

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, 2021

Q1: About the hotel business

Could you please tell us about efforts to improve revenue and expenditures and projects to restore operating profitability in the hotel business?

- In the hotel business, we plan to transition Hotel Century Sagami-Ono from an integrated city hotel to an accommodation-only hotel. In addition, we have made an exit from the wedding business at Hyatt Regency Tokyo. Through such efforts, we are working to reform the hotel business to enhance its cost efficiency.
- Also, as part of our efforts to curtail costs, we are striving to reduce overhead costs through temporary layoffs and the promotion of multi-tasking. Additionally, for hotels in the Tokyo metropolitan area, we have launched new plans such as day-use plans. We are also making such efforts as implementing the Go To Travel Campaign, offering shared local coupons, and engaging in sales promotions to acquire users of the Motto Tokyo campaign.
- In addition to the above initiatives, we believe there needs to be a certain level of recovery in inbound tourism in order to restore operating profitability.

Q2: About Shinjuku Station West Exit redevelopment

Please tell us the level of investment you will make in this project.

- At the moment, we have still yet to get started with the design process aimed at construction, so we ask for your understanding as we are not at a stage where we can provide an explanation on this project. Going forward, we will take steps to further specify and refine various aspects of the project, including investment amounts and spending plans. This is a project that will help the Odakyu Group enhance its corporate value in the Post-COVID-19 era, and, as such, we intend to realize returns on this project to the greatest extent possible.

Q3: About improving financial position

Approximately how much room is there for liquidation in terms of real estate and cross-shareholdings? Also, is it possible to improve your consolidated financial indicators even as the Shinjuku Station West Exit redevelopment project is slated to begin in FY2022?

- For cross-shareholdings, we are moving forward with examinations regarding the aim and rationality of holding such shares from not only a qualitative perspective, which considers how these shares help us maintain and further develop business relationships with the issuing companies, but also a quantitative perspective, which considers capital cost, dividend revenue, and other matters.
- At the end of FY2019, cross-shareholdings accounted for roughly 13% of net assets. However,

our policy is to reduce cross-shareholdings in such ways as selling off shares for which the significance of holding is low.

- Furthermore, we will examine liquidation in terms of real estate from the perspective of financial soundness. We will select real estate that can be liquified while giving consideration to such matters as declines in EBITDA.

Q4: About liquidity on hand

Recently, the Company's liquidity on hand has been high based on the perspective of responding to the current state of crisis. What level of liquidity on hand are you considering going forward?

- To prepare for rapid sales declines and financing including for Group companies, we engaged in a high level of fundraising in the first half. As a result, we currently possess over ¥100.0 billion in cash and time deposits. However, we do not intend to pursue additional fundraising in the second half.
- While working to ascertain the situation going forward, we will strive to reduce costs and capital investments with a focus on reducing interest-bearing debt. In this way, we intend to maintain cash and time deposits at about the same level that we have been thus far.

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.