundred millions)

	FY2014 Results	FY2015 Forecasts	Change (%)	Change Factors	FY2015 Planned	Difference (%)
(Railways)	819	837	18 (2.2)	See next page	820	16 (2.1)
(Bus services)	345	352	7 (2.1)		351	1 (0.4)
(Taxi services)	126	125	-1 (-0.9)		124	0 (0.6)
(Other)	27	26	-0 (-1.9)		26	-0 (-0.2)
(Elimination)	-49	-49	-0 -		-46	-3 -
Operating Revenues	1,268	1,292	23 (1.9)		1,276	15 (1.2)
Operating Income	122	154	31 (25.7)		136	17 (12.8)
Depreciation and Amortization	238	233	-4 (-1.9)		227	6 (2.8)
Capital Expenditures	232	279	47 (20.6)		279	-
EBITDA	361	388	27 (7.5)		364	23 (6.6)

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

		FY2014 Results	FY2015 Forecasts	Change (%)		Change Factors
Passengers Transported (thousands of people)	Commuter-Pass	369,922	383,894	13,972	(3.8)	Improvements in employment conditions, decrease due to adverse impact of last minute purchasing prior to consumption tax hike during the period a year ago, etc.
	(Business)	277,935	290,588	12,653	(4.6)	
	(Students)	91,987	93,306	1,319	(1.4)	
	Non-Commuter-Pass	262,806	268,593	5,787	(2.2)	Decrease due to adverse impact of last minute purchasing prior to consumption tax hike during the period a year ago, increase from leap year, etc.
	Total	632,728	652,487	19,759	(3.1)	
Passenger Revenues (¥ millions)	Commuter-Pass	33,479	34,480	1,000	(3.0)	
	(Business)	29,872	30,825	952	(3.2)	
	(Students)	3,607	3,654	47	(1.3)	
	Non-Commuter-Pass	44,801	45,747	945	(2.1)	
	Total	78,281	80,227	1,945	(2.5)	

2. Segment Information (Merchandise Sales)

(Units: ¥ hundred millions)

	FY2014 Results	FY2015 Forecasts	Change (%)	Change Factors	FY2015 Planned	Difference (%)
(Department Stores)	869	886	16 (1.9)		879	7 (0.9)
(Retail Stores)	380	380	0 (0.1)		373	7 (2.1)
(Retail Stores – Books)	90	81	-9 (-10.5)		80	1 (1.6)
(Retail Stores – in Stations)	76	73	-2 (-3.5)		73	0 (0.5)
(Shopping Centers)	124	130	6 (5.0)		129	0 (0.7)
(Other)	117	118	1 (0.9)		119	-0 (-0.4)
(Elimination)	-68	-69	-0 –		-69	0 –
Operating Revenues	1,590	1,602	11 (0.7)		1,584	17 (1.1)
Operating Income	48	39	-8 (-17.3)		36	2 (7.9)
Depreciation and Amortization	40	41	1 (3.2)		42	-0 (-1.2)
Capital Expenditures	50	69	18 (36.3)		69	–
EBITDA	88	81	-7 (-7.9)		78	2 (3.0)

2. Segment Information (Real Estate)

(Units: ¥ hundred millions)

	FY2014 Results	FY2015 Forecasts	Change (%)	Change Factors	FY2015 Planned	Difference (%)
(Land and Building Leasing)	302	317	14 (4.9)		313	3 (1.2)
(Development for Selling by Lots)	143	142	-0 (-0.6)		144	-1 (-1.0)
(Other)	13	15	1 (11.9)		14	0 (3.3)
(Elimination)	-88	-75	13 –		-70	-4 –
Operating Revenues	371	400	28 (7.8)		402	-2 (-0.5)
Operating Income	96	92	-3 (-3.7)		90	2 (2.7)
Depreciation and Amortization	37	36	-0 (-1.7)		46	-9 (-21.2)
Capital Expenditures	34	216	182 (534.1)		216	–
EBITDA	137	133	-4 (-3.1)		140	-7 (-5.3)

Ref.: Real Estate Operating Income Details

(Units: ¥ hundred millions)

Land and Building Leasing	88	83	-5 (-6.5)		81	1 (1.5)
Development for Selling by Lots	11	12	0 (6.9)		12	0 (1.0)

2. Segment Information (Leisure)

(Units: ¥ hundred millions)

