

Presentation for Investors for the Second Quarter of FY2023



November 9, 2023

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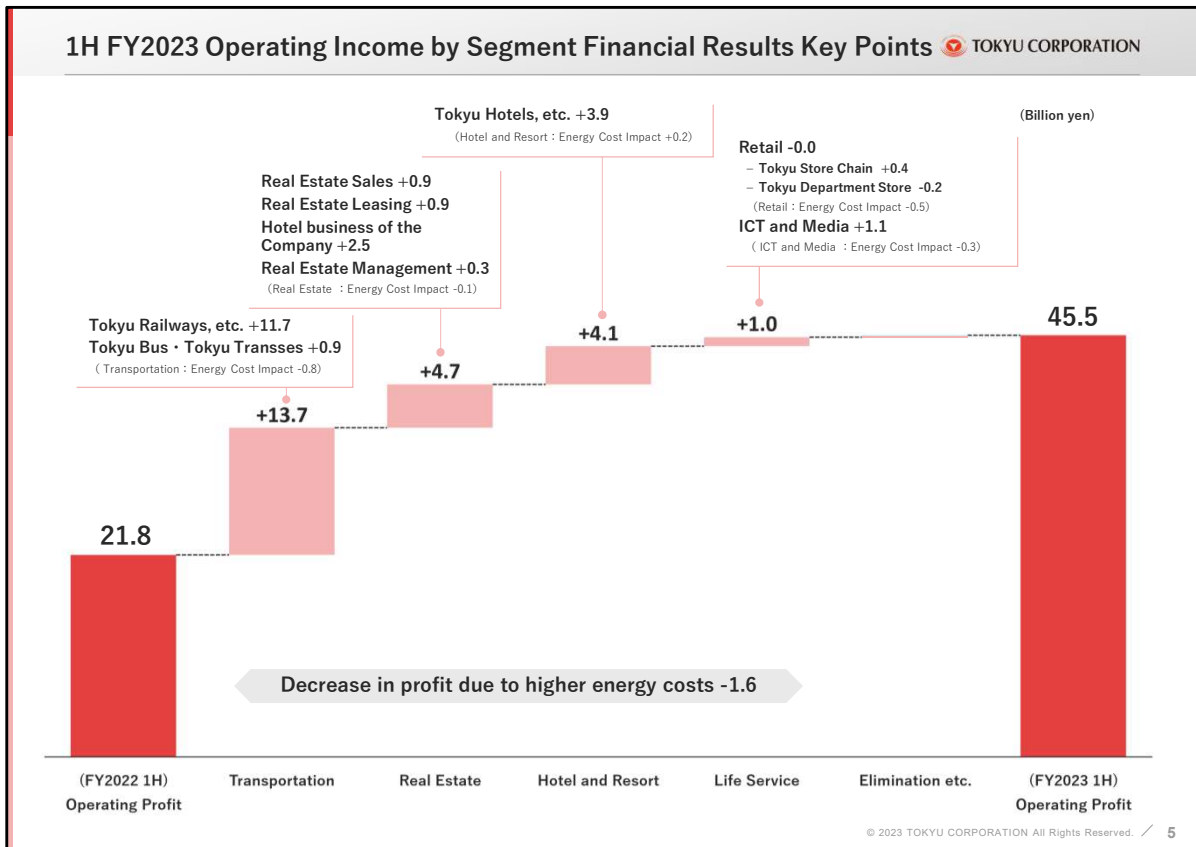
I . Executive Summary

I Comparison with the previous fiscal year

- Operating revenue and operating profit both increased mainly due to fare revisions in Tokyu Railways, in addition to recovery of demand in Railway and Hotel business.
- Profit attributable to owners of parent rose chiefly due to an increase in share of profit of entities accounted for using equity method in addition to increased in operating profit.

