

The Meitetsu Group's New Management Vision

The Meitetsu Group's Vision for 2040

**The Meitetsu Group's Medium- to Long-term
Management Strategies**

**The Meitetsu Group's
Medium-term Management Plan
(FY2024–FY2026)**

Nagoya Railroad Co.,Ltd.

March 25, 2024

Note: The Company will celebrate the 130th anniversary of
its founding on June 25, 2024.



130

The graphic features the number '130' in a large, bold, gold font, centered within a white, stylized circular shape. This shape is set against a background of diagonal stripes in shades of blue, purple, and pink. A thick yellow line curves across the bottom of the graphic, passing behind the '130'.

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Recognized issues for sustainable growth and corporate value enhancement

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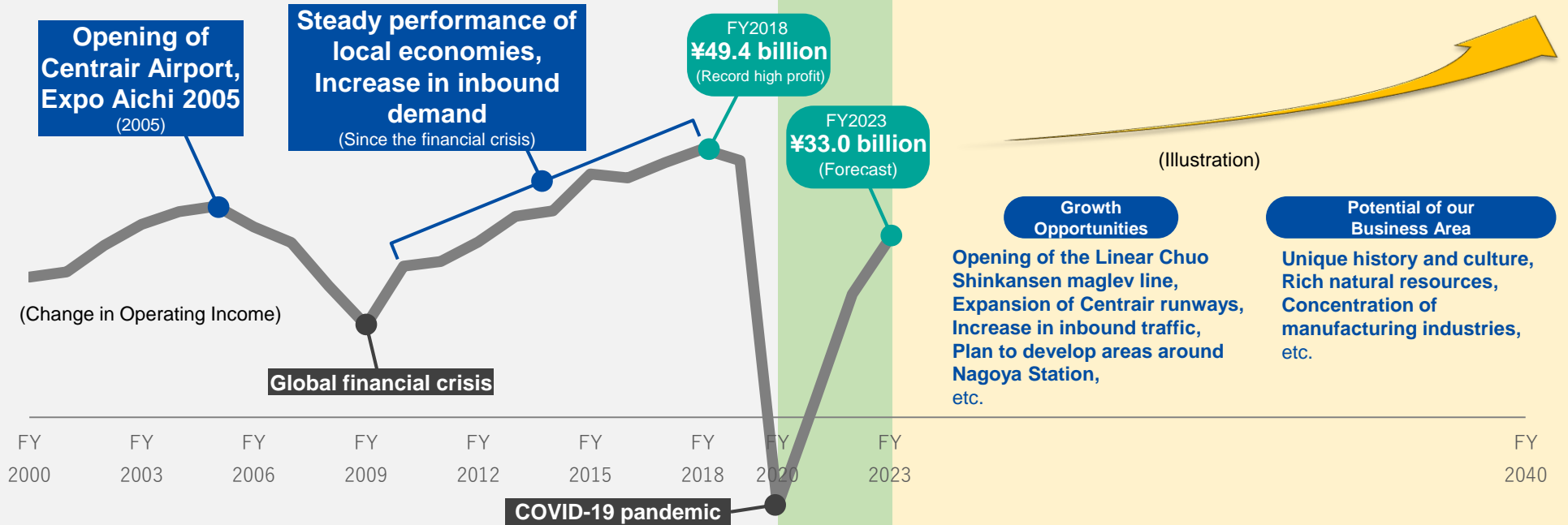
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Visualization of the Meitetsu Group's Growth

Developing communities
⇒ The Meitetsu Group's growth



The Meitetsu Group's growth
⇒ Developing communities



- ▶ Building up its 130-year track record alongside the development of our business area, the Meitetsu Group has continually implemented initiatives to help improve the value of the region over the long term.
- ▶ We were deeply involved in Expo Aichi 2005 and the opening of the Chubu Central International Airport in 2005, which contributed to the development of the local community.
- ▶ Since the global financial crisis, we have traveled a growth trajectory with the local region by steadily capturing the rise in inbound demand and the robust local industrial base.

- ▶ The pandemic accelerated changes in people's behavior, lifestyles, corporate activities, and social conditions

- ▶ Steady population decline amid a low birthrate and aging demographics
- ▶ Looking to 2040, after the Meitetsu Nagoya Station District Redevelopment Project, the business environment is expected to be completely different from now.
- ▶ Amid these expected changes in the operating environment, the Group will take the lead on developing our business area lines and enhancing the value of the region by steadily leveraging **growth opportunities** and **the potential of our business area** to achieve sustainable growth and higher corporate value.

Key issues in the expected changes in the business environment between 2030 and 2040

Japan's demographic changes

Decline in working-age population and peak in senior population (around 2040)

Movement of people (tourism, business, residence)

Intensifying competition among regions and cities as more people move around the country

Labor market

Intensifying competition to secure human resources and expanding modes of employment

Effects of the opening of the Linear Chuo Shinkansen maglev line (population within two hours of Nagoya)

From 30 million to 59 million people, becoming the largest among Japan's three major metropolitan areas

Digital technologies

Innovation will be achieved through the full use of these technologies
For example, generative AI, self-driving technology, and more are becoming wide-spread and being put to practical use.

Role of public transportation (Chukyo metropolitan area)

Expanding role of public transportation / **personal mobility becoming more common**

