

Fiscal Year Ended March 31, 2022 Financial Results Presentation for Investors

Nagoya Railroad Co., Ltd.

Securities Code: 9048

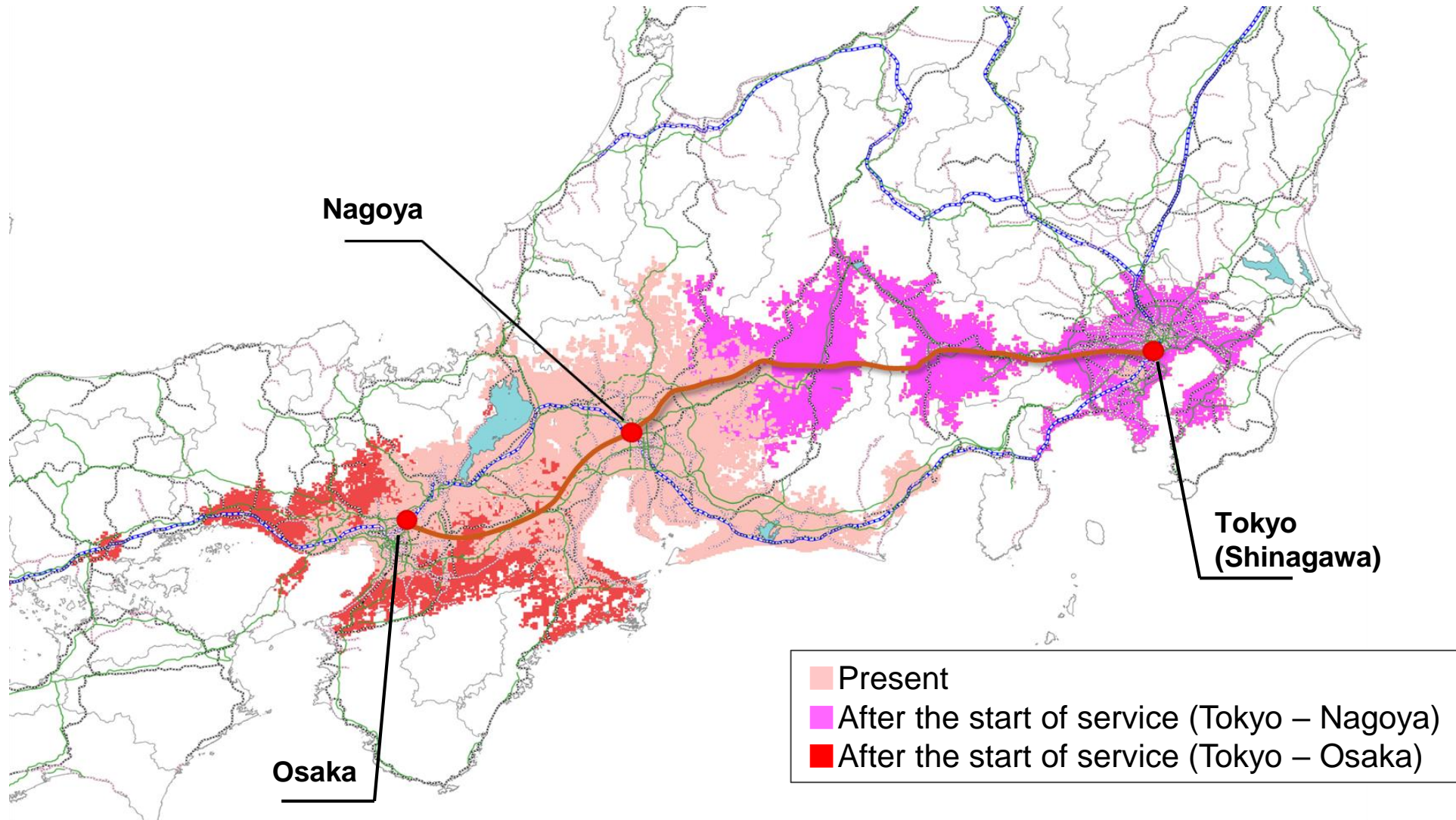
May 26, 2022

01

Setting Things on a New Track

How the Chubu Region will change with the Linear Chuo Shinkansen (1)

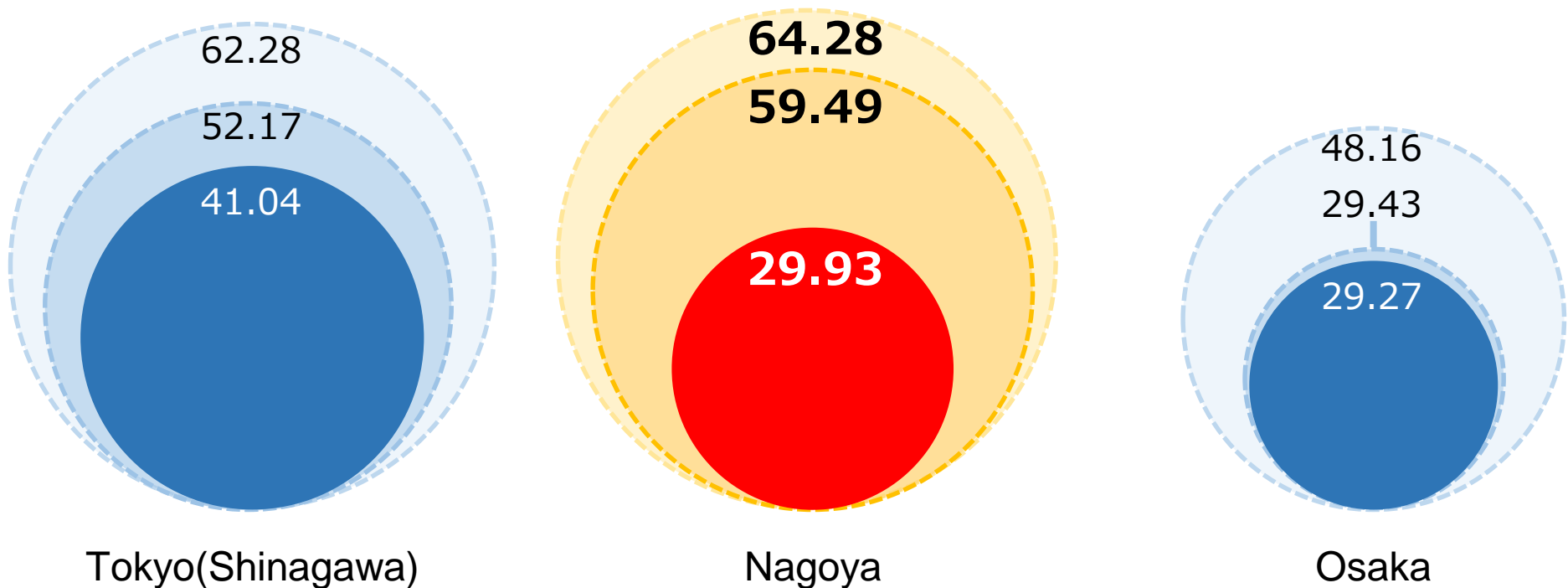
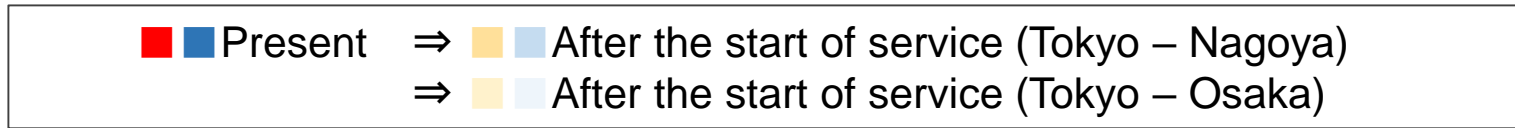
Areas accessible from Nagoya Station by rail or road within a 120-minute window



How the Chubu Region will change with the Linear Chuo Shinkansen (2)

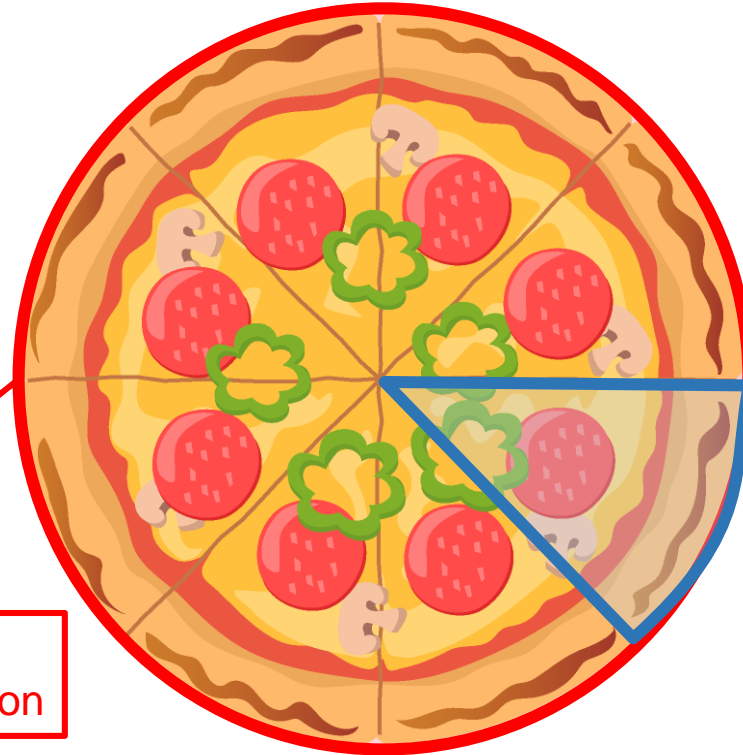


Change in population with access within a 120-minute window at each location (millions)



Of the three major cities, **Nagoya will have the largest population** with access within a 120-minute window once the Linear Chuo Shinkansen maglev line opens.

① Overlap of local economic areas and our main business



(one whole pizza pie)

The Meitetsu Group's main business area = the Chubu region

We are responsible for building up communities across the entire Chubu region

② Provider of a full lineup of diverse transportation services



Bicycle sharing



City buses



Highway buses



Car sharing



Trains



Taxis



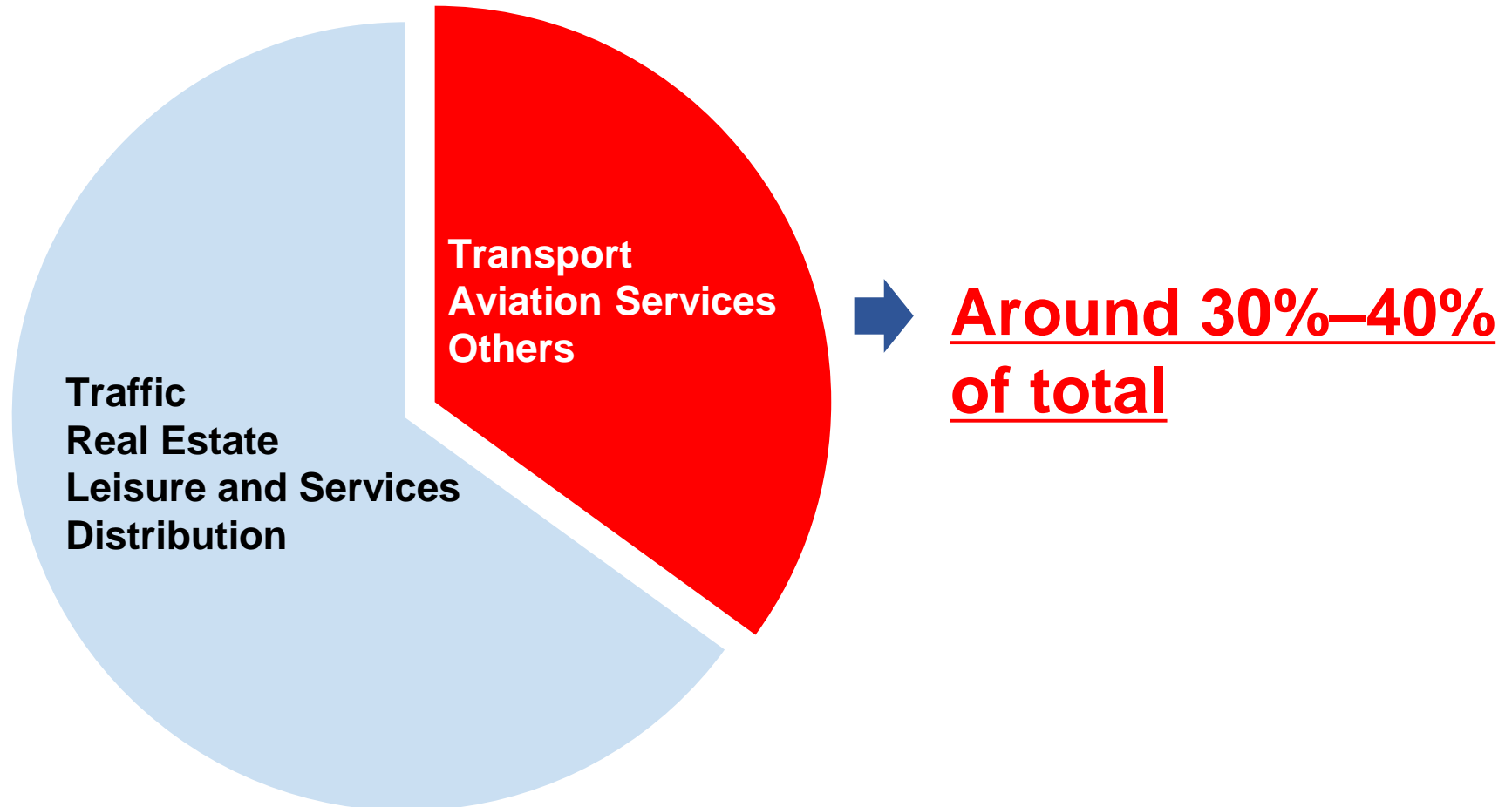
Parking lots



Ferries

③ Large scale operator of Transport and Aviation Services as well as other businesses

