

# Six-month Period Ending September 30, 2022 Financial Results Presentation for Investors

**Nagoya Railroad Co., Ltd.**

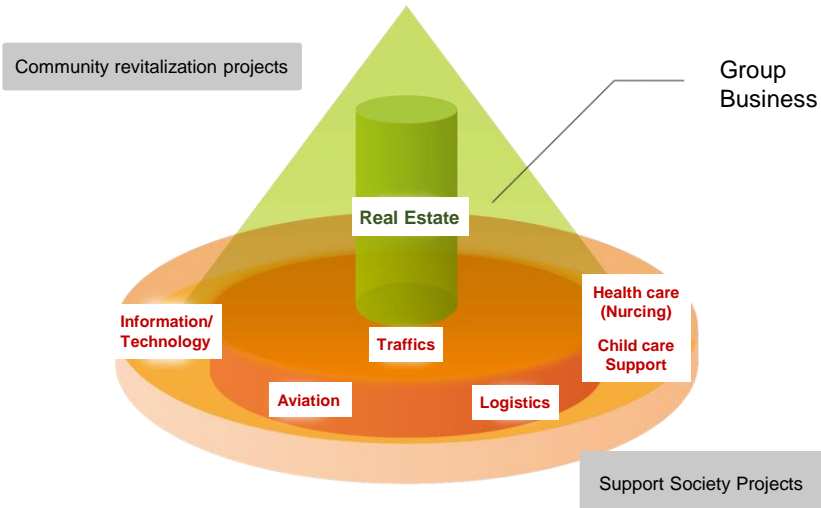
Securities Code: 9048

November 17, 2022

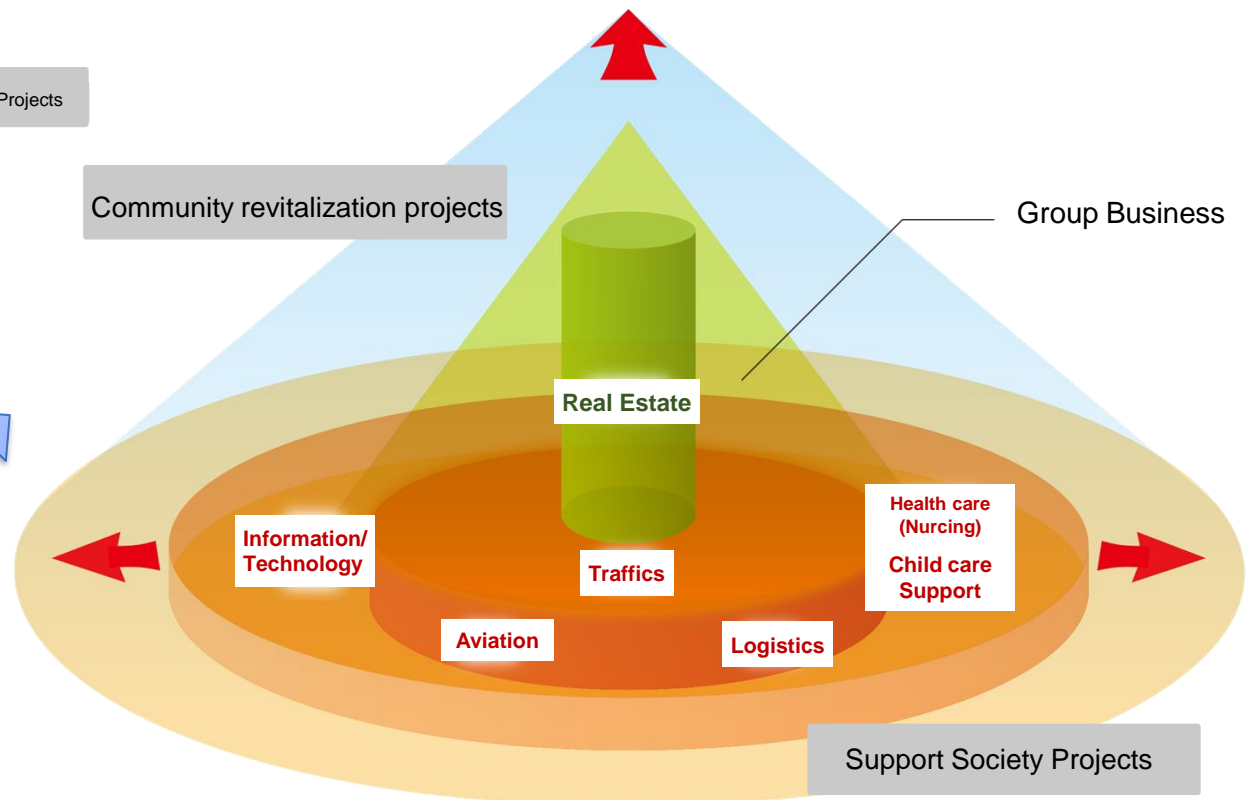
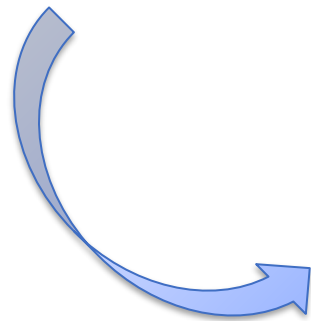
01

# Growth Strategies to Build Communities

- 1 Restructuring the Railroad business and adapting to change
- 2 Enhancing the ratio of passengers taking public transport
- 3 Growing the Real Estate business
- 4 Promoting a shift to high value added
- 5 Strengthening relationships with communities



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



## Promoting structural reform

We have been making steady progress toward achieving **an improvement of around ¥3.0 billion in profitability** in the fiscal 2021 to fiscal 2023 period.

## Environmental changes and social mission

Establishment of  
a new situation  
due to COVID-19

Higher management  
expenses due in  
part to soaring  
electric fees and  
material prices

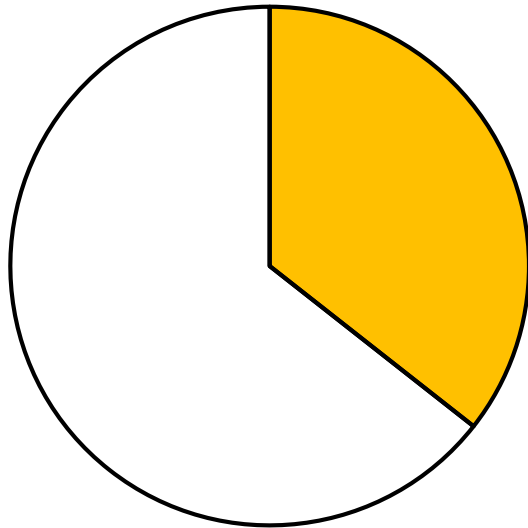
Renewed  
investment for  
business  
continuity

Investments  
aligned with the  
social environment

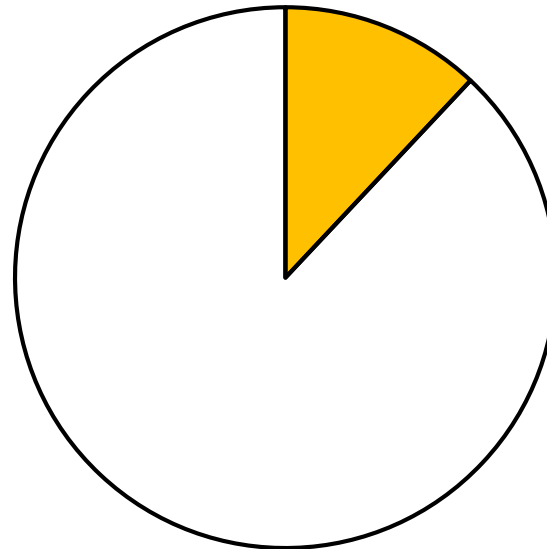
**To adapt to changes and fulfill our mission,  
we cannot avoid considering adjusting our fares and fees.**

## The ratio of passengers taking public transport in the three largest cities

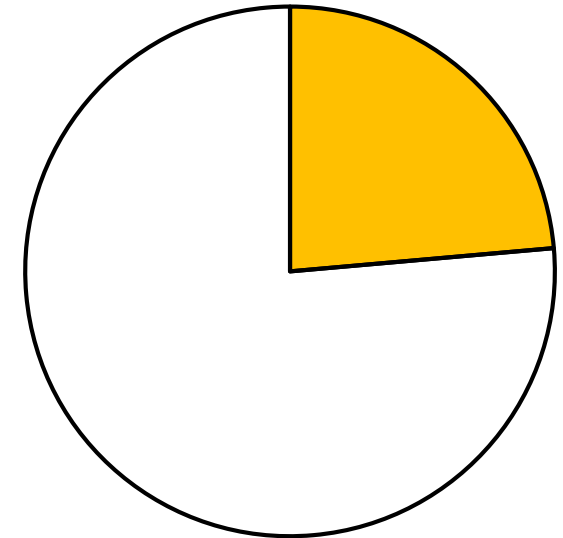
Source: Created by Meitetsu based on the results of each city's most recent public transport survey



Tokyo  
Metropolitan  
Area 36%  
\*FY2018 survey results



Chukyo  
Metropolitan  
Area 12%  
\*FY2011 survey results



Keihanshin  
Metropolitan Area  
24%  
\*FY2010 survey results

**The ratio of passengers taking public transport in Meitetsu's business area is low.**

## Leading initiatives unified with local communities to enhance public transport convenience

All our various local partners  
(operators, stores, facilities, etc.)

Each Meitetsu Group company

Promoting use of public transport

- **Enhancing profitability**
- **Addressing environmental problems**



# CentX

Revitalizing communities along rail lines

- **Enhancing profitability**
- **Enhancing regional value**

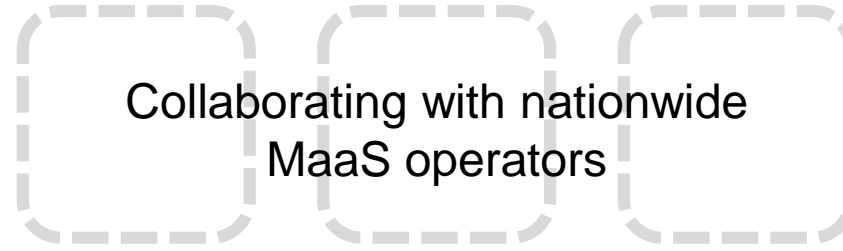
Regional co-creation platform  
Regional MaaS app  
(Service introduced in March 2022)

Customers living in regional communities  
Customers visiting regional communities

