

Updates to the Keikyu Group 20th Integrated Management Plan

(Updated in May 2025)

May 12, 2025

Keikyu Corporation (Securities code: 9006)



JPX-NIKKEI 400



Updates to the Keikyu Group 20th Integrated Management Plan

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Progress on Action to Implement Management That Is Conscious of the Cost of Capital and the Stock Price

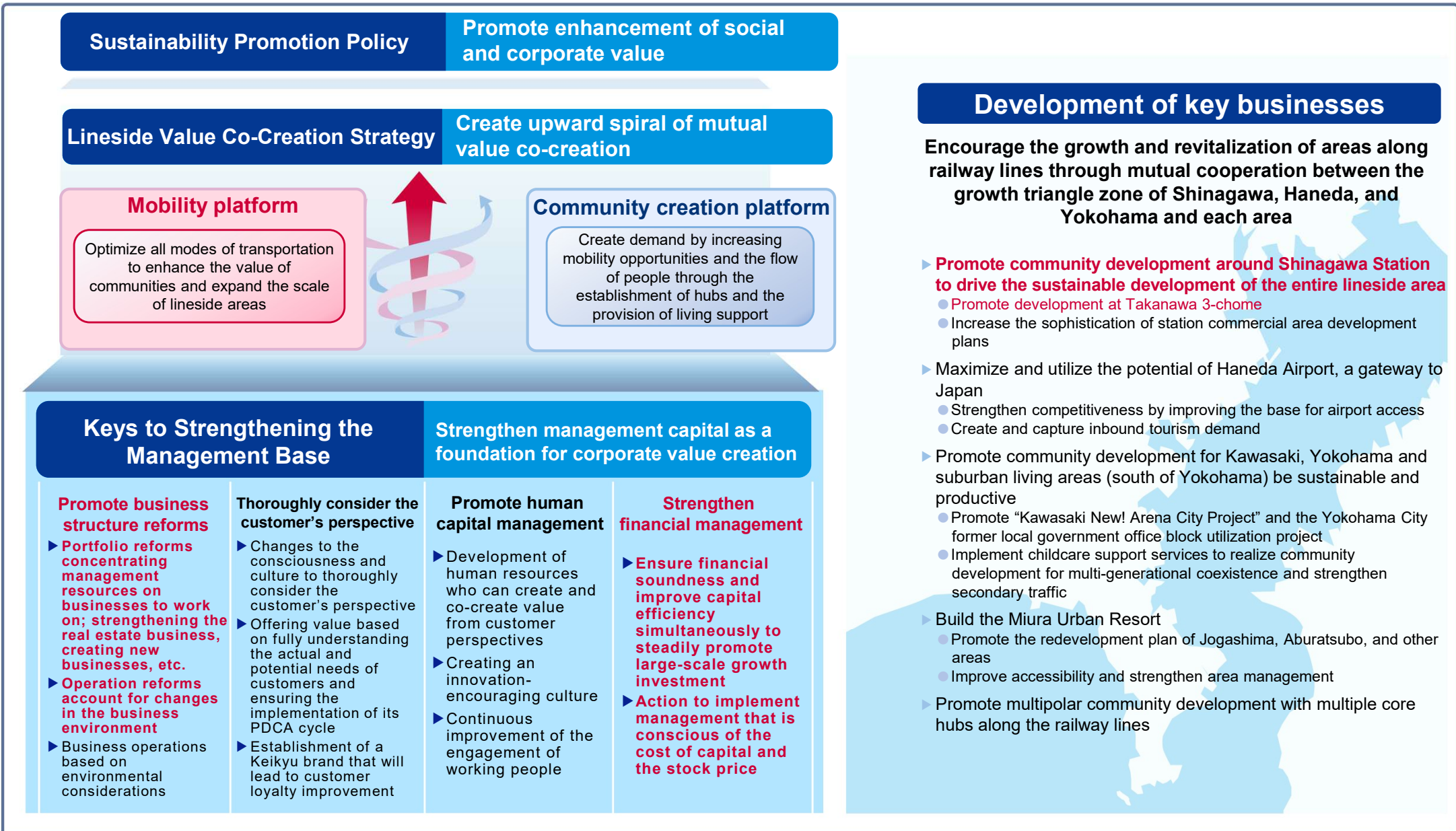
Status of Constructive Dialogue with Shareholders

Partial Reprint of the Keikyu Group 20th Integrated Management Plan

Updates to the Keikyu Group 20th Integrated Management Plan

Updates from the Medium-Term Management Plan

Updates have been made to the items in the red since the previous announcement (May 2024) in order to accelerate improvements in capital efficiency.



Revision of Target Indicators

Important points of the revision

Following dialogue with the capital market after the announcement of the 20th Integrated Management Plan in May 2024, the following revisions have been implemented:

- **Increase in ROE target** and clarification of the target achievement period
- Strengthening of shareholder returns and **clarification of the underlying cash allocation**

► Announced on May 10, 2024

Key management indicators		FY2026 (final year of the Medium-Term Management Plan)	Long-term goal
	Operating profit	¥35.0 billion	Aim to achieve
	Net interest-bearing debt/EBITDA ratio	Less than 8.0 times	ROE
	ROE	At least 6.0%	of at least 8.0% while paying attention to financial soundness

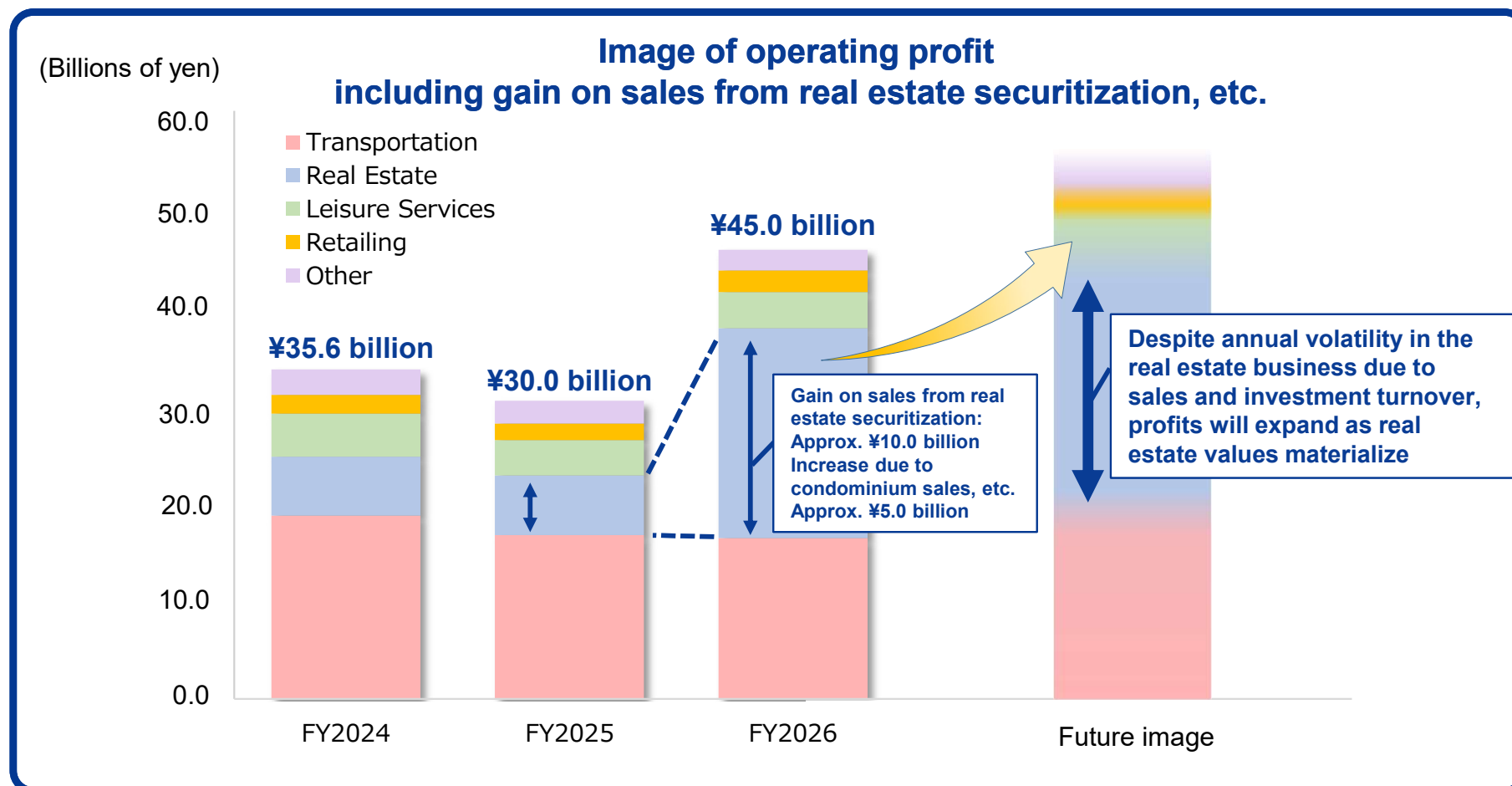
Including gain on sales from real estate securitization

► Revised target indicators

		FY2024 (actual)	FY2025 (forecast)	FY2026 (final year of the Medium-Term Management Plan)	FY2027 onwards (next Medium-Term Management Plan period onwards)
Key management indicators	Operating profit	¥35.6 billion	¥30.0 billion	¥45.0 billion	ROE of at least 8% to be sustained, with a long-term target of at least 10%
	Net interest-bearing debt/EBITDA ratio	6.1 times	Less than 8.0 times		
	ROE	6.7%	6.2%	At least 8%	
Shareholder returns	Dividend per share	¥26.0	¥34.0	—	
	Dividend payout ratio	29.4%	Around 40%		
	Acquisition of treasury shares	—	Flexibly implement based on financial conditions and optimal capital structure, etc. (¥10.0 billion to be implemented in FY2025)		
Reference	Equity-to-asset ratio	35.7%	Manage the B/S at 25–30% over the medium- to long-term to leverage debt while maintaining an A credit rating		

Image of Operating Profit Portfolio

- As part of the measures to strengthen the real estate business strategy described below, **shift from a long-term rental business to a turnover-based business to realize real estate value and utilize it for growth investment, thereby aiming to enhance corporate value** (▶P.8-9)
- In addition, for the Transportation business, implement business transformation investments during the period of the Medium-Term Management Plan to improve capital profitability and create a long-term profit growth trend
- Make the achievement of ROE targets a top priority** and, along with expanding operating profit, emphasize asset and capital efficiency and control equity



1

Strengthening real estate business strategy (▶ P.8-9)

- Realize real estate asset value
- Increase asset turnover ratio

▶ **Promote real estate turnover business**

Consider securitization of all real estate assets owned by the Group and promote real estate turnover business

▶ **Steadily promote the formation of private REITs**

In addition to private funds, aim to form private REITs to achieve stable and continuous securitization

2

Reviewing capital policy (▶ P.10-11)

Utilize financial leverage

▶ **Utilize financial leverage**

Clarify the level for the equity-to-asset ratio based on optimal capital structure, maintain credit ratings while utilizing financial leverage

▶ **Strengthen shareholder returns**

Strengthen shareholder returns through measures such as increasing dividend levels, setting a dividend payout ratio, and acquiring treasury shares

3

Measures to improve capital profitability in the transportation business (▶ P.12)

Improve capital profitability

▶ **Railway operations**

Implement efficiency and labor-saving measures such as one-man operation and DX utilization

▶ **Bus operation**

Further implement route optimization

4

Strengthening the corporate governance system (▶ P.17-18)

Establish a system to ensure steady implementation of (1) to (3)

