



TOKYU CORPORATION INTEGRATED REPORT 2019

TOKYU CORPORATION
 Corporate Planning Office
<https://www.tokyu.co.jp/global/english/index.html>



This product is made of FSC®-certified and other controlled material.

Urban Development DNA That Has Flowed Through Our Veins

Since the founding of the Tokyu Group, we have balanced our public and private natures with the development of public transportation and residential areas as our two pillars. At the same time, we have strived to offer new life values ahead of our competitors as we continued to work on developing sustainable communities.

Going forward, we will always offer quality of living from new perspectives and create beautiful living environments so that all people may find genuine happiness and express an individual lifestyle amid a harmonious society overflowing with kindness and consideration.

Group Slogan

Toward a Beautiful Age—Tokyu Group

Group Philosophy

We hold the following shared vision as we work together to create and support the Tokyu Group.

Mission Statement

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

Management Policy

Work independently and in collaboration to raise the Tokyu Group synergy and establish a trusted and beloved brand.

- ▶ Meet current market expectations and develop new ones.
- ▶ Manage in harmony with the natural environment.
- ▶ Pursue innovative management from a global perspective.
- ▶ Value individuality and encourage the best from each employee.

Through these means, we will fulfill our corporate social responsibilities.

Guidelines for Action

Fulfill your responsibilities.
Collaborate to enhance each other's abilities.
Reinvent yourself with a global awareness.

Tokyu Corporation traces its roots back to Den-en-toshi Company, which was started in 1918 under the leadership of Eiichi Shibusawa.

In 1922, Den-en-toshi Company's railway division was separated to independently found Meguro-Kamata Electric Railway Company.

In the approximately 100 years since our founding, we have been undertaking urban development as a private company together with local residents.

The characteristics of our urban development have been summarized below.

- ▶ Balancing the convenience of urban access with the living environment of the suburbs based on the garden city ideology founded by Englishman Ebenezer Howard
- ▶ Creating towns centered on stations, and urban development based on the two pillars of transportation and residential area development
- ▶ Balancing public and private natures based on long-term concepts so as to solve social issues
- ▶ Developing convenient functions for living from the initial stages of development, and subsequently offering various facilities and services based on social situation and the developmental stage of towns
- ▶ Applying urban development expertise nurtured in areas served by Tokyu's railway lines to other parts of Japan and overseas

The Tama Den-en-toshi area—located 15 to 35 km from the heart of Tokyo—spanning two prefectures and four municipalities located along the Den-en-toshi Line can be said to be the culmination of our urban development.

Its origins can be traced back to after World War Two, when the heart of Tokyo faced various social issues, including: overpopulation; deterioration in the living environment; insufficient water, food, energy, and other resources; and inadequate transportation infrastructure. To address these issues, then-Chairman Keita Goto came up with a development concept (development prospectus) for the Josei-nan area to create a "second Tokyo" for people to lead healthy lives.



Josei-nan Area Development Prospectus

"... in addition, Tokyo has been seeing an annual population increase of around 500,000 people in recent years, and looks to reach a population of 7.5 million people within this year. While Tokyo's public facilities—from waterworks, gas, sewerage, railways, and buses to schools and food markets—are made with roughly a population of 7.5 million people as the standard, a population above 7.5 million people is likely to bring us closer to various situations: blockage of the sewers; limited access to drinking water and gas; unavailability of schools for children; and inability to use trains due to congestion..."
(excerpt from "Josei-nan Area Development Prospectus")

The Tama Den-en-toshi area is a suburban development with zoning of the largest scale in Japan. Tokyu has always been at one with towns and continued to create new values.

In addition, transit oriented development (TOD*) is gaining attention as a model that can solve social issues in future urban development overseas.

Going forward, we will continue to develop sustainable communities in various locations and strive to create beautiful living environments.

* TOD: An urban model friendly to the environment and people that is based on public transportation and not reliant on cars



Tama Den-en-toshi area

Concept of Integrated Report 2019

Since our founding, Tokyu Corporation has contributed to solving social issues through our business. We decided to issue our Integrated Report 2019 so that stakeholders can understand our stance of contributing toward solving social issues and pursuing a balance between economic and social values. This report has been put together centered on the following points.



Editorial Policy

Period Covered

In principle, this report covers the period from April 2018 to March 2019 (fiscal 2018), but also includes some information related to activities before and after this period.

Therefore, actual performance in the future may differ from Tokyu Corporation's expectations.

Scope of Report

Tokyu Corporation and consolidated subsidiaries

Guidelines Referred

The International Integrated Reporting Council's "International <IR> Framework" and the "Guidance for Collaborative Value Creation" of Japan's Ministry of Economy, Trade and Industry were referred to in the writing of this report. In addition, the GRI Standards of the Global Reporting Initiative (GRI) were referred to with regard to ESG information.



Cautionary Note Regarding Forward-Looking Statements

The opinions and forward-looking statements in this report are Tokyu Corporation's understanding at the time of this report's writing. Tokyu Corporation does not provide any guarantee or promises with regard to their accuracy or completeness.

Types of Publication

Publication	Contents	Booklet	PDF	HTML
Integrated Report (this booklet)	Please see "Contents" on page 3 for details.			
Company Guide	This guide provides a variety of stakeholders with an overview of Tokyu Corporation and explanation on initiatives.			
Annual Securities Report	This report is compiled in accordance with Article 24 (1) of Japan's Financial Instruments and Exchange Act, and Tokyu Corporation is obliged to submit the report 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 Tokyu Corporation is obliged to submit the report to Tokyo Stock Exchange. The report states aspects such as Tokyu's concept and system for corporate governance. Please also see this report with regard to aspects such as organization design, state of operation, and effectiveness evaluation of the Board of Directors.			
Environmental Report	This report outlines the major environmental initiatives and achievements by Tokyu Corporation and consolidated subsidiaries. Please access the link below for details relating to environmental data. https://www.tokyu.co.jp/company/csr/environment/tkk_kankyo/			
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 business is stated systematically herein.			

Some documents are available only Japanese.

Contents

Top Commitment

04 Top Commitment



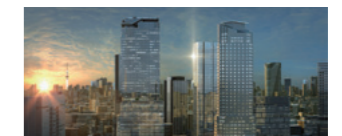
Achieving Sustainable Growth While Tackling Social Issues



10 Split of Railway Business Divisions



12 Future Vision and Redevelopment Projects around Shibuya Station



Value Creation Story

14 A History of Creating New Value

16 The Value Creation Process

18 Major Management Resources, the External Environment, Risks, and Opportunities

20 Value Creation Strategy

28 Financial and Non-Financial Highlights

30 11-Year Financial Data

Strategies and Achievements by Business

32 Transportation Infrastructure Business (Transportation Segment)

36 Urban Development Business (Real Estate Segment)

40 Lifestyle Service and Retail Business (Life Services Segment)

44 Hospitality Business (Hotel and Resort Segment)

Governance

48 Overview of Governance System

50 State of Officers

54 Compensation, Evaluation of the Board of Directors, and Evaluation of the Board of Audit & Supervisory Board Members

56 Messages from Outside Officers

58 Dialogue with Stakeholders

Sustainability Management

60 Sustainability Management

62 Compliance

64 Safety & Security

66 HR Development

70 Low-carbon, Recycling-based Society

73 Sustainable Procurement

Company Information

74 Main Subsidiaries and Affiliates

75 Company Profile

Top Commitment

We will aspire to create a beautiful living environment for our future, by promoting both the resolution of social issues and the growth of business through efforts for urban development as we have done since our founding.



高橋 和夫

Kazuo Takahashi
President & Representative Director
Tokyu Corporation

Looking Back at My First Year as President

Since taking up the position of president in April 2018, we have been promoting management based on a medium-term management plan under the slogan "Make the Sustainable Growth." The plan, which runs through to fiscal 2020, sets out three basic policies: sustainable urban development, sustainable corporate development and sustainable HR development. Building on these policies, we aim to become a business group that enjoys sustainable growth even in times of turbulent change, by bolstering our existing businesses as well as our bases both inside and outside the Tokyu railway area, and by actively advancing into new areas where we can leverage the strengths of the Group (Tokyu Corporation and consolidated subsidiaries). We expect operating profit in fiscal 2020 to reach 97 billion yen, an increase of 14 billion yen compared to just prior to the current plan in fiscal 2017.

During fiscal 2018—the first year of this plan—we promoted a number of initiatives in the railway business aimed at ensuring travel safety and stability, alleviating congestion and improving comfort, including the installation of platform doors and the update of rolling stock to new models. We also worked on several key initiatives in the Shibuya area, such as the opening of the large-scale complex, Shibuya Stream, as planned. Steady progress was also made in new urban developments such as Shibuya Scramble Square Phase I (East Bldg.) and Minami-Machida Grandberry Park. Progress is also being made for our financial targets more or less according to plan. And we are continuing to enhance shareholder returns, increasing dividends for the seventh consecutive year.

In September 2019, the Company changed its Japanese trade name (the English trade name remains the same), and in October, it commenced operations after splitting off the Company's railway business. The primary aim of splitting the business is to speed up the Group's overall management. In Japan, there are concerns about the future impact of the population decline, and on the global level, the external environment surrounding the Group is changing significantly, including competition among firms becoming more and more intense. The scope of our business is also expanding, and in order to encourage further growth, the decision was taken to separate the railway business with its extensive specialist staff, and to entrust it with the daily operations, thereby enabling it to concentrate even more on ensuring passenger safety and improving convenience.

Going forward, Tokyu Corporation will be responsible for formulating business strategies based on urban development, while Tokyu Railways—our railway operating company—is expected to fulfill a role of supporting the Group as a unit of professionals conducting business operations the same as Tokyu Department Store or Tokyu Store Chain. Tokyu Corporation will continue to take up challenges in a variety of areas with promising growth prospects.

Medium-term Management Plan **Pages 22–23**
Split of Railway Business Divisions **Pages 10–11**


Long-term Recycling-based Business Model Maintained since Founding

Stretching back to its founding, Tokyu Corporation has a history of promoting more broad-spectrum urban development, particularly in areas serviced by Tokyu's railway lines, such as the Tama Den-en-toshi area. Resolving social issues is a strength that propels our Group's business forward, and has become the DNA of urban development. One example is how we have created new communities and supplied large quantities of good-quality homes as a consequence of large-scale land readjustment, especially during the boom period of rapid economic growth, for instance, when there were cries for better quality housing. This forte has also been applied overseas, for example, in the Vietnamese province of Binh Duong, where large-scale urban development has been promoted in the suburbs. On an empty lot of land in a suburban area located about 30 km from Ho Chi Minh City, we have cooperated with local companies in promoting urban development, including the development of housing and commercial facilities, attracting schools and medical facilities to the area, and the operation of new bus services. In essence, it is the export of Tokyu's packaged urban development. In the short term, our aim is to increase profitability by expanding urban development mainly in our current operations in Vietnam, Thailand and Australia.

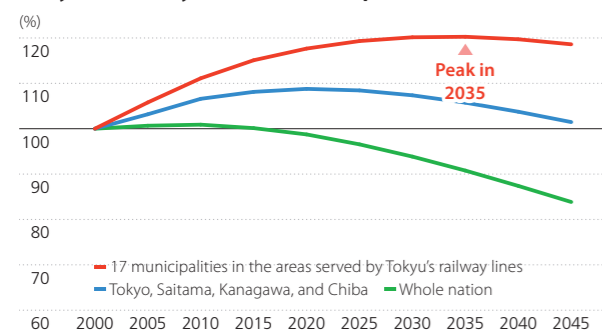
There is a feeling of late that companies need to manage their businesses from a longer-term perspective. Our Group is a union of enterprises engaged in

physical aspects of business, such as railways, buses and other transportation as well as real estate development, plus nonphysical aspects of business, such as community-based life services. We have been engaged in development, the provision of services and reinvestment, incorporating feedback from users and other members of the local community. We support greater convenience in the lives of our customers by providing a wide range of services, for example, at Tokyu Department Store, as well as at its communications for cable TV and Internet services, Tokyu Security for urban security services, and Tokyu Power Supply for electricity retailing and gas agency operations.

Urban development is a long-term recycling-based business model in which generated value is reinvested for further enhancement of value. Japan is facing such social issues as a declining and aging population, and while the population in areas served by Tokyu's railway lines is expected to continue increasing until about 2035, its demography will change. With future consumption trends and practical uses of technology also expected to change, we believe it is important to stay ahead of the curve, including accommodating the ever-increasing number of inbound foreign tourists.

 DNA of Urban Development **Page 1**
Long-term Recycling-based Business Model
(Value Creation Process) **Pages 16-17**

Dynamics of Population in the Areas Served by Tokyu's Railway Lines (Total Population)



* The ratio is based on the figure for 2000 as 100
Figures for 2020 and beyond are estimates
Source: National Institute of Population and Social Security Research (Estimate as of 2018)

Variation of the Ratio of Elderly People to the Total Population

	2015 ⇒ 2045
17 municipalities in the areas served by Tokyu's railway lines	21% ⇒ 31%
Tama Den-en-toshi area*	21% ⇒ 35%
Total including other areas served by Tokyu's railway lines	21% ⇒ 29%
(Whole nation)	(27% ⇒ 37%)
(Tokyo, Saitama, Kanagawa, and Chiba)	(24% ⇒ 34%)

* The figure for the Tama Den-en-toshi area is the total of the seven municipalities of Machida, Midori, Aoba, Tsudzuki, Takatsu, Miyamae, and Yamato
Source: National Institute of Population and Social Security Research (Estimate as of 2018)

Long-term Management Initiative

We formulated a long-term management initiative in the belief that it is time to clearly indicate Tokyu's visions for the future and the direction in which Tokyu will go. In formulating this initiative, we reaffirmed that the group slogan, "Toward a Beautiful Age—Tokyu Group," is a universal standard of value, and set "Creating a beautiful living environment for our future" as the subtitle. While further advancement is required for the achievement of both the resolution of social issues through business operations and the growth of the business, I believe that we can achieve these by squarely addressing the material themes for sustainable management, which we formulated with awareness of the SDGs and others, and moving ahead steadily in our unique own way. The

initiative adopts two broad timelines. The bulk of the initiative is based on a perspective of about the next 10 years until 2030, and shows our management stance along with growth strategies, such as area strategies and business strategies, for the period from now through to 2030. The final chapter shows Tokyu's visions for the future (visions for 2050), which says, "Achieving the development of 'A City Adored by People around the World' by providing social values originally created by Tokyu." I am sure that only Tokyu, a one-of-a-kind company that has a wide range of business domains, can achieve this vision. This is both the expression of my own determination and a challenge we take on at Tokyu.



In Shibuya—one of the area strategies for the initiative—development is proceeding under a theme of “Entertainment City Shibuya.” Rather than a limited area just around Shibuya Station, we have positioned the district within a 2.5-km radius of Shibuya Station as “Greater Shibuya,” and are proceeding with broader development. November 2019 will see the opening of Shibuya Scramble Square Phase I (East Bldg.), a joint development with JR East and Tokyo Metro that connects directly above Shibuya Station. As well as efforts to incorporate barrier-free design and to improve the convenience of the Shibuya Station area, collaborative industry-academia-government projects are also being conducted, involving such stakeholders as Shibuya City and several universities, along with local residents. By making the world-famous Shibuya sparkle and shine through a series of interconnected redevelopments, our aim is to enhance Japan’s presence as a nation.

The next area strategy is the Tama Den-en-toshi area. Here, the number of people residing along the railway lines has been trending upward, so now the Den-en-toshi Line is chronically congested.

Among the measures we are taking is the introduction of new rolling stock capable of carrying more passengers. We also need to address lifestyle diversification. In the development of business bases, therefore, we are striving to bring work, life and play closer together in a way that addresses workstyle reforms, such as by positioning satellite offices around stations, with an aim of invigorating city areas and easing congestion on railways.

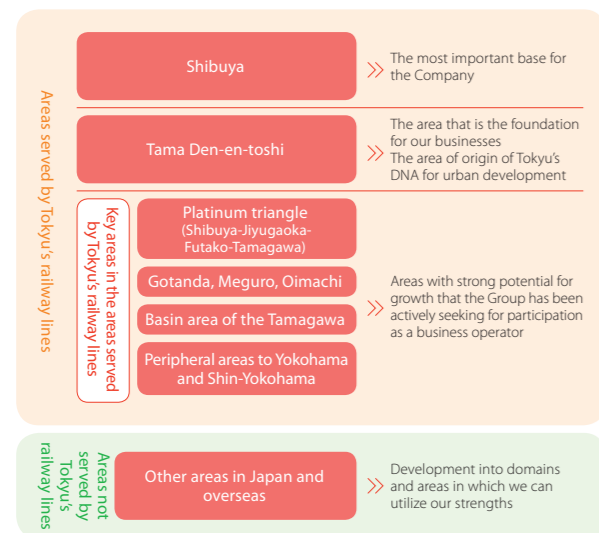
Moreover, we will actively acquire and create business opportunities in areas where growth and

development are especially expected. For example, in the area around Yokohama and Shin-Yokohama, the expansion of our rail network, such as the opening of the Tokyu Shin-Yokohama Line directly linking train lines with Sagami Railway, is expected to improve access and to invigorate communities along the line. In areas not served by Tokyu’s railway lines, following on from contracts for the management of Sendai International Airport and Mt. Fuji Shizuoka Airport, Tokyu Corporation was selected as part of a consortium that includes Hokkaido Airport Terminal and Mitsubishi Estate as the preferred bidder for the seven airports on the island of Hokkaido. We believe there are parallels in terms of being part of the same transportation industry and being based on safety. As mentioned previously, overseas, we will continue our efforts from a long-term perspective, with a focus on Vietnam and other places including Thailand and Australia.

In financial terms, by expanding the scale of our profits through active investment, we will strive to achieve a profit attributable to owners of parent of 100 billion yen by fiscal 2030 (73% increase compared to fiscal 2018). As for shareholder returns, we will seek to further increase the rate of return to shareholders, targeting the early achievement of a total return ratio of 30%.

- 📖 Long-term Management Initiative **Pages 20–21**
- Material Sustainability Themes **Pages 24-27**
- Strategies by Business **Pages 32–47**
- Future Vision and Redevelopment Projects around Shibuya Station **Pages 12–13**
- New Development of Tama Den-en-toshi Area **Page 37**

Concept of Area Strategies in the Long-term Management Initiative



Target Management Indicator in the Long-term Management Initiative

Numeric target	Result for FY2018	Target for FY2030
Tokyu EBITDA* (Billion yen)	176.6	300
Profit attributable to owners of parent (Billion yen)	57.8	100
(Reference) Operating profit (Billion yen)	81.9	150
Interest-bearing Debt / Tokyu EBITDA Multiple (Times)	6.0	About 5.0

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

Aspiring for a Sustainable Company/Society

Tokyu Corporation promotes diversity and health management. We have also constantly put effort into workstyle innovation, such as maternity leave, parental leave and teleworking programs, and the advancement of women in the workplace has been remarkable in recent years. Being awarded the “Nadeshiko Brand” for seven consecutive years is recognition of these efforts. Women have made up about half our personnel intake these past few years, and there is also an increasing number of women actively involved as drivers and conductors in a railway business that was once regarded as a male-dominated workplace. In a move to cultivate a culture that thinks about the future of the Company amid a changing corporate atmosphere, we created a specialized division called “Future Design Lab” in April 2019. While continuing to advertise and recruit workers for specific themes, our aim is to nurture personnel who think about Tokyu of the future while working hard together with internal and external stakeholders.

There was a time in the early 2000s when the Group was performing poorly and was looking out of sorts. We went through a tough patch sorting out our unprofitable businesses and so on, but we were able to get the Company back on a path toward growth. That experience of an age of low growth, though, perhaps led to an excessive tendency within the Company toward stability. Our plan is to nurture a great many human resources who take up challenges without fear of failure.

Turning our attention to the environment, with unexpectedly strong localized downpours and other aspects of climate change having become a global issue, the Task Force on Climate-related Financial Disclosures (TCFD*) is calling on companies to develop scenarios and long-term visions to address future climate change. We recognize that climate change is a significant risk that affects each of the Group’s businesses, and although railways are already a more environmentally friendly means of transportation than car travel, we will proceed to make further cuts in our carbon dioxide (CO₂) emissions across all businesses in the Group, including the transportation business. In terms of long-term environmental targets, in October 2019, we joined the RE100* initiative, aiming to procure 100% of



electricity used in business from renewable energy sources and to reduce CO₂ emissions to zero by 2050. We are promoting dialogue with stakeholders, including local communities, customers, shareholders and investors, for realization of a sustainable society. In April 2019, we announced support for the United Nations Global Compact. Looking ahead, we will further promote the Group’s initiatives for the Sustainable Development Goals (SDGs*), as we continue to achieve sustainable growth in step with society.

- 📖 Sustainable HR Development **Pages 66–69**
- Long-term Environmental Targets **Pages 27, 70–71**
- Dialogue with Stakeholders **Pages 58–59**
- Tokyu Initiatives for SDGs **Pages 25–27, 35, 39, 43, 47**



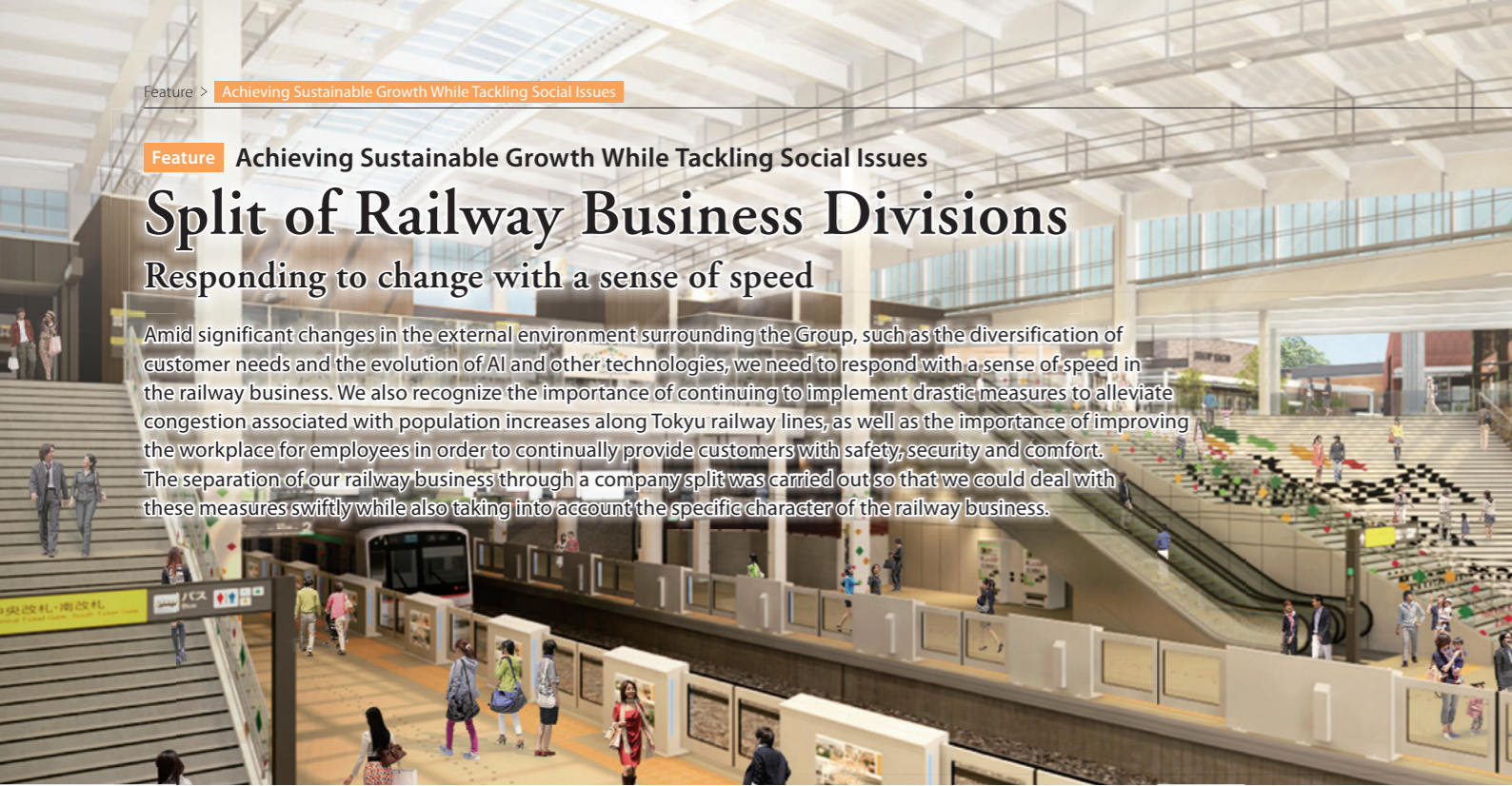
* TCFD: A task force launched by the Financial Stability Board (FSB) that encourages companies to disclose information on their responses to climate change
 * RE100: An international initiative whose aim is for companies to source 100% of the electricity they consume in business from renewable energy. Operated by The Climate Group in partnership with CDP
 * SDGs: International goals for resolving global social issues and realizing a sustainable world. Seventeen goals have been set, including “Decent Work and Economic Growth” and “Sustainable Cities and Communities.”

Feature **Achieving Sustainable Growth While Tackling Social Issues**

Split of Railway Business Divisions

Responding to change with a sense of speed

Amid significant changes in the external environment surrounding the Group, such as the diversification of customer needs and the evolution of AI and other technologies, we need to respond with a sense of speed in the railway business. We also recognize the importance of continuing to implement drastic measures to alleviate congestion associated with population increases along Tokyu railway lines, as well as the importance of improving the workplace for employees in order to continually provide customers with safety, security and comfort. The separation of our railway business through a company split was carried out so that we could deal with these measures swiftly while also taking into account the specific character of the railway business.



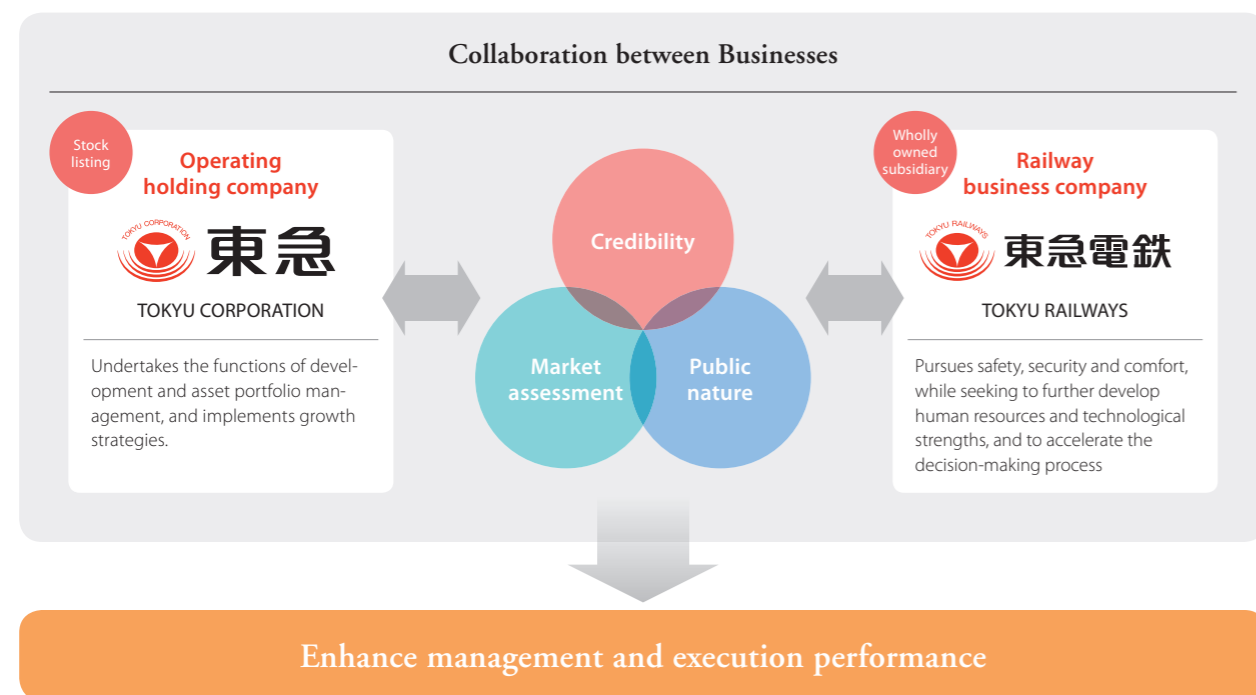
Functional Reorganization and Collaboration between Businesses

In order to evolve into a management structure better suited for sustainable growth and enhanced corporate value, we have been functionally reorganizing the Group into an operating holding company responsible for Group management and subsidiaries that manage the business operations. On September 2, 2019, we changed our Japanese trade name (the English trade name remains the same), and since October 1, 2019, Tokyu Railways has been carrying out the railway business following the company split.

As the operating holding company, Tokyu Corporation manages real estate assets and other property developed along Tokyu's railway lines, and is simultaneously responsible for

development and asset portfolio management, cultivating areas served by Tokyu's railway lines. This further clarifies our role following separation of the railway business, and as an urban development company, we will strive to enhance our management structure through cooperation between Tokyu Corporation and our consolidated subsidiaries, but also through collaboration inside and outside the Group.

Working together as a Group to improve the value of the areas served by Tokyu's railway lines, we will continue promoting active alliances between businesses developed to date while aiming to enhance management and execution performance.



Business Policy of the New Tokyu Railways

Tokyu Railways will realize safer and stronger railways by further enhancing its expertise as a railway business company, and by strengthening its personnel and technological strengths through efforts for human resources development and technological innovation. Furthermore, putting emphasis on management close to the frontline of operations will allow us to realize a management structure with a certain sense of speed.

Given that Tokyu Railways is a core business of the Tokyu Group used by more than 3 million customers every year, we will also strive to ensure travel safety and stability, strengthen transportation capacity, consider additional measures for reducing delays, and improve comfort by responding to diverse customer needs. In addition, we will also operate business with an eye to the future and a thought to the long term, such as improving convenience by expanding our rail network in the future and carrying out urban development around train stations in collaboration with other Group companies and with local stakeholders.

Reinforcement of Human Resources and Technological Strengths

Human resources require a balance of thinking and actualizing skills. It is important that they be able to constantly view issues from the customer's perspective, propose solutions with a flexible mindset, and implement those solutions, backed by a high degree of expertise. To this end, in order to enhance education, we will establish new educational facilities and offer a variety of courses, skills competitions and training. And in order to create an environment where personnel can play an active role, we will design systems that accommodate diverse work styles, and actively encourage people to use them.

Technological strengths require a mixture of technical skills being innovated and handed down. While keeping abreast of trends in advanced technologies and at other companies in the railway business, we will make steady improvements from the customer's perspective. In the organizational reform of April 2019, we adopted an organizational structure that specializes in technical solutions. With an even greater sense of speed, we will realize various solutions, such as upgrading our maintenance system through efforts for condition-based maintenance (CBM*), and reducing delays through improvements to existing alarms for falls from platforms.

