



INTEGRATED REPORT  
2020

TOKYU CORPORATION INTEGRATED REPORT 2020



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# Editorial Policy for the “Integrated Report 2020”

Since our founding, we have contributed to solving social issues through our business. We have issued the *Integrated Report 2020* to help our stakeholders understand the Group’s resilient stance of pursuing individual happiness and sustainable growth, and responding flexibly to social change, based on the Group’s management policy and long-term management initiative. This report has been put together centered on the following points.



**Period Covered**  
In principle, this report covers the period from April 2019 to March 2020 (fiscal 2019), but also includes some information related to activities before and after this period.

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

**Guidelines Referred To**  
The International Integrated Reporting Council (IIRC)’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.



## Types of Publication

Publication	Contents	Booklet	PDF	HTML
<b>Integrated Report (this booklet)</b>	Please see “Contents” on page 01 for details.			
<b>Company Guide</b>	This easy-to-understand guide provides all stakeholders with an overview of Tokyu Corporation and an explanation about our initiatives.			
<b>Annual Securities Report</b>	This report is compiled in accordance with Article 24 (1) of Japan’s Financial Instruments and Exchange Act and submitted to Kanto Local Finance Bureau. Please see this report for details related to Tokyu’s financial situation. It is published annually in late June.			
<b>Corporate Governance Report</b>	This report is compiled following Japan’s Corporate Governance Code and submitted to Tokyo Stock Exchange. The report states aspects such as Tokyu Corporation’s concept and system for corporate governance. Please also see this report with regard to aspects such as organization design, state of operation, and effectiveness evaluation of the Board of Directors.			
<b>Safety Report</b>	As part of the 2006 revisions to Japan’s Railway Business Act whereby railway business operators are obliged to publicly release safety reports, information related to the safety of Tokyu Railways’ railway operations is stated systematically herein.			

\* Please see the link below for details on our sustainability initiatives and environmental data.  
<https://tokyu.disclosure.site/ja>

\* Some documents are available only Japanese.

# Contents

## Our Figure

- 02 Group Philosophy/Tokyu’s Inherited DNA
- 04 A History of Creating New Value
- 06 Overview of Tokyu’s Business
- 08 Fields of Business Expansion
- 10 Value Creation Process (long-term recycling-based business model)
- 12 External and Internal Environments, and Risk and Opportunity

## Our Strategy

- 14 Top Commitment
- 20 Long-term Management Initiative
- 22 Progress of the Medium-term Management Plan
- 24 Message from the CFO
- 26 Impact of COVID-19 and Future Direction
- 28 Material Sustainability Themes (Materiality)
- 30 Financial and Non-Financial Highlight
- 32 11-Year Financial Data

## Special Feature

Achieving Sustainable Growth While Tackling Social Issues

- 34 SHIBUYA Growth Strategy
- 36 AREAS SERVED BY TOKYU’S RAILWAY LINES Growth Strategy

## Our Business

- 38 Transportation Infrastructure (Transportation Segment)
- 40 Urban Development (Real Estate Segment)
- 42 Lifestyle Service and Retail (Life Services Segment)
- 44 Hospitality (Hotel and Resort Segment)

## Sustainability

- 46 Sustainability Management
- 48 Safety & Security
- 50 HR Development
- 54 Creating More Social Value
- 56 Low-carbon, Recycling-based Society

## Corporate Governance

- 60 List of Officers and Status of Outside Officers
- 62 Corporate Governance Dialogue
- 66 Corporate Governance Concept and Initiatives
- 68 Evaluation of Effectiveness, Results of Deliberation by the Board of Directors, Advisory Committees
- 70 Compensation, Cross Holdings, and Group Governance

## Company Information

- 72 Main Subsidiaries and Affiliates
- 73 Company Profile/ Stock Information



## Group Philosophy

Since the founding of the Tokyu Group, we have balanced the public and private aspects of our business 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 have worked on sustainable urban development. 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 life-style 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's Inherited DNA

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 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.



Keita Goto

### 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”)

In 1953, in front of local landowners, then-Chairman Keita Goto announced an objective and concept for development of “Joseinan Area” (the south-western suburbs of Tokyo). 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, 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. The prospectus describes the need to build a “Garden City” to resolve the urban population problems, citing London and New York as examples. It led to the creation and development of the Tama Den-en-toshi area—a suburban development with zoning of the largest scale in Japan—and has attracted attention as an urban model friendly to the environment and people that is based on public transportation (page 9).

**Facing social issues head-on and providing new value through community development is in our Tokyu DNA.**

# A History of Creating New Value

Since our founding, the synergy effects of our transportation, development, and life service businesses have helped us to offer value to society and to each and every customer, and have also helped the Group to grow in step with the development of urban areas.

**1918 to 1950s**  
 Reconstruction from earthquakes and war, and the concentration of population in large cities

- > Living and mobility services for suburban residential areas
- > Reconstruction of Shibuya and putting in place functions for convenience of everyday lives

**Action by Tokyu**

- > Extension of railway lines
- > Business development keeping national policies in perspective (obtaining foreign currency through housing, railway, and expressway development, and through tourism)
- > Diversification of the Group

In addition to improving convenient access to transportation in suburban residential areas through constructing railroads and extending railway lines, we also enhanced functions for convenience in everyday lives, opening a department store, commercial facilities, a planetarium, and other cultural facilities at the Shibuya terminal.



1932 Tamagawa-dai (Den-en-chofu) residential district

**1960 to 1980s**  
 From rapid economic growth to a mature society

- > Deepening people's enrichment (from quantity to quality)
- > Full-swing development of the Tama Den-en-toshi area
- > Expansion of urban development to outside Tokyo and overseas

**Action by Tokyu**

- > Building of a broader, more tightly connected railway network
- > Expansion of quality and service areas in life services

The land readjustment project in the Tama Den-en-toshi area got into full-swing, and we began expanding urban development modeled on this area into regional areas. We also initiated hotel and other businesses overseas. In addition, in order to meet the diversifying needs of an increasingly affluent society, we developed the 3C business (culture, cable television, and credit cards), deepened the quality of value offered, and expanded the scope of business.



1989 Bunkamura multipurpose cultural facility opens

**1990 to 2000s**  
 Collapse of the bubble economy, declining birthrates and an aging population

- > Intensive investment in areas served by Tokyu's railway lines
- > Started redevelopment of Shibuya

**Action by Tokyu**

- > Changing of Group slogan to "Toward a Beautiful Age"
- > Shift to four-track lines and networks
- > Selection and concentration, and strengthening of financial position

We worked to strengthen our financial position by restructuring the Group through selection and concentration, set about strengthening our rail network through mutual direct train service operations, began developing our business bases, such as in Shibuya Futako-Tamagawa, and Tama Plaza, and put effort into improving the value of areas served by Tokyu's railway lines.



2006 The Toyoko Line and Meguro Line run side by side in a four-track section

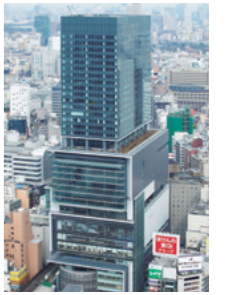
**Late 2000s to present**  
 Progression of declining birthrates and an aging population, and inbound demand

- > Bringing closer work, living, and play, and encouraging relocation
- > Supporting the lives of diverse generations
- > Safe and secure urban development

**Action by Tokyu**

- > The "Three No. 1s in Japan" long-term vision
- > Strengthening of governance systems and "one Tokyu"
- > Re-expansion of expertise in urban development to overseas markets

Seizing on changes and diversification of values, lifestyles, and work styles, we are working to create urban areas that are safe, secure, and comfortable for everyone in terms of both infrastructure and services, including the redevelopment of Shibuya, the development of next-generation suburban areas, and the overseas expansion of expertise in urban development.



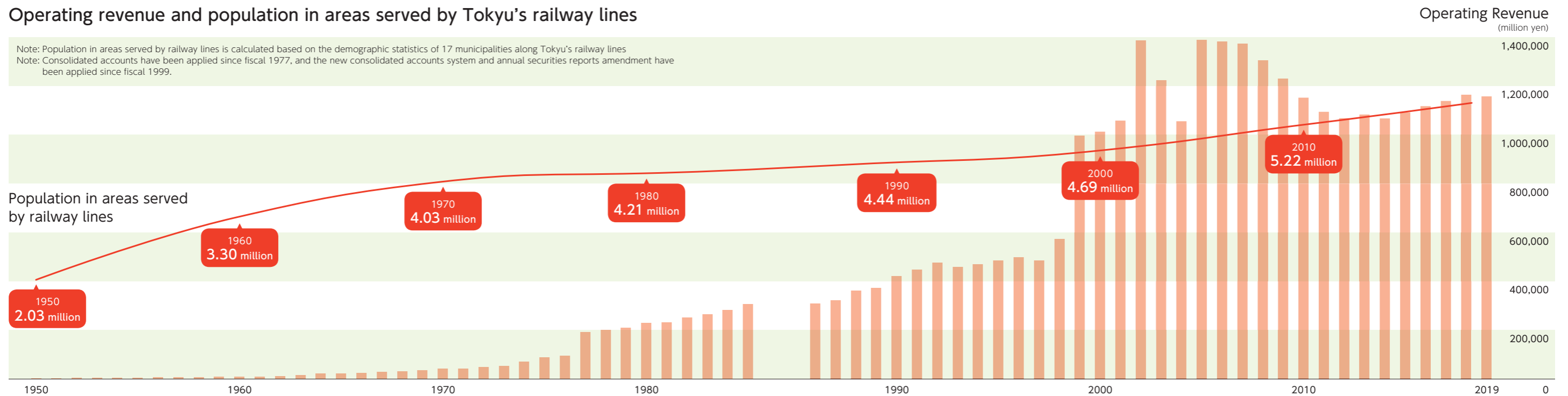
2012 Shibuya Hikarie opens

2020 and beyond

Offering value required in the new era

## Operating revenue and population in areas served by Tokyu's railway lines

Note: Population in areas served by railway lines is calculated based on the demographic statistics of 17 municipalities along Tokyu's railway lines  
 Note: Consolidated accounts have been applied since fiscal 1977, and the new consolidated accounts system and annual securities reports amendment have been applied since fiscal 1999.





# Overview of Tokyu's Business

The Group consists of 137 subsidiaries and 29 affiliates (as of March 31, 2020) in the following areas of business: transportation infrastructure, urban development, lifestyle service and retail, and hospitality. As each of our businesses carries on the Group Philosophy and urban development DNA, we will continue to always offer quality of living from new perspectives while leveraging group synergies.



## Transportation Infrastructure Business (Transportation Segment)

- ◆ Railway business
- ◆ Bus business
- ◆ Airport management business, etc.

Transportation network that is highly convenient and supported by safety, security, and comfort

Total annual passengers:	
Tokyu Railways	Approx. 1,180 million
Tokyu Bus Corporation	Approx. 150 million
Number of stations with platform screen doors, etc., installed	<b>All stations served by Tokyu's railway lines</b>
<small>(including fixed platform barriers equipped with sensors)</small>	<small>(excluding Setagaya Line and Kodomonokuni Line)</small>
Number of passengers per year at airports under management	<b>4.44 million</b>
	<small>(Sendai International Airport, Mt. Fuji Shizuoka Airport)</small>



## Urban Development Business (Real Estate Segment)

- ◆ Real estate sales, leasing, management business
- ◆ Overseas business, etc.

Development of mixed-use areas in which "work," "live" and "play" are functionally developed around a station

Office building space for lease	Approx. 390,000 m <sup>2</sup>
Number of (directly managed) satellite shared office facilities	<b>43</b>
Rental housing:	<b>30 facilities, 1,214 units</b>



## Lifestyle Service and Retail Business (Life Services Segment)

- ◆ Cable Television Business
- ◆ Electricity Retailing, Gas Agent Business
- ◆ Schoolchild, Preschool Nursery Business
- ◆ Department Store and Shopping Center Business
- ◆ Chain Store Business, etc.

IENAKA and MACHINAKA business, supporting the lives of various generations of customers with diverse needs

Households connected to CATV (its communications, Cable Television Shinagawa):	<b>1.13 million households</b>
Number of facilities for preschool and school-aged children (including leased and direct management)	<b>81 facilities</b>
Supermarkets:	<b>86 stores</b>



## Hospitality Business (Hotel and Resort Segment)

- ◆ Hotel Business
- ◆ Resort Business, etc.

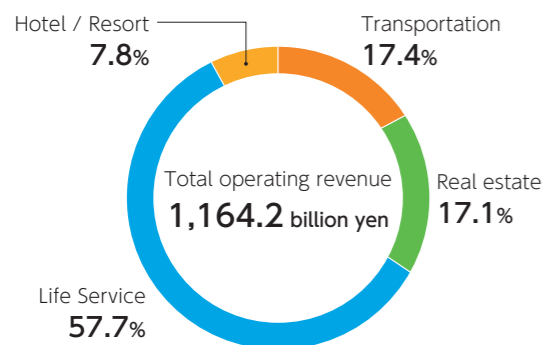
Provision of services in harmony with society which meet diversifying values and lifestyles

Hotels	<b>3 brands, 44 hotels, 12,377 rooms</b>
Time-share resorts	<b>17 facilities</b>
Golf courses	<b>5 locations</b>

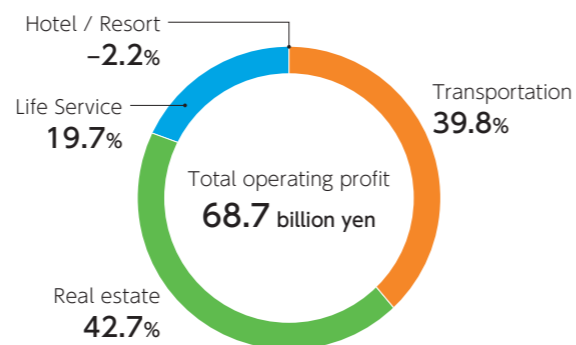
As of March 31, 2020

### FY2019 Results by Segment

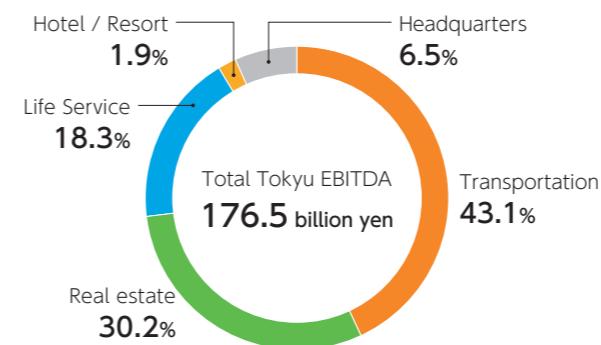
Operating Revenue Distribution Ratio



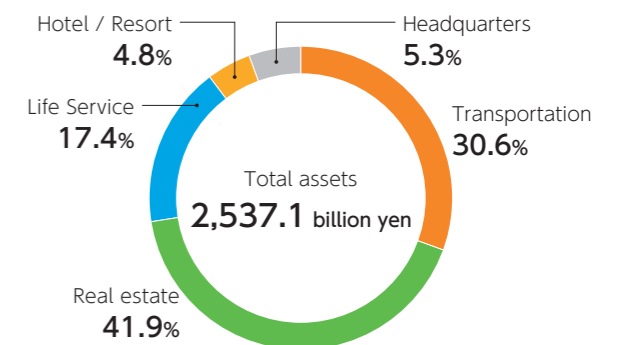
Operating Profit Distribution Ratio



Tokyu EBITDA\* Distribution Ratio



Total Assets Distribution Ratio



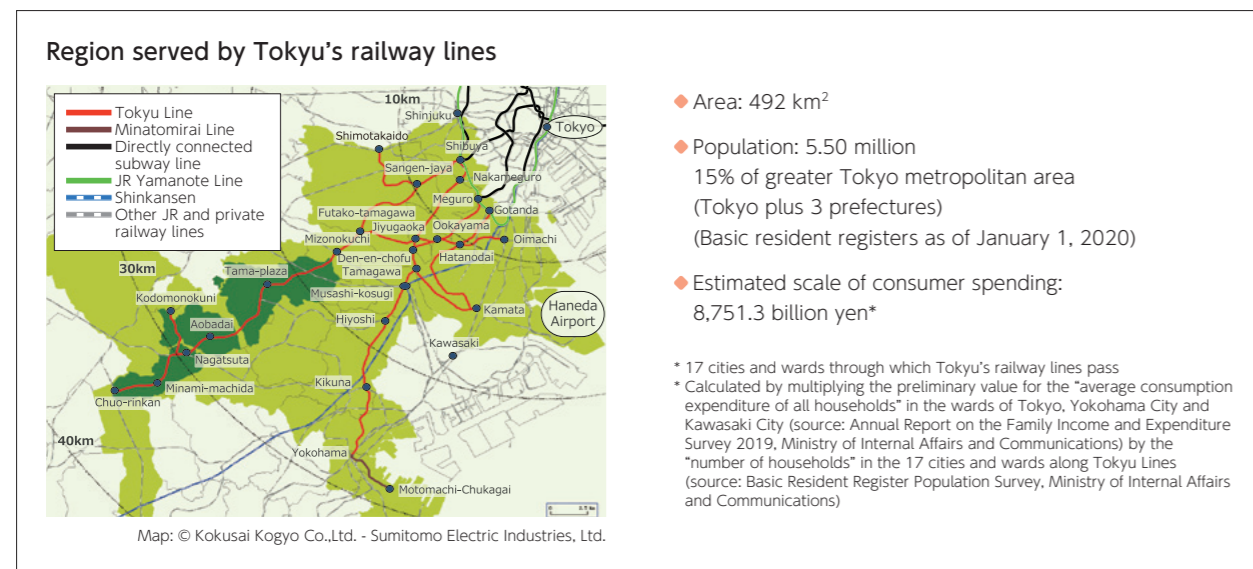
\* Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

# Fields of Business Expansion

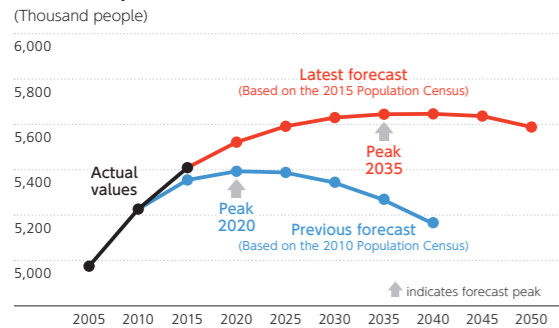
In the greater Tokyo metropolitan area—one of Japan’s most densely populated and highest spending areas—we promote urban development with a focus on public transportation infrastructure. Drawing on the business expertise cultivated in areas served by Tokyu’s railway lines, we are also expanding business into locations outside these areas.

## Overview of Areas Served by Tokyu’s Railway Lines

The population in areas served by Tokyu’s railway lines, which affects the number of passengers carried by rail and the purchasing power along the railway lines, is expected to continue growing for some time to come. While linking these values and possibilities to our business, we will continue to work to maintain and expand our social value and corporate value.



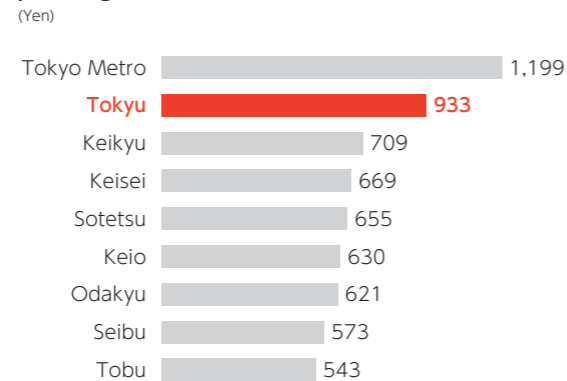
### Dynamics of Population Demographics in the Areas Served by Tokyu’s Railway Lines (Total Population)



\* 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)

Previously, it was predicted that the population living in areas along Tokyu’s railway lines would peak in 2020, but the latest data indicates that the population is forecast to continue growing until 2035. This is thought to be due in part to the urban development by the Company along the railway lines, such as in Shibuya, Futako-Tamagawa and Tama Plaza.

### Passenger revenue per kilometer of passenger train service (Yen)



Based on the 2019 edition of Ooto Mintetsu no Sugao, published by the Japan Private Railway Association

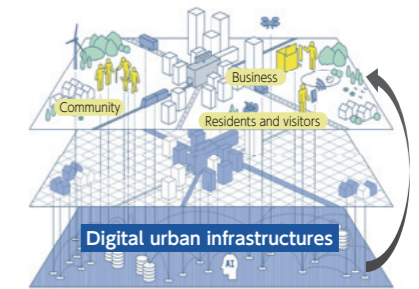
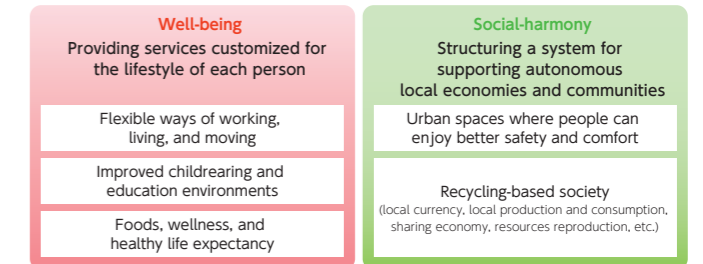
Tokyu’s railway lines are used by many passengers as a result of the urban development along the lines and the development of a highly convenient transportation network. This makes Tokyu’s railway lines more profitable than other major private railway companies.

## The Private Railway Business Model and Tokyu’s Vision for the Future

### » The Private Railway Business Model

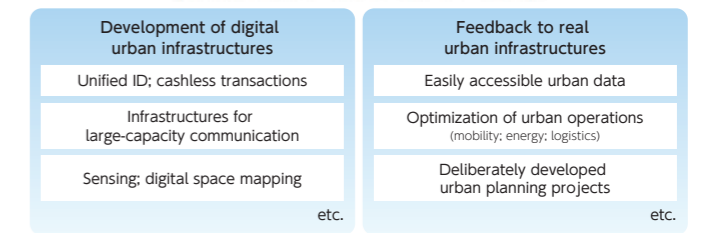
The private railway business is a uniquely Japanese business model that promotes the integrated development of public transportation by private companies along with urban development in areas along those railway lines. In addition to the laying and operation of railway lines, this model aims to develop sustainable urban areas, developing residential areas and real estate and working with the community to improve the value of areas along the railway, through attracting schools, hospitals, and businesses to the area and enhancing life functions and services. The Tama Den-en-toshi area is also gaining attention from the World Bank and other financial institutions engaged in international development as “transit-oriented development” (TOD\*), that is, urban development that does not rely on private automobiles.  
\*TOD: Transit-Oriented Development

### Concept of City as a Service



### » Tokyu’s Vision for the Future

While the population in areas along Tokyu’s railway lines is forecast to increase until 2035, it is expected to enter an era of population stagnation after that. By further evolving the private railway business model, we will create self-contained and dispersed structures in which cities equipped with functions for work, living, and play are interconnected, leading to urban development for the next generation which utilizes various points of contact with customers in a mix of digital technologies with real life (concept of “City as a Service”).



From Tokyu’s “Long-term Management Initiative”

## Business Expansion Outside the Areas Served by Tokyu’s Railway Lines

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

### » Making inroads into the airport management business by utilizing expertise cultivated in the transportation infrastructure business

Built on a basis of safety, the airport management business has a high degree of affinity with the transportation infrastructure business. Thus, we have begun accepting contracts for the management of airports as a new business that allows us to maximize the Group’s expertise. Using airport management as a foothold, our aim is for mutual growth in cooperation with existing Group businesses, such as “Tohoku,” “Shizuoka/Izu,” and “Hokkaido.”



### » Overseas urban development

In rapidly growing Vietnam, we are expanding urban development integrated with public transportation through the development of environments for work, living, and play, combined with the bus business. In addition, in Thailand we are promoting residential properties and residential leasing services, and in Australia, we are engaged in a joint venture on the development and sale of residential lots and a joint project for urban development (enticement of companies and education facilities, etc.).



# Value Creation Process (long-term recycling-based business model)

The Group aims to create new value through facing society's issues and taking on the challenge of addressing them.

It is a "long-term recycling-based business model" that aims for a perpetual cycle through the reinvestment of generated value in conjunction with the injection of new management resources.

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
- Spread of infectious disease
- Information security risk

**Main Management Resources** See page 12

- Non-financial capital**: Transportation network, facilities, human resources, etc.
- Financial capital**: Stable revenue base, etc.

Social value

Economic value

**Group Slogan**  
Toward a Beautiful Age—Tokyu Group

**Sustainable Management**  
Material sustainability themes See pages 28-29

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

**Tokyu's Growth**

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

**Growth of Cities**

- Safe and secure society
- Harmony with the global environment
- Deeper wealth, improved convenience
- Increase in the number of people who eat, live, and play

**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

- Transportation Infrastructure**: Expansion of railway network, Highly convenient transportation network
- Urban Development**: Development of mixed-use areas comprised of offices, commercial facilities, hotels, and other facilities, centered around a station
- Lifestyle Service and Retail**: Wide range of points of contact with customers and broad customer base, ranging from telecommunications, electricity, and other infrastructure, to commercial, medical care, and other fields
- Hospitality**: Diverse brand development that can meet the various needs of customers

**Main Business Activities** See pages 38-45

- Transportation Infrastructure Business**: Railway Business, Bus Business, Airport Management Business, etc.
- Urban Development Business**: Real Estate Sales, Leasing, Management Business, etc.
- Lifestyle Service Business**: Cable Television Business, Electricity Retailing, Gas Agent Business, Schoolchild, Preschool Nursery Business, etc.
- Retail Business**: Department Store Business, Shopping Center Business, Chain Store Business, etc.
- Hospitality Business**: Hotel Business, Resort Business, etc.

