

Six-month Period Ending September 30, 2020 Financial Results Presentation for Investors

Nagoya Railroad Co., Ltd.

Securities Code: 9048

November 17, 2020

01

Summary of Financial Results and Performance Forecast

【Group Business Performance Summary of Results】

FY2020 1st Half

	Apr. - Jun. Results		Jul. - Sept. Results		Cumulative Results		Year-on-year change									
Operating revenues	109.0	Billions of yen (year-on-year percent change -25.7%)	+	117.8	Billions of yen (year-on-year percent change -30.4%)	=	226.9	Billions of yen	-	89.1	Billions of yen	-	28.2 %			
Operating income	-	10.2	Billions of yen	+	-	4.7	Billions of yen	=	-	14.9	Billions of yen	-	44.0	Billions of yen	-	—
Ordinary income	-	8.5	Billions of yen	+	-	2.3	Billions of yen	=	-	10.8	Billions of yen	-	41.4	Billions of yen	-	—
Profit attributable to owners of the parent	-	7.6	Billions of yen	+	-	4.7	Billions of yen	=	-	12.4	Billions of yen	-	31.7	Billions of yen	-	—

【Financial Results Highlights】

Operating revenues : **[Decreased]**

Revenues decreased in all segments due to the COVID-19 pandemic.

Operating income : **[Recorded losses]**

Loss due to the COVID-19 pandemic.

(Increased) Real Estate

(Decreased·Secured surplus) Transport, Aviation Services, Others

(Decreased·Recorded losses) Traffic, Leisure and Services, Distribution

Segment	Impact Amount by the COVID-19(Billions of yen)	
	Operating revenues	Operating income
Traffic	-37.0	-27.5
Distribution	-21.5	-2.0
Leisure and Services	-19.0	-10.0
Transport	-10.5	-4.0
Real Estate	-7.0	-2.0
Aviation Services	-2.5	-1.0
Others	-2.5	-0.5
Adjustment	4.0	-
Total	-96.0	-47.0

【Group Business Performance Summary of Performance Forecast】

FY2020 Full-year Forecast

	Current forecast	Year-on-year change
Operating revenues	493.0 Billions of yen	- 129.9 Billions of yen - 20.9 %
Operating expenses	514.5 Billions of yen	- 61.0 Billions of yen - 10.6 %
Operating income	- 21.5 Billions of yen	- 68.8 Billions of yen —
Ordinary income	- 18.0 Billions of yen	- 67.2 Billions of yen —
Profit attributable to owners of the parent	- 24.0 Billions of yen	- 52.8 Billions of yen —

<Premises of operating revenues>

Calculated based on the assumption that the impact of the COVID-19 pandemic would peak in Sept. and business activities would gradually recover thereafter.

(Railroad) About 70% compared to the previous year

	Impact Amount by the COVID-19 (Billions of yen)
Operating revenues	-153.0
Operating income	-71.0

【Full-Year Forecast Highlights】

Operating revenues : [Decrease]

Revenues decrease in all segments due to the COVID-19 pandemic.

Operating income : [Record losses]

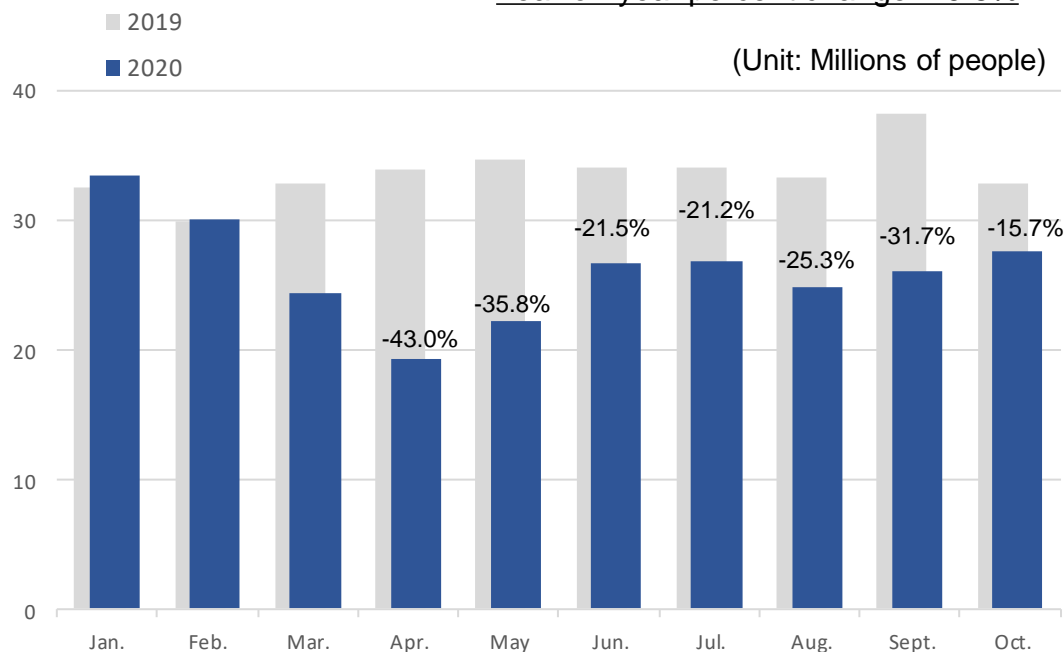
(Decrease • Secure surplus) Transport, Real Estate, Others
(Decrease • Record losses) Traffic, Leisure and Services, Distribution, Aviation Services

Commuter passenger numbers have recovered after bottoming out in Apr. and May, when the State of Emergency was in effect, but non-commuter numbers have remained low

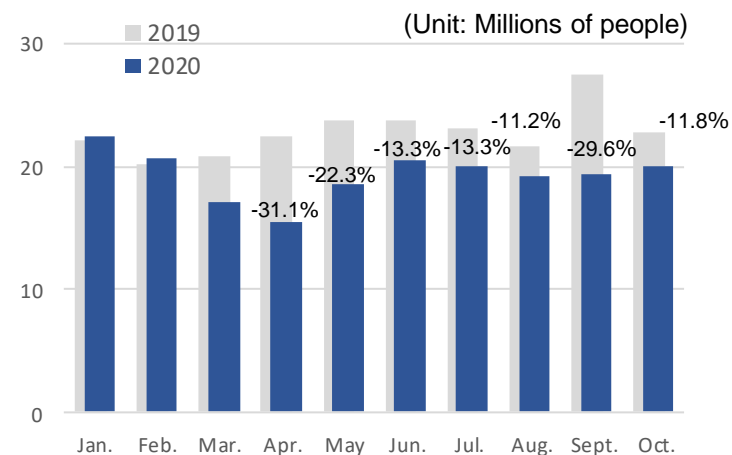
[Monthly Trends of the Railroad Passengers]

* % figures on graphs are year-on-year changes

[Total Passengers] Apr.-Sept. total: 146 millions of people,
Year-on-year percent change -29.8%

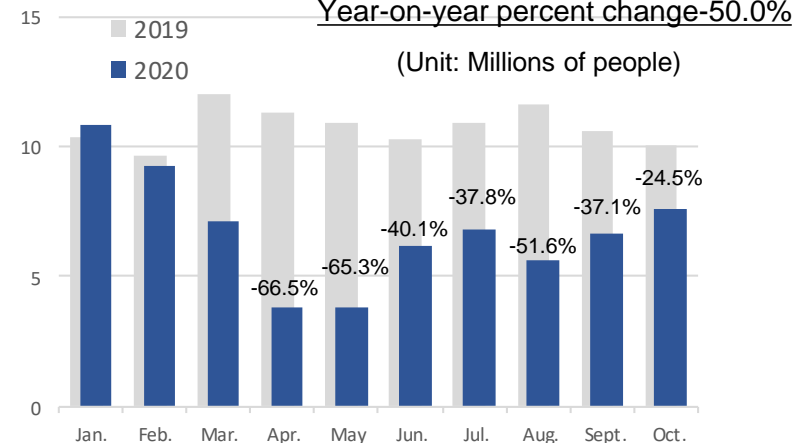


[Commuters] Apr.-Sept. total: 113 millions of people,
Year-on-year percent change -20.4%



[Non-Commuters]

Apr.-Sept. total: 32 millions of people,
Year-on-year percent change -50.0%



Passenger numbers are down, reflecting air route suspensions. Commercial facilities were also partly or completely closed but reopened with anti-COVID-19 measures in place

【Chubu Centrair International Airport】

International routes

The winter 2019 timetable (as of Nov. 1, 2019) had 455 flights/week. (to 38 cities)

Due to the pandemic, all passenger routes were suspended Apr. 1 to Jun. 16, 2020.

