

# Fiscal 2012 Second Quarter Financial Results

– November 6, 2012 –

**Keio Corporation**  
**京王電鉄株式会社**

## **I. Fiscal 2012 Second Quarter Earnings**



## **II. Fiscal 2012 Full-Year Earnings Forecast**



## **III. Fiscal 2012 Initiatives**



# I. Fiscal 2012 Second Quarter Earnings

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

# 1. Consolidated Statements of Income

(Units: ¥ millions)

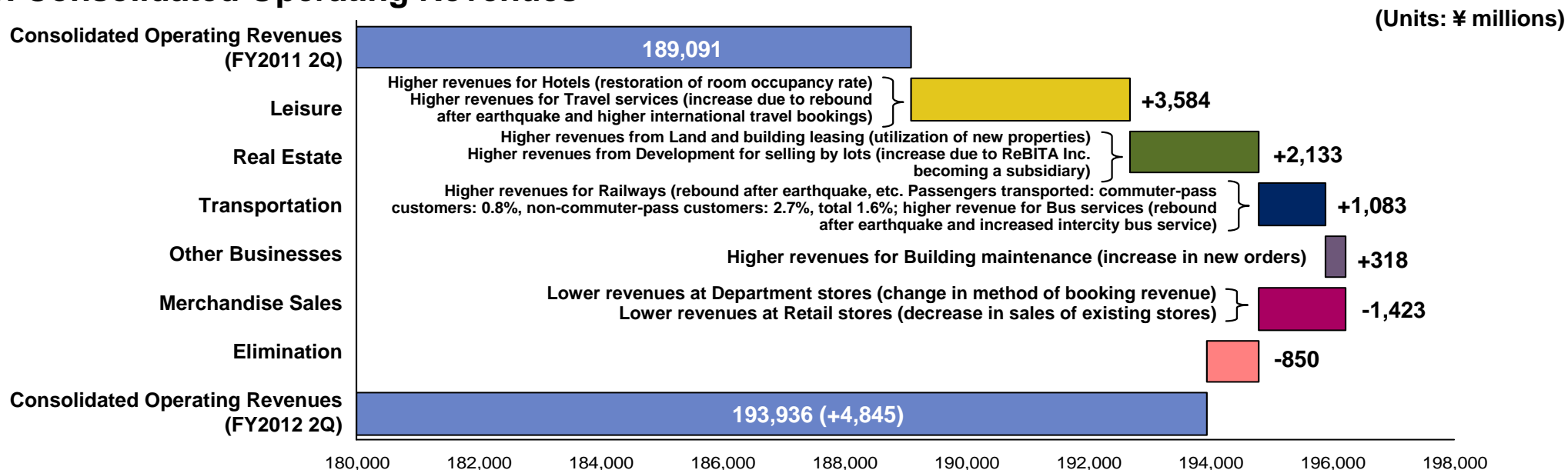
	FY2011 2Q	FY2012 2Q	Change (%)	FY2012 2Q Plan	Difference (%)
Operating Revenues	189,091	193,936	4,845 (2.6%)	193,200	736 (0.4%)
Operating Income	17,164	16,411	-752 (-4.4%)	13,500	2,911 (21.6%)
Ordinary Income	15,698	14,633	-1,065 (-6.8%)	11,500	3,133 (27.2%)
Net Income	9,052	8,859	-192 (-2.1%)	6,700	2,159 (32.2%)
EBITDA	33,454	33,241	-213 (-0.6%)		
Depreciation and Amortization	16,290	16,627	337 (2.1%)		
Capital Expenditures	10,445	10,110	-335 (-3.2%)		

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

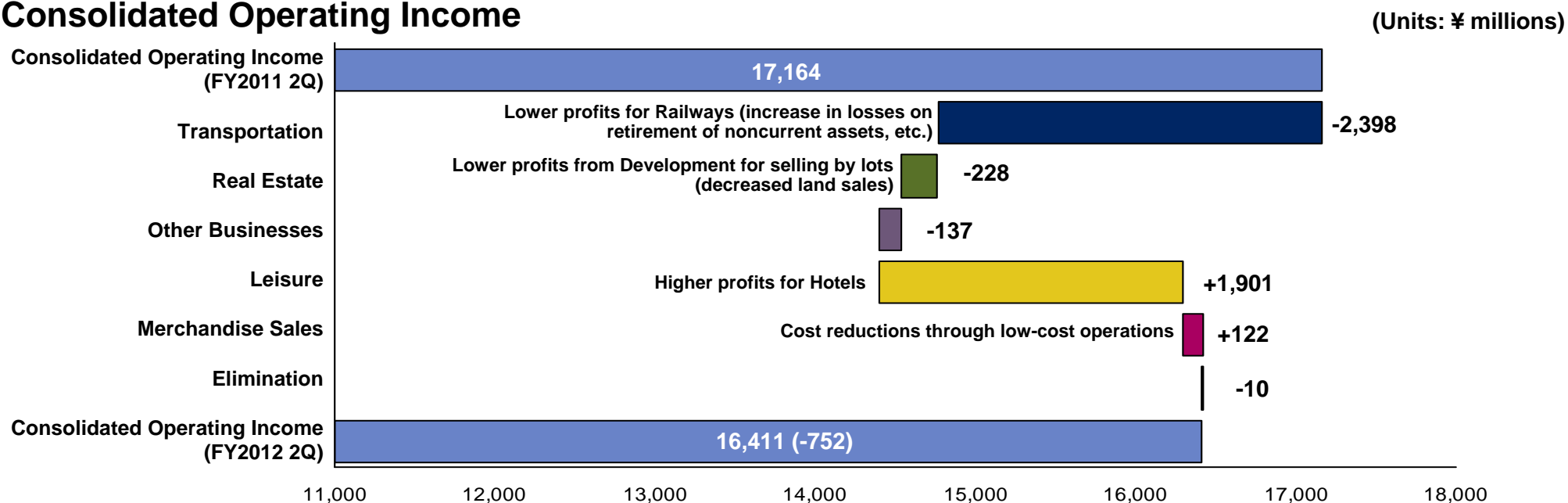
2. Second Quarter Plan figures are those announced on April 27<sup>th</sup>.

