

Information for Investors

Results for the FY2022

Concrete Policies Aimed at Achieving Our Management
Vision and Medium-Term Management Plan
(FY2023–FY2026)

May 10, 2023



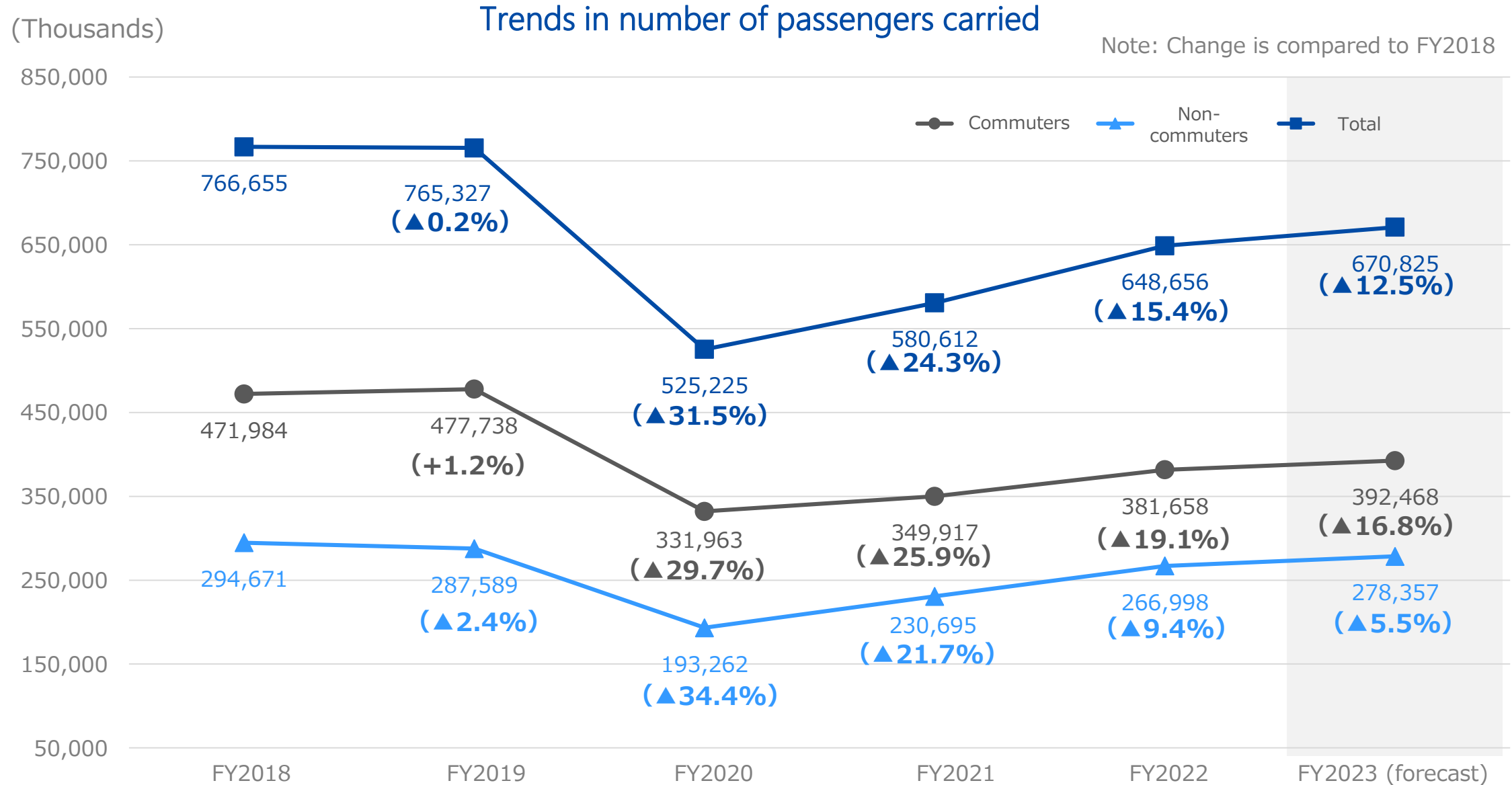
Actual Performance Overview for FY2022

Actual performance overview for FY2022

- We recovered to an operating income of ¥26.6 billion due to factors including recovery of the number of users year on year in the railway, hotel, and other businesses
- We also saw a significant increase in net income attributable to owners of parent due to proceeds recorded from sale of property and equipment following the sale of stake in Odakyu Dai-ichi Seimei Building

Millions of yen	FY2021	FY2022	Change and major factors	
Revenue from operations	358,753	395,159	+36,405 (+10.1%)	
Transportation	131,207	151,704	+20,496	(+) Recovery of non-commuter revenue +10,238
Merchandising	100,853	96,156	△4,696	(-) Decrease in floor space at Odakyu Department Store Shinjuku Store, Bakery business transferred outside Group
Real Estate	80,946	84,034	+3,087	(+) Sale of investment properties, Opening of new rental properties
Other Businesses	74,143	90,716	+16,572	(+) Recovery of business at hotels, Recovery in resort temporary staffing demand
Adjustments	△28,397	△27,451	+945	
Operating income	6,152	26,601	+20,449 (+332.4%)	
Transportation	△5,491	8,463	+13,955	
Merchandising	1,695	866	△829	(-) Costs associated with renewal of Odakyu Department Store Shinjuku Store
Real Estate	18,570	18,047	△522	(-) Increase in expenses for opening of new rental properties
Other Businesses	△8,668	△821	+7,846	
Adjustments	46	46	—	
Ordinary income	4,699	25,119	+20,419 (+434.5%)	
Net income attributable to owners of parent	12,116	40,736	+28,619 (+236.2%)	(+) Sale of stake in Odakyu Dai-ichi Seimei Building

Business performance forecasts for FY2023 (Number of Passengers on the Odakyu Electric Railway)



Business performance forecasts for FY2023 (overview)

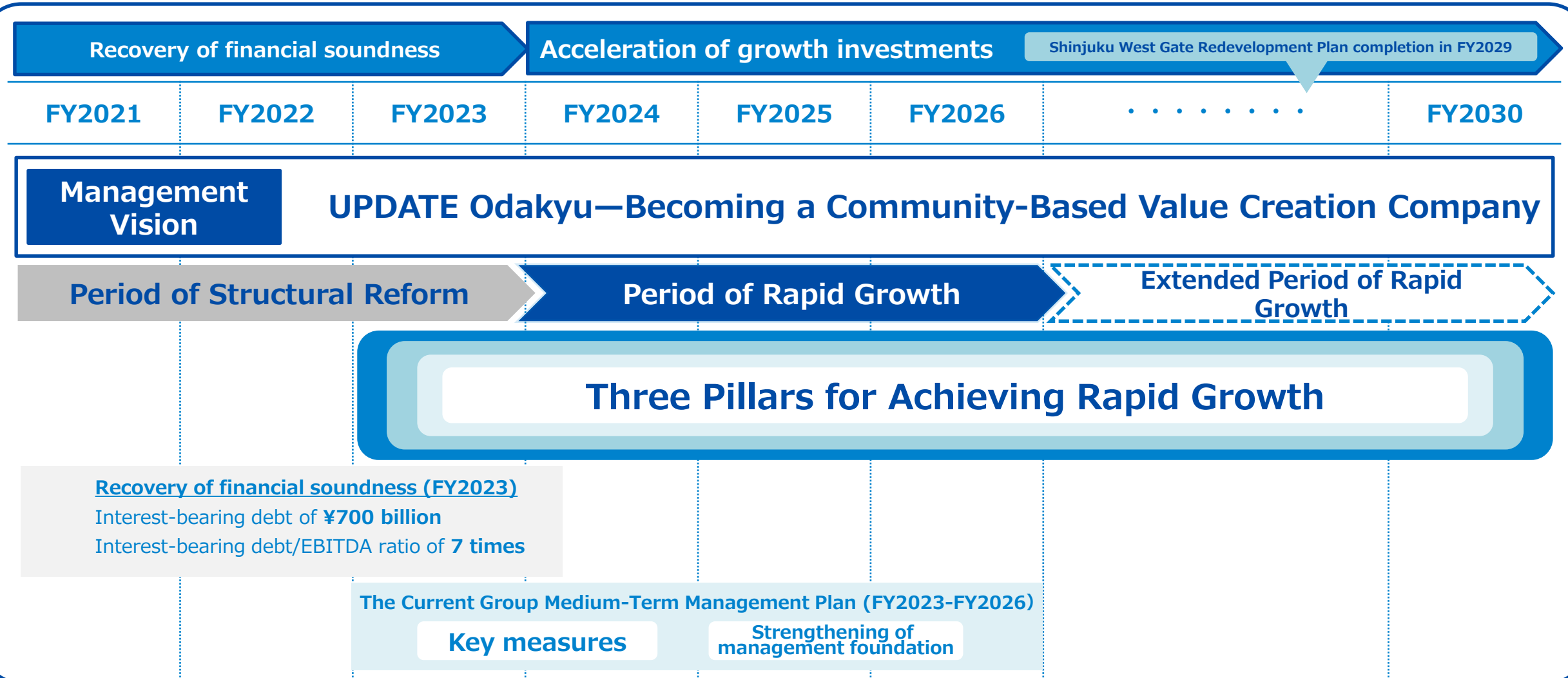
- We expect an operating income of ¥35.0 billion due to an anticipated continued recovery of the number of users in the railway, hotel, and other businesses and the adoption of a railway station barrier-free fare system in the railway business
- We expect a significant increase in income attributable to owners of parent due to the recording of proceeds from sale of property and equipment following the sale of Odakyu Century Building

Millions of yen	FY2022	FY2023	Change and major factors	
Revenue from operations	395,159	400,000	+4,840 (+1.2%)	
Transportation	151,704	165,000	+13,295	(+) Adoption of barrier-free fare system
Merchandising	96,156	89,100	△7,056	(-) Decrease in floor space at Odakyu Department Store Shinjuku Store, Shirohato excluded from consolidation
Real Estate	84,034	80,800	△3,234	(-) Sale of stake in Odakyu Dai-ichi Seimei Building
Other Businesses	90,716	93,000	+2,283	(+) Recovery of business at hotels, Recovery in resort temporary staffing demand
Adjustments	△27,451	△27,900	△448	
Operating income	26,601	35,000	+8,398 (+31.6%)	
Transportation	8,463	16,100	+7,636	
Merchandising	866	2,400	+1,533	(+) Decrease in personnel expenses at Odakyu department store
Real Estate	18,047	14,900	△3,147	
Other Businesses	△821	1,600	+2,421	
Adjustments	46	0	△46	
Ordinary income	25,119	32,700	+7,580 (+30.2%)	
Net income attributable to owners of parent	40,736	62,800	+22,063 (+54.2%)	(+) Sale of Odakyu Century Building

