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May 14, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Based on Japanese GAAP)

Company name: Odakyu Electric Railway Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9007
 URL: <https://www.odakyu.jp/english/about/ir/>
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 Scheduled date of the annual general meeting of shareholders: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Scheduled date to file Annual Securities Report: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down.)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	409,837	3.7	50,766	90.8	50,670	101.7	81,524	100.1
March 31, 2023	395,159	10.1	26,601	332.4	25,119	434.5	40,736	236.2

Note: Comprehensive income For the fiscal year ended March 31, 2024 ¥96,789 million [117.7%]
 For the fiscal year ended March 31, 2023 ¥44,468 million [-%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	225.28	–	19.3	3.9	12.4
March 31, 2023	112.11	–	11.1	2.0	6.7

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024 ¥817 million
 For the fiscal year ended March 31, 2023 ¥650 million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	1,301,567	460,109	35.3	1,283.47
March 31, 2023	1,279,976	388,490	30.3	1,066.07

Reference: Equity
 As of March 31, 2024 ¥459,252 million
 As of March 31, 2023 ¥387,387 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	71,626	23,435	(102,079)	60,532
March 31, 2023	62,928	34,712	(51,056)	67,474

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	–	0.00	–	21.00	21.00	7,676	18.7	2.1
Fiscal year ended March 31, 2024	–	11.00	–	19.00	30.00	10,860	13.2	2.6
Fiscal year ending March 31, 2025 (Forecast)	–	15.00	–	15.00	30.00		28.4	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	208,800	6.4	24,000	(9.8)	24,800	(8.3)	29,000	11.0	81.05
Fiscal year ending March 31, 2025	424,000	3.5	42,000	(17.3)	41,000	(19.1)	38,000	(53.4)	106.20

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement of prior period financial statements: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	368,497,717 shares
As of March 31, 2023	368,497,717 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	10,675,357 shares
As of March 31, 2023	5,118,555 shares

- (iii) Average number of shares during the period

Fiscal year ended March 31, 2024	361,890,803 shares
Fiscal year ended March 31, 2023	363,374,015 shares

Note: The Company's shares held by the Board Incentive Plan Trust Account, which have been included in the treasury shares, are as follows.

For the fiscal year ended March 31, 2024: 120,468 shares

For the fiscal year ended March 31, 2023: 120,468 shares

Reference: Summary of non-consolidated financial results

**Non-consolidated financial results for the fiscal year ended March 31, 2024
(from April 1, 2023 to March 31, 2024)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	154,545	7.3	31,602	58.8	36,555	116.3	70,797	152.0
March 31, 2023	144,058	9.7	19,899	40.4	16,899	159.0	28,089	106.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	194.53	—
March 31, 2023	76.87	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	1,109,048	393,314	35.5	1,092.95
March 31, 2023	1,096,840	338,974	30.9	927.63

Reference: Equity

As of March 31, 2024

¥393,314 million

As of March 31, 2023

¥338,974 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of financial results forecasts and other special items

Caution regarding forward-looking statements and others

The financial results forecasts are calculated based on information obtained at the current time.

Accordingly, actual results may differ from the forecast figures due to changes in business conditions and other factors.

For matters related to the financial results forecasts, please see “1. Overview of Operating Results and Others, (4) Future outlook” of the attached materials on page 5.

How to obtain supplementary material on financial results

Supplementary material on financial results is disclosed on the same day on TDnet. Please refer to the Company website to review the supplementary material on financial results, and also “Financial Results (with Additional Explanations)” and “FAQ,” which were disclosed on the same day.

How to access the contents of the financial results meeting

A financial results meeting will be held on May 16, 2024, for institutional investors and analysts.

The material used for this financial results meeting will be disclosed on TDnet and published on the Company website on the same day.

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1. Overview of Operating Results and Others

(1) Overview of operating results for the fiscal year

During the fiscal year ended March 31, 2024, the Japanese economy as a whole continued a gradual recovery with consumer spending picking up amid a gradual improvement in corporate earnings and employment and incomes.

Under these conditions, due to an improved business environment resulting from the shift of COVID-19 infection to the Category V Infectious Diseases and increased revenue in our railways and hotels businesses, Odakyu Electric Railway Co., Ltd. (the “Company”) and its consolidated subsidiaries (collectively, the “Group”) recorded operating revenue of ¥409,837 million (up 3.7% year on year), and operating profit of ¥50,766 million (up 90.8% year on year). In addition, ordinary profit was ¥50,670 million (up 101.7% year on year). Furthermore, due to factors such as the recording of gain on sale of non-current assets in line with the sale of Odakyu Century Building, profit attributable to owners of parent amounted to ¥81,524 million (up 100.1% year on year).

The performance by business segment is shown below.

Transportation

On the transportation side of the railway business, in March of 2024 we implemented changes, etc. to the railway timetables for the purpose of allowing more leeway within the operations plan at limited express stops where installation of platform doors is scheduled. In addition, we strived to enhance transportation services of the 3000-series commuter trains by installing a wheelchair and stroller space in each car to meet the diverse needs of customers, as well as implementing environmentally friendly renovations and commencing commercial operation of three railroad cars.

Each company is expanding its payment methods to enhance convenience, and in April 2023, Enoshima Electric Railway Co., Ltd. became the first company in the Tokyo metropolitan area to begin accepting contactless payment cards (credit, debit, and prepaid) and smartphones, etc. for boarding trains at all stations. In August 2023, “mocoron,” a mascot character symbolizing child-friendly support, made its debut, and 5000-series commuter trains with one railroad car were operated as “mocoron-go” for a limited period of time, promoting initiatives based on our Child Rearing Support Policy.

