



Information for Investors

Results for the Second Quarter of FY2021

Management Vision

UPDATE Odakyu

—Becoming a Community-Based
Value Creation Company

November 8, 2021

Overview of Actual Performance in Second Quarter of FY2021

Millions of yen	First Half of FY2020	First Half of FY2021	Change	Forecast at Jul. 2021	Change
Revenue from operations	167,645	174,777	+7,132 (+4.3%)	178,300	△3,522 (△2.0%)
Transportation	53,490	62,749	+9,258	65,200	△2,450
Merchandising	70,705	49,747	△20,957	50,400	△652
Real Estate	27,352	42,346	+14,994	41,600	+746
Other Businesses	29,676	33,161	+3,485	33,900	△738
Adjustments	△13,578	△13,227	+350	△12,800	△427
Operating income	△19,193	2,808	+22,002 (-)	2,300	+508 (+22.1%)
Transportation	△15,361	△2,945	+12,415	△1,100	△1,845
Merchandising	△1,619	108	+1,728	200	△91
Real Estate	6,148	11,364	+5,215	9,700	+1,664
Other Businesses	△8,386	△5,741	+2,645	△6,500	+758
Adjustments	25	23	△2	0	+23
Ordinary income	△22,049	2,547	+24,597 (-)	1,800	+747 (+41.5%)
Net income attributable to owners of parent	△21,280	7,986	+29,266 (-)	6,800	+1,186 (+17.4%)
Capital investments	27,752	20,075	△7,676		
Depreciation	25,032	24,193	△839		
Interest-bearing debt	782,822 [※]	760,578	△22,244		

* As of March 31, 2021

Overview of Performance Forecasts for FY2021

The current business forecast has been made in light of the second quarter results and based on the assumption that another state of emergency will not be declared.

<Reference> Forecast for recovery in revenue from operations compared with normal level

Forecast at Jul. 2021

Transportation	<ul style="list-style-type: none"> Results of Railway Business of Odakyu Electric Railway Revenue from operations at 85% of the normal level in the second half
	<ul style="list-style-type: none"> Busses Revenue from operations at 80% of the normal level for the full year
	<ul style="list-style-type: none"> Hakone (Transportation Companies) Revenue from operations at 70% of the normal level for the full year
Merchandising	<ul style="list-style-type: none"> Department Stores Revenue from operations at 80% of the normal level for the full year
	<ul style="list-style-type: none"> Stores and Retail Revenue from operations at normal level for the full year
Real Estate	<ul style="list-style-type: none"> Leasing Revenue from operations at normal level for the full year
Other Businesses	<ul style="list-style-type: none"> Hotels Revenue from operations at 45% of the normal level for the full year
	<ul style="list-style-type: none"> Restaurants Revenue from operations at 65% of the normal level for the full year



Forecast at Oct. 2021

Transportation	<ul style="list-style-type: none"> Results of Railway Business of Odakyu Electric Railway Revenue from operations at 85% of the normal level from January 2022 onward
	<ul style="list-style-type: none"> Busses Revenue from operations at 75% of the normal level for the full year
	<ul style="list-style-type: none"> Hakone (Transportation Companies) Revenue from operations at 55% of the normal level for the full year
Merchandising	<ul style="list-style-type: none"> Department Stores Revenue from operations at 70% of the normal level for the full year
	<ul style="list-style-type: none"> Stores and Retail Revenue from operations at 95% of the normal level for the full year
Real Estate	<ul style="list-style-type: none"> Leasing Revenue from operations at normal level for the full year
Other Businesses	<ul style="list-style-type: none"> Hotels Revenue from operations at 40% of the normal level for the full year
	<ul style="list-style-type: none"> Restaurants Revenue from operations at 60% of the normal level for the full year

*Comparisons made after deducting the impact of accounting standard revision

* 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.

