



**odakyu**

Information for Investors

Results for the Second Quarter of FY2022

November 9, 2022

# Overview of Actual Performance in Second Quarter of FY2022

---

# Overview of Actual Performance in Second Quarter of FY2022

Millions of yen	First Half of FY2021	First Half of FY2022	Change	Forecast at Apr. 2022	Change
Revenue from operations	174,777	189,984	+15,207 (+8.7%)	195,500	△5,515 (△2.8%)
Transportation	62,749	73,919	+11,169	77,200	△3,280
Merchandising	49,747	49,957	+209	53,600	△3,642
Real Estate	42,346	38,556	△3,790	35,500	+3,056
Other Businesses	33,161	40,197	+7,035	42,400	△2,202
Adjustments	△13,227	△12,645	+582	△13,200	+554
Operating income	2,808	14,512	+11,704 (+416.7%)	14,800	△287 (△1.9%)
Transportation	△2,945	6,188	+9,134	7,900	△1,711
Merchandising	108	1,116	+1,007	1,800	△683
Real Estate	11,364	9,738	△1,625	8,000	+1,738
Other Businesses	△5,741	△2,553	+3,187	△2,900	+346
Adjustments	23	23	—	0	+23
Ordinary income	2,547	14,736	+12,189 (+478.5%)	14,000	+736 (+5.3%)
Net income attributable to owners of parent	7,986	10,086	+2,099 (+26.3%)	7,600	+2,486 (+32.7%)
Capital investments	20,075	20,955	+880		
Depreciation	24,193	23,524	△669		
Interest-bearing debt	756,537*	748,927	△7,610		

\* As of March 31, 2022

# Overview of Performance Forecasts for FY2022

---

# Overview of Performance Forecasts for FY2022

- Regarding this forecast for consolidated operations, we expect a constant recovery in demand for each business due to the decrease in cases of COVID-19 from the third quarter onward, based on our performance up to the second quarter. However, we revised the forecasts for revenue from operations, operating income, and ordinary income, which are expected to be lower than those announced in April.
- Meanwhile, the previous forecast for net income attributable to owners of the parent remained unchanged due to the incorporation of proceeds from sale of property and equipment recorded up to the second quarter.

## Revenue from Operations for Odakyu's Main Businesses

(Compared to April Forecast)

		Second Half Forecast Compared to April Forecast	Main Reason for Revising Second Half Forecast	(reference) First Half Results Compared to April Forecast
Transportation	Railways: Odakyu Electric Railway	Unchanged	—	△3.9%
	Busses	Same level as April Forecast	—	△2.8%
	Hakone Area * Includes a portion of Hotels revenue	Approximately △ 6 %	(-) Delay in recovery	△20.1%
Merchandising	Department Stores	Approximately △ 5 %	(-) Delay in recovery	△12.1%
	Stores and retail	Approximately △ 4 %	(-) Fall in demand for buying meals to eat at home	△4.2%
Other Businesses	Hotels	Same level as April Forecast	—	△6.6%
	Restaurants	Approximately △ 8 %	(-) Delay in recovery	△12.4%

\* These financial results forecasts may change substantially due to the actual impact of the COVID-19 pandemic, consumption trends, and other factors. If revisions to these forecasts become necessary, the Company will promptly disclose a revised forecast.

# Overview of Performance Forecasts for FY2022

Millions of yen	FY2021	FY2022	Change	Forecast at Apr. 2022	Change
Revenue from operations	358,753	391,400	+32,646 (+9.1%)	401,100	△9,700 (△2.4%)
Transportation	131,207	151,000	+19,792	154,600	△3,600
Merchandising	100,853	95,900	△4,953	101,400	△5,500
Real Estate	80,946	83,800	+2,853	82,600	+1,200
Other Businesses	74,143	89,000	+14,856	91,300	△2,300
Adjustments	△28,397	△28,300	+97	△28,800	+500
Operating income	6,152	19,600	+13,447 (+218.6%)	24,600	△5,000 (△20.3%)
Transportation	△5,491	6,100	+11,591	11,400	△5,300
Merchandising	1,695	△500	△2,195	700	△1,200
Real Estate	18,570	17,200	△1,370	15,900	+1,300
Other Businesses	△8,668	△3,200	+5,468	△3,400	+200
Adjustments	46	0	△46	0	—
Ordinary income	4,699	18,300	+13,600 (+289.4%)	22,300	△4,000 (△17.9%)
Net income attributable to owners of parent	12,116	10,000	△2,116 (△17.5%)	10,000	— (0.0%)
Capital investments	64,693	78,100	+13,406	78,100	—
Depreciation	49,363	48,300	△1,063	48,300	—
Interest-bearing debt	756,537	759,100	+2,562	759,100	—

# **Basic Policy for the Current Group Medium-Term Management Plan**

---

# Basic Policy for the Current Group Medium-Term Management Plan

Management  
Vision

## UPDATE Odakyu —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.

Period of Structural  
Reform

2021

2022-2023  
Current  
plan

Period of Rapid  
Growth  
2024-2026

Three Management Issues Aimed at Reform

“Recover profitability”  
“Control interest-bearing debt”  
“Rebuild our business portfolio”

**Expenditure structural reform and  
review of investments**

Three Concepts to Reform Business

“DX concept”  
“Co-creation concept”  
“Localization concept”

**Increase in profitability of each business**

**<Basic policy for the current plan>**

**Promote the recovery of financial soundness  
and creation of a foundation for future rapid growth**

**Promote business creation and expansion related to the sustainable future growth of Odakyu and  
create new value in order to progress over the next 100 years  
as a community value creation company**



