

Supplementary Materials on Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (FY2023)

Keikyu Corporation (Securities code: 9006)

August 4, 2023

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

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Year-on-Year (vs. FY2022 1Q)

- **Both revenue and profit increased** due to a continued recovery trend mainly in the Transportation segment and the Leisure Services segment.

Revenue from railway transportation	+10.7%	Revenue from bus operations	+8.0%	Business hotel occupancy rates	+5.3pt
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vs. Before COVID-19 (FY2018 1Q)

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

Revenue from railway transportation	(14.0%)	Revenue from bus operations	(17.4%)	Business hotel occupancy rates	(14.3pt)
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Progress and Outlook Against Business Forecasts

1Q Actual

- Revenue from railway transportation and business hotel occupancy rate progressed largely in line with expectations.
- Business hotel daily rates exceeded expectations.

Full-year Outlook

- Business forecasts remain unchanged as overall segment trends are largely in line with expectations, despite higher-than-expected results in some segments.

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Consolidated Statement of Income

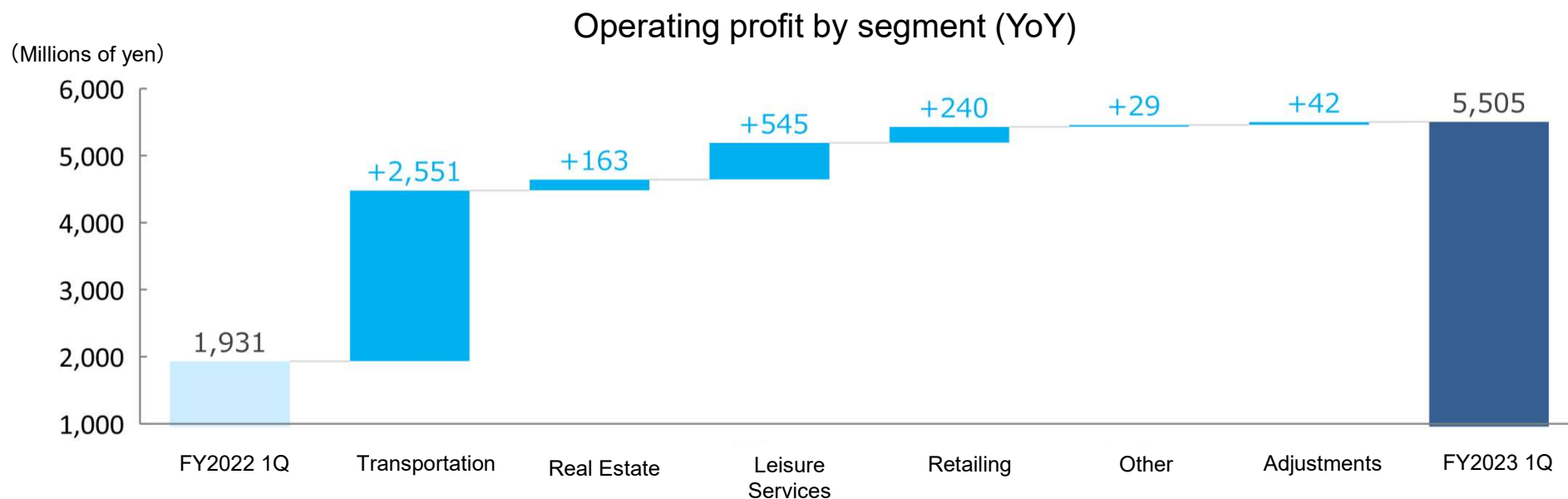
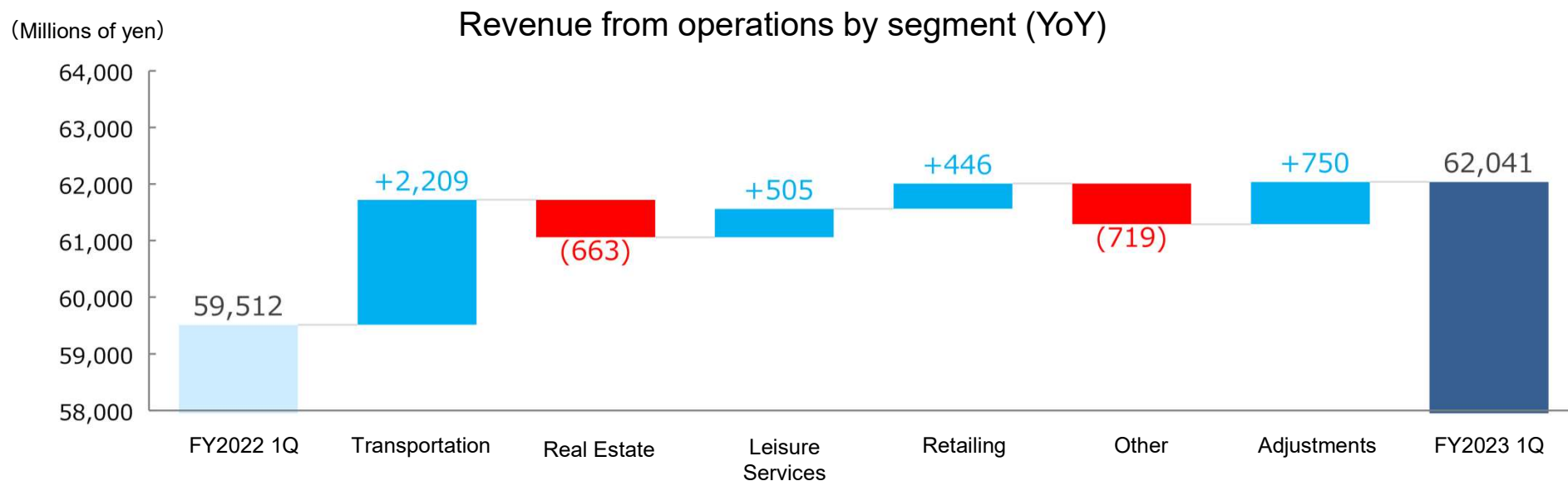
Railway operations led the increase in both revenue and operating profit, but profit decreased due to a decline from gain on sales of a bus office and other assets recorded in the same period of the previous fiscal year.

