

Fiscal 2016 Second Quarter Financial Results

— November 7, 2016 —

Keio Corporation
京王電鉄株式会社

Contents

I. Fiscal 2016 Second Quarter Earnings



II. Fiscal 2016 Full-Year Earnings Forecasts



III. Progress on Initiatives for Fiscal 2020



I. Fiscal 2016 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, %)

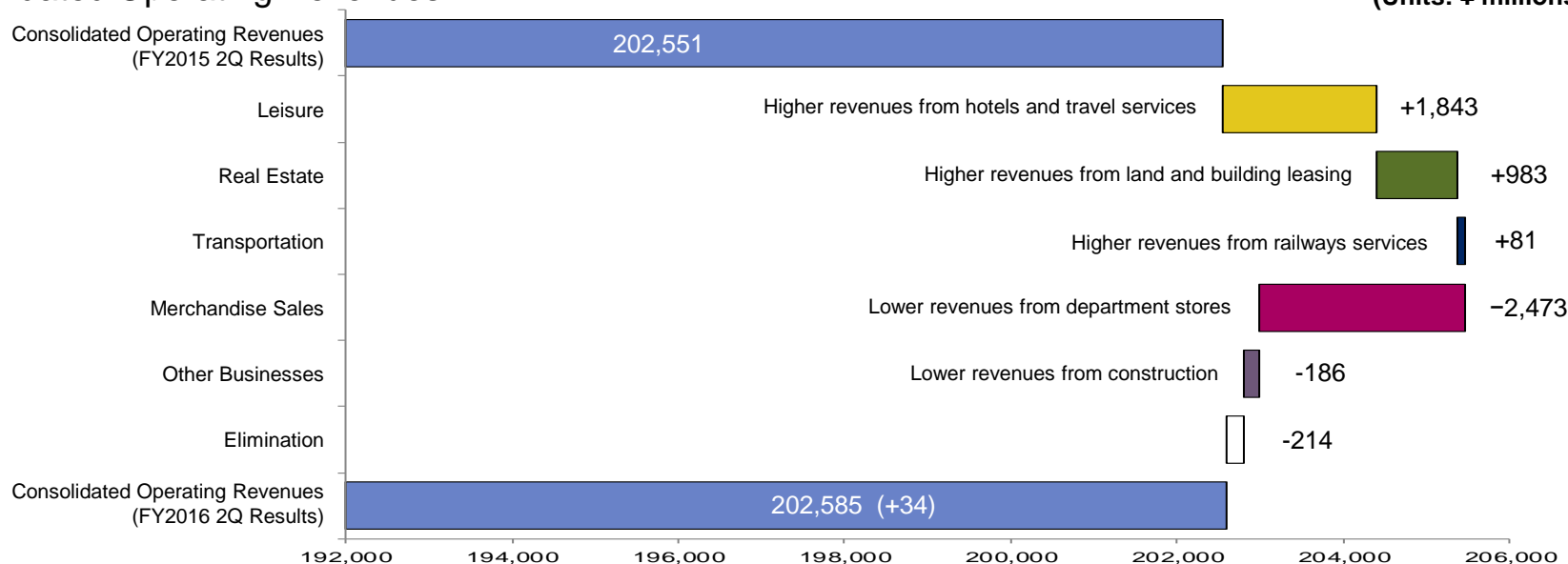
	FY2015 2Q Results	FY2016 2Q Results	Change (%)	FY2016 2Q Planned (2016.4.28 announced)	Difference (%)
Consolidated Operating Revenues	202,551	202,585	34 (0.0)	205,800	-3,214 (-1.6)
Consolidated Operating Income	22,903	22,420	-482 (-2.1)	21,500	920 (4.3)
Consolidated Ordinary Income	21,622	21,321	-301 (-1.4)	20,100	1,221 (6.1)
Net Income Attributable to Parent Company Shareholders	14,059	14,492	433 (3.1)	13,300	1,192 (9.0)
Consolidated EBITDA	40,364	39,506	-857 (-2.1)		
Consolidated Depreciation and Amortization	17,258	16,884	-374 (-2.2)		
Capital Expenditures	13,860	21,063	7,202 (52.0)		

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

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

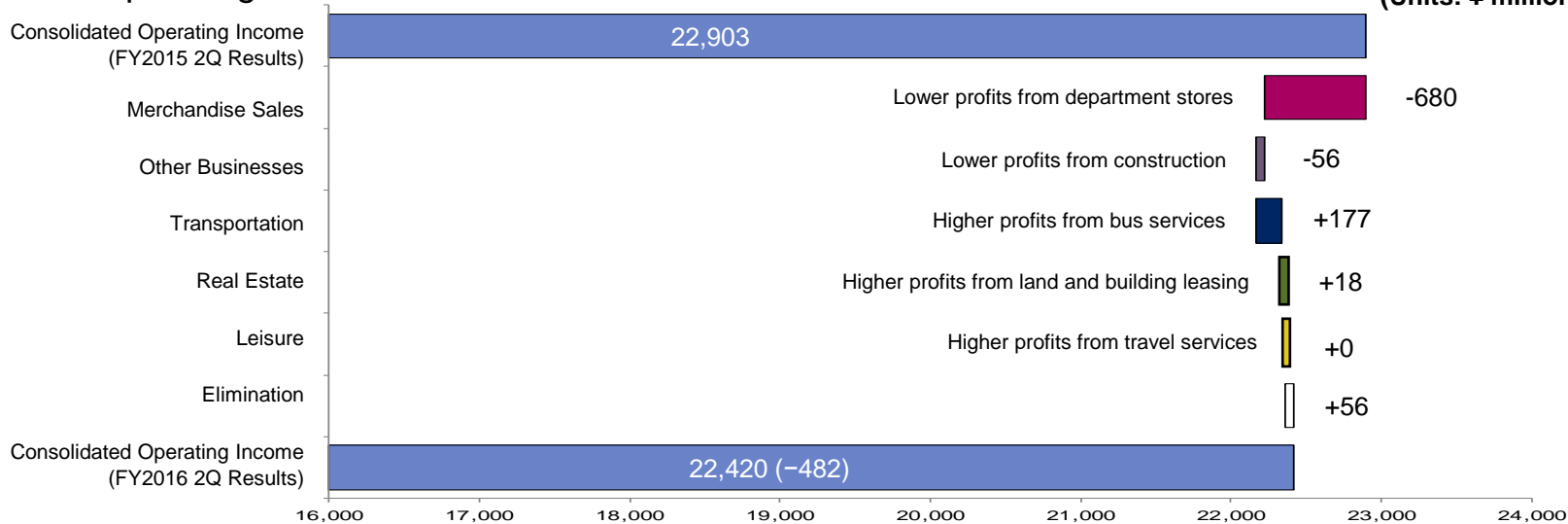
1. Consolidated Operating Revenues

(Units: ¥ millions)



