

FY2022 Financial Results

— Held on May 17, 2023 —

Keio Corporation
京王電鉄株式会社

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President and Executive Officer

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(in charge of Finance and Information Disclosure)

Masahiro Ono

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Performance Summary

FY2022 Results

- Revenues rebounded substantially compared to last fiscal year in Hotels and were up across all segments, resulting in operating revenues of 3,471 hmy.
- Operating profit totaled 214 hmy and profit attributable to owners of parent came in at 131 hmy amid improved performance compared to last fiscal year across every segment except Other Businesses.
- The annual dividend for FY2022 was 40.0 yen per share.

FY2023 Earnings Forecasts

- The real estate sales business will be the main driver of operating revenues growth to 3,680 hmy (+50 hmy compared to the Medium-Term Management Plan).
- While Hotels will see substantial improvement, the forecast for operating profit is 210 hmy (-40 hmy compared to the Medium-Term Management Plan), due to increases in utilities, personnel, and other expenses.
- No impact is anticipated from the railway passenger fare revision requested in March 2023.
- We plan to increase the annual dividend to 45.0 yen per share for FY2023.

I. Progress on Medium-Term Management Plan

1. Three-year Medium-Term Management Plan (FY2022 to FY2024)
2. Improvement in Railways Business Safety and Service
3. Focus on Urban Development
4. Promotion of Business Structure Reform
5. Enhancement of Earning Power
6. Building a Solid Business Base

Satoshi Tsumura

President and Representative Director,
President and Executive Officer

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

RE START

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

RE DEVELOPMENT <Focus on urban development>

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

RE STRUCTURING <Promotion of business structure reform>

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

RE INFORCE <Enhancement of earning power>

- Strengthen the condominium business and other real estate sales business.
- Focus on the exit strategy in acquisition and sale of new assets.
- Enter the logistics business and expand B to B domains.

Railways

“Railways with excellent service and the best safety in Japan”

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

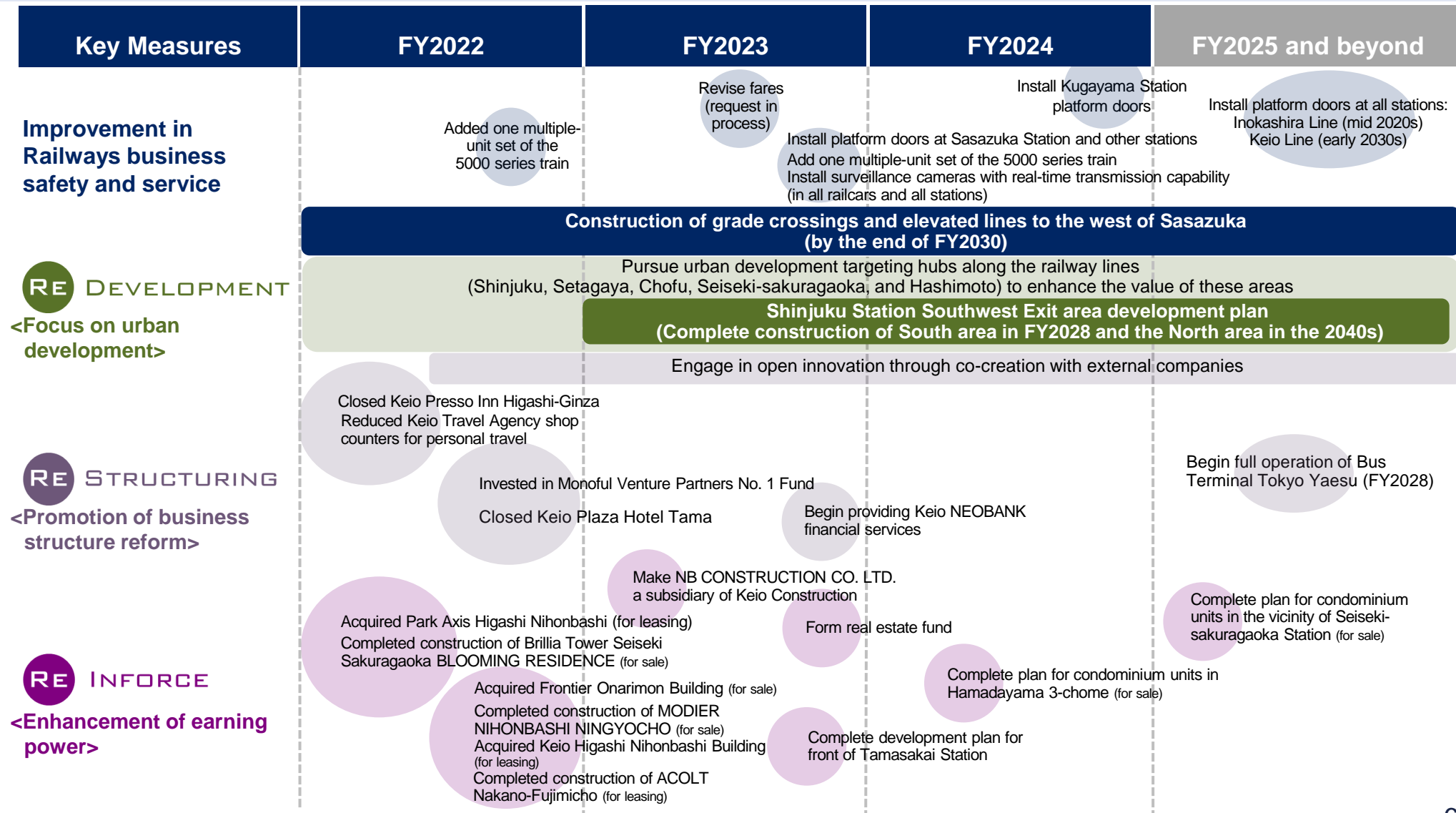
Solid business base

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

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

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

Key Measures in the Medium-Term Management Plan

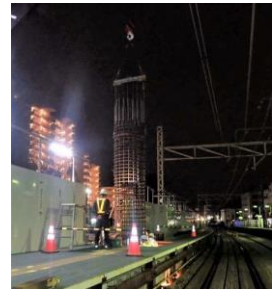


2. Improvement in Railways Business Safety and Service

Pursuing a higher level of safety and security

Construction of grade crossings and elevated lines to the west of Sasazuka

- Continue to collaborate with the Tokyo Metropolitan Government, the project sponsor, on acquiring land and elevating sections.
- Started construction around Chitose-karasuyama Station in October 2022.



Crime prevention and safety measures

- Introduce surveillance cameras with real-time transmission capability.
 - Installed in roughly 70% of all railcars by FY2022.
 - Plan to install them on all railcars and at all stations by around FY2023.



Barrier-free initiatives (installation of platform doors)

- Began using platform doors on Lines 1 and 4 at Sasazuka Station in February 2023.
- When platform doors are installed, additional exits are added in case railcar doors do not align, and work is being done on eliminating the difference in floor height and gap between the platform and the railcars.



New style of platform door

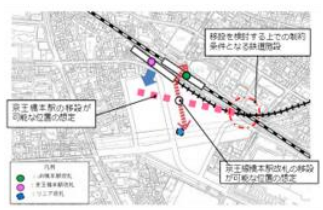
Providing services that anticipate customers' needs

Large-scale construction at terminal stations

- At Shinjuku Station, work on designs for a construction of a new ticket gate on the second basement floor and a new ticket gate leading to the underground station plaza at the southwest exit, and other station improvements are underway.
- At Hashimoto Station, consideration and discussion of plans to relocate the station are underway.



Station renovation at Shinjuku Station



Considering relocating Hashimoto Station

Accommodating diverse needs of railway passengers

- Considering expansion of other operations in addition to adding a multiple-unit of the latest 5000 series train to increase reserved seating service more.
- Plan to introduce a loyalty points service based on use to create transportation demand and as a way to provide rebates.
- Considering measures to encourage families with children to travel and services in cooperation with facilities along rail lines and other companies.

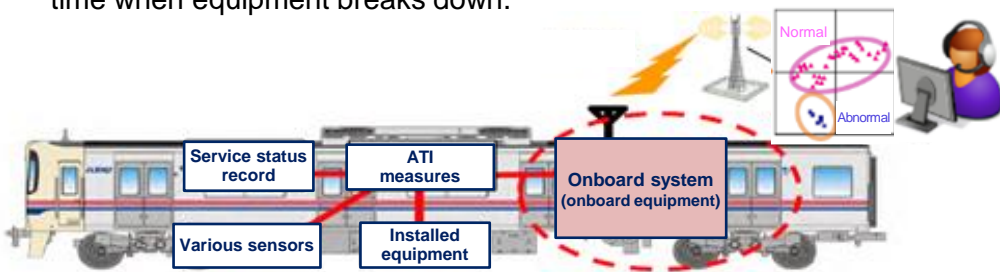


2. Improvement in Railways Business Safety and Service

Building a solid business management structure focused on the future

■ Beginning continuous monitoring of data from railway car equipment

Working on introducing a system to continuously monitor the operational status of rail car equipment and to shorten the recovery time when equipment breaks down.



■ Increasing sophistication and efficiency of railway operation

Build detection systems to digitize maintenance and management of civil engineering structures, and electrical equipment. Optimize facility repair timing and prioritization, while achieving labor savings and automating services through digital transformation (DX).



Request submitted for fare revisions

- Transportation demand is not expected to return to pre-pandemic levels. However, ongoing capital investment is essential in order to continuously provide advanced safety and services into the future.
- We requested fare revisions we plan to implement in October 2023.

Timing	<ul style="list-style-type: none"> • Date requested: March 24, 2023 • Planned implementation date: October 2023
Summary of request	<ul style="list-style-type: none"> • The amount of the fare increases was kept as low as possible, in consideration of the cost to customers. • Percentage revision: 13.3%; Percentage increase in revenue: 11.5% • Base ticket fare to increase from 130 to 140 yen • No fare increase for school commuter passes, in consideration of the burden on household budgets • Surcharge on the Sagami-hara line eliminated

If the requested fare increases are approved, they will add roughly 83 hmy to annual revenue from FY2024 to FY2026 (around 250 hmy in total over three years).

* The request is still pending, so we do not expect it to affect plans for FY2023.

3. Focus on Urban Development



Urban development in areas along Keio railway lines

Seiseki-sakuragaoka area

Hub development

- Enhanced the value of the entire area through community development centered on development along the Tama River and promoted an influx of people in their productive years through housing development.
- Began planning for condominiums near Seiseki-sakuragaoka Station (for completion in FY2025).



Chofu area

Pursuit of redevelopment business in the area near Keio Tamagawa Station

The goal is a compact urban development that provides housing, commercial facilities, and other multifunctional areas where multiple generations interact.



Shinjuku area

Shinjuku Station Southwest Exit area development plan

- Organic, integrated development of station and town in the Shinjuku area, the most important hub.



Hashimoto area

- Based on the urban plans decided on in March 2023 (roads, etc.), we have been working with Sagami-hara City on its project to develop the area around Hashimoto Station and are considering relocating Hashimoto Station and enhancing station functions.
- We are formulating the grand design for community development with interested parties.



Setagaya area

Considering initiatives aimed at regional cooperation and increased interaction of population by using the spaces underneath elevated lines created through the project to construct grade crossings and elevated lines.



3. Focus on Urban Development RE DEVELOPMENT

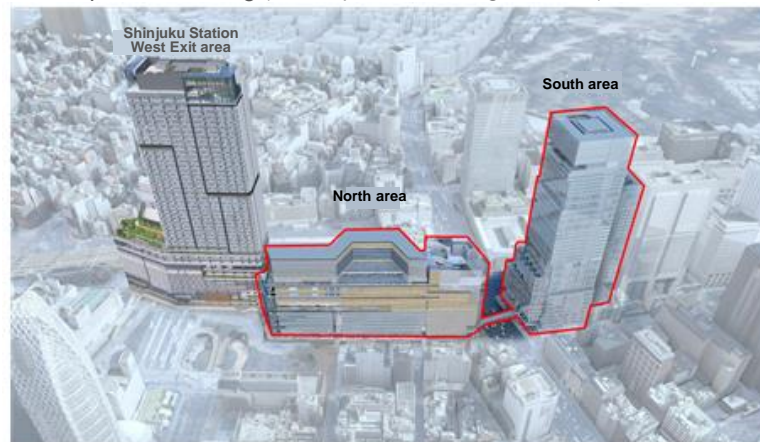
Shinjuku Station Southwest Exit area development plan

- 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.
- In FY2023, demolition work on the buildings we own in the South area will begin in stages.

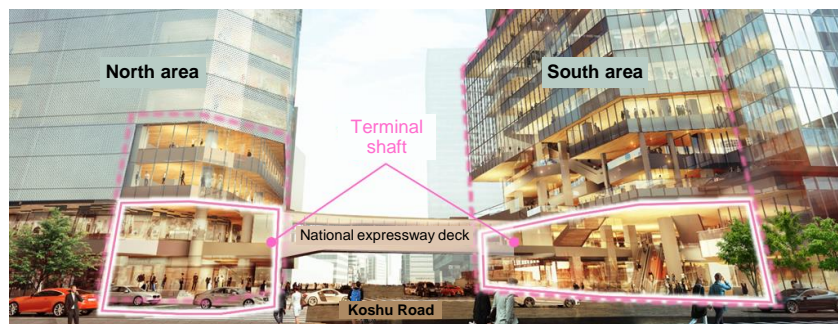
Plan Summary

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)



3. Focus on Urban Development



Improving the value of areas through sports

- Work with sports organizations and local governments, companies, and others in using sports to revitalize communities and generate customer traffic.

- Concluded a comprehensive partnership agreement in May 2023 with F.C. Tokyo, which has Ajinomoto Stadium along the rail line as its home stadium.

- Collaboration with W League (professional women’s basketball league) Concluded playoff title partner agreement for the playoffs held in April 2023.



