



March 24, 2025

Company Name: Nagoya Railroad Co., Ltd.
Representative: Hiroki Takasaki, President, Director
(Securities Code : 9048 ; Tokyo Stock Exchange Prime Market and Nagoya Stock Exchange Premier Market)
Inquiries: Manabu Miyoshi, General Manager, Public Relations Dept.
(Telephone: +81-52-588-0813)

The Meitetsu Group’s Target Figures and Cash Flow Allocation Policy, etc.
Under the Medium-term Management Plan (FY2024-FY2026) and the Medium-
to Long-Term Management Strategies

Nagoya Railroad Co., Ltd. (the “Company” or “Meitetsu”) hereby announces that at the meeting of the Board of Directors held today, the Company has established the target figures and the cash flow allocation policy for the Meitetsu Group’s Medium-term Management Plan (FY2024-FY2026) announced on March 25, 2024.

Based on our mission to “work to improve the value of the region and give back to the community over the long haul”, we have announced the Meitetsu Group’s Management Vision, the Meitetsu Group’s Vision for 2040, and the Meitetsu Group’s Medium- to Long-term Management Strategies to achieve sustainable growth and improve corporate value. Additionally, we have released the Meitetsu Group’s Medium-term Management Plan as the initiatives for FY2024 to FY2026 in line with these medium- to long-term management strategies.

The Meitetsu Group’s Medium-term Management Plan was initially intended to disclose the medium- to long-term targets for key management indicators, the cash flow allocation policy (including the policy on shareholder returns), and the investment amount and target figures for FY2025 and onward alongside the announcement of the Meitetsu Nagoya Station District Redevelopment Project, and today the target figures and additional details have been finalized. We would like to share them as follows.

1. Target figures for key management indicators and policy on shareholder returns

	FY2024 forecast	FY2026 target	(Ref.) FY2030 target
Operating income	¥44.0 billion	¥50.0 billion	¥70.0 billion
Net interest-bearing debt ^(*) /EBITDA ratio	6.2x	6.0x range	6.0x range
ROE (Net income/Shareholders’ equity)	7.7%	Approx. 8%	8% and above

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

Policy on shareholder returns (applicable from FYE 03/2026)

- Aim for the consolidated dividend payout ratio of 30% and above under the basic policy of maintaining stable dividends
- Flexibly repurchase own shares as necessary

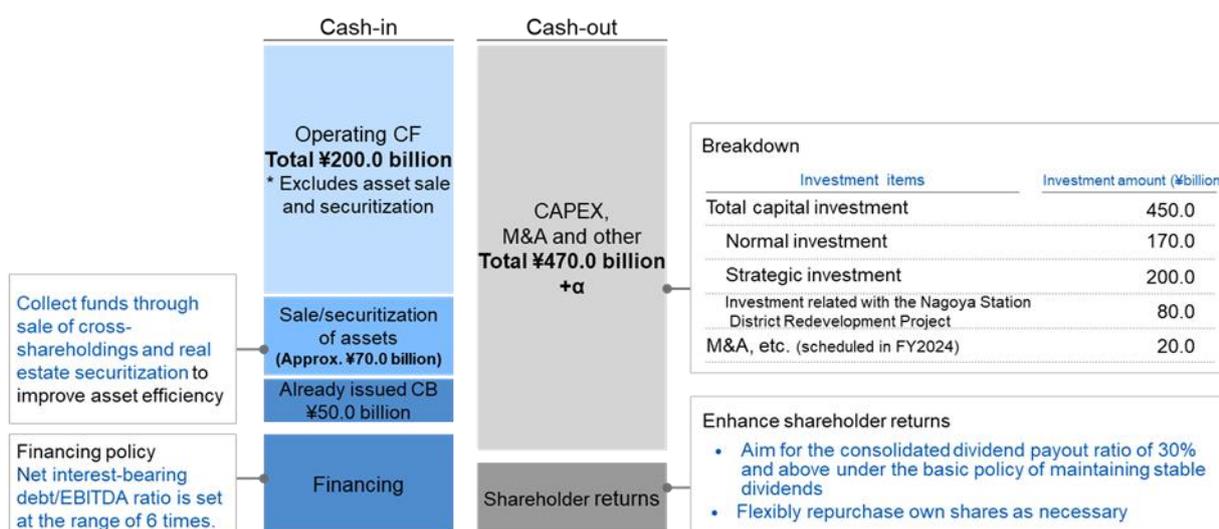
2. Cash flow allocation policy during the period of Medium-term Management Plan (FY2024-FY2026)

Maximize the operating cash flow while prioritizing investment to ensure safety and peace of mind through growth investment such as for the real estate business, investment for structural reforms and human capital that underpins business. This will lead to the enhancement of shareholder returns.

3. Capital investment plan (FY2024-FY2026)

	Total capital investment	Normal investment	Strategic investment	Investment related with the Nagoya Station District Redevelopment Project
Capital investment amount (¥billion)	450.0	170.0	200.0	80.0

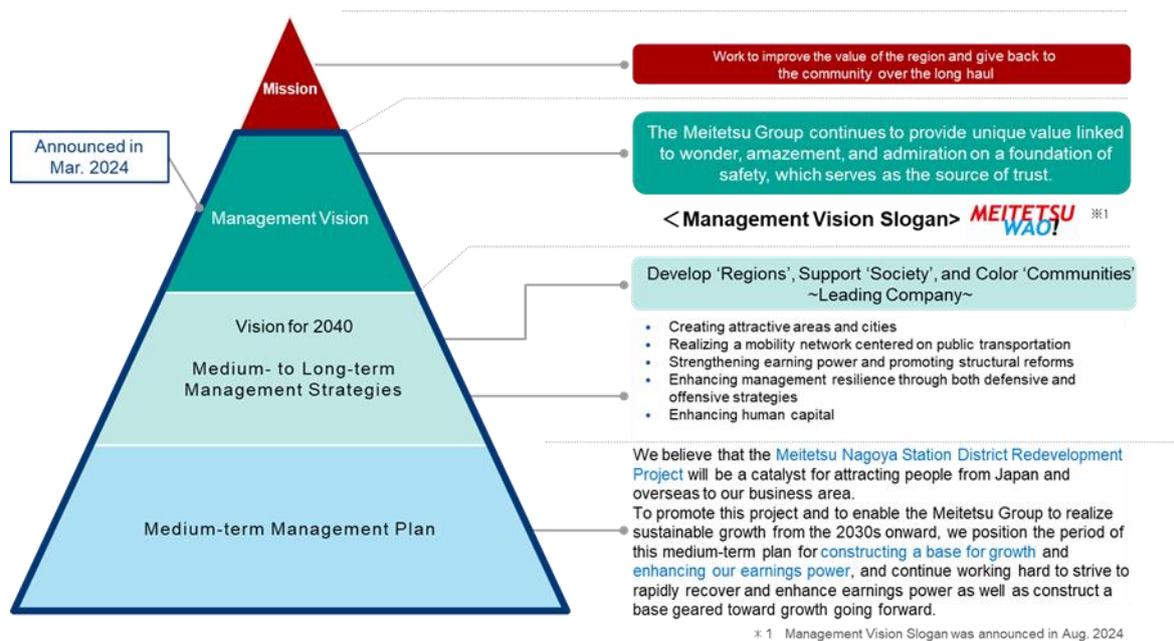
Reference: Cash flow allocation illustration during the period of Medium-term Management Plan (FY2024-FY2026)



- ◆ In the early 2030s when the full-scale investment of the Nagoya Station District Redevelopment starts, achieve both growth investment and financial soundness while financing through further sale and securitization of the assets held (including assets related with the Nagoya Station District Redevelopment)

For more details, please refer to the attached document.

Reference: Outline of the announcement released on March 25, 2024



(1) The Meitetsu Group’s 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.

(2) The Meitetsu Group’s Vision for 2040

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

(3) 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.

◆ 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.

(4) Basic policy of the Meitetsu Group's Medium-term Management Plan

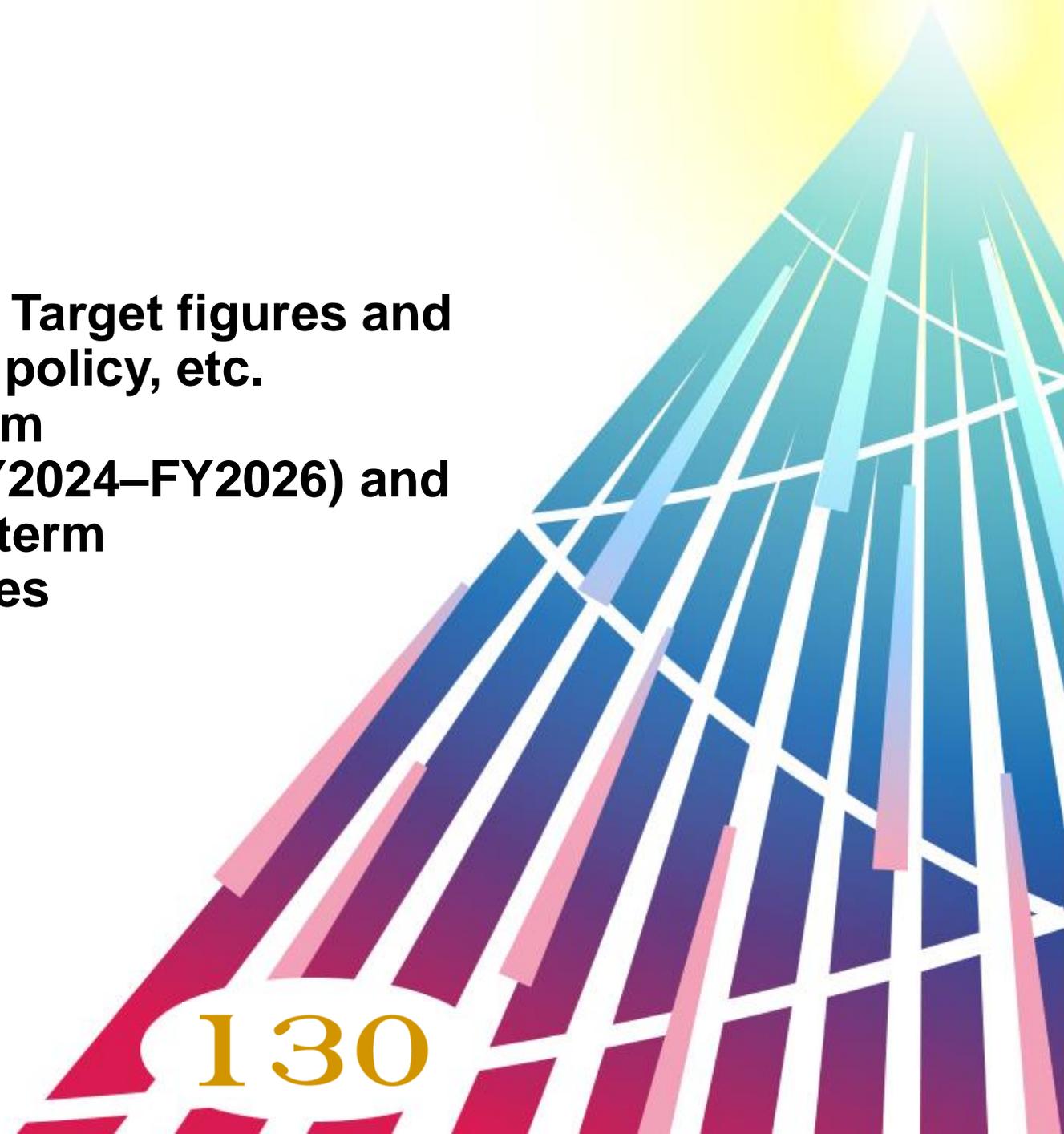
We believe that the Meitetsu Nagoya Station District Redevelopment Project will be a catalyst for attracting people from Japan and overseas to our business area. To promote this project and to enable the Meitetsu Group to realize sustainable growth from the 2030s onward, we position the period of this 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.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

**The Meitetsu Group's Target figures and
Cash Flow Allocation policy, etc.
under the Medium-term
Management Plan (FY2024–FY2026) and
the Medium- to Long-term
Management Strategies**

Nagoya Railroad Co.,Ltd.