(Unit: Millions of yen)	FY2022 1Q	FY2023 1Q	YoY changes	
Revenue from operations	59,512	62,041	+2,529	+4.2%
Operating profit	1,931	5,505	+3,573	+185.0%
Ordinary profit	1,743	5,408	+3,665	+210.2%
Profit attributable to owners of parent	8,343	3,721	(4,621)	(55.4%)
Net income per Share(yen)	30.31	13.52	(16.79)	

Consolidated Statement of Income By segment

(Unit: Millions of yen)		FY2022 1Q	FY2023 1Q	YoY changes	
Transportation	Revenue from operations	24,231	26,441	+2,209	+9.1%
	Operating profit	(201)	2,349	+2,551	– %
Real Estate	Revenue from operations	10,482	9,818	(663)	(6.3%)
	Operating profit	1,277	1,441	+163	+12.8%
Laisure Services	Revenue from operations	6,697	7,202	+505	+7.5%
	Operating profit	648	1,193	+545	+84.1%
Retailing	Revenue from operations	17,182	17,628	+446	+2.6%
	Operating profit	267	508	+240	+90.1%
Other	Revenue from operations	7,311	6,592	(719)	(9.8%)
	Operating profit	(168)	(138)	+29	– %

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



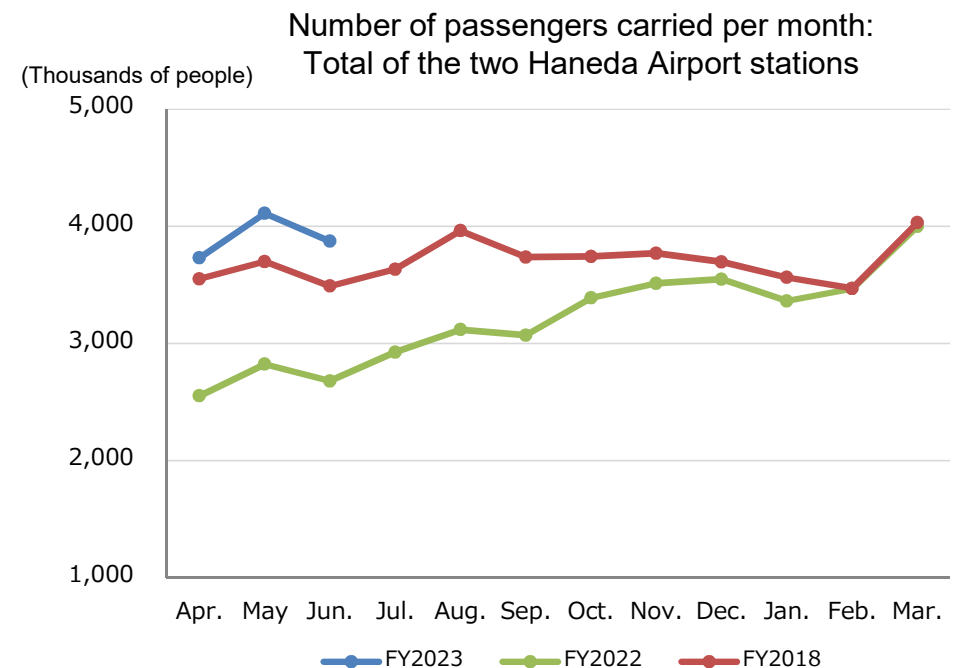
Unit: Millions of yen	FY2022 1Q	FY2023 1Q	YoY changes		Main reasons for increase / decrease
Revenue from operations	24,231	26,441	+2,209	+9.1%	Railway operations: Increase in non-commuter revenue/number of Haneda Airport passengers carried Personnel expenses: Down 0.3 billion yen (YoY) Electric power expenses: Up 0.1 billion yen (YoY) Bus operations: Increase in revenue from medium-distance airport routes
Railway	16,724	18,376	+1,652	+9.9%	
Bus	6,618	7,150	+532	+8.0%	
Taxi	888	913	+25	+2.9%	
Operating profit	(201)	2,349	+2,551	— %	
Railway	283	2,212	+1,929	+681.6%	
Bus	(464)	158	+623	— %	
Taxi	(20)	(21)	(0)	— %	

< 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 1Q	FY2023 1Q	YoY changes		FY2022 1Q	FY2023 1Q	YoY changes	
Commuter	54,955	57,275	+2,320	+4.2%	6,159	6,434	+275	+4.5%
Non commuter	46,085	52,202	+6,117	+13.3%	9,935	11,379	+1,444	+14.5%
Total	101,040	109,477	+8,437	+8.4%	16,095	17,814	+1,719	+10.7%

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

