

# **First Half of Fiscal Year Ending March 31, 2023 (FY2022) Results Presentation**

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**November 15, 2022**

**Keisei Electric Railway Co., Ltd.**



- 1. Consolidated Results for First Half of Fiscal Year Ending March 31, 2023**
2. Progress in D1 Plan
3. Reference Material

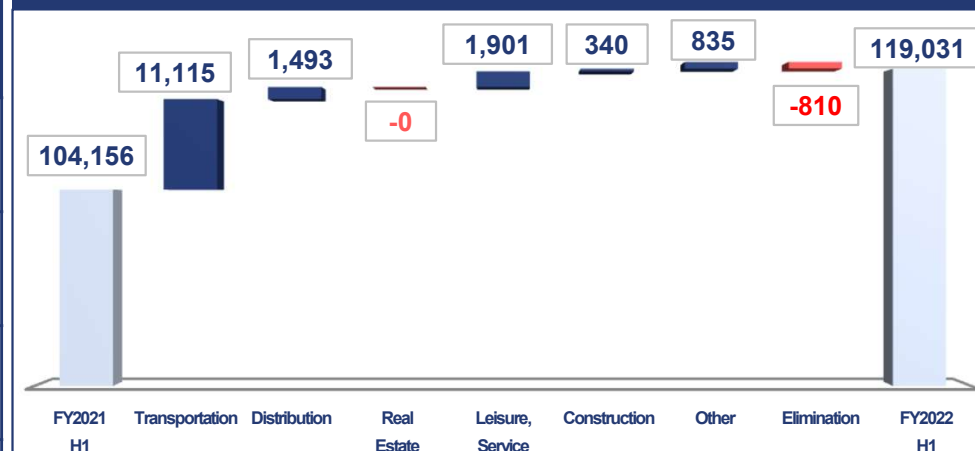
# 1-1. Overview of Results: Consolidated Income Statement

- Operating revenue and income grew thanks to a recovery in transport demand as the Covid-19 effects eased.
- We recorded ¥9.2 billion in extraordinary income (negative goodwill) after acquiring a new consolidated subsidiary, Shin-Keisei Electric Railway.

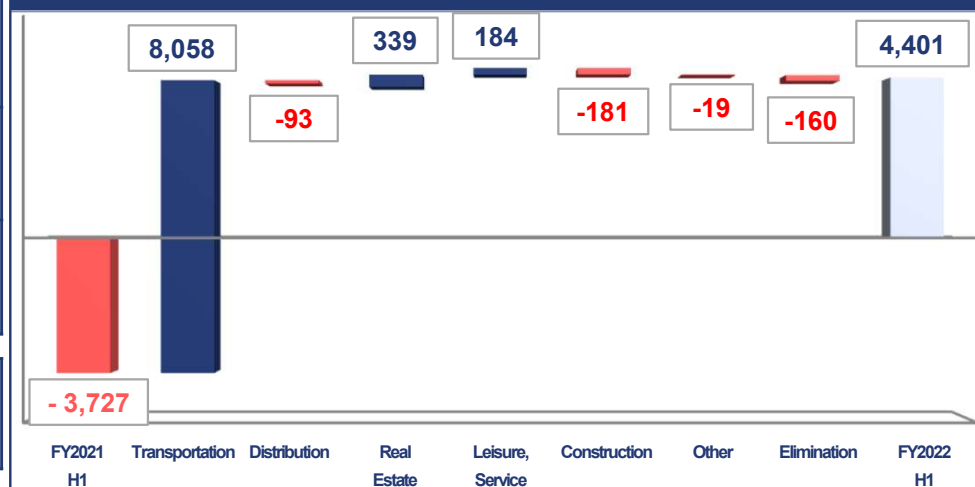
## ■ Consolidated income statement

Million yen, %	FY2021 H1 Result	FY2022 H1 Result	Change	% Change	(Reference) FY2019 H1 Result
Operating revenue	104,156	119,031	14,875	14.3	138,007
Operating income	-3,727	4,401	8,128	—	19,117
(Operating income margin)	—	3.7	—	—	13.9
Ordinary income	-6,801	10,329	17,131	—	28,431
(Share of profit of entities accounted for using equity method)	-3,811	5,735	9,546	—	9,770
Net profit attributable to owners of parent	-7,786	15,597	23,383	—	21,176
(Negative goodwill)	—	9,214	9,214	—	—
Depreciation	15,012	14,785	-226	-1.5	13,555

## ■ Changes in operating revenue (by segment) (Unit: million yen)



## ■ Changes in operating income (by segment) (Unit: million yen)



# 1-2. Results by Segment: Transportation

**Segment recorded growth in revenue and income thanks to a recovery in transport demand**

Million yen, %	FY2021 H1 Result	FY2022 H1 Result	Change	% Change	Reason for change	(Reference) 2019 H1 Result
Operating revenue	56,382	67,498	11,115	19.7	Recovery in transport demand	80,192
Railway	26,608	31,886	5,277	19.8		42,533
Bus	18,603	22,071	3,468	18.6		24,012
Taxi	11,170	13,539	2,369	21.2		13,645
Operating income	-7,459	599	8,058	—		13,677
Railway	-3,657	272	3,929	—		10,752
Bus	-2,748	261	3,010	—		2,755
Taxi	-1,053	65	1,118	—		169
Depreciation	12,431	11,821	-609	-4.9		11,247

# 1-2. Results by Segment: Distribution

**New store openings led to growth in operating revenue, but operating income decreased because of higher utility costs**

Million yen, %	FY2021 H1 Result	FY2022 H1 Result	Change	% Change	Reason for change	(Reference) FY2019 H1 Result
Operating revenue	23,387	24,880	1,493	6.4		33,793
Store	15,984	16,896	911	5.7	Contribution from new store locations *	18,529
Department store	5,031	5,327	296	5.9		12,554
Other	2,370	2,655	285	12.0		2,709
Operating income	-106	-199	-93	—	* Major new stores Keisei Store [Livre Keisei] • Chiba-Chuo Store (Oct. 2021) Community Keisei Openings at the following locations: [FamilyMart] • Pasar Makuhari Store (Feb. 2022) • Chiba Newtown Chuo-Higashi Store (Feb. 2022) • Kaihimmakuhari Station North Exit Store (Mar. 2022) • Chiba Tonyamachi Store (Mar. 2022)	266
Store	104	-34	-138	—		144
Department store	-229	-196	33	—		11
Other	19	31	12	66.3		110

Note: The results for FY2019 H1 indicate the results before the application of the Accounting Standard for Revenue Recognition.