2. Consolidated Operating Income

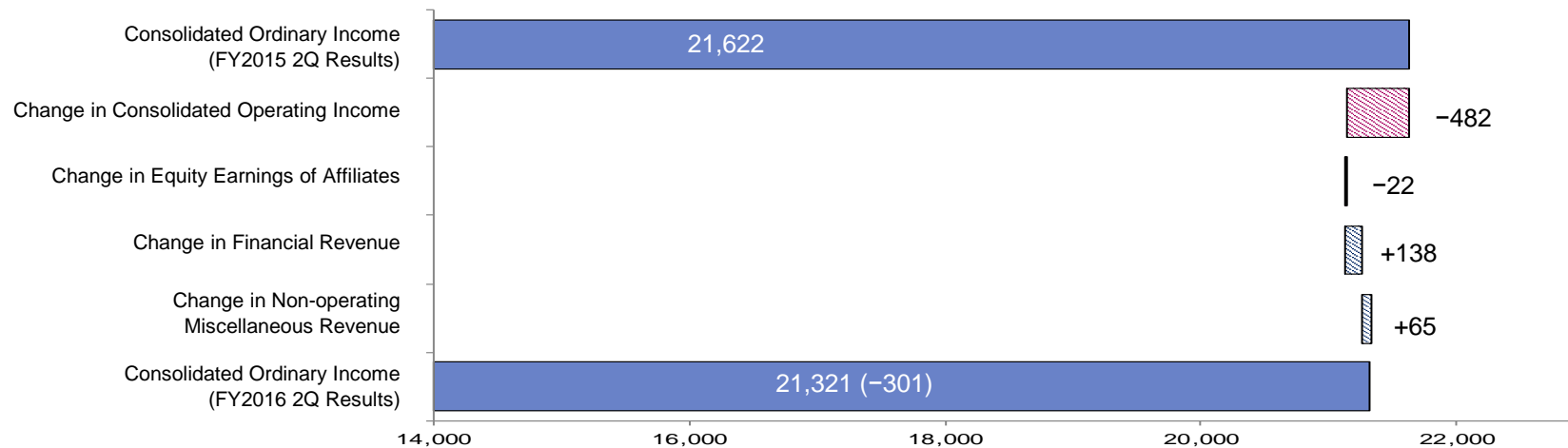
(Units: ¥ millions)



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

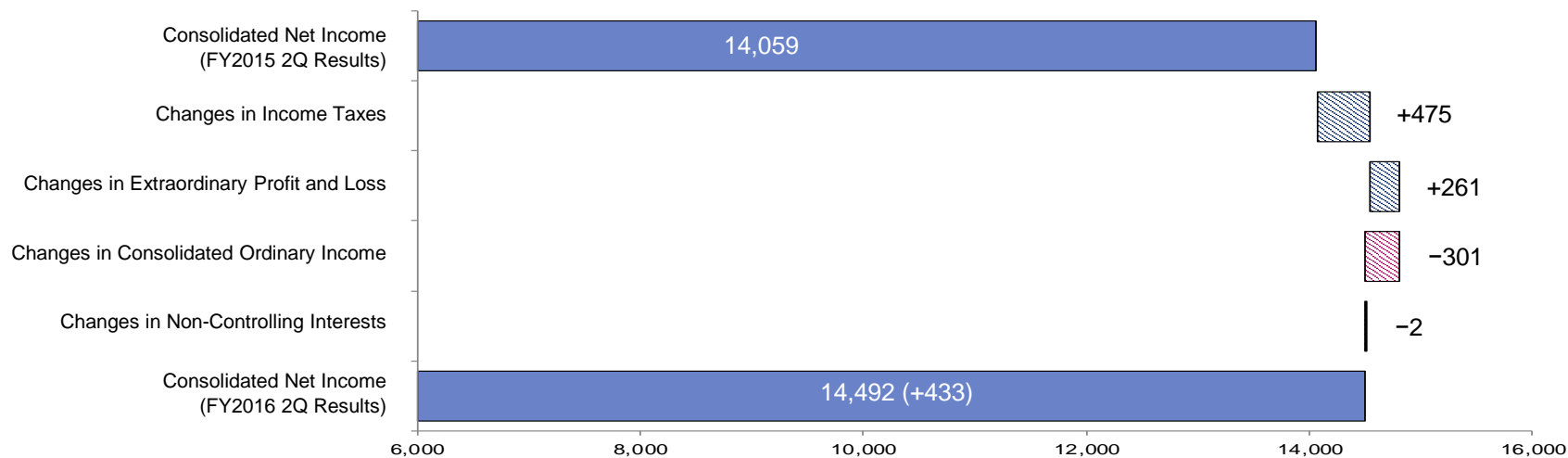
1. Consolidated Ordinary Income

(Units: ¥ millions)



2. Net Income Attributable to Parent Company Shareholders

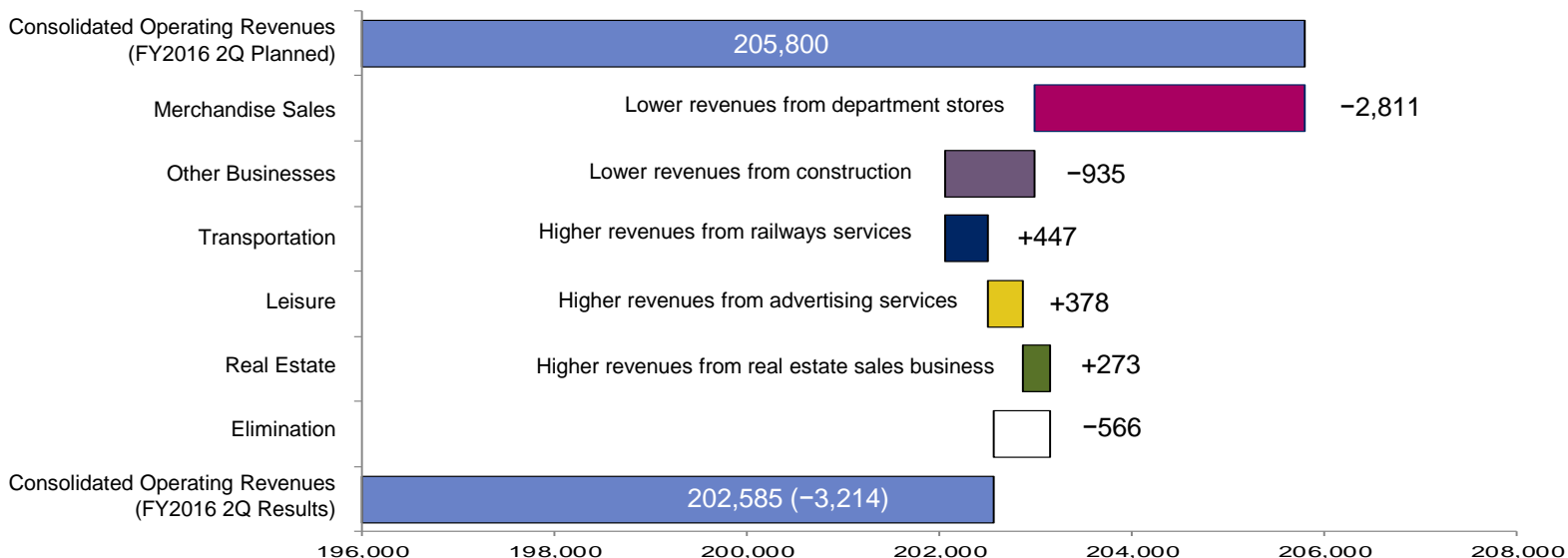
(Units: ¥ millions)



