



Long-Term and Medium-Term Business Plans

August 3, 2022

Keisei Electric Railway Co., Ltd.

A dark blue decorative bar at the bottom of the page, consisting of two parallel lines that are slightly offset from each other, creating a sense of depth and movement.

- 1. Long-Term Business Plan (FY2022–2030)**
 - **Vision, Strategic themes**

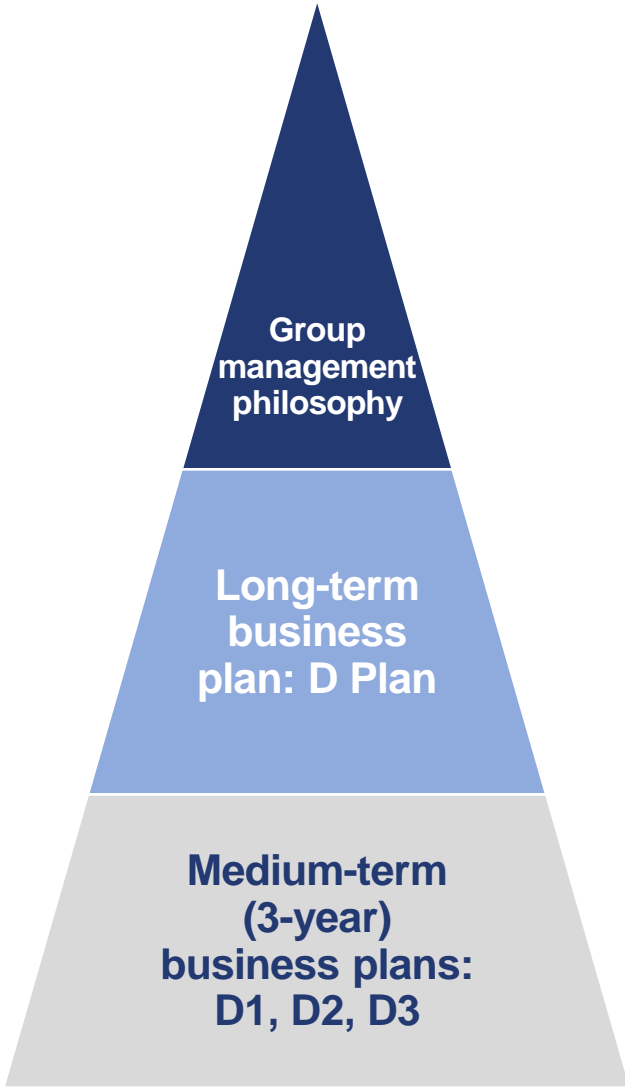
- 2. Medium-Term Business Plan (FY2022–2024)**
 - **Actions for Medium Term**
 - **Numerical Targets for Medium Term**

Long-Term Business Plan

D Plan

The D Plan combines four concepts beginning with D: Further Develop the Keisei Group and execute business both Dynamically and Drastically Day by Day.

D Plan in Context (1)



GROUP MANAGEMENT PHILOSOPHY

Keisei Group supports the development of society through its sound business growth by safely and pleasantly providing quality products and services appreciated by customers.

LONG-TERM BUSINESS PLAN: D PLAN

The D Plan comprises two elements: vision and strategic themes

- Vision: Where we want to be as a business in the future
- Strategic themes: Long-term strategic themes derived from analysis of business climate (including present trends and projected future trends)

MEDIUM-TERM BUSINESS PLANS: D1, D2, D3

- 3-year phases in the D Plan, each setting out business strategies and numerical targets for that phase

D Plan: FY2022–2030

Strategic themes



Vision

Three 3-year business plans

D1: FY2022–2024

D2: FY2025–2027

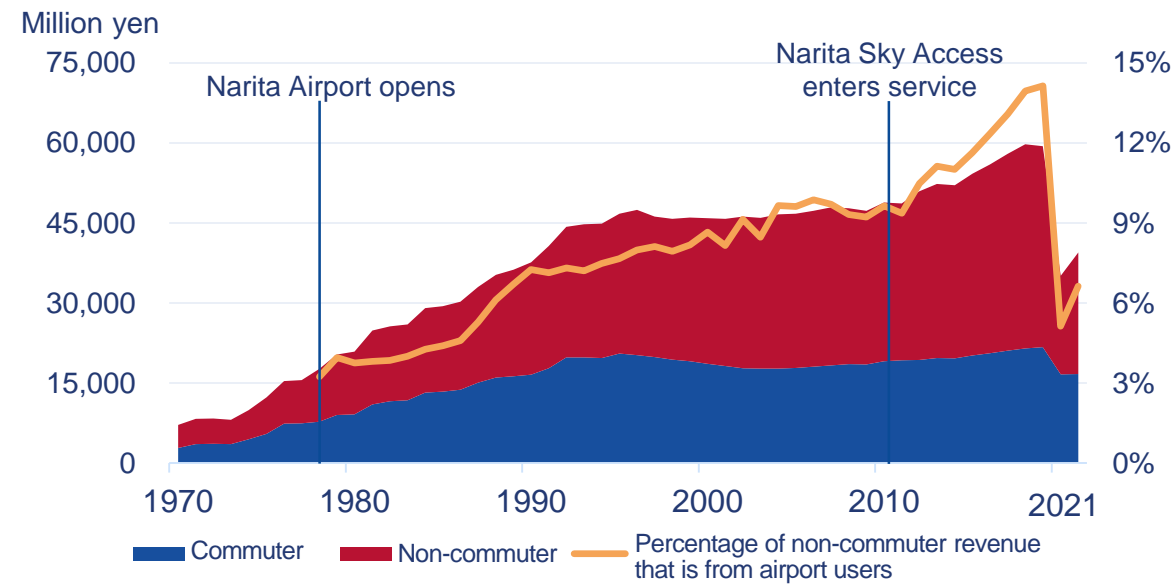
D3: FY2028–2030

Corporate History, Background to D Plan

Corporate history

1909	1933	1960	1978	1991	2010	2019
Keisei founded	Ueno Koen Station opens (rail network extended to central Tokyo)	Direct connection opened with Toei Asakusa Line	Rail network extended to Narita Airport	Direct rail link to Narita terminal opened	Narita Sky Access enters service	Skyliner fleet expanded

Passenger revenue (nonconsolidated)



Since Narita Airport opened, we've focused on our rail link with the airport.