# 1-2. Results by Segment: Real Estate

## Segment recorded income growth, with new rental properties contributing to income

Million yen, %	FY2021 H1 Result	FY2022 H1 Result	Change	% Change	Reason for change	(Reference) FY2019 H1 Result
Operating revenue	13,555	13,554	-0	-0.0		13,454
Leasing	9,497	10,143	645	6.8	Contribution from new rental properties*	8,042
Sales	2,161	1,209	-952	-44.1	Differences in apartments for sale*	3,246
Management	1,895	2,202	306	16.2		2,165
Operating income	4,413	4,753	339	7.7	* Major new rental properties and apartments sold	4,615
Leasing	4,166	4,577	411	9.9	New rental properties • Keisei Chiba-Chuo Bld. (Oct. 2021) • Ichikawa Rental Complex, Ichikawa (Dec. 2021)	3,759
Sales	140	72	-68	-48.4	Apartments sold in FY2021 • Sungrande Hachioji: 27 units • Sungrande Tateishi: 24 units	742
Management	106	103	-3	-3.0	Apartments sold in FY2022 • Park Homes Chiba (joint business)	113
Depreciation	2,031	2,322	291	14.3		1,790

Note: From the start of FY2022, Keisei Real Estate's revenue is reported as "leasing" instead of "sales" as before. The results for FY2019 H1 and FY2021 H1 have retroactively adjusted to enable comparison.

# 1-2. Results by Segment: Leisure, Service, Construction, Other

## ■ Leisure, Service

Million yen, %	FY2021 H1 Result	FY2022 H1 Result	Change	% Change	Reason for change	(Reference) FY2019 H1 Result
Operating revenue	3,392	5,294	1,901	56.1	Contribution from new hotel locations (2 Keisei Richmond Hotel locations, Keisei Hotel Miramare Annex)	4,665
Operating income	-991	-806	184	—		-35

## ■ Construction

Million yen, %	FY2021 H1 Result	FY2022 H1 Result	Change	% Change	Reason for change	(Reference) FY2019 H1 Result
Operating revenue	11,883	12,223	340	2.9	Differences depending on construction progress	10,894
Operating income	380	199	-181	-47.6	Differences depending on construction project	485

## ■ Other

Million yen, %	FY2021 H1 Result	FY2022 H1 Result	Change	% Change	Reason for change	(Reference) FY2019 H1 Result
Operating revenue	3,284	4,119	835	25.4	Acquisition of company as non-consolidated subsidiary	4,279
Operating income	68	48	-19	-29.1		183

# 1-3. Overview of Results: Consolidated Balance Sheet

## Assets and liabilities increased when we made Shin-Keisei Electric Railway a consolidated subsidiary

### ■ Consolidated balance sheet

Unit: million yen	FY2021 Result	FY2022 H1 Result	Change	Reason for change
<b>Assets</b>	<b>900,346</b>	<b>950,277</b>	<b>49,930</b>	Shin-Keisei Electric Railway made consolidated subsidiary
Cash and deposits	25,513	44,048	18,535	
Property, plant and equipment	587,008	626,309	39,301	
Investment securities	204,162	193,208	-10,953	Shares in equity-method affiliates decreased after Shin-Keisei Electric Railway was made a consolidated subsidiary
<b>Liabilities</b>	<b>512,641</b>	<b>550,430</b>	<b>37,789</b>	Shin-Keisei Electric Railway made consolidated subsidiary
Interest-bearing debt*	382,266	411,727	29,461	Bonds issued
<b>Net assets</b>	<b>387,705</b>	<b>399,846</b>	<b>12,141</b>	We recorded net profit attributable to owners of parent
<b>Equity ratio</b>	<b>41.1</b>	<b>40.4</b>	<b>-0.7pt</b>	

\*Includes lease obligations



### ■ Changes to consolidated results forecasts

- For the time being, the results forecasts remain unchanged from the figures announced on April 28, 2022.

(Reference) Consolidated results forecast announced on April 28, 2022

Million yen, %	FY2021 Result	FY2022 Forecast	Change	% Change
Operating revenue	214,157	272,200	58,042	27.1
Operating income	-5,201	21,500	26,701	—
Ordinary income	-3,191	27,700	30,891	—
Net profit attributable to owners of parent	-4,438	18,700	23,138	—

- We are examining the impacts of the following factors on the consolidated results for the year ending March 31, 2023:
  - Largescale easing of Covid-related border controls (from October 11, 2022)
  - Yen depreciation
  - Use of subsidized discounts and other government schemes for promoting domestic travel



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### 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 9 YEARS, FROM FY2022 TO FY2030

D1  
(FY2022–2024)

D2  
(FY2025–2027)

D3  
(FY2028–2030)

#### 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

Group  
management  
philosophy

Long-term  
business  
plan: D Plan

Medium-term  
(3-year)  
business plans:  
D1, D2, D3

### 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



### ■ D1 goal

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

### ■ Goals for final year of D1 (FY2024)

Operating revenue  
**≥¥339.0 bn**

Operating income  
**≥¥37.6 bn**

Operating income margin  
**≥11.1%**

EBITDA multiple  
**≤5.4 times**

**Achieve vision for 2030**

Use a strategic investment budget to achieve sustainable corporate development

**D1**  
FY2022–2024

D2  
FY2025–2027

D3  
FY2028–2030

## Priority 1: Build vibrant, lasting communities

### Rejuvenate area along Hokusō Line

- Decreased fares on Hokusō Line (Oct. 2022)
  - We reduced fares on October 1. Student commuter passes were reduced by as much as 64.7%.

Non-commuters	% reduction		Total
	Workers	Students	
11.6%	13.8%	64.7%	15.4%

- We strengthened local PR by running a special Hokusō Line service (Aug. 2022). The train (known as the Hokusō Community Promotion Train) displays advertising by the local government.



Hokusō Community Promotion Train

- We published a promotional brochure for the area in partnership with the Urban Renaissance Agency (Sep. 2022).

### Collaboration with Shin-Keisei Electric Railway

- We made Shin-Keisei Electric Railway a fully consolidated subsidiary (Sep. 2022), enabling more efficient allocation of our group's resources and better competitiveness.

### Creating a positive cycle for residential properties

- We entered a partnership with Arakawa-ward to address the problem of derelict properties (Apr. 2022).
  - This is our 5th such partnership with a local government along the line.
- We upcycled a derelict property in Yachiyo City.
  - We regenerated the derelict property as a housing complex, contributing to the local economy.



Before



Property regenerated

After

## ■ Build vibrant communities along our lines

- We renovated a shopping center, YourELM Yachiyodai (Sep. 2022).



Livre Keisei  
YourELM Yachiyodai



Kids space  
at YourELM Yachiyodai

- We launched an evening pass (Apr. 2022).
  - We upgraded the morning pass to unlimited morning travel on all services.
- Some of our bus companies launched smartphone-based bus passes.



