

# Six-month Period Ending September 30, 2023 Financial Results Presentation for Investors

**Nagoya Railroad Co., Ltd.**

Securities Code: 9048

November 21, 2023

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medium- to long-term strategies
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medium-term management plan

01

Our approach to  
medium- to long-term business strategies

Business environment

- Era of major global exchange
- Intensifying competition between communities and cities  
(especially intensifying competition for acquiring human resources)

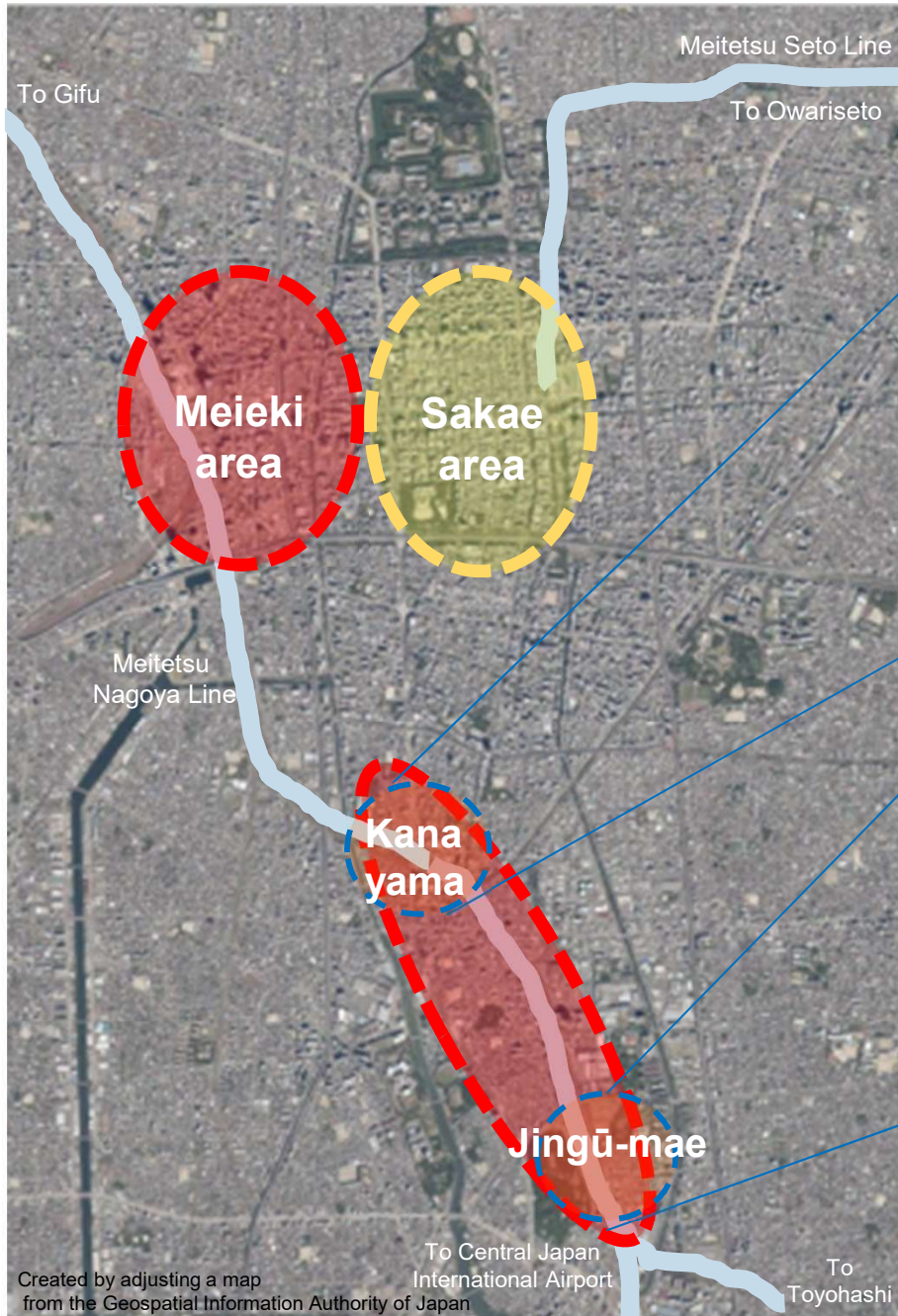
Need to attract people from around Japan and the world

Current state of human resources flowing out from Aichi and Nagoya to Tokyo

**Promoting attractive regional and urban development**



# 2 Key areas of urban development —Nagoya city center: Nagoya Station area (Meieki) , Kanayama and Jingū-mae area



Created by adjusting a map from the Geospatial Information Authority of Japan

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**μPLAT Kanayama**  
**(Opened 2014, renovated 2023)**



**Hotel Grand Court Nagoya**  
**(Made a subsidiary in 2021)**



**Jingū-mae Station East District**  
**μPLAT Jingū-mae and meLiV**  
**(2021-)**



**Jingū-mae Station West District**  
**Redevelopment Project (Phase I)**  
**(slated to open autumn 2024)**

⇒ **See page 7**

# 2 Key areas of urban development—Nagoya city center: Nagoya Station area

## Aiming to maximize the value of Nagoya

### Advancing the Meitetsu Nagoya Station District Redevelopment Project

#### Basic policies to the redevelopment of Nagoya Station

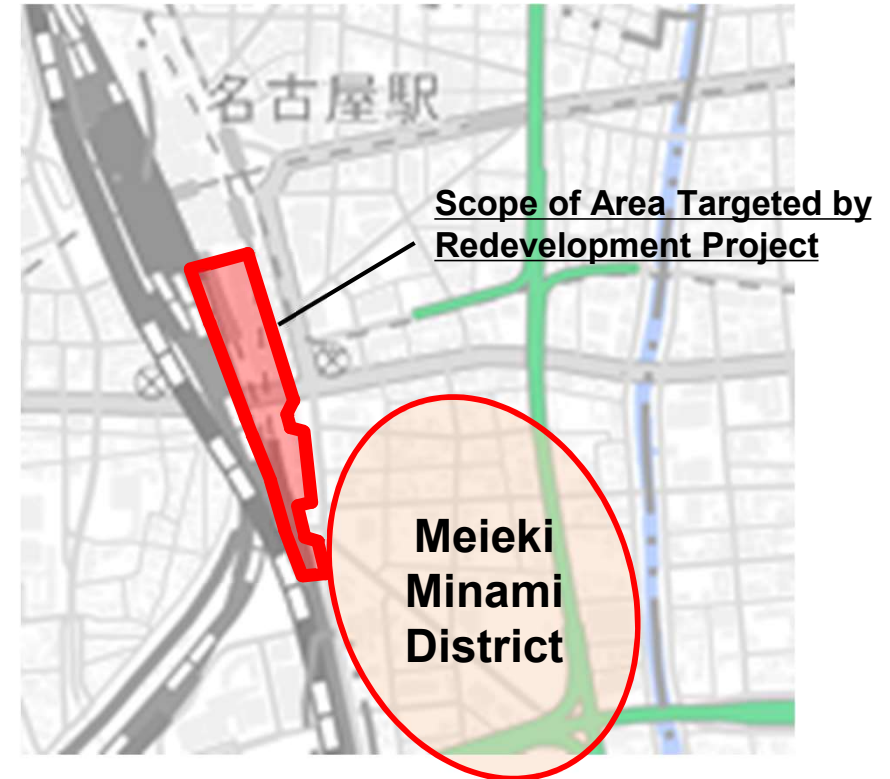
- Enhance the convenience of airport access, a current social demand
- Expand Meitetsu Nagoya Station (expand to four lines)
- Form a regional transportation hub
- Conduct joint development with neighboring landowners to spread vitality outward into urban centers

#### The Company's Policy on Redevelopment

- Creates excitement in unison with areas
- Implement urban development to maximize the value of redevelopment areas
- Aim to create new landmarks
- Serve as the core of the Group's growth strategy

**FY2024**  
**Determine on the**  
**direction of business**

### Development of Meieki Minami District



- Meieki Minami is the southern area targeted by the redevelopment project.
- Compared with the area in front of Nagoya Station, there is a lot of room for development.
- We actively participate in the Meieki Minami Urban Development Council.



# 2 Key areas of urban development—Nagoya city center: Kanayama and Jingū-mae area

Formation of a third axis in the city center after Nagoya Station and Sakae (including Fushimi and Osu)

## Kanayama District

- It is possible to access major tourist and business areas in Nagoya, including Central Japan International Airport, Nagoya Station, Sakae, and Nagoya Port, without transferring.
- The Company is playing a central role in promoting urban development in order to accelerate development around Kanayama Station.
- Proactively expanding related assets in addition to the offices, hotels, and other properties already owned in Kanayama.

### μPLAT Kanayama



FamilyMart opened Japan's first hybrid store combining an unmanned and manned section (September 20, 2023)



Opened the first ON SEVEN DAYS location inside a station (November 18, 2023)

## Jingū-mae District

- Entrance to Atsuta Jingu, which is visited by 7 million people\* in a year
- Collaborating with neighbors and helping comprehensively promote the urban development and tourism Nagoya City aims for
- Developing a wooden single-story commercial facility with a design appropriate for the shrine gate

\*Nagoya City, survey of trends for tourists and overnight travelers (fiscal 2016)

### Jingū-mae Station West District Development Project (Phase I Development)



Illustration of the completed facility (from the west side)



Illustration of the completed facility (from the north side)

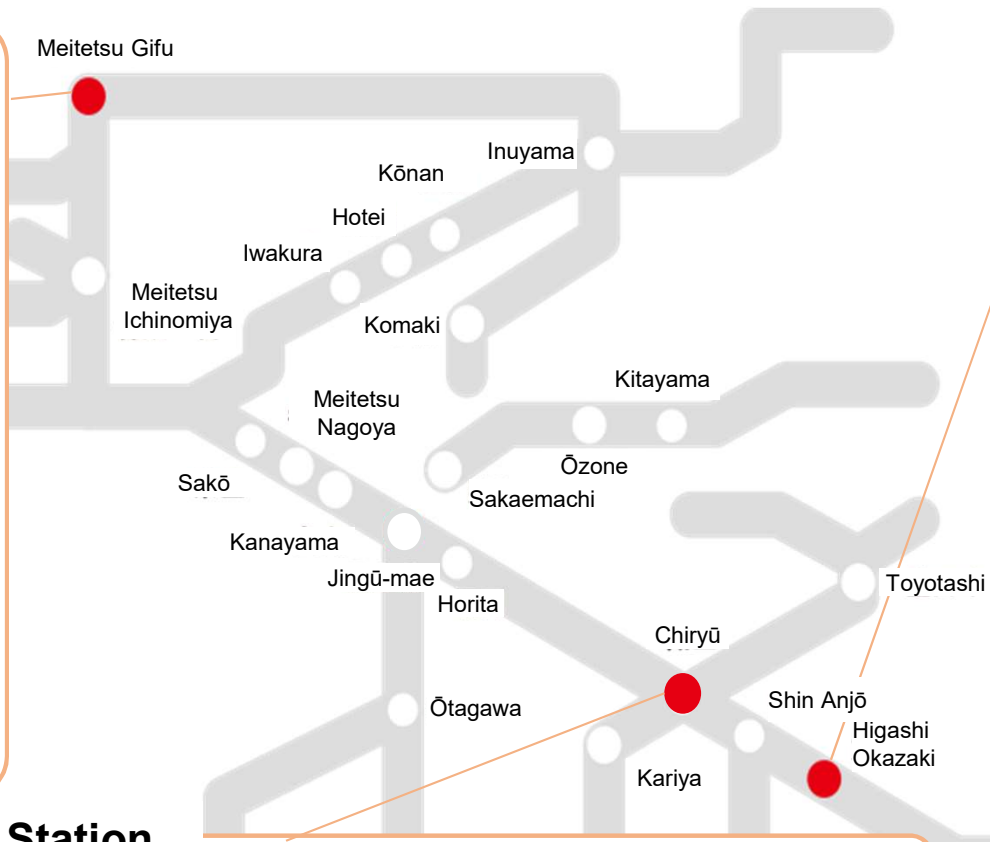
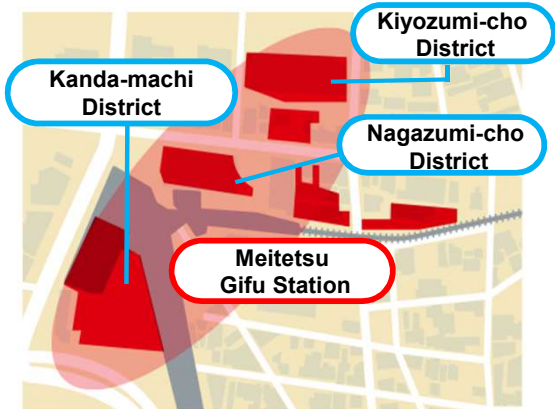
Location	608, Jingu 3-chome, Atsuta-ku, Nagoya City, Aichi Prefecture
Site area	Around 7,000 m <sup>2</sup>
Floor area	Around 1,100 m <sup>2</sup>
Structure size	Wooden single-story building, 3 wings
Use	Commercial facilities (3 wings total, around 15 stores)
Opening	Slated to open in succession from around fall 2024

