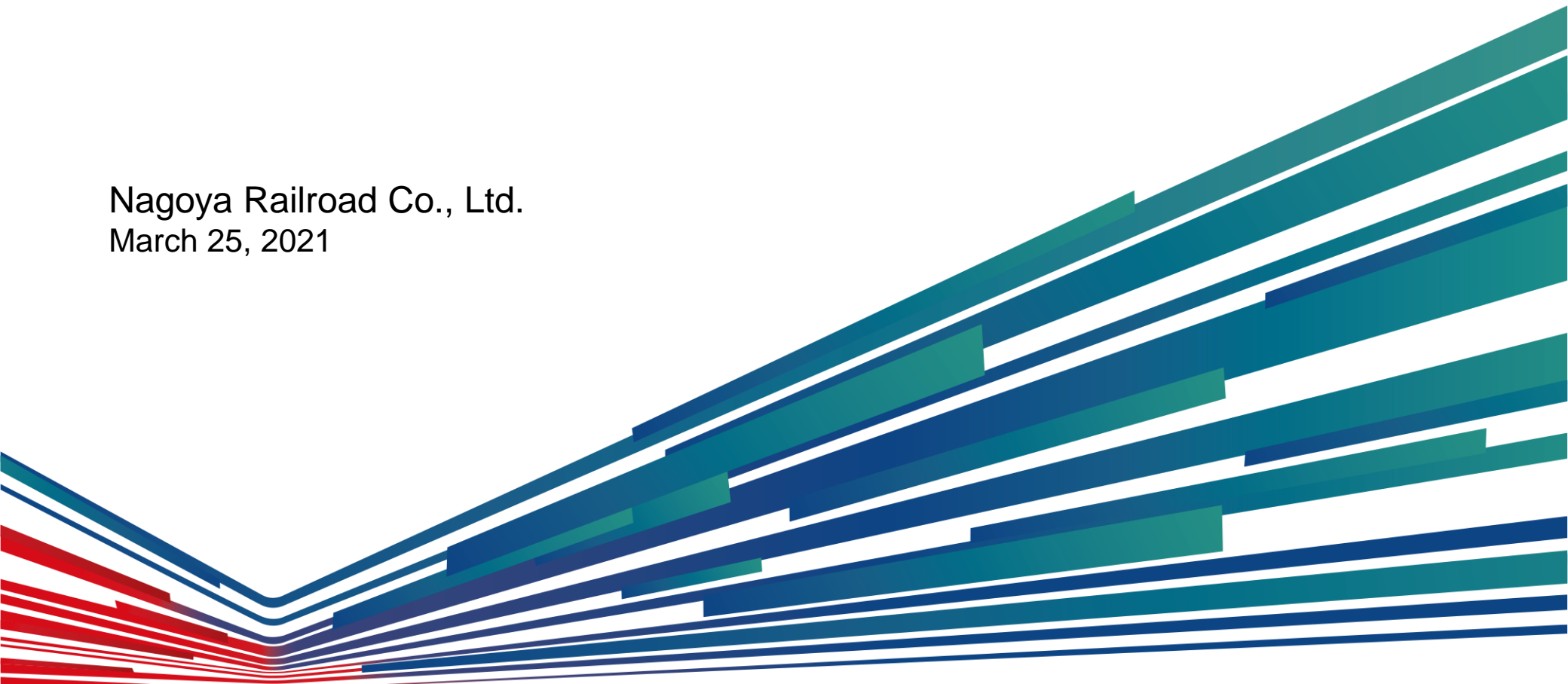


The Meitetsu Group's Medium-term Management Plan

Turn-Over 2023 ~Setting Things on a New Track~

Nagoya Railroad Co., Ltd.
March 25, 2021

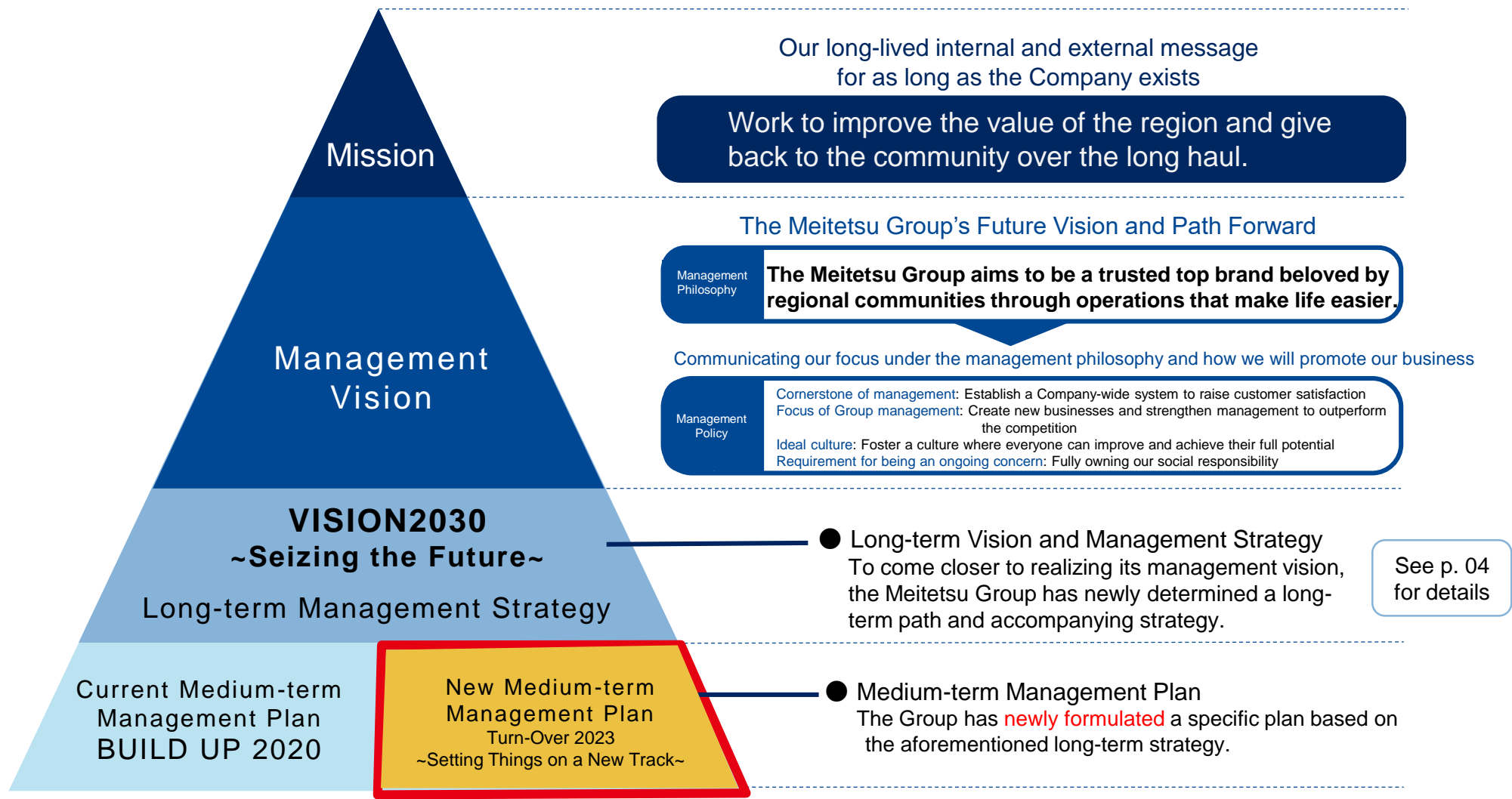


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01

Overview of the Meitetsu Group's Management Vision

We formulated a new medium-term management plan based on the long-term management strategy.



VISION 2030 ~Seizing the Future~

- The Group will continue to enhance regional appeal and create shared value with local residents by promoting better mobility in the communities it serves.
- The Group aims to maintain sustainable growth by actively meeting the changing needs of society and helping people achieve new lifestyles and fuller lives.

Long-term Management Strategy

- We aim to expand the residential population and number of travelers by creating the nicest place to live and the most attractive area to visit in Japan.
- We aim to improve our earnings power by proactively investing and taking on bold challenges in new business fields.
- To maintain sustainable growth even amid population decline and demographic aging, we will actively work to generate innovations and improve productivity through the use of advanced technologies and other means.

02

Review of the Current Medium-term Management Plan, BUILD UP 2020

Basic Policy

With an eye toward 2030, the Group aims to expand its business foundation and reinforce its earnings power through proactive investment to maintain its sustainable growth and to create new appeal and value.

