



あなたと あたらしい あしたへ — 京王グループ



Fiscal 2015 Financial Results

—May 9, 2016—

Keio Corporation
京王電鉄株式会社

I. Fiscal 2015 Full-Year Earnings



II. Fiscal 2016 Earnings Forecasts



III. Fiscal 2016 Initiatives





I. Fiscal 2015 Full-Year Earnings



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

1. Consolidated Statements of Income

(Units: ¥ millions)

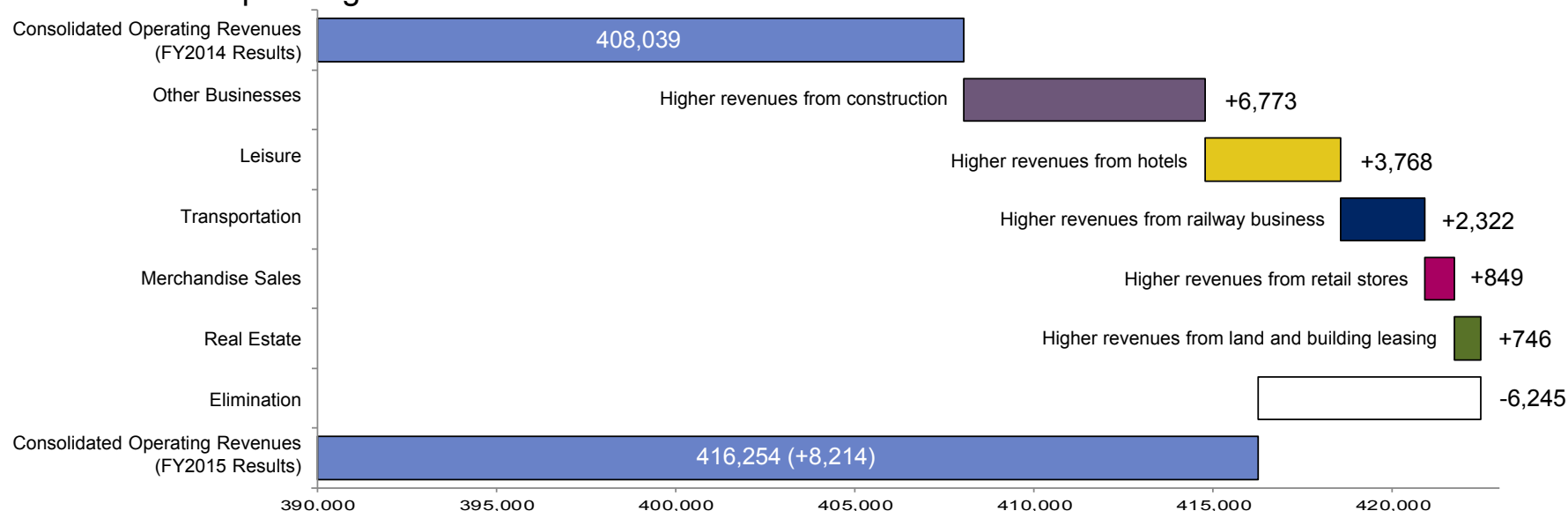
	FY2014 Results	FY2015 Results	Change (%)
Consolidated Operating Revenues	408,039	416,254	8,214 (2.0)
Consolidated Operating Income	33,845	37,758	3,913 (11.6)
Consolidated Ordinary Income	31,390	35,066	3,676 (11.7)
Net Income Attributable to Parent Company Shareholders	17,248	19,468	2,220 (12.9)
Consolidated EBITDA	69,171	73,740	4,569 (6.6)
Consolidated and Amortization Depreciation	34,921	35,577	656 (1.9)
Capital Expenditures	44,909	46,397	1,487 (3.3)

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

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

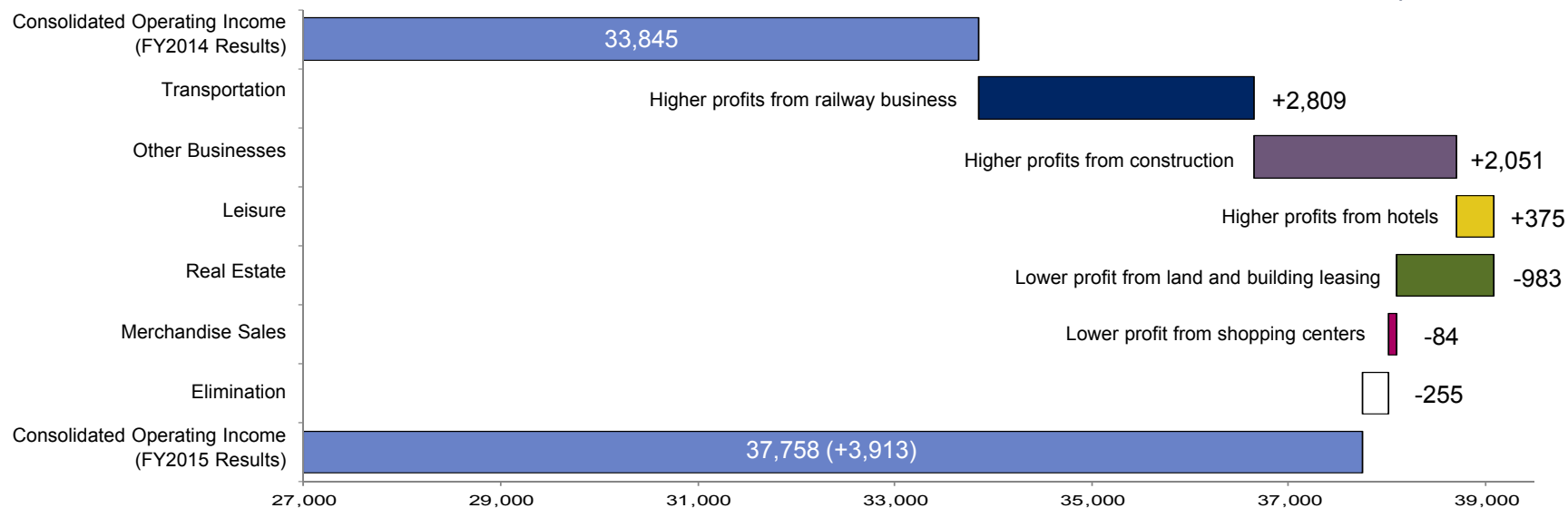
1. Consolidated Operating Revenues

(Units: ¥ millions)



2. Consolidated Operating Income

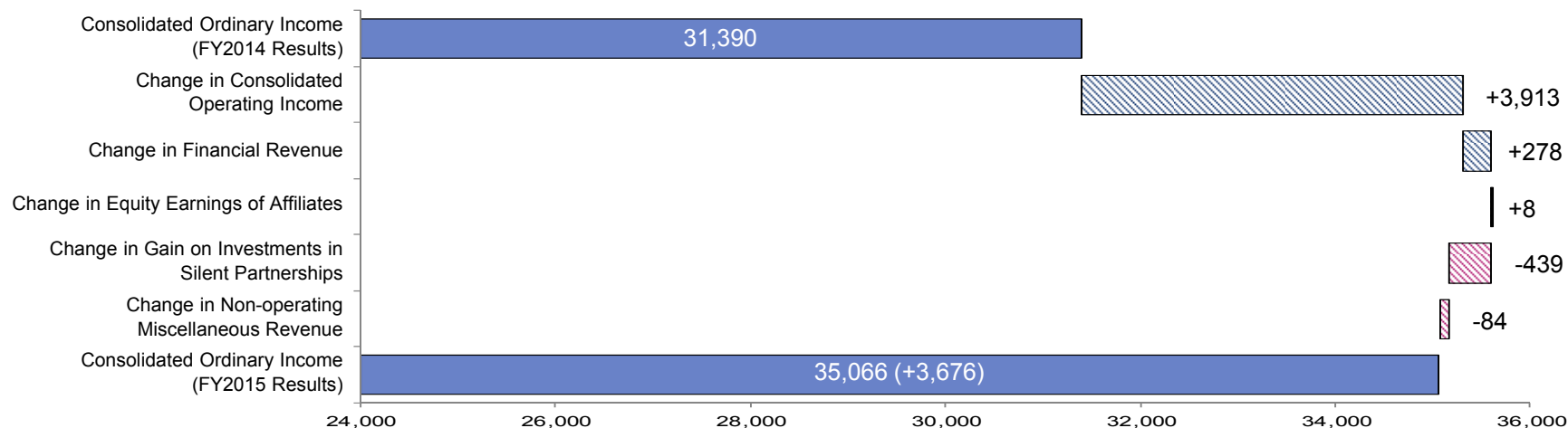
(Units: ¥ millions)



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

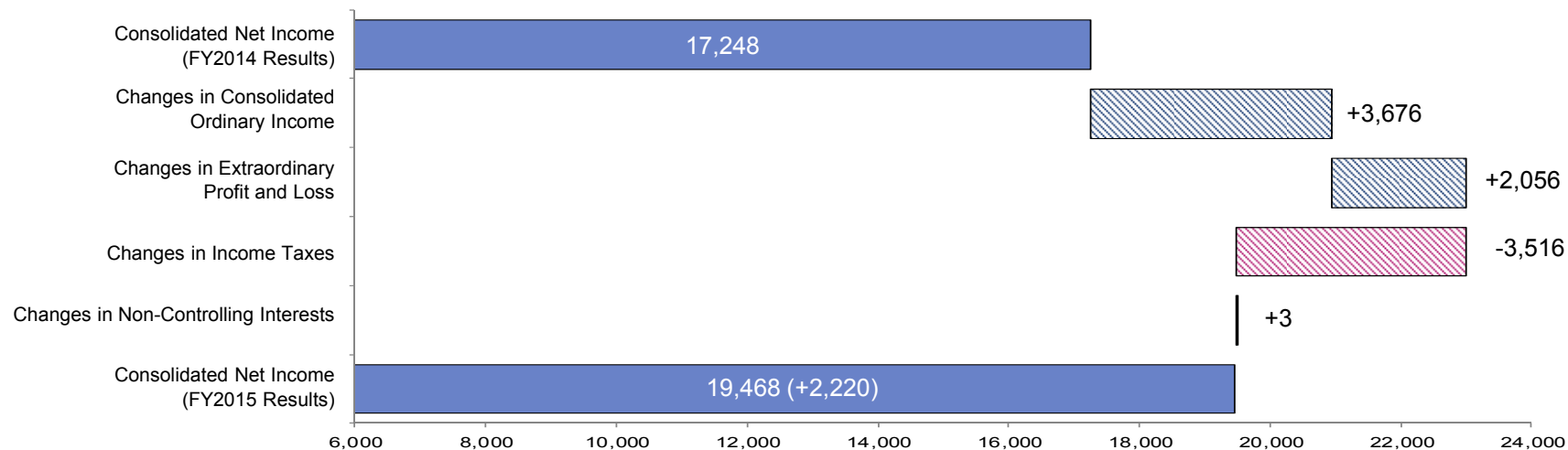
1. Consolidated Ordinary Income

(Units: ¥ millions)