# 2 Key areas of urban development: Hub stations along the train line

At hub stations along the train line, we strive to enhance local value and realize urban development sought by local communities

## Meitetsu Gifu Station

- Connecting sites owned in areas around the station
- Integrated development studies of commercial facilities, residences, and other properties



## Chiryū Station

### Participation in the Chiryū Station area platform

- Participation in meetings focusing on development after completing the elevation project
- Formulation of a future vision for the area surrounding Chiryū Station

## Higashi Okazaki Station

- Uniformly upgrading the northern and southern exits of Higashi Okazaki Station

### SWING HIGAOKA

-Leading the dynamic rhythm of this city-





# 3 Areas to strengthen the tourism business: Inuyama

Capturing broad-area overnight tourism demand, not just local and day-trip demand



**National treasure teahouse  
Jo-an Urakuen**



**Hotel Indigo Inuyama  
Urakuen Garden**



**Japan Monkey Park**



**桃太郎神社  
寂光院**



**HOTEL μ STYLE  
INUYAMA experience**



**The Little World Museum  
of Man**



**The Museum Meiji-Mura**

**Enhancing walkability of areas  
around the castle**

**Strengthening functions  
and enhancing attractiveness  
connected to overnight stays**

**Making project facilities  
high value added**

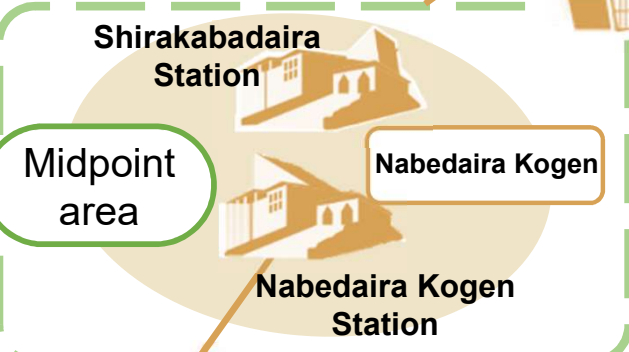
# 3 Areas to strengthen the tourism business: Okuhida and Takayama

## Initiatives aimed at creating world-class mountain resorts

### Plan to improve areas around stations at the base, midpoint, and peak of the mountain for the Shinhotaka Ropeway



Yari no kairo (2022-)



### Shinhotaka GRAND VUE

Providing high-class and special experiences of the wide range of Shinhotaka's natural attractions

### Creating a continuous walkable tourist area between Matsumoto and Takayama



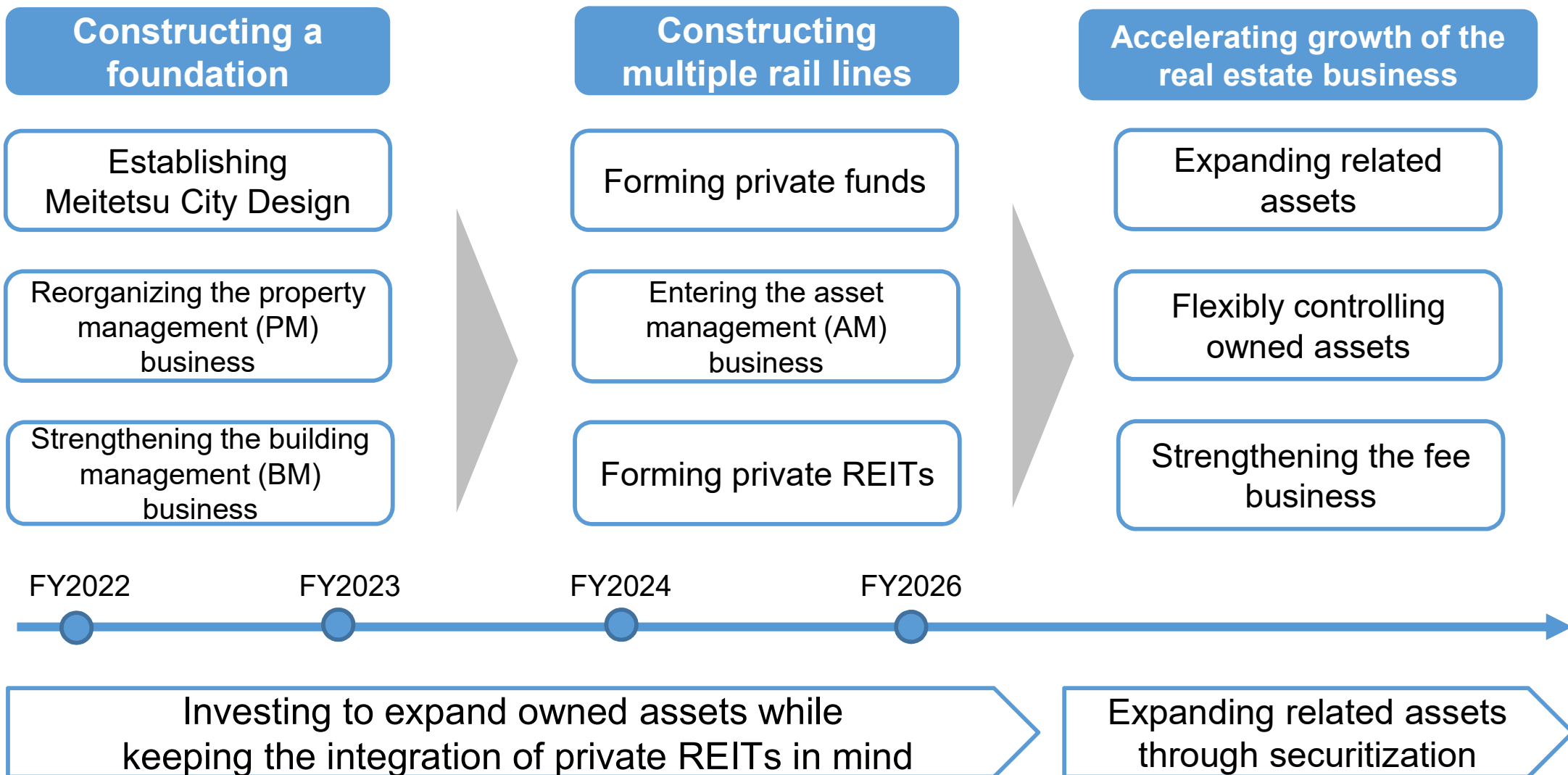
Collaborating and co-creating with Japan's Ministry of the Environment, Takayama City, Matsumoto City and regional operators to create high value added tourist spots in the Matsumoto-Takayama area



# 4 Strengthening projects that create communities: real estate business



Establishing a business model that ensures accelerated growth in the real estate business as well as financial soundness and excess funding procurement capacity



# 4 Strengthening projects that create communities

## —Real estate business: Main development pipeline



### Main projects in the development and planning stages

Note 1. Excludes development of hub stations along rail lines

Note 2. Plans are current forecasts but could change later.

Development name	Location	Completion date (plan)	Size and total floor area	Uses
Shin-Osaka Station South Office PJ	Yodogawa-ku, Osaka City	January 2024	13 floors above ground, around 12,000 m <sup>2</sup>	Office
Nishiogi Former Corporate Dorm Development Plan	Suginami-ku, Tokyo	March 2025	2 floors above ground, around 1,600 m <sup>2</sup>	Rental residences (single-story, 27 units)
Komaki Logistics Facility Development Plan	Komaki City, Aichi Prefecture	FY2025	4 floors above ground, around 54,000 m <sup>2</sup>	Logistics facility
Kyoto City Shimogyo-ku Development Plan	Shimogyo-ku, Kyoto City	FY2025	11 floors above ground, around 5,300 m <sup>2</sup>	Rental residences (around 150 units)
Sakae 1-Chome Development Plan	Naka-ku, Nagoya City	FY2027 or later	TBD	Rental residences

### Main Acquired Properties

Note: Property names are tentative, and acquisition prices have not been announced.