With regard to facilities, we installed platform doors at Machida Station and Hon-Atsugi Station (platforms 3 and 4) to further improve the safety of train operations and carried out seismic retrofitting work on bridges between Machida Station and Sagami-Ono Station and elsewhere to mitigate the risk of damage by large-scale earthquakes. In addition, in order to deter crime and resolve incidents quickly, onboard security cameras were installed in commuter trains with 16 railroad cars and limited express with four railroad cars.

In the bus business, each company implemented fare revisions in order to continuously provide stable transportation services. In addition, Odakyu Bus Co., Ltd., Enoden Bus Co., Ltd. and Tachikawa Bus Co., Ltd. began operating EV buses (electric buses) in an effort to reduce environmental impact. In addition, each company worked to further enhance convenience by revising timetables to meet customer needs.

As a result of the above, in the Company’s railway business, commuting and outbound demand increased following the shift of COVID-19 infection to the Category V Infectious Diseases, and the number of railway passengers exceeded the previous fiscal year among both commuters and non-commuters, while the Railway Station Barrier-Free Fare System was also applied. This and other factors led to operating revenue of ¥170,304 million (up 12.3% year on year), and operating profit of ¥25,571 million (up 202.1% year on year).

Odakyu railway business transportation performance

Performance item	Unit	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)		
			Year-on-year changes (%)	
Number of operating days	Days	366	0.3	
Total operating length	km	120.5	0.0	
Train mileage	Thousand km	174,078	0.6	
Number of passengers	Commuter passes	Thousands of people	396,693	3.9
	Non-commuter passes	Thousands of people	287,017	7.5
	Total	Thousands of people	683,710	5.4
Passenger transportation revenue	Commuter passes	Millions of yen	41,488	9.7
	Non-commuter passes	Millions of yen	71,426	13.0
	Total	Millions of yen	112,915	11.8
Miscellaneous income of transportation	Millions of yen	3,086	2.7	
Total transportation revenue	Millions of yen	116,002	11.5	
Boarding efficiency	%	42.6	–	

Note: Boarding efficiency calculation method

$$\text{Boarding efficiency} = \frac{\text{Total passenger-km (passengers through stations} \times \text{distance between stations)}}{(\text{passenger car travel km} \times \text{average passengers})} \times 100$$

Merchandising

In the department store business, the grand opening of “HALC SPORTS Machida,” a sports fashion floor mainly offering high fashion sense golf wear and golf equipment that promotes 13 brands focused on newly introduced brands, was held in April 2023 at Odakyu Department Store Co., Ltd., Machida Store. In addition, it worked to secure revenue by aggressively implementing various sales measures across its stores, including events.

In the stores and retail business, the Shin-Yurigaoka store of the “Odakyu OX” supermarket operated by Odakyu Shoji Co., Ltd. was reopened after renovation, and all stores held a Thanks Festival and campaign to commemorate the company’s 60th anniversary. In addition, we promoted aggressive sales activities at “Odakyu OX MART,” including the opening of the Soshigaya and Machida stores. In addition, it worked to further enhance customer convenience in line with its efforts to create sales floors that facilitate the shopping experience at various stores.

However, in the department store business, operating revenue amounted to ¥87,516 million (down 9.0% year on year), mainly due to the significant reduction in sales floor space following the closure of the main building of the Shinjuku store in October of 2022, as well as the exclusion of Shirohato Co., Ltd. from consolidation following the partial sale of its shares. On the other hand, in the stores and retail business, operating profit was ¥1,936 million (up 123.6% year on year), mainly due to improved sales floor composition and operations, which contributed to higher revenue and profit.

Real Estate

In the real estate sales business, Odakyu Real Estate Co., Ltd. worked to secure revenue through the sale of detached houses such as those in the LEAFIA Setagaya Sakuragaoka The Bloom development, and of condominiums, including LEAFIA Residence Asao Satsukidai.

In the real estate leasing business, in the Shinjuku West Gate Development Project, which had been promoted by the Company and Tokyo Metro Co., Ltd. as the project sponsors, it was decided in February 2024 that Tokyu Land Corporation would formally participate in the project as a partner in order to maximize the value of the project. Under this project, we promoted the demolition work on the main building of former Odakyu Department Store Shinjuku Store, and in March 2024, began construction of a new building as a joint project of the three companies. In addition, Odakyu SC Development Co., Ltd. worked to enhance and revitalize its facilities by implementing large-scale renovations of the commercial facilities “Vina Front” and “Acorde Yoyogi Uehara.”

However, due to a decrease in the number of sales of investment properties in the real estate sales business and the effect of the sale of equity interests of Odakyu Dai-ichi Seimei Building at the end of the previous fiscal year in the real estate leasing business, operating revenue amounted to ¥79,393 million (down 5.5% year on year) and operating profit was ¥17,190 million (down 4.7% year on year).

Other Businesses

In the hotel business, the Hotel Century Southern Tower operated by Hotel Odakyu Southern Tower Co., Ltd. worked to secure earnings such as by changing the room type from single rooms to semi-double rooms in December 2023 to meet diversifying customer needs. In addition, we made efforts to capture accommodation demand for each hotel operated by the Group by developing aggressive sales measures.

In the restaurant business, Odakyu Restaurant system Co., Ltd. made efforts to strengthen its ability to attract customers at each company by developing new business format and opening new restaurants.