(Unit : Billion yen)	FY2022 1H Results	FY2023 1H Results	YoY Comparison
Operating Revenue	434.6	483.4	+48.7 (+11.2%)
Operating Profit	21.8	45.5	+23.7 (+108.6%)
Recurring Profit	24.7	49.6	+24.9 (+101.0%)
Profit attributable to owners of parent	18.4	35.0	+16.5 (+89.5%)
EPS (Earnings Per Share)	Yen Sen 30.67	Yen Sen 57.85	Yen Sen +27.18

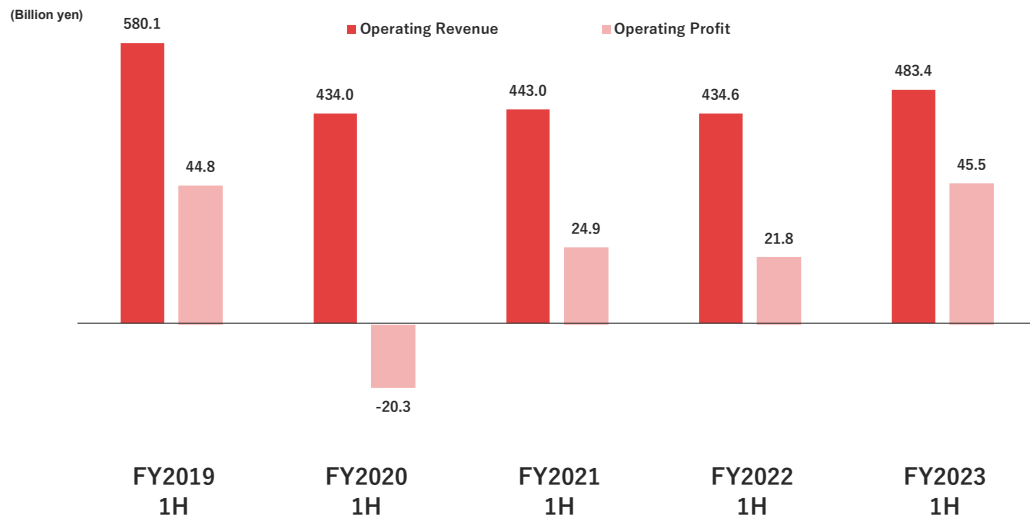
- This slide shows the main points in the results in the first half of FY2023.
- Operating revenue stood at 483.4 billion yen. Operating profit was 45.5 billion yen. Profit attributable to owners of parent stood at 35.0 billion yen.
- Thanks to a recovery of demand particularly in the Transportation Business and Hotel and Resort Business compared with the previous year as a result largely of the downgrading of COVID-19 to a Class 5 infectious disease, operating revenue increased by 48.7 billion yen and operating profit rose by 23.7 billion.
- Additionally, profit attributable to owners of parent increased by 16.5 billion yen, reflecting an increase in investment gains from equity method and other factors in addition to higher operating profit.



- These are the key points of our financial results by segment. I will explain comparison with the previous fiscal year.
- In the Transportation Business, a 13.7 billion yen growth of profit was achieved thanks to the increase in the number of passengers carried by Tokyu Railways following the recovery of demand and the fare revision as well as the recovery of other businesses such as Tokyu Bus Corporation.
- In the Real Estate Business, a 4.7 billion yen growth in profit was achieved as a result of the strong performance of hotels located in our mixed-use development properties and the real estate sales and lease business outperforming their results in the previous fiscal year.
- In the Hotel and Resort Business, a 4.1 billion yen growth in profit was achieved thanks to an increase in ADR due to the recovery of demand and increased efficiency based on structural reforms.
- In the Life Service Business, a 1.0 billion yen growth in profit was achieved. This was led by the ICT media business.
- Note that rising electricity rates and other energy costs, driving up expenses by 1.6 billion yen year on year.

- Operating profit continued to exceed pre-COVID levels as a result of the progress of structural reforms in each business in addition to the gradual recovery of the business environment from the COVID crisis.