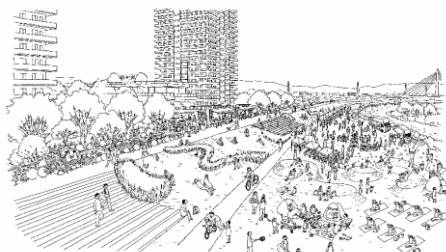
Improving the value of an area through joint initiatives with local communities

Seiseki-sakuragaoka area

- Built a collaborative structure with the government and community and communicate information through a local information magazine to revitalize the entire area through community development centered on development along the Tama River.

Setagaya area (Mikan Shimokita)

- Working with local players through community programs, using SYCL by KEIO co-working space as a hub.
- The brand and logo design received two of the top three global design awards.



Perspective drawing of entire development



“Seiseki ZINE,” a local magazine with citizen contributors



reddot winner 2022 brand design



4. Promotion of Business Structure Reform RE STRUCTURING

Open innovation

- The decline in future customer traffic was accelerated by changes in society spurred by the COVID-19 pandemic.
 - Agile generation of customer traffic and improvement in operating efficiency is necessary to respond to the changes in the business environment.
- Aim to create new transportation demand and take other steps to raise the revenue base level through business co-creation with start-ups and other external companies. Launched the KEIO OPEN INNOVATION PROGRAM based on the theme of transforming the Railways business from July 2022 onward.
- Began proof of concept (PoC) trials with the seven participants from October 2022 and held Demo Day (to present results) in March 2023.

■ Examples of PoC trials conducted

- eSports Lab.KEIO SASAZUKA:
Opened an interactive e-sports facility for a limited time (February to March 2023).
 - Generated customer traffic in new business through the interactive program and tournament.
- Use Find on the cloud to track down lost items:
Provided customer support via a chat for items lost along the rail lines and automatic verification via AI.
 - Improved customer convenience and reduced the work involved (reduced the number of inquires to stations by 30%).
- “Novel x stroll about town” interactive content: Short novel series staged along the rail line.
 - Created transportation demand by linking the railways, stations, and local content.



In FY2023, consider commercialization and engage in open innovation rooted in the area, based on the results of PoC trials.

4. Promotion of Business Structure Reform RE STRUCTURING

Entering the bank agency business

- We plan to begin offering new KEIO NEOBANK financial services from the fall of 2023.
- Keio points will be awarded according to the services used in addition to providing banking services (deposit, payment, lending, etc.).
- The services aim to target and attract users along the rail lines, particularly young people and families with children.

KEIO NEOBANK



App home screen



Debit cash card

Strengthening the competitiveness of Hotels

- **Initiatives in the rebounding demand phase**
 - Securing human resources to address the shortage of personnel needed for operation.
 - At Keio Plaza Hotel (Shinjuku), prepared to open a large lounge on the top floor for hotel guests and renovated 84 guestrooms on three floors to increase the room rate further. Aim to achieve 4-stars in the Forbes travel guide over the medium term.

- **Continuous improvements in efficiency**
 Considered the long-term cost-benefits and are continuing to improve operating efficiency through the use of digital technology in some hotels, while closing others.

Business restructuring	Keio Plaza Hotel Tama: Closed (January 2023) Keio Presso Inn Higashi-Ginza: Closed (May 2022)
Hotel operation system development (to improve operating efficiency)	Mobile orders, delivery robots (introduce some), automated check-in terminal

Digital use in Keio Prelia Hotel Sapporo



KOTOBAL multi-language interpreting service at the front desk



Automated check-in terminal

5. Enhancement of Earning Power

Enhancing Real Estate business

- Expand investment to increase value, and expand the condominium unit business and other real estate for sale business in addition to improving profitability in the land and building leasing business.

Leasing business

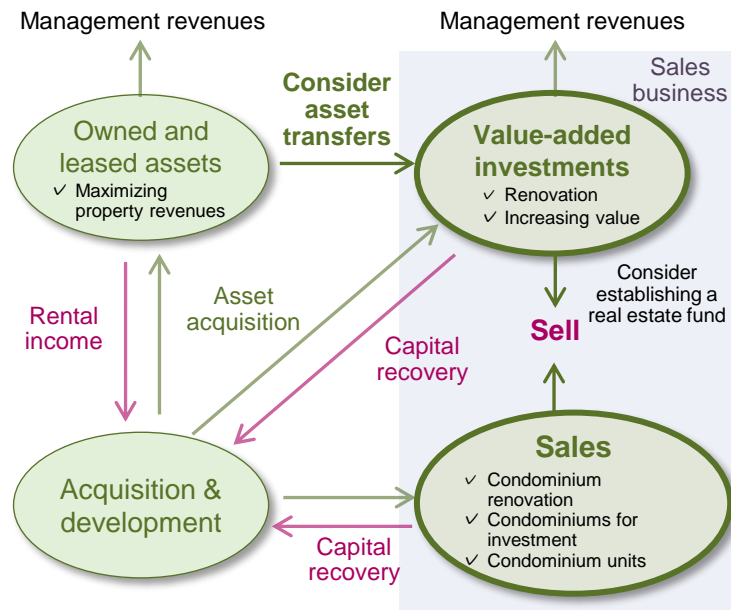
Improve profitability through development of new assets and increasing the value of owned assets.



ACOLT Nakano Fujimicho
(Completed January 2023)



Keio Higashi Nihonbashi Building
(Acquired March 2023)



Sales business

Value-added investments

- Acquired new assets, mainly offices and residential properties in Tokyo's 23 wards.
- Secured revenue bases while increasing asset efficiency by increasing the value of acquired assets, selling them, and reinvesting the proceeds.



Frontier Onarimon
(Acquired December 2022)



MODIER NIHONBASHI NINGYOCHO
(Completed February 2023)

Condominium units

- Pursued and expanded joint projects with Sunwood such as development of sub-divisions on company-owned land, etc.

Real estate fund formation and management

- Established an asset financing structure focused on the period of large-scale investment.



Condominium unit plans in Hamadayama 3-chome
(Completion scheduled for July 2024)

Use the strengths and expertise of each real estate company to grow profits and improve asset efficiency.

5. Enhancement of Earning Power

Making NB CONSTRUCTION CO. LTD. a subsidiary of Keio Construction

- Expanded the BtoB domain of the construction business, etc. as part of the initiatives aimed at “enhancement of earning power,” one of the key measures in the Medium-Term Management Plan.
- Keio Construction plans to acquire all shares in NB CONSTRUCTION CO. LTD. held by SPACE VALUE HOLDINGS on May 31, 2023.



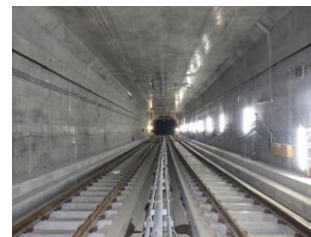
- Expand commercial sphere to increase opportunities for receiving orders.
- Acquire personnel with advanced technical capabilities and qualifications.
- Expand orders through mutual use of engineers and subcontractors.



Profile of NB CONSTRUCTION CO. LTD.

Established:	August 1967
Business description:	Contract design and construction for civil engineering and building projects.
Net sales:	139 hmy (FYE March 31, 2022)
Operating profit:	1 hmy (FYE March 31, 2022)

Construction record



Sagami Railway/JR direct line
Nishiya Tunnel construction
(track-related)



VERENA CITY
Yokohama Negishi the Front

6. Building a Solid Business Base

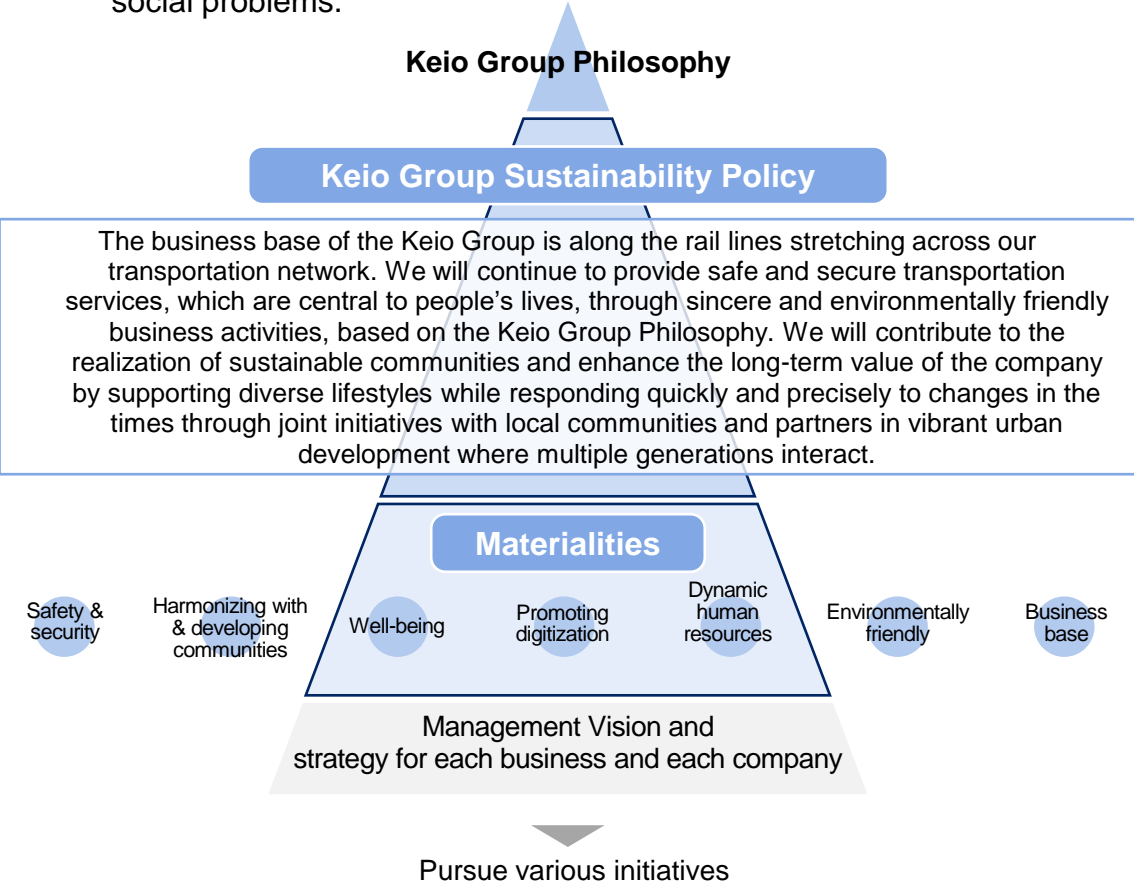
Initiatives in Sustainability

■ Formulated Keio Group Sustainability Policy

- Expressly states that the Group will contribute to the realization of a sustainable society and target enhancement of long-term corporate value.
- Specifies seven material elements (materialities), referencing various social problems.

■ System improvements

- We established a Sustainability Promotion Committee chaired by the president in May 2023.
- The committee will identify risks and opportunities related to sustainability, link these to materialities, and monitor them via KPI. The committee reports to and is supervised by the Board of Directors.



6. Building a Solid Business Base

Human resource management

■ Formulating a human resource strategy

- Formulated the human resource development policy and the policy on establishing the internal environment from five perspectives directed at accomplishing the Medium-Term Management Plan.

(1) Securing human resources

Be flexible in revising hiring, treatment, workstyles, and systems to secure outstanding human resources whether they are internal or external.

(3) Engagement

Establish an environment in which employees are connected to the company through a deep sense of trust and derive job satisfaction while helping each other to grow.



(2) Developing human resources

Foster and embed the value that safety and security take precedence over everything else. Develop the necessary specialized human resources to achieve the business strategy and support individuals in building their own careers.

(4) Diversity & inclusion

Be an organization that actively values diversity in gender, generation, knowledge, experience, sense of values, and other characteristics, and creates new value.

(5) Organizational culture & structure

Form an organizational culture that permits people to take on challenges and tolerates failure, and build an organization that promotes transformation and implementation with a sense of urgency.

Responding to climate change

■ Establishment of environmental targets

- Set a target for reduction of CO₂ emissions in FY2030, aimed at achieving carbon neutrality in FY2050.

■ Preparation for disclosure of information according to TCFD recommendations

- Prepared for disclosure of information on climate change based on endorsement of the TCFD recommendations and the TCFD framework.

CO ₂ emissions	FY2030 reduction targets	FY2050 reduction targets
Consolidated	30% reduction compared to FY2019	Net zero
Railways business	46% reduction compared to FY2013	Net zero

* Scopes 1 and 2 for both consolidated and the Railways business.

Set KPI based on the sustainability promotion structure we have built and disclose them in the Integrated Report in FY2023.

II. FY2022 Results

1. FY2022 Results
2. Operating Revenues / Operating Profit Change Factors
(YoY comparison)
3. Earnings by Segment (vs. FY2018)
4. Consolidated Financial Position

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

1. FY2022 Results

- Easing of travel restrictions from October 2022 onward led to growth in both revenues and profit as lodging demand in Hotels rebounded strongly compared to last fiscal year.
- Operating profits increased by 65 hmy compared to the plan due to the rebound in demand mentioned above and to growth in gross profit in the real estate sales business.

