

Financial Results of the Fiscal Year Ended March 31, 2024—FAQ

Note: This document presents some of the anticipated questions relating to the Company's financial results of the fiscal year ended March 31, 2024, together with answers to these questions. If you have any queries, etc., please contact the IR Office of Odakyu Electric Railway Co., Ltd. (+81-3-3349-2526)

Q1. What is the current status of the Company's main businesses?

Railways (Odakyu Electric Railway Co., Ltd.)	Number of people passing through ticket gates (April 1-21, 2024) Commuters remained at the same level and approximately 105% for non-commuters Note: Compared to the same day of the previous fiscal year
Odakyu Department Stores	Sales (April 1-21, 2024) The Shinjuku Store and the Machida Store were the same level, 112% for the Fujisawa Store. Note: Compared to the same day of the previous fiscal year
City Hotels	Occupancy rate (April 1-21, 2024) Hotel Century Southern Tower 90.6%
Hakone area	Number of passengers using Hakone-Yumoto Station (April 21-27, 2024) Remained at approximately 106% for weekdays and approximately 112% for weekends and public holidays Note: Compared to the same week of the previous fiscal year
	Hakone resort hotel* occupancy rate (April 1-21, 2024) Remained at approximately 70% *Hakone resort hotels: Hotel de Yama, Hakone Highland Hotel, and Hakone Hatsuana

Q2. What were power cost trends for the Odakyu Electric Railway?

(Unit: Millions of yen)

Railways (Odakyu Electric Railway Co., Ltd.) Power costs	FY2022	FY2023	FY2024 forecast
	7,418	6,066	7,036

- Performance in FY2023 fell ¥1.3 billion year on year, due to factors including the downward trend in the fuel adjustment unit prices.
- The FY2024 forecast is for an increase of ¥0.9 billion year on year due to the switch to the "Green Basic Plan"* of TEPCO Energy Partner, Inc. in April 2024 as a means of achieving net zero carbon emissions.

*A plan that supplies electricity derived from renewable energy sources such as solar, wind, and hydroelectric power, which have net zero CO2 emissions.

(Reference) 2024/3/28 News Release

Odakyu Group Transport Network Begins Operation with 100% Renewable Electricity

https://www.odakyu.jp/ir/b4fuqs0000001fbd-att/240328_ENG.pdf

Q3. What was the financial impact of the railway station barrier-free fare system in the Odakyu Electric Railway business?

- From March 18, 2023, we adopted a railway station barrier-free fare system in Odakyu's railway business that adds ¥10 per ride.
- In FY2023, the financial impact of the railway station barrier-free fare system was approximately ¥4.7 billion for commuters and non-commuters. Furthermore, the forecast for FY2024 is approximately ¥4.9 billion.

(Reference) Transportation Revenue Excluding Financial Impact of Railway Station Barrier-Free Fare System

(Unit: Millions of yen)

	FY2023	YoY change
Commuters	39,282	+4.0%
Work commuters	33,406	+4.1%
School commuters	5,876	+3.1%
Non-commuters	68,887	+9.1%
Revenues from passenger transportation	108,170	+7.2%

*System excludes school commuters and children with IC cards (flat fare of ¥50)

Q4. What is your outlook for the number of passengers carried in the railway business in FY2024?

- The number of passengers carried in FY2024 is expected to increase 1.1% from the previous year (Commuters +1.5%, Non-commuters +0.4%).
- We expect the recovery to continue to be moderate due to increased commuting and opportunities to leave the home. However, we assume that passenger volume will not return to pre-COVID levels due to a certain level of teleworking becoming the norm and other factors.
- To create railway demand, the Company will promote the creation of excursion opportunities, especially for those raising children, and tourism transportation to Hakone, Enoshima, and other areas.

Q5. What was the impact of fare revisions of Group companies?

(Unit: 100 million of yen)

Company Name		Impact Amount (Estimation)*1		Implementation Date (Includes scheduled increases)
		FY2023	FY2024 forecast	
Railway Business	Odakyu Electric Railway (express fare increase)	5.5	5.5	October 1, 2022
	Hakone Tozan Railway	2.0	2.2	October 1, 2022
	Odakyu Electric Railway (barrier-free fare system)	47	49	March 18, 2023
Bus Business	Hakone Tozan Bus	2.8	2.9	October 1, 2022
	Enoden Bus	3.0	3.0	March 18, 2023
	Odakyu Highway Bus (Hakone Line)	0.7	0.7	April 1, 2023
	Odakyu Bus (within Kawasaki city)	0.7	-*2	May 15, 2023
	Tachikawa Bus	1.0	3.0	November 25, 2023
	Tokai Bus	0.9	3.5	December 1, 2023
	Odakyu Bus (Keihin Block)	-	7.8	June 1, 2024
Others	Odakyu Koutsu	2.0	2.0	November 14, 2022

*1 The impact is compared with the case where the fare revision is not implemented.

