



MEMBERSHIP

May 14, 2024

Company name: Odakyu Electric Railway Co., Ltd.
Name of representative: Shigeru Suzuki, President & CEO
(Stock code: 9007; Prime Market of the Tokyo Stock Exchange)
Inquiries: Satoru Suzuki, Executive Officer,
Investor Relations Office
(Telephone: +81-3-3349-2526)

Notice Concerning Formulation of Medium-Term Management Plan Aimed at Achieving our Management Vision (FY2024–FY2026)

In order to achieve the Group’s Management Principle, which stipulates that the Odakyu Group will contribute to helping customers create “irreplaceable times” and “rich and comfortable lifestyles,” the Odakyu Group formulated our Management Vision “UPDATE Odakyu–Becoming a Community-Based Value Creation Company”, and has strived to enhance the values of the Group and areas along the Odakyu Line.

Now, Odakyu Electric Railway Co., Ltd. (the “Company”) provides notice as follows that, at a meeting of the Board of Directors held on May 14, 2024, it formulated a Medium-Term Management Plan (FY2024–FY2026) aimed at achieving the management vision.

1. Overview of the Management Vision “UPDATE Odakyu–Becoming a Community-Based Value Creation Company”
 - (1) Overall policy

“Becoming a Community-Based Value Creation Company”

In order to grow together with communities along the Odakyu Line and in areas where we operate businesses, we will evolve into a company that creates new value in communities, such as customer experience and lowering of the environmental load, by constantly striving to think outside the box.

In order to achieve the Group’s Management Principle, under the Management Vision “UPDATE Odakyu–Becoming a Community-Based Value Creation Company”, the Group will aim to achieve rapid growth, while continuing to implement reforms that capture changes in the external environment.

In addition, the “promotion of sustainability management” is included in the business planning structure, and the Group has set targets and monitoring indicators for six material issues, as part of its intention to achieve sustainable growth by solving social issues.

(Reference 1) Our business planning structure



(Reference 2) Material issues

Material issues	Targets and monitoring indicators
1. Safety and peace of mind	<ul style="list-style-type: none"> ◆ Number of operating accidents/incidents caused by the Company in the railway business: 0 (each fiscal year) ◆ Number of fatalities or serious injuries in the bus and taxi businesses: 0 (each fiscal year) □ Total Level of satisfaction in railway services
2. Community development and local communities	<ul style="list-style-type: none"> □ Population in areas along the Odakyu Line □ Number of users at focus stations in areas being strengthened (per day) □ Total level of satisfaction by local residents □ Total level of satisfaction with how to live (well-being)
3. Daily life and tourism experiences	<ul style="list-style-type: none"> □ Number of Odakyu ONE ID users □ Number of Freepasses sold (Hakone, Enoshima, and Kamakura areas) □ Number of visitors to tourist areas along the Odakyu Line(Hakone and Fujisawa)
4. Environment (carbon neutrality)	<ul style="list-style-type: none"> ◆ Odakyu Group CO₂ emissions: 50% reduction compared with 2013 (FY2030) / Net zero (FY2050)
5. Development of value-creating human resources	<ul style="list-style-type: none"> ◆ Ratio of female employees (full-time): 20% (FY2030) / 35% (FY2050) ◆ Ratio of women in management roles: 15% (FY2030) / 30% (FY2050) ◆ Ratio of male employees taking paternity leave: 100% (FY2030) / 100% (FY2050)
6. Governance	<ul style="list-style-type: none"> ◆ Number of major legal violations: 0 (each fiscal year) ◆ Ratio of female officers: 30% (FY2030) □ Ratio of Independent Outside Directors

◆ Targets □ Monitoring indicators

(2) Initiatives aimed at reform

The Group sets fiscal 2021 to fiscal 2023 as the period of structural reform and fiscal 2024 to fiscal 2030 as the period of rapid growth.

Period of Structural Reform (FY2021-FY2023)

As a result of the Group's efforts to transform its businesses through three management issues ("recovery of profitability," "control interest-bearing debt," and "rebuild our business portfolio") and three concepts ("digital transformation (DX)," "co-creation," and "localization"), it exceeded its criteria for the recovery of financial soundness (FY2023 results: interest-bearing debt: ¥626.9 billion, interest-bearing debt/EBITDA ratio: 6.5 times).

Period of Rapid Growth (FY2024-FY2030)

In order to create and expand businesses that will contribute to the sustainable growth of Odakyu in the future, and enable the Company to move through the next 100 years as a community-based value creation company, the Company will create new value by "two evolutions to achieve the management vision."

< Two evolutions to achieve the management vision >

1) Business development based on the concept of regional economies

The Company will consider each core city, including Shinjuku and Ebina, as "regional economies," and will implement measures linking the four business domains ("Transportation," "Real Estate," "Digital," "Lifestyle Services"), in collaboration with local communities and partners.

2) Optimization of our business portfolio

While positioning the real estate domain as the first pillar of revenue, the Company will also position the digital domain as a new area of growth. The Company will also aim to achieve the FY2030 operating income target by expanding growth investment in the four business domains, while also setting appropriate KPIs and monitoring progress.

(3) Consolidated Financial Targets

The Company will aim to become a "community-based value creation company" and achieve sustainable profit growth while enhancing social and shareholder value.

Key indicators		FY2026 plan	FY2030 target	Long-term policies
Profit growth	Operating income	¥50.0 billion Comparison with previous target*1 +¥4.0 billion	¥70.0 billion Comparison with previous target*1 +¥10.0 billion	Sustainable profit growth
Management with an awareness of capital cost	ROE*2	6.2%	7% or more	Further improvement
Securing of financial soundness	Interest-bearing debt/ EBITDA ratio	7.8 times	Approx. 7.0 times	Improvement through profit growth

*1 Comparison with targets announced in April 2023

*2 Net income attributable to owners of parent / shareholders' equity (excluding net unrealized gain on securities)

(4) Shareholder returns

Basic policy	Based on the assumption of a 30% shareholders' equity ratio, the Company will implement stable dividends and flexible share buybacks, with a target total consolidated payout ratio of at least 40% on average for FY2023 through FY2026
Dividend	Annual dividends for FY2023 and FY2024 scheduled to be ¥30 per share * FY2023 dividend forecast revised from an annual dividend of ¥22
Share buybacks	Consider the timing of implementation, comprehensively taking into consideration changes in the business environment, business performance, and other factors * Actual figure for FY2023: ¥12.3 billion

2. Overview of the Medium-Term Management Plan (FY2024–FY2026)

To realize the management vision, the Company will promote the strengthening of the management foundation through three strategies and corporate governance, at the same time as working toward four key measures. The outline of each measure and strategy, etc., is as follows.

(1) Key measures

1) Advancements in the transportation domain

In addition to establishing a sustainable operating structure at an early stage by prioritizing measures against labor shortages and efforts to strengthen disaster resilience, the Company will also aim to secure stable profits by stimulating transportation demand, etc.

Specifically, with the aim of establishing an operating structure that utilizes a small number of people in the railway business, the Company will take steps toward more in-depth consideration of detailed specifications and operations for conductor-less trains, etc., while also improving the efficiency of various operations. In addition, the Company will strengthen safety and disaster prevention measures by installing platform doors that utilize barrier-free fare systems at railway stations and promoting earthquake reinforcement construction work, while also endeavoring to strengthen the sustainable management system, including promoting large-scale equipment upgrades such as the transfer of the Ono General Train Depot. The Company will work to maximize revenue by promoting measures to support families raising children and rolling out new measures to increase revenue utilizing customer data, etc.

2) Strengthen the real estate domain

The Company will aim to achieve operating income of ¥30.0 billion in FY2030 while also enhancing profitability and asset efficiency, by focusing the investment of capital in this business as the first pillar of revenue, and promoting development along the Odakyu Line, as well as the expansion of investment methods and fields.

Specifically, in the Shinjuku West Gate Redevelopment Plan, the Company will work to maximize project value through co-creation with business partners, etc., while also providing high-grade office functions, commercial functions that facilitate new customer experiences, and business emergence functions that encourage exchanges between visitors and businesses, etc. In addition, the Company will continue to promote development plans for the Ebina Station area, as part of the creation of diverse communities centered on core cities along the Odakyu Line. Furthermore, the Company will focus on the asset rotation model, domestic

SPC investment, and the overseas real estate business, and will utilize funds and expertise acquired to further strengthen the real estate business, such as development along the Odakyu Line.

3) Search for and grow new businesses that utilize digital technology

The Company aims to generate operating income of ¥3.0 billion in FY2030 from the creation of new businesses from the starting point of solving social issues through the utilization of business creation expertise and diverse human resources, as well as investment in R&D expenses, while also utilizing the strengths of digital technology to also develop its businesses outside the Odakyu Line.

Specifically, on MaaS platforms such as “MaaS Japan” and “EMot,” the Company will strive to expand customer contact points and the amount of transactions handled, while also expanding the scale of revenue and profit from new businesses such as “WOOMS,” a waste management business that offers consulting services, etc., aimed at optimizing the collection and transportation of resources and waste, and “Ichi no ichi,” a social networking service for local governments and community associations that provides electronic circulars and solutions for sharing information in the event of disasters. At the same time, the Company will explore and create new businesses centered on the regional infrastructure field.

4) Capture tourism demand/Lifestyle Services that enrich local communities

The Company will capitalize on potential as Japan’s top tourist attractions and steadily capture strong tourism demand, including inbound tourism. The Company will aim to become the railway line of choice for the future by developing services closely related to daily life and exciting content.

Specifically, in order to capture tourism demand, the Company will implement initiatives such as increasing the value of existing hotels in the Hakone area, while also enhancing convenience and customer experience value by expanding dynamic packages. With regard to Lifestyle Services, in Stores and Retail, the Company will work to increase operating income, through such measures as actively promoting new store openings and continuously improving merchandizing and operations through a business alliance with Seven & i Holdings Co., Ltd. In addition, the Company will endeavor to achieve a membership base of 600,000 members by FY2026 (320,000 as of end of FY2023), by positioning the community-based service platform “Odakyu ONE” at the center of digital contact with customers and enriching a range of content, such including railway and in-station services and subscription products limited to certain regions.

