

April 28, 2022

Odakyu Electric Railway Co., Ltd.

IR Office

**Financial Results of the Fiscal Year Ended March 31, 2022—FAQ**

Note: This document presents some of the anticipated questions relating to the Company's financial results of the fiscal year ended March 31, 2022, together with answers to these questions. If you have any queries, etc., please contact the IR Office of Odakyu Electric Railway Co., Ltd. (+81-3-3349-2526)

**Q1. What is the current status of the Company's main businesses?**

Railways (Odakyu Electric Railway Co., Ltd.)	Number of people passing through ticket gates (April 1-17 2022) Remained at approximately 70% of FY2019 for commuters and 85% of FY2019 for non-commuters
Odakyu Department Stores	Sales (April 1-17 2022) Remained at 70–80% of the same period in FY2019
Hyatt Regency Tokyo	Occupancy rate (April 1-13 2022) 42.8% Gradual recovery in demand following the lifting of the quasi-state of emergency
Hakone area	Number of passengers using Hakone-Yumoto Station (April 10-16 2022)  Weekdays : (51%) Weekends and public holidays: (30%) (compared with the same period in FY2018)  Hakone resort hotel* occupancy rate (April 1-13 2022) Remained at approximately 40%  *Hakone resort hotels: Hotel De Yama, and Hakone Highland Hotel (excludes Hotel Hatsuhana, which has been temporarily closed since January 4, 2022, due to renovation construction work)

**Q2. What is the status of your discussions regarding an increase in fares and a new pricing system for barrier-free stations? Are you considering an increase in fares for express trains?**

- While it remains difficult to predict future revenues due to the impact of COVID-19, we will first utilize a barrier-free fare system to accelerate the installation of barrier-free equipment, particularly on platform doors. We will consider an increase in fares as necessary, at the same time as monitoring future business circumstances.
- Regarding the utilization of a barrier-free fare system, we will announce details once they are confirmed. Furthermore, we aim to retain the flat fare of ¥50 for children with IC cards.
- An increase in fares for express trains is still currently undecided. We will carry out measures to boost demand for express trains and improve profitability based on usage trends going forward and other factors.

**Q3. Was there an increase in revenue due to the flat fare of ¥50 for children with IC cards?**

- The number of passengers (non-commuters) in March increased by 26.6% year-on-year for children (adults increased by 9.2% year-on-year) and we believe that this shows the effect of the flat fare of ¥50 for children with IC cards. This fare is also assumed to have led to an increase in use by accompanying parents or guardians.
- To enable families to take daily outings along the Odakyu Line, we will continue to share the attractiveness of the Odakyu Line and create events as a purpose for travel.

**Q4. The Odakyu department store main store will temporarily close at the end of September 2022. What will the revenue from operations be from FY2022?**

- As stated in the July 16, 2021 news release regarding the Odakyu Department Store Shinjuku Store, while the main store is scheduled to temporarily close in September 2022 accompanying the redevelopment of the Shinjuku West Gate, Shinjuku West Gate HALC will undergo remodeling from October, with a focus on food, cosmetics, and international boutiques, and is expected to operate as normal.
- We also plan to implement various business measures (such as clearance sales) when the main store temporarily closes and opening promotions for the new Shinjuku Store during the reopening of the Shinjuku HALC.
- Furthermore, because customer numbers at the three department stores (Shinjuku, Machida, and Fujisawa), which had decreased due to the impact of the COVID-19 outbreak, are expected to recover, the revenue from operations at all department stores in fiscal 2022 is expected to be the

same as fiscal 2021.

**Q5. How have you been able to secure revenue from operations in the real estate sales business when the number of properties sold is expected to decrease in 2022?**

- While the number of condominiums and detached houses sold is expected to decrease, we plan to sell properties to investors, such as two logistics facilities (Inzai and Funabashi, Chiba Prefecture), and reinforce renovation purchase and resale.

**Q6. What is the status of reservations at all Odakyu Group Hotels from May?**

Following the lifting of the quasi-state of emergency, both city hotels and Hakone resort hotels\* are making gradual recoveries in demand.

- The occupancy rate from May onward is expected to be approximately 40% for city hotels and approximately 50% for Hakone resort hotels.

\*Hakone resort hotels: Hotel De Yama, and Hakone Highland Hotel (excludes Hotel Hatsuhana, which has been temporarily closed since January 4, 2022, due to renovation construction work)

**Q7. The numerical plan for net profit in fiscal 2023 is expected to be ¥30.0 billion. What is your approach to basic dividend policy?**

- Our basic dividend policy is to continue maintaining stable dividend payments with a consolidated payout of 30%. However, financial soundness will be prioritized during the period of structural reform and taken into account during comprehensive consideration of future performance and investment plans.

**Q8. What is your progress with reducing costs in FY2021?**

- The full-year forecast announced in February included cost reductions of approximately ¥54.0 billion, however, under the current full-year forecast we expect reductions of approximately ¥54.4 billion by reducing personnel and advertising expenses.

(Reference)

	Amount of reduction*	Amount of fixed costs within the amount of reduction
Full-year forecast (as of February 2022)	¥54.0 billion	¥11.5 billion
Actual	¥54.4 billion	¥12.4 billion

\* Deducing the cost of sales in merchandising and real estate businesses

**Q9. “Accounting Standard for Revenue Recognition” and other standards were adopted from FY2021. What was the change from the previous fiscal year after deducting the impact of the adoption?**

Millions of yen	FY2020	FY2021 (Prior to accounting standard revision)	Change
Revenue from operations	385,978	425,657	+39,679 (+10.3%)
Transportation	116,230	131,886	+15,656
Merchandising	157,685	171,026	+13,341
Real Estate	72,872	80,946	+8,074
Other Businesses	68,131	70,805	+2,674
Adjustments	△ 28,941	△ 29,007	△ 66

Note: There was a slight impact on operating income, ordinary income, and net income attributable to the owners of parent.

**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 due to changes in the economic climate, etc.