2. Net Income Attributable to Parent Company Shareholders

(Units: ¥ millions)



2. Consolidated Balance Sheets

(Units: ¥ millions)

	FY2014 Results	FY2015 Results	Change	Change Factors
Total Assets	782,422	820,177	37,754	Increase in cash on hand resulting from issuance of corporate bonds (total of ¥30,000 million)
Liabilities	474,696	508,358	33,662	Increase due to 34 th /35 th issuance of unsecured corporate bonds (total of ¥30,000 million)
Net Assets	307,726	311,818	4,092	Increase due to booking of net income attributable to parent company shareholders
Total Liabilities and Net Assets	782,422	820,177	37,754	
Interest-Bearing Debt	308,157	339,306	31,148	

Note: FY2014 interest-bearing debt is calculated as Loans payable + Bonds payable + Long-term accounts payable to Japan railway construction, transport and technology agency.

3. Consolidated Statements of Cash Flows

(Units: ¥ millions)

	FY2014 Results	FY2015 Results	Change	Change Factors
Net Cash Provided by (Used in) Operating Activities	51,858	54,247	2,389	
Net Cash Provided by (Used in) Investing Activities	-32,325	-55,323	-22,997	Decrease in proceeds from sales and redemption of investment securities
Net Cash Provided by (Used in) Financing Activities	-26,281	25,530	51,812	Increase in proceeds from issuance of corporate bonds
End of Quarter Balance for Cash and Cash Equivalents	64,724	89,180	24,455	

4. Segment Information (Corporate Composition)

Consolidated

41 Companies as of the end of Mar. 2016

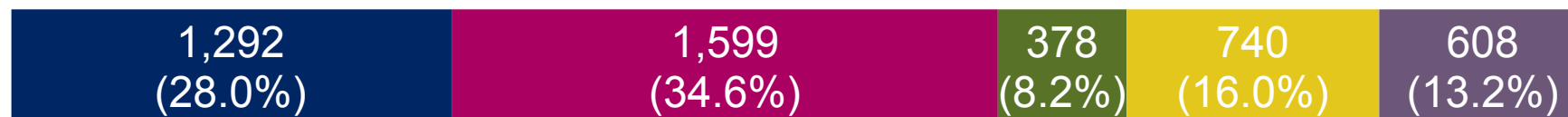
(Keio Corporation and Keio Juuki Seibi overlap multiple business segments)

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

Operating Revenues

FY2015: 4,162 hundred million yen

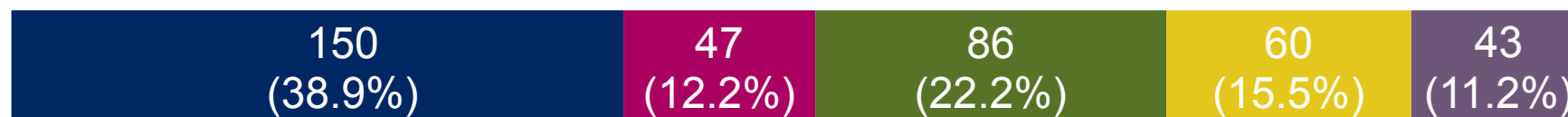
<Unit: Hundred millions of yen>



Operating Income

FY2015: 377 hundred million yen

<Unit: Hundred millions of yen>



Note: Segment figures include intersegment amounts and ratios.

4. Segment Information (Transportation-1)

(Units: ¥ millions)

	FY2014 Results	FY2015 Results	Change (%)	Change Factors
(Railways)	81,908	83,776	1,867 (2.3)	See next page.
(Bus services)	34,547	35,327	779 (2.3)	
(Taxi services)	12,655	12,500	-155 (-1.2)	
(Other)	2,728	2,763	34 (1.3)	
(Elimination)	-4,952	-5,156	-204 –	
Operating Revenues	126,887	129,210	2,322 (1.8)	
Operating Income	12,279	15,089	2,809 (22.9)	
Depreciation and Amortization	23,828	23,392	-435 (-1.8)	
Capital Expenditures	23,215	22,181	-1,034 (-4.5)	
EBITDA	36,107	38,482	2,374 (6.6)	

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

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

		FY2014 Results	FY2015 Results	Change (%)		Change Factors
Passengers Transported (thousands of people)	Commuter-Pass	369,922	383,728	13,806	(3.7)	Increase resulting from improvement in employment conditions and effects of timetable revision
	(Business)	277,935	289,730	11,795	(4.2)	
	(Students)	91,987	93,998	2,011	(2.2)	
	Non-Commuter-Pass	262,806	268,612	5,806	(2.2)	Increase resulting from leap year and effects of timetable revision
	Total	632,728	652,340	19,612	(3.1)	
Passenger Revenues (¥ millions)	Commuter-Pass	33,479	34,480	1,000	(3.0)	
	(Business)	29,872	30,792	919	(3.1)	
	(Students)	3,607	3,688	80	(2.2)	
	Non-Commuter-Pass	44,801	45,832	1,030	(2.3)	
	Total	78,281	80,313	2,031	(2.6)	

4. Segment Information (Merchandise Sales)

(Units: ¥ millions)

	FY2014 Results	FY2015 Results	Change (%)	Change Factors
(Department Stores)	86,977	87,456	479 (0.6)	
(Retail Stores)	38,060	38,818	758 (2.0)	Favorable trends at existing stores, etc.
(Retail Stores – Books)	9,087	8,198	-889 (-9.8)	
(Retail Stores – in Stations)	7,639	7,464	-175 (-2.3)	
(Shopping Centers)	12,424	12,973	549 (4.4)	
(Other)	11,751	11,730	-21 (-0.2)	
(Elimination)	-6,842	-6,694	148 –	
Operating Revenues	159,097	159,946	849 (0.5)	
Operating Income	4,809	4,724	-84 (-1.8)	
Depreciation and Amortization	4,029	4,131	101 (2.5)	
Capital Expenditures	5,063	4,931	-131 (-2.6)	
EBITDA	8,839	8,855	16 (0.2)	

4. Segment Information (Real Estate)

(Units: ¥ millions)

	FY2014 Results	FY2015 Results	Change (%)	Change Factors
(Land and Building Leasing)	30,240	31,966	1,725 (5.7)	Contribution of Merkmal Keio Sasazuka Residence, etc.
(Development for Selling by Lots)	14,371	12,116	-2,254 (-15.7)	
(Other)	1,370	1,483	112 (8.2)	
(Elimination)	-8,841	-7,678	1,162 –	
Operating Revenues	37,141	37,888	746 (2.0)	
Operating Income	9,616	8,633	-983 (-10.2)	
Depreciation and Amortization	3,723	4,592	869 (23.3)	
Capital Expenditures	3,415	11,604	8,188 (239.7)	
EBITDA	13,744	13,630	-114 (-0.8)	

Ref.: Real Estate Operating Income Details

(Units: ¥ hundred millions)

Land and Building Leasing	88	82	-6 (-7.1)	
Development for Selling by Lots	11	11	-0 (-1.9)	

4. Segment Information (Leisure)

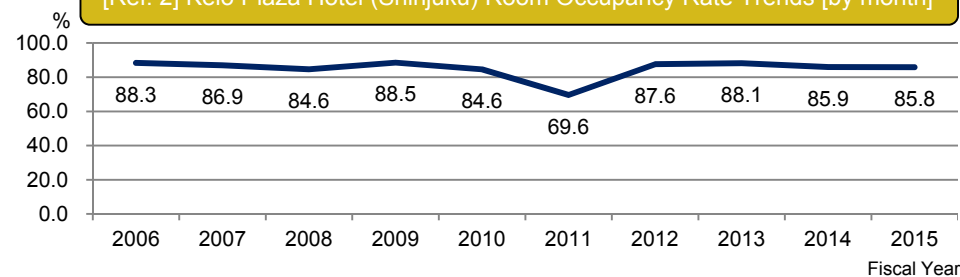
(Units: ¥ millions)

	FY2014 Results	FY2015 Results	Change (%)	Change Factors
(Hotels)	45,389	48,407	3,017 (6.6)	Increase in room unit price at Keio Plaza Hotel, etc.
(Travel Services)	16,615	16,948	333 (2.0)	
(Advertising Services)	11,954	12,091	136 (1.1)	
(Other)	6,032	6,275	243 (4.0)	
(Elimination)	-9,681	-9,643	37 -	
Operating Revenues	70,310	74,079	3,768 (5.4)	
Operating Income	5,641	6,016	375 (6.7)	
Depreciation and Amortization	3,125	3,342	217 (6.9)	
Capital Expenditures	5,124	7,683	2,559 (50.0)	
EBITDA	8,766	9,359	592 (6.8)	

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

Room Occupancy Rates	85.9%	85.8%	-0.1P
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[Ref. 2] Keio Plaza Hotel (Shinjuku) Room Occupancy Rate Trends [by month]



4. Segment Information (Other Businesses)

(Units: ¥ millions)

	FY2014 Results	FY2015 Results	Change (%)	Change Factors
(Building Maintenance)	21,614	22,498	884 (4.1)	
(Railway Car Maintenance)	8,939	9,468	529 (5.9)	
(Construction)	20,238	24,222	3,983 (19.7)	Increase in construction revenue, etc.
(Other)	6,516	7,140	624 (9.6)	
(Elimination)	-3,236	-2,484	751	—
Operating Revenues	54,072	60,845	6,773 (12.5)	
Operating Income	2,295	4,347	2,051 (89.4)	
Depreciation and Amortization	405	309	-95 (-23.6)	
Capital Expenditures	8,813	605	-8,207 (-93.1)	
EBITDA	2,700	4,656	1,956 (72.4)	