As a result of the above, due mainly to a recovery of operations in the hotel business and a recovery in resort temporary staffing demand, operating revenue amounted to ¥100,366 million (up 10.6% year on year), and operating profit was ¥6,031 million (operating loss of ¥821 million in the previous fiscal year).

(2) Overview of financial position for the fiscal year

Total assets were ¥1,301,567 million (up ¥21,590 million from the end of the previous fiscal year) mainly due to an increase in construction in progress as a result of the Shinjuku West Gate Development Project.

Liabilities were ¥841,458 million (down ¥50,027 million from the end of the previous fiscal year) mainly due to a decrease in interest-bearing debt through the redemption of bonds.

Net assets were ¥460,109 million (up ¥71,618 million from the end of the previous fiscal year) mainly due to an increase in retained earnings, despite purchase of treasury shares.

(3) Overview of cash flows for the fiscal year

Cash flows from operating activities

Net cash provided by operating activities was ¥71,626 million as a result of adjustment for items, such as depreciation and income taxes paid, by adding to or deducting from profit before income taxes of ¥101,610 million, and cash inflow increased by ¥8,697 million compared with the previous fiscal year.

Cash flows from investing activities

Net cash provided by investing activities was ¥23,435 million, and cash inflow decreased by ¥11,276 million compared with the previous fiscal year. This is mainly due to an increase in cash outflow triggered by purchase of property, plant and equipment.

As a result, free cash flow left over from this was ¥95,062 million.

Cash flows from financing activities

Net cash used in financing activities was ¥102,079 million, and cash outflow increased by ¥51,022 million compared with the previous fiscal year. This is mainly due to an increase in cash outflow triggered by redemption of bonds and purchase of treasury shares.

Cash and cash equivalents at the end of the period was ¥60,532 million, down ¥6,941 million from the end of the previous fiscal year.

Trends in cash flow indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity ratio (%)	26.4	27.0	30.3	35.3
Equity ratio based on market value (%)	82.8	57.6	48.8	57.1
Interest-bearing debt to cash flow ratio (years)	28.8	15.6	11.2	8.8
Interest coverage ratio (times)	5.0	10.0	13.8	16.7

- The calculation method for each indicator is as follows:
Equity ratio: Equity divided by total assets
Equity ratio based on market value: Market capitalization divided by total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt divided by cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities divided by interest paid
- All of the above indicators were calculated using consolidated-basis financial data.
- Total market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of issued shares at the end of the period (excluding treasury shares).
- Interest-bearing debt was calculated using “borrowings + bonds payable + accounts payable to Japan railway construction, transport and technology agency, etc.”

(4) Future outlook

Concerning the consolidated financial results forecasts for the fiscal year ending March 31, 2025, we expect operating revenue of ¥424.0 billion (up 3.5% year on year), mainly due to consolidation of 13-month periods to change the fiscal year end of the department store business and the stores and retail business following the application of the group tax sharing system, and an increase in the number of planned unit sales to be recorded in the real estate sales business. On the other hand, we expect operating profit of ¥42.0 billion (down 17.3% year on year) and ordinary profit of ¥41.0 billion (down 19.1% year on year), mainly due to an increase in facilities renewal expenses in the railway business. In addition, we expect profit attributable to owners of parent of ¥38.0 billion (down 53.4% year on year), taking into account the absence of gain on sale of non-current assets in line with the sale of Odakyu Century Building at the end of the previous fiscal year.

For details, please see “Results for the FY2023 (Ended March 31, 2024),” which is separately disclosed.

- * The above forecasts are calculated based on information obtained at the current time. Accordingly, actual results may differ from the forecast figures due to changes in business conditions and other factors.

2. Basic Stance Towards the Selection of Accounting Standards

With respect to application of International Financial Reporting Standards (IFRS), the Group follows a policy of responding in a suitable manner after giving consideration to various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	67,604	60,662
Notes and accounts receivable - trade, and contract assets	23,408	26,154
Lease receivables and investments in leases	428	1,166
Merchandise and finished goods	2,535	2,520
Land and buildings for sale in lots	36,556	44,789
Work in process	914	976
Raw materials and supplies	2,324	2,449
Other	35,278	35,101
Allowance for doubtful accounts	(459)	(702)
Total current assets	168,590	173,118
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	476,195	460,899
Machinery, equipment and vehicles, net	54,543	49,727
Land	440,806	435,909
Leased assets, net	707	515
Construction in progress	29,236	60,464
Other, net	7,958	6,498
Total property, plant and equipment	1,009,447	1,014,014
Intangible assets		
Goodwill	1,100	853
Leased assets	254	224
Other	19,710	17,445
Total intangible assets	21,065	18,523
Investments and other assets		
Investment securities	57,407	76,269
Long-term loans receivable	1,750	911
Retirement benefit asset	-	492
Deferred tax assets	6,253	2,451
Other	17,177	16,710
Allowance for doubtful accounts	(1,715)	(925)
Total investments and other assets	80,873	95,910
Total non-current assets	1,111,385	1,128,448
Total assets	1,279,976	1,301,567

