



Progress with the Group Medium-Term Management Plan (FY2015–2017)

April 28, 2017

Summary of Financial Results for FY2016 (Ended March 31, 2017)

Consolidated financial results for FY2016 (Ended March 31, 2017)

Million yen	FY2015	FY2016	Change	FY2016 forecast (Announced February 2017)	Change
Revenue from operations	529,812	523,031	△ 6,780 (△ 1.3%)	525,200	△ 2,168 (△ 0.4%)
Operating income	52,934	49,946	△ 2,987 (△ 5.6%)	49,100	+846 (+1.7%)
Ordinary income	45,695	46,638	+943 (+2.1%)	45,200	+1,438 (+3.2%)
Net income attributable to owners of parent	27,497	26,067	△ 1,430 (△ 5.2%)	27,400	△ 1,332 (△ 4.9%)

Progress with the Group Medium-Term Management Plan (April 2017)

Outline of Long-Term Vision 2020

Group Management Principle

Basic Policy

Our challenge

To achieve the Group's management principle of helping customers create "irreplaceable times" and "rich and comfortable lifestyles," we will aspire to become a dynamic corporate group by further strengthening the business infrastructure and sewing and nurturing seeds of growth by FY2020.

Group Growth Strategy

- Theme I** Maximize Group revenue along the Odakyu Line after completion of multiple double tracks.
Theme II Sew and nurture seeds of growth by FY2020.

- Mission ① Selective strengthening of existing businesses
 Mission ② Promotion of redevelopment around core stations

- Mission ③ Penetration of existing businesses beyond the Odakyu Line
 Mission ④ Development of new businesses

Consolidated Numerical Targets

*Interest-bearing debt to EBITDA ratio

Revenue from Operations

EBITDA

IBD/EBITDA Ratio*

600.0 billion yen

100.0 billion yen

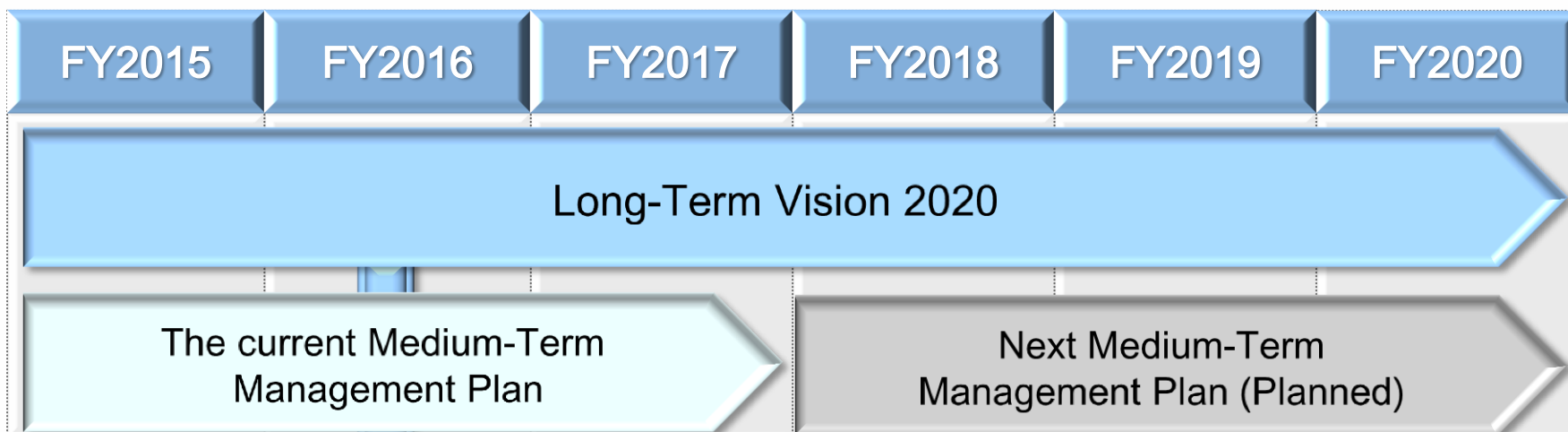
7.0 times (maximum)

- Set a growth investment budget of 40.0 billion yen (an extent not to exceed an IBD/EBITDA ratio of 7.0 times).
- Strive for efficient management by setting consolidated revenue from operations, EBITDA, and IBD/EBITDA ratio as management indicators and closely watching ROA and ROE.

Long-Term Vision 2020

Group Medium-Term Management Plan

Outline of Group Medium-Term Management Plan (FY2015-FY2017)



< Key Measures of the current Medium-Term Management Plan > * Recent changes

Theme I Maximize Group revenue along the Odakyu Line after completion of multiple double tracks.

- | | |
|---|--|
| <p>Mission ① Selective strengthening of existing businesses</p> <ul style="list-style-type: none"> ■ Maximization of the benefits of multiple double tracks and transportation network improvement ■ Attraction of inbound foreign tourists and capturing of tourism demand ■ Expansion of measures to realize a highly liveable railway line* | <p>Mission ② Promotion of redevelopment around core stations</p> <ul style="list-style-type: none"> ■ Consideration and Promotion of redevelopment plans for areas around Odakyu Line core stations ■ Consideration of a redevelopment plan for a Shinjuku Station West Exit area that will prevail in intercity competition |
|---|--|

Theme II Sew and nurture seeds of growth by FY2020.

