

Supplementary Materials on Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023 (FY2022)

Keikyu Corporation (Securities code: 9006)

February 13, 2023

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

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Year-on-Year (vs FY2021 3Q)

- **Both revenue and profit increased** due to a recovery trend despite the continuing impact of COVID-19

Revenue from railway transportation

+13.8%

Revenue from bus operation

+12.6%

Business hotel occupancy rate

+28.3pt

vs. Before COVID-19 (FY2018 3Q)

- **Both revenue and profit decreased significantly** despite the diminishing impact of COVID-19

Revenue from railway transportation

(21.3%)

Revenue from bus operation

(23.9%)

Business hotel occupancy rate

(21.1pt)

Progress Against Business Forecasts

Result for 3Q

- Revenue from railway transportation slightly exceeded expectations
- Revenue from bus operation progressed largely in line with expectations
- Business hotel occupancy rate exceeded expectations

Forecast for 4Q

- Ordinary profit revised upward (from 5.0 billion yen to 8.0 billion yen)
Reason for revision: due to the progress of the sale of cross-shareholdings and an increase in gain on sales of investment securities
- Operating profit and profit remain unchanged
Reason (operating profit):
Remains unchanged due to the recording of repair work expenses and factoring in the increase in power expenses in the Transportation segment, as well as due to plans to record a part of personnel expenses in the current fiscal year instead of the next fiscal, despite results for 3Q (9.4 billion yen) exceeding the forecast at the beginning of the year (8.0 billion yen).
Reason (profit):
Remains unchanged due to the rescheduling of the sale of properties scheduled for securitization to the next fiscal year onward, etc. despite revisions of ordinary profit.