II. Fiscal 2016 Earnings Forecasts



1. Consolidated Statements of Income
2. Segment Information
3. Transitions in Consolidated Net Income and Dividends
4. [Reference] Forecast for First Half of Year

1. Consolidated Statements of Income

(Units: ¥ hundred millions)

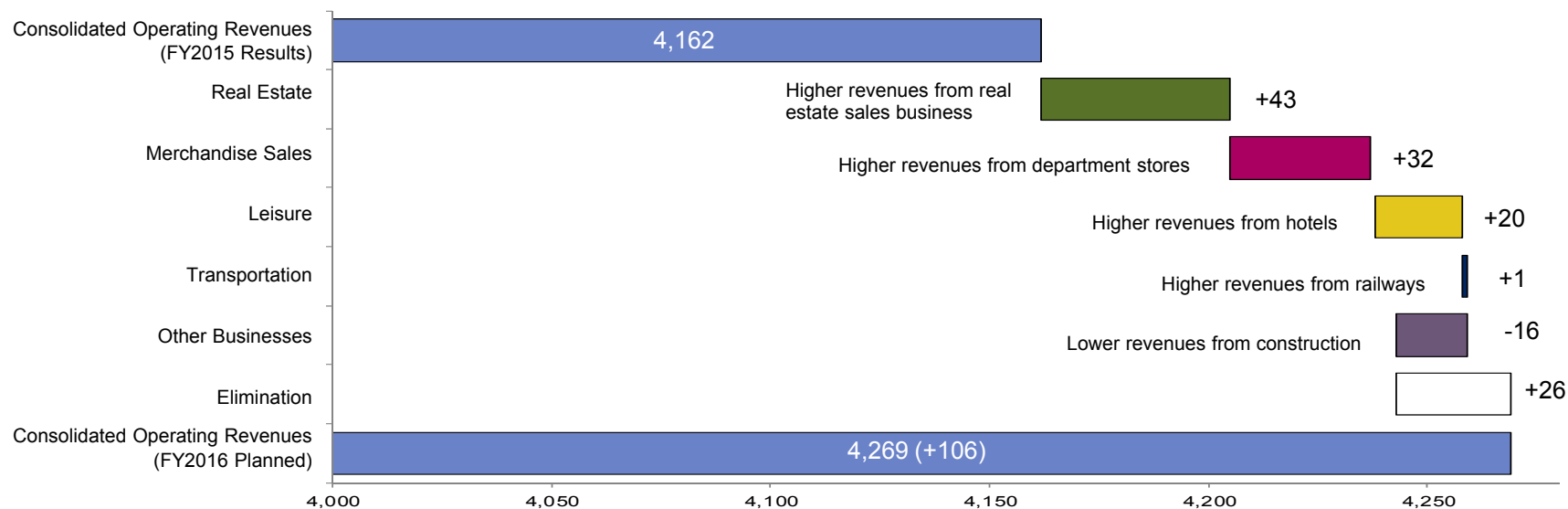
	FY2015 Results	FY2016 Planned	Change (%)
Consolidated Operating Revenues	4,162	4,269	106 (2.6)
Consolidated Operating Income	377	379	1 (0.4)
Consolidated Ordinary Income	350	352	1 (0.4)
Net Income Attributable to Parent Company Shareholders	194	198	3 (1.7)
Consolidated EBITDA	737	735	-2 (-0.3)
Consolidated Depreciation and Amortization	355	349	-6 (-1.8)
Capital Expenditures	463	774	310 (67.0)

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

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

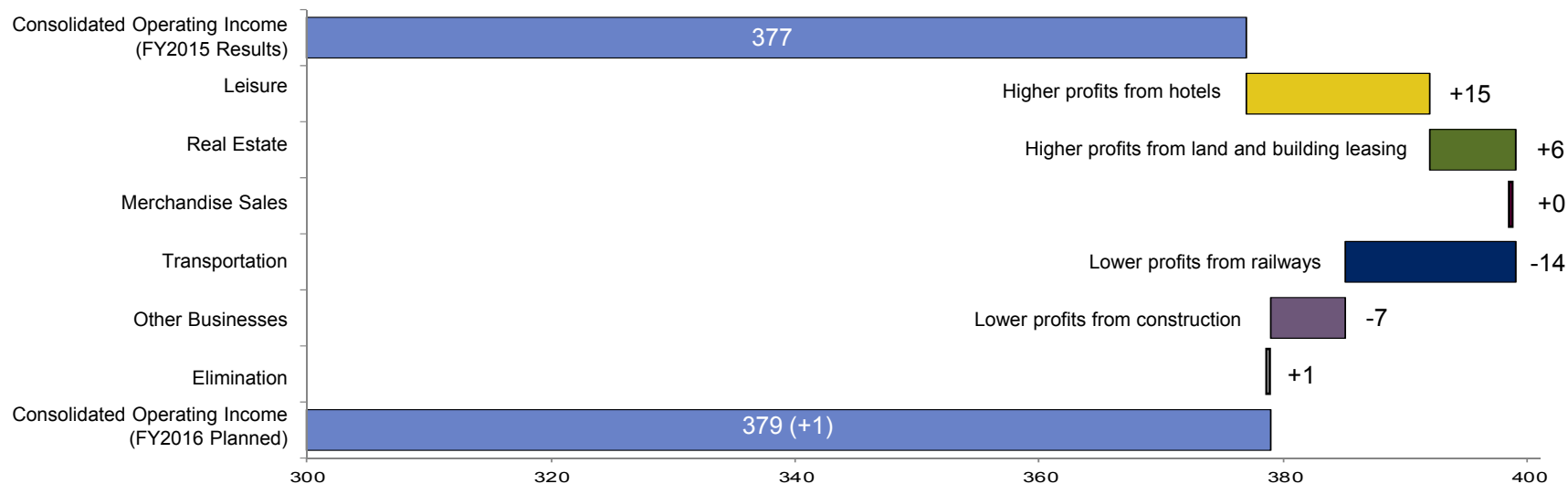
1. Consolidated Operating Revenues

(Units: ¥ hundred millions)



2. Consolidated Operating Income

(Units: ¥ hundred millions)



2. Segment Information (Transportation-1)

(Units: ¥ hundred millions)

	FY2015 Results	FY2016 Planned	Change (%)	Change Factors
(Railways)	837	844	7 (0.9)	See next page.
(Bus services)	353	348	-5 (-1.5)	
(Taxi services)	125	122	-2 (-2.0)	
(Other)	27	26	-1 (-4.5)	
(Elimination)	-51	-48	3 —	
Operating Revenues	1,292	1,293	1 (0.1)	
Operating Income	150	136	-14 (-9.8)	
Depreciation and Amorization	233	223	-9 (-4.2)	
Capital Expenditures	221	280	58 (26.4)	
EBITDA	384	360	-24 (-6.5)	

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

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

		FY2015 Results	FY2016 Planned	Change (%)	Change Factors
Passengers Transported (thousands of people)	Commuter-Pass	383,728	389,928	6,200 (1.6)	Increase due to last-minute purchasing ahead of consumption tax hike, etc.
	(Business)	289,730	294,736	5,006 (1.7)	
	(Students)	93,998	95,192	1,194 (1.3)	
	Non-Commuter-Pass	268,612	269,679	1,067 (0.4)	
	Total	652,340	659,607	7,267 (1.1)	
Passenger Revenues (¥ millions)	Commuter-Pass	34,480	35,016	535 (1.6)	
	(Business)	30,792	31,282	490 (1.6)	
	(Students)	3,688	3,734	45 (1.2)	
	Non-Commuter-Pass	45,832	46,078	245 (0.5)	
	Total	80,313	81,094	781 (1.0)	

2. Segment Information (Merchandise Sales)

(Units: ¥ hundred millions)

	FY2015 Results	FY2016 Planned	Change (%)	Change Factors
(Department Stores)	874	907	33 (3.8)	Increase due to last-minute purchasing ahead of consumption tax hike, etc.
(Retail Stores)	462	470	7 (1.7)	(Note)
(Retail Stores – Books)	81	75	-6 (-7.9)	
(Retail Stores – in Stations)	129	126	-2 (-2.2)	
(Other)	117	118	1 (1.4)	
(Elimination)	-66	-67	-0 –	
Operating Revenues	1,599	1,632	32 (2.0)	
Operating Income	47	47	0 (1.4)	
Depreciation and Amorization	41	41	0 (0.2)	
Capital Expenditures	49	129	80 (163.2)	
EBITDA	88	90	1 (1.6)	

Note: Beginning in FY2016, Retail Stores – in Stations will be included in Retail Stores in conjunction with the merger of Keio Store, which runs the Retail Stores, and Keio Retail Service, which runs the Retail Stores – in Stations, in April 2016. Figures for previous years have been converted accordingly.

2. Segment Information (Real Estate)

(Units: ¥ hundred millions)

	FY2015 Results	FY2016 Planned	Change (%)	Change Factors
(Land and Building Leasing)	319	333	14 (4.5)	
(Development for Selling by Lots)	121	143	22 (18.4)	Increase in renovated property sales, etc.
(Other)	14	21	6 (44.4)	
(Elimination)	-76	-76	-0 -	
Operating Revenues	378	421	43 (11.4)	
Operating Income	86	93	6 (7.8)	
Depreciation and Amortization	45	45	-0 (-0.7)	
Capital Expenditures	116	221	105 (90.9)	
EBITDA	136	143	6 (4.9)	

Ref.: Real Estate Operating Income Details

(Units: ¥ hundred millions)

Land and Building Leasing	82	91	9 (11.3)	
Development for Selling by Lots	11	7	-3 (-31.2)	

2. Segment Information (Leisure)

(Units: ¥ hundred millions)

	FY2015 Results	FY2016 Planned	Change (%)	Change Factors
(Hotels)	484	496	12 (2.6)	Increase in room unit prices, etc.
(Travel Services)	169	178	9 (5.6)	
(Advertising Services)	120	122	1 (1.0)	
(Other)	62	64	1 (2.9)	
(Elimination)	-96	-101	-4	—
Operating Revenues	740	760	20 (2.7)	
Operating Income	60	75	15 (26.1)	
Depreciation and Amorization	33	36	3 (10.0)	
Capital Expenditures	76	132	55 (72.5)	
EBITDA	93	113	19 (20.7)	