Smartphone-based bus pass

- Livre Keisei (Chibadera) started an online supermarket (Oct. 2022).
- We tested a subscription service (Jun. 2022).
  - We launched Sasa Pass, a subscription service covering group facilities.



- We opened new restaurant locations.



LITTLE MERMAID  
Horikirishōbuen Station  
(Opened Sep. 2022)



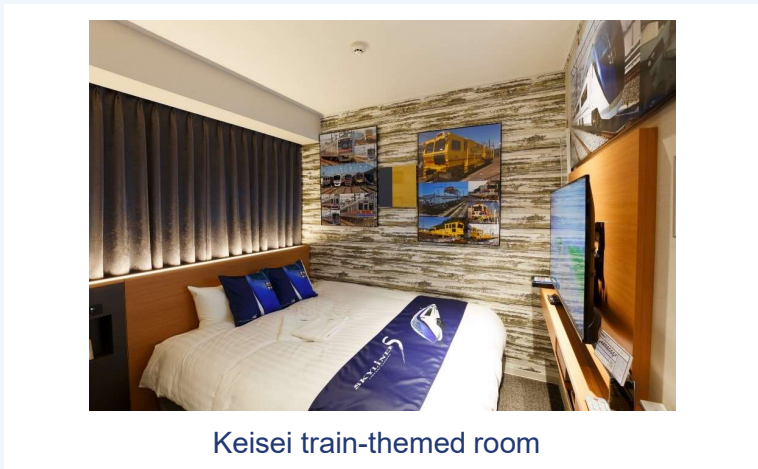
SUBWAY Narita Airport  
Terminal 1, South Wing  
(opened Apr. 2022)





## ■ Rejuvenate Chiba-Chuo area

- We provided a concept room (Jul. 2022).
  - Keisei Hotel Miramare provided a Keisei train-themed room.



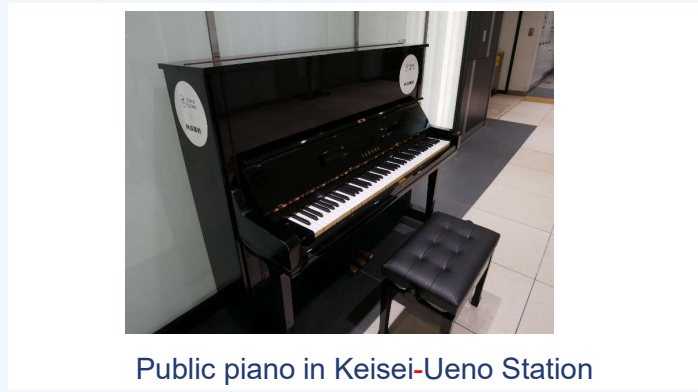
Keisei train-themed room

- We launched Machi Gacha, a service that lets users access amenities in Chiba area at discounted prices (Apr. 2022).



## ■ Rejuvenate Ueno area

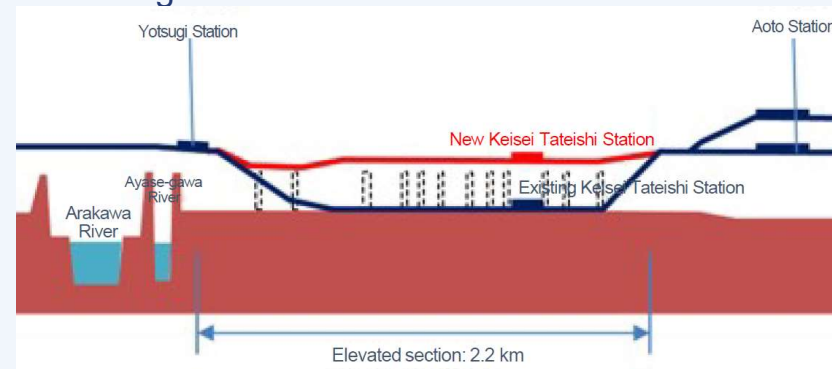
- We installed a public piano in Keisei-Ueno Station (Aug. 2022).
  - The piano was provided under a comprehensive agreement with Tokyo University of the Arts.



Public piano in Keisei-Ueno Station

## ■ Continued construction of elevated rail

- Elevated section in Katsushika ward (Yotsugi Station –Aoto Station)
  - Elevated section enabled the removal of 11 level crossings.





## ■ Offer for-sale apartments

- Sungrande Chiba Tsuga Terrace (87 units)  
(to be completed in Sep. 2023)



- Park Homes Chiba (253 units) (completed in Mar. 2022)



## ■ Develop profitable rental properties

- Payable care home\* (to be completed in Sep. 2023)  
\*Management of facility is outsourced.



- Rental apartment complexes



Skygrande Ichikawa  
(completed in Aug. 2022)

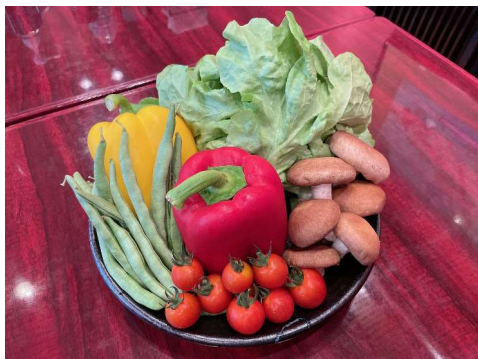


Windterrace Yachiyodai-nishi  
(completed in Aug. 2022)

## Priority 2: Incorporate sustainability into community development

### Save energy and resources

- We ran a mixed train services (containing both passenger and freight cars) (Jul. 2022).
  - In partnership with Chibavege, we utilized rejected/misshaped vegetables grown in Chiba in group stores.



Chiba-grown vegetables sold by Chibavege

- We switched to LED lighting in stations and trains.



This train now uses LED lighting

### Reduce, reuse, recycle

- We held a food drive (Oct. 2022).
  - We started using convenience stores as a food collection point.



Signing ceremony for food drive project

- We held a flea market at Gakuen-Mae Station. (Oct. 2022).

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

**Priority 2: Develop new tourist resources and tourist routes**

### ■ Promote micro-tourism

- We Ran excursion train service.
  - Events included:
    - All aboard the Danjuro Train! The Ichikawa Danjuro naming ceremony tour, Keisei Electric Railway: Station heritage tour



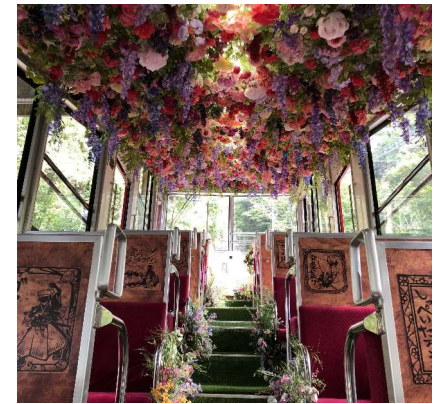
Commemorative train wrap on Danjuro train (Oct. 2022)

- We increase bus routes.
  - Chiba City Bus and Nitto Kotsu opened an intercity through service for Mt. Nokogiri on the Tateyama line (Kanaya district) (Sep. 2022).

