

Fiscal Year Ended March 31, 2023 Financial Results Presentation for Investors

Nagoya Railroad Co., Ltd.

Securities Code: 9048

May 25, 2023

01

Progress Made on Medium-term Management Plan Growth Trajectory Going Forward

Main Initiatives of Each Key Theme in FY2021 and FY2022

Structural Business Reforms

1 Restructuring the Traffic Business

- Railroad business

We revised timetables to meet demand and made station operations more efficient and modernized.

- Bus business

Meitetsu Group Bus Holdings was founded to enhance the competitiveness and management efficiency of the entire Bus business.

We have introduced dynamic pricing for highway bus lines.

- Taxi business

Through business reorganization, we enhanced the taxi group's alliances, competitiveness, and efficiency.

2 Restructuring the Travel, Bus Tour, and Hotel businesses

- Travel business

We reduced fixed costs around 20% by integrating and closing branches and counters as well as optimizing personnel numbers.

- Bus Tour business

We reduced fixed costs around 10% by reducing the number of vehicles, integrating and closing sales offices, and optimizing personnel numbers.

- Hotel business

We made the management structure more efficient by establishing an intermediary holding company (Meitetsu Hotel Holdings).

Construction of a Base for Growth

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

- Established the Promotion of Regional Revitalization HQ.

- Promoted tourism revitalization projects along Meitetsu Group rail lines

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

- Conducted studies to assess the direction of businesses by fiscal 2024

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

- The Meitetsu City Design Group constructed a system to formulate a unified strategy for the Real Estate Business.

- Conducted a public tender offer for Meitetsu Transportation

- Made the general goods store operating company ON SEVEN DAYS a subsidiary

6 Promoting DX

- Started the regional MaaS App CentX service and enhanced its functions

7 Creating systems to address management issues

- Formulated the Meitetsu Group Basic Sustainability Policy

- Identified material issues surrounding the Meitetsu Group's sustainability

- Set CO₂ emission reduction targets to realize carbon neutrality by 2050

Progress under the Medium-term Management Plan and Quantitative Results



Results

	FY2021 results	FY2022 results	FY2023 forecast	Medium-term Management Plan Targets (FY2023)
Operating income	2.9 <small>Billions of yen</small>	22.7 <small>Billions of yen</small>	26.5 <small>Billions of yen</small>	35.0 <small>Billions of yen</small>

Reference indicators:

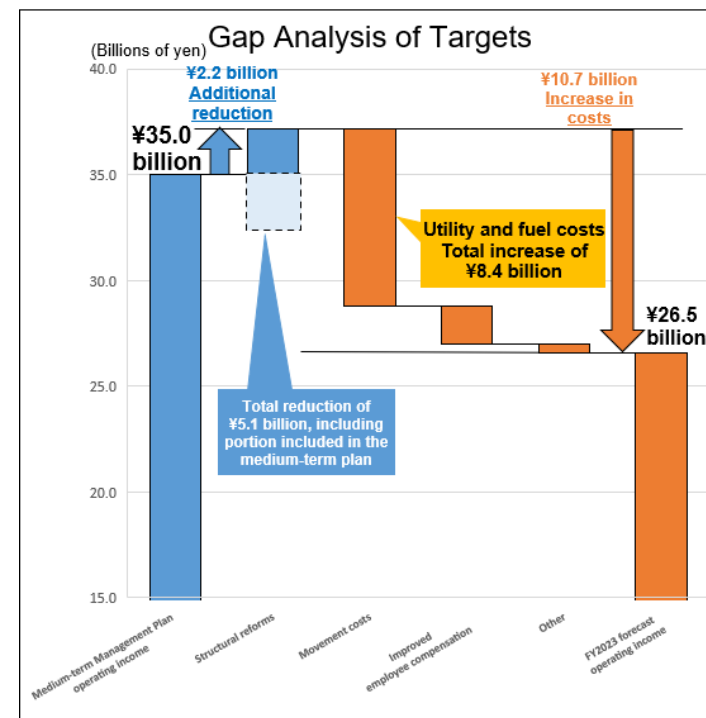
	FY2021 results	FY2022 results	FY2023 forecast	Medium-term Management Plan Targets (FY2023)
ROE (net income/shareholders' equity)	2.5 %	4.8 %	5.1 %	Around 6%
ROA (operating income/net assets)	0.2 %	1.9 %	2.2 %	Around 3%
Net interest-bearing debt*/ EBITDA multiple	10.6 times	7.2 times	7.2 times	Around 6 times
Shareholders' equity ratio	23.8 %	24.3 %	25.7 %	Around 25% over the medium to long term

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

Amount of investment

	FY2021 results	FY2022 results	FY2023 forecast	FY2021–2023 Total	Medium-term Management Plan Targets (FY2021-FY2023)
Total	55.0 <small>Billions of yen</small>	68.9 <small>Billions of yen</small>	86.6 <small>Billions of yen</small>	210.6 <small>Billions of yen</small>	190.0 <small>Billions of yen</small>
Amount of the total allocated to strategic investment	22.5 <small>Billions of yen</small>	30.5 <small>Billions of yen</small>	39.1 <small>Billions of yen</small>	92.2 <small>Billions of yen</small>	60.0 <small>Billions of yen</small>

Note: More than just capital investment, strategic investment includes such uses of funds as share purchases.



The effects of increased fuel and other costs were mitigated by the effects of reducing fixed costs through structural business reforms (¥2.9 billion included in the medium-term plan + ¥2.2 billion additional reduction = total of ¥5.1 billion).

Group Business Performance (FY2023 Full-year Forecast)



【Summary of Performance Forecast】

FY2023 Full-year Forecast

Percent Change(%)

	FY2023 forecast	FY2022	Change
Operating revenues	588.0 <small>Billions of yen</small>	551.5 <small>Billions of yen</small>	36.4 <small>Billions of yen</small> (6.6)
Operating income	26.5 <small>Billions of yen</small>	22.7 <small>Billions of yen</small>	3.7 <small>Billions of yen</small> (16.6)
Ordinary income	27.5 <small>Billions of yen</small>	26.3 <small>Billions of yen</small>	1.1 <small>Billions of yen</small> (4.3)
Profit attributable to owners of the parent	21.0 <small>Billions of yen</small>	18.8 <small>Billions of yen</small>	2.1 <small>Billions of yen</small> (11.4)

	FY2023 forecast
ROE (net income/shareholders' equity)	5.1 %
ROA (operating income/net assets)	2.2 %
Net interest-bearing debt*/ EBITDA multiple	7.2 times
Shareholders' equity ratio	25.7 %

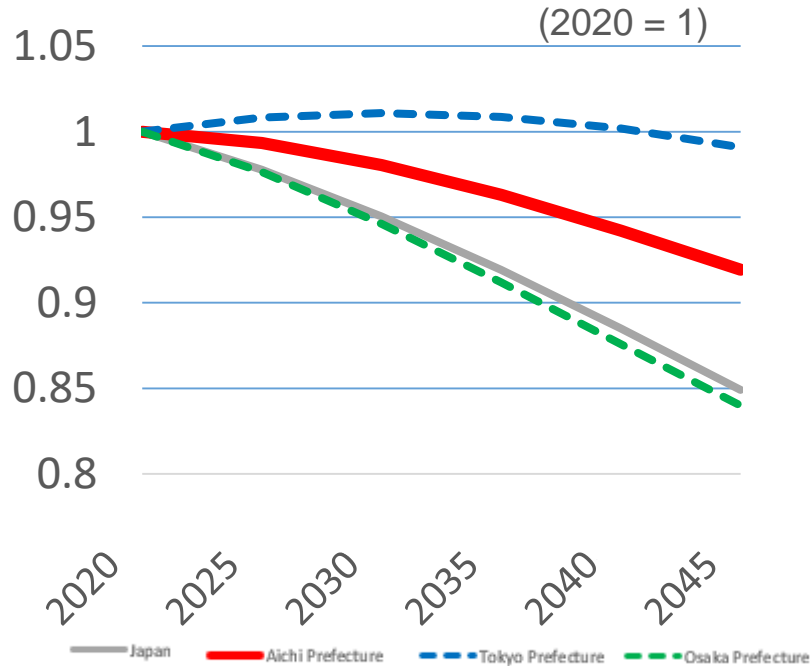
*Net interest-bearing debt = Interest-bearing debt
– Cash, Deposits, and Short-term investment securities

Dividend per share

(Unit: Yen)

	FY2023 forecast	FY2022
Dividend	25.00	20.00

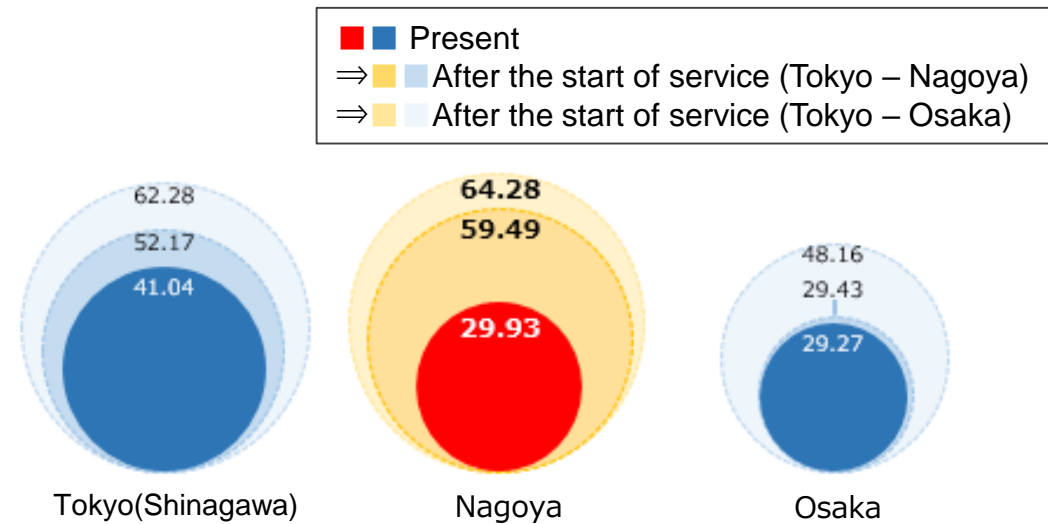
【Forecasted change in population】



Source: Created by Meitetsu using the website of the National Institute of Population and Social Security Research
 Note: Japan's future population estimates by region (2018 estimates)

The population in Aichi Prefecture will steadily decline, albeit at a gradual pace.

【Change in population with access within a 120-minute window at each location (millions)】



Source: Created by Meitetsu based on materials from Mitsubishi UFJ Research & Consulting Co., Ltd.

Of the three major cities, **Nagoya will have the largest population** with access within a 120-minute window once the Linear Chuo Shinkansen maglev line opens.

Through attractive regional and urban development, population decline will be stemmed and people will be drawn from around Japan and the world.

1. Promoting attractive regional and urban development:
Promoting the Meitetsu Nagoya Station District Redevelopment Project
2. Enhancing the ratio of passengers taking public transport
3. Seizing inbound demand in the entire Chubu region
4. Promoting a strategy for a shift to high value added

Promoting attractive regional and urban development: Promoting the Meitetsu Nagoya Station District Redevelopment Project



Based on our basic policy and the Company's policy on redevelopment, we will promote initiatives aimed at realizing the comprehensive redevelopment and renovation of transport facilities and accelerate deliberations and coordination with relevant parties.