March 24, 2025



130



How this announcement is positioned



**Target figures and initiatives for achievement for
Medium-term Management Plan (FY2024-FY2026) and FY2030**



**Medium- to Long-term Management Strategies and Long-term
Cash Flow Allocation Policy**

The Group's Mission

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

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.

Growth opportunities

Opening of the Linear Chuo Shinkansen maglev line,
Further development of the Chubu Centair International Airport (hereinafter, the "Centrair"),
Increase in inbound tourism,
Plans to develop areas around the Nagoya Station, etc.

Potential of our business area

Unique history and culture,
Rich natural resources,
Concentration of manufacturing industries, etc.

Economic impact on 5 prefectures of the Chubu region: approx ¥1.8 trillion *1

To keep achieving **the Group's Mission** in the future, the Group will take the lead on developing our business area 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.

Nagoya Station District Redevelopment Project

- Create excitement and visits that contribute to enhancing the attractiveness and value of the area
- Enhance transportation convenience and comfortability and establish a super mobility hub function
- Demonstrate the potential of the Meitetsu Group and enhance the Group's brand value

Drive sustainable growth and improve corporate value

Economic impact on 5 prefectures of the Chubu region: approx. ¥280.0 billion/year*1

The Group will **achieve mid-to-long term growth** by capturing to the extent possible the economic impact presented by the opening of the Linear Chuo Shinkansen maglev line and the Nagoya Station District Redevelopment Project.

*1 Calculated by Mitsubishi UFJ Research and Consulting

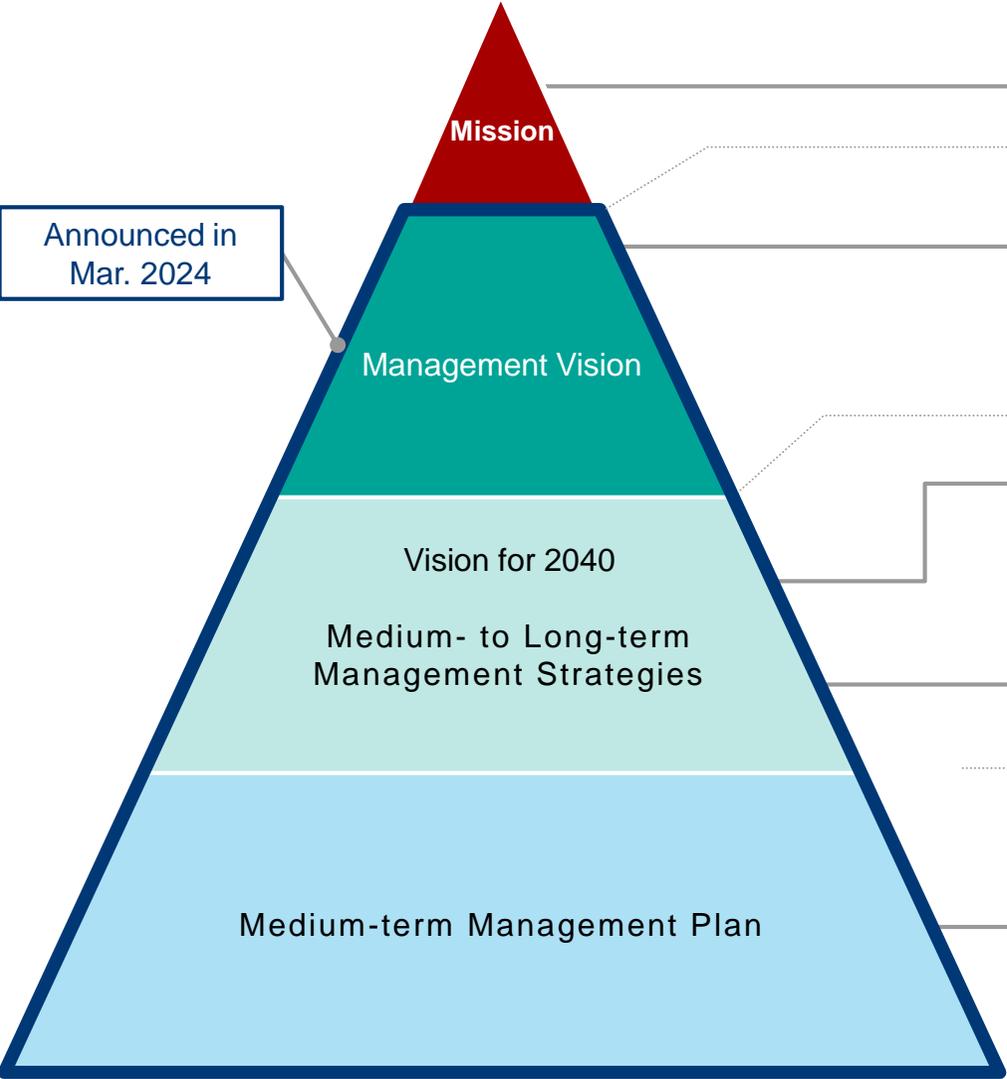


How this announcement is positioned

Target figures and initiatives for achievement for
Medium-term Management Plan (FY2024-FY2026) and FY2030

Medium- to Long-term Management Strategies and Long-term
Cash Flow Allocation Policy

Announced the Management Vision, Vision for 2040, Medium- to Long-term Management Strategies and Medium-term Management Plan



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

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.

<Management Vision Slogan> **MEITETSU WAO!** ※1

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

- Creating attractive areas and cities
- Realizing a mobility network centered on public transportation
- Strengthening earning power and promoting structural reforms
- Enhancing management resilience through both defensive and offensive strategies
- Enhancing human capital

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.

* 1 Management Vision Slogan was announced in Aug. 2024

This announcement is to make additional disclosure including target figures which were to be released during FY2024 as explained in the Meitetsu Group's Medium-term Management Plan (FY2024-FY2026) announced in Mar. 2024.

Overview of
Mar. 2024
announcement
(Key themes)

Creating attractive areas and cities

- Moving forward with plans related to the Meitetsu Nagoya Station District Redevelopment Project
- Promoting development projects for downtown Nagoya and key stations along train lines
- Enhancing and promoting the tourist attractions in the Chubu region

Realizing a mobility network centered on public transportation

- Promoting initiatives aimed at establishing transportation hubs in collaboration with local communities
- Promoting initiatives aimed at constructing an optimal transportation network
- Promoting regional MaaS "CentX" and strengthening development
- Further enhancing initiatives aimed at ensuring safety

Strengthening earning power and promoting structural reforms

- Strengthening development in markets expecting growth and businesses with competitive advantage
- Providing high value-added and differentiated products and services
- Achieving transformation with digital and cutting-edge technologies
- Promoting structural reforms to adapt to external environmental changes

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.

How this
announcement is
positioned

- Announce our direction on the Meitetsu Nagoya Station District Redevelopment Project and disclose [mid-to-long term targets for our key management indicators](#), [the cash flow allocation policy \(including the policy on shareholder returns\)](#), and [the investment amount and quantitative targets for FY2025 and onward](#)

- Key management indicators: Operating income, Net interest-bearing debt/EBITDA ratio, ROE



- How this announcement is positioned
- Target figures and initiatives for achievement for
Medium-term Management Plan (FY2024-FY2026) and FY2030**
- Medium- to Long-term Management Strategies and Long-term
Cash Flow Allocation Policy

Investment Highlights

Uniquely positioned as the largest comprehensive traffic operator in the Chubu region

Maintain the established position as the one of the largest operators in Japan providing diverse transportation modes in the Chubu region where future growth is expected with the opening of the Linear and further development of Centrair

1

Continue stable management of traffic business as a profit base

- Traffic business centered on railway business continued to ensure stable management by improving operational efficiency responding to higher costs and by expanding business areas even amid shrinking population

2

Achieve profit growth by strengthening earnings power

- Aggressive investment to grow real estate business, improve profitability of the transport and distribution businesses
Operating income of ¥50.0 billion (FY2026) and ¥70.0 billion (FY2030)
- Further strengthen performance/business portfolio management
- Achieve growth strategy through alliances such as M&A
 - Real estate area, Areas with high asset efficiency such as related with construction and digital, and business areas highly compatible with existing business (traffic and aviation-related), etc.
 - Aim for ROE 8% exceeding the cost of shareholder's equity

3

Optimize B/S by aggressive sale and securitization of assets held, etc.

- Planned reduction of cross-shareholdings (FY2030 cumulative total: ¥50.0 billion)
- Securitize assets held through funds and REITs, and sale to external parties (FY2030 cumulative total: ¥130.0 billion)
- Review assets held such as through sale of idle and underutilized assets, etc.

4

Enhance shareholder returns

- Aim for a consolidated dividend payout ratio of 30% and above under the basic policy of maintaining stable dividends
- Flexibly repurchase own shares as necessary

5

Strengthen IR activities to enhance our corporate value

- Enhance communications between investors and the top management
- Gain more capital market insights through engaging more dialogue with investors

Target figures for Medium-term Management Plan (FY2024-FY2026) and FY2030 Management Indicators, Policy on Shareholder Returns

FY2026 targets are operating income of ¥50.0 billion and ROE of approx. 8% and we will enhance shareholder returns from profit growth.