# Enhancing the ratio of passengers taking public transport (3)



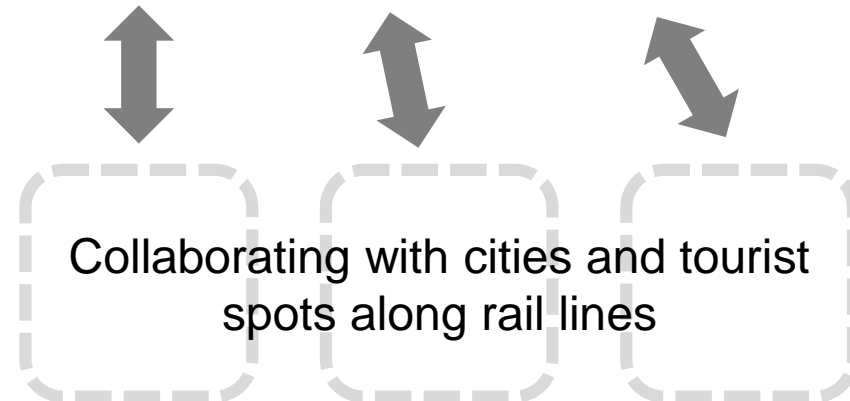
Nationwide MaaS



Chubu region

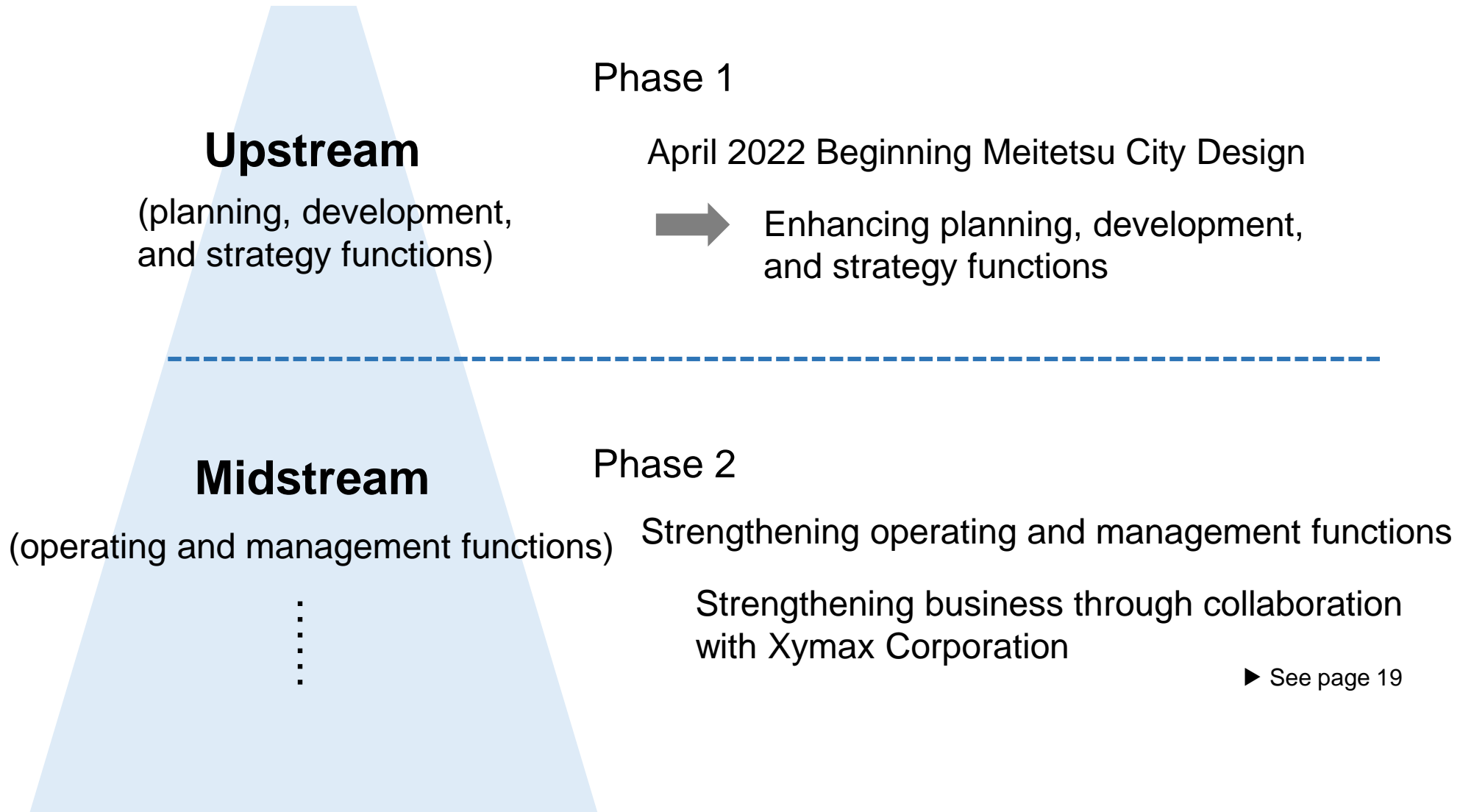


Micro MaaS

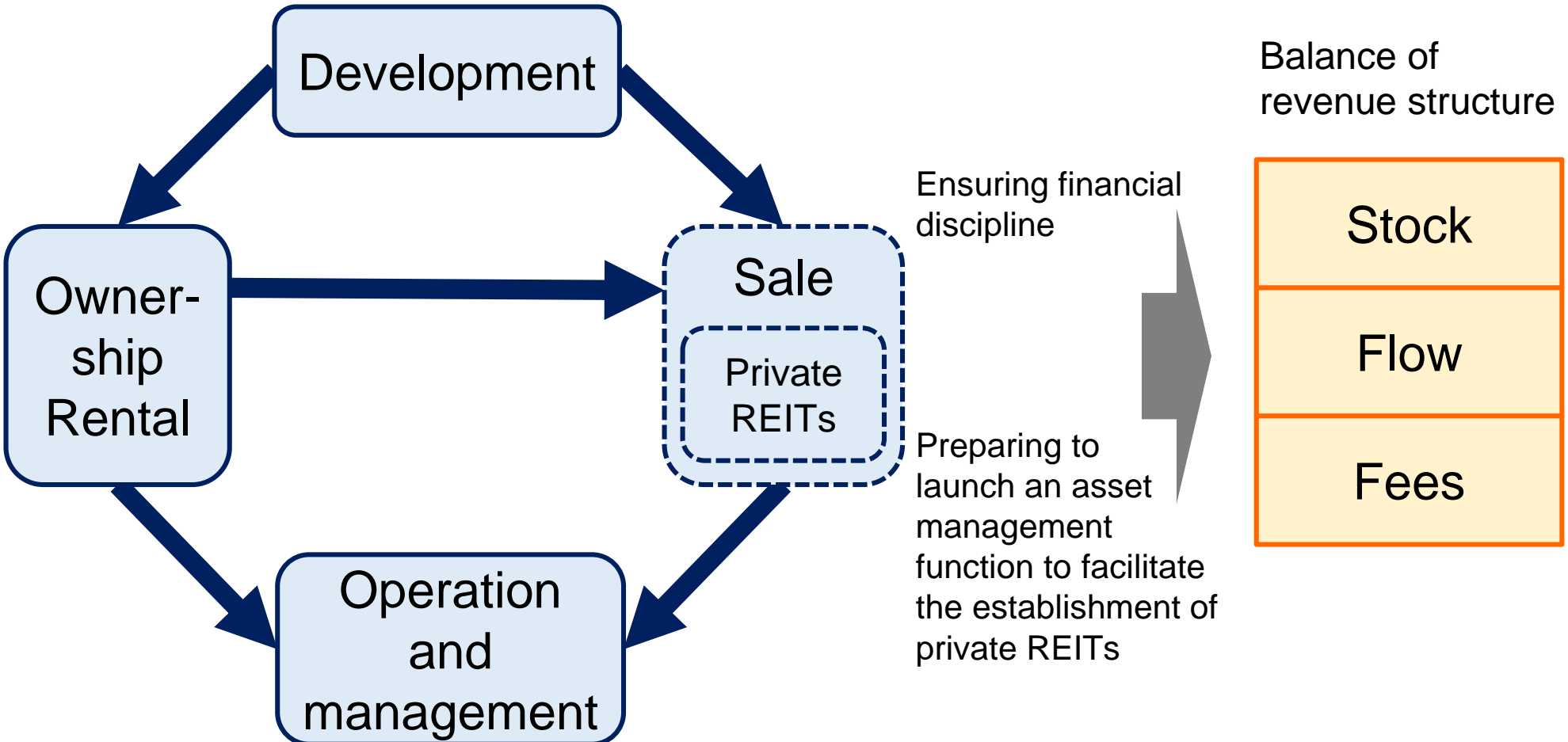


Collaborating with cities and tourist spots along rail lines





## Broadening the Real Estate business



Shift to high value-added areas, businesses, and services

In the lead up to the restart of inbound tourism,  
shifting from **quantity to quality (high-priced routes)**

## Main Initiatives

Inuyama district

Opening Hotel Indigo Inuyama Urakuen Garden

Received the World Luxury Hotel Award 2022,  
the highest honor for a luxury hotel, in October 2022



Hida district

Shinhotaka Ropeway  
Opening the Itadakinomori



In April 2022 established the Regional Revitalization Promotional HQ in Nagoya Railroad

➔ Visit municipalities along rail lines and strive to strengthen relationships

**Strong close relationships with communities  
= Greatest invisible asset**

## Main Initiatives

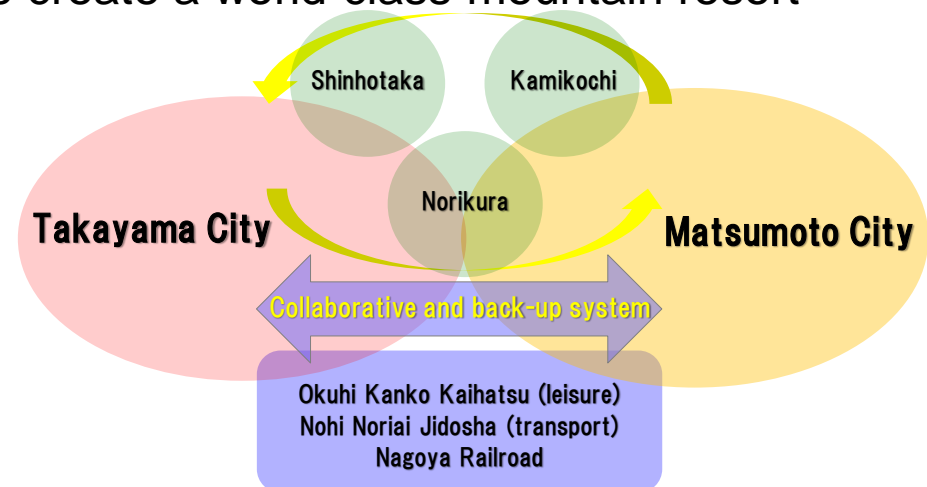
### 1 Participating in regional platforms in areas surrounding Chiryū Station

Leading the urban development of areas surrounding stations in line with the elevation of areas near Chiryū Station



### 2 Participating in the promotion of the Matsumoto Takayama Big Bridge Concept

A project in which the Ministry of the Environment, Takayama City, and Matsumoto City work together to create a world-class mountain resort



# The Group's Operating Results (full-year forecast)



## Consolidated performance forecast summary

### FY2022 full-year forecast

	Current forecast	Previous forecast	Change	(compared with the previous forecast)
Operating revenues	547.0 Billions of yen	547.0 Billions of yen	- Billions of yen	Real Estate +6.0 billion yen   Aviation Services +1.1 billion yen   Transport +0.3 billion yen Others +0.3 billion yen Distribution -4.1 billion yen   Traffic -2.3 billion yen   Leisure and Services -2.0 billion yen
Operating income	21.0 Billions of yen	21.0 Billions of yen	- Billions of yen	Real Estate +4.9 billion yen   Aviation Services +0.2 billion yen   Others +0.2 billion yen Traffic -2.8 billion yen   Leisure and Services -2.1 billion yen   Distribution -0.5 billion yen
Ordinary income	22.0 Billions of yen	22.0 Billions of yen	- Billions of yen	Non-operating income +0.2 billion yen Non-operating expenses +0.2 billion yen
Profit attributable to owners of the parent	16.0 Billions of yen	16.0 Billions of yen	- Billions of yen	Extraordinary income +3.8 billion yen Extraordinary losses +1.2 billion yen

