

Supplementary Materials on Financial Results for the Fiscal Year Ended March 31, 2024 (FY2023)

Keikyu Corporation (Securities code: 9006)

May 10, 2024

<https://www.keikyu.co.jp/en/ir/>

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Financial Results With Year-on-Year Changes

Revenue from operations: 280.6 billion yen (increased by 10.9% year on year)

Operating profit: 28.0 billion yen (increased by 159.2% year on year)

Profit attributable to owners of parent: 83.7 billion yen (increased by 429.5% year on year)

- **Both revenue and profit increased** due to fare revisions in the Transportation segment, increased gross profit from land for sale in lots and condominiums, and recovery in demand in the Leisure Services segment and the Retailing segment.
- Profit attributable to owners of parent **increased significantly** due to the partial transfer of land interest at Shinagawa Station West Exit area (Takanawa 3-chome)

Progress Against Most Recent Forecast (January–March 2024)

[Compared to forecast] **Revenue from operations: approximately -2.0 billion yen**

Operating profit: approximately +0.0 billion yen

Profit attributable to owners of parent: approximately -0.2 billion yen

- Revenue from operations fell by approximately 2.0 billion yen due to lower-than-expected sales of detached houses in the real estate sales operations.
- Operating profit was in line with expectations.

Business Forecasts for FY 2024

Revenue from operations : 305.4 billion yen

Operating profit : 30.0 billion yen

- The forecast for revenue from operations includes the effect of increase in revenue from fare revisions in the railway operations, sale of rental condominiums, etc., and income from the supermarket operations by a company that has been made a consolidated subsidiary.
- The forecast for operating profit includes the effect of increase in profit from fare revisions in the railway operations, but also includes factors such as a reactionary decline in gain on sale of condominiums and land for sale in lots in FY2023.

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Consolidated Statement of Income

(Unit: Millions of yen)

	FY2022	FY2023	YoY changes		Most recent forecast	Changes						
Revenue from operations	253,005	280,624	+27,619	+10.9%	282,500	(1,875)						
Operating profit	10,819	28,040	+17,221	+159.2%	28,000	+40						
Ordinary profit	12,233	28,402	+16,169	+132.2%	28,400	+2						
Profit attributable to owners of parent	15,817	83,750	+67,932	+429.5%	84,000	(249)						
Net income per Share(yen)	57.46	304.23	+246.77									
R O E	6.0%	26.7%	+20.7pt.									
					<table border="1"> <thead> <tr> <th></th> <th>FY2023</th> </tr> </thead> <tbody> <tr> <td>Amount of capital investment</td> <td>100,237</td> </tr> <tr> <td>[Of which, SPC investment due to real estate securitization]</td> <td>[17,398]</td> </tr> </tbody> </table>			FY2023	Amount of capital investment	100,237	[Of which, SPC investment due to real estate securitization]	[17,398]
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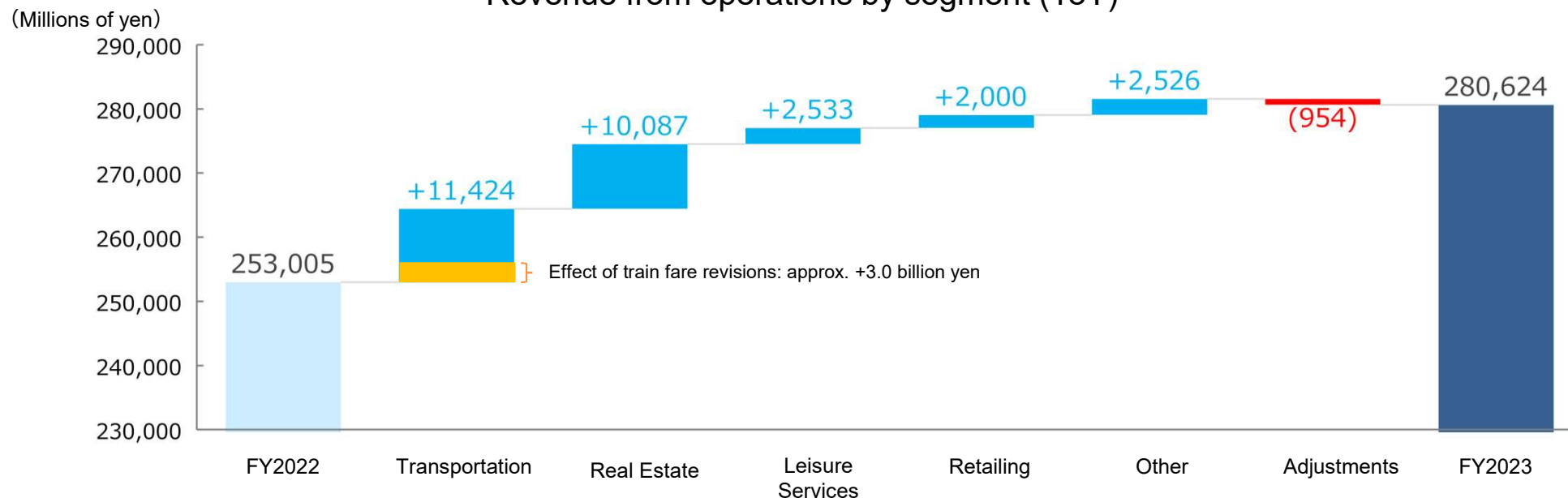
Consolidated Statement of Income By segment

(Unit: Millions of yen)

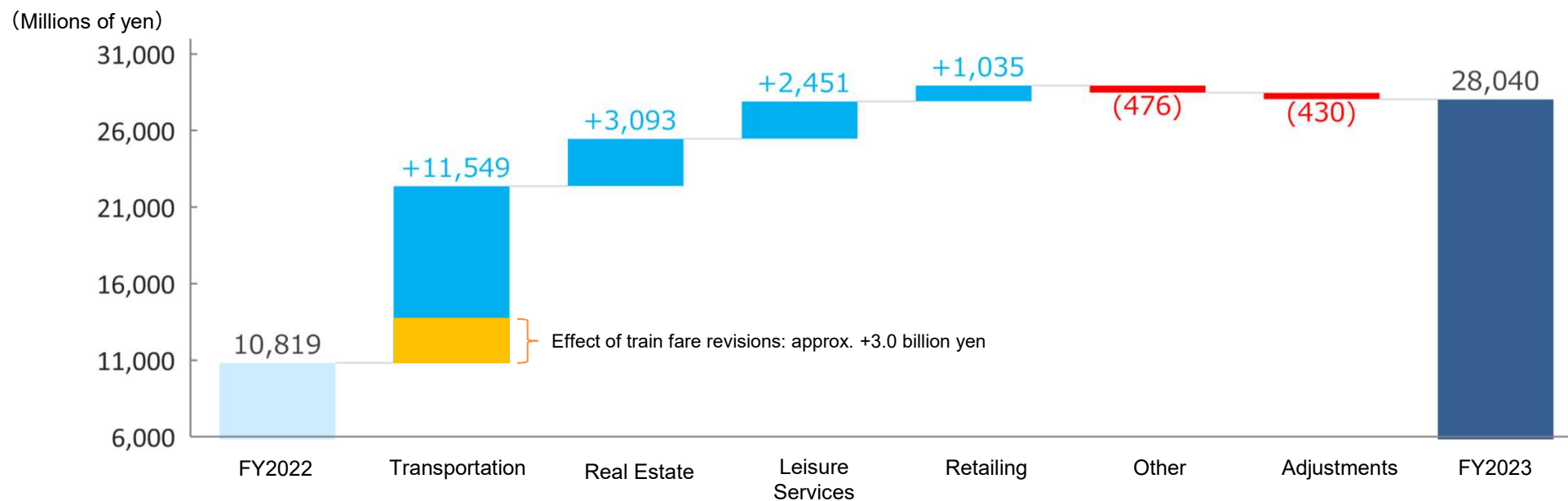
		FY2022	FY2023	YoY changes		Most recent forecast	Changes
Transportation	Revenue from operations	98,800	110,225	+11,424	+11.6%	110,100	+125
	Operating profit	(707)	10,841	+11,549	—	10,810	+31
Real Estate	Revenue from operations	50,564	60,651	+10,087	+19.9%	61,900	(1,248)
	Operating profit	6,567	9,660	+3,093	+47.1%	9,000	+660
Laisure Services	Revenue from operations	27,388	29,922	+2,533	+9.3%	29,650	+272
	Operating profit	2,117	4,568	+2,451	+115.7%	4,400	+168
Retailing	Revenue from operations	70,449	72,450	+2,000	+2.8%	72,600	(149)
	Operating profit	1,050	2,086	+1,035	+98.5%	1,930	+156
Other	Revenue from operations	43,636	46,162	+2,526	+5.8%	46,800	(637)
	Operating profit	2,007	1,530	(476)	(23.7%)	2,100	(569)