Consumption behavior of individuals

Further diversification of consumption to align with values and preferences

Corporate behavior

Solving social issues and achieving corporate growth are inextricably linked

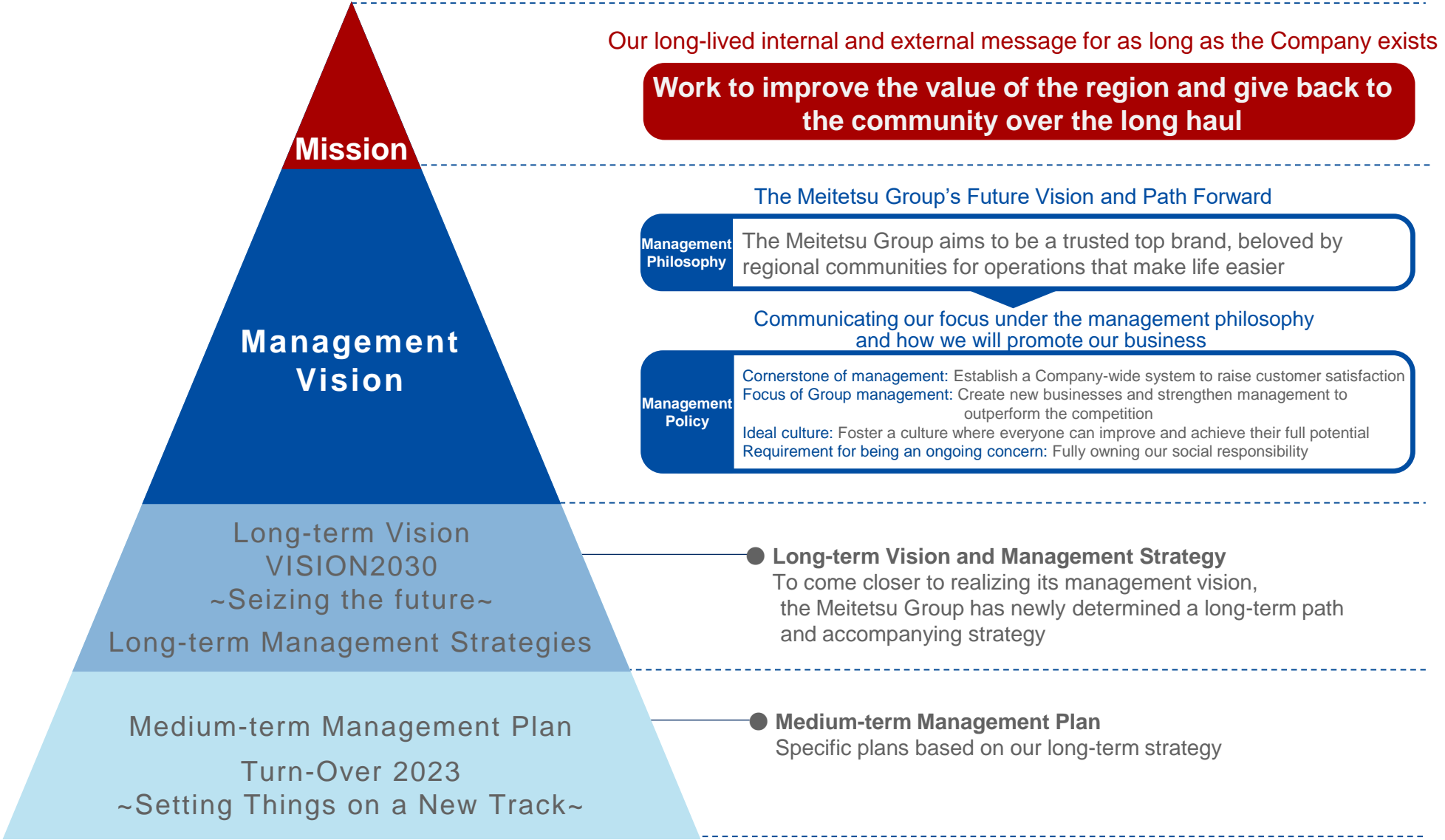
01

The Meitetsu Group's New Management Vision



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Background and Purpose for Formulating the Meitetsu Group's New Management Vision

Current Management Vision (Formulated 2005)	
Background	At the time, companies and employees were struggling with significant challenges, such as promoting business reforms like streamlining or restructuring group businesses to offload negative legacy assets after the collapse of the economic bubble.
Purpose	We formulated this vision with the recognition that we need a management vision that enables Group employees to challenge to achieve future targets in line with their dreams and hopes.



New Management Vision (Formulated 2024)	
Background	The pandemic accelerated changes in lifestyles, corporate behavior, and social conditions. In addition, with steady population decline amid a low birthrate and aging demographics, the business environment is expected to be completely different as we look ahead to 2040 and the completed Meitetsu Nagoya Station District Redevelopment Project.
Purpose	In line with the situation described above, we renewed this vision with the recognition that the time has come to create a new management vision revealing the Group's medium- to long-term aspirations and aims to ensure the Group sustainably grows and improve corporate value.

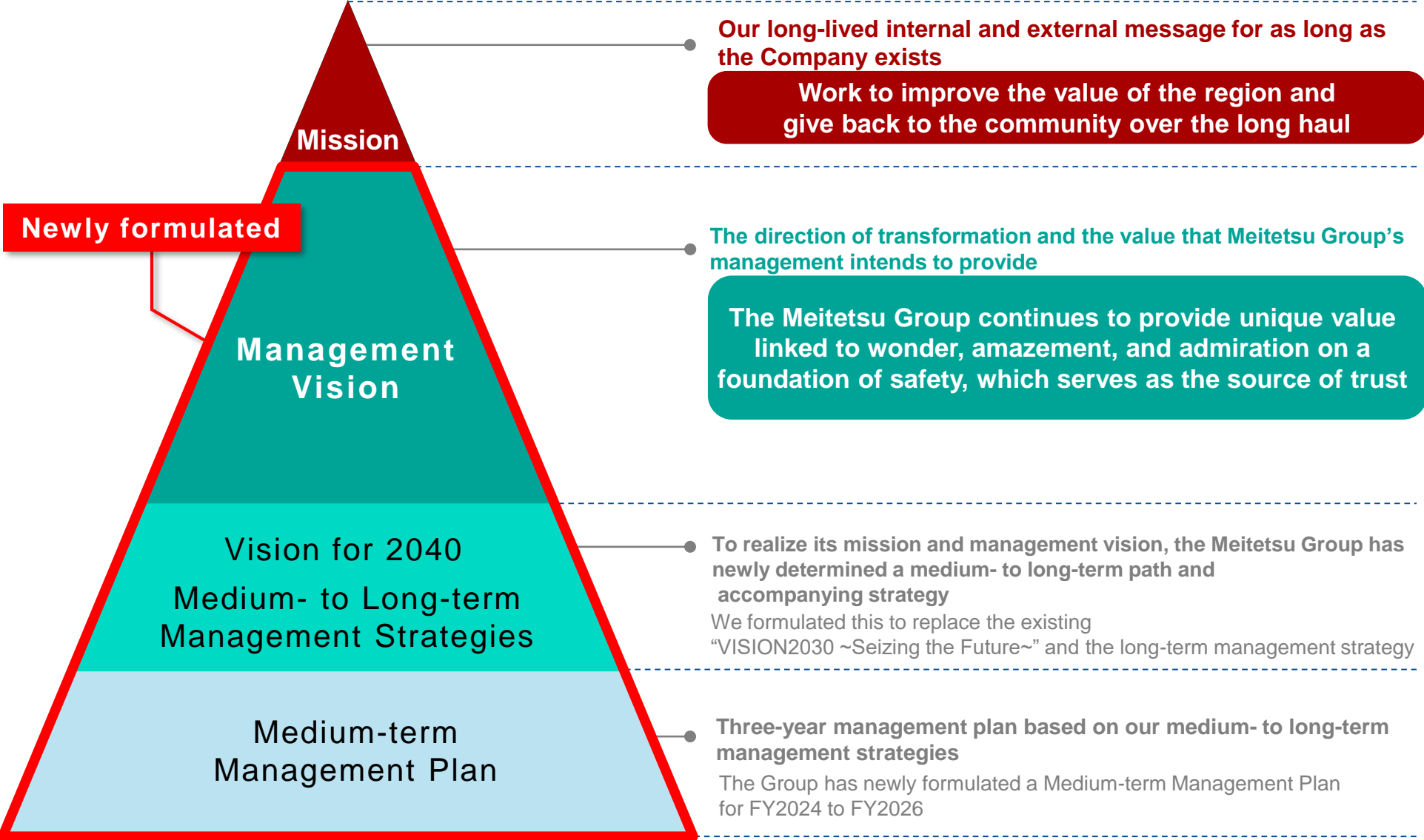
The Meitetsu Group's New Management Vision

The Meitetsu Group continues to provide unique value linked to wonder, amazement, and admiration on a foundation of safety, which serves as the source of trust



Ideas imbued in The New Management Vision

Going forward, we will continue to ensure our top priority of safety while striving to provide products and services that customers can use with peace of mind. We incorporated our commitment to become a corporate group that will further refine the trusted top brand it has established, take on new challenges, and continue providing value that convinces people that “Meitetsu is great!”