## Dividend per share

(Unit: Yen)

	FY2022 forecast	FY2021
Dividend	20.00	12.50

# 02

## Results summary

# Group Business Performance (second quarter results)



## Summary of Consolidated Results

	Apr.-Jun. Results		Jul.-Sept. Results		FY2022 Second Quarter		Year-on-year change		Previous Forecast (As of May)	Compared to the forecast	
	Billions of yen		Billions of yen		Billions of yen		Billions of yen		Billions of yen	Billions of yen	%
Operating revenues	125.2	+	137.9	=	263.1	+	38.8	+ 17.3 %	264.0	- 0.8	- 0.3 %
Operating income	4.2	+	5.9	=	10.1	+	12.8	—	9.0	+ 1.1	+ 13.1 %
Ordinary income	5.3	+	6.3	=	11.7	+	9.1	+ 363.3 %	9.5	+ 2.2	+ 23.2 %
Profit attributable to owners of the parent	3.1	+	4.5	=	7.7	+	6.7	+ 661.8 %	6.0	+ 1.7	+ 29.1 %

## Results Highlights

- Operating revenues: [Increased revenue]** Overall revenue increased due to higher condominium sales in the Real Estate business in addition to a recovery in demand in the Leisure and Services business and the Traffic business.
- Operating income: [A return to profitability]** Became profitable due to improved revenue from the Traffic business and the Leisure and Services business despite an increase in fuel expenses.
- Ordinary income: [Increased income]** Despite a deterioration in non-operating income, income increased due to improvement in operating income.
- Profit attributable to owners of the parent: [Increased income]** Profit increased due to higher ordinary income.

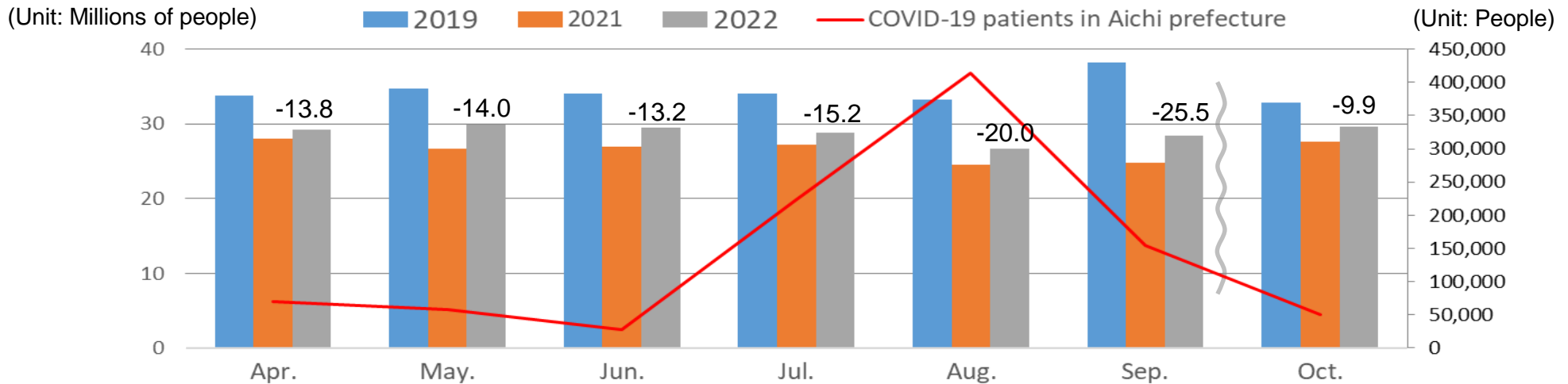
# The Company's Passengers



## Railroad Passenger Trends

**[Total]** Apr.–Sept. cumulative total: 172 million passengers; compared with FY2019: -17.1%

\*Figures on graphs are percent changes compared to FY2019 (%)



Total ridership (Apr.–Sept.): 121 million passengers; compared with FY2019: -14.5%

### [Commuters]

Work commuters: Commuting conditions stabilized with no change attributable to waves of COVID-19 infections

School commuters: Figures recovered overall due to the reopening of regular in-person classes at many schools

Total ridership (Apr.–Sept.): 50 million passengers; compared with FY2019: -22.8%

### [Non commuters]

Although figures were on track to recover in the first quarter because of a downward trend in the number of COVID-19 patients, ridership fell in the second quarter with the arrival of a 7th wave of infection

### Reference:

#### > Central Japan International Airport 2022 Winter Schedule

International flights

61 flights per week (roundtrip)

\*17 flights in the same month last year, 455 flights in the same month in 2019

Domestic flights

76 flights per day (roundtrip)

\*62 flights in the same month last year, 88 flights in the same month in 2019

> Regularly held events at Aichi Sky Expo (Aichi International Exhibition Center)

## Reinstated all μSKY service on November 19 (Sat), after a two-and-a-half year hiatus

In anticipation of an increase in airport use, μSKY, a service that offers convenient direct access to Central Japan International Airport Station, was reinstated on November 19 (Sat).



# Measures to combat inflation and soaring fuel costs



## Railroad Business

- Streamline transport and reduce power usage
- Introduce energy-efficient train cars
- Introduce a variety of energy-efficient equipment
- Promote operations that contribute to energy efficiency

## Maritime Transport Business

- Hedge against crude oil price fluctuations with derivative trades
- Select more efficient sea routes using ocean current data provided by the Japan Coast Guard
- Use vessel bottom paint
- Recirculation and reuse of drain discharge in fuel circulation systems

## Bus Business

- Use subsidies provided by municipalities to counter soaring fuel costs (Noriai Bus operators)
- Strive to rein in fuel costs through joint procurement
- Work to improve fuel costs in part by reducing use of sudden acceleration and braking
- We are working to make costs more appropriate by revising the schedules of existing train lines and working to reduce business expenses in part by carefully revising schedules while observing the social situation and demand going forward

## Taxi Business

- Utilize national and local support measures, such as subsidies for taxi operators to combat soaring fuel prices
- Introduce the new JPN Taxi, which is a hybrid car that is almost twice as fuel efficient as conventional taxis
- Prioritize the aforementioned vehicles while adjusting operations
- Thoroughly stopping idling

## Real Estate Business

By proactively considering value engineering (VE), we will construct buildings that maintain planned quality and functions while minimizing the effects of soaring material prices

A green parallelogram containing the white number '03'.

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

# Initiatives aimed at stable management over the medium to long term in the Railroad business



To realize stable management over the long term even amid lower revenues since the pandemic began, we are striving to make costs more appropriate and streamline our workforce in line with demand while enhancing our earnings power

## Promoting structural reforms

We are making steady progress on an initiative aimed at structural reforms that will **improve profitability by around ¥3.0 billion** between FY2021–2023.

### Initiatives since FY2022

#### Making station operations more efficient and modernized

- Revising the placement of station employees, including promoting unmanned stations
- Making services more sophisticated through the installation of new station equipment  
(End of FY2022: 72 stations→Plan to expand going forward)

⇒Consider developing new functions, such as purchase of commuter passes at ticket machines

- Expanding traffic light controls using PTC, for example, integrating signal control sections for Higashi Okazaki and Shin Anjō

#### Making transport appropriate

- Continually revising the number of trains and composition of trains in line with customer demand
- Expanding one-man train operations  
⇒March 2023: the Kakamigahara Line and Chita 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  
⇒For example, reducing operation equipment on the Chita Line and Hiromi Line

#### Making facility maintenance more efficient and digital

- Civil engineering: Introducing a new track inspection system (dynamic inspection)  
Use of drones in structural inspections
- Train cars: Verifying improved inspection efficiency through monitoring systems
- Electric power: Introducing track crossing monitoring systems  
(End of FY2022: Around 38 track crossings→Plan to expand going forward)  
Verification using AI track crossing image analysis

## Enhancing earnings power

### Considering revising fares and fees in line with demand trends

Proactively cooperating with local municipalities and tourist facilities along train lines

### Rolling out measures that seize on recovery in traveler demand, such as reinstating the μSKY service

Stimulating demand for excursions to areas along train lines

### Renovate station and commercial facilities

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

### Promote the area version of the MaaS

- Using the CentX app to create demand and encourage shift from other transport methods  
➢ Promoting digitalization by promoting smart phone-aided hiking along Meitetsu train lines

We invested in Xymax Corporation, thereby deepening our relationship with said company in line with measures to strengthen the Real Estate business

## Investment in Xymax Corporation

We invest in and receive funding from Xymax Corporation, an independent real estate management company that operates and manages around 1,000 office buildings, commercial facilities, and logistics facilities nationwide as well as around 12,000 store facilities.

### (1) Nagoya Railroad–Xymax (September 2022)

Nagoya Railroad acquired shares in Xymax

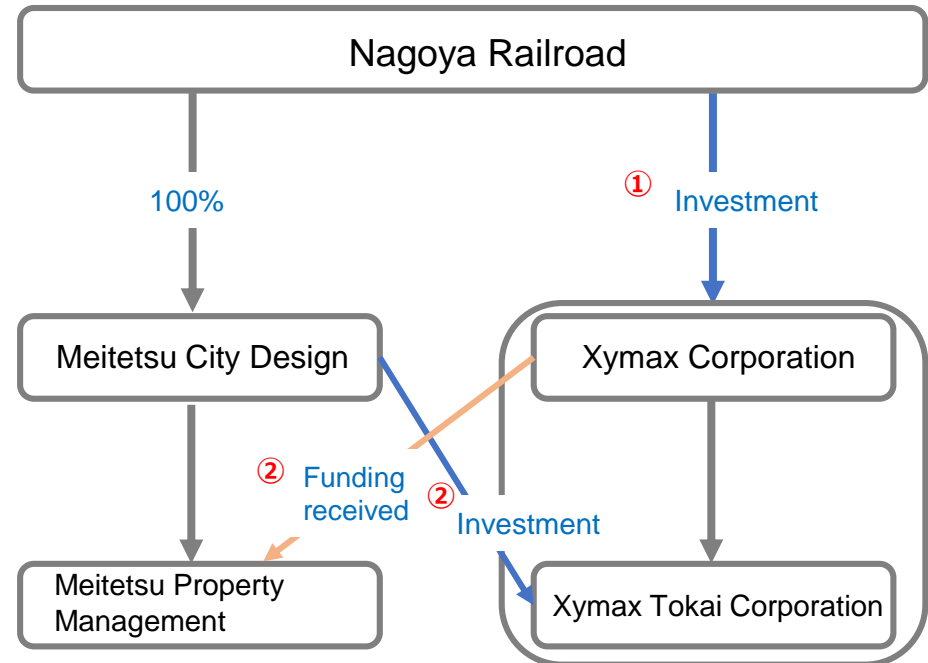
In line with thoroughgoing measures to bolster the PM and BM business, an issue the Group's Real Estate business is facing, the Group deepened its relationship with Xymax and is promoting measures to strengthen the Real Estate business in collaboration with Xymax.