	Number of passengers carried (Thousands of people)			
	FY2022 1Q	FY2023 1Q	YoY changes	
Haneda Airport Terminal 1・2 (domestic)	7,130	9,034	+1,904	+26.7%
Haneda Airport Terminal 3 (international)	928	2,683	+1,755	+189.1%
Total	8,058	11,717	+3,659	+45.4%



Unit: Millions of yen	FY2022 1Q	FY2023 1Q	YoY changes		Main reasons for increase / decrease
Revenue from operations	10,482	9,818	(663)	(6.3%)	Real estate sales operations: Condominiums: 105 units (down 9 units YoY) Decreased mainly due to a decrease in sales of condominiums Real estate leasing operations: Increased due to higher rental income from rental office buildings
Real estate sales	5,991	5,126	(865)	(14.4%)	
Real estate leasing	4,491	4,692	+201	+4.5%	
Operating profit	1,277	1,441	+163	+12.8%	Real estate sales operations: Gross profit increased mainly due to condominium sales and rental condominiums sold.
Real estate sales	(115)	47	+162	— %	
Real estate leasing	1,392	1,393	+0	+0.1%	

<Major properties to be delivered in FY2023>

(Number of units)	Total number	Delivery date (Scheduled)
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

Unit: Millions of yen	FY2022 1Q	FY2023 1Q	YoY changes		Main reasons for increase / decrease
Revenue from operations	6,697	7,202	+505	+7.5%	Business hotel operations: Increased due to increases in the occupancy rate and the unit prices for guest rooms
Business hotels	1,224	1,927	+702	+57.4%	
Leisure-related facilities	3,119	2,990	(129)	(4.1%)	
Leisure, other	2,352	2,284	(68)	(2.9%)	Leisure-related facilities: Decreased due to close of Kannonzaki Keikyu Hotel operations (end of September 2022)
Operating profit	648	1,193	+545	+84.1%	
Business hotels	(214)	389	+603	– %	
Leisure-related facilities	803	557	(246)	(30.6%)	
Leisure, other	58	246	+187	+319.4%	

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

	FY2022 1Q	FY2023 1Q	YoY changes		As of March 31, 2023	As of June 30, 2023
Occupancy rate of guest rooms	74.2%	79.5%	+5.3pt	Number of guest rooms	2,236	2,236

*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)

