Progress with the Group Medium-Term Management Plan (FY2015-2017)

November 2, 2016
Summary of Financial Results for FY2016
(ending March 31, 2017)
## Consolidated financial results for the first half of FY2016
(ending March 31, 2017)

<table>
<thead>
<tr>
<th>Million of yen</th>
<th>First half of FY2016</th>
<th>First half of FY2015</th>
<th>Change</th>
<th>Forecast at Apr. 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from operations</td>
<td>252,146</td>
<td>256,763</td>
<td>△ 4,616 (△ 1.8%)</td>
<td>257,700</td>
<td>△ 5,553 (△ 2.2%)</td>
</tr>
<tr>
<td>Operating income</td>
<td>27,558</td>
<td>28,821</td>
<td>△ 1,262 (△ 4.4%)</td>
<td>26,500</td>
<td>+ 1,058 (+ 4.0%)</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>26,340</td>
<td>26,701</td>
<td>△ 361 (△ 1.4%)</td>
<td>24,100</td>
<td>+ 2,240 (+ 9.3%)</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>17,828</td>
<td>17,571</td>
<td>+ 256 (+ 1.5%)</td>
<td>16,200</td>
<td>+ 1,628 (+ 10.1%)</td>
</tr>
</tbody>
</table>
### Forecast of Consolidated Financial Results for FY2016 (ending March 31, 2017)

<table>
<thead>
<tr>
<th>Million of yen</th>
<th>FY2016</th>
<th>FY 2015</th>
<th>Change</th>
<th>Forecast at Apr. 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from operations</td>
<td>523,900</td>
<td>529,812</td>
<td>△ 5,912 (△ 1.1%)</td>
<td>537,900</td>
<td>△ 14,000 (△ 2.6%)</td>
</tr>
<tr>
<td>Operating income</td>
<td>47,500</td>
<td>52,934</td>
<td>△ 5,434 (△ 10.3%)</td>
<td>49,000</td>
<td>△ 1,500 (△ 3.1%)</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>42,900</td>
<td>45,695</td>
<td>△ 2,795 (△ 6.1%)</td>
<td>43,400</td>
<td>△ 500 (△ 1.2%)</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>27,400</td>
<td>27,497</td>
<td>△ 97 (△ 0.4%)</td>
<td>28,400</td>
<td>△ 1,000 (△ 3.5%)</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>709,700</td>
<td>715,876</td>
<td>△ 6,176</td>
<td>709,700</td>
<td>–</td>
</tr>
</tbody>
</table>
Progress with the Group Medium-Term Management Plan
(November 2016)
Outline of Long-Term Vision 2020

Basic Policy

Our Challenge
To achieve the Group’s management principle of helping customers create “irreplaceable times” and “rich and comfortable lifestyles, “we will aspire to become a dynamic corporate group by further strengthening the business infrastructure and sewing and nurturing seeds of growth by FY2020.

Group Growth Strategy

Theme I  Maximize Group revenue along the Odakyu Line after completion of multiple double tracks.
Theme II  Sew and nurture seeds of growth by FY2020.

Mission ① Selective strengthening of existing business
Mission ② Promotion of redevelopment around core stations
Mission ③ Penetration of existing businesses beyond the Odakyu Line
Mission ④ Development of new businesses

Consolidated Numerical Targets

<table>
<thead>
<tr>
<th></th>
<th>Revenue from operations</th>
<th>EBITDA</th>
<th>IBD/EBITDA Ratio*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>600.0 billion yen</td>
<td>100.0 billion yen</td>
<td>7.0 times (maximum)</td>
</tr>
</tbody>
</table>

*Interest-bearing debt to EBITDA ratio

• Set a growth investment budget of 40.0 billion yen (an extent not to exceed an IBD/EBITDA ratio of 7.0 times).
• Strive for efficient management by setting consolidated revenue from operations, EBITDA, and IBD/EBITDA ratio as management indicators and closely watching ROA and ROE.
Key Measures in the Medium-Term Management Plan

Theme I  Maximize Group revenue along the Odakyu Line after completion of multiple double tracks.