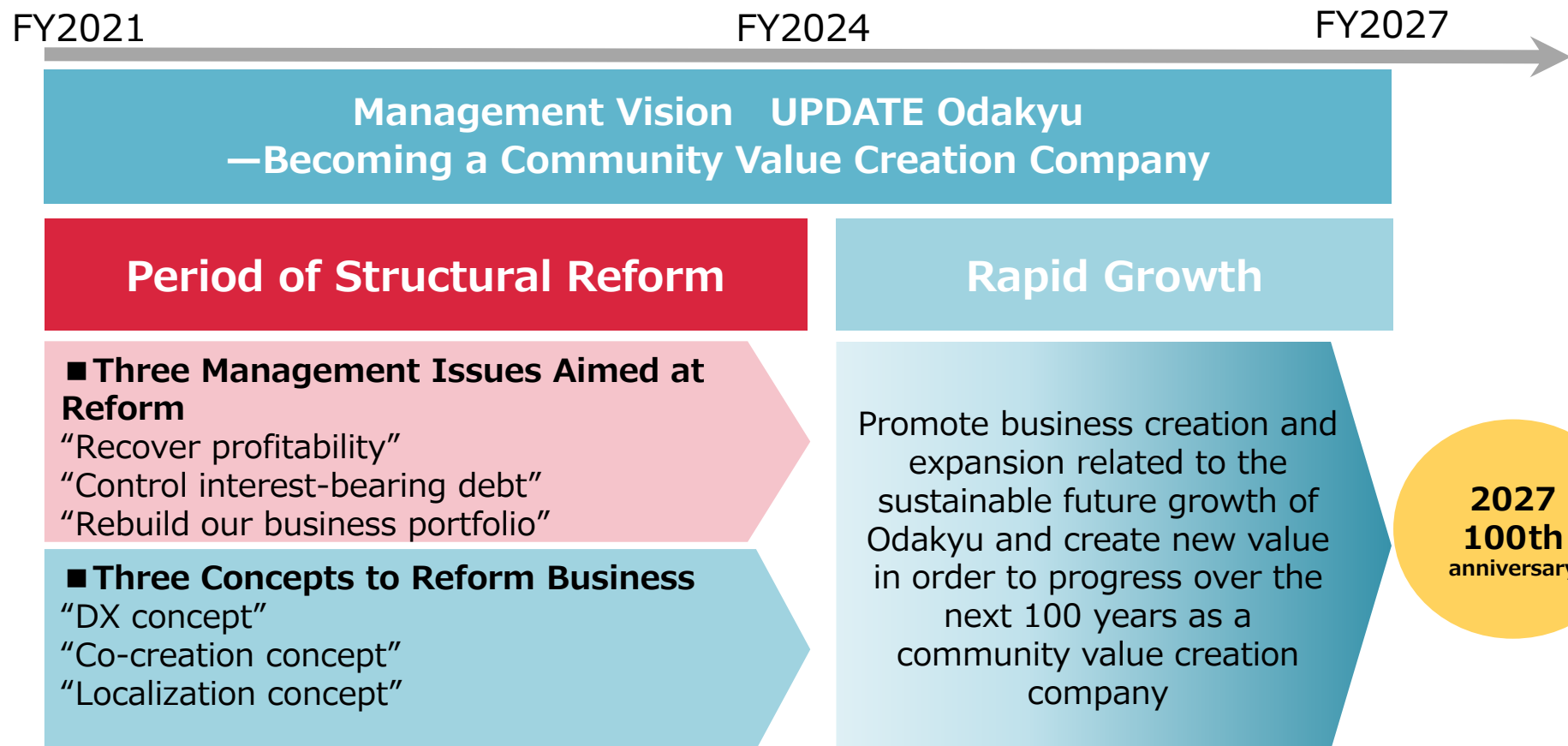
Overview of Performance Forecasts for FY2021

Millions of yen	FY2020	FY2021	Change	Forecast at Jul. 2021	Change
Revenue from operations	385,978	364,400	△21,578 (△5.6%)	381,600	△17,200 (△4.5%)
Transportation	116,230	135,100	+18,869	142,500	△7,400
Merchandising	157,685	101,500	△56,185	107,500	△6,000
Real Estate	72,872	80,900	+8,027	79,100	+1,800
Other Businesses	68,131	73,700	+5,568	80,000	△6,300
Adjustments	△28,941	△26,800	+2,141	△27,500	+700
Operating income	△24,190	3,500	+27,690 (-)	12,000	△8,500 (△70.8%)
Transportation	△25,937	△4,600	+21,337	1,600	△6,200
Merchandising	△1,741	1,000	+2,741	2,700	△1,700
Real Estate	16,459	17,000	+540	16,800	+200
Other Businesses	△13,020	△9,900	+3,120	△9,100	△800
Adjustments	49	0	△49	0	-
Ordinary income	△31,223	2,000	+33,223 (-)	10,500	△8,500 (△81.0%)
Net income attributable to owners of parent	△39,804	10,000	+49,804 (-)	13,500	△3,500 (△25.9%)
Capital investments	62,943	76,100	+13,156	79,300	△3,200
Depreciation	51,258	49,500	△1,758	49,800	△300
Interest-bearing debt	782,822	769,300	△13,522	768,200	+1,100