	FY2022 result	FY2021 result	YoY Change	FY2022 initial plan <small>(based on May 2, 2022 announcement)</small>	vs. initial plan
Operating Revenues	3,471	2,998	472	3,460	11
Operating Profit	214	7	207	149	65
Ordinary Profit	217	53	164	135	82
Profit Attributable to Owners of Parent	131	55	75	64	67
EBITDA	506	322	183	449	56

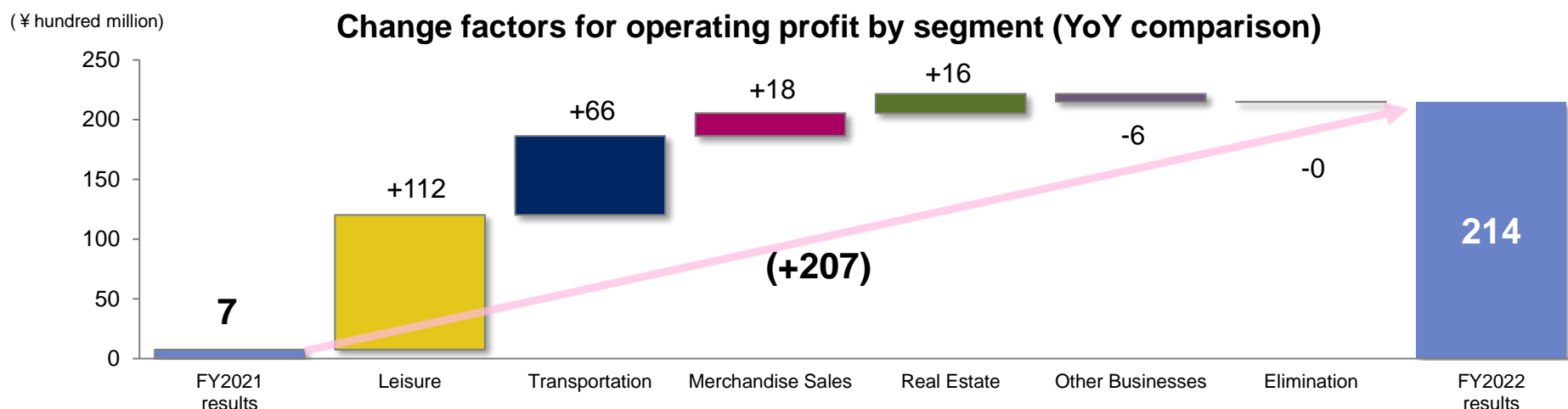
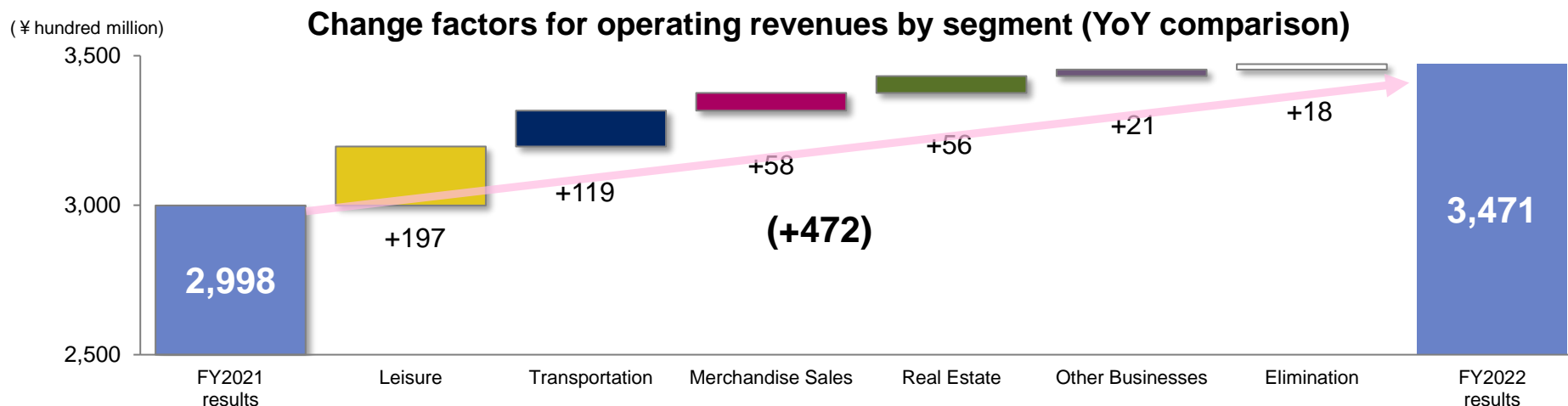
* EBITDA is operating profit + depreciation and amortization + amortization of goodwill.

Reference Indicators

	FY2022 result	FY2021 result	YoY Change
R O E	3.8%	1.6%	2.2P
R O A	2.3%	0.6%	1.7P

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

- Operating revenues rose across all segments, increasing 472 hmy compared to last fiscal year.
- Operating profit improved in each segment except Other Businesses, resulting in a 207 hmy increase over the previous fiscal year.



3. Earnings by Segment (vs. FY2018)

(Units: ¥ hundred million)

		1H (April – September)		2H (October – March)		Full-Year (April – March)	
		FY2022 results	Change (%) vs. FY2018	FY2022 results	Change (%) vs. FY2018	FY2022 results	Change (%) vs. FY2018
Operating Revenues	Transportation	546	- 119 (- 18.0)	565	- 90 (- 13.8)	1,111	- 210 (- 15.9)
	Merchandise Sales	480	- 318 (- 39.9)	547	- 317 (- 36.7)	1,028	- 635 (- 38.2)
	Real Estate	222	- 11 (- 4.8)	305	39 (14.8)	528	28 (5.7)
	Leisure	216	- 185 (- 46.1)	311	- 92 (- 22.8)	527	- 277 (- 34.5)
	Other Businesses	253	15 (6.5)	393	- 20 (- 4.9)	647	- 4 (- 0.7)
	Consolidated	1,588	- 588 (- 27.0)	1,883	- 415 (- 18.1)	3,471	- 1,003 (- 22.4)
Operating Profit	Transportation	46	- 59 (- 56.2)	- 6	- 48 (—)	39	- 107 (- 73.3)
	Merchandise Sales	10	- 14 (- 57.2)	28	2 (7.7)	39	- 12 (- 23.6)
	Real Estate	57	4 (9.1)	63	21 (52.5)	120	26 (28.2)
	Leisure	- 31	- 73 (—)	9	- 17 (- 64.8)	- 21	- 91 (—)
	Other Businesses	11	0 (4.7)	33	- 8 (- 19.6)	44	- 7 (- 14.7)
	Consolidated	94	- 142 (- 60.2)	120	- 43 (- 26.6)	214	- 185 (- 46.4)

Prior to application of Accounting Standard for Revenue Recognition

Department Stores	310	- 110 (- 26.2)	425	- 49 (- 10.4)	735	- 159 (- 17.8)
Retail Stores	251	1 (0.5)	263	10 (4.0)	514	11 (2.2)

4. Consolidated Financial Position

- The Group maintained a sound financial position with an equity ratio of 36.8% despite the increase in liabilities, mainly from increases in the issuance of corporate bonds and loans payable.

	FY2021 result	FY2022 result	Change
Total Assets	9,062	9,552	490
Liabilities	5,639	6,036	397
Net Assets	3,422	3,515	92
Interest-Bearing Debt	3,757	4,026	269

Financial soundness indicators

	FY2021 results	FY2022 results
Net interest-bearing debt	3,083 hmy	3,316 hmy
Net interest-bearing debt/EBITA	9.6x	6.6x
Equity ratio	37.8%	36.8%

III. FY2023 Earnings Forecasts

1. FY2023 Plan
2. Operating Revenues / Operating Profit Change Factors
3. Forecasts for Main Businesses
4. Plans by Segment
5. Investment Forecast
6. Dividend Forecast

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

1. FY2023 Plan

- In the real estate sales business, we anticipate growth in renovated property sales and the plan projects growth in revenues compared to the Medium-Term Management Plan.
- Utilities, personnel, and other expenses are expected to increase, and the plan projects a decline in profit compared to the Medium-Term Management Plan.
- No impact is anticipated from the railway passenger fare revision in the FY2023 plan.

	FY2022 result	FY2023 plan	YoY Change	FY2023 medium- term plan <small>(based on May 2, 2022 announcement)</small>	vs. medium- term plan
Operating Revenues	3,471	3,680	208	3,630	50
Operating Profit	214	210	-4	250	-40
Ordinary Profit	217	197	-20	237	-40
Profit Attributable to Owners of Parent	131	158	26	180	-22
EBITDA	506	531	25	576	-44

Reference Indicators

	FY2022 result	FY2023 plan	YoY Change
R O E	3.8%	4.5%	0.7P
R O A	2.3%	2.1%	-0.2P

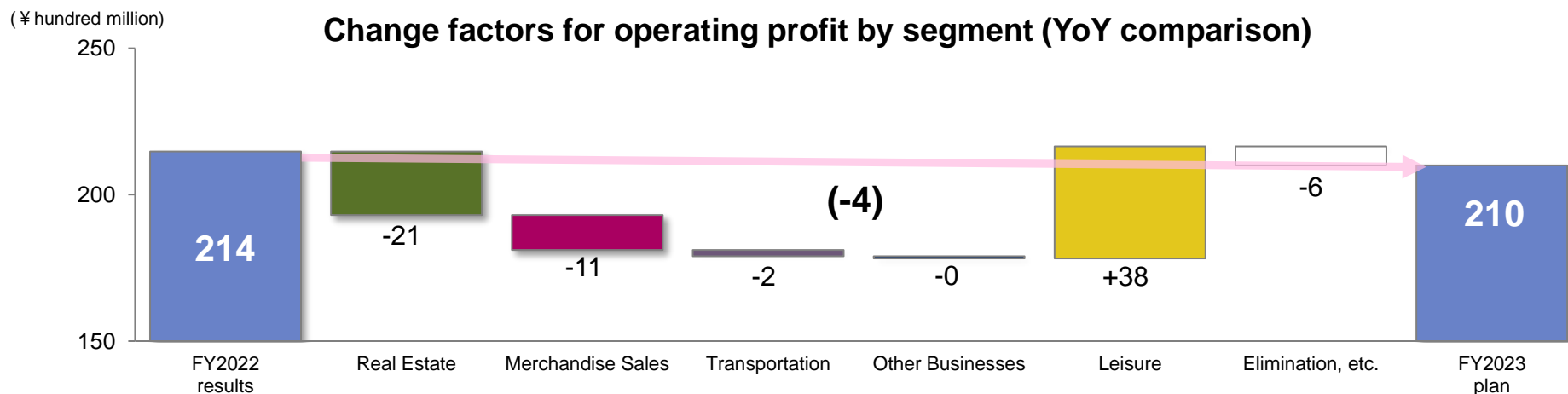
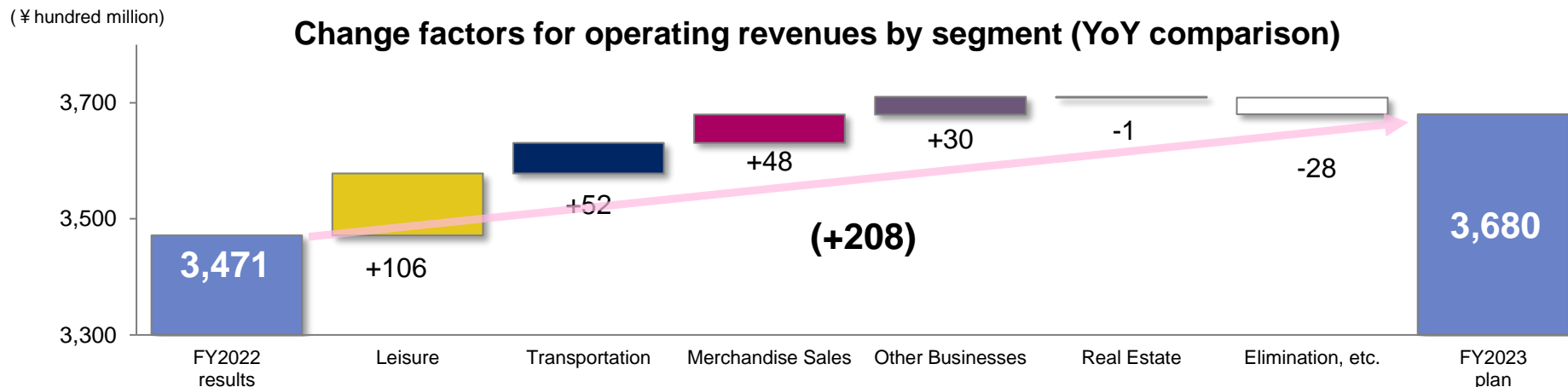
* EBITDA is operating profit + depreciation and amortization.

Main special factors underlying the increase in operating expenses (YoY)

Increase of 25 hmy in depreciation and amortization expenses due to the change in useful life span, etc., for the Shinjuku Station Southwest Exit area development plan.
Increase of 17 hmy in utilities expenses (including railway power costs).

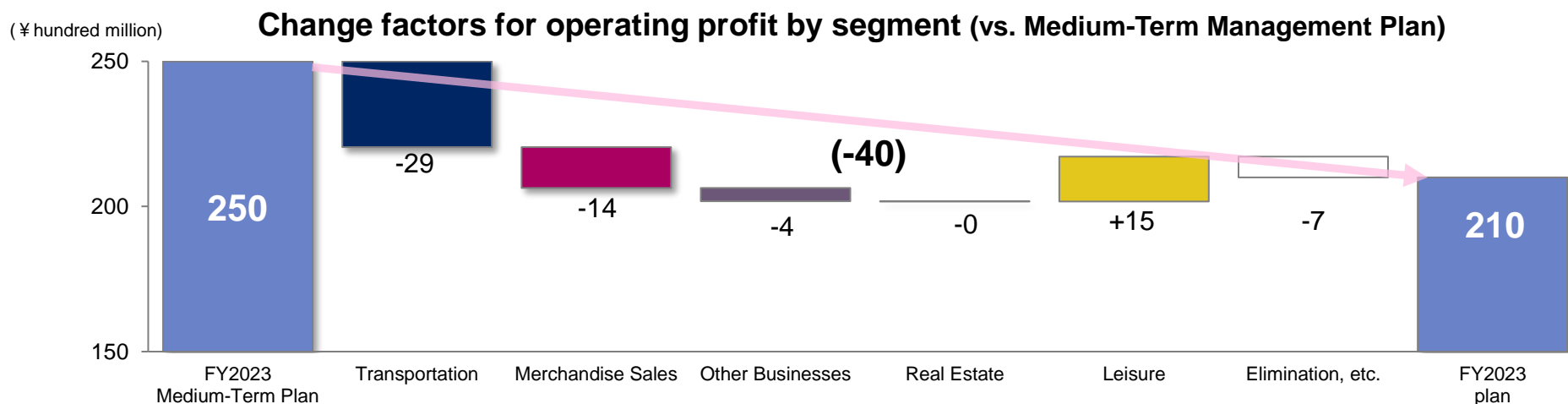
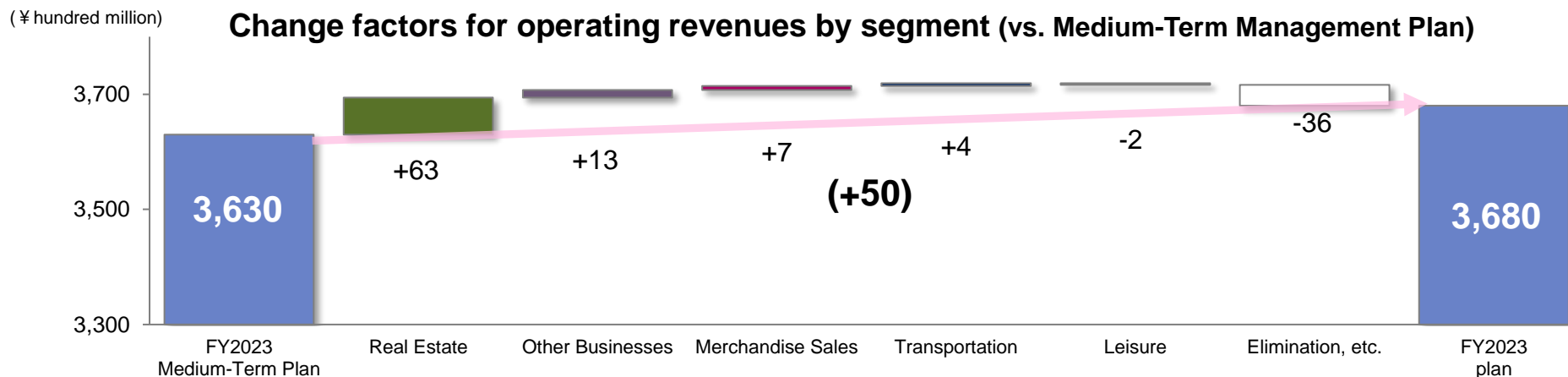
2. Operating Revenues / Operating Profit Change Factors (YoY comparison)

