



INTEGRATED REPORT 2023

SUSTAINABLE DEVELOPMENT GOALS



SDGs Declaration

We will strive to "Create Beautiful Living Environments," undertake sustainable urban and community development that integrates transportation and other lifestyle infrastructure and services, balance business growth with solutions to societal concerns, and contribute to SDGs.

Publication of Integrated Report 2023

We are now in the fifth year of publishing our integrated report. In previous reports, we have consistently disseminated information about our sustainable urban and community development and how we make communities more attractive over the long-term through our Long-Term Recycling-based Business Model. For FY2022, we summarized and disclosed our non-financial capital accumulated to date on the occasion of the Group's 100th anniversary.

Because this year is the final year of the three-year Medium-term Management Plan launched in FY2021, this report focuses on the progress of structural reforms and responses to environmental changes for revenue recovery and changes over to new growth as targeted in the Medium-Term Management Plan. This report aims to convey the following key points in particular.

▼ Key Points

- Ambitions of the new President appointed on June 29, 2023
- Progress of initiatives heading into the final fiscal year of the Medium-term Management Plan
- Expanded disclosure of sustainability initiatives

In addition, we reduced the length of our integrated report to improve readability and moved more detailed information to our corporate website for better accessibility.

We will use this report as a tool for dialogue with our stakeholders, and with the various opinions and advice we receive, we will work on further collaborative value creation, leading to sustainable enhancement of our corporate value.

September 2023

Setsu Hamana

TOKYU CORPORATION
Director & Managing Executive Officer,
Responsible for Corporate Planning Headquarters
Responsible Person for Publication of Integrated Report 2023

Editorial Policy

The purpose of this report is to deepen the understanding of our shareholders, investors and other stakeholders of how we will create value over the medium to long term by presenting our past, present and future, as well as our sustainable management framework. Through the publication of this report, we will deepen our communication with stakeholders, utilize the opinions we have received for improvement, and promote initiatives to further enhance our corporate value.

Guidelines Referred to

The "International <IR> Framework" of the International Financial Reporting Standards, IFRS, and the "Guidance for Collaborative Value Creation" of Japan's Ministry of Economy, Trade and Industry were referenced in the compilation of this report.



Scope of Report

Scope of Report: Tokyu Corporation and its consolidated subsidiaries (The Group)

Period Covered: In principle, this report covers the period from April 1, 2022 to March 31, 2023 (FY2022), but also includes some information related to activities before and after this period.

Publication Date: September 2023

Disclaimer on Forward-looking Statements

The opinions and forecasts contained in this report are those of the Company as of the date of preparation of this report. The Company does not guarantee or promise the accuracy or completeness of this information. Therefore, future performance may differ from our forecasts.

For the latest information, please see the following website.
<https://ir.tokyu.co.jp/en/ir.html>

Types of Publication

Publication	Details	WEB
Integrated Report	Please see "Contents" on page 2 for details.	
Corporate Guide	This guide provides stakeholders with an easy-to-understand overview of Tokyu Corporation and an explanation of our initiatives.	
Annual Securities Report	This report is compiled in accordance with Article 24 (1) of Japan's Financial Instruments and Exchange Act and submitted to Kanto Local Finance Bureau. Please see this report for details related to Tokyu's financial situation. It is published annually in late June.	
Corporate Governance Report	This report is compiled following Japan's Corporate Governance Code and submitted to Tokyo Stock Exchange. The report states aspects such as Tokyu Corporation's concept and system for corporate governance. Please also see this report with regard to aspects such as organization design, state of operations, and effectiveness evaluation of the Board of Directors.	
Safety Report	As part of the 2006 revisions to Japan's Railway Business Act, whereby railway business operators are obliged to publicly release safety reports, information related to the safety of Tokyu Railways' railway operations is stated systematically in the Safety Report.	

* Please see the link below for details on our sustainability initiatives and environmental data. <https://tokyu.disclosure.site/en>
* Some documents are only available in Japanese.

Highlights of Integrated Report 2023

Top Commitment

▶ page 09



Paving the Way for Success in Cyclical Reinvestments with Our Strength of Creativity

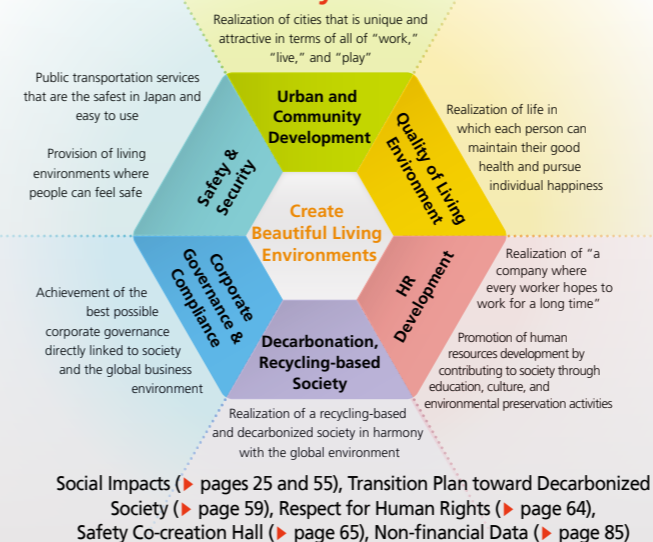
Creation of New Area Value

▶ page 17



Features of Our Urban and Community Development in the City Center and Areas Served by Tokyu's Railway Lines and Benefits to Society and Business

Sustainability Initiatives



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What We Aim For

We provide high quality, sophisticated living value following people's ideals of enjoyment, prosperity, and beauty with our roots in the development of public transportation and residential areas. Aiming to create beautiful living environments, we pursue a harmonious society and individual happiness while building strong relationships with our stakeholders.

Origin / DNA

Solving social issues through urban and community development



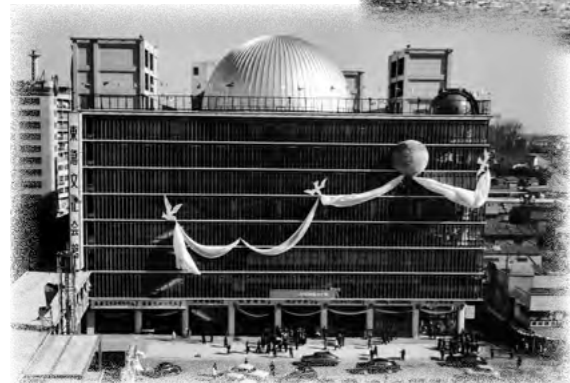
Eiichi Shibusawa



Keita Gotoh



- Urban and community development that integrates transportation and residential development
- Provision of quality of living from new perspectives
- Co-existence with communities and promotion of culture



Standard Values

Group Slogan

Toward a Beautiful Age — Tokyu Group

Beauty is the guiding principle and standard of value for Tokyu Group as it meets the challenges of the future.

For all of us in Tokyu Group, the beauty we aspire to is a universal beauty deeply impressing anyone who encounters it, regardless of their generation or culture.

We aim to create a beauty in harmony with people, their communities, and the natural environment.

With beauty as our touchstone, Tokyu Group's goal is to create beautiful living environments, which reflect our desire to serve our customers by refining our products and services, raising quality, and promoting good health. We are making every effort to realize this vision, and moreover, we aspire to play an active role in creating a more harmonious society, overflowing with kindness and consideration, so that all people may find genuine happiness and express an individual lifestyle.

Our slogan "Toward a beautiful age," expresses the commitment of all of us in Tokyu Group to continually pursue beauty, and proclaims our determination to lead the way in creating beautiful living environments.

Mission and Roles in Society

Mission Statement

We shall strive to create beautiful living environments, in which each person can pursue individual happiness in a harmonious society.

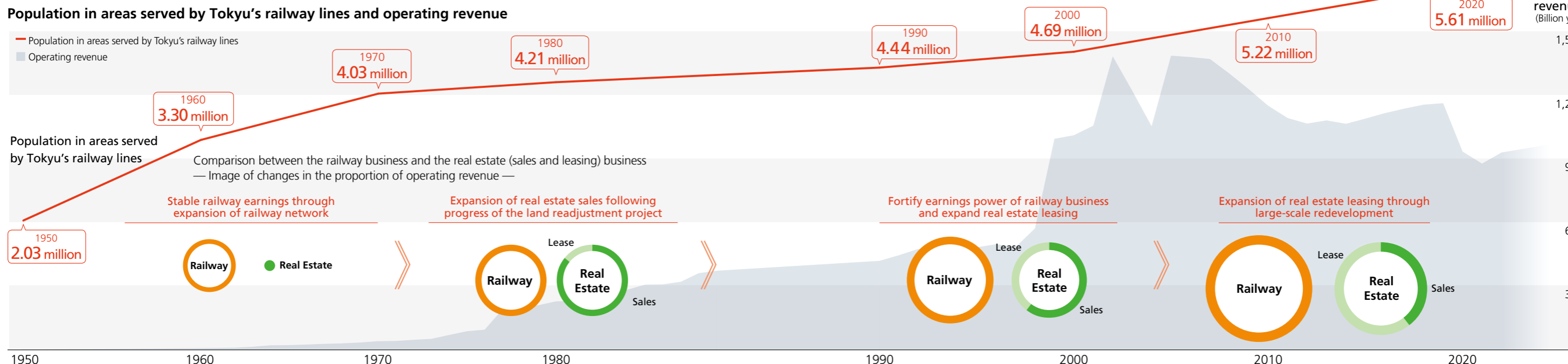
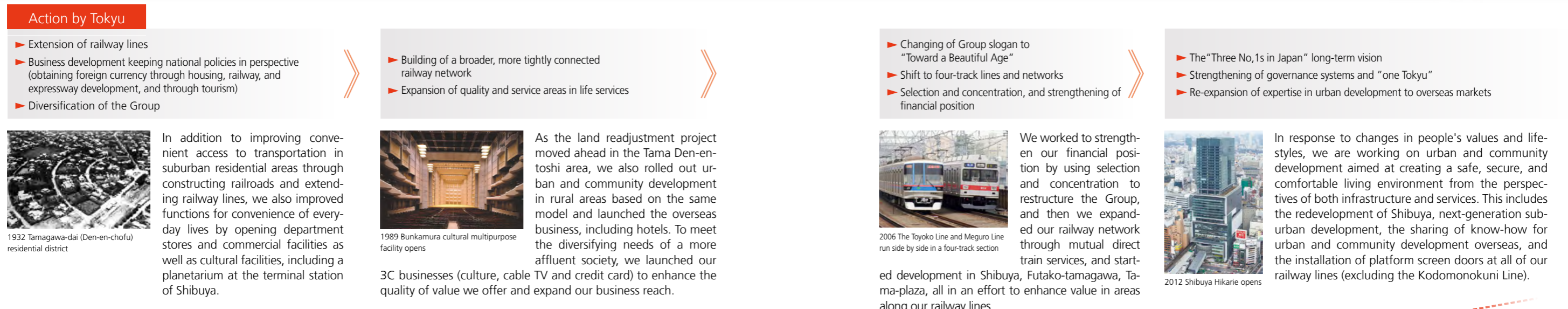


Based on a foundation of security nurtured through trust with our stakeholders, we value the comfort created by harmony, attentiveness responds to the particular needs of each individual, propose high-quality, and sophisticated daily living.

History of Value Creation: Resolving Societal Concerns

Since its establishment, we have been promoting urban and community development while balancing the public and private aspects of our business with the development of public transportation and residential areas. In response to the social issues that arise in each area as times change, we have been working to continuously enhance the value of areas by proposing life services and lifestyles from a new perspective.

through Urban and Community Development



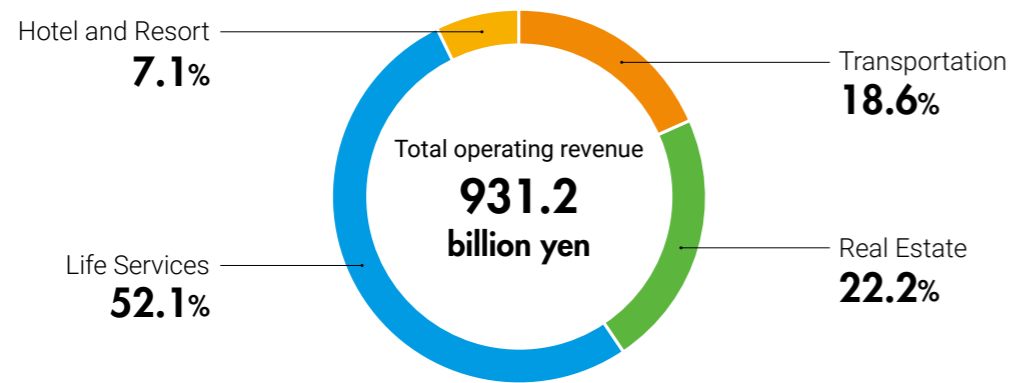
*Population in areas served by Tokyu's railway calculated based on national census data to show the trend since 1950.
*Consolidated accounts have been applied since FY1977, the new consolidated accounts system and annual securities reports amendment have been applied since FY1999, and the Accounting Standard for Revenue Recognition has been applied since FY2021.

At a Glance

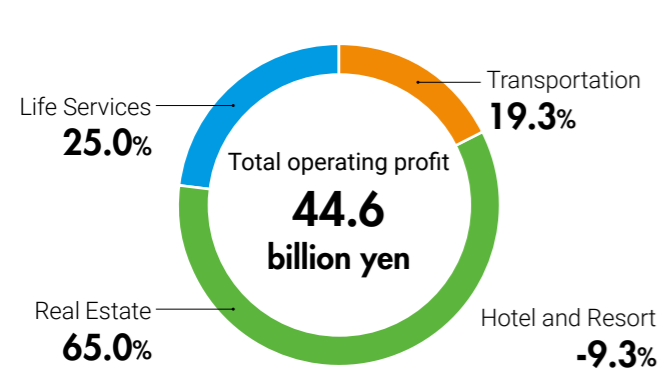
The Group consists of 129 subsidiaries and 38 affiliates. With operations in transportation, real estate, life service, and hotels and resorts focusing on the areas along Tokyu's railway lines, we engage in urban and community development from a long-term perspective and develop businesses that are closely linked to the lives of our customers. (as of March 31, 2023)

Business Conditions

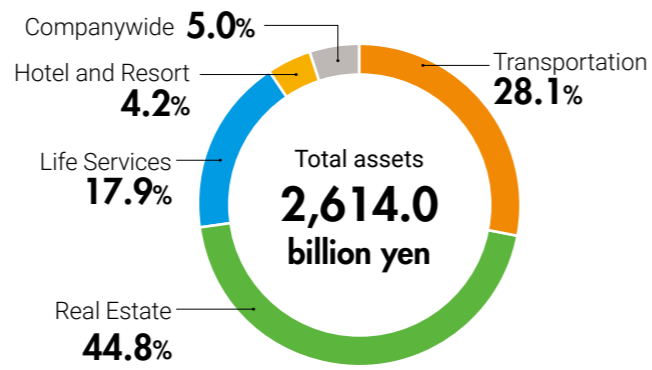
Operating Revenue Distribution Ratio



Operating Profit Distribution Ratio



Total Assets Distribution Ratio



Businesses

Number of passengers transported by Tokyu's railway lines (Tokyu Railways)

9.8 million
(1st)^{*6}

*6 Out of eight major private-sector railway companies in Kanto (Tokyu, Tobu, Seibu, Keisei, Keio, Odakyu, Keikyu and Sotetsu)

Leasable area (Tokyu Corporation)

1.451 million m²

Number of TOKYU POINT members

285 million

Hotel/members-only resort rooms

66 locations
12,849 rooms

Transport efficiency^{*7} (Tokyu Railways)

6.6 persons/km
(1st)^{*8}

*7 Number of passengers carried ÷ Distance traveled
*8 Out of eight major private-sector railway companies in Kanto (Tokyu, Tobu, Seibu, Keisei, Keio, Odakyu, Keikyu and Sotetsu)

Leasable office space in Shibuya area (Tokyu Corporation)

167,000 m²

Number of culture and entertainment facilities

35 facilities^{*9}

*9 Theatres, art museums, multipurpose halls, and movie theaters, etc., operated by the Group

Number of employees (consolidated)

23,763

Sustainability

Ratio of all Tokyu Line renewable energy operations

100%^{*10}

*10 Ratio of electricity derived from renewable energy with net-zero CO₂ emissions

Ratio of childcare leave taken by males/Average number of days taken (Tokyu Corporation)

90.6%
32.7 days

Nadeshiko Brand

10 consecutive years^{*11}
NADESHIKO BRAND 2022

*11 FY2012 to FY2021

Ratio of independent outside directors

4/11^{*12}
Ratio of female directors
2/11^{*12}

*12 As of July 1, 2023

Participation in and endorsement of various initiatives related to the environment and climate change



Main indices



FTSE Blossom Japan Sector Relative Index



2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF TOKYU CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF TOKYU CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Profit attributable to owners of parent
25.9 billion yen

TOKYU EBITDA^{*1}
144.6 billion yen

*1 TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

ROE^{*2}
3.6%

*2 ROE = Profit attributable to owners of parent / Shareholders' equity (average for term) × 100

EPS^{*3}
42.94 yen

*3 EPS = Profit attributable to owners of parent / Number of shares issued (average for term)

Interest-bearing debt/TOKYU EBITDA multiple^{*4}
8.9 times

*4 Interest-bearing debt / TOKYU EBITDA multiple = interest-bearing debt (end of term) / TOKYU EBITDA

D/E Ratio^{*5}
1.7 times

*5 D/E ratio = interest-bearing debt (end of term) / shareholders' equity (end of term)

Top Commitment

Paving the Way for Success in Cyclical Reinvestments with Our Strength in Creativity

堀江正博

Masahiro Horie

President & Representative Director
TOKYU CORPORATION

Message

I assumed the post of President & Representative Director as of June 29, 2023. I am drawing to the utmost on my various experiences to-date in such areas as urban development along our railway lines, overseas hotels operations, and instigating real estate investment trusts in realizing new growth for Tokyu.

Our Strengths and DNA

Demonstrating Creativity Based on Our Proprietary Business Model

■ Mesh-type Transportation Network and Cyclical Reinvestments

In the century since our founding, we have evolved urban and community development with a technique known as Transit-Oriented Development (TOD). We form a transportation network of railways and buses which is laid out like the mesh of a net, and increase the value of communities in a sustained manner by cyclical reinvestments of the revenues we obtain from areas centering along our railway lines. These are the fundamentals of our business. By engaging in urban development in this aspect of centering along our railway lines and providing diverse services that enrich lives with a long-term view, we have acquired the support of our customers.

Communities are not one-and-done. I consider it necessary to constantly alter in both soft and hard aspects in accordance with the times in response to the passage of time and people's lifestyles. Tokyu Corporation, being especially close to areas served by our railway lines, holds the powerful idea that we will continue to elevate community value. Increasing value along our railway lines drives value creation for those who own real estate and engage in business along our railway lines, as well as our own profits.

In future, by carrying out plans for further accelerating cyclical reinvestments, we will earn returns greater than those for standard real estate businesses, and increase the degree by which we outperform by adding to synergies with each of our businesses. We will then reinvest the capital thus obtained in the areas served by our railway lines. By continuing to develop communities and speeding up our investment cycle through this proprietary business model, we respond to an ever-changing external environment and promote urban and community development that our customers can enjoy.

■ Our DNA: What Matters to Us

Another essential thing to talk about is creativity. Looking back over our history, as Tokyo's urban areas were deteriorating in residential environment some 100 years ago, we showed a lifestyle of commuting by train from green suburban residential areas to work in the city center by building railways in Tokyo suburbs and developing residential areas there. Urban and community development that enriches lifestyle conveniences such as supermarkets, hospitals, and colleges from the standpoint of living people was an unusually novel idea that had never happened before. We attentively observed how its customers were living and what they wanted from supermarkets near train stations, and thoroughly researched and envisioned what was necessary to create an enriched living environment. To that end, creative ideas and actions are essential, and are in our formative DNA.

I myself have learned the importance of this viewpoint in the course of the various businesses I have participated in to-date, and now strongly communicate the importance of creativity to our employees as well. We conceive anew of the novel and creative ideas cultivated since our founding and advance them even further. This intent shows in the words "Creative Director" that are inscribed on my business cards.

I came to work for Tokyu Corporation inspired by the words of former Chairman Noboru Goto, who said, "Frontal wounds are a man's badges of honor." Nowadays we might instead say, "Frontal wounds are a businessperson's badges of honor." Take chances; don't worry about failure. If you fail, learn from your mistakes, and try again. We are building a corporate group capable of engendering new solutions on the basis of these shared values.

*Transit-Oriented Development (TOD): a concept of urban development that strives for a society that is less dependent on automobiles and orients toward public transportation. First articulated by American architect Peter Calthorpe in 1993. TOD along our railway lines is a development model unique to Japan from before TOD drew attention worldwide, in which, in order to guide toward healthy community growth in response to population concentrations in city centers, integrated infrastructure is laid for development of transportation, suburban residential areas and urban areas together with terminals and development in the vicinity thereof, predicated on use of public transportation. The Group will hereinafter intensify this model.

Progress of Three-year Medium-term Management Plan (FY2021–FY2023)

Establishing Definite Demand Recovery, Realizing Increased Revenue and Profit

■ A Year in Which Response to Changing Environments Began to Bear Fruit

FY2022 was a period of economic recovery, a year in which corporate stability was tested, and we achieved increased revenue and profit due to demand recovery chiefly in our Transportation and Hotel and Resort Businesses. Opportunities for



outings increased with COVID-19 being downgraded in severity to Class 5 as of May 2023, driving inbound demand recovery. Our focus going forward is how to make business opportunities out of this change.

During the period of the current Medium-term Management Plan, we have built up a solid structural reformation aimed at stability in earnings. Immediate concerns include responding to increased construction costs, driven by such matters as rising energy and construction material costs and labor shortages in the construction industry. I believe that policies must be enacted in response to each of these concerns, including changing project purposes and collaboration with the authorities. At the same time, it is envisioned that such matters are affecting other concerns as well, and that these concerns will also decide to delay or cancel construction projects in time to come. We will reliably ensure demand while studying market conditions so as to be able to provide supply at appropriate times from a medium- to long-term viewpoint.

It is also becoming necessary to provide housing at affordable prices as apartments become more expensive in Tokyo city center. For example, using such highly reliable secondary transportation as Tokyu Bus Corporation allows realizing easily livable residential environments even a little way distant from train stations. I also intend to maximally utilize our transportation network and engage with providing residences capable of satisfying a plurality of requirements, such as convenience and value.

Toward Enhancement of Corporate Value

Maximizing Value Created with Synergies between Businesses as the Key

■ Generating Group Synergies

Regarding future growth, we are turning to the potential of existing business in addition to such large developments as Shibuya, where we are presently conducting development. As it takes time for large developments to generate revenue, it is imperative that we stabilize existing business to sustain ourselves until then as well. Our hopes for each business do not stop there, however. My view is that, by thoughtfully responding to customers' needs, our individual businesses can yet continue to grow.

The key lies with collaboration between businesses. It should be possible to generate new value through synergies possible only to the Group, with the diverse businesses it engages in. Already we are beginning to provide services combining hotels and entertainment, and momentum is increasing internally to strengthen collaboration outside of business silos. The role of management is to connect businesses together. I will take command going forward unstintingly as well so as to amplify this flow.

■ Developing Communities in Association with Local Communities

In urban and community development, we will further strengthen our ties with customers along our railway lines. Starting with Tama Den-en-toshi and Shibuya, we are most recently proceeding to build positive and long-term relations with local stakeholders in such areas as Jiyugaoka and Tsunashima. Additionally, we are aware of the necessity for strengthening ties in areas where considerable time elapses from development and relations with landowners and other local parties either fades or cannot be maintained. We conduct research anew into community requirements and carry out urban and community development as customers truly desire through dialogue with stakeholders including government and residents. On these occasions, we make creatively-driven recommendations, such as whether we ourselves

provide what customers want, or collaborate with corporations providing superior services in such sectors, avoiding being trapped in a single mode.

Furthermore, I promote research as well into return on investment by area. Thus far, we have accumulated know-how of the asset business that arises from our direct holding of assets through large redevelopment, as well as of a wide range of fee businesses that do not necessarily depend on assets and instead leverage networks with wide-ranging players, including our real estate management operations. Having cultivated these businesses to this point, we are combining the knowhow of the fee businesses according to area characteristics and customer needs with that of related businesses to expand into other areas. I intend for us to adopt new criteria axes into management and strive for further growth.

Long-term View

Striving for Livable Communities Hereinafter

■ Toward Evolving into Ever More Attractive Areas Served by Tokyu's Railway Lines

In envisioning future communities, Japan's declining population is an unavoidable concern. I have studied this societal problem since before the year 2000, with particular attention to how to increase populations along our railway lines. Japan's population has continued to decline over these past 20 years and more. It is also true, however, that population inflows are sustained only in the Tokyo metropolitan area. While this may be considered on the one hand as a harmful concentration, there should also be without doubt the benefit of creativity being utilized to the utmost and new value generated through lots of people gathering and discussing matters.

In Shibuya Scramble Square, for example, we have provided a facility we call SHIBUYA QWS, for diverse people to come together and create ideas and new businesses that produce social value. By accumulating opportunities and places for such co-creation in Shibuya, we take on the challenge of creating new social value that does not yet exist in the world. I wish to carry out urban and community development with an eye toward value accumulation as well as the numbers of population. Making areas served by Tokyu's railway lines more attractive is necessary to that end. In addition to update investments in existing facilities, supplying new apartments, and improving mobility through such as enhanced collaboration with buses that improve ease of movement, other things that we yet can and should do through cyclical reinvestments include creating services that enrich our lives.

I additionally hope to make areas served by Tokyu's railway lines more attractive in terms of employment as well. We will provide places where childrearing segments and the elderly alike can all work without difficulty, creating opportunities to participate in society. Extensive employment opportunities are one reason for choosing a given community. We engage with strong determination with urban and community development where diverse people gather, including commuters, visitors and foreign tourists alike, in addition to residents.

■ Resilient Urban Development

As we develop business primarily along our railway lines, we strive for livable urban and community development. Policies with sustainability awareness, including disaster preparedness, are essential to urban and community development going forward. Quake- and fireproofing in wood-dense areas within Tokyu Lines service areas where there are many wooden buildings is becoming a matter of concern, and we should build structures aimed at recovery in association with all parties in areas served by Tokyu's railway lines in the event of disaster. As a beginning, in January 2023 we executed a comprehensive collaboration agreement with Niigata Prefecture with business continuity in mind. In addition to adopting Niigata Prefecture's disaster response knowhow into areas served by Tokyu's railway lines, we will provide mutual support for recovery in the event of disasters in our respective regions. We will effect greater resilience along our railway lines through such initiatives as this.

In Conclusion

Toward Making Tokyu the Brand of Choice for Posterity

■ Building Customer Trust

The most important thing to us is the trust between us and our customers in Tokyu Lines service areas, where they live, work, and travel. In 2022, Tokyu Department Store Co., Ltd. put up posters such as this in Tokyu Lines service areas:

“Customers from the community are the source of this store’s greatest pride.”

I feel this slogan captures all that we want to express. It is no exaggeration to say that our business growth is built on our customers’ smiles of satisfaction, and that our customers’ happiness is our happiness. I inform our employees at this time of the importance of making customers into repeat business, as well as that of exercising their creativity. We are proceeding with organically fusing various businesses in development of areas served by Tokyu’s railway lines where our children and grandchildren will want to live, making the ultimate repeat business. To that end, I will steer the ship of management while proactively making onsite visits, traveling to communities, and thereby seeing for myself what our customers require.

■ To Our Shareholders and Investors

While I worked at TOKYU REIT, Inc. operations, I worked hard at IR, successfully enlarging our range of investors from individuals to domestic and foreign institutional investors alike. Based on those experiences, I believe that providing conscientious communication and accurate data is necessary to dialogue with our investors. We were quick to respond to strong market demands for disclosures regarding sustainability. The business activities of urban and community development are deeply intertwined with ESG, SDGs, and sustainability, and we are proceeding to engage with these in various ways including TCFD and disaster response with sustainability at the core. Going forward, while sincerely listening to the market, I will simultaneously be firm in presenting our thinking and policies. Your understanding is appreciated. I thank you for your continuing support of the Tokyu Group.



Vice Chairman Takahashi’s Message

Accelerating Transformation Momentum, Evolving Tokyu

■ What I Want the New Leadership to Inherit and What I Expect It to Evolve Into

Looking back on my time as President of Tokyu Corporation, whereas results were good through 2018–2019, we experienced a great decline beginning in FY2020 with COVID-19. We have set transformation to be the central theme of our current Three-year Medium-term Management Plan, and put our efforts into structural reformation. As a result, we at last expect operating profit of 78.0 billion yen in FY2023, recovering to 90% of our pre-COVID-19 operating profit of 81.9 billion yen in FY2018. We will not let the companywide transformation momentum that has built up in the interim be a transient thing. I intend that we will not stop the flow, and will constantly evolve in response to changing environments. Additionally, even as the business environment turns positive, each and every employee must be highly motivated if we are to be able to deliver good service to our customers. I too, while focusing on this point, taking the centennial of our founding as an inflection point, have made efforts to help our employees sense and be motivated about the Company’s transformation. Given that younger employees have a particularly strong sense of wanting to change the company and are highly motivated to that end, I consider it crucial going forward as well that we provide and expand opportunities for them.

■ On the Appointment of Tokyu Corporation’s New President

I considered our new president Horie’s ability to get things done to be of particular importance in his appointment. I have much regard for his leadership in restoring our hotel business to levels approaching that prior to COVID-19. It was undoubtedly hard to take command of the hotel business in those par-

Kazuo Takahashi
Representative Director &
Vice Chairman Of The Board



ticularly tough circumstances with people not moving around. At Tokyu, with its many businesses, there are limits to what any one person can do. It is essential for top management to be competent in motivating people and organizations.

A thorough comprehension of business sites is also crucial. The Group comprises railways, real estate, retail shopping, hotels, and 129 subsidiaries. These business sites are the source of our revenue. I call on him by all means to exercise the strengths accumulated in going onsite and communicating there everyday. I expect him, as consolidated management leader, to draw on his comprehension of the front lines to supervise and communicate group policy from a higher perspective than he has done before.

On the other hand, as top management cannot direct everything, the key will be how well the management team and each division head is able to instill the medium-to-long-term vision in employees and organizations. Transformations are not necessarily rapid when organizations get big. I call on our new president to clear away hard bedrock if it exists and strive for further evolution.

Outside Director Shimada’s Message

Anticipating Taking Chances on New Domains While Obtaining Employee Understanding and Affinity

Concerning the appointment of our new president, while the various candidates all had their strong points, Mr. Horie was the candidate that all parties reached consensus on.

I have particularly high regard for his carrying out the functional restructuring of our hotel business. All of us outside directors were persuaded by his explanations. In this time of Japan’s accelerating population decline, guidance is needed for a business environment unlike what has gone before. It is highly crucial that our employees grasp and feel an affinity with company policy, and feel a desire to follow same. Our new president has just this top management quality: the ability to motivate people.

I look forward to him also building on such accomplishments as starting TOKYU REIT, Inc.’s asset management company from scratch and taking it public, in exercising leadership and engaging solidly with raising our share price and corporate value as our president. To this end, we outside directors will give advice from our respective viewpoints.

Kunio Shimada
Lead Independent
Outside Director



Areas served by Tokyu’s railway lines are the core of our company, and we provide new value in the form of joy and happiness to people on a basis of safety and security. How do we expand our business concentrating on areas of strength with limited resources? I anticipate our new president finding places in new markets overseas as well as at home and engaging carefully and boldly with these.

Fields of Business Expansion

We operate in one of the most populous and consumer-intensive areas in Japan. Drawing on the business expertise cultivated in areas served by Tokyu's railway lines, we are also expanding business into locations outside these areas.

Creation of Unique and Attractive Area Value

The areas served by Tokyu's Railway Lines are located in the south-west of Tokyo and is home to 15% of the Tokyo metropolitan area's population. The Group is developing each area based on the unique social issues and demographics and while leveraging the characteristics of each. In a ranking of attractive towns to live, each station along the Tokyu Line ranks highly.

Previously, it was predicted that the population living in areas along Tokyu's railway lines would peak in 2020, but the latest data indicates that the population is forecasted to continue growing until 2035. The data also shows the increase exceeded the predicted value up to 2020. This is thought to be due in part to the urban and community development by the Company along the railway lines, such as in Shibuya, Futako-tamagawa and Tama-plaza.

Urban and Community Development from a Long-term Viewpoint



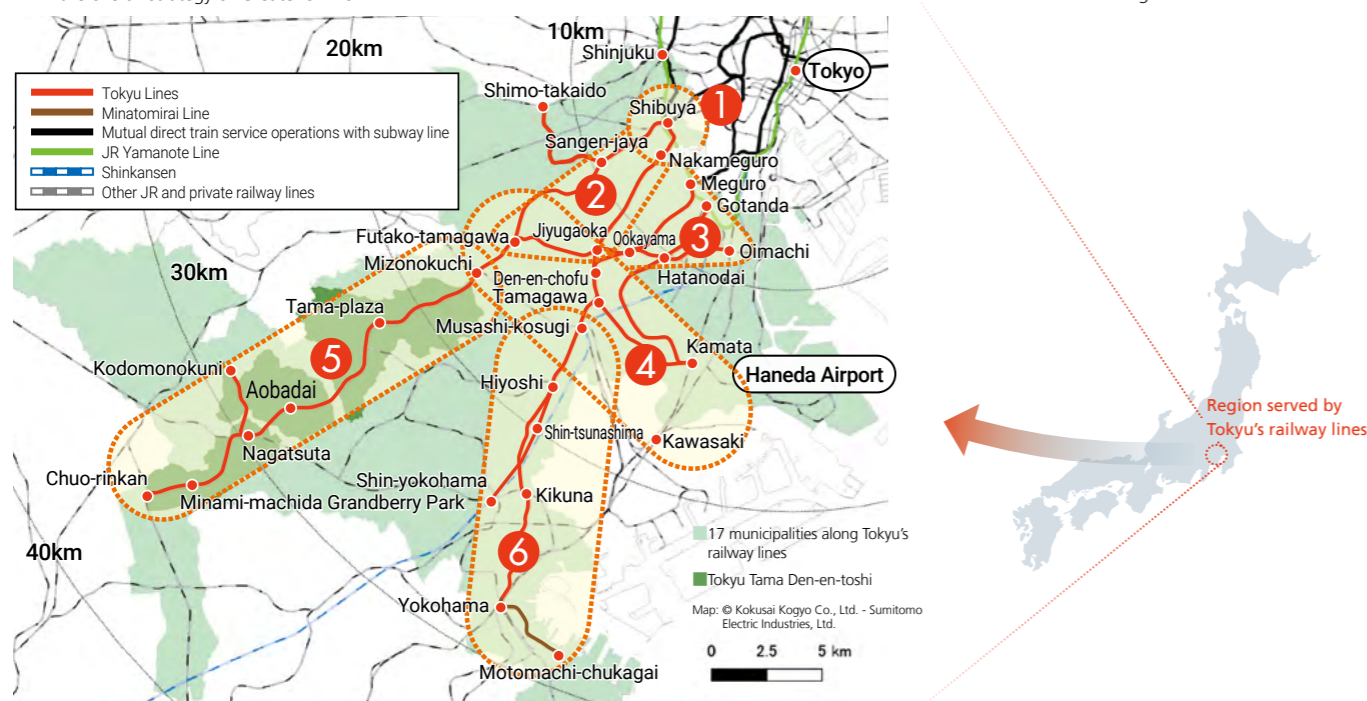
1 The most important center of the Group as we promote urban and community development based on the overall strategy of Greater SHIBUYA 2.0.



2 An area of high population growth where the creative population gathers.



3 Gotanda, Meguro, and Oimachi with anticipated potential from development in Shinagawa.



4 Area with anticipated opportunities for business participation, such as the New Airport Line project, and extension of the Gaikan Expressway.



5 A lush green area spanning Kawasaki, Yokohama and Yamato in Kanagawa prefecture and Machida in Tokyo prefecture.



6 Area with anticipated improvement in access and increase in visitors from the opening of the Tokyu Shin-Yokohama Line.

Data on the 17 Municipalities along Tokyu's Railway Lines

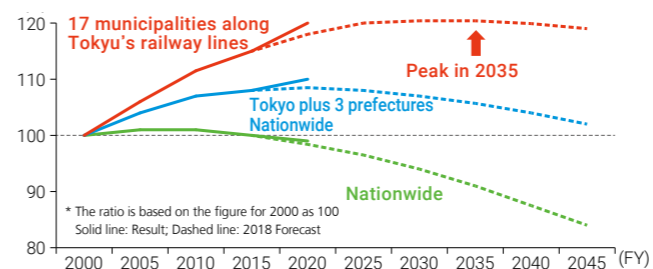
Area
492 km²

Population
5.52 million
(including non-Japanese residents)
15% of the Tokyo Metropolitan area
(Tokyo plus 3 prefectures)
(Basic Resident Register as of January 1, 2023)

Taxable income per capita
1.5 times the national average
FY2021 Personal Income Index

Estimated amount of consumer spending along Tokyu's railway lines
8.6 trillion yen
Average household consumption expenditure of all households* in Tokyo's 23 wards, Yokohama, and Kawasaki
*Calculated based on Annual Report on Family Income and Expenditure Survey 2022 (Ministry of Internal Affairs and Communications)

Dynamics of population demographics in the areas served by Tokyu's railway lines (total population)



Source: Japanese Census (2000-2020), National Institute of Population and Social Security Research (2018 Estimate)

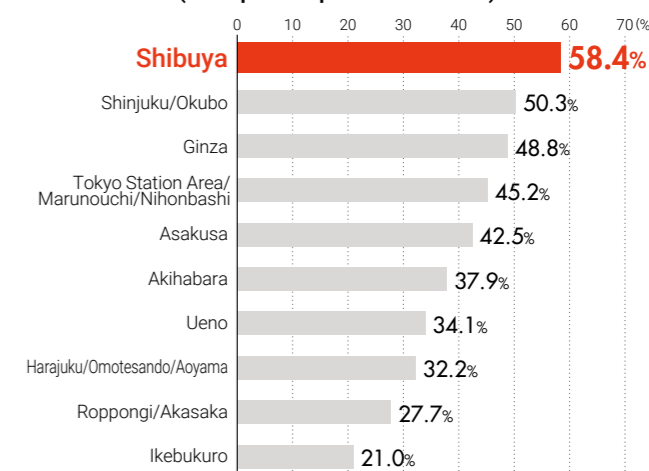
Areas served by Tokyu's railway Lines

Most Desirable Urban Areas (FY2022 Ranking)

1st	Ebisu	6th	Yokohama
2nd	Meguro	7th	Hiroo
3rd	Jiyugaoka	8th	Futako-tamagawa
4th	Nakameguro	9th	Shinagawa
5th	Kichijoji	10th	Yoyogi Uehara

Source: MAJOR7 Apartment Trend Survey

Shibuya Places Foreigners Visit in Greater Tokyo (Multiple Responses Allowed)



Source: Tokyo Metropolitan Government Bureau of Industrial and Labor Affairs 2022 Foreign Tourist Activity Survey

Business Expansion Outside the Areas Served by Tokyu's Railway Lines and Overseas

We are contributing to the revitalization of cities and the creation of beautiful living environments by expanding our business into areas and regions where we can take advantage of our strengths gained through our operations along Tokyu's railway lines.