### (2) Meitetsu City Design–Xymax (October 2022)

- We transferred some shares of Meitetsu Property Management held by Meitetsu City Design to Xymax
- Meitetsu City Design acquired some shares of Xymax Tokai held by Xymax

Through our collaboration with Xymax, we are striving to bolster and expand our PM business.

Investment Relationship Diagram (as of October 1, 2022)



### Reference: Recent Joint Business Expansion

#### Joint Ordering of Yorimachi FUSHIMI

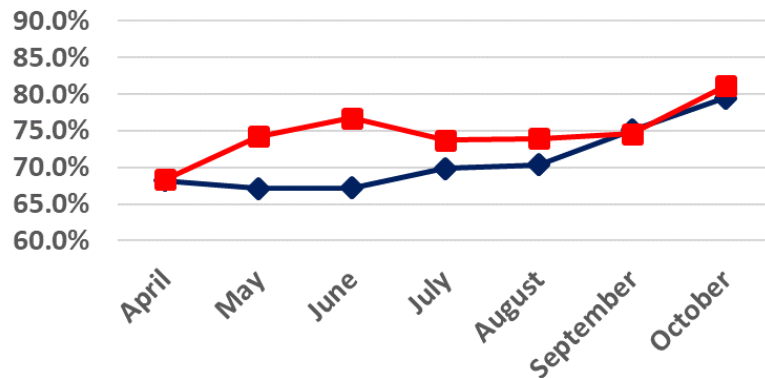
We participated in the Ekinaka Project for the Nagoya City Subway Fushimi Station by opening the retail facility Yorimachi FUSHIMI.



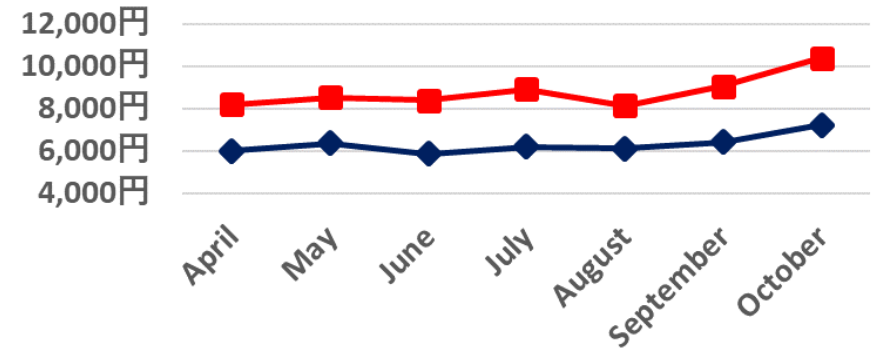
## Addressing issues with an eye toward demand recovery

FY2022: Occupancy Rates and Lodging Prices at Main Group Hotels within Nagoya City

(1) Occupancy rate



(2) Lodging price (Yen)



Occupancy rates and lodging prices are currently stable

### Current measures to address issues in the Hotel business

Issues	Current measures
① Strengthening risk resilience in management	• Constructing an efficient management structure by separating management and operational roles
② Strengthening operating and brand power	• Establishing the Sales Strategy Division to promote sales throughout the hotel group • Steadily introducing a hotel system (NEHOPS) unified across the hotel group
③ Securing and educating personnel	• Enhancing employee skills through personnel exchanges (rotations) across the hotel group

We collaborate on business related to the establishment of new stations and the elevation of railroad tracks being carried out by national and local governments while continually striving to enhance public safety and convenience as well as city functions

## Main Railroad Elevated Track Construction Currently Under Way

### Elevated Track near Chiryū Station

Nagoya Line  
Hitotsugi Station–Ushida  
Station section  
1.6 km



Mikawa Line  
Shigehara Station–Mikawa  
Yatsuhashi Station section  
3.4 km

### Elevated Track near Kitayama Station



Seto Line  
Obata Station–Ōmori-  
Kinjōgakuin-mae Station section  
1.9 km

### Elevated Track near Wakabayashi Station



Mikawa Line  
Mikawa Yatsuhashi Station–  
Takemura Station section  
2.2 km

Through the elevation of rail lines, we are striving to improve traffic flow and, going forward, will consider station-centered urban development that utilizes the land under and around the elevated sections.

## Establishing a new station on the Kōwa Line



A residential neighborhood has been growing in the area almost halfway between the Kōwa Line's Takayokosuka Station and Minami Kagiya Station, and the Nishichita General Hospital opened in the area in 2015.

We are locating the new station between the two preexisting stations at the request of Tokai City with the aim of enhancing convenience and improving traffic flow in the surrounding areas.

Note: Service slated to begin at the end of FY2023

## Developing real estate for a variety of applications

### Developing multi-tenant logistics facilities

We plan to develop logistics facilities on the land where Meitetsu Transportation's Komaki branch once stood. Located next to a highway, the Komaki area is one of Japan's main logistics hubs.

#### Purpose of development

1. Enhancing our earnings power by investing in areas where growth is expected
2. Dispersing risks associated with managing real estate by diversifying our asset portfolio
3. Maximizing value by striving to fully utilize land suited for logistics



Location:	3-7 Shinkoki, Komaki City, Aichi Prefecture
Site area:	24,803 m <sup>2</sup>
Construction completion:	In FY2025 (plan)

### Began construction of the Shin-Osaka Station south office building

We began construction of an office building in the Shin-Osaka area in conjunction with Fuyo General Lease Co., Ltd.

- The Shin-Osaka area is expected to see further development going forward with, for example, plans for the Linear Chuo Shinkansen maglev line and Hokuriku Shinkansen.
- We will introduce functions and equipment to facilitate the creation of the kind of business continuity plan that modern tenant companies need.



Location:	7-6-3 Nishi-Nakajima, Yodogawa-ku, Osaka City, Osaka Prefecture
Site area:	1,688.96 m <sup>2</sup>
Total land area:	12,406.29 m <sup>2</sup>
Structure size:	13-story reinforced concrete
Operator:	Meitetsu City Design Co., Ltd. Fuyo General Lease Co., Ltd. (Development agent: Toden Real Estate Co., Ltd.)
Design and construction:	Daiwa House Industry Co., Ltd.
Period:	June 2022–January 2024 (plan)

In Phase 1 of Ghibli Park, we will take various measures to steadily bring in visitors to Aichi Prefecture.

## Official partner of Ghibli Park.

The Group's initiatives related to the opening of Ghibli Park

### MaaS Collaboration with Aichi Prefecture in the eastern hills area

We sell CentX Web tickets alongside operators, collaborating on MaaS in the Nagoya eastern hills area, where Aichi Prefecture is conducting a pilot test.

- Aichi Rapid Transit (linear motor)
- Aichi Loop Railway
- Meitetsu Bus two routes listed at right (1, 2)

### Operating buses direct to Ghibli Park

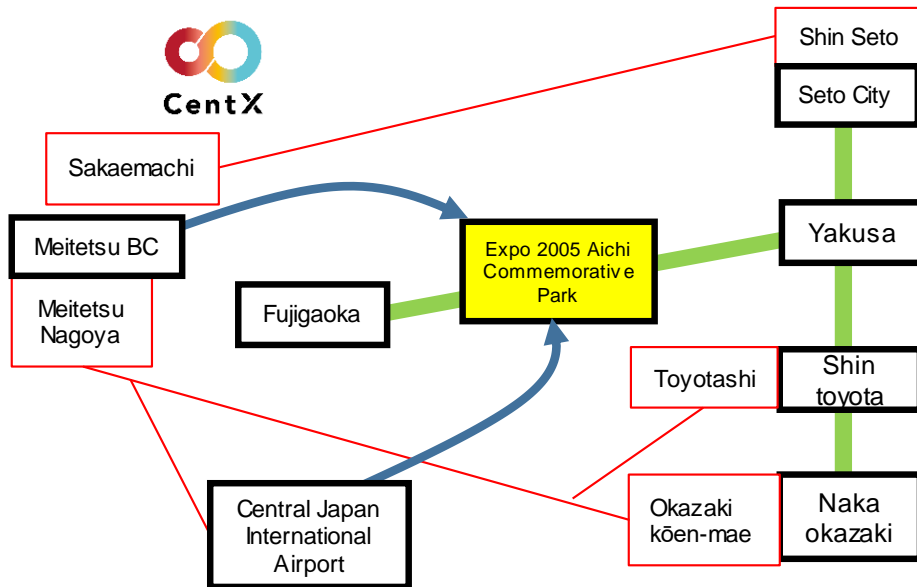
To make accessing the park more convenient for visitors, we operate the following three lines.

1. To and from Meitetsu Bus Center (Meitetsu Nagoya Station)
2. To and from Central Japan International Airport
3. To and from Owari Seto Station

Note: Pilot tests are conducted on weekdays until March 2023

Providing excursion plans that include lodging suggestions with tickets that are sold by JTB and other companies

Participating in Aichi Prefecture's Ghibli Excursion Tourism Promotion Project



### (Reference: Overview of Ghibli Park)

Location:	Otsu 1553-1 Ibaragabasama, Nagakute, Aichi Prefecture (within Expo 2005 Aichi Commemorative Park)
Content:	A park that showcases the world of Studio Ghibli works

Phase 1: Opened November 1, 2022  
Ghibli's Grand Warehouse, Hill of Youth, Dondoko Forest

Phase 2: Mononoke Village set to open autumn 2023, Valley of Witches set to open March 2024



©Studio Ghibli



# Moving forward with efforts related to the Meitetsu Nagoya Station District Redevelopment Project



Promoting initiatives aimed at realizing the 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 will enthusiastically promote the following measures aimed at further enhancing commercial viability and accelerate deliberations and coordination with relevant parties.**

- **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**

# Initiatives aimed at expanding business fields (1)



We aim to proactively expand our business content under a structure that consolidates the retail business

Current initiatives through reorganization of the retail business

On July 1, 2022, we consolidated the Group's multiple retail business operators 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.

(Main businesses following the reorganization)

## Meitetsu Creative Life Institute

Loft Business

Expanded the Loft business (general goods retail) from The Loft Co., Ltd. into Aichi and Gifu as a franchisee.

Store Business

Expanded convenience store, supermarket, souvenir shop, lottery shop, and vending machine operations

Meitetsu Shouten

Plan to open new food-related retail facilities

Opened a Hoshigaoka Loft general goods store (Planned for November 25, 2022)

We opened our fifth Hoshigaoka Loft franchise store at the Hoshigaoka Terrace commercial facilities located in Chikusa-ku, Nagoya City. Because there are many high schools and universities in the surrounding area, the store targets mainly students and others in the 10 to 29 age group, providing general goods that make daily life more fun and enriching.



Store location:	Hoshigaoka Terrace EAST 2-3F, 16-50 Hoshigaoka Motomachi, Chikusa-ku, Nagoya City
Store hours:	10:00–20:00

Opened Meitetsu Shouten, a new food-related retail store (Planned for December 1, 2022)

Promoting the concepts of eating local, elevating local communities, and giving back to society, all the products this store offers are original, and, by handling products developed in collaboration with operators along rail lines, we aim to provide opportunities for people to enjoy their lives and neighborhoods with an eye toward local attractions and value.