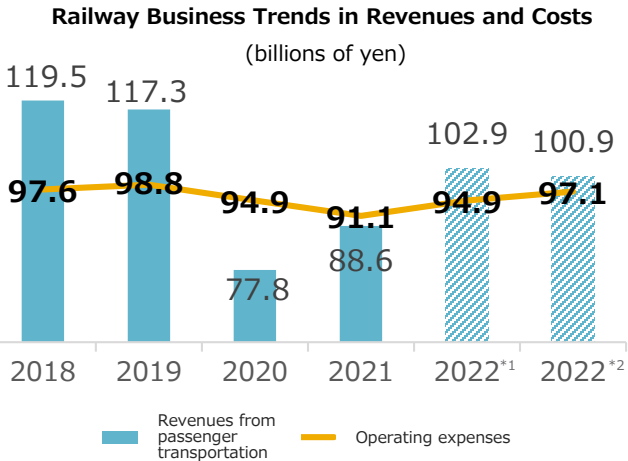
# Three Management Issues Aimed at Reform

---

# Three Management Issues Aimed at Reform

## Recover profitability

### Expected operating expenses in the railway business



- Operating expenses for the railway business are expected to be ¥97.1 billion, a ¥2.2 billion increase compared to forecasts in April 2022 due to an increase in power costs.

- However, due to the effect of promoting timetable changes based on usage trends and making operating systems more efficient, we were able to reduce costs by ¥1.7 billion compared to FY2019.

- We will continue to promote permanent low-cost operations, such as downsize station service equipment.

\*1 Forecast as of April 2022  
\*2 Current forecast

### Pricing review

Transportation	October 2022	<ul style="list-style-type: none"> <li>Odakyu Electric Railway Co.,Ltd. express fare revision</li> <li>Hakone Tozan Railway Co.,Ltd., and Hakone Tozan Bus Co.,Ltd. fare revision</li> </ul>
	From November 2022	<ul style="list-style-type: none"> <li>Odakyu Koutsu Co.,Ltd. fare revision (scheduled for November 14, 2022)</li> <li>Odakyu Electric Railway Co.,Ltd. utilization of barrier-free fare system (scheduled for March 2023)</li> <li>Examination of fare revisions for all bus companies (not finalized)</li> </ul>
Hotels	September 2022	Renewal of Hakone resort hotel Hatsuhana and increase in spending per room

## Control interest-bearing debt

### Sale of Odakyu-owned real estate

Already-determined sales (April 2021 to September 2022): approximately **¥15.0 billion**

### Criteria for Recovery of Financial Soundness (FY2023)

Interest-bearing debt of ¥700 billion  
Interest-bearing debt/EBITDA ratio of 7.0 times

## Rebuild our business portfolio

### Selection-and-concentration efforts in our existing businesses

Clarification of allocating management resources based on Odakyu's growth potential and competitiveness

#### Reorganization of Group Implemented and Decided on in FY2022

April 2022	Integration of Hakone Tozan Railway Co.,Ltd. and Hakone Ropeway Co.,Ltd.
	Transformation of Odakyu Travel Co., Ltd. into functional subsidiary
September 2022	External transfer of manufacturing divisions for Hokuo Tokyo Co., Ltd.
	External transfer of Hakone Tozan Taxi Co.,Ltd.
August 2023	External transfer of our credit card company to JCB Co., Ltd.

- We expect to achieve criteria for recovery of financial soundness through control of interest-bearing debt due to income and expenditure structural reform and sale of assets
- As we enter our period of rapid growth, we will conduct selection-and-concentration efforts in our existing businesses and realize the creation of new opportunities for revenue to rebuild our remaining business portfolio

# Odakyu's Value Creation Process

We will define Odakyu's value creation process for achieving sustainable growth as a company that creates community-based value. Through management decision-making based on the three pillars of "society and community," "economy," and "environment," we will create various kinds of value in future fields for a broad range of local stakeholders.