**Long-term Management Initiative** See pages 20-21

**Three-year Medium-term Management Plan** See pages 22-23

**Sustainable improvement of corporate value: Sustainable Growth**

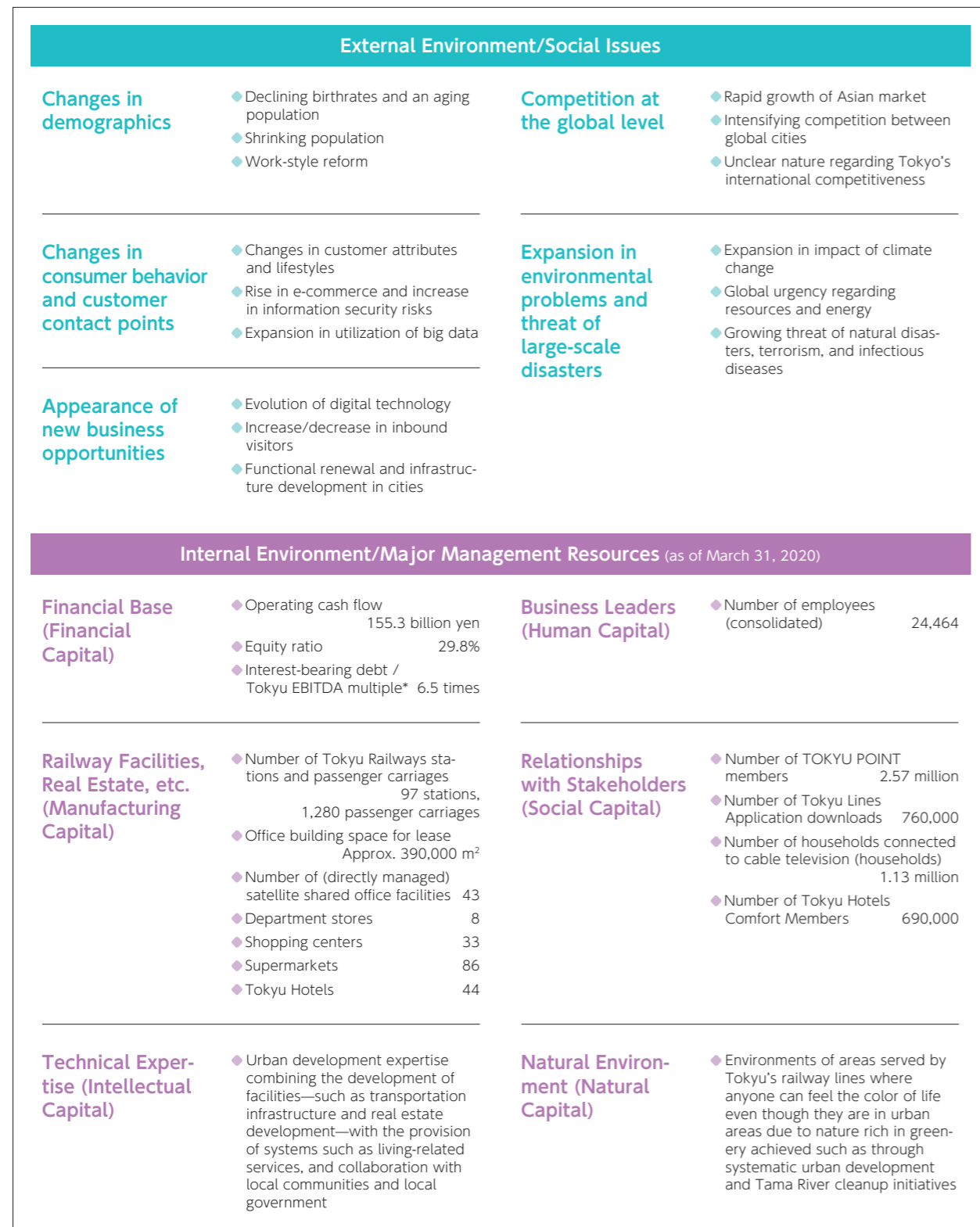
**Creating beautiful living environments**

- Local communities
- Employees
- Customers
- Business partners
- Shareholders and investors
- Global environment

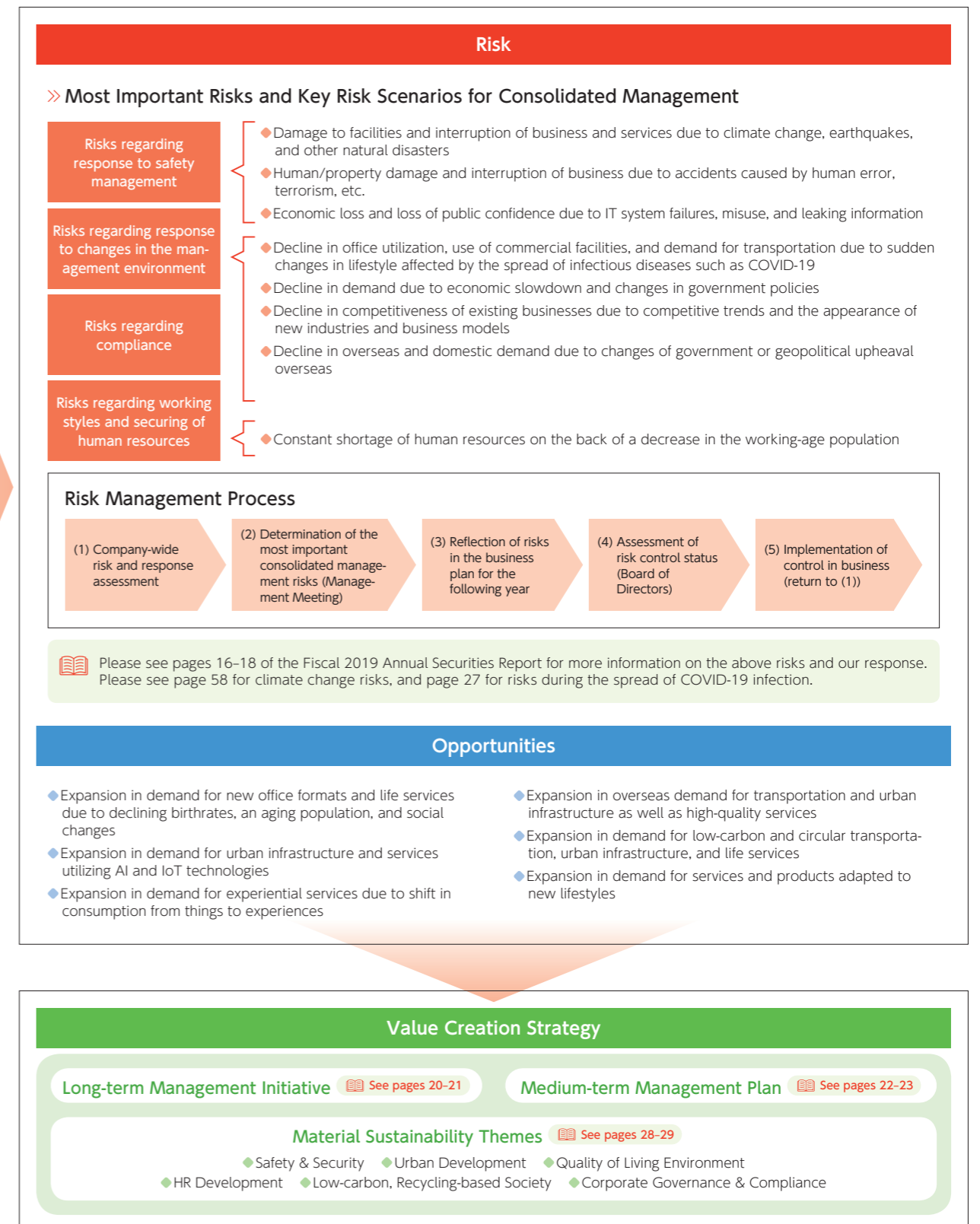


# External and Internal Environments, and Risk and Opportunity

To achieve a long-term recycling-based business model that creates new value through taking on social issues, the Group utilizes the wide range of management resources in our possession while being aware of the external environment, and responds appropriately to the important risks and opportunities.



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



## Top Commitment

To realize Tokyu's visions for the future, we will aim to create new value, seizing changes in the social environment as opportunities for further business reform.



高橋 和夫

**Kazuo Takahashi**  
President & Representative Director  
Tokyu Corporation

## Impact of COVID-19 and current response



Japan and the rest of the world are currently facing an unprecedented challenge in the spread of COVID-19. It is also having a significant impact on our business environment. Given the various businesses we conduct and the disparate environments in which we operate, we must carefully implement a raft of detailed measures in each of our businesses to achieve a recovery in performance. In general, much of our business involves customer transportation and attracting customers, and while railways, hotels and similar sectors are in a difficult situation, based on the premise that society will not return to the way it was before, we are using these environmental changes as an opportunity to promote business structure reforms.

Amid this new way of life, we must transform the railway business into a revenue structure that will ensure profitability even as passenger numbers decline. Given there are limits to how much we can reduce fixed costs alone, our plan is to increase revenue if possible. However, as introducing a flexible fare structure would require considerable time and approvals, we believe it is important to build value for our customers. As part of our response, we are working on ideas to ensure that everyone can feel safe while using our services. Shortly before separating our railway business through a company split in 2019, we divided it into three large business areas, and began changing the structure, delegating authority to an area manager and allowing a certain degree of decisions to be made on an area basis. Our intention has been to produce results by making quick decisions closer to our customers.

Our hotel business, while not excessively dependent on inbound demand, has been considerably affected by the fall in domestic demand. Large hotels in Tokyo in particular have experienced a significant decrease in occupancy rates, so we need to lift these rates and revitalize the hotel scene. To this end, we are directing our initial efforts at increasing revenue even slightly, such as by establishing time-limited campaigns. At the same time, we are also optimizing costs through structural reform, and we plan to restore business performance by tackling both revenue and cost aspects.

The retail business, apart from supermarkets, is also in a tough situation, and we had been considering structural reforms in this area even before COVID-19. Continuing the labor-intensive business model in department stores in particular is difficult, so we have been promoting efficiency improvements, including shifting to a hybrid business in which Tokyu handles food, cosmetics and other relatively profitable product lines, while enticing tenants with strong drawing power to occupy other selling spaces. With regard to digitalization, I believe we must promote services provision with a view to OMO,\*<sup>1</sup> while maintaining the virtues of our bricks-and-mortar stores, such as through collaboration with Japan's leading IT companies. Going forward, we will work on giving concrete form to the business model to establish a "Tokyu Retail" that is appropriate for an era with COVID-19.

\*1 OMO is an acronym for Online Merges with Offline. It is a marketing concept that strives to maximize customer value by attempting to create consumer appetite beyond the boundary between online and offline.





## Promoting efforts for our long-term management initiative during the COVID-19 pandemic

In September 2019, in addition to transitioning to an operating holding company, Tokyu Corporation, to accelerate our growth strategies, also announced our long-term management initiative to clarify Tokyu's visions for the future and the direction in which Tokyu will go. Under this initiative, we will work on six material sustainability themes, leveraging new technologies around the expertise and resources we have nurtured through urban development over the 100 years since our foundation, with an aim for 2050 of "Achieving the development of 'A City Adored by People around the World' by providing social values originally created by Tokyu." Even during the COVID-19 pandemic, we will steadfastly maintain this vision for the future. The basis of our long-term management initiative is a long-term recycling-based business model that creates new value through taking on social issues, and this will not change. If anything, I believe that to realize these visions swiftly, we must push ahead with digital transformation (DX) and come up with concrete measures to adapt to the new social environment in which lifestyles and work styles have changed.

For example, the complex development project in "Greater SHIBUYA" –the wider Shibuya area within a 2.5km radius of Shibuya Station – is one that we will work on over the next 10 to 20 years. Shibuya has always had an agglomeration of IT and other digital-related companies and entertainment-related businesses, as well as an abundance of various educational and cultural facilities, and it has the potential to realize an internationally very attractive, high-level district if housing development can also be promoted in the future. In 2019, we opened Shibuya Scramble Square Phase I (East

Building), which could be described as the centerpiece of the overall picture. This has triggered an increase in momentum for development in the surrounding area, and we have received a variety of offers. Thus, while the intended direction of urban development remains unchanged, some aspects of the ongoing project plans and existing business models are not working as well as expected due to the effects of the COVID-19 pandemic. Even if a project is temporarily stopped, we are trying to move forward by building up a hypothesis not bound to the past. I also believe that reacting sensitively to change as we proceed and making changes as required will be the way of the future in business and projects.

Similarly, our efforts for the future in the urban development business are about creating urban areas along Tokyu's railway lines with a good balance of work, living, and play. While working from home and teleworking have spread rapidly due to the effects of COVID-19, we encouraged teleworking and sought pleasant work conditions even before COVID-19. In addition, we have promoted urban development that is attractive to businesspeople, expanding our NewWork membership-based shared satellite office business within the Tokyu railway area and to other parts of Japan. Recently, there has also been a firm takeoff in demand for condominiums within areas served by Tokyu's railway lines, such as in Minami-Machida and Chuo-Rinkan, which are about 30km from Shibuya. By observing the trend of significant changes in the supply-demand balance between "work" and "living," I believe we can provide more offices and telework sites along Tokyu's railway lines.

From a perspective of area development, we opened Minami-machida Grandberry Park in November 2019. Current visitor numbers are almost back to planned levels, even with the current circumstances. We are encouraged by the feeling that the open-air nature of the park helps makes customers feel at ease and provides them with a type of suburban lifestyle.

Furthermore, Minami-Machida is not a one-off development. Our view is that it is part of a series of urban developments along with Futako-Tamagawa, Tama Plaza and so on, and that all are linked together. Each

has its own factor, or its own role, and together, they seek to improve the value of rail service areas. I see this as a characteristic of Tokyu.

📖	Long-term Management Initiative	Pages 20-21
	Material Sustainability Themes	Pages 28-29
	Long-term Recycling-based Business Model	
	Shibuya Growth Strategy	Pages 10-11
	Areas Served by Tokyu's Railway Lines Growth Strategy	Pages 34-35
		Pages 36-37

## Expansion beyond areas served by Tokyu's railway lines, mindful of our business portfolio



Leveraging our experience and expertise in businesses along Tokyu's railway lines, Tokyu is also engaged in businesses beyond the areas served by Tokyu's railway lines, such as the management of Sendai International Airport and Mt. Fuji Shizuoka Airport and urban development overseas. Compared to inside the Tokyu railway area, where we are developing the transportation infrastructure business and many other businesses, since we have limited ways of dealing with conceivable risks beyond the areas served by Tokyu's railway lines, we check the tolerable levels of investment risk more carefully when conducting business.

Although the impact of COVID-19 is expected to cause an extended slump in inbound demand and it is difficult to predict future domestic demand, the scale of that investment is limited in terms of the Group as a whole.

In development overseas, our plan is to continue focusing business on Vietnam, Thailand, and Australia – three regions where there is strong market potential due to such factors as population growth. For example, in an urban development project underway in Binh Duong, Vietnam, construction has started on the second and third condominiums, and sales are also progressing smoothly. In these three regions, I believe we can continue to make steady progress in business by working together with local development partners.

📖	Business Expansion Outside the Areas Served by Tokyu's Railway Lines	Page 9
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## Engagement with employees is paramount

The most important factor in a company growing sustainably is its employees. In addition to making work more rewarding for employees and improving their job satisfaction, we are also putting effort into health management. I want to improve engagement by strengthening the mutual relationships of trust that our efforts will be communicated to employees and employees will also be committed to the company.


What I particularly value in human resources development is entrusting a project or business to an employee and getting them to work persistently on it until they can see the answer or a certain goal is reached. If management is seen to back out just because things go a little badly, it is not possible to develop motivated human resources. I also think it is important to encourage employees to take on challenges in new areas, learning from their experiences even if they make some mistakes. However, even if a job is left to the discretion of an employee, if they are allowed to work as they like, employees will end up taking different directions, making it difficult to promote group management. I see my role as maintaining that balance.

In the case of Tokyu, because we have a wide range of businesses, employees can gain a variety of experiences. Although we are promoting the development of T-shaped employees, conscious of horizontal breadth such as in terms of cooperation among diverse businesses, I think we are entering an era in which there will be a greater need for deep expertise.

With regard to encouraging women's success in the workplace, Tokyu has been awarded the "Nadeshiko Brand\*2" for eight consecutive years for our ongoing efforts for the evolution of work styles. Since we have been increasing our recruitment of female employees

over the years, the number of female managers has increased, and I believe that more women will be promoted to senior management in the future. The addition of two female outside officers to the Board of Directors has already resulted in more lively discussion from diverse perspectives, and I really feel that diversity works for the benefit of management.

I have been holding lunch meetings with manager-level employees for several years now, although these have recently been temporarily suspended due to COVID-19. Talking with the members responsible for project management in each business is both stimulating and an important time for me. Discussing internal and external aspects of work and understanding, "Oh, so this project is being advanced based on such-and-such thinking," I think is very meaningful, and helps to deepen two-way communication. I believe accumulating such discussions can only make the company stronger.

 Employee Engagement, Health Management **Page 51**  
Encouraging Women's Success in the Workplace **Page 52**

\*2 Since fiscal 2012, the Ministry of Economy, Trade and Industry (METI), in collaboration with the Tokyo Stock Exchange (TSE), has been selecting listed companies that are exceptional in encouraging women's success in the workplace. Through introducing listed companies that are exceptional in encouraging women's success in the workplace as stocks that are attractive for investors who emphasize improving corporate value over the medium to long term, the aim of the program is to encourage investment in the companies and for the companies to accelerate their initiatives.



## The idea of "stakeholder capitalism" and steady action toward a carbon-free society




In recent years around the world, there has been a growing argument for "stakeholder capitalism," that is, rather than companies only pursuing profits that prioritize contributions to shareholders, they should contribute to all relevant stakeholders. Such an idea has been rooted in our company since its founding. Our business is promoted on the premise of building relationships of trust with all our stakeholders, such as customers, employees, local communities, business partners, shareholders and investors, by dealing with them sincerely. We also regard the global environment as a stakeholder, and we will tackle major issues such as climate change measures head-on.

The Group has declared its commitment to "RE100,"\*3 that is, to procure all of the electricity we use in business from renewable energies by 2050. In response to this, since fiscal 2020, we have been evaluating our projects by judging their environmental impact against indicators. Although additional costs are naturally incurred in order to carry out projects with a low environmental impact, we have changed to a process of reviewing revenue and expenditure recognizing these costs as necessary. In this way, we have plotted a

concrete course toward realizing RE100, which we plan to achieve through steady accumulation. In 2019, we began operating the Tokyu Setagaya Line on 100% renewable energy, and our target is to expand this to other lines. In September 2020, we also endorsed TCFD.\*4 I believe that advancing concrete environmental initiatives while simultaneously achieving sustainable growth for the company is without doubt a central theme of sustainable management.

Finally, to reiterate, our long-term management initiative shows Tokyu's visions for the future from the perspective of 2050 as a guiding principle for the company. While the steps to reaching this may be shrouded by the COVID-19 pandemic, the greatest risk of all is not taking up the challenge for fear of failure. I am convinced that, if we can move each of our businesses forward with strength, viewing change as an opportunity, we can realize the future we are aiming for.

 Long-term Environmental Targets Addressing Climate Change and Endorsement of TCFD **Pages 56-57**  
**Page 58**

\*3 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

\*4 Task Force on Climate-related Financial Disclosures (TCFD): A task force launched by the Financial Stability Board (FSB) that encourages companies to disclose information on their responses to climate change.



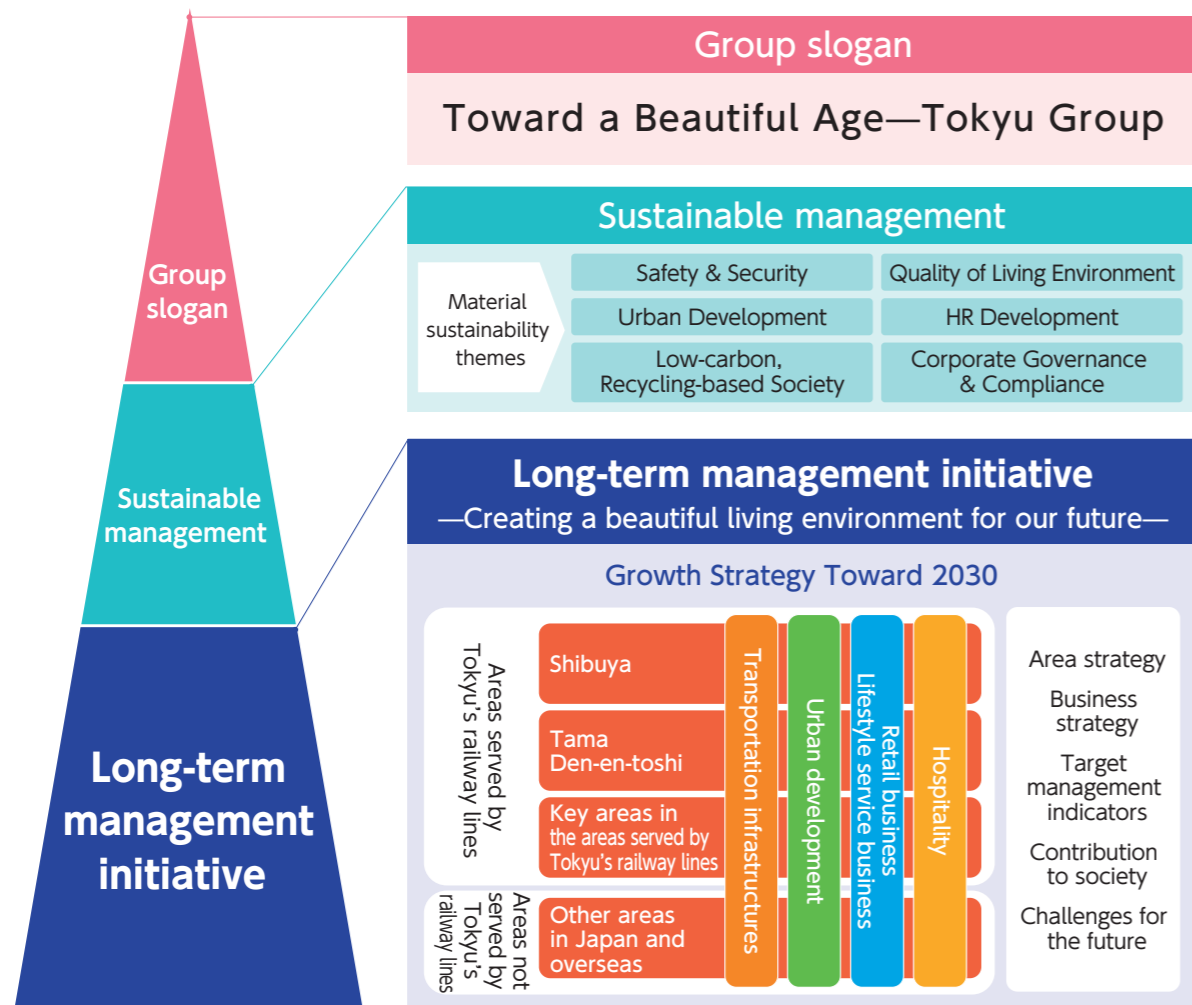
# Long-term Management Initiative

Ever since our foundation, Tokyu Corporation has been striving to solve social issues through urban development. On the other hand, digitalization, demographic changes and other social changes are accelerating, and our business environment is undergoing 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 and clearly indicate Tokyu's visions for the future and the direction in which Tokyu will go.

The recent spread of COVID-19 has caused significant changes to the business environment. Under such circumstances, the Group will continue in its endeavors, evolving strategies to adapt quickly to changes in lifestyle and social issues, while maintaining our vision for the future.

## Status of the Long-term Management Initiative

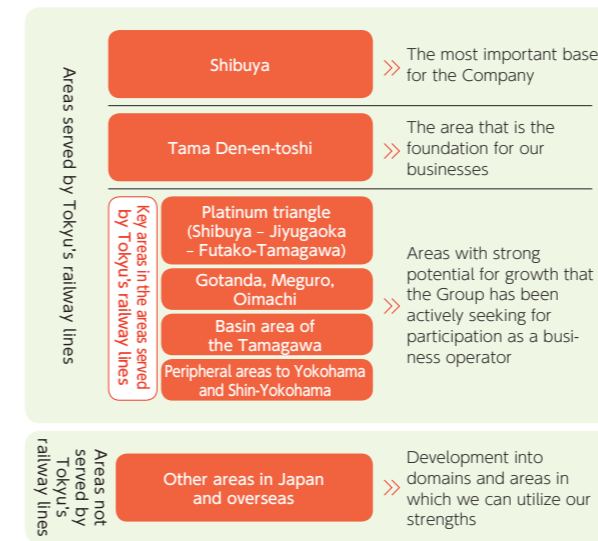
The initiative states our management stance and growth strategies (including area strategies and business strategies) for the period from now to 2030, and sets "Achieving the development of 'A City Adored by People around the World' by providing social values originally created by Tokyu" as the Group's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



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

## Area Strategy

Dividing our business areas into four, we will develop and implement strategies according to the characteristics and growth potential of each area.



## Business Strategy

We will develop strategies for each business, and by combining them with area strategies, we aim to achieve both business growth and the resolution of social issues.

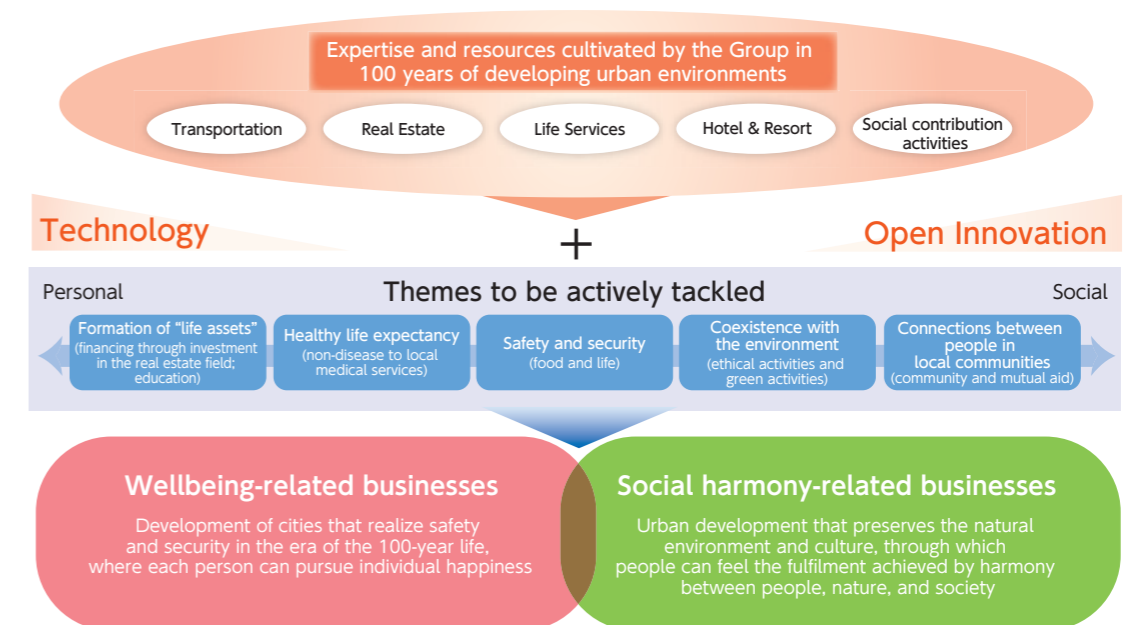
- Transportation Infrastructure Business (Transportation Segment)**
  - Pursuing safety in our railway business; realizing both public welfare and profitability at a high level
  - Creation of next-generation transportation infrastructure businesses with the airport management business and the MaaS business as the core
- Urban Development Business (Real Estate Segment)**
  - Achieving both the resolution of social issues and business growth through promoting urban development that is unique to the Group
  - Evolution from the real estate business to urban management through utilizing IT and making the most of the combined strength of our businesses
- Lifestyle Service Business (Life Services Segment)**
  - Implementing management that is oriented toward consumers and users ahead of diversified custom
- Retail Business (Life Services Segment)**
  - Provision of new experiences to customers and improving productivity by introducing new technologies
- Hospitality Business (Hotel and Resort Segment)**
  - Strengthening brand competitiveness in the hotel business
  - Restructuring of the value chain and the supply chain that are responsive to changes in the environments

\* This is an excerpt from our area strategies and business strategies.

## 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 well-being-related businesses and social harmony-related businesses by using the expertise and resources nurtured through urban development to work on five themes.



# Progress of the 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."

## Basic Policies – Sustainability in Three Areas and Five Key Initiatives

Basic Policies

**Sustainable "urban development"**

- Rise to the challenge of new types of urban development and continue to focus on urban development and regeneration.
- Inherit the urban development DNA that has flowed through our veins for 100 years.

**Sustainable "corporate development"**

- Continue to provide added value to stakeholders (customers, shareholders, business partners, etc.).
- Achieve business growth by adapting to the changing environment and social needs.

**Sustainable "HR development"**

- Support HR development in society through childcare, education and cultural activities.
- 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

- Tirelessly pursue "safety," "security" and "comfort" (increasing the resilience of our mainstay railway business)
- Increase Shibuya's global appeal (bring Entertainment City Shibuya to fruition)
- 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)
- Expand business through strategic alliances (collaboration inside and outside the Group)
- Make progress on workstyle innovation (develop Tokyu's own brand of workstyle reforms)

## Results for FY2019

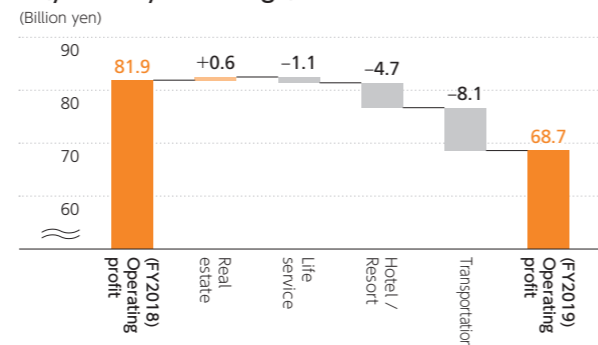
Key initiatives, such as in the railway (company split, installation of platform screen doors) and real estate businesses (opening of Shibuya and Minami-machida) were steadily implemented and completed. Until the third quarter, most objectives of the

plan had been expected to be achieved, except in the hotel and resort segment where inbound demand appeared to stall, but the objectives were not achieved due to the effects of preventing the spread of COVID-19.

### Financial results for fiscal 2019

	FY2019	Change from FY2018	Variation from plan
Operating revenue	1,164.2 billion yen	+6.8 billion yen	-29.3 billion yen
Operating profit	68.7 billion yen	-13.2 billion yen	-9.3 billion yen
Recurring profit	70.9 billion yen	-10.9 billion yen	-6.2 billion yen
Profit attributable to owners of parent	42.3 billion yen	-15.4 billion yen	-11.7 billion yen

### Operating profit by segment for fiscal 2019 (year-on-year change)



## Progress of Management Plan

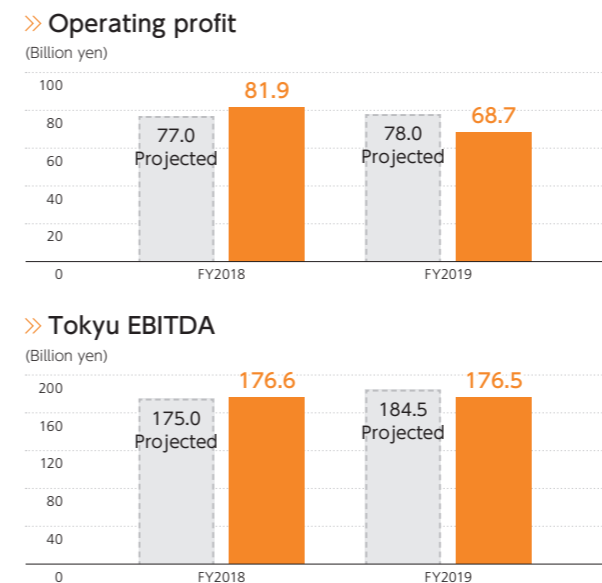
Due to restrictions on people leaving their homes and changes in the business environment attributable to the impact of COVID-19, it is inevitable that revenue will decline in fiscal 2020.

