

FY2021 Financial Results

– Held on May 12, 2022 –

Keio Corporation
京王電鉄株式会社

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President and Representative Director,
President and Executive Officer

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

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1. Performance Summary

FY2021 Results

- Revenues were down in Real Estate, Other Businesses, and Merchandise Sales, which was heavily impacted by application of the Accounting Standard for Revenue Recognition. This brought operating revenues down to 2,998 hmy*.
- All segments except for Other Businesses improved compared to last fiscal year and operating profit reached 7 hmy.
- Ordinary profit came to 53 hmy, mainly due to subsidies. Recording of gains on the sale of non-current assets brought profit attributable to owners of parent to 55 hmy.

* Accounting Standard for Revenue Recognition applied as of fiscal 2021.
Operating revenues before application were 3,412 hmy.

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

- We expect operating revenues of 3,880 hmy, operating profit of 340 hmy, profit attributable to owners of parent of 240 hmy, and EBITDA of 675 hmy in FY2024, the final fiscal year of the Medium-Term Management Plan.
- In FY2022, we expect operating revenues of 3,460 hmy, operating profit of 149 hmy, profit attributable to owners of parent of 64 hmy, and EBITDA of 449 hmy.
- We aim to declare an annual dividend of 40 yen per share in FY2022, and increase the dividend to the level before the COVID-19 pandemic gradually, as profits rebound.

2. Positioning Formulation of the Medium-Term Management Plan

Medium- to Long-Term Policy (May 2021)



**FY2022 to FY2024
Medium-Term
Management Plan**

2030s
Period of large-scale investment

2040s
Period of investment recovery

FY2018
Operating profit: 400 hmy

FY2024
340 hmy

FY2021
7 hmy

(Generally flat, owing to rebuilding of existing assets and opening of redeveloped areas)

“Earning period” as acquired assets are turned over

- Steady rebound in profits as demand recovers
- “Acquisition period” to enhance Real Estate business



Shinjuku is the most important location. Large projects will foretell the next 100 years.

Profit level restoration period

2030

2040



The profit level restoration period is an important period to prepare for the large-scale investment that will get fully underway in the 2030s. In FY2024, we aim to restore profits to around 85% of the record high profits in FY2018 and will target profits exceeding the record high in by the 2030s.

3. Overview of Medium-Term Management Plan

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.

4. Points of Medium-Term Management Plan

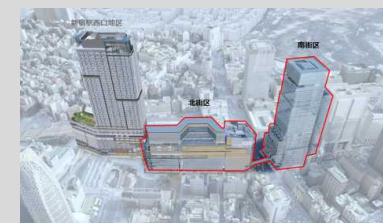
1. Improvement in railways business safety and service

- Rebuild safety and security by constructing grade crossings and elevated lines, installing platform doors and surveillance cameras to prevent crime, etc.
- Expand operation of trains with reserved seats and consider ways to improve services through renovation of station facilities and other means.



2. Urban development and large-scale site development

- Pursue development plans for the Shinjuku Station Southwest Exit area.
- Pursue construction of grade crossings and elevated lines in west of Sasazuka.
- Pursue urban development in the Seiseki Sakuragaoka area and other areas (make it easier to get around in the living sphere).



3. Real estate enhancement

- Establish new revenue bases while maintaining asset efficiency through asset turnover.
- Expand domain in the condominium business.
(Concluded a capital and business alliance with Sunwood Corporation in November 2021 and have already begun joint development).



4. Rapid turn to profitability in the hotels business

- Review unprofitable domains and pursue low-cost operations.
- Attract excellent customers in Japan.



5. Establishment of a solid business base

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

5. Management Goals

- Restore and improve earning power to around 85% of the record high in FY2018 in the final year of the Medium-Term Management Plan.

(Units: ¥ hundred million)

	FY2021 Results	FY2022 Plan	FY2023 Medium-Term Plan	FY2024 Medium-Term Plan	FY2018 Results	Change vs. FY2018
Operating revenues	2,998	3,460	3,630	3,880	4,475	—
Operating profit	7	149	250	340	400	-60
Ordinary profit	53	135	237	324	392	-68
Profit attributable to owners of parent	55	64	180	240	272	-32
EBITDA	322	449	576	675	767	-92

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

* The change in operating revenues is not shown because the Accounting Standard for Revenue Recognition has been applied from fiscal 2021.

5. Management Goals (by Segment)

- Grow Real Estate and Other Businesses to a level exceeding the level in FY2018, in the final year of the Medium-Term Management Plan.

(Units: ¥ hundred million)

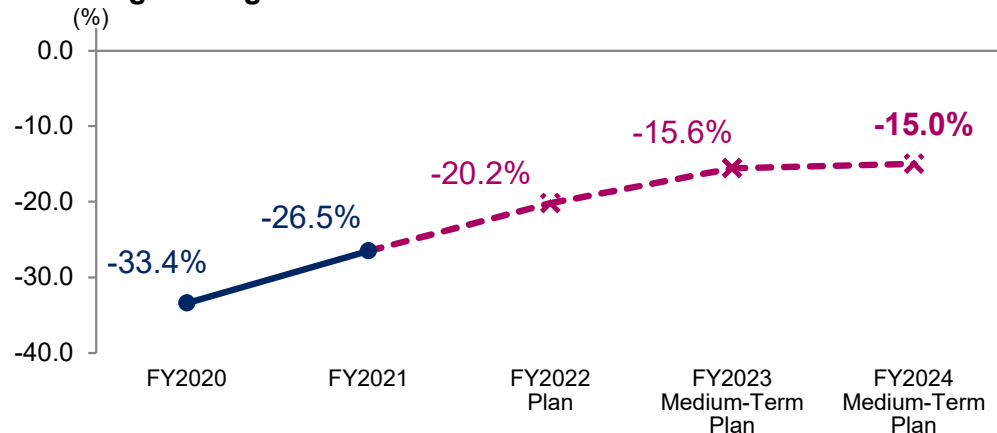
		FY2021 Results	FY2022 Plan	FY2023 Medium-Term Plan	FY2024 Medium-Term Plan	FY2018 Results	Change vs. FY2018
Transportation	Operating Revenues	992	1,092	1,159	1,182	1,322	—
	Operating Profit	-26	35	66	72	147	-74
Merchandise Sales	Operating Revenues	969	1,045	1,069	1,089	1,664	—
	Operating Profit	20	42	41	46	51	-5
Real Estate	Operating Revenues	472	495	463	558	500	—
	Operating Profit	104	95	99	114	94	20
Leisure	Operating Revenues	329	540	637	727	804	—
	Operating Profit	-134	-59	1	57	69	-11
Other Businesses	Operating Revenues	625	641	664	707	651	—
	Operating Profit	51	44	48	56	52	4
Consolidated	Operating Revenues	2,998	3,460	3,630	3,880	4,475	—
	Operating Profit	7	149	250	340	400	-60

* The change in operating revenues is not shown because the Accounting Standard for Revenue Recognition has been applied from fiscal 2021.

6. Assumptions

Transportation (railways)

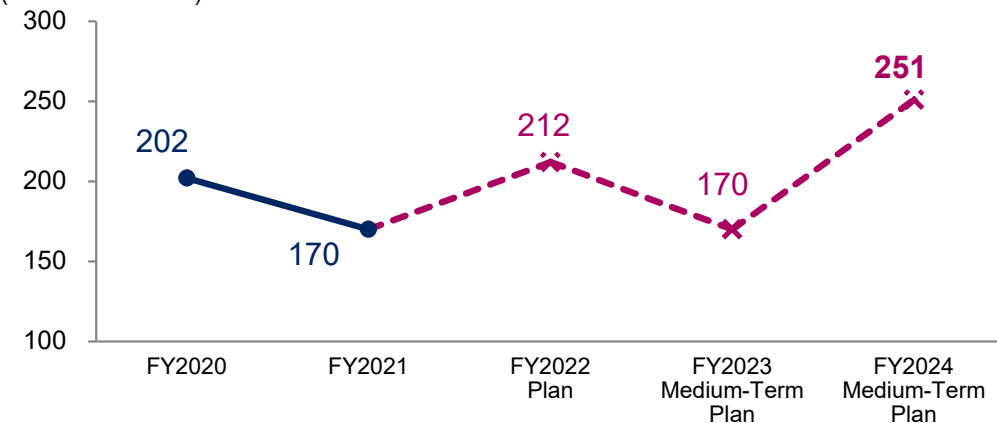
Keio Corporation (railways) passenger revenues
Percentage change vs FY2018



- We do not expect transportation demand to return to the level before the COVID-19 pandemic due to the penetration of telecommuting and other changes.
- While demand will decline, we will pursue measures in the railways business to ensure safety, create a barrier-free environment, and mitigate natural disasters and negative environmental impact.

Real Estate Sales

Net sales
(¥ hundred million)

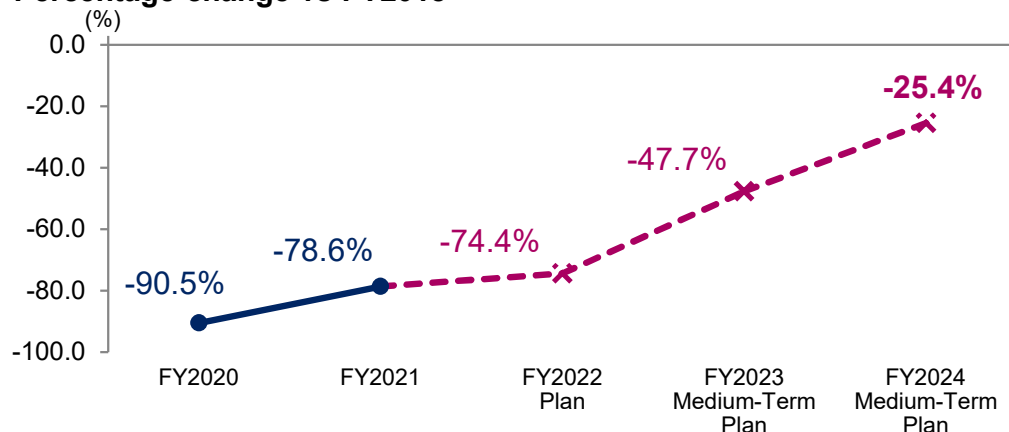


- Sales will increase in FY2022 due to the completion of Brillia Tower Seiseki-sakuragaoka BLOOMING RESIDENCE.
- We expect FY2024 onward to mark the start of the growth period in the real estate sales business.