Unit: Millions of yen	FY2022 1Q	FY2023 1Q	YoY changes		Main reasons for increase / decrease
Revenue from operations	17,182	17,628	+446	+2.6%	Department store/SC operations: Decreased due to temporary closures for renovations at some plots Supermarket business: Increased due to an increase in sales at existing stores as a result of a recovery in foot traffic, etc.
Department store / SC	4,139	3,927	(211)	(5.1%)	
Department store	3,141	3,023	(117)	(3.7%)	
SC	997	903	(94)	(9.4%)	
Store business	13,042	13,701	+658	+5.0%	
Supermarkets	10,004	10,280	+276	+2.8%	
Convenience store / Merchandise sales, etc.	3,038	3,420	+382	+12.6%	
Operating profit	267	508	+240	+90.1%	Department store/SC operations: Increased due to improved business efficiency, cost reductions, etc. which were realized to attract large specialty stores
Department store / SC	184	208	+23	+12.9%	
Department store	89	109	+20	+22.4%	
SC	95	98	+3	+4.0%	
Store business	82	299	+216	+262.4%	
Supermarkets	(50)	83	+133	— %	
Convenience store / Merchandise sales, etc.	133	216	+82	+62.3%	

Unit: Millions of yen	FY2022 1Q	FY2023 1Q	YoY changes		Main reasons for increase / decrease
Revenue from operations	7,311	6,592	(719)	(9.8%)	Down due to decrease in completed construction.
Operating profit	(168)	(138)	+29	— %	

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
Transportation	Revenue from operations	24,231	24,094	25,389	25,085	26,441
	Operating profit	(201)	1,060	484	(2,051)	2,349
Real Estate	Revenue from operations	10,482	11,635	13,765	14,681	9,818
	Operating profit	1,277	1,641	2,094	1,554	1,441
Leisure Services	Revenue from operations	6,697	6,634	6,949	7,106	7,202
	Operating profit	648	268	654	545	1,193
Retailing	Revenue from operations	17,182	17,423	18,625	17,218	17,628
	Operating profit	267	178	488	115	508
Other	Revenue from operations	7,311	8,888	9,497	17,939	6,592
	Operating profit	(168)	292	163	1,719	(138)
Revenue from operations		59,512	60,883	65,803	66,806	62,041
Operating profit		1,931	3,548	3,972	1,366	5,505
Ordinary profit		1,743	2,891	5,119	2,479	5,408
Profit attributable to owners of parent		8,343	4,186	3,147	140	3,721
Revenue from railway operations	Commuter	6,159	6,108	6,023	6,001	6,434
	Non commuter	9,935	9,905	10,919	10,942	11,379
	Total	16,095	16,013	16,943	16,944	17,814

Non-operating/Extraordinary Income and Losses

(Unit: Millions of yen)	FY2022 1Q	FY2023 1Q	YoY changes	Major factor
Non-operating profit	877	916	+38	Subsidy income : 295(up 196 YoY) Gain on sales of investment securities: – (down 62 YoY)
Non-operating expenses	1,066	1,014	(52)	
Extraordinary income	10,223	51	(10,171)	Gain on sales of non-current assets: 12(down 9,466 YoY) *
Extraordinary losses	782	113	(668)	

※ FY2022 1Q: Sale of Keihin Kyuko Bus office and two business hotels

Consolidated Balance Sheet (Condensed)

(Unit: Millions of yen)	As of March 31, 2023	As of June 30, 2023	Changes
Current assets	134,727	116,187	(18,540)
Cash and deposits	57,119	38,791	(18,328)
Land and buildings for sale in lots	54,802	54,478	(323)
Non-current assets	800,692	805,075	+4,383
Property, plant and equipment	644,786	645,738	+951
Investments and other assets	147,605	151,036	+3,430
Investment securities	84,591	88,411	+3,819
Total assets	935,420	921,262	(14,157)
Total liabilities	661,968	642,820	(19,147)
Outstanding interest-bearing debt*	487,450	470,171	(17,278)
Total net assets	273,452	278,442	+4,990
Total liabilities and net assets	935,420	921,262	(14,157)

* Total figure for corporate bonds, and debt

Net interest-bearing debt outstanding	430,330	431,380	+1,049
equity-to-asset ratio	29.0%	30.0%	+1.0pt

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the Fiscal Year Ending March 31, 2024
(FY2023)

III . Full-Year Business Forecasts for the Fiscal P. 17
Year Ending March 31, 2024 (FY2023)
(Partially Republished)

Restrained movement and various restrictions due to COVID-19 have largely been resolved, and FY2023 plans were formulated assuming a normalized post-COVID-19 business environment.

