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April 28, 2021

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (Based on Japanese GAAP)

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 Stock exchange listing: Tokyo  
 Stock code: 9007  
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 Scheduled date of the annual general meeting of shareholders: June 29, 2021  
 Scheduled date to commence dividend payments: June 30, 2021  
 Scheduled date to file Annual Securities Report: June 29, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	385,978	(27.7)	(24,190)	–	(31,223)	–	(39,804)	–
March 31, 2020	534,132	1.4	41,103	(21.1)	38,299	(22.9)	19,923	(38.6)

Note: Comprehensive income For the fiscal year ended March 31, 2021 ¥(34,078) million [–%]  
 For the fiscal year ended March 31, 2020 ¥8,855 million [(70.8)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2021	(109.60)	–	(10.8)	(2.4)	(6.3)
March 31, 2020	55.08	–	5.2	2.9	7.7

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2021 ¥(3,398) million  
 For the fiscal year ended March 31, 2020 ¥830 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2021	1,326,996	352,456	26.4	963.40
March 31, 2020	1,328,303	390,183	29.1	1,066.01

Reference: Equity  
 As of March 31, 2021 ¥349,878 million  
 As of March 31, 2020 ¥387,134 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	27,178	(43,582)	37,207	49,267
March 31, 2020	74,897	(85,454)	17,171	28,464

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2020	–	11.00	–	10.00	21.00	7,641	38.1	2.0
Fiscal year ended March 31, 2021	–	0.00	–	10.00	10.00	3,655	–	1.0
Fiscal year ending March 31, 2022 (Forecast)	–	0.00	–	10.00	10.00		26.9	

### 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2021	191,900	–	9,800	–	8,500	–	7,500	–	20.65
Fiscal year ending March 31, 2022	395,200	–	19,500	–	17,200	–	13,500	–	37.17

Note: Given that the Group is to apply the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of the fiscal year ending March 31, 2022, the amounts stated in the above consolidated financial results forecasts represent amounts subsequent to application of said accounting standard and relevant ASBJ regulations, and do not include year-on-year changes.

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (company name: Odakyu SC Development Co., Ltd.)

Excluded: –

- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement of prior period financial statements: None

- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	368,497,717 shares
As of March 31, 2020	368,497,717 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2021	5,327,705 shares
As of March 31, 2020	5,335,352 shares

- (iii) Average number of shares during the period

Fiscal year ended March 31, 2021	363,167,785 shares
Fiscal year ended March 31, 2020	361,717,333 shares

Note: The Company's shares held by the Board Incentive Plan Trust Account, which have been included in the treasury shares, are as follows.

For the fiscal year ended March 31, 2021: 153,660 shares

For the fiscal year ended March 31, 2020: 165,800 shares

**Reference: Summary of non-consolidated financial results**

**Non-consolidated financial results for the fiscal year ended March 31, 2021  
(from April 1, 2020 to March 31, 2021)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2021	114,366	(33.5)	(3,224)	–	(14,664)	–	(19,702)	–
March 31, 2020	172,081	(1.0)	35,895	(13.3)	33,228	(14.7)	21,313	(18.0)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2021	(53.92)	–
March 31, 2020	58.59	–

## (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2021	1,149,616	314,816	27.4	861.58
March 31, 2020	1,153,593	336,654	29.2	921.37

Reference: Equity

As of March 31, 2021                      ¥314,816 million  
As of March 31, 2020                      ¥336,654 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of financial results forecasts and other special items

### Caution regarding forward-looking statements and others

The financial results forecasts are calculated based on information obtained at the current time. Accordingly, actual results may differ from the forecast figures due to changes in business conditions and other factors.

For matters related to the financial results forecasts, please see “1. Overview of Operating Results and Others, (4) Future outlook” of the attached materials on page 5.

### How to obtain supplementary material on financial results

Supplementary material on financial results is disclosed on the same day on TDnet. Please refer to the Company website to review the supplementary material on financial results, and also “Financial Results (with Additional Explanations)” and “FAQ,” which were disclosed on the same day.

### How to access the contents of the financial results meeting

A financial results meeting will be held on May 24, 2021 for institutional investors and analysts.

The material used for this financial results meeting will be disclosed on TDnet and published on the Company website on the same day.

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## 1. Overview of Operating Results and Others

### (1) Overview of operating results for the fiscal year

During the fiscal year ended March 31, 2021, conditions in the Japanese economy remained challenging. The spread of COVID-19 suppressed economic activity and the movement of people, leading to a slump in personal consumption that mainly affected food and drink, accommodation, and similar services, and resulting in significant declines in corporate earnings.