In all businesses, we will not operate on the premise of past business environments. Rather, we will promote reviews in response to changes, and we will control and be selective of expenses and capital investment. In the railway business in particular, apart from investment in safety and so on, we will

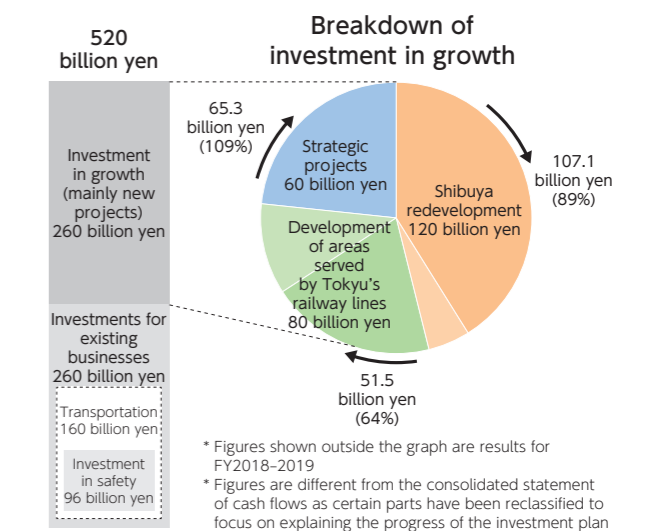
promote management with an awareness of creating cash flow while also considering a temporary freeze on capital investment.

Although achieving the projected figures of our three-year medium-term management plan is challenging, investment in growth, mainly in the Shibuya redevelopment, peaked during fiscal 2019. At present, the amount of investment is already close to the target level, and we believe good progress is being made in measures for achieving sustainable growth in the future.

### Operating profit and Tokyu EBITDA, FY2018-2019



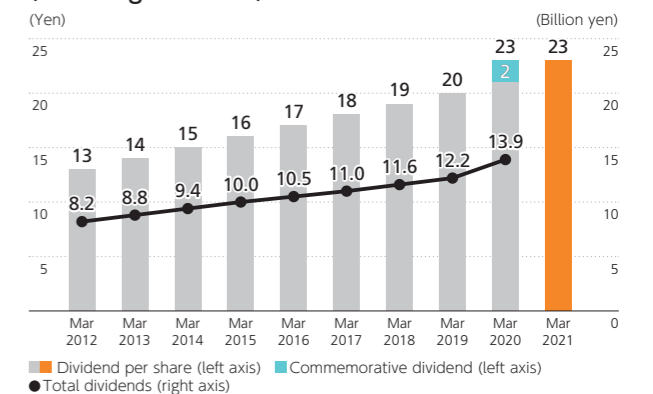
### Capital expenditure & investments, etc., total for FY2018-2019



## Approach to Shareholder Returns

Tokyu Corporation is committed to expanding the scale of profits through active investment and achieving shareholder returns at a total return ratio of 30%. In the fiscal year ended March 31, 2020, although profit was lower than projected, we issued dividends, including a commemorative dividend, of 23 yen per share, and in addition, we acquired a total of about 10 billion yen of treasury shares. The outlook for the fiscal year ending March 31, 2021 is unclear due to the challenging business environment, but with the accumulated capital to date and by implementing various measures, we aim to provide stable and continuous returns to our shareholders and other stakeholders.

### Total dividends and dividend per share (including forecasts)





# Message from the CFO

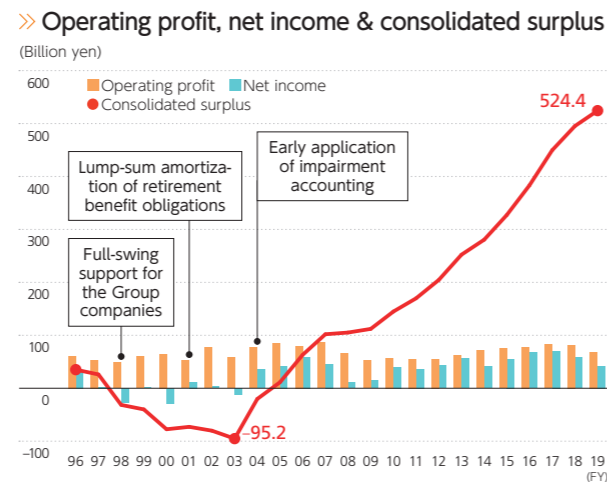


Reforms adapted to the changing times, and financial management supporting ESG management

**Hirohisa Fujiwara**  
Managing Executive Officer

## Improving Financial Health through Long-term Initiatives

The following is an explanation about Tokyu's financial strategy. In times past, some Group companies, whose businesses had expanded during Japan's economic bubble, experienced a significant deterioration of business conditions. In response to the situation at the time, we drastically reorganized the Group. Along with the strict application of new accounting systems for impairment losses, retirement benefits and so on, we also worked on reforming our earnings structure, such as by expanding our leasing business, and we built up capital through the accumulation of profits generated by our businesses. As a result, I believe that we have achieved a certain level of financial health necessary for sustainable management. In addition, one of the financial results from our urban development to date is that unrealized gains on leased and other real estate in fiscal 2019 were 597.9 billion yen.



## Need for Earnings Structure Reform

Tokyu's urban development to date has been a business model of expanding the scale of our assets, particularly in areas serviced by Tokyu's railway lines, and broadening the base of profits that are derived from them. By reinvesting the ample cash flow generated by the railway business and other businesses into areas serviced by Tokyu's railway lines, we have been working on ideal urban development for realizing rich lifestyles (formation of cities, community platforms, etc.). However, the changes in work styles and lifestyles brought about by COVID-19 have changed the demand for travel, and I have a keen sense of crisis that we need to adapt to new social needs and to reform more flexibly than ever before, not only in the railway business, which is premised on the population living along Tokyu's railway lines

increasing and an accompanying increase in passenger numbers, but also in our non-railway businesses which have formed as a result of attracting customers. We are unwavering in our objective of sustainable growth in order to realize our long-term management initiative while taking social changes into account. At the same time, we must also accept infectious diseases, such as COVID-19, as part of the social environment in future business strategies. Based on the premise that our structural reforms accord with the "new normal," we will work on building our business portfolio by investing in new projects from a financial perspective, taking into account the balance between their "physical" and "nonphysical" aspects.

## Allocation of Management Resources and ESG

In addition to the department store business and hotel business, where the business environments have continued to undergo significant change, we are also considering future ideal business models for the railway business and entertainment business, the earnings models for which are changing in the new normal. I hope to show the direction of these business models soon. In urban management, while much of our direct profit revenue comes from using assets, the source supporting the value of areas served by Tokyu's railway lines is our life service businesses. The creation of beautiful living environments and a harmonious society, which are our mission statement, are the embodiment of "E" and "S" in ESG. We will prioritize the allocation of resources to areas such as digital transformation, wellness, and ICT education, which cannot be achieved through hardware infrastructure alone, as well as to enhancing the work environment of our employees, who are the driving force for creating social value.

At the same time, we will increase productivity from the perspective of providing the value needed along Tokyu's railway lines. We will not necessarily do everything ourselves, but will also consider partnerships with others. We will also maximize the value provided to all stakeholders, including customers and employees, and we will strive to increase stable, ongoing shareholder returns (see page 23). In settling on an approach to improving the value of the Tokyu area and allocating management resources, we will utilize our ESG management approach and review investments and businesses that do not contribute to ESG improvement. Since our founding, we have consistently worked to improve our social value, but now that the world has objective evaluations and investment mechanisms in place, we plan to actively incorporate them so as not to become complacent, and utilize them in improving our systems and for making management decisions.

## Enhancement of Financial and Nonfinancial Management Performance for Sustainable Growth

In incorporating ESG into management, we are striving to evaluate, analyze and improve both financial value and non-financial value. Rather than considering nonfinancial value in isolation, we are working to create a system that allows visualization of management through integrated thinking, regarding nonfinancial value as an important factor affecting the creation of corporate value in the medium to long term. In terms of specific initiatives, we will consider both financial and nonfinancial KPIs when setting targets for each business, and we will monitor the results.

We have also developed internal operations to promote environmental investment when implementing new businesses. By building on these initiatives, we will continue to optimize the Group's consolidated management systems and investment standards. In addition, we plan to issue sustainability bonds in fiscal 2020. By disclosing how the bonds will be used to improve the environment and social value, we hope to promote ESG initiatives, expand our investor base and otherwise strengthen our financial base.

## Improving Corporate Value through Dialogue with Shareholders and Investors

With the advent of the new normal, some old business models have to be transformed. Especially in challenging and difficult circumstances, we will strive to enhance the timeliness of our external disclosure. We will improve the quality of dialogue with investors in response to the revision of Japan's Stewardship Code, taking into account sustainability issues and other matters, and we will make use of their opinions received through active communication in the management of Tokyu in an effort to improve our corporate value.



# Impact of COVID-19 and Future Direction

While measures for controlling COVID-19 will drastically change future lifestyles and work styles in the community, and will lead to a significant impact on our Group's businesses, our aspiration in the long-term management initiative of "creating beautiful living environments for our future" remains unchanged, and we will continue to further strengthen our business strategies with an eye to the post-COVID era.

## Impact of COVID-19

The extension of restrictions on people leaving their homes is likely to transform lifestyles, work styles, etc.

- ◆ Changes in the movement of "people" due to working from home and other forms of teleworking
- ◆ Decline in inbound visitors (including postponement of the Tokyo Olympics)
- ◆ "Stay-at-home demand"
- ◆ Further advances in IT and EC

## Current status of the Group

In 2019, completed large-scale development projects and split of the railway business, formulated the long-term management initiative (guideline for 2030 and beyond), and moved toward a "sustainable management" stage with a longer-term perspective

- Sep 2019 Formulated the long-term management initiative
- Oct Completed split of the railway business
- Nov Opened Shibuya Scramble Square  
Minami-machida Grandberry Park

## Future Direction

There is no change to our objective of achieving sustainable growth while taking social changes into account. In future business strategies, we will implement structural reform and promote ESG-focused management with a sense of speed, including the promotion of businesses that help to fulfill our social mission and improve our social value.

### Social changes and Tokyu's response

- ◆ We recognize that the impact of the COVID-19 pandemic will continue for some time.
- ◆ There will be a need to anticipate behavioral changes of people living in areas served by Tokyu's railway lines.
- ◆ We will accelerate action taken for businesses that were already in need of structural reform (retail business, etc.).
- ◆ We will promote the creation of community infrastructure and the realization of City as a Service, while dealing with environmental changes.

We will further promote the "sustainable management" included in our long-term management initiative, and we will focus on ESG.

### Tokyu's own brand of "sustainable management"

- ◆ Post-COVID, we will fulfill our corporate social responsibility all the more (contributing to diverse lifestyles and work styles, addressing themes such as safety, security, and health).
- ◆ We will enhance and improve our governance structures, including development of the officer system.

	Business impacts to date	Response to social needs under a declared state of emergency*1	Risks and opportunities associated with COVID-19		Future business strategies
			Risks in the current business model	Future opportunities, strengths to leverage	
<b>Transportation Infrastructure Business</b> (Transportation Segment)	<b>Number of passengers carried by Tokyu Railways (year-on-year change) (%)</b> 	<ul style="list-style-type: none"> <li>◆ Continue to operate, fulfilling our responsibility for public transportation</li> <li>◆ Infection control measures in stations, facilities and train carriages*2</li> <li>◆ Opening windows when leaving railway yards and request for cooperation turning on ventilation during service</li> <li>◆ Efforts for preventing infection and distribution of videos supporting the "stay at home" campaign (Tokyu website, YouTube, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Changes in work styles (work from home)</li> <li>◆ Decrease in demand for travel</li> <li>◆ Revenue and expense structure with high fixed costs</li> </ul>	<ul style="list-style-type: none"> <li>◆ Transportation services that are kept safe through the pursuit of infection prevention</li> <li>◆ New services adapted to new lifestyles</li> <li>◆ Stronger cooperation through the operation of multiple airports</li> <li>◆ Reduction in fixed costs utilizing technical innovations, etc.</li> </ul>	<b>Increase the value provided to customers and respond flexibly to social changes</b> <ul style="list-style-type: none"> <li>◆ Ongoing renewal and other work necessary for safe operations</li> <li>◆ Creation of demand for travel through development cooperation and network maintenance</li> <li>◆ Consider reviewing operations, etc., to adapt to changes in the social environment</li> <li>◆ Creation of new added value and responses to our increasing social responsibility</li> <li>◆ Building of next-generation transportation infrastructure businesses by combining airports, MaaS, and tourism</li> </ul>
<b>Urban Development Business</b> (Real Estate Segment)	<ul style="list-style-type: none"> <li>◆ Suspension of business operations for commercial facilities, etc. (Apr-May)</li> <li>◆ Suspension of new sales activities to customers (Apr-May)</li> </ul> <b>Operating revenue of Tokyu Department Store and Tokyu Store Chain (year-on-year change) (%)</b> 	<ul style="list-style-type: none"> <li>◆ Infection control measures for offices/commercial facilities</li> <li>◆ Rent reduction, exemption, postponement</li> </ul>	<ul style="list-style-type: none"> <li>◆ Changes in work styles (office market)</li> <li>◆ Decrease in visitors (urban areas)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Development of business bases (suburban businesses)</li> <li>◆ Promotion of the telework business</li> </ul>	<b>Responding in anticipation of changes (concentration and diffusion) in lifestyles and work styles</b> <ul style="list-style-type: none"> <li>◆ Promoting the development of business bases in suburban areas (suburban offices, shared satellite offices, etc., with high levels of comfort)</li> <li>◆ Development of urban infrastructure (Shibuya, etc.) complete with occupational, residential, and recreational facilities to provide environments unavailable to those working from home</li> <li>◆ Urban and facility planning that avoids the 3Cs (closed spaces, crowded places, close-contact settings)</li> </ul>
<b>Lifestyle Service and Retail Business</b> (Life Services Segment)	<ul style="list-style-type: none"> <li>◆ Tokyu Department Store (existing stores)</li> <li>◆ Tokyu Store Chain (existing stores)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Ahead of the state-of-emergency declaration, successive suspension of business operations for commercial facilities, sports facilities, cinemas, theaters, etc.</li> <li>◆ Maintenance of community infrastructure functions, such as supermarkets, CATV, nursery schools, and day care services</li> <li>◆ Response to demand for delivery</li> </ul>	<ul style="list-style-type: none"> <li>◆ Decrease in visitors</li> <li>◆ Face-to-face provision of services</li> </ul>	<ul style="list-style-type: none"> <li>◆ Expansion of the IENAKA business</li> <li>◆ Online sales (EC)</li> <li>◆ Expansion of information and communication infrastructure</li> </ul>	<b>Improvement in value provided, based on community infrastructure</b> <ul style="list-style-type: none"> <li>◆ Improved convenience through the use of fiber-optic networks already developed along Tokyu's railway lines (5G demonstration testing, etc.)</li> <li>◆ Unified provision of products and services that transcends the barriers between physical stores and the Internet, fostering synergies between Group businesses</li> </ul>
<b>Hospitality Business</b> (Hotel and Resort Segment)	<b>Tokyu Hotels: Total hotel income and occupancy rates (year-on-year change) (%), (pt)</b> 	<ul style="list-style-type: none"> <li>◆ Formulation and implementation of guidelines for "new lifestyles"</li> <li>◆ Some hotels offered as accommodation for people who are mildly ill or affected by disease, and for those returning to or entering Japan from overseas and waiting for PCR test results</li> </ul>	<ul style="list-style-type: none"> <li>◆ Decrease in hotel and restaurant customers</li> <li>◆ Decline in inbound demand</li> <li>◆ Volatility in the hotel business</li> </ul>	<ul style="list-style-type: none"> <li>◆ Safe and secure Tokyu brand</li> <li>◆ Use of membership systems/customer base</li> </ul>	<b>Establishment of gateways attracting the non-resident population</b> <ul style="list-style-type: none"> <li>◆ Evolution of mixed-use development linking offices, commercial sites, entertainment, etc., while being mindful of environmental changes (Collaboration with content unique to the neighborhood)</li> </ul>

\*1 Including responses that have continued even after the state-of-emergency declaration was lifted

\*2 Advanced initiatives in the railway industry include the installation of hand soap dispensers in all toilets at each station (completed in March 2020), installation of hand sanitizer dispensers at all ticket windows (completed in May 2020), and antibacterial and antiviral treatment in all train carriages and station premises (scheduled for completion in October 2020).



# Material Sustainability Themes (Materiality)

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

## Process for Identifying Material Sustainability Themes

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.

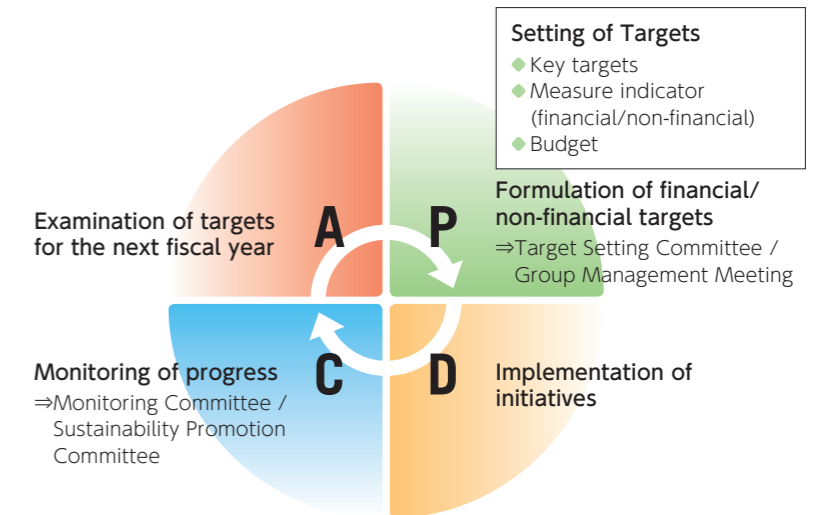
Please see the following for details on the identification process. (Japanese only)  
<https://tokyu.disclosure.site/ja/93>



	Social issues to face	Visions for 2030	Initiatives to achieve visions	Key indicators <small>See pages 38-45</small>
<b>Safety &amp; Security</b>	<ul style="list-style-type: none"> <li>Concentration of population in urban areas; aging population; people without public transport access</li> <li>Terrorism and cybercrime; natural disasters and climate change</li> <li>Labor shortages</li> </ul>	<ul style="list-style-type: none"> <li>Realization of public transportation services that are the safest in Japan and easy to use</li> <li>Provision of living environments where people can feel safe</li> </ul>	<ul style="list-style-type: none"> <li>Prevention of accidents</li> <li>Alleviation of congestion rate during peak hours</li> <li>Realization of transportation services which people can feel safe using</li> <li>Minimization of disaster risks</li> <li>Ensuring food safety</li> <li>Personal information protection and management</li> </ul>	<ul style="list-style-type: none"> <li>Number of accidents reported to MLIT</li> <li>Number of stranded people able to be accommodated</li> </ul>
<b>Urban Development</b>	<ul style="list-style-type: none"> <li>Decrease in working-age population, declining birthrates, and an aging population</li> <li>Response to diversification of lifestyles and working styles</li> <li>Response to new technologies such as AI and IoT</li> <li>Climate change, natural disasters, and a recycling-based society</li> <li>Inbound visitors</li> <li>Response to rapid growth of emerging nations (medical, transportation, living environment)</li> </ul>	<ul style="list-style-type: none"> <li>Realization of management of cities that is unique and attractive in terms of all of "live," "play," and "work"</li> <li>Extended application of expertise for the development of urban areas served by Tokyu's railway lines to locations in Japan and overseas</li> </ul>	<ul style="list-style-type: none"> <li>Shibuya redevelopment</li> <li>Next-generation suburban development</li> <li>Development of domestic locations outside the areas served by Tokyu's railway lines</li> <li>Airport management business</li> <li>Overseas urban development</li> </ul>	<ul style="list-style-type: none"> <li>Total floor space in Shibuya area</li> <li>Number of monthly users of NewWork (satellite offices)</li> </ul>
<b>Quality of Living Environment</b>	<ul style="list-style-type: none"> <li>Decrease in working-age population, declining birthrates, and an aging population</li> <li>Response to diversification of lifestyles and working styles</li> <li>Response to new technologies such as AI and IoT</li> </ul>	<ul style="list-style-type: none"> <li>Realization of life in which each person can maintain his/her good health and pursue individual happiness</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of enriching and healthy lifestyles through utilization of technology and other means</li> <li>Provision of life facilities and services fitting diverse generations</li> <li>Support for persons—such as the elderly—with difficulties in buying things</li> <li>Provision of products and services utilizing data for stores, e-commerce, IENAKA, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Number of Tokyu Bell IENAKA (home) services</li> <li>Number of facilities for preschool and school-aged children</li> </ul>
<b>HR Development</b>	<ul style="list-style-type: none"> <li>Decrease in working-age population, declining birthrates, and an aging population</li> <li>Securing of occupational fields for diverse human resources (senior citizens, women, foreigners, etc.)</li> <li>Provision of opportunities for lifelong learning to diverse generations</li> <li>Creation of local communities</li> </ul>	<ul style="list-style-type: none"> <li>Realization of "a company where every worker hopes to work for a long time"</li> <li>Promotion of human resources development by contributing to society through education, culture, and environmental preservation activities</li> </ul>	<ul style="list-style-type: none"> <li>Cultural business and activities, and provision of opportunities for lifelong learning and enlightenment</li> <li>Social contribution activities through activities of Tokyu associations, schools, foundations, etc.</li> <li>Provision of working environments where people can continue to work</li> <li>Provision of working environments where anyone can fully apply their abilities</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement</li> <li>Percentage of female managers</li> </ul>
<b>Low-carbon, Recycling-based Society</b>	<ul style="list-style-type: none"> <li>Climate change</li> <li>Maintaining of ecosystems</li> <li>Natural disasters</li> <li>Resource depletion and a recycling-based society</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to the creation of a low-carbon society and a carbon-free society through energy saving and the optimized use of renewable energies</li> <li>Contribution to creating a recycling-based society by promoting the effective use of resources and consideration for the ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> emissions</li> <li>Effective utilization of resources (recycling-based society)</li> <li>Encouraging behavior that gives consideration to ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>2030: 30% reduction of the total CO<sub>2</sub> emitted by using electric power</li> <li>2050: Complete elimination of CO<sub>2</sub> emitted by using electric power</li> </ul> <p><b>RE 100</b>  <small>See page 56 THE CLIMATE GROUP </small></p>
<b>Corporate Governance &amp; Compliance</b>	<ul style="list-style-type: none"> <li>Corporate scandals and misconduct, disclosure of non-financial information</li> <li>Sustainable corporate management</li> </ul>	<ul style="list-style-type: none"> <li>Realization of the ideal corporate governance directly linked with society and the global management environment, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring fairness and transparency of management through highly effective corporate governance</li> <li>All-inclusive and continuous compliance education as well as building of effective and efficient management system</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of independent outside directors</li> <li>Number of calls received by the Helpline</li> </ul>

## Visions for 2030 and Monitoring of Indicators

For each of our material sustainability themes, we have established social issues and "Visions for 2030," and we have positioned these as the basic policy for our long-term management initiative. We have also set up "indicators" to track the results of measures in each division, and we have set both financial targets and non-financial targets. Progress is being checked at different times according to the characteristics of each indicator, and overall progress is being monitored by working groups including the Sustainability Promotion Committee.



Please see the following for information on how each of our material sustainability themes relates to the 17 SDGs and about the actions being taken by our Group for the targets. (Japanese only)  
<https://tokyu.disclosure.site/ja/93>

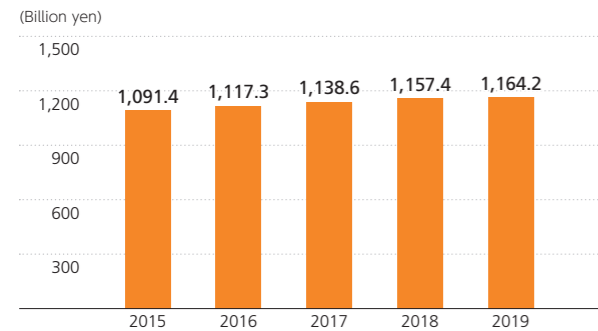


In April 2019, we signed the United Nations Global Compact, a global initiative proposed by the United Nations. We support the Ten Principles in the four areas of human rights, labor, environment, and anti-corruption, and we will continue to promote further sustainability efforts.



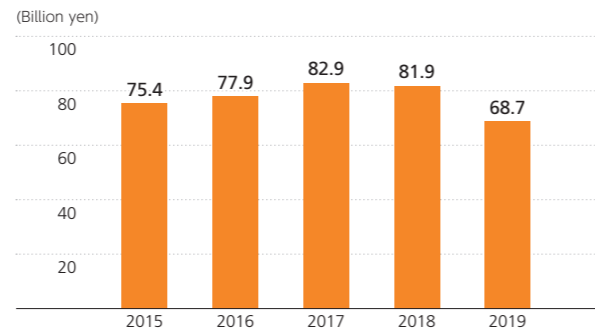
# Financial and Non-Financial Highlights

## Operating Revenue



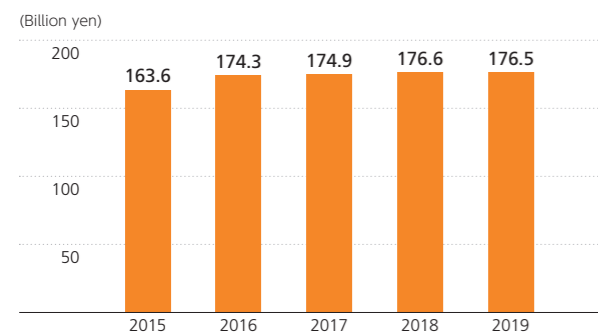
Operating revenue has continued to steadily increase. Contributing factors include continual increases in passenger revenue at Tokyu Railways and the steady opening of large-scale developments in real estate leasing at Tokyu Corporation, as well as the acquisition of Tokyu Recreation as a subsidiary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

## Operating Profit



Investment in growth has steadily borne fruit, with operating profit having exceeded forecasts every year for the last four years. Operating profit decreased this year though, in part due to the increased impact of COVID-19

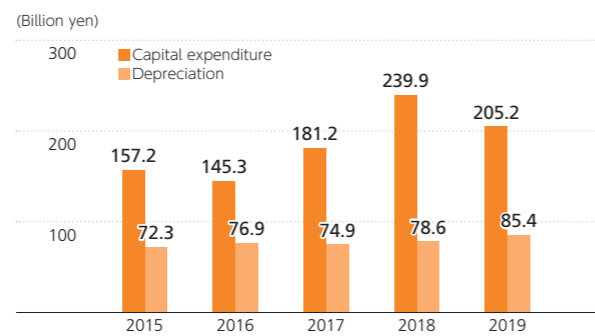
## Tokyu EBITDA



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.

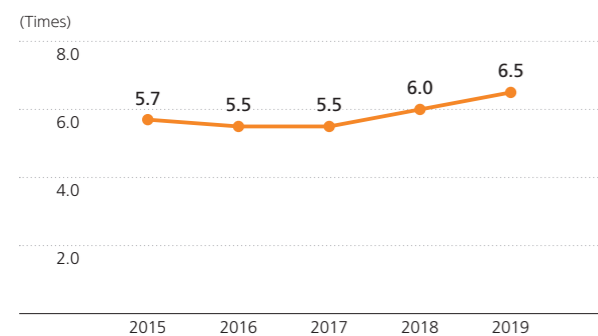
\* Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

## Capital Expenditure / Depreciation



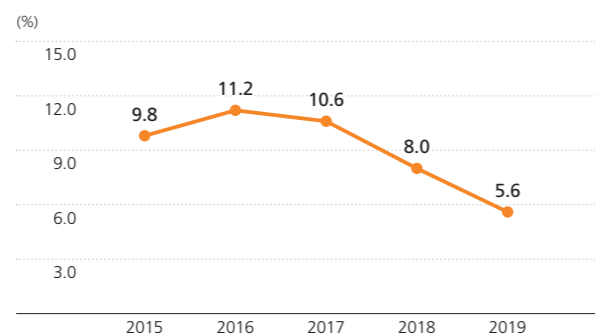
The Group is steadily pursuing aggressive investments in large-scale developments, such as in Shibuya and other locations along Tokyu's railway lines, and in the swift development of facilities and rolling stock to achieve safe transportation.