	FY2023 actual	FY2024 forecast	FY2026 target	(Ref.) FY2030 target
Operating income	¥34.7 billion	¥44.0 billion	¥50.0 billion	¥70.0 billion
ROE	5.8%	7.7%	Approx. 8%	8% and above
Net interest-bearing debt (*) /EBITDA ratio	6.2 x	6.2 x	6.0 x range	6.0 x range

Key management indicators

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

Policy on Shareholder Returns (applicable from FYE 03/2026)

- Aim for the consolidated dividend payout ratio of 30% and above under the basic policy of maintaining stable dividends
- Flexibly repurchase own shares as necessary
(Ref. : dividend per share)
FY2023 actual: ¥27.5, FY2024 forecast: ¥37.5

Awareness of the cost of shareholder's equity

- The cost of shareholder's equity is about 5-7% (assumed based on CAPM and the opinion of institutional investors)

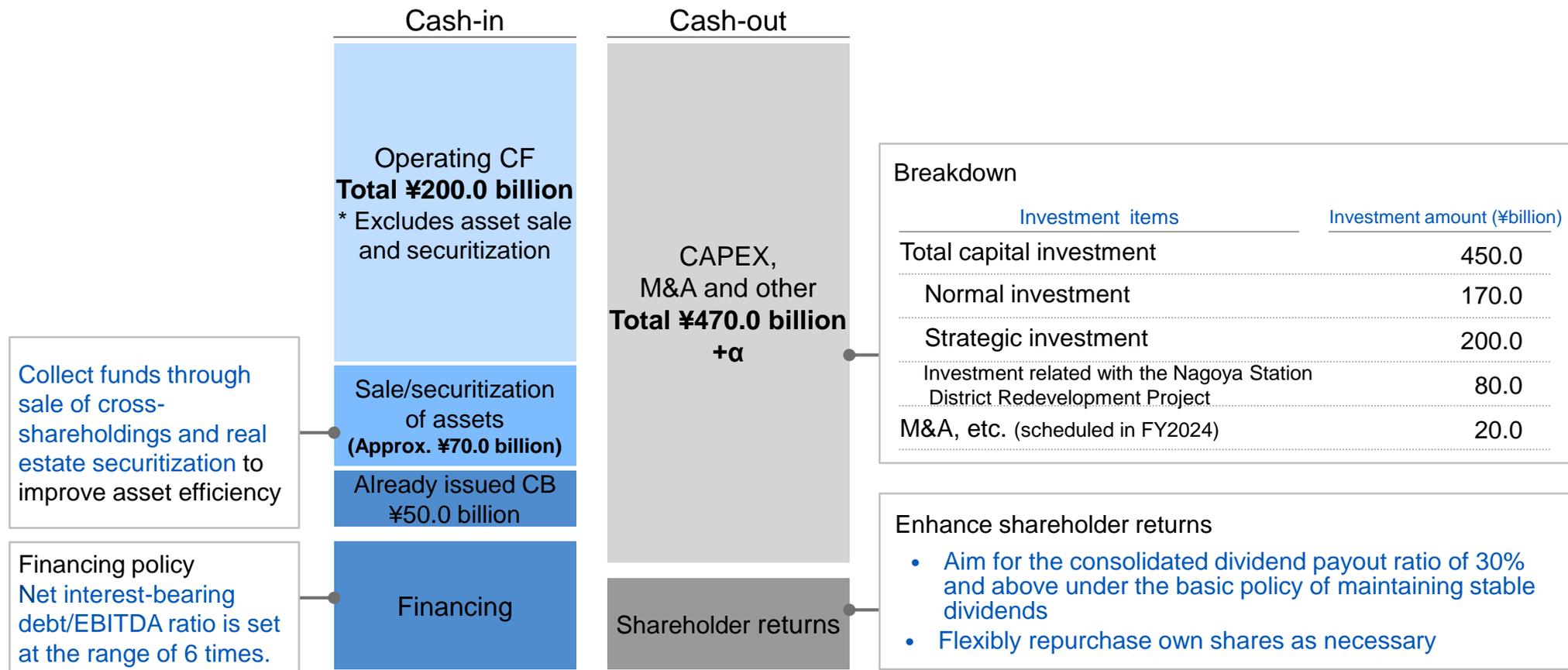
*As for the profit allocation in FY2023 and FY2024, we expect the consolidated dividend payout ratio of 20% and above

Cash flow allocation policy during the period of Medium-term Management Plan (FY2024-FY2026)



Maximize the operating cash flow while prioritizing investment to ensure safety and peace of mind through growth investment such as for the real estate business, investment for structural reforms and human capital that underpins business. This will lead to the enhancement of shareholder returns.

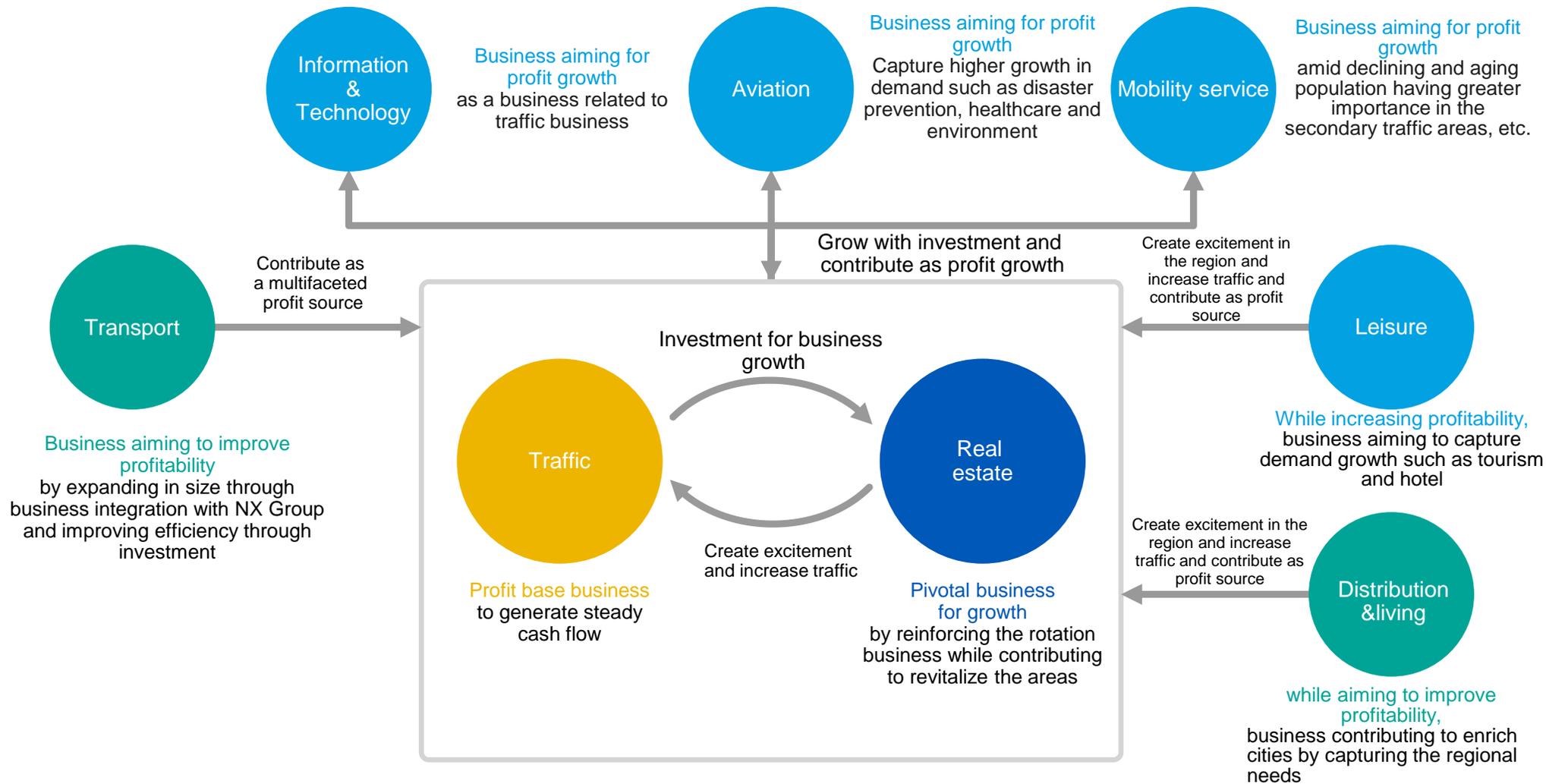
<Cash flow allocation illustration>



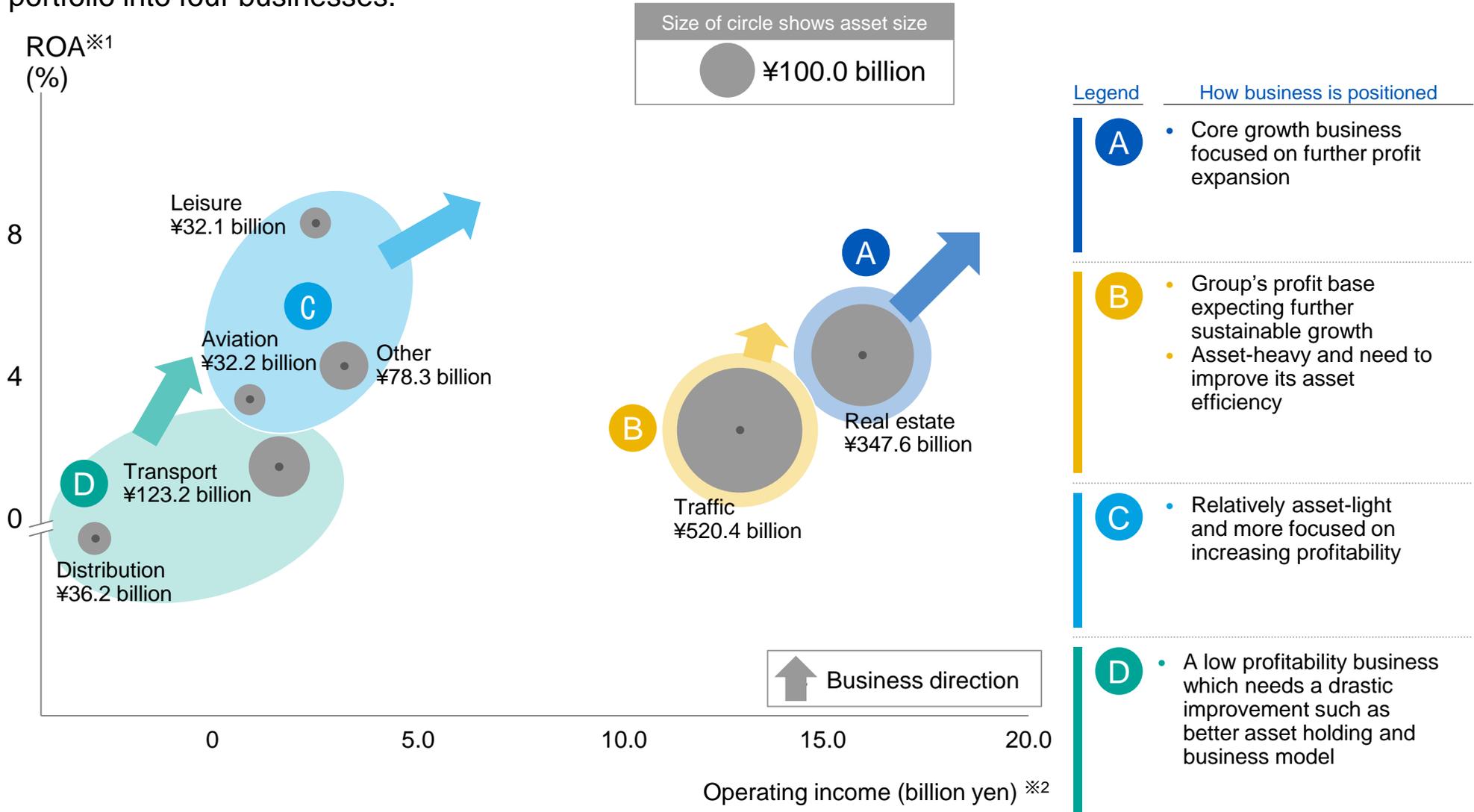
* In the early 2030s when the full-scale investment of the Nagoya Station District Redevelopment starts, achieve both growth investment and financial soundness while financing through further sale and securitization of the assets held (including assets related with the Nagoya Station District Redevelopment)