⇒ The winter 2020 schedule has 5 flights/week (to 2 cities)

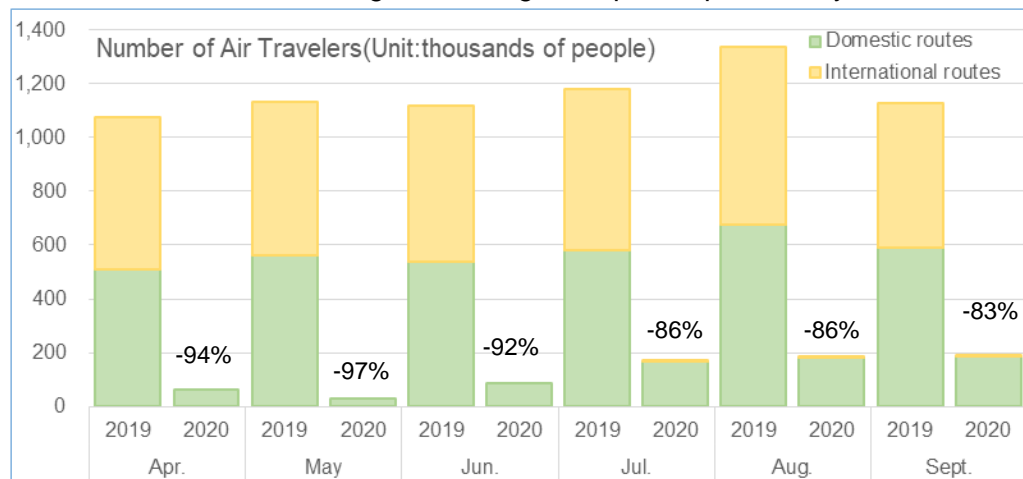
Domestic routes

The winter 2019 timetable (as of Nov. 1, 2019) had 88 flights/day. Due to the pandemic, some passenger routes have been reduced or suspended.

⇒ The winter 2020 schedule has 62 flights/day

【Number of Air Travelers】

* % figures on graphs are year-on-year changes, figures of Aug. & Sept. are preliminary



【Commercial facilities, etc. on Chubu Centrair International Airport's Island】

FLIGHT OF DREAMS



Aichi Sky Expo



Feb. 29~closed, Jun. 12 reopened Mar. 2~closed, May 18 reopened

Topics

“Aichi Sky Expo Relaxation of event restrictions”

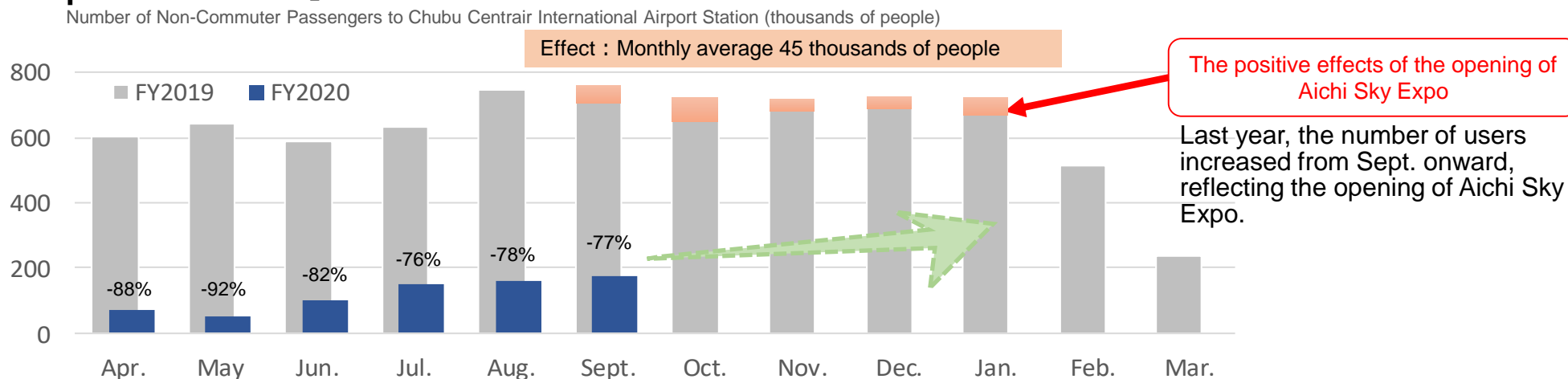
- Attendance limits eased for events held after Sept. 19.
Before: Maximum of 5,000 people indoors and outdoors
Now: Depending on capacity, etc., over 5,000 people may be allowed.

“Peach Aviation Start passenger service at Chubu Centrair International Airport”

- Peach Aviation has announced two new routes, to New Chitose and Sendai, to operate from Dec., but AirAsia Japan notified the Ministry of Land, Infrastructure, Transport and Tourism that it would cease operation of all its four routes (to New Chitose, Fukuoka, Sendai, and Taipei) effective Dec. 5.

The decrease in air travelers has caused a sharp drop in users of the Company's airport station and the Group's airport-related services

【Impact of Railroad】



Due in part to the decrease in air travelers, non-commuter users of Chubu Centrair International Airport Station were down 77% year on year to 171,000 in Sept. We expect the number of users to increase going forward, due to recovery in domestic air routes amid growing domestic travel demand and the easing of Aichi Sky Expo event restrictions.

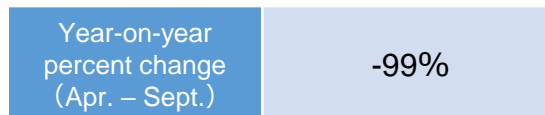
【Impact of Related Businesses】

➤ Centrair Limousine passengers



Impacted by the recovery of international routes, as many users are international air travelers.

➤ In-flight meals



Impacted by the recovery of international routes, as most in-flight catering business is for international routes.

➤ Centrair Hotel guests



The number of hotel customers is recovering as domestic travel demand increases but is still impacted by the recovery of international routes, as many hotel customers are international travelers.

02

The Group's Initiatives to Respond to the COVID-19 Pandemic

Making ongoing investments in safety while implementing anti-infection measures to help ensure the safety and peace of mind of customers and employees

Making ongoing investments in safety

【Railroad】

- Ongoing passenger safety and operational security construction, such as platform safety measures
- Construction to enhance service, such as making stations barrier-free

Anti-infection measures for customers

【Train Service】

- Suspended operations of some μ -SKY trains to and from Chubu Centrair International Airport Station
- Aired out all train cars throughout the day

【Sanitization】

- Regularly sanitized train poles, hand straps, ticket machines and other equipment at major stations
- Installed hand sanitizing stations at ticket windows and other locations in major stations

【Customer Communication】

- Putting up posters about infection prevention
- Reminding customers to take preventive measures via LED displays in stations and train cars and via announcements

【Meitetsu Bus】

- Using air conditioning that pulls in fresh outside air and utilizing plasmacluster ion generators
- Installed PVC guard barriers between seats in some train cars

【Meitetsu Grand Hotel】

- Proper cleaning and alcohol sanitation of areas frequented by customers

【Shinhotaka Ropeway】

- Issuing numbered tickets to avoid crowds and lines
- Capped passengers cars at about half total capacity



Anti-infection measures for employees

- Thorough use of masks
- Thorough health management
Requiring pre-work temperature checks and using thermography and other tools to check conditions upon arrival

- Installed plastic curtains, etc. to prevent the spread of airborne droplets in workplaces

Reduced operating expenses, selective capital investment

(Billions of yen)

	Operating expenses		Capital investment	
	FY2020 Forecast	Year-on-year change	FY2020 Plan	Year-on-year change
Traffic	129.7	-12.2	19.0	-5.7
Transport	127.8	-5.0	9.1	-1.4
Real Estate	78.0	-8.4	15.7	-4.2
Leisure and Services	38.0	-11.4	1.6	-1.9
Distribution	119.0	-21.1	1.1	-1.1
Aviation Services	22.6	-1.9	9.9	4.0
Others	45.6	-3.6	6.6	0.1
Total*	514.5	-61.0	63.0	-10.2

*Total operating expenses are numbers adjusted for intersegment transactions

Securing necessary operating capital

〈Diagnosis〉
The Group will take some time to make a full-scale recovery from the impact of the COVID-19 pandemic.