Making Inroads into the Airport Management Business by Utilizing Expertise Cultivated in the Transportation Business

Built on a basis of safety, the airport management business has a high degree of affinity with the transportation business. Thus, we are carrying out contracts for the management of airports in various regions as a new business that allows us to maximize the Group's expertise. Using airport management as a foothold, our aim is for mutual growth in cooperation with existing Group businesses in areas such as Hokkaido, Tohoku, Shizuoka/Izu, and Chugoku/Shikoku.



Sendai Airport Passenger Terminal



Hiroshima Airport Passenger Terminal



Overseas Urban and Community Development

In Vietnam, we are expanding urban and community development integrated with public transportation through the development of environments for work, living, and play, combined with the bus business. In Thailand, we are promoting residential properties and residential leasing services. In Australia, we are engaged in urban development and housing land development.



Binh Duong New City, Vietnam "SORA gardens SC" commercial facility

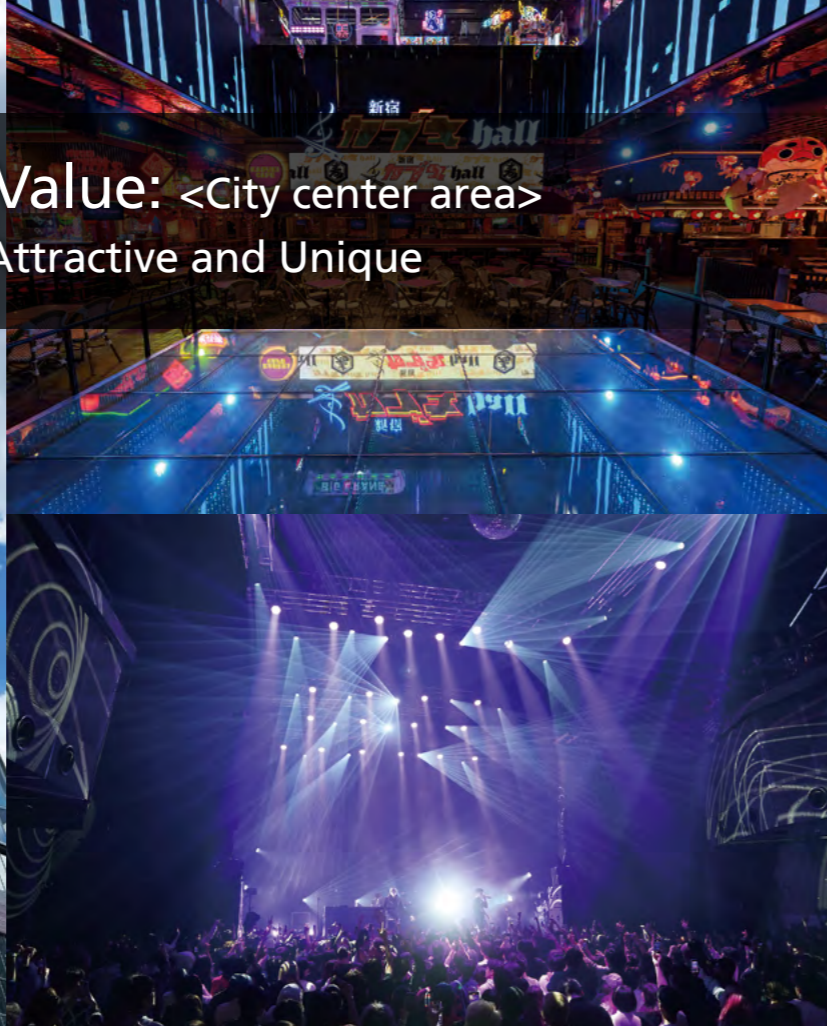


Bangkok, Thailand "Burasiri Krungthep Kreetha" residential properties



Residential land development in Yanchep and Two Rocks area in Western Australia

Creation of New Area Value: <City center area> Easy-Access Communities with Attractive and Unique



Case 1 Tokyu Kabukicho Tower



Attributes: Following in the footsteps of the concepts for urban and community development in post-World War II Kabukicho, of promoting culture and tourism, including movies, we are expanding the largest*1 hotel and entertainment business facilities in Japan so as to make a world-class metropolitan tourist attraction.

Concept "Believing your preference"

New cultural and experiential value Story-making and lifestyle proposals that create new "likes"

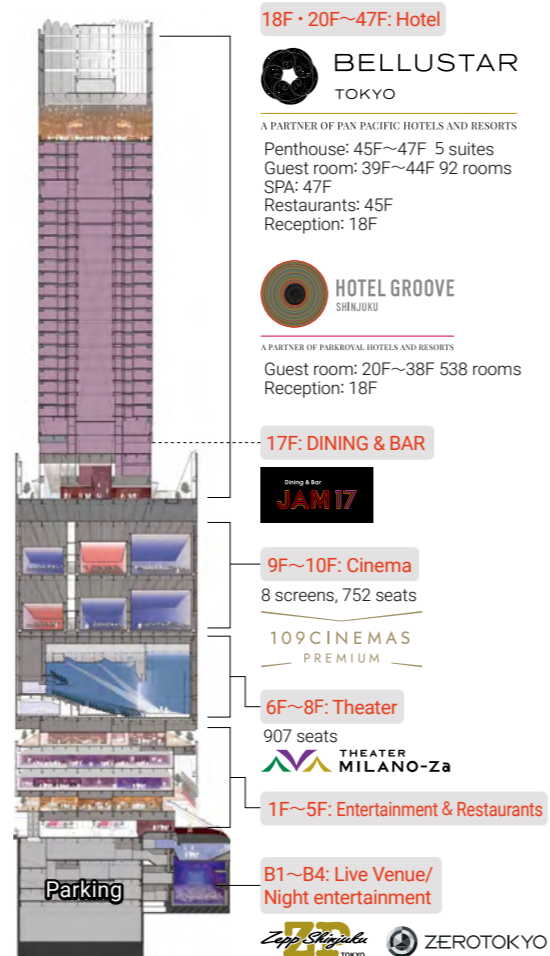
Transforming communities More inbound and families, as well as women tourists (creating greater turnout and improving the image of safety & security)

Societal benefits

- Declaration of maintaining cultural traditions
- Driving Tokyo's nighttime economy
- Laying down metropolitan tourist infrastructure that creates community navigability and turnout
- Sustainable urban and community development through area management
- Environmental benefits (adoption of corporate PPAs*2 utilizing demand-driven newly installed solar power generation)

Business benefits More than one million visitors in first 39 days of operation

*1 Japan domestic primary tourist city survey of multipurpose facilities including hotels and entertainment facilities (stage and movie theaters, concert halls, etc.) 200m or more aboveground. Survey period: March 2022 (based on research by Trending Future Research)
*2 Power Purchase Agreements



For more information
<https://www.tokyu-kabukicho-tower.jp.e.ari.hp.transer.com/>



Case 2 Once In a Century Shibuya Urban Renewal

Attributes: The kind of major development that only happens once in a century. Urban and community development combining "hard" development including improved community flows and disaster relief with "soft" development including building community operations organizations and branding

Concept

- Realizing "Shibuya-style urban life" fusing work, play, and living
- Promoting long-lived urban and community development through Digital and Sustainable initiatives

New cultural and experiential value

- Telling the world about new Shibuya-based Entertainment City business and culture

Transforming communities

- Toward a community from youth entertainment locales where diverse age groups can all have a good time
- Further concentration of IT companies and entertainment

Societal benefits

- Informing and promulgating new lifestyles
- Invigorating open innovation
- Sustainable urban and community development through area management
- A safe community, one that is resilient to natural disasters, with some 4000 tons of water storage capacity and more than 20,000m² facilities for persons stranded in the event of such disasters
- Barrier-free and other comfort and convenience improvements

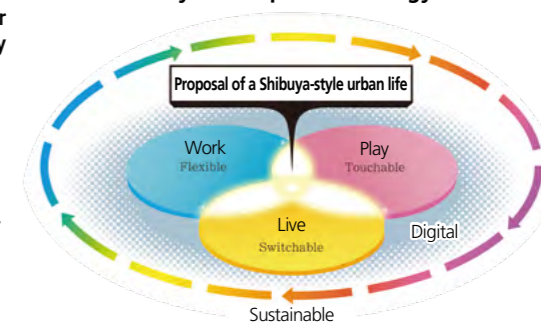
Business benefits

- Enhanced community navigability
- Enhanced area attractiveness
- Vacancy rate for Tokyu Corporation's properties located in Shibuya as of March 2023: 0.7%
- Rate of foreign visitors to Tokyo visiting Shibuya rose from 42.6% in FY2013 to 58.4% in FY2022

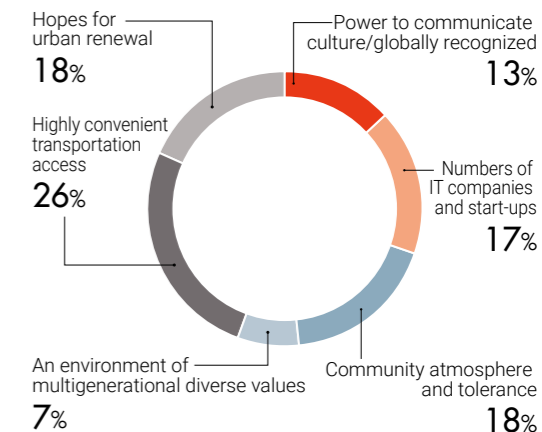
Source: Tokyo Metropolitan Government Bureau of Industrial and Labor Affairs Survey

For more information
<https://www.tokyu.co.jp/shibuya-redevelopment/>

The Greater SHIBUYA 2.0 Urban and Community Development Strategy

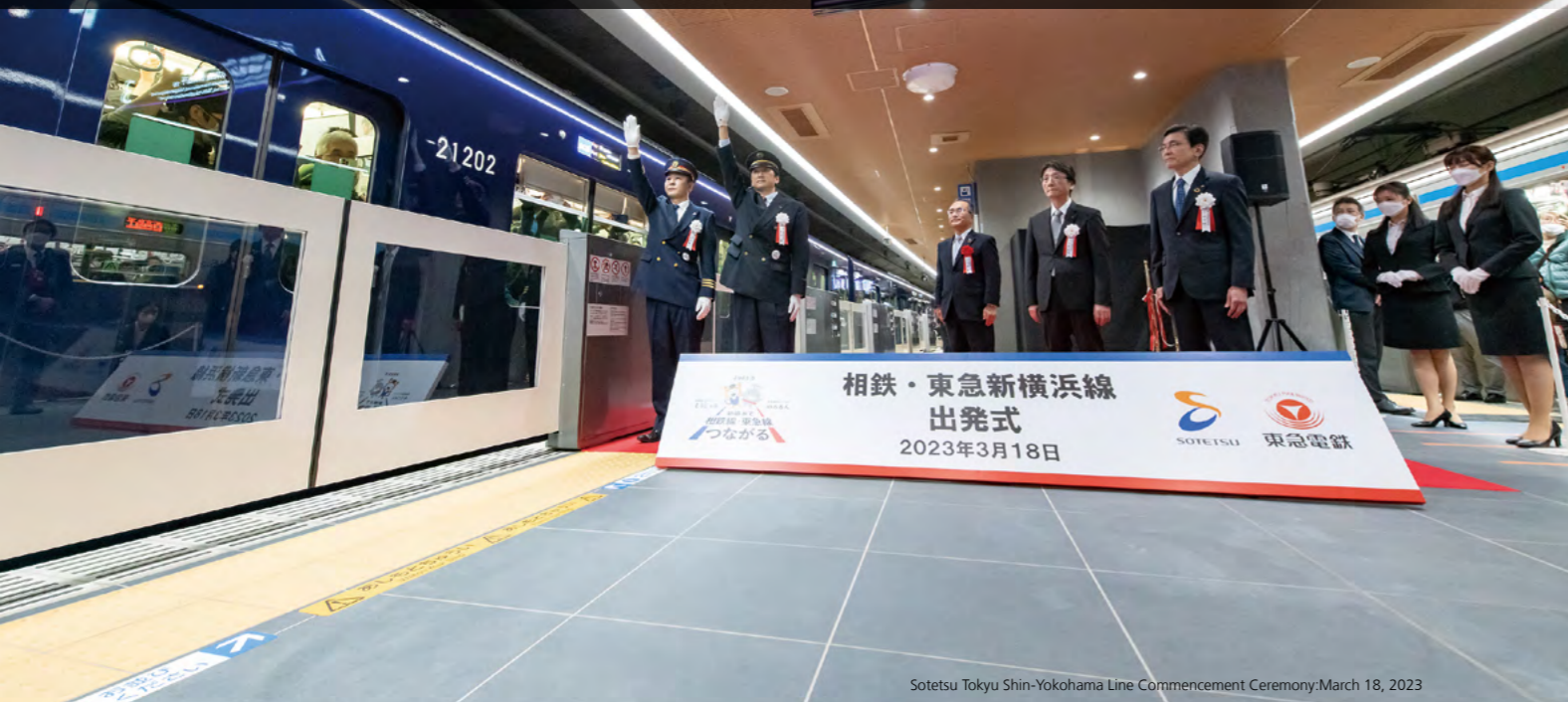


Urban Renewal and Expectations for Shibuya's



Extracted from survey of companies operating in Shibuya
(Conducted by Tokyu Corporation and Tokyu Land Corporation from Dec. 2020-Feb. 2021)

Creation of New Area Value: <Areas served by Tokyu's railway lines> Easy-Access Communities with Attractive and Unique



Sotetsu Tokyu Shin-Yokohama Line Commencement Ceremony: March 18, 2023

Case 3 Sotetsu Tokyu Shin-Yokohama Line Starts Service

Attributes: Enhanced convenience through realization of wide-area railway network

We form a wide-area railway network spanning Kanagawa, Tokyo, and Saitama, with bi-directional direct connections linking 14 lines across seven railway companies, as well as improving Shinkansen connectivity.

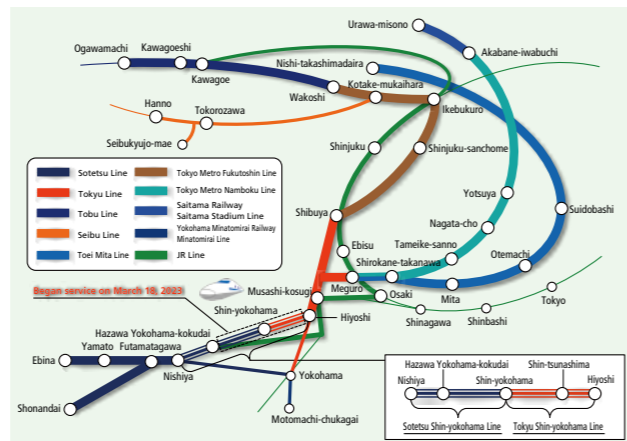
- Societal benefits**
- Improved Shinkansen connectivity Shibuya to Shin-Yokohama in as little as 25 minutes, saving up to 15 minutes
 - Convenience and shorter travel times Futamatagawa to Meguro in as little as 38 minutes, saving as much as 16 minutes
 - Profit of 1 trillion yen over 30 years from faster trains, averaging 780 billion yen annually

*Profit estimated as of FY2021 from Sotetsu-JR direct train service and Sotetsu-Tokyu direct train service
Source: Japan Railway Construction, Transport and Technology Agency FY2021 Business Audit Committee

Business benefits

Revitalized traffic flows and greater resident populations in areas served by Tokyu's railway lines

	FY2023	After demand stabilizes (post-FY2026)
Number of passengers carried	+11 million	+17 million
Passenger revenue	+3.6 billion yen	+5.5 billion yen



Forming wide-area railway network spanning Kanagawa, Tokyo, and Saitama



Shin-Tsunashima, first new station in 23 years
Scheduled for October 2023 completion, Shin-Tsunashima Square is a multipurpose urban renewal project directly connected to Shin-Tsunashima Station, combining 252 apartments with commercial and public-interest facilities.



Minami-machida Grandberry Park



- 2020 Station building: LEED Gold certification for new construction
- 2020 Development area including station building: LEED Gold certification for Neighborhood Development
- 2023 Grand Prize at the 31st Global Environment Awards (<https://www.sankei-award.jp/eco/>)

Case 4 Sustainable Urban and Community Development Along Our Railway Lines

Attributes: Realization of areas served by Tokyu's railway lines with a series of unique and attractive communities extending connections to regions and their residents

We will build connections with areas served by Tokyu's railway lines and their residents, and respond to diverse and changing values and lifestyles, while also promoting urban and community development maximizing the personality and attractiveness of these peoples and their communities.

- Societal benefits**
- Safe and easy to use transportation service Tokyu Railways: Rate of railway accidents per million km in FY2021: 0.10 —lowest of any private railway line
 - Providing facilities and services for convenient living, meeting diverse lifestyles, in which each person can maintain their good health and pursue individual happiness
 - Cultural facilities and business that bring about quality of life, and walkable neighborhood development
 - Creating decarbonized and recycling-based urban and community development Tokyu Lines are effectively carbon-neutral through 100% renewable energy operation
 - Activation of local communities which gives rise to communal feeling and aid, aiming to resolve community issues together with local communities

- Business benefits**
- We aim to maximize our business opportunity creation and revenue platform maintenance by revitalizing communities where people can live for the long term.
- Minami-machida Grandberry Park Station**
 - Annual ridership +24.1% (FY2016–FY2022)
 - Population within 1km radius: +10.9% (April 2017–April 2023)
 - Futako-tamagawa Station**
 - Annual ridership +9.5% (FY2011–FY2022)
 - Population within 1km radius: +14.5% (FY2011–FY2022)

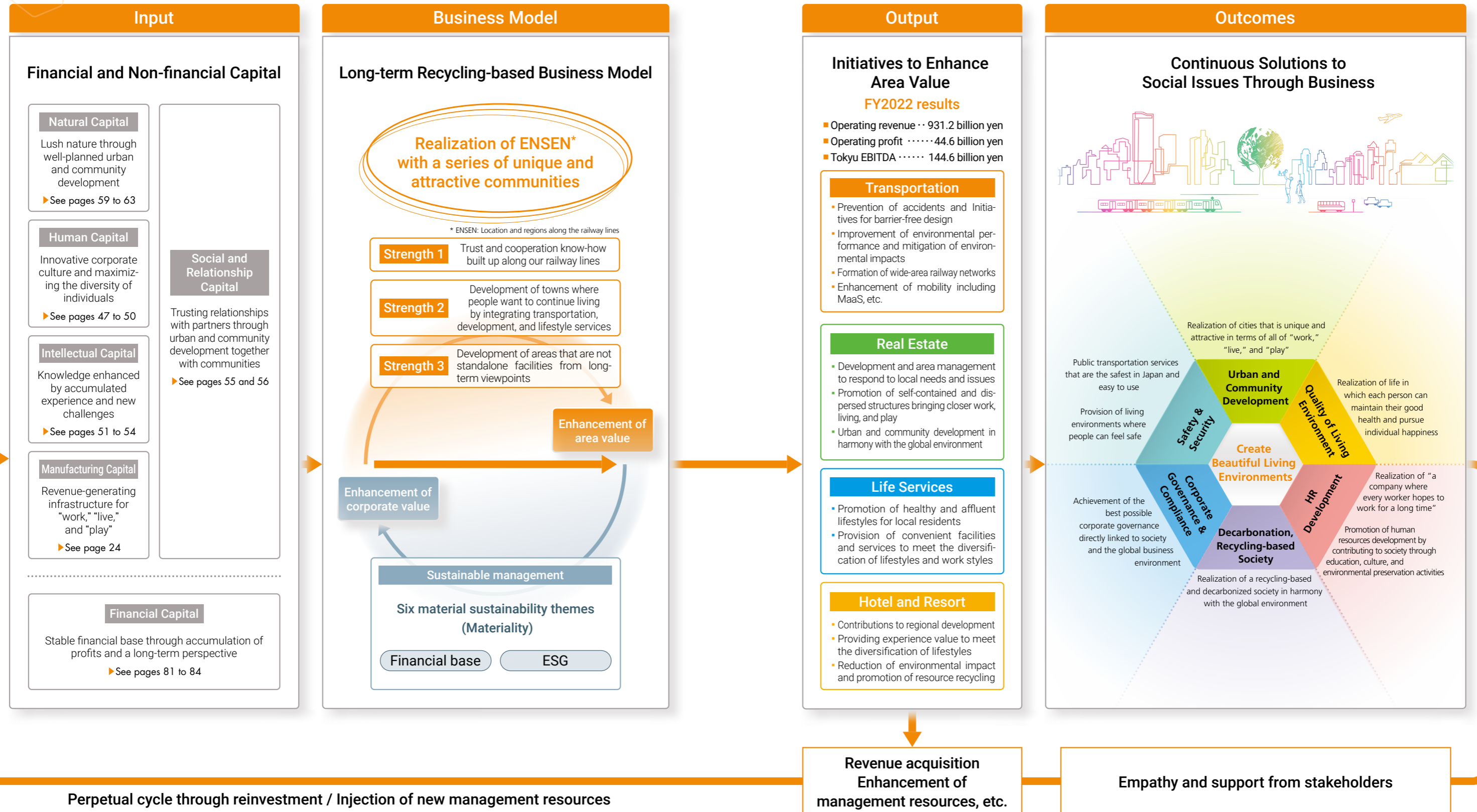


- 2014 Highest ranking (AAA) JHEP certification for biodiversity
- 2015 Futako Tamagawa Rise Tower Office: LEED Gold certification for New Construction
- 2015 Futako Tamagawa Rise: LEED Gold certification for Neighborhood Development
- 2016 Grand Prize at the 25th Global Environment Award

For more information <https://www.tokyu.co.jp/railway/service/activity/network/chokutsusen/>

Value Creation Process — Creating beautiful living environments

We will realize our Mission Statement of “Create beautiful living environments” by addressing the social issues surrounding us and utilizing our management resources to increase the value of the area and the company.



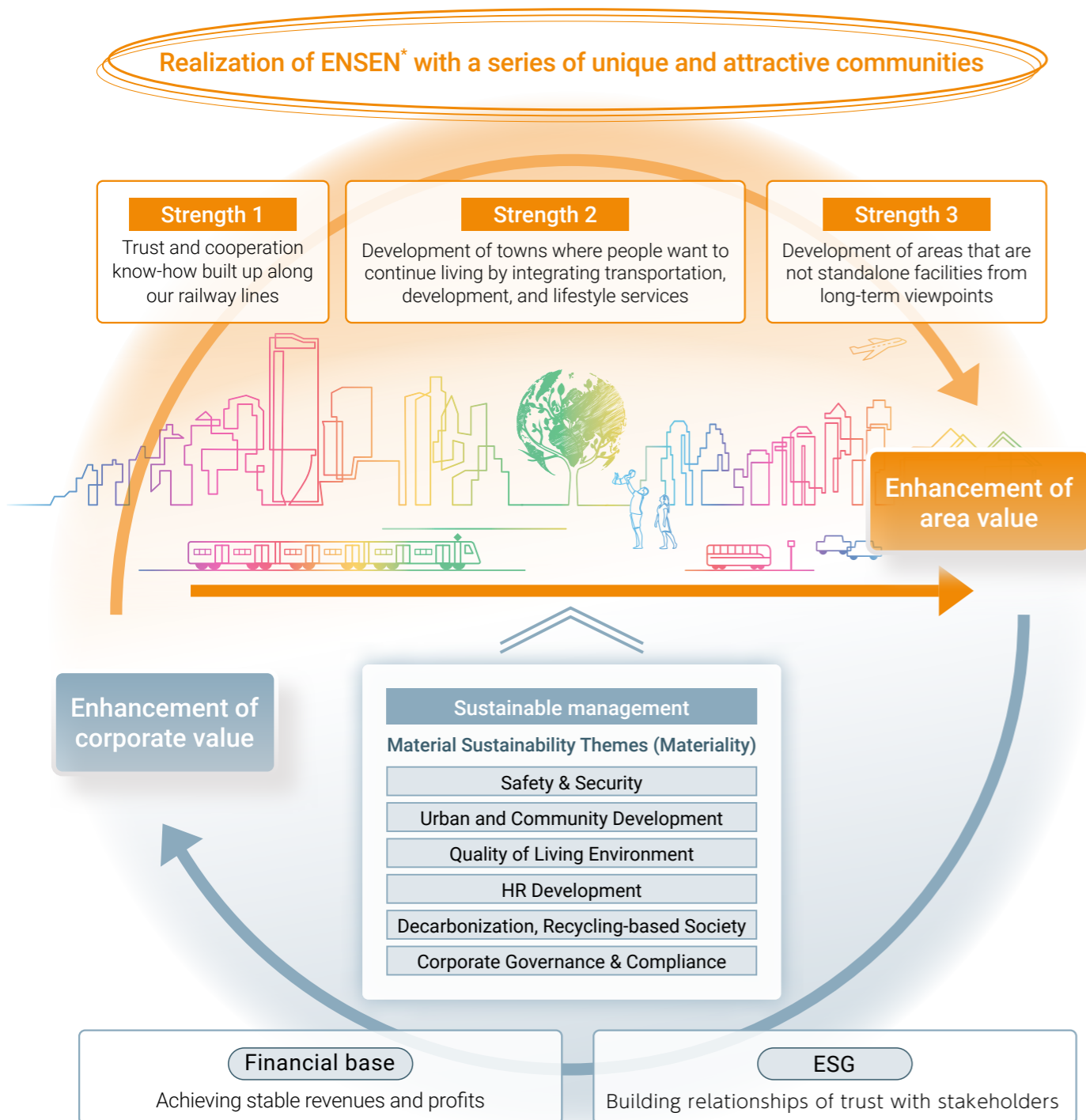
Business Model and Competitive Advantages

— Long-term Recycling-based Business Model

Our growth is in tandem with the growth of the city, and the enhancement of area value leads to the enhancement of corporate value. This is a Long-term Recycling-based Business Model that aims to create a perpetual cycle by reinvesting the value gained through urban and community development. In order to develop the city in a sustainable manner, we are working to enhance the value of the area by using our strengths to create ENSEN* with a series of unique and attractive communities. We are also using this know-how to enhance the area value of each region. Sustainable management supports this cycle of increasing area value and corporate value.

* ENSEN: Location and regions along the railway lines

● Long-term Recycling-based Business Model



Linking Strengths to Enhance Area Value

Strength 1

Trust and cooperation know-how built up along our railway lines

Through Den-en-toshi Company and community-based urban development that began with Den-en-toshi Company and continued thereafter in the Tama Den-en-toshi area following World War II, we are building strong relationships of trust through partnerships with local residents, visitors, governments, companies, and academic and research institutions. This relationship of trust and collaborative know-how is the source of our recycling-based business model.

<Related pages>

▶ Intellectual Capital (see page 54) ▶ Social and Relationship Capital (see pages 55 and 56)

Strength 2

Development of towns where people want to continue living by integrating transportation, development, and lifestyle services

In addition to improving transportation convenience, we are developing properties to take advantage of needs and opportunities in the area. At the same time, we will design a community that retains residents by providing services in tune with various life stages, resolving social issues and enhancing area value. We continue to refine and actualize our vision, leadership, and various practical experience in urban and community development.

<Related pages>

▶ Creation of New Area Value (see pages 17 to 20) ▶ Intellectual Capital (see pages 51 to 54)

Strength 3

Development of areas that are not standalone facilities from long-term viewpoints

The many distinctive communities along our railway lines are not developed in isolation, but are fully interconnected with other transportation networks. By combining the elements of each community, we are pursuing long-term, continuous enhancement of area value over a wide area that spans multiple municipalities along the railway lines.

By supporting urban infrastructure with more than just standalone facilities, we will expand urban and community development where people can feel the "richness" of people, nature, and society safeguarded by nature and culture in a safe and secure setting.

<Related pages>

▶ Fields of Business Expansion (see pages 15 and 16) ▶ Future Vision (see pages 25 and 26)

Major Management Resources (Inputs)

(as of March 31, 2023)

<p>Manufacturing Capital</p> <ul style="list-style-type: none"> Number of Tokyu Railways stations and passenger carriages 99 stations, 1,308 passenger carriages Office building space for lease Approx. 375,000m² Number of (directly managed) satellite shared office facilities 115 Department stores and Shopping centers 52 Supermarkets 90 Hotels/Members-only Resorts 66 	<p>Social and Relationship Capital ▶ See pages 55 to 56</p> <ul style="list-style-type: none"> Number of TOKYU POINT members 2.85 million Number of Tokyu Lines Application downloads Approx. 1,380,000 Number of households connected to cable television 1.18 million Number of Tokyu Hotels Comfort Members 740,000
<p>Intellectual Capital ▶ See pages 51 to 54</p> <ul style="list-style-type: none"> Accumulation and utilization of knowledge, acquisition of new knowledge Realization of DX 	<p>Natural Capital ▶ See pages 59 to 63</p> <ul style="list-style-type: none"> Urban landscape that systematically incorporates lush greenery and nature Promotion of decarbonization and energy creation along Tokyu's railway lines
<p>Human Capital ▶ See pages 47 to 50</p> <ul style="list-style-type: none"> Number of employees (consolidated) 23,763 Percentage of female managers (Tokyu Corporation) 12.9% 	<p>Financial Capital ▶ See pages 81 to 84</p> <ul style="list-style-type: none"> Cash flows from operating activities 95.4 billion yen Equity ratio 28.3% Interest-bearing Debt/TOKYU EBITDA* multiple 8.9 times Long-term senior debt rating AA- (JCR) A+ (R&I)

* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

Future Vision — Future envisioned from a long-term viewpoint

We believe that it is necessary to change from the conventional function-sharing urban structures where people live in the suburbs and work in the city center using railway, to self-contained and dispersed urban structures, where the functions of work, living, and play are strategically placed in the city center, the suburbs of the city center, and the outer suburbs, demand is created for inter-community movement maximizing the local resources of the community, and economic activities are revitalized including increasing the resident and nonresident populations.

● Efforts to Realize the Future Vision

We will strive to maximize Life Time Value (LTV) by combining self-contained and dispersed urban structures with digital platforms that support people's lifestyles and providing services following individuals' customer experience. The Future Vision that we aspire to is to continue being a desirable railway line and realize beautiful living environments by adopting urban and community development capable of realizing creating communities where people can live their own lives with peace of mind and safety in an era of 100 years of life, and protecting nature and culture, and creating a town where people nature, and society are in harmony and can feel the richness of life.



Functional arrangement of work, live, and play

We are proceeding to spread lifestyles in which people choose diverse styles of work and home life. We aim for ENSEN* with a series of unique communities with various functions that further enhances value by satisfying the elements of people's lives such as work, live and play, according to the characteristics of each area.

* ENSEN: Location and regions along the railway lines

Stimulation and enhancement of demand for intra-regional travel

In order to transform the conventional profit structure centered on commuting to and from the city center, stimulate and enhance demand for intra-regional mobility, and link this with business growth, we will work on area branding that takes advantage of the individuality of the community, revitalization through collaboration with industry, government, and academia, and innovation in transportation such as MaaS.

Fusion of real and digital

By harnessing the Group's business characteristics closely tied to customers, we will scientifically understand changing lifestyles and optimize and transform them with the power of digital technology so that everyone can live more comfortably. We are engaging with provide new value that nurtures daily living and people's lives based on an understanding of customers and local communities.

Societal Impact

"Beautiful Living Environments" "Harmonious Society" and "Individual Happiness"

People and communities

- Degree of regional activity and populations
- Attachment to and pride in regions
- Sense of abundance, enjoyment, happiness
- People taking action on the SDGs

Infrastructure for living

- Use of public transportation
- Points of contact among culture, education, and entertainment
- Use of digital services
- Urban diversity and inclusion
- Safety and resilience
- Fulfillment of self-contained and dispersed work, live, and play structures
- Decarbonization of businesses and towns
- Resource circulation / Coexisting with nature

Previous Management Plans

Urban and community development requires long-term perspectives and broad-based initiatives. In previous Medium-term Management Plan, we have steadily implemented each by promoting business development that anticipates changing demographics with a view to ensuring and improving safety and security, the changing the business environment, and solving social issues.

Key points	Long-term Perspective Looking ahead to long-term social changes and issues, our vision remains unchanged even during the COVID-19 pandemic	Safety & Security Securing necessary investment in safety based on safety and security	Financial Targets / Soundness Steadily achieved financial targets except for FY2020*
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*The year most affected by COVID-19 pandemic

Long-term Management Initiative - Creating a beautiful living environment for our future -

In September 2019, the Company announced its long-term management initiative for 2030. As our basic management stance, we have established a policy of sustainable management that addresses important sustainability themes and continuously finds solutions to social issues through our business. Looking toward 2030, while presenting growth strategies such as area and business strategies, we have set forth the future envisioned for 2050 to achieve the development of "A City Adored by People around the World" by providing social values originally created by Tokyu. Although changes in the environment surrounding our businesses were spurred by the COVID-19 pandemic, we are working with a sense of urgency to enhance the Group's management structure while maintaining our vision for the future. Toward this end, we are further evolving our strategies and advancing initiatives to quickly adapt to changes in lifestyles and social issues.

	FY2012 - FY2014 Creation, Communication and Challenges	FY2015 - FY2017 STEP TO THE NEXT STAGE	FY2018 - FY2020 Make the Sustainable Growth	FY2021 - FY2023 変革 (Henkaku)
Basic policies	Business development that keeps creating life value in the areas we serve	Deepening businesses along our railway lines and taking on the challenge of new growth	Sustainable urban development Sustainable corporate development Sustainable HR development	Revenue recovery and growth by responding to changes in the operating environment
Business environment	<ul style="list-style-type: none"> Declining future population in areas served by Tokyu's railway lines Shrinking consumption nationwide Economic growth in emerging Asian countries and increasing number of foreign tourists visiting Japan 	<ul style="list-style-type: none"> Population decline, declining birthrate and aging population, return to urban centers Spread of smart devices and expansion of big data utilization Emergence of new business opportunities (concentration of infrastructure development in urban centers such as for the Tokyo Olympics) Shrinking domestic market and rapid growth of Asian market 	<ul style="list-style-type: none"> Regional disparities in population changes, serious labor shortages, and growing momentum for workstyle innovation Flourishing e-commerce and expansion of big data utilization Emergence of new business opportunities (in-bound tourism, technological advancement, etc.) Rapid growth in Asian markets and intensifying competition among international cities Decrease in people traveling and meeting due to COVID-19 	<ul style="list-style-type: none"> Decrease in people traveling and meeting due to COVID-19 Accelerated transition of work and life styles Shrinking population and regional disparities in declining birthrates and an aging population Rapid development of digital technology Shift to a decarbonized society at the global level
Key strategies	<ul style="list-style-type: none"> Development of railway networks and the continuation of safety measures Continued development of areas served by Tokyu's railway lines, such as Shibuya and Futako-Tamagawa Strengthening the life service business and increasing cooperation Pursuit of urban and community development projects overseas 	<ul style="list-style-type: none"> Further enhancement of a sense of security and satisfaction (railway) Further promotion of development of areas served by Tokyu's railway lines and real estate business Innovations in lifestyles and working styles New initiatives utilizing the Group's management resources (strengthening the promotion structure for the retail business, in-bound tourism initiatives) 	<ul style="list-style-type: none"> Tirelessly pursue "safety," "security" and "comfort" Increase SHIBUYA's global appeal Continuously improve the TOKYU area's value and life value Expand business through strategic alliances Make progress on workstyle innovation 	<ul style="list-style-type: none"> Strengthen business structure in the transportation infrastructure business Respond to new values in the real estate business Upgrading business and services to accommodate new lifestyles Implementation of structural reform in each business
Results	<ul style="list-style-type: none"> Investment in safety 54.7 billion yen (percentage of stations with platform screen doors 42%) Started mutual direct train service operation with Toyoko Line and Fukutoshin Line (March 2013) (5.0% increase in number of passengers carried between FY2012 and FY2014) Shibuya Hikarie (April 2012) Musashi-kosugi Tokyu Square (April 2013) <p>Total capital expenditure (three years)</p> <ul style="list-style-type: none"> 362.5 billion yen <p>Operating profit and Tokyu EBITDA in final fiscal year</p> <ul style="list-style-type: none"> Operating profit: 71.5 billion yen Tokyu EBITDA: 151.5 billion yen 	<ul style="list-style-type: none"> Investment in safety 77.1 billion yen (percentage of stations with platform screen doors 69%) Futako Tamagawa Rise phase II (April 2015) Shibuya Cast (April 2017) Entry into electricity retailing and airport management businesses <p>Total capital expenditure (three years)</p> <ul style="list-style-type: none"> 483.9 billion yen <p>Operating profit and Tokyu EBITDA in final fiscal year</p> <ul style="list-style-type: none"> Operating profit: 82.9 billion yen Tokyu EBITDA: 174.9 billion yen 	<ul style="list-style-type: none"> Investment in safety 81.9 billion yen (percentage of stations with platform screen doors 100%) Shibuya Stream (September 2018) Shibuya Scramble Square East Building (November 2019) Minami-machida Grandberry Park (Urban Development Project for Creating Minami-Machida Hub) (November 2019) <p>Total capital expenditure (three years)</p> <ul style="list-style-type: none"> 551.6 billion yen <p>Operating profit and Tokyu EBITDA in final fiscal year</p> <ul style="list-style-type: none"> Operating profit: -31.6 billion yen Tokyu EBITDA: 74.7 billion yen 	<ul style="list-style-type: none"> Opened Tokyu Shin-Yokohama Line (March 2023) and started Toyoko Line single-person operation (March 2023) Tokyu Kabukicho Tower (April 2023) Promotion of structural reforms (hotel business, department store business, optimization of consolidated management structure, etc.) <p>Total capital expenditure (three years) (plan)</p> <ul style="list-style-type: none"> 412.0 billion yen <p>Operating profit and Tokyu EBITDA in final fiscal year (plan)</p> <ul style="list-style-type: none"> Operating profit: 70.0 billion yen Tokyu EBITDA: 179.2 billion yen
Vs. plan	<ul style="list-style-type: none"> Achieved planned operating profit over three years Achieved total Tokyu EBITDA for the three-year period Achieved D/E ratio plan 	<ul style="list-style-type: none"> Achieved all numerical targets (operating profit, Tokyu EBITDA, interest-bearing debt/Tokyu EBITDA multiple, and reference indicator (ROE)) 	<ul style="list-style-type: none"> Fell short of numerical plan in the final year (COVID-19 impact) Steadily implemented and completed key initiatives such as large-scale development projects and investments in safety, reaching a 100% installation ratio of platform screen doors at stations, etc. 	<p>(Final fiscal year currently underway. For details, see page 30.)</p> <ul style="list-style-type: none"> Operating profit and Tokyu EBITDA expected to be achieved due to recovery in demand and structural reforms in each business Expect to achieve Interest-bearing debt/TOKYU EBITDA multiple of 7 times range

* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

Progress of Three-year Medium-term Management Plan

As we enter the final year of our Three-year Medium-term Management Plan that began in FY2021, we expect to achieve our initial basic policies of "revenue recovery" and "maintenance of financial health" by responding to changes in the business environment. The initiatives and structural reform of each business that we have set as key strategies are also progressing as scheduled.

Basic Policies of Three-year Medium-term Management Plan

Basic policies "変革 (Henkaku)": Revenue recovery and growth by responding to changes in the operating environment

Aim to restore the revenue level by responding to current changes in the operating environment and implementing structural reforms and other measures, and positioning the current period as "the turning point to new growth"

Revenue recovery

FY2021: Secure operating profit of 20 billion yen
Achieve a steady profit recovery in each business

Maintenance of financial health

Interest-bearing Debt/TOKYU EBITDA* multiple
Aim for 7 times level

Key Strategies

- Strengthen business structure in the transportation infrastructure business
- Respond to new values in the real estate business
- Upgrading business and services to accommodate new lifestyles
- Implementation of structural reform in each business

Financial Management Policies

Financing:

- Based on the creation of Tokyu EBITDA, finance debt while balancing working capital and investment.

