

July 28, 2023

Odakyu Electric Railway Co., Ltd.

IR Office

Financial Results in the First Quarter of the Fiscal Year Ending March 31, 2024—FAQ

Note: This document presents some of the anticipated questions relating to the Company's financial results of the first quarter of the fiscal year ending March 31, 2024, 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 (July 1–16, 2023) Remained at approximately 81% for commuters and 94% for non-commuters Note: compared to FY2018
Odakyu Department Stores	Sales (July 1–16, 2023) Shinjuku store remained at 30% of FY2019, Machida store was the same as FY2019, and Fujisawa store was 83% of FY2019 Note: compared to FY2019 Note: The main store ceased operation on October 2, 2022 and Shinjuku West Gate HALC reopened on October 4, 2022 (sales floor decreased by approximately 20%). Additionally, SHINJUKU DELISH PARK opened in Odakyu Ace in December 1, 2022.
City Hotels	Occupancy rate (July 1–16, 2023) Hotel Century Southern Tower 88.7%
Hakone area	Number of passengers using Hakone-Yumoto Station (July 16–22, 2023) Remained at approximately 105% for weekdays and approximately 92% for weekends and public holidays Note: compared to FY2018
	Hakone resort hotel* occupancy rate (July 1–16, 2023) Remained at between 50% and 60% *Hakone resort hotels: Hotel De Yama, Hakone Highland Hotel, and Hatsuhana

Q2. What were power cost trends in the first quarter of FY2023? Additionally, what is your outlook on trends going forward?

(Actual performance in first quarter of FY2023)

- Railway power costs have increased by approximately ¥100 million compared to the previous fiscal year, while the fuel costs for buses and taxi in each company remained at same level as the previous fiscal year.

(Forecast for FY2023)

- Since the outlook for fuel costs remains unclear, the forecast published in April (railway power costs expected to increase by approximately ¥1.3 billion compared to the previous fiscal year and fuel costs for buses and taxi in each company expected to increase by approximately ¥100 million compared to the previous fiscal year) remains unchanged.

Q3. What was the financial impact of the railway station barrier-free fare system?

- From March 2023, we adopted a railway station barrier-free fare system in Odakyu's railway business that adds ¥10 per ride.
- In the first quarter of FY2023, the financial impact of the railway station barrier-free fare system was approximately ¥1 billion for commuters and non-commuters. Furthermore, the forecast for FY2023 is approximately ¥4.8 billion.

(Reference) Transportation Revenue Excluding Financial Impact of Railway Station Barrier-Free Fare System

Millions of yen	First Quarter of FY2023	Change	
		Change from 2022	Change from 2018
Commuters	10,255	+4.4%	△16.5%
Work commuters	8,452	+4.9%	△18.1%
School commuters	1,803	+2.2%	△8.2%
Non-commuters	16,966	+9.7%	△5.1%
Revenues from passenger transportation	27,222	+7.7%	△9.7%

Note: System excludes school commuters and children with IC cards (flat fare of ¥50)

Q4. What is the status of reservations at all Odakyu Group Hotels from August?

- Occupancy rates from August onward are expected to be approximately 80–90% at city hotels and approximately 70% at Hakone resort hotels*.

*Hakone resort hotels: Hotel De Yama, Hakone Highland Hotel, and Hatsuhana

Q5. What is the status of inbound recovery?

(Current status of inbound recovery)

- Sales of the Hakone Freepass to foreign tourists in June 2023 exceeded pre-COVID-19 levels.
- Meanwhile, the number of Chinese tourists using the information desk for foreign visitors (Odakyu Sightseeing Service Center) in June 2023 remained at approximately 30% compared to before COVID-19. We hope that demand will increase in the future.

(Inbound measures)

- In addition to distributing advertisements in English and Chinese that encourage the online purchase of tickets, we sell tickets through local and online travel agencies, such as at exhibitions for overseas travel, and use influencers to share information.
- Going forward, we will disseminate information through collaboration with the Japan National Tourism Organization (JNTO) and local governments along the Odakyu Line, including the continued development of online advertising, and enhance our response to overseas tourists through EMot online tickets.

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.