- Secured liquidity by issuing corporate bonds

- Sold strategic shareholdings

- Formed commitment line agreements

During the Pandemic

After the Pandemic

Threat

- Changes in lifestyle habits, such as the spread of remote working
- Shift toward commuting by private automobile
- Events held with limits on attendance, etc.
- Continued limits on air travel from overseas



- Permanent adoption of remote working, etc.
 - ⇒ Fewer commuters
 - ⇒ Office demand diversification
 - ⇒ Consumption in areas of living
- Slow recovery in demand from overseas visitors

Opportunity

- Restriction on overseas travel ⇒ Increased domestic travel demand
- Opportunities for innovation ⇒ Acceleration of digitization

- Shift from overconcentration to greater geographic distribution ⇒ Development of hub stations
- New awareness of the appeal of regional areas and domestic tourism
- Shift from overconcentration in Tokyo to greater distribution across regional areas



Main Challenges for the Group

- Need for structural reform in the Traffic Business and others, as the business environment is not expected to fully return to its previous state even after the pandemic, with some remote working and other changes permanent

- Need for real estate development in urban cores + by hub stations in light of shifts from overconcentration in urban cores to greater distribution and lifestyles changes due to the COVID-19 pandemic

- Need to revise the business portfolio, including reinforcing businesses closely enmeshed in daily living, to build a revenue structure that can withstand another pandemic

Possible Measures to Address Challenges (Railroad Business)

Focus: Ensure safety while reducing costs and saving labor

➤ **Reduce fixed costs and establish robust profitability**

Cost reduction

- ✓ Reformulate timetables and shift toward one-person train operation in accordance with demand on each line
- ✓ Revise structure and operations of facility maintenance and management departments

➤ **Enhance railway operation sophistication with a view to the stations of the future**

Labor saving

- ✓ Install new station equipment to promote cashless operations
- ✓ Expand use of centralized station management systems to improve efficiency

➤ **Use customer perspectives and diverse viewpoints to secure positive revenue sources**

Measures to increase sales

- ✓ Invigorate tourism along train lines by reinforcing coordination with communities on a groupwide basis
- ✓ Utilize spaces within stations with a focus on the convenience of railway travelers

➤ **Respond to new lifestyles**

Infection prevention

- ✓ Reinforce anti-infection measures so customers can ride with confidence
- ✓ Implement thorough anti-infection measures for employees via work environment improvements, etc.

Possible Measures to Address Challenges (Group Business)

Focus: Innovate and revitalize group business

➤ Business structure and business model innovation

Traffic Business

- ✓ Streamline the Bus and Taxi businesses in line with demand changes (revise routes, streamline timetables, optimize fleet sizes, etc.)
- ✓ Propose and build public transportation optimized for specific areas, beyond buses and taxis
- ✓ Streamline the management of the Bus and Taxi businesses

Leisure and Services

- ✓ Structural reform of the Travel Business
- ✓ Streamline the management of the Hotel Business
- ✓ Reinforce earnings power by shifting toward higher added value (opening hotels in new categories, etc.)

Focus: Developing new business areas and strengthening group business

➤ Developing new business areas

Others

- ✓ Generate revenue in new fields leveraging group management resources (high-precision 3D measurement technology, etc.)
- ✓ Expand the daily living support business

➤ Strengthening the competitiveness of group business

Aviation Services

- ✓ Reinforce the aviation and survey and measurement businesses, which generate regular recurring revenue

Transport Business

- ✓ Reinforce earnings power by efficiently using distribution centers

03

Regional Development Policy

Regional Development Policy

➤ Leveraging the Meitetsu Group's characteristics and strengths

- ✓ Work to not just maximize profit, but advance development leveraging the character of each area to increase the appeal of entire areas and train lines from a community-building perspective
- ✓ Coordinate with the government and other actors to increase the appeal of entire areas and train lines through ongoing involvement in community-building
- ✓ Increase the appeal of entire areas and train lines through synergies with group businesses

Increase the value of areas along our train lines



Increase the value of the Meitetsu Group's assets

➤ Reflecting changes in society

- ✓ Proactively develop areas along our train lines, not just city centers, to capitalize on the shift from overconcentration in urban cores to greater geographic distribution
- ✓ Development in line with changes in lifestyles

Proactive expansion in Nagoya's City Center



**Proactive expansion in urban cores
+ near hub stations**

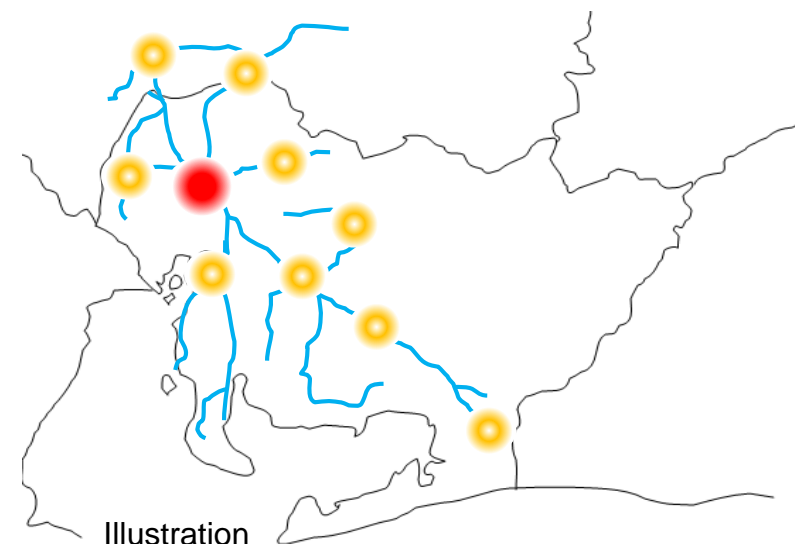
Local resources



City center



**Hub stations
along the line**



Carefully select investments to develop real estate business in central Nagoya in anticipation of further development near Nagoya Station

➤ Development around Nagoya Station

Completion of Meiki Dia Meitetsu Building

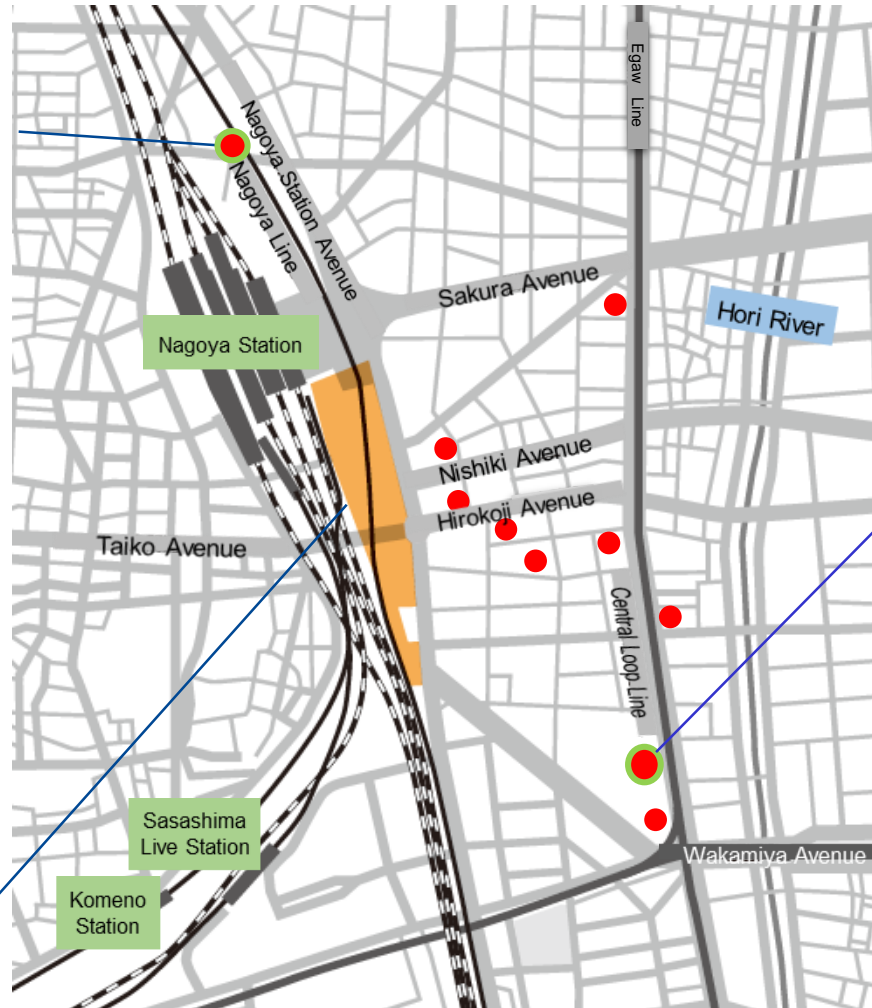
Built using capital including an ESG Business Support Loan.

Location offers excellent access; four minutes on foot from Nagoya Station, with second-floor deck connecting to the station directly.



Size and construction	Steel frame(Partially Reinforced concrete) 14-floors aboveground and 1-floors underground
Total floor space	18,925.54 m ²
Purposes	Offices, stores
Construction	Jun. 2020

Participation in the "NAGOYA the TOWER" development plan



Size and structure	Reinforced concrete, 42-floors aboveground and 1-floors underground
Total floor space	53,805.34m ²
Number of units	435(planned)
Construction	Planned to end Apr. 2023

A new landmark: high-rise tower condominium within walking distance of Nagoya Station.

Offering high-quality living, including an executive lounge and concierge service.