02

The Meitetsu Group's Vision for 2040 The Meitetsu Group's Medium- to Long-term Management Strategies



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The Meitetsu Group's Vision for 2040

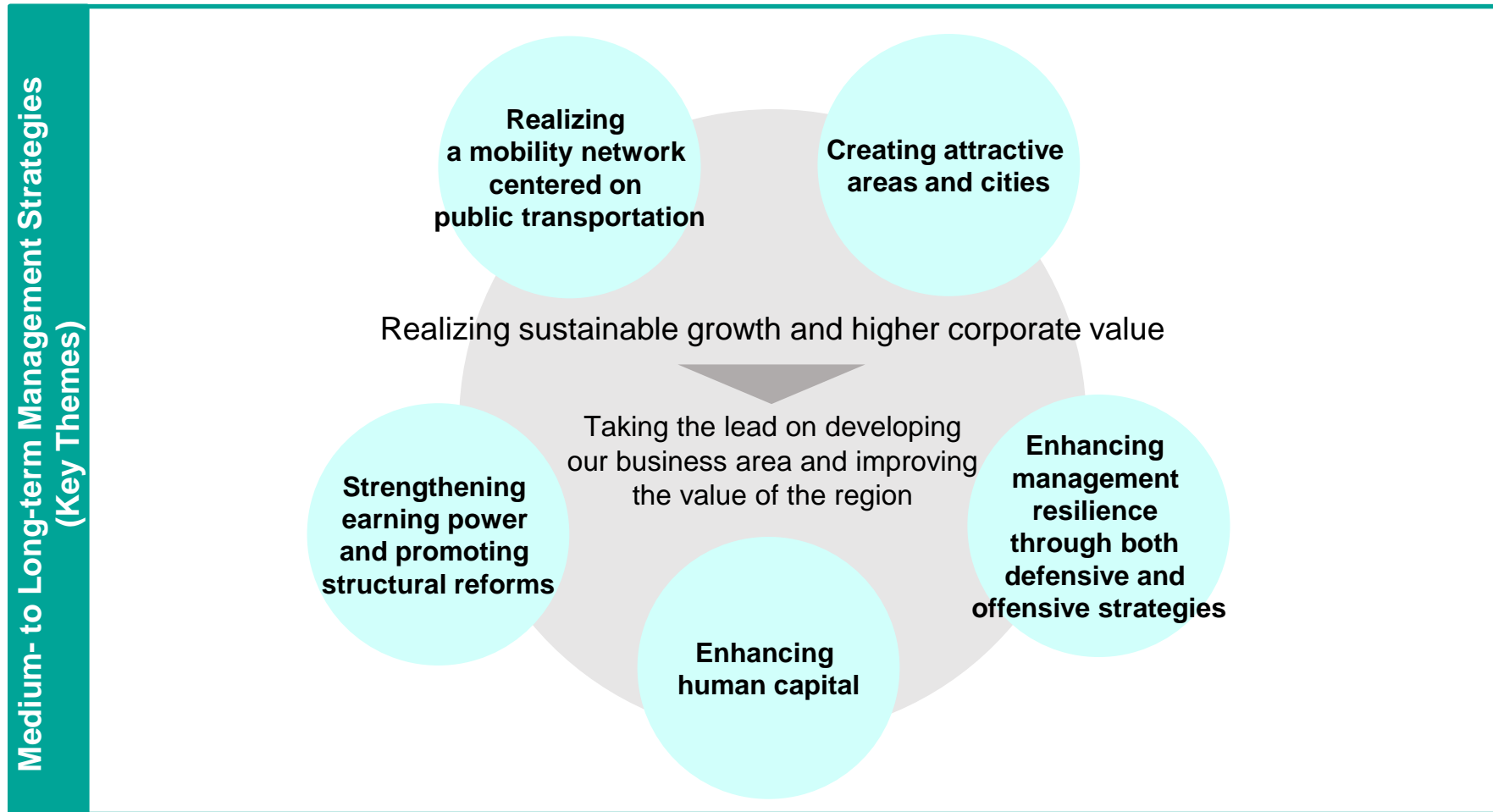
Develop Regions, Support Society, and Color Communities
~Leading Company~

Ideas imbued in the vision for 2040

Countering steady population decline amid a low birthrate and aging demographics, the Meitetsu Group will continue to work with everyone to promote ambitious initiatives that provide unique value linked to wonder, amazement, and admiration .

By encouraging a diverse range of people from around Japan and overseas to visit and reside in our business area and thereby contributing to the further development of these areas, the Meitetsu Group wants to be a presence that people are glad to have in their area.

To realize its vision for 2040, the Meitetsu Group will reach a new stage by formulating and promoting a medium- to long-term management strategy comprising five key themes



The Meitetsu Group's Medium- to Long-term Management Strategies (Key Themes)

◆ Creating attractive areas and cities

Seizing on the rare opportunities presented by the opening of the Linear Chuo Shinkansen maglev line and the expansion of the Centrair runways, to attract people from Japan and overseas to our business area, we are working with local communities to create attractive regions and cities that stimulate tourism and encourage residency. One such effort is the Meitetsu Nagoya Station District Redevelopment Project, which will enhance the attractiveness of Nagoya as a city and supercharge the Group's growth.

◆ Realizing a mobility network centered on public transportation

To contribute to the construction of a sustainable society and a Compact Plus Network* aligned to this era of population decline, low birthrates, and aging demographics, we will realize a mobility network centered on public transportation through such efforts as evolving and developing regional MaaS and establishing transportation hubs, including Meitetsu Nagoya Station.

*Creating compact cities in cooperation with local public transportation to maintain the vitality of local regions, preserve lifestyle functions (such as healthcare, welfare, and commerce), and ensure seniors can live comfortably. (Source: Japan's Ministry of Land, Infrastructure, Transport and Tourism website)

◆ Strengthening earning power and promoting structural reforms

As well as we will continually promote structural reforms to strive to enhance the profitability of the entire Group, we will also focus on developing business aimed at growth markets, building competitively advantageous strategies, enhancing the high added value of products and services on offer and enhancing the Group's brand value.

◆ Enhancing management resilience through both defensive and offensive strategies

Being aware of capital costs, capital profitability, and financial soundness, we appropriately allocate management resources to make management more resilient. Specifically, we will promote capital investment that will contribute to future growth, investment in human capital, and review of our business portfolio.

◆ Enhancing human capital

Human resources are the wellspring needed to realize the aforementioned medium- to long-term management strategy. By enhancing the wellbeing of people who work for the Group through human capital investment, we strive to enhance human capital, including talent acquisition and development.

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The Meitetsu Group's Medium-term Management Plan



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Basic Policy

To continue contributing to society long into the future and improve 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.

Overview of the Current Plan

- As for structural business reforms, we promoted initiatives to right size the number of hubs and workers, enhance operational efficiency, reduce labor, reorganize the bus and taxi businesses, and revise the fares of various transport modes. The results have surpassed our initial expectations.
- To construct a base for growth, we forcefully promoted such initiatives as reorganizing and strengthening the real estate business, privatizing Meitetsu Transportation, merging with the NIPPON EXPRESS (NX) Group's specialized packaging business, and launching service for our regional MaaS app CentX. Nevertheless, ongoing efforts are necessary.

Main Initiatives Supporting Key Themes

Structural Business Reforms	1 Restructuring the traffic business
	<ul style="list-style-type: none"> ▶ Railroad business: Reducing labor and making costs more appropriate in line with demand, making schedules more efficient, shifting more toward one-person train operations, enhancing station services, etc. ▶ Bus business and taxi business: Reorganizing the Group's bus business by establishing Meitetsu Group Bus Holdings, reorganizing the Group's taxi business, etc. ▶ Common reforms: Revising fares, etc.
	2 Restructuring the travel, bus tour, and hotel businesses
Construction of a Base for Growth	<ul style="list-style-type: none"> ▶ Travel business: Integrating and closing branches and counters, achieving more appropriate staffing levels, etc. ▶ Bus tour business: Reducing the number of buses, integrating and closing sales offices, achieving more appropriate staffing levels in line with demand, etc. ▶ Hotel business: Reorganizing the Group's hotel business by establishing Meitetsu Hotel Holdings, etc.
	3 Revitalizing the areas around our train lines as a unified group
	<ul style="list-style-type: none"> ▶ Expanding development business in city centers, at hub stations along our train lines, and in the areas around those stations (Higashi Okazaki Station, Jingū-mae Station, etc.) ▶ Strengthening retail business in part by consolidating retail businesses inside the Group and making ON SEVEN DAYS a subsidiary, etc.
	4 Moving forward with plans related to the Meitetsu Nagoya Station District Redevelopment Project
	5 Revising the profit structure by reinforcing earnings power in fields where growth is expected
	<ul style="list-style-type: none"> ▶ Reorganizing the Group's real estate business to construct a system capable consistently formulating strategies by Meitetsu City Design ▶ Privatizing Meitetsu Transportation, agreeing to integrate that company with the NX Group's specializing packaging business, etc.
6 Promoting DX	
<ul style="list-style-type: none"> ▶ Enhancing the functions of and launching service for the regional MaaS app CentX Note: Cumulative downloads: FY2023 target of 1 million downloads ⇒ Achieved as of February 24 ▶ Promoting business process reforms, constructing and utilizing the Meitetsu Group's data integration base, etc. 	
7 Creating systems to address management issues	
<ul style="list-style-type: none"> ▶ Formulating the Meitetsu Group's basic sustainability policy ▶ Identifying material issues related to the sustainability of the Meitetsu Group ▶ Establishing targets to reduce CO2 emissions with the aim of realizing carbon neutrality by 2050, etc. 	