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,383	19,016
Short-term borrowings	186,884	219,611
Current portion of bonds payable	60,005	–
Lease liabilities	625	1,310
Income taxes payable	7,458	21,534
Provision for bonuses	7,047	7,758
Allowance for unredeemed gift certificates and others	1,782	1,876
Asset retirement obligations	264	–
Other	98,486	125,315
Total current liabilities	378,938	396,422
Non-current liabilities		
Bonds payable	157,000	157,000
Long-term borrowings	243,584	200,362
Long-term accounts payable to Japan railway construction, transport and technology agency	52,439	43,537
Lease liabilities	678	435
Deferred tax liabilities	12,520	8,647
Deferred tax liabilities for land revaluation	964	964
Retirement benefit liability	9,009	–
Asset retirement obligations	1,855	1,499
Other	34,495	32,588
Total non-current liabilities	512,547	445,035
Total liabilities	891,485	841,458
Net assets		
Shareholders' equity		
Share capital	60,359	60,359
Capital surplus	58,089	58,113
Retained earnings	252,402	321,439
Treasury shares	(6,262)	(18,650)
Total shareholders' equity	364,589	421,262
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,462	26,667
Revaluation reserve for land	537	540
Remeasurements of defined benefit plans	4,797	10,782
Total accumulated other comprehensive income	22,797	37,990
Non-controlling interests	1,103	856
Total net assets	388,490	460,109
Total liabilities and net assets	1,279,976	1,301,567

(2) Consolidated statement of income and comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue	395,159	409,837
Operating expenses		
Operating expenses and cost of sales of transportation	286,941	281,431
Selling, general and administrative expenses	81,616	77,638
Total operating expenses	368,557	359,070
Operating profit	26,601	50,766
Non-operating income		
Interest income	18	14
Dividend income	1,312	1,306
Share of profit of entities accounted for using equity method	650	817
Forced relocation compensation income	–	1,143
Subsidy income	*1 829	*1 34
Adjustments of property tax	1	777
Miscellaneous income	2,522	3,231
Total non-operating income	5,334	7,324
Non-operating expenses		
Interest expenses	4,515	4,250
Compensation for forced relocation	714	1
Taxes and dues	1	918
Miscellaneous expenses	1,586	2,250
Total non-operating expenses	6,817	7,421
Ordinary profit	25,119	50,670
Extraordinary income		
Gain on sale of non-current assets	42,840	60,008
Contribution received for construction	889	1,195
Gain on sale of investment securities	309	3,768
Gain on sale of shares of subsidiaries and associates	17	973
Other	69	295
Total extraordinary income	44,126	66,241
Extraordinary losses		
Loss on sale of non-current assets	56	282
Loss on tax purpose reduction entry of non-current assets	812	1,052
Loss on retirement of non-current assets	2,290	2,801
Impairment losses	1,122	6,383
Extra retirement payments	2,465	–
Redevelopment related cost	*2 2,535	*2 4,684
Other	1,196	96
Total extraordinary losses	10,479	15,301
Profit before income taxes	58,767	101,610
Income taxes - current	11,905	25,857
Income taxes - deferred	6,049	(5,846)
Total income taxes	17,954	20,010
Profit	40,812	81,600
Profit attributable to non-controlling interests	76	75
Profit attributable to owners of parent	40,736	81,524

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	40,812	81,600
Other comprehensive income		
Valuation difference on available-for-sale securities	1,314	8,603
Revaluation reserve for land	–	2
Remeasurements of defined benefit plans, net of tax	2,292	5,986
Share of other comprehensive income of entities accounted for using equity method	48	595
Total other comprehensive income	3,655	15,188
Comprehensive income	44,468	96,789
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	44,397	96,717
Comprehensive income attributable to non-controlling interests	70	71

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	60,359	58,089	215,575	(6,297)	327,726
Changes during period					
Dividends of surplus			(3,655)		(3,655)
Profit attributable to owners of parent			40,736		40,736
Reversal of revaluation reserve for land					-
Decrease by merger					-
Decrease in retained earnings due to exclusion of subsidiaries from consolidation			(253)		(253)
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		0		40	40
Decrease in retained earnings resulting from reduction of entities accounted for using equity method					-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	-	0	36,827	35	36,863
Balance at end of period	60,359	58,089	252,402	(6,262)	364,589

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	16,097	537	2,501	19,136	2,394	349,257
Changes during period						
Dividends of surplus						(3,655)
Profit attributable to owners of parent						40,736
Reversal of revaluation reserve for land						-
Decrease by merger						-
Decrease in retained earnings due to exclusion of subsidiaries from consolidation						(253)
Purchase of treasury shares						(4)
Disposal of treasury shares						40
Decrease in retained earnings resulting from reduction of entities accounted for using equity method						-
Change in ownership interest of parent due to transactions with non-controlling interests						-
Net changes in items other than shareholders' equity	1,364	-	2,296	3,661	(1,291)	2,369
Total changes during period	1,364	-	2,296	3,661	(1,291)	39,233
Balance at end of period	17,462	537	4,797	22,797	1,103	388,490

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	60,359	58,089	252,402	(6,262)	364,589
Changes during period					
Dividends of surplus			(11,697)		(11,697)
Profit attributable to owners of parent			81,524		81,524
Reversal of revaluation reserve for land			(1)		(1)
Decrease by merger			(774)		(774)
Decrease in retained earnings due to exclusion of subsidiaries from consolidation					-
Purchase of treasury shares				(12,388)	(12,388)
Disposal of treasury shares		0		0	0
Decrease in retained earnings resulting from reduction of entities accounted for using equity method			(14)		(14)
Change in ownership interest of parent due to transactions with non-controlling interests		24			24
Net changes in items other than shareholders' equity					
Total changes during period	-	24	69,036	(12,388)	56,672
Balance at end of period	60,359	58,113	321,439	(18,650)	421,262