	FY2014 Results	FY2015 Forecasts	Change (%)	Change Factors	FY2015 Planned	Difference (%)
(Hotels)	453	481	27 (6.0)		463	17 (3.7)
(Travel Services)	166	169	3 (2.1)		173	-4 (-2.4)
(Advertising Services)	119	118	-1 (-0.9)		118	0 (0.0)
(Other)	60	61	1 (2.0)		61	-0 (-0.0)
(Elimination)	-96	-98	-2 -		-100	1 -
Operating Revenues	703	732	28 (4.1)		717	14 (2.0)
Operating Income	56	65	8 (15.4)		61	3 (5.7)
Depreciation and Amortization	31	33	2 (7.3)		32	1 (3.8)
Capital Expenditures	51	92	41 (80.6)		92	-
EBITDA	87	98	10 (12.5)		93	4 (5.1)

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

Room Occupancy Rates	85.9%	86.1%	0.2P
----------------------	-------	-------	------

2. Segment Information (Other Businesses)

(Units: ¥ hundred millions)

	FY2014 Results	FY2015 Forecasts	Change (%)	Change Factors	FY2015 Planned	Difference (%)
(Building Maintenance)	216	217	1 (0.7)		210	6 (3.2)
(Railway Car Maintenance)	89	90	0 (1.1)		88	2 (2.3)
(Construction)	202	220	17 (8.9)		213	7 (3.4)
(Other)	65	69	4 (6.3)		65	3 (5.1)
(Elimination)	-32	-30	1 -		-26	-4 -
Operating Revenues	540	566	26 (4.8)		551	14 (2.7)
Operating Income	22	30	7 (34.8)		21	9 (41.6)
Depreciation and Amortization	4	11	7 (187.3)		3	8 (261.2)
Capital Expenditures	88	6	-82 (-93.2)		6	-
EBITDA	27	42	15 (57.7)		25	17 (69.8)

3. [Reference] Forecast for Second Half of Year (Consolidated Statements of Income, Segment Information)

(Units: ¥ hundred millions)

	Operating Revenues			Operating Income		
	FY2014 H2 Results	FY2015 H2 Forecasts	Change (%)	FY2014 H2 Results	FY2015 H2 Forecasts	Change (%)
Transportation	631	640	8 (1.4)	39	53	13 (34.7)
Merchandise Sales	826	831	4 (0.5)	26	12	-13 (-53.0)
Real Estate	209	222	12 (6.2)	47	40	-6 (-13.9)
Leisure	351	366	15 (4.4)	22	23	1 (7.8)
Other Businesses	352	350	-2 (-0.6)	21	23	1 (9.2)
Elimination	-261	-261	-0 —	-8	-7	0 —
Total	2,111	2,150	39 (1.9)	148	145	-2 (-1.4)

(Units: ¥ hundred millions)

	FY2014 H2 Results	FY2015 H2 Forecasts	Change (%)
Ordinary Income	132	131	-1 (-0.8)
Net Income Attributable to Parent Company Shareholders	54	55	1 (2.0)

III. Fiscal 2015 Initiatives

1. Medium-Term Investment Schedule
2. Improvement of Safety/Profitability
 - (1) Keio Line (between Sasazuka and Sengawa Stations) grade crossings/elevated lines
 - (2) Overhaul of timetable for the Keio and Inokashira Lines
3. Business Expansion
 - (1) Keio Presso Inn development
 - (2) Expansion of renovation business in ReBITA
 - (3) Expansion of overseas business
4. Success of Facilities along Rail Lines
 - (1) Takaosan area development initiative to improve area appeal
 - (2) Development of area around Chofu Station
5. Adding Value along our Rail Lines
 - (1) Multifaceted development of lifestyle support services
 - (2) Expanded projects for senior citizens
 - (3) Expansion of child-rearing support business

[Reference] Positioning of the Three-Year Medium-Term Management Plan (FY2015-2017)

Ideal for 2020s

Utilize collective strength of group and achieve further improvement of corporate value

- Leveraging the solid management structure developed up to FY2020, we will increase our earning power through new businesses such as our hotel and inbound businesses. Based on this, we aim to further improve corporate value, and we are working on large-scale investment projects such as the grade crossing and elevated line construction on the Keio Line (Sasazuka Station-Sengawa Station) and the Shinjuku redevelopment project.

