

Six-month Period Ending September 30, 2021 Financial Results Presentation for Investors

Nagoya Railroad Co., Ltd.

Securities Code : 9048

November 16, 2021

01

Current Situation and Measures to Address Management Issues

Group Business Performance (Second Quarter Result)



Group Business Performance Summary of Results

	Apr.-Jun. Results	Jul.-Sept. Results	Cumulative Results	Year-on-year change		Previous Forecast (As of May)	Compared to the forecast	
Operating revenues	108.4 <small>Billions of yen</small> +	115.8 <small>Billions of yen</small> =	※ 224.2 <small>Billions of yen</small>	-2.6 <small>Billions of yen</small>	- 1.2 %	245.0 <small>Billions of yen</small>	- 20.7 <small>Billions of yen</small>	-8.5 %
Operating income	-1.8 <small>Billions of yen</small> +	-0.8 <small>Billions of yen</small> =	-2.6 <small>Billions of yen</small>	+ 12.3 <small>Billions of yen</small>	—	1.5 <small>Billions of yen</small>	- 4.1 <small>Billions of yen</small>	—
Ordinary income	1.2 <small>Billions of yen</small> +	1.3 <small>Billions of yen</small> =	2.5 <small>Billions of yen</small>	+ 13.3 <small>Billions of yen</small>	—	3.0 <small>Billions of yen</small>	- 0.4 <small>Billions of yen</small>	-15.8 %
Profit attributable to owners of the parent	-0.8 <small>Billions of yen</small> +	1.8 <small>Billions of yen</small> =	1.0 <small>Billions of yen</small>	+ 13.4 <small>Billions of yen</small>	—	5.0 <small>Billions of yen</small>	+ 0.5 <small>Billions of yen</small>	+ 103.4 %

※ Effects of the Adoption of Accounting Standard for Revenue Recognition, etc. : -11,2 Billions of yen

■ Group Business Performance Highlights

- Operating revenues : [Decreased]** Overall revenue declined due to lower revenue in the real estate business and the impact of adopting revenue recognition standards.
- Operating income : [Deficit reduction]** The deficit narrowed due to improved profitability in the Traffic Business and Leisure and Services Business
- Ordinary income : [A return to profitability]** A return to profitability was recorded due to improvement in non-operating income and expenses.
- Profit attributable to owners of the parent : [A return to profitability]** Both ordinary income and extraordinary income improved, with the latter returning to profitability.

Group Business Performance Summary of Performance Forecast

	Current forecast	Previous Forecast (As of May)	Change	Percent Change (%) Change from FY2020 result
Operating revenues	※ 500.0 Billions of yen	530.0 Billions of yen	- 30.0 Billions of yen (-5.7)	+ 18.3 Billions of yen (3.8)
Operating income	3.0 Billions of yen	13.0 Billions of yen	-10.0 Billions of yen (-76.9)	+ 19.3 Billions of yen (-)
Ordinary income	10.0 Billions of yen	16.0 Billions of yen	-6.0 Billions of yen (-37.5)	+ 18.1 Billions of yen (-)
Profit attributable to owners of the parent	5.0 Billions of yen	11.0 Billions of yen	-6.0 Billions of yen (-54.5)	+ 33.7 Billions of yen (-)

※ Effects of the Adoption of Accounting Standard for Revenue Recognition, etc. = -11,3 Billions of yen

Dividend per share

(Unit: yen)

	FY2021 (Current forecast)	FY2020
Dividend	12.50	0.00

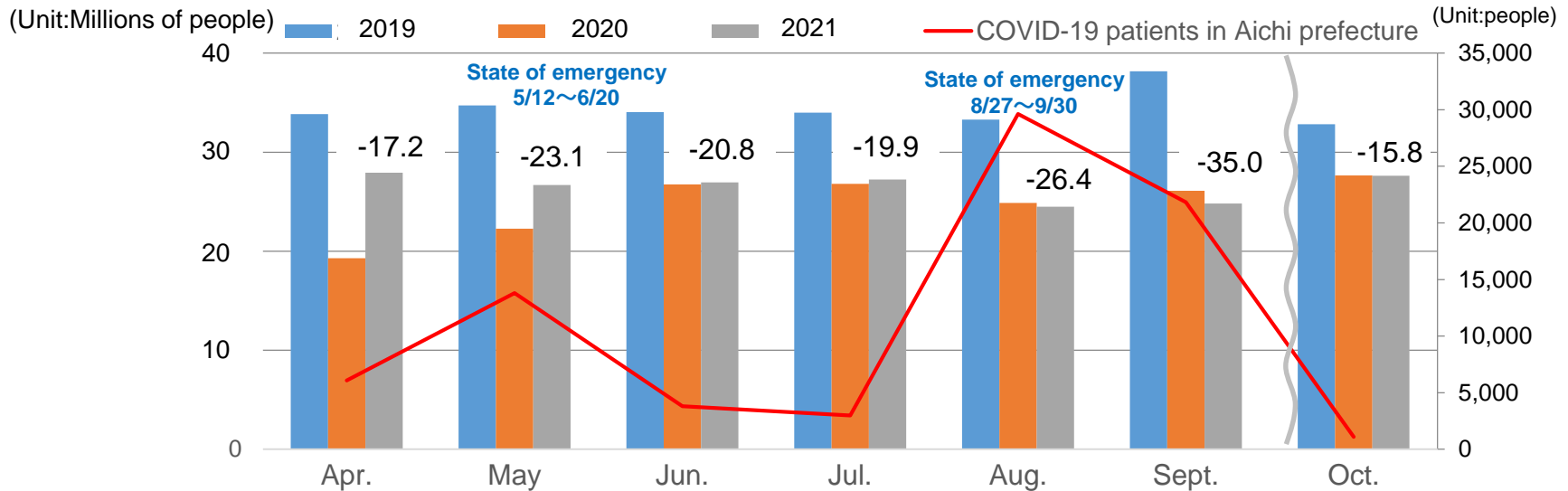
Full-Year Forecast Notes

We do not anticipate any social restrictions due to a state of emergency declaration in response to COVID-19 after October this year. We assume that domestic economic activity will gradually recover from the current situation toward the end of fiscal 2022.

■ The Railroad Passengers

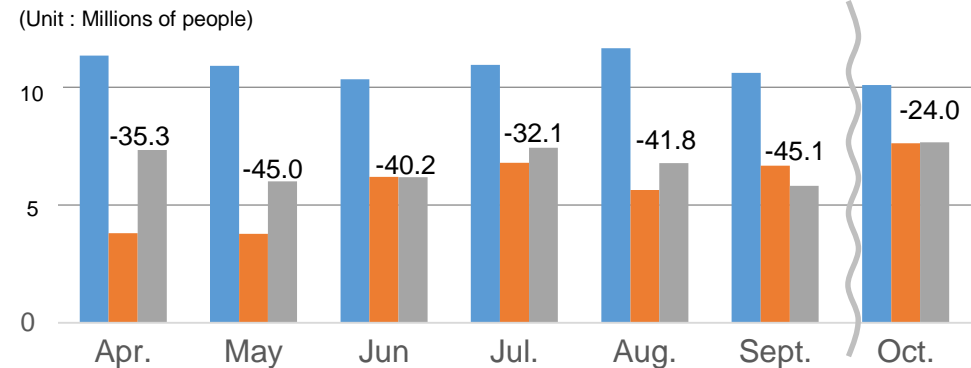
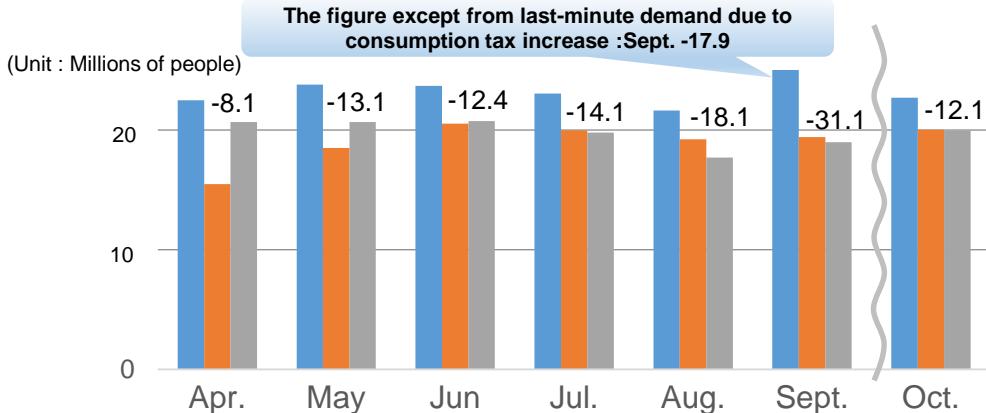
[Total] Apr.-Sept. total : 158 millions of people, Percent Change compared to 2019 : -24.0%

* Figures on graphs are percent change compared to 2019



[Commuters] Apr.-Sept. total : 118 millions of people, Percent Change compared to 2019 : -16.6%

[Non-Commuters] Apr.-Sept. total : 39 millions of people, Percent Change compared to 2019 : -39.9%



Management Issues Based on the Current Situation and Changes in the Business Environment

Business Environment	Current Situation	After the COVID-19 situation
Remote working, Online classes • Conferences	Continuous *The impact of online classes has eased somewhat.	Likely to stay somewhat common, except for online classes
Migration of populations	Gradual spread from urban centers to suburbs	Continuation
Inbound demand	Continued stagnation	Prolonged recovery period
Domestic leisure demand	Beginning to show signs of recovery, but unstable	A recovery of Tourism demand in the center in micro-tourism
Real Estate • Transport • Aviation services etc.	Relatively stable ※Watch for impact of high crude oil prices	Continuous growth
Digitalization	Acceleration of progress	Become established

Management Issues

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

【Current Initiatives】 Focus on cost reduction to achieve profitability

Reducing labor and making costs more appropriate

Enhancing our earnings power

Established the Railway Business Reform Department within the Railroad Business HQ.