Results (Target Indicators)

	Turn-Over 2023			
	FY2021 Results	FY2022 Results	FY2023 Forecasts (announced in February)	FY2023 Target
Operating income	2.9 <small>Billions of yen</small>	22.7 <small>Billions of yen</small>	33.0 <small>Billions of yen</small>	35.0 <small>Billions of yen</small>
(Reference indexes)	FY2021 Results	FY2022 Results	FY2023 Forecasts (announced in February)	FY2023 Target
ROE (net income / shareholders' equity)	2.5 %	4.8 %	5.3 %	About 6%
ROA (operating income / total assets)	0.2 %	1.9 %	2.7 %	About 3%
Net interest-bearing debt* / EBITDA ratio	10.6 times	7.2 times	6.6 times	About 6 times
Equity ratio	23.8 %	24.3 %	25.8 %	About 25% over the medium to long term

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

- Regarding operating income targets, ROE, ROA, net interest-bearing debt / EBITDA ratio, although we made steady progress on reducing fixed costs through structural reform efforts, we expect to miss our targets due in part to aggressive investment in human resources as well as fuel and utility costs exceeding initial forecasts.

Investment Figures

	FY2021 Results	FY2022 Results	FY2023 Plan	Three-year Results + Plan	Medium-term Management Plan Targets (3 years)
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>
Strategic investments thereof	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>

- Regarding capital investment, we proactively conducted strategic investments, such as those to help build a base for growth in the real estate business and those to implement structural business reforms in the traffic business.

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Basic Policy

Basic Policy

We believe that the Meitetsu Nagoya Station District Redevelopment Project will be a catalyst for attracting people from Japan and overseas to our business area.

To promote this project and to enable the Meitetsu Group to realize sustainable growth from the 2030s onward, we position the period of this medium-term plan for constructing a base for growth and enhancing our earnings power, and continue working hard to strive to rapidly recover and enhance earnings power as well as construct a base geared toward growth going forward.

Period

FY2024–FY2026 (3 years)

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1 Promoting attractive regional and urban development

Seizing on the rare opportunities presented by the opening of the Linear Chuo Shinkansen maglev line and the expansion of the Centrair runways, to attract people from Japan and overseas to our business area, we are working with local communities to create attractive regions and cities that stimulate tourism and encourage residency. One such effort is the Meitetsu Nagoya Station District Redevelopment Project, which will enhance the attractiveness of Nagoya as a city and supercharge the Group's growth.

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

Based on the basic policy and our policy on redevelopment, we are promoting initiatives aimed at realizing comprehensive redevelopment that goes beyond updating transportation facilities.

We plan to hold timely discussions and make adjustments with relevant partners as we decide on and announce the direction of the project for the Meitetsu Nagoya Station District Redevelopment Project in FY2024.

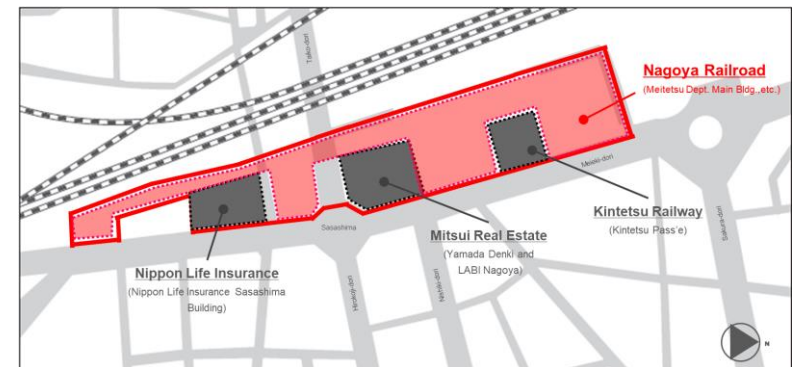
Basic Policies

- Align with linear-related projects led by municipalities
- Form a regional transportation hub that includes the expansion of Meitetsu Nagoya Station (expansion to four lines), which will enhance the convenience of airport access, a current social demand
- Conduct joint development with neighboring landowners to spread vitality outward into urban centers, such as the Meieki Minami District, Sasashima Live, and Sakae

The Company's Policy on Redevelopment

- Create excitement in unison with community and implement urban development to maximize the value of our business area, going beyond the redevelopment areas
- Aim to create new landmarks and operate businesses that serve as the core of the Group's growth strategy

Scope of Area Targeted by Redevelopment Project



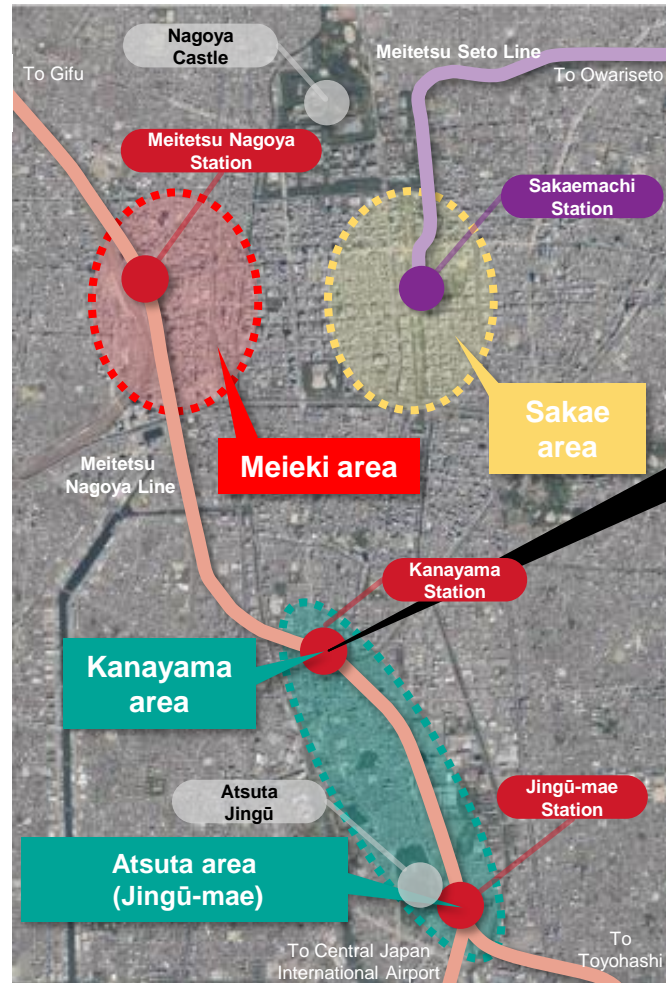
Note: Building types and appearances are currently under consideration

1 Promoting attractive regional and urban development

2. Promoting development projects for downtown Nagoya and key stations along train lines

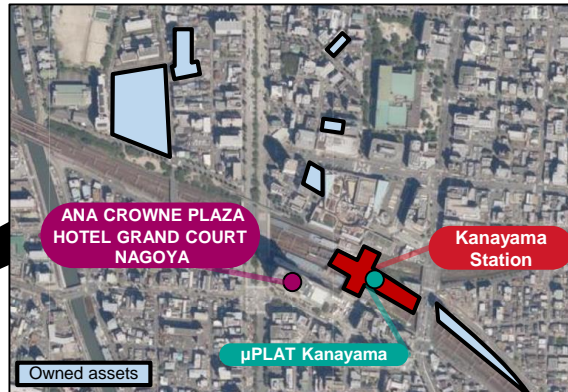
To enhance the attractiveness of Nagoya as a city, we work hard to enhance the attractiveness of the Meieki area, the Group's most important hub, as well as that of the Kanayama area and Atsuta area (Jingū-mae), which are expected to see the most growth after the Meieki and Sakae areas.