How each business is positioned and relevant to the Group's growth

Growth is centered on the real estate business while the traffic business is our profit base.
 Aim for further growth in the areas of information & technology, aviation and mobility service.



Based on the plot analysis of ROA and operating income amount, we positioned and categorized our portfolio into four businesses.



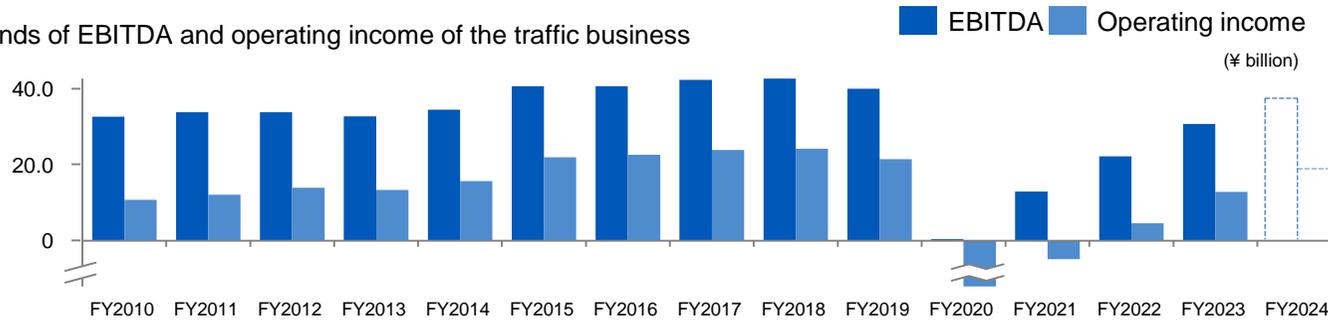
*1. Operating income ÷ total assets (average amount of the beginning and end of the fiscal year), FY2023 actual

* 2. FY2023 actual

Initiatives of the traffic business as the Group's profit base business

As core business and profit base business, continued stable management even amid shrinking population

Trends of EBITDA and operating income of the traffic business



Key fare revisions in post-COVID

Nagoya Railroad, Toyohashi Railroad: Mar. 2024
 Meitetsu Bus/Gifu Bus: Oct. 2023
 Meitetsu taxi companies: Sequentially from Dec. 2023



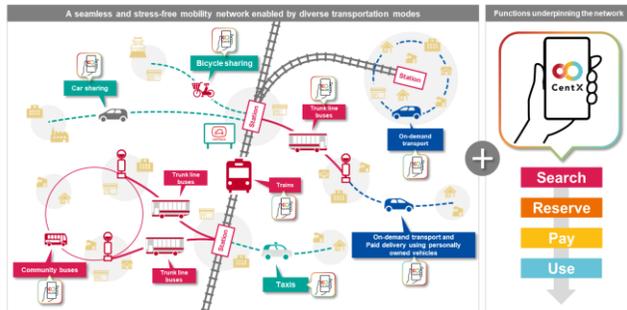
Revenue of the entire traffic business increased by **approx. ¥10.0 billion**

Promote rationalization and efficiency, and expand profit

COVID

Promote post-COVID initiatives

Realize an optimal mobility network



As the largest comprehensive traffic operator providing diverse transportation modes, by leveraging its competitiveness, realize a seamless and stress-free mobility network, **increase the ratio of passengers taking public transport** even amid shrinking population by constantly capturing transportation demand

Build a public transportation network in collaboration with local communities

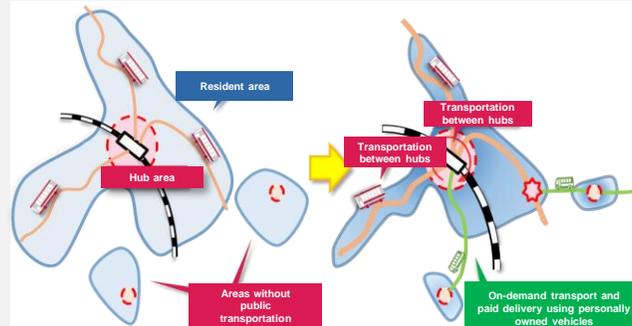


Image of the Compact Plus Network proposed by the government

* Prepared by the Company based on materials from the Ministry of Land, Infrastructure, Transport and Tourism

- Creating cities centered on public transportation through the collaboration in station renovation
- **Consider a structure for sustainable public transportation** in collaboration with local government, etc.

Initiatives to improve operational efficiency and expand business areas

Our railway business has lower operating revenue per kilometer than major private railway companies. However, we have secured certain profit margin with low-cost operation and have the lowest operating cost among major private railway companies.



Improve operational efficiency responding to higher costs by further promoting expansion of business fields, and **post stable profit** despite labor shortage.

<Future initiatives>

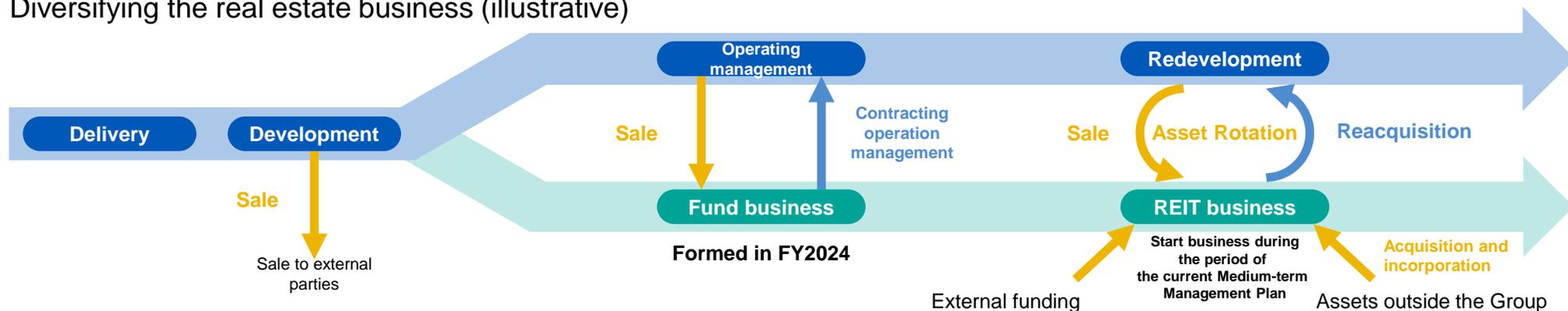
- Centralize and streamline station operations and the train operation and management business
- Increase one-person train operation
- Streamline maintenance work by utilizing IT and revising the inspection cycle
- Expand commissioned operations (Station operation at the Nagoya City Subway, SRT^{*1} operation, etc.)

*1 Smart Roadway Transit : A new public roadway system implemented by the City of Nagoya

Initiatives to grow profit of the real estate business to drive the Group's growth

Improve asset profitability by promoting the real estate rotation business and achieve profit growth

Diversifying the real estate business (illustrative)



Private fund formation

Dec. 2024 Jan. 2025	Registered as financial instruments business operator Formed and started management of the first real estate private fund
Size of fund	Approx. ¥9.4 billion
Target assets	Rental residential condos and commercial leased land developed, acquired and held by MEITETSU CITY DESIGN CO.,LTD.,
Investors	MEITETSU CITY DESIGN CO.,LTD., Development Bank of Japan Inc., business operators in the Chubu region
Lenders	Sumitomo Mitsui Trust Bank, local banks in Chubu region
Asset manager	MEITETSU CITY DESIGN CO.,LTD., Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd.
PM, BM	Mainly entrusted to our group companies

Next steps

Form a private fund and **enter into REIT business early on** to promote diversifying the real estate business by utilizing external asset to be acquired and newly developed assets, in addition to the Meitetsu Group's existing assets
(Group's target contribution: approx. ¥50.0 billion by FY2030)



- Boldly expand related assets not bound to the Company's ownership
- Establish both business growth and maintenance of financial discipline
- Enjoy development profit from active development activities
- Expand fee business as property management (PM) and building management (BM) businesses

Improve profitability by “strengthening specialized packaging business” and “enhancing warehousing and chartered cargo business”

Strengthen sales base

- **Merged special consolidated carrier business with NX Group**
 - Apr. 2024: NX Transport has become our subsidiary
 - Jan. 2025: Completed absorbing the business of NX Arrow
- **Accept appropriate freight rate (increase freight rate)**
- **Expand warehousing business**
 - Newly established Logistics Strategy Dept. to acquire new customers and expand sales to existing customers
 - New warehouses (Chugoku Meitetsu Transportation, Yamaguchi branch, Kanto Meitetsu Transportation, Tsuchiura branch) set in operation
- **Expand the chartered cargo business**
 - Sales expansion with the growth of warehousing and special consolidated carrier businesses

Promote structural reforms

- **Integrating and closing of offices through business consolidation**
 - 194 offices (Apr. 2024)
⇒ 149 offices (Jan. 2025)
- **Cost reduction by consolidation**
 - Reduce administrative departments, staff and cost by integrating and closing offices
- **Improve profitability by reviewing the service routes and pickup and delivery areas and by raising loading efficiency**

Initiatives to drive further growth

To achieve sustainable growth and enhance corporate value, consider and promote M&As, in addition to profit growth (profit improvement) of the existing businesses

Growth through alliances including M&As

<Main assumed areas>

- Real-estate related
- Construction and digital-related areas with high asset efficiency
- Areas highly compatible with existing businesses (traffic and aviation related businesses, etc.)

