

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

April 28, 2022

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Based on Japanese GAAP)

Company name: Odakyu Electric Railway Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 9007  
 URL: <https://www.odakyu.jp/>  
 Representative: President & CEO Koji Hoshino  
 Inquiries: Office Manager, IR Office Satoru Suzuki  
 TEL: +81-3-3349-2526  
 Scheduled date of the annual general meeting of shareholders: June 29, 2022  
 Scheduled date to commence dividend payments: June 30, 2022  
 Scheduled date to file Annual Securities Report: June 29, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2022	358,753	–	6,152	–	4,699	–	12,116	–
March 31, 2021	385,978	(27.7)	(24,190)	–	(31,223)	–	(39,804)	–

Note: Comprehensive income For the fiscal year ended March 31, 2022 ¥809 million [–%]  
 For the fiscal year ended March 31, 2021 ¥(34,078) million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	33.36	–	3.5	0.4	1.7
March 31, 2021	(109.60)	–	(10.8)	(2.4)	(6.3)

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2022 ¥238 million  
 For the fiscal year ended March 31, 2021 ¥(3,398) million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and each figure for the fiscal year ended March 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. The percentage of year-on-year change is not shown.

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	1,285,230	349,257	27.0	954.58
March 31, 2021	1,326,996	352,456	26.4	963.40

Reference: Equity

As of March 31, 2022                      ¥346,862 million  
As of March 31, 2021                      ¥349,878 million

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	48,617	(45,515)	(30,573)	21,852
March 31, 2021	27,178	(43,582)	37,207	49,267

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	–	0.00	–	10.00	10.00	3,655	–	1.0
Fiscal year ended March 31, 2022	–	0.00	–	10.00	10.00	3,655	30.0	1.0
Fiscal year ending March 31, 2023 (Forecast)	–	0.00	–	10.00	10.00		36.3	

## 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	195,500	11.9	14,800	426.9	14,000	449.6	7,600	(4.8)	20.92
Fiscal year ending March 31, 2023	401,100	11.8	24,600	299.8	22,300	374.5	10,000	(17.5)	27.52

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement of prior period financial statements: None

Note: For details, please see “3. Consolidated Financial Statements and Significant Notes Thereto, (5) Notes to consolidated financial statements (Changes in accounting policies)” of the attached materials on page 15.

- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	368,497,717 shares
As of March 31, 2021	368,497,717 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2022	5,132,551 shares
As of March 31, 2021	5,327,705 shares

- (iii) Average number of shares during the period

Fiscal year ended March 31, 2022	363,208,463 shares
Fiscal year ended March 31, 2021	363,167,785 shares

Note: The Company’s shares held by the Board Incentive Plan Trust Account, which have been included in the treasury shares, are as follows.

For the fiscal year ended March 31, 2022: 137,002 shares

For the fiscal year ended March 31, 2021: 153,660 shares

**Reference: Summary of non-consolidated financial results**

**Non-consolidated financial results for the fiscal year ended March 31, 2022  
(from April 1, 2021 to March 31, 2022)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2022	131,365	–	14,170	–	6,523	–	13,576	–
March 31, 2021	114,366	(33.5)	(3,224)	–	(14,664)	–	(19,702)	–

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	37.16	–
March 31, 2021	(53.92)	–

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and each figure for the fiscal year ended March 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. The percentage of year-on-year change is not shown.

## (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	1,108,060	313,381	28.3	857.62
March 31, 2021	1,149,616	314,816	27.4	861.58

Reference: Equity

As of March 31, 2022

¥313,381 million

As of March 31, 2021

¥314,816 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of financial results forecasts and other special items

### Caution regarding forward-looking statements and others

The financial results forecasts are calculated based on information obtained at the current time.

Accordingly, actual results may differ from the forecast figures due to changes in business conditions and other factors.

For matters related to the financial results forecasts, please see “1. Overview of Operating Results and Others, (4) Future outlook” of the attached materials on page 5.

### How to obtain supplementary material on financial results

Supplementary material on financial results is disclosed on the same day on TDnet. Please refer to the Company website to review the supplementary material on financial results, and also “Financial Results (with Additional Explanations)” and “FAQ,” which were disclosed on the same day.

### How to access the contents of the financial results meeting

A financial results meeting will be held on May 12, 2022 for institutional investors and analysts.

The material used for this financial results meeting will be disclosed on TDnet and published on the Company website on the same day.