Under these conditions, Odakyu Electric Railway Co., Ltd. (the “Company”) and its consolidated subsidiaries (collectively, the “Group”) recorded an operating revenue of ¥385,978 million (down 27.7% year on year), and although we worked to control capital investments and reductions in expenses, an operating loss of ¥24,190 million was recorded (operating profit of ¥41,103 million in the previous fiscal year). There were an ordinary loss of ¥31,223 million (ordinary profit of ¥38,299 million in the previous fiscal year) and a loss attributable to owners of parent of ¥39,804 million (profit attributable to owners of parent of ¥19,923 million in the previous fiscal year).

The performance by business segment is shown below.

#### Transportation

On the transportation side of the railway business, having taken into account the changes in the environment in which railway work is performed and the impact of COVID-19, in March 2021 we implemented revisions to the railway timetables, primarily to the times of last trains and some first trains, for greater sustainability of railway maintenance structures. As well as increasing the number of 5000-series commuter trains with four railroad cars, we continued to update the “Romancecar” 30000 series (EXE) and the 1000-series commuter trains as part of our efforts to enhance transportation services. On the Hakone Tozan Railway, where operations between Hakone-Yumoto Station and Gora Station had been suspended as a result of damage incurred during Typhoon Hagibis in 2019, we resumed operations on all lines in July 2020.

In terms of sales, we offered transportation services that utilize next-generation technology, such as by beginning year-round sales of Digital Hakone Freepass and Digital Tanzawa-Oyama Freepass tickets via the “EMot” MaaS app, which provides multiple-route search features and electronic ticket issuing services.

With regard to facilities, we installed platform doors at Shimo-Kitazawa Station (second basement platform) and at Noborito Station (platforms 1 and 2) to further improve the safety of train operations, and continued work to repair slopes between Aiko-Ishida Station and Isehara Station and elsewhere to mitigate the risk of damage by landslides and other natural disasters. We also worked to enhance station facilities with the aim of creating stations that inspire affection as a symbol of the respective region. In July 2020, we collaborated with Enoshima Aquarium to create a new jellyfish tank at Katase-Enoshima Station, and in November 2020, we completed the renovation of the Sangubashi Station building, which makes use of materials grown in the Tama area of Tokyo, to imbue the facilities with the warmth of wood. In addition, the companies of the Odakyu Hakone Group finished a complete renovation of Sounzan Station, which links the Hakone Tozan Cable Car and the Hakone Ropeway. In addition to installing lifting-type platform fences to improve safety, the new “cu-mo Hakone” tourist spot was opened, which offers an observation terrace and a foot bath to visitors.

In the bus business, Odakyu Bus Co., Ltd. celebrated its 70th anniversary in September 2020, and implemented a variety of commemorative projects throughout the year, such as operating buses with decorative wraps. Each company also worked to further enhance convenience by opening new routes and revised timetables to meet customer needs.

However, in the Company’s railway business, the impact of people refraining from going out and other behavior caused by COVID-19 resulted in a significant decline in both commuters and non-commuters railway passengers. This and other factors led to operating revenue of ¥116,230 million (down 32.9% year on year), and an operating loss of ¥25,937 million (operating profit of ¥21,641 million in the previous fiscal year).

Odakyu railway business transportation performance

Performance item	Unit	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	
			Year-on-year changes (%)
Number of operating days	Days	365	(0.3)
Total operating length	km	120.5	0.0
Train mileage	Thousand km	192,346	0.7
Number of passengers	Commuter passes	Thousands of people	331,963 (30.5)
	Non-commuter passes	Thousands of people	193,262 (32.8)
	Total	Thousands of people	525,225 (31.4)
Passenger transportation revenue	Commuter passes	Millions of yen	34,290 (29.1)
	Non-commuter passes	Millions of yen	43,575 (36.8)
	Total	Millions of yen	77,866 (33.6)
Miscellaneous income of transportation	Millions of yen	3,191	(16.0)
Total transportation revenue	Millions of yen	81,057	(33.1)
Boarding efficiency	%	28.6	–

Note: Boarding efficiency calculation method  

$$\text{Boarding efficiency} = \frac{\text{Total passenger-km (passengers through stations} \times \text{distance between stations)}}{(\text{passenger car travel km} \times \text{average passengers})} \times 100$$

**Merchandising**

In the department stores business, Odakyu Department Store Co., Ltd. introduced its “Withdesk Browse” screen-sharing service for the Odakyu Department Store Online Shopping website that it refreshed in March 2020. The Withdesk Browse service gives customers of all ages the confidence to use the website by providing operators to check the status of the customer’s screen, explain how to operate it, and provide support for entering orders. We also worked to expand the scope of the business by addressing new lifestyles and diverse customer needs, such as by beginning a cross-border e-commerce business for China by using the mini programs running on the Chinese WeChat messenger app.