【Basic Policies】

- ▶ Forming a regional transportation hub—including an expanded Meitetsu Nagoya Station (expanded to four lines)—that will enhance the convenience of airport access, a current social demand.
- ▶ Joint development with neighboring landowners to spread vitality outward into urban centers, including Meieki Minami, Sasashima Live, and Sakae.

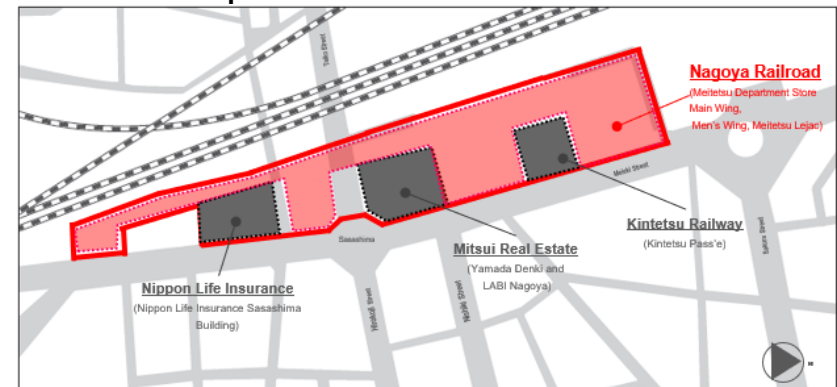
【The Company's Policy on Redevelopment】

- ▶ Urban development that maximizes the value of redevelopment areas and creates excitement
- ▶ Businesses that aim to create new landmarks and serve as the core of the Group's growth strategy

【FY2023 Initiatives】

Aiming to determine the direction of business for FY2024, we began working with landowners to conduct basic design studies.

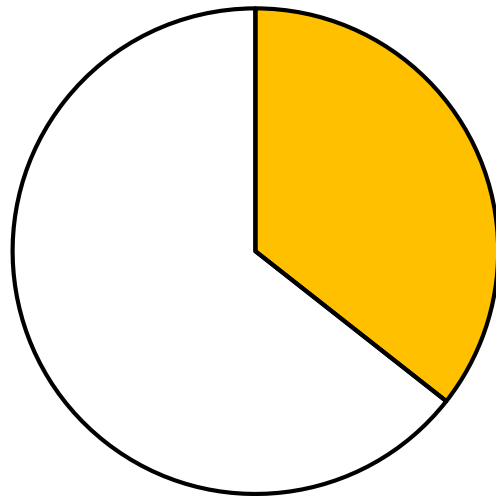
【Scope of Area Targeted by Redevelopment Plan】



*The building form and façade are currently under consideration.

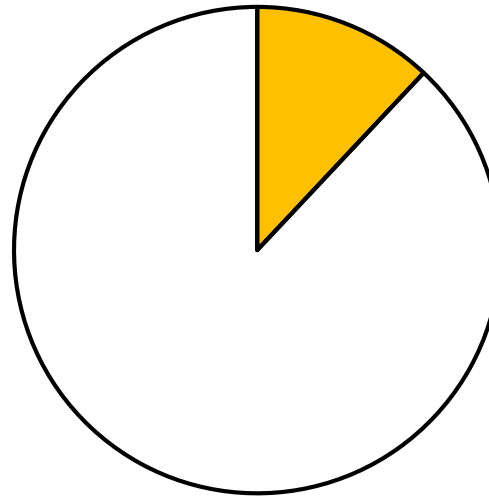
The ratio of passengers taking public transport in the three largest cities

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



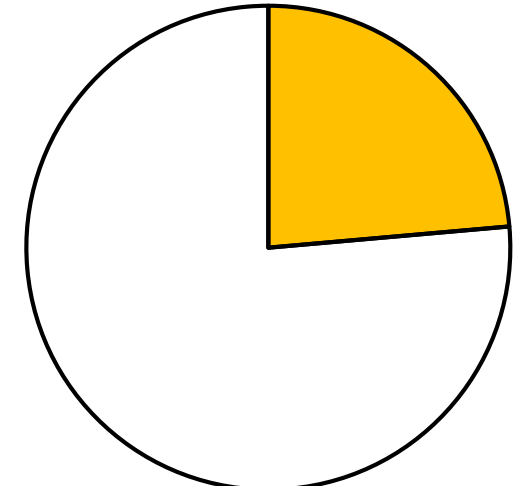
Tokyo
Metropolitan Area
36%

*FY2018 survey results



Chukyo
Metropolitan Area
12%

*FY2011 survey results



Keihanshin
Metropolitan Area
24%

*FY2021 survey results

The ratio of passengers taking public transport in Meitetsu's business area is **low**.
→ **But that means it has large growth potential.**

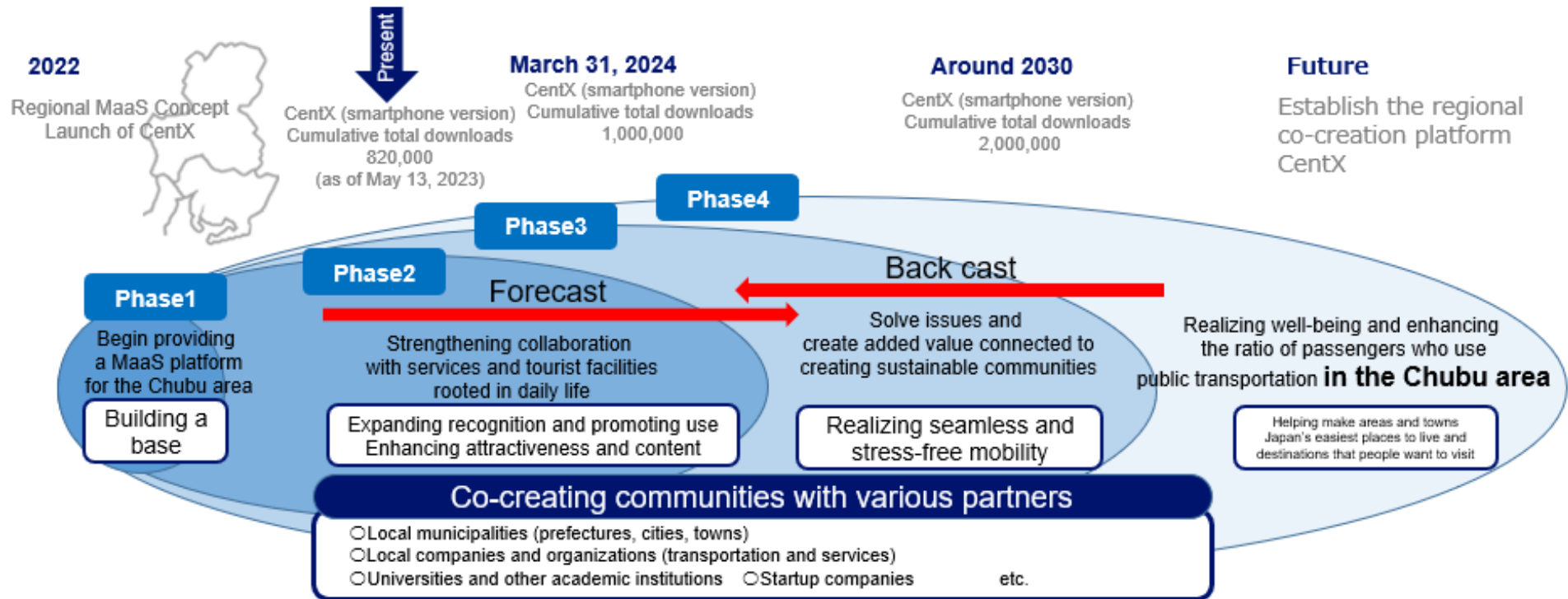
Enhancing the ratio of passengers taking public transport (2)

【Roadmap for the Regional MaaS Concept】

Vision: Realizing well-being and enhancing the ratio of passengers taking public transport in the Chubu area

The Meitetsu Group has a full lineup of transport modes in the Chubu area, especially in Aichi and Gifu.

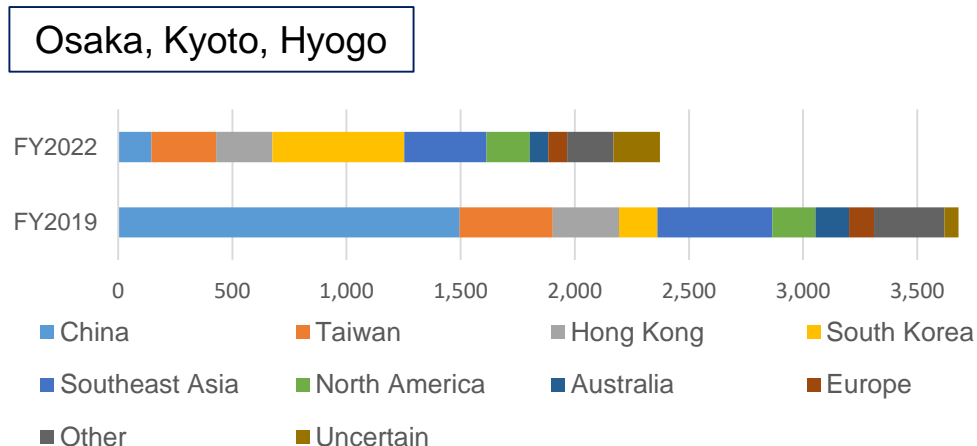
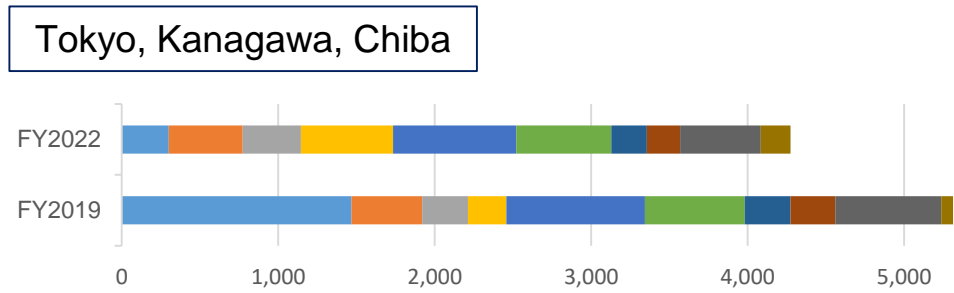
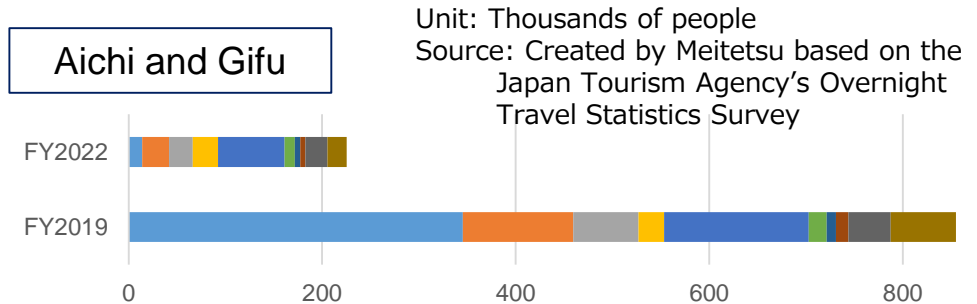
➡ The regional MaaS app CentX fulfills the role of strengthening regional networks and providing access to such last-mile transport connections between main urban routes and suburban destinations as trains, buses, and taxis.