(2) Strengthening of management foundation

	Overview and examples of initiatives
Digital transformation (DX) strategies	<p>By combining real assets, services, and work with digital technology, the Company will create three types of value: “Smart (smarter operations),” “Update (exciting customer experiences),” and “Create (creating a rich future).”</p> <ul style="list-style-type: none"> ● Promote application development and operation using low-code tools ● Promote initiatives to ensure that all employees of the Company have basic knowledge related to digital technologies
Environmental strategies	<p>The Company will take concrete measures to achieve “Odakyu Group Carbon Neutrality 2050,” while also promoting resource recycling initiatives and information disclosure based on the recommendations of the TNFD (Taskforce on Nature-related Financial Disclosures).</p> <ul style="list-style-type: none"> ● Approximately 500 EV buses are scheduled to be introduced by FY2030* * Including the number of vehicles introduced by Kanagawa Chuo Kotsu Co., Ltd. ● The Company will recycle food waste from the Group’s facilities, etc., for feed and biogas power generation fuel together with partner companies, and use the generated electric power
Human resource strategies	<p>The Company will implement measures that contribute to improving employee engagement and labor productivity.</p> <ul style="list-style-type: none"> ● Based on the “Diversity & Inclusion Declaration,” the Company will promote measures aimed at achieving the target for promoting the active participation of women, and health management ● Cultivate and spread a culture of active participation by recruiting business ideas and project talent, etc.
Governance	<p>The Company will promote various measures to maximize the interests of stakeholders, achieve sustainable growth for the Group, enhance corporate value over the medium to long term, etc.</p> <ul style="list-style-type: none"> ● The Company will strengthen the supervisory function of the Board of Directors through the utilization of the Nomination and Compensation Advisory Committee, a majority of whose members are Independent Outside Directors, the Board of Directors’ effectiveness evaluation system, etc. ● The Company will engage in communication with business partners, etc., based on the “Odakyu Group Human Rights Policy,” “Odakyu Group Sustainable Supply Chain Policy,” and “Odakyu Electric Railway Multi-Stakeholder Policy”

3. Reference document

Medium-Term Management Plan Aimed at Achieving our Management Vision (FY2024–FY2026)

End

(Reference Materials)

Medium-Term Management Plan Aimed at Achieving Our Management Vision (FY2024–FY2026)



< Looking back on the period of structural reform (FY2021-FY2023) >

- Although business performance temporarily worsened owing to the impact of the COVID-19 pandemic, we made thorough operational efficiency improvements, while also selling the Shinjuku Dai-ichi Seimei Building and other assets, and reorganizing group companies. As a result, we achieved **reform significantly exceeding our criteria for financial soundness**, which we were targeting in FY2023.
- Thanks to these efforts, we have enhanced the earning power of the Odakyu Group as a whole, and **secured the capacity to raise funds for growth**. At the same time, we have established the management foundations for rapid growth, such as the start of new construction on our largest project, the Shinjuku West Gate Development Project.



< Direction for the period of rapid growth (FY2024-FY2030) >

- In the period of rapid growth, we will promote **management with a greater awareness of capital costs** than ever before, and the Company will grow together with the region by solving regional issues and creating new value based on our core concept of sustainability management.
- There are many areas with abundant local resources along the Odakyu Line, and we will make a significant shift toward **actively investing** in the development of areas along the Odakyu Line other than the Shinjuku area, **as well as enhancing human capital and strengthening shareholder returns**. Although we expect a temporary decline in profit levels in the short term as part of this process, we aim to achieve our consolidated financial targets for FY2030 through subsequent rapid growth.
- Following the 100th anniversary of our establishment in FY2027 and the completion of the Shinjuku West Gate in FY2029, we will strive to realize our Management Vision "UPDATE Odakyu".

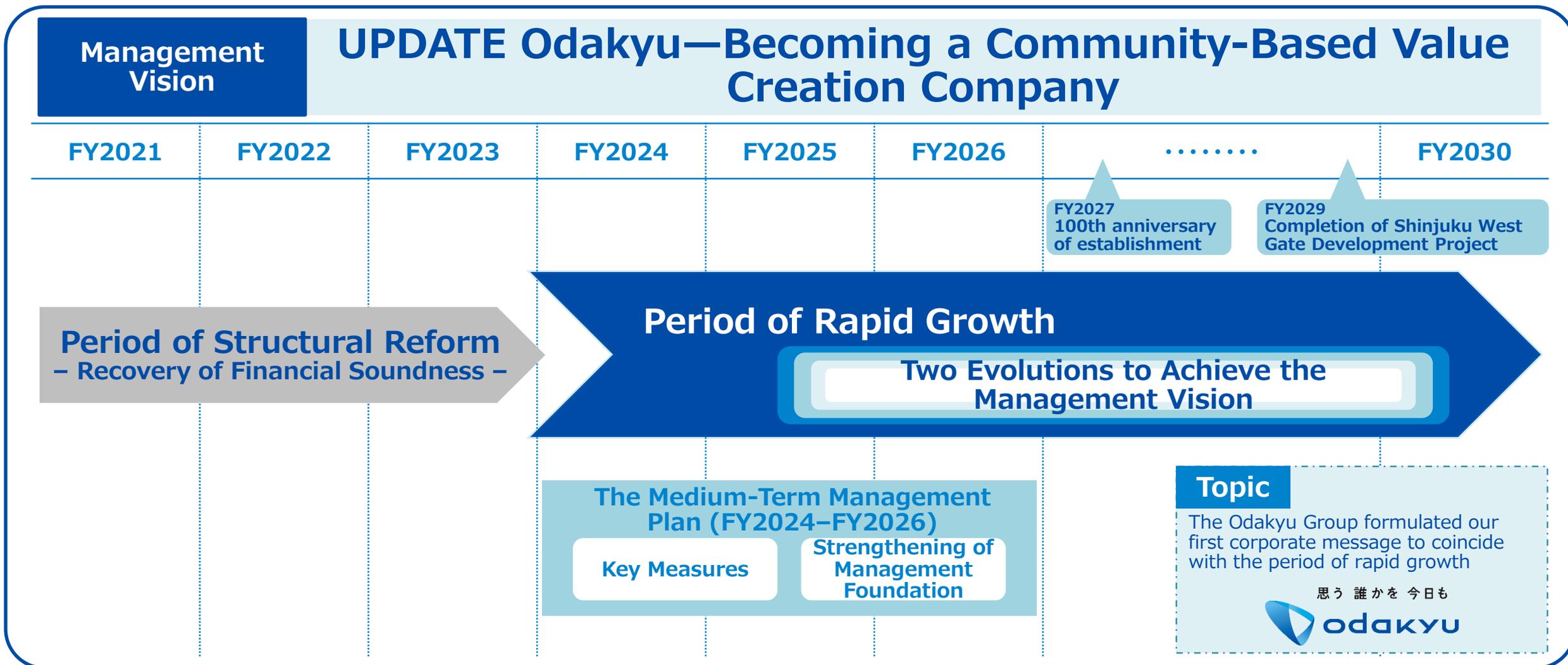
Shigeru Suzuki President & CEO, May 2024

- I. Positioning of This Plan**
- II. Concrete Policies Aimed at Achieving Our Management Vision**
- III. Financial Management Policies**
- IV. The Medium-Term Management Plan (FY2024–FY2026)**
- V. Numerical Plans (FY2024–FY2026)**

I. Positioning of This Plan

Positioning of This Plan

- Our period of structural reform ended in FY2023, and our period of rapid growth started in FY2024, as we aim at achieving our management vision
- Based on progress in our previous plan, in this plan, we aim to make our growth story a reality in the period of rapid growth



Initiatives Aimed at Structural Reform

- Exceeded our criteria for the recovery of financial soundness in FY2023 and secured the capacity to raise funds, through progress on structural reform in each business
- Expand growth investments to enhance profitability as a period of rapid growth while continuing reforms adapted to changes in the external environment

Raise profit levels

● Review of operating structure

Bus Business	• Increase in employee efficiency due to office reorganization and timetable alterations
Department Stores	• Establishment of a highly efficient operating structure with a small number of employees through voluntary retirement
Hotels	• Decrease in break-even point due to increase in operational efficiency

● Implementation of structural reforms

Railways Business	• Increase in operational efficiency and decrease in costs following the promotion of DX
Stores and Retail	• Profit growth by maximizing the impact of collaboration with the Seven & i Group
Restaurants	• Store reorganization and cost structure review

● Pricing review

Transportation	<ul style="list-style-type: none"> Railways business: Adoption of railway station barrier-free fare system and review of special limited express fares Fare revisions (Hakone Tozan Railway, six bus companies, and Odakyu Koutsu)
Hotels	• Renewal of Hakone resort hotel HATSUHANA and increase in room rates

Rebuild our Business Portfolio

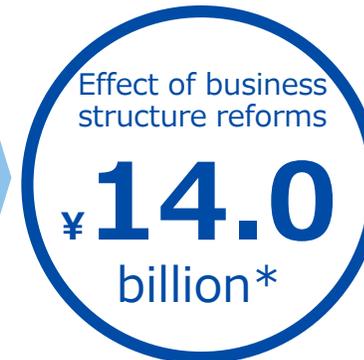
● Selection-and-concentration efforts in our existing businesses

- Clarification of management resource allocation based on business growth potential and competitiveness
- External transfer of six Group companies and a credit card company
- Integration of five Group companies

Control interest-bearing debt



* Actual figures for FY2021–FY2023



* Results from FY2018 to FY2023

Ensure financial soundness exceeding our criteria for recovery in FY2023

✓ Interest-bearing debt
¥700.0 billion → ¥626.9 billion
(Criteria for recovery)

✓ Interest-bearing debt/ EBITDA ratio
7.0 times → 6.5 times
(Criteria for recovery)

II. Concrete Policies Aimed at Achieving Our Management Vision

Our Business Planning Structure

- Inclusion of sustainability management in the business planning structure
- Achieve our management vision by developing businesses based on the concept of regional economies and optimizing our business portfolio



Promotion of sustainability management

- In FY2023, we set targets and monitoring indicators for 6 material issues and formulated the Odakyu Group Human Rights Policy

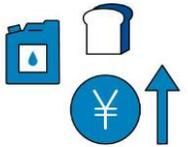
Material issues	Targets and Monitoring Indicators
<p>1. Safety and peace of mind</p> <ul style="list-style-type: none"> Provision of public transportation services that prioritize safety and peace of mind Pursuit of a society where anyone can live with peace of mind 	<ul style="list-style-type: none"> ◆ Number of operating accidents/incidents caused by the Company in the railway business: 0 (each fiscal year) ◆ Number of fatalities or serious injuries in the bus and taxi businesses: 0 (each fiscal year) □ Total level of satisfaction in railway services
<p>2. Community development and local communities</p> <ul style="list-style-type: none"> Realization of community development that combines work, residence, commerce, education, and recreation, and wellness Community development that utilizes local assets 	<ul style="list-style-type: none"> □ Population of communities along the Odakyu Line □ Number of users at focus stations in areas being strengthened (per day) □ Total level of satisfaction by local residents □ Total level of satisfaction with how to live (well-being)
<p>3. Daily life and tourism experiences</p> <ul style="list-style-type: none"> Promotion of rich lifestyles that utilize technology Provision of region-specific tourism experiences 	<ul style="list-style-type: none"> □ Number of Odakyu ONE ID users □ Number of Freepasses sold (Hakone, Enoshima, and Kamakura areas) □ Number of visitors to tourist areas along the Odakyu Line(Hakone and Fujisawa)
<p>4. Environment (carbon neutrality)</p> <ul style="list-style-type: none"> Realization of a decarbonized society through energy conservation, renewable energy, electrification, and collaboration with local communities Realization of a resource recycling society aiming at Beyond Waste 	<ul style="list-style-type: none"> ◆ Odakyu Group CO2 emissions: 50% reduction compared with FY2013 (FY2030) / Net zero (FY2050)
<p>5. Development of value-creating human resources</p> <ul style="list-style-type: none"> Cultivation of a corporate culture that enables all employees to work in their own unique way Development of human resources to achieve sustainable management 	<ul style="list-style-type: none"> ◆ Ratio of female employees (full-time): 20% (FY2030) / 35% (FY2050) ◆ Ratio of women in management roles: 15% (FY2030) / 30% (FY2050) ◆ Ratio of male employees taking paternity leave: 100% (FY2030) / 100% (FY2050)
<p>6. Governance</p> <ul style="list-style-type: none"> Realization of an optimal governance structure that supports the expectations of all stakeholders 	<ul style="list-style-type: none"> ◆ Number of major legal violations: 0 (each fiscal year) ◆ Ratio of female officers: 30% (FY2030) □ Ratio of Independent Outside Directors