Store location:	Meitetsu Department Store (Mens Building) 1F, 1-2-4 Meieki, Nakamura-ku, Nagoya City
Store hours:	10:00–20:00
Number of store operators:	Around 70



# Initiatives aimed at expanding business fields (2)

In the Kanto area, opening beverage and food retail businesses and building their connections to expanding business fields

Opened the Japanese-style Taiwanese cafeteria WUMEI (September 8, 2022)

As a new business for the Chinese restaurant Meitetsu-Saikan (opened in 1969 in Gotenba City), we opened the Japanese-style Taiwanese cafeteria WUMEI in Gransta Yaekita (within the Yaekita Cafeteria on 1F outside the turnstiles of Yaesu North Exit of the JR East Japan Tokyo Station).

The restaurant provides reasonably priced Taiwanese cuisine prepared for Japanese tastes in line with the spirit of *Wumei Jialian*, a phrase meaning high quality and low price and the origin of the store's name.



Some of the dishes at WUMEI



Store exterior

Expanded stores in the bakery business (opened the second Gontran Cherrier store) (October 4, 2022)

Opened the France-based bakery Gontran Cherrier's Shinjuku store (second in Japan) on the same day as the grand reopening of the Odakyu Department Store Shinjuku (Shinjuku West Exit Halc 1F).

Last July, the first Gontran Cherrier store in Japan was opened in Aoyama. The Shinjuku store is a take-out-only bakery based on the concept of a small store that provides high-quality products in a timely manner to people visiting Shinjuku Station.



Store exterior



Store interior

The take-out store that opened in Shibuya last July Working with *nichi nichi pao*, we aim to create a 10-store network centered in Tokyo by FY2025.

As a follow up to the Aoyama and Shinjuku stores, we plan to open a third store in the Kanto region next spring.

# Initiatives aimed at expanding business fields (3)



In the transport business, which is expected to grow going forward, we will promote collaborations with other companies and open new locations.

Meitetsu Transportation: Enhancing collaboration with Nippon Express.

## Content of Collaboration

- Making operations more efficient and enhancing the level of service through the mutual use of our special cargo transport networks

From April 1, 2022, we have been utilizing Shinsyu Meitetsu Transport's network to handle loading operations for Nippon Express (a courier company) across all of Nagano Prefecture.

- Enhancing asset efficiency through the joint use of assets and joint development, including of information systems

On November 7, 2022, Kyusyu Meitetsu Transport began collaborating with Nippon Express in Saga Prefecture to optimize delivery and base placement

Meitetsu World Transport: Opened a new warehouse base in the Tokyo region

The company opened a new warehouse base in Showajima in Tokyo port area to provide logistics services as laid out in its business plan.

## Purpose

1. Aim to be a logistics partner that meets customer needs
2. Strive to build a strategic logistics base

## Strengths

- Highly Functional Warehouse  
Because it excels in accommodating various transport modes, the warehouse is able to provide various services as a pre-export operation base, including storage, export air cargo consolidation, and the vanning and devanning of maritime cargo.
- Connection base with domestic delivery partners  
The proximity of the warehouse to the delivery bases of such domestic delivery partners as Meitetsu Transportation facilitates smooth transportation.



## Participating in initiatives aimed at creating new businesses in addition to promoting initiatives that use advanced technology

### Drone business initiatives

#### Formed a business alliance with Prodrone Co., Ltd. on drone use

Both our companies are based in Aichi Prefecture and before concluding this new business alliance agreement, both of us had accumulated extensive track records of collaboration with other companies on pilot tests using drones and other projects. With this agreement, we aim to fully leverage the know-how of each company to promote using drones to contribute to local communities.

#### Content of the Business Alliance

- (1) We jointly developed a training program for the industrial drones and relevant systems that Prodrone develops and produces, and Meitetsu Drone Academy is implementing the training.
- (2) We are jointly planning and developing relevant services that utilize drones, including for logistics and inspections, and services related to machine maintenance with the aim of rolling out services with the support of Nagoya Railroad.

#### Implementing pilot tests (planned for December 2022)

Within the city of Shinshiro, Aichi Prefecture, we evaluated aid cargo transportation, including the feasibility of sending heavy cargo to isolated villages using high payload drones.\*

\*Maximum load amount of cargo transported



### Participating in Initiatives Aimed at Open Innovation

#### Participating in AICHI MATCHING 2022

We participated in Aichi Prefecture's business matching event AICHI MATCHING 2022, soliciting applications from startups around Japan that work to solve issues and create new businesses.



©eicon company

#### Supporting the Tongali Project

With the aim of forming a startup ecosystem and encouraging open innovation in the Tokai region, we participate as a supporter in the Tongali Project, which offers entrepreneurship education and startup support for university-led ventures.

## Solving local issues by rolling out the Meitetsu Area Package\*

\*In various regions, we offer comprehensive proposals that address issues related to public transport and construct general transportation services as a unified Meitetsu Group, going beyond the boundaries of the bus, taxi, and other businesses.

### Yahagi Demand

In Okazaki City, led by the Yahagi Region Area Bus Committee, which is charged with considering regional transportation issues, the Yahagi Demand pilot test was conducted to determine the optimal transport mode for maximum mobility in the daily life of residents. As a business operator working with Okazaki City, Nagoya Railroad participated in the study of transportation models designed by the local areas themselves.

#### Implementation Period

Phase 1: January 16–September 30, 2023

◆ Land area 19.6 km<sup>2</sup>



	Yahagi region	(Ref.) Citywide
Population	58,513	384,996
Those over 65	12,722	92,439
Rate of graying	21.74%	24.01%
Households	25,883 households	166,994 households

Note: As of April 1, 2022

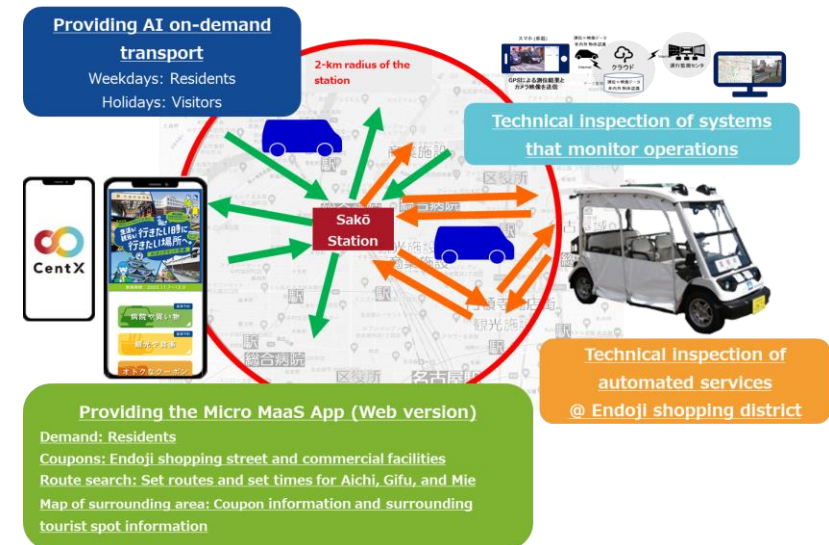
Source:  
Okazaki City

### Eki Shiro MaaS

We were selected as a subcontractor related to the pilot test project for promoting the creation of new local MaaS, for which the Ministry of the Economy, Trade and Industry solicited applicants. In collaboration with Nagoya University and other partners, we conducted a pilot test of Eki Shiro MaaS within Nagoya City centered on Meitetsu's Sakō Station.

#### Implementation Period

November 7, 2022–December 9



Within Aichi Prefecture, progress is being made to introduce various **AI on-demand transport services**, and the Meitetsu Group's taxi operators are contributing as businesses. We aim to provide **mobility services that are flexible and can specifically meet customer demands**.

# Expanding services for the local MaaS app CentX



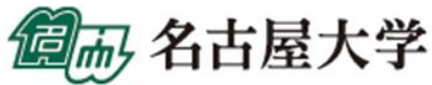
Providing information and functions that facilitate local people's outings and collaborating with various local partners

Expanding recognition and promoting use

Collaborating with various local partners

We strive to expand MaaS collaboration with various partners and promote a local MaaS concept.

- Collaborating on pilot tests aimed at practical applications of MaaS by Aichi Prefecture
- Began mutual sales of digital tickets with MaaS app "my route"
- Strengthening collaboration with Nagoya University



Enhancing attractiveness and contents

Application of hiking function

Hiking is possible with a smartphone using CentX  
Applying Meitetsu's train rail hiking course as the first step

- Start a remotely guided hike
- Map that confirms you're on the hiking course and your location
- Coupons that can be used at facilities along the course Etc.

Aiming to collaborate with various local partners

Enhancing attractiveness and contents

Enhancing CentX web tickets

We connect local transport, daily life, and tourist services and realize seamless and stress-free mobility.

- Creating digital tickets in collaboration with other companies
- Creating digital tickets in collaboration with local municipalities

Local Transport Operator Collaboration

■Aichi Rapid Transit Co., Ltd.



■Aichi Loop Railway Co., Ltd.



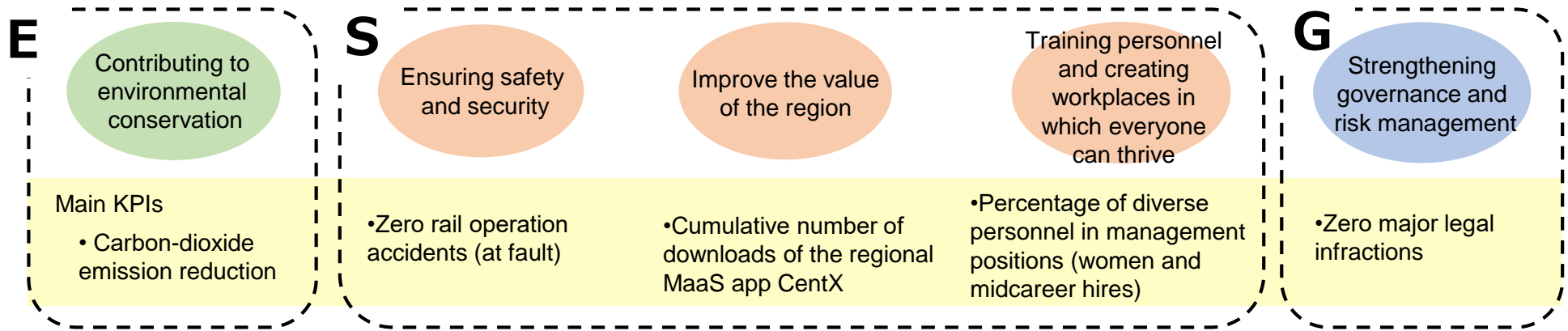
Gamagori Seaside Free Pass



# Sustainability Initiatives (1)

We identify material issues surrounding sustainability and promote initiatives aimed at realizing a sustainable society

Material Issues Surrounding Sustainability: Approved at a Board of Directors Meeting in April 2022



## FY2021 CO<sub>2</sub> emission results

Subject	CO <sub>2</sub> emissions reduction target (FY2030)	FY2021 CO <sub>2</sub> emissions
Meitetsu Group (consolidated company)	25% reduction compared with FY2020	682,093 t-CO <sub>2</sub> +0.9% compared with base year
Nagoya Railroad Railroad business	46% reduction compared with FY2013	169,747 t-CO <sub>2</sub> -28.8% compared with base year

## Main initiatives to reduce CO<sub>2</sub> emissions

- Upgrading to energy-efficient train cars
- Introducing EV buses at Chitanoriai
- Introducing EV trucks at Meitetsu Transportation



Chitanoriai EV buses



Meitetsu Transportation EV trucks



Striving to enhance human capital with the aim of achieving the sustainable growth of the Group

## Basic Policy

Looking to ensure the Group's sustainable growth, we clearly define the roles and our expectations of each employee and support their efforts to improve their capabilities. Moreover, we respect diverse values and strive to organize operations in ways that allow them to fully utilize those capabilities. Ultimately, we aim to realize personnel who contribute to the Meitetsu Group's value.