6. Assumptions

Leisure (urban-style hotels)

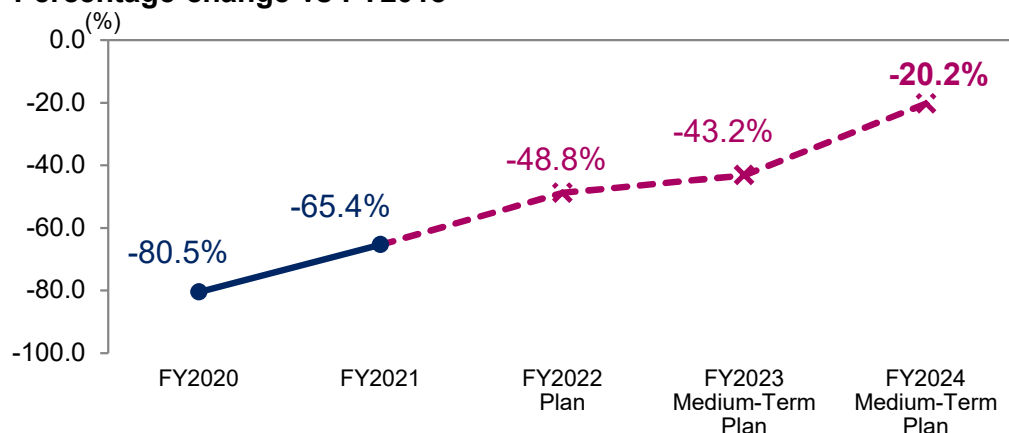
Keio Plaza Hotel (Shinjuku) lodging revenue
Percentage change vs FY2018



- We expect demand to rebound to the level before the COVID-19 pandemic in FY2023 for domestic leisure and in FY2024 for inbound business.
- We will pursue business restructuring and revisions to the hotel management system.

Leisure (business hotels)

Keio Presso Inn (all locations) net sales
Percentage change vs FY2018



- Business use has decreased and it is uncertain whether it will rebound to the level before the COVID-19 pandemic.
- We will work to generate more demand by supporting multipurpose use in both business and leisure.

7. Medium-Term Initiatives (Improvement in railway safety and service)

- Ensuring passenger safety, contributing to local communities, and solving social problems is essential to the continued existence and development of the railways business.
- Renew efforts to **“become a railway with excellent service and the best safety in Japan.”**

Safety measures for business continuity

■ Response to incident in railway cars on the Keio line that resulted in injuries

This was a serious crisis that shook trust in the Company. Rapidly take steps to prevent crime and provide a high degree of safety to prevent recurrence.

■ Response to intensification of natural disasters

Implement measures on an ongoing basis based on disaster scenarios such as a large typhoon, earthquake directly beneath Tokyo, and a large-scale volcanic eruption.

More proactive solutions to social issues

■ Steady progress on large-scale construction

Pursue construction of grade and elevated sections along Keio Line between Sasazuka and Sengawa stations to reduce accidents and ease traffic congestion by eliminating crossings.

■ Establishing barrier-free facilities

Establish barrier-free facilities to make them easier for young families and seniors to use.

Future initiatives

Company vision

Railway with excellent service and the best safety in Japan

Four pillars that support the vision

Pursue a higher level of safety and security

Provide services that anticipate customers' needs

Exist harmoniously in communities and society through more social contributions

Build a solid business operations system focused on the future

Continue capital investment according to the four pillars **at a level higher than before the COVID-19 pandemic** to provide a higher level of safety and services in the future.

7. Medium-Term Initiatives (Improvement in railway safety and service)

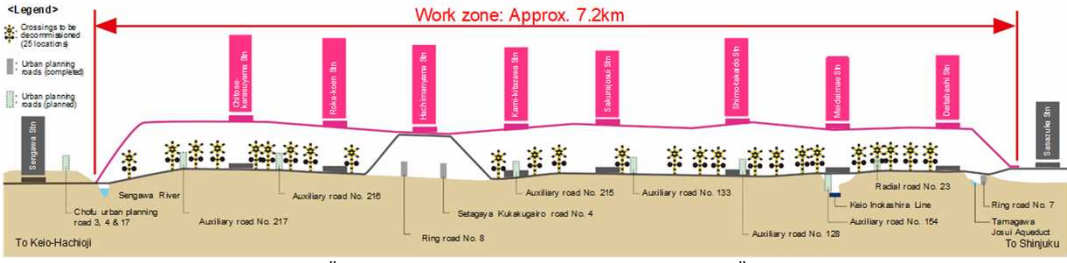
Railways

■ Improve business efficiency while implementing various measures to **become a railway with excellent service and the best safety in Japan.**

Pursue even higher levels of safety and security

■ Construction of grade and elevated sections along Keio Line between Sasazuka and Sengawa Stations

Continue to collaborate with the Tokyo Metropolitan Government, the project sponsor, on acquiring land, elevating sections, and eliminating grade crossings on roads and railway lines in 25 places along the Keio Line between Sasazuka and Sengawa stations.



《Cross-sectional diagram of project section》

* We received notice from the Ministry of Land, Infrastructure, Transport and Tourism that the project permit will be extended to the end of FY2030.

■ Crime prevention and safety measures on railway cars and platforms

Renovate railway cars to install surveillance cameras with real-time transmission capability in all railway cars and stations on the Keio Line in response to the incident on a train resulting in injury. Also connect railway cars to resolve the lack of a corridor between railway cars, and install two-way emergency communication devices in railway cars, among other response measures.



《Photo of railway car renovation to add connecting corridors》



《Surveillance camera inside a railway car》

■ Platform safety

Install platform doors in stages to prevent passengers from falling off the platform and accidents in which passengers come into contact with the train, and consider equipping all stations. Install rubber bumpers for fall prevention to even out grade differences and reduce the gap, and raise the platform height.



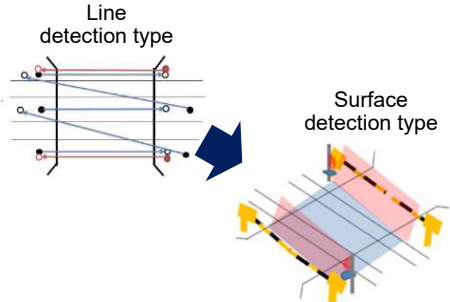
《Installation of platform doors》



《Installation of rubber bumpers for fall prevention》

■ Safety measures in railway crossings

Proceed with renovation to switch from hazard detection devices that detect lines to devices that detect surfaces in order to improve safety in railway crossings.



《Renovation of crossing hazard detection devices》

■ Disaster prevention and mitigation measures

Perform work to strengthen resilience to earthquakes and protect roadside slopes to prepare for increasingly intense typhoons, earthquakes, and other natural disasters.



《Work to strengthen resilience of elevated sections to earthquakes》

7. Medium-Term Initiatives (Improvement in railway safety and service)

Railways

Provide services that anticipate customers' needs

■ Expand service and reserved seating

Consider provision of all-day service by increasing the number of 5000 series trains, introducing reserved seating in some cars, and other improvements to expand Keio Liner services.



《5000 series trains (Mt. TAKAO train)》

■ Improve convenience of station facilities and railway cars

Expand the space for wheelchairs and baby strollers when upgrading station facilities and renovating rail cars to make using them more comfortable. Also consider establishing a second barrier-free route.



《Space for wheelchairs and baby strollers》



《Passenger restroom renovation (conceptual image)》

■ Create new opportunities to travel

To encourage young families and seniors to get out and travel, create new plan passes and new plan passes that are linked to establishments in and along railway lines.



《New plan passes launched in FY2021》

Existing harmoniously in communities and society by contributing more to society

■ Energy conservation measures

Switch to LED lighting and upgrade to VVVF inverter control devices that conserve more energy.



《Switch to LED lighting》

■ Upgrade to environmentally friendly equipment

Install benches made of lumber from tree-thinning and upgrade to transformers that use plant oil to reduce the negative impact on the environment.

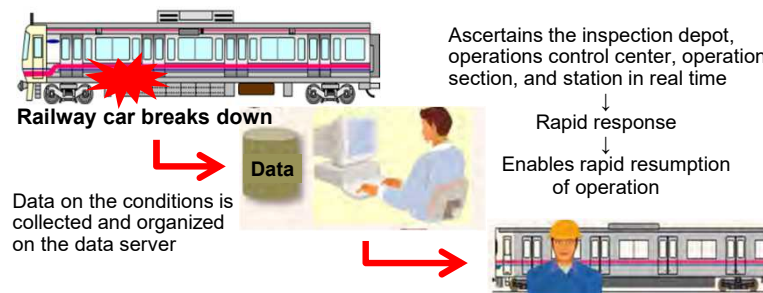


《Environmentally friendly transformer》

Building a solid business operations system focused on the future

■ Use DX to reduce work

Build detection systems to digitize maintenance and management of civil engineering structures and electrical equipment. Pursue initiatives aimed at using data from railway car equipment to shorten the recovery time when equipment breaks down.



《Scenario showing shorter recovery time when there is a breakdown》

7. Medium-Term Initiatives

RE DEVELOPMENT <Focus on urban development>

Productive and attractive urban development

■ By utilizing the resources cultivated so far and creating new value, we will **improve the ease of getting around the living sphere** and create new transportation demand.

Area management: Collect data on passenger traffic and use information at the area level to engage in urban development.