Meitetsu Group Operating Revenue Breakdown



Achieve long-term growth through business activities that support society while revitalizing local communities through Group-wide efforts

Mission : Work to improve the value of the region and give back to the community over the long haul.

Establish a regional presence
(particularly in the Chubu region)



Community revitalization projects

Support rises in residential and commuter populations through projects centered on transportation, real estate, and leisure

With the Traffic Business as the foundation and the Real Estate Business as the axis, develop a variety of Group businesses with a focus on the region

Vertical growth



Support Society

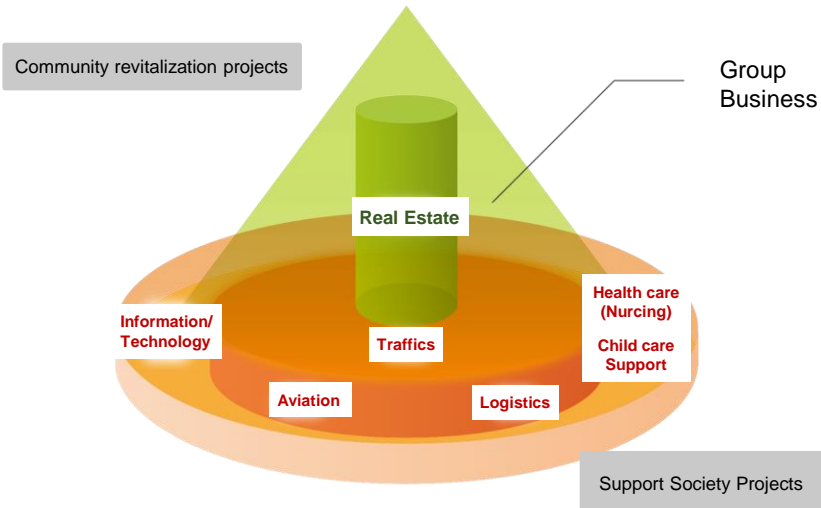


Support Society projects

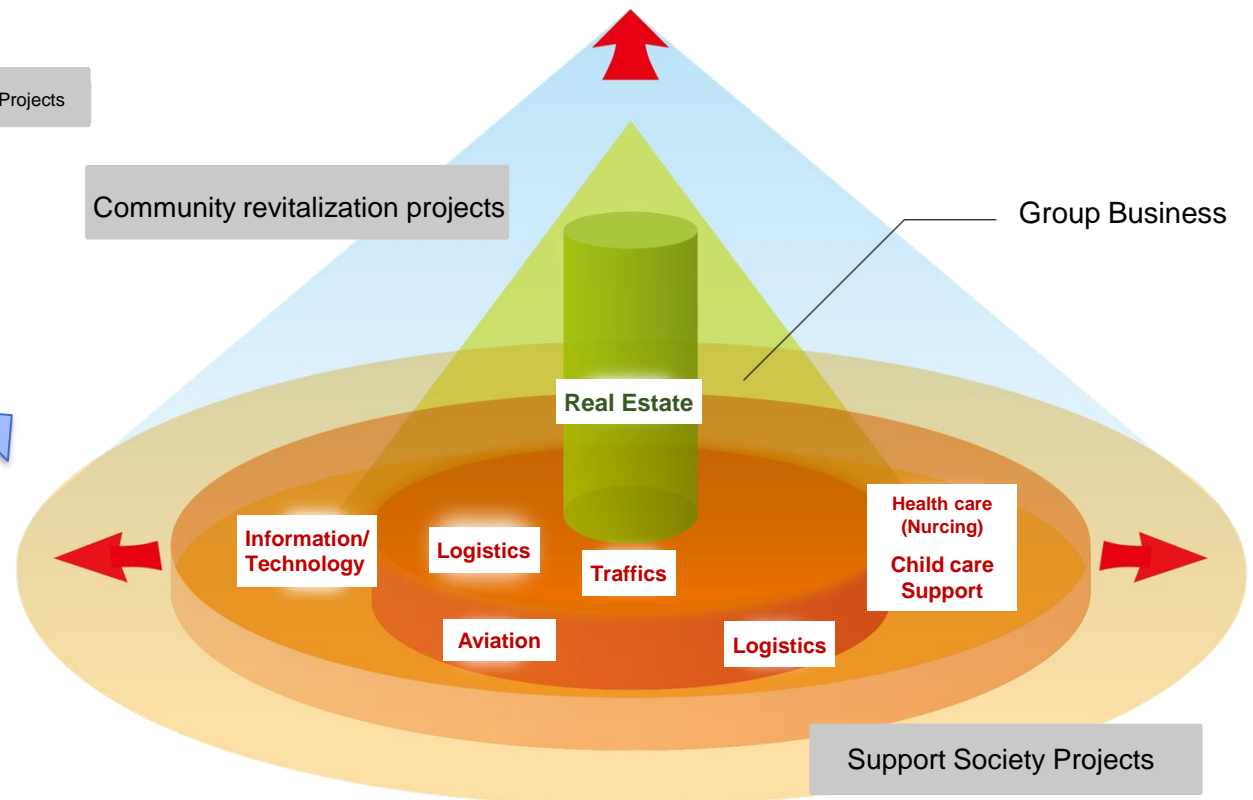
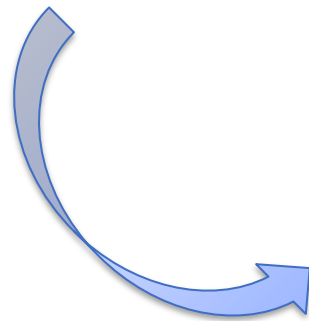
Businesses that play a role in social infrastructure, such as railroad and other transportation, aviation and information, as well as businesses that support daily life, such as small-scale childcare and silver fitness businesses that support working families

Expand locally, nationally and internationally

Horizontal growth



Achieve long-term Group-wide growth through businesses that revitalize local communities (→vertical growth) and businesses that support society (→horizontal growth)



Enhancing the local daily life services field

- Consolidating the retail business (excluding department stores)
- M&A of daily life store ON SEVEN DAYS

Promotion of local general transport strategies

- Expansion of CentX services
- Development of the Meitetsu Area Package(MAP)*

* In response to issues in each region related to public transportation, we fully offer and build comprehensive transportation services as a unified group, transcending business boundaries, including those between buses and taxis.

Systematization of the Real Estate business

Meitetsu City Design
Aiming to be the No. 1 urban developer in the region

Promotion of leisure tourism strategies

- Revitalization of tourism in cities along train lines, including Inuyama
- Creation of world-class mountain resorts

Building a regional revitalization system

We established the Promotion of Regional Revitalization HQ in Nagoya Railroad
(A control tower for transport, real estate, and tourism operations)

Reorganization of Group businesses

System centered on intermediate holding companies for buses, taxis, and hotels

Enhancing the transport business

- Conducting a public tender offer for Meitetsu Transportation
- Spinning off the international cargo business

Structural reform of the Railroad business

- Shifting toward unmanned stations and one-person train operations
- Capital investment to ensure safety and enhance services
- Considering the structure of wages and fees in line with changes in demand

Group Business Performance (FY2022 Full-year Forecast)



【Summary of Performance Forecast】

FY2022 Full-year Forecast

Percent Change (%)

	FY2022 forecast	FY2021 result	Change
Operating revenues	547.0 Billions of yen	490.9 Billions of yen	56.0 Billions (11.4) of yen
Operating income	21.0 Billions of yen	2.9 Billions of yen	18.0 Billions (616.2) of yen
Ordinary income	22.0 Billions of yen	13.1 Billions of yen	8.8 Billions (67.5) of yen
Profit attributable to owners of the parent	16.0 Billions of yen	9.3 Billions of yen	6.6 Billions (70.8) of yen

Dividend per share

(Unit: yen)

	FY2022 forecast	FY2021
Dividend	20.00	12.50

02

Results summary

■ Consolidated results

FY2021 results

	Results			Year-on-year change		Gap from forecast (as of November)	
	Results	Year-on-year change	Gap from forecast	Results	Year-on-year change	Results	Year-on-year change
Operating revenues	490.9 Billions of yen	+ 9.2 Billions of yen	+ 1.9 %	- 9.0 Billions of yen			
Operating income	2.9 Billions of yen	+ 19.2 Billions of yen	-	- 0.06 Billions of yen			
Ordinary income	13.1 Billions of yen	+ 21.2 Billions of yen	-	+ 3.1 Billions of yen			
Profit attributable to owner of the parent	9.3 Billions of yen	+ 38.1 Billions of yen	-	+ 4.3 Billions of yen			

■ By segment (Operating income)

(billions of yen)

	Results		Year-on-year change	
	Results	Year-on-year change	Results	Year-on-year change
Traffic	- 4.9	+ 12.9		
Transport	3.0	+ 0.7		
Real Estate	11.0	+ 0.4		
Leisure and Services	- 8.3	+ 4.6		
Distribution	- 2.0	+ 0.1		
Aviation Services	1.4	- 0.5		
Others	1.9	+ 0.2		
Adjustments	0.7	+ 0.7		
Total	2.9	+ 19.2		

■ Consolidated results highlights

Operating income : A return to profitability

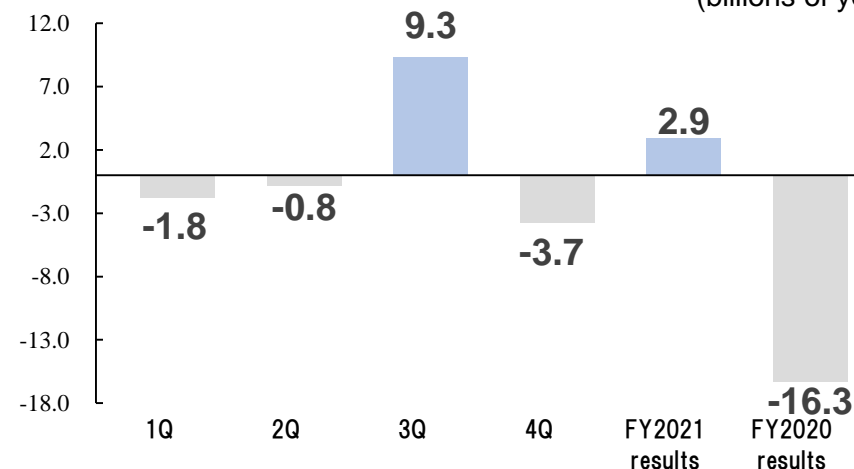
Became profitable due to improved revenue from the Traffic business and the Leisure and Services business
(Secured surplus) Transport, Real Estate, Aviation Services, others
(Recorded losses) Traffic, Leisure and Services, Distribution