Property name	Location	Acquisition date	Size and total floor area
Meieki Office Building A	Nakamura-ku, Nagoya City	January 2023, already transferred	10 floors above ground, around 3,000 m <sup>2</sup>
Meieki Office Building B	Nakamura-ku, Nagoya City	February 2023, already transferred	9 floors above ground, around 2,500 m <sup>2</sup>
Nerima-ku Rental Residence	Nerima-ku, Tokyo	March 2023, already transferred	5 floors above ground, around 3,500 m <sup>2</sup>
Fushimi Office Building	Naka-ku, Nagoya City	October 2023, already transferred	8 floors above ground, around 4,500 m <sup>2</sup>
Kanayama Office Building A	Naka-ku, Nagoya City	November 2023, planned for transfer	14 floors above ground, around 9,200 m <sup>2</sup>
Kanayama Office Building B	Naka-ku, Nagoya City	November 2023, planned for transfer	5 floors above ground, around 3,900 m <sup>2</sup>
Marunouchi Office Building	Naka-ku, Nagoya City	November 2023, planned for transfer	12 floors above ground, around 6,500 m <sup>2</sup>



# 4 Strengthening projects that support society: Transport business



Strengthening the special consolidated carrier business by constructing a new joint venture system

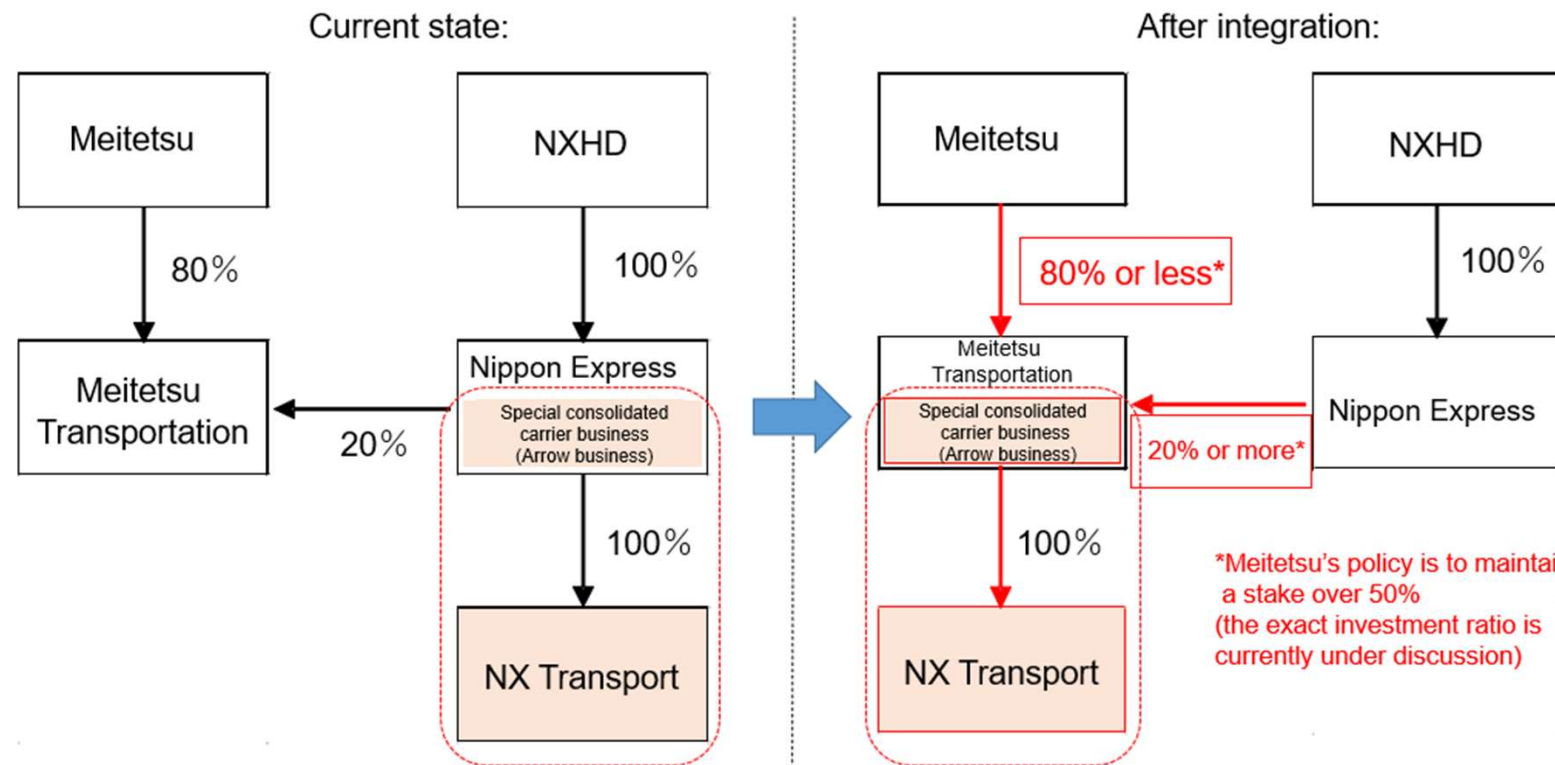
## Conclusion of basic agreement between Meitetsu and NIPPON EXPRESS Holdings Inc. (August 9, 2023)

Began thorough discussions on integrating NX Transport, which is the subsidiary of Nippon Express, and the special consolidated carrier business of Meitetsu Transportation and Nippon Express

### History

- By addressing 2024 problems, such issues as higher personnel and outsourcing costs have become more noticeable.
- Due to the effects from industrial structures and population decline in Japan, we expect the domestic transport volume to continue declining going forward.
- We determined that we need to strive to achieve more efficient operations by strengthening our competitive advantages through integration and leveraging both companies' management resources.

### Scheme



\*Meitetsu's policy is to maintain a stake over 50% (the exact investment ratio is currently under discussion)

02

## Revisions to results forecasts

# Revisions to results forecasts



## Consolidated results forecast summary

### FY2023 full-year forecast

	Revised forecasts	Previous forecasts	Change
Operating revenues	594.0 <small>Billions of yen</small>	588.0 <small>Billions of yen</small>	6.0 <small>Billions of yen</small>
Operating income	30.0 <small>Billions of yen</small>	26.5 <small>Billions of yen</small>	3.5 <small>Billions of yen</small>
Ordinary income	32.0 <small>Billions of yen</small>	27.5 <small>Billions of yen</small>	4.5 <small>Billions of yen</small>
Profit attributable to owners of the parent	21.0 <small>Billions of yen</small>	21.0 <small>Billions of yen</small>	0.0 <small>Billions of yen</small>

	Revised forecasts	Previous forecasts
ROE (net income/shareholders' equity)	5.1 %	5.1 %
ROA (operating income/total assets)	2.4 %	2.2 %
Net interest-bearing debt*/EBITDA multiple	6.9 times	7.2 times
Shareholders' equity ratio	25.7 %	25.7 %

\*Net interest-bearing debt = Interest-bearing debt - Cash, Deposits, and Short-term investment securities

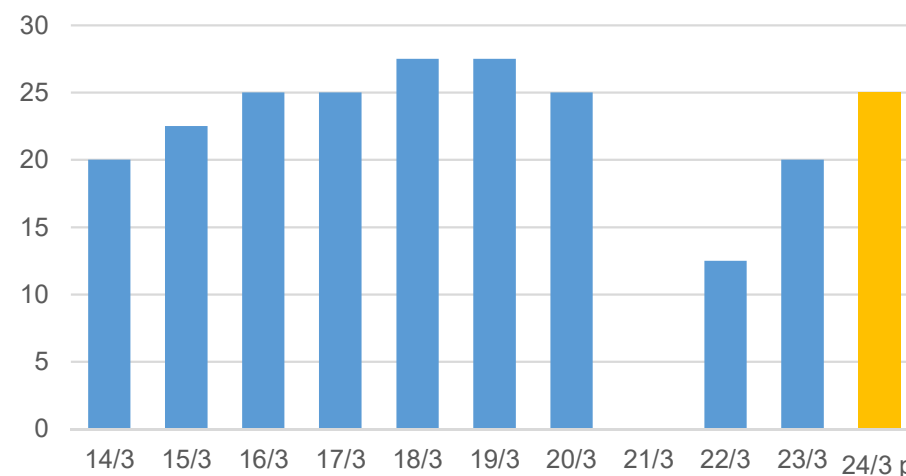
### Dividend per share

(Unit: Yen)

	Revised forecast	Previous forecast	Change
Dividend	25.00	25.00	—

### 【Dividend per share】

(Unit: Yen)



# Revisions to results forecasts



## Summary of full-year consolidated performance forecasts for FY2023

	Revised forecasts	Previous forecasts	Change
Operating revenues	594.0 <small>Billions of yen</small>	588.0 <small>Billions of yen</small>	6.0 <small>Billions of yen</small>
Operating income	30.0 <small>Billions of yen</small>	26.5 <small>Billions of yen</small>	3.5 <small>Billions of yen</small>
Ordinary income	32.0 <small>Billions of yen</small>	27.5 <small>Billions of yen</small>	4.5 <small>Billions of yen</small>
Profit attributable to owners of the parent	21.0 <small>Billions of yen</small>	21.0 <small>Billions of yen</small>	0.0 <small>Billions of yen</small>

## Targets under the Current Medium-term Management Plan

	FY2023 Revised forecast	FY2023 Previous forecast	Medium-term Management Plan Targets (FY2023)
Operating income	30.0 <small>Billions of yen</small>	26.5 <small>Billions of yen</small>	35.0 <small>Billions of yen</small>

(Reference indicator)

	FY2023 Revised forecast	FY2023 Previous forecast	Medium-term Management Plan Targets(FY2023)
ROE (net income/shareholders' equity)	5.1 %	5.1 %	Around 6%
ROA (operating income/total assets)	2.4 %	2.2 %	Around 3%
Net interest-bearing debt* /EBITDA multiple	6.9 times	7.2 times	Around 6 times
Shareholders' equity ratio	25.7 %	25.7 %	Around 25% over the medium to long term

\*Net interest-bearing debt = Interest-bearing debt - Cash, Deposits, and Short-term investment securities

## Breakdown of Operating Income by Segment

(Billions of yen: rounded to the first decimal point)

	Revised forecasts	Previous forecast	Change
Traffic	11.7	8.0	+ 3.7
Transport	2.1	3.7	- 1.6
Real Estate	13.7	11.3	+ 2.4
Leisure and Services	1.8	1.5	+ 0.3
Distribution	- 2.4	- 1.6	- 0.8
Aviation-related services	0.8	1.2	- 0.4
Others	2.4	2.5	- 0.1
Adjustment	- 0.1	0.1	-
Total	30.0	26.5	+ 3.5

## Breakdown of Operating Income by Segment

(Billions of yen: rounded to the first decimal point)

	Revised forecasts	Medium-term Management Plan targets	Change
Traffic	11.7	14.0	- 2.3
Transport	2.1	5.1	- 3.0
Real Estate	13.7	11.0	+ 2.7
Leisure and Services	1.8	1.1	+ 0.7
Distribution	- 2.4	- 0.5	- 1.9
Aviation-related services	0.8	1.8	- 1.0
Others	2.4	2.6	- 0.2
Adjustment	- 0.1	0.1	-
Total	30.0	35.0	- 5.0



03

## Results summary

# Group Business Performance (second quarter results)



## Summary of Consolidated Results

		FY2023 Second Quarter					Previous Forecast (As of May)													
		Apr.-Jun. Results	Jul.-Sept. Results	Cumulative Results	Year-on-year change		Compared to the forecast													
Operating revenues	140.9	Billions of yen	+	142.7	Billions of yen	=	283.7	Billions of yen	+	20.6	Billions of yen	+	7.8 %	283.0	Billions of yen	+	0.7	Billions of yen	+	0.3 %
Operating income	7.7	Billions of yen	+	8.1	Billions of yen	=	15.9	Billions of yen	+	5.7	Billions of yen	+	56.2 %	12.5	Billions of yen	+	3.4	Billions of yen	+	27.2 %
Ordinary income	9.1	Billions of yen	+	8.1	Billions of yen	=	17.2	Billions of yen	+	5.5	Billions of yen	+	47.8 %	13.0	Billions of yen	+	4.2	Billions of yen	+	33.0 %
Profit attributable to owners of the parent	7.2	Billions of yen	+	2.7	Billions of yen	=	9.9	Billions of yen	+	2.2	Billions of yen	+	28.8 %	10.0	Billions of yen	-	0.0	Billions of yen	-	0.2 %

## Quarterly results summary

- Operating revenues: [Increased revenues]** Despite a decline in revenues from the Real Estate business, overall revenues increased thanks mainly to recovery in demand for the Leisure and Services business as well as growth in the number of passengers in the Railroad business.
- Operating income: [Increased income]** While personnel expenses and fuel costs increased, higher revenues led to growth in overall profit.
- Ordinary income: [Increased income]** Profit also grew on the back of the rise in operating income.
- Profit attributable to owners of the parent: [Increased income]** Growth in ordinary income contributed to higher profit, despite the worsening of extraordinary income due to the recording of allowance for refunds of subsidies.