1. Approach to This Plan

Approach to This Plan

- We expect to achieve our criteria for recovering financial soundness in FY2023 and formulated a concrete plan aimed at achieving our management vision under the current Medium-Term Management Plan
- Furthermore, to create an image of growth that reflect our structural reform initiatives and the effects of growth investments in the future, in addition to the impacts of the COVID-19 pandemic, which has continued since the formulation of the management vision, we have extended the final year of the period of rapid growth from FY2026 to FY2030



Initiatives Aimed at Structural Reform

- We will implement structural reforms in each business, even after the period of structural reform, to adapt to changes in the business environment and ensure financial soundness

Recover profitability

● Initiatives in each business

Railways Business	<ul style="list-style-type: none"> Increase in operational efficiency and decrease in costs following the promotion of DX Creation of sustainable operating structure in anticipation of future labor shortages
Bus Business	<ul style="list-style-type: none"> Increase in employee efficiency due to office reorganization and timetable alterations
Department Stores	<ul style="list-style-type: none"> Implementation of early retirement at Odakyu Department Store
Stores	<ul style="list-style-type: none"> Improvement in profitability due to collaboration with Seven & i Group
Hotels	<ul style="list-style-type: none"> Decrease in break-even point due to increase in operational efficiency
Restaurants	<ul style="list-style-type: none"> Store reorganization and cost structure review

● Pricing review

Transportation	<ul style="list-style-type: none"> Railways business: Adoption of railway station barrier-free fare system and review of special limited express fares Fare revisions (Hakone Tozan Railway, four bus companies, and Odakyu Koutsu)
Hotels	<ul style="list-style-type: none"> Renewal of Hakone resort hotel HATSUHANA and increase in room rates

Rebuild our Business Portfolio

● Selection-and-concentration efforts in our existing businesses

- Clarification of management resource allocation based on business growth potential and competitiveness
- External transfer of four Group companies and a credit card company
- Integration of four Group companies

Effect of business structure reforms

¥14.0 billion



Note: compares actual results from FY2018 and plan for FY2026

Control interest-bearing debt

Total sale of Odakyu-owned real estate

¥140.0 billion

Note: Decision making between FY2021 and FY2023

Value of cross-shareholding sales

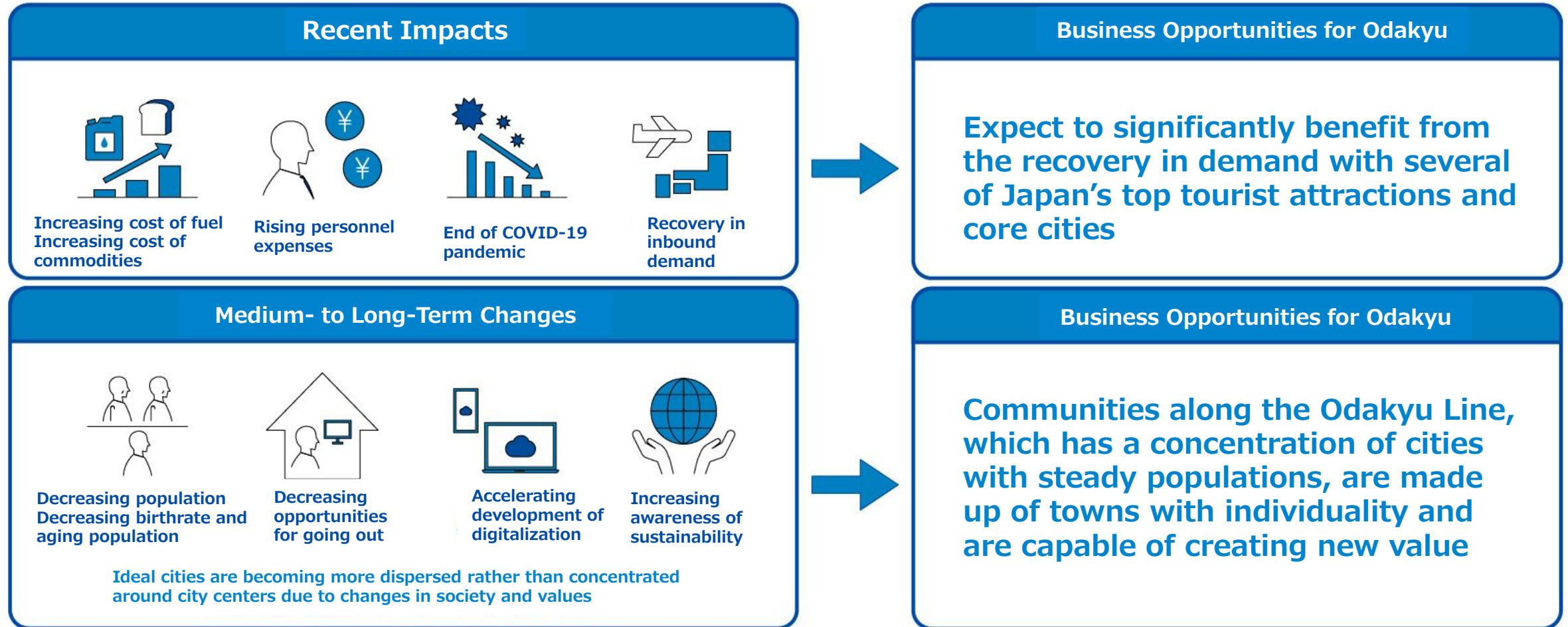
¥20.0 billion

Note: Actual figures for FY2021-FY2022

2. Concrete Policies Aimed at Achieving Our Management Vision

Awareness of External Environment

- The business environment surrounding the Odakyu Group is expected to see a positive impact from the opportunities provided by the end of the COVID-19 pandemic and a strong recovery in inbound demand, despite concerns about the recent impact of steep fuel costs and rising personnel expenses
- The value of the suburbs is being revised in light of the shift away from dense urban city centers in the medium to long term and we have found numerous business opportunities in communities along the Odakyu Line, which contains many core cities



Growth Potential in Communities Along the Odakyu Line

- The communities along the Odakyu Line include numerous core cities and Japan's top tourist attractions, such as Hakone and Enoshima, and enjoy multi-tiered and affluent regional resources, with a certain population size and gathering of corporate, commercial, research, and educational facilities in each area.
- In these high-potential areas, the Odakyu Group has a wide range of public transportation infrastructures, including railways and buses, and real estate, as well as multiple strengths, such as a sense of trust built up over years of business operation and, based on this trust, results from cooperation with local governments and communities
- Since communities along the Odakyu Line possess various regional characteristics, they suffer from many social issues and solving these issues as a business leads to new business opportunities

We expect further advancements, including development of the highway infrastructure in the next few years, future redevelopments, and plans to extend railway lines.



Number of passengers on the Odakyu Line
Stations with over 100,000 passengers*
11 stations (= ○)
*Daily average



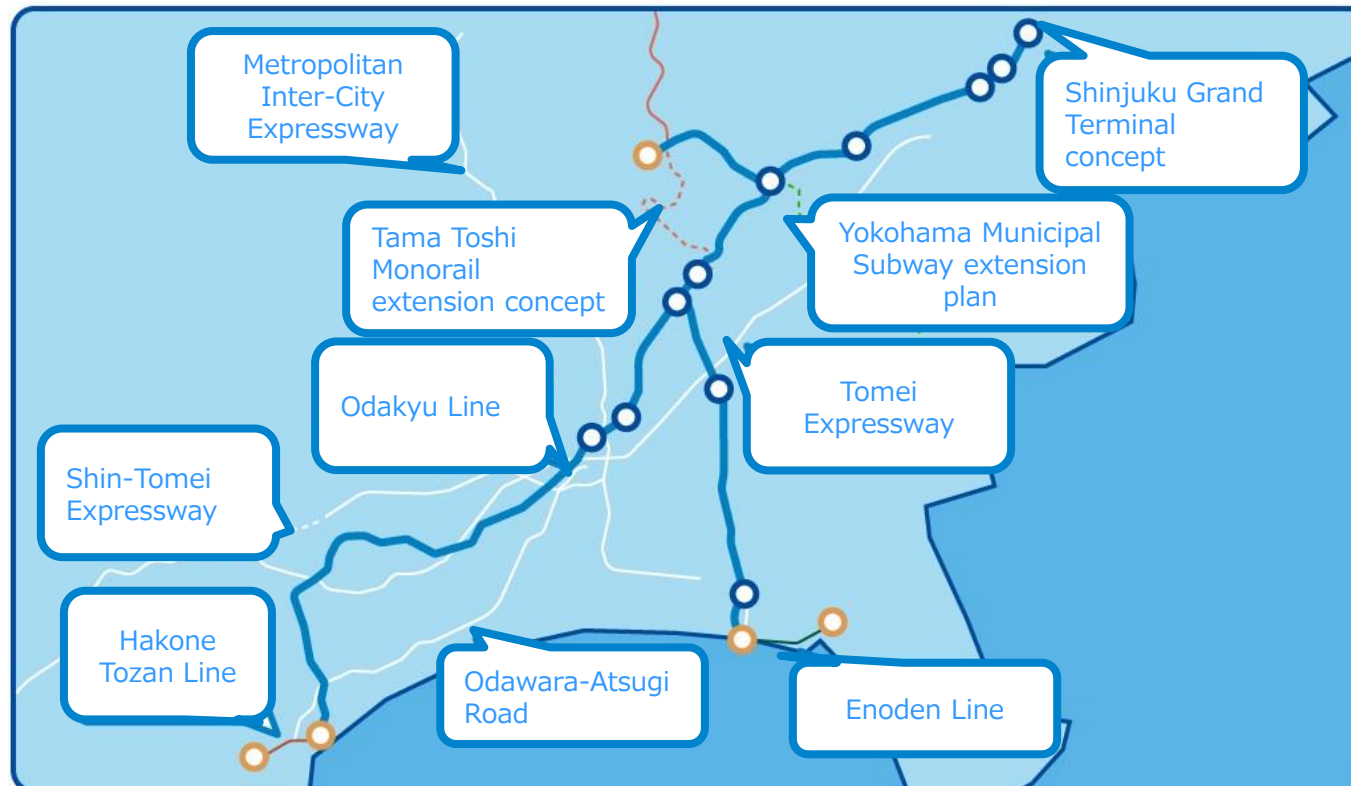

Group bus Companies
Length of routes
11,089 km



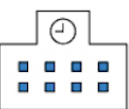
Hakone
Annual number of tourists
Approximately
21 million people



Shonan
Annual number of tourists
Approximately
19 million people

Population of communities along the Odakyu Line
5.2 million people



Universities along the Odakyu Line
Approximately
50 schools



Impact of developing a highway network
Factory zones



Collaboration between governments, companies, and universities
26 projects

Three pillars for achieving rapid growth

UPDATE Odakyu—Becoming a Community-Based Value Creation Company

Increase in resident population

Increase in number of visitors

Increase in people that maintain relationships with communities

Improvement in well-being

Improvement in livability

Local economic circulation

Three pillars for achieving rapid growth

1.