◆ Targets □ Monitoring indicators

Awareness of External Environment

- There are concerns about the impact of higher prices, rising interest rates, and labor shortages, but there are opportunities for further profit growth based on recoveries in the Railway and Hotel Businesses, as well as growth in inbound demand
- The value of the suburbs is rising, and we have found numerous business opportunities in communities along the Odakyu Line, which contains numerous core cities across a wide area

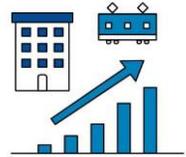
Recent Impacts



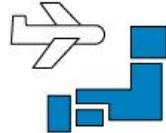
Higher prices
Rising interest rates



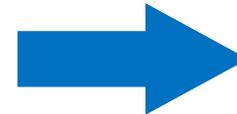
Labor shortage



Recovery exceeding expectations in the Railway and Hotel Businesses



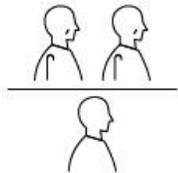
Significant growth in inbound visitors



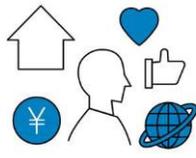
Business Opportunities for Odakyu

With the world's top terminal station, "Shinjuku," and some of Japan's top tourist attractions, such as "Hakone and Enoshima," we can capture further growth opportunities

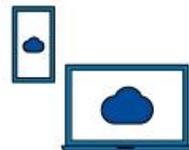
Medium- to Long-Term Changes



Population decline
Declining birthrate and aging society



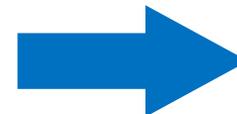
Changes in lifestyle and consumption behavior



Accelerating progress of digitalization



Increasing awareness of sustainability



Business Opportunities for Odakyu

We can create new value by responding to the diverse range of needs and creating characteristic towns along the Odakyu Line, which contains numerous core cities across a wide area

Ideal cities are becoming more dispersed rather than concentrated around city centers due to changes in society and values

Potential of Communities Along the Odakyu Line and Strengths of Odakyu

- The communities along the Odakyu Line include numerous core cities and Japan's top tourist attractions, and enjoy abundant regional resources
- The strengths of the Odakyu Group include our strong social foundation of public transportation infrastructure and real estate that we have accumulated, as well as collaboration with regional players based on trust

We expect further advancements, including development of the highway infrastructure in the next few years and plans to extend railway lines



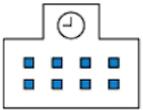
Population of communities along the Odakyu Line
Approximately 5.20 million people



World's top terminal station Shinjuku
Average number of passengers per day
Approximately 3.5 million people



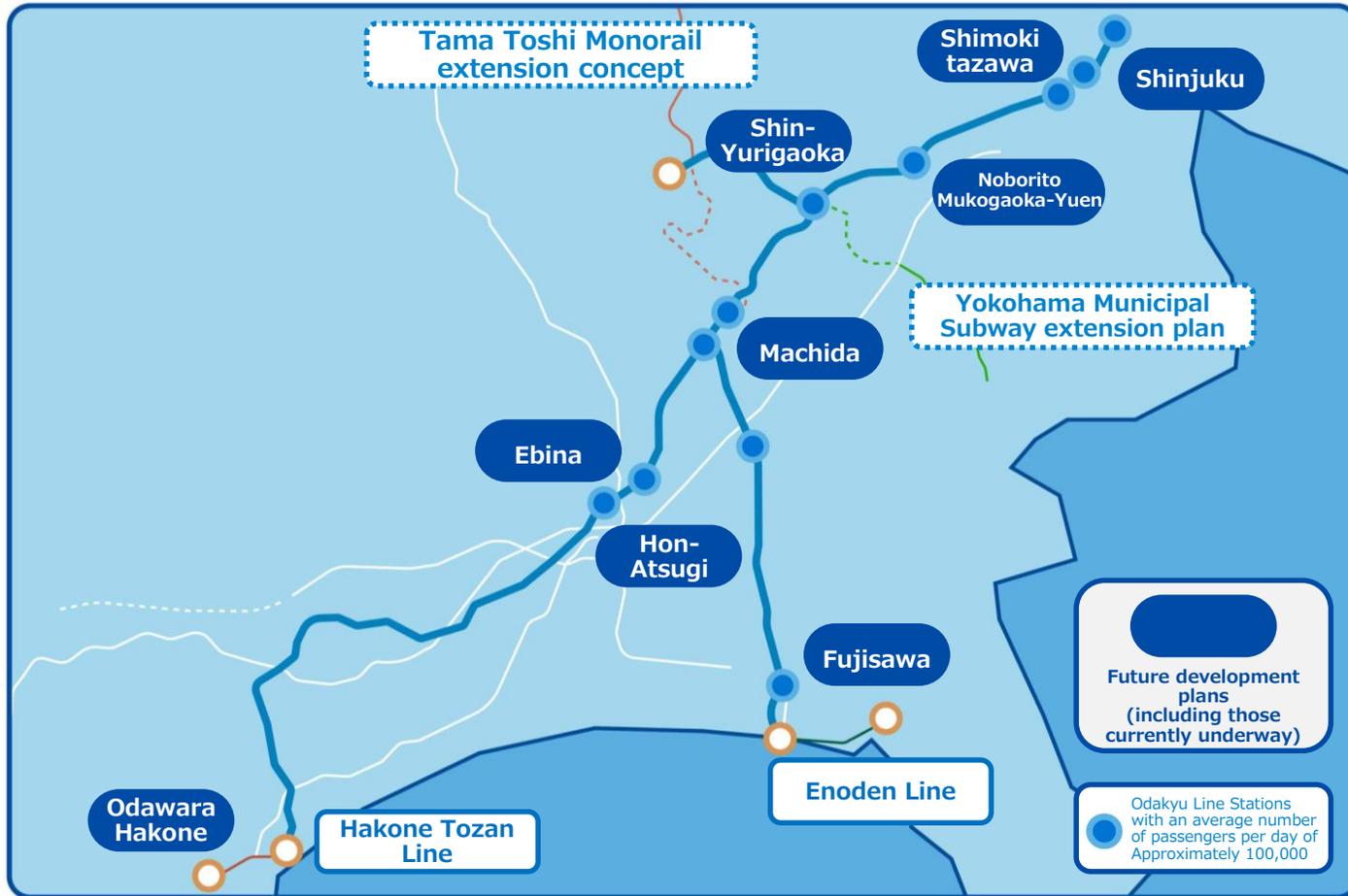
Hakone, Shonan, and Oyama annual number of tourists
Approximately 50 million people



Universities along the Odakyu Line
Approximately 50 schools



Impact of developing a highway network
Factory zones




Number of passengers on stations with Approximately 100,000 passengers
11 stations



Annual number of passengers carried (Railway Business + Bus Business)
Approximately 1 billion people



Collaboration with governments, companies, and universities
31 projects



Public transportation infrastructure, community development along the Odakyu Line, etc.
Extensive business expertise

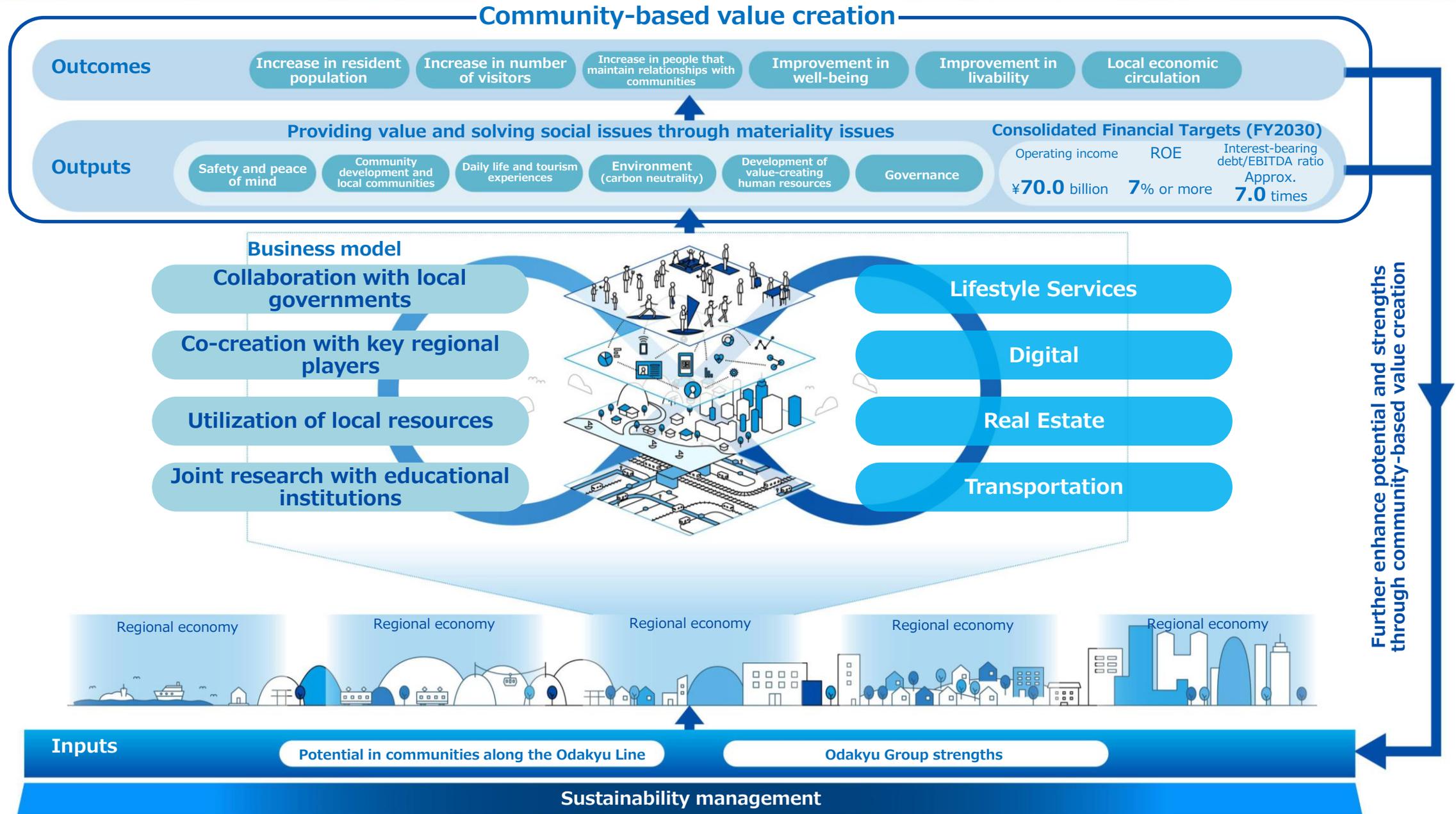


Romancecar brand

Future development plans (including those currently underway)