1-4. Operating Revenues/Operating Income Change Factors (vs. Plans <announced on April 28>)

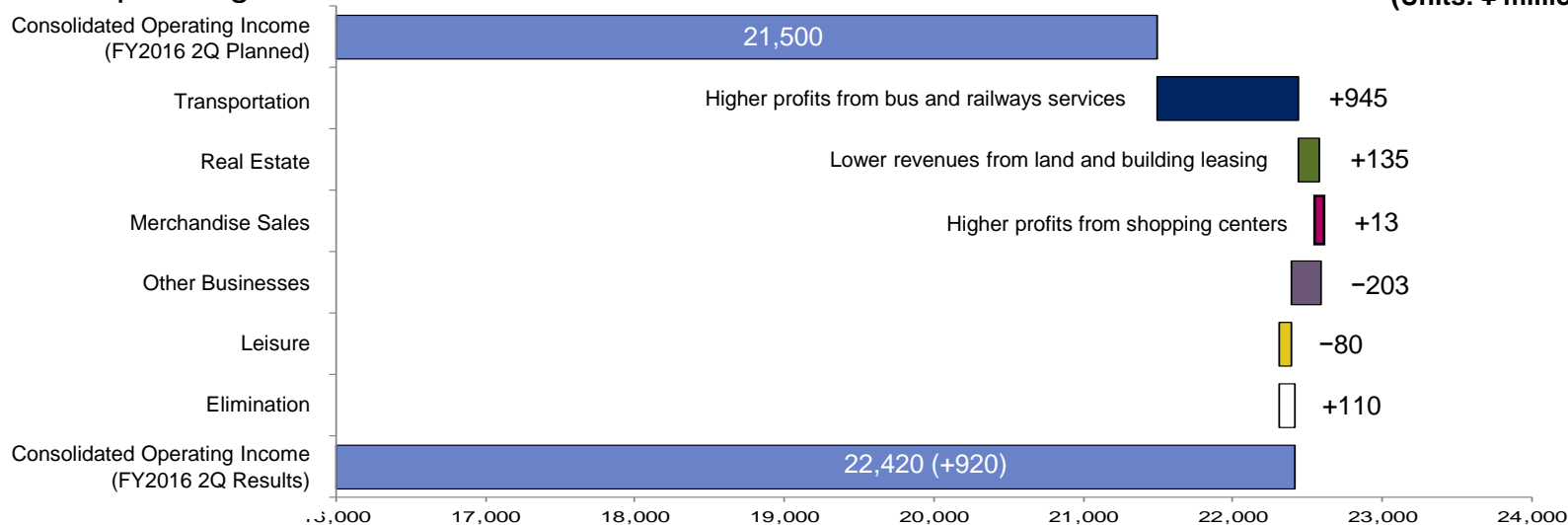
1. Consolidated Operating Revenues

(Units: ¥ millions)



2. Consolidated Operating Income

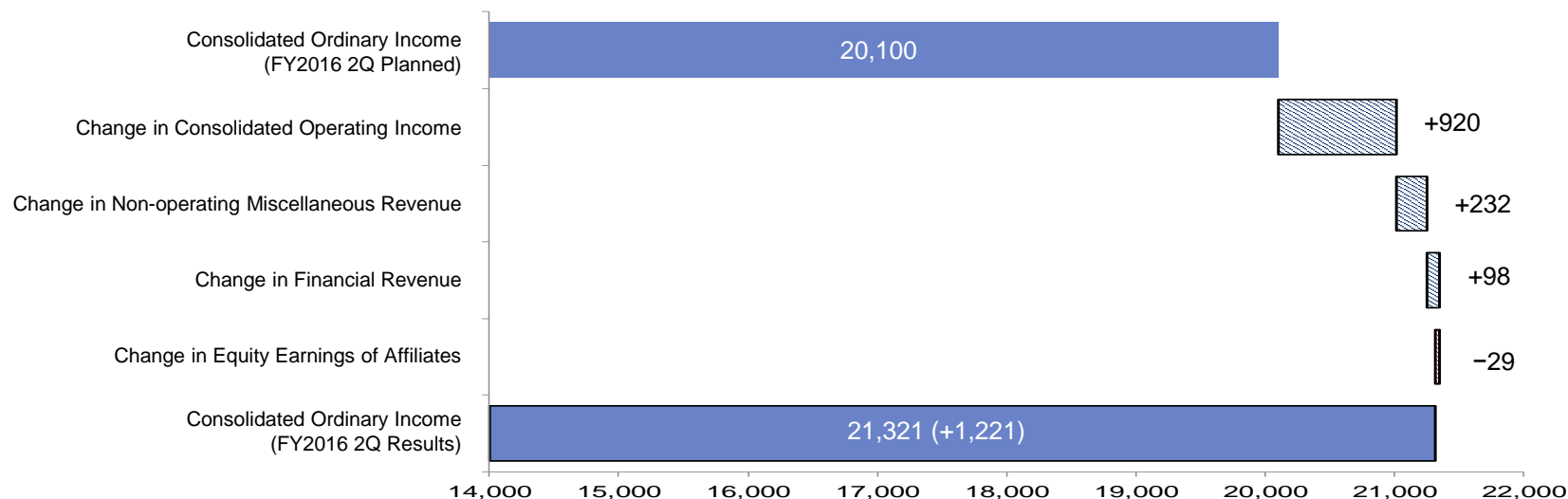
(Units: ¥ millions)



1-5. Ordinary Income/Net Income Change Factors (vs. Plans <announced on April 28>)