Revision of timetables to meet demand

- The revision on May22
Reduction and downsizing centered on certain sections of major lines
- The revision on October30
 - ① Improve train schedules and stops, mainly daytime schedules for branch lines ⇒ Optimization of transportation capacity
 - ② Improved the convenience of the Seto Line by changing the daytime service type ⇒ Responding to passenger demand

Revision of manaca mileage point service details

- Revision of points awarded for amount spent and suspension of frequency points
- Establishment of bonus points for weekday daytime use ⇒ Promotion of peak shift

Reduction of airport line usage fee to Central Japan International Airport Line Company, Ltd.

No-staff stations, reduced staffing hours, and continued partial suspension of μSKY service

Revise or postpone projects according to necessity and urgency

Proactive collaboration with line-adjacent local governments and tourist facilities

- Implementation of sightseeing campaigns along train lines and expansion of train travel

Proactive development of special tickets

- Detective Conan: The Scarlet MEITETSU Train Rally

Installation of private work booths in spaces inside stations

Sales of special train tickets for limited express trains during express operations

Realize profitability for FY2021

【Initiatives for the Next Fiscal Year and Beyond】

Promote structural reforms to optimize costs and reduce labor in line with demand, and take steps to improve earnings power

Reducing labor and making costs more appropriate in line with demand

Shifting more toward one-person train operations

- Expansion of one-man train operation to meet future demand
- ⇒ Scheduled to be implemented on the Kakamigahara Line in fiscal 2023
- Further expansion to be considered for subsequent years

PTC for signal control

- Improvement of operational efficiency by using PTC for signal control
- ⇒ Expansion of target area (Higashi-Okazaki, others)

Making facility maintenance more efficient mainly by using new technology

- Sophistication of measurement data and improvement of operational efficiency through introduction of track inspection system (dynamic inspection)
- Improvement of safety and operational efficiency by installing a railroad crossing monitoring system
- Improvement of operational efficiency through the use of drones in structural inspections

Enhancing station services, such as by installing new devices for cashless transactions and to increase functionality

- Labor saving through the installation of new station devices, such as ticket vending machines

Evaluating operational structures in light of demand for each train line

- Cost reduction by optimizing (downsizing) facilities to meet demand related to each line section

Using the space inside stations and Making stations operations more effectively

Kanayama Station Improved integration of station and commercial facilities

- Enhancing earning power and streamlining operations by improving and integrating station and commercial facilities at this station, the gateway to Nagoya and Central Japan International Airport
 - Relocation and expansion of commercial zones ⇒ Reinforcement of earnings power through the relocation of commercial zones, including station functions located within them
 - Consolidation of station ticket windows ⇒ Reduce labor and labor costs by consolidating manned ticket windows
- Construction period (planned):FY2021-FY2023

【Bus Business】 Work to secure revenue in response to demand

【Taxi Business】 Strengthen management structure through business restructuring

【Improve Profitability of Bus Business】

- **Introducing Dynamic pricing** in highway bus business
 - Operation of the Nagoya-Shinjuku line started in July
 - More routes will be added in the future

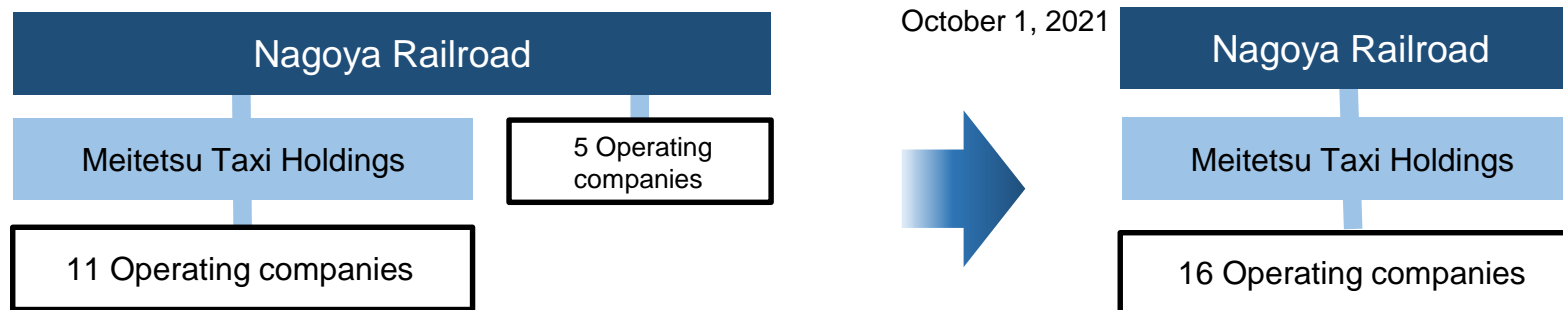
- **Strengthen contracted transportation** in response to demand
 - Vaccination-related transportation
 - Expansion of local government “community bus” contracting
 - Contract transportation orders from companies along rail lines



- **Promote use by senior customers** in cooperation with local governments
 - PR for expansion of transportation available to Nagoya City Senior Citizens’ Pass holders (February, 2022)
 - Expansion of Senior Pass subsidies by local governments (Okazaki City, Kasugai City, Ichinomiya City)

【Restructuring of Taxi Business】

Consolidation of cab companies in other regions under the umbrella of Meitetsu Taxi Holdings, previously operating mainly in the Nagoya transportation area, to **improve the management efficiency and competitiveness of the entire taxi business**



- <Strongly Implemented through Reorganization>**
- Efficiency improvement by integrating vehicle dispatch systems
 - Strengthen crew recruitment
 - Cost reduction through consolidation of dispatch centers
 - Improving sales efficiency with digital transformation and vehicle dispatch apps
 - Implementation of joint procurement of on-board devices, etc.

Initiatives in the Travel business and the Bus tour business



Aim to build efficient management through the selection and concentration of business fields, downsizing of businesses, digital transformation, etc., while proceeding with current initiatives (orders for COVID-19 vaccination projects)

【Travel business】

➢ Integrating and closing branches

While maintaining our nationwide network, we streamlined and consolidated around 25% of our network compared with FY2019 in part by merging nearby branches.

➢ Achieving more appropriate staffing levels

We reduced personnel by around 20% compared with FY2019 by soliciting voluntary retirements, limiting hiring

Reduced fixed costs by around 20%

【Bus tour business】

➢ Reducing the number of buses

We reduce the number of buses by around 20% compared with FY 2019

➢ Integrating and closing sales offices




We will consolidate and close around 30% of branches compared with FY 2019 especially those of the travel department

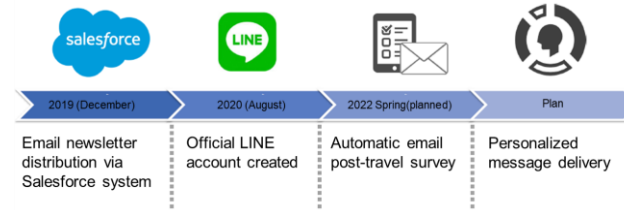
➢ More appropriate staffing

We reduced personnel by around 20% compared with FY2019, especially in the travel department, by soliciting voluntary retirements.

Reduced fixed costs by around 10%

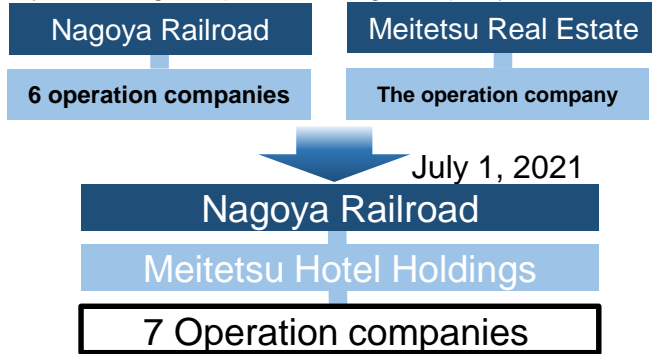
- Strengthen ties with related organizations and business partners
 - Strengthen collaboration with local governments, universities, and organizational groups (vaccination projects, etc.)
- Selection and concentration of management resources (expansion of handling in stable markets)
 - Proactive initiatives in the fields of sports and education
 - ⇒ Expansion of sales offices of sports division (Tokyo and Osaka)
 - ⇒ Education promotion department established to strengthen educational travel business

- Transportation related to the Tokyo Olympics and Paralympics
- Vaccination-related transportation (large scale & mass) 
- Promoting DX
 - Improving channel efficiency ⇒ Implemented a CTI system at the Dragons Pack Center, centralizing the call center 
 - Implementing CRM ⇒ Maximizing LTV (Lifetime Value) 



Reviewing the portfolio while improving the efficiency of the management system through the establishment of a holding company

【Building an efficient management structure by founding the pure holding company】



<Effects of reorganizing>

- > Organize the internal chain of command
 - ⇒ Rationalization through separation of management and operations, and cost reduction through a decrease in directors, etc.
- > Formulating medium- to long-term policies and strategies