Odakyu Line Stations with an average number of passengers per day of Approximately 100,000

Growth Model as a Community-Based Value Creation Company (Value Creation Process)





Communities filled with opportunities arising from interactions between people and new stimulation, where fun and activities emerge one after the other

- Strengthening international competitiveness
- Emergence of lively interaction
- Improvement of accessibility
- Stronger disaster prevention functions
- Reduction of environmental impact

Area potential

- World's top terminal, where seven lines and eight stations connect
- Japan's top commercial and office clusters
- One of Japan's largest clusters of accommodation facilities and a base for foreign visitors

- Participate in Shinjuku Grand Terminal concept (Area management activities in the area near Shinjuku Station, etc.)
- Collaboration with Nishi-Shinjuku Smart City Project
- Collaboration with subcenter area management organizations
- Designated management services for Shinjuku Central Park

- Collaboration on development plans with Tokyo Metro and Tokyu Land Corporation

Collaboration with local communities and partners

Lifestyle Services

- Opening of commercial stores, etc., that offer new customer experiences
- Renovation of Hotel Century Southern Tower

Digital

- New business development through the utilization of the "NEUU" XR facility
- Offer convenient electronic railway tickets with EMot

Real Estate

- Development of commercial, office and business emergence functions
- Introduction of disaster prevention and environmental impact reduction facilities using state-of-the-art technology
- Consideration of further peripheral development after completion of the current development plan

Transportation

- Development of Shinjuku Station to enhance the accessibility for pedestrians
- Provision of convenient and comfortable railway transport services starting from Shinjuku
- Creating a sense of elation as a gateway to sightseeing in Hakone, Enoshima, etc.

Linkage of four business areas





An easy-to-live town where there are complete facilities for “work, home, commerce, study, pleasure, and wellness,” with a connection to a new sense of richness

- Creation of barrier-free communities
- Creation of a model for vibrant suburban communities
- Creation of environments that foster learning and play
- Offering new lifestyles
- Reduction of environmental impact

Area potential

- Increase in the permanent residents and daytime population, and number of households (young people and families)
- Improvement of Sotetsu accessibility with direct JR and Tokyu trains
- Accelerated development of commercial facilities and medium and high-rise condominiums

- Development integrated with the Ebina City Master Plan
- Collaboration in multiple fields based on the comprehensive partnership agreement with Ebina City
- Collaboration with Ebina City and related businesses to support health
- Community communication including the Odakyu Family Fun Festival

- Recycling of food residues in collaboration with Sagami-hara Biogas Power Co., Ltd.

Collaboration with local communities and partners



Lifestyle Services

- Creation of centers for exchange between “people, things, and culture”
- Complete services and content for families raising children

Digital

- Support for DX for local government functions
- Creation of new systems for resource recycling in communities

Real Estate

- Completion of ViNA GARDENS (condominiums and new facilities)
- Consideration of further development in the area around Ebina Station

Transportation

- Promotion of development of secondary traffic
- Offering the “Odakyu Ebina Passport” subscription product, which includes Romancecar tickets and coupons for local stores

Linkage of four business areas

- Positioning the real estate domain as the first pillar of revenue and the digital domain as a new area of growth
- We raised our FY2030 operating income target to ¥27 billion for transportation and ¥10 billion for lifestyle services, based on efforts to capture demand and ongoing structural reform
- Aim to achieve targets by expanding growth investments and appropriately setting and monitoring KPIs

Targets for FY2030

<p>Transportation</p> <p>Creation of sustainable operating structure and generation of stable profit (railways, buses, etc.)</p> <p>Operating income</p> <p>¥20.0 billion → ¥27.0 billion <small>(Previous target*)</small></p>	<p>Real Estate</p> <p>Expansion of development as the foundation for value creation in local communities (leasing, sales, etc.)</p> <p>Operating income</p> <p>¥30.0 billion</p> <p><small>Becoming the first pillar of revenue</small></p>
<p>Digital</p> <p>Creation of new businesses and promotion of DX in existing businesses as areas for growth (New Businesses)</p> <p>Operating income</p> <p>¥3.0 billion</p> <p><small>New growth area</small></p>	<p>Lifestyle Services</p> <p>Balance between commercialization and value creation in local communities</p> <p>Creation of characteristics and people flow in communities (merchandising, hotels, etc.)</p> <p>Operating income</p> <p>¥7.0 billion → ¥10.0 billion <small>(Previous target*)</small></p>

Direction of initiatives

- Maximizing the effects of structural reform**
 - Enjoy recent rapidly recovering demand to the maximum extent, by continuing structural reform and improving profitability through DX, etc.
- Expansion of growth investments**
 - Further increase growth investment from the previous plan
 - Acquire real estate properties and implement M&A, etc., in growth fields
- Strengthen the monitoring system**
 - Set KPIs linked to consolidated financial targets in each business area
 - Accurately monitor and verify progress against targets in a timely manner

*Comparison with targets announced in April 2023

III. Financial Management Policies

Consolidated Financial Targets

- Aim to become a “community-based value creation company” and achieve sustainable profit growth while enhancing social and shareholder value

Approach to key indicators			FY2026 plan	FY2030 target	Long-term policies
Profit growth	Operating income	<ul style="list-style-type: none"> Increase transportation revenue to record levels Concentrate capital investment in real estate as the first pillar Growth in digital Continuation of business structure reforms 	¥50.0 billion Comparison with previous target* ¹ +¥4.0 billion	¥70.0 billion Comparison with previous target* ¹ +¥10.0 billion	Sustainable profit growth
Management with an awareness of capital cost	ROE*²	<ul style="list-style-type: none"> Maintain a shareholders’ equity ratio of 30% Strengthen growth investments and shareholder returns (Control total assets and net assets) Set ROA targets by business and strengthen monitoring 	6.2%	7% or more	Further improvement
Securing of financial soundness	Interest-bearing debt/ EBITDA ratio	<ul style="list-style-type: none"> Maintain the 7.0 times level and significantly improve it after the opening of the West Gate area of Shinjuku Station Strengthen growth investments while maintaining current rating levels 	7.8 times	Approx. 7.0 times	Improvement through profit growth

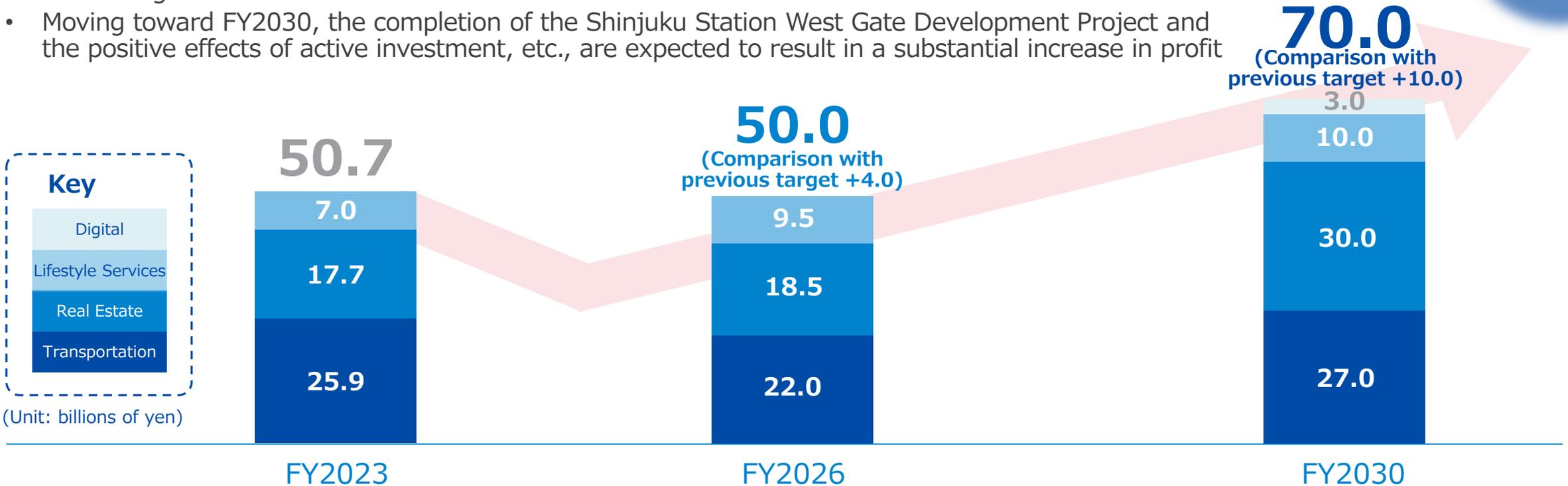
*1 Comparison with targets announced in April 2023

*2 Net income attributable to owners of parent / shareholders’ equity (excluding net unrealized gain on securities)

Steps for Growth in Operating Income

- In FY2023, demand recovered earlier than expected, and the effects of business structural reforms during the period of structural reform materialized
- From FY2024 onward, profits are expected to decline temporarily owing to active investment and other measures aimed at growth
- Moving toward FY2030, the completion of the Shinjuku Station West Gate Development Project and the positive effects of active investment, etc., are expected to result in a substantial increase in profit

Sustainable profit growth



Actual results from FY2023 vs. plan for FY2026

- Increases in personnel expenses, depreciation, and repair costs
- Impact of Shinjuku West Gate Development Project (Shinjuku MYLORD is to be demolished after April 2025)
- UDS and OKINAWA UDS are not consolidated

- Real estate profit growth
- Increased revenue and operational efficiency in Lifestyle Services
- Continuation of business structure reforms

Plan for FY2026 vs. target for FY2030

- Contribution to profit following completion of Shinjuku West Gate Development Project
- Further growth of real estate in line with development along the Odakyu Line
- Enhancement of profitability in transportation
- Growth in digital

Capital Allocation in FY2024–FY2030

- Controls on borrowing and maximization of cash flows from operating activities, with an awareness of the “interest-bearing debt/EBITDA ratio” and the “shareholders’ equity ratio”
- Focused allocation of growth investments, mainly in real estate, and enhancement of shareholder returns

