

Supplementary Materials on Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2019 (FY2018)

Keikyu Corporation (Securities code: 9006)

February 6, 2019

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



- ◆ In real estate operations, revenue increased due to the recording of sales of condominiums.

(Unit: Millions of yen)

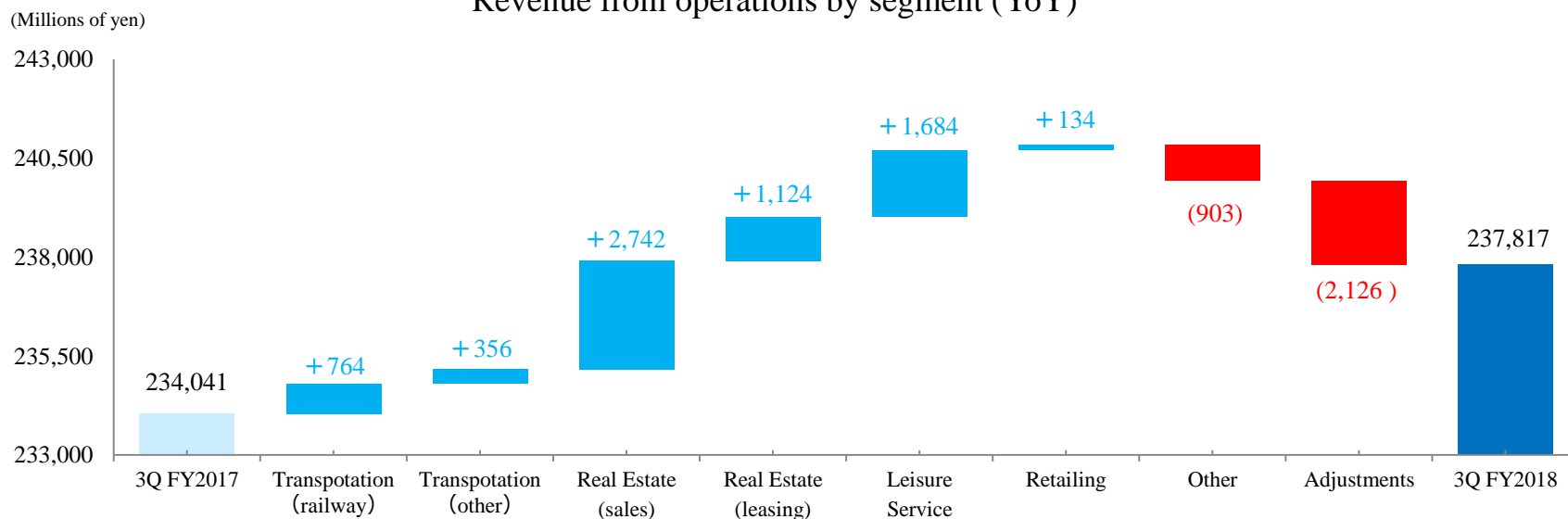
	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]
Revenue from operations	234,041	237,817	3,776	1.6
Operating profit	27,705	29,823	2,117	7.6
Ordinary profit	25,753	27,936	2,182	8.5
Extraordinary income	220	1,140	920	418.0
Extraordinary losses	386	1,286	900	233.1
Profit attributable to owners of parent	17,248	19,322	2,073	12.0

(Unit: Millions of yen)