## Interest-bearing Debt/Tokyu EBITDA\* Multiple



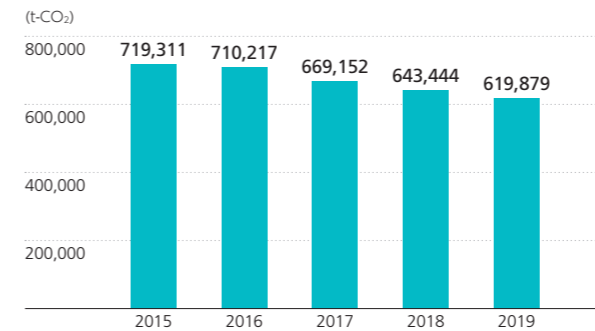
Adopted as an indicator of financial health, the Group has set a target level in the 5-5.9 range. Currently, the ratio is in the 6+ range because of large-scale growth investments such as in Shibuya. Going forward, we will enhance the health of our finances while being mindful of the public nature of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

## ROE



Although the ratio has temporarily declined in recent years due in part to capital investment focused on development in Shibuya and other areas and to the increased impact of COVID-19, we are continuing to manage business operations while maintaining an awareness of capital efficiency, including, for instance, acquiring treasury shares for three fiscal years from FY2015.

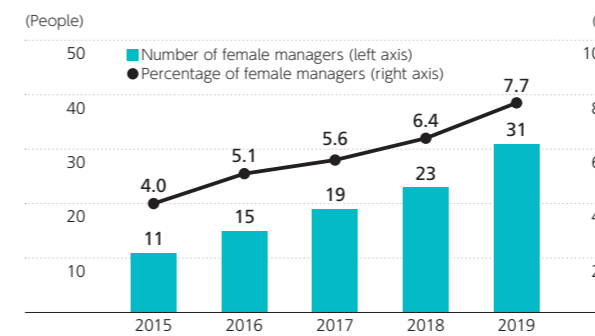
## CO<sub>2</sub> Emissions



Tokyu consumes energy and emits carbon dioxide (CO<sub>2</sub>) 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 CO<sub>2</sub> emissions.

\* Data from previous fiscal years have been updated to reflect the revised scope of data aggregation.

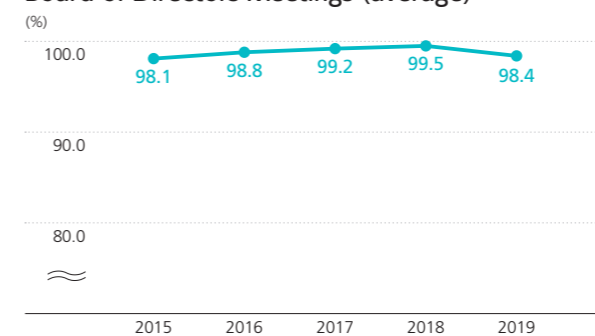
## Number / Percentage of Female Managers



Tokyu has been awarded the "Nadeshiko Brand" for eight 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.

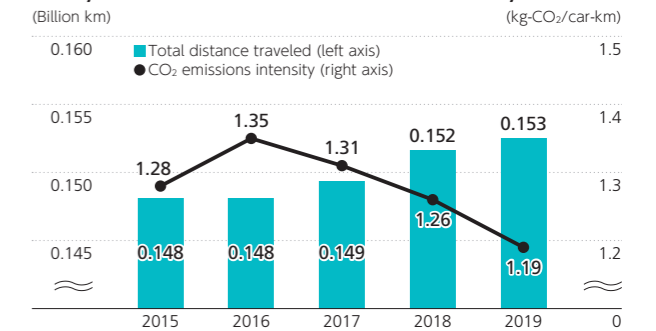
\* Figures for FY2015-2018 are under the former trade name, and figures for FY2019 are under the current trade name (Tokyu Corporation's trade name changed in Japanese but remained the same in English)

## Attendance of Directors at Board of Directors Meetings (average)



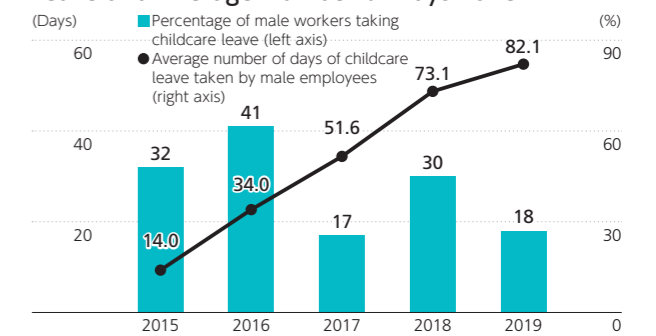
The contribution of outside directors with a variety of knowledge and backgrounds enables the Board of Directors to engage in more active discussion.

## Distance Traveled in the Railway Business (Tokyu Lines) and CO<sub>2</sub> Emissions Intensity



In the railway business (Tokyu Lines), which accounts for one-third of the Group's electricity consumption, we are striving to use less energy while still increasing the number of services to prevent congestion and extending the total distance traveled.

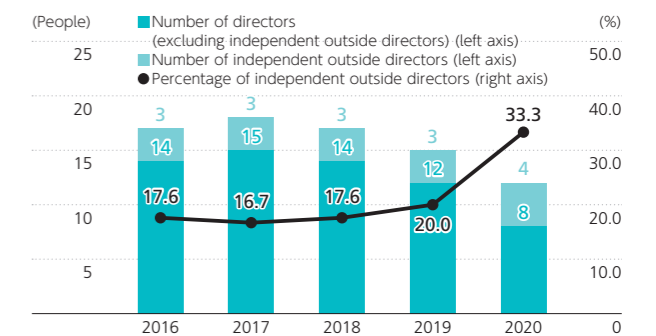
## Percentage of Male Workers Taking Childcare Leave and Average Number of Days Taken



By encouraging male employees to participate in the raising of children, we aim to improve performance from a medium- to long-term perspective by broadening their outlook, fostering better understanding for those around them, and deepening family ties. Our aim is to raise the percentage of male workers taking childcare leave to 100% by the end of fiscal 2023.

\* Figures for FY2015-2018 are under the former trade name, and figures for FY2019 are under the current trade name (Tokyu Corporation's trade name changed in Japanese but remained the same in English)

## Composition of Board of Directors



Tokyu Corporation continuously reviews the composition of Board of Directors. At present, one third of our directors are independent outside directors.



## 11-Year Financial Data

	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	151st term FY2019
<b>Results</b>											
Operating revenue (million yen)	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	1,164,243
Operating profit (million yen)	52,741	57,119	55,032	55,742	62,190	71,514	75,480	77,974	82,918	81,971	68,760
Recurring profit (million yen)	46,138	52,873	54,068	56,279	62,618	66,619	70,038	76,449	83,746	81,907	70,925
Profit attributable to owners of parent (million yen)	14,898	40,051	35,922	43,075	56,498	41,051	55,248	67,289	70,095	57,824	42,386
<b>Profitability Indicators</b>											
Tokyu EBITDA (million yen)*1	142,101	138,406	147,603	149,624	148,803	151,549	163,655	174,312	174,965	176,693	176,584
Tokyu EBITDA margin (%)*2	11.6	12.0	13.5	14.0	13.7	14.2	15.0	15.6	15.4	15.3	15.2
ROA (Return on assets) (%)*3	2.3	2.7	2.7	2.9	3.1	3.3	3.4	3.6	3.8	3.5	2.9
ROE (Return on equity) (%)*4	4.0	10.3	8.6	9.5	11.4	7.7	9.8	11.2	10.6	8.0	5.6
<b>Safety Indicators</b>											
Interest-bearing debt / Tokyu EBITDA multiple (times)*5	—	—	—	—	—	—	5.7	5.5	5.5	6.0	6.5
D/E ratio (interest-bearing debt ratio) (times)*6	2.8	2.6	2.4	2.1	1.9	1.7	1.6	1.5	1.4	1.4	1.5
Equity ratio (%)	19.0	20.6	21.7	24.2	25.3	27.5	27.6	29.2	30.8	30.9	29.8
<b>Balance-sheet Indicators</b>											
Net assets (million yen)	386,341	416,565	441,920	499,545	537,711	579,596	623,297	678,382	747,049	796,164	809,614
Shareholders' equity (million yen)	373,017	402,843	431,043	476,174	511,789	551,332	576,873	628,308	696,526	745,233	757,003
Total assets (million yen)	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	2,537,196
<b>Cash-flow Indicators</b>											
Interest-bearing debt at end of term (million yen)	1,042,674	1,041,345	1,036,015	999,567	990,038	911,446	937,467	964,397	969,794	1,066,422	1,151,010
Free cash flow (million yen)*7	34,317	263	18,542	31,804	50,573	88,729	8,009	-5,954	7,179	-86,662	-35,338
Capital expenditure (million yen)	134,123	142,953	132,028	128,737	140,231	93,556	157,252	145,398	181,265	239,945	205,290
Depreciation (million yen)	69,382	71,491	72,788	74,916	72,762	70,041	72,391	76,986	74,901	78,613	85,448
<b>Investment Indicators</b>											
Dividend per share (yen)*8	6.00	6.50	6.50	7.00	7.50	8.00	8.50	9.00	19.00	20.00	23.00
EPS (Earnings per share) (yen)*9	11.88	32.05	28.68	34.33	44.96	32.88	44.81	55.01	115.42	95.14	69.88
Dividend payout ratio (%)	50.5	20.3	22.7	20.4	16.7	24.3	19.0	16.4	16.5	21.0	32.9
Total return ratio (%)	50.5	20.3	22.7	20.4	16.7	48.7	37.1	31.2	16.5	21.0	56.5
<b>Reference: Number of Employees at End of Term</b>											
Total (people)	24,273	23,698	23,104	21,172	21,370	21,499	22,331	22,780	22,985	23,637	24,464

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

Until FY2014, Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets

\*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)

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

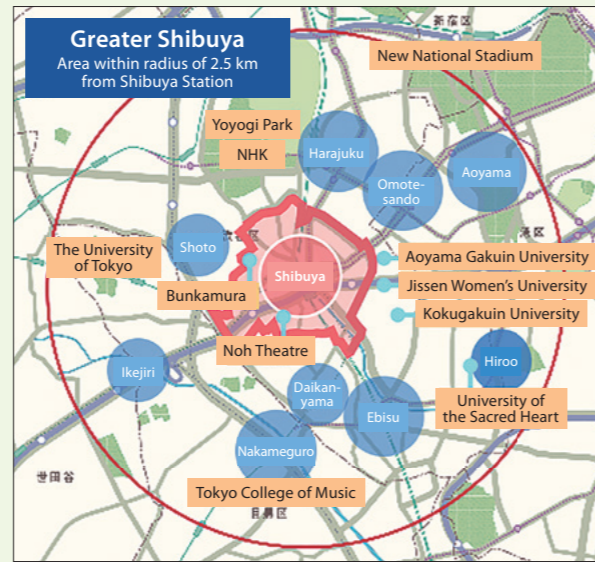


**SHIBUYA**  
Growth Strategy

**Greater SHIBUYA Concept: Urban development leveraging Shibuya's advantages**

An advantage of Shibuya is its appealing surrounding area. It is within walking distance of several neighborhoods with distinctive identities, including Harajuku, known as the origin of fashion with streets that have created a unique fashion culture, Aoyama and Omotesando with their luxury brand stores, Ebisu and Hiroo with top-class restaurants and cafes, and Daikanyama and Shoto, known as an exclusive residential neighborhood. The area is also home to many cultural and academic institutions. The Greater SHIBUYA Concept is an initiative to create a metropolitan area capable of sustainable growth, by taking advantage of this favorable environment and by continuing to showcase new projects and culture to the world.

Defining Greater SHIBUYA as the area within 2.5 km of Shibuya Station, we seek to enhance Shibuya's appeal and achieve sustainable growth by providing solutions to broad-based issues.



Special Priority Development Area for Urban Renaissance

**Addressing issues facing the city**

	Recognition of risks (issues facing the city)	Response
<b>Safety and disaster prevention</b>	Increased severity of earthquake damage due to aging facilities and infrastructure	Through redevelopment, constructed large, earthquake-resistant buildings and developed temporary accommodation facilities for people stranded by a disaster
	Increased severity of damage from flooding and inundation due to low-lying terrain	Constructed underground rainwater retention facilities under the station square. Can also handle strong localized downpours.
<b>Culture and exchange</b>	Lack of spaces for visitors to stay and relax	Developed a plaza and footpath where the old tracks of the Toyoko Line once were, regenerated the Shibuya river through public-private partnerships, developed a waterfront space, and installed a plaza as a place for social exchange at the nexus between Shibuya and Harajuku
	Deterioration of the city's image and appeal	Area branding and area management activities
<b>Economy and business</b>	Increased complexity and decreased convenience in area around station due to many years of extension and rebuilding	Improved convenience and accessibility such as by developing the "Urban Core**" for vertical pedestrian traffic and relocating the platforms of the JR Lines and the Tokyo Metro Ginza Line
	Office shortage and the need for business activity support	Providing various types of office space, enhancing industry-academia-government collaboration and innovation functions, and supporting value creation and community building in co-creation facilities

\* Vertical space that connects and guides people between underground and aboveground levels

**Strategies and Initiatives for Further Growth of the City**

**An ALL-IN-ONE Area Integrating Work, Play, and Live**

By creating mechanisms for integrating the three elements of work, play, and live in Greater SHIBUYA, we promote urban development that increases the attractiveness of the local area. As the principal hub for the Group's business, we will actively capture business opportunities by combining the collective strengths of our transportation infrastructure, real estate development, retail, entertainment, hotel, and other businesses. Through area branding, we aim to increase Shibuya's global appeal.



» **Area branding**

- Disseminating information to the world**  
Disseminating information to the world about city-wide efforts, such as the year-end countdown and Bon Festival dance events
- Attracting companies**  
Attracting companies, especially IT companies, that can become pillars of industry-academia-government-private collaboration and industrial agglomerations
- Exchange and emergence**  
Developing, attracting, and networking the exchange/emergence functions of small-, medium- and large-sized enterprises to foster innovation

**An innovative city where a wide range of players can be actively involved and take on challenges**

Shibuya is home to a cluster of venture companies that are creating industries of the future.

We have been running the Tokyu Accelerate Program since 2015 in an effort to co-create business with startup companies. In 2019, we opened SOIL, an open innovation facility specializing in social implementation. At SHIBUYA QWS, a co-creation facility in Shibuya Scramble Square, a total of 67 teams have been working on projects in the 250 days since the facility opened. Tokyu is supporting the seeds of the future that will create new social value.

In addition, in August 2020, we signed a comprehensive partnership agreement with the Shibuya municipal government with the aim of promoting industrial and human resource development through public-private partnerships, forming a global hub city in a startup ecosystem, and making Shibuya a more internationally competitive city. We will accelerate innovation in Japan from Shibuya.



Signing ceremony of the comprehensive partnership agreement between Tokyu and the Shibuya municipal government



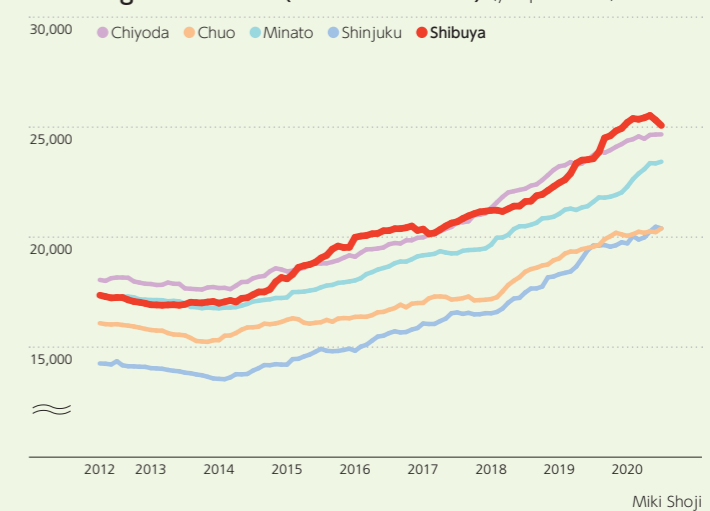
SHIBUYA QWS © Shibuya Scramble Square

**Providing diverse "workplaces" to enhance the value of the city**

Since the opening of Shibuya Hikarie in 2012, leading IT companies and creative content companies in Japan have gathered in Shibuya, making the city one of the preeminent office areas in Tokyo. Shibuya also continues to be highly popular among startup companies because of the stock of shared offices and so on, making it one of the leading innovation cities in Japan. Tokyu Corporation offers offices in a range of styles, including Shibuya Cast, Shibuya Stream, and Shibuya Scramble Square.

Office floor space managed by Tokyu Corporation (Shibuya)  
 Approx. 20,000 m<sup>2</sup> (Mar 2012) → 150,000 m<sup>2</sup> (Mar 2020)

» **Average office rent (5 central wards)** (yen per 3.3 m<sup>2</sup>)



Miki Shoji



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



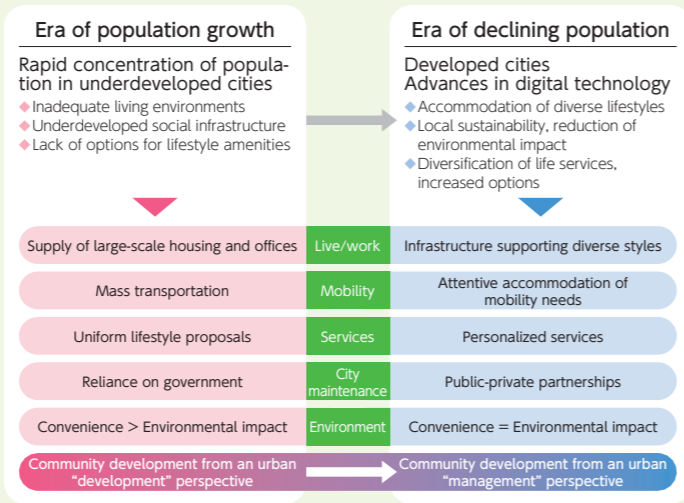
AREAS SERVED  
BY TOKYU'S  
RAILWAY LINES  
Growth Strategy

**Toward sustainable growth in areas along Tokyu's railway lines in an era of declining population**  
Urban development from an urban management perspective

The total population living in areas served by Tokyu's railway lines is expected to continue increasing until 2035, after which the rate of population decline is expected to be moderate compared to the national trend and to the trends in Tokyo, Saitama, Kanagawa, and Chiba. Nevertheless, with an eye to the future, we are developing urban areas in anticipation of an era of declining population.

As the demands of urban development are changing, we need to modify our underlying approach to business from such perspectives as live/work, mobility, services, city maintenance, and the environment.

Adopting a long-term perspective, we will pursue sustainable cities as they should be by promoting urban development from an "urban management perspective," developing a complex of businesses for consumers living along Tokyu's railway lines and beyond.



For details on demographics in areas served by Tokyu's railway lines, please see page 8 and our long-term management initiative. <https://www.tokyu.co.jp/ir/english/manage/lplan.html>

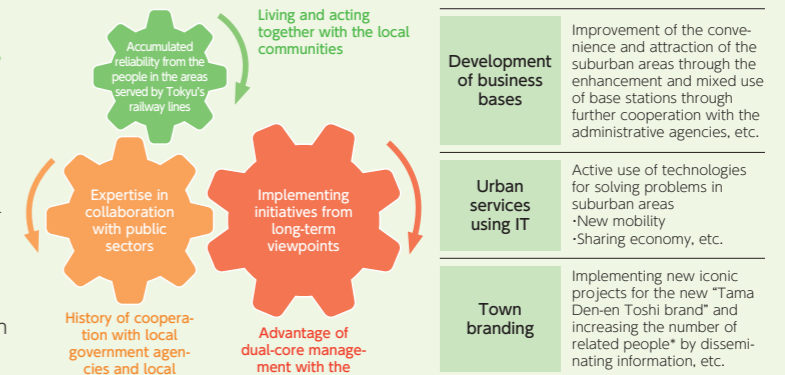
Risks and opportunities **Addressing issues facing the city**

	Recognition of risks (issues facing the city)	Response
<b>Safety and disaster prevention</b>	Increased severity of earthquake damage due to aging facilities and infrastructure	Functional renewal of cities and elimination of densely crowded areas of wooden houses through redevelopment, etc.
	Increased natural disasters due to climate change, etc.	Analysis of climate change risks and strengthening of emergency response through public-private partnerships
<b>Culture and exchange</b>	Addressing declining suburban populations and aging populations	Resolution of social issues and revitalization of suburban areas through development of urban areas served by Tokyu's railway lines
	Dilution of local communities	Area management activities (Promotion of next-generation suburban development, etc.)
<b>Economy and business</b>	Decline in appeal and visitor numbers in areas served by Tokyu's railway lines	Urban development that integrates work, living, and play
	Decrease in business opportunities	Creation of business opportunities through the use of technology, etc., and support for business activities with suburban offices, etc.

Risks and opportunities **Strategies and Initiatives for Further Growth of the City**

**New expansion of urban development in areas served by Tokyu's railway lines**

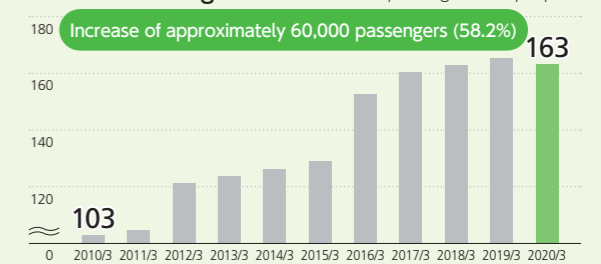
Our strengths in urban development are: long-term viewpoints, accumulated reliability from the people in the areas served by Tokyu's railway lines, and expertise in collaboration with public sectors. Integrally exerting the total power of our railway, real estate, and life services businesses, we will take on challenges to produce advanced cases of solutions to problems in areas served by Tokyu's railway lines. In the development of business bases, we will make use of IT to strategically place functions such as "work, living, and play" at each station in order to revitalize and brand the city and promote reverse transportation using railways.



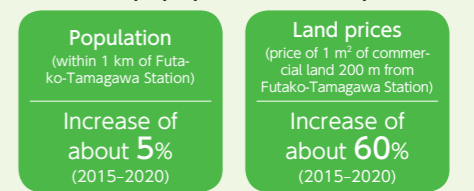
**Urban development that integrates work, living, and play**

Redevelopment at Futako-Tamagawa Rise, which opened in 2015, has added and expanded such functions as offices, a hotel, a cinema complex, and commercial space. In addition to expansion of our businesses, such as a 58% increase in passengers getting on or off trains at the station compared to before the opening, we have also seen ripple effects on the city, including an increase in population and a rise in land prices. Futako-Tamagawa Rise is highly regarded for creating an urban area where a diverse range of people can live in harmony with rich nature, and was the first project in the world to receive Gold certification in LEED for Neighborhood Development (LEED ND), an international environmental certification program. We will continue to carefully assess the necessary functions of the city and implement urban development that leads to solutions for social issues, while at the same time promoting initiatives that anticipate changes in lifestyles and work styles.

**Number of passengers using Futako-Tamagawa Station (daily average, 1,000 people)**



**Effects on city (population, land prices)**



**Suburban development through public-private partnerships**

Minami-machida Grandberry Park, which opened in November 2019, is a new lifestyle center resulting from the integrated redevelopment of a station, commercial facilities, an urban park and other infrastructure through a public-private partnership with Machida City.

The existing structure of the district was completely reworked, and a pedestrian network was developed that seamlessly connects the entire area, from the station and commercial facilities to the park, in a way that separates pedestrians from vehicles and incorporates barrier-free design. The commercial facilities located in a navigable open mall are based around the concept of a lifestyle amusement park, and feature shopping spaces where shoppers can enjoy strolling through the district, plus seven open spaces that serve as centers of bustling activity and interaction.

Leveraging our strengths, we will continue to undertake urban development in pursuit of sustainability in suburban areas in a society with a declining and aging population.



Panoramic view of Minami-machida Grandberry Park

# Strategies and Achievements by Business



**Transportation Infrastructure**  
(Transportation Segment)

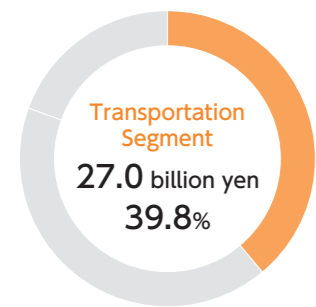
As well as providing rail and bus transportation services that support people in their everyday life, the Group is also involved in the airport management business as the “gateway to the skies.” As a group responsible for transportation infrastructure, we aspire for ever more improvements in safety and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

## Results for FY2019 (Transportation Segment)

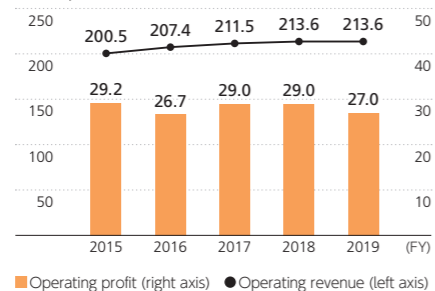
The overall number of passengers carried by Tokyu Railways was 1.187 billion, a decrease of 0.2% from fiscal 2018. While commuter revenue increased 0.5% in part due to ongoing population growth

along Tokyu lines, non-commuter revenue decreased 1.2% due to a decline in patronage following the spread of COVID-19, resulting in higher revenue but lower profit.

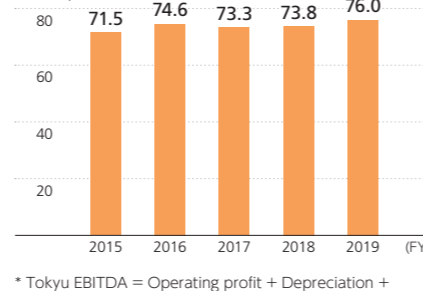
### Operating Profit Distribution Ratio (FY2019)



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



### Transportation Segment: Tokyu EBITDA\* (Billion yen)



\* Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost 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 FY2017	Results for FY2018	Results for FY2019 (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	13 (-14)
		Installation rate of platform screen doors and fixed platform barriers equipped with sensors	Tokyu Railways	69%	81%	100% (+19 pt)
		Congestion rate*1	Tokyu Railways Den-en-toshi Line at peak time	185%	182%	183% (+1 pt)
		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: 40,338 1 hour after: 32,868	1 hour before: 32,868 Peak congestion: 40,338 1 hour after: 32,868
	Realization of transportation services which people can feel safe using	Installation rate of security cameras inside train carriages	Tokyu Railways	48/156 carriages	57/156 carriages	67/156 carriages (+10 carriages)
		Percentage of station attendants who are certified service care assistants	Tokyu Railways	100%	100%	100%*2
Urban Development	Regional revitalization through airport management business	Airport management business Number of passengers	Sendai International Airport, Mt. Fuji Shizuoka Airport*3	Sendai International Airport 3.43 million	Sendai International Airport 3.61 million	Sendai International Airport 3.71 million Mt. Fuji Shizuoka Airport 0.73 million
Low-carbon, Recycling-based Society	Reduction of CO <sub>2</sub> emissions	Replacement with new rolling stock (2020 Series*4)	Tokyu Railways	3/32 carriages*5	9/32 carriages	15/32 carriages (+6 carriages)

\*1 Based on fixed-point observations made every October  
\*2 Excluding some station attendants recruited midway through the year  
\*3 Equity-method affiliate (began operating under concession in fiscal 2019)  
\*4 50% reduction in operating power compared to 8500 Series  
\*5 Number of 8500 Series carriages to be replaced with new rolling stock (2020 Series)

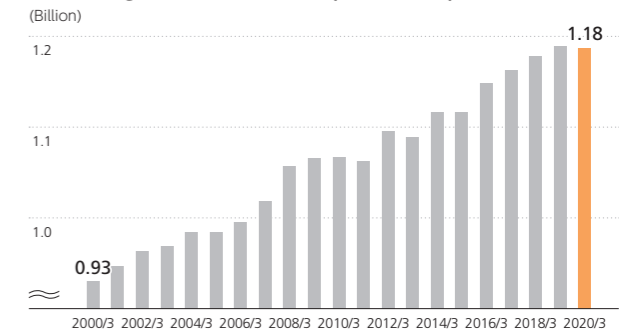
## Medium- to Long-term Business Direction and Results

Changes in the environment surrounding the transportation infrastructure business necessitate corresponding innovation in equipment and services. These changes include shifts in lifestyle and work styles brought about by an aging population, people living closer to work and the impact of COVID-19, as well as technological breakthroughs in self-driving services.

In the overall transportation infrastructure business, 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.

In the railway business, we will enhance our human resources and technical strengths through the company split, and we will pursue increased safety and security. At the same time, by steadily promoting the Tokyu Shin-Yokohama Line, which is scheduled to open in the second half of fiscal 2022, we aim to further expand our rail network.

### Passengers carried on Tokyu's railway lines (Billion)



The number of passengers has steadily grown over the past 20 years due to the effects of rail network improvements and redevelopment projects.