Increases/Decreases in Revenue from Operations and Operating Profit by Segment

Revenue from operations by segment (YoY)



Operating profit by segment (YoY)



【Main reasons for increase / decrease】

	vs. FY2022	vs. Most recent forecast
Revenue from operations	Railway and bus operations: Increase due to recovery in mobility demand and revision of fares	–
Operating profit		

(Unit: Millions of yen)

	FY2022	FY2023	YoY changes		Most recent forecast	Changes
Revenue from operations	98,800	110,225	+11,424	+11.6%	110,100	+125
Railway	68,644	77,180	+8,536	+12.4%	77,100	+80
Bus	26,528	29,356	+2,827	+10.7%	29,300	+56
Taxi	3,627	3,689	+61	+1.7%	3,700	(10)
Operating profit	(707)	10,841	+11,549	–	10,810	+31
Railway	627	9,676	+9,049	–	9,600	+76
Bus	(1,283)	1,263	+2,546	–	1,270	(6)
Taxi	(51)	(98)	(47)	–	(60)	(38)

Transportation Number of passengers carried and Revenue from railway operations

<Results in railway operations: number of passengers carried & revenue from railway operations>

(Unit: Thousands of people)

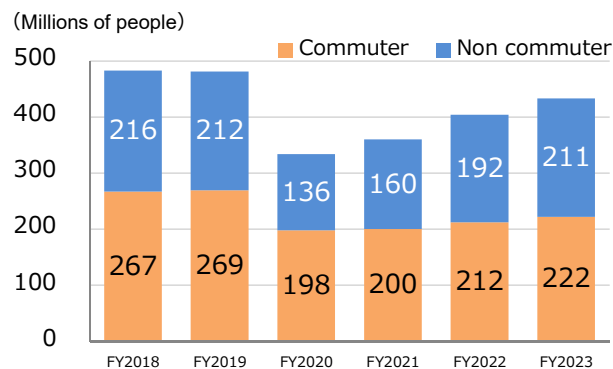
(Unit: Millions of people)

	Number of passengers carried					
	FY2022	FY2023	YoY changes		Most recent forecast	Changes
Commuter	212,264	222,213	+9,949	+4.7%	224	(1)
Non commuter	192,176	211,041	+18,865	+9.8%	210	+0
Total	404,440	433,254	+28,814	+7.1%	435	(1)

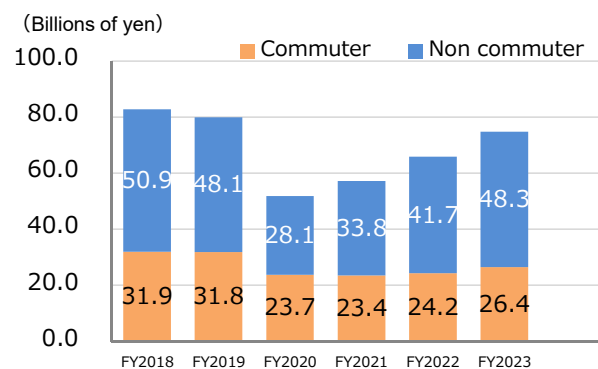
(Unit: Millions of yen)

	Revenue from railway operations					
	FY2022	FY2023	YoY changes		Most recent forecast	Changes
Commuter	24,293	26,448	+2,154	+8.9%	26,600	(151)
Non commuter	41,703	48,370	+6,666	+16.0%	48,200	+170
Total	65,997	74,818	+8,821	+13.4%	74,800	+18

<Railway operations:
Number of passengers carried per year>



<Railway operations:
Number of revenue from railway operations>



<Railway mainly operating expenses>

(Unit: Millions of yen)

	FY2022	FY2023	YoY changes
Personnel expenses	20,590	19,599	(991)
Electric power expenses	5,615	4,823	(792)
Repair expenses	5,732	5,784	+51
Fixed-asset removal expenses	690	763	+73
Depreciation	17,573	17,323	(250)

<Number of passengers carried: Total of the two Haneda Airport stations>

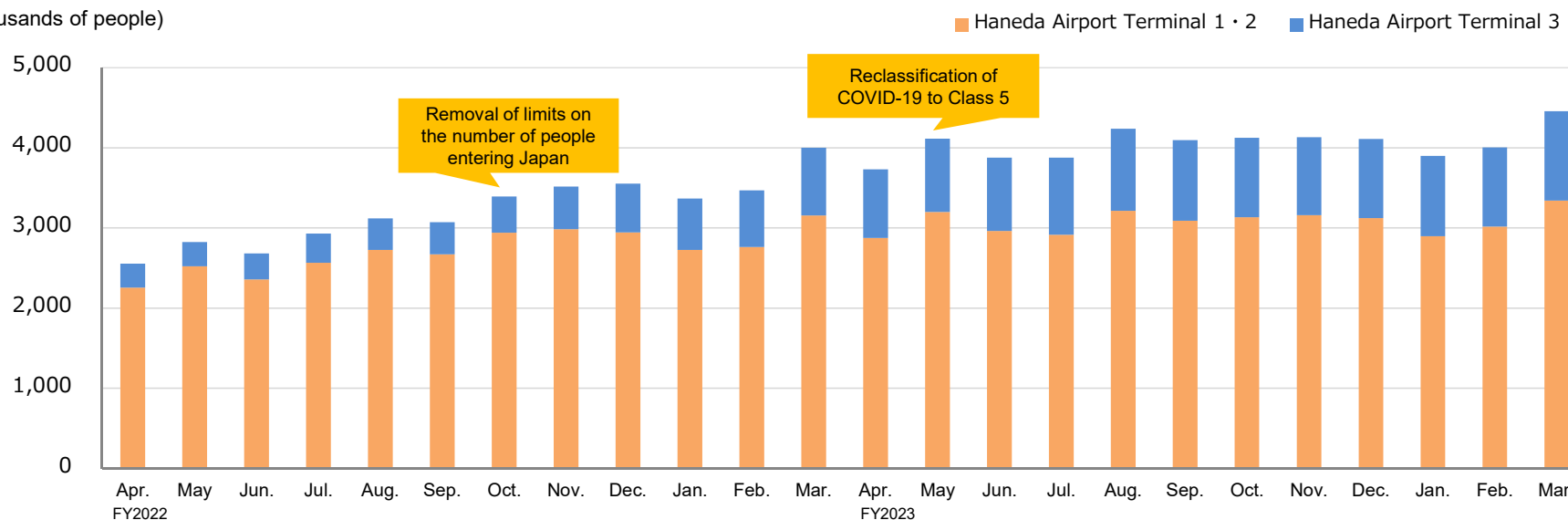
(Unit: Thousands of people)

(Unit: Millions of people)