- We started special (tour-related) tickets.
  - Tours included:
    - Celebrating the 150th anniversary of Japanese rail: All-day pass for Keisei Group's four rail companies
    - Tour commemorating the 50th anniversary of Japan welcoming China's giant pandas
    - Keisei rose ticket
- We renovated amenities and organized events along the Tsukuba Scenic Railway.



Nyotaisan Station (hilltop) viewing platform (renovated Sep. 2022)



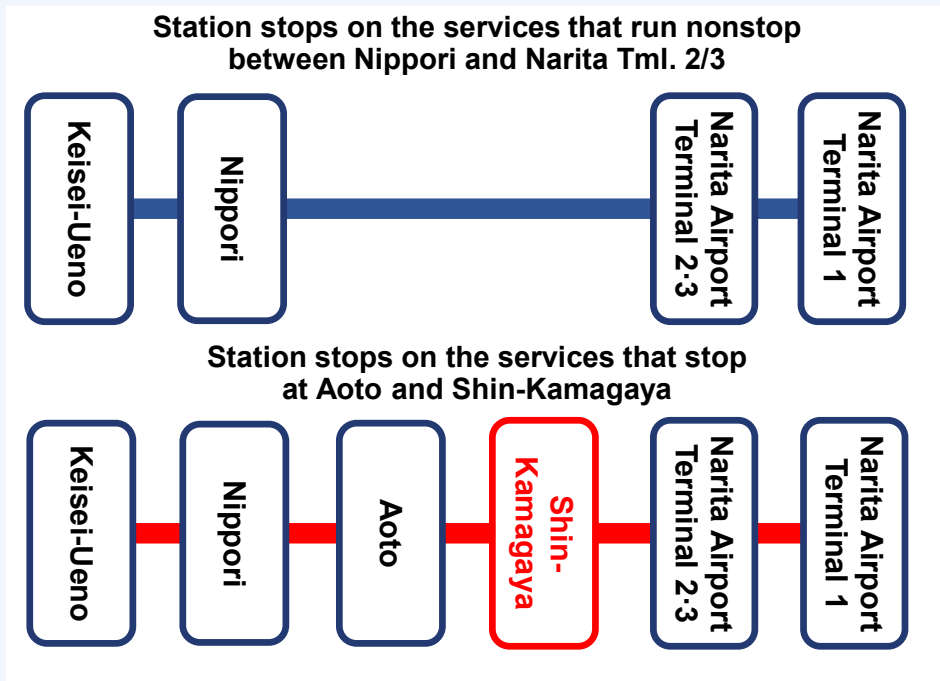
Inside the rose art train (service ran in Oct.–Nov. 2022)

## Priority 1: Prepare for further enhancements to Narita Airport

## Priority 2: Make service more passenger-friendly

### More convenient airport links

- We added a station stop to the Skyliner route (Nov. 2022).
  - When we changed the timetable in November 2022, we added a station stop at Shin-Kamagaya for some Skyliner services to improve access to Narita from the Matsudo Kashiwa area.



- In October 2021, we resumed all suspended Skyliner services.

### Better promotion (1)

- We ran a promotional campaign using original Prince Keisei goods featuring a celebrity (Jul.–Aug. 2022).



Plastic file folder featuring Kenty Skyliner

- We launched the 160 km/h Project in partnership with the Chiba Lotte Marines (May 2022). The project involves showing imagery (from a stadium video wall) of Rouki Sasaki pitching at 160 km/h. It also involves a gift campaign.

## ■ Better promotion (2)

- We launched special tickets for inbound tourists (Skyliner Coupon, Keisei Skyliner & Tokyo Subway Ticket) using vouchers with QR codes (Aug. 2022).



Tour voucher with QR code

- We commemorated reaching a total of 40 million passengers riding on Skyliner (Oct. 2022).



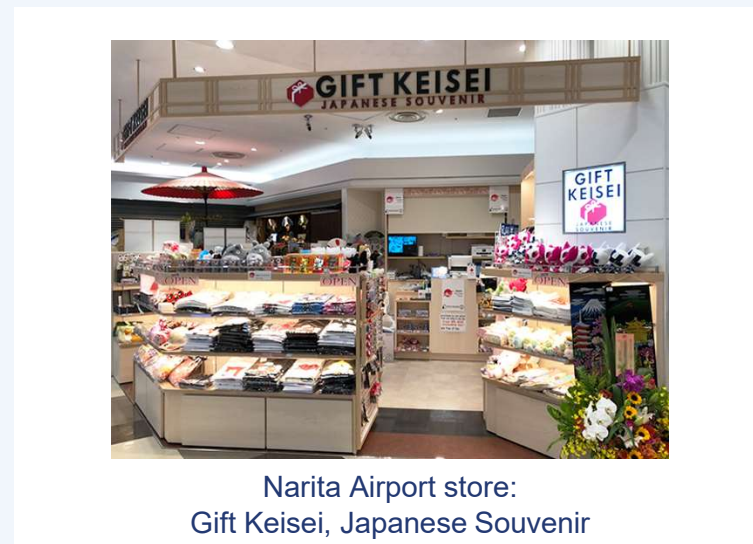
Commemorative ceremony

## ■ Organizational improvements

- We launched the project taskforce (Jul. 2022).
  - 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).

## ■ Relunched intercity bus links, reopened airport store

- We relunched some suspended/withdrawn intercity bus services to/from Narita Airport.
- We reopened a group-run store at Narita Airport.



Narita Airport store:  
Gift Keisei, Japanese Souvenir

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

## Priority 2: Maintain fiscal health

## Priority 3: Strengthen corporate governance

### SDG action

- We've endorsed the TCFD recommendations on climate-related financial disclosures (Jul. 2022).

