

Results in the First Half of FY2017 Presentation for Investments

November 13, 2017

FUTAKO
TAMAGAWA

Tokyu Corporation

(9005)

<http://www.tokyu.co.jp/>



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Forward-looking statements

All statements contained in this document other than historical facts are forward-looking statements that reflect the judgments of the management of Tokyu Corporation based on information currently available. Actual results may differ materially from the statements.



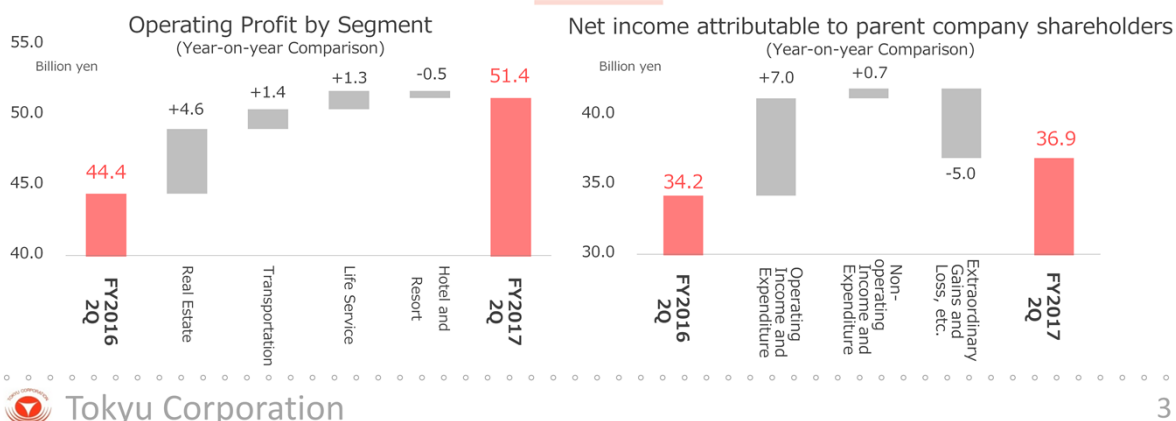
I . Overview of Financial Results
for the First Half of FY2017 •
Financial Forecasts for FY2017

Main Points in the Results for 1H of FY2017

[Year-on-year comparison]

Revenue increased in all segments, including the Company's Real Estate Sales Business, where funds turnover-type properties were sold. Profit attributable to owners of parent increased, mainly due to a rise in operating profit.

| | 1H Results | YoY Comparison |
|---|------------|-----------------|
| Operating Revenue | 565.3 | + 17.1 (+ 3.1%) |
| Operating Profit | 51.4 | + 7.0 (+ 15.8%) |
| Recurring Profit | 51.6 | + 7.7 (+ 17.7%) |
| Profit attributable to owners of parent | 36.9 | + 2.6 (+ 7.8%) |



<Main Points in the Results for 1H of FY2017>

Revenue increased in all segments, reflecting the sale of funds turnover-type properties and increased income from rail fares.

Operating revenue increased 17.1 billion yen, to 565.3 billion yen.

Operating profit rose 7.0 billion yen, to 51.4 billion yen.

This was a record-high first-half operating profit.

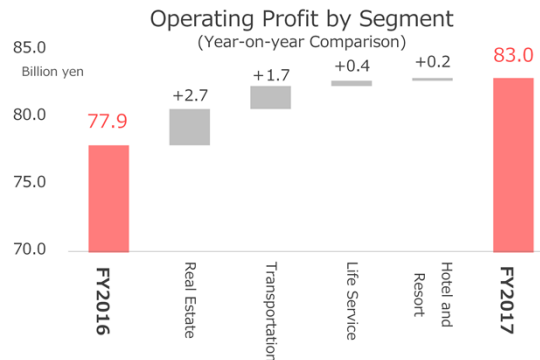
Profit attributable to owners of parent increased 2.6 billion yen, to 36.9 billion yen mainly due to higher operating profit.