➤ Enhancing the attractiveness of the Kanayama area and Atsuta area (Jingū-mae)



Kanayama Area and Atsuta Area (Jingū-mae)

- In the Kanayama area, the Company is playing a central role in promoting urban development in order to spur redevelopment around Kanayama Station, where the Group owns many assets.



Reference:

- Owned assets in the Kanayama area (partial)
 - Office buildings: Meiffice Kanayamaeeki-mae Building, Meitetsu Kanayama Daiichi Building, etc.
 - Commercial facility a station: μPLAT Kanayama
 - Hotel: Meitetsu INN Nagoya Kanayama, etc.
 - Parking: Meitetsu Kyosho Parking
 - Condominiums for lease: Sun Plaza Kanayama

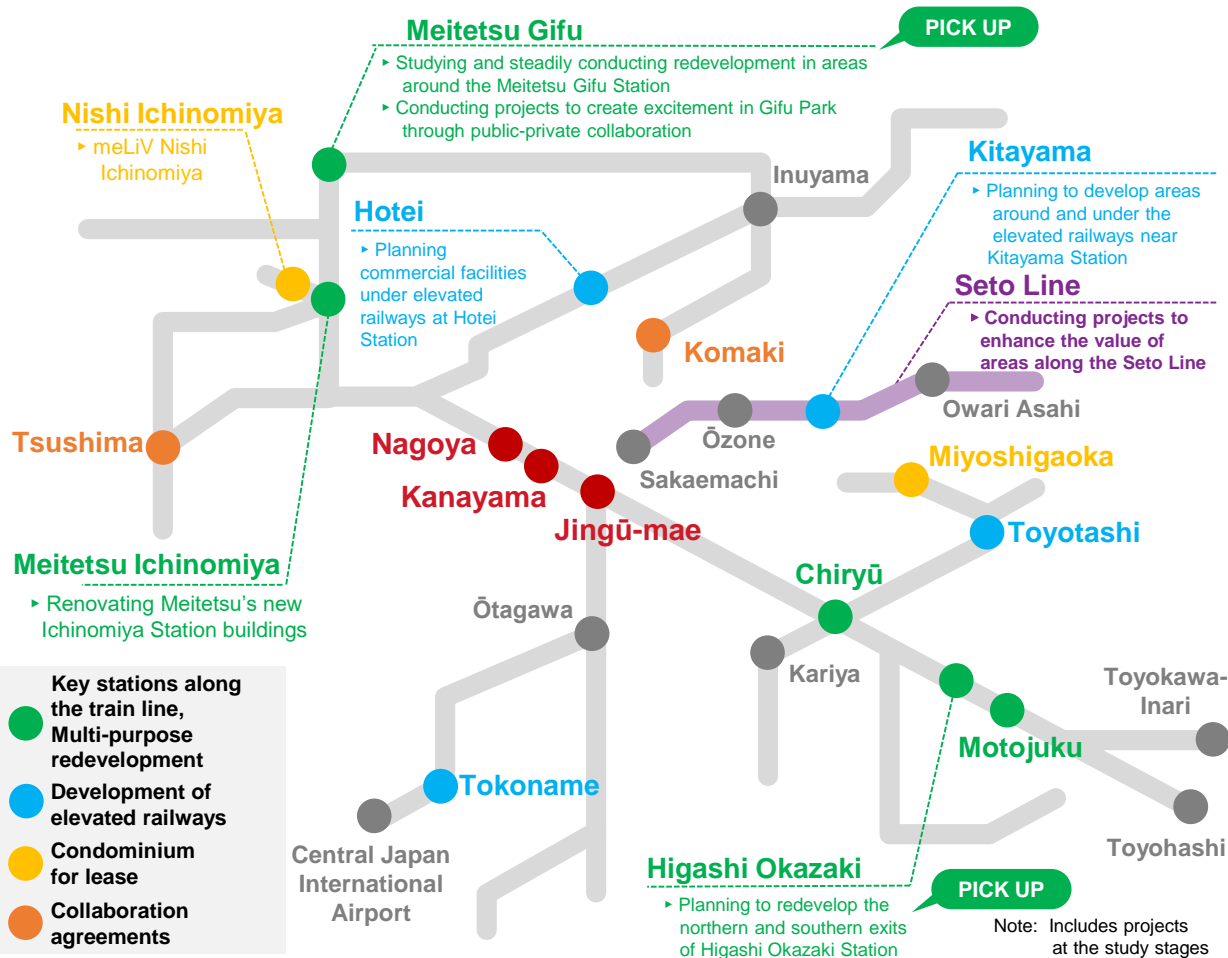
- In the Atsuta area (Jingū-mae), we plan to open Atsuta nagAya, a commercial facility, in the area west of Meitetsu Jingū-mae Station. (Phase I: September 2024; Phase II: December 2024)



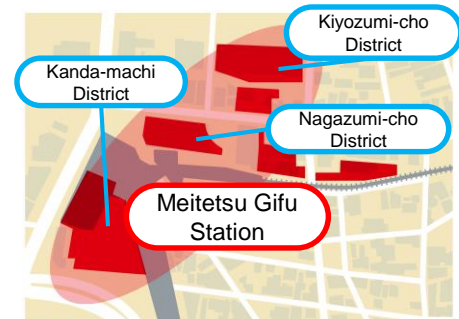
1 Promoting attractive regional and urban development

We strive to enhance the attractiveness of our business area in part by promoting multi-purpose redevelopment at key stations along our train lines and utilizing the spaces under elevated railways when building overpasses. This will in turn lead more people to live in our business area .

- Urban development through multi-purpose redevelopment at key stations along our train lines
- Urban development through the development of areas under elevated railways when building overpasses
- Promote revitalization and create excitement by renovating existing commercial facilities
- Encouraging residency in our business area



Meitetsu Gifu Station Area Redevelopment



- Connecting sites owned in areas around the station
- Conducting integrated development studies of commercial facilities, residences, and other properties
- Conducting redevelopment studies of the Kanda-machi District as Phase I

Higashi Okazaki Station



- We have conducted redevelopment since demolishing the station building. We are planning commercial facilities, offices, and public-use multi-purpose facilities.
- Renovating bus terminals to strengthen transportation connections
- The commercial facility (SWING MALL) will open at the South Exit in April 2024.