Numerical Targets (consolidated basis)

(Billions of yen)

● Target Indicators	FY2018 Result	FY2019 Result	FY2020 Forecast*	FY2020 Target
Operating Income	49.4	47.3	-20.0	50.0
EBITDA	89.7	88.6	20.9	93.0

● Reference Indicators

ROE	8.1%	7.2%	—	Approx. 8%
ROA	4.4%	4.1%	—	Approx. 4%
Net interest-bearing Debt/EBITDA ratio	4.4 times	4.4 times	21.5 times	Approx. 5 times
Equity ratio	24.4%	26.1%	23.3%	Approx. 25%

*As of February 8, 2021

(Billions of yen)

● Change in Investment	FY2018 Result	FY2019 Result	FY2020 Plan*	3-Year Plan	
				Result + Plan*	Target
Growth and strategic investments	15.4	28.0	24.0	67.4	70.0
Regular investment	40.3	47.2	39.0	126.5	130.0
Total investment	55.7	75.2	63.0	193.9	200.0

* As of November 17, 2020

Overview

In fiscal 2018, we achieved record-high profit across the board and, in fiscal 2019, continued to make steady progress toward numerical targets. However, toward the end of fiscal 2019, business results began to deteriorate due to the outsize impact of the COVID-19 pandemic. In fiscal 2020, the final year of the plan, we expect to record losses throughout the Group.

Main Initiatives Supporting Key Themes

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

⇒ Revised the schedule and content of the plan
(Direction was set for around fiscal 2024)

2 Proactively developing the real estate business in central Nagoya

⇒ Example: Constructed the Meieki Dia Meitetsu Building in the Nagoya Station District
Opened the YORIMACHI FUSHIMI retail facility within Fushimi Station

3 Working to increase the appeal of areas around our train lines

⇒ Example: Constructed meLiV condominiums for lease in Ōtagawa, Ōzone, and Okazaki
Opened commercial facilities at μPLAT Kōnan, Tokoname, and Ōzone, and developed commercial facilities at μPLAT Ichinomiya

4 Proactively investing in growth businesses and improving earnings power

⇒ Example: Opened a Meitetsu Inn at Nagoya Kanayama Annex and Shin-Osaka Station East Exit
Conducted pilot tests for drones and self-driving vehicles

5 Further reinforcing earnings power of the Group's businesses

⇒ Example: Reconstructed the First-Grade Warehouse at Nakanihon Air Service's Head Office, and developed and transferred ownership of the Meitsu Fukagawa Sumiyoshi residential complex

6 Fostering an organizational culture that generates innovation and promoting initiatives aimed at improving productivity

⇒ Example: Raised the percentage of women hired and promoted projects aimed at reforming business processes

03

The Meitetsu Group's Medium-term Management Plan Turn-Over 2023 ~ Setting Things on a New Track ~

Major Changes in the Business Environment and Management Issues Caused by the COVID-19 Pandemic



Major Changes in the Business Environment Caused by the COVID-19 Pandemic

Decline in travel demand and
evaporation of inbound demand

Gradual spread from urban centers
to suburbs

Establishment of new lifestyles

Accelerated advancement of digitization

The Group's management issues became clear due to changes in the business environment brought on by the COVID-19 pandemic

Management Issues

1. Assuming that the business environment will not completely revert to pre-COVID conditions, realizing structural reforms in high-fixed cost areas like 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. Revising our profit composition by reinforcing earnings power, particularly that of businesses expected to grow going forward, shifting away from a composition where the traffic business takes up over 50%
4. Promoting digital transformation (DX) to meet the accelerating advancement of digitization

■ Basic Policy

Rooted in and mainly serving the Chubu region, the Meitetsu Group carries a major responsibility for creating appealing areas. To prevail against the harsh socioeconomic conditions stemming from the pandemic and continue contributing to local communities long into the future, we will achieve a transformation and revitalization over the next three years and parlay this success into our next stage of growth.

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.

■ Period FY2021–FY2023 (3 years)

First, what specific actions will we take to structurally reform those of our businesses that have been significantly impacted by the COVID-19 pandemic?

Structural Business Reforms

1. Restructuring the traffic business

Regarding the traffic business, the Group's base, we assume that demand will not return completely to pre-COVID levels given the widespread establishment of new lifestyles, and we are keeping an eye on the declining population. Given all this, we will carry out structural business reforms and realize long-term stable management in order to steadily and sustainably provide public transportation services while ensuring safety and peace of mind.

2. Restructuring the travel, bus tour, and hotel businesses

Regarding the travel, bus tour, and hotel businesses, which have been severely impacted by pandemic-engendered stagnant demand, we will carry out structural business reforms that address structural changes in demand and work to revitalize them to ensure their ability to meet domestic leisure and inbound demand when it eventually recovers and to generate profits.

How will you build a base that can transition to the next, post-COVID growth stage?

Construction of a Base for Growth

3 Revitalizing the areas around our train lines as a unified group

To revitalize the areas around our train lines as a unified group, we will stably expand development businesses in city centers, key stations along train lines, and the areas around stations. We will also expand business activities focused on both daily life and tourism with the aim of generating demand and enhancing the value of our owned assets.

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

Aiming to begin work on the redevelopment of Nagoya Station, we will revise the traffic facility upgrade plan and the facility redevelopment plan in response to changes in the post-pandemic business environment while promoting initiatives to maximize value in the redevelopment area.

5 Revising the profit structure by reinforcing earnings power in fields where growth is expected

To revise our profit structure, over half of which comprises the traffic business, we will reinforce the earnings power of our non-railroad businesses by focusing on engaging in competitive businesses, such as real estate, shipping, and air travel, fields expected to grow going forward. We will also focus on strengthening marketing, enhancing added value, and cultivating new business areas.

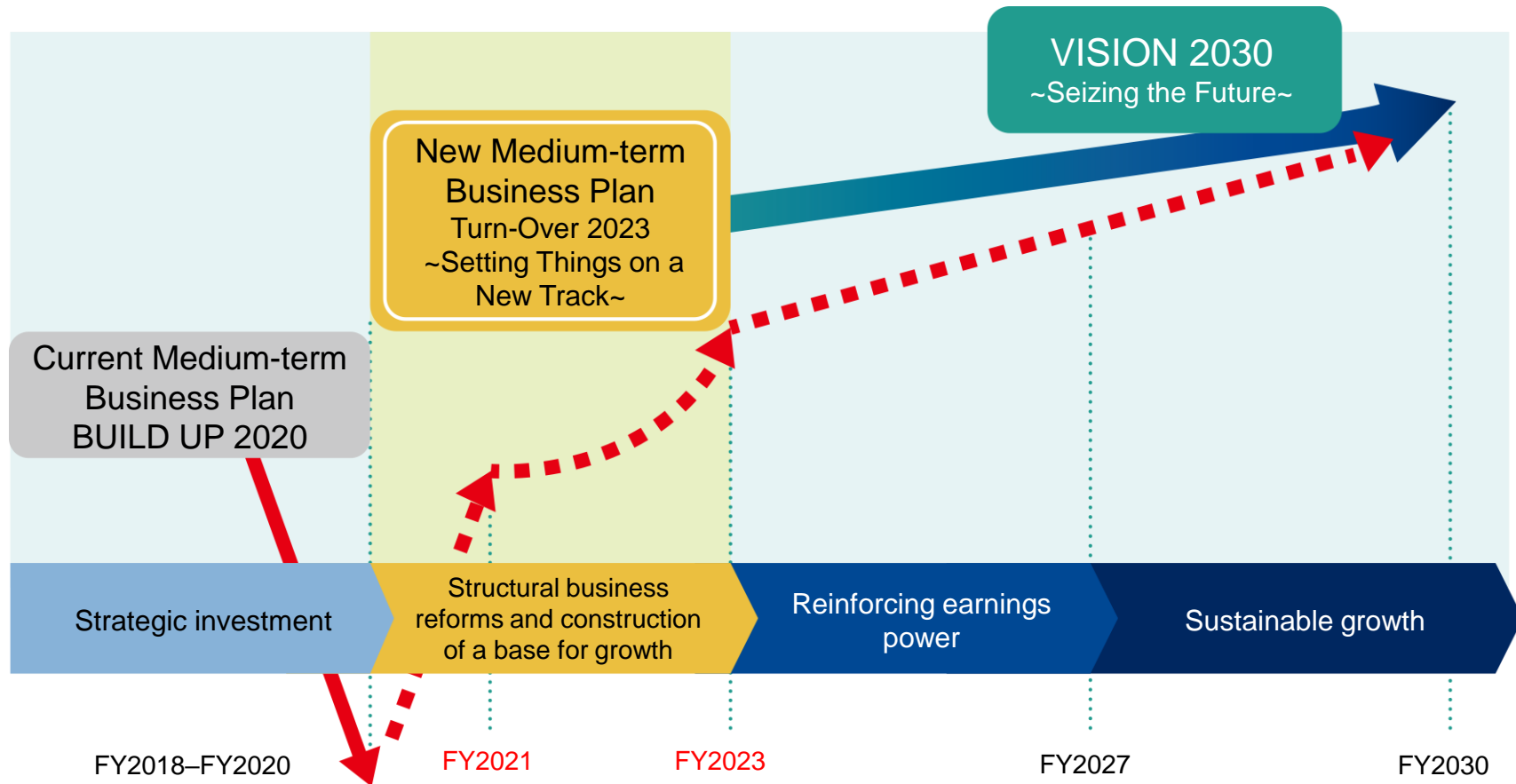
6 Promoting DX

By promoting DX, we aim to reform our business model with the aim of providing new services to customers and to reform our business environment with the aim of reducing costs and achieving more sophisticated operations.

7 Creating systems to address management issues

We will continue to create systems to address management issues and take measures to address various social demands.