**Attached Materials****Index**

1. Overview of Operating Results and Others .....	2
(1) Overview of operating results for the fiscal year .....	2
(2) Overview of financial position for the fiscal year .....	4
(3) Overview of cash flows for the fiscal year .....	5
(4) Future outlook .....	5
2. Basic Stance Towards the Selection of Accounting Standards .....	6
3. Consolidated Financial Statements and Significant Notes Thereto .....	7
(1) Consolidated balance sheet .....	7
(2) Consolidated statement of income and comprehensive income .....	9
Consolidated statement of income.....	9
Consolidated statement of comprehensive income .....	10
(3) Consolidated statement of changes in equity .....	11
(4) Consolidated statement of cash flows .....	13
(5) Notes to consolidated financial statements.....	15
Notes on premise of going concern .....	15
Changes in accounting policies .....	15
Additional information .....	16
Notes to consolidated statement of income .....	16
Segment information, etc. ....	16
Per share information .....	18
Significant subsequent events.....	19

## 1. Overview of Operating Results and Others

### (1) Overview of operating results for the fiscal year

During the fiscal year ended March 31, 2022, conditions in the Japanese economy remained challenging. Despite a rebound in corporate earnings, private consumption and the employment situation remain weak due to the prolonged effects of the COVID-19 pandemic. Towards the end of the fiscal year, with the situation in Ukraine deteriorating, the outlook was still uncertain, requiring careful monitoring of downside risks due to rising raw material prices and fluctuations in financial and capital markets.

Under these conditions, despite a recovery trend in the number of customers at our railways, department stores, hotels, and other businesses compared to the previous fiscal year, as a result of factors such as the declaration of a state of emergency and changes in accounting policies, Odakyu Electric Railway Co., Ltd. (the “Company”) and its consolidated subsidiaries (collectively, the “Group”) recorded an operating revenue of ¥358,753 million (operating revenue of ¥385,978 million in the previous fiscal year) and an operating profit of ¥6,152 million (operating loss of ¥24,190 million in the previous fiscal year). In addition, ordinary profit was ¥4,699 million (ordinary loss of ¥31,223 million in the previous fiscal year), and profit attributable to owners of parent was ¥12,116 million (loss attributable to owners of parent of ¥39,804 million in the previous fiscal year).

The performance by business segment is shown below.

#### Transportation

On the transportation side of the railway business, in March 2022 we implemented changes to the railway timetables based on changes in customer usage trends. These changes included an increase in the number of limited express “Romancecar” trains to meet growing demand for seating during the weekday morning rush hours and changes to the Enoshima Line service pattern to improve timeliness and train operation efficiency. As well as increasing the number of 5000-series commuter trains with four railroad cars, we continued to update the 1000-series commuter trains as part of our efforts to enhance transportation services.

On the sales side, in November 2021 we formulated our child-friendly support policy, “Children’s smiles will change the future: Odakyu Partner Declaration,” and in March 2022, we became the first railroad company in Japan to offer a uniform child IC fare of 50 yen for the entire route along with other initiatives designed to achieve a “child-friendly railway line.” In addition, in November 2021, to promote tourism-based MaaS, we began selling the Digital Enoshima-Kamakura Freepass via our “EMot” MaaS app and “EMot Online Ticket” digital ticket purchase site and completed digitalization of Freepass tickets for the three major tourist attractions along the line (Hakone, Tanzawa/Oyama, and Enoshima/Kamakura).

With regard to facilities, we installed platform doors at Shinjuku Station (platforms 8 and 9) and at Noborito Station (platforms 3 and 4) to further improve the safety of train operations, and carried out seismic retrofitting work on bridges between Shibusawa Station and Shin-Matsuda Station and work to repair slopes between Aiko-Ishida Station and Isehara Station and elsewhere to mitigate the risk of damage by large-scale earthquakes, landslides, and other natural disasters. In other work to enhance station facilities, in November 2021 the new East Exit ticket gate began service at Chuo-Rinkan Station thanks to progress on the station improvement project that has been underway since 2018 in cooperation with Yamato City.

In the bus business, Odakyu Bus Co., Ltd. developed a bus turnaround in Musashino City, Tokyo in October 2021, and worked to revitalize the area along the bus route by opening the “hocco” complex centered on stores and residences based on the concept of “a community hub.” Each company also worked to further enhance convenience by revising timetables to meet customer needs, etc.

As a result of the above, despite the impact of two emergency declarations, in the Company’s railway business, the number of railway passengers exceeded the previous fiscal year among both commuters and non-commuters, leading to operating revenue of ¥131,207 million (operating revenue of ¥116,230 million in the previous fiscal year), and an operating loss of ¥5,491 million (operating loss of ¥25,937 million in the previous fiscal year).

Odakyu railway business transportation performance

Performance item	Unit	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)		
			Year-on-year changes (%)	
Number of operating days	Days	365	0.0	
Total operating length	km	120.5	0.0	
Train mileage	Thousand km	190,124	(1.2)	
Number of passengers	Commuter passes	Thousands of people	349,917	5.4
	Non-commuter passes	Thousands of people	230,695	19.4
	Total	Thousands of people	580,612	10.5
Passenger transportation revenue	Commuter passes	Millions of yen	35,618	3.9
	Non-commuter passes	Millions of yen	52,991	21.6
	Total	Millions of yen	88,609	13.8
Miscellaneous income of transportation	Millions of yen	3,376	5.8	
Total transportation revenue	Millions of yen	91,986	13.5	
Boarding efficiency	%	32.3	–	

Note: Boarding efficiency calculation method  
Boarding efficiency = Total passenger-km (passengers through stations × distance between stations)/(passenger car travel km × average passengers) × 100

**Merchandising**

In the department stores business, Odakyu Department Store Co., Ltd. worked to expand the scope of its business by launching full-scale sales activities in Japan in June 2021 for the “China Market Social Listening Service” (an information analysis service on e-commerce and social media in China), which it has been working on in partnership with a Japanese subsidiary of a partner company in the cross-border e-commerce business aimed at China. In addition, it aggressively implemented various sales measures, including events, across its stores.

