

# ESG Small Meeting

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Keikyu Corporation (Securities code: 9006)

December 10, 2019

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

## Keikyu Group's Initiatives for ESG

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Issues in the Promotion of ESG Management  
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## Promote each ESG initiative based on the Group Philosophy/Long-Term Vision

### Group Philosophy (reason for existence and missions)

We will Contribute to the development of society by creating new value through businesses that support urban lifestyles

### Long-Term Vision (the future of FY2035 as envisioned by Keikyu Group)

With Shinagawa and Haneda as gateways, we will realize in the districts along Keikyu Railway lines a rich and varied area where many people from Japan and overseas gather

### CSR Policy

As a corporate group that supports the diverse people who come and go on our train lines, the Keikyu Group will work to increase the value of the area and maximize our corporate value through ESG management while also ensuring safety and security.

**E (Environment): Promote business and also reduce the impact on the environment**

**S (Social) : Ensure safe and stable transportation based on the awareness that safety is our top priority**  
**Revitalize areas along the Keikyu Railway lines through measures for the declining population**  
**Strengthen human resources and prevent loss**

**G (Governance) : Promote ESG management through strengthening of governance**

## Create the “Keikyu Group's CSR Vision Sheet,” which lays out the overall CSR activities that the Keikyu Group should aim for

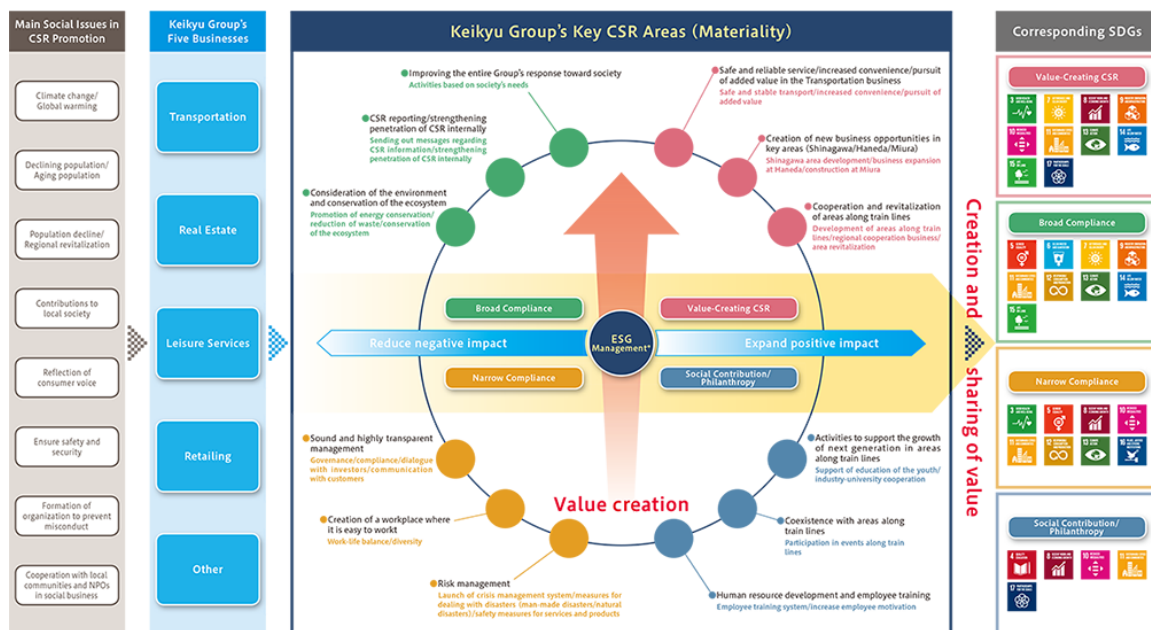
### Keikyu Group's CSR Vision Sheet

**Keikyu Group's Long-Term Vision**  
(The future of FY2035 as envisioned by Keikyu Group)

With Shinagawa and Haneda as gateways, we will realize in the districts along Keikyu Railway lines a rich and varied area where many people from Japan and overseas gather

**CSR Slogan** Connecting people, places, and the future

**CSR Policy** As a corporate group that supports the diverse people who come and go on our train lines, the Keikyu Group will work to increase the value of the area and maximize our corporate value through ESG management while also ensuring safety and security.