**Mission ① Selective strengthening of existing business**

1. Maximization of the benefits of multiple double tracks and transportation network improvement

   *Target: Increase of approx. 5.0 billion yen in transportation revenue in FY2020 (compared to FY2015)*

2. Attraction of inbound foreign tourists and capturing of tourism demand

   *Target: Inbound-related revenue from operations of 23.0 billion yen in FY2018 (FY2015: 15.0 billion yen)*

3. Expansion of measures to realize a highly livable railway line

**Mission ② Promotion of redevelopment around core stations**

4. Consideration and Promotion of redevelopment plans for areas around Odakyu Line core stations

5. Consideration of a redevelopment plan for a Shinjuku Station West Exit area that will prevail in intercity competition

Theme II  Sew and nurture seeds of growth by FY2020.
(1) Maximization of the benefits of multiple double tracks and transportation network improvement

Transportation improvement benefits due to completion of multiple double tracks as a result of a March 2018 (planned) diagram revision announced in April 2016

I Provision of a pleasant transportation environment through alleviation of congestion

- Increased frequency from the current 27 trains per peak hour to **36 trains* after completion**
- Congestion rate reduction from 191% to approx. **160% after completion**
  *The number of trains operated in the congested section (Setagaya-Daita → Shimo-Kitazawa)*

II Improved access to the city center through shortening of travel times

- Increase rapidity and shorten travel times, mainly during rush hour periods.
- Example: Shortening of travel time from Machida to Shinjuku by **10 min.** from 48 min. to **38 min.** (Trains arriving in Shinjuku at approx. 08:30 on weekdays)

III More convenient access to central Tokyo through increased frequency of Chiyoda Line through trains

- Increased frequency from the current 5 trains per peak hour to **12 trains* after completion**
  *Shinjuku-bound trains: Current 22 trains → 24 trains after completion*

Dispel the image that the Odakyu Line is crowded.

Enhance Odakyu’s status as the railway line chosen by customers.

Publicize the highly convenient access to central Tokyo via the Tokyo Metro Network, as well as to Shinjuku.

Target

Increase of approx. **5.0 billion yen** in transportation revenue in FY2020 (compared to FY2015)

*Travel times and numbers of trains operated are estimates that are subject to change.*
Progress with Key Measures
Theme I Maximize Group revenue along the Odakyu Line after completion of multiple double tracks.

(1) Maximization of the benefits of multiple double tracks and transportation network improvement

Transportation improvement benefits in Limited Express Romancecar service (March 2018 (planned) diagram revision)

- Increased frequency of Limited Express Romancecar trains during commuting hours
  - Increased frequency during weekday morning rush hours
    - Increase of 4 trains from the 7 trains currently in operation
    - 7 of the 11 trains will arrive in Shinjuku and Otemachi between 07:00 and 08:59.
  - Increased frequency during weekday nighttime hours
    - Increase of 1 train during late night hours from the current 23 trains in operation

Renewal of the Limited Express Romancecar EXEα (Type 30000)

Overview of Renewal
- Rail cars to be renewed: One ten-car train in FY2016
- Passenger capacity: 578 passengers (all reserved seats)
- Investment amount: Approx. 1.3 billion yen (amount for the first train renewed)
- Start of commercial operation: March 2017 (planned)

Provision of comfortable commuting service by Limited Express Romancecar to greater numbers of customers

*Travel times and numbers of trains operated are estimates that are subject to change.*
Attraction of inbound foreign tourists and capturing of tourism demand

Transportation improvement benefits in Limited Express Romancecar service (March 2018 (planned) diagram revision)