Use of funds:

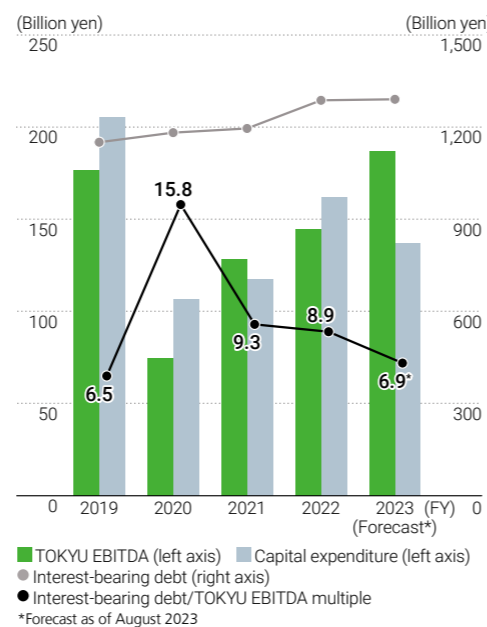
- We will steadily implement safety and maintenance/renewal investment, large projects in progress, and investments related to structural reforms for each business.
- With regard to the acquisition of real estate for sale, we will continue to purchase good properties while assessing real estate market conditions with a view to generating stable profits.
- As for shareholder returns, continue stable dividend payments and aim for a dividend ratio of 30% or more in the medium to long term, with an awareness of the total return ratio. We are also considering flexible stock buybacks in consideration of profit and funding levels.

Financial strategies:

- In FY2022, the level of interest-bearing debt will temporarily increase due mainly to the completion of the Tokyu Kabukicho Tower and other factors, but in FY2023, we will secure an interest-bearing debt / Tokyu EBITDA multiple is expected to be slightly less than the 7-times range due to a recovery in profitability and other factors.
- In response to rising interest rates, we will endeavor to minimize costs through long-term fixed interest rates and the utilization of market-based financing.

* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

● Tokyu EBITDA, Capital Expenditure and Interest-bearing Debt



Progress Up to Second Year of the Plan and Forecast for the Final Fiscal Year

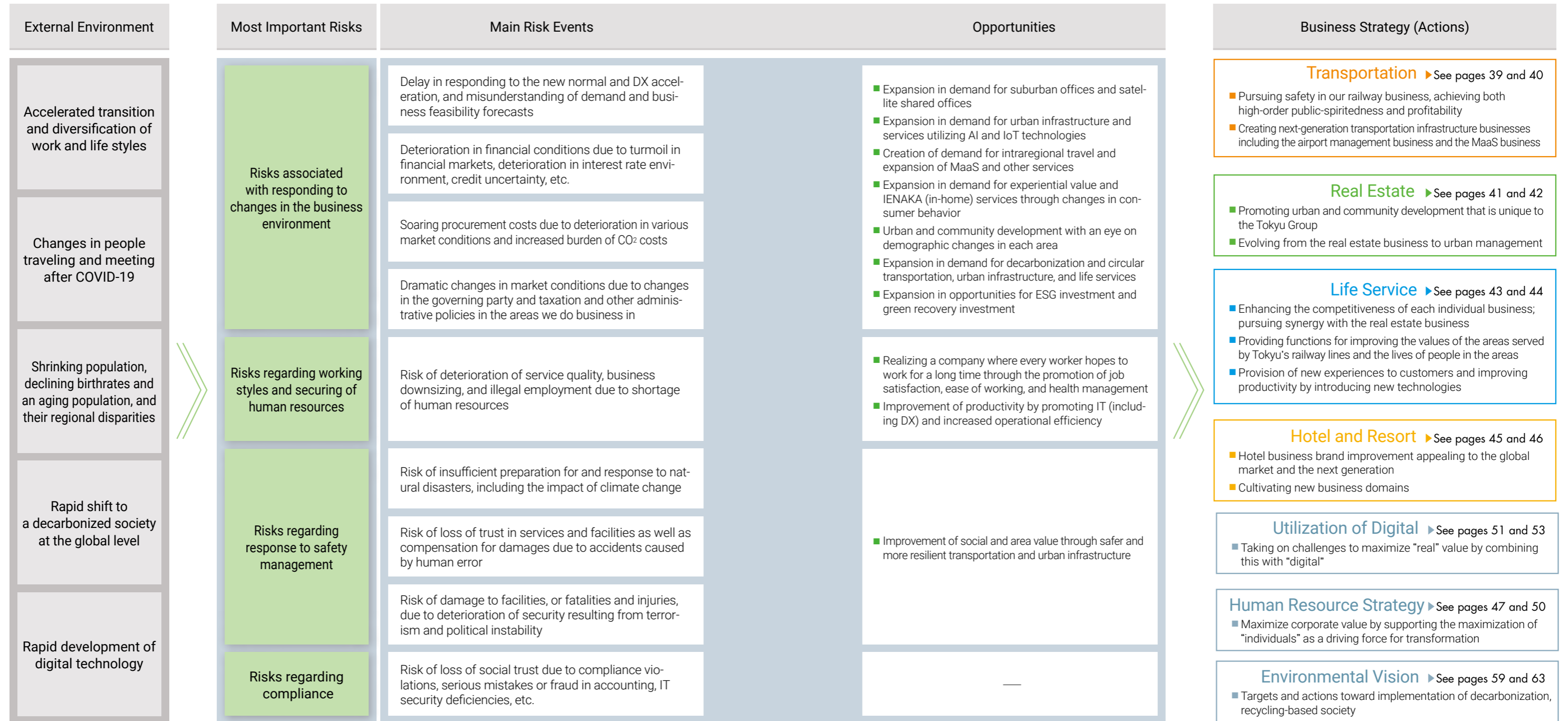
	FY2021	FY2022	FY2023	
Strengthen business structure in the transportation infrastructure business	<ul style="list-style-type: none"> Applied for fare revisions for Tokyu Railways Started operational transformation (Single-person operation on Toyoko Line/station services, facility maintenance DX, etc.) Further pursuit of safety and security (facility soundness, in-car security measures, adaptation to climate change) 	<ul style="list-style-type: none"> Implemented Tokyu Railways fare revision (March 2023 onward) Started operation of Tokyu Shin-Yokohama Line (March 2023 onward) Started Toyoko Line single-person operation (March 2023 onward) Operating expenses: achieved a cost reduction of approx. 5.0 billion yen consistently 	<ul style="list-style-type: none"> Promoted greater efficiencies through technological innovation 	
Respond to new values in the real estate business	<ul style="list-style-type: none"> "Shibuya Upper West Project" underway Announced the "nexus concept" for resident-centered urban and community development 	<ul style="list-style-type: none"> Closed the Tokyu Department Store flagship store (for redevelopment) 	<ul style="list-style-type: none"> Opened Tokyu Kabukicho Tower Engagement with asset turnover building business Expansion of global real estate business 	
Upgrading business and services to accommodate new lifestyles	<ul style="list-style-type: none"> Strengthened daily necessities retail business and improved e-commerce presence Launched life end business 		<ul style="list-style-type: none"> Opened BELLUSTAR TOKYO Opened HOTEL GROOVE SHINJUKU 	
Implementation of structural reform in each business	<ul style="list-style-type: none"> Expanded satellite shared office business Strengthened ICT business (entered the 5G base station sharing business and FTTH, etc.) 	<ul style="list-style-type: none"> Exited unprofitable hotels and reduced fixed costs Expanded leasing of Tokyu department stores and established leaner head office functions Integrated functions of real estate operation and management businesses 	<ul style="list-style-type: none"> Commenced operations at Tokyu Hotels & Resorts, a dedicated operations company 	
Operating revenue (billion yen)	879.1	931.2	Plan 1,000.0	Forecast 1,032.9
Operating profit (billion yen)	31.5	44.6	70.0	78.0
Profit attributable to owners of parent (billion yen)	8.7	25.9	40.0	45.0
Interest-bearing debt/TOKYU EBITDA multiple (times)	9.3	8.9	7 times level	6.9 times
Overview	<p>Business environment</p> <ul style="list-style-type: none"> Growing impact from the COVID-19 pandemic <p>Results</p> <ul style="list-style-type: none"> Avoided lost and achieved profit target (operating profit of 20.0 billion yen) Net income: up 65.0 billion yen YoY <p>Concerns</p> <ul style="list-style-type: none"> Restore earnings scale 	<p>Business environment</p> <ul style="list-style-type: none"> Soaring energy prices Demand recovery in the Transportation Business and Hotel and Resort Business <p>Results</p> <ul style="list-style-type: none"> Operating profit: 44.6 billion yen Net income: up 17.2 billion yen YoY <p>Concerns</p> <ul style="list-style-type: none"> Radical function reorganization and increased competitiveness of hotel business 	<p>Business environment</p> <ul style="list-style-type: none"> Soaring energy prices and surging inflation Increased base pay and wages Recovery in in-bound tourism <p>Results/Forecast</p> <ul style="list-style-type: none"> Share buybacks (June 2023) Forecast to exceed the plan <p>Concerns</p> <ul style="list-style-type: none"> Improve capital efficiency Maintain financial health and further improve it 	

*Forecast as of August 2023

Risks and Opportunities as well as Future Actions

In light of changes in the external environment, the Group identifies the most important risks and opportunities in consolidated management and links them to business strategies for future action.

Major updates from FY2022: “Risks associated with the spread of new infectious diseases” had been one of the most important risks, but we have revised our assessment because we determined that we have achieved certain results, including responses to the spread of new infectious diseases in the future. “Risks regarding working styles and securing of human resources” have risen in importance, and we have switched them from long-term risks to the most important risks.

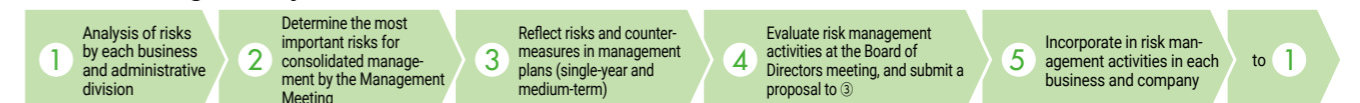


Risk Management Process

The Group periodically reassesses its awareness of risks and the status of risk mitigation efforts through the following processes, and strives to avoid the occurrence of risks and minimize their impact if they do occur.

▶ For details of climate change risks and opportunities, see pages 61 to 62. ▶ For details of human rights risks, see page 64.

Annual Management Cycle



Material Sustainability Themes (Materiality)

As the Group's business areas span a wide range, we see social issues to be addressed as a priority by us from a macro perspective. We formulate our six material sustainability themes as a framework for disclosing the state of our initiatives to the public.

* If the scope is not stated, Tokyu Corporation is the target

	Value Created	Main Initiatives	Key Indicators	FY2023 Target	FY2022 Results	Progress Assessment/ Initiatives to Strengthen in the Future
Safety & Security	Realization of public transportation services that are the safest in Japan and easy to use Provision of living environments where people can feel safe	<ul style="list-style-type: none"> Prevention of accidents Leveling of congestion rate Realization of transportation services which people can feel safe using Minimization of disaster risks Ensuring food safety 	<ul style="list-style-type: none"> Number of operating accidents and transport disruptions attributable to the company [Tokyu Railways] Railway accidents Incidents Transportation disruptions Peak-hour congestion rate (Ikejiri-Ohashi to Shibuya) [Tokyu Railways] 	0 cases 0 cases — Monitoring Indicators	0 cases 0 cases 9 cases 135%	<p>Assessment: Lowest number of railway accidents and incidents attributable to the company of any major private railways</p> <p>Future: Countermeasures against natural disasters such as climate change and earthquakes, and strengthening security inside rail cars Effective reduction of accident risk through utilization of digital technology</p>
Urban and Community Development	Realization of cities unique and attractive in terms of "work," "live," and "play"	<ul style="list-style-type: none"> Shibuya redevelopment Next-generation suburban development, nexus concept Expansion of satellite shared offices Airport management business (regional invigoration) Overseas urban and community development 	<ul style="list-style-type: none"> Number of users of NewWork shared satellite offices per month Annual number of consultations with the residence and living concierge (Including consultations on measures to deal with vacant houses, etc.) Population growth rate in 17 municipalities along Tokyu's railway lines*1 	25,000 people 2,500 cases Monitoring Indicators	21,852 people 3,089cases +0.344%	<p>Assessment: Providing services that meet the rapid diversification of work styles and social needs, such as satellite share offices</p> <p>Future: Promote businesses that see social issues unique to the town as opportunities for the sustainable area revitalization</p>
Quality of Living Environment	Realization of life in which each person can maintain their good health and pursue individual happiness	<ul style="list-style-type: none"> Provision of life facilities and services fitting diverse generations Promotion of enriching and healthy lifestyles through utilization of technology and other means 	<ul style="list-style-type: none"> Number of nursery school and school children's facilities (including leased, direct management, and publicly commissioned) [Tokyu Kids Base Camp / Tokyu Corporation] Number of stores shipping through online supermarkets [Tokyu Store Chain] Number of Tokyu railway line stations with 5G sharing antennas*2 	100 facilities — 22 stations	105 facilities 37 stores 0 stations	<p>Assessment: Developing a variety of services according to life stages and lifestyles to realize a harmonious society and individual happiness for residents along Tokyu's railway lines</p> <p>Future: Provide customer experience value through the fusion of real and digital (see Digital Strategy on page 51)</p>
HR Development	Realization of "a company where every worker hopes to work for a long time" Promotion of human resources development by contributing to society through education, culture, and environmental preservation activities	<ul style="list-style-type: none"> Provision of working environments where people can continue to work and play an active role Provision of culture business and learning opportunities Respect for Human Rights 	<ul style="list-style-type: none"> Employee engagement Percentage of female managers Male childcare leave acquisition rate Education system utilization rate Health and productivity management indicators [Tokyu Corporation + Tokyu Railways] Obesity rate Smoking rate Exercise habit rate 	A 10% or above 100% 30% or above	B*3 12.9% 90.6% 24.3%	<p>Assessment: Developing systems to expand opportunities for diverse individuals to play an active role, and fostering a culture and mindset</p> <p>Future: Accelerate a virtuous cycle (returning to the company) that leads from "improvement of employee engagement and satisfaction" to "improvement of productivity"</p>
Decarbonization, Recycling-based Society	Realization of a recycling-based and decarbonized society in harmony with the environment	<ul style="list-style-type: none"> Reduction of CO₂ emissions Effective utilization of resources (recycling-based society) Conservation and restoration of biodiversity Promotion of sustainable supply chain management 	<ul style="list-style-type: none"> CO₂ emissions reduction rate (Scope 1 and 2)*1 (Consolidated) CO₂ emissions reduction rate (Scope 3)*1 (Consolidated) Renewable energy ratio (Consolidated) Provision of menu of services that reduce environmental burden (Consolidated) People taking action on the SDGs Acquisition of environmental certification for facilities (cumulative total) 	-46.2% (2030 target) -30.0% (2030 target) 50% (2030 target) 100 cases or more (2030 target) 65% (2030 target) 9 cases	-38.0% -11.0% 39.7% 17 cases 51.8% 10 cases	<p>Assessment: Substantial renewable energy operation on all Tokyu Lines, and significant reduction in consolidated CO₂ emissions</p> <p>Future: Promote initiatives aimed at towns, including a recycling-based society, such as providing a menu of services that support change to environmentally friendly behavior</p>
Corporate Governance & Compliance	Achievement of the best possible corporate governance directly linked to society and the global business environment	<ul style="list-style-type: none"> Ensuring fairness and transparency of management through highly effective corporate governance Compliance education and establishment of an effective and efficient management system 	<ul style="list-style-type: none"> Ratio of independent outside directors Number of female directors Number of incidents of serious violations of laws and regulations (Consolidated) Rate of participation in compliance-related training 	1/3 or above 2 people or more 0 cases 100%	4/11 2 people 1 case *4 100%	<p>Assessment: Cancelled parent-child listing with the Company as the parent company</p> <p>Future: Promoted initiatives based on the evaluation of the effectiveness of the Board of Directors</p>

With the exception of environmental themes, targets are set in conjunction with the period of the Three-year Medium-term Management Plan. See pages 85 and 86 for our progress in each fiscal year versus the targets, and see our corporate website for additional details such as social issues for each important sustainability theme and approaches to setting indicators. <https://tokyu.disclosure.site/en/93/>

*1 Compared with FY2019 *2 Target modified in May 2023 due to a change in business plan resulting from changes in the market environment *3 Survey conducted in August 2022 *4 Prosecution of a subsidiary of the Company for violation of the Antimonopoly Act (see page 80)

Identification and Implementation Process

1 Derivation and organization of societal concerns
Narrowing the long list of 300 societal concerns to a short list of 49

We created a long list of 300 items that are expected to be resolved, referring to the SDGs, ISO 26000, and GRI Standards, as general societal concerns, and the Sustainability Accounting Standards Board (SASB) as industry-specific concerns. In addition, in consideration of the integration of similar concerns and their relevance to areas where we are making efforts, we created a 49-item short list.

2 Evaluate materiality
Evaluation based on "Importance for Tokyu Group" and "Importance for Society"

The short list was evaluated based on "importance for Tokyu Group" and "importance for society," or stakeholders, and we provisionally evaluated the material sustainability themes (materiality).



3 Conduct dialogues with external experts

To identify material sustainability themes (materiality), we held dialogues between outside experts and the officers in charge.

See our website for an overview of their comments. <https://tokyu.disclosure.site/en/93/>

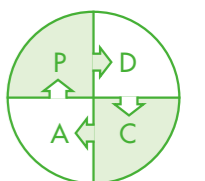
4 Material sustainability themes (materiality)

After verifying the appropriateness of the materiality assessment based on recommendations from outside experts, the Board of Directors identified material sustainability themes (materiality) when approving the Medium-term Management Plan through the Management Meeting.

In addition, we have established our Vision for 2030, set societal concerns to be addressed for each theme, and positioned them as our basic policy for management which is key to the long-term management initiative.

5 Integration of material sustainability themes and management plans

When formulating the long-term management initiative and Medium-term Management Plan, we confirm whether or not material sustainability themes have been updated. For details of the PDCA process, please see Sustainability Management on page 58.



Message from the CFO

Striving for Financial Management for Urban and Community Development Over Time Through Long-term Recycling-based Business Model



Hirohisa Fujiwara

Director
Senior Managing Executive Officer

Toward Achieving Current Medium-term Management Plan

To a New Start for Next-term Management Plan by Fulfilling Current Medium-term Management Plan

Our current Three-year Medium-term Management Plan, which commenced in FY2021, has been unable to show operating profit numbers in latter two fiscal years of the three-year period due to COVID-19 effects at the plan announcement stage. Weaknesses were exposed in our business model of dependence on travel flows and the burden of fixed costs in terms of performance in FY2020 and FY2021, which were at odds with our previous Medium-term Management Plans. Nonetheless, structural reform and demand recovery have proceeded in each business, and we anticipate operating profit of 78.0 billion yen in FY2023. Under the previous Medium-term Management Plan from FY2018 to FY2020, the target operating profit that we set when we announced the plan was 78.0 billion yen in FY2019 and 97.0 billion yen in FY2020. With this in mind, we believe we have finally reached a new starting point for our new plan to commence in FY2024.

Sustainable Urban and Community Development

Renewal Is Long-term Recycling-based Business Model Symbol

Urban and Community Development in Our DNA, Unbroken Across Time

COVID-19 changed people's lifestyles, with the idea of a 15-minute city proliferating across North America and Europe, in which life essentials can all be reached in a 15-minute walk. This is decentralized, rather than concentrated, urban and community development, and the Group has factored the idea of self-contained and dispersed urban and community development from the time of its previous Medium-term Management Plan and Long-term Management Initiative. Such urban and community development continues the traditions laid down in previous eras. The renewal that we are currently carrying out is the culmination of plans from many years back, and in this sense, our investment plans are fundamentally unchanged from before. While some matters may be symbolic of their times, they are also nothing less than an embodiment of how the urban and community development that we have inherited in perpetuity is in our DNA.

Enhancing our Strengths and Business Portfolio

A Proprietary Integrated Group Possessing Diverse Subsidiaries

Toward Upside Revenue by Re-examining Strengths

The Group is a flat integrated corporate Group with a plurality of businesses in different industries, with attributes being having comparatively large-scale subsidiaries including formerly listed companies. Such subsidiaries contribute to our real estate leasing business by paying us reasonable rents, and also aid improving consolidated business profit overall by driving growth of each respective business. This solid relationship between our real estate leasing business and internal tenants is our strength, and I believe that emphasizing Group operations has the potential to generate further upside revenue.

We are proceeding with DX at present as one such upside. Tokyu Railways is carrying out a DX operation transformation, with DX proceeding substantially, having realized such as maintenance optimization and Toyoko Line one-man driving. By contrast, retail and hotel businesses will need to catch up going forward. As the structures of each business of the Group vary, we are providing a digital platform as a cross-boundary function organization, in which we carry out appropriate DX according to each business category as well as promote collaboration among businesses. While business balance enhancement through such DX is also crucial, however, it is also necessary to ensure budgets for corporate R&D positioning and raise new revenue on the basis of assets held, and I intend to carry out such activities.

Additionally, development of financial personnel who organize such business is necessary, as is thinking of the optimal state of Group management. For example, employees in charge of finance and accounting of the business division might be in the two chains of command of the business division and the head office's finance and accounting division. Regarding development of financial personnel, I want to cultivate personnel capable of becoming more expert based on comprehension of business.

Balance Sheet Operations

Balance Sheet Health and Efficiency

It is crucial first of all to ascertain absolute amounts in financial operations. As community development is carried out in roughly decadal units, the thinking in the Long-term Management Initiative we disclosed in September 2019 will not fundamentally change before 2030. Consolidated total assets at the end of FY2017 stood at JPY2.20 trillion, and we imagined that consolidated total assets in 2030 would be roughly on the order of JPY 3 trillion including some JPY400.0 billion in Shibuya investments, as well as renewal along our railway lines, etc. The key is not simply increasing assets, but reviewing the substance thereof.

Interest-bearing debt stood at approximately JPY1.20 trillion at the end of FY2022. We focus on the ability to refinance liabilities with direct finance even when capital markets change

Financial Management Attitude as Seen in the Balance Sheet

Assets	Liabilities
<ul style="list-style-type: none"> ● Funds <ul style="list-style-type: none"> — Ensuring stable funds ● Portfolio Attitude <ul style="list-style-type: none"> — Transportation, Real Estate: Investigation in medium and long term viewpoints as societal infrastructure — Life Services, Hotels and Resorts: Conducting ongoing reviews in line with business environment changes — Investment in Growth: Carried out in concentrated manner in areas with significant growth potential ● Cross-shareholding <ul style="list-style-type: none"> — Sustained reduction 	<ul style="list-style-type: none"> ● Interest-bearing Debt/ TOKYU EBITDA* multiple: 7 times level in current medium plan period (FY 2022 result: 8.9 times) ● Financing <ul style="list-style-type: none"> — Mainly debt — Focus on balance of direct and indirect finance
	<div style="text-align: center; background-color: #9E9E9E; color: white; padding: 5px;"> Net assets/ Capitalization </div> <ul style="list-style-type: none"> ● Minimum 30% dividend payout ratio (medium- to long-term guideline)

* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

rapidly, as well as asset liquidity and other fund procurement ability using the balance sheet, based on capital market demand and such factors as long term regulatory moves regarding cross-shareholding by banks. It is necessary to control interest-bearing debt according to baselines allowing refinancing under any circumstances.

Conversely, equity capital at the end of FY2022 stood at approximately JPY740.0 billion, and we have an image in which, if we have annual net income of JPY50.0 billion, we would accumulate approximately JPY500.0 billion of funds over 10 years necessary for investment, internal reserves, and shareholder return. The key going forward is being how to utilize this; I want to focus on the balance of liabilities and cashflow, as well as balance sheet health and efficiency. This is because I want us to continue being a company capable of doing many things from here on in. My mission is to strive for a balance sheet that will allow those who run the Group going forward to borrow and procure capital as needed as well.

CB* Issues and Shareholder Returns *Convertible Bonds

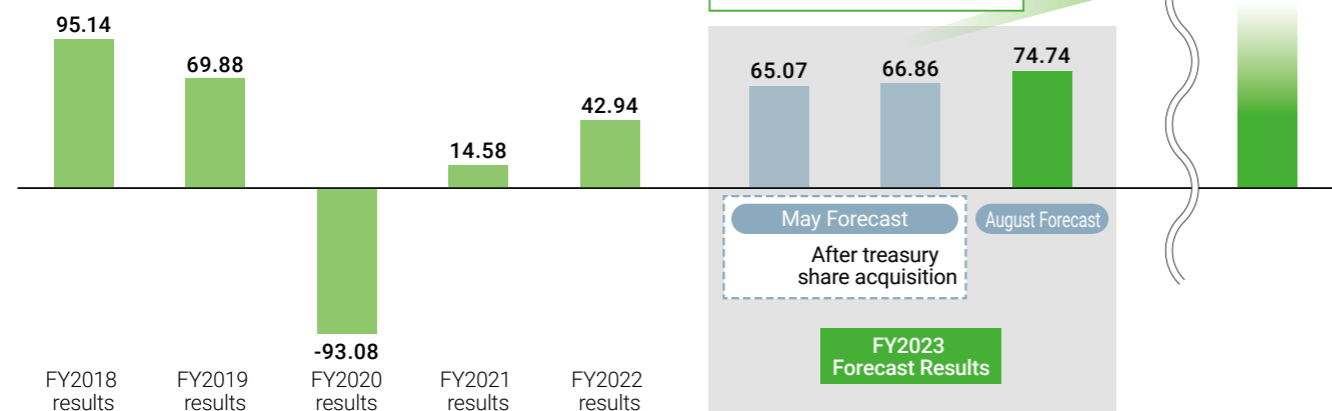
Carrying Out Shareholder Returns with Balance Sheets Operations in Mind

With a focus on balance sheet health and efficiency, in June 2023 we simultaneously carried out a total 60.0 billion yen Euro-Yen CB issue and an acquisition of 30.0 billion yen in treasury shares. There were two primary ideas behind this policy.

The first was capital expenditures for our various renewal projects, including realizing our Greater SHIBUYA 2.0 in Shibuya. Our renewal is long term, and it will take time to fluidize and recoup funds. Thus, this financing serves as

● Achieving Sustained Earnings Per Share (EPS) Growth

- Striving for further growth through promoting superior development plans and primary subsidiary growth
- Promoting improved asset efficiency and enhanced capital efficiency



a bridge. The second is acquiring treasury shares versus increased stock as part of our past Group restructuring. To you, our shareholders who have held our stock over the long term, we have large quantities of outstanding shares of stock, and we have long wanted to return a portion of the capital that you have paid in by eliminating dilution thereof. We acquired approximately 16,520,000 treasury shares through this CB issue, surprising capital markets and being told how ingenious we must be, suggesting that they understood our objective.

Turning to shareholder returns, we have a medium- to long-term guideline of 30% minimum dividend payout ratio, and we will strive going forward to flexibly carry out treasury share acquisitions and improve total payout ratio and EPS.

■ Promotion of Sustainable Finance

Promotion of Environmental and Societal Sustainability Through Finance

We have continuously issued sustainability bonds since we issued our first sustainability bond in FY2020. When sustainable finance, which is currently catching on in Japan, got its start abroad, it was inaugurated with the most important concern being disclosure of how funds will be used in the conduct thereof. I feel that financing techniques that have clear applications such as purchasing rolling stock and renewal and take into account environmental and societal impact fit with our business stance. Following the sustainability bond, in November 2022 we issued our first sustainability-linked bond. For this bond, we set a sustainability performance target (SPT) of 46.2% of FY2019 CO₂ emissions by FY2030, as laid down in our Environmental Vision 2030, and I intend to make even greater efforts to engage financially with sustainability.

■ Building Relationships with Stakeholders

Toward Building Value Across Stakeholders and Time: "Business is Local, Brands are Global"

We believe that business should be local and brands should be global. As our business is very closely tied to local communities, it is essential that we collaborate with local corporations and superior corporations when undertaking various services. New businesses and capital relationships are arising in telecommunications and energy based on community foundations, making it easier to build new businesses. Unlike the way the Group used to be, with considerable attention paid to our relations with financial institutions, we take heart from the fact that close partnerships have increased based on alliances with partners for business expansion.

Based on the funds we receive from markets, we carry out urban and community development where living is easy with locals both domestically and internationally, and contribute to local communities, which in turn drives employee motivation and shared shareholder value. This is the urban and community development tradition that we have cultivated. We are proud that we are capable of renewal. We will continue to engage in dialogue to the utmost with all stakeholders and pursue financial management for urban and community development for all time even as I fulfill my responsibilities both internal and external as Chief Financial Officer.

Strategies and Achievements by Business

Transportation

< Business domains > ■ Railway Business ■ Bus Business ■ Airport Management Business, etc.	Total annual passengers Tokyu Railways approx. 980 million Tokyu Bus Corporation approx. 1.3 million
	Installation of platform screen doors (including fixed platform barriers equipped with sensors) All stations served by Tokyu's railway lines (excluding Setagaya Line and Kodomonokuni Line)
	Passengers per year at airports under management (7 airports in Hokkaido, Sendai Airport, Mt. Fuji Shizuoka Airport and Hiroshima Airport) 27.42 million

Real Estate

< Business domains > ■ Real Estate Sales, Leasing, Management Business ■ Overseas Business, etc.	Office building space for lease (The Company's ownership) Approx. 375,000m ²
	Number of (directly managed) satellite shared office facilities 115 facilities
	Rental housing 49 facilities 2,049 units

Life Services

< Business domains > ■ Cable Television Business ■ Electricity Retailing, Gas Agent Business ■ Schoolchild, Preschool Nursery Business ■ Department Store Business ■ Shopping Center ■ Chain Store Business, etc.	Households connected to CATV (its communications Inc., Cable Television Shinagawa) Approx. 1.18 million households
	Nursery school and school children's facilities (including leased, direct management, and publicly commissioned) 105 facilities
	Supermarkets 90 stores

Hotel and Resort

< Business domains > ■ Hotel Business ■ Resort Business ■ Golf Business, etc.	Hotels/ Members-only resorts 66 facilities 12,849 units
	Number of Tokyu Hotels Comfort Members 740,000 people
	Golf courses 6 locations



Understanding Tokyo

Value Creation Story

Management Strategy

Strategies and Achievements by Business

Source of Value Creation

Foundations for Sustainability

Company Information

Transportation



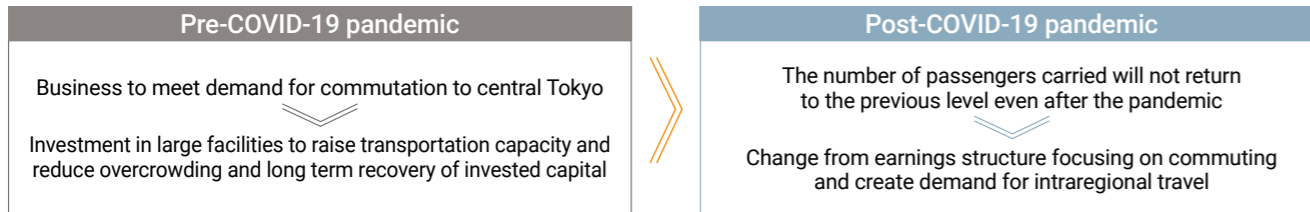
Characteristics and strengths

- Safe, secure, universal, and comfortable services
- A highly convenient network with mutual direct train service operations offering a mode of transport with low environmental impacts

Initiatives to address key social issues

- Prevention of accidents
- Initiatives for barrier-free design
- Improvement of environmental performance and mitigation of environmental impacts
- Enhancement of mobility including MaaS, etc.

Changes in the business environment and a shift in business strategy



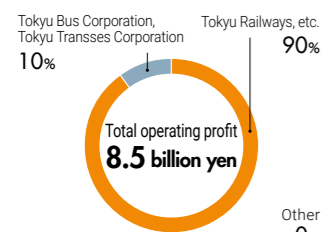
Business Conditions

Operating revenue 184.0 billion yen 10.5% increase YoY Operating profit 8.5 billion yen YoY

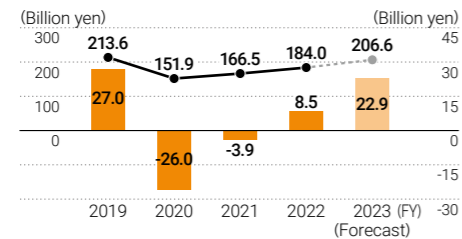
In the transportation segment in FY2022, we experienced a stepwise recovery in the number of passengers transported by our railway operations and bus operations and the number of airport users amid increased opportunities for people to go out following the removal of travel restrictions. Despite an increase in power costs, operating profit increased by 12.4 billion yen owing to the recovery in operating revenue and continued cost reductions, resulting in profitability.

Results for FY2022 (Transportation Segment)

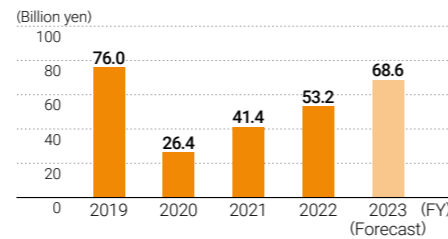
Operating profit distribution ratio



Operating revenue* and operating profit

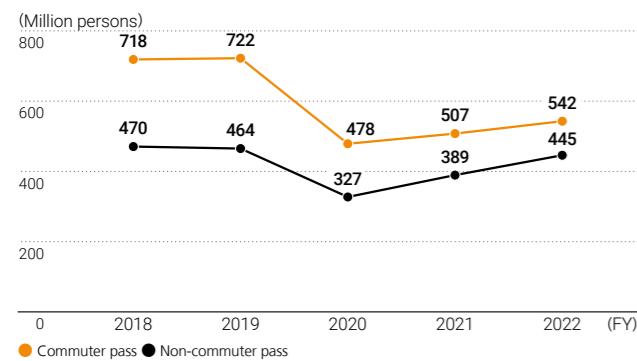


TOKYU EBITDA*

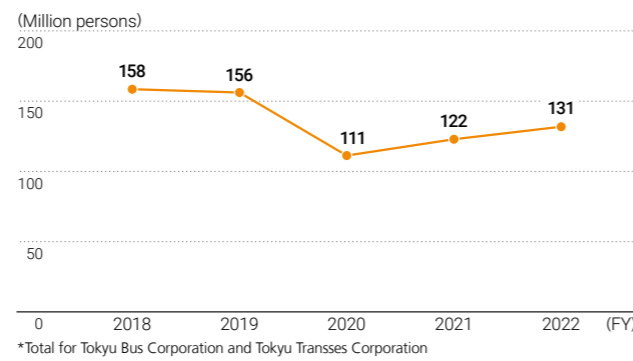


* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

Changes in the Number of Passengers Transported by Tokyu's Railway Lines



Changes in the Number of Passengers Transported by Bus*



[Tokyu Railways] Number of passengers carried rose by 7.0% in terms of commuters, and by 14.5% for non-commuters, resulting in an overall increase of 10.2% compared to the previous year.
[Tokyu Bus] Number of passengers carried increased by 7.2% compared to the previous year.

Strategies and Progress in the Three-year Medium-term Management Plan

Pursue safety and security, aim to achieve both public benefit and profitability at high levels, and reform operations using technology to strengthen the business structure.

Pursuing safety and security

- Maintenance of good facility condition and accident prevention
 - Ensure thorough facility renewal and inspections required
 - Implement disaster control measures
- Improvement of recovery capacity after accidents
 - Renew and improve control center facilities
 - Increase educational functions (improve HR and technical skills)
- Universal services
 - Reduce gaps between platforms and train floors
 - Place more barrier-free facilities (use of apps, etc.)

Reforming operations

- Expand one-man driving
- Rationalization of service schedule according to demand
- Optimization of maintenance operation using data, etc.

Increase resistance to changes in demand

- Improving earnings structures of Tokyu bus, airport management business, regional transportation business, etc. and thoroughly meeting demand for recovery

Increasing convenience

- Tokyu Shin-Yokohama Line starts service
- Increase services such as paid seating



Passenger carriages with Q SEAT paid seating on the Toyoko Line

Initiatives for Business Structure Transformation and Increasing Operating Revenue

Tokyu Railways is working to transform its business structure to lower fixed costs and improve productivity while fully maintaining its commitment to safety and service levels, and the company will continue to increase efficiencies through technological innovations and other means. Although we have continuously made capital expenditures that far exceed industry standards, the costs required to maintain facilities are increasing year by year.

We carried out fare revisions in March 2023 in order to ensure the appropriate upkeep of facilities and offer value that fulfills more diverse and complex societal demands. Combined with the effects of the opening of the Tokyu Shin-Yokohama Line, we expect revenue will increase by 15 billion yen compared to the previous year.



	Up to FY2022	FY2023
Switch to one-man driving on Toyoko Line	<ul style="list-style-type: none"> • Completed modifications of ground facilities at all 26 stations and all 155 passenger trains • Started all passenger carriage door operation by train drivers 	<ul style="list-style-type: none"> • Further investment for safe and stable transportation in one-man driving sections (e.g., higher functionality of onboard security cameras)
Rationalization of service schedule	<ul style="list-style-type: none"> • Revised the number of services in response to customer ridership trends • Began service on Okusawa through line and increased the speed of some trains 	<ul style="list-style-type: none"> • Ongoing review of service schedule focused on demand
Transformation of station operations	<ul style="list-style-type: none"> • Reviewed station operations and commuter pass sales floor 	<ul style="list-style-type: none"> • Facility upgrades and trial implementation for work pattern changes • Reduction of security costs through in-house production, etc.
Review of inspections and repairs	<ul style="list-style-type: none"> • Promoted CBM* (railroad switches, HVAC, etc.) • Revised facilities management operations 	<ul style="list-style-type: none"> • Ongoing review of optimal inspections and repairs • Expansion of facilities with CBM

* Condition Based Maintenance (Optimization of maintenance operation using data)

Achieved a cost reduction of approx. 5.0 billion yen/year consistently up to FY2022. Promote further efficiencies going forward.

	Up to FY2022	FY2023
Fare revision	<ul style="list-style-type: none"> • March 2023 revisions (revision rate: 12.9%) 	<ul style="list-style-type: none"> • Increased revenue by 11.3 billion yen
Tokyu Shin-Yokohama Line Starts Service	<ul style="list-style-type: none"> • Began service on March 18, 2023 	<ul style="list-style-type: none"> • Increased number of passengers carried by 11 million • Increased revenue by 3.6 billion yen

Revenue expected to increase by 15 billion yen year over year in FY2023



Real Estate

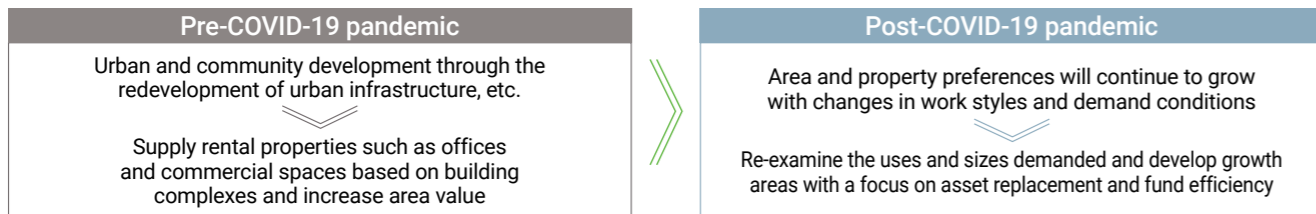
Characteristics and strengths

- Real estate development balancing solutions to social issues with business viability
- Urban and community development where work, live and play are functionally developed through partnerships with communities and local government

Initiatives to address key social issues

- Development and area management to respond to local needs and issues
- Promotion of self-contained and dispersed structures bringing closer work, living, and play
- Urban and community development in harmony with the global environment

Changes in the business environment and a shift in business strategy



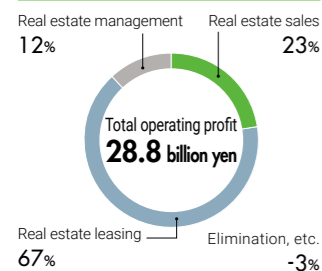
Business Conditions

Operating revenue 220.4 billion yen 1.3% decrease YoY Operating profit 28.8 billion yen 36.2% decrease YoY

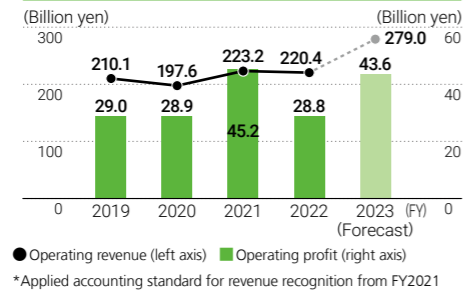
In the real estate segment in FY2022, operating profit declined by 16.3 billion yen from the previous fiscal year to 28.8 billion yen due to the absence of the previous year's sales of large-scale properties in the real estate sales business, which offset the strong performance of the real estate leasing business.