In the stores and retail business, the “Odakyu OX” supermarket operated by Odakyu Shoji Co., Ltd., has opened a new Mukogaoka-Yuen store, for which it has focused on developing a new sales floor layout as a model for small stores. As a supermarket that supports the daily lives of local residents, the chain has also adopted measures to counter COVID-19 infections while working proactively on marketing activities, such as providing a carefully selected range of high value-added products at each store.

Nevertheless, the declaration of the state of emergency that followed the spread of COVID-19 in April 2020 resulted in the temporary closure of all floors of stores in the department stores business except for the food floors, between April 8, 2020 and May 25, 2020. Together with the decline in customers caused by people refraining from going out, restrictions on people entering the country and other factors, this resulted in operating revenue of ¥157,685 million (down 23.7% year on year), and operating loss of ¥1,741 million (operating profit of ¥4,373 million in the previous fiscal year).

## Real Estate

In the real estate sales business, Odakyu Real Estate Co., Ltd. worked to secure revenue through the sale of detached houses such as those in the LEAFIA Soshigaya-Okura development, and of condominiums, including Leafia Tower Ebina Bliss Court. To address the rapidly growing phenomenon of working from home, the company has developed a new “Uchi Biz” layout for comfortable living that incorporates both work and private life, and has already adopted it for some detached houses.

In the real estate leasing business, in April 2020 we established Odakyu SC Development Co., Ltd. to be responsible for the integrated management of commercial facilities from development to operation, and took other measures to improve the efficiency of commercial facility operations. We are also moving ahead with the design and development of the “Shimokita Senrogai” area created by moving railway tracks underground between Higashi-Kitazawa Station and Setagaya-Daita Station. “BONUS TRACK,” a new style of shopping center that seeks to attract highly individual tenants, and “SHIMOKITA COLLEGE,” a dormitory-style learning facility, have already begun operation.

However, the declaration of the state of emergency that followed the spread of COVID-19 in April 2020 resulted in the temporary closure of some commercial facilities in the real estate leasing business between April 8, 2020 and May 31, 2020. Combined with the impact of rent concessions for existing tenants and other factors, this led to operating revenue of ¥72,872 million (down 9.5% year on year). On the other hand, by selling the Company’s plots for sale in the real estate sales business, cutting expenses in the real estate leasing business, and taking other measures, operating profit came to ¥16,459 million (up 27.2% year on year).

## Other Businesses

In the hotel business, each of the hotels operated by the Group worked proactively to capture accommodation demand generated by the “Go To Travel” campaign. The Hotel Century Southern Tower operated by Hotel Odakyu Southern Tower Co., Ltd., the ONSEN RYOKAN YUEN SHINJUKU operated by UDS Ltd., and other facilities took steps to secure revenue, such as by offering plans that provide support for comfortable teleworking.

In the restaurant business, Odakyu Restaurant system Co., Ltd. and Giraud Restaurant System Co., Ltd. made efforts to offer new services to capture the changing needs of customers, such as by providing enhanced take-out menus.

These measures notwithstanding, the impact of people refraining from going out and restrictions on people entering the country caused by COVID-19 resulted in a decline in customers for the hotel business, whereas the restaurant business suffered from the effects of the temporary closure of some locations. Accordingly, operating revenue came to ¥68,131 million (down 39.3% year on year), and an operating loss of ¥13,020 million was recorded (operating profit of ¥2,090 million in the previous fiscal year).

## (2) Overview of financial position for the fiscal year

Total assets were ¥1,326,996 million (down ¥1,307 million from the end of the previous fiscal year) mainly due to a decrease in property, plant and equipment as a result of the recording of impairment losses, despite an increase in cash and deposits through the issuance of bonds.

Liabilities were ¥974,539 million (up ¥36,418 million from the end of the previous fiscal year) mainly due to an increase in interest-bearing debt through the issuance of bonds.

Net assets were ¥352,456 million (down ¥37,726 million from the end of the previous fiscal year) mainly due to a decrease in retained earnings as a result of the recording of loss attributable to owners of parent.



**(3) Overview of cash flows for the fiscal year**Cash flows from operating activities

Net cash provided by operating activities was ¥27,178 million as a result of adjustment for items, such as depreciation and amortization, by adding to or deducting from loss before income taxes of ¥41,261 million, and cash inflow decreased by ¥47,718 million compared with the previous fiscal year.

Cash flows from investing activities

Net cash used in investing activities was ¥43,582 million mainly due to a decrease in purchase of property, plant and equipment and cash outflow decreased by ¥41,872 million compared with the previous fiscal year.

As a result, free cash flow left over from this was negative ¥16,403 million.

Cash flows from financing activities

Net cash provided by financing activities was ¥37,207 million mainly due to proceeds from issuance of bonds and cash inflow increased by ¥20,035 million compared with the previous fiscal year.

Cash and cash equivalents at end of period was ¥49,267 million, up ¥20,803 million from the end of the previous fiscal year.