Cash In

● Focus on balancing financial soundness and capital cost

- “Maintain an interest-bearing debt/EBITDA ratio of 7 times during the development period of the Shinjuku West Gate Development” and “maintain a shareholders’ equity ratio of 30%”
- Utilization of external capital including adoption of equivalent exchange system in the Shinjuku West Gate Development Project
- Continuous asset replacement, including the sale of property and equipment
- Reduction in cross-shareholdings

● Maximization of cash flows from operating activities

- Profit growth in real estate and the digital domain
- Recovery of profitability through business structure reforms

* Cash flows from operating activities after the completion of the Shinjuku West Gate Development Project exceeded ¥120 billion in FY2030 (up ¥50 billion from FY2023)

Real estate sales and borrowing

Cash flows from operating activities

Cash Out

Growth investments
¥400 billion

Total investments*
¥800 billion

Facility upgrades and environment-related investments
¥400 billion

Shareholder returns

● Growth investments

- (Real estate) Development along the Odakyu Line, such as Shinjuku Station West Gate and the Machida area, domestic SPC investment, overseas
- (Transportation and Lifestyle Services) DX, labor-saving, hotel renewals, store expansion, etc.
- (Digital) Business transformation and new business creation

* Including investments and lending, but not including investments in the real estate sales business

● Facility upgrades and environment-related investments

- Upgrades to facilities that are the core of providing safe and reliable services
- Investment in the shift to barrier-free train stations
- Investments in line with environmental strategies, such as the introduction EV buses

● Strengthening shareholder returns

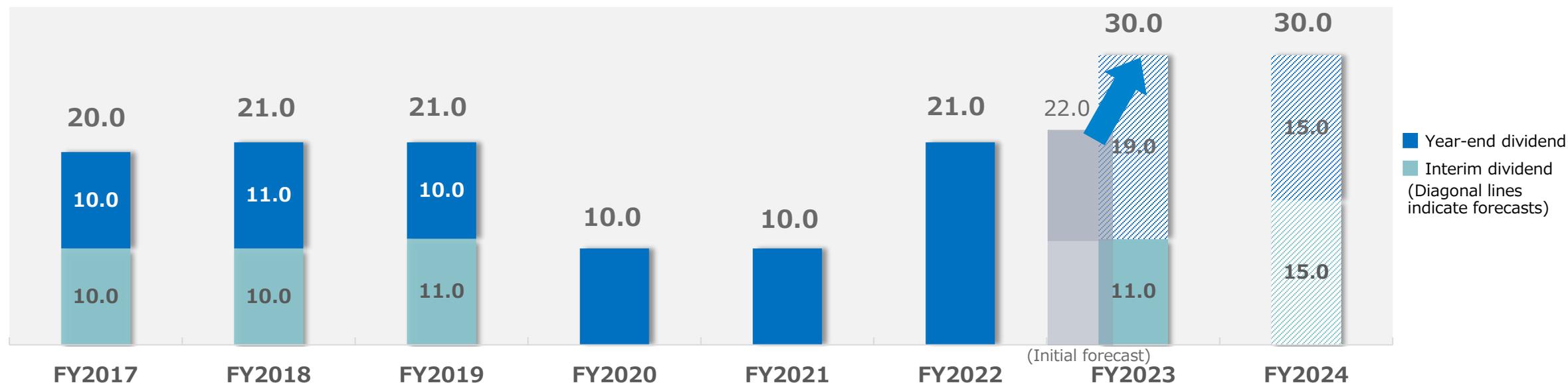
- Stable dividends and flexible share buybacks, assuming that a shareholders’ equity ratio of 30% is maintained

Shareholder Returns

Basic policy	Based on the assumption of a 30% shareholders' equity ratio, the Company will implement stable dividends and flexible share buybacks, with a target total consolidated payout ratio of at least 40% on average for FY2023 through FY2026
Dividend	Annual dividends for FY2023 and FY2024 scheduled to be ¥30 per share * FY2023 dividend forecast revised from an annual dividend of ¥22
Share buybacks	Consider the timing of implementation, comprehensively taking into consideration changes in the business environment, business performance, and other factors * Actual figure for FY2023: ¥12.3 billion

<Dividend per share (including forecast)>

(Unit: yen)



Management Approach with an Awareness of Capital Cost

Understanding of current circumstances

- Owing to the impact of COVID-19 and other factors, the Company's cost of shareholders' equity* increased moderately
 - * The Company's most recent cost of shareholders' equity is understood to be around 5.5%
- Between FY2022 and FY2024, ROE increased significantly as a result of the recording of extraordinary income
- In FY2025, it is expected to temporarily decrease owing to an increase in net assets, etc., but after that, it will gradually improve as profit grows
- We must further improve ROE through growth investments and strengthening shareholder returns, based on the assumption that ROE is greater than the cost of shareholders' equity



Theme (1): Improving ROE

Improve ROA/Increase financial leverage

- Balance profitability improvements with a sound financial foundation, by utilizing loans, corporate bonds, etc.
- Strengthen shareholder returns based on the assumption of maintaining a shareholders' equity ratio of 30%
- Stricter investment standards
- Set ROA targets for each business based on ROE targets and strengthen KPI management

Further improve ROE in the long term, aiming to achieve at least 7% in FY2030

Theme (2): Controlling the cost of shareholders' equity

Promotion of sustainability management

- Sustainable profit growth based on the concept of regional economies
- Reduce business risks by strengthening governance, enhancing the disclosure of non-financial targets, and achieving those targets (indicator: improvement of ESG ratings by external organizations)

Strengthen dialogue with the market

- Strengthen dialogue with management based on the disclosure of growth and capital strategies, etc.
- Continuous feedback of investor opinions at meetings of the Board of Directors, etc.

Limit increases in the cost of shareholders' equity

- ROE: Net income attributable to owners of parent / shareholders' equity (excluding net unrealized gain on securities)

IV. The Medium-Term Management Plan (FY2024–FY2026)

Key Measures in the Medium-Term Management Plan (FY2024–FY2026)

- To realize our management vision, we will promote the strengthening of our management foundation at the same time as working toward four key measures under the current Medium-Term Management Plan

Key Measures

1. **Advancements in the transportation domain**
2. **Strengthen the real estate domain**
3. **Search for and grow new businesses that utilize digital technology**
4. **Capture tourism demand/Lifestyle Services that enrich local communities**

Strengthening of Management Foundation

1. **Digital transformation (DX) strategies**
2. **Environmental strategies**
3. **Human Resource strategies**
4. **Governance**

1. Advancements in the transportation domain

- Establish a sustainable operating structure at an early stage by prioritizing measures against labor shortages and efforts to strengthen disaster resilience
- Aim to secure stable profit by maximizing revenue from transportation services, while also developing new businesses that take advantage of the Group's strengths

Reinforcement of Sustainable Operating Structure

[Creation of operating structure utilizing a small number of people]

- More in-depth consideration of concrete specifications and operations for conductor-less trains, etc.
- Continuous review of station business structures based on usage trends, etc.
- Consolidation of signal operations (FY2024 Kaisei Station Signal Office)
- Improve the efficiency of line maintenance operations, etc., by promoting CBM



Hakone Tozan Line
(Between Odawara Station and Hakone- Yumoto Station)
Launch of trial operation for conductor-less trains in FY2025

Structure for

necessary personnel (by FY2035) -30%

Note: compared to FY2020 for railway business

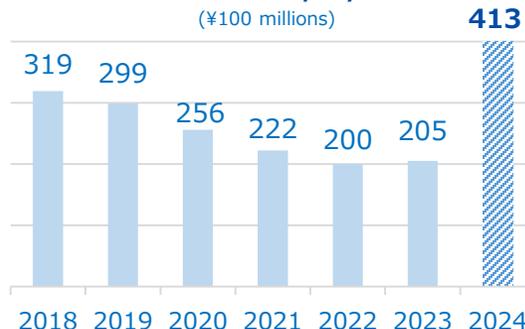
[Strengthening of safety and disaster prevention measures]

- Platform door installation that utilizes railway station barrier-free fare system
- Measures against increasingly severe natural disasters (earthquake reinforcement construction work, etc.)
- Large-scale facility upgrades (Ono General Train Depot transfer plan, new creation and renewal of rolling stock)



[Stations where platform door installation is planned]
FY2024
Sagami-Ono Station, Ebina Station, Chuo-Rinkan Station, Yamato Station
By FY2032
All stations between Shinjuku and Hon-Atsugi Station, Fujisawa Station

Capital investment in the railway business of the Company



Creation of Demand for Transportation Services and Maximization of Revenue

- Strategic pricing (limited express subscription, high-grade private buses for wealthy customers, etc.)
- New measures to increase revenue utilizing customer data, etc.
- Enhance measures to support families raising children
- Enhance EMot electronic tickets and expand points of contact with customers through collaboration with route search services, etc.



April 2024
EMot Romancecar Passport



April 2024
Tokai Bus "GRANDLUXE"



April 2024
Odakyu Bus children's IC fare: ¥50

Reinforcement of Transportation Nodes

- Railway facility improvement in conjunction with transportation network maintenance, station area community development, and development plans.
- Station improvement work will generate prosperity for entire communities by improving migratory, safety



