

Odakyu Electric Railway Announces the Transfer of Fixed Assets and a Subsidiary's Shares—Transaction Will Help Increase Financial Margin for the Shinjuku Station West Exit Redevelopment Project

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on Odakyu Electric Railway Co., Ltd. (security code: 9007)'s "Announcement on transferring fixed assets and a subsidiary's shares".

- (1) Odakyu Electric Railway Co., Ltd. (the "Company") announced on March 23 that it would transfer Odakyu Dai-ichi Seimei Building (investment held), Odakyu Century Building and entire shares of Hotel Odakyu. Although transfer prices are not disclosed for all the three transactions, it was announced that gains from the transfer would be approximately 35.5 billion yen (scheduled to be recorded in the fiscal year ending March 2023 (FY2022)) for the Odakyu Dai-ichi Seimei Building and approximately 50 billion yen for the Odakyu Century Building (scheduled to be recorded in FY2023).
- (2) JCR has been paying attention to progress in improvement of the financial standing as the Shinjuku Station West Exit area redevelopment project, a large scale development project, will go into full swing. From the past, JCR has been holding a view that the financial base will unlikely be impaired during the development period given the Company's prudent financial management policy. The financial margin is expected to increase further through the transfer of fixed assets and shares this time. Moreover, JCR sees feasibility of achieving the goal under the Medium-Term Management Plan of interest-bearing debt of 700 billion yen at the end of FY2023 (744.7 billion yen at the end of FY2022 (plan)) has become higher. While expansion of investment burden is expected going forward, JCR will continue to watch the balance with the financial position.

Naoki Kato, Yusaku Hokakubo

<Reference>

Issuer: Odakyu Electric Railway Co., Ltd.

Long-term Issuer Rating: AA- Outlook: Stable

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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