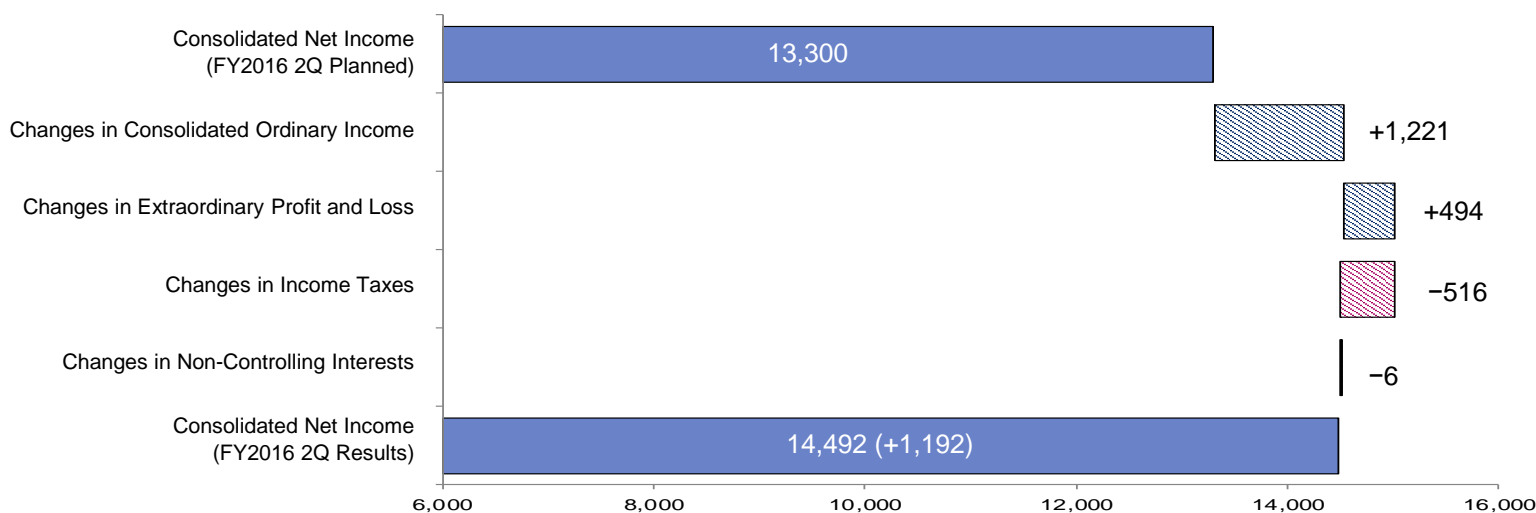
1. Consolidated Ordinary Income

(Units: ¥ millions)



2. Consolidated Net Income Attributable to Parent Company Shareholders

(Units: ¥ millions)



2. Consolidated Balance Sheets

(Units: ¥ millions)

	FY2015 2Q Results	FY2016 2Q Results	Change	Change Factors
Total Assets	820,177	801,863	-18,314	Decrease due to factors such as decrease in negotiable deposits
Liabilities	508,358	479,484	-28,874	Decrease due to redemption of 24 th series unsecured discount bonds and payment of construction deposits
Net Assets	311,818	322,378	10,559	Increase due to booking of term net Income Attributable to Parent Company Shareholders
Total Liabilities and Net Assets	820,177	801,863	-18,314	
Interest-Bearing Debt	339,306	324,755	-14,550	

(Note) Interest-bearing debt is calculated as Loans payable + Bonds payable

3. Consolidated Statements of Cash Flows

(Units: ¥ millions)

	FY2015 2Q Results	FY2016 2Q Results	Change	Change Factors
Net Cash Provided by (Used in) Operating Activities	29,151	29,318	166	
Net Cash Provided by (Used in) Investing Activities	-26,655	-32,912	-6,256	Increase due to purchase of tangible and intangible fixed assets
Net Cash Provided by (Used in) Financing Activities	-4,579	-17,503	-12,924	Increase due to redemption of bonds
End of Quarter Balance for Cash and Cash Equivalents	62,640	68,082	5,442	

4. Segment Information (Corporate Composition)

Consolidated

47 Companies as of the end of Sep. 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 14 others	Keio Department Store Keio Store Keio Shoseki Hanbai Five others	Keio Corporation Keio Realty & Development ReBITA Three others	Keio Plaza Hotel Keio Travel Agency Keio Agency Four others	Keio Setsubi Service Keio Juuki Seibi Keio Construction Nine others

Operating Revenues

FY2016 2Q: 2,025 hundred million yen

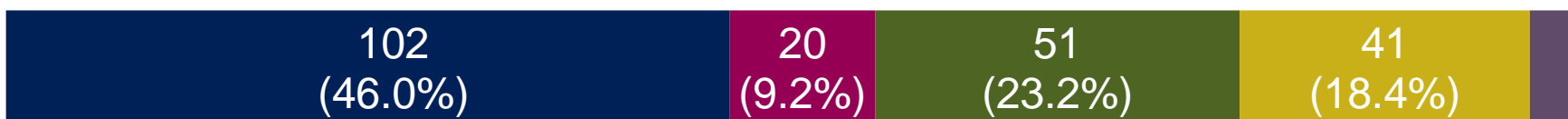
<Units: Hundred millions of yen>



Operating Income

FY2016 2Q: 224 hundred million yen

<Units: Hundred millions of yen >



(Note) Segment figures include intersegment amounts and ratios.

4. Segment Information (Transportation-1)

(Units: ¥ millions)

	FY2015 2Q Results	FY2016 2Q Results	Change (%)	Change Factors	FY2016 2Q Planned (2016.4.28 announced)	Difference (%)
(Railways)	41,981	42,418	436 (1.0)	See next page	42,127	290 (0.7)
(Bus services)	18,078	17,868	-210 (-1.2)	Decrease in terminal charges, etc.	17,682	186 (1.1)
(Taxi services)	6,272	6,569	297 (4.7)		6,100	468 (7.7)
(Other)	1,330	1,290	-39 (-3.0)		1,302	-12 (-0.9)
(Elimination)	-2,508	-2,911	-402 —		-2,424	-486 —
Operating Revenues	65,154	65,235	81 (0.1)		64,787	447 (0.7)
Operating Income	10,115	10,293	177 (1.8)		9,347	945 (10.1)
Depreciation and Amortization	11,437	10,881	-555 (-4.9)			
Capital Expenditures	5,337	3,944	-1,393 (-26.1)			
EBITDA	21,553	21,174	-378 (-1.8)			

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

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

		FY2015 2Q Results	FY2016 2Q Results	Change	Change Factors
Passengers Transported (thousands of people)	Commuter-Pass	196,134	199,510	3,376 (1.7)	Improvements in employment conditions, effects of timetable revision, etc.
	(Business)	145,374	148,862	3,488 (2.4)	
	(Students)	50,760	50,648	-112 (-0.2)	
	Non-Commuter Pass	133,991	134,761	770 (0.6)	Effects of timetable revision, etc.
	Total	330,125	334,271	4,146 (1.3)	
Passenger Revenues (¥ millions)	Commuter-Pass	17,438	17,774	336 (1.9)	
	(Business)	15,448	15,786	338 (2.2)	
	(Students)	1,990	1,988	-2 (-0.1)	
	Non-Commuter Pass	22,851	23,010	158 (0.7)	
	Total	40,289	40,784	495 (1.2)	

4. Segment Information (Merchandise Sales)

(Units: ¥ millions, %)

	FY2015 2Q Results	FY2016 2Q Results	Change (%)	Change Factors	FY2016 2Q Planned (2016.4.28 announced)	Difference (%)
(Department Stores)	41,160	39,566	-1,593 (-3.9)	Sluggish sales, etc.	41,790	-2,223 (-5.3)
(Retail Stores)	23,005	22,870	-134 (-0.6)	(*)	23,261	-390 (-1.7)
(Retail Stores –Books)	4,179	3,524	-654 (-15.7)	Effects of closing unprofitable stores, etc.	3,741	-216 (-5.8)
(Shopping Centers)	6,553	6,280	-273 (-4.2)		6,322	-42 (-0.7)
(Other)	5,723	5,593	-130 (-2.3)		5,728	-135 (-2.4)
(Elimination)	-3,472	-3,158	314 —		-3,355	197 —
Operating Revenues	77,149	74,676	-2,473 (-3.2)		77,488	-2,811 (-3.6)
Operating Income	2,745	2,065	-680 (-24.8)		2,051	13 (0.7)
Depreciation and Amortization	1,962	1,907	-54 (-2.8)			
Capital Expenditures	2,704	2,628	-75 (-2.8)			
EBITDA	4,707	3,972	-735 (-15.6)			

(*) Beginning in FY2016, Retail Stores – in Stations have been 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.