Lifestyle “Proximity of work and home = Shrinking of living sphere”
“Relaxation/rest > Distance from city center”

Resource
Station offerings

Action
Shift to menu for creating new transportation demand



Resource
Dense transportation network

Action
Large city suburb-type MaaS

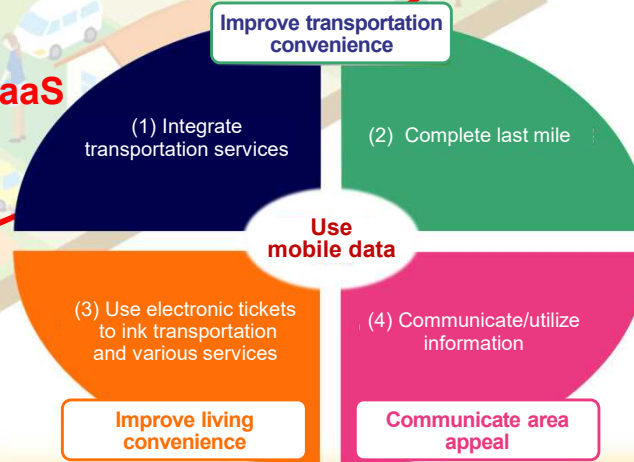


Resource
Renovation menu

Action
Suburban real estate asset regeneration

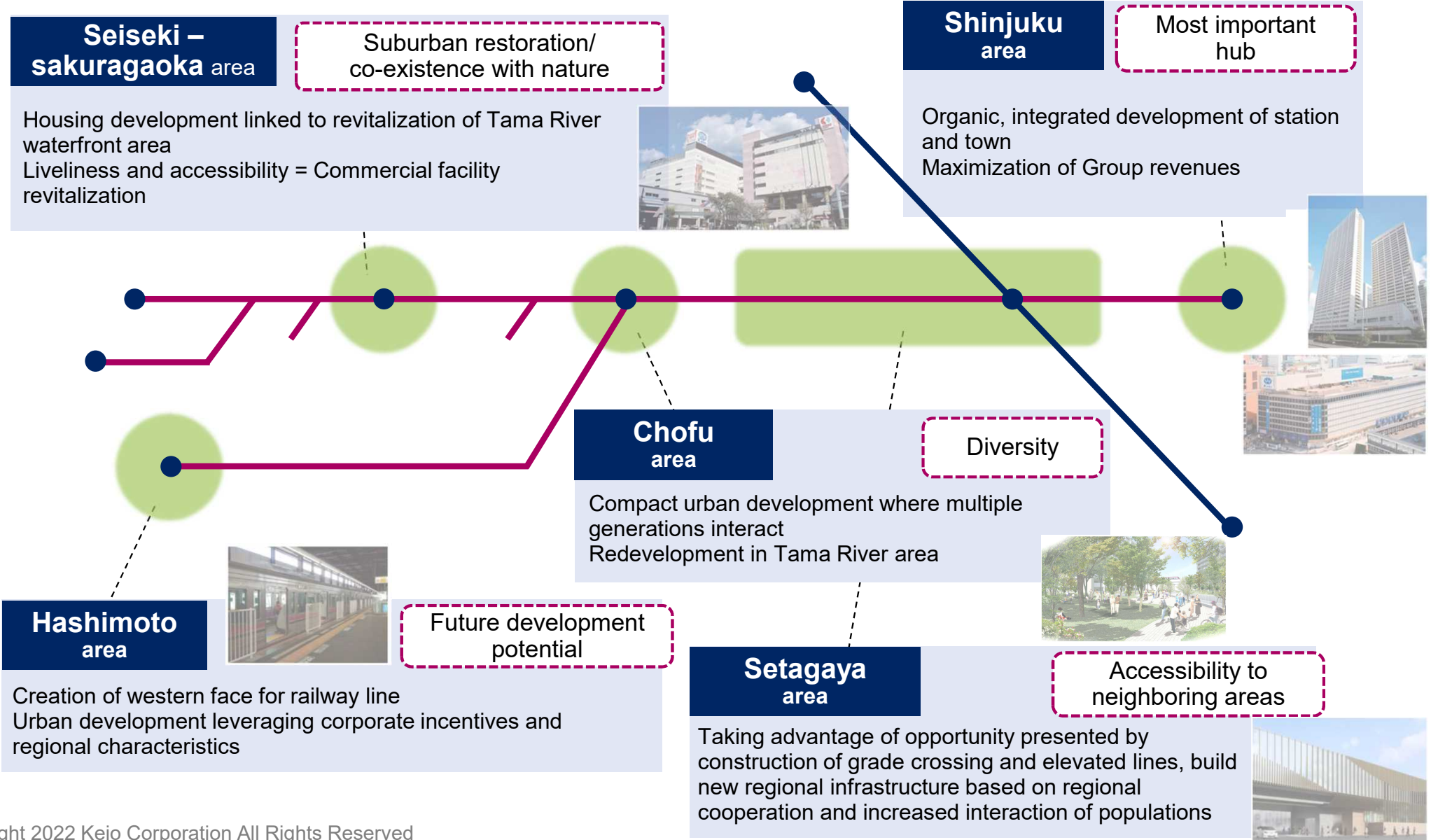
Resource
Open innovation
Resource
Lifestyle support menu

Action
Adaptation to new normal



7. Medium-Term Initiatives **RE** DEVELOPMENT <Focus on urban development>

- Manage areas along railway lines at the area level, promote station-centered hub development, focus on attractive urban development, and revitalize transportation inside and outside of areas.



7. Medium-Term Initiatives RE DEVELOPMENT <Focus on urban development>

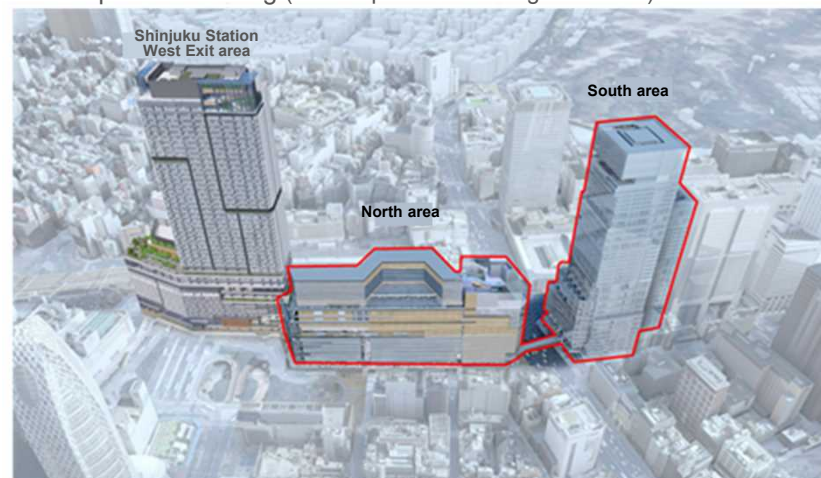
Shinjuku Station Southwest Exit Area Development Plan (plan)

- We are planning mixed-use building complexes. The complex in the North area will have 19 floors above ground and 3 floors below ground. The South area complex will have 37 floors above ground and 6 floors below ground.
- The total area of the North and South combined will be roughly 291,500 m².

Plan Summary

Plan site	Shinjuku and Shibuya in Tokyo	
Area	Approx. 1.9 ha	
By area	North area	South area
Plan floor-area ratio	Approx. 1,250%	Approx. 2,000%
Land area	Approx. 10,000 m ²	Approx. 6,300 m ²
Floor area	Approx. 141,500 m ²	Approx. 150,000 m ²
Main use	Stores, lodging facility, parking lots, etc.	Stores, offices, lodging facility, parking lots, etc.
No. of floors	19 floors above ground; 3 floors below ground	37 floors above ground; 6 floors below ground
Construction period (plan)	To 2040s	FY2023 to FY2028

■ Perspective drawing (view of planned building from west)



■ Perspective drawing (view of planned building from the square in front of the station's west exit)



7. Medium-Term Initiatives

RE DEVELOPMENT <Focus on urban development>

Shinjuku Station Southwest Exit area development plan

- The Group has locations in Shinjuku 3-chome and in the Nishi-Shinjuku high-rise district, and will continue to grow as Shinjuku develops.
- We are pursuing the Shinjuku Station Southwest Exit area plan as **a symbol of the Keio Group leading the way to the next 100 years**. We aim to revitalize Shinjuku as a whole and grow our company.

1913 onward

Keio Line between Sasazuka and Chofu stations begins operating (1913)

Shinjuku Oiwake Station opens (1915)

Shinjuku Station is relocated (1945)

1948 onward

Keio Teito Electric Railway Co., Ltd. is established (1948)

1964 onward

Shinjuku sub-center is developed and urban district expands

Keio Department Store opens (1964)

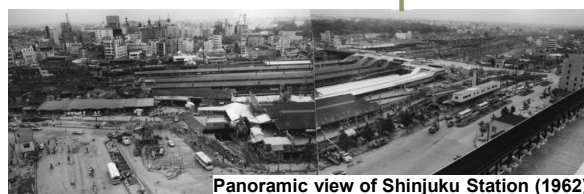
Keio Plaza Hotel opens (1971)

2022 onward

Progress on increase in ultra high rise buildings through redevelopment business



Next 100 Years Project



Panoramic view of Shinjuku Station (1962)



Shinjuku Station (1959)



Keio Plaza Hotel in Shinjuku (1971)



Keio Department Store (Shinjuku)(1964)



One of the top business locations in Tokyo

7. Medium-Term Initiatives

RE DEVELOPMENT <Focus on urban development>

Urban development of Seiseki Sakuragaoka area

- Engage in urban development that responds to changes in suburban lifestyles and creates a bustling area that is easy to move around in, centered around the station and area around the Tama River that is being developed.
- Pursue housing development and renovation of commercial facilities that will also increase the attractiveness of the town.



Brillia Tower Seiseki-sakuragaoka
BLOOMING RESIDENCE



Keio Seiseki-Sakuragaoka Shopping Center



Seiseki Sakuragaoka waterfront area development plan
Image of overall development

Urban development of Hashimoto area

- Urban development using nature, industry, and other local resources to create what will be the scenery along the western side of the Chuo Shinkansen maglev line.