In the stores and retail business, in an effort to strengthen product lineups and merchandising power, in August 2021 sales of Seven & i Holdings Co., Ltd.’s private brand “Seven Premium” started in all 28 “Odakyu OX” supermarkets operated by Odakyu Shoji Co., Ltd. as well as at the “Odakyu OX MART” at Shin-Yurigaoka. Efforts were also made to further enhance convenience at the “Odakyu OX” supermarkets, including renovations followed by reopenings at the Sagami-Ono, Tsurukawa, and Chitose Funabashi stores.

As a result of the above, although the number of customers in the department stores business recovered due to a rebound from temporary closures following the declaration of a state of emergency issued in April 2020, revenue decreased due to the impact of the changes in accounting policies, leading to operating revenue of ¥100,853 million (operating revenue of ¥157,685 million in the previous fiscal year), and an operating profit of ¥1,695 million (operating loss of ¥1,741 million in the previous fiscal year).

## Real Estate

In the real estate sales business, Odakyu Real Estate Co., Ltd. worked to secure revenue through the sale of detached houses such as those in the LEAFIA Minami-Osawa Gardens development, and of condominiums, including LEAFIA Residence Hashimoto.

In the real estate leasing business, we have been diligently moving ahead with the design and development of the “Shimokita Senrogai” area created by moving railway tracks underground between Higashi-Kitazawa Station and Setagaya-Daita Station. In June 2021, we opened the new “reload” facility there which features specialty boutiques and cafes that use select ingredients and other unique tenants offering personalized service. In February 2022, Tokyu Land Corporation was selected as a new potential partner to maximize the value of the Shinjuku Station West Exit area development plan, and an agreement was reached to deepen discussions toward the promotion of the joint project, including the provision of know-how and management resources. In addition, Odakyu Real Estate Co., Ltd. made efforts to expand the scope of its business, including the completion of its first logistics facility, the Odakyu Real Estate Logistics Center Inzai, in July 2021.

As a result of the above, the impact of factors such as strong sales of land and condominiums in the real estate sales business and rebound in the real estate leasing business from rent concessions following the temporary closure of some commercial facilities under the state of emergency issued in April 2020 led to operating revenue of ¥80,946 million (operating revenue of ¥72,872 million in the previous fiscal year), and an operating profit of ¥18,570 million (operating profit of ¥16,459 million in the previous fiscal year).

## Other Businesses

In the hotel business, efforts were made to strengthen the business base, including the opening of the new Shinjuku NADAMAN restaurant by the long-established Japanese restaurant NADAMAN in the Hyatt Regency Tokyo operated by Hotel Odakyu Co., Ltd., in November 2021. We also endeavored to meet diversifying customer needs under new lifestyles, for example by launching new train-themed accommodation packages (train views from high-rise floors and high-quality in-room Odakyu Line train simulators) and implementing changes in guest room formats at the Hotel Century Southern Tower operated by Hotel Odakyu Southern Tower Co., Ltd.

In the restaurant business, Odakyu Restaurant system Co., Ltd. and Giraud Restaurant System Co., Ltd. strengthened their ability to attract customers by continuing to improve takeout menus, opening new restaurants, and renovating existing restaurants.

As a result of the above, despite the impact of two emergency declarations, the recovery of the number of customers in the hotel and restaurant businesses led to operating revenue of ¥74,143 million (operating revenue of ¥68,131 million in the previous fiscal year), and an operating loss of ¥8,668 million (operating loss of ¥13,020 million in the previous fiscal year).

## (2) Overview of financial position for the fiscal year

Total assets were ¥1,285,230 million (down ¥41,766 million from the end of the previous fiscal year) mainly due to a decrease in cash and deposits as a result of the redemption of bonds, etc. and the sale of investment securities.

Liabilities were ¥935,972 million (down ¥38,566 million from the end of the previous fiscal year) mainly due to a decrease in interest-bearing debt through the redemption of bonds, etc.

Net assets were ¥349,257 million (down ¥3,199 million from the end of the previous fiscal year) mainly due to a decline in the valuation difference on available-for-sale securities due to the sale of investment securities, etc. despite an increase in retained earnings as a result of the recording of profit attributable to owners of parent.



**(3) Overview of cash flows for the fiscal year**Cash flows from operating activities

Net cash provided by operating activities was ¥48,617 million as a result of adjustment for items, such as depreciation and amortization, by adding to or deducting from profit before income taxes of ¥23,227 million, and cash inflow increased by ¥21,438 million compared with the previous fiscal year.

Cash flows from investing activities

Net cash used in investing activities was ¥45,515 million mainly due to an increase in purchase of property, plant and equipment and cash outflow increased by ¥1,933 million compared with the previous fiscal year.