- **Upgrading of Hakone tourist transportation**
  - **Production of a new Limited Express Romancecar model**
    - Start of commercial operation of the new Type 70000 Limited Express Romancecar equipped with an observation car
  - **Departure of trains equipped with an observation car at easy-to-remember times**
    - Departure on the hour of highly popular Super Hakone trains (non-stop service between Shinjuku and Odawara), which operate from Shinjuku Station on Saturday, Sunday, and holiday mornings
    - Trains departing at 09:00, 10:00, 11:00 (new type, VSE)
  - **Shortening of travel time**
    - Fastest travel time from Shinjuku to Hakone Yumoto by Limited Express Romancecar shortened from under 90 minutes to **under 80 minutes**

- **Manufacturing of the new Type 70000 Limited Express Romancecar**

*Travel times and numbers of trains operated are estimates that are subject to change.*

**Overview of the new Type 70000 Limited Express Romancecar**

- **Concept**: A Romancecar for Traveling to Hakone in Elegance and Comfort
- **Number of carriages manufactured**: Two trains, total of 14 carriages
- **Passenger capacity**: 400 passengers (all reserved seats)
- **Investment amount**: Approx. 4.0 billion yen (two-train total)
- **Start of commercial operation**: March 2018 (planned)
Progress with Key Measures
Theme I Maximize Group revenue along the Odakyu Line after completion of multiple double tracks.

(3) Expansion of measures to realize a highly livable railway line
(4) Consideration and Promotion of redevelopment plans for areas around Odakyu Line core stations
(5) Consideration of a redevelopment plan for a Shinjuku Station West Exit area that will prevail in intercity competition

Main projects during the current medium-term management plan

**Shin-Yurigaoka**...P12
Serviced apartments for the elderly
Opening of Reoda Shin-Yurigaoka

**Shino-Kitazawa**
Implementation of Shino-Kitazawa area
a boveground land use project
Opening of Resia Daita Terrace (January 2016)

**Shinjuku ↔ Ebina and elsewhere** ...P13
Start of a renovated housing subleasing business

**Ebina**...P14
Implementation of development plan of the district between stations in Ebina

**Shinjuku**
Shinjuku Station West Exit area
redevelopment plan
- Promotion of plan consideration
- Promotion of stakeholder discussions

**Shonandai**...P12
Development of a student residence

**Fujisawa**...P12
Serviced apartments for the elderly
Opening of Reoda Fujisawa
Progress with Key Measures
Theme I Maximize Group revenue along the Odakyu Line after completion of multiple double tracks.

(3) Expansion of measures to realize a highly livable railway line

### Development of a student residence in Shonandai
- Inflow of young people along the Odakyu Line
- Creation of opportunities for interaction between students and neighborhood residents at a residence that serves as a local community hub

<table>
<thead>
<tr>
<th>Site area</th>
<th>799.83 m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor area</td>
<td>Approx. 3,500 m²</td>
</tr>
<tr>
<td>Purpose of use</td>
<td>Residence with meals</td>
</tr>
<tr>
<td>Number of rooms</td>
<td>Residence area: 158 rooms / Cafeteria: 1 location</td>
</tr>
<tr>
<td>Planned completion</td>
<td>February 2018</td>
</tr>
<tr>
<td>Features</td>
<td>Cafeteria open and services available to the general public</td>
</tr>
</tbody>
</table>

### Opening of new serviced apartments for the elderly
- Opening of the first Reoda serviced apartments for the elderly in Kanagawa Prefecture

<table>
<thead>
<tr>
<th>Site area</th>
<th>793.20 m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor area</td>
<td>2,607.01 m²</td>
</tr>
<tr>
<td>Number of floors</td>
<td>6 aboveground floors</td>
</tr>
<tr>
<td>Number of apartments</td>
<td>38 units</td>
</tr>
<tr>
<td>Planned opening</td>
<td>December 2016</td>
</tr>
</tbody>
</table>

### Reoda Shin-Yurigaoka
- **Plan overview**

<table>
<thead>
<tr>
<th>Site area</th>
<th>793.20 m²</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Number of apartments</td>
<td>38 units</td>
</tr>
<tr>
<td>Planned opening</td>
<td>December 2016</td>
</tr>
</tbody>
</table>