Main Points in Forecasts for FY2017

[Year-on-year comparison]

Both revenue and profit increased in all segments, including the Real Estate Business and the Transportation Business. Profit attributable to owners of parent increased, mainly reflecting gain on the sale of fixed assets.

| | Full Year Forecast | YoY Comparison |
|---|--------------------|-----------------|
| Operating Revenue | 1,145.4 | + 28.0 (+ 2.5%) |
| Operating Profit | 83.0 | + 5.0 (+ 6.4%) |
| Recurring Profit | 82.7 | + 6.2 (+ 8.2%) |
| Profit attributable to owners of parent | 70.0 | + 2.7 (+ 4.0%) |



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<Main Points in Forecasts for FY2017>

In the first half, revenue and profits increased sharply year on year due to an increase in property sales.

Overall, business shows a trend towards revenue growth, and although there is a tendency for slow growth in the Hotel and Resort Business, we will push steadily ahead.

The Company is making no changes to its forecasts at the present time. We will, however, aim for profits exceeding our initial estimate.

 Memo

II . Conditions in Each Business

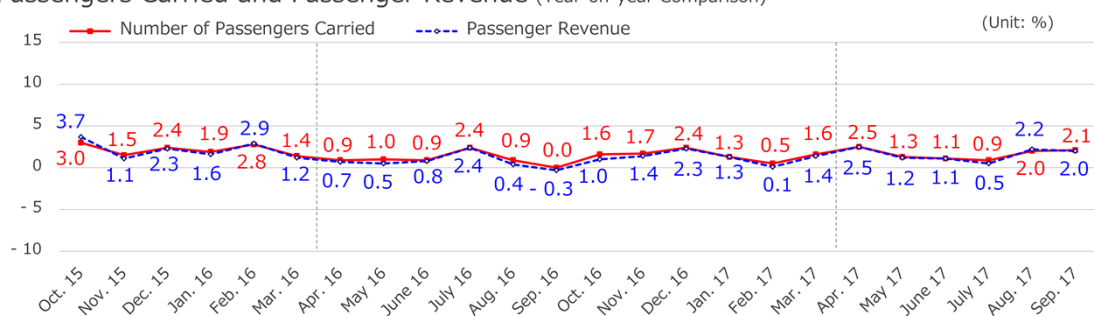
Railway Operations Business

Passengers Carried and Passenger Revenue (Results and Forecast)

(Thousand people, Million yen)

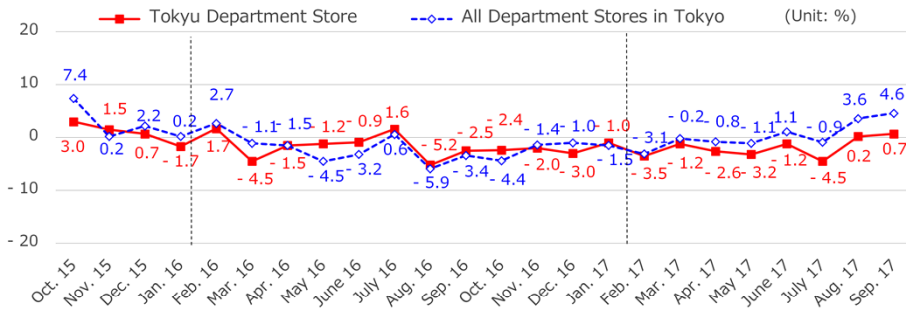
| | | FY2017_2Q Results | FY2016_2Q Results | Change | FY2017 Forecast | FY2016 Results | Change |
|---------------------------------|--------------|----------------------|----------------------|--------|--------------------|-------------------|--------|
| Number of Passengers Carried | Total | 596,619 | 587,097 | + 1.6% | 1,172,628 | 1,163,023 | + 0.8% |
| | Non-commuter | 234,659 | 231,644 | + 1.3% | 465,168 | 464,259 | + 0.2% |
| | Commuter | 361,960 | 355,453 | + 1.8% | 707,460 | 698,764 | + 1.2% |
| Passenger Revenue | Total | 70,705 | 69,595 | + 1.6% | 139,635 | 138,621 | + 0.7% |
| | Non-commuter | 38,370 | 37,847 | + 1.4% | 76,006 | 75,834 | + 0.2% |
| | Commuter | 32,335 | 31,748 | + 1.8% | 63,629 | 62,787 | + 1.3% |