## Changes of Particular Importance

### Changes in Flow of People

Widespread adoption of teleworking  
Decreased opportunities for going out

### Rapid Development of Digitization

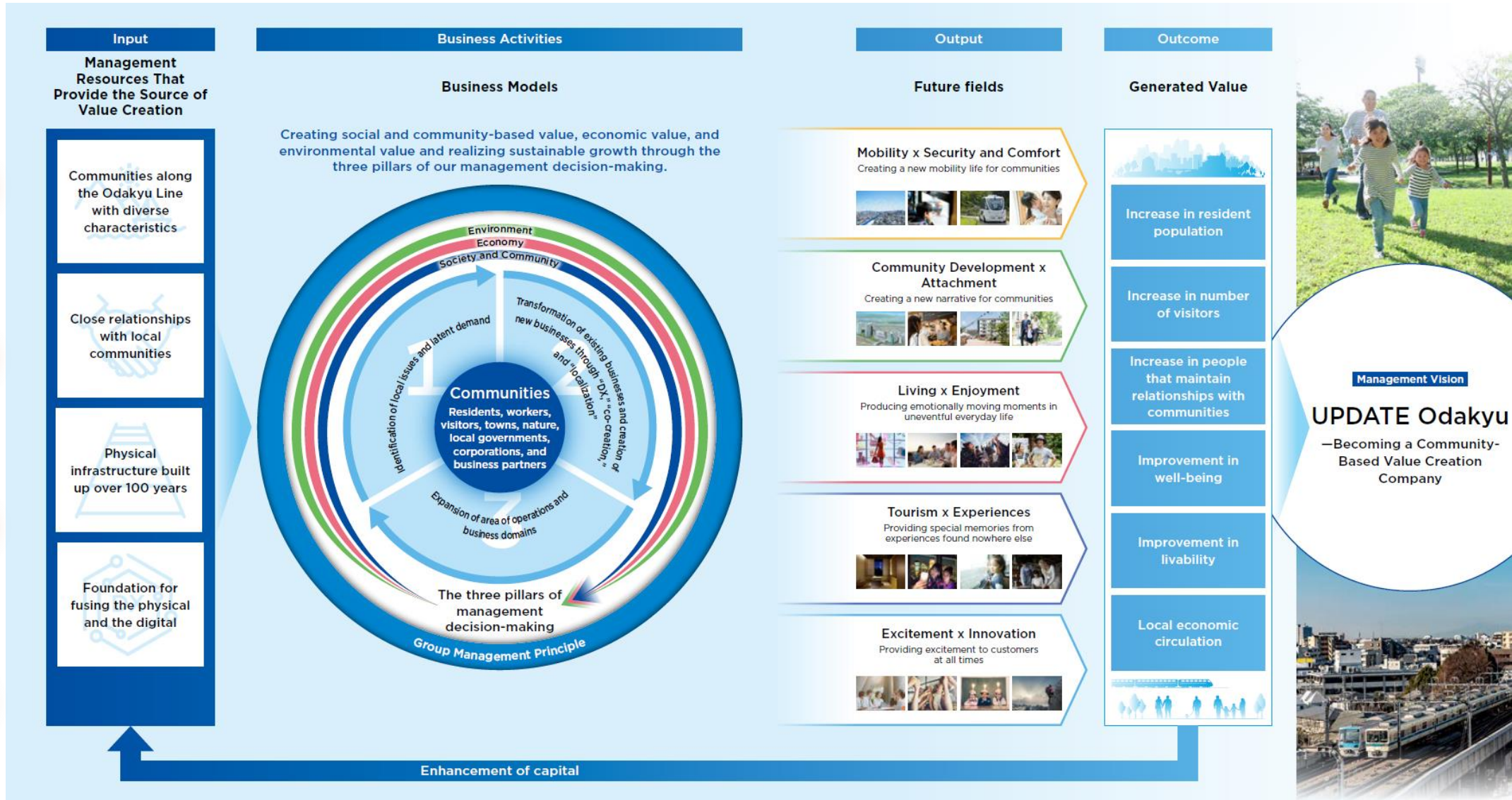
Shift online for lifestyle services

### Decrease in Population, Falling Birthrate, and Aging Population

Decrease in railway users  
Shortage of workers

### Sustainability

Decarbonization and resource recycling  
Changes in social structure and values



# Medium-Term Management Plan Achievement Status

---

➤ We will adapt to post-COVID-19 social changes by utilizing MaaS to create next generation of mobility life

## Vision for the future

- Proposition of new lifestyles that do not rely on privately-owned cars through MaaS.
- Focus on expansion of EMot digital tickets. Further development of diverse transportation service arrangements and preparation and verification of proposals for new lifestyles.

Phase	Key Benefits Achieved
I. Expansion of EMot digital tickets	<ul style="list-style-type: none"> <li>- Increase in revenues through acquisition of digital points of contact</li> <li>- Increase in efficiency of capital investment and maintaining management costs</li> </ul>
II. Arrangement of diverse transportation services	<ul style="list-style-type: none"> <li>- Realization of comfortable transportation service experiences</li> <li>- Accumulation of data for realizing III</li> </ul>
III. Proposal of new lifestyles that do not rely on privately-owned cars	<ul style="list-style-type: none"> <li>- Increase in revenue through increase of public transportation use</li> </ul>

## Progress (as of September 2022)

Note: Underlined sections are in the first half of FY2022



### Expansion of digital tickets in the Odakyu Group

- Hakone, Enoshima, Tanzawa, Izu areas
- Bus tickets (one-day passes and free local bus tickets)
- Launch of QR code ticket gates at all stations on the Odakyu Line

### Expansion of partnership agreements between railway companies and local governments

- Local governments: Kawasaki City, Fujisawa City, Hamamatsu City
- Railway companies: Enshu Railway Co., Ltd., Chichibu Railway Co., Ltd., and Seibu Railway Co., Ltd.
- Travel agencies: Nippon Travel Agency Co., Ltd. and Tobu Top Tours Corporation
- Business partners along the Odakyu Line: Sanrio Co., Ltd., Yomiuriland, and Shonan T-Site, etc.

### Arrangement of diverse transportation services

- Reinforcement of functions for reserving and purchasing limited express Romancecar tickets
- Implementation of reservation and arrangement functions for Docomo Bike Share
- Utilization of demonstration tests for on-demand public transport in the Miyagase area

### Provision of MaaS Japan functions for apps and websites of other companies

- Continuous usage of NIKKO MaaS by Tobu Railway Co., Ltd.
- Launch of MaaS use for Micware Co., Ltd.

- We will create sustainable transportation infrastructure that balances safety with profitability.
- We will meet demand for excursions and trips to destinations within Japan and to nearby places by continuously engaging in efforts to spur transportation demand, such as through promotion of measures to support child-rearing families.

## Maintain and improve safety

### ■ Utilization of railway station barrier-free fare system (March 2023, Odakyu Electric Railway)

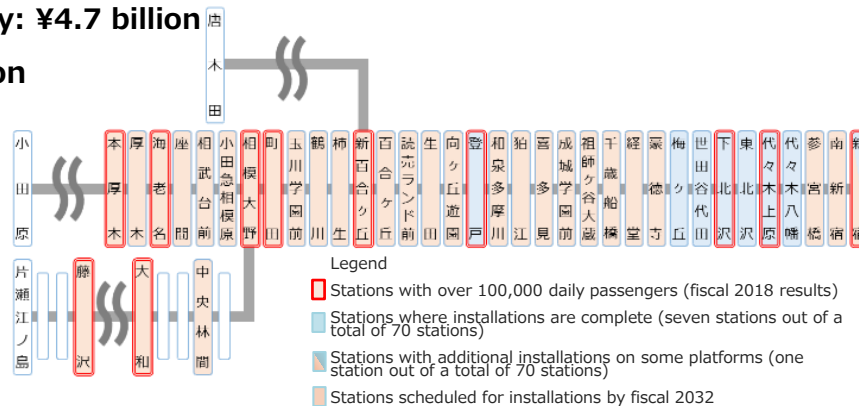
- Acceleration of platform door installation and other measures to improve safety and ease of movement
  - Additional fares: ¥10 to regular adult fares (IC cards and tickets) and calculated into commuter passes

Note: Child fares will be half the amount of adult fares after additional fares. Children's IC card fares and commuter passes do not have additional fares set.

