

■ Transportation

In railway operations, we revised our schedule in December 2006, and we took steps to enhance access and increase capacity. As a result, the number of passengers using Haneda Airport Station rose 4.5%, and the number of passengers carried by Keikyu during the year under review increased 1.3% from the previous year. In addition, we worked to enhance passenger services and increase revenues, and we moved ahead with renovations targeting the alleviation of station congestion and increased convenience. In bus operations, we took steps to increase operational efficiency, such as establishing a Haneda Airport connection bus and transferring routes.



As a result, the Transportation Group's operating revenues rose 0.4%, to ¥116.9 billion, and operating income declined 1.0%, to ¥19.6 billion.

Haneda Airport Station: In 1998, Keikyu established a station at Tokyo International Airport (Haneda Airport), thereby realizing a direct rail link between Haneda Airport and New Tokyo International Airport (Narita Airport). At present, Haneda Airport mostly handles domestic flights. However, with plans calling for the upgrading and expansion of runway facilities and an increase in the number of international flights at Haneda, the number of passengers is expected to rise. In response, Keikyu has begun construction of a new station linked directly with Haneda Airport's new international terminal.

■ Real Estate

During the year under review, in conjunction with Group companies, we concentrated on the construction and sale of high-quality residential properties and condominiums along Keikyu railway lines. We activated leased buildings through tenant changes, and occupancy rates remained strong.

As a result, the Real Estate Group's operating revenues increased 26.2%, to ¥48.0 billion, and operating income rose 16.3%, to ¥8.4 billion.



■ Tourism and Leisure

At Le Meridien Pacific Tokyo, in line with customer needs, we took steps to develop new customers, such as renovating facilities and improving restaurant menus. At Le Meridien Grand Pacific Tokyo, we implemented marketing activities that leveraged its location nearby Haneda Airport. In addition, we began construction of a business hotel to meet the needs of customers using Haneda Airport.



As a result, the Tourism and Leisure Group's operating revenues rose 0.5%, to ¥51.8 billion, while operating income rose 35.5%, to ¥2.0 billion.

■ Distribution

Keikyu Department Store Co., Ltd., renovated sales areas and implemented aggressive marketing activities. Keikyu Store Co., Ltd., implemented renovations in line with the surrounding commercial area and customer needs, taking steps to improve the format of sales areas in accordance with regional characteristics and introducing tenants with high customer drawing ability.



As a result, the Distribution Group's operating revenues decreased 4.0%, to ¥96.3 billion, and operating income declined 14.7%, to ¥1.4 billion.

■ Others

We worked to improve profitability at Keikyu Construction Co., Ltd. and Keikyu Electric Engineering Co., Ltd., by increasing orders for large-scale construction projects and implementing rigorous cost controls. At Keikyu Service Co., Ltd., we worked to improve operational efficiency and expanded childcare facilities near stations.

As a result, the Other Group's operating revenues increased 23.9%, to ¥68.6 billion, and operating income rose 59.2%, to ¥4.6 billion.