● ...Properties developed by the Group (including those not yet finalized)

*Joint venture with Mitsubishi Logistics Corporation

Revisions to the Meitetsu Nagoya Station District Redevelopment Project

Revisions to the Meitetsu Nagoya Station District Redevelopment Project

【Business environment changes due to the COVID-19 pandemic】

• Business results have been impacted severely and will take some time to recover

• We must respond to changes in demand spurred by the pandemic

At present, it remains difficult to accurately predict future changes in the business environment



We have determined that we must carefully examine the impact of the COVID-19 pandemic on the Group's businesses, changes in the business environment, and business profitability

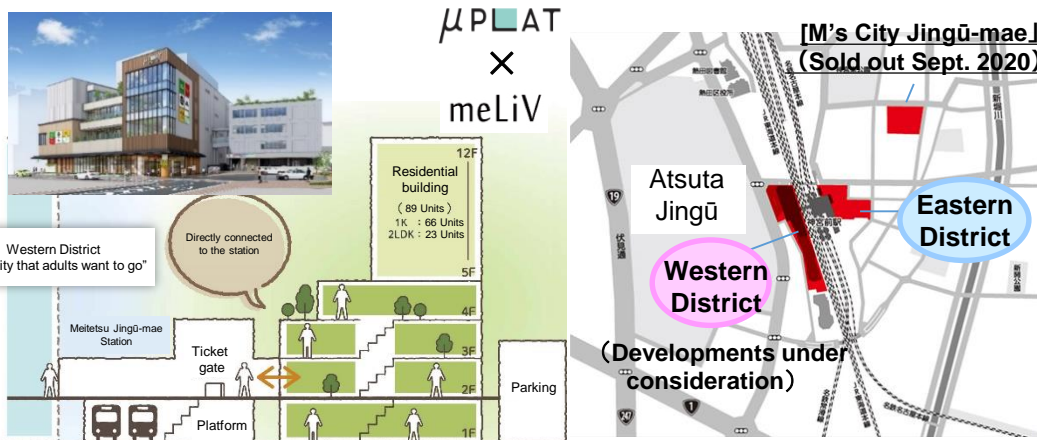
Outline of revisions to the project

- **Revising the schedule and content of the Meitetsu Nagoya Station District Redevelopment Project**
- **We will decide the future direction of the project by approximately fiscal 2024**

Note: Specific revisions to the schedule and plan, as mentioned above, will be determined in discussion and coordination with the other related parties, such as neighboring property owners and government agencies.

Creating the most livable towns and top destination areas in Japan
by increasing the value of Company assets near stations

➤ Jingū-mae Station Eastern District Development Plan



μPLAT Jingū-mae meLiV Jingū-mae

(Set to open Jul. 2021)

Developing facilities that will serve as centers of daily life for local residents and station passengers in an urban area rich in greenery, history, and culture.

Combined development of Meitetsu's μPLAT brand commercial facilities and meLiV brand condominiums for lease.

Location	Sanbonmatsu-cho, Atsuta-ku, Nagoya City (Direct connection to Jingū-mae Station on the Nagoya Line)
Size	Commercial building : Steel frame, 4-floors aboveground Residential building : Reinforced concrete, 12-floors aboveground Total floor area : Approx.14,400㎡
Number of stores	26(retail, food, drink, services, etc.)
Number of units	90(planned)

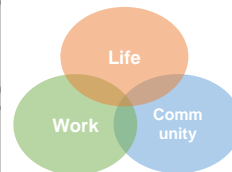
⇒Going forward, we will consider development mainly in areas around major stations, such as Meitetsu Gifu Station and Higashi Okazaki Station.

➤ Meitetsu Ōsato Building Renovation Plan

(Slated to end the renovation Feb. 2021)

Renovating a dormitory building into for-lease housing for the general public.
Changing the old assembly room and building manager's office into common areas, etc., in light of changes in lifestyles.

* Entire property to be leased to goodroom co., ltd.



Location	Sanjubanjin, Okuda-cho, Inazawa City, Aichi Pref. (Direct connection to Ōsato Station on the Nagoya Line)
Size and construction	Reinforced concrete, 5-floors aboveground
Total floor space	3,319.95㎡
Number of units	60(planned)



SUMU INUYAMA

Renovated the Inuyama Station West Building into for-lease condominiums designed for women and families with children in 2017.

【Occupancy rate transition】

61%

Feb. 2017

97%

Sept. 2020

(Before renovation) (Current)



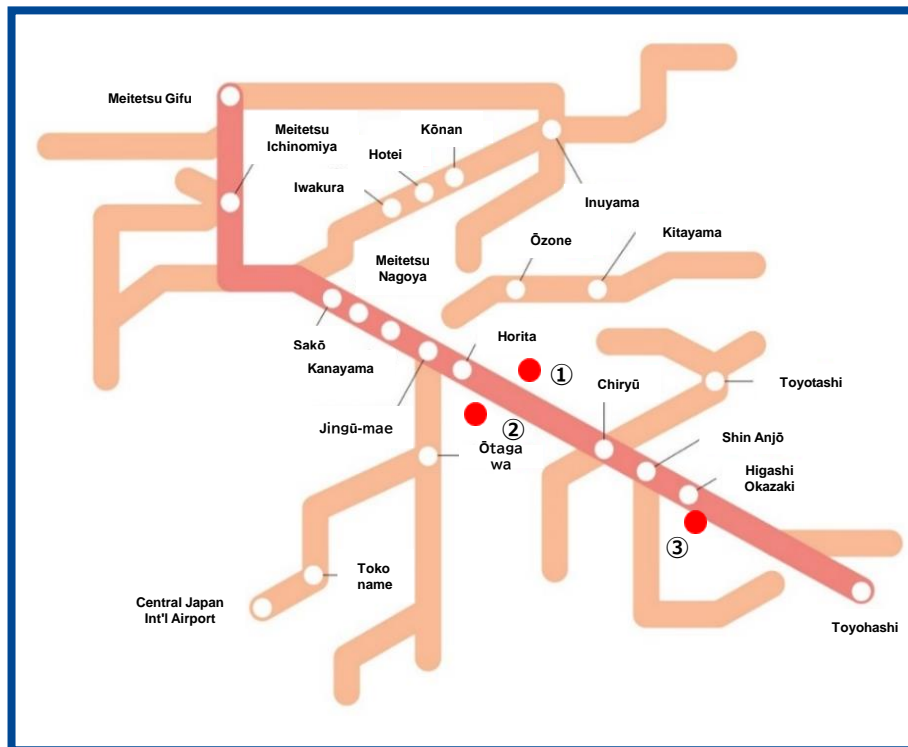
Developing high-value-added condominiums for purchase and other properties mainly along our train lines to increase the region's residential population

➤ Development of Condominium



① Condominium M's City Naruko PREDEAR

(1 construction area transfer scheduled for Nov. 2021 / 2 construction area transfer scheduled for Jan. 2024)



③ Condominium MEITSU Myodaiji Mishima Hills

(transfer scheduled for Jun. 2020)

Location	Myodaiji-cho, Okazaki City, Aichi Pref. (10 min. walk from Higashi Okazaki Station on the Nagoya Line)
Size and structure	Reinforced concrete, 6-floors aboveground
Total floor space	3,653.66m ²
Number of units	40



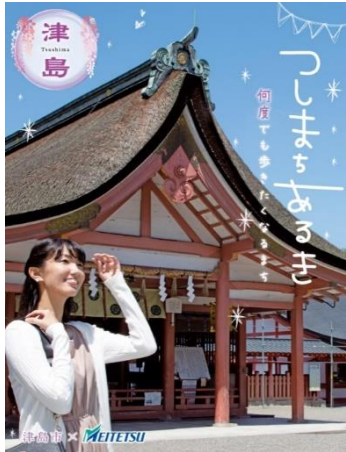
② Condominium MM FIELD Minami-Odaka

(transfer scheduled for Dec. 2021)

Location	Morinosato, Midori-ku, Nagoya City (13 min. walk from Minami-Odaka Station on the JR Tokaido Line)
Size and structure	Reinforced concrete, 10-floors aboveground
Total floor space	16,489.67m ²
Number of units	192

Creating appealing areas along train lines and travel destinations by working with local communities to uncover and promote tourism assets