1978: Narita Airport opens

2010: Narita Sky Access enters service

2019: Skyliner fleet expanded

Background to D Plan

Previous long-term strategy (Evolution Plan)

- Concentrate resources on airport link to unlock massive business growth

Covid impact

Drastic reduction in foreign visitors, changes in lifestyles

D Plan

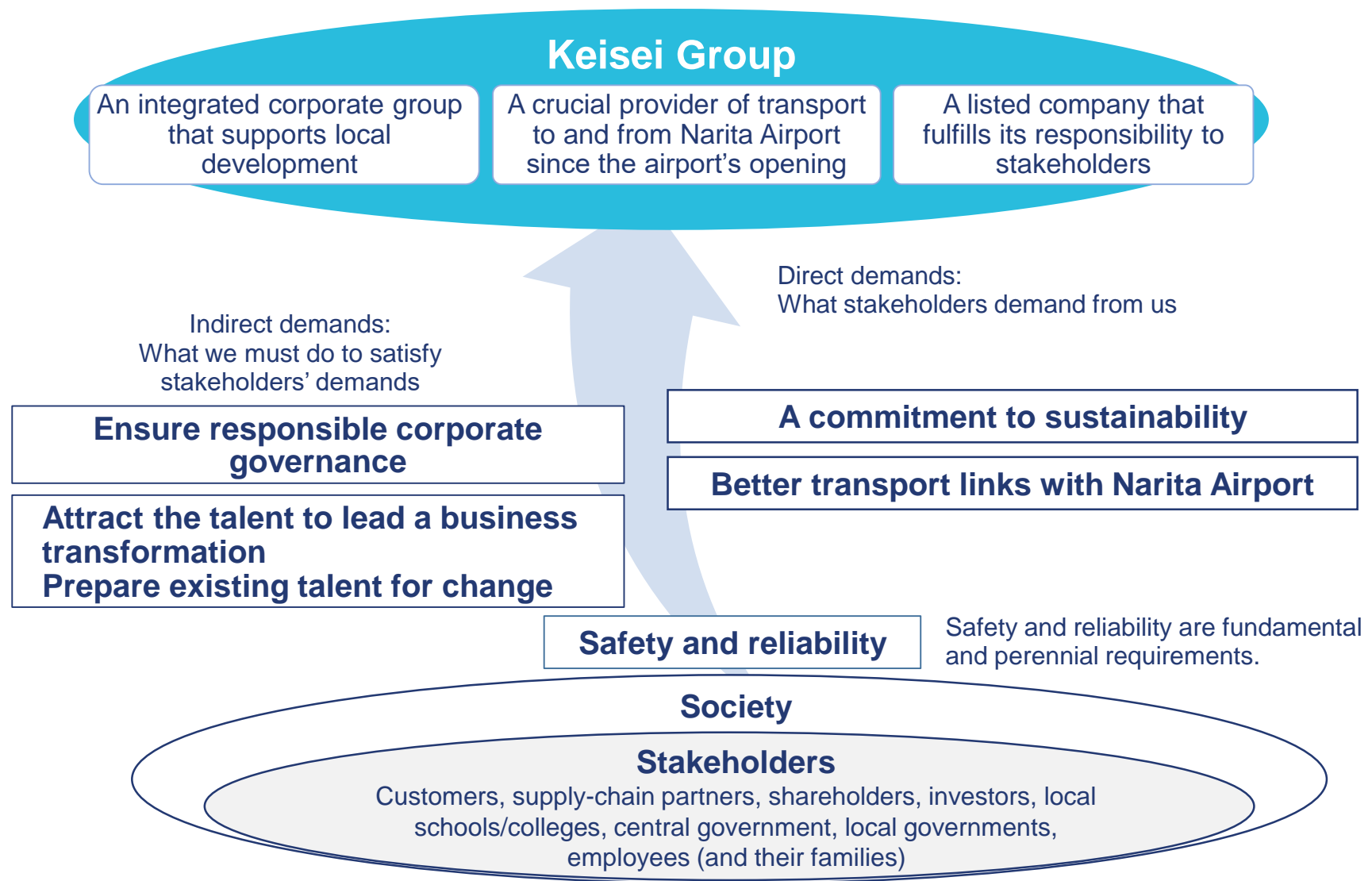
- Build sustainable communities in areas served by our lines
 - Create positive impact on wellbeing and local development
 - Promote local tourism
- Maintain focus on airport rail link and enhance the function of the airport

Premises/Assumptions: Business climate (1)

Business Climate Facing Keisei Group

Demographics in areas served by our lines	New demographic trend
	Japan's population continues to shrink. Covid has exasperated the declining birthrate.
	However, as working patterns diversify, people are increasingly moving.
Narita Airport	NAA's targets for 2030 Annual passenger numbers: 60 m Annual flights: 400 k
	Narita Airport will be gradually enhanced.
	Narita Airport will see a huge resurgence in demand after Covid subsides.
Digital transformation	Further technological progress and digital transformation
	Driverless technology and other innovations continue to drive the mobility revolution.
	Digitization is hastening progress toward seamless integrated mobility.
Labor	Dwindling labor pool in Japan amid depopulation
	The labor pool is diversifying, with seniors and non-Japanese making up an increasing share of the working population.
	Business process are increasingly being automated using digital technology.
ESG	Businesses increasingly embracing sustainability
	Businesses are increasingly expected to substantially engage in and disclose information on sustainability (e.g. SDGs, ESG), including in their supply chains.
	A renewable shift is a crucial part of the Japan's efforts to transition to achieve net-zero carbon emissions by 2050.
	Businesses increasingly vulnerable to threat of natural disasters and epi/pandemics

What stakeholders demand from us



Vision, Strategic themes

Vision for 2030

We contribute to sustainability through community partnerships and by enhancing Narita Airport, the entrance to Japan.