<Establishing a task force>

- > Utilization and education of human resources
 - ⇒ Personnel exchange among Group hotels
 - ⇒ Training opportunities at hotels outside the Group (Okinawa・Ishigaki-island, Kanagawa・Hakone-cho)
- > Unifying management departments
 - ⇒ Common hotel operations such as general affairs and accounting, etc.
- > Strengthening of profit structure, consideration of new business development

【Revise the business portfolio based on the Hotel strategy】

Expanding our city and limited-service hotel business



Strengthening the high-value-added category

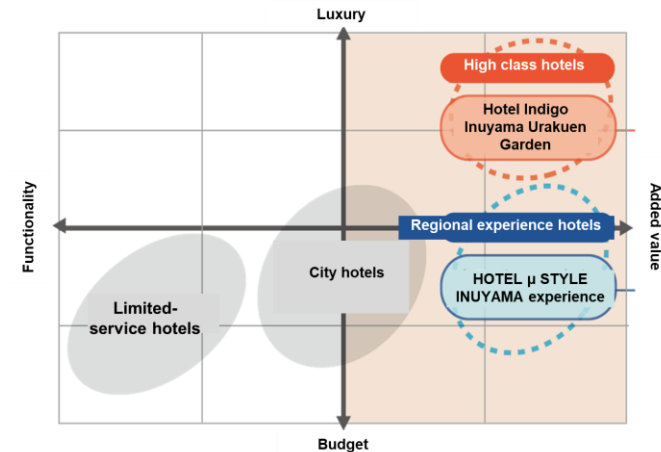
- > HOTEL μ STYLE INUYAMA experience (July 15, 2021 Open)

Regional experience hotels



- > Hotel Indigo Inuyama Urakuen Garden (March 1, 2022 Open (planned))

High class hotels (lifestyle and boutique hotels)



- > Closing MEITETSU NEW GRAND HOTEL (February, 2022)



Further strengthening real estate business(1)



Reorganizing real estate business of our group, aiming to acquire a solid position as “a city planning business” that improves regional value in the Chubu region

【The Basic Policy of the Meitetsu Group’s Medium-term Management Plan, Turn-Over 2023】

Basic Policy

To continue contributing to society long into the future and enhance regional value, we will build a base connected to our next stage of growth by transforming our business to address socioeconomic conditions in the new post-pandemic world and working hard to ensure the Group’s resilience.

“Further strengthening the real estate Business”

Reorganizing real estate business

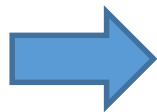
Aiming to acquire a solid position as “a city planning business” that improves regional value in the Chubu region

【The policy of reorganizing】

Integration of Nagoya Railroad’s real estate business with Meitetsu Real Estate

⇒ **Prioritize the Strengthening of upstream operations functions** by consolidating the Group’s dispersed real estate asset purchasing and planning and development functions

⇒ **Enhance the ability to operate and manage** real estate assets by building the necessary organizations and systems and reviewing capital relationships



Strengthen the earnings power of the Group’s real estate business and achieve sustainable growth for communities along our train lines by strongly and proactively promoting the formulation and implementation of a Group-wide real estate business strategy

Further strengthening real estate business(2)

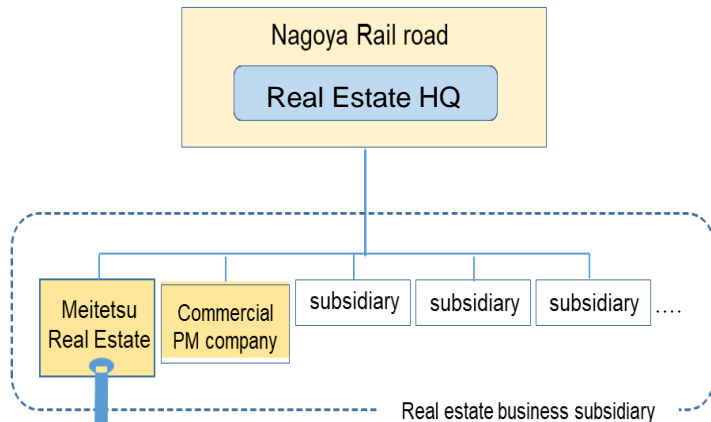


The real estate business of Nagoya Railroad will be transferred to Meitetsu Real Estate, and Meitetsu Real Estate will be the real estate integration company.

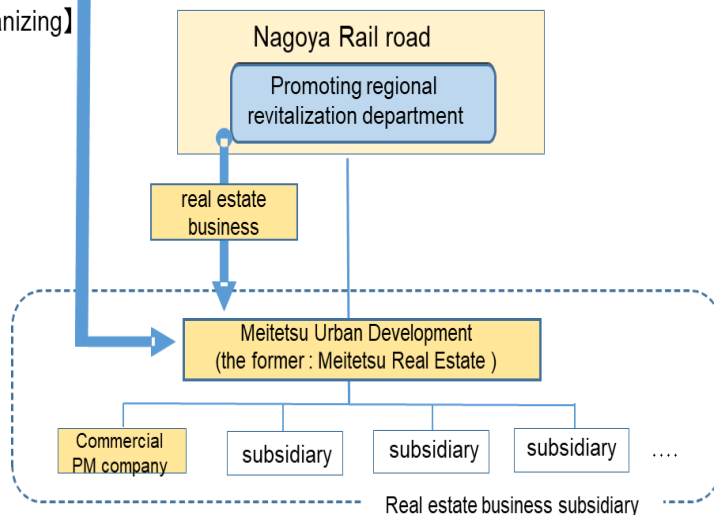
Established a new department to promote regional revitalization⇒ Play a role as a control tower for "comprehensive city planning"

【Management structure after reorganizing】

【Current】



【After reorganizing】



【Outline of reorganizing】

- The real estate business and the shares of related subsidiaries will be transferred to Meitetsu Real Estate through an absorption-type split in which Nagoya Railroad will be the splitting company, and Meitetsu Real Estate will be the real estate integration company
 - Abolished the Real Estate Business HQ of Nagoya Railroad and established a new department to promote regional revitalization ⇒ Play a role as a control tower for "comprehensive city planning" in combination with transportation and tourism
- Other: Established a commercial facilities management company (new commercial PM company) as part of efforts to improve the operational management capabilities of real estate assets

【Outline of real estate integration company and new commercial PM company】

- Real estate integration company
 - Trade name Meitetsu Urban Development Co. Ltd. (Current name: Meitetsu Real Estate Co. Ltd.)
 - The Effective Day : April 1, 2022 (planned)
- New commercial PM company
 - Trade name : Meitetsu property management Co. Ltd.
 - Establishment :November 1, 2021 (※Business launch : July 1, 2022(planned))

Further strengthening real estate business(3)



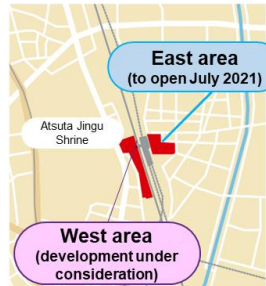
Promoting real estate development in line with the gradual migration of populations and the concomitant changes in lifestyles

【The main real estate development in the future】

Multi-purpose development

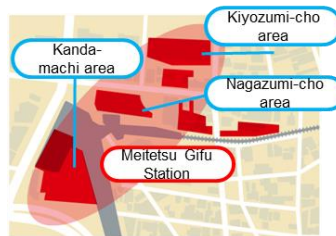
Jingū-mae Station West Area

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



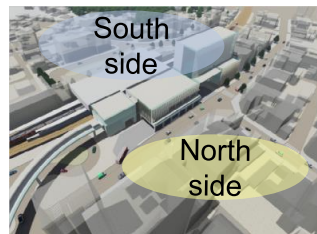
Meitetsu Gifu Station

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



Higashi Okazaki Station

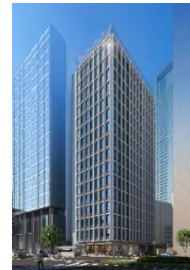
We are cooperating with the city of Okazaki to consider development projects, such as of commercial facilities and offices, that will create new excitement and are highly convenient by directly connecting with the north side of the station. In addition, we will promote multi-purpose development centered on the station that will unify the north and south sides by focusing on the development of residences and other properties on the south side of the station.



Office

Investment in plans to develop offices in Meieki 4-chome

Location	Meieki 4-chome, Nakamura-ku, Nagoya
Building	Steel frame, 16 stories above ground, 2 basements Total floor area: Approx. 20,000㎡
Uses	Offices, stores, parking
Completion	March 2023 (planned)



Rental apartment

meLiV Kariya

Location	Wakamatsu 1-94, Kariya, Aichi Prefecture
Building	Total floor area: 2,665㎡
Uses	Residential complex
Completion	March 2022 (planned)



Condominium

“The Fine Tower Hisaya Odori” Participation in plan to develop condominiums for purchase

Location	Marunouchi 3-chome, Naka-ku, Nagoya
Building	Steel frame, 25 stories above ground Total floor area : Approx. 17,000㎡
Uses	163 residences
Completion	December 2023 (planned)



“NAGOYA the TOWER” Participation in plan to develop condominiums for purchase

Location	Meieki Minami 2-chome, Nakamura-ku, Nagoya
Building	RC, 42 stories above ground, 1 basement Total floor area: Approx. 53,800㎡
Uses	435 residences (planned)
Completion	April 2023 (planned)



New fields

Data Center

Established a new data center on its own land as part of digital transformation (see page 19)

Logistics Facilities

Considering the development of logistics facilities for which future demand is expected

Tourism revitalization by deepening cooperation with regional area



Tapping into demand for micro tourism, deepening cooperation among local governments and groups, and further promoting the revitalization of tourism along the line

【Meitetsu Group Project to Revitalize Tourism along Train Lines】

Focusing on tourism, we will work with local governments and communities to discover, commercialize, and attract visitors to tourism resources and revitalize the Group's train lines.