Urban development of Chofu area

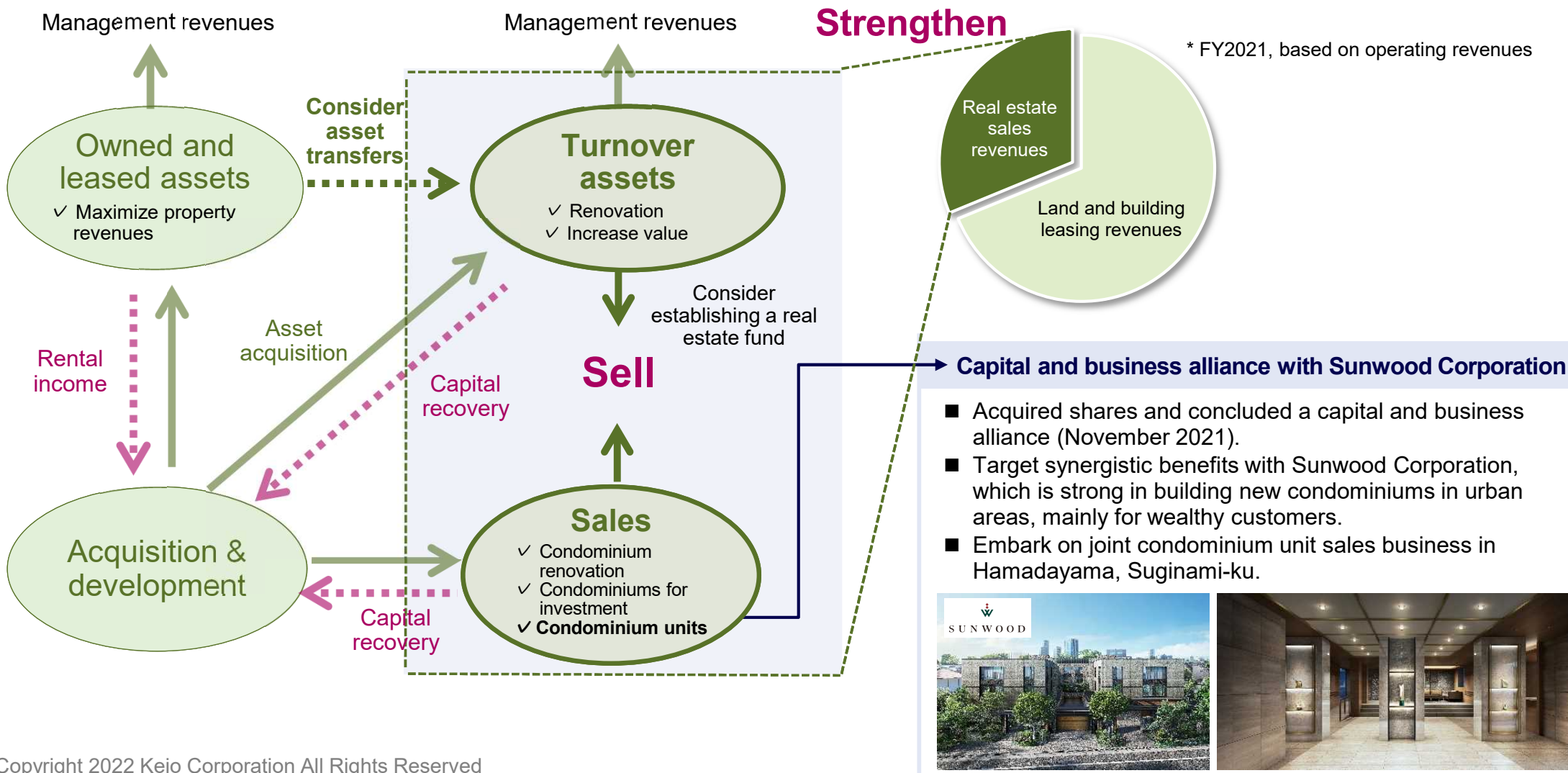
- Pursue redevelopment business in the area near to Keio Tamagawa Station.
- This will be a compact urban development that provides a multifunctional area where multiple generations interact.



7. Medium-Term Initiatives **RE** INFORCE <Enhancement of earning power>

Real Estate enhancement

- **Strengthen** the real estate investment and sales business, condominium business, and other **real estate for sale business** in addition to our business base in the land and building leasing business.
- Improve profitability by improving asset efficiency and expanding business domains.



7. Medium-Term Initiatives RE STRUCTURING <Promotion of business structure reform>

Initiatives aimed at rapid return to profitability in the hotels business

- Selection and concentration
 - Close Keio Presso Inn Higashi-Ginza (scheduled for May 16, 2022) and Keio Plaza Hotel Tama (scheduled for January 2023), and exit other unprofitable domains.
- Revise hotel management structure
 - Rebuild an efficient operating structure by automation using digitization, review of essential personnel, etc.
- Respond to market changes aimed at the post-COVID-19 environment
 - Strengthen cross-organizational operation of Group hotel chains and attract excellent customers in Japan.



Automated check-in terminal

Implement structural reform of the travel business

- Shrink the number of shop counters (for individual travelers) along railway lines by 80%.
- Concentrate management resources on group travel and strengthen sales to secure profit.



Improve profitability of convenience store business and expand drugstore business

- Work with SEVEN-ELEVEN JAPAN CO., LTD. on franchising station stores and convenience stores.
- Have Matsumotokiyoshi Group Co., Ltd. open new franchise stores to expand sales and profits in the drugstore business.
- Address needs in each area and further improve the convenience of stations.



Matsumotokiyoshi Keio-horinouchi Station store



7-ELEVEN KEIO Chofu

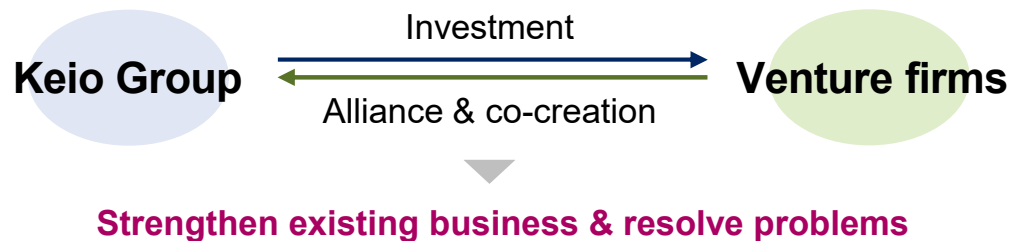


7-ELEVEN Keio Seiseki-sakuragaoka

7. Medium-Term Initiatives (New Business)

Open innovation

- Implement initiatives to strengthen existing business and resolve problems while weighing alliances and co-creation with external companies, etc.
- Consider investing in venture capital funds, etc. and target value creation.



Initiatives in MaaS

- Sell electronic tickets, etc. that can be used for outings, commercial establishments, and transportation providers along railway lines. Attract customers and improve area accessibility.
- Implement transportation measures that reflect changing lifestyles and an aging population in regard to the transportation plans of local governments and community issues along railway lines. Tie this into the revitalization of transportation.



E-ticket
(Railway pass)

Roll out urban MaaS

Logistics business

- Build new delivery locations and expand use of railway delivery to build a last mile delivery network to support people living along railway lines.
- There are plans to build a complex facility that contains a logistics warehouse, stores, and other establishments near Tamasakai Station.



8. Building a Solid Business Base

Sustainability

- Build a solid, sustainable business base from the perspectives of human resources, governance, and the environment.

Strengthen human resource development and governance

- Hire and develop human resources who possess high expertise.
- Implement diversity initiatives that enable diverse human resources to contribute actively.

Respond to climate change

- Build an internal company structure for specifying risks and formulating response measures.



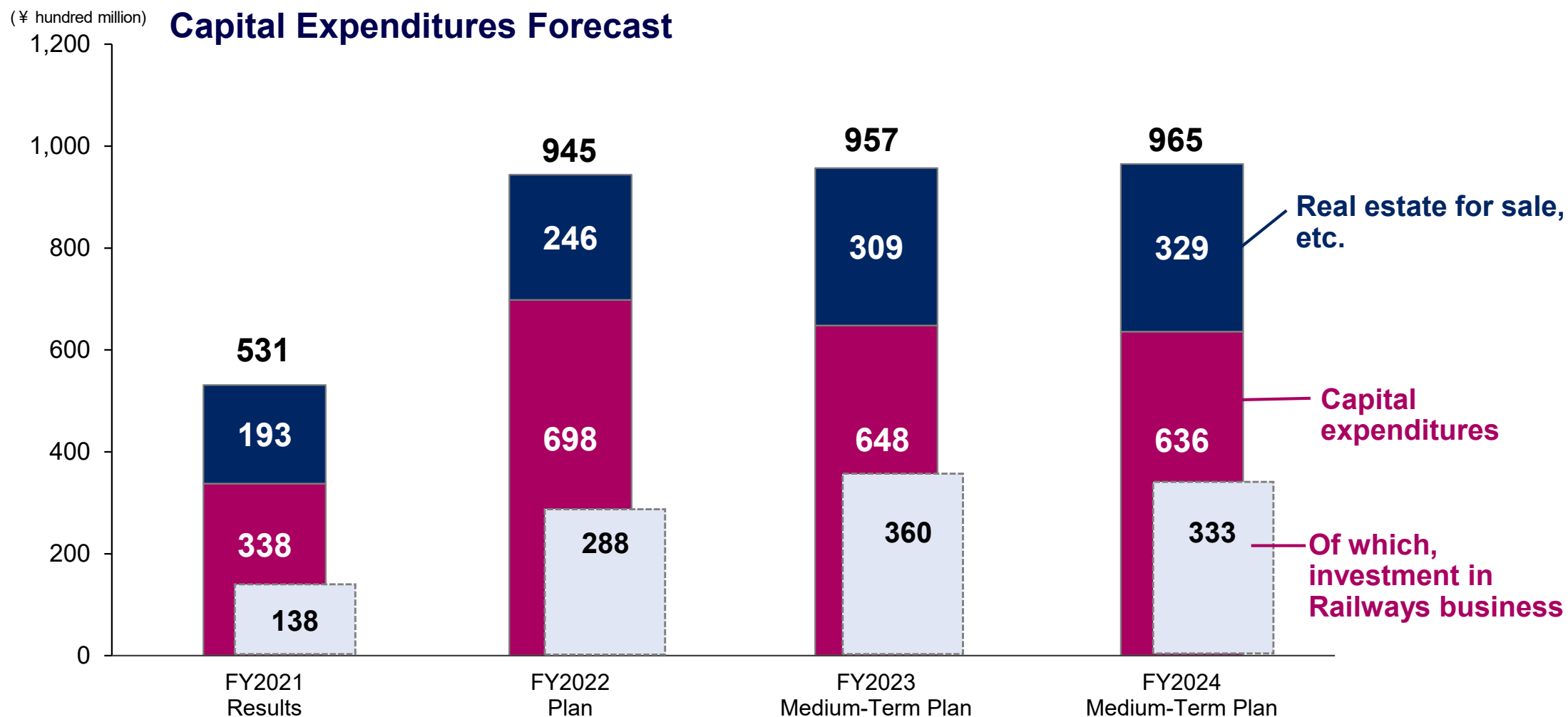
Introduce a system to support energy-saving operation



Target having 20% of all buses be fuel cell buses by 2026.