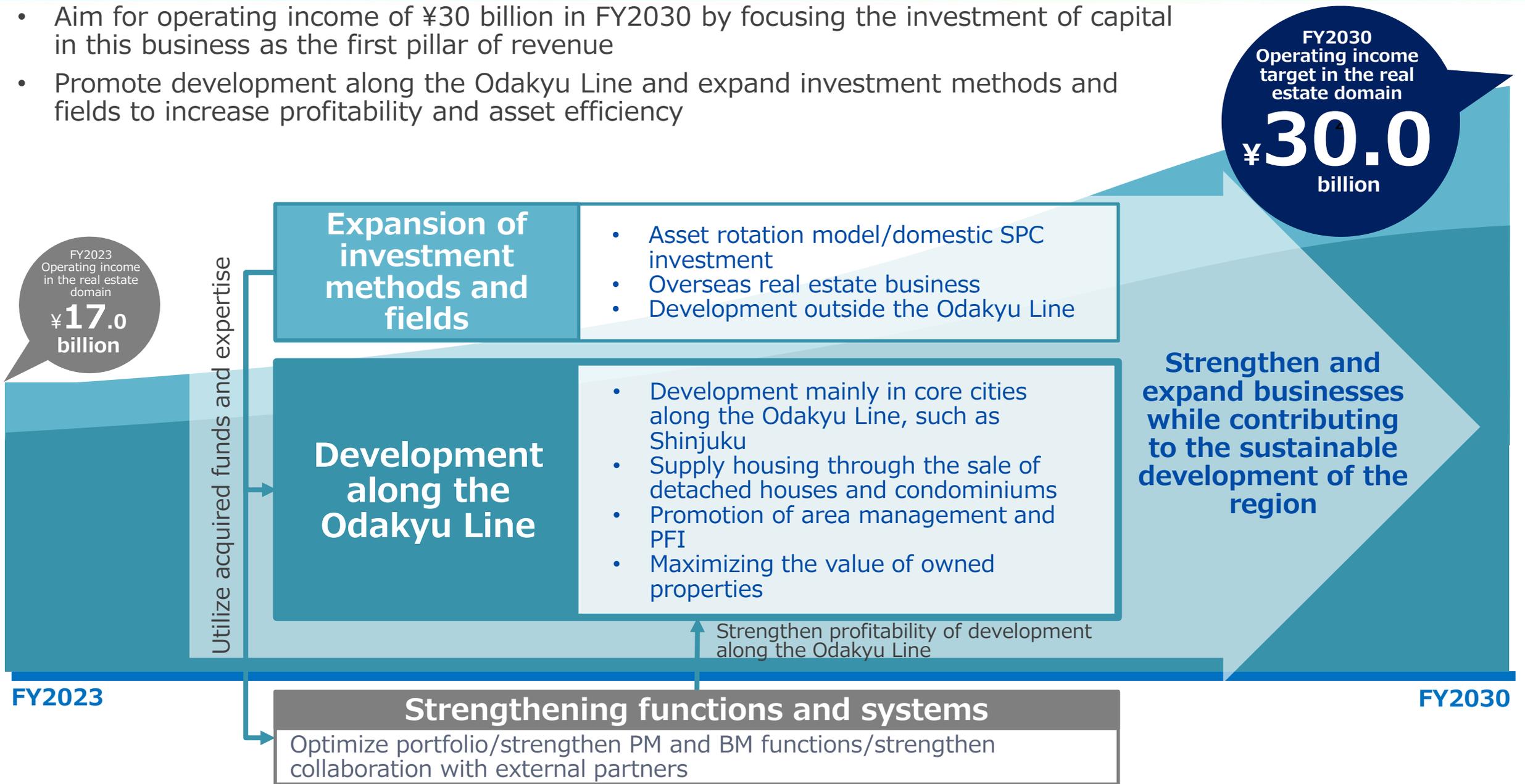
Fujisawa Station
(Scheduled for completion in FY2027)



Tsurukawa Station
(Scheduled for completion in FY2028)

2. Strengthen the real estate domain

- Aim for operating income of ¥30 billion in FY2030 by focusing the investment of capital in this business as the first pillar of revenue
- Promote development along the Odakyu Line and expand investment methods and fields to increase profitability and asset efficiency



Shinjuku West Gate Development Project

Total investment by the Company
Approximately ¥130.0 billion

- Strengthen Odakyu's growth base and foundation by enhancing the competitiveness of cities through measures to enhance attractiveness based on regional visions
- Co-creation with diverse players to expand business and maximize revenue in the best fields

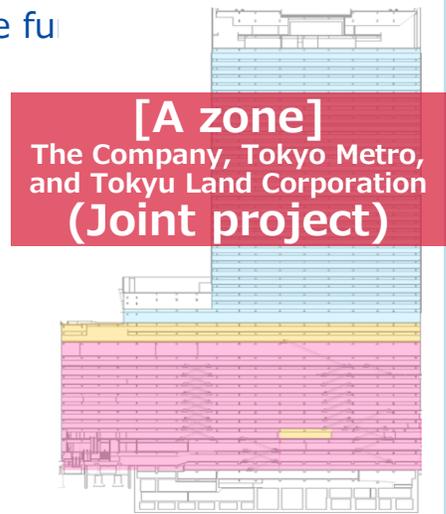
Promotion of the project directly above the station, which will become the symbol of the world's top terminal Shinjuku

- Maximizing project value through co-creation with business partners and regional players
- Offer high-grade offices and commercial functions that facilitate new customer experiences
- Create innovation through business emergence fu

- Together with the main building, it will cover a wide range of categories and maximize consumption opportunities for visitors
- Gain contact points with a diverse range of visitors by creating unique characteristics for each building



Image of the planned building from the west side



[B zone]
 Odakyu independent project



Koshu Kaido Road side



Tozai Deck Grand Shaft

Approximately 8,060 m2	Area	Approximately 7,660 m2
Approximately 251,000 m2	Floor space	Approximately 28,000 m2
Commerce, business operations, station facilities, etc.	Main use	Commerce, station facilities, etc.
48 stories above ground, 5 stories below ground	Number of stories	8 stories above ground, 2 stories below ground
Approximately 260 m	Height	Approximately 50 m



Shinjuku Station Ground platform

2. Strengthening the Real Estate Domain (Development Along the Odakyu Line)

- Achieving sustainable development and stronger businesses in the region utilizing collaboration with local governments, expertise on supported development in the Shimokita Senrogai, etc.
- Leveraging regional characteristics to enhance the value of areas along the Odakyu line, which are the main fields of each business

Diverse community development mainly in core cities along the Odakyu Line

Redevelopment in urban areas

Residential sales

PFI

Area management

Maximizing the value of owned properties

Major development pipeline along the Odakyu Line (planned)



		2024	2025	2026		2030	
Leasing	Shinjuku West Gate Development Project					Completion	
	Odakyu Marche Komae renewal		Renewal				
	Mukogaoka Amusement Site Utilization Plan		Under review and discussion				
	Shin-Yurigaoka area community development		Under review and discussion				
	Tsurukawa Station North Exit Commercial Area Development Project		Under review and discussion				
	Machida area community development		Under review and discussion				
	Ebina Station Area Development Plan						
	Development of commercial facilities at the east exit of Chuo-Rinkan Station			Opening of business			
	Kugenuma Kaihin Park renewal project (P-PFI)		Opening of business				
	Sale	(Tentative name) Motoyoyogicho Condominium Plan		Start of construction		Completion	
(Tentative name) Tama River Residential Two-building Condominium Rebuilding Plan			Start of construction (1)		Start of construction (2)	Completion (1) Completion (2)	
(Tentative name) First Class Urban Redevelopment Project in the Area in Front of Noborito Station				Start of construction		Completion	
(Tentative name) Noborito 51 Block Joint Project				Completion			
(Tentative name) Sagami-Ono 3-chome Condominium Plan				Completion			
(Tentative name) Ebina Station C Building Condominium Plan				Completion			
(Tentative name) Isehara Station North Exit Area First Class Urban Redevelopment Project				Start of construction		Completion	
(Tentative name) Kurigidai 2-chome Condominium Plan			Start of construction		Completion		



(Tentative name) Noborito 51 Block Joint Project



Development of commercial facilities at the east exit of Chuo-Rinkan Station



Ebina Station Area Development Plan



Kugenuma Kaihin Park renewal project (P-PFI)

- Strengthen and expand the real estate business while acquiring expertise through collaboration with external partners
- Capture short-term revenue and improve asset efficiency while diversifying risk

Asset rotation model

- Utilize our track record of property value improvement and logistics facility development to increase the scale of investment and capture capital gains
- Consider expanding off-balance sheet tools such as fund composition to ensure continuous and stable sales

Odakyu Real Estate
Logistics Center Okazaki



Overseas real estate business

- Participating in joint projects with Japanese and local partners in Australia and the U.S.
- Accumulate expertise and build more networks
- Aim to promote TOD* business combining public transportation and real estate in the future

* Transit Oriented Development: Public transportation-oriented development



Rental housing
development
in Shoreline,
Washington (U.S.)

Domestic SPC investment

- Select and invest in core investments and promising development projects
- Acquire investment and development expertise from other companies and capture short-term revenue while diversifying risks

Strengthening functions and systems

Enhance business sophistication by strengthening functions and systems throughout the Group and aim to capture further business opportunities

Optimization of our portfolio

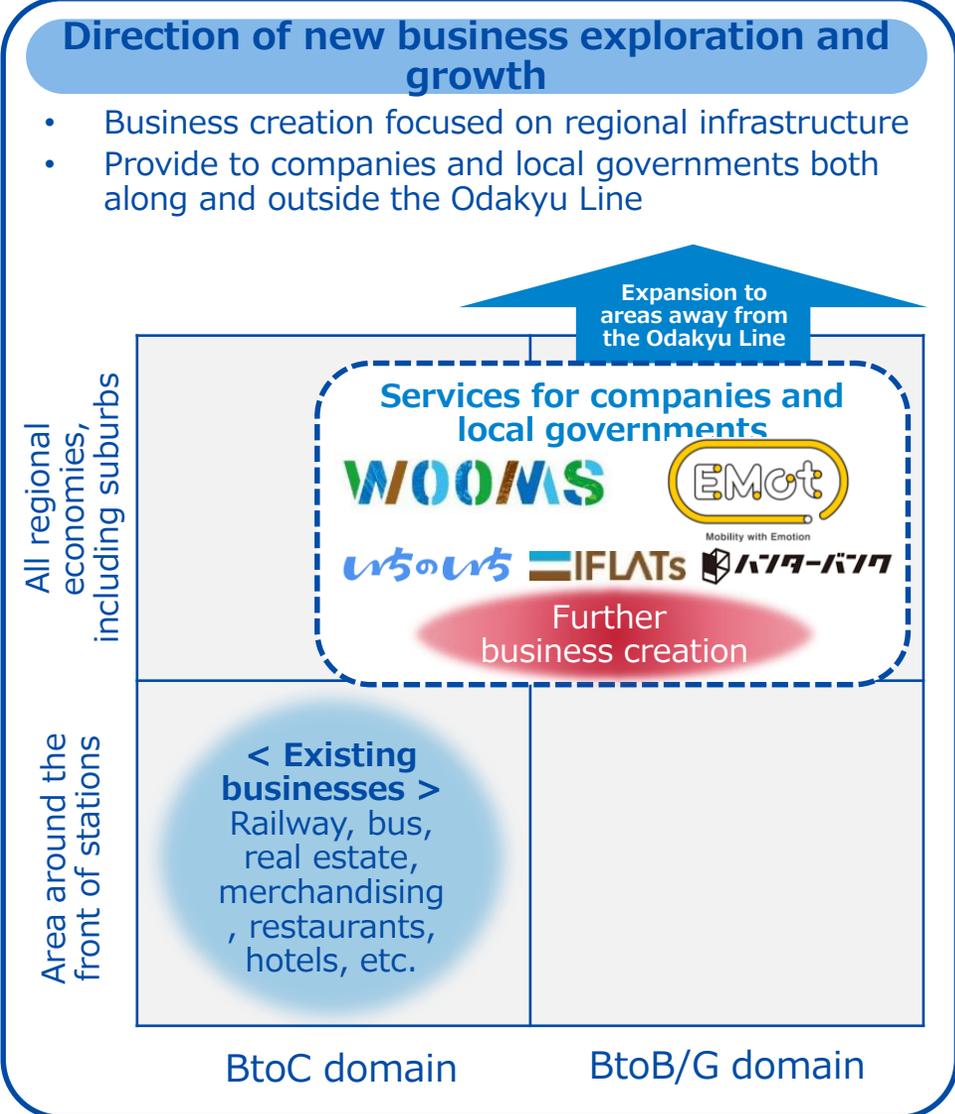
- Improve portfolio quality by replacing assets, taking into consideration mid- and long-term trends

Stronger PM/BM functions

- Expansion of new contracts through the establishment of an efficient operating structure for the Group as a whole
- Increase the asset value of managed properties through improved profitability, regional co-creation, etc.
- Securing and strengthening professional talent and improving operational efficiency through the use of DX

3. Search for and grow new businesses that utilize digital technology

- Creation of new businesses from the starting point of solving social issues through the use of business creation expertise, investment in R&D, and the utilization of diverse human resources
- Aim to achieve our operating income target of ¥3 billion in FY2030 by utilizing the strength of digital technologies and expanding outside the Odakyu Line



WOOMS (Waste Management Business)

- Provision of solution for making waste collection more efficient and promoting resource recycling to local governments, etc.