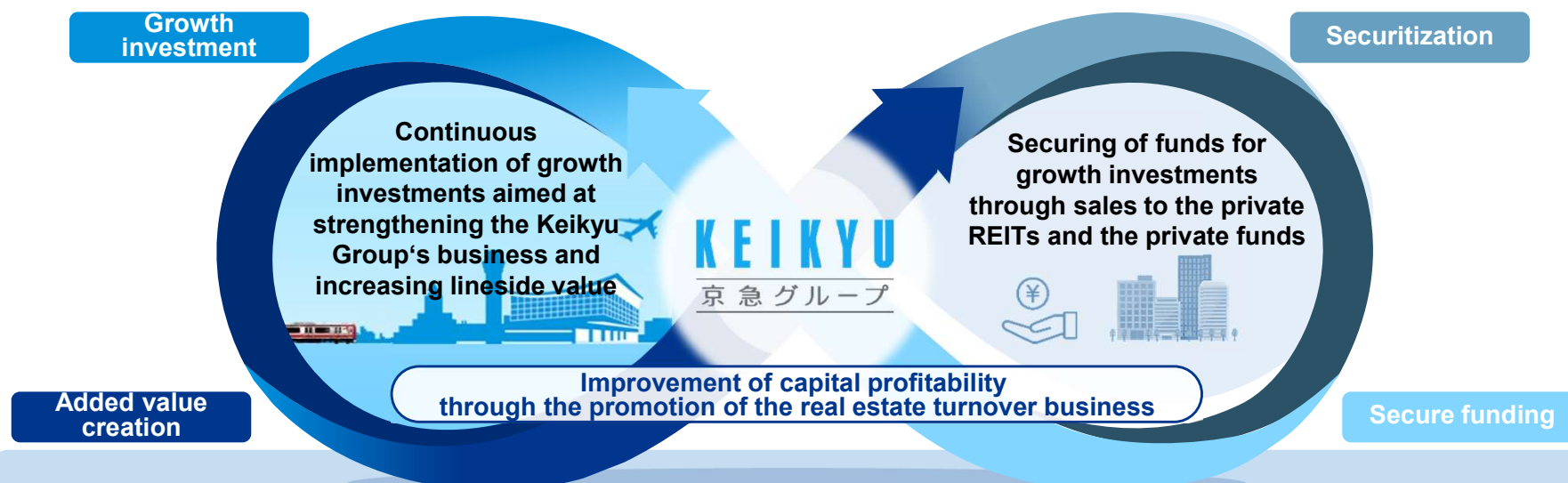
▶ **Transition to a Company with an Audit and Supervisory Committee**

▶ **Add evaluation indicators for executive officer bonuses (ROE, etc.)**

Important points of the revision

Promote real estate turnover business

- Further promote real estate turnover business to improve capital profitability and secure funds for growth investment by realizing real estate asset value.
- In addition to private funds, **securitize a total of at least ¥100.0 billion in real estate assets** on a stable and continuous basis by FY2030 through the establishment of private REITs, **with the aim of realizing the value of such real estate assets**.
- Contribute to community development and lineside value co-creation by retaining the potential for continued involvement in Keikyu brand properties, etc., as a platform provider in lineside areas through sales to the private funds and the private REITs. The Group aims to **secure fee-based business revenue sources** through AM, PM, BM operations, etc.
- **Strengthen the role and system of the CRE Strategy Department** to steadily promote the above initiatives.



Strengthening of CRE Strategy Department

Role

Portfolio management

Centralize management of information on owned real estate assets and real estate business portfolio

Securitization implementation

Conduct due diligence and sales of real estate assets eligible for securitization and support AM companies

Portfolio restructuring

Differentiate growth investments and improve the profitability of existing real estate assets

System

External talent invitation

Accept secondments of and recruit external real estate professionals, etc.

Financial institution support

Accept AM company personnel from financial institutions and receive the provision of expertise

Personnel development and education

Set quantitative targets for external training dispatch and qualified personnel

Important points of the revision

Steadily promote the formation of private REITs

- Concluded a basic agreement with Sumitomo Mitsui Trust Bank, Limited to steadily promote the formation of private REITs.
- Consider and discuss matters including investment in Keikyu Asset Management Co. Ltd., established in July 2024, personnel dispatch, and provision of extensive real estate and financial expertise, to promote the formation of private REITs.

Conceptual image for the formation of private REITs

Concept

A comprehensive private REIT targeting long-term stable management centered on the “growth triangle zone” of Shinagawa, Haneda, and Yokohama.

Schedule

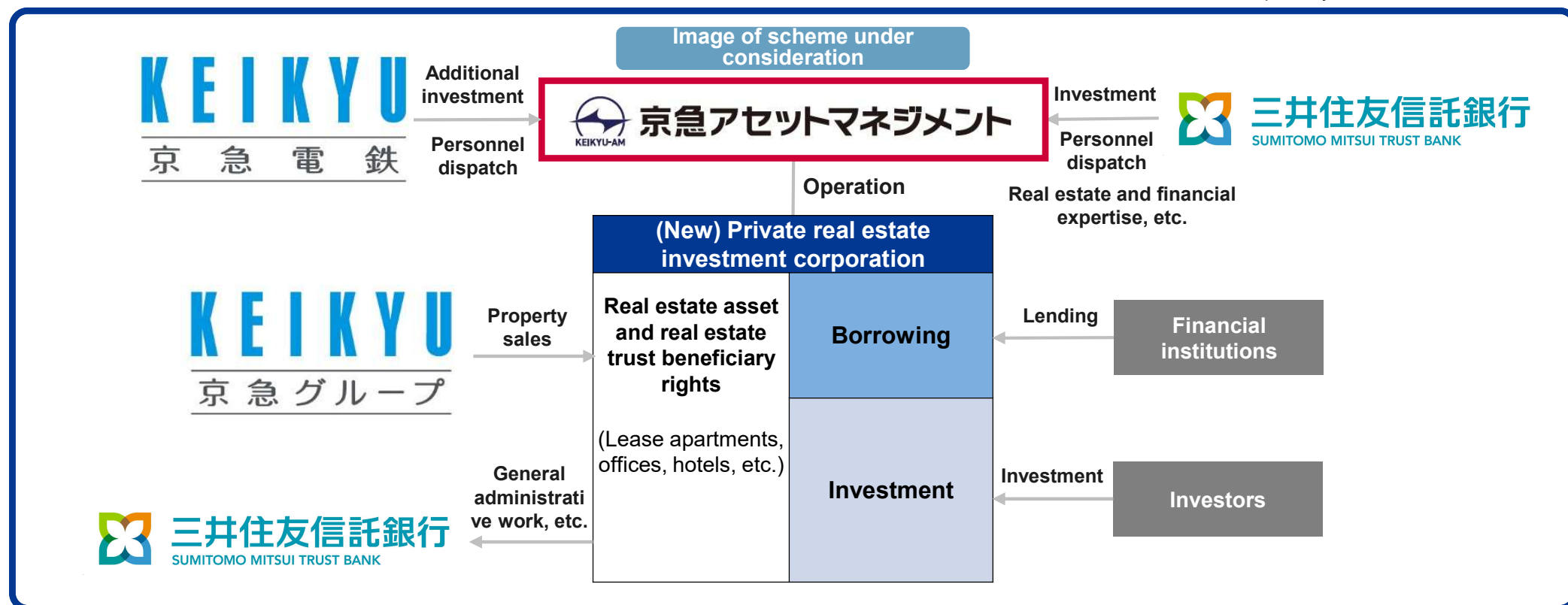
Aiming to begin operation in the second half of FY2026.

Asset scale

Aiming for a scale of approximately ¥100.0 billion over five years.

*To be discussed in the future based on the basic agreement

*Assuming the acquisition of necessary registrations, licenses, etc. required by law.

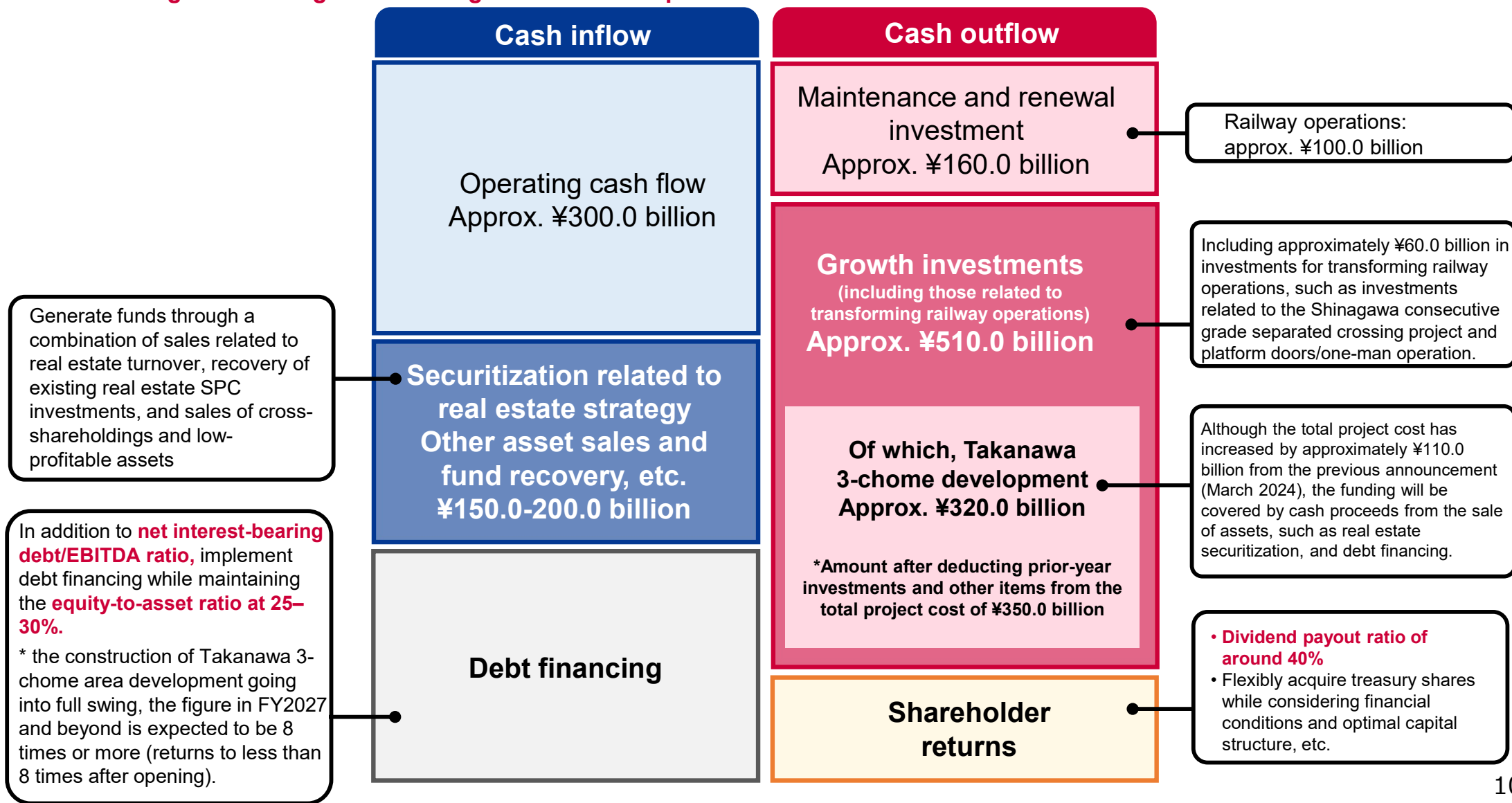


Initiatives to Improve ROE (2) - Reviewing Capital Policy -

Important points of the revision

Formulate five-year cash allocation plan (FY2025–FY2029) leading up to the opening of Takanawa 3-chome

In addition to the net interest-bearing debt to EBITDA ratio, which has traditionally been set as a key management indicator, **establish a level for the equity-to-asset ratio based on optimal capital structure, and implement enhanced shareholder returns while maintaining credit ratings even during the investment phase.**



Initiatives to Improve ROE (2) - Reviewing Capital Policy -

Important points of the revision

Strengthen shareholder returns

Set a new dividend payout ratio and flexibly acquire treasury shares based on the optimal capital structure.