- Revenue growth is expected in Hotel Business due to a substantial increase in foreign tourists visiting Japan and the plan projects growth in revenues of 208 hmy compared to the previous fiscal year.
- Operating profit is forecast to decrease by 4 hmy from the previous fiscal year owing to an increase in utilities, personnel, and other expenses in all segments, in addition to a decline in gross profit in the real estate sales business.



2. Operating Revenues / Operating Profit Change Factors (vs. Medium-Term Management Plan)

- In the real estate sales business, we anticipate growth in renovated property sales and the plan projects growth in operating revenues of 50 hmy compared to the Medium-Term Management Plan.
- Utilities, personnel, and other expenses are expected to increase in every segment in addition to an increase in power costs in the Railways business, and the plan projects a decline of 40 hmy in operating profit compared to the Medium-Term Management Plan.

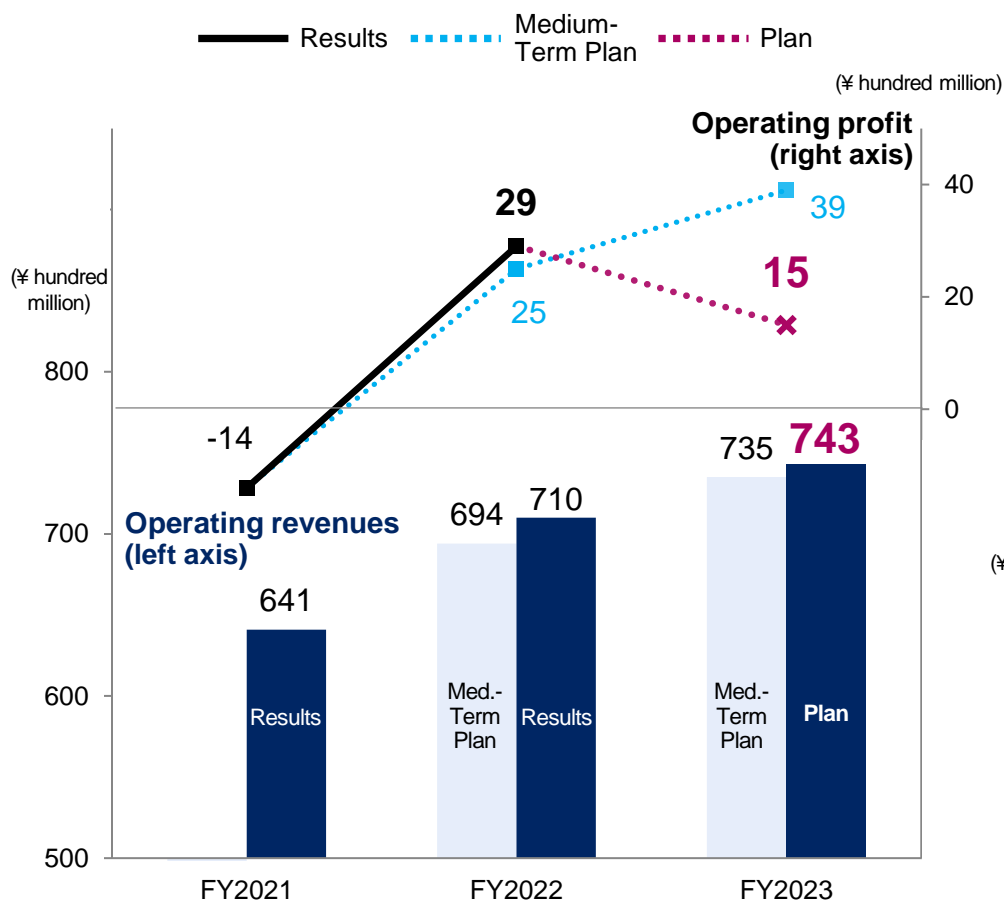


3. Forecasts for Main Businesses

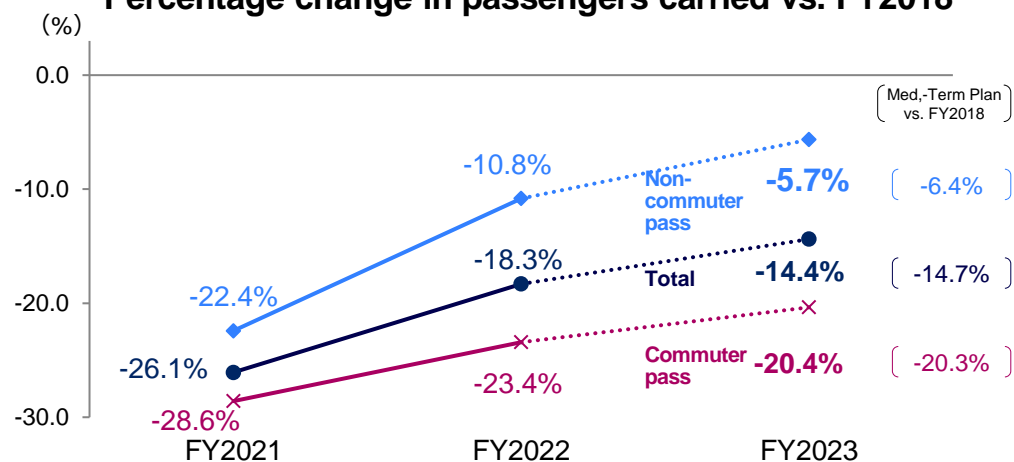
Transportation (Railways)

- Operating revenues in FY2023 are expected to be on par with the Medium-Term Management Plan (14.4% decline in the total number of passengers carried compared to FY2018).
- Operating profit is expected to underperform the Medium-Term Management Plan due to rising power costs, etc.

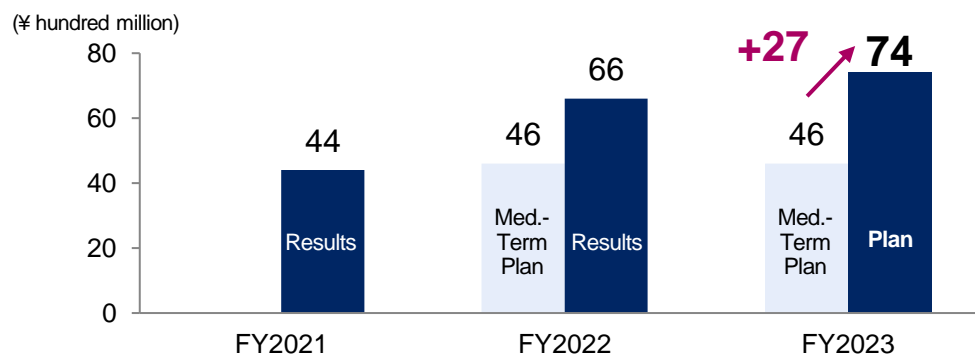
Trend in operating revenues and operating profit



Percentage change in passengers carried vs. FY2018



Trend in Power Costs

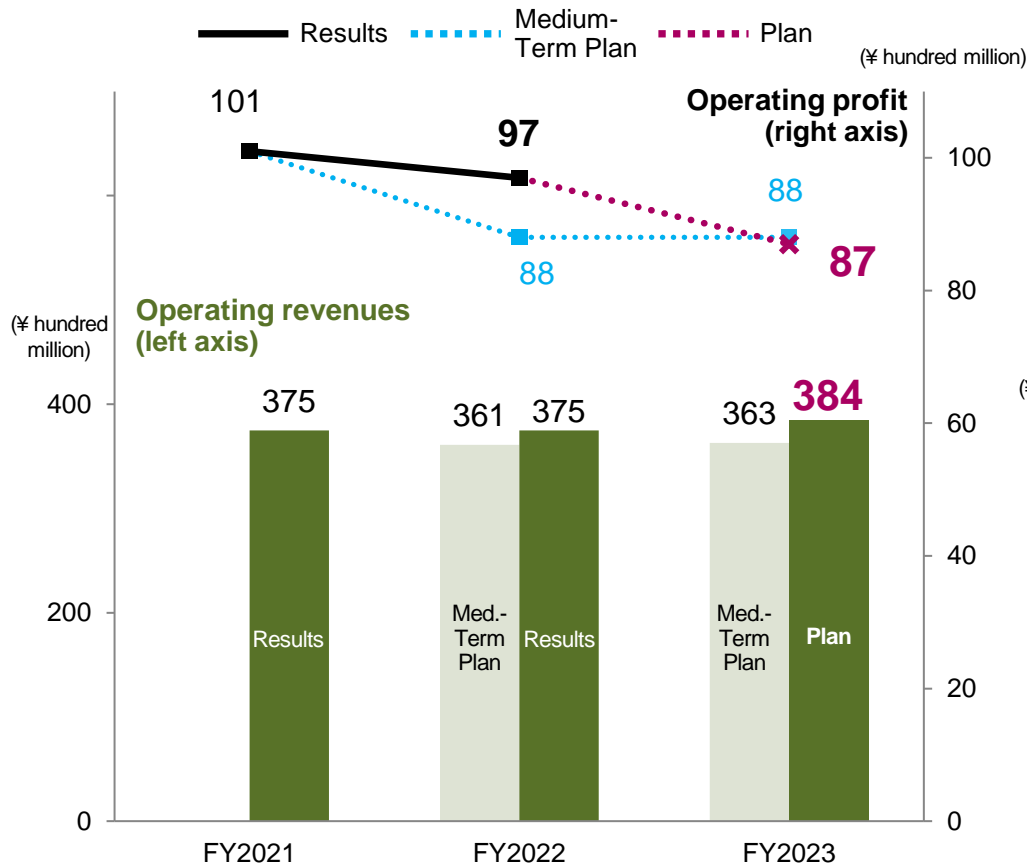


3. Forecasts for Main Businesses

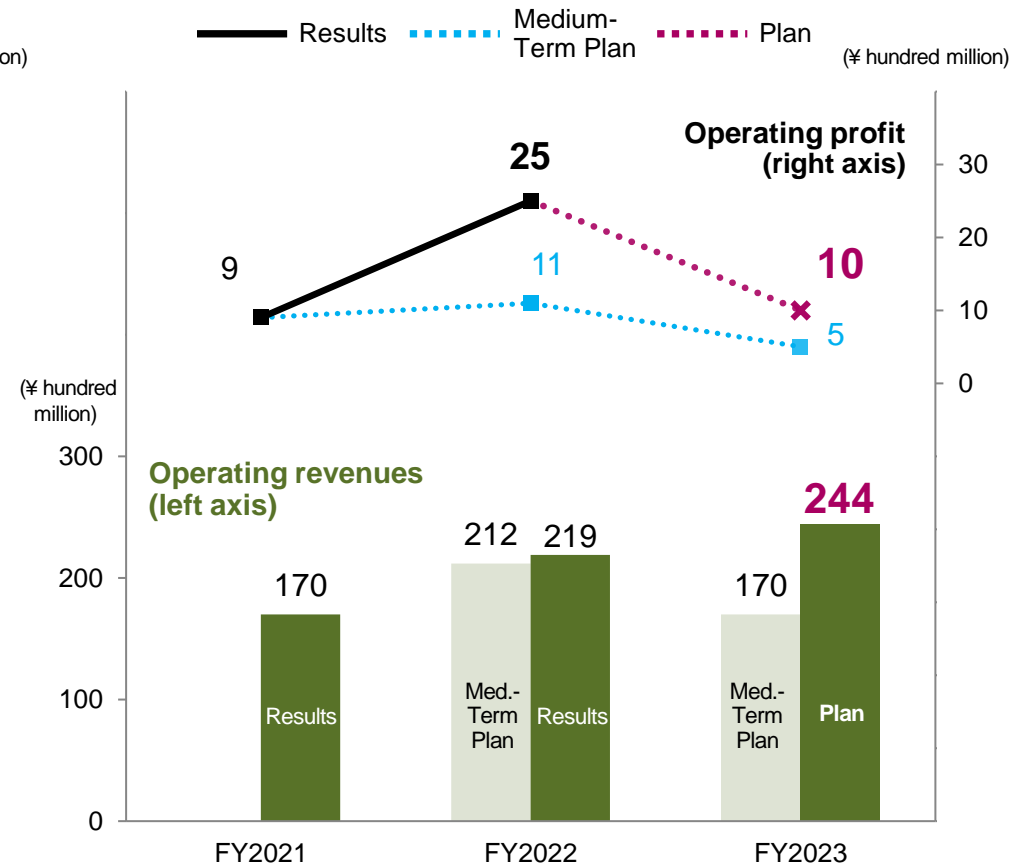
Real Estate

- Land and building leasing is expected to be on par with the Medium-Term Management Plan in operating revenues and operating profit.
- The real estate sales business is expected to see growth in both operating revenues and operating profit mainly due to growth in renovated property sales.