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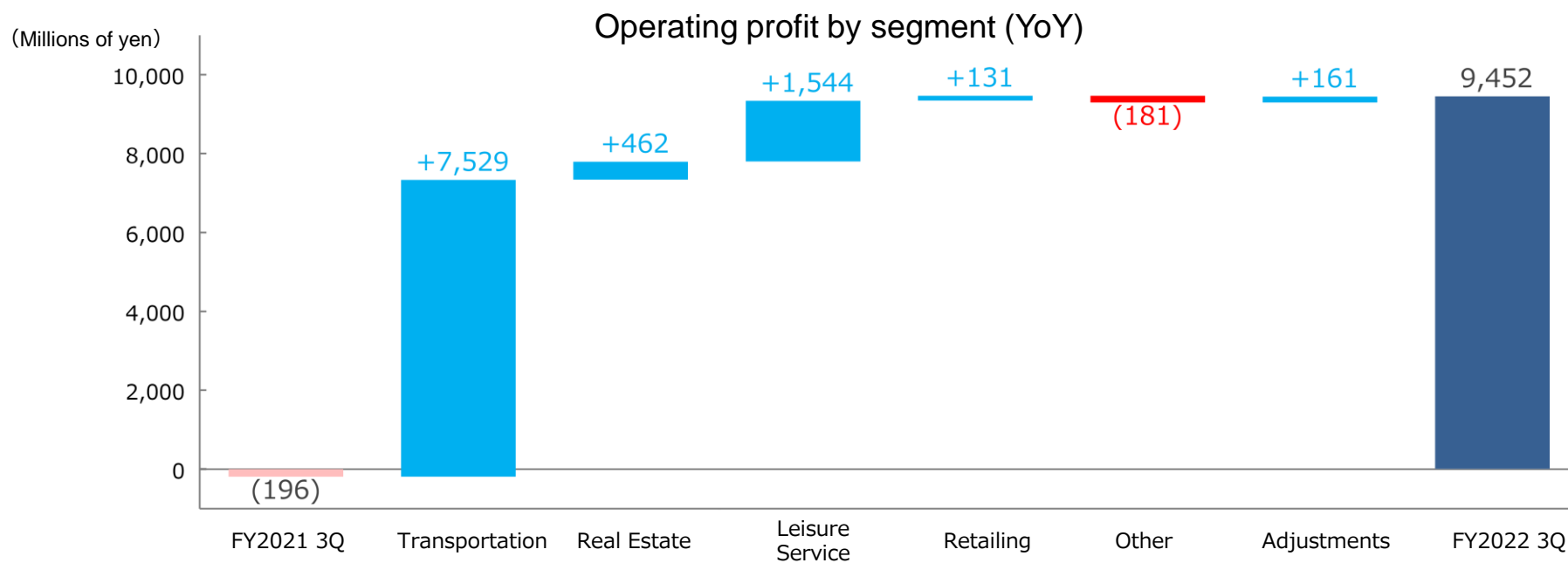
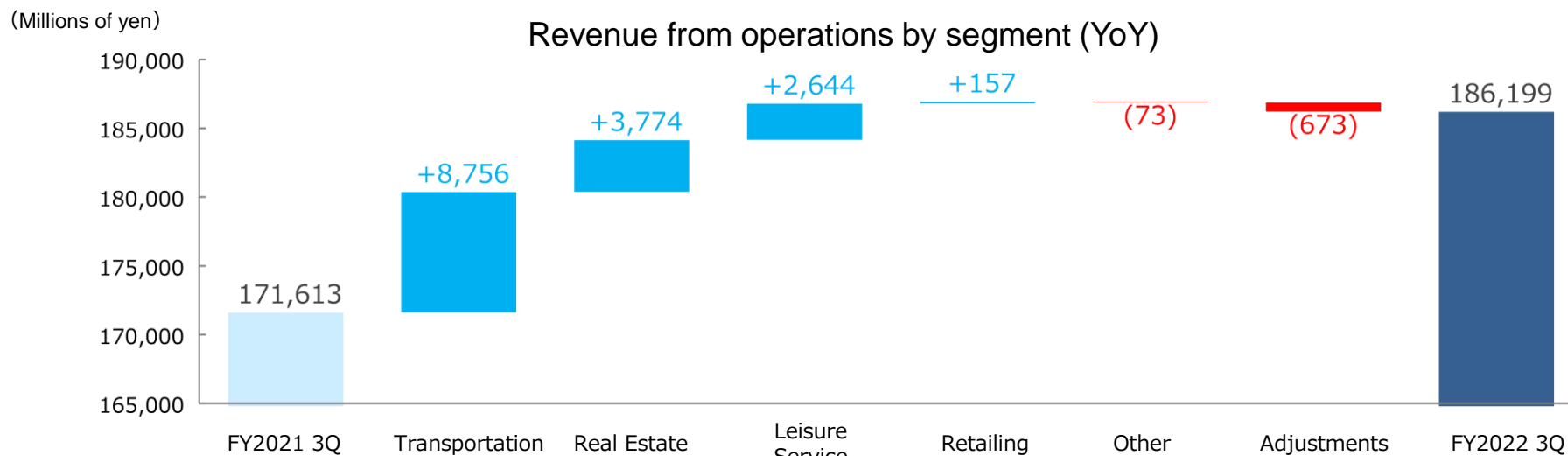
Consolidated Statement of Income

(Unit: Millions of yen)	FY2022 3Q	FY2021 3Q	YoY changes	
Revenue from operations	186,199	171,613	+14,585	+8.5%
Operating profit	9,452	(196)	+9,649	— %
Ordinary profit	9,754	460	+9,293	— %
Profit attributable to owners of parent	15,677	9,375	+6,301	+67.2%
Net income per Share(yen)	56.95	34.06	+22.89	

Consolidated Statement of Income By segment

(Unit: Millions of yen)		FY2022 3Q	FY2021 3Q	YoY changes	
Transportation	Revenue from operations	73,715	64,959	+8,756	+13.5%
	Operating profit	1,343	(6,185)	+7,529	– %
Real Estate	Revenue from operations	35,882	32,108	+3,774	+11.8%
	Operating profit	5,013	4,550	+462	+10.2%
Leisure Services	Revenue from operations	20,281	17,637	+2,644	+15.0%
	Operating profit	1,571	26	+1,544	– %
Retailing	Revenue from operations	53,230	53,073	+157	+0.3%
	Operating profit	934	803	+131	+16.4%
Other	Revenue from operations	25,697	25,770	(73)	(0.3%)
	Operating profit	287	468	(181)	(38.6%)