Consolidated Operating Revenue and Operating Profit Trends

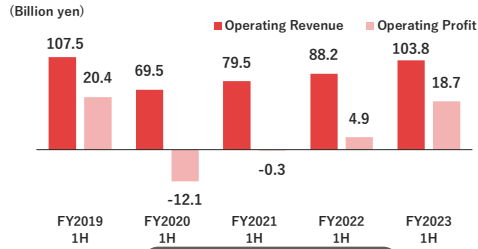


- The graph shows trends in operating revenue and operating profit as of the first half of each fiscal year since FY2019.
- Consolidated operating profit for the first half of the fiscal year under review recovered to a level higher than the pre-COVID 19 level thanks to a recovery in demand in all businesses and the effect of structural reforms that have been undertaken since the COVID-19 pandemic.

Each Business Performance for 1H FY2023

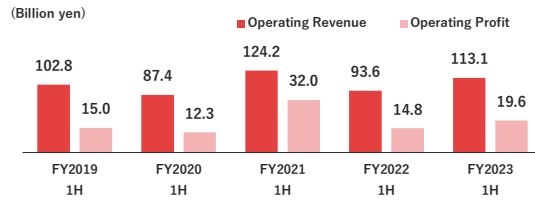
Transportation

Railway business and bus business returned to operating profitability with a recovery in the number of passengers transported.



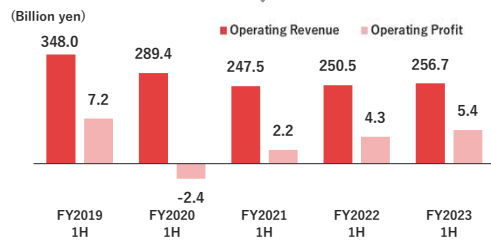
Real Estate

Although there is a reactionary decline from the previous year's large-scale property sales, the real estate leasing business remains stable.



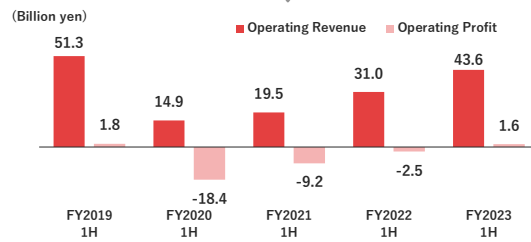
Life Service

Although there was a decrease in demand for home dining in retail and the impact of price hikes, profit increased due to a recovery in demand in other businesses.



Hotel and Resort

Tokyu Hotels improved its loss due to a rebound from the previous year. (Occupancy rate in 1H FY2023: 75.6%, YoY+10.9P)



Assumptions for FY2023 Forecasts (as of November)

- Forecast of the Business Environment**
- With the downgrading of COVID-19 to a Class 5 infectious disease, the business environment recovery will be more robust than forecast in August.
 - The impact of rising energy prices will be less than forecast in August.

Forecast for Each Business	
Transportation	<p>▶ Tokyu Railways</p> <p>The Company raised its August forecast due to a stronger recovery in the number of passengers carried than forecast in August as a result of more opportunities to go out.</p> <ul style="list-style-type: none"> • Number of passengers carried: YoY +6.4%; -11.4% from FY2019 (Aug forecast: YoY +3.8%; -13.5% from FY2019) • Revenue from fares: YoY +19.7%; +2.3% from FY2019 (Aug forecast: YoY +15.8%; -1.0% from FY2019) • Power costs: 8.6 billion; YoY same level (Aug forecast: 10.7 billion; YoY +2.1 billion)
Real Estate	<p>▶ Real estate sales</p> <p>The number of units sold through the Company's sale of condominiums is expected to increase year on year.</p> <p>▶ Real estate leasing</p> <p>Vacancy rates and rent levels will remain at the August forecast levels.</p>
Life Services	<p>▶ Tokyu Department Store</p> <ul style="list-style-type: none"> • YoY Changes in Store Sales: All Stores -33.0%, Existing Stores -11.9% / YoY Changes in Sales (Incl. rent): Existing Stores +8.9% (Aug forecast: All Stores -33.5%, Existing Stores -12.7% / YoY Changes in Sales (Incl. rent): Existing Stores +9.6%) <p>▶ Tokyu Store Chain</p> <ul style="list-style-type: none"> • YoY Changes in Store Sales: All Stores +3.1%, Existing Stores +1.3% (Aug forecast: All Stores +3.9%, Existing Stores +2.0%)
Hotel and Resort	<p>▶ Hotel Business</p> <p>Since the average daily rate (ADR) was higher than Aug forecast, largely as a result of the recovery of inbound demand, the forecast factors in a higher ADR for the full year as well.</p> <ul style="list-style-type: none"> • Full-year occupancy rate: 75.6% YoY +5.7P (Aug forecast: 75.8% YoY +5.9P) • Average daily rate (ADR)*: 20,465 yen YoY +5,035 yen (Aug forecast: 20,033 yen YoY +4,603 yen) <p>* ADR figures include service charges.</p>