# 1-2. Main Factors in Earnings Fluctuations (year-on-year comparison)

## 1. Consolidated Operating Revenues



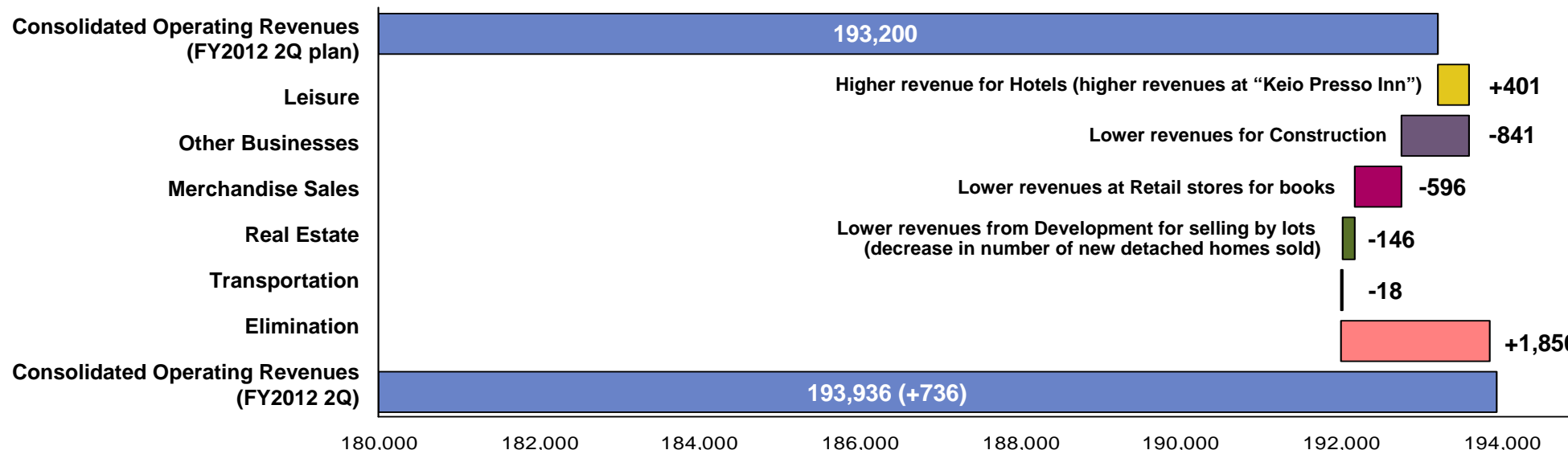
## 2. Consolidated Operating Income



# 1-2. Main Factors in Earnings Fluctuations (compared to plan)

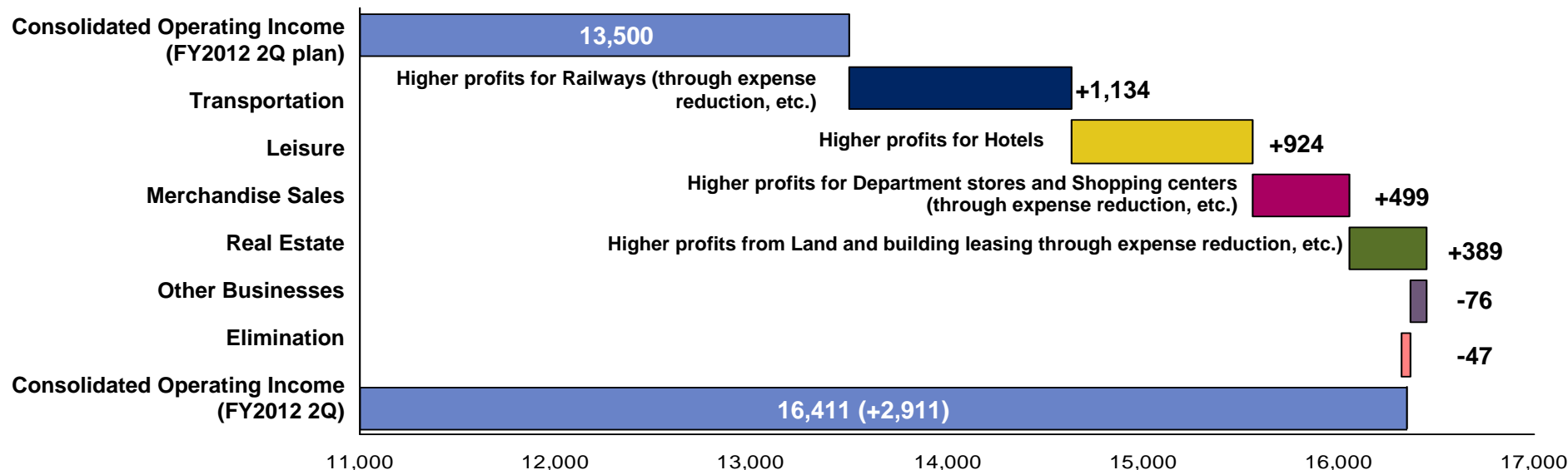
## 1. Consolidated Operating Revenues

(Units: ¥ millions)



## 2. Consolidated Operating Income

(Units: ¥ millions)



## 2. Consolidated Balance Sheets

(Units: ¥ millions)

	FY2011	FY2012 2Q	Change	Change Factors
<b>Total Assets</b>	<b>791,640</b>	<b>751,815</b>	<b>-39,825</b>	Decrease due to advanced depreciation of noncurrent assets and booking of depreciation and amortization
<b>Liabilities</b>	<b>531,090</b>	<b>486,197</b>	<b>-44,893</b>	Decrease due to reduction in advances received and payment of construction deposits, etc.
<b>Net Assets</b>	<b>260,549</b>	<b>265,617</b>	<b>5,068</b>	Increase due to booking of quarterly net income
<b>Total Liabilities and Net Assets</b>	<b>791,640</b>	<b>751,815</b>	<b>-39,825</b>	
<b>Interest-Bearing Debt</b>	<b>340,182</b>	<b>338,215</b>	<b>-1,966</b>	Decrease due to reduction in long-term loans payable

(Note) Interest-bearing debt is calculated as borrowings + bonds + long-term accounts payable from other financial institutions.