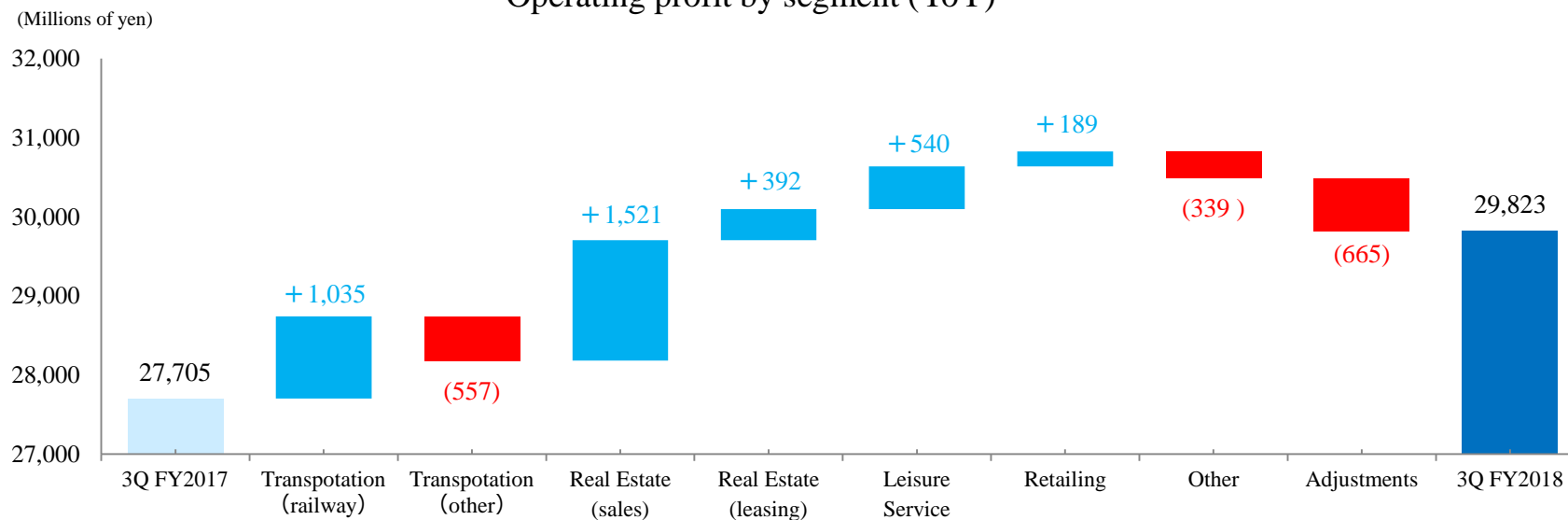
		Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]
Transportation	Revenue from operations	93,145	94,265	1,120	1.2
	Operating profit	16,507	16,985	477	2.9
Real Estate	Revenue from operations	31,899	35,767	3,867	12.1
	Operating profit	3,069	4,983	1,914	62.4
Leisure Services	Revenue from operations	26,876	28,560	1,684	6.3
	Operating profit	4,938	5,479	540	10.9
Retailing	Revenue from operations	80,836	80,970	134	0.2
	Operating profit	1,838	2,028	189	10.3
Other	Revenue from operations	31,559	30,655	(903)	(2.9)
	Operating profit	1,544	1,205	(339)	(22.0)
Total	Revenue from operations	264,318	270,220	5,902	2.2
	Operating profit	27,899	30,682	2,783	10.0
Adjustments	Revenue from operations	(30,276)	(32,403)	(2,126)	—
	Operating profit	(193)	(859)	(665)	—
Figures on Consolidated Statement of Income	Revenue from operations	234,041	237,817	3,776	1.6
	Operating profit	27,705	29,823	2,117	7.6

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

Revenue from operations by segment (YoY)



Operating profit by segment (YoY)



- ◆ Both revenue and profit increased, largely due to increase in the number of passengers carried to central Tokyo and to the Haneda Airport in railway operations, despite increases in operating costs such as fuel expenses in bus operations.

(Unit: Millions of yen)

	Revenue from operations				Operating profit			
	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]
Transportation	93,145	94,265	1,120	1.2	16,507	16,985	477	2.9
Railway	63,936	64,700	764	1.2	14,039	15,074	1,035	7.4
Bus	25,800	26,217	417	1.6	2,427	1,889	(537)	(22.1)
Taxi	3,409	3,347	(61)	(1.8)	41	21	(20)	(49.1)