Positioning of the Medium-term Management Plan



We will work on structural business reforms and the construction of a base for growth over the three years running up to fiscal 2023 and position that period as a time for connecting to the next stage of growth in 2030.

04 Initiatives for Each Key Theme

1) Railroad business

Reducing labor and making costs more appropriate in line with demand as well as enhancing our earnings power

① Reducing labor and making costs more appropriate in line with demand

- Making schedules more efficient to meet demand
- Shifting more toward one-person train operations
- Making station operations more efficient, including at ticket windows
- Enhancing station services, such as by installing new devices for cashless transactions and to increase functionality
- Making facility maintenance more efficient mainly by using new technology

② Revising our operational structure

- Revising our organizational structure
- Evaluating operational structures in light of demand for each train line

③ Taking measures to enhance our earnings power

- More effectively using the space inside stations
- Considering special train car pricing structures in line with traveler demand

2) Bus business

Making costs more appropriate in line with demand and enhancing our earnings power

- ① Making costs more appropriate in line with demand
 - Making train lines and schedules more efficient to meet demand
 - Making train car operations more appropriate
- ② Taking measures to enhance our earnings power
 - Promoting cashless payments in part by introducing nationwide IC cards, QR code payments, and mobile tickets
 - Strengthening measures to promote usage by seniors (Silver Pass 65, Gold Pass 70, etc.)
 - Introducing dynamic pricing (for highway buses)

3) Taxi business

Establishing a resilient income structure that can withstand volatility in demand

- ① Making costs more appropriate in line with demand
 - Considering making business more efficient in part by integrating Group companies' dispatch systems and centers
 - Making vehicle operations more appropriate
- ② Taking measures to enhance our earnings power
 - Proactively using dispatch apps
 - Entering new service markets, such as delivery taxis and sightseeing taxis
 - Strengthening alliances with regional MaaS (Meitetsu MaaS) and considering predetermined fares

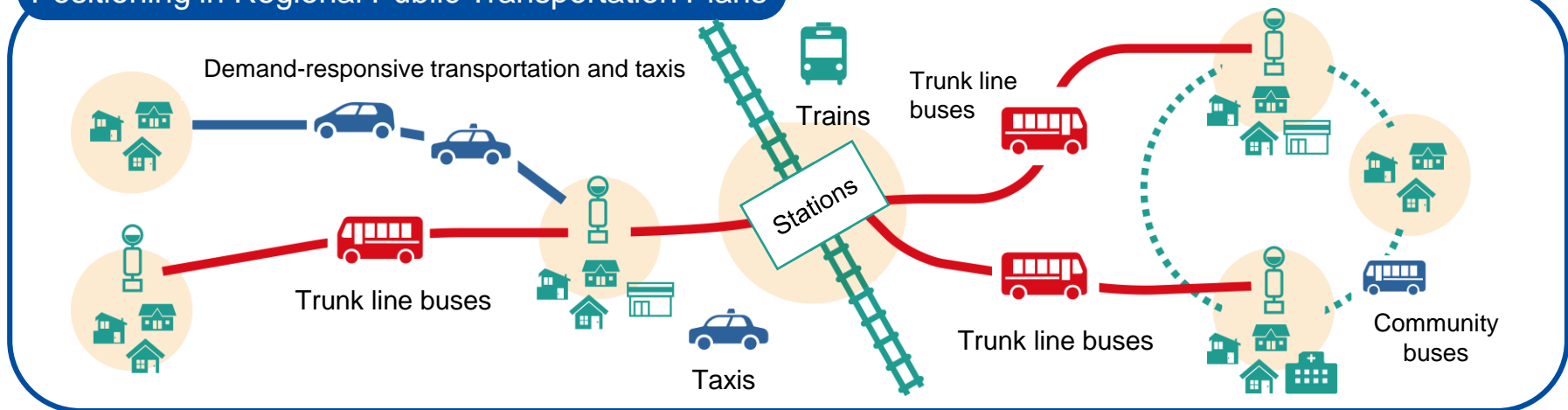
4) Offering and building regionally optimized public transportation

Offering comprehensive transportation services as a unified Group for trains, buses, and taxis

① Promoting the Meitetsu Area Package (MAP)

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

Positioning in Regional Public Transportation Plans



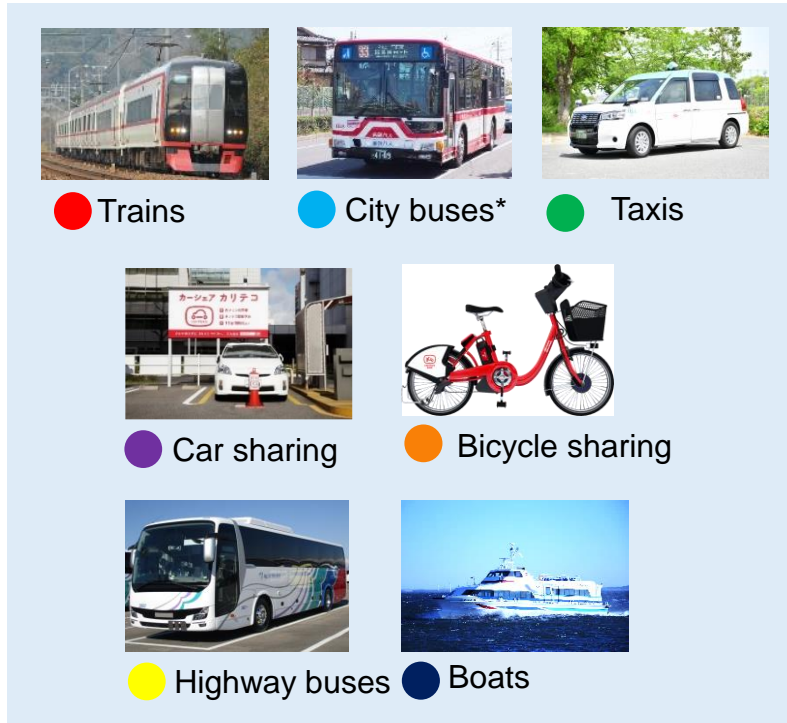
Offering and building tailor-made and sustainable public transportation through the Meitetsu Group in response to each area's issues

② Promoting regional MaaS (Meitetsu MaaS)

[See p.36 for details](#)

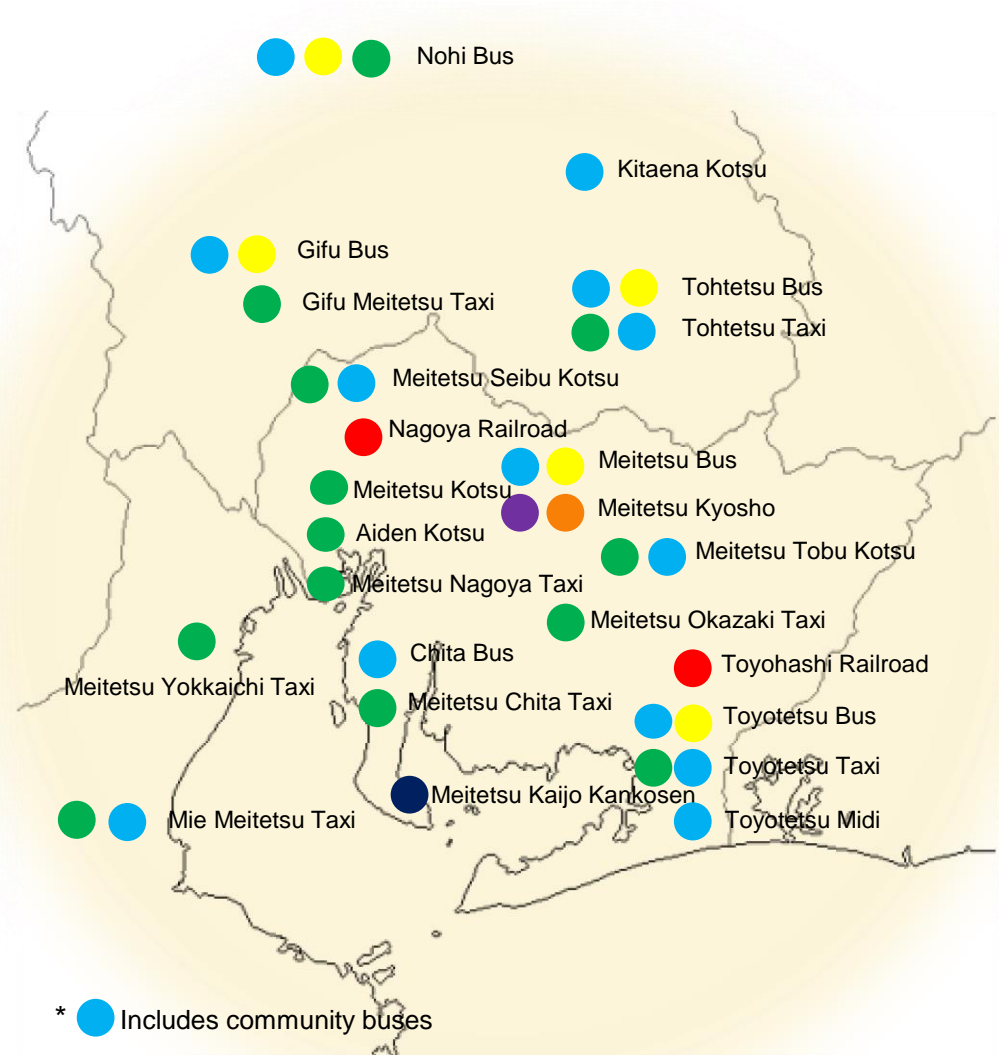
- Realizing seamless and stress-free mobility by connecting regional transit, life, and sightseeing services for customers who routinely access the Meitetsu Group's train lines and neighboring areas, especially in the prefectures of Aichi and Gifu