Structural Reform Achievement Status

■ Reform Initiatives

- We will establish the first three years of the six-year period ending in FY2026 as the period of structural reform and the last three years as the period of rapid growth
- In the period of structural reform, we will implement business reform through three management issues and three concepts for the period of rapid growth to recover business conditions and review the existing business model



Three Management Issues Aimed at Reform

With a view to the period of rapid growth, we will promote the recovery of profitability and control of interest-bearing debt to improve financial soundness and rebuild our business portfolio

Recover profitability

Control interest-bearing debt

Rebuild our business portfolio

Criteria for Recovery of Financial Soundness (FY2023)

Aim for interest-bearing debt of ¥700 billion

In addition to the above goal, we aim to recover to a profitability level equal to that of the period before COVID-19 and achieve interest-bearing debt/EBITDA ratio 7.0 times

Review and Promote

In addition to financial soundness, we will reinforce profitability through bold selection-and-concentration efforts in our existing businesses and promote the creation of new revenue opportunities after securing investment capacity

Update the business model that has been in place for 100 years with the aim of achieving a period of rapid growth

Recover Profitability and Control Interest-Bearing Debt

During the period of structural reform adopted under the New Management Vision, priority consideration will be given to the recovery of profitability and financial soundness.

Recover profitability

Even in the event that an economic recovery takes longer than expected and our top line declines as a result, we will transition to a structure under which we can efficiently generate profits in order to secure operating income. To that end, we will pursue reforms to our business structure, such as reducing fixed costs, rather than temporary cost-cutting measures.

<Expenditure Structural Reform in the Railway Business of Odakyu Electric Railway>

● Initiatives to increase revenue

① Increase number of express trains during morning rush hour

● Fixed cost reduction

① Examine a timetable that aligns with demand more efficiently

② Downsize station service equipment based on factors, such as progress of ticketless technology

③ Review staffing hours at certain stations, revise operating hours of stations counters

④ Review the renewal cycle of train cars, equipment, etc.

⑤ Examine shift to conductor-less trains

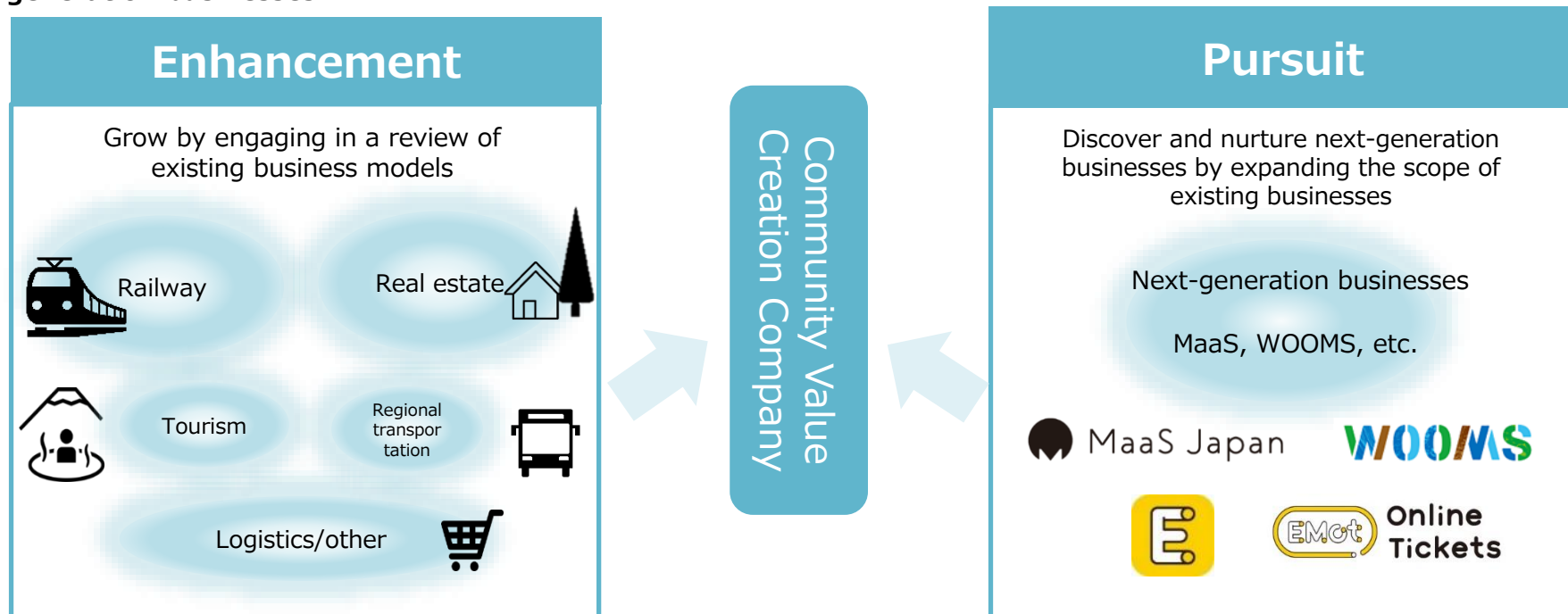
Move toward a structure that efficiently creates profit by achieving low-cost operation through measures such as reviewing the management system and optimizing the number of Odakyu-owned rolling stock