- | | |
|---|---|
| <p>Mission ③ Penetration of existing businesses beyond the Odakyu Line</p> <ul style="list-style-type: none"> ■ Expansion of the hotel business* ■ Stepping up of supermarket openings ■ Expansion of restaurant openings, including overseas ■ Tie-ups with outside partners and M&As, real estate acquisitions, etc. utilizing the growth investment budget | <p>Mission ④ Development of new businesses</p> <ul style="list-style-type: none"> ■ Deployment of a new real estate supply model ■ Deployment of a coordination business utilizing real estate ■ Opening of department stores and supermarkets in new formats ■ Development of e-commerce |
|---|---|

Completion of multiple double tracks and transportation environment value enhancement

Completion of multiple double tracks during FY2017 (planned)

Three pillars of transportation improvement during rush hour peak periods due to completion of multiple double tracks



Transportation revenue in FY2020
Aim for an operating revenue increase of approx. 5.0 billion yen.
 (Compared to FY2015)

*Travel times and numbers of trains operated are estimates that are subject to change.

I Alleviation of congestion due to increased frequency of trains

Per peak hour

Current
27 trains

After completion
36 trains

Now: 191%
(As of FY2015)



There is body contact and a slight closed-in feeling.

After completion:
Approx. 160%



Passengers can comfortably read newspapers or magazines.

*Most congested section during rush hour periods (Setagaya-Daita → Shimo-Kitazawa)

III Increased frequency of Chiyoda Line through trains

Per peak hour

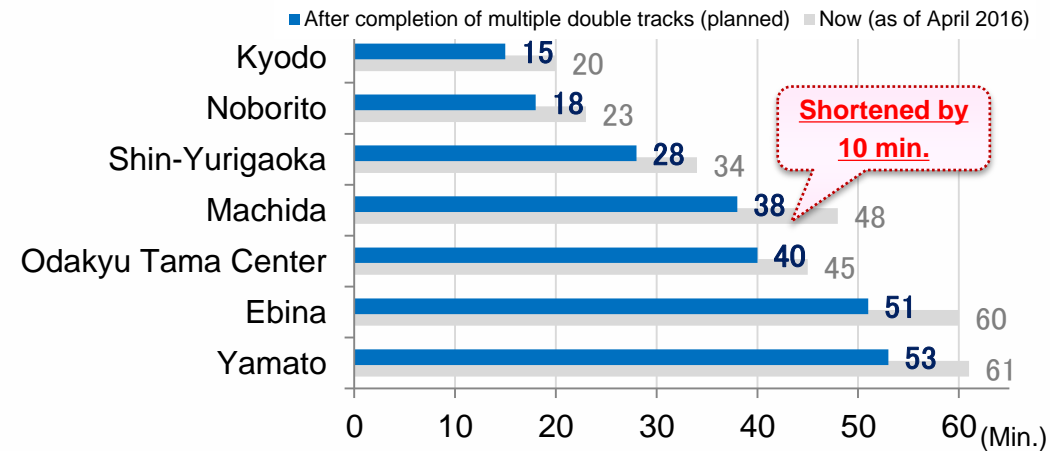
Current
5 trains

After completion
12 trains

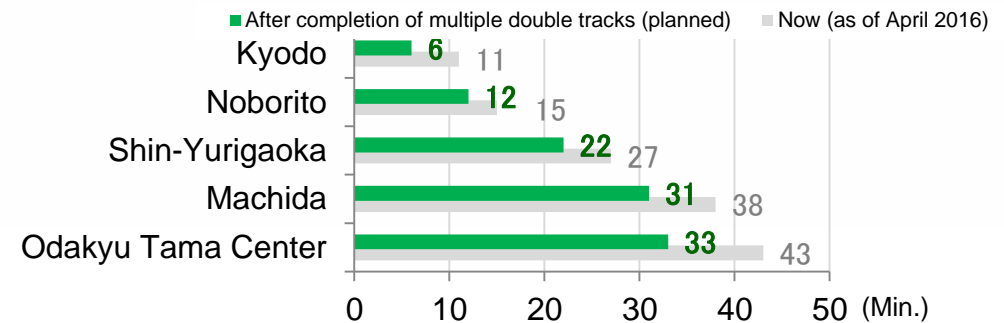
*Trains bound for Shinjuku: From the current 22 trains to 24 trains after completion

II Change in travel times from major stations

Trains arriving in Shinjuku at approx. 08:30 on weekdays



Trains arriving in Yoyogi-Uehara at approx. 08:10 on weekdays



Completion of multiple double tracks and transportation environment value enhancement

Transportation improvement in Limited Express Romancecar service

Improvement due to a March 2018 (planned) diagram revision

■ Increased frequency of Limited Express Romancecar trains during commuting hours

Increased frequency during weekday morning rush hours

Increase of **4 trains** from the current 7 trains

7 of 11 trains arriving in Shinjuku/Otemachi from 07:00 a.m. to 08:59 a.m.