4. Segment Information (Real Estate)

(Units: ¥ millions, %)

	FY2015 2Q Results	FY2016 2Q Results	Change (%)	Change Factors	FY2016 2Q Planned (2016.4.28 announced)	Difference (%)
(Land and Building Leasing)	15,770	16,759	989 (6.3)	Increase in building leasing, etc.	16,483	276 (1.7)
(Development for Selling by Lots)	4,918	5,268	350 (7.1)	Increase in renovated property sales, etc.	4,871	397 (8.2)
(Other)	743	858	114 (15.5)		944	-85 (-9.1)
(Elimination)	-3,681	-4,151	-470 —		-3,837	-314 —
Operating Revenues	17,751	18,735	983 (5.5)		18,461	273 (1.5)
Operating Income	5,166	5,185	18 (0.4)		5,050	135 (2.7)
Depreciation and Amortization	2,234	2,237	2 (0.1)			
Capital Expenditures	1,356	603	-753 (-55.6)			
EBITDA	7,604	7,625	21 (0.3)			

Ref.: Real Estate Operating Income Details

(Units: ¥ millions, %)

Land and Building Leasing	48	53	4 (9.5)		53	-0 (-0.2)
Development for Selling by Lots	4	0	-3 (-80.3)		0	0 (48.9)

4. Segment Information (Leisure)

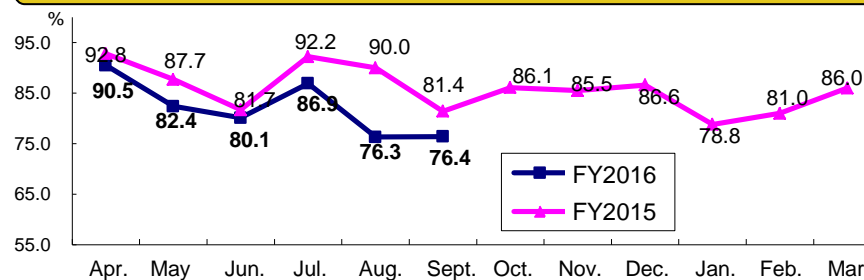
(Units: ¥ millions, %)

	FY2015 2Q Results	FY2016 2Q Results	Change (%)	Change Factors	FY2016 2Q Planned (2016.4.28 announced)	Difference (%)
(Hotels)	23,502	24,160	657 (2.8)	Increase in room unit price at Keio Plaza Hotel, etc.	24,219	-59 (-0.2)
(Travel Services)	9,313	9,807	493 (5.3)	Increase in group travel orders, etc.	9,983	-176 (-1.8)
(Advertising Services)	5,216	5,710	494 (9.5)		5,402	308 (5.7)
(Other)	3,220	3,416	196 (6.1)		3,368	48 (1.4)
(Elimination)	-4,746	-4,744	1 —		-5,002	257 —
Operating Revenues	36,507	38,350	1,843 (5.0)		37,972	378 (1.0)
Operating Income	4,123	4,124	0 (0.0)		4,204	-80 (-1.9)
Depreciation and Amortization	1,572	1,828	256 (16.3)			
Capital Expenditures	1,760	11,586	9,825 (558.0)			
EBITDA	5,696	5,952	256 (4.5)			

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

Room Occupancy Rates	87.7%	82.1%	-5.6P
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[Ref. 2] Keio Plaza Hotel (Shinjuku) Room Occupancy Rate Trends [by month]



4. Segment Information (Other Businesses)

(Units: ¥ millions, %)

	FY2015 2Q Results	FY2016 2Q Results	Change (%)	Change Factors	FY2016 2Q Planned (2016.4.28 announced)	Difference (%)
(Building Maintenance)	9,373	9,814	440 (4.7)		10,090	-275 (-2.7)
Railway Car Maintenance)	3,017	3,605	588 (19.5)		3,616	-10 (-0.3)
(Construction)	6,883	5,575	-1,308 (-19.0)	Decrease in construction revenue, etc.	6,417	-841 (-13.1)
(Other)	3,296	3,435	138 (4.2)		3,427	7 (0.2)
(Elimination)	-939	-985	-45 —		-1,169	184 —
Operating Revenues	21,631	21,445	-186 (-0.9)		22,381	-935 (-4.2)
Operating Income	782	726	-56 (-7.2)		930	-203 (-21.9)
Depreciation and Amortization	147	134	-12 (-8.5)			
Capital Expenditures	368	29	-339 (-92.0)			
EBITDA	930	861	-68 (-7.4)			

II. Fiscal 2016 Full-Year Earnings Forecasts



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

1. Consolidated Statements of Income

(Units: ¥ millions, %)

	FY2015 Results	FY2016 Results	Change (%)	FY2016 Planned (2016.4.28 announced)	Difference (%)
Consolidated Operating Revenues	4,162	4,200	37 (0.9)	4,269	-69 (-1.6)
Consolidated Operating Income	377	379	1 (0.4)	379	—
Consolidated Ordinary Income	350	356	5 (1.5)	352	4 (1.1)
Net Income Attributable to Parent Company Shareholders	194	(Note1) 198	3 (1.7)	198	—
Consolidated EBITDA	737	(Note 2) 731	-6 (-0.9)	735	-4 (-0.5)
Consolidated Depreciation and Amortization	355	345	-10 (-2.8)	349	-3 (-1.1)
Capital Expenditures	463	774	310 (67.0)	774	—

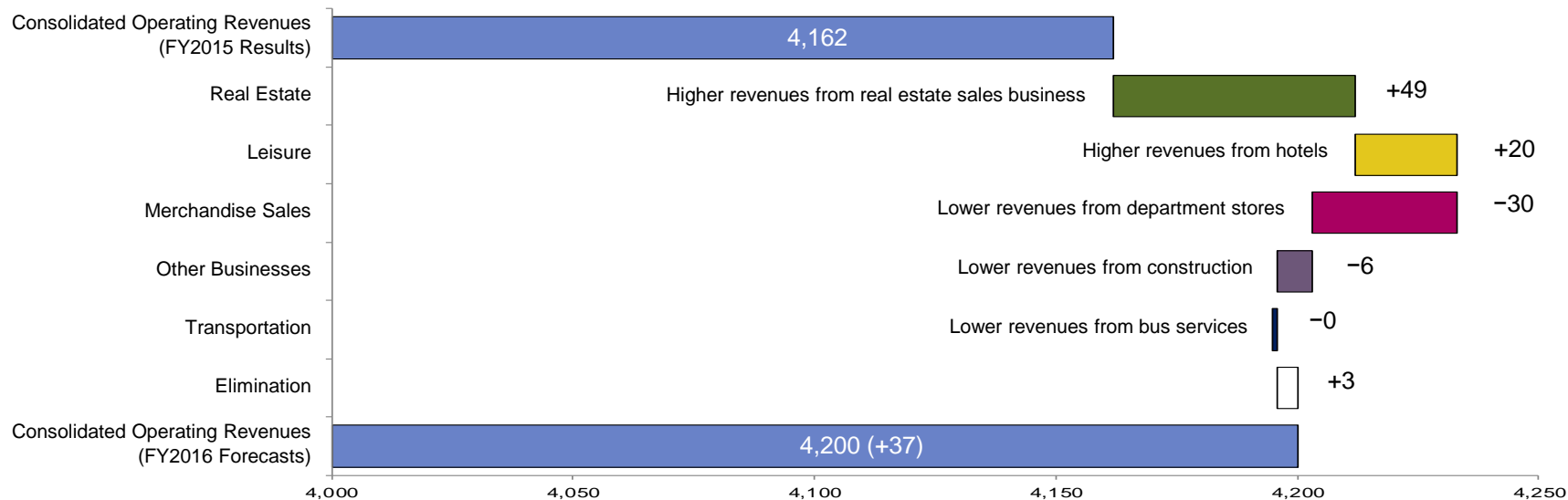
(Note 1) Extraordinary loss in the FY2016 forecasts includes costs of future strengthening of the financial structure at the same level as within FY2015 results.