	Number of passengers carried					
	FY2022	FY2023	YoY changes		Most recent forecast	Changes
Haneda Airport Terminal 1・2	32,592	36,913	+4,321	+13.3%	36	+0
Haneda Airport Terminal 3	5,871	11,726	+5,855	+99.7%	11	(0)
Total	38,463	48,639	+10,176	+26.5%	48	+0

<Number of passengers carried per month: Total of the two Haneda Airport stations>

(Thousands of people)



【Main reasons for increase / decrease】

	vs. FY2022	vs. Most recent forecast
Revenue from operations	<p>Real estate sales operations: Condominiums: 608 units (down 47 units YoY) Increase from sales of condominiums and land for sale in lots</p> <p>Real estate leasing operations: Increased due to higher dividend income from real estate funds we invested in and higher rental income from rental office buildings</p>	<p>Real estate sales operations: Decrease in number of sales of detached houses, etc.</p>
Operating profit	<p>Real estate sales operations: Increased gross profit from sales of condominiums and land for sale</p> <p>Real estate leasing operations: Increase due to new acquisitions and rent revisions for some properties</p>	<p>Real estate leasing operations: Decrease in Shinagawa development-related costs</p>

(Unit: Millions of yen)

	FY2022	FY2023	YoY changes		Most recent forecast	Changes
Revenue from operations	50,564	60,651	+10,087	+19.9%	61,900	(1,248)
Real estate sales	32,864	41,924	+9,059	+27.6%	43,100	(1,175)
Real estate leasing	17,699	18,727	+1,027	+5.8%	18,800	(72)
Operating profit	6,567	9,660	+3,093	+47.1%	9,000	+660
Real estate sales	2,018	4,953	+2,935	+145.5%	5,000	(46)
Real estate leasing	4,549	4,706	+157	+3.5%	4,000	+706

<Major properties to be delivered in FY2023>

(Number of units)	Total number	Delivery date
PRIME Yokohama Idogaya	95	Nov. 2023
PREMIUM RESIDENCE Yokosuka Chuo	184	Feb. 2024
PRIME Kawasaki	199	Mar. 2024
PRIME FIT Yokohama Tomioka	64	Mar. 2024

【Main reasons for increase / decrease】

	vs. FY2022	vs. Most recent forecast
Revenue from operations	Business hotel operations: Increase due to rising occupancy rate (+11.6pt.) and daily rates (+35.1%) Leisure-related facilities: Decreased due to close of Kannonzaki Keikyu Hotel operations (end of September 2022)	Business hotel operations: Increase due to rising occupancy rates (+1.1%)
Operating profit	Leisure-related facilities: Decrease due to a decline in visitor numbers in the boat racing business	—

(Unit: Millions of yen)

	FY2022	FY2023	YoY changes		Most recent forecast	Changes
Revenue from operations	27,388	29,922	+2,533	+9.3%	29,650	+272
Business hotels	5,392	8,251	+2,858	+53.0%	8,000	+251
Leisure-related facilities	12,204	11,811	(392)	(3.2%)	11,900	(88)
Leisure, other	9,791	9,859	+68	+0.7%	9,750	+109
Operating profit	2,117	4,568	+2,451	+115.7%	4,400	+168
Business hotels	(674)	1,661	+2,336	—%	1,500	+161
Leisure-related facilities	1,943	1,904	(39)	(2.0%)	1,900	+4
Leisure, other	849	1,003	+153	+18.1%	1,000	+3

<Keikyu EX Hotel · Keikyu EX Inn:
Occupancy rate of guest rooms>

	FY2022	FY2023	YoY changes
Occupancy rate of guest rooms	73.4%	85.0%	+11.6pt.

*Closed 4 hotels and opened 2 hotels in FY2022.

Closed: Asakusabashi Station, Haneda Anamoriinari Station, Omorikaigan Station and Shinagawa Sengakuji Station
 Opened: Keikyu Kamata Station and Sapporo

	As of Mar. 31, 2023	As of Mar. 31, 2024
Number of guest rooms	2,236	2,236

【Main reasons for increase / decrease】

	vs. FY2022	vs. Most recent forecast
Revenue from operations	Department store/SC operations: Decreased due to temporary closures for renovations at some plots Store business: Increased due to higher sales at supermarkets existing stores, recovery in convenience store customers and rising unit prices of products	—
Operating profit	Department store/SC operations: Increase due to decreased utility cost, etc. Store business: Increase due to higher sales at supermarkets and convenience stores, and lower utility cost, etc.	—

(Unit: Millions of yen)

	FY2022	FY2023	YoY changes		Most recent forecast	Changes
Revenue from operations	70,449	72,450	+2,000	+2.8%	72,600	(149)
Department store / SC	16,760	16,291	(468)	(2.8%)	16,400	(108)
Department store	12,697	12,601	(96)	(0.8%)	12,600	+1
SC	4,062	3,690	(372)	(9.2%)	3,800	(109)
Store business	53,689	56,159	+2,469	+4.6%	56,200	(40)
Supermarkets	41,034	42,315	+1,281	+3.1%	42,200	+115
Convenience store / Merchandise sales, etc.	12,655	13,843	+1,188	+9.4%	14,000	(156)
Operating profit	1,050	2,086	+1,035	+98.5%	1,930	+156
Department store / SC	539	769	+230	+42.7%	650	+119
Department store	248	325	+76	+31.0%	250	+75
SC	290	444	+153	+52.7%	400	+44
Store business	511	1,316	+805	+157.3%	1,280	+36
Supermarkets	(82)	535	+618	— %	480	+55
Convenience store / Merchandise sales, etc.	594	781	+186	+31.4%	800	(18)

【Main reasons for increase / decrease】

	vs. FY2022	vs. Most recent forecast
Revenue from operations	Up due to increase in completed construction, etc.	Down due to decrease in completed construction, etc.
Operating profit	Decrease due to provision for loss on construction contracts	Decrease due to provision for loss on construction contracts

(Unit: Millions of yen)

	FY2022	FY2023	YoY changes		Most recent forecast	Changes
Revenue from operations	43,636	46,162	+2,526	+5.8%	46,800	(637)
Operating profit	2,007	1,530	(476)	(23.7%)	2,100	(569)

Consolidated Statement of Income for FY2022・2023(quarterly)

(Unit: Millions of yen)

		FY2022				FY2023			
		1Q April-June	2Q July-September	3Q October-December	4Q January-March	1Q April-June	2Q July-September	3Q October-December	4Q January-March
Transportation	Revenue from operations	24,231	24,094	25,389	25,085	26,441	26,724	28,625	28,433
	Operating profit	(201)	1,060	484	(2,051)	2,349	3,786	4,139	565
Real Estate	Revenue from operations	10,482	11,635	13,765	14,681	9,818	10,912	16,167	23,752
	Operating profit	1,277	1,641	2,094	1,554	1,441	2,329	3,089	2,800
Leisure Services	Revenue from operations	6,697	6,634	6,949	7,106	7,202	7,332	7,607	7,780
	Operating profit	648	268	654	545	1,193	1,279	1,343	751
Retailing	Revenue from operations	17,182	17,423	18,625	17,218	17,628	18,157	19,089	17,574
	Operating profit	267	178	488	115	508	612	719	246
Other	Revenue from operations	7,311	8,888	9,497	17,939	6,592	10,072	9,231	20,266
	Operating profit	(168)	292	163	1,719	(138)	226	411	1,030
Revenue from operations		59,512	60,883	65,803	66,806	62,041	65,984	72,511	80,087
Operating profit		1,931	3,548	3,972	1,366	5,505	8,305	9,540	4,688
Ordinary profit		1,743	2,891	5,119	2,479	5,408	8,220	9,135	5,638
Profit attributable to owners of parent		8,343	4,186	3,147	140	3,721	5,485	6,194	68,348
Revenue from railway operations	Commuter	6,159	6,108	6,023	6,001	6,434	6,414	6,728	6,870
	Non commuter	9,935	9,905	10,919	10,942	11,379	11,443	12,789	12,756
	Total	16,095	16,013	16,943	16,944	17,814	17,858	19,518	19,626