## Initiative

### Promoting diversity

#### Promoting female empowerment in the workplace

- In line with the basic policy and action plan, we promote initiatives (hiring percentages, manager percentages, action plan targets related to percentage of annual leave taken)
- Providing Company-led childcare through facilities operated by Group companies
- Conducting interviews with and providing seminars for new mothers before taking and before returning from childcare leave
- Introducing a program offering executive officer support

#### Promoting the hiring of seniors

- Fostering an environment in which employees can thrive and utilize their accumulated experiences (retirement age set at 65, workstyle options, health promotion)

#### Raising awareness related to human rights

- Establishing the human rights awareness promotion committee and regularly conducting training

### Personnel training and career development

#### Voluntary career selection

- Secondary internal jobs, internal job postings, inter-Group FA, etc.

#### Independent study

- Self-selected training, specialty training, support for attaining qualifications

#### Job- and course-based education

- Department- and course- based training, basic training, etc.

### Promoting health management

Certified as a Health & Productivity Management Outstanding Organization in 2022 (large-scale corporation division)

- Subsidies for comprehensive medical tests and various cancer screenings
- Job- and grade-based education related to mental health
- Support for health issues based on sex and age, such as those specifically affecting women and seniors, etc.



A teal parallelogram containing the white number '04'.

## Six-month Period Ending Financial Results

# Six-month Period Ending Financial Results



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

(Units : Millions of yen,%)

	FY2022 1st Half	FY2021 1st Half	Change	Notes	Latest Forecast (As of May)	Change
Operating revenues	<b>263,125</b>	224,284	38,841 (17.3)		264,000	-874 (-0.3)
Operating income	<b>10,180</b>	-2,644	12,824 (—)		9,000	1,180 (13.1)
Ordinary income	<b>11,701</b>	2,525	9,175 (363.3)	Non-operating income: -3,465 Non-operating expenses: +183	9,500	2,201 (23.2)
Extraordinary income	<b>1,317</b>	2,633	-1,316	Gain on sales of investment securities: -1,293	500	817
Extraordinary losses	<b>841</b>	1,615	-774	Loss on disposition of fixed assets: -347	1,000	-158
Profit before income taxes	<b>12,177</b>	3,543	8,633 (243.7)		9,000	3,177 (35.3)
Income taxes	<b>4,199</b>	2,101	2,098		2,500	1,699
Profit attributable to non-controlling interests	<b>230</b>	424	-194		500	-269
Profit attributable to owners of the parent	<b>7,746</b>	1,016	6,729 (661.8)		6,000	1,746 (29.1)

## 【Changes in consolidated subsidiaries and equity-method affiliates (compared to Mar. 31, 2022)】

- ◆ 106 consolidated subsidiaries (-3): (+3) Meitetsu World Transport (newly established), Meitetsu Group Bus Holdings (newly established), On Seven Days (newly included)  
(-6) Meitetsu Seibu Kotsu West (merged), Meitetsu Seibu Kotsu North (merged), Mie Meitetsu Taxi (shares transferred), Meitetsu Yakuhin (reclassified), Meitetsu Kankyo Zoen (merged), Meitetsu Mokuzai Bofu (merged)
- ◆ 14 equity-method affiliates (+1): (+1) Meitetsu Yakuhin (reclassified)

# Financial Results Highlights



## Year on year: **Higher revenues** • **Higher profits**

(Revenues rose due in part to a recovery in demand in the Leisure and Services business and the Traffic business as well as contributions from the Real Estate business. Although fuel expenses increased, profit improved on every level.)

<b>Operating revenues</b> + ¥38.8 billion	<ul style="list-style-type: none"> <li>+ Leisure and Services +18.2 (Travel +12.1, Hotel +3.1, Tourist Facilities +3.0)</li> <li>+ Real Estate +10.0 (Real Estate Condo Sales +8.8: Increase in sales of condominiums)</li> <li>+ Traffic +9.7 (Railroad +5.2 (Passengers +9.0%: Non-commuters +28.4%, Commuters +2.6%), Bus +2.4, Taxi +1.7)</li> <li>+ Transport +2.1 (Maritime Transport +1.7)</li> <li>- Distribution -0.4 (Other goods sold -1.3, Department Stores +0.9)</li> </ul>	(Unit: Billions of yen)
<b>Operating expenses</b> + ¥26.0 billion	<ul style="list-style-type: none"> <li>+ Cost of products sold +6.0 (Real Estate +7.1, Distribution -1.0)</li> <li>+ Fuel expenses +2.1 (Traffic +1.6, Transport +0.4)</li> </ul>	
<b>Operating income</b> + ¥12.8 billion	<ul style="list-style-type: none"> <li>+ Traffic +6.7 (Railroad +3.5, Bus +1.7, Taxi +1.5)</li> <li>+ Leisure and Services +4.5 (Travel +2.1, Hotel +1.3, Tourist Facilities +1.0)</li> <li>+ Real Estate +1.7 (Real Estate Condo Sales +1.2, Rentals +0.5)</li> </ul>	
<b>Ordinary income</b> + ¥9.1 billion	Profits increased due to an improvement in operating income despite worsening non-operating income due in part to a decrease in subsidies for employment adjustment. (Non-operating income -3.6)	
<b>Net profit</b> + ¥6.7 billion	Profits increased due to higher ordinary income despite extraordinary income worsening. (Extraordinary income -0.5)	

## Compared with forecast (from May): **Lower revenues** • **Higher profits**

(Although revenues were impacted by the seventh wave of COVID-19 infections, the Real Estate business outperformed forecasts. Higher profits from the Real Estate business contributed to overall performance despite fuel expenses being higher than expected.)

<b>Operating revenues</b> - ¥0.8 billion	<ul style="list-style-type: none"> <li>- Distribution -3.6 (inventory shortages in imported car sales), Traffic -2.7, Transport -1.7</li> <li>+ Real Estate +4.1 (Real Estate Condo Sales +3.3, Rentals +0.8), Leisure and Services +3.5 (Travel +6.1, Tourist Facilities -1.1, Hotel -1.5)</li> </ul>	(Unit: Billions of yen)
<b>Operating income</b> + ¥1.1 billion	<ul style="list-style-type: none"> <li>+ Real Estate +4.1 (Rentals +2.4, Condo Sales +1.6)</li> <li>- Traffic -1.2 Transport -0.8 Leisure and Services -0.8 (Hotel -1.1, Tourist Facilities -0.5, Travel +0.8)</li> </ul>	
<b>Ordinary income</b> + ¥2.2 billion	Improvement in non-operating income due in part to an increase in subsidies for employment adjustment +1.0	
<b>Net profit</b> + ¥1.7 billion	Improvement in extraordinary income due in part to gain on sales of investment securities +0.9	

# Operating Results by Segment



(Units : Millions of yen,%)

Operating revenues	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	Latest Forecast (As of May)	Change	Percent Change
Traffic	64,727	55,005	9,721	17.7	67,500	-2,772	-4.1
Transport	68,705	66,542	2,162	3.3	70,500	-1,794	-2.5
Real Estate	47,556	37,553	10,003	26.6	43,400	4,156	9.6
Leisure and Services	36,488	18,237	18,251	100.1	32,900	3,588	10.9
Distribution	30,771	31,218	-447	-1.4	34,400	-3,628	-10.5
Aviation Services	11,228	10,436	791	7.6	11,200	28	0.3
Others	20,188	19,813	375	1.9	20,600	-411	-2.0
Adjustment	-16,541	-14,523	-2,018	—	-16,500	-41	—
Total	263,125	224,284	38,841	17.3	264,000	-874	-0.3

Operating income	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	Latest Forecast (As of May)	Change	Percent Change
Traffic	2,710	-4,087	6,798	—	4,000	-1,289	-32.2
Transport	1,928	1,680	247	14.7	2,800	-871	-31.1
Real Estate	6,627	4,891	1,735	35.5	2,500	4,127	165.1
Leisure and Services	-531	-5,042	4,511	—	300	-831	—
Distribution	-1,471	-1,479	7	—	-1,200	-271	—
Aviation Services	351	732	-381	-52.0	0	351	—
Others	522	471	51	10.9	600	-77	-12.9
Adjustment	42	190	-147	—	—	42	—
Total	10,180	-2,644	12,824	—	9,000	1,180	13.1

〈Year-on-Year Comparisons〉

Traffic: Increased revenues and return to profitability  
 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

# Traffic Business



(Units : Millions of yen,%)

	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	Notes
Operating revenues	<b>64,727</b>	55,005	9,721	17.7	Compared with the first half of the previous year, when emergency declarations were issued, the number of passengers in each business recovered and pushed revenues higher.
Operating income	<b>2,710</b>	-4,087	6,798	—	The business returned to profitability due to higher revenues despite an increase in fuel expenses.

## ◆ Breakdown of Traffic Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	FY2022 1st Half	FY2021 1st Half	Change	Percent Change
Railroad	<b>39,664</b>	34,377	5,287	15.4	<b>2,769</b>	-732	3,502	—
Bus	<b>16,637</b>	14,199	2,438	17.2	<b>-169</b>	-1,910	1,740	—
Taxi	<b>9,272</b>	7,520	1,751	23.3	<b>40</b>	-1,522	1,563	—
Adjustment	<b>-847</b>	-1,092	245	—	<b>69</b>	78	-8	—
Traffic Total	<b>64,727</b>	55,005	9,721	17.7	<b>2,710</b>	-4,087	6,798	—

## <Nagoya Railroad, Transportation Results>

(Unit : Millions of yen, %)

Transfer Revenues	FY2022 1st Half	FY2021 1st Half	Percent Change
Non-commuters	<b>19,300</b>	14,353	34.5
Work commuters	<b>13,861</b>	13,783	0.6
School Commuters	<b>3,646</b>	3,418	6.7
Commuters	<b>17,507</b>	17,201	1.8
Total	<b>36,807</b>	31,554	16.6

(Unit : Thousands of people, %)

Passengers	FY2022 1st Half	FY2021 1st Half	Percent Change
Non-commuters	<b>50,843</b>	39,584	28.4
Work commuters	<b>70,965</b>	70,797	0.2
School Commuters	<b>50,716</b>	47,845	6.0
Commuters	<b>121,681</b>	118,642	2.6
Total	<b>172,524</b>	158,226	9.0

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

(Units : Millions of yen,%)

	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	Notes
Operating revenues	<b>68,705</b>	66,542	2,162	3.3	Revenues increased due to recovery in travel demand in the maritime transport business.
Operating income	<b>1,928</b>	1,680	247	14.7	Operating income increased due to higher revenues despite an increase in personnel and fuel expenses.