Reference: The Meitetsu Group's various modes of transportation



MEITETSU Group's various modes of transportation

The Meitetsu Group's transportation network, spreading out from the center in the prefectures of Aichi and Gifu



5) Strengthening basic safety equipment and safety management systems

Offering transportation services that prioritize safety

① Strengthening basic safety equipment

- Further strengthening basic safety equipment, such as elevating railways and enhancing platform safety
- Shifting over to automatic emergency braking systems for fleet vehicles

② Strengthening safety management systems

- Enhancing and expanding employee education to achieve greater safety awareness

6) Strengthening and diligently implementing infection prevention measures for customers and employees

Initiatives based on each business's guidelines related to preventing COVID-19 infections

① Diligently implementing infection prevention measures for customers

② Diligently implementing infection prevention measures for employees

1) Travel business

Selecting and focusing on business fields

- ① Integrating and closing branches and counters as well as achieving more appropriate staffing levels
- ② Responding to structural changes in demand
 - Strengthening highly specialized fields, such as education and sports
 - Reforming personal travel goods sales activities by promoting DX
 - Strengthening municipality sales and developing regional revitalization businesses

2) Bus tour business

Building efficient management through business downsizing

- ① Reducing the number of buses, integrating and closing sales offices, and achieving more appropriate staffing levels in line with demand
- ② Responding to structural changes in demand
 - Differentiating and shifting to high-value-added products for bus tours
 - Shifting to and strengthening sales centered on websites, social media, and the new Meitetsu Touch app (tentative name)
- ③ Further strengthening alliances with Group bus companies

3) Hotel business

Streamlining and reorganizing our management structure

① Strengthening systems to build and promote Group hotel strategies

- Formulating medium- to long-term policies and strategies for the overall hotel business
- Building an efficient management structure by separating management and operations
- Reducing costs by unifying management departments

② Revising our portfolio based on our hotel strategy

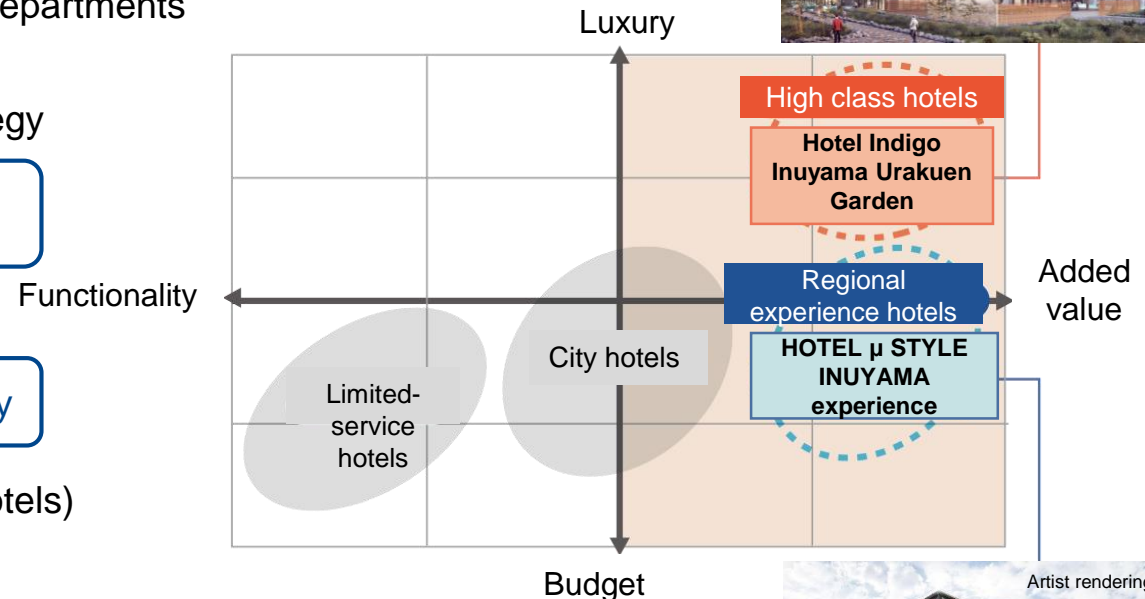
Expanding our city and limited-service hotel business



Strengthening the high-value-added category

- High class hotels (lifestyle and boutique hotels)
Hotel Indigo Inuyama Urakuen Garden
(to open in the second half of FY2021)
- Regional experience hotels
HOTEL μ STYLE INUYAMA experience (to open July 15, 2021)

*Transferred shares of Kanazawa Sky Hotel on March 2021
(ANA Holiday Inn Kanazawa Sky)

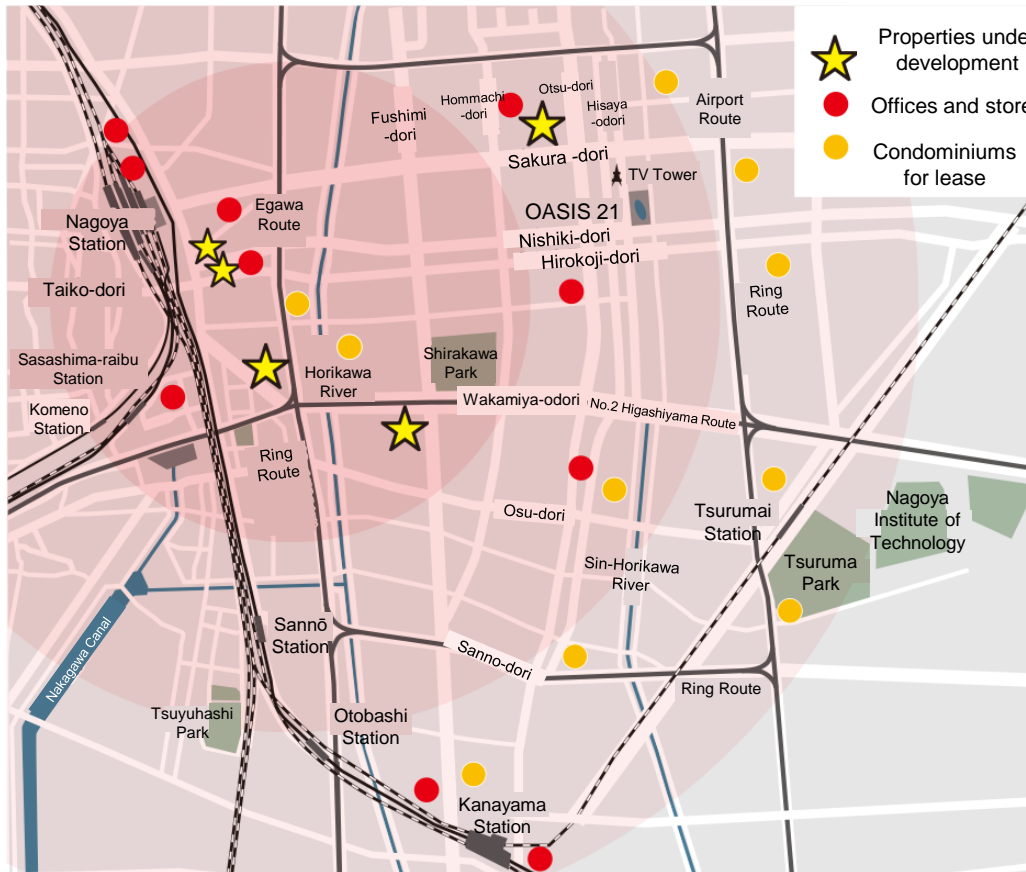


Key Theme 3 Revitalizing areas around the train lines as a unified group



1) Expanding development businesses in city centers, key stations along train lines, and areas around stations

① Expanding development businesses in Nagoya's city center



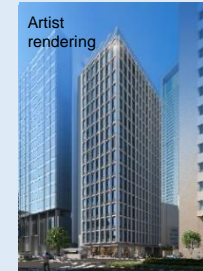
μX MEIEKI



Location	Meieki 4-chome, Nakamura-ku, Nagoya
Building	Steel frame, 12 stories above ground, 1 basement Total floor area: Approx. 2,300m ²
Uses	Stores, offices
Opens	September 2021 (planned)