**Amount collected annually: ¥4.7 billion**

### Platform Door Installation

\* By fiscal 2032, we aim to complete platform door installations on 107 platforms at a total of 37 stations, including at all stations on the Odawara Line between Shinjuku Station and Hon-Atsugi Station as well as at Chuo-Rinkan Station, Yamato Station, and Fujisawa Station on the Enoshima Line.



### ■ Fare revision for Hakone Tozan Railway and Hakone Tozan Bus (October 2022)

- Capital investment and renewal of infrastructure to ensure safety and maintain transportation services

## Creation of sustainable operating system

- Aiming to create a sustainable operating system to promote specific discussions regarding the quick realization of a shift to conductor-less trains in anticipation of future labor shortage

## Stimulation of transportation demand and maximization of revenues

### ■ Revision of express fares and creation of new ticketless express fare

- Introduction of ticketless express fare that is ¥50 cheaper than the regular fare to coincide with revision of express fares
- Reduction of costs through downsizing, such as promoting a shift to ticketless technology and reducing express ticket machines on platforms, in addition to expected increase in revenue



**Usage rate for ticketless technology in September 2022**  
52.1%

Usage rate for @club, e-Romancecare, and EMot electronic special limited express tickets



### ■ Spurring of transportation demand through promotion of measures to support child-rearing families

- Promotion of ease of movement through a flat fare of ¥50 for children with IC cards and permanent use of child-rearing support cars, at the same time as spurring transportation demand by planning events through co-creation with local governments along the Odakyu Line

### Number of non-commuters using IC cards in first half of FY2022

Children: **55.7% increase YoY**  
(Adults: 21.1% increase YoY)

### Example of collaboration with local governments

Collaboration with Fujisawa Children's Odekake Support Project to hold a stamp rally with an original stamp of Fujisawa City's mascot character, Fuji-kyun, at all Odakyu Line stations within Fujisawa City (September–November 2022)



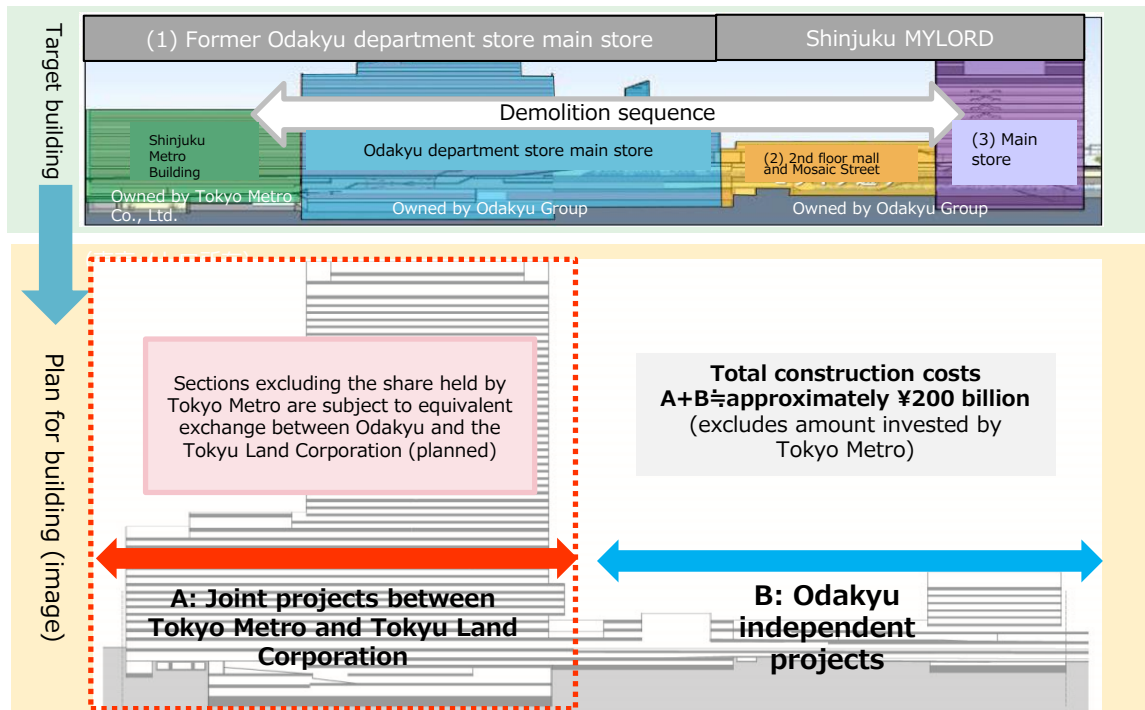
- We will reinforce investment around key stations along the Odakyu Line that becomes the point for drawing in the daytime population, such as the Shinjuku West Gate Redevelopment Plan
- We will promote revitalization measures for the area along the Odakyu Line through area management and resolve social issues

## Promote Shinjuku West Gate Redevelopment Plan

- Leading project of the Shinjuku Grand Terminal concept, a public partnership that aims to improve the city's international competitiveness (scheduled for completion in FY2029)
- Planned timeline for reconstruction and demolition

Note: New construction is scheduled to take place in stages at the same time as demolition (details still under consideration)