Profit attributable to owner of the parent : Became profitable

Became profitable due to improved extraordinary income thanks to a decrease in impairment losses and higher operating income

■ Quarter Trends (Operating income)

(billions of yen)



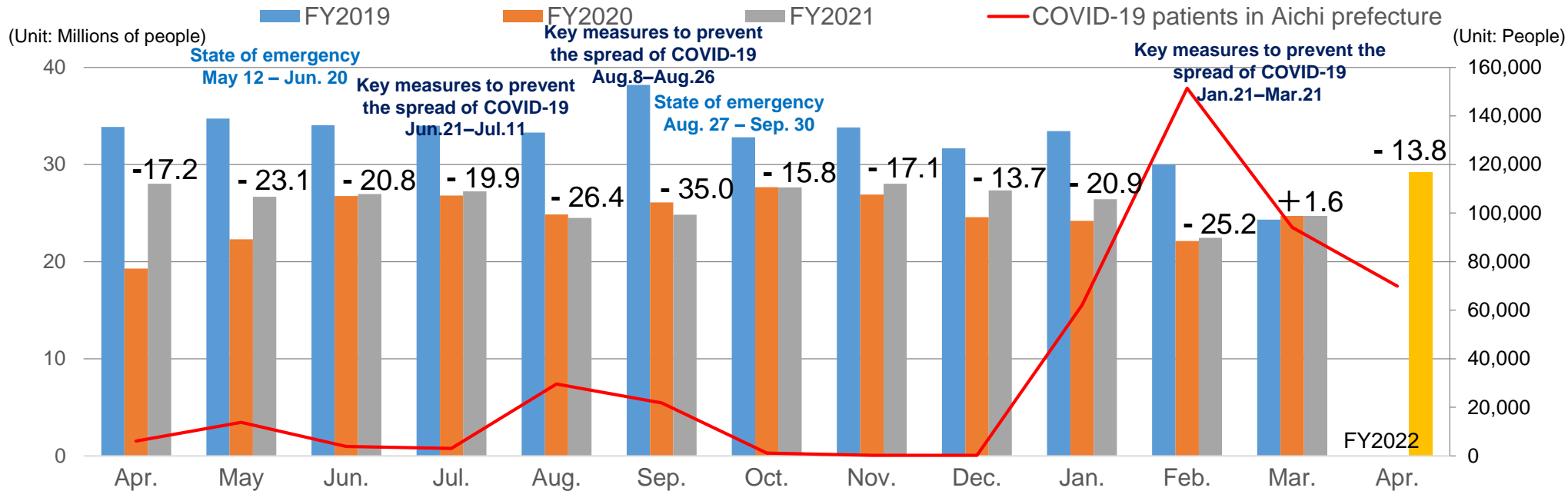
The Company's Passengers



Railroad Passengers Trends

[Total] FY2021 cumulative total: 314 million passengers; compared with FY2019: -20.1%

*Figures on graphs are percent changes compared to FY2019



[Commuters] Total ridership (FY2021): 228 million passengers; compared with FY2019: -14.9%

Work commuters: Remained weak due to somewhat entrenched shift to remote work and commuting by car

School commuters: Rate of in-person classes at universities recovered and figures improved despite long school vacations

[Non-commuters] Total ridership (FY2021): 86 million passengers; compared with FY2019: -31.4%

Figures remained weak due to the protraction of the pandemic but recovered somewhat following the end of restrictions.

A green parallelogram containing the white number '03' in a large, bold, sans-serif font.

03

Progress of the Meitetsu Group's Medium-term Management Plan, Turn-Over 2023 ~Setting Things on a New Track~

【Management Issues Based on Changes in the Business Environment】

- ① Structural reforms in our Traffic business
- ② Promoting real estate development in line with the gradual migration of populations and the concomitant changes in lifestyles
- ③ Reinforcing earnings power, particularly that of businesses expected to grow going forward
- ④ Promoting digital transformation (DX)



【Key Themes of the Meitetsu Group's Medium-term Management Plan, Turn-Over 2023】

Structural Business Reforms

- 1 Restructuring the traffic business
- 2 Restructuring the travel, bus tour, and hotel businesses

Construction of a Base for Growth

- 3 Revitalizing the areas around our train lines as a unified group
- 4 Moving forward with plans related to the Meitetsu Nagoya Station District Redevelopment Project
- 5 Revising the profit structure by reinforcing earnings power in fields where growth is expected
- 6 Promoting DX
- 7 Creating systems to address management issues

Restructuring the railroad business (1)



FY2021 Overview: We promoted initiatives focused on reducing costs and significantly decreased our red ink

Reducing labor and making costs more appropriate

Structural reforms: Improved revenue around ¥900 million through FY2021

Enhancing our earnings power

- Revision of timetables to meet demand
 - Improved train schedules, mainly for major lines (May)
 - Improved train schedules, mainly for branch lines, and improved the convenience of the Seto Line by changing the daytime service type (October).
- Revision of manaca mileage point service details
 - Established bonus points for weekday daytime use to promote peak shift
 - Revised points awarded for amount spent and suspended frequency points.

- Making station operations more efficient and modernized
 - Promoted unmanned stations: Tagatajinja-Mae Station, Daidocho Station, Miyoshigaoka Station, Tokushige-Nagoya-Geidai Station (Saturdays and Sundays only)

- Encouraged use by seniors, expanding the range of use for senior passes in Nagoya

- Proactively collaborate with local municipalities and tourist facilities along train lines
 - Implemented sightseeing campaigns along train lines and expanded train travel

Drastically reduced costs

Revised or postponed projects according to necessity and urgency

- Reduced business costs in line with demand
 - Reviewed ticketing operations on trains
 - Reduced station operations and staff hours
 - Continued partial suspension of μSKY service

- Reduced airport line usage fee to Central Japan International Airport Line Company, Ltd.

- Promotion of the area version of the MaaS app
 - Conducted a tourism-oriented MaaS demonstration test in Okazaki City

- Promoted sales of special train tickets
 - Sold special train tickets for limited express trains during express operations

- Renovation of station and commercial facilities
 - Installed private work booths in spaces inside stations
 - Cooperated with commercial facilities in stations to promote mobile demand

- Promoted sales of commuter passes
 - Conducted a campaign entitled, "It's easy with a commuter pass! Thank you for purchasing a work commuter pass"

Significantly reduced red ink (FY2020: -¥7,510 million → FY2021: -¥150 million)

Railroad business: Assumptions of operating revenues

FY2021

Actual figures were lower than initial assumptions due to the protracted effects of the COVID-19 pandemic

Initial assumptions: (when Turn-Over 2023 was formulated)

Compared with FY2019: Around 80%

Results:

Compared with FY2019: 73.6% (protracted COVID-19 pandemic effects)

FY2022 and 2023

The recovery was slower than expected, but it is expected to recover to around 90% of pre-pandemic levels by FY2023 (the final year of Turn-Over 2023).

Initial assumptions: (when Turn-Over 2023 was formulated)

Gradually recover from FY2021, recovering to around 90%

(Compared with FY2019: FY2022 around 80%–90%, FY2023 around 90%)

Current forecasts:

The recovery was slower than expected, performance will improve as economic activities pick up from the second half of FY2022, reaching around 90% (Compared with FY2019: FY2022 around 80%–90%, FY2023 around 90%)

Initiatives from FY2022

To realize long-term stable management even with lower revenues after the pandemic, we are working to enhance our earnings power, reduce labor, and make costs more appropriate in line with demand.

Promoting structural reforms

Making station operations more efficient and modernized

- Promoting unmanned stations
- Making operations more efficient by expanding signal control sections through PTC (Higashi-Okazaki, others)
- Increasing the sophistication of station services by installing new station equipment
 - ⇒ Sales of commuter passes using ticket machines, etc.

Shifting more toward one-person train operations

- Expansion of one-man train operations to meet future demand
 - ⇒ March 2023: the Kagamigahara Line and Chita New Line (further expansion to be considered going forward)

Evaluating operational structures in light of demand for each train line

- Optimizing operations, facilities, and service standards to meet demand

Making facility maintenance more efficient and digital

- Civil engineering: Introduction of track inspection system (dynamic inspection)
Verification of improved operational efficiency through the use of drones in structural inspections (⇒ See p. 29)
- Train cars: Verification of improved inspection efficiency through monitoring systems
- Electric power: Introduction of track crossing monitoring systems and verification of AI track crossing image analysis

Structural reforms:

Through measures taken up to FY2023, we expect improved revenue of **around ¥3 billion per year** thereafter

Further promotion of initiatives

Review the structure of wages and fees in line with changes in demand

Proactively cooperate with local municipalities and tourist facilities along train lines

Promote sales of commuter passes and special train tickets

Promote the area version of the MaaS app

- Use the CentX app to create demand and encourage shift from other transport methods

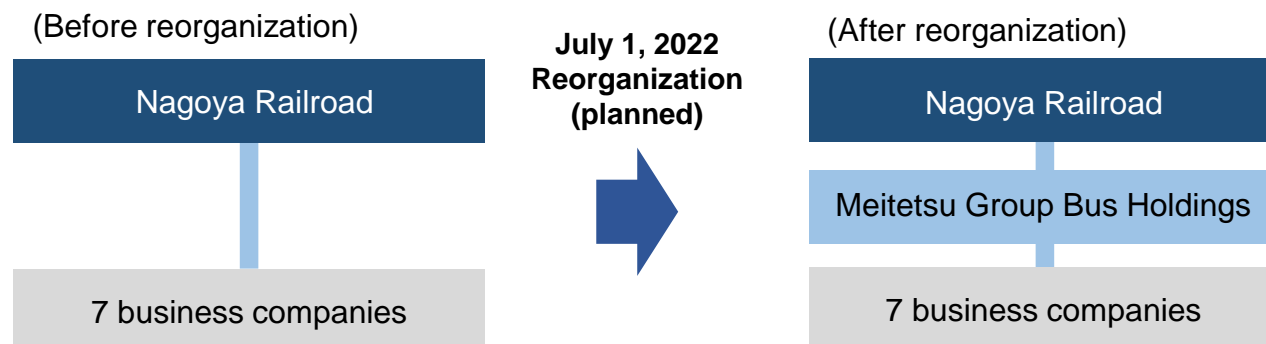
Renovate station and commercial facilities

- Improve the integration of station and commercial facilities at Kanayama Station

We promote business reorganization in each organization to enhance the efficiency and competitiveness of management.

