

# Supplementary Explanation Materials for Transfer of Land Interest at the Shinagawa Station West Exit Area (Takanawa 3-chome) and Revision of Business Forecast for the Fiscal Year Ending March 31, 2024

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**Keikyu Corporation** (Securities code: 9006)

March 22, 2024

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

# About Development of the Shinagawa Station West Exit Area (Takanawa 3-chome)

## I – 1. Overview of Transfer of Land Interest to Toyota Motor Corporation

<p><b>Subject land</b></p>	<p>A portion of the land interest in Shinagawa Station West Exit District A on a site owned by the Company (part of Takanawa 3-chome, Minato-ku, Tokyo) * Equivalent to Toyota Motor Corporation’s percentage share of interest of Site of Shinagawa Station West Exit Area, District A New Construction Plan (tentative name) Book value: 1.1 billion yen</p> <p>[Reference] Outline of plan site Total floor area: Approximately 23,600 m<sup>2</sup> *Green area in right-side image. Planned floor area ratio: approx. 1,000%</p>	
<p><b>Reason for transfer</b></p>	<p>To promote the development of multi-use buildings under a stronger partnership with joint project partner Toyota Motor Corporation by transferring a portion of the land interest, and to raise the potential of the Shinagawa area</p>	
<p><b>Percentage share of interest</b></p>	<p>The Company: approx. 75%, Toyota Motor Corporation: approx. 25% (Planned)</p>	
<p><b>Date of transfer</b></p>	<p>March 2024 2029 (planned upon completion of the building)</p>	<p>: Transfer of 95% : Transfer of 5%</p>
<p><b>Gain on transfer</b></p>	<p>Of the approx. 85 billion yen, the Company plans to record approx. 80.5 billion yen as extraordinary income for the fiscal year ending March 31, 2024 (The Company plans to record the remaining approx. 4.5 billion yen for the fiscal year in which construction is completed)</p>	

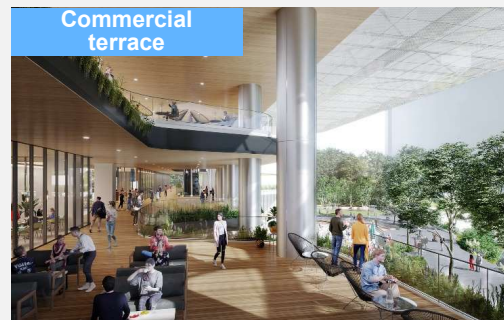
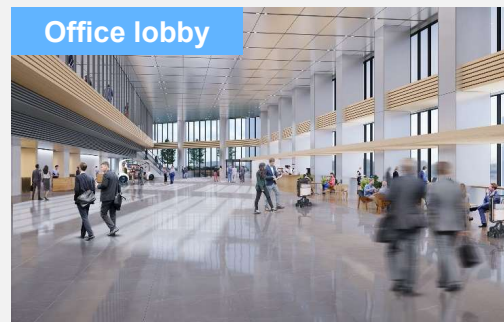
# About Development of the Shinagawa Station West Exit Area (Takanawa 3-chome)

## I – 2. Overview of Shinagawa Station West Exit Area (Takanawa 3-chome) Development

<b>Schedule</b>	Due to the progress of discussions with related parties, as well as due to the review of the construction process resulting from changes in the construction work environment and scrutiny of the construction plan, construction is scheduled to start in FY2025 and business is scheduled to open in FY2029
<b>Total project cost</b>	Approx. 240 billion yen, reflecting the steep rise in construction costs (Building construction costs, etc.: approx. 220 billion yen; demolition costs, costs related to planning and consideration, etc.: approx. 20 billion yen)
<b>Financing method</b>	Funds from the land transfer to Toyota Motor Corporation are scheduled to be appropriated, and the remainder is scheduled to be financed by debt.

Main uses: Office, commerce, hotel, MICE (conference and multi-purpose hall)  
 Toyota Motor Corporation plans to acquire a portion of the office space to open a new Tokyo head office

### Project details



Floor	Use	Detail
29F–23F	Hotel	Scheduled to attract a luxury hotel
22F–7F	Office	One of the largest mega-plate offices in Japan
6F–5F	Conference	An international conference center with a spacious and dignified atmosphere
4F–B1	Commerce	A commercial zone where people, goods, information, and technology with a variety of motivations for visiting the city intersect
B1–B2	Multi-purpose hall	A multi-purpose hall able to accommodate everything from business to entertainment

Note: The actual complex and its surroundings may differ from these concept drawings due to future discussions and other factors.

## <Takanawa 3-chome – Project Plan Schedule>

	Initial Plan	Current Plan
Urban planning decision (district plan)		November 2022
Land readjustment project approval		June 2023
Land readjustment project Designation of temporary land reassignment		February 2024
Start of construction	FY2023	FY2025 (scheduled)
Completion of construction and opening of business	Completion of construction in FY2026	Opening of business in FY2029 (scheduled)

## <Schedule of each opening>

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030-FY2035
Takanawa 3-chome	Start of construction				Opening of business	
Station commercial area						Construction to be completed sequentially by FY2036 (*)
Continuous Grade Crossing Project	(Construction started in FY2020)				Work completed	
Takanawa 4-chome						To be determined

\* The timing of increased investment in the station commercial area is expected to little overlap with the timing of investment in Takanawa 3-chome.

