

Financial Results in the First Half of the FY2024 — FAQ

Note: This document presents some of the anticipated questions relating to the Company's financial results of the first half of FY2024, 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 (October 1-27, 2024) Commuters remained at the same level and approximately 104% for non-commuters Note: Compared to the same day of the previous fiscal year
Odakyu Department Stores	Sales (October 1-27, 2024) The Shinjuku Store and the Fujisawa Store were the same level, approximately 96% for the Machida Store. Note: Compared to the same day of the previous fiscal year
City Hotels	Occupancy rate (October 1-27, 2024) Hotel Century Southern Tower 92.4%
Hakone area	Number of passengers using Hakone-Yumoto Station (October 20-26, 2024) were approximately 108% for weekdays, and were the same level for weekends and public holidays Note: Compared to the same week of the previous fiscal year
	Hakone resort hotels* occupancy rate (October 1-27, 2024) Remained at approximately 80-90% *Hakone resort hotels: Hotel de Yama, Hakone Highland Hotel, and Hatsuhana

**Q2. What is the progress of platform door installation in the railway business of Odakyu Electric Railway ?**

- Utilizing the railway station barrier-free fare system, we plan to install platform doors at all stations between Shinjuku and Hon-Atsugi as well as at Chuo-Rinkan, Yamato, and Fujisawa by FY2032.
- The necessity of installations will also be considered for other stations, based on the occurrence of accidents, the use of the station by visually impaired people, requests for installations, and the congestion levels on the platforms.

(Reference) Platform door installation plan

Installation period	November 2024 (Results)	End-FY2024 (Plan)	End-FY2032 (Plan)
	11 stations, 34 platforms	14 stations, 44 platforms	37 stations, 107 platforms
Installation locations	Shinjuku (excluding limited express platforms) Yoyogi-Hachiman, Yoyogi-Uehara, Higashi-Kitazawa, Shimo-Kitazawa, Setagaya-Daita, Umegaoka, Noborito, Machida, Sagami-Ono, Hon-Atsugi	Ebina Chuo-Rinkan Yamato	All stations from Shinjuku to Hon-Atsugi (Other than the left) Fujisawa

**Q3. What is the occupancy rate and percentage of foreign guests at each hotel?**

Occupancy rate (Unit: %)		First Half of FY2023	First Half of FY2024	Change
Shinjuku	Hotel Century Southern Tower	88.2	87.9	(0.3p)
Hakone	Hotel de Yama	70.3	71.7	+1.4p
	Hakone Highland Hotel	65.0	59.9	(5.1p)
	Hatsuhana	54.0	61.0	+7.0p
	Hakone Yutowa	77.0	83.0	+6.0p
Gotemba	HOTEL CLAD	66.8	75.8	+9.0p

Percentage of foreign guests (Unit: %)		First Half of FY2023	First Half of FY2024	Change
Shinjuku	Hotel Century Southern Tower	81.9	88.1	+6.2p
Hakone	Hotel de Yama	17.3	22.1	+4.8p
	Hakone Highland Hotel	14.2	11.6	(2.6p)
	Hatsuhana	18.6	21.3	+2.7p
	Hakone Yutowa	50.8	51.4	+0.6p
Gotemba	HOTEL CLAD	43.3	53.8	+10.5p

**Q4. What is the status of reservations at Odakyu Group Hotels from November onward?**

- Occupancy rates from November onward are expected to be approximately 90% at city hotels and approximately 80-90% at Hakone resort hotels\*.
  - Room rates, particularly hotels with a high ratio of inbound tourists, are expected to remain at high levels comparable to or higher than the second quarter of FY2024.
- \* Hakone resort hotels: Hotel de Yama, Hakone Highland Hotel, and Hatsuhana

**Q5. What is the status of tourism demand (especially inbound tourism) in the Hakone area?**

- The number of the Hakone Freepass sold in the first half of FY2024 increased 5.8% from the previous fiscal year, maintaining an upward trend. Compared to the record high of FY2018, the number of tickets sold was down by 9.1%.
- In particular, the number of tickets sold to foreign customers rose 22.1% versus FY2018, setting a new record.