Passengers Carried and Passenger Revenue (Year-on-year Comparison)



Retail Business

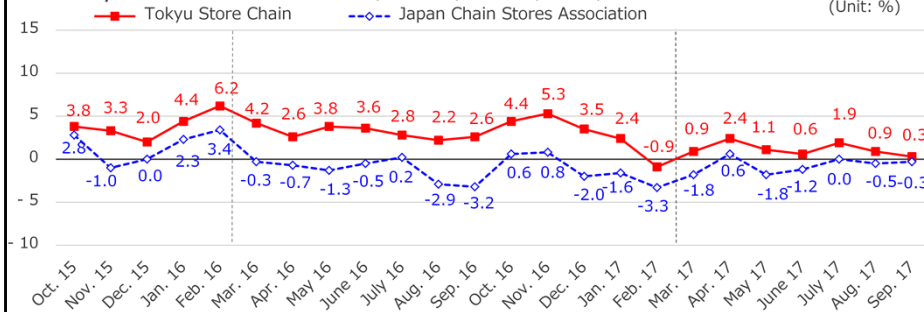
Tokyu Department Store: Sales (Year-on-year Comparison)



Sales by category

| | 2018/1 1H | |
|------------------------|--------------------|--------|
| | Rate of YoY change | Share |
| Menswear/furnishings | -3.3 | 3.6% |
| Womenswear/furnishings | -4.6 | 17.1% |
| Other clothing items | -3.3 | 4.7% |
| Personal items | -1.3 | 9.1% |
| Miscellaneous goods | 4.8 | 16.6% |
| Household articles | -11.9 | 3.4% |
| Food | -1.9 | 43.4% |
| Others | -33.6 | 2.1% |
| Total | -2.7 | 100.0% |

Tokyu Store Chain: Sales (Year-on-year Comparison)



Sales by category

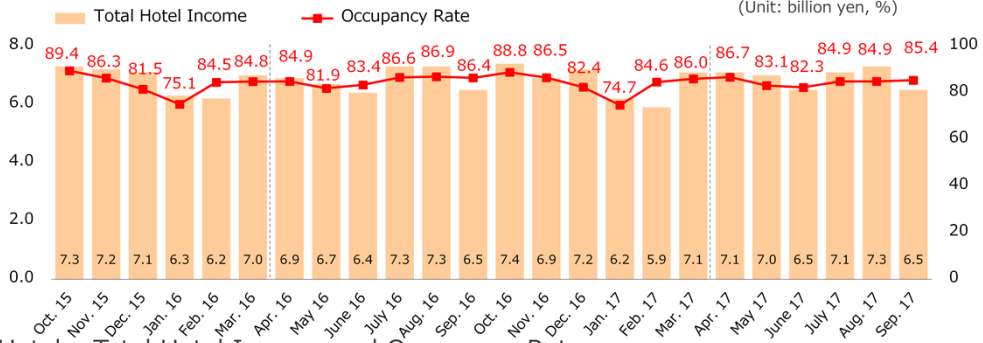
| | 2018/2 1H | |
|------------|--------------------|--------|
| | Rate of YoY change | Share |
| Food | 1.7 | 87.0% |
| Clothing | -0.2 | 1.7% |
| Livingware | 1.5 | 5.1% |
| Others | -3.5 | 6.2% |
| Total | 1.3 | 100.0% |



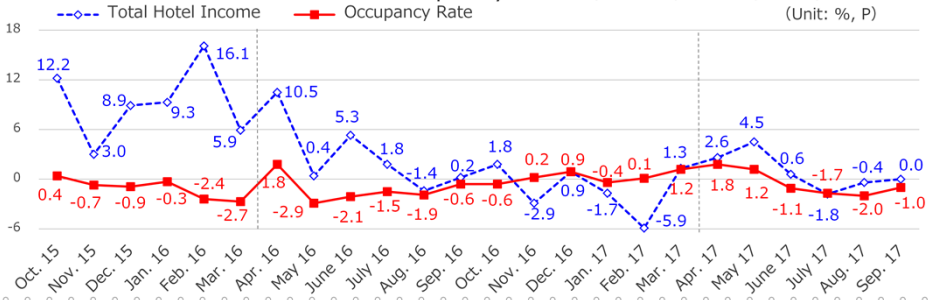
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Hotel Business