Control interest-bearing debt

- Over the cumulative three-year period up through FY2023, thoroughly control capital investments within the range of cash flows from operating activities through careful examination and reduction of investments. Also, examine additional measures such as the sale of cross-shareholdings and real estate
- Continue to allocate resources into new domains that make use of digital contact points, such as MaaS, while carefully assessing investment efficiency and profitability
- For dividend policy, continue to maintain stable dividend payments with a consolidated payout ratio of approx. 30% while monitoring the impact of changes in the external environment

Rebuild our Business Portfolio

With a view to the period of rapid growth, starting from FY2024, we aim to become a company that creates community-based value as sustainable growth through enhancement of existing businesses and pursuit of next-generation businesses.



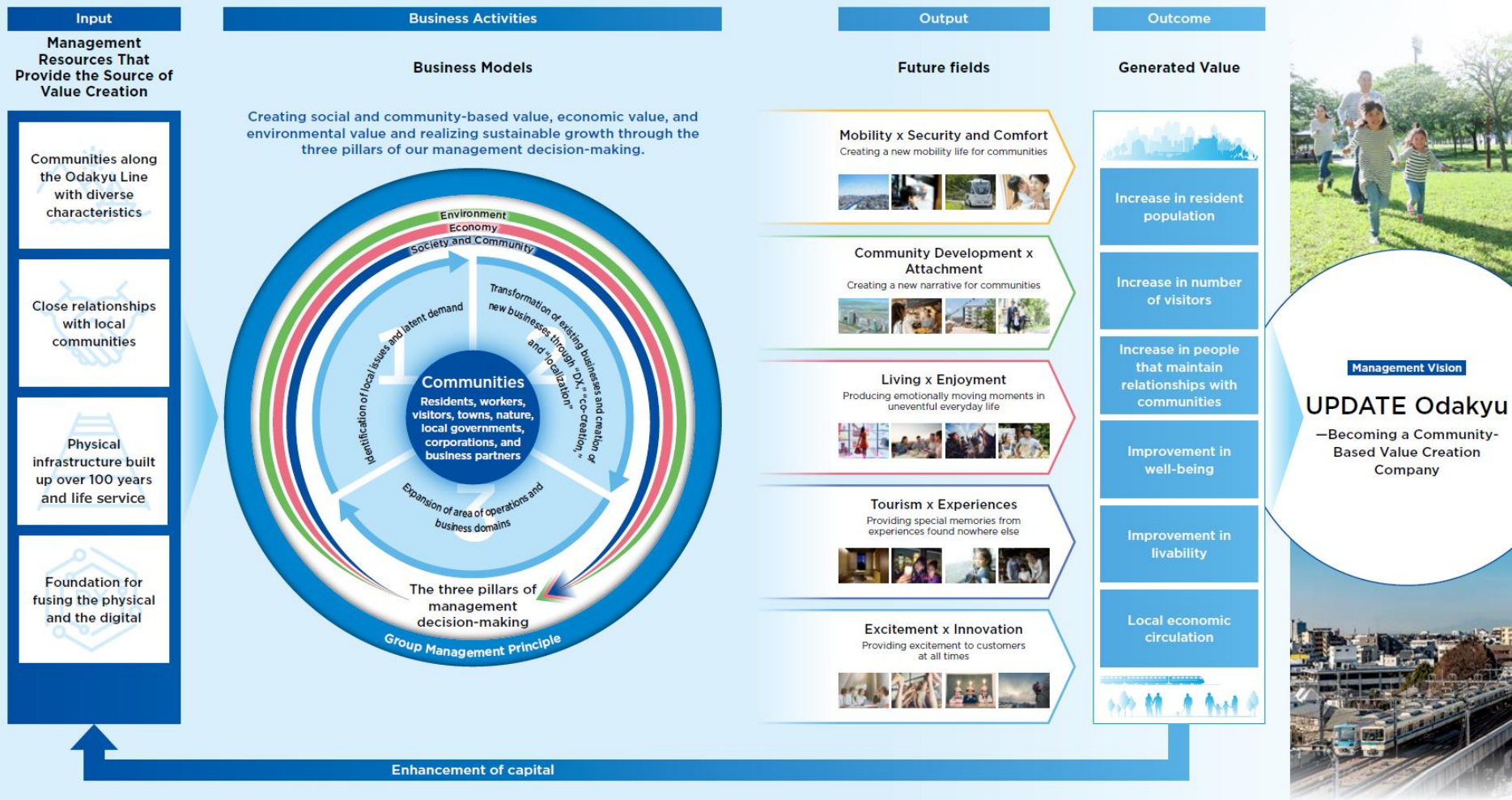
- We will make management decisions based on the three pillars of “society and community,” “economy,” and “environment” and sharply differentiate our businesses.
- We will thoroughly apply the three concepts of “DX,” “co-creation,” and “localization” to promote reforms to the way we think about our operations and services.
- For businesses facing issues, we will promote rigorous management improvements while making decisions on the downsizing of or withdrawal from unprofitable businesses.