## ◆ Breakdown of Transport Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	FY2022 1st Half	FY2021 1st Half	Change	Percent Change
Truck	<b>76,899</b>	76,765	134	0.2	<b>904</b>	1,828	-923	-50.5
Maritime Transport	<b>8,663</b>	6,957	1,706	24.5	<b>1,019</b>	-207	1,226	—
Adjustment	<b>-16,857</b>	-17,180	322	—	<b>3</b>	59	-55	—
Transport Total	<b>68,705</b>	66,542	2,162	3.3	<b>1,928</b>	1,680	247	14.7

(Units : Millions of yen,%)

	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	Notes
Operating revenues	<b>47,556</b>	37,553	10,003	26.6	Revenues increased due to an increase in the number of condominiums sold.
Operating income	<b>6,627</b>	4,891	1,735	35.5	Operating income increased due to increased revenues.

## ◆ Breakdown of Real Estate Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	FY2022 1st Half	FY2021 1st Half	Change	Percent Change
Real Estate Rental	<b>24,137</b>	22,460	1,676	7.5	<b>4,623</b>	4,131	492	11.9
Real Estate Condo Sales	<b>20,309</b>	11,455	8,853	77.3	<b>1,769</b>	547	1,221	223.2
Real Estate Management	<b>6,577</b>	6,569	8	0.1	<b>218</b>	244	-25	-10.5
Adjustment	<b>-3,467</b>	-2,931	-535	—	<b>16</b>	-31	47	—
Real Estate Total	<b>47,556</b>	37,553	10,003	26.6	<b>6,627</b>	4,891	1,735	35.5

## <Number of Meitetsu City Design Condo Sales>

(Units: Units sold, %)

	FY2022 1st Half	FY2021 1st Half	Percent Change
Number of condos sold (total)	<b>482</b>	248	94.4
Naogya	<b>42</b>	30	40.0
Tokyo	<b>378</b>	140	170.0
Osaka	<b>62</b>	78	-20.5

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

(Units: %)

	FY2022 1st Half	FY2021 1st Half	Percent Change
Owned Spaces	<b>87,257</b>	85,957	1.5
Owned Lots	<b>3,989</b>	4,038	-1.2



# Leisure and Services Business



(Units : Millions of yen,%)

	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	Notes
Operating revenues	<b>36,488</b>	18,237	18,251	100.1	Compared with the first half of the previous year, when emergency declarations were issued, tourism demand recovered and pushed revenues higher across the entire business.
Operating income	<b>-531</b>	-5,042	4,511	—	Revenues and expenses showed overall improvement due to higher revenues and lower operating loss.

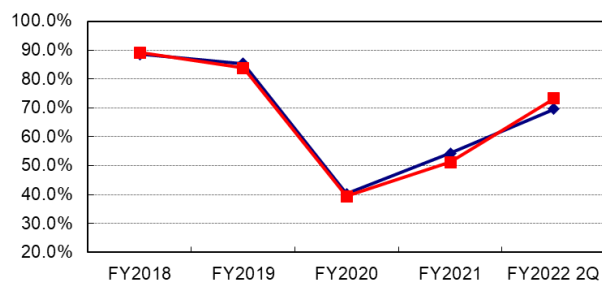
## ◆ Breakdown of Leisure and Services Business

(Units : Millions of yen,%)

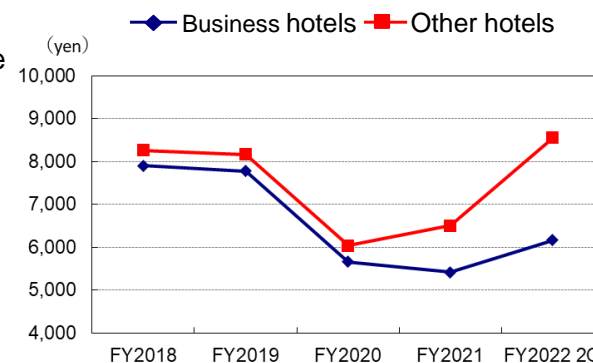
	Operating revenues				Operating income			
	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	FY2022 1st Half	FY2021 1st Half	Change	Percent Change
Hotel	<b>6,946</b>	3,820	3,126	81.8	<b>-1,654</b>	-2,959	1,304	—
Tourist Facilities	<b>8,969</b>	5,917	3,052	51.6	<b>362</b>	-698	1,061	—
Travel	<b>20,871</b>	8,718	12,152	139.4	<b>779</b>	-1,376	2,156	—
Adjustment	<b>-299</b>	-218	-80	—	<b>-18</b>	-7	-11	—
Leisure and Services Total	<b>36,488</b>	18,237	18,251	100.1	<b>-531</b>	-5,042	4,511	—

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

### (1) Occupancy rate



### (2) Lodging price



(Units : Millions of yen,%)

	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	Notes
Operating revenues	<b>30,771</b>	31,218	-447	-1.4	Overall revenues were down due in part to a decrease in construction materials handled despite department stores recording higher revenues.
Operating income	<b>-1,471</b>	-1,479	7	—	Revenues and expenses slightly improved due in part to higher revenues in department stores.

## ◆ Breakdown of Distribution Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	FY2022 1st Half	FY2021 1st Half	Change	Percent Change
Department Store	<b>8,108</b>	7,179	929	12.9	<b>-1,355</b>	-1,642	286	—
Other goods sold	<b>22,709</b>	24,088	-1,378	-5.7	<b>86</b>	61	25	40.7
Adjustment	<b>-46</b>	-48	2	—	<b>-202</b>	101	-303	—
Distribution Total	<b>30,771</b>	31,218	-447	-1.4	<b>-1,471</b>	-1,479	7	—

(Units : Millions of yen,%)

	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	Notes
Operating revenues	<b>11,228</b>	10,436	791	7.6	Revenues increased due mainly to an increase in orders in the aircraft maintenance business.
Operating income	<b>351</b>	732	-381	-52.0	Operating income decreased due to an increase in repair and other expenses in the aviation business.

## ◆ Breakdown of Aviation Services Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	FY2022 1st Half	FY2021 1st Half	Change	Percent Change
Aviation Services	<b>11,387</b>	10,612	774	7.3	<b>350</b>	728	-378	-51.9
Adjustment	<b>-159</b>	-176	16	—	<b>0</b>	3	-3	—
Aviation Services Total	<b>11,228</b>	10,436	791	7.6	<b>351</b>	732	-381	-52.0

(Units : Millions of yen,%)

	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	Notes
Operating revenues	<b>20,188</b>	19,813	375	1.9	Revenues increased overall due in part to an expansion in orders for system-related products despite a decrease in orders for facility construction.
Operating income	<b>522</b>	471	51	10.9	Operating income increased due to higher revenues.

## ◆ Breakdown of Others ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022 1st Half	FY2021 1st Half	Change	Percent Change	FY2022 1st Half	FY2021 1st Half	Change	Percent Change
Equipment Maintenance	<b>9,485</b>	9,955	-470	-4.7	<b>-198</b>	23	-221	—
Others	<b>11,065</b>	10,220	844	8.3	<b>717</b>	461	255	55.4
Adjustment	<b>-362</b>	-363	1	—	<b>3</b>	-13	17	—
Others Total	<b>20,188</b>	19,813	375	1.9	<b>522</b>	471	51	10.9

# Non-Operating Income and Extraordinary Income



(Units: Millions of yen)

	FY2022 1st Half	FY2021 1st Half	Change	Notes
<b>Non-operating income</b>	<b>3,273</b>	6,738	-3,465	
Interest income	13	11	1	
Dividend income	685	664	21	
Equity in net earnings of affiliates	1,121	1,384	-263	
Subsidies for employment adjustment	577	2,967	-2,389	
Others	875	1,711	-835	
<b>Non-operating expenses</b>	<b>1,752</b>	1,569	183	
Interest expenses	1,406	1,499	-92	
Others	345	69	275	
<b>Total non-operating income</b>	<b>1,520</b>	5,169	-3,648	
<b>Extraordinary income</b>	<b>1,317</b>	2,633	-1,316	
Gain on sales of investment securities	408	1,701	-1,293	(FY2021) Cross-shareholdings
Gain on sale of fixed assets	341	341	0	
Gain on contributions for construction	328	275	53	(FY2022) Making railroad stations barrier-free
Others	238	315	-76	
<b>Extraordinary losses</b>	<b>841</b>	1,615	-774	
Loss on reduction of property and equipment	248	244	3	(FY2022) Making railroad stations barrier-free
Loss on disposition of fixed assets	187	535	-347	(FY2021) Station building renovations
Loss on sales of investment securities	160	—	160	
Impairment loss on fixed assets	119	330	-211	
Loss on valuation of investment securities	32	91	-58	
Provision for loss on liquidation	—	286	-286	
Others	92	126	-33	
<b>Total extraordinary income</b>	<b>475</b>	1,017	-541	

# Consolidated Balance Sheets



(Units: Millions of yen)

	FY2022 1st Half	FY2021 results	Change	Notes								
Current assets	<b>204,319</b>	211,596	-7,277	Decrease in cash and deposits								
Non-current assets	<b>977,440</b>	975,301	2,139	<table border="1"> <tr> <td>Capital Investment</td> <td>+ 20,863</td> </tr> <tr> <td>Depreciation and amortization</td> <td>-18,916</td> </tr> <tr> <td>Impairment loss on fixed assets</td> <td>-119</td> </tr> <tr> <td>Disposition</td> <td>-71</td> </tr> </table>	Capital Investment	+ 20,863	Depreciation and amortization	-18,916	Impairment loss on fixed assets	-119	Disposition	-71
Capital Investment	+ 20,863											
Depreciation and amortization	-18,916											
Impairment loss on fixed assets	-119											
Disposition	-71											
Property and equipment	<b>827,422</b>	825,163	2,258									
Intangible assets	<b>11,856</b>	11,099	757									
Investments and other assets	<b>138,162</b>	139,037	-875									
<b>Total assets</b>	<b>1,181,760</b>	1,186,897	-5,137									
Current liabilities	<b>270,759</b>	264,512	6,247	Increase in current portion of bonds Decrease in notes and accounts payable								
Non-current liabilities	<b>496,872</b>	511,253	-14,380	Reclassification of current portion of bonds Issuance of bonds								
<b>Total liabilities</b>	<b>767,631</b>	775,765	-8,133									
<b>Total net assets</b>	<b>414,128</b>	411,132	2,995	Shareholders' equity +6,754 Profit attributable to owners of the parent +7,746 Distribution of retained earnings -2,458 Non-controlling interests -3,763								
<b>Total liabilities and net assets</b>	<b>1,181,760</b>	1,186,897	-5,137									
Consolidated interest-bearing debt	<b>491,120</b>	489,027	2,092	Reference: Net interest-bearing debt 449,420 (+11,319 vs. March 31, 2022)								

05

## FY2022 Operating Results Forecast

# Premise of Operating Results Forecast



- The forecast assumes that the rate of COVID-19 infections will gradually level off and domestic economic activity will normalize from the second half of FY2022.  
(We do not expect social restrictions from issued emergency declarations.)
- Inbound demand is not expected to recover in FY2022, and we assume it will be around 10% of the level seen in FY2019.
- Given the recent trend of soaring fuel prices, we expect fuel expenses to increase compared with the previous forecast.