8. Building a Solid Business Base (Finance)

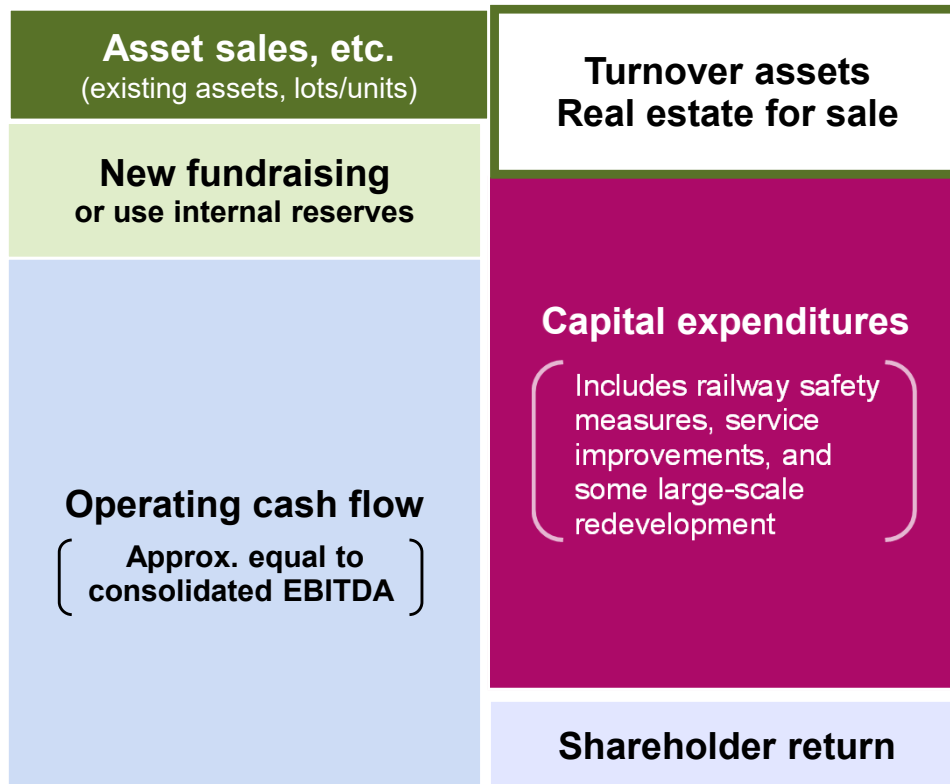
- We revised the FY2021 schedule for performing renovation work and other construction work while making the safety of customers the top priority due to the COVID-19 pandemic.
- From FY2022 onward, we will invest in projects that will contribute to improving safety and service in the railways business, and expand acquisition of turnover assets and purchases of real estate for sale, etc. in the real estate business.



8. Building a Solid Business Base (Finance)

- Reinvest capital recovered from the sale of existing assets, etc. and cycle through the purchase and sale of turnover assets to secure revenue sources while maintaining asset efficiency.
- Maintain a sound financial position and prepare for the cash outlay for large-scale investments in the 2030s.

View on cash flows in FY2022 to FY2024



Financial soundness indicators

	FY2024 Medium-term plan
Net interest-bearing debt	4,000 hmy or less
Net interest-bearing debt/EBITA	Up to 6x
Equity ratio	Around 38%

II. FY2021 Results

1. FY2021 Results
2. Consolidated Statements of Cash Flows
3. Consolidated Financial Position
4. FY2021 Initiatives

1. FY2021 Results

- Although improvement was seen in April-May during the 1H (April-September) compared to the same period in the previous fiscal year, when a state of emergency declaration was first issued, COVID-19 continued to surge and this resulted in restrictions on business activities.
- During October-December of the 2H (October-March), year-on-year improvement was seen in transportation demand and lodging demand. However, the spread of a new variant from the first of the year onward affected consumer behavior.

(Units: ¥ hundred million)

	1H FY2021 Results (Apr. to Sep.)	2H FY2021 Results (Oct. to Mar.)	FY2021 Results (Apr. to Mar.)	YoY Change
Operating revenues	1,378 (1,554)	1,620 (1,858)	2,998 (3,412)	-155 (258)
Operating profit	-13	20	7	216
Ordinary profit	8	45	53	233
Profit attributable to owners of parent	-10	66	55	331
EBITDA	143	178	322	179
Depreciation and amortization	154	157	311	-34

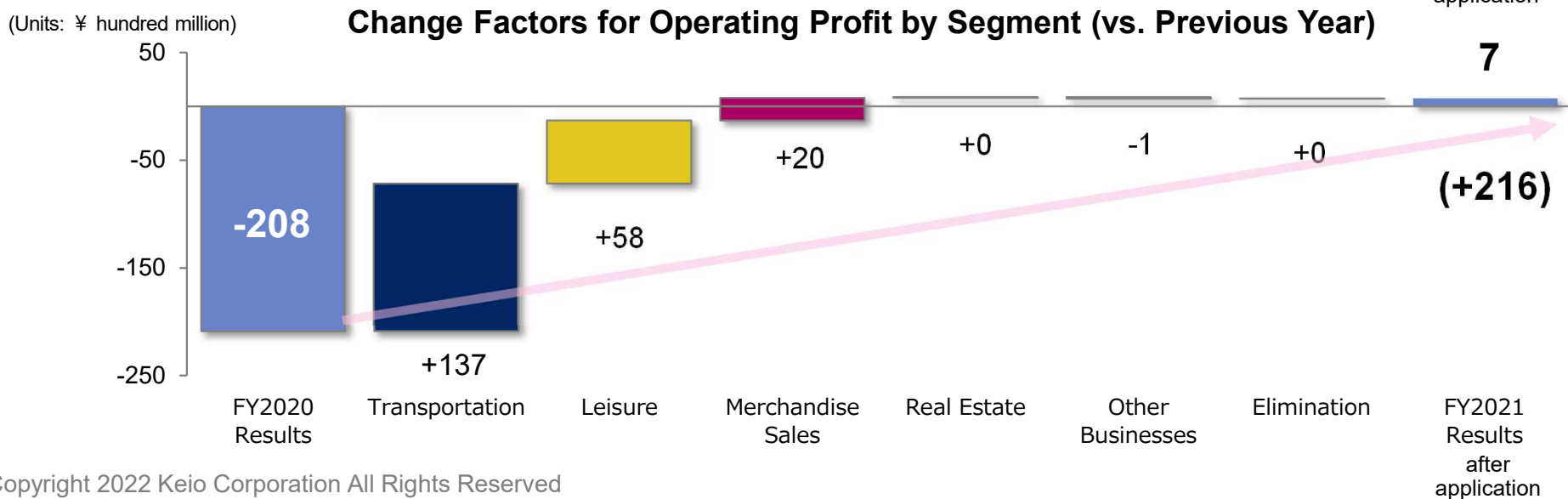
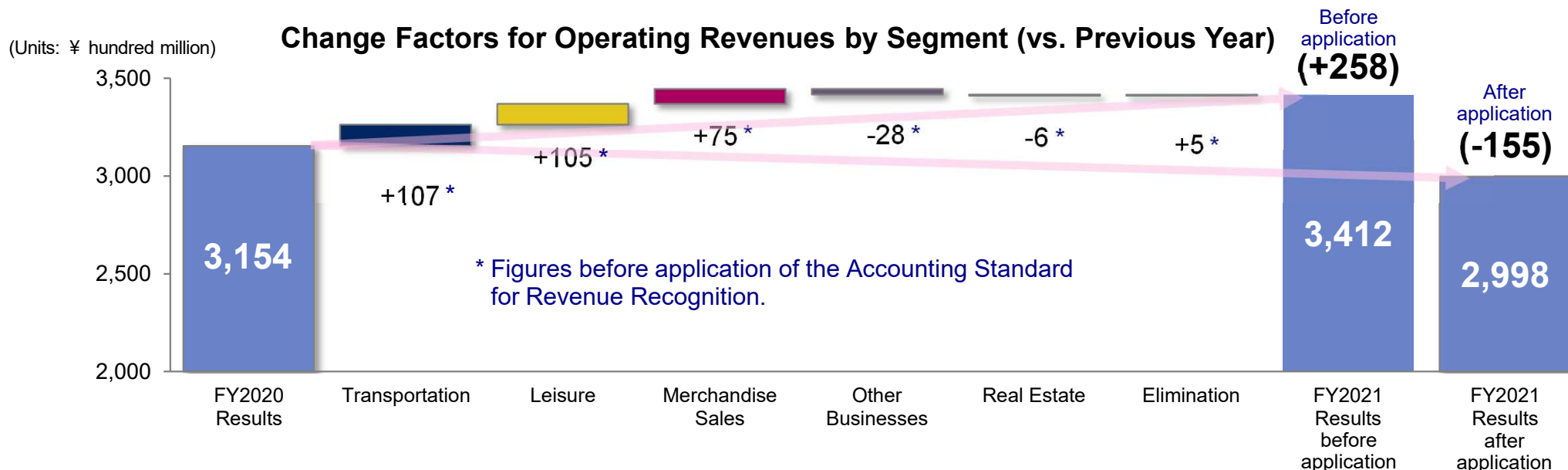
* EBITDA is operating profit + depreciation and amortization + amortization of goodwill.

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

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

1. FY2021 Results (Operating Revenues / Operating Profit Change Factors)

- Revenue was down 155 hmy from the previous year, but figures before application of the Accounting Standard for Revenue Recognition improved in the Transportation, Leisure, and Merchandise Sales segments, resulting in an increase of 258 hmy in operating revenues.
- Operating profit improved for all segments except for Other Businesses, and improved by 216 hmy compared to last fiscal year.



1. FY2021 Results (vs. FY2018)

- Demand for transportation and lodging were sluggish due to the extension of the state of emergency declarations and spread of new variants. Operating revenues before application of the Accounting Standard for Revenue Recognition fell by 23.7% compared to before the COVID-19 pandemic (vs FY2018).

FY2021 Results

(Operating revenues only, before application of the Accounting Standard for Revenue Recognition)

(Units: ¥ hundred million, %)

		1H (Apr. to Sep.)		2H (Oct. to Mar.)		Full-Year (Apr. to Mar.)	
		FY2021 Results	Pct. Change vs. FY2018	FY2021 Results	Pct. Change vs. FY2018	FY2021 Results	Pct. Change vs. FY2018
Transportation	Operating Revenues	478	-28.1	513	-21.8	992	-25.0
	Operating Profit	-7	—	-19	—	-26	—
Merchandise Sales	Operating Revenues	629	-21.2	730	-15.5	1,360	-18.3
	Operating Profit	3	-87.6	17	-35.4	20	-60.6
Real Estate	Operating Revenues	216	-7.4	257	-3.4	473	-5.3
	Operating Profit	56	7.7	47	15.1	104	11.0
Leisure	Operating Revenues	140	-64.9	217	-46.1	358	-55.5
	Operating Profit	-79	—	-55	—	-134	—
Other Businesses	Operating Revenues	248	4.6	376	-9.0	625	-4.0
	Operating Profit	14	35.8	36	-11.7	51	-2.0
Consolidated	Operating Revenues	1,554	-28.6	1,858	-19.1	3,412	-23.7
	Operating Profit	-13	—	20	-87.4	7	-98.2

2. Consolidated Statements of Cash Flows

- Free cash flow came to 139 hmy as a result of the sale of noncurrent assets, etc. and the increase in operating cash flow from improved performance over the previous year.
- Cash flows from financing activities came to -232 hmy from redemption of corporate bonds, etc.