# The Company's Passengers and Transfer Revenues



## Railroad Passengers Results

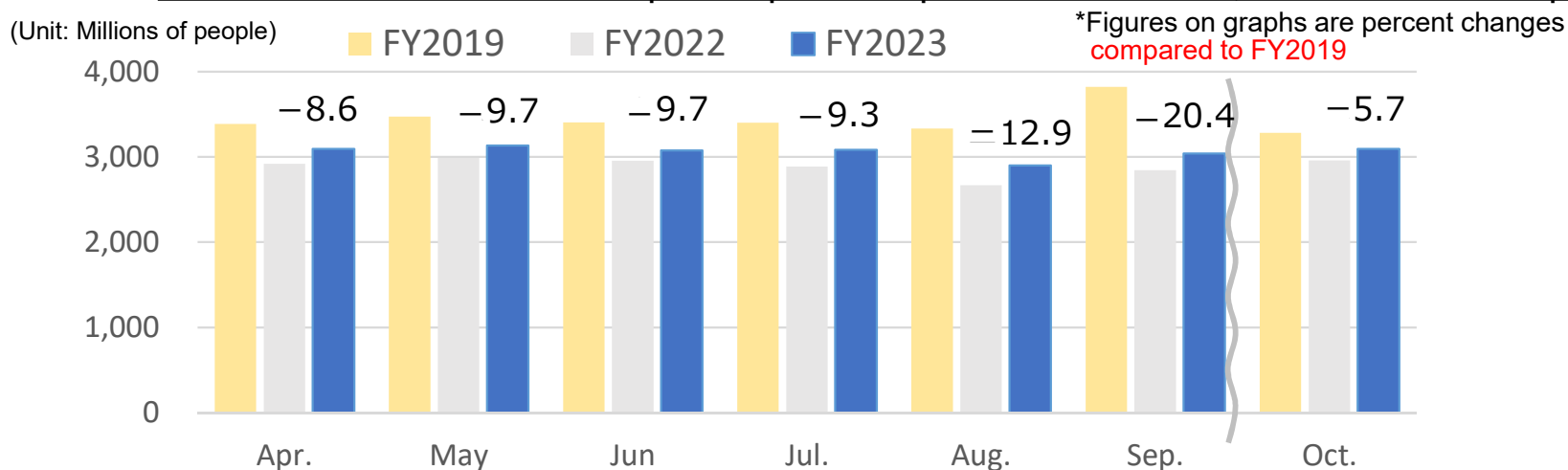
Passengers	FY2023 2Q	Year-on-year percent change	Percent change compared with FY2019
Non-commuters	58,320 thousand Passengers	14.7 %	— 11.4 %
Work commuters	73,810 thousand Passengers	4.0 %	— 13.9 %
School commuters	51,130 thousand Passengers	0.8 %	— 9.5 %
Commuters	124,940 thousand Passengers	2.7 %	— 12.2 %
<b>Total</b>	<b>183,260 thousand Passengers</b>	<b>6.2 %</b>	<b>— 11.9 %</b>

Transfer revenues	FY2023 2Q	Year-on-year percent change	Percent change compared with FY2019
Non-commuters	22.8 Billions of yen	18.6 %	— 12.8 %
Work commuters	14.4 Billions of yen	4.3 %	— 14.7 %
School commuters	3.6 Billions of yen	0.4 %	— 9.5 %
Commuters	18.1 Billions of yen	3.4 %	— 13.6 %
<b>Total</b>	<b>40.9 Billions of yen</b>	<b>11.4 %</b>	<b>— 13.2 %</b>

Note: Transfer revenue from non-commuters include special car fees.

## Number of Railroad Passengers

Cumulative number for the April–September period: 183 million, down 11.9% compared with FY2019



### International flight trends for the Central Japan International Airport (Centrair)

As of April 1, 2023  
12 cities, 130 flights per week

As of November 1, 2023  
17 cities, 219 flights per week

#### Reference

Summer 2019:  
34 cities, 402 flights per week

Winter 2019:  
42 cities, 486 flights per week

Source: The official website of Central Japan International Airport Co., Ltd.

- The number of non-commuters has been on a recovery track since COVID-19's transition to Class V Infectious Disease status in May 2023.
- Number of passengers on the Airport Line remained high compared with the same period of the previous fiscal year due in part to recovery in the number of domestic flight passengers using Centrair to approximately 90% of the number recorded prior to the COVID-19 pandemic, along with growing demand arising from events held at Aichi International Convention & Exhibition Center. However, the number of international flight passengers remained less than 40% of the number recorded in the pre-pandemic period. Reflecting this, the current passenger numbers indicate only modest recovery compared with the FY2019 level.

# 04

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



# Fare Revisions in the Traffic Business

## Date of Fare Revisions (scheduled)

	Company name	Date
Railroad business	Nagoya Railroad	March 16, 2024 (planned)
	Toyohashi Railroad	March 16, 2024 (planned)
Bus business	Meitetsu Bus	Implemented on October 1, 2023
	Gifu Bus	Implemented on October 1, 2023
	Meitetsu Kanko Bus	Implemented on October 1, 2023
	Toyotetsu Bus	December 1, 2023 (planned)
	Tohnoh Tetsudou	February 2024 (planned)

	Area	Date
Taxi business	Nagoya area	Implemented on December 5, 2022
	Owari and Mikawa area	Implemented on March 20, 2023
	Gifu area	Implemented on March 20, 2023
	Kanazawa and Ishikawa area	Implemented on June 26, 2023
	Hida area	Implemented on July 21, 2023
	Mie area	Implemented on September 11, 2023

- Transportation demand is expected to remain below the pre-pandemic level.
- There are concerns regarding expense growth due to surges in fuel and material prices.

The management environment is likely to remain harsh going forward.



For us to continue our business operations and continue contributing to society over the long term, we need to execute such measures as:

- Implementing necessary capital expenditures
- Improving customer services
- Raising wages for employees to secure human resources

We thus decided to execute fare revisions while promoting structural reforms aimed at realizing sustainable business management.

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



## Execute structural reforms aimed at realizing a sustainable Railroad business while steadily implementing necessary measures to secure business continuity

### Promoting structural reforms

Making steady progress under initiatives undertaken between FY2021–2023 with the aim of **improving annual profitability by around ¥3.0 billion**

▶ **Making station operations more efficient and modernized while promoting unmanned stations**

Equipping new ticketing machines with commuter pass ticketing functions  
(May: School commuter pass ticketing machines\*  
manaca commuter passes)

Revising the placement of station employees and expanding the scope of unmanned stations (July, September, December)  
Expanding traffic light controls using PTC (August: Shin Anjō area)

▶ **Making facility maintenance more efficient and digital**

Initiating the full-scale operation of track crossing monitoring systems

▶ **Promoting transportation optimization while improving operational efficiency in a manner that aligns with demand for each train line**

### Initiatives to deliver greater convenience

▶ **Increasing the sophistication of passenger communications**

Launching a service that enables passengers to search for lost property via chat (July)  
Installing electronic-texting communication and chatting functions in station office interphones (September)

▶ **Seamless and stress-free mobility services**

A pilot test of a touch payment-based boarding system (since spring 2024)  
A pilot test of a QR code-based ticket gate passage system (since spring 2024)

### Specific initiatives to be undertaken

Promoting necessary initiatives to maintain safe, secure, and stable transportation as we continue contributing to society over the long term  
⇒ **Executing fare revisions** to ensure that the above initiatives are steadily promoted (**Growth in revenues: Approx. ¥7.0 billion/year**)

▶ **Thoroughly ensuring safety and security**

Updating and repair of aged facilities  
Promoting elevated railways and connected crossings  
Ongoing implementation of construction work aimed at enhancing earthquake resistance and other disaster countermeasures  
Promoting accident and disaster prevention measures that employ new technologies

▶ **Delivering value that accommodates requests from society**

Extensively renovating Meitetsu Nagoya Station  
Strengthening security measures and response to abnormalities

- Installing in-train security cameras
- Implementing crime-prevention and disaster-countermeasure drills, etc.

Initiatives related to ESG / SDGs

- Introducing railcars with superior environmental performance
- Switch passenger space lighting in stations and railcars to LEDs, etc.

▶ **Further improvement of customer services**

Developing a mobility environment that provides every customer with easy access

- Making our facilities barrier-free
- Enhancing information delivered to customers
- Expanding the content of our services through the installation of new station equipment, etc.

Upgrading web-based services (MaaS, Meitetsu Net Reservation Service, etc.)

▶ **Initiatives to realize a sustainable Railroad business**

Making station operations more efficient and modernized  
Promoting transportation optimization while improving operational efficiency in a manner that aligns with demand for each train line  
Making facility maintenance more efficient and digital  
Promoting a structure that supports a locally-rooted business approach

- Nurturing care-givers and dementia supporters
- Introducing discounted fares for people with mental disabilities

# Further strengthening the earnings power of the Real Estate business



Further strengthening the earnings power of the Real Estate business by developing the parking business and high-end condominiums for sale

## Enhancing the profitability of the parking business



### ➤ Commissioned management of large parking lots

- Large parking garage in Tokyo: 409 cars (since April 2021)
- Parking lots owned by Nagoya City: Three locations, 924 cars (since April 2023)
- Parking lots at sports arenas: 685 cars (since April 2023)
- \*Entry into the PFI business

### ➤ Pursuing efficiency by shifting to in-house operations

- Repair work aimed at reusing fare adjustment machines and locking plates (since February 2022)
- Shift to in-house call centers from external ones (since February 2021)

### ➤ Improving the precision of our decision making via the use of analysis data regarding passenger traffic

Utilizing passenger traffic data services that employ cellphone positional information in coin parking development. This enhanced precision in development-related decision making, thanks to the acquisition of data regarding the number of passengers in specific areas, by weekday and hour, as well as attributes of visitors, commuters and residents. This data is also utilized to set fares in a way that takes nighttime population into account.

## Unveiled “FUDE,” the highest-grade brand of condominiums to be sold by Meitetsu City Design

- Winning new customers by delivering high-end properties for the affluent in excellent locations near the center of the Tokyo metropolitan area
- Unveiled 【Shumokucho Residence The FUDE】, the first property under this brand
- The property was constructed as ZHE-oriented condominiums that give due consideration to the environment.

Address	Shumokucho, Higashi-ku, Nagoya City, Aichi Prefecture
Site area	Approx. 3,200 m <sup>2</sup>
Total land area	Approx. 10,300 m <sup>2</sup>
Structure size	Steel-framed reinforced concrete with 8 floors above ground and 1 floor underground
Total number of housing units	59 units
Commencement of delivery	Early March 2025

F U D E  
FUTURE DESIGN



## Expanding the scope of business collaboration with external partners at a faster pace

### Formed a capital and business alliance with Prodrone Co., Ltd. (July 25, 2023)

#### Overview

- Prodrone\* will execute capital increase via third-party allotment of shares, with Meitetsu becoming an allottee
  - \* A manufacturer headquartered in Nagoya City and specialized in industrial drones
- Meitetsu Drone Academy operates drone operation-related classes by using industrial drones developed by Prodrone. In addition, taking advantage of resources afforded by the Meitetsu Group, we will consider collaboration in such areas as drone maintenance, log analysis, business support and application development. In this way, we will enhance the content of support available to users of Prodrone products while accelerating the development of new services.
- This investment is project No. 1 for the Meitetsu Open Innovation Lab, which was established in April 2023

### Conducted a pilot test (September 2023)

We conducted a pilot test focused on accessing the feasibility of agricultural crop transportation and shopping assistance backed via the coordinated use of drones and autonomous vehicles in Kotacho. This project was adopted by the Ministry of Land, Infrastructure, Transport and Tourism through a public posting under the “Last Mile Delivery Verification Project Using Drones, etc.”