Increased frequency during weekday nighttime hours

Increase of **1 train** (nighttime hours) from the current 23 trains

■ Upgrading of Hakone tourist transportation

Production of a new Limited Express Romancecar model

Start of commercial operation of **the new Type 70000 Limited Express Romancecar** equipped with an observation car

Departure of trains equipped with an observation car at easy-to-remember times

Departure on the hour of highly popular Super Hakone trains (non-stop service between Shinjuku and Odawara), which operate from Shinjuku Station **on Saturday, Sunday, and holiday mornings**

Trains departing at **09:00, 10:00, 11:00 (new type, VSE)**

Shortening of travel times

Shortening of fastest travel time from Shinjuku to Hakone-Yumoto by Limited Express Romancecar from under 80 minutes to **under 70 minutes**

Improvement due to production and renewal of limited express carriages

■ Renewal of the Limited Express Romancecar EXE (Type 30000)



Limited Express Romancecar EXEα

Overview of renewal of the Limited Express Romancecar EXEα

Passenger capacity: 578 passengers (all reserved seats)

Investment amount: Approx. 1.3 billion yen (amount for the first train renewed)

Start of commercial operation: March 2017

■ Production of the new Type 70000 Limited Express Romancecar



New Type 70000 Limited Express Romancecar

Concept

A Romancecar for
Traveling to Hakone in
Elegance and Comfort

Overview of the new Type 70000 Limited Express

Number of carriages manufactured: Two trains, total of 14 carriages

Passenger capacity: 400 passengers (all reserved seats)

Investment amount: Approx. 4.0 billion yen (two-train total)

Start of commercial operation: March 2018 (planned)

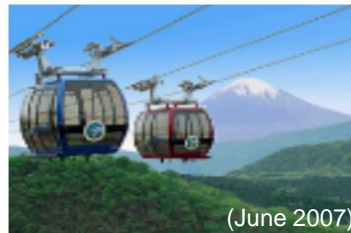
Further enhancement of appeal in tourist areas along the Odakyu Line

Enhancement of convenience and ease of getting around in the Hakone area

■ Introduction of new carriages on Hakone Tozan Railway

■ Introduction of a new sightseeing cruise

■ Ropeway renewal



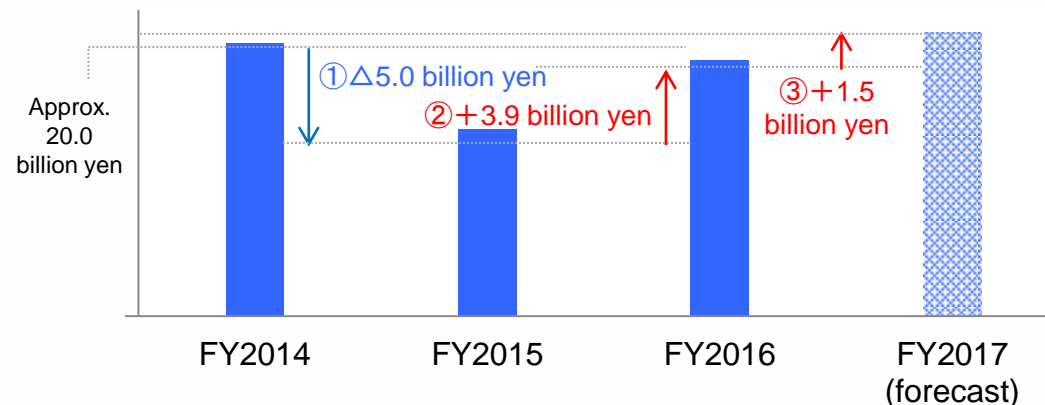
■ Opening of a highway bus route (Tokyo Station–Togendai)



Year-on-year percentage change in Hakone Freepass unit sales

FY2015	FY2016
Δ 45.5%	+67.3%

Change in revenue from operations in the Hakone area (Including Hotels)



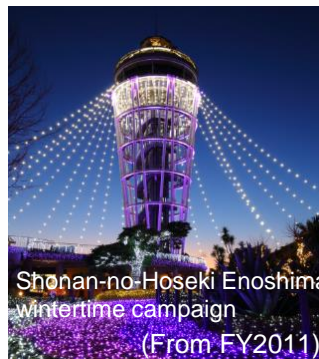
- 1) May 2015 Full suspension of service on the Hakone Ropeway
- 2) July 2016 Full resumption of service on the Hakone Ropeway
- 3) Plan to exceed FY2014 revenue in FY2017

Content enhancement in the Enoshima/Kamakura area

■ Enoshima Electric Railway carriage renewal



■ Enhancement of wintertime events



■ Implementation of a promotional campaign



Year-on-year percentage change in Enoshima/Kamakura Freepass unit sales

FY2015	FY2016
+15.9%	+19.2%

Year-on-year percentage change in the daily average number of passengers at Katase-Enoshima Station

FY2015	FY2016
+3.6% (+7.0%)	+3.6% (+4.3%)

Figures in parentheses indicate change in the December–February total.

Greater efforts to attract inbound foreign tourists, expansion of the revenue base

Strengthening of the customer guidance function (tourism)

- Expansion of Odakyu Sightseeing Service Center, Odawara (June 2015)

Year-on-year percentage change in the number of users of the Sightseeing Service Center *Shinjuku and Odawara total

FY2015	FY2016
+17.9%	+36.0%



Odakyu Sightseeing Service Center, Odawara

* Purchasers of railway tickets, etc.