(Units: ¥ hundred million)

	FY2020 Results	FY2021 Results	Change	Notes
Cash flows from operating activities	68	282	213	Increase in profit before income taxes, etc.
Cash flows from investing activities	-308	-143	165	Cash inflow from the sale of noncurrent assets, etc.
Free (operating + investing) cash flow	-239	139	378	
Cash flows from financing activities	587	-232	-820	Expenditures for redemption of corporate bonds, etc.
Cash and cash equivalents at end of period	767	673	-93	

3. Consolidated Financial Position

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

(Units: ¥ hundred million)

	FY2020 Results	FY2021 Results	Change
Total assets	9,126	9,062	-64
Liabilities	5,682	5,639	-43
Net assets	3,443	3,422	-21
Interest-bearing debt	3,996	3,757	-238
Equity ratio	37.7%	37.8%	0.1P

Equity ratio based on
interest-bearing debt

38.9%

(When the 254 hmy increase in the ending balance of cash and cash equivalents from FY2019 is offset by interest-bearing debt)

4. FY2021 Initiatives

Keio Line timetable revision, etc.

- Meidaimae was added as a station stop for the Keio Liner and Mt. TAKAO trains on weekends in October 2021, improving convenience.
- The timetable was revised in March 2022.
 - Meidaimae was added as a station stop for the Keio Liner on weekdays, improving convenience.
 - The number of Keio Liner and Mt. TAKAO trains was increased on weekend mornings, and the Mt. TAKAO train began year-round operation.
 - The Rapid and Semi Special Express train types were consolidated under the name of Rapid service, and Sasazuka and Chitosekarasuyama were added as station stops between Shinjuku and Chofu. This made it more convenient to switch trains.



Initiatives aimed at further improving safety and preventing incidents

- We held an attacker handling drill in response to the incident involving injuries that occurred on inside a railway car on the Keio Line.
- We reviewed how to guide passengers to a safe evacuation route when a train makes an emergency stop at the nearest station during an emergency and the doors of the cars do not line up with the platform doors.
- Security guards provide security on trains and patrol inside stations.
- We will work to improve our ability to stop terrorism and violence, ascertain information rapidly when an emergency occurs, and avoid/mitigate harm to customers.



4. FY2021 Initiatives

Mikan Shimokita facility opens under an elevated section of the Shimo-Kitazawa Station on the Keio Inokashira Line



- Mikan Shimokita, which was under development, opened in March 2022.
- It contains a mixture of offices and a commercial area with retail stores that sell merchandise that evoke a sense of the Shimo-Kitazawa culture and popular eating and drinking establishments. This offers a new form for Shimo-Kitazawa where people can live, work, and play.



	Area A	Area B	Area C	Area D	Area E
Land area	Approx. 1,200 m ²	Approx. 560 m ²	Approx. 180 m ²	Approx. 180 m ²	Approx. 300 m ²
Floor area	Approx. 2,800 m ²	Approx. 1,200 m ²	Approx. 580 m ²	Approx. 250 m ²	Approx. 480 m ²
No. of floors	5 floors above ground	5 floors above ground	2 floors above ground	2 floors above ground	2 floors above ground
Purpose	Stores, offices	Stores, offices, and bicycle parking	Bicycle parking	Stores	Stores
No. of stores	11 stores	1 store	—	4 stores	4 stores

* Area B will open in the summer of 2022.

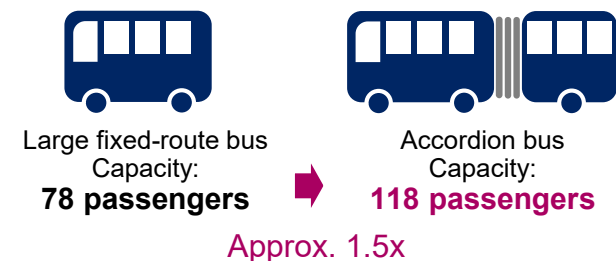
Sales activities commemorating the 50th anniversary of Keio Plaza Hotel opening

- Keio Hotel planned and began selling party plans, lodging plans, and other products to commemorate the 50th anniversary of the hotel's opening in June 2021.
- A commemorative video and magazine were posted on the URL of the special anniversary website.
<https://www.keioplaza.co.jp/event/50th/>



Accordion buses begin operation

- Accordion buses began operation to provide more transportation capacity on lines where passengers concentrate during short periods.
- They were introduced on the line connecting Mejirodai Station and Hosei University, and other lines.



4. FY2021 Initiatives

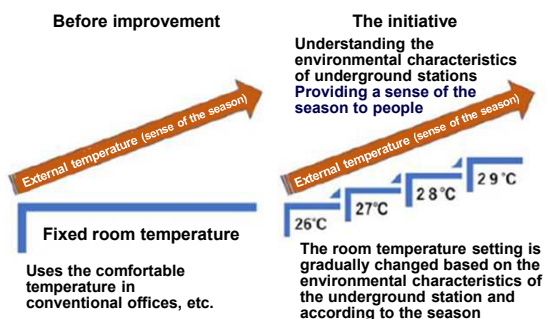
Received FY2021 Energy Conservation Grand Prize



- We received the Minister of Economy, Trade and Industry Award, the highest award in the energy saving case category and transportation field of the 2021 Energy Conservation Grand Prize.
- This award recognized our energy conservation activities such as changing the operation of air conditioning equipment in underground stations by gradually adjusting the A/C settings according to the external temperature and other conditions. This achieved improvement without a large investment.



Chofu Station on the Keio Line is a model case of success in energy conservation

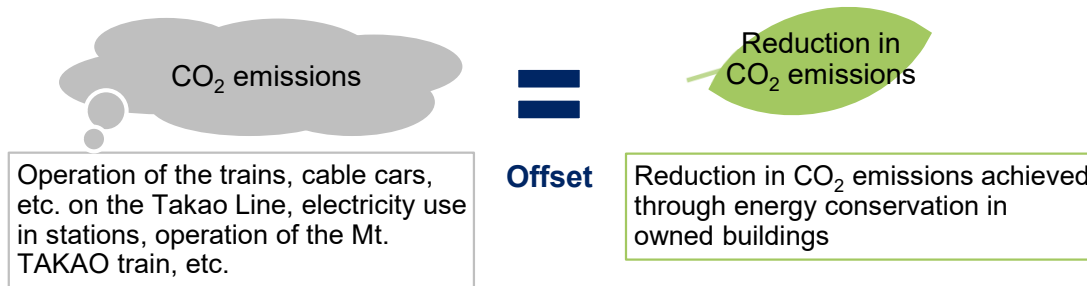


Operating improvement achieved through graduated room temperature settings

Achieving net zero CO₂ emissions in the Takao area



- We used part of the surplus reduction in CO₂ emissions we achieved in owned properties as carbon offsets to achieve net zero CO₂ emissions when going on a tour of the Mt. Takao area.



Concluded Tokyo Waterworks: Corporate Forest agreement



- We agree with the plan of the Tokyo Metropolitan Government Bureau of Waterworks to involve everyone in maintaining water conservation forest and concluded a Tokyo Waterworks - Enterprise Forest agreement.
- We named part of the forest that is the water source in the area upstream from Tamagawa as Keio Suigen no Mori, and contribute to forest conservation in the area upstream from Tama River through planting and forest conservation work.



III. Reference Material

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. Consolidated Balance Sheets and Consolidated Statements of Cash Flows
9. Consolidated Earnings Forecasts
10. Earnings Forecasts by Segment
11. Railways Transportation Results

1. Consolidated Statements of Income

(Units: ¥ hundred million)

	Full-Year FY2021 Earnings		
	FY2020 result	FY2021 result	Change (%)
Operating Revenues	3,154	2,998 (3,412)	-155 (-4.9) (258) (8.2)
Operating Profit	-208	7	216 (—)
Ordinary Profit	-179	53	233 (—)
Profit Attributable to Owners of Parent	-275	55	331 (—)
EBITDA	142	322	179 (125.7)
Depreciation and Amortization	346	311	-34 (-10.1)
Capital Expenditures	361	338	-22 (-6.4)

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

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

* Parentheses below show figures before application of the Accounting Standard for Revenue Recognition.

2. Overview by Segment

- Operating revenues declined in Real Estate, Other Businesses, and Merchandise Sales, which was heavily impacted by application of the Accounting Standard for Revenue Recognition.
- Operating profit improved in all segments except for Other Businesses.

(Units: ¥ hundred million)

	Operating Revenues			Operating Profit		
	FY2020 result	FY2021 result	Change (%)	FY2020 result	FY2021 result	Change (%)
Transportation	884	992	107 (12.2)	-164	-26	137 (—)
		(992)	(107) (12.2)			
Merchandise Sales	1,284	969	-315 (-24.6)	- 0	20	20 (—)
		(1,360)	(75) (5.9)			
Real Estate	480	472	-8 (-1.7)	104	104	0 (0.7)
		(473)	(-6) (-1.3)			
Leisure	253	329	76 (30.2)	-192	-134	58 (—)
		(358)	(105) (41.5)			
Other Businesses	654	625	-28 (-4.4)	52	51	-1 (-2.7)
		(625)	(-28) (-4.4)			
Elimination	-402	-390	12 (—)	-7	-7	0 (—)
		(-397)	(5) (—)			
Consolidated	3,154	2,998	-155 (-4.9)	-208	7	216 (—)
		(3,412)	(258) (8.2)			

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

* Parentheses below show figures before application of the Accounting Standard for Revenue Recognition.

3. Segment Information (Transportation)

- The Railways business mainly improved in April-May, compared to the same period in the previous fiscal year, when the first declaration of a state of emergency was issued. Passenger revenues increased.
- Passenger revenues also increased for bus services and taxi services.
- However, transportation demand remained sluggish, mainly due to the change in lifestyles and passenger traffic from the COVID-19 pandemic.

(Units: ¥ hundred million)

	Full-Year FY2021 Earnings		
	FY2020 result	FY2021 result	Change (%)
Operating Revenues	884	992	107 (12.2)
		(992)	(107) (12.2)
(Railways)	581	641	59 (10.2)
(Bus Services)	240	260	19 (8.2)
(Taxi Services)	85	96	11 (13.0)
(Other)	22	23	0 (3.5)
(Elimination)	-46	-29	16 (—)
Operating Profit	-164	-26	137 (—)
(Railways)	-97	-14	82 (—)
(Bus Services)	-56	-12	44 (—)
EBITDA	47	156	109 (231.9)
Depreciation and Amortization	211	183	-28 (-13.3)
Capital Expenditures	208	172	-35 (-17.2)

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

* Parentheses below show figures before application of the Accounting Standard for Revenue Recognition.