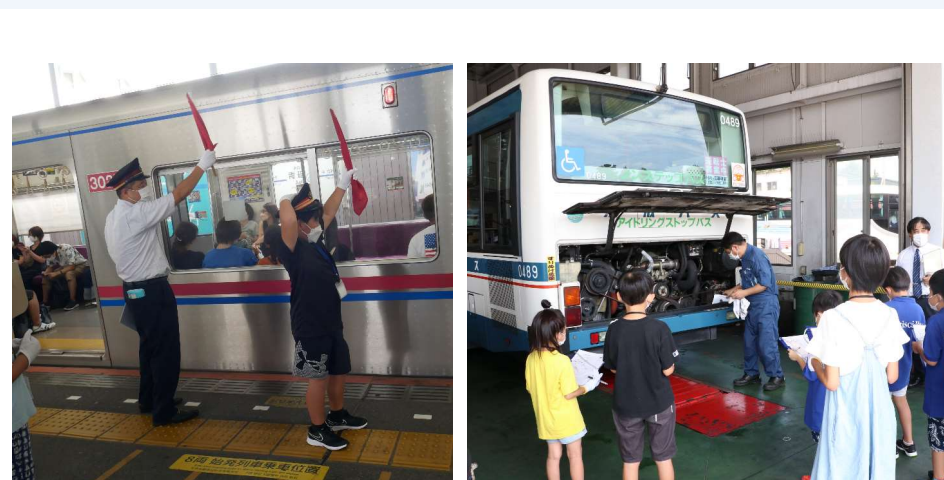


- We started using sustainable finance.
  - We took out our first green loan to fund actions to mitigate environmental impacts (Sep. 2022).

#### [Reference] Green loan

Type of loan	Green loan (syndication)
Agreement date	September 22, 2022
Amount	¥10 billion
Use	(1) Introduce 3100 series trains (2) Reinforce slopes (3) Repair bridges (4) Refurbish substations (5) Fund construction of Keisei Chiba-Chuo building

- We ran work experience program (Jul.–Aug. 2022).



Keisei Kids Academy

- We supported children who have been hospitalized (Apr. 2022).
  - We organized Charity Liner with Ronald McDonald House Charities Japan, ANAHD, and Narita Airport Transport.

## Priority 1: Diversify workforce

### ■ Diversify workforce

- We made the workplace more empowering for women.
  - We improved dorms for women train staff.



A woman serving as one of the train staff

- We hired non-Japanese people for roles in the customer information center and Skyliner counter.



A non-Japanese person working at the information center

## Priority 2: Encourage employees to embrace change

### ■ Invest in talent

- We improved the way we help employees obtain qualifications (Apr. 2022).
- We held jobseekers briefings across the Keisei Group (May, Jun., Sep. 2022).



Jobseekers briefing

- We organized an intercompany training program (Oct. 2022).



Intercompany training program



### Priority 1: Improve disaster-resilience

### Priority 2: Improve passenger safety

### Priority 3: Use digital technology

#### ■ Improve disaster-resilience

- We reinforced slopes (between Sōgosandō Station and Kōzunomori Station).
- We conducted earthquake-resistance work (in Ichikawamama Station and elsewhere).



Slope reinforcement work (between Sōgosandō Station and Kōzunomori Station)

- We started preparatory construction work for the project to rebuild Arakawa bridge (Sep. 2022).



Arakawa bridge, along the main line (between Keisei-Sekiya Station and Horikirishōbuen Station)

#### ■ Capital expenditures

- We proceeded with installation of platform doors.
  - We started installing platform doors at Oshiage Station (to be completed in FY2023).



Platform doors at Narita Airport Terminal 1 Station

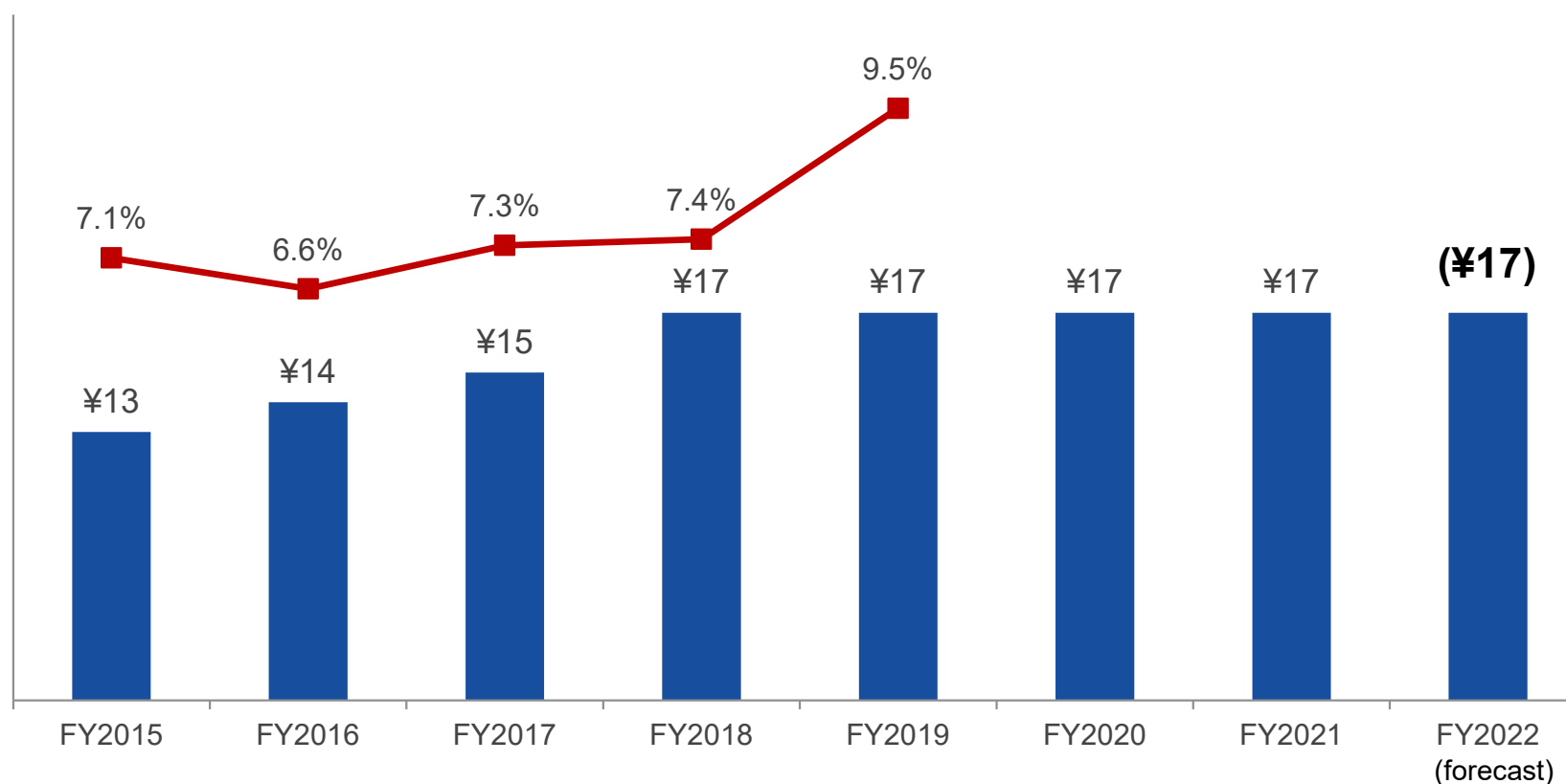
#### ■ Improve emergency resilience

- We started security patrols on Skyliner and other charged limited express services to enhance in-train safety (Apr. 2022).
- We conducted emergency drills on trains.
- We improved the internal communications protocols for earthquake emergencies (Jun. 2022).