* CBM: A method of maintenance in which equipment is continuously monitored and updated as soon as any sign of failure is discovered

Management Structure with a Sense of Speed

Even after the company split, Tokyu Railways will remain a foundation of the Tokyu Group's consolidated management, building a close, mutually complementary relationship with the operating holding company. On the other hand, the company split will improve the agility in decision-making for many projects, realizing a management structure with a sense of speed. An "area system" will also be introduced in order to put emphasis on the frontline of operations, meaning that detailed



measures tailored to the specific character of each area can be implemented. At the same time, following the streamlining of head office departments, personnel will be assigned to front-line operations, and on-site offices will be realigned in consideration of emergencies.

Greater Safety, Security and Comfort

We are actively improving customer safety devices, and are aiming for 100% installation of platform screen doors, in-car security cameras and 3D obstruction detection devices at level crossings soon. We are focusing particularly on platform screen doors, and expect 100% installation by the end of fiscal 2019.

In terms of comfort, we are proceeding to strengthen transportation capacity, including by introducing eight-car trains on the Meguro Line, passenger demand on which is expected to increase with the opening of the Tokyu Shin-Yokohama Line scheduled for the second half of fiscal 2022. We will also continue to launch a variety of actions, such as various physical and nonphysical measures designed to shift peak congestion, and enhancing security equipment aimed at improving recovery from delays. As for incorporating barrier-free design into stations, we will not stop at the one route we have already completed, but will promote development of a second route while gauging patronage.

Strengthening the Station-City Network

Enhancement and extension of networks is one of the foundations of business growth we are aiming for. More than just the expansion of new train routes though, we will also continue to accomplish networks by strengthening the continuity between stations and their surrounding neighborhoods. Take for instance Minami-Machida Grandberry Park, which will open in November 2019. Not only will we create station spaces that contribute to improving the value of the city, we will also strive to produce attractive lifestyles in the areas served by Tokyu's railway lines by continuously launching collaborative community events leveraging station premises and carriage space.

Feature **Achieving Sustainable Growth While Tackling Social Issues**

Future Vision and Redevelopment Projects around Shibuya Station

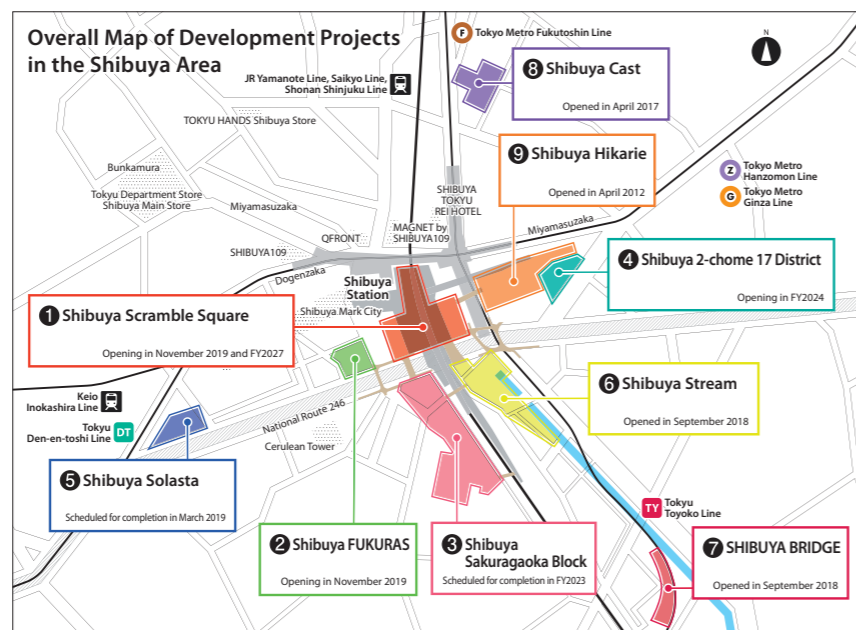
Shibuya has flourished as a rail terminal since the current station for JR and Tokyu lines was opened during the Meiji era. As a hub of culture and information, it has become a city where many people gather. At the same time, facilities that have been repeatedly relocated, extended and rebuilt over the ages are in need of improvements in safety and convenience. Public and private sectors are working in collaboration to overcome the infrastructure vulnerabilities at stake, and to realize a cozy, comfortable neighborhood.



Photo supplied by Shibuya Station Area Kyodo Building operators

Promotion of Redevelopment in the Central Station Area

Following on from Shibuya Stream in 2018, two new redevelopments will open in 2019: Shibuya Scramble Square Phase I (East Bldg.), one of the largest office and commercial facilities in the Shibuya Station area which connects directly above the station; and Shibuya FUKURAS, which features a bus terminal as well as foreign currency exchange facilities and a tourist information center. In 2020 and beyond, we will continue to improve the attractiveness of the city while working to solve its issues, including in the East Exit area, where we will promote redevelopments aimed at creating a lively, bustling community and making it more navigable.



Opened in April 2012
Shibuya Hikarie

Shibuya **Hikarie**

Based on the concept that "Life is Entertainment," Shibuya Hikarie is a high-rise complex that opened ahead of the redevelopment of the Shibuya Station area. In addition to shopping areas and offices, it is also a center of cultural dissemination, with a theater and other cultural facilities.

Total floor area: Approx. 144,000 m²
Number of floors: 34 floors above ground, 4 below (approx. 183 m)

Opened in September 2018
Shibuya Stream

SHIBUYA **STREAM.**

Shibuya Stream is a large-scale complex that has risen around the area where the platform and tracks of the old Toyoko Line station once were. Comprising one of the largest office facilities in the Shibuya area, along with a hotel, commercial zone and hall, it makes for a variety of work styles, as a utopia for creative workers. The revitalization and improvement of Shibuya River and the waterfront area through public-private partnerships will generate new trends for the next generation.

Total floor area: Approx. 116,000 m²
Number of floors: 35 floors above ground, 4 below (approx. 180 m)

Opening in November 2019 (Phase I) / FY2027 (Phase II)
Shibuya Scramble Square

SHIBUYA **SCRAMBLE SQUARE**

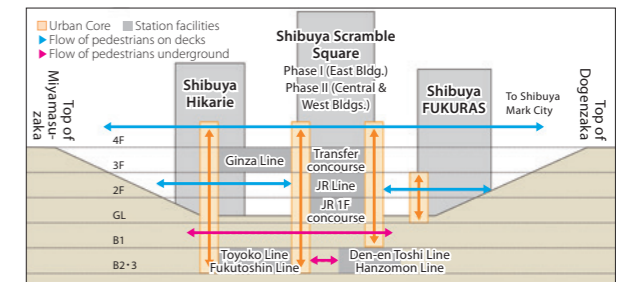
Phase I (East Bldg.) of Shibuya Scramble Square (which comprises the East, Central and West buildings) boasts a height of approximately 230 m, the highest in the Shibuya area. Along with one of the largest rooftop observation spaces in Japan, the building comprises offices, commercial facilities and industrial communication facilities, designed to attract customers from Japan and abroad. It is expected that Shibuya Scramble Square will become a new Shibuya landmark.

Total floor area: Approx. 181,000 m² in Phase I (East Bldg.), and 276,000 m² overall
Number of floors: 47 floors above ground, 7 below (approx. 230 m) in Phase I (East Bldg.)

Solving City Issues

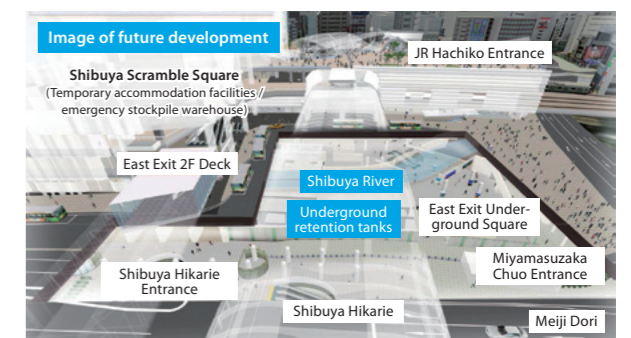
Development of Spaces That Facilitate Horizontal/Vertical Flow

The area around Shibuya Station is split into sections by JR lines, National Route 246 and other traffic arteries, and the station precinct is made even more complex by each railway company having relocated, extended and rebuilt its services. The dip in the terrain also meant that, for many years, it was difficult to move around in the area. The current redevelopment aims to reconnect the divided city, installing an expansive pedestrian deck around the station, and developing "urban cores" for the vertical movement of pedestrians, in an effort to make the area more navigable.



Strengthening of Disaster-prevention Functions in Pursuit of Safety

New earthquake-resistant buildings will be constructed to replace obsolete station facilities and buildings, and in larger buildings, preparations will be made for emergency stockpiles and for temporary accommodation facilities for people stranded by a disaster. In addition, because of the low-lying terrain, large-scale retention tanks will be built underground at stations that are susceptible to damage from flooding and inundation. Our aim is to develop a city that is resilient to flood damage such as that caused by unexpectedly strong localized downpours.



Direction of Medium- to Long-term Projects

Under our long-term management initiative through to 2030, we have positioned the district within a 2.5-km radius of Shibuya Station as "Greater Shibuya," and are proceeding with broader urban development together with attractive neighboring towns, to increase the appeal of Shibuya and aim for sustainable growth.

Continue Our Strategy of Focusing on Shibuya

Improve the broad attraction of Greater Shibuya, by consecutively and continuously promoting multiple projects following on from Shibuya Hikarie, Shibuya Stream and Shibuya Scramble Square

Make SHIBUYA One of the Greatest Cities in the World with an Overwhelming Presence from a Global Viewpoint

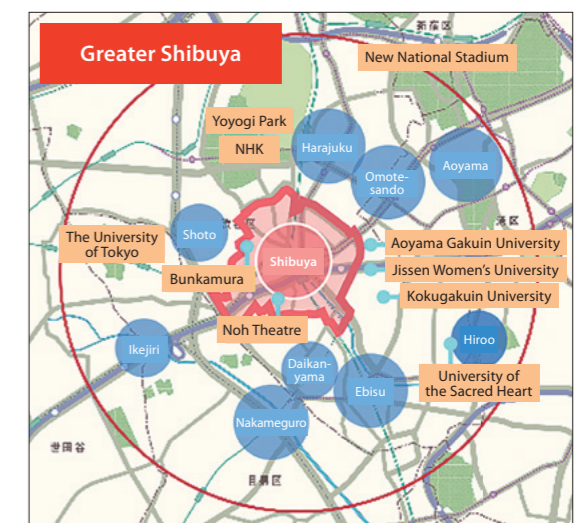
World > Japan > Tokyo > Shibuya; Develop Shibuya into a multi-functional city that contributes to the improvement of the global competitiveness of Tokyo

Make Shibuya Evolve through the Development and Enhancement of Infrastructures Incorporating Urban Development and Railway Development

Undertaking studies to develop city revitalization businesses integrating stations and cities (such as the improvement of Den-en Toshi Line Shibuya Station)

Further Evolution and Deepening of "Entertainment City Shibuya"

Area management contributing to local development; strategic arrangement of the retailing/hotel/entertainment functions



Area branding



Disseminating information about the city-wide efforts such as the year-end countdown event and bon-odori events






Attracting "Ace" companies that can become the pillar for cooperation between industry, government, schools, and people and industrial agglomerations

Developing, attracting, and creating a network of large- to small-size exchange/emergence functions that bring about innovations

A History of Creating New Value

Since our founding, through a synergy effect of our respective initiatives in our business fields and social contribution activities, Tokyu Corporation has offered value to society and undertaken sustainable urban development.

Note: Population in areas served by railway lines is calculated based on the demographic statistics of 17 municipalities along Tokyu's railway lines

	1918 to 1950s	1950	1960 to 1980s	1980	1990 to 2000s	2000	Late 2000s to present day	2015
Population in areas served by railway lines:	2 million		4.2 million		4.6 million		5.4 million	
Operating revenue (unconsolidated):	2.5 billion yen		137 billion yen		1,012.8 billion yen		1,091.4 billion yen	
Social Events & Issues	<ul style="list-style-type: none"> Recovery from Great Kanto Earthquake Concentration of population in major cities and post-war lack of housing 		<ul style="list-style-type: none"> From rapid economic growth to a mature society Mass consumption society and diversification of consumer needs 		<ul style="list-style-type: none"> Post-bubble era Declining birthrates and an aging population 		<ul style="list-style-type: none"> Progression of low birthrates and aging society with a declining population Activation of suburban residential areas Inbound demand Great East Japan Earthquake 	
Values Offered by Tokyu	<ul style="list-style-type: none"> Living and mobility services for suburban residential areas Reconstruction of Shibuya and putting in place functions for convenience of everyday lives 		<ul style="list-style-type: none"> Deepening people's enrichment (from quantity to quality) Extending urban development outside Tokyo and overseas 		<ul style="list-style-type: none"> Intensive investment in areas served by Tokyu's railway lines Started redevelopment of Shibuya 		<ul style="list-style-type: none"> Bringing closer work, life, and play, and encouraging relocation Supporting the lives of diverse generations Safe urban development 	
Tokyu's Activities	<ul style="list-style-type: none"> Extension of railway lines Keeping national policies in perspective (obtaining foreign currency through housing, railway, expressways, and tourism) Diversification of the Group 		<ul style="list-style-type: none"> Railway network Expansion of service areas 		<ul style="list-style-type: none"> Long-term plan "Action Plan 21" Changing of Group slogan to "Toward a Beautiful Age" Toward four-track lines and networks Selection and concentration, and strengthening of financial systems 		<ul style="list-style-type: none"> Long-term vision "Three No. 1's in Japan" Strengthening of governance systems and "one Tokyu" Re-expansion overseas (export of expertise) 	
Transportation	<ul style="list-style-type: none"> 1922 Founding of Meguro Kamata Electric Railway 1923 Opening of Mekama Line between Meguro and Kamata 1929 Start of passenger bus business 1929 Opening of Oimachi Line between Oimachi and Futako-Tamagawa 1932 Opening of Toyoko Line between Shibuya and Sakuragicho 1934 Merger with Ikegami Electric Railway 1939 Merger with Tokyo Yokohama Electric Railway 		<ul style="list-style-type: none"> 1961 Opening of Izu Kyuko Line between Ito and Izukyu-Shimoda 1964 Toyoko Line begins through service with Hibiya Line and Tobu Line 1965 Opening of Hakone Turnpike 1977 Opening of Shin-Tamagawa Line between Shibuya and Futako-Tamagawa 1979 Full through service begins for all trains on Den-en-toshi Line, Shin-Tamagawa Line, and Hanzomon Line 		<ul style="list-style-type: none"> 2000 Mutual direct train service operation begins between Meguro Line, Nanboku Line, and Toei Mita Line 2002 Merger between Japan Air Systems and Japan Airlines Mutual direct train service operation begins between Den-en-toshi Line, Hanzomon Line, and Tobu Line 2004 Mutual direct train service operation begins between Toyoko Line and Minatomirai Line 		<ul style="list-style-type: none"> 2014 Scheduled bus service in Binh Duong Province, Vietnam commences 2016 Management of Sendai International Airport (airport management business) commences 2017 The Royal Express, a sightseeing train introducing passengers to Izu, begins operation 2022 Mutual direct train service operation begins between Toyoko Line and Sotetsu Line (planned) 	
Development	<ul style="list-style-type: none"> 1918 Establishment of Den-en-toshi Company 1953 Announcement of development concept for Tama Den-en-toshi area (Josei-nan Area Development Prospectus) 1956 Tokyu Bunka Kaikan opens 1957 Shibuya Chikagai opens 		<ul style="list-style-type: none"> 1962 Completion of first land readjustment project (Nogawa No. 1) at Tama Den-en-toshi 1966 Formulation of "pair city" plan (basic concept of Tama Den-en-toshi) 1972 Acquisition of land in Mauna Lani (Hawaii) 1973 Commencement of consideration of regional development plan in Perth, Australia 1982 Tama Plaza Tokyu Shopping Center opens 1988 Formulation of Tama Den-en-toshi 21 Plan 1989 Subdivision of Ogori Chikushino New Town (Kyushu) begins 		<ul style="list-style-type: none"> 1997 Queen's Square Yokohama opens 1999 QFRONT opens 2000 Shibuya Mark City opens Grandberry Mall (Japan's first open-mall outlet mall) opens 2001 Cerulean Tower opens 		<ul style="list-style-type: none"> 2010 Tama Plaza Terrace fully opens 2011 Signing of memorandum of understanding for urban development of Binh Duong Province, Vietnam 2012 Shibuya Hikarie opens Conclusion of LOA with Yokohama City on the promotion of next-generation suburban development 2015 Futako-Tamagawa Rise fully opens 2018 Shibuya Stream opens 2019 SHIBUYA SCRAMBLE SQUARE Phase I (East building) opens 	
Life Services & Lifestyle	<ul style="list-style-type: none"> 1934 Toyoko Department Store opens 1953 Tokyu Hospital opens 1956 Establishment of Tokyu Tourist Corporation Establishment of Toyoko Kogyo (current Tokyu Store Chain Co., Ltd.) 1957 Gotoh Planetarium opens 		<ul style="list-style-type: none"> 1960 Ginza Tokyu Hotel opens 1983 Tokyu BE (culture school) opens Establishment of Tokyu Cable Television (CATV) Establishment of Credit Ichi-maru-kyu (credit card) 1989 Bunkamura multipurpose cultural facility opens 		<ul style="list-style-type: none"> 1991 Start of Selun business (work at home and platform for information sharing through network targeting housewives) 1995 Tokyu Customer Center opens 1999 Start of time-share resort business 		<ul style="list-style-type: none"> 2008 Establishment of Kids Base Camp Co., Ltd. (after-school day-care service) 2010 Tokyu Welina Ookayama (senior citizens' homes with services) opens 2012 Start of Tokyu Bell (home convenience service) 2015 Establishment of Tokyu Power Supply (retail electricity business) 2016 Start of New Work (satellite shared office space business for members) 	
Social Contribution Activities	<ul style="list-style-type: none"> 1940 Opening of Toyoko Gakuen 1955 Establishment of Gotoh Educational Corporation (current Tokyo City University Group) 1956 Keita Goto appointed as the head of directors of ASIA Educational Incorporative 		<ul style="list-style-type: none"> 1960 The Gotoh Museum opens 1972 Start of Tokyu Greening Campaign 1974 Establishment of Tokyu Foundation for Better Environment* 1975 Establishment of Tokyu Foundation for Foreign Students* 1980 Formation of Federation of Tokyu Associations 1982 Train and Bus Museum opens 		<ul style="list-style-type: none"> 1990 Establishment of The Gotoh Memorial Foundation* 		<ul style="list-style-type: none"> 2012 Start of Mido*Link action (regional greening activities and community development support) 2019 The Tokyu Foundation (*Merger of three foundations) 	

Solving Social Issues—Toward the Next Generation

The Value Creation Process

The Group (Tokyu Corporation and consolidated subsidiaries) aims to create new value through facing society's issues and taking on the challenge of addressing them.

We reinvest values attained to seek a perpetual cycle. This is our long-term recycling-based business model.

As our strategy toward sustainable growth, we define our material sustainability themes (materiality), and achieve the creation of beautiful living environments through our business activities.

Social Issues Around Us

- ▶ Shrinking and rapidly aging population
- ▶ Suburban functional renewal and regional invigoration
- ▶ Climate change and large-scale disasters
- ▶ Information security risk

Main Management Resources

See page 18



Non-financial capital
(transportation network, facilities, human resources, etc.)



Financial capital
(stable revenue base, etc.)

Perpetual cycle through reinvestment

Social value

Economic value

Group Slogan

**Toward a Beautiful Age
—Tokyu Group**

Sustainable Management

Material sustainability themes

See pages 24 to 27

Safety & Security	8	9	11
Urban Development	9	11	12
Quality of Living Environment	3	4	9
HR Development	3	4	5
Low-carbon, Recycling-based Society	7	12	13
Corporate Governance & Compliance	9	16	

Capital Growth

- ▶ Greater trust from capital market
- ▶ Human resource development
- ▶ Brand value improvement
- ▶ Widening and deepening of customer base
- ▶ large-scale disasters

Competitive Advantage

- ▶ Possesses business domains (along areas served by Tokyu's railway lines) which can perpetually increase in value through reinvestment over the long term
- ▶ Able to manifest synergy between businesses, create new services, and increase mutual value

Business Strengths

- ▶ **Transportation Infrastructure Business** (Transportation Segment)
Highly convenient transportation network through an expansive railway network and tightly connected mutual direct train service operations
- ▶ **Urban Development Business** (Real Estate Segment)
Mixed use development—based on offices, commercial facilities, hotels, and other facilities centered on stations—meeting the needs of "live, play, work"
- ▶ **Lifestyle Service and Retail Business** (Life Services Segment)
Possesses concrete contact points with various generations of customers, from children to senior citizens, and provides various products and services according to customer needs and lifestyle changes
- ▶ **Hospitality Business** (Hotel and Resort Segment)
Rich menu and largest scale of store network in Japan capable of responding to the diversifying values and lifestyles of customers

Main Business Activities

See pages 32 to 47



Financial Targets (2030)

Tokyu EBITDA: 300 billion yen
Profit attributable to owners of parent: 100 billion yen

Sustainable improvement of corporate value:
Sustainable Growth

Creating beautiful living environments

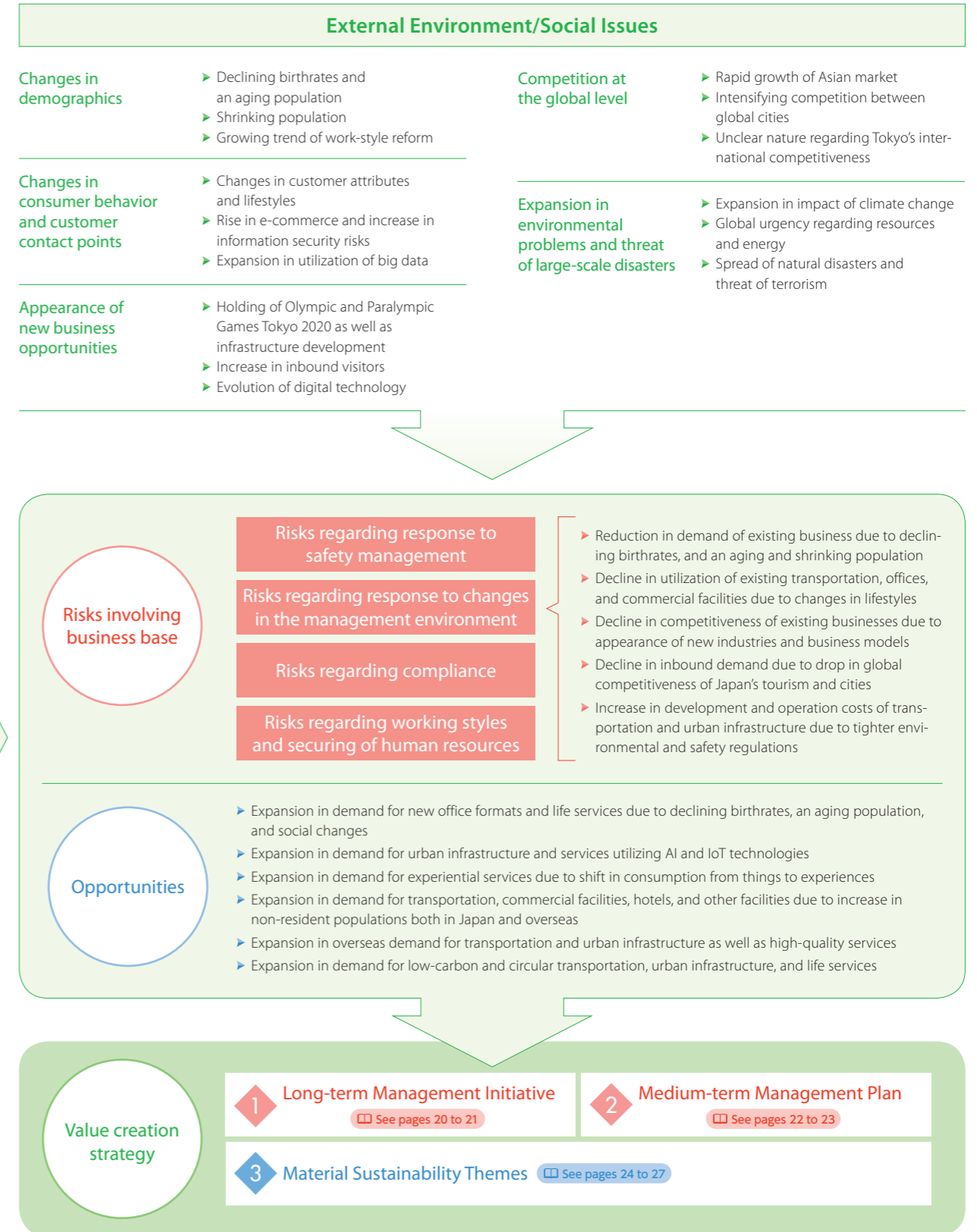


Major Management Resources, the External Environment, Risks, and Opportunities

To realize our value creation process, the Group utilizes the wide range of management resources in our possession, and at the same time, responds appropriately to the risks and opportunities brought about by external environmental changes and social issues.

Internal Environment/Major Management Resources (as of March 31, 2019)	
<p>(1) Financial base supporting stable revenue</p> <ul style="list-style-type: none"> Profitability generating stable operating cash flow exceeding 100 billion yen annually, and very healthy financial structure supporting such profitability 	<ul style="list-style-type: none"> Operating cash flow: 138.4 billion yen Equity ratio: 30.9% Interest-bearing debt/Tokyu EBITDA* multiple: 6.0 times
<p>(2) Railway facilities, real estate, etc.</p> <ul style="list-style-type: none"> Compactly networked routes supporting independent distributed urban structures, and good-quality asset portfolio based mainly on hybrid assets centered on stations meeting the needs of "live, play, work" Hotel and resort facilities across Japan meeting a variety of needs 	<ul style="list-style-type: none"> Number of stations and passenger carriages: 97 stations (serving an area spanning 17 municipalities) and 1,082 passenger carriages Department stores: 8 Shopping centers: 29 Supermarkets: 84 Office area available for lease: Approx. 338,000 m² Tokyu Hotels: 44 Time-share resorts: 16
<p>(3) Technology and expertise</p> <ul style="list-style-type: none"> Urban development expertise nurtured through many years of combining development of facilities—such as transportation infrastructure and real estate development—with the provision of systems such as living-related services, collaboration with local communities, and industry-government-academia cooperation 	
<p>(4) Business leaders</p> <ul style="list-style-type: none"> Human resources that always keep in mind the three aspirations defined in Tokyu's values—customer value, challenge, and co-creation—as well as think in the direction of innovation responding to the changes in the times and take the initiative to accomplish tasks 	<ul style="list-style-type: none"> Number of employees (consolidated): 23,637
<p>(5) Relationships with stakeholders and social recognition</p> <ul style="list-style-type: none"> Urban development based on relationships of trust with local stakeholders—such as local residents, governments, landowners, and education and research institutions—as well as the Tokyu Group's brand and value of rail service areas nurtured through providing high-quality services to people living, playing, and working there 	<ul style="list-style-type: none"> Number of TOKYU POINT members: 2.51 million Number of Tokyu Lines Application downloads: 640,000 Number of cable television subscribers (households): 1.11 million Number of homes supplied by Tokyu-Denki: 150,000 Number of Tokyu Hotels Comfort Members: 650,000
<p>(6) Natural environment</p> <ul style="list-style-type: none"> Environments of areas served by Tokyu's railway lines where anyone can feel the color of life even though they are in urban areas due to nature rich in greenery achieved through systematic urban development and Tama River cleanup initiatives 	

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

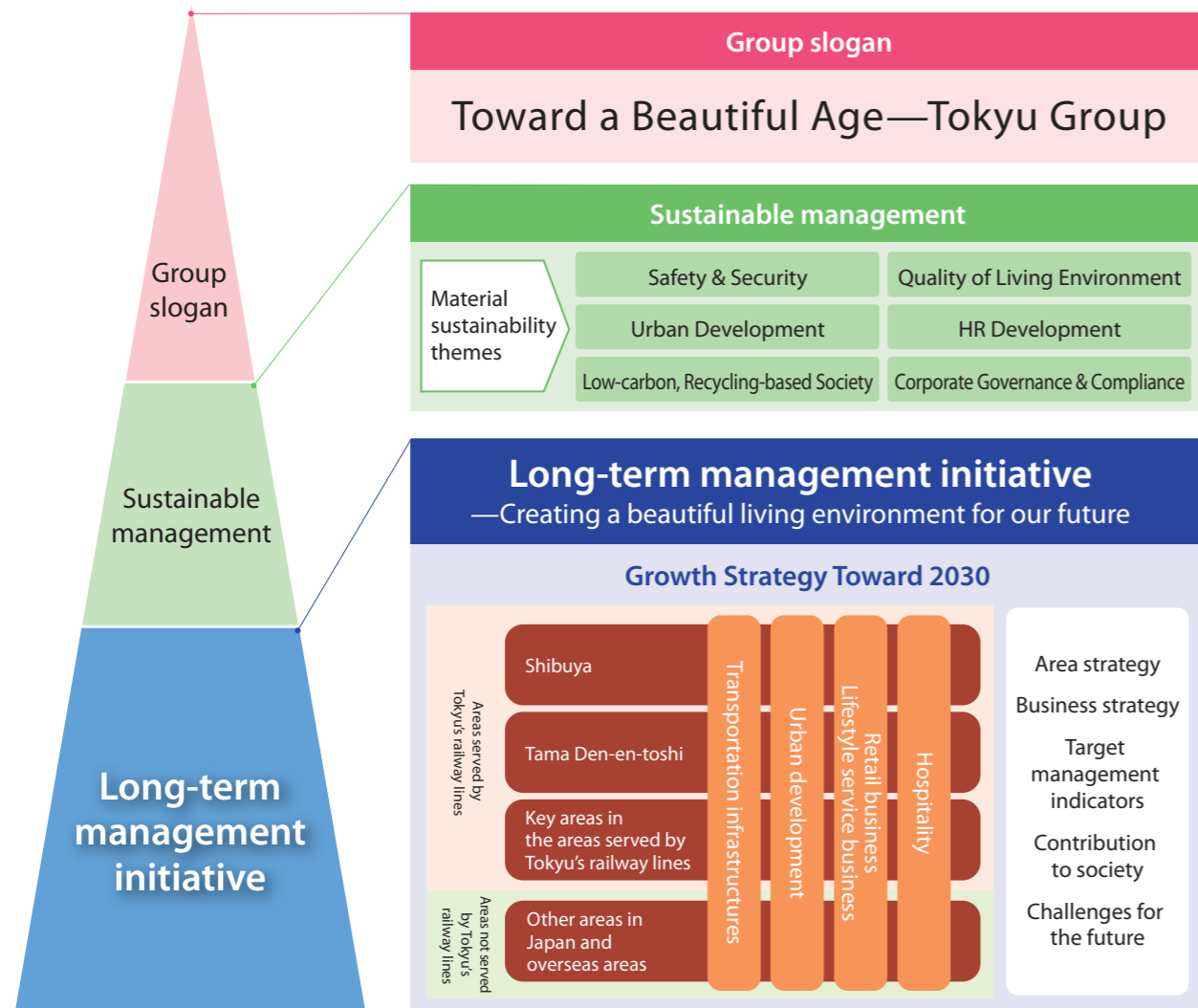


Value Creation Strategy 1 Visions for the Future Through the Long-term Management Initiative

Ever since our foundation, Tokyu Corporation has been striving to solve social issues through urban development based on the railway business. At present, the overall Tokyu Group is working on the redevelopment of Shibuya. With this and other initiatives, our businesses are making steady progress and our management is on a path of stable growth. On the other hand, looking at society, we see globalization and digitalization making progress at an accelerated rate and our business environment being subject to significant changes like never before, including the actualization of climate change risks. In this environment, we have formulated a long-term management initiative in the belief that it is time to work quickly on the enhancement of the group management system, including the split of the railway business divisions, and clearly indicate Tokyu's visions for the future and the direction in which Tokyu will go.