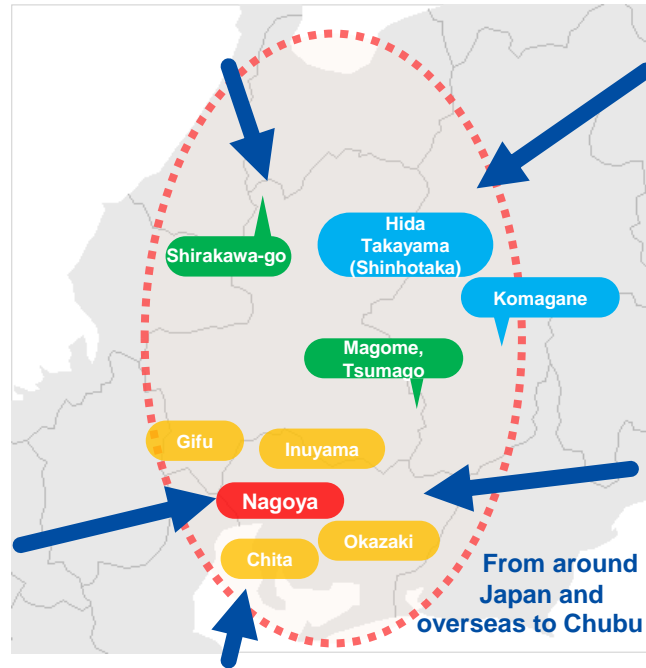
Note: Includes projects at the study stages

1 Promoting attractive regional and urban development

3. Enhancing and promoting the tourist attractions in the Chubu region


Leveraging the Chubu region's tourist resources to create tourist spots chosen by people from around Japan and overseas

➤ Capturing tourism demand in a unified Chubu region



Mountain tourism

- Conducting projects aimed at creating world-class mountain resorts
 - ▶Hida Takayama (Shinhotaka)
 - ▶Komagane



Rural tourism


- Promoting Japan's primal scenery and culture as local attractions
 - ▶Shirakawa-go
 - ▶Magome, Tsumago, etc.



Photo provided by the Gifu Prefecture Shirakawa Village Office

Tourism in surrounding cities

- Establishing the Nagoya region, which is attractive due to the promotion of Co-machi tourism




Urban tourism

- Enhancing the attractiveness of Nagoya's city center
- Capturing lodging and shopping demand



Co-machi tourism

We launched a project aiming to create a tourist region (Nagoya region) that can attract visitors from a wide area and connect towns with unique attractions centered on Nagoya.



➤ Enhancing the attractiveness of Inuyama and Hida Takayama

Key tourist area 1: Inuyama area

Realizing authentic tourist culture cities

- Enjoying Japan's architectural and cultural assets as well as local traditional culture to create tourist culture cities where people can have authentic experiences
- Forming walkable tourist spots through collaboration with highly unique facilities (the Museum Meiji Mura, the Little World Museum of Man, etc.) and downtown, which had two national treasures (Inuyama Castle and the Jo-an Urakuen teahouse).

Key tourist area 2: Hida Takayama area

Creating world-class mountain resorts

- Promoting high value-added tourist spots that utilize projects by the Japan Tourism Agency, Ministry of the Environment, and other organizations, centered on the Matsumoto-Takayama Big Bridge Concept (route name: Kita Alps Traverse Route)
- Creating experiential facilities (high-quality experiences) that utilize the diverse natural resources in the Shinhotaka area

To contribute to the construction of a sustainable society and a Compact Plus Network aligned to this era of population decline, low birthrates, and aging demographics, we will realize a mobility network centered on public transportation through such efforts as evolving and developing regional MaaS and establishing transportation hubs, including Meitetsu Nagoya Station.

1. Promoting initiatives aimed at establishing transportation hubs in collaboration with local communities

- Promoting projects to renovate stations and elevate railways, centered on urban development along our train lines
- Promoting urban development centered on public transportation through collaboration with municipalities

2. Promoting initiatives aimed at constructing an optimal transportation network

- Organizing total transportation services beyond the boundaries of such businesses as trains, buses, and taxis

Note: Reference page 26 for an illustration

- Initiatives within Nagoya City and its city center
 - Smart Roadway Transit (SRT) system
 - Nagoya City introduced this system to enhance walkability in the city center and boost excitement, and Meitetsu Bus plans to operate the system from FY2025
- Initiatives for next-generation mobility (advanced technologies)
 - Accumulating know-how by proactively participating in pilot studies aimed at the introduction of on-demand transport and the practical implementation of self-driving vehicles (buses, taxis, etc.)

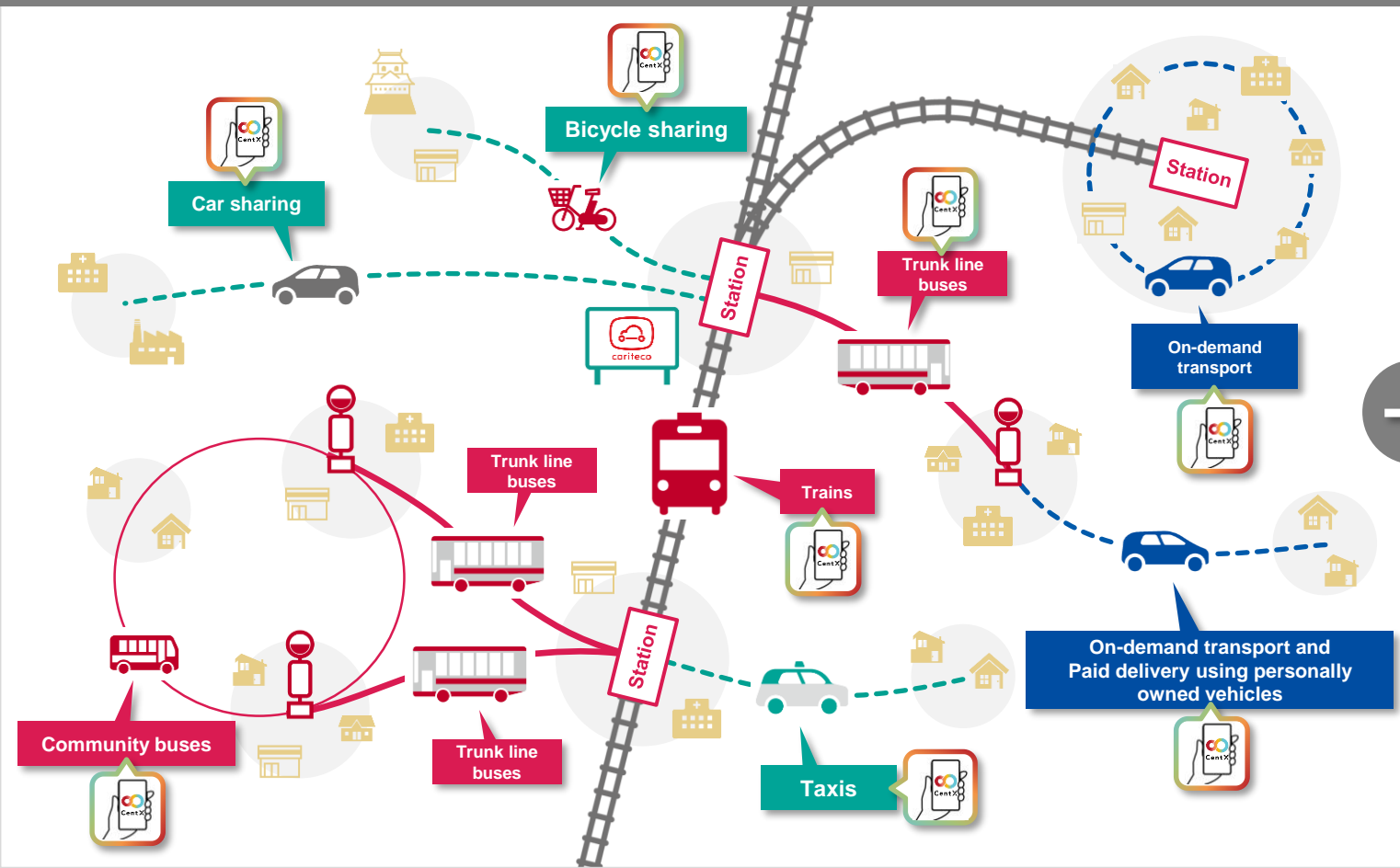


Source: The official website of Nagoya City

Reference: The Meitetsu Group's vision for a mobility network

We aim to realize a seamless and stress-free mobility network that encompasses existing mobility modes we are already operating (such as railways and buses with set schedules and routes as well as taxis, car sharing, and bicycle sharing, which have a high degree of freedom of movement) and new mobility modes (such as paid delivery using personally owned vehicles and on-demand transport that can meet mobility needs in last-mile areas and transit deserts).