Promotion of sustainability management

Selection of six material issues

2.

Shift in Odakyu's main business domains

From a concept of communities along the Odakyu Line to a concept of regional economies

3.

Renewal of business portfolio

Direction of growth in our four business areas



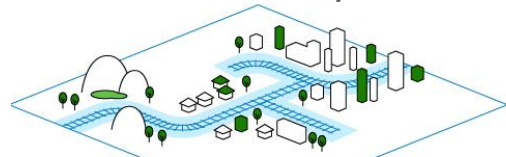
- We selected six material issues for the Company based on the Group's Management Principle and management vision
- We see these as the center of management and will achieve sustainable growth by resolving social issues

	Material issues	Key social issues to be faced
1. Safety and peace of mind	<ul style="list-style-type: none"> • Provision of public transportation services that prioritize safety and peace of mind • Pursuit of a society where anyone can live with peace of mind 	<ul style="list-style-type: none"> • Safe and reliable public transportation • Barrier-free society • Cyber crime and natural disasters
2. Community development and local communities	<ul style="list-style-type: none"> • Realization of community development that combines work, residence, commerce, education, and recreation, and wellness • Community development that utilizes local assets 	<ul style="list-style-type: none"> • Declining birthrate and aging society • Decrease in vitality of local communities • Intensified competition between urban and local communities • Innovation of technology
3. Daily life and tourism experiences	<ul style="list-style-type: none"> • Promotion of rich lifestyles that utilize technology • Provision of region-specific tourism experiences 	<ul style="list-style-type: none"> • Diversification of lifestyles • Increase in mobility impaired people • Innovation of technology • Over-tourism and inbound tourism
4. Environment (carbon neutrality)	<ul style="list-style-type: none"> • Realization of a decarbonized society through energy conservation, renewable energy, electrification, and collaboration with local communities • Realization of a resource recycling society, the aim of Beyond Waste 	<ul style="list-style-type: none"> • Response to climate change (decarbonization and resource recycling in local communities) • Shift to public transportation with a low environmental impact • Conservation of forests, the countryside, rivers, and oceans
5. Development of value-creating human resources	<ul style="list-style-type: none"> • Cultivation of a corporate culture that enables all employees to work in their own unique way • Development of human resources to achieve sustainable management 	<ul style="list-style-type: none"> • Diversity and inclusion • Labor shortage • Work style diversification
6. Governance	<ul style="list-style-type: none"> • Realization of an optimal governance structure that supports the expectations of all stakeholders 	<ul style="list-style-type: none"> • Disclosure of non-financial information • Sustainable corporate management

- We will shift from business development under the concept of communities along the Odakyu Line, which focused on transportation between suburbs and city centers, to business development for communities as a whole, which focuses on core cities
- We will promote community development, under the understanding that each core city is an individual regional economy, to maximize the potential growth of local communities
- We have set four business areas (public transportation, real estate, digital, and lifestyle services) and connected with key players, local governments and communities, in each regional economy
- We will realize sustainable growth for local communities and the Odakyu Group by expanding the flow of people and revitalize communities as a whole through initiatives that align with regional characteristics

To date

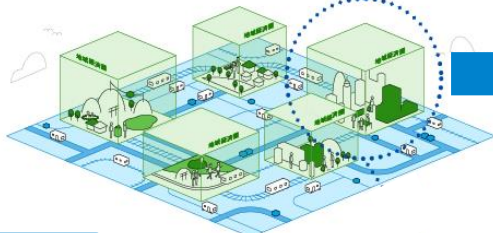
Business development in areas surrounding the Odakyu Line focused on transportation between suburbs and city centers



Market scale Passengers: **2 million** Note: Pre-COVID-19 results

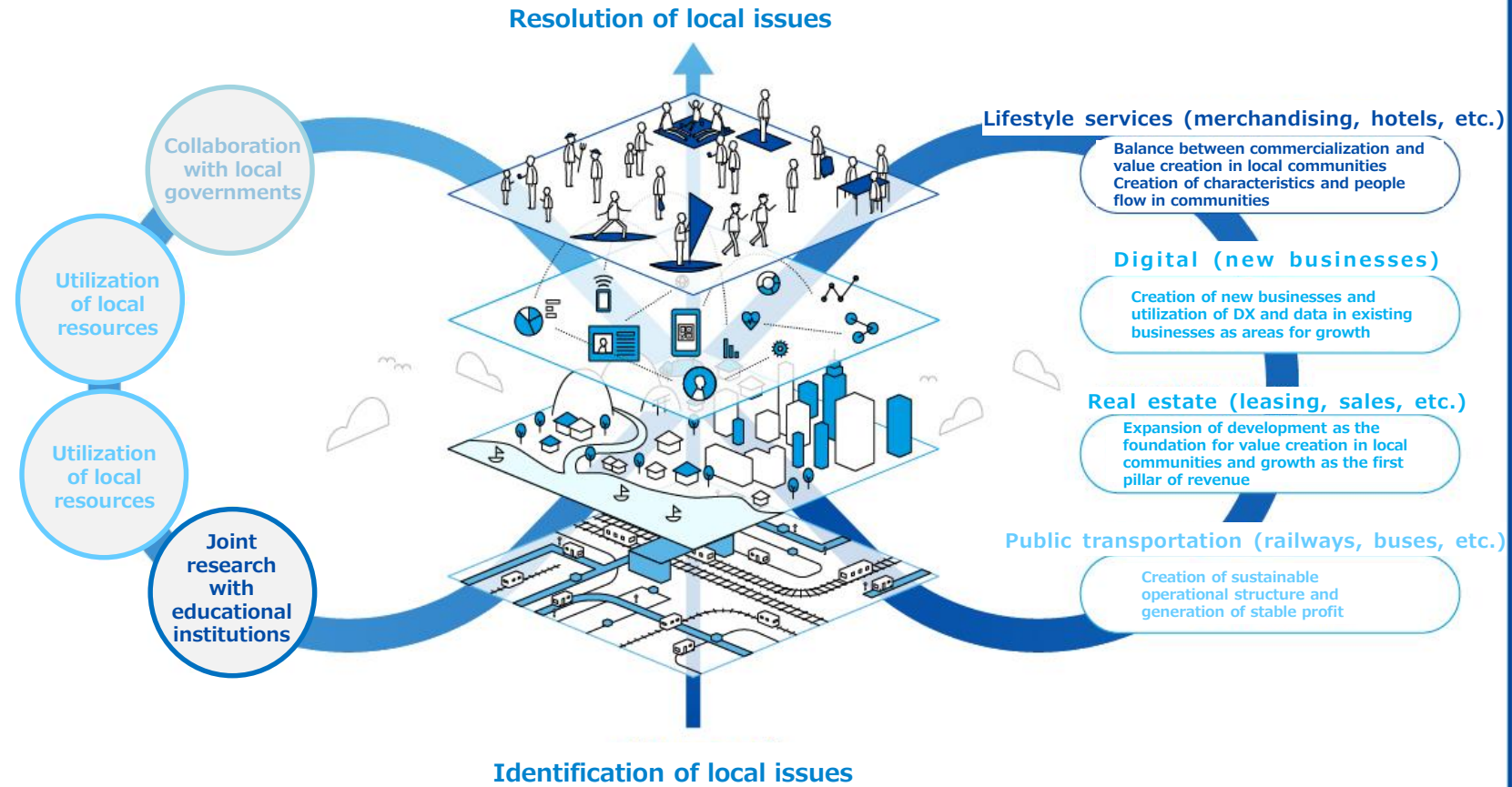
Going forward

Business development in individual regional economies that understand core cities as entire local communities and utilize their regional characteristics



Market scale Population of communities along the Odakyu Line: **5.2 million and extra**

Structure for Realizing Sustainable Growth for Local Communities and the Odakyu Group



- We are predominantly allocating resources to the real estate domain as the first pillar of revenue to increase profitability and expand the scale of profits, while positioning the digital domain as a new area of growth
- We are advancing the improvement of efficiency and recovering profitability in the public transportation domain, while strengthening resilience to risks, such as a sudden decrease in passengers
- We are advancing initiatives, such as reorganization of businesses in the lifestyle services domain, and promoting initiatives to increase synergy in other business domains

Targets for FY2030

Public Transportation

Creation of sustainable operational structure and generation of stable profit (railways, buses, etc.)

Operating income

¥20.0 billion

Real Estate

Expansion of development as the foundation for value creation in local communities and growth as the first pillar of revenue (leasing, sales, etc.)