\*The integration of the concepts of environment, society and governance (corporate governance) into management.

\* Excerpt from pages 17 and 18 of the Keikyu Group's CSR Report 2019

### Implementation of the Keikyu Group working project

Form an internal “specially appointed team” and hold discussions to revise the Keikyu Group's CSR Policy, identify key issues (materiality) and establish goals, etc.



### Creation of Keikyu Group's CSR Vision

Summarize the social issues that the Keikyu Group can support through its main businesses and the direction of the CSR activities that the Company should promote in the future

→ Disclosed internally and externally since September 2019

- Work to maximize the area value and our corporate value through ESG management (solving social issues)
- In the next Medium-Term Management Plan, the Company is considering establishing key performance indicators (KPIs) for non-financial activities

## Support transportation that has a smaller impact on the environment

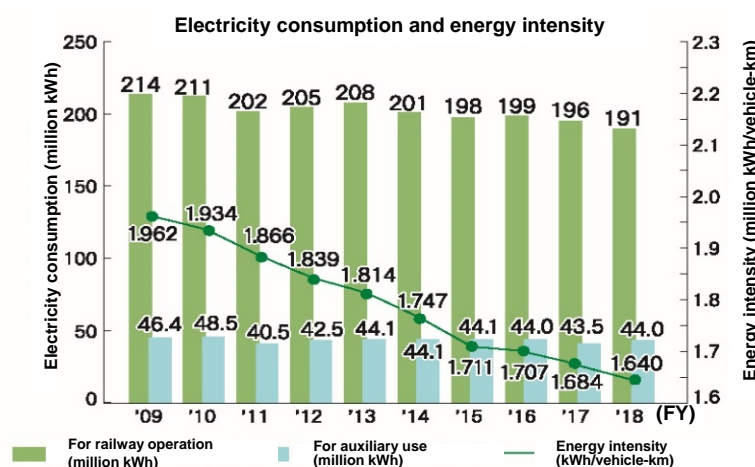
(Expansion of the Transportation business contributes to reducing the impact on the environment)

Since trains, buses and other forms of public transportation use environmentally friendly vehicles with low energy use and CO<sub>2</sub> emissions, the Company can reduce the impact on the environment by promoting their use



- Continue the “Noru-eko” project for promoting the use of trains, buses and other forms of public transportation
- The use of trains, buses and other forms of public transportation lowers energy use and CO<sub>2</sub> emissions

\* CO<sub>2</sub> emissions from railways and buses per passenger-kilometer are 50% or less than when using a personal automobile (according to the Company's calculations based on “CO<sub>2</sub> Emissions in the Transportation Sector” available on the homepage of the Ministry of Land, Infrastructure, Transport and Tourism).



- Although installing escalators, elevators, etc. to increase safety and convenience and increasing the number of trains have a tendency to increase the amount of electricity required, the Company continues to introduce energy-saving vehicles and implement other initiatives for curbing electricity consumption

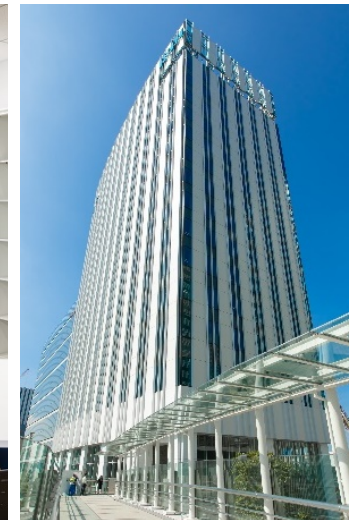


- First introduction of the fuel cell bus “SORA” by a private company
- Because hydrogen is used to generate the electricity that powers the bus, there are zero emissions of CO<sub>2</sub> and other substances that impact the environment



## Make investments for reducing waste, recycling and environmental friendly measures, aimed at achieving cost reductions