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	17,462	537	4,797	22,797	1,103	388,490
Changes during period						
Dividends of surplus						(11,697)
Profit attributable to owners of parent						81,524
Reversal of revaluation reserve for land						(1)
Decrease by merger						(774)
Decrease in retained earnings due to exclusion of subsidiaries from consolidation						-
Purchase of treasury shares						(12,388)
Disposal of treasury shares						0
Decrease in retained earnings resulting from reduction of entities accounted for using equity method						(14)
Change in ownership interest of parent due to transactions with non-controlling interests						24
Net changes in items other than shareholders' equity	9,205	2	5,984	15,192	(246)	14,945
Total changes during period	9,205	2	5,984	15,192	(246)	71,618
Balance at end of period	26,667	540	10,782	37,990	856	460,109

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	58,767	101,610
Depreciation	47,866	45,785
Impairment losses	1,122	6,383
Amortization of goodwill	275	279
Increase (decrease) in provision for bonuses	644	842
Increase (decrease) in retirement benefit asset and liability	(1,281)	(1,473)
Increase (decrease) in allowance for doubtful accounts	296	131
Increase (decrease) in allowance for unredeemed gift certificates and others	58	93
Interest and dividend income	(1,330)	(1,320)
Interest expenses	4,515	4,250
Share of loss (profit) of entities accounted for using equity method	(650)	(817)
Contribution received for construction	(889)	(1,195)
Loss (gain) on sale of investment securities	(309)	(3,768)
Loss (gain) on sale of non-current assets	(42,784)	(59,725)
Loss on tax purpose reduction entry of non-current assets	812	1,052
Loss on retirement of non-current assets	1,485	959
Loss (gain) on valuation of securities	159	59
Loss on valuation of inventories	1	1
Extra retirement payments	2,465	-
Redevelopment related expenses	2,124	4,684
Decrease (increase) in trade receivables	769	(3,230)
Decrease (increase) in inventories	8,333	501
Decrease (increase) in accounts receivable-other	(951)	(6,808)
Increase (decrease) in trade payables	(3,995)	3,015
Increase (decrease) in accounts payable - other	3,251	(6,931)
Other, net	(1,462)	2,205
Subtotal	79,291	86,588
Interest and dividends received	1,545	1,535
Interest paid	(4,552)	(4,280)
Income taxes paid	(13,356)	(12,216)
Net cash provided by (used in) operating activities	62,928	71,626

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of investment securities	(1,998)	(7,806)
Proceeds from sale of investment securities	1,286	4,962
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,167	-
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	-	(4,136)
Sale of investments in affiliates accounted for using equity method	-	797
Purchase of property, plant and equipment	(48,025)	(60,331)
Proceeds from sale of property, plant and equipment	80,592	75,298
Net decrease (increase) in short-term loans receivable	(58)	(228)
Long-term loan advances	(141)	(267)
Proceeds from collection of long-term loans receivable	5	116
Proceeds from advances received for contract consignment	3,919	4,985
Proceeds from sale of businesses	-	9,175
Other, net	(2,034)	871
Net cash provided by (used in) investing activities	34,712	23,435
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(9,600)	8,600
Proceeds from long-term borrowings	19,100	17,100
Repayments of long-term borrowings	(18,726)	(34,094)
Redemption of bonds	(30,010)	(60,005)
Repayments of accounts payable to Japan railway construction, transport and technology agency	(7,509)	(9,029)
Dividends paid	(3,640)	(11,637)
Purchase of treasury shares	(4)	(12,388)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(293)
Other, net	(665)	(331)
Net cash provided by (used in) financing activities	(51,056)	(102,079)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	46,584	(7,017)
Cash and cash equivalents at beginning of period	21,852	67,474
Increase in cash and cash equivalents resulting from merger	-	75
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(962)	-
Cash and cash equivalents at end of period	67,474	60,532

(5) Notes to consolidated financial statements**Notes on premise of going concern**

Not applicable.

Additional informationSignificant capital investment and execution of agreement

In accordance with a resolution of the Board of Directors meeting held on February 8, 2024, the Company concluded an agreement with TOKYU LAND CORPORATION (“TOKYU LAND”) where part of the site owned by the Company would be equivalently exchanged for part of a planned building to be acquired by TOKYU LAND (the “Agreement”). On March 25, 2024, the Company also initiated the construction of new buildings in the Shinjuku West Gate Development Project (the “Project”).

1. Reason for the capital investment and the execution of the Agreement

In accordance with the three elements that constitute the maintenance policy for the Project, which are “Implement fundamental maintenance to realize the Shinjuku Grand Terminal,” “Introduce urban features that help enhance international competitiveness,” and “Strengthen disaster-prevention functions and reduce environmental burden,” we began demolition work in October 2022 and are moving forward with this project. Odakyu Group has bases in Shinjuku, and in response to the changing business environment, which includes post-COVID-19 era changes in behavior, it has announced its “UPDATE Odakyu—Becoming a Community-Based Value Creation Company” management vision. In order to grow together with communities along the Odakyu Line and in areas where we operate businesses, as a community-based value creation company we aim to evolve into a corporate group that creates new value in communities, such as through customer experience and reductions in environmental impacts, by constantly striving to think outside the box.

Tokyu Land, the core company of the Tokyu Fudosan Holdings Corporation, is a general developer headquartered in Shibuya. In preparation for achieving its long-term Group Vision 2030, which is the group policy announced in May 2021, the Tokyu Fudosan Holdings Group aims to realize its ideal vision of “Create value for the future” through an extensive track record based on a diverse menu of solutions, and co-creation achieved through group collaboration and with partners in a wide range of business domains.