Land and building leasing



Real estate sales business

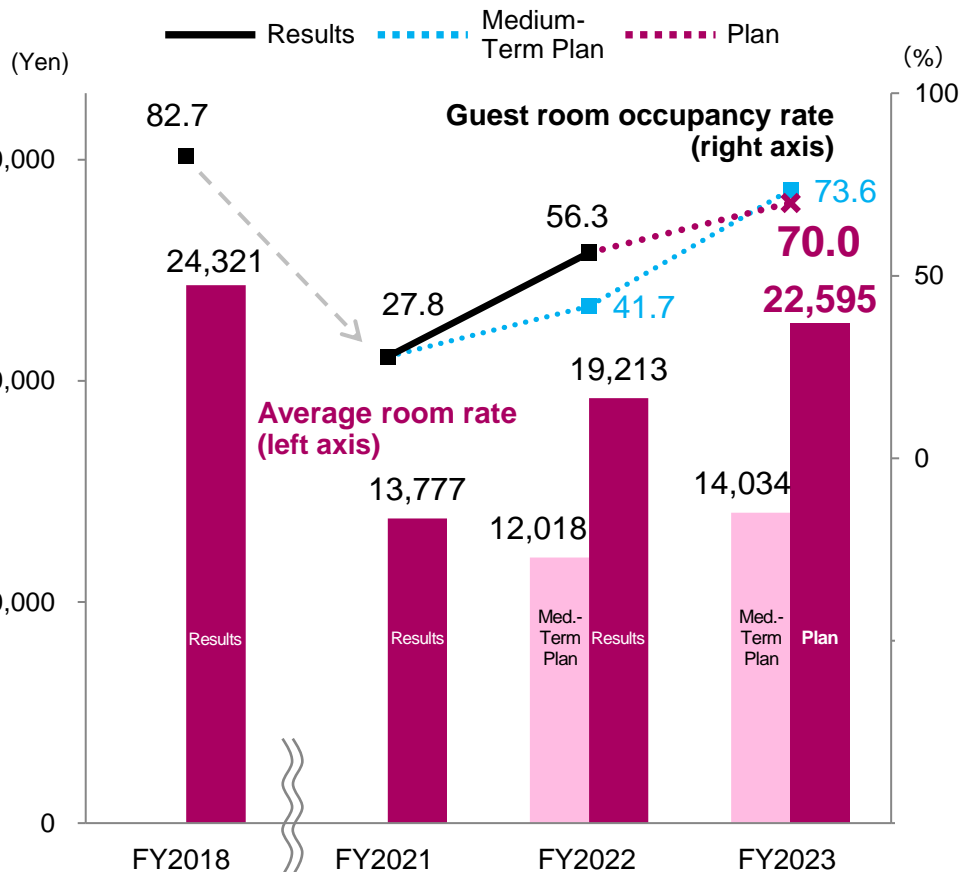


3. Forecasts for Main Businesses

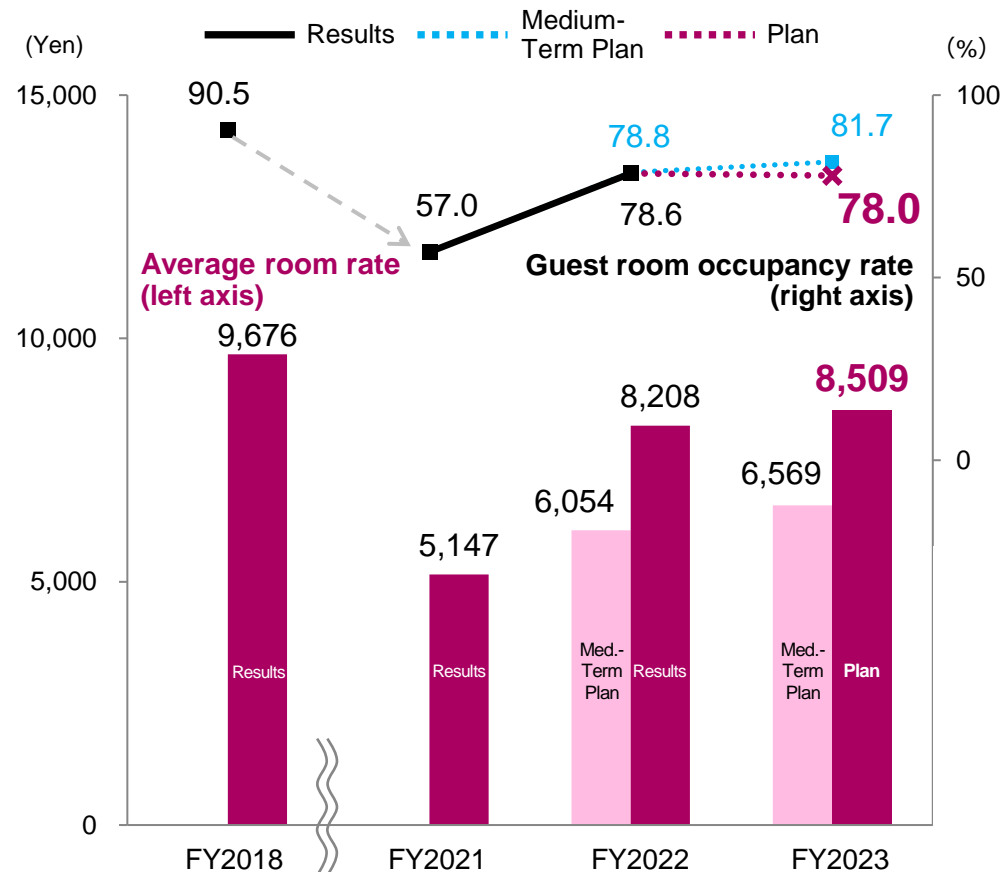
Leisure (Hotels)

- The plan for FY2023 forecasts a return to profit at the operating level for Hotels as a whole.
- Although the guest room occupancy rate at Keio Plaza Hotel (Shinjuku) and Keio Presso Inn will underperform the Medium-Term Management Plan, high unit sales are expected from revenue management combined with a rebound in market prices.

Keio Plaza Hotel (Shinjuku)



Keio Presso Inn (all locations)



4. Plans by Segment

- Although operating profit is expected to return to the black in Leisure, segments overall are expected to underperform the Medium-Term Management Plan due to an increase in expenses.

(Units: ¥ hundred million)

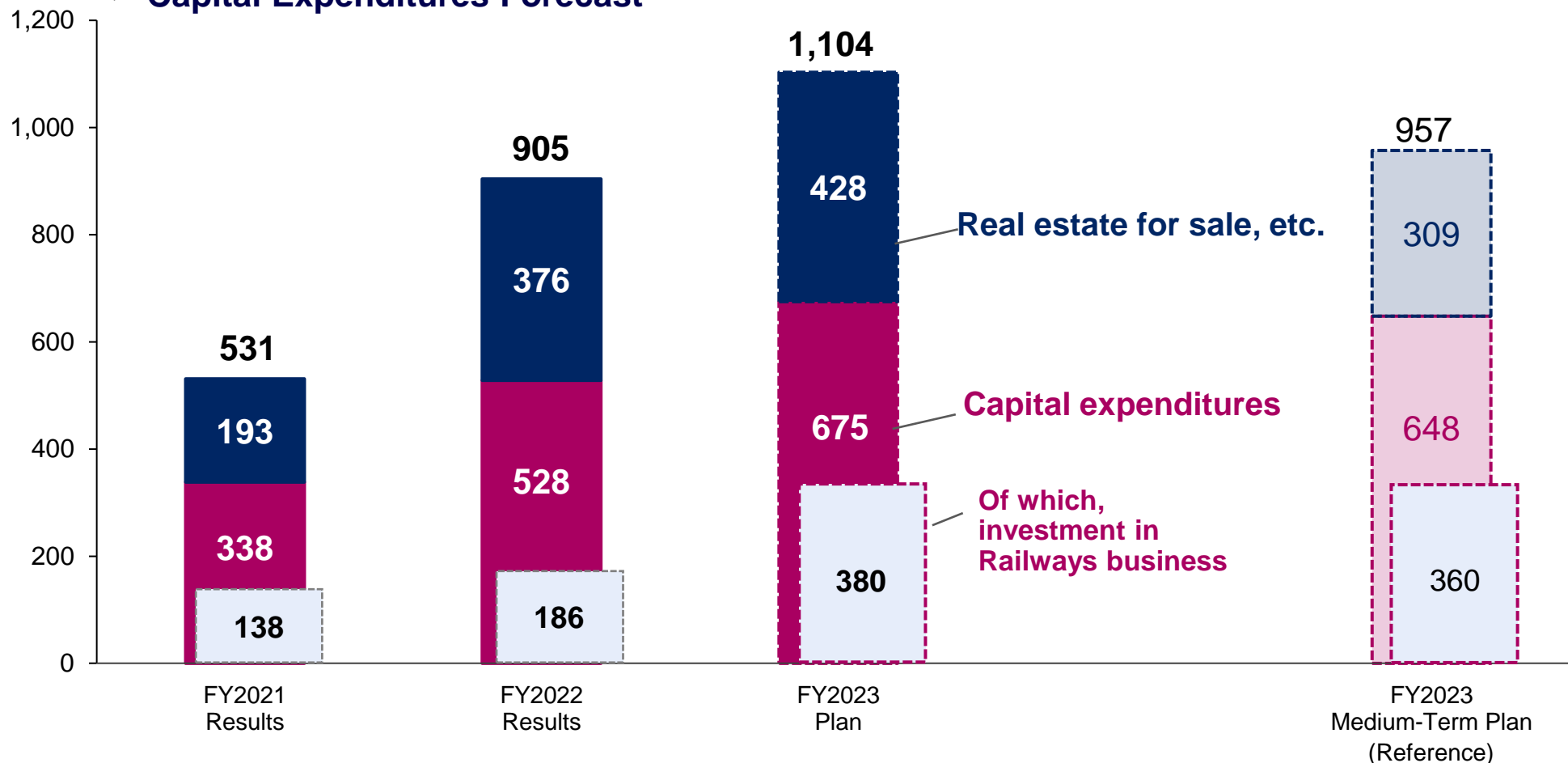
		FY2023 Full-Year Earnings Forecasts				
		FY2022 result	FY2023 plan	Change (%)	FY2023 medium-term plan <small>(based on May 2, 2022 announcement)</small>	Change (%)
Operating Revenues	Transportation	1,111	1,164	52 (4.7)	1,159	4 (0.4)
	Merchandise Sales	1,028	1,077	48 (4.7)	1,069	7 (0.7)
	Real Estate	528	527	- 1 (- 0.3)	463	63 (13.8)
	Leisure	527	634	106 (20.2)	637	- 2 (- 0.4)
	Other Businesses	647	677	30 (4.7)	664	13 (2.0)
	Elimination	- 371	- 400	- 28 (—)	- 364	- 36 (—)
	Consolidated	3,471	3,680	208 (6.0)	3,630	50 (1.4)
Operating Profit	Transportation	39	37	- 2 (- 5.5)	66	- 29 (- 44.3)
	Merchandise Sales	39	27	- 11 (- 30.3)	41	- 14 (- 33.9)
	Real Estate	120	99	- 21 (- 18.0)	99	- 0 (- 0.1)
	Leisure	- 21	16	38 (—)	1	15 (—)
	Other Businesses	44	44	- 0 (- 1.6)	48	- 4 (- 9.5)
	Elimination	- 7	- 14	- 6 (—)	- 7	- 7 (—)
	Consolidated	214	210	- 4 (- 2.2)	250	- 40 (- 16.0)

5. Investment Forecast

- In FY2022, construction was postponed due to difficulty in procuring materials in the Railways business, but investment was expanded in projects that will contribute to improving safety and service, and in value-added investments and purchases of real estate for sale in the Real Estate business.
- In FY2023, we plan to continue active procurement in the sales business and increase investment compared to the Medium-Term Management Plan.