Undertakings up to FY2020

Setting the stage for developing a solid system in preparation for future population decreases and a large-scale investment phase and achieving growth

Phase 1 (FY2015-2017)

Phase 2 (FY2018-2020)

Setting stage for growth

-In aims of improvement and expansion-

- Active investment in growth fields
- Selection and concentration of existing businesses

Achieving growth

- Achievement of growth from stage set during Phase 1
- Creation of virtuous cycle through further expansion of investment

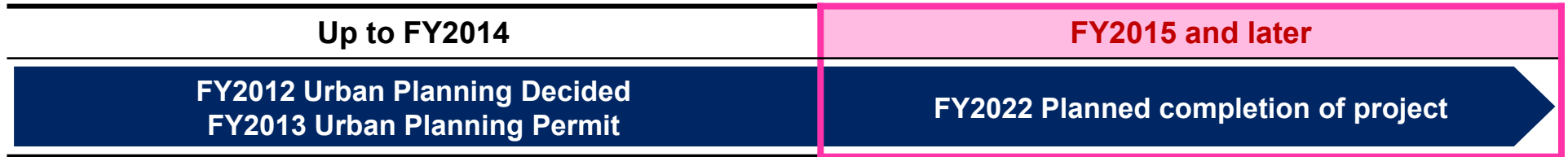
Improvement of safety/profitability of railway business and maintenance/improvement of neighborhood vitality

1. Medium-Term Investment Schedule

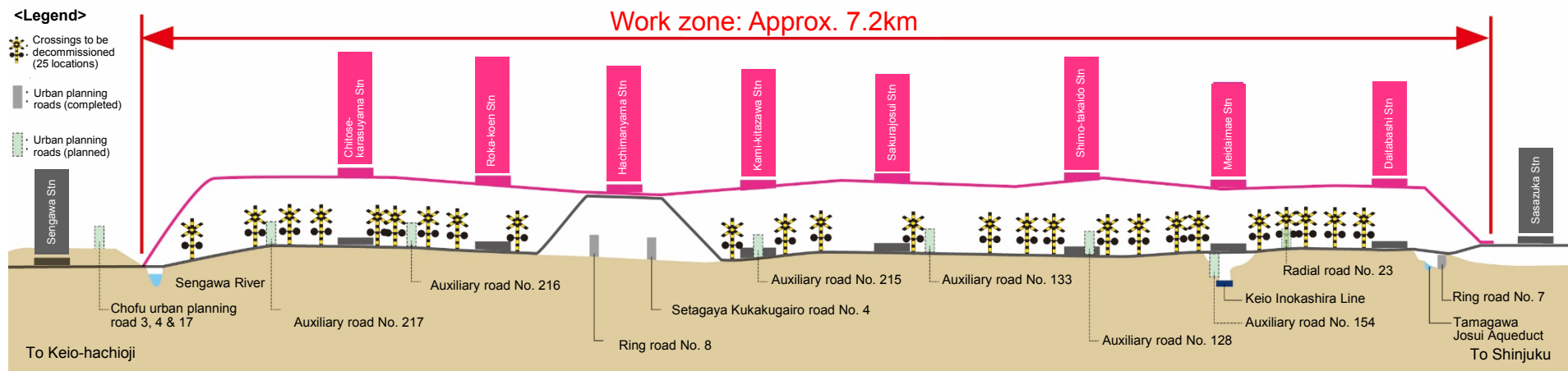
	Up to FY2014	FY2015	FY2016	FY2017	Later
Improvement of safety/profitability					
Keio Line (between Sasazuka and Sengawa Stations) grade crossings/elevated lines	Acquired urban planning permit				Complete project in FY2022 (planned)
Improve revenue potential in railway business	Feb 2015 <Timetable revision> Inokashira Line	Sep 2015 <Timetable revision> Keio and Inokashira Lines		Ongoing consideration of measures to further improve profitability	
Business expansion (strategic investments)		Consideration of measures to incorporate a wider range of customers			
Expansion of hotel business	<Keio Presso Inn>	Keio Presso Inn Akasaka opened in July 2015		Keio Presso Inn Tokyo Yaesu (provisional name) to be opened in summer 2017 Keio Presso Inn Hamamatsucho (provisional name) to be opened in winter 2017	Expansion of store openings
Expansion of inbound business		Ongoing review /implementation of inbound business			
Expansion of renovation business	SHARE PLACE Seiseki-sakuragaoka completion		Shared-type hotel complex scheduled to be opened in spring to summer 2016	Expansion of share community market, etc.	
Expansion of overseas business		Taiwanese tea café and Shanghai curry café opened in October 2015		Ongoing examination/implementation of overseas business	
⇒ Strategic investment plan is to invest ¥45 billion (cumulative) for three year period leading up to FY2017, and thereby aim to achieve revenue expansion.					
Success of facilities along rail lines					
Takaosan area development initiative to improve area appeal	<Takaosanguchi spa facility> <Takaosanguchi Station/station front improvements>	Opened in October 2015 Complete			
Development of area around Chofu Station				To be completed in FY2017	
Revitalization of facilities along rail lines in Shinjuku, etc.		Ongoing development discussions			
Adding value along our rail lines					
Multifaceted development of lifestyle support services	<Housing for elderly with services/paid nursing homes> <Funeral business> Keio Memorial Kitano opening	<Child-rearing measures>	To be opened in FY2016 Consideration of new day care facility		
	<Housing for child-rearing generation> Construction of condominium oriented toward child-rearing in Kokuryo		To be opened in spring 2016		