Timeline and Status of the Initiative

This initiative mainly states our management stance and growth strategies (including area strategies and business strategies) for growth from now till 2030, and sets "Achieving the development of 'A City Adored by People around the World' by providing social values originally created by Tokyu" as the Group's visions for the future with a view of 2050.

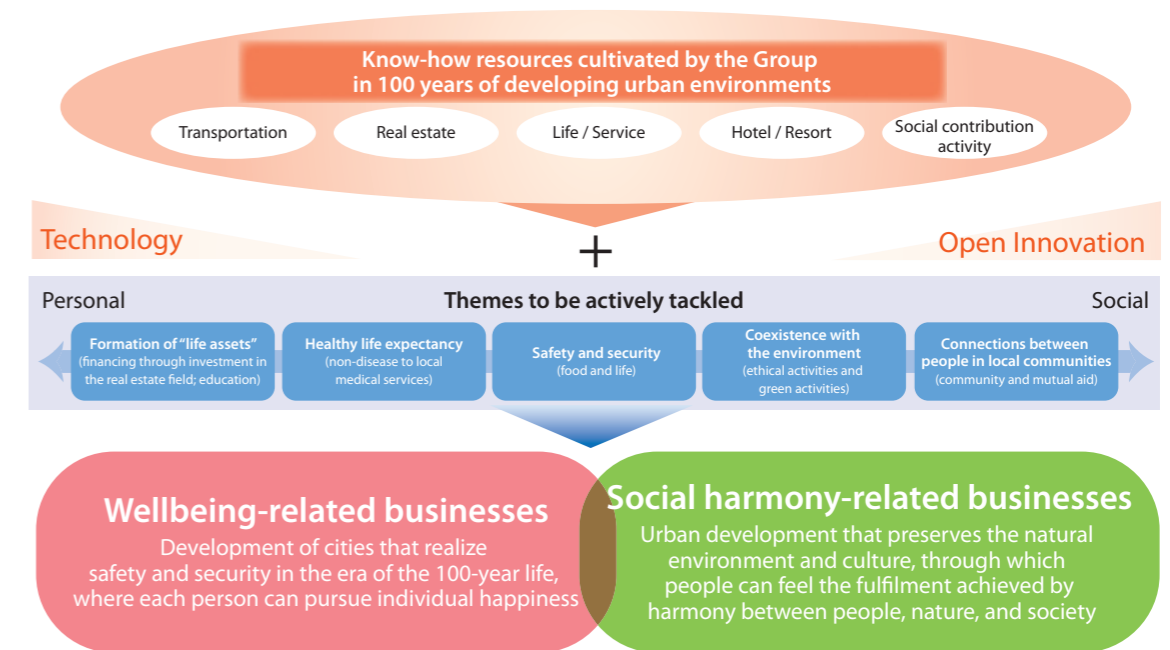


Please see the following for details related to the long-term management initiative.
<https://www.tokyu.co.jp/ir/english/manage/lplan.html>

Visions for the Future with a View of 2050

Approach Toward Achieving the Development of "A City Adored by People around the World"

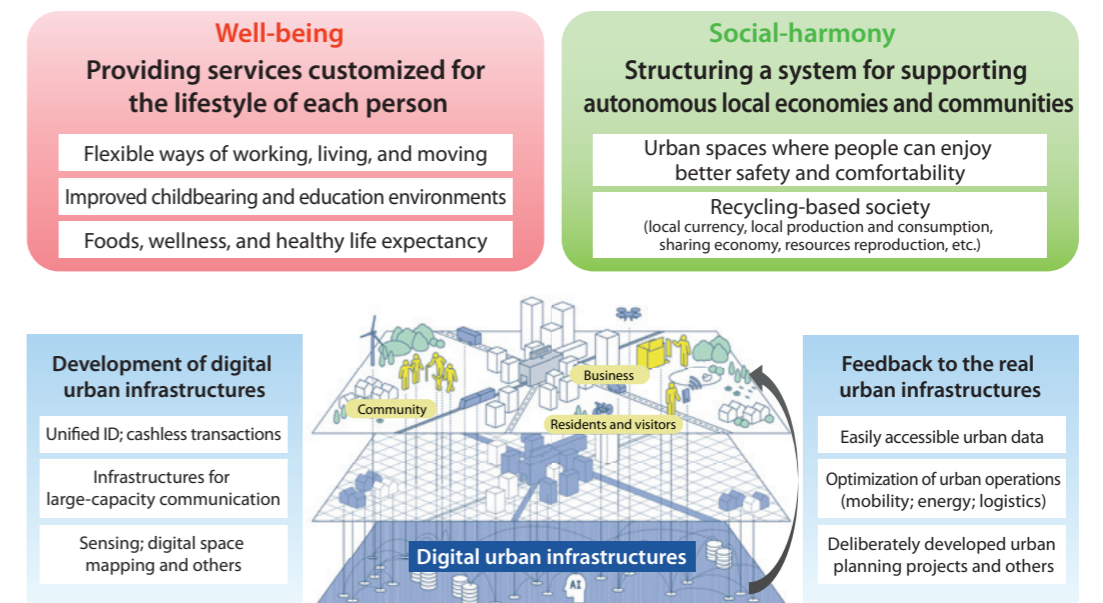
Toward achieving the development of "A City Adored by People around the World" by providing social values originally created by the Group, we will undertake urban development based on the two cores of wellbeing-related businesses and social harmony-related businesses by using the expertise and resources nurtured through urban development to work on five themes.



Concept of "City as a Service" (from the Present to the Future)

—Urban development for the next generation through the integration of digital technologies with real life and cities

We will continue our initiatives for creating beautiful living environments by challenging the realization of the concept of "City as a Service" as well as securely advancing our businesses with a view of 2030.



Value Creation Strategy 2 Medium-term Management Plan

With fiscal 2018 as the starting fiscal year, Tokyu is undertaking initiatives toward increasing corporate value based on our three-year medium-term management plan (fiscal 2018 to fiscal 2020) under the slogan "Make the Sustainable Growth." As the final stage of the management plan which began in fiscal 2012, this plan is the "jump" stage of "hop, step, jump," and can be said to be a summation.

Basic Policies—Sustainability in Three Areas and Five Key Initiatives

Basic Policies

Sustainable "urban development"

Perspective on society
Rise to the challenge of new types of urban development and continue to focus on urban development and regeneration.

Perspective within the organization
Inherit the urban development DNA that has flowed through our veins for 100 years.

Sustainable "corporate development"

Perspective on society
Continue to provide added value to stakeholders (customers, shareholders, business partners, etc.).

Perspective within the organization
Achieve business growth by adapting to the changing environment and social needs.

Sustainable "HR development"

Perspective on society
Support HR development in society through childcare, education and cultural activities

Perspective within the organization
Develop management human resources, foster a climate for the creation of innovation, hand down technology, and strengthen diversity and health management

Safety & Security

Urban Development

Low-carbon, Recycling-based Society

Quality of Living Environment

HR Development

Corporate Governance & Compliance

Key Initiatives

- 1 Tirelessly pursue "safety," "security" and "comfort" (increasing the resilience of our mainstay railway business)
- 2 Increase Shibuya's global appeal (bring Entertainment City Shibuya to fruition)
- 3 Continuously improve the areas served by Tokyu's railway lines' value and life value (make the most of the combined strength of the Group's businesses)
- 4 Expand business through strategic alliances
- 5 Make progress on workstyle innovation (develop Tokyu's own brand of workstyle reforms)

Management Indicators

Regarding fiscal 2018, smooth progress was made in key initiatives, and we were also able to achieve performance above our target figures. For fiscal 2019, large-scale developments opened in Shibuya and Minami-machida, and some projects undertaken in recent years are showing results.

Target figures appropriate for "jump" are set for operating profit—97 billion yen in fiscal 2020 when large developments start to contribute to revenue, and 110 billion yen in fiscal 2022, which is the 100th anniversary of Tokyu's founding. Even for ROE, a reference indicator, we expect to be able to realize at least 8% from fiscal 2020.

	FY2018 (results)	FY2020	FY2022	FY2030 (from long-term management initiative)
Tokyu EBITDA (Billion yen)	176.6	206.4	220.0	300.0
Operating profit (Billion yen)	81.9	97.0	110.0	150.0
Interest-bearing debt/Tokyu EBITDA multiple (Times)	6.0	5.3	5 to 6	Around 5.0
ROE (for reference)	8.0%	8.4%	9.0% range	—

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

Approach to Cash Flow and Investment Plan



Hirohisa Fujiwara
Managing Executive Officer, CFO
Responsible for Corporate Planning Headquarters and Finance & Accounting Strategy Headquarters

Within the three-year medium-term management plan from fiscal 2018 to fiscal 2020, investment in growth will gain momentum as large-scale developments in locations like Shibuya and Minami-machida will be opening. From the perspective of cash flow, investment in growth is preceded by cash flow momentarily. Still, going forward, such investment in growth will steadily be reflected in returns, and lead to significant improvement in our ability to generate cash. Based on the prerequisite of ensuring financial health, the generated cash will be allocated in a good balance between investment in growth contributing to improvement in shareholder value; investments related to improving sustainability such as safety measures; and shareholder returns. At the same time, we will also undertake allocations to employees with even greater awareness than before.

The total capital expenditure for the three years from fiscal 2018 to fiscal 2020 is expected to be 520 billion yen,

of which 260 billion yen is investment in growth. This comprises 120 billion yen for the redevelopment of Shibuya, such as SHIBUYA SCRAMBLE SQUARE and Shibuya Stream, 80 billion yen for development of areas served by Tokyu's railway lines such as Minami-machida Grandberry Park, and 60 billion yen for strategic projects such as the acquisition of existing properties in operation for our real estate leasing business. As of the end of fiscal 2018, redevelopment of Shibuya is making smooth progress, including around 60% of investment being already completed.

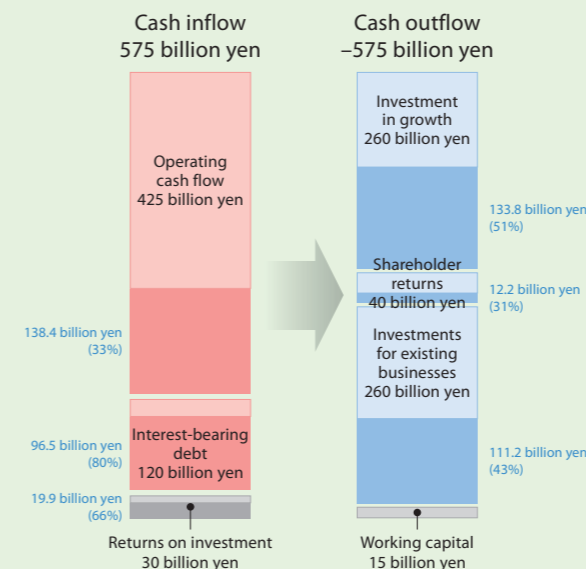
In addition, we plan to invest a total of 260 billion yen in existing businesses, with 160 billion yen—or slightly more than 60%—being allocated to railway business. Tokyu is prioritizing improving travel stability and comfort, including allocating 96 billion yen of this amount for safety-related measures.

As a company responsible for social infrastructure of an extremely high public nature, as exemplified by our railway business, Tokyu's mission is to continue our businesses not only during normal times but also in times of crises. Therefore, ensuring financial health is of utmost importance. From the perspective of our balance sheet, our equity ratio at the end of fiscal 2018 was 30.9% with a debt-to-equity ratio of 1.4 times, showing that we are able to ensure a certain level of financial health. Investment in growth has resulted in interest-bearing debt/Tokyu EBITDA multiple being momentarily in the 6.0 times range, but we expect it to return to 5.3 times in fiscal 2020, the last fiscal year of the plan.

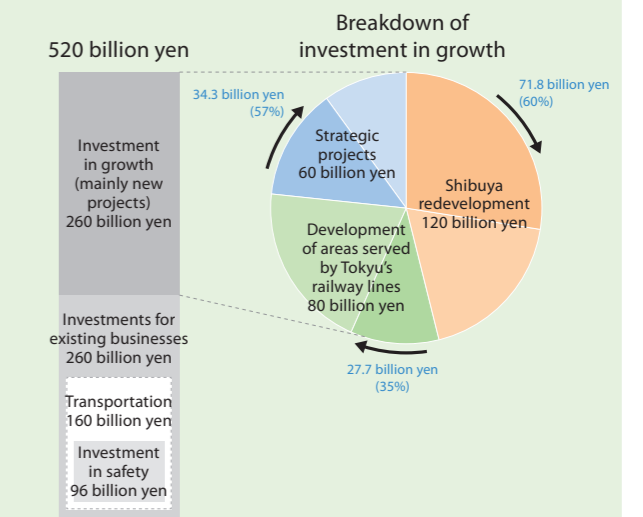
FY2018–2020 and Progress in FY2018

The results for FY2018 are shown as progress in blue on the outside of the graph.

Total Cash Flow



Capital Expenditures & Investments, etc.



* Figures are different from the consolidated statement of cash flows as certain parts have been reclassified to focus on explaining the progress of the investment plan

Value Creation Strategy 3 Material Sustainability Themes (Materiality)

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

Process for Identifying Material Sustainability Themes

In the identification of material sustainability themes (materiality), we derived social issues that should be resolved utilizing Tokyu's strengths after taking into consideration the history, philosophy, and business direction of the Group. In addition, we

obtained objective opinions about the social issues the Group should address from external experts, and reflected these opinions in our considerations.



Naochika Tamura

Director and Lead Consultant
MS&AD InterRisk Research & Consulting, Inc.

In the identification of material sustainability themes (materiality), relevance to the Group's slogan, philosophy, and business as well as links to the Sustainable Development Goals (SDGs) are essential. A future-oriented value creation story is important toward the resolution of social issues, and it is important to achieve this story through business after taking into consideration the future expectations of various stakeholders. In urban development and railway business, we look forward to seeing the Group take the lead in bringing in new technologies and undertaking initiatives which serve as examples for other companies.

Keisuke Takegahara

Executive Officer
Deputy Chief Research Officer
Development Bank of Japan Inc.

A long-term nature and the resolution of social issues are inherent in Tokyu's business model, and balancing both as a for-profit company can be said to be a rare example throughout the world. It should be advertised as a corporate management model originating from Japan, and even from such a perspective, sustainable urban development unique to the Tokyu Group is being expressed. Brands, the focus on human resources, governance, and the environment are some of the details supporting Tokyu's current strengths to which attention is being paid, and Tokyu should communicate its strength in carrying out urban development based on a long-term perspective.

Toshihiko Goto

Chief Executive Officer
Sustainability Forum Japan

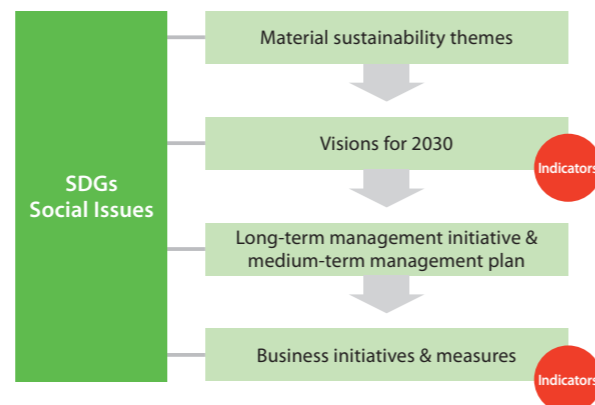
The major trends of today are 2015's Paris Agreement and resolution on the SDGs. These are major turning points in human history, and changed our paradigm. So far, the Tokyu Group has reaped success through its unique business model. In an era when there is a possibility that the shape of Japanese companies may change significantly, there is a need to respond to trends for the future. In addition, taking into consideration the trends of the times, it is recommended to also include responses to climate change and biodiversity.

Visions and Indicators for 2030

Regarding our material sustainability themes, we set social issues to be faced as well as visions for 2030 for each theme, and positioned these as the basic policy for management of our long-term management initiative.

In addition, we also set indicators to understand the results of long-term initiatives as well as the various measures in our medium-term management plan.

Regarding the indicators, results and achievements are introduced in the respective pages in this booklet for Strategies and Achievements by Business, and Sustainability Management.



Safety & Security

Social issues to face

- ▶ Concentration of population in urban areas; aging population; people without public transport access
- ▶ Terrorism and cybercrime; natural disasters and climate change
- ▶ Labor shortages

Visions for 2030

- ▶ Realization of public transportation services that are the safest in Japan and easy to use
- ▶ Provision of living environments where people can feel safe

Initiatives to achieve visions (three-year medium-term management plan FY2018–2020)

- ▶ **Accident prevention**
Platform doors; introduction of 3D obstacle detection devices at railway crossings; safety education; health management of drivers; research in automated operation; enhancement of maintenance management systems
- ▶ **Alleviation of congestion rate during peak hours**
Strengthening of transportation capacity; encouraging staggered commuting to work; utilization of apps (visualization of state of congestion); integration of railways and buses; promotion of teleworking
- ▶ **Realization of transportation services which people can feel safe using**
Security cameras inside train carriages/buses; service assistants; dissemination of information through apps; barrier-free access; multilingual support; MaaS demonstration experiments
- ▶ **Minimization of disaster risks**
Acceptance of persons with difficulties returning home during disasters; evacuation and business continuity training; response to new seismic resistance standards; dissemination of disaster-prevention information; local support agreements during times of disasters
- ▶ **Response to various crime prevention needs**
Children, senior citizens, and home security; station and town security
- ▶ **Ensuring food safety**
Strengthening of hygiene measures and management; food labeling and traceability; safety-certified products; strengthening of safety quality of private brands
- ▶ **Personal information protection and management**
Strengthening of information security; education and training

Group's actions regarding SDG targets



- 8.2 Contribute toward higher economic productivity by providing safe and secure transportation and life services through innovation and technological upgrading
- 9.1 Develop resilient transportation and life infrastructure to pursue sustainable economic development and human well-being
- 11.2 Provide safe and comfortable transportation systems and life infrastructure to a diverse range of people
- 11.5 Reduce risk of disasters

Urban Development

Social issues to face

- ▶ Declining birthrates, an aging population, and decrease in working-age population
- ▶ Response to diversification of lifestyles and working styles
- ▶ Response to new technologies such as AI and IoT
- ▶ Climate change, natural disasters, and a recycling-based society
- ▶ Inbound visitors
- ▶ Response to rapid growth of emerging nations (medical, transportation, living environment)

Visions for 2030

- ▶ Realization of management of cities that is unique and attractive in terms of all of "live," "play," and "work"
- ▶ Extended application of expertise for the development of urban areas served by Tokyu's railway lines to locations in Japan and overseas

Initiatives to achieve visions (three-year medium-term management plan FY2018–2020)

- ▶ **Next-generation suburban development**
Location development and area management fitting the needs of the area; promotion of "living close to work" in suburban residential areas
- ▶ **Shibuya redevelopment**
Infrastructure development accompanying large-scale redevelopment toward the realization of Entertainment City Shibuya; provision of a variety of offices; promotion of area management
- ▶ **Airport management business**
Regional invigoration through management of Sendai International Airport and Mt. Fuji Shizuoka Airport
- ▶ **Overseas urban development**
Urban development in Vietnam, Thailand, and Australia
- ▶ **Development of domestic locations outside the areas served by Tokyu's railway lines**
Development of locations such as Shinjuku and Mishima

Group's actions regarding SDG targets



- 9.1 Develop resilient infrastructure for work, life, and play to contribute toward sustainable economic development
- 11.2 Provide safe and comfortable transportation systems and life infrastructure to a diverse range of people
- 12.2, 3, 5 Conduct urban development giving consideration to the sustainable use of resources
- 13.1, 3 Conduct urban development giving consideration to climate change, and seek to nurture environmental awareness in local communities
- 17.17 Promote partnerships between industry, government, academia, and local communities through urban development

Quality of Living Environment

Social issues to face

- ▶ Declining birthrates, an aging population, and decrease in working-age population
- ▶ Response to diversification of lifestyles and working styles
- ▶ Response to new technologies such as AI and IoT

Visions for 2030

- ▶ Realization of life in which each person can maintain his/her good health and pursue individual happiness

Initiatives to achieve visions (three-year medium-term management plan FY2018–2020)

- ▶ **Promotion of enriching and healthy lifestyles through utilization of technology and other means**
IoT solutions; credit settlement solution for smartphones; encouragement of wellness
- ▶ **Support for persons—such as the elderly—with difficulties in buying things**
Traveling sales experiment; development of people to help with dementia; barrier-free access; Tokyu Bell
- ▶ **Provision of life facilities and services fitting diverse generations**
Facilities for senior citizens; home medical care; children's facilities and after-school day-care; sports facilities; commercial facilities
- ▶ **Provision of products and services utilizing data for stores, e-commerce, IENAKA, etc.**
Tokyu Bell

Group's actions regarding SDG targets



- 3.3, 4 Promote healthy and happy living for local residents, including disease prevention
- 4.4 Widely spread new technologies, and contribute to the improvement of IT literacy
- 9.1 Develop resilient infrastructure for work, life, and play to contribute toward sustainable economic development

HR Development

Social issues to face

- ▶ Decrease in working-age population, declining birthrates, and an aging population
- ▶ Securing of occupational fields for diverse human resources (senior citizens, women, foreigners, etc.)
- ▶ Provision of opportunities for lifelong learning to diverse generations
- ▶ Creation of local communities

Visions for 2030

- ▶ 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

Initiatives to achieve visions (three-year medium-term management plan FY2018–2020)

- Perspective on society**
 - ▶ Cultural business and activities, and provision of opportunities for lifelong learning and enlightenment; education business; Selun business; various types of events and public relations activities
 - ▶ Tokyu associations; social contribution activities through activities of schools, foundations, etc.; local communication activities; contributions through sponsoring The Tokyu Foundation
- Perspective within the organization**
 - ▶ Provision of working environments where people can continue to work
Childcare; nursing care; nursing; diseases
 - ▶ Provision of working environments where anyone can fully apply their abilities
Working style innovation; promotion of diversity & inclusion; active investment in health and education

Group's actions regarding SDG targets



- 3.3, 4 Seek to reduce employees' health risks
- 4.1, 2, 3, 4 Carry out high-quality education by sponsoring schools and providing opportunities for lifelong learning
- 5.1, 5 Realize equality in gender in decision-making at all levels, including recruitment and promotion
- 8.1, 2 Improve productivity of each employee through creating workplaces with motivation

Low-carbon, Recycling-based Society

Social issues to face

- ▶ Climate change
- ▶ Maintaining of ecosystems
- ▶ Natural disasters
- ▶ Resource depletion and a recycling-based society

Visions for 2030

- ▶ Contribution to the creation of a low-carbon society and a carbon-free society through energy saving and the optimized use of renewable energies
- ▶ Contribution to creating a recycling-based society by promoting the effective use of resources and consideration for the ecosystem

Initiatives to achieve visions (three-year medium-term management plan FY2018–2020)

- ▶ **Reduction of CO₂ emissions**
Energy-saving carriages/vehicles that encourage the utilization of public transportation (railway and buses) with good environmental efficiency; fuel cell buses; urban development giving consideration to the environment; promotion of Cool Share and Warm Share; attainment of environmental certification; energy management system; energy saving activities; encouraging utilization of renewable energy; hydrogen hotels
- ▶ **Effective utilization of resources (recycling-based society)**
Recycling of construction by-products; food recycling; reusing of waste plastic energy; recycling activities
- ▶ **Encouraging behavior that gives consideration to ecosystems**
Attainment of environmental certification for facilities; sale of environmentally certified food products; encouraging plastic-free; sponsoring of environmental activities

Target value (CO₂ emissions) * The subjects are Scope 1 and 2
2030: 30% reduction of the total CO₂ emitted by using electric power
2050: Complete elimination of CO₂ emitted by using electric power

RE 100

See pages 70 to 71 THE CLIMATE GROUP CDP

Group's actions regarding SDG targets



- 7.2, 3 Seek to improve energy efficiency and expand clean energy
- 12.3 Reduce food waste in retail, hotel, restaurant, and other businesses
- 12.8 Give customers information and awareness regarding sustainable lifestyles through providing products and services
- 13.1, 3 Conduct urban development and other activities giving consideration to climate change, and seek to nurture environmental awareness in local communities
- 13.3 Develop internal systems for climate change impact reduction and early warning. Carry out education regarding the causes, mitigation measures, and adaptation measures of climate change.
- 15.1 Provide urban development and services which give consideration to ecosystems

Corporate Governance & Compliance

Social issues to face

- ▶ Corporate scandals and misconduct
- ▶ Disclosure of non-financial information
- ▶ Sustainable corporate management

Visions for 2030

- ▶ Realization of the best corporate governance directly linked with society and the global management environment
- ▶ Practicing compliance for achieving a harmonious society

Initiatives to achieve visions (three-year medium-term management plan FY2018–2020)

- ▶ **Ensuring fairness and transparency of management through highly effective corporate governance**
Evaluation of effectiveness of the Board of Directors and Board of Audit & Supervisory Board Members; advisory body of the Board of Directors
- ▶ **All-inclusive and continuous compliance education as well as building of effective and efficient management system**
Message from management; system for consolidated reporting; proliferation of whistle-blowing system; Sustainability Promotion Committee; self-check; audit system; compliance education; seminars for the management team

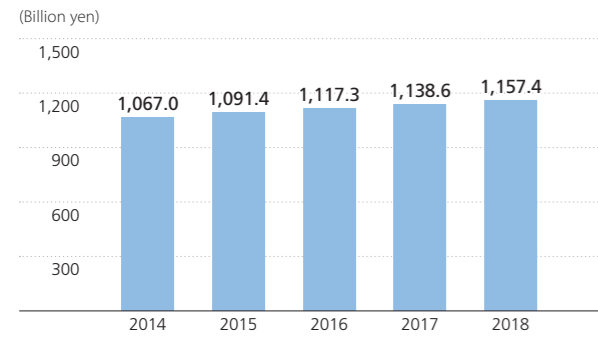
Group's actions regarding SDG targets



- 9.1, 4, 5 Carry out sustainable management judgments such as the building of sustainable infrastructure, increased resource-use efficiency, and encouraging innovation
- 16.5, 7 Build fair business mechanisms

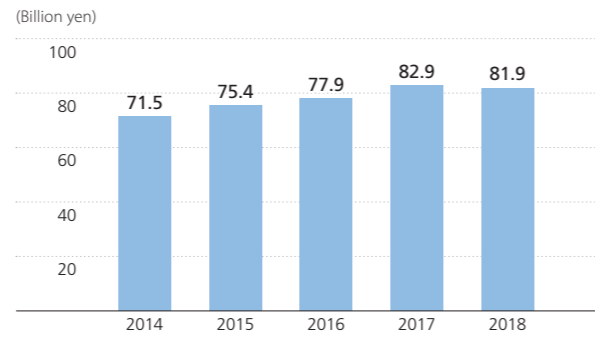
Financial and Non-Financial Highlights

Operating Revenue



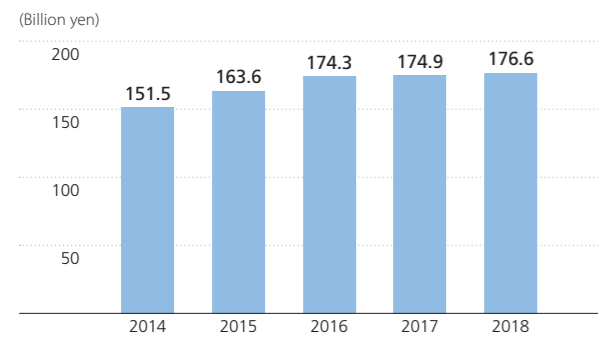
Operating revenue has continued to increase. Contributing factors include continual increases in passenger revenue at Tokyu Railways and the steady opening of large-scale developments in real estate leasing at Tokyu Corporation, as well as the acquisition of Tokyu Recreation as a subsidiary company, and expansion into new business areas, such as the retail sale of electricity and airport management.

Operating Profit



Operating profit has exceeded forecasts every year for the last five years. The profit level is rising toward the FY2020 target of 97.0 billion yen.

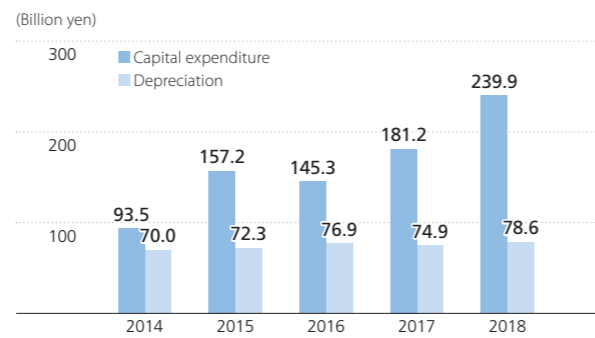
Tokyu EBITDA



Since the Group is developing business while utilizing large-scale facilities, such as railways, offices and commercial buildings, Tokyu EBITDA has been adopted as the indicator of profitability. Aggressive capital investment means that depreciation is increasing, but profit on a cash basis is growing every year.

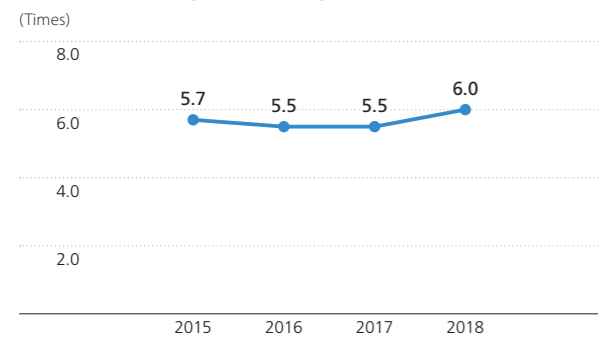
* Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Cost of disposal of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

Capital expenditure / Depreciation



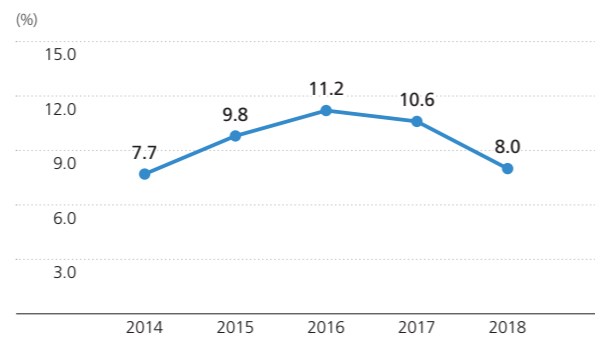
The Group is steadily pursuing aggressive investments in large-scale developments, such as in Shibuya, Futakotamagawa and Minami-machida, and in the swift development of facilities and rolling stock to achieve safe transportation.