### Made Rokugo CO., LTD. and Rokuou Estate Co., Ltd. subsidiaries (November 15, 2023)

#### 〈Company outline〉

Company name	Rokugo Co., Ltd.	Rokuou Estate Co., Ltd
Address	3-10-33 Nishiki, Naka-ku, Nagoya City	
Establishment	1999 (founded in 1947)	2018
Main business	<ul style="list-style-type: none"> <li>•Regions: Aichi, Gifu, Mie, etc.</li> <li>•Customers: Focused on serving private corporations</li> </ul>	
	<ul style="list-style-type: none"> <li>• General constructor (mainly new building construction)</li> <li>• Design, supervision and implementation of construction and construction and civil engineering work</li> <li>• Construction of housing complexes, commercial facilities, hotels, logistics facilities, childcare facilities, etc.</li> </ul>	<ul style="list-style-type: none"> <li>•Building management</li> <li>•General constructor business (mainly repair work)</li> </ul>
Number of employees	32 (total of both companies)	

Rokugo is expected to bring experience, know-how and human resources amassed in the course of engagement in construction over many years while taking deep root in the community. We will combine these assets with the Meitetsu Group’s comprehensive capabilities backed by the hard-earned trust of local residents and its diverse business portfolio, with the aim of securing abilities to flexibly meet a variety of construction needs among local businesses, municipal bodies, individual customers and other members of the community, as well as Group companies. Furthermore, the inclusion of these two companies will enable the Group to develop an even more robust structure capable of rallying all of its resources to promote town building.

- Renamed in conjunction with becoming subsidiaries
  - Rokugo Co., Ltd. ⇒ Meitetsu Rokugo Co., Ltd.
  - Rokuou Estate Co., Ltd. ⇒ Meitetsu Rokuou Estate Co., Ltd.



## Aiming for expansion in LTV by promoting data-driven marketing

### Promoting the digital marketing business that connects railroad stations and stores along train lines (September)

➢ Meitetsu and ITOCHU Corporation will conduct joint verification and discussions in various fields to develop new marketing business models informed by consumer data. Specifically, these companies will strive to develop innovative marketing solutions that involve the provision of information services aligned with behavioral patterns of residents of communities along train lines and, to this end, bring to bear their insights and consumer contact points.

#### Specific initiatives

- Provide various services based on the “CentX” app that utilize beacons installed at FamilyMart stores and Meitetsu station facilities as well as other information services, including push notifications regarding products and FamilyMart coupons, etc.
- Confirmation of the effect of measures to attract store visitors and other marketing activities while enhancing our understanding of pre- and post-purchase consumer activities and behavioral patterns.



### Opened the official LINE account of the Meitetsu Group (September)

➢ We invite residents of communities along train lines to register as our “LINE friends” so that we can provide them with information regarding Meitetsu Group services, which will bring discounts or otherwise be helpful to recipients, in line with user interest and lifestyles. Moreover, coordination between LINE friend and Meitetsu Muse member databases will provide us with information regarding consumer attributes and service usage which, in turn, enables us to promote One-to-One marketing. In these ways, we will step up measures to attract passengers and promote sales activities within the Meitetsu Group.

#### Main functions of the official LINE account of the Meitetsu Group

- Provision of information regarding where to go in areas along train lines, how to get discounts, etc.
- Digital membership cards for Meitetsu Muse members
- Distribute coupons that are granted only to Meitetsu Muse members



**Number of LINE friends  
as of October 31, 2023:  
Approx. 210,000**

# Initiatives to enhance the ratio of passengers taking public transport

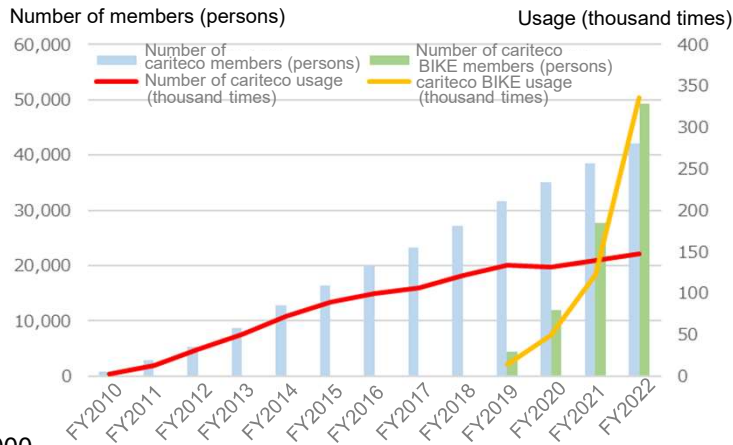


Promoting various initiatives aimed at enhancing the ratio of passengers taking public transport by, for example, expanding the scope of mobility

## Car sharing and bicycle sharing

The cariteco service, launched by the Meitetsu Kyosho Group in FY2010, has mainly served the Tokai area while expanding in Tokyo, Osaka and elsewhere. The cariteco BIKE, a bicycle sharing service launched in 2019, is currently expanding mainly in Nagoya City.

<Trend in number of members and usage>



- As of September 30, 2023  
Number of cariteco members: Approx. 44,000  
Number of cariteco BIKE members: Approx. 68,000

## Enhancement of “CentX” functions



- Initiated coordination with “EX service,” which enables users to make reservations for Tokaido, Sanyo and Kyushu shinkansen seats (since October 3, 2023)
- Nagano Prefecture was included in areas subject to transfer search (since October 27, 2023)
- Cumulative number of app downloads as of October 30, 2023: 930,000

## On-demand transport and free boarding and deboarding system (bus)



We will participate in a pilot test of on-demand transport in Yahagi district of Okazaki City while introducing a free boarding and deboarding system in Kasugadai District in Kasugai City. In these ways, we will promote initiatives aimed at reducing burden placed on users in the course of movement.

## Automated operation



Participated in a pilot test conducted by Okazaki City regarding automated vehicle operations (October 28 to November 5, 2023)

## Smart Roadway Transit (SRT) system



Meitetsu Bus was chosen to be nominated as an initial operator of the Smart Roadway Transit (SRT) system promoted by Nagoya City Aiming to commence operation in FY2025

Working in collaboration with local communities to realize a sustainable society while striving to reduce environmental burden

## Signed an agreement with Nagoya City regarding the supply of electricity via the use of EV taxis at times of disasters

- Meitetsu Taxi Holdings signed an agreement with Nagoya City to make its own EVs capable of serving as energy sources available to the latter at times of disasters to supply energy to evacuation shelters and other facilities. In this way, both parties will facilitate mutual cooperation aimed at ensuring that immediate disaster countermeasures are smoothly undertaken.
- Meitetsu Taxi Holdings has already introduced Nissan Leaf and Ariya for use as EV taxis. Going forward, the company plans to introduce Tesla's Model 3 and Model Y. Thus, by the end of FY2023, its fleet is expected to include a total of 54 EVs (Nissan Leaf: 22 vehicles; Nissan Ariya: 22 vehicles; Tesla Model 3: 5 vehicles; and Tesla Model Y: 5 vehicles).



«Nissan Leaf»



Logo mark indicating its capability to serve as an emergency energy source



«Nissan Ariya »

## Initiatives involving the installation of solar panels at the Meitetsu Truck Terminal Chubu, etc.

- The Meitetsu Truck Terminal Chubu launched operations in May 2023. This comprehensive logistics facility is equipped with storage warehouse, distribution, and processing capabilities to fulfil nationwide shipment functions.
- As part of environmental countermeasures, the facility will be equipped with rooftop solar panels to procure energy for daytime consumption. Surplus energy is expected to be sold externally (obtained the A rank under CASBEE certification system and a five-star rating under the BELS certification system while acquiring ZEB certification).
- As part of business continuity planning (BCP) measures, in-house generators will be installed. These will meet a portion of the Konan branch emergency energy needs for the office and some truck berths. By doing so, we will develop a framework enabling us to continue nationwide shipment even in times of disaster.
- Other initiatives include the introduction of a membrane filtering system that makes it possible to utilize groundwater as well as the establishment of an in-house childcare facility (Koguma-En).



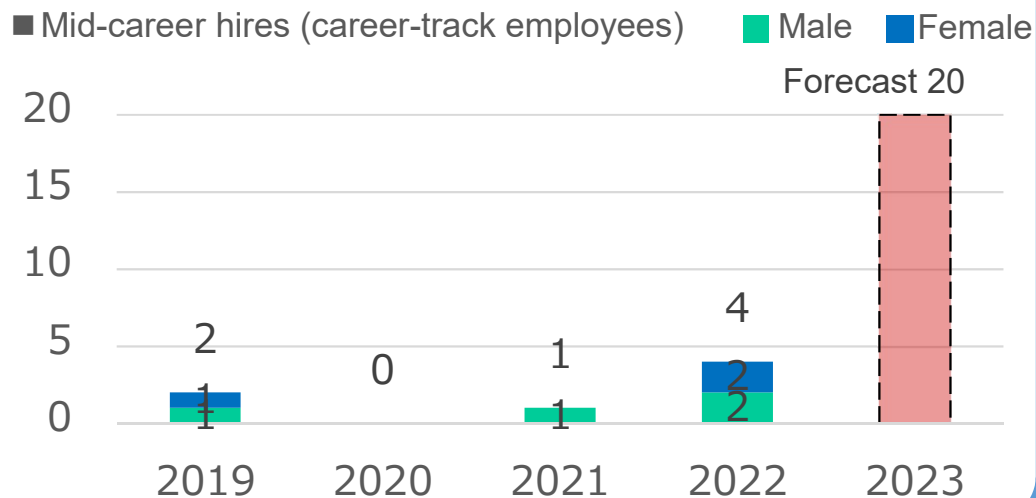


# Sustainability Initiatives (2)

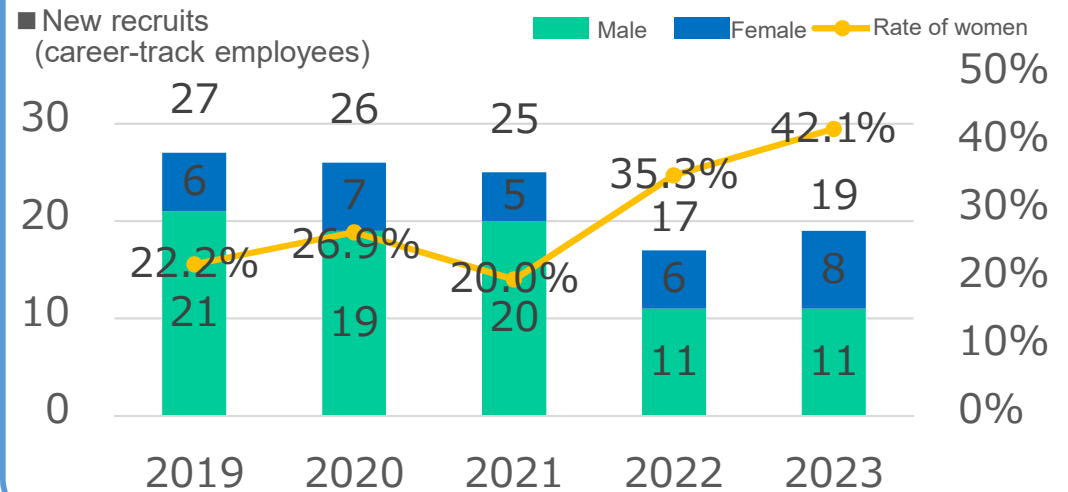


Striving to empower diverse human resources to achieve success in order to secure sustainable corporate growth

## Expanding the number of mid-career hires\*



## Promote women's empowerment\*



## Introducing a welcome-back system\*

- **A total of five ex-employees rejoined the workforce** as of November 1, 2023

## Promotion of foreign national human resources

<Main fields of assignments>

Hotel business, aircraft maintenance, vehicle maintenance, cleaning, etc.