Develop a system that enables **the entire Group to work together**, rather than the conventional approach of each company acting independently, and contribute to the revitalization of the regions along the train lines



～Gifu area～

➢ Consolidation of Gifu Kanko Sakudo Co. Ltd. (August, 2021)



Aiming to further revitalize tourism in the area centered on the Kinkazan district in cooperation with the Company, Gifu Bus, Gifu Grand Hotel and other Group companies, Gifu City, Gifu Tourism Convention Association and other local community organizations.

【JIMOTABI】

Meitetsu Group Neighborhood and Local Outing Promotion Campaign

In the new normal of living with COVID-19, we propose travel and services that allow people to enjoy hometown charms in an easily accessible area, while taking infection control into consideration



- 「JIMOTABI」Created a special website for JIMOTABI
- 「JIMOTABI Present Campaign」

【Major Examples】

～Nishio area～

Nishio City and the Nishio City Tourism Association collaborated to launch various tourism promotional campaigns

- Nishio Gurutto Mankitsu Campaign
- Nishio Shima Shima Romantic Kaidou
- EMOTION! Nishio



Reinforcing earnings power in fields where growth is expected



Further strengthening competitive businesses, including ground and air transport

【Transport Business】

- Strengthening our earnings power by upgrading large scale distribution centers
 - ⇒ Relocation of Meitetsu Transportation's Komaki branch on 2022 Autumn and open **Meitetsu Truck Terminal Chubu**
 - ⇒ The first floor is a truck terminal, and the second and third floors are logistics warehouses with 18,181m² of floor space, making it a highly functional logistics terminal that integrates all operations from storage to transportation
- Enhancing our facility and operational alliances with other companies
 - ⇒ Promote collaboration with Nippon Express Co.,Ltd., with whom we have a capital and business alliance



Meitetsu Truck Terminal Chubu
(2022 Autumn open(planned))

【Aviation Business】

- Strengthening the medical airlift business
- Creating services spanning the offshore wind power business, from initial surveys to maintenance and operation
- Expanding the aircraft upgrade contracting business
 - ⇒ Completion of maintenance at the head office maintenance facility
- Expanding the analysis and measurement business



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



Promote efforts to enhance the value of the Nagoya station district until the project is launched, while working toward a decision on the direction of the project by fiscal 2024

【FY2024 Determining the business direction】

- Creating transit facility upgrade plans based on changes in demand for public transportation
- Creating redevelopment plans based on the new business environment
- Promoting initiatives aimed at maximizing the value of the redevelopment area



The direction of our businesses will be determined around fiscal 2024

【Efforts to Increase the Value of the Nagoya Station District before the Redevelopment Project Kicks Off】

➤ Meitetsu Department Store main shop Sales floor reorganization and renovation

In line with the continuation of Meitetsu Department Store's operations from fiscal 2022, capital investment will be made to enhance the value of the Nagoya Station District area

In addition to adult women, the main customer base, the Company aims to improve customer satisfaction and gain new customers by creating a product lineup that attracts travelers who use Nagoya Station



- Men's building basement 1
[KINOKUNIYA] Open on November 18, 2021
 - High-end supermarket popular in the Tokyo region opens **first store in the Chubu region**
 - **Offering the largest selection** of name-brand shopping bags in Japan



※Chubu region・・・Total 9 prefectures
{Aichi,Gifu,Shizuoka,Nagano,Yamanashi,Ishikawa,Fukui,Toyama,Niigata}

- Main building 8 floor
[TSUTAYA BOOKSTORE] Open on December 1, 2021
 - A bookstore that proposes a lifestyle that can be enjoyed by three generations of family
 - The **first** SHARE LOUNGE in the Tokai area

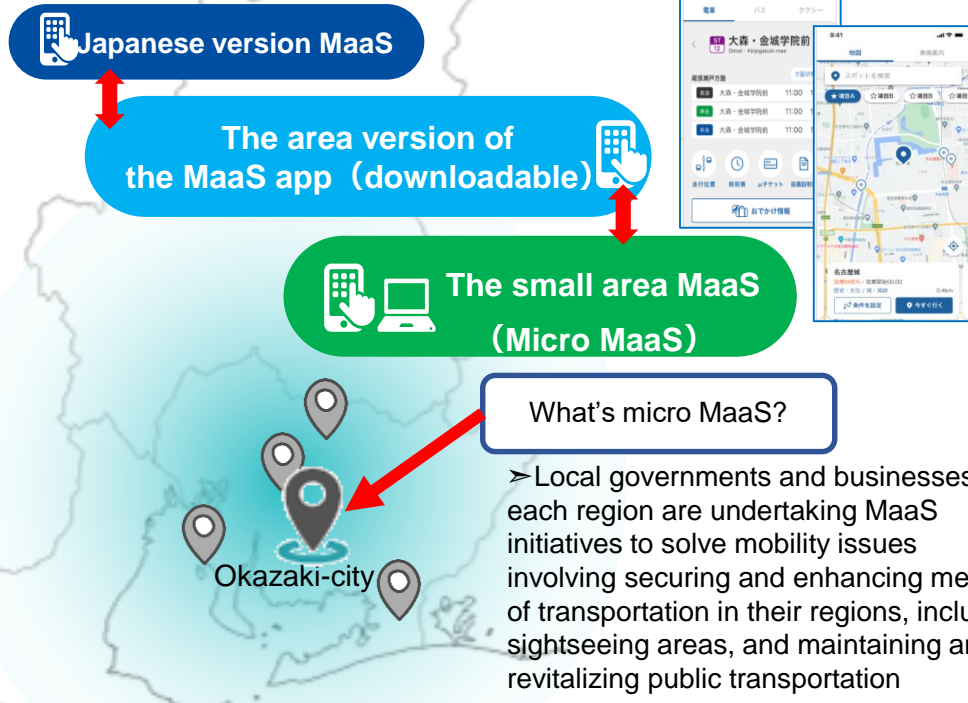


※Tokai area・・・Total 4 prefectures
{Aichi,Gifu,Shizuoka,Mie}

Promoting initiatives to realize the area version of the MaaS app

【The area version of the MaaS app】

The area version of the MaaS app, scheduled for release in March 2022, will serve the Chubu region, connecting transportation, lifestyle, and tourism services, and will also serve to connect via a “micro-MaaS” within each region



【Micro MaaS】

Ex.Okazaki City Tourism MaaS Demonstration Experiment

We will conduct a tourism-oriented MaaS demonstration test together with Okazaki City, start-up companies, partner companies, and Meitetsu Group companies
⇒ Building a prototype micro MaaS app (web version)

Purpose: Improving convenience for visitors to Okazaki City and promoting tourism

- Creation and implementation of a micro MaaS application (web version)
- Providing information on congestion at major Nagoya Railroad stations
- Collaborative coupons with local restaurants, etc.
- Operate a new mobility system to offer transport between sightseeing spots in the city
- Provide electric wheelchairs to make it easier for the elderly and people with disabilities to get around Okazaki Park
- Collaborate with subscription service providers to improve the accessibility of tourist facilities and cultural events



~Micro MaaS Provides More Detailed Information on Specific Regions~

Development of area-specific MaaS app versions (downloadable) is underway and planned for release in March 2022

Micro MaaS app (web version) to be rolled out to other regions in the future

Provide a full lineup of diverse transportation options

Cover the entire Chubu area



Railroad

- Commuting
- Sightseeing
- Access for Airport



Bus

- Fix-route busses
- High way Busses
- Chartered Busses



Taxi

- Taxi
(Regular·Sightseeing)
- Limousine

Transportation options such as car sharing, bicycle sharing, and ferries are also available

Develop new data centers, use drones to improve facility maintenance efficiency, and build and utilize the Meitetsu Group data integration platform

【Meitetsucom new data center】

- Increase in the volume of data traffic circulating in domestic communication networks
- ⇒ Establish additional facilities to meet increasing demand for data centers

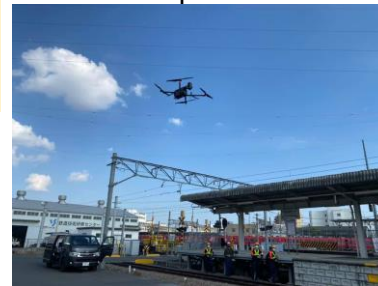
Capture demand from inside and outside the Group from edge data centers that are close to users and have low communication latency

Location	Jingu 4-309, Atsuta-ku, Nagoya
Building	Steel frame, 5 stories
Total floor space	About 3,000m ²
Completion	FY2024(planned)



【Improving facility maintenance efficiency】

- The drone pilot test



(The test flight on November 2, 2021)

Area	Chikkō Line Ōe station ~ Higashi Nagoyakōstation (About 1.3 kilometers)
Outline	We have developed an operational model in which, prior to the restoration of railroad operations after disasters such as heavy rains, drones quickly and smoothly perform inspections previously performed by staff patrols and have verified the realization of labor-saving automated initial inspections.

(Implementation on November 17, 2021)



Area	Toyokawa city (Mitochomiyukihama)
Outline	By using drones for periodic inspections of wide-area social infrastructure such as railroads, we envision an operational model that enables precise and efficient monitoring. Further, we will verify the realization labor saving due to automation and the efficiency of maintenance and management work via periodic inspections.