Interest-bearing debt / Tokyu EBITDA multiple



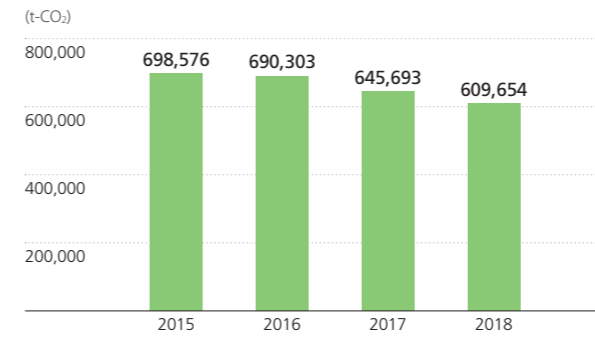
Adopted as an indicator of financial health, the Group has set a target level in the 5–5.9 range. Currently, the ratio is in the 6+ range because of large-scale growth investments, such as in Shibuya and Minami-machida. Going forward, we will enhance the health of our finances while being mindful of the public nature of our business.

ROE



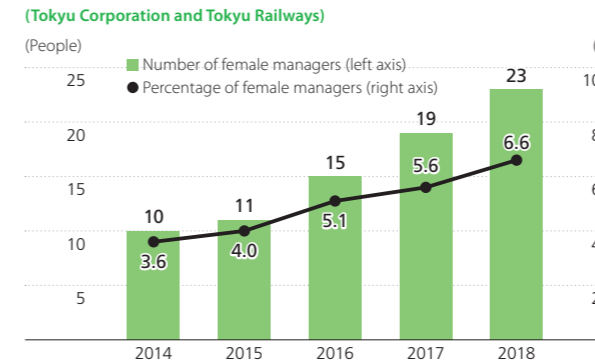
Tokyu is continuing to manage business operations while maintaining an awareness of capital efficiency. For instance, we acquired treasury shares for three consecutive terms from FY2014. In FY2018, ROE dipped to 8.0% as a result of capital investments, mainly in developments in Shibuya and other places, but is still progressing above our projected value of 7.2%.

CO₂ Emissions



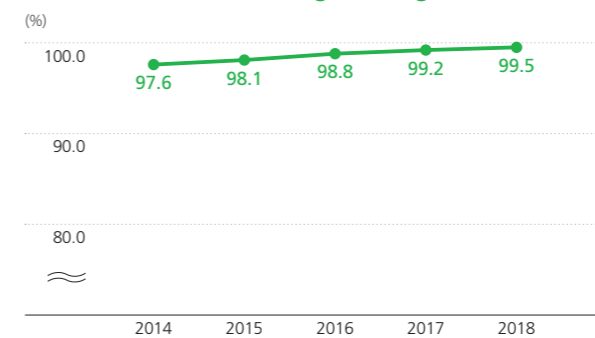
Tokyu consumes energy and emits carbon dioxide (CO₂) in a wide range of businesses. We maintain an accurate grasp of our environmental impact, such as electricity, gas and diesel oil, and we work hard to effectively reduce our CO₂ emissions.

Number / Percentage of Female Managers



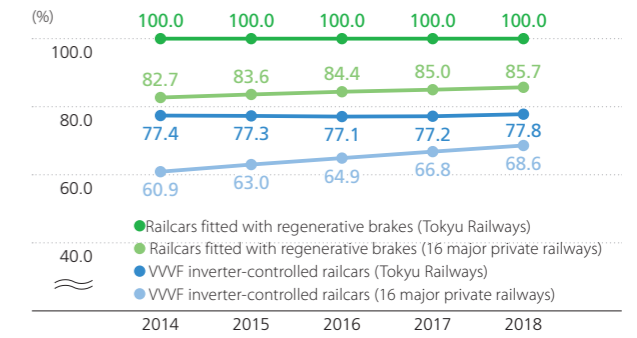
Tokyu has been awarded the "Nadeshiko Brand" for seven consecutive years—a designation that is granted to listed companies that are outstanding in terms of encouraging women's success in the workplace. We will continue to promote further diversity management so that diverse personnel can be actively involved.

Attendance of Directors at Board of Directors Meetings (average)



The contribution of outside directors with a variety of knowledge and backgrounds enables the Board of Directors to engage in more active discussion.

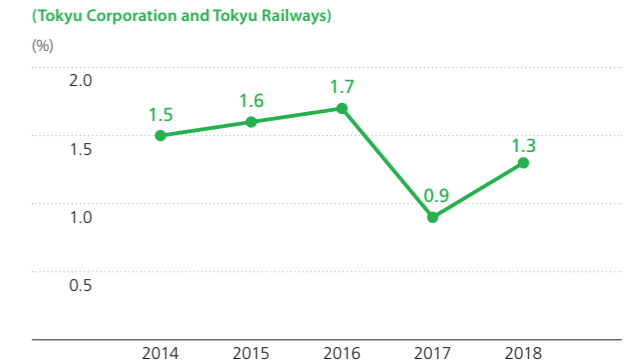
Percentage of Energy-Efficient Railcars



Tokyu began adopting VVVF inverter-controlled railcars before the rest of the industry in 1986. These railcars achieve lower power loss and are low maintenance. While the current rate is 77.8%, we will proceed to introduce more of these railcars as we update our rolling stock.

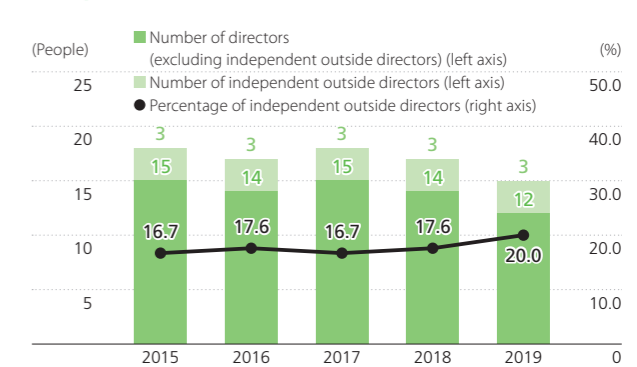
* VVVF inverter-controlled railcar: A car that uses an inverter to convert direct-current (DC) electricity running through overhead lines into alternating-current (AC) of optimal voltage and frequency to power an AC motor.

Turnover Rate



The retention of outstanding employees is an important issue amid Japan's declining birthrate and aging population. We will create working environments where employees can have long, active careers.

Composition of Board of Directors



Tokyu continuously reviews the makeup of its Board of Directors. Our ratio of independent outside directors has most recently been 20%.

11-Year Financial Data

	140th term FY2008	141st term FY2009	142nd term FY2010	143rd term FY2011	144th term FY2012	145th term FY2013	146th term FY2014	147th term FY2015	148th term FY2016	149th term FY2017	150th term FY2018
Results											
Operating revenue (million yen)	1,304,231	1,230,132	1,152,125	1,094,209	1,068,046	1,083,070	1,067,094	1,091,455	1,117,351	1,138,612	1,157,440
Operating profit (million yen)	65,301	52,741	57,119	55,032	55,742	62,190	71,514	75,480	77,974	82,918	81,971
Recurring profit (million yen)	54,872	46,138	52,873	54,068	56,279	62,618	66,619	70,038	76,449	83,746	81,907
Profit attributable to owners of parent (million yen)	10,783	14,898	40,051	35,922	43,075	56,498	41,051	55,248	67,289	70,095	57,824
Profitability Indicators											
Tokyu EBITDA (million yen)* ¹	148,224	142,101	138,406	147,603	149,624	148,803	151,549	163,655	174,312	174,965	176,693
Tokyu EBITDA margin (%) ^{*2}	11.4	11.6	12.0	13.5	14.0	13.7	14.2	15.0	15.6	15.4	15.3
ROA (Return on assets) (%) ^{*3}	2.8	2.3	2.7	2.7	2.9	3.1	3.3	3.4	3.6	3.8	3.5
ROE (Return on equity) (%) ^{*4}	3.0	4.0	10.3	8.6	9.5	11.4	7.7	9.8	11.2	10.6	8.0
Soundness Indicators											
Interest-bearing debt / Tokyu EBITDA multiple (times) ^{*5}	—	—	—	—	—	—	—	5.7	5.5	5.5	6.0
D/E ratio (interest-bearing debt ratio) (times) ^{*6}	2.9	2.8	2.6	2.4	2.1	1.9	1.7	1.6	1.5	1.4	1.4
Equity ratio (%)	18.5	19.0	20.6	21.7	24.2	25.3	27.5	27.6	29.2	30.8	30.9
Balance-sheet Indicators											
Net assets (million yen)	384,654	386,341	416,565	441,920	499,545	537,711	579,596	623,297	678,382	747,049	796,164
Shareholders' equity (million yen)	371,204	373,017	402,843	431,043	476,174	511,789	551,332	576,873	628,308	696,526	745,233
Total assets (million yen)	2,010,746	1,965,794	1,955,077	1,984,591	1,964,476	2,021,794	2,002,532	2,092,546	2,148,605	2,264,636	2,412,876
Cash-flow Indicators											
Interest-bearing debt at end of term (million yen)	1,072,476	1,042,674	1,041,345	1,036,015	999,567	990,038	911,446	937,467	964,397	969,794	1,066,422
Free cash flow (million yen) ^{*7}	△38,693	34,317	263	18,542	31,804	50,573	88,729	8,009	△5,954	7,179	△86,662
Capital expenditure (million yen)	161,605	134,123	142,953	132,028	128,737	140,231	93,556	157,252	145,398	181,265	239,945
Depreciation (million yen)	66,784	69,382	71,491	72,788	74,916	72,762	70,041	72,391	76,986	74,901	78,613
Investment Indicators											
Dividend per share (yen) ^{*8}	6.00	6.00	6.50	6.50	7.00	7.50	8.00	8.50	9.00	19.00	20.00
EPS (Earnings per share) (yen) ^{*9}	8.65	11.88	32.05	28.68	34.33	44.96	32.88	44.81	55.01	115.42	95.14
Dividend payout ratio (%)	69.4	50.5	20.3	22.7	20.4	16.7	24.3	19.0	16.4	16.5	21.0
Reference: Number of Employees at End of Term											
Total (people)	25,109	24,273	23,698	23,104	21,172	21,370	21,499	22,331	22,780	22,985	23,637

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

Until FY2014, Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Cost of disposal of fixed assets

*2 Tokyu EBITDA margin = Tokyu EBITDA / Operating revenue

*3 ROA = Recurring profit / Total assets (average for term) × 100

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

*5 Interest-bearing debt / Tokyu EBITDA multiple = Interest-bearing debt (at end of term) / Tokyu EBITDA

*6 D/E ratio = Interest-bearing debt (at end of term) / Shareholders' equity (at end of term)

*7 Free cash flow = Cash flows from operating activities + Cash flows from investing activities

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

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

Strategies and Achievements by Business



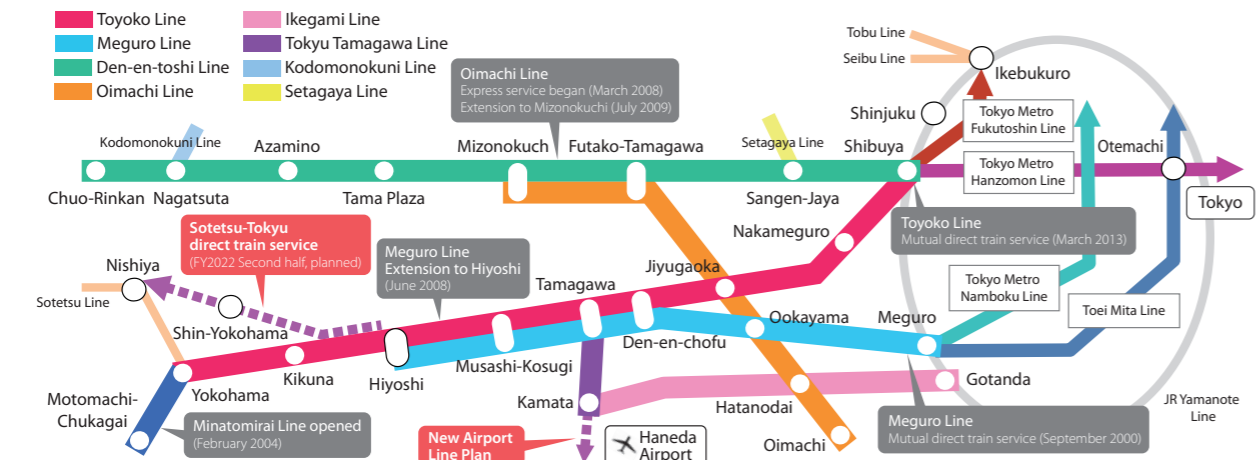
As well as providing rail and bus transportation services that support people in their everyday life, the Group is also involved in the airport management business as the "gateway to the skies." As a group responsible for transportation infrastructure, we aspire for ever more improvements in safety and convenience.

Key Business Overview of the Group (Tokyu Corporation and Consolidated Subsidiaries) (Fiscal Year Ended March 31, 2019)

Tokyu Railways	Tokyu Bus	Other businesses
Passenger transportation (Tokyo and Kanagawa Prefecture) <ul style="list-style-type: none"> 7 railway lines, 1 streetcar line Total track length: 104.9 km (97 stations) Total annual passengers: Approx. 1,190 million 	Scheduled bus services (Tokyo and Kanagawa Prefecture) <ul style="list-style-type: none"> Number of buses: 923 Number of offices: 12 Total annual passengers: Approx. 150 million 	<ul style="list-style-type: none"> Sendai International Airport (3.61 million passengers) Mt. Fuji Shizuoka Airport* (710,000 passengers) <p><small>* Equity-method affiliate (began operating under concession in fiscal 2019)</small></p>

Strengths of the Group

A highly convenient transportation network that utilizes an extensive web of routes and mutual direct service operations with other railway companies to facilitate travel in various directions, whether it be for a short or long distance



Medium- to Long-term Business Direction

Realization of Mobility That Is Safe and Easy to Use

Various changes in the environment surrounding the transportation infrastructure business necessitate corresponding innovation in equipment and services. These changes include shifts in lifestyle brought about by aging and people living closer to work, technological breakthroughs in self-driving services and so on, and an increase in the number of foreigners visiting Japan.

Amid such an environment, along with safety, security and comfort, we will pursue further resilience in the railway business. And in transportation infrastructure overall, we will build next-generation transportation infrastructure businesses, as we aim to realize seamless mobility for people, goods and services at regional hubs and in the areas served by Tokyu's railway lines.

Pursuing safety in our railway business; realizing both public welfare and profitability at a high level

- We will increase our human resources and technical strengths through the sprit of divisions; thus pursuing comfort through increased safety and security and alleviated congestion in the railways
- The Transportation Segment will continue to play the central role in achieving consolidated profit as our core business segment, aiming for further business growth by expanding the network and taking other measures

Improving the networking function through the enhancement of infrastructures

- Increasing the attraction of the town by improving the station and the locations under the elevated bridge, and other measures
- Enhancing transportation power by increasing the number of cars

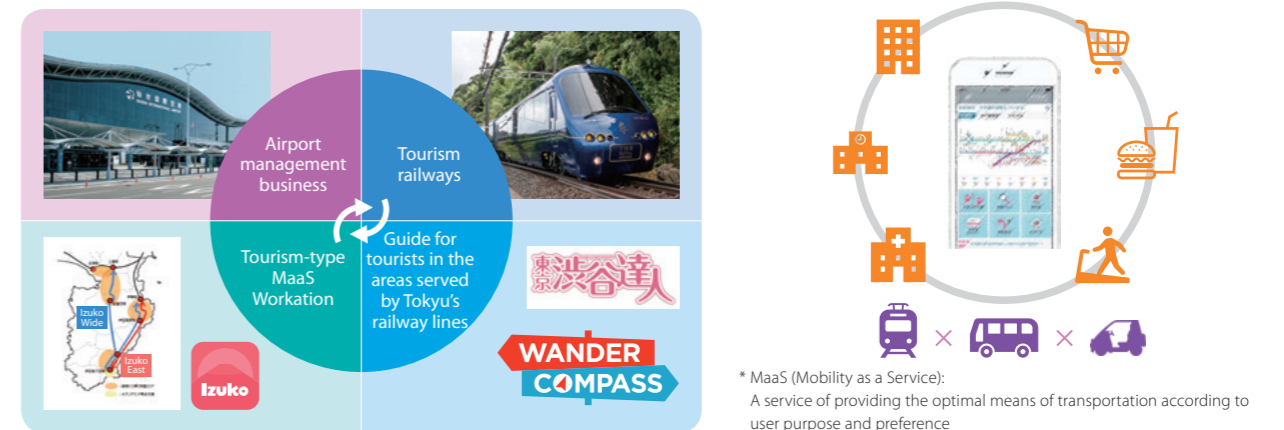
Bolstering operations by developing human resources and technical innovations

- Labor-saving operation (One-man or automated operation)
- Innovations in the experience of using the stations (Gateless entrance/cashless payment of fees)
- Maintenance work with increased efficiency (CBM, etc.)
- Innovations in education and career systems (Safety Training Center)

* CBM (condition-based maintenance): A method of maintenance in which equipment is continuously monitored and updated as soon as any sign of failure is discovered

Creating next-generation transportation infrastructure businesses with the airport management business and the MaaS business as the core

- Establishing business models for local business bases through an organic combination of the airport management business, MaaS, tourism businesses and other businesses and by making use of the increased non-resident population
- Combining MaaS with the existing transportation infrastructures (railways, buses, and others), thus activating mobility in the areas served by Tokyu's railway lines, aiming to improve the value of the areas served by Tokyu's railway lines and the lives of the people in those areas



* MaaS (Mobility as a Service): A service of providing the optimal means of transportation according to user purpose and preference

Projected Figures and Results (Transportation Segment)

Results for FY2018

The number of passengers carried by Tokyu Railways was 1.189 billion, an overall increase of 0.9% from the previous fiscal year, in part due to an increase in the number of people living along Tokyu lines. Operating revenue was 213.6 billion yen (up 1.0% from fiscal 2017), and operating profit was 29.0 billion yen (up 0.3% from fiscal 2017).

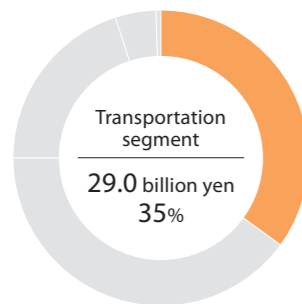
Forecasts for FY2019

As the number of people living along Tokyu lines continues to increase, and as redevelopments in Shibuya and Minami-Machida come online, it is expected that the number of passengers carried by Tokyu Railways will increase again this fiscal year.

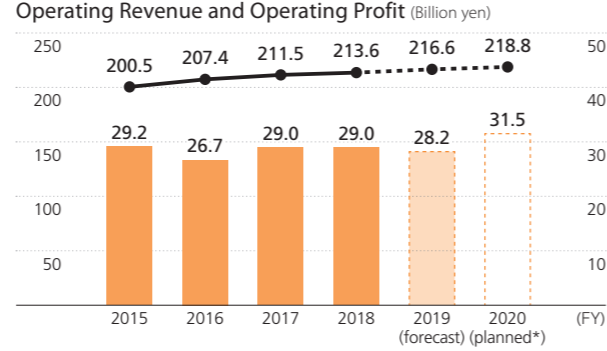
On the other hand, in order for even more customers to use Tokyu services in safety and comfort, we will continue to promote the installation of platform screen doors (expected to reach 100% in fiscal 2019) and the introduction of new rolling stock. Consequently, expenses are also expected to increase.

As a result, operating revenue is forecast to reach 216.6 billion yen (up 1.4% from fiscal 2018), and operating profit is forecast to reach 28.2 billion yen (down 3.0% from fiscal 2018).

Operating Profit Distribution Ratio (FY2018)

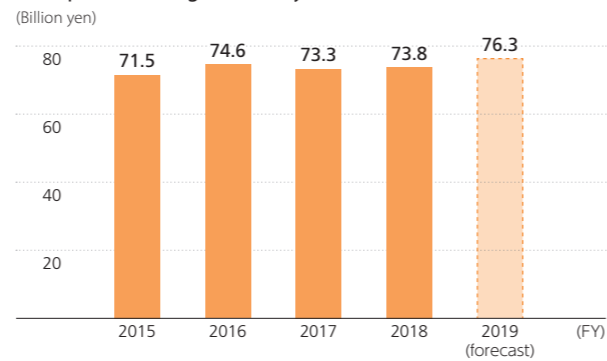


Transportation Segment: Operating Revenue and Operating Profit (Billion yen)



* Figure at time of preparing the medium-term management plan

Transportation Segment: Tokyu EBITDA* (Billion yen)



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

Initiatives & Indicators Based on Material Sustainability Themes

Material sustainability theme	Initiative	Measure indicator	Scope	Results for 2017	Results for 2018 (year-on-year change)
Safety & Security	Prevention of accidents Alleviation of congestion rate during peak hours	Number of accidents reported to MLIT	Tokyu Railways	19	27
		Installation rate of platform screen doors and fixed platform barriers equipped with sensors	Tokyu Railways	69%	81% (+12 pt)
		Congestion rate	Tokyu Railways Den-en-toshi Line at peak time	185%	182% (-3 pt)
	Realization of transportation services which people can feel safe using	Transportation capacity	Tokyu Railways Den-en-toshi Line at peak time	1 hour before: 31,374 Peak congestion: 40,338 1 hour after: 32,868	1 hour before: 32,868 Peak congestion: 40,388 1 hour after: 32,868
		Installation rate of security cameras inside train carriages	Tokyu Railways	48/156 carriages	57/156 carriages (+9 carriages)
Urban Development	Regional revitalization through airport management business	Percentage of station attendants who are certified service care assistants	Tokyu Railways	100%	100%
		Number of passengers using Sendai International Airport	Sendai International Airport	3.43 million	3.61 million (+180,000)
Low-carbon, Recycling-based Society	Reduction of CO ₂ emissions	Replacement with new rolling stock (2020 Series*1)	Tokyu Railways	3/32 carriages*2	9/32 carriages (+6 carriages)

*1 50% reduction in operating power compared to 8500 Series

*2 Number of 8500 Series carriages to be replaced with new rolling stock (2020 Series)

Contribution to SDGs

Demonstration of Japan's First Suburban MaaS in Areas Served by Tokyu's Railway Lines

Corresponding material sustainability themes: Safety & Security | Urban Development | HR Development | Quality of Living Environment

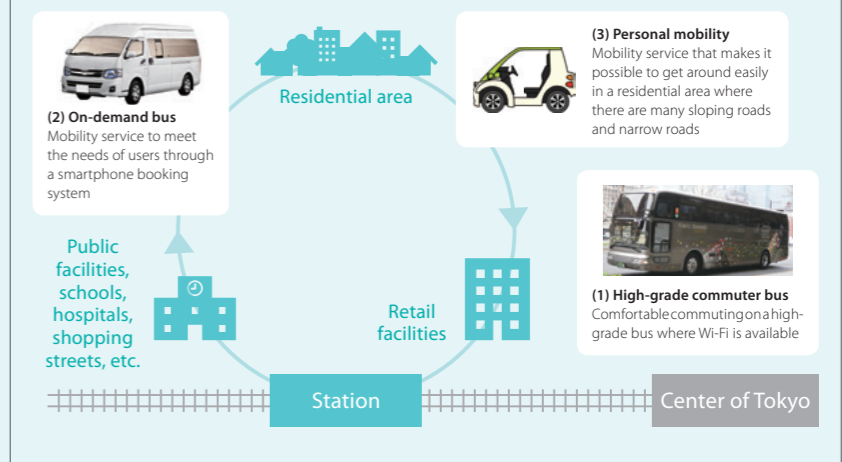
Social Issues

- Increasing need for public transportation services in view of mobility-impaired persons
- Changing work styles etc.



The aim of this experiment is to develop diverse options of mobility, responding to changes in work styles, such as securing efficient workspaces as a result of workstyle reforms, and changes in the environment surrounding suburban residential areas, such as an increase in need for travel to community facilities as a consequence of aging. By combining three modes of mobility—high-grade commuter buses, on-demand buses and personal mobility—our aim is to build mobility services that allow people to comfortably move about at any time.

An experiment on mobility in response to the diversified needs for mobility (offering different options of mobility)



Demonstration of Railway Infrastructure Maintenance Using Advanced Technologies

Corresponding material sustainability themes: Safety & Security

Social Issues

- Measures dealing with large-scale natural disasters and deteriorating infrastructure
- Shortage of personnel involved in infrastructure maintenance etc.



In collaboration with Izukyu, Metropolitan Expressway and other companies, we have jointly developed a new railway maintenance technology that leverages the InfraDoctor maintenance system that was developed for road structures by the Metropolitan Expressway Group. Our new technology (called Railway InfraDoctor below) is designed to improve the accuracy and efficiency of the maintenance, inspection and management work of railway facilities. By linking 3D point group data obtained by laser scanning with geographical information system (GIS), InfraDoctor allows for the early detection of any anomalies, dramatically improving efficiency in maintenance and repair planning.

As well as reviewing the methods and frequency for maintaining and inspecting railway equipment, which was included among the key initiatives in our medium-term management plan, we will continue putting efforts into developing technologies for enhancing our ability to detect adverse signs.



Vehicle measuring 3D point group data



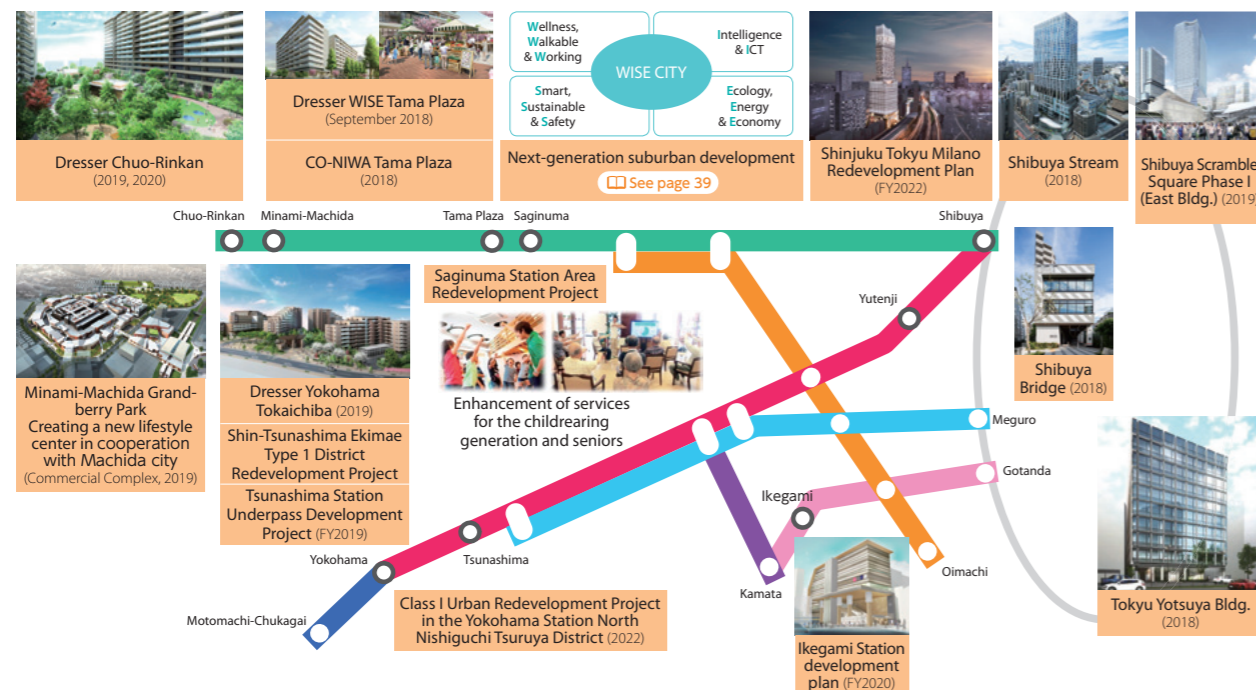
Drawing on expertise gained over the course of developing the Tama Den-en-toshi project—one of the largest urban development projects of its kind in Japan—we respond to all real estate-related needs, from development, to sales, leasing, management and operation.

Key Business Overview of the Group (Tokyu Corporation and Consolidated Subsidiaries) (Fiscal Year Ended March 31, 2019)

Japan	Overseas
<ul style="list-style-type: none"> Office building space: Approx. 338,000 m² Rental housing: 1,210 units (30 facilities) Senior residences with services: 4 facilities 	<ul style="list-style-type: none"> Binh Duong New City, Vietnam Development area: Approx. 110 hectares Housing units sold/supplied (total): 1,078 units

Strengths of the Group

Hybrid area development—based on offices, commercial facilities, hotels and other facilities centered on stations—meeting the needs of “live,” “play,” and “work”



Medium- to Long-term Business Direction

Sustainable Urban Development

“Creating sustainable cities” has been our mission carried down over the ages since our founding. Even with today’s rapidly changing demographics, technologies and values, we will solve social issues and achieve business growth through “urban development that is unique to the Group” based on a long-term vision of society.

In the development of business bases, by combining our transportation infrastructure business, urban development business, and lifestyle service and retail business, we continuously

create markets that are one step ahead of the times. Even in the Tama Den-en-toshi area, which has supported our brand, there are signs of demographic change, such as a decline in the working-age population. But by strategically arranging “live, play, work” functions, and by carrying out fine-tuned urban development that makes the most of the attractiveness of each local area, this will lead to revitalization of the city and reverse transportation in railways (from the city to the suburbs).

Promoting urban development that is unique to the Group

The Real Estate Segment will continue to play the central role in acquiring consolidated profit as the core business; and it will also achieve both the resolution of social issues and the growth of the business by using our strengths both in Japan and overseas

Evolving from the real estate business to urban management

Evolving into the next-generation business by exhibiting the total power of the Group by using IT and cooperation with the Lifestyle Service Business Segment and the Retail Business Segment



New development of Tama Den-en Toshi

Integrally exerting the total power of our railway, real estate, and life services businesses for challenges to produce advanced cases of solutions to problems in suburban areas
 In the development of business bases, strategically arranging functions such as “work, life, and play” functions in the stations to activate the city (including the creation of jobs) and promoting reverse transportation in the railways



Development of business bases
 Improvement of the convenience and attraction of the suburban areas through the enhancement and compositization of base stations through further cooperation with the administrative agencies, etc.

Urban services using IT
 Active use of technologies for solving problems in suburban areas
 - New mobility
 - Sharing economy, etc.

Town branding
 Implementing new iconic projects for the new “Tama Den-en Toshi brand” and increasing the population of the related people* by disseminating information, etc.