Moving forward with examinations on these measures, we will strive to rebuild our 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.



*Details of the value creation process, please refer to the Integrated Report.

Medium-Term Management Plan Achievement Status

Mobility x Security and Comfort

We will create community-based value centered on transportation services by shifting customer contact points from the real world, starting with stations, to the digital world, starting with smartphones and other devices, as well as revitalizing communities and proposing new value through MaaS

Establish a new business model utilizing digital technology



MaaS Japan

Digital ticket management, payment functions, verification functions, multiple-route search functions, etc.



Apps EMot
October 2019



Online Tickets

Website for purchasing digital tickets
EMot Online Tickets
October 2021

Apps and websites of other companies

Expansion of EMot digital tickets

- Approx.20 types of tickets for hakone, enoshima, and tanzawa
- "Emot Passport" and others useful in daily life

<Expansion of tickets from other companies>

- Chichibu Railway Company
Chichibuji Yuyu Travel Pass, etc. (November 2021)
- FC Machida Zelvia
Game tickets with discount coupons (October 2021)

Sales on the website

- Browser-based purchasing with no need to download apps
- English support to prepare for recovery in demand from inbound tourism



Rollout into other apps and websites

- Provision of features similar to EMot via the MaaS Japan shared data platform (Adoption of this platform in seven services to date)
- Utilization of this platform in the NIKKO MaaS by Tobu Railway Co., Ltd. and other companies in the Nikko area



- Contribution to increased sales of transportation and lifestyle services from the expansion of digital contact points
- Promotion of efforts to resolve local issues in areas other than those alongside the Odakyu Line

Community Development x Attachment

Promote development that integrates numerous functions that apply to occupation, residence, commerce, education, and recreation in all communities, and carry out community development that responds flexibly to people's diverse needs and changes

Shinjuku West Gate Redevelopment Plan

- The leading project of the Shinjuku Grand Terminal concept, a public partnership that aims to improve the city's international competitiveness
- Continue to implement collaboration initiatives with various groups, such as government administrations, industries, and universities
- In conjunction with redevelopment work, revitalize the area in terms of both "hard" (architectural) and "soft" (cultural) development to create an environment where people working in and visiting Shinjuku, as well as nearby residents, can feel the appeal of the city

Operating body : Odakyu Electric Railway Co., Ltd., Tokyo Metro Co., Ltd.

Main use : Commercial facilities B2 to 10F (12 floors),
Offices 14F to 46F (33 floors),
Business creation 12F and 13F

Number of stories : 48 aboveground, 5 belowground,
Maximum height Approx. 260 m

Start of construction : October 2022 onward

Completion of construction : FY2029 (scheduled)



Use the Space above the Tracks in the Shimo-Kitazawa (Higashi-Kitazawa - Setagaya-Daita)

Combined stores and housing/
commercial facilities



Accommodation



Nursery school



- Development concept: "BE YOU. Like Shimokita. Like myself."
- Taking into account the different characteristics of the areas around each station, Odakyu is working to create a group of 13 distinctive (commercial facilities, offices, onsen hotels, student dormitories, hotels, nursery schools, etc.)
- We are working with Setagaya Ward to increase the green spaces that are lacking in the community and to create spaces that increase movement and liveliness to connect with the community