Strategic themes

Strategies to achieve vision

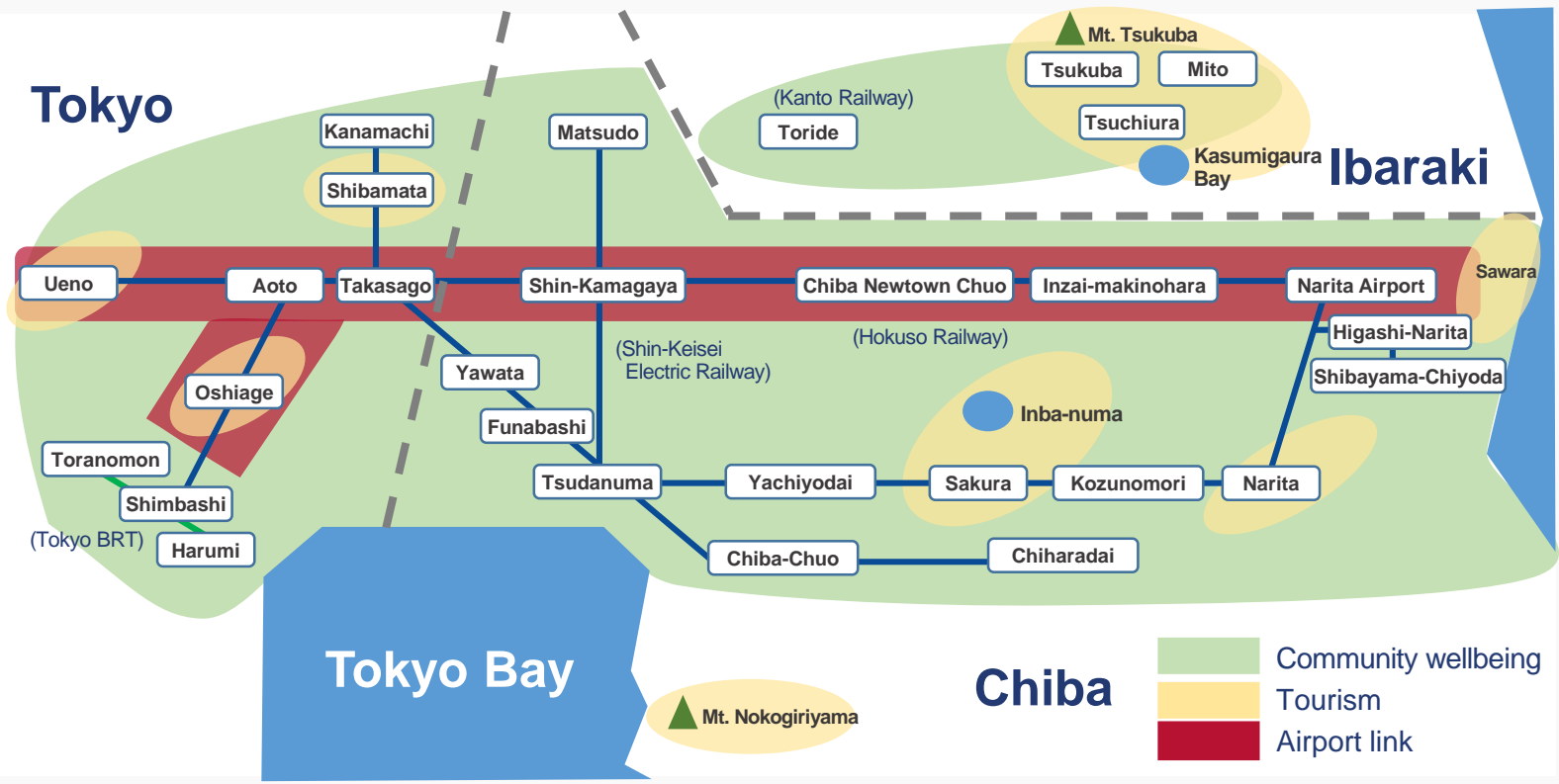
Underpinnings for strategies



The Areas We Serve

Core areas

We'll develop strategies tailored to each area to bolster our core base.



New areas

Rather than relying only on existing areas, we'll expand to new areas to unlock synergies.

1. Community Wellbeing



What stakeholders demand

Japan's shrinking and graying population

Global rise in environmental concern

Stakeholders want us to support sustainable local development

Our mission

Our role
What we'll do
What this will achieve

As an integrated corporate group that supports local development..

...we'll work with community-based organizations to make our railways people- and planet-friendly, creating a positive impact on community wellbeing.

This will achieve vibrant, healthy communities for people of all ages.

Priorities

Build vibrant, lasting communities

Incorporate sustainability into community development

What stakeholders demand

Medium-Long-term rise
in foreign visitors

Areas we serve have
compelling tourism
resources

Stakeholders want us to boost tourism in areas we serve

Our mission

Our role

As a provider of transport services to tourist destinations...

What we'll do

...we'll provide compelling tourism opportunities in areas we serve.

What this will achieve

This will support local development.