Under these circumstances, the Company has been in discussions with Tokyu Land as a joint venture candidate, with the objective of maximizing the value of the project represented by the Project through a process of co-creation that involves the mutual provision of know-how and management resources. Recently, the Company and Tokyu Land came to a formal agreement to jointly promote the Project, resulting in the conclusion of the Agreement. The Company also started the new construction under the Project.

2. Outline of the capital investment

(1) Capital investment

(i) Project location	Within both Shinjuku 3-chome and Nishi-Shinjuku 1-chome in Shinjuku-cu, Tokyo		
(ii) Name	Overall	Zone A	Zone B
(iii) Site area	Approx. 15,720 m ²	Approx. 8,060 m ²	Approx. 7,660 m ²
(iv) Floor space	Approx. 279,000 m ²	Approx. 251,000 m ²	Approx. 28,000 m ²
(v) Main use	–	Commercial, business, railway station facility, etc.	Commercial, railway station facility, etc.
(vi) Number of stories	–	48 aboveground, 5 belowground	8 aboveground, 2 belowground
(vii) Maximum height	–	Approx. 260 m	Approx. 50 m
(viii) Construction start	–	October 2022	April 2023 (April 2025 for part)
(ix) Construction finish	–	FY2029 (scheduled)	FY2029 (scheduled)
(x) Operating body	–	The Company, Tokyo Metro, and Tokyu Land	The Company

Note: Details presented here may change going forward, depending on discussions and other factors.

(2) Total amount to be invested in the Project by the Company (scheduled)

Approximately ¥130.0 billion

3. Outline of the executed Agreement

(1) Information on other party

(As of March 31, 2023)

(i) Name	Tokyu Land Corporation
(ii) Location	1-21-1 Dogenzaka, Shibuya-cu, Tokyo
(iii) Name and title of the representative	Hiroaki Hoshino, President & CEO
(iv) Nature of business	General real estate business
(v) Capital	¥57,551 million
(vi) Date established	December 17, 1953
(vii) Net assets	¥400,364 million
(viii) Total assets	¥1,841,797 million
(ix) Major shareholders and shareholding ratio	Tokyu Fudosan Holdings Corporation 100%

Note: The Company and this company have no capital relationship, personnel relationship, business relationship, or relationships with related parties that require reporting.

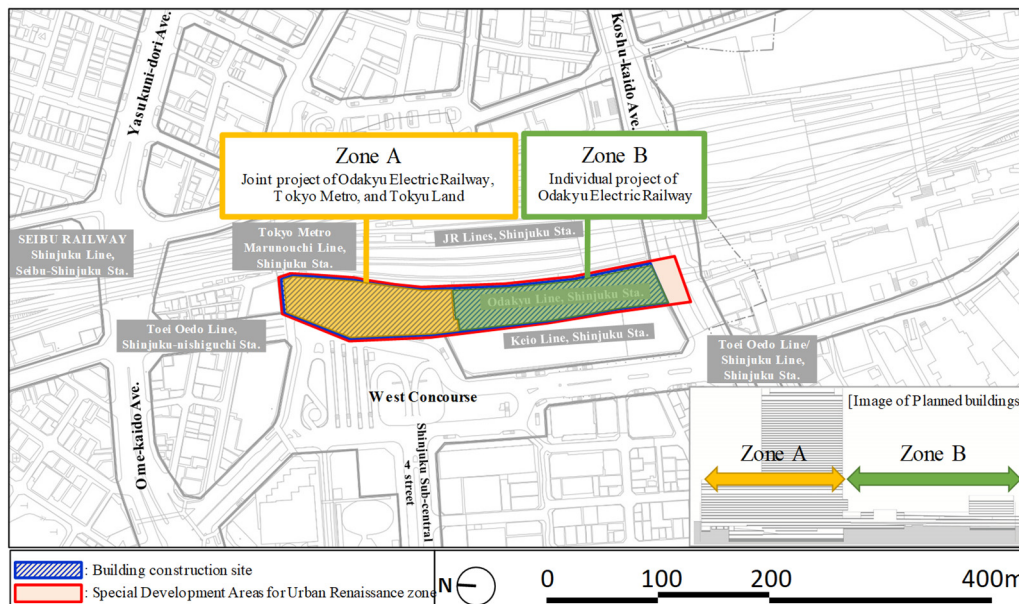
(2) Execution date of the Agreement

February 8, 2024

(3) Summary of the Agreement

Agreement where partial property rights in the land in Area A owned by the Company will be equivalently exchanged for partial property rights in a building in Area A to be acquired by TOKYU LAND

(Location map concerning the Agreement)



(4) Effect on the Group’s financial results

The Group expects to recognize a gain on sale of non-current assets in extraordinary income in the consolidated statement of income for the year ending March 31, 2030 due to the transfer of non-current assets (land) associated with the equivalent exchange. The land to be transferred under the Agreement is the original land because it is located within the work execution area of the land readjustment project for the closest zone to the Shinjuku Station in the Tokyo’s city planning projects. The original land to be transferred will be determined by the year ending March 31, 2030 in which the construction work of the Project will be completed, and therefore the amount of gain on sale of non-current assets has yet to be determined.

The Company estimated as of May 14, 2024 that the amount would be approximately ¥25.0 billion, and the amount will be determined in the year ending March 31, 2030 in which the construction work of the Project will be completed.

Application of group tax sharing system

The Company and its consolidated subsidiaries have applied the non-consolidated taxation system, but due to the submission of an application to be approved for the group tax sharing system during the current fiscal year, the Company and some of its consolidated subsidiaries will apply the group tax sharing system from the year ending March 31, 2025.