Initial plan (as of May 2024)

Shareholder return policy

- ▶ Aim to increase dividend amounts in line with profit levels while maintaining stable dividends.
- ▶ Raise dividend levels in accordance with further profit growth following the stable operation of Takanawa 3-chome.

Acquisition of treasury shares

- ▶ Flexibly acquire treasury shares while considering financial conditions.

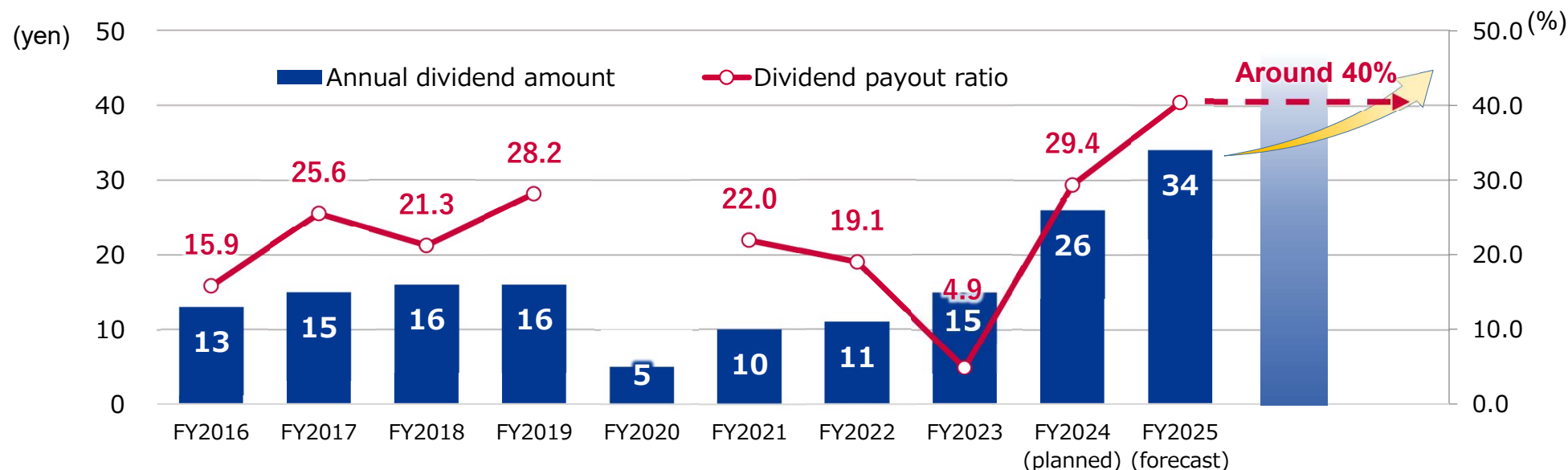
Details of strengthened shareholder returns (May 2025)

Shareholder return policy

- ▶ Dividend payout ratio of **around 40%** from FY2025

Acquisition of treasury shares

- ▶ Flexibly acquire treasury shares while considering financial conditions and optimal capital structure, etc.
(Implement ¥10.0 billion in FY2025)



Initiatives to Improve ROE (3)

- Measures to Improve Capital Profitability in the Transportation Business -

Important points of the revision

Further accelerate current initiatives

- ▶ Aim to improve profitability by providing transportation capacity and services that take into account future trends in lineside areas.
- ▶ Aim to achieve a sustainable operating structure and reduce expenses through business structure reforms.

Railway

* Investment amounts are for FY2025-2029

Strengthening access to Haneda

New lead track construction at Haneda Airport Station

Consecutive grade separated crossing project near Shinagawa Station

- ▶ Strengthen access to Haneda Airport (increase number of trains) by combining new lead track construction at Haneda Airport Terminal 1 and 2 stations with the expansion of Shinagawa Station to two platforms and four tracks
- ▶ Total investment amount: ¥29.5 billion
(Amount expected to be borne by the Company)

Next-generation operations

Introduction of smart support system

- ▶ **Scheduled to be introduced at 42 target stations by FY2025**
- ▶ Total investment amount: ¥1.6 billion

Conversion to one-man operation

- ▶ **One-man operation scheduled to begin on the Daishi Line in FY2027.**
- ▶ Consider expanding to all lines
- ▶ Total investment amount: ¥3.5 billion

Automated traffic signal control

- ▶ **Scheduled to be implemented for all lines by FY2030**
- ▶ Consolidate operation management tasks to reduce signal handling tasks at each station
- ▶ Enable provision of information in real time such as train delay status
- ▶ Total investment amount: ¥3.0 billion

Bus

Profit expansion

Implementation of fare revisions

- ▶ FY2024: Implement fare revisions on 31 airport and medium-distance routes
- ▶ March 2025: Implement fare revisions on Keihin Kyuko Bus and Kawasaki Tsurumi Rinko Bus
- ▶ Consider fare revisions for general routes and airport/medium-distance routes in response to demand and social conditions in FY2025 and beyond

Structure reforms

Improvement of transportation efficiency and route optimization

- ▶ Introduce articulated buses to improve boarding efficiency and reduce crew labor costs (implemented from FY2023)
- ▶ Continue to streamline unprofitable routes and concentrate resources on high-profit routes
- ▶ **Transfer operation of routes departing from and arriving at Kamakura West Station to another operator to improve operational efficiency** (scheduled for mid-May 2025)

Reorganization of sales offices

- ▶ Consider reducing fixed expenses by further consolidating sales offices and effectively utilizing idle land

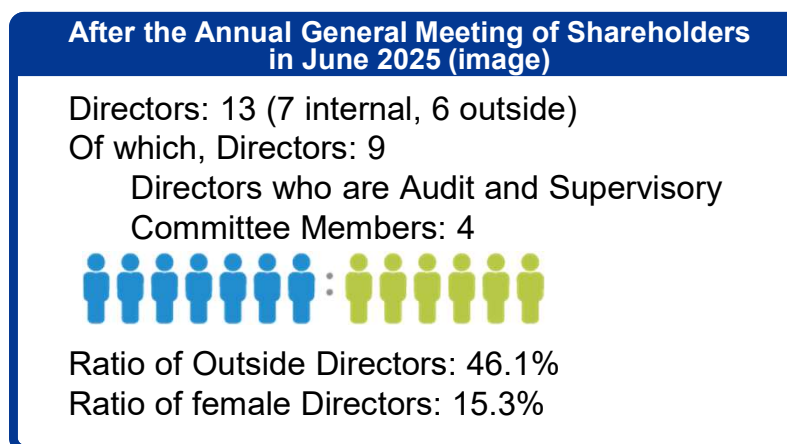
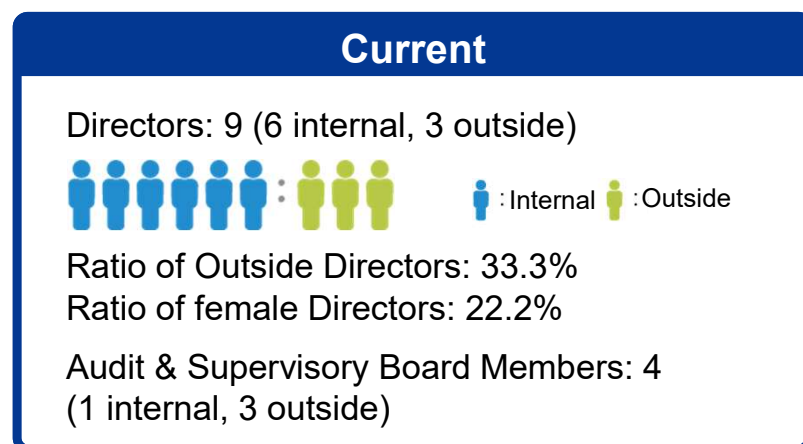


Initiatives to Improve ROE (4) - Strengthening the Corporate Governance System -

Transition to a Company with an Audit and Supervisory Committee

(*subject to approval at the Annual General Meeting of Shareholders scheduled for June 2025)

- ▶ **Transition to a Company with an Audit and Supervisory Committee in order to commit to the revised management plan**
 - Appoint Audit and Supervisory Committee members with voting rights at the Board of Directors as members of the Board of Directors to **strengthen the Board's audit and supervisory functions, thereby further enhancing corporate governance.**
 - In the future, delegate certain executive functions to directors to achieve swift and efficient management while also strengthening the Board of Directors' monitoring functions to further enhance corporate value.
- ▶ **Appoint Audit and Supervisory Committee members as members of the Nomination and Remuneration Advisory Committees to ensure transparency and enhance the effectiveness of decision-making processes**



Challenges in promoting human capital management

- ▶ **Hiring additional human resources (both internal and external) to promote, strengthen, and sustain the large-scale development and real estate turnover businesses that will be the focus going forward**
 - Establish a system for developing human resources with advanced expertise in the execution of CRE strategies and hire additional external human resources to support them
- ▶ **Improving diversity in management**
 - One female executive officer was appointed in April, 2025
 - Continue developing human resources who will take on management roles and future leadership positions and creating a comfortable working environment, while taking diversity into consideration

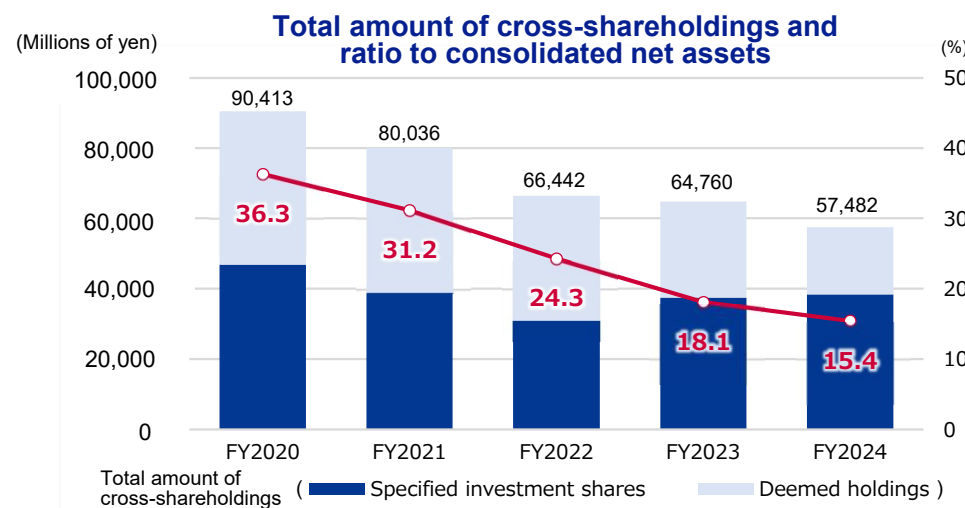
Revision of executive officer remuneration plan (addition of evaluation indicators; to be applied from performance evaluations in the current FY)

	Evaluation items	Purpose of indicator adoption
Quantitative evaluation	<p>Evaluate by assigning points to the degree of achievement of consolidated performance figures for the relevant fiscal year against management plan, etc.</p> <p>[Adopted indicators]</p> <p>(1) Consolidated operating profit</p> <p>(2) ROE [added from the FY2024 evaluation]</p> <p>(3) Consolidated net interest-bearing debt/EBITDA ratio</p> <p>(4) CDP evaluation results (ESG indicator)</p> <p>(5) Employee survey total results (ESG indicator)</p>	<p>(1)(2)(3) Clarify management responsibility through alignment between key management indicators in the management plan and evaluation indicators for executive officer bonuses</p> <p>(4) Promote environmental management and incentivize achievement of KPIs</p> <p>(5) Promote human capital management</p>
Qualitative evaluation	No change (contribution to improving the future value of the entire Group, etc.)	—

Policy on reduction of cross-shareholdings

- ▶ Actively reduce cross-shareholdings (including deemed holdings) for which the rationale for holding has diminished.