* Population of the related people: A term referring to people concerned with a specific local area in various ways; referring to neither the resident population, meaning the population of residents, nor the visitor population, meaning the population of visitors

Projected Figures and Results (Real Estate Segment)

Results for FY2018

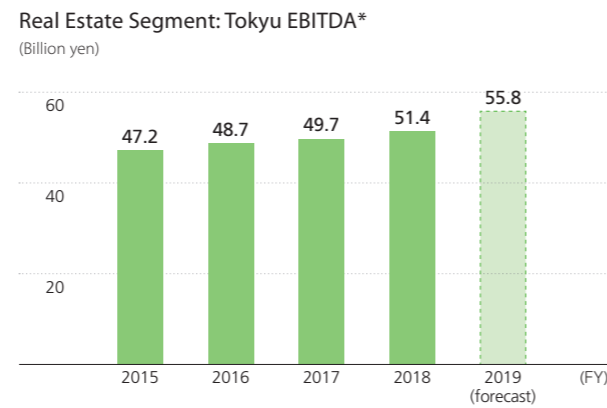
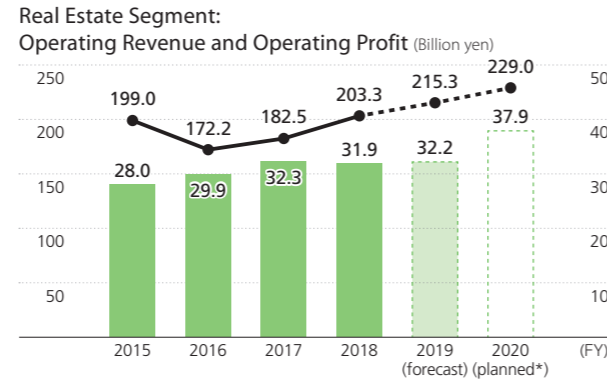
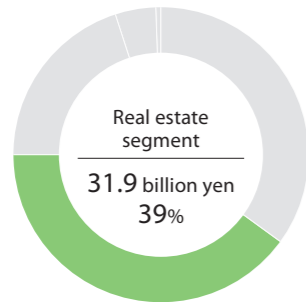
Operating revenue was 203.3 billion yen (up 11.4% from fiscal 2017), in part due to an increase in revenue in the Company's real estate leasing business following the opening of Shibuya Stream. Operating profit was 31.9 billion yen (down 1.2% from fiscal 2017) due in some measure to the rebound from sales of profitable properties in the Company's real estate sales business during fiscal 2017.

Forecasts for FY2019

The opening of Shibuya Scramble Square Phase I (East Bldg., November 1) and the launch of Minami-Machida Grandberry Park (November 13) are scheduled for this fiscal year. In addition, Shibuya Stream, which opened for business midway through fiscal 2018, will be operational for the full year. Unit sales in the Company's real estate sales business, though, are expected to decrease.

As a result, operating revenue is forecast to reach 215.3 billion yen (up 5.9% from fiscal 2018), and operating profit is forecast to reach 32.2 billion yen (up 0.7% from fiscal 2018).

Operating Profit Distribution Ratio (FY2018)



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

Initiatives & Indicators Based on Material Sustainability Themes

Material sustainability theme	Initiative	Measure indicator	Scope	Results for 2017	Results for 2018 (year-on-year change)	
Safety & Security	▶ Minimization of disaster risks	Number of stranded people able to be accommodated*1	Tokyu Corporation Tokyu Hotels*2	7,140	8,893 (+ 1,753)	
Urban Development	▶ Development of business bases ▶ Next-generation suburban development	Population growth rate	17 municipalities along Tokyu's railway lines	+ 0.598%	+ 0.543% (- 0.055 pt)	
	▶ Promotion of teleworking	Number of monthly users of NewWork (satellite offices)*3	Tokyu Corporation	2,513	6,032 (+ 3,519)	
	▶ Shibuya redevelopment	Total floor space in Shibuya area*4	Tokyu Corporation	512,000m ²	657,000 m ² (+ 145,000 m ²)	
		Number of visitors to WANDER COMPASS Shibuya (information office)*3	Tokyu Corporation	—	24,607 (6 months)	
Low-carbon, Recycling-based Society	▶ Reduction of CO ₂ emissions ▶ Effective utilization of resources ▶ Encouraging behavior that gives consideration to ecosystems	▶ Overseas urban development	Binh Duong New City (Vietnam) Number of housing units sold/supplied (total)	Tokyu Corporation Becamex Tokyu	474 units	1,078 units (+ 604 units)
		Number of facilities obtaining environmental certification (total)	Tokyu Corporation	3	3	

*1 Not including the number of stranded people who can be temporarily accommodated by Tokyu Railways
*2 Tokyu Hotels Co., Ltd. is part of the hospitality business (hotel and resort segment)
*3 Given financial impact of new business, etc., is insignificant, recorded in finances as non-operating profit / SG&A expenses
*4 Tokyu development projects (including JV) of at least 10,000 m²; rounded down to nearest 1,000 m²

Contribution to SDGs

North Side of Tama Plaza Station as a Model Area for Next-generation Suburban Development

Corresponding material sustainability themes: **HR Development** **Quality of Living Environment**

Social Issues

- ▶ Aging of residents and deterioration of buildings in suburban residential areas
- ▶ Diversification of lifestyles and housing awareness
- ▶ Need for revitalization of local communities



The Group is promoting "next-generation suburban development" based on an agreement with the City of Yokohama as an activity that is also connected to the SDGs Future-City Yokohama initiative. In the model district on the north side of Tama Plaza Station, industry, academia, government and the community are working collaboratively for the sustainable development of suburban residential areas.

In a move toward realizing the vision of community living,* in September 2018, CO-NIWA Tama Plaza, a facility focused on enhancing local convenience, was established in the low-rise section of the DRESSER WISE Tama Plaza condominium project, and since then, we have also been engaged in area management activities based at that facility.

We are also working to create attractiveness and value for new suburban residential areas, by introducing the "work" function to conventional residential districts.

*The image of a city where everyone can continue living with a sense of security, where services necessary for daily life are within walking distance of where people live

Next-generation suburban development (Japanese only)
<http://jisedaikogai.jp/>

Wellness, Walkable & Working

A city where people across different generations can realize a fulfilling lifestyle and lead an active, healthy life

Intelligence & ICT

A city that uses state-of-the-art technology to support life services and resident participation and activity

Smart, Sustainable & Safety

A city that supports the generational cycle, where the collaboration and sustainability of living services can be maintained

Ecology, Energy & Economy

A city rebuilt from the perspectives of the environment, energy and the economy, promoting less environmental impact and circulation of the local economy

WISE CITY



Dresser WISE Tama Plaza

Urban Development Integrated with Public Transportation in Binh Duong, Vietnam

Corresponding material sustainability themes: **Safety & Security** **Urban Development** **Quality of Living Environment**

Social Issues

- ▶ Rapid population growth and concentration in cities
- ▶ Development of urban infrastructure (electricity, sewerage, etc.) and high-quality medical services
- ▶ Chronic congestion



Leveraging expertise gained in the Tama Den-en-toshi project, the Group is working to develop Tokyu Binh Duong Garden City (approximately 110 hectares) in Binh Duong New City (approximately 1,000 hectares), Binh Duong Province, located 30 km north of the metropolis of Ho Chi Minh City in southern Vietnam. In addition to providing high-quality high-rise apartment buildings and detached houses suited to the local climate, we have also developed the "hikari" commercial facility featuring a food court and convenience store, and have attracted the Viet Hoa International School and medical facilities to the area. Furthermore, in the bus business too, we are promoting urban development integrated with public transportation, adopting Japanese-style know-how, such as scheduled services keeping to timetables posted at bus stops, safe and comfortable vehicles, and courteous customer service.



Binh Duong New City



Bus servicing circular routes in Binh Duong New City (KAZE SHUTTLE)



In addition to our retail business in department stores, supermarkets and so on, we are also engaged in "IENAKA" (home) services such as CATV, security and electricity retail, as well as "MACHINAKA" (downtown) stores and services, such as private after-school day-care.

Key Business Overview of the Group (Tokyu Corporation and Consolidated Subsidiaries) (Fiscal Year Ended March 31, 2019)

Lifestyle Service	Retail
<ul style="list-style-type: none"> ▶ Households connected to CATV (its communications, Cable Television Shinagawa): 1,113,000 households ▶ Households supplied by Tokyu-Denki & Gas: 150,000 electricity accounts, 53,000 gas accounts ▶ TOKYU POINT members: 2.51 million 	<ul style="list-style-type: none"> ▶ Department stores: 7 stores in Japan, 1 store overseas ▶ Supermarkets: 84 stores ▶ Shopping centers (SC): 28 centers in Japan, 1 center overseas

Strengths of the Group

▶ Real points of contact with customers of different generations, from kids to seniors; and provision of a variety of products and services suited to customers' changing needs and lifestyles

MACHINAKA (downtown) stores and services Face-to-face contact with customers of different generations	Department stores	Shopping centers	Supermarkets	EKINAKA* shops
	After-school day-care and preschool childcare	Cinema complexes	Sport	Culture schools <small>*area within a train station</small>
IENAKA (home) services Provision of community infrastructures (communication, energy) connecting with families living along Tokyu's railway lines	CATV	Home convenience	Electricity retail and gas distribution	Security
Creation of added value through combination of services Strengthening of customer acquisition and enhancement of value offered by integrating and linking customer bases with products and services in each business	TOKYU POINT	TOKYU ROYAL CLUB	Smartphone payment	

Medium- to Long-term Business Direction

The lifestyle service and retail business are supported by providing value that accurately captures environmental changes, such as technological innovation, as well as demographic changes and diversifying values due to Japan's declining birth-rate, aging population and rising average life expectancy.

As Japan approaches the era of the 100-year life, the Group is striving to develop areas serviced by Tokyu's railway lines where residents can live in good physical and mental health (wellness)

throughout their lives, and where the next generation will also want to live. The lifestyle service and retail business are characterized by having real points of contact with customers, and this is leveraged by the Group to provide services which are responsive to diverse values and which offer customers convenient, comfortable and fulfilling experiences, as well as to focus efforts on extending healthy life expectancy, and enriching the environment making it easier raise children.

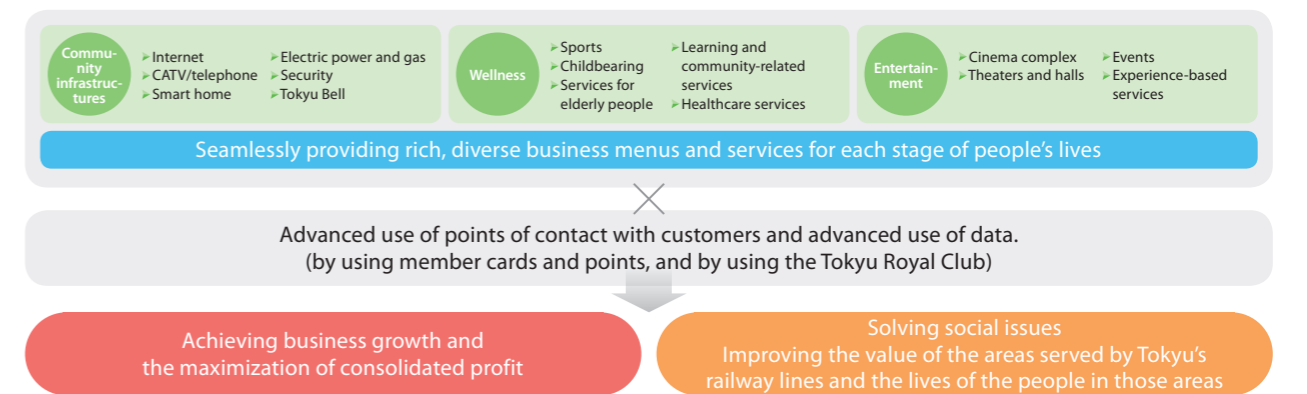
Lifestyle Service Business

Enhancing the competitiveness of individual businesses; pursuing synergy with the urban development business

▶ Improving profitability by responding to changes that occur in the business environments and promoting structural reforms

Providing functions for improving the values of the areas served by Tokyu's railway lines and the lives of people in the areas

▶ Implementing management that is oriented toward consumers and users ahead of diversified customer needs and changes in people's lifestyles



Retail Business

Conversion of the business structure and improvement of profitability through cooperation among the Group and alliances with companies outside the Group

▶ Innovation of the business structure in segments for different business categories (department stores, supermarkets, shopping centers) and their integration with EC

production and retail functions and also through the development of our original content

Provision of new experiences to customers and improving productivity by introducing new technologies

▶ By combining and utilizing big data and new technologies such as AI to create new value and improve productivity

Constant arrangement of the business portfolio by scraping and building in response to changes in consumer needs

▶ Enhancement of commodity measures through enhancement in the food product category by improving private brands and

Integration of EC with stores <ul style="list-style-type: none"> ▶ Real-time inventory ▶ Cooperation with Tokyu Bell 	Measures through use of original contents <ul style="list-style-type: none"> ▶ TWG and COVA ▶ SHIBUYA109 ▶ Private brands 	New technologies and combining them with existing technologies <ul style="list-style-type: none"> ▶ Unmanned shops, AI, robots, logistics
---	---	---

Projected Figures and Results (Life Services Segment)

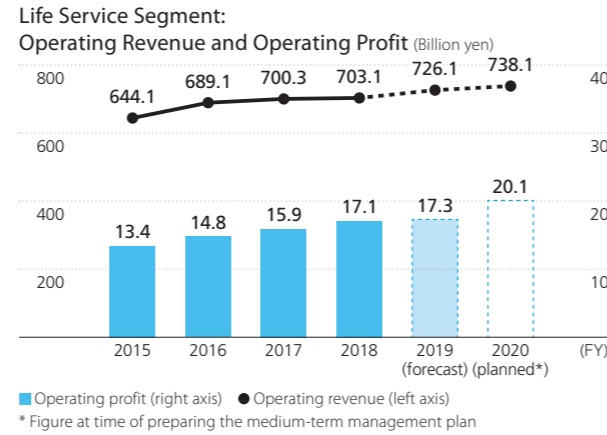
Results for FY2018

Operating revenue was 703.1 billion yen (up 0.4% from fiscal 2017) and operating profit was 17.1 billion yen (up 7.1% from fiscal 2017), in part due to an increase in customers to Tokyu Power Supply in the retail electricity business.

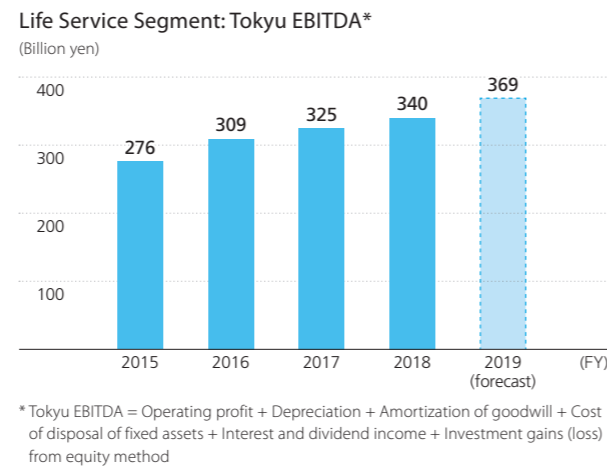
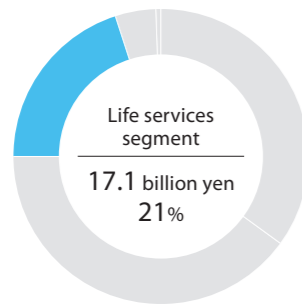
Forecasts for FY2019

Tokyu Department Store is planning to open a new store in Shibuya Scramble Square (East Bldg.). We also expect a broader customer base at Tokyu Power Supply.

As a result, operating revenue is forecast to reach 726.1 billion yen (up 3.3% from fiscal 2018), and operating profit is forecast to reach 17.3 billion yen (up 0.9% from fiscal 2018).



Operating Profit Distribution Ratio (FY2018)



Initiatives & Indicators Based on Material Sustainability Themes

Material sustainability theme	Initiative	Measure indicator	Scope	Results for 2017	Results for 2018 (year-on-year change)
Safety & Security	▶ Minimization of disaster risks	Number of households connected to CATV (able to receive information transmissions, such as on local disaster prevention)	its communications / Cable Television Shinagawa	1,073,000 households	1,113,000 households (+40,000 households)
	▶ Response to various crime prevention needs	Total number of customers subscribing to security services for kids, seniors and home	Tokyu Security	69,000	78,000 (+9,000)
Quality of Living Environment	▶ Provision of life facilities and services fitting diverse generations	Number of facilities for preschool and school-aged children (sum of leased + direct management)*1	Tokyu Kids Base Camp / Tokyu Corporation	66 facilities	74 facilities (+8 facilities)
	▶ Support for the elderly and others who lack access to shops ▶ Provision of products and services utilizing data for stores, e-commerce, IENAKA, etc.	Number of Tokyu Bell deliveries	Tokyu Corporation*2	1,600 deliveries per day	2,700 deliveries per day (+1,100 deliveries)

*1 Aggregate of facilities managed directly by Tokyu (KBC) and leased facilities. Leases are recorded in finances under urban development business.

*2 Given financial impact of new business, etc., is insignificant, recorded in finances as non-operating profit / SG&A expenses

Contribution to SDGs

IoT-based Intelligent Home

Corresponding material sustainability themes: Safety & Security | Urban Development | Quality of Living Environment

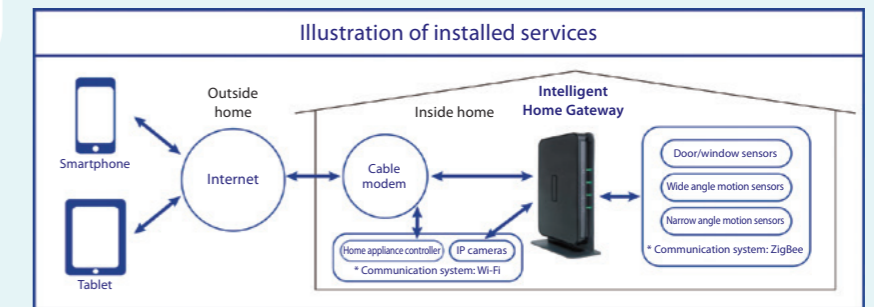
Social Issues

- ▶ Lack of housing with physical and cognitive support where the elderly can feel safe
- ▶ Increasing need for children to be looked after, due to increase in families where both parents work
- ▶ Increasing need for pets to be looked after



An increase in families where both parents work, coupled with the advent of an aging society, have led to a growing need for homes to be managed remotely. Intelligent Home is a service that allows users to easily control their homes using a smartphone or tablet.

Customers are able to select a combination of services to suit their particular lifestyle, including smart locks for locking and unlocking doors using a smartphone, home appliance controllers for switching air conditioners and lights on or off from outside the home, as well as cameras and sensors for checking whether children have returned home, for watching over elderly family members, and for checking on pets while they are home alone. We will contribute to realizing safe, secure and convenient lifestyles suited to changes in society.



Localized, Integrated EC Service Provided by Tokyu Bell

Corresponding material sustainability themes: Urban Development | Quality of Living Environment

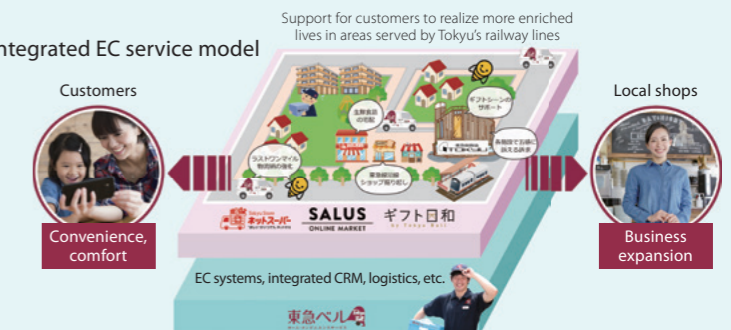
Social Issues

- ▶ Revitalization of local businesses and shops (lack of successors because of aging, elimination through competition)
- ▶ Support for people who lack access to shops following decline of retail stores
- ▶ Revitalization of local communities



Based on various life service businesses and delivery networks with roots in local areas served by Tokyu's railway lines, we are developing a localized e-commerce service that creates added value, such as "local consumption of locally produced goods," which connects customers with appealing shops close to Tokyu lines, and "regional support," which connects customers with specialty products and producers hidden away in provincial areas. The aim of this is to build three-way win-win relationships between customers, shops along Tokyu lines and Tokyu Corporation. Through expanding the lineup of products and services necessary for daily life, and through discovering and promoting appealing shops along Tokyu lines, we will continue to help customers realize rich lives, contribute to community revitalization, and work to make the areas served by Tokyu's railway lines the "best places to live" in Japan.

Localized, integrated EC service model





Hospitality

Operating hotel and resort facilities across Japan, the Group offers a range of refined services and hospitality of the highest quality, and contributes to the revitalization of city areas through the expansion of business in local communities.

Key Business Overview of the Group (Tokyu Corporation and Consolidated Subsidiaries) (Fiscal Year Ended March 31, 2019)

Accommodation Facilities	Golf Courses
<ul style="list-style-type: none"> ▶ Tokyu Hotels: 44 facilities with 12,054 rooms ▶ Tokyu Vacations: 16 facilities with 186 rooms 	<ul style="list-style-type: none"> ▶ Members-only courses: 4 ▶ Public courses: 2

Strengths of the Group

▶ One of Japan's largest networks of establishments offering a rich selection of hotels, golf courses, time-share resorts and other facilities capable of accommodating diversifying customer values and lifestyles

Tokyu Hotels	Tokyu Vacations	Golf courses
<ul style="list-style-type: none"> ▶ 44 hotels with 12,054 rooms nationwide ▶ 4 hotels in Shibuya, and 11 hotels in Tokyo ▶ New hotels: <ul style="list-style-type: none"> 1 hotel in FY2019 2 hotels in FY2020 	<ul style="list-style-type: none"> ▶ 16 members-only time-share resorts nationwide ▶ Each unit is approx. 70–90 m2 with living, dining and kitchen, and a sleeping capacity of 6* ▶ Complete with full kitchen, 2 toilets and a bathroom with separate washroom* ▶ More than 4,300 partner facilities are available in Japan and overseas * Excluding some facilities 	<ul style="list-style-type: none"> ▶ Three Hundred Club ▶ Five Hundred Club ▶ Tokyu Seven Hundred Club ▶ Tokyu Grand Oak Golf Club ▶ Grand Oak Players Course ▶ Emerald Coast Golf Links

<p>Tokyu Hotel Luxury/Resort Graceful and unique beyond expectation</p> <ul style="list-style-type: none"> • The Capitol Hotel Tokyu • Cerulean Tower Tokyu Hotel • Miyakojima Tokyu Hotel & Resorts etc. <p>Total of 14 facilities with 4,355 rooms</p>	<p>Excel Hotel Tokyo City Open the door to a thrilling, extraordinary world</p> <ul style="list-style-type: none"> • Shibuya Excel Hotel Tokyo • Akasaka Excel Hotel Tokyo • Shibuya Stream Excel Hotel Tokyo etc. <p>Total of 9 hotels with 2,627 rooms</p>	<p>Tokyu REI Hotel Middle It's the little things we do that give our guests comfort and joy</p> <ul style="list-style-type: none"> • Shibuya Tokyu REI Hotel • Kawasaki King Skyfront Tokyu REI Hotel • Sapporo Tokyu REI Hotel etc. <p>Total of 21 hotels with 5,072 rooms</p>
--	--	---

The numbers of hotels and rooms include those of franchise hotels and those operated under management contract arrangements (as of March 31, 2019)

Medium- to Long-term Business Direction

Three-dimensional Growth Centered on the Hotel Business

The hospitality business has thus far evolved in its own unique way based on the three keywords of “domestic, business and banquets,” supported by Japan’s rapid economic growth, urbanization and the associated strong business and leisure demand. Looking ahead, as Japan’s working-age population declines alongside significant increases in foreign visitors to Japan and more diverse demand for accommodation, it is expected that the hospitality business will expand targeted at a new customer base.

While the underlying tendency of the market is towards expansion, it is likely that an oversupply of accommodation facilities and the advance of alternative services will lead to

stiffer competition. Consequently, services need to be developed in a way that takes account of the diversification of values and lifestyles as well as responses to environmental problems and other social issues.

In the structural reform announced on April 1, 2019, Tokyu Corporation established a headquarter function for the hotel and resort segment, aiming for business growth through strengthening brand competitiveness, opening up new business areas by creating new added value, and through supply chain management across the entire hospitality business.

Market trends Market will grow, and needs will diversify and specialize

- ▶ **Growth in demand**
[Inbound] Government target of 60 million by 2030; significant increase in number of tourists from Asia
[Domestic] Decrease in business customers due to aging and declining population
Increase in leisure customers due to shift toward experiential consumption
- ▶ **Diversification of customer needs (millennial generation will gain prominence, new social-networking use for hotels)**

Strengthening brand competitiveness in the hotel business

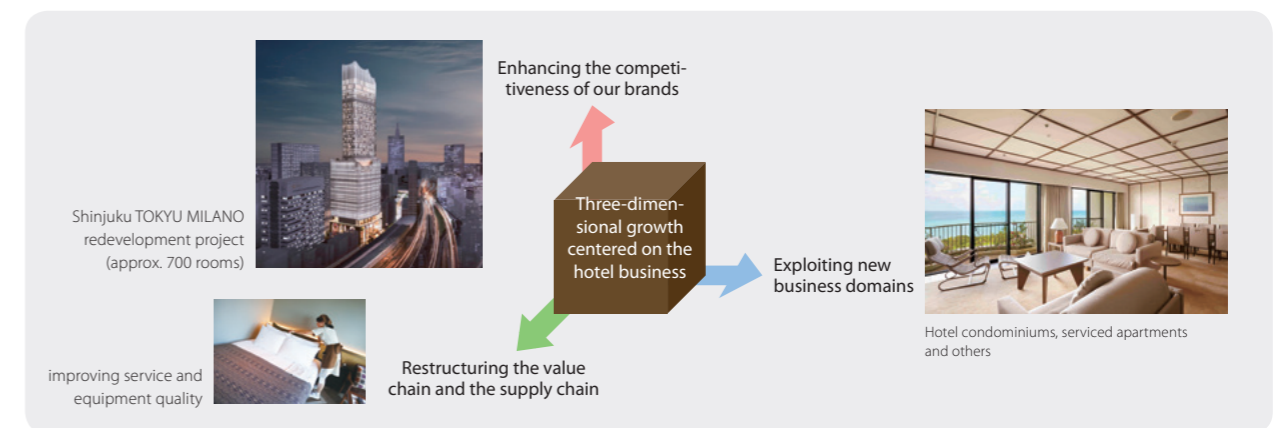
▶ Through the opening of new hotels, we will improve the brand power of our hotel business by proposing new services to market that are wanted by the diversifying global market and by the next generation

Exploiting new business domains

▶ Aiming for business growth, we will open up new areas of business, through the development of new business types based on collaboration with a variety of local content, and through the development of services suited to diversifying lifestyles

Restructuring of the value chain and the supply chain that are responsive to changes in the environments

▶ Based on our strength in integrating the ownership, management and operation processes (including cleaning and linen supply), we will work to improve quality and productivity, and to strengthen our ability to respond to environmental changes



Projected Figures and Results (Hotel and Resort Segment)

Results for FY2018

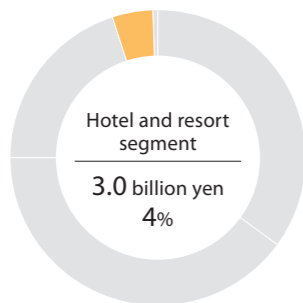
At Tokyu Hotels in the hotel business, despite an increase in unit sales prices and a sustained high occupancy rate at existing hotels, the closure and renovation of some hotels and the impact of natural disasters resulted in operating revenue of 99.9 billion yen (down 4.0% from fiscal 2017) and operating profit of 3.0 billion yen (down 39.6% from fiscal 2017).

Forecasts for FY2019

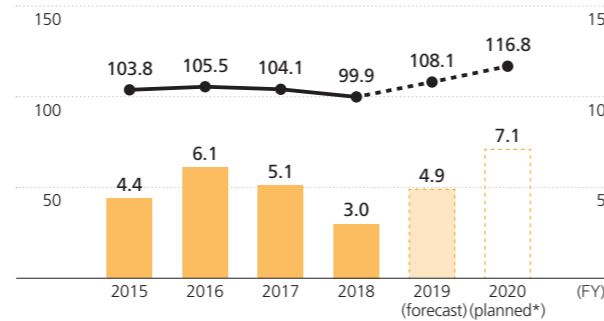
Three new hotels that opened in fiscal 2018 (Shibuya Stream Excel Hotel Tokyo, etc.) as well as hotels that underwent considerable renovations (Nagoya Tokyu Hotel, etc.) will be operational for the full year. Another new hotel is scheduled to open this fiscal year (Osaka Excel Hotel Tokyo, November 1).

As a result, operating revenue is forecast to reach 108.1 billion yen (up 8.2% from fiscal 2018), and operating profit is forecast to reach 4.9 billion yen (up 59.1% from fiscal 2018).

Operating Profit Distribution Ratio (FY2018)

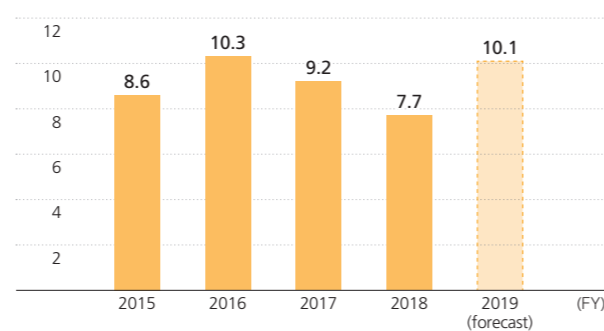


Hotel and Resort Segment: Operating Revenue and Operating Profit (Billion yen)



* Figure at time of preparing the medium-term management plan

Hotel and Resort Segment: Tokyu EBITDA* (Billion yen)



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

Initiatives & Indicators Based on Material Sustainability Themes

Material sustainability theme	Initiative	Measure indicator	Scope	Results for 2017	Results for 2018 (year-on-year change)
Safety & Security	▶ Realization of hotel services which people can feel safe using	BC drill ratio*	Tokyu Hotels	86.5%	92.5%
Urban Development	▶ Shibuya redevelopment	Number of nights spent by foreigners in Shibuya area	Tokyu Hotels	328,000 nights	384,000 nights (+ 17.0%)
Low-carbon, Recycling-based Society	▶ Reduction of CO ₂ emissions ▶ Effective utilization of resources ▶ Encouraging behavior that gives consideration to ecosystems	Number of Green Coins collected / collection ratio	Tokyu Hotels	72,600 coins / 1.3%	66,700 coins / 1.4% (- 5,900 coins / +0.1 pt)

* Target frequency of BC drills was set at once in fiscal 2017 and twice in fiscal 2018. Percentage shows the number of facilities that achieved the respective target.

Sustainability Policies at Tokyu Hotels

Based on sustainable management advocated by the Group, Tokyu Hotels has established three sustainability policies and six material sustainability themes. Deeply aware of the perspective of the Sustainable Development Goals (SDGs), we will contribute to realization of a sustainable society through our hotel business.