Hakone Freepass (Unit: 1,000 tickets)	Number of tickets sold	
	Foreign customers	Percentage
First Half of FY2018	<b>448</b>	134 29.9%
First Half of FY2023	386	138 35.7%
First Half of FY2024	408	<b>164</b> 40.1%

\***Bold**: Record high

**Q6. What are your initiatives to capture inbound tourist revenue?**

- Having emerged from the recovery phase from the COVID-19 pandemic, we are now closely monitoring trends in the inbound tourist market in an expansion phase as we consider our target-setting and tourism strategies.
- Among recent developments, as of September 2024, through system linkage between Klook, an OTA<sup>\*1</sup> with a strong presence in Asia, and EMot Online Tickets<sup>\*2</sup>, a Hakone Freepass purchased via Klook no longer needs to be exchanged for a paper ticket, thus enhancing customer convenience and improving operational efficiency.
- Going forward, we will strengthen our ability to attract customers by expanding our online sales channels through measures such as strengthening collaboration with OTAs, carrying out a large-scale renewal of our multilingual website and official social media sites, and advertising and disseminating information through external media.

\*1 OTA: Online Travel Agent

\*2 EMot Online Tickets: A digital ticketing service developed and operated by Odakyu Electric Railway

**Q7. 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 seven months (March 2024 to September 2024) in the first half of FY2024, as well as strong sales of cosmetics and the contribution of inbound demand (tax exemption).

Revenue from operations (Unit: Millions of yen)	First Half of FY2024	Change
Shinjuku Store	7,408	+36.8%
Over-the-counter	7,061	+34.6%
Machida Store	4,999	+15.5%
Fujisawa	1,132	+18.2%
Others	1,022	+12.0%
Total	14,563	+25.4%