Support for vitalization of inbound-related business operators and the local community

- Opening of INBOUND LEAGUE (September 2017 [planned])

Property conversion and leasing of the entire property to UDS by Odakyu Real Estate

Purpose: Provision of a site for identifying needs of inbound foreign tourists
Facilities: Co-working space for inbound tourist-related business operators
Event space for inbound foreign tourists

Location: Shinjuku 5-chome (Tokyo)



INBOUND LEAGUE entrance depiction

Product development aligned with customer needs (tourism)

- Introduction of Limousine & Hakone Freepass (June 2015)
- Renewal of Fuji Hakone Pass (April 2016)

Expansion of duty-free sales (Odakyu Department Store)

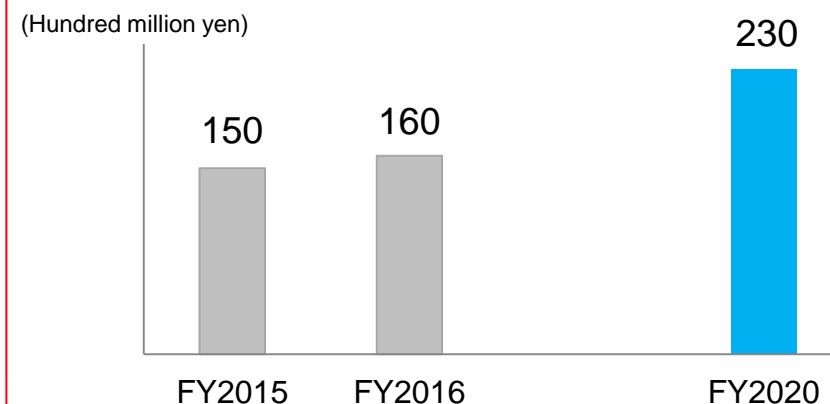
- Preferred customer membership services for inbound tourists (September 2016)
(Interpreting reservation priority, duty-free procedures priority, etc.)

Securing repeat customers, increasing the purchasing rate

Duty-free sales trend at Odakyu Department Store, Shinjuku Store (year-on-year comparison)

	FY2014	FY2015	FY2016
Number of purchasers	+86.1%	+122.5%	+12.4%
Spending per customer	+9.5%	+1.3%	△7.4%
Duty-free sales	+103.8%	+125.4%	+4.1%

Aim for inbound tourist-related revenue from operations of **23.0 billion yen** in FY2020.



Business domain expansion and earning power enhancement (opening of stores in a new format)

Opening of new small stores suited to customers' consumption styles and needs (Odakyu Department Store)



Desk my Style (Futako-Tamagawa)

■ Satellite shops: 1 shop
Odakyu Department Store Oasis Atsugi Opened September 2015

■ New merchandising small shop Desk my Style : 4 shops
Odakyu Department Store, Shinjuku Store Opened March 2014
Futako-Tamagawa Store Opened August 2015
Odakyu Sagami-Ono Station Square Opened December 2015
Yokohama Joinus Opened November 2016

Enhancement of appeal in and around stations

Integrated Group station development in accordance with an environmental change (increase in the number of working women) and the different needs of each station

- Odakyu OX MART Shin-Yurigaoka Store, a store that fuses a supermarket and convenience store : Improvement of an in-store kitchen, enhanced selection of prepared foods and products for women by utilizing store expertises.
- Odakyu OX MART Odawara Store, a store that fuses a souvenir shop and convenience store : Enhanced selection of miscellaneous goods, confectioneries, and other products for inbound foreign tourists



Odakyu OX MART Shin-Yurigaoka Store

Promotion of businesses that utilize e-commerce

Strengthening of e-commerce

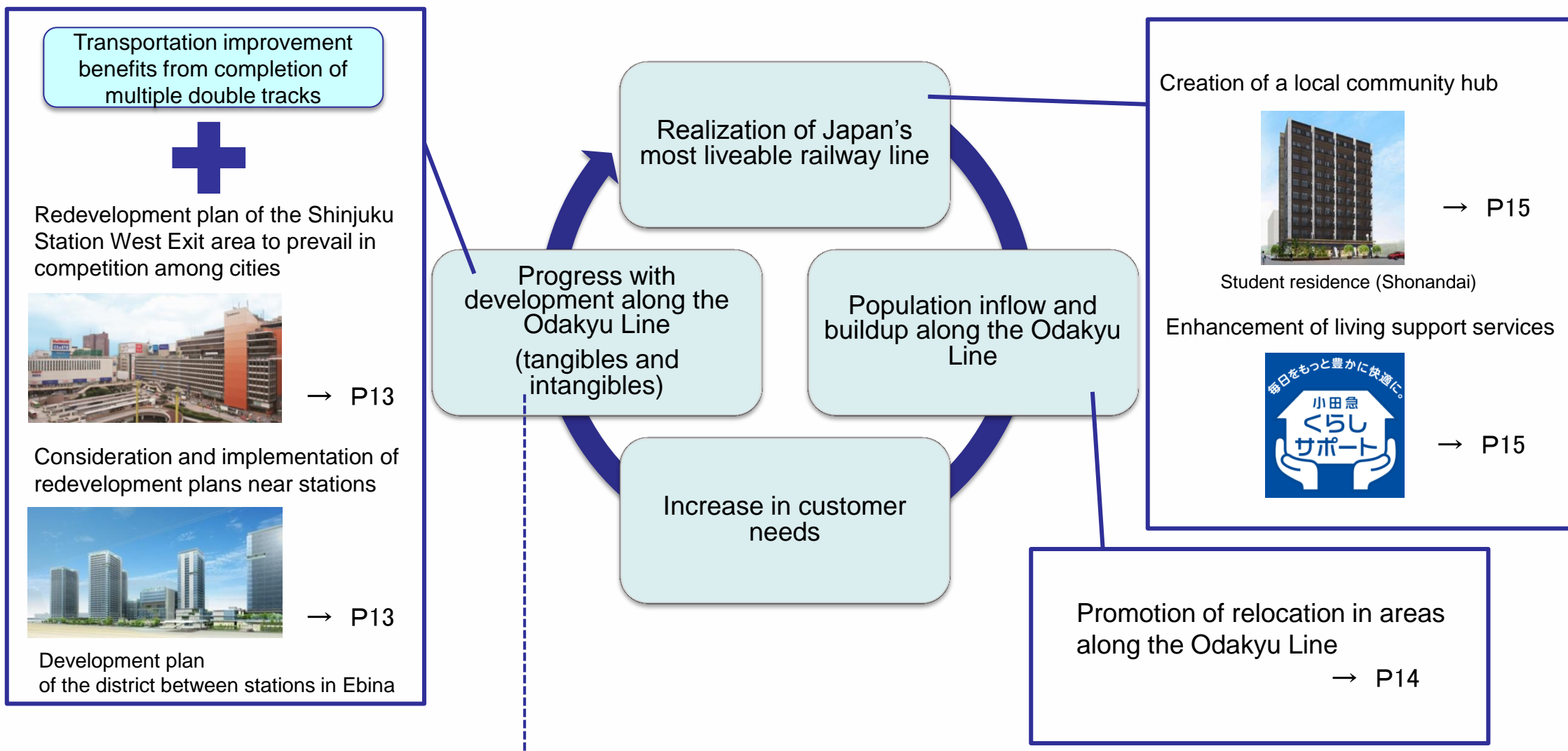
- Capital and business tie-up with Shirohato Co., Ltd.