### Reoda Fujisawa
- **Plan overview**

<table>
<thead>
<tr>
<th>Site area</th>
<th>661.70 m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor area</td>
<td>2,627.52 m²</td>
</tr>
<tr>
<td>Number of floors</td>
<td>8 aboveground floors</td>
</tr>
<tr>
<td>Number of apartments</td>
<td>50 units</td>
</tr>
<tr>
<td>Planned opening</td>
<td>Around February 2017</td>
</tr>
</tbody>
</table>

*Total of four properties including Reoda Kyodo and Reoda Seijo (already in operation)*
Progress with Key Measures
Theme I Maximize Group revenue along the Odakyu Line after completion of multiple double tracks.

(3) Expansion of measures to realize a highly livable railway line

Start of Odakyu Anshin Sublease, a renovated housing subleasing business

- **Business scheme**
  - A subleasing business in which Odakyu Electric Railway rents properties on the condition of renovation by the owners and rents them to tenants.
  - Odakyu Real Estate Co., Ltd. is responsible for owner recruitment and rental management. Real estate venture company Haptic Co., Ltd. renovates properties with natural designs, and goodroom Co., Ltd. recruits tenants through its goodroom rental property information site.

- **Business area**
  - For a time, the business will focus mainly on the Odakyu Line and JR Yamanote Line.

- **Start of operation**
  - October 17, 2016

**Business scheme**

- Renovation work
  - Property owner → HAPTIC
  - Master lease agreement

- Property rental and subleasing
  - Odakyu Electric Railway

- Owner recruitment and rental management
  - Odakyu Real Estate

- Tenant recruiting
  - Subleasing agreement
  - goodroom

- Tenant

**Capital relationships**

- gooddays holdings, Inc.
  - Pure holding company

- Haptic Co., Ltd.
  - Home renovation

- goodroom Co., Ltd.
  - Rental property information site operation

- Odakyu Electric Railway Co., Ltd.
  - Capital contribution

- 100% ownership

Establishment of a new earnings model in collaboration with a real estate venture company with competitive strength in rental of properties for young people.

Aim to enter new business sectors through further collaboration with venture companies.
Progress with Key Measures
Theme I Maximize Group revenue along the Odakyu Line after completion of multiple double tracks.

(4) Consideration and Promotion of redevelopment plans for areas around Odakyu Line core stations

Development plan of the district between stations in Ebina

Artist’s perspective

Plan overview

- **Site area**: Approx. 35,000 m²
- **Floor area**: Approx. 175,000 m²

**Investment amount**: Approx. 32.2 billion yen
**Construction schedule (planned)**: FY2016 construction start FY2025 completion

**Residential Area**
High-rise condominiums, serviced apartments for the elderly, childcare facilities, etc.

**Prosperity Creation Area**
Office buildings, commercial facilities, fitness club, etc.

Progress with Development

**Overview**
Construction of convenience store (A), commercial facilities (B)

**Start of construction**
Start of construction in October 2016

**Planned completion of construction**
Spring 2017 Convenience store
Autumn 2017 Commercial facilities
Key Measures in the Medium-term Management Plan
Theme II Sew and nurture seeds of growth by FY2020.

Theme I Maximize Group revenue along the Odakyu Line after completion of multiple double tracks.

Theme II Sew and nurture seeds of growth by FY2020.

Mission 3 Penetration of existing businesses beyond the Odakyu Line

(1) Expansion of the hotel business

Target: Opening of approx. 10 stores and revenue from operations of 40.0 billion by FY2020

(2) Stepping up of supermarket openings

(3) Expansion of restaurant openings, including overseas

(4) Tie-ups with outside partners and M&As, real estate acquisitions, etc. utilizing the growth investment budget

Mission 4 Development of new businesses

(5) Deployment of a new real estate supply model

(6) Deployment of a coordination business utilizing real estate

(7) Opening of department stores and supermarkets in new formats

(8) Development of e-commerce
(1) **Expansion of the hotel business**

**Target**

Opening of **approx. 10 stores** and revenue from operations of **40.0 billion** by FY2020