A seamless and stress-free mobility network enabled by diverse transportation modes



Functions underpinning the network



Search

Reserve

Pay

Use



3. Promoting regional MaaS “CentX” and strengthening development

- Expanding collaboration with diverse mobility operators, going beyond existing public transit
- Responding to diversifying payment methods



Targets for FY2030
Cumulative total 2 million downloads

4. Further enhancing initiatives aimed at ensuring safety

- Strengthening basic safety equipment and safety management systems
 - Strengthening emergency responses and measures
 - Adding functions such as installing more security cameras inside train cars and video confirmation through conductor orders, etc.
 - Making our facilities barrier-free
 - Renovating platform doors at Kanayama Station, etc.
 - Responding to natural disaster risks
 - Promoting seismic reinforcement for elevated bridges, etc.
 - Initiatives to ensure safety using new technologies
 - Expanding train crossing monitoring systems featuring AI image analysis devices, etc.
 - Initiatives to prevent health-related accidents
 - Revising the health management manual for bus drivers, etc.



In-train security camera



Pilot test for platform safety gates
(Illustration)



Seismic reinforcement for
elevated bridges



Physical detection of train crossing
using an AI image analysis device
(Illustration)

3 Strengthening earnings power and promoting structural reforms

As well as we will continually promote structural reforms to strive to enhance the profitability of the entire Group, we will also focus on developing business aimed at growth markets, building competitively advantageous strategies, enhancing the high added value of products and services on offer and enhancing the Group's brand value.

1. Strengthening development in markets expecting growth and businesses with competitive advantage

- Further strengthening the earnings power of the real estate business
 - Fully entering the asset turnover type of real estate business
(Diversifying the real estate business)
<Schedule going forward>
FY2024: Begin to manage private funds
FY2025: Establish an asset management company
FY2026: Begin to manage private REITs
 - Consider alliance strategies (M&A, etc.)
- Expanding the B-to-G business
 - Aviation service business: NAKANIHON AIR
 - Further strengthening the medical field (doctor helicopters, etc.), environmental field (survey estimation business, etc.), and the maintenance, repair and operation (MRO) business (machine maintenance business)
 - Strengthening initiatives for the public private partnership (PPP) business and private finance initiative (PFI) business
- Strengthening development in existing businesses where we have competitive advantages
 - Transport business: Meitetsu Transportation Group
 - Making the special combined delivery service business more resilient
 - Enhancing our competitive advantages by expanding our market share
 - Improving productivity by realigning hubs and revising route networks
 <Schedule going forward>
 Apr. 2024: Acquire shares in NX Transport
 Jan. 2025: Inheriting the special combined delivery service business of NIPPON EXPRESS Holdings Inc.
 - Expansion of our delivery area, warehouses, and third-party logistics (3PL)
 - Strengthening our operating base in part by integrating the NX Group's special combined delivery service business
 - Improving profitability by expanding high value-added businesses

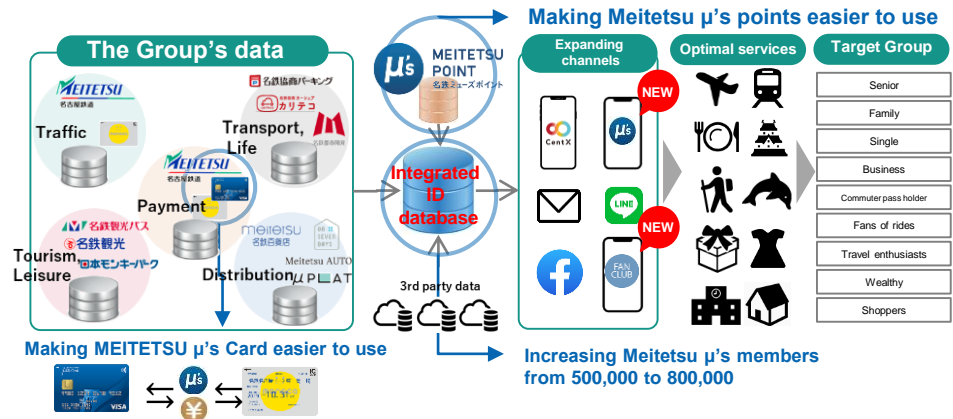
2. Providing high value-added and differentiated products and services

- Strengthening development of businesses for wealthy and highly discerning customers
- Creating products and content that captures customer trends

3 Strengthening earnings power and promoting structural reforms

3. Achieving transformation with digital and cutting-edge technologies

- Promoting business transformation using generative AI
- Initiatives aimed at the practical implementation of self-driving vehicles
- Initiatives aimed at shifting to cashless transactions
 - Develop a system for QR code-based ticket gate passage system in the railroad business
 - Initiatives to shift to cashless payments for the parking business
- Collaboration with external partners
 - Connecting the Meitetsu Group and startups through the Meitetsu Open Innovation Lab, implementing proof of concept (PoC), considering partnerships and funding, and promoting new attractions and value creation
- Evolving the Group's marketing aimed at maximizing lifetime value (LTV)*
 - *LTV: Customer lifetime value
 - Providing optimal services through appropriate channels for each customer by integrating, analyzing, and segmenting customer data
 - Enhancing the convenience of reward points and the attractiveness of credit and other cards
 - Considering introducing Group-wide points



4. Promoting structural reforms to adapt to external environmental changes

- Strengthening the strategy formulating functions of each business
 - Formulating and promoting business strategies by each holding company
 - Rebuilding strategies in the retail business
- Initiatives aimed at improving efficiency and productivity
 - In the railroad business, improving the efficiency of programmed traffic control (PTC), shifting more toward one person train operations, etc.

Financial Policy

Being aware of capital costs, capital profitability, and financial soundness, we appropriately allocate management resources to make management more resilient. Specifically, we will promote capital investment that will contribute to future growth, investment in human capital, and review of our business portfolio.

Key management indicators and initiatives

<p>Enhancing earnings power</p>	<p>Operating Income</p>	<ul style="list-style-type: none"> ● Aiming to draft business strategies through intermediate holdings companies and core companies that underpin each segment and strengthen efforts to promote these strategies ● Aiming to strengthen development in markets with growth potential and businesses with competitive advantages ● Aiming to improve Group-wide profit by focusing on shifting to providing high value-added products and services as well as enhancing the Group's brand ● Continually implementing structural reforms
<p>Maintaining financial soundness</p>	<p>Net interest -bearing debt* / EBITDA ratio</p>	<ul style="list-style-type: none"> ● While actively pursuing investments, we aims to appropriately control debt and equity by concurrently collecting funds through balance sheet reduction. We will maintain financial soundness by selling cross shareholdings, conducting asset financing through private funds and REITs, and reviewing its asset holdings.
<p>Management aware of capital costs</p>	<p>ROE</p>	<ul style="list-style-type: none"> ● Aiming to enhance profit margins by promoting the aforementioned initiatives while utilizing the return on invested capital (ROIC) as an indicator to create returns surpassing capital costs ● Considering replacing businesses based on aligning the Company's medium- to long-term management strategies with each business's asset efficiency, capital efficiency, and growth potential.