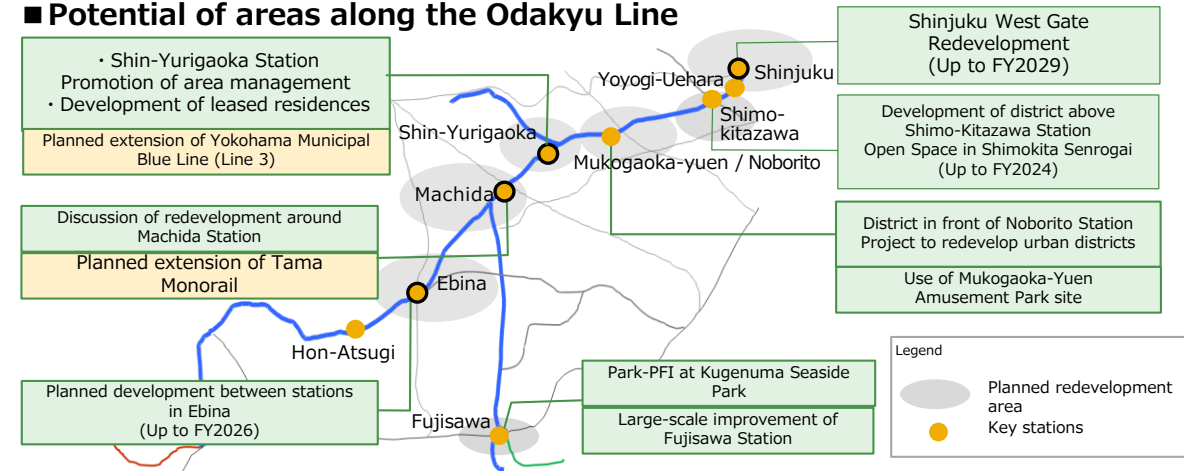
- (1) Former Odakyu department store main store: October 2022–end of March 2027
- (2) Shinjuku MYLORD (2nd floor mall and Mosaic Street): April 2023–end of March 2027
- (3) Shinjuku MYLORD (main store): April 2025–end of March 2027



## Promote community development along the Odakyu Line with focus on key stations

- Continuous promotion of community development through most efficient utilization of in-house land development and assets, with a focus on core cities along the Odakyu Line, and utilization of opportunities, such as redevelopment of town areas along the Odakyu Line and private finance initiatives

### ■ Potential of areas along the Odakyu Line



## Promotion of sustainable community development through resolution of social issues

- Provision of services to local governments through Waste Management Business WOOMS. Scheduled to provide services for businesses in FY2023



### Collaboration with local governments

Formalization of sales to local governments nationwide. Proceeding with verification testing at some local governments, including Fujisawa City and Nagoya City, in addition to adoption in Zama City

### Collaboration with businesses

Expansion of collaboration with businesses, such as JGC Holdings Corporation, Unicharm Corporation, and major drinks manufacturers, to realize a circular economy

- We will generate people flow by creating diverse content in line with new lifestyles and life stages at the same time as contributing to the enhancement of LTV for Odakyu customers by reinforcing communication with them

## Provide content in line with new lifestyles

### ■ Renewal open of Odakyu Department Store Shinjuku Store (October 2022)

- Expansion and reorganization of Shinjuku West Gate HALC department store sales floor by Odakyu Department Store Shinjuku Store to focus on food, cosmetics, and international boutiques with a renewal opening on October 4, 2022



Opening ceremony

Shinjuku West Gate HALC floor layout

RF	Golf school
8F	HALC restaurants
7F	Jewelry, glasses, gifts, etc.
2~6F	Bic Camera, Inc.
2F	Women's clothing, accessories, sundries, shoes, etc.
M2F	Golf wear and cafes
1F	International boutiques, etc.
B 1 F	Cosmetics and food products
B 2 F	Food products
B 3 F MB 3	Haru Chika restaurant and bar dining area

Odakyu Department Store Shinjuku Store sales floor

### ■ Renewal of Flags (December 2022)

- Renewal of Flags, a commercial facility at the south-east gate of Shinjuku Station, the largest since its opening in 1998

## Enhance services provided and reinforce communication through ONE

### ■ Odakyu ONE child-rearing support program

- Planned implementation of the following three events and services from December 2022

#### 1. Special experience events



Romancecar Museum  
Private events

#### 2. Life support events



Free trials of i-kasa umbrella sharing service and Share Buggy stroller sharing service (resolving issues when traveling)

#### 3. Safety and monitoring programs



Electronic safety tag that sends a notification when passing through Odakyu Line ticket gates

### ■ Collection and utilization of Odakyu points by using the Odakyu Line

- Provision of function that allows customers to collect points by using the Odakyu Line and top up PASMO with them
- Planned introduction of functions that enable direct top up of Odakyu points on the mobile PASMO and Apple Pay PASMO apps in the future



### ■ Reinforcement of communication with customers

- Expansion of user base by continuing to attract new customers, such as young people and men, through events and services for railway users
- Contribution to enhancing LTV of Odakyu customers through further expansion of member services and reinforcement of online communication

\*ONE: a service platform that enables the use of a single ID for diverse, useful lifestyle services both within and outside Odakyu  
\*LTV: lifestyle value

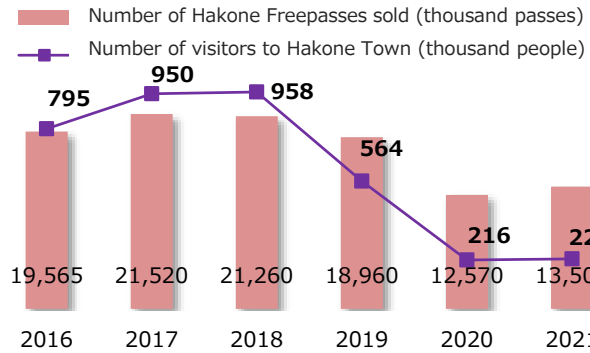


- We are aiming for sustainable tourist attractions by considering initiatives for collaborating with other companies that utilize the reliability and assets of the Odakyu Group.
- We will create new business opportunities and create appeal to increase the number of visitors, such as enhancing accessibility.