The Company raised its FY2023 forecasts announced in August.

On a consolidated basis, energy costs are expected to be **approximately 3.5 billion yen less than forecast in August** (November forecast: YoY +0.3billion, August forecast: YoY +3.8 billion).

- These are the assumptions built in to our FY2023 forecasts.
- The overall business environment is recovering faster than expected due to the downgrading of COVID-19 to a Class 5 infectious disease in May 2023.
- Energy prices have been more stable than the forecast in August and expected to generally remain unchanged from the previous year.
- Not that information on the assumptions and main KPIs for each business are listed under the "Forecast for Each Business" section in the middle.
- In the Transportation Business, the forecasts for Tokyu Railways were reconsidered and the full-year forecasts for the number of passengers carried and revenue from fares were revised upward based on trends through the first half of the fiscal year. The forecast for power expenses, which had been expected to increase significantly from the previous fiscal year, was revised downward to the same level as the previous fiscal year.

Comparison with Forecast as of August

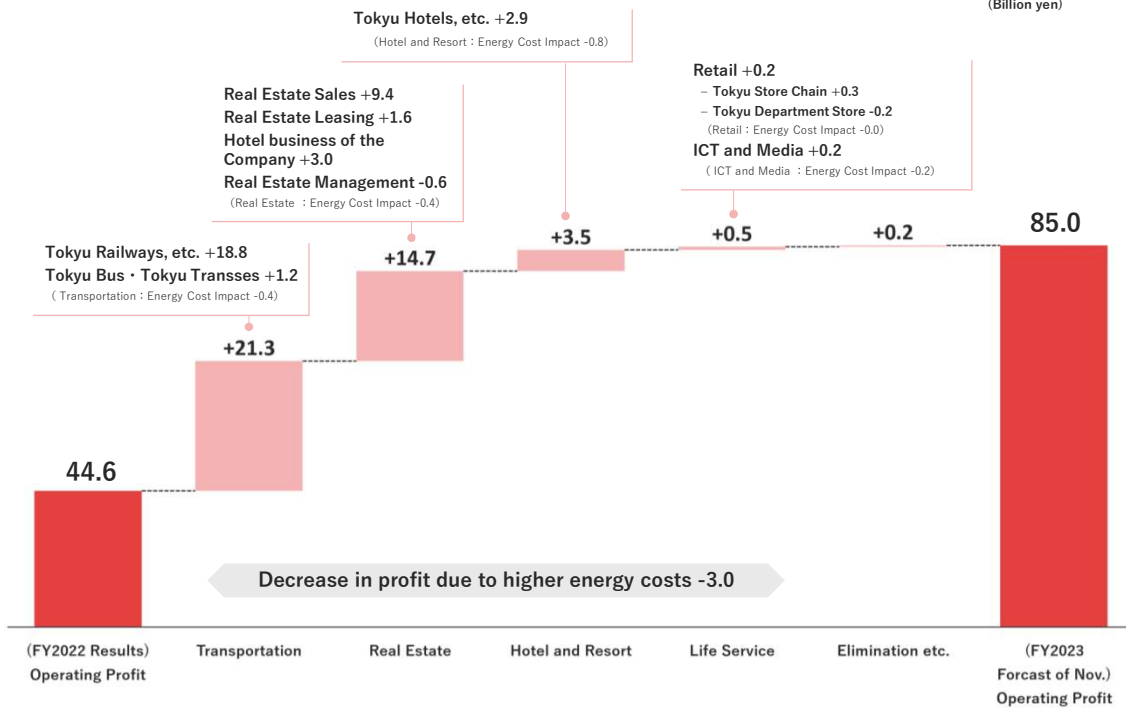
- Operating revenue increased mainly as a result of an increase in the number of passengers carried in the Transportation Business.
- Operating profit rose due to the lessening impact of surging energy costs, etc. in addition to higher revenue.