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

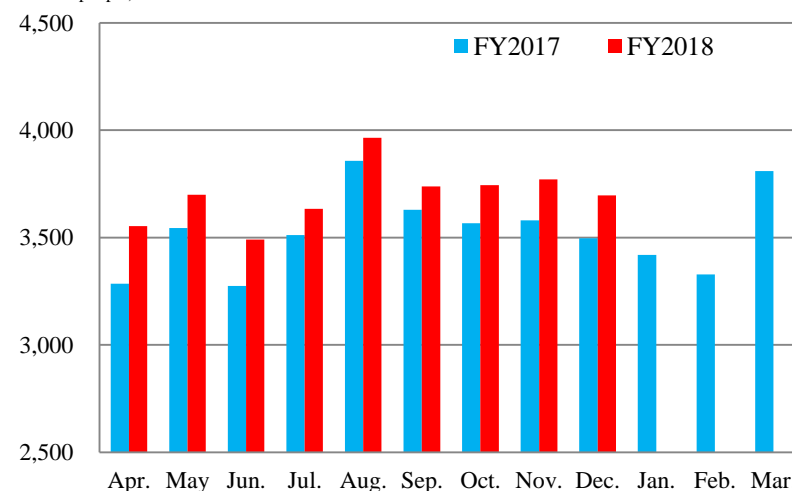
		Number of passengers carried (Thousands of people)				Revenue from railway operations (Millions of yen)			
		Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]
	Commuter	199,913	202,403	2,490	1.2	23,741	24,022	281	1.2
	Non commuter	159,653	162,303	2,650	1.7	37,602	38,297	695	1.8
	Total	359,566	364,706	5,140	1.4	61,344	62,320	976	1.6

<Number of passengers carried: Total of Haneda Airport Domestic/International Terminal Stations>

		Number of passengers carried (Thousands of people)			
		Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]
	Commuter	5,256	5,715	459	8.7
	Non commuter	26,492	27,577	1,085	4.1
	Total	31,748	33,292	1,544	4.9

Number of passengers carried per month: Total of Haneda Airport Domestic/International Terminal Stations

(Thousands of people)



- ◆ Revenue increased amid factors such as sales of condominiums and the full-year operation of rental office buildings that were acquired in the previous period.
- ◆ Profit increased partially due to the absence of the loss on valuation of inventories recorded in the same quarter of the previous fiscal year, in addition to the above.

(Unit: Millions of yen)

	Revenue from operations				Operating profit			
	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]
Real Estate	31,899	35,767	3,867	12.1	3,069	4,983	1,914	62.4
Real estate sales	17,490	20,232	2,742	15.7	(1,133)	388	1,521	—
Real estate leasing	14,409	15,534	1,124	7.8	4,203	4,595	392	9.3

Number of units or plots sold:

condominium and residential land/homes

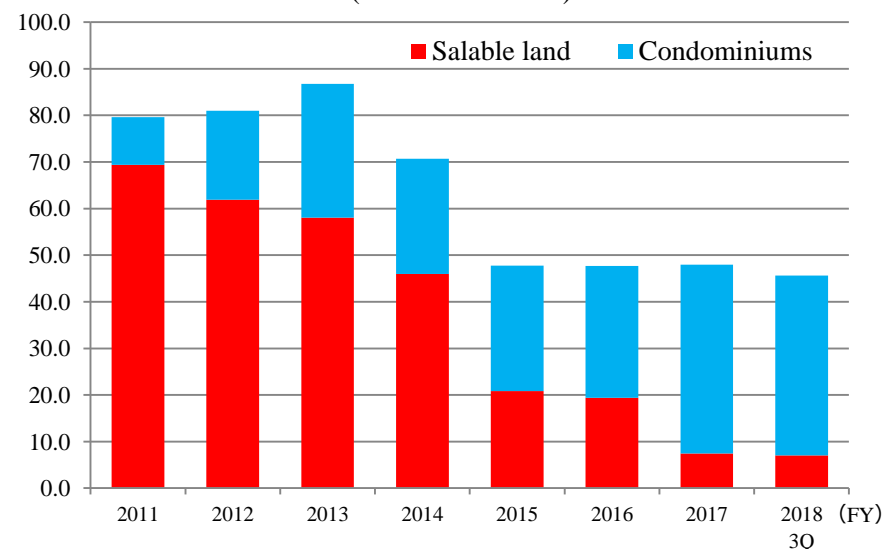
(Number of units/plots)