Consider and exit from business based on the business portfolio management

- Run a PDCA cycle for segment-based performance management and consider an exit unless improvement is made
- According to the business positioning, allocate the Group's management resources as planned

Initiatives taken

Establish and reorganize intermediate holding companies and core companies, closely share information within each business and collaborate and strengthen the management control function to improve business efficiency and strengthen competitiveness

Main recent reorganizations, etc.	
Jun. 2021	Established Meitetsu Hotel Holdings (hotel business)
Apr. 2022	Reorganized the real estate business centered on MEITETSU CITY DESIGN CO., LTD.
Jul. 2022	Established Meitetsu Group Bus Holdings (bus business)
Jul. 2024	Established MEITETSU RETAIL HOLDINGS (distribution business)
Apr. 2025	Introduce Group Executive Officer system (plan)

Toward further enhancement

【Company-wide】 Clearly define how each business is positioned

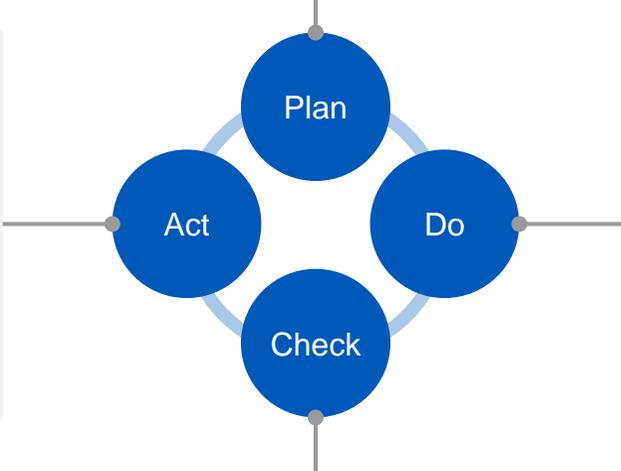
Determine how to allocate management resources of human and financial capital from a group-wide perspective based on how each business is positioned

【Each business】 Reframe business strategy and enhance the PDCA cycle for execution

Each business will create specific measures for improvement if improvements are necessary such as the level of commitment to achieve KPIs

Check the performance of each business, discuss if there is any room for revising the Group's management resource allocation policy (also consider a business exit)

Consider the future direction unless improvement is expected for a certain period.
Further, reflect to the plan for the next FY including further investment based on the progress of the plan



Execute plans by each business entity

Periodically review how the plan is progressing and consider taking improvement measures if little progress is made



Enhance IR activities

Promote dialogue with investors and analysts, strive to increase their understanding of our measures to enhance corporate value. Further, leverage their opinions gained through communications for the management to further enhance corporate value

Dialogue with investors

Target scope

Institutional investors,
analysts

Individual investors

Activities

Financial briefings for investors

One-on-one meetings with investors (IR, SR activities)

Announcement at IR events

Key themes and interests

- Current business trends, full-year forecast
- Mid-to-long term outlook and initiatives (Direction of the Medium-term Management Plan, Nagoya Station District Redevelopment, fare revisions, business portfolio management, etc.)
- Strategy of each business (real estate business, transport business, distribution business, etc.)
- Capital policy
- Shareholder returns
- Securing human capital

Feedback provision

- Frequency: Regularly report on overall IR, SR activities to the senior management and report on other topics as necessary
- Details: Opinions and questions raised at investor meetings

Consider new measures and further enhancement

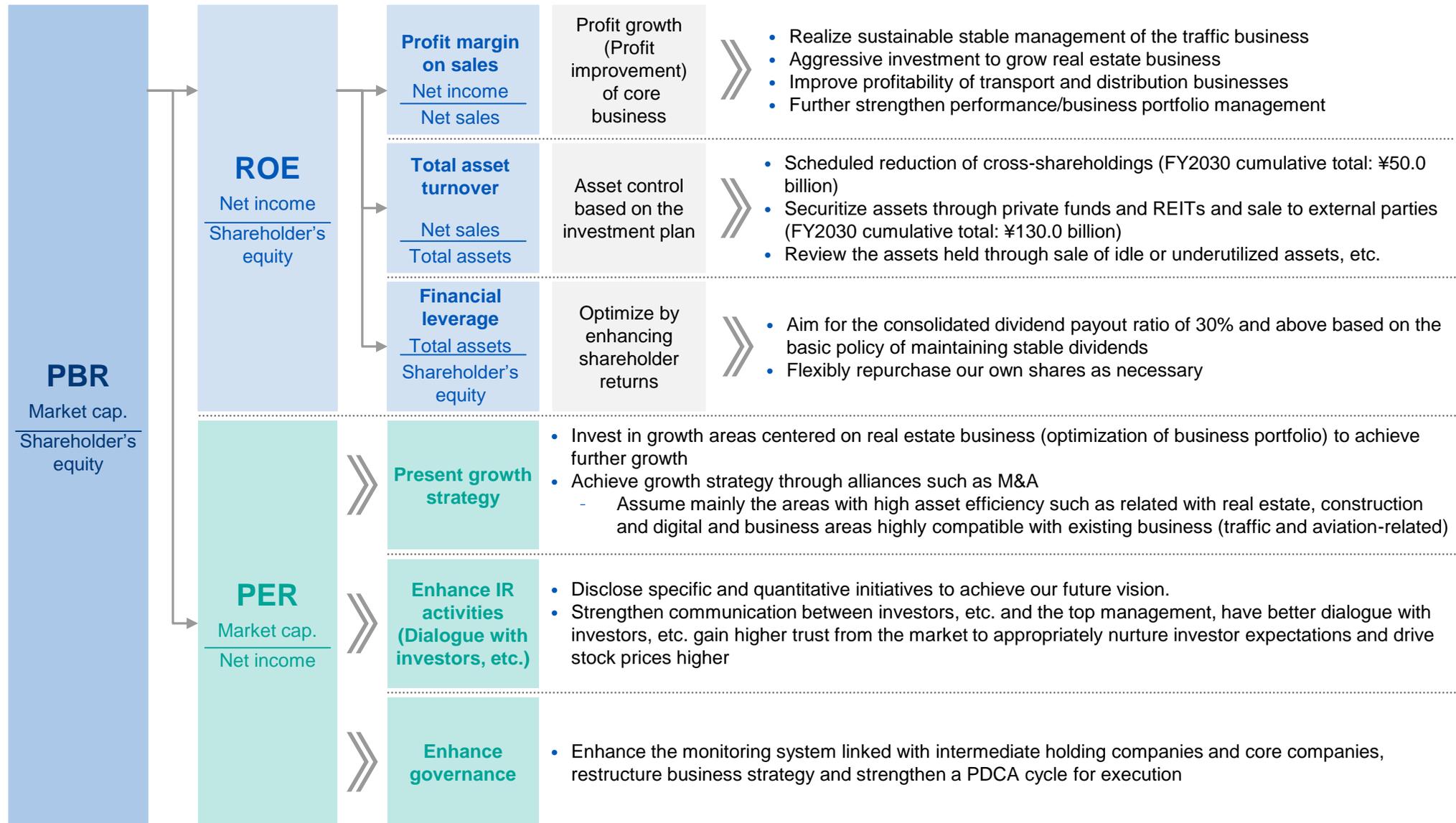
Hold small meetings for investors and analysts as an opportunity to directly communicate with President

Enhance opportunities to promote understanding of the Company by holding management strategy briefing and on-site visits to facilities

Increase opportunities for external communications such as participating in IR conferences for overseas institutional investors and retail investors

Ref.) Measures to improve PBR

Initiatives to improve PBR which stands below 1x





- How the release is positioned
- Target figures and initiatives for achievement for Medium-term Management Plan (FY2024-FY2026) and FY2030
- Medium- to Long-term Management Strategies and Long-term Cash Flow Allocation Policy**

The appeal of the Nagoya region going forward

Nagoya area, the Meitetsu Group's main business area, is blessed with rare opportunities to see more flow of people with the opening of the Linear Chuo Shinkansen maglev line and further development of the Centrair, and the business environment looks appealing.

The appeal of current environment

Solid industrial base

- Strengths of unrivalled manufacturing industries with top-tier companies in various fields such as automobiles, machine tools, aerospace, and robotics having bases here
- Nagoya Port is the nation's largest exporter of goods

Abundant natural and cultural assets

- Situated in a better access from Tokyo metropolitan area and Kansai area, Nagoya area is abundant with world-class natural assets, unique cultural assets, sports and rich food culture, and has a high potential with increase in traffic including inbound demand

Higher disposable income · Convenience of life

- Compared to Tokyo, Osaka and other cities, disposable income is high with lower living costs
- Easy to live because the commute to work is short



Enhanced appeal in the future

The opening of Linear Chuo Shinkansen maglev line

- With the opening of the Linear Chuo Shinkansen (Shinagawa-Nagoya), Nagoya region will have the largest population in areas within 2 hours, serving as part of the extended Metropolitan area and a gateway to West Japan

Increased passengers at Centrair

- Gradual increase in air passengers due to Increase in inbound demand and further development of Centrair
- Traffic volume to airport will increase with a rise in the number of air passengers

Concentration of start-ups

- Open "STATION Ai", one of the largest open innovation bases in Japan
- Further development of local industries and emergence of a new industry are expected with lots of creative talents gathering

As a result, a steady growth is expected in the Nagoya region with higher non-resident and resident population and flow of funds.

Ref.) Effects of the opening of the Linear Chuo Shinkansen maglev line

Impact of the opening of the Linear Chuo Shinkansen (Shinagawa(Tokyo)-Nagoya)

Opportunity

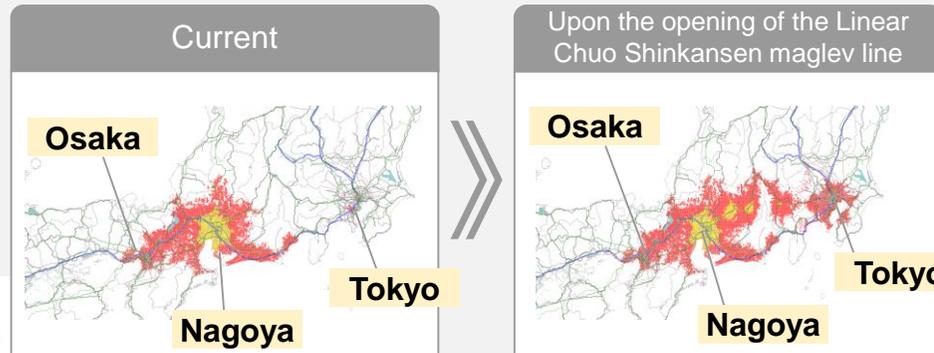
Correct the over-concentration in the Tokyo Metropolitan area by diversifying operating sites and candidate residency to revitalize the economy of the Chubu region.