## Main initiatives in FY2019

### 100% installation of platform screen doors, etc., and barrier-free initiatives

As well as striving to ensure travel safety and stability by strengthening its accident prevention and early recovery systems, Tokyu Railways is working to alleviate congestion and improve convenience and comfort such as by revising train schedules, implementing initiatives encouraging off-peak travel, and introducing new rolling stock.

In March 2020, we completed installation of platform screen doors and fixed platform barriers equipped with sensors at 100% of stations (excluding Setagaya Line and Kodomonokuni Line), resulting in a significant reduction in falls from platforms (see page 48). We also received the Minister's Award at the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) Awards for Distinguished Services in Promoting Barrier-Free Design, not only for the physical installation of platform screen doors, but also for our efforts in realizing barrier-free designs through the integration of physical and non-physical elements, including the enhancement of customer service.

In addition, as a way of improving security on trains, we also installed security cameras, such as the IoTube security cameras with integrated LED fluorescent lamps, in all carriages owned by Tokyu Railways (completed in July 2020).



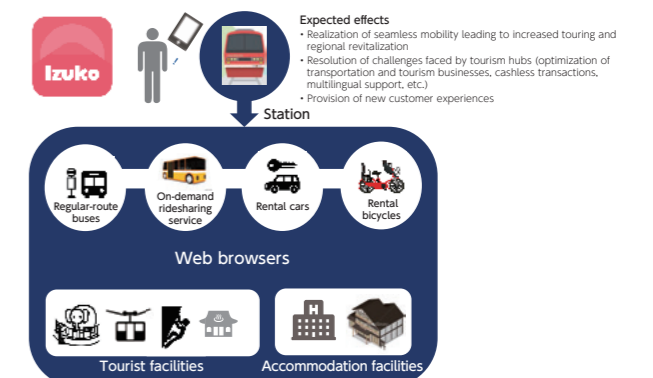
Customer service championships  
\* Tokyu also received two other Minister's Awards for public-private and B2B project collaborations (see pages 41 and 57).

### Initiatives in new areas such as airport management business and MaaS

Since fiscal 2016, the Group has also been engaged in the airport management business, leveraging its expertise in transportation infrastructure management and regional development. At Sendai International Airport, in part due to having launched new routes, the number of passengers increased 2.9% from fiscal 2018 to 3.71 million, a record high for the third consecutive year. We have also been involved in the operation of Mt. Fuji Shizuoka Airport since April 2019. In addition, in October 2019, Hokkaido Airports, of which Tokyu Corporation is a shareholder, signed a project agreement for the operation of seven airports in Hokkaido, and from June 2020, will gradually begin the management business at each airport.

Furthermore, since fiscal 2019, we have been conducting demonstration testing of tourism-type MaaS in the Izu area. Starting in the second half of fiscal 2020, we will expand the service area and work toward implementation. We also plan to conduct demonstration testing of MaaS in fiscal 2020 in areas served by Tokyu's railway lines.

### Demonstration testing of the Izuco tourism-type MaaS in the Izu area



**Expected effects**  
• Realization of seamless mobility leading to increased touring and regional revitalization  
• Resolution of challenges faced by tourism hubs (optimization of transportation and tourism businesses, cashless transactions, multilingual support, etc.)  
• Provision of new customer experiences



**Urban Development**  
(Real Estate Segment)



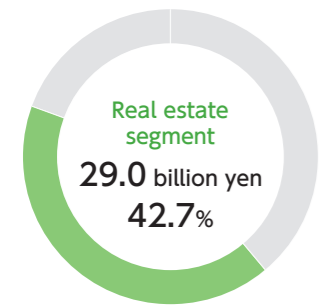
Drawing on expertise gained over the course of developing the Tama Den-en-toshi project – one of the largest urban development projects of its kind in Japan – we respond to all real estate-related needs, from development, to sales, leasing, management and operation.

**Results for FY2019 (Real Estate Segment)**

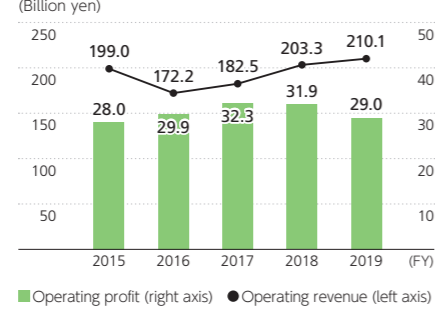
In our real estate leasing business, while revenue increased due to the full-year operation of Shibuya Stream and the new openings of Shibuya Scramble Square and Minami-machida Grandberry Park,

profit decreased in part due to an increase in the opening expenses for the new properties.

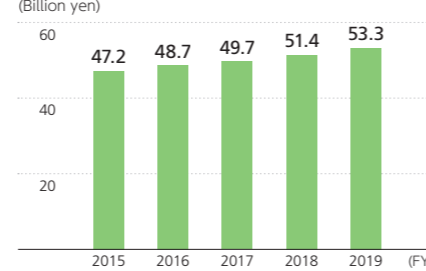
**Operating Profit Distribution Ratio (FY2019)**



**Real Estate Segment: Operating Revenue and Operating Profit**  
(Billion yen)



**Real Estate Segment: Tokyu EBITDA\***  
(Billion yen)



\* Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost 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 FY2017	Results for FY2018	Results for FY2019 (year-on-year change)
Safety & Security	◆ Minimization of disaster risks	Number of stranded people able to be accommodated*1	Tokyu Corporation Tokyu Hotels*2	7,300	9,053	12,306 (+3,253)
	◆ Development of business bases ◆ Next-generation suburban development	Population growth rate	17 municipalities along Tokyu's railway lines	+0.598%	+0.543%	+1.131% (+0.588 pt)
Urban Development	◆ Promotion of teleworking	Number of monthly users of NewWork (satellite offices)*3	Tokyu Corporation	2,513	6,032	10,453 (+4,421)
	◆ Shibuya redevelopment	Total floor space in Shibuya area*4	Tokyu Corporation	512,000 m <sup>2</sup>	657,000 m <sup>2</sup>	839,000 m <sup>2</sup> (+182,000 m <sup>2</sup> )
		Number of visitors to WANDER COMPASS Shibuya (information office)*3	Tokyu Corporation	—	24,607	93,012 (+68,405)
◆ Overseas urban development	Binh Duong New City (Vietnam) Number of housing units sold/supplied (total)	Tokyu Corporation Becamex Tokyu	474 units	1,078 units	1,673 units (+595 units)	
Low-carbon, Recycling-based Society	◆ Reduction of CO <sub>2</sub> emissions ◆ Effective utilization of resources ◆ Encouraging behavior that gives consideration to ecosystems	Number of facilities obtaining environmental certification (total)	Tokyu Corporation	5	6	6

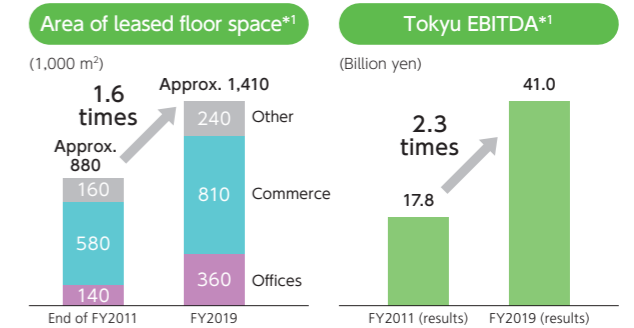
\*1 Not including the number of stranded people who can be temporarily accommodated by Tokyu Railways  
\*2 Tokyu Hotels Co., Ltd. is part of the hospitality business (hotel and resort segment)  
\*3 Given financial impact of new business, etc., is insignificant, recorded in finances as non-operating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

**Medium- to Long-term Business Direction and Results**

"Creating sustainable cities" has been our mission carried down over the ages since our founding. As a core business of the Group, the urban development business will promote urban development that is unique to the Group, and achieve both the resolution of social issues and the growth of business in Japan and overseas. For sustained growth of business, we are working to improve the portfolio in our real estate leasing business, and we will continue to promote the development of mixed-use facilities in Shibuya and in other areas along Tokyu's railway lines as well as ongoing property acquisitions.

In addition, in the post-COVID era, we will continue to respond in anticipation of changes (concentration and diffusion) in lifestyles and work styles, including promoting the development of business bases in suburban areas and developing urban infrastructure complete with occupational, residential, and recreational facilities.

**Area and breakdown of Tokyu Corporation's leased floor space**



\*1 Tokyu Corporation's leased floor space

Compared to the end of fiscal 2011, the area of Tokyu's leased floor space has increased approximately 1.6 times, and Tokyu EBITDA has increased 2.3 times.

**Main initiatives in FY2019**

**Redevelopment projects in the Shibuya Station area**

Seeking to turn Shibuya into an "entertainment city" that continues to showcase new businesses and culture to the world, Tokyu is working together with other parties to drive large-scale redevelopment projects in the station area.

In November 2019, we opened Shibuya Scramble Square, the tallest complex in the Shibuya area at approximately 230 meters and with 47 levels above ground. This large-scale complex comprises a total of 213 commercial facilities, SHIBUYA QWS – a co-creation facility that creates new value through cross-disciplinary initiatives such as in partnership with universities and companies – offices, and SHIBUYA SKY, which is one of Japan's largest rooftop observation decks. Visitors to Shibuya Scramble Square topped 6 million in the first three months of opening.

**Promotion of community development in areas along Tokyu's railway lines**

In addition to creating new, attractive sites in areas served by Tokyu's railway lines, striving to revitalize the city and improve the value of those areas, the Group is also working to further improve convenience and comfort for everyone living along Tokyu lines.

Minami-machida Grandberry Park is a collaborative project we have been working on in cooperation with Machida City. In just the first two weeks of opening, visitor numbers topped 1 million. The project received the top Minister of Land, Infrastructure, Transport and Tourism Award in the urban space category at the 2020 Townscape Awards in recognition of the seamless urban area created through public-private cooperation. The project also received Gold certification in LEED for Neighborhood Development (LEED ND) and LEED for New Construction (LEED NC), an international environmental certification program.



SHIBUYA SKY observation deck facilities ©Shibuya Scramble Square



Minami-machida Grandberry Park

**Lifestyle Service and Retail**  
(Life Services Segment)



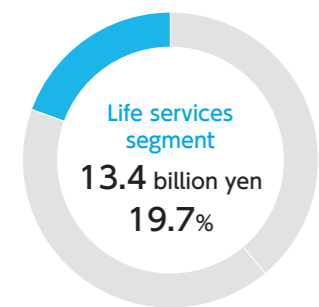
In addition to our retail business in department stores, supermarkets and so on, we are also engaged in "IENAKA" (home) services such as CATV, security and electricity retail, as well as "MACHINAKA" (downtown) stores and services, such as private after-school day-care.

**Results for FY2019 (Life Services Segment)**

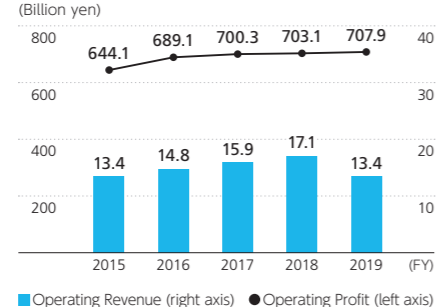
Revenue increased due in part to strong screenings of box-office hits at Tokyu Recreation and an increase in new customers at Tokyu Power Supply, but profits were down due to the effects of the consumption tax hike on Tokyu Department Store and other

subsidiaries, as well as the impact of shortened business hours and cooler consumer sentiment as a result of typhoons, floods and the spread of COVID-19.

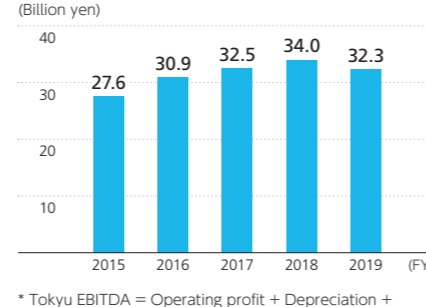
**Operating Profit Distribution Ratio (FY2019)**



**Life Services Segment: Operating Revenue and Operating Profit**  
(Billion yen)



**Life Services Segment: Tokyu EBITDA\***  
(Billion yen)



\* Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost 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 FY2017	Results for FY2018	Results for FY2019 (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	1,132,000 households (+19,000 households)
	Response to various crime prevention needs	Total number of customers subscribing to security services for kids, seniors and home*1	Tokyu Security	69,000	78,000	80,000 (+2,000)
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)*2	Tokyu Kids Base Camp / Tokyu Corporation	66 facilities	74 facilities	81 facilities (+7 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 IENAKA (home) services	Tokyu*3	53 services	57 services	62 services (+5 services)

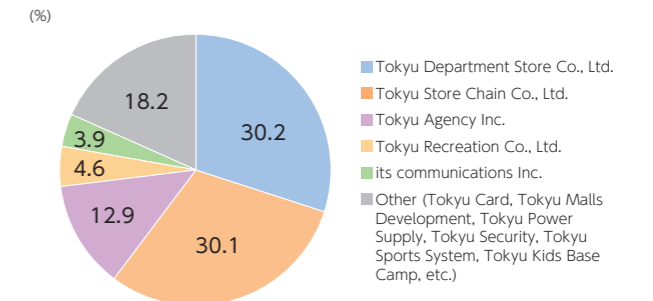
\*1 From fiscal 2019, figures include ResQ (emergency services)  
\*2 Aggregate of facilities managed directly by Tokyu Corporation (KBC) and leased facilities. Leases are recorded in finances under urban development business.  
\*3 Given financial impact of new business, etc., is insignificant, recorded in finances as non-operating profit / SG&A expenses

**Medium- to Long-term Business Direction and Results**

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 birthrate, 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 continue to live in good physical and mental health (wellness) throughout their lives, and where the next generation will also want to live. We are also engaged in sports, child-rearing support, and businesses for senior citizens, particularly in areas serviced by Tokyu's railway lines. 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 to raise children.

**Life services segment: Operating revenue distribution ratio (FY2019)**  
(%)



We support infrastructure in customers' daily lives in a variety of areas.

**Main initiatives in FY2019**

**Lifestyle Service Business**

In conjunction with the opening of the Grandberry Park commercial facilities, Tokyu Recreation opened 109 Cinemas Grandberry Park. We are working to enhance the theater's facilities and services, including installation of a state-of-the-art screening system.

At Tokyu Power Supply, the total number of applications for electricity and gas was about 354,000 as of March 31, 2020, an increase of about 108,000 since fiscal 2018.

In June 2019, in an effort to educate the next generation, six parties comprising Tokyu Corporation, four IT companies based in Shibuya, and the Shibuya City Board of Education launched a project supporting programming education at public elementary and junior high schools in Shibuya-ku.

**Retail Business**

In addition to promoting structural reform to respond to market changes, Tokyu is also proceeding to develop new types of business that address diversified customer needs.

At Tokyu Department Store, as part of the Shibuya redevelopment, we closed the Tokyu Toyoko Store, which had been valued by customers for 85 years. Ahead of closing this store, we opened a number of new types of stores in Shibuya Scramble Square and other locations offering food, cosmetics, sundries, and other goods.

At SHIBUYA109, we achieved a record number of visitors following the remodeling of stores in April 2019 in celebration of its 40th anniversary.

As for Tokyu Store Chain, the new type of smaller store set up inside Futako-Tamagawa Station in November 2019 is performing well, and through the development of business types, we will continue to expand new areas where stores could be opened.



Support for programming education



Tokyu Foodshow EDGE



**Hospitality**  
(Hotel and Resort Segment)



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.

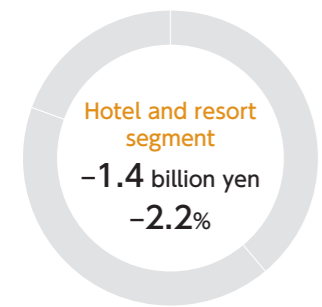
**Results for FY2019 (Hotel and Resort Segment)**

Revenue and profit both decreased due mainly to the decline in patronage at Tokyu Hotels, which numbered 44 as of March 31, 2020, as a consequence of the spread of COVID-19.

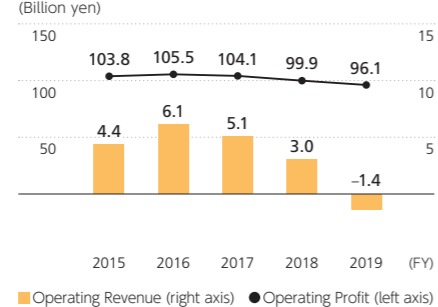
At Tokyu Hotels, we are proceeding to open new hotels to meet

the diversifying demand for accommodation, and we are working to strengthen our competitiveness such as by improving brand power. In November 2019, we opened Osaka Excel Hotel Tokyu, the first Excel brand in the Kansai region.

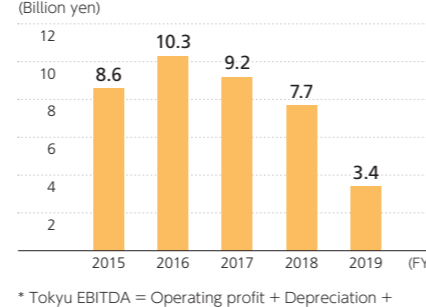
**Operating Profit Distribution Ratio (FY2019)**



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



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



\* Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost 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 FY2017	Results for FY2018	Results for FY2019 (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%	100%
Urban Development	Shibuya redevelopment	Number of nights spent by foreigners in Shibuya area	Tokyu Hotels	328,000 nights	384,000 nights	342,000 nights (-10.9%)
Low-carbon, Recycling-based Society	Reduction of CO <sub>2</sub> 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%	63,700 coins / 1.3% (-3,000 coins, -0.1pt)

\* 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.

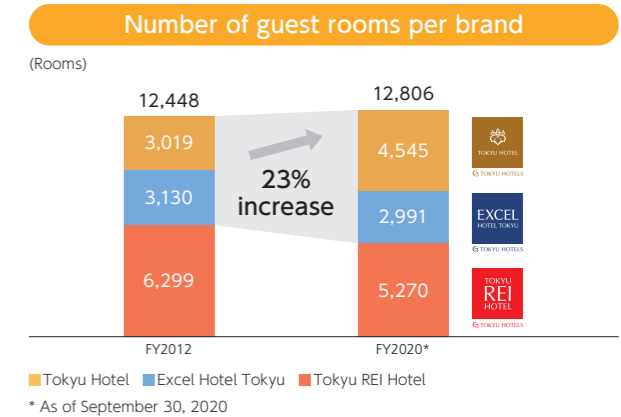
**Medium- to Long-term Business Direction and Results**

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 domestic business and leisure demand. Looking ahead, as Japan's working-age population declines and as demand for accommodation becomes more diverse, it is expected that the hospitality business will expand, targeting a new customer base. In addition, since it is likely that an oversupply of accommodation facilities and the advance of alternative services will lead to stiffer competition, services need to be developed in a way that takes account of the diversification of values and lifestyles as well as responses to infection control measures, 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.

**Hotel brand development**

Tokyu Hotels is developing three brands to meet the diverse needs of its customers: Tokyu Hotel (Luxury/Resort), Excel Hotel Tokyu (City), and Tokyu REI Hotel (Middle). In recent years, we have focused on competitive brands with higher quality and higher unit prices.



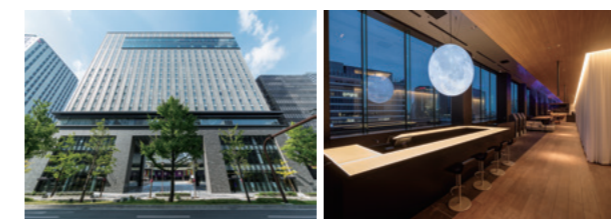
**Main initiatives in FY2019**

**Opening of new hotels to meet accommodation demand**

Tokyu is working to strengthen its competitiveness and enhance its brand power through opening new hotels in response to diversifying markets and lifestyles and to new customer needs.

In 2019, Tokyu Hotels opened Osaka Excel Hotel Tokyu, Japan's first hotel to be integrated into the main gate of a temple. And in June 2020, it opened two new hotels: Fujisan Mishima Tokyu Hotel, which serves as a base for sightseeing around Mount Fuji, and Yokohama Tokyu REI Hotel, which targets millennials.

Tokyu Vacations has also set up new operations within Osaka Excel Hotel Tokyu and Fujisan Mishima Tokyu Hotel, offering products to accommodate the increase in precious time that guests spend together with their families and friends.



Osaka Excel Hotel Tokyu

Yokohama Tokyu REI Hotel

**Response to new lifestyles**

At hotels, golf courses, and members-only time-share resorts, we are working on infection prevention measures and on strengthening hygiene to ensure the safety and security of our guests and employees. Based on announcements and instructions issued by the government and relevant authorities, we have prepared guidelines for a "new normal" to be adopted at all our facilities.



Tokyu Vacations Fujisan Mishima

# 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.

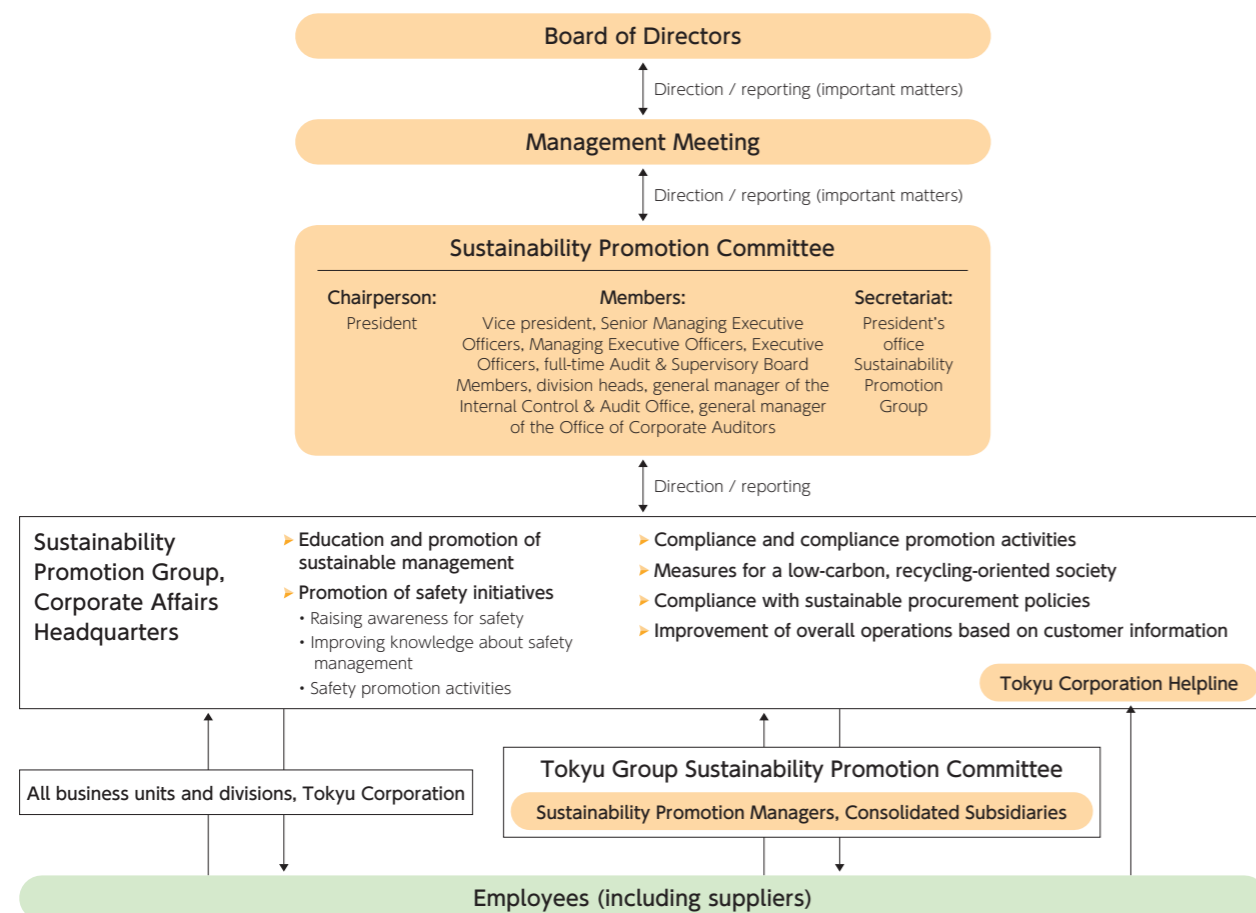
Core members of Tokyu's Sustainability Promotion Committee (see diagram below) are the president and full-time officers. It meets, in principle, twice a year to deliberate on such topics as the education and promotion of sustainable management, as well as safety, compliance, measures for a low-carbon,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

Any important matters deliberated by the Sustainability Promotion Committee are presented to the Management Meeting and then to the Board of Directors.

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 2019, as well as reports on scandals and accidents, information was shared on risk management initiatives and on long-term environmental goals and measures.

### » Sustainability Promotion Structure



## Meetings of the Sustainability Promotion Committee

Date of meeting	Agenda	Topics
<b>November 2018</b>	<ol style="list-style-type: none"> <li>1. Integrated report and value creation story</li> <li>2. Setting of long-term environmental goals</li> <li>3. FY2018 1H status report on scandals/accidents</li> <li>4. Feedback received by Customer Center, and initiatives</li> </ol>	<ul style="list-style-type: none"> <li>• Sustainability indicators</li> <li>• Environmental scenario analysis</li> <li>• Preparing for natural disasters</li> </ul>
<b>April 2019</b>	<ol style="list-style-type: none"> <li>1. FY2018 status report on scandals/accidents</li> <li>2. Initiatives for streamlining accounting management</li> <li>3. Information security risks and responses</li> <li>4. Initiatives for safety</li> <li>5. Cancellation of ISO 14001 certification (Transition to goal management based on key sustainability themes)</li> </ol>	<ul style="list-style-type: none"> <li>• Accidents/scandals at other companies (natural disasters, abnormal weather, harassment, falsification of quality by manufacturers)</li> <li>• Cyberattacks</li> <li>• Measures to counter deterioration of buildings owned/managed by Tokyu, earthquake countermeasures</li> <li>• Prevention of accidents during construction</li> </ul>
<b>November 2019</b>	<ol style="list-style-type: none"> <li>1. FY2019 1H status report on scandals/accidents</li> <li>2. Feedback received by Customer Center, and initiatives</li> <li>3. Long-term environmental goals and measures</li> <li>4. Implementation of "Tokyu Children's Support Program"</li> </ol>	<ul style="list-style-type: none"> <li>• Provision of information on planned train cancellations</li> <li>• Monitoring of progress toward achieving RE100</li> <li>• Direction of social contribution activities</li> </ul>
<b>April 2020 (online meeting)</b>	<ol style="list-style-type: none"> <li>1. FY2019 status report on scandals/accidents</li> <li>2. Initiatives for safety</li> <li>3. Implementation strategy for sustainable management</li> </ol>	<ul style="list-style-type: none"> <li>• Response for closed construction sites (due to COVID-19)</li> <li>• Internal systems for responding to TCFD and achieving environmental goals</li> </ul>

## Compliance Promotion

The Group has 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, we have established the Code of Conduct, and are familiarizing employees with it as much as possible through e-learning and other company-wide training programs, as well as through group training for new recruits and job-specific training for new appointees. Our consolidated subsidiaries have also formulated their own similar codes of conduct, and are working to raise awareness among their employees.

In addition to promptly making a report to management whenever non-compliance incidents transpire, the status of responses to any incident and the status of measures to prevent recurrence are confirmed monthly by the Management Meeting. At biannual meetings of the Sustainability Promotion Committee (see page 46), information is shared and opinions

are exchanged on consolidated responses taken for compliance-related issues and for notifications made by insiders, in an effort to prevent serious incidents from occurring.

For the early detection and swift rectification of compliance-related issues, including fraud and scandals, we have also set up and are publicizing the Tokyu Corporation Helpline, a set of contact points for internal reporting. The Tokyu Corporation Helpline has contact points both within the company and at a lawyer's office, ready to respond to reports and consultations from Group employees (including suppliers). A total of 359 reports and requests for advice were received in fiscal 2019.

Number of insider notifications received (consolidated)  
**359**  
(FY2019)



# Safety & Security

## Safety Management in the Group

The basis for all businesses of the Group, including the transportation business, is safety and the security that comes from it.

In order to promote safety initiatives in an integrated and effective manner, 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, we strive 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 page 46) fulfills the function of safety promotion, sharing important safety-related information and directing the company to take appropriate action.