(Note 2) EBITDA is calculated as operating income + depreciation and amortization + amortization of goodwill.

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

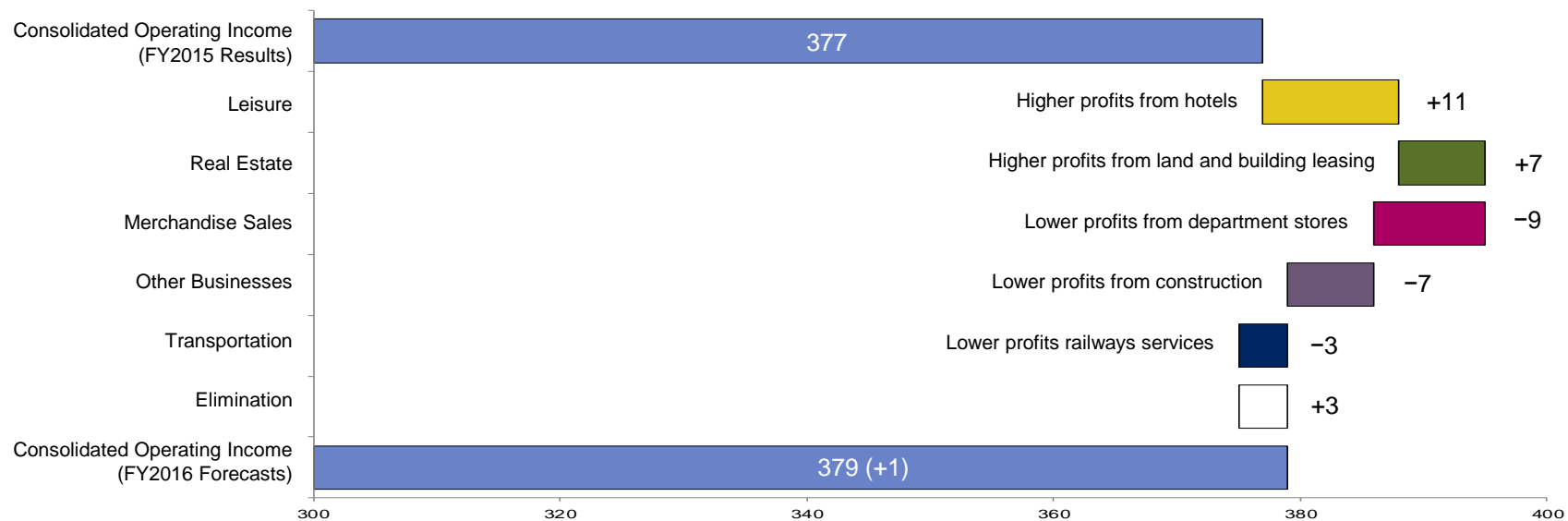
1. Consolidated Operating Revenues

(Unit: ¥ hundred million)



2. Consolidated Operating Income

(Unit: ¥ hundred million)



2. Segment Information (Transportation-1)

(Units: ¥ hundred million, %)

	FY2015 Results	FY2016 Forecasts	Change (%)	Change Factors	FY2016 Planned (2016.4.28 announced)	Difference (%)
(Railways)	837	845	7 (0.9)	See next page	844	0 (0.1)
(Bus services)	353	348	-5 (-1.4)	Decrease in terminal charges, etc.	348	0 (0.0)
(Taxi services)	125	130	5 (4.3)		122	7 (6.4)
(Other)	27	26	-0 (-2.9)		26	0 (1.7)
(Elimination)	-51	-59	-7 —		-48	-11 —
Operating Revenues	1,292	1,291	-0 (-0.0)		1,293	-2 (-0.2)
Operating Income	150	147	-3 (-2.4)	Impact of retirement benefit costs, etc.	136	11 (8.2)
Depreciation and Amortization	233	222	-11 (-4.7)		223	-1 (-0.5)
Capital Expenditures	221	280	58 (26.4)		280	—
EBITDA	384	370	-14 (-3.9)		360	10 (2.8)

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

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

		FY2015 Results	FY2016 Forecasts	Change (%)		Change Factors
Passengers Transported (thousands of people)	Commuter-Pass	383,728	389,587	5,859	(1.5)	Improvement in employment conditions, effects of timetable revision, etc.
	(Business)	289,730	295,794	6,064	(2.1)	
	(Students)	93,998	93,793	-205	(-0.2)	
	Non-Commuter Pass	268,612	270,363	1,751	(0.7)	Effects of timetable revision, etc.
	Total	652,340	659,950	7,610	(1.2)	
Passenger Revenues (¥ millions)	Commuter-Pass	34,480	35,068	587	(1.7)	
	(Business)	30,792	31,384	591	(1.9)	
	(Students)	3,688	3,684	-3	(-0.1)	
	Non-Commuter Pass	45,832	46,226	393	(0.9)	
	Total	80,313	81,294	981	(1.2)	

(Reference) Major Initiatives of Each Brand

Collaboration with Sanrio Puroland at Keiō-Tama-Center Station



- Keiō-Tama-Center Station is the gateway to Sanrio Puroland and has been decorated to attract visitors from home and abroad and revitalize the region.



2. Segment Information (Merchandise Sales)

(Units: ¥ hundred million, %)

	FY2015 Results	FY2016 Forecasts	Change (%)	Change Factors	FY2016 Planned (2016.4.28 announced)	Difference (%)
(Department Stores)	874	854	-19 (-2.3)	Sluggish sales, etc.	907	-52 (-5.8)
(Retail Stores)	462	465	2 (0.6)	(Note)	470	-4 (-1.1)
(Retail Stores –Books)	81	71	-10 (-12.5)	Effects of closing unprofitable stores, etc.	75	-3 (-5.0)
(Shopping Centers)	129	125	-4 (-3.3)		126	-1 (-1.2)
(Other)	117	116	-0 (-0.5)		118	-2 (-1.9)
(Elimination)	-66	-65	1 —		-67	2 —
Operating Revenues	1,599	1,569	-30 (-1.9)		1,632	-62 (-3.8)
Operating Income	47	38	-9 (-19.1)		47	-9 (-20.2)
Depreciation and Amortization	41	40	-1 (-3.0)		41	-1 (-3.2)
Capital Expenditures	49	129	80 (163.2)		129	—
EBITDA	88	78	-10 (-11.4)		90	-11 (-12.8)

(Note) Beginning in FY2016, Retail Stores – in Stations have been 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.