Three sustainability policies (vision)

- ▶ Earth-friendly hotel
- ▶ Town-friendly hotel
- ▶ People-friendly hotel

Six material sustainability themes (priority themes based on social issues)

- ▶ Low-carbon, Recycling-based Society; Urban Development, Safety & Security; Quality of Living Environment; HR Development; Corporate Governance & Compliance

<https://www.tokyuhotels.co.jp/company/sustainable/declare/index.html> (Japanese only)

Contribution to SDGs

Kawasaki King Skyfront Tokyu REI Hotel, World's First Hydrogen Hotel

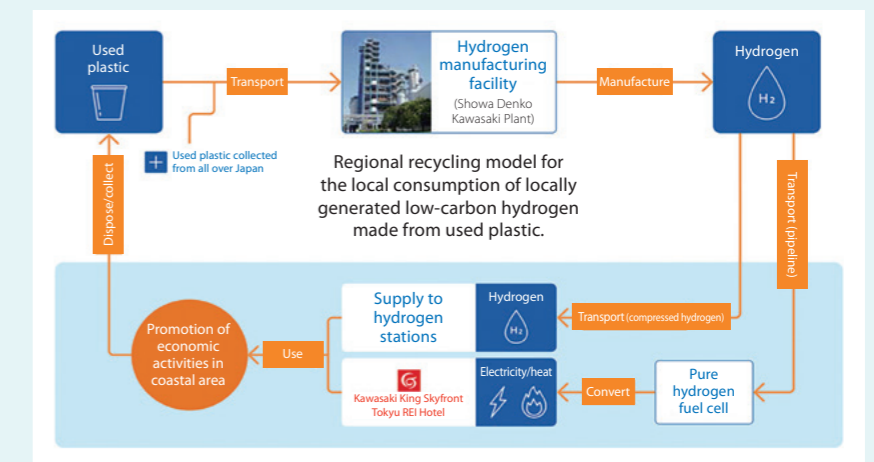
Corresponding material sustainability themes: Low-carbon, Recycling-based Society

Social Issues

- ▶ Global climate change issues and the need to reduce greenhouse gas emissions
- ▶ Reliance on fossil fuels, and the need for renewable energy



Opened in June 2018, the Kawasaki King Skyfront Tokyu REI Hotel is the "world's first hydrogen hotel," utilizing hydrogen made from used plastic to generate electricity and heat water for the hotel. In collaboration with the government and other companies, low-carbon hydrogen produced during the recycling process is supplied through a pipeline to fuel cells in the hotel and converted into electric power for the hotel. Furthermore, waste heat generated during the conversion process is used in supplying some of the hot water to the hotel. Over a one-year period, a total of about 300,000 Nm³ of hydrogen was used to generate 450,000 kWh, achieving a CO₂ emissions reduction effect of about 200,000 kg in total. During the first year of opening, the hotel also implemented an initiative to return the personal care amenities used by guests to the hotel, demonstrating how toothbrushes and combs used at the hotel are used to make hydrogen.



Green Coin Program, Linking the Kindness of Guests to Environmental Conservation

Corresponding material sustainability themes: Low-carbon, Recycling-based Society, Safety & Security

Social Issues

- ▶ Depletion of resources, increasing waste generation and inadequate recycling
- ▶ Reduction of forests with functions of soil conservation and watershed protection



The Green Coin Program aims to reduce our burden on the global environment from our own backyard, by reducing the number of toothbrushes, razors and other personal care items used every day at the hotel. If guests do not use the complimentary personal care amenities provided in their room, they bring green coins to the front desk which goes into a fund for environmental conservation activities. Funds equal to the number of coins collected throughout the year are donated via OISCA to global greening campaigns—the Children's Forest Program and a forestation activity in Tabayama Village. We will continue to work actively for preservation of the environment.



Sri Lanka (forestation activity)



Volunteers build wooden fences in Tabayama Village

Overview of Governance System

Message from Chairman of the Board

Since the foundation of Tokyu Corporation and the Tokyu Group, we have continued to make efforts to solve social issues through our businesses, and we have maintained steady growth as the country and urban and local regions develop. The Group slogan "Toward a Beautiful Age—Tokyu Group" formulated in 1997 continues to be an appropriate standard of values in the Reiwa era. We the Tokyu Group feel pride in our group slogan, and are determined to be a business group that contributes to a peaceful and prosperous Japan.

The effectiveness of governance—the foundation supporting business—is essential for realizing sustainable growth. We repeatedly make steady improvements, including the selection of our lead independent outside director; the establishment of various advisory committees such as for personnel and compensation; the analysis and evaluation of

the effectiveness of the Board of Directors; and the introduction of a stock-based compensation system for our directors and executive officers that aims to further increase awareness about contributing to the improvement of medium- to long-term corporate value and maximization of shareholder profits. In addition, we strive to vitalize the Board of Directors, such as by advance sending of meeting materials to outside officers in the operation of the Board of Directors.

In recent years, topics such as the revision to the Corporate Governance Code and SDGs have become common throughout the world. Sustainable management has become a standard for evaluating corporate value. To accurately take in changes in society and realize management from a multi-faceted perspective, Tokyu formulated material sustainability themes (materiality) in 2018. These material themes are aimed at passing down to the next generation our DNA for solving social issues that has flowed through Tokyu's veins for the past 100 years, and corporate governance and compliance is also clearly positioned as one of these material themes. Going forward, as a company responsible for the infrastructure of society, we will ensure fairness and transparency in management and fulfill our duty of accountability to shareholders and other stakeholders in order to achieve sustainable growth and increase corporate value over the medium- to long-term. I hope our stakeholders will continue to give us their further support into the future.



野本弘文

Hirofumi Nomoto
Chairman of the Board & Representative Director

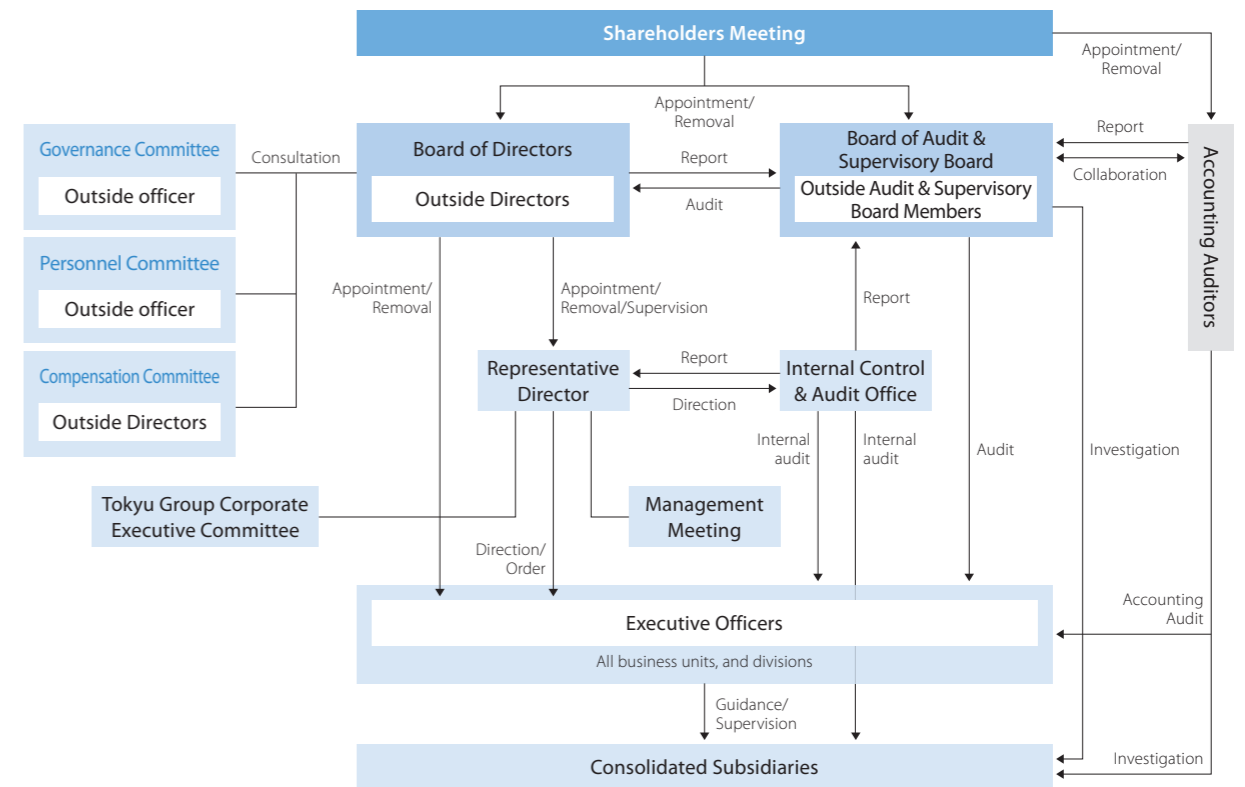
Ratio of independent outside directors 2019 3 out of 15	Ratio of outside audit & supervisory board members 2019 2 out of 4
Ratio of female directors 2019 1 out of 15	Directors' attendance rate of Board of Directors' meetings FY2018 (results) 99.5%

Corporate Governance System

Tokyu Corporation positions our Board of Directors as the supreme organization that manages and supervises our operations. The Board of Directors resolves Tokyu's management policies and important matters related to the execution of operations in accordance with the laws and regulations, the Articles of Incorporation and the Board of Directors Rules. It also supervises the performance of the duties of the directors. To clarify the management's functions for decision-making, supervision, and execution of operations, we have adopted an

executive officer system, which is a system where the functions for decision-making and supervision are being undertaken by the Board of Directors and the respective directors making up the board, while the function for execution of operations is undertaken by executive officers.

As a company with a board of company auditors, Audit & Supervisory Board Members and Board of Audit & Supervisory Board audit the performance of duties by directors.



Initiatives to Strengthen Corporate Governance

To realize sustainable growth, the strengthening of corporate governance is an important issue to be undertaken, and we have continued to work on such strengthening.

2015	<ul style="list-style-type: none"> Appointed Tokyu Corporation's first female director Started selection of lead independent outside director Established advisory committees (Governance Committee, Personnel Committee, and Compensation Committee) Formulated Corporate Governance Guidelines (standards for the independence of outside officers, policy regarding cross holdings, etc.)
2016	<ul style="list-style-type: none"> Started evaluation of the effectiveness of the Board of Directors for the purpose of ensuring the effectiveness and efficiency of decision-making by the Board of Directors
2017	<ul style="list-style-type: none"> Introduced stock-based compensation system
2018	<ul style="list-style-type: none"> Formulated regulations regarding executive corporate advisors and consultants (clarification of roles as well as ensuring transparency of treatment) Revised Corporate Governance Guidelines (article regarding the dismissal of representative directors, etc.)

Status of Officers

(as of October 1, 2019)

Directors





◎ : Chairman ○ : Member

Name	Current position and responsibilities	Age	Attendance at Board of Directors meetings (fiscal year ended March 31, 2019)	Years as director	Past experience and positions	Governance Committee	Personnel Committee	Compensation Committee
 Hirofumi Nomoto	Chairman of the Board & Representative Director	72	12 out of 12 meetings (100%)	12	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	President & Representative Director Responsible for Business Administration	62	12 out of 12 meetings (100%)	8	Joined Tokyu Corporation in 1980. Current position since April 2018, after positions such as Managing Executive Director of Tokyu Bus Corporation, and Executive General Manager of Tokyu Corporation's Corporate Administration Headquarters.	○	○	—
 Masao Tomoe	Vice President & Representative Director Responsible for Business Administration, Corporate Affairs Headquarters, Human Resources Headquarters, and Tokyu Hospital	65	12 out of 12 meetings (100%)	12	Joined Tokyu Corporation in 1976. Current position since April 2017 after positions such as Executive General Manager of Tokyu Corporation's Finance & Accounting Strategy Headquarters, and Executive General Manager of Tokyu Corporation's Human Resources Headquarters.	—	—	—
 Toshiyuki Hoshino	Director & Senior Managing Executive Officer Responsible for Hospitality Business Unit and International Business Strategy Headquarters	62	12 out of 12 meetings (100%)	9	Joined Tokyu Corporation in 1980. Current position since April 2017 after positions such as General Manager of Real Estate Management Headquarters, Real Estate Development Business Unit of Tokyu Corporation, Executive General Manager of Tokyu Corporation's Management Headquarters, and Executive General Manager of Tokyu Corporation's International Business Headquarters	—	—	—
 Toshiyuki Ichiki	Director & Managing Executive Officer Responsible for Transportation Infrastructure Unit and Lifestyle Service Business Unit	63	12 out of 12 meetings (100%)	4	Joined Tokyu Corporation in 1981. Current position since April 2017 after positions such as President & Representative Director of its communications Inc., and Senior Executive General Manager of Tokyu Corporation's Lifestyle Development Business Unit.	—	—	—
 Hirohisa Fujiwara	Director & Managing Executive Officer Responsible for Corporate Planning Headquarters and Finance & Accounting Strategy Headquarters; Executive General Manager of Corporate Planning Headquarters	58	12 out of 12 meetings (100%)	4	Joined Tokyu Corporation in 1983. Current position since April 2018 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.	—	—	—
 Toshiyuki Takahashi	Director & Managing Executive Officer Responsible for Urban Development Unit and Shibuya Development Unit	60	12 out of 12 meetings (100%)	2	Joined Tokyu Corporation in 1982. Current position since April 2018 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.	—	—	—
 Setsu Hamana	Director & Executive Officer Responsible for Building Management Unit; Executive General Manager of Building Management Headquarters	59	12 out of 12 meetings (100%)	5	Joined Tokyu Corporation in 1983. Current position since April 2019 after positions such as Executive General Manager of Building Headquarters, Urban Lifestyle Development Business Unit of Tokyu Corporation, and President & Representative Director of Tokyu Facility Service Co., Ltd.	—	—	—
 Masahiro Horie	Director & Executive Officer Responsible for Retail Business Unit; Executive General Manager of Retail Business Headquarters	57	12 out of 12 meetings (100%)	3	Joined Tokyu Corporation in 1984. Current position since July 2017 after positions such as Executive President & Representative Director of Tokyu Real Estate Investment Management Inc.	—	—	—
 Jun Murai	Director & Executive Officer Executive General Manager of Human Resources Headquarters	56	9 out of 9 meetings* (100%)	1	Joined Tokyu Corporation in 1985. Current position since June 2018 after positions such as General Manager of Business Promotion Division, Resort Business Headquarters of Tokyu Corporation, and Director and Executive Officer of Tokyu Hotels Co., Ltd.	—	—	—
 Isao Watanabe	Director & Corporate Consultant	63	12 out of 12 meetings (100%)	9	Joined Tokyu Corporation in 1979. Current position and President & Representative Director of Tokyu Railways Co., Ltd. since October 2019 after positions such as President & Representative Director of its communications Inc., and Senior Executive General Manager of Tokyu Corporation's Urban Development Business Unit.	—	—	—

* Jun Murai became a director during fiscal 2018



Outside Directors

◎ : Chairman ○ : Member



Name	Current position within Tokyu	Age	Attendance at Board of Directors meetings (fiscal year ended March 31, 2019)		Years as director	Significant concurrent positions	Reasons for selection	Governance Committee	Personnel Committee	Compensation Committee
			Board of Directors meetings	Audit & Supervisory Board meetings						
 Keiichi Konaga	Director Independent officer Lead Independent Outside Director	88	12 out of 12 meetings (100%)		11	President of Human Resources Training Center Japan	To reflect his wealth of experience and broad views through the Ministry of International Trade and Industry, corporate management, and political circles in the management of Tokyu Corporation	◎	◎	◎
 Kiyoshi Kanazashi	Director	74	12 out of 12 meetings (100%)		7	Chairman and Representative Director of Tokyu Fudosan Holdings Corporation Director of Tokyu Recreation Co., Ltd.	To reflect his wealth of experience and broad views mainly as a corporate manager in the real estate industry in the management of Tokyu Corporation	—	—	—
 Reiko Kanise	Director Independent officer	68	12 out of 12 meetings (100%)		4	Representative Director of Lenajapon institute co.,Ltd. Representative Director of Kei Associates Inc.	To reflect her wealth of experience and broad views in the retail business and marketing in the management of Tokyu Corporation	—	—	—
 Kunie Okamoto	Director Independent officer	75	8 out of 9 meetings* (89%)		1	Advisor of Nippon Life Insurance Company Outside Director of Kintetsu Group Holdings Co., Ltd. Outside Director of Daicel Corporation	To reflect his wealth of experience and broad views as a corporate manager in the management of Tokyu Corporation	○	○	—

* Kunie Okamoto became an outside director from an Outside Audit & Supervisory Board Member during fiscal 2018

Audit & Supervisory Board Members

Name	Current position within Tokyu	Age	Attendance (fiscal year ended March 31, 2019)		Years as audit & supervisory board member	Past experience
			Board of Directors meetings	Audit & Supervisory Board meetings		
 Takehiko Shimamoto	Audit & Supervisory Board Member	59	9 out of 9 meetings (100%)	5 out of 5 meetings (100%)	1	Current position since June 2018 after positions such as Director of Mitsubishi UFJ Financial Group, Inc.
 Naohisa Akimoto	Audit & Supervisory Board Member	62	12 out of 12 meetings (100%)	7 out of 7 meetings (100%)	3	Joined Tokyu Corporation in 1981. Current position since June 2016 after positions such as Director and Executive Officer of Tokyu Car Corporation, Senior Executive General Manager of Tokyu Corporation's Life Services Business Unit, and Managing Director and Executive Officer of Tokyu Agency Inc.

Outside Audit & Supervisory Board Members

Name	Current position within Tokyu	Age	Attendance (fiscal year ended March 31, 2019)		Years as audit & supervisory board member	Significant concurrent positions	Reasons for selection
			Board of Directors meetings	Audit & Supervisory Board meetings			
 Katsutoshi Saito	Audit & Supervisory Board Member Independent officer	75	11 out of 12 meetings (92%)	7 out of 7 meetings (100%)	11	Special Advisor to The Dai-ichi Life Insurance Company, Limited Outside Director of Imperial Hotel, Ltd. Outside Auditor of Asahi Group Holdings, Ltd.	To reflect his wealth of experience and broad views mainly as a corporate manager in the audit of Tokyu Corporation
 Kunio Ishihara	Audit & Supervisory Board Member Independent officer	75	12 out of 12 meetings (100%)	7 out of 7 meetings (100%)	7	Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. Outside Director of Japan Post Holdings Co., Ltd. External Director and Audit and Supervisory Committee Member of Nikon Corporation	To reflect his wealth of experience and broad views mainly as a corporate manager in the audit of Tokyu Corporation

Compensation, Evaluation of the Board of Directors, and Evaluation of the Board of Audit & Supervisory Board Members

Approach to and Process for Determination of Compensation, etc.

The compensation system for officers 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; performance-linked compensation calculated from the overall performance evaluation of the departments the respective officers are responsible for; and stock-based compensation to further the sharing of value between shareholders and directors.

The following matters related to compensation of directors are delegated to the Compensation Committee, an advisory organ to the Board of Directors.

- Policy for determining compensation, etc., of directors
- Details of compensation, etc., for each individual director

Fixed compensation reflecting directors' roles and responsibilities is determined by roles and whether the director has authority to represent the Company. Performance-linked compensation is calculated from evaluation with five levels arrived at through a comprehensive assessment taking into consideration indicators—such as budget achievement rate and execution rate—for the respective departments each director is responsible for using our medium-term management plans and such. Stock-based compensation utilizes a stock grant trust to grant and pay Company shares and money based on stock grant points conferred in stages according to positions and such. Performance-linked compensation and stock-based compensation are not paid to outside directors and audit & supervisory board members due to the nature of their work.

▶ 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	Performance-linked compensation		
Directors (of which, outside directors)	541 (33)	208 (33)	279 (—)	54 (—)	20 (5)
Audit & supervisory board members (of which, outside audit & supervisory board members)	67 (20)	67 (20)	— (—)	— (—)	5 (3)

Notes: 1. The above figures include three persons who retired after their terms ended at the 149th Annual General Meeting of Shareholders held on June 28, 2018.
 2. After Kunie Okamoto resigned as Audit & Supervisory Board Member at the 149th Annual General Meeting of Shareholders held on June 28, 2018, he was appointed as a Director. In calculating the number of applicable persons and amount paid, he is stated under audit & supervisory board member (outside audit & supervisory board member) for his term as a director, and under director (outside director) for his term as a director.
 3. 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.)
 4. 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 total amount of compensation in the form of shares stated above is the amount accounted as expenses in the current fiscal year. (At the time of the resolution being passed, there were 18 directors, of which four were outside directors.)
 5. 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.)

Advisory Committees to Directors

The Governance Committee, Personnel Committee, and Compensation Committee have been established as advisory organs to the Board of Directors. All three committees are chaired by the lead independent outside director.

Committee name	Chairperson	Chairperson	Number of meetings held in FY2018
Governance Committee	Keiichi Konaga (lead independent outside director)	To deliberate corporate governance matters in general	5 meetings
Personnel Committee	Keiichi Konaga (lead independent outside director)	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, and the appointment of advisors and consultants	4 meetings
Compensation Committee	Keiichi Konaga (lead independent outside director)	Delegated by the directors to deliberate and resolve matters relating to the allocation of compensation of directors, and the compensation of advisors and consultants	2 meetings

Evaluation of Effectiveness of the Board of Directors

Overview of Evaluation

Each year, Tokyu Corporation will analyze the operational efficiency of Board of Directors meetings and the validity and effectiveness of board resolutions through self-reporting and other methods to ensure valid and effective decision-making by the Board of Directors, and disclose the results of that analysis.

Main Items of Evaluation

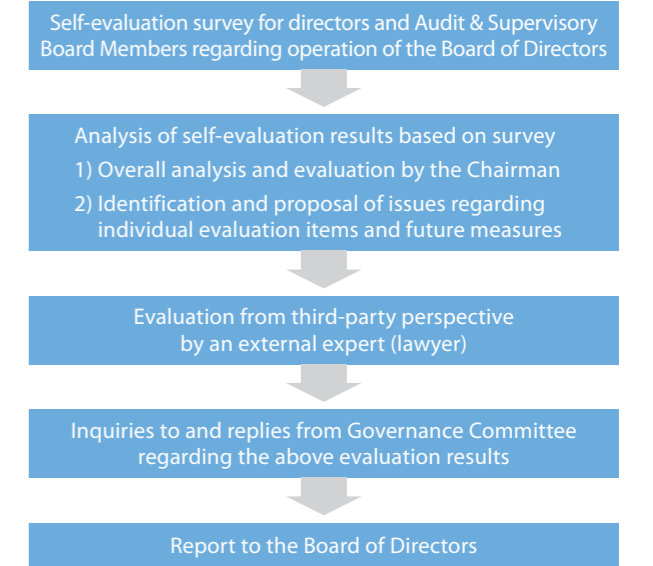
- Setting of schedules
- Collaboration and information sharing between officers
- Setting and deliberation of agenda
- Support system
- Composition of the Board of Directors etc.

Achievements of Improvement Initiatives

- Brought forward advance distribution of materials related to the agenda for Board of Directors meetings
- Conducted regular monitoring of progress at Board of Directors meetings for matters discussed at board meetings
- Regarding the formulation of the medium-term management plan and long-term management initiative, conducted interim reports on the formulation state to the Board of Directors as well as opinion exchange with outside officers
- Conducted on-site inspections and such to deepen outside officers' understanding of Tokyu Corporation's businesses
- Conducted review of members of advisory committees

Key Points of Evaluation Results

As a result of self-evaluation in fiscal 2018, it was evaluated that issues regarding the operation of the Board of Directors are largely dealt with, including the invigoration of discussions by meeting participants and the ideal method for sharing information with outside officers. From a third party who is a lawyer, we received evaluation that Tokyu Corporation can be expected to deliver even further improvements by applying the opinions of our directors and corporate editors. We will continue to work on enhancing the monitoring functions at our Board of Directors meetings and deepening considerations related to the composition of our Board of Directors.



Overview of Audit & Supervisory Board Effectiveness Evaluation and Evaluation Results

Recognizing that invigoration of the Board of Audit & Supervisory Board Members is also important for corporate management, Tokyu Corporation has also been conducting effectiveness evaluation for the Board of Audit & Supervisory Board Members since fiscal 2016. The same process as the effectiveness evaluation for the Board of Directors is used. In fiscal 2018, based on the result of self-evaluation after taking

into consideration the opinions of a third party who is a lawyer, the operation of the Board of Audit & Supervisory Board Members was evaluated as good in general. Regarding responses to the sophistication and diversification of risks surrounding our businesses, we will further improve effectiveness by continuing to monitor and validate.

Messages from Outside Officers

Messages from Independent Outside Directors



Keiichi Konaga
Lead Independent Outside Director

Promote sustainable management, through appropriate governance measures and with an eye to the changing world

I chair the three advisory committees. I would have to say that discussion during these meetings is conducted fairly based on facts, even if compared with independently collected information on the respective matters. Discussion during Board of Directors meetings is also very active. As the number of projects in new business areas increases, such as in large-scale redevelopment and airport management, we are also provided progress reports on these. Tokyu is acting appropriately from the perspective of corporate governance.

With the number of people living along Tokyu lines expected to increase for some time to come, measures combating congestion will continue to be needed. On the other hand, looking at Japan as a whole, the population has already begun to decline, coupled with a declining birthrate and aging population. In such circumstances, the Group will need to be managed from a sustainable perspective that takes account of connections with regional areas and with the wider world. Looking ahead, I will continue to work for the sustainable growth of the Group, through expansion of business in a way that is responsive to social circumstances.



Reiko Kanise
Independent Outside Director

Exploiting our strengths for the betterment of people's lives

Consumer-oriented management—which is precisely what the Group's envisioned management philosophy is about—can be found at the work front where areas of value creation continue to be expanded, from urban development to workplaces and homes, and can be found in the Group people that you meet from time to time.

On the topic of the advancement of women, I think it is only a matter of time before the word "women" is removed and it becomes about the advancement of capacity and competencies. I remain committed to keeping Tokyu a frontrunner that—rather than being about the number of female executives—recruits and appoints personnel in a way to meet the needs of the times, including nurturing personnel into positions of great responsibility in making decisions within the company, and cultivating an internal culture that accepts this.

Integrity, diligence and persistence, creativity to continue crafting new value, a can-do spirit for improving society without losing sight of the mission – I feel that these are where the strengths of the Group lie.



Kunie Okamoto
Independent Outside Director

Realize sustainable development by flexibly adapting to turbulent social changes

To achieve this, first and foremost, it is important to enhance the "health" of the company as a social presence, in every sense of the word. Accordingly, I will continue my relentless efforts for compliance and risk management, as well as for governance reforms which encompass these.

On the other hand, currently, there are waves of change sweeping toward us, from digital transformations such as IoT, AI and RPA,* to workstyle reforms and everything in between. However, we must not see these waves simply in terms of technological advances or institutional change. Only once their harmony with the community and contribution to the fullness of consumers is recognized will they be accepted.

The Group has a wide range of business areas, and has the best markets. Looking ahead, we will realize sustainable development by consciously working to create new value, while valuing the customer's point of view.

* Acronym for robotic process automation: the substitutive action for a business process, utilizing cognitive technologies, such as artificial intelligence, capable of performing advanced tasks in place of humans

Messages from Independent Audit & Supervisory Board Members



Katsutoshi Saito
Outside Audit & Supervisory Board Member

Further development based around New Shibuya: Right balance with public enterprise

I believe the Group has built a premium brand by having promoted a business strong in public nature, namely, the railway business—its founding business. The Shibuya redevelopment is a major project that is highly anticipated, and its success, I believe, is premised on Tokyu upholding its brand, refining the safety, security, and comfort expected in a railway business. In my view, Tokyu's governance is improving, as demonstrated by the volley of questions and answers during Board of Directors meetings, that is so lively we almost run out of time. In the future, the board will ideally have members with even more diverse qualities. Furthermore, while evaluations of the Board of Directors and the Audit & Supervisory Board Members are on the right track, in the future, it might also be worth considering getting outside officers interviewed directly by third-party organizations.



Kunio Ishihara
Outside Audit & Supervisory Board Member

Importance of corporate governance underpinning medium- and long-term value creation strategies

As an outside Audit & Supervisory Board Member, every time I participate in on-site inspections or in the free and open-minded debates at meetings of the Board of Audit & Supervisory Board Members and the Board of Directors, I am acutely aware that the Group is making dynamic progress toward achieving value creation through implementation of its three-year management plan and realizing business strategies in line with its long-term vision. At the same time, because of the Group's wide-ranging activities, corporate governance is becoming increasingly important. The most important viewpoint is none other than realizing value creation that extends to "safety and security" and "comfort," and to this end, a deeper compliance structure should be enhanced on a group basis, and IT controls should be advanced to meet diverse customer needs. Under such a solid structure, I will endeavor to contribute to the steady progress of initiatives by repeating the PDCA cycle, and to the sustainable growth of the Group as it approaches the 100th anniversary of its founding.

Dialogue with Stakeholders

Tokyu Corporation engages not only with customers who use its services, but also with many other stakeholders, including employees, people who reside along Tokyu's railway lines, shareholders and investors, and business partners. In conducting our business, we are supported by all these people. We believe that building long-term relationships of trust with them is essential, and will maintain ongoing dialogue through various means of communication, as we fulfill our responsibility to our stakeholders.

Dialogue with Local Communities and Customers

Urban development based on dialogue with local communities

Corresponding material sustainability theme: Urban Development

In collaboration with governments, shopping districts, local residents, NPOs and others in communities along Tokyu's railway lines, we are working to resolve issues and revitalize neighborhoods in each of these communities. In April 2012, we signed a letter of agreement with Yokohama City for the joint public-private promotion of the next-generation suburban development project. Then in March 2019, aiming for the sustainable development of communities centered around train stations, we signed a basic agreement with Ota City for the promotion of urban development through public-private partnerships that tap local potential. Through the signing of this agreement, in addition to further strengthening cooperation, we will initiate such efforts as the discovery and promotion of local resources, and the revitalization of communities by way of renovating idle assets such as unoccupied houses and untenanted shops.



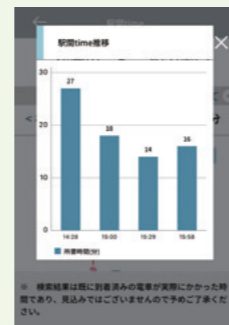
Number of urban development agreements with governments
7
(as of March 2019)

Signing of basic agreement with Ota Ward for the promotion of urban development through public-private partnerships that tap local potential

Responding sincerely to customer feedback

Corresponding material sustainability theme: Safety & Security

The Tokyu Customer Center was established to respond to customer feedback and to link this to long-term, stable development of the company through improving customer satisfaction. Customers most commonly contact the center with inquiries about train operations. In order to deliver information on train services more actively, we offer the TokyuLinesApplication—a smartphone app with the industry's first "station-to-station time" function, notifying users of the actual time required to their destination in real time (640,000 users as of March 2019).



Number of train-related customer inquiries received by Tokyu Customer Center
Approx. **177,000**
(FY2018)

Screen showing station-to-station time (graph of actual times taken over past two hours)

Dialogue with Shareholders and Investors

Improving corporate value through dialogue with shareholders and investors

Corresponding material sustainability theme: Corporate Governance

Apart from at general meetings of shareholders, we actively provide information and engage in dialogue with shareholders and investors regarding the Company's strategies and businesses through half-yearly presentations for investors, visits to institutional investors in Japan and overseas, and facility tours for shareholders. Feedback received is shared at meetings of relevant departments and division heads, and is reflected in our management. In February 2019, a construction site tour of the Minami-Machida Grandberry Park, which is scheduled to open in November 2019, was organized for shareholders, and was attended by 40 participants.