(Implementation on October 21, 2021)

【Building and utilizing the Meitetsu group Integrated Data Infrastructures】

October, 2021 start

- Creating more-sophisticated marketing strategies
- Developing human resources for data utilization

Realizing to data-driven marketing

Establish a new ESG Implementation Committee to formulate Group policies and strengthen ESG initiatives

【ESG Implementation Committee】 Established on July 1,2021

Established the ESG Implementation Committee, chaired by the President, for the purpose of promoting sustainability initiatives throughout the Meitetsu Group

【The Basic Sustainability Policy】 Approved by the Board of Directors on September 27,2021

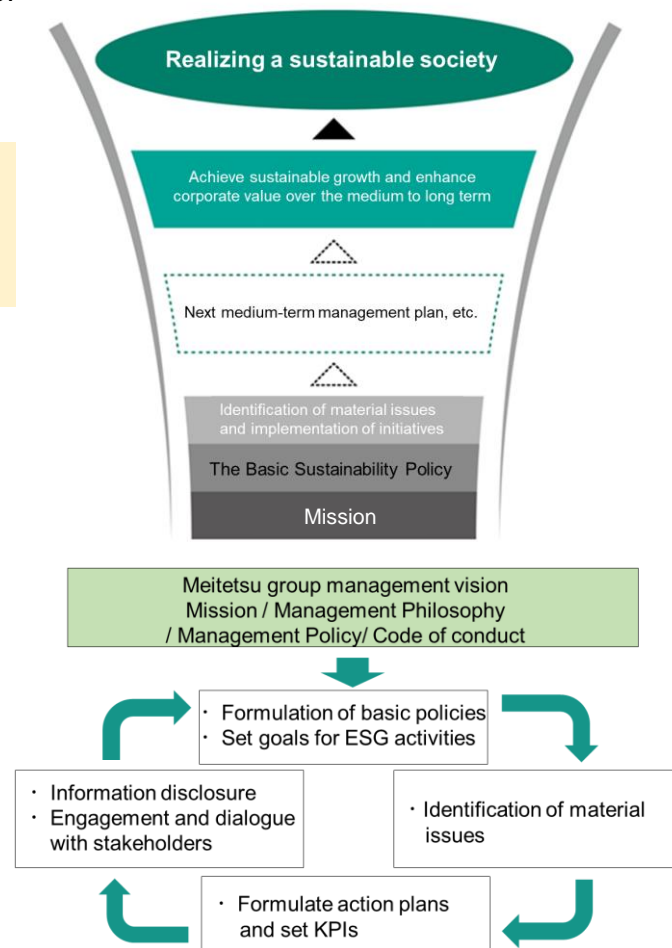
We, the Meitetsu Group, based on our mission “Work to improve the value of the region and give back to the community over the long haul.”, aim to realize a sustainable society through business activities that revitalize local communities and support society.

<Outline>
 The Group's mission is to contribute to society over the long term by enhancing community value. With the understanding that the development of local communities is inseparable from the development of the Group, we are addressing the realization of a sustainable society by providing safe and secure public transportation services, such as railroad with less impact on the environment, and by creating livable towns and areas that people want to visit.
 Based on this mission, we have declared that we will continue to promote the Group's business domains, which are, in essence, businesses that revitalize communities and businesses that support society, with the aim of realizing a sustainable society.

【Basic Approach for Future ESG Activities】

Improve the quality of ESG promotion activities by regularly rotating through the cycle of the value creation process centered on ESG

Positioning of the Basic Sustainability Policy



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

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

Establish a regional presence
(particularly in the Chubu region)



Community revitalization projects

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

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

Vertical growth



Support Society



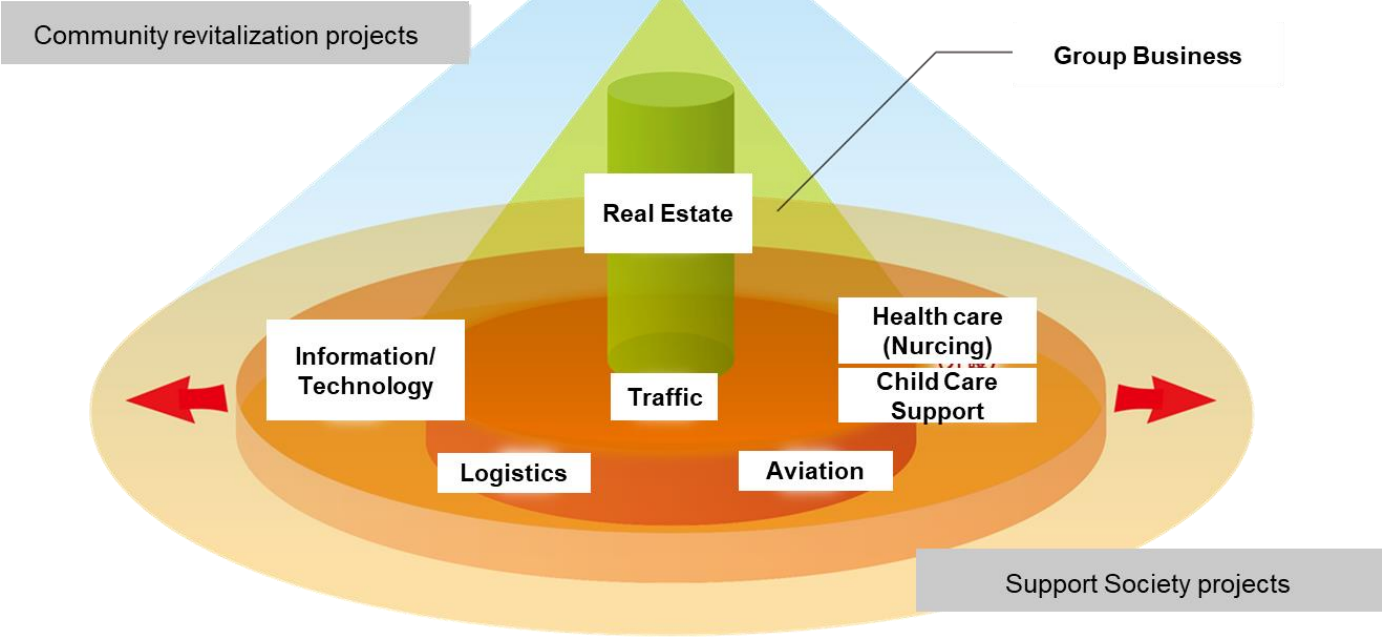
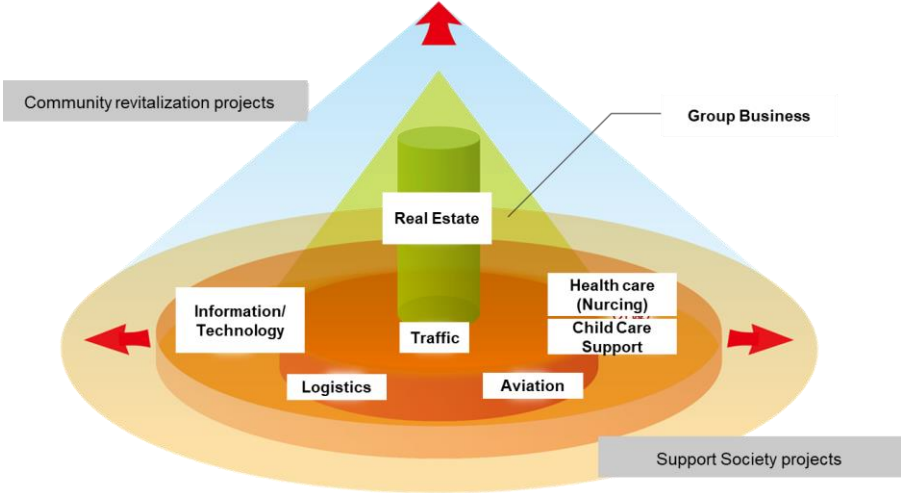
Support Society projects

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

Expand locally, nationally and internationally

Horizontal growth

Image of Meitetsu Group growth strategy



02 Six-month Period Ending Financial Results

Six-month Period Ending Financial Results



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

	FY2021 1st Half	FY2020 1st Half	Change*	Notes	Latest Forecast (As of May)	Change
Operating revenues	※ 224,284	226,942	-2,658 (-1.2)		245,000	-20,715 (-8.5)
Operating expenses	226,928	241,930	-15,002	Cost of products sold: -25,319	243,500	-16,571
Operating income	-2,644	-14,987	12,343 (—)		1,500	-4,144 (—)
Ordinary income	2,525	-10,838	13,363 (—)	Non-operating income +598 (Equity in net earnings of affiliates : +938) Non-operating expenses -421 (Bond issuance expenses -132)	3,000	-474 (-15.8)
Extraordinary income	2,633	2,403	229	Gain on sales of investment securities : +357	1,000	1,633
Extraordinary losses	1,615	3,132	-1,516	Loss on valuation of investment securities : -894	1,000	615
Profit before income taxes	3,543	-11,566	15,109 (—)		3,000	543 (18.1)
Income taxes	2,101	486	1,615		2,000	101
Profit attributable to non-controlling interests	424	351	72		500	-75
Profit attributable to owners of the parent	1,016	-12,404	13,421 (—)		500	516 (103.4)

※Effects of the Adoption of Accounting Standard for Revenue Recognition, etc. : -11,275

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

- ◆ 110 consolidated subsidiaries (+1) : (+3) Meitetsu Hotel management Inuyama(Newly included)
Meitetsu Hotel Holdings(Newly included)
Gifu Kanko Sakudo(Reclassification)
- (-2) Meitetsu Biso (merged), Toyotetsu kankou service(merged)
- ◆ 13equity-method affiliates (-1) : (-1) Gifu Kanko Sakudo (Reclassification)

Financial Results Highlights



Year-on year : **Lower revenues** • **A return to profitability**

(Sales increased in real terms, excluding the effects of the adoption of revenue recognition standards. Operating loss decreased due to improved revenues and expenses, and ordinary and profit returned to the black.)