3. Segment Information (Transportation)

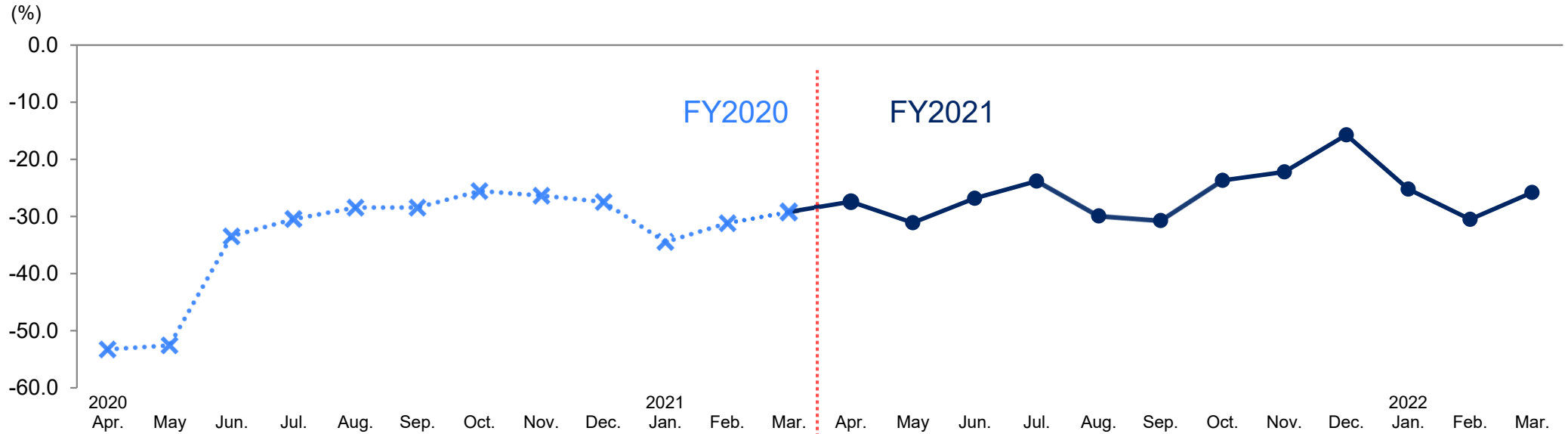
Railways transportation results

(Units: Thousands of People, ¥ million)

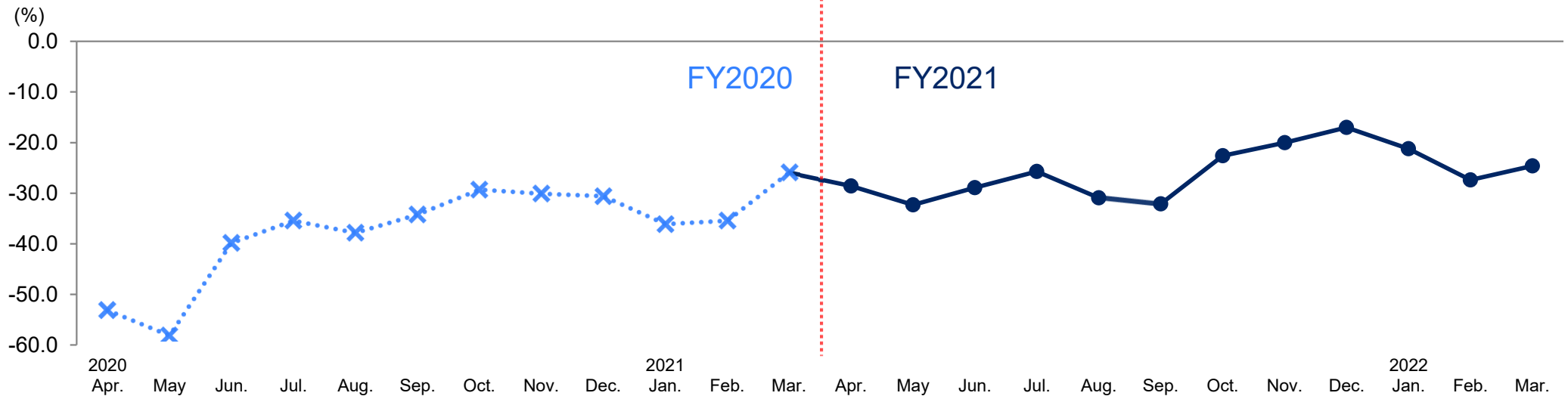
		FY2021 Results		
		FY2020 result	FY2021 result	Change (%)
Transported Passengers	Commuter-Pass	269,745	287,659	17,914 (6.6)
	(Business)	231,373	223,662	-7,711 (-3.3)
	(Student)	38,372	63,997	25,625 (66.8)
	Non-Commuter-Pass	180,899	213,565	32,666 (18.1)
	Total	450,644	501,224	50,580 (11.2)
Passenger Revenues	Commuter-Pass	25,155	25,195	39 (0.2)
	(Business)	23,739	22,827	-912 (-3.8)
	(Student)	1,416	2,368	951 (67.2)
	Non-Commuter-Pass	29,614	35,260	5,646 (19.1)
	Total	54,770	60,456	5,685 (10.4)

3. Segment Information (Transportation)

Number of passengers carried in railways business vs. FY2018.



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



4. Segment Information (Merchandise Sales)

- The application of the Accounting Standard for Revenue Recognition caused revenues to decline despite improvement in the performance of department stores compared to the previous fiscal year.
- In retail stores, stay-at-home demand for food and other products decreased compared to the previous fiscal year. Application of the Accounting Standard for Revenue Recognition also contributed to a decline in revenues.
- Overall Merchandise Sales revenues increased when calculated as they were before application of the Accounting Standard for Revenue Recognition.

(Units: ¥ hundred million)

	Full-Year FY2021 Earnings			
	FY2020 result	FY2021 result	Change (%)	
Operating Revenues	1,284	969	- 315	(- 24.6)
		(1,360)	(75)	(5.9)
(Department Stores)	548	271	- 277	(- 50.5)
		(624)	(76)	(13.9)
(Retail Stores)	502	469	- 33	(- 6.6)
		(500)	(- 2)	(- 0.4)
(Retail Stores for Books)	60	53	- 7	(- 12.0)
(Shopping Centers)	133	140	6	(5.0)
(Other)	96	90	- 6	(- 6.2)
(Elimination)	- 56	- 55	1	(—)
Operating Profit	- 0	20	20	(—)
		- 30	15	(—)
(Retail Stores)	11	10	- 1	(- 12.3)
EBITDA	36	55	19	(52.9)
Depreciation and Amortization	37	35	- 1	(- 4.4)
Capital Expenditures	25	19	- 6	(- 24.1)

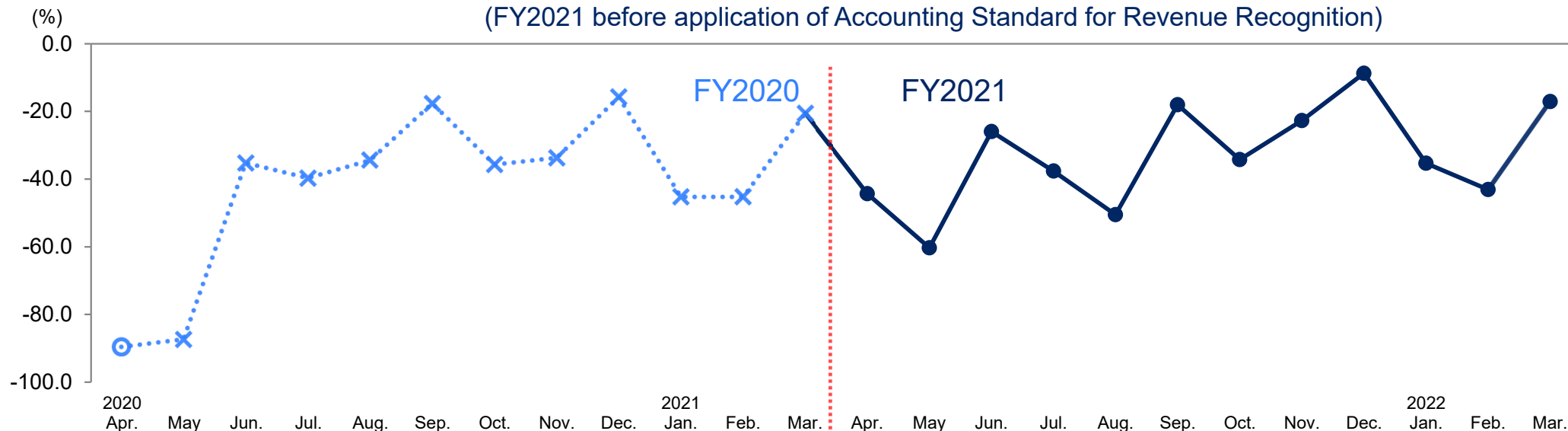
* Accounting Standard for Revenue Recognition applied as of fiscal 2021.

* Parentheses below show figures before application of the Accounting Standard for Revenue Recognition.

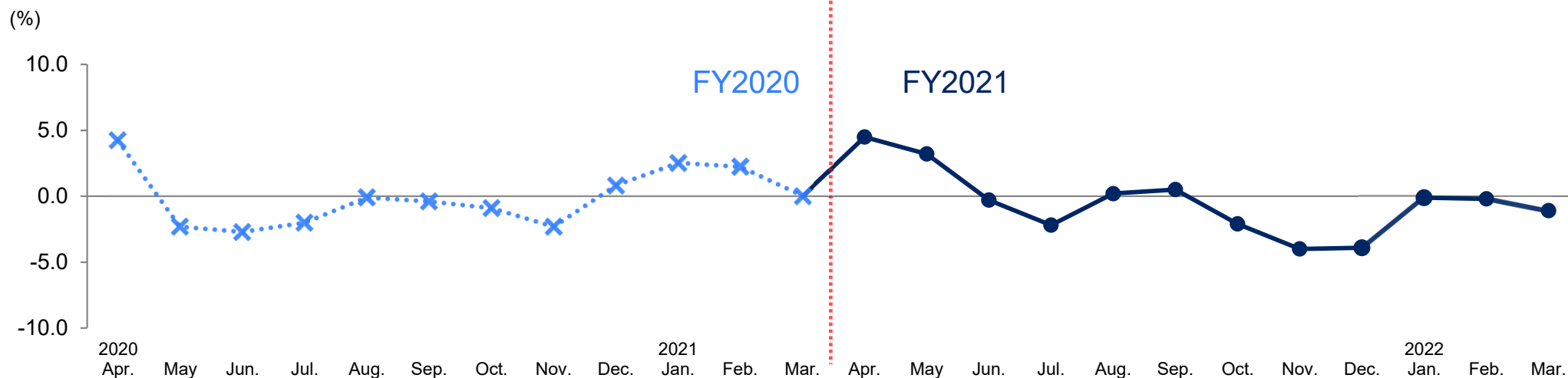
4. Segment Information (Merchandise Sales)

Comparison of department store sales in Shinjuku vs. FY2018.