## 2-5. Shareholder Returns

- We will maintain the level paid in normal years despite recording losses in FY2020 and FY2021.
- We remain committed to stable and sustained shareholder dividends, with a benchmark consolidated payout ratio of >10%.

Annual consolidated payout ratio and dividend per share



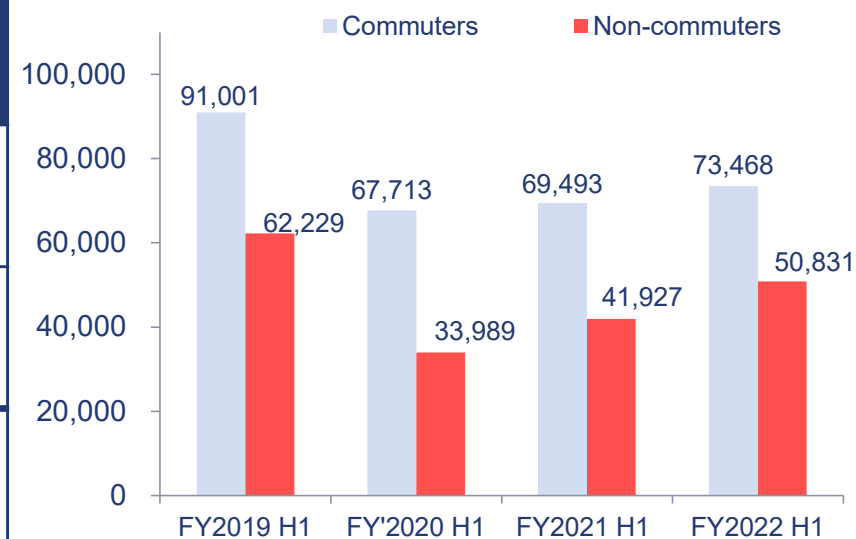
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### 3-1. Transportation Performance [non-consolidated] in First Half of FY2022

#### ■ Number of passengers

Thousand people, %	FY2021 H1 Result	FY2022 H1 Result	Change	% Change
Commuters	69,493	73,468	3,975	5.7
Non-commuters	41,927	50,831	8,904	21.2
Total	111,420	124,299	12,879	11.6

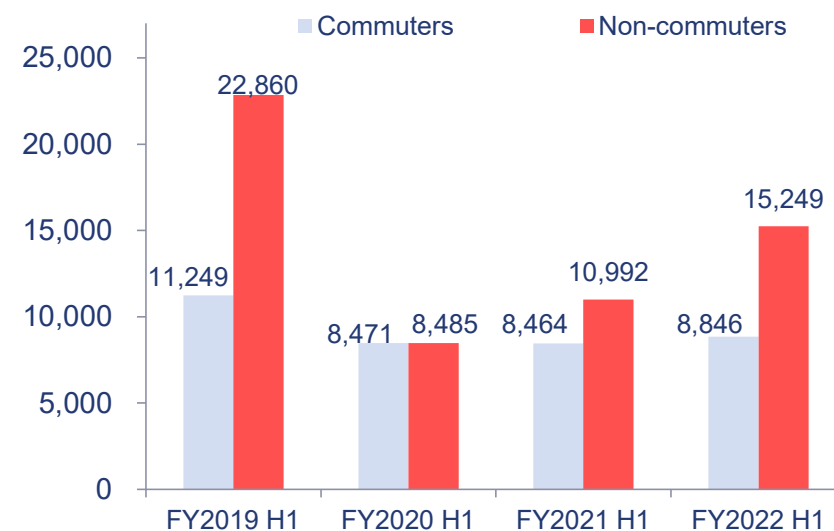
Unit: thousand people



#### ■ Revenue from passengers

Million yen, %	FY2021 H1 Result	FY2022 H1 Result	Change	% Change
Commuters	8,464	8,846	382	4.5
Non-commuters	10,992	15,249	4,256	38.7
Total	19,457	24,096	4,639	23.8

Unit: million yen

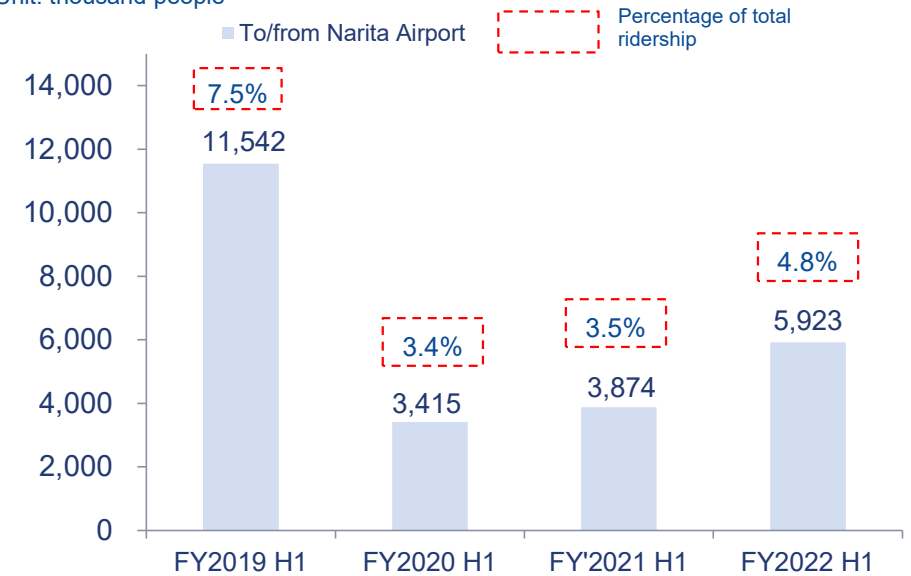


# 3-1. Transportation Performance (to/from Narita Airport) [non-consolidated] in First Half of FY2022

## ■ Number of passengers

Thousand people, %	FY2021 H1 Result	FY2022 H1 Result	Change	% Change
To/from Narita Airport	3,874	5,923	2,049	52.9
Charged limited express	617	1,385	768	124.5