### 3. Consolidated Statements of Cash Flows

(Units: ¥ millions)

	FY2011 2Q	FY2012 2Q	Change	Change Factors
Net Cash Provided by (Used in) Operating Activities	26,263	27,352	1,089	
Net Cash Provided by (Used in) Investing Activities	-20,199	-23,720	-3,521	Increase due to purchases of property, plant and equipment
Net Cash Provided by (Used in) Financing Activities	13,501	-4,215	-17,716	Decrease due to reduction in funds raised through corporate bonds



## 4. Segment Information (Corporate Composition)

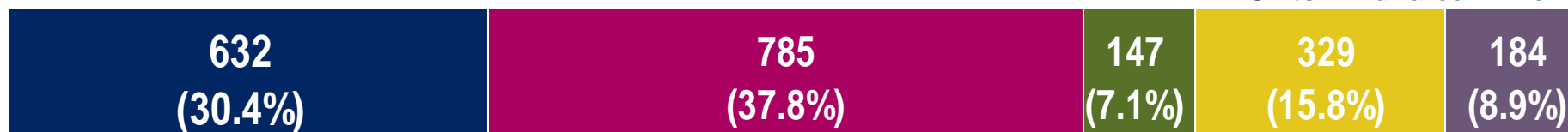
**Consolidated** **38 Companies as of Sep. 2012** (Keio Corporation overlaps multiple business segments)

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

**Operating Revenues**

**FY2012 2Q: ¥1,939 hundred million**

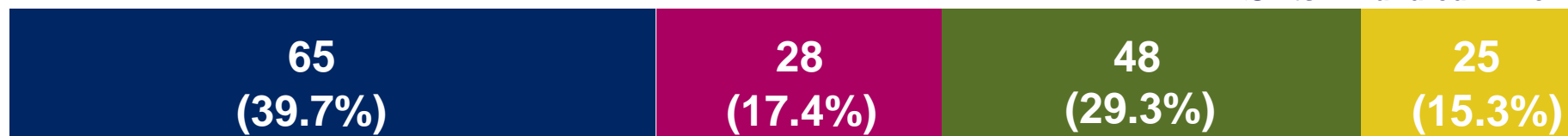
<Units: ¥ hundred millions>



**Operating Income**

**FY2012 2Q: ¥164 hundred million**

<Units: ¥ hundred millions>



(Note) Segment figures include intersegment amounts, ratios.

## 4. Segment Information (Transportation-1)

(Units: ¥ millions)

	FY2011 2Q	FY2012 2Q	Change (%)		Change Factors	FY2012 2Q Plan	Difference (%)	
(Railways)	39,825	40,648	822	(2.1%)	Refer to next page	40,638	10	(0.0%)
(Bus services)	16,452	16,924	472	(2.9%)	Refer to below table	16,826	98	(0.6%)
(Taxi services)	6,512	6,528	15	(0.2%)		6,542	-13	(-0.2%)
(Other)	1,201	1,198	-2	(-0.2%)		1,228	-29	(-2.4%)
(Elimination)	-1,861	-2,087	-225	—		-2,004	-82	—
Operating Revenues	62,130	63,213	1,083	(1.7%)		63,231	-18	(-0.0%)
Operating Income	8,935	6,536	-2,398	(-26.8%)		5,401	1,134	(21.0%)
Depreciation and Amortization	10,840	11,405	565	(5.2%)				
Capital Expenditures	6,844	5,490	-1,353	(-19.8%)				
EBITDA	19,775	17,941	-1,833	(-9.3%)				

### Ref.: Bus Services Net Sales

(Units: ¥ hundred millions)

	FY2011 2Q	FY2012 2Q	Change (%)		Change Factors	FY2012 2Q Plan	Difference (%)	
Local Routes	119	121	2	(1.8%)	Increase due to rebound from earthquake, etc.	121	0	(0.1%)
Freeway Bus	24	25	1	(5.3%)	Increase due to rebound from earthquake, etc.	25	0	(0.9%)

Note: Beginning this fiscal year the aggregation method for bus operations was changed from simple consolidation between the bus groups, as done in the past, to simple totaling.

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

		FY2011 2Q	FY2011 2Q	Change (%)		Change Factors
Passengers Transported (thousands of people)	Commuter-Pass	183,401	184,926	1,525	(0.8%)	Increase due to rebound from earthquake, etc.
	(Business)	133,845	134,570	725	(0.5%)	
	(Students)	49,556	50,356	800	(1.6%)	
	Non-Commuter-Pass	128,501	132,017	3,516	(2.7%)	Increase due to rebound from earthquake, etc.
	Total	311,902	316,943	5,041	(1.6%)	
Passenger Revenues (¥ millions)	Commuter-Pass	16,624	16,696	72	(0.4%)	Increase in passengers transported
	(Business)	14,669	14,708	39	(0.3%)	
	(Students)	1,955	1,987	32	(1.7%)	
	Non-Commuter-Pass	21,730	22,370	640	(2.9%)	Increase in passengers transported
	Total	38,354	39,067	712	(1.9%)	

## 4. Segment Information (Merchandise Sales)

(Units: ¥ millions)

	FY2011 2Q	FY2012 2Q	Change (%)	Change Factors	FY2012 2Q Plan	Difference (%)
(Department Stores)	44,013	43,206	-807 * (-1.8%) (0.3%)		42,988	217 (0.5%)
(Retail Stores)	18,642	18,245	-397 (-2.1%)	Decrease in existing store sales	18,512	-267 (-1.4%)
(Retail Stores – Books)	5,239	5,121	-118 (-2.3%)		5,565	-443 (-8.0%)
(Retail Stores – in Stations)	4,582	4,378	-203 (-4.4%)		4,412	-33 (-0.8%)
(Shopping Centers)	5,233	5,317	83 (1.6%)		5,269	47 (0.9%)
(Other)	5,624	5,590	-33 (-0.6%)		5,713	-123 (-2.2%)
(Elimination)	-3,398	-3,346	52 –		-3,352	5 –
Operating Revenues	79,936	78,512	-1,423 (-1.8%)		79,109	-596 (-0.8%)
Operating Income	2,733	2,855	122 (4.5%)		2,355	499 (21.2%)
Depreciation and Amortization	1,691	1,484	-206 (-12.2%)			
Capital Expenditures	537	803	266 (49.6%)			
EBITDA	4,424	4,340	-84 (-1.9%)			

\* For Department stores, we changed the method of booking revenue from partial tenantizing. The ratios against same period of previous year excluding the impact from that change are shown in ( ).