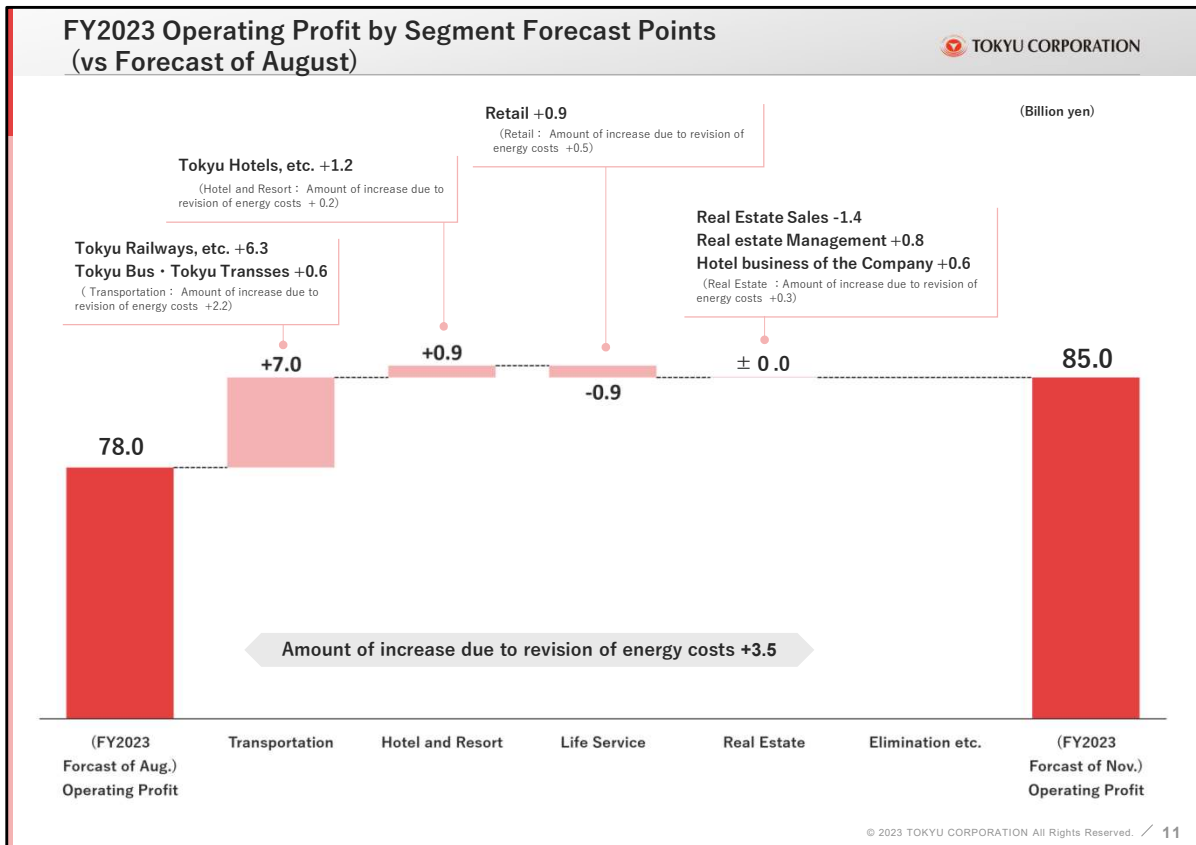
(Unit : Billion yen)	FY2023 Full Year Forecast	YoY Comparison	Comparison with Forecast as of August
Operating Revenue	1,039.5	+108.2 (+11.6%)	+6.6 (+0.6%)
Operating Profit	85.0	+40.3 (+90.6%)	+7.0 (+9.0%)
Recurring Profit	88.0	+40.6 (+85.8%)	+9.8 (+12.5%)
Profit attributable to owners of parent	54.0	+28.0 (+107.7%)	+9.0 (+20.0%)
EPS (Earnings Per Share)	Yen Sen 89.65	Yen Sen +46.71	Yen Sen +14.91