Student dormitory
SHIMOKITA COLLEGE



MUSTARD HOTEL
SHIMOKITAZAWA



下北線路街

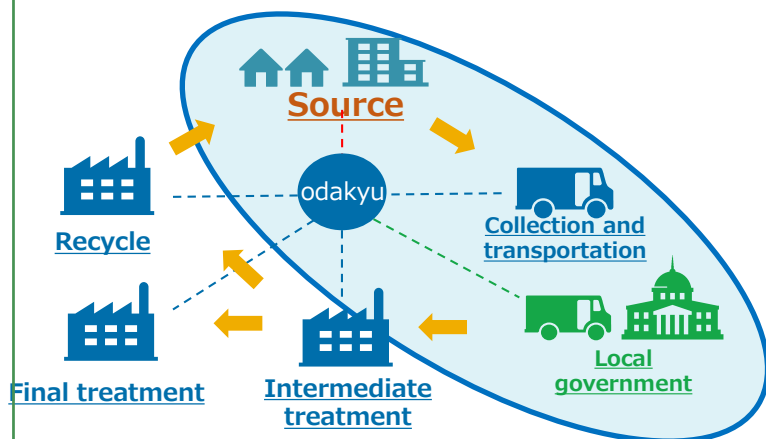
Area: Approx. 27,500m², development zone 1.7km

Community Development x Attachment

Multilaterally promote new community development businesses that resolve issues in local communities through technology and other methods

Waste Management Business WOOMS

We defined our important role in realizing a circular economy as the new infrastructure for collecting and transporting resources and waste and launched WOOMS in September 2021 with the corporate vision of “a world without trash—beyond waste” and the aim of creating this infrastructure.



“ごみ”のない世界へ。

Beyond Waste

Collection and disposal support

Provide support for optimizing collection and transportation and disposal operations

Resource recycling support

Provide initiatives to increase resource recycling by utilizing surplus capacity created

WOOMS

Consulting
Understand customer issues and propose optimal solutions

System
Provide the system necessary for solving issues and support for installation, management, and maintenance of the system

Activation
Carry out and support action plans and follow-ups for achieving targets

Product
Promote social responsibility (SR) and provide new products and services that utilize waste

This business comprises community-oriented and business-oriented services. In return for solutions to issues faced by local governments and businesses (improving efficiency, saving labor, etc.), we collect a system usage fee. Going forward, we will contribute to solving issues communities face by addressing issues at the source of disposal.

- Incorporate three concepts to reform business (DX, co-creation, and localization) set out in the new management vision, and become the new infrastructure business for community development after railways and real estate
- Aim to contribute to sustainable waste management, focus on development in areas along the Odakyu Line, and expect to achieve profitability after three years

Living x Enjoyment

Create a bustling community by refining commercial facilities. Also, contribute to resolving community issues and meet diversifying customer needs by utilizing digital platform.

Refine commercial facilities

We began an operating alliance in 2018 for stores and convenience stores operated by Odakyu Shoji and Seven & i Holdings Co., Ltd. We promote the sharing of knowledge regarding operations and training through human interaction and aim to strengthen product lineup and product appeal by introducing Seven Premium to all stores from August 2021.

■ Odakyu OX supermarket (29 stores)

- Enhance customer satisfaction and increase sales by strengthening product appeal
- Reform [profitability by improving operations, such as reducing product loss
- Plan to open one new store per year

■ Convenience stores/stores

- Seven Eleven: 55 stores
- Review cost structure
- Plan to open one to three new stores per year



Community-based service platform "ONE (o-ne)"

We connect five million people who live in areas along the Odakyu Line through ONE ID with the vision Connect happiness and enhance your life and a service platform capable of proposing content that fosters many new experiences and connections.

■ Increase members and expand services (62 collaborating companies, 66 services)

- Linked Odakyu Point member information with ID in February 2021. Aim for approximately 40,000 ONE members
- Expand community services to encompass all aspects of life and increase customer life time value (LTV)

■ Concluded partnership agreement with Fujisawa City (July 2021)