FY2024: Net asset ratio of 15.4%



Progress of the Shinagawa Station Area Development

Overview of Takanawa 3-chome area development plan

Jointly construct and operate a building with Toyota Motor Corporation to promote community development in the Shinagawa Station West Exit area, and together with Toyota, which will open its new Tokyo Head Office in this facility, develop a multipurpose facility that will serve as the core of Shinagawa's international exchange hub.

Equity ratio	Keikyu Corporation: approx. 75%, Toyota Motor Corporation: approx. 25%	Site area:	Approx. 23,600m ²
Schedule	Starting construction in FY2025, opening in FY2029 (planned)	Total floor area:	Approx. 313,100m ²
Total construction cost: (Keikyu Corporation)	Approx. ¥350.0 billion (Approximately ¥110.0 billion increase due to construction costs increase since March 2024 announcement)	Building overview	29 floors above ground, 4 floors below ground, building height approx. 155 m
Features of plan	<ul style="list-style-type: none"> ▶ Leveraging the characteristics of the station-front area, it is possible to create larger plots than those achievable in station buildings, etc. ▶ One of the largest office floor areas in Japan, at approx. 6,600m² ▶ Direct connection to the national route overpass deck for smooth access to the station ▶ Community development harmonizing with surrounding greenery ▶ Building operation through collaboration with major developers ▶ Realization of one-stop services through operation by our direct management organization 		<div>23-29F</div> Hotel <div>7-22F</div> Offices <div>5-6F</div> Conference halls <div>B1-4F</div> Commercial facilities <div>B2-B1F</div> Multi-purpose hall
Effect on the Group	<ul style="list-style-type: none"> ▶ Completion of building to be constructed under this plan expected to increase the number of passengers using Keikyu lines by a little over 5,000 per day ▶ Enhancement of the asset value of the Group within the Shinagawa area ▶ Ripple effect of enhanced asset value and development value for lines directly connected to Shinagawa 	 <p>*Perspective drawing from the northwest</p>	

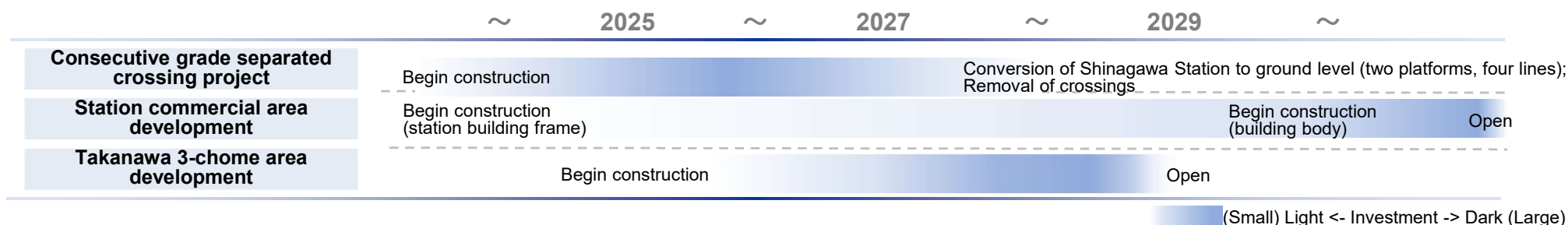
(Reference) Overview of the Shinagawa Development Surrounding Area

► Shinagawa Development Surrounding Area



*Created in-house with Google Earth

► Overall schedule of Shinagawa development

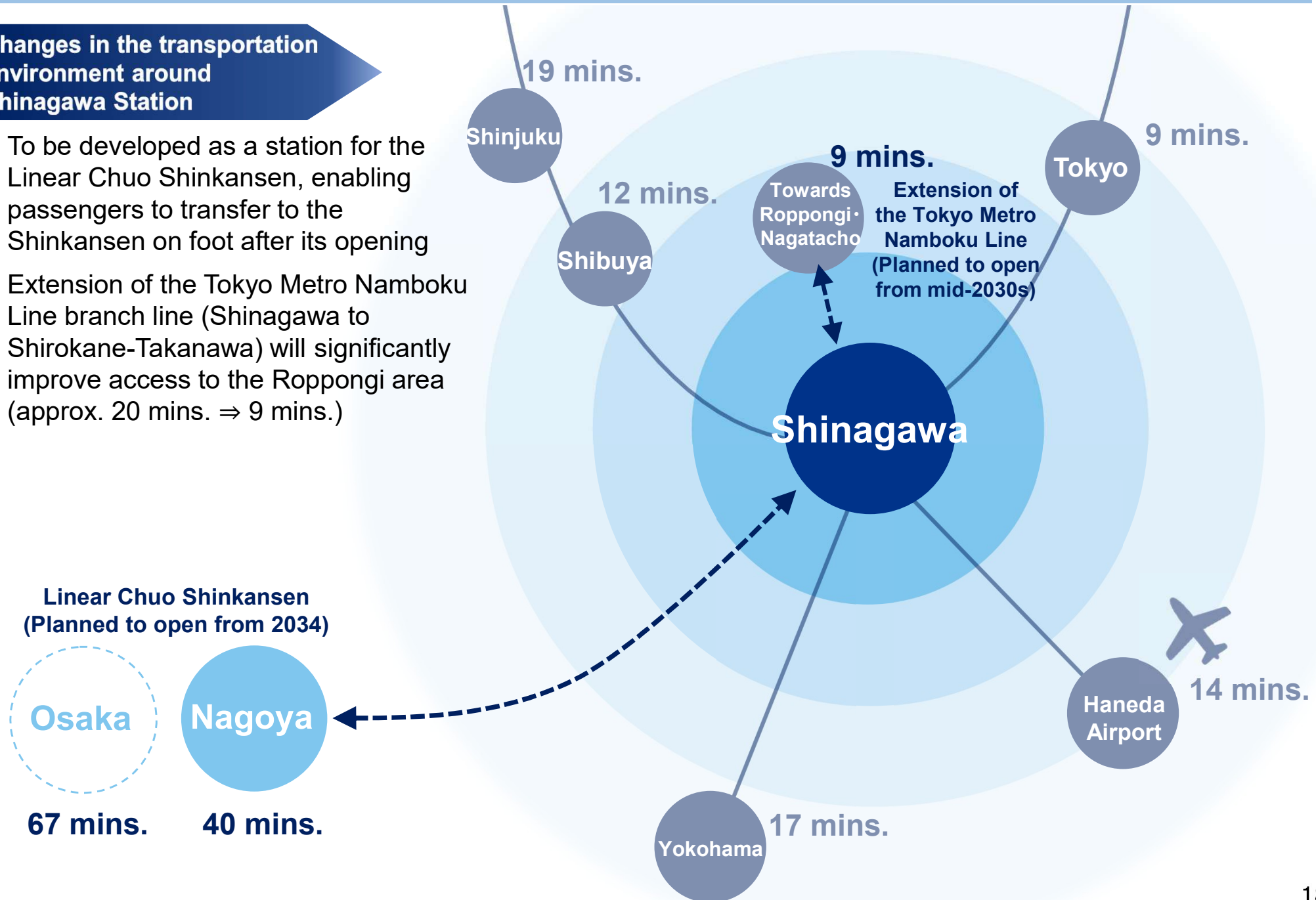


(Small) Light <- Investment -> Dark (Large) 17

(Reference) Improving Convenience of Shinagawa Station

Changes in the transportation environment around Shinagawa Station

- To be developed as a station for the Linear Chuo Shinkansen, enabling passengers to transfer to the Shinkansen on foot after its opening
- Extension of the Tokyo Metro Namboku Line branch line (Shinagawa to Shirokane-Takanawa) will significantly improve access to the Roppongi area (approx. 20 mins. ⇒ 9 mins.)



Maximize the effects not only of our development of Shinagawa Station but also of surrounding developments (by JR East, Seibu HD, etc.) and the opening of the Linear Chuo Shinkansen, among others, and spread these effects along the lineside to achieve medium- to long-term growth

Spreading the effects of development along the next development district and lineside to create a virtuous cycle

Appeal of Shinagawa increases through the Shinagawa development

Number of visitors to Shinagawa increases

Achieve medium- to long-term growth

Updated in May 2025
20th Integrated
Management Plan

Promote real estate
turnover business

Strengthen real estate strategy by including the Takanawa 3-chome plan in target properties and utilizing private REITs and private funds



Use funds obtained from real estate turnover business to develop Shinagawa and spread the effects to the area of Shinagawa and entire lineside



Sustainable development through lineside community development

Advantageous location as a business base

Increase in inbound tourist passenger numbers

Opening of Linear Chuo Shinkansen

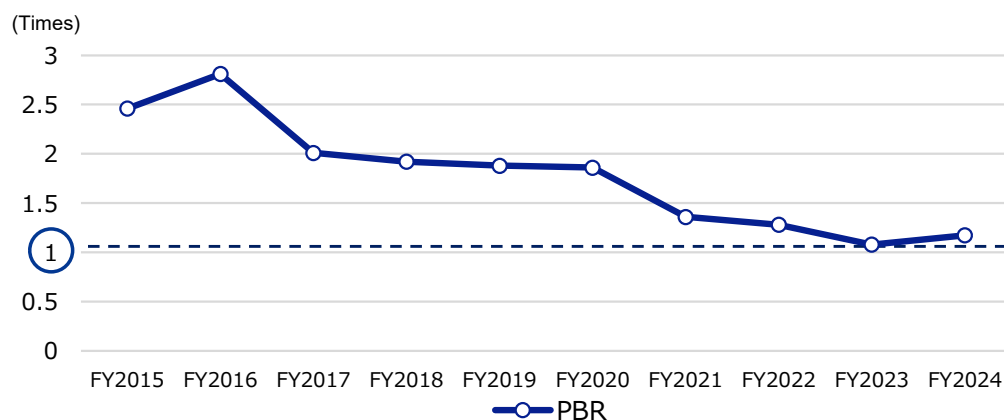
Extension of the Tokyo Metro Namboku Line

Appendix

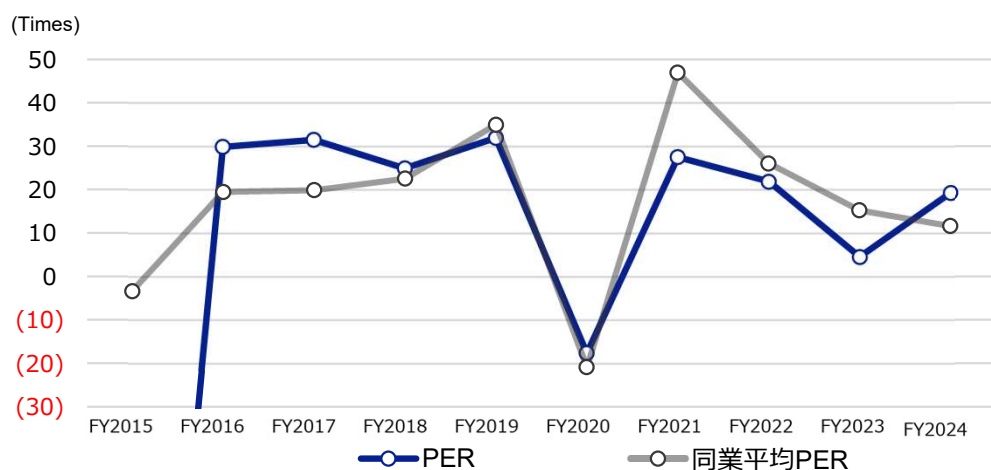
Recognition of current situation

PBR has been on a downward trend since FY2016, and equity has been accumulated in recent years in preparation for the Shinagawa development. We recognize that it is necessary not only to review our capital policy to improve PBR and increase profits by improving capital profitability, but also to **control capital by strengthening capital policies aimed at achieving an optimal capital structure.**