## 4. Segment Information (Real Estate)

(Units: ¥ millions)

	FY2011 2Q	FY2012 2Q	Change (%)		Change Factors	FY2012 2Q Plan	Difference (%)	
(Land and Building Leasing)	13,091	14,493	1,402	(10.7%)	ReBITA +748	14,093	400	(2.8%)
(Development for Selling by Lots)	2,523	3,874	1,350	(53.5%)	ReBITA +2,170	4,431	-557	(-12.6%)
(Other)	574	541	-33	(-5.8%)		645	-103	(-16.1%)
(Elimination)	-3,575	-4,161	-585	-		-4,275	114	-
Operating Revenues	12,614	14,748	2,133	(16.9%)		14,894	-146	(-1.0%)
Operating Income	5,043	4,814	-228	(-4.5%)		4,424	389	(8.8%)
Depreciation and Amortization	1,924	1,960	36	(1.9%)				
Capital Expenditures	1,814	977	-836	(-46.1%)				
EBITDA	6,967	6,977	9	(0.1%)				

### Ref.: Real Estate Operating Income Details

(Units: ¥ hundred millions)

	FY2011 2Q	FY2012 2Q	Change (%)		Change Factors	FY2012 2Q Plan	Difference (%)	
Land and Building Leasing	45	49	4	(10.5%)	Keio Corporation +3	43	6	(14.6%)
Development for Selling by Lots	5	3	-1	(-32.3%)		3	0	(2.3%)

## 4. Segment Information (Leisure)

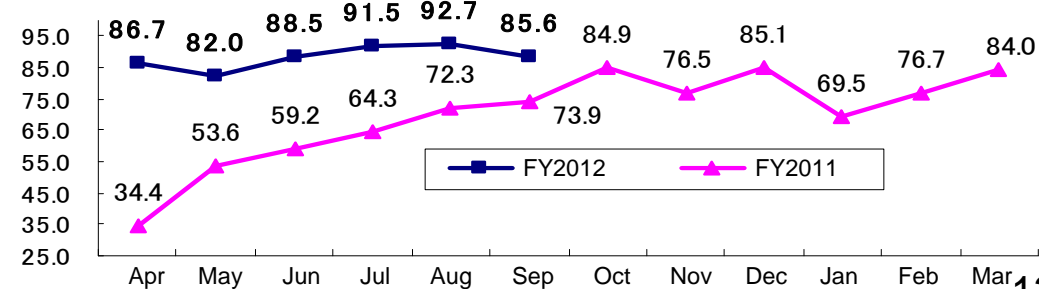
(Units: ¥ millions)

	FY2011 2Q	FY2012 2Q	Change (%)		Change Factors	FY2012 2Q Plan	Difference (%)	
(Hotels)	17,872	20,591	2,719	(15.2%)	Keio Plaza Hotel +2,210	20,297	294	(1.5%)
(Travel Services)	8,820	9,309	489	(5.5%)	Increase due to earthquake rebound, etc.	9,163	146	(1.6%)
(Advertising Services)	4,224	4,557	333	(7.9%)		4,471	86	(1.9%)
(Other)	3,163	3,198	35	(1.1%)		3,278	-80	(-2.5%)
(Elimination)	-4,723	-4,716	7	—		-4,670	-45	—
Operating Revenues	29,357	32,941	3,584	(12.2%)		32,539	401	(1.2%)
Operating Income	616	2,518	1,901	(308.3%)		1,594	924	(58.0%)
Depreciation and Amortization	1,714	1,675	-38	(-2.3%)				
Capital Expenditures	417	1,363	946	(226.6%)				
EBITDA	2,331	4,193	1,862	(79.9%)				

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

	FY2011 2Q	FY2012 2Q	Change
Room Occupancy Rates	59.7%	87.8%	28.1P
Average Daily Rate	¥13,557	¥13,803	¥246

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



## 4. Segment Information (Other Businesses)

(Units: ¥ millions)

	FY2011 2Q	FY2012 2Q	Change (%)		Change Factors	FY2012 2Q Plan	Difference (%)	
(Building Maintenance)	8,481	9,079	598	(7.1%)	New orders	8,900	178	(2.0%)
(Railway Car Maintenance)	3,025	3,287	261	(8.6%)		3,443	-155	(-4.5%)
(Construction)	5,412	4,449	-963	(-17.8%)	Decrease in orders received	5,280	-831	(-15.7%)
(Other)	2,298	2,562	264	(11.5%)		3,091	-528	(-17.1%)
(Elimination)	-1,049	-892	157	–		-1,388	496	–
Operating Revenues	18,168	18,486	318	(1.8%)		19,328	-841	(-4.4%)
Operating Income	-131	-269	-137	–		-192	-76	–
Depreciation and Amortization	195	179	-16	(-8.3%)				
Capital Expenditures	82	257	175	(212.6%)				
EBITDA	63	-90	-154	–				

## II. Fiscal 2012 Full-Year Earnings Forecast

1. Consolidated Statements of Income
2. Segment Information
3. Forecast for Second Half of Year



# 1. Consolidated Statements of Income

(Units: ¥ hundred millions)

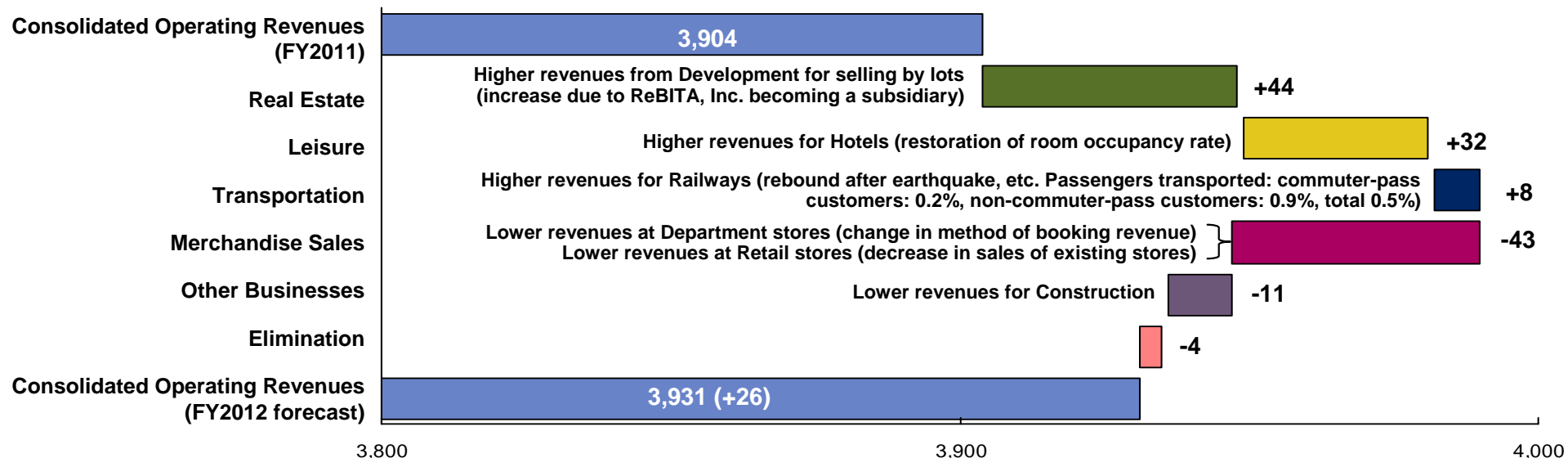
	FY2011	FY2012 Forecast	Change (%)		FY2012 Plan	Difference (%)	
Operating Revenues	3,904	3,931	26	(0.7%)	3,989	-58	(-1.5%)
Operating Income	296	269	-27	(-9.2%)	259	10	(3.9%)
Ordinary Income	264	232	-32	(-12.2%)	221	11	(5.0%)
Net Income	124	137	12	(10.2%)	128	9	(7.0%)
EBITDA	640	622	-17	(-2.8%)			
Depreciation and Amortization	342	349	6	(1.8%)			
Capital Expenditures	349	592	242	(69.4%)			