The Group's business opportunities

Population of visits to Aichi Prefecture (total of business and tourism purpose) **increased 12%.**^{*4}

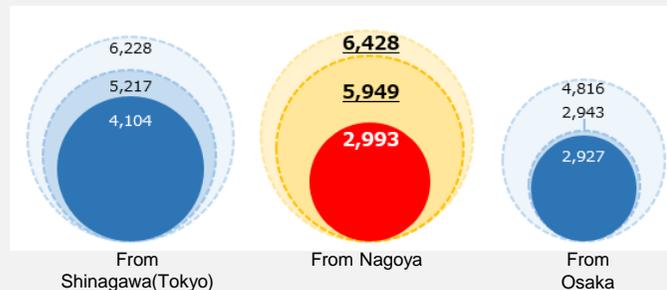
The travel consumption amount is estimated at **approx. ¥20.0-70.0 billion/year.**

Travel time from Nagoya (rail+ road)^{*1}



■ 1-hour area
■ 2-hour area

Change of population in the areas of 2-hour travel (10,000 people)^{*1}



■ 2-hour area (current)
⇒ ■ 2-hour area (Upon opening of Linear Chuo Shinkansen (Nagoya))
⇒ ■ 2-hour area (Upon opening of Linear Chuo Shinkansen (Osaka))

The population of the areas within 2 hours from Nagoya will be approx. 60 million, creating **the largest** population in Japan, exceeding Shinagawa(Tokyo).

With a shorter travel time, 5 prefectures in the Chubu region^{*2} will enjoy **approx. ¥1.8 trillion** economic impact out of approx. ¥10.7 trillion^{*3} nationwide.

Further economic impact is expected when the Linear extends to Osaka.

Achieve growth in the mid-to-long term by our capturing the above effect to the extent possible while promoting the Nagoya Station District Redevelopment Project including the renovation of Meitetsu Nagoya Station, and the creation of attractive areas and cities

*1 Prepared by the Company based on the materials of Mitsubishi UFJ Research and Consulting

*2 Aichi, Gifu, Mie, Shizuoka and Nagano prefectures

*3 Expansion of economic activities with shorter commuting time is the total of the present value of the past 50 years (calculated by Mitsubishi UFJ Research and Consulting)

*4 Non-resident population of airway and railway versus 2015 (calculated by Mitsubishi UFJ Research and Consulting)

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

- ◆ Creating attractive areas and cities
- ◆ Realizing a mobility network centered on public transportation
- ◆ Strengthening earning power and promoting structural reforms
- ◆ Enhancing management resilience through both defensive and offensive strategies
- ◆ Enhancing human capital

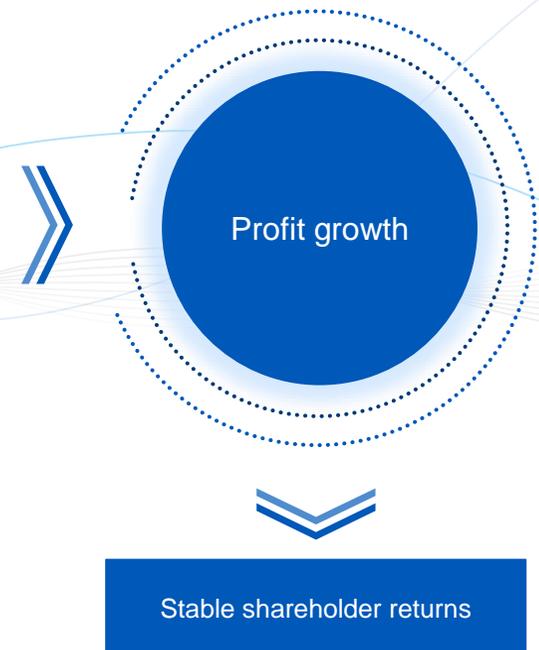
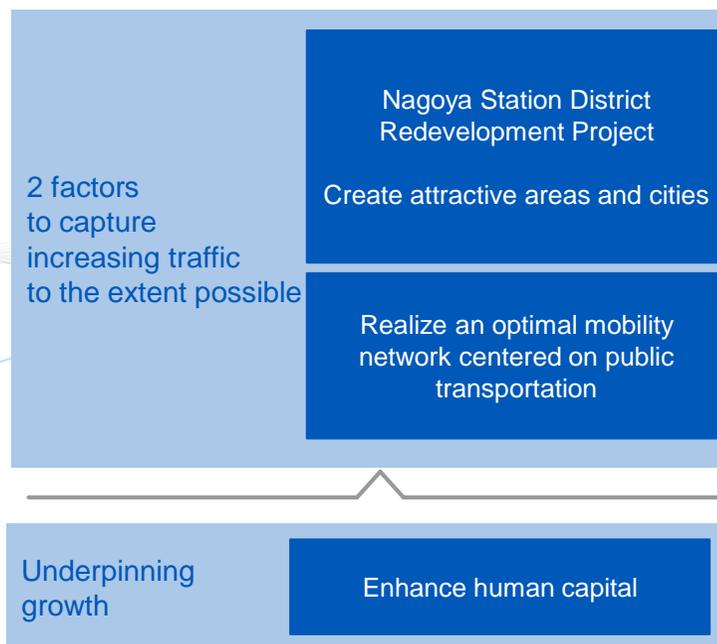
Long-term cash flow allocation policy

- Prioritize investment to ensure safety and peace of mind and invest in creating attractive areas and cities including the Nagoya Station District Redevelopment to stimulate tourism and encourage residency and realizing a mobility network centered on public transportation to capture the impact of higher traffic. As such, we will constantly invest in human capital that underpins our growth and achieve profit growth, while providing stable shareholder returns.
- As to the above, make growth investment while ensuring financial soundness by raising funds through further sale and securitization of the assets held (including assets related with the Nagoya Station District Redevelopment) in addition to using operating cash flow and financing

Four growth triggers



Allocate investment to three factors



Nagoya Station District Redevelopment Project

We have decided to get commercially involved in the Nagoya Station District Redevelopment Project currently under consideration.



Seizing on the rare opportunities presented by the opening of the Linear Chuo Shinkansen maglev line and the development of a super terminal led by Nagoya City and other parties in conjunction with this opening, we will promote the Nagoya Station District Redevelopment Project together with the Meitetsu Nagoya Station Renovation. In doing so, we will enhance the attractiveness of Nagoya as a city to attract people from Japan and overseas to our business area and ultimately supercharge the Group's growth.

※Details of this plan will be announced after a formal agreement is reached between the joint venture partners.

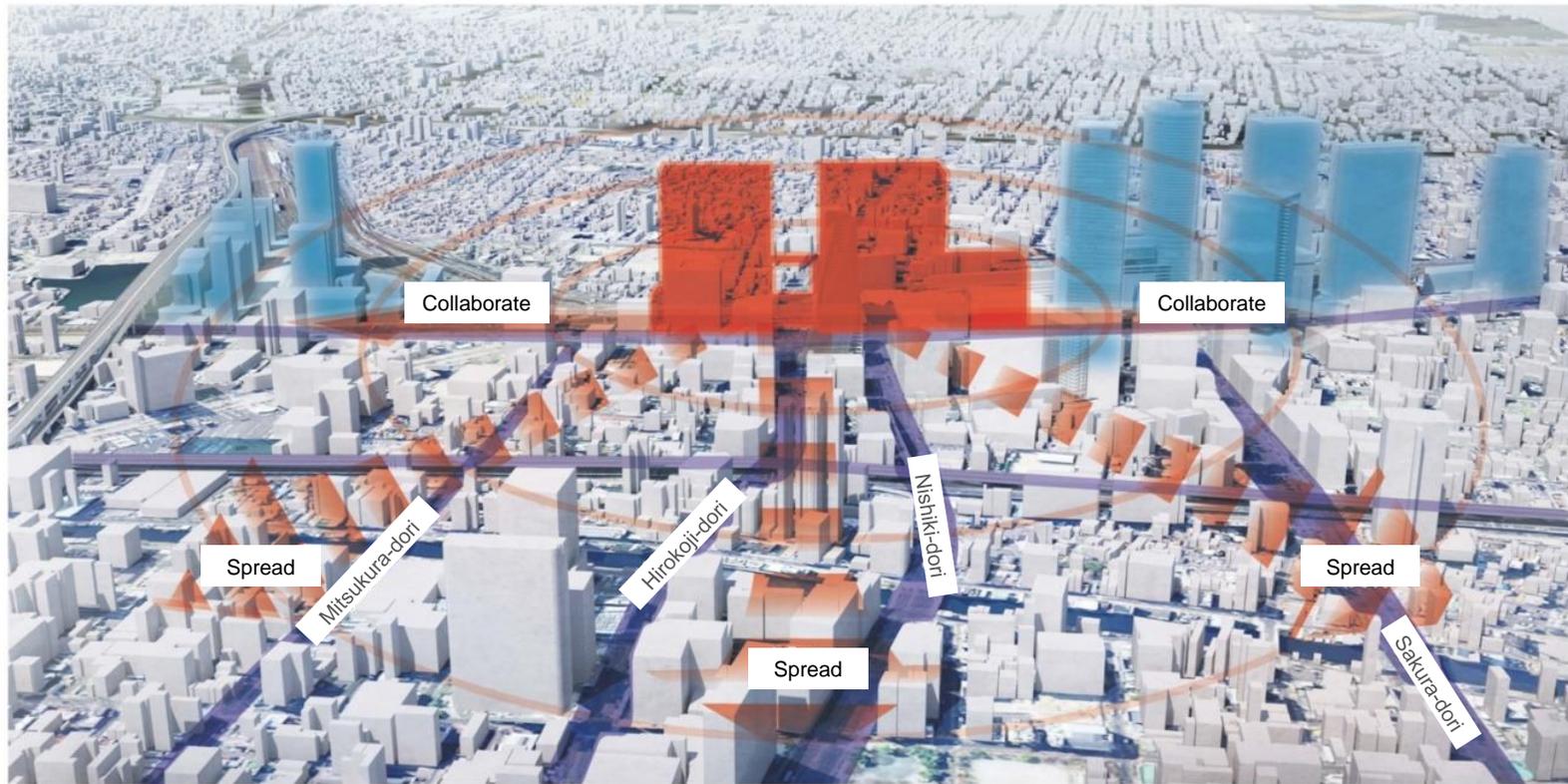
Significance of the Project

- Generate functions to create excitement and visits that contribute to increase attractiveness and value of the area
- Enhance transportation convenience and comfortability and establish a super mobility hub function
- Demonstrate the Meitetsu Group's potential and enhance the Group's brand value