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

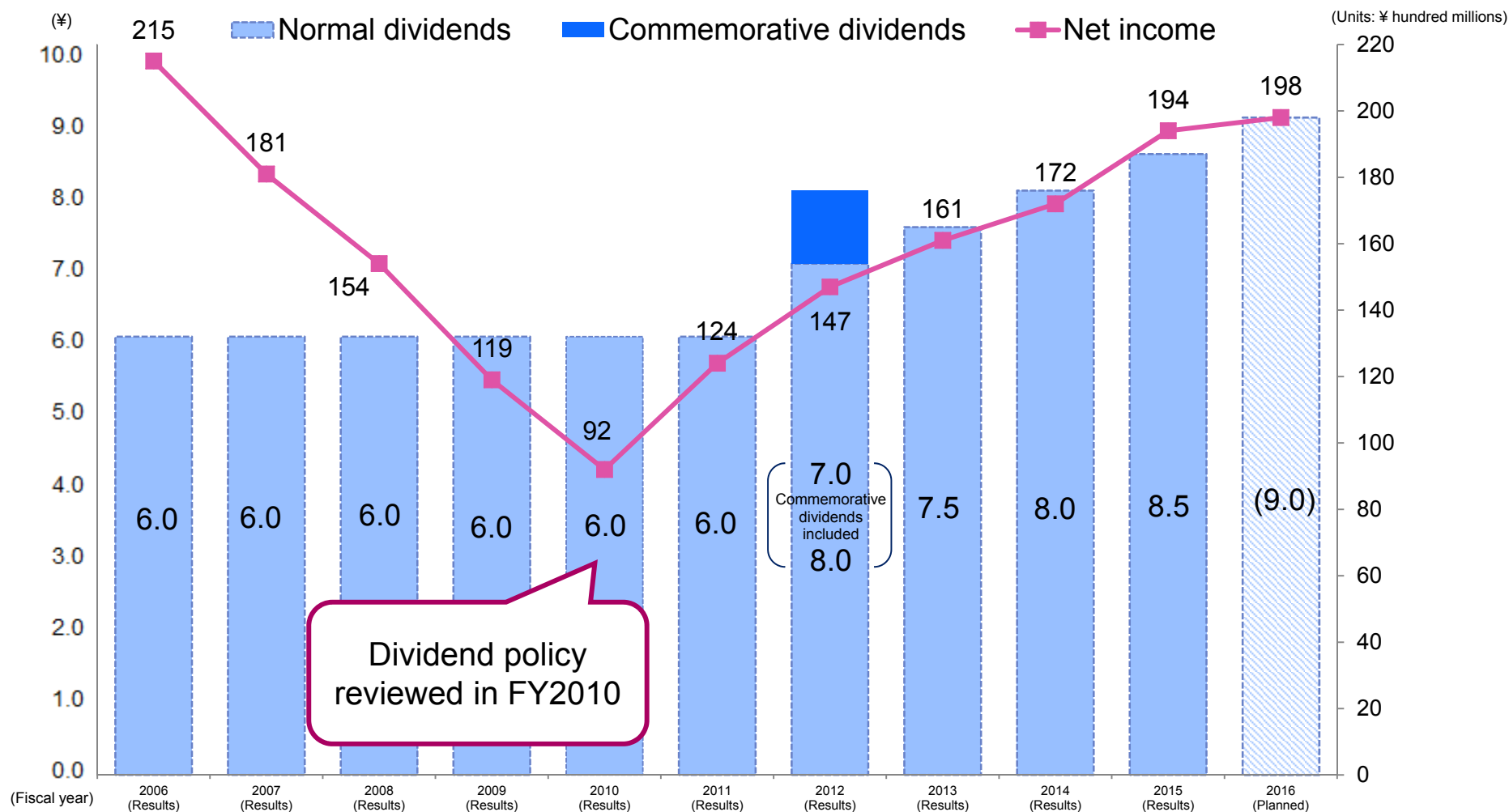
Room Occupancy Rates	85.8%	82.6%	-3.2P
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2. Segment Information (Other Businesses)

(Units: ¥ hundred millions)

	FY2015 Results	FY2016 Planned	Change (%)	Change Factors
(Building Maintenance)	224	228	3 (1.7)	
(Railway Car Maintenance)	94	95	1 (1.2)	
(Construction)	242	222	-19 (-8.1)	Decrease in construction revenue, etc.
(Other)	71	76	5 (7.5)	
(Elimination)	-24	-32	-7	—
Operating Revenues	608	591	-16 (-2.7)	
Operating Income	43	35	-7 (-18.2)	
Depreciation and Amorization	3	3	0 (21.7)	
Capital Expenditures	6	16	10 (178.4)	
EBITDA	46	40	-6 (-14.1)	

3. Transitions in Consolidated Net Income and Dividends



Continuing shareholder return with target consolidated dividend ratio of 30%

*Planning to discuss dividends for FY2015 at the 95th Ordinary General Meeting of Shareholders planned for June of this year.

4. [Reference] Forecast for First Half of Year (Consolidated statements of income, Segment Information)

(Units: ¥ hundred millions)

	Operating Revenues			Operating Income		
	FY2015 H1 Results	FY2016 H1 Planned	Change (%)	FY2015 H1 Results	FY2016 H1 Planned	Change (%)
Transportation	651	647	-3 (-0.6)	101	93	-7 (-7.6)
Merchandise Sales	771	774	3 (0.4)	27	20	-6 (-25.3)
Real Estates	177	184	7 (4.0)	51	50	-1 (-2.3)
Leisure	365	379	14 (4.0)	41	42	0 (2.0)
Other Businesses	216	223	7 (3.5)	7	9	1 (18.9)
Elimination	-156	-152	3 -	-0	-	-0 -
Total	2,025	2,058	32 (1.6)	229	215	-14 (-6.1)

(Units: ¥ hundred millions)

	FY2015 H1 Results	FY2016 H1 Planned	Change (%)
Consolidated Ordinary Income	216	201	-15 (-7.0)
Net Income to Parent Company Shareholder	140	133	-7 (-5.4)

III. Fiscal 2016 Initiatives

1. Positioning of FY2016 Plan
2. Progress on Three-Year Medium-Term Management Plan (FY2015-2017)
3. Medium-Term Investment Schedule
4. FY2016 Measures
 - (1) Improvement of Safety/Profitability
 - 1) Keio Line (between Sasazuka and Sengawa Stations) grade crossings/elevated lines
 - 2) Introduction of cars with reserved seating
 - (2) Business Expansion
 - 1) Expansion of hotel business
 - 2) Keio Presso Inn development
 - 3) Expansion of renovation business in ReBITA
 - 4) Expansion of inbound business
 - 5) Expansion of overseas business
 - (3) Success of Facilities along Rail Lines
 - 1) Development of area around Chofu Station
 - 2) Efforts to improve appeal of area around Tama Zoological Park
 - (4) Adding Value along our Rail Lines
 - 1) Multifaceted development of lifestyle support services
 - 2) Expansion of child-rearing support business and projects for senior citizens
 - (5) Selection and concentration of existing businesses

1. Positioning of FY2016 Plan

Ideal for 2020s

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

Undertakings Up to FY2020

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

Phase 1 (FY2015, 2016, and 2017)

Phase 2 (FY2018-2020)

Setting stage for growth

- In aims of improvement and expansion -

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

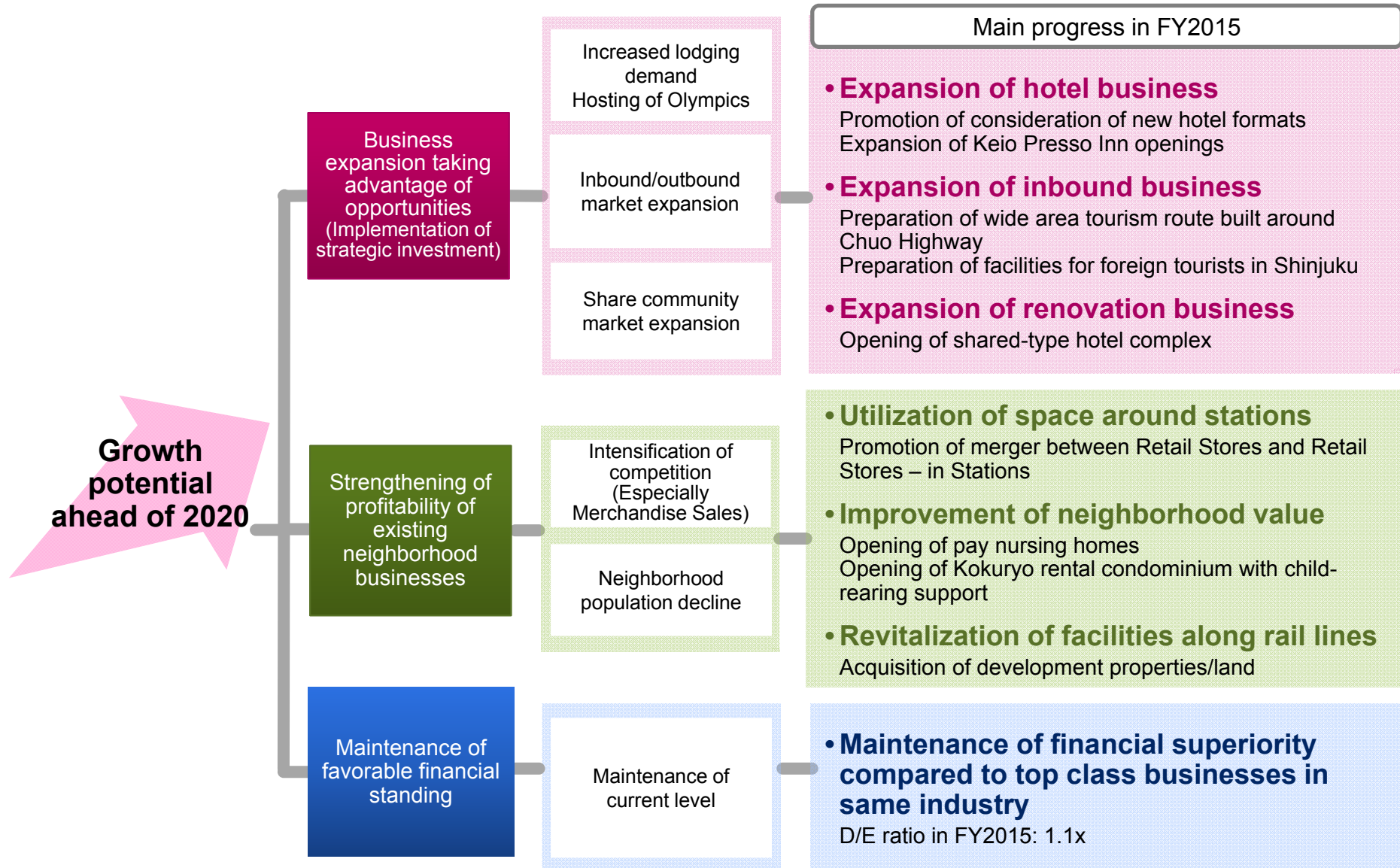
Achieving growth

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

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

■ Steadily promoting measures in second year of medium-term plan to lay foundation for growth

