

February 13, 2025

Odakyu Electric Railway Co., Ltd.

IR Office

Financial Results in the First Three Quarters 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 three quarters 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 (January 1–29, 2025) Both commuters and non-commuters remained at the same level as the previous fiscal year. Note: Compared to the same days of the previous fiscal year
Odakyu Department Stores	Sales (January 1–29, 2025) The Shinjuku Store, the Machida Store, and the Fujisawa Store were at the same level as the previous fiscal year. Note: Compared to the same days of the previous fiscal year
City Hotels	Occupancy rate (January 1–29, 2025) Hotel Century Southern Tower 86.1%
Hakone area	Number of passengers using Hakone-Yumoto Station (January 26–February 1, 2025) Remained at approximately 118% for weekdays and approximately 116% for weekends and public holidays Note: Compared to the same week of the previous fiscal year
	Hakone resort hotels* occupancy rate (January 1–29, 2025) Remained at approximately 50–60% *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	End-January 2025 (Results)	End-FY2024 (Plan)	End-FY2032 (Plan)
	14 stations, 40 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, Umeagaoka, Noborito, Machida, Sagami-Ono, Ebina*, Hon-Atsugi, Chuo-Rinkan, Yamato*	Ebina*, 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 Three Quarters of FY2023	First Three Quarters of FY2024	Change
Shinjuku	Hotel Century Southern Tower	88.6	89.9	+1.3p
Hakone	Hotel de Yama	73.9	74.9	+1.0p
	Hakone Highland Hotel	67.8	66.2	(1.6p)
	Hatsuhana	59.9	67.5	+7.6p
	Hakone Yutowa	79.1	84.0	+4.9p
Gotemba	HOTEL CLAD	70.2	79.6	+9.4p

Percentage of foreign guests (Unit: %)		First Three Quarters of FY2023	First Three Quarters of FY2024	Change
Shinjuku	Hotel Century Southern Tower	82.5	88.3	+5.8p
Hakone	Hotel de Yama	20.3	25.4	+5.1p
	Hakone Highland Hotel	14.2	16.7	+2.5p
	Hatsuhana	19.1	24.6	+5.5p
	Hakone Yutowa	53.3	54.4	+1.1p
Gotemba	HOTEL CLAD	50.0	60.9	+10.9p

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

City hotels

- Occupancy rates in February and March are expected to be approximately 90%.
- Room rates are expected to remain at high levels comparable to or higher than the First Three Quarters of FY2024 from March onward, although they are expected to fall temporarily in the off-peak period of January and February.

Hakone resort hotels\*

- Occupancy rates are expected to be approximately 50–60% in February and 70–80% in March.
- Room rates, particularly hotels with a high ratio of inbound tourists, are expected to remain at high levels comparable to or higher than the First Three Quarters of FY2024 from March onward, although they are expected to fall temporarily in the off-peak period of January and February.

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

**Q5. What is the status of initiatives to capture tourism demand (especially inbound tourism)?**

- 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.

- In ticket package sales, we will drive initiatives such as renewal of our multilingual website and official social media site, as well as strengthening partnerships with overseas OTAs (online travel agents), to capture robust inbound demand.
- In addition to strengthening sales of package products that combine the Group's transportation services with Hakone-area hotels, we plan to launch new inbound-focused destination tours to increase per-customer spending.

#### [Hakone area]

##### Current Status

- The number of the Hakone Freepass tickets sold in the First Three Quarters of FY2024 was down by 9.1% compared to the record high of FY2018. However, it was up 6.5% from the previous fiscal year and remains on an uptrend.
- In particular, the number of tickets sold to foreign customers rose 30.1% versus FY2018, setting a new record.

Hakone Freepass (Unit: 1,000 tickets)	Number of tickets sold		
		Foreign customers	Percentage
First Three Quarters of FY2018	<b>718</b>	208	29.0%
First Three Quarters of FY2023	613	225	36.7%
First Three Quarters of FY2024	653	<b>271</b>	<b>41.5%</b>

\* **Bold**: Record high

- The number of tickets for the sightseeing cruises and ropeway sold to foreign groups rose 20% versus FY2018. These attractions have been particularly popular with guests from Asia and the United States.
- Our hotels have also been steadily capturing inbound demand and this is being reflected in higher room rates. (Please refer to Q3 and Q4.)