Results for FY2022 (Transportation Segment)

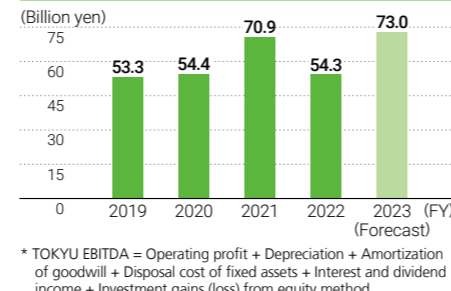
Operating profit distribution ratio



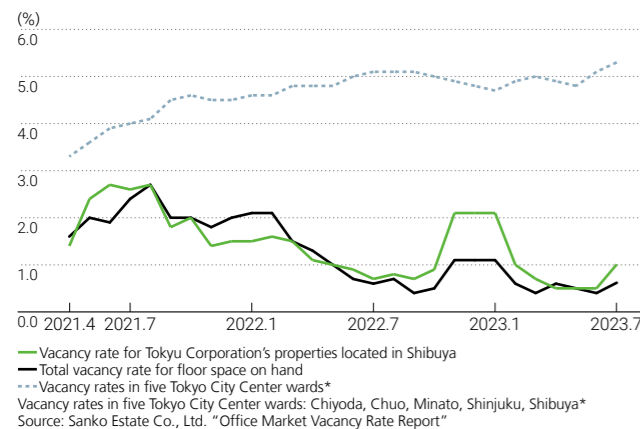
Operating revenue* and operating profit



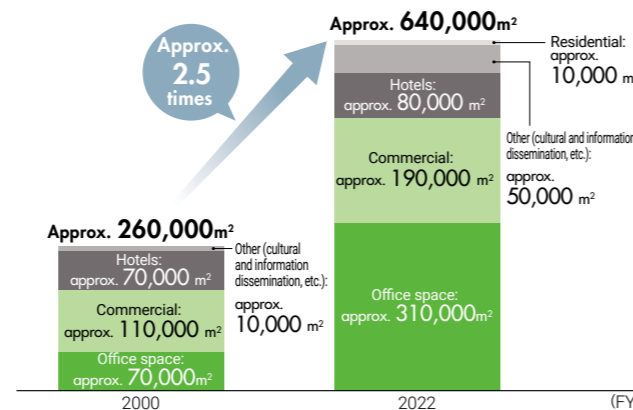
TOKYU EBITDA*



Office Vacancy Rate (Result)



Trend in Tokyu Corporation's Floorspace in the Shibuya Station Vicinity and Wider Shibuya Area



Vacancy rates in the five Tokyo city center wards have been on the rise due to the effects of COVID-19, but such rates at the properties we own have remained low compared to the respective district averages, as many of these properties are directly connected to key stations.

Strategies and Progress in the Three-year Medium-term Management Plan

Implement Tokyu's unique urban and community development that will enhance area value, and play a central role in consolidated business profit, and raise profitability to drive profit growth.

Shinjuku redevelopment progress

- Opened Tokyu Kabukicho Tower
- Bringing an unparalleled hotel and entertainment complex from Japan to the world
- Promoting an entertainment plan in which local community and building combine organically, through integrated utilization of Cinema City Plaza adjacent to outdoor jumbo vision and outdoor stage

Evolving to urban management

- Efforts for self-contained and dispersed urban structures, Tokyu area city
- Promote the development of facilities that become the center of the regional economic sphere
- Solve issues through public- and private-sector partnerships and develop unique communities
- Enhancement of shared offices, small offices, etc.
- Strengthening of housing-related businesses and revitalize Tokyu areas
- Plan products with a focus on proximity between work and home and telecommuting and promote the appeal of Tokyu areas

Improvement of asset recycling building business

- Early contribution to consolidated profit (reduce timeframe)
- Establish a business with a focus on fund efficiency
- Use pipeline with TOKYU REIT, etc.

Promotion of overseas urban and community development

- PJ promotion utilizing distinctive characteristics of individual regions
- Build real estate business value chain in Vietnam
- Residential rental and condominium businesses in Thailand
- Residential land and urban development business in Australia

Development Plan Underway

In Shibuya, the most important center for the Group, we are promoting development plans, including public-private partnerships, and initiatives that contribute to improving the attractiveness of the city.

In areas served by Tokyu's railway lines, we will strive for invigoration of economic activity including creation of intraregional movement demand and increases in residential and transient populations, etc., by such as functional positioning of work, live, and play based on the idea of self-contained and dispersed urban structures, and collaboration and cooperation with local residents, government, academia, and commercial businesses.

Shibuya area

- SHIBUYA AXSH
Completion: Scheduled for end of May 2024
- Shibuya Scramble Square (Central Building and West Building)
Opening: Scheduled for FY2027
- Shibuya Upper West Project
Completion: Scheduled for FY2027



Areas served by Tokyu's railway Lines

- Shin-Tsunashima Square
Completion: Scheduled for October 2023
- THE YOKOHAMA FRONT
Completion: Scheduled for March 2024
- Development of intermediate base stations (Fujigaoka/Saginuma)



Real Estate Sales Business Progress

Through our residential sales business, which enhances the value of areas along our railway lines, and our asset turnover building business, which is concerned with portfolio and capital efficiency, we are effecting stable and sustained contributions to profit and further invigoration of areas served by Tokyu's railway lines. We are also proactively promoting urban and community development globally.

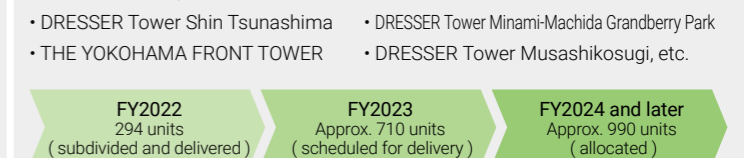
Engagement with asset turnover building business

- Rental apartment development and selling of apartment buildings
- Mid-sized office, etc., development and selling
- Renovation, increased value



Properties developed in response to investor demand (Rental apartments: STYLIO Kamata II)

Key future business plan in residential sales



*Note that units include apartments, single-family dwellings, and land parcels

Expansion of global real estate sales business

- The GLORY (scheduled for completion in FY2024, Binh Duong New City, Vietnam, total 992 apartments)
- dcondo Hype Rangsit (scheduled for completion in 2024, Pathum Thani Province, Thailand, total 546 units)
- dcondo Air Ladkrabang (scheduled for completion in 2025, Bangkok, Thailand, total 539 units)
- Kindsquare Residence (scheduled for completion in 2025, Bangkok, Thailand, total 222 units), etc.



Life Services

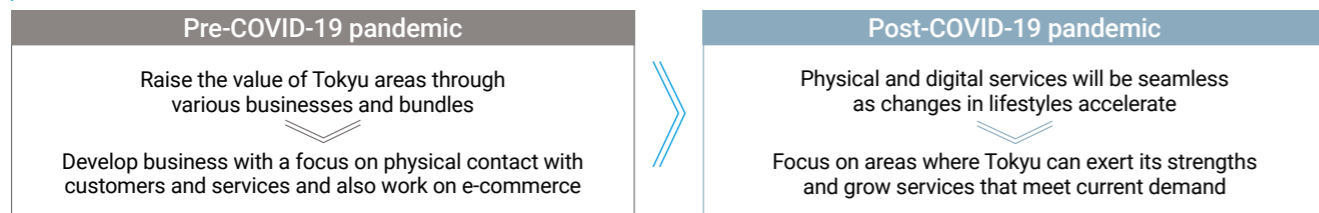
Characteristics and strengths

- Build a wealth of customer contacts and trust through IENAKA (in-home) and MACHINAKA (downtown) business, supporting the lives of various generations of customers with diverse needs

Initiatives to address key social issues

- Promotion of healthy and affluent lifestyles for local residents
- Provision of convenient facilities and services to meet the diversification of lifestyles and work styles

Changes in the business environment and a shift in business strategy



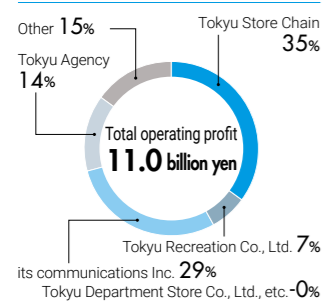
Business Conditions

Operating revenue 517.2 billion yen 2.9% increase YoY Operating profit 11.0 billion yen 67.8% increase YoY

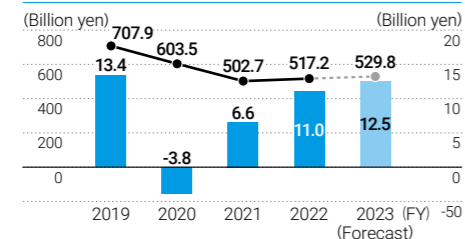
In the life service segment in FY2022, operating profit increased by 4.4 billion yen from the previous fiscal year to 11.0 billion yen due to the recovery of Tokyu Department Stores and Tokyu Recreation following the bounce back from the temporary closure of some stores and shortened business hours in the previous fiscal year, despite consumers refraining from purchases as a result of inflation and an increase in costs such as electricity.

Results for FY2022 (Life Services Segment)

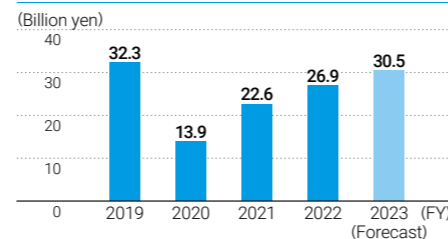
Operating profit distribution ratio



Operating revenue* and operating profit

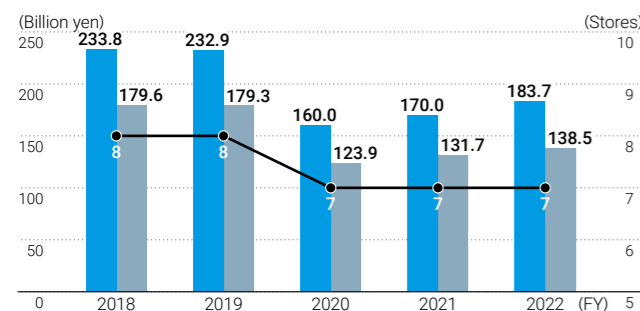


TOKYU EBITDA*

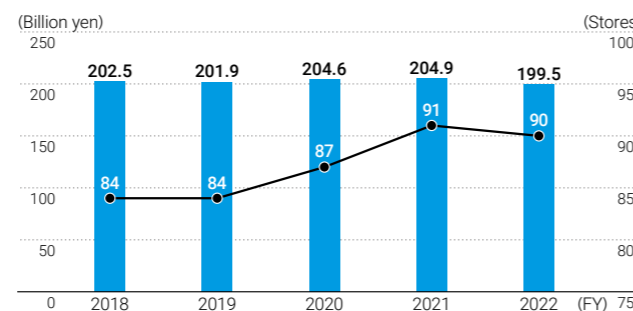


* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

Trend in Tokyu Department Store Operating Revenue and Number of Stores



Trend in Tokyu Store's Supermarket Business Operating Revenue and Number of Stores



*Operating revenue of Tokyu Department Store and Tokyu Store Chain represent figures before the application of the Accounting Standard for Revenue Recognition. *Tokyu Department Store's fiscal year ends in January, and Tokyu Store Chain's in February *Total operating revenue of Tokyu Department Store include rental tenants (excluding some tenants)

[Tokyu Department Store] Operating revenues are recovering owing to an increase in customer traffic due to the normalization of socio-economic activities.

[Tokyu Store Chain] Operating revenue was lower than the previous fiscal year due to stabilizing demand for eating at home and consumers refraining purchases due to inflation.

Strategies and Progress in the Three-year Medium-term Management Plan

By evolving into businesses and services that respond to new lifestyles, we will strengthen the competitiveness of each business and contribute to consolidated profits.

Providing value through the lifestyle infrastructure business/ Upgrading services to meet customer needs and current demand

- Profit growth by responding to IENAKA (in-home) demand**
 - Promote opening of Tokyu Store Chain, Improve e-commerce
 - Increase operating efficiency using digital technologies
- Selective implementation of strategic Investments**
 - Strengthen the ICT business, Strengthen competitiveness by participating in the business of 5G base station sharing, Mesh Wi-Fi, FTTH (fiber-optic) and promotional of regional BWA
- In the face of a super-aging society, we provide one-stop services that accompany the future lives of customers**
- Develop a "concierge" system by establishing profound relationships with Tokyu area customers and improving proposal skills**
 - Aim to increase services and expand business as the comprehensive provider of "IENAKA" (in-home) solutions
- Grow shares in new markets by responding to rapid changes in working styles**
 - Corporate membership office-sharing business* Focus on increasing the rate of use and number of Customers
 - * The corporate membership shared office business is included in the real estate segment
- Increase the profitability of individual businesses**
 - Examine value provided and income/expenditure structure
 - Redefine the meaning and role of the company and restructure its business and services for the next generation
- Structural reform of department store business**
- Storefront structure reform and increased back office business process efficiency**
- Services and sales promotion shift to digital operations**

Initiatives for Business Structure Transformation

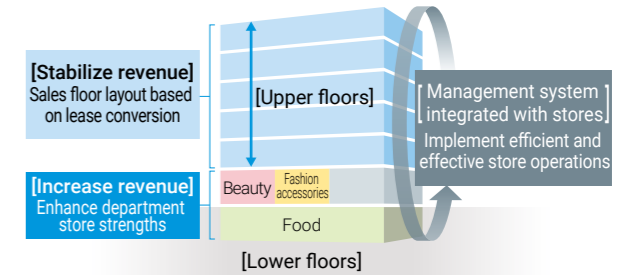
Transitioning Away from the Conventional Department Store Business Model

Tokyu Department Store has closed its key stores (Toyoko Store and flagship store) due to redevelopment in Shibuya. In light of this situation, we are working on business structure transformation to transition away from the conventional department store business model.

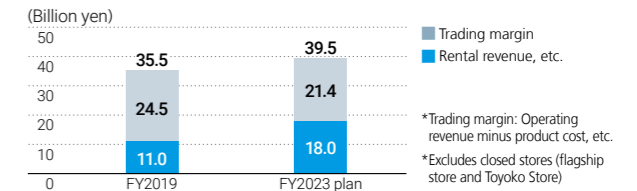
Transformation of business structure (Kichijoji Store, Tama Plaza Store, Sapporo Store)

- Expand lease conversion and reduce own sales floor
- Initiatives for growth**
 - Further enhance strengths of Tokyu Department Stores (food and beauty)
 - Diversify product lineup through tenant mix (own salesfloor + expansion of rental tenants)
 - Strengthen collaboration between stores and e-commerce and between stores and out-of-store sales
- Pursuit of extensive efficiencies**
 - Streamline operations and slim head office functions [Cost reductions in FY2022] Approx. 5.5 billion yen (compared to FY2019)

Transform Business Structure of Stores



Trend in Trading Margin and Rental Revenue



Restructuring of the Daily Necessities Retail Business

In March 2022, with the aim of evolving into businesses and services compatible with new lifestyles, we merged Tokyu Store Chain and Tokyu Station Retail Service, which operates station kiosks and convenience stores. In the supermarket business and train station store business, we improved operational efficiency after expanding the product lineup by unifying product suppliers, standardizing cash register systems, and integrating office and general administrative operations.

In addition, utilizing Tokyu Store Chain's knowledge of unmanned payment store operation and Tokyu Station Retail Service's vending machine business, we are developing a new business format that meets customer needs such as short-time purchasing and contactless purchasing. In January 2023, we opened Little Ichigao produced by Tokyu Store, an unmanned store featuring vending machines based on the concept of "good for the community and good from the community."



POS cash register at station kiosk shared with supermarket Little Ichigao produced by Tokyu Store opened on the platform of Ichigao Station on the Den-en-toshi Line

Going forward, through the integrated operation of our retail businesses, including food and daily necessities, we will continue our dominance tailored to regional characteristics and customer needs, and strengthen our product and service capabilities.

Hotel and Resort



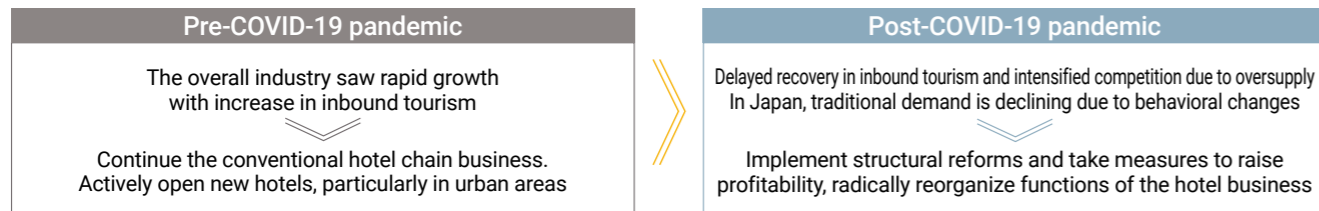
Characteristics and strengths

- Providing hospitality services that enhance the quality of life and responding to the diversification of values and lifestyles with trusted brands nationwide

Initiatives to address key social issues

- Contributions to regional development
- Providing experience value to meet the diversification of lifestyles
- Reduction of environmental impact and promotion of resource recycling

Changes in the business environment and a shift in business strategy



Business Conditions

Operating revenue 70.8 billion yen 62.7% increase YoY Operating profit -4.1 billion yen YoY

In the hotels and resorts segment in FY2022, Tokyu Hotels' annual occupancy rate hit 70.6% (up 26.5 points year-on-year) and operating revenue increased 27.2 billion yen, recovering to 70.8 billion yen, thanks to the effects of easing restrictions on domestic travel and nationwide travel support, as well as the gradual easing of restrictions on visitors from overseas. At 4.1 billion yen, the operating loss improved by ¥12.6 billion due to higher revenue and the effects of structural reforms.

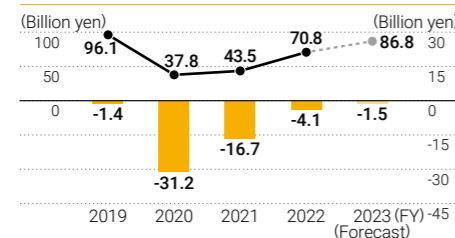
Results for FY2022 (Hotel and Resort Segment)

Operating profit distribution ratio

-4.1 billion yen

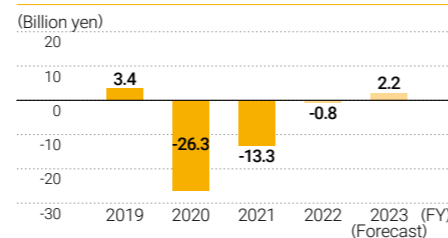
Tokyu Hotels: ... -3.2 billion yen
Other: -0.8 billion yen

Operating revenue* and operating profit



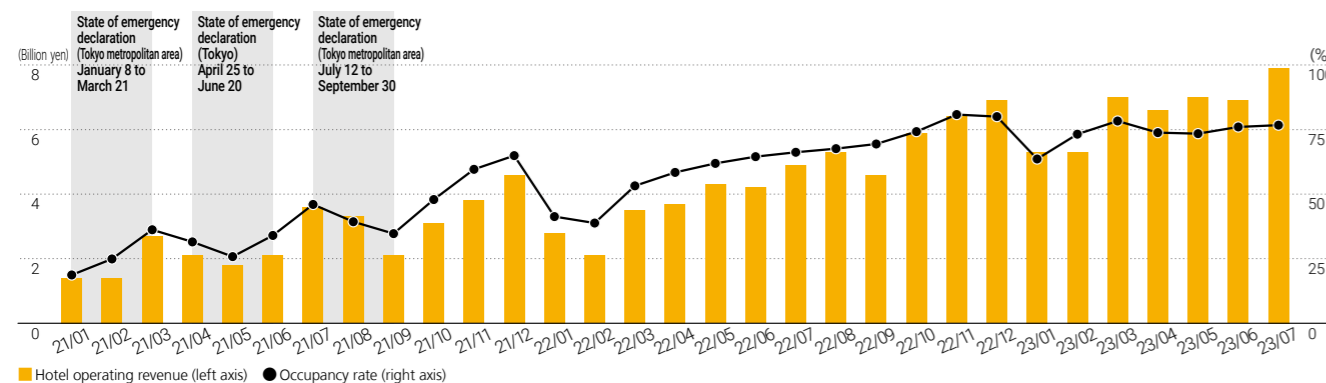
* Operating revenue (left axis) ■ Operating profit (right axis)
* Applied accounting standard for revenue recognition from FY2021

TOKYU EBITDA*



* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

Hotel Operating Revenue and Occupancy Rate (Results)



* The above includes hotels operated by Tokyu Corporation, Tokyu Hotels, Tokyu Hotels & Resorts, and THM.

The occupancy rate has been steadily increasing with the recovery of inbound tourism demand following the easing of entry restrictions.

Strategies and Progress in the Three-year Medium-term Management Plan

We will promote structural reforms in each of our businesses to achieve a quick recovery from the COVID-19 pandemic and develop measures to respond to behavioral changes and changes in the market environment for future growth.

Structural reform of each business

- Hotel business**
 - Build a structure that is resilient to changes in the business environment by changing the cost structure and improving profitability
- Time-share resort business**
 - Convert product configuration and business system in TOKYU VACATIONS
- Linen supply business**
 - Reorganize system of linen supply factory
- Golf business**
 - Improvement of profitability and brand power by responding to diversification of usage styles

Responding to behavior change and market environment change

- Acquiring customers with new lifestyles**
 - Officially launched TsugiTsugi, a fixed rate traveling residence business, and developing new "Vacation Style" and "Vacation Masters" membership service plans (TOKYU VACATIONS), etc.
- Using guest rooms as offices**
 - Collaboration with NewWork shared satellite offices



Opening of new hotels to meet future growth

- Open new hotels in response to change**
 - Engage with strengthening competition and improving brand power through opening new hotels responding to diversifying lifestyles and changing customer demand



BELLUSTAR TOKYO, A Pan Pacific Hotel (Tokyu Kabukicho Tower)
Grand opening of SAPPORO STREAM HOTEL in January 2024

Business Structure Transformation Initiatives and Brand Portfolio

To recover quickly from the COVID-19 pandemic and achieve future growth, we have promoted income and expenditure structure reforms and functional restructuring. As part of the income and expenditure structural reforms, we reduced fixed costs such as personnel expenses and rent, exited unprofitable hotels, and implemented measures to improve hotel profitability. In addition, we will differentiate and specialize management and operation functions, and while the newly established Tokyu Hotels & Resorts will be responsible for the operation functions, we will focus on acquiring new hotels centered on management contracts (MCs). Tokyu Corporation and Tokyu Hotels

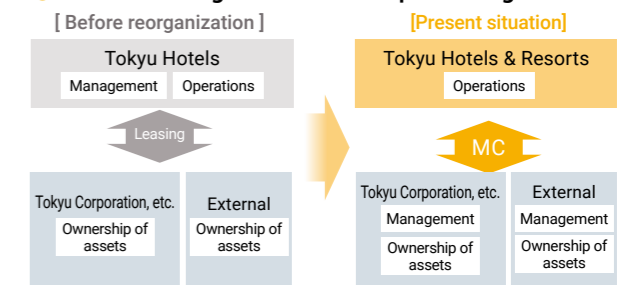
will treat hotels management and assets management as integrated management functions, and will carry out the building of hotels together with the qualities of urban and community development.

In line with this reorganization, we added Tokyu Vacations to existing brands such as Tokyu Hotels and established a new "DISTINCTIVE SELECTION" as part of our efforts to reorganize and expand our brand portfolio. We will provide a wide range of flexible brand options to meet the various needs of customers in diversifying usage scenes and clients considering hotel management and investment.

Promote Income and Expenditure Structure Reforms at Tokyu Hotels

Reduce fixed costs	<ul style="list-style-type: none"> Reduce personnel and outsourcing costs Reduce fixed lease fees
Strengthen ability to attract customers in domestic market	<ul style="list-style-type: none"> Create new revenue using hotel rooms as satellite office spaces, etc. Launch fixed rate traveling residence service
Increase hotel profitability	<ul style="list-style-type: none"> Reorganize loss-making foods and drinks division Introduce smartphone enabled check-in
Review hotels	<ul style="list-style-type: none"> Exit unprofitable hotels

Function Reorganization Conceptual Image



Subcontract management of approximately 4,000 suites in 15 hotels under new management contracts by FY2030

Brand Portfolio After Restructuring and Expansion

Tokyu brand hotels

Member's only medium-to long-stay resorts

Partner hotels

DISTINCTIVE SELECTION

STREAM HOTEL

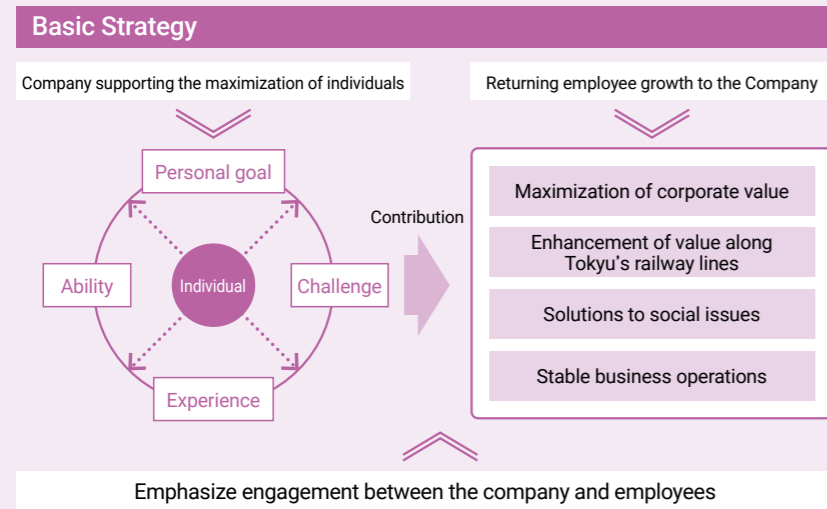
STORYLINE

Human Capital

— Innovative corporate culture and maximizing the diversity of individuals

Concept of Human Resources Strategy

As the driving force behind our company's transformation, we will support our employees in maximizing their individuality. In order for all employees to feel value and pride in working for Tokyu Corporation, and to have opportunities for growth and to lead a life that is uniquely their own, we will implement initiatives to enhance the value of the employee experience, and promote a change in mindset that returns employee growth to the company.



Key Strategies

● Status of Human Capital Initiatives by Item

Human capital items	Initiatives by item
Acquire people with excellent and diverse skills	Recruitment: New graduate and mid-career hiring, Rehiring contact point, Recruitment of specialized DX personnel
	Maintain: Tokyu Academy
	Succession: Tokyu Academy
Personnel training	Leadership: Tokyu Academy
	Development: Elective training
Skills/Experience	Elective training
Engagement	Employee engagement survey, One-on-one meetings and workshops, etc.
Diversity	Diversity: Develop systems and foster culture/mindsets conducive to a diverse workforce
	Childcare leave: Develop systems and foster culture/mindsets conducive to a diverse workforce
	No discrimination: Safety education
Health and safety	Safety: Safety education
	Physical health: Health and productivity management
Mental health	Mental health: Health and productivity management
	Labor practices: Appropriate labor agreements and labor management
Labor practices	Wage fairness: Appropriate labor agreements and labor management
	Relationship with labor union: Appropriate labor agreements and labor management
	Benefits: Statutory benefits and non-statutory benefits
Child labor/Forced labor	Human rights management
Compliance	Human rights management

Transform thinking required for increasing value

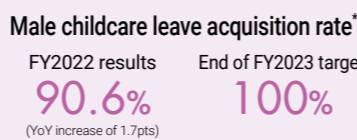
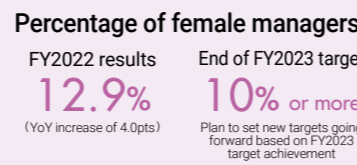
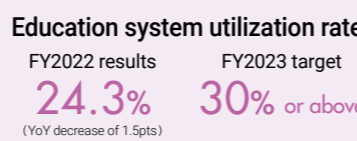
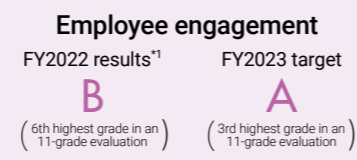
Improvement of employee experience

*Prepared based on the "3rd Study Group on Disclosure Policies for Non-financial Information Secretariat Documents" of the Ministry of Economy, Trade and Industry

Risks and Opportunities

- External environment**
- Mobilization of employment
 - Changes and diversification of perception about work
 - Shortage of specialized workers
- Internal environment**
- Changes in labor composition
 - Diversification of work experience
 - Sophistication and higher specialization of operations

Progress of Main KPIs

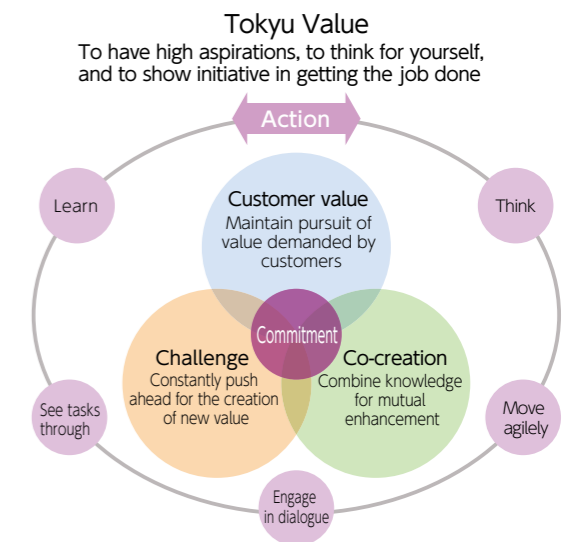


*1 Survey conducted in August 2022
 *2 Percentage of male employees who had a child in the previous fiscal year who took childcare leave, etc. between the previous fiscal year and the current fiscal year.

Recruitment and Training Based on Tokyu Value

Tokyu Value defines the values that employees should share and the required actions. It comprises the three aspirations and five actions. By putting Tokyu Value into practice, we aim to foster a corporate culture in which innovation happens at all times and each and every employee has high aspirations, thinks for themselves, and shows initiative in getting the job done, and to engage in hiring and development accordingly.

Our personnel training system has been established under the themes of recruitment, training, utilization, and support of highly effective human resources based on the social situation and business environment 10 years ahead. We will actively invest in our people as we strive to foster an innovative corporate culture.

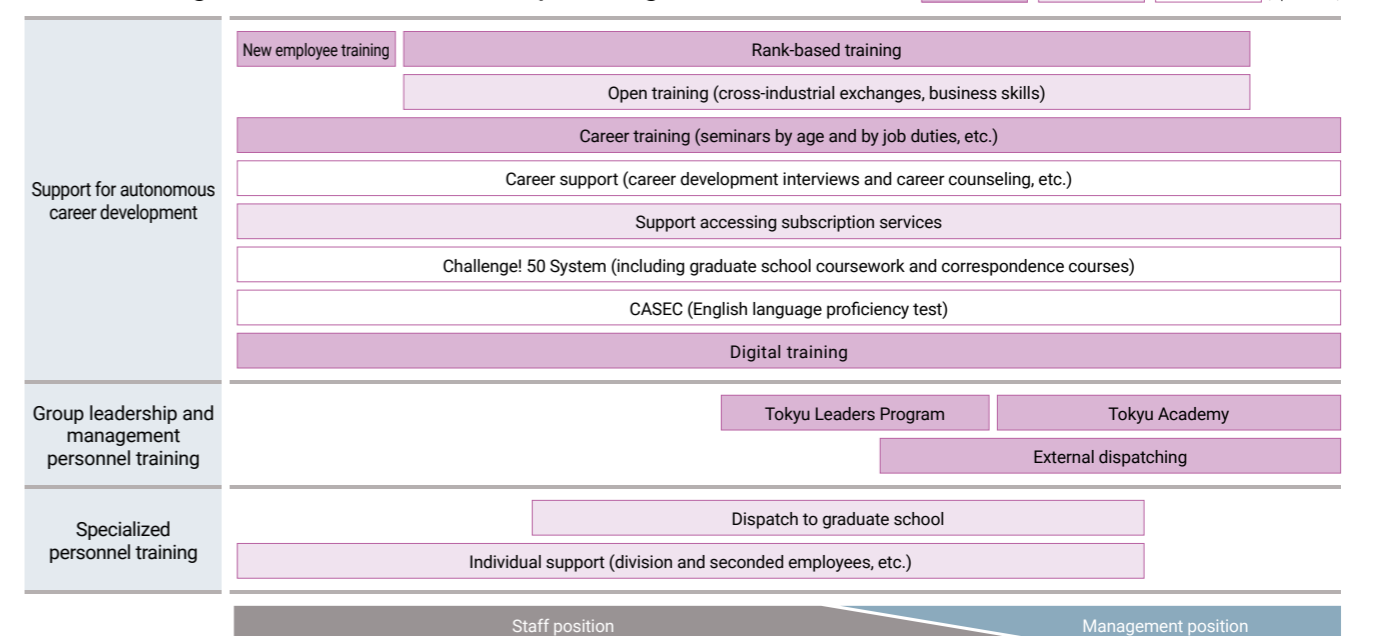


Human Resource Development Policy

Our human resource development is provided under three frameworks: support for autonomous career development, Group management personnel training, and specialized personnel training. As support for autonomous career development, we are developing measures that clarify the career development process in order to create an environment where employees can autonomously build their careers. Specifically, we support self-learning through regular one-on-one meetings between superiors and subordinates, career seminars that provide opportunities for self-understanding and thinking about one's own career, career consultation with external career consultants, and cross-industrial exchange training conducted while providing mutual knowledge with participants from other companies to broaden their horizons, subscription-type video training and web content teaching materials that use spare time. As for Group management personnel training, Tokyu Academy, which seeks to elevate the entire Tokyu Group's organizational and human resources, was opened in 2006 and since then a total of over 800 employees have completed coursework there,

as of March 31, 2023. Through a three-step learning process of experience, self-reflect, and learn, participants elevate their skills and abilities as management personnel, and through interactions with management candidates of Group companies, participants are given the opportunity to grow as management that can continuously implement the Tokyu Group's corporate philosophy. In terms of specialized personnel training, we are working to develop specialized human resources by providing support for acquiring the knowledge and skills required in each project, including dispatching to graduate schools through open recruitment. In addition, we are implementing various initiatives for human resource development throughout the company, such as raising the level of DX mindsets through digital basic training for all employees, fostering human resources who can take on challenges and establishing a corporate culture through the system for fostering entrepreneurial employees (SK System), and establishing an internal side job system and guidelines for multiple external jobs.

● FY2023 Management Human Resources Development Program

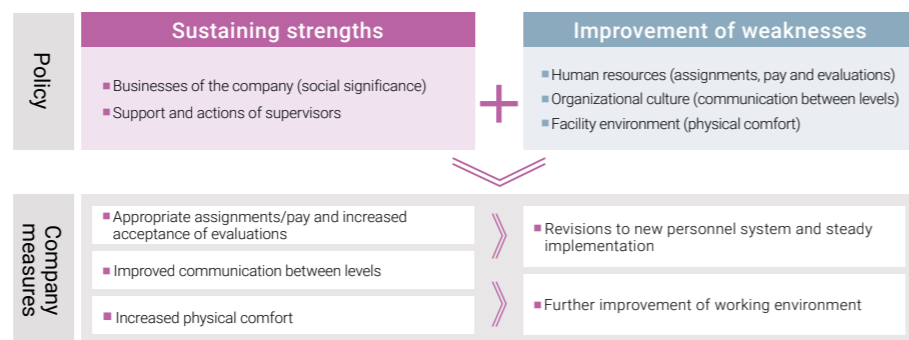


Employee Engagement Survey and Issues Being Addressed

In July 2019, we introduced an employee engagement survey as a mechanism for making work more rewarding for employees and improving their job satisfaction by evaluating the effectiveness of personnel measures using objective indicators. We believe that it is important to confirm whether the optimized abilities of individuals are being returned to the company as we work to realize the optimization of diverse individuals.

Based on the results of the FY2022 survey, we are promoting company-wide measures such as revising the personnel system and improving the work environment. As department-level measures, we are also working to improve communication between levels of employees, which is a weakness, by holding 1-on-1

meetings among managers and general employees and providing opportunities to discuss organizational management (1-on-1 meetings between managers).



Personnel System for Expanding Opportunities for Diverse “Individuals” to Shine

As a personnel measure in response to changes in the internal and external environment, we have updated our personnel system to broaden the range where employees can play an active role, to more strongly feel their personal growth and the growth of the company, and to reflect this in their compensation. The concept of the new personnel system is “maximize the individuality” and “establishment of an autonomous organization.” We have changed the system to support the abilities and growth of each employee, and introduced a system of autonomous organizations that flexibly construct the optimal system and execute business regardless of posting. The establishment of autonomous organizations

plus maximizing the individuality through these system changes will support the creation of continuous innovation and lead to the maximization of corporate value.

Key Points of Personnel System Revisions

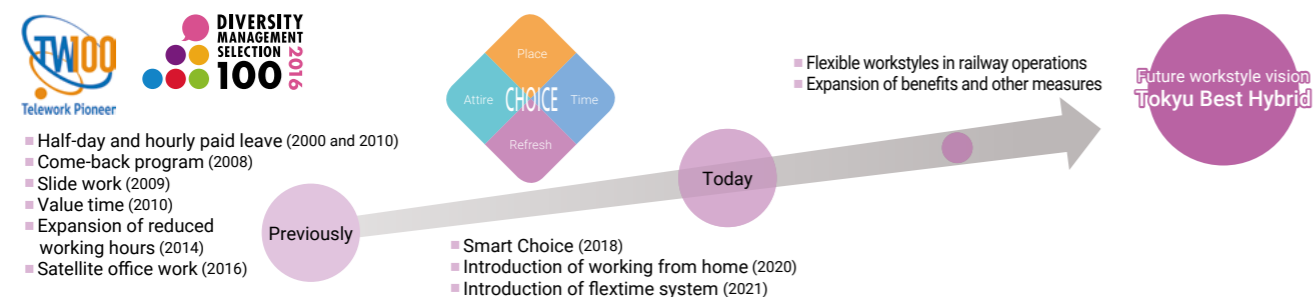
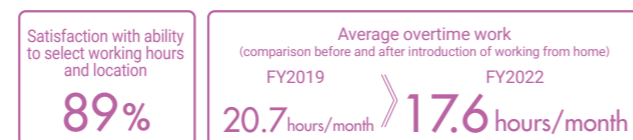
- Realization of a job responsibility system that expands the scope of activities
- Flexible allocation of personnel based on organizational mission and individual expertise
- Further reflection in the evaluation and treatment of “contribution to the organization and demonstration of possessed abilities”

Further Improvement of Working Environment

We are working to improve the internal environment to become a company where every worker hopes to work for a long time. Since the early 2000s, we have been actively exploring workstyle innovations to create a comfortable working environment, but in light of rapid changes in the social environment and people’s values, we are working on further reforms to realize more flexible workstyles and lead to improved productivity and the creation of innovation. As a key initiative, we are offering “Smart Choices,” in which employees proactively select the time and place of work according to their duties and environment, and we have established a flextime system and telework system.