Operating income

¥30.0 billion

Digital

Creation of new businesses and utilization of DX and data in existing businesses as areas for growth (new businesses)

Operating income

¥3.0 billion

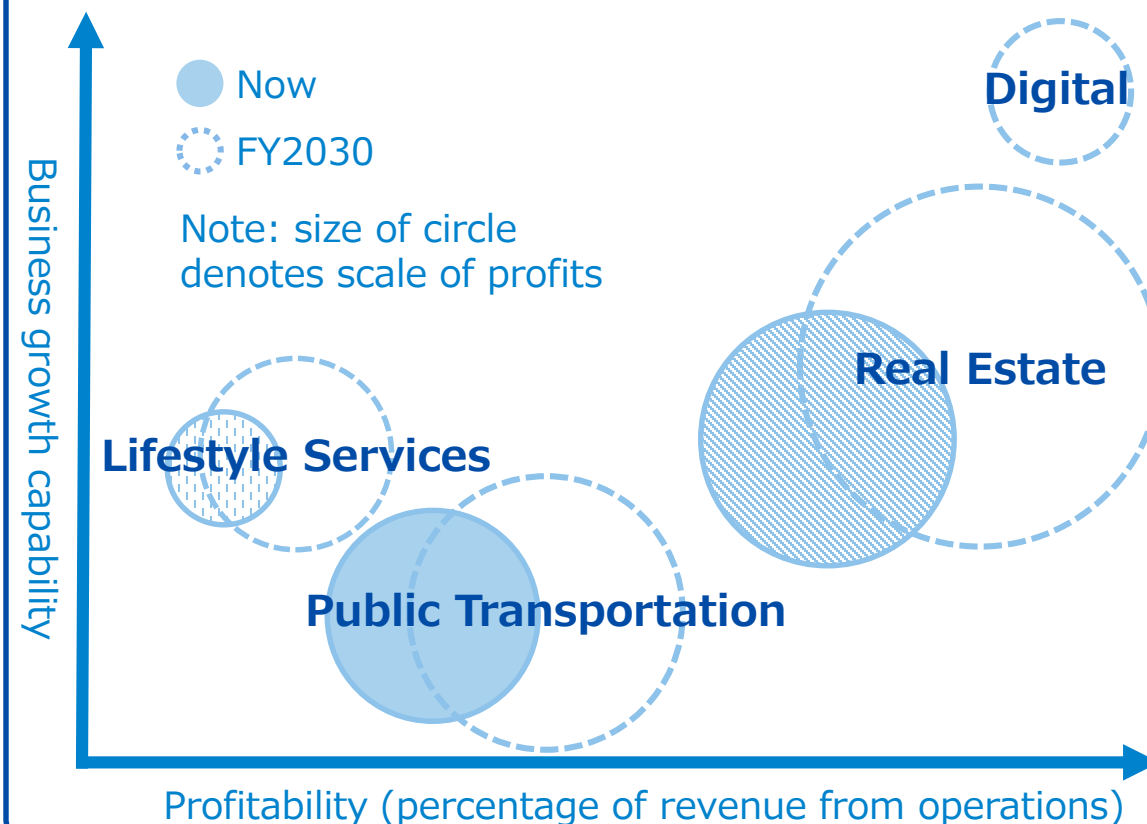
Lifestyle Services

Balance between commercialization and value creation in local communities
Creation of characteristics and people flow in communities (merchandising, hotels, etc.)

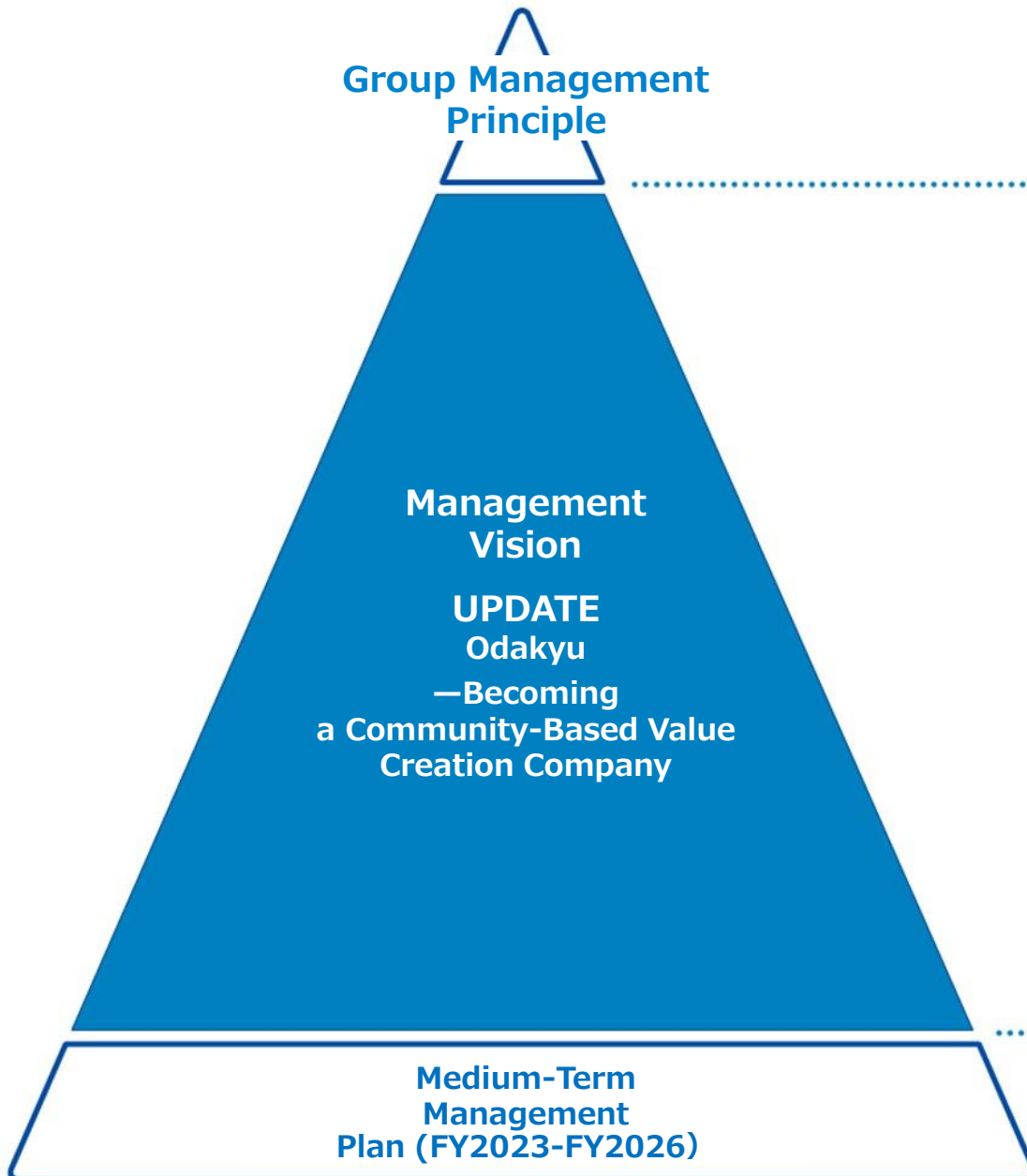
Operating income

¥7.0 billion

Image of New Business Portfolio



Our Business Planning Structure



Group's Management Principle

Action Guidelines

—Becoming a Community-Based Value Creation Company

In order to grow together with communities along the Odakyu Line and in areas where we operate businesses, we will evolve into a company that creates new value in communities, such as customer experience and lowering of the environmental load, by constantly striving to think outside the box.

**Promotion of
sustainability
management**

**Shift in Odakyu's
main business
domains**

**Renewal of
business portfolio**

Period of Structural Reform (FY2021-FY2023)
Recover business conditions and make reforms for a period of rapid growth

Period of Rapid Growth (FY2024-FY2030)
Promote business creation and expansion related to the sustainable future growth of the Odakyu Group

Concrete initiatives

Consolidated Financial Targets

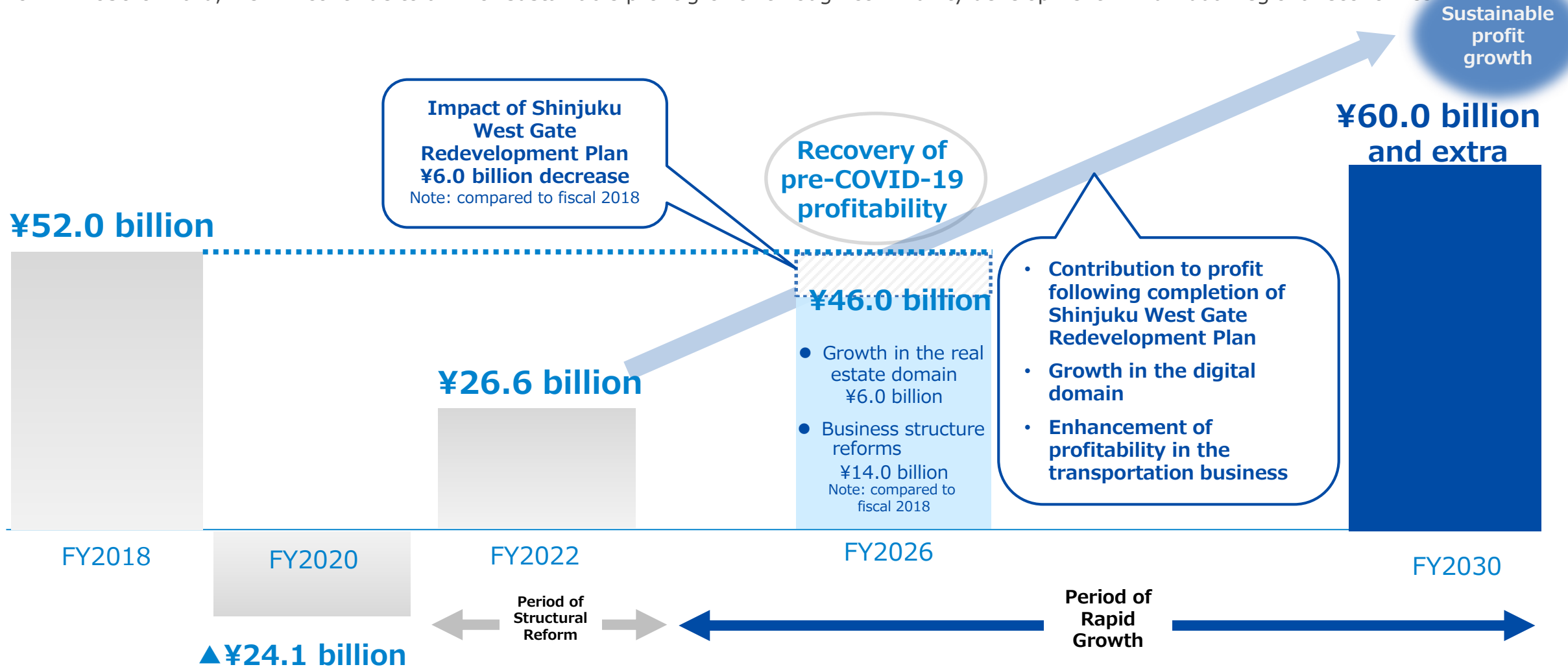
- At the core of sustainability management, we achieve profit growth by aiming to become a community-based value creation company that grows at the same time as developing communities and businesses along the Odakyu Line
- We will improve social and stakeholder value while ensuring financial soundness