Note: Trademark pending

Investment in plans to develop offices in Meieki 4-chome



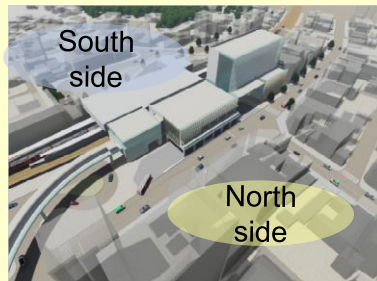
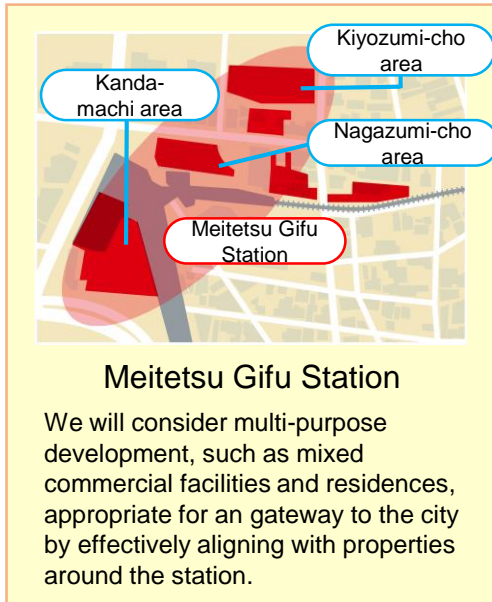
Location	Meieki 4-chome, Nakamura-ku, Nagoya
Building	Steel frame, 16 stories above ground, 2 basements Total floor area: Approx. 20,000m ²
Uses	Offices, stores, parking
Completion	March 2023 (planned)

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. 53,800m ²
Uses	435 residences (planned)
Completion	April 2023 (planned)

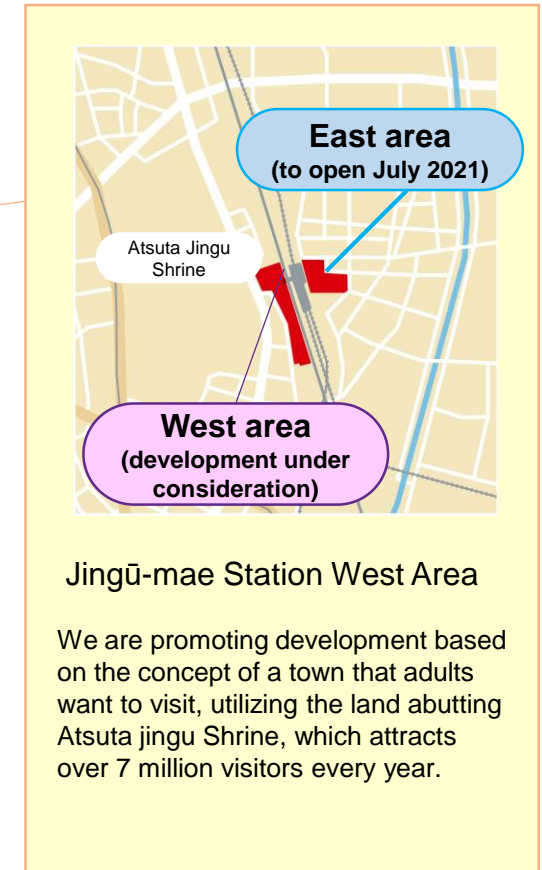


② Redevelopment plan at key stations along our train lines



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.



③ Expanding development business at key stations and areas around stations

Commercial facilities

μPLAT Jingū-mae

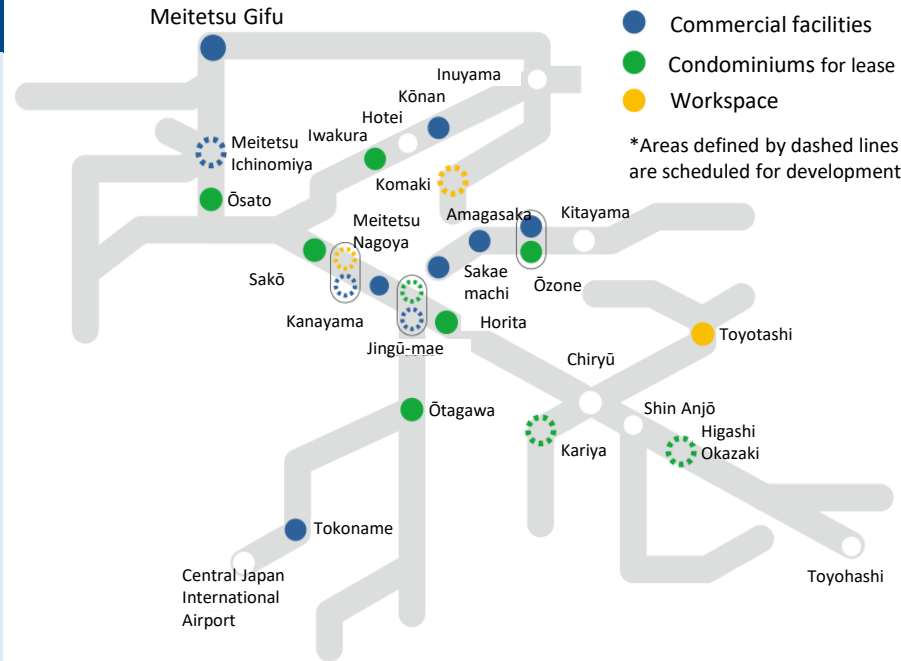


Location	Sambonmatsu-cho, Atsuta-ku, Nagoya, Aichi Prefecture
Building	Commercial wing: Steel frame, 4 stories above ground
Uses	Stores, restaurants, services
Opens	July 2021 (planned)

μPLAT Ichinomiya



Location	Shinsei 1-1, Ichinomiya, Aichi Prefecture
Building	Total floor area: Approx. 1,443m ²
Uses	Stores, restaurants
Opens	Stage I: March 16, 2021 Stage II: The timing of development has not been decided



Condominiums for lease

meLiV Kariya



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

Workspace

Considering expanding satellite offices and establishing single-room work booths



Rental workspace

Toyotashi and Komaki (planned)



Single-room work booths

Establishment plan: Considering Nagoya and other locations



Key Theme 3 Revitalizing areas around the train lines as a unified group



2) Expanding services rooted in lives in areas along our train lines



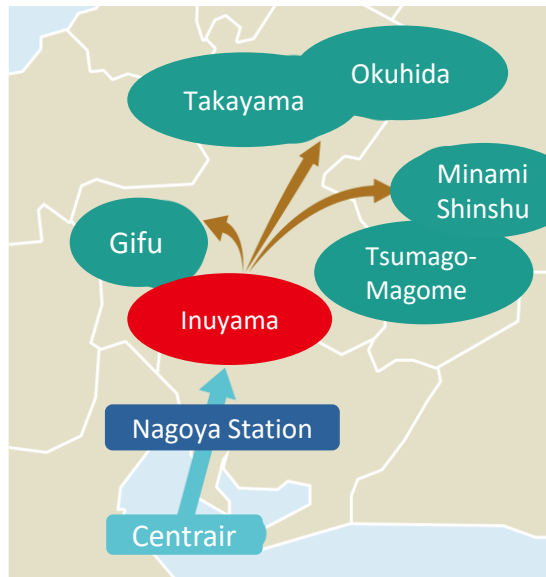
We are working hard to revitalize areas along our train lines by offering station-centric dining, shopping, and mobility services.

3) Drumming up tourism by strengthening alliances with communities

① Drumming up tourism in Inuyama

- We are looking to capture micro-tourism and domestic travel demand while anticipating a recovery in inbound demand in the near future. Seizing the opportunity presented by the opening of two new hotels, we are working with local municipalities and communities to create attractive tourist spots and instill a welcoming atmosphere with the aim of turning Inuyama from a daytrip destination to an overnight one.

Inuyama is an ideal gateway for tourism across the broader region.



Inuyama has enough charm to be an overnight tourist destination.



Specific initiatives
(Collaborations between the Meitetsu Group, municipalities, and communities)

◎Opening hotels

◎Expanding experience contents

◎Creating attractive travel products

◎Running promotions highlighting the region

Key Theme 3 Revitalizing areas around the train lines as a unified group



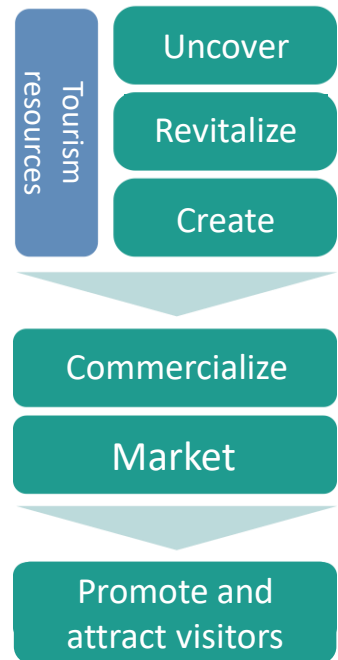
②Drumming up tourism focused on areas around our train lines

- As a unified group, we strive to revitalize areas around our train lines, focusing on tourism, by actively working with communities to uncover tourism resources, commercializing them, and attracting visitors.
- Establishing a system in the Meitetsu Group to help drum up tourism in areas around our trainlines
- Implementing a three-pronged approach to increasing tourism rather than simply working to further commercialize existing resources