Utilization of expertise concerning the e-commerce business through personnel exchanges and other means

Mutual customer referral and mutual utilization of marketing information between Shirohato and Odakyu Group businesses

Capital tie-up
(Acquisition of 20% of issued shares) ● ...Growth investment budget utilization project





*Real estate acquisition

Looking ahead to future progress with redevelopment and community development, we will proceed with property acquisition in the vicinity of Odakyu Line stations. We will also proceed with property acquisition along the Tokyo Metro Chiyoda Line, to which improved access from the Odakyu Line is expected after completion of multiple double tracks, and in the vicinity of Shinjuku.

(Examples of acquired properties: Machida, Shin-Yurigaoka) ●

● ...Growth investment budget utilization project

Redevelopment plan of the Shinjuku Station West Exit area to prevail in competition among cities

- Promotion of plan consideration
 - Promotion of stakeholder discussions
- Establishment of a Retail Strategy Department
→ Strengthening of commercial development capabilities with a view to Shinjuku Station West Exit redevelopment



Shinjuku Station West Exit area

Consideration and implementation of redevelopment plans near stations

Development plan of the district between stations in Ebina (ViNA GARDENS)

Construction period (planned): Start in FY2016, completion in FY2025

Site area: Approx. 35,000 m²

Floor area: Approx. 175,000 m²

Investment Amount: Approx. 32.2 billion yen

Residential Area: High-rise condominiums, serviced apartments for the elderly, childcare facilities, etc.

Prosperity Creation Area: Office buildings, commercial facilities, fitness club, etc.