## Hakone area

### ■ Issues in Hakone

- Pressing issue of transportation and accommodation recovery (tourism initiatives)



Note: From "Data on Number of Tourists" on the Hakone Town website

First half of FY2022  
Number of Hakone Freepasses sold  
156,000 (96.6% increase YoY)

Odakyu Sightseeing Service Center\*  
Visitors in September 2022  
251.7% increase YoY  
\*Information desk for foreign visitors

### ■ New Community-Based Value in Hakone in Collaboration

- Launch of discussions for developing a co-creation system to realize eco-friendly sightseeing and a decarbonized society in the Hakone area in collaboration with Nikken Sekkei Ltd. and Pacific Consultants Co., Ltd., whose strengths lie in the environmental construction, energy, and infrastructure domains



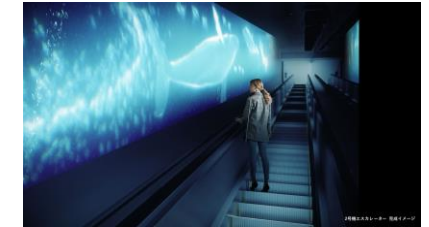
- Discussions regarding concrete plans for new business opportunities, such as sustainable tourism, with the aim of realizing sustainable tourist attractions in Hakone

## Enoshima area

- Selection of Odakyu in Fujisawa City's MaaS Infrastructure Reinforcement Project. Utilization of EMot to create electronic tickets in collaboration with tourism facilities and enhance services aimed at securing inbound demand
- Development of new services coinciding with the renewal opening of Enoshima Samuel Cocking Garden and Enoshima Escar, which creates the path to the upper area of Enoshima (November 2022) to promote of the revitalization of the Enoshima area



Renovated Enoshima Samuel Cocking Garden  
Concept of "Samuel's Resort-Place (vacation-home-style garden)"



Renewal of Enoshima Escar with additional amusement features  
that fully utilize of video technology

## Tanzawa and Oyama area

- Opening of Nature Activity Base TANZAWA BIYORI at Hadano Station (by March 2023) as the first step of Meets at Stations! Project, which aims to make Tanzawa Station and Oyama Station into bases for lives and communities
- Revitalization of local communities by promoting local areas as the gateway to towns



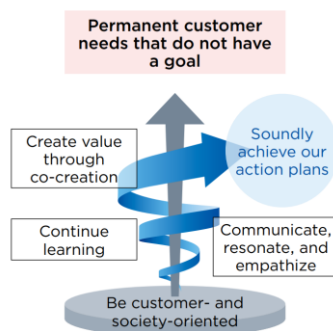
Nature Activity Base TANZAWA BIYORI,  
the base for outings, such as hiking and trekking toward Tanzawa

- **We will transform into people and organizations that generate new value while adapting to the ever-changing business environment and customer needs by refining diverse individual approaches and capabilities, while creating opportunities for gaining knowledge and experience**

### Enhance allocation, development, and productivity

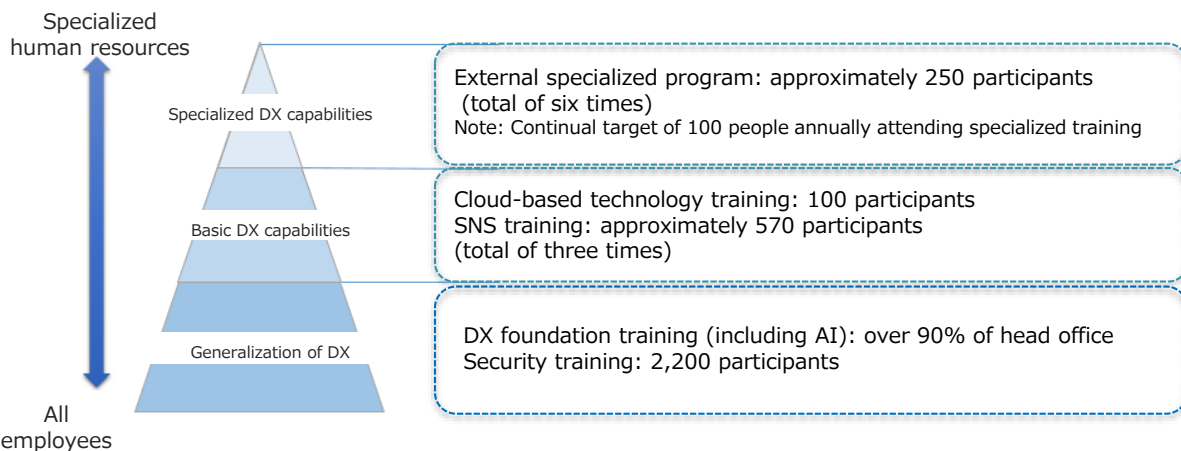
#### ■ Development of “value creators”

- Implementation of one-on-one meetings that utilize career design sheets to promote career autonomy by encouraging the demonstration of diverse values
- Provision of opportunities for independent learning, such as expanding our system to support acquiring qualifications to encourage diverse training



#### ■ Transformation of DX concepts into organizational culture

- Implementation of DX training for each level of technological expertise to raise the standard of DX concepts and develop specialized human resources



### Innovate awareness

- Implementation of regular online in-house pitch meetings as a platform for sharing information within the Group with the aim of realizing our future fields (total of 45 times with approximately 6,500 participants)
- Implementation of Odakyu Innovation Week online pitch meetings, in a continuation of FY2021, to discuss future ideas for community-based value that include external experts (December 5–9, 2022)