Consolidated Statement of Income(1st Half vs. 2nd Half)

(Unit: Millions of yen)

		1st Half	2nd Half	2nd Half - 1st Half	Main reasons for increase / decrease
Transportation	Revenue from operations	53,166	57,059	+3,893	Railway and bus operations: Increased revenues due to recovery in mobility demand and fare revisions (*Keikyu Bus fares revised in September and train fares revised in October)
	Operating profit	6,136	4,705	(1,430)	Railway operations: Recording of repair expenses
Real Estate	Revenue from operations	20,731	39,920	+19,188	Real estate sales operations: Condominiums: 121 units in 1st half, 487 units in 2nd half
	Operating profit	3,770	5,889	+2,118	
Leisure Services	Revenue from operations	14,534	15,387	+852	Business hotel operations: Occupancy rate: 82.0% in 1st half, 88.0% in 2nd half
	Operating profit	2,472	2,095	(376)	Leisure-related facilities: Increase in expenses in the boat racing business, etc.
Retailing	Revenue from operations	35,785	36,664	+878	Increase in unit prices of products and increase in customers attracted by seasonal events such as year-end sales season and large-scale events
	Operating profit	1,120	965	(155)	Increase in personnel expenses due to improvement of labor conditions
Other	Revenue from operations	16,664	29,498	+12,833	Up due to increase in completed construction, etc.
	Operating profit	88	1,442	+1,354	
Revenue from operations		128,026	152,598	+24,572	
Operating profit		13,811	14,229	+417	
Ordinary profit		13,628	14,773	+1,145	Gain on sales of investment securities 1st half: 0.7 bn yen, 2nd half: 1.6 bn yen
Profit attributable to owners of parent		9,206	74,543	+65,336	Partial transfer of land interest at the Shinagawa Station West Exit area (Takanawa 3-chome)
Revenue from railway operations	Commuter	12,849	13,599	+749	
	Non commuter	22,823	25,546	+2,722	
	Total	35,673	39,145	+3,471	

Non-operating/Extraordinary Income and Losses

(Unit: Millions of yen)

	FY2022	FY2023	YoY changes	Major factor
Non-operating profit	5,710	5,002	(708)	Gain on sales of investment securities : 2,458 (down 966 YoY) Subsidy income : 311 (up 192 YoY)
Non-operating expenses	4,296	4,640	+344	
Extraordinary income	15,064	95,586	+80,522	Gain on sale of non-current assets : 90,614 (up 77,410 YoY)* Gain on return of retirement benefit trust : 4,427 (up 4,427 YoY) Contribution received for construction : 421 (down 1,436 YoY)
Extraordinary losses	4,945	4,710	(235)	Impairment losses : 3,012 (up 1,779 YoY) Loss on retirement of non-current assets : 624 (down 906 YoY) Losses on sales of non-current assets : 466 (up 454 YoY) Loss on tax purpose reduction entry of non-current assets: 421 (down 1,436 YoY)

* FY2023 4 Q: Partial Transfer of Land Interest at the Shinagawa Station West Exit Area (Takanawa 3-chome), etc.

Consolidated Balance Sheet (Condensed)

KEIKYU

(Unit: Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Changes	Main reasons for increase / decrease
Current assets	134,727	242,157	+107,429	Cash and deposits : • Partial transfer of land interest at the Shinagawa Station West Exit Area (Takanawa 3-chome) • Return of retirement benefit trust
Cash and deposits	57,119	149,223	+92,103	
Land and buildings for sale in lots	54,802	65,451	+10,648	
Non-current assets	800,692	844,745	+44,052	Investment securities: • SPC investment due to real estate securitization increased • Market value of equity holdings rose despite a reduction in cross-shareholdings
Property, plant and equipment	644,786	680,050	+35,263	
Investments and other assets	147,605	156,500	+8,895	
Investment securities	84,591	103,100	+18,508	
Total assets	935,420	1,086,902	+151,482	
Total liabilities	661,968	729,218	+67,250	Equity: • Partial transfer of land interest at the Shinagawa Station West Exit Area (Takanawa 3-chome)
Outstanding interest-bearing debt*	487,450	487,374	(76)	
Equity	271,085	355,107	+84,021	
Total net assets	273,452	357,684	+84,231	
Total liabilities and net assets	935,420	1,086,902	+151,482	
* Total figure for corporate bonds, and debt				
Net interest-bearing debt outstanding	430,330	338,151	(92,179)	
equity-to-asset ratio	29.0%	32.7%	+3.7pt.	

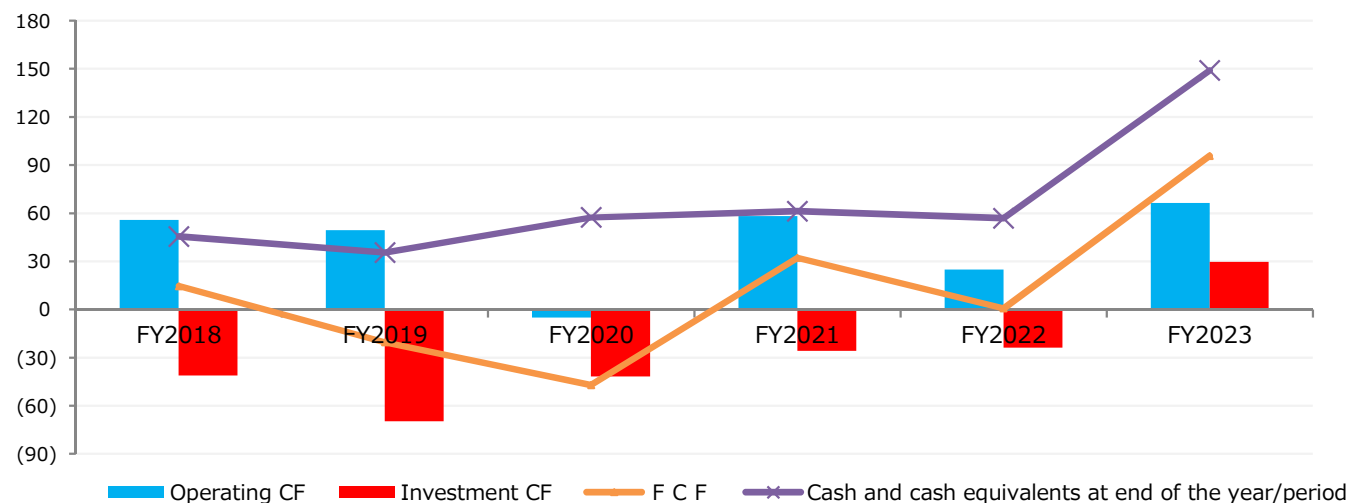
Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	FY2022	FY2023	Changes
Cash flows from operating activities	24,786	66,202	+41,416
Cash flows from investing activities	(24,094)	29,656	+53,750
Cash flows from financing activities	(4,969)	(3,751)	+1,217
Net increase (decrease) in cash and cash equivalents	(4,264)	92,103	+96,367
Cash and cash equivalents at end of period	56,969	149,073	+92,103

[Reference] Free cash flow (operating cash flow + investment cash flow)

(Unit: Billions of yen)



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Consolidated Statement of Income (Business Forecasts)

KEIKYU

(Unit: Billions of yen)