*2 Includes the impact of fare revisions on June 1, 2024

Q6. What is the status of purchasing properties to be sold in FY2024 and beyond?

- Purchasing for the planned FY2024 supply has been completed, and more than 90% of purchasing through the planned FY2026 supply has also been completed.
- Although purchase prices are on an uptrend due to the impact of roadside land prices, etc., they are currently being factored into sales prices.

Q7. What are the three investment properties in the FY2024 forecast?

- One logistics facility (Okazaki City, Aichi Prefecture) and two rental residences (Nakano and Tennozu) are planned. Furthermore, the plan is to allocate several projects per year in FY2025 and beyond.

Q8. What is the status of reservations at all Odakyu Group Hotels from May Onward?

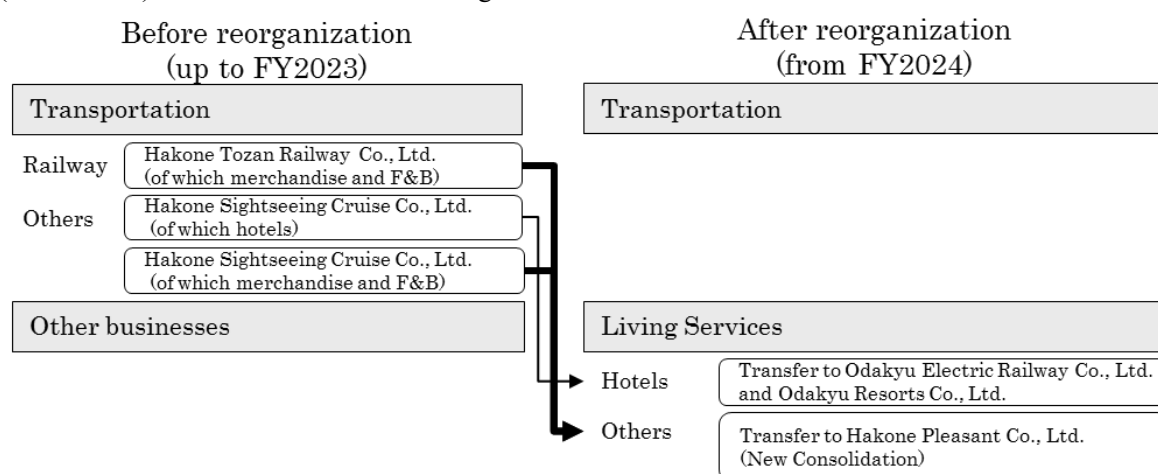
- Occupancy rates from May onward are expected to be approximately 80-90% at city hotels and approximately 70% at Hakone resort hotels*.
- Room rates, particularly hotels with a high ratio of inbound tourists, are expected to remain at high levels comparable to the fourth quarter of FY2023.

*Hakone resort hotels: Hotel de Yama, Hakone Highland Hotel, and Hakone Hatsuhana

Q9. Please describe the reorganization of the Hakone Group companies. What is the impact on earnings?

- Effective April 1, 2024, Odakyu Hakone Group, which operates transportation businesses such as mountain trams, ropeways, sightseeing cruises, and tourist facilities in the Hakone area, implemented a reorganization (merger and business split).
- As a result, Hakone Pleasant Co., Ltd. was newly consolidated, and some business segments were transferred.
- The reorganization will be used as an opportunity to optimize the organization and costs with the aim of building an efficient and company management structure. The goal is also to invest appropriately in the human and financial resources created in the Hakone area to enhance its appeal, thereby achieving sustained growth and expansion of Group earnings.

(Reference 1) Business transfer due to reorganization



(Reference 2) 2024/1/24 Odakyu Hakone News Release

Notice Concerning Reorganization of Odakyu Hakone Group (Japanese Only)

https://www.odakyu-hakone.jp/common/pdf/20240124_info.pdf

Q10. Why did you apply the Group Tax Sharing System? What is the impact on earnings?

- We began applying the Group Tax Sharing System to strengthen governance related to taxation within the Group and to reduce tax costs.
- In FY2023, profit attributable to owners of the parent increased by about ¥4.7 billion due in part to the impact of tax effect accounting.
- The impact in FY2024 is expected to be minimal.
- Based on the application of this system, the fiscal year-ends of companies whose fiscal years differ from that of the Company were changed to March, and 13 months (from March 2024 to March 2025) will be consolidated for some companies in FY2024.

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 due to changes in the economic climate, etc.