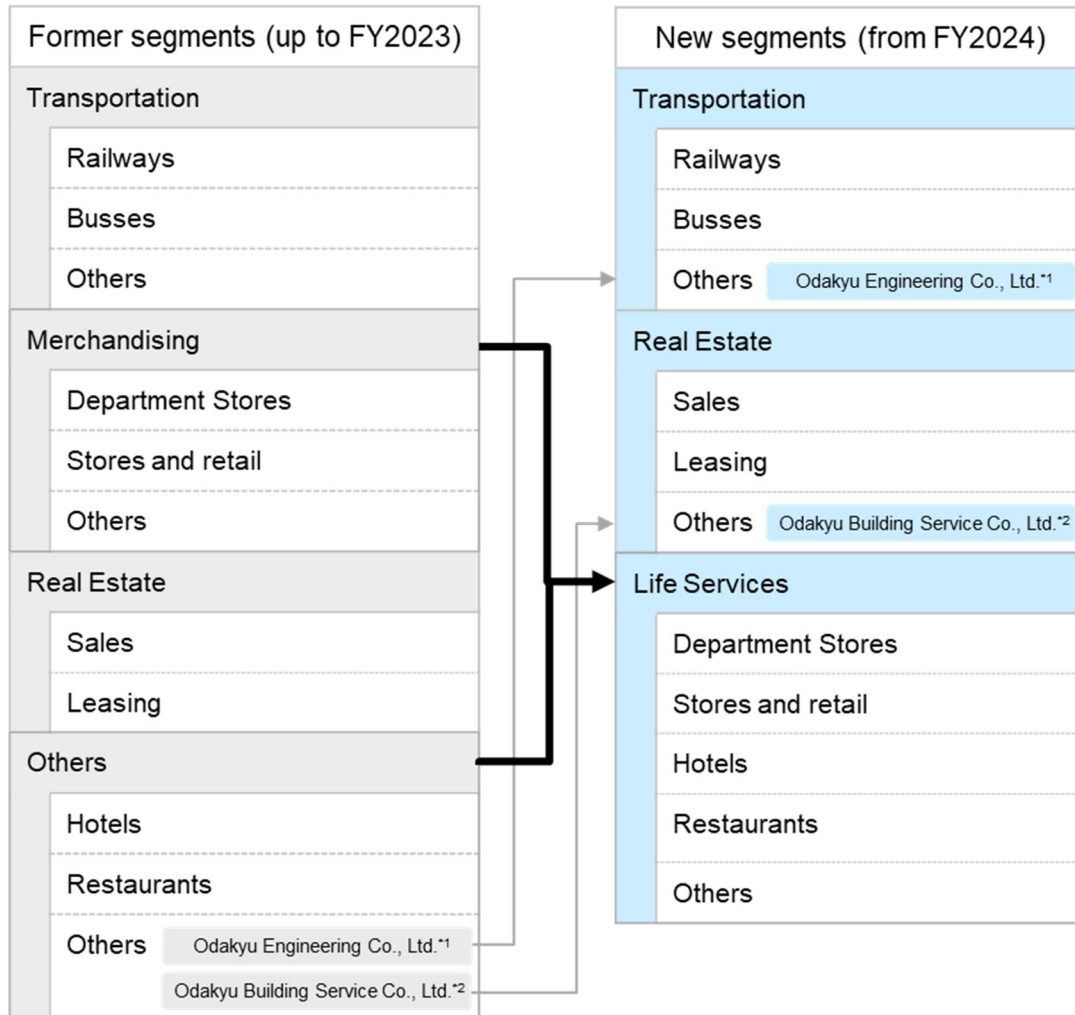
\*Previous period: March - August 2023

- Taking into account the impact of the change in fiscal year-end, sales for the seven-month period (March-September) increased 2.7% compared to the same month of the previous fiscal year.

**Q8. Please describe the changes in segment presentation.**

- Segments (including their names) were changed based on consolidated financial targets in the Management Vision at the beginning of FY2024.
- The former "Merchandising" and "Others" segments have been integrated under "Life Services," and the segments of some consolidated subsidiaries were revised.
- Figures for FY2023 have been reclassified into the revised segments in the published data.

(Reference) Overview of segment changes



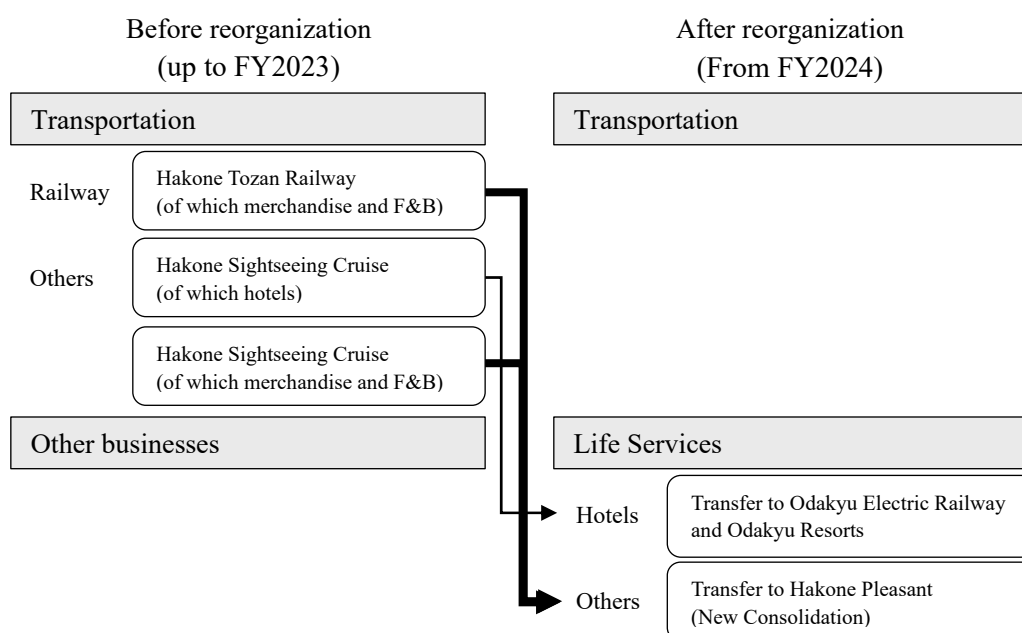
\*1 Railway maintenance

\*2 Building management

**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 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 (Only available in Japanese)

[https://www.odakyu-hakone.jp/common/pdf/20240124\\_info.pdf](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.