Approach to key indicators			FY2026	FY2030	Long-term policies
Profit growth	Operating income	<ul style="list-style-type: none"> Continue the period of structural reform Concentrate capital investment as the first pillar of the real estate domain Grow the digital domain 	<p>Public Transportation: 10, Real Estate: 180, Digital: 200, Lifestyle Services: 70. Total: ¥46.0 billion</p>	<p>Public Transportation: 30, Real Estate: 200, Digital: 300, Lifestyle Services: 70. Total: ¥60.0 billion and extra</p>	Sustainable profit growth
Securing of financial soundness	Interest-bearing debt/EBITDA ratio	<ul style="list-style-type: none"> Make predictions that enable the maintenance of 7.0 times, even during the construction period of the Shinjuku West Gate redevelopment Advance while maintaining the current ratings levels, such as for investment in the real estate and digital domains 	Maintain 7.0 times	Approx. 7.0 times	Improvement through profit growth
Management with an awareness of capital cost	ROE*	<ul style="list-style-type: none"> Aim to further improve in the medium to long term, recording 7% in FY2030 Control total assets with an awareness of capital costs Aim to optimize capital structure while considering demand for funds in the Shinjuku West Gate Redevelopment Plan while aiming to optimize capital structure 	-	7%	Further improvement

*Net income attributable to owners of parent / shareholders' equity (excluding net unrealized gain on securities)

Recovery of Operating Income and Steps for Growth

- We will recover to profitability levels from before spread of COVID-19 in FY2026, during the period of the Shinjuku West Gate Redevelopment Plan, due to growth in the real estate industry and structural reforms at all businesses, excluding the impact of closures accompanying construction
- After completion of construction in the Shinjuku West Gate Redevelopment Plan in FY2030, we will achieve ¥60.0 billion plus extra through the Plan's contribution to profit and growth in the digital domain
- From FY2030 onward, we will continue to aim for sustainable profit growth through community development in individual regional economies



Capital Allocation in the Medium-Term Management Plan (FY2023–FY2026)

- Under investment in the Shinjuku West Gate Redevelopment Plan, which has gained speed between FY2023 and FY2026, we will predominantly allocate growth investments that contribute to community development in individual regional economies while aiming to operate efficiently based on financial soundness and maximize cash flows from operating activities

Cash In

● Efficient operations based on financial soundness

- Utilization of external capital including adoption of equivalent exchange system in the Shinjuku West Gate Redevelopment Plan
- Rotation of assets, including sale of Odakyu Dai-ichi Seimei Building, Odakyu Century Building, and Odakyu Hotels

● Maximization of cash flows from operating activities

- Recovery of profitability through structural reform
- Profit increase through active investment in the real estate domain
- Expansion of highly profitable businesses in the digital domain

Real estate sales

Cash flows from operating activities
¥300 billion

Cash Out

● Growth investments

- Reinforcement of the real estate domain, in addition to promoting redevelopment along the Odakyu Line such as Shinjuku Station West Gate and the Machida area
- Business reform through digital technology

Growth investments
¥200 billion

Total investments*
¥400 billion

Environment-related and maintenance and improvement investments
¥200 billion

Shareholder returns, etc.

*Includes investment and lending

● Environment-related and maintenance and improvement investments

- Investments to maintain and update facilities that are the core of providing safe and reliable services
- Investment in the shift to barrier-free train stations
- Investments in line with environmental strategies

● Implementation of stable shareholder returns

- Aim for a 30% consolidated dividend payout ratio

3. The Medium-Term Management Plan (FY2023–FY2026)

Key Measures in the Medium-Term Management Plan (FY2023–FY2026)

- To realize our management vision, we will promote the strengthening of our management foundation at the same time as working toward four key measures under the current Medium-Term Management Plan

Key Measures

1. Advancements in the public transportation domain

2. Strengthening of the real estate domain and redevelopment along the Odakyu Line

3. Search for new businesses that utilize digital technology

4. Tourism and lifestyle services in response to a post-COVID-19 world

Strengthening of Management Foundation

1. Digital transformation (DX) strategies

2. Environmental strategies

3. Human Resource strategies

- We will continue advancements in public transportation, which is the foundation of all business domains, aimed at creation of sustainable operational structure and generation of stable profit

Reinforcement of Sustainable Operating Structure

● Phased creation of operating structure utilizing a small number of people

- Deepen examination into shift to conductor-less trains
- Consolidation of signal operations
- Increase in maintenance efficiency
- Review of all operations



Hakone Tozan Line (Between Odawara Station and Hakone- Yumoto Station)
Launch of trial operation for conductor-less trains in FY2025

Structure for necessary personnel

30% decrease (by FY2035)

Note: compared to FY2020 for railway business

- Promotion of Odakyu platform door installation that utilizes railway station barrier-free fare system
- Response to increasing severity of natural disasters and renewal of aging facilities (promotion of earthquake reinforcement construction work, transfer to Ono General Train Depot. etc.)



Current status of facilities

Eight stations, 22 lines

End of FY2032

37 stations, 107 lines



Reinforcement of Transportation Nodes

Station improvement work will generate prosperity for entire communities by improving convenience, safety, and accessibility through implementation of project to develop free passageways in collaboration with local governments



Fujisawa Station



Tsurukawa Station

Creation of Demand for Transportation Services and Maximization of Revenue

- Strategic pricing
- Continual implementation of initiatives to increase revenue that utilize express trains and OP Point system
- Promotion of support measures for families raising children
- Upgrade of stations to become the hubs of lifestyles and communities
- Expansion of digital tickets



Expansion into New Domains

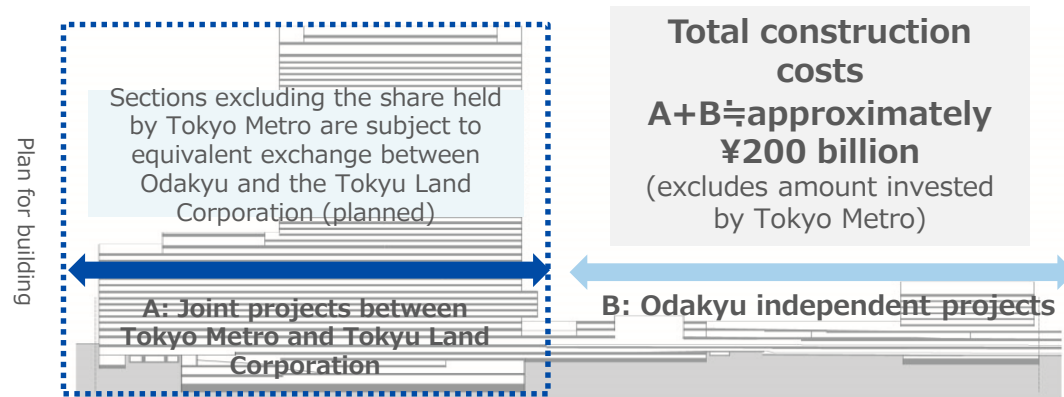
- Promotion of taking on outsourcing from outside companies by leveraging business expertise
- Examination of overseas expansion for public transportation operations

- During the coming period of renewal, we expect numerous business opportunities in the cities that have developed in communities along the Odakyu Line from its foundation to present day
- We aim to sustainably develop local communities and strengthen businesses through promotion of development in conjunction with “soft” (method) initiatives such as area management, highly efficient utilization of Odakyu-owned assets, urban redevelopment, and participation in private finance initiatives (PFIs) centered on core cities along the Odakyu Line, in addition to the Shinjuku West Gate Redevelopment Plan
- We aim to further increase asset efficiency and profitability by promoting expansion of investment methods and fields, such as an asset rotation model, special purpose company (SPC) investments, and overseas projects

Community Development along the Odakyu Line in Core Cities

● Shinjuku West Gate Redevelopment Plan (scheduled for completion in FY2029)

- Demolition of Odakyu department store main store currently underway
- Intensification of plans based on partnerships with Tokyo Metro Co., Ltd. and Tokyu Land Corporation



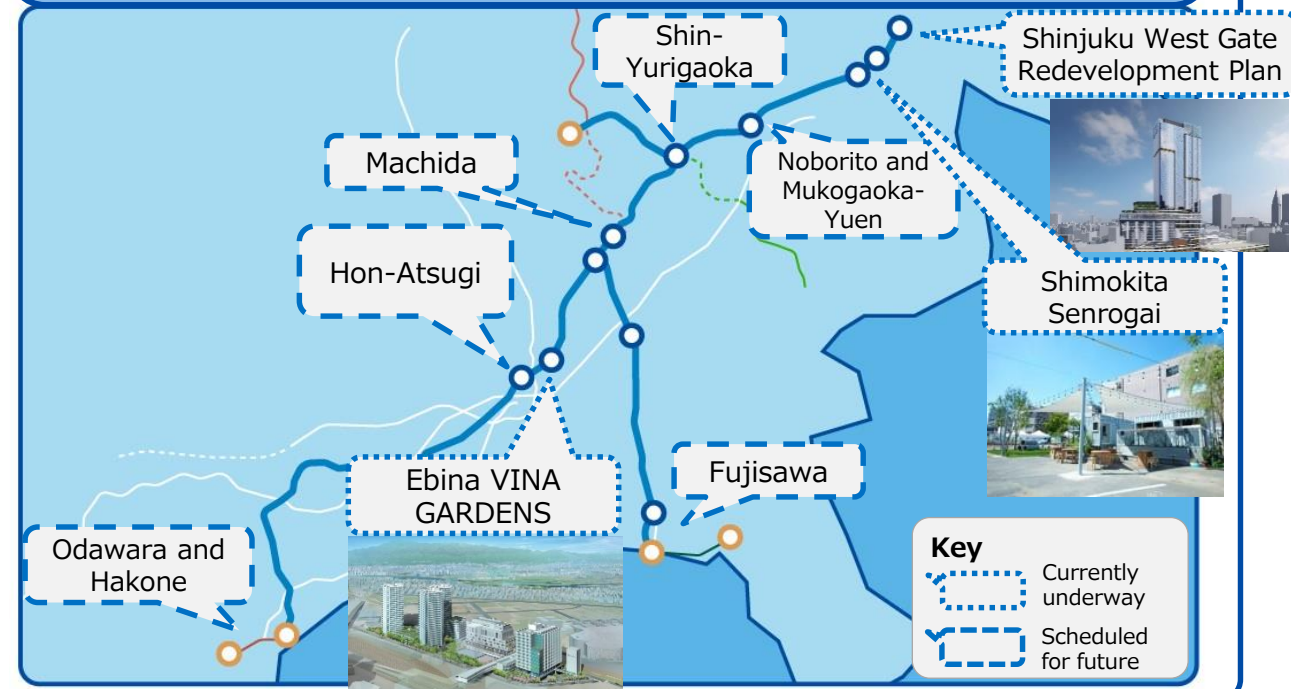
● Machida Area

Promotion of redevelopment in the area around Machida Station, which boasts the second highest number of passengers on the Odakyu Line, through utilization of Odakyu-owned assets around the station, in anticipation of the extension of the Tama Toshi Monorail