地域の未来を考えるオンラインピッチ  
**Odakyu  
 InnovationWeek 2022**

### Advance diverse human resources

#### ■ Hospitable Response that Goes Beyond the legal requirements

- Introduction of support systems that go beyond the legal requirements to create a work environment where diverse human resources can easily balance their jobs and families

#### Amount of male employees taking paternity leave

Approximately 30% (average of 50 days leave) \*As of March 2022

#### ■ Promotion of Female Participation and Career Advancement

- Implementation of seminars and other initiatives for considering female participation and career advancement, who tend to be easily influenced by job satisfaction and life events, with a target of 10% of female employees

#### Percentage of new female graduate employees

38.9% \*Actual results for FY 2022

#### Percentage of female employees (full-time)

9.5% \*Actual results for FY 2021

#### ■ Initiatives for LGBTQ

- Installation of facilities for LGBTQ employees at the new Ebina Offices, in addition to the existing separate accommodation facilities for men and women

# Sustainability Initiatives

---

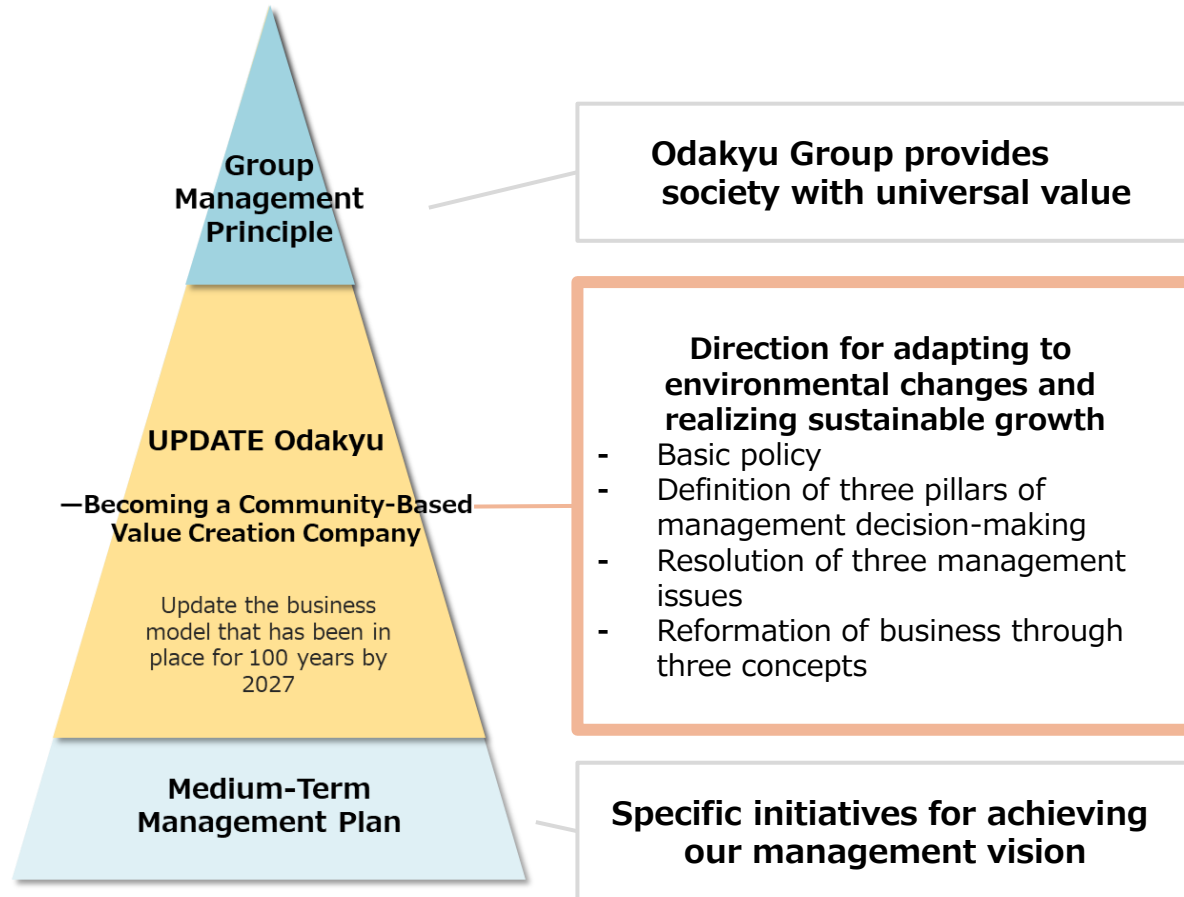
For details of our sustainability initiatives, please see the Odakyu Group Integrated Report 2022.

<https://www.odakyu.jp/ir/integratedreport/>

# Sustainability Initiatives

- Under the management vision UPDATE Odakyu, announced in April 2021, we adopted initiatives including growing together with local communities and reduction of our environmental impact, and clarified our commitment to sustainability
- We will realize sustainable growth by promoting each business to achieve our management vision

## Our Business Planning Structure



## Approach to Sustainability Set Out in the Management Vision

### UPDATE Odakyu—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.

### The Three Pillars of Management Decision-making

#### <<Society and Community >>

When developing businesses, we will promote businesses that not only generate non-consolidated revenue but also create value in communities along the Odakyu Line and in areas where we operate businesses