Transition of PBR

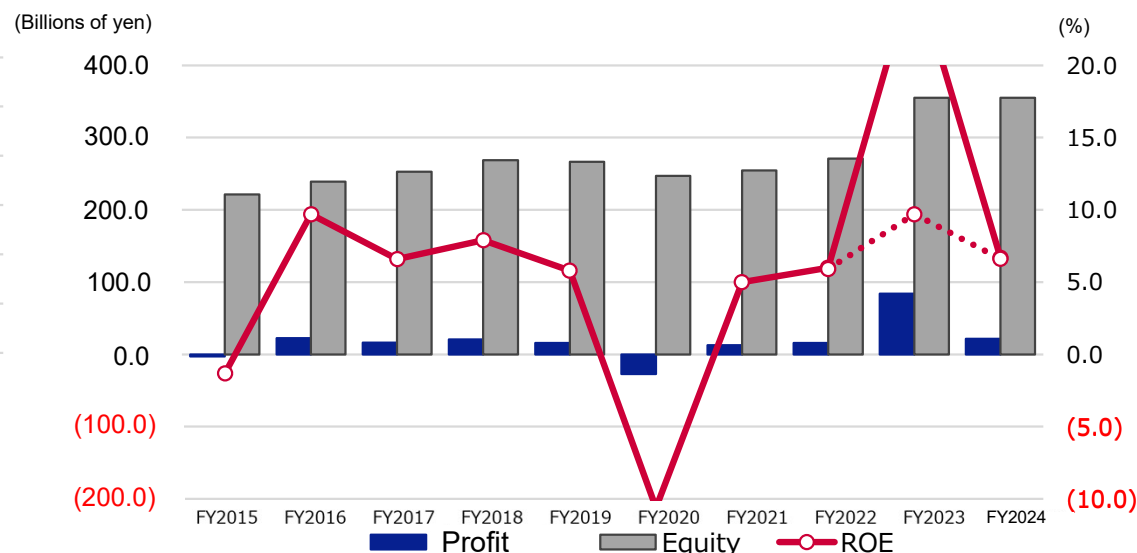


Transition of PER



*PER for FY2015 was (189.23 times).

Transition of ROE/profit/equity



*ROE: FY2020 (10.6%)

FY2023 26.7%

(The dotted line graph shows estimated values excluding the impact of the partial transfer of the land for Takanawa 3-chome.)

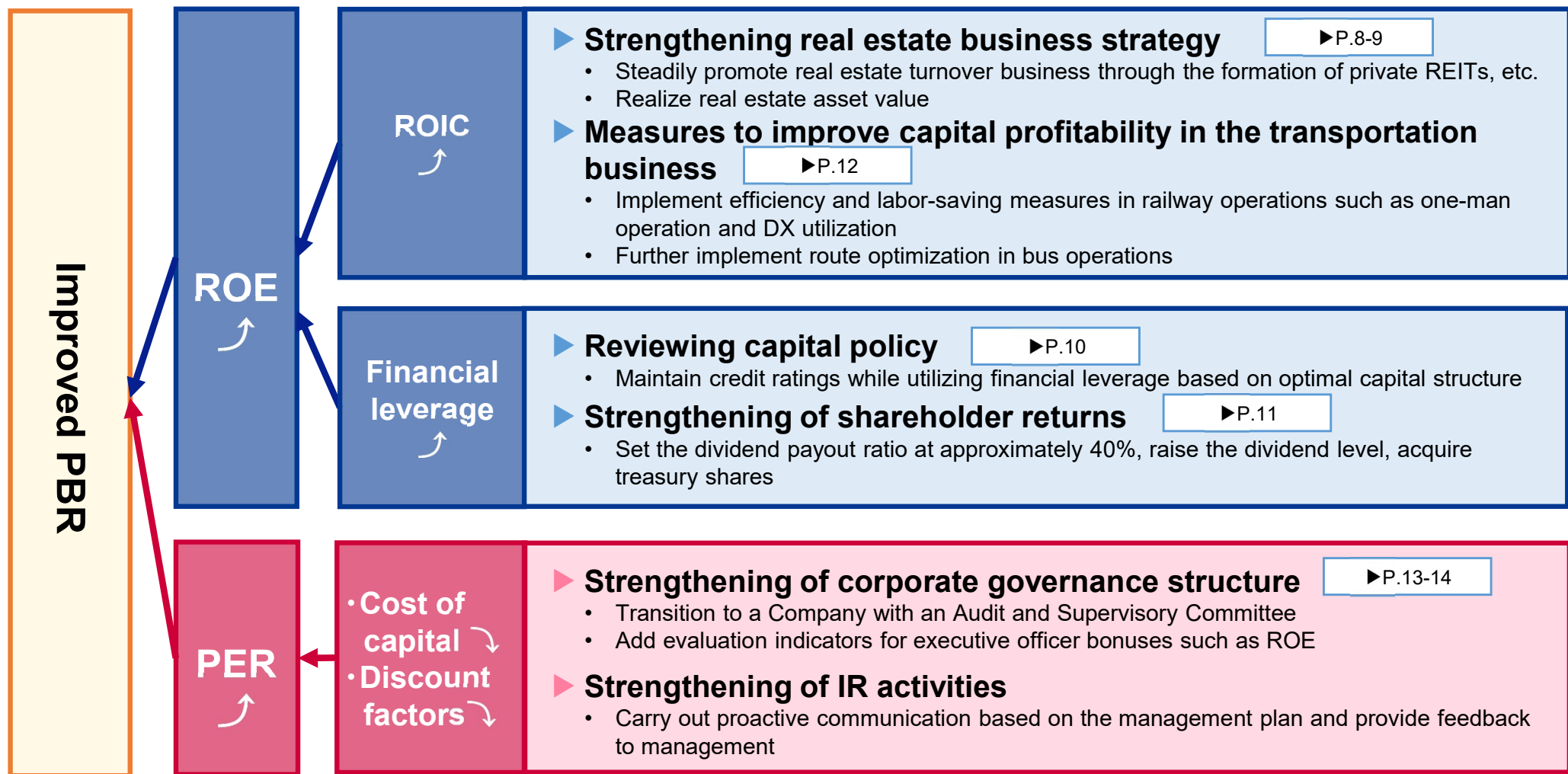
Recognition of cost of capital

Recognized as **6-7%** based on comprehensive judgment, including dialogue with investors

Policy

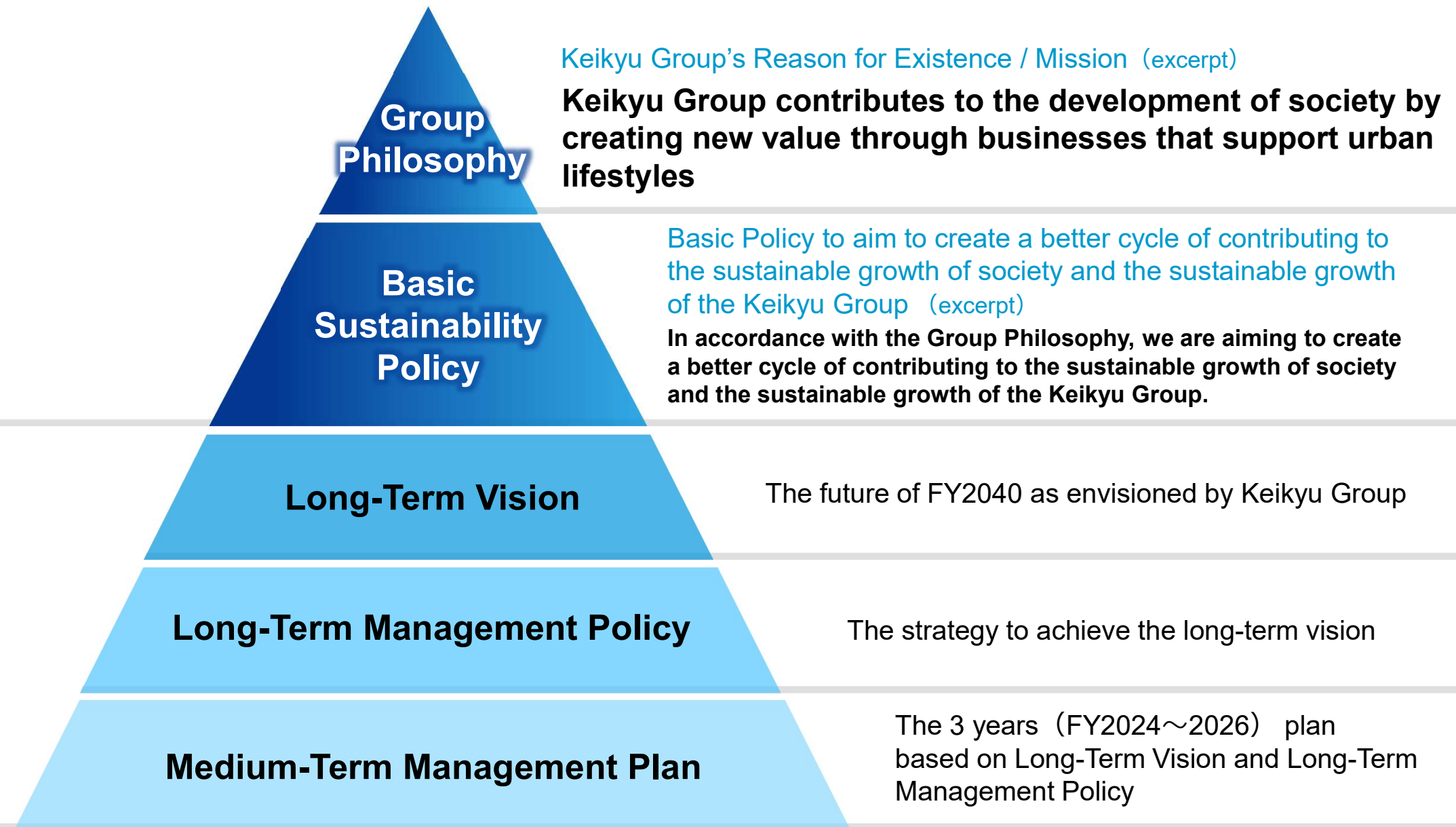
Aim to achieve an ROE of at least 8% by FY2026 and maintain it thereafter, aiming for at least 10% in the long term.