Priorities

Make tourist
destinations in core
areas more attractive

Develop new tourist
resources and tourist
routes

What stakeholders demand

Medium- and long-term growth in Narita Airport traffic

Program to enhance airport (including new runway)

Rollout of digital services

Stakeholders want us to enhance transport services to accommodate growth in Narita Airport traffic

Our mission

Our role

As a crucial provider of transport to and from Narita Airport since the airport's opening...

What we'll do

...we'll continue providing reliable and comfortable transport service to users of Narita Airport, the entrance to Japan.

What this will achieve

This will help enhance the airport and Japan's international profile.

Priorities

Prepare for further enhancements to Narita Airport

Make service more passenger-friendly

What stakeholders demand

Public and private sector increasingly expected to embrace SDGs and ESG

Shareholder expectations are diversifying (extending to non-financial, as well as financial, concerns)

Stakeholders want us to ensure responsible corporate governance

Our mission

To enable sustainable corporate development, we'll adopt an optimal organizational structure of corporate group management and fulfill our responsibilities to stakeholders.

Priorities

Improve disclosures of non-financial (ESG) information

Maintain fiscal health

Strengthen corporate governance



What stakeholders demand

Labor shortage

Increasing
uncertainties over
future

Stakeholders want us to attract the talent who can lead our business and to prepare our existing talent for change

Our mission

To improve the quality and quantity of our talent, we'll diversify our workforce and encourage employees to embrace change.

Priorities

Diversify workforce

Encourage employees
to embrace change

What stakeholders demand

Greater frequency and intensity of natural disasters

Labor shortage

Technological progress

Stakeholders want to feel assured that our services are safe and reliable

Our mission

To ensure that our transport services are safe and reliable, we'll work on disaster-resilience and conserve our technical know-how.

Priorities

Improve disaster-resilience

Improve passenger safety

Use digital technology

Business Growth for the Keisei Group

To achieve sustainable corporate development, we'll work on the strategic themes and create value for customers and communities.

Strategic themes	What we must do	Linked SDGs
Community wellbeing	Develop real-estate business (as a second core business) and improve the competitiveness of our regular transportation and distribution businesses.	1. No poverty 2. Zero hunger 3. Good health and well-being 6. Clean water and sanitation 7. Affordable and clean energy 9. Industry, innovation and infrastructure 11. Sustainable cities and communities 12. Responsible consumption and production 13. Climate action 14. Life below water 15. Life on land 17. Partnerships for the goals
Tourism	Develop transportation business and leisure services.	7. Affordable and clean energy 9. Industry, innovation and infrastructure 17. Partnerships for the goals
Airport link	Entrench position as a provider of transport to and from Narita Airport	7. Affordable and clean energy 9. Industry, innovation and infrastructure 17. Partnerships for the goals
Governance	Provide the corporate governance that society expects	9. Industry, innovation and infrastructure 16. Peace, justice and strong institutions
Talent	Cultivate a workforce that embraces change	3. Good health and well-being 4. Quality education 5. Gender equality 8. Decent work and economic growth 10. Reduced inequalities
Safety and reliability	Ensure that our social infrastructure is safe, reliable, and commands confidence.	9. Industry, innovation and infrastructure 11. Sustainable cities and communities 13. Climate action

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Medium-Term Business Plan

Medium-Term Business Plan D1

D1 goal

Return from Covid slump to recovery path and lay organizational foundations for achieving D Plan.

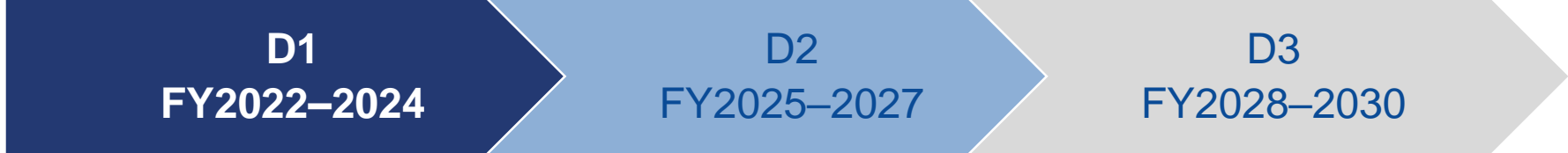
Return to recovery path

- Capture demand following full economic reopening
- Launch medium- and long-term growth strategies

Lay organizational foundations

- Build future-proof portfolio
- Integrate sustainability

Achieve vision for 2030



Consolidated targets

With a strategic investment budget, we aim for operating income of ¥37.6 bn (highest ever) and, as a KPI for fiscal health, an EBITDA multiple of 5.4.

	FY2021 result	FY2024 target
Operating revenue	¥214.2 bn	¥339.0 bn
Operating income	-¥5.2 bn	¥37.6 bn
Operating income margin	—	11.1%
EBITDA multiple	15.4 times	5.4 times

