August 7, 2026
Odakyu Electric Railway Co., Ltd.
IR Office

FY3/2027 1Q Results — FAQ

Note: This document presents some of the anticipated questions relating to the Company's financial results of the FY3/2027 1Q Results, together with answers to these questions. If you have any queries, etc., please contact the IR Office of Odakyu Electric Railway Co., Ltd.
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Q1. What impacts does the deteriorating Middle East situation have on the Group? Are there any changes to the assumptions built into the forecasts for FY3/2027?

- Major impacts associated with the deteriorating Middle East situation include higher power costs in Railways and higher fuel expenses in Buses due to soaring crude oil prices.
- Regarding the power costs of the Company's railway business, since contracts are renewed annually and the Company has concluded contracts for FY3/2027 that are unlikely to be impacted by fuel prices, the impact on performance will be limited. In FY3/2027 1Q, these costs were 1,641 million yen, almost unchanged year on year.
- Fuel procurement costs in Buses increased compared to normal fiscal years, but the impact on performance was limited, and, at 624 million yen in FY3/2027 1Q, they were on par with the previous year.
- We have not changed the forecasts for FY3/2027 we announced in May. Additionally, there have been no changes to the assumptions related to the impact of the Middle East situation. If the current situation drags on, impacts such as increased construction expenses and utilities expenses as well as weaker inbound tourism demand are envisaged, but the Company will continue to monitor the situation.

(Reference) Trends of power costs in Railways and fuel expenses in Buses

Unit: Millions of yen	Railways (Odakyu Electric Railway Co., Ltd.) Power costs	Buses Fuel expenses
FY3/2026 1Q (Results)	1,677	600
FY3/2027 1Q (Results)	1,641	624
FY3/2026 (Results)	7,028	2,392
FY3/2027 (Forecasts)	6,974	2,266

Q2. What is the current status of the Company's main businesses?

(July 1–21, 2026)

Railways (Odakyu Electric Railway Co., Ltd.)	Number of people passing through ticket gates Commuters: +1.4%, Non-commuters: +3.2%, Total: +2.3% * Compared to the same days of the previous year
Odakyu Department Stores	Sales Shinjuku Store +11.3%, Machida Store +2.9%, Fujisawa Store +3.7% * Compared to the same days of the previous year
City Hotels	Occupancy rate Hotel Century Southern Tower 90.3%
Hakone area	Number of passengers using Hakone-Yumoto Station Weekdays Approx. +11%, weekends and public holidays Approx. +7% * Compared to the same days of the previous year
	Hakone resort hotels* occupancy rate Remained at approximately 70–80% * Hakone resort hotels: Hotel de Yama, Hatsuhana, HAKONE YUTOWA, RETONA HAKONE and HOTEL CLAD

Q3. What is "tourism revenue" mentioned in the financial results presentation materials?

- We define the sum of the Odakyu Group's tourism-related operating revenue and duty-free transactions as "tourism revenue." Currently, Transportation (including revenue from non-commuters and limited express fares related to the Hakone and Shonan areas) accounted for around 50%, Hotels accounted for around 20%, and retail, resort temporary staffing, and other businesses were also included.
- In FY3/2027 1Q, tourism revenue increased, mainly due to an increase in the number of passengers carried in the Company's railway business and in the Hakone area and the revision of fares in Buses and in the Hakone area.

Unit: billions of yen	Tourism revenue	
		Inbound tourism only
FY3/2026 1Q (Results)	19.3	6.6
FY3/2027 1Q (Results)	21.5	7.5
FY3/2027 (Forecasts)	83.1	25.0
FY3/2031 (Targets)	120.0	45.0

* The calculation method was changed, and accordingly the results for FY3/2026 1Q (inbound only) were modified.

Q4. What is the status of tourism demand in Transportation?

- In FY3/2027 1Q, the number of Hakone Freepass tickets sold hit a new 1Q high (up 7.4% year on year). Additionally, the number of the tickets sold to inbound tourists also hit a new high (up 6.6% year on year), even though the Japan National Tourism Organization (JNTO)'s published number of foreign tourists to Japan from April to June 2026 was 10.4 million (down 5.3% year on year).
- Inbound tourists from the United States accounted for the largest share, specifically 21%, of Hakone Freepass ticket sales, followed by those from France for 8%, and by those from Australia for 6%. In a year-on-year comparison, sales from tourists from China were stagnant, whereas those from tourists from Europe, the United States and Australia grew.
- We will continue to strive to acquire foreign tourists to Japan as customers by tapping into the steady tourism demand in the Hakone area.