● Shin-Yurigaoka Area

Consideration of community development concepts through utilization of Odakyu’s infrastructural assets aimed at reinforcing transportation node functions and generating prosperity due to the extension of the Yokohama Municipal Subway Blue Line

Future Development Concepts (Including Those Underway)

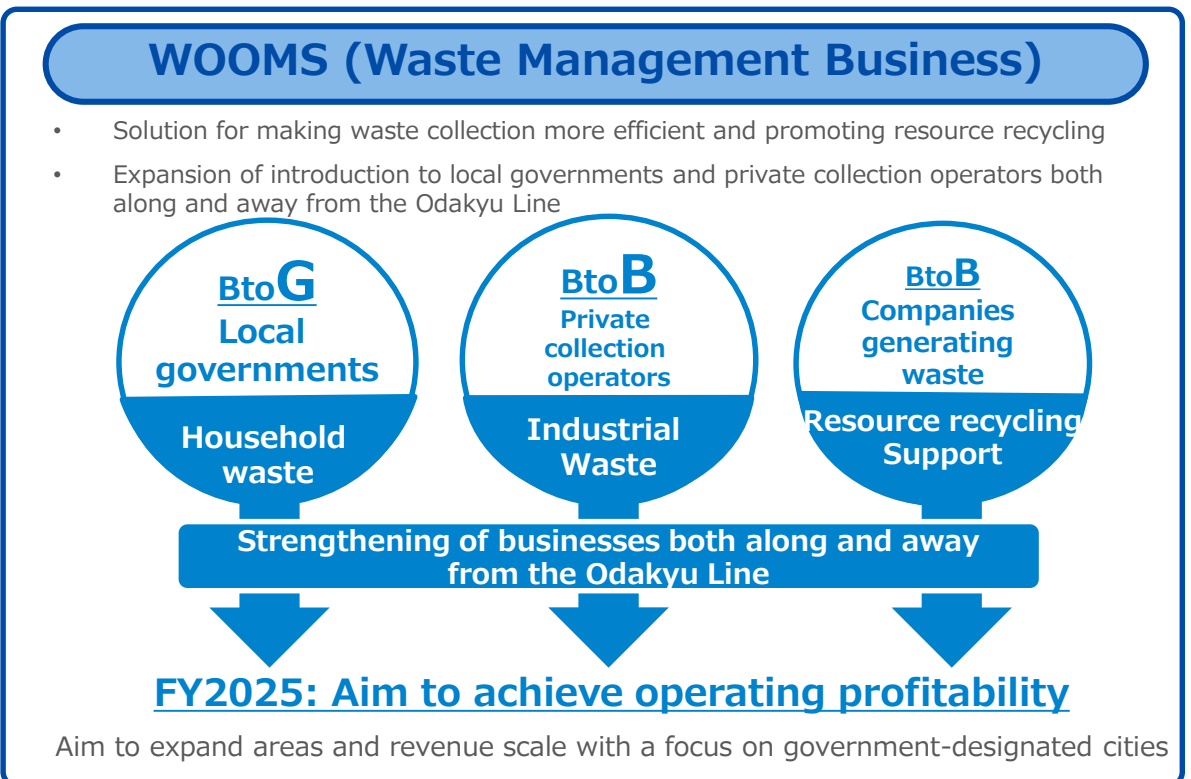
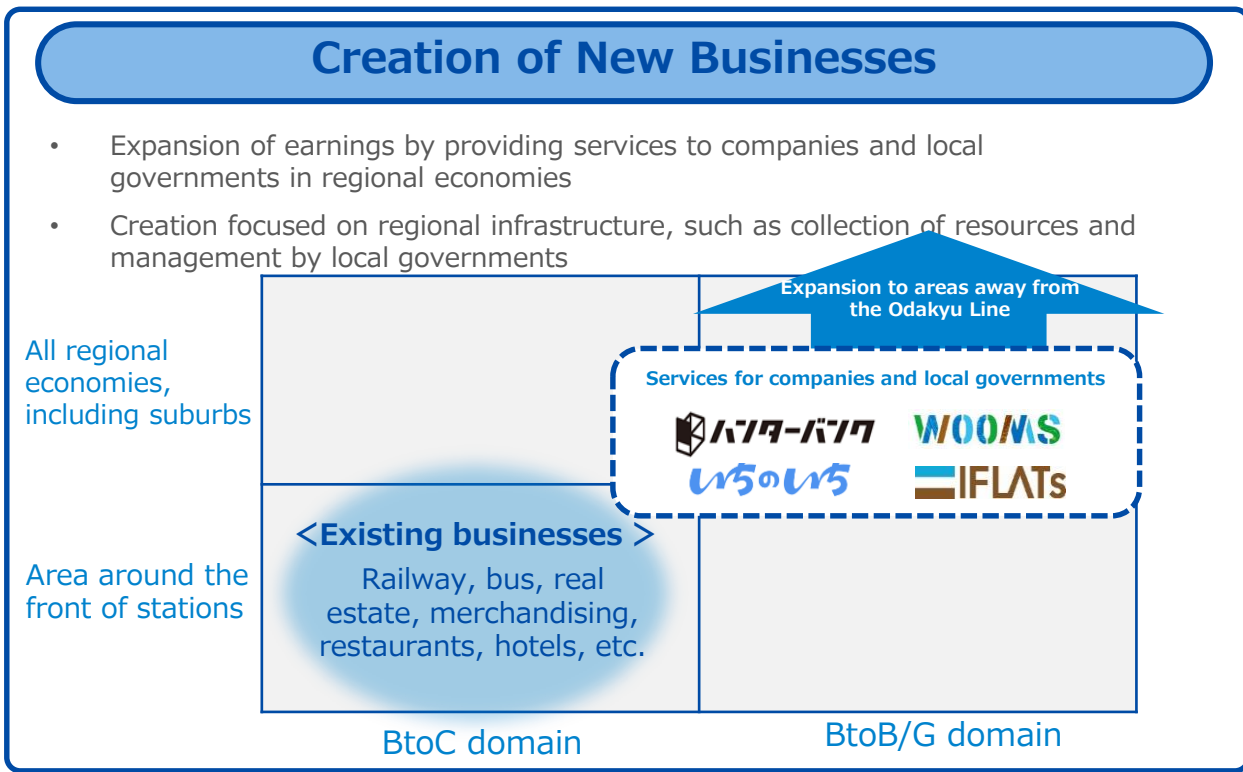


Expansion of Methods and Fields

- Improvement of short-term revenue cycle through SPC investments and asset rotation model
- Aim to expand investment focused on Australia and the US and participate in transit-oriented development (TOD) that utilizes Odakyu’s business experience

3. Search for new businesses that utilize digital technology

- We aim to steadily promote monetization by creating new businesses in the digital domain from the source of local issues, expanding to local governments and businesses both along and away from the Odakyu Line, and achieve an operating income of ¥3.0 billion by FY2030



MaaS Japan/EMot

- Development of MaaS platform by Odakyu and provision to transportation service providers, local governments, and other entities both along and away from the Odakyu Line
- Continued expansion of mobile payment and utilization scenarios and contribution to more efficient investment in station service equipment

Amount of payments
¥10 billion in FY2030

Collaborating businesses and local governments
 Tobu Railway Co., Ltd., Seibu Railway Co., Ltd, Enshu Railway Co., Ltd., Chichibu Railway Company, Fujisawa City, Odawara City, Hamamatsu City, etc.

Ichi no ichi (Social Media for Local Governments)

- Development by Odakyu of social media services that digitally transform management by local governments and provision of services to local governments both along and away from the Odakyu Line

Introduction to local governments
400 cases (as of March 2023)

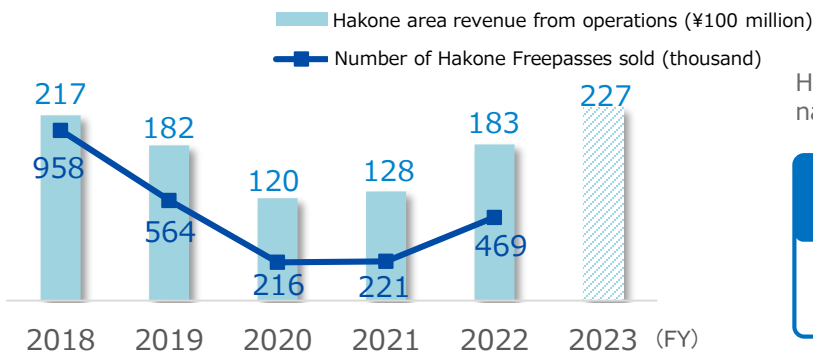
Areas of introduction
 Setagaya City, Machida City, Sagami City, Minami-ku, Hadano City, Matsuda City, Narashino City, Kyoto City, Nagoya City, etc.