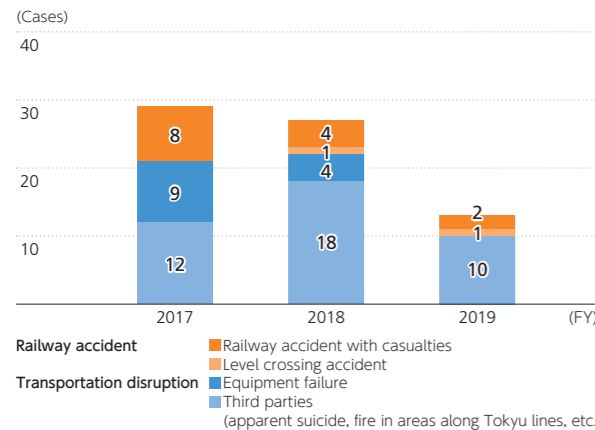
### Mechanisms That Promote Safety in the Consolidated Structure

By communicating safety policies to consolidated companies and by sharing information, such as measures for preventing major accidents from recurring, we aim to promote safety as a single united group with common perspectives and approaches. The Tokyu Group Sustainability Promotion Committee (see page 46) 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

	FY2017	FY2018	FY2019
Railway accidents*1	8	5	3
Incidents*2	0	0	0
Transportation disruptions*3	21	22	10

\*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. There have been no incidents over the last four years.  
 \*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.

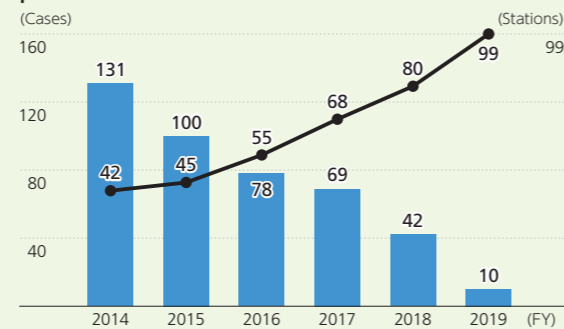
Ensuring safety is our highest priority in the railway business. Our Safety Policy prescribes our philosophy on ensuring safety in transportation, while the Safety Code of Conduct prescribes the principles for conduct by railway workers. In addition, our Priority Safety Measures list those initiatives 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.

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

### Safety Measures on Station Platforms

#### Number of falls from platforms and number of platform screen doors, etc., installed



In fiscal 2019, Tokyu Railways became the first major private railway company to install platform screen doors and fixed platform barriers equipped with sensors at 100% of stations (excluding the Setagaya Line and the Kodomonokuni Line). These measures have reduced falls from platforms by about 90% over the past five years. In addition to ensuring passenger safety, they have also had a significant effect on the stability of services, such as reducing transportation disruptions caused by people falling onto the tracks and other incidents.

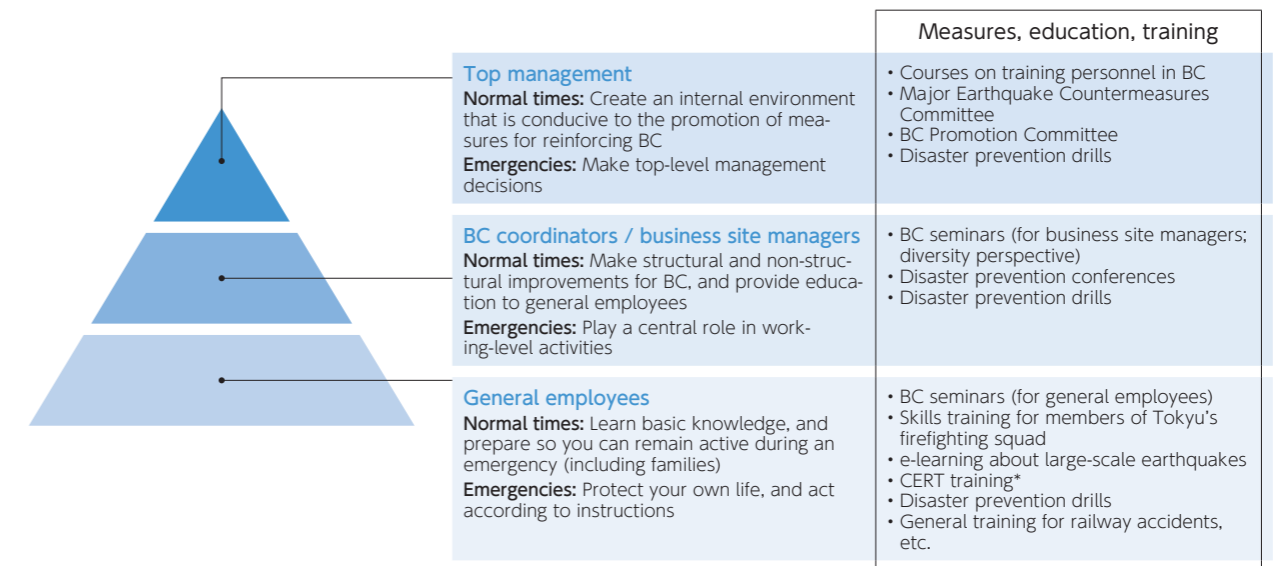
## BC Structure within the Group

Tokyu Corporation 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.

Also, for the purpose of strengthening BC structures at our consolidated companies, we have established the Tokyu BC Committee, led by the president of Tokyu Corporation, and we are promoting BC at our consolidated companies,

working hard 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.



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

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

## BC Structure for Preventing the Spread of COVID-19

Tokyu Corporation formulated its Business Continuity Plan (BCP) for New Strains of Influenza in response to the 2009 novel influenza (H1N1), and in addition, prepared a stockpile of disinfectant, masks and other supplies to control infectious diseases.

During the spread of COVID-19 starting from the fourth quarter of fiscal 2019, meetings of the Committee on Countermeasures to Address Novel Influenza and Other Infection Diseases were held continuously with participation of top management from February 2020. The committee confirmed that the BCP for New Strains of Influenza would be applied with necessary modifications, and proceeded to raise awareness about infection prevention activities and to procure additional stockpiled supplies.

Following the state-of-emergency declaration, we immediately activated the BCP and worked hard to ensure employee safety, reducing head office personnel to less than 20% of the normal number, such as by strongly recommending new ways of working, including teleworking and other forms of working from home. With respect to our customers, we also fulfilled our social responsibility by continuing to carry out businesses\* related to keeping communities functioning while maintaining close cooperation between the head office and the frontline of operations.

\* Based on Article 28, paragraph (1), item (i) of the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response (Ministry of Health, Labour and Welfare Notification No. 369) (trains, buses, hospitals, nursing homes, food supermarkets, etc.)

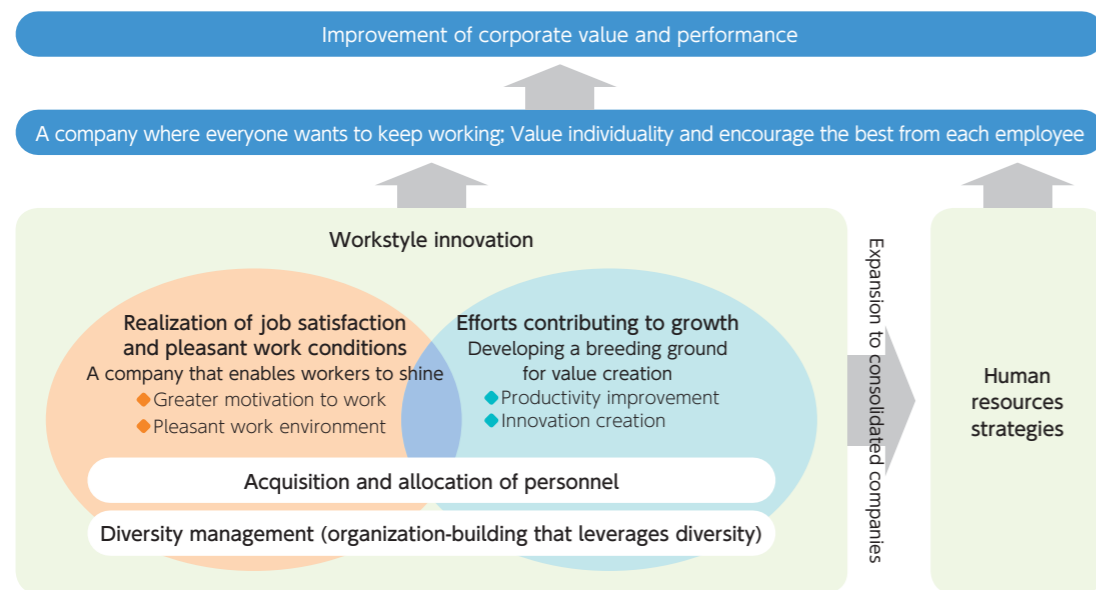
For details on the measures taken in each business, please see "Impact of COVID-19 and Future Direction" (page 26-27).

# 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. By promoting diversity management so that diverse personnel can be actively involved, and by creating workplaces where employees can have active careers, Tokyu Corporation aims to be a company where everyone wants to keep working. And by combining the knowledge of our workers and creating innovation, we will achieve sustainable growth.

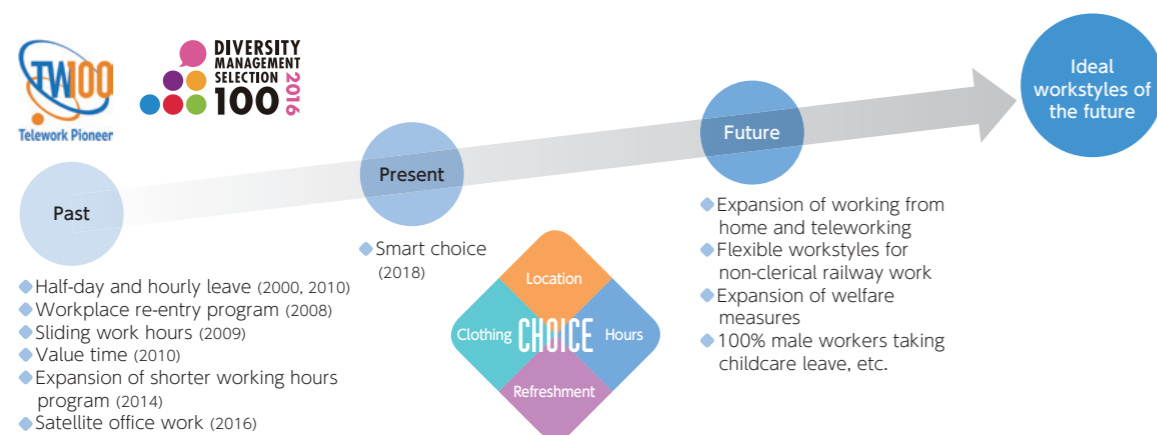
## Overall Framework for Human Resources Strategies

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 our own form of workstyle innovation and reform.



## Realization of Job Satisfaction and Pleasant Work Conditions (Employee Engagement)

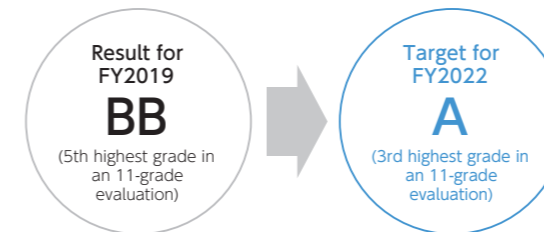
We believe that mutual understanding and mutual commitment with employees is even more necessary in order to achieve the development of "a City Adored by People around the World," which is part of our long-term management initiative. Based on this idea, in July 2019, we introduced an employee engagement 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.

Using the results of this survey as KPIs for realizing our long-term management initiative, we will strive to enhance employee engagement.

### People targeted in the fiscal 2019 survey

- ◆ Employees, excluding those on temporary loan (head office, non-clerical work)
- ◆ Workers on loan full-time from another company
- ◆ Contract employees, nonregular employees \*Excluding temporary employees and agency staff

### Rating results and targets based on the survey



### Strengths and weaknesses identified in the survey

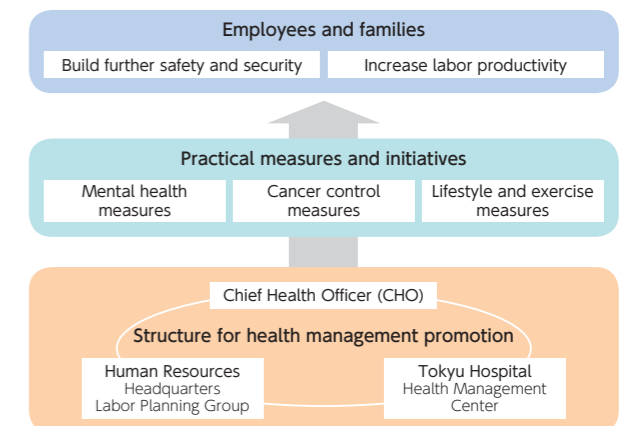
- Strengths**
  - ◆ There is a sense that the company's business is making a positive contribution to the world
  - ◆ There is a sense of unity where supervisors understand the situation of their subordinates, and where both successes and failures are shared
- Weaknesses**
  - ◆ There is a lack of cohesion and solidarity in the company as a whole
  - ◆ Spaces and facilities for carrying out work in the workplace are inadequate

## 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.

Please see the following for details related to the Tokyu Corporation's Health Declaration. (Japanese only)  
<https://tokyu.disclosure.site/ja/152>



\* 2020 Award not held due to COVID-19



## Diversity Management and Human Rights

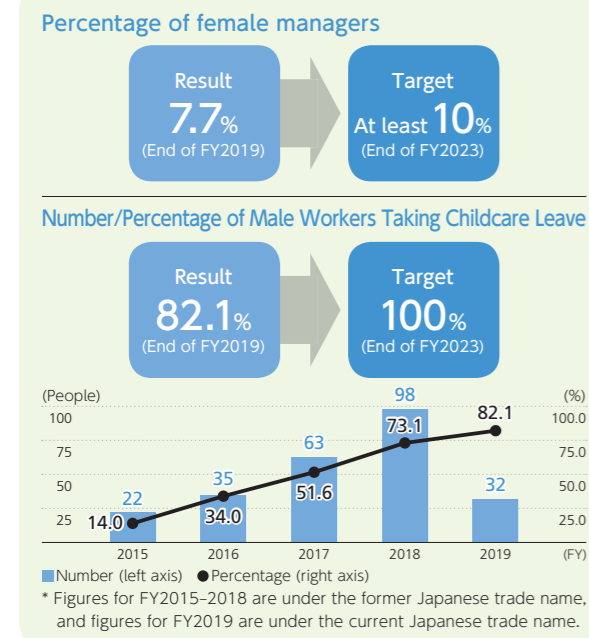
For a company to continue growing over the medium- to long-term, it must meet the needs of diverse customers while looking ahead to the future. Service providers must also have the same kind of “diversity and the organizational capacity to utilize it” (diversity management). Differences in gender, age, nationality, disability, sexual orientation, and values can be viewed as a person’s individuality, and respecting each other’s individuality, collaborating to enhance each other’s abilities and making it a strength of the organization will lead to sustainable growth for both individuals and the organization.

We 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.\* Going forward, we will work on formulating and reviewing our human rights policies, identifying issues, devising improvement measures, and disseminating information to everyone concerned.

\* Actual percentage of employees with a disability: 2.69% (as of June 2020, calculation of eight Tokyu Group companies)

### » Numerical targets based on the Act on Promotion of Women’s Participation and Advancement in the Workplace



### » Tokyu Corporation (Consolidated) Declaration of Diversity Management

1. We will respect the individuality of all employees and promote their active involvement from perspectives of systems, culture, and mindset.
2. We will realize the creation of new value (innovation) to meet the expectations of various customers.
3. Positioning diversity as a management strategy, we will aim for sustained improvements of corporate value.

### » Approach to human rights (Code of Conduct 4)

4. To respect human rights in business activities as well as the diversity, individuality, and personality of employees, provide safe, superior working environments and realize comfort and affluence
  - (17) Respect for human rights  
We will operate based on a respect for fundamental human rights and strive to build a sound working environment without prejudice or harassment.
  - (18) Ensuring safe and healthy work environments  
We will observe labor laws and regulations and internal regulations, build safe and healthy work environments and strive to maintain vibrant workplaces with good communications.

## External Evaluation

**2020 健康経営銘柄**  
Recognized in Health & Productivity Stock Selection for 6th straight year  
Tokyu Corporation was selected as a leading company for the sixth consecutive year under Health & Productivity Stock Selection, a joint program between the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) which selects exceptional enterprises engaged in health and productivity management. We were one of only six companies in all industries to have been selected for a sixth straight year, and will continue to work on a variety of health promotion measures.

**NADESHIKO BRAND 2020**  
Awarded the Nadeshiko Brand for 8th year in a row First in transportation industry to win Diversity Management Selection 100 Prime  
Tokyu Corporation has been awarded the Nadeshiko Brand (8th consecutive year) for its outstanding efforts for the advancement of women in the workplace, as well as Diversity Management Selection 100 Prime (first in transportation industry) for its ongoing efforts to create corporate value through diversity management. We will continue to strive to create workplaces where women and other diverse personnel can be actively involved.

**work with Pride Gold 2019**  
Winner of PRIDE Index “Gold” for 3rd consecutive year  
Tokyu Corporation has received a “Gold” rating on the PRIDE Index following an assessment of its LGBT measures by work with Pride (wwP), a voluntary organization that supports the promotion and establishment of diversity management for LGBT and other sexual minorities. This is the third year in a row that we have received the “Gold” rating, and going forward, we plan to continue expanding the scope of our activities.

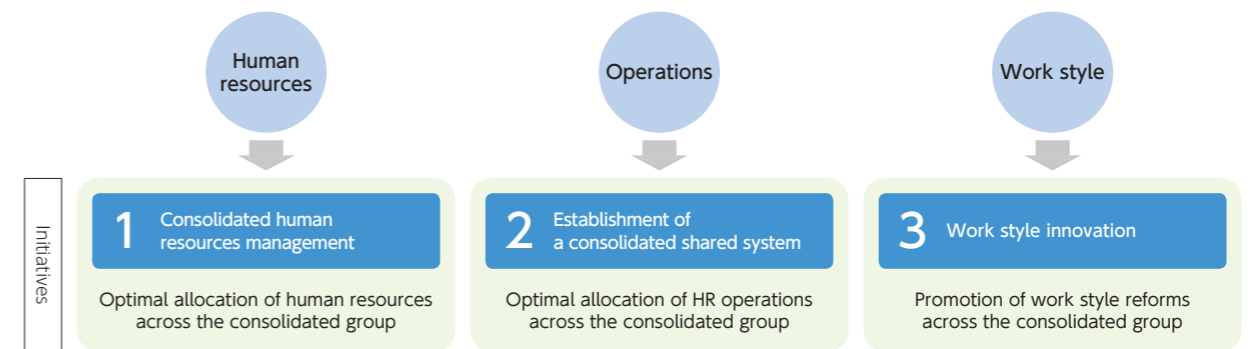
## Group Human Resources Management

Aiming to be a group where everyone wants to keep working, the Tokyu Group focuses on initiatives on a consolidated basis. From a “human resources” perspective, we are developing a consolidated talent management system through which management personnel are selected, trained, and assigned from diverse populations throughout the consolidated group. And from an “operations” perspective, we are optimizing payroll operations and sharing and consolidating

recruitment and training operations at each company in order to improve productivity. We are also implementing “system, culture, and mindset” reforms in order to promote work style reform throughout the consolidated group.

Going forward, our entire Group will continue to pursue sustainable HR development as stated in our medium-term management plan.

### Three-pronged approach to initiatives throughout the consolidated group



## Development of Innovative Human Resources

Tokyu Corporation has a number of initiatives designed to reform the company into an innovative organization. The System for Fostering Entrepreneurial Employees (SK System) was founded in April 2015 to support and develop employees with the ambition and ability to create businesses, and to cultivate a challenge-friendly corporate culture through the founding of new businesses. The system enables all employees, regardless of age, seniority, or department, to propose new businesses and be involved in bringing their ideas to fruition as project leaders. Since the system was launched, five projects have commercialized.



### NewWork

The first initiative under the SK System is a members-only shared satellite office business. Commercialized in May 2016, the business aims to provide flexible work environments to suit the diversification of working styles and advances in the ICT environment.



### Cash-out and smartphone payment recharge

The third initiative is a new payment business that makes use of ticket machines at stations on the Tokyu lines. Following on from a cash-out service launched in May 2019 which allows customers to withdraw money from their bank deposit accounts, in July 2020, we launched a new service that allows users to top up their balance on LINE Pay. Along with expanding the business, we are helping to improve the convenience of stations.



# Creating More Social Value

## Social Contribution Activities Inseparable from Business Activities

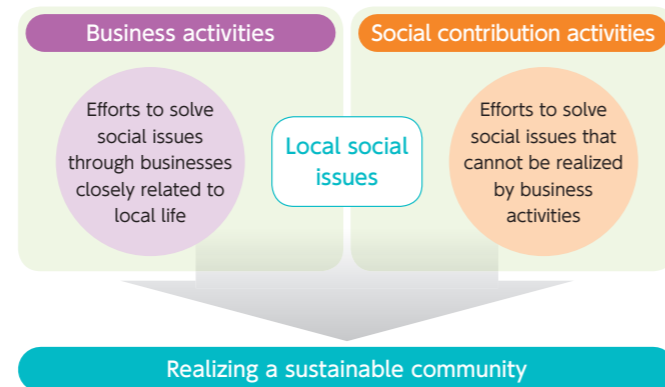
Since the foundation of the Group, we have continued to make efforts to solve social issues through our businesses, and while maintaining the spirit of developing with local communities, we have continued to promote urban development, responding to the different demands of society over time.

### Status of Social Contribution Activities

The Group's urban development is not just about developing and selling. It is a long-term recycling-based business model that also reinvests profits and gives back to the community through social contribution activities to enrich the entire community. For areas that cannot be covered by our business activities, we are continuing efforts as social contribution activities. By taking on the challenge of solving social issues through a combination of our profit-making businesses and social contribution activities, we will realize the Group Mission Statement of "striving to create beautiful living environments, in which each person can pursue individual happiness in a harmonious society."

Our efforts in social contribution activities have also led to a deeper relationship with the community and to awareness of new social issues.

### Engaging in both business activities and social contribution activities

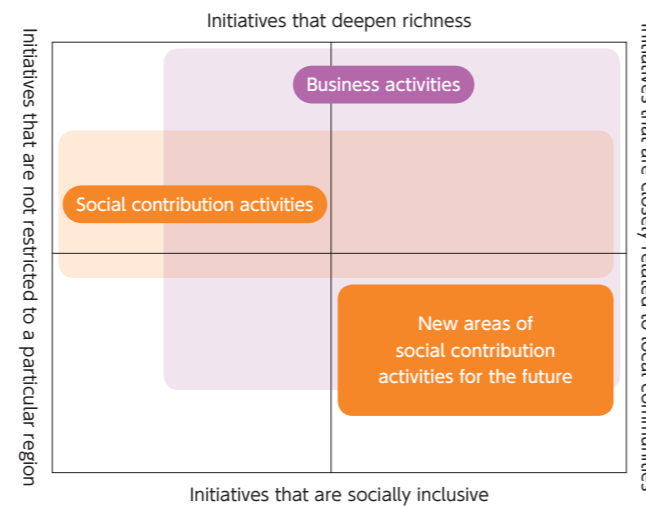


### Future Direction of Social Contribution Activities

Social issues change with the times, as does the scope of our social contribution activities.

The diagram on the right shows the areas of our Group's activities along two axes. The horizontal axis shows the depth of regional characteristics, and the vertical axis shows initiatives that further deepen richness and socially inclusive initiatives. It shows that our social contribution activities to date have mostly been in areas of initiatives that further deepen richness, such as international goodwill and promotion of culture and the arts. In an age where even the SDGs aim to realize a world in which "no one is left behind," in order to realize the Group Mission Statement mentioned earlier, our view is that we need to build safety and security as the foundation for richness in communities that are open to diversity. For this reason, our plan has been to engage in new social contribution activities that are socially inclusive and closely related to local communities, and in fiscal 2020, we initiated the Tokyu Children's Support Program.

### Areas of the Group activities



### Tokyu Group Environmental and Social Contribution Awards

In order to promote environmental and social contribution activities across the entire Tokyu Group and beyond, we continue to operate an awards program called the Tokyu Group Environmental and Social Contribution Awards. Through this program, in addition to raising awareness for environmental and social contribution and enthusiasm for activities among each and every Group employee, we disseminate information about excellent initiatives within the Group. In fiscal 2020, 62 applications from 35 companies were received for a wide range of initiatives.

Please see the following for details of the award-winning initiatives.  
<https://tokyu.disclosure.site/ja/182>



FY2019 awards ceremony

## Efforts for Improving Social Value

### Tokyu Children's Support Program

The Tokyu Children's Support Program provides assistance to organizations working to resolve social issues surrounding children, and was launched with the hope of supporting the creation of living environments in which all children can lead safe, secure and spiritually rich lives. For the sustainable growth of a community, we believe that a variety of activities must be actively carried out in the community and there must be many diverse opportunities for residents to be involved in such activities as leaders. To this end, supporting the activities of local NPOs and other organizations is also one of the important themes of our social contribution activities. In the inaugural round of support in fiscal 2020, we will support 10 organizations that are active in areas served by Tokyu's railway lines.



Poster of the Tokyu Children's Support Program

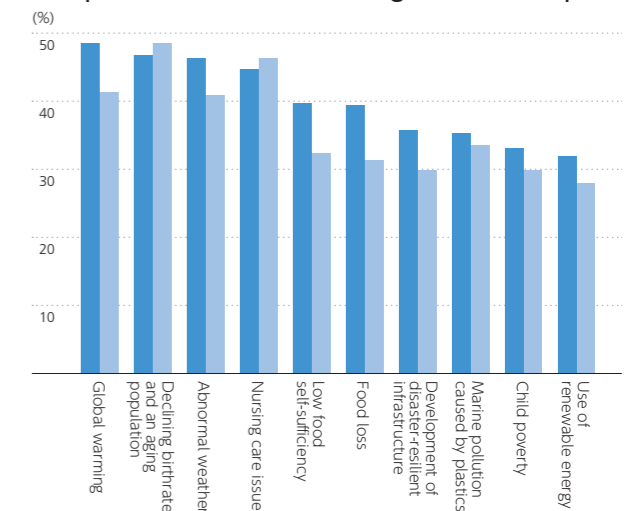
For details about the Tokyu Children's Support Program, please see the following. (Japanese only)  
<https://www.tokyu.co.jp/kodomoprogram>

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

Contributing to the achievement of SDGs is an inseparable part of sustainable urban development. As part of its dialogue with stakeholders, the Group has conducted an SDGs awareness survey of residents living along Tokyu Lines since fiscal 2019. The fiscal 2020 survey revealed that the SDGs recognition rate had increased to 46.6% (29.2% in fiscal 2019), indicating that awareness of SDGs is becoming more widespread.

There is also growing interest in environmental issues such as global warming and abnormal weather, as well as in social issues such as food-related problems and the development of disaster-resilient infrastructure. Our Group is working on initiatives to help resolve these issues, including the introduction of new rolling stock with superior energy-saving performance, the use of renewable energy along the Setagaya Line, the development of green infrastructure at Minami-machida Grandberry Park (social infrastructure development and national land management using functions of the natural environment), JHEP certification at Futako-Tamagawa Rise (see page 59), and an initiative for forest conservation and the discontinued use of plastic straws at Tokyu Hotels.

### Top 10 Social Issues Attracting Interest (in Japan)



■ FY2020 (dark blue) ■ FY2019 (light blue)  
 \* Survey method: Online survey  
 \* Survey period: June 2020, June 2019  
 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

### Support for the Tokyu Foundation

The Tokyu Foundation for Better Environment (est. 1974), the Tokyu Foundation for Foreign Students (est. 1975), and the Gotoh Memorial Foundation (est. 1990) each carried out activities based on the social issues current at the time of their establishment. While their efforts did achieve certain positive results, in order to address new social issues beyond the scope of each foundation's activities, the three foundations were merged into the Tokyu Foundation in fiscal 2019 and started anew. The mission of the Tokyu Foundation is "sustainable development of local communities," and with a key theme of "nurturing the next generation," the foundation will address new social issues in addition to the past areas of the environment, international exchange, and culture and the arts.