Bus business: Reorganization of the Group's bus business

By establishing a new intermediate holding company for the Group's business, we will strengthen business management functions. Each company engages in close cooperation to share operational knowhow within the bus group and realize efficient operations. Through these efforts, **we will make management more efficient and enhance the overall competitiveness of the bus business.**



Taxi business: Increasing efficiency and strengthening cooperation and competitiveness of the taxi group through reorganization

Current initiatives through reorganization

- Centralizing the dispatch center system: we will steadily centralize the system when upgrading equipment and promote the integration of dispatch operations
- Joint procurement of vehicles and peripheral equipment: We jointly procure new and used vehicles as well as peripheral equipment, including drive recorders, to enhance efficiency.
- Bolstering the hiring of female drivers and new graduates: We will bolster hiring with an eye toward a post-pandemic world and promote the creation of systems that can meet expected demand
- Expanding into new regional transport: Without being bound by the existing taxi business, we will meet new needs that will mobilize local residents, such as AI on-demand transport

We will work to make business systems more efficient alongside reorganization as we clarify and implement business strategies

Strategies of the hotel business in the Meitetsu Group

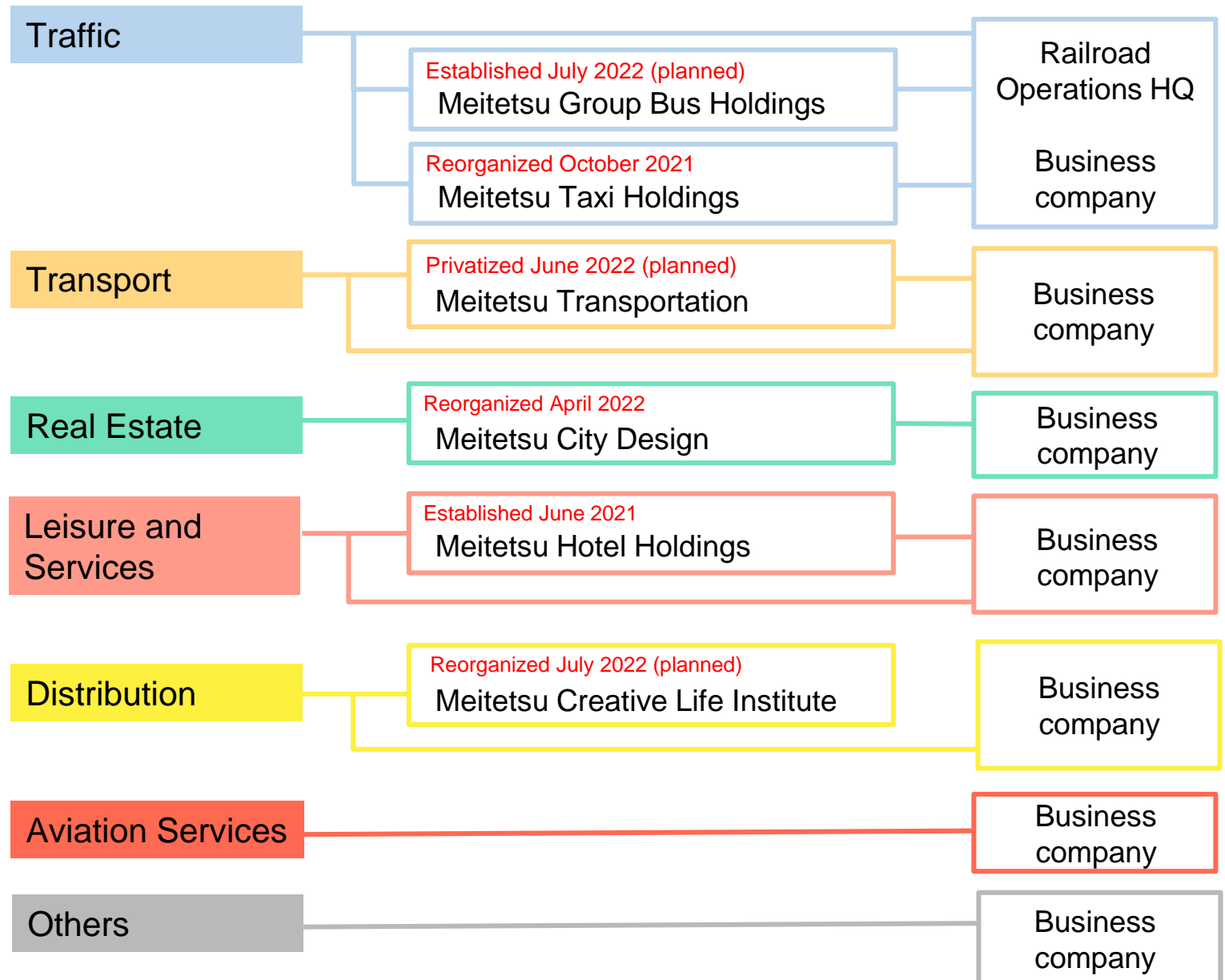
The Meitetsu Group has positioned the hotel business going forward as **the banner for improve the value of the region**. Through the provision of individualized, high-quality services, we aim to become the face of the region while serving as a base for promoting and experiencing local attractions and as a center for generating excitement in the region.

Current situation given the establishment of the intermediate holding company



- Construction of an efficient management system by separating management and operations
- Increase in efficiency through consolidation of HR, accounting, and administrative operations
- Improvement of skills through the exchange (transfer) of personnel throughout the hotel group
- Joint planning at the hotel group (joint fairs)
- Steady installation of the unified hotel system (NEHOPS) throughout the hotel group

Organizational Structure of the Meitetsu Group



The Group will continue developing initiatives in Inuyama, which is representative of the revitalization of communities along train lines

Inuyama Business Strategies

Vision for Inuyama: Sustainable Inuyama, a Place People Want to Visit and Live

Enhancing Inuyama's status as an overnight tourist destination, we will work to renovate and revitalize leisure facilities. By establishing transport services for easy travel throughout the area, we will realize an authentic cultural and tourism hot spot that people from around Japan and the world want to visit again and again. We will also strive to increase the local population, mainly by improving the residential environment surrounding Inuyama Station.

➡ To realize our vision, we are promoting initiatives in the following four areas



① Creating tourist attractions (Museum Meiji-Mura, Little World Museum of Man, Japan Monkey Park)

We aim to create profitable facilities that attract visitors from all over Japan.

Initiatives

- Upgrading tangibles
- Improving tourism content and hospitality
- Employing branding and a wide range of PR
- Transforming organizational culture

③ Commercializing the tourist business

We aim to utilize high-value tourist attractions to enhance the town's attractiveness and hospitality and, in turn, create an area where we can sustainably earn profit.

Initiatives

- Enhancing the area's brand power as a tourist destination and building systems for receiving visitors
- Studying measures to encourage walking around the city
- Developing facilities contents for overnight stays



Hotel Indigo Inuyama Urakuen Garden
(Opened March 1, 2022)

② Expanding transport services

We aim to strengthen cooperation with mobility services and increase the ease of transfer between transportation modes to enhance walkability and serve as a base for a wide tourist area.

Initiatives

- Providing mobility services to connect tourist spots and meet visitor needs
- Studying and establishing bus tours departing from and arriving at Inuyama

④ Improving the Residential Environment

We will work with communities to solve local issues and build sustainable residential environments, thereby enhancing local value.

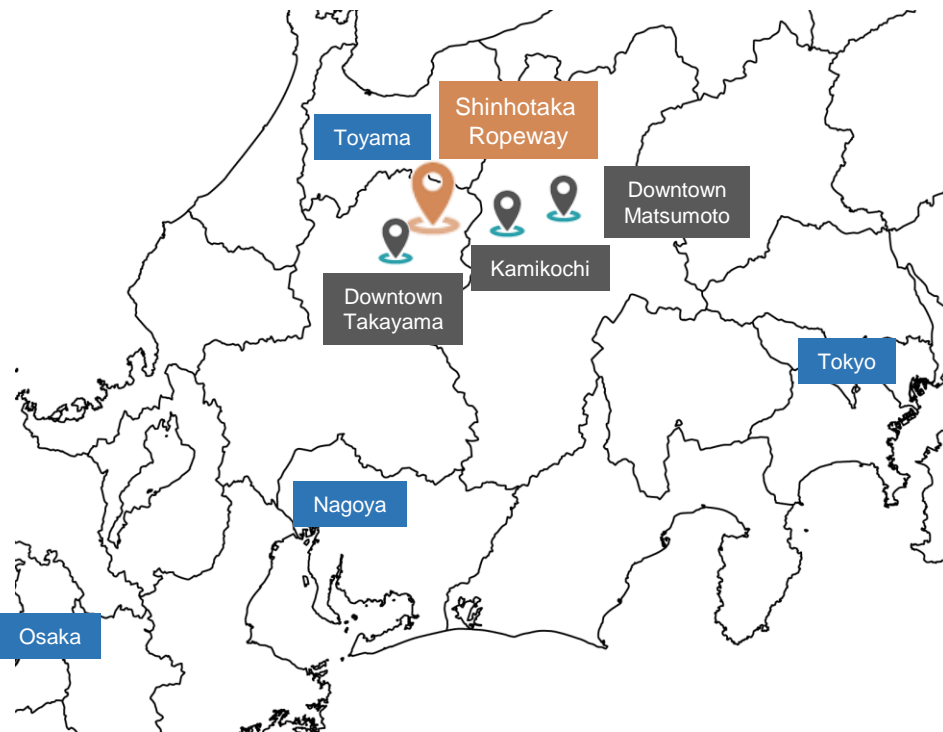
Initiatives

- Encouraging increased inflow from outside Inuyama
- Passing down heritage and helping local culture and arts evolve

Revitalizing communities and areas along train lines as a unified group (2)



We aim to create world-class mountain resorts and promote the Shinhotaka Ropeway renewal.



In FY2022, we began steadily renovating the peak area (Sengoku Park and Nishi Hotakaguchi Station)

We are working to upgrade facilities and enhance services with an eye to offering fully immersive nature experiences in a bid to increase customer satisfaction and thus stay times.

⇒ Recognized as an initiative connected with the Matsumoto Takayama Big Bridge Concept*

*Reference: Matsumoto Takayama Big Bridge Concept

Cutting across the southern sector of Chubu Sangaku National Park (Matsumoto, Nagano Prefecture; Takayama, Gifu Prefectures; etc.), this motorway connects downtown Matsumoto with downtown Takayama like a Big Bridge. Building on this concept, community and municipal officials work together to create an attractive route with overnight accommodations and offering diverse and high-quality experiences.

We will enhance the provision of direct services to customers in areas along train lines

Strengthening the Retail Business

① Consolidating the Group's retail businesses (planned for July 1, 2022)

We will consolidate multiple retail business operators within the Group into Meitetsu Creative Life Institute in order to establish a structure for enhancing store openings along train lines, building up know-how, and strengthening personnel training.

② Making the general goods store operating company ON SEVEN DAYS a subsidiary (planned for June 30, 2022)

We aim to provide new value more firmly rooted in communities by further promoting store expansion, applying the combined management resources of Nagoya Railroad with the personnel and know-how of ON SEVEN DAYS, which operates the ON SEVEN DAYS general goods and interior products store chain.



General goods and interior products retailer ON SEVEN DAYS

Strengthening healthcare services

With the aim of strengthening healthcare services in areas along Meitetsu train lines, we **signed a capital and business alliance with GOOD AID**, an operator of healthcare services centered on pharmacies.

Details of the capital and business alliance

As a part of our efforts to realize the smart health city concept in areas along our train lines, we transferred some shares of Meitetsu Yakuhin to GOOD AID. This move allows us to utilize GOOD AID's know-how in the operation of Meitetsu Yakuhin's six pharmacies, which we intend to turn into hubs supporting the health of customers in areas along our train lines.

Future concept GOOD AID SMART&HEALTHY CITY

We will help realize **smart and healthy cities**, starting with making **pharmacies hubs** for residents and connecting them to local organizations, companies, and services related to health.



Promoting initiatives aimed at realizing comprehensive redevelopment and renovation of transport facilities

The Company's Policy on Redevelopment

- **Urban development that maximizes value in the redevelopment area by unifying with communities to generate excitement**
- **Business that forms the core of the Meitetsu Group's growth strategy**

Determining the direction of business in FY2024

Basic Policies

- Forming a regional transportation hub, including the expansion of Meitetsu Nagoya Station (to serve four lines), that will enhance the convenience of airport access, a current social demand
- Joint development with neighboring landowners to spread vitality outward from Nagoya Station and into urban centers, including Meieki Minami, Sasashima Live 24, and Sakae

Policies in light of the pandemic

- Redeveloping facilities adapted to the new business environment based mainly on new lifestyles established after the pandemic

To realize these policies, we are considering the following points with the aim of enhancing commercial viability.