2. Progress on Three-Year Medium-Term Management Plan (FY2015-2017) (1)

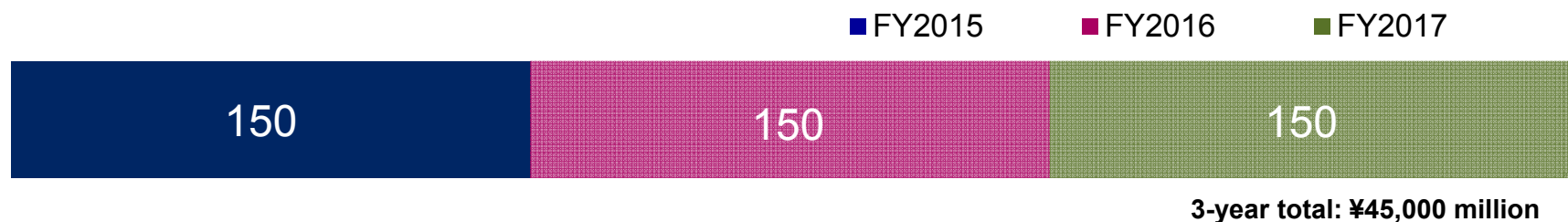


2. Progress on Three-Year Medium-Term Management Plan (FY2015-2017) (2)

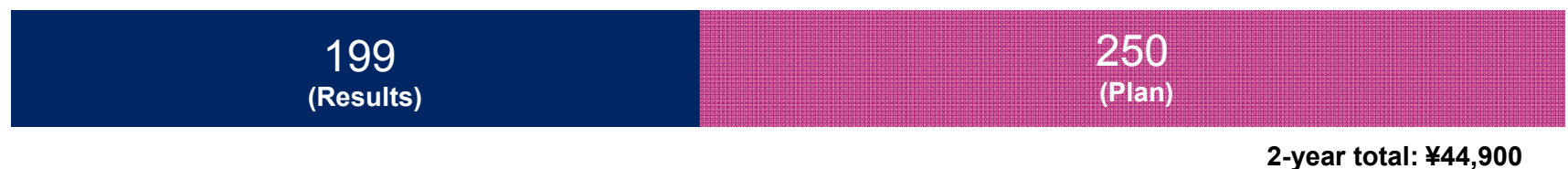
Status of aggressive investments in growth fields

- ¥19,900 million worth of strategic investments were made in FY2015.
- Aggressive strategic investments will continue to be made while maintaining a solid financial standing.

3-year medium-term strategic investment plan (announced on May 8, 2015)



Strategic investments in FY2015 and FY2016 plan



Main projects (FY2015)

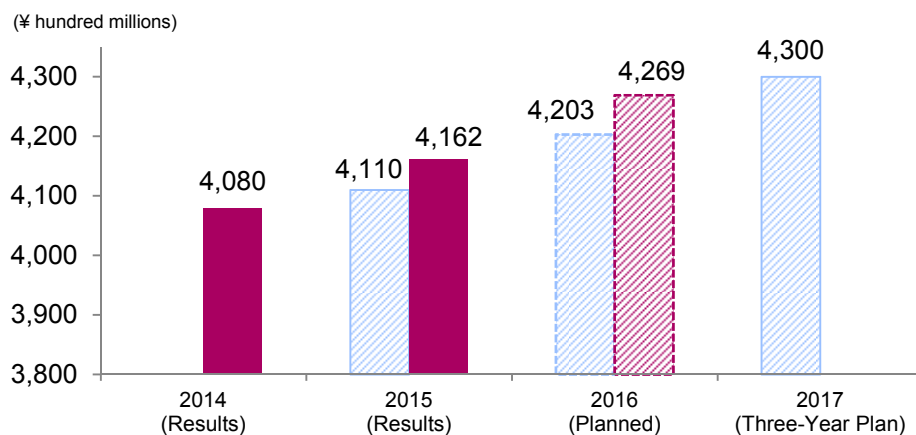
Acquisition of development properties/land, opening of Keio Mama Square, acquisition of shares in vacation rental businesses, etc.

2. Progress on Three-Year Medium-Term Management Plan (FY2015-2017) (3)

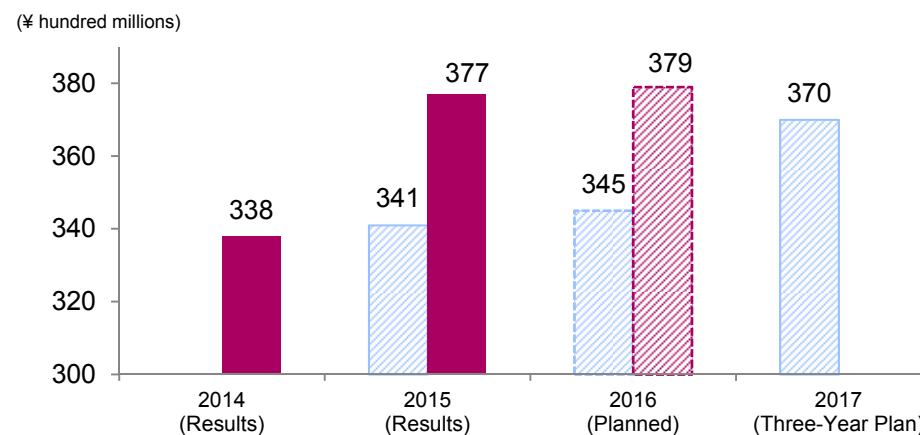
Target indicators

■ : Results ▨ : FY2016 Forecasts (2016.4.28 announced) ▩ : Three-Year Medium-Term Management Plan (2015.5.8 announced)

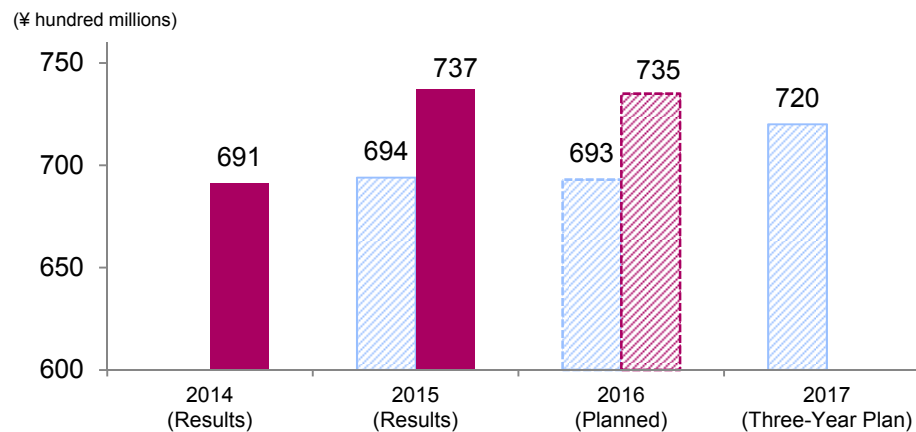
Transitions in Consolidated Operating Revenues