Percentage of voting rights exercised at general meeting of shareholders
78.9%
(June 2019)

Dialogue with institutional investors
190 occasions
(FY2018)

Shareholders tour of construction site (Minami-Machida Grandberry Park)

Dialogue with Universities and Educational/Research Institutions

Intellectual collaboration for the resolution of social issues

Corresponding material sustainability theme: Low-carbon, Recycling-based Society

We are also energetically involved in cooperation between industry and academia that combines the know-how of private enterprise with knowledge accumulated by universities. In January 2019, we secured the cooperation of Tokyo City University and Mirai Share Co., Ltd. in conducting a demonstration of Japan's first suburban MaaS* that combines a variety of mobility services for ensuring convenience and comfort for travel in suburban residential areas. By means of interactive exchange with society, we will strive for the fusion of knowledge through new concepts that transcend technical fields, the creation of new business models, and the union of technical knowledge with ideas from the user's point of view.



Number of industry-academia partnership agreements
8
(as of March 2019)

Group interview with monitors, conducted in collaboration with Tokyo City University

* MaaS (Mobility as a Service): A service of providing the optimal means of transportation according to user purpose and preference

Dialogue with Business Partners

Creation of competitive facilities through dialogue with corporate tenants

Corresponding material sustainability theme: HR Development; Quality of Living Environment

At the New Year meeting of shopping centers (SC) organized by Tokyu Corporation and retail companies of the Tokyu Fudosan Holdings Group (seven companies in total), we strengthen dialogue with corporate tenants and other business partners by inviting them to discuss such topics as operational issues and aspirations. We also hold the Terrace Trip training program at the Group's Tama Plaza Terrace. This is a two-day/one-night training program for all store managers and their support staff, designed to improve employee satisfaction (ES) such as by deepening our understanding of each other.



Number of corporate tenants participating at the New Year meeting
630
(FY2018)

Number of corporate tenants participating on the Terrace Trip
119
(FY2018)

A training workshop during the Terrace Trip

Dialogue with Employees

Communication among employees, including their families

Corresponding material sustainability theme: HR Development

For the purposes of promoting good health and facilitating communication among employees and with their families, we organize an ekiden relay race and a sports day every year. Cosponsored by the labor union, both are time-honored major events typically attracting more than 1,000 participants. The annual sports day is not just for employees. There are also fun events for families, including children's relays, tugs-of-war between workplaces, a bread-eating running race, and a show featuring popular characters. The president of Tokyu Corporation also participates in the ekiden relay road race to connect more deeply with employees.



Ekiden relay road race (November 2018)
590 entrants in 110 teams
Total of 1,016 participants including workplace supporters

17th Ekiden Relay

Sustainability Management

Concept of Sustainability Management

As a corporate citizen, the Group (Tokyu Corporation and consolidated subsidiaries) recognizes the importance of its social responsibilities. In addition to putting effort into compliance across the Group, we are actively promoting sustainable management, including the resolution of social issues through our business operations and the continuation of social contribution activities.

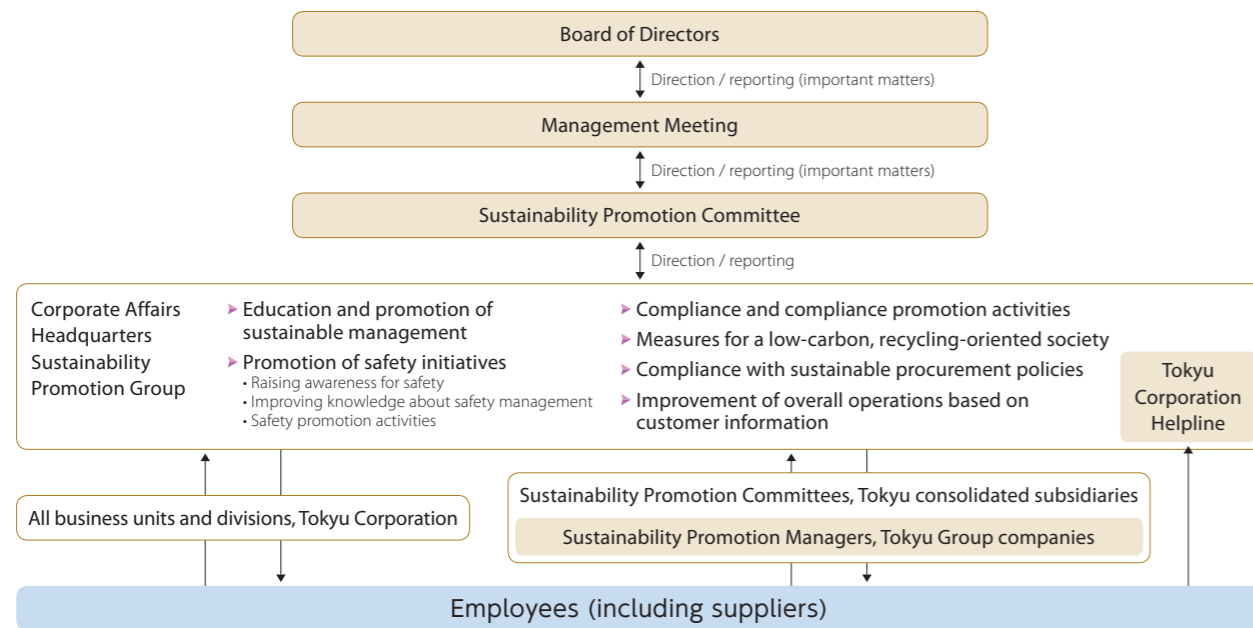
Core members of Tokyu's Sustainability Promotion Committee (see page 61) are the president and full-time officers. It meets, in principle, twice a year to deliberate on such topics as the education and promotion of sustainable management, as well as safety, compliance, measures for a low-carbon, recycling-oriented society, and sustainable procurement.

Any important matters deliberated by the Sustainability Promotion Committee are reported to the Management Meeting and then to the Board of Directors. The Management Meeting and the Board of Directors make decisions and provide guidance on the reported matters.

Furthermore, for the purpose of strengthening Tokyu's sustainability promotion structure on a consolidated basis, meetings of the Tokyu Group Sustainability Promotion Committee are held, in principle, twice a year, attended by the Sustainability Promotion Manager from each consolidated company.

The aim of this committee is for sustainable management to be promoted as a consolidated team. At meetings, information sharing includes communicating the sustainable management policies of Tokyu Corporation—the core company of the consolidated group. In fiscal 2018, as well as reports on scandals and accidents, information was shared on long-term environmental goals and about how to prepare for and respond to fire disasters.

► Sustainability Promotion Structure



PDCA Management via Indicators

With the aim of realizing sustainable management, Tokyu sets "indicators" for each key sustainability theme in order to understand the results of initiatives and measures through its

business. With our Sustainability Promotion Committee monitoring the progress of each indicator, we will work to strengthen our promotion of sustainability through a cycle of PDCA.

Meetings of the Sustainability Promotion Committee

As a successor to the CSR Management Promotion Committee—meetings for which were held from fiscal 2010, and were chaired by the president—Tokyu has held meetings of the Sustainability Promotion Committee since fiscal 2018 for the purpose of promoting sustainable management more strongly.

Chair: President

Members: Vice president, Senior Managing Executive Officers, Managing Executive Officers, Executive Officers, full-time audit & supervisory board members, general manager of the Internal Control & Audit Office, general manager of the Office of Audit & Supervisory board Member

Secretariat: Sustainability Promotion Group, Corporate Affairs Headquarters

► Sustainability Promotion Committee

Date of meeting	Agenda	Topics
April 2017 (CSR Management Promotion Committee / Safety Promotion Committee)	<ol style="list-style-type: none"> FY2016 scandals, accidents, whistle-blowing Initiatives for the promotion of CSR management <ol style="list-style-type: none"> Information security Working hours management for immediate future CSR trends and future initiatives Revision of environmental policy Status of Den-en-toshi Line viewed from customer perspective (delays, congestion, etc.) Safety promotion <ol style="list-style-type: none"> FY2016 initiatives for safety 	<ul style="list-style-type: none"> Compliance-related issues at other companies (overworking, information leaks) Stronger integration of information Cyberattacks, information leaks Work-style reform Importance of non-financial information Measures against falling hazardous materials Earthquake-proofing / BCP
November 2017 (CSR Management Promotion Committee / Safety Promotion Committee)	<ol style="list-style-type: none"> FY2017 1H status report on scandals/accidents Safety promotion <ol style="list-style-type: none"> Safety initiatives for railway business Initiatives for the promotion of CSR management <ol style="list-style-type: none"> Efforts for whistle-blowing system Prevention of improper accounting Initiatives for working hours management Feedback received by Customer Center, and initiatives for improvement 	<ul style="list-style-type: none"> Accidents/scandals at other companies (accounting irregularities, embezzlement of money and goods, problems related to railway equipment) Work-style reform
April 2018 (CSR Management Promotion Committee / Safety Promotion Committee)	<ol style="list-style-type: none"> FY2017 status report on scandals/accidents Preparing for and responding to fire disasters (measures at each consolidated company) 	<ul style="list-style-type: none"> Accidents/scandals at other companies (accounting irregularities, problems related to money and goods)
November 2018 (Sustainability Promotion Committee)	<ol style="list-style-type: none"> Integrated report and value creation story Setting of long-term environmental goals FY2018 1H status report on scandals/accidents Feedback received by Customer Center, and initiatives 	<ul style="list-style-type: none"> Sustainability indicators Environmental scenario analysis Preparing for natural disasters
April 2019 (Sustainability Promotion Committee)	<ol style="list-style-type: none"> FY 2018 status report on scandals/accidents Initiatives for streamlining accounting management Information security risks and responses Initiatives for safety Cancellation of ISO 14001 certification (Transition to goal management based on key sustainability themes) 	<ul style="list-style-type: none"> Accidents/scandals at other companies (natural disasters, abnormal weather, harassment, falsification of quality by manufacturer) Cyberattacks Measures to counter deterioration of buildings owned/managed by Tokyu, earthquake countermeasures Prevention of accidents during construction

Compliance

The Tokyu Group Compliance Guidelines

For the Group, compliance is more than merely about prevention of corporate misconduct. It is an element that is essential to us realizing increased corporate value and to our continued existence as a brand preferred by customers. To promote compliance management within the Group and to achieve the Tokyu Group Philosophy, in January 2002, we established the

Tokyu Group Compliance Guidelines as a set of basic compliance rules for the conduct of all officers and employees in the Tokyu Group. Based on these guidelines, each Tokyu Group company is committed to promoting compliance as it conducts its own individual activities in line with its business form and organizational culture.

The Tokyu Group Compliance Guidelines

- 1. To establish the Tokyu brand with customer trust and support**
 - (1) We will provide quality products and services with a commitment to customer comfort and confidence.
 - (2) We will give priority to communication with customers and provide information in good faith, and we will utilize the opinions of our customers to improve our operations.
- 2. To win fair valuations from investors**
 - (3) Aiming at increasing corporate value on a sustained, long-term basis, we will operate our businesses in good faith.
 - (4) Taking investor confidence as a base, we will provide timely and appropriate information in good faith.
- 3. To engage in sound and fair market competition and aim at business growth**
 - (5) We will conduct fair and transparent transactions and not follow unreasonable business practices.
 - (6) We will fully respect the property and rights of others, and conduct optimal procurement of management resources based on fairness and goodness.
- 4. To contribute to the progress of society based on recognition of business as a social existence**
 - (7) We will actively address global environmental problems and seek to operate in a way that harmonizes with nature and the environment.
 - (8) As a good corporate citizen, we will seek to cooperate and coordinate with the community and continuously undertake social contribution activities.
- 5. To fulfill our responsibility as bearers of the Tokyu brand**
 - (9) We will observe laws and regulations and internal discipline in every situation, act properly by following the dictates of social common sense and operate responsibly and in good faith.
 - (10) We have the strong recognition that intellectual property and information are important Company assets and will take every possible precaution in handling them.
 - (11) Based on the concept that the basis of corporate development is "people," we will respect each other's individuality and aim to create a working environment where people can make the most of their abilities.
 - (12) We will promote innovation by conducting regular and continuous self-auditing of operations and we will improve our business performance.

Establishment of the Code of Conduct

Following on from the Tokyu Group Compliance Guidelines, in April 2002, Tokyu also established the Code of Conduct as a set of basic rules regulating the conduct of officers and employees in the company.

To familiarize personnel with the Code of Conduct as much as possible, we conduct company-wide training through

e-learning platforms and other means. Compliance is also a central focus of lectures given during 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.

Whistle-blowing System

For the early detection and swift rectification of compliance-related issues, including fraud and scandals, Tokyu has set up contact points for the internal reporting of such issues. The Tokyu Corporation Helpline is geared to receive reports on violations of laws, regulations and internal rules, as well as to field requests for advice on conduct that could be seen as a compliance issue. The Tokyu Corporation Helpline has contact points both within the company and at a lawyer's office, ready to respond to reports and consultations from concerned persons, including Tokyu employees and personnel at our consolidated companies.

We are also working to raise the profile of the Tokyu Corporation Helpline by putting up posters at both the company and consolidated subsidiaries in places that are likely to catch the eye of employees and others. Some consolidated companies also have their own contact points for internal reporting, and including these, a total of 341 reports and requests for advice were received in fiscal 2018.

Number of insider notifications received (consolidated)

341
(FY2018)

FY2018 Initiatives for Strengthening Compliance

	Initiative	Results
Policy/commitment	Communication of top-level commitment to employees	Whenever announcing messages to employees, the president of Tokyu Corporation has communicated the importance of safety and compliance.
Structure/systems	Supervision by management for the strengthening of compliance	Whenever non-compliance incidents transpired, a report was promptly made to management, and company-wide action was taken to minimize damage. The status of responses to the incident and formulation of measures to prevent recurrence are regularly shared and checked. (CSR Monthly Report)
		In an effort to prevent serious incidents from occurring, twice a year, the president and full-time officers of Tokyu Corporation gather to share information and exchange views on compliance-related issues within the consolidated group, the status of corrective action taken for reported problems, and the response taken for notifications made by insiders. (Sustainability Promotion Committee)
		Depending on their importance, compliance-related issues were reported to the Board of Directors at the time they arose. (Board of Directors)
	Support and cooperation for compliance at subsidiary companies	Tokyu developed a checklist of necessary actions for preventing any recurrence of recent internal and external non-compliance incidents, and for strengthening compliance in response to the revision of laws and regulations. We also enforced the development of systems and entrenchment of operations at Tokyu Corporation and at each of the subsidiary companies.
		At the time of any non-compliance incidents, Tokyu Corporation took the initiative to gather and collate information and call attention for recurrence prevention.
		Given the company has collated more information on dealing with compliance issues, Tokyu Corporation has provided group companies with advice and support as required to assist them in responding to, and formulating prevention measures for, non-compliance incidents.
Education/awareness	Education of management	The annual compliance seminar (lectures by external speakers)—which is compulsory for full-time officers of Tokyu Corporation and the presidents of each consolidated company to attend—was held with the aim of sharing the latest trends and raising awareness for compliance. (CSR Seminar for Tokyu Group Management)
	Education/awareness of the Group working-level managers	Biannual seminars (lectures) were held, gathering compliance managers from Tokyu Corporation and the consolidated companies together to listen to external speakers on compliance-related issues and on strengthening compliance. A seminar was also held on how to handle the key revisions of laws and regulations which require a common Group-wide response. (CSR Seminars for Tokyu Group CSR Managers)
		An operational guideline for the whistle-blowing system was produced and distributed in order to enhance the ability of Tokyu Corporation and subsidiary companies in responding to internal reports, and to strengthen compliance through those responses.
	Education/awareness of employees	The Tokyu Group Compliance Guidelines, the Code of Conduct and other principles, guidelines and policies were printed in the set of materials carried by employees along with their employee pocket notebook. Efforts were also made to raise awareness for these.
		At the training for new recruits and at the job-specific training for new appointees, talks were given on compliance in order for participants to gain better understanding and awareness about the Code of Conduct and the importance of compliance.
		When a scandal or other similar event transpired either inside or outside the group, alerts were sent to employees as required via the Tokyu Intranet or other means, in an effort to prevent compliance violations from occurring or recurring.
Monitoring	Ongoing monitoring of compliance violations	Information on accidents or scandals that occurred at Tokyu Corporation or its consolidated companies, as well as information about serious incidents outside the group were collected centrally. Regarding any incidents requiring focused energy by the group to prevent them from occurring or recurring, information was shared with management and other relevant people, and efforts were made to rectify those issues.

Safety & Security

Safety Management in the Group

In order to promote safety initiatives in an integrated and effective manner, the various divisions of Tokyu Corporation and its consolidated companies work together in actively conducting safety management.

Mechanisms That Promote Safety

Safety is at the core of business, and as such, Tokyu strives to ensure a high level of safety, endeavoring to raise safety awareness among all employees and improve their skills, through sharing and discussing examples of safety-related initiatives. To make the promotion of safety more effective, the Sustainability Promotion Committee (see pages 60–61) fulfills the function of safety promotion, sharing important safety-related information and directing the company to take appropriate action.

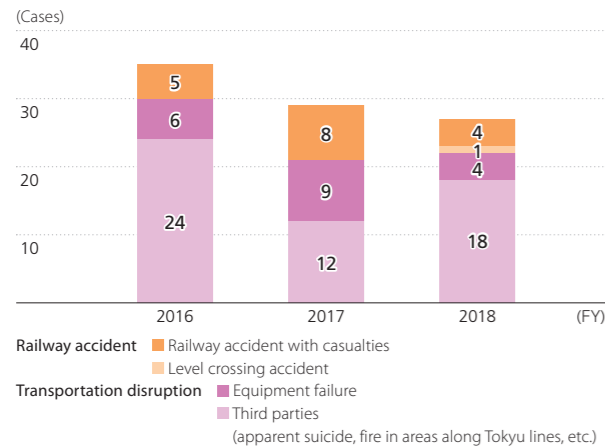
Mechanisms That Promote Safety in the Consolidated Structure

By communicating safety policies to consolidated companies and by sharing information, such as measures for preventing major accidents from recurring, Tokyu aims to promote safety as a single united group with common perspectives and approaches. The Tokyu Group Sustainability Promotion Committee (see page 60) meets, in principle, twice a year to discuss the regular agenda item of promoting safety, and is attended by Sustainability Promotion Managers from Tokyu Corporation and the consolidated companies.

▶ Number of Accidents, Disruptions, etc., at Tokyu Railways, Sorted by Cause

	FY2016	FY2017	FY2018
Railway accidents*1	5	8	5
Incidents*2	0	0	0
Transportation disruptions*3	30	21	22

*1 Railway accident: Refers to a train collision, train derailment, train fire, level crossing accident, road accident, railway accident with casualties, or railway accident with property loss.
 *2 Incident: Refers to a situation where it is recognized that a railway accident may occur.
 *3 Transportation disruption: Refers to an impediment to the operation of a train, other than a railway accident.



Safety Management at Tokyu Railways

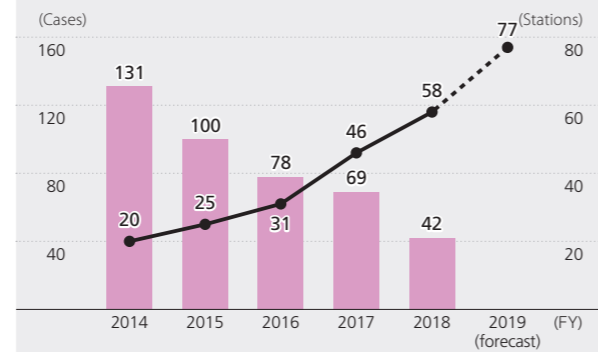
Responsible for the railway business, Tokyu Railways has built a unified safety management system which covers from top management to frontline employees, based on the Safety Management Regulations which stipulate systems and methods for safety management. With a focus on accident prevention and recurrence prevention, by ensuring necessary measures are implemented, and by each and every employee using their imagination from many different angles to anticipate and eliminate risk, we will spare no effort in the pursuit of safety so that our customers can continue to use our services with confidence.

Ensuring safety is our highest priority in the railway business. Our Safety Policy prescribes our philosophy on ensuring safety in transportation, while the Safety Code of Conduct prescribes the principles for conduct by railway workers. In addition, our Priority Safety Measures list those initiatives to be undertaken as a priority in order to achieve the targets set for the resolution of issues identified for ensuring safety in transportation.

Based on the Safety Policy, Safety Code of Conduct and Priority Safety Measures, we will work to ensure safety is maintained and improved, fostering a risk sensitivity as we reemphasize awareness for safety.

Safety Measures on Station Platforms

Number of falls from platforms and number of platform screen doors installed



Tokyu is leading the industry in installing platform screen doors and fixed platform barriers equipped with sensors. Excluding the Setagaya Line and the Kodomonokuni Line, installation is complete at 81% of all stations, and we expect it to reach 100% during fiscal 2019.

These measures have reduced falls from platforms by about two-thirds over the past five years, and have greatly contributed to ensuring travel safety and stability.

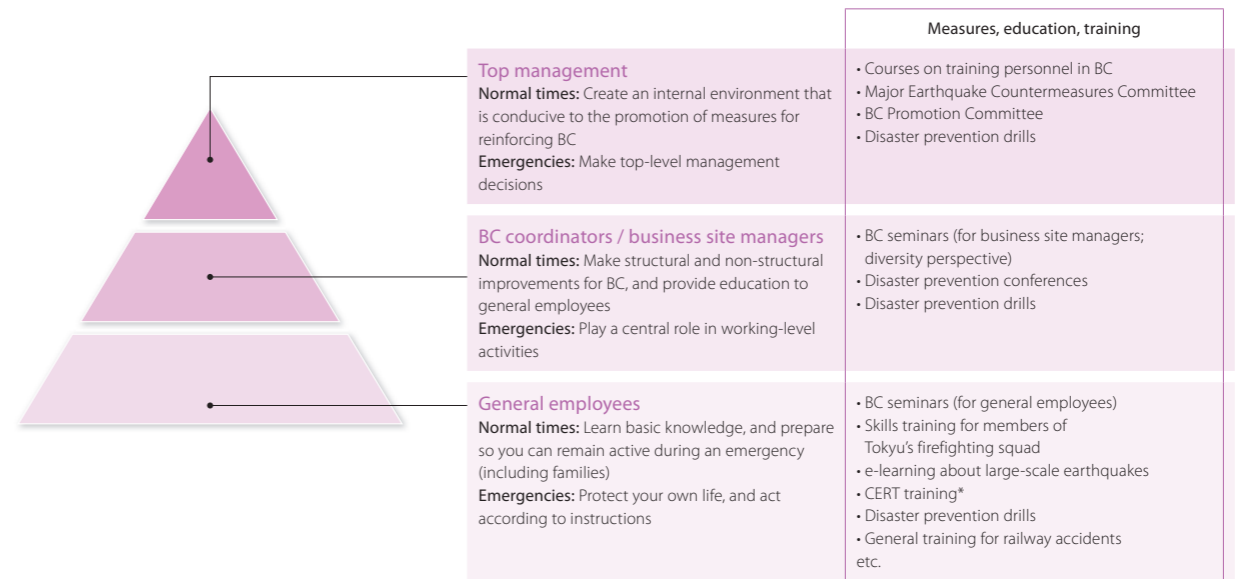
Reinforcement of the BC Structure in the Group

Tokyu is engaged in business operations that are closely connected to the lives of many customers, including the urban development business and the life services business. We have therefore been working hard to strengthen our business continuity (BC) structure, so that, even in the event of a massive earthquake, our business functions can be maintained and/or swiftly recovered while ensuring safety.

For the purpose of strengthening BC structures at our consolidated companies, we have also established the Tokyu Group BC Committee, led by the president of Tokyu Corporation. Under this committee, consolidated companies are promoting

BC more than ever before, and we are working to ensure that BC can be carried out, from the departments at head office, to the various frontline units providing customer service.

In addition, at facilities in Shibuya and our other key stations and on our major train lines, as well as at commercial facilities, hotels and other establishments, we are conducting simulations and training for the scenario of a large-scale earthquake. We have also published the Tokyu Group BC Factbook, a booklet that introduces the advanced initiatives for BC being implemented at Tokyu Group companies.



Please see the following for details related to the Tokyu Group BC Factbook. (Japanese only)
http://www.tokyu.co.jp/tokyu/bc_factbook.pdf

* Community emergency response teams (CERT) training for protecting yourself and your community

Activities of the Council on Measures for People Stranded around Shibuya Station

The area surrounding Shibuya Station is characterized by a concentration of businesses, schools, commercial facilities and entertainment facilities. Given this, many people visit the area for work, school, shopping and sightseeing.

In the event of a large-scale earthquake or other such disaster, if the transit system stopped working, it is estimated that roughly 42,000 people would be stuck in workplaces and schools, and another 24,000 people would be stranded outdoors with nowhere to go.

The Council on Measures for People Stranded around Shibuya Station was formed in May 2009 as a union of about 100 businesses, schools and administrative agencies in the area around Shibuya Station. Tokyu Corporation plays a central role as the secretariat for the council, and under a cooperative framework

with the Shibuya municipal government, we have promoted various activities designed to prevent people visiting Shibuya from becoming disordered in the event of a large-scale disaster. These activities include conducting reviews to increase the effectiveness of measures assisting stranded people, as well as verifying measures through the planning and execution of drills. Looking ahead, as development leads to further change in the area surrounding Shibuya Station, we will continue to enhance our disaster countermeasures. In addition, while continuing to cooperate with the Shibuya Station Area Urban Revitalization and Safety Plan—a plan mapped out by public and private participants based on the Act on Special Measures concerning Urban Reconstruction—we will continue to put effort into urban development so that even more people can visit the area with a sense of security.

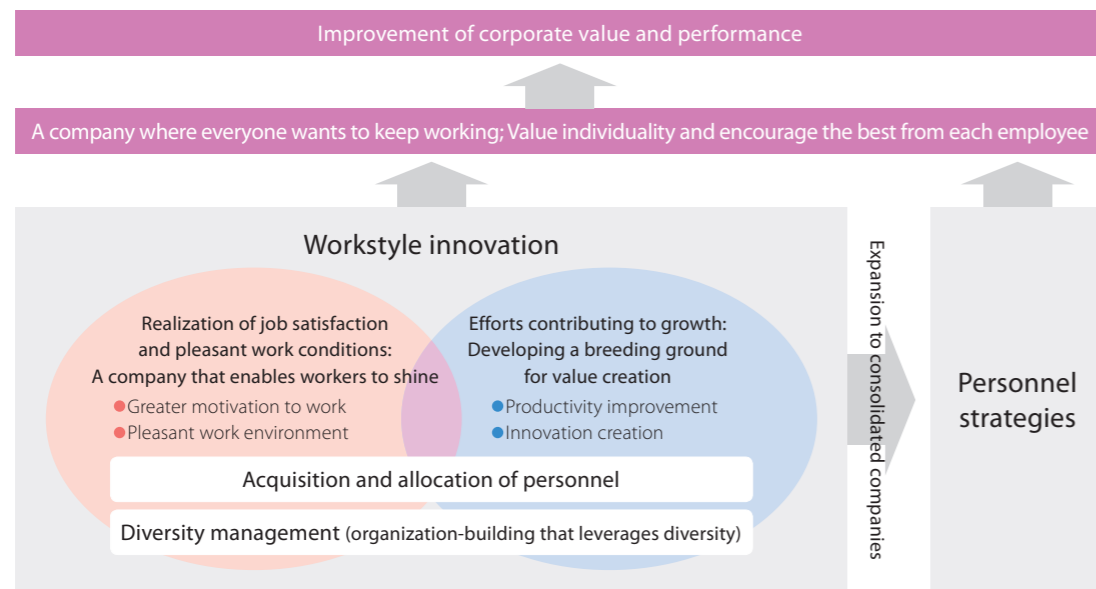
HR Development

In Japan, with a low birthrate and aging population, the improvement of productivity by actively involving everyone and the pursuit of innovation are social issues. Tokyu will achieve sustainable growth by promoting two aspects: the creation of vibrant workplaces where employees can work so as to be a company where everyone wants to keep working, and HR development in society through education, cultural, and environmental activities.

Overall Framework for Human Resources Strategies

Centered around the “realization of job satisfaction and pleasant work conditions” and “efforts contributing to growth,” the Group has set promoting workstyle innovation with diverse

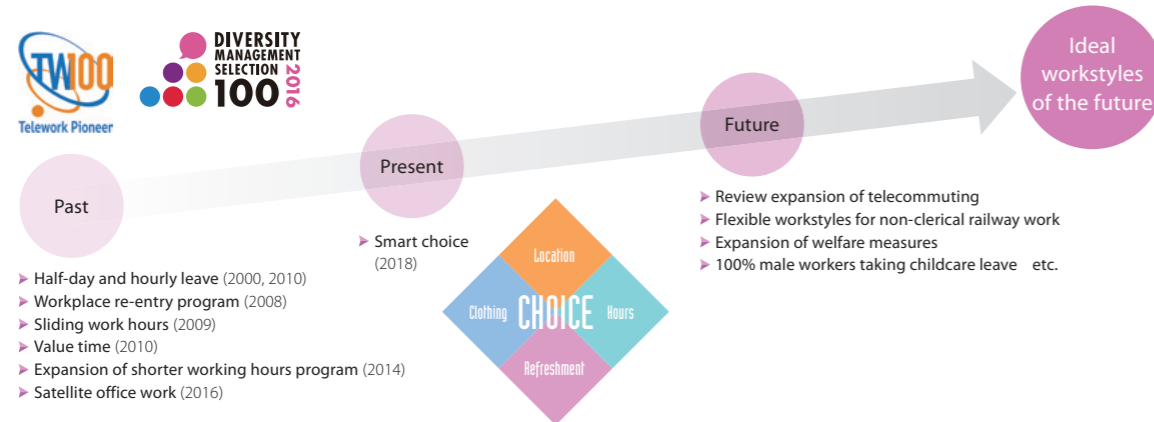
human resources as the overall framework of its human resources strategies.



Promotion of Workstyle Innovation

Since the early 2000s, we have been developing options for different workstyles according to employee needs and

workplace conditions. We will advance this trend further, promoting Tokyu’s own form of workstyle innovation and reform.

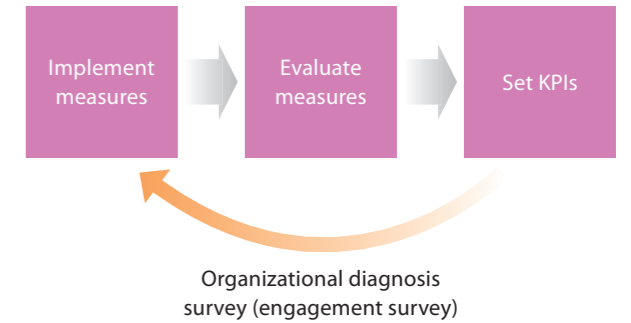


Realization of Job Satisfaction and Pleasant Work Conditions

We are promoting workstyle reform for each and every employee with the aim of creating innovation, instilling health management, and promoting diversity in the Group.