- **Considering the integration of various transport modes and highly convenient access functions**
- **Considering the redevelopment of facilities and functions to enhance value in the Nagoya Station area and areas along train lines**



**We will determine the direction of business
by around FY2024**

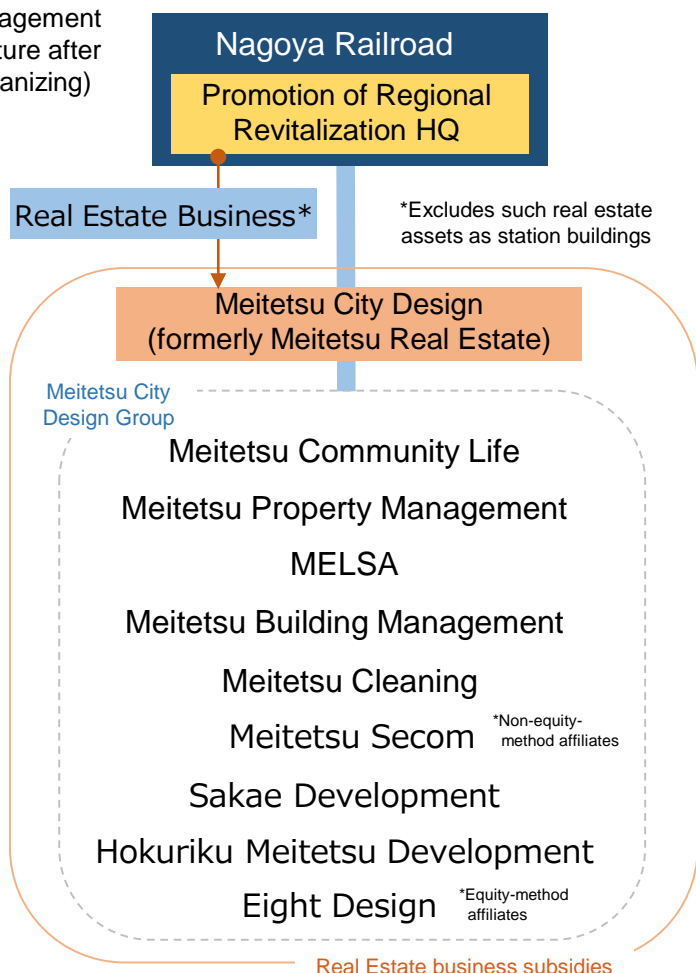
Reinforcing earnings power, particularly that of businesses expected to grow going forward (1)



Through the reorganization of the Real Estate business, we aim to gain a more solid position as an urban development operator in the Chubu region.

New Business Structure and Strategies After Reorganizing the Real Estate Business

(Management structure after reorganizing)



To further enhance the Meitetsu Group's Real Estate business, in April 2022, we integrated the Real Estate Business Department of Nagoya Railroad and the former Meitetsu Real Estate into Meitetsu City Design.



- We centralized the know-how, personnel, and information related to real estate within the Meitetsu Group, moving to **a structure that enables the formulation of comprehensive strategies, from procurement and development to sales and operations**, as a total developer.
- We will not only maximize earnings for each property, we will foster **the desire for urban development** with the aim of enhancing long-term value for the entire area.
- Regarding the existing business model centered on asset ownership, we will enhance management efficiency by moving into **an asset cycling business model**.

We aim to gain a more solid position as an urban development operator that enhances local value in the Chubu region.

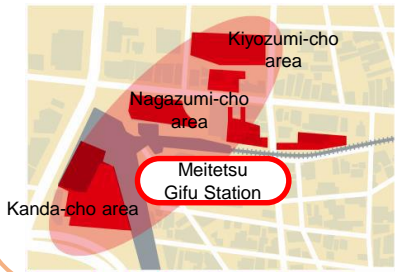
Reinforcing earnings power, particularly that of businesses expected to grow going forward (2)



We will expand our development business broadly along train lines and throughout the region, helping enhance value in the area.

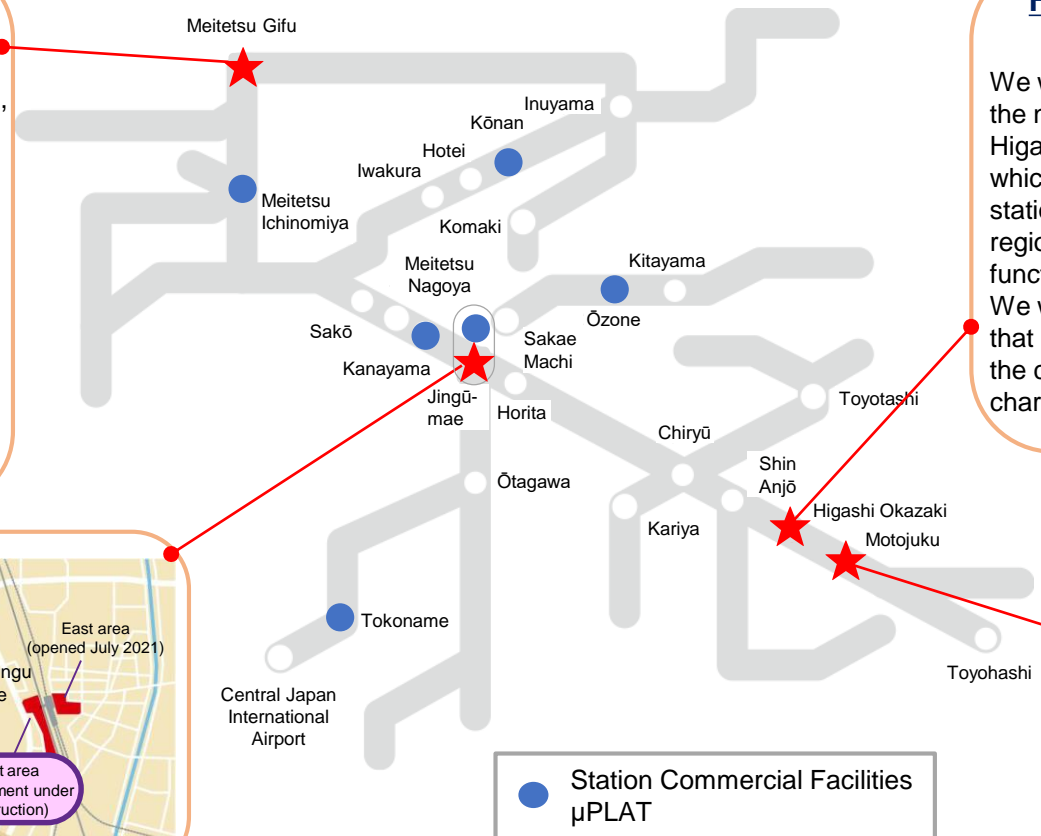
Meitetsu Gifu Station

We will consider multi-purpose development, such as mixed commercial facilities and residences, appropriate for a gateway to the city by effectively utilizing properties around the station.



Jingū-mae Station West Area

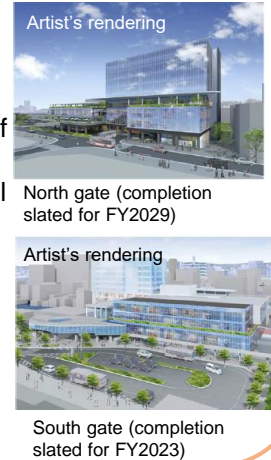
We are promoting development based on the concept of a town that adults want to visit, utilizing the land abutting Atsuta Jingu Shrine, which attracts over 7 million visitors every year.



● Station Commercial Facilities μPLAT

Higashi Okazaki Station

We will uniformly upgrade the north and south gates of Higashi Okazaki Station, which is the largest terminal station in the Nishi Mikawa region, and strengthen its function as a transport hub. We will develop facilities that generate excitement in the city based on local characteristics.



Motojuku Station West Area

As a commercialization study partner for the (tentatively named) Motojuku Station West Land Development Project in Okazaki City, we will promote attractive urban renewal with land owners and Okazaki City.

We will realize the urban development sought by individual communities and work to improve the value of the region.

Build a system to further enhance competitive businesses

Conduct a public tender offer for Meitetsu Transportation

We will privatize Meitetsu Transportation and create a two-company shareholder system comprising Nagoya Railroad and Nippon Express Co., Ltd.

We will work to expand the business base of Meitetsu Transportation and enhance corporate value by building a dynamic Group management system as well as maintaining and strengthening our alliance with Nippon Express.

Expected Effects

- Investment in distribution facilities and the redevelopment of real estate using the Meitetsu Group's know-how
Strengthen Meitetsu Transportation's distribution network by strategically investing from a medium- to long-term perspective and by efficiently utilizing assets mutually owned by Nagoya Railroad and Meitetsu Transportation.
- Utilizing personnel resources
Respond to the shortage of workers by encouraging the exchange of personnel, which has been limited to date

Establishment of Meitetsu World Transport (April 1, 2022)

Established the new company (Meitetsu World Transport Co., Ltd.) by spinning off the international cargo department of Meitetsu World Travel

With the establishment of the international cargo department as an independent business company, we aim to enhance competitiveness by building a system that enables swift decision making on strategic business development and switching to execution.



Within the Group, we aim to **expand the scale of business and enhance efficiency by strengthening cooperation among companies operating distribution businesses.**

Building on existing businesses and undertaking initiatives employing advanced technologies, we promote new business areas.

Regular railroad structure inspection using drones



Existing inspections of elevated locations



- Requires staff to take safety precautions
- Inspection time, including preparation, is prolonged

Drone inspections



- Operator controls the drone
- Video is confirmed in real time
- Operation is highly efficient and safe

Meitetsu employees who operate drones acquire the necessary knowledge and operational skills at **the Meitetsu Drone Academy**.

First railroad company in Japan

In creating the drone school, we have built a one-stop system covering everything from training drone operators to executing real-world inspections.

Participating in the franchise contract operations of bilingual preschools

In April 2024, the first Kids Duo International Meitetsu Hoshigaoka (tentative name) in the Chubu region will begin operations under a franchise contract. This is a bilingual preschool that is operated by the Yaruki Switch Group.



Characteristics

- Offers a diverse and unique curriculum centered on bilingual academic education and physical activity for children aged two to five
- Provides a thorough education for preschool aged children and up that is centered on English education coupled with prolonged child minding like daycare

By providing more diverse education services than previously available, we will fully tap the potential of children who will lead the future of their region and contribute to the further development of local communities in terms of professional education.

Promoting regional MaaS that connects transportation, daily life, and tourist services rooted in areas along train lines

Start of Regional MaaS App CentX service (March 26, 2022)

As the provider of a digital platform that can be used throughout the region, including Aichi Prefecture, Gifu Prefecture, and Mie Prefecture, we intend to conduct a significant renewal from the existing Meitetsu Touch app and start service as CentX.



KPI: **Cumulative Number of Downloads** As of May 14, 2022: **660,000** ⇒ FY2023: **1,000,000** ⇒ FY2030: **2,000,000**

Promotion of the regional MaaS concept

External environment

Changes in the environment involving population decline and progress toward a digital society

Effects of the COVID-19 pandemic

Internal environment

Meitetsu Group management vision

Work to improve the value of the region and give back to the community over the long haul

- Covers a wide area including and around the Chubu region
- Providing diverse transport services with a full product lineup

Promoting the regional MaaS concept

Connecting transport, daily life, and tourist services rooted in communities, especially in Aichi Prefecture and Gifu Prefecture