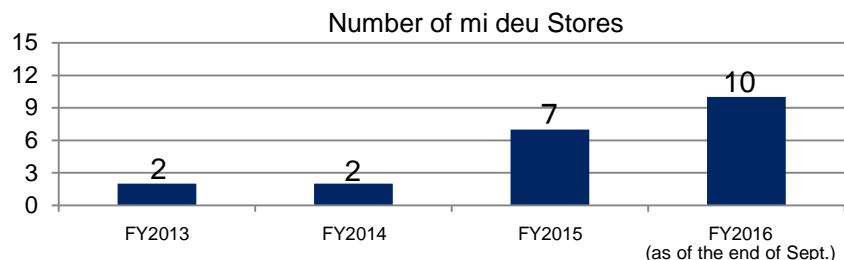
(Reference) Major Initiatives of Each Brand

New Initiative at Keio Department Stores

Expansion of Wholesale Business



Accelerate opening of mi deu stores, a department store-exclusive women's clothing brand. After opening stores at the Shinjuku and Seiseki Sakuragaoka locations of Keio Department Store in 2014, the focus was shifted to rural department stores in the fall of 2015, and by mid-September 2016, the number of stores had risen to ten.



Acquisition of Shares of Internet Mail Order Business Company

[Company name]	SELECTURE, Inc.
[Business description]	E-commerce dealing with clothing, kitchen goods and sundries
[Capital]	¥10 million
[Sales in preceding period]	¥1,383 million
[Seller of shares]	Cookpad Inc.

Create new business opportunities in e-commerce and expand the customer base by taking advantage of the synergy between the expertise and marketing capabilities of the EC company and the management resources of Keio Department Store and collaboration with companies within the Keio Group.

2. Segment Information (Real Estate)

(Units: ¥ hundred million, %)

	FY2015 Results	FY2016 Forecasts	Change (%)	Change Factors	FY2016 Planned (2016.4.28 announced)	Difference (%)
(Land and Building Leasing)	319	337	17 (5.6)		333	3 (1.1)
(Development for Selling by Lots)	121	155	34 (28.2)	Increase in renovated property sales, etc.	143	11 (8.3)
(Other)	14	18	3 (24.9)		21	-2 (-13.5)
(Elimination)	-76	-82	-5 —		-76	-5 —
Operating Revenues	378	428	49 (13.1)		421	6 (1.6)
Operating Income	86	93	7 (8.2)		93	0 (0.4)
Depreciation and Amortization	45	44	-1 (-3.1)		45	-1 (-2.4)
Capital Expenditures	116	221	105 (90.9)		221	—
EBITDA	136	142	5 (4.2)		143	-1 (-0.7)

Ref.: Real Estate Operating Income Details

(Units: ¥ hundred million, %)

Land and Building Leasing	82	92	9 (11.7)		91	0 (0.4)
Development for Selling by Lots	11	6	-4 (-43.2)		7	-1 (-17.3)

2. Segment Information (Leisure)

(Units: ¥ hundred million, %)

	FY2015 Results	FY2016 Forecasts	Change (%)	Change Factors	FY2016 Planned (2016.4.28 announced)	Difference (%)
(Hotels)	484	495	11 (2.4)	Increase in room unit price at Keio Plaza Hotel, etc.	496	-0 (-0.2)
(Travel Services)	169	177	8 (4.9)	Increase in group travel orders, etc.	178	-1 (-0.6)
(Advertising Services)	120	122	1 (1.0)		122	0 (0.0)
(Other)	62	65	3 (4.8)		64	1 (1.8)
(Elimination)	-96	-99	-2 —		-101	1 —
Operating Revenues	740	761	20 (2.8)		760	0 (0.1)
Operating Income	60	71	11 (18.8)		75	-4 (-5.8)
Depreciation and Amortization	33	37	4 (12.5)		36	0 (2.3)
Capital Expenditures	76	132	55 (72.5)		132	—
EBITDA	93	110	16 (17.5)		113	-3 (-2.7)

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

Room Occupancy Rates	85.8%	82.0%	-3.8P
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(Reference) Major Initiatives of Each Brand

Renovation of Keio Plaza Hotel

- The guest rooms on the higher floors of the main building will be completely renovated and will be open for use in mid-December as Premier Grand rooms. A new, exclusive club lounge will also be opened.
- The aim is to become a hotel that represents Tokyo ahead of the 2020 Tokyo Olympics and Paralympics and the 50th anniversary in 2021.

Premier Grand

Guest Rooms (37F-41F)



Premier Grand

- Sizes: 33.7-35.5m²
- Number of rooms: 100

- Three completely separate plumbing fixtures (shower, sink and toilet)
- Bath module with glass-walled washing area
- Floor security employing EV card keys



Premier Grand Suite

- Size: 71.0m²
- Number of rooms: 11

Exclusive Club Lounge (45F)



Club Lounge

- Floor area: Approx. 535m²

- High quality club lounge breakfast
- Exclusive check-in counter
- Dedicated concierge service

Work to further improve the value of the Keio Plaza Hotel brand in the aim of maximizing revenue from room rentals.

2. Segment Information (Other Businesses)

(Units: ¥ hundred million, %)

	FY2015 Results	FY2016 Forecast	Change (%)	Change Factors	FY2016 Planned (2016.4.28 announced)	Difference (%)
(Building Maintenance)	224	232	7 (3.5)		228	4 (1.8)
(Railway Car Maintenance)	94	97	2 (3.0)		95	1 (1.9)
(Construction)	242	217	-25 (-10.3)	Decrease in construction revenue, etc.	222	-5 (-2.5)
(Other)	71	76	4 (6.8)		76	-0 (-0.6)
(Elimination)	-24	-22	2 —		-32	9 —
Operating Revenues	608	601	-6 (-1.1)		591	9 (1.6)
Operating Income	43	35	-7 (-17.2)		35	0 (1.2)
Depreciation and Amortization	3	2	-0 (-10.0)		3	-0 (-26.0)
Capital Expenditures	6	16	10 (178.4)		16	—
EBITDA	46	38	-8 (-17.3)		40	-1 (-3.8)

3. (Reference) Forecast for Second Half of Year

(Consolidated statements of income, Segment Information)

(Units: ¥ hundred million, %)

	Operating Revenues			Operating Income		
	FY2015 H2 Results	FY2015 H2 Forecasts	Change (%)	FY2015 H2 Results	FY2016 H2 Forecasts	Change (%)
Transportation	640	639	-1 (-0.2)	49	44	-5 (-10.9)
Merchandise Sales	827	822	-5 (-0.7)	19	17	-2 (-11.2)
Real Estate	201	241	39 (19.8)	34	41	6 (20.0)
Leisure	375	378	2 (0.7)	18	30	11 (59.7)
Other Businesses	392	387	-5 (-1.3)	35	28	-6 (-19.4)
Elimination	-300	-294	5 —	-10	-6	3 —
Total	2,137	2,173	36 (1.7)	148	155	6 (4.7)

(Units: ¥ hundred million, %)