2. Improvement of Safety/Profitability

(1) Keio Line (between Sasazuka and Sengawa Stations) grade crossings/elevated lines



[Project Outline]



[Anticipated Benefits of the Project]

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

(See Slide 40 for details on land use after grade crossing/elevated line construction around Chofu Station)

2. Improvement of Safety/Profitability

(2) Overhaul of timetable for the Keio and Inokashira Lines

■ Keio Line

- **Semi Special Express** services to additionally stop at Sasazuka Station and Chitosekarasuyama Station
- **Semi Express** services to additionally stop at Sengawa Station
- More services to run directly through the **Toei Shinjuku Line**
- More convenient to change at Sasazuka Station to **Toei Shinjuku Line**



Timetable Overhaul Implemented on September 25, 2015



■ Keio Line

- More early-morning **Rapid** and **Semi Special Express** services
- First train: Earlier arrival time at Shinjuku
- Last train: Later departure time from Shinjuku

■ Inokashira Line

- More early-morning services (5:00-5:59 am)
- Late-evening times revised in accordance with last train on Keio Line

3. Business Expansion

(1) Keio Presso Inn development

■ Opening of Akasaka in July 2015, and new openings in Tokyo Yaesu and Hamamatsucho, aiming for early realization of transition from current 2,200 to 3,000 rooms

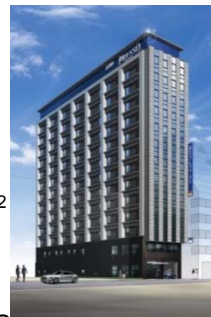
Keio Presso Inn Akasaka

- Open in July, 2015
- Eleven above ground floors
- Land area: 750 m²
- Gross floor area: 2,998 m²
- Total rooms: 157
- Access
 - 1 minute walk from Akasaka Station on the Tokyo Metro Chiyoda Line
 - 7 minute walk from Tameike-Sanno Station on the Tokyo Metro Ginza/Namboku Line
 - 9 minute walk from Akasaka-mitsuke Station on the Tokyo Metro Ginza/Marunouchi Line



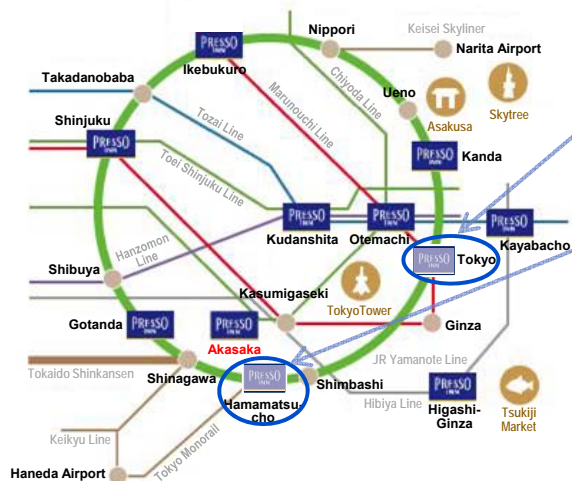
Keio Presso Inn Tokyo Yaesu (provisional name)