Cooperating and collaborating with various local partners

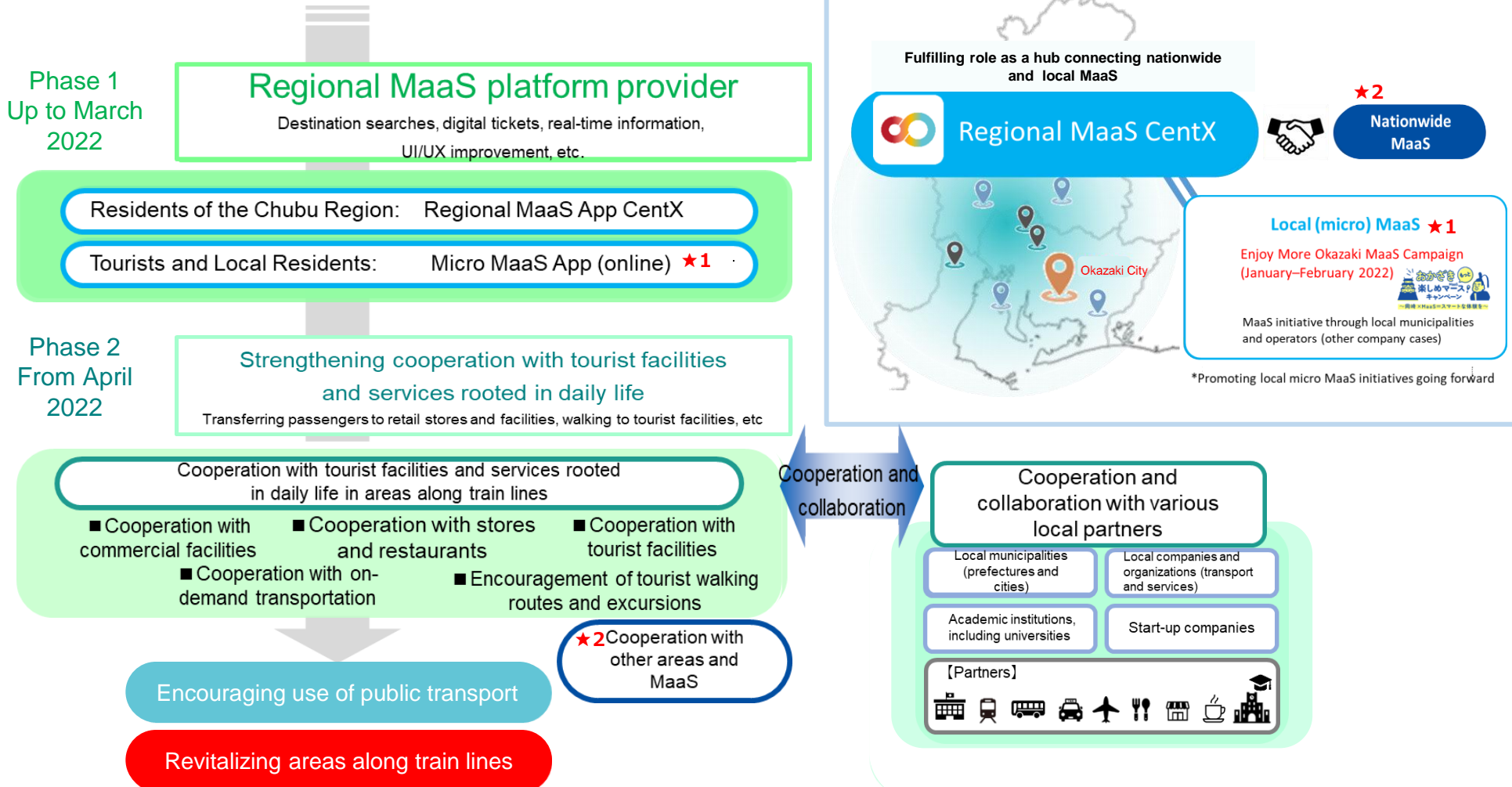
Encouraging the use of public transport

Revitalizing areas along train lines

Based on the Meitetsu Group's mission, we not only provide comprehensive services nationwide, we also connect transport, daily life, and tourist services **rooted in areas along train lines, especially in Aichi Prefecture and Gifu Prefecture**, and **conveniently provide local residents with an array of highly useful excursion-related data.**

Cooperating with various local partners and other regional MaaS to expand service

Overview of the regional MaaS concept

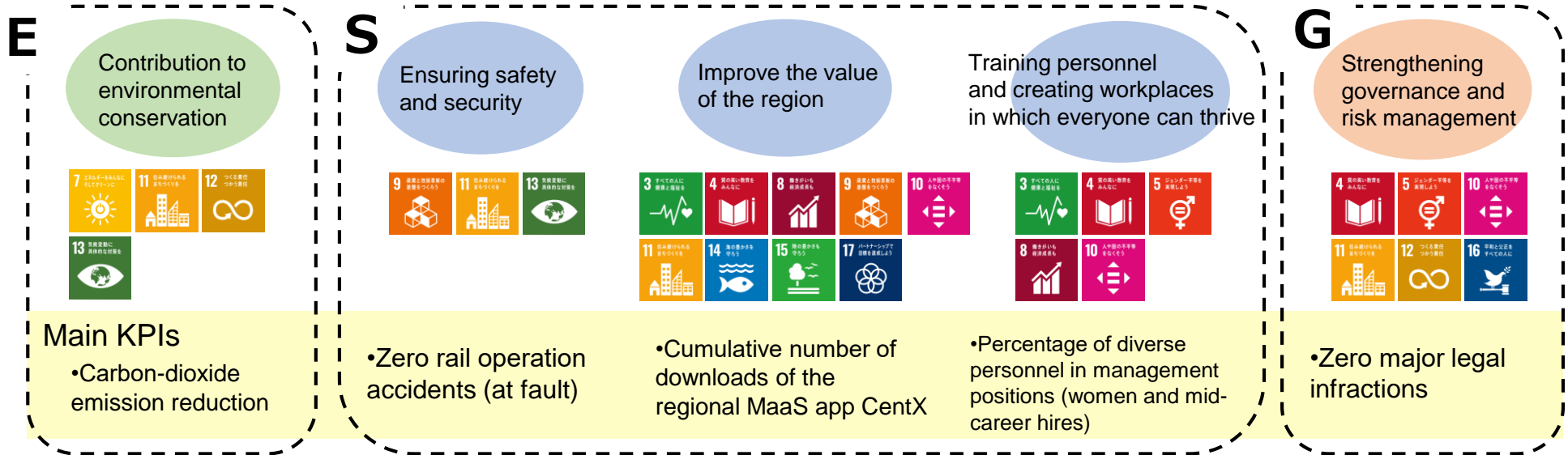


Creating ESG initiatives for the Group based on material sustainability issues, setting KPIs, and establishing carbon-dioxide emission reduction targets

Meitetsu Group Basic Sustainability Policy: Approved by the Board of Directors in September 2021

We, the Meitetsu Group, based on our mission “Work to improve the value of the region and give back to the community over the long haul,” aim to realize a sustainable society through business activities that revitalize local communities and support society.

Identification of Material Sustainability Issues: Approved by the Board of Directors in April 2022



Carbon-dioxide emission reduction targets for achieving carbon neutrality by 2050:

Approved by the Board of Directors in April 2022

For the Rail Road business, we will reduce carbon-dioxide emissions **46% by FY2030 compared to FY2013.**
 For the entire Meitetsu Group, we will reduce carbon-dioxide emissions **25% by FY2030 compared to FY2020.**

The number '04' in white, centered within a teal parallelogram shape.

FY2021 Financial Results

FY2021 Financial Results



*Figures in parentheses are the year-on-year percent change.

(Units: Millions of yen, %)

	FY2021	FY2020	Change*	Notes	Latest Forecast Notes (As of Nov.)	Change
Operating revenues	※ 490,919	481,645	9,274 (1.9)		500,000	-9,080 (-1.8)
Operating income	2,932	-16,354	19,287 (—)		3,000	-67 (-2.2)
Ordinary income	13,135	-8,146	21,281 (—)	Non-operating income +1,021 (Equity in net earnings of affiliates +2,003) Non-operating expenses -972 (Interest paid -304)	10,000	3,135 (31.4)
Extraordinary income	28,480	7,913	20,567	Gain on contributions for construction +17,319 Gain on sales of fixed assets +1,608	23,200	5,280
Extraordinary losses	25,546	22,291	3,254	Loss on reduction of property and equipment +17,198 Impairment loss on fixed assets -7,366	23,200	2,346
Profit before income taxes	16,069	-22,525	38,594 (—)		10,000	6,069 (60.7)
Income taxes	5,769	5,186	582		3,900	1,869
Profit attributable to non-controlling interests	929	1,057	-127		1,100	-170
Profit attributable to owners of the parent	9,370	-28,769	38,140 (—)		5,000	4,370 (87.4)

※Effect of the adoption of the “Accounting Standard for Revenue Recognition,” etc.: -19,279

【Changes in consolidated subsidiaries and equity-method affiliates (compared to Mar. 31, 2021)】

- ◆ 109 consolidated subsidiaries (± 0) : (+4) Meitetsu Hotel management Inuyama (newly included), Meitetsu Hotel Holdings (newly included), Gifu Kanko Sakudo (reclassification), Meitetsu Property Management (newly included)
- (-4) Meitetsu Bisō (merged), Toyotetsu Kankou Service (merged), Hekikai Kankou Service (merged), Meikan Kikaku (merged)

- ◆ 13 equity-method affiliates (-1) : (-1) Gifu Kanko Sakudo (reclassification)

Financial Results Highlights



Year-on-year: Higher revenues • A return to profitability

(Sales increased due to shrinking pandemic effects from the previous year. Operating income, ordinary income, and profit returned to the black due to improved revenues and expenses.)

(Unit: Billions of yen)

<p>Operating Revenues +9.2 billion</p> <p>Real increase of excluding effects of revenue recognition changes +28.5billion</p>	<ul style="list-style-type: none"> + Leisure and Services +27.5 (Travel +4.6 Hotel +3.5 Tourist Facilities +2.1 The effects of revenue recognition changes +17.3) + Traffic +10.7 (Railroad +6.1 (Passengers +6.3% : Non-commuters +14.9% Commuter +3.3%) Bus +3.3 Tax +0.6) + Transport +5.8 (Truck +4.5 Maritime Transport +1.3) + Real Estate +4.0 (Real Estate Rental +2.4 (Lower parking revenues +1.3) Real Estate Condo Sales +1.2 : Increase in sales of land for condominiums) - Distribution -46.6 (Department Stores -6.5 (Assignment of Kanazawa Meitetsu Marukoshi Department Store -9.2) Other goods sold +4.8 The effects of revenue recognition -44.8)
<p>Operating expenses -10.0 billion</p> <p>Real increase of excluding effects of revenue recognition changes +9.2billion</p>	<ul style="list-style-type: none"> - Cost of products sold -43.2 (Distribution -1.9 Real Estate +3.4 The effects of revenue recognition -44.8) - Repair expenses -1.8 (Traffic -1.6 Real Estate -0.2) - Personnel costs -1.4 (Traffic -1.7 Transport +0.7) + Fuel costs +3.4 (Transport +2.1 Traffic +1.1)
<p>Operating Income +19.2 billion</p>	<ul style="list-style-type: none"> + Traffic +12.9 (Railroad +7.5 Bus +3.5 Taxi +1.8) + Leisure and Services +4.6 (Travel +4.9 Tourist Facilities +0.9 Hotel -1.2) + Transport +0.7 (Maritime Transport +1.1 Truck -0.4)
<p>Ordinary Income +21.2 billion</p>	<p>Although we expect non-operating income to worsen due in part to a decrease in subsidies for employment adjustment, account balances should improve because of operating income returning to the black. (Worsen non-operating income +1.9)</p>
<p>Net Profit +38.1 billion</p>	<p>In addition to improved ordinary income, due in part to a decrease in impairment loss on fixed assets, extraordinary income and losses turned from a net loss to net income. (Extraordinary income improvement +17.3)</p>

Compared with forecast(from November): Lower revenues • Record losses

(From January 2022, operating revenues and operating income fell short of forecasts due to new waves of infection. The improvement in non-operating income, however, supported an upturn in ordinary income and profit.)

<p>Operating Revenues -9.0 billion</p>	<ul style="list-style-type: none"> - Leisure and Services -10.9 Traffic -4.4 	<p>(Unit: Billions of yen)</p>
<p>Operating Income -0.06 billion</p>	<ul style="list-style-type: none"> - Traffic -1.9 Leisure and Services -1.4 + Real Estate +2.2 	
<p>Ordinary Income +3.1 billion</p>	<p>Due mainly to an increase in equity in net earnings of affiliates, non-operating income improved +3.2</p>	
<p>Net Profit +4.3 billion</p>	<p>Due mainly to an increase in gain on sales of investment securities, extraordinary income improved +2.9</p>	

Operating Results by Segment



(Units : Millions of yen,%)

Operating revenues	FY2021	FY2021 (excluding effects of revenue recognition changes)	FY2020	Change	Percent Change	Percent Change (excluding effects of revenue recognition changes)	Previous Forecast (Nov. 2021)	Change	Percent Change
Traffic	115,745	115,522	104,995	10,750	10.2	10.0	120,200	-4,454	- 3.7
Transport	134,766	134,959	128,901	5,865	4.6	4.7	134,200	566	0.4
Real Estate	89,416	89,276	85,402	4,013	4.7	4.5	87,500	1,916	2.2
Leisure and Services	47,572	30,255	20,007	27,565	137.8	51.2	58,500	-10,927	- 18.7
Distribution	64,652	109,546	111,272	-46,620	- 41.9	- 1.6	65,100	-447	- 0.7
Aviation Services	23,364	23,364	22,983	380	1.7	1.7	23,000	364	1.6
Others	46,560	47,086	45,862	698	1.5	2.7	45,300	1,260	2.8
Adjustment	-31,159	-39,812	-37,779	6,620	—	—	-33,800	2,640	—
Total	490,919	510,199	481,645	9,274	1.9	5.9	500,000	-9,080	- 1.8