- (Note) 1. EBITDA is calculated as operating income + depreciation and amortization + amortization of goodwill.  
 2. FY2012 Plan figures are those announced on April 27<sup>th</sup>.

# 1-2. Main Factors in Earnings Fluctuations (vs. PY)

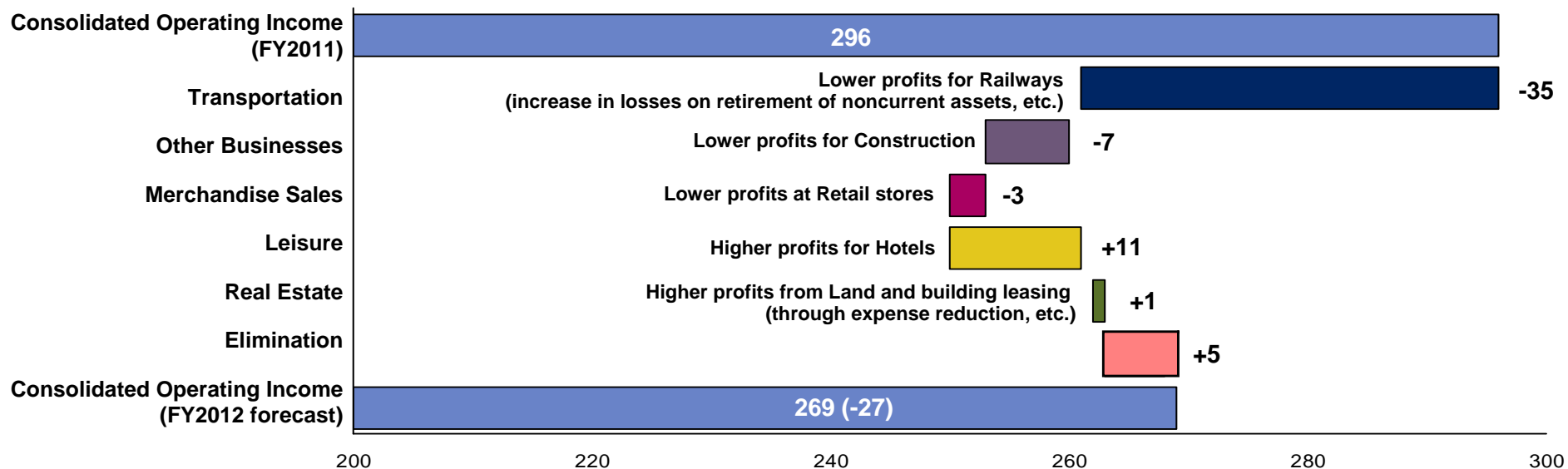
## 1. Consolidated Operating Revenues

(Units: ¥ hundred millions)



## 2. Consolidated Operating Income

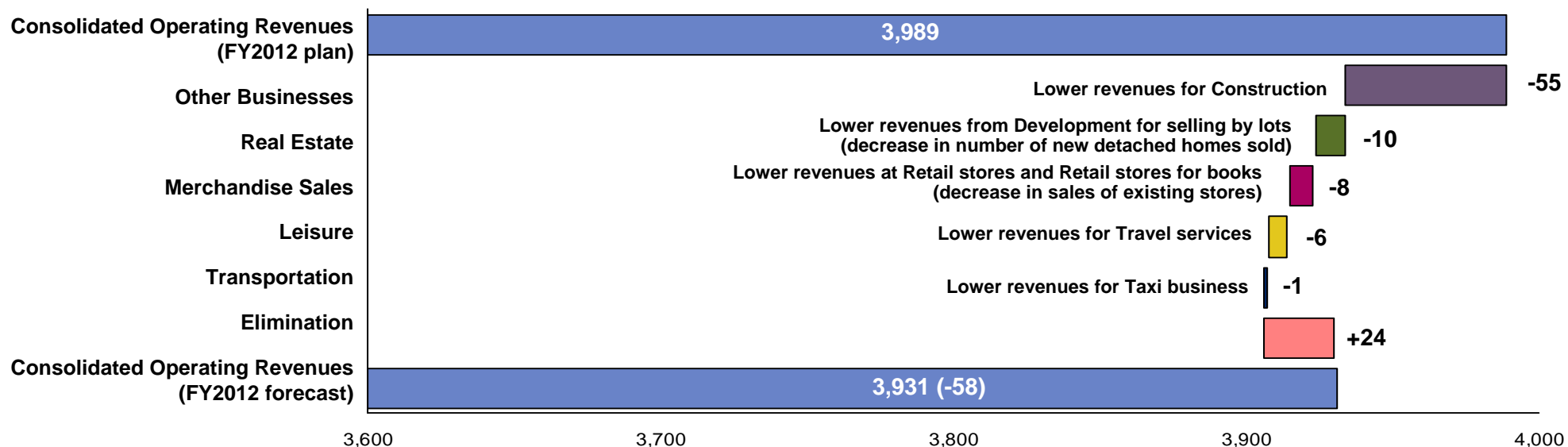
(Units: ¥ hundred millions)