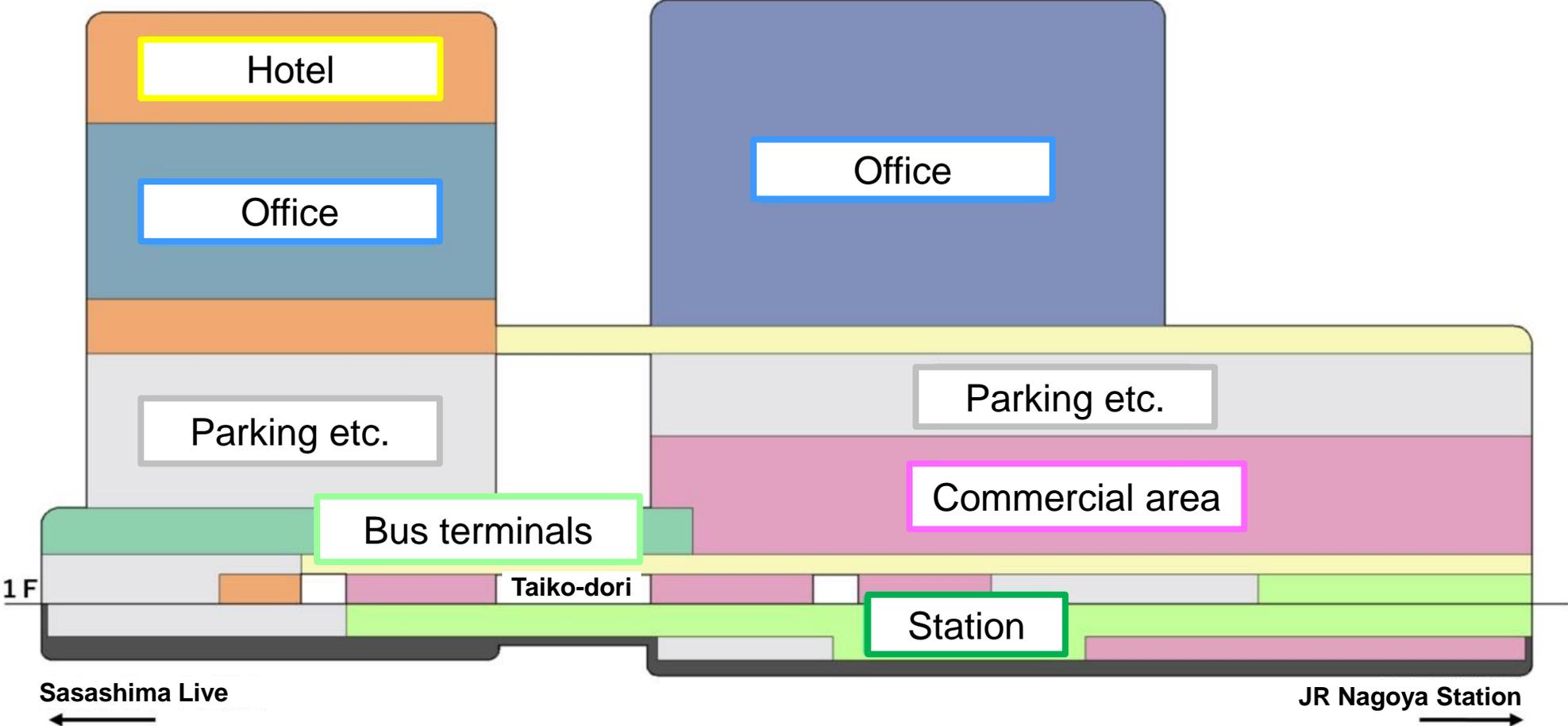
Our Approach to the Project

- Align with the Linear-related projects led by municipalities
- Form a regional transportation hub that includes the expansion of the Meitetsu Nagoya Station (expansion to four lines), which will enhance the convenience of airport access and contribute to address 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

We will create a lively atmosphere that is integrated with the city and realize a people-centered, walkable community through the development open to the community. In doing so, we aim to build a new landmark by improving the urban walkability starting from Nagoya Station and creating a city that leads to maximizing the value of our business area beyond the redevelopment area.



<Illustration of buildings around Nagoya Station>



<Floor usage diagram (illustrative)>

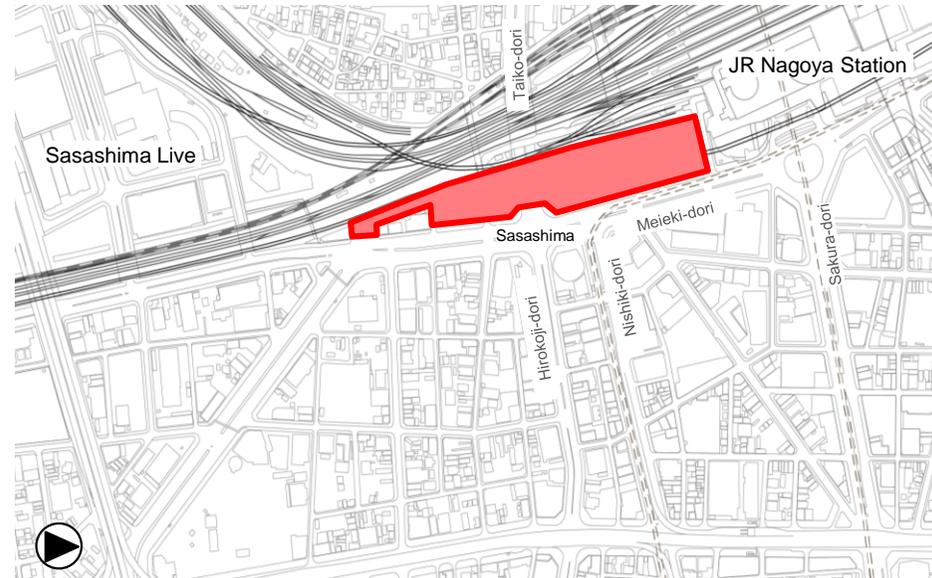


<An illustration of a bustling street view>

* This is an illustration and need to discuss with related parties.

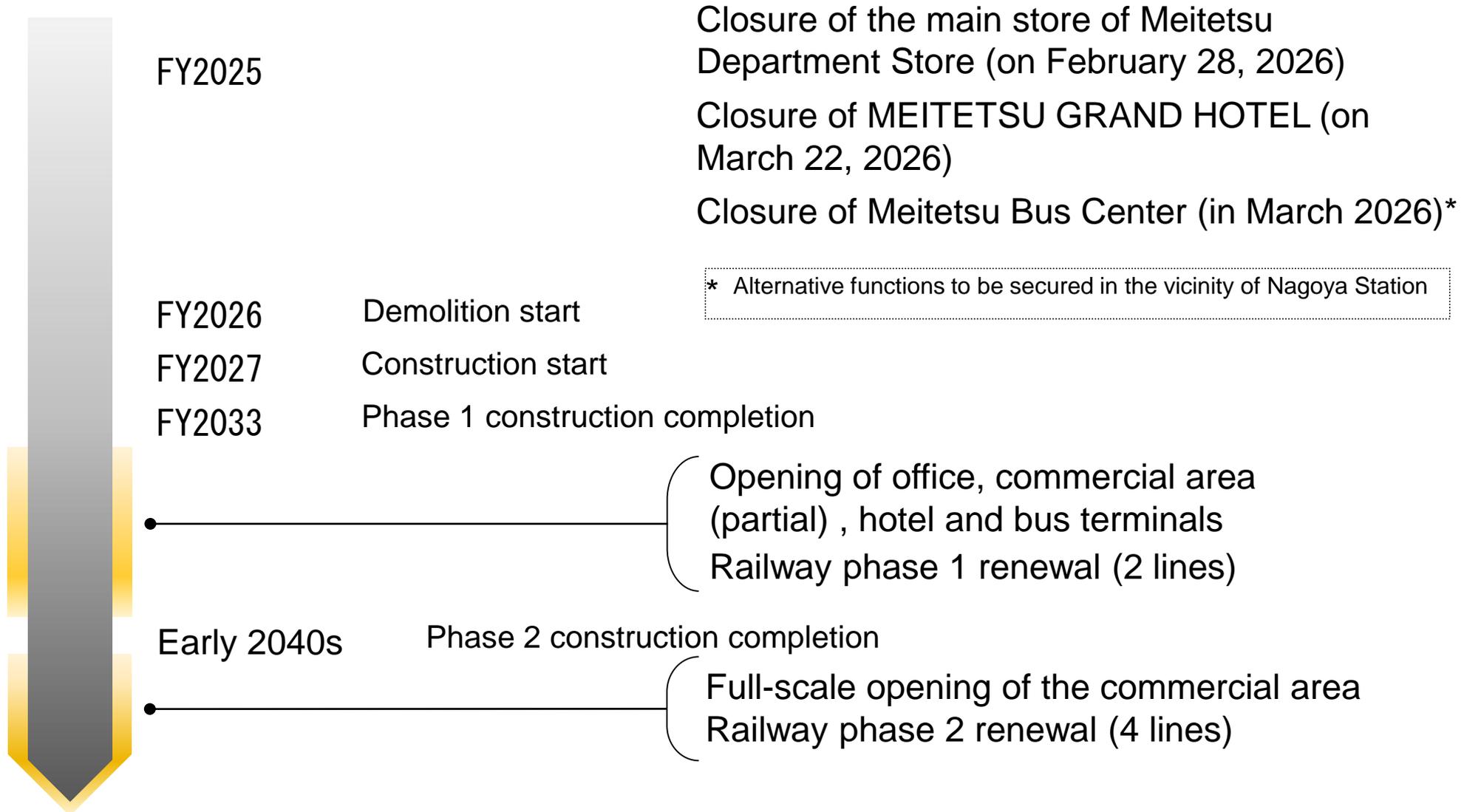
Overview of the Project

- Joint operators: Nagoya Railroad Co., Ltd., Meitetsu City Design Co. Ltd., Nippon Life Insurance Company, Kintetsu Railway Co., Ltd., Kintetsu Real Estate Co., Ltd.
- Location: 1-2 Meieki, Nakamura-ku, Nagoya-shi and other land parcels
- Site area: Approx. 32,700m²
- Total floor area: Approx. 520,000m²
- Usage: Commercial facilities, offices, hotel, railroad station, bus terminal
- Investment amount: Approx. ¥540 billion (investment amount of our development business)



<Area subject to redevelopment>

Overall schedule (plan)



Meitetsu Nagoya Station Renovation

Meitetsu Nagoya Station to be reborn as the core of the regional transportation hub

Upgrade the Meitetsu Nagoya Station such as by expanding from 2 to 4 lines, and aim to strengthen our railway network function and increase the sharing ratio of public transportation. Steadily respond to social demand such as “enhancing access to the airport” as the sole railway operator for the Centrair, and “creating a regional transportation hub” to widely spread the impact of the new Linear Chuo Shinkansen.