Operating income	FY2021		FY2020	Change	Percent Change		Previous Forecast (Nov. 2021)	Change	Percent Change
Traffic	-4,960		-17,866	12,905	—		-3,000	-1,960	—
Transport	3,086		2,350	735	31.3		3,900	-813	- 20.9
Real Estate	11,085		10,667	418	3.9		8,800	2,285	26.0
Leisure and Services	-8,385		-13,008	4,623	—		-6,900	-1,485	—
Distribution	-2,054		-2,185	130	—		-1,700	-354	—
Aviation Services	1,453		1,959	-505	- 25.8		700	753	107.7
Others	1,971		1,752	218	12.5		1,100	871	79.2
Adjustment	736		-24	761	—		100	636	—
Total	2,932		-16,354	19,287	—		3,000	-67	-2.2

<Year-on-Year Comparisons>

Traffic, Leisure and Services: **Increased revenues and reduced loss**

Transport, Real Estate, Others: **Increased revenues and income**

Distribution: **Decreased revenues and reduced loss**; Aviation Services: **Increased revenues and decreased income**

(Units : Millions of yen,%)

	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	115,745	104,995	10,750	10.2	223	10,527	Revenues increased due to reduced effects of the COVID-19 pandemic from the previous year
Operating income	-4,960	-17,866	12,905	—			Due mainly to decreases in personnel and repair expenses coupled with higher revenues, operating loss improved

◆ Breakdown of Traffic Business ◆

(Units : Millions of yen,%)

	Operating revenues						Operating revenues			
	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021	FY2020	Change	Percent Change
Railroad	71,107	64,935	6,171	9.5	—	6,171	-414	-7,978	7,564	—
Bus	30,314	26,593	3,720	14.0	378	3,341	-2,799	-6,350	3,550	—
Taxi	16,463	15,804	658	4.2	—	658	-1,899	-3,716	1,816	—
Adjustment	-2,139	-2,339	200	—	-155	355	152	178	-26	—
Traffic Total	115,745	104,995	10,750	10.2	223	10,527	-4,960	-17,866	12,905	—

< Nagoya Railroad, Transportation Results >

(Units : Millions of yen,%)

Transfer Revenues	FY2021	FY2020	Percent Change
Non-commuters	31,806	26,907	18.2
Work commuters	27,080	27,709	- 2.3
School Commuters	6,447	4,913	31.2
Commuters	33,528	32,622	2.8
Total	65,334	59,530	9.7

Note : Non-commuter traveler revenues include fares for first cars.

(Unit : Thousands of people, %)

Passengers	2022/3	2021/3	Percent Change
Non-commuters	86,207	75,035	14.9
Work commuters	138,783	144,692	- 4.1
School Commuters	89,810	76,508	17.4
Commuters	228,593	221,200	3.3
Total	314,800	296,235	6.3

(Units : Millions of yen,%)

	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	134,766	128,901	5,865	4.6	-192	6,057	Revenues increased due to a recovery from the previous fiscal year in cargo handling volumes, which had been affected by COVID-19 restrictions
Operating income	3,086	2,350	735	31.3			Despite lower revenues in the Truck Business due to an increase in fuel costs, operating income increased due to improved revenue and expenses in the Maritime Transport Business

◆ Breakdown of Transport Business ◆

(Units : Millions of yen,%)

	Operating revenues						Operating income			
	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021	FY2020	Change	Percent Change
Truck	154,789	149,776	5,012	3.3	-381	5,394	3,165	3,591	-425	△ 11.8
Maritime Transport	14,005	12,655	1,349	10.7	—	1,349	-170	-1,307	1,136	—
Adjustment	-34,027	-33,530	-497	—	189	-686	91	66	24	—
Transport Total	134,766	128,901	5,865	4.6	-192	6,057	3,086	2,350	735	31.3

(Units : Millions of yen,%)

	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	89,416	85,402	4,013	4.7	139	3,873	Revenues increased due to an increase in sales of condominium land in addition to the development of rental properties and an increase in the leasing of parking lots in the Real Estate Rental Business
Operating income	11,085	10,667	418	3.9			Operating income increased due to increased revenues in the Real Estate Rental Business

◆ Breakdown of Real Estate Business ◆

(Units : Millions of yen,%)

	Operating revenues						Operating income			
	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021	FY2020	Change	Percent Change
Real Estate Rental	45,649	43,246	2,403	5.6	-82	2,486	8,509	5,775	2,734	47.4
Real Estate Condo Sales	36,658	35,422	1,236	3.5	—	1,236	2,118	2,293	-175	-7.7
Real Estate Management	13,182	14,551	-1,368	-9.4	-1,327	-40	503	393	110	28.0
Adjustment	-6,074	-7,816	1,742	—	1,550	191	-46	2,204	-2,251	—
Real Estate Total	89,416	85,402	4,013	4.7	139	3,873	11,085	10,667	418	3.9

< Number of Meitetsu Real Estate Condo Sales >

(Units: Units sold, %)

	FY2021	FY2020	Percent Change
Number of condos sold (total)	832	754	10.3
Nagoya	157	158	-0.6
Tokyo	492	468	5.1
Osaka	183	128	43.0

< Number of Parking Spaces and Lots Owned by Meitetsu Kyosho Group >

(Units: %)

	FY2021	FY2020	Percent Change
Owned Spaces	87,293	84,651	3.1
Owned Lots	4,012	4,059	-1.2

Leisure and Services Business



(Units : Millions of yen,%)

	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	47,572	20,007	27,565	137.8	17,317	10,248	Revenues increased due to reduced effects of the COVID-19 pandemic from the previous year
Operating income	-8,385	-13,008	4,623	—			Operating loss was down due to improved revenues and expenses in the Travel Business despite worsened revenues and expenses in the Hotel Business due mainly to increased expenses following new openings

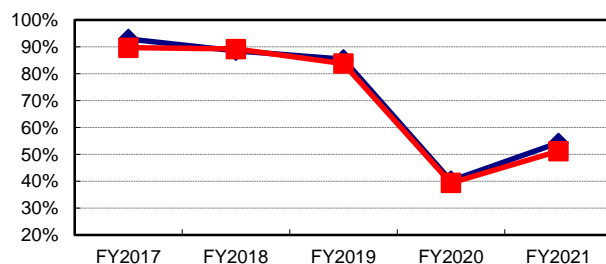
◆ Breakdown of Leisure and Services Business ◆

(Units : Millions of yen,%)

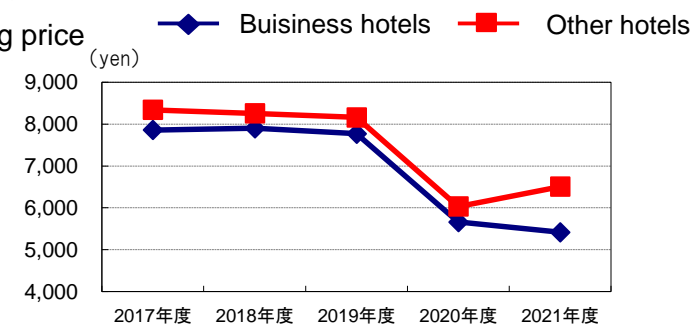
	Operating revenues						Operating income			
	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021	FY2020	Change	Percent Change
Hotel	9,352	5,912	3,439	58.2	-86	3,526	-5,941	-4,738	-1,202	—
Tourist Facilities	12,886	10,821	2,064	19.1	-37	2,101	-1,093	-2,013	920	—
Travel	25,819	3,732	22,087	591.7	17,401	4,685	-1,326	-6,258	4,932	—
Adjustment	-486	-459	-26	—	39	-65	-24	2	-26	—
Leisure and Services Total	47,572	20,007	27,565	137.8	17,317	10,248	-8,385	-13,008	4,623	—

< Occupancy Rates and Lodging Prices at Main Group Hotels within Nagoya City >

(1) Occupancy rate



(2) Lodging price



(Units : Millions of yen,%)

	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	64,652	111,272	-46,620	-41.9	-44,894	-1,725	Overall revenues were down due to the transfer of some subsidiaries in the previous year bringing down department store revenues and despite higher petroleum sale revenues recorded in Other goods sold due to soaring crude oil prices
Operating income	-2,054	-2,185	130	—			Due mainly to improved revenues and expenses in imported car sales operations overall operating loss was reduced

◆ Breakdown of Distribution Business ◆

(Units : Millions of yen,%)

	Operating revenues						Operating income			
	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021	FY2020	Change	Percent Change
Department Store	16,274	43,048	-26,774	-62.2	-20,185	-6,589	-2,611	-2,389	-221	—
Other goods sold	48,502	69,199	-20,696	-29.9	-25,513	4,816	455	204	250	122.8
Adjustment	-124	-975	851	—	804	47	101	0	101	—
Distribution Total	64,652	111,272	-46,620	-41.9	-44,894	-1,725	-2,054	-2,185	130	—

Transfer of fixed costs related to the temporary closure period to extraordinary loss 466

(Units : Millions of yen,%)

	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	23,364	22,983	380	1.7	—	380	Revenues increased due mainly to an increase in orders in the aircraft maintenance business
Operating income	1,453	1,959	-505	-25.8			Worsened revenues and expenses in the helicopter business negatively affected operating income

◆ Breakdown of Aviation Services Business ◆

(Units : Millions of yen,%)

	Operating revenues						Operating income			
	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021	FY2020	Change	Percent Change
Aviation Services	23,747	23,334	412	1.8	—	412	1,448	1,952	-504	-25.8
Adjustment	-383	-351	-31	—	—	-31	5	7	-1	—
Aviation Services Total	23,364	22,983	380	1.7	—	380	1,453	1,959	-505	-25.8

(Units : Millions of yen,%)

	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	46,560	45,862	698	1.5	-525	1,224	Increase due to higher orders for system-related products, etc.
Operating income	1,971	1,752	218	12.5			Increase in operating income due to higher revenues

◆ Breakdown of Others ◆

(Units : Millions of yen,%)

	Operating revenues						Operating income			
	FY2021	FY2020	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021	FY2020	Change	Percent Change
Equipment Maintenance	24,983	25,807	-824	-3.2	-521	-302	1,043	1,041	1	0.2
Others	22,394	20,674	1,719	8.3	-3	1,723	953	702	251	35.8
Adjustment	-816	-619	-197	—	—	-197	-26	8	-34	—
Others Total	46,560	45,862	698	1.5	-525	1,224	1,971	1,752	218	12.5

Non-Operating Income and Extraordinary Income



(Units: Millions of yen)

	FY2021	FY2020	Change	Notes
Non-operating income	13,648	12,626	1,021	
Interest income	22	25	-2	
Dividend income	1,171	1,259	-87	
Equity in net earnings of affiliates	3,257	1,253	2,003	
Subsidies for employment adjustment	4,184	7,175	-2,991	
Others	5,012	2,913	2,098	
Non-operating expenses	3,445	4,418	-972	
Interest expenses	2,927	3,231	-304	
Others	518	1,186	-668	
Total non-operating income	10,202	8,207	1,994	
Extraordinary income	28,480	7,913	20,567	
Gain on contributions for construction	21,697	4,378	17,319	(FY2021) Railroad elevation construction
Gain on sales of investment securities	3,199	2,520	679	(FY2021) Cross-shareholdings
Gain on sale of fixed assets	2,050	441	1,608	(FY2021) Land for business
Others	1,532	572	959	
Extraordinary losses	25,546	22,291	3,254	
Loss on reduction of property and equipment	21,140	3,941	17,198	(FY2021) Railroad elevation construction
Impairment loss on fixed assets	1,967	9,334	-7,366	(FY2020) Hotels and tourist facilities
Loss on disposition of fixed assets	1,250	639	611	
Deferred provision for loss on liquidation	329	1,758	-1,428	(FY2020) Provision for demolishing Jingu-mae Station West Building
Provision for loss on liquidation	—	3,327	-3,327	(FY2020) Shares of affiliates
Others	857	3,289	-2,432	(FY2020) Extraordinary loss due to closings and other
Total extraordinary income	2,934	-14,378	17,312	

Consolidated Balance Sheets



(Units: Millions of yen)