## Trends in cash flow indicators

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Equity ratio (%)	27.8	29.1	29.1	26.4
Equity ratio based on market value (%)	60.0	73.7	64.9	82.8
Interest-bearing debt to cash flow ratio (years)	8.4	9.8	9.9	28.8
Interest coverage ratio (times)	13.3	12.3	14.0	5.0

- The calculation method for each indicator is as follows:  
Equity ratio: Equity divided by total assets  
Equity ratio based on market value: Market capitalization divided by total assets  
Interest-bearing debt to cash flow ratio: Interest-bearing debt divided by cash flows from operating activities  
Interest coverage ratio: Cash flows from operating activities divided by interest paid
- All of the above indicators were calculated using consolidated-basis financial data.
- Total market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of outstanding shares at the end of the period.
- Interest-bearing debt was calculated using “borrowings + bonds payable + accounts payable to Japan railway construction, transport and technology agency, etc.”
- The effect of retrospectively applying changes in accounting policies is reflected in the figures presented for the fiscal year ended March 31, 2018.

**(4) Future outlook**

Concerning the consolidated financial results forecasts for the fiscal year ending March 31, 2022, the business environment is expected to remain harsh, despite expectation of a certain level of recovery compared with the previous fiscal year, which was significantly impacted by the COVID-19 pandemic. As a result, we expect operating revenue of ¥395.2 billion, and operating profit of ¥19.5 billion. In addition, we expect ordinary profit of ¥17.2 billion, and profit attributable to owners of parent of ¥13.5 billion.

For details, please see “Results for the FY2020 (Ended March 31, 2021),” which is separately disclosed.

- \* Given that the Group is to apply the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of the fiscal year ending March 31, 2022, the amounts stated in the above consolidated financial results forecasts represent amounts subsequent to application of said accounting standard. Operating revenue has decreased due to the application, there is no impact on operating profit, ordinary profit and profit attributable to owners of parent.
- \* The above forecasts are calculated based on information obtained at the current time. Accordingly, actual results may differ from the forecast figures due to changes in business conditions and other factors.

## **2. Basic Stance Towards the Selection of Accounting Standards**

With respect to application of International Financial Reporting Standards (IFRS), the Group follows a policy of responding in a suitable manner after giving consideration to various circumstances in Japan and overseas.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	28,594	49,397
Notes and accounts receivable - trade	22,622	20,134
Lease receivables and investments in leases	1,144	1,001
Merchandise and finished goods	6,278	5,770
Land and buildings for sale in lots	31,003	29,817
Work in process	1,139	1,002
Raw materials and supplies	2,182	2,282
Other	39,036	37,646
Allowance for doubtful accounts	(210)	(358)
Total current assets	131,791	146,692
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	500,474	484,778
Machinery, equipment and vehicles, net	55,353	57,323
Land	468,022	472,084
Leased assets, net	1,282	1,083
Construction in progress	31,858	33,167
Other, net	13,377	10,659
Total property, plant and equipment	1,070,368	1,059,096
Intangible assets		
Goodwill	2,157	1,654
Leased assets	241	216
Other	21,810	21,673
Total intangible assets	24,208	23,544
Investments and other assets		
Investment securities	78,093	74,325
Long-term loans receivable	1,578	2,470
Deferred tax assets	6,828	5,955
Other	16,557	16,271
Allowance for doubtful accounts	(1,123)	(1,359)
Total investments and other assets	101,935	97,662
Total non-current assets	1,196,512	1,180,304
Total assets	1,328,303	1,326,996

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	23,706	19,664
Short-term borrowings	203,932	182,428
Current portion of bonds payable	30,025	20,010
Lease obligations	1,200	1,061
Income taxes payable	5,732	6,311
Advances received	2,682	3,095
Provision for bonuses	8,212	6,868
Allowance for unredeemed gift certificates and others	1,436	1,582
Provision for loss on disaster	1,447	89
Asset retirement obligations	16	–
Other	99,102	98,593
Total current liabilities	377,494	339,704
Non-current liabilities		
Bonds payable	185,025	247,015
Long-term borrowings	223,430	253,720
Long-term accounts payable to Japan railway construction, transport and technology agency	79,671	70,603
Lease obligations	1,157	1,109
Deferred tax liabilities	8,856	7,835
Deferred tax liabilities for land revaluation	954	954
Retirement benefit liability	19,952	13,600
Asset retirement obligations	1,721	1,688
Other	39,857	38,308
Total non-current liabilities	560,626	634,835
Total liabilities	938,120	974,539
<b>Net assets</b>		
Shareholders' equity		
Share capital	60,359	60,359
Capital surplus	57,901	57,900
Retained earnings	251,313	207,852
Treasury shares	(6,520)	(6,503)
Total shareholders' equity	363,053	319,609
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,410	26,479
Revaluation reserve for land	548	548
Remeasurements of defined benefit plans	(878)	3,241
Total accumulated other comprehensive income	24,080	30,269
Non-controlling interests	3,049	2,578
Total net assets	390,183	352,456
<b>Total liabilities and net assets</b>	<b>1,328,303</b>	<b>1,326,996</b>