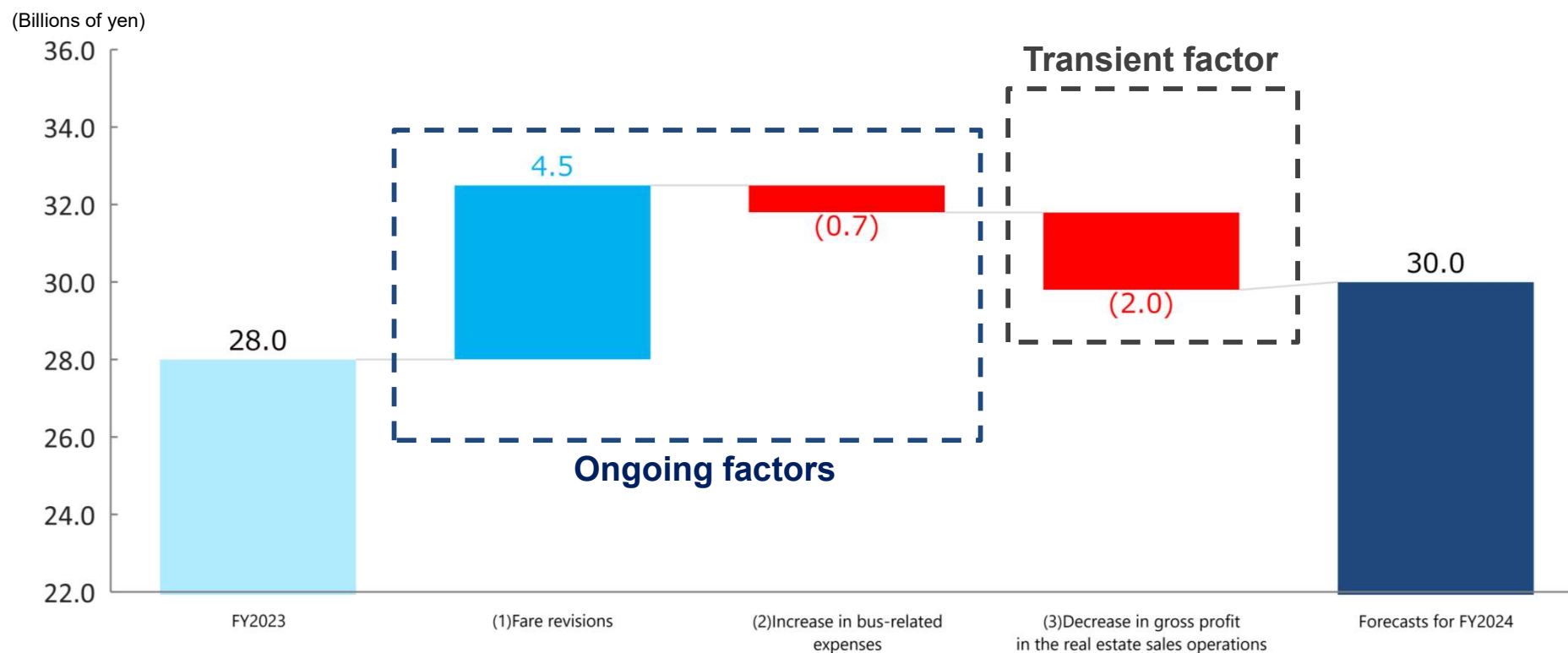
	FY2023	FY2024		Changes	
		Full year	First half		Second half
Revenue from operations	280.6	305.4	139.0	166.4	+24.7
Operating profit	28.0	30.0	15.3	14.7	+1.9
Ordinary profit	28.4	27.8	14.2	13.6	(0.6)
Profit attributable to owners of parent	83.7	16.8	8.4	8.4	(66.9)

(Unit: Billions of yen)

	FY2023	FY2024	Changes
Amount of capital Investment*	100.2	118.0	+17.7
[Of which, SPC investment due to real estate securitization]	[17.3]	[15.0]	[(2.3)]
Depreciation	28.1	29.2	+1.0
Net income per Share(yen)	304.23	61.03	(243.20)

* Includes contribution for construction, etc. FY2023:16.4 billion yen, FY2024 :16.5 billion yen

Forecast for FY2024 (Operating profit)



	Ongoing factors	Transient factor
Factors increasing profit	(1) • Effect of revised fares of railway operations (Up approximately 4.0 billion yen)(Revised in October 2023) • Effect of revised fares of KEIHIN KYUKO BUS (Up approximately 0.5 billion yen) (Revised in September 2023)	—
Factors decreasing profit	(2) Increase in personnel, fuel, and depreciation expenses in the bus operations (Down approximately 0.7 billion yen)	(3) Decrease in gross profit from condominiums and land for sale in lots in the real estate sales operations (Down approximately 2.0 billion yen)

(Unit: Billions of yen)

		FY2023	FY2024	Changes
Transportation	Revenue from operations	110.2	116.3	+6.0
	Operating profit	10.8	16.2	+5.3
Real Estate	Revenue from operations	60.6	70.6	+9.9
	Operating profit	9.6	6.4	(3.2)
Leisure Services	Revenue from operations	29.9	30.9	+0.9
	Operating profit	4.5	3.8	(0.7)
Retailing	Revenue from operations	72.4	79.3	+6.8
	Operating profit	2.0	1.8	(0.2)
Other	Revenue from operations	46.1	47.6	+1.4
	Operating profit	1.5	2.1	+0.5

Transportation (Business Forecasts)

(Unit: Billions of yen)

	FY2023	FY2024	Changes	Note
Revenue from operations	110.2	116.3	+6.0	[Railway operations] Effect of fare revision in October 2023: Up approximately 4.0 billion yen
Railway	77.1	82.6	+5.4	
Bus	29.3	29.8	+0.4	
Taxi	3.6	3.9	+0.2	
Operating profit	10.8	16.2	+5.3	
Railway	9.6	15.4	+5.7	
Bus	1.2	0.8	(0.4)	
Taxi	(0.0)	0.0	+0.0	

<Railway mainly operating expenses>

(Unit: Billions of yen)

	FY2023	FY2024	Changes
Personnel expenses	19.5	19.4	(0.1)
Electric power expenses	4.8	4.8	+0.0
Repair expenses	5.7	5.4	(0.3)
Fixed-asset removal expenses	0.7	1.1	+0.4
Depreciation	17.3	17.1	(0.1)

Transportation (Business Forecasts) Number of passengers carried and Revenue from railway operations

<Results in railway operations: number of passengers carried & revenue from railway operations>

(Unit: Millions of people)

(Unit: Billions of yen)

	Number of passengers carried			Revenue from railway operations		
	FY2023	FY2024	Changes	FY2023	FY2024	Changes
Commuter	222	224	+2	26.4	28.7	+2.2
Non commuter	211	214	+2	48.3	51.6	+3.3
Total	433	438	+5	74.8	80.3	+5.5

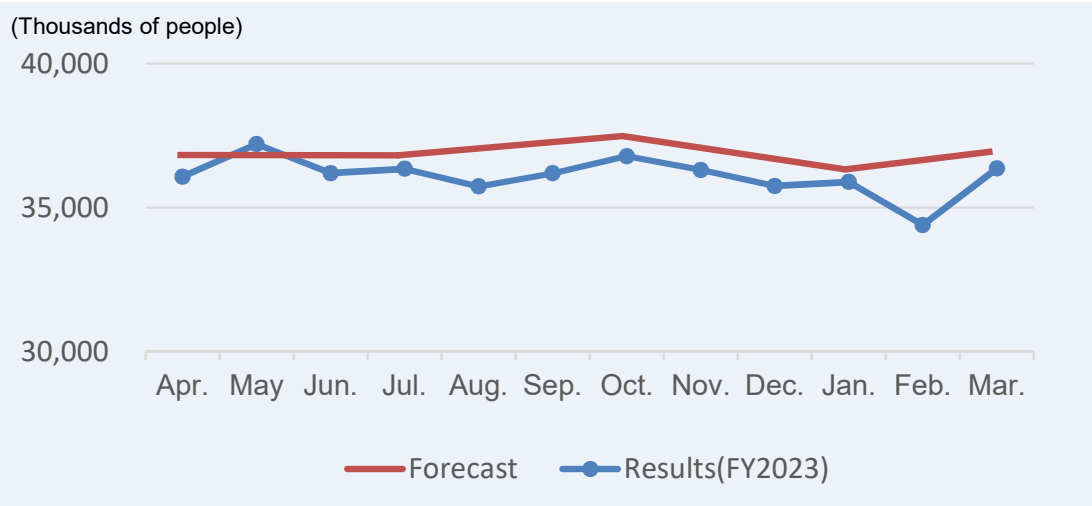
<Number of passengers carried: Total of the two Haneda Airport stations>