- ※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 to pre-COVID-19 levels from April 2023 on domestic flights and from October 2023 onwards on international flights.
- * Assuming that there will not be another declaration of a state of emergency or calls for restrained movement.
- * Incorporating upward trends in power and utility costs due to the impact of the international situation, etc., in each business.

Transportation	Railway operations	Revenue from transportation for FY 2023 are compared to before COVID-19 pandemic First half : (15%), Second half: (8%), full-year: (11%)
	Bus operations	Revenue from operations is compared to the full year before COVID-19 pandemic: (17%)
Real Estate	Leasing operations	Assumed to be the same as under normal circumstances
Leisure Services	Business hotels	Occupancy rate Full year: Approximately 80% 【compared to before COVID-19 pandemic approximately (13 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

Consolidated Statement of Income

(Business Forecasts)

*No change from the business forecasts
announced on May 10, 2023

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(Unit: Billions of yen)	FY2022	FY2023	Changes
Revenue from operations	253.0	296.3	+43.2
Operating profit	10.8	23.0	+12.1
Ordinary profit	12.2	20.0	+7.7
Profit attributable to owners of parent	15.8	17.0	+1.1

(Unit: Billions of yen)	FY2022	FY2023	Changes
Amount of capital Investment**	66.7	131.7	+65.0
[Of which, SPC investment due to real estate securitization]	[8.0]	[13.4]	[+5.3]
Depreciation	28.3	28.5	+0.2
Net income per Share(yen)	57.46	61.76	+4.30

** Includes contribution for construction, etc. FY2022:9.2 billion yen, FY2023 :11.1 billion yen

Segment Information (Business Forecasts)

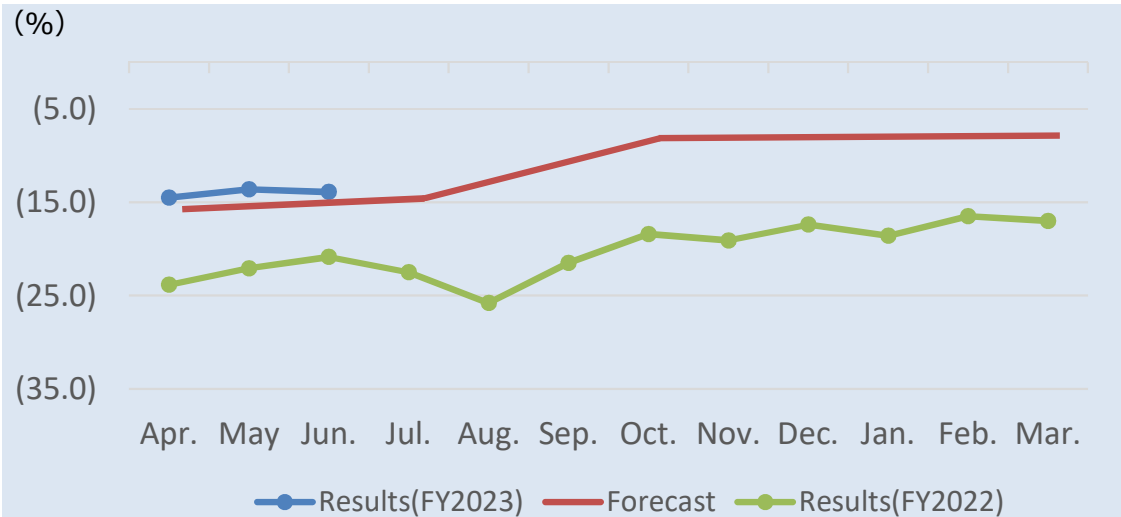
*No change from the business forecasts announced on May 10, 2023

KEIKYU

(Unit: Billions of yen)		FY2022	FY2023	Changes
Transportation	Revenue from operations	98.8	108.7	+9.9
	Operating profit	(0.7)	8.2	+8.9
Real Estate	Revenue from operations	50.5	81.2	+30.6
	Operating profit	6.5	9.7	+3.1
Leisure Services	Revenue from operations	27.3	28.3	+0.9
	Operating profit	2.1	2.6	+0.4
Retailing	Revenue from operations	70.4	69.7	(0.7)
	Operating profit	1.0	0.8	(0.2)
Other	Revenue from operations	43.6	46.7	+3.0
	Operating profit	2.0	1.6	(0.4)