# 1-2. Main Factors in Earnings Fluctuations (Compared to plan announced on April 27<sup>th</sup>)

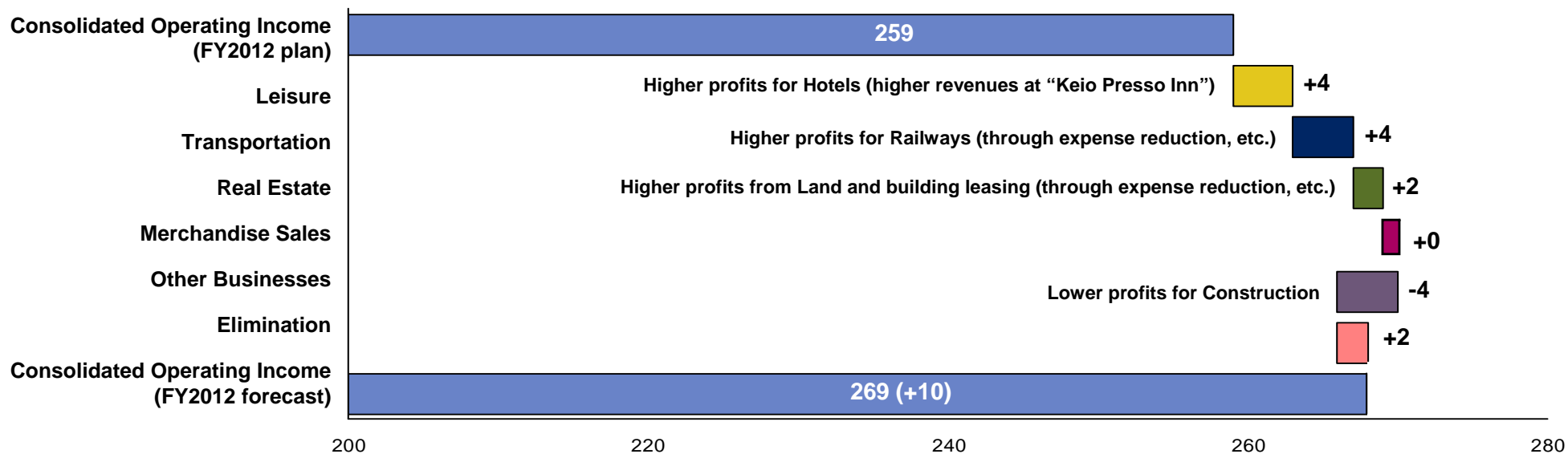
## 1. Consolidated Operating Revenues

(Units: ¥ hundred millions)



## 2. Consolidated Operating Income

(Units: ¥ hundred millions)



## 2. Segment Information (Transportation-1)

(Units: ¥ hundred millions)

	FY2011	FY2012 Forecast	Change (%)		Change Factors	FY2012 Plan	Difference (%)	
(Railways)	799	805	6	(0.8%)	Refer to next page	806	-0	(-0.1%)
(Bus Services)	324	329	4	(1.3%)	Refer to below table	328	0	(0.1%)
(Taxi Services)	133	131	-1	(-1.2%)		133	-2	(-1.6%)
(Other)	24	24	-0	(-1.0%)		24	-0	(-1.1%)
(Elimination)	-39	-39	-0	—		-40	0	—
Operating Revenues	1,242	1,251	8	(0.7%)		1,252	-1	(-0.1%)
Operating Income	115	80	-35	(-30.4%)		76	4	(5.3%)

Ref.: Bus Services Net Sales

(Units: ¥ hundred millions)

	FY2011	FY2012 Forecast	Change (%)		Change Factors	FY2012 Plan	Difference (%)	
Local Routes	235	235	0	(0.2%)		235	-0	(-0.0%)
Freeway Bus	48	50	2	(4.2%)	Increased demand, etc.	50	-0	(-0.7%)

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

		FY2011	FY2012 Forecast	Change (%)		Change Factors
Passengers Transported (thousands of people)	Commuter-Pass	358,466	359,022	556	(0.2%)	Increase due to rebound from earthquake, etc.
	(Business)	265,965	266,222	257	(0.1%)	
	(Students)	92,501	92,800	299	(0.3%)	
	Non-Commuter-Pass	260,597	262,956	2,359	(0.9%)	Increase due to rebound from earthquake, etc.
	Total	619,063	621,978	2,915	(0.5%)	
Passenger Revenues (¥ millions)	Commuter-Pass	32,790	32,723	-67	(-0.2%)	
	(Business)	29,142	29,067	-75	(-0.3%)	Decrease in average fare per passenger
	(Students)	3,647	3,655	7	(0.2%)	
	Non-Commuter-Pass	44,056	44,621	564	(1.3%)	
	Total	76,847	77,344	497	(0.6%)	

## 2. Segment Information (Merchandise Sales)

(Units: ¥ hundred millions)

	FY2011	FY2012 Forecast	Change (%)	Change Factors	FY2012 Plan	Difference (%)
(Department Stores)	928	901	-26 (-2.8%)		894	6 (0.7%)
(Retail Stores)	370	360	-9 (-2.6%)	Decrease in sales of existing stores	368	-7 (-2.1%)
(Retail Stores – Books)	107	105	-1 (-1.9%)		112	-7 (-6.7%)
(Retail Stores – Stations)	89	83	-5 (-6.3%)		84	-0 (-1.1%)
(Shopping Centers)	105	104	-0 (-0.6%)		104	0 (0.1%)
(Other)	117	117	0 (0.5%)		117	0 (0.1%)
(Elimination)	-66	-66	0 –		-66	0 –
Operating Revenues	1,650	1,607	-43 (-2.6%)		1,616	-8 (-0.6%)
Operating Income	52	49	-3 (-5.7%)		48	0 (1.5%)

## 2. Segment Information (Real Estate)

(Units: ¥ hundred millions)

	FY2011	FY2012 Forecast	Change (%)	Change Factors	FY2012 Plan	Difference (%)
(Land and Building Leasing)	270	288	17 (6.4%)	ReBITA +10 Keio Realty and Development +8	284	3 (1.2%)
(Development for Selling by Lots)	59	96	37 (63.7%)	ReBITA +37	109	-13 (-11.9%)
(Other)	12	12	-0 (-1.1%)		13	-1 (-10.3%)
(Elimination)	-75	-85	-10 -		- 86	1 -
Operating Revenues	266	311	44 (16.7%)		321	-10 (-3.1%)
Operating Income	93	95	1 (1.6%)		92	2 (2.7%)

Ref.: Real Estate Operating Income Details

(Units: ¥ hundred millions)

	FY2011	FY2012 Forecast	Change (%)	Change Factors	FY2012 Plan	Difference (%)
Land and Building Leasing	88	91	2 (3.1%)	Keio Corporation +2	85	5 (6.5%)
Development for Selling by Lots	8	7	-0 (-9.0%)		8	-1 (-13.3%)

## 2. Segment Information (Leisure)

(Units: ¥ hundred millions)