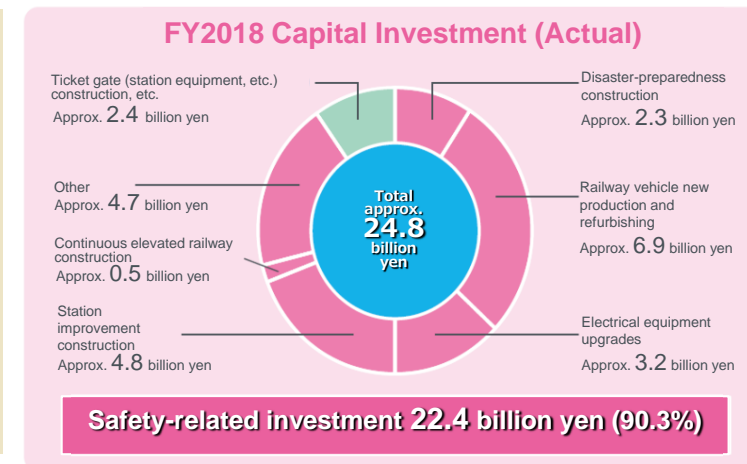
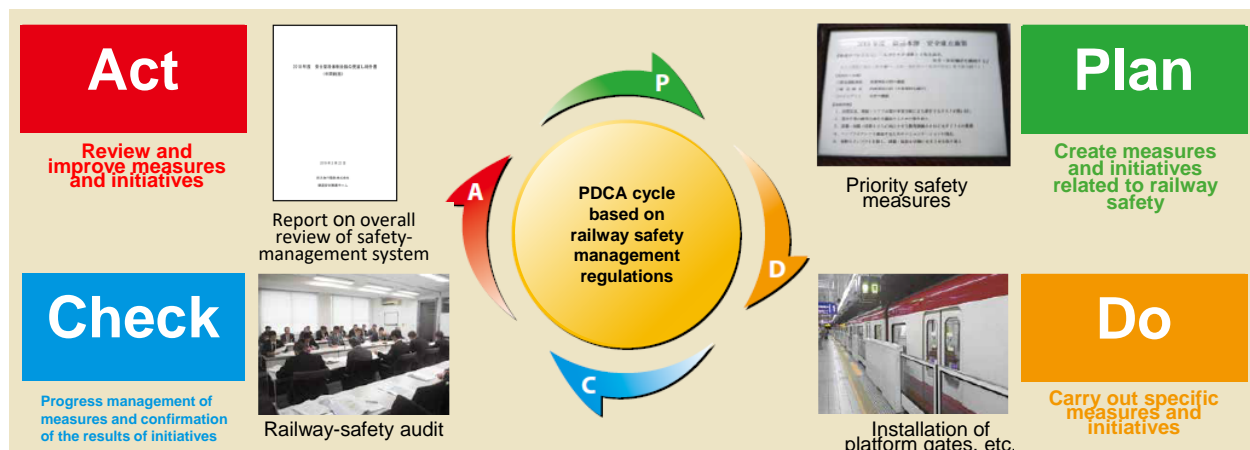
Promote recycling of vehicle parts, reducing disposal loss in the Retailing business, reducing the impact on the environment by relocating the headquarters, shifting businesses to paperless operations, etc.



- When producing new railway vehicles, design the vehicles considering the ease of separating the components during disassembly and the ability to recycle the parts
- Use asbestos-free insulating material
- Reduce the disposal loss through a purchasing review
- Promote reusable shopping bags (department stores) aimed at reducing the use of plastic bags, "Easy" eco-friendly activities (stores), etc.
- Obtain the highest environmental evaluation rating through the use of solar panels, roof greening, lighting activated by human-detecting sensors, air-conditioning control, exterior with a high ability to manage sunlight, etc. at the new headquarters
- Promote paperless operations through the introduction of new multifunction printers, new systems, etc. together with the relocation of the headquarters

## Increase the business continuity by ensuring safe and stable transportation

Thoroughly instill the awareness that safety is our top priority and, to build a safety management system for ensuring safe and stable transportation, continue the PDCA cycle and make capital investments, etc. for safety measures



- Always review the safety-management system and continue the PDCA cycle

(1) Plan:

For the priority safety measures, establish specific targets and an initiative plan

(2) Do:

Collect and utilize information on near-miss incidents, etc., implement measures for serious accidents (review of rules, etc.), comply with laws and regulations, carry out employee training, and conduct various drills

- \* Regarding the railway crossing accident in September 2019, measures are being discussed internally and are continually reported to the Board of Directors

(3) Check:

Conduct a railway-safety audit, and incorporate the results into the review and improvements of the safety-management system

(4) Act:

Review and improve the safety-management system

- Approximately 90% of the railway-related capital investment is for safety measures
- In addition to measures for natural disasters, carry out safety measures for stations, railway vehicles, railway crossings, etc.