As a result, free cash flow left over from this was ¥3,101 million.

Cash flows from financing activities

Net cash used in financing activities was ¥30,573 million mainly due to redemption of bonds.

Cash and cash equivalents at end of period was ¥21,852 million, down ¥27,415 million from the end of the previous fiscal year.

## Trends in cash flow indicators

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity ratio (%)	29.1	29.1	26.4	27.0
Equity ratio based on market value (%)	73.7	64.9	82.8	57.6
Interest-bearing debt to cash flow ratio (years)	9.8	9.9	28.8	15.6
Interest coverage ratio (times)	12.3	14.0	5.0	10.0

- The calculation method for each indicator is as follows:  
Equity ratio: Equity divided by total assets  
Equity ratio based on market value: Market capitalization divided by total assets  
Interest-bearing debt to cash flow ratio: Interest-bearing debt divided by cash flows from operating activities  
Interest coverage ratio: Cash flows from operating activities divided by interest paid
- All of the above indicators were calculated using consolidated-basis financial data.
- Total market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of outstanding shares at the end of the period.
- Interest-bearing debt was calculated using “borrowings + bonds payable + accounts payable to Japan railway construction, transport and technology agency, etc.”

**(4) Future outlook**

Concerning the consolidated financial results forecasts for the fiscal year ending March 31, 2023, the business environment is expected to remain harsh given the uncertainty around the timing of the end of the COVID-19 pandemic, despite expectation of a certain level of recovery compared with the previous fiscal year, which was impacted by the declaration of a state of emergency, etc. As a result, we expect operating revenue of ¥401.1 billion (up 11.8% year on year), and operating profit of ¥24.6 billion (up 299.8% year on year). In addition, we expect ordinary profit of ¥22.3 billion (up 374.5% year on year), and profit attributable to owners of parent of ¥10.0 billion (down 17.5% year on year).

For details, please see “Results for the FY2021 (Ended March 31, 2022),” which is separately disclosed.

- \* The above forecasts are calculated based on information obtained at the current time. Accordingly, actual results may differ from the forecast figures due to changes in business conditions and other factors.

## **2. Basic Stance Towards the Selection of Accounting Standards**

With respect to application of International Financial Reporting Standards (IFRS), the Group follows a policy of responding in a suitable manner after giving consideration to various circumstances in Japan and overseas.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	49,397	21,982
Notes and accounts receivable - trade	20,134	–
Notes and accounts receivable - trade, and contract assets	–	24,435
Lease receivables and investments in leases	1,001	690
Merchandise and finished goods	5,770	4,593
Land and buildings for sale in lots	29,817	36,831
Work in process	1,002	860
Raw materials and supplies	2,282	2,255
Other	37,646	34,501
Allowance for doubtful accounts	(358)	(607)
<b>Total current assets</b>	<b>146,692</b>	<b>125,542</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	484,778	495,404
Machinery, equipment and vehicles, net	57,323	57,656
Land	472,084	474,668
Leased assets, net	1,083	836
Construction in progress	33,167	24,899
Other, net	10,659	8,664
<b>Total property, plant and equipment</b>	<b>1,059,096</b>	<b>1,062,130</b>
Intangible assets		
Goodwill	1,654	1,375
Leased assets	216	213
Other	21,673	20,360
<b>Total intangible assets</b>	<b>23,544</b>	<b>21,949</b>
Investments and other assets		
Investment securities	74,325	53,675
Long-term loans receivable	2,470	1,614
Deferred tax assets	5,955	5,986
Other	16,271	15,603
Allowance for doubtful accounts	(1,359)	(1,272)
<b>Total investments and other assets</b>	<b>97,662</b>	<b>75,607</b>
<b>Total non-current assets</b>	<b>1,180,304</b>	<b>1,159,687</b>
<b>Total assets</b>	<b>1,326,996</b>	<b>1,285,230</b>

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,664	21,239
Short-term borrowings	182,428	183,116
Current portion of bonds payable	20,010	30,010
Lease liabilities	1,061	791
Income taxes payable	6,311	9,440
Provision for bonuses	6,868	6,440
Allowance for unredeemed gift certificates and others	1,582	1,724
Provision for loss on disaster	89	-
Other	101,688	87,419
Total current liabilities	339,704	340,182
Non-current liabilities		
Bonds payable	247,015	217,005
Long-term borrowings	253,720	259,891
Long-term accounts payable to Japan railway construction, transport and technology agency	70,603	59,005
Lease liabilities	1,109	847
Deferred tax liabilities	7,835	4,434
Deferred tax liabilities for land revaluation	954	964
Retirement benefit liability	13,600	13,841
Asset retirement obligations	1,688	1,672
Other	38,308	38,126
Total non-current liabilities	634,835	595,789
Total liabilities	974,539	935,972
<b>Net assets</b>		
Shareholders' equity		
Share capital	60,359	60,359
Capital surplus	57,900	58,089
Retained earnings	207,852	215,575
Treasury shares	(6,503)	(6,297)
Total shareholders' equity	319,609	327,726
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,479	16,097
Revaluation reserve for land	548	537
Remeasurements of defined benefit plans	3,241	2,501
Total accumulated other comprehensive income	30,269	19,136
Non-controlling interests	2,578	2,394
Total net assets	352,456	349,257
Total liabilities and net assets	1,326,996	1,285,230