Unit: 1,000 tickets	Number of Hakone Freepass tickets sold		
		Inbound tourism only	Percentage
FY3/2019 1Q	231	73	31.8%
FY3/2026 1Q	249	104	***<u>41.7%</u>***
FY3/2027 1Q	***<u>267</u>***	***<u>111</u>***	41.4%

* ***<u>Bold</u>***: Record high

Q5. What is the status of tourism demand in Hotels?

- Reservations for hotel stays in August and later in separate categories are as follows.

<City hotels>

  - Occupancy rates in August and September are expected to be approximately 90%.
  - It is expected that room rates will decrease in August but remain at the level of FY3/2027 1Q in September.

<Hakone resort hotels> (Hotel de Yama, Hatsuhana, HAKONE YUTOWA, RETONA HAKONE and HOTEL CLAD)

  - Occupancy rates are expected to be at the 80% level in August and around 70% in September.
  - Room rates are on an upward trend in August, which is the month including the O-Bon season. In September, they are expected to remain at the same level of FY3/2027 1Q.
  - Hakone Highland Hotel has been closed for renovation since May 7, 2025.

- Going forward, renovations and other improvements of additional value will be made at other hotels to capture domestic demand as well as strong inbound tourism demand.

[Renovations]

Area	Hotel name	Last date of operation	Opening date
Hakone	RETONA HAKONE (formerly Hakone Lake Hotel)	—	December 15, 2025
Hakone	Hakone Highland Hotel	May 6, 2025	Autumn 2027 (plan)
Shinjuku	Hotel Century Southern Tower	September 30, 2026*1	Spring 2028 (plan)*2

*1 Final operating date for banquet halls, conference rooms, restaurants and lounges: March 31, 2027
*2 Restaurants and lounges are expected to open earlier in autumn 2027

[New opening]

Area	Form of operation	Hotel name	Opening date
Hakone	Operation in trust	edit x seven Fuji Gotemba	September 1, 2025
Hakone	Owned by the Company	SYLA HOTEL HAKONE GORA	May 29, 2026
Hakone	Owned by the Company	All-detached Japanese-style villa hotel (Gora)*	Spring 2028 (plan)

* Name to be determined

Q6. What impacts does the suspension of accommodation operations at the Southern Tower due to renovation work have? (from October 2026)

- In the FY3/2027 forecast, the Company expects sales to fall by 2,400 million yen year on year.
- While recent performance is strong, we decided to go ahead with this renewal ahead of the hotel's 30th anniversary in 2028, in order to achieve its evolution into a more sophisticated urban-style hotel and meet diversifying needs.
- We will limit the impact of the renovation work on performance by minimizing the period of business suspension by fully suspending accommodation operations and staggering the timing of the construction work on banquet halls and restaurants.

Q7. What is the progress of platform door installation in the railway business of Odakyu Electric Railway?

- We recently expanded the target number of stations for platform door installation by the end of FY3/2033 from 37 to 47.
- We are installing platform doors mainly by using a system developed by the government to increase fares for making railway stations barrier-free, aiming to complete the installation at all stations between Shinjuku and Isehara, all stations on the Tama Line, Chuo-Rinkan, Yamato, Shonandai and Fujisawa by FY3/2033. In FY3/2027, platform doors are planned to come into service at two stations.
- We aim to develop fall prevention measures for standardizing platform doors at the remaining stations by the mid 2030s.

(Reference) Progress in and plan for platform door installation

Scheduled timing of completion	Locations (in cumulative total)	
(1) Done (As of the end of FY3/2027 1Q)	19 stations, 54 platforms	Shinjuku (excluding limited express platforms), Yoyogi-Hachiman, Yoyogi-Uehara, Higashi-Kitazawa, Shimo-Kitazawa, Setagaya-Daita, Umegaoka, Gotokuji, Chitose-Funabashi, Soshigaya-Okura, Kitami, Komae, Noborito, Machida, Sagami-Ono, Ebina, Hon-Atsugi, Chuo-Rinkan, Yamato
(2) The end of FY3/2027	21 stations, 60 platforms	Kyodo, Izumi-Tamagawa
(3) The end of FY3/2028	25 stations, 73 platforms	Minami-Shinjuku, Seijogakuen-mae, Tsurukawa, Fujisawsa
(4) The end of FY3/2029	27 stations, 79 platforms	Sangubashi, Mukogaoka-yuen
(5) The end of FY3/2033 or before (planned)	47 stations, 130 platforms	All stations from Shinjuku to Isehara (Other than the above), all stations on the Tama Line, Shonandai

* The plans for FY3/2027 and later may be subject to change depending on the provision of subsidies from local governments, the progress of installation and other factors.