## Encouraging male employees to take childcare leave\*

Ratio of employees who took childcare leave	FY2022	FY2023 (As of October 31)
Male	54.5%	73.0%
Female	100%	100%



05

## 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,%)

	FY2023 1st Half	FY2022 1st Half	Change	Notes	Previous Forecast (As of May)	Change
Operating revenues	<b>283,728</b>	263,125	20,603 (7.8)		283,000	728 (0.3)
Operating income	<b>15,900</b>	10,180	5,720 (56.2)		12,500	3,400 (27.2)
Ordinary income	<b>17,293</b>	11,701	5,592 (47.8)	Non-operating revenues -185 (Subsidies for employment adjustment -541) Non-operating expenses -58	13,000	4,293 (33.0)
Extraordinary income	<b>1,153</b>	1,317	-163	Gain on sales of investment securities -334	700	453
Extraordinary losses	<b>3,694</b>	841	2,853	Allowance for refunds of subsidies +2,288	500	3,194
Profit before income taxes	<b>14,753</b>	12,177	2,575 (21.2)		13,200	1,553 (11.8)
Income taxes	<b>4,587</b>	4,199	388		2,800	1,787
Profit attributable to non-controlling interests	<b>185</b>	230	-45		400	-214
Profit attributable to owners of the parent	<b>9,980</b>	7,746	2,233 (28.8)		10,000	-19 (-0.2)

## Changes in consolidated subsidiaries and equity-method affiliates (compared to Mar. 31, 2023)

- ◆ 104 consolidated subsidiaries (-3): No growth  
(-3) Toyotetsu Kanko Bus (merged) MELSA (merged) Meitetsu Kotsu Shoji (merged)
- ◆ 14 equity-method affiliates (+1): Increase of one company, XYMAX TOKAI (new addition)

# 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 as well as an increase in passengers in the Railroad business. Although personnel costs increased, profit improved on every level.)

<p>Operating revenues + ¥20.6 billion</p>	<ul style="list-style-type: none"> <li>+ Leisure and Services +11.8 (Travel +7.5, Hotel +3.2, Tourist Facilities +1.1)</li> <li>+ Traffic +7.9 (Railroad +4.2 (Passengers +6.2%: Non-commuters +14.7%, Commuters +2.7%), Bus +2.5, Taxi +1.2)</li> <li>+ Other +1.5 (Other +1.1 (increase in system-related orders), Equipment Maintenance +0.4)</li> <li>+ Distribution +0.8 (Change in scope of consolidation: inclusions and exclusions +0.6)</li> <li>- Real Estate -2.0 (Real Estate Condo Sales -3.2 (decrease in number of condominiums for purchase delivered), Rentals +0.9 (after eliminating inter-segment trade))</li> </ul>	<p>(Unit: Billions of yen)</p>
<p>Operating expenses + ¥14.8 billion</p>	<ul style="list-style-type: none"> <li>+ Personnel costs +3.9 (Traffic +1.5, Leisure and Services +0.6, Transport +0.5)</li> <li>+ Fuel expenses +0.8 (Transport +0.5 (Maritime Transport +0.4, Truck +0.1), Traffic +0.3 (Bus +0.2, Railroad +0.1))</li> </ul>	
<p>Operating income + ¥5.7 billion</p>	<ul style="list-style-type: none"> <li>+ Traffic +5.3 (Railroad +3.6, Bus +1.4, Taxi +0.4)</li> <li>+ Leisure and Services +2.3 (Hotel +1.5, Travel +0.5, Tourist Facilities +0.3)</li> <li>- Transport -0.9 (Truck -0.6 (including International Cargo -0.2), Maritime Transport -0.4)</li> </ul>	
<p>Ordinary income + ¥5.5 billion</p>	<p>Profits increased due to an increase in operating income despite a decrease in subsidies for employment adjustment and other negative factors. (Non-operating loss -1)</p>	
<p>Net profit + ¥2.2 billion</p>	<p>Profits increased due to higher ordinary income despite worsening extraordinary income attributable to the recording of a provision for return of subsidies. (Extraordinary income -3.0)</p>	

Compared with previous forecasts (from May): **Higher revenues** • **Higher operating income** (Revenues were mostly in line with forecasts. Because fuel and other expenses were lower than expected, ordinary income and other profit increased. Net profit was on par with forecasts due to worsening extraordinary income.)

<p>Operating revenues + ¥0.7 billion</p>	<ul style="list-style-type: none"> <li>+ Leisure and Services +4.0 (Travel +4.0, Hotel +0.4, Tourist Facilities -0.4)</li> <li>+ Real Estate +0.8 (Rentals +0.7, Real Estate Condo Sales +0.2 (number of condominiums for purchase delivered +23))</li> <li>- Distribution -2.4 (decrease in revenues from imported vehicle sales), Transport -1.6 (Truck -1.7 (including International Cargo -0.8), Maritime Transport +0.1)</li> </ul>	
<p>Operating income + ¥3.4 billion</p>	<ul style="list-style-type: none"> <li>+ Traffic +2.6 (Railroad +2.1, Bus +0.5), Real Estate +2.4 (Rentals +1.8, Real Estate Condo Sales +0.6)</li> <li>- Transport -1.3 (Truck -1.4), Distribution -0.8 (other goods sold -0.9, Department Store +0.1), Aviation -0.6</li> </ul>	
<p>Ordinary income + ¥4.2 billion</p>	<p>Improvement in non-operating income due in part to an increase in investment income from equity-method affiliates +0.8</p>	
<p>Net profit - ¥0.01 billion</p>	<p>Extraordinary income worsened due in part to the recording of a provision for the return of subsidies in addition to an increase in income taxes. -2.7</p>	

# Operating Results by Segment



(Units : Millions of yen,%)

Operating revenues	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	Previous Forecast (As of May)	Change	Percent Change
Traffic	<b>72,636</b>	64,727	7,909	12.2	72,200	436	0.6
Transport	<b>69,347</b>	68,705	642	0.9	71,000	-1,652	-2.3
Real Estate	<b>45,517</b>	47,556	-2,039	-4.3	44,700	817	1.8
Leisure and Services	<b>48,365</b>	36,488	11,876	32.5	44,300	4,065	9.2
Distribution	<b>31,666</b>	30,771	894	2.9	34,100	-2,433	-7.1
Aviation Services	<b>11,941</b>	11,228	713	6.4	12,300	-358	-2.9
Others	<b>21,725</b>	20,188	1,537	7.6	22,000	-274	-1.2
Adjustment	<b>-17,472</b>	-16,541	-931	-	-17,600	127	-
Total	<b>283,728</b>	263,125	20,603	7.8	283,000	728	0.3

Operating income	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	Previous Forecast (As of May)	Change	Percent Change
Traffic	<b>8,063</b>	2,710	5,352	197.4	5,400	2,663	49.3
Transport	<b>994</b>	1,928	-933	-48.4	2,300	-1,305	-56.8
Real Estate	<b>6,682</b>	6,627	55	0.8	4,200	2,482	59.1
Leisure and Services	<b>1,824</b>	-531	2,356	-	1,000	824	82.5
Distribution	<b>-1,902</b>	-1,471	-431	-	-1,100	-802	-
Aviation Services	<b>-325</b>	351	-676	-	300	-625	-
Others	<b>481</b>	522	-40	-7.8	400	81	20.5
Adjustment	<b>81</b>	42	38	-	0	81	-
Total	<b>15,900</b>	10,180	5,720	56.2	12,500	3,400	27.2

Year-on-year comparisons  
 Traffic: Increased revenues and income  
 Real Estate: Decreased revenues and increased income  
 Transport, Others: Increased revenues and decreased income  
 Aviation Services: Increased revenues and the recording of a loss  
 Leisure and Services: Increased revenues and a return to profitability  
 Distribution: Increased revenues and expanded loss



# Traffic Business



(Units : Millions of yen,%)

	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	Notes
Operating revenues	<b>72,636</b>	64,727	7,909	12.2	Revenues increased due in part to higher passenger numbers in the Railroad and Bus businesses.
Operating income	<b>8,063</b>	2,710	5,352	197.4	Profit increased due to higher revenues despite increases in personnel and fuel costs.

## ◆ Breakdown of Traffic Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	FY2023 1st Half	FY2022 1st Half	Change	Percent Change
Railroad	<b>43,934</b>	39,664	4,269	10.8	<b>6,340</b>	2,769	3,570	128.9
Bus	<b>19,160</b>	16,637	2,522	15.2	<b>1,242</b>	-169	1,412	—
Taxi	<b>10,547</b>	9,272	1,274	13.7	<b>391</b>	40	350	856.7
Adjustment	<b>-1,005</b>	-847	-157	—	<b>88</b>	69	18	—
Traffic Total	<b>72,636</b>	64,727	7,909	12.2	<b>8,063</b>	2,710	5,352	197.4

## <Nagoya Railroad, Transportation Results>

(Units : Millions of yen, %)

Transfer Revenues	FY2023 1st Half	FY2022 1st Half	Percent Change
Non-commuters	<b>22,882</b>	19,300	18.6
Work commuters	<b>14,451</b>	13,861	4.3
School Commuters	<b>3,660</b>	3,646	0.4
Commuters	<b>18,111</b>	17,507	3.4
Total	<b>40,993</b>	36,807	11.4

(Units : Thousands of people, %)

Passengers	FY2023 1st Half	FY2022 1st Half	Percent Change
Non-commuters	<b>58,320</b>	50,843	14.7
Work commuters	<b>73,810</b>	70,965	4.0
School Commuters	<b>51,131</b>	50,716	0.8
Commuters	<b>124,941</b>	121,681	2.7
Total	<b>183,261</b>	172,524	6.2

Note : Transfer revenues from non-commuters include special car fees.

(Units : Millions of yen,%)

	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	Notes
Operating revenues	<b>69,347</b>	68,705	642	0.9	Despite the negative effects on the income of the Truck business of poor performance in the International Cargo business, overall revenues increased due to higher revenues in the Maritime Transport business.
Operating income	<b>994</b>	1,928	-933	-48.4	The decrease in income reflected increased transportation subcontracting fees in the Truck business in addition to higher personnel and fuel costs.