(Unit: Billions of yen)

Operating revenues -2.6billion	<ul style="list-style-type: none"> - Distribution -17.8 (Department stores -2.8 (Transfer of Kanazawa Meitetsu Department store -3.9) Other goods sold +5.2 <i>The effects of revenue recognition changes -20.3</i>) - Real estate -10.1 (Condo Sales -11.3 : Number of condo sold 444→248 Rental+0.7 (Higher parking space revenue+0.7)) + Leisure and Services +10.4 (Travel+2.2 Hotel+1.5 Tourist Facilities+1.2 <i>The effects of revenue recognition changes +5.3</i>) + Traffic +6.2 (Railroad+3.7 (Passengers+8.3% : Non-commuters+20.3% Commuters+4.8%) Bus+2.1)
<i>Real increase or decrease excluding the effects of revenue recognition changes +8.6 Billions of yen</i>	
Operating expenses -15billion	<ul style="list-style-type: none"> - Cost of products sold -25.3 (Real estate-6.9 Distribution+1.9 <i>The effects of revenue recognition changes -20.3</i>) - Personnel costs -2.1 (Traffic -1.7 Leisure and Services -0.4)
Operating income +12.3billion	<ul style="list-style-type: none"> + Traffic +8.0 (Railroad +4.8 Bus+2.3 Taxi+0.8) + Leisure and Services +3.5 (Travel+2.6 Tourist Facilities+0.6 Hotel+0.2) + Transport +1.5 (Track+1.0 Maritime Transport+0.4)
Ordinary income +13.3billion	Improve non-operating income due to higher equity in net earnings of affiliates (Improve non-operating income + 1.0)
Net profit +13.4billion	Improve extraordinary income and lower loss on disposition of fixed assets (Improve extraordinary income+1.7)

Compared with forecast(from May) : **Lower revenues** • **Higher net profit**

(Operating revenues, operating loss and ordinary income were fell short of forecasts due to a delay in demand recovery. The improvement in non-operating and extraordinary income will lead to an upward revision in profit.)

Operating revenues -20.7billion	- Leisure and Services -18.2 Traffic -8.6
Operating income -4.1billion	- Traffic -4.4 Leisure and Services -2.5
Ordinary income -0.4billion	Improve non-operating income due to subsidies for employment adjustment +3.6
Net Profit +0.5billion	Improve extraordinary income due to increasing gain on sales of investment securities +1.0

Operating Results by Segment



(Units : Millions of yen,%)

Operating revenues	FY2021 1st Half	Six months ended September 30, 2021 (excluding effects of revenue recognition changes)	FY2020 1st Half	Change	Percent Change	Rate of change (excluding the effects of revenue recognition changes)	Latest Forecast (As of May)	Change	Percent Change
Traffic	55,005	54,940	48,782	6,222	12.8	12.6	63,700	-8,694	-13.6
Transport	66,542	66,636	61,941	4,600	7.4	7.6	66,500	42	0.1
Real Estate	37,553	37,502	47,734	-10,181	-21.3	-21.4	36,300	1,253	3.5
Leisure and Services	18,237	12,860	7,745	10,491	135.4	66.0	36,500	-18,262	-50.0
Distribution	31,218	51,601	49,115	-17,897	-36.4	5.1	30,900	318	1.0
Aviation Services	10,436	10,436	9,964	472	4.7	4.7	10,900	-463	-4.2
Others	19,813	20,184	19,611	201	1.0	2.9	19,200	613	3.2
Adjustment	-14,523	-18,603	-17,954	3,431	—	—	-19,000	4,476	—
Total	224,284	235,559	226,942	-2,658	-1.2	3.8	245,000	-20,715	-8.5

Operating income	FY2021 1st Half		FY2020 1st Half	Change	Percent Change		Latest Forecast (As of May)	Change	Percent Change
Traffic	-4,087		-12,150	8,062	—		400	-4,487	—
Transport	1,680		117	1,562	※ —		2,100	-419	-20.0
Real Estate	4,891		7,510	-2,619	-34.9		2,600	2,291	88.1
Leisure and Services	-5,042		-8,602	3,559	—		-2,500	-2,542	—
Distribution	-1,479		-2,191	711	—		-1,100	-379	—
Aviation Services	732		181	550	303.7		300	432	144.1
Others	471		241	229	95.3		-500	971	—
Adjustment	190		-94	284	—		200	-9	-4.9
Total	-2,644		-14,987	12,343	—		1,500	-4,144	—

※Percent Change is written “-” due to exceeding 1,000 Percent.

〈Year-on-Year Comparisons〉

※Excluding the effects of revenue recognition changes

Traffic, Leisure and Services, Distribution : **Increased revenues and Deficit reduction**
 Transport, Aviation Services, Others : **Increased revenues and income**
 Real estate : **Decreased revenues and income**

(Units : Millions of yen,%)

	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	55,005	48,782	6,222	12.8	65	6,157	Increase due to reduced impact of the COVID-19 on the railway and bus businesses compared with the same period of the previous fiscal year
Operating income	-4,087	-12,150	8,062	—			Operating loss improve due to decreased operating cost and increased revenue

◆ Breakdown of Traffic Business ◆

(Units : Millions of yen,%)

	Operating revenues						Operating income			
	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021 1st Half	FY2020 1st Half	Change	Percent Change
Railroad	34,377	30,586	3,791	12.4	—	3,791	-732	-5,552	4,819	—
Bus	14,199	11,931	2,268	19.0	145	2,122	-1,910	-4,306	2,395	—
Taxi	7,520	7,455	65	0.9	—	65	-1,522	-2,369	846	—
Adjustment	-1,092	-1,190	97	—	-80	178	78	77	0	—
Traffic Toatal	55,005	48,782	6,222	12.8	65	6,157	-4,087	-12,150	8,062	—

< Nagoya Railroad, Transportation Results >

(Unit : Millions of yen, %)

Transfer Revenues	FY2021	FY2020	Percent Change
Non-commuters	14,353	11,626	23.4
Work commuters	13,783	14,061	-2.0
School Commuters	3,418	2,211	54.6
Commuters	17,201	16,273	5.7
Total	31,554	27,900	13.1

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

(Unit : Thousands of people, %)

Passengers	FY2021	FY2020	Percent Change
Non-commuters	39,584	32,915	20.3
Work commuters	70,797	74,786	-5.3
School Commuters	47,845	38,387	24.6
Commuters	118,642	113,173	4.8
Total	158,226	146,088	8.3

(Units : Millions of yen,%)

	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	66,542	61,941	4,600	7.4	-94	4,694	Increase in all businesses due to a recovery from the previous fiscal year in cargo volume, which was affected by COVID-19 restrictions
Operating income	1,680	117	1,562	※ —			Despite an increase in fuel costs, due to higher revenues the Truck Business recorded an increase in operating income while the Maritime Transport Business saw operating loss improve

◆Breakdown of Transport Business◆

(Units : Millions of yen,%)

	Operating revenues						Operating income			
	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021 1st Half	FY2020 1st Half	Change	Percent Change
Truck	76,765	72,214	4,550	6.3	-187	4,737	1,828	748	1,080	144.3
Maritime Transport	6,957	6,353	603	9.5	—	603	-207	-664	457	—
Adjustment	-17,180	-16,626	-553	—	92	-646	59	34	24	—
Transport Total	66,542	61,941	4,600	7.4	-94	4,694	1,680	117	1,562	※ —

※Percent Change is written “-” due to exceeding 1,000 Percent.