Commercial facilities

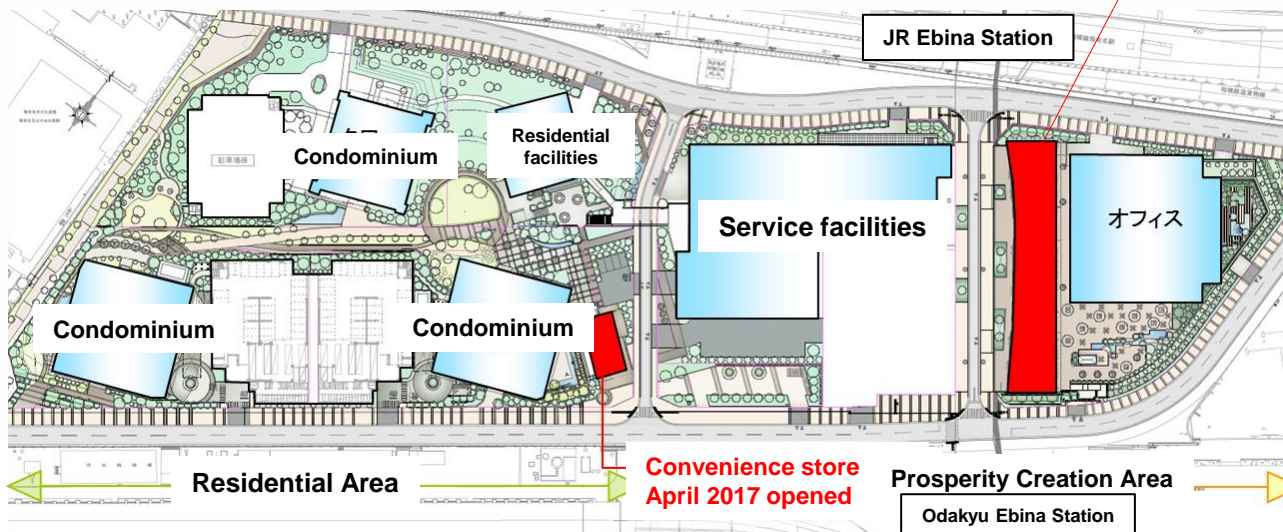
Planned opening: Autumn of 2017

Floor area: Approx. 5,000 m²

No. of floors: 4 aboveground floors



Commercial facilities depiction



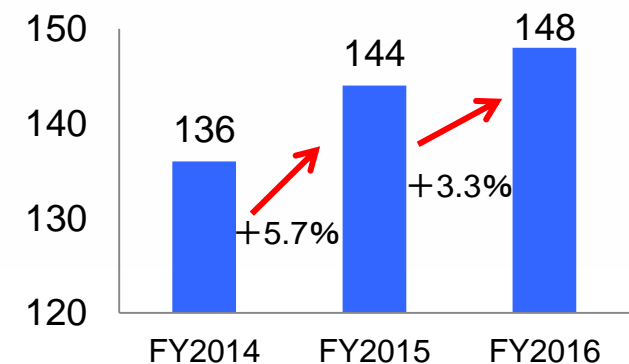
Latest trends in Ebina

October 2015: Lalaport Ebina opened

March 2016: Limited Express Romancecar started making stops at Ebina Station

Change in the daily average number of passengers at Ebina Station

(Thousand persons)



Promotion of relocation in areas along the Odakyu Line

Promotion of relocation

Promotion of relocation refers to an initiative to provide housing that meets the needs of each generation by encouraging elderly customers to relocate to apartments for the elderly provided by the Odakyu Group and promoting relocation in areas along the Odakyu Line by means such as renovating properties previously occupied by elderly customers and resupplying them to families with small children.

Enhancement of services for seniors

- Provision of senior residences
- Senior care services
- Support for inheritance measures

■ Serviced apartments for the elderly

List of serviced apartments for the elderly

	Opened	Number of apartments
Reoda Kyodo	November 2014	40
Reoda Seijo	January 2015	30
Reoda Shin-Yurigaoka	December 2016	38
Reoda Fujisawa	February 2017	50
Total		158



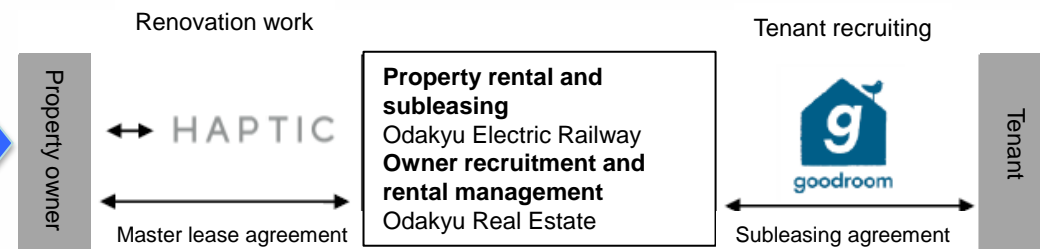
Reoda Fujisawa

Town maintenance and renewal

- Renovation of aged properties
- Utilization of unused land

■ Renovated housing subleasing business

Odakyu Anshin Sublease (launched in October 2016)



Promotion of residency by families with small children and young people

- Provision of renovated properties
- Condominiums for rent and sale
- Daycare and after-school daycare



Post-renovation depiction



Utilization of the growth investment budget for an equity investment in Haptic's and goodroom's pure holding company



Creation of a local community hub

■ NODE UEHARA (Yoyogi-Uehara)

A complex that combines rental housing and a café-restaurant (Opened April 2015)



NODE UEHARA

A community hub where neighborhood residents and workers at shops and other businesses in areas along the Odakyu Line gather

■ Student residence (Shonandai)

Plan Overview

Site area: 799.83 m²

Floor area: Approx. 3,500 m²

Number of rooms: Residence area 158 rooms

Cafeteria: 1 location

Planned completion: February 2018

Opening of the cafeteria to the general public to create opportunities for interaction between students and neighborhood residents at a residence that serves as a local community hub



Student residence (exterior)

Enhancement of living support services

One-stop service

■ Odakyu Kurashi (livelihood) Support (started April 2014)

→ Living support services such as telephone home delivery and homemaker service

Service area: Setagaya, Kawasaki/Tama, Machida/Sagami-Ono/Yamato areas



■ Odakyu Sumai no Plaza (Odakyu Real Estate) (started October 2009)

→ Consultation desk for property introduction, renovation, custom-built homes, property sale, etc.

Holding of events useful for home and living

Offices (nearest stations): Kyodo, Shin-Yurigaoka, Hon-Atsugi

Child-rearing support

■ Distribution of a child-rearing support booklet (Beginning in March 2017)

Free-of-charge distribution of a booklet to enable people to raise children in areas along the Odakyu Line with peace of mind