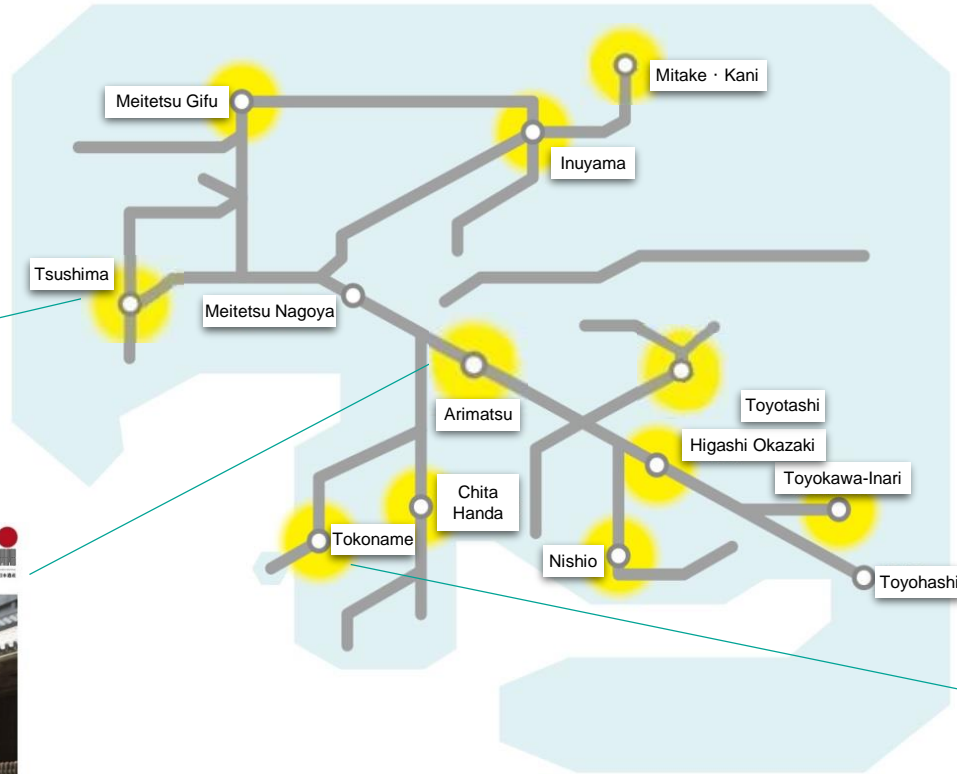
➤ Uncovering regional tourism assets by working with municipalities along train lines



Tsushima City
「Tsushima City Walk Campaign」



Nagoya City「Autumn Arimatsu Campaign」



Promoting tourism in coordination with Tokoname City, the setting of the animated film A Whisker Away.

Creating promotions including walking routes and souvenir selections through partnerships with municipalities and organizations along our train lines.
There are also promotions include an experience of Arimatsu Shibori, to meet growing consumer demand for experiences.

泣きたい私は
猫をかぶる ×



04

Growth Business & DX Initiatives

Working with local governments and start-ups launched from local universities to conduct pilot testing aimed at the practical adoption of cutting-edge technologies

➤ Initiatives for realizing the practical use of drone

Participating in Aichi Prefecture's Drone Society Pilot Test Project

Meitetsu and NAKANIHON AIR were jointly commissioned for another year to carry out this project aimed at realizing the practical use of parcel delivery by drone.

Working with municipalities and other organizations, we are conducting the following field tests.



- ② Offshore transport route to remote islands
- ③ Testing along decommissioned rail line sites →

◆ Contents of the demonstration experiment

- ① Delivery to underpopulated mountainous area
- ② Delivery to remote islands
- ③ Transport using a decommissioned rail line



◆ Implementation period
Sept. – Nov. 2020

Verifying their potential to solve social issues, such as delivering medical supplies to villages or remote islands with access disrupted by disaster or making deliveries to people who have difficulty shopping in remote areas.

➤ Initiatives for realizing the practical use of self-driving

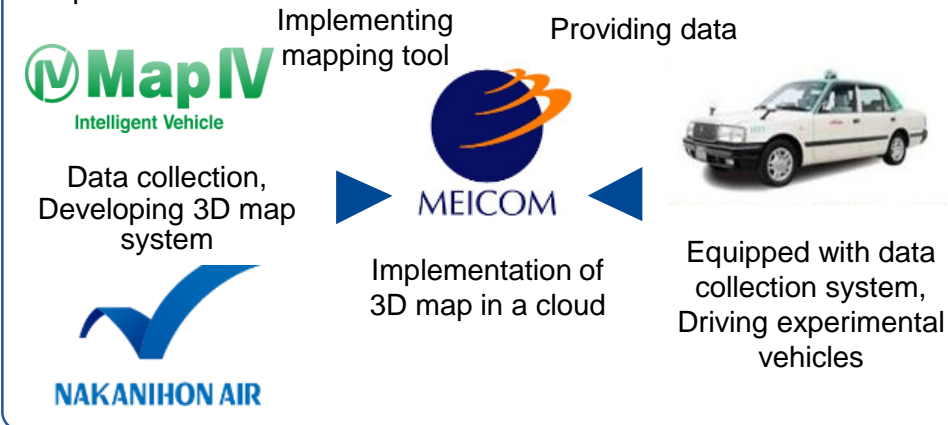
Pilot testing aimed at applying precise 3D map data generated using commercial vehicles to self-driving technologies

Pilot testing to apply precise 3D map by using the group's technology and taxi vehicles in collaboration with Map IV ,Inc. that venture company from Nagoya University.

◆ Pilot testing participants

Map IV ,Inc. , Nagoya Railroad, NAKANIHON AIR, Meitetsucom, MEITETSU TAXI HOLDINGS

◆ Implementation outline



◆ Implementation period
Oct. – Dec. 2020

Expecting for self-driving of vehicles and infrastructure maintenance. Leading to the construction of a new information infrastructure that supports the realization of the self-driving society.

Developing services to meet changing lifestyle needs by leveraging our assets near stations and strength in collaborating with communities

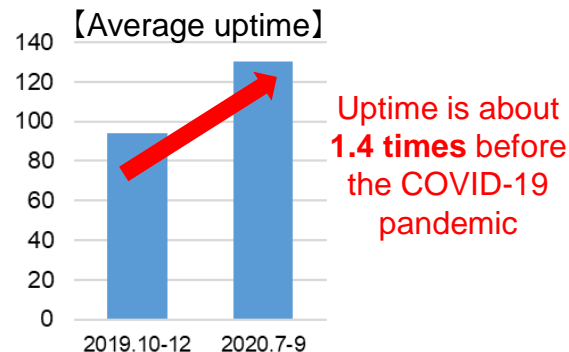
➤ Developing new sharing services

Expanding rental spaces in our properties near stations



Rental Space @Meitetsu Toyotashi Station

Business starts from May 2019.
Good Location under the elevated at Toyotashi Station.
※Outsourced to Crewtone Inc.



Plan to expand rental space along our train lines

[Ōsato Station on the Nagoya Line]

New rental space planned in part of the for-lease condominiums of the Meitetsu Ōsato Building following renovations in spring 2021.

※Entire property to be leased to goodroom co., ltd.



Field testing of community bicycle station



Nagoya Castle Main Gate Station

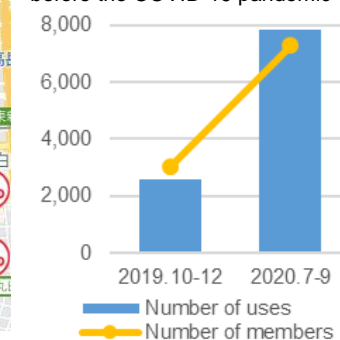
Joint field testing by Nagoya City and private operators that have formed agreements with the city.

Focusing on tourism demand for community bicycle sharing, Nagoya City has provided space at public facilities for cycle stations.

Implementation period
Apr. 2020 - Mar. 2021



About **3 times** the number of uses and **2.5 times** the number of members compared to before the COVID-19 pandemic



42 locations and 100 bicycles mainly in the Nagoya Station and Sakae area. (as of Oct. 31, 2020)

Beginning organizational preparations to quickly respond to DX; using DX from the customer perspective; and using DX to realize new employee work styles

- **Construction of organizational structure to quickly respond to DX**
- **Enhancing customer convenience and operational efficiency**

Establish new Digital innovation Dept. in our company

In Jul., We establish new Digital innovation Dept. in our company to quickly respond to DX.

Providing added value to customers

Realize a Meitetsu version of MaaS and make transportation more convenient using IoT, AI, etc.

Office work efficiency

Reform the internal business environment by using AI, going paperless, etc.



Build new business

Internet reservation services for first class car tickets



Service launched in 2019 to enhance customer convenience. Implemented conductor terminals around the same time, generally eliminating the need for onboard ticket checking.

This also contributes to infection prevention for both customers and employees, important during the COVID-19 pandemic.

Paperless • Set up a remote working IT environment

In Mar., as part of our work process innovation efforts, we digitized approval processes and set up a remote working IT environment, also helping promote work style reform.