Regarding the accounting treatment and disclosure related to tax effect accounting for corporate income tax and local corporate tax, the Company has applied the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021) from the end of the year ended March 31, 2024.

Notes to consolidated statement of income

*1 Subsidy income

The amounts received from subsidies for employment adjustment and other special measures due to the impact of COVID-19 were recorded as “subsidy income” in non-operating income in the consolidated statement of income.

*2 Redevelopment expenses

Demolition costs incurred as part of the Shinjuku West Gate Development Project were recorded as “redevelopment expenses” in extraordinary losses in the consolidated statement of income.

Segment information, etc.

1. Overview of reportable segments

The Group identifies a reportable segment as a component unit of the Group whose separate financial information is available and is examined periodically by the Board of Directors in order to make decisions regarding the allocation of management resources and assess the business performances of such segment.

The Group operates various businesses that are closely connected with our customers' daily lives primarily along the Odakyu lines, centered on railway business and other transportation operations, but including merchandising, real estate, hotel, restaurant and other services.

For this reason, the Group consists of business segments that are based on the aforementioned business activities. The three reportable segments are “transportation,” “merchandising,” and “real estate.”

The business activities conducted within each business segment are listed below for the reportable segments.

Transportation.... Railway, bus, taxi, ferry, sightseeing boat, ropeway, etc.

Merchandising... Department store, stores and retail, etc.

Real estate Real estate sales, real estate leasing

2. Calculation methods for operating revenue, profit (loss), assets and other items by reportable segment

Reportable segment profit is presented on an operating profit basis. Intersegment operating revenue or transfers are based on prevailing market prices.

3. Information on operating revenue, profit (loss), assets and other items by reportable segment

Fiscal year ended March 31, 2023

(Millions of yen)

	Transportation	Merchandising	Real Estate	Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amounts recorded on consolidated financial statements (Note 3)
Operating revenue							
Revenues from external customers	149,643	94,894	77,305	73,315	395,159	–	395,159
Intersegment operating revenue or transfers	2,060	1,261	6,728	17,400	27,451	(27,451)	–
Total	151,704	96,156	84,034	90,716	422,611	(27,451)	395,159
Segment profit (loss)	8,463	866	18,047	(821)	26,555	46	26,601
Segment assets	654,143	47,521	396,032	117,984	1,215,681	64,294	1,279,976
Other items							
Depreciation (Note 4)	31,424	2,600	10,131	3,774	47,931	(64)	47,866
Amortization of goodwill	–	–	–	275	275	–	275
Impairment losses (Note 5)	4	732	757	272	1,767	–	1,767
Investments in entities accounted for using equity method	9,974	706	–	–	10,680	–	10,680
Increase in property, plant and equipment and intangible assets (Note 4)	26,280	5,623	16,670	4,315	52,889	–	52,889

Notes: 1. “Other Businesses” represents the following businesses, which are not included in the above reportable segment: hotel, restaurant, travel agent, golf course, railway maintenance service, building management and maintenance, advertising agency, bookkeeping service, insurance agency, planning design and operation, and temporary staffing service.

2. Adjustments made are as follows:

- (1) Adjustments for segment profit (loss) of ¥46 million represents elimination of intersegment transactions.
- (2) Adjustments for segment assets amounting to ¥64,294 million include negative ¥116,342 million of elimination of intersegment transactions and ¥180,637 million of the Group’s assets that have not been distributed to reportable segment.
- (3) Adjustments for depreciation amounting to negative ¥64 million represents elimination of intersegment transactions.

3. Segment profit (loss) is reconciled to operating profit on the consolidated financial statements.

4. Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and its amortization.

5. Among the impairment losses ¥644 million was recorded as “redevelopment related cost” under extraordinary losses in the consolidated statement of income.

Fiscal year ended March 31, 2024

(Millions of yen)

	Transportation	Merchandising	Real Estate	Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amounts recorded on consolidated financial statements (Note 3)
Operating revenue							
Revenues from external customers	168,247	86,299	72,384	82,905	409,837	–	409,837
Intersegment operating revenue or transfers	2,056	1,217	7,008	17,461	27,743	(27,743)	–
Total	170,304	87,516	79,393	100,366	437,580	(27,743)	409,837
Segment profit (loss)	25,571	1,936	17,190	6,031	50,730	36	50,766
Segment assets	653,601	43,983	446,189	121,988	1,265,762	35,804	1,301,567
Other items							
Depreciation (Note 4)	30,256	2,328	9,618	3,641	45,844	(58)	45,785
Amortization of goodwill	4	–	–	275	279	–	279
Impairment losses	445	5,519	131	286	6,383	–	6,383
Investments in entities accounted for using equity method	11,201	–	–	–	11,201	–	11,201
Increase in property, plant and equipment and intangible assets (Note 4)	26,895	1,906	49,066	5,534	83,402	–	83,402

- Notes: 1. “Other Businesses” represents the following businesses, which are not included in the above reportable segment: hotel, restaurant, travel agent, golf course, railway maintenance service, building management and maintenance, advertising agency, bookkeeping service, insurance agency, planning design and operation, and temporary staffing service.
2. Adjustments made are as follows:
- (1) Adjustments for segment profit of ¥36 million represents elimination of intersegment transactions.
 - (2) Adjustments for segment assets amounting to ¥35,804 million include negative ¥111,822 million of elimination of intersegment transactions and ¥147,626 million of the Group’s assets that have not been distributed to reportable segment.
 - (3) Adjustments for depreciation amounting to negative ¥58 million represents elimination of intersegment transactions.
3. Segment profit is reconciled to operating profit on the consolidated financial statements.
4. Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and its amortization.