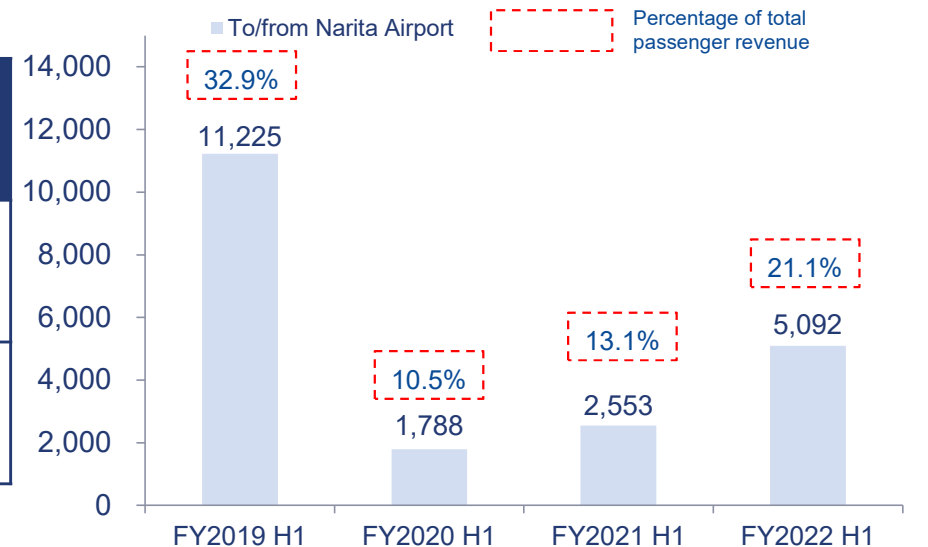
Unit: thousand people



## ■ Revenue from passengers

Million yen, %	FY2021 H1 Result	FY2022 H1 Result	Change	% Change
To/from Narita Airport	2,553	5,092	2,539	99.5
Charged limited express	486	1,302	815	167.7

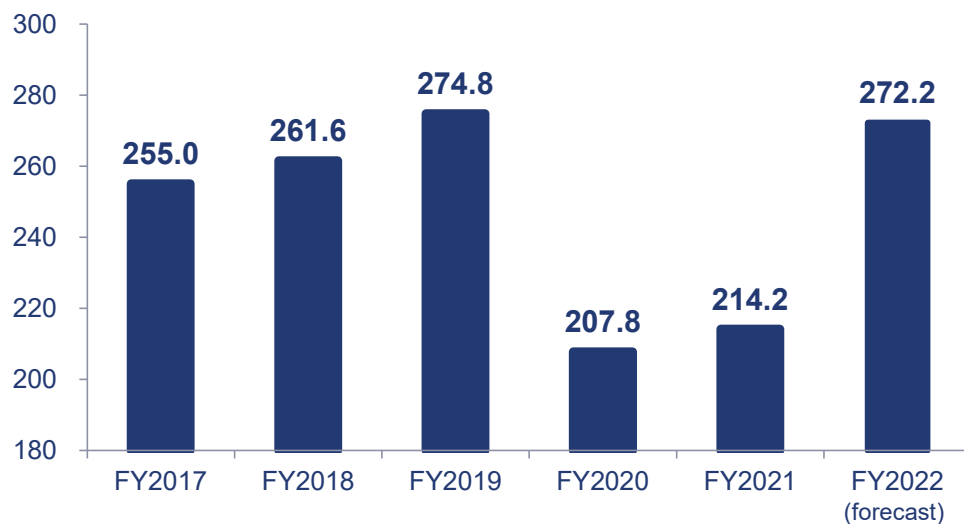
Unit: million yen



# 3-2. Financial Highlights

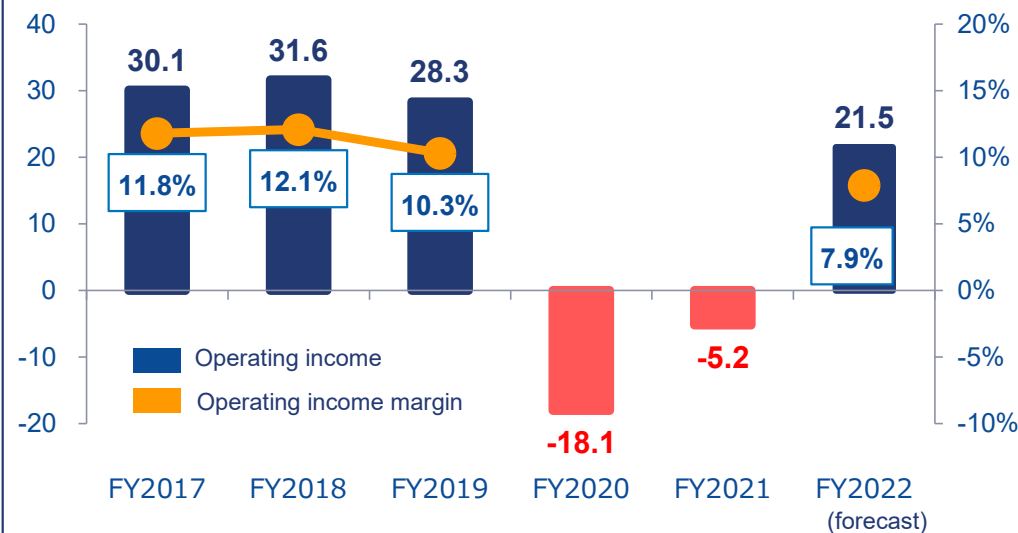
## ■ Operating revenue

(Unit: billion yen)



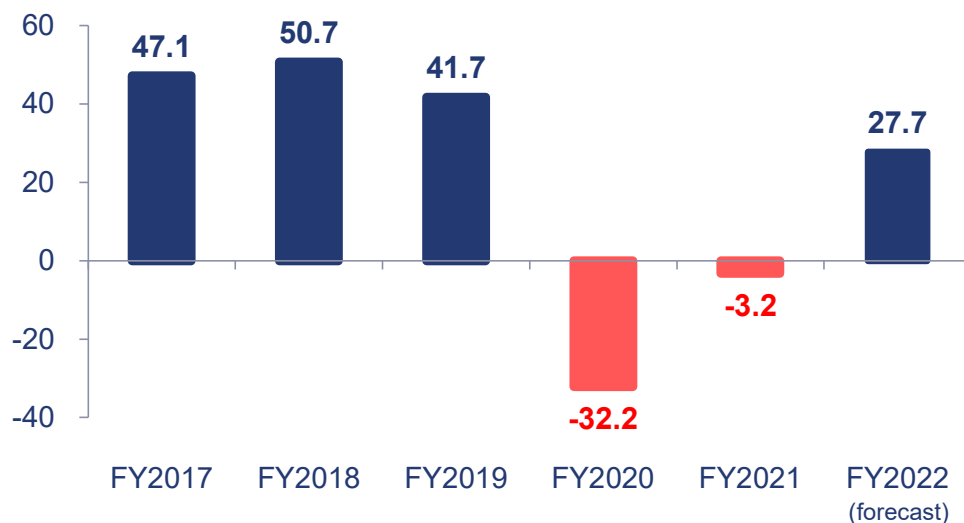
## ■ Operating income, operating income margin