BtoG
Regional local governments

Household waste

BtoB
Private collection operators

Industrial waste

BtoB
Companies generating waste

Resource recycling Support

[Local governments that have introduced it]
Zama City, Fujisawa City, Ota Ward, Okayama City, etc.
* (As of End of FY2023)

Ichi no ichi (social media for local governments and community associations)

- Provision to local governments, etc., of electronic circulars and solutions for sharing information in the event of disasters

[Local governments that have introduced it: 690]
Setagaya City, Machida City, Hadano City, Matsuda City, Ebina City, Atsugi City, Minamiashigara City, Kyoto City, Chiba City, Kawachinagano City, etc.
* (As of End of FY2023)

EMot/MaaS Japan(MaaS)

- Providing solutions to transportation companies for increasing digital customer contact points and making investment in station equipment more efficient

[MaaS Japan amount handled] (¥100 millions)

Year	Amount (¥100 millions)
Start of service (2019)	23
2023	60
2026	100
2030	100

[Adopting companies]
Tobu Railway, Seibu Railway, Enshu Railway, Chichibu Railway, etc.
* (As of End of FY2023)

- Capitalize on potential as Japan’s top tourist attractions and steadily capture strong tourism demand, including inbound tourism

Increase in appeal of tourist attractions along the Odakyu Line

● Hakone/Gotemba Area

- Consider developing new properties, while also increasing the value of existing hotels and achieving business growth through accepting contracts for projects from outside the Group
- Promote the “HAKONATURE” project to co-create new content on the theme of nature experiences together with local communities
- Promoting sustainable tourism in Hakone by distributing flows of people

● Enoshima/Kamakura area

- Plan to create new revenue sources, in addition to further enhancing the attractiveness of existing businesses
- Strengthen measures against overtourism through measures to distribute tourists, through the expansion of the share cycle business and improving the attractiveness of the west side of the Enoshima Electric Railway Line



Results and future plans for hotel openings and renovations



Tourism DX and capture of inbound demand

- Combine the limited express Romancecar with accommodation in Hakone and Odawara and local tourism content, and expand dynamic packages linked with EMot to enhance convenience and customer experience value
- Achieve a smart customer experience through collaboration between Klook, an overseas travel agency, and Emot

Expansion of personnel service business specializing in the tourism industry

- Achieve growth by responding to growing demand for labor in the tourism industry
- Dispatch personnel to Hakone and other tourist attractions throughout Japan
- Enhance human resource supply capabilities through the resort job site “rizoba.com”



HAKONATURE BASE, the hub for accessing nature in Hakone-Yumoto



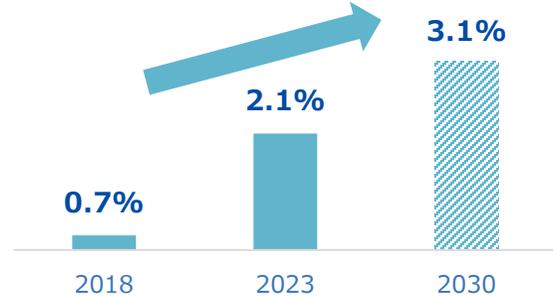
- Aim to become the railway line of choice for the future by developing services closely related to daily life and exciting content

Development of services closely related to daily life

● Stores and retail

- Strengthen collaboration within the Group and actively promote new store openings
- Increase operating income by 1.5x in FY2030 compared with FY2023 through the Store and Seven-Eleven businesses
- Utilizing the business alliance with the Seven & i Group, we will continue to improve our merchandizing and operations and increase our operating income ratio in the store business to 3% or higher, which is considered an excellent margin in the industry

Store business, operating income ratio



Odakyu OX

● Department Stores

- The Shinjuku Store specializes in the food, cosmetics, and luxury areas, which are its strengths
- Creation of new revenue sources by utilizing unused spaces, overseas live commerce, etc.

● Restaurants

- Strengthen the existing restaurant business and the external franchise business, in order to expand the scale of the business by establishing multiple restaurants along and outside the Odakyu Line

Development of exciting content

● Creation of continuous events to revitalize areas along the Odakyu Line

- Events in collaboration with local governments and corporation that endorse our “Child-Rearing Support Policy”
- Sports content that contributes to creating a lively atmosphere in local communities



“Odakyu Family Fun Festival 2023” attended by approximately 50,000 people



The “ENOSHIMA WAVE FEST” centered around the BMX World Cup was held in February 2024

● Development of Odakyu ONE services centered on digital contact points

- Enrichment of a wide variety of content, such as railway and in-station services, and subscription products limited to certain regions
- Strengthening the acquisition of IDs for railway and bus users
- Utilization of data to promote 1to1 marketing



Odakyu Ebina Passport

Number of Odakyu ONE members

320,000 people (As of End of FY2023)

600,000 people (FY2026)



1. Digital transformation (DX) strategies

- Integrate real assets, services, and jobs with digital technology to create three types of value

1.Smart

Smarter operations

(Examples of measures)

Promotion of CBM for railway maintenance operations

Increased efficiency through the utilization of low-code applications, etc.

2.Update

Exciting customer experiences

Expansion of electronic tickets

XR utilization

3.Create

Creating a rich future

WOOMS

Ichi no ichi

Efforts to accelerate

Data use and utilization
Share and utilization of acquired data in all businesses

Utilization of generative AI
Increased efficiency through utilization suited to operational settings

- Promote application development and operation using low-code tools
- Aim for all employees to possess basic knowledge related to digital technologies

Foundation building

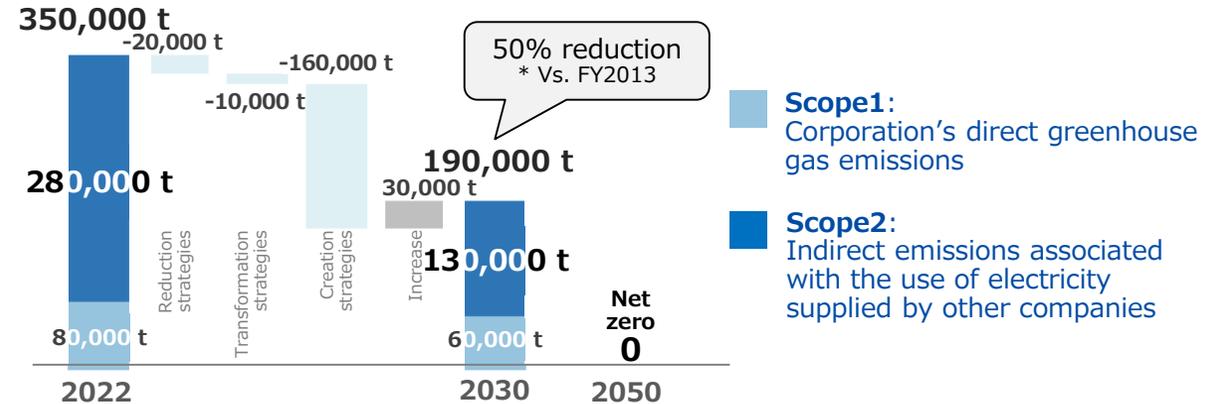
- Education based on the definition of digital human resources
- Development of systems for the promotion of DX by DX promoters in the Company and Group companies
- Strengthening information security through the introduction of zero-trust policies, etc.

Promotion capacity: 120 people
Expert capacity: 400 people
(End of FY2026)

2. Environmental strategies

- Promote measures to achieve targets and strengthen information disclosure, including information related to biodiversity (TNFD)

[Odakyu Group Carbon Neutrality 2050 Roadmap]



Reduction strategies
(energy conservation)

Promotion of decarbonization measures through the introduction of ICP

Set an in-house carbon price at ¥5,000/t, in order to promote the installation of facilities that contribute to decarbonization

Transformation strategies
(Electrification and hydrogenation)

Bus electrification

Approximately 500 EV buses are scheduled to be introduced by FY2030
* Including Kanagawa Chuo Kotsu

Creation strategies
(renewable energy)

Complete shift to renewable energy for Group railways, trams, and cableways

Shift to 100% renewable electricity for railways, trams, and cableways, which account for approximately 40% of CO2 emissions

Promotion of resource recycling

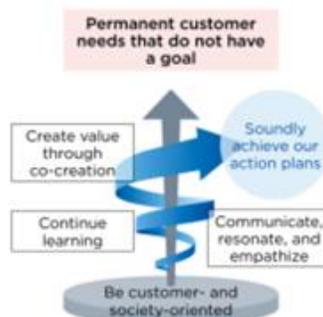
- Utilization of food waste for feed and biogas power generation, and use of energy for power generation by the Company
- WOOMS connect helps the Group visualize waste and promote a resource recycling system

3. Human Resource strategies

- Implement measures to improve employee engagement and labor productivity

Leverage the diversity of "individuals"

- **Create the conditions for mutually recognizing, utilizing, and nurturing diversity**
- Achieve our target for the active participation of women and promote health management based on the Diversity & Inclusion Declaration
- **Accelerate actions to create value**
- Enrich the culture of active participation by recruiting business ideas and project talent, etc.
- **Acquire expertise**
- Develop human resources capable of driving business growth
- Promote the acquisition of advanced qualifications



Implement as a group based on the Human Resource Management Policy

Securing and establishing human resources

- Promotion of improvements in employee compensation and benefits and welfare measures
- Active recruitment of human resources necessary for business growth



FY2024 entrance ceremony for new employees

Enhancement of the foundation

- Strengthening communication through the expansion of future creation committees, in which all employees participate, etc.