##### Future measures

- By renovating various facilities, we will enhance the overall appeal of the Hakone area and strengthen its ability to attract visitors.

	Facility name	Scheduled completion / opening	Investment amount
(1)	Within Moto-Hakone Port Special cabin of the pirate ship <i>Victory</i>	March to late April 2025	Total approx. ¥500 million
(2)	Hakone Ropeway Owakudani Station 1F Tanino-Terrace Owakudani station-front plaza		
(3)	RETONA HAKONE*	December 2025	—

\*Full renovation of the former Hakone Lake Hotel

##### (Reference) News releases

- (1) [Start of Renewal of Moto-Hakone Port and Special Cabin of the Pirate Ship \*Victory\*](#) (Dec.2, 2024, Japanese only)
- (2) [Carrying out Renovation Work on Owakudani Station and Tanino-Terrace Owakudani](#)

[\(Station Front Plaza\)](#) (Nov. 26, 2024, Japanese only)

(3) [RETONA HAKONE to Open in December 2025](#) (Nov. 15, 2024, Japanese only)

**Q6. 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 10 months (March 2024 to December 2024) in the First Three Quarters of FY2024, as well as year-on-year sales increase of foods, cosmetics and luxuries, and the contribution of inbound demand (tax exemption).

Revenue from operations (Unit: Millions of yen)	First Three Quarters of FY2024	Change
Shinjuku Store	10,854	+29.2%
Over-the-counter	10,400	+28.1%
Machida Store	7,531	+16.2%
Fujisawa	1,720	+22.3%
Others	1,472	+8.3%
Total	21,579	+22.2%