**(2) Consolidated statement of income and comprehensive income**  
**Consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Operating revenue	534,132	385,978
Operating expenses		
Operating expenses and cost of sales of transportation	396,761	328,933
Selling, general and administrative expenses	96,267	81,235
Total operating expenses	493,029	410,168
Operating profit (loss)	41,103	(24,190)
Non-operating income		
Interest income	12	23
Dividend income	1,766	1,589
Share of profit of entities accounted for using equity method	830	–
Miscellaneous income	1,913	2,498
Total non-operating income	4,523	4,111
Non-operating expenses		
Interest expenses	5,372	5,396
Share of loss of entities accounted for using equity method	–	3,398
Miscellaneous expenses	1,954	2,349
Total non-operating expenses	7,327	11,144
Ordinary profit (loss)	38,299	(31,223)
Extraordinary income		
Gain on sale of non-current assets	4,708	1,132
Contribution for construction	1,178	2,866
Gain on sale of investment securities	5	6,304
Subsidy income	–	*1 3,609
Other	423	240
Total extraordinary income	6,315	14,153
Extraordinary losses		
Loss on sale of non-current assets	97	127
Loss on tax purpose reduction entry of non-current assets	1,156	954
Loss on retirement of non-current assets	1,934	1,113
Impairment losses	2,351	15,751
Non-recurring loss	–	*2 2,587
Extra retirement payments	–	2,205
Provision for loss on disaster	1,447	86
Loss on transfer of receivables	1,230	–
Other	400	1,364
Total extraordinary losses	8,616	24,191
Profit (loss) before income taxes	35,998	(41,261)
Income taxes - current	10,899	1,959
Income taxes - deferred	4,871	(2,948)
Total income taxes	15,770	(989)
Profit (loss)	20,228	(40,272)
Profit (loss) attributable to non-controlling interests	304	(468)
Profit (loss) attributable to owners of parent	19,923	(39,804)

**Consolidated statement of comprehensive income**

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss)	20,228	(40,272)
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,252)	1,777
Remeasurements of defined benefit plans, net of tax	(1,846)	4,128
Share of other comprehensive income of entities accounted for using equity method	(273)	288
Total other comprehensive income	(11,372)	6,194
Comprehensive income	8,855	(34,078)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,618	(33,615)
Comprehensive income attributable to non- controlling interests	237	(462)

**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	60,359	58,472	239,148	(10,982)	346,997
Changes during period					
Dividends of surplus			(7,972)		(7,972)
Profit (loss) attributable to owners of parent			19,923		19,923
Increase by share exchanges		(569)		4,514	3,944
Increase by merger			213		213
Purchase of treasury shares				(52)	(52)
Disposal of treasury shares		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		(1)			(1)
Net changes in items other than shareholders' equity					
Total changes during period	–	(571)	12,164	4,462	16,056
Balance at end of period	60,359	57,901	251,313	(6,520)	363,053

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	33,875	548	961	35,385	6,796	389,180
Changes during period						
Dividends of surplus						(7,972)
Profit (loss) attributable to owners of parent						19,923
Increase by share exchanges						3,944
Increase by merger						213
Purchase of treasury shares						(52)
Disposal of treasury shares						0
Change in ownership interest of parent due to transactions with non-controlling interests						(1)
Net changes in items other than shareholders' equity	(9,465)	–	(1,839)	(11,305)	(3,747)	(15,053)
Total changes during period	(9,465)	–	(1,839)	(11,305)	(3,747)	1,002
Balance at end of period	24,410	548	(878)	24,080	3,049	390,183

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	60,359	57,901	251,313	(6,520)	363,053
Changes during period					
Dividends of surplus			(3,655)		(3,655)
Profit (loss) attributable to owners of parent			(39,804)		(39,804)
Increase by share exchanges					–
Increase by merger					–
Purchase of treasury shares				(12)	(12)
Disposal of treasury shares		0		29	29
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	(43,460)	16	(43,444)
Balance at end of period	60,359	57,900	207,852	(6,503)	319,609

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	24,410	548	(878)	24,080	3,049	390,183
Changes during period						
Dividends of surplus						(3,655)
Profit (loss) attributable to owners of parent						(39,804)
Increase by share exchanges						–
Increase by merger						–
Purchase of treasury shares						(12)
Disposal of treasury shares						29
Change in ownership interest of parent due to transactions with non-controlling interests						(0)
Net changes in items other than shareholders' equity	2,069	–	4,119	6,188	(470)	5,717
Total changes during period	2,069	–	4,119	6,188	(470)	(37,726)
Balance at end of period	26,479	548	3,241	30,269	2,578	352,456