	FY2011	FY2012 Forecast	Change (%)		Change Factors	FY2012 Plan	Difference (%)	
(Hotels)	393	420	27	(6.9%)	Keio Plaza Hotel +21	421	-1	(-0.2%)
(Travel Services)	161	160	-0	(-0.5%)		167	-7	(-4.2%)
(Advertising Services)	98	105	7	(7.3%)		102	3	(3.4%)
(Other)	60	60	0	(0.3%)		60	-0	(-1.1%)
(Elimination)	-94	-95	-1	—		-94	-1	—
Operating Revenues	618	651	32	(5.3%)		658	-6	(-1.0%)
Operating Income	27	39	11	(41.3%)		34	4	(13.1%)

Ref.: Keio Plaza Hotel (Shinjuku) Room Occupancy Rates, Room Unit Prices [cumulative]

	FY2011	FY2012 Forecast	Change
Room Occupancy Rates	69.6%	87.3%	17.7P
Average Daily Rate	¥13,896	¥14,139	¥243



## 2. Segment Information (Other Businesses)

(Units: ¥ hundred millions)

	FY2011	FY2012 Forecast	Change (%)		Change Factors	FY2012 Plan	Difference (%)	
(Building Maintenance)	204	202	-1	(-0.9%)		200	2	(1.0%)
(Railway Care Maintenance)	81	82	0	(1.2%)		79	3	(4.0%)
(Construction)	178	160	-17	(-9.9%)	Decrease in orders received	215	-54	(-25.4%)
(Other)	47	58	11	(23.4%)		63	-5	(-8.0%)
(Elimination)	-24	-28	-4	—		-28	-0	—
Operating Revenues	486	474	-11	(-2.4%)		529	-55	(-10.4%)
Operating Income	12	4	-7	(-62.7%)		8	-4	(-48.7%)

### 3. Forecast for Second Half of Year (Consolidated Statements of Income)

(Units: ¥ hundred millions)

	FY2011 Second Half	FY2012 Second Half Forecast	Change (%)		FY2012 Second Half Plan	Difference (%)	
Operating Revenues	2,013	1,991	-22	(-1.1%)	2,057	-65	(-3.2%)
Operating Income	124	104	-19	(-15.9%)	124	-19	(-15.4%)
Ordinary Income	107	85	-21	(-20.2%)	106	-20	(-19.2%)
Quarterly Net Income	33	48	14	(43.2%)	61	-12	(-20.6%)
EBITDA	305	289	-15	(-5.2%)			
Depreciation and Amortization	179	182	2	(1.6%)			
Capital Expenditures	245	491	246	(100.3%)			

- (Note) 1. EBITDA is calculated as operating income + depreciation and amortization + amortization of goodwill.  
 2. The Fiscal 2012 Second Half Plan was created based on figures announced on April 27<sup>th</sup>.  
 3. The Fiscal 2012 Second Half Forecast was created based on figures announced on October 29<sup>th</sup>.

### 3-2. Forecast for Second Half of Year (Operating Revenues, Operating Income by Segment)

(Units: ¥ hundred millions)

	Operating Revenues			Operating Income		
	FY2011 Second Half	FY2012 Second Half Forecast	Change (%)	FY2011 Second Half	FY2012 Second Half Forecast	Change (%)
Transportation	620	618	-1 (-0.3%)	26	14	-11 (-42.7%)
Merchandise Sales	851	822	-28 (-3.4%)	25	21	-4 (-16.7%)
Real Estate	140	164	23 (16.6%)	43	47	3 (8.6%)
Leisure	325	322	-2 (-0.9%)	21	14	-7 (-34.2%)
Other Businesses	304	289	-14 (-4.9%)	13	7	-6 (-46.3%)
Elimination	-228	-225	3 -	-5	0	5 -
<b>Total</b>	<b>2,013</b>	<b>1,991</b>	<b>-22 (-1.1%)</b>	<b>124</b>	<b>104</b>	<b>-19 (-15.9%)</b>

## III. Fiscal 2012 Initiatives

1. Progress Status of Major Investments
2. Safety and Service Improvements in our Railway Business
  - (1) Grade Crossing, Elevated Line Construction near the Chofu Station
  - (2) Dramatic Schedule Revisions
3. Neighborhood Success
  - (1) Keio Kichijoji Station Building Reconstruction
  - (2) Redevelopment of Building Complex in Sasazuka

# 1. Progress Status of Major Investments

- Improving Safety and Service in our Railway Business and Advancing Initiatives to Create Successful Neighborhoods near our Rail Lines

	~FY2011	FY2012	FY2013	FY2014
<b>ATC (Automatic Train Control) System Implementation</b>	FY2011 Complete for All Keio Lines	Inokashira Line Planned Completion of Implementation		
<b>Grade Crossing, Elevated Line Construction near the Chofu Station</b>	Construction Began in FY2004	Complete Switchover to Underground Line Dramatic Schedule Revisions		Planned Completion of Joint Project After completion of joint project, begin preparations aimed at above-ground utilization
<b>Keio Kichijoji Station Building Reconstruction</b>	Construction Began in FY2010	Demolition Work and New Construction	New Construction Opening Planned for Spring of 2014	
<b>Redevelopment of Building Complex in Sasazuka</b>	City Planning and Project Planning	Demolition Work	New Construction	Opening Planned for Spring of 2015

## 2. Safety and Service Improvements in our Railway Business

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

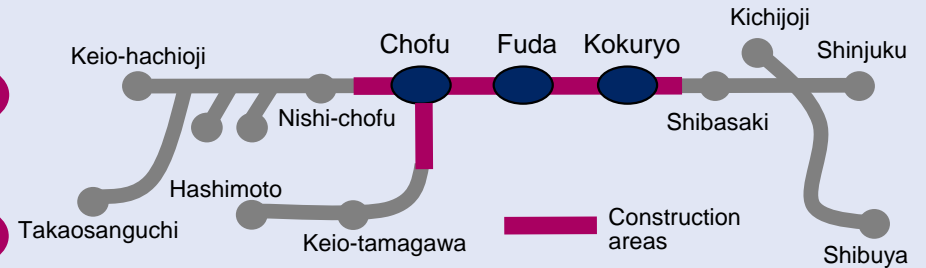
~FY2011	FY2012	FY2013	FY2014
Construction Began in FY2004	Complete Switchover to Underground Line Dramatic Schedule Revisions		Planned Completion of Joint Project After completion of joint project, begin preparations aimed at above-ground utilization

#### [Progress of Work]

- On August 19, 2012, approximately 2.8km of the Keio Line, between the Shibasaki Station and the Nishi-chofu Station, and approximately 0.9km of the Sagami-hara Line, between the Chofu Station and the Keio-tamagawa Station were converted to underground.
- Moving ahead, the station building will be completed and work will progress to remove the railway facilities such as the track used by the above-ground line, to restore the roadways, etc. Completion of this work is planned for the end of Fiscal 2014.