Tokyu Hotels: Total Hotel Income and Occupancy Rates (Results)



Tokyu Hotels: Total Hotel Income and Occupancy Rates (Year-on-year Comparison)



Inbound business updates

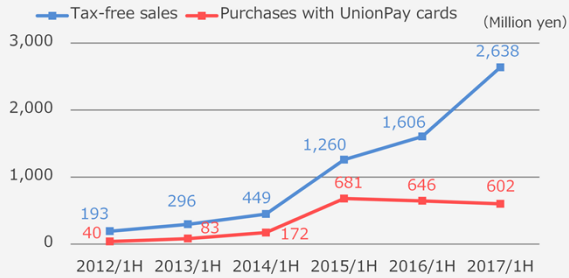


the Duty Free Sales Counter in the Tokyu Toyoko Store, West Bldg., 5F



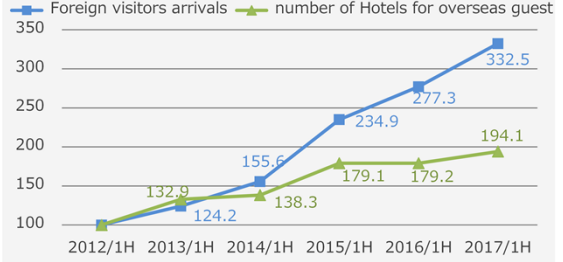
Tourist information center at Shibuya Station on the Tokyu and Tokyo Metro lines

<Change in tax-free sales and purchases with Unionpay cards at Tokyu Department Store>



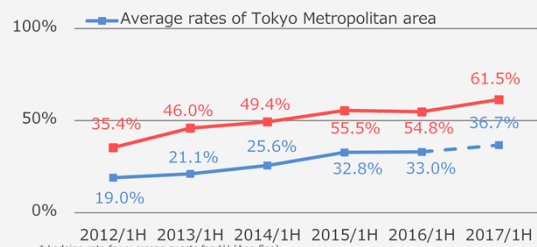
* Total sales of the Tokyu Toyoko Store, Head Store, and ShinQs.

<Trends in foreign visitors arrivals and our inbound efforts>



* Tokyu Hotels here indicates the total of the all hotels in Japan.

<Change in the lodging rate of Hotels for overseas guests>



* Lodging rate for overseas guests for 1H (Apr-Sep)

* The average rates of the Tokyo Metropolitan area for 2017/1H is for the Apr-Jun period.

* Tokyu Hotels here indicates the total of the three hotels in Shibuya and the Capitol Hotel Tokyu.

* The average rates of the Tokyo Metropolitan area are based on the statistical survey on travel with accommodation conducted by Japan Tourism Agency.



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 Memo

III. Progress in Management Plan and Recent Initiatives

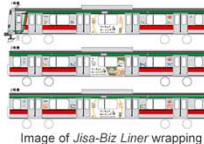
Offer Greater Security and Enhanced Satisfaction



Enhancing transportation capacity

■ Extra train service on the Den-en-toshi Line before the peak hour in the morning

- Operate *Jisa-Biz Liner* trains in limited periods
- Operate an extra train arriving at Shibuya between 5:00 and 6:00 and another between 6:00 and 7:00



■ Enhancement of transportation capacity on the Oimachi Line

- Change the six-car express train to a seven-car train

Encouraging choosing different commuting times and means of transportation

■ Den-en-toshi Line early riser campaign

- Passengers who touch the ticket gate by 7:00 are given Tokyu Points.

■ Continued bus campaign

- Passengers who have a commuter pass covering the section between Ikejiri Ohashi and Shibuya can board Tokyu buses for Shibuya running on Route 246 free of charge in the morning.