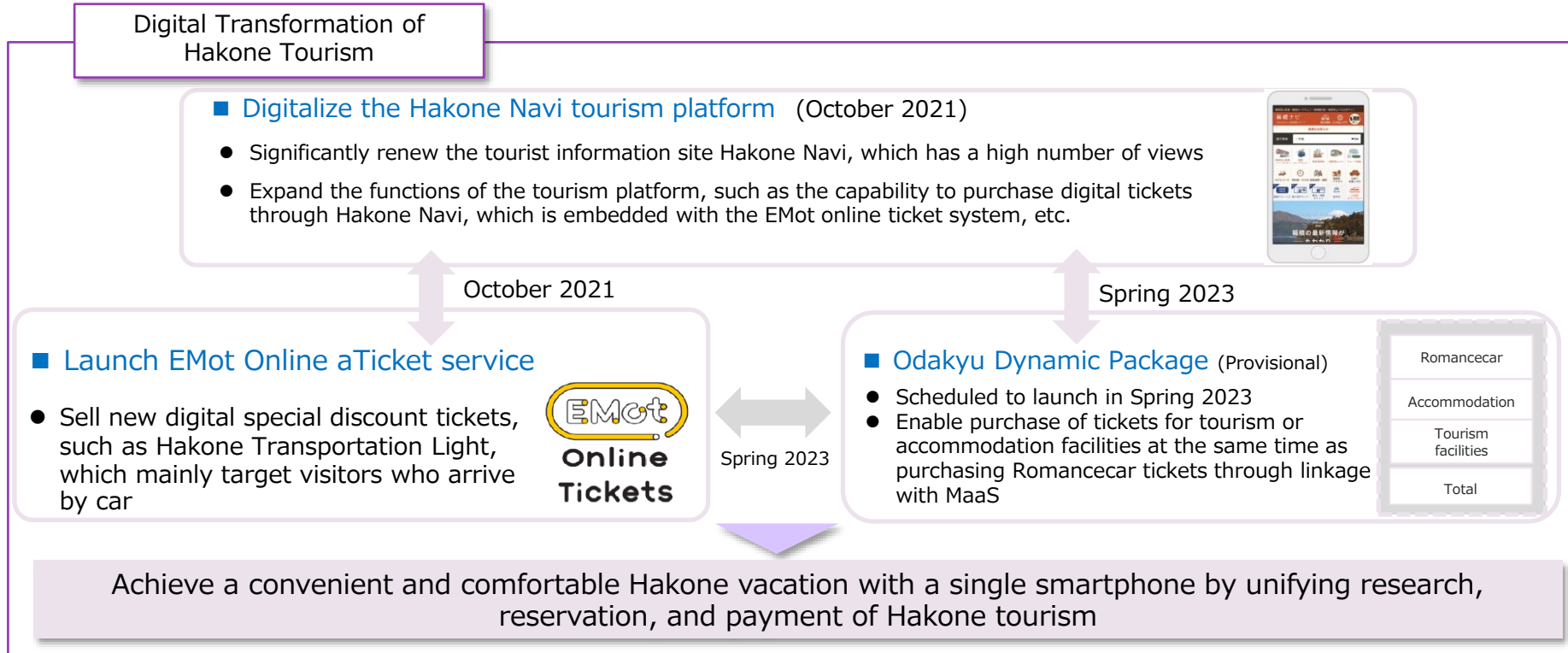
Engage in promoting a regional recycling society by reducing waste and food loss through the use of shared services and KYOUDOKO, a community app



Contribute toward expansion of Group businesses
by creating new digital contact point with customers

Tourism x Experiences

Promote digital transformation (DX) in tourist settings to enhance convenience for customers. At the same time, promote the development of new demand through various proposals. Also meet the diverse needs of tourism by reinforcing the system for promoting the travel business.



Transform our systems, culture, and values to develop “value-creating human resources” who will create value for local communities in the future

Implement Management Vision Workshops

We held dialogues for creating organizational value based on the management vision between July and October 2021.

- **Targets**
 - Decide on issues that should be addressed by the Group to accomplish Groupwide structural reform and continued creation of value
 - Ensure all employees understand the meaning behind UPDATE Odakyu during the period of structural reform, and connect it to the implementation in their own work
 - Foster Groupwide momentum for change through these initiatives

- **Participants**

Approximately 850 employees below the level of head office manager, as well as heads of local operations

“Climbers,” an In-House System for Business Idea Suggestions

“Climbers” is a system that allows employees to freely propose businesses that contribute to the realization of future fields and businesses that resolve social issues, such as the Sustainable Development Goals.

- **Targets**

- **Development of Entrepreneurs**

→Over 150 applications in the approximately four years since launching the system

→ Continue to develop entrepreneurs who will operate future businesses, such as the acquisition of new knowledge by many employees in the process of developing a business

- **Creation of Business Opportunities**

→To date, seven business ideas have been selected, and currently in the process of creating new business opportunities

Example of a business realized by climbers

Ichi no ichi

Provide services that support the operations of local communities that are struggling to survive within the hyper-aged society, and continue ongoing efforts to expand in areas away from the Odakyu Line, centered on the Hadano area.