Uncover, revitalize, create	<ul style="list-style-type: none"> • Uncovering and creating new tourism resources • Refining existing tourist spots
Commercialization and marketing	<ul style="list-style-type: none"> • Expanding our lineup of products available at destinations • Strengthening marketing aimed at inbound travelers from within Japan and overseas
Promotion and attracting visitors	<ul style="list-style-type: none"> • Actively using social media • Forming corporate advertising alliances under the theme “EMOTION!” • Attracting more visitors through alliances that transcend the framework of local governments

⇒ Increasing the number of promotions

Regional Tourism Measures

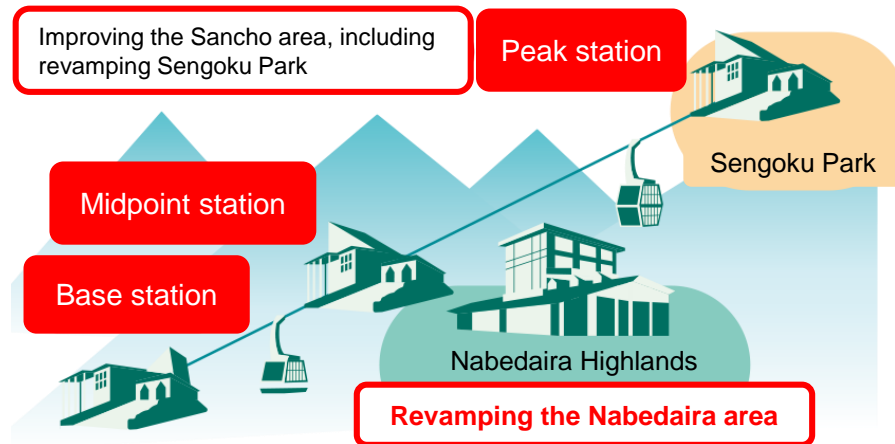


Reference: Areas running Nagoya Railroad train-line tourism campaigns: Inuyama, Gifu, Nishio, Tsushima, Okazaki, Handa, Arimatsu, Toyokawa, Toyota (FY2020)

Promoting the mountain resort business, including aerial tramways and hotels, from a long-term perspective leveraging the natural environment

③ Revitalizing the Shinhotaka area

- Based on the concept of the Shinhotaka GRAND VUE, we are considering establishing high-class nature experience facilities that make full use of the natural terrain at the base, midpoint, and peak of the mountain.



Overview of the Shinhotaka Ropeway



Official
National
Park Partner

As official partners of the Ministry of the Environment's national parks, Nagoya Railroad, Meitetsu World Travel, and Nohi Noriai Jidosya are promoting the spectacular vistas of Japan's world-class national parks and the attractiveness of staying overnight in the parks. By increasing the number of national park visitors from within Japan and overseas, we will help people from around the world better understand environmental conservation while revitalizing the areas in which the parks are located.

④ Central Alps Komagatake Ropeway Renovating the Hotel Senjojiki

- Upgrading the observation terrace overlooking the Senjojiki Cirque
- Renovating the restaurant



Artist rendering of the Hotel Senjojiki

1) Promoting projects based on governmental plans (national, prefectural, and city)

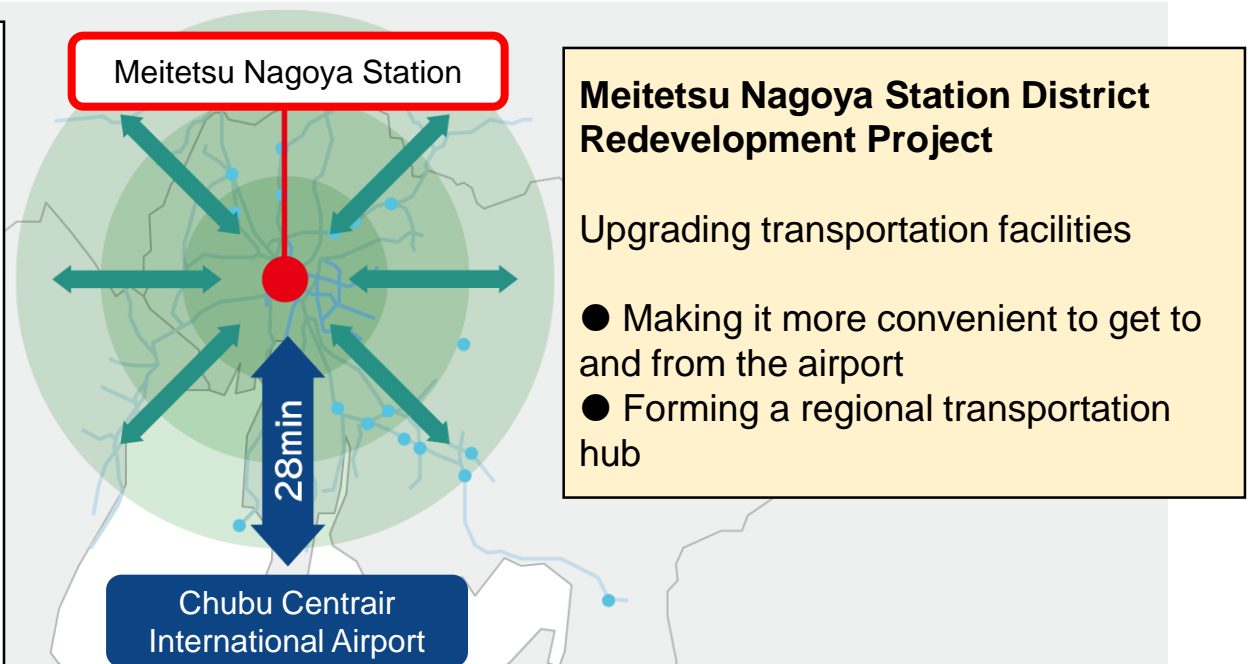
Continuing to consider plans that contribute to the development of transportation networks with an eye toward the opening of the Linear Chuo Shinkansen maglev line.

Forming a Super Mega-Region (transit area of 70 million people)



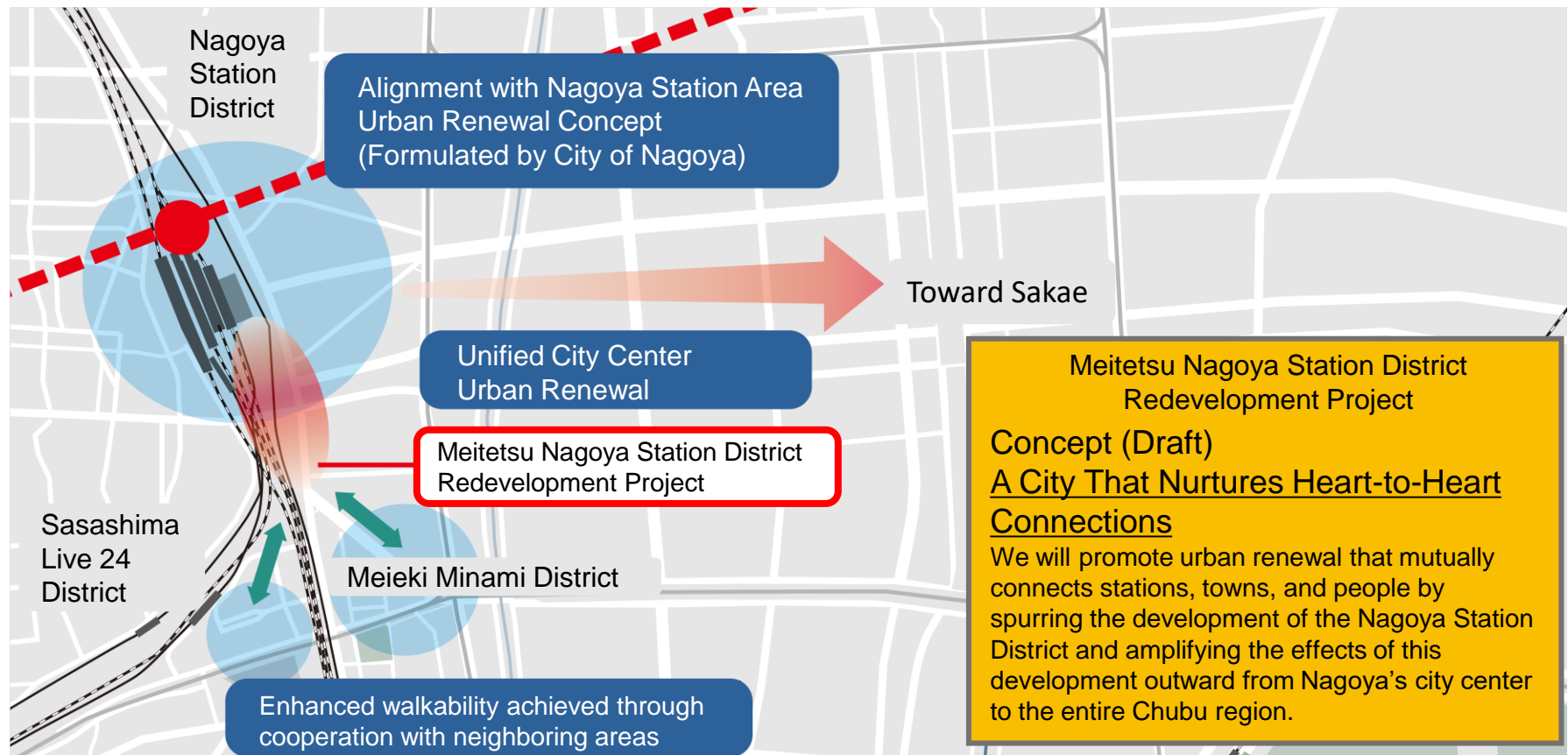
National, prefectural, and city plans
What governments are seeking from the Meitetsu Nagoya Station District Redevelopment Project