**(2) Consolidated statement of income and comprehensive income**  
**Consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating revenue	385,978	358,753
Operating expenses		
Operating expenses and cost of sales of transportation	328,933	273,896
Selling, general and administrative expenses	81,235	78,704
Total operating expenses	410,168	352,601
Operating profit (loss)	(24,190)	6,152
Non-operating income		
Interest income	23	25
Dividend income	1,589	1,361
Share of profit of entities accounted for using equity method	-	238
Miscellaneous income	2,498	3,394
Total non-operating income	4,111	5,020
Non-operating expenses		
Interest expenses	5,396	4,839
Share of loss of entities accounted for using equity method	3,398	-
Miscellaneous expenses	2,349	1,633
Total non-operating expenses	11,144	6,473
Ordinary profit (loss)	(31,223)	4,699
Extraordinary income		
Gain on sale of non-current assets	1,132	3,464
Contribution for construction	2,866	1,349
Gain on sale of investment securities	6,304	14,559
Subsidy income	*	*
Other	240	528
Total extraordinary income	14,153	25,390
Extraordinary losses		
Loss on sale of non-current assets	127	35
Loss on tax purpose reduction entry of non-current assets	954	1,267
Loss on retirement of non-current assets	1,113	921
Impairment losses	15,751	2,360
Extra retirement payments	2,205	823
Non-recurring loss	2,587	-
Provision for loss on disaster	86	-
Other	1,364	1,455
Total extraordinary losses	24,191	6,863
Profit (loss) before income taxes	(41,261)	23,227
Income taxes - current	1,959	9,489
Income taxes - deferred	(2,948)	1,794
Total income taxes	(989)	11,284
Profit (loss)	(40,272)	11,943
Loss attributable to non-controlling interests	(468)	(173)
Profit (loss) attributable to owners of parent	(39,804)	12,116

**Consolidated statement of comprehensive income**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss)	(40,272)	11,943
Other comprehensive income		
Valuation difference on available-for-sale securities	1,777	(10,390)
Revaluation reserve for land	–	(10)
Remeasurements of defined benefit plans, net of tax	4,128	(739)
Share of other comprehensive income of entities accounted for using equity method	288	6
Total other comprehensive income	6,194	(11,133)
Comprehensive income	(34,078)	809
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(33,615)	983
Comprehensive income attributable to non-controlling interests	(462)	(174)

**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	60,359	57,901	251,313	(6,520)	363,053
Cumulative effects of changes in accounting policies					
Restated balance	60,359	57,901	251,313	(6,520)	363,053
Changes during period					
Dividends of surplus			(3,655)		(3,655)
Profit (loss) attributable to owners of parent			(39,804)		(39,804)
Increase by merger					–
Purchase of treasury shares				(12)	(12)
Disposal of treasury shares		0		29	29
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	(43,460)	16	(43,444)
Balance at end of period	60,359	57,900	207,852	(6,503)	319,609

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	24,410	548	(878)	24,080	3,049	390,183
Cumulative effects of changes in accounting policies						
Restated balance	24,410	548	(878)	24,080	3,049	390,183
Changes during period						
Dividends of surplus						(3,655)
Profit (loss) attributable to owners of parent						(39,804)
Increase by merger						–
Purchase of treasury shares						(12)
Disposal of treasury shares						29
Change in ownership interest of parent due to transactions with non-controlling interests						(0)
Net changes in items other than shareholders' equity	2,069	–	4,119	6,188	(470)	5,717
Total changes during period	2,069	–	4,119	6,188	(470)	(37,726)
Balance at end of period	26,479	548	3,241	30,269	2,578	352,456

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	60,359	57,900	207,852	(6,503)	319,609
Cumulative effects of changes in accounting policies			(815)		(815)
Restated balance	60,359	57,900	207,037	(6,503)	318,793
Changes during period					
Dividends of surplus			(3,655)		(3,655)
Profit (loss) attributable to owners of parent			12,116		12,116
Increase by merger		50	76		126
Purchase of treasury shares				(8)	(8)
Disposal of treasury shares		139		214	353
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	188	8,537	205	8,932
Balance at end of period	60,359	58,089	215,575	(6,297)	327,726

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	26,479	548	3,241	30,269	2,578	352,456
Cumulative effects of changes in accounting policies						(815)
Restated balance	26,479	548	3,241	30,269	2,578	351,641
Changes during period						
Dividends of surplus						(3,655)
Profit (loss) attributable to owners of parent						12,116
Increase by merger						126
Purchase of treasury shares						(8)
Disposal of treasury shares						353
Change in ownership interest of parent due to transactions with non-controlling interests						(0)
Net changes in items other than shareholders' equity	(10,382)	(10)	(739)	(11,132)	(183)	(11,316)
Total changes during period	(10,382)	(10)	(739)	(11,132)	(183)	(2,383)
Balance at end of period	16,097	537	2,501	19,136	2,394	349,257