	Third Quarter of FY2017	Third Quarter of FY2018	Change
Condominiums	181	668	487
(After conversion for ownership share)	136	284	148
Residential land/homes	96	52	(44)

Year-end balance of land for sale in lots and buildings

(non-consolidated)

(Billions of yen)



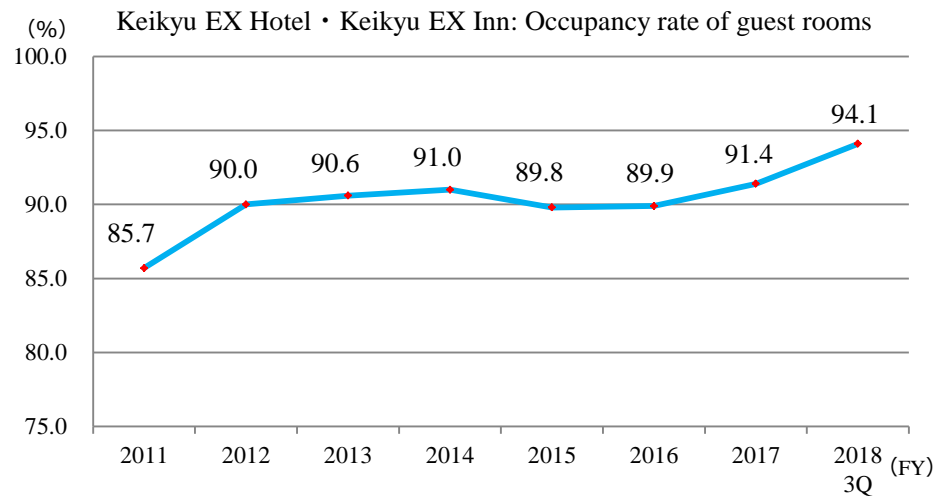
- ◆ In business hotel operations, both revenue and profit increased due to factors such as the full-year operation of new buildings that were opened in the previous period and each building performing favorably.

(Unit: Millions of yen)

	Revenue from operations				Operating profit			
	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]
Leisure Services	26,876	28,560	1,684	6.3	4,938	5,479	540	10.9
Business hotels	7,261	8,235	974	13.4	2,059	2,350	291	14.1
Leisure-related facilities	9,366	9,718	351	3.8	1,679	1,814	134	8.0
Leisure, other	10,248	10,606	358	3.5	1,199	1,314	114	9.6

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

	Third Quarter of FY2017	Third Quarter of FY2018	Change
Occupancy rate of guest rooms	93.5%	94.1%	0.6pt



- ◆ Both revenue and profit increased despite a suspension of business operations to perform seismic retrofitting work on the shopping mall Wing Shimbashi (in retailing, other) and closing of the store Motomachi Union Kugenuma (in supermarkets), partially due to the continued strong performance of stores collaborated with Seven-Eleven Japan Co., Ltd. (in merchandise sales). (Unit: Millions of yen)

	Revenue from operations				Operating profit			
	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]
Retailing	80,836	80,970	134	0.2	1,838	2,028	189	10.3
Department store	24,900	25,255	355	1.4	243	135	(108)	(44.4)
Supermarkets	40,356	39,701	(655)	(1.6)	220	468	247	112.3
Merchandise sales	12,908	13,368	460	3.6	941	1,155	214	22.8
Retailing, other	2,671	2,644	(27)	(1.0)	433	269	(164)	(37.9)

- ◆ Both revenue and profit decreased primarily due to the absence of the construction work ordered at Keikyu Service Co., Ltd. in the same quarter of the previous fiscal year. (Unit: Millions of yen)

	Revenue from operations				Operating profit			
	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]
Other	31,559	30,655	(903)	(2.9)	1,544	1,205	(339)	(22.0)

Non-operating/Extraordinary Income and Losses

(Unit: Millions of yen)