In addition, as a workstyle we aim for in the future, we have

established the “Tokyu Best Hybrid” policy, which is conscious of the mission and achievements of employees and teams, and effectively selects and combines diverse workstyles. This policy was formulated based on the results of an analysis of a company-wide survey to understand workstyle needs. Through this policy, we will pursue the effective use of flextime and telework systems, as well as the best performance of individual employees and teams.



Diversity Management

Recognizing diversity management (creating an organization that makes the most of diversity) as one of the elements of our human resource strategy, we are implementing a variety of initiatives from the three perspectives of system, culture and mindset. In particular, we have focused on the promotion of women’s participation and advancement in the workplace, which we regard as the theme that has the greatest impact on our diversity management. While our founding railway business involved work requiring overnight accommodations, for a long time women were not allowed to work late at night, so it was a male-dominated organization, but in FY1988, we began hiring new female graduates for career-track positions, and since then, we have been hiring, assigning, and promoting employees to managerial positions regardless of gender. In terms of development, we are working to foster the mindset of female employees by taking various initiatives, such as holding seminars for women and actively dispatching them to external training, and consciously giving them opportunities. Furthermore, with the aim of growing the company by increasing the number of women in decision-making positions, we have set a target for percentage of female managers, and achieved the target (10% or more by the end of FY2023) by the end of FY2022. In addition, the percentage of women in non-managerial positions (candidates for managerial

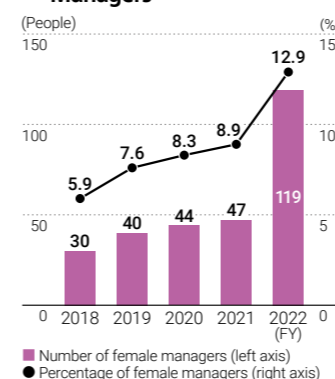
positions) is increasing year by year, and we will continue to aim to increase the number of women in managerial positions.

Believing that promoting childcare leave for men will also lead to the promotion of women’s advancement and participation in the workplace, we have set a target for 100% of eligible male employees to take childcare leave by the end of FY2023. Through a series of steady efforts, such as making childcare leave partially paid, internal announcement of initiatives to promote the use of childcare leave and share the results and examples of taking childcare leave, and promoting understanding among managers regarding the use of childcare leave by men, an atmosphere has been fostered in which it is natural for men to take childcare leave, and the rate of eligible male employees taking childcare leave in FY2022 was 90.6%.

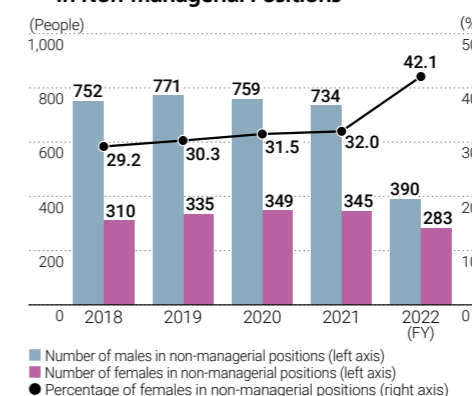
With regard to the employment of people with disabilities*, we established a special subsidiary to create an environment where people with disabilities can continue to work for a long time with peace of mind. For the LGBTQ community, we are working to promote understanding by clearly stating our no tolerance policy for discrimination in employment rules, reviewing regulations, inviting experts to hold talks, and distributing LGBTQ awareness goods within the company.

* Actual percentage of employees with a disability: 2.87% (as of June 2023, calculation of seven consolidated companies)

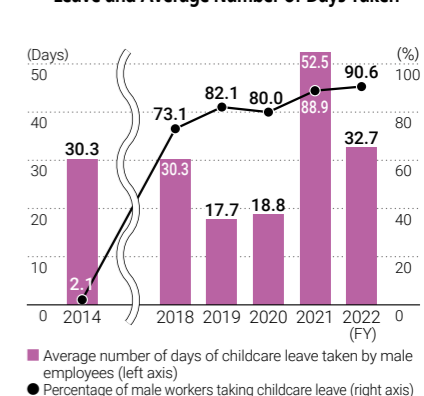
Number / Percentage of Female Managers*1 *2



Number / Percentage of Women in Non-managerial Positions*1 *2



Percentage of Male Workers Taking Childcare Leave and Average Number of Days Taken*1



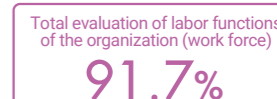
*1 Figures up to FY2018 are under the former trade name, and figures from FY2019 onward are under the current trade name (Tokyu Corporation’s trade name changed in Japanese but remained the same in English)
*2 Due to the revision of the personnel system in October 2022, some positions were changed to managerial positions.

Health and Productivity Management

In February 2016, Tokyu Corporation established the position of Chief Health Officer (CHO) and issued the Health Declaration. The CHO and Human Resources Headquarters play a central role in promoting initiatives, collaborating with the Tokyu Hospital, which provides medical support. By implementing mental health measures, cancer control measures, and lifestyle and exercise measures for employees and their families, our aim is to maintain and improve their health, thereby building further safety and security and increasing labor productivity. As a measure against lifestyle-related diseases among young people, we provided lifestyle improvement

support for employees with the early symptoms of metabolic syndrome, and about 40% of the program participants made remarkable improvements.

In addition, we are investigating the impact of health on work performance and are working on items that may pose a risk of decline in labor function (sleep, mental health, etc.).



*Results of the presentism survey based on objective indicators (conducted in August 2022)
*Figures are “the degree of the organization exercising its labor functions without problems in terms of physical and mental health.”

External Evaluation

Awarded the Nadeshiko Brand for 10th year in a row First in transportation industry to win the Diversity Management Selection Prime 100



Certified as a “White 500” Health and Productivity Management Organization



Winner of PRIDE Index “Gold” for 5th consecutive year



Intellectual Capital

— Knowledge enhanced by accumulated experience and new challenges

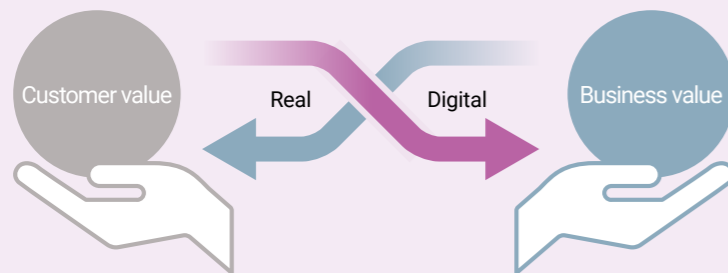
Concept of Digital Strategy

While harnessing our DNA of resolving social issues, real assets, and strength of abundant customer contact points gained through transportation, work, play and living, we are carrying out unique initiatives under our digital strategy that seeks to fuse real and digital.

Basic Strategy

If we look at the Group's current services from a customer perspective, each business offers its own unique experience in real life. We will increase real business value by using digital technology to deeply understand customers and refine their experience value.

Increasing both customer value and business value using real plus digital solutions

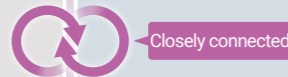


1 Customer Experience (CX) Initiatives

- Expansion and upgrading of digital customer contact points
- Establishing a common digital platform for CX across businesses
- Utilization of data

2 Employee Experience (EX) Initiatives

- Sophistication and streamlining of operations
- Improvement and diversification of work styles
- Transformation in each business domain



3 IT environment development & governance

4 Organizational structure & personnel training

We will make efforts according to the four frameworks above, and this strategy applies to digital transformation in a broad sense, from digitization and digitalization to digital transformation in terms of services, business model, and corporate culture to achieve competitive advantages by utilizing digital technology.

Risks and Opportunities

External environment

- Digital shift underway
- Entry of digital platform providers into real world domains
- Potential of area along our railway lines (demographics and consumption)

Internal environment

- Enhanced data utilization underway and fostering of that mindset
- Extensive customer contacts built up in real domains

Progress of Main KPIs

Number of online contact

Released four native apps developed in-house which are now in operation

Ratio of human resources with basic digital skills

Conducted digital basic training for all employees

Adoption rate of the zero trust model

Development is scheduled to begin in the second half of FY2023

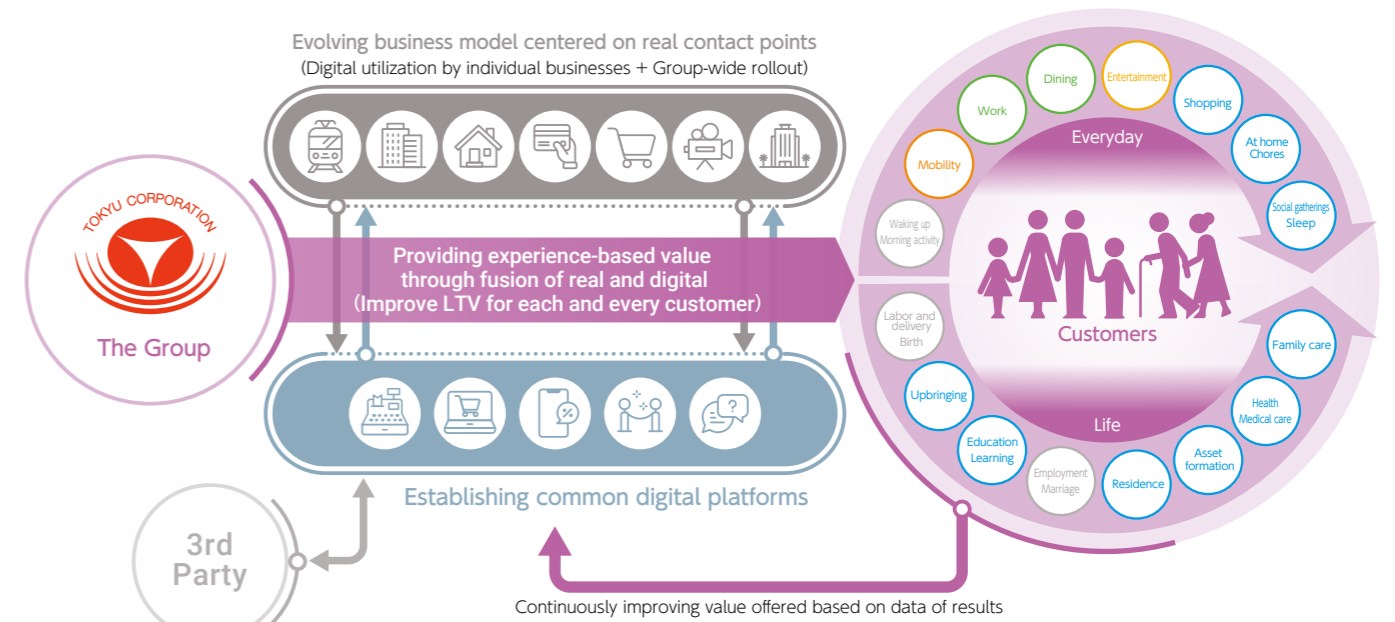


In June 2023, we were selected as a business operator certified by the Ministry of Economy, Trade and Industry's "DX Certification" initiative for making excellent efforts in terms of strategies and systems to promote DX.

Vision: A Unique Local Platform Provider That Is Close to Customers

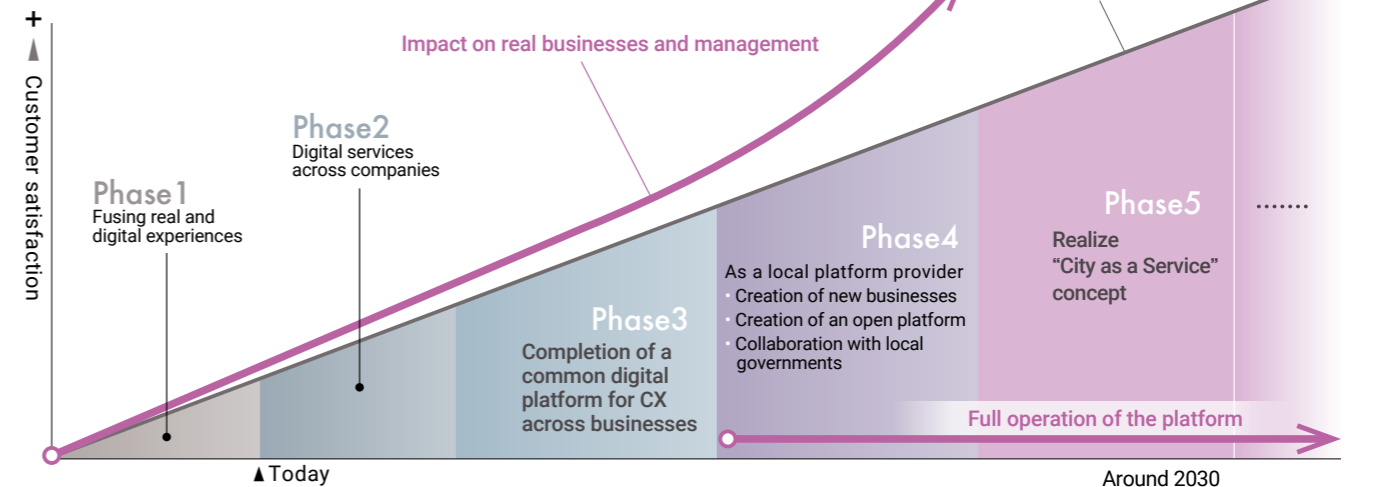
We strive to provide experiences in everyday life, from transportation, work and play to services with a longer time horizon including education, homes, asset formation and nursing care. Our goal is

to enhance the life time value (LTV) of each and every customer to become a unique local platform provider close to customers.



Roadmap

5-step Phase to Achieving the City as a Service* Concept



	Phase1	Phase2	Phase3	Phase4	Phase5
Customer experience	Expanded digital experiences for key services	Services are digitally linked, and synergies can be obtained even in real life	The real value of work, live and play can be fully received digitally	Services that cross businesses are packaged, and encounters with services that suit individual needs increase (encounters with wonderful coincidences)	Making the lives of everyone living along our railway lines smarter
The Group	Enhance digital services of each company	Digital development across company lines (digital services provided through inter-Group collaboration)	Sharing of digital infrastructure within the Group (real and digital solutions linked across the Group)	Promote initiatives combining real and digital solutions across the Group	Promote smart city concept Provide services on the front-line of industry

* In the Long-term Management Initiative (September 2019), we presented a world view of urban and community development for DX that fuses real and digital solutions with an eye toward 2030 to realize our vision for 2050.

Overview of Initiatives

Customer Experience (CX) Initiatives

In addition to expanding digital contact points, we are developing services offered across multiple businesses and services linked to real mobility.

Added "find" function to the Tokyu Card app

Disseminated information on deals limited to areas along our railway lines and attracted customers to the services of each company

Demonstration experiment of ride service using credit card touch function and 2D code

Sample image of tickets

Customer experience value: Buy a variety of tickets online and ride seamlessly with a favorite credit card or smartphone

<https://www.q-skip.tokyu.co.jp/>

Employee Experience (EX) Initiatives

With a view to connecting good employee experience (EX) to good customer experience (CX), we are also considering the use of citizen-led development and generative AI.

Main EX projects

- Enhancement of railway facilities maintenance work and reduction of employee workload with condition-based maintenance (CBM) support system
- Fostering of DX mindset by implementing "Digital Idea Direct Flights" where station staff and crew can directly propose ideas (examples: NFT event utilization, improvement of station inspection operations using in-house apps, etc.)

Mechanism for condition-based maintenance (CBM) support system

IT Environment Development & Governance

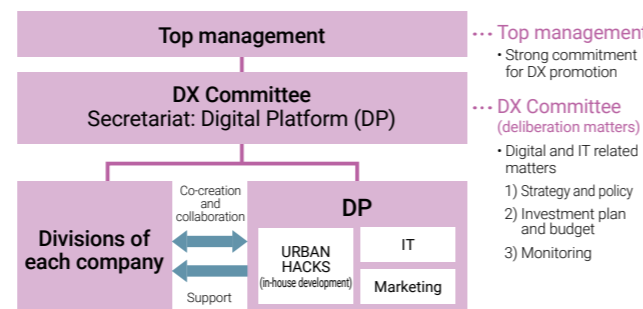
We are working to optimize IT investment by promoting the selection of development methods suitable for the purpose, such as the use of agile development in areas where specifications are often changed, such as user interfaces for customers, and the utilization of cloud services in internal general administrative operations.

Selection of the optimal IT and development approach suited to the goal

- Reduction of development costs by utilizing existing cloud low-code development infrastructure
Example: Automation of some billing operations within the Group (amount aggregation, issuance of invoices and labels, etc.)
- Reduction of manual work and improvement of business quality of internal operations by utilizing SaaS
Example: Order management of novelty items

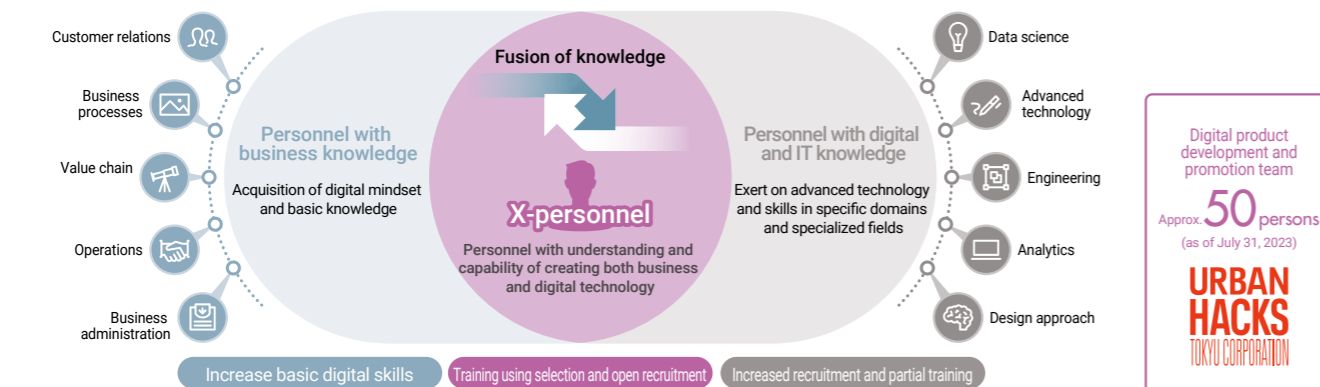
Organizational Structure

At the newly established DX Committee, executive management and each department make policy decisions on important matters related to digital and IT, and commit to the promotion of strategies.



Personnel Training

To create a business that fusion of real and digital technologies, it is essential to not only have personnel with business knowledge and those with digital and IT knowledge in each business, but also to have the personnel who can bridge and integrate the two streams of knowledge (X-personnel). In accordance with each characteristic, we are training internal human resources and conducting external hiring.

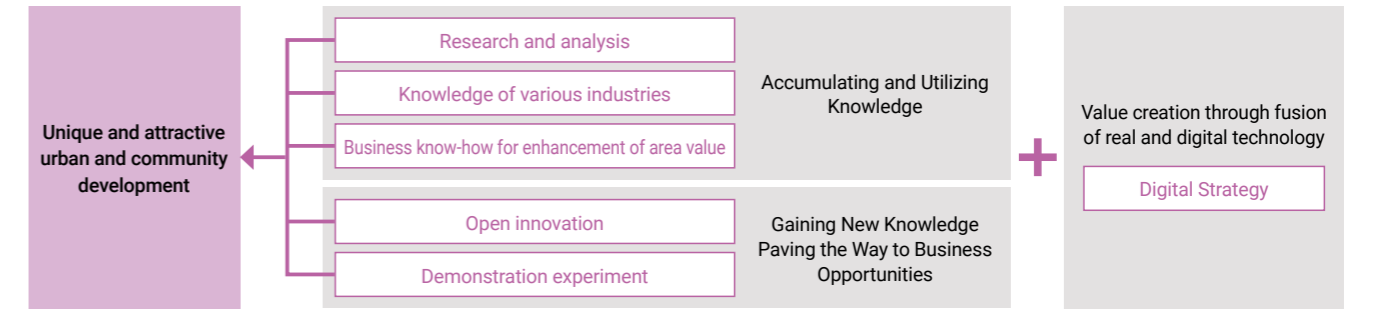


Accumulating and Acquiring Knowledge to Support Urban and Community Development

We make effective use of the knowledge that exists in each of the Group's business fields so as to generate synergies. In addition, in order to acquire new knowledge and connect it to business opportunities, we are constantly proposing lifestyle quality from a new

perspective through research organizations, various demonstration experiments, and experimental service development. By providing new value, we will support unique and attractive urban and community development.

Intellectual Capital Supporting Unique and Attractive Urban and Community Development



Tokyu Research Institute, Inc. As a Compass

Established in 1986, Tokyu Research Institute, Inc. supports the formulation of management and business strategies of each company as the Tokyu Group's in-house research center through wide ranging research and investigations. In addition, we hold various lectures and study sessions to provide opportunities for employees to interact and become aware of various things.

Creation of knowledge

- Situational analysis and environmental analysis using unique perspectives and methods to solve issues in management and business activities
- Survey and research activities that address a wide range of social issues and lead to the creation of future value

Raising awareness of and sharing knowledge

- Holding lectures to expand the knowledge of management and provide useful information for management-level decisions.
- Holding seminars to drive ingenuity and innovation in business
- Holding study groups to stimulate the inquisitive spirit of young employees and cultivate their ability to think

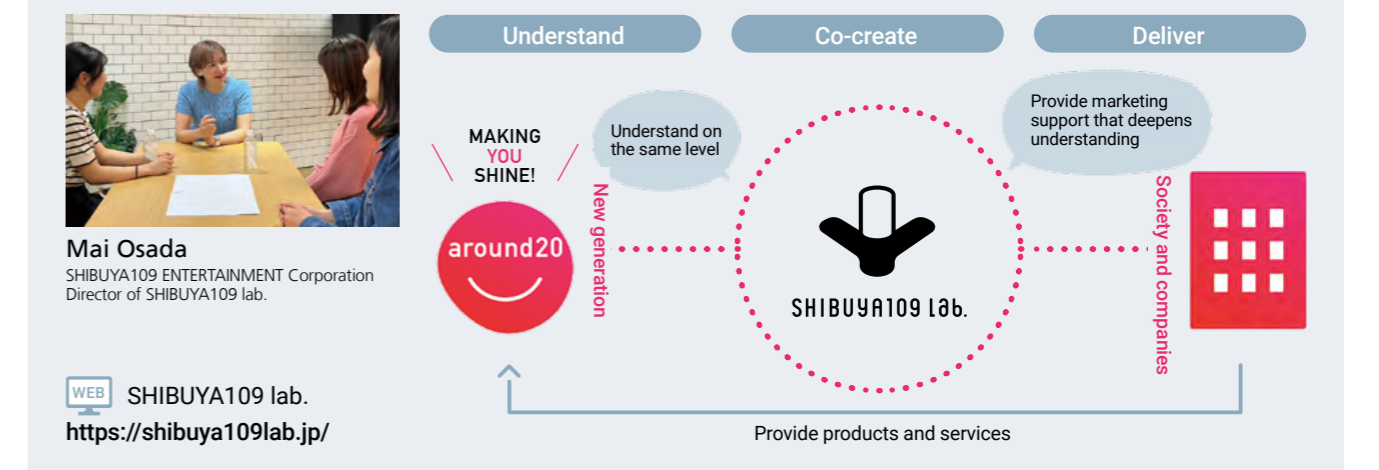
TOPIC SHIBUYA109 lab., a Marketing Organization Specializing in Around 20 (15 to 24 Years Old)

SHIBUYA109 lab., a youth marketing organization operated by SHIBUYA109 Entertainment, defines its mission as "deepening understanding of the target of around 20 (15 to 24 years old) and thoroughly visualizing it." We have built a network centered on young people who have voiced their opinion at SHIBUYA109, collecting the real voices of 200 around 20 every month through interview surveys and other means.

ever we meet them, we try to install their senses from the same perspective and participate in their world.

We observe the trends of young people not only in terms of commercial facilities, but also on a wide range of themes such as fandoms, social media, and their likes, apply the behavioral principles discovered therein, utilize these findings in SHIBUYA109 marketing, and support corporate marketing as a "bridge that connects young people, companies, and society."

The key is to first meet these individuals in person. When-



Social and Relationship Capital (Relationships with Stakeholders)

— Trusting relationships with partners through urban and community development together with communities

Since our founding, we have engaged local communities to build relationships of trust while promoting urban and community development.

Our growth (corporate value) runs tandem with the growth of the community (area value). In maintaining a permanent cycle of improvement in both of these areas, our greatest strength is our strong relationships with our partners in local-oriented urban and community development.

Co-creation with the Local Community and Customers

The Group exists in harmony with the local community including shopping malls, local residents, and NPOs while collaborating with local governments to solve problems and revitalize communities along Tokyu's railway lines based on the trust we have established.

In addition to initiatives based on urban and community development agreements with governments, we also bid for projects as a private business. In April 2023, in response to the tender for businesses for the "Project for the Reorganization, Development, and Operation of Todoroki Ryokuchi" announced by Kawasaki City, Kawasaki Todoroki Park Co., Ltd., which we jointly established, began operation, maintenance, and management of Todoroki Green Space.



Co-creation with Shareholders and Investors

In addition to the General Meeting of Shareholders, we actively disclose information on our business and strategies to our shareholders and investors through investor meetings and dialogue with institutional investors in Japan and overseas. We also share the opinions we receive with the Board of Directors and the Management Meeting on a regular basis, as well as at meetings where the heads of related departments and divisions convene.



TOPIC

"nexus concept"

— New Resident-centric Form of Suburban Community Development in the Tama Den-en-toshi Area

In order to realize a free and prosperous life based on the perspective of consumers in the suburbs, we aim for self-contained and dispersed urban and community development where work, housing, recreation, and study are close and interconnected. In promoting this concept, we will not work alone, but rather consider companies and governments that endorse the concept as buddies (friends), collaborate with diverse buddies, and build a sustainable regional network centered on consumers.

We opened nexus Challenge Park Hayano as a base for conducting social demonstration experiments in line with sustainable themes such as "agriculture and food," "resource recycling," "energy," "mobility," and "wellness." We are taking on the challenge of creating multi-purpose spaces such as community IoT farms, bonfire areas, and event spaces, and creating attractive urban mechanisms from the perspective of consumers.

In addition, we have started collaboration with our facilities

Co-creation with Partners

Starting in July 2015, we have been conducting the Tokyu Accelerator Program to promote business co-creation with other start-up companies. In August 2021, the program was rebranded as the Tokyu Alliance Platform. By strengthening the promotion system for open innovation, we aim to become the platform of choice by partners of business co-creation, including start-up companies.



Tokyu Alliance Platform 2022 Demo Day Award Ceremony



Co-creation with Universities and Educational Research Institutions

In February 2023, Tokyu Corporation and Tokyu Railways, together with Toin Gakuen and Yokohama City, conducted a demonstration experiment of perovskite solar cells, a new type of thin, lightweight solar cell that can generate electricity in various light environments, at Aobadai Station on the Tokyu Den-en-toshi Line. Through this experiment, we will confirm the performance of the battery and utilize it to consider future utilization methods, such as installing it in existing assets (existing buildings, stations, vehicles, elevated lines, etc.).



Community revitalization using nexus Challenge Park Hayano



TOPIC

Minami-machida Base City Development Project

— Minami-machida Grandberry Park, Creating a "New Living Base" through Public-private Partnership

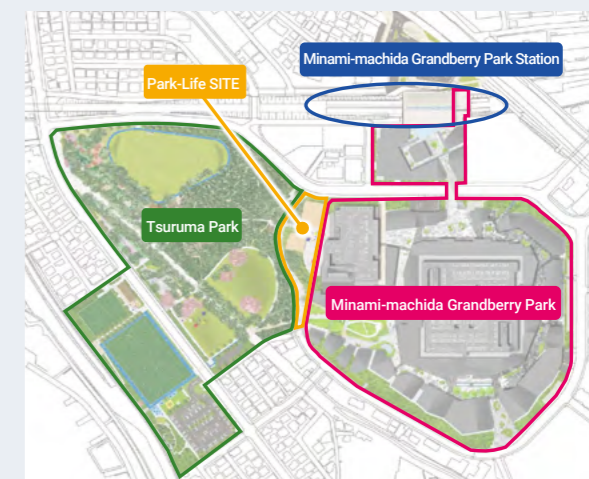
Minami-machida Grandberry Park (opened in November 2019) is a project in which Machida City and Tokyu Corporation collaborate to create a "new center for living" by comprehensively redeveloping and reconstructing urban infrastructure, urban parks, commercial facilities, and urban housing.

Machida City developed parks and the Park-Life SITE, which is the junction between parks and commercial facilities, and Tokyu Corporation developed the stations and commercial facilities. Together, we have developed a pedestrian network that seamlessly connects these facilities and the surrounding area through barrier-free and separation of pedestrians and vehicles.

In addition, under the slogan of the project, Minami-Machida-wo Minna-no Machi-he (Make Minami-Machida a town for everyone), we have been working to build relationships with the local community by holding workshops from the planning stage of the project so that residents and facility operators through a general incorporated foundation.



Citizen-led event Tsuruma Park Operation

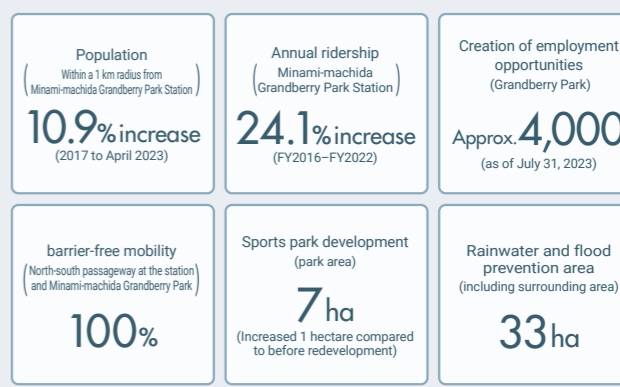


Minami-machida Grandberry Park is operated by different operators of the park, commercial facilities, and Park-Life SITE, and these entities work together to enliven the town. Machida City and Tokyu Corporation support the activities of local residents and facility operators through a general incorporated foundation.

Responses to area issues

- **Promotion of relocation and population inflow** in the surrounding area by supplying housing in front of the station
- **Function accumulation** due to the development of parks and commercial facilities directly connected to the station
- **Improvement of access between the north and south of the station** by developing a passageway
- **Enhancement of crime prevention** of parks by improving visibility and walking paths
- **Response to sports demand** through the development of sports park
- **Establishment of flood and submersion control measures** through the development of **regulating ponds, etc., and regional disaster prevention bases**, such as the installation of disaster response toilets

Value created



Grand Prize at the 31st Global Environment Award

Minami-machida Grandberry Park received the Grand Prize at the 31st Global Environment Award* together with Machida City in recognition of efforts to realize a regional circulating and ecological sphere for a sustainable future through the creation of a "new center for living" by public-private partnership.



* Established with the special cooperation of the World Wide Fund for Nature (WWF) Japan with the aim of "coexistence between industrial development and the global environment," this award is presented to companies and organizations that contribute to environmental conservation.
* We received the Minister of the Environment Award at the 12th and the Minister of Land, Infrastructure, Transport and Tourism Award in the 18th awards. This is the second time we have received the Grand Prize following the 25th awards (Futako-Tamagawa Rise).

《Main points evaluated》

- Green infrastructure and natural rainwater infiltration system used throughout the area
- Walkable and compact urban and community development that is seamlessly connected by pedestrian and vehicle separation and barrier-free
- Installation of quick chargers for EVs to spread carbon-neutral lifestyles
- Partial introduction of LED lighting and solar power generation system panels at retail facilities (plans to adopt an off-site corporate PPA*1 model utilizing solar power plants in the future)
- Obtained Japan's first gold certification in two categories of LEED*2, an international environmental certification system



*1 Power Purchase Agreements
*2 LEED®, provided by the U.S. Green Building Council (USGBC), is an evaluation and certification program that contributes to the design, construction, and maintenance of high-performance green buildings. LEED® and its logos are registered trademarks of USGBC. Trademark permission is required to use them.



Foundations for Sustainability

Concept of Sustainability Management

From a long-term perspective, Tokyu Corporation and its consolidated subsidiaries (the Group) believe that it is important to accurately gain an understanding on the changing needs of customers in each era, provide new businesses and services, and resolve social issues. Each and every one of our employees shares this mission, and by creating new value, we hope to achieve sustainable growth together with society.

Under the Group slogan of "Toward a Beautiful Age," we are committed to creating a beautiful living environment for our future and continuous solution of social issues through business by addressing the 17 goals and 169 targets of the SDGs and material sustainability themes (materiality) identified based on issues specific to each area and industry, with sustainable management as our basic management stance.

Sustainable Management Policy

We will address material sustainability themes under our group slogan of "Toward a Beautiful Age" through creating a beautiful living environment for our future and continuously pursuing solutions to social issues through business.

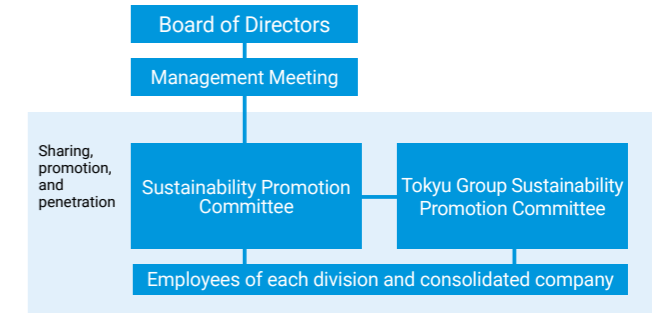


Sustainability Management

Decision Making, Promotion, and Permeation Relating to Sustainability

Tokyu Corporation positions its Board of Directors as the supreme organ of management and supervision, and important areas relating to sustainability are decided and supervised by the Board of Directors. (See page 75 for primary key deliberations.)

In addition, to proactively promote sustainability initiatives, we are undertaking a wide range of activities, including meetings of a Sustainability Promotion Committee (chaired by the President), promoting sustainability at all consolidated companies, a variety of educational activities, and an award system for the entire Tokyu Group.



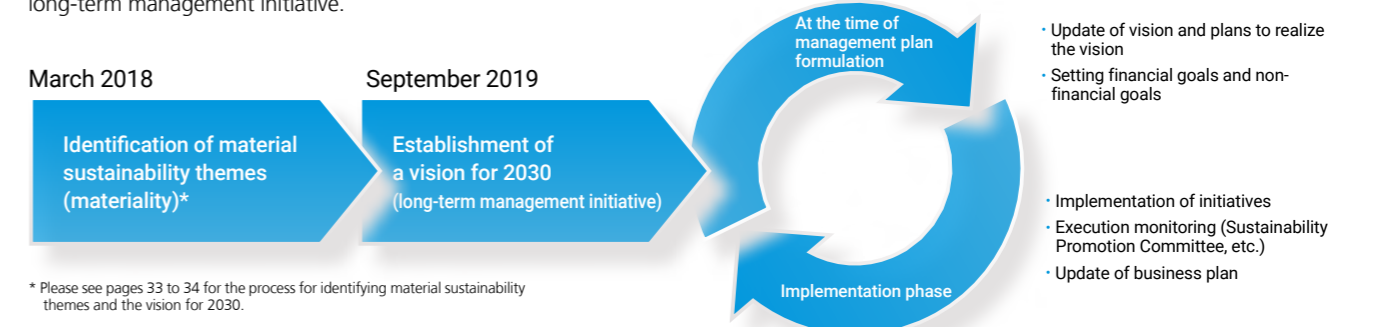
Meeting committee structure, training, system		Frequency and outline	Themes handled
Meeting committee structure*	Sustainability Promotion Committee	2 times a year. For the purpose of promoting sustainable management, the President chairs the meeting, and information is shared and instructions are given by the Executive Officers, full-time Audit & Supervisory Board Members, and division heads, etc.	ESG promotion, human rights, supply chains, environmental issues, TCFD initiatives, safety, compliance, etc.
	Tokyu Group Sustainability Promotion Committee	2 times a year. Communicate and share information with the Sustainability Promotion Managers of the Group, with the aim of strengthening the consolidated sustainability promotion system.	
Training and seminars	Sustainability seminars for Tokyu Group managers	2 times a year (environmental themes and individual themes). Raise awareness of the Group's management to take the initiative in promoting sustainable management.	Global social issues, SDGs management, human rights, environmental issues, etc.
	Various educational seminars, e-learning training, rank-based training	Held as needed	Environment issues, material sustainability themes, SDGs education, etc.
Awards program	Tokyu Group Environmental and Social Contribution Award System	Once a year. Awards are presented after a screening committee collects applications for initiatives that make outstanding environmental and social contributions in the Tokyu Group's business activities during the year. (Award Applications in 2023: 98 https://tokyu.disclosure.site/en/158/)	Overall environmental and social contributions

* Please see page 75 for key deliberations by the Board of Directors.

Integrating Material Sustainability Themes into Management Plans / Initiatives and Monitoring Implementation

In March 2018, the Group identified material sustainability themes, and in conjunction with the formulation of its long-term management initiative, set out cross-business social issues to be addressed and a vision for 2030, positioning them as the basic concept of the long-term management initiative.

In addition, when formulating medium-term management plans and single-year business plans, non-financial targets are set along with financial targets, and progress in initiatives is verified by each responsible section and the Sustainability Promotion Committee.



* Please see pages 33 to 34 for the process for identifying material sustainability themes and the vision for 2030.

TOPIC

Commencing Supply Chain Initiatives

- Sustainable Procurement Policy revised as Sustainable Supply Chain Policy (April 2023)
- Striving for greater efficacy toward response to human rights concerns and achievement of environmental targets, etc., and enlarging scope of applicability to encompass consolidated subsidiaries
- Plans call for calling on business partners to adhere to and promote this policy and periodically verifying progress with such initiatives as respect for human rights (See page 64) and GHG emissions reductions

<https://tokyu.disclosure.site/en/117/>

Decarbonization, Recycling-based Society

Vision Realization of a recycling-based and decarbonized society in harmony with the environment

Environmental Vision 2030

The Group will promote decarbonation, recycling-based society as one of material sustainability themes (materiality) and promote sustainable urban and community development. To confront envi-

ronmental concerns facing Earth, engage integrally with customers and other stakeholders, and change communities and lifestyles, in March 2022 we drafted the Environmental Vision 2030.

Image of Community Harmonizing with Environment

As a concept of a community harmonizing with the environment, we propose “connecting everyday life to a sustainable tomorrow,” in which environmentally friendly actions can be chosen without a particular burden. We strive for urban and community development in which anyone can contribute to a sustainable society and recycling Earth’s environment.