## Provide transportation (Transportation business) that is more comfortable and convenient

Provide station ticket gate congestion information in real time, make the congestion levels more equal, introduce railway vehicles that are easy for various passengers to use, and carry out other measures for more comfortable and convenient transportation



- By providing timely information on station ticket gate congestion using the Company's app, if there is a disruption in the public transportation network or other problem, passengers can decide whether to avoid the congested areas, use other companies' railways, telecommute, etc., thereby reducing their stress
- Launched the "KQ Stampo" service app with reward points aimed at reducing crowding on limited express trains during the weekday morning rush
- Reward points for riding local trains that are comparatively less crowded
- For passengers who cannot easily change their commuting time, suggest changing to other types of trains that are not at their peak passenger capacity
- Operate the "Morning Wing" and "Evening Wing" reserved seating trains
- Increase the number of "Morning Wing" trains starting in December 2019. Provide service that is more convenient for passengers commuting to central Tokyo.



Revitalize areas along the Keikyu Railway lines through urban planning  
(Unique development near stations, use of space under elevated tracks, compact city, measures for suburbs, etc.)

**Promote commercial development near stations and the creation of local gathering points utilizing the space under elevated tracks, refurbishment and use of company housing and housing complexes, measures for suburban residential areas near stations, and other initiatives**



- Refurbish the existing housing complexes and company housing, and convert to apartment buildings for the general public (hagu-kumu Higashi Totsuka)
- Through the plans, etc. for various dwelling types, promote coexistence and exchanges with multiple generations, animals and the rich natural environment
- For suburban residential areas, etc. where there is a trend of lower fertility and population aging, introduce low-speed compact electric vehicles (mobility support) and provide mobile sales services offered using vehicles (support where shopping is difficult due to a decrease in the number of retail shops) for areas where it is difficult to access train and bus stations and hilly areas
- Use the space created under elevated tracks due to the change to continuous elevated railways as gathering points (artist community sites, production sites, etc.) that take advantage of the commercial and residential features near stations, as nursery schools, etc.

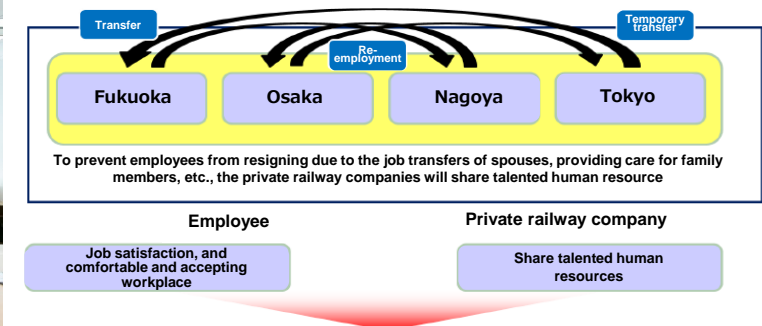
## Increase the energy level by promoting diversity and creating an environment in which it is easy to work

Through various initiatives, promote the growth in each business by providing all employees with opportunities and an environment in which it is easy to work, and by encouraging diversity



### Private railway career train

Mutual acceptance scheme for employees of each company in cases where it is difficult for the employee to continue working due to the work location



Despite the difficulty in securing talented human resources, the large private railway companies can work together to achieve diversity management for each company