(Unit: Millions of people)

	Number of passengers carried		
	FY2023	FY2024	Changes
Haneda Airport Terminal 1・2	36	38	+1
Haneda Airport Terminal 3	11	12	+0
Total	48	50	+2

◆ Railway Business

<Forecast numbers of passengers carried on all lines>

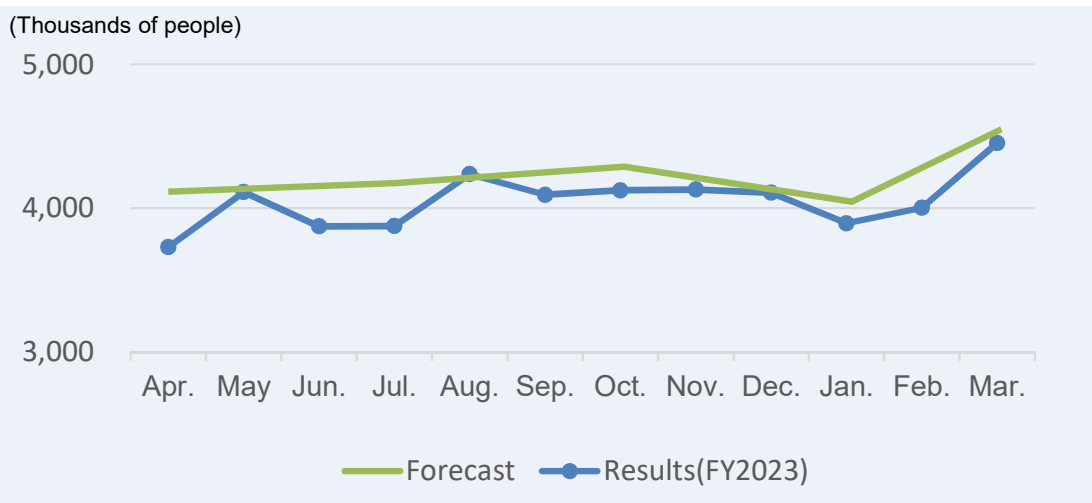


<Forecast total for all lines (vs. previous year) >

(Unit: %)

	FY2024 1st Half Forecast	FY2024 2nd Half Forecast	FY2024 Full-year Forecast
Commuter	+2%	+1%	+1%
Non commuter	+2%	+1%	+1%
Total	+2%	+1%	+1%

<Forecast numbers of passengers carried for the two Haneda Airport stations>



<Forecast for the two Haneda Airport stations (vs. previous year) >

(Unit: %)

	FY2024 1st Half Forecast	FY2024 2nd Half Forecast	FY2024 Full-year Forecast
Total of the two Haneda Airport stations	+6%	+2%	+4%

Real Estate (Business Forecasts)

(Unit: Billions of yen)

	FY2023	FY2024	Changes	Note
Revenue from operations	60.6	70.6	+9.9	[Real estate sales operations] Increase in sales of rental condominiums and land for sale in lots
Real estate sales	41.9	51.3	+9.3	[Real estate leasing operations] Increase in dividend income from real estate funds
Real estate leasing	18.7	19.3	+0.5	
Operating profit	9.6	6.4	(3.2)	[Real estate sales operations] Decrease due to a downturn in reaction to sales of condominiums in the previous fiscal year
Real estate sales	4.9	2.9	(2.0)	[Real estate leasing] Decrease due to higher depreciation expenses accompanying the opening of YOKOHAMA SYMPHOSTAGE (Minato Mirai 21 Central District 53 Development Project)
Real estate leasing	4.7	3.4	(1.2)	

<Major properties to be delivered in FY2024>

(Number of units)	Total number	Delivery date (Scheduled)
PRIME Yokohama Kishiya	115	Feb. 2025
PRIME STYLE Yokohama Namamugi	63	Feb. 2025
PRIME PARKS Yokohama Namiki THE RESIDENCE	509	Mar. 2025
PRIME FIT Yokohama Tomioka	64	Mar. 2024

Leisure Services (Business Forecasts)

(Unit: Billions of yen)

	FY2023	FY2024	Changes	Note
Revenue from operations	29.9	30.9	+0.9	[Business hotel operations] Assumed occupancy rate: approximately 84% (decrease by approximately 1pt. year on year) Assumed ADR: increase by approximately 7% year on year • Increase due to the opening of a new building (Keikyu EX Hotel Minato Mirai Yokohama)
Business hotels	8.2	9.1	+0.8	
Leisure-related facilities	11.8	12.0	+0.1	
Leisure, other	9.8	9.8	(0.0)	
Operating profit	4.5	3.8	(0.7)	[Business hotel operations] Decrease due to costs associated with the opening of new buildings and renovation of some existing buildings
Business hotels	1.6	1.1	(0.5)	
Leisure-related facilities	1.9	2.0	+0.0	
Leisure, other	1.0	0.7	(0.3)	

Retailing (Business Forecasts)

KEIKYU

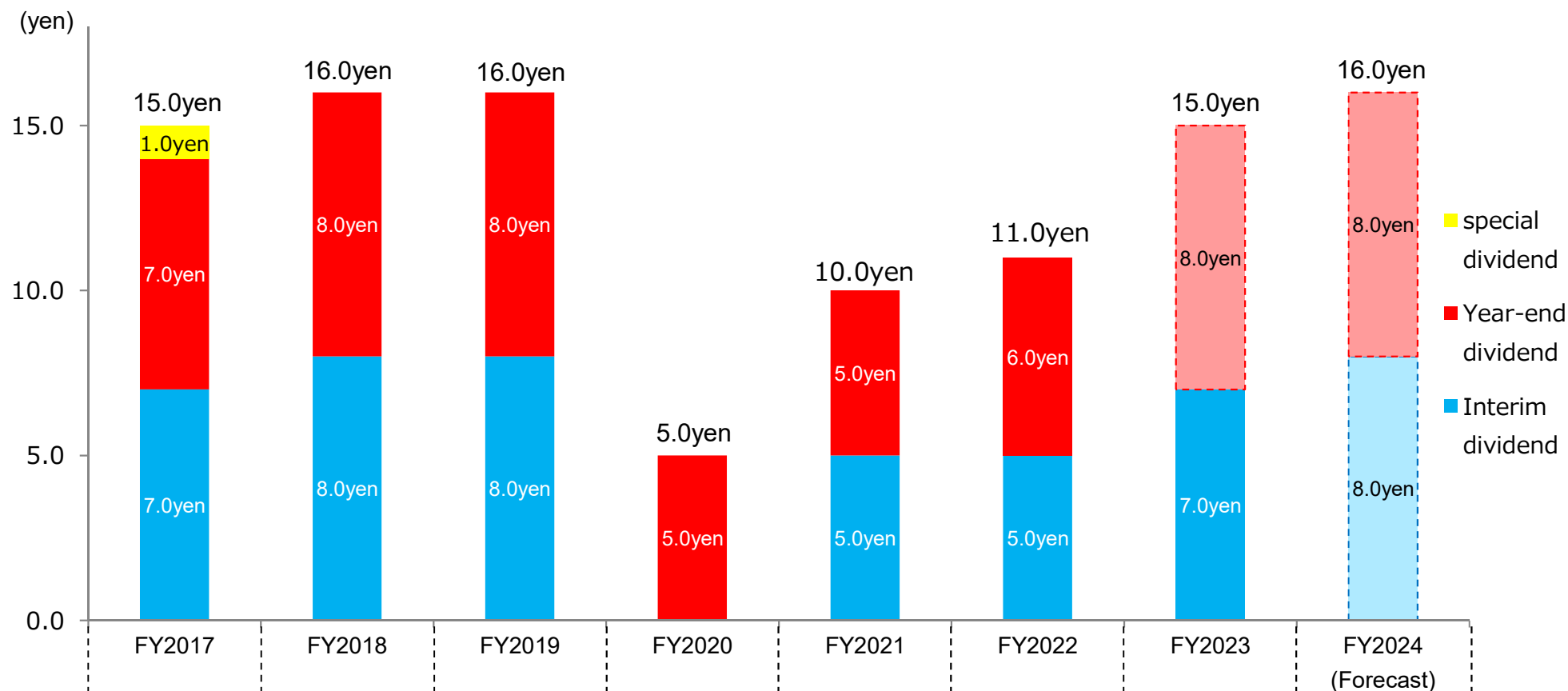
(Unit: Billions of yen)