- Promotion of lifestyle services that integrate new lifestyles while ensuring that recovery in tourism demand is connected to revenue

Initiatives for Tourism Demand

● Increase in appeal of tourist attractions along the Odakyu Line

- Promotion of sustainable tourism, through launch of HAKONATURE project for creating and sharing nature-based experiences together with local companies



HAKONATURE BASE, the hub for accessing nature opened in Hakone-Yumoto

Odakyu Sightseeing Service Center* users
(As of March 2023)

Ticket purchasers **▲ 48.9%**
(compared to March 2019)

*For overseas visitors

- Revitalization of Enoshima area through park-private finance initiatives (Kugenuma Kaihin Park renewal project) and Shonan-Fujisawa Revitalization Consortium

● Enhancement of convenience through digital transformation of tourism

- Multi-lingual functionality of EMot MaaS App
- Introduction of new ticket gate verification functions for credit card contactless payments and QR codes, focused on the Hakone, Enoshima, and Kamakura areas
- Centralization and digitalization of reservation and payment for travel products, special discount tickets, and special limited express tickets through dynamic packaging website

Ratio of Hakone Freepass sales to digital sales **20%**
(As of March 2023)



New ticket gate verification functions

Expansion of Tourism Personnel Service Business

- M&A in 2019 with Humanic, which runs a dispatch agency (Rizoba) that specializes in tourist attractions
- Expansion of businesses that understand labor shortages in the tourism industry following recovery in domestic vacations and inbound demand

Dispatch agency for accommodation and tourism facilities across Japan



Dispatch agency for foreigners living in Japan in response to inbound demand



Integration of Businesses and New Lifestyles

● Commercial facilities that coexist with local communities

- Promotion of measures to integrate and revitalize station plazas, including *Ekinaka*, through collaboration with Komae City
- Opening of AGORA Hon-atsugi, a hub for producing entrepreneurs and creating businesses



Local Community Coexistence Statement by Odakyu SC Development Co., Ltd

1. DX Strategies

- We have made the digital domain a new pillar of growth by strengthening marketing through digital infrastructures, while at the same time increasing the efficiency of business operations due to DX in existing businesses

Creation of Infrastructure for Promoting DX

- Changes to Odakyu's organizational structure**

Digital Innovation Promotion Department

Proposes, implements, and supports Groupwide DX strategies by aggregating DX operations

Digital Business Creation Department

Promotes creation of new businesses that utilize digital technology

- Strengthening of and improvement of efficiency for services**

Promotion of digital customer relationship management (CRM) and digital communication
Increase in efficiency for railway maintenance and real estate asset management

- Reinforcement of security**

Promotion of introduction of Zero Trust security measures

Digital investments

¥10.0 billion

Note: amount invested between FY2023 and FY2026

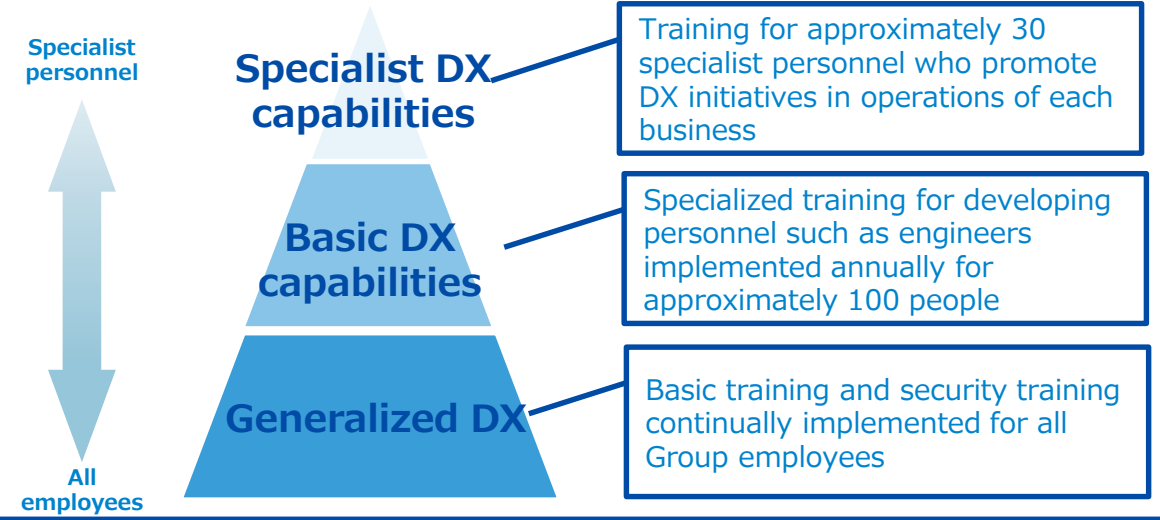


Certification system based on applications by businesses with superior DX initiatives

Certification acquired February 1, 2023

Development of Digital-Savvy Personnel

- Promotion of opportunities for basic and expert training based on level of digital knowledge aimed at development of digital-savvy specialist personnel, such as data scientists and engineers



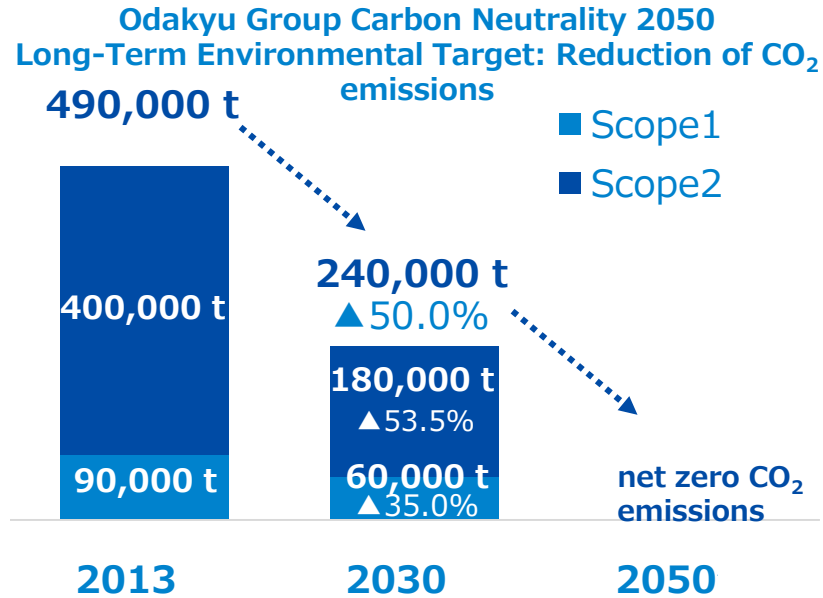
Digital Infrastructures

- Business creation and DX promotion in existing businesses through MaaS infrastructure (MaaS Japan) and integrated membership infrastructure (ONE)
- Creation of smart city common data infrastructure with NEC Corporation

2. Environmental strategies

- We increased our environmental target for CO₂ emissions in 2030 (compared to 2013) from a 46% decrease to a 50% decrease
- We aim to realize a decarbonized society by promoting businesses through collaboration with partners and participating in the GX League

Resetting of Long-Term Environmental Targets and Acceleration of Decarbonization Initiatives



Scope 1: Reduction of a corporation's direct greenhouse gas emissions (diesel, gasoline, etc.)

Example Initiative



Introduction of six electric buses within the Group by FY2023, with phased expansion

Scope 2: Reduction of indirect emissions associated with the use of electricity supplied by other companies

Example Initiative



Installation of solar power generation in the Ebina area through a power purchase agreement (PPA) in 2024

Co-creation with Collaborating Partners

● Co-creation with energy-related businesses

Collaboration with the TEPCO Group and Idemitsu Kosan aimed at realizing a decarbonized society

● Participation in renewable energy generation projects

Collaboration with Sagami-hara Biogas Power Co., Ltd.

Participation in GX League

- Participation in GX League, hosted by the Ministry of the Economy, Trade and Industry since FY2023, which aims to accelerate initiatives for emissions trading and decarbonization



Realization of a Resource Recycling Society

- Promotion of waste management business WOOMS
- Establishment and promotion of resource recycling within the Odakyu Group
- Aggregation and disclosure of Scope 3*

*Indirect emissions outside of Scope 1 and 2

3. Human Resource Strategies

- We are promoting personnel training for employees responsible for value creation aimed at realizing our management vision

Recruitment and Matching Linked to Management Strategies

● Expansion of recruitment and side jobs

- Highest initial salary level* in the industry (wage improvement)
- Expansion of recruitment for working professionals and new graduates in accordance with business domains, such as real estate
- Implementation of year-round scouting
- Utilization of personnel with side jobs and participation in the Career Ownership Consortium
*University graduate career-track employees (as of April 2023)

● Matching of personal employee preferences with company deployments

- Expansion of career dialogue through companywide one-on-one meetings

Creation of Personnel by Providing Opportunities For Continued Learning

- Redesign of planning for leader development
- Expansion of learning opportunities, such as digital reskilling
- Acquisition of necessary skills in growth domains through recruitment from other companies



Human Resource
management policy

Enhancement of Job Satisfaction through Innovation of Culture and Awareness

- Implementation of events and community co-creation initiatives for younger employees and on-site employees to participate in
- Implementation of future creation committees at each Group company, in which all employees participate in formulating annual plans
- Strengthening of quality and quantity of communication opportunities



Entrance ceremony for new employees on Romancecar VSE

- Revitalization of cross-departmental projects
- Improvement of management-level skills to support the growth of younger employees
- Understanding of engagement status and implementation of work style reform

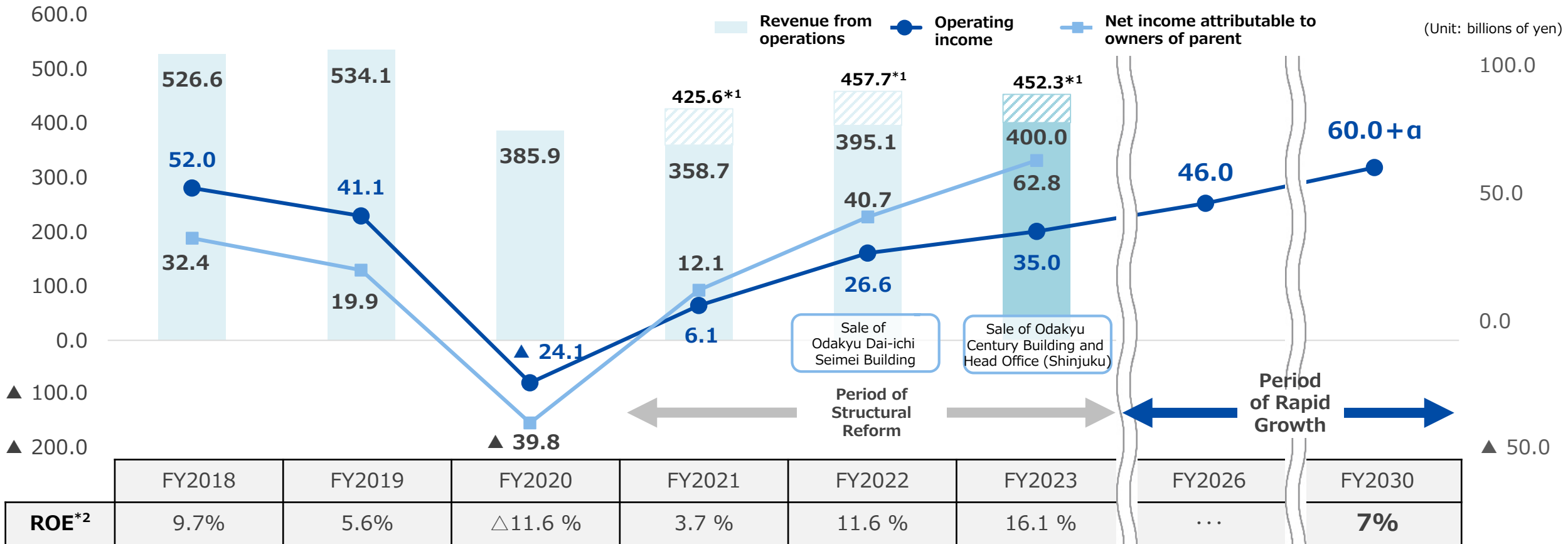


Cross-departmental project

4. Numerical Plans (FY2021–FY2023)

Trends in Consolidated Operations

- In FY2022, operating income recovered to ¥26.6 billion in the railway, hotel, and other businesses due to factors including a year-on-year recovery of the number of users in those businesses
- In FY2023, we anticipate an operating income of ¥35.0 billion as a result of factors including the recovery of profitability levels in each business and expected increase in revenue due to the adoption of a railway station barrier-free fare system in the railway business
- During the period of rapid growth, operating income will grow to ¥46.0 billion in FY2026 and ¥60.0 billion plus extra in FY2030