Details of  
Revision

Ordinary profit was revised upward by 1.1 billion yen mainly due to the sale of investment securities.

In addition, profit attributable to owners of parent was revised upward by 62 billion yen mainly due to the transfer of the land interest in Takanawa 3-chome to Toyota Motor Corporation, and gain on return of retirement benefit trust accompanying the sale of cross-shareholdings.

Net cash provided by the return of retirement benefit trust is expected to be 10.8 billion yen.

(Unit: Billions of yen)

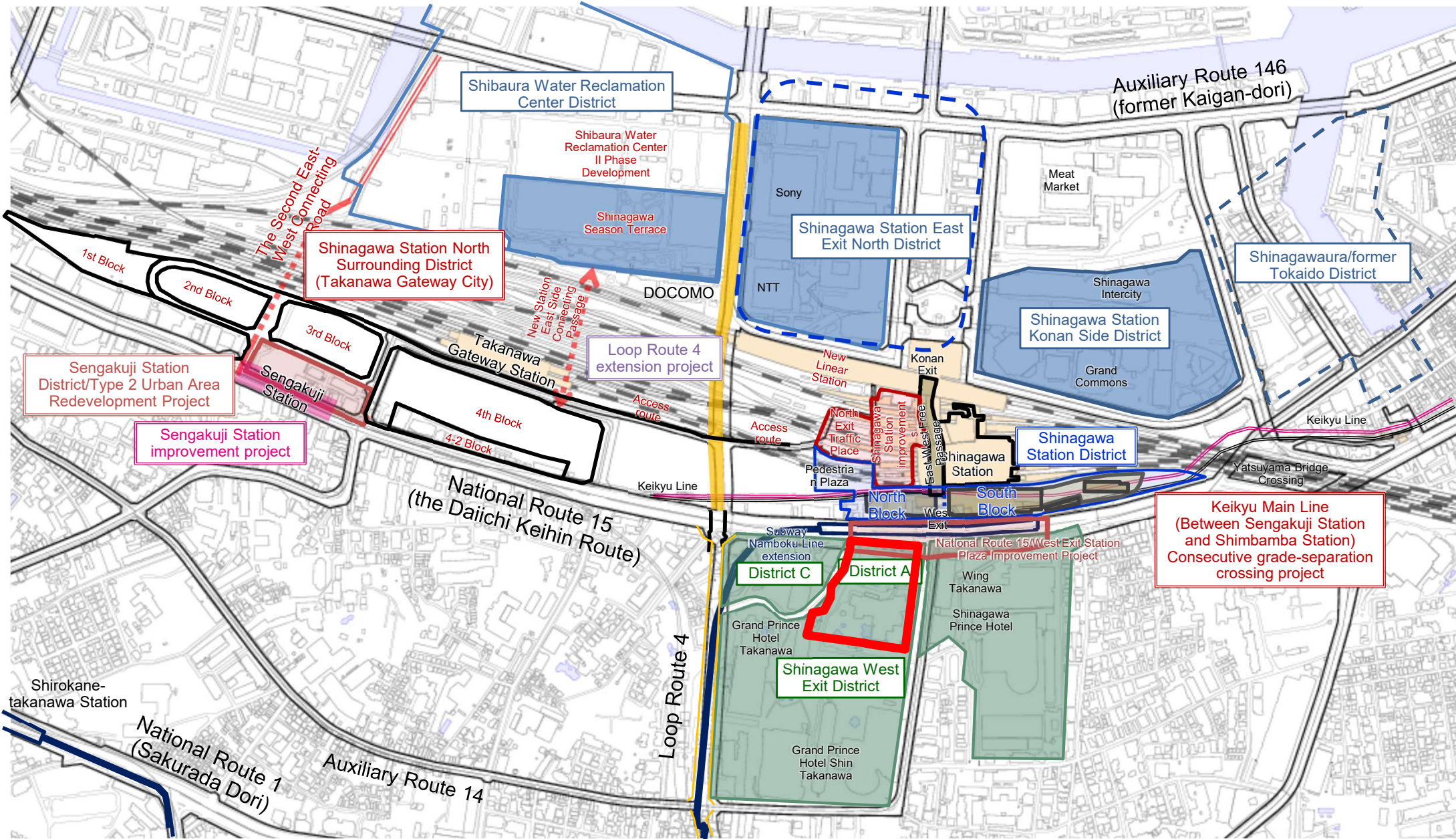
	Forecasts, As of February	Forecasts, As of March	Changes	[Reference] FY2022
Revenue from operations	282.5	282.5	—	253.0
Operating profit	28.0	28.0	—	10.8
Ordinary profit	27.3	28.4	+1.1	12.2
Profit attributable to owners of parent	22.0	84.0	+62.0	15.8

## [Changes in operating expenses in Q4 (January to March)]

- Expenses related to the transfer of land in Takanawa 3-chome (business taxes, etc.) are scheduled to be recorded
- Repair expenses in railway operations will be less than originally forecast

[Reference]

# Shinagawa Station Area Business Map





<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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