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



Unit: Millions of yen	FY2022 3Q	FY2021 3Q	YoY changes		Main reasons for increase / decrease
Revenue from operations	73,715	64,959	+8,756	+13.5%	Railway operations: Increase in non-commuter revenue Bus operations: Increase in revenue from medium-distance airport routes
Railway	51,024	44,945	+6,079	+13.5%	
Bus	19,944	17,706	+2,237	+12.6%	
Taxi	2,746	2,307	+438	+19.0%	
Operating profit	1,343	(6,185)	+7,529	— %	
Railway	2,101	(2,830)	+4,932	— %	
Bus	(747)	(3,226)	+2,479	— %	
Taxi	(10)	(129)	+118	— %	

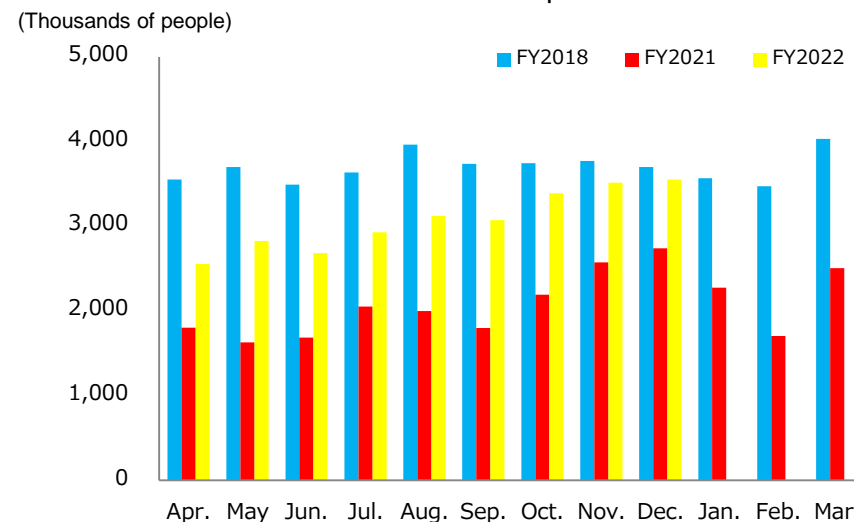
< Results in railway operations: number of passengers carried & revenue from railway operations >

	Number of passengers carried (Thousands of people)				Revenue from railway operations (Millions of yen)			
	FY2022 3Q	FY2021 3Q	YoY changes		FY2022 3Q	FY2021 3Q	YoY changes	
Commuter	161,252	151,230	+10,022	+6.6%	18,292	17,729	+562	+3.2%
Non commuter	141,769	120,034	+21,735	+18.1%	30,760	25,365	+5,394	+21.3%
Total	303,021	271,264	+31,757	+11.7%	49,052	43,095	+5,957	+13.8%

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

	Number of passengers carried (Thousands of people)			
	FY2022 3Q	FY2021 3Q	YoY changes	
Haneda Airport Terminal 1・2 (domestic)	23,951	16,199	+7,752	+47.9%
Haneda Airport Terminal 3 (international)	3,679	2,263	+1,416	+62.6%
Total	27,630	18,462	+9,168	+49.7%

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



Unit: Millions of yen	FY2022 3Q	FY2021 3Q	YoY changes		Main reasons for increase / decrease
Revenue from operations	35,882	32,108	+3,774	+11.8%	Real estate sales operations: Condominiums: 328 units (up 161 units YoY) Real estate leasing operations: Increased due to higher dividend income from real estate funds
Real estate sales	22,470	19,262	+3,207	+16.7%	
Real estate leasing	13,412	12,846	+566	+4.4%	
Operating profit	5,013	4,550	+462	+10.2%	
Real estate sales	1,077	1,114	(36)	(3.3%)	
Real estate leasing	3,935	3,436	+498	+14.5%	

<Major properties to be delivered in FY2022>

(Number of units)	Total number	Delivery date
PRIME Kanazawabunko	106	March 2023(Scheduled)
PREMIST Oji Kamiya	227	February 2023(Scheduled)
PRIME Kawasaki Kojimashinden	116	September 2022
BRANZ TOWER Shibaura	482	January 2022