(Unit: billion yen, %)



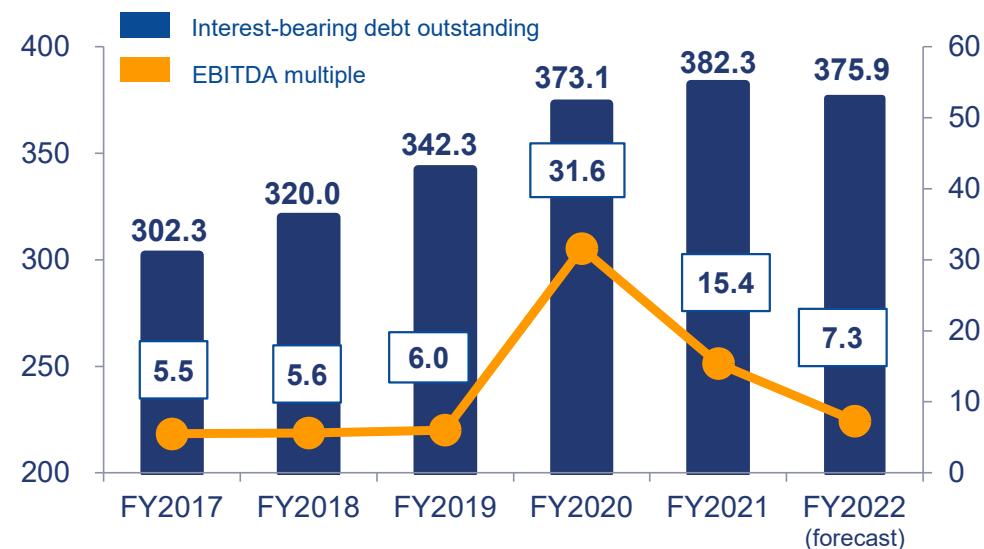
## ■ Ordinary income

(Unit: billion yen)



## ■ Interest-bearing debt, EBITDA multiple

(Unit: billion yen, times)



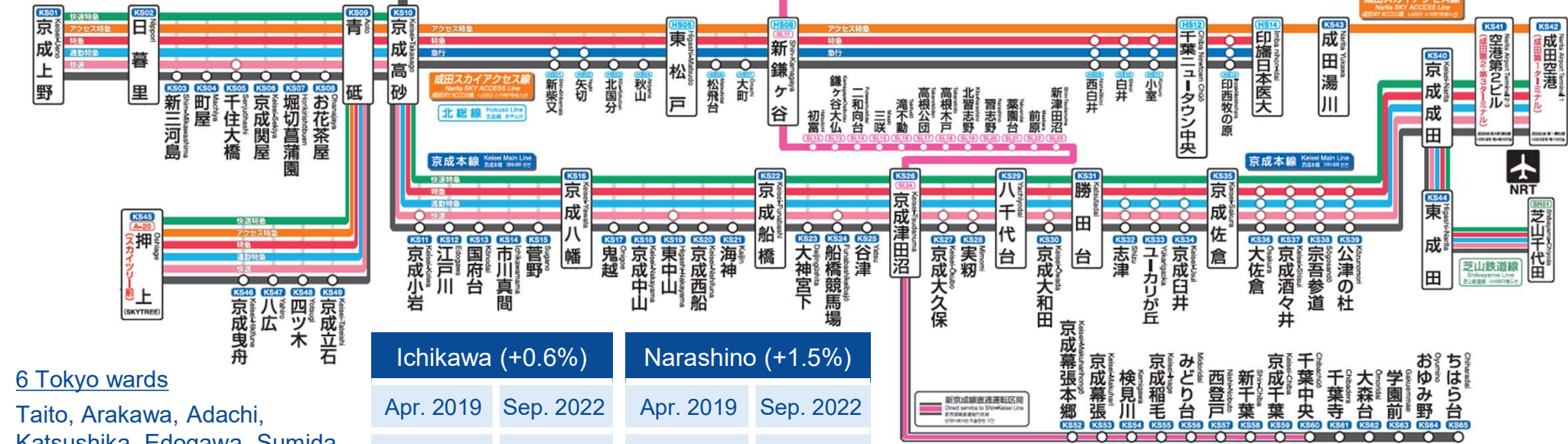
# 3-3. Trends in Population in Areas Served by Lines

## Comparison between September 2022 and April 2019 (first year of E4 Plan)

(Thousand people)

Keisei areas: Eastern Tokyo and Chiba  
 Distance: 178.8km (Keisei, Hokuso, Shin-Keisei)  
 No. of stations: 101  
 Local governments: 6 wards (Tokyo), and 13 cities and 2 towns (Chiba)  
 Population: 6,462 (up 0.5%)  
 Tokyo: 2,546 (up 0.3%)  
 Chiba: 3,916 (up 0.6%)

Matsudo (+1.2%)		Kamagaya (+0.3%)		Chiba NT area (+4.4%)		Narita area (-0.9%)	
Apr. 2019	Sep. 2022	Apr. 2019	Sep. 2022	Apr. 2019	Sep. 2022	Apr. 2019	Sep. 2022
491	497	109	110	161	169	210	208



6 Tokyo wards  
 Taito, Arakawa, Adachi, Katsushika, Edogawa, Sumida

6 Tokyo wards (+0.3%)	
Apr. 2019	Sep. 2022
2,539	2,546

Ichikawa (+0.6%)	
Apr. 2019	Sep. 2022
494	497

Narashino (+1.5%)	
Apr. 2019	Sep. 2022
173	176

Funabashi (+1.5%)	
Apr. 2019	Sep. 2022
637	646

Yachiyo (+2.6%)	
Apr. 2019	Sep. 2022
197	202

Sakura (-2.8%)	
Apr. 2019	Sep. 2022
171	166

Chiba (+0.1%)	
Apr. 2019	Sep. 2022
978	979

Ichihara (-1.8%)	
Apr. 2019	Sep. 2022
271	266

The figures are based on data published by local governments.

**In this material, information other than past facts constitutes forward-looking statements and includes risk and uncertainty. Actual results may differ due to a variety of reasons.**

**This material is an English translation of the Japanese version. If there is a discrepancy between the Japanese and English versions, the Japanese version shall prevail.**

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