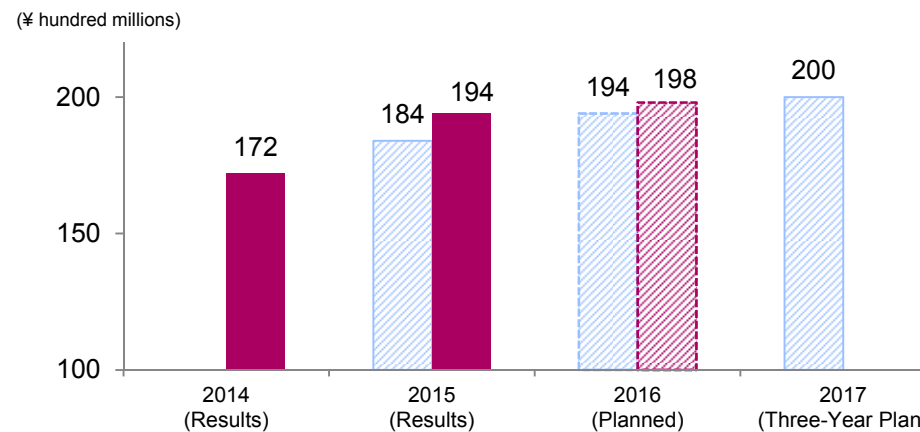
Transitions in Consolidated Net Income



Transitions in Consolidated EBITDA



Transitions in Net Income Attributable to Parent Company Shareholders

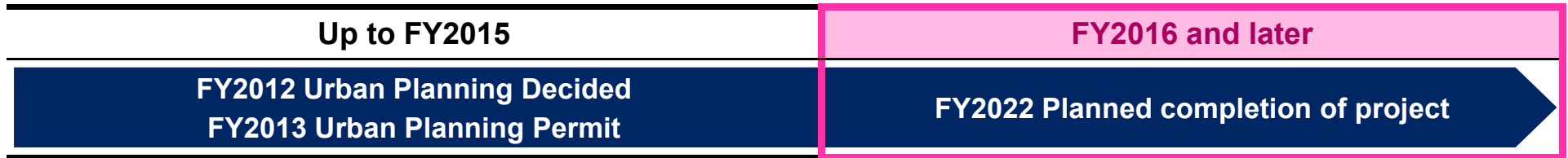


3. Schedule for Medium to Long-Term Measures

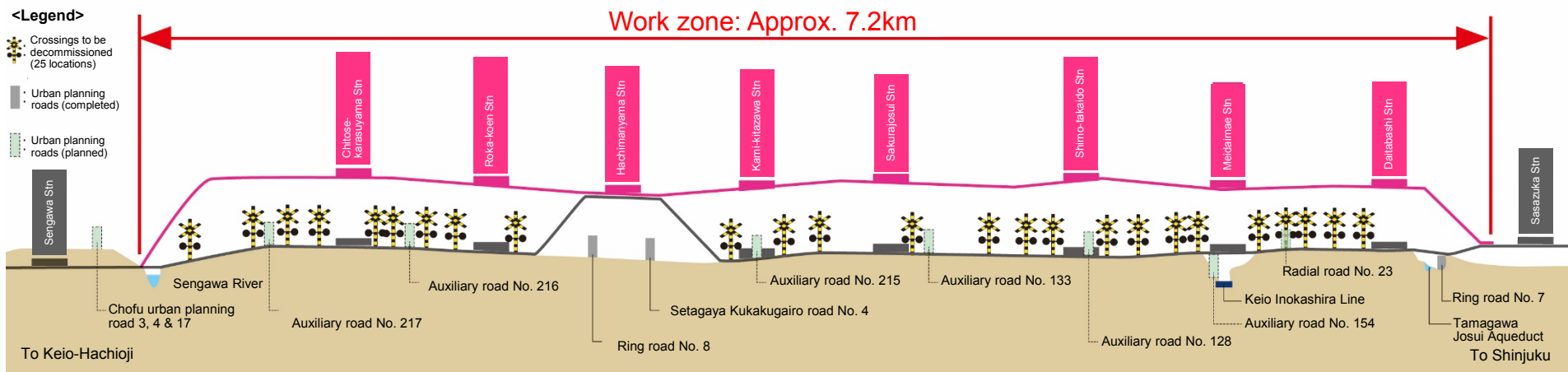
	FY2015	FY2016	FY2017	Later
Improvement of safety/profitability				
Keio Line (between Sasazuka and Sengawa stations) grade crossings/elevated lines				Complete project in FY2022 (planned)
Overhaul of timetable	September 2015 Keio/Inokashira lines		Scheduled for spring of 2018	
Introduction of cars with reserved seating	Decision for implementation		Launch scheduled for spring of 2018	
Business expansion		Consideration of measures to incorporate a wider range of customers		
Expansion of hotel business	<Keio Presso Inn> Keio Presso Inn Akasaka opened in July 2015		Keio Presso Inn Tokyo Yaesu (tentative name) to be opened in summer 2017 Keio Presso Inn Hamamatsucho (tentative name) to be opened in winter 2017	Expansion of Keio Presso Inn openings Development/rollout of new hotel formats
Expansion of renovation business	Shared-type hotel complex No. 1 to open in March 2016 (Kanazawa)	Shared-type hotel complexes Nos. 2-4 to open summer-fall 2016	Shared-type hotel complex No. 5 to open in spring 2017	Expansion of sharing community market
Expansion of inbound business	Acquisition of shares in vacation rental businesses	Development of new wide-area tourism route Creation of new open tickets Establishment of facilities in Shinjuku	Ongoing review /implementation of inbound business	
Expansion of overseas business	Opening of Taiwanese tea café No. 1 Opening of Chinese curry restaurant No. 1	Opening of multiple Taiwanese tea cafés and Chinese curry restaurants	Ongoing review/implementation of overseas-related businesses	
Development of facilities along rail lines				
Development of area around Chofu Station		Commencement of work in April 2016	Scheduled to open in fall of 2017	
Revitalization of facilities along rail lines in Shinjuku, etc.		Ongoing development discussions		
Efforts to improve appeal of area around Tama Zoological Park		Construction of indoor amusement facilities for children		
Improvement or neighborhood value	<Child-rearing support business> Rental condominium with child-rearing support to be completed in March 2016	Consideration of new day care facilities and employment support facilities for women		
Multifaceted development of lifestyle support services	<Senior citizens business>	Paid nursing home to open in May 2016	Elderly housing with supportive services to open in February 2017	
	<Funeral business>	Keio Memorial Chofu to open in June 2016		Consideration of new openings

4. FY2016 Measures (1) Improvement of Safety/Profitability

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



[Project Outline]



[Anticipated Benefits of the Project]

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

4. FY2016 Measures (1) Improvement of Safety/Profitability

2) Introduction of cars with reserved seating

- Improve service in response to needs of customers using trains for long-distance travel
- Improve profitability by charging for reserved seats



Exterior (illustration)



Seats can be converted from cross seats to long seats

Interior (illustration)

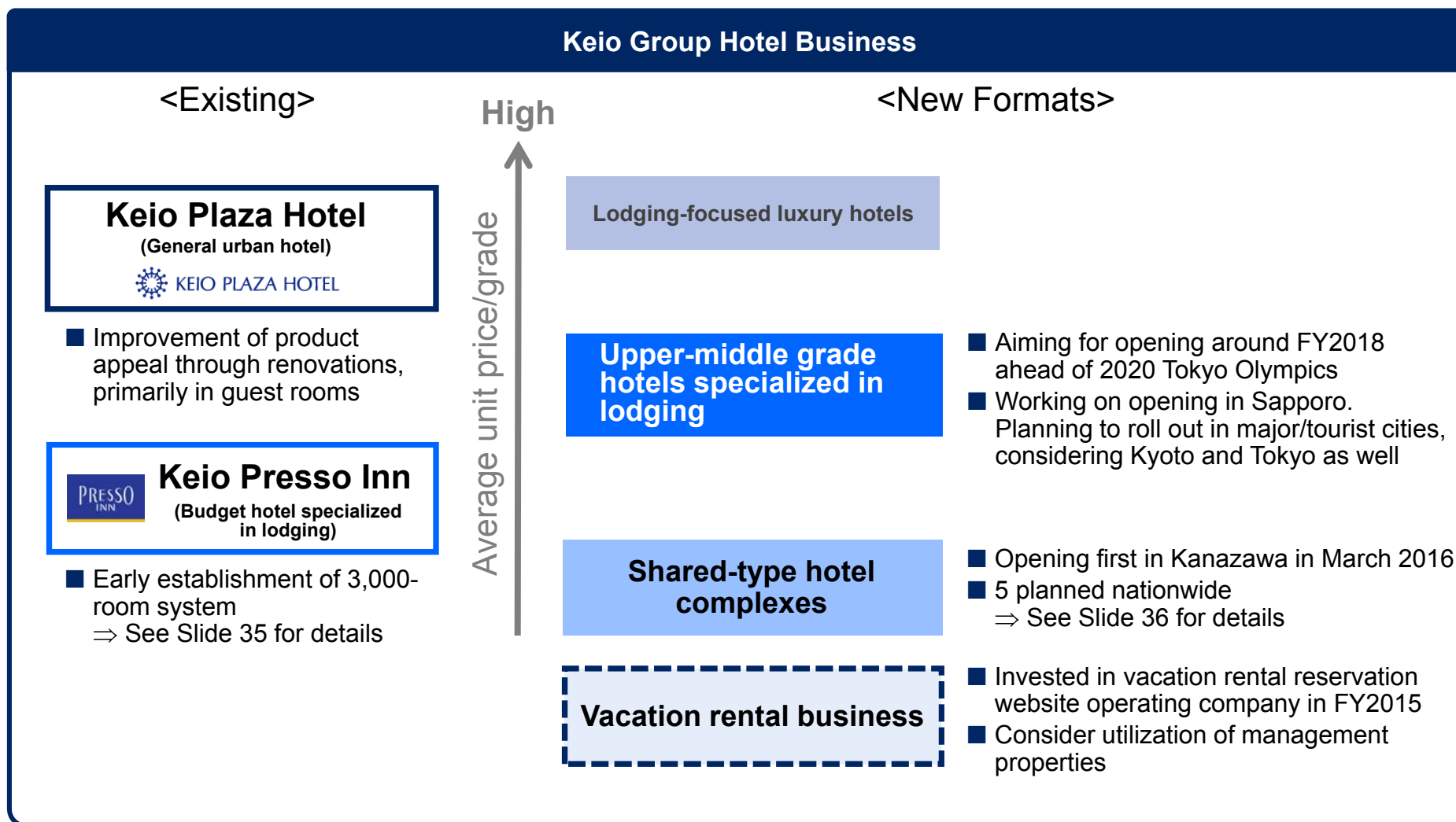
Overview of reserved seating service (tentative)

- | | |
|------------------|--|
| ■ Launch | Spring 2018 |
| ■ Destinations | (1) Trains bound for Keio Hachioji from Shinjuku, (2) Trains bound for Hashimoto from Shinjuku |
| ■ Hours | Late hours on weekdays and weekends when commuters go home |
| ■ Number of cars | 50 (5 sets of 10 cars) |
| ■ Investment | Approx. ¥10,000 million |

4. FY2016 Measures (2) Business Expansion

1) Expansion of hotel business

- Promote development/rollout of new hotel formats to strengthen and promote hotel business, which is expected to grow as a result of increasing inbound business.



4. FY2016 Measures (2) Business Expansion

2) Keio Presso Inn development

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

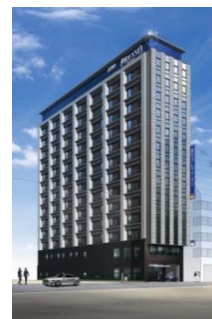
Keio Presso Inn Akasaka

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



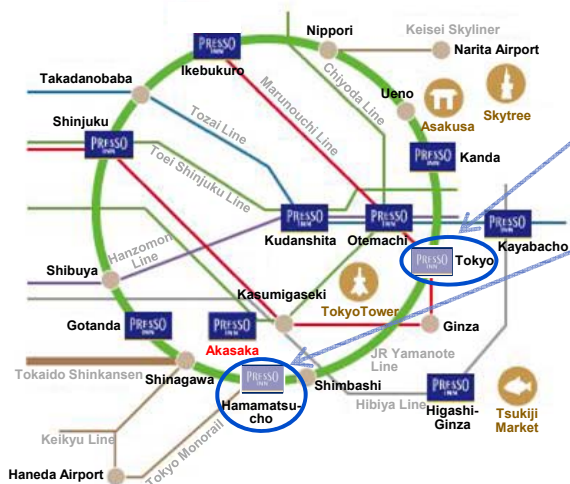
Keio Presso Inn Tokyo Yaesu (provisional name)

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



Keio Presso Inn Hamamatsucho (provisional name)