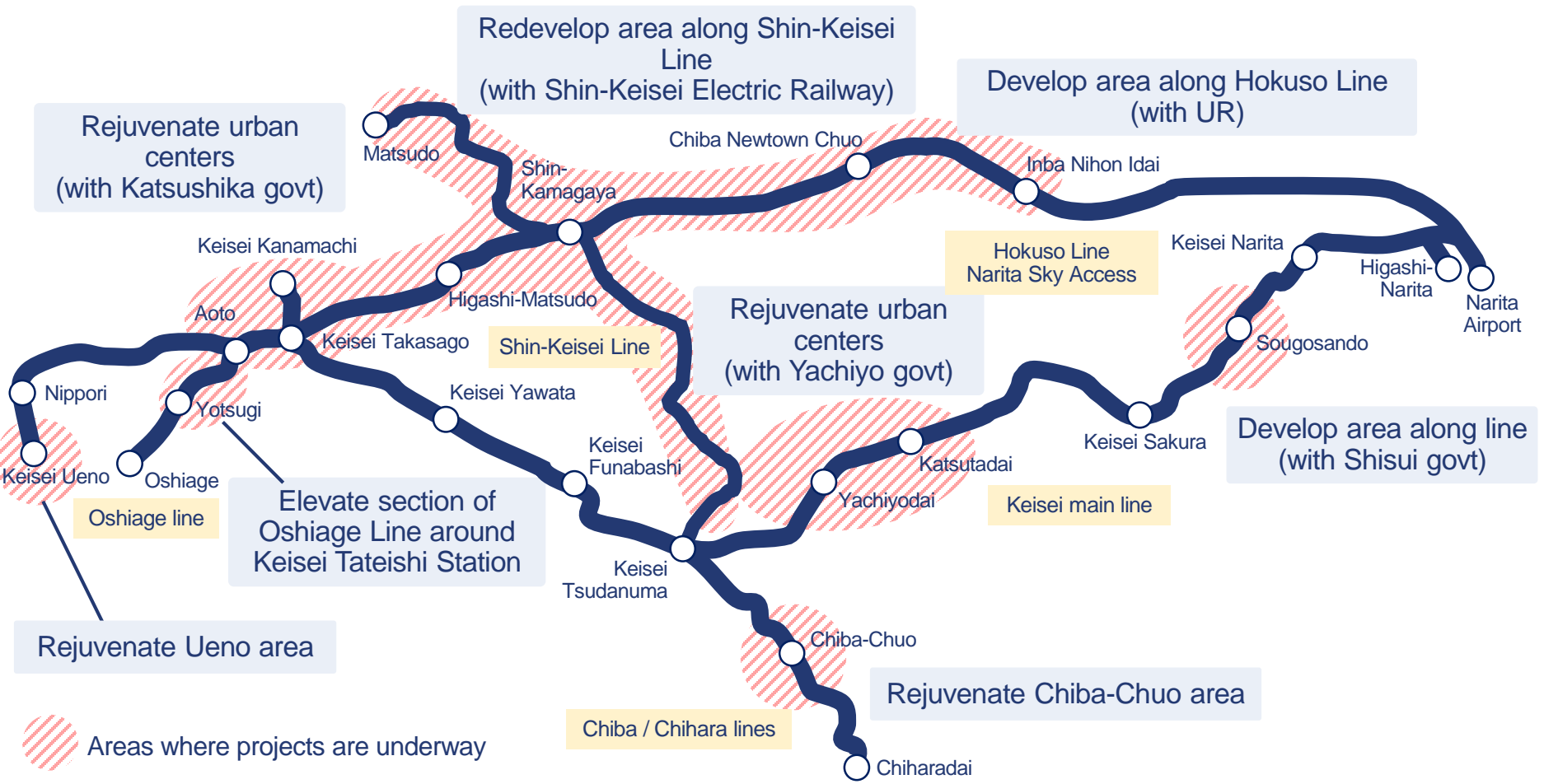
We'll use a strategic investment budget to achieve sustainable corporate development.

1. Community Wellbeing



Priority 1: Build vibrant, lasting communities

- Rejuvenate (renovate/redevelop) areas along our rail lines
- Develop area along Hokusō Line
- Strengthen partnerships with local governments and the UR



1. Community Wellbeing

Build vibrant communities along our lines

- We'll build/redevelop residential and commercial properties
- We'll provide social infrastructure (shopping centers, preschool facilities, elderly care facilities)
- We'll continue work to elevate a section of Oshiage Line between Aoto and Yotsugi as solution for level-crossing issues (accidents and congestion), and then develop assets under the elevated track



We'll open a payable care home (like the one shown in the photo) in Chiba City



The Keisei Chiba-Chuo building was recently rebuilt



We're elevating the Oshiage Line (the photo shows a section in Sumida-ku)

Work with Shin-Keisei Electric Railway

- Having acquired Shin-Keisei Electric Railway, we'll deploy resources effectively to further develop areas along the subsidiary's line
- This partnership will unleash synergies in Keisei Group

1. Community Wellbeing

Develop area along Hokuso Line

- We'll rejuvenate area with a synergistic combination of redevelopment and reduced fares, capitalizing on the fact that Inzai is ranked as the most liveable municipality in Japan* and is home to many young people
- We'll strengthen partnerships with the governments of Inzai, Shiroi, and other municipalities along the line

* Toyo Keizai has ranked Inzai the most liveable municipality in Japan for six years running

Reduce fares along Hokuso Line

- In October 2022, we'll reduce fares to improve convenience for local residents. The biggest reduction will be in student commuter passes. This move will attract younger people to the area

	Section	Before		After	Reduction	% reduction
1 month student pass	Keisei Takasago to Inzai-Makinohara	¥14,990	⇒	¥4,990	¥10,000	66.7%
6 month student pass		¥80,950	⇒	¥26,950	¥54,000	
Regular prepaid card (IC)	Shin-Kamagaya to Chiba Newtown Chuo	¥580	⇒	¥475	¥105	18.1%
Regular magnetic ticket		¥580	⇒	¥480	¥100	17.2%

1. Community Wellbeing

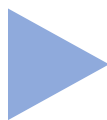
Create a positive cycle for residential properties

- To encourage people to move into the area, we'll work closer with local governments on schemes such as redeveloping derelict homes.
- For the numerous housing estates in areas served by our lines, we'll foster a sense of community through events and other activities, and work closer with the UR in rebuilding and renovation projects.



Before: Derelict houses

We redeveloped abandoned properties in partnership with the municipal government of Katsushika-ku



After: Reborn as housing complex



Sodegaura housing estate
(source: Urban Renaissance Agency)

1. Community Wellbeing

Priority 2: Incorporate sustainability into community development

- Embracing the SDG agenda, we'll work to reduce CO₂ emissions and to save energy and resources across our supply chains.