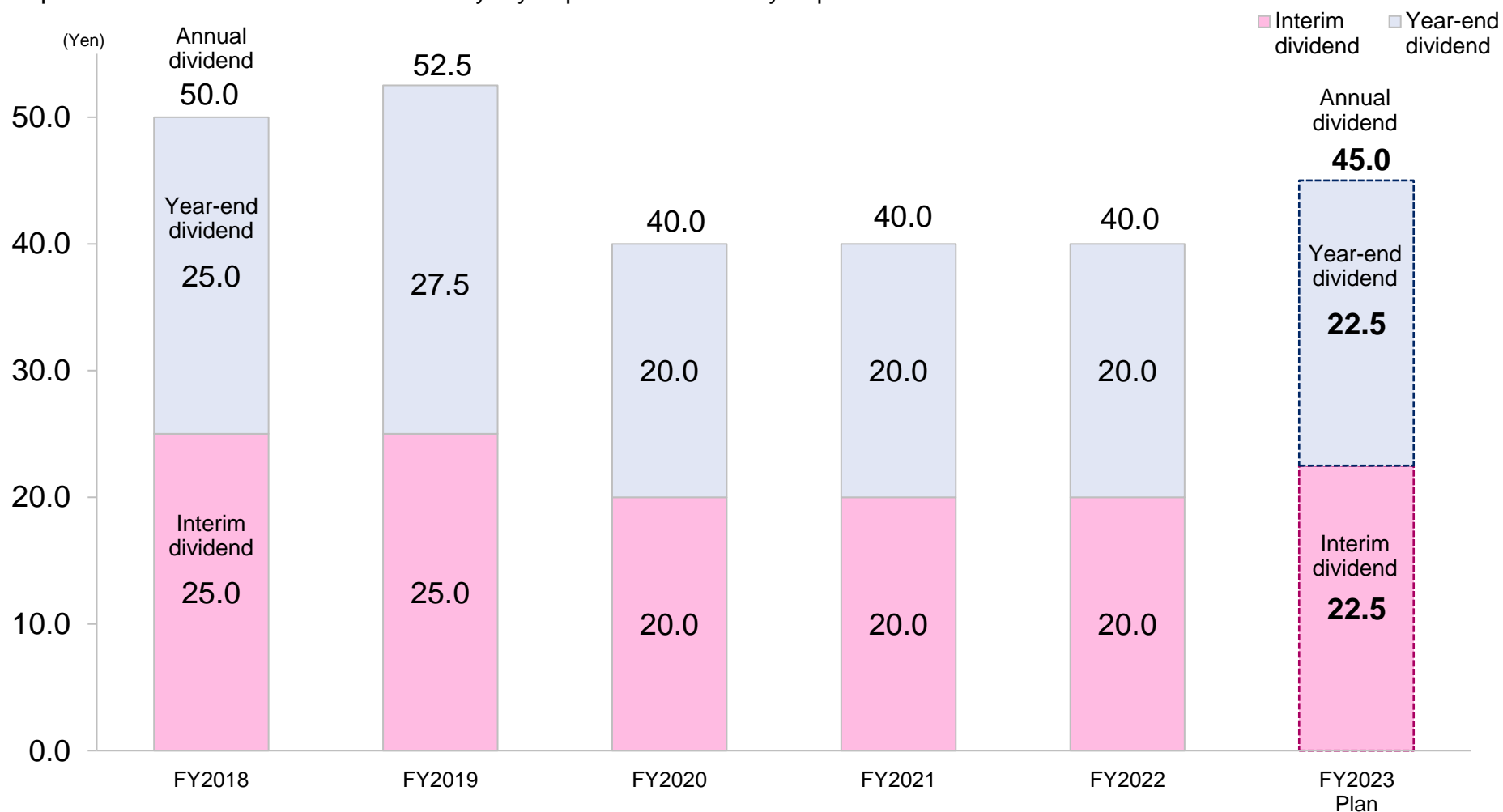
(¥ hundred million)

Capital Expenditures Forecast



6. Dividend Forecast

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



IV. Reference Material (FY2022 Results)

1. Consolidated Statements of Income
2. Overview by Segment
3. Segment Information (Transportation)
4. Segment Information (Merchandise Sales)
5. Segment Information (Real Estate)
6. Segment Information (Leisure)
7. Segment Information (Other Businesses)
8. Non-Operating Income/Expenses and Extraordinary P/L
9. Consolidated Balance Sheets
10. Consolidated Statements of Cash Flows

1. Consolidated Statements of Income

(Units: ¥ hundred million)

	FY2022 Full-Year Earnings		
	FY2021 result	FY2022 result	Change (%)
Operating Revenues	2,998	3,471	472 (15.8)
Operating Profit	7	214	207 (—)
Ordinary Profit	53	217	164 (305.7)
Profit Attributable to Owners of Parent	55	131	75 (134.8)
EBITDA	322	506	183 (57.1)
Depreciation and Amortization	311	291	- 20 (- 6.5)
Capital Expenditures	338	528	190 (56.3)

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

2. Overview by Segment (YoY)

- Operating revenues increased across all segments.
- Operating profit improved in all segments except for Other Businesses.

(Units: ¥ hundred million)

	Operating Revenues			Operating Profit		
	FY2021 result	FY2022 result	Change (%)	FY2021 result	FY2022 result	Change (%)
Transportation	992	1,111	119 (12.1)	- 26	39	66 (—)
Merchandise Sales	969	1,028	58 (6.1)	20	39	18 (93.7)
Real Estate	472	528	56 (11.9)	104	120	16 (15.5)
Leisure	329	527	197 (59.9)	- 134	- 21	112 (—)
Other Businesses	625	647	21 (3.5)	51	44	- 6 (- 12.9)
Elimination	- 390	- 371	18 (—)	- 7	- 7	- 0 (—)
Consolidated	2,998	3,471	472 (15.8)	7	214	207 (—)

2. Overview by Segment (quarterly)

(Units: ¥ hundred million)

	Operating Revenues				Operating Profit			
	FY2022 1Q result (Apr-Jun)	FY2022 2Q result (Jul-Sep)	FY2022 3Q result (Oct-Dec)	FY2022 4Q result (Jan-Mar)	FY2022 1Q result (Apr-Jun)	FY2022 2Q result (Jul-Sep)	FY2022 3Q result (Oct-Dec)	FY2022 4Q result (Jan-Mar)
Transportation	275	270	288	277	23	22	24	- 31
Merchandise Sales	239	241	275	272	7	2	18	9
Real Estate	120	102	142	163	30	27	33	29
Leisure	104	111	146	165	- 15	- 15	4	5
Other Businesses	120	133	159	234	4	6	13	19
Consolidated	797	791	930	952	51	42	94	26

3. Segment Information (Transportation)

- The Railways business continued to rebound from the previous fiscal year and passenger revenues increased.
- Passenger and other revenues also increased for bus services and taxi services.

(Units: ¥ hundred million)

	FY2022 Full-Year Earnings		
	FY2021 result	FY2022 result	Change (%)
Operating Revenues	992	1,111	119 (12.1)
(Railways)	641	710	69 (10.8)
(Bus Services)	260	317	57 (22.0)
(Taxi Services)	96	106	9 (10.0)
(Other)	23	24	0 (2.9)
(Elimination)	- 29	- 47	- 17 (—)
Operating Profit	- 26	39	66 (—)
(Railways)	- 14	29	43 (—)
(Bus Services)	- 12	6	18 (—)
EBITDA	156	203	47 (30.6)
Depreciation and Amortization	183	164	- 18 (- 10.1)
Capital Expenditures	172	246	74 (43.3)

3. Segment Information (Transportation)

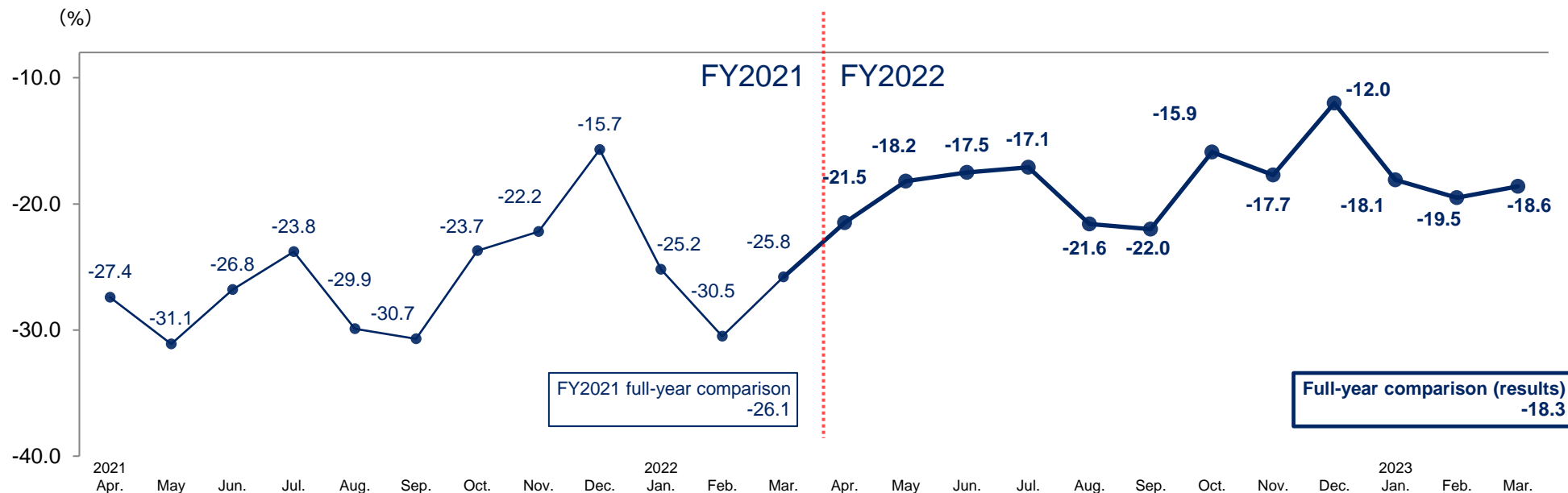
Railways Transportation Results

(Units: Thousands of People, ¥ million)

		FY2022 Results		
		FY2021 result	FY2022 result	Change (%)
Passengers Transported	Commuter-Pass	287,659	308,409	20,750 (7.2)
	(Business)	223,662	228,617	4,955 (2.2)
	(Student)	63,997	79,792	15,795 (24.7)
	Non-Commuter-Pass	213,565	245,480	31,915 (14.9)
	Total	501,224	553,889	52,665 (10.5)
Passenger Revenues	Commuter-Pass	25,195	26,311	1,115 (4.4)
	(Business)	22,827	23,352	525 (2.3)
	(Student)	2,368	2,958	590 (24.9)
	Non-Commuter-Pass	35,260	40,819	5,558 (15.8)
	Total	60,456	67,130	6,673 (11.0)

3. Segment Information (Transportation)

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



FY2022: Percentage change in number of passengers carried vs. FY2018

	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q cumulative	Oct.	Nov.	Dec.	3Q cumulative	Jan.	Feb.	Mar.	4Q cumulative	(Ref.) Full year YoY comparison
Commuter Pass total	-26.9	-22.5	-22.4	-23.9	-20.1	-23.8	-27.6	-23.9	-21.6	-22.2	-14.3	-22.4	-24.8	-28.4	-26.4	-23.4	7.2
Business	-26.3	-26.8	-26.3	-26.5	-24.4	-25.7	-26.3	-26.0	-25.5	-26.2	-19.9	-25.3	-26.6	-30.6	-27.5	-26.1	2.2
Student	-28.6	-10.0	-11.4	-16.6	-6.5	-15.9	-31.2	-17.4	-9.8	-10.2	4.9	-13.6	-18.6	-18.8	-20.6	-14.7	24.7
Non-Commuter Pass	-13.5	-11.7	-9.8	-11.7	-12.4	-18.6	-13.4	-13.3	-7.3	-11.1	-9.1	-11.9	-7.7	-6.4	-8.5	-10.8	14.9
Total	-21.5	-18.2	-17.5	-19.1	-17.1	-21.6	-22.0	-19.6	-15.9	-17.7	-12.0	-18.2	-18.1	-19.5	-18.6	-18.3	10.5

4. Segment Information (Merchandise Sales)

- In department stores, the rebound in customer traffic led to growth in operating revenues compared to the previous fiscal year.
- In retail stores, the supermarket business saw a decrease in sales, but the convenience store business saw an increase in sales, leading to growth in operating revenues.
- Shopping centers recorded increased revenues on the contribution of Mikan Shimokita, which opened in March 2022.

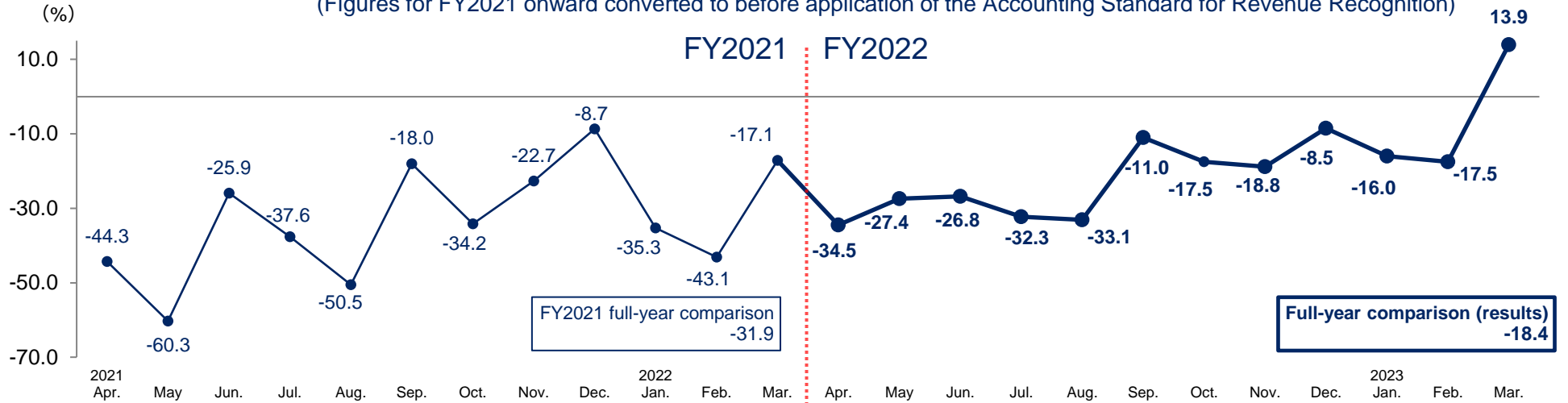
(Units: ¥ hundred million)

	FY2022 Full-Year Earnings		
	FY2021 result	FY2022 result	Change (%)
Operating Revenues	969	1,028	58 (6.1)
(Department Stores)	271	310	39 (14.6)
(Retail Stores)	469	483	13 (2.9)
(Retail Stores for Books)	53	47	- 5 (-10.8)
(Shopping Centers)	140	148	8 (6.1)
(Other)	90	96	5 (5.9)
(Elimination)	- 55	- 58	- 2 (—)
Operating Profit	20	39	18 (93.7)
(Department Stores)	- 30	- 5	25 (—)
(Retail Stores)	10	10	0 (5.8)
(Shopping Centers)	41	38	- 2 (-7.1)
EBITDA	55	75	19 (34.7)
Depreciation and Amortization	35	35	0 (0.9)
Capital Expenditures	19	57	38 (195.9)

4. Segment Information (Merchandise Sales)

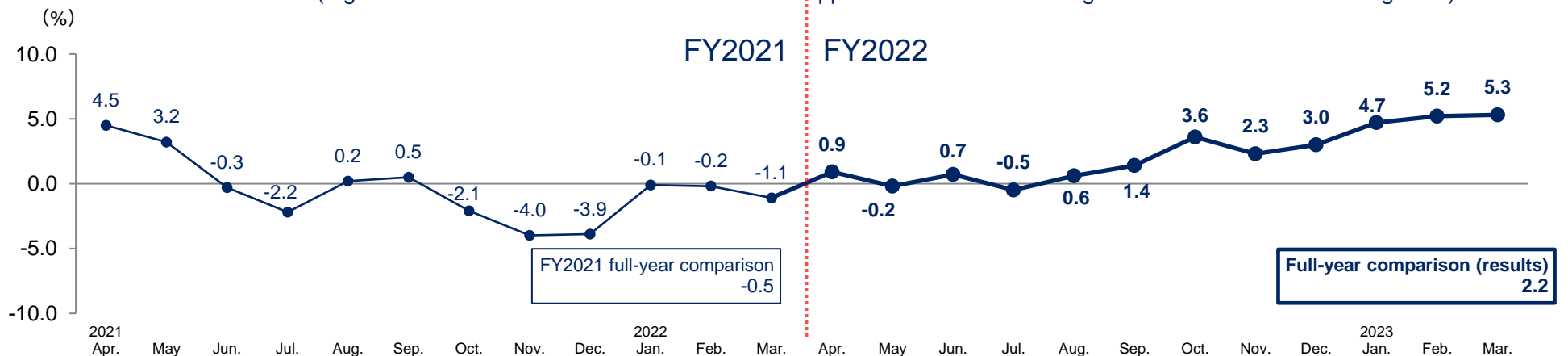
Department stores: Percentage change in department store sales in Shinjuku vs. FY2018

(Figures for FY2021 onward converted to before application of the Accounting Standard for Revenue Recognition)



Retail stores: Percentage change in net sales vs. FY2018

(Figures for FY2021 onward converted to before application of the Accounting Standard for Revenue Recognition)



5. Segment Information (Real Estate)

- Land and building leasing saw results on par with the previous fiscal year.
- Real estate sales saw growth in revenues from growth in sales of condominium units and condominiums for investment.