Seizing inbound demand in the entire Chubu region (1)



1. Current state of inbound tourism (Number of lodgers by nationality: December and January)



◆ Local inbound tourism trends Visitors to Japan from China, which had been a major source of tourism, were generally late to return. In addition, the number of visitors to Japan from South Korea, Taiwan, and Hong Kong is still recovering. As a result, **this region's recovery is delayed compared with the Kanto and Kansai regions.**

2. International flight trends for the Central Japan International Airport (Centrair) going forward

Winter 2022: 12 cities, 94 flights per week (0 from China)

Summer 2023: 16 cities, 146 flights per week (14 flights per week from 4 cities in China)

⇒ Compared with the schedules for last winter and this summer, **airlines expect an increase of 52 flights per week (14 from China)**

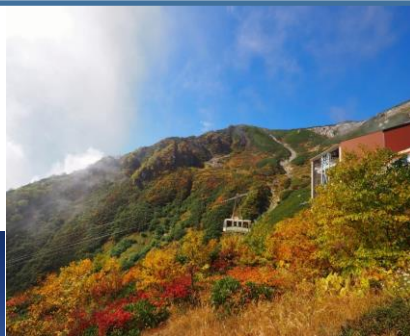
Reference:

Winter 2019: 42 cities, 486 flights per week (215 flights per week from 24 cities in China)

Source: The official website of Central Japan International Airport Co., Ltd. as of April 27, 2023

Mountain tourism

Shinhotaka



Komagane



Magomejuku

Photo provided by Nakatsugawa City

Photo provided by the Shirakawa Village Hall, Gifu Prefecture

Countryside tourism

Shirakawa-go



Tourism assets in the Chubu region (themes)

Inuyama



Handa

Gifu, Tsushima, Okazaki, Nishio, Toyokawa...

Nagoya Meshi



Nagoya, Sakae



Urban tourism along train lines

TIME Magazine
WORLD'S GREATEST PLACES 2023, Top 50
Kyoto and Nagoya were selected for Japan

Nagoya city center tourism

Promoting a strategy for a shift to high value added

Luxury residence condominiums



Creating world-class mountain resorts



Opening new retail businesses



Lifestyle hotels that convey the attractiveness of the local area



02

Results summary

■ Consolidated results

	FY2022 results				
	Results	Year-on-year change			Gap from forecast (as of November)
Operating revenues	551.5 <small>Billions of yen</small>	+ 60.5 <small>Billions of yen</small>	+ 12.3 %	+ 4.5 <small>Billions of yen</small>	
Operating income	22.7 <small>Billions of yen</small>	+ 19.7 <small>Billions of yen</small>	+ 675.1 %	+ 1.7 <small>Billions of yen</small>	
Ordinary income	26.3 <small>Billions of yen</small>	+ 13.2 <small>Billions of yen</small>	+ 100.7 %	+ 4.3 <small>Billions of yen</small>	
Profit attributable to owner of the parent	18.8 <small>Billions of yen</small>	+ 9.4 <small>Billions of yen</small>	+ 101.2 %	+ 2.8 <small>Billions of yen</small>	

■ By segment (operating income) (billions of yen)

	Results	Year-on-year change	
Traffic	4.6	+	9.5
Transport	3.3	+	0.3
Real Estate	13.8	+	2.7
Leisure and Services	- 0.3	+	8.0
Distribution	- 2.4	-	0.4
Aviation Services	1.3	-	0.1
Others	2.6	+	0.6
Adjustments	- 0.2	-	0.9
Total	22.7	+	19.7

■ Consolidated results highlights

Year-on-year comparisons:

Operating revenues: **Increased revenues**

- Revenues increased in the Leisure and Services Business and the Traffic Business (demand recovered)
- Revenues increased in the Real Estate Business

(increase in condominium sales)

Operating income: **Increased income**

- Income increased because revenues increased (fuel costs increased)

Comparison with the forecast in November:

Operating revenues: **Increased revenues**

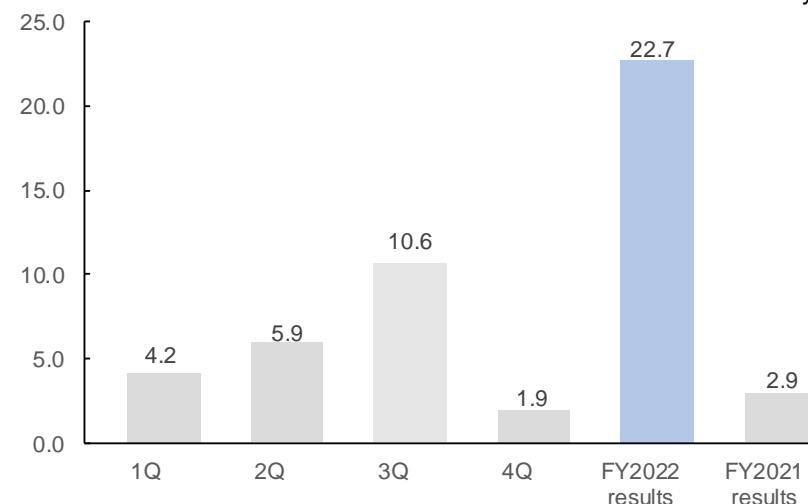
- Revenues increased in the Leisure and Services Business

(orders for group travel increased)

Operating income: **Increased income**

- Income increased and revenues improved in the Real Estate Business and Leisure and Services Business

■ Quarterly trends (operating income) (Unit: Billions of yen)



The Company's Passengers and Transfer Revenues



■ Railroad Passenger Results

Passengers	FY2022	Year-on-year percent change	Percent change compared with FY2019
Non-commuters	106,570 <small>thousand passengers</small>	23.6 %	- 15.2 %
Work commuters	140,130 <small>thousand passengers</small>	1.0 %	- 16.1 %
School commuters	94,340 <small>thousand passengers</small>	5.1 %	- 7.0 %
Commuters	234,480 <small>thousand passengers</small>	2.6 %	- 12.7 %
Total	341,050 <small>thousand passengers</small>	8.3 %	- 13.5 %

Transfer revenues	FY2022	Year-on-year percent change	Percent change compared with FY2019
Non-commuters	40.7 <small>Billions of yen</small>	28.2 %	- 18.2 %
Work commuters	27.4 <small>Billions of yen</small>	1.3 %	- 16.7 %
School commuters	6.7 <small>Billions of yen</small>	5.4 %	- 6.3 %
Commuters	34.2 <small>Billions of yen</small>	2.1 %	- 14.9 %
Total	75.0 <small>Billions of yen</small>	14.8 %	- 16.7 %

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

■ Monthly Change in Railroad Passengers

(Unit: Millions of people)

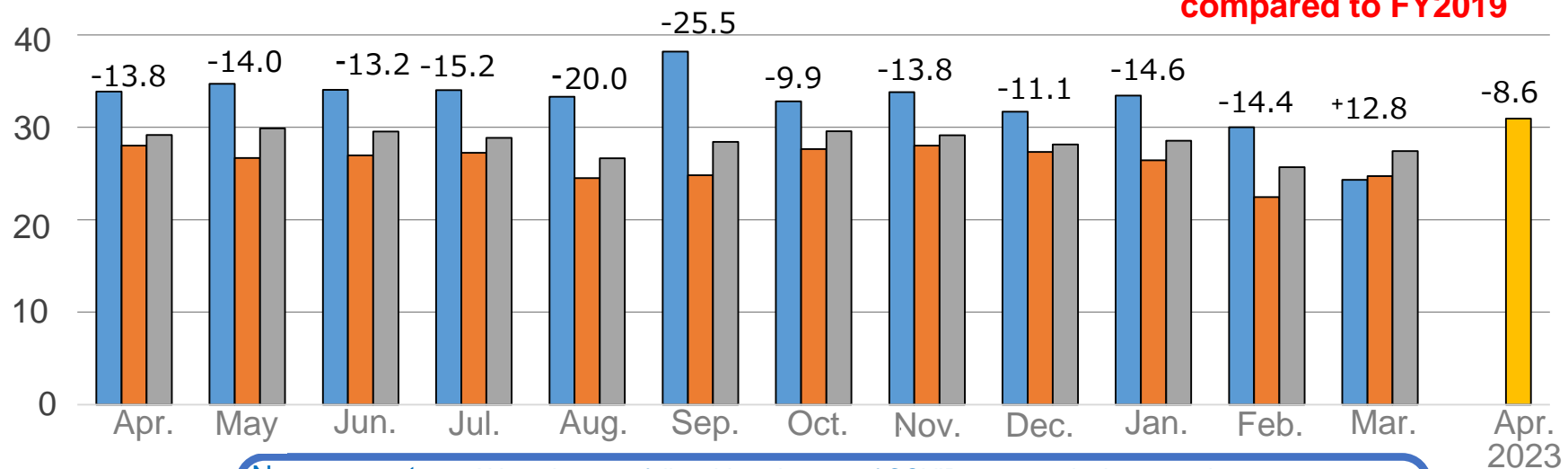
■ 2019

■ 2021

■ 2022

■ 2023

*Figures on graphs are percent changes compared to FY2019



Non-commuters: Although usage fell amid a 7th wave of COVID-19 cases in the second quarter, usage recovered in the latter half of the year.

Work commuters: Performance held steady with no major change attributable to waves of COVID-19 cases throughout the year.

School commuters: Performance recovered somewhat because many schools restarted normal classes

FY2022 full-year consolidated fuel costs: ¥24.1 billion (+¥4.3 billion year-on-year)

Quarterly change in fuel costs

	Q1	Q2	Q3	Q4	Total
FY2022 results	5.7 <small>Billions of yen</small>	5.8 <small>Billions of yen</small>	6.2 <small>Billions of yen</small>	6.2 <small>Billions of yen</small>	24.1 <small>Billions of yen</small>
Year-on-year change	+ 1.2 <small>Billions of yen</small>	+ 0.8 <small>Billions of yen</small>	+ 0.9 <small>Billions of yen</small>	+ 1.2 <small>Billions of yen</small>	+ 4.3 <small>Billions of yen</small>

Main differences in annual results from the previous fiscal year:

- Traffic segment: **+¥3.8 billion** (up 42% year on year)
Power costs (electricity fees) increased +¥3.8 billion in the Railroad business
- Transport segment: **+¥0.3 billion** (up 3% year on year)

Note: Effects were minimal in the Bus business and Truck business due to governmental measures aimed at easing spikes in fuel oil prices.

FY2023 full-year consolidated forecast of fuel costs: ¥26.1 billion (+¥1.9 billion year on year)

Main differences from the previous full fiscal year:

- Traffic segment: **+¥0.8 billion** (up 7% from 2022)
- Transport segment: **+¥1.0 billion** (up 11% from 2022)
 We expect power costs (electricity fees) in the Railroad business **to remain level with the previous year.**

We anticipate that the project to ease spikes in fuel oil prices will be remain in force until September 2023.



In each business, we are striving to reduce fuel usage through transportation optimization and efficiency improvements and by upgrading to energy-saving vehicles.