■ Cooperation with companies in areas served by the Tokyu line

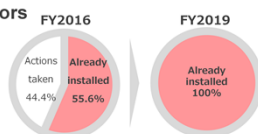
- Encourage off-peak commuting in cooperation with the Shibuya Branch Office of Dai-ichi Life Insurance Company



Investment in safety

■ State of progress of installation of fixed platform fences with platform door sensors

- Installation in 64 stations by FY2019
- 5 stations in FY2015
- 9 stations in FY2016
- 14 stations in FY2017 (scheduled)



- With the installation of doors, the replacement of six-door cars on the Den-en-toshi Line with four-door cars was completed in the first half of FY2017.

Offering alternative places to work

■ Encouraging the use of NewWork, satellite shared offices, in the morning

- Undertake a campaign to offer contracting businesses the use of directly managed offices (certain offices excluded) free of charge in the morning



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<Offering greater security and enhanced satisfaction as a priority measure under the Management Plan>

One of the four priority measures under our current Medium-Term Management Plan is to “Offer Greater Security and Enhanced Satisfaction.”

We aim to maintain and increase the value of areas along the TOKYU lines by striving for railway infrastructure that is even safer and more secure and pursuing “comfort and convenience.”

Regarding the installation of platform doors to make railways even safer and more secure, we accelerated our schedule from our initial plan of completion in 2027, and we are now aiming for completion during FY2019.

On the Den-en-toshi Line, we started installation in earnest, completing replacement of six-door cars, which posed a problem for the installation of platform doors, with four-door cars.

In terms of “comfort and convenience,” we apologise for the inconvenience caused to customers by delays, etc. but we are working to fundamentally resolve these issues. Besides the enhancement of transportation capacity in “hard terms” through extra train services and extra cars on the Oimachi Line we are also implementing “soft” measures including encouraging passengers to choose different commuting times, and we will further develop these initiatives.

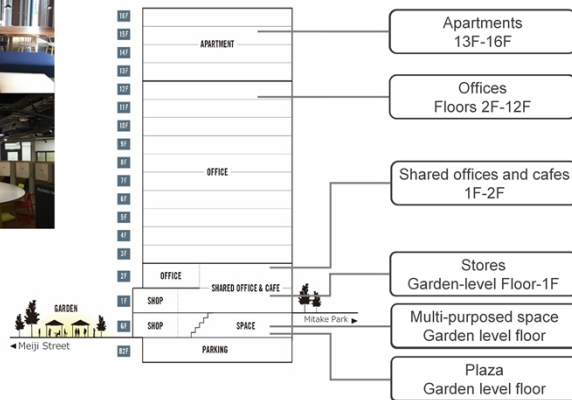
Overview of SHIBUYA CAST.

Overview of Building

- Site area: 5,020m²
- Floor area: approx. 35,000m²
- Height: approx. 71m
- Project scheme: A fixed-time leasehold was established by the Tokyo Metropolitan Government (operation period 70 years), and Shibuya Miyashitacho Realty Co., Ltd. facilitated the construction as the main business entity.
- Primary uses: Offices, stores, Apartments, etc.
- Size: 16 stories above ground and 2 basement levels
- Opening: April 28, 2017



[Floor Guide]



<SHIBUYA CAST.>

SHIBUYA CAST. commenced operation with offices fully occupied on April 28.

The facility has performed well since opening and is also creating new flows of people as a hub that links Shibuya and Harajuku.

Overview of SHIBUYA STREAM

(Shibuya Station South Block Project)

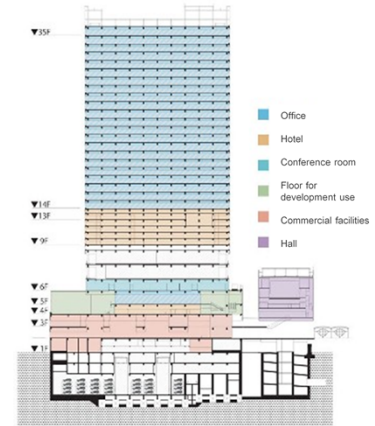
Overview of Building

- Site area: approx. 7,100㎡
- Floor area: approx. 116,000㎡
- Height: approx. 180m

- Primary uses: Offices, stores, hotel, hall parking, etc.
- Size: 35 stories above ground and 4 basement levels
- Opening: Autumn, 2018



[Floor Guide]



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<SHIBUYA STREAM>

Construction work on SHIBUYA STREAM, which is scheduled to open in autumn 2018, is making good progress.