**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	35,998	(41,261)
Depreciation	49,628	51,258
Impairment losses	2,351	15,751
Amortization of goodwill	534	326
Increase (decrease) in provision for bonuses	115	(1,344)
Increase (decrease) in retirement benefit liability	(737)	(70)
Increase (decrease) in allowance for doubtful accounts	251	384
Increase (decrease) in allowance for unredeemed gift certificates and others	66	146
Increase (decrease) in provision for loss on disaster	1,447	(1,357)
Interest and dividend income	(1,779)	(1,612)
Interest expenses	5,372	5,396
Share of loss (profit) of entities accounted for using equity method	(830)	3,398
Proceeds from contribution for construction	(1,178)	(2,866)
Loss (gain) on sale of investment securities	2	(6,304)
Loss (gain) on sale of shares of subsidiaries and associates	(349)	-
Loss (gain) on sale of non-current assets	(4,611)	(1,004)
Loss on tax purpose reduction entry of non-current assets	1,156	954
Loss on retirement of non-current assets	447	926
Loss (gain) on valuation of securities	183	993
Loss on valuation of inventories	120	156
Extra retirement payments	-	2,205
Loss on transfer of receivables	1,230	-
Decrease (increase) in trade receivables	3,120	2,494
Decrease (increase) in inventories	2,166	1,745
Increase (decrease) in trade payables	(2,395)	(4,469)
Increase (decrease) in deposits received	(4,673)	5,634
Other, net	2,917	2,144
<b>Subtotal</b>	<b>90,554</b>	<b>33,626</b>
Interest and dividends received	2,011	1,727
Interest paid	(5,348)	(5,393)
Income taxes paid	(12,320)	(2,781)
<b>Net cash provided by (used in) operating activities</b>	<b>74,897</b>	<b>27,178</b>

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(4,436)	(1,008)
Proceeds from sale of investment securities	3,842	8,465
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(962)	–
Purchase of property, plant and equipment	(89,415)	(60,653)
Proceeds from sale of property, plant and equipment	3,278	8,518
Net decrease (increase) in short-term loans receivable	(21)	(290)
Long-term loan advances	(579)	(898)
Proceeds from collection of long-term loans receivable	22	6
Proceeds from advances received for contract consignment	2,142	2,047
Proceeds from long-term advances received from Japan railway construction, transport and technology agency	1,100	–
Other, net	(424)	229
<b>Net cash provided by (used in) investing activities</b>	<b>(85,454)</b>	<b>(43,582)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(113)	(26,530)
Net increase (decrease) in commercial papers	5,000	(10,000)
Proceeds from long-term borrowings	18,604	59,527
Repayments of long-term borrowings	(21,607)	(24,212)
Proceeds from issuance of bonds	65,000	82,000
Redemption of bonds	(30,040)	(30,025)
Repayments of accounts payable to Japan railway construction, transport and technology agency	(11,109)	(8,965)
Dividends paid	(7,948)	(3,656)
Purchase of treasury shares	(18)	(12)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(0)	(0)
Other, net	(594)	(918)
<b>Net cash provided by (used in) financing activities</b>	<b>17,171</b>	<b>37,207</b>
Effect of exchange rate change on cash and cash equivalents	0	0
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,613</b>	<b>20,803</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>21,636</b>	<b>28,464</b>
Increase in cash and cash equivalents resulting from merger	214	–
<b>Cash and cash equivalents at end of period</b>	<b>28,464</b>	<b>49,267</b>

**(5) Notes to consolidated financial statements**

**Notes on premise of going concern**

Not applicable.

**Additional information**

The effects of COVID-19 used in accounting estimates

The spread of COVID-19 has been impacting the business activities of the Group. As it is difficult to predict the future spread or when the significant effects will end, it is extremely difficult to make accounting estimates, particularly the measurement of future cash flows.

For that reason, best estimates have been made regarding judgments on the recoverability of deferred tax assets and impairment losses using certain assumptions that the situation will gradually recover from October 2021 onward based on information available when preparing the consolidated financial statements.

**Notes to consolidated statement of income**

\*1 Subsidy income

The amounts received from subsidies for employment adjustment and other special measures due to the impact of COVID-19 were recorded as “subsidy income” under extraordinary income in the consolidated statement of income.

\*2 Non-recurring loss

In response to requests from the national and local governments to suspend operations, and other measures to stop the spread of COVID-19, the Group temporarily suspended operations at some facilities. Fixed costs (depreciation, rent expenses, etc.) incurred during suspended operations were recorded as “non-recurring loss” under extraordinary losses in the consolidated statement of income.