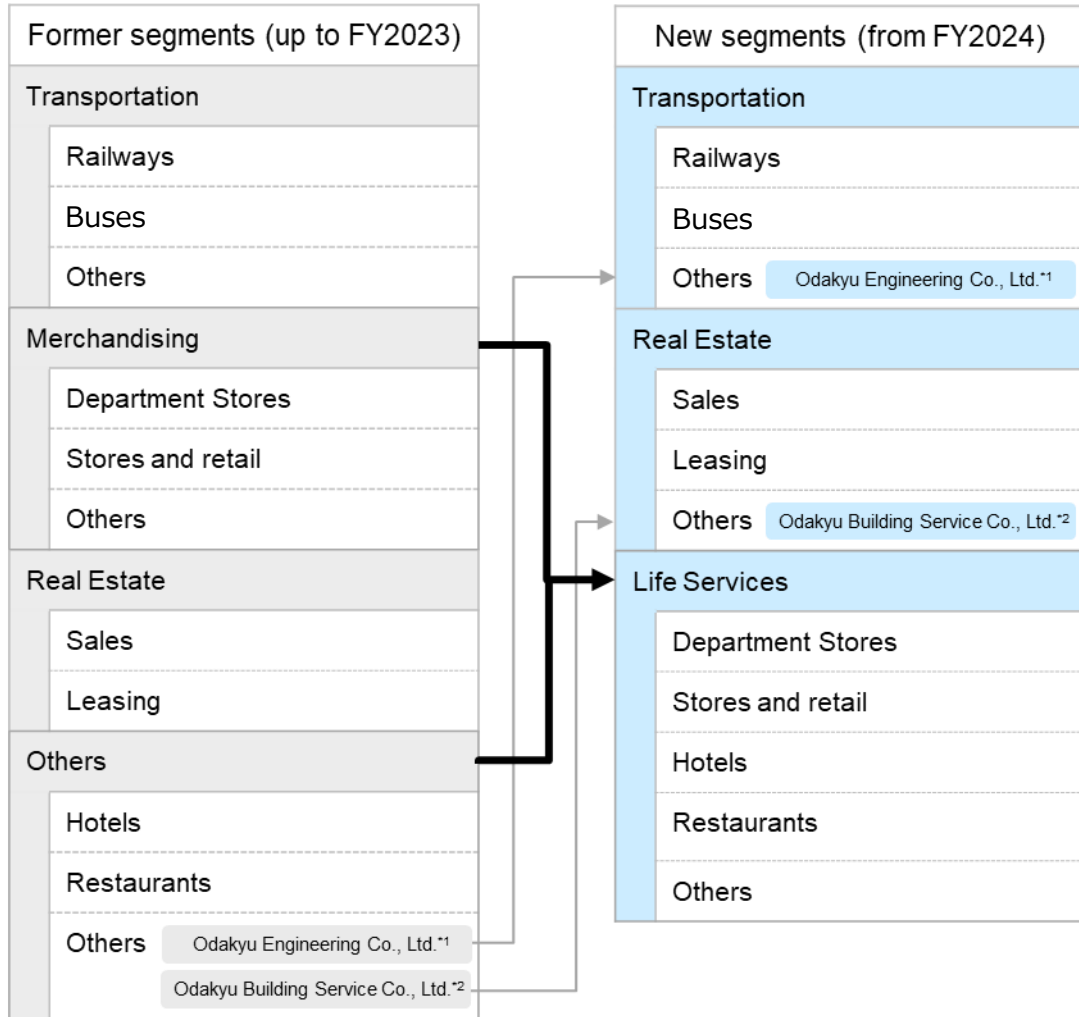
\*Previous period: March–November 2023

- Taking into account the impact of the change in fiscal year-end, sales for the 10-month period (March–December) increased 2.1% compared to the same period of the previous fiscal year.

**Q7. Please describe the changes in segment presentation. [reprint]**

- 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



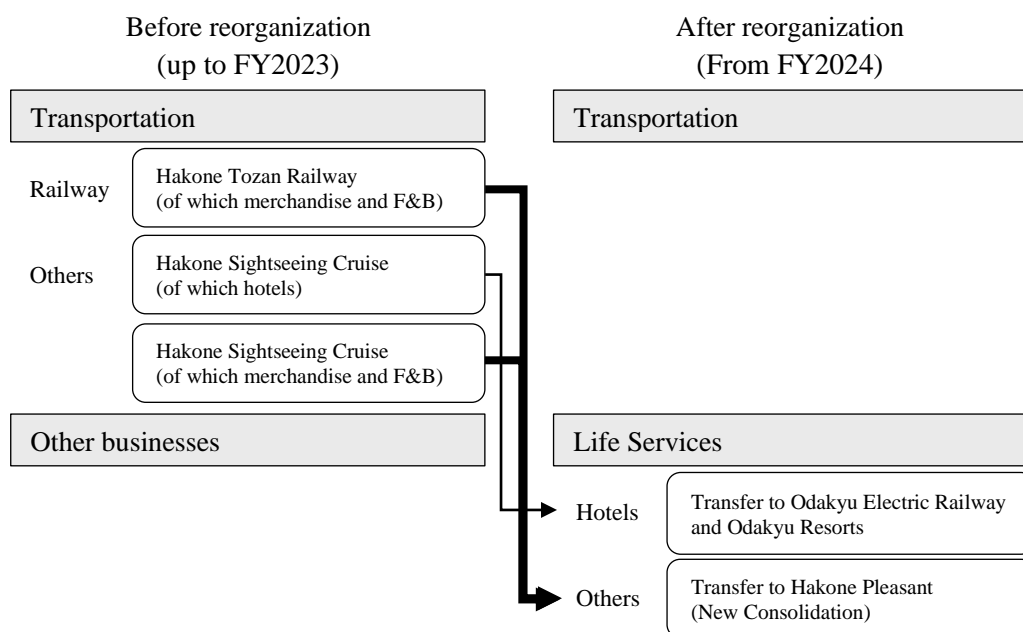
\*1 Railway maintenance

\*2 Building management

**Q8. Please describe the reorganization of the Hakone Group companies. What is the impact on earnings? 【reprint】**

- 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) Jan. 24, 2024, Odakyu Hakone News Release

Notice Concerning Reorganization of Odakyu Hakone Group (Japanese Only)

[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.

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