(Units : Millions of yen,%)

	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	37,553	47,734	-10,181	-21.3	51	-10,232	Sales of condominiums for purchase decreased due to a decrease in the number of units delivered, bringing down overall sales despite an increase in parking lot usage in the Rental Business
Operating income	4,891	7,510	-2,619	-34.9			Lower income due to lower revenues in the condo sales

◆ Breakdown of Real Estate Business ◆

(Units : Millions of yen,%)

	Operating revenues						Operating income			
	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021 1st Half	FY2020 1st Half	Change	Percent Change
Real Estate Rental	22,460	21,736	723	3.3	-39	762	4,131	2,882	1,248	43.3
Real Estate Condo Sales	11,455	22,797	-11,341	-49.7	—	-11,341	547	2,279	-1,731	-76.0
Real Estate Management	6,569	7,033	-464	-6.6	-673	209	244	112	132	118.0
Adjustment	-2,931	-3,833	901	—	764	137	-31	2,236	-2,268	—
Real Estate Total	37,553	47,734	-10,181	-21.3	51	-10,232	4,891	7,510	-2,619	-34.9

< Number of Meitetsu Real Estate Condo Sales >

(Units: Units sold, %)

	FY2021 1st Half	FY2020 1st Half	Percent Change
Number of condos sold (total)	248	444	-44.1
Naogya	30	108	-72.2
Tokyo	140	301	-53.5
Osaka	78	35	122.9

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

(Units: %)

	FY2021 1st Half	FY2020 1st Half	Percent Change
Owned Spaces	85,957	84,534	1.7
Owned Lots	4,038	4,092	-1.3

(Units : Millions of yen,%)

	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	18,237	7,745	10,491	135.4	5,377	5,114	Operating loss improve
Operating income	-5,042	-8,602	3,559	—			Operating loss improve in the all business due to higher revenues

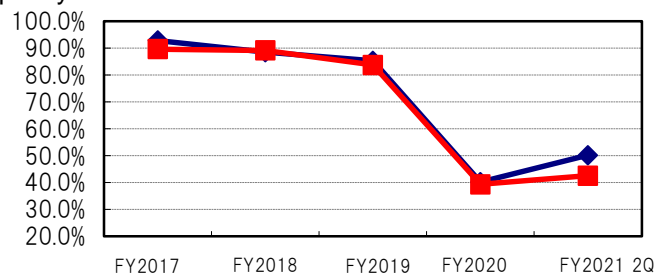
◆ Breakdown of Leisure and Services Business ◆

(Units : Millions of yen,%)

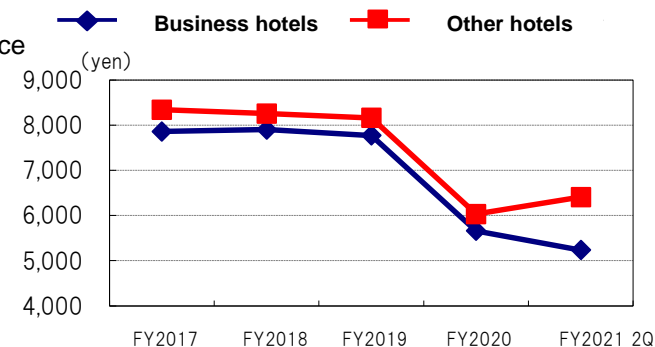
	Operating revenues						Operating income			
	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021 1st Half	FY2020 1st Half	Change	Percent Change
Hotel	3,820	2,272	1,547	68.1	-38	1,585	-2,959	-3,218	259	—
Tourist Facilities	5,917	4,658	1,258	27.0	-16	1,275	-698	-1,366	667	—
Travel	8,718	1,027	7,691	748.8	5,414	2,276	-1,376	-4,006	2,629	—
Adjustment	-218	-212	-6	—	17	-23	-7	-11	3	—
Leisure and Services Total	18,237	7,745	10,491	135.4	5,377	5,114	-5,042	-8,602	3,559	—

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

(1) Occupancy rate



(2) Lodging price



(Units : Millions of yen,%)

	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	31,218	49,115	-17,897	-36.4	-20,383	2,486	Overall revenue increased due to a rise in construction material transactions, despite a decrease in revenue due to the sale of some subsidiaries in the previous fiscal year in the department store business (excluding the effect of revenue recognition changes)
Operating income	-1,479	-2,191	711	—			Operating loss improved due to a rise in profitability in the import car sales business

◆ Breakdown of Distribution Business ◆

(Units : Millions of yen,%)

	Operating revenues						Operating income			
	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021 1st Half	FY2020 1st Half	Change	Percent Change
Department Store	7,179	18,573	-11,394	-61.3	-8,511	-2,883	-1,642	-1,552	-89	—
Other goods sold	24,088	30,955	-6,867	-22.2	-12,148	5,281	61	-639	700	—
Adjustment	-48	-413	364	—	276	88	101	0	101	—
Distribution Total	31,218	49,115	-17,897	-36.4	-20,383	2,486	-1,479	-2,191	711	—

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

(Units : Millions of yen,%)

	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	10,436	9,964	472	4.7	—	472	Increase due to a rise in cargo transportation in aviation business
Operating income	732	181	550	303.7			Increase in operating income due to higher revenues

◆Breakdown of Aviation Services Business◆

(Units : Millions of yen,%)

	Operating revenues						Operating income			
	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021 1st Half	FY2020 1st Half	Change	Percent Change
Aviation Services	10,612	10,089	523	5.2	—	523	728	177	550	309.8
Adjustment	-176	-124	-51	—	—	-51	3	3	0	—
Aviation Services Total	10,436	9,964	472	4.7	—	472	732	181	550	303.7

(Units : Millions of yen,%)

	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	Notes
Operating revenues	19,813	19,611	201	1.0	-371	572	Increase due to higher orders for system-related products, etc.
Operating income	471	241	229	95.3			Increase in operating income due to higher revenues

◆ Breakdown of Others ◆

(Units : Millions of yen,%)

	Operating revenues						Operating income			
	FY2021 1st Half	FY2020 1st Half	Change	Percent Change	The impact of revenue recognition changes	Real increase or decrease	FY2021 1st Half	FY2020 1st Half	Change	Percent Change
Equipment Maintenance	9,955	10,340	-384	-3.7	-369	-15	23	13	9	66.6
Others	10,220	9,682	537	5.6	-2	540	461	220	241	109.5
Adjustment	-363	-411	48	—	—	48	-13	6	-20	—
Others Total	19,813	19,611	201	1.0	-371	572	471	241	229	95.3

Non-Operating Income and Extraordinary Income



(Units: Millions of yen)

	FY2021 1st Half	FY2020 1st Half	Change	Notes
Non-operating income	6,738	6,140	598	
Interest income	11	9	1	
Dividend income	664	758	-94	
Equity in net earnings of affiliates	1,384	445	938	
Reversal of provision for loss on liquidation	173	3	170	
Others	4,505	4,923	-418	(FY2021, FY2020) Subsidies for employment adjustment
Non-operating expenses	1,569	1,991	-421	
Interest expenses	1,499	1,630	-131	
Others	69	360	-290	
Total non-operating income	5,169	4,149	1,020	
Extraordinary income	2,633	2,403	229	
Gain on sales of investment securities	1,701	1,343	357	(FY2021) Listed shares
Gain on contributions for construction	275	578	-303	(FY2020) The barrier-free construction in the stations
Others	657	481	175	
Extraordinary losses	1,615	3,132	-1,516	
Loss on disposition of fixed assets	535	242	293	
Impairment loss on fixed assets	330	605	-275	
Loss on reduction of property and equipment	244	501	-256	(FY2020) The barrier-free construction in the stations
Loss on valuation of investment securities	91	986	-894	(FY2020) Listed shares
Others	413	796	-383	(FY2020) Extraordinary loss due to closing and other
Total extraordinary income	1,017	-728	1,746	

Consolidated Balance Sheets



(Units: Millions of yen)

	FY2021 1st Half	FY2020 results	Change	Notes								
Current assets	200,880	215,097	-14,216	Lower trade notes, accounts receivable and contract asset								
Non-current assets	978,595	976,033	2,561	<table border="1"> <tr> <td>Capital Investment</td> <td>+20,170</td> </tr> <tr> <td>Depreciation and amortization</td> <td>-18,852</td> </tr> <tr> <td>Impairment loss on fixed assets</td> <td>-330</td> </tr> <tr> <td>Disposition</td> <td>-273</td> </tr> </table>	Capital Investment	+20,170	Depreciation and amortization	-18,852	Impairment loss on fixed assets	-330	Disposition	-273
Capital Investment	+20,170											
Depreciation and amortization	-18,852											
Impairment loss on fixed assets	-330											
Disposition	-273											
Property and equipment	831,547	831,429	118									
Intangible assets	9,010	9,222	-212									
Investments and other assets	138,037	135,382	2,655	Higher investment securities due to a rise in the fair value of owned shares								
Total assets	1,179,476	1,191,131	-11,654									
Current liabilities	267,727	281,782	-14,054	Lower notes payable and accounts payable								
Non-current liabilities	501,637	501,836	-199									
Total liabilities	769,364	783,619	-14,254									
Total net assets	410,112	407,512	2,600	Profit attributable to owners of the parent +1,016								
Total liabilities and net assets	1,179,476	1,191,131	-11,654									
Consolidated interest-bearing debt	487,264	484,169	3,095	Reference: Net interest-bearing debt 443,998 (vs. Mar. 31, 2021: +13,849)								

A teal-colored parallelogram containing the white numbers '03' in a large, bold, sans-serif font.

FY2021 Operating Results Forecast

Premise conditions of Operating Results Forecast



The current forecast for fiscal 2021 assumes that from October 2021 onward there will be no new social restrictions due to the declaration of a state of emergency in response to the emergence of COVID-19, and that domestic economic activity will recover moderately compared with current conditions toward the end of fiscal 2022.