Tenant leasing activities are going well, and we believe that the facility will be able to open with full occupancy.

Overview of SHIBUYA SCRAMBLE SQUARE East building (Shibuya Station Block)

Overview of Building

- Site area: approx. 15,300㎡
(entire station area)
- Floor area: approx. 181,000㎡
- Height: approx. 230m

- Primary uses: Offices, stores, observation facility, parking, etc.
- Size: 47 stories above ground and 7 basement levels
- Opening: FY2019



SHIBUYA
SCRAMBLE
SQUARE



Appearance



Commercial Facility Floor



Commercial Facility Restaurant Floor

Phase I East Building
Approx. 230 m

Offices
High-quality offices covering a leasable area of approx. 73,000 sq. meters, one of the largest in the area around Shibuya Station

Commerce
Large commercial facilities with a store area of approx. 30,000 sq. meters (approx. 70,000 sq. meters directly above the station when entirely completed)

Observation Deck Facilities
As the core of Entertainment City Shibuya, the observation deck and facilities further increase the appeal of the town. (Japan's largest observation deck using the entire rooftop of a super high-rise building)

Communication Facilities
Communication facilities that promote innovation in the creative media industry

Improvement of disaster control functions

- Keep spaces for accommodating stranded commuters
- Improve disaster stockpile storage
- Introduce high-efficiency, self-supporting energy systems

Improvement of East Exit multilevel traffic plaza

- Improved access to the town and convenience and comfort in transferring trains
- Multilayered spaces linked by Urban Core

Phase II West Building
Phase II Central Building

Office Lobby
Office Floor

Logos and Images: Copyright Shibuya Station Area Kyodo Building operators



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Logos and Images: Copyright Shibuya Station Area Kyodo Building operators

<SHIBUYA SCRAMBLE SQUARE>

Construction work and tenant leasing activities are also progressing smoothly for SHIBUYA SCRAMBLE SQUARE, scheduled to open in FY2019.

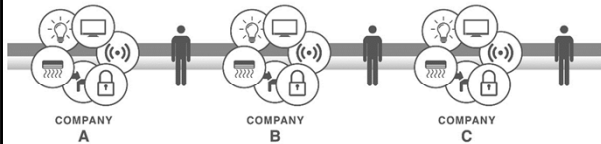
A large number of companies have shown interest, including the mixi Group which has announced that it is relocating its head office.

Promote Lifestyle and Work Style Innovations

Promote the IoT related to lifestyles

Forming an Connected Home Alliance

Launched an alliance for considering a smart home business with Toyota Motor, TOTO, Mitsubishi Estate Group, Panasonic Group, and Bic Camera (77 businesses are participating in the alliance as of September 30).



Commencement of the provision of

Tokyu Smart Security

Tokyu Security
Home security provided by a safe and secure security system

ITSCOM
The IoT platform of Intelligent Home

(Features)

- Smartphone-based remote control and monitoring
- Community-based security infrastructure provided by Tokyu Security
- Extensive lineup of IoT devices



(Activities)

Technology research and service development through government-industry-academia partnership

- ✓ Regular study meetings
- ✓ Demonstrations for service development

Sharing information on Connected Home technology and trends

- ✓ Publishing reports regularly
- ✓ Organizing tours to study cutting-edge technologies

Increasing the visibility of Connected Home and promoting it

- ✓ Disseminating information through the website
- ✓ Holding Connected Home events

<Promote lifestyle and work style innovations as a priority measure under the Management Plan>





The four priority measures also include “Promote lifestyle and work style innovations.” In terms of promoting lifestyle innovations, we are asking ourselves what we can do to enrich the living environment of people living in areas along TOKYU lines.