- Open in summer of 2017 (planned)
- Thirteen above ground floors
- Land area: 620 m²
- Gross floor area: 5,512 m²
- Total rooms: Approx. 240
- Access
 - 3 minute walk from Tokyo Station on the JR Yamanote Line etc.
 - 3 minute walk from Kyobashi Station on the Tokyo Metro Ginza Line



Keio Presso Inn Hamamatsucho (provisional name)

- Open in winter of 2017 (planned)
- Fourteen above ground floors, one below ground floor
- Land area: 1,001 m²
- Gross floor area: 6,500 m²
- Total rooms: Approx. 330
- Access
 - 8 minute walk from Hamamatsucho Station on the JR Yamanote Line etc.
 - 3 minute walk from Onarimon Station on the Toei Mita Line
 - 4 minute walk from Daimon Station on the Toei Oedo Line/Asakusa Line



9 inns/ approx. 2,200 rooms



+ Tokyo Yaesu and Hamamatsucho

11 inns/ approx. 2,800 rooms

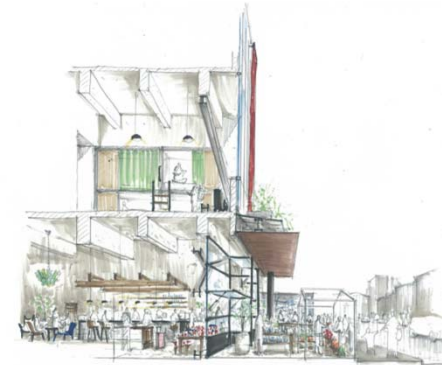
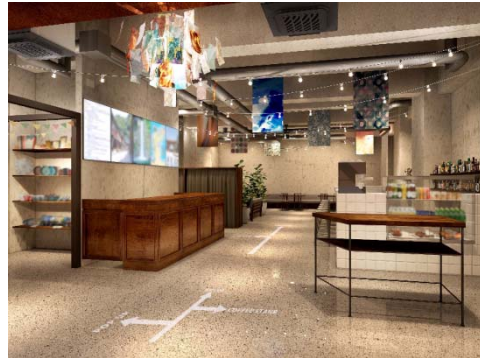


Achieve 3,000 room-strong system early on
Investigate new openings

3. Business Expansion

(2) Expansion of renovation business in ReBITA

- Commenced Shared-type hotel complex project with a view to achieving local revitalization
In this project, we will acquire dilapidated idle real estate (office buildings, etc.) across the country, renovate them so as to change their use, rejuvenate them as shared-type hotel complexes comprising accommodation facilities, restaurants, shared spaces, and stores, and undertake the various business operations from planning to produce.
- We acquired two empty office buildings in Kanazawa City, Ishikawa Prefecture. They will be opened from spring to summer period in 2016.



Images of Kanazawa Hashibacho Shared-type Hotel Complex (provisional name)

Kanazawa Hashibacho Shared-type Hotel Complex (provisional name)



(Photograph of exterior)

Address: 116 Hashibacho, Kanazawa City, Ishikawa Pref.
 Structure: Reinforced concrete Deck roof/ 1 below ground floor 4 above ground floors
 Year of construction: 1966 (49 years old)
 Gross floor area: 933.30 m² (282.32 tsubo)
 Opening planned: Spring 2016

Kanazawa Kamitsutsumicho Shared-type Hotel Complex (provisional name)



(Photograph of exterior)

Address: 2-40 Kamitsutsumicho, Kanazawa City, Ishikawa Pref.
 Structure: Reinforced concrete /8 above ground floors
 Year of construction: 1972 (43 years old)
 Gross floor area: 2,835.00 m² (857.59 tsubo)
 Opening planned: Spring to summer 2016

3. Business Expansion

(3) Expansion of overseas business

<<Domestic>> Taiwanese tea café SAISABO

- Launched joint venture with Taiwan’s Yummy Town Group
- First Taiwanese Tea Café opened in Harajuku in October 2015
- “happy lemon” and “freshtea,” which have over 600 outlets around the world, made their debut in Japan with a new business format to appeal to Japanese consumers.
- Plan to continue proactively developing new café businesses/franchises particularly in the Tokyo suburbs

[Overview of Joint Venture]

Trade name: Freshtea Japan
 Head office location: Shinjuku Ward, Tokyo
 Capital: ¥100 million
 Investment ratio: Kei Corporation 60%
 RBT Holdings LTD 40%