(Units: ¥ hundred million)

	FY2022 Full-Year Earnings		
	FY2021 result	FY2022 result	Change (%)
Operating Revenues	472	528	56 (11.9)
(Land and Building Leasing)	375	375	- 0 (- 0.0)
(Development for Selling by Lots)	170	219	48 (28.7)
(Other)	28	35	7 (25.9)
(Elimination)	- 101	- 101	0 (—)
Operating Profit	104	120	16 (15.5)
(Land and Building Leasing)	101	97	- 3 (- 3.3)
(Development for Selling by Lots)	9	25	15 (164.9)
EBITDA	155	168	12 (8.1)
Depreciation and Amortization	47	47	- 0 (- 1.1)
Capital Expenditures	95	197	101 (106.7)

6. Segment Information (Leisure)

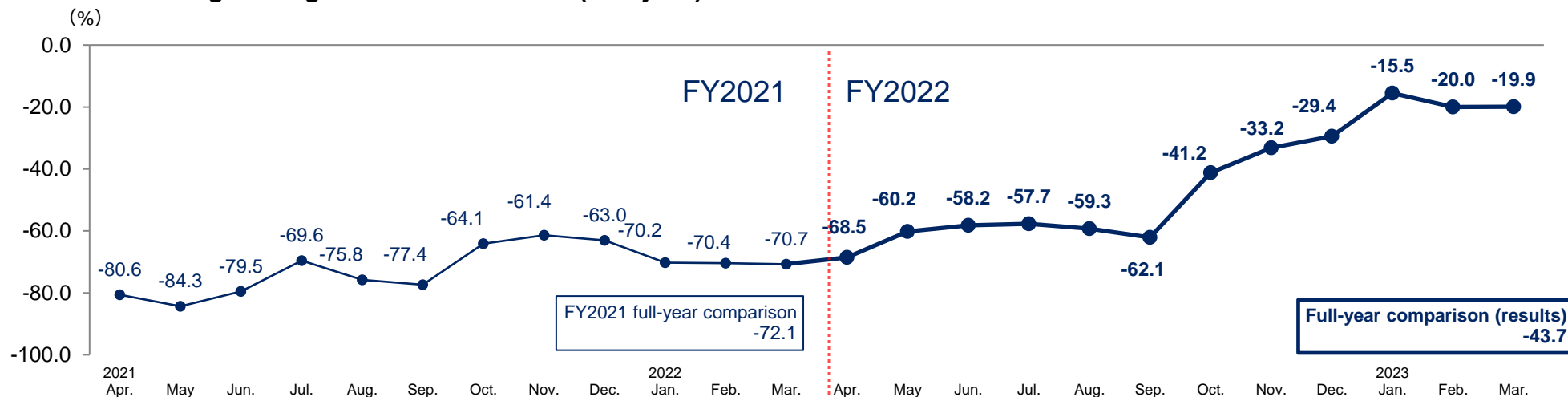
- In Hotels, easing of travel restrictions from October 2022 onward led to an increase in foreign tourists visiting Japan. This and the government travel stimulus program led to a large rebound in occupancy rates and room rates, and growth in operating revenues from the previous fiscal year.

(Units: ¥ hundred million)

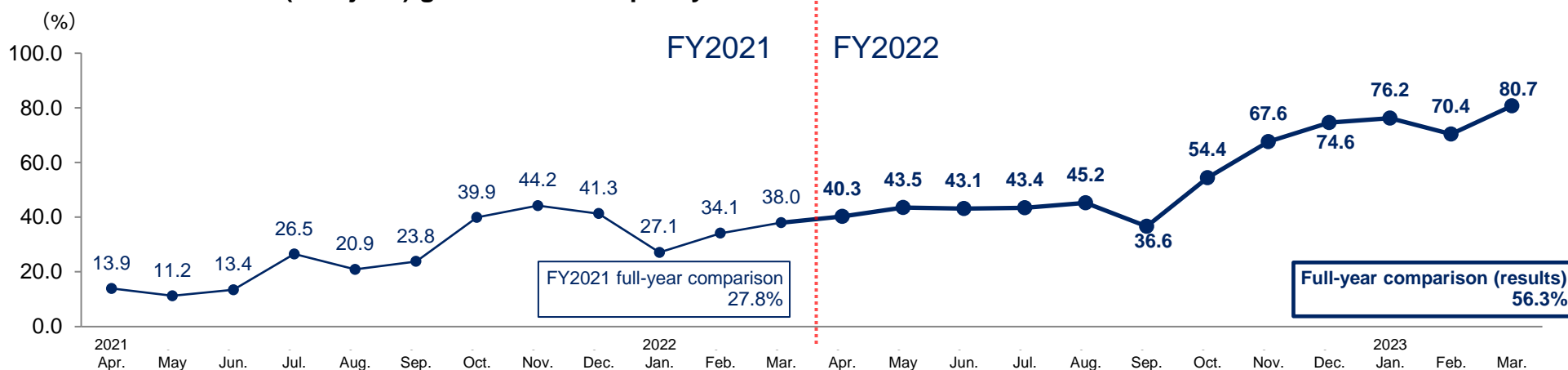
	FY2022 Full-Year Earnings		
	FY2021 result	FY2022 result	Change (%)
Operating Revenues	329	527	197 (59.9)
(Hotels)	242	394	152 (62.8)
(Travel Services)	39	78	39 (98.9)
(Advertising Services)	70	80	9 (14.0)
(Other)	50	58	8 (16.1)
(Elimination)	- 72	- 83	- 11 (—)
Operating Profit	- 134	- 21	112 (—)
(Hotels)	- 116	- 15	101 (—)
EBITDA	- 91	20	111 (—)
Depreciation and Amortization	43	42	- 1 (- 3.0)
Capital Expenditures	52	26	- 25 (- 49.4)

6. Segment Information (Leisure)

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



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



7. Segment Information (Other Businesses)

- Building maintenance revenues increased, mainly due to an increase in orders.
- Railway car maintenance revenues declined, mainly due to a decrease in orders.

(Units: ¥ hundred million)

	FY2022 Full-Year Earnings		
	FY2021 result	FY2022 result	Change (%)
Operating Revenues	625	647	21 (3.5)
(Building Maintenance)	242	263	21 (8.7)
(Railway Car Maintenance)	90	76	- 14 (- 16.0)
(Construction)	233	235	2 (1.2)
(Other)	85	94	8 (9.4)
(Elimination)	- 27	- 23	4 (—)
Operating Profit	51	44	- 6 (- 12.9)
(Building Maintenance)	17	22	4 (23.3)
(Railway Car Maintenance)	11	7	- 4 (- 38.8)
(Construction)	19	15	- 4 (- 21.1)
EBITDA	56	49	- 6 (- 12.3)
Depreciation and Amortization	4	4	- 0 (- 6.4)
Capital Expenditures	4	3	- 1 (- 22.7)

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

(¥ hundred million)

	FY2021 results	FY2022 results	Change	Change Factors
Operating revenues	2,998	3,471	472	
Operating Profit	7	214	207	
Non-Operating Income	77	39	-38	Subsidy income: -41 hmy
Non-Operating Expenses	31	36	5	
Ordinary Profit	53	217	164	
Extraordinary Income	147	56	-91	Gains on the sale of non-current assets: -94 hmy
Extraordinary Loss	58	63	5	
Income Taxes	88	78	-9	
Profit Attributable to Owners of Parent	55	131	75	

9. Consolidated Balance Sheets

- Total Assets increased, mainly due to increases in work in process and property, plant and equipment from the acquisition of real estate for sale.
- Liabilities increased, mainly due to increases in issuance of corporate bonds and loans payable.
- Net Assets increased, mainly due to profit attributable to owners of parent.

(¥ hundred million)

	FY2021 results	FY2022 results	Change	Change factors
Current Assets	1,570	1,828	258	Work in process: +180 hmy
Non-current Assets	7,491	7,723	231	Property, plant and equipment: +127 hmy
Total Assets	9,062	9,552	490	
Current Liabilities	2,332	2,194	-138	Commercial paper: -200 hmy, Current portion of bonds: -200 hmy, Short-term loans payable: +129 hmy
Non-current Liabilities	3,306	3,842	535	Corporate bonds: +400 hmy, Long-term loans payable: +139 hmy
Liabilities	5,639	6,036	397	
Net Assets	3,422	3,515	92	Retained earnings: +82 hmy
Total Liabilities and Net Assets	9,062	9,552	490	

Interest-Bearing Debt	3,757	4,026	269
Equity Ratio	37.8%	36.8%	-1.0P

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

10. Consolidated Statements of Cash Flows

(¥ hundred million)

	FY2021 results	FY2022 results	Change	Notes
Cash Flows from Operating Activities	282	250	-31	Profit before income taxes: +210 Depreciation and amortization: +291 Increase in inventories (negative number is an increase): -174
Cash Flows from Investing Activities	-143	-420	-277	Acquisition of tangible and intangible fixed assets: -560
Free (Operating + Investing) Cash Flow	139	-170	-309	
Cash Flows from Financing Activities	-232	206	438	Proceeds from issuance of corporate bonds: +397 Proceeds from long-term loans payable: +279
Cash and Cash Equivalents at End of Period	673	710	36	

IV. Reference Material (FY2023 Earnings Forecasts)

1. Consolidated Statements of Income
2. Overview by Segment
3. Segment Information (Transportation)
4. Segment Information (Merchandise Sales)
5. Segment Information (Real Estate)
6. Segment Information (Leisure)
7. Segment Information (Other Businesses)

1. Consolidated Statements of Income

- In the real estate sales business, we anticipate growth in renovated property sales and the plan projects growth in revenues compared to the Medium-Term Management Plan.
- Utilities, personnel, and other expenses are expected to increase and the plan projects a decline in profit compared to the Medium-Term Management Plan.
- No impact is anticipated from the railway passenger fare revision in the FY2023 plan.

(Units: ¥ hundred million)

	FY2023 Full-Year Earnings Forecasts				
	FY2022 result	FY2023 plan	Change (%)	FY2023 medium-term plan <small>(based on May 2, 2022 announcement)</small>	Change (%)
Operating Revenues	3,471	3,680	208 (6.0)	3,630	50 (1.4)
Operating Profit	214	210	- 4 (- 2.2)	250	- 40 (- 16.0)
Ordinary Profit	217	197	- 20 (- 9.5)	237	- 40 (- 16.9)
Profit Attributable to Owners of Parent	131	158	26 (20.5)	180	- 22 (- 12.2)
EBITDA	506	531	25 (5.1)	576	- 44 (- 7.7)
Depreciation and Amortization	291	321	30 (10.3)	325	- 4 (- 1.3)
Capital Expenditures	528	675	147 (27.8)	648	27 (4.3)

2. Overview by Segment

(Units: ¥ hundred million)

		FY2023 Full-Year Earnings Forecasts						
		FY2022 result	FY2023 plan	Change (%)		FY2023 medium-term plan <small>(based on May 2, 2022 announcement)</small>	Change (%)	
Operating Revenues	Transportation	1,111	1,164	52	(4.7)	1,159	4	(0.4)
	Merchandise Sales	1,028	1,077	48	(4.7)	1,069	7	(0.7)
	Real Estate	528	527	- 1	(- 0.3)	463	63	(13.8)
	Leisure	527	634	106	(20.2)	637	- 2	(- 0.4)
	Other Businesses	647	677	30	(4.7)	664	13	(2.0)
	Elimination	- 371	- 400	- 28	(—)	- 364	- 36	(—)
	Consolidated	3,471	3,680	208	(6.0)	3,630	50	(1.4)
Operating Profit	Transportation	39	37	- 2	(- 5.5)	66	- 29	(- 44.3)
	Merchandise Sales	39	27	- 11	(- 30.3)	41	- 14	(- 33.9)
	Real Estate	120	99	- 21	(- 18.0)	99	- 0	(- 0.1)
	Leisure	- 21	16	38	(—)	1	15	(—)
	Other Businesses	44	44	- 0	(- 1.6)	48	- 4	(- 9.5)
	Elimination	- 7	- 14	- 6	(—)	- 7	- 7	(—)
	Consolidated	214	210	- 4	(- 2.2)	250	- 40	(- 16.0)