**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(41,261)	23,227
Depreciation	51,258	49,363
Impairment losses	15,751	2,360
Amortization of goodwill	326	279
Increase (decrease) in provision for bonuses	(1,344)	(438)
Increase (decrease) in retirement benefit liability	(70)	(813)
Increase (decrease) in allowance for doubtful accounts	384	161
Increase (decrease) in allowance for unredeemed gift certificates and others	146	141
Increase (decrease) in provision for loss on disaster	(1,357)	(89)
Interest and dividend income	(1,612)	(1,387)
Interest expenses	5,396	4,839
Share of loss (profit) of entities accounted for using equity method	3,398	(238)
Proceeds from contribution for construction	(2,866)	(1,349)
Loss (gain) on sale of investment securities	(6,304)	(14,509)
Loss (gain) on sale of non-current assets	(1,004)	(3,429)
Loss on tax purpose reduction entry of non-current assets	954	1,267
Loss on retirement of non-current assets	926	679
Loss (gain) on valuation of securities	993	182
Loss on valuation of inventories	156	(3)
Extra retirement payments	2,205	823
Decrease (increase) in trade receivables	2,494	(4,296)
Decrease (increase) in inventories	1,745	4,442
Increase (decrease) in trade payables	(4,469)	1,290
Increase (decrease) in deposits received	5,634	(3,803)
Other, net	2,144	(1,902)
<b>Subtotal</b>	<b>33,626</b>	<b>56,797</b>
Interest and dividends received	1,727	1,599
Interest paid	(5,393)	(4,868)
Income taxes paid	(2,781)	(4,910)
<b>Net cash provided by (used in) operating activities</b>	<b>27,178</b>	<b>48,617</b>

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(1,008)	(1,335)
Proceeds from sale of investment securities	8,465	21,914
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	–	(8)
Purchase of property, plant and equipment	(60,653)	(73,478)
Proceeds from sale of property, plant and equipment	8,518	4,643
Net decrease (increase) in short-term loans receivable	(290)	(229)
Long-term loan advances	(898)	(90)
Proceeds from collection of long-term loans receivable	6	55
Proceeds from advances received for contract consignment	2,047	2,962
Other, net	229	51
Net cash provided by (used in) investing activities	(43,582)	(45,515)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(26,530)	11,200
Net increase (decrease) in commercial papers	(10,000)	–
Proceeds from long-term borrowings	59,527	24,897
Repayments of long-term borrowings	(24,212)	(29,238)
Proceeds from issuance of bonds	82,000	–
Redemption of bonds	(30,025)	(20,010)
Repayments of accounts payable to Japan railway construction, transport and technology agency	(8,965)	(13,133)
Dividends paid	(3,656)	(3,645)
Purchase of treasury shares	(12)	(8)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(0)	(0)
Other, net	(918)	(633)
Net cash provided by (used in) financing activities	37,207	(30,573)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	20,803	(27,471)
Cash and cash equivalents at beginning of period	28,464	49,267
Increase in cash and cash equivalents resulting from merger	–	56
Cash and cash equivalents at end of period	49,267	21,852

**(5) Notes to consolidated financial statements****Notes on premise of going concern**

Not applicable.

**Changes in accounting policies**Application of Accounting Standard for Revenue Recognition, etc.

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

The main changes resulting from the above are as follows.

1. Revenue from railway business commuter passes in the transportation segment

Revenue from railway business commuter passes in the transportation segment that was previously recognized by a pro-rata calculation based on the sale dates is now recognized by a pro-rata calculation based on the valid period of the commuter passes.

2. Revenue recognition for agent transactions in the merchandising segment

Revenue from some transactions of consolidated subsidiaries in the merchandising segment that was previously recognized according to the entire amount of consideration received from customers is now recognized at the net amount after deducting the amount paid to product suppliers from the amount received from customers for transactions in which the consolidated subsidiary is deemed to act as an agent for the provision of those products to customers.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the fiscal year under review was added to or deducted from the opening balance of retained earnings of the fiscal year under review, and thus the new accounting policy was applied from such opening balance; provided, however, that the new accounting policy was not retrospectively applied to contracts for which nearly all the revenue amounts had been recognized according to the previous treatment in periods prior to the beginning of the fiscal year under review, by applying the method provided for in paragraph 86 of the Accounting Standard for Revenue Recognition. Furthermore, by applying the method set forth in item (1) of the supplementary provisions of paragraph 86 of the Accounting Standard for Revenue Recognition, modifications to contracts carried out prior to the beginning of the fiscal year under review were accounted for based on the contractual terms after all contract modifications were reflected. Consequently, this cumulative effect was added to or deducted from the opening balance of retained earnings of the fiscal year under review.

As a result, due mainly to changes to the method of revenue recognition pertaining to agent transactions, operating revenue and operating expenses both decreased ¥70,369 million, but the impact on operating profit, ordinary profit, and profit before income taxes was immaterial. Also, the opening balance of retained earnings of the current fiscal year decreased by ¥815 million.