Scenes of daily life

< Move >

- CO₂-free mobility
- Efficient and seamless mobility
- Resource recycling centered around eco-friendly train stations

< Live, Play >

- Easy eco-friendly and ethical lifestyles
- Energy-creating, low environmental impact homes
- Eco-friendly and smart communities
- Conservation of the natural environment and education

< Work >

- Environmentally-friendly offices
- Open innovation

Support for daily life

- Digital technologies
- Preparing for and responding to natural disasters
- Energy resilience

Connecting everyday life to a sustainable tomorrow

Key points of realization

- Set challenge targets
- Tackle the targets in partnership with all stakeholders
- Provide services that support environmentally-friendly behavioral changes

Targets Toward a Decarbonized, Recycling-based Society

	Decarbonized society	Recycling-based society
	Engage in activities aimed at a level that will restrict global warming to 1.5°C while contributing to the decarbonization of towns	Towards realizing a zero-waste society, leverage the many customer contact points characteristic of our business to join and expand the circle of resource recycling and the circular economy
Company (consolidated)	<ul style="list-style-type: none"> Company (consolidated) business activities Scope 1, 2 2030 46.2% reduction in CO₂ emissions (compared with FY2019 levels) Renewable energy ratio of 50% 2050 Reduce CO₂ emissions to effectively zero Renewable energy ratio of 100% (RE100) 	<ul style="list-style-type: none"> 2030 10% reduction in waste volume (compared with FY2019 levels on a revenue unit basis) 2030 10% reduction in water usage (compared with FY2019 levels on a revenue unit basis)
Initiatives aimed at towns	<ul style="list-style-type: none"> Supply chain of business activities Scope 3 2030 30% reduction in CO₂ emissions (compared with FY2019 levels) Decarbonization of towns Going beyond Scope 3 Achieve advances in urban decarbonization with service offerings that help customers decarbonize, energy infrastructure management, coordination with local governments, and other activities. 	<p>Decarbonization, recycling-based society</p> <ul style="list-style-type: none"> Provision of a menu of services to reduce environmental impact At least 100 by 2030 People taking action on the SDGs: increase by at least 30% by 2030* (FY2021 50.6% - 65%) <p><small>* In an internet-based SDGs awareness survey conducted by Tokyu Corporation in the 17 cities and wards along Tokyu railway lines, this is the percentage of people who responded that they intended to choose a company or intended to take action with regard to at least one of the 17 goals of the SDGs. 50.6% as of June 2021 survey. The 30% improvement is equivalent to the number of people taking action increasing by about 820,000.</small></p>

Please see the following for Environmental Vision 2030. <https://tokyu.disclosure.site/en/135/>

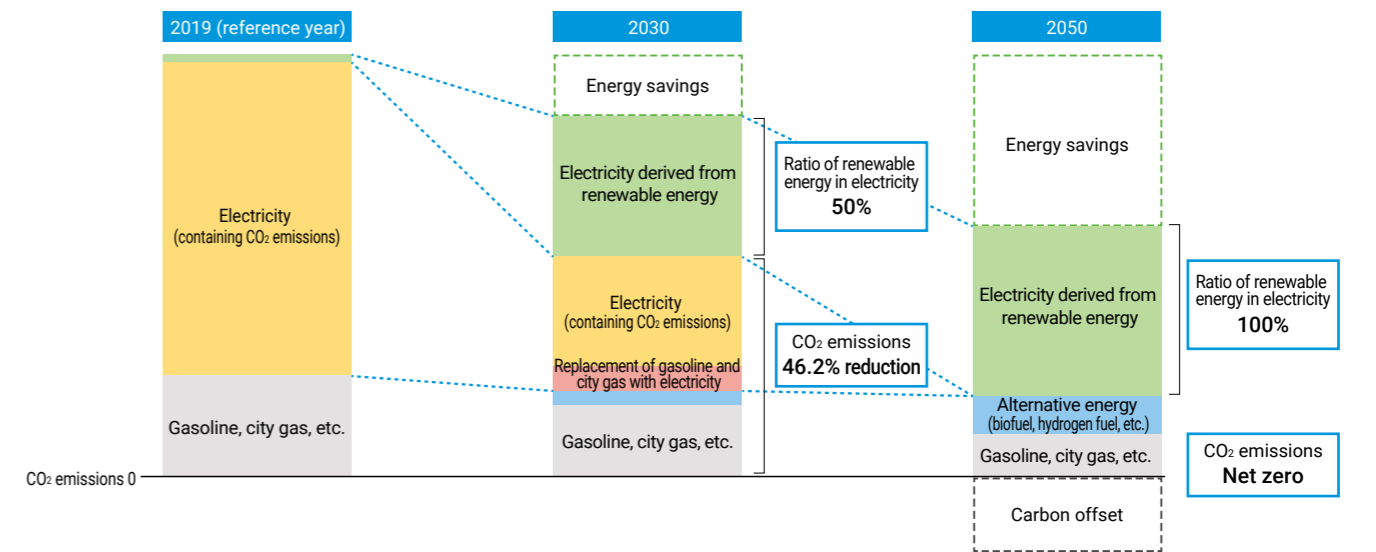
Decarbonized Society

Steps Toward Achieving Decarbonation Targets

Steps toward two-stage targets of 2030 and 2050 are as per the following diagram. We are undertaking business management in which business activities and environmental value improvement are unified, including proactively proceeding with energy savings as well as drawing on renewable energy for electricity, replacing railway carriages in the railway business with new high energy savings carriages, and acquiring environmental real estate certification

and organizing environmental investment standards in the real estate business. Also, in terms of using energy other than electricity, we are striving to reduce our overall CO₂ emissions by accurately ascertaining alternative energy technology trends such as converting to electricity, and furthermore biofuels, hydrogen fuel, and fuel cells, and proactively investigating the adoption of these.

CO₂ Conversion Energy Configuration



Decarbonization Transition Plan

We are proceeding with initiatives utilizing business characteristics toward our 2030 decarbonization target. In line with Tokyu Lines 100% renewable energy operations, we are making progress with our Scope 1 and 2 CO₂ reductions initiatives, and proceeding with investments toward more efficient energy use and procurement that has stability and additionality. We will engage with our busi-

ness partners and customers going forward and carry out concrete initiatives on Scope 3. We also strive for sustainable growth by building services for community decarbonization while proceeding with such efforts as energy generation and battery utilization and new technology adoption and realizing communities in harmony with the global environment, above and beyond Scope 1, 2, and 3.

	2019	Progress toward targets	2030	2050
Decarbonization	Scope 1, 2	46.2% reduction	Renewable energy ratio of 50%	Net zero
	Scope 3	30% reduction	Promotion of carbon-neutral	100%
	Going beyond Scope 3	Initiatives for community decarbonization	Communities in harmony with the environment	
		Primary policies	Procurement and investment	
Action	Transportation	Green Transport 100% renewables-driven transport, conservation technologies, new technologies for energy generation		
	Real Estate	Green Building 100% renewable energy achieved ahead of schedule, including tenant-occupied areas, expanded CPPA agreements, environment certifications acquisitions	Sustainability Bonds 50 billion yen total from FY2020–FY2022	Sustainability-Linked Bonds* 10 billion yen in FY2022
	Life Services	Eco-friendly Lifestyle Conservation technologies, onsite PPAs, resource circulation		Sustainability-Linked Loans* 27.9 billion yen total from FY2021–FY2022
	Hotel and Resort	Green Infrastructure Power generation business, infrastructure fund business, electricity supply-demand adjustment using batteries		
	Other			Under Consideration

*Set CO₂ emissions reduction targets to Sustainability Performance Targets (SPTs)

Disclosure Based on TCFD

Engagement with TCFD recommendations
For further information: <https://tokyu.disclosure.site/en/183/>

Governance

Taking climate change as a matter of serious concern, we are deliberating and determining risk identification and evaluation, as well as strategy and targets, in the Management Meeting which is the management decision-making organ, with President & Representative Director as Chairman. In addition, regarding environmental concerns including climate-related and the state of our engagement therewith, we have a system in place in which the Management Meeting makes annual reports to the Board of Directors (see page 75) and receives appropriate supervision therefrom.

In addition, we are carrying out sharing, promotion, and penetration of environmental concerns and monitoring of the state of our engagement therewith through the Sustainability Promotion Committee that meets twice annually, and the Tokyu Group Sustainability Promotion Committee (see page 58).

Strategy

Serious risks and opportunities

We will continue studies in each business toward further creation and acquisition of opportunities, and proceed with incorporating climate change adaptation in strategy.

Significant Transition and Physical Risks and Responses

Category	Description of risks	Applicable period *1	Business category				Impact *2 (2030 time point)	Risk management / Future response
			Transportation	Real Estate	Life Services	Hotel and Resort		
Transition risk (1.5°C Scenario)	• Increase in electricity costs and carbon tax	Medium to long term	●	●	●	●	Medium to high	<ul style="list-style-type: none"> Promote studies for the introduction of self-power generation (solar power and storage batteries) Promote consideration of procurement and adoption of renewable energy <ul style="list-style-type: none"> All Tokyu Lines renewable energy operation (beginning April 2022) We have started to use renewable energies as the basic specifications for newly constructed properties owned by the Company, and in principle will introduce renewable energies for the common areas and areas used by the Company at existing properties by 2030.
	• Double investment due to development of energy-saving technologies	Medium to long term	●	●	—	—	Medium	
	• Increased costs due to shift to ZEB and EV bus adoption	Medium to long term	●	●	—	—	Medium	
Physical risk (4°C Scenario)	• Outflow of customers from flood-prone areas, a decline in ownership opportunities	Short, medium to long term	—	●	—	—	Low	<p>[Existing countermeasures]</p> <ul style="list-style-type: none"> Measures to prevent flooding of facilities Measures against slope collapse Vehicle evacuation drills Fortifying power source infrastructure <p>[Future initiatives]</p> <ul style="list-style-type: none"> Sophistication of flood prevention countermeasures, cooperation with asset owners Review use and ownership of high-risk properties Continued promotion of measures to prevent slope collapse Promote measures to avoid and mitigate flooding through cooperation among businesses Conducting drills and cooperation with the Crisis Management Headquarters in the event of a disaster Lowering break-even point through implementation of structural reform
	• Service interruptions due to damage to facilities caused by severe disasters, increased renovation costs, customer outflow and loss, and higher insurance premiums	Short, medium to long term	●	●	●	●	Low to high	
	• Changing metropolitan environments due to rising temperatures	Medium to long term	●	●	●	●	Low	
Physical risk (4°C Scenario)	• Decrease in the number of people transported and passengers due to the outbreak of new infectious diseases	Short, medium to long term	●	—	●	●	Low to high	

*1 Applicable period: Short term, two years or less; Medium term, three to five years; Long term, six years or more
*2 Impact: Large, 5 billion yen or more; Medium, more than 1 billion yen and less than 5 billion yen; Small, up to 1 billion yen

Premises of analysis of important risks

The importance of risks was evaluated based on the impact on each business and the degree of occurrence of the event. The impact on each business is analyzed based on the scale of the impact of the business that is expected to be affected by the climate-related event, and the degree of occurrence is evaluated based on the Fifth and Sixth Assessment Reports (AR5 and AR6) of the United Nations Intergovernmental Panel on Climate Change (IPCC) for physical risks such as natural disasters. The transition risks are estimated and analyzed based on trends in future policy goals and plans, such as the introduction of environmental laws and regulations and

Risk Management

With the Corporate Affairs Headquarters ESG promotion group as project leader, we are carrying out studies of risk analysis and countermeasures based on expert opinion in cooperation with the Corporate Planning Headquarters and each business division on climate-related risks and opportunities, and making annual submissions thereof to the Management Meeting and the Board of Directors.

In addition, regarding company-wide risk including climate-related, when conducting annual risk analyses in each business and each company, we are studying, evaluating, and managing, including climate-related risk (please see page 31 for company-wide risk management).

Risk Management Process



Key Opportunities

Category	Contents of opportunities	Applicable period *1	Business category				Impact *2 (2030 time point)
			Transportation	Real Estate	Life Services	Hotel and Resort	
Opportunities (1.5°C Scenario)	<ul style="list-style-type: none"> Increased ridership through transport efficiency advantages*3 Customer flows toward low disaster risk areas Changing demand due to rising average temperatures Rising environmental consciousness on part of stakeholders 	Medium to long term	●	●	●	●	Medium
	<ul style="list-style-type: none"> Power generation business, conservation, technology development through in-house investment Renewable energy power plant development investment through infrastructure fund 	Medium to long term	●	●	●	●	Medium
Opportunities (1.5°C Scenario)	• Diversification of fare receipt measures with focus on new living arrangements	Short, medium to long term	●	—	—	—	High
	• Improve business profitability and property value by introducing a system for trading CO ₂ emission credits, etc.	Medium to long term	—	●	—	—	Low
	• Increase demand for ZEB and ZEH environmentally friendly properties	Medium to long term	—	●	—	—	Low
	• Increase customers and Life Time Value (LTV) through implementation of communities harmonizing with the environment and globally admired urban and community development	Short, medium to long term	●	●	●	●	High

*1 Applicable period: Short term, two years or less; Medium term, three to five years; Long term, six years or more *2 Impact: Large, 5 billion yen or more; Medium, more than 1 billion yen and less than 5 billion yen; Small, up to 1 billion yen *3 Operation of all Tokyu lines with 100% electricity derived from renewable energy sources, etc.

Premises of analysis of key opportunities

We consider key opportunities centering on the 1.5°C scenario chiefly to be cost reductions through conservation technology development, increased public transportation ridership through greater environmental awareness, and improvement of tenant orientation toward environmentally friendly properties. Additionally, we anticipated business growth in each segment through increased customers and Life Time Value (LTV) centering on areas served by Tokyu's railway lines through realization of communities in har-

mony with the environment as promulgated by Environmental Vision 2030. Aside from estimating such matters as reduced electricity cost benefits from bringing new rolling stock into service, solar energy, migrating to railway use, and higher rents for environmentally friendly properties, we anticipated that financial impact in terms of realizing communities in harmony with the environment would be consumption such as increased users of facilities and services and ethical consumption in areas served by our railway lines.

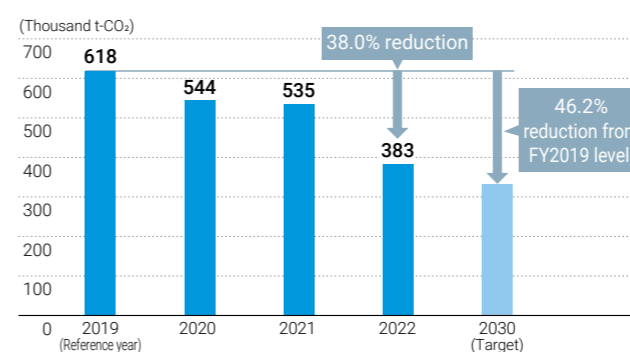
Metrics and Targets

Progress toward CO₂ reduction targets (Scope 1, 2 and 3)

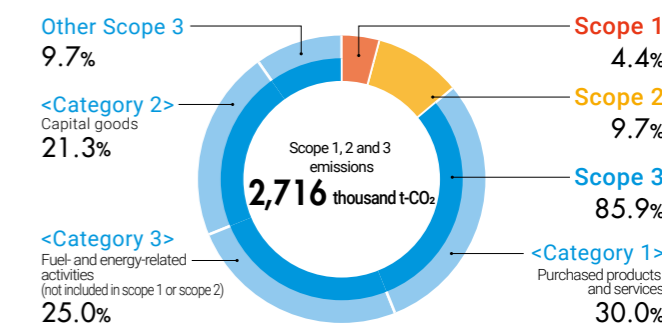
As per the breakdown of the Group's FY2022 CO₂ emissions (Table 1), Scope 1 and 2 accounted for 14.1%, and Scope 3 for 85.9%. In FY2022, Scope 1 and 2 totaled 383k tons of CO₂, a 38.0% reduction from FY2019 (Table 2). The reduction due to Tokyu Lines total railway operating on 100% renewable energy of 158k tons of CO₂ contributes greatly to this outcome. At the same time, we will continue to proceed to utilize conservation and renewables, as we anticipate increased energy use as economic activity recovers and business grows post-COVID-19.

Turning to Scope 3 (Table 3), we set a target in November 2022 of a 30% reduction from FY2019 levels by 2030, and are proceeding to engage with business partners together with supply chain initiatives. Furthermore, regarding our electricity retailing business (Tokyu Power Supply Co., Ltd.) that corresponds to the main Cat-

[Table 2] Change in Scope 1, 2 CO₂ Emissions (Consolidated)

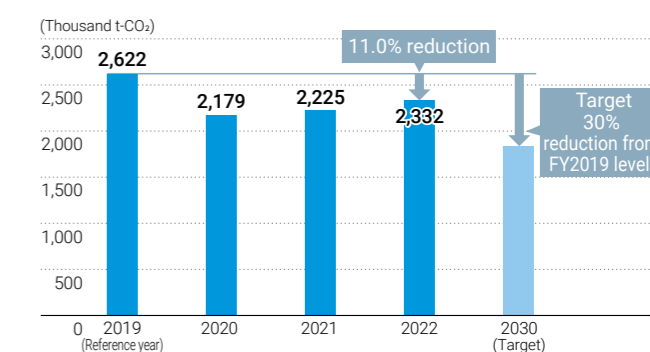


[Table 1] Breakdown of Scope 1, 2, 3 CO₂ Emissions (Consolidated)



egory 3 emissions within Scope 3, as of April 2023 we made electricity supplied to households non-fossil certificate effective 100% renewable energy.

[Table 3] Change in Scope 3 CO₂ Emissions (Consolidated)



We received third-party certification from LRQA Limited for Scope 1, 2, and 3 (Category 1, 2, and 3) in FY2020 and Scope 1, 2, and 3 (Category 1, 2, 3, and 13) in FY2021 and FY2022.

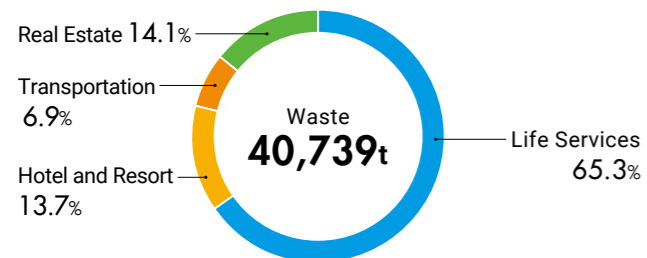


Recycling-based Society

In the Group, the Life Service Business and Hotel and Resort Business accounted from 79.0% of waste and 70.6% of water usage. Additionally, the proportion of waste represented by food was 29.5%, and we believe that initiatives for recycling and a cyclical economy predicated on characteristics of business with extensive customer contact is crucial.

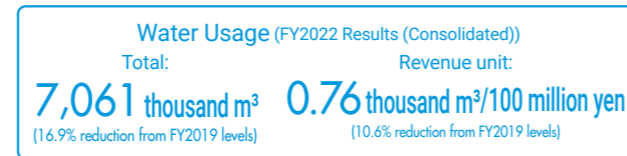
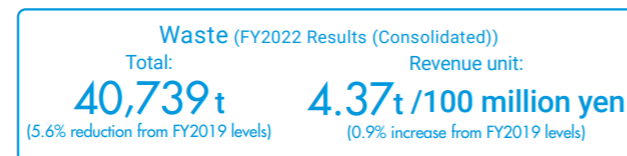
At Tokyu Store Chain Co., Ltd., we carried out such actions as improved order precision by a demand forecast order system utiliz-

FY2022 Waste Breakdown (Consolidated)



ing AI and instructions for discounting and added manufacturing at appropriate times per unit, reducing food waste 10.6% Y-o-Y in FY2022.

Waste and water usage in FY2022 were as follows. We proceed with more efficient resource utilization and recycling going forward.



Initiatives Aimed at Communities (Decarbonized Society/Recycling-based Society/Society Coexisting with Nature)

Promoting Action Transformation Through Business

As a target of initiatives aimed at communities, we promote "provision of a menu of services to reduce environmental impact at least 100 by 2030." Progress in FY2022 is as follows.

- Renewables use:** Three items, including Tokyu Lines all railways operating on 100% renewable electricity
- Low CO₂ provision services:** Five items, including renewal of Den-en-toshi Line rolling stock
- Daylight electricity reduction services:** One item: Performing Reduced Electricity Consumption While Away from Home Project
- Waste reduction-related services:** Seven items, including collecting clothing at stores
- Water use reduction-related service:** One item: Efficient utilization of rainwater

Society Coexisting with Nature, Built Together with Local Community Residents

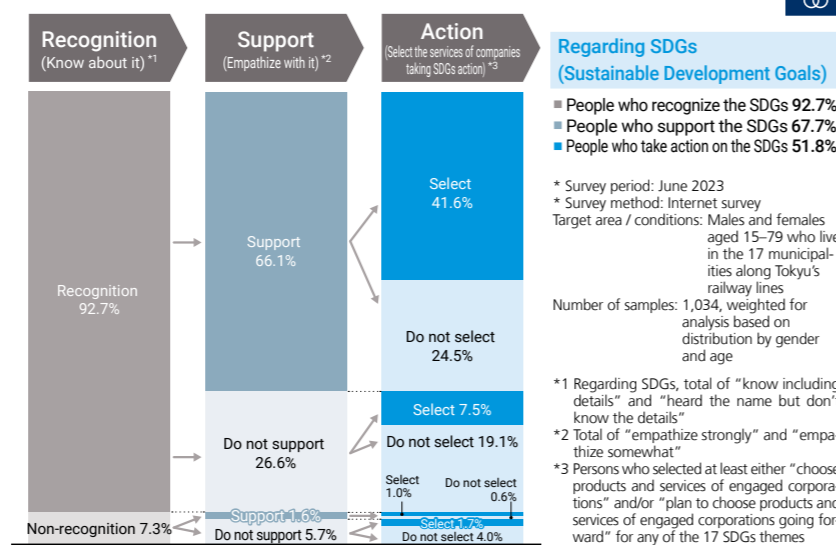
We gave green sapling presents to local residents continuously since 1972, distributing 220,000 such plants in 40 years. As a "Mido-Link" ("green link") action, in which bonds between people expands greenery, we have supported nature-positive activities since 2012.



For further information: <https://mido-link.com/>

SDGs Awareness Survey and Tokyu Corporation's Activities in 17 Municipalities along Tokyu's Railway Lines

With regard to the Group, as part of our dialogue with our stakeholders, we have been carrying out an SDGs awareness survey of our customers who reside in areas served by Tokyu's railway lines since FY2019. With regard to Environmental Vision 2030 that we formulated in March 2022, in order to offer services that encourage action changes on the part of customers and implement decarbonize cities together with all our stakeholders, we have set a target of raising the proportion of "people taking SDGs Action" in this survey to 65% by 2030. The proportion of "people taking SDGs Action" in the 2023 survey was 51.8%, a 3.0-point YoY decrease. While the societal state of affairs that encompasses our lifestyles is in a harsh situation owing chiefly to rising inflation in recent times, we continue to promote development and information dissemination of products and services that assist action toward the SDGs without undue inconvenience.



Respect for Human Rights

Formulation of Human Rights Policy

Tokyu Corporation has promoted initiatives on respect for human rights on the basis of the Tokyu Group Compliance Guidelines and Code of Conduct, and the Ten Principles of the UN Global Compact, which consists of the four areas of Human Rights, Labor, Environment, and Anti-Corruption.

In reliably promoting these initiatives, we understand that we

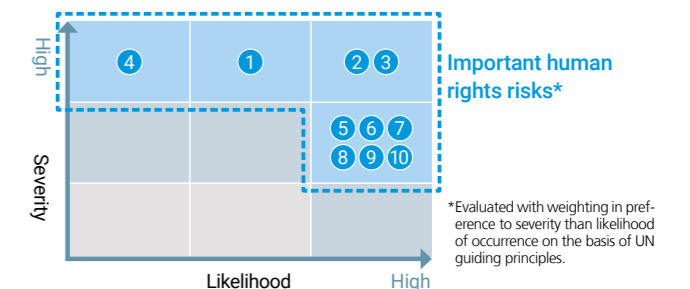
must respect the human rights of all people affected in the course of our business activities, and we formulated a human rights policy in November 2022 as a guide to meeting this responsibility.

Human rights policy
For further information: <https://tokyu.disclosure.site/en/214/>

Identification of Important Human Rights Risks and Initiatives Toward Human Rights Due Diligence

Identification of Important Human Rights Risks

Drawing on such as human rights risks cited by concerned parties, i.e., international organizations, NGOs, etc., case histories of risks becoming evident in similar businesses, and hearings from our concerned divisions and major group businesses, we have abstracted human rights risks that may arise in consolidated business domains, and identified particularly important risks in terms of severity and likelihood of occurrence.



Important Human Rights Risks in Consolidated Businesses

Subjects of human rights violations	Human rights risks	Prime associated business domain				
		Transportation	Real Estate	Life Services	Hotel and Resort	Hospital
Top priority	Employees of raw materials and other suppliers	1	●	●	●	●
	Employees of outsourcing businesses, etc.	2	●	●	●	●
	Customers / Consumers	3	●	●	●	●
		4	●	●	●	●
Priority	Consolidated employees	5	●	●	●	●
		6	●	●	●	●
		7	●	●	●	●
	Customers / Consumers	8	●	●	●	●
		9	●	●	●	●
		10	●	●	●	●

Initiatives Toward Human Rights Due Diligence

We will conduct initiatives toward consolidated employees with sustained and instilled preexisting initiatives including education and training, as well as surveys. We will assign priorities to initiatives toward business partners and proceed with investigations, disclosures, and improvement, in line with our Human Rights Policy and Sustainable Supply Chain Policy. We are also instituting a whistleblower contact (see page 80), and we also have in-house contact with law firms, thereby responding to reports and issues from employees of Tokyu Corporation and its consolidated subsidiaries (including business partners).



Safety & Security

Vision Provision of public transportation services that are the safest and most accessible in Japan and living environments that offer peace of mind

Safety Management in the Group

The basis for all businesses of the Group, including the transportation business, is safety and the security that comes from it. In order to promote safety initiatives in an integrated and effective manner, our various divisions and consolidated companies work together to ensure safety and improve security, on the basis of such materials as our Basic Safety Policy and policies defined by each such company. For the Group, in the Sustainability Promotion Committee (see page 58) that has the President as its Chairman, we chiefly

share key information relating to safety and carry out instruction on appropriate responses as a company. In addition, with an objective of promoting safety integrally as a consolidated system with a common viewpoint and philosophy, we treat the promotion of safety as a regular agenda item at the Tokyu Group Sustainability Promotion Committee (see page 58) in which persons with overall responsibility for sustainability promotion at Tokyu Corporation and all consolidated companies, etc., take part.

Making Investments in Safety

Tokyu Railways has made such capital expenditures as countermeasures against various natural disasters, chiefly downpours and earthquakes, improved security against such as terrorist attacks, and adoption of new rolling stock (Tables 1 and 2), and made efforts to improve transport safety (Tables 3 and 4) and comfort.

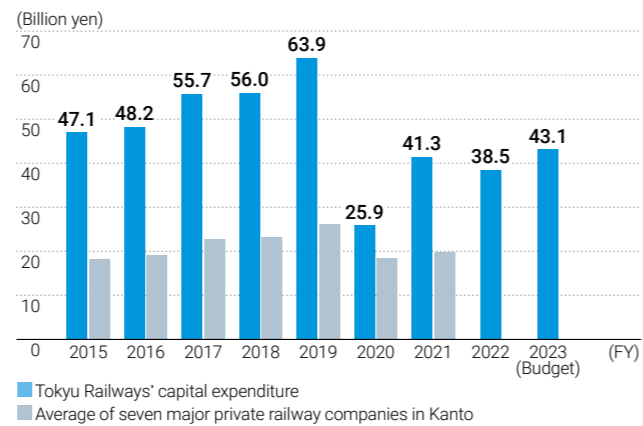
Going forward as well, on the basis of our Medium-Term Business

Strategy of which FY2021 is the initial fiscal year, we will proceed with initiatives necessary to continue to fulfill our mission as public transportation into the future including investing in such new technologies as Condition Based Maintenance (CBM), and continue capital expenditures into safety measures and disaster prevention and mitigation measures on a par with pre-COVID-19 pandemic.

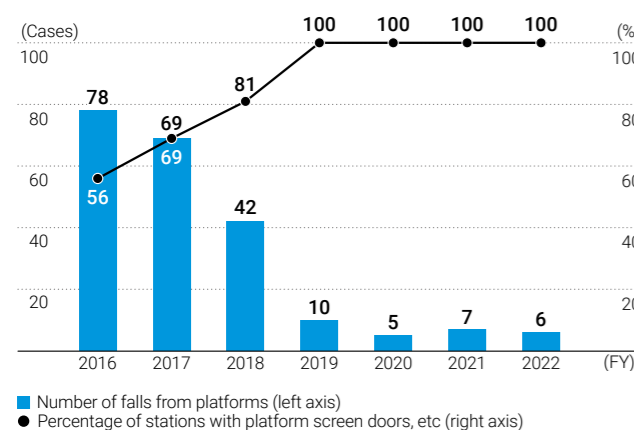
● Table 1: FY2022 Investment in Safety Result

Category	Prime engineering breakdown	Amount (billions of yen)
Security and disaster prevention measures	Platform safety, railway crossing safety, wireless/ATC train infrastructure renewals, train operation/management system updates, structural quake resistance reinforcement, flooding measures, rainproofing, structural lifespan extensions, civil engineering facilities renewals, building infrastructure renewals	15.3
Rolling stock-related	Replacing aging rolling stock, repair/replacement of rolling stock systems, security improvements	4.4
Stable transport measures	Line maintenance, electricity infrastructure renewal, CBM adoption trials	7.1
Total		26.8

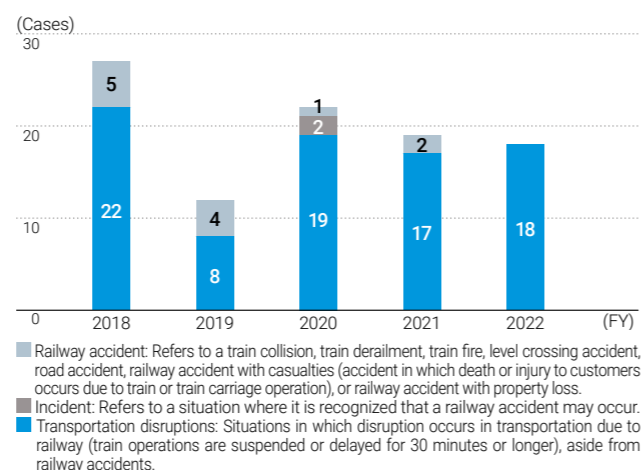
● Table 2: Change in Capital Expenditure



● Table 3: Number of Falls from Platforms and Percentage of Stations with Platform Screen Doors, etc., Installed



● Table 4: Numbers of Railway Accidents, Incidents, and Transportation Disruptions



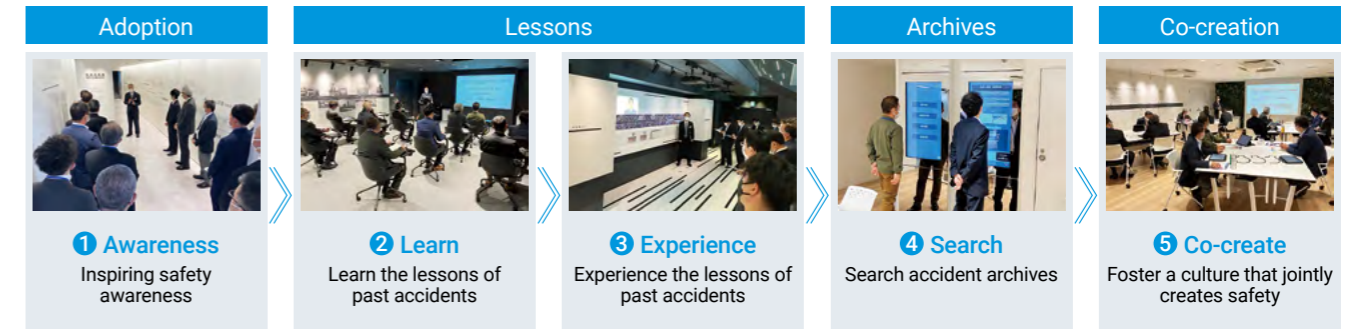
Please see the following for the Tokyu Railways Safety Report. (Japanese only)
https://www.tokyu.co.jp/railway/service/activity/safety/webcate_list.html

Safety Education and Communication

Safety Co-creation Hall Inauguration

Tokyu Railways inaugurated a safety education facility in December 2021 with the goal of improved personnel education capable of acting with safety as a top priority, which the company named the Safety Co-creation Hall with the meaning in mind of jointly

creating safety. As of June 2023, some 2000 employees, including managers, have taken the safety education course since its commencement. Going forward, we will continue safety education utilizing the Safety Co-creation Hall, as we plan to improve our safety.



Communication between Management and Frontline Units

At Tokyu Railways, management from the president on down periodically goes to frontline units to check on and discuss safety-related initiatives, thereby engaging with the field in a unified manner on solutions. Additionally, general managers and managers of all divisions go to frontline units on the 19th of every month, which is designated Safety Day.



Field employees in dialogue with the company president

Initiatives Increasing Community Resilience

Business Continuity Structure of the Group

The Group conducts business closely involved with the living of many customers, with the objective of sustaining business while ensuring safety even in the event of a disaster such as a major earthquake. Accordingly, we are proceeding with strengthening our business continuity (BC) system in the event of a disaster such as a major earthquake. As one of these initiatives, for the purpose of strengthening BC structures at our consolidated companies, we have established the Tokyu BC Committee, headed by the president of Tokyu Corporation. Under the Committee's auspices, our consolidated companies are proactively promoting BC system enhancement, undertaking to ensure the uninterrupted sustainment and restoration of business in the event of a disaster, from the departments at head office to the various frontline units.

Responding to Natural Disasters

We are carrying out countermeasures to reinforce slopes at the sides of our tracks such that sediment does not flow onto these tracks in the event of a downpour. Tokyu Corporation and the Urban Renaissance Agency have also installed a rainwater harvesting facility at the East Exit of Shibuya Station, because the area around Shibuya Station is prone to rainwater accumulation in the event of rain owing to its bowl-shaped geography.



Slopes after countermeasures, between Saginuma and Tama-plaza Stations

Counterterrorism

We carry out joint counterterrorism exercises with the police, Tokyu Security Co., Ltd., and Tokyu Property Management Co., Ltd. at Tokyu Lines Shibuya Station. Furthermore, some 400 Tokyu Security Co., Ltd. guards are stationed in the vicinity of Shibuya Station, and systems are in place such that when an emergency happens, information is rapidly shared throughout the entire area and harm is prevented from spreading.



Joint anti-terrorism training

Utilization of AI Technology

In April 2023, Tokyu Security Co., Ltd. commenced TS-Zero™, which combines surveillance cameras, AI, and security operations. By adopting action recognition AI that analyzes unusual or suspicious actions in addition to AI image analysis including sensing of intrusions and suspicious persons, it is possible to analyze images with high precision and in a manner capable of responding to diverse situations. We strive for urban and community development with zero incidents, accidents, or crimes, by combining this technology with security operations.

Roundtable Discussion among Outside Directors

Intensifying Discussion of Group Synergy Toward Further Growth



Hirofumi Nomoto
Chairman of The Board &
Representative Director



Kunio Shimada
Director **Independent officer**
Representative Partner of Shimada
Hamba & Osajima



Reiko Kanise
Director **Independent officer**
Representative Director of
Lenajapon Institute Co., Ltd.
Representative Director of Kei Associates Inc.



Midori Miyazaki
Director **Independent officer**
Professor of Chiba University of Commerce
Member of the National Public Safety Commission



Hiroshi Shimizu
Director **Independent officer**
President of Nippon Life Insurance Company

Evaluation and Concerns Regarding Progress of Three-year Medium-term Management Plan

Shimizu With the Three-year Medium-term Management Plan, we engage with fundamental policies as 変革 (transformations) and related themes as revenue restoration and evolution. We give credit that we have discussed sufficiently over structural reform of each business and taken necessary steps over the past year. The Board of Directors too has discussed whether these policies are satisfactory after executive officers decisively organized execution of changing what should be changed and preserving what should be preserved especially in a harsh business environment. And while proceeding with our preexisting business structural transformation, the Tokyu Shin-Yokohama Line and Tokyu Kabukicho Tower are taking shape, and new projects aimed at securing revenue are definitely advancing, including the project on the grounds of the Tokyu Department Store Co., Ltd. flagship store (Shibuya Upper West Project).

If pressed, my one concern is that this does not put my mind at ease. While a path to revenue restoration is established vis-a-vis the harshest business environment period, it is crucial that we do not let up, but proceed even more with our transformation.

Kanise It is a matter of concern that the proceedings of the Board of Directors are limited to discussions of individual businesses. The Group, with its various businesses, deliberates on



motions on a per-business basis. However, I consider it appropriate to have explanations not only on evaluations of individual businesses based on result numbers, for example, but also from the standpoint of how they function within the value chain of the Group as a whole, and how they affect the Group synergy. Additionally, the opinion has been raised as well regarding evaluation of effectiveness of the Board of Directors that updates and monitoring of business strategy are lacking, which I agree with. The business model of providing services focused on transportation for lifestyles overall is fundamentally unchanged. However, it is necessary to intensify our discussions as to why structural transformations and new policies are needed, as well as how they elevate Group synergy. And if we are able to impart these clearly to front line levels, including our intents, a sense of speed may also be instilled in the execution of our transformations.

Miyazaki As regards the sense of speed, the COVID-19 pandemic had our backs against the wall, leaving us no choic-

es. However, I feel that it would be acceptable for the Company to show more confidence and sense of direction to get ahead of trends and change course even if not being pressed by harsh environments.

Nomoto Thank you. Speed in decisions is important to getting ahead of societal changes too. We must constantly think of matters in diverse aspects if we are to make prompt decisions. And experience is prerequisite to imagination, without which decision-making is prone to lag. We also need training in pivoting to decisions on the front line.

It is also incumbent on management, including top leadership, to show vision and instill the direction that the company is taking. Sympathy will lead to employee engagement. This happens among associated persons, so the most important thing is getting everyone to be inspired to work together.

Evaluation of Initiatives Aimed at Enhancing Effectiveness of Board of Directors

Shimizu In the two years since I became an outside director, there has been sustained discussion on enhancing the effectiveness of the Board of Directors. And in addition to prior explanations of matters, information is being provided that forms the predicate for discussion, including what discussions have been had by the Management Meeting, as well as what opinions the outside officers have expressed prior to the Board of Directors convening. Open operations are being carried out where the outside officers will have an easy time of giving their opinions, and serious answers are being given to outside directors' questions and opinions. The Board of Directors is also ready and able to respond to our requests for improvement at subsequent meetings. I await sustained improvement initiatives.

Miyazaki They are giving most considerate prior explanations. Also, it is good that we have opportunities for front line observation. Actually, seeing various things and hearing what is said helps with more extensively comprehending the business.

However, it is necessary to take care so that discussions do not finish up there as a result of prior explanations being overly considerate. The Board of Directors will remain the decision-making place. We too must endeavor not to arrive at consensus at the prior explanation stage.

Additionally, our request that there be reports on how matters decided by the Board of Directors have gone after meetings is also being responded to, enabling following up on discussions.

Shimada With the Board of Directors, vital discussions are had, with executive-side concerns cited and advice and support also given. Moreover, inside and outside directors alike,



as well as the members of the secretariat, are continuing to make efforts to make the Board of Directors have efficacy. Conversely, while not limited to us, the Corporate Governance Code calls on the Board of Directors for resolute decision-making as well as solid discussions regarding management strategy and other major directions. Moreover, while making decisions, in fact the Board of Directors is similarly called on to supervise itself. It will be also necessary, going forward, to investigate our optimal governance stance while taking into account society's demands.

Miyazaki On the question of balance, the four outside directors are making statements drawing on their respective expertise and distinctive character. While pointed opinions may be expressed, it is good that the executives reply seriously,

without making excuses.