- Digitization of approval -Breaking away from traditional seal-
- Remote Desktop
- Web conferencing system
- In house Wi-Fi connection

Work Process Innovation & Work Style Reform



05

ESG Initiatives

Helping protect the environment, solve social issues and conserve cultural assets as well as disclosing such efforts to stakeholders

➤ Environmental Initiatives

Meitetsu Transportation

Introduced the new model electric light-duty trucks - eCanter



Adopting five new model eCanter* electric light-duty trucks at Truck Terminal Kansai in addition to the seven eCanter trucks currently in use in Tokyo and Aichi.

The first use of eCanter in Kansai. The first use of the new model eCanter in the world.

*eCanter: An electric truck with zero gas emissions. In addition to reducing environmental burden, the low levels of noise and vibration help improve drivers' work environments.

After garnering acclaim for the business management that is conscious of the environment, etc. Meitetsu Transportation concluded an ESG Business Support Loan from MUFG Bank. (The first land transportation company concluding the loan)



NAKANIHON AIR

Formed a business tie-up agreement of the offshore wind power business

Formed a business tie-up agreement with Heli Service International, which boasts a wealth of experience and expert knowledge in the European wind power generation market.

In renewable energy, we aim to establish services in the offshore wind power business—an area expected to grow in Japan going forward—spanning from the survey stage to operation and maintenance.



Topics

Exhibited at the 8th annual WIND EXPO

- Exhibited at the 8th annual WIND EXPO in Feb. 2020.
- Presented on using helicopters to access offshore wind power facilities. (for supply transport, etc.)

Helping protect the environment, solve social issues and conserve cultural assets as well as disclosing such efforts to stakeholders

➤ Initiatives for society

Meiji Village Museum
Preservation and exhibition of historical buildings, etc.

Conservation and restoration with a commitment to the original state of the site, based on a fundamental stance of maintaining and communicating the value of the original.

Nationally registered tangible cultural property
「Nagasaki Kyoryu-chi Niju-gobankan」



A western-style wooden house built for the first chief engineer of Nagasaki Shipyard. Long-covered paint layers from the 19th century were analyzed to understand 19th century painting techniques and recreate the original paint finish.

Calling for donations to the SL Overhaul Fund



Set up the SL Overhaul Fund to maintain the SL12 (the oldest still-functioning steam locomotive in Japan) and the SL9 (imported in the late Meiji period) in working condition far into the future. Conserving industrial heritage.

➤ Governance Initiatives

Nagoya Railroad
Strengthening the oversight function of the board of directors

We increased the ratio of outside directors and strengthened the oversight function of the board of directors.

All directors	15 people	→	10 people
Outside directors	2 people	→	3 people

(As of Jul. 1, 2020)

Nagoya Railroad
Issuance of integrated report

統合報告書 2020

ESGへの取り組み

名鉄グループのサステナビリティ

すべてのステークホルダーから信頼され、地域の発展に貢献する企業を目指します。

Environment | 環境
地球環境保全活動の推進

Social | 社会
安全・安心の徹底 / 地域価値の向上

Governance | 企業統治
コーポレート・ガバナンスの充実

We scheduled to be issued our first integrated report in this year. (Posted on our website)

06

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, %)

	FY2020 1st Half	FY2019 1st Half	Change*	Notes
Operating revenues	226,942	316,128	-89,186 (-28.2)	
Operating expenses	241,930	287,026	-45,096	Cost of products sold: -19,090 Personnel costs: -7,149
Operating income	-14,987	29,101	-44,089 (—)	
Ordinary income	-10,838	30,631	-41,469 (—)	Non-operating income: +2,616 (Subsidies for employment adjustment: +3,809 Dividend income: -581) Non-operating expenses: -2 (Interest expenses: -28)
Extraordinary income	2,403	1,239	1,164	Gain on sales of investment securities: +1,195
Extraordinary losses	3,132	1,382	1,750	Loss on valuation of investment securities: +985
Profit before income taxes	-11,566	30,488	-42,055 (—)	
Income taxes	486	9,352	-8,865	
Profit attributable to non-controlling interests	351	1,779	-1,427	
Profit attributable to owners of the parent	-12,404	19,357	-31,762 (—)	

【Changes in consolidated subsidiaries and equity-method affiliates (compared to Mar. 31, 2020)】

- ◆ 112 consolidated subsidiaries (-1): Meitetsu Kikaku (merged)
- ◆ 15 equity-method affiliates (no change)

Six-month Period Ending Financial Results Highlights



Year-on-year: Lower revenues and recorded losses

(Revenues decreased in all segments due to the COVID-19 pandemic. Profit decreased in all segments except Real Estate Business.)

(Unit: Billions of yen)

Operating Revenues
- ¥89.1 billion

- Traffic -36.7 (Railroad -19.8 (Passengers -29.8%: Commuters -20.4% Non-commuters -50.0%) Bus -10.7 Taxi -6.1)
- Distribution -23.3 (Department Stores -13.2 Other goods sold -10.2)
- Leisure and Services -18.8 (Hotel -7.4 Tourist Facilities -6.1 Travel -5.3)
- Transport -8.2 (Truck -5.5 Maritime Transport -2.7)
- Real Estate -1.3 (Rental -2.8 (Lower parking space revenue -1.9))
(Higher condo sale revenue +2.0)

Operating Expenses
- ¥45.0 billion

- Cost of products sold -19.0 (Distribution -17.9 Real Estate -1.1)
- Personnel costs -7.1 (Traffic -4.3 Leisure and Services -2.0)

Operating Income
- ¥44.0 billion

- Traffic -27.0 (Railroad -17.5 Bus -6.6 Taxi -2.9)
- Leisure and Services -9.6 (Hotel -3.7 Travel -3.7 Tourist Facilities -2.1)
- Transport -3.7 (Truck -1.9 Maritime Transport -1.8)
- Distribution -2.7 (Department Stores -1.4 Other goods sold -1.2)
- + Real Estate +1.1 (Higher condo sale profit +3.3)
(Rental -2.0)

Ordinary Income
- ¥41.4 billion

An operating loss, despite improvement in non-operating income due to subsidies for employment adjustment.
(Improved non-operating income +2.6)

Net Profit
- ¥31.7 billion

A net loss due to the ordinary loss as well as worsened extraordinary income due in part to loss on valuation of investment securities.
(Worsened extraordinary income -0.6)

Operating Results by Segment

(Units: Millions of yen, %)

Operating revenues	FY2020 1st Half	FY2019 1st Half	Change	Percent Change
Traffic	48,782	85,580	-36,797	-43.0
Transport	61,941	70,237	-8,295	-11.8
Real Estate	47,734	49,042	-1,307	-2.7
Leisure and Services	7,745	26,584	-18,838	-70.9
Distribution	49,115	72,485	-23,369	-32.2
Aviation Services	9,964	12,268	-2,304	-18.8
Others	19,611	22,662	-3,050	-13.5
Adjustment	-17,954	-22,731	4,777	—
Total	226,942	316,128	-89,186	-28.2

Operating income	FY2020 1st Half	FY2019 1st Half	Change	Percent Change
Traffic	-12,150	14,925	-27,075	—
Transport	117	3,855	-3,737	-96.9
Real Estate	7,510	6,366	1,144	18.0
Leisure and Services	-8,602	1,001	-9,604	—
Distribution	-2,191	600	-2,791	—
Aviation Services	181	1,187	-1,005	-84.7
Others	241	1,038	-796	-76.8
Adjustment	-94	127	-221	—
Total	-14,987	29,101	-44,089	—

〈Year-on-Year Comparisons〉

【Operating revenues】
All segments **Decreased**

【Operating income】
Real Estate **Increased**
Transport, Aviation Services, Others **Decreased**
Traffic, Leisure and Services, Distribution **Recorded losses**

(Units: Millions of yen, %)

	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	Notes
Operating revenues	48,782	85,580	-36,797	-43.0	Lower revenues in all businesses due to efforts to stay home caused by the COVID-19 pandemic
Operating income	-12,150	14,925	-27,075	—	Loss due to lower revenues

◆ Breakdown of Traffic Business ◆

(Units: Millions of yen, %)

	Operating revenues				Operating income			
	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	FY2020 1st Half	FY2019 1st Half	Change	Percent Change
Railroad	30,586	50,460	-19,873	-39.4	-5,552	11,970	-17,522	—
Bus	11,931	22,726	-10,795	-47.5	-4,306	2,352	-6,658	—
Taxi	7,455	13,586	-6,131	-45.1	-2,369	530	-2,900	—
Adjustment	-1,190	-1,193	2	—	77	72	5	—
Traffic Total	48,782	85,580	-36,797	-43.0	-12,150	14,925	-27,075	—

< Nagoya Railroad, Transportation Results >

(Units: Millions of yen, %)

Traveler Revenues	FY2020 1st Half	FY2019 1st Half	Percent Change
Non-commuters	11,626	26,238	-55.7
Work commuters	14,061	16,930	-16.9
School commuters	2,211	4,042	-45.3
Commuters	16,273	20,973	-22.4
Total	27,900	47,211	-40.9