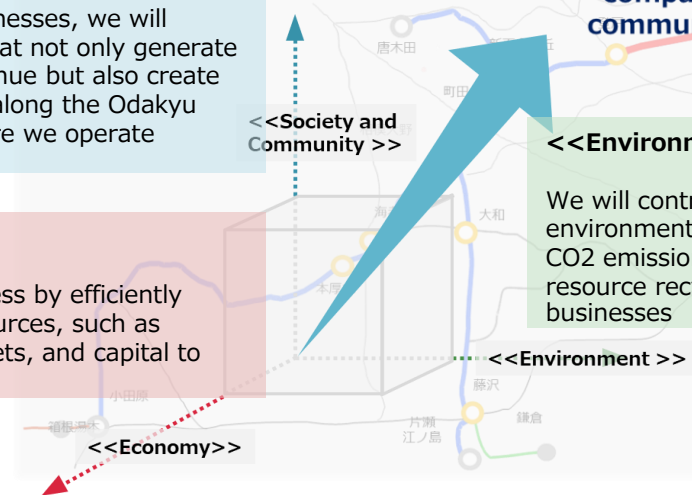
#### <<Economy >>

We will conduct business by efficiently utilizing all of our resources, such as human resources, assets, and capital to maximize revenue

Updates for becoming a company that creates community-based value

#### <<Environment >>

We will contribute to resolving all environmental issues, including CO2 emission reduction and resource recycling, through our businesses



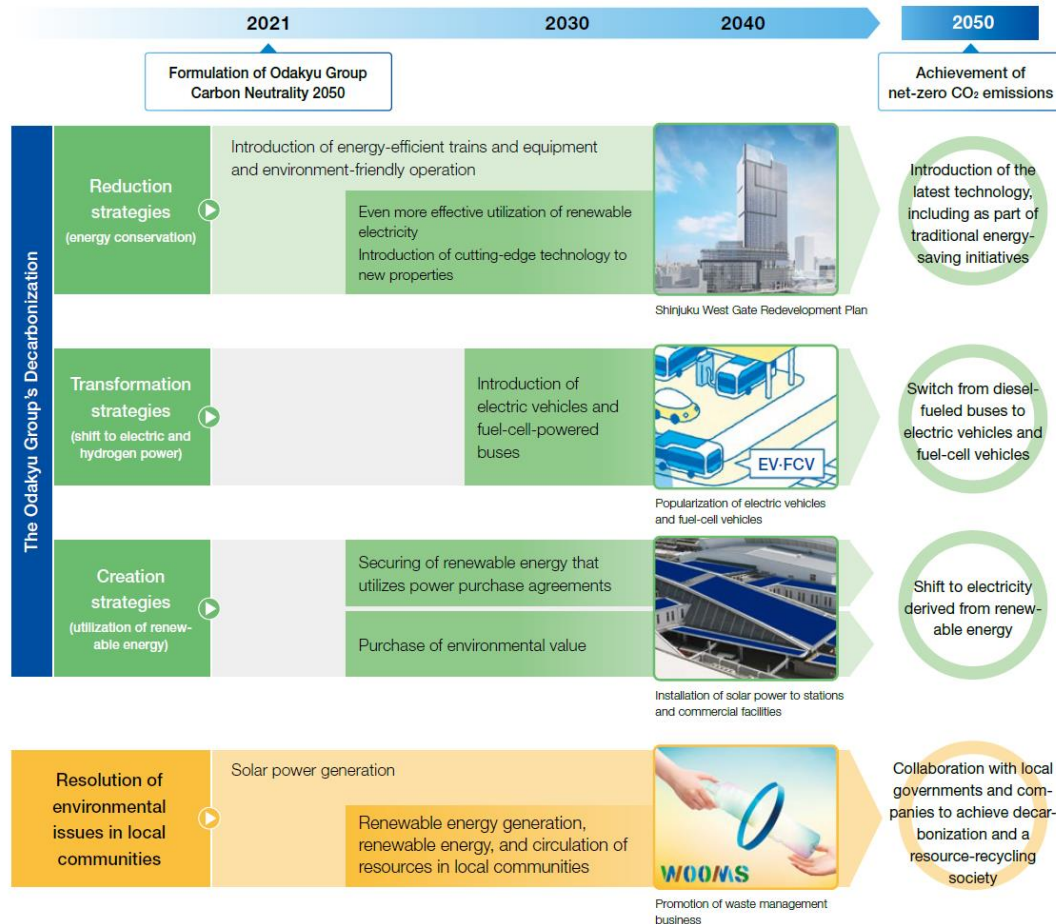
## Environment

### ■ Long-Term Environmental Targets

- Odakyu Group aims for net zero CO<sub>2</sub> emissions by 2050
- To achieve this goal, we will reduce CO<sub>2</sub> emissions by 46%\* (compared to 2013)

\*Excluding the bus and taxi businesses

### ■ Road Map for Realizing Carbon Neutrality



## Society

### ■ Promotion of ease of living along the Odakyu Line for families raising children

- Formulation of Child-Rearing Support Policy in 2021 in response to recovery in demand for railways and the social issues of the falling birth rate and aging population

#### Key Initiatives for Supporting Families Raising Children

##### Transportation

- Flat fare of ¥50 for children with IC cards
- Permanent use of child-rearing support cars

##### Leisure

- Romancecar Museum
- Various family events

##### Information

- FunFan Odakyu (event information website)
- *Odakyu no kurashi* (local community information website)

##### Learning and Lifestyle

- *MamaKare* (an online community for mothers)
- ONE Child-Rearing Support program

- High praise for child-rearing support initiatives and communication, as well as receipt of Corporate Communications Award and Japan Railway Award Special Prize



Award ceremony for Corporate Communications Award

## Governance

### ■ Enhancement of corporate governance effectiveness

- Reinforcement of supervisory functions for Board of Directors
- Promotion of separation of supervisory and business execution functions and clarification of executive responsibility

#### Recent Initiatives

Partial review of executive officer system (such as shift to appointment-based system and introduction of Group executive officer system)  
 Increase in percentage of performance-linked compensation for executive officers concurrently serving as directors

# 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.