- **Urban hotels**
  - Focus on opening of hotels by renovating medium-size buildings
  - Mid-priced hotels specializing in lodging

- **Resort hotels**
  - Opening of hotels by renovating hotels and inns or new construction in resort areas
  - Consideration of luxury class as a hotel grade

**Anticipated areas:** Areas where a certain level of demand can be expected

- Odakyu Line and nearby areas: Central Tokyo, Fuji, Hakone, Izu, Enoshima/Kamakura, etc.
- Other areas and overseas: Kyoto, Osaka, Kyushu, Okinawa, China, Southeast Asia, etc.

**Real estate (Hotels by UDS)**

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>289</td>
<td>400</td>
</tr>
<tr>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>278</td>
<td>350</td>
</tr>
</tbody>
</table>

1st Hotel*

**Gotemba** ...P17
Odakyu Gotemba Hotel (provisional name)

2nd Hotel*

**Nihombashi Hamacho (Nihombashi area in Tokyo)** ...P18
Opening of a hotel in a multipurpose building developed by Yasuda Real Estate Co., Ltd.

3rd and 4th Hotels*

**Okinawa (Miyakojima area)** ...P18
Miyakojima Shimozaato Hotel (provisional name)
Higashikaigan Resort (provisional name)

*In the order announced
(1) Expansion of the hotel business

**Opening of Odakyu Gotemba Hotel / Odakyu Gotemba Hot Spring (provisional names)**

<table>
<thead>
<tr>
<th>Plan overview</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>On the Gotemba Premium Outlet grounds</td>
<td></td>
</tr>
<tr>
<td>Facilities area</td>
<td>Approx. 9,500 m²</td>
<td></td>
</tr>
<tr>
<td>Operator</td>
<td>Odakyu Resorts Co., Ltd.</td>
<td></td>
</tr>
<tr>
<td>Number of floors</td>
<td>1 underground, 8 aboveground floors</td>
<td></td>
</tr>
<tr>
<td>Number of rooms</td>
<td>Approx. 180 rooms</td>
<td></td>
</tr>
<tr>
<td>Planned opening</td>
<td>Winter 2019</td>
<td></td>
</tr>
</tbody>
</table>

**Plan overview**

| Location | On the Gotemba Premium Outlet grounds | |
| Facilities area | Approx. 3,300 m² | |
| Operator | Odakyu Resorts Co., Ltd. | |
| Number of floors | 2 aboveground floors | |
| Hotel facilities | Hot bath facilities, restaurant, etc. | |
| Planned opening | Winter 2019 | |

**Odakyu Gotemba Hotel (provisional name)**

**Odakyu Gotemba Hot Spring (provisional name)** (day spa hot bath facility)

Progress with Key Measures

Theme II Sew and nurture seeds of growth by FY2020.
(1) Expansion of the hotel business

Expansion of the hotel business by UDS

- Opening of a hotel in a multipurpose building developed by Yasuda Real Estate Co., Ltd.
- Opening of two hotels in Miyakojima

Plan overview

<table>
<thead>
<tr>
<th>Developer</th>
<th>Yasuda Real Estate Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Nihombashi Hamacho, Chuo Ward, Tokyo</td>
</tr>
<tr>
<td>Purpose of use</td>
<td>Hotel (1st to 15th floors), residential complex (1st to 15th floors), restaurants (1st floor)</td>
</tr>
<tr>
<td>Number of floors</td>
<td>15 aboveground floors, 1 underground floor, 1 penthouse floor</td>
</tr>
<tr>
<td>Completion</td>
<td>December, 2018 (planned)</td>
</tr>
<tr>
<td>Business structure</td>
<td>UDS Ltd. will lease the building from Yasuda Real Estate Co., Ltd. and operate a hotel.</td>
</tr>
</tbody>
</table>

Miyako Shimozato Hotel (provisional name)

- Location: Miyakojima City, Okinawa
- Number of floors: 7 aboveground floors (including the rooftop)
- Number of rooms: 100 rooms
- Planned opening: First half of 2018
- Business structure: Okinawa UDS Ltd. will lease the building from Nikken Housing Co., Ltd. and operate a hotel.