03

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

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



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

Promoting structural reforms

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

(In FY2022, revenue-improving effects were **around ¥1.8 billion.**)

Making station operations more efficient and modernized

- Making services more sophisticated through the installation of new station equipment
(End of FY2022: 72 stations → Plan to expand going forward)
New ticketing machines:
From March 2023, we installed work commuter pass ticketing machines (manaca commuter passes)
From May 2023, we installed school commuter pass ticketing machines (manaca commuter passes)
- Revising the placement of station employees, including promoting unmanned stations
⇒March 2023: Changed in-station hours of station employees at seven stations
July 2023: Changed in-station hours of station employees at five stations
- Expanding traffic light controls using PTC, for example, integrating signal control sections for Higashi Okazaki and Shin Anjō

Revision of timetables to meet demand

- Continually revising the number of trains and composition of trains in line with customer demand
⇒March 2023: Revised schedules: Adjusted transport capabilities to a more appropriate level, including morning hours
Increased train frequency in the Nagoya City suburbs
- Expanding one-man train operations
⇒March 2023: the Kakamigahara Line and Chita Line
(further expansion to be considered going forward)

Evaluating operational structures in light of demand for each train line

- Optimizing operations, facilities, and service standards to meet demand
⇒For example, streamline equipment used for operations on the Chita Line and Hiromi Line

Making facility maintenance more efficient and digital

- Civil engineering: Introducing a new track inspection system (dynamic inspection)
Use of drones in structural inspections
- Train cars: Verifying improved inspection efficiency through monitoring systems
- Electric power: Introducing track crossing monitoring systems
Verification using AI track crossing image analysis

Railroad business returned to profitability

FY2020: -¥7.51 billion→FY2021: -¥0.15 billion→**FY2022: ¥4.76 billion**

Reference: Pre-pandemic (FY2019): ¥18.4 billion

Enhancing earnings power

Considering revising fares and fees in line with demand trends

Proactively cooperating with local municipalities and tourist facilities along train lines

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

Stimulating demand for excursions to areas along train lines

Renovate station and commercial facilities

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

Promote regional MaaS

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

Nagoya Railroad

- As the new normal takes hold, including the rise of teleworking and a shift to other transport modes such as using personal cars to commute, we expect the situation to remain challenging going forward. We do not expect transport demand to return to pre-pandemic levels and are concerned that business costs will increase due to soaring electricity fees and resource prices.
- To maintain our business going forward and continue contributing to society over the long term, we will need to upgrade our equipment to ensure safe, secure, and stable transportation and invest in projects aligned with changes in the social environment.
- Although we are still working to reduce business costs through structural reforms, we are preparing to apply to revise our fares in order to ask customers to bear a portion of these costs.



- Timeframe: Spring 2024
- Overview
 - We expect the average overall revision rate to be around 10%
 - We expect to raise the initial fare ¥10 (¥170→¥180)
 - In consideration of the burden on household budgets, we will not revise fares for school commuter passes

Toyohashi Railroad

On March 27, 2023, we applied to revise fares for the Atsumi Line and Azumada Line (planned for spring 2024).

Initiatives aimed at stable management over the medium to long term in the Bus business and Taxi business



Strengthening our business structure through an intermediary holding company as well as implementing and considering various measures to adapt to environmental changes

Bus business

- Strengthening our business structure by founding the intermediary holding company Meitetsu Group Bus Holdings
 - Sharing data and know-how within the bus group
 - Sharing data across seven companies in the Bus business and establishing various committees as a place for discussion, such as for safety and regional transportation, etc.
- Enhancing convenience by introducing the manaca transportation IC card
 - Chita Bus (partial): Already introduced in 2022
 - Gifu Bus: Planned to introduce in spring 2024
- Currently preparing to **apply to revise fares**

Taxi business

- **Revising fares**
 - Nagoya area: 17 cities, towns and villages (December 5, 2022–)
 - Owari and Mikawa area: 37 cities, towns and villages (March 20, 2023–)
 - Gifu area: 35 cities and towns (March 20, 2023–)
- Participating in and implementing the Japan Tourism Agency's project with local communities to revitalize tourist destinations and add greater value to tourism services
- Contracting operations for on-demand transport
 - Toyoake City: Operating the ride-share service Choi Soko (April 2023–)
- Strengthening hiring by centralizing hiring operations across the taxi group

Aiming to revitalize regions through development leveraging local characteristics

Promoting plans for commercial facilities at the southern exit of Higashi Okazaki Station

In tandem with SWING HIGAOKA, the concept behind the Higashi Okazaki Station redevelopment plan, we aim to create commercial facilities that enhance the richness of daily life and complement peaceful everyday “HIGAOKA Living” under the banner of “Swing-by Higaoka Life.” We plan an exhilarating design with a dynamic rhythm that blends seamlessly with the surrounding environment.



Size and area	3 floors aboveground, total area of around 3,000 m ²
Uses	Grocery, retail, restaurants, services, etc.
Number of tenants	Around 15 tenants (planned)
Opening timeframe	Spring 2024 (planned)

Development under elevated sections of Hotei Station

We will expand the number of wood-frame commercial facilities for retail, services, and other businesses installed under elevated track sections. Because the former station building preserved within the station is the Company’s oldest wooden station building, we will utilize motifs and designs of the period of the building while modernizing the space and create wooden facilities that are environmentally friendly and that will be long beloved.



Size and area	Wooden single-story building, total area of around 1,100 m ²
Number of tenants	Around 10 tenants (planned)
Opening timeframe	Spring 2024 (planned)

μPLAT Station Commercial Facilities

We will renovate stores in the 1st floor commercial area of μPLAT Kanayama, including the commercial area within the ticket gates, and expand new commercial zones at the west ticket gate exit. Regarding the 2nd floor commercial area, we will change tenants in line with our aim to create facilities that increase convenience for station users.

In connection with the historical TV drama *What Would You Do, Ieyasu?* create excitement through measures undertaken by various companies

Within Okazaki City

- Nagoya Railroad
 - Sold *What Would You Do, Okazaki Ieyasu* tickets
- Meitetsu Bus
 - Operated a bus with a themed exterior wrap
- Meitetsu Creative Life Institute
 - Set up a sales corner for Ieyasu Tokugawa-related goods in the Okazaki North Exit Suncos store
- Meitetsu World Travel
 - Conducted day trip tours dedicated to the history of Okazaki and presented history lectures by experts



Walks in areas near train lines

- Nagoya Railroad
 - Started sales of the Taiga Drama Kan course Castle Tour tickets
 - Collaborated with the online CentX service on the Taiga Drama Kan official website
- ANA Crowne Plaza Hotel Grand Court Nagoya
 - Held the Mikawa and Okazaki Fair to offer the food of Okazaki City

Collaboration in the wider region

- Nagoya Railroad
 - Worked to bring in major travel agencies from the Kanto and Kansai regions
- Meitetsu Kanko Bus
 - Working with the Shizutetsu and Entetsu groups, we created bus tours encompassing sites related to Ieyasu and Taiga Drama Kan buildings in Shizuoka and Hamamatsu
- Meitetsu MIRAEAT
 - Working with the Shizutetsu and Entetsu groups, we jointly developed exclusive souvenirs for our three groups, selling them through SA and other channels

Helping to create high value-added tourist destinations in the Matsumoto and Takayama areas

In October 2022 **Matsumoto / Takayama High Added Value Creation Promotion Council** was established through a coalition with Meitetsu at the center and including Matsumoto City, Takayama City, and the Ministry of the Environment as well as local financial institutions, medical institutions, and private operators for the purpose of creating high value-added tourist spots aimed at revitalizing Matsumoto City, Takayama City, and surrounding areas.

Business Concepts Promoted by the Council

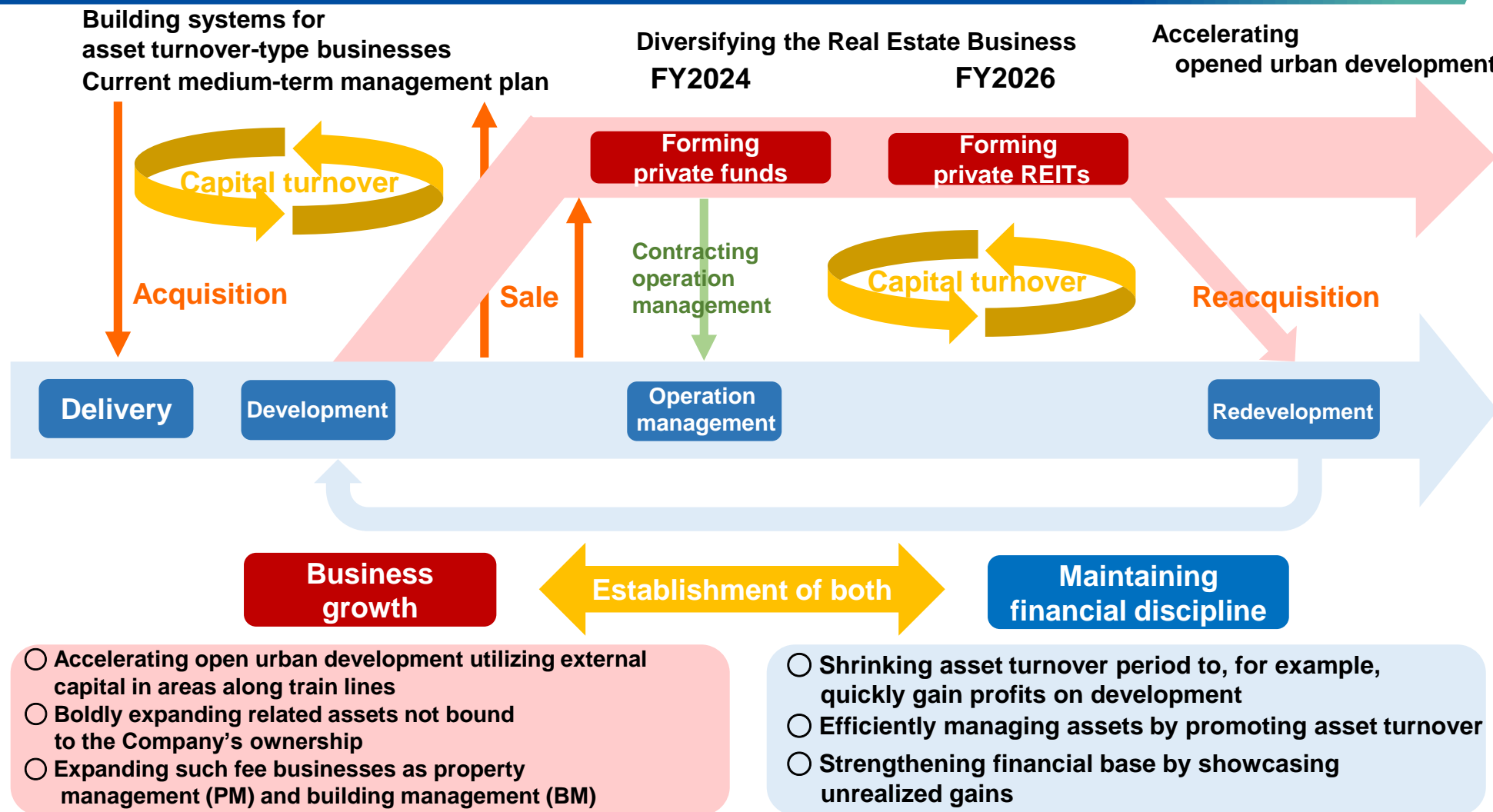
Creating a “circulation history” connecting the trees, water, and traditional cultures of Japan’s Northern Alps and their cities