- Open in winter of 2017 (planned)
- Fourteen above ground floors, one below ground floor
- Land area: 999 m²
- Gross floor area: 6,475 m²
- Total rooms: Approx. 330
- Access
 - 8 minute walk from Hamamatsucho Station on the JR Yamanote Line etc.
 - 3 minute walk from Onarimon Station on the Toei Mita Line
 - 4 minute walk from Daimon Station on the Toei Oedo Line/Asakusa Line



9 inns/ approx. 2,200 rooms

+Tokyo Yaesu and Hamamatsucho

11 inns/ approx. 2,800 rooms

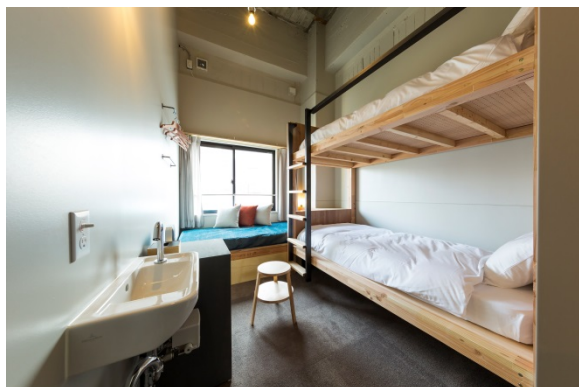
Achieve 3,000 room-strong system early on
Investigate new openings

4. FY2016 Measures (2) Business Expansion

3) Expansion of ReBITA renovation business

- First opened in Kanazawa in March 2016. Five projects to be opened nationwide.
- Brand name: THE SHARE HOTELS

1st: HATCHi Kanazawa



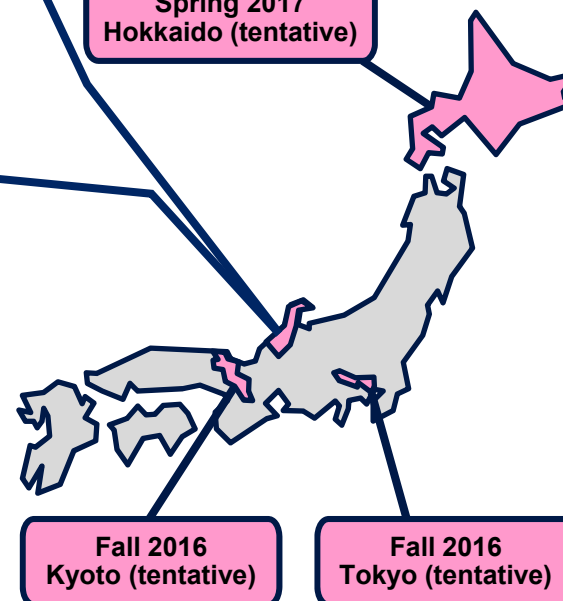
Name	HATCHi Kanazawa	
Opened:	March 2016	
Location:	Kanazawa, Ishikawa	
Building size:	4 above ground floors and 1 basement floor (renovated 50-year old building)	
Number of rooms:	3 dormitory types x 5 rooms (capacity of 66), 3 private types x 9 rooms (capacity of 28)	
Use:	Lodging facility with adjoining restaurants, shared space and stores	

2nd: Halema Kanazawa

To be opened in summer 2016

Halema

Spring 2017
Hokkaido (tentative)



Fall 2016
Kyoto (tentative)

Fall 2016
Tokyo (tentative)

Shared-type Hotel Complexes

- A new business leveraging the renovation expertise, concept of sharing, community development planning and operational expertise cultivated by ReBITA in previous endeavors.
- In this project, we will acquire dilapidated idle real estate (office buildings, etc.) across the country, renovate them so as to change their use, rejuvenate them as shared-type hotel complexes comprising accommodation facilities, restaurants, shared spaces, and stores, and undertake the various business operations from planning to produce.

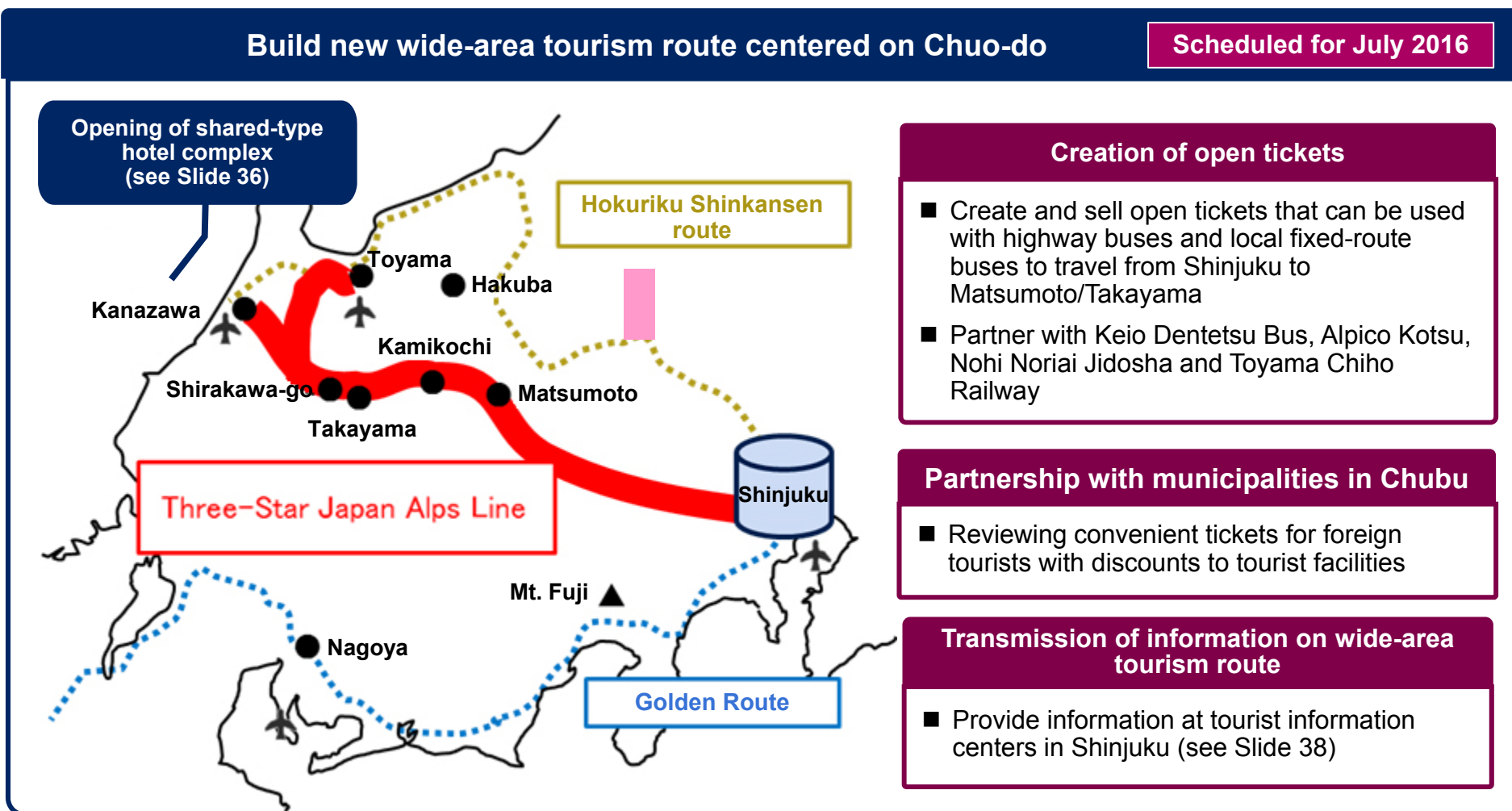
4. FY2016 Measures (2) Business Expansion

4) Expansion of inbound business

- Build a new wide-area tourism route from Shinjuku to Chubu centered on Chuo-do.
- Create open tickets partnering with highway bus companies in Nagano, Gifu, and Toyama.

Build new wide-area tourism route centered on Chuo-do

Scheduled for July 2016



Creation of open tickets

- Create and sell open tickets that can be used with highway buses and local fixed-route buses to travel from Shinjuku to Matsumoto/Takayama
- Partner with Keio Dentetsu Bus, Alpico Kotsu, Nohi Noriai Jidousha and Toyama Chiho Railway

Partnership with municipalities in Chubu

- Reviewing convenient tickets for foreign tourists with discounts to tourist facilities

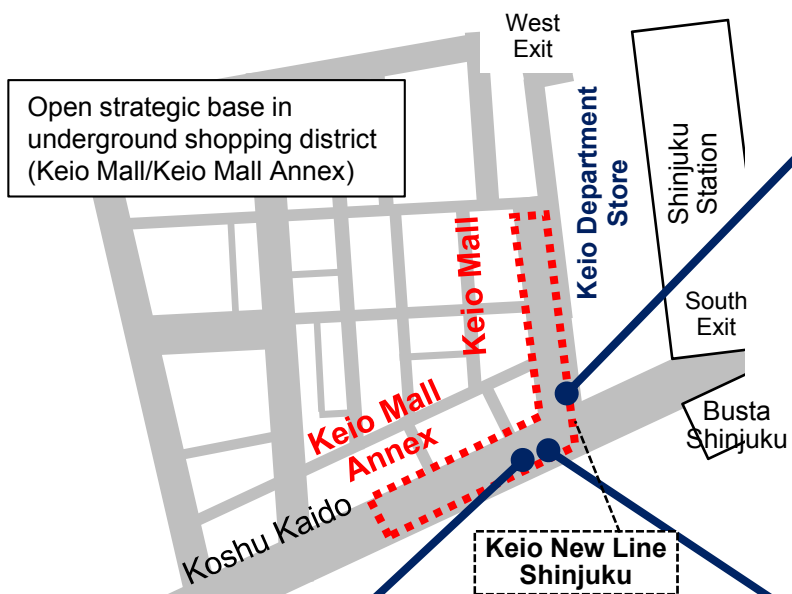
Transmission of information on wide-area tourism route

- Provide information at tourist information centers in Shinjuku (see Slide 38)

4. FY2016 Measures (2) Business Expansion

4) Expansion of inbound business

- Open tourist information center for foreign tourists in Shinjuku specializing in Chubu region and make it a strategic base for a wide-area tourism route.
- Redevelop area around tourism information center as place for foreign tourists to gather.