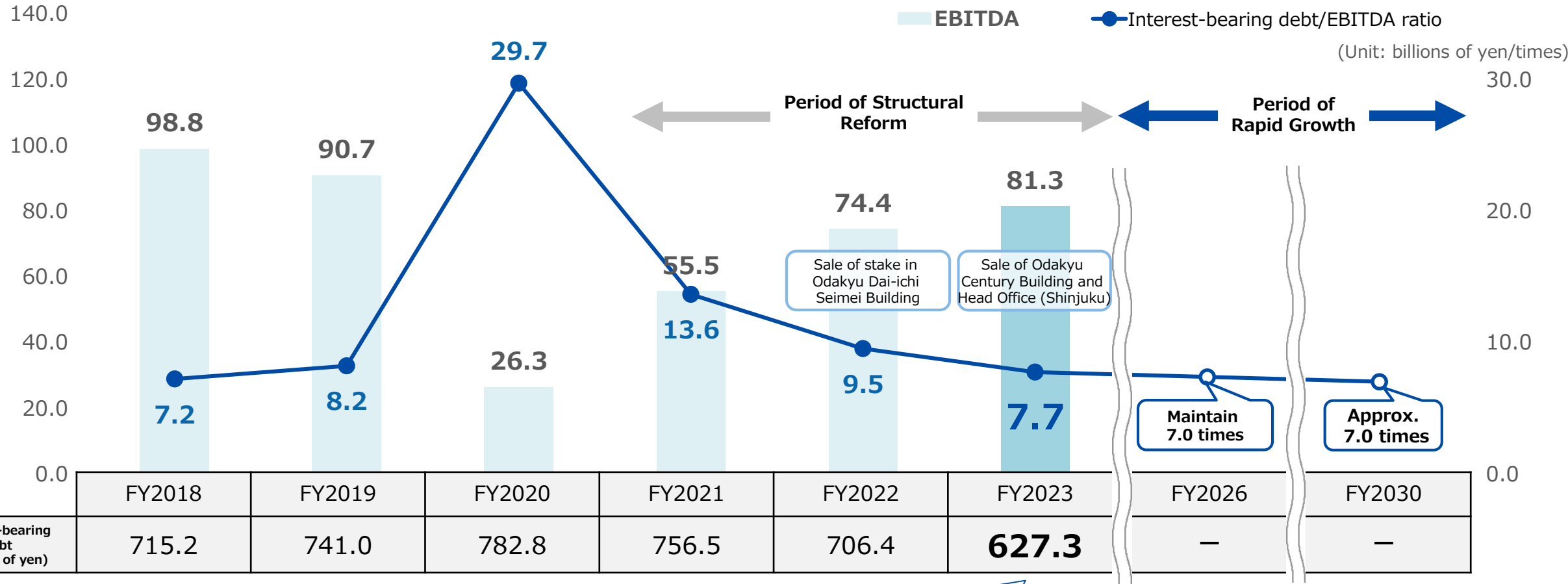


*1 The Company has adopted standards, such as "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29), from FY2021. Some figures are show before changes in accounting policy in order to make a comparison.

*2 Net income attributable to owners of parent / shareholders' equity (excluding net unrealized gain on securities)

Trends in EBITDA, Interest-Bearing Debt, and Interest-bearing debt/EBITDA ratio

- We expect to achieve criteria for recovering financial soundness during the period of structural reform, interest-bearing debt of ¥700 billion and interest-bearing debt/EBITDA ratio 7.0 times, through a recovery of EBITDA following a return to profitability levels and reduction of interest-bearing debt by selling assets
- We aim to maintain a 7.0 times during the period of rapid growth and have a 7.0 times in FY2030



<Criteria for Recovery of Financial Soundness>
 Expected to achieve interest-bearing debt of ¥700 billion and Interest-bearing debt/EBITDA ratio of 7.0 times in FY2023

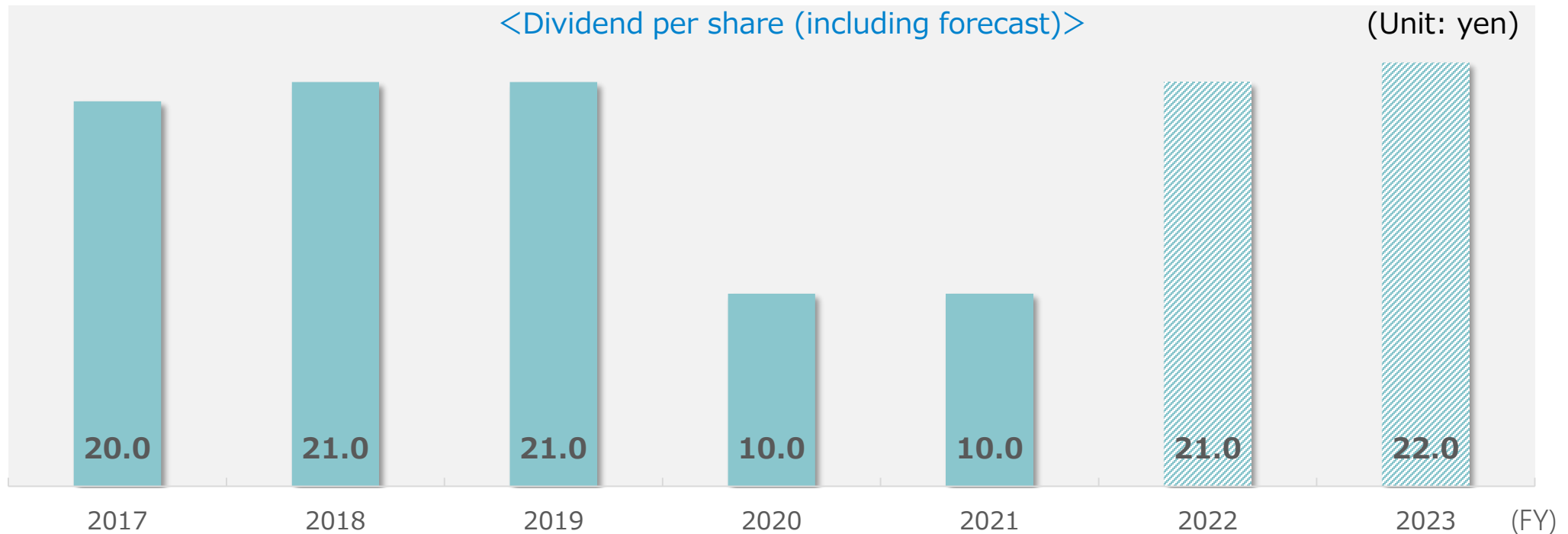
Approach to Shareholder Returns

Basic policy

The Company's basic policy for returning profits to shareholders is to maintain stable dividend payment as a result of improved performance with a dividend payout ratio of approx.30%.

FY2023 Dividend

Annual dividends scheduled to be ¥22.0 per share



In addition to the above basic policy, we are examining reinforcement of shareholder returns after taking into account changes in the business environment, business performance, and capital efficiency

(Reference) Consolidated Numerical Plan

Millions of yen	FY2018 (Results)	FY2019 (Results)	FY2020 (Results)	FY2021 (Results)	FY2022 (Results)	FY2023 (Forecast)
Revenue from operations	526,675	534,132	385,978	358,753	395,159	400,000
Operating income	52,089	41,103	△24,190	6,152	26,601	35,000
Ordinary income	49,687	38,299	△31,223	4,699	25,119	32,700
Net income attributable to owners of parent	32,468	19,923	△39,804	12,116	40,736	62,800
Capital investments	82,215	91,599	62,943	64,693	52,889	77,100
Depreciation	46,727	49,628	51,258	49,363	47,866	46,300
EBITDA	98,817	90,731	26,355	55,515	74,468	81,300
Interest-bearing debt	715,293	741,027	782,822	756,537	706,479	627,300
Interest-bearing debt/ EBITDA ratio	7.2 times	8.2 times	29.7 times	13.6 times	9.5 times	7.7 times
R O E *1	9.7 %	5.6 %	△11.6 %	3.7 %	11.6 %	16.1 %

*1 Net income attributable to owners of parent / shareholders' equity (excluding net unrealized gain on securities)

7.7 times : Criteria for recovery of financial soundness during the period of structural reform

(Reference) Consolidated Numerical Plan (By Segment)

Millions of yen		FY2018 (Results)	FY2019 (Results)	FY2020 (Results)	FY2021 (Results)	FY2022 (Results)	FY2023 (Forecast)
Revenue from operations	Transportation	179,293	173,174	116,230	131,207	151,704	165,000
	Merchandising	210,681	206,563	157,685	100,853	96,156	89,100
	Real Estate	69,006	80,478	72,872	80,946	84,034	80,800
	Other Businesses	106,937	112,256	68,131	74,143	90,716	93,000
	Adjustments	△39,242	△38,340	△28,941	△28,397	△27,451	△27,900
	Total	526,675	534,132	385,978	358,753	395,159	400,000
Operating income	Transportation	29,265	21,641	△25,937	△5,491	8,463	16,100
	Merchandising	2,960	4,373	△1,741	1,695	866	2,400
	Real Estate	13,759	12,940	16,459	18,570	18,047	14,900
	Other Businesses	5,939	2,090	△13,020	△8,668	△821	1,600
	Adjustments	165	58	49	46	46	0
	Total	52,089	41,103	△24,190	6,152	26,601	35,000

小田急電鉄株式会社

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.