Unit: Millions of yen	FY2022 3Q	FY2021 3Q	YoY changes		Main reasons for increase / decrease
Revenue from operations	20,281	17,637	+2,644	+15.0%	Business hotel operations: Increased due to a recovery in demand for accommodation Leisure-related facilities: Increase in sales from Heiwajima leisure facilities
Business hotels	3,813	2,175	+1,637	+75.3%	
Leisure-related facilities	9,063	8,771	+292	+3.3%	
Leisure, other	7,404	6,689	+714	+10.7%	
Operating profit	1,571	26	+1,544	— %	
Business hotels	(865)	(1,749)	+883	— %	
Leisure-related facilities	1,590	1,305	+285	+21.8%	
Leisure, other	847	470	+376	+79.9%	

Keikyu EX Hotel • Keikyu EX Inn: Occupancy rate of guest rooms

	FY2022 3Q	FY2021 3Q	YoY changes
Occupancy rate of guest rooms	73.0%	44.7%	+28.3pt

	As of the end of FY2022 3Q	As of the end of FY2021
Number of guest rooms	2,236	2,516

Unit: Millions of yen	FY2022 3Q	FY2021 3Q	YoY changes		Main reasons for increase / decrease
Revenue from operations	53,230	53,073	+157	+0.3%	Department store/SC operations: Increased in accordance with the diminishing impact of COVID-19 Supermarket business: Decreased due to decline in special demand created by the eating at home, a decrease in the number of items purchased resulting from the increasing product prices, closures of some stores, etc.
Department store / SC	12,732	11,475	+1,257	+11.0%	
Department store	9,626	9,353	+273	+2.9%	
SC	3,106	2,122	+983	+46.4%	
Store business	40,497	41,597	(1,099)	(2.6%)	
Supermarkets	31,011	32,093	(1,082)	(3.4%)	
Convenience store / Merchandise sales, etc.	9,486	9,503	(17)	(0.2%)	
Operating profit	934	803	+131	+16.4%	
Department store / SC	445	(62)	+508	— %	
Department store	195	(68)	+263	— %	
SC	250	5	+245	— %	
Store business	489	865	(376)	(43.5%)	
Supermarkets	18	375	(357)	(95.1%)	
Convenience store / Merchandise sales, etc.	470	490	(19)	(4.0%)	

Unit: Millions of yen	FY2022 3Q	FY2021 3Q	YoY changes		Main reasons for increase / decrease
Revenue from operations	25,697	25,770	(73)	(0.3%)	Decreased due to a decrease in completed construction of Keikyu Fine-tec CO., LTD., etc.
Operating profit	287	468	(181)	(38.6%)	

Non-operating/Extraordinary Income and Losses

(Unit: Millions of yen)	FY2022 3 Q	FY2021 3 Q	YoY changes	Major factor
Non-operating profit	3,404	3,904	(499)	Subsidy income : 112 (down 785 YoY) Gain on sales of investment securities: 1,668(up 240 YoY)
Non-operating expenses	3,102	3,247	(144)	
Extraordinary income	14,258	17,155	(2,896)	Gain on sales of non-current assets: 13,103 (down 3,177 YoY) *
Extraordinary losses	1,975	1,226	+748	

* Cumulative total of FY2021 3Q: Sale of three properties under non-current assets through real estate securitization
(Keikyu 2nd Building, Keikyu 7th Building and Kanazawa-hakkei 1st Keikyu Building)
Cumulative total of FY2022 3Q: Sale of Keihin Kyuko Bus office and three business hotels

Consolidated Balance Sheet (Condensed)

(Unit: Millions of yen)	As of December 31, 2022	As of March 31, 2022	Changes
Current assets	127,179	128,019	(839)
Cash and deposits	49,268	61,384	(12,115)
Land and buildings for sale in lots	53,263	46,396	+6,866
Non-current assets	776,391	784,365	(7,974)
Property, plant and equipment	624,165	631,790	(7,624)
Investments and other assets	144,630	145,149	(519)
Investment securities	86,968	85,846	+1,122
Total assets	903,570	912,385	(8,814)
Total liabilities	631,876	655,500	(23,623)
Outstanding interest-bearing debt*	471,987	489,668	(17,681)
Total net assets	271,693	256,884	+14,809
Total liabilities and net assets	903,570	912,385	(8,814)
* Total figure for corporate bonds, and debt			
Net interest-bearing debt outstanding	422,719	428,284	(5,565)
equity-to-asset ratio	29.8%	27.9%	+1.9pt

【Reference】 Consolidated Statement of Income for FY2021・2022(quarterly)