To reach even higher levels, it would be desirable if outside directors could participate in discussions beginning in the investigation phase, rather than in the final deliberation stage. Depending on the theme, if the process of urban and community development was understood, for example, the context of why this policy is being carried out could be comprehended. Forms such as exchanges of opinions at flexible stages would also be conceivable.

Nomoto We too are attempting to engage with the various opinions received from the outside directors as new realizations.

These will also lead to opportunities for employee education.

Additionally, I think it is even more crucial to intensify discussions with the outside directors properly comprehending such matters as why we are engaging with this including context and particulars and the significance to the Group as a whole. We must properly communicate context and objectives of any project internally as well if the seeds we have taken such trouble to plant are not to be lost. In this sense too, it is more important that management show a clear vision for how we want the future to be and gain employee sympathies.

Concerns and Expectations for Further Growth



Miyazaki Tokyu's strength is group synergy. There are Tokyu signs in various places, including railways, supermarkets, and hotels, and the Tokyu name carries a brand image of quality. However, there is no correlation diagram of the corporate group comprising 167 companies (subsidiaries and associated companies), making it hard to understand its relatedness from without. As Director Kanise pointed out earlier, if it were a little easier to understand the significance that each of these businesses have and the value they exercise within the Group, we could see our way to further growth.

In the 100 years since our founding, we have proceeded with urban and community development with transportation and development in tandem. In these increasingly changing times, however, railways and buses are not the only means of transportation. Innovations are occurring that may be commercialized in the near future, including flying cars, autonomous vehicles, and self-guided delivery robots. As the hopes that people have for their communities change, the shape of their infrastructure may also change. A change in our ideas will be necessary regarding how we position services in ad-

vance of changing needs atop the life infrastructure that the Group has built.

Shimizu While there are numerous elements for corporate advancement, the three most important concerns are how each business grows, how to optimize the business portfolio as a collection of businesses, and how to elevate employee engagement. It is necessary that we set forth more clearly where we will be putting our resources going forward. It is also necessary that we inspect, in terms of employee engagement, whether trends in satisfaction, as well as policies on performance reviews and compensation, are optimal.

It is the role and responsibility of management to offer solutions to these three concerns. Management, including the company president, must clearly show the course to strive for on a per business basis, and communicate same internally as well as externally. The same holds for the business portfolio.



Kanise We were exchanging opinions with the new president and directors on the next management plan after the new structure was in place. I felt that it would be necessary to put the grand design that the executives imagine into more easily understood language if we are to instill it in rank-and-file employees. Words have power, energy, that moves people. Communicating with easily understood messages will be a large step in changing matters. I anticipate further enhancements in our ability to communicate such that each and every employee will take this to heart.

The president has a very good grasp of front-line operations. I believe that he not only looks at management plans or target values, but he also understands the feelings of the rank-and-file very well, from his own bitter experience. In this sense too, I anticipate developing a structure that coworkers will act in sympathy with while various opinions clash, rather than because the higher-ups say so.

Shimada We switched to our new structure as COVID-19 ended. This would be the timing also for reconsideration of the management plan based on the business environment going forward. Regarding the appointment of the new president, he is qualified in terms of results, experience, and leadership. I hope that he will decide with care regarding which sectors to expand into and sectors to review, and in new sectors as well that he will boldly embark on starting businesses in such domains as we may anticipate synergies.

Having become an outside director, my feelings are that the Group is a more dynamic company with diverse busi-

nesses than when seen from without. I want it to grow even further while taking good care of this strength and taking changing times into account. To that end, I hope that we outside directors will participate in discussions and think jointly about such matters as the business portfolio.

Nomoto Thank you for your valuable opinions this day. I feel certain that the Group as a whole will improve and promote improved corporate value by your objective opinions and critiques giving us new viewpoints and management evolving.



*This dialogue session was held on July 28, 2023.

Corporate Governance

Officers

Directors

(as of July 1, 2023)

In the blue frame FY2022 Board of Directors meeting attendance



Hirofumi Nomoto
Chairman of The Board & Representative Director
14 times out of 14 times

Joined Tokyu Corporation in 1971. Appointed as President & Representative Director of Tokyu Corporation in April 2011 after positions such as President & Representative Director of its communications Inc., Senior Executive General Manager of Tokyu Corporation's Real Estate Development Business Unit, and Senior Executive General Manager of Tokyu Corporation's Urban Life Produce Business Unit. Current position since April 2018.



Kazuo Takahashi
Vice Chairman of The Board & Representative Director
14 times out of 14 times

Joined Tokyu Corporation in 1980. Appointed as President & Representative Director of Tokyu Corporation in April 2018 after positions such as Managing Executive Director of Tokyu Bus Corporation, and Executive General Manager of Tokyu Corporation's Corporate Administration Headquarters. Current position since June 2023.



Masahiro Horie
President & Representative Director
11 times out of 11 times

Joined Tokyu Corporation in 1984. Current position since June 2023 after positions such as Executive Officer President & Representative Director, Tokyu Real Estate Investment Management Inc., Executive General Manager of Retail Business Headquarters, Life Produce Business Unit of Tokyu Corporation, and Executive General Manager of Building Management Headquarters of Tokyu Corporation.



Hirohisa Fujiwara
Director
Senior Managing Executive Officer
14 times out of 14 times

Joined Tokyu Corporation in 1983. Current position since July 2022 after positions such as Director and Executive Officer of Tokyu Facility Service Co., Ltd., Deputy Executive General Manager of Tokyu Corporation's International Business Headquarters, and Executive General Manager of Tokyu Corporation's Finance & Accounting Strategy Headquarters. (Responsible for Retail Business Unit, Finance & Accounting Strategy Headquarters, and International Business Strategy Headquarters)



Toshiyuki Takahashi
Director
Senior Managing Executive Officer
14 times out of 14 times

Joined Tokyu Corporation in 1982. Current position since July 2022 after positions such as Executive General Manager of Tokyu Corporation's International Business Headquarters, President & Representative Director of Tokyu Facility Service Co., Ltd., and Senior Executive General Manager of Tokyu Corporation's Urban Development Business Unit. (Responsible for Development Business Unit, and Building and Hotels Management Business Unit)



Setsu Hamana
Director
Managing Executive Officer
14 times out of 14 times

Joined Tokyu Corporation in 1983. Current position since April 2020 after positions such as Executive General Manager of Building Headquarters, Urban Life Produce Business Unit of Tokyu Corporation, and President & Representative Director of Tokyu Facility Service Co., Ltd. (Responsible for Corporate Planning Headquarters)



Kiyoshi Kanazashi
Director
14 times out of 14 times

Apr 2008 President & Representative Director, Chief Executive Officer of Tokyu Land Corporation
Jun 2012 Director of Tokyu Corporation (to the present)
Oct 2013 President & Representative Director of Tokyu Fudosan Holdings Corporation
Apr 2015 Chairman and Representative Director of Tokyu Fudosan Holdings Corporation
Jun 2018 Chairman of Tokyu Fudosan Holdings Corporation (to the present)
Apr 2020 Director of Tokyu Corporation (to the present)



Kunio Shimada
Director
Lead Independent Outside Director
14 times out of 14 times

Apr 1986 Registered with the Dai-ichi Tokyu Bar Association
Oct 1991 Admitted to the New York State Bar (to the present)
Jul 2010 Representative Partner of Shimada Hamba & Osajima (to the present)
Jun 2011 Outside Director of Tsugami Corporation
Nov 2013 Supervisory Officer of Hulic Reit, Inc.
Jun 2018 Director who are members of the audit and supervisory committee of Tsugami Corporation (to the present)
Jun 2021 Director of Tokyu Corporation (to the present)
Jun 2023 Audit & Supervisory Board Member of Sankyu Inc. (to the present)



Reiko Kanise
Director
Independent officer
14 times out of 14 times

Apr 1975 Joined Hakuho Incorporated
Feb 1993 Representative Director of Kei Associates Inc. (to the present)
Jun 1999 President and Representative Director of Aeon Forest Co., Ltd. (The Body Shop)
Jan 2001 Member of the Consumer Committee of Japan Retailers Association (to the present)
May 2001 Director of the Japan Council of Shopping Centers
May 2004 Chairperson of Information Committee of the Japan Council of Shopping Centers
Feb 2007 Representative Director of Lenajapon Institute Co., Ltd. (to the present)
Oct 2010 Visiting Professor, Showa Women's University
Jun 2015 Director of Tokyu Corporation (to the present)
Sep 2015 Member of the Consumer Commission, Cabinet Office
Dec 2020 Outside Director of FOOD&LIFE COMPANIES Inc. (to the present)
Jun 2021 Outside Director of KITAJIMA HOLDINGS Co., Ltd. (to the present)
Sep 2022 Outside Director of &Do Holdings Co., Ltd. (to the present)
May 2023 Advisor of the Japan Council of Shopping Centers (to the present)



Midori Miyazaki
Director
Independent officer
13 times out of 14 times

Apr 1988 Part-time Instructor of Department of Social Engineering, Tokyo Institute of Technology
Apr 2000 Professor of Faculty of Policy Informatics, Chiba University of Commerce
Apr 2001 Director of Kagoshima Amami Park and Director of Tanaka Isson Museum (to the present)
Jun 2001 Director of Sony Education Foundation
Mar 2006 Outside Audit & Supervisory Board Member of Showa Shell Sekiyu K.K.
Apr 2006 Professor of Chiba University of Commerce (to the present)
Jan 2009 Advisor of Policy Alternatives Research Institute, The University of Tokyo
Jun 2013 Member of the Tax Commission, Cabinet Office
Apr 2014 Trustee of Educational Institution Chiba Gakuen, Member of the Council on the House of Representatives Electoral Districts (to the present)
Apr 2015 Dean of Faculty of International Liberal Studies, Chiba University of Commerce
Jun 2020 Director of Tokyu Corporation (to the present)
Feb 2021 Member of the National Public Safety Commission (to the present)



Hiroshi Shimizu
Director
Independent officer
14 times out of 14 times

Mar 2012 Managing Executive Officer of Nippon Life Insurance Company
Jul 2013 Director and Managing Executive Officer of Nippon Life Insurance Company
Jul 2014 Managing Executive Officer of Nippon Life Insurance Company
Mar 2016 Senior Managing Executive Officer of Nippon Life Insurance Company
Jul 2016 Director and Senior Managing Executive Officer of Nippon Life Insurance Company
Apr 2018 President of Nippon Life Insurance Company
Jun 2021 Outside Director, FUJIKYUKO CO., LTD (to the present)
Jun 2021 Director of Tokyu Corporation (to the present)
Jul 2022 President of Nippon Life Insurance Company (to the present)

Audit & Supervisory Board Members



Takehiko Shimamoto
Full-time Audit & Supervisory Board Member
14 times out of 14 times

Apr 2008 Executive Officer of The Bank of Tokyo-Mitsubishi UFJ Bank, Ltd., Executive Officer of Mitsubishi UFJ Financial Group, Inc.
May 2012 Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ Bank, Ltd., Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Jun 2012 Managing Director of The Bank of Tokyo-Mitsubishi UFJ Bank, Ltd.
Jun 2015 Corporate Auditor of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Corporate Auditor of Mitsubishi UFJ Securities Holdings Co., Ltd., Member of the Board of Directors of Mitsubishi UFJ Financial Group, Inc.
Jun 2018 Audit & Supervisory Board Member of Tokyu Corporation (to the present)



Naohisa Akimoto
Full-time Audit & Supervisory Board Member
14 times out of 14 times

Apr 1981 Joined Tokyu Corporation
Apr 2009 Executive Officer of Tokyu Car Corporation
Jun 2009 Director and Executive Officer of Tokyu Car Corporation
Apr 2012 Executive Officer of Tokyu Corporation, Senior Executive General Manager of Life Services Business Unit of the Company
Apr 2014 Executive Officer of Tokyu Agency Inc.
Jun 2014 Managing Director and Executive Officer of Tokyu Agency Inc.
Jun 2016 Audit & Supervisory Board Member of Tokyu Corporation (to the present)



Shigeo Tsuyuki
Independent officer
Audit & Supervisory Board Member
11 times out of 14 times

Jul 2008 Director and Managing Executive Officer of The Dai-ichi Mutual Life Insurance Company
Apr 2010 Director and Managing Executive Officer of The Dai-ichi Life Insurance Company, Limited
Apr 2011 Director and Senior Managing Executive Officer of The Dai-ichi Life Insurance Company, Limited
Apr 2014 Representative Director and Vice President of The Dai-ichi Life Insurance Company, Limited
Oct 2016 Representative Director and Vice President of Dai-ichi Life Holdings, Inc.
Apr 2017 Representative Director and Vice Chairman of Dai-ichi Life Holdings, Inc.
Jun 2020 Audit & Supervisory Board Member of Tokyu Corporation (to the present)
Apr 2021 Director of Dai-ichi Life Holdings, Inc.
Jun 2021 Advisor of The Dai-ichi Life Insurance Company, Limited
Jul 2022 Honorary Company Fellow (to the present)



Shuzo Sumi
Independent officer
Audit & Supervisory Board Member
10 times out of 11 times

Jun 2002 Member of the Board, Managing Director of The Tokio Marine & Fire Insurance Co., Ltd.
Oct 2004 Member of the Board, Managing Director of The Tokio Marine & Nichido Fire Insurance Co., Ltd.
Jun 2005 Member of the Board, Senior Managing Director of The Tokio Marine & Nichido Fire Insurance Co., Ltd.
Jun 2007 Tokio Marine & Nichido Fire Insurance President and Director, Member of the Board, President of Millia Holdings, Inc.
Jul 2008 President and Director of Tokio Marine Holdings, Inc.
Jun 2013 Chairman of the Board, Tokio Marine & Nichido Fire Insurance Co., Ltd., Chairman of the Board, Tokio Marine Holdings, Inc.
Apr 2016 Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (to the present)
Jun 2022 Audit & Supervisory Board Member of Tokyu Corporation (to the present)

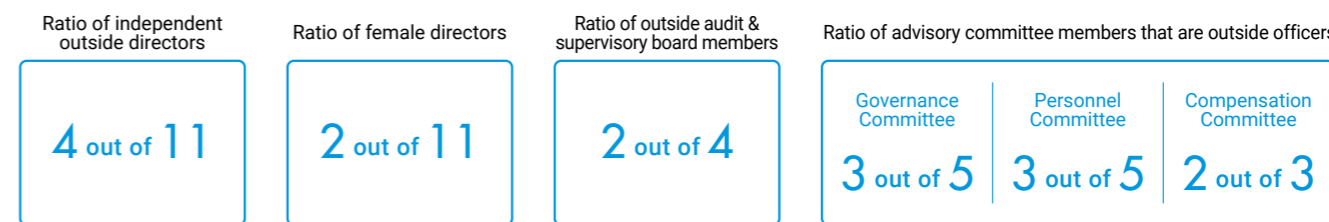
Executive Officers

(as of July 1, 2023)

Executive officers who do not concurrently serve as directors are as follows.

Managing Executive Officer	Hidetoshi Tajima	Responsible for Corporate Affairs Headquarters	Executive Officers	Kyosuke Toda	Executive General Manager of Finance & Accounting Strategy Headquarters
Managing Executive Officer	Ryosuke Taura	Responsible for Lifestyle Service Business Unit, Future Design Lab	Executive Officers	Kazuhiro Hiramoto	Executive General Manager of Building Management Headquarters
Managing Executive Officer	Toshitake Ashizawa	Responsible for Human Resources Headquarters and Tokyu Hospital Executive General Manager of Human Resources Headquarters	Executive Officers	Takashi Yamakawa	Executive General Manager of Retail Business Headquarters
Managing Executive Officer	Takuya Iwai	Responsible for Social Infrastructure Business Unit	Executive Officers	Takanori Nishimura	Executive General Manager of Urban Development Headquarters
Executive Officers	Tomoo Kimura	Responsible for Shinjuku Project Planning & Development Headquarters Executive General Manager of Shinjuku Project Planning & Development Headquarters	Executive Officers	Kazuyuki Tada	Executive General Manager of Corporate Affairs Headquarters
Executive Officers	Akinori Kanayama	Executive General Manager of Hospitality Business Headquarters	Executive Officers	Yoshinori Ogata	Executive General Manager of International Business Strategy Headquarters

Executive Composition Highlights



(as of July 1, 2023)

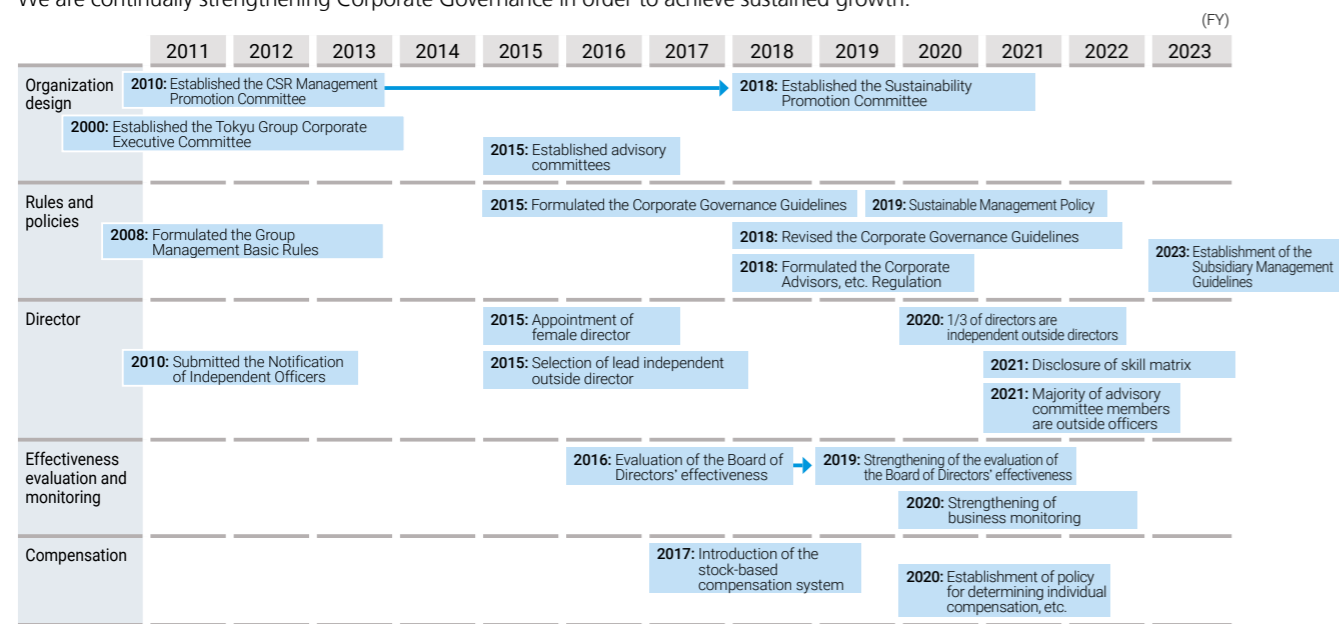
Overview of Organization Design

Tokyu Corporation has adopted the organizational form of a company with an Audit & Supervisory Board under the Companies Act as a corporate governance system in which the Board of Directors fully performs the supervisory function of management and Audit & Supervisory Board Members perform the appropriate audit function. In addition, we are strengthening an effective governance system by introducing an executive officer system for the purpose

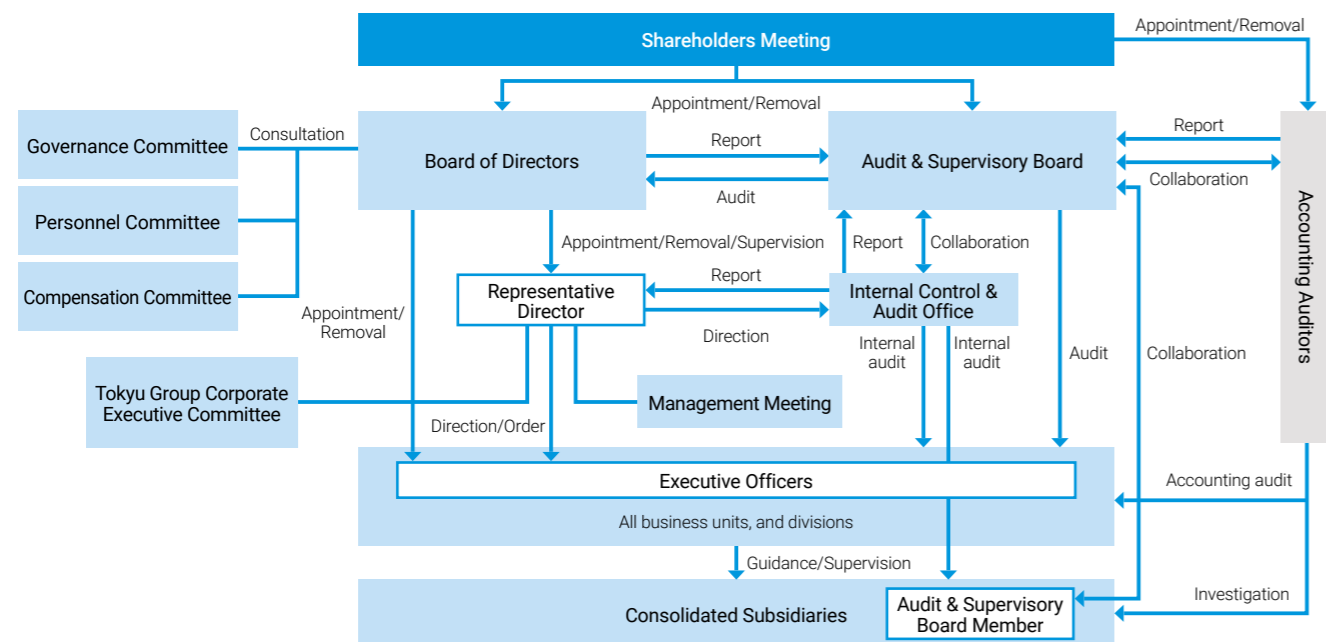
of separating management and execution, clarifying authority and responsibilities, and strengthening the business execution system, as well as by establishing Advisory Committees that enriched debates over governance, human resources, and compensation, and the Tokyu Group Corporate Executive Committee that supports Group management.

Previous Initiatives to Strengthen Corporate Governance

We are continually strengthening Corporate Governance in order to achieve sustained growth.



Corporate Governance System



Expertise and Diversity of Officers

The company takes into consideration the diversity of knowledge, experience, ability, and areas of expertise of the Board of Directors as a whole, as well as the balance of its composition, and appoints candidates to the Board of Directors and Audit & Supervisory Board Members who have abundant experience as managers and excellent insight into the company's business fields.

The skills expected of Directors and Audit & Supervisory Board Members for the appropriate determination of important business

execution and supervision are: a familiarity with the transportation, real estate, life service, and hotel and resort businesses as expertise based on management strategies; the skills necessary for management decisions related to corporate management, finance and accounting, legal and risk management, and personnel and labor; and the global, sustainability, and IT and digital technology skills that are becoming increasingly important for growth.

Skill Matrix

	Primary expertise and background (knowledge and experience expected of directors and audit & supervisory board members)*1										
	Transportation	Real Estate	Life Services	Hotel and Resort	Corporate management	Finance and accounting	Legal affair and risk management	Human resources and labor relations	Global	Sustainability (ESG)*2	IT and digital technology
Chairman Of The Board & Representative Director Hirofumi Nomoto		●	●		●						●
Vice Chairman Of The Board & Representative Director Kazuo Takahashi	●				●			●		●	
President & Representative Director Masahiro Horie		●		●	●				●		
Director Hirohisa Fujiwara					●	●			●		●
Director Toshiyuki Takahashi		●			●				●		
Director Setsumi Hamana		●	●		●			●			
Director Kiyoshi Kanazashi		●			●					●	
Director Kunio Shimada <small>Independent officer</small>							●		●		
Director Reiko Kanise <small>Independent officer</small>			●		●				●		
Director Midori Miyazaki <small>Independent officer</small>									●	●	
Director Hiroshi Shimizu <small>Independent officer</small>					●	●				●	
Full-time Audit & Supervisory Board Member Takehiko Shimamoto					●	●	●	●			
Full-time Audit & Supervisory Board Member Naohisa Akimoto			●		●	●					
Audit & Supervisory Board Member Shigeo Tsuyuki <small>Independent officer</small>					●	●	●		●		
Audit & Supervisory Board Member Shuzo Sumi <small>Independent officer</small>					●				●	●	●

*1. The top four areas of expertise and background possessed by each individual are marked with ●.
*2. Indicates possession of either supervisory experience or advanced knowledge of sustainable management.

Deliberations by the Board of Directors / Initiatives Aimed at Enhancing Board Effectiveness

Key Deliberations by the Board of Directors

The main deliberations by the Board of Directors in FY2022 are as follows. In addition to agenda items and reported matters, the Board of Directors discusses a wide range of topics, such as by appropriately reporting from time to time in response to changes in society and the environment in which we operate.

	Main resolutions and reported matters	
First quarter	<ul style="list-style-type: none"> Business monitoring Operational status of system development to ensure proper business operations Matters relating to internal control Corporate Governance Report Partial revision of policy for determining the compensation of individual directors 	<ul style="list-style-type: none"> Evaluation of effectiveness of the Board of Directors Verification of the significance of cross-shareholdings, and their sale
Second quarter	<ul style="list-style-type: none"> Business proposals in competitive bidding Revision of personnel system IR activities report Audit plan for Audit & Supervisory Board Members 	<ul style="list-style-type: none"> Acquisition of subsidiary shares Progress in matters resolved and reported by the Board of Directors Additional disclosure based on TCFD
Third quarter	<ul style="list-style-type: none"> Progress of real estate development plans Progress of structural reforms at subsidiaries Establishment of human rights policy 	<ul style="list-style-type: none"> Business monitoring Violation of laws and regulations by subsidiaries Initiatives for safe and stable transportation in the railway business
Fourth quarter	<ul style="list-style-type: none"> Responding to risk in consolidated management Application for open recruitment of redevelopment projects Loans and business transfers to subsidiaries Investment in safety of railway business 	<ul style="list-style-type: none"> Progress of real estate development plans Bond offerings Stock situation and IR activities report Business monitoring

Initiatives Aimed at Invigoration of the Board of Directors

We are proceeding with initiatives aimed at invigoration of the Board of Directors such that time may be secured and information provided for sufficient debate.

Example initiatives aimed at invigoration of the Board of Directors

- Early adjustment of Board of Directors schedules
- Advance issuing of agenda items
- Advance explanation of key matters to outside directors, and sharing of the status of deliberations at the Management Meeting
- Submission to the Board of Directors primarily of agenda items that have significant impact on management by delegation of authority to Executive Officer
- Public hearings and dialogue sessions other than Board of Directors' meetings
- Board of Directors' members communication through luncheons and other eating and drinking after Board of Directors' meetings are over
- Onsite observation by outside directors

Evaluation of Effectiveness of the Board of Directors

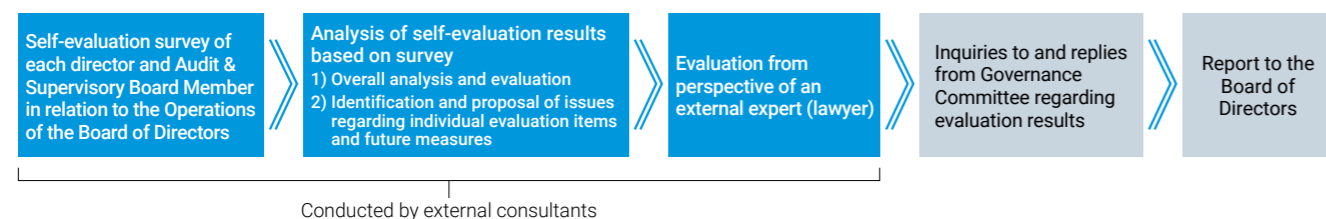
Assessment method

The company analyzes and evaluates the effectiveness and efficiency of the decision-making process of the Board of Directors by conducting a questionnaire survey of all directors and all audit & supervisory board members and interviews with representative directors and independent officers. The results of these analyses and evaluations are evaluated from the perspective of external experts (lawyers), and then deliberated by the Governance Committee and the Board of Directors. Starting in FY2019, an external

consultant has been conducting surveys and analyses to objectively understand the future direction of the project in order to enhance its effectiveness.

Main items of evaluation

- Composition and operations of Board of Directors
- Dialogue with shareholders
- Corporate strategies and business strategies
- Performance monitoring and management evaluation/compensation
- Corporate ethics and risk management
- Group governance



Identification of and initiatives toward concerns based on evaluation of effectiveness

Evaluation of effectiveness of the Board of Directors is on the whole positive, and it is recognized that effectiveness is ensured. Conversely, regarding concerns cited in the previous period, it is recognized that these are ongoing concerns, despite there being

signs of some improvement, and we are effecting a further enrichment of the Board of Directors by adopting specific countermeasures including concerns newly cited in the present period.

Situation of Problems Identified in FY2021

Category	Results of the FY2021 evaluation (issues)	FY2022 initiatives for FY2021 issues (evaluations)
Enrichment of provision of information	<ul style="list-style-type: none"> Enrichment of materials and explanations beforehand Training of newly appointed officers Reference to external information for performance monitoring 	<ul style="list-style-type: none"> Enrichment of provision of information through advance explanations, etc. was recognized
Strengthening of monitoring	<ul style="list-style-type: none"> Monitoring of management strategy Establishment and operation of risk assessment process Supervision of DX 	<ul style="list-style-type: none"> Issues were pointed out regarding enrichment of discussion on business policies and strategies, and timely reporting of risk assessment in an appropriate manner
Debate concerning personnel	<ul style="list-style-type: none"> Personnel training and in-house environment structuring 	<ul style="list-style-type: none"> Despite improvement in scores since FY2021, issues were pointed out regarding enrichment of debate concerning personnel

Problems Identified in FY2022 and Response Plans

Category	Results of the FY2022 evaluation (issues)	Future response plans
Strengthening of debate concerning strategy and monitoring	<ul style="list-style-type: none"> Supervision of business portfolio Deepening and enrichment of debate concerning strategy Flexible judgment 	<ul style="list-style-type: none"> Implementation of phased deliberations in formulation of the next management plan Construction and operation of systems for business portfolio management
Strengthening of Group governance	<ul style="list-style-type: none"> Provision of necessary information for deliberating important issues Establishment and operation of risk assessment process Further demonstration of role of Group head office 	<ul style="list-style-type: none"> Maintenance and establishment of effective governance system Timely and appropriate reporting of risk assessment, etc. to the Board of Directors
Composition of Advisory Committees and debates concerning personnel	<ul style="list-style-type: none"> Operation of Advisory Committees Effectiveness of Advisory Committees 	<ul style="list-style-type: none"> Redefinition of roles of Advisory Committees and review of operation Greater depth in debates relating to succession plans and core personnel development

Example Initiatives Aimed at Facilitating Outside Directors' Business Comprehension

Onsite observation

We are conducting outside directors' onsite observation aimed at further enrichment of the Board of Directors, with the objectives of facilitating multifaceted business comprehension through onsite observation and creating communication opportunities outside the Board of Directors as recommended by the Corporate Governance Code.

— FY2022 Observation Case Histories —

- Yokohama Station Kita Nishiguchi Tsuruya District Category 1 Urban Redevelopment Project (progress of construction)
- THE ROYAL LOUNGE YOKOHAMA (in-station facility)



Yokohama Station
Kita Nishiguchi Tsuruya District
Category 1 Urban Redevelopment Project

THE ROYAL LOUNGE YOKOHAMA
(in-station facility)

Activities of the Advisory Committees / Appointment / Management Personnel Training / Compensation

■ Advisory Committees to the Board of Directors

The Governance Committee, Personnel Committee, and Compensation Committee have been established as advisory committees to the Board of Directors. These committees include outside directors among their members, and are all chaired by an outside director.

By deliberating on such matters as the personnel and compensation of directors, etc., we are working to strengthen corporate governance by ensuring objectivity and transparency in these matters.

	Governance Committee	Personnel Committee	Compensation Committee
Members (June 29, 2023 -)	<ul style="list-style-type: none"> Shuzo Sumi (Independent Outside Audit & Supervisory Board Member) Kunio Shimada (Lead Independent Outside Director) Hiroshi Shimizu (Independent Outside Director) Hirofumi Nomoto (Chairman Of The Board & Representative Director) Masahiro Horie (President & Representative Director) 	<ul style="list-style-type: none"> Kunio Shimada (Lead Independent Outside Director) Reiko Kanise (Independent Outside Director) Midori Miyazaki (Independent Outside Director) Hirofumi Nomoto (Chairman Of The Board & Representative Director) Kazuo Takahashi (Vice Chairman Of The Board & Representative Director) 	<ul style="list-style-type: none"> Kunio Shimada (Lead Independent Outside Director) Reiko Kanise (Independent Outside Director) Hirofumi Nomoto (Chairman Of The Board & Representative Director)
Roles	To deliberate corporate governance matters in general	To deliberate on matters such as those relating to the selection of director candidates, the selection and dismissal of representative directors and their successors, appointment and dismissal of executive officers, etc., and the appointment of Corporate Advisors, etc.	Delegated by the Board of Directors to deliberate and resolve matters relating to the allocation of compensation of directors, and the compensation of Corporate Advisors, etc.
Number of times held (FY2022)	3 times	4 times	1 time
Attendance rate (FY2022)	100%	100%	100%
Main deliberation results	Verification of the significance of cross-shareholdings, revision of the business organization, analysis and evaluation of the effectiveness of the Board of Directors, submission of reports on corporate governance, and acquisition of shares in a listed subsidiary in accordance with the acquisition of the listed subsidiary as a wholly owned subsidiary of Tokyu Corporation	Selection of representative directors, selection of lead independent outside directors, selection of director candidates, appointment, change of position, and resignation of executive officers, etc., appointment and resignation of representative directors of consolidated subsidiaries, selection of Chairmen for advisory organs and Compensation Committee members, and change of companies subject to appointments and dismissals at Personnel Committee	Revision of share delivery regulations, partial change of officer compensation system, comprehensive performance evaluation and remuneration for individual directors, and granting of points in accordance with the share delivery regulations

■ Philosophy and Process of Appointment / Removal

Tokyu Corporation effects the building of a management system in which a balance is maintained between knowledge, age, etc. by executives having high management ability with excellent personalities and judgment being appointed as Directors, and by inviting personnel having extensive experience and wide-ranging judgment as outside directors. In addition, we elect personnel having extensive experience and wide-ranging judgment in relation to finance and accounting, law, etc. and who also have sufficient comprehension of business and financial situations of the company to Audit & Supervisory Board members, effecting the building of a system capable of appropriate and legal auditing of Tokyu Corporation management.

To objectively evaluate the aptitude of candidates and debate suitability for election, deliberations are conducted by the Person-

nel Committee, which is an advisory organ of the Board of Directors, regarding Director candidates, and deliberations are conducted by the Audit & Supervisory Board regarding Audit & Supervisory Board Member candidates, after which decisions are made by the Board of Directors.

If it is found that it would be difficult for a Director who is nominated for Representative Director or Executive Officer to appropriately execute the office due to violation of laws and/or regulations or for other cause, etc., then following deliberations by the Personnel Committee, the Board of Directors decides on the dismissal of the said Representative Director and/or Executive Officer.

Reasons for election for all Director candidates and Audit & Supervisory Board Member candidates are disclosed in the Shareholders Meeting Reference Material.

Criteria for Determining Independence of Outside Officers

In addition to criteria for independence as established by the Tokyo Stock Exchange, Tokyu Corporation determines that persons who do not fall into any of the following categories are independent.

- Business executors of business partners accounting for 2% or more of Tokyu Corporation consolidated sales in any of the past three fiscal years
- Business executors of business partners for which Tokyu Corporation accounts for 2% or more of sales in any of the past three fiscal years
- Business executors of lenders accounting for 2% or more of Tokyu Corporation consolidated total assets in any of the past three fiscal years
- Business executors of major shareholders and investors in Tokyu Corporation with stakes of 10% or more in any of the past three fiscal years
- Consultants, accounting specialists, or legal specialists who receive annual compensation from Tokyu Corporation in excess of 10 million yen in any of the past three fiscal years
- Spouses or second-degree relatives of Directors, etc. of Tokyu Corporation and its consolidated subsidiaries

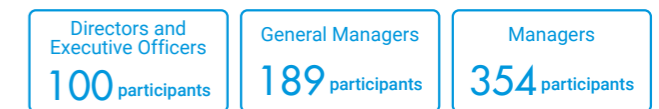
■ Management Personnel Training

The Group strives to create new value through confronting societal concerns and the challenge of resolving them. We believe that Tokyu Corporation's Representative Director must have a temperament which is able to drive management plans based on a long-term perspective and maintain and improve trust relations with those who are key stakeholders to our business, being all our shareholders, customers, residents in areas served by Tokyu railway lines, civil service, associated vendors, creditors, and our employees and their families. Regarding candidates possessing such temper-

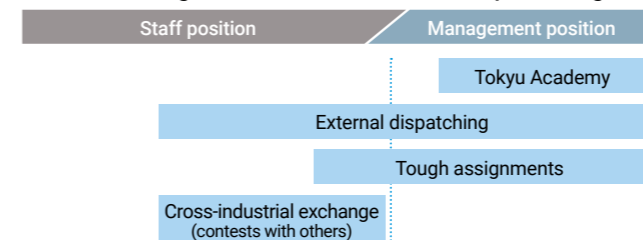
ament, the Representative Director personally carries out development including taking adequate time in selection and undergoing the necessary experiences, while in the Personnel Committee which is an advisory organ of the Board of Directors, the fitness of the candidate and the nature of the candidate's development are thoroughly debated, whereupon a report is submitted to the Board of Directors. Management personnel development is carried out mainly around the following three points:

- Implementing educational programs centered on the Tokyu Academy (held jointly with Group companies)
- Dispatching employees to externally sponsored training programs
- Systematically appointing officers and transferring them to Group companies

● Management Development Training Attendee Totals (Tokyu Academy)



● FY2023 Management Human Resources Development Program



■ Policy and Decision-making Process for Executive Compensation

After consulting the Compensation Committee, the policy regarding the determination of compensation of directors was decided by the Board of Directors on June 29, 2022.

The compensation for directors aims to further increase awareness about contributing toward increasing the medium- to long-term corporate value as well as maximizing shareholder value. It comprises fixed compensation that reflects the roles and responsibilities of directors; total performance evaluation compensation calculated from the overall performance evaluation of the departments the respective officers are responsible for; and stock-based compensation for shareholders and directors to share value from a more medium to long-term perspective. For directors who concurrently serve as executive officers, the ratio of such remuneration is approximately fixed compensation: total performance evaluation compensation: stock-based compensation = 17-26%: 64-72%: 8-12% depending on the position when the total performance evaluation is in the middle range, and varies depending on each individual's evaluation and stock price. The composition and ratio of other directors shall be determined based on their responsibilities and other factors.

Fixed compensation is determined according to the position and whether or not the director has representative rights. Total performance evaluation compensation is paid only to directors who also serve as executive officers, and is calculated based on a five-step evaluation based on a comprehensive evaluation assessment that takes into account indicators for each department, such as the budget achievement rate and execution rate for the department in charge, based on the medium-term management plan, etc. With respect to stock-based compensation, the company uses a stock delivery trust for directors concurrently serving as executive officers, the Chairman Of the Board of Directors, Director & Vice Chairman Of The Board, Director & Corporate Advisor, and Director & Corporate Consultant, and delivers and provides them with Company shares and cash based on stock delivery points that are granted in stages according to their positions and other factors.

In order to ensure the objectivity and transparency of the decision-making process, the Compensation Committee is entrusted with the responsibility of deciding the overall performance evaluation and remuneration for each individual in accordance with the basic policy.