Higashikaigan Resort (provisional name)

- Location: Miyakojima City, Okinawa
- Number of floors: Administration building and stand-alone villas
- Number of rooms: 41 rooms
- Planned opening: First half of 2018
- Business structure: Okinawa UDS Ltd. will lease the building from Nikken Housing Co., Ltd. and operate a hotel.

- Okinawa UDS Ltd. (a wholly owned subsidiary of UDS Ltd.) was established in October 2016 to engage in business planning, architectural design, and operation of hotels and resort facilities in Okinawa.

- Opening of multiple hotels and resort facilities in various areas of Okinawa
- Odakyu Electric Railway plans to make Okinawa UDS Ltd. a consolidated subsidiary.
Progress with Key Measures
Theme II Sew and nurture seeds of growth by FY2020.

(4) Tie-ups with outside partners and M&As, real estate acquisitions, etc. utilizing the growth investment business

(8) Development of e-commerce

Capital and business tie-up with Shirohato Co., Ltd.

### Overview of the capital and business tie-up

**Overview of the capital tie-up**
- Odakyu Electric Railway will acquire 20% of the ordinary shares of Shirohato Co., Ltd.
- Odakyu plans to make Shirohato an equity-method affiliate.

**Overview of the operational tie-up**
1. Sales expansion through mutual complementation of enterprise resources
2. Mutual utilization of e-commerce business expertise and the Odakyu Group's creditworthiness and brand power
3. Personnel and information exchanges
4. Cooperation and promotion in areas such as development of new business fields and new services

### Overview of Shirohato Co., Ltd.

- **Trade name**: Shirohato Co., Ltd. (listed on JASDAQ)
- **Established**: August 20, 1974
- **Number of Employees**: 69 (as of August 31, 2016)
- **Capitalization**: 276 million yen
- **Business lines**: Specialty innerwear e-commerce business
- **Sales**: 4,595 million yen (as of August 31, 2016)
- **Operating income**: 179 million yen (as of August 31, 2016)

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Utilization of expertise relating to the e-commerce business through personnel exchanges

Mutual customer referral between the businesses of Shirohato and the Odakyu Group and mutual utilization of marketing information
Progress with Key Measures
Theme II Sew and nurture seeds of growth by FY2020.

(7) Opening of department stores and supermarkets in new formats
(8) Development of e-commerce

<table>
<thead>
<tr>
<th>Initiatives at department stores and supermarkets</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Further opening of small stores</td>
</tr>
<tr>
<td>▶ Aim to open <strong>approx. 10 stores</strong> by FY2018.</td>
</tr>
<tr>
<td>▶ Results during the current medium-term management plan</td>
</tr>
<tr>
<td>▶ Satellite shop (1 shop)</td>
</tr>
<tr>
<td>■ Start of test operation of a merchandise pickup service using coin lockers at the Shinjuku Station West Exit</td>
</tr>
<tr>
<td>▶ Odakyu Department Store to start the Odakyu Cosmetics Online service in November 2016</td>
</tr>
<tr>
<td>▶ Test operation of a service to enable customers to pick up merchandise at coin-operated lockers in Shinjuku Station as one way of receiving merchandise</td>
</tr>
</tbody>
</table>

Odakyu Department Store Oasis Atsugi
- New merchandising shops (3 shops)

Desk my Style Yokohama Joinus

Odakyu OX MART store opening (supermarket)
- Development of stores in accordance with the different needs of each station
  - A new store format that combines a souvenir shop and a convenience store

<table>
<thead>
<tr>
<th>Store name</th>
<th>Odakyu OX MART Odawara</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening</td>
<td>July 2016</td>
</tr>
<tr>
<td>Sales floor area</td>
<td>Approx.142 m²</td>
</tr>
</tbody>
</table>