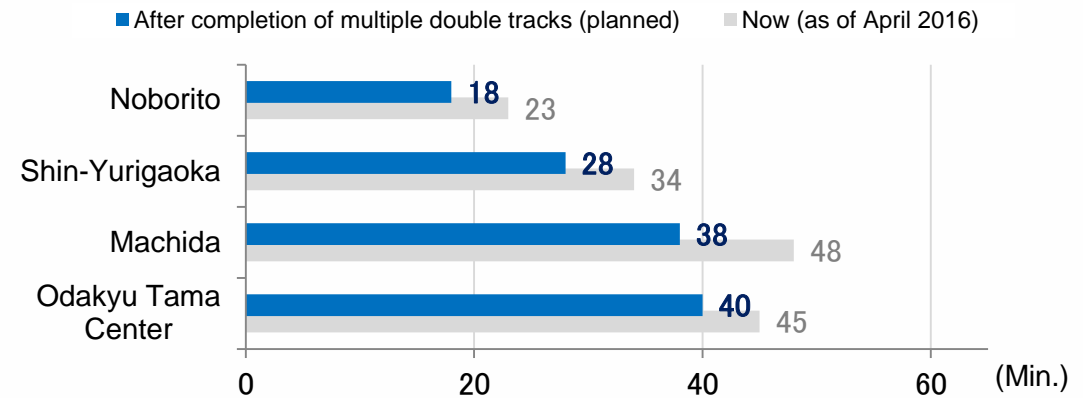
Content:

Child-raising initiatives in Setagaya Ward
Messages from people who support child-rearing in areas along the Odakyu Line



Collaboration with municipalities in areas along the Odakyu Line concerning community development

■ Conclusion of a comprehensive partnership agreement with Kawasaki City concerning community development along the Odakyu Line



(1) Concerning strengthening of community development and public transportation centering on train stations

→ Redevelopment of the Shin-Yurigaoka Station South Exit station plaza, etc.

(2) Concerning development of livable communities

→ Enhancement of a variety of living support services
Utilization of vacant houses, promotion of relocation

(3) Concerning development of prosperous communities utilizing local resources

→ Strengthening of tourism collaboration with Ikuta Ryokuchi, community development in the vicinity of Kurokawa Station, etc.

(4) Appeal improvement and vitalization of the area along the railway

→ Publication of the Kawasaki Pia community information magazine, Kawasaki Wi-Fi



Shin-Yurigaoka Station South Exit (now)



Reoda Shin-Yurigaoka



Yomiuri Nippon Symphony Orchestra base



Kawasaki Pia



Aspire to be “Japan’s most liveable railway line” by invigorating the area along the Odakyu Line through expansive community development centered on rail stations in collaboration with local governments and other external partners.

Opening of distinctive hotels that maximally accentuate community appeal

● ...Growth investment budget utilization project

Urban hotels

- Focus on opening of hotels by renovating medium-size buildings
- Mid-priced hotels specializing in lodging

Resort hotels

- Opening of hotels by renovating hotels and inns or new construction in resort areas
- Consideration of luxury class as a hotel grade

Anticipated areas

- Odakyu Line and nearby areas: Central Tokyo, Fuji, Hakone, Izu, Enoshima/Kamakura, etc.
- Other areas and overseas: Kyoto, Osaka, Kyushu, Okinawa, China, Southeast Asia, etc.



Odakyu Gotemba Hotel (provisional name)

■ Announcement of a plan to open four new hotels

	Property		Number of rooms	Planned opening	*
①	Odakyu Gotemba Hotel (provisional name)	●	180	Winter 2019	1
②	Nihombashi Hamacho (Nihombashi area in Tokyo)		170	December 2018	2
③	Miyakojima Shimozato Hotel (provisional name)		100	First half 2018	2
④	Higashikaigan Resort (provisional name) (Miyakojima)		41	2018	2

*1: Leasing of land, ownership of building, hotel operation

*2: Leasing of building, hotel operation

■ HOTEL KANRA KYOTO ●

*Total investment for property acquisition and conversion: Approx. 5.0 billion yen

January 2016 Acquisition of HOTEL KANRA KYOTO and an adjacent educational facility

October 2016 Start of operation following conversion of the adjacent educational facility for hotel use

■ Hotel de Yama

Improvement of the large bath, guest rooms, and garden (April 2015)



HOTEL KANRA KYOTO



Hotel de Yama

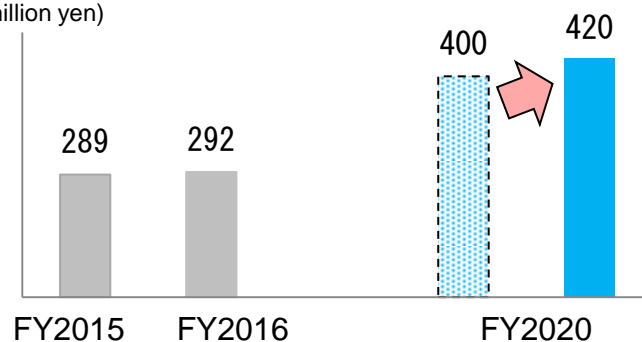
Change to the target for expansion of the hotel business (until FY2020)

Number of hotel openings: Approx. 10 hotels

→ Approx. 15 hotels

Revenue from operations: 40.0 billion yen → 42.0 billion yen

(Hundred million yen)