(Unit: Millions of yen)		FY2021				FY2022		
		1Q April-June	2Q July-September	3Q October-December	4Q January-March	1Q April-June	2Q July-September	3Q October-December
Transportation	Revenue from operations	20,912	20,731	23,315	21,302	24,231	24,094	25,389
	Operating profit	(3,148)	(1,986)	(1,051)	(3,768)	(201)	1,060	484
Real Estate	Revenue from operations	8,394	7,319	16,394	47,305	10,482	11,635	13,765
	Operating profit	1,094	468	2,987	6,386	1,277	1,641	2,094
Leisure Services	Revenue from operations	5,027	6,294	6,315	6,359	6,697	6,634	6,949
	Operating profit	(707)	439	294	181	648	268	654
Retailing	Revenue from operations	17,162	17,930	17,980	16,749	17,182	17,423	18,625
	Operating profit	262	243	297	(40)	267	178	488
Other	Revenue from operations	7,660	9,049	9,060	15,818	7,311	8,888	9,497
	Operating profit	(73)	268	274	1,209	(168)	292	163
Revenue from operations		52,713	53,471	65,428	93,624	59,512	60,883	65,803
Operating profit		(2,483)	(441)	2,728	3,707	1,931	3,548	3,972
Ordinary profit		(2,011)	(368)	2,840	4,605	1,743	2,891	5,119
Profit attributable to owners of parent		8,643	(1,046)	1,777	3,154	8,343	4,186	3,147
Revenue from railway operations	Commuter	6,029	5,858	5,842	5,768	6,159	6,108	6,023
	Non commuter	7,861	7,851	9,652	8,485	9,935	9,905	10,919
	Total	13,891	13,710	15,494	14,253	16,095	16,013	16,943

【Reference】 Consolidated Statement of Income for FY2018 (Before COVID-19)

(Unit: Millions of yen)		1Q April-June	2Q July-September	2Q April-September	3Q October-December	3Q April-December	4Q January-March	FY2018 April-March
Transportation	Revenue from operations	31,212	31,730	62,942	31,323	94,265	30,482	124,748
	Operating profit	5,479	6,744	12,223	4,762	16,985	3,834	20,819
Real Estate	Revenue from operations	10,045	7,785	17,831	17,936	35,767	34,160	69,927
	Operating profit	1,044	1,095	2,139	2,844	4,983	3,465	8,449
Leisure Services	Revenue from operations	8,842	9,691	18,533	10,026	28,560	9,448	38,009
	Operating profit	1,614	1,904	3,519	1,960	5,479	864	6,343
Retailing	Revenue from operations	26,420	26,530	52,951	28,019	80,970	25,617	106,588
	Operating profit	615	576	1,192	836	2,028	332	2,361
Other	Revenue from operations	8,125	11,069	19,195	11,460	30,655	25,207	55,863
	Operating profit	(4)	593	588	616	1,205	2,816	4,022
Revenue from operations		75,450	75,626	151,077	86,740	237,817	101,450	339,268
Operating profit		8,733	10,489	19,222	10,600	29,823	10,324	40,147
Ordinary profit		8,362	9,632	17,994	9,941	27,936	9,838	37,774
Profit attributable to owners of parent		5,588	6,779	12,368	6,953	19,322	1,391	20,714
Revenue from railway operations	Commuter	8,108	8,066	16,174	7,847	24,022	7,895	31,917
	Non commuter	12,595	12,807	25,403	12,894	38,297	12,615	50,913
	Total	20,704	20,873	41,578	20,741	62,320	20,511	82,831