	Forecast of operating revenues (compared with FY2019)	
	Current forecast	Previous forecast (as of May)
<b>Traffic</b>	Railroad: Around 85% (→) Bus, Taxi: Around 80% (↘)  <Nagoya Railroad, expected traveler revenues> Around 85% for the full year (assumed to be similar to the previous forecast)	Railroad, Bus, Taxi: Around 80%–90%  <Nagoya Railroad, expected traveler revenues> Around 85% (Non-commuter: around 80%; Commuter: around 90%)
<b>Leisure and Services</b>	Hotel: Around 70% (↘) (excluding newly opened hotels) Tourist Facilities: Around 90% (↘) Travel: Around 60%–70% (↘)	Hotel: Around 80% (excluding newly opened hotels) Tourist Facilities: On par with FY2019 Travel: Around 70%
<b>Distribution</b>	Department Stores: Around 80% (→) (excluding subsidiaries sold as of the end of FY2020) Other goods sold: Minor effects from COVID-19	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	Previous Forecast (As of May)	Change	Percent Change
Operating revenues	<b>547,000</b>	490,919	56,081	11.4	547,000	—	—
Operating income	<b>21,000</b>	2,932	18,068	616.2	21,000	—	—
Non-operating revenues	<b>5,000</b>	13,648	-8,648		4,800	200	
Non-operating expenses	<b>4,000</b>	3,445	555		3,800	200	
Ordinary income	<b>22,000</b>	13,135	8,865	67.5	22,000	—	—
Extraordinary income	<b>6,900</b>	28,480	-21,580		3,100	3,800	
Extraordinary losses	<b>4,300</b>	25,546	-21,246		3,100	1,200	
Profit attributable to owners of the parent	<b>16,000</b>	9,370	6,630	70.8	16,000	—	—
EBITDA	<b>59,900</b>	41,470	18,430	44.4	59,900	—	—
Capital investment	<b>76,300</b>	49,887	26,413	52.9	76,300	—	—
Depreciation and amortization	<b>38,900</b>	38,538	362	0.9	38,900	—	—
Net interest-bearing debt	<b>463,000</b>	438,100	24,900	5.7	463,000	—	—

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

Compared with the previous forecast, we expect operating revenues to decrease in the Traffic business and the Leisure and Services business due to effects of the seventh wave of COVID-19 infections as well as in the Distribution business based on results of the second quarter, but we expect revenues to increase in the Real Estate business. We have therefore largely left the previous operating revenues forecast intact. We have also left the previous operating income forecast intact as we expect an increase in income in the Real Estate business to cover a decrease in income in the Traffic and other businesses caused by higher fuel expenses in addition to lower revenues. Although we expect net profit and extraordinary income to increase, we expect the previous forecasted amount to remain the same due in part to an increase in corporate taxes.

# Operating Results Forecast Highlights



## Year-on-year : **Higher revenues • higher profit**

(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.)

<p><b>Operating Revenues</b> + ¥56.0 billion</p>	<ul style="list-style-type: none"> <li>+ Traffic +19.7 (Railroad +10.6, Bus +4.9, Taxi +4.0)</li> <li>+ Leisure and Services +18.6 (Travel +7.4, Hotel +6.3, Tourist +5.0)</li> <li>+ Real Estate +7.0 (Real Estate Rental +3.4, Real Estate Condo Sales +3.3)</li> <li>+ Transport +5.9 (Truck +3.7, Maritime Transport +2.2)</li> </ul>	<p>(Unit: Billions of yen)</p>
<p><b>Operating Income</b> + ¥18.0 billion</p>	<ul style="list-style-type: none"> <li>+ Traffic +10.8 (Railroad +5.1, Bus +3.3, Taxi +2.5)</li> <li>+ Leisure and Services +6.5 (Hotel +3.7, Travel +1.4, Tourist Facilities +1.4)</li> <li>+ Transport +1.2 (Maritime Transport +0.8, Truck +0.5)</li> </ul>	
<p><b>Ordinary Income</b> + ¥8.8 billion</p>	<p>Although we expect non-operating income to worsen due in part to a decrease in subsidies for employment adjustment, income should increase as operating income account balances improve ( non-operating income -9.2)</p>	
<p><b>Net Profit</b> + ¥6.6 billion</p>	<p>Although we expect corporate taxes to increase, income should increase as operating income account balances improve</p>	

## Compared with previous forecast (May): **Remain the same**

(Based on increase in second quarter results and fuel expenses, we revised operating forecasts for each segment.)

<p><b>Operating income</b> ± ¥0.0 billion</p>	<ul style="list-style-type: none"> <li>+ Real Estate +6.0 (Real Estate Condo Sales +3.0, Real Estate Rental +2.8)</li> <li>- Distribution -4.1 (Other goods sold -3.5) Traffic -2.3 (Taxi -1.0, Railroad -0.7, Bus -0.7)</li> <li>- Leisure and Services -2.0 (Hotel -2.4, Tourist Facilities -0.3, Travel +0.7)</li> </ul>	<p>(Unit: Billions of yen)</p>																
<p><b>Operating Income</b> ± ¥0.0 billion</p>	<ul style="list-style-type: none"> <li>+ Real Estate +4.9 (Real Estate Rental +3.4, Real Estate Condo Sales +1.4)</li> <li>- Traffic -2.8 (Railroad -2.9, Power fees +3.0) Leisure and Services -2.1 (Hotel -2.0, Tourist Facilities -0.3, Travel +0.2)</li> </ul>																	
<p><b>Ordinary Income</b> ± ¥0.0 billion</p>	<p>&lt;Nagoya Railroad Expected Traveler Revenues&gt; (Units : Millions of yen,%)</p>																	
<p><b>Net Profit</b> ± ¥0.0 billion</p>	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #000080; color: white;"> <th>Transfer Revenues</th> <th>FY2022 Current forecast</th> <th>Latest Forecast (As of May)</th> <th>FY2021 results</th> </tr> </thead> <tbody> <tr> <td>Non-commuters</td> <td style="background-color: #e0ffff;">40,513</td> <td>40,680</td> <td>31,806</td> </tr> <tr> <td>Commuters</td> <td style="background-color: #e0ffff;">35,425</td> <td>35,953</td> <td>33,528</td> </tr> <tr style="border-top: 2px solid black;"> <td>Total</td> <td style="background-color: #e0ffff;">75,939</td> <td>76,633</td> <td>65,334</td> </tr> </tbody> </table>		Transfer Revenues	FY2022 Current forecast	Latest Forecast (As of May)	FY2021 results	Non-commuters	40,513	40,680	31,806	Commuters	35,425	35,953	33,528	Total	75,939	76,633	65,334
Transfer Revenues	FY2022 Current forecast	Latest Forecast (As of May)	FY2021 results															
Non-commuters	40,513	40,680	31,806															
Commuters	35,425	35,953	33,528															
Total	75,939	76,633	65,334															

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

# FY2022 Operating Results Forecast by Segment



(Units: Millions of yen, %)

Operating revenues	FY2022 forecast	FY2021 results	Change	Percent Change	Previous Forecast (As of May)	Change	Percent Change
Traffic	135,500	115,745	19,755	17.1	137,800	-2,300	-1.7
Transport	140,700	134,766	5,934	4.4	140,400	300	0.2
Real Estate	96,500	89,416	7,084	7.9	90,500	6,000	6.6
Leisure and Services	66,200	47,572	18,628	39.2	68,200	-2,000	-2.9
Distribution	67,100	64,652	2,448	3.8	71,200	-4,100	-5.8
Aviation Services	25,300	23,364	1,936	8.3	24,200	1,100	4.5
Others	49,300	46,560	2,740	5.9	49,000	300	0.6
Adjustment	-33,600	-31,159	-2,441	—	-34,300	700	—
Total	547,000	490,919	56,081	11.4	547,000	—	—

Operating income	FY2022 forecast	FY2021 results	Change	Percent Change	Previous Forecast (As of May)	Change	Percent Change
Traffic	5,900	-4,960	10,860	—	8,700	-2,800	-32.2
Transport	4,300	3,086	1,214	39.3	4,300	—	—
Real Estate	11,300	11,085	215	1.9	6,400	4,900	76.6
Leisure and Services	-1,800	-8,385	6,585	—	300	-2,100	—
Distribution	-1,700	-2,054	354	—	-1,200	-500	—
Aviation Services	1,000	1,453	-453	-31.2	800	200	25.0
Others	2,100	1,971	129	6.5	1,900	200	10.5
Adjustment	-100	736	-836	—	-200	100	—
Total	21,000	2,932	18,068	616.2	21,000	—	—

# FY2022 Non-Consolidated Operating Results Forecast



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

(Units: Millions of yen, %)

	<b>FY2022 Current forecast</b>	<b>FY2021 results</b>	<b>Change</b>	<b>Latest Forecast (As of May)</b>	<b>Change</b>
Operating revenues	<b>91,000</b>	85,225	5,774 (6.8)	91,400	-400 (-0.4)
Operating income	<b>6,000</b>	4,627	1,372 (29.7)	8,400	-2,400 (-28.6)
Ordinary income	<b>7,200</b>	5,980	1,219 (20.4)	8,400	-1,200 (-14.3)
Net income	<b>7,500</b>	4,696	2,803 (59.7)	8,100	-600 (-7.4)

Compared with the previous forecast, based on second quarter results, although our expectations for operating revenues are similar to the previous forecast, we anticipate a decrease in profit due to an increase in expenses in line with soaring fuel prices. And, although non-operating income and extraordinary income are expected to improve, we expect ordinary income and net profit to be lower than previous forecast due to a decrease in operating income.

# 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	5,900	-4,960	10,860	Distribution	Operating income	-1,700	-2,054	354
	Depreciation and amortization	17,800	18,024	-224		Depreciation and amortization	1,100	1,084	16
	EBITDA(①)	23,700	13,063	10,637		EBITDA(①)	-600	-970	370
	Capital investment(②)	23,000	17,242	5,758		Capital investment(②)	1,400	1,745	-345
	Deduction(①-②)	700	-4,178	4,878		Deduction(①-②)	-2,000	-2,716	716
Transport	Operating income	4,300	3,086	1,214	Aviation Services	Operating income	1,000	1,453	-453
	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)	4,000	4,036	-36
	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)	500	-527	1,027
Real Estate	Operating income	11,300	11,085	215	Others	Operating income	2,100	1,971	129
	Depreciation and amortization	5,700	5,446	254		Depreciation and amortization	3,700	3,641	59
	EBITDA(①)	17,000	16,532	468		EBITDA(①)	5,800	5,612	188
	Capital investment(②)	25,600	13,647	11,953		Capital investment(②)	7,000	4,050	2,950
	Deduction(①-②)	-8,600	2,885	-11,485		Deduction(①-②)	-1,200	1,562	-2,762
Leisure and Services	Operating income	-1,800	-8,385	6,585	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)	-600	-7,335	6,735		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)	-2,900	-8,734	5,834		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.