	FY2015 H2 Results	FY2016 H2 Forecasts	Change (%)
Ordinary Income	134	143	8 (6.4)
Net Income Attributable to Parent Company Shareholders	54	53	-0 (-0.7)

III. Progress on Initiatives for Fiscal 2020

1. Schedule for Medium to Long-Term Measures
2. Revitalization of Facilities Along Rail Lines
3. Adding Value Along Rail Lines

1. Schedule for Medium to Long-Term Measures

	FY2015	FY2016	FY2017	Up to FY2020
Improvement of safety/profitability				
Keio Line (between Sasazuka and Sengawa Stations) grade crossings/elevated lines				(Complete project in FY2022 (planned))
Timetable revision	Sep 2015 Keio and Inokashira Lines	Sep 2016 Keio and Inokashira Lines	Spring 2018	
Introduction of cars with reserved seating	Decision to implement	Design/manufacture of new cars	Operations to launch in spring 2018	
Business expansion (strategic investments)	Consideration of measures to incorporate a wider range of customers			
Expansion of hotel business	< Keio Presso Inn Akasaka > opened in July 2015		Tokyo Station Yaesu Inn (tentative name) To be opened summer 2017 Hamamatsucho Inn (tentative name) To be opened in winter 2017	Expansion of Keio Presso Inn openings Development/expansion of new hotel types
Expansion of renovation business	1 st shared-type hotel complex Opened in Mar 2016 (Kanazawa)		Development of multiple shared-type hotel complexes	Expansion of share community market
Expansion of inbound business		Building of new wide-area tourism routes Creation of new open tickets Opening of tourist information center 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 Taiwanese tea café Nos. 2 and 3 Opening of Chinese curry restaurant Nos. 2 and 3	Ongoing review/implementation of overseas business	
Other	Acquisition of shares in vacation rental businesses	Vacation rental business trials to begin in Ota-ku, Tokyo	Consideration of new businesses	
Success of facilities along rail lines				
Development of area around Chofu Station		Construction began in Apr 2016	To be opened in fall 2017	
Promotion of development of facilities along rail lines	Keio Takao Hot Springs opened in Oct 2015	Ongoing review for future (Shinjuku, etc.)		
Adding value along our rail lines	< Child-rearing measures >			
	Condominium oriented toward child-rearing Completed in Mar 2016	Consideration of new openings of child-rearing and women's employment support facilities		
Multifaceted development of lifestyle support services	<Senior citizens business>	Paid nursing home Opened in May 2016	Housing for elderly with services To be opened in Feb 2017	Consideration of new openings
	<Funeral business>	Keio Memorial Chofu Opened in June 2016	Consideration of new openings	
Efforts to improve appeal of area around Tama Zoological Park		Construction of indoor amusement facility for children	To be opened in spring 2018	

2. Revitalization of Facilities Along Rail Lines

– Development of Area around Chofu Station

- Development concept: “**Connect** – Station building will create opportunities for people to connect by playing a role in connecting tangible and intangible things”

Construction began in April 2016 with a planned opening in fall 2017. Total floor area = approx. 38,000 m²

Various specialty shops will be invited to Building A, while the core tenants of Building B and Building C will be a major home electronics retailer and a major cinema complex, respectively. There will be about 70 shops in total in the three buildings.



Building A Exterior

[Building A] Tenants: Fashion, sundries, food, cafes, restaurants, etc.



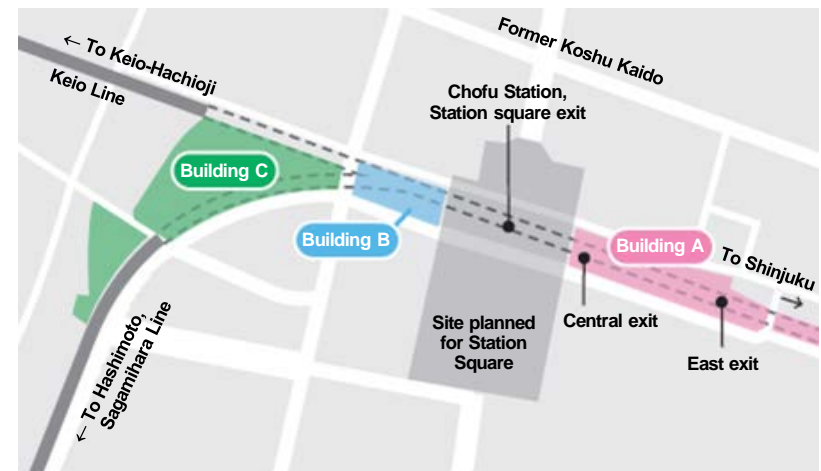
Building B Exterior

[Building B] Tenant: Bic Camera, Inc.



Building C Exterior

[Building C] Tenant: Aeon Entertainment Co., Ltd.



3. Adding Value Along Rail Lines

– Improving Attractiveness of Area Around Tama Zoological Park

- Work on further revitalizing/increasing the attractiveness of the area around the Tama Zoological Park as a place where parents and children can have fun together by constructing an amusement facility for children in front of Tama-dobutsukoen Station and creating synergy with Tama Zoological Park and Keio Rail Land.
- It is scheduled to open in spring 2018, and about 250,000 visitors are expected annually.



<Forest Education>



<Intellectual Training>



<Net Play Equipment>

Amusement Facility for Children

- Main target:
Pre-school children and their parents
- Facility description:
A large-scale facility where the three elements of forest education, physical education and intellectual training can be experienced simultaneously. The aim is to provide a facility where parents and children can have fun together, and it will be equipped with a large piece of net play equipment, a mini indoor train and an adjoining restaurant with terrace seating where parents can relax and watch their children.
- Structure/size:
Steel construction/2 stories
- Total floor area: Approx. 2,900 m²
- Opening: Spring 2018

3. Adding Value Along Rail Lines

– Expansion of Projects for Senior Citizens

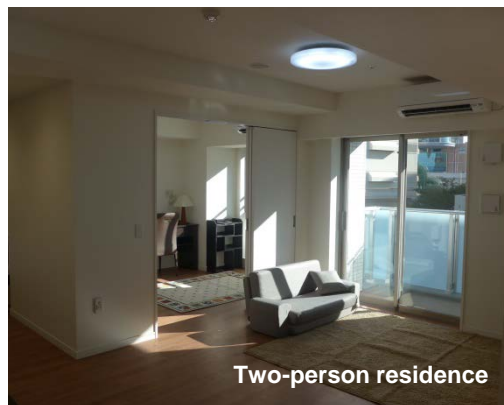
- Smilus Seiseki Sakuragaoka, elderly housing with supportive services, will be opened in February 2017.
- We will create a living environment in which senior citizens can thrive by eliminating concerns and inconveniences and supporting active lifestyles.




Project Overview

- The entire building is barrier-free, and every unit has its own kitchen and bathroom.
- Staff are on site 24/7. A nutritionally balanced food service will also be available.
- Nursing care services will be provided in partnership with a medical corporation, and there will be a consultation desk for local medical and nursing care needs.

Location: Sekido, Tama City, Tokyo
Units: 53
Opening: Scheduled for February 2017
Management: Keio Wealthy Stage Corporation





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.