

Principal Questions and Answers from the Teleconference for Institutional Investors and Analysts
(Financial Results) for the Second Quarter of the Fiscal Year Ending March 31, 2023

<About the transportation business>

Q1 Power costs are rising in the railway business. If this trend continues, will operating expenses return to pre-COVID-19 levels? What kind of countermeasures are you taking?

- To ensure that we do not return to pre-COVID-19 level operating expenses in the railway business, we will continue to promote the reduction of personnel expenses by making operating systems more effective, in addition to considering efficient timetables and downsized facilities.

Q2 Aside from Hakone Tozan Bus, what is the status of fare revisions at each bus company?

- Odakyu bus companies are currently struggling with revenue and expenditures due to factors including people staying at home and the widespread adoption of working from home. First, we will make improvements through self-supporting endeavors, including reducing costs and reviewing capital investments.
- We are considering fare revisions while observing trends in the number of passengers carried.

<About the hotel business>

Q3 To what degree will the percentage of foreign guests at hotels recover?

- The percentage of foreign guests at the Hyatt Regency Tokyo, which was high before the pandemic, was 36.8% in September 2022. While we cannot give the official figures for October 2022 at the present time, they seem to be recovering further.

<About the Shinjuku West Gate Redevelopment Plan>

Q4 What is your approach to fundraising for the Shinjuku West Gate Redevelopment Plan?

- While the operating bodies developing the Shinjuku area are the Odakyu Group and Tokyo Metro, we signed a basic agreement with Tokyu Land Corporation as a candidate for a joint venture. This basic agreement is intended to maximize the value of this project through mutual cooperation between the two companies by providing management resources, in addition to their expertise. However, we also believe that the equivalent exchange system* will also contribute to reducing investments as an effect of this agreement.
- Specifically, the currently publicized total project cost (excluding the contribution of Tokyo Metro) of ¥200 billion is covered by both the Odakyu Group and Tokyu Land Corporation.
- Furthermore, we are frequently asked about increasing capital, for which there are numerous focal points, such as stocks dilution and high costs. We recognize that there are priorities, including control of

investments and costs and sale of company-owned assets, and we currently do not have any concrete plans.

*An equivalent exchange system is a method of acquiring land and buildings according to the respective investment ratio of each party as a result of the outside company constructing buildings and the land owner investing (transferring) the land, where the land owner (Odakyu) and outside company (Tokyo Land Organization) become joint venture partners. Furthermore, the investment ratios are currently under consideration.

Q5 How have revenues been impacted during the construction period of the Shinjuku West Gate Redevelopment Plan?

- Before COVID-19, Odakyu Department Store Shinjuku Store (main store and Shinjuku West Gate HALC), Odakyu Ace, and Shinjuku MYLORD had revenue from operations of approximately ¥90 billion and operating income of approximately ¥4.5 billion.
(Figures before adopting “Accounting Standard for Revenue Recognition” and other standards)
- Furthermore, although the Odakyu Department Store main store closed on October 2, 2022 we are working to improve profitability and reduce personnel expenses by renewing Shinjuku West Gate HALC, while continuing operation by focusing on categories that are more lucrative and competitive. Regarding Shinjuku MYLORD, we are carrying out construction and demolition in phases, for the 2nd floor mall and Mosaic Street from April 2023 and the main store from April 2025.

<About the sale of strategic shareholdings>

Q6 While Odakyu has decided to sell ¥50 billion of Company-owned real estate by 2023, will there be further sales?

- Odakyu aims to recover financial soundness by achieving ¥700.0 billion in interest-bearing debt by 2023 and have already made the decision to sell ¥15.0 billion worth of assets by September 2022.
- While we will continue to consider the sale of Company-owned real estate, we are not at the stage where we can provide concrete details.

Q7 What is the impact of a fall in rental income if you sell Company-owned real estate?

- We expect a certain amount of decrease in rental income, however we will minimize the impact by prioritizing properties with low profitability. We will select properties based on future cash flow in consideration of factors such as investments to maintain and update facilities.

Note: This document is not a word-for-word transcription of questions and answers at the result briefing, but rather a summary prepared by the Company that contains additions and revisions.