#### [Benefits of the Project]

- Facilitation of roadway traffic ⇒ **Relieve traffic congestion** caused by waiting at grade crossings. → 1
- Improvement in safety ⇒ Through **elimination of grade crossing**, improve both road and railway safety.
- Regional development ⇒ Reunite neighborhoods once divided by a rail line.
- Increased convenience ⇒ **Eliminate the grade intersection** of the inbound Sagami-hara Line and the outbound Keio Line near Chofu Station. → 2

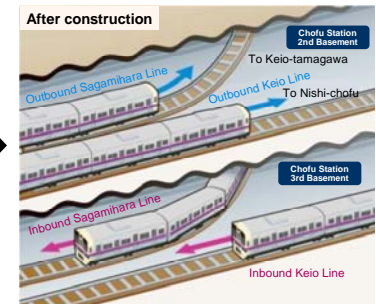
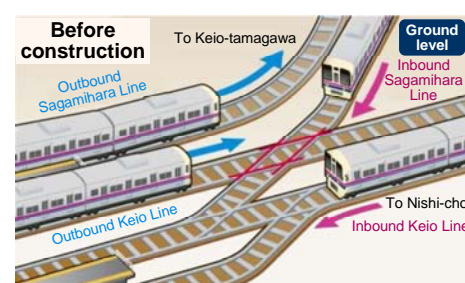


#### 1 Relief of traffic congestion



Elimination of grade crossing

#### 2 Elimination of grade intersection



Through this improvement flexible schedules can be set.

## 2. Safety and Service Improvements in our Railway Business

### (2) Dramatic Schedule Revisions

#### ■ More Rapid Service

- **Keio Line:** Introduce new **Special Express** trains on Sagamihara Line
- **Inokashira Line:** Introduce new **Express** trains on weekday early mornings

#### ■ More Trains

- **Keio Line:** Increase number of **Special Express** trains on weekday early mornings
- **Inokashira Line:** Increase number of **Express** and **Local** trains during daytime on weekdays

**1**  
**More Rapid Services  
More Trains**

### In February, 2013 Implement Dramatic Schedule Revisions

**2**  
**Improve Convenience of Late Night Schedule**

#### ■ Delay the time of last train

- **Keio Line:** Delay time of last train from Shinjuku
- **Inokashira Line:** Delay time of last train from Shibuya

#### ■ Expand time range for operation of **Special Express** and **Express** trains

- **Keio Line:** Expand time range for operation of **Special Express** trains
- **Inokashira Line:** Expand time range for operation of **Express** trains

# 3. Neighborhood Success

## (1) Keio Kichijoji Station Building Reconstruction

~FY2011	FY2012	FY2013
Construction Began in 2010	Demolition Work and New Construction	New Construction Opening Planned for Spring of 2014

- Reconstruction work began on the Kichijoji station (Inokashira Line), including elevated bridge construction and station building renovation.
- Aiming to open for business in spring of 2014, in this period demolition, new construction and leasing are all in progress.

### Appearance before Reconstruction

[Outline]

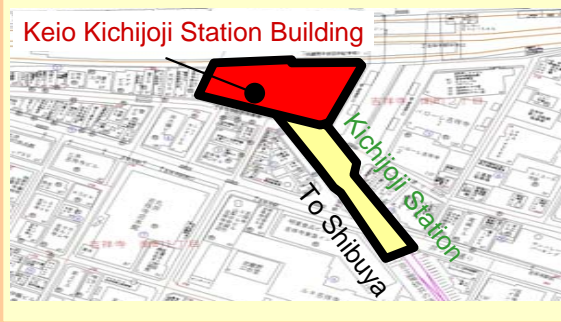
- Construction completed in 1970
- \* In 2004 became totally owned by Keio Corporation
- Built with 8 floors and 2 basement levels
- Gross floor area: Approx. 24,000m<sup>2</sup>
- Building use: Commercial building



- The building had become antiquated (40 years after it was built)

### Present Status

- Reconstruction is proceeding while maintaining (or switching over) customer travel routes



Both demolition and new construction work are proceeding in parallel (photo taken in August, 2012)

### Image of Completed Construction

- Creating successful neighborhoods near our rail lines and strengthening profitability through development of key centers
- Create business opportunities for Keio Group companies
- Enhance safety through integrated renovation of building and station



[Outline]

- Built with 10 floors and 2 basement levels
- Land area: Approx. 3,400m<sup>2</sup>
- Gross floor area: Approx. 28,000m<sup>2</sup>
- Building use: Commercial building
- Total cost of project: Approx. ¥16 billion



# 3. Neighborhood Success

## (2) Redevelopment of Building Complex in Sasazuka

~FY2011	FY2012	FY2013	FY2014
City Planning and Project Planning	Demolition Work	New Construction	Opening Planned for Spring of 2015

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

### Appearance before Reconstruction

[Outline]

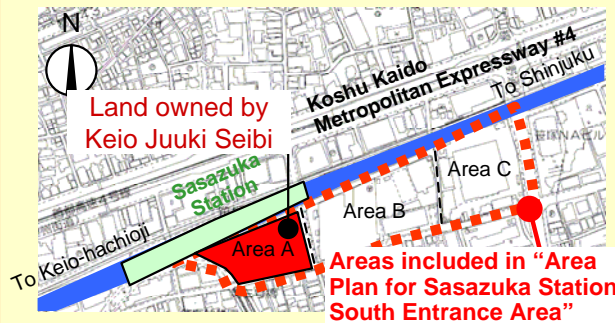
- Construction completed in 1967
- Built with 9 floors and 1 basement level
- Gross floor area: Approx. 22,000 m<sup>2</sup>



- The decision to rebuild was made due to problems of building and facilities deterioration and poor seismic capacity

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

- Relaxation of limits on architectural volume and building height
- Establish a public square (plaza) and setback wall



Keio Juuki Building during demolition work

### Image of Completed Redevelopment



[Outline]

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

- Improve disaster resistance and create a successful neighborhood in the area
- Provide tree planting and greening of the surroundings and enjoyable space for walking
- Increase profitability and strengthen the business base through increased floor area



This document includes projections based on certain forecasts/assumptions made at the time of publication. Actual performance may differ from forecast figures due to various factors.

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