<<China>> Curry café THE SPICELAND

- Established three-company joint venture between a subsidiary of the Company, Yummy Town Group, and Japanese design company UDS Ltd.
- Opened first curry restaurant in Shanghai in October, 2015
- Plan to continue proactively developing new curry restaurant businesses/franchises in China

[Overview of Joint Venture]

Trade name: SHANGHAI YOUXIANG FOOD&BEVERAGE MANAGEMENT CO., LTD
 Head office location: Putuo District, Shanghai
 Capital: 9 million yuan (around ¥ 180 million)
 Investment ratio: XIAN ZONG LIN FOOD&BEVERAGE MANAGEMENT(SHANGHAI) CO., LTD 50%
 Restaurant Keio Corporation 40%
 UDS Ltd.10%



Overview of Yummy Town Group

- Yummy Town Holdings Corporation was established in 2007 and was listed on the Taiwan Stock Exchange in December 2014.
- The two Yummy Town Group companies that are party to the joint venture are core companies of the group.
- The group has developed more than 600 outlets across the world, focusing on brands such as “freshtea” and “happy lemon.”

4. Success of Facilities along Rail Lines

(1) Takaosan area development initiative to improve area appeal

- 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

- Spa facility for day trip visitors opened on October 27



Address: 2229-7 Takao-machi, Hachioji City, Tokyo, next to Keio Takaosanguchi Station
 Structure: 2-story steel construction
 Gross floor area: 1,775.49 m²(537 tsubo)
 Management format: Keio join the Gokurakuyu Co., Ltd. Franchise
 Site management by Keio Setsubi Service and Restaurant Keio Corporation

Takaosanguchi Station (gateway role) Development

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



<<Vehicle wrap showing Takaosanguchi Station and Mt. Takao>>

Initiative to improve area appeal

- New bus service linking Kobotoke with Takaosanguchi Station (left photograph)
 ⇒ Attract mountain climbers to spa facility using special design that suits the atmosphere of Takaosanguchi Station
- In August, Hachioji City opened TAKAO 599 MUSEUM nearby Takaosanguchi Station (right photograph)
 ⇒ Keio Agency selected as designated manager (facility owned by Hachioji City)



4. Success of Facilities along Rail Lines

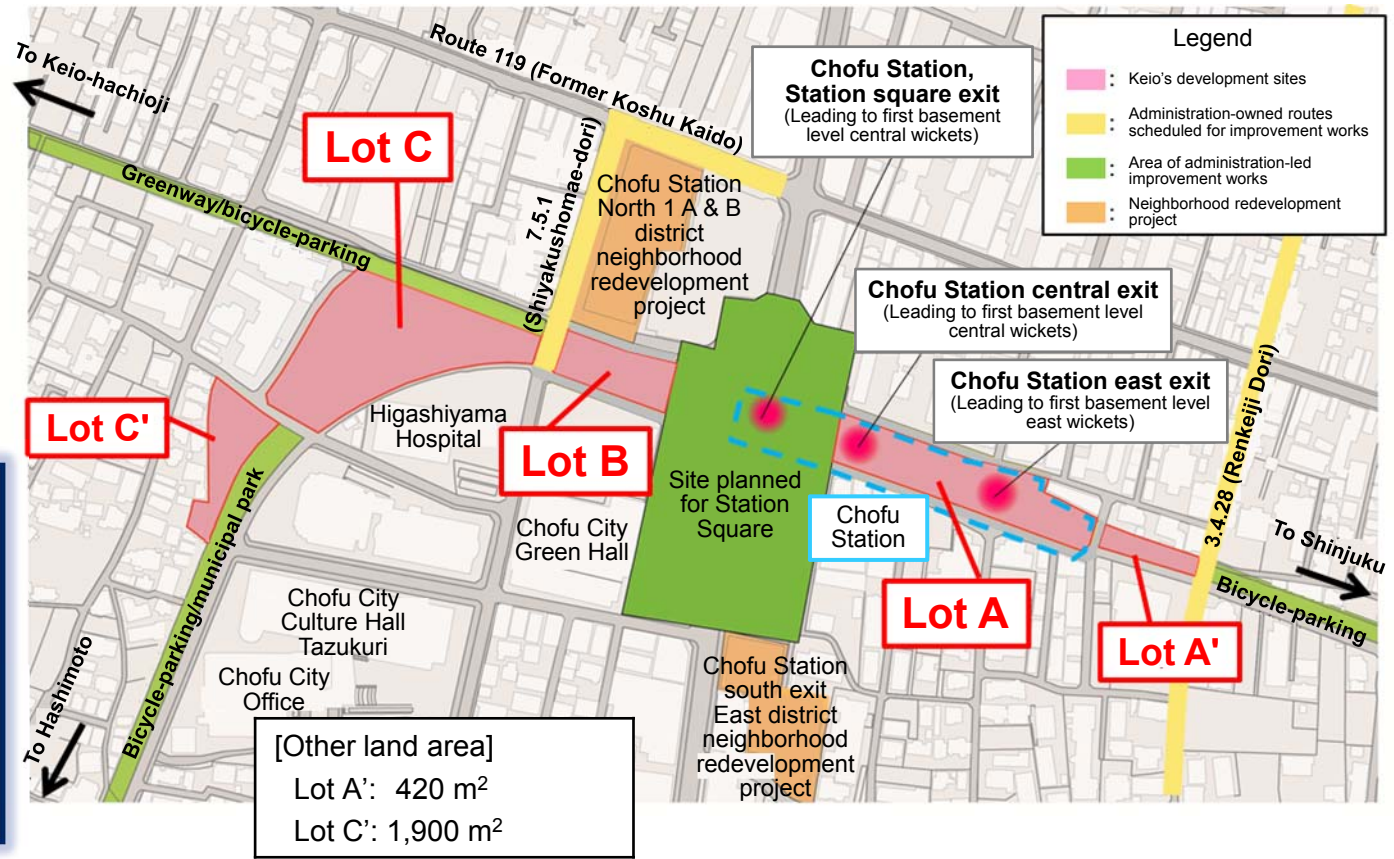
(2) Development of area around Chofu Station