	FY2021	FY2020	Change	Notes								
Current assets	211,596	215,097	-3,500									
Non-current assets	975,301	976,033	-732	<table border="1"> <tr> <td>Capital Investment</td> <td>+49,887</td> </tr> <tr> <td>Depreciation and amortization</td> <td>-38,538</td> </tr> <tr> <td>Impairment loss on fixed assets</td> <td>-1,967</td> </tr> <tr> <td>Disposition</td> <td>-786</td> </tr> </table>	Capital Investment	+49,887	Depreciation and amortization	-38,538	Impairment loss on fixed assets	-1,967	Disposition	-786
Capital Investment	+49,887											
Depreciation and amortization	-38,538											
Impairment loss on fixed assets	-1,967											
Disposition	-786											
Property and equipment	825,163	831,429	-6,265									
Intangible assets	11,099	9,222	1,876									
Investments and other assets	139,037	135,382	3,655									
Total assets	1,186,897	1,191,131	-4,233									
Current liabilities	264,512	281,782	-17,269	Decrease in advances received Decrease in current portion of bonds								
Non-current liabilities	511,253	501,836	9,416	Increase in bonds								
Total liabilities	775,765	783,619	-7,853									
Total net assets	411,132	407,512	3,620	Profit attributable to owners of the parent +9,370								
Total liabilities and net assets	1,186,897	1,191,131	-4,233									
Consolidated interest-bearing debt	489,027	484,169	4,858	Reference: Net interest-bearing debt 438,100 (vs. March 31, 2021 +7,951)								

EBITDA and Capital Investment



(Units: Millions of yen)

		FY2021	FY2020	Change			FY2021	FY2020	Change
Traffic	Operating income	-4,960	-17,866	12,905	Distribution	Operating income	-2,054	-2,185	130
	Depreciation and amortization	18,024	18,351	-327		Depreciation and amortization	1,084	1,185	-101
	EBITDA(①)	13,063	485	12,578		EBITDA(①)	-970	-999	29
	Capital investment(②)	17,242	16,869	372		Capital investment(②)	1,745	786	959
	Deduction (①-②)	-4,178	-16,384	12,205		Deduction (①-②)	-2,716	-1,786	-930
Transport	Operating income	3,086	2,350	735	Aviation Services	Operating income	1,453	1,959	-505
	Depreciation and amortization	7,105	6,985	119		Depreciation and amortization	2,582	2,279	302
	EBITDA(①)	10,191	9,335	855		EBITDA(①)	4,036	4,239	-203
	Capital investment(②)	7,239	8,788	-1,548		Capital investment(②)	4,563	4,920	-357
	Deduction (①-②)	2,952	547	2,404		Deduction (①-②)	-527	-681	154
Real Estate	Operating income	11,085	10,667	418	Others	Operating income	1,971	1,752	218
	Depreciation and amortization	5,446	6,013	-566		Depreciation and amortization	3,641	3,710	-69
	EBITDA(①)	16,532	16,680	-148		EBITDA(①)	5,612	5,463	149
	Capital investment(②)	13,647	11,037	2,609		Capital investment(②)	4,050	3,911	138
	Deduction (①-②)	2,885	5,643	-2,758		Deduction (①-②)	1,562	1,551	10
Leisure and Services	Operating income	-8,385	-13,008	4,623	Total (after consolidated adjustment)	Operating income	2,932	-16,354	19,287
	Depreciation and amortization	1,050	1,233	-183		Depreciation and amortization	38,538	39,351	-812
	EBITDA(①)	-7,335	-11,775	4,439		EBITDA(①)	41,470	22,996	18,474
	Capital investment(②)	1,398	1,623	-224		Capital investment(②)	49,887	47,937	1,949
	Deduction (①-②)	-8,734	-13,398	4,664		Deduction (①-②)	-8,416	-24,940	16,524

Note: EBITDA = Operating income + Depreciation and amortization

FY2021 Main Capital Investments

- Traffic Business • • • New railroad car construction and railroad elevation construction
- Transport Business • • • Terminal construction and acquisition of trucks
- Real Estate Business • • • Hotel construction and the development and acquisition of rental properties



9500 - 9100 series train

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FY2022 Operating Results Forecast

Premise of Operating Results Forecast



- The forecast assumes that although COVID-19 infections will continue to emerge at a certain rate, domestic economic activity will recover moderately toward the middle of fiscal 2022 and normalize from the second half of the year.
- In-bound demand is not expected to recover in fiscal 2022, and we assume it will be around 10% compared with fiscal 2019.

Forecast of operating revenues (compared with fiscal 2019)	
Traffic	Railroad・Bus・Taxi...Around 80% to 90% <Nagoya Railroad, expected traveler revenues> Non-commuter revenues: Gradually recover from around 70% (April) to around 80% for the full year (Airport Line): Gradually recover from around 40% (April) to around 50% for the full year Commuter revenues: Remain around 90% throughout the year
Leisure and Services	Hotel: Around 80% (excluding newly opened hotels) Tourist Facilities: On par with fiscal 2019 Travel: Around 70% <Expected occupancy rates in fiscal 2022 for major hotels in Nagoya City> City hotels and business hotels: Around 80%
Distribution	Department Stores...Around 80% (excluding subsidiaries sold as of the end of fiscal 2020) Other goods sold...Minor effects from COVID-19

FY2022 Consolidated Operating Results Forecast



(Units : Millions of yen,%)

	FY2022 Current forecast	FY2021 results	Change	Percent Change
Operating revenues	547,000	490,919	56,081	11.4
Operating income	21,000	2,932	18,068	616.2
Non-operating income	4,800	13,648	-8,848	
Non-operating expenses	3,800	3,445	355	
Ordinary income	22,000	13,135	8,865	67.5
Extraordinary income	3,100	28,480	-25,380	
Extraordinary losses	3,100	25,546	-22,446	
Profit attributable to owners of the parent	16,000	9,370	6,630	70.8
E B I T D A	59,900	41,470	18,430	44.4
Capital investment	76,300	49,887	26,413	52.9
Depreciation and amortization	38,900	38,538	362	0.9
Net interest-bearing debt	463,000	438,100	24,900	5.7

Note: EBITDA = Operating income + Depreciation and amortization; Net interest-bearing debt = Interest-bearing debt – Cash, Deposits, and Short-term investment securities

Operating revenues are forecast to increase for all businesses, especially the Traffic Business and the Leisure and Services Business. Operating income is expected to increase overall mainly due to a recovery in Traffic Business and the Leisure and Services Business despite a decrease in income attributable to higher costs primarily in the Real Estate Business. Ordinary income is expected to rise due to an increase in operating income despite a deterioration in non-operating income attributable to a decrease in returns from various subsidies. Net income is also expected to increase.

Operating Results Forecast Highlights



Year-on-year: Higher revenues and a return to profitability (With recovery centered on Traffic and Leisure and Services, overall sales will increase.

We expect income to rise in each category due to higher revenues.)

(Unit: Billions of yen)

Operating Revenues
+ ¥56.0 billion

- + Traffic +22.0 (Railroad +11.3 Bus +5.6 Taxi +5.0)
- + Leisure and Services +20.6 (Hotel +8.7 Travel +6.6 Tourist +5.3)
- + Distribution +6.5 (Other goods sold +4.3 Department Stores +2.2)
- + Transport +5.6 (Truck +3.7 Maritime Transport +1.9)
- + Other businesses +2.4 (equipment maintenance business +1.9)

Operating Income
+¥18.0 billion

- + Traffic +13.6 (Railroad +8.0 Bus +3.3 Taxi +2.3)
- + Leisure and Services +8.6 (Hotel +5.7 Tourist Facilities +1.7 Travel +1.2)
- + Transport +1.2 (Maritime Transport +0.7 Truck +0.5)
- + Distribution +0.8 (Department Stores +0.4 Other goods sold +0.4)
- Real Estate -4.6 (Real Estate Rental -3.4 Real Estate Condo Sales -1.0)

Ordinary Income
+¥8.8 billion

Although we expect non-operating income to worsen due in part to a decrease in subsidies for employment adjustment, income should improve as operating income account balances improve. (Worsen non-operating income -9.2)

Net Profit
+¥6.6 billion

Although extraordinary income is expected to worsen, income should increase as operating income account balances improve (Worsen extraordinary income -2.9)

<Nagoya Railroad Expected Traveler Revenues>

(Units : Millions of yen,%)

Transfer Revenues	FY2022 Current forecast	FY2021 results	Change	Compared with FY2019 Percent Change
Non-commuters	40,680	31,806	27.9	△ 18.4
Commuters	35,953	33,528	7.2	△ 10.6
Total	76,633	65,334	17.3	△ 14.9

Note : Non-commuter traveler revenues include fares for first cars.

FY2022 Operating Results Forecast by Segment



(Units : Millions of yen,%)

Operating revenues	FY2022 Current forecast	FY2021 results	Change	Percent Change
Traffic	137,800	115,745	22,055	19.1
Transport	140,400	134,766	5,634	4.2
Real Estate	90,500	89,416	1,084	1.2
Leisure and Services	68,200	47,572	20,628	43.4
Distribution	71,200	64,652	6,548	10.1
Aviation Services	24,200	23,364	836	3.6
Others	49,000	46,560	2,440	5.2
Adjustment	-34,300	-31,159	-3,141	—
Total	547,000	490,919	56,081	11.4

Operating income	FY2022 Current forecast	FY2021 results	Change	Percent Change
Traffic	8,700	-4,960	13,660	—
Transport	4,300	3,086	1,214	39.3
Real Estate	6,400	11,085	-4,685	-42.3
Leisure and Services	300	-8,385	8,685	—
Distribution	-1,200	-2,054	854	—
Aviation Services	800	1,453	-653	-45.0
Others	1,900	1,971	-71	-3.6
Adjustment	-200	736	-936	—
Total	21,000	2,932	18,068	616.2

FY2022 EBITDA and Capital Investment Forecast



(Units: Millions of yen)

		FY2022 Current forecast	FY2021 results	Change			FY2022 Current forecast	FY2021 results	Change
Traffic	Operating income	8,700	-4,960	13,660	Distribution	Operating income	-1,200	-2,054	854
	Depreciation and amortization	17,800	18,024	-224		Depreciation and amortization	1,100	1,084	16
	EBITDA(①)	26,500	13,063	13,437		EBITDA(①)	-100	-970	870
	Capital investment(②)	23,000	17,242	5,758		Capital investment(②)	1,400	1,745	-345
	Deduction(①-②)	3,500	-4,178	7,678		Deduction(①-②)	-1,500	-2,716	1,216
Transport	Operating income	4,300	3,086	1,214	Aviation Services	Operating income	800	1,453	-653
	Depreciation and amortization	7,000	7,105	-105		Depreciation and amortization	3,000	2,582	418
	EBITDA(①)	11,300	10,191	1,109		EBITDA(①)	3,800	4,036	-236
	Capital investment(②)	13,500	7,239	6,261		Capital investment(②)	3,500	4,563	-1,063
	Deduction(①-②)	-2,200	2,952	-5,152		Deduction(①-②)	300	-527	827
Real Estate	Operating income	6,400	11,085	-4,685	Others	Operating income	1,900	1,971	-71
	Depreciation and amortization	5,700	5,446	254		Depreciation and amortization	3,700	3,641	59
	EBITDA(①)	12,100	16,532	-4,432		EBITDA(①)	5,600	5,612	-12
	Capital investment(②)	25,600	13,647	11,953		Capital investment(②)	7,000	4,050	2,950
	Deduction(①-②)	-13,500	2,885	-16,385		Deduction(①-②)	-1,400	1,562	-2,962
Leisure and Services	Operating income	300	-8,385	8,685	Total (after consolidated adjustment)	Operating income	21,000	2,932	18,068
	Depreciation and amortization	1,200	1,050	150		Depreciation and amortization	38,900	38,538	362
	EBITDA(①)	1,500	-7,335	8,835		EBITDA(①)	59,900	41,470	18,430
	Capital investment(②)	2,300	1,398	902		Capital investment(②)	76,300	49,887	26,413
	Deduction(①-②)	-800	-8,734	7,934		Deduction(①-②)	-16,400	-8,416	-7,984

Note: EBITDA = Operating income + Depreciation and amortization



In addition to factual past events, this document includes future projections, which contain risks and uncertainty.
Please be advised that actual outcomes may vary based on a variety of factors.