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

Policy on shareholder returns

Although we set our basic policy as maintaining stable dividends while comprehensively considering operating results and business environments, in coordination with the announcement with the Meitetsu Nagoya Station District Redevelopment Project which is planned to determine the direction of project in FY2024, we plan to disclose our cash flow allocation policy including our policy on shareholder

5 Enhancing human capital

Human resources are the wellspring needed to realize the aforementioned medium- to long-term management strategy. By enhancing the wellbeing of people who work for the Group through human capital investment, we strive to enhance human capital, including talent acquisition and development.

Promoting a human resource vision and strategy aligned with the medium- to long-term strategy

Human resource vision

In your own way, and beyond

- As a Group employee, you can act in your own personal way (through self-actualization and your unique lifestyle)
 - As a Group employee, you can advance beyond your individual limits (personal growth and self development)
- ⇒ Describing the vision of the Meitetsu Group's human resources

Human resource strategy

Enhancing human resource power through human resource investment

- By proactively working to invest in human resources and enhance human resource power,* the diverse human resources who resonate with the Meitetsu Group's mission create new value by fully implementing their unique skills, which will in turn achieve the medium- to long-term strategy and the management vision.

*The three elements of human resource power ⇒

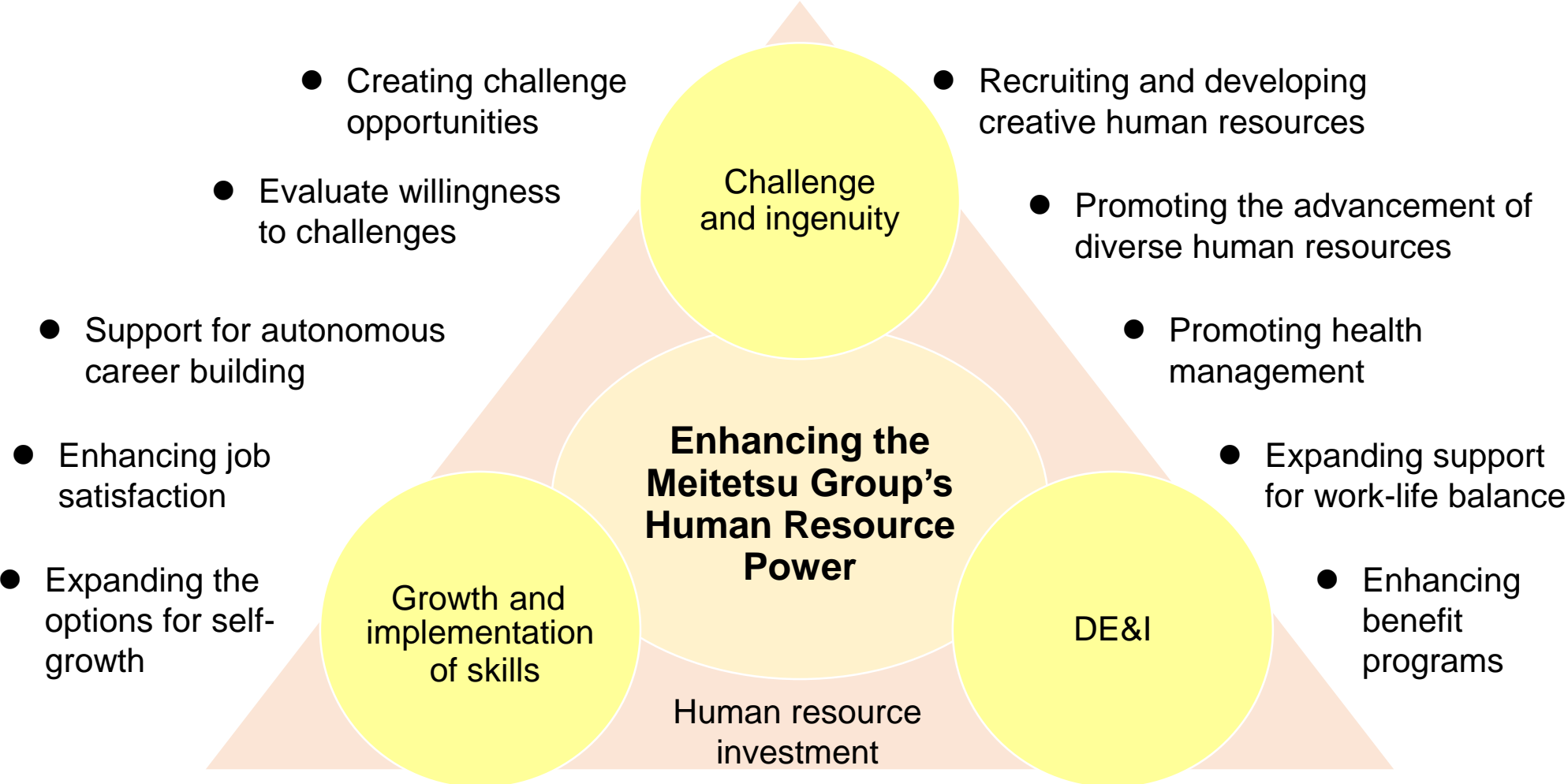
Challenge and ingenuity

Growth and implementation of skills

DE&I

Human resource investment

We define human resource investment as expenses related to people, such as the improvement of compensation, the improvement of the workplace environment, benefits, and recruitment. By sharing its significance and purpose within the Group, we will connect these efforts to proactive investment in people as well as the systematic and strategic promotion of human resource investments and the creation and implementation of medium- to long-term human resource measures.



03

The Meitetsu Group's Medium-term Management Plan



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Initiatives aimed at achieving carbon neutrality

Promoting energy efficiency and decarbonized investment

- Introducing energy-efficient vehicles or conducting studies aimed at their introduction (Railroad, Bus, Taxi, Truck)
- Conducting studies using recovered electric power captured through new technologies (Railroad)
- Decarbonizing owned real estate and facilities (promoting the acquisition of ZEB and ZEH certifications updating equipment)
- Introducing internal carbon pricing programs (FY2024–), etc.

Enhancing disclosures

- Constructing a system to calculate Scope 3 emissions
- Acquiring third-party assurances for Scope 1 and 2 emissions
- Initiatives aimed at encouraging further use of environmentally superior trains, etc.

Initiatives aimed at realizing a recycling society

Effective use of resources

- Initiatives related to food loss (Meitetsu Kyosho, MEITETSU Creative Life Institute, MEITETSU HOTEL HOLDINGS), etc.

Protecting historical buildings and cultural assets

- Passing down Japan's culture and arts at the Museum Meiji-Mura and the Japanese garden Urakuen (national treasure teahouse Jo-an), etc.

Environmental protection initiatives

- Activities to protect the environment and sustainably utilize forest resources (Okuhi Kanko Kaihatsu), etc.

Initiatives aimed at enhancing dialogues with stakeholders

- Expanding opportunities for dialogue, including at the general meeting of shareholders and the financial results briefings
- Initiatives aimed at realizing a mobility network centered on public transit and spurring tourism along our train lines through dialogue with municipalities, etc.

Initiatives aimed at enhancing the Group's governance

- Enhancing the Group's compliance system, etc.

Note: On April 1, 2024, we established the Legal Affairs and Compliance Dept. at Nagoya Railroad.

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Key management indicators

Target Indicators

Operating Income

Net interest-bearing debt* / EBITDA ratio

ROE (net income / shareholders' equity)

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

Disclosure of quantitative targets

With the announcement of the Meitetsu Nagoya Station District Redevelopment Project, which is planned to determine the direction of project in FY2024, we plan to disclose medium- to long-term targets for our key management indicators, cash flow allocation policy (including the policy on shareholder returns), and the investment amount and quantitative targets for FY2025 and onward.

Note: We will disclose the FY2024 plan (including the capital investment plan) when we announce the results for the fiscal year ended March 31, 2024.



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.