	FY2023	FY2024	Changes	Note
Revenue from operations	72.4	79.3	+6.8	[Store business operations] ・Increase due to consolidation of F・Climbing Co.Ltd ・Increase due to opening a new store and two convenience stores
Department store / SC	16.2	16.1	(0.1)	
Department store	12.6	12.4	(0.2)	
SC	3.6	3.7	+0.0	
Store business	56.1	63.1	+6.9	
Supermarkets	42.3	49.0	+6.6	
Convenience store / Merchandise sales, etc.	13.8	14.1	+0.3	
Operating profit	2.0	1.8	(0.2)	[Department store / SC operations] Increase system costs and personnel expenses, etc. [Store business operations] Increase in personnel expenses and utility cost, etc.
Department store / SC	0.7	0.6	(0.1)	
Department store	0.3	0.2	(0.1)	
SC	0.4	0.4	+0.0	
Store business	1.3	1.1	(0.1)	
Supermarkets	0.5	0.4	(0.1)	
Convenience store / Merchandise sales, etc.	0.7	0.7	(0.0)	

(Unit: Billions of yen)

	FY2023	FY2024	Changes	Note
Revenue from operations	46.1	47.6	+1.4	
Operating profit	1.5	2.1	+0.5	

➤ Dividend policy: Try to improve dividends as appropriate for the profit level while maintaining stability



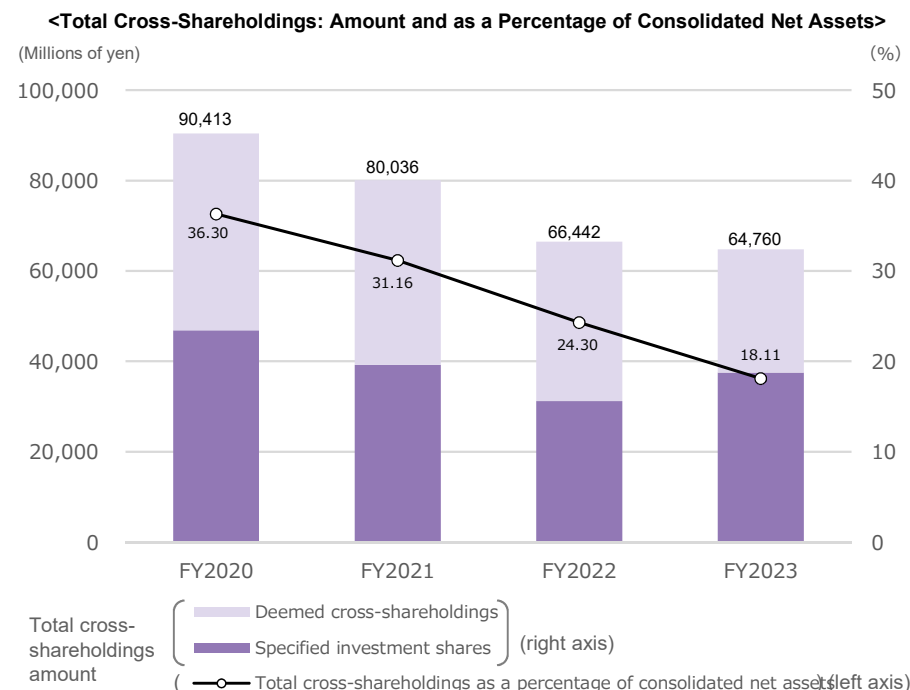
Dividend payout ratio (consolidated)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecast)
	25.6%	21.3%	28.2%	—	22.0%	19.1%	4.9%	26.2%

Planned reductions by FY2023

Our policy is to reduce the amount of cross-shareholdings (including deemed cross-shareholdings) to **not more than 20%** of consolidated net assets by the end of FY2023

Reduction achieved

		FY2020	FY2021	FY2022	FY2023
Number of cross-shareholding stock held/amount of cross-shareholding	Specified investment shares	80 stocks ¥46.8 billion	71 stocks ¥39.1 billion	57 stocks ¥31.1 billion	52 stocks ¥37.4 billion
	Deemed cross-shareholdings	16 stocks ¥43.5 billion	14 stocks ¥40.8 billion	6 stocks ¥35.2 billion	3 stocks ¥27.2 billion
	Total	¥90.4 billion	¥80.0 billion	¥66.4 billion	¥64.7 billion
As a percentage of consolidated net assets (%)		36.30	31.16	24.30	18.11



Future policy (FY2024 onwards)

- The Company will improve return on capital **by continuously reducing the holdings rate actively** from FY2024 onward, thereby promoting the enhancement of corporate value.
- By reducing cross-shareholdings, we seek to recover funds to allocate those funds to investments for growth and to improvement of financial soundness.

I . Executive Summary	P. 3
II . Financial Results for the Fiscal Year Ended March 31, 2024 (FY2023)	P. 5
III . Full-Year Business Forecasts for the Fiscal Year Ending March 31, 2025 (FY2024)	P. 22
[Reference]	
Action to Implement Management that is Conscious of Cost of Capital and Stock Price	P. 35
State of Dialogue with Shareholders and Investors	P. 38