In a single trip, visitors can experience the value of the area between Matsumoto and Takayama where the geography of its eastern, western, southern, and northern watersheds has resulted in distinct local cultures



This area was selected by the Japan Tourism Agency as a **model tourist destination for creating high value-added inbound tourist destinations in rural areas**

Accelerating open urban development by expanding the Real Estate Business



Aiming to maximize value of related assets by strengthening the building management (BM) business base and reorganizing the property management (PM) business

Strengthening the BM business base

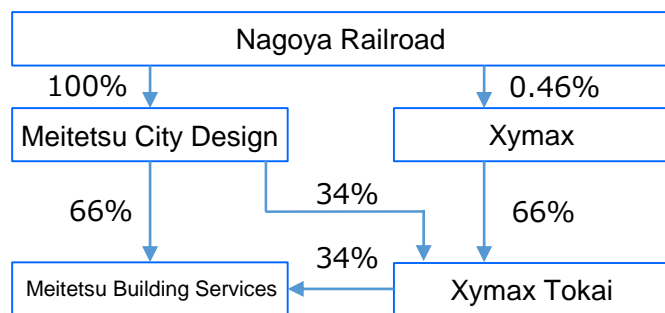
◎ **Capital and Business Alliance with the Xymax Group (planned for July 2023)**

- **Xymax Tokai investing in Meitetsu Building Services (34%)**
- **Meitetsu City Design increasing its investment in Xymax Tokai (10 %⇒34%)**

◎ Bringing in personnel to advance operational reforms and implementing measures to enhance efficiency by boosting productivity and reducing costs, thereby advancing collaboration based the mutual use of business resources

Centered on the Tokai area, we are striving to enhance the BM business's industry competitiveness and proactively expand through the provision of trustworthy services.

Funding Relationships (from July 2023 onward)



Reorganizing the Group's structure in the commercial PM business

◎ **Realizing unified commercial facility PM**

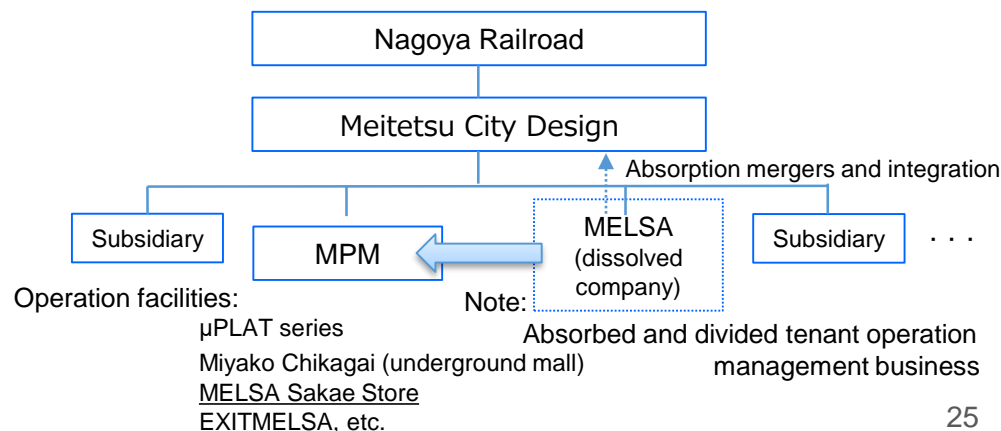
We consolidated the tenant operation management business of **MELSA**, which operates MELSA Sakae Store (Nagoya City, Naka Ward), into **Meitetsu Property Management (MPM)**, which operates μPLAT and other commercial facilities along Meitetsu train lines.

◎ Promoting training and securing expert personnel by consolidating the operational functions of commercial facilities

◎ Strengthening leasing functions by establishing a leasing-specific organization

We aim to expand the commercial real estate business, which is central to our revitalization efforts in communities along train lines by consolidating commercial facility operations and strengthening businesses in terms of functions and human resources.

Structure (April 2023 onward)



Strengthening businesses expected to grow moving forward: Transport Business



Working to strengthen earnings power by promoting collaboration with other companies and opening large-scale logistics bases

Meitetsu Transportation: Enhancing collaboration with Nippon Express

- Starting discussions with NIPPON EXPRESS Holdings, which is the parent company of Nippon Express, to strengthen our capital and business alliance with the latter
- To enhance the level of service and solve various issues regarding recent business environment changes, we aim to further pursue the mutual utilization of management resources, such as the various resources and know-how of both groups.
- Studying the integration of our special loading businesses as an option and expanding initiatives that mutually utilize both group's management resources, such as joining the two group's transportation networks, jointly developing and sharing our data systems, and jointly developing new transportation services
- Planning to announce study results and progress sometime within the year

Meitetsu Transportation:

Opening the Meitetsu Truck Terminal Chubu (May 2023)

- 1st floor: Truck terminal
 - Responding to Meitetsu Transportation's largest scale nationwide shipments
 - Number of vehicles that can dock: 43 small vehicles and 49 large vehicles
 - Able to operate in any weather
- 2nd floor: Warehouse
 - Total area: 18,150 m² (5,500 tsubo)

Characteristics

- It is possible to reduce lead time by extending deadlines for shipments
- We expect CO₂ reduction effects from reducing the number of transportation vehicles
- Make logistics facilities environmentally friendly by installing solar panels (acquired ZEB certification)



Strengthening businesses expected to grow moving forward: Aviation Services Business



Spurring new demand creation by expanding the Aviation Services Business and participating in PLATEAU

Acquiring all shares and related assets of the helicopter business company of Nakanihon Air Service (March 31, 2023)

Acquired all shares and related assets of the helicopter business company as detailed below, because it will contribute to the business strategies of Nakanihon Air Service

Company name	First Air Transport Co., Ltd.
Location of headquarters	Tokyo Heliport, Shinkiba 4-7-16, Koto-ku, Tokyo
Founded	February 1990
Main business content	Inspection flights, such as for railroad facilities

Effects expected of the transfer

- Effectively utilizing management resources, starting with human resources
- Securing stable revenue sources

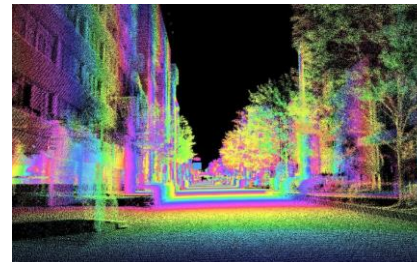
Nagoya Railroad and Nakanihon Air Service: Participating in PLATEAU (FY2022)

Participating in a pilot test of automatic 3D city model upgrading using AI in Sendai City

We acquired data sources for 3D city models utilizing location data regularly acquired by LiDAR and other technology mounted on buses and other vehicles as well as data acquired daily by citizens from their smartphones and other devices. We demonstrated the usefulness of AI models in upgrading 3D city models frequently and at low cost using automated modeling tools developed to generate 3D city models and AI that inspects changes in cities based on the aforementioned data.

PLATEAU

Project for upgrading, utilizing, and making public 3D city models championed by the Ministry of Land, Infrastructure, Transport and Tourism



Source: Japan's Ministry of Land, Infrastructure, Transport and Tourism's PLATEAU website <https://www.mlit.go.jp/plateau/use-case/uc22-044/> (Japanese only)

Strengthening business development systems and further expanding new business areas

Establishment of the Business Creation Department in Nagoya Railroad

Newly established the department through organizational revision on April 1, 2023

Purpose

- Strengthening business development systems
- Promoting the Meitetsu Group's new attractiveness and value creation through open innovation supported by funding and collaborating with startups and other ventures

Initiatives aimed at open innovation

To promote open innovation activities as a unified group, we established **the Meitetsu Open Innovation Lab**, with the Business Creation Department as its secretariat, on the same day. Connecting the Meitetsu Group with startups, we implement pilot tests aimed at collaboration and consider collaborations and funding.



名鉄オープンイノベーションLab

Registered the Meitetsu Drone Academy in the Registered Class Institution

Registered the academy as a Registered Class Institution in its capacity as a school for acquiring national certifications for drone operators based on the revision of the Act on Aviation in December 2022.

⇒ Started a national certification acquisition course and held classes. Students that pass the completion screening of the course can be exempted from on-site tests at designated testing institutions.

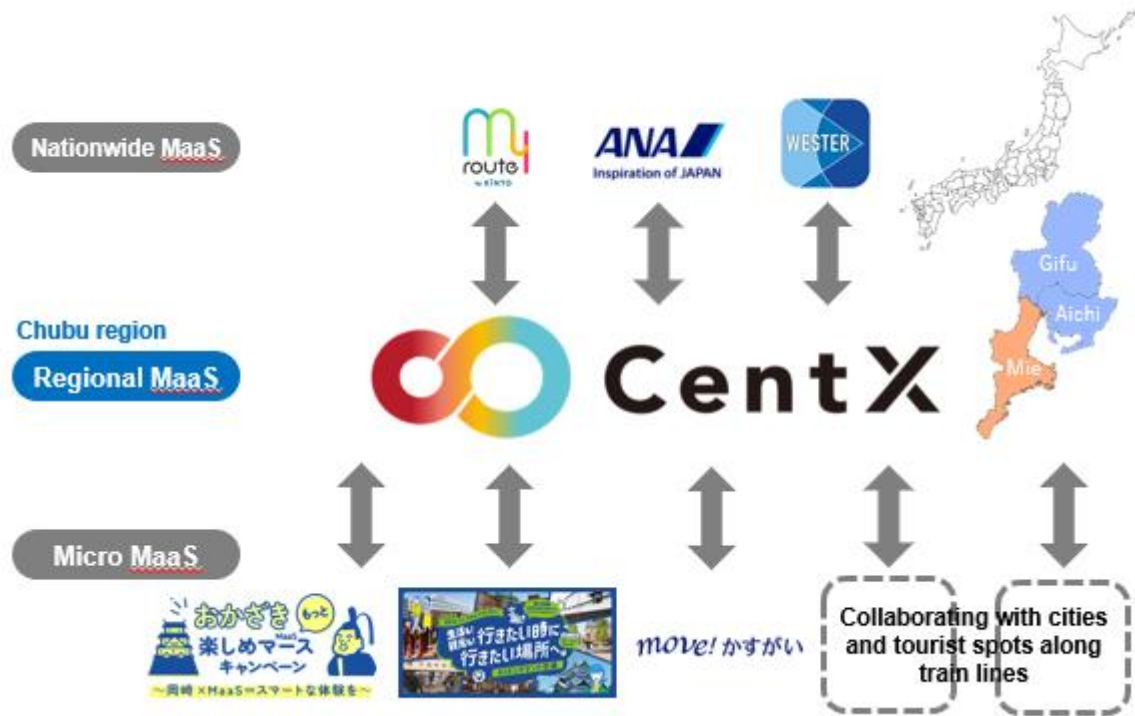
Overview of Registration

Registration date	December 9, 2022
Registration content	First, Second, and Unmanned Aviation Operator Course Institution



Initiatives to Make Public Transit More Convenient: CentX

Working to expand collaboration with nationwide MaaS and micro MaaS and further enhance convenience by adding new functions



Expanding operators who can be registered through the functions of My Station and My Bus Stop

Expanding operators who can be registered from March 24, 2023

My Station:

Nagoya City-run subways and Toyohashi Railroad

My Bus Stop:

Nagoya City-run buses, Toyotetsu Bus, and Gifu Bus

My Station and My Bus Stop Function
Users can register their frequently used railway stations and bus stops to check the operational status of buses or the next three scheduled trains with a single touch, or easily access such convenient information as the current location of trains and buses.