	Third Quarter of FY2017	Third Quarter of FY2018	Change	Change [%]
Operating profit	27,705	29,823	2,117	7.6
Non-operating profit	2,508	1,863	(644)	(25.7)
Interest income	56	56	(0)	(1.1)
Dividend income	788	770	(18)	(2.4)
Equity in earnings of affiliates	701	537	(164)	(23.4)
Other	961	500	(461)	(48.0)
Non-operating expenses	4,461	3,751	(709)	(15.9)
Interest expenses	3,386	3,339	(46)	(1.4)
Other	1,074	411	(663)	(61.7)
Ordinary profit	25,753	27,936	2,182	8.5
Extraordinary income	220	1,140	920	418.0
Contribution for construction	220	484	264	120.3
Gain on sales of investment securities	—	400	400	—
Other	—	255	255	—
Extraordinary losses	386	1,286	900	233.1
Loss on reduction of non-current assets	220	484	264	120.2
Loss on valuation of investment securities	—	421	421	—
Provision for loss on disaster	—	300	300	—
Provision for loss on business liquidation	166	—	(166)	(100.0)
Other	—	79	79	—
Profit before income taxes	25,587	27,790	2,202	8.6

Consolidated Balance Sheet (Condensed)

(Unit: Millions of yen)

		As of March 31, 2018	As of December 31, 2018	Change
	Current assets	128,189	129,397	1,207
	Cash and deposits	43,862	45,500	1,637
	Notes and accounts receivable - trade	15,303	11,314	(3,988)
	Land and buildings for sale in lots	59,304	58,946	(357)
	Non-current assets	748,489	752,191	3,702
	Property, plant and equipment	614,968	617,316	2,347
	Investments and other assets	125,799	127,738	1,938
	Investment securities	71,370	72,200	829
	Net defined benefit asset	25,109	26,373	1,263
Total assets		876,679	881,589	4,909
Total liabilities		623,314	613,293	(10,021)
	Outstanding interest-bearing debt*	438,576	436,828	(1,748)
Total net assets		253,365	268,296	14,930
Total liabilities and net assets		876,679	881,589	4,909

* Total figure for corporate bonds, debt and commercial paper

Net interest-bearing debt outstanding	394,714	391,328	(3,386)
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As the business forecasts for FY2018 have not changed since the business forecasts were announced in November 2018, the business forecasts from the Supplementary Materials on Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2019 (announced on November 7, 2018) have been provided again.

Consolidated Statement of Income (Business Forecasts)

- ◆ Both revenue and profit are expected to increase amid firm results particularly in sales of condominiums.

(Unit: Billions of yen)

	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)	Difference [%] (actual – forecast)	FY2017 (actual)	Change	Change [%]
Revenue from operations	337.0	340.0	3.0	0.9	315.6	24.3	7.7
Operating profit	36.0	37.0	1.0	2.8	29.4	7.5	25.5
Ordinary profit	32.5	33.5	1.0	3.1	27.2	6.2	22.8
Profit attributable to owners of parent	22.0	22.5	0.5	2.3	16.1	6.3	39.3

Amount of capital investment*	74.0	74.8	0.8	1.2	81.8	(6.9)	(8.5)
Depreciation	30.7	30.5	(0.2)	(0.9)	29.5	0.9	3.3

* Includes contribution for construction
(FY2018 forecast made in May 2018: 9.6 billion yen,
FY2018 forecast made in November 2018: 9.7 billion yen)

Earnings per share	79.89 yen	81.70 yen	58.66 yen
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Segment Information (Business Forecasts)

(Unit: Billions of yen)

		FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)	Difference [%] (actual – forecast)	FY2017 (actual)	Change	Change [%]
Transportation	Revenue from operations	124.1	124.2	0.1	0.1	123.4	0.7	0.6
	Operating profit	19.0	19.0	0.0	0.0	20.1	(1.1)	(5.9)
Real Estate	Revenue from operations	66.6	70.9	4.3	6.5	47.0	23.8	50.7
	Operating profit	6.6	7.8	1.2	18.2	(1.6)	9.4	—
Leisure Services	Revenue from operations	35.9	36.6	0.7	1.9	35.5	1.0	2.8
	Operating profit	5.8	6.0	0.2	3.4	5.6	0.3	6.9
Retailing	Revenue from operations	108.2	107.6	(0.6)	(0.6)	107.6	0.0	0.0
	Operating profit	2.5	2.4	(0.1)	(4.0)	2.6	(0.2)	(8.5)
Other	Revenue from operations	54.8	56.1	1.3	2.4	54.9	1.1	2.1
	Operating profit	2.6	2.9	0.3	11.5	3.3	(0.4)	(13.7)
Total	Revenue from operations	389.6	395.4	5.8	1.5	368.6	26.7	7.3
	Operating profit	36.5	38.1	1.6	4.4	30.1	7.9	26.5
Adjustments	Revenue from operations	(52.6)	(55.4)	(2.8)	—	(52.9)	(2.4)	—
	Operating profit	(0.5)	(1.1)	(0.6)	—	(0.6)	(0.4)	—
Figures on Consolidated Statement of Income	Revenue from operations	337.0	340.0	3.0	0.9	315.6	24.3	7.7
	Operating profit	36.0	37.0	1.0	2.8	29.4	7.5	25.5

- ◆ Profit is expected to increase partially due to a higher number of passengers carried in railway operations.
(Unit: Billions of yen)

	Revenue from operations			Operating profit		
	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)
Transportation	124.1	124.2	0.1	19.0	19.0	0.0
Railway	85.2	85.4	0.2	17.4	17.4	0.0
Bus	34.2	34.3	0.1	1.5	1.6	0.0
Taxi	4.5	4.4	(0.1)	0.0	0.0	0.0

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

	Number of passengers carried (Millions of people)				Revenue from railway operations (Billions of yen)			
	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)	Difference [%] (actual – forecast)	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)	Difference [%] (actual – forecast)
Commuter	265	266	0	0.3	31.5	31.7	0.1	0.5
Non commuter	214	214	0	(0.1)	50.5	50.5	0.0	0.0
Total	480	481	0	0.2	82.1	82.3	0.1	0.2

<Number of passengers carried: Total of Haneda Airport Domestic/International Terminal Stations>

	Number of passengers carried (Millions of people)			
	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)	Difference [%] (actual – forecast)
Commuter	7	7	0	4.4
Non commuter	36	36	0	0.5
Total	43	43	0	1.1

<Reference: Projected year-on-year changes>

(Unit: Billions of yen)

	Revenue from operations			Operating profit		
	FY2017 (actual)	FY2018 (November 2018 forecast)	Change	FY2017 (actual)	FY2018 (November 2018 forecast)	Change
Transportation	123.4	124.2	0.7	20.1	19.0	(1.1)
Railway	85.0	85.4	0.3	17.8	17.4	(0.4)
Bus	33.9	34.3	0.4	2.3	1.6	(0.7)
Taxi	4.4	4.4	0.0	0.0	0.0	0.0

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

	Number of passengers carried (Millions of people)				Revenue from railway operations (Billions of yen)			
	FY2017 (actual)	FY2018 (November 2018 forecast)	Change	Change[%]	FY2017 (actual)	FY2018 (November 2018 forecast)	Change	Change[%]
Commuter	263	266	2	1.0	31.5	31.7	0.2	0.7
Non commuter	212	214	1	0.8	50.0	50.5	0.4	0.9
Total	476	481	4	0.9	81.6	82.3	0.6	0.9

<Number of passengers carried: Total of Haneda Airport Domestic/International Terminal Stations>

	Number of passengers carried (Millions of people)			
	FY2017 (actual)	FY2018 (November 2018 forecast)	Change	Change[%]
Commuter	7	7	0	4.4
Non commuter	35	36	1	3.4
Total	42	43	1	3.5

- ◆ Both revenue and profit are expected to increase amid firm results particularly in sales of condominiums.
- ◆ In Real Estate Leasing business, profit is expected to decrease mainly due to an increase of cost for acquisition of new subsidiaries.