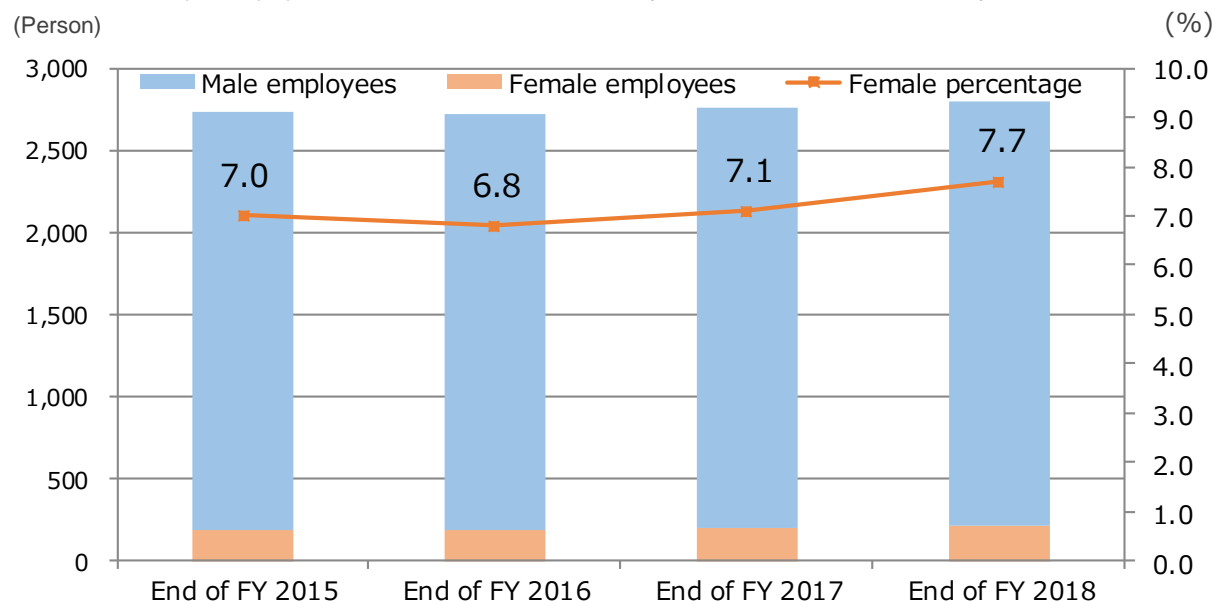
- While supporting female employees, create an environment in which it is also easy for all employees to work
- (1) System of staggered working hours
  - Introduce with the goals of increasing work productivity, maintaining employee health and promoting a work-life balance
- (2) Office sharing
  - Introduce with the goal of responding to a flexible work style and securing a workplace in the event of disaster, etc.
- (3) Care-giving seminars and individual consultations
  - As support, etc. for care giving, child raising and careers, hold seminars and individual consultations regarding the related environment, company systems, etc.

- As an increasing number of employees are resigning due to the job transfers of spouses, providing care for family members, etc., provide a place among the private railway companies where the employees can continue working
- This will allow the companies to retain the accumulated experience of employees as shared property, use the persons as work-ready employees, and secure talented human resources

## (Reference) Changes in the number, etc. of female employees

### Percentage of females among employees (non-consolidated)

\* For comparison purposes, FY2015 and FY2016 include Keikyu Station Service Co., Ltd. and Keikyu Fine-tec CO., LTD.



Percentage of males and females among recent graduate hires for general work at the Company  
(Unit: Persons)

	Employment starting in April 2018	Employment starting in April 2019	Employment starting in April 2020 (planned)
Male	11	10	9
Female	5	4	4
Total	16	14	13
<b>Female percentage</b>	<b>31.3%</b>	<b>28.6%</b>	<b>30.8%</b>

### Number of female employees

\* For comparison purposes, FY2015 and FY2016 include Keikyu Station Service Co., Ltd. and Keikyu Fine-tec CO., LTD.