**Segment information**

1 Overview of reportable segments

The Group identifies a reportable segments as a component unit of the Group whose separate financial information is available and is examined periodically by the Board of Directors in order to make decisions regarding the allocation of management resources and assess the business performances of such segments.

The Group operates various businesses that are closely connected with our customers’ daily lives primarily along the Odakyu lines, centered on railway business and other transportation operations, but including merchandising, real estate, hotel, restaurant and other services.

For this reason, the Group consists of business segments that are based on the aforementioned business activities. The three reportable segments are “transportation,” “merchandising,” and “real estate.”

The business activities conducted within each business segment are listed below for the reportable segments.

Transportation.....Railway, bus, taxi, sightseeing boat, ropeway, etc.

Merchandising.....Department stores, stores and retail, etc.

Real Estate.....Real estate sales, real estate leasing

2 Calculation methods for operating revenue, profit (loss), assets and other items by reportable segment

Reportable segment profit is presented on an operating profit basis. Intersegment revenue or transfers are based on prevailing market prices.

3 Information on operating revenue, profit (loss), assets and other items by reportable segment

Fiscal year ended March 31, 2020

(Millions of yen)

	Transportation	Merchandising	Real Estate	Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amounts recorded on consolidated financial statements (Note 3)
Operating revenue							
Revenues from external customers	170,422	203,563	73,926	86,220	534,132	–	534,132
Intersegment operating revenue or transfers	2,752	3,000	6,552	26,035	38,340	(38,340)	–
Total	173,174	206,563	80,478	112,256	572,473	(38,340)	534,132
Segment profit	21,641	4,373	12,940	2,090	41,044	58	41,103
Segment assets	682,223	72,653	396,030	137,514	1,288,421	39,882	1,328,303
Other items							
Depreciation (Note 4)	32,392	3,791	9,374	4,151	49,710	(82)	49,628
Amortization of goodwill	–	86	–	447	534	–	534
Impairment losses	0	1,198	205	946	2,351	–	2,351
Investments in entities accounted for using equity method	12,399	–	–	–	12,399	–	12,399
Increase in property, plant and equipment and intangible assets (Note 4)	40,940	5,498	29,547	15,612	91,599	–	91,599

Notes: 1 “Other Businesses” represents the following businesses, which are not included in the above reportable segment: hotel, restaurant, travel agent, golf course, railway maintenance service, building management and maintenance, advertising agency, bookkeeping service, insurance agency, planning design and operation, and temporary staffing service.

2 Adjustments made are as follows.

- (1) Adjustment for segment profit amounting to ¥58 million represents elimination of intersegment transactions.
- (2) Adjustments for segment assets amounting to ¥39,882 million include negative ¥104,436 million of elimination of intersegment transactions and ¥144,319 million of the Group’s assets that have not been distributed to reportable segments.
- (3) Adjustment for depreciation amounting to negative ¥82 million represents elimination of intersegment transactions.

3 Segment profit is reconciled to operating profit on the consolidated financial statements.

4 Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and its amortization.

## Fiscal year ended March 31, 2021

(Millions of yen)

	Transportation	Merchandising	Real Estate	Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amounts recorded on consolidated financial statements (Note 3)
Operating revenue							
Revenues from external customers	114,043	155,660	66,926	49,346	385,978	–	385,978
Intersegment operating revenue or transfers	2,186	2,024	5,945	18,785	28,941	(28,941)	–
Total	116,230	157,685	72,872	68,131	414,919	(28,941)	385,978
Segment profit (loss)	(25,937)	(1,741)	16,459	(13,020)	(24,240)	49	(24,190)
Segment assets	671,599	59,146	407,252	125,166	1,263,165	63,830	1,326,996
Other items							
Depreciation (Note 4)	33,309	3,557	10,052	4,422	51,341	(83)	51,258
Amortization of goodwill	–	2	–	323	326	–	326
Impairment losses	1,723	7,612	4,771	1,649	15,757	(5)	15,751
Investments in entities accounted for using equity method	9,177	–	–	–	9,177	–	9,177
Increase in property, plant and equipment and intangible assets (Note 4)	35,155	3,091	19,265	5,431	62,943	–	62,943

Notes: 1 “Other Businesses” represents the following businesses, which are not included in the above reportable segment: hotel, restaurant, travel agent, golf course, railway maintenance service, building management and maintenance, advertising agency, bookkeeping service, insurance agency, planning design and operation, and temporary staffing service.

2 Adjustments made are as follows.

- (1) Adjustment for segment profit (loss) amounting to ¥49 million represents elimination of intersegment transactions.
- (2) Adjustments for segment assets amounting to ¥63,830 million include negative ¥123,678 million of elimination of intersegment transactions and ¥187,509 million of the Group’s assets that have not been distributed to reportable segments.
- (3) Adjustments for depreciation amounting to negative ¥83 million and for impairment losses amounting to negative ¥5 million represent elimination of intersegment transactions.