Due to the application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations, “Notes and accounts receivable - trade” under current assets of the consolidated balance sheet as of the end of the previous fiscal year has been included in “Notes and accounts receivable - trade, and contract assets” under current assets from the consolidated balance sheet as of the end of the fiscal year under review. In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation.

Application of Accounting Standard for Fair Value Measurement, etc.

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019).

The above standards have no material impact on the consolidated financial statements.

**Additional information**

The effects of COVID-19 used in accounting estimates

The spread of COVID-19 has been impacting the business activities of the Group. As it is difficult to predict the future spread or when the significant effects will end, it is extremely difficult to make accounting estimates, particularly the measurement of future cash flows.

For that reason, best estimates have been made regarding judgments on the recoverability of deferred tax assets and impairment losses using certain assumptions that although the revenues are expected to gradually recover through to the second half of fiscal year 2023 (ending March 31, 2024) for the railway business in Transportation, the department store business in Merchandising, and the hotel business in Other Businesses as COVID-19 infections gradually recede, based on information available when preparing the consolidated financial statements, such recover is not expected to reach pre-pandemic levels.

**Notes to consolidated statement of income**

\* Subsidy income

The amounts received from subsidies for employment adjustment and other special measures due to the impact of COVID-19 were recorded as “subsidy income” under extraordinary income in the consolidated statement of income.

**Segment information, etc.**

1 Overview of reportable segments

The Group identifies a reportable segment as a component unit of the Group whose separate financial information is available and is examined periodically by the Board of Directors in order to make decisions regarding the allocation of management resources and assess the business performances of such segment.

The Group operates various businesses that are closely connected with our customers’ daily lives primarily along the Odakyu lines, centered on railway business and other transportation operations, but including merchandising, real estate, hotel, restaurant and other services.

For this reason, the Group consists of business segments that are based on the aforementioned business activities. The three reportable segments are “transportation,” “merchandising,” and “real estate.”

The business activities conducted within each business segment are listed below for the reportable segments.

Transportation.....Railway, bus, taxi, sightseeing boat, ropeway, etc.

Merchandising....Department stores, stores and retail, etc.

Real Estate.....Real estate sales, real estate leasing

2 Calculation methods for operating revenue, profit (loss), assets and other items by reportable segment

Reportable segment profit is presented on an operating profit basis. Intersegment operating revenue or transfers are based on prevailing market prices.

3 Information on operating revenue, profit (loss), assets and other items by reportable segment

Fiscal year ended March 31, 2021

(Millions of yen)

	Transportation	Merchandising	Real Estate	Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amounts recorded on consolidated financial statements (Note 3)
Operating revenue							
Revenues from external customers	114,043	155,660	66,926	49,346	385,978	–	385,978
Intersegment operating revenue or transfers	2,186	2,024	5,945	18,785	28,941	(28,941)	–
Total	116,230	157,685	72,872	68,131	414,919	(28,941)	385,978
Segment profit (loss)	(25,937)	(1,741)	16,459	(13,020)	(24,240)	49	(24,190)
Segment assets	671,599	59,146	407,252	125,166	1,263,165	63,830	1,326,996
Other items							
Depreciation (Note 4)	33,309	3,557	10,052	4,422	51,341	(83)	51,258
Amortization of goodwill	–	2	–	323	326	–	326
Impairment losses	1,723	7,612	4,771	1,649	15,757	(5)	15,751
Investments in entities accounted for using equity method	9,177	–	–	–	9,177	–	9,177
Increase in property, plant and equipment and intangible assets (Note 4)	35,155	3,091	19,265	5,431	62,943	–	62,943

Notes: 1 “Other Businesses” represents the following businesses, which are not included in the above reportable segment:

hotel, restaurant, travel agent, golf course, railway maintenance service, building management and maintenance, advertising agency, bookkeeping service, insurance agency, planning design and operation, and temporary staffing service.

2 Adjustments made are as follows.

- (1) Adjustment for segment profit (loss) amounting to ¥49 million represents elimination of intersegment transactions.
- (2) Adjustments for segment assets amounting to ¥63,830 million include negative ¥123,678 million of elimination of intersegment transactions and ¥187,509 million of the Group’s assets that have not been distributed to reportable segments.
- (3) Adjustments for depreciation amounting to negative ¥83 million and for impairment losses amounting to negative ¥5 million represent elimination of intersegment transactions.

3 Segment profit (loss) is reconciled to operating loss on the consolidated financial statements.

4 Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and its amortization.