From this perspective, we formed the “Connected Home Alliance, which is an alliance of companies that transcends industrial boundaries aimed at realizing “lifestyle IoT” services. Examples of “lifestyle IoT” services include our “smart security” and “intelligent homes” business initiatives.

The participation of many companies in this alliance will give rise to open competition and, through this, the devices and services of each company will link up like a chain, generating enormous added value. We believe that it is our responsibility to deliver this value to our customers and that this will lead to customers choosing the areas along TOKYU lines.

Promote Lifestyle and Work Style Innovations

Reaching out to the “way of working”

| | (Internal) Creation of the environment where employees can enjoy working (Reaching out to systems, culture and mind) | (External) Support for growth industries/work style reforms (Reaching out through business) |
|--|--|---|
| Promotion of innovations | <ul style="list-style-type: none"> Systems to cultivate in-house entrepreneurs ⇒ NewWork and YaQcel  | <ul style="list-style-type: none"> Development of communication facilities such as SHIBUYA CAST. and 100BANCH following SHIBUYA Hikarie and Futako-Tamagawa Rise  |
| Realization of the way of working free of time and place | <p>(Systems)</p> <ul style="list-style-type: none"> Staggered working hours (2009~) Work from home (2014~) Satellite Share Office work Early work <p>(Culture/ mind)</p> <ul style="list-style-type: none"> Management seminar for management-level employees Group Comm Plan (workplace communication support plan) | <ul style="list-style-type: none"> Satellite Share Office business (NewWork) Promotion of off-peak commuting <ul style="list-style-type: none"> Den-en-toshi Line early riser support campaign Distribution of Good Choice Coupon Free NewWork service in morning hours |
| Promotion of diversity | <ul style="list-style-type: none"> Declaration of diversity management Establishment of in-station nurseries Encouragement of male workers to take childcare leave  |  <p>健康ステーション 大岡山</p> |
| Promotion of health management | <ul style="list-style-type: none"> Establishment of Chief Health Officer (CHO) Health declaration by CHO Cancer prevention measures | <ul style="list-style-type: none"> Positioning Ookayama Station as a “health station,” develop the branding of the Station and the town as a base of healthy longevity in cooperation with the medical association and the retailers association. |



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<Promote Lifestyle and Work Style Innovations as a priority measure under the Management Plan>

In terms of promoting work style innovations, we will propose to our customers new ways of working suited to diverse work styles, including the development of communication facilities and satellite offices to support growth industries and the promotion of early riser campaigns.

Also by providing our own employees with an environment that encourages creativity and is conducive to work, including systems to cultivate in-house entrepreneurs, systems to support ways of working free from time and location constraints, and systems for promoting diversity, we will seek to improve labor productivity, and in the future we would also like to communicate to society the “TOKYU model” way of working.

Embark on New Challenges by Leveraging Group Management Resources

Initiatives in the retail business

Tokyu Malls Development

Minato Mirai Tokyu Square



October 27, 2017

Renewed and opened QE and at! are integrated and rebranded. This is a typical Tokyu Square shopping center.

Shizuoka Tokyu Square



November 9, 2017

Renewed and opened Shizuoka 109 is remodeled and rebranded. This will be a shopping center that will attract a range of age groups.

Tokyu Store Chain



April 28, 2017

Shibuya Cast store opened.



August 4, 2017

Center Kita Ekimae store opened.

Tokyu Bell



Form a comprehensive business alliance with honestbee to establish a community-based sharing economy

While addressing social issues, including logistics issues and labor shortages, the two companies will combine their services, expertise, and data for the sustainable revitalization of the areas serviced by Tokyu lines.

Tokyu Department Store

Kichijoji



October 26, 2017

The second renewal

A Nitori store opened. Remodeling of the entire department store is underway. The remodeling is planned to be completed in the spring of 2018.

Sapporo



April 1, 2017

Child-care facilities opened in the department store.

In the spring of 2018, a Tokyu Hands store is planned to open.



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<Embark on New Challenges by Leveraging Group Management Resources as a priority measures under the Management Plan – Initiatives in the retail business>

The four priority initiatives also include “Embark on New Challenges by Leveraging Group Management Resources”.