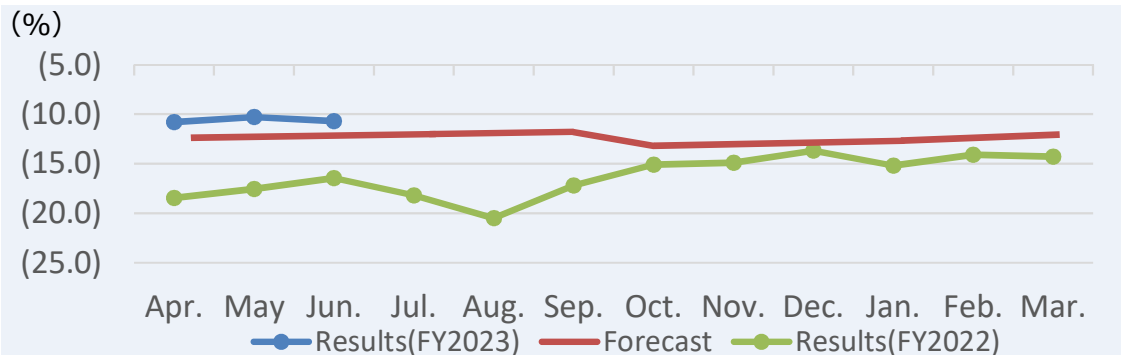
◆ Railway

<Revenue from railway transportation (compared to FY2018)>



	FY2023 1st Half Forecast	FY2023 2nd Half Forecast	FY2023 Full-year Forecast
Commuter	(23%)	(16%)	(19%)
Non commuter	(10%)	(3%)	(6%)
Total	(15%)	(8%)	(11%)

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

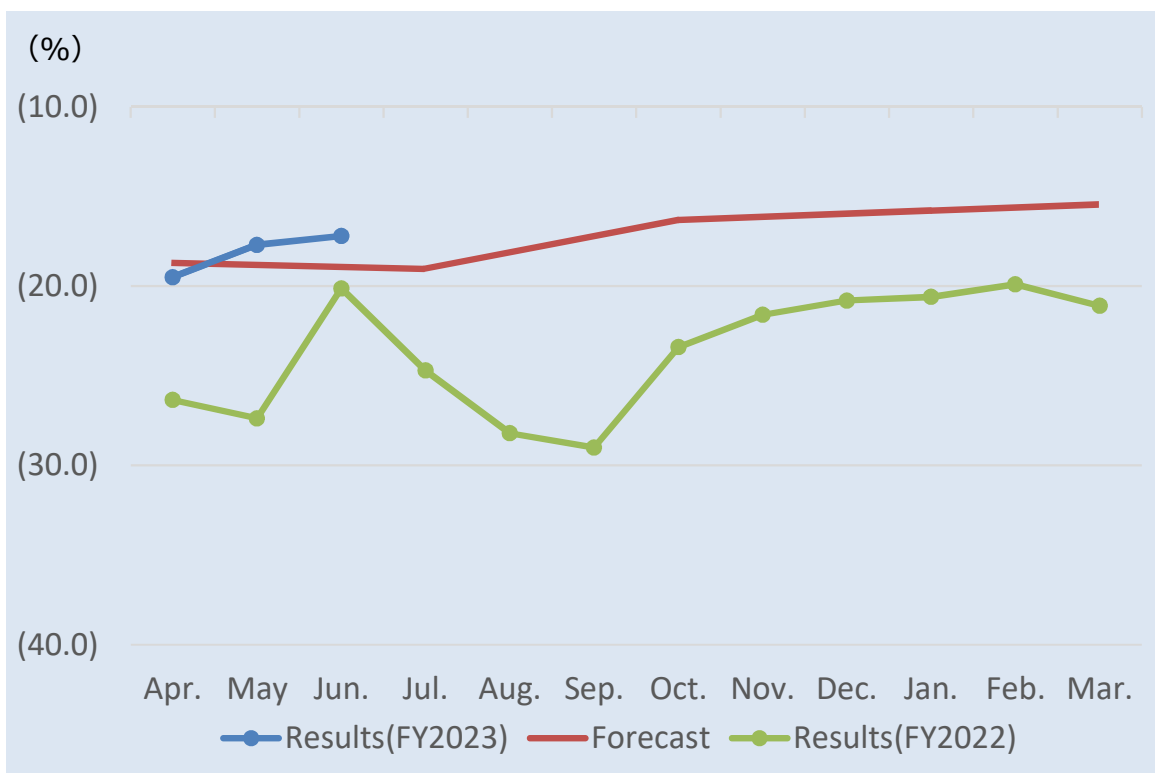


[Preliminary report for July (number of users)]