Initiatives to Make Public Transit More Convenient: Meitetsu Area Package (MAP)



Offering and constructing order-made sustainable public transit through the Meitetsu Group in response to the unique needs of each region.

➤ **New transportation service using small vehicles**

Pilot tests in the Kasugadai area of Kasugai City

The Sakashita-cho Kasugadai area has many narrow passages and hilly streets. By deploying smaller vehicles, we are able to set up bus stops in neighborhoods that larger vehicles cannot access. Compared with the bus stops of our conventional service, this eases the walking burden on passengers.

Operations using smaller vehicles can offer services with schedules and routes similar to those of large local buses, stimulating demand and supporting such outings as hospital visits and shopping among the elderly. We will work to rationalize existing routes and enhance local satisfaction by increasing the number of trips through improvements in transportation frequency in the area.

Implementation Period:

November 1, 2022–

Note: The test will be implemented for one year



➤ **On-Demand Transport Initiatives**

Participating in the Yahagi Demand pilot test

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

Implementation Period

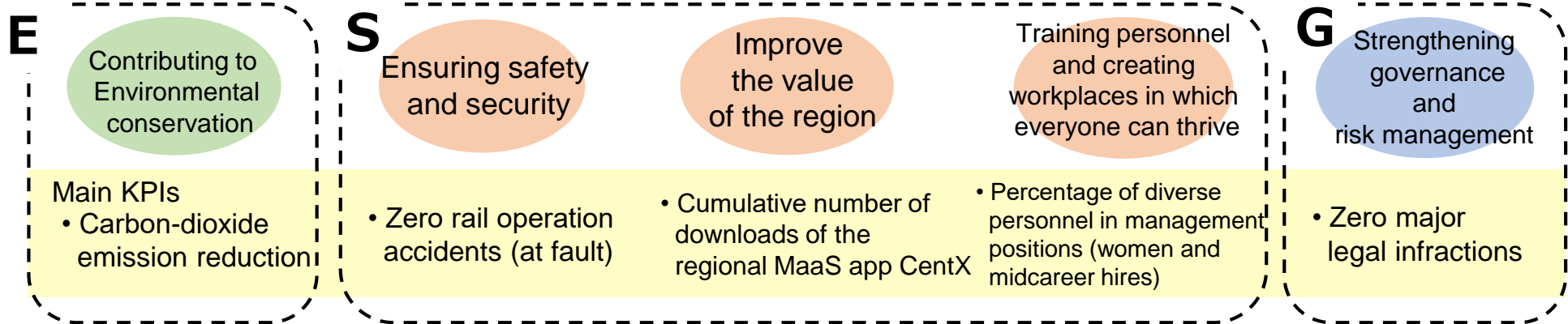
Phase I: January 16–September 30, 2023



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

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

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



Addressing Climate Change

Scope	CO ₂ emission reduction target (FY2030)	FY2021 results
Meitetsu Group (consolidated companies)	25% reduction compared with FY2020	682,093 t-CO ₂ Compared with base year +0.9%
Nagoya Railroad's Railroad business	46% reduction compared with FY2013	169,747 t-CO ₂ Compared with base year -28.8%

Note: FY2022 results will be disclosed in our integrated report

Deployment of EV taxis in the Meitetsu Taxi Group

By FY 2023 within Nagoya City
Total 49 vehicles planned to be deployed

Note: Maximum number to be deployed within the city



Meitetsu Taxi: EV taxis

Initiatives to hire, retain, and support diverse human resources

- Strengthening hiring of mid-career professionals
To enable people with diverse occupational experience and skills to thrive, we will expand selection opportunities from April 2023.
- Raising wage and compensation levels
- Expanding work-life balance support programs
Respecting each other's diverse values and backgrounds, we will upgrade the work environment to enable the optimal balance of private life and work.

The number '04' in white, centered within a teal parallelogram shape.

FY2022 Financial Results

FY2022 Financial Results



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

(Units: Millions of yen, %)

	FY2022	FY2021	Change*	Notes	Latest Forecast Notes (As of Nov.)	Change
Operating revenues	551,504	490,919	60,584 (12.3)		547,000	4,504 (0.8)
Operating income	22,731	2,932	19,798 (675.1)		21,000	1,731 (8.2)
Ordinary income	26,362	13,135	13,227 (100.7)	Non-operating revenues -6,454 (subsidies for employment adjustment, -3,372) Non-operating expenses +116	22,000	4,362 (19.8)
Extraordinary income	9,140	28,480	-19,340	Gain on contributions for construction -18,714 Gain on sales of investment securities -1,353	6,900	2,240
Extraordinary losses	6,868	25,546	-18,677	Loss on reduction of property and equipment -18,407	4,300	2,568
Profit before income taxes	28,634	16,069	12,564 (78.2)		24,600	4,034 (16.4)
Income taxes	8,793	5,769	3,024		7,600	1,193
Profit attributable to non-controlling interests	990	929	60		1,000	-9
Profit attributable to owners of the parent	18,850	9,370	9,479 (101.2)		16,000	2,850 (17.8)

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

- ◆107 consolidated subsidiaries (-2): (+4) Meitetsu World Transport (newly established), Meitetsu Group Bus Holdings (newly established), On Seven Days (newly included), Meitetsu Mirai Creates (newly established)
- (-6) Meitetsu Seibu Kotsu West (merged), Meitetsu Seibu Kotsu North (merged), Mie Meitetsu Taxi (shares transferred), Meitetsu Kankyo Zoen (merged), Meitetsu Mokuzai Bofu (merged), Meitetsu Yakuhin (shares transferred)
- ◆13 equity-method affiliates (±0): No change

Financial Results Highlights



Year-on-year: **Higher revenues · Higher profits** (Revenues rose due in part to a recovery in demand in the Leisure and Services Business and the Traffic Business as well as contributions from the Real Estate Business. Although fuel expenses increased, profit improved on every level.)

(Unit: Billions of yen)

Operating revenues + ¥60.5 billion	<ul style="list-style-type: none"> + Leisure and Services +33.4 (Travel +21.8, Hotel +7.1, Tourist Facilities +4.7) + Traffic +16.7 (Railroad +9.7 (Passengers +8.3%: Non-commuters +23.6%, Commuters +2.6%), Bus +4.0, Taxi +2.5) + Real Estate +7.2 (Rentals +4.8 (including dividend income from real estate funds), Real Estate Condo Sales +2.6, Management +0.3) + Other +3.5 (Equipment Maintenance +2.3, Other +1.1)
Operating expenses + ¥40.7 billion	<ul style="list-style-type: none"> + Personnel costs +5.9 (Leisure and Services +2.1, Traffic +1.7, Transport +0.6) + Fuel expenses +4.3 (Traffic +3.8, Transport +0.3, Aviation +0.1) + Utility expenses +2.4 (Leisure and Services +0.8, Real Estate +0.6)
Operating income + ¥19.7 billion	<ul style="list-style-type: none"> + Traffic +9.5 (Railroad +4.9, Bus +2.8, Taxi +1.8) + Leisure and Services +8.0 (Hotel +4.1, Travel +2.4, Tourist Facilities +1.3) + Real Estate +2.7 (Rentals +1.4, Real Estate Condo Sales +1.2)
Ordinary income + ¥13.2 billion	Profits increased due to an increase in operating income despite worsening non-operating income due in part to a decrease in subsidies for employment adjustment. (Non-operating income -6.5)
Net profit +9.4 billion	Profits increased due to higher ordinary income despite worsening extraordinary income attributable mainly to a decrease in gain on sales of investment securities. (Extraordinary income -0.6)

Compared with forecasts (from November): **Higher revenues · Higher profits** (Revenues outperformed forecasts due to higher revenues in the Leisure and Services Business. Operating income outperformed forecasts due to higher income in the Real Estate Business and the Leisure and Services Business.)

(Unit: Billions of yen)

Operating revenues + ¥4.5 billion	<ul style="list-style-type: none"> + Leisure and Services +14.8 (Travel +14.3, Hotel +0.8, Tourist Facilities -0.3) - Transport -3.7 (Truck -3.8, Maritime Transport +0.1) Traffic -3.0 (Taxi -1.4, Bus -0.8, Railroad -0.8)
Operating income + ¥1.7 billion	<ul style="list-style-type: none"> + Real Estate +2.5 (Rentals +1.5, Real Estate Condo Sales +0.9, Management +0.1) Leisure and Services +1.4 (Travel +1.0, Hotel +0.4)
Ordinary income + ¥4.3 billion	<ul style="list-style-type: none"> - Traffic -1.2 (Taxi -0.5, Bus -0.4, Railroad -0.2) <p>Improvement in non-operating income due in part to an increase in investment income from equity-method affiliates +2.6</p>
Net profit + ¥2.8 billion	Worsening of extraordinary income due in part to an increase in impairment loss -0.3

Operating Results by Segment



(Units : Millions of yen,%)

Operating revenues	FY2022	FY2021	Change	Percent Change	Previous Forecast (Nov. 2021)	Change	Percent Change
Traffic	132,483	115,745	16,737	14.5	135,500	-3,016	-2.2
Transport	136,998	134,766	2,231	1.7	140,700	-3,701	-2.6
Real Estate	96,696	89,416	7,279	8.1	96,500	196	0.2
Leisure and Services	81,049	47,572	33,476	70.4	66,200	14,849	22.4
Distribution	66,263	64,652	1,611	2.5	67,100	-836	-1.2
Aviation Services	25,578	23,364	2,214	9.5	25,300	278	1.1
Others	50,070	46,560	3,509	7.5	49,300	770	1.6
Adjustment	-37,636	-31,159	-6,476	—	-33,600	-4,036	—
Total	551,504	490,919	60,584	12.3	547,000	4,504	0.8

Operating income	FY2022	FY2021	Change	Percent Change	Previous Forecast (Nov. 2021)	Change	Percent Change
Traffic	4,614	-4,960	9,574	—	5,900	-1,285	-21.8
Transport	3,398	3,086	312	10.1	4,300	-901	-21.0
Real Estate	13,830	11,085	2,745	24.8	11,300	2,530	22.4
Leisure and Services	-375	-8,385	8,010	—	-1,800	1,424	—
Distribution	-2,475	-2,054	-420	—	-1,700	-775	—
Aviation Services	1,346	1,453	-107	-7.4	1,000	346	34.6
Others	2,619	1,971	648	32.9	2,100	519	24.8
Adjustment	-227	736	-963	—	-100	-127	—
Total	22,731	2,932	19,798	675.1	21,000	1,731	8.2

<Year-on-Year Comparisons>

Transport, Real Estate, Others: **Increased revenues and income** Traffic: **Increased revenues and return to profitability**
 Leisure and Services: **Increased revenues and reduced loss**
 Distribution: **Increased revenues and expanded loss**
 Aviation Services: **Increased revenues and decreased income**

Traffic Business



(Units : Millions of yen,%)

	FY2022	FY2021	Change	Percent Change	Notes
Operating revenues	132,483	115,745	16,737	14.5	With the easing of restrictions that had been put in place due to the COVID-19 pandemic, the number of passengers in each business recovered and pushed revenues higher.
Operating income	4,614	-4,960	9,574	—	The business returned to profitability due to higher revenues despite an increase in fuel expenses.