In the retail business, Minito-Mirai Tokyu Square and Shizuoka Tokyu Square, which were recently renewed as part of this initiative, have attracted many visitors and are steadily producing results.

We intend to continue refurbishing existing properties to meet customer needs in this way and also to continue opening small Tokyu Store chain stores as part of our dominate strategy based on an assessment of the regions where demand exists.

In Tokyu Department store operations, we are working on measures to secure profits rather than sales while reforming the profit structure by incorporating child-care facilities and Nitori stores as part of renewals.

We are also urgently taking action to address the expansion of e-commerce.

Embark on New Challenges by Leveraging Group Management Resources

Efforts to activate the Izu area

Izu sightseeing train "THE ROYAL EXPRESS"

Began operations on July 21 to activate the Izu area.

- Providing moments of luxury that give passengers the impression that their journey has begun from the time they board the train, and
- Makes them to feel passionate about the train.



Room inside

- Operating section
JR Yokohama Station –
Izukyu Shimoda Station
- Plan example
Cruise Plan (two days and
one night) (135,000 yen
per person -)



Renovation and reopening of Shimoda Tokyu Hotel



It was renovated and reopened on April 21 as a special purpose- and residential-type hotel that pursues customer convenience and comfort, making maximum use of its scenic landscape.



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<Embark on New Challenges by Leveraging Group Management Resources as priority initiative under the Management Plan – Efforts to activate the Izu area>

In the Izu region, the Izu sightseeing train THE ROYAL EXPRESS went into operation in July, to create new value through collaboration between TOKYU Group companies and activate the Izu area.

We are seeking to activate the Izu area by combining various management resources, including renovation of Shimoda Tokyu Hotel.

Expanding into New Businesses

- Expand into new fields where the Group's strengths can be leveraged to achieve significant growth
- Enhance collaboration with businesses outside the Group to respond to diversifying lifestyles and work styles and to get ahead of the times in urban development



<Expanding into new businesses>

During the period of the current Management Plan, we have made steady progress in existing businesses, and also begun collaboration with venture enterprises and various initiatives in businesses that will grow in the future.

We hope that expansion into new businesses will lead to an increase in entrepreneurial spirit and challenging spirit among our employees and Group employees and we intend to continue focusing on this in the future.

Road to Achieving the Long-term Vision

FY2010 - Tokyu Capitol Tower opened
 - Tama-plaza Terrace wholly opened
 - Futako tamagawa Rise phase I opened

FY2012 - Shibuya Hikarie opened
 - Mutual direct train service between
 Toyoko Line and Tokyo Metro Fukutoshin Line started

FY2015 - Futako-tamagawa Rise phase II
 opened

FY2017 - SHIBUYA CAST. (Shibuya
 miyashitacho plan) opened

FY2018 - SHIBUYA STREAM. (Shibuya Station South
 Block) to be opened

FY2019 - SHIBUYA SCRAMBLE SQUARE (Shibuya
 Station Block) East building to be opened
 - Complete installation of platform doors
 (Toyoko, Den-en Toshi, and Oimachi Lines)
 - Minami-Machida Project to be opened

FY2020 - Tokyo Olympic, Paralympic Games

FY2022 - 100th anniversary of the founding
 of TOKYU CORPORATION

- Sotetsu-Tokyu direct train to be opened

FY2027 - SHIBUYA SCRAMBLE SQUARE
 to be opened wholly



Tokyu Group has numerous **contact points with its customers.**
 By using and **combining** various **networks,**



Tokyu continues to create new added value



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<Road to Achieving the Long-term Vision>

The period of the current Medium-Term Management Plan was positioned as a “STEP” ready for a “JUMP” in the future.
 We have steadily achieved both our numerical goals and business objectives.

We will continue with these initiatives in preparation for the next Medium-Term Management Plan when we will also make progress on large projects and for the “JUMP” phase which will coincide with our 100th anniversary in 2022.

It is important to continue creating new added value by “combining” our management resources, that is, our “contact points with customers” and “networks.”