(Units: Thousands of people, %)

Passengers	FY2020 1st Half	FY2019 1st Half	Percent Change
Non-commuters	32,915	65,848	-50.0
Work commuters	74,786	85,733	-12.8
School commuters	38,387	56,522	-32.1
Commuters	113,173	142,255	-20.4
Total	146,088	208,103	-29.8

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

(Units: Millions of yen, %)

	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	Notes
Operating revenues	61,941	70,237	-8,295	-11.8	Lower revenues in all sub-segments due in part to decrease in cargo handling volumes caused by the COVID-19 pandemic
Operating income	117	3,855	-3,737	-96.9	Lower income in the Truck Business and a loss in the Maritime Transport Business due to lower revenues

◆Breakdown of Transport Business◆

(Units: Millions of yen, %)

	Operating revenues				Operating income			
	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	FY2020 1st Half	FY2019 1st Half	Change	Percent Change
Truck	72,214	80,140	-7,925	-9.9	748	2,697	-1,949	-72.3
Maritime Transport	6,353	9,127	-2,774	-30.4	-664	1,138	-1,803	—
Adjustment	-16,626	-19,030	2,404	—	34	18	15	—
Transport Total	61,941	70,237	-8,295	-11.8	117	3,855	-3,737	-96.9

(Units: Millions of yen, %)

	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	Notes
Operating revenues	47,734	49,042	-1,307	-2.7	Lower revenues due in part to decreased parking space revenue in the Rental Business, despite increased revenue from condominium sales
Operating income	7,510	6,366	1,144	18.0	Higher income due to condominium sales

◆ Breakdown of Real Estate Business ◆

(Units: Millions of yen, %)

	Operating revenues				Operating income			
	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	FY2020 1st Half	FY2019 1st Half	Change	Percent Change
Real Estate Rental	21,736	24,557	-2,820	-11.5	2,882	4,931	-2,048	-41.5
Real Estate Condo Sales	22,797	20,719	2,077	10.0	2,279	1,208	1,070	88.5
Real Estate Management	7,033	7,612	-578	-7.6	112	310	-198	-63.9
Adjustment	-3,833	-3,847	14	—	2,236	-84	2,321	—
Real Estate Total	47,734	49,042	-1,307	-2.7	7,510	6,366	1,144	18.0

< Number of Meitetsu Real Estate Condo Sales >

(Units: Units sold, %)

	FY2020 1st Half	FY2019 1st Half	Percent Change
Number of condos sold (total)	444	530	-16.2
Nagoya	108	199	-45.7
Tokyo	301	253	19.0
Osaka	35	78	-55.1

< Number of Parking Spaces and Lots Owned

by Meitetsu Kyosho Group >

(Units: %)

	FY2020 1st Half	FY2019 1st Half	Percent Change
Owned Spaces	84,534	79,857	5.9
Owned Lots	4,092	3,922	4.3

(Units: Millions of yen, %)

	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	Notes
Operating revenues	7,745	26,584	-18,838	-70.9	Lower revenues in all sub-segments due to the decrease in tourism demand caused by the COVID-19 pandemic
Operating income	-8,602	1,001	-9,604	—	The Hotel and Tourist Facilities businesses recorded losses, and the Travel Business recorded wider losses, due to decreases in revenues

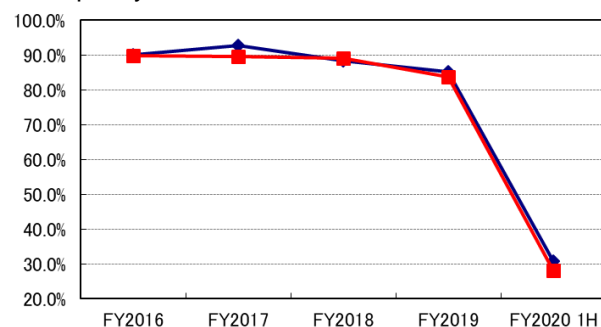
◆ Breakdown of Leisure and Services Business ◆

(Units: Millions of yen, %)

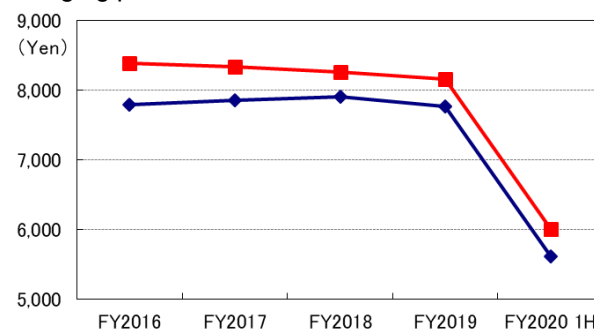
	Operating revenues				Operating income			
	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	FY2020 1st Half	FY2019 1st Half	Change	Percent Change
Hotel	2,272	9,737	-7,464	-76.7	-3,218	541	-3,759	—
Tourist Facilities	4,658	10,815	-6,157	-56.9	-1,366	734	-2,100	—
Travel	1,027	6,364	-5,337	-83.9	-4,006	-286	-3,719	—
Adjustment	-212	-334	121	—	-11	12	-24	—
Leisure and Services Total	7,745	26,584	-18,838	-70.9	-8,602	1,001	-9,604	—

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

(1) Occupancy rate



(2) Lodging price



(Units: Millions of yen, %)

	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	Notes
Operating revenues	49,115	72,485	-23,369	-32.2	Lower revenues in all sub-segments due to efforts to stay at home and temporary department store closures caused by the COVID-19 pandemic
Operating income	-2,191	600	-2,791	—	The Department Stores Business recorded wider losses, and the Other goods sold recorded losses, due to decreases in revenues

◆ Breakdown of Distribution Business ◆

(Units: Millions of yen, %)

	Operating revenues				Operating income			
	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	FY2020 1st Half	FY2019 1st Half	Change	Percent Change
Department Stores	18,573	31,840	-13,266	-41.7	-1,552	-89	-1,462	—
Other goods sold	30,955	41,176	-10,221	-24.8	-639	617	-1,256	—
Adjustment	-413	-531	118	—	0	73	-72	—
Distribution Total	49,115	72,485	-23,369	-32.2	-2,191	600	-2,791	—

(Units: Millions of yen, %)

	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	Notes
Operating revenues	9,964	12,268	-2,304	-18.8	Lower revenues due to decreased orders received in the In-Flight Catering Business caused by the COVID-19 pandemic
Operating income	181	1,187	-1,005	-84.7	Lower income due to lower revenues

◆ Breakdown of Aviation Services Business ◆

(Units: Millions of yen, %)

	Operating revenues				Operating income			
	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	FY2020 1st Half	FY2019 1st Half	Change	Percent Change
Aviation Services	10,089	12,505	-2,416	-19.3	177	1,183	-1,005	-85.0
Adjustment	-124	-236	111	—	3	3	-0	—
Aviation Services Total	9,964	12,268	-2,304	-18.8	181	1,187	-1,005	-84.7

(Units: Millions of yen, %)

	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	Notes
Operating revenues	19,611	22,662	-3,050	-13.5	Lower revenues due to decreased orders received caused by the COVID-19 pandemic
Operating income	241	1,038	-796	-76.8	Lower income due to lower revenues

◆ Breakdown of Others ◆

(Units: Millions of yen, %)

	Operating revenues				Operating income			
	FY2020 1st Half	FY2019 1st Half	Change	Percent Change	FY2020 1st Half	FY2019 1st Half	Change	Percent Change
Equipment Maintenance	10,340	12,677	-2,336	-18.4	13	507	-493	-97.2
Others	9,682	10,288	-605	-5.9	220	522	-302	-57.8
Adjustment	-411	-303	-107	—	6	7	-0	—
Others Total	19,611	22,662	-3,050	-13.5	241	1,038	-796	-76.8

Non-Operating Income and Extraordinary Income

(Units: Millions of yen)

	FY2020 1st Half	FY2019 1st Half	Change	Notes
Non-operating income	6,140	3,523	2,616	
Interest income	9	15	-5	
Dividend income	758	1,340	-581	
Equity in net earnings of affiliates	445	1,264	-818	
Others	4,926	903	4,023	(FY2020) Subsidies for employment adjustment
Non-operating expenses	1,991	1,994	-2	
Interest expenses	1,630	1,658	-28	
Others	360	335	25	
Total non-operating income	4,149	1,529	2,619	
Extraordinary income	2,403	1,239	1,164	
Gain on sales of investment securities	1,343	147	1,195	(FY2020) Listed shares
Gain on contributions for construction	578	451	126	
Gain on sales of fixed assets	248	470	-221	
Others	233	169	63	
Extraordinary losses	3,132	1,382	1,750	
Loss on valuation of investment securities	986	0	985	(FY2020) Listed shares
Impairment loss on fixed assets	605	620	-14	
Loss on reduction of property and equipment	501	398	102	
Loss on disposition of fixed assets	242	276	-33	
Others	796	86	710	(FY2020) Extraordinary loss due to closing and other
Total extraordinary income	-728	-142	-585	