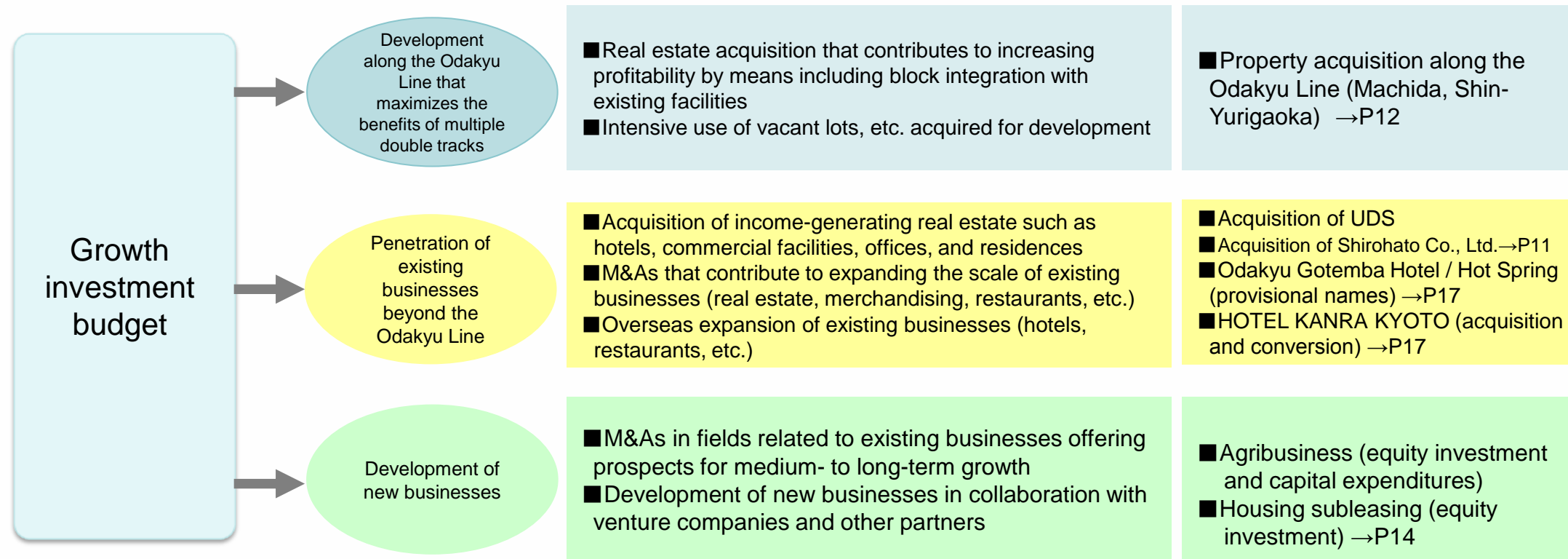


About the growth investment budget

Setting of a **40.0 billion yen*** budget until FY2020

*To an extent that does not exceed an interest-bearing debt / EBITDA multiple of 7.0 times

Growth investment budget utilization policy



We will also consider a budget increase to an extent that does not exceed an interest-bearing debt / EBITDA multiple of 7.0 times

Consolidated numerical plan

Consolidated numerical plan

Million yen	FY2015 (actual)	FY2016 (actual)	FY2017 (forecast)	Compared to figures announced in April 2016	FY2018 (plan)	Compared to figures announced in April 2016
Revenue from operations	529,812	523,031	525,100	△ 25,400	534,800	△ 29,000
Operating income	52,934	49,946	50,200	+2,200	53,100	△ 300
Ordinary income	45,695	46,638	45,500	+3,200	48,500	+2,100
Net income attributable to owners of parent	27,497	26,067	29,000	+1,300	31,300	+1,000
Capital investments	59,619	74,805	85,700	+8,200	89,700	+15,200
Depreciation	47,307	46,936	45,800	△ 1,800	47,200	△ 2,700
EBITDA	100,242	96,883	96,000	+400	100,300	△ 3,000
Interest-bearing debt	715,876	702,578	737,900	+6,900	749,000	+25,000
Interest-bearing debt/EBITDA ratio	7.1	7.3	7.7	+0.1P	7.5	+0.5P

Reference*

ROA (%)	4.4	4.1	4.0	+0.2P	4.1	△ 0.1P
ROE (%)	10.1	9.0	9.4	+0.5P	9.5	+0.4P

*ROA = Operating income / Total assets (excluding net unrealized gain on securities)

ROE = Net income attributable to owners of parent / Net assets (excluding net unrealized gain on securities)

Consolidated numerical plan—By segment

		FY2015 (actual)	FY2016 (actual)	FY2017 (forecast)	Compared to figures announced in April 2016	FY2018 (plan)	Compared to figures announced in April 2016
Revenue from operations	Transportation	168,303	172,863	175,500	+1,900	179,300	+1,400
	Merchandising	225,012	219,285	210,500	△ 22,800	212,500	△ 26,100
	Real Estate	73,002	69,910	72,100	△ 5,800	74,100	△ 4,600
	Other Businesses	100,128	99,511	105,300	+3,500	106,400	+1,200
	Elimination	△ 36,635	△ 38,539	△ 38,300	△ 2,200	△ 37,500	△ 900
	Total	529,812	523,031	525,100	△ 25,400	534,800	△ 29,000
Operating income	Transportation	29,795	28,601	29,800	+4,000	31,900	+3,200
	Merchandising	3,911	3,175	3,100	△ 1,200	3,200	△ 1,700
	Real Estate	13,190	12,377	11,800	—	12,100	△ 900
	Other Businesses	5,872	5,661	5,300	△ 600	5,700	△ 1,000
	Elimination	164	131	200	—	200	+100
	Total	52,934	49,946	50,200	+2,200	53,100	△ 300

小田急電鉄株式会社

Remarks

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

Please note, since the forward-looking statements are based on information currently available, the actual results may differ from these forecasts.