## ◆ Breakdown of Transport Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	FY2023 1st Half	FY2022 1st Half	Change	Percent Change
Truck	<b>76,545</b>	76,899	-353	-0.5	<b>293</b>	904	-611	-67.6
Maritime Transport	<b>9,100</b>	8,663	437	5.0	<b>639</b>	1,019	-380	-37.3
Adjustment	<b>-16,298</b>	-16,857	559	—	<b>61</b>	3	57	—
Transport Total	<b>69,347</b>	68,705	642	0.9	<b>994</b>	1,928	-933	-48.4

# Real Estate Business



(Units : Millions of yen,%)

	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	Notes
Operating revenues	<b>45,517</b>	47,556	-2,039	-4.3	Revenues decreased due to a decline in the number of condominiums for purchase delivered despite higher revenues in the Rentals business.
Operating income	<b>6,682</b>	6,627	55	0.8	Although revenues decreased, profit was on par with the previous year due in part to higher profit in the Rentals business.

## ◆ Breakdown of Real Estate Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	FY2023 1st Half	FY2022 1st Half	Change	Percent Change
Real Estate Rental	<b>25,783</b>	24,137	1,646	6.8	<b>5,316</b>	4,623	693	15.0
Real Estate Condo Sales	<b>17,090</b>	20,309	-3,218	-15.8	<b>1,081</b>	1,769	-687	-38.9
Real Estate Management	<b>6,837</b>	6,577	260	4.0	<b>291</b>	218	72	33.2
Adjustment	<b>-4,194</b>	-3,467	-727	—	<b>-6</b>	16	-23	—
Real Estate Total	<b>45,517</b>	47,556	-2,039	-4.3	<b>6,682</b>	6,627	55	0.8

## <Number of Meitetsu Real Estate Condo Sales>

(Units : Units sold , %)

	FY2023 1st Half	FY2022 1st Half	Change
Number of condos sold(total)	<b>346</b>	482	-28.2
Nagoya	<b>86</b>	42	104.8
Tokyo	<b>104</b>	378	-72.5
Osaka	<b>156</b>	62	151.6

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

(Units : %)

	FY2023 1st Half	FY2022 1st Half	Percent Change
Owned Spaces	<b>90,560</b>	87,257	3.8
Owned Lots	<b>3,934</b>	3,989	-1.4

# Leisure and Services Business



(Units : Millions of yen,%)

	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	Notes
Operating revenues	<b>48,365</b>	36,488	11,876	32.5	Revenues increased, especially in the Travel and Hotel businesses, due to a recovery in tourism demand.
Operating income	<b>1,824</b>	-531	2,356	—	The business returned to profitability due in part to higher profit in the Travel business in addition to improved balance sheets in the Hotel business.

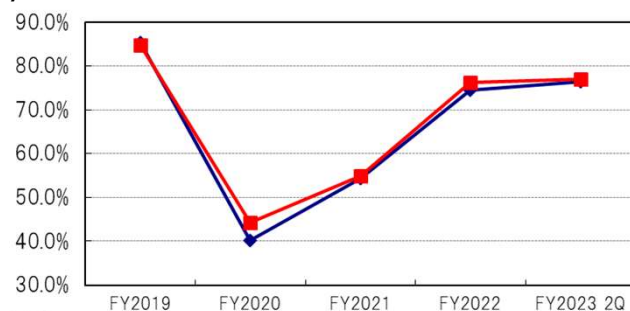
## ◆ Breakdown of Leisure and Services Business ◆

(Units : Millions of yen,%)

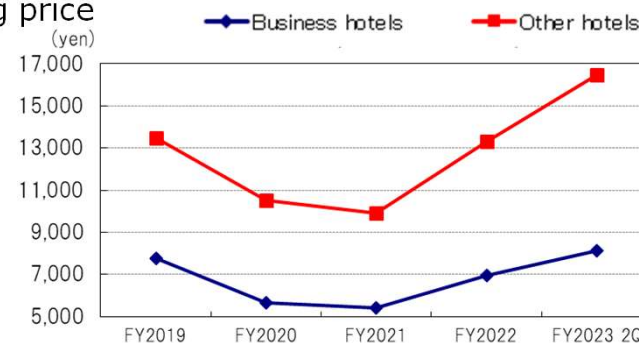
	Operating revenues				Operating income			
	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	FY2023 1st Half	FY2022 1st Half	Change	Percent Change
Hotel	<b>10,149</b>	6,946	3,202	46.1	<b>-121</b>	-1,654	1,532	—
Tourist Facilities	<b>10,149</b>	8,969	1,179	13.2	<b>681</b>	362	319	88.0
Travel	<b>28,361</b>	20,871	7,489	35.9	<b>1,274</b>	779	495	63.6
Adjustment	<b>-294</b>	-299	4	—	<b>-10</b>	-18	8	—
Leisure and Services Total	<b>48,365</b>	36,488	11,876	32.5	<b>1,824</b>	-531	2,356	—

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

#### (1) Occupancy rate



#### (2) Lodging price





(Units : Millions of yen,%)

	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	Notes
Operating revenues	<b>31,666</b>	30,771	894	2.9	Revenues increased due to higher revenues from department stores and contributions from subsidiaries engaged in the sale of other goods that were included in the scope of consolidation in the previous fiscal year.
Operating income	<b>-1,902</b>	-1,471	-431	—	The margin of loss expanded due in part to worsened balance sheets for sales of imported vehicles.

## ◆ Breakdown of Distribution Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	FY2023 1st Half	FY2022 1st Half	Change	Percent Change
Department Store	<b>8,458</b>	8,108	350	4.3	<b>-1,486</b>	-1,355	-130	—
Other goods sold	<b>23,336</b>	22,709	626	2.8	<b>-346</b>	86	-433	—
Adjustment	<b>-128</b>	-46	-81	—	<b>-69</b>	-202	132	—
Distribution Total	<b>31,666</b>	30,771	894	2.9	<b>-1,902</b>	-1,471	-431	—

(Units : Millions of yen,%)

	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	Notes
Operating revenues	<b>11,941</b>	11,228	713	6.4	Revenues increased due to higher orders in the aviation maintenance business and the in-flight catering business.
Operating income	<b>-325</b>	351	-676	—	Despite higher revenues, we recorded a loss due in part to higher renovation costs.

## ◆ Breakdown of Aviation Services Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	FY2023 1st Half	FY2022 1st Half	Change	Percent Change
Aviation Services	<b>12,086</b>	11,387	698	6.1	<b>-331</b>	350	-682	—
Adjustment	<b>-144</b>	-159	14	—	<b>6</b>	0	5	—
Aviation Services Total	<b>11,941</b>	11,228	713	6.4	<b>-325</b>	351	-676	—

(Units : Millions of yen,%)

	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	Notes
Operating revenues	<b>21,725</b>	20,188	1,537	7.6	Revenues increased due to higher orders related to systems.
Operating income	<b>481</b>	522	-40	-7.8	Despite higher revenues, profit decreased due in part to costs associated with the opening of new businesses.

## ◆ Breakdown of Others ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2023 1st Half	FY2022 1st Half	Change	Percent Change	FY2023 1st Half	FY2022 1st Half	Change	Percent Change
Equipment Maintenance	<b>9,944</b>	9,485	459	4.8	<b>-184</b>	-198	13	—
Others	<b>12,247</b>	11,065	1,182	10.7	<b>662</b>	717	-54	-7.6
Adjustment	<b>-466</b>	-362	-104	—	<b>3</b>	3	-0	—
Others Total	<b>21,725</b>	20,188	1,537	7.6	<b>481</b>	522	-40	-7.8

# Non-Operating Income and Extraordinary Income



(Units: Millions of yen)

	FY2023 1st Half	FY2022 1st Half	Change	Notes
<b>Non-operating income</b>	<b>3,087</b>	3,273	-185	
Interest income	21	13	8	
Dividend income	757	685	71	
Equity in net earnings of affiliates	1,262	1,121	141	
Subsidies for employment adjustment	22	0	22	
Others	1,022	1,452	-430	Decrease in subsidies for employment adjustment
<b>Non-operating expenses</b>	<b>1,694</b>	1,752	-58	
Interest expenses	1,482	1,406	75	
provision for loss on liquidation	—	95	-95	
Others	211	250	-38	
<b>Total non-operating income</b>	<b>1,393</b>	1,520	-127	
<b>Extraordinary income</b>	<b>1,153</b>	1,317	-163	
Gain on sales of investment securities	545	341	203	(current year) Land for business, etc.
Gain on sale of fixed assets	419	328	90	(current year) Construction to make train stations barrier-free, etc.
Gain on contributions for construction	73	408	-334	(previous year) Cross-shareholdings, etc.
Others	115	238	-123	
<b>Extraordinary losses</b>	<b>3,694</b>	841	2,853	
Loss on reduction of property and equipment	337	248	89	(current year) Construction to make train stations barrier-free, etc.
Loss on disposition of fixed assets	158	187	-29	
Loss on sales of investment securities	152	119	32	
Impairment loss on fixed assets	49	32	16	
Loss on valuation of investment securities	23	20	2	
Provision for loss on liquidation	—	160	-160	
Others	2,974	72	2,901	(current year) Provision for return of subsidies
<b>Total extraordinary income</b>	<b>-2,540</b>	475	-3,016	



# Consolidated Balance Sheets



(Units: Millions of yen)

	FY2023 1st Half	FY2022 results	Change	Notes								
Current assets	<b>216,662</b>	226,902	-10,240	Decrease in cash and deposits								
Non-current assets	<b>1,021,256</b>	1,004,476	16,779	<table border="1"> <tr> <td>Capital investment</td> <td>+23,816</td> </tr> <tr> <td>Depreciation and amortization</td> <td>-18,902</td> </tr> <tr> <td>Impairment loss on fixed assets</td> <td>-152</td> </tr> <tr> <td>Disposition</td> <td>-36</td> </tr> </table>	Capital investment	+23,816	Depreciation and amortization	-18,902	Impairment loss on fixed assets	-152	Disposition	-36
Capital investment	+23,816											
Depreciation and amortization	-18,902											
Impairment loss on fixed assets	-152											
Disposition	-36											
Property and equipment	<b>861,664</b>	854,026	7,637									
Intangible assets	<b>11,559</b>	11,853	-294									
Investments and other assets	<b>148,032</b>	138,596	9,436	Increase in investment securities due to higher market price of listed shares owned								
<b>Total assets</b>	<b>1,237,918</b>	1,231,378	6,539									
Current liabilities	<b>268,705</b>	304,067	-35,362	Decrease in trade notes and accounts payable, redemption of corporate bonds Increase in advances received								
Non-current liabilities	<b>525,196</b>	498,221	26,974	Issuance of bonds								
<b>Total liabilities</b>	<b>793,902</b>	802,289	-8,387									
<b>Total net assets</b>	<b>444,016</b>	429,089	14,926	Net income attributable to owners of the parent +9,980 Distribution of retained earnings -3,931 Valuation difference on available-for-sale securities +8,118								
<b>Total liabilities and net assets</b>	<b>1,237,918</b>	1,231,378	6,539									
Consolidated interest-bearing debt	<b>497,006</b>	496,458	547	Reference: Net interest-bearing debt 455,088 (+13,920 vs. March 31, 2023)								

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## FY2023 Operating Results Forecast

# Premise of Operating Results Forecast



- The forecast for FY2023 assumes that in a post-pandemic environment, Japan will see the economic effects diminish and the new normal continue.
- Inbound demand is expected to be around 50% of the level seen in FY2019.
- The governmental measures to ease spikes in fuel prices are expected to remain in force until **December 31, 2023**.\*