In July 2019, we introduced an organizational diagnosis survey as a mechanism for making work more rewarding for employees and improving their job satisfaction, evaluating the effectiveness of personnel measures using objective indicators and instituting KPIs.

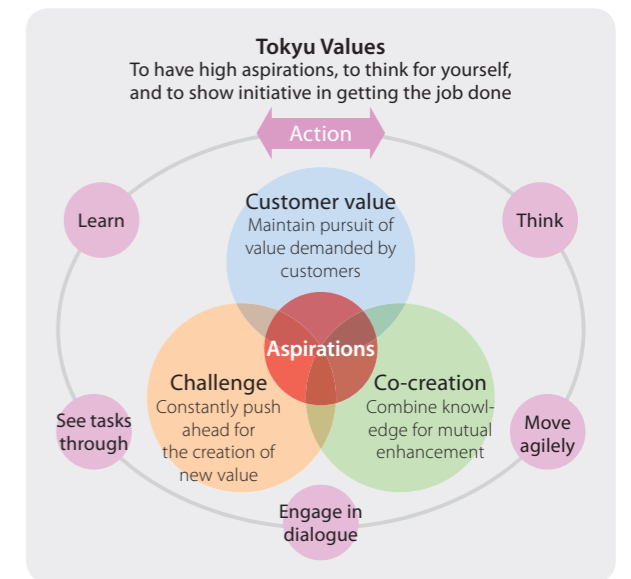
Going forward, we will conduct an evaluation every year based on this mechanism, as we strive to improve employees’ assessment of engagement.



Efforts Contributing to Growth

Tokyu Values comprise three “aspirations” to be shared by each and every employee, plus five required “actions.” By practicing these Tokyu Values, our aim is for each and every employee to have high aspirations, to think for themselves, and to show initiative in getting the job done, and to foster an internal culture in which innovation is always happening.

Our system for human resources development has been built on a theme of “developing, utilizing and supporting highly effective human resources with a view to the social situation and business environment 10 years from now.” Investment in education and training as a percentage of sales is 0.1%, and by actively investing in human resources, we will strive to foster an innovative corporate culture.

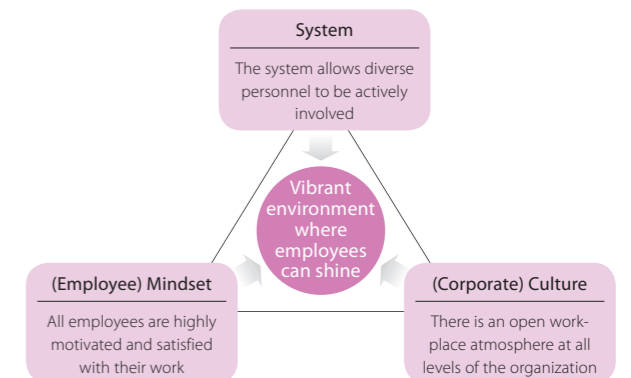


Creation of Vibrant Environments Where Employees Can Shine

Having set “make progress on workstyle innovation” as one of the key initiatives in our three-year medium-term management plan, we are proceeding to create vibrant environments where employees can shine. We will encourage “autonomy” in employees, fostering a corporate culture and developing an employee mindset (change in awareness/behavior). (System / Culture / Mindset)

In the past, we have worked to enhance various systems and structures in accordance with the demands of the times, employee needs and workplace conditions.

Going forward, we will continue to examine workstyle ideals, taking account of the demands of the times, employee needs and workplace conditions.

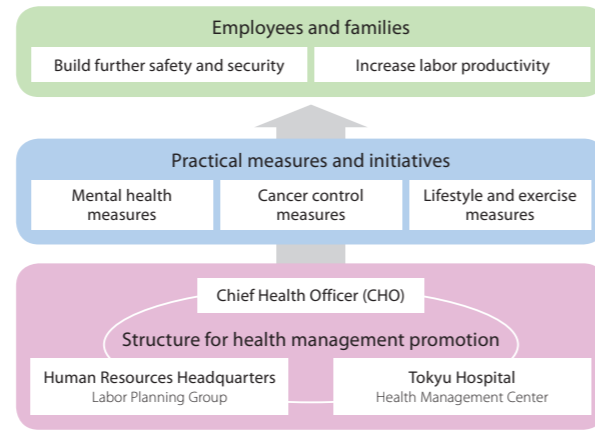


Promotion of Health Management

Promotion of health management

In February 2016, Tokyu Corporation established the position of Chief Health Officer (CHO) and issued the Health Declaration. Consistent with the declarations—namely, (1) the health of employees and their families, (2) promoting the health of residents who live along Tokyu's railway lines, and (3) social contribution—we are actively engaged in the physical and mental health management of our employees, and in promoting the health of people who live along our train lines.

Under the leadership of the CHO, health management promotion is structured around the Human Resources Headquarters, which plays 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.



Recognized in 2019 Health & Productivity Stock Selection

Please see the following for details related to the Tokyu Corporation's Health Declaration. (Japanese only)
<https://www.tokyu.co.jp/company/csr/education/health/>

Diversity Management

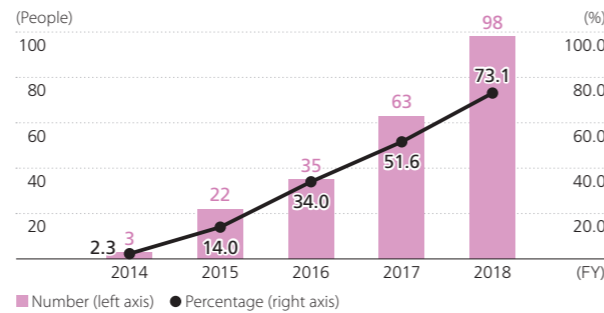
For a company to continue growing over the medium- to long-term, it must meet the needs of diverse customers while looking ahead to the future. Providers of service must also have "diversity and the organizational capacity to utilize it" (diversity management).

For this reason, Tokyu Corporation formulated the Tokyu Corporation (Consolidated) Declaration of Diversity Management as a statement to all stakeholders. Based on this declaration, we have held management seminars, a mentoring program and a forum for female managers which also targeted our consolidated subsidiaries, with the progress being regularly reported to the Board of Directors and the Advisory Board on Human Resources Strategy for direction. We are also building an environment where diverse personnel can play an active role, listing numerical targets for the number of female managers and the percentage of male workers taking childcare leave.*

* Target number of female managers by fiscal 2020: 40 (double the number in fiscal 2014); Target number of male workers taking childcare leave: 100%; Actual percentage of employees with a disability: 2.63% (as of June 2019, calculation of seven Tokyu Group companies)

Please see the following for details related to the Declaration of Diversity Management. (Japanese only)
<https://www.tokyu.co.jp/company/csr/diversity/message/>

Number/Percentage of Male Workers Taking Child-care Leave (Tokyu Corporation and Tokyu Railways)



Tokyu Group Female Managers Forum



Human Resources Development in Society

SDGs Awareness Survey of 17 Municipalities along Tokyu Lines, Future Initiatives

SDGs Awareness Survey of 17 Municipalities along Tokyu Lines, Future Initiatives

Tokyu Corporation believes that sustainable management and efforts contributing to the achievement of SDGs are inseparably related, and that the key to success here lies in the co-creation of new value through partnerships with stakeholders (such as developing products and services that resolve social issues). Together with customers who live along Tokyu lines, we will achieve a sustainable society as they provide us feedback through communication using the SDGs as a common language. As part of this process, we conducted an SDGs awareness survey* of residents in the 17 municipalities along Tokyu's railway lines.

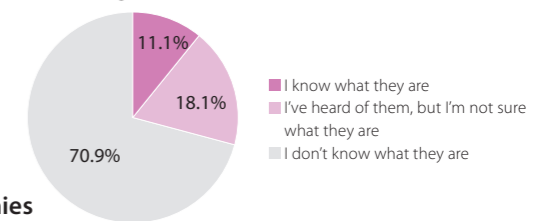
The survey revealed that 29.2% of residents in the 17 municipalities along Tokyu's railway lines recognized SDGs. The graph below shows the extent of their empathy toward the 17 SDG themes, and their propensity to select products and services offered by companies tackling the SDGs. Results show that there is broad empathy for the 17 SDG themes, with even the lowest measuring close to 60%. The top-ranked themes were "water and sanitation," "health" and "justice." As for their propensity to select a certain company's products and services, it seems there is a strong awareness of issues relating to the global environment, including "life on land," "renewable energy" and "water and sanitation."

With the cooperation of customers, the Group is promoting efforts for a sustainable society in each of our business areas, including the use of renewable energy along the Tokyu Setagaya Line (page 72), an initiative at Tokyu Hotels for forest conservation (page 47), the discontinued use of plastic straws, and JHEP certification at Futako Tamagawa Rise (page 72).

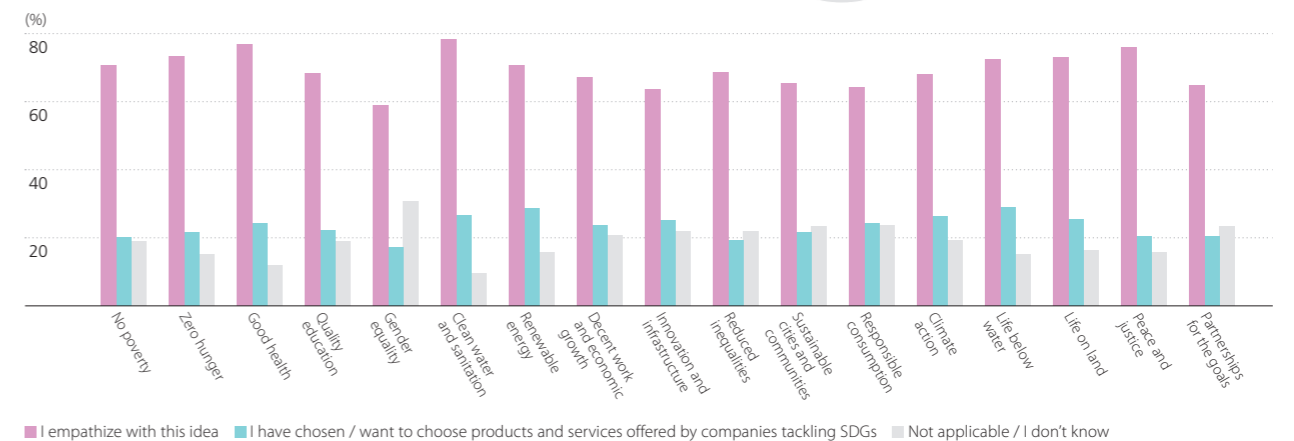
Looking ahead, we will continue to work on the other SDG themes through our business operations and social contribution activities, and through dialogue with customers, together, we will contribute to behavioral change, raising their degrees of recognition and empathy. Aiming for a virtuous cycle directed at the resolution of social issues, this will lead to good examples of urban development for the future, which we hope will also contribute to the resolution of urban issues both in Japan and overseas.

* Calculated based on the distribution ratios by gender and age in all 17 municipalities along Tokyu's railway lines
 Target area / conditions: Males and females aged 15–79 who live in the 17 municipalities along Tokyu's railway lines
 Sample size: 1,034, weighted for analysis based on distribution ratios by gender and age
 Survey method: Online survey Survey period: June 2019
 * Base sample: 1,034

SDGs Recognition Rate



Empathy for 17 Themes, and Propensity to Choose Companies



Tokyu Associations

For nearly half a century, Tokyu Associations organized by Tokyu Group companies have carried out activities. Across a total of 27 areas in Japan and overseas, the associations contribute to sustainable human resources development and community development through a variety of activities such as environmental conservation, culture events and sporting events.

During fiscal 2018, approximately 24,000 people participated in a total of 62 activities and events held across Japan.



Okinawa Tokyu Association Mother-Child Day Celebrating Christmas



Hokuriku Tokyu Association Tokyu Fureai Concert

Low-carbon, Recycling-based Society

Environmental Philosophy and Policy

Having listed realization of a “low-carbon, recycling-based society” as one of its material sustainability themes, Tokyu Corporation promotes environmental management, aiming through its business to “contribute to the creation of a low-carbon and a carbon-free society through energy savings and the optimized use of renewable energies” and to “contribute to the creation of a recycling-based society by promoting the effective use of resources and consideration for ecosystems.”

These days, in our business, which supports the infrastructure of society, consideration for the environment in urban development is an essentially important element against climate change caused by global warming. Going forward, promoting environmental management while reducing environmental impact will require a long-term perspective. The Group, therefore, decided to adopt a goal of RE100, that is, to procure 100% of the electricity we use from renewable energies by 2050. We will actively promote reductions of energy use and the optimized use of renewable energy, and will ensure that efforts are made in our business activities for a low-carbon/carbon-free society.

As for initiatives for a recycling-based society, Tokyu Corporation and its Group companies, together with their respective supply chains, will actively contribute to the building of a sustainable society and local infrastructure, with an aim of building a society in which people can live in harmony with nature, for instance by promoting consideration for ecosystems and facilitating the recycling of resources closely related to our lives, such as plastic refuse and food waste.

The entire international community is rapidly transitioning toward realization of a sustainable society, demonstrated for example by the Paris Agreement coming into effect and adoption of the SDGs. Viewing the changing society from a global perspective, Tokyu Corporation and its Group companies will work together with local communities in advancing toward the next generation.

Environmental Policy

Tokyu Corporation will promote environmental management for the whole Tokyu Group based on the Group Philosophy and will contribute to society by addressing environmental issues through its business.

- 1. Contribution to climate change mitigation**
Through the promotion of energy savings and the active use of renewable energies, we will pursue the optimal use of energy and the reduction of greenhouse gas emissions.
- 2. Contribution to a recycling-based society**
We will pursue the reuse and recycling of resources by promoting their effective use at all stages of business.
- 3. Contribution to a society in harmony with nature**
Considering the impact of our business on the natural environment, we will reduce pollutants and pursue the conservation of biodiversity.
- 4. Compliance with environmental laws and regulations**
We will comply with environment-related laws and regulations, and with requirements deemed necessary to address changes in society.
- 5. Promotion of environmental communication**
We will strive for good communication in order to meet our stakeholders' expectations for the environment.
- 6. Goal setting and continuous improvement**
We will set environmental goals and make continuous improvements through regular reviews.

Revised on September 2, 2019
Established on December 1, 2003

Kazuo Takahashi
President & Representative Director
Tokyu Corporation

Management Geared for Realization of a Low-carbon Society

Tokyu Corporation implements environmental management, setting long-term goals and checking the status of initiatives at its Sustainability Promotion Committee (pages 60–61). We also conduct environmental impact surveys on all our consolidated subsidiaries to gain a quantitative understanding of the impact

of our business activities. In addition, we provide training to all employees, including officers and general managers at Tokyu Corporation, and we conduct environmental education and information exchange forums for consolidated subsidiaries.

Case #1 Education of Management

Every year, we hold an environmental seminar to provide the latest knowledge on the environment to management at Tokyu Corporation. In fiscal 2018, we welcomed Keisuke Takegahara, executive officer and deputy chief research officer at the Development Bank of Japan.

With a view to “promotion of sustainable management” contained in our current medium-term management plan, Takegahara pushed beyond the conventional boundaries of “the environment,” speaking extensively about concepts essential for increasing corporate value, such as ESG investment, integrated thinking and addressing climate change risks and opportunities. His presentation also included a number of applicable points for the businesses of the Tokyu Group and Tokyu Corporation, and the direction we should be headed.

The seminar was attended by 67 participants, including directors and officers (excluding outside directors), audit & supervisory board members, executive officers and general managers.



Long-term Vision for Building a Low-carbon Society

Having engaged in environmental management with issues of global climate change in mind, the Group has made reductions to its CO₂ emissions.*¹ On the strength of these efforts against rapid changes in the environment and society, in addition to racking up improvements, we have set long-term, quantitative environmental goals, as shown on the right, in order to lead Group efforts toward reducing risk and creating opportunities in the long term.

Long-term environmental goals have been set in two stages: 2030 and 2050. Given that electricity use accounts for 77.8% of the Group's CO₂ emissions for each type of energy,*² we will further promote the procurement of electricity derived from renewable energy sources.

The figure below*³ shows how our long-term goals will be achieved. In addition to shifting electricity to renewable energy sources, in the railway business, we will replace carriages with new energy-efficient models, and in the urban development business, we will introduce environmental certification programs. As well as continuing to conduct such eco-friendly business operations, we will promote activities treating the challenge of making significant reductions in energy consumption as an opportunity to innovatively reform our business activities. As part of striving to reduce overall CO₂ emissions, we will also look at energy uses besides electricity, keeping an accurate handle on technological trends as we actively review conversion to electric power and the introduction of alternative energies such as biofuel, hydrogen fuel and fuel cells.

Long-term Environmental Goal (CO₂ Emissions*)

* The subjects are Scope 1 and 2

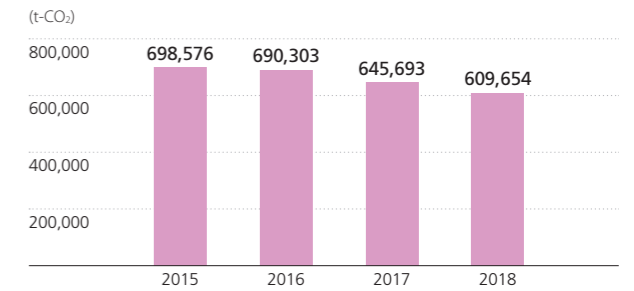
Achieving 100% procurement of electric power consumed for our businesses by renewable energies by 2050

2030: 30% reduction of the total CO₂ emitted by using electric power

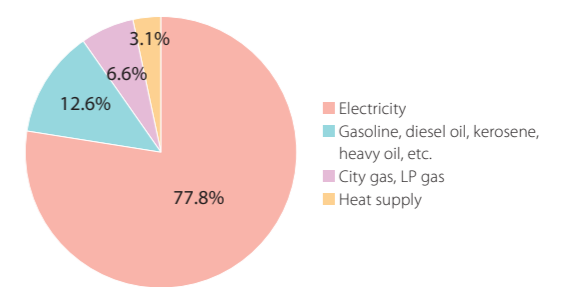
2050: Complete elimination of CO₂ emitted by using electric power (Reference years: 2010 for the railway business (Tokyu train lines); 2015 for the real estate and other businesses)



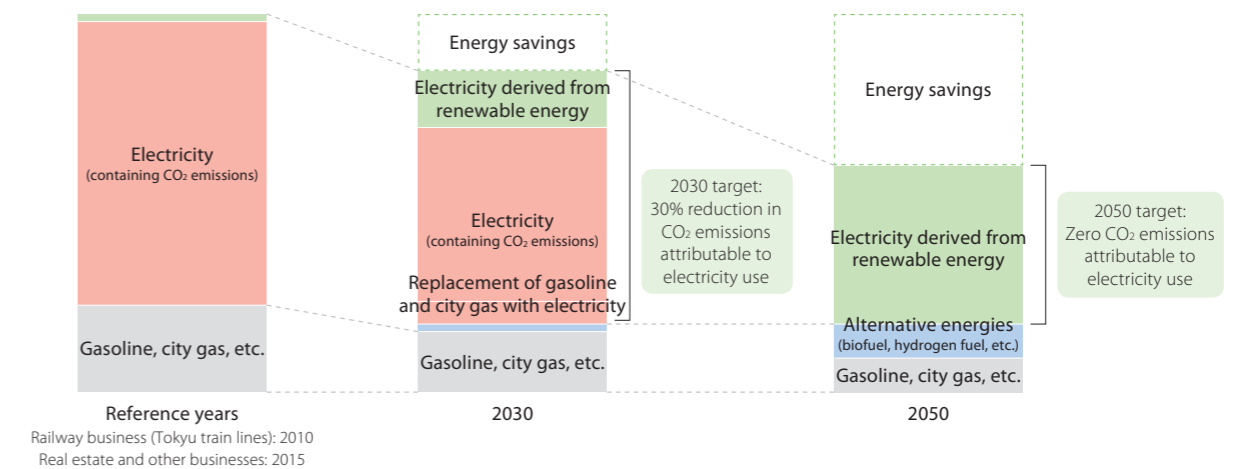
Emissions of CO₂*¹



CO₂ Emissions on a Basis of Energy Sources (FY2018)*²



Energy Composition (CO₂ Equivalent) for Realizing the Long-term Environmental Goals*³



Case #2 Initiative for the LEED International Environmental Certification Program

Futako Tamagawa Rise, which opened in July 2015, became the first project in the world to receive Gold certification of LEED for Neighborhood Development (LEED ND), creating an urban area where diverse people can live in harmony with rich nature.

Minami-Machida Grandberry Park is an integrated redevelopment stretching out in front of the Minami-Machida Station on the Tokyu Den-en-toshi Line. Financed through a public-private partnership, the redevelopment seamlessly connects the station, commercial facilities and parks. Ahead of its official opening in November 2019, the project received LEED ND Gold precertification in January. It is the first time in Japan for Gold precertification to be received for a project that includes a train station. The project was acknowledged for its urban structural design centered on a pedestrian network, and for its green infrastructure initiative for rainwater irrigation distributed throughout the area. The latter initiative adopts permeable pavement surfaces across the whole area, and in conjunction with a rainwater regulating pond (outside the certified area) is one of the adaptation strategies implemented for localized heavy rainfalls that hit urban areas as a result of climate change.



Minami-Machida Grandberry Park

Case #3 Setagaya Line Running on 100% Renewable Energy

Since March 25, 2019, the Tokyu Setagaya Line (Sangen-Jaya Station to Shimo-Takaido Station) has been operating solely on power generated by hydropower and geothermal power plants owned by the Tohoku Electric Power Group.

Railways have lower CO₂ emissions and have less of an environmental impact than other means of transportation. On top of this, we have previously promoted initiatives to curb the consumption of electricity, such as through the introduction of energy-efficient carriages and more energy-conscious operations. This new initiative though extends contribution to a low-carbon/carbon-free society to the procurement of power, and as a result, helped realize Japan's first urban commuter train with zero carbon emissions.

The CO₂ emissions reduction effect is expected to be 1,263 tons per year. Taking the opportunity of this initiative, together with local residents and other commuters, we will continue to promote sustainable urban development along the community-based Setagaya Line.



Setagaya Line begins running on 100% renewable energy

Case #4 Highest Rating (AAA) Obtained and Renewed under JHEP Certification Program for Assessing Biodiversity Initiatives

Futako Tamagawa Rise is a complex of commercial facilities, offices, cinemas, hotels and housing directly connected to the Futako-Tamagawa Station on the Tokyu Den-en-toshi Line. Since the early 1980s, we have been working on urban development here with locals, one step at a time, and in 2015, we had the grand opening. Having created an environment aspiring for harmony with the local community, the development received the highest AAA rating of JHEP certification in 2014, which was renewed for the first time in April 2019.

We have been helping to enhance the attractiveness of the local area based on the concept of an "eco museum," aiming to create a natural environment connected with local life. With a particular aim of creating community-based spaces, a place is being created with connections to the ecosystem of the nearby Tama River. Wild grasses and trees found on the Musashino Terrace, Kokubunji Cliffline and Todoroki Ravine have been incorporated into the space, and there are plans to plant regional seedlings found in the basin of the Tama River.

Going forward, we will continue to care for the natural environment, which is fundamental for the lives and business activities of all people.



Creating places where people can learn about the Tama River ecosystem inhabited by diverse creatures (biotope)

Sustainable Procurement

Sustainable Procurement Policy and Compliance Checks

Suppliers of Tokyu and its consolidated subsidiaries span a wide range of industries, including manufacturing, construction and wholesale. If secondary suppliers are also counted, then the scope of suppliers extends overseas. In order to reduce labor, human rights and environmental risks in the supply chain, and

to engage in optimal procurement activities for a sustainable society together with our suppliers, along with prescribing compliance, respect for human rights, care for the environment and other principles into a code of conduct, we have formulated a Sustainable Procurement Policy.

Sustainable procurement policy (Supplier requirements)

1. Prohibit child labor and forced labor, comply with relevant laws and social norms, respect workers' rights, and realize a safe and clean working environment
2. Prohibit discrimination and respect human rights
3. Promote environmental conservation activities (environmental policy formulation, environmental management system development, education, acquisition of external certification, etc.)
4. Be able to secure excellent quality and supply safely and reliably
5. Be able to provide at a reasonable price
6. Take appropriate protection measures for handling personal information.

Compliance Checks

When choosing where to procure materials and so on, we prioritize suppliers who can comply with the above policy and who can work with us in fulfilling corporate responsibilities

demanding by society. At regular intervals, we also check our ongoing suppliers for compliance with the above policy, and where necessary, we urge them to make improvements.

Product Procurement Initiatives

Using Locally Sourced Wood for Station Remodeling

Togoshi-ginza Station is the gateway to one of Tokyo's most bustling shopping districts—the Togoshi Ginza Shopping Street. When remodeling the station, wood grown and produced locally in the Tama district of Tokyo was used. Taking on board feedback from locals, the atmosphere of the former wooden station building was restored, and a conscious decision was made to use locally produced goods. Part of the remodeling project was subsidized by a fund offered by the Tokyo Metropolitan Government for revitalizing local forests and forestry, a first for railway facilities in Tokyo.

Following on from Togoshi-ginza Station, a similar remodeling project using local Tama wood was also completed at Hatanodai Station in July 2019.



Tour to see where Tama wood is grown



Platforms of the Togoshi-ginza Station

Main Subsidiaries and Affiliates

Consolidated Subsidiaries

	Location	Principal business	Ownership of voting rights (%)
Transportation Infrastructure Business (Transportation Segment)			
Tokyu Railways Co., Ltd.	Japan	Railway business	100.0
Izuky Corporation	Japan	Railway business	100.0
Ueda Dentetsu Company	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	65.4
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
Urban Development Business (Real Estate Segment)			
Tokyu Facility Service 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
Lifestyle Service and Retail Business (Life Services Segment)			
Tokyu Department Store Co., Ltd.	Japan	Department store operations	100.0
Nagano Tokyu Department Store Co., Ltd.	Japan	Department store operations	57.9
Tokyu Store Chain Co., Ltd.	Japan	General retailing chain store operations	100.0
TMD Corporation	Japan	SC planning, development and management business	100.0
Tokyu Card, Inc.	Japan	Credit card operations	100.0
Tokyu Station Retail Service	Japan	Management of station kiosks	100.0
Tokyu Recreation Co., Ltd.	Japan	Video, sporting leisure and real estate leasing business	50.3
its communications Inc.	Japan	Cable television (broadcasting, communications) and 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	98.6
Tokyu Power Supply Co., Ltd.	Japan	Electricity retailing and gas agency operations	66.7
Hospitality Business (Hotel and Resort Segment)			
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	98.8

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 Land Corporation	Japan	Urban business, housing business, wellness business, next-generation and related businesses	—
Tokyu Community Corp.	Japan	Support services for apartment living, building management business	—
Tokyu Livable, Inc.	Japan	Property brokerage business, new construction sales agency business, real estate sales business	—
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	4.0

Company Profile / Stock Information

(as of March 31, 2019)

Company Profile

Trade name	TOKYU CORPORATION*
Established*	September 2, 1922
Head office	5-6 Nampeidai-cho, Shibuya-ku, Tokyo 150-8511
Representative	Kazuo Takahashi
Paid in capital	121,724,000,000 yen
Number of employees	4,666
Business	Real estate leasing business, real estate sales business, other businesses
Listed exchange	Tokyo Stock Exchange (First Section)
Accounting auditor	Ernst & Young ShinNihon LLC

* Trade Japanese name and business description changed on September 2, 2019

Stock and Shareholder Status

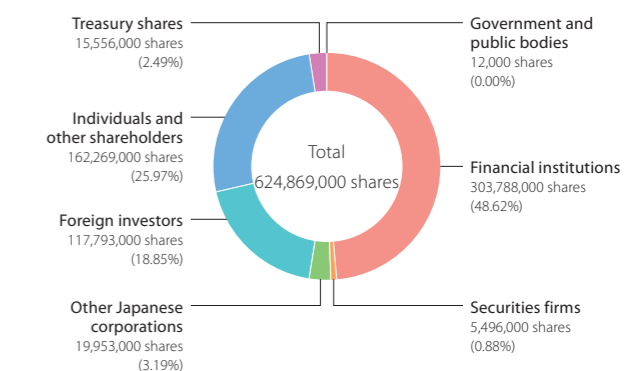
Type of stock issued	Common stock
Authorized shares	900,000,000 shares
Shares outstanding	624,869,876 shares
Number of shareholders	78,441

Major Shareholders

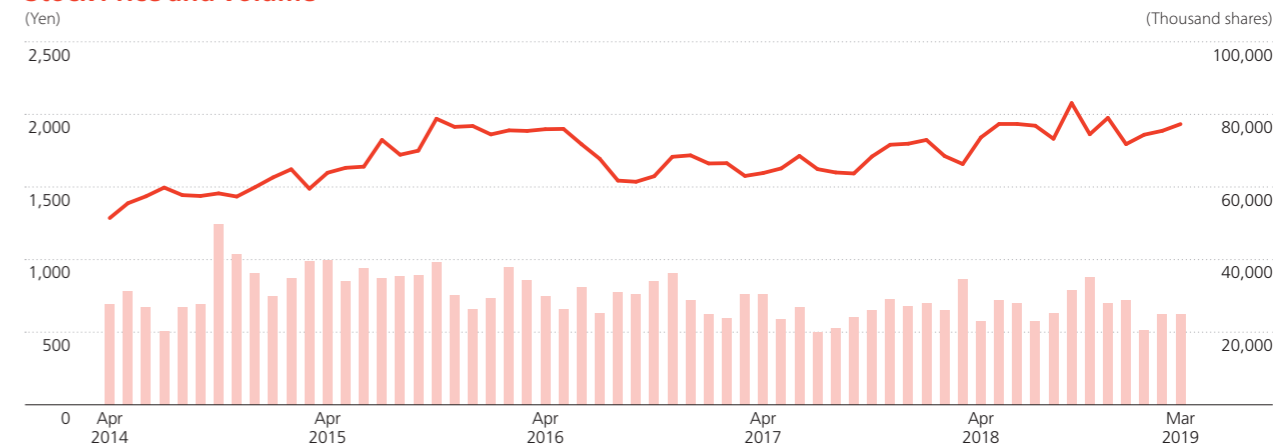
Name	Number of shares (thousand shares)	Ratio of shares held to total shares outstanding (%)
The Dai-ichi Life Insurance Company, Limited	38,737	6.36
The Master Trust Bank of Japan, Ltd. (Trust Account)	37,207	6.11
Japan Trustee Services Bank, Ltd. (Trust Account)	28,145	4.62
Nippon Life Insurance Company	23,527	3.86
Sumitomo Mitsui Trust Bank, Limited	22,395	3.68
Japan Trustee Services Bank, Ltd. (Trust Account 5)	10,656	1.75
Mitsubishi UFJ Trust and Banking Corporation	9,993	1.64
Mizuho Bank, Ltd.	9,906	1.63
MUFG Bank, Ltd.	9,845	1.62
Taiyo Life Insurance Company	9,566	1.57

* Excluding treasury shares

Distribution by Shareholder



Stock Price and Volume



— Stock price (left axis) ■ Volume (right axis)

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