- Enhancing educational opportunities based on the Sustainability Management Policy and Human Rights Policy

4. Governance

- Strengthen governance through changes in organizational design, etc.
- Build healthy and constructive relationships with stakeholders based on respect for human rights

Strengthen supervisory functions

- **Transition to company with audit and supervisory committee (scheduled for June 2024)**
- Strengthen the supervisory function of the Board of Directors
- **Promote the separation of supervision and business execution**
- Rapid and decisive decision-making through partial delegation of the authority to make decisions concerning the execution of business operations
- Enhance the effectiveness of discussions and monitoring of important policies and strategies at meetings of the Board of Directors

Respect for human rights

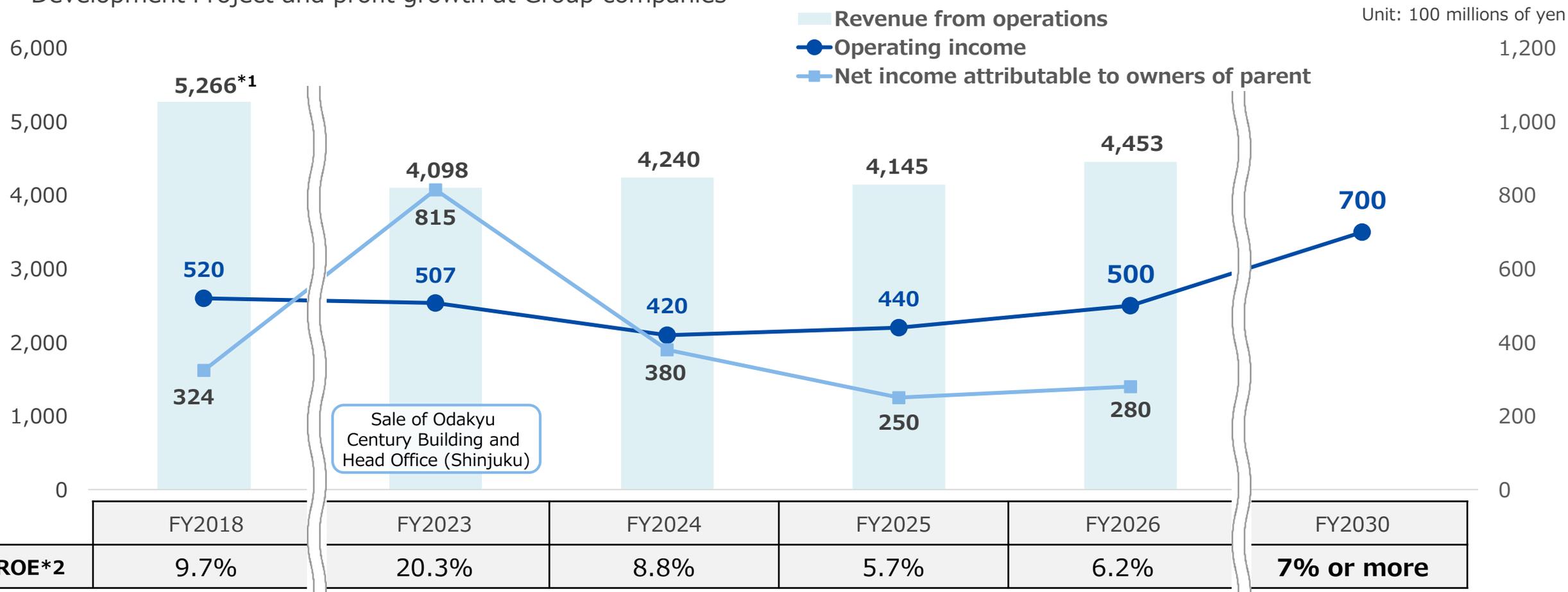
- **Formulation of the Odakyu Group Human Rights Policy**
- Formulation of human rights policy that applies to all stakeholders
- Group-wide promotion of operation and monitoring
- **Formulation of Odakyu Group Sustainable Supply Chain Policy**
- Expanding the scope to the entire supply chain in consideration of respect for human rights
- Strengthen communication through surveys of business partners, etc.
- **Formulation of Odakyu Electric Railway Multi-Stakeholder Policy**



V. Numerical Plans (FY2024–FY2026)

Trends in Consolidated Operations

- In FY2023, operating income was ¥50.7 billion thanks partly to a recovery in the number of passengers, and final income was ¥81.5 billion as a result of factors such as the recording of proceeds from the sale of property and equipment
- From FY2024 onward, we expect operating income to be in the ¥40 billion range based on increases in personnel and repair expenses, and in FY2026, we expect it to be ¥50 billion
- Operating income in FY2030 is expected to increase to ¥70 billion as a result of the completion of the Shinjuku West Gate Development Project and profit growth at Group companies

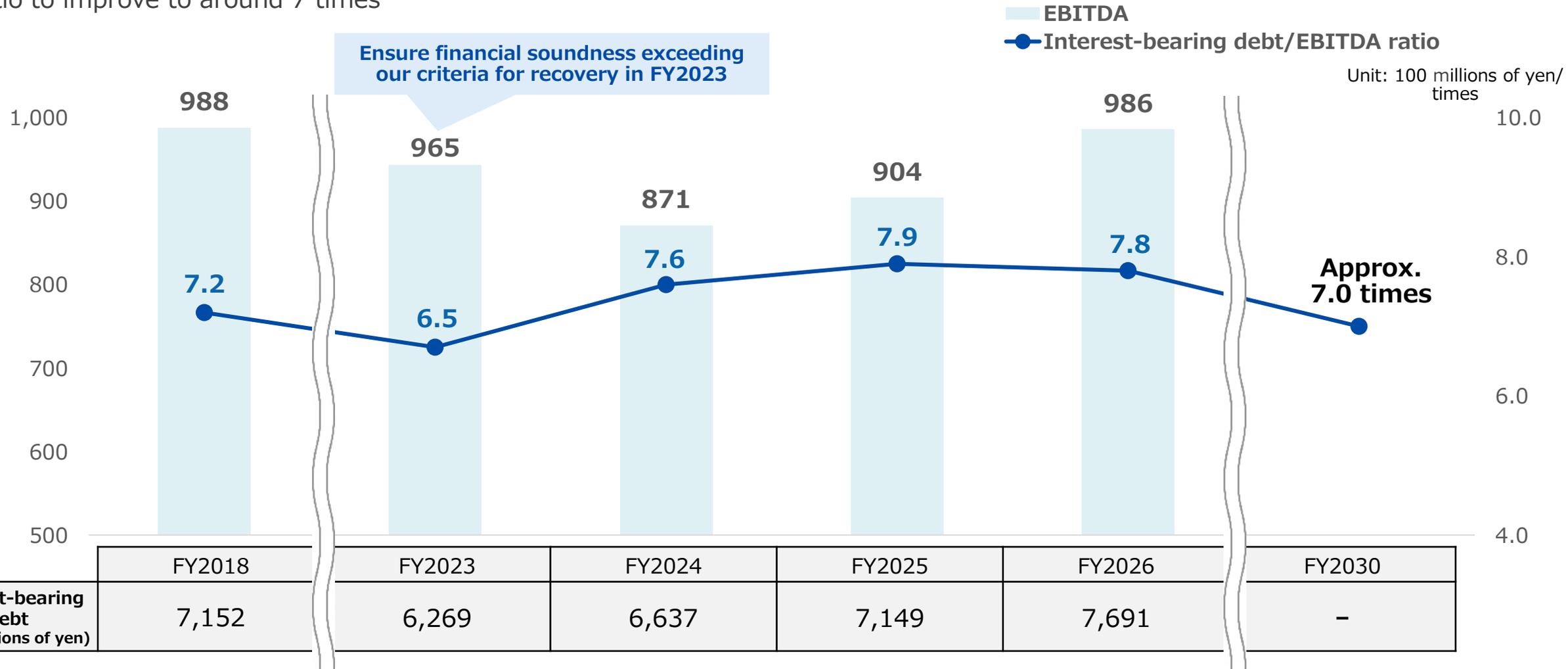


*1 Figures are prior to the application of standards such as "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29)

*2 Net income attributable to owners of parent / shareholders' equity (excluding net unrealized gain on securities)

Trends in EBITDA, Interest-Bearing Debt, and Interest-bearing debt/EBITDA ratio

- In FY2023, interest-bearing debt was ¥626.9 billion as a result of the recovery in profit and the sale of property and equipment, and we secured an interest-bearing debt/EBITDA ratio of 6.5 times
- From FY2024 onward, we expect interest-bearing debt to increase in line with an increase in capital investment, but we plan to maintain an interest-bearing debt/EBITDA ratio in the 7 times range
- In FY2030, in line with the completion of the Shinjuku West Gate Development Project, we expect the interest-bearing debt/EBITDA ratio to improve to around 7 times



(Reference) Segment Changes

- From FY2024, we will make changes to our segments (including their names), taking into consideration our operating income target
- There will be three segments, "Transportation," "Real Estate," and "Lifestyle Services," with "Lifestyle Services" consisting of "Merchandising" and "Other" in the old segments

Old segments		New segments	
Transportation	Railways	Transportation	Railways
	Buses		Buses
	Others		Others
Merchandising	Department Stores	Real Estate	Sale
	Stores and retail		Leasing
	Others		Others
Real Estate	Sale	Lifestyle Services	Department Stores
	Leasing		Stores and retail
Others	Hotels		Hotels
	Restaurants		Restaurants
	Others		Others

* "Digital" is included in others under "Lifestyle Services"

(Reference) Consolidated Numerical Plan

Millions of yen	FY2023 (Results)	FY2024 (Forecast)	FY2025 (Plan)	FY2026 (Plan)
Revenue from operations	409,837	424,000	414,500	445,300
Operating income	50,766	42,000	44,000	50,000
Ordinary income	50,670	41,000	38,700	43,000
Net income attributable to owners of parent	81,524	38,000	25,000	28,000
Capital investments	83,402	86,900	83,800	96,100
Depreciation	45,785	45,100	46,400	48,600
EBITDA	96,552	87,100	90,400	98,600
Interest-bearing debt	626,950	663,700	714,900	769,100
Interest-bearing debt/ EBITDA ratio	6.5times	7.6times	7.9times	7.8times
ROE*	20.3%	8.8%	5.7%	6.2%

*Net income attributable to owners of parent / shareholders' equity (excluding net unrealized gain on securities)

(Reference) Consolidated Numerical Plan (By Segment)

Millions of yen		FY2023* (Results)	FY2024 (Forecast)	FY2025 (Plan)	FY2026 (Plan)
Revenue from operations	Transportation	171,730	173,300	174,900	176,100
	Real Estate	92,027	97,900	96,300	117,900
	Lifestyle Services	161,505	170,000	160,200	168,400
	Adjustments	△15,425	△17,200	△16,900	△17,100
	Total	409,837	424,000	414,500	445,300
Operating income	Transportation	25,913	20,400	21,000	22,000
	Real Estate	17,759	14,200	14,300	18,500
	Lifestyle Services	7,058	7,400	8,700	9,500
	Adjustments	36	0	0	0
	Total	50,766	42,000	44,000	50,000

*Since the segment presentation has changed from FY 2024, the previous fiscal year's results have been reclassified

小田急電鉄株式会社

Remarks

Figures about business plans, future forecasts and strategies other than historical facts are forward-looking statements reflecting management's view.

Since the forward-looking statements are based on information available at the time of disclosure, the actual results may differ from these forecasts.