- This slide shows the key points of our forecast for FY2023.
- In the full-year earnings forecasts as of November 2023, operating revenue is 1,039.5 billion yen, operating profit is 85.0 billion yen and profit attributable to owners of parent is 54.0 billion yen.
- In comparison to the forecasts in August, operating profit is expected to increase 7.0 billion yen to 85.0 billion yen, reflecting a recovery in demand in the Transportation Business led by Tokyu Railways and a decrease in energy expenses.
- Additionally, profit attributable to owners of parent is forecast to increase by 9.0 billion yen to 54.0 billion yen.

FY2023 Operating Profit by Segment Forecast Points (vs the previous fiscal year)

(Billion yen)





- This slide shows the key points of our forecast by segment. I will explain how these compare to the forecasts that were revised upward in August.
- In the Transportation Business, the forecast for operating profit in August was increased 7.0 billion yen as a result of factoring in an increase in revenue from fares at Tokyu Railways thanks to a recovery in demand and a decline in power expenses.
- The forecasts for other businesses have also been revised, considering the trends through the first half of the fiscal year.
- The impact of energy expenses is a factor enabling profit to grow 3.5 billion yen on top of what was forecast in August.

Progress of the Three-year Medium-term Management Plan: Change in Main Indicators

- Operating profit and TOKYU EBITADA are expected to meet targets due to a turnaround in demand and structural reforms in each business.
- Financial health is also expected to fall in line with targets, with the interest-bearing debt/Tokyu EBITDA multiple in the less than 7 times range.

I Numerical plan

		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023
		Results	Results	Results	Results	Results	Plan	Forecasts of Nov.
Operating Revenue	(Billion yen)	1,157.4	1,164.2	935.9	879.1	931.2	1,000.0	1,039.5
Operating Profit	(Billion yen)	81.9	68.7	-31.6	31.5	44.6	70.0	85.0
Profit attributable to owners of parent	(Billion yen)	57.8	42.3	-56.2	8.7	25.9	40.0	54.0
EPS	(yen)	95.14	69.88	-93.08	14.58	42.94	—	89.65

I Financial Indicators

ROE	(%)	8.0	5.6	—	1.2	3.6	5.5	7.2
Operating profit ROA		3.5	2.8	—	1.3	1.8	—	3.2
Recurring Profit ROA	(%)	3.5	2.9	—	1.4	1.9	—	3.4
TOKYU EBITDA		176.6	176.5	74.7	128.3	144.6	170.0	193.4
EBITDA	(Billion yen)	160.4	154.1	55.3	115.5	127.6	—	173.7
Interest-bearing debts		1,066.4	1,151.0	1,182.2	1,195.7	1,287.5	—	1,286.0
Net interest-bearing debt	(Billion yen)	1,033.1	1,093.5	1,136.9	1,144.1	1,219.0	—	1,245.9
Interest bearing debt/ Tokyu EBITDA multiple		6.0	6.5	15.8	9.3	8.9	7x range	6.6
Net Interest bearing debt/ EBITDA multiple	(times)	6.4	7.1	20.6	9.9	9.6	—	7.2

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

- These tables show the changes to each indicator in the Three-year Medium-term Management Plan.
- We have revised our initial forecasts for FY2023 upward and expect the results of all indicators to improve.