Per Share Information

(Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	1,066.07	1,283.47
Basic earnings per share	112.11	225.28

- Notes: 1. The amount of diluted earnings per share is not provided because there are no potential shares.
2. For the purpose of calculating net assets per share, the Company's shares held by the Board Incentive Plan Trust Account are treated as treasury shares, which are excluded from the total number of issued shares at the end of the period (120 thousand shares for the fiscal year ended March 31, 2023 and 120 thousand shares for the fiscal year ended March 31, 2024).

For the purpose of calculating basic earnings per share, these shares held by the trust were treated as treasury shares, which were excluded from the calculation of the average number of shares during the period (126 thousand shares for the fiscal year ended March 31, 2023 and 120 thousand shares for the fiscal year ended March 31, 2024).

3. The following table provides the basis for calculating basic earnings per share:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to owners of parent (Millions of yen)	40,736	81,524
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	40,736	81,524
Average number of common shares during the period (Shares)	363,374,015	361,890,803

Significant subsequent events

Transfer of shares of subsidiary

In accordance with a resolution of the Board of Directors meeting held on December 21, 2023, the Company transferred all its held shares of UDS Ltd. (“UDS”), which is a consolidated subsidiary of the Company, to Nomura Real Estate Holdings, Inc. on April 1, 2024. Consequently, the Company plans to exclude UDS from the scope of consolidation during the first quarter of the year ending March 31, 2025.

1. Reason for the transfer

The Company is working on the three management issues aimed at reform—recover profitability, control interest-bearing debt, and rebuild its business portfolio—for the sustainable growth together with communities along the Odakyu Line and in areas where it operates businesses in accordance with its management vision: UPDATE Odakyu—Becoming a Community-Based Value Creation Company. As part of such efforts, the Company has decided to transfer its shares in UDS.

2. Outline of the transfer of shares in UDS by the Company

(1) Information on the consolidated subsidiary to be transferred

(i) Name	UDS Ltd.	
(ii) Address	2-28-7 Yoyogi, Shibuya-cu, Tokyo	
(iii) Name and title of representative	Tetsuji Kuroda, President and Representative Director	
(iv) Business	Planning and design, operation of hotels and other business offices, and other businesses	
(v) Capital	¥100 million	
(vi) Relationship with the Company	Personnel relationship	Four employees of the Company are on temporary assignment to UDS.
	Business relationship	There are intercompany transactions including building lease, building management and the provision of other services between the Company and UDS.
(vii) Ownership interest before transfer	100.0%	
(viii) Number of shares to be transferred	34,000 shares	
(ix) Transfer price	¥22,759 million	
(x) Ownership interest after transfer	0.0%	

(2) Information on transferee

(i) Name	Nomura Real Estate Holdings, Inc.	
(ii) Address	1-26-2 Nishi-shinjuku, Shinjuku-cu, Tokyo	
(iii) Name and title of representative	Satoshi Arai, President and Representative Director, and Chief Executive Officer, Group CEO	
(iv) Business	Management of the operation of group businesses through the possession of stocks and management instruction	
(v) Relationship with the Company	Capital relationship	Nothing worthy of special mention.
	Personnel relationship	
	Business relationship	
	Related party status	

3. Transfer schedule

April 1, 2024

4. Effect on the Group's financial results

The transfer of shares in UDS will have no effect on the Group's financial results for the year ended March 31, 2024.

The Company expects to record gain on sale of shares of subsidiaries and associates of approximately ¥17.0 billion in extraordinary income in the consolidated financial results for the first quarter of the year ending March 31, 2025.

Changes in reportable segments

The Company has adopted the management vision: UPDATE Odakyu—Becoming a Community-Based Value Creation Company, and it has defined the period from fiscal 2021 to fiscal 2023 as the period of structural reform and the period from fiscal 2024 to fiscal 2030 as the period of rapid growth.

During the period of structural reform, in addition to focusing efforts on achieving financial soundness through recovery of profit levels and control of interest-bearing debt, the Company has worked to reinforce profitability through bold selection-and-concentration efforts in our existing businesses, secured investment capacity and promoted the creation of new revenue opportunities.

Now having reached the end of this stage, the Company passed a resolution at its Board of Directors meeting held on May 14, 2024 to execute the medium-term management plan, which aims for a period of rapid growth (fiscal 2024 to fiscal 2026). As part of this action, changes have been made to the performance management categories for the purpose of placing the business portfolio in an optimal position to achieve the operating profit target for fiscal 2030.

As a result, the Company will change its existing reportable segments of “transportation,” “merchandising,” and “real estate” and “other businesses” to “transportation,” “real estate,” and “living services.” from the year ending March 31, 2025.

Based on the revised segment classification, operating revenue and segment profit by reportable segments in the year ended March 31, 2024 would be as follows.

Fiscal year ended March 31, 2024

	Transportation	Merchandising	Living services	Total	Adjustments (Note 1)	Amounts recorded on consolidated financial statements (Note 2)
Operating revenue						
Revenues from external customers	169,592	81,057	159,187	409,837	–	409,837
Intersegment operating revenue or transfers	2,137	10,970	2,317	15,425	(15,425)	–
Total	171,730	92,027	161,505	425,262	(15,425)	409,837
Segment profit (loss)	25,913	17,759	7,058	50,730	36	50,766

- Notes: 1. Adjustments for segment profit amounting to ¥36 million represents elimination of intersegment transactions.
2. Segment profit is reconciled to operating profit on the consolidated financial statements.