● Total Amount of Compensation, etc. of Directors and Audit & Supervisory Board Members

Officer category	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc., by type (million yen)			Number of applicable persons
		Monetary compensation		Stock-based compensation	
		Fixed compensation	Total performance evaluation compensation		
Directors (of which, outside directors)	385 (37)	186 (37)	159 (—)	40 (—)	15 (5)
Audit & supervisory board members (of which, outside audit & supervisory board members)	72 (18)	72 (18)	— (—)	— (—)	5 (3)

Notes: 1. The above figures include three directors who retired after their terms ended at the conclusion of the 153rd Annual General Meeting of Shareholders held on June 29, 2022, and one Audit & Supervisory Board Member who resigned at the conclusion of the 153rd Annual General Meeting of Shareholders held on June 29, 2022.
 2. The total amount of monetary compensation for directors was set as up to 550 million yen annually (of which, up to 45 million yen annually for outside directors, excluding salaries for directors who are concurrently employees) through a resolution passed at the 138th Annual General Meeting of Shareholders held on June 28, 2007. (At the time of the resolution being passed, there were 18 directors, of which three were outside directors.)
 3. The total amount of compensation in the form of shares for directors (excluding outside directors) was set as up to 100 million yen annually through a resolution passed at the 148th Annual General Meeting of Shareholders held on June 29, 2017. The above total amount of stock compensation was the cost calculation amount for the fiscal year in question. (At the time of the resolution being passed, there were 18 directors, of which four were outside directors.)
 4. The total amount of monetary compensation for audit & supervisory board members was set as up to 90 million yen annually through a resolution passed at the 138th Annual General Meeting of Shareholders held on June 28, 2007. (At the time of the resolution being passed, there were five audit & supervisory board members.)

Group Governance / Cross-shareholdings

■ Group Governance

In this era of transformation, speedy decision-making based on appropriate transfer of authority, monitoring and information-sharing mechanisms is essential for Tokyu Corporation to realize Group management in which synergies are demonstrated through a wide range of businesses.

In a major change to the Group's management structure, we split up the railway business in October 2019. Since the railway business has a significant impact on urban and community development, which is the most important business objective of the Group, basic strategies need to be considered and shared. But having the day-to-day business operations run as a subsidiary has allowed our frontline to handle customers more quickly than ever before.

● Main Initiatives in the Group Management Structure

Category	Details	Related meeting committee structures
(1) Transfer of authority and communication of information	<ul style="list-style-type: none"> Submission of proposals to meeting committee structures and approval, according to business execution standards Process of communicating information on risks, accidents, etc., according to reporting standards Determination of management policies for the Group 	<ul style="list-style-type: none"> Board of Directors Management Meeting Tokyu Group Corporate Executive Committee
(2) Sharing of strategies and performance management	<ul style="list-style-type: none"> Sharing of strategies by management (major subsidiaries and other subsidiaries) Annual monitoring process based on a system of responsible divisions for each business Company performance evaluation and manager evaluation 	<ul style="list-style-type: none"> Group company management meetings Human resource strategy meetings, etc.
(3) Management by business function	<ul style="list-style-type: none"> Sharing of sustainability goals and PDCA management of indicators Sharing of accident information, and prevention Information security, BC system and personnel measures which include consolidated companies etc. 	<ul style="list-style-type: none"> Tokyu Group Sustainability Promotion Committee Consolidated CIO Committee Tokyu BC Committee Consolidated Personnel Committee, etc.
(4) Risk management	<ul style="list-style-type: none"> Regular information collection and status checks (once a year) Collection and sharing of risk information (in a timely manner depending on the external environment) 	<ul style="list-style-type: none"> Board of Directors Management Meeting Tokyu Group Sustainability Promotion Committee

In June 2023, Tokyu Corporation clarified the roles of the departments in charge of the control and management operations of consolidated subsidiaries and partially revised the Group Management Basic Rules and formulated the Subsidiary Management Guidelines with the aim of helping to manage subsidiaries.

The following shows the overall Group management structure for (1) transfer of authority and communication of information, (2) sharing of strategies and performance management, (3) management by business function, and (4) risk management. Drawing on our many years of experience in Group management, we will continue to constantly evolve our Group management structure while combining standards, systems and meeting committee structures.

■ Dissolution of Parent-subsidiary Listing

A structural conflict of interest between Tokyu Corporation and minority shareholders was resolved by making Tokyu Recreation Co., Ltd. a wholly-owned subsidiary of Tokyu Corporation on January 1 2023.

With the unlisting of Tokyu Recreation Co., Ltd., the Group will no longer have a listed subsidiary, enabling agile and flexible management unbound by short-term stock market evaluations.

In addition to the full utilization of funds and know-how, Tokyu Corporation will also promote the utilization of the know-how of Tokyu Recreation Co., Ltd., which plays a central role in the entertainment business.

Two listed subsidiaries became wholly-owned subsidiaries during the Three-year Medium-term Management Plan period

- June 1, 2021: Nagano Tokyu Department Store Co., Ltd.
- January 1, 2023: Tokyu Recreation Co., Ltd.

■ Cross-shareholding Policy

Through the maintenance and strengthening of its relationships with its business partners, Tokyu Corporation holds shares that are judged to contribute to the business development of Tokyu Corporation and its consolidated subsidiaries, with a view to the smooth implementation of Tokyu Corporation's long-term business and financial strategies.

In addition, the Board of Directors verifies the significance of holding each listed stock every year, based on qualitative perspectives related to business and financial strategies from a long-term perspective and quantitative perspectives such as dividend income and other economic rationality.

If it is recognized that cross-shareholding is not appropriate based on the above-mentioned assessment, our basic policy is to review it, such as by reducing the number of shares held, considering the condition of the stock market, etc.

In FY2022, we reviewed the number of shares held for stocks with significance, sold two listed stocks and one unlisted stock, and proceeded with downsizing our holdings.

Compliance

■ Promotion of Compliance

Compliance training

The Group has established the Tokyu Group Compliance Guidelines as a set of basic compliance rules for the conduct of all officers and employees at the Tokyu Group. Based on these guidelines, we have established the Code of Conduct, and are familiarizing employees with it as much as possible through e-learning and other company-wide training programs, as well as through group training for new recruits and job-specific training for new appointees. Our consolidated subsidiaries have also formulated their own similar codes of conduct, and are working to raise awareness among their employees.

Rate of participation in compliance-related training
100%
(FY2022)

Sharing of information on scandals and problems, and prevention and recurrence prevention

In addition to promptly reporting to management whenever non-compliance incidents transpire, the status of responses to any incident and the status of measures to prevent recurrence are confirmed monthly by the Management Meeting. At biannual meetings of the Sustainability Promotion Committee (see page 58), information is shared and opinions are exchanged on consolidated responses taken for compliance-related issues and for whistleblower reports, in an effort to prevent serious incidents from occurring.

■ Initiatives Based on Prosecution of a Subsidiary of the Company for Violation of the Antimonopoly Act

In February 2023, Tokyu Agency Inc. and one of its former officers were charged with criminal offenses by the Japan Fair Trade Commission in connection with Tokyo 2020 Olympic and Paralympic Games bid rigging (violation of the Antimonopoly Act) and prosecuted by the Tokyo District Public Prosecutors Office (currently on trial as of the end of September 2023). Tokyu Corporation takes this matter with utmost seriousness and is working to further ensure compliance with Antimonopoly Act and strengthen governance in the Group, including Tokyu Agency.

We have implemented measures such as the dissemination of messages from top management to our consolidated subsidiaries by our company president, and comprehensive emergency inspec-

Whistleblower system

For the early detection and swift rectification of compliance-related issues, including fraud and scandals, we have also set up and are publicizing the Tokyu Corporation Helpline, a set of contact points for internal reporting. The Tokyu Corporation Helpline has contact points both within the company and at a law office, ready to respond to reports and consultations from Group employees (including suppliers). A total of 341 reports and requests for advice were received in FY2022.


We have confirmed that there was no event with significant impact on the Group's business continuity in the reports and requests made. We have clearly defined and thoroughly implemented the protection of those making notifications, seeking consultations and cooperating with investigations in the rules governing the whistleblower system in order to prevent unfavorable treatment such as retaliation for reporting, consulting, or responding to an investigation.

Number of internal reporting (consolidated)
341
(FY2022)

■ Formulation of Various ESG Related Policies

In order to realize the group slogan of "Toward a Beautiful Age", we established the Tokyu Group Compliance Guidelines, while each Group company establishes their own codes of conducts. In this manner, sustainable management represents our fundamental approach to management. We have moved forward with formulating ESG related policies to embody these policies and establish a PDCA cycle in the ESG domain. In November 2022, we formulated

the Human Rights Policy, and in April 2023, we formulated the Basic Safety Policy and revised the Sustainable Procurement Policy as the Sustainable Supply Chain Policy, which reflects international norms and other factors. We will continue to review these policies on a regular basis and promote human rights due diligence and supply chain management.

 In April 2019, we signed the United Nations Global Compact, a global initiative proposed by the United Nations. We support the ten principles in the four areas of human rights, labor, environment, and anti-corruption, and will continue to promote further sustainability initiatives.

Operating Results

— Analysis of financial position, results of operations, and cash flows

Summary of Operating Results in FY2022

Highlights of FY2022 Financial Results

- Operating revenue and operating income increased due to recovery in demand, especially in transportation and hotel and resort businesses.
- Profit attributable to owners of parent increased due to higher earnings in each business segment, as well as higher equity in earnings of Investment Gain from Equity Method, etc.

Financial Results

	(Unit: billion yen)		
	FY2022	FY2021	Change
Operating revenue	931.2	879.1	+52.1 (+5.9%)
Operating profit	44.6	31.5	+13.0 (+41.4%)
Non-operating profit	17.1	17.2	-0.1 (-0.8%)
Non-operating expenses	14.3	13.8	+0.5 (+4.0%)
Recurring profit	47.3	34.9	+12.3 (+35.3%)
Extraordinary gains	10.7	23.4	-12.7 (-54.4%)
Extraordinary losses	16.7	31.4	-14.7 (-46.9%)
Income before income taxes and minority interests	41.3	27.0	+14.3 (+53.1%)
Net income	27.0	10.2	+16.8 (+165.2%)
Profit attributable to owners of parent	25.9	8.7	+17.2 (+196.0%)
Comprehensive income	38.1	19.9	+18.1 (+91.0%)

Key indicators related to operating conditions

Transportation

- Tokyu Railways number of passengers carried: up 10.2% YoY (of which, up 7.0% for commuters, up 14.5% for non-commuters)
Passenger revenue: up 11.7% YoY (of which, up 5.5% for commuters, up 16.1% for non-commuters)
- Tokyu Bus number of passengers carried: up 7.2% YoY

Real Estate

- Leasable area of Tokyu Corporation: Total of 1,451 thousand m² (5 thousand m² increase YoY)
of which, Office: 375 thousand m² (17 thousand m² increase YoY)
of which, Commercial: 825 thousand m² (15 thousand m² increase YoY)
of which, Hotels and Other: 250 thousand m² (27 thousand decrease YoY)
- Units scheduled for delivery
Total 294 housing unit / subdivisions
(10 housing unit / subdivisions decrease YoY)
of which, condominiums: 285 units (9 units decrease YoY)
of which, detached house / land: 9 subdivisions (1 subdivisions decrease YoY)

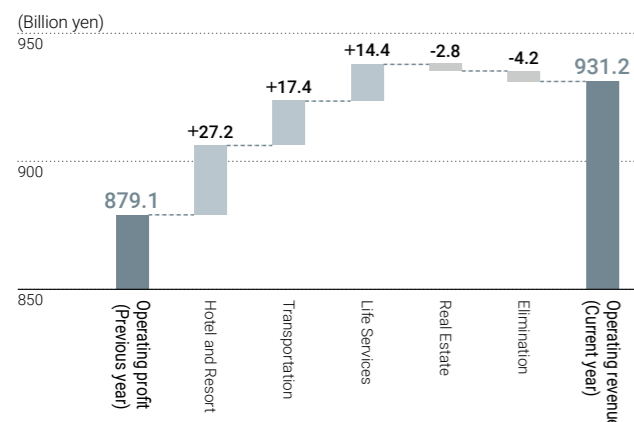
Life Services

- Tokyu Department Store
Operating revenue for FY ended Jan. 2023: up 5.5% YoY
- Tokyu Store Chain
Operating revenue for FY ended Feb. 2023: down 2.6% YoY

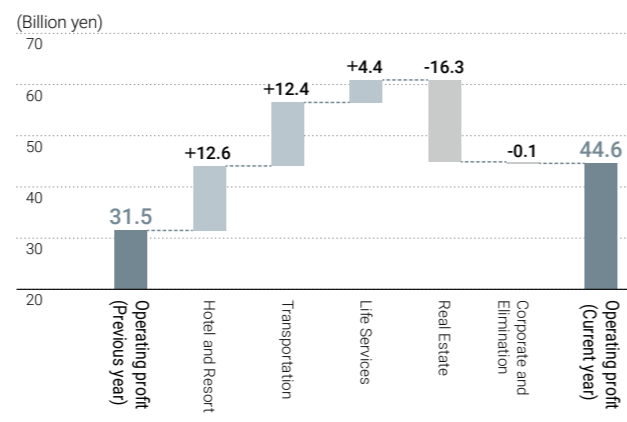
Hotel and Resort

- Tokyu Hotels occupancy rate: 70.6% (26.5 pt increase YoY)

Change in Operating Revenue by Segment



Change in Operating Profit by Segment



Financial Position

	(Unit: billion yen)		
	FY2022	FY2021	Change
Total assets	2614.0	2479.1	+134.8
Interest-bearing debt at end of period	1287.5	1195.7	+91.7
Net assets	779.3	752.9	+26.4
Shareholders' equity	740.6	7,029	+37.6
Equity ratio	28.3%	28.4%	-0.1pt
D/E Ratio (times)	1.7	1.7	-

Cash Flow

	(Unit: billion yen)		
	FY2022	FY2021	Change
Cash flows from operating activities	95.4	85.5	+9.8
Cash flows from investing activities	-154.4	-78.8	-75.6
Of which, capital expenditure	-152.3	-110.3	-41.9
Of which, proceeds from contributions received for construction	6.2	5.4	+0.7
Free cash flow	-59.0	6.7	-65.7
Cash flows from financial activities	74.6	-1.3	+75.9
Of which, interest-bearing debt	90.4	12.6	+77.8
Of which, dividends paid	-9.0	-12.0	+2.9
Cash and cash equivalents at end of period	68.5	51.6	16.8

Key Indicators

	(Unit: billion yen)		
	FY2022	FY2021	Change
TOKYU EBITDA	144.6	128.3	+16.3
Operating profit	44.6	31.5	+13.0
Interest-bearing debt/TOKYU EBITDA* (times)	8.9	9.3	-0.4pt

* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

Financial Position

Total assets at the end of the fiscal year under review was 2,614 billion yen (up 134.8 billion yen from the end of the previous fiscal year) due to the acquisition of property, plant and equipment by Tokyu Corporation and its consolidated subsidiary, Tokyu Railways. Net assets totaled 779.3 billion yen (up 26.4 billion yen from the end of the previous fiscal year) due to the posting of profit attributable to owners of parent and other factors.

Cash Flow

Cash flows from operating activities was 95.4 billion yen, an increase of 9.8 billion yen from the previous fiscal year due to a recovery in revenue and other factors. Cash flows from investing activities was 154.4 billion yen, including 152.3 billion yen in fixed asset purchases. It increased 75.6 billion yen due mainly to an increase in purchases of fixed assets compared to the previous fiscal year. Cash flows from financing activities was 74.6 billion yen, mainly due to borrowings and financing through the issuance of corporate bonds.

As a result of the above, the balance of cash and cash equivalents at the end of the fiscal year was 68.5 billion yen, an increase of 16.8 billion yen from the previous fiscal year.

Key Indicators

By recovering demand in each business and restoring profitability through structural reforms, operating profit and Tokyu EBITDA have recovered steadily from the COVID-19 pandemic, and the interest-bearing debt/Tokyu EBITDA multiple has also decreased to 8.9 times, achieving a higher improvement than the initial plan.

Plan for New Facilities

FY2023 Tokyu Railways railway business capital expenditure plan

Planned investment amount: 43.1 billion yen
Major investments:

- Development of advanced rain and flood control, seismic and snow-resistant reinforcement work, and level crossing obstacle detection devices (100% of which have already been installed, except for the Setagaya and Kodomonokuni lines)
- Maintenance and renewal of civil engineering facilities and electrical equipment, and extending the life of civil engineering structures
- Conversion of station lighting to LED

Other plans

- Shibuya 2-Chome 17 District Category 1 Urban Redevelopment Project
Total planned investment: 9.9 billion yen (Of which, amount already paid: 2.6 billion yen)
Scheduled completion: May 2024
- Tokyo Ekimae Yaesu 1-Chome East B District Urban Redevelopment Project
Total planned investment: 6.2 billion yen
Scheduled completion: July 2025

11-Year Financial Data

	144th term FY2012	145th term FY2013	146th term FY2014	147th term FY2015	148th term FY2016	149th term FY2017	150th term FY2018	151st term FY2019	152nd term FY2020	153rd term FY2021	154th term FY2022
Results											
Operating revenue (million yen)	1,068,046	1,083,070	1,067,094	1,091,455	1,117,351	1,138,612	1,157,440	1,164,243	935,927	879,112	931,293
Transportation*1	187,250	192,099	191,260	200,593	207,494	211,557	213,602	213,647	151,972	166,557	184,054
Real Estate*1	163,697	193,020	175,800	199,018	172,288	182,574	203,363	210,175	197,634	223,263	220,420
Life Services	527,670	524,875	520,176	644,127	689,169	700,352	703,183	707,995	603,598	502,747	517,225
Hotel and Resort	89,615	92,452	96,081	103,859	105,502	104,104	99,925	96,125	37,871	43,523	70,800
Business support*1	175,669	159,772	160,417	—	—	—	—	—	—	—	—
Elimination	-75,855	-79,148	-76,643	-56,141	-57,103	-59,976	-62,633	-63,700	-55,149	-56,978	-61,207
Operating profit (million yen)	55,742	62,190	71,514	75,480	77,974	82,918	81,971	68,760	-31,658	31,544	44,603
Transportation*1	18,048	21,191	25,854	29,279	26,706	29,002	29,085	27,018	-26,014	-3,937	8,538
Real Estate*1	26,803	30,128	33,358	28,093	29,985	32,357	31,981	29,000	28,978	45,230	28,844
Life Services	5,968	5,882	6,997	13,438	14,817	15,999	17,139	13,411	-3,867	6,600	11,078
Hotel and Resort	1,440	1,514	3,191	4,488	6,111	5,103	3,080	-1,495	-31,224	-16,736	-4,119
Business support*1	3,052	3,457	1,959	—	—	—	—	—	—	—	—
Elimination	428	16	152	181	353	456	684	825	469	386	261
Recurring profit (million yen)	56,279	62,618	66,619	70,038	76,449	83,746	81,907	70,925	-26,824	34,998	47,369
Profit attributable to owners of parent (million yen)	43,075	56,498	41,051	55,248	67,289	70,095	57,824	42,386	-56,229	8,782	25,995
Profitability Indicators											
TOKYU EBITDA (million yen)*2	149,624	148,803	151,549	163,655	174,312	174,965	176,693	176,584	74,742	128,378	144,691
TOKYU EBITDA margin (%)*3	14.0	13.7	14.2	15.0	15.6	15.4	15.3	15.2	8.0	14.6	15.5
ROA (Return on assets) (%)*4	2.9	3.1	3.3	3.4	3.6	3.8	3.5	2.9	-1.1	1.3	1.9
ROE (Return on equity) (%)*5	9.5	11.4	7.7	9.8	11.2	10.6	8.0	5.6	-7.7	1.2	3.6
Financial Health Indicators											
Interest-bearing debt/TOKYU EBITDA multiple (times)*6	—	—	—	5.7	5.5	5.5	6.0	6.5	15.8	9.3	8.9
D/E ratio (interest-bearing debt ratio) (times)*7	2.1	1.9	1.7	1.6	1.5	1.4	1.4	1.5	1.7	1.7	1.7
Equity ratio (%)	24.2	25.3	27.5	27.6	29.2	30.8	30.9	29.8	28.4	28.4	28.3
Balance-sheet Indicators											
Net assets (million yen)	499,545	537,711	579,596	623,297	678,382	747,049	796,164	809,614	752,538	752,942	779,372
Shareholders' equity (million yen)	476,174	511,789	551,332	576,873	628,308	696,526	745,233	757,003	702,355	702,967	740,621
Total assets (million yen)	1,964,476	2,021,794	2,002,532	2,092,546	2,148,605	2,264,636	2,412,876	2,537,196	2,476,061	2,479,182	2,614,012
Cash-flow Indicators											
Interest-bearing debt at end of period (million yen)	999,567	990,038	911,446	937,467	964,397	969,794	1,066,422	1,151,010	1,182,195	1,195,756	1,287,519
Free cash flow (million yen)*8	31,804	50,573	88,729	8,009	-5,954	7,179	-86,662	-35,338	-29,305	6,766	-59,027
Capital expenditure (million yen)*9	128,737	140,231	93,556	157,252	145,398	181,265	239,945	205,290	106,385	117,451	157,677
Depreciation (million yen)	74,916	72,762	70,041	72,391	76,986	74,901	78,613	85,448	88,308	84,191	82,973
Investment Indicators											
Dividend per share (yen)*10	7.00	7.50	8.00	8.50	9.00	19.00	20.00	23.00	15.00	15.00	15.00
EPS (Earnings per share) (yen)*11	34.33	44.96	32.88	44.81	55.01	115.42	95.14	69.88	-93.08	14.58	42.94
Dividend payout ratio (%)	20.4	16.7	24.3	19.0	16.4	16.5	21.0	32.9	—	102.9	34.9
Total return ratio (%)	20.4	16.7	48.7	37.1	31.2	16.5	21.0	56.5	—	102.9	34.9
Reference											
Number of employees (consolidated) (people)	21,172	21,370	21,499	22,331	22,780	22,985	23,637	24,464	24,655	24,364	23,763

*1 Recombined segments in Mar. 2016

*2 TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method
Until FY2014, TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets

*3 TOKYU EBITDA margin = TOKYU EBITDA / Operating revenue

*4 ROA = Recurring profit / Total assets (average for term) x 100

*5 ROE = Profit attributable to owners of parent / Shareholders' equity (average for term) x 100

*6 Interest-bearing debt / TC <YU EBITDA multiple = interest-bearing debt (end of term) / TOKYU EBITDA

*7 D/E ratio = interest-bearing debt (end of term) / shareholders' equity (end of term)

*8 Free cash flow = cash flows from operating activities + cash flows from investing activities

*9 Capital expenditure is different from the consolidated statement of cash flows, which takes into account the amount payable at the end of the fiscal year.

*10 On August 1, 2017, the Company conducted a reverse stock split (every two common shares were merged into one).

*11 EPS = Profit attributable to owners of parent / Number of shares issued (average for term)

Non-financial Data

© Data from 2019 onward, when Tokyu Corporation spun off its Railway Business, is published.

E: Environment

For environmental data other than what is shown below: <https://tokyu.disclosure.site/en/119>

	Units	Scope	FY2019	FY2020	FY2021	FY2022	FY2023 target
CO ₂ emissions (Scope 1, 2) ✓	t-CO ₂	Consolidated	618,643	544,081	535,741	383,321	
★ CO ₂ emissions reduction rate (Scope 1, 2) Compared to FY2019	%	Consolidated	—	12.1	13.4	38.0	46.2%reduction (FY2030 target compared to FY2019)
GHG emissions (Scope 1, 2) ✓	t-CO ₂	Consolidated	644,333	570,109	564,560	406,266	
GHG emissions reduction rate (Scope 1, 2) Compared to FY2019	%	Consolidated	—	11.5	12.4	36.9	
CO ₂ emissions (Scope 3) ✓	t-CO ₂	Consolidated	2,622,339	2,179,643	2,225,902	2,332,898	
★ CO ₂ emissions reduction rate (Scope3) Compared to FY2019	%	Consolidated	—	16.9	15.1	11.0	30%reduction (FY2030 target compared to FY2019)
GHG emissions (Scope 3) ✓	t-CO ₂	Consolidated	2,622,339	2,179,643	2,225,902	2,332,898	
GHG emissions reduction rate (Scope 3) Compared to FY2019	%	Consolidated	—	16.9	15.1	11.0	
★ Renewable energy ratio	%	Consolidated	0.5	0.8	1.4	39.7	50%(2030) 100%(2050)
CO ₂ emissions for distance traveled in the Railway Business (Tokyu Lines) *1	kg-CO ₂ /car-km	Tokyu Railways	1.19	1.09	1.07	0.02	
Energy consumption (total crude oil equivalent) *2 ✓	kℓ	Consolidated	158,533	142,093	144,064	147,885	
Energy consumption (total electricity equivalent) *3 ✓	MWh	Consolidated	1,753,686	1,558,105	1,584,078	1,592,212	
Waste	t	Consolidated	43,145	36,900	41,812	40,739	
Waste volume (per revenue unit) *4	t/million yen	Consolidated	433	466	476	437	
★ Waste volume reduction rate (per revenue unit) *4	%	Consolidated	—	-7.6	-9.9	-0.9	10%reduction (FY2030 target compared to FY2019)
Water usage	Thousand m ³	Consolidated	8,497	6,013	6,969	7,061	
Water usage (per revenue unit) *4	Thousand m ³ /million yen	Consolidated	85	76	79	76	
★ Water usage reduction rate (per revenue unit) *4 Compared to FY2019	%	Consolidated	—	10.6	7.1	10.6	10%reduction (FY2030 target compared to FY2019)
★ Provision of a menu of services to reduce environmental impact (cumulative total)	Cases	Consolidated	—	—	—	17	100 cases or more (2030 target)
★ People taking action on the SDGs*5	%	17 municipalities along Tokyu's railway lines	—	50.6	54.8	51.8	65% (2030 target)
★ Acquisition of environmental certification for facilities (cumulative total)	Cases	Tokyu Corporation	6	7	9	10	9 cases

* Indicators set as KPIs for material sustainability themes (Materiality) (See page 33 and 34)
 * We received third-party certification from LRQA Limited for the environmental data from FY2020 to FY2022 with a ✓ in order to ensure the reliability of the figures. However, some categories are excluded for Scope 3.
 *1 CO₂ emissions are values per the Act on Rationalizing Energy Use notification standards
 *2 Total crude oil equivalent excludes self-power generation (co-generation) and power generation loss.
 *3 Total electricity equivalent excludes self-power generation (co-generation).
 *4 For estimated operating revenues for FY2019 and FY2020, impact amounts are calculated for applying the Accounting Standard for Revenue Recognition when calculating the revenue unit.
 *5 People taking action on the SDGs: In an internet-based SDGs awareness survey conducted by Tokyu Corporation in the 17 cities and wards along Tokyu railway lines, this is the percentage of people who responded that they intended to choose a company or intended to take action with regard to at least one of the 17 goals of the SDGs. The survey was conducted in June of the following year of each listed fiscal year. The 30% improvement is equivalent to the number of people taking action increasing by about 820,000.

G: Governance

	Units	Scope	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023 target
Number of directors*6	People	Tokyu Corporation	15	12	14	12	11	
★ Ratio of independent outside directors*6	%	Tokyu Corporation	20.0	33.3	35.7	33.3	36.4	1/3 or above
★ Number of female directors*6	People	Tokyu Corporation	1	2	2	2	2	2 people or more
Ratio of female directors*6	%	Tokyu Corporation	6.7	16.7	14.3	16.7	18.2	
Attendance of Directors at Board of Directors meetings	%	Tokyu Corporation	98.4	99.1	98.0	99.4	—	
★ Number of incidents of serious violations of laws and regulations	Cases	Consolidated	0	0	0	1*7	—	0 cases
★ Rate of participation in compliance-related training	%	Tokyu Corporation	94.7	100	100	100	—	100%

* Indicators set as KPIs for material sustainability themes (Materiality) (See page 33 and 34)
 *6 Number of directors and their composition as of July 1 of each fiscal year
 *7 Prosecution of a subsidiary of the Company for violation of the Antimonopoly Act (see page 80)

S: Social

For human resource data other than what is shown below: <https://tokyu.disclosure.site/en/133>

	Units	Scope	FY2019	FY2020	FY2021	FY2022	FY2023 target
Number of employees (consolidated)	People	Consolidated	24,464	24,655	24,364	23,763	
Ratio of women	%	Consolidated	24.9	27.7	26.0	25.5	
Number of employees (non-consolidated)	People	Tokyu Corporation	1,417	1,461	1,414	1,482	
Ratio of women	%	Tokyu Corporation	40.9	41.4	41.4	39.9	
Average term of consecutive service	Length in years and months	Tokyu Corporation	15 years and 6 months	15 years and 6 months	15 years and 6 months	15 years and 1 months	
Number of managers	People	Tokyu Corporation	525	527	526	923	
★ Percentage of female managers	%	Tokyu Corporation	7.6	8.3	8.9	12.9	10% or above
Gender wage gap (all employees)	%	Tokyu Corporation	—	—	—	68.2	
★ Employee engagement		Tokyu Corporation	—	BB	BB	B	A
Training hours per person	Time	Tokyu Corporation	—	20.7	25.4	25.7	
Training cost per person	Yen	Tokyu Corporation	—	86,376	79,463	94,740	
★ Education system utilization rate	%	Tokyu Corporation	—	19.3	25.8	24.3	30% or above
Health and productivity management	★ Obesity rate	Tokyu Corporation+Tokyu Railways	32.8	31.9	32.5	32.3	35% or below
	★ Smoking rate	Tokyu Corporation+Tokyu Railways	25.1	23.2	23.0	22.7	22% or below
	★ Exercise habit rate	Tokyu Corporation+Tokyu Railways	43.1	46.0	46.2	46.2	50% or above
Turnover rate	%	Tokyu Corporation	1.6	2.9	3.5	3.7	
Female childcare leave acquisition rate	%	Tokyu Corporation	100	100	100	100	
★ Male childcare leave acquisition rate	%	Tokyu Corporation	82.1	80.0	88.9	90.6	100%
Average number of days of childcare leave taken by male employees	Days	Tokyu Corporation	17.7	18.8	52.5	32.7	
Number of employees taking nursing care leave	People	Tokyu Corporation	2	2	1	2	
Frequency rate of lost-worktime accidents	%	Tokyu Corporation	0.94	0.63	0.94	1.32	
Number of fatal accidents	Cases	Tokyu Corporation	0	0	0	0	
Number of operating accidents and transport disruptions attributable to the company	★ Railway accidents	Cases	0	0	0	0	0 cases
	★ Incidents	Cases	0	2	0	0	0 cases
	★ Transportation disruptions	Cases	0	6	8	9	—
★ Peak-hour congestion rate (Ikejiri-Ohashi to Shibuya)	%	Tokyu Railways	183	126	112	135	Monitoring indicators
★ Number of users of NewWork shared satellite offices per month	People	Tokyu Corporation	10,453	9,967	13,896	21,852	25,000 people
★ Annual number of consultations with the residence and living concierge (including consultations on measures to deal with vacant houses, etc.)	Cases	Tokyu Corporation	1,971	1,200	1,380	3,089	2,500 cases
★ Population growth rate in 17 municipalities along Tokyu's railway lines compared to FY2019 *8	%	17 municipalities along Tokyu's railway lines	—	+0.392	+0.201	+0.344	Monitoring indicators
★ Nursery school and school children's facilities (including leased, direct management, and public housing)	Facilities	Tokyu Kids Base Camp /Tokyu Corporation	81	89	103	105	100 Facilities
★ Number of stores shipping through online supermarkets	Stores	Tokyu Store Chain	13	17	24	37	—
★ Number of Tokyu railway line stations with 5G sharing antennas*9	Stations	Tokyu Corporation	—	0	0	0	22 stations

* Indicators set as KPIs for material sustainability themes (Materiality) (See page 33 and 34)
 *8 Calculated from the Basic Resident Register
 *9 Target modified in May 2023 due to a change in business plan resulting from changes in the market environment

Major Affiliates (As of March 31, 2023)

Consolidated Subsidiaries

	Location	Principal business	Ownership of voting rights (%)
● Transportation			
Tokyu Railways Co., Ltd.	Japan	Railway business	100.0
Izuky Corporation	Japan	Railway business	100.0
Uedadentetsu Co.,Ltd.	Japan	Railway business, real estate leasing business	100.0
Tokyu Bus Corporation	Japan	Automotive transportation business	100.0
Jotetsu Corporation	Japan	Bus business, real estate business	69.8
Sendai International Airport Co., Ltd.	Japan	Airport management	43.0
Tokyu Techno System Co., Ltd.	Japan	Maintenance and remodeling of railway carriages and buses, etc.	100.0
● Real Estate			
Tokyu Property Management Co., Ltd.	Japan	Comprehensive management of buildings and structures	100.0
Tokyu Geox Co., Ltd.	Japan	Sale of gravel, sand, crushed stone and nonmetallic ore	89.6
Yanchep Sun City Pty Ltd	Australia	Residential land development business, land management business	100.0
St Andrews Private Estate Pty Ltd	Australia	Urban development business	100.0
Becamex Tokyu Co., Ltd.	Vietnam	Real estate development business, real estate sales business, real estate leasing business	65.0
● Life Services			
Tokyu Department Store Co., Ltd.	Japan	Department store operations	100.0
Tokyu Store Chain Co., Ltd.	Japan	General retailing chain store operations	100.0
Tokyu Malls Development Corporation	Japan	SC planning, development and management business	100.0
Tokyu Card, Inc.	Japan	Credit card operations	100.0
Tokyu Recreation Co., Ltd.	Japan	Video, sporting leisure, real estate leasing business	100.0
its communications Inc.	Japan	Cable television (broadcasting, communications), smart home business	100.0
Tokyu Security Co., Ltd.	Japan	Mechanical security, facilities security, and patrol security services	100.0
Tokyu Agency Inc.	Japan	Advertising agency services	99.0
Tokyu Power Supply Co., Ltd.	Japan	Electricity retailing, gas agency operations	66.7
● Hotel and Resort			
Tokyu Hotels Co., Ltd.*	Japan	Hotel management and commissioned hotel management	100.0
Tokyu Linen Supply Co., Ltd.	Japan	Manufacture, leasing, sale and laundry of various textile goods, etc.	100.0
Three Hundred Club Co., Ltd.	Japan	Golf course operations	99.2

* On April 1, 2023, Tokyu Hotels Co., Ltd. performed a division-merger of its operational functions into TOKYU HOTELS & RESORTS CO., LTD., to focus on managing its Hotel and Resort Business.

Equity-method Affiliates

	Location	Principal business	Ownership of voting rights (%)
Tokyu Fudosan Holdings Corporation	Japan	Group business management operations (Tokyu Fudosan Holdings Group)	16.1
Tokyu Construction Co., Ltd.	Japan	Contracting of civil engineering and construction work	15.1
Seikitokyu Kogyo Co., Ltd.	Japan	Road construction business, manufacture and sale of road materials	4.4

Company Profile / Stock Information (As of March 31, 2023)

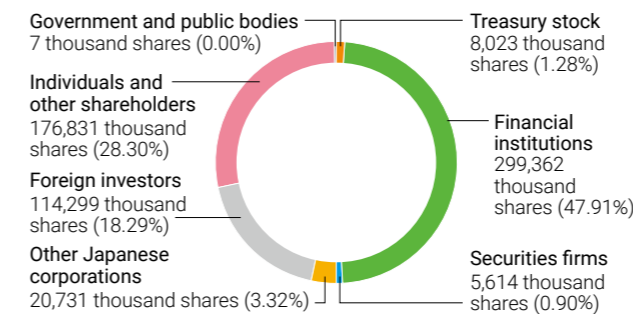
Company Profile

Trade name	TOKYU CORPORATION
Established	September 2, 1922
Head office	5-6 Nampeidai-cho, Shibuya-ku, Tokyo 150-8511
Paid in capital	121,724 million yen
Net assets (consolidated)	779,372 million yen
Number of employees (consolidated)	23,763
Business	Transportation business, real estate business, etc.
Listed exchange	Tokyo Stock Exchange (Prime Market)
Accounting auditor	Ernst & Young ShinNihon LLC

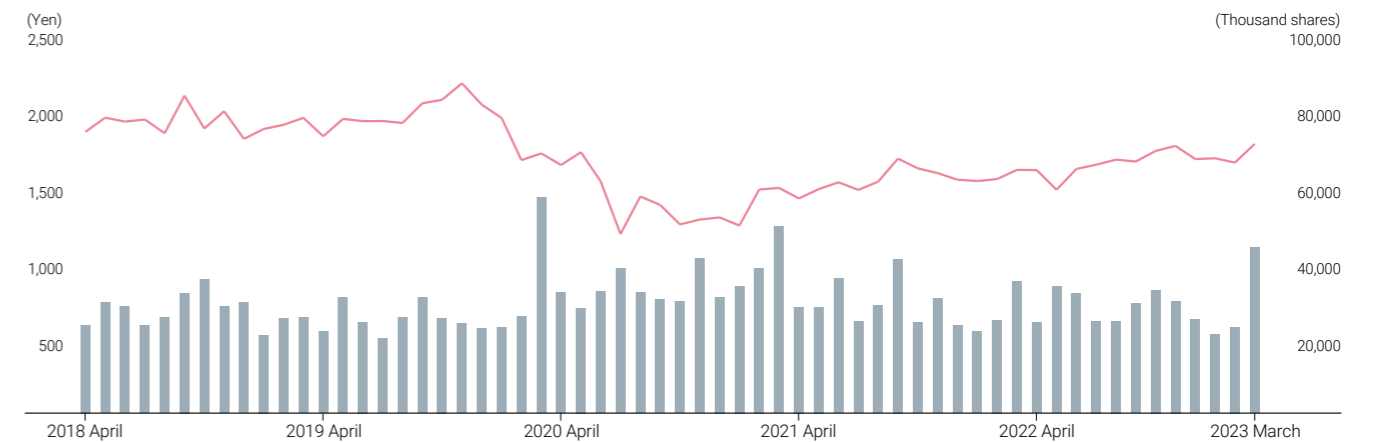
Stock and Shareholder Status

Type of stock issued	Common stock
Authorized shares	900,000,000 shares
Issued shares	624,869,876 shares
Number of shareholders	106,389

● Distribution by Shareholder



Stock Price and Volume



* Figures adjusted to reflect a reverse stock split effective as of August 1, 2017

Major Shareholders

Name of shareholders	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	90,478	14.67
Custody Bank of Japan, Ltd. (Trust Account)	31,254	5.07
The Dai-ichi Life Insurance Company, Limited	30,990	5.02
Nippon Life Insurance Company	23,564	3.82
Sumitomo Mitsui Trust Bank, Limited	22,395	3.63
Mizuho Bank, Ltd.	9,906	1.61
STATE STREET BANK WEST CLIENT - TREATY 505234	9,742	1.58
Taiyo Life Insurance Company	9,566	1.55
Mitsubishi UFJ Trust and Banking Corporation	9,393	1.52
MUFG Bank, Ltd.	8,951	1.45

Notes: The table shows the top 10 shareholders in terms of shareholdings. The shareholding ratio is calculated based on the total number of shares issued excluding treasury stock.

Inclusion in Indices, etc. (as of July 2023)

- Nikkei Stock Average (Nikkei 225)
- TOPIX 500 Index (Tokyo Stock Exchange)
- Tokyo Stock Exchange Prime Market Index
- JPX Prime 150 Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- FTSE Blossom Japan Sector Relative Index
- S&P Global 1200 Index
- S&P/JPX Carbon Efficient Index
- SOMPO Sustainability Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index