## Fiscal year ended March 31, 2022

(Millions of yen)

	Transportation	Merchandising	Real Estate	Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amounts recorded on consolidated financial statements (Note 3)
Operating revenue							
Revenues from external customers	129,028	99,634	74,053	56,038	358,753	–	358,753
Intersegment operating revenue or transfers	2,179	1,218	6,893	18,105	28,397	(28,397)	–
Total	131,207	100,853	80,946	74,143	387,151	(28,397)	358,753
Segment profit (loss)	(5,491)	1,695	18,570	(8,668)	6,106	46	6,152
Segment assets	660,848	57,379	437,455	117,450	1,273,134	12,095	1,285,230
Other items							
Depreciation (Note 4)	32,830	2,730	9,707	4,170	49,438	(74)	49,363
Amortization of goodwill	–	–	–	279	279	–	279
Impairment losses	278	467	756	858	2,360	–	2,360
Investments in entities accounted for using equity method	9,497	–	–	–	9,497	–	9,497
Increase in property, plant and equipment and intangible assets (Note 4)	28,469	1,657	32,875	1,690	64,693	–	64,693

- Notes: 1 “Other Businesses” represents the following businesses, which are not included in the above reportable segment: hotel, restaurant, travel agent, golf course, railway maintenance service, building management and maintenance, advertising agency, bookkeeping service, insurance agency, planning design and operation, and temporary staffing service.
- 2 Adjustments made are as follows.
- (1) Adjustment for segment profit (loss) amounting to ¥46 million represents elimination of intersegment transactions.
  - (2) Adjustments for segment assets amounting to ¥12,095 million include negative ¥133,707 million of elimination of intersegment transactions and ¥145,802 million of the Group’s assets that have not been distributed to reportable segments.
  - (3) Adjustment for depreciation amounting to negative ¥74 million represents elimination of intersegment transactions.
3. Segment profit (loss) is reconciled to operating profit on the consolidated financial statements.
4. Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and its amortization.

**Per share information**

(Yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net assets per share	963.40	954.58
Basic earnings (loss) per share	(109.60)	33.36

- Notes: 1 The amount of diluted earnings per share in the fiscal year ended March 31, 2021 is not provided because basic loss per share was recorded and there are no potential shares. The amount of diluted earnings per share in the fiscal year ended March 31, 2022 is not provided because there are no potential shares.
- 2 For the purpose of calculating net assets per share, the Company’s shares held by the Board Incentive Plan Trust Account are treated as treasury shares, which are excluded from the total number of issued shares at the end of the period (153 thousand shares for the fiscal year ended March 31, 2021 and 137 thousand shares for the fiscal year ended March 31, 2022).

For the purpose of calculating basic earnings (loss) per share, these shares held by the trust were treated as treasury shares, which were excluded from the calculation of the average number of shares during the period

(158 thousand shares for the fiscal year ended March 31, 2021 and 143 thousand shares for the fiscal year ended March 31, 2022).

3 The basis for calculation of basic earnings (loss) per share is as follows:

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss) attributable to owners of parent (Millions of yen)	(39,804)	12,116
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit (loss) attributable to owners of parent related to common shares (Millions of yen)	(39,804)	12,116
Average number of common shares during the period (Shares)	363,167,785	363,208,463

## Significant subsequent events

### Conclusion of basic agreement regarding transfer of non-current assets

The Company resolved at its Board of Directors meeting held on April 28, 2022 to enter into a basic agreement regarding the transfer of the land and buildings (owned by the Company) of the Company's current headquarters.

#### 1. Reasons for transfer

In conjunction with the relocation of the Company's headquarters functions, the Company has entered into a basic agreement regarding the transfer of its ownership interests in the following properties currently used as its headquarters in order to effectively utilize management resources and strengthen its financial base.

#### 2. Type of asset transferred and transfer price

- |                             |  |
|-----------------------------|--|
| (1) Name                    | Company-owned interests of "Odakyu Meiji Yasuda Seimei Building"       |
| (2) Location                | 1-8-3 Nishi-Shinjuku, Shinjuku-ku, Tokyo                               |
| (3) Asset type (currently)  | Building and structures, land, and others (the Company's headquarters) |
| (4) Transfer price          | Undisclosed  |
| (5) Gain on sale (expected) | Approximately ¥9.8 billion   |

Note: Based on the arrangement between the transferee and the Company, the transfer price of the assets is not disclosed. The gain on transfer is an approximate amount obtained by deducting the book value and estimated costs related to the transfer from the transfer price.

## 3. Outline of the transferee

(1) Name	Meiji Yasuda Life Insurance Company	
(2) Head office	2-1-1 Marunouchi, Chiyoda-ku, Tokyo	
(3) Representative	Hideki Nagashima, President, Group Chief Executive Officer	
(4) Business	Life insurance business	
(5) Total fund capital	¥980,000 million (as of September 30, 2021)	
(6) Relationship with the Company	Capital relationship	As of September 30, 2021, the transferee owned 7,676 thousand shares of the Company's shares.
	Personnel relationship	A special advisor to the Company concurrently holds the position of council member at the transferee.
	Business relationship	Transactions exist in relation to borrowing of funds, leasing of real estate, etc.
	Relationship with related parties	No items to report.

## 4. Schedule of the transfer

(1) Resolution of the Board of Directors	April 28, 2022
(2) Date of execution of sales and purchase agreement (planned)	May 31, 2023
(3) Date of transfer of property (planned)	September 29, 2023

## 5. Impact on financial results

The Company expects to record gain on sale of non-current assets of approximately ¥9.8 billion as extraordinary income in its consolidated financial results for the fiscal year ending March 31, 2024.