Actions to support net-zero transition

- Introduce renewable energy in rolling stock
 - Make stations greener
 - Introduce electric vehicles and fuel-cell vehicles into fleet
- ⇒ These actions will help Japan achieve the government milestone for 2030: a 46% reduction in GHG emissions from 2013 level



Rooftop solar panels

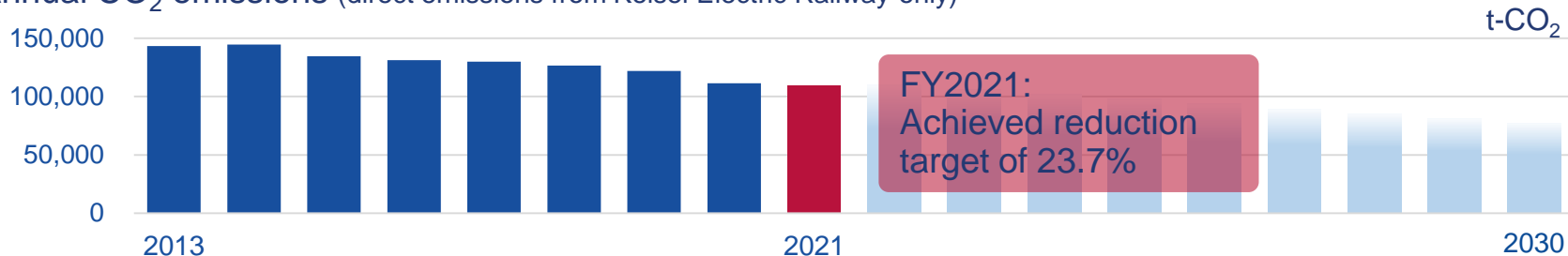


Fuel cell bus



Fuel cell car (for hire)

Annual CO₂ emissions (direct emissions from Keisei Electric Railway only)



1. Community Wellbeing

Save energy and resources

- We'll introduce a new train series, Keisei 3200. With variable set sizes, Keisei 3200 allows for mixed trains (containing both passenger and freight cars), which will reduce CO₂ emissions and food loss.



A train from the existing 3100 series. We're going to introduce Keisei 3200.



We're rolling out LED lighting



In a trial, these Chiba-grown vegetables (B grade) were transported in a mixed train.

Reduce, reuse, recycle

- We'll recycle discarded tires (bus and taxi businesses)
- We'll donate to foodbanks, phase out plastics, and recycle waste (distribution, hotels, and dining businesses)



Uniform made from recycled plastic bottles

Priority 1: Make tourist destinations in core areas (e.g. Narita, Shibamata) more attractive

- We'll promote micro-tourism by providing MaaS services and special (tour-related) tickets and by organizing rail services for special events.
- In promoting tourism, we'll work closer with local governments, schools, and businesses.

Priority 2: Develop new tourist resources and tourist routes

- We'll engage in collaborative projects to develop new tourism content. In these projects, we'll work with local governments and other partners, sharing talent and other resources.



Special tickets issued on MaaS apps



A special signboard design for Shibamata Station



A tie-up with a local business



Special ticket for tourists



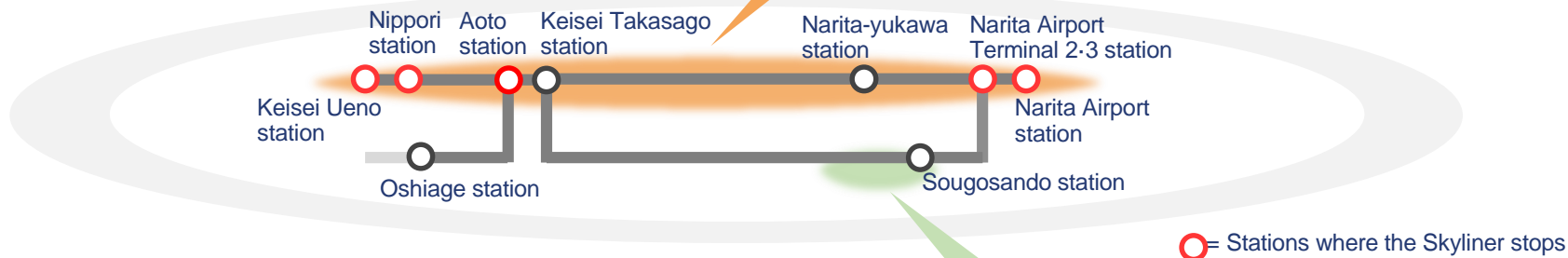
Utilizing a depot as a tourism resource

Priority 1: Prepare for further enhancements to Narita Airport

- We'll launch a project taskforce.
The taskforce will coordinate efforts to upgrade rail infrastructure to accommodate a rise in Narita Airport traffic (traffic is expected to rise over the long term with the upgrading of the airport, scheduled for FY2028).

Route, stations

We'll upgrade the Skyliner stations and boost capacity of the line



Skyliner fleet

We'll improve Skyliner services by expanding the fleet and upgrading the facilities.