(Unit: Billions of yen)

	Revenue from operations			Operating profit		
	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)
Real Estate	66.6	70.9	4.3	6.6	7.8	1.2
Real estate sales	46.2	50.1	3.9	3.0	4.4	1.3
Real estate leasing	20.3	20.7	0.3	3.5	3.4	(0.1)

<Reference: Projected year-on-year changes>

(Unit: Billions of yen)

	Revenue from operations			Operating profit		
	FY2017 (actual)	FY2018 (November 2018 forecast)	Change	FY2017 (actual)	FY2018 (November 2018 forecast)	Change
Real Estate	47.0	70.9	23.8	(1.6)	7.8	9.4
Real estate sales	27.5	50.1	22.6	(7.0)	4.4	11.4
Real estate leasing	19.4	20.7	1.2	5.3	3.4	(1.9)

- ◆ Both revenue and profit are expected to increase mainly due to as strong performance in business hotel and leisure-related facilities (boat race facilities) operations. (Unit: Billions of yen)

	Revenue from operations			Operating profit		
	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)
Leisure Services	35.9	36.6	0.7	5.8	6.0	0.2
Business hotels	10.3	10.5	0.2	2.5	2.5	0.0
Leisure-related facilities	12.3	12.3	0.0	1.7	1.8	0.1
Leisure, other	13.2	13.6	0.4	1.4	1.5	0.0

<Reference: Projected year-on-year changes>

(Unit: Billions of yen)

	Revenue from operations			Operating profit		
	FY2017 (actual)	FY2018 (November 2018 forecast)	Change	FY2017 (actual)	FY2018 (November 2018 forecast)	Change
Leisure Services	35.5	36.6	1.0	5.6	6.0	0.3
Business hotels	9.6	10.5	0.9	2.3	2.5	0.2
Leisure-related facilities	12.1	12.3	0.1	1.7	1.8	0.0
Leisure, other	13.7	13.6	(0.1)	1.4	1.5	0.0

- ◆ In department store operations, both revenue and profit are expected to decrease.

(Unit: Billions of yen)

	Revenue from operations			Operating profit		
	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)
Retailing	108.2	107.6	(0.6)	2.5	2.4	(0.1)
Department store	34.6	33.9	(0.6)	0.6	0.3	(0.3)
Supermarkets	53.1	52.8 [54.2]	(0.3) [1.0]	0.3	0.5 [0.5]	0.1 [0.2]
Merchandise sales	17.0	17.3 [15.9]	0.3 [(1.0)]	1.1	1.2 [1.2]	0.1 [0.0]
Retailing, other	3.4	3.4	0.0	0.2	0.2	0.0

*Figures for merchandise sales operations include that of former Keikyu Hautsu Co., Ltd. after it was dissolved in an absorption-type merger with Keikyu Store Co., Ltd. Figures in square brackets include that of former Keikyu Hautsu Co., Ltd. after the merger and supermarkets operations.

<Reference: Projected year-on-year changes>

(Unit: Billions of yen)

	Revenue from operations			Operating profit		
	FY2017 (actual)	FY2018 (November 2018 forecast)	Change	FY2017 (actual)	FY2018 (November 2018 forecast)	Change
Retailing	107.6	107.6	0.0	2.6	2.4	(0.2)
Department store	33.4	33.9	0.4	0.4	0.3	(0.1)
Supermarkets	53.4	52.8	(0.6)	0.3	0.5	0.1
Merchandise sales	17.1	17.3	0.2	1.2	1.2	0.0
Retailing, other	3.5	3.4	0.0	0.5	0.2	(0.3)

- ◆ Both revenue and profit are expected to increase due to an increase in construction work, etc.

(Unit: Billions of yen)

	Revenue from operations			Operating profit		
	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)	FY2018 (May 2018 forecast)	FY2018 (November 2018 forecast)	Difference (actual – forecast)
Other	54.8	56.1	1.3	2.6	2.9	0.3

