

August 9, 2024

Odakyu Electric Railway Co., Ltd.

IR Office

Financial Results in the First Quarter of the Fiscal Year Ending March 31, 2025—FAQ

Note: This document presents some of the anticipated questions relating to the Company's financial results of the first quarter of the fiscal year ending March 31, 2025, together with answers to these questions. If you have any queries, etc., please contact the IR Office of Odakyu Electric Railway Co., Ltd. (E-mail: ir@odakyu-dentetsu.co.jp)

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 (July 1-21, 2024) Both commuters and non-commuters remained at the same level Note: Compared to the same day of the previous fiscal year
Odakyu Department Stores	Sales (July 1-21, 2024) The Shinjuku Store and the Machida Store were the same level, 106% for the Fujisawa. Note: Compared to the same day of the previous fiscal year
City Hotels	Occupancy rate (July 1-21, 2024) Hotel Century Southern Tower 89.2%
Hakone area	Number of passengers using Hakone-Yumoto Station (July 21-27, 2024) Remained at approximately 91% for weekdays and approximately 66% for weekends and public holidays Note: Compared to the same week of the previous fiscal year
	Hakone resort hotel* occupancy rate (July 1-21, 2024) Remained at approximately 60% *Hakone resort hotels: Hotel de Yama, Hakone Highland Hotel, and Hatsuhana

Q2. What is the extent of the transition from work commuters to non-commuters in the Odakyu Railway business?

- When comparing the number of passengers passing through ticket gates on weekday mornings, work commuters have decreased by about 18% versus before the COVID-19 pandemic. We believe that about 10% of the pre-COVID-19 work commuters have shifted to non-commuters.

Q3. What is the status of reservations at Odakyu Group Hotels from August onward?

- Occupancy rates from August onward are expected to be approximately 90% at city hotels and approximately 75% 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 first quarter of FY2024.

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

Q4. What is the status of tourism demand (especially inbound tourism) in the Hakone area?

- The number of Hakone Freepass tickets sold in the first quarter of FY2024 was down 4.4% compared to FY2018, but up 12.5% quarter-on-quarter, indicating that tourism demand is on the rise.
- In particular, the number of tickets sold to foreign tourists increased by 21.2% compared to FY2018, exceeding the pre-COVID-19 level.

Hakone Freepass (Unit: 1,000 tickets)	Number of tickets sold		
		Foreign tourists	Percentage
First quarter of FY2018	230	73	31.9%
First quarter of FY2023	196	70	35.9%
First quarter of FY2024	220	89	40.4%

***Bold** : Record high

Q5. What is the status of the department store business?

- Sales increased due to a change in the fiscal year-end to apply the Group Tax Sharing System and the consolidation of four months (March 2024 to June 2024) in the first quarter of FY2024, as well as strong sales of cosmetics and the contribution of inbound demand (tax exemption).

Operating revenue (Unit: Millions of yen)	First Quarter of FY2024	Change
Shinjuku Store	4,490	+100.2%
Over-the-counter	4,356	+101.4%
Machida Store	2,937	+40.6%
Fujisawa	632	+42.4%
Others	577	+26.4%
Total	8,637	+65.1%

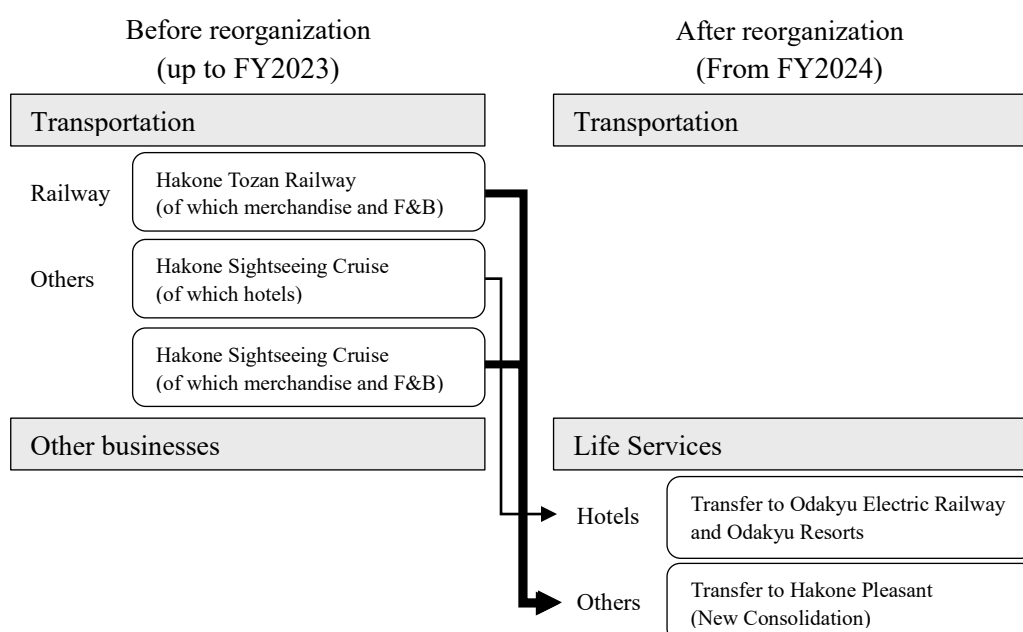
*Previous period: March - May 2023

- Taking into account the impact of the change in fiscal year-end, the sales for the four-month period (March-June) increased 5.7% compared to the same month of the previous fiscal year.

Q6. 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 Service 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 compact management structure. The goal is also to invest appropriately human and financial resources created in the Hakone area in enhancing 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

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.