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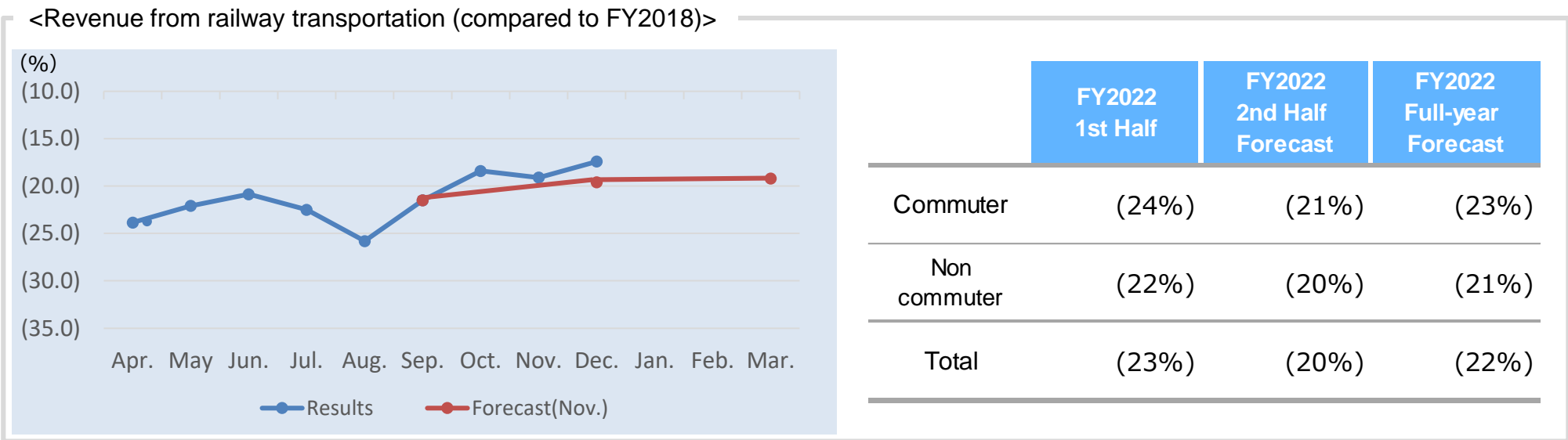
Assuming that restrained movement and various restrictions due to COVID-19 will gradually end heading into April 2023, and that the business environment will normalize

- However, we expect a slow recovery from COVID-19 in some businesses and a different standard of normalization due to changes in social environment and activity patterns
- Haneda passenger volume will recover in April 2023 on domestic flights and from April 2024 on international flights.

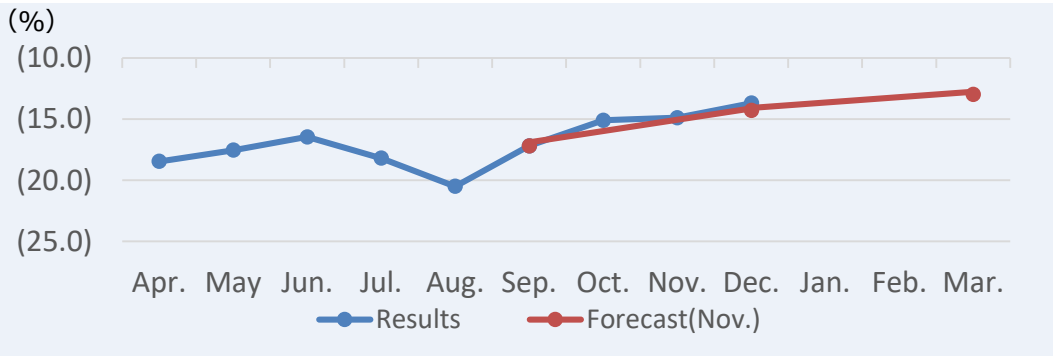
		FY2022
Transportation	Railway operations	Revenue from transportation for FY 2022 are compared to before COVID-19 pandemic Second half: (20%), full-year: (22%)
	Bus operations	Revenue from operations is compared to the full year before COVID-19 pandemic: (24%)
Real Estate	Leasing operations	Assumed to be the same as under normal circumstances
Leisure Services	Business hotels	Occupancy rate Full year: Approximately 70% 【compared to before COVID-19 pandemic approximately (20 pt)】
Retailing	Department store/SC	Demand gradually recovers
	Supermarkets	Assumed to be lower than under normal circumstances due to the impact of a decrease in the number of items purchased resulting from increasing prices, etc.
	Convenience store/merchandise sales, and others	Recovery centered on stores in train stations in line with recovery in rail transport traffic

* No change from the business forecast assumptions announced on November 11, 2022

◆ Railway operations



【Reference】 Number of passengers carried (compared to FY2018)