- Enhancing the convenience of transferring to train lines between Nagoya Station and Chubu Centrair International Airport
 Ministry of Land, Infrastructure, Transport and Tourism (Formulated March 2016)
 - Initiatives to ensure that platforms are easy to navigate and trains are easy to board and disembark at Meitetsu Nagoya Station, particularly for lines destined for Chubu Centrair International Airport
 Aichi Prefecture (Formulated March 2015)
 - A world-class rail terminal accessible to all City of Nagoya (Formulated September 2014)
- Note: Quoted from publicly disclosed materials



2) Urban renewal in areas centered on train stations

Continuing to consider building facilities that can spread vitality out to urban centers around stations, including Nagoya Station, Meieki Minami, Sasashima Live 24, and Sakae, as well as further afield to the entire Chubu region



3) Address changes in the business environment after the pandemic

Revising transit facility upgrade plans and redevelopment facility plans as well as promoting initiatives aimed at maximizing the value of the redevelopment area

① Creating transit facility upgrade plans based on changes in demand for public transportation

- Considering plans for easy-to-understand and highly convenient train stations
- Considering plans for bus terminals that facilitate the consolidation of highway bus lines

② Creating redevelopment plans based on the new business environment

- Considering transit hubs that will create and promote new regional attractions by leveraging the unique characteristics of locations in the super mega-region
- Considering new lifestyles and the scale and content for promoting DX regarding each application, including those used by retail, office, and hotel facilities

③ Promoting initiatives aimed at maximizing the value of the redevelopment area

- Considering optimizing Group businesses (Meitetsu Department Store and Meitetsu Grand Hotel) with an eye toward the Nagoya Station redevelopment
- Considering new activities to create shared excitement with the towns we serve, opening them up

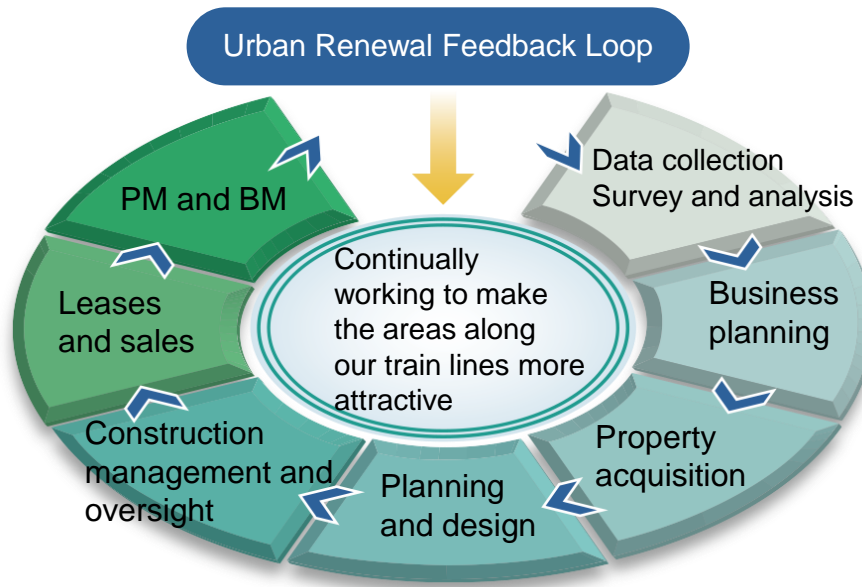


The direction of our businesses will be determined around fiscal 2024

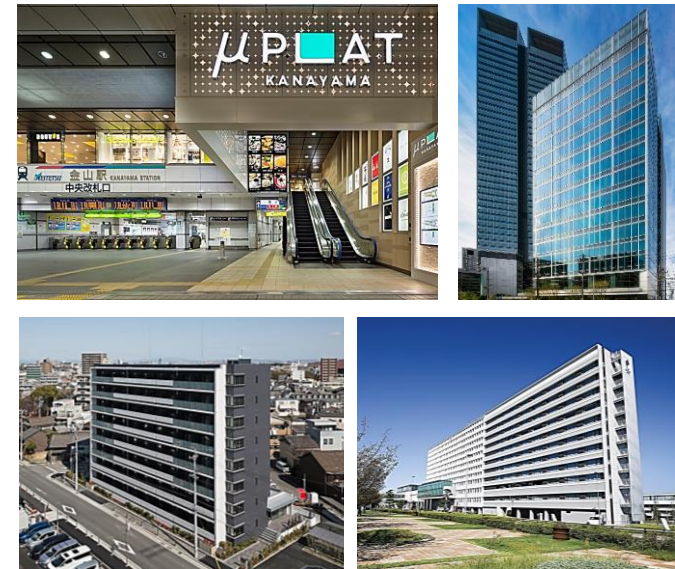
Note: Regarding specific revisions to the aforementioned schedules and plan content, going forward, we will hold discussions and make adjustments with relevant partners, including neighboring landowners and municipalities.

1) Further strengthening the real estate business

- ① Fostering desire for urban renewal with the aim of enhancing the long-term value of the overall area (in collaboration with municipalities and other partners)
- ② Managing the development and operations of various types of real estate (retail, office, residence, hotel, distribution, etc.)
- ③ Building organizational systems that have unified Group-wide functions, from planning through operation



Building organizational systems that have unified Group-wide functions



Diversifying asset types

2) Further strengthening competitive businesses, including ground and air transport

① Strengthening the transport business

- Strengthening our earnings power by upgrading large-scale distribution centers (relocation of Meitetsu Transportation's Komaki branch)
- Establishing an original contractor position through the expansion of our delivery area, warehouses, and third-party logistics (3PL) and other operations, using the personnel, vehicle, and space capacity of the specialized packaging business
- Enhancing our facility and operational alliances with other companies
- Expanding small-lot ferry shipping system



Meitetsu Truck Terminal Chubu

② Strengthening the air transport businesses

- 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
- Expanding the analysis and measurement business



Offshore wind turbine

3) Strengthening our earnings power by bolstering our marketing, shifting toward high-value-added products, and differentiating ourselves

①Developing high-grade condominiums

- Considering high-grade residences in the residential area of Higashi-ku in the city of Nagoya
- Entering the tower condominium business in the urban center of Nagoya

②Creating high-priced and high-value-added products

- Operating high-priced bus tours
- Operating taxi tours with high-quality content in neighboring areas

③Offering special experiential content and services at sightseeing facilities

- The Museum Meiji-Mura
 - Stories and spatial experiences that bring unique cultural assets to life
 - Experiential content related to the buildings' historical background that is offered on a fee basis
 - Distributing videos that convey the charm of Meiji-Mura's spaces
- The Little World Museum of Man
 - Minamichita Beach Land & Minamichita Toy Kingdom
 - Japan Monkey Park
 - Expanding experiential and hands-on content and enhancing events and attractions



The Museum
Meiji-Mura



Minamichita Beach Land &
Minamichita Toy Kingdom



The Little World
Museum of Man



Japan Monkey Park

4) Developing new business fields

Generating profit in new fields using the Group's management resources

① Expanding the Japanese food export support business

- In a capital-business alliance with umamill Co., Ltd., Meitetsu Kyosho is strengthening operations aimed at platform utilization for food manufacturers, overseas trading companies and buyers
- Beginning trade in alcoholic beverages
- Implementation of collaboration related to export business operations with the Meitetsu World Transport division of Meitetsu World Travel, Inc.

② New expansion of the bakery business

GONTRAN CHERRIER
ARTISAN BOULANGER · PARIS



- Concluded an exclusive master franchise contract for Japan with Gontran Cherrier International Limited

Early summer 2021: Planning to open a directly managed base store in Aoyama, Tokyo

2022: Planning to open two more directly managed stores in the Kanto region

2023 onward: Planning to expand franchises, especially in Kanto, Nagoya, and Kansai

③ New expansion of the restaurant business

- Strengthening industry development to expand the takeout and home-dining market
- Developing new brands for the takeout industry, especially dim sum, congee, and Chinese food, by leveraging the expertise of Chinese restaurant MEITETSU-SAIKAN (opened in 1969 in the city of Gotemba)

Early summer 2021: Planning to open the first directly managed store in the Kanto region

2022: Planning to open two more directly managed stores in the Kanto region

2023 onward: Planning to expand further, especially in Kanto, Nagoya, and Kansai



MEITETSU-SAIKAN



New brand logo
(trademark pending)



Specialty: Crystal gyoza
dumplings

- Considering entering the casual Chinese dining industry with a new store in the μPLAT commercial facility

Promoting initiatives using cutting-edge technologies

④ Initiatives for the drone and spatial data business

Operating Japan Civil Aviation Bureau's registered training institution (tentative name)

- With the amendment of the Civil Aeronautics Act, we aim to register MEITETSU DRONE ACADEMY (tentative name), which currently conducts drone operation license training, as a level 4 registered training institution under the drone operation licensing program slated for establishment in fiscal 2022.

