

April 28, 2023

Odakyu Electric Railway Co., Ltd.

IR Office

Financial Results of the Fiscal Year Ended March 31, 2023—FAQ

Note: This document presents some of the anticipated questions relating to the Company's financial results of the fiscal year ended March 31, 2023, together with answers to these questions. If you have any queries, etc., please contact the IR Office of Odakyu Electric Railway Co., Ltd. (+81-3-3349-2526)

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 (April 1-16 2023) Commuters remained at 82% of FY2018 and non-commuters were the same as FY2018 Note: compared to fiscal 2018
Odakyu Department Stores	Sales (April 1-16 2023) Shinjuku store remained at 25% of FY2019, Machida store was the same as FY2019, and Fujisawa store was 85% of FY2019 Note: compared to fiscal 2019 Note: The main store ceased operation on October 2, 2022 and Shinjuku West Gate HALC reopened on October 4, 2022 (sales floor decreased by approximately 20%). Additionally, SHINJUKU DELISH PARK opened in Odakyu Ace in December 1, 2022.
City hotels	Occupancy rates (April 1-16 2023) Hotel Century Southern Tower 91.7%
Hakone area	Number of passengers using Hakone-Yumoto Station (April 9-15 2023) Remained at approximately 87% for weekdays and approximately 81% for weekends and public holidays Note: compared to fiscal 2018
	Hakone resort hotel* occupancy rate (April 1-16 2023) Remained at approximately 70% *Hakone resort hotels: Hotel De Yama, Hakone Highland Hotel, and Hatsuhana

Q2. What is your outlook for the number of passengers carried in the railway business in FY2023? When will you return to pre-COVID-19 levels?

- While we believe there will be a steady recovery in the number of passengers carried following a return to normal for social and economic activities after the COVID-19 pandemic, we anticipate the number of passengers carried in FY2023 to be approximately 12% less than in FY2018 due to the establishment of new lifestyles, such as teleworking.
- These changes to lifestyles appear to be becoming permanent and we do not anticipate a recovery

to pre-COVID-19 levels even after FY2024, however we will strive to continue creating opportunities for going out every day and generate tourism demand in areas such as Hakone and Enoshima.

Q3. What were power cost trends in FY2022? Additionally, what is your outlook on trends going forward?

FY2022 results

- Railway power costs have increased by approximately ¥2.3 billion compared to the previous fiscal year, while the fuel costs for buses and taxi in each company have increased by approximately ¥200 million compared to the previous fiscal year.

FY2023 outlook

- Since the outlook for fuel costs is unclear, we have planned for railway power costs to remain at roughly the same as recent levels and expect an increase of ¥1.3 billion compared to the previous fiscal year.
- Furthermore, we expect fuel costs for buses and taxis in each company to increase by approximately ¥100 million compared to the previous fiscal year.

Q4. What was the impact of fare revisions, including those of Group companies?

Company Name		Impact Amount (Estimation)		Implementation Date
		FY2022 Result	FY2023 Outlook	
Railways	Odakyu Electric Railway (increase in express train fares)	¥270 million	¥560 million	October 1, 2022
	Hakone Tozan Railway	¥100 million	¥210 million	October 1, 2022
	Odakyu Electric Railway (barrier-free fare system)	¥120 million	¥4.8 billion	March 18, 2023
Busses	Hakone Tozan Railway	¥120 million	¥170 million	October 1, 2022
	Enoden Bus	Minimal	¥300 million	March 18, 2023
	Odakyu Highway Bus (Hakone Line)	–	¥70 million	April 1, 2023
	Odakyu Bus (within Kawasaki city)	–	¥70 million	May 15, 2023
Others	Odakyu Koutsu	¥70 million	¥200 million	November 14, 2022

Q5. Please describe the four investment properties you expect to record in FY2023.

Additionally, do you have any plans for expansion in the next fiscal year?

- We plan to purchase one logistics facility (Ichinomiya City, Aichi Prefecture) and three residences for lease (Minami Oi, Omori, and Kyodo). We also plan to purchase numerous properties from the next fiscal year.

Q6. What is the status of reservations at all Odakyu Group Hotels from May?

- Occupancy rates from May onward are expected to be approximately 90% at city hotels and approximately 70–80% at Hakone resort hotels*.

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

Q7. What is the status of inbound recovery?

(Current status of inbound recovery)

- The sales of Hakone Freepasses sold at the travel service counter for foreign tourists (Odakyu Sightseeing Service Center) in March 2023 have recovered by approximately 70% compared to before COVID-19 in 2019. This recovery trend is remarkable, approximately 25 times that of September 2022, before travel restrictions were eased. In particular, the number of tourists from South Korea, Hong Kong, Taiwan, and Singapore are on the rise.
- The foreign tourist occupancy rate for city hotels in March 2023 was approximately 80%, the same as before COVID 19 in 2018.

(Inbound measures)

- Due to the multilingual capabilities of EMot online tickets, we have enabled customers to purchase and use digital tickets, such as those for the Hakone and Enoshima areas, on a smartphone. We also launched operations that enable passengers to pay via contactless credit card payment, which is familiar to inbound tourists, at all stations on the Enoshima Electric Railway from April 2023. We also plan to introduce this system to sections of a public transportation network in the Hakone area in the summer of 2023. As a result of these measures, we are advancing the development of an environment for people to smoothly enjoy their vacation by eliminating the stress of purchasing tickets and reducing congestion at station ticket counters.
- HAKONATURE BASE, which is the hub for projects that co-create and communicate new ways to enjoy Hakone under the theme of nature-based experiences with local businesses, began operation in Hakone-Yumoto, the gateway to Hakone (April 2023). We plan to implement tours of Hakone's nature, history, and culture by Hakone DMO certified guides for not only domestic

tourists but inbound tourists, too.

- Going forward, we will disseminate information through collaboration with the Japan National Tourism Organization (JNTO) and local governments along the Odakyu Line, including the continued development of online advertising, and enhance our response to overseas tourists through EMot online tickets.

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.