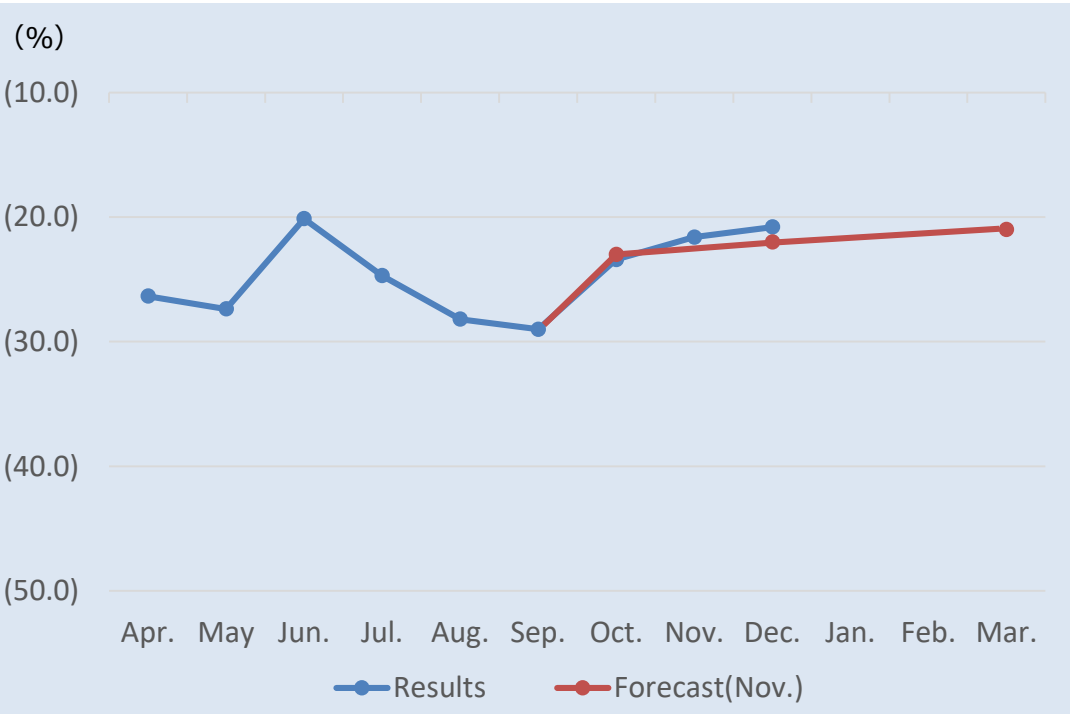


[Preliminary report for January (number of users)]

- The number of people passing through automatic ticket gates decreased by approximately 12% compared to FY2018 (increased by approximately 12% year on year), while the number of people at the two Haneda Airport stations decreased by approximately 5% compared to FY2018 (increased by approximately 54% year on year)
- Consequently, the number of passengers carried is on a pace in line with expectations.