*The second Odakyu OX MART, following the Odakyu OX MART Shin-Yurigaoka Store.*
Progress with Key Measures

Growth investment budget utilization status

- About the growth investment budget

**Setting of a 40.0 billion yen* budget until FY2020**

*To an extent that does not exceed an interest-bearing debt / EBITDA multiple of 7.0 times

- Growth investment budget utilization policy

  - Real estate acquisition that contributes to increasing profitability by means including block integration with existing facilities
  - Intensive use of vacant lots, etc. acquired for development
  - Acquisition of income-generating real estate such as hotels, commercial facilities, offices, and residences
  - M&As that contribute to expanding the scale of existing businesses (real estate, distribution, restaurants, etc.)
  - Overseas expansion of existing businesses (hotels, restaurants, etc.)
  - M&As in fields related to existing business offering prospects for medium- to long-term growth
  - Development of new businesses in collaboration with venture companies and other partners

  - Property acquisition along the Odakyu Line
  - Acquisition of UDS
  - HOTEL KANRA KYOTO
  - Odakyu Gotemba Hotel / Hot Spring (provisional names)
  - Tie-up with a venture company
  - Agribusiness

- Growth investment budget utilization forecast

**Forecast of utilization of approx. 32.0 billion yen by FY2018**
Reference: Consolidated numerical plan
## Consolidated numerical plan

<table>
<thead>
<tr>
<th>Million yen</th>
<th>FY2015 (actual)</th>
<th>FY2016 (forecast)</th>
<th>FY2017 (plan)</th>
<th>FY2018 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue from operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>168,303</td>
<td>172,300</td>
<td>173,600</td>
<td>177,900</td>
</tr>
<tr>
<td>Merchandising</td>
<td>225,012</td>
<td>218,200</td>
<td>233,300</td>
<td>238,600</td>
</tr>
<tr>
<td>Real Estate</td>
<td>73,002</td>
<td>72,300</td>
<td>77,900</td>
<td>78,700</td>
</tr>
<tr>
<td>Other Business</td>
<td>100,128</td>
<td>98,000</td>
<td>101,800</td>
<td>105,200</td>
</tr>
<tr>
<td>Elimination</td>
<td>△ 36,635</td>
<td>△ 36,900</td>
<td>△ 36,100</td>
<td>△ 36,600</td>
</tr>
<tr>
<td>Total revenue from operations</td>
<td>529,812</td>
<td>523,900</td>
<td>550,500</td>
<td>563,800</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>29,795</td>
<td>28,000</td>
<td>25,800</td>
<td>28,700</td>
</tr>
<tr>
<td>Merchandising</td>
<td>3,911</td>
<td>2,700</td>
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<td>4,900</td>
</tr>
<tr>
<td>Real Estate</td>
<td>13,190</td>
<td>11,800</td>
<td>11,800</td>
<td>13,000</td>
</tr>
<tr>
<td>Other Business</td>
<td>5,872</td>
<td>4,800</td>
<td>5,900</td>
<td>6,700</td>
</tr>
<tr>
<td>Elimination</td>
<td>164</td>
<td>200</td>
<td>200</td>
<td>100</td>
</tr>
<tr>
<td>Total revenue from operations</td>
<td>52,934</td>
<td>47,500</td>
<td>48,000</td>
<td>53,400</td>
</tr>
<tr>
<td><strong>Ordinary income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>45,695</td>
<td>42,900</td>
<td>42,300</td>
<td>46,400</td>
</tr>
<tr>
<td><strong>Net income attributable to the owners of parent</strong></td>
<td>27,497</td>
<td>27,400</td>
<td>27,700</td>
<td>30,300</td>
</tr>
</tbody>
</table>
Remarks
Figures concerning the company’s business plans, future forecasts and strategies other than historical facts are forward-looking statements reflecting management’s view. Please note, since the forward-looking statements are based on information currently available, the actual results may differ from these forecasts.