Up to FY2013	FY2014	FY2015	FY2016 and later
Grade crossing/elevated line construction for railway	Completion of grade crossing/ elevated line construction for railway	Launch of preparations for land use after completion of grade crossing/elevated line construction for railway	Scheduled to be completed in FY2017

■ **Decision made to invite cinema complex with 11 screens and around 2,100 seats (tentative) to Lot C.**
To be opened in FY2017.

[Outline]
 [Lot A]
 Land area: Approx. 4,000 m²
 Building scale: Five above ground floors
 Gross floor area: Approx. 16,000 m²
 [Lot B]
 Land area: Approx. 1,700 m²
 Building scale: Four above ground floors
 Gross floor area: Approx. 6,000 m²

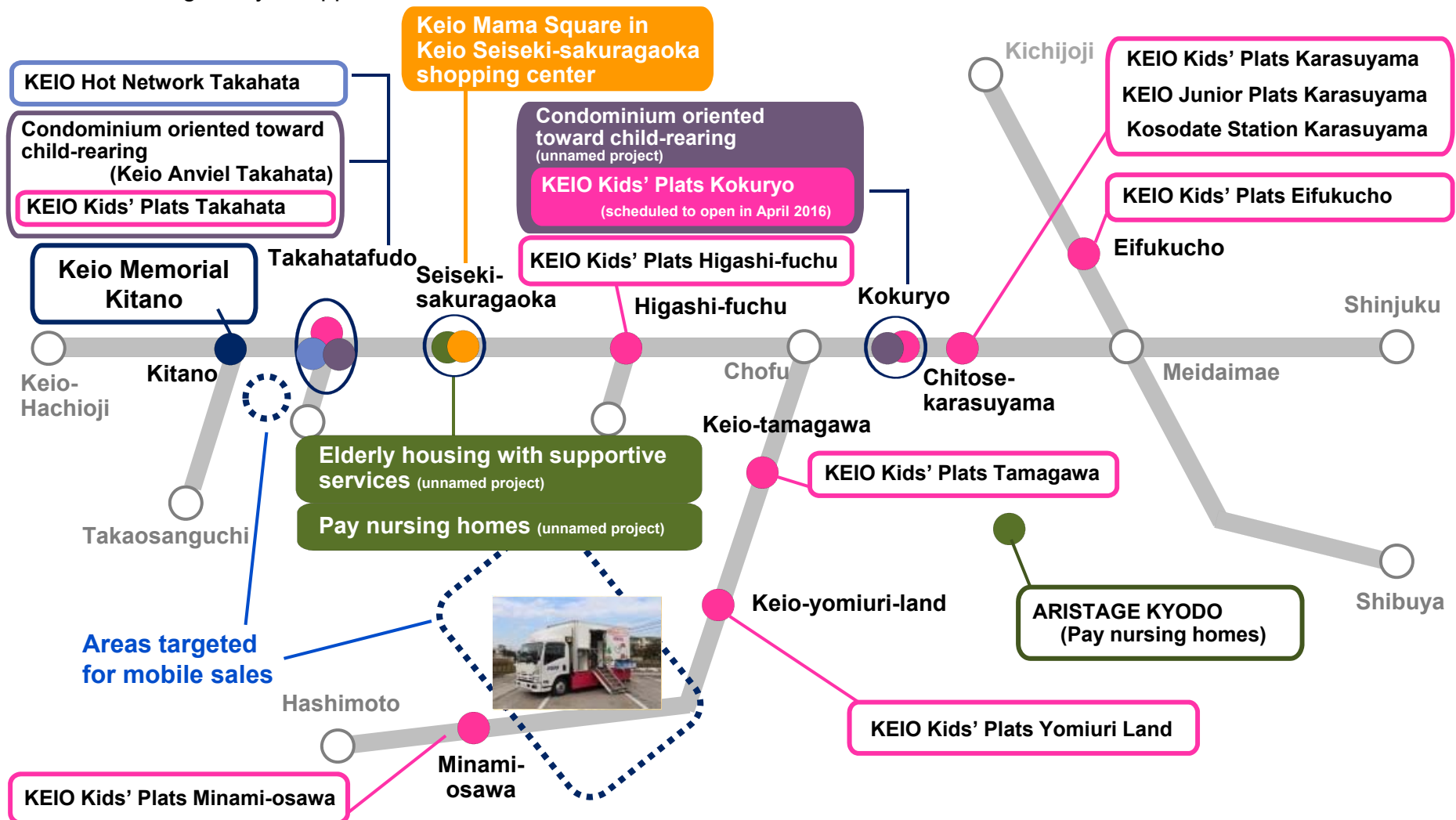
[Lot C]
 → **Cinema complex invited**
 Tenant: Aeon Entertainment
 Size: 11 screens, approx. 2,100 seats (planned)
 Land area: Approx. 6,200 m²
 Building scale: Five above ground floors, one below ground floor
 Gross floor area: Approx. 16,000 m²



5. Adding Value along our Rail Lines

(1) 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.



5. Adding Value along our Rail Lines

(2) 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 community medical and nursing care services.



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 feature benefits such as priority placement for residents in elderly housing with supportive services.



Location: 4-33-10 Sakuragaoka, Tama City, Tokyo
 Rooms: 81
 Opening planned: 2016
 Management: Charm Care Corporation
 (Pay nursing home specialty company)

5. Adding Value along our Rail Lines

(3) Expansion of child-rearing Support Business

