November 2023

Odakyu Electric Railway Co., Ltd.

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, 2024

Q1 The number of passengers carried in the railway business appears to be exceeding expectations. What kind of trends do you see in the second half of FY2023 and going forward into FY2024?

- As of April 2023, we predict an approximately 12% decrease in passengers carried in FY2023, compared to FY2018.
- There has been a gentle recovery in the number of passengers carried following the downgrading of COVID-19 to a “Class 5” disease and the results from the first half were approximately 11% less than FY2018.
- This trend is expected to continue in the second half, with results that are approximately 11% less than FY2018.
- We will continue examining planned figures from FY2024 onward while paying attention to trends in both commuter and non-commuter passengers.

Q2 Are you considering increasing the price of products for inbound tourists, such as the Hakone Freepass?

- We have not set inbound prices for our products, including the Hakone Freepass and Enoshima–Kamakura Freepass.
- We did revise prices for the Hakone Freepass in October 2021 and the limited express Romancecar in October 2022.
- Furthermore, inbound tourism has had a significant impact on the hotel business, with room rates increasing at numerous hotels since before the pandemic (FY2018).

Q3 While there have been steep rises in construction costs and the associated personnel expenses, what has the impact been on the Shinjuku West Gate Redevelopment Plan?

- Within the overall project cost, we expect investments from Odakyu and Tokyu Land Corporation to be approximately ¥200.0 billion. We are aware of trends regarding steep rises in construction costs and are currently considering cost reduction measures and other initiatives.
- We will strive to minimize the impact of price rises by devising construction plans and other measures.
- Furthermore, the scheduled completion date of FY2029 will not change.

Q4 While you have sold the Odakyu Dai-ichi Seimei Building and other assets, are you considering further sales of Odakyu-owned assets following the full-scale start of the Shinjuku West Gate Redevelopment Plan?

- We are not considering the further sale of Odakyu-owned assets to ensure financial soundness since we expect to maintain an interest-bearing debt/EBITDA ratio of 7.0 times in FY2026, during the period of the Shinjuku West Gate Redevelopment.
- Meanwhile, from the perspective of controlling total assets with an awareness of capital costs and optimizing Odakyu-owned real estate to strengthen the real estate domain, we will continue considering sales associated with the replacement of assets in the future, taking into account the age of properties and their profitability.

Q5 With an estimated operating income of ¥45.0 billion in FY2023, approaching the target of ¥46.0 billion in FY2026, are you considering revising your targets?

- A significant reason for the recent upturn in performance is the faster than expected recovery in demand in the railway and hotel businesses.
- We are currently formulating our next Medium-Term Management Plan and will revise targets and plans as appropriate while keeping an eye on rising costs and other issues.

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.