◆ Breakdown of Traffic Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022	FY2021	Change	Percent Change	FY2022	FY2021	Change	Percent Change
Railroad	80,839	71,107	9,732	13.7	4,489	-414	4,903	—
Bus	34,328	30,314	4,013	13.2	10	-2,799	2,809	—
Taxi	18,989	16,463	2,525	15.3	-25	-1,899	1,874	—
Adjustment	-1,673	-2,139	465	—	140	152	-12	—
Traffic Total	132,483	115,745	16,737	14.5	4,614	-4,960	9,574	—

<Nagoya Railroad, Transportation Results >

(Units : Millions of yen,%)

(Unit : Thousands of people, %)

Transfer revenues	FY2022	FY2021	Percent Change	Passengers	FY2022	FY2021	Percent Change
Non-commuters	40,791	31,806	28.2	Non-commuters	106,575	86,207	23.6
Work commuters	27,434	27,080	1.3	Work commuters	140,135	138,783	1.0
School commuters	6,792	6,447	5.4	School commuters	94,348	89,810	5.1
Commuters	34,226	33,528	2.1	Commuters	234,483	228,593	2.6
Total	75,017	65,334	14.8	Total	341,058	314,800	8.3

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

(Units : Millions of yen,%)

	FY2022	FY2021	Change	Percent Change	Notes
Operating revenues	136,998	134,766	2,231	1.7	Revenues increased due to a recovery in travel demand in the Maritime Transport business.
Operating income	3,398	3,086	312	10.1	Despite the negative effects on income of higher personnel and fuel costs, overall income increased due to higher revenues in the Maritime Transport business.

◆ Breakdown of Transport Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022	FY2021	Change	Percent Change	FY2022	FY2021	Change	Percent Change
Truck	153,610	154,789	-1,178	-0.8	2,186	3,165	-979	-30.9
Maritime Transport	16,318	14,005	2,313	16.5	1,192	-170	1,363	—
Adjustment	-32,931	-34,027	1,096	—	19	91	-72	—
Transport Total	136,998	134,766	2,231	1.7	3,398	3,086	312	10.1

(Units : Millions of yen,%)

	FY2022	FY2021	Change	Percent Change	Notes
Operating revenues	96,696	89,416	7,279	8.1	Revenues increased due in part to recording dividend income from a real estate fund in addition to an increase in the number of condominiums for purchase delivered.
Operating income	13,830	11,085	2,745	24.8	Income increased due to higher revenues.

◆ Breakdown of Real Estate Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022	FY2021	Change	Percent Change	FY2022	FY2021	Change	Percent Change
Real Estate Rental	50,822	45,649	5,173	11.3	9,980	8,509	1,470	17.3
Real Estate Condo Sales	39,338	36,658	2,679	7.3	3,333	2,118	1,215	57.4
Real Estate Management	13,487	13,182	304	2.3	449	503	-54	-10.9
Adjustment	-6,952	-6,074	-878	—	67	-46	113	—
Real Estate Total	96,696	89,416	7,279	8.1	13,830	11,085	2,745	24.8

< Number of Meitetsu Real Estate Condo Sales >

(Units: Units sold, %)

	FY2022	FY2021	Change
Number of condos sold (total)	942	832	13.2
Naogyu	115	157	-26.8
Tokyo	513	492	4.3
Osaka	314	183	71.6

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

(Units: %)

	FY2022	FY2021	Percent Change
Owned Spaces	89,509	87,293	2.5
Owned Lots	3,995	4,012	-0.4

Leisure and Services Business



(Units : Millions of yen,%)

	FY2022	FY2021	Change	Percent Change	Notes
Operating revenues	81,049	47,572	33,476	70.4	Revenues increased due in part to effects of a national travel subsidy campaign in addition to a recovery in tourism demand following the easing of pandemic-related restrictions.
Operating income	-375	-8,385	8,010	—	The margin of loss shrank as higher revenues improved balance sheets in each business.

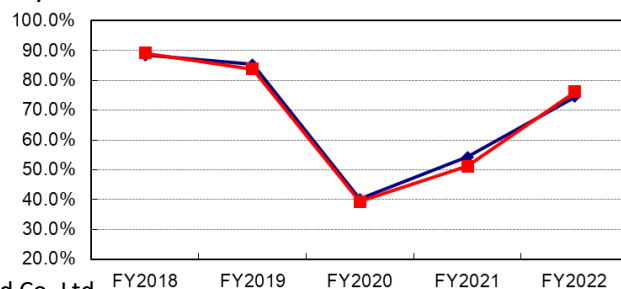
◆ Breakdown of Leisure and Services Business ◆

(Units : Millions of yen,%)

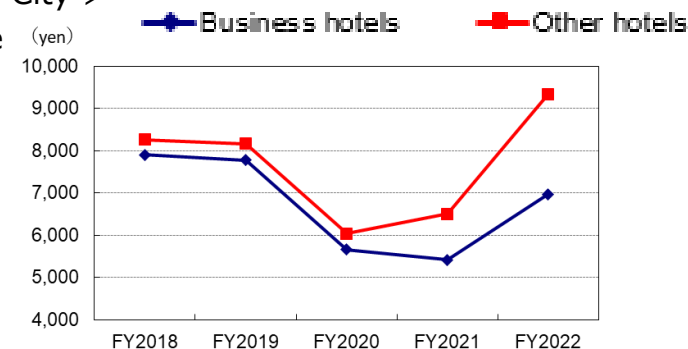
	Operating revenues				Operating income			
	FY2022	FY2021	Change	Percent Change	FY2022	FY2021	Change	Percent Change
Hotel	16,459	9,352	7,107	76.0	-1,793	-5,941	4,147	—
Tourist Facilities	17,595	12,886	4,709	36.5	297	-1,093	1,391	—
Travel	47,624	25,819	21,804	84.4	1,158	-1,326	2,485	—
Adjustment	-630	-486	-144	—	-37	-24	-13	—
Leisure and Services Total	81,049	47,572	33,476	70.4	-375	-8,385	8,010	—

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

(1) Occupancy rate



(2) Lodging price (yen)



(Units : Millions of yen,%)

	FY2022	FY2021	Change	Percent Change	Notes
Operating revenues	66,263	64,652	1,611	2.5	Revenues increased due in part to improved performance among department stores and the inclusion of companies in the scope of consolidation in the retail business.
Operating income	-2,475	-2,054	-420	—	Although department store balance sheets improved, the margin of loss expanded overall due in part to lower income from sales of imported vehicles.

◆ Breakdown of Distribution Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022	FY2021	Change	Percent Change	FY2022	FY2021	Change	Percent Change
Department Store	17,412	16,274	1,138	7.0	-2,412	-2,611	198	—
Other goods sold	48,953	48,502	451	0.9	204	455	-250	-55.0
Adjustment	-103	-124	21	—	-267	101	-369	—
Distribution Total	66,263	64,652	1,611	2.5	-2,475	-2,054	-420	—

(Units : Millions of yen,%)

	FY2022	FY2021	Change	Percent Change	Notes
Operating revenues	25,578	23,364	2,214	9.5	Revenues increased due to a recovery in demand in the in-flight catering business and higher orders in the aviation maintenance business.
Operating income	1,346	1,453	-107	-7.4	Despite higher revenues, income decreased due in part to higher personnel costs and depreciation and amortization.

◆ Breakdown of Aviation Services Business ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022	FY2021	Change	Percent Change	FY2022	FY2021	Change	Percent Change
Aviation Services	25,890	23,747	2,142	9.0	1,344	1,448	-103	-7.1
Adjustment	-311	-383	71	—	1	5	-4	—
Aviation Services Total	25,578	23,364	2,214	9.5	1,346	1,453	-107	-7.4

(Units : Millions of yen,%)

	FY2022	FY2021	Change	Percent Change	Notes
Operating revenues	50,070	46,560	3,509	7.5	Revenues increased due to higher orders related to facility construction and systems.
Operating income	2,619	1,971	648	32.9	Income increased due to higher revenues.

◆ Breakdown of Others ◆

(Units : Millions of yen,%)

	Operating revenues				Operating income			
	FY2022	FY2021	Change	Percent Change	FY2022	FY2021	Change	Percent Change
Equipment Maintenance	27,292	24,983	2,309	9.2	1,190	1,043	147	14.1
Others	23,542	22,394	1,148	5.1	1,421	953	467	49.0
Adjustment	-764	-816	51	—	7	-26	33	—
Others Total	50,070	46,560	3,509	7.5	2,619	1,971	648	32.9

Non-Operating Income and Extraordinary Income



(Units: Millions of yen)

	FY2022	FY2021	Change	Notes
Non-operating income	7,194	13,648	-6,454	
Interest income	26	22	3	
Dividend income	1,295	1,171	123	
Equity in net earnings of affiliates	2,637	3,257	-619	
Reversal of provision for loss on liquidation	67	197	-130	
Others	3,167	8,999	-5,832	Decrease in subsidies for employment adjustment
Non-operating expenses	3,562	3,445	116	
Interest expenses	2,819	2,927	-107	
Provision for loss on liquidation	218	52	166	
Others	524	466	58	
Total non-operating income	3,631	10,202	-6,571	
Extraordinary income	9,140	28,480	-19,340	
Gain on contributions for construction	2,983	21,697	-18,714	(previous year) Construction to elevate train lines, etc.
Gain on sale of fixed assets	2,403	2,050	353	(current year) Land for business, etc.
Gain on sales of investment securities	1,845	3,199	-1,353	(previous year) Cross-shareholdings, etc.
Others	1,907	1,532	374	
Extraordinary losses	6,868	25,546	-18,677	
Impairment loss on fixed assets	2,842	1,967	875	(current year) Tourist facilities, etc.
Loss on reduction of property and equipment	2,732	21,140	-18,407	(previous year) Construction to elevate train lines, etc.
Loss on disposition of fixed assets	472	1,250	-778	
Provision for loss on liquidation	301	329	-28	
Loss on sales of investment securities	160	—	160	
Loss on disposition of fixed assets	108	100	7	
Loss on valuation of investment securities	32	146	-113	
Others	217	610	-392	
Total extraordinary income	2,271	2,934	-662	

Consolidated Balance Sheets



(Units: Millions of yen)