Opening of tourist information center specializing in Chubu region (Keio Mall)

To be opened in July 2016

Main services:

- Provision of tourism information for Chubu
- Chuo Highway Bus ticket and optional tour sales, lodging arrangements, etc.
- Free Wi-Fi service within tourist information center



<Municipalities>

To be joined by more than 10 municipalities, including:

- Takayama
- Shirakawa
- Hida
- Gero
- Kisomachi

Tenant development for inbound business (Keio Mall Annex)

To be opened in July 2016

Invite tenants also popular with people from other countries

- Convenience stores
- Therapeutic massage
- Currency exchange counters
- Drugstores

Baggage checking/shipping service

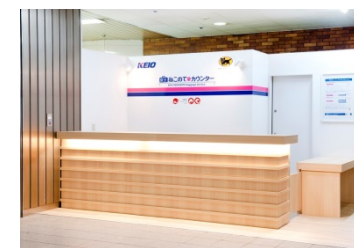
To be opened April 1, 2016

Name: KEIO NEKONOTE Baggage Service
 Location: Keio New Line Shinjuku Station beside ticket gate

Hours: 8:30 a.m. – 9:00 p.m. (year-round)

Main services:

- English language support
- Baggage checking
- Same-day shipping to hotels in Nishi-Shinjuku area and Haneda Airport



4. FY2016 Measures (2) Business Expansion

5) Expansion of overseas business

- Taiwanese tea café in Japan and curry restaurant business in China to be expanded.

<<Domestic>> Taiwanese tea café SAISABO

- First store was opened in Harajuku, and second was opened in Sengawa-cho, Chofu in April 2016.
- Store No. 3 to be opened in Kichijoji.



Sengawa Store (Interior)

<<China>> Curry café THE SPICELAND

- First store was opened in Shanghai, and second one will be opened in winter 2016.
- Plan to continue proactively developing new curry restaurant businesses/franchises in China



Store No. 1 (Exterior)



Store No. 1 (Interior)

4. FY2016 Measures (3) Success of Facilities along Rail Lines

1) Development of area around Chofu Station

- Construct commercial facilities comprised of three buildings on a site created by the continuous overhead crossing project in the area around Chofu Station. Construction began in April 2016, and the facilities will be opened in fall 2017. The total floor area will be around 38,000m².
- A large cinema complex with the latest equipment will be invited to Site C.
- The aim is to increase profitability and further spread the Keio brand in Chofu, a strategic location on the line.

Illustration of Exterior of Building A



[Building A] Building size: 5 above-ground floors Floor area: Approx. 16,000m² Main use: Commercial facility

Illustration of Exterior of Building B

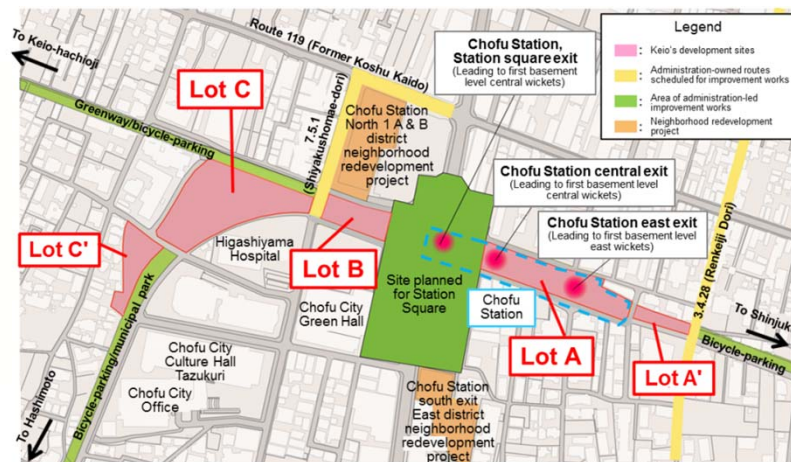


[Building B] Building size: 4 above-ground floors Floor area: Approx. 5,200m² Main use: Commercial facility

Illustration of Exterior of Building C



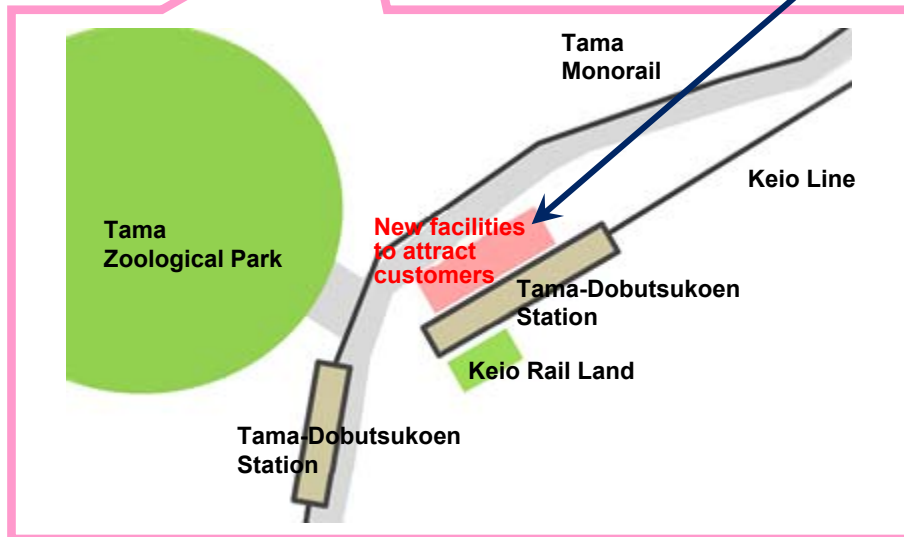
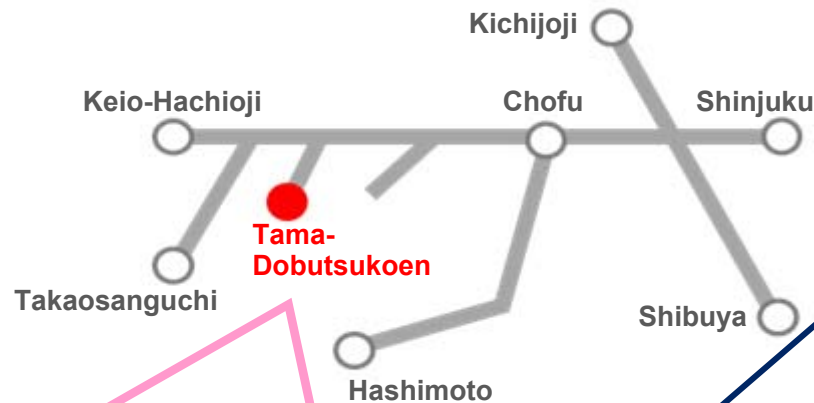
[Building C] Building size: 1 basement floor, 5 above-ground floors Floor area: Approx. 16,000m² Main use: Commercial facility (cinema complex, etc.), parking lot



4. FY2016 Measures (3) Success of Facilities along Rail Lines

2) Efforts to improve appeal of area around Tama Zoological Park

- Make preparations to open indoor amusement facility for children in front of Tama Zoological Park.
- Work on further improving the appeal of the area around Tama Zoological Park as a place where children can play through synergy with Tama Zoological Park (approx. 1 million visitors annually) and Keio Rail Land (approx. 200,000 visitors annually).



New facilities to attract customers

- Paid indoor amusement facility for children
- Main target
 - ⇒ Parents with pre-school children
- Themes
 - ⇒ Physical training: Play heartily indoors
 - ⇒ Mental training: Play with quality toys

Keio Rail Land (opened in 2013)

- Opened in 2013 to commemorate the 100th anniversary of Keio trains/buses
- Fun for everyone from families to railway enthusiasts



4. FY2016 Measures (4) Adding Value along our Rail Lines

1) Multifaceted development of lifestyle support services

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



- Child-rearing support business
 - Tokyo certified nursery school, licensed nursery school (KEIO Kids' Plats)
 - Private after-school daycare (KEIO Junior Plats)
 - Child-rearing support rental condominium

- Projects for senior citizens
 - Pay nursing homes
 - Elderly housing with supportive services

■ Funeral business (Keio Memorial)

- Employment support projects for women (Keio Mama Square)

■ Lifestyle support services (Keio Hotto Network)

4. FY2016 Measures (4) Adding Value along our Rail Lines

2) Expansion of child-rearing support business and projects for senior citizens

- Construction of a child-rearing support condominium with an adjoining licensed nursery school was completed in Kokuryo, Chofu in March 2016.
- Elderly housing with supportive services and a pay nursing home were opened to create an environment where senior citizens can live comfortably.

Child-rearing support rental condominium (Keio Anviel Kokuryo)

- Rental condominium with adjoining licensed nursery school
- Safe, convenient layout and facilities for child-rearing generation
- Prime location within 3-minute walking distance from Kokuryo Station on Keio Line



← Licensed nursery school
Keio Kids' Plats Kokuryo
Temporary childcare also planned

Location: Kokuryo-machi, Chofu City, Tokyo
 Number of rooms: 58 (5 above-ground floors)
 Completed: March 2016 (nursery school opened in April 2016)
 Management: Keio Realty & Development Co. Ltd.
 * Nursery school management proposed to be carried out by Keio Kosodate Support Co.,Ltd.

Elderly housing with supportive services (Smilas Seiseki Sakuragaoka)

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



Location: Sekido, Tama City, Tokyo
 Rooms: 53
 Opening planned: February 2017
 Management:
 Keio Wealthy Stage Corporation

Pay nursing home (Charm Suite Keio Seiseki Sakuragaoka)

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



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

4. FY2016 Measures (5) Selection and concentration of existing businesses

Merger of Retail Stores and Retail Stores – in Stations

- In April 2016, Keio Store, which operates supermarkets and convenience stores, and Keio Retail Service, which operates kiosks and mini convenience stores, were merged.
- The aim is to achieve strong retail by concentrating management resources through the merging of companies providing similar products and services within the Group.

Keio Store Co., Ltd.



[Number of stores] As of March 31, 2016


- Keio Store (supermarket): 16 stores
- Kitchen Court (supermarket): 10 stores
- Keio Store Express (convenience store carrying fresh side dishes): 4 stores

Keio Retail Service Co., Ltd.



[Number of stores] As of March 31, 2016

- Kiosk (ALoT): 46 stores
- Mini convenience store (K-Shop): 21 stores



The earnings projections and outlines on future performance noted in these materials include projections based on certain forecasts/assumptions made at the time of publication. Actual performance may differ from forecast figures due to various factors.

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