Publication of a supplementary reader for elementary school students, Environment Division, Tokyu Foundation



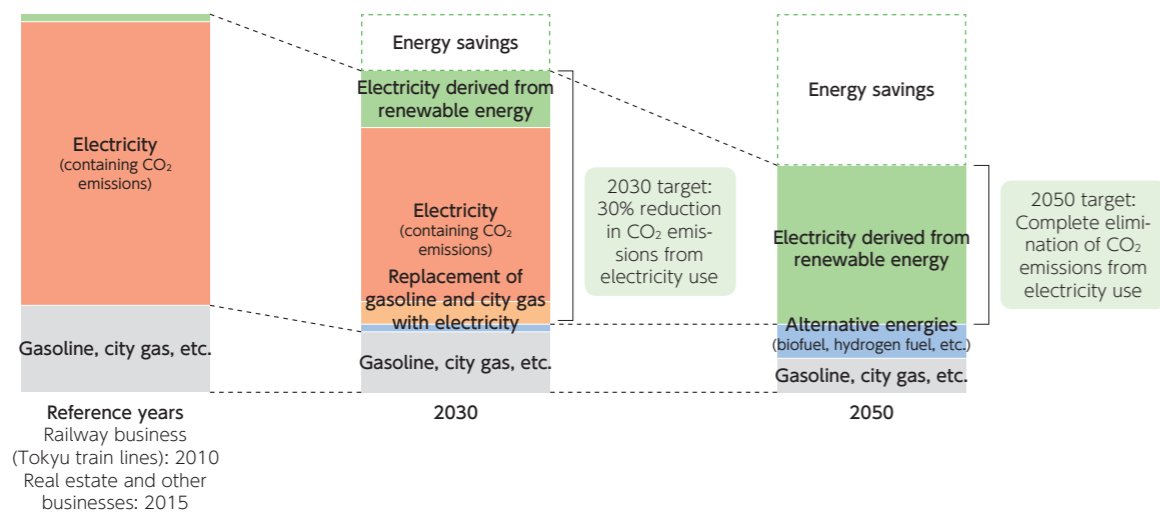
# Low-carbon, Recycling-based Society

## Long-term Vision for Realizing a Low-carbon Society

Having listed realization of a "low-carbon, recycling-based society" as one of its material sustainability themes, the Group promotes environmental management, aiming to "contribute to the creation of a low-carbon and a carbon-free society through energy savings and the optimized use of renewable energies" in its businesses. These days, in our business, which supports the infrastructure of society, consideration for the environment in urban development from a long-term perspective is an important element against climate change caused by global warming. Therefore, in our long-term management initiative announced in September 2019, the Group set long-term, quantitative environmental goals, as shown on the right. With regard to electricity use,\*1 which accounts for 76.5% of the Group's CO<sub>2</sub> emissions for each type of energy, our long-term environmental goal is RE100, that is, to procure 100% 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.

The figure below\*2 shows how our two stages of environmental goals for 2030 and 2050 will be achieved. In addition to shifting electricity to renewable energy sources, we are actively promoting energy savings. We are also committed to business operations in which enhancing environmental value is an integral part of our business activities. For instance, in the railway business, we are replacing carriages with new energy-efficient models, and in the urban development business, we are introducing environmental certification programs and set environmental investment standards. In an effort to reduce overall CO<sub>2</sub> 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.

### >> Energy Composition (CO<sub>2</sub> Equivalent) for Realizing the Long-term Environmental Goals\*2

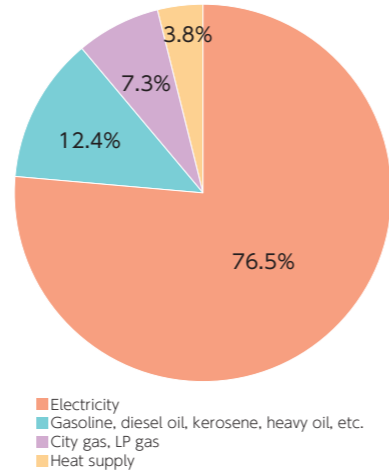


### >> Long-term Environmental Goal (CO<sub>2</sub> Emissions\*)

\* The subjects are Scopes 1 and 2  
 Achieving 100% procurement of electric power consumed for our businesses by renewable energies by 2050  
**2030:** 30% reduction of the total CO<sub>2</sub> emitted by using electric power  
**2050:** Complete elimination of CO<sub>2</sub> emitted by using electric power  
 (Reference years: 2010 for the railway business (Tokyu train lines); 2015 for the real estate and other businesses)



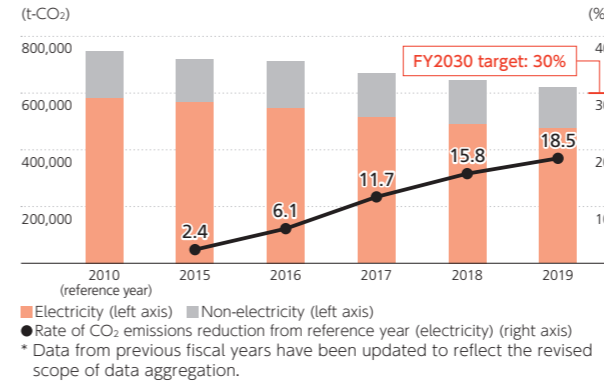
### >> CO<sub>2</sub> Emissions on a Basis of Energy Sources (FY2019)\*1



## Progress against Environmental Targets

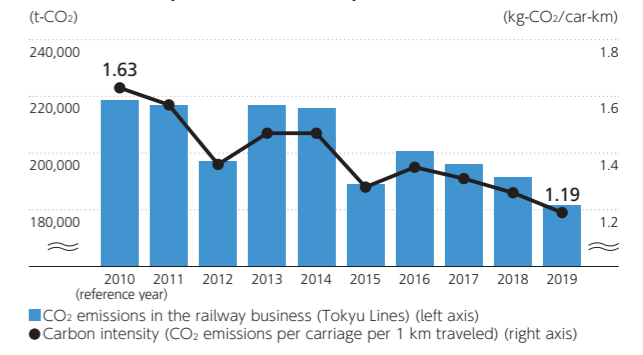
The Group is working to reduce CO<sub>2</sub> emissions. In fiscal 2019, consolidated CO<sub>2</sub> emissions were 619,879t-CO<sub>2</sub>. Relative to our target for fiscal 2030 (30% reduction in CO<sub>2</sub> emissions from electricity use),\*3 in fiscal 2019, we achieved a reduction of 18.5%. In addition, in our railway business (Tokyu Lines), which accounts for approximately 30% of the Group's CO<sub>2</sub>

### >> Progress in reducing CO<sub>2</sub> emissions\*3



emissions,\*4 we have been working hard for energy savings while installing platform screen doors and strengthening transportation capacity. This has resulted in a 26.9% reduction in carbon intensity (CO<sub>2</sub> emissions per carriage per 1 km traveled), including incidental equipment, compared to the reference year.

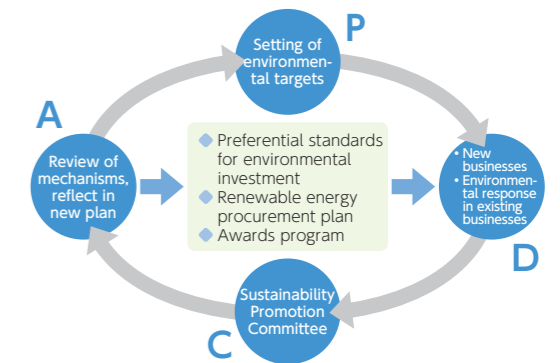
### >> CO<sub>2</sub> emissions and carbon intensity of the railway business (Tokyu Lines)\*4



## Systems for Achieving Environmental Targets

In July 1998, Tokyu Corporation established dedicated environmental organizations within the company to work on reducing environmental burden in the administrative departments of each business division and in the general administration divisions by means of Tokyu's own environmental management system. We have established a PDCA cycle designed to achieve our environmental goals, and we are promoting achievement of these goals through a variety of mechanisms for reducing CO<sub>2</sub> emissions, such as preferential standards for environmental investment which take account of internal carbon pricing, a renewable energy procurement plan, and an awards program.

CO<sub>2</sub> reductions will be monitored by the Sustainability Promotion Committee (page 46), based on which, targets are set for the next fiscal year and mechanisms are reviewed for the future.



## Use of Renewable Energies

Since March 25, 2019, the Tokyu Setagaya Line has been operating solely on power generated by hydropower and geothermal power plants owned by the Tohoku Electric Power Group (CO<sub>2</sub> emissions reduction effect = 1,263t/year). In recognition of the social impact of this initiative and our efforts in promoting understanding and disseminating information about renewable energy via the familiar infrastructure of trains, we received the Environment Minister's Award at the 11th EST Transport Environment Awards.\* In addition, since June 2020, our head office (Tokyu Nampocho Bldg.) has been powered by 100% renewable energy.

Our consolidated subsidiary, Tokyu Power Supply, has been promoting the procurement of electricity from renewable energy sources (non-fossil fuel energy certificates, purchase of excess

electricity generated from solar PV, etc.), and in collaboration, we will strive to increase the percentage of renewable energy used by our Group in an effort to realize RE100.

\* Awards program for the popularization of environmentally sustainable transport (EST), organized by the Foundation for Promoting Personal Mobility and Ecological Transportation (Eco-Mo Foundation)



Setagaya Line running on 100% renewable energy

## Addressing Climate Change and Endorsement of TCFD

As part of its environmental policy to contribute to climate change mitigation, Tokyu Corporation is working hard to reduce greenhouse gas emissions.

The world is experiencing a climate crisis, with rising average temperatures, extreme high temperatures, and increased frequency of heavy rainfall and flooding. The Global Risks Report 2020, which is released annually at the World Economic Forum in Davos, also ranks climate-related and environmental risks as the top five risks.

In anticipation of the impact of climate change on its business, the Group has strengthened its risk management, and has begun to integrate measures into its business strategies. In addition, we endorsed the TCFD in September 2020, and will proceed to disclose information based on the TCFD's recommendations.



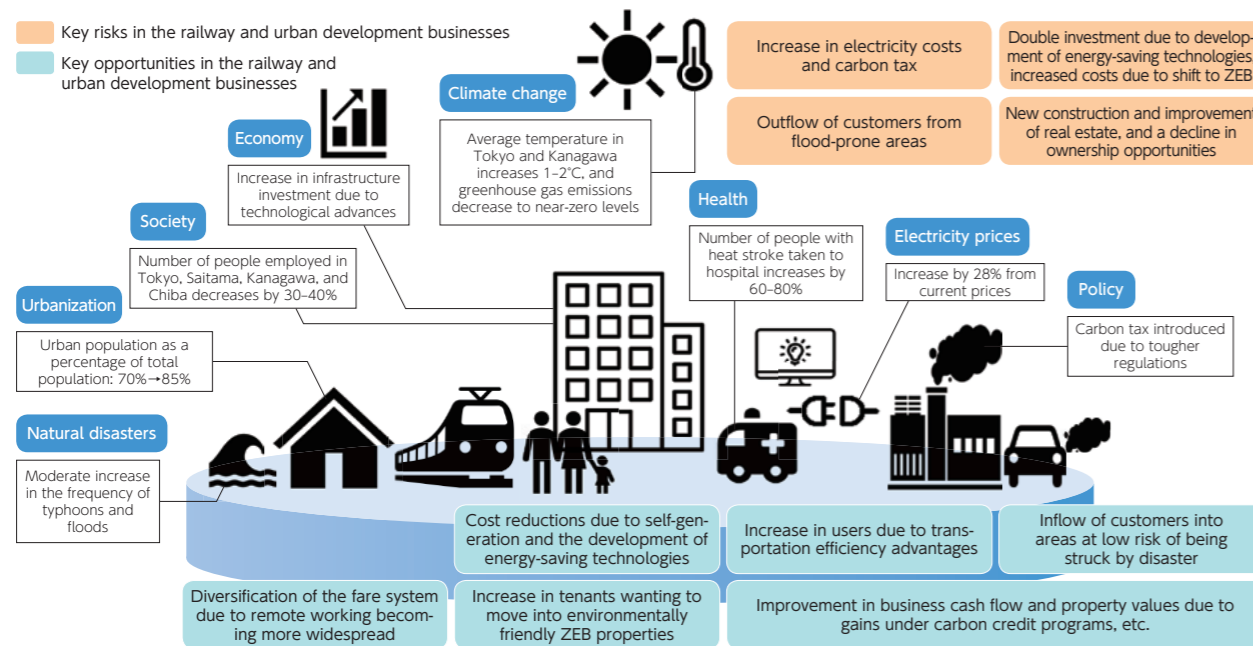
\* Task Force on Climate-related Financial Disclosures (TCFD)  
A task force established by the Financial Stability Board (FSB) in 2015 to identify and disclose the financial implications of the risks and opportunities posed by climate change with a view to global economic stability.

### » Efforts within the TCFD framework

Governance	Strategy	Risk Management	Metrics and Targets
<ul style="list-style-type: none"> <li>Monitoring in Tokyu's sustainability promotion structure (page 46)</li> <li>Linked with management plan</li> </ul>	<ul style="list-style-type: none"> <li>Identify important risks and opportunities for key businesses</li> <li>Begin assessing the impact on businesses, strategies and financial planning through scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>Begin examining measures and monitoring methods for important risks</li> <li>Coordinate with company-wide risk management processes</li> </ul>	<ul style="list-style-type: none"> <li>Set short-term targets for achieving long-term environmental goals</li> <li>Begin developing indicators for assessing risks and opportunities</li> </ul>

### » Outline and impact of the 2050 worldview (scenario of below 2°C)

In the scenario where the temperature increase is kept to below 2°C, the impact of global warming is mitigated compared to a temperature increase of 4°C, but taking into account permanent increases in spending, such as for the introduction of technologies reducing electricity consumption and for the introduction of a carbon tax, we must promote urban development that is responsive to climate change.



For details on Tokyu's response to TCFD recommendations, please see the following. (Japanese only)  
<https://tokyu.disclosure.site/ja/183>

## Damage caused by Typhoon Hagibis (actualized natural disaster)

Typhoon Hagibis made landfall on the Japanese archipelago on October 12–13, 2019. It rapidly increased in strength and wrought havoc across the country, including causing levees to be breached at a total of 140 locations on 71 rivers. Although the Group suffered no human casualties, all companies sustained damage to their businesses.

The damage and response to Typhoon Hagibis was immediately reported to the Management Meeting and to the Board of Directors, and we are continually reviewing our existing flood-control measures, risk management, and business operations.



Bridge along the Ueda Dentetsu Bessho Line over Chikuma River collapses

### Developments and response

- October 11**
  - Daytime Decision made to close the Group's stores and suspend transportation services for October 12
- October 12**
  - About 17:00 Power outages around Izu
  - About 19:00 Typhoon Hagibis makes landfall on Izu Peninsula
  - About 20:00 Power outages and leaks in various districts
  - About 20:00 First floor of a home for the elderly is flooded
  - About 20:00 Tokyo City University's Setagaya Campus flooded
  - 20:36 Chikuma River overflows banks in Ueda City
  - 22:40 Tama River overflows banks in Setagaya-ku
- October 13**
  - Morning Confirmation that bridge along the Ueda Dentetsu Bessho Line over Chikuma River has collapsed
  - Afternoon Stores gradually reopened for business, transportation services gradually resumed
- October 14**
  - All day Power gradually restored to hotels, etc., in Izu and Tateshina

## Realization of a Recycling-based Society

With a view to realizing a recycling-based society, our aim is to promote the effective use of resources and consideration for ecosystems. Together with each Group company and their respective supply chains, we will actively contribute to the building of a sustainable society and local infrastructure, with the 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.

### Urban development conscious of biodiversity

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. 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, efforts are being undertaken 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)

### Conversion of used plastics to hydrogen energy

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 Nm<sup>3</sup> of hydrogen was used to generate 440,000 kWh, achieving a CO<sub>2</sub> emissions reduction effect of about 170 tons in total. During the first year after opening in June 2018, 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.



Kawasaki King Skyfront Tokyu REI Hotel



# List of Officers and Status of Outside Officers

(as of June 26, 2020)

## Directors



**Hirofumi Nomoto**  
Chairman of the Board & Representative Director

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

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

Joined Tokyu Corporation in 1976. 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 Human Resources Headquarters.



**Toshiyuki Hoshino**  
Director & Senior Managing Executive Officer

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.



**Hirohisa Fujiwara**  
Director & Managing Executive Officer

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

Joined Tokyu Corporation in 1982. Current position since April 2018 after positions such as Executive General Manager of Building Headquarters, Urban Life Produce Business Unit of Tokyu Corporation, and President & Representative Director of Tokyu Facility Service Co., Ltd., and Senior Executive General Manager of Tokyu Corporation's Urban Development Business Unit.



**Setsu Hamana**  
Director & Managing Executive Officer

Joined Tokyu Corporation in 1983. Current position since April 2018 after positions such as Executive General Manager of Building Headquarters, Urban Life Produce Business Unit of Tokyu Corporation, and President & Representative Director of Tokyu Facility Service Co., Ltd.



**Kiyoshi Kanazashi**  
Director

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



**Keiichi Konaga**  
Independent officer  
Director  
Lead Independent Outside Director

Jun 1984 Administrative Vice-minister of the Ministry of International Trade and Industry  
Mar 1989 Vice President and Director of Arabian Oil Company, Ltd.  
Mar 1991 President and Director of AOC Holdings, Inc.  
Jun 2004 Corporate Advisor of AOC Holdings, Inc.  
Jul 2005 Chairman of Research Institute of Economy, Trade and Industry  
Jun 2007 Director and Corporate Advisor of AOC Holdings, Inc.  
Jun 2008 Special Advisor of AOC Holdings, Inc.  
Director of Tokyu Corporation (to the present)  
Jun 2013 President of Human Resources Training Center Japan (to the present)



**Reiko Kanise**  
Independent officer  
Director

Apr 1975 Joined Hakuodo Incorporated  
Feb 1993 Representative Director of Kei Associates Inc. (to the present)  
Jun 1999 President and Representative Director of Aeon Forest Co., Ltd. (The Body Shop)  
Jan 2001 Member of the Consumer Committee of Japan Retailers Association (to the present)  
May 2001 Director of the Japan Council of Shopping Centers (to the present)  
May 2004 Chairperson of Information Committee of the Japan Council of Shopping Centers (to the present)  
Feb 2007 Representative Director of Lenajapon Institute Co., Ltd. (to the present)  
Oct 2010 Visiting professor at Showa Women's University (to the present)  
Jun 2015 Director of Tokyu Corporation (to the present)  
Sep 2015 Member of the Consumer Commission, Cabinet Office



**Kunie Okamoto**  
Independent officer  
Director

Mar 1999 Managing Director of Nippon Life Insurance Company  
Mar 2002 Senior Managing Director of Nippon Life Insurance Company  
Apr 2005 Director and President of Nippon Life Insurance Company  
Jun 2005 Corporate Auditor of Tokyu Corporation and Chairman of Nippon Life Insurance Company  
Apr 2011 Director and Advisor of Nippon Life Insurance Company  
Jun 2018 Director of Tokyu Corporation (to the present)  
Jul 2018 Advisor of Nippon Life Insurance Company (to the present)



**Midori Miyazaki**  
Independent officer  
Director

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

## Audit & Supervisory Board Members



**Takehiko Shimamoto**  
Full-time Audit & Supervisory Board Member

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



**Naohisa Akimoto**  
Full-time Audit & Supervisory Board Member

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



**Kunio Ishihara**  
Independent officer  
Audit & Supervisory Board Member

Jun 1998 Member of the Board, Managing Director of The Tokio Marine & Fire Insurance Co., Ltd.  
Jun 2000 Member of the Board, Senior Managing Director of The Tokio Marine & Fire Insurance Co., Ltd.  
Jun 2001 Member of the Board, President of The Tokio Marine & Fire Insurance Co., Ltd.  
Apr 2002 Member of the Board, President of Millea Holdings, Inc. (current Tokio Marine Holdings, Inc.)  
Jun 2007 Chairman of the Board of Millea Holdings, Inc.  
Jun 2012 Audit & Supervisory Board Member of Tokyu Corporation (to the present)  
Jun 2013 Advisor of The Tokio Marine & Fire Insurance Co., Ltd. (to the present)



**Shigeo Tsuyuki**  
Independent officer  
Audit & Supervisory Board Member

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

## Status of Outside Officers

### » Outside Directors

Name	Main expertise and background					Attendance at Board of Directors meetings (fiscal year ended March 31, 2020)	Years as director	Significant concurrent positions
	Public policy	Legal affairs	Corporate management	Marketing	Sustainability			
Keiichi Konaga	○	○	○			13/13	12	President of Human Resources Training Center Japan
Reiko Kanise			○	○		12/13	5	Representative Director of Lenajapon Institute Co., Ltd. Representative Director of Kei Associates Inc.
Kunie Okamoto			○			11/13	2	Advisor of Nippon Life Insurance Company Outside Director of Kintetsu Group Holdings Co., Ltd.
Midori Miyazaki					○	—	Appointed in June 2020	Professor and Dean of Faculty of Global Studies, Chiba University of Commerce

### » Outside Audit & Supervisory Board Member

Name	Main expertise and background		Attendance at meetings (fiscal year ended March 31, 2020)		Years as Audit & Supervisory Board Member	Significant concurrent positions
	Corporate management	Finance and accounting	Board of Directors	Audit & Supervisory Board meetings		
Kunio Ishihara	○	○	12/13	7/8	8	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 Outside Audit & Supervisory Board Member of Mitsubishi Research Institute, Inc.
Shigeo Tsuyuki	○	○	—	—	Appointed in June 2020	Representative Director and Vice Chairman of Dai-ichi Life Holdings, Inc.



## Corporate Governance Dialogue: Chairman of the Board & Representative Director × Outside Directors



**Hirofumi Nomoto**  
Chairman of the Board & Representative Director

**Keiichi Konaga**  
Director **Independent officer**  
President of Human Resources Training Center Japan

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

**Kunie Okamoto**  
Director **Independent officer**  
Advisor of Nippon Life Insurance Company  
Outside Director of Kintetsu Group Holdings Co., Ltd.

**Midori Miyazaki**  
Director **Independent officer**  
Professor and Dean of Faculty of Global Studies,  
Chiba University of Commerce

### What should the Board of Directors be doing for sustainable growth, and what role should Tokyu be playing in society?

#### A Board of Directors actively engaged in diverse discussions

**Nomoto** In September 2019, we changed our Japanese trade name. This year, we have also built a structure to allow for more diverse opinions at Board of Directors meetings. First, I would like to ask for your impression and assessment of our Board of Directors from your respective perspectives.

**Konaga** I am the longest serving outside director among the current outside directors. My impression is that the method and quality of board operations have improved over the years, due in part to the efforts of successive management and executive teams. Lively discussion takes place amid an appropriate level of tension, and I feel that debate and information sharing on management policies are going smoothly.

**Kanise** Outside directors are allowed to speak freely, and I feel that many board members listen carefully to what we have to say. My impression since becoming an outside director is that Tokyu is a very flexible and good company. On the other hand, I was also under the impression that railway companies are like big ships and would be hard to navigate. But over the past two or three years, a process has been established at board meetings to discuss issues that come to light from monitoring reports on the conditions faced by each of our businesses and on individual projects, and I think that this has led to an extra sense of speed.

**Okamoto** From my perspective of diversity, I would say that the areas of expertise represented by us four outside directors are also very diverse. We each have our own specializations: Keiichi Konaga is a leading authority on business strategies and growth strategies, and on how to create seeds of digital transformation (DX), Reiko Kanise has prodigious experience in marketing and business-to-consumer (B2C), Midori Miyazaki has had a profound career in the areas of globalization and sustainability, and having worked in insurance, my expertise is in finance and risk management. By linking internal and external areas of expertise, I believe that the composition of the Board of Directors as a whole is working well.

**Miyazaki** Today was my second time to participate in a Board of Directors meeting\*<sup>1</sup> since my appointment was approved at the general meeting of shareholders. Because Tokyu has such a broad scope of business, and because the internal directors come from different departments, my impression is that diversity is being maintained by leveraging their respective areas of expertise. Communication within Tokyu is good, and I feel that employees are close to each other emotionally. The sense of distance with the Chairman is close enough that we can talk freely, and I feel there is an open atmosphere. I also felt that there is good communication in terms of performing monitoring functions adequately.

#### Issues for further improvement of the Board of Directors

**Nomoto** The truth is that, previously, there was an atmosphere at Board of Directors meetings that made it difficult for people from within Tokyu to speak out, and outside directors seldom voiced their opinions. There was a kind of tacit understanding that we must not interject proposals being made. I think that by making a point of investigating the cause of a problem rather than assigning blame, and making changes based on a realization felt in response to advice received has been a big part of us broadening diversity and accelerating speed.

You have acknowledged a certain degree of improvements to the Board of Directors in recent years, but what do you think about our current and future challenges?

**Okamoto** There is no end to the advancement and evolution of corporate governance. Since not all governance can be maintained by the Board of Directors, we have established the Governance Committee, Personnel Committee, Compensation Committee and so on as part of the institutional design. The challenge here is further improving the functions of these committees. I also feel that internal directors need to see beyond just their own area of responsibility. They need to enhance their awareness and role, viewing things at a higher level in their capacity as a primary director of the company.

**Konaga** From our viewpoint as outside directors, it is very important for us to have the opportunity to see and listen directly to opinions from the frontline of the company. I am a member of the Personnel Committee, and by participating in the Tokyu Academy and other programs training the Group's future management personnel, I have the opportunity to listen to presentations by management candidates. This is a valuable opportunity for me to get a real feeling that the Tokyu Group has many people capable of succeeding the current management team. I would be grateful if we were given the opportunity to grasp the actual conditions at Tokyu stations, hotels, and supermarkets.



**Nomoto** In the past, outside directors visited redevelopment sites and the like on several occasions, but their contact with people who work in the field was limited. In this respect, recently, Keiichi Konaga has participated in the Tokyu Academy, and Reiko Kanise has deepened exchanges through the Female Managers Forum and social gatherings. Going forward, it would be even better if there were opportunities for communication between board members, including internal directors, and people working at the frontline of operations.

**Kanise** I agree. Having outside officers turning up at a frontline site and getting a feel for the place is also important from a risk management perspective. In my case, I think it is important to communicate to the board what I see and feel as an outsider, both from my perspective as a consumer as well as my main occupation as a business owner.

Incidentally, my impression of today's Board of Directors meeting was that they are excellent at forming estimates and so on, and there is no problem here, but I would have liked to have received a more in-depth explanation for example, on how the money will be spent, how much emphasis will be placed on what exactly, and what cuts will be made. The same goes for partnerships with other companies. More than just an explanation about investment ratios, in the first place, I think it needs to be clearly explained what it is that Tokyu wants to do.

**Okamoto** I feel exactly the same way. Not being told about the background is also common at other companies. In the case of Tokyu too, the person in charge is an employee with a strong sense of responsibility in a large company. Their sense of mission comes first. They streak to the point where the job just has to be done, and then they make sure it gets done right down to the final costing. Sometimes the initial "Why do the job?" gets left out. After having the background and underlying issues clarified for us, I think it would be better for us outside directors to understand the "Why do the job?" from an outside perspective and to verify its validity.



## Role of outside directors in enhancing corporate value

**Nomoto** Each of you have given your evaluation and advice on issues in relation to improving the operation and composition of the Board of Directors. Next, please tell me about the roles that each of you feel, as outside directors, you could play to further invigorate the Board of Directors.

**Okamoto** Our first priority as outside directors should be to enhance corporate value. To do this, I think contributing from a perspective of ordinary social common sense is important. Like Tokyu, most large companies tend to be based on the "village community" logic. If an employee builds their career on the logic of the Tokyu "village," they will end up driving business forward based on that internal logic. Like the previously discussed installation of platform screen doors, I think the role of outside directors is also to make proposals and suggestions about what should be done now from a perspective of common sense, unhampered by the installation situation and so on at other companies.



**Miyazaki** Symbolic of Japan's unique "village society" is a culture that does not separate opinion from character. In other words, it is a custom where a differing opinion results in a rejection of character. As the era of mass production and mass consumption comes to an end, and manufacturers and consumers become involved in co-creation on the basis of a common understanding, the role of outside directors who can speak out as consumers uninhibited by any shackles to the company will become very important. Companies have a responsibility to create an era and culture, and in order to think about how to create the next era and future, they must not get caught up in internal discussion.

Through the opinions of outside directors, I believe that management discipline can be enhanced to an extent by the company being conscious of being watched from the outside.



**Konaga** Earlier, Kunie Okamoto said that the role of outside officers is to enhance corporate value. To put it another way, I guess it is to identify changes in the external environment as quickly as possible, and to view them as opportunities for the company. I think it is about contributing to realization of "just-in-case" management which is able to respond accurately to various changes, risks and cases, for instance, to political and economic conditions, and to consumer attitudes. I also feel that we have an important role in leading overall corporate ethics by meticulously monitoring performance.

**Kanise** It is said that monitoring by the Board of Directors created a sense of speed for the company, but it was also the Board of Directors that requested the monitoring. As for the installation of platform screen doors, I still carefully carry with me the advertisement\*<sup>2</sup> published in the Nikkei newspaper dated March 24, 2020. Seeing that newspaper ad made me feel both relieved and very happy. The title of the ad was "Development of a City Adored by People around the World in 2050." When I read the ad, I thought to myself that it is up to us to see how well this vision can be instilled in Tokyu's employees and staff.



## Roles and strategies required for the future of Tokyu

**Nomoto** Finally, the new board structure started with members elected at the general meeting of shareholders in June, and another board meeting was held today.\*<sup>1</sup> From your own perspective, please tell me again your views on the roles that Tokyu ought to be playing to resolve the current issues facing society.