Note: Level 4 is for flight beyond line of sight in populated areas with no operator.

Expanding services using drones, such as medical supply distribution and infrastructure inspection and maintenance

- We aim to commercialize such services as medical supply distribution to towns isolated due to disaster or to remote islands as well as shipping to rural areas where people have difficulty shopping.
- We are considering using drones for inspecting and maintaining train line-related facilities and broader infrastructure.

Various uses of highly detailed 3D map data

- We are considering working with universities and startups to use highly detailed 3D map data in various fields.

⑤ Expanding online content

Example: We aim to use the Internet as a vehicle for a new education style that differs from other online learning by connecting educational institutions with facilities like aquariums and museums.

Pilot test



A middle school class is connected online to Minamichita Beach Land, where an onsite animal caretaker is streaming a lesson

⑥ Developing and promoting new business fields using existing companies and businesses

⑦ Utilizing M&A and open innovation

1) Promoting regional MaaS (Meitetsu MaaS)

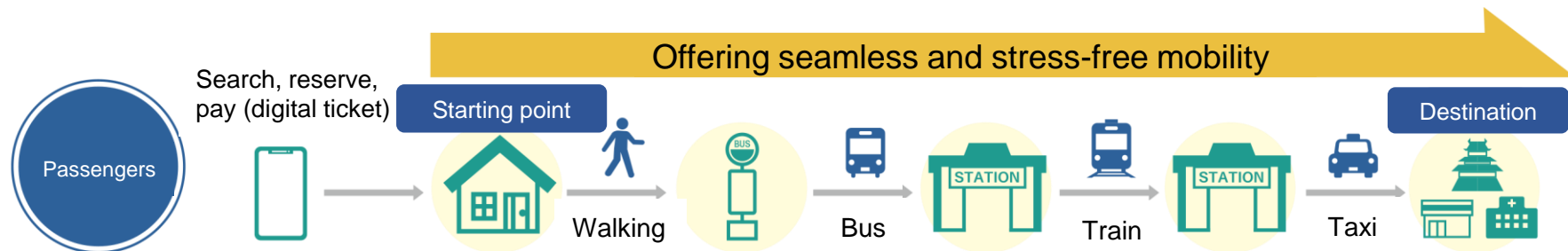
Realizing seamless, stress-free mobility by connecting regional transit, lifestyle, and sightseeing services for customers who routinely access the Meitetsu Group's train lines and neighboring areas, especially in the prefectures of Aichi and Gifu

① Rolling out the new Meitetsu Touch app (tentative name; set for release in fiscal 2021)

- Introducing inter-site search and expanding the search scope for other modes of transportation in the region
- Introducing digital tickets to realize cashless payments, paperless records, and shorter wait times
- Offering real-time information about train operations and traffic congestion
- Achieving synergy with lifestyle-related services and tourism

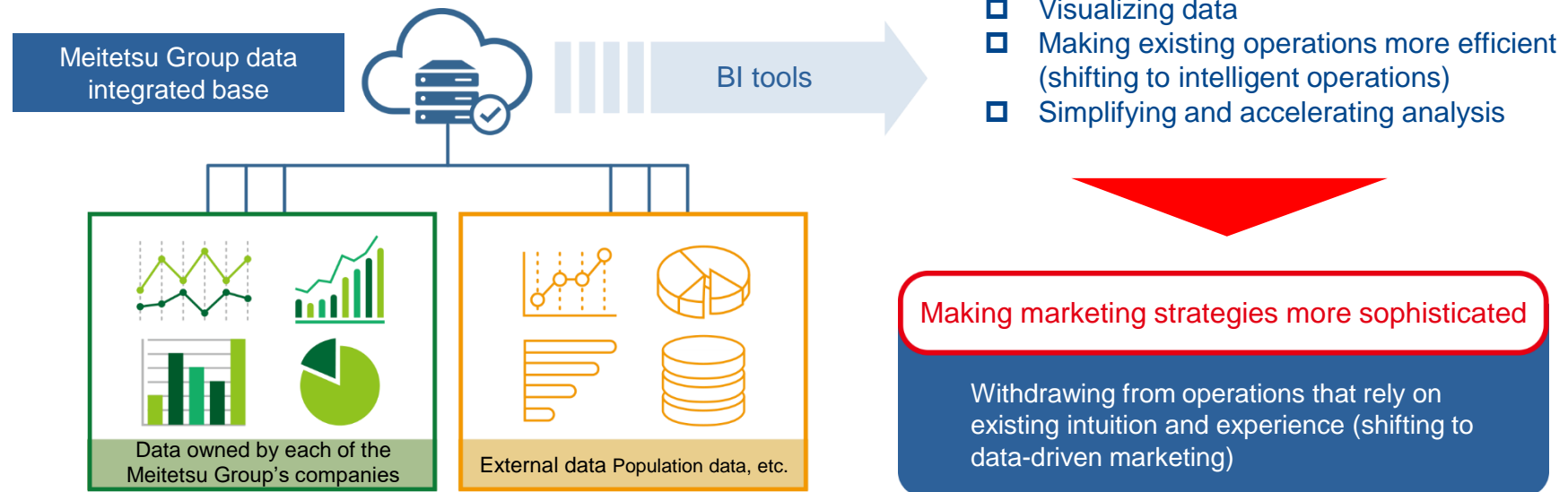


Ensuring that our app grows with local communities as a regional MaaS platform



2) Using big data to create more-sophisticated marketing strategies

① Building and utilizing the Meitetsu Group data integrated base



3) Promoting a transformation of the business environment

① Promoting business process reforms

- Using AI and RPA to make existing operations more efficient and shift to highly productive operations

② Installing industry-specific integrated systems

- Installing industry-specific integrated systems (hotel, bus, taxi, property management, etc.)

1) Building and promoting business-specific strategies

- ① Strengthening systems to build and promote Group hotel strategies
- ② Building organizational systems that have unified Group-wide functions, from planning to operation, in the real estate business
- ③ Realizing unified commercial facility property management systems

2) Realizing diverse personnel activities

① Promoting diverse workstyles

- Promote an active female workforce

Targets for the five years between FY2021 and FY2025 (Nagoya Railroad)

- Women account for over 30% of hires for general career-track positions and for over 10% for train line operations
- Double the number of women in management roles (assistant manager and higher)

- Promote work reforms

Encouraging the use of annual paid leave and strengthening the management of working hours

Targets for the five years between FY2021 and FY2025 (Nagoya Railroad)

- Annual paid leave rate: Head office departments over 80%,
train operation departments over 95%

Reference: Established onsite daycares
Meitetsu Daycare Station Poppo-en
(As of March 2021: 8 daycares)



② Securing and training personnel

- Securing highly specialized personnel in specific business fields
- Securing and training digitally proficient personnel

3) Response to the Corporate Governance Code as well as ESG and SDG initiatives

① Response to new markets on the Tokyo Stock Exchange to begin in April 2022

- Selecting optimal new markets based on the concepts and required form and governance standards of each market category
- Response to the new Corporate Governance Code with an eye toward to the strategy above

② ESG and SDG initiatives

- Formulating long-term targets for the Meitetsu Group with an aim toward realizing a carbon neutral and decarbonized society by 2050 as declared by the government of Japan
- Offering safe, secure, and stable transportation and convenient services
- Contributing to the sustainable development of regional communities as key public transportation infrastructure
- Nurturing public desire for urban renewal with the aim of enhancing the long-term value of the area overall
- Forming an official national-park partnership with the Ministry of the Environment
- Passing down Japanese culture and artforms through the operation of the Museum Meiji-Mura and the maintenance and repair of the national treasure teahouse Jo-an

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Numerical Targets

➤ Targets under the medium-term management plan (consolidated basis)

	FY2020 forecasts*	FY2023 targets
Operating Income	-¥20.0 billion	¥35.0 billion

*As of February 8, 2021

Reference indexes: FY2023

ROE (net income/shareholders' equity)	About 6%
ROA (operating income/total assets)	About 3%
Net interest-bearing debt*/EBITDA ratio	About 6 times
Equity ratio	About 25% over the medium to long term

*Net interest-bearing debt: interest-bearing debt – cash, deposits, and short-term investment securities

➤ Dividend Policy

Maintain stable dividends while comprehensively considering business performance and operating environment

We will move ahead with strategic investments that contribute to structural business reforms and the construction of a foundation for growth after first investing to ensure safety and compliance while maintaining a policy of staying within the scope of operational cash flows.

➤ Investment Figures

	(Billions of yen)	
	FY2021–FY2023 Total investments	Strategic investments thereof
Traffic	66.0	8.0
Transport	26.0	7.0
Real Estate	55.0	43.0
Leisure and Services	3.0	0.8
Distribution	2.0	0.2
Aviation Services	17.0	0.6
Others	21.0	0.4
Total	190.0	60.0

Breakdown of Strategic Investments

- Structural reform of the traffic business
- Acquisition and development of real estate
- Upgrading large-scale distribution centers
- DX-related
- etc.

**Operational cash flows
(FY2021–FY2023)**

180.0



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.