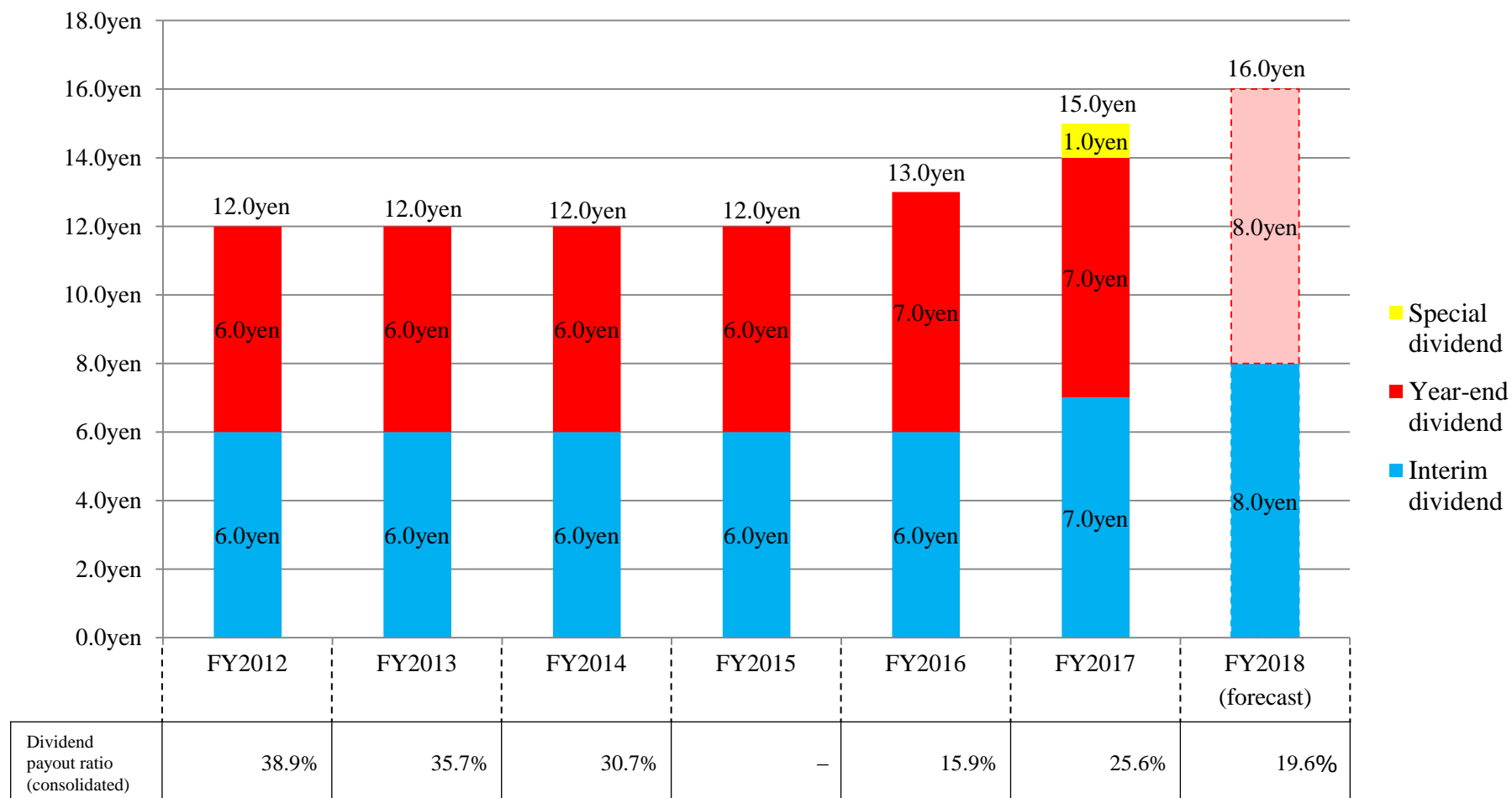
<Reference: Projected year-on-year changes>

(Unit: Billions of yen)

	Revenue from operations			Operating profit		
	FY2017 (actual)	FY2018 (November 2018 forecast)	Change	FY2017 (actual)	FY2018 (November 2018 forecast)	Change
Other	54.9	56.1	1.1	3.3	2.9	(0.4)

Dividend Policy: We distribute dividends taking into account our business results, financial condition and other such factors, based on the notion of maintaining stable dividends.

* Figures as presented have been calculated considering the impact of the reverse split carried out on October 1, 2017.





<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.

<Contact information>

In charge of Equities and IR,
Corporate and Legal Affairs Section, General Affairs Department
Phone: +81-3-3280-9123
E-mail: ir-keikyu@keikyu.co.jp