Hunter Bank

A service that matches hunters with communities and agricultural and forestry businesses that are facing issues with wild animals. We are currently conducting a trial together with Odawara City with a view to launching this service.



Online Community MamaKare

We began trials of the online university-like community *MamaKare*, which combines the words mama (mother) and kareji (college), from June 2021. The community enables users to learn and improve with friends.



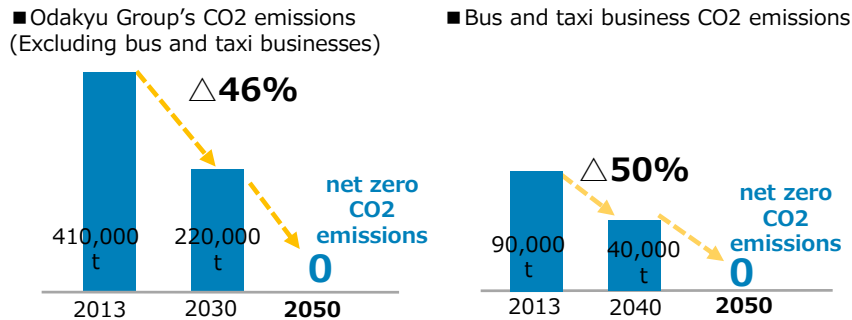
U P D A T E for Sustainability
—Becoming a Community-Based
Value Creation Company

The mission of the Odakyu Group is to pass on a beautiful global environment and a kind society to future generations and actively engage in solving environmental issues, such as reducing CO2 emissions, recycling resources, conservation and utilization of natural resources, through our business activities.

Long-Term Environmental Targets

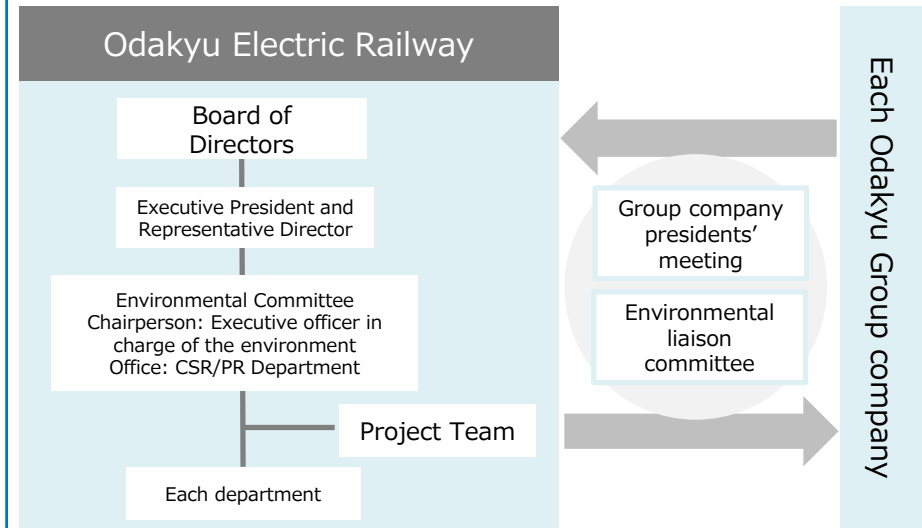
Odakyu Group aims for net zero CO2 emissions by 2050

Aim to achieve CO2 emissions of 46% by 2030 (compared to 2013)



Note: We aim to reduce emissions by 50% by 2040 (compared to 2013) in the bus and taxi businesses, in line with the popularization of electric vehicles and fuel cell vehicles and the development of charging stations and hydrogen fueling stations.

Reinforce Promotion System



Environmental strategies

UPDATE 1	Realize a decarbonized society
UPDATE 2	Realize a resource recycling society
UPDATE 3	Conserve and utilize nature

Example of UPDATE 2 initiatives



PET bottle recycling station (Shinjuku Station)

Endorsement of TCFD recommendations



The Odakyu Group endorses the TCFD* recommendations and will continue to disclose information based on these recommendations.

Note: The Task Force on Climate-Related Financial Disclosures (TCFD) was set up by the Financial Stability Board (FSB) at the request of the G20. The TCFD published a report in June 2017, encouraging companies and financial institutions to disclose climate-related information that affects their finances. Specifically, they ask companies to make clear to investors, and other parties, the risks and opportunities regarding (1) governance, (2) strategies, (3) risk management, and (4) indices and targets.

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.