	FY2022	FY2021	Change	Notes								
Current assets	226,902	211,596	15,305	Increase in land and buildings for sale in lots								
Non-current assets	1,004,476	975,301	29,175	<table border="1"> <tr> <td>Capital investment</td> <td>+62,351</td> </tr> <tr> <td>Depreciation and amortization</td> <td>-38,247</td> </tr> <tr> <td>Impairment loss on fixed assets</td> <td>-2,842</td> </tr> <tr> <td>Disposition</td> <td>-259</td> </tr> </table>	Capital investment	+62,351	Depreciation and amortization	-38,247	Impairment loss on fixed assets	-2,842	Disposition	-259
Capital investment	+62,351											
Depreciation and amortization	-38,247											
Impairment loss on fixed assets	-2,842											
Disposition	-259											
Property and equipment	854,026	825,163	28,862									
Intangible assets	11,853	11,099	753									
Investments and other assets	138,596	139,037	-441									
Total assets	1,231,378	1,186,897	44,481									
Current liabilities	304,067	264,512	39,555	Increase in current portion of bonds Redemption of commercial paper Increase in advances received								
Non-current liabilities	498,221	511,253	-13,031	Reclassification of current portion of bonds Issuance of bonds								
Total liabilities	802,289	775,765	26,524									
Total net assets	429,089	411,132	17,956	Shareholders' equity +16,784 Profit attributable to owners of the parent +18,850 Distribution of retained earnings -2,458								
Total liabilities and net assets	1,231,378	1,186,897	44,481									
Consolidated interest-bearing debt	496,458	489,027	7,430	Reference: Net interest-bearing debt 441,167 (+3,066 vs. March 31, 2022)								

EBITDA and Capital Investment



(Units: Millions of yen)

		FY2022	FY2021	Change			FY2022	FY2021	Change
Traffic	Operating income	4,614	-4,960	9,574	Distribution	Operating income	-2,475	-2,054	-420
	Depreciation and amortization	17,702	18,024	-322		Depreciation and amortization	1,130	1,084	46
	EBITDA(①)	22,316	13,063	9,252		EBITDA(①)	-1,345	-970	-374
	Capital investment(②)	21,909	17,242	4,667		Capital investment(②)	1,069	1,745	-676
	Deduction (①-②)	406	-4,178	4,584		Deduction (①-②)	-2,414	-2,716	302
Transport	Operating income	3,398	3,086	312	Aviation Services	Operating income	1,346	1,453	-107
	Depreciation and amortization	6,889	7,105	-216		Depreciation and amortization	2,765	2,582	183
	EBITDA(①)	10,287	10,191	96		EBITDA(①)	4,111	4,036	75
	Capital investment(②)	9,755	7,239	2,516		Capital investment(②)	4,879	4,563	316
	Deduction (①-②)	531	2,952	-2,420		Deduction (①-②)	-767	-527	-240
Real Estate	Operating income	13,830	11,085	2,745	Others	Operating income	2,619	1,971	648
	Depreciation and amortization	5,475	5,446	28		Depreciation and amortization	3,614	3,641	-27
	EBITDA(①)	19,305	16,532	2,773		EBITDA(①)	6,234	5,612	621
	Capital investment(②)	18,588	13,647	4,941		Capital investment(②)	4,214	4,050	164
	Deduction (①-②)	717	2,885	-2,167		Deduction (①-②)	2,020	1,562	457
Leisure and Services	Operating income	-375	-8,385	8,010	Total (after consolidated adjustment)	Operating income	22,731	2,932	19,798
	Depreciation and amortization	1,108	1,050	57		Depreciation and amortization	38,247	38,538	-290
	EBITDA(①)	732	-7,335	8,067		EBITDA(①)	60,978	41,470	19,507
	Capital investment(②)	1,935	1,398	536		Capital investment(②)	62,351	49,887	12,464
	Deduction (①-②)	-1,202	-8,734	7,531		Deduction (①-②)	-1,373	-8,416	7,043

Note: EBITDA = Operating income + Depreciation and amortization

FY2022 Main Capital Investments

- Traffic Business . . . Construction of new train cars, construction to elevate train lines
- Transport Business . . . Acquisition of trucks, construction of a logistics terminal
- Real Estate Business . . . Acquisition of rental properties



9500 • 9100 series train

05 FY2023 Operating Results Forecast

- The forecast for FY2023 assumes that in a post-pandemic environment, Japan will see the economic effects diminish and the new normal continue.
- Inbound demand is expected to be around 50% of the level seen in FY2019.
- The governmental measures to ease spikes in fuel prices are expected to remain in force until September 30, 2023. (Fuel costs are forecast to increase ¥1.9 billion year on year.)

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

FY2023 Consolidated Operating Results Forecast



(Units: Millions of yen, %)

	FY2023 Current forecast	FY2022 results	Change	Percent Change
Operating revenues	588,000	551,504	36,496	6.6
Operating income	26,500	22,731	3,769	16.6
Non-operating revenues	4,800	7,194	-2,394	
Non-operating expenses	3,800	3,562	238	
Ordinary income	27,500	26,362	1,138	4.3
Extraordinary income	2,900	9,140	-6,240	
Extraordinary losses	2,400	6,868	-4,468	
Profit attributable to owners of the parent	21,000	18,850	2,150	11.4
EBITDA	66,400	60,978	5,422	8.9
Capital investment	86,600	62,351	24,249	38.9
Depreciation and amortization	39,900	38,247	1,653	4.3
Net interest-bearing debt	475,000	441,167	33,833	7.7

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

Operating revenues are expected to increase in all businesses, especially the Traffic Business and the Leisure and Services Business. In addition, operating income is expected to increase due mainly to recovery in the Traffic Business and the Leisure and Services Business despite anticipating higher fuel costs. Ordinary income is projected to increase due to higher operating income despite forecasts calling for a worsening in non-operating income due to a decrease in various subsidies. We expect net profit to increase due to a decrease in income taxes despite a projected worsening of extraordinary loss.

Operating Results Forecast Highlights



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

(With a recovery in demand centered on Traffic and Leisure and Services, overall sales will increase.)

We expect income to rise due to higher revenues despite forecasting an increase in personnel, fuel, and other costs.)

Operating revenues + **¥36.4 billion** (Unit: Billions of yen)

- + Traffic +11.5 (Railroad +5.2, Taxi +3.2, Bus +3.1)

- + Leisure and Services +8.6 (Hotel +3.6, Travel +3.1, Tourist Facilities +1.9)

- + Real Estate +7.2 (Real Estate Condominium Sales +7.7, Management +0.4, Rentals -0.8: decrease in dividend income from real estate funds from the previous year as it returns to a normal level)

- + Transport +5.0 (Truck +4.6, Maritime Transport +0.3)

Operating Income + **¥3.7 billion**

- + Traffic +3.3 (Railroad +1.4, Bus +1.2, Taxi +0.8)

- + Leisure and Services +1.8 (Hotel +1.9, Tourist Facilities +0.5, Travel -0.6)

- Real Estate -2.5 (Rentals -2.6, Real Estate Condominium Sales +0.1, Management +0.1)

Ordinary Income + **¥1.1 billion**

Although we expect non-operating income to worsen due in part to a decrease in subsidies for employment adjustment, income should increase as operating income account balances improve (non-operating income -2.6)

Net Profit + **¥2.1 billion**

Net profit is expected to increase due in part to lower income taxes despite extraordinary income worsening (extraordinary income -1.7)

<Nagoya Railroad Expected Traveler Revenues>

(Units : Millions of yen,%)

Transfer Revenues	FY2023 Current forecast	FY2022 results	change	Compared with FY2019 Percent Change
Non-commuters	45,319	40,791	11.1	-9.1
Commuters	34,926	34,226	2.0	-13.1
Total	80,246	75,017	7.0	-10.9

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

FY2023 Operating Results Forecast by Segment



(Units: Millions of yen, %)

Operating revenues	FY2023 Current forecast	FY2022 results	Change	Percent Change
Traffic	144,000	132,483	11,517	8.7
Transport	142,000	136,998	5,002	3.7
Real Estate	103,900	96,696	7,204	7.4
Leisure and Services	89,700	81,049	8,651	10.7
Distribution	68,900	66,263	2,637	4.0
Aviation Services	26,400	25,578	822	3.2
Others	52,200	50,070	2,130	4.3
Adjustment	-39,100	-37,636	-1,464	—
Total	588,000	551,504	36,496	6.6

Operating income	FY2023 Current forecast	FY2022 results	Change	Percent Change
Traffic	8,000	4,614	3,386	73.4
Transport	3,700	3,398	302	8.9
Real Estate	11,300	13,830	-2,530	-18.3
Leisure and Services	1,500	-375	1,875	—
Distribution	-1,600	-2,475	875	—
Aviation Services	1,200	1,346	-146	-10.8
Others	2,500	2,619	-119	-4.6
Adjustment	-100	-227	127	—
Total	26,500	22,731	3,769	16.6

FY2023 Non-consolidated Operating Results Forecast



(Units: Millions of yen, %)

	FY2023 Current forecast	FY2022 results	Change	Percent Change
Operating revenues	95,400	90,332	5,067	5.6
Operating income	7,300	6,841	458	6.7
Ordinary income	8,900	8,475	424	5.0
Net income	8,000	7,270	729	10.0

Operating revenues increased due to an increase in passengers (mainly non-commuters) in the Railroad business. Operating income is projected to increase due to higher revenues despite expectations of an increase in maintenance costs in addition to persistently high fuel prices. Ordinary income is expected to increase due to higher operating income, and net profit is also expected to increase.

FY2023 EBITDA and Capital Investment Forecast



(Units: Millions of yen)

		FY2023 Current forecast	FY2022 results	Change			FY2023 Current forecast	FY2022 results	Change
Traffic	Operating income	8,000	4,614	3,386	Distribution	Operating income	-1,600	-2,475	875
	Depreciation and amortization	18,100	17,702	398		Depreciation and amortization	900	1,130	-230
	EBITDA(①)	26,100	22,316	3,784		EBITDA(①)	-700	-1,345	645
	Capital investment(②)	30,500	21,909	8,591		Capital investment(②)	1,500	1,069	431
	Deduction(①-②)	-4,400	406	-4,806		Deduction(①-②)	-2,200	-2,414	214
Transport	Operating income	3,700	3,398	302	Aviation Services	Operating income	1,200	1,346	-146
	Depreciation and amortization	7,200	6,889	311		Depreciation and amortization	3,200	2,765	435
	EBITDA(①)	10,900	10,287	613		EBITDA(①)	4,400	4,111	289
	Capital investment(②)	11,200	9,755	1,445		Capital investment(②)	4,700	4,879	-179
	Deduction(①-②)	-300	531	-831		Deduction(①-②)	-300	-767	467
Real Estate	Operating income	11,300	13,830	-2,530	Others	Operating income	2,500	2,619	-119
	Depreciation and amortization	5,700	5,475	225		Depreciation and amortization	3,700	3,614	86
	EBITDA(①)	17,000	19,305	-2,305		EBITDA(①)	6,200	6,234	-34
	Capital investment(②)	28,100	18,588	9,512		Capital investment(②)	8,800	4,214	4,586
	Deduction(①-②)	-11,100	717	-11,817		Deduction(①-②)	-2,600	2,020	-4,620
Leisure and Services	Operating income	1,500	-375	1,875	Total (after consolidated adjustment)	Operating income	26,500	22,731	3,769
	Depreciation and amortization	1,100	1,108	-8		Depreciation and amortization	39,900	38,247	1,653
	EBITDA(①)	2,600	732	1,868		EBITDA(①)	66,400	60,978	5,422
	Capital investment(②)	1,800	1,935	-135		Capital investment(②)	86,600	62,351	24,249
	Deduction(①-②)	800	-1,202	2,002		Deduction(①-②)	-20,200	-1,373	-18,827

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.