(FY2021 before application of Accounting Standard for Revenue Recognition)



Retail store: Net sales vs. FY2018. (FY2021 before application of Accounting Standard for Revenue Recognition)



5. Segment Information (Real Estate)

- Land and building leasing saw an increase in operating revenues, mainly from new properties beginning operation.
- Real estate development for sale saw a decrease in operating revenues, mainly due to a decrease in property sales.

(Units: ¥ hundred million)

	Full-Year FY2021 Earnings			
	FY2020 result	FY2021 result	Change (%)	
Operating Revenues	480	472	- 8	(- 1.7)
		(473)	(- 6)	(- 1.3)
(Land and Building Leasing)	367	375	7	(2.1)
(Development for Selling by Lots)	202	170	- 31	(- 15.7)
(Other)	22	28	5	(24.2)
(Elimination)	- 112	- 101	10	(—)
Operating Profit	104	104	0	(0.7)
(Land and Building Leasing)	100	101	0	(0.1)
(Development for Selling by Lots)	13	9	- 3	(- 26.5)
EBITDA	155	155	- 0	(- 0.1)
Depreciation and Amortization	47	47	0	(0.4)
Capital Expenditures	87	95	7	(8.9)

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

* Parentheses below show figures before application of the Accounting Standard for Revenue Recognition.

6. Segment Information (Leisure)

- Hotels experienced a rebound in occupancy rates compared to the previous fiscal year, mainly in October-December. However, lodging demand remained sluggish.

(Units: ¥ hundred million)

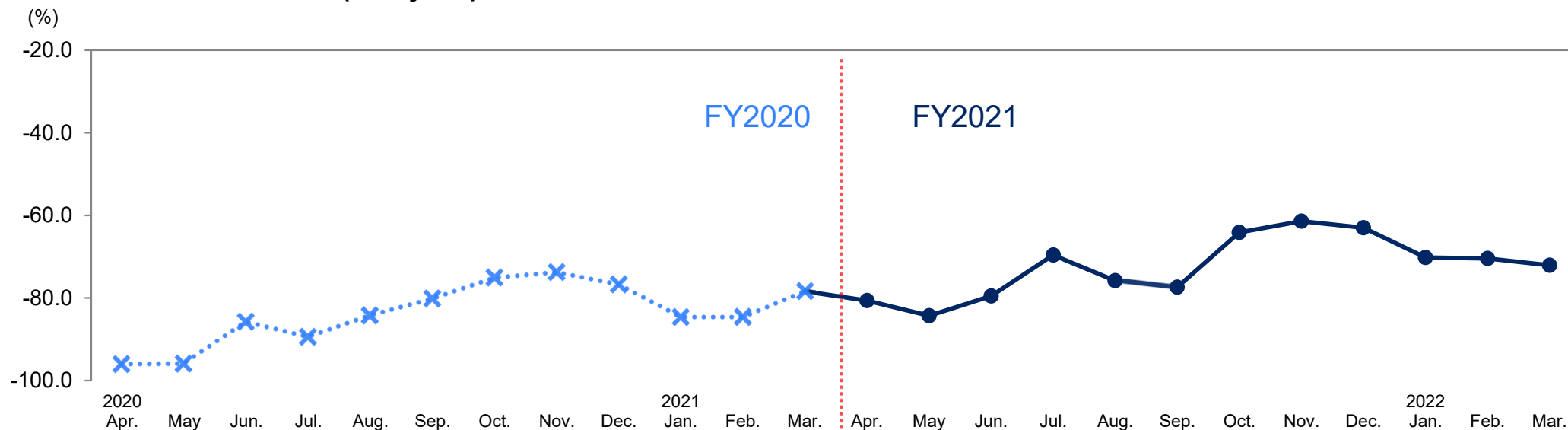
	Full-Year FY2021 Earnings		
	FY2020 result	FY2021 result	Change (%)
Operating Revenues	253	329	76 (30.2)
		(358)	(105) (41.5)
(Hotels)	215	242	27 (12.6)
(Travel Services)	22	39	16 (72.1)
(Advertising Services)	85	70	- 15 (- 17.6)
(Other)	41	50	8 (20.9)
(Elimination)	- 111	- 72	39 (—)
Operating Profit	- 192	- 134	58 (—)
(Hotels)	- 166	- 116	50 (—)
EBITDA	- 143	- 91	52 (—)
Depreciation and Amortization	48	43	- 5 (- 10.7)
Capital Expenditures	41	52	10 (25.6)

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

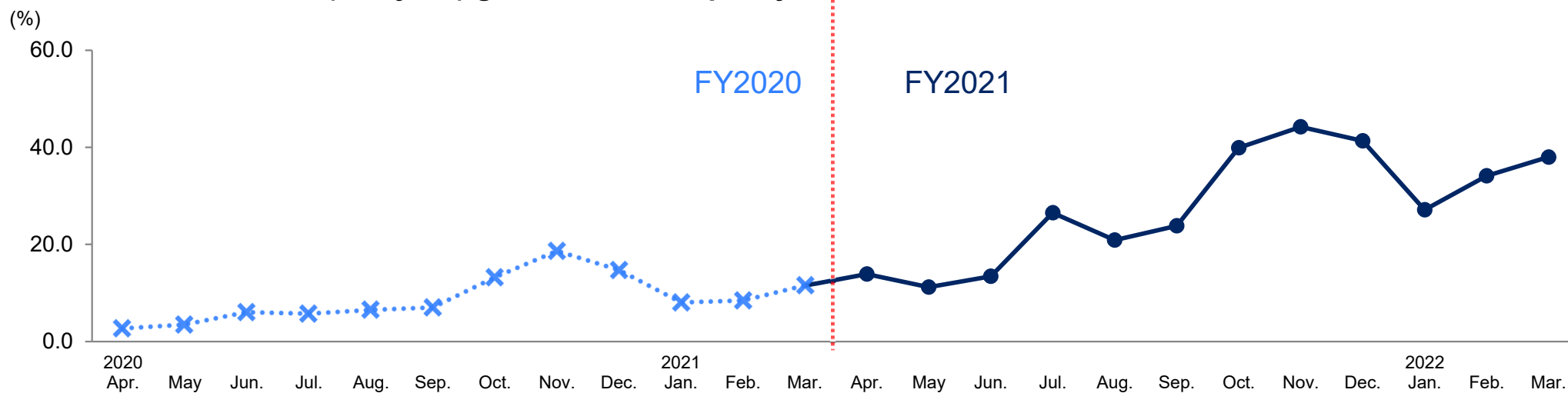
* Parentheses below show figures before application of the Accounting Standard for Revenue Recognition.

6. Segment Information (Leisure)

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



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



7. Segment Information (Other Businesses)

- Construction revenues declined, mainly due to a decline in construction completed.
- Building maintenance revenues declined, mainly due to a decrease in orders.

(Units: ¥ hundred million)

	Full-Year FY2021 Earnings			
	FY2020 result	FY2021 result	Change (%)	
Operating Revenues	654	625	- 28	(- 4.4)
		(625)	(- 28)	(- 4.4)
(Building Maintenance)	255	242	- 13	(- 5.2)
(Railway Car Maintenance)	89	90	1	(1.5)
(Construction)	256	233	- 23	(- 9.0)
(Other)	83	85	2	(3.1)
(Elimination)	- 31	- 27	3	(—)
Operating Profit	52	51	- 1	(- 2.7)
EBITDA	58	56	- 1	(- 2.9)
Depreciation and Amortization	5	4	- 0	(- 4.8)
Capital Expenditures	3	4	1	(33.3)

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

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

8. Consolidated Balance Sheets and Consolidated Statements of Cash Flows

Consolidated balance sheets

(Units: ¥ hundred million)

	FY2020 Results	FY2021 Results	Change	Change Factors
Total assets	9,126	9,062	-64	Decrease in cash and deposits, etc.
Liabilities	5,682	5,639	-43	Redemption of corporate bonds, etc.
Net assets	3,443	3,422	-21	Allocation of surplus, etc.
Total liabilities and net assets	9,126	9,062	-64	
Interest-bearing debt	3,996	3,757	-238	
Equity ratio	37.7%	37.8%	0.1P	

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

Consolidated statements of cash flows

(Units: ¥ hundred million)

	FY2020 Results	FY2021 Results	Change	Notes
Cash flows from operating activities	68	282	213	Increase in profit before income taxes, etc.
Cash flows from investing activities	-308	-143	165	Cash inflow from sale of noncurrent assets, etc.
Cash flows from financing activities	587	-232	-820	Expenditures for redemption of corporate bonds, etc.
Cash and cash equivalents at end of period	767	673	-93	

9. Consolidated Earnings Forecasts

(Units: ¥ hundred million)

	FY2022 Full-Year Earnings Forecasts		
	FY2021 result	FY2022 plan	Change (%)
Operating Revenues	2,998	3,460	461 (15.4)
Operating Profit	7	149	141 (—)
Ordinary Profit	53	135	81 (151.5)
Profit Attributable to Owners of Parent	55	64	8 (14.6)
EBITDA	322	449	127 (39.6)
Depreciation and Amortization	311	300	-11 (-3.5)
Capital Expenditures	338	698	360 (106.7)

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

10. Earnings Forecasts by Segment

(Units: ¥ hundred million)


	Operating Revenues			Operating Profit		
	FY2021 result	FY2022 plan	Change (%)	FY2021 result	FY2022 plan	Change (%)
Transportation	992	1,092	99 (10.0)	- 26	35	62 (—)
Merchandise Sales	969	1,045	76 (7.9)	20	42	22 (110.6)
Real Estate	472	495	23 (4.9)	104	95	- 8 (- 8.5)
Leisure	329	540	211 (64.0)	- 134	- 59	75 (—)
Other Businesses	625	641	16 (2.6)	51	44	- 7 (- 14.0)
Elimination	- 390	- 355	34 (—)	- 7	- 10	- 2 (—)
Consolidated	2,998	3,460	461 (15.4)	7	149	141 (—)

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

11. Railways Transportation Results

(Units: Thousands of People, ¥ million)

		FY2022 Forecasts		
		FY2021 result	FY2022 plan	Change (%)
Transported Passengers	Commuter-Pass	287,659	306,142	18,483 (6.4)
	(Business)	223,662	230,117	6,455 (2.9)
	(Student)	63,997	76,025	12,028 (18.8)
	Non-Commuter-Pass	213,565	238,897	25,332 (11.9)
	Total	501,224	545,039	43,815 (8.7)
Passenger Revenues	Commuter-Pass	25,195	25,929	734 (2.9)
	(Business)	22,827	23,138	311 (1.4)
	(Student)	2,368	2,791	422 (17.8)
	Non-Commuter-Pass	35,260	39,726	4,465 (12.7)
	Total	60,456	65,656	5,199 (8.6)



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.