◆ Bus operations

<Revenue from operations (compared to FY2018)>

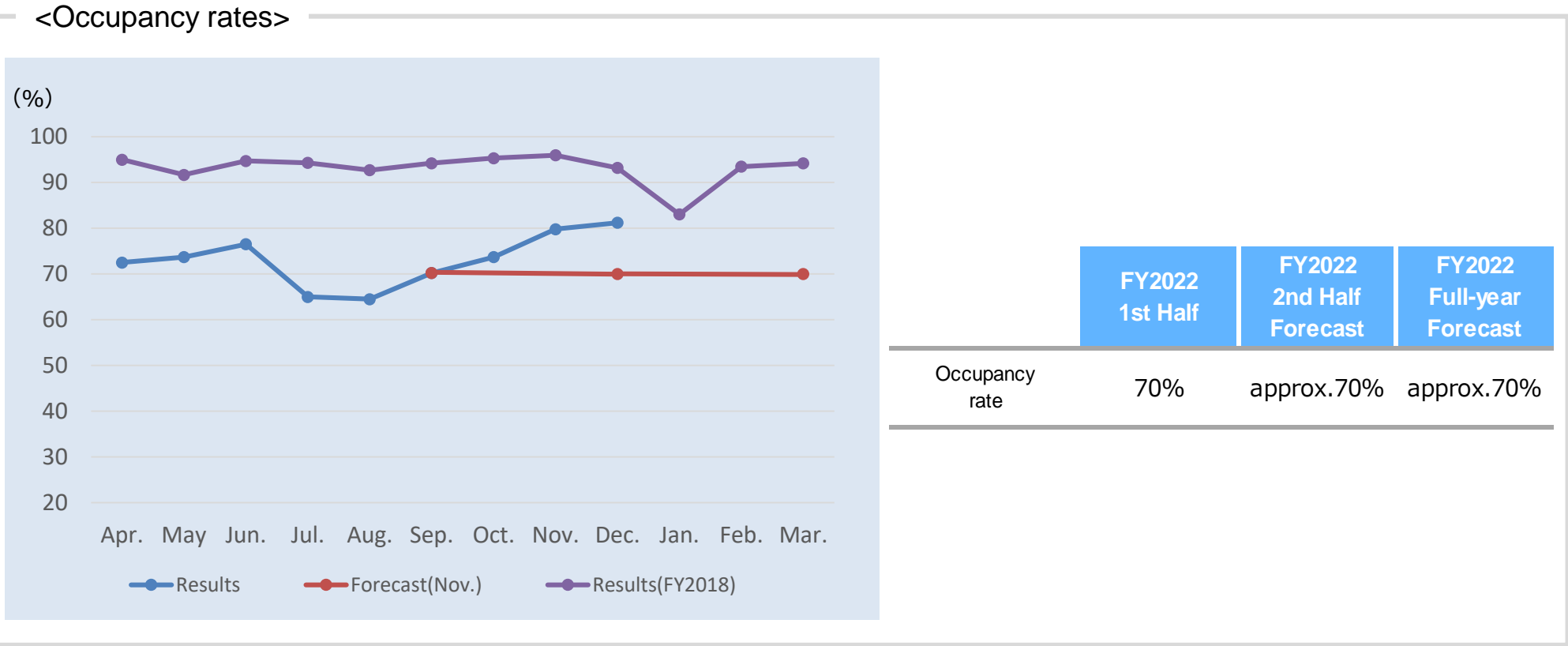


	FY2022 1st Half	FY2022 2nd Half Forecast	FY2022 Full-year Forecast
Revenue from operations	(26%)	(22%)	(24%)

[Preliminary report for January (revenue from operations)]

- Revenue from operations decreased by approximately 23% compared to FY2018 (increased by approximately 17% year on year).
- Pace is largely in line with the Forecast

◆ Business hotels



- [Preliminary report for January (occupancy rate)]
- The occupancy rate remained at approximately 70%
 - Pace is largely in line with the Forecast

Consolidated Statement of Income (Business Forecasts)

(Unit: Billions of yen)	FY2022	FY2021	Changes
Revenue from operations	257.0	265.2	(8.2)
Operating profit	8.0	3.5	+4.4
Ordinary profit	8.0	5.0	+3.0
Profit attributable to owners of parent	15.0	12.5	+2.4

- Ordinary profit
Revised upward from 5.0 billion yen to 8.0 billion yen due to the sale of cross-shareholdings, etc.
- Profit
Remains unchanged due to the rescheduling of the sale of properties scheduled for securitization to the next fiscal year onward, etc.

(Unit: Billions of yen)	FY2022	FY2021	Changes
Amount of capital Investment** [Of which, SPC investment due to real estate securitization]	108.5 [15.7]	70.0 [17.8]	+38.4 [(2.0)]
Depreciation	28.4	29.5	(1.1)
Net income per Share(yen)	54.49	45.52	+8.97

***No change from the business forecasts announced on November 11, 2022**

** Includes contribution for construction, etc.

FY2022 [November 2022 forecast] :13.8 billion yen, FY2021 :3.6 billion yen

(Unit: Billions of yen)		FY2022	FY2021	Changes
Transportation	Revenue from operations	97.7	86.2	+11.4
	Operating profit	(0.8)	(9.9)	+9.1
Real Estate	Revenue from operations	54.3	79.4	(25.1)
	Operating profit	6.0	10.9	(4.9)
Leisure Services	Revenue from operations	25.8	23.9	+1.8
	Operating profit	0.8	0.2	+0.5
Retailing	Revenue from operations	69.2	69.8	(0.6)
	Operating profit	0.6	0.7	(0.1)
Other	Revenue from operations	44.5	41.5	+2.9
	Operating profit	1.4	1.6	(0.2)

*No change from the business forecasts announced on November 11, 2022



<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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