① Improve access to the Centrair

- By expanding to 4 lines, establish the “airport access platform” to make the airport access easy and improve convenience
- Secure a spacious interior inside the station, remove barriers, provide better directions and guidance, and increase the stoppage time of trains bound for the airport

② Other transportation modes and strengthen connection with cities

- Enable an easy and smooth transfer to transportation such as Linear Chuo Shinkansen through the Terminal Square, an open plaza to be developed by the City of Nagoya
- Achieve people-friendly transportation hub by making several passenger flows barrier-free
- Improve access to the Meieki Minami District by opening a new exit near the Sasashima crossing
- By expanding to 4 lines, realize an easy-to-understand access inside the station such as by separating platforms by destination



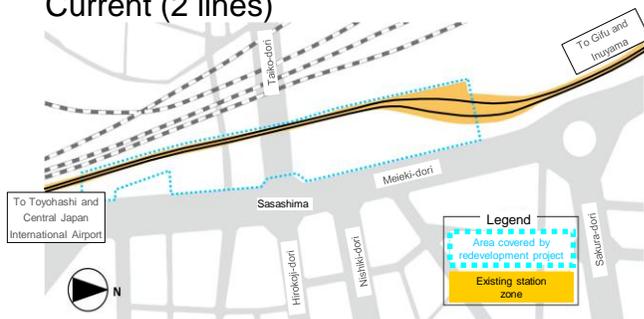
Illustration of “airport access platform”

③ Ensure further safety

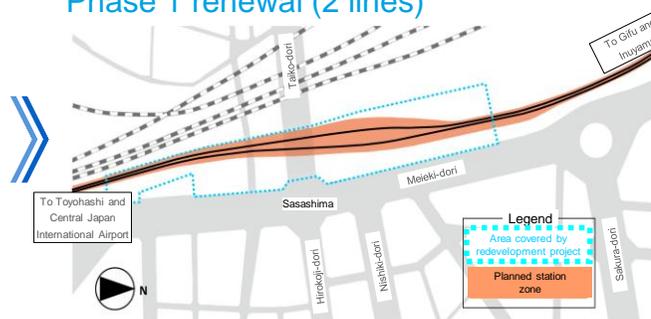
- Ensure safety by installing platform doors
- Improve responses to large-scale disasters by expanding platforms and concourse

Construction phase

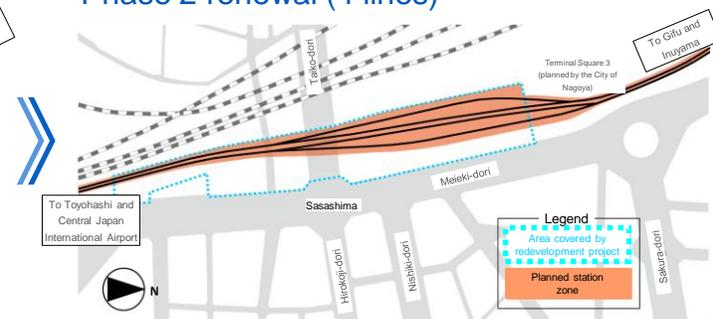
Current (2 lines)



Phase 1 renewal (2 lines)

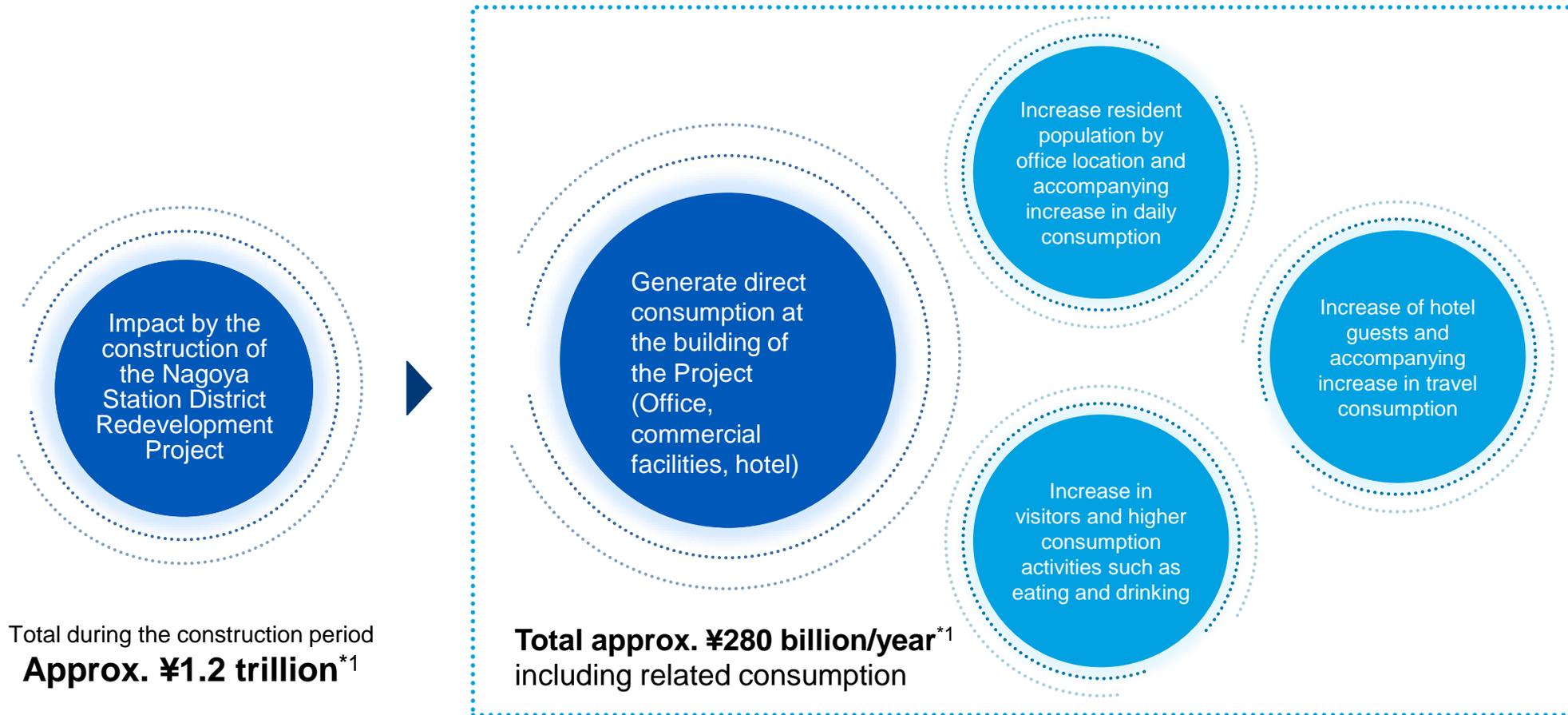


Phase 2 renewal (4 lines)



Ref.) Economic impact from the Nagoya Station District Redevelopment to be captured to the extent possible by the Group

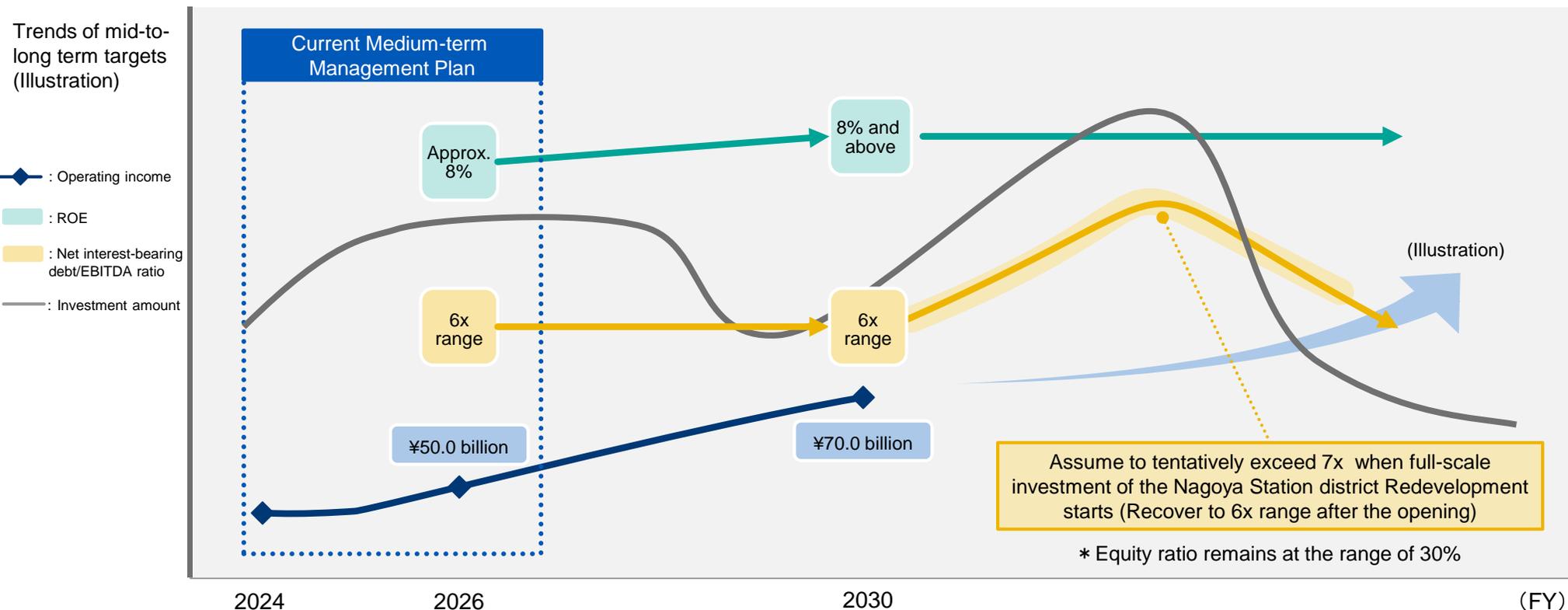
In addition to direct consumption activities (office, commercial facilities, hotel) at the building of the Nagoya Station District Redevelopment, attract related consumption in the surrounding areas



The Group captures maximum new demand of consumption in the region

*1 Economic impact on 5 prefectures of the Chubu region (Total of direct impact, first indirect impact, and second indirect impact)
Calculated by Mitsubishi UFJ Research and Consulting

We will provide stable shareholder returns led by profit growth, though the net interest-bearing debt/EBITDA ratio will tentatively exceed 7x in the mid-to-long term from higher investment including the Nagoya Station district Redevelopment.



Dividend policy	Basic policy of stable dividend payment	Aim for the consolidated dividend payout ratio of 30% and above under the basic policy of maintaining stable dividends
Repurchase of own shares	Flexibly repurchase own shares as necessary	



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.
This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.