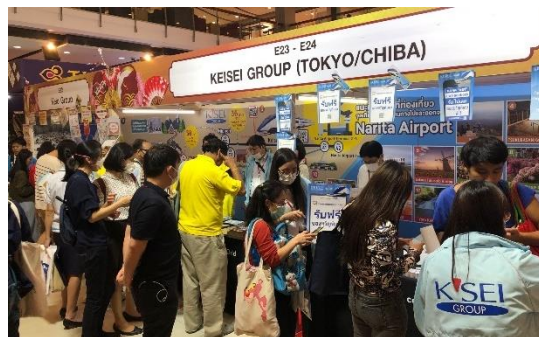
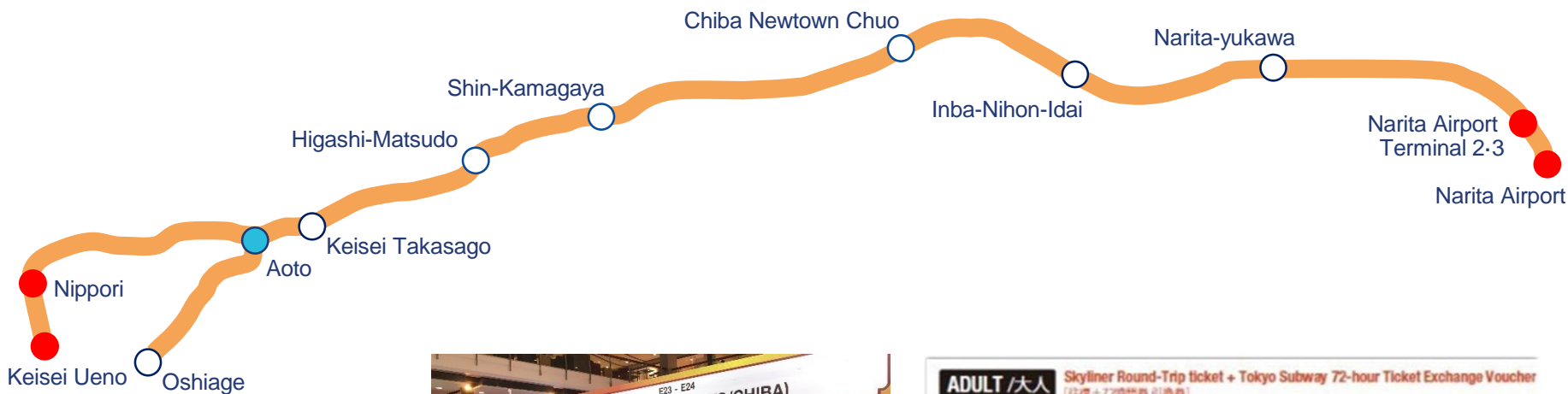
Rail depot

We'll upgrade the Sougo depot. To that end, we'll buy land and work on designs.

3. Airport Link

Priority 2: Make service more passenger-friendly

- We'll overhaul the Skyliner timetable (including stopping patterns), making the service more passenger-friendly.
- To accommodate the expected rebound in foreign tourists, we'll resume efforts to promote Japan as a destination, including issuing special tickets and organizing a booth at tourism exhibitions held overseas.



Our booth at an overseas tourism expo



Special ticket for foreign tourists

Priority 1: Improve disclosures of non-financial (ESG) information

- We'll work closer with community-based organizations to address social and environmental challenges as part of the SDG agenda.
- We'll disclose information in line with the TCFD recommendations and report on human capital metrics in our annual securities reports.



Environmental Report 2021



We've endorsed the TCFD recommendations on climate-related financial disclosures



A three-way partnership between Keisei Rose Nurseries, Yachiyo City, and Shumei University

Priority 2: Maintain fiscal health

- We'll maintain strict fiscal discipline, keeping operating costs low.
- We'll actively invest in projects to further our future growth prospects.

Priority 3: Strengthen Corporate Governance

- We'll reorganize group companies by business and area.
- We'll streamline business processes, shifting to shared services model.

Priority 1: Diversify workforce

- We'll foster a more inclusive workplace (including in terms of gender and nationality) to attract the diverse talent necessary to drive growth.

Priority 2: Encourage employees to embrace change

- We'll invest in talent. This will include job rotation schemes, secondments, and off-the-job training.
- We'll encourage employees to embrace change with confidence.