Consolidated Balance Sheets



(Units: Millions of yen)

	FY2020 1st Half	FY2019 results	Change	Notes								
Current assets	181,841	189,143	-7,301	Lower trade notes and accounts receivable								
Non-current assets	972,844	975,836	-2,992	<table border="1"> <tr> <td>Capital investment</td> <td>+22,928</td> </tr> <tr> <td>Depreciation and amortization</td> <td>-19,713</td> </tr> <tr> <td>Impairment loss on fixed assets</td> <td>-605</td> </tr> <tr> <td>Disposition</td> <td>-167</td> </tr> </table>	Capital investment	+22,928	Depreciation and amortization	-19,713	Impairment loss on fixed assets	-605	Disposition	-167
Capital investment	+22,928											
Depreciation and amortization	-19,713											
Impairment loss on fixed assets	-605											
Disposition	-167											
Property and equipment	831,669	831,771	-101									
Intangible assets	9,518	10,002	-483									
Investments and other assets	131,655	134,062	-2,406	Lower investment securities due to a fall in the fair value of owned shares								
Total assets	1,154,685	1,164,979	-10,294									
Current liabilities	266,027	262,787	3,239	Higher current portion of bonds payable								
Non-current liabilities	469,837	463,790	6,047	Higher bonds payable								
Total liabilities	735,864	726,577	9,286									
Total net assets	418,820	438,401	-19,580	Profit attributable to owners of the parent -12,404 Allocation of retained earnings -4,917								
Total liabilities and net assets	1,154,685	1,164,979	-10,294									
Consolidated interest-bearing debt	458,915	423,376	35,538	Reference: Net interest-bearing debt 421,466 (vs. Mar. 31, 2020: +30,792)								

07

FY2020 Operating Results Forecast

FY2020 Consolidated Operating Results Forecast



(Units: Millions of yen, %)

	FY2020 forecast	FY2019 results	Change	Percent Change
Operating revenues	493,000	622,916	-129,916	-20.9
Operating income	-21,500	47,363	-68,863	—
Non-operating revenues	7,500	6,384	1,116	
Non-operating expenses	4,000	4,459	-459	
Ordinary income	-18,000	49,288	-67,288	—
Extraordinary income	5,000	9,287	-4,287	
Extraordinary losses	8,500	11,238	-2,738	
Profit attributable to owners of the parent	-24,000	28,879	-52,879	—
EBITDA	19,400	88,602	-69,202	-78.1
Capital investment	63,000	73,286	-10,286	-14.0
Depreciation and amortization	40,900	41,239	-339	-0.8
Net interest-bearing debt	450,000	390,673	59,327	15.2

Forecasts for fiscal 2020 were calculated based on the assumption that the impact of the COVID-19 pandemic would peak in Sept. and business activities would gradually recover thereafter. Compared with the previous fiscal year, due to the COVID-19 pandemic, operating revenues are forecast to decrease across all businesses. The Traffic, Leisure and Services, Distribution, and Aviation Services businesses are expected to record operating losses, while the Real Estate, Transport, and Others businesses will see year-on-year decreases in operating income, for an overall operating loss. Reflecting the worsening of operating income, the Company expects to record an ordinary loss and net loss for the fiscal year.

Operating Results Forecast Highlights



Year-on-year: Lower revenues and record losses

(Revenues and profit decreased in all segments, mainly in the Traffic Business and Leisure and Services Business due to the COVID-19 pandemic.)

(Unit: Billions of yen)

Operating Revenues
- ¥129.9 billion

- Traffic -50.2 (Railroad -26.2 (Passengers: -21.6%) Bus -15.2 Taxi -8.6)
- Distribution -24.0 (Department Stores -16.2 Other goods sold -7.8)
- Leisure and Services -22.9 (Tourist Facilities -8.0 Hotel -7.7 Travel -7.1)
- Real Estate -14.8 (Condo Sales -9.8 Rental -4.3)

Operating Expenses
- ¥61.0 billion

- Cost of products sold -26.4 (Distribution -18.3 Real Estate -8.0)
- Personnel costs -9.5 (Traffic -6.0 Leisure and Services -2.4)

Operating Income
- ¥68.8 billion

- Traffic -37.9 (Railroad -23.5 Bus -9.3 Taxi -5.1)
- Leisure and Services -11.4 (Travel -4.9 Hotel -4.3 Tourist Facilities -2.4)
- Real Estate -6.4 (Rental -4.6 Condo Sales -1.6)
- Transport -5.0 (Maritime Transport -3.0 Truck -1.9)
- Distribution -2.9 (Department Stores -1.7 Other goods sold -1.0)

Ordinary Income
- ¥67.2 billion

An ordinary loss due to the operating loss, despite improvement in non-operating income due in part to subsidies related to the COVID-19 pandemic. (Improve non-operating income +1.5)

Net Profit
- ¥52.8 billion

A net loss due to the ordinary loss as well as worsened extraordinary income due in part to recoil from reversal of provision for loss on liquidation. (Worsen extraordinary income -1.5)

FY2020 Operating Results Forecast by Segment



(Units: Millions of yen, %)

Operating revenues	FY2020 forecast	FY2019 results	Change	Percent Change
Traffic	113,300	163,544	-50,244	-30.7
Transport	128,200	138,220	-10,020	-7.2
Real Estate	86,000	100,869	-14,869	-14.7
Leisure and Services	27,200	50,137	-22,937	-45.7
Distribution	116,500	140,538	-24,038	-17.1
Aviation Services	22,500	27,251	-4,751	-17.4
Others	46,100	52,123	-6,023	-11.6
Adjustment	-46,800	-49,769	2,969	—
Total	493,000	622,916	-129,916	-20.9

Operating income	FY2020 forecast	FY2019 results	Change	Percent Change
Traffic	-16,400	21,577	-37,977	—
Transport	300	5,342	-5,042	-94.4
Real Estate	7,900	14,309	-6,409	-44.8
Leisure and Services	-10,800	611	-11,411	—
Distribution	-2,600	330	-2,930	—
Aviation Services	-200	2,616	-2,816	—
Others	500	2,854	-2,354	-82.5
Adjustment	-200	-279	79	—
Total	-21,500	47,363	-68,863	—

FY2020 EBITDA and Capital Investment Forecast



(Units: Millions of yen)

		FY2020 forecast	FY2019 results	Change			FY2020 forecast	FY2019 results	Change
Traffic	Operating income	-16,400	21,577	-37,977	Distribution	Operating income	-2,600	330	-2,930
	Depreciation and amortization	18,500	18,577	-77		Depreciation and amortization	1,700	2,384	-684
	EBITDA(①)	2,100	40,155	-38,055		EBITDA(①)	-900	2,715	-3,615
	Capital investment(②)	19,000	24,706	-5,706		Capital investment(②)	1,100	2,239	-1,139
	Deduction(①-②)	-16,900	15,448	-32,348		Deduction(①-②)	-2,000	475	-2,475
Transport	Operating income	300	5,342	-5,042	Aviation Services	Operating income	-200	2,616	-2,816
	Depreciation and amortization	7,000	6,873	127		Depreciation and amortization	2,600	2,689	-89
	EBITDA(①)	7,300	12,215	-4,915		EBITDA(①)	2,400	5,306	-2,906
	Capital investment(②)	9,100	10,566	-1,466		Capital investment(②)	9,900	5,827	4,073
	Deduction(①-②)	-1,800	1,649	-3,449		Deduction(①-②)	-7,500	-521	-6,979
Real Estate	Operating income	7,900	14,309	-6,409	Others	Operating income	500	2,854	-2,354
	Depreciation and amortization	6,500	6,483	17		Depreciation and amortization	3,900	3,547	353
	EBITDA(①)	14,400	20,793	-6,393		EBITDA(①)	4,400	6,401	-2,001
	Capital investment(②)	15,700	19,897	-4,197		Capital investment(②)	6,600	6,499	101
	Deduction(①-②)	-1,300	895	-2,195		Deduction(①-②)	-2,200	-97	-2,103
Leisure and Services	Operating income	-10,800	611	-11,411	Total (after consolidated adjustment)	Operating income	-21,500	47,363	-68,863
	Depreciation and amortization	1,200	1,120	80		Depreciation and amortization	40,900	41,239	-339
	EBITDA(①)	-9,600	1,731	-11,331		EBITDA(①)	19,400	88,602	-69,202
	Capital investment(②)	1,600	3,548	-1,948		Capital investment(②)	63,000	73,286	-10,286
	Deduction(①-②)	-11,200	-1,817	-9,383		Deduction(①-②)	-43,600	15,316	-58,916

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.