3 Segment profit (loss) is reconciled to operating loss on the consolidated financial statements.

4 Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and its amortization.

**Per share information**

(Yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net assets per share	1,066.01	963.40
Basic earnings (loss) per share	55.08	(109.60)

- Notes: 1 The amount of diluted earnings per share in the fiscal year ended March 31, 2020 is not provided because there are no potential shares. The amount of diluted earnings per share in the fiscal year ended March 31, 2021 is not provided because basic loss per share was recorded and there are no potential shares.
- 2 For the purpose of calculating net assets per share, the Company's shares held by the Board Incentive Plan Trust Account are treated as treasury shares, which are excluded from the total number of issued shares at the end of the period (165 thousand shares for the fiscal year ended March 31, 2020 and 153 thousand shares for the fiscal year ended March 31, 2021).  
For the purpose of calculating basic earnings (loss) per share, these shares held by the trust were treated as treasury shares, which were excluded from the calculation of the average number of shares during the period (165 thousand shares for the fiscal year ended March 31, 2020 and 158 thousand shares for the fiscal year ended March 31, 2021).
- 3 The basis for calculation of basic earnings (loss) per share is as follows:

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss) attributable to owners of parent (Millions of yen)	19,923	(39,804)
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit (loss) attributable to owners of parent related to common shares (Millions of yen)	19,923	(39,804)
Average number of common shares during the period (Shares)	361,717,333	363,167,785

## Business combinations

### Transactions under common control

#### Establishment of subsidiary through simplified incorporation-type company split

Based on a resolution of the Board of Directors held on December 20, 2019, the Company established the wholly owned subsidiary Odakyu SC Development Co., Ltd. (the “New Company”) through a simplified incorporation-type company split with an effective date of April 1, 2020, and implemented the demerging of the Company’s commercial facility management business into the New Company (the “Company Split”).

#### 1. Purpose of the Company Split

Through the Company Split, the Company aims to strengthen the business promotion system for the real estate leasing business.

#### 2. Outline of the Company Split

##### (1) Schedule of the Company Split

Approval date of the Company Split	December 20, 2019
Date of the Company Split (effective date)	April 1, 2020

Note: The Company Split satisfies the requirements for a simplified demerger pursuant to the provisions of Article 805 of the Companies Act, and therefore, approval by the shareholders meeting has been omitted.

##### (2) Method of the Company Split

This is a simplified incorporation-type company split in which the Company is the splitting company and the New Company is the succeeding company.

##### (3) Allocation of the Company Split

The New Company will issue 1,000 shares upon the Company Split, all of which have been allotted to the Company.

##### (4) Treatment of share acquisition rights and bonds with share acquisition rights in the Company Split

Not applicable.

##### (5) Increase/decrease in share capital due to the Company Split

There will be no change in the Company’s share capital as a result of the Company Split.

##### (6) Rights and obligations to be succeeded by the New Company

The New Company shall, except as otherwise provided for in the incorporation-type company split plan approved on December 20, 2019, inherit all of the assets, liabilities, contractual positions and accompanying rights and obligations related to the commercial facility management business from the Company.

##### (7) Prospects of fulfilling financial obligations

The Company has determined that the obligations of the New Company falling due on or after the effective date of the Company Split are likely to be fulfilled.

## 3. Outline of parties involved in the Company Split

	Splitting company	New Company
Company name	Odakyu Electric Railway Co., Ltd.	Odakyu SC Development Co., Ltd.
Head office	2-28-12 Yoyogi, Shibuya-ku, Tokyo	1-8-3 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Koji Hoshino, President & CEO	Yoshihiko Shimooka, Representative Director
Business	Railway business, real estate business, etc.	Commercial facility management business, commercial facility development business
Share capital	¥60,359 million	¥100 million
Established	June 1, 1948	April 1, 2020
Issued shares	368,497,717 shares	1,000 shares
Fiscal year-end	March 31	March 31

Note: There are no changes to the above items of the Company, the splitting company.

## 4. Outline of the business divisions split

## (1) Business of the divisions split

Operation of commercial facilities

## (2) Operating results of the business divisions split (fiscal year ended March 31, 2020)

Operating revenue                      ¥32,169 million

## (3) Items and amounts of assets and liabilities split

(Millions of yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	113	Current liabilities	2,095
Non-current assets	34,663	Non-current liabilities	23,916
Total	34,777	Total	26,011

## 5. Outlook for the future

Since the New Company has become a wholly owned subsidiary of the Company, the Company Split will have only a minor impact on the consolidated results of the Company, but it will contribute to improving the business results of the Odakyu Group over the medium to long term.

## 6. Outline of the accounting treatment implemented

The Company Split is accounted for as a transaction under common control based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).

**Significant subsequent events**

Not applicable.