**Konaga** We live in an age of an unpredictable future with uncertainty and confusion underscored by business and organizational transformation on the back of the digital transformation and by the global spread of COVID-19. But in these times, isn't the biggest risk to not take up the challenge? As pointed out at the Davos forum, we are in a transitional period, transforming from shareholder capitalism to public interest capitalism. Tokyu has long valued public interest, committed to managing business with customers, the community and employees in mind. I hope that Tokyu will stick to this policy. And no matter how the times change, my hope for Tokyu is that it can maintain its can-do spirit and take on even more innovative challenges.

**Okamoto** When it comes to sustainable management, usually business strategies and growth strategies are pivotal, followed by human resources toward the end, but I feel that employee satisfaction (ES) is necessary for customer satisfaction (CS). In my view, customer satisfaction results from Tokyu's employees and staff engaging in their duties with mission, loyalty, and dreams, and with vigor and a clear sense of purpose for their own existence. The fact that Tokyu's businesses are diverse and cover a wide range of areas and fields of society is also one of the elements that leads to loyalty. Another major feature is that many of its businesses are highly public in nature. Being widely useful and appreciable in society will lead to loyalty. In addition, work style and diversity will also be important. In my view, just as important as business strategies is focusing on "people" and taking good care of the people who will maintain sustainable management from a long-term perspective.

**Kanise** While Tokyu excels at businesses from a long-term perspective, I feel that its perception of time is a little slow. As we live in an age requiring a sense of speed, I see Tokyu's mission for the future as quickly sensing where it should focus its development efforts in order to achieve service provision as quickly as possible. Consumers expect Tokyu to quickly deliver services three years from now, while

constantly thinking about what kind of happy future is wanted by the current generation. Since Tokyu has the potential and ability, rather than talking big about this and that, I think it should make a specific breakthrough somewhere and move forward immediately.

**Miyazaki** While "Toward a Beautiful Age" is a wonderful slogan, it is also important for Tokyu to spell out exactly what "beautiful" means according to different times, different people and different communities. In 2020, the world, including Japan, faces an unprecedented crisis in the spread of COVID-19, and we are reminded that "safety" and "security" are two different things. Safety is a fact and can be resolved using technology, but how can security be achieved? I believe that the direction in which Tokyu should be moving is to give shape to "beauty" and "security" as specific businesses.

**Nomoto** In the face of the COVID-19 pandemic, I am acutely aware of the importance of prioritizing consideration to what action Tokyu should be taking in order to bring "security" to society. Even during the COVID-19 pandemic, we will continue to provide things like security and fulfilment. In particular, spiritual richness is the very essence of "security," and this is something on which the Tokyu Group must definitely build. Today's conversation has been an invaluable opportunity for me to listen to the opinions and advice of our outside directors. I firmly believe that your active opinions, comments and strong words of encouragement will lead to the permeation of new values among us directors and throughout the Group as a whole. Thank you for your ongoing contributions.



\*<sup>1</sup> This conversation took place after the Board of Directors meeting on July 20, 2020.

\*<sup>2</sup> Tokyu placed an advertisement in the Nihon Keizai Shimbun (Nikkei) newspaper on March 24, 2020, announcing that we had become the first major private railway operator to achieve 100% installation of platform screen doors and fixed platform barriers equipped with sensors (excluding Setagaya Line and Kodomonokuni Line).

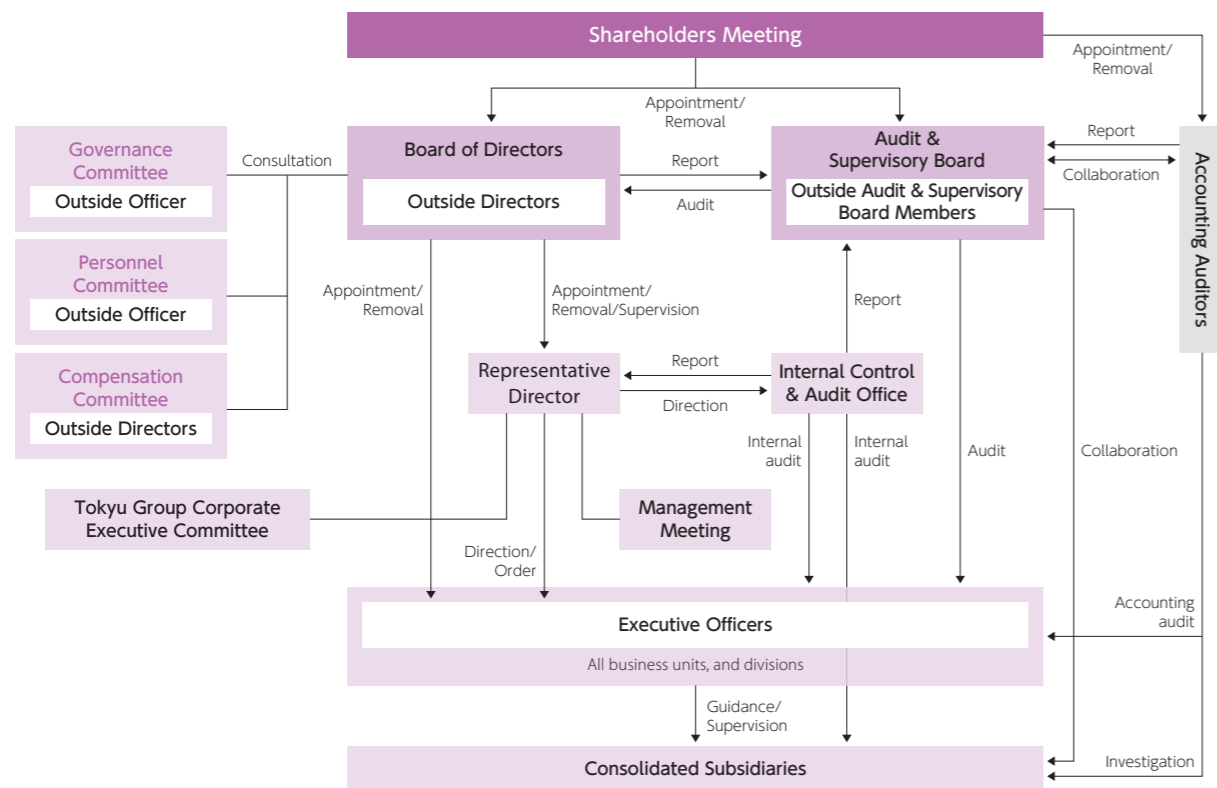
# Corporate Governance Concept and Initiatives

## Corporate Governance Concept and Systems

To accurately take in changes in society and realize management from a multi-faceted perspective, in 2018, Tokyu formulated material sustainability themes (materiality), and clearly positioned corporate governance and compliance as one of these material themes. In addition, with an aim of realizing the best corporate governance that fits in with society and the global management environment, we also established the Corporate Governance Guidelines. 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 stakeholders in order to achieve sustainable growth and increase corporate value over the medium- to long-term.

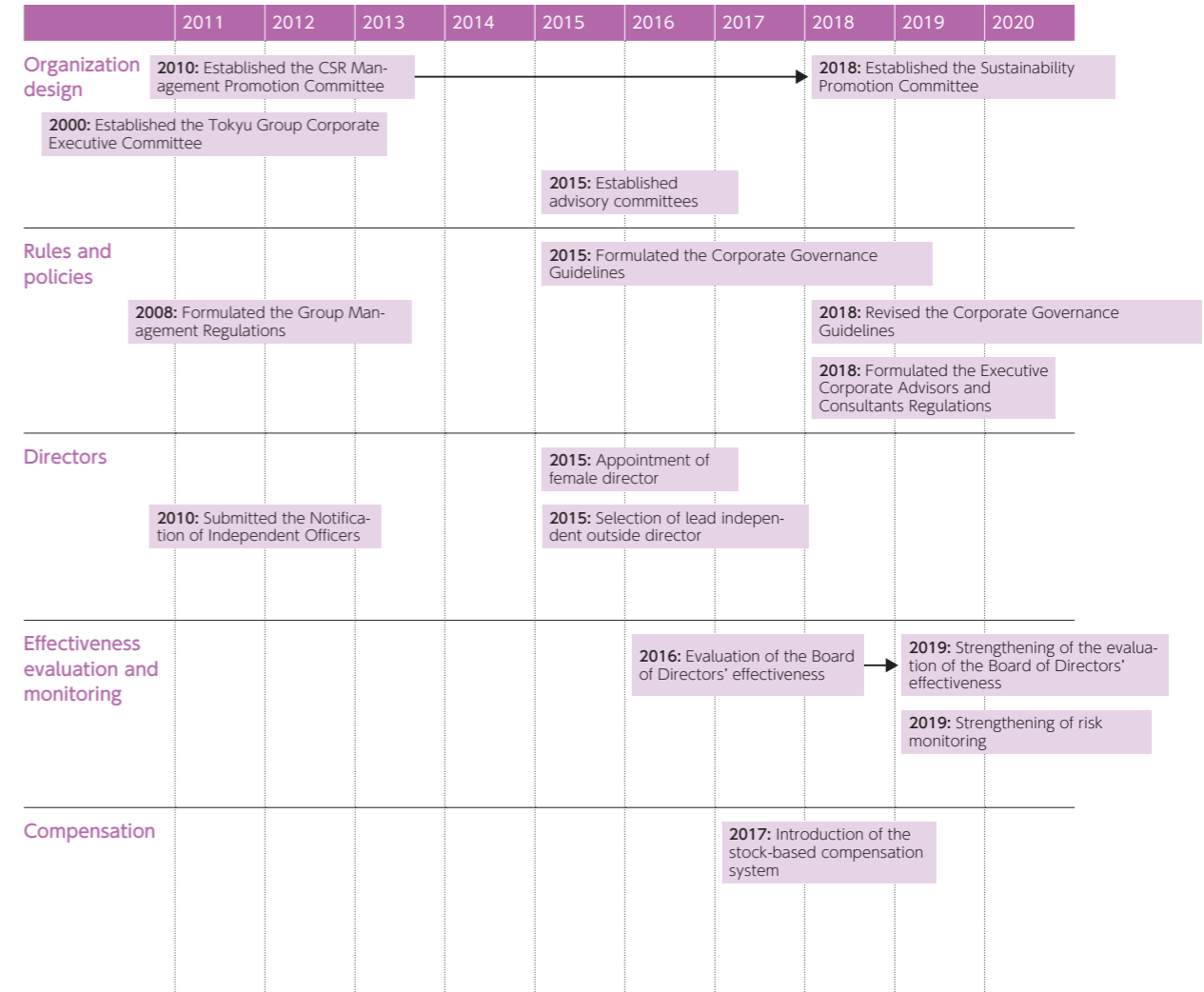
We have also positioned our Board of Directors as the highest body that manages and supervises our operations. The Board of Directors resolves Tokyu's management policies and important matters related to the execution of operations in accordance with laws and regulations, the Articles of Incorporation and the Board of Directors Rules. It also supervises directors in their performance of duties. In addition, to clarify the management's functions for decision-making, supervision, and execution of operations, we have adopted an executive officer system, and as a company with a board of company auditors, the execution of duties by directors and executive officers is audited by Audit & Supervisory Board Members and the Audit & Supervisory Board.

- Corporate Governance Guidelines  
[https://www.tokyu.co.jp/ir/english/manage/pdf/Corporate\\_Governance\\_Guidelines.pdf](https://www.tokyu.co.jp/ir/english/manage/pdf/Corporate_Governance_Guidelines.pdf)
- Corporate Governance Report (Japanese only)  
<https://www.tokyu.co.jp/ir/manage/pdf/governance-2004-1.pdf>

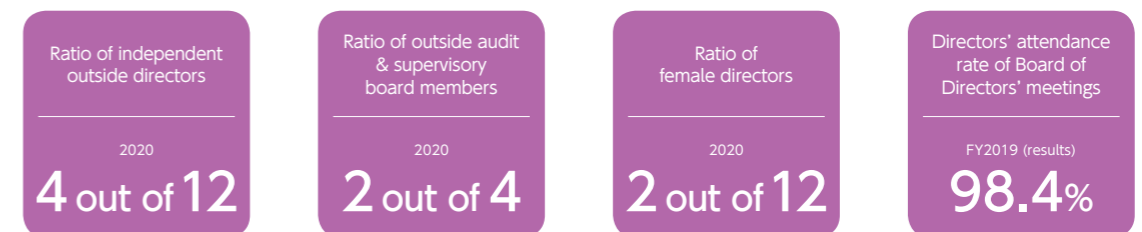


## Initiatives to Strengthen Corporate Governance

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.



## Corporate Governance Indicators





# Evaluation of Effectiveness, Results of Deliberation by the Board of Directors, Advisory Committees

## Evaluation of Effectiveness of the Board of Directors

Our Corporate Governance Guidelines stipulate that the validity and effectiveness of decisions made by the Board of Directors be analyzed and evaluated.

Initiatives, evaluation methods, results and issues in fiscal 2019 are as follows:

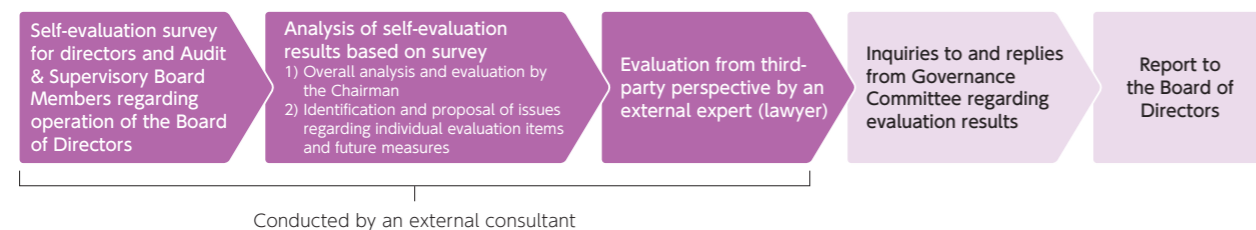
### Details of initiatives taken based on results of the fiscal 2018 evaluation

The following describes details of initiatives taken for issues identified in the fiscal 2018 self-evaluation.

Recognizing issues in the 2018 evaluation of effectiveness	Details of initiatives
Enhance the monitoring function of the Board of Directors	<b>Strengthening of performance and business monitoring</b> In addition to the usual monitoring, from fiscal 2020, we established performance indicators for each unit and reported progress at the same time as our quarterly financial results. We have also regularly monitored annual targets, the status of initiatives for measures listed in the medium-term management plan, and business strategies.
Deeper consideration of the composition of the Board of Directors	<b>Strengthening of the supervisory function of the Board of Directors</b> We changed the ratio of independent outside directors to at least one-third from fiscal 2020. <b>Strengthening of the execution structure</b> In line with strengthening the supervisory function, we reviewed the standards for submitting matters to the Board of Directors, and we revised the Business Execution Regulations.

### Method of evaluation in fiscal 2019

All directors and all Audit & Supervisory Board Members were surveyed, and representative directors and independent officers were interviewed. Results of this analysis and evaluation were subsequently evaluated by an external expert (lawyer) from a third-party perspective, before being discussed by the Governance Committee and the Board of Directors. Since fiscal 2019, the surveys and interviews have been conducted by an external consultant with the aim of gaining an objective understanding of the future direction in order to improve effectiveness.



### Main items of evaluation

- Management of the Board of Directors
- Corporate strategies and business strategies
- Corporate ethics and risk management
- Performance monitoring and management evaluation/compensation
- Dialogue with shareholders, etc.
- Group governance

### Results of the fiscal 2019 evaluation

The evaluation concerning the effectiveness of the Board of Directors was generally positive, confirming that an awareness to achieve sustainable growth and improve corporate value over the medium to long term is shared within the Board of Directors, and that progress is being made in building structures and fostering a climate in which the opinions of outside officers are properly reflected. On the other hand, it was indicated that issues identified as matters to be considered for further advancement should be addressed.

### Issues to be addressed

- Contribution to strategies for realizing the corporate philosophy and improving corporate value**
  - Provide more information on the strategies of each business and on the risks in executing them
- Establishment and operation of an appropriate governance system**
  - Review the personnel/compensation of the Board of Directors based on Tokyu Corporation's business characteristics in order to further enhance objectivity and transparency
- Supervision of business execution**
  - Enhance Group governance based on the business characteristics of each Group company in order to optimize the balance between speed improvement and management of business
  - Provide information on the impact of the digital revolution on business, etc.
  - Provide appropriate information on external opinions, etc., obtained through dialogue with shareholders, etc.

## Key Deliberations by the Board of Directors

The main deliberations by the Board of Directors in fiscal 2019 are as follows. In addition to agenda items and reported matters, the Board of Directors discusses a wide

range of topics, such as by appropriately reporting from time to time in response to changes in society and the environment in which we operate.

	Main resolutions and reported matters, etc.		
<b>First quarter</b>	◆ Matters relating to the Shibuya redevelopment ◆ Matters relating to the split of the railway business	◆ Development of systems appropriate for business operations ◆ Evaluation of effectiveness of the Board of Directors	◆ Corporate Governance Report ◆ Matters relating to internal control
<b>Second quarter</b>	◆ Initiatives for travel safety and stability in the railway business ◆ Matters relating to the airport management business	◆ Long-term Management Initiative ◆ Revision of the business organization	◆ Partial revision of the Business Execution Regulations ◆ Audit Plan for Audit & Supervisory Board Members
<b>Third quarter</b>	◆ Implementation of the acquisition, subdivision and sale of land and buildings in the urban development business ◆ Implementation of the resort business	◆ Implementation of the subdivision business overseas ◆ Cybersecurity measures	◆ Status of damage caused by typhoon ◆ Acquisition of treasury stock
<b>Fourth quarter</b>	◆ Establishment of joint venture in the lifestyle service business ◆ Growth strategy in the retail business	◆ Implementation of subdivision and leasing in the urban development business ◆ Offering of corporate bonds	◆ Responding to risk in consolidated management ◆ Response to COVID-19

## Advisory Committees to the Board of Directors

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

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

Committee name	Members	Roles	Number of meetings held in FY2019	Attendance rate
<b>Governance Committee</b>	Chairperson: Keiichi Konaga Kunie Okamoto (Independent Outside Director) Hirofumi Nomoto (Chairman of the Board & Representative Director) Kazuo Takahashi (President & Representative Director)	To deliberate corporate governance matters in general	5	100%
<b>Personnel Committee</b>	Chairperson: Keiichi Konaga Kunie Okamoto (Independent Outside Director) Hirofumi Nomoto (Chairman of the Board & Representative Director) Kazuo Takahashi (President & Representative 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	100%
<b>Compensation Committee</b>	Chairperson: Keiichi Konaga Hirofumi Nomoto (Chairman of the Board & Representative 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	3	100%

## Overview of the Audit & Supervisory Board Effectiveness Evaluation and Evaluation Results

Tokyu Corporation has been conducting an effectiveness evaluation of its Audit & Supervisory Board since fiscal 2016. In fiscal 2019, based on the result of self-evaluation after taking into consideration the opinions of a third party who is a lawyer, audits by the Audit & Supervisory Board were evaluated as generally well managed. As for future operations, we plan to further strengthen the monitoring and validation of our responses to the increasing sophistication and diversification of risks surrounding our businesses, taking into account the significant environmental changes to both business and audits associated with the COVID-19 epidemic as well as our

management structure following the split of the railway business. With regard to actual audits, in addition to utilizing web conferencing, etc., to maintain and strengthen cooperation with the corporate auditors of subsidiaries based on a consolidated management structure that comprises many consolidated subsidiaries across a wide range of business areas, we plan to conduct effective and efficient operations, such as by requiring operating divisions to include specific examples in their explanations to improve the quality of information provided to the Audit & Supervisory Board.

# Compensation, Cross Holdings, and Group Governance

## Approach to and Process for Determination of Compensation of Officers

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 for shareholders and directors to share value from a more medium- to long-term perspective.

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)	499 (33)	189 (33)	260 (—)	49 (—)	17 (4)
Audit & supervisory board members (of which, outside audit & supervisory board members)	72 (18)	72 (18)	— (—)	— (—)	5 (3)

Notes: 1. The above figures include two directors who retired after their terms ended at the 150th Annual General Meeting of Shareholders held on June 27, 2019, and one audit & supervisory board member who retired on March 27, 2020.  
2. The total amount of monetary compensation for directors was set as up to 550 million yen annually (of which, up to 45 million yen annually for outside directors, excluding salaries for directors who are concurrently employees) through a resolution passed at the 138th Annual General Meeting of Shareholders held on June 28, 2007. (At the time of the resolution being passed, there were 18 directors, of which three were outside directors.)  
3. The total amount of compensation in the form of shares for directors (excluding outside directors) was set as up to 100 million yen annually through a resolution passed at the 148th Annual General Meeting of Shareholders held on June 29, 2017. The 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.)  
4. The total amount of monetary compensation for audit & supervisory board members was set as up to 90 million yen annually through a resolution passed at the 138th Annual General Meeting of Shareholders held on June 28, 2007. (At the time of the resolution being passed, there were five audit & supervisory board members.)

## Approach to Cross Holdings

Through the maintenance and strengthening of its relationships with business partners, Tokyu Corporation holds shares that are judged to contribute to the business development of Tokyu Corporation and its consolidated subsidiaries, with a view to the smooth implementation of Tokyu Corporation's long-term business and financial strategies. In addition, the Board of Directors assesses the significance of holding listed shares every year from a qualitative perspective considering long-term business and financial strategies, and a quantitative perspective considering economic rationale such as

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

With regard to voting rights, we exercise them appropriately after making a comprehensive judgment based on a case-by-case assessment of whether the resolution will contribute to the enhancement of shareholder value in the medium to long term and whether it will undermine the significance of us holding the shares.

## Group Governance

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

In a major change to the Group's management structure, we split up the railway business in September 2019. Since the railway business has a significant impact on urban development, which is the most important business objective of the Group, basic strategies do need to be considered and shared. But having the day-to-day business operations run as a

subsidiary has allowed our frontline to handle customers more quickly than ever before.

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

### » Main initiatives in the Group management structure

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

## Approach to Listed Subsidiaries

The Group has two listed subsidiaries. We own 50.3% of the voting rights of Tokyu Recreation and 57.9% of the voting rights of Nagano Tokyu Department Store.

As a consolidated subsidiary responsible for the Group's entertainment strategy, we believe Tokyu Recreation needs to promote various measures based on smooth and prompt cooperative relationships.

As for Nagano Tokyu Department Store, together with Tokyu Department Store, we believe it needs to promote various measures based on smooth and prompt cooperative relationships as a consolidated subsidiary, and at the same time, it needs to maintain a certain degree of independence in view of its regionality, and also reflect the opinions of local stakeholders in its management.

In both cases, we believe that conducting management with a sense of urgency while maintaining independence and agility through listing on an exchange will contribute to improving profitability and growth potential and maximizing corporate value.

Group management	<ul style="list-style-type: none"> <li>• Continue to work on enhancing the Group management structure to achieve sustainable growth and improve corporate value, such as functionally reorganizing the Group into an operating holding company responsible for Group management and subsidiaries that manage the business operations</li> </ul>
Significance of having listed subsidiaries	<ul style="list-style-type: none"> <li>• Opinions of individual shareholders are reflected in management</li> <li>• Maintenance of diversity in funding methods</li> <li>• Ensuring a stable customer base through shareholder benefits</li> <li>• Maintenance of social name recognition and credibility</li> </ul>
Governance	<ul style="list-style-type: none"> <li>• Important business operations are subject to review by parent company meeting bodies</li> <li>• Minority interests are given due consideration as follows:               <ul style="list-style-type: none"> <li>✓ Ensure independence by parent and subsidiary each confirming that they respect independent and agile management</li> <li>✓ Supervision exercised by independent officers of the subsidiary</li> </ul> </li> </ul>



## Main Subsidiaries and Affiliates

### Consolidated Subsidiaries

	Location	Principal business	Ownership of voting rights (%)
<b>Transportation Infrastructure Business (Transportation Segment)</b>			
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	68.2
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
<b>Urban Development Business (Real Estate Segment)</b>			
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
<b>Lifestyle Service and Retail Business (Life Services Segment)</b>			
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
<b>Hospitality Business (Hotel and Resort Segment)</b>			
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
Seikitokyo Kogyo Co., Ltd.	Japan	Road construction business, manufacture and sale of road materials	4.0

## Company Profile / Stock Information

(as of March 31, 2020)

### Company Profile

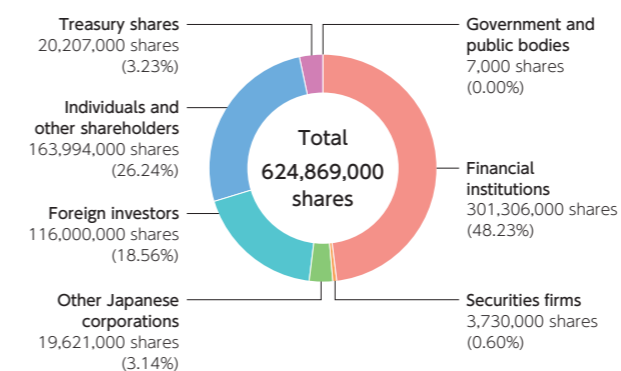
<b>Trade name</b>	TOKYU CORPORATION*
<b>Established*</b>	September 2, 1922
<b>Head office</b>	5-6 Nampoedai-cho, Shibuya-ku, Tokyo 150-8511
<b>Representative</b>	Kazuo Takahashi
<b>Paid in capital</b>	121,724,000,000 yen
<b>Number of employees</b>	1,417
<b>Business</b>	Transportation business, real estate business, etc.
<b>Listed exchange</b>	Tokyo Stock Exchange (First Section)
<b>Accounting auditor</b>	Ernst & Young ShinNihon LLC

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

### Stock and Shareholder Status

<b>Type of stock issued</b>	Common stock
<b>Authorized shares</b>	900,000,000 shares
<b>Issued shares</b>	624,869,876 shares
<b>Number of shareholders</b>	82,468

### Distribution by Shareholder



### Major Shareholders

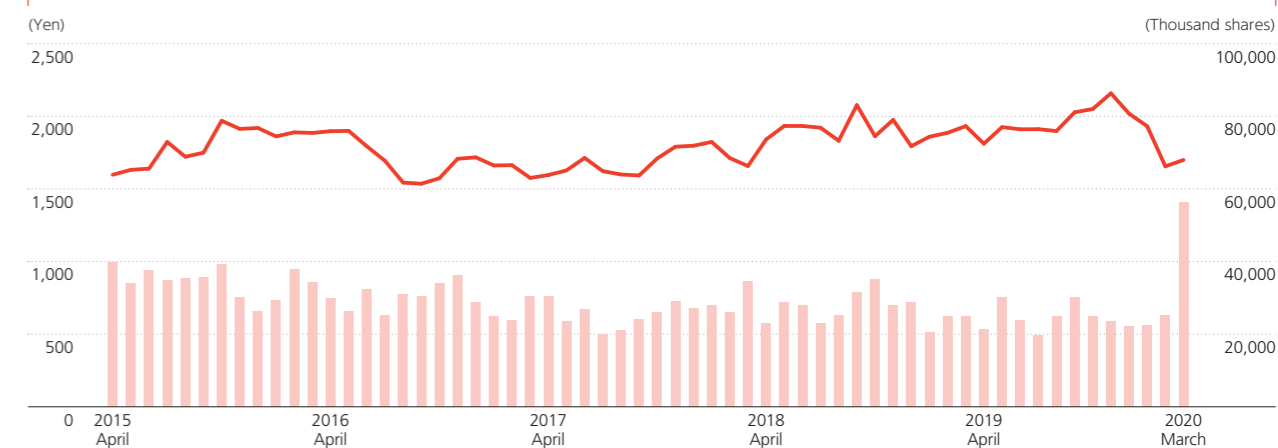
Name	Number of shares (thousand shares)	Ratio of shares held to total shares outstanding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	42,658	7.05
The Dai-ichi Life Insurance Company, Limited	36,155	5.98
Japan Trustee Services Bank, Ltd. (Trust Account)	28,188	4.66
Nippon Life Insurance Company	23,527	3.89
Sumitomo Mitsui Trust Bank, Limited	22,395	3.70
Japan Trustee Services Bank, Ltd. (Trust Account 5)	10,286	1.70
Mitsubishi UFJ Trust and Banking Corporation	9,993	1.65
Mizuho Bank, Ltd.	9,906	1.64
MUFG Bank, Ltd.	9,845	1.63
Taiyo Life Insurance Company	9,566	1.58

\* Excluding treasury shares

### Inclusion in Indices, etc. (as of July 2020)

- Nikkei Stock Average (Nikkei 225)
- TOPIX 500 Index (Tokyo Stock Exchange)
- JPX-Nikkei Index 400
- MSCI World ESG Leaders Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index
- SOMPO Sustainability Index

### 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