- The number of people passing through automatic ticket gates decreased by approximately 11% compared to FY2018 (increased by approximately 11% year on year), while the number of people at the two Haneda Airport stations increased by approximately 8% compared to FY2018 (increased by approximately 32% 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)>



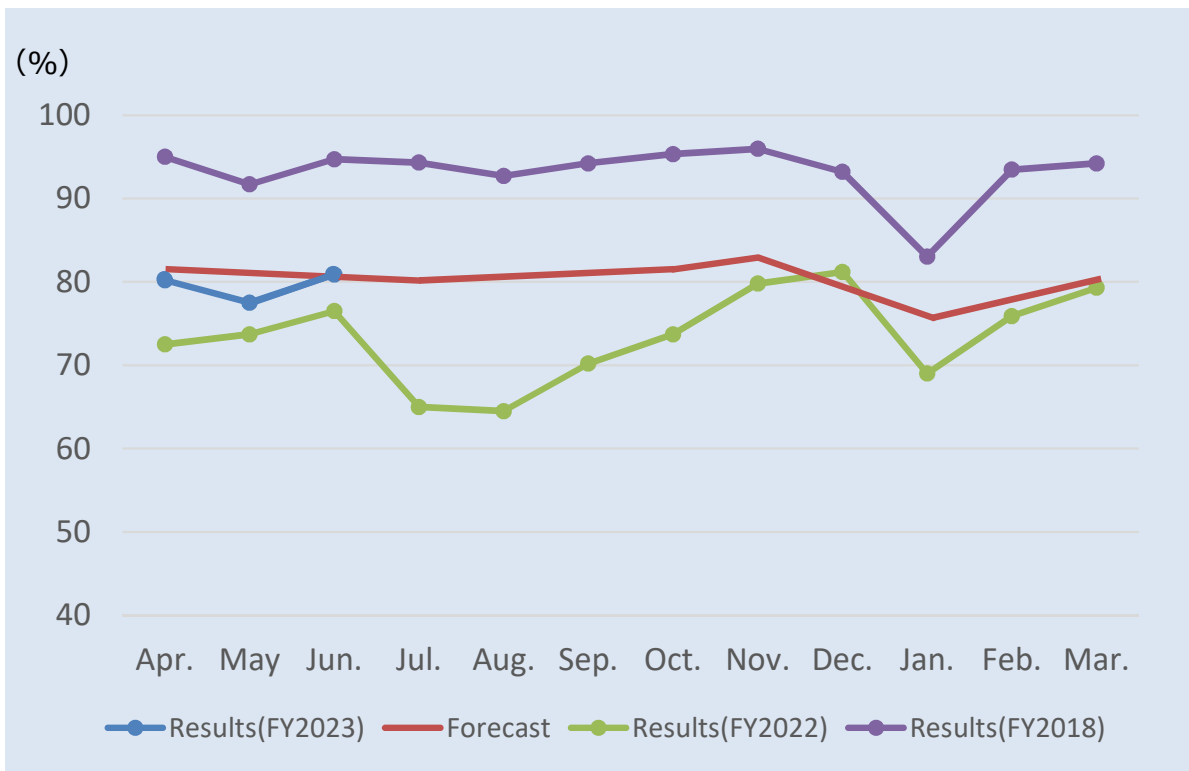
	FY2023 1st Half Forecast	FY2023 2nd Half Forecast	FY2023 Full-year Forecast
Revenue from operations	(18%)	(15%)	(17%)

[Preliminary report for July (volume of transaction)]

- Preliminary aggregate remains at the same level as June 2023.
- Pace is largely in line with the Forecast.

◆ Business hotels

<Occupancy rates>



	FY2023 1st Half Forecast	FY2023 2nd Half Forecast	FY2023 Full-year Forecast
Occupancy rate	80%	80%	80%

[Preliminary report for July (occupancy rate)]

- The occupancy rate remained over 80%.
- Pace is largely in line with the Forecast.



<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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