

October 29, 2021

Odakyu Electric Railway Co., Ltd.

IR Office

Financial Results in the Second Quarter of the Fiscal Year Ending March 31, 2022—FAQ

Note: This document presents some of the anticipated questions relating to the Company's financial results of the fiscal year ending March 31, 2021, 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 Current performance, as of October 2021

Railways (Odakyu Electric Railway Co., Ltd.)	Number of people passing through ticket gates (October 1-17 2021) Signs of recovery after the suspension of the state of emergency Remained at approximately 75% of FY2019 Note: Excluding the impact of service suspension due to the typhoon in FY2019
Odakyu Department Stores	Sales (October 1-18 2021) Remained at approximately 90% of the same period in FY2019 Note: Excluding the impact of temporary closures due to the typhoon in FY2019
Hyatt Regency Tokyo	Occupancy rate (October 1-14 2021) 17.9% Demand has not returned and remained weak, the same as the previous year November will remain at the same level
Hakone area	Number of passengers using Hakone-Yumoto Station (October 10-16 2021) Weekdays : (49%) Weekends and public holidays: (64%) (compared with the same period in FY2018)
	Hakone resort hotel* occupancy rate (October 1-13 2021) Remained at approximately 40% *Hakone resort hotels: Hotel De Yama, Hakone Highland Hotel, and Hotel Hatsuana

Q2 Is the Company considering an increase in fares?

- We expect revenues to remain difficult as a result of COVID-19. First we will strive to curb expenses through self-supporting endeavors, including streamlining of operations and review of capital investment plans. If revenue falls lower than expected, we may consider fare revisions.
- Additionally, we understand that the Ministry of Land, Infrastructure, Transport and Tourism is considering a new pricing system to facilitate the shift to barrier-free train stations. However, specific details of the new system have not been publicly announced yet, so we will monitor the situation.

Q3 Is the Company considering the introduction of fares based on time of railway use or offering points?

- These measures are not under consideration at this time as a result of achieving a major decrease in congestion due to the completion of multiple double tracks, as well as the increasing decentralization of our customers resulting from the impact of COVID-19. Going forward, we will monitor changes to the business environment, including transportation trends, and will consider measures as necessary.

Q4 Did the Company implement entry restrictions at Odakyu department stores, during the state of emergency declared in July 2021? What, if any, was the impact?

- On August 12, 2021, the Japanese government's COVID-19 Advisory Committee recommended a 50% reduction in the flow of people in Tokyo. One measure called for a reduction in the number of people visiting food sales floors. In light of this, from August 18, 2021, we closed some of the entrances and exits to the food sales floor at the Shinjuku and Machida department stores and decided to implement entry restrictions if the number of visitors reached 50% of peak season.
- However, due to the impact of factors, including a sudden increase in COVID-19 cases, customer numbers decreased. Since the number of visitors did not reach 50% of peak season, we did not implement any limits.

Q5 Regarding the real estate sales business, it seems that sales for the next fiscal year are being brought forward due to strong sales in the current fiscal year. What is the status of purchasing for the next fiscal year and onward?

- Although the market is overheated, we are striving to purchase land that has potential business viability. Purchasing is progressing as planned, with more than 70% of the planned supply for

2023 complete.

- The Company will flexibly choose and commercialize its business activities, such as sale and leasing of properties, in line with market changes, including changes to planned supply of properties (bringing forward) up to FY2023.

Q6 Did you implement rent concessions under the state of emergency declared in July 2021?

- Since we did not make any temporary closures, we did not implement uniform rent concessions for any property.
- Additionally, the impact of rent concessions resulting from temporary closures and other measures mainly during the state of emergency in April and May 2021 was approximately ¥200 million.

Q7 What is the status of reservations at all Odakyu Group Hotels from November?

<City hotels>

- There were no great changes in demand and reservations continued to be sluggish after another state of emergency was declared.
- The occupancy rate from November onward is expected to equal that of September (20%).

<Hakone resort hotels*>

- The occupancy rate in November is expected to equal that of September (40%).

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

Q8 Now that the state of emergency has been lifted, what are your specific initiatives for attracting domestic demand in the Hakone area?

- Based on the current demand trends, on October 1, 2021, we began sales of new digital special discount tickets, such as Hakone Transportation Light, which mainly target visitors who arrive by car.
- In line with this, we expanded the functions of our tourism platforms, such as renewing the tourist information site Hakone Navi and enabling the purchase of digital tickets through the site.
- Going forward, we intend to take further measures for capturing domestic demand.

November: Plan to launch the *Ashinoko* Liner, a direct bus that connects Hakone-Yumoto Station and Lake Ashi.

December: Plan to launch sales of Hakone *Asobihoudai* Ticket (Multi-Pass), a subscription service that can be used at 22 facilities in the Hakone area.

Q9 What is your progress with reducing costs?

- Initially, we incorporated cost reductions of approximately ¥40.0 billion in the full-year forecast, however, as a result of continuous revisions, the newly announced full-year forecast includes cost reductions of approximately ¥52.0 billion. Additionally, by reducing personnel and advertising expenses, the results up to the end of the second quarter were ¥27.6 billion.

(Reference)

	Amount of reduction*	Amount of fixed costs within the amount of reduction
Full-year forecast (as of April 2021)	Approximately ¥40.0 billion	Approximately ¥8.6 billion
Full-year forecast (current)	Approximately ¥52.0 billion	Approximately ¥10.0 billion
(2Q results)	¥27.6 billion	¥6.1 billion

* Deducting the cost of sales in merchandising and real estate businesses

Q10 “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?

(2Q results)

Millions of yen	First half of FY2020	First half of FY2021 (Prior to accounting standard revision)	Change
Revenue from operations	167,645	205,303	+37,658 (+22.5%)
Transportation	53,490	63,051	+9,561
Merchandising	70,705	81,828	+11,122
Real Estate	27,352	42,346	+14,994
Other Businesses	29,676	31,538	+1,862
Adjustments	△13,578	△13,461	+116

(Full-year forecast)

Millions of yen	FY2020	FY2021 (Prior to accounting standard revision)	Change
Revenue from operations	385,978	429,400	+43,421 (+11.2%)
Transportation	116,230	135,800	+19,569
Merchandising	157,685	169,600	+11,914
Real Estate	72,872	80,900	+8,027
Other Businesses	68,131	70,300	+2,168
Adjustments	△28,941	△27,200	+1,741

Note: There was 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.