3. Segment Information (Transportation)

(Units: ¥ hundred million)

	FY2023 Full-Year Earnings Forecasts		
	FY2022 result	FY2023 plan	Change (%)
Operating Revenues	1,111	1,164	52 (4.7)
(Railways)	710	743	32 (4.6)
(Bus Services)	317	337	19 (6.1)
(Taxi Services)	106	103	- 2 (- 2.3)
(Other)	24	24	0 (3.1)
(Elimination)	- 47	- 45	2 (—)
Operating Profit	39	37	- 2 (- 5.5)
(Railways)	29	15	- 13 (- 46.6)
(Bus Services)	6	15	8 (139.7)
EBITDA	203	213	10 (5.0)
Depreciation and Amortization	164	176	12 (7.5)
Capital Expenditures	246	412	166 (67.3)

3. Segment Information (Transportation)

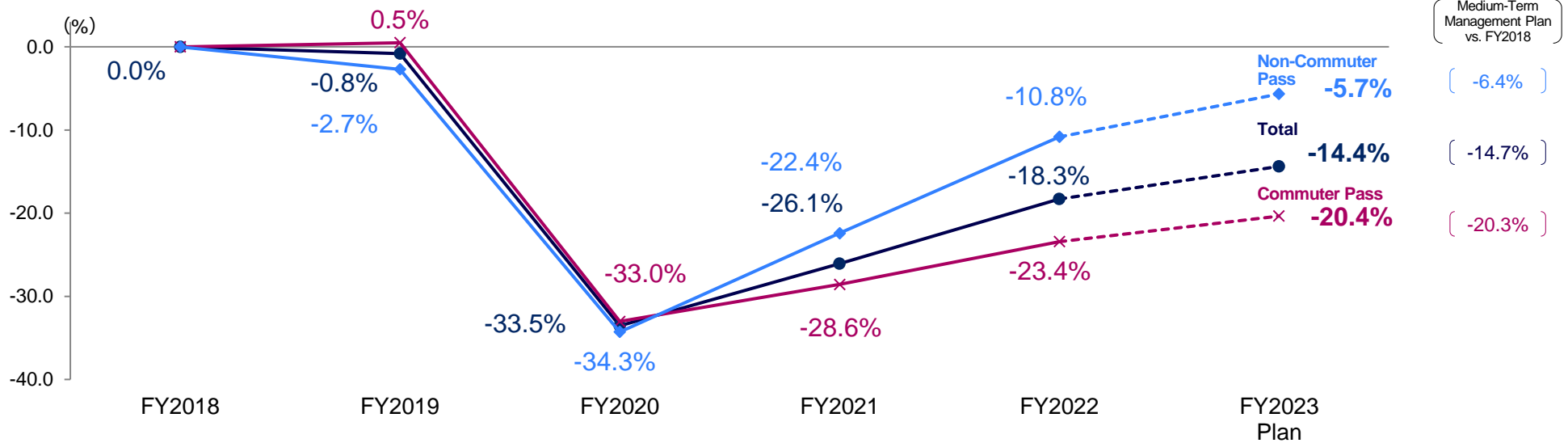
Railways Transportation Results

(Units: Thousands of People, ¥ million)

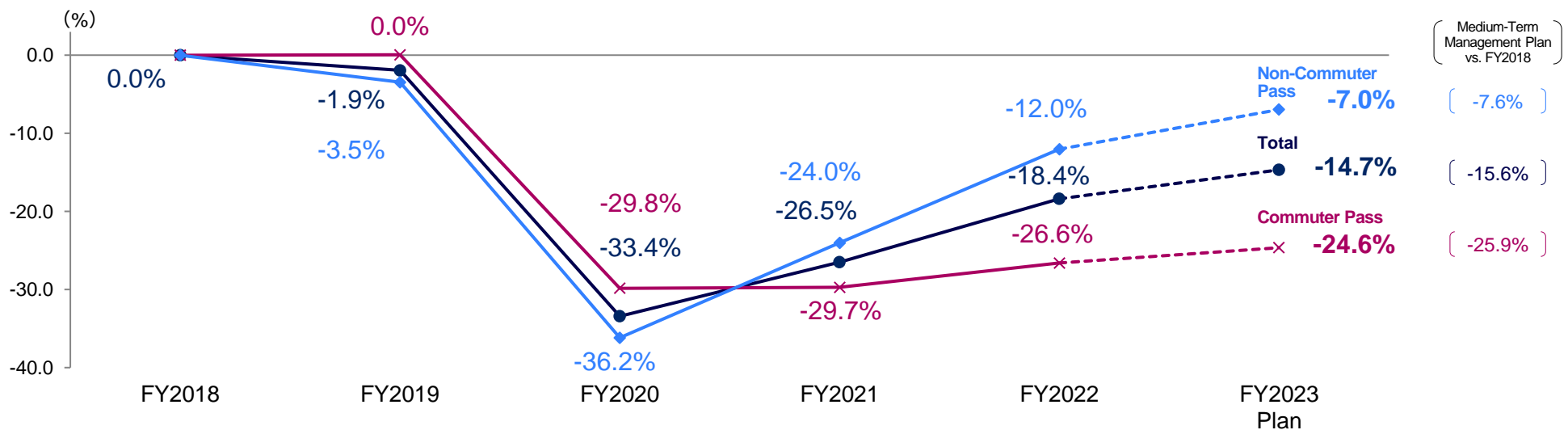
		FY2023 Forecasts		
		FY2022 result	FY2023 plan	Change (%)
Passengers Transported	Commuter-Pass	308,409	320,763	12,354 (4.0)
	(Business)	228,617	232,567	3,950 (1.7)
	(Student)	79,792	88,196	8,404 (10.5)
	Non-Commuter-Pass	245,480	259,681	14,201 (5.8)
	Total	553,889	580,444	26,555 (4.8)
Passenger Revenues	Commuter-Pass	26,311	27,015	704 (2.7)
	(Business)	23,352	23,748	396 (1.7)
	(Student)	2,958	3,266	308 (10.4)
	Non-Commuter-Pass	40,819	43,180	2,361 (5.8)
	Total	67,130	70,195	3,065 (4.6)

3. Segment Information (Transportation)

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



Railways: Percentage change in passenger revenues vs. FY2018



4. Segment Information (Merchandise Sales)

(Units: ¥ hundred million)

	FY2023 Full-Year Earnings Forecasts		
	FY2022 result	FY2023 plan	Change (%)
Operating Revenues	1,028	1,077	48 (4.7)
(Department Stores)	310	346	35 (11.3)
(Retail Stores)	483	494	10 (2.2)
(Retail Stores for Books)	47	48	0 (1.6)
(Shopping Centers)	148	148	- 0 (- 0.4)
(Other)	96	99	3 (3.5)
(Elimination)	- 58	- 58	- 0 (—)
Operating Profit	39	27	- 11 (- 30.3)
(Department Stores)	- 5	3	8 (—)
(Retail Stores)	10	8	- 2 (- 21.7)
(Shopping Centers)	38	19	- 18 (- 48.8)
EBITDA	75	80	5 (7.2)
Depreciation and Amortization	35	53	17 (48.2)
Capital Expenditures	57	44	- 13 (- 22.8)

5. Segment Information (Real Estate)

(Units: ¥ hundred million)

	FY2023 Full-Year Earnings Forecasts		
	FY2022 result	FY2023 plan	Change (%)
Operating Revenues	528	527	- 1 (- 0.3)
(Land and Building Leasing)	375	384	9 (2.5)
(Development for Selling by Lots)	219	244	25 (11.5)
(Other)	35	37	1 (4.7)
(Elimination)	- 101	- 138	- 37 (—)
Operating Profit	120	99	- 21 (- 18.0)
(Land and Building Leasing)	97	87	- 10 (- 10.8)
(Development for Selling by Lots)	25	10	- 15 (- 59.5)
EBITDA	168	148	- 19 (- 11.5)
Depreciation and Amortization	47	49	2 (5.0)
Capital Expenditures	197	130	- 66 (- 33.7)

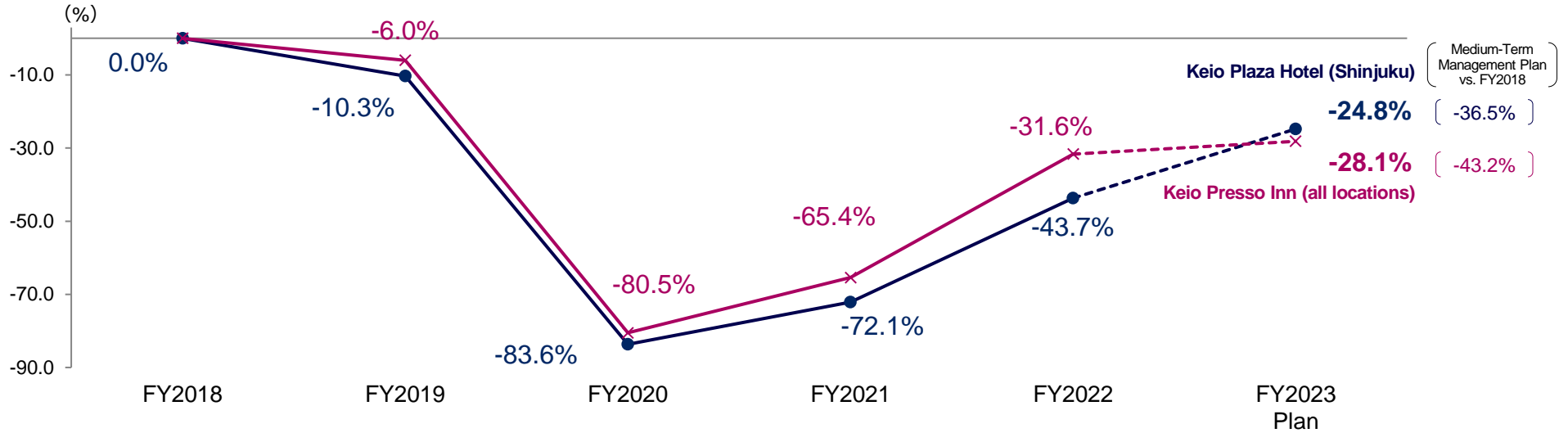
6. Segment Information (Leisure)

(Units: ¥ hundred million)

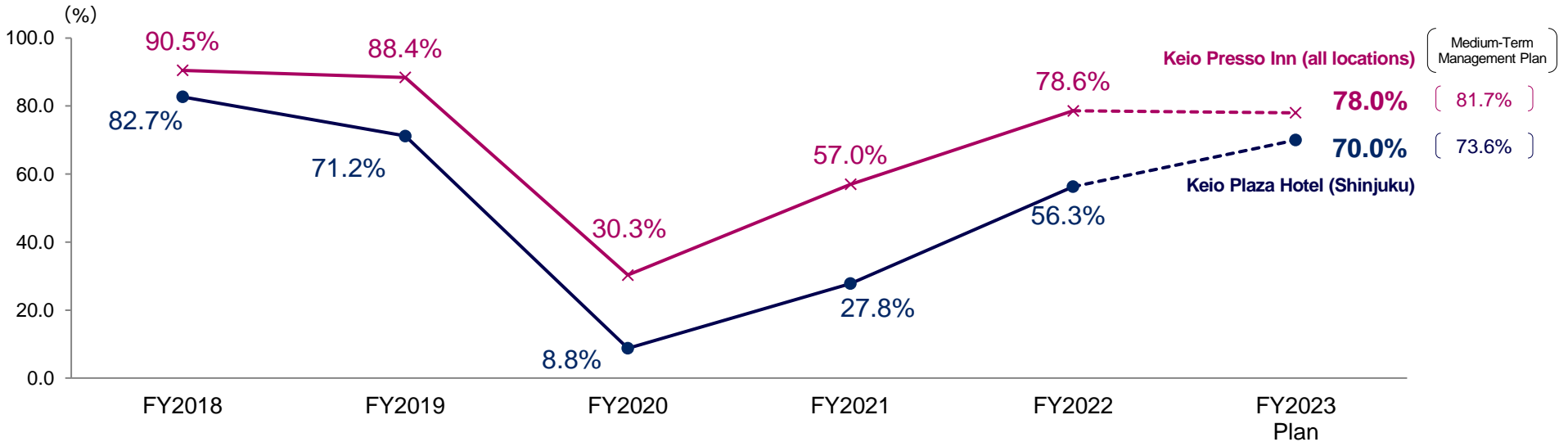
	FY2023 Full-Year Earnings Forecasts			
	FY2022 result	FY2023 plan	Change (%)	
Operating Revenues	527	634	106	(20.2)
(Hotels)	394	456	62	(15.7)
(Travel Services)	78	112	34	(43.7)
(Advertising Services)	80	99	18	(23.4)
(Other)	58	60	2	(3.7)
(Elimination)	- 83	- 94	- 10	(—)
Operating Profit	- 21	16	38	(—)
(Hotels)	- 15	10	25	(—)
EBITDA	20	56	36	(178.4)
Depreciation and Amortization	42	40	- 1	(- 4.7)
Capital Expenditures	26	70	43	(163.9)

6. Segment Information (Leisure)

Hotels: Percentage change in net sales vs. FY2018




Hotels: Guest room occupancy rate



7. Segment Information (Other Businesses)

(Units: ¥ hundred million)

	FY2023 Full-Year Earnings Forecasts			
	FY2022 result	FY2023 plan	Change (%)	
Operating Revenues	647	677	30	(4.7)
(Building Maintenance)	263	260	- 3	(- 1.3)
(Railway Car Maintenance)	76	93	16	(21.9)
(Construction)	235	257	21	(8.9)
(Other)	94	98	4	(4.3)
(Elimination)	- 23	- 30	- 7	(—)
Operating Profit	44	44	- 0	(- 1.6)
(Building Maintenance)	22	18	- 3	(- 16.4)
(Railway Car Maintenance)	7	8	1	(23.5)
(Construction)	15	13	- 1	(- 12.5)
EBITDA	49	48	- 0	(- 1.1)
Depreciation and Amortization	4	4	0	(4.2)
Capital Expenditures	3	25	21	(616.9)



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.