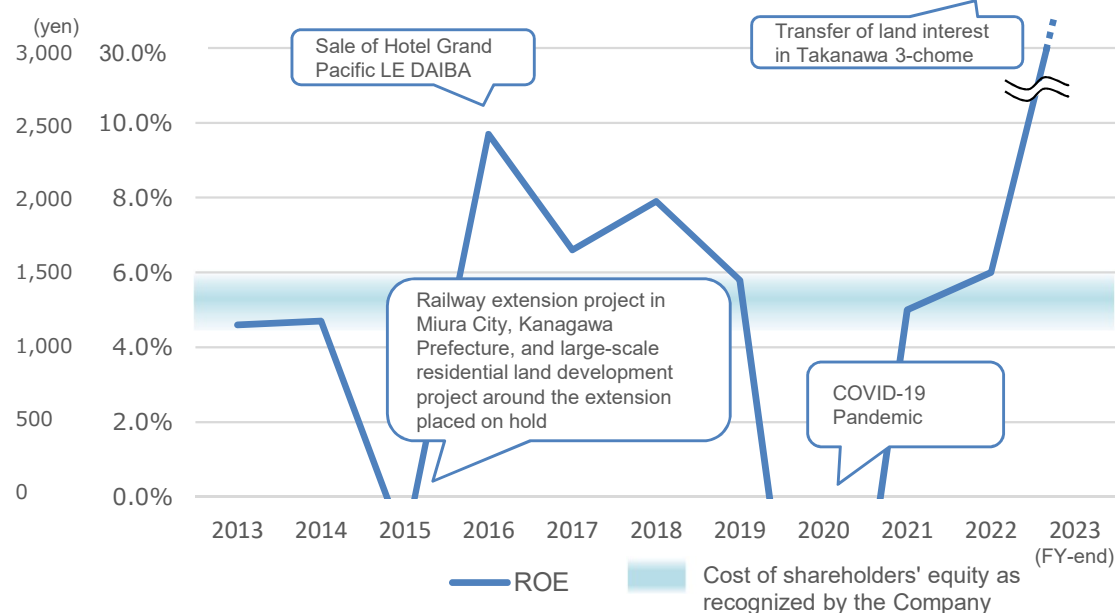
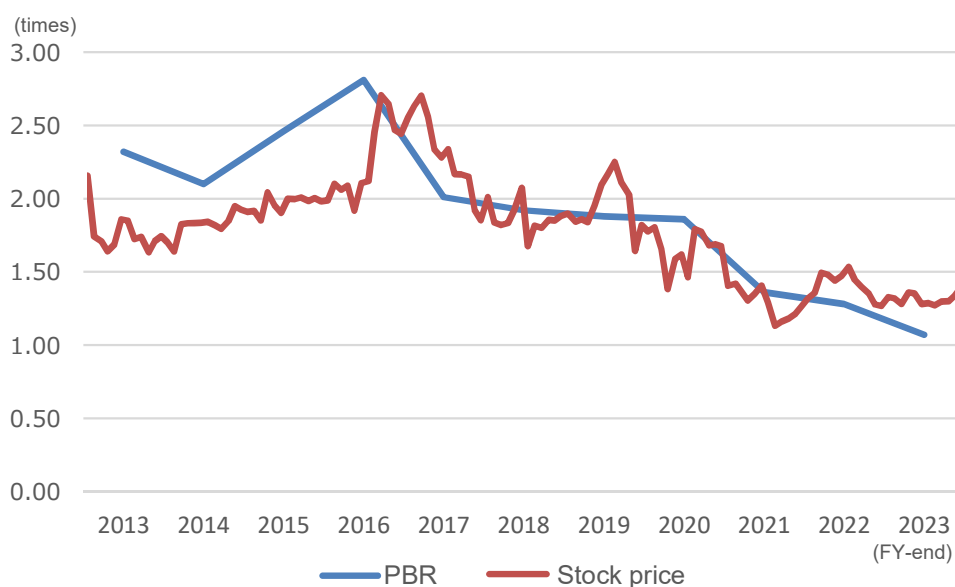
[Reference 1] Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Recognition of the current situation

- Since ROE has been low for a long time and ROA has been declining, it is necessary not only to increase profit but also to improve return on capital.

FY	2018	2019	2020	2021	2022	2023
ROE	7.9	5.8	(10.6)	5.0	6.0	26.9
ROA	4.3	3.0	(2.2)	0.6	1.3	8.4
Financial Leverage	3.3	3.3	3.8	3.6	3.5	3.1
EPS	75.2	56.8	(98.8)	45.5	57.5	306.1

- The level of our share price is low due to concerns about the burden of investment in large-scale developments and low EPS.
- Unrealized gains on the rental real estate are not reflected in the share price, and the capital market considers the Company's capital efficiency to be poor.
- In FY2023, the Company posted a large amount of profit due to the transfer of its land interest in Takanawa 3-chome, resulting in a large increase in equity and a decline in PBR to around 1x.



Policy

Since the 20th Integrated Management Plan period (FY2024-FY2026) is a period to promote investment in the Shinagawa development and transformation of the railway operations, we will maintain a **minimum ROE level of 6% during the Medium-Term Management Plan period while aiming for 8% in the long term.**

▶Keikyu Group 20th Integrated Management Plan (p.40)

Initiatives

Improve return on capital through business-specific ROIC management

▶Keikyu Group 20th Integrated Management Plan (p.41, 42)

- Understand cost of capital accurately and improve business-specific ROIC-WACC
- Improve investment efficiency by setting business-specific hurdle rates
- Select businesses and revenue-generating properties, reduce cross-shareholdings, etc.

Strengthen profitability in order to achieve sustainable growth

▶Keikyu Group 20th Integrated Management Plan (p.16, 32-36, 38-39)

- Implement investments for lasting growth and execute steady business structure reforms
- Advance sustainability (e.g., decarbonization and other environmental considerations, human capital management) etc.

Ongoing dialogue with shareholders and investors, etc.

▶Keikyu Group 20th Integrated Management Plan p.43

- Continue to enhance dialogue with shareholders and investors and disclosure of information
- Increase dividends in line with profit growth while paying attention to financial soundness, acquire treasury shares flexibly, etc.



Aim to improve PBR by promoting increased return on capital

■ FY2023

	Securities analysts and institutional investors				Other shareholders and individual investors			
	Financial results briefings	Web conferences on financial results	One-on-one meetings	Small meetings (Main Theme: Sustainability)	Online briefings	Brokerage firm branch briefings	SR interviews	Shareholder premium events
Persons in charge	President, Officers in charge	General Managers, Senior Managers	President, Officers in charge, Senior Managers	Officers in charge, Outside Directors	Officers in charge	Senior Managers	General Managers, Senior Managers	Senior Managers
Main Theme	<ul style="list-style-type: none"> Explanation of financial results Progress of Management Plan 	<ul style="list-style-type: none"> Explanation of financial results 	<ul style="list-style-type: none"> Supplemental financial results Progress of Management Plan 	<ul style="list-style-type: none"> Progress of sustainability management 	<ul style="list-style-type: none"> Company introduction Explanation of financial results Progress of Management Plan 	<ul style="list-style-type: none"> Company introduction Explanation of financial results Progress of Management Plan 	<ul style="list-style-type: none"> Voting criteria Progress of sustainability management 	<ul style="list-style-type: none"> Holding facility tours Explanation of businesses Progress of Management Plan
Matters of concern	<ul style="list-style-type: none"> Methods of financing the Shinagawa development, total investment, profit levels after opening Measures for the airport line following entry of the Haneda Airport Access Line (tentative name) by East Japan Railway Company Measures to capture inbound demand Progress in reducing cross-shareholdings Balance between investment in growth and shareholder returns About each business 				<ul style="list-style-type: none"> Measures for the airport line following entry of the Haneda Airport Access Line (tentative name) by East Japan Railway Company Stock price, shareholder return policy Progress in reducing cross-shareholdings 			
Implementation of feedback	<ul style="list-style-type: none"> Periodic reports on IR activities at Board of Directors meetings (four times a year) Progress reports on action to implement management that is conscious of cost of capital and stock price 				<ul style="list-style-type: none"> Periodic reports at Board of Directors meetings (results of SR interviews, results of voting rights exercise at Annual General Meeting of Shareholders (once a year for each)) 			
Matters that have already been taken up as a result of dialogue	<ul style="list-style-type: none"> Holding individual meetings with top management Participation of Outside Directors in Small Meetings 				<ul style="list-style-type: none"> Setting of targets for reduction of cross-shareholdings and prompt disclosure of progress (At year-end settlement of accounts and in notices of convocation of the Annual General Meeting of Shareholders) Disclosure of reasons for selection of each item of the skills matrix (Integrated Reports, notices of Annual General Meeting of Shareholders, etc.) 			



<Note>

With the exception of historical facts, the information in these materials consists of forward-looking statements, created based on various assumptions at the time they were announced. The posting of such information is no guarantee of future results and is subject to risks and uncertainties. Actual results may differ from forward-looking statements due to various factors.

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