Operating Revenues (Compares with FY2019)		
	Current forecast	Previous forecast (as of May)
Traffic	Railroad [※] ・Bus・Taxi...Around 70 to 80% (↘) (※Railroad...It will gradually recover to about 80% into March 2022)	Railroad・Bus・Taxi...Around 80%
Transport	Truck...On par with FY2019 (↗) Maritime Transport...Around 90% (→)	Truck・Maritime Transport...Around 90%
Real Estate	Real Estate Rental...Around 90% (→) Real Estate Condo Sales...Around 80% (→) Real Estate Management...On par with FY2019 (→)	Real Estate Rental...Around 90% Real Estate Condo Sales...Around 80% Real Estate Management...On par with FY2019
Leisure and Services	Hotel...Around 60% (↘) Tourist Facilities...Around 70% (↘) Travel...Around 50 to 60% (→)	Hotel...Around 70% Tourist Facilities...Around 90% Travel...Around 50 to 60%
Distribution	Department Stores...Around 60% (↘) Other goods sold...Around 80 to 90% (→)	Department Stores...Around 80% Other goods sold...Around 80 to 90%
Aviation Services	Around 80% (→) (In-Flight Catering Business accounts for around 20%)	Around 80% (In-Flight Catering Business accounts for around 20% to 30%)
Others	Around 90% (→)	Around 90%

FY2021 Consolidated Operating Results Forecast



(Units: Millions of yen, %)

	FY2021 current forecast	FY2020 results	Change	Percent Change	Previous Forecast (As of May)	Change	Percent Change
Operating revenues	※ 500,000	481,645	18,355	3.8	530,000	-30,000	-5.7
Operating income	3,000	-16,354	19,354	—	13,000	-10,000	-76.9
Non-operating revenues	10,500	12,626	-2,126		7,000	3,500	
Non-operating expenses	3,500	4,418	-918		4,000	-500	
Ordinary income	10,000	-8,146	18,146	—	16,000	-6,000	-37.5
Extraordinary income	23,200	7,913	15,287		23,000	200	
Extraordinary losses	23,200	22,291	909		22,000	1,200	
Profit attributable to owners of the parent	5,000	-28,769	33,769	—	11,000	-6,000	-54.5
EBITDA	42,500	22,996	19,504	84.8	52,500	-10,000	-19.0
Capital investment	65,700	47,937	17,763	37.1	65,700	—	—
Depreciation and amortization	39,500	39,351	149	0.4	39,500	—	—
Net interest-bearing debt	450,000	430,149	19,851	4.6	450,000	—	—

※Effects of the Adoption of Accounting Standard for Revenue Recognition, etc. : -11,300

Based on second-quarter results, operating revenues are expected to be lower compared with the previous forecast (as of May 11) in the Leisure and Services Business and Traffic Business as are overall sales and operating income. In addition, although we expect non-operating income to improve due to the posting of subsidies for employment adjustments, we expect profit to fall short of the previous forecast due to deterioration in extraordinary income.

Note: The Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29) ,etc. from the beginning of the first quarter accounting period for the fiscal ending 31 March 2022. The above forecasts are based on the figures after application of said accounting standards.

Operating Results Forecast Highlights



(Unit: Billions of yen)

Year-on-year: **Higher revenues and a return to profitability**

(Overall sales are expected to increase due to a recovery in performance in the Leisure and Services Business and Traffic Business. Each sub-segment is also expected to see a return to profitability due to increased revenue.)

Operating Revenues
+ ¥18.3 billion

- + Leisure and Services +38.4 (Hotel +4.8 Travel +4.2 Tourist Facilities +2.5 *The effects of revenue recognition changes +27.0*)
- + Traffic +15.2 (Railroad +7.6 Bus +4.5 Taxi +2.3 *The effects of revenue recognition changes +0.4*)
- + Transport +5.2 (Truck +4.1 Maritime Transport +1.6 *The effects of revenue recognition changes -0.2*)
- + Real Estate +2.0 (Real Estate Rental +2.0 (Higher parking space revenues +1.0))
- Distribution -46.1 (Department Stores -4.2 (Assignment of Kanazawa Meitetsu Marukoshi Department Store -9.2) Other goods sold +3.9 *The effects of revenue recognition changes -46.0*)

Real increase of excluding effects of revenue recognition changes
+ ¥29.6 billion

Operating Income
+ ¥19.3 billion

- + Traffic +14.8 (Railroad +8.3 Bus +4.5 Taxi +1.9)
- + Leisure and Services +6.1 (Travel +4.9 Tourist Facilities +1.1 Hotel +0.1)
- + Transport +1.5 (Maritime Transport +1.1 Truck +0.5)
- + Distribution +0.4 (Department Stores +0.3)
- Real Estate -1.8 (Real Estate Condo Sales -3.2 Real Estate Rental +1.4)

Ordinary Income
+ ¥18.1 billion

Although we expect non-operating income to worsen due in part to a decrease in subsidies for employment adjustment, account balances should improve because of operating income returning to the black. (Worsen non-operating income -1.2)

Net Profit
+ ¥33.7 billion

Extraordinary loss is expected to improve due mainly to a decrease in impairment loss on fixes assets as it returns to normal and ordinary income returning to the black. (Improve extraordinary income + 14.3)

Compared to previous forecast: **Lower revenues and lower profit**

(Sales are expected to decrease mainly in the Leisure and Services Business and Traffic Business due to a delay in demand recovery. Profit for each sub-segment is also expected to be down due to lower sales.)

Operating Revenues
- ¥30.0 billion

- Leisure and Services -19.8 (Travel -12.4 Hotel -4.5 Tourist Facilities -3.0)
- Traffic -12.6 (Railroad -6.3 Bus -3.2 Taxi -3.0)

Operating Income
- ¥10.0 billion

- Traffic -6.5 (Railroad -3.7 Bus -1.6 Taxi -1.2)
- Leisure and Services -4.5 (Hotel -3.0 Tourist Facilities -0.8 Travel -0.7)

Ordinary Income
- ¥6.0 billion

Improvement in non-operating income due to an increase in subsidies for employment adjustment. +4.0

Net Profit - ¥6.0 billion

FY2021 Operating Results Forecast by Segment



*Excluding effects of revenue recognition changes

(Units: Millions of yen, %)

Operating revenues	FY2021 forecast	FY2021 Forecast (*)	FY2020 results	Change	Percent Change	Percent Change (*)	Previous Forecast (As of May)	Change	Percent Change
Traffic	120,200	119,800	104,995	15,205	14.5	14.1	132,800	-12,600	-9.5
Transport	134,200	134,400	128,901	5,299	4.1	4.3	133,600	600	0.4
Real Estate	87,500	87,500	85,402	2,098	2.5	2.5	87,500	—	—
Leisure and Services	58,500	31,500	20,007	38,493	192.4	57.4	78,300	-19,800	-25.3
Distribution	65,100	111,100	111,272	-46,172	-41.5	-0.2	66,400	-1,300	-2.0
Aviation Services	23,000	23,000	22,983	17	0.1	0.1	22,800	200	0.9
Others	45,300	45,800	45,862	-562	-1.2	-0.1	46,800	-1,500	-3.2
Adjustment	-33,800	-41,800	-37,779	3,979	—	—	-38,200	4,400	—
Total	500,000	511,300	481,645	18,355	3.8	6.2	530,000	-30,000	-5.7

Operating income	FY2021 forecast		FY2020 results	Change	Percent Change		Previous Forecast (As of May)	Change	Percent Change
Traffic	-3,000		-17,866	14,866	—		3,500	-6,500	—
Transport	3,900		2,350	1,550	65.9		4,100	-200	-4.9
Real Estate	8,800		10,667	-1,867	-17.5		7,300	1,500	20.5
Leisure and Services	-6,900		-13,008	6,108	—		-2,400	-4,500	—
Distribution	-1,700		-2,185	485	—		-1,100	-600	—
Aviation Services	700		1,959	-1,259	-64.3		200	500	250.0
Others	1,100		1,752	-652	-37.2		1,100	—	—
Adjustment	100		-24	124	—		300	-200	—
Total	3,000		-16,354	19,354	—		13,000	-10,000	-76.9

FY2021 EBITDA and Capital Investment Forecast



(Units: Millions of yen)

		FY2021 forecast	FY2020 results	Change			FY2021 forecast	FY2020 results	Change
Traffic	Operating income	-3,000	-17,866	14,866	Distribution	Operating income	-1,700	-2,185	485
	Depreciation and amortization	18,200	18,351	-151		Depreciation and amortization	1,100	1,185	-85
	EBITDA(①)	15,200	485	14,715		EBITDA(①)	-600	-999	399
	Capital investment(②)	20,000	16,869	3,131		Capital investment(②)	1,300	786	514
	Deduction(①-②)	-4,800	-16,384	11,584		Deduction(①-②)	-1,900	-1,786	-114
Transport	Operating income	3,900	2,350	1,550	Aviation Services	Operating income	700	1,959	-1,259
	Depreciation and amortization	7,400	6,985	415		Depreciation and amortization	2,700	2,279	421
	EBITDA(①)	11,300	9,335	1,965		EBITDA(①)	3,400	4,239	-839
	Capital investment(②)	8,000	8,788	-788		Capital investment(②)	5,900	4,920	980
	Deduction(①-②)	3,300	547	2,753		Deduction(①-②)	-2,500	-681	-1,819
Real Estate	Operating income	8,800	10,667	-1,867	Others	Operating income	1,100	1,752	-652
	Depreciation and amortization	5,800	6,013	-213		Depreciation and amortization	3,800	3,710	90
	EBITDA(①)	14,600	16,680	-2,080		EBITDA(①)	4,900	5,463	-563
	Capital investment(②)	22,000	11,037	10,963		Capital investment(②)	7,300	3,911	3,389
	Deduction(①-②)	-7,400	5,643	-13,043		Deduction(①-②)	-2,400	1,551	-3,951
Leisure and Services	Operating income	-6,900	-13,008	6,108	Total (after consolidated adjustment)	Operating income	3,000	-16,354	19,354
	Depreciation and amortization	1,000	1,233	-233		Depreciation and amortization	39,500	39,351	149
	EBITDA(①)	-5,900	-11,775	5,875		EBITDA(①)	42,500	22,996	19,504
	Capital investment(②)	1,200	1,623	-423		Capital investment(②)	65,700	47,937	17,763
	Deduction(①-②)	-7,100	-13,398	6,298		Deduction(①-②)	-23,200	-24,940	1,740

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.