(Unit: Persons)

	End of FY2015	End of FY2016	End of FY2017	End of FY2018
Headquarters	60	61	72	79
Work site	131	125	124	136
Company total	191	186	196	215
Female managers (of total number of managers)	17	20	20	20
Other female managers (temporary transfer)	4	5	7	9

## Strengthen the corporate governance system through the introduction of the executive officer system

### Introduction of the executive officer system

- Introduction of the system aims to achieve sustainable growth, medium- to long-term improvement of the corporate value, and further strengthening of corporate governance system
- Aim to speed up decision-making and to clarify business responsibilities
- The Board of Directors focuses on important management decisions and oversight of business execution
- Establish the “Group Executive Committee,” and the Executive Officers focus on the contents, etc. of business execution



Consider increasing the number and percentage of Outside Directors in the future

(Reference) Changes, etc. in the number of Directors

	Number of Directors	Outside Director Percentage
FY2017	16	18.8%
FY2018	15	20.0%
FY2019	13	23.1%



Photo showing an explanation to Outside Officers prior to a Board of Directors meeting



## Composition of Directors and Executive Officers (skills matrix)

		Gender	Nomination and Remuneration Advisory Committee	General Affairs	Public Relations	Accounting	Human Resources	Management	Railway	Bus	Development	Leisure	Retailing	Hotel	Other Company Management
Director (Chairperson)	Tsuneo Ishiwata	Male	○ (Chairperson)			○		○							
Director	Kazuyuki Harada	Male	○				○		○						
Director	Toshiyuki Ogura	Male							○		●				
Director	Takashi Michihira	Male			●				●						
Director	Toshiaki Honda	Male									●	○			
Director	Takeshi Hirai	Male								●					
Director	Kazuo Urabe	Male		○		●	●	○	○						
Director	Shizuyoshi Watanabe	Male		●	○			○							
Director	Yukihiro Kawamata	Male						●						○	
Director	Kenji Sato	Male											●		
Outside Director	Kenji Sasaki	Male	○												○
Outside Director	Michiko Tomonaga	Female	○			○									
Outside Director	Yoshinori Terajima	Male	○												○
Executive Officer	Kenryo Ueno	Male											●		
Executive Officer	Hiroyuki Mihara	Male							●						
Executive Officer	Yuichi Kaneko	Male									●	○			
Executive Officer	Kazuhide Sakurai	Male		○					●						

(●: Current work responsibility

○: Previous main work responsibility)

## Identified company issues and improvement proposals

For the issues of revitalizing the discussions in the Board of Directors meetings, dividing the roles in each meeting, reviewing the composition, etc., implement the improvement initiatives

Item	Issue	Improvement proposal
<b>Revitalize the discussions in the Board of Directors meetings</b>	<ul style="list-style-type: none"> <li>• Composition of proposals centered on the themes that must be discussed at the Board of Directors meetings</li> </ul>	<p>Establish a “Deliberations” stage in order to focus on management plans, large-scale projects and other themes that must be discussed.</p> <p>The company plans to decide the composition of proposals after discussing the matter at several Board of Directors meetings in the future</p>
<b>Clarify the division of roles in each meeting and promote the delegation of authority</b>	<ul style="list-style-type: none"> <li>• Continuously review the meeting agenda guidelines to promote the delegation of authority and review the matters to be discussed</li> </ul>	<p>The Company plans to further clarify the division of functions between the Board of Directors and Group Executive Committee (led mainly by Executive Officers), and decide the improvement proposals for the agenda guidelines after discussing the matters at several Board of Directors meetings</p>
<b>Composition of the Board of Directors</b>	<ul style="list-style-type: none"> <li>• Consider the design of the organization</li> </ul>	<p>In addition to establishing the Group Executive Committee on June 27, introduce the executive officer system</p>
	<ul style="list-style-type: none"> <li>• Consider appointing female Directors and Outside Directors</li> <li>• Consider reducing the size to the optimum number and increasing the number of Outside Officers</li> </ul>	<p>The Company plans to discuss the appointment of female Directors, Outside Directors, etc. at the Board of Directors meetings</p>

## Issues identified based on third-party opinions, etc.

In order to further promote ESG management in the future, start considering the opinions of third parties as reference

### ○ General issues related to ESG

- Establish KPIs for materiality and disclose the results
- Link ESG to management plans

### ○ Issues related to disclosure methods

- Disclosure with a good balance that includes not only positive factors, but also risk factors
- For each risk factor, disclose the proposed solution (increase management transparency)

### ○ Other issues

- Preparations for elderly persons, climate changes, etc.
- Initiatives aimed as zero emissions
- Issues from the perspective of conservation of biodiversity and ethical consumption



<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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