A female employee at a worksite



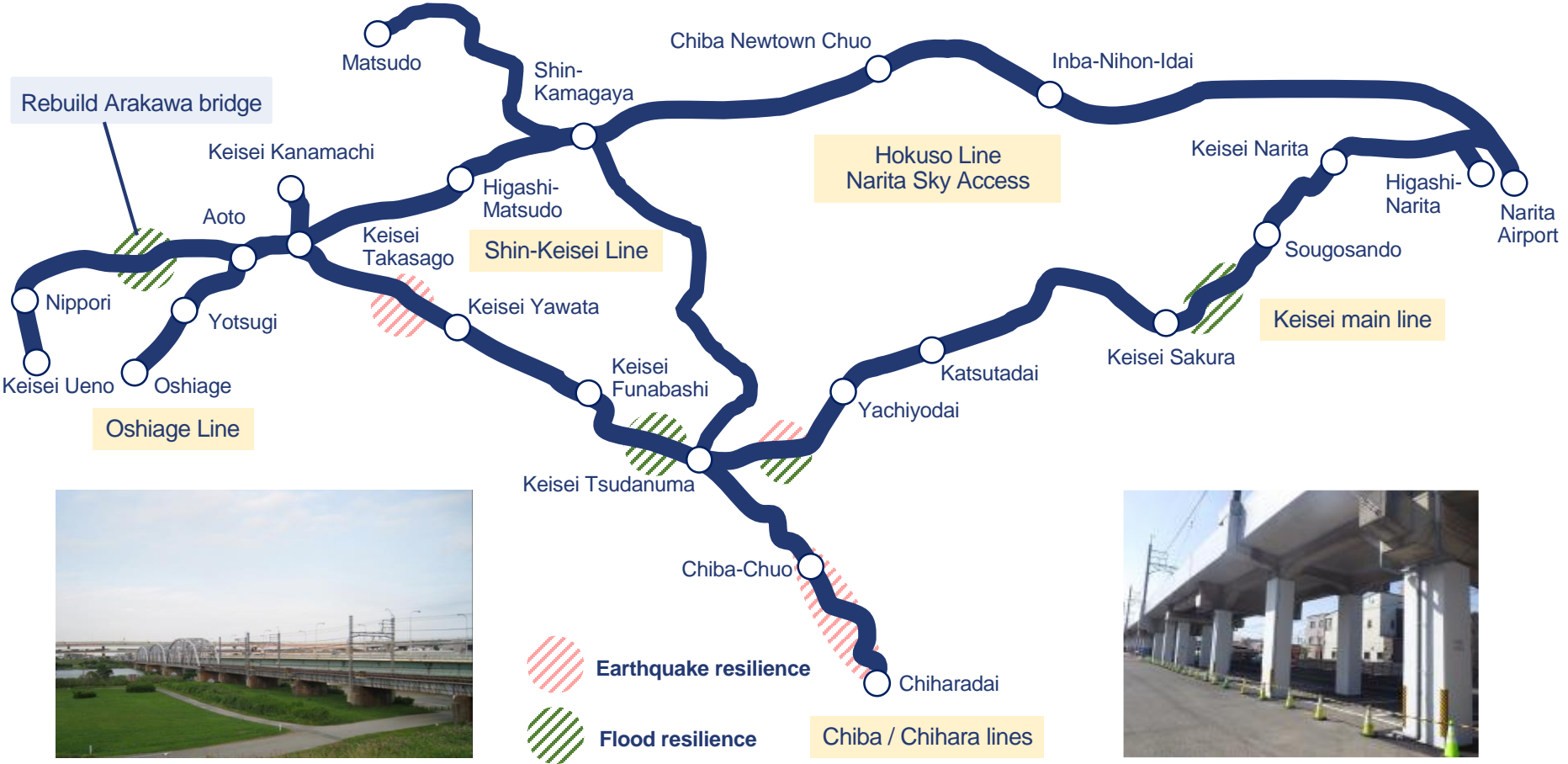
A non-Japanese employee



A briefing for group companies

Priority 1: Improve disaster-resilience

- We'll continue to strengthen earthquake resistance, reinforce slopes, and rebuild bridges over rivers to protect our railways from the threat of earthquakes and flooding.
- We'll follow a scheduled program for upgrading assets that are over 10 years old.



Arakawa bridge, along the main line



Track elevated for better earthquake resilience

Safety and Reliability

Priority 2: Improve passenger safety

- We'll install more rail safety technology (including platform doors at Oshiage Station, security cameras on new trains).
- We'll improve disabled access.
- We'll organize emergency drills and share safety knowhow with group companies.
- We'll provide anti-crime measures (including security guards on trains, joint training with police).

Priority 3: Use digital technology

- We'll further integrate digital technology.
- We'll explore technological innovations for boosting safety and reliability.



Onboard security camera



Emergency drill



Presentation about technical knowhow



Onboard safety drill

Numerical Targets



- **General:**
There will be no pandemic-related curtailments of travel or other economic activities.
- **Non-commuter ridership other than Narita Airport travelers:**
Ridership will be around FY2019 level.
- **Narita Airport travelers:**
Ridership will exceed FY2019 level.
- **Commuter ridership:**
Ridership will be around 90% of FY2019 level.
- **Other:**
We'll gain full ownership of Shin-Keisei Electric Railway on September 1, 2022.

Numerical Targets: Income Statement

- We'll grow earnings by adapting to the changing business climate.

		(Unit: billion yen)	FY2024 target (D1 target)	FY2021 Result	Change
Transportation	Operating revenue		190.5	117.6	72.9
	Operating income		21.8	-12.7	34.5
Distribution	Operating revenue		61.2	47.4	13.8
	Operating income		0.8	-0.3	1.1
Real Estate	Operating revenue		33.7	27.4	6.3
	Operating income		10.8	8.7	2.1
Leisure, Service	Operating revenue		19.3	8.1	11.2
	Operating income		0.6	-2.0	2.6
Construction	Operating revenue		55.3	26.5	28.8
	Operating income		3.2	0.8	2.4
Other	Operating revenue		10.8	7.9	2.9
	Operating income		0.4	0.3	0.1
Operating income (after consolidation adjustment)	Operating revenue		339.0	214.2	124.8
	Operating income		37.6	-5.2	42.8

Numerical Targets: Income Statement

■ Breakdown of change in operating revenue during D1 (FY2024 minus FY2021)

	Change	Breakdown
Transportation	¥72.9 bn	Railway: ¥40.7 bn (Keisei Electric Railway ¥28.4 bn, Shin-Keisei Electric Railway ¥10.8 bn) Bus: ¥22.9 bn Taxi: ¥9.3 bn
Distribution	¥13.8 bn	Store: ¥10.0 bn Department store: ¥2.5 bn
Real Estate	¥6.3 bn	Shin-Keisei Electric Railway: ¥3.7 bn Keisei Electric Railway (Real Estate): ¥2.3 bn
Leisure, Service	¥11.2 bn	Hotels: ¥3.5 bn Advertising: ¥1.8 bn
Construction	¥28.8 bn	Higher contract revenue
Other	¥2.9 bn	

Numerical Targets: Capital Expenditure

- We'll invest to further future growth prospects and to meet societal demands.

	3-year budget	Breakdown
Transportation	¥93.5 bn	Railway: ¥74.5 bn (e.g. depot upgrade, new rolling stock, making stations more earthquake resilient) Bus: ¥16.9 bn (e.g. bus fleet replacement) Taxi: ¥2.1 bn (e.g. taxi fleet replacement)
Distribution	¥4.9 bn	Store: ¥2.1 bn Department store: ¥1.3 bn
Real Estate	¥48.8 bn	Keisei Electric Railway (Real Estate): ¥39.7 bn
Leisure, Services	¥1.7 bn	
Construction	¥0.1 bn	
Other	¥0.3 bn	
Total	¥149.3 bn	
Depreciation	¥99.3 bn	

■ We aim for stable and sustained shareholder dividends, with a benchmark consolidated payout ratio of >10%.

Annual consolidated payout ratio and dividend per share