- We are building a child-rearing support condominium with a nursery school in Kokuryo-cho, Chofu City (scheduled to be completed in spring 2016)
- With the aim of helping women pursue their careers, we teamed up with Mama Square and opened Keio Mama Square, a working space with an attached kids' space, in Keio Seiseki-sakuragaoka shopping center.

Child-rearing Support Condominium

We are building a rental condominium featuring housing facilities/layout and various services designed to help women balance career with child-rearing. The site includes a nursery school (Keio Kids' Platz Kokuryo [scheduled to obtain certification]), and it will contribute toward solving the problem of long nursery school waiting lists in the neighborhood.



Address: 2-17-3, 7, 11 Kokuryocho, Chofu-City, Tokyo
 Rooms: 58
 Opening planned: Spring 2016 (scheduled)
 Management: Keio Realty & Development Co. Ltd.
 * Nursery school management proposed to be carried out by Keio Kosodate Support Co.,Ltd.

Keio Mama Square

■ About Keio Mama Square

Keio Mama Square is a "working space" with an attached "kids' space," which caters to children from the ages of 1 through to the age of the lower grade of elementary school.


■ Working Space

There is an attached kids' space, so women can bring their children with them. A shift system is introduced to ensure reasonable working hours for mothers in the middle of child-rearing. Outsourcing companies will provide ideal employment opportunities.



Overview of Mama Square

Founded: December 2014
 Capital: ¥20 million
 Head office: 3-4-6 Mita, Minato-ku, Tokyo
 Business activities: Manage/develop working space with attached kids' space



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