Q8. What is the status of fare revisions of Group companies?

- Major fare revisions we made in FY3/2026 and thereafter are as shown in the table below.
- We will consider revising fares at the appropriate time while we continue endeavoring to build a sustainable business operation system.

(Reference) Progress in main fare revisions

Company name:	Estimated effect*1 (billion yen)		Implementation date
	FY3/2026 (Results)	FY3/2027 (Forecasts)	
Odakyu Highway Bus (Hakone Line)	0.06	0.06	April 1, 2025
Odakyu Hakone (Sightseeing Cruise, Ropeway, etc.)	0.61	1.58	October 1, 2025
Hakone Tozan Bus	0.10	0.20	October 1, 2025
Odakyu Bus (for the flat fare areas*2 and others)	0.19	0.39	October 1, 2025
Enoden Bus	Minor	0.30	March 31, 2026
Tachikawa Bus	—	0.13	April 1, 2026

*1 The effect is based on a comparison with a case where the fare revision was not made.
*2 Wards of Tokyo, a part of Kawasaki City, and a part of Yokohama City

Q9. What is the future outlook for Sales business of Real Estate?

<Sales: Sale of newly built condominiums and single-family houses under the LEAFIA brand>

- We expect that the number of units sold will be 431 in FY3/2027, which represents significant growth (up 201 units year on year). In FY3/2027 1Q, it was 28 units, which was very close to expectations.
- The major property included in projected unit sales for FY3/2027 is LEAFIA Tower Ebina Chronos Court (planning to post approximately 70% of the total number of units (304)). Currently, we have signed contracts for approximately 60% of the total number of units due to their location, a four-minute walk from the station, and the significant convenience of the neighborhood.
- Purchases have mostly been completed to cover planned supply for FY3/2028. While the purchase price is in an upward trend, we plan to proceed with purchases with a focus on areas close to stations in central Tokyo as well as the Setagaya and Komae areas along the Odakyu Lines where market needs are high.

- In the short term, growing demand associated with the acceleration of purchases in anticipation of further increases in interest rates is expected. However, in the long term, there is concern over a slowdown in demand due to the increased burden of home loan repayments. By accurately identifying market needs while strengthening sales activities targeting customers who are unlikely to be affected by home loans, we will supply products aiming to maintain or increase revenue.

(Reference: Future outlook for investment and development and purchase and resale)

<Investment and development: Developing and selling rental residences, offices, logistics facilities and other real-estate properties for investment>

- In FY3/2027, we are planning five sales, including logistics facilities and offices in central Tokyo, and will seek business expansion with our sights set on FY3/2031.
- Although recent increases in construction material expenses and labor expenses and rising interest rates will have an impact, we aim to achieve the plan through efforts to control costs and the selection of assets and areas with high levels of market demand enabling price pass-through.

<Purchase and resale: Renovating high-grade used residences and reselling them as high-grade residences>

- We plan to post 25 properties in FY3/2027 and as many as 20 or 30 annually from FY3/2028 onwards.
- Because demand from overseas investors has remained at a certain level, we will continue to work on properties in central Tokyo (Minato-ku, Chiyoda-ku, Shibuya-ku, etc.), on which we have been focusing as we establish a growing track record in the acquisition and resale of properties.
- At the same time, we are reinforcing our promotional system enabling us to respond to changes in market conditions and establish a portfolio that leverages our strengths. We also plan to proactively acquire and resell properties in areas along the Odakyu Lines (including the Setagaya and Shin-Yurigaoka areas).
- The impact from rising interest rates will be the same as for sales, with the exception of central Tokyo properties in the high price bracket, and we aim to maintain and expand revenue through initiatives such as flexibly reviewing targets.

(Related materials) Notice Concerning the Update of Medium-Term Management Plan (FY3/2025–FY3/2027), p26 Strengthening Real Estate Business (Quick Returns) (May 13, 2026)

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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