\*Revised from the previous forecast (May 2023) as of September 30, 2023

Forecast of operating revenues (compared with FY2019)	
<b>T r a f f i c</b>	Railroad: Around 90%   Bus, Taxi: Nearly 90%  <Nagoya Railroad, expected traveler revenues> Non-commuter revenues ...Around 90% Note: Number of passengers on the Airport Line (non- commuter) ... <b>Around 75%</b> (Previous forecast: Around 70%) Commuter revenues ...Around 90% (Work commuters ...Around 85%)
<b>L e i s u r e   a n d S e r v i c e s</b>	Hotels ...Around 90% (excluding newly opened hotels) Tourist Facilities ...On par with FY2019 Travel ...Around 80%  <Major Hotels in Nagoya City: Assumed Occupancy Rates for FY2023> Business and other hotels: Around 80%

# FY2023 Consolidated Operating Results Forecast



(Units: Millions of yen, %)

	FY2023 current forecast	Previous Forecast (As of May)	Change	Percent Change	FY2022 results	Change	Percent Change
Operating revenues	<b>594,000</b>	588,000	6,000	1.0	551,504	42,496	7.7
Operating income	<b>30,000</b>	26,500	3,500	13.2	22,731	7,269	32.0
Non-operating revenues	<b>5,800</b>	4,800	1,000		7,194	-1,394	
Non-operating expenses	<b>3,800</b>	3,800	—		3,562	238	
Ordinary income	<b>32,000</b>	27,500	4,500	16.4	26,362	5,638	21.4
Extraordinary income	<b>5,100</b>	2,900	2,200		9,140	-4,040	
Extraordinary losses	<b>7,100</b>	2,400	4,700		6,868	232	
Profit attributable to owners of the parent	<b>21,000</b>	21,000	—	—	18,850	2,150	11.4
EBITDA	<b>69,200</b>	66,400	2,800	4.2	60,978	8,222	13.5
Capital investment	<b>86,600</b>	86,600	—	—	62,351	24,249	38.9
Depreciation and amortization	<b>39,200</b>	39,900	-700	-1.8	38,247	953	2.5
Net interest-bearing debt	<b>475,000</b>	475,000	—	—	441,167	33,833	7.7

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

Based on second quarter results and socioeconomic conditions, although we expect operating revenues to decrease in comparison with the previous forecast (May 11) in the Transport Business and the Distribution Business, we anticipate improved performance in the Real Estate Business, Traffic Business and Leisure and Services Business, the latter two of which have been seeing better than expected recovery in demand. As a result, we forecast that both revenues and operating income will increase overall. However, while we foresee a rise in ordinary income due in part to higher non-operating income, we expect net income to be similar to the previous forecast due to deterioration in extraordinary income and higher income taxes.

# Operating Results Forecast Highlights



Year-on-year: **Higher revenues** • **Higher profits** (Revenues in every business will increase, especially in the Real Estate Business as well as the Traffic Business and Leisure and Services Business, which are seeing demand recovering. We expect profit at each stage to increase.)

<p>Operating revenues + ¥42.4 billion</p> <p>Operating Income + ¥7.2 billion</p> <p>Ordinary Income + ¥5.6 billion</p> <p>Net Profit + ¥2.1 billion</p>	<ul style="list-style-type: none"> <li>+ Real Estate +13.5 (Real Estate Condominium Sales +13.1 (Sales of high-priced condominiums contributed to the Increase despite a decrease in the number of condominiums for purchase delivered.))</li> <li>+ Traffic +12.9 (Railroad +6.4, Bus +3.6, Taxi +2.9)</li> <li>+ Leisure and Services +11.7 (Travel +6.0, Hotel +4.1, Tourist Facilities +1.5)</li> </ul> <ul style="list-style-type: none"> <li>+ Traffic +7.0 (Railroad +4.5, Bus +1.8, Taxi +0.7)</li> <li>+ Leisure and Services +2.1 (Hotel +1.9, Tourist Facilities +0.1)</li> <li>- Transport -1.2 (Maritime Transport -0.7, Truck -0.5 (including International Cargo -0.1))</li> </ul> <p>Although we expect non-operating income to worsen due in part to a decrease in subsidies for employment adjustment, income should increase as businesses' balance sheets improve (non-operating income -1.6)</p> <p>Profit is expected to increase due to growth in ordinary income despite the anticipated rise in income taxes and worsening extraordinary income attributable to recording of a provision for return of subsidies.</p>	<p>(Unit: Billions of yen)</p>
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Year-on-year forecast (May): **Higher revenues** • **Higher profits** (Overall revenues will increase as we expect rises, especially in the Real Estate Business. Although we expect ordinary and other income to increase, we forecast that the figures will ultimately be similar to the previous forecast.)

<p>Operating revenues + ¥6.0 billion</p> <p>Operating Income + ¥3.5 billion</p> <p>Ordinary Income + ¥4.5 billion</p> <p>Net Profit ± ¥0.0 billion</p>	<ul style="list-style-type: none"> <li>+ Real Estate +6.3 (Real Estate Condominium Sales +5.4 (expected sales of rental properties), Rentals +1.0)</li> <li>+ Leisure and Services +3.1 (Travel +2.9, Hotel +0.5, Tourist Facilities -0.3)</li> <li>- Transport -4.0 (Truck -4.2 (including International Cargo -1.6), Maritime Transport +0.2, Distribution -2.0 (other goods sold -2.6))</li> </ul> <ul style="list-style-type: none"> <li>+ Traffic +3.7 (Railroad +3.0 (including electric power fees -1.8), Bus +0.6)</li> <li>+ Real Estate +2.4 (Real Estate Condominium Sales +2.0, Rentals +0.5)</li> <li>- Transport -1.6 (Truck -1.7 (including International Cargo -0.3))</li> </ul>
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## <Nagoya Railroad Expected Traveler Revenues>

(Units : Millions of yen)

Transfer Revenues	FY2023 Current forecast	Previous Forecast (As of May)	FY2022 results
Non-commuters	<b>46,009</b>	45,319	40,791
Commuters	<b>35,400</b>	34,926	34,226
Total	<b>81,410</b>	80,246	75,017

Note : Non-commuters transfer revenues include fares for first class cars.



# FY2023 Operating Results Forecast by Segment



(Units: Millions of yen, %)

Operating revenues	FY2023 forecast	Previous Forecast (As of May)	Change	Percent Change	FY2022 results	Change	Percent Change
Traffic	<b>145,400</b>	144,000	1,400	1.0	132,483	12,917	9.7
Transport	<b>138,000</b>	142,000	-4,000	-2.8	136,998	1,002	0.7
Real Estate	<b>110,200</b>	103,900	6,300	6.1	96,696	13,504	14.0
Leisure and Services	<b>92,800</b>	89,700	3,100	3.5	81,049	11,751	14.5
Distribution	<b>66,900</b>	68,900	-2,000	-2.9	66,263	637	1.0
Aviation Services	<b>26,500</b>	26,400	100	0.4	25,578	922	3.6
Others	<b>53,400</b>	52,200	1,200	2.3	50,070	3,330	6.6
Adjustment	<b>-39,200</b>	-39,100	-100	—	-37,636	-1,564	—
Total	<b>594,000</b>	588,000	6,000	1.0	551,504	42,496	7.7

Operating income	FY2023 forecast	Previous Forecast (As of May)	Change	Percent Change	FY2022 results	Change	Percent Change
Traffic	<b>11,700</b>	8,000	3,700	46.3	4,614	7,086	153.6
Transport	<b>2,100</b>	3,700	-1,600	-43.2	3,398	-1,298	-38.2
Real Estate	<b>13,700</b>	11,300	2,400	21.2	13,830	-130	-0.9
Leisure and Services	<b>1,800</b>	1,500	300	20.0	-375	2,175	—
Distribution	<b>-2,400</b>	-1,600	-800	—	-2,475	75	—
Aviation Services	<b>800</b>	1,200	-400	-33.3	1,346	-546	-40.6
Others	<b>2,400</b>	2,500	-100	-4.0	2,619	-219	-8.4
Adjustment	<b>-100</b>	-100	—	—	-227	127	—
Total	<b>30,000</b>	26,500	3,500	13.2	22,731	7,269	32.0

# FY2023 Non-consolidated Operating Results Forecast



Figures in parentheses are the year-on year percent change (Units: Millions of yen, %)

	<b>FY2023 Current forecast</b>	<b>Previous Forecast (As of May)</b>	<b>Change</b>	<b>FY2022 results</b>	<b>Change</b>
Operating revenues	<b>96,700</b>	95,400	1,300 (1.4)	90,332	6,367 (7.0)
Operating income	<b>10,500</b>	7,300	3,200 (43.8)	6,841	3,658 (53.5)
Ordinary income	<b>12,000</b>	8,900	3,100 (34.8)	8,475	3,524 (41.6)
Net income	<b>9,100</b>	8,000	1,100 (13.8)	7,270	1,829 (25.2)

Compared with the previous forecast (May 11), based on second quarter results, while we expect operating revenues to remain at a similar level overall in the Development business, we expect a general increase in line with higher revenues in the Railroad business.  
 Operating income is expected to increase due to lower electric power fees in line with lower prices in addition to higher revenues.  
 Ordinary income is expected to increase due to higher operating income, and net profit is also expected to increase.

# FY2023 EBITDA and Capital Investment Forecast



(Units: Millions of yen)

		FY2023 Current forecast	FY2022 results	Change			FY2023 Current forecast	FY2022 results	Change
Traffic	Operating income	11,700	4,614	7,086	Distribution	Operating income	-2,400	-2,475	75
	Depreciation and amortization	18,000	17,702	298		Depreciation and amortization	1,100	1,130	-30
	EBITDA(①)	29,700	22,316	7,384		EBITDA(①)	-1,300	-1,345	45
	Capital investment(②)	30,500	21,909	8,591		Capital investment(②)	1,500	1,069	431
	Deduction(①-②)	-800	406	-1,206		Deduction(①-②)	-2,800	-2,414	-386
Transport	Operating income	2,100	3,398	-1,298	Aviation Services	Operating income	800	1,346	-546
	Depreciation and amortization	7,100	6,889	211		Depreciation and amortization	2,900	2,765	135
	EBITDA(①)	9,200	10,287	-1,087		EBITDA(①)	3,700	4,111	-411
	Capital investment(②)	11,200	9,755	1,445		Capital investment(②)	4,700	4,879	-179
	Deduction(①-②)	-2,000	531	-2,531		Deduction(①-②)	-1,000	-767	-233
Real Estate	Operating income	13,700	13,830	-130	Others	Operating income	2,400	2,619	-219
	Depreciation and amortization	5,700	5,475	225		Depreciation and amortization	3,700	3,614	86
	EBITDA(①)	19,400	19,305	95		EBITDA(①)	6,100	6,234	-134
	Capital investment(②)	28,100	18,588	9,512		Capital investment(②)	8,800	4,214	4,586
	Deduction(①-②)	8,700	717	-9,417		Deduction(①-②)	-2,700	2,020	-4,720
Leisure and Services	Operating income	1,800	-375	2,175	Total (after consolidated adjustment)	Operating income	30,000	22,731	7,269
	Depreciation and amortization	1,100	1,108	-8		Depreciation and amortization	39,200	38,247	953
	EBITDA(①)	2,900	732	2,168		EBITDA(①)	69,200	60,978	8,222
	Capital investment(②)	1,800	1,935	-135		Capital investment(②)	86,600	62,351	24,249
	Deduction(①-②)	1,100	-1,202	2,302		Deduction(①-②)	-17,400	-1,373	-16,027

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.