Initiatives to improve PBR



	Securities analysts and institutional investors			Other shareholders and individual investors			
Details of implementation	Financial results briefings	Web conferences on financial results	One-on-one meetings	SR interviews	Online briefings	Brokerage firm branch briefings	IR Fair
Persons in charge	President, Officers in charge	General Managers, Senior Managers	President, Officers in charge, General Managers, Senior Managers	Officers in charge, General Managers, Senior Managers	Officers in charge	Senior Managers	President, Officers in charge, General Managers, Senior Managers
Main Theme	<ul style="list-style-type: none"> Explanation of financial results Progress of Management Plan 	<ul style="list-style-type: none"> Explanation of financial results 	<ul style="list-style-type: none"> Supplemental financial results Progress of Management Plan 	<ul style="list-style-type: none"> Voting criteria Progress of Management Plan 	<ul style="list-style-type: none"> Company introduction Explanation of financial results Progress of Management Plan 	<ul style="list-style-type: none"> Company introduction Explanation of financial results Progress of Management Plan 	<ul style="list-style-type: none"> Company introduction Shareholder returns Explanation of businesses Progress of Management Plan
Main points of interest	<ul style="list-style-type: none"> Timing for achieving an ROE of 8%; approach to cost of capital Progress of real estate development projects, including Shinagawa development; potential for increased investment; funding methods; contribution to profits, etc. Measures to improve capital efficiency in each business Quantitative approach to shareholder return policy Progress in reducing cross-shareholdings Possibility of fare revisions for railways 			<ul style="list-style-type: none"> Disclosure of profit scale for large-scale developments such as Shinagawa development Measures for the airport line following entry of the Haneda Airport Access Line (tentative name) by other company Stock price, shareholder return policy Progress in reducing cross-shareholdings 			
Implementation of feedback	<ul style="list-style-type: none"> Periodic reports on IR activities at Board of Directors meetings (four times a year) Progress reports on action to implement management that is conscious of cost of capital and stock price (once a year) 			<ul style="list-style-type: none"> Periodic reports at Board of Directors meetings (results of SR interviews, results of voting rights exercise at Annual General Meeting of Shareholders (once a year for each)) 			
Matters that have already been taken up as a result of dialogue	Revision of the management plan <ul style="list-style-type: none"> Revision of the ROE target and action plan Disclosure of cash allocation Clarification of quantitative policies for shareholder returns, etc. 			Revision of the management plan (same as left) <ul style="list-style-type: none"> Expansion of the shareholder benefits program (introduction of company points-based benefits, revision of long-term holding criteria, etc.) 			

**Partial Reprint of the Keikyu Group
20th Integrated Management Plan (Disclosed in May 2024)**



▶ Long-Term Vision (ideal image of FY2040 that the Keikyu Group pursues)

Realize the sustainable growth of lineside areas through the upward spiral of mutual value co-creation between the **mobility** and **community creation** platforms

▶ Long-Term Management Policy

Aim to realize the Long-Term Vision through the Sustainability Promotion Policy, which serves as the basis for all business and management activities, the Lineside Value Co-Creation Strategy, which forms the core of this management plan, and the Keys to Strengthening the Management Base, which serve as the foundation for promoting the strategy.

- ▶ **Sustainability Promotion Policy:** Aim to improve social and corporate value on the basis of the Basic Sustainability Policy
- ▶ **Lineside Value Co-Creation Strategy:** Try to create new value through the upward spiral of mutual value co-creation between the mobility and community creation platforms
- ▶ **Keys to Strengthening the Management Base:** Strengthen management capital as a foundation for corporate value creation (promote business structure reforms, thoroughly consider the customer's perspective, promote human capital management, and strengthen financial management)

Development of key businesses

Set businesses that should be focused on by capitalizing on our unique strengths during the period of the management plan.
(Promote efforts including development projects around Shinagawa Station, maximizing the potential of Haneda Airport, and building the Miura Urban Resort)

(Roadmap for realizing our Long-Term Vision)



[Reprint] Main Points of Medium-Term Management Plan (FY2024 to 2026) **KEIKYU**

For sustainable development of the Keikyu Group, promote efforts, including improving the lineside value and corporate value, in accordance with the Long-Term Management Policy.

Sustainability Promotion Policy

Promote enhancement of social and corporate value

Lineside Value Co-Creation Strategy

Create upward spiral of mutual value co-creation

Mobility platform

Optimize all modes of transportation to enhance the value of communities and expand the scale of lineside areas

- ▶ Reorganize timetables and secondary traffic to adapt to changes in lifestyle
- ▶ Enhance the access for tourism, such as inbound tourism, and encourage the flow of people to destinations via railways
- ▶ Provide high-value-added services by using digital technologies

Other initiative keywords

#Upgrade of station functions
#Accessibility improvement
#Branding
#Targeting
#Promoting next-generation maintenance

Community creation platform

Create demand by increasing mobility opportunities and the flow of people through the establishment of hubs and the provision of living support

- ▶ Realize multifunctional complex community development at major stations and area-wide community development centered on a station
- ▶ Community development with combined digital and real elements
- ▶ Introduce various “content for living, working, enjoying, and learning,” such as work, tourism, and sports

Other initiative keywords

#Effective use of existing local stock
#Realizing waterfront lifestyle
#Cohabitation with nature
#Respect for diversity, local communities

Keys to Strengthening the Management Base

Promote business structure reforms

Thoroughly consider the customer's perspective

Strengthen management capital as a foundation for corporate value creation

Promote human capital management

Strengthen financial management

Development of key businesses

Encourage the growth and revitalization of areas along railway lines through mutual cooperation between the growth triangle zone of Shinagawa, Haneda, and Yokohama and each area

- ▶ Promote community development around Shinagawa Station to drive the sustainable development of the entire lineside area
 - Promote development at Takanawa 3-chome
 - Increase the sophistication of station commercial area development plans
- ▶ Maximize and utilize the potential of Haneda Airport, a gateway to Japan
 - Strengthen competitiveness by improving the base for airport access
 - Create and capture inbound tourism demand
- ▶ Promote community development for Kawasaki, Yokohama and suburban living areas (south of Yokohama) be sustainable and productive
 - Promote “Kawasaki New! Arena City Project” and the Yokohama City former local government office block utilization project
 - Implement childcare support services to realize community development for multi-generational coexistence and strengthen secondary traffic
- ▶ Build the Miura Urban Resort
 - Promote the redevelopment plan of Jogashima, Aburatsubo, and other areas
 - Improve accessibility and strengthen area management
- ▶ Promote multipolar community development with multiple core hubs along the railway lines

Encourage the growth and revitalization of areas along railway lines through mutual cooperation between the Growth triangle zone of Shinagawa, Haneda, and Yokohama and each area

Promote multipolar community development with multiple core hubs along the railway lines

- ▶ Multipolar community development taking advantage of the two most important sites **Dual Core (Shinagawa, Yokohama)** and the two gateways **Dual Gateway (Shinagawa, Haneda)**
- ▶ Build core hubs suitable for living, working, enjoying, and learning along railway lines while responding to various transportation needs

Promote community development in Kawasaki and Yokohama

- ▶ Large-scale station-front development, such as “Kawasaki New! Arena City Project”
- ▶ Large-scale development of the Yokohama waterfront

Promote community development for Kawasaki, Yokohama and suburban living areas (south of Yokohama) be sustainable and productive

- ▶ Increase resident population through community development for multi-generational coexistence
- ▶ Promote community development suitable for child-rearing



Promote community development around Shinagawa Station to drive the sustainable development of the entire lineside area

- ▶ Initiate the Takanawa 3-chome area development and ensure its stable operation
- ▶ Initiate station commercial area developments one by one; they have complex functions that connect a station and a community.

Maximize and utilize the potential of Haneda Airport, a gateway to Japan

- ▶ Enhance carrying capacity by constructing new lead tracks at Haneda Airport Terminal 1·2 Station, in addition to providing Shinagawa Station with two platforms serving four tracks
- ▶ Revitalize areas surrounding Haneda to fulfill the needs of Haneda Airport users

Build the Miura Urban Resort

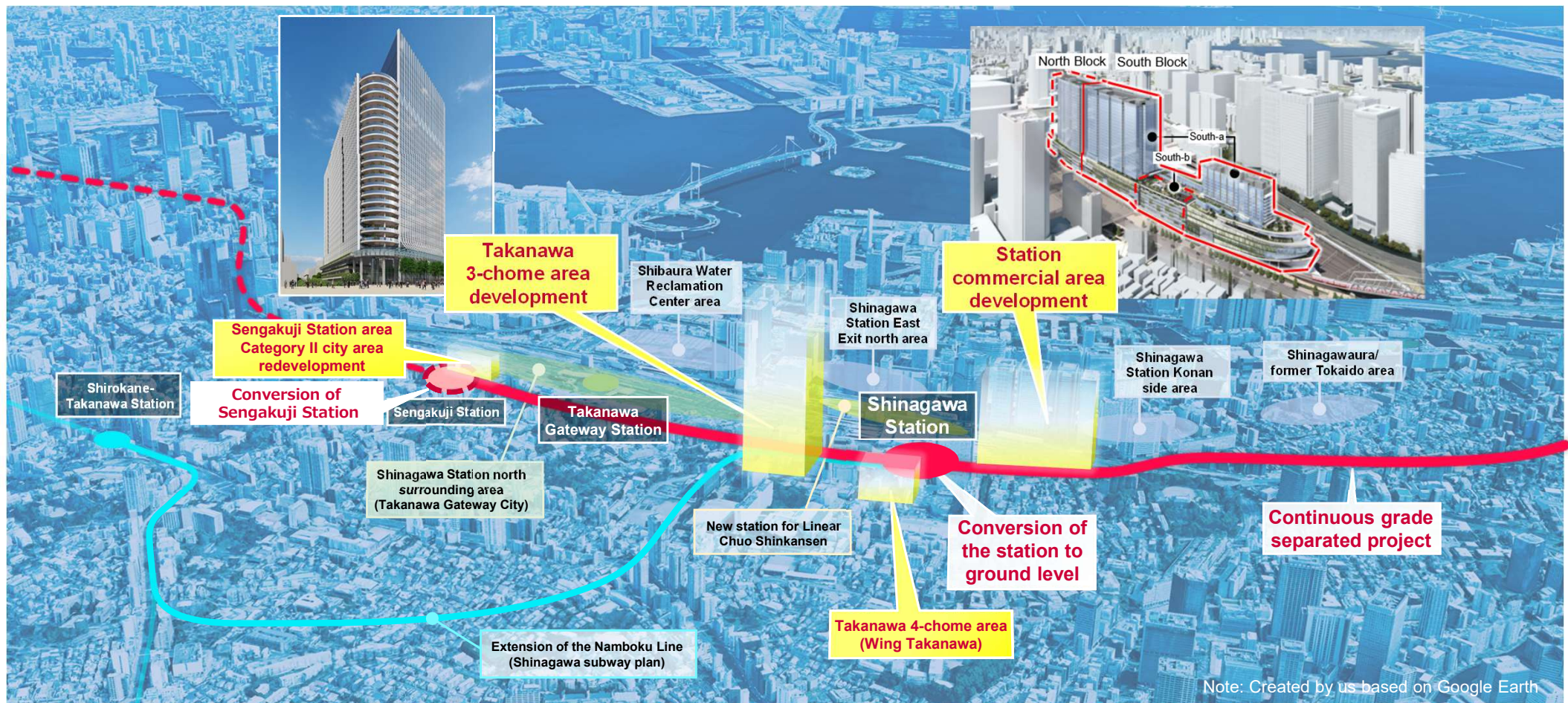
- ▶ Discover content that enables stay-type tourism based on activities taking advantage of views, food, culture, and the natural environment
- ▶ Improve the appeal as a tourist destination

Promotion of community development around Shinagawa Station

- ▶ Promote the Takanawa 3-chome area development
- ▶ Increase the sophistication of station commercial area development plans

Shinagawa, a hub of international exchange that drives Japan's future growth

- ▶ The Shinagawa area is changing under the concept of “**Shinagawa, a hub of international exchange that drives Japan's future growth.**”
- ▶ The Keikyu Group promotes new community development by leading development mainly in areas **conveniently located** from Shinagawa Station, including **the Takanawa 3-chome area and station commercial areas.**
- ▶ Lead the development of Shinagawa by improving railway access; for example, **through conversion of Shinagawa Station to ground level and through the continuous grade separated project near Shinagawa Station.**



▶ Takanawa 3-chome area development plan

In March 2024, we concluded an agreement with Toyota Motor Corporation regarding joint development and operation of a building to promote community development in the Shinagawa Station West Exit area. Together with this company, which will open a new Tokyo head office in this facility, we will develop a complex that forms the core of Shinagawa, the international hub.

▶ Commercial facilities (five floors)

Provides a scene where people who live in Shinagawa and visitors can spend time in a green space and a lively scene for new experiences and exchanges.



▶ Conference halls

With high-quality stage facilities and hospitality, they support a wide range of business events, such as academic conferences, exhibitions, and seminars, from home and abroad.

▶ Outdoor square

A good crowd is created through events, the rich green of nature provides pleasant resting spaces, and accepts persons stranded in the event of a disaster.



▶ Multi-purpose hall

With permanent state-of-the-art sound and lighting systems, it supports a wide range of events such as new product announcements, live music performances, and musicals.



▶ Hotel (seven floors)

With high public recognition and the ability to attract customers, a broad range of customers are brought in worldwide, providing guests with top-class hospitality and a “one-and-only” space experience.

▶ Offices (sixteen floors)

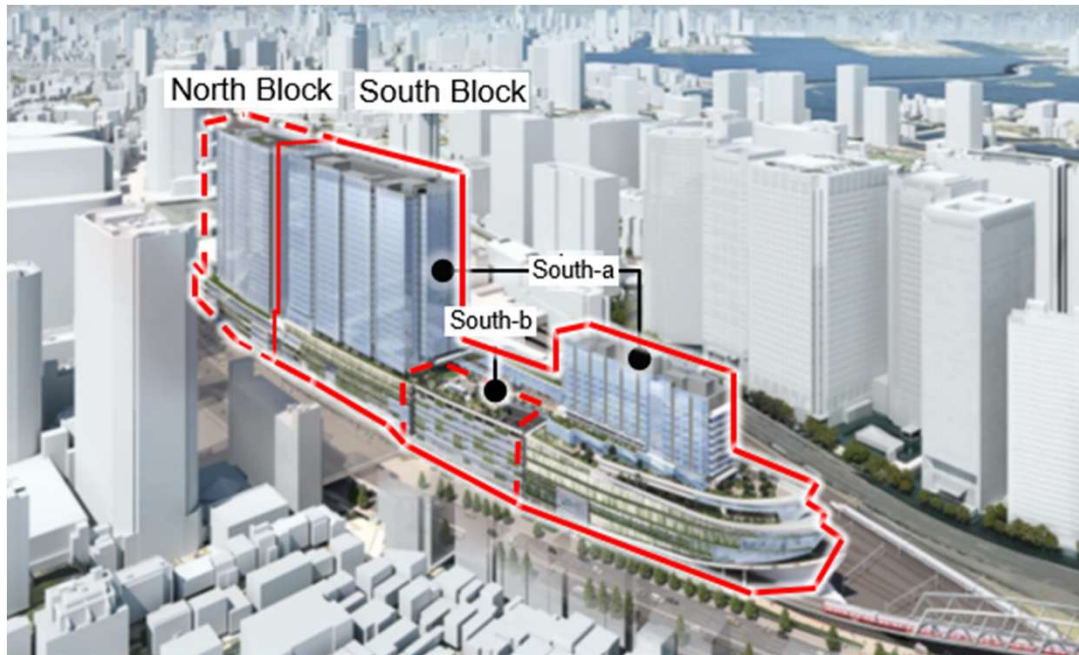
With balconies and office support lounges from which you can feel Shinagawa’s rich green, a wellness-focused comfortable business environment is made.



- Site area: Approx. 23,600 m²
- Total floor area: Approx. 313,100 m²
- Schedule: Starting construction in FY2025, opening in FY2029 (planned)
- Project operator: Keikyu Corporation, Toyota Motor Corporation

► Station commercial area development plan

An urban planning decision was made in April 2024. Promote the project following the policy for space creation to develop a new Eki-Machi that connects unique surrounding communities, links various transportation modes, and creates new value ahead of its time, as shown in the Shinagawa Station Eki-Machi Guidelines Creation Edition 2023.



Specifications	North commercial area	South commercial area (South-a)	South commercial area (South-b)
Site area	Approx. 14,700 m ²	Approx. 17,300 m ²	Approx. 1,500 m ²
Total floor area	Approx. 165,000 m ²	Approx. 201,000 m ²	Approx. 8,300 m ²
Main use	Offices, stores, train station, parking lots, etc.	Offices, stores, lodging facilities, gathering places, train station, parking lots, etc.	Offices, stores, parking lots, etc.
Floors	28 floors above ground and 3 floors below ground	28 floors above ground and 2 floors below ground	9 floors above ground and 1 floor below ground
Construction period (planned)	FY2025 – 2030	FY2025 – 2036	FY2030 – 2032
Project operator	East Japan Railway Company	Keikyu Corporation	Keikyu Corporation

► Shinagawa Station overall development schedule (image)

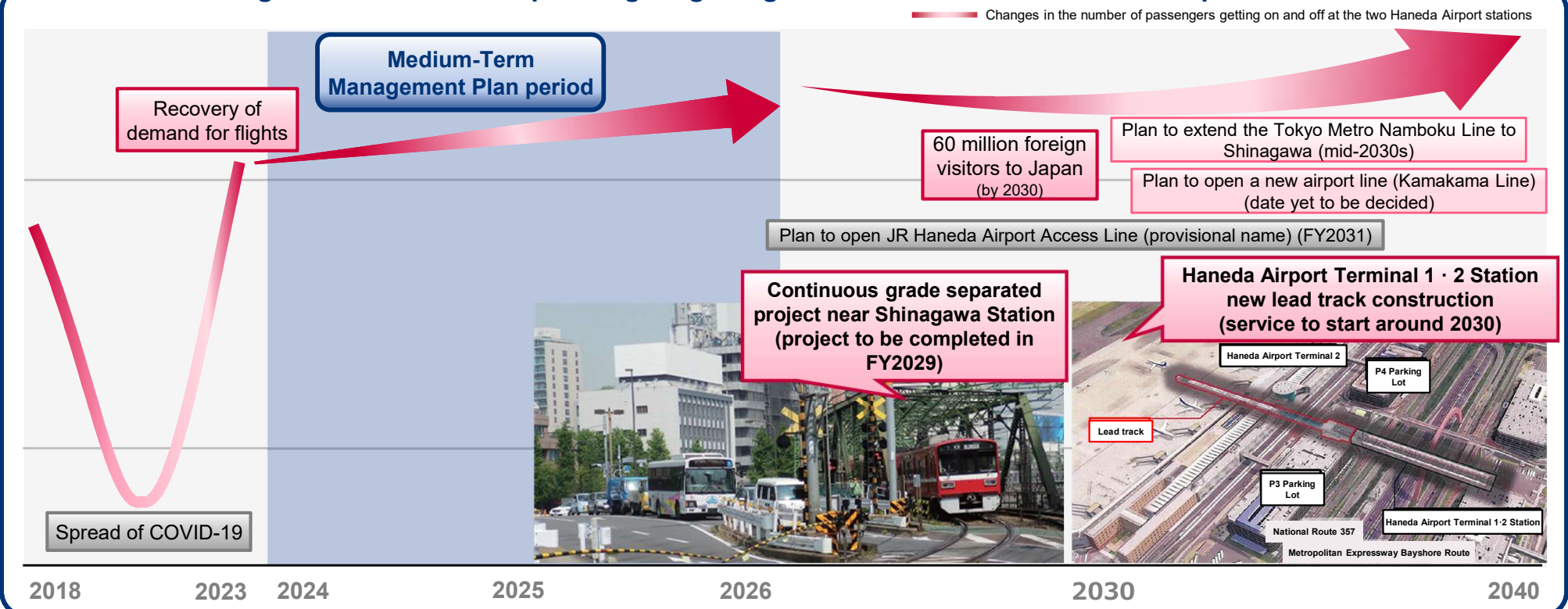
	Until 2023	2024	–	2026	–	2030	–
Continuous grade separated project	Business permit・Begin construction				Conversion of Shinagawa Station to ground level (two platforms, four lines); Removal of crossings		
Station commercial area development		Urban planning decision		Begin construction (station building frame)		Begin construction (building body)	Open
Takanawa 3-chome area development	Urban planning decision			Begin construction		Open	

Maximize and utilize the potential of Haneda Airport, a gateway to Japan

► Strengthen competitiveness by improving the base for airport access

As the demand for flights, which was substantially low due to the COVID-19 pandemic, has recovered, the number of users of the two Haneda Airport stations has also rapidly recovered. In preparation for decreases in lineside resident population and the opening of JR Haneda Airport Access Line (provisional name), we aim to capture inbound tourism demand, which is expected to grow to 60 million people, and establish a firm position for Keikyu to be the railroad company automatically associated with access to Haneda.

Changes in the number of passengers getting on and off at the two Haneda Airport stations



Price advantage

Enhance carrying capacity

Haneda Airport Terminal 1-2 Station new lead track construction

Enhance the access (the number of in-service trains) to Haneda Airport in combination with reconstructing Shinagawa Station into a station with two platforms serving four tracks based on the continuous grade separated project near Shinagawa Station.

Surcharge cut (FY2019)

Improve services

Introduction of contactless payment for riding, such as by credit card

Effective use of TIC touch points

Expansion of free-space vehicles

[Redevelopment Project Overview (some information has been updated)]

Area	Project name	Functions	Joint development partners	Total floor area	Schedule		Amount of investment by the Company
					Start of work	Completion	
Shinagawa	Takanawa 3-chome area development	Office, MICE, commerce, hotel, etc.	Toyota Motor	Approx. 310,000 m ²	FY2025	FY2029 (To open)	Approx. ¥350.0 billion
	Sengakuji Station category II city area redevelopment	Housing, offices, commerce, etc.	Tokyo Metropolitan Government, TOKYU LAND CORPORATION	Approx. 110,000 m ²	FY2024	FY2031	Approx. ¥37.5 billion
	Shinagawa Station commercial area development (development of a building above the station) *Our involvement is limited to the South commercial area	Office, commerce, hotel, MICE, train station etc.	—	Approx. 200,000 m ²	FY2025	2030s	To be confirmed
Haneda・Kamata	Heiwajima Station Multipurpose Facility Development	Under consideration	—	To be confirmed	Under consideration	Under consideration	To be confirmed
Yokohama・Kawasaki	BASEGATE YOKOHAMA KANNAI (Yokohama City former local government office block utilization project)	Office, commerce, hotel, etc.	Housing, office, commerce, etc.an Co., Ltd., KAJIMA CORPORATION, The Dai-ichi Life Insurance Company, Limited, TAKENAKA CORPORATION, DeNA Co., Ltd., TOKYU CORPORATION, Hoshino Resorts Inc.	Approx. 130,000 m ²	FY2022	FY2025	Approx. ¥4.0 billion
	HARBOR STAGE YOKOHAMA KITANAKA (Kitanakadori-North B-1 Block project)	Housing, office, commerce, etc.	TOKYU LAND CORPORATION, The Dai-ichi Life Insurance Company, Limited	Approx. 110,000 m ²	FY2023	FY2027	Approx. ¥14.0 billion
	Kawasaki New! Arena City Project	Arena, commerce, hotel, etc.	DeNA Co., Ltd.	Approx. 58,000 m ²	FY2027	FY2030	To be confirmed
	Keikyu Kawasaki Station West Exit category I city area redevelopment project	Office, commerce, etc.	—	Approx. 85,000 m ²	FY2025	FY2030	To be confirmed
Yokosuka・Miura	Yokosuka Wakamatsucho 1-chome Category I City Area redevelopment project	Commerce, hotel, housing, etc.	Wakamatsucho 1-Chome City Area Redevelopment Association, DAIKYO INCORPORATED, KATSU SOGO KAIHATSU Co., Ltd., Concerto Inc.	Approx. 50,000 m ²	FY2025	FY2029	Approx. ¥3.0 billion

(Progress on each project in FY2024)

- Kawasaki New! Arena City Project
Due to the impact of a labor shortage in the construction industry, we have reviewed the schedule until opening, and changed the completion of construction to FY2030.
- Sengakuji Station Category II City Area redevelopment
The project plan has been revised due to factors such as the amount of investment being higher than initially forecast because of the higher price of construction materials driven by rising commodity costs and an investigation of a buried cultural property discovered in the site. This project Construction is scheduled to begin in November 2024, with completion in FY2031.
- Heiwajima Station Multipurpose Facility Development
The project plan is currently being revised due to factors such as rising construction costs.



Rendered image of the entire BASEGATE YOKOHAMA KANNAI district (night view conceptual drawing)

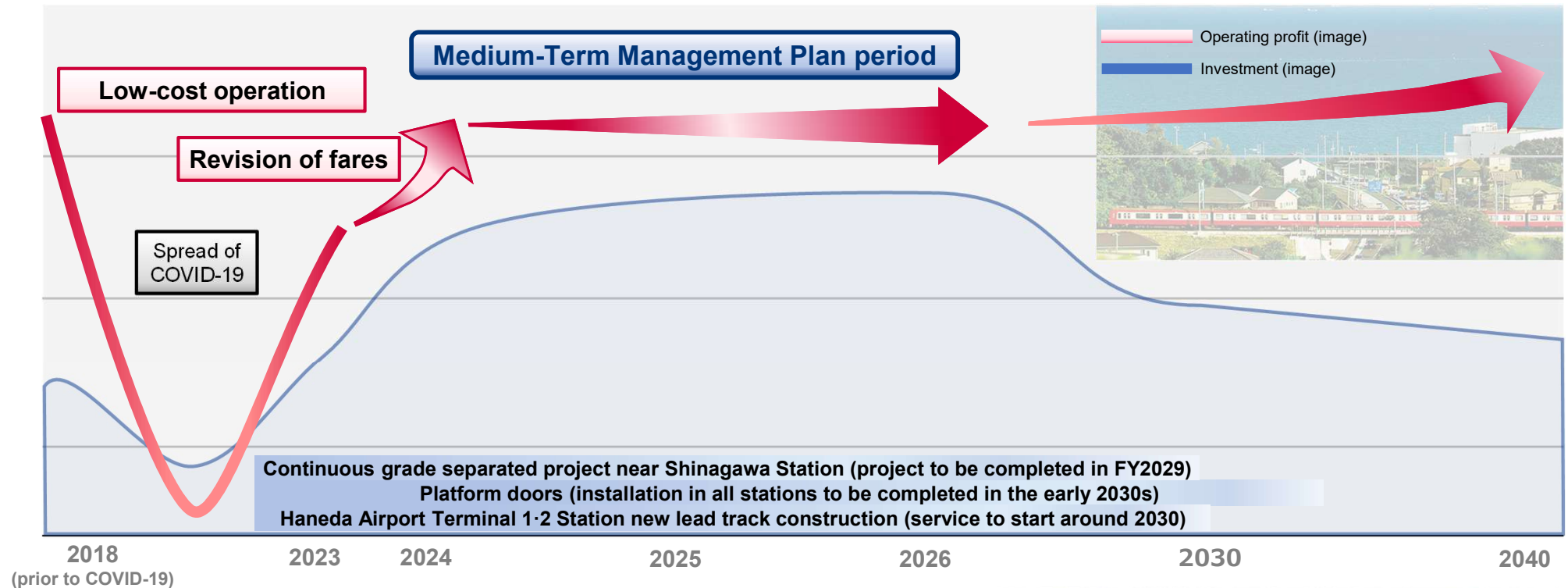


HARBOR STAGE YOKOHAMA KITANAKA Exterior CG perspective

Promoting next-generation operations in the railway business

Promote the merging of human and digital technology to improve productivity and secure safety at the same time and realize a business structure that can continuously respond to changes in social environments by investing in safety, such as platform doors, improving convenience, such as lead track construction at Haneda Airport Terminal 1·2 Station, and further strengthening the operation reforms promoted during the previous period of the Medium-Term Management Plan.

An image of changes in operating profit and investment in the railway business and significant efforts toward **next-generation operations**



Significant efforts toward next-generation operations

- ▶ Introduce one-man train operation
- ▶ Expand automated signal control
- ▶ Expand a smart support system (contactless counter)
- ▶ Introduce QR code reading to magnetic tickets
- ▶ Consider shifting from Time Based Maintenance (TBM) to Condition Based Maintenance (CBM)

- ▶ Expand one-man train operation
- ▶ Further expand automated signal control
- ▶ Make a smart support system (contactless counter) subject to centralized monitoring

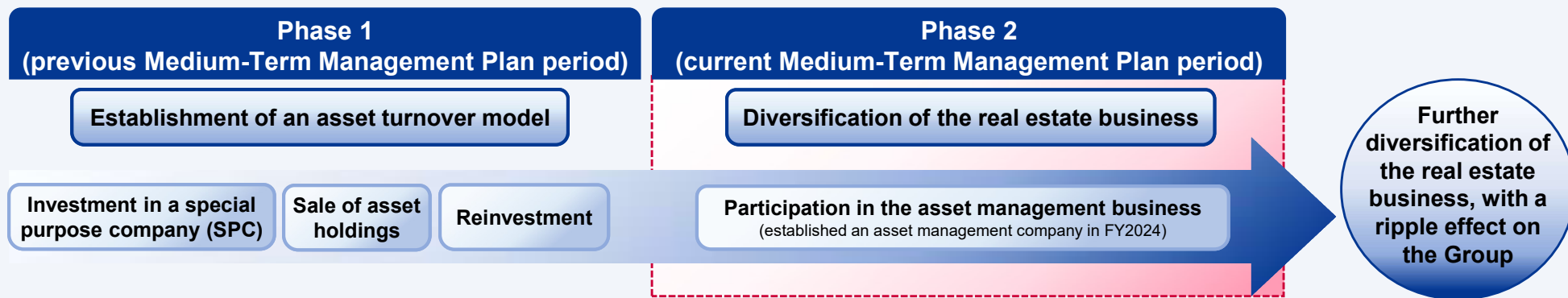
Strengthening of the real estate business

► Promote the optimization of a real estate asset portfolio

Expand assets for lease as a stable source of revenue through development projects around Shinagawa Station, etc. Combine diverse assets such as real estate sales, retail, and hotel-related assets. Regarding project areas, pay attention to balancing inside and outside lineside areas. Work on the realization of a portfolio that distributes risks and improves the profitability of capital at the same time.

In pursuing the above, strengthen the restructuring of assets based on property securitization by, for example, entering the asset management business.

(Continue to expand the real estate business through securitization)



► Secure stable profits in the housing-related business

Continue to strengthen the condominium business through the stable purchase of residential land.



PRIME Yokohama Kishiya



PRIME STYLE
Yokohama Namamugi



PRIME PARKS Yokohama Namiki THE RESIDENCE
(East site)

► Advance development around stations

Refer to the “[Reprint (Materials on Financial Results for FY2024 Second Quarter)]Development of Key Businesses [Redevelopment Project]” section

► Overall picture of efforts to promote enhancement of corporate value

Promote the improvement of the profitability of capital for continued growth and enhance corporate value in the medium and long term

Improvement of ROE

$$\text{ROE} = \text{ROA (ROIC} \pm \text{Adjustment (profit phase change, additional business liability))} \times \text{Financial leverage}$$

(Return On Assets)(Return On Invested Capital)

► Improving the profitability of capital
(= Improving ROIC)

- Accurately understanding the cost of capital
- Managing ROIC-WACC by business (Weighted Average Cost of Capital)
- Setting investment criteria based on the WACC by business
- Selecting businesses, investment properties, etc.
- Implementing steady business structure reforms
- Continuous reduction of cross-shareholdings

Create profit and cash with the cost of capital in mind

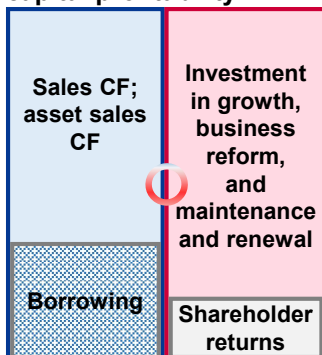
► Continuously improving capital structure
(= Continuously improving financial leverage)

- Level of interest-bearing liabilities policy
 - Maintain financial soundness in the medium and long term (Net interest-bearing debt/EBITDA ratio: 7 times range or less)
- Equity level policy
 - Achieve an ROE of 8% or more in the future
 - Determine the amount of equity capital that should be held according to business risks

Utilize debt while paying attention to financial soundness

- Create and raise business funds with profitability and capital structure in mind
- Review businesses and capital structure in consideration of changing assets and profitability

Building cash flow allocation contributing to the improvement of capital profitability



Carry out various investments and shareholder returns to improve the profitability of capital by improving cash flows from operations, selling low-profitable assets, and using debts appropriately.

Business reform investment: Investment in the railway business, responding to social changes such as population decline and maintaining the profitability and sustainability of railway transportation

Improvement of PER

(Price Earnings Ratio)

- Reduce shareholders' risk
- Continue promoting communication with equity investors and shareholders, improving the content of disclosed information (correct information asymmetry)
- Enhance medium and long term profitability
 - Carry out investment in growth and business reforms to achieve permanent growth
 - Realize a sustainable business environment by promoting sustainability

Improvement of PBR
(Price Book-value Ratio)

<Present data analysis for realizing management based on the cost of capital and the share price>

Periodically analyze changes in indicators, such as ROE and PBR, and communicate with investors to take an objective view of our company's present situation; then, take measures to improve corporate value.

▶ Managing ROIC-WACC by business in order to analyze and improve capital profitability

- ▶ Analyze and improve ROIC-WACC while being aware of the cost of capital by business to ensure the improvement of ROIC
- ▶ For determination of investment in growth, set a hurdle rate based on **the WACC value by business**

▶ Efforts towards the improvement of ROIC by business

Business	Principal Initiatives
Transportation	<ul style="list-style-type: none"> ▶ Fundamental improvement of productivity in the medium to long term through efforts towards next-generation operation, including one-man train operation and a smart support system (contactless counter)
Real Estate	<ul style="list-style-type: none"> ▶ Continuous improvement of asset efficiency through the asset restructuring in the leasing business and the utilization of the private fund established by the Company ▶ Business development in highly profitable areas with easy access to the city center regarding the sales business and inventory control through asset restructuring and replacement
Leisure Services	<ul style="list-style-type: none"> ▶ Deployment of new facilities in diverse business structures not limited to company-owned facilities ▶ Promotion of improving profitability and increasing operation efficiency by facility structure and service deployment tailored to changes in the demand environment, such as the recovery of inbound tourism
Retailing	<ul style="list-style-type: none"> ▶ Improvement in profit ratio through DX-based operation reforms, lowering of the ratio of selling and administrative expenses to sales, and expansion of scale benefits
Common to all businesses	<ul style="list-style-type: none"> ▶ Improvement in the profitability of all Group businesses by maximizing the combined effect (synergy) of the mobility and community creation platforms ▶ Improvement in operating profit and cash flow of the Group overall in the medium and long term by promoting community development in each area

Note: The ROIC-WACC by business is an indicator for internal control (introducing this index, the WACC value by business category and by business is examined through discussion with experts)

▶ Efforts for profit growth and control of the net interest-bearing debt during the Medium-Term Management Plan period

Portfolio reform and improvement in the profitability of capital through the management of the ROIC-WACC by business and FCF	Appropriate selection of investments and improvement of the efficiency of new investments for profit through the implementation of investment criteria based on the WACC by business
Improvement in operating profit and cash flow through earning recovery due to the effect of fare revision (for an entire year) in the railway business and enhancement of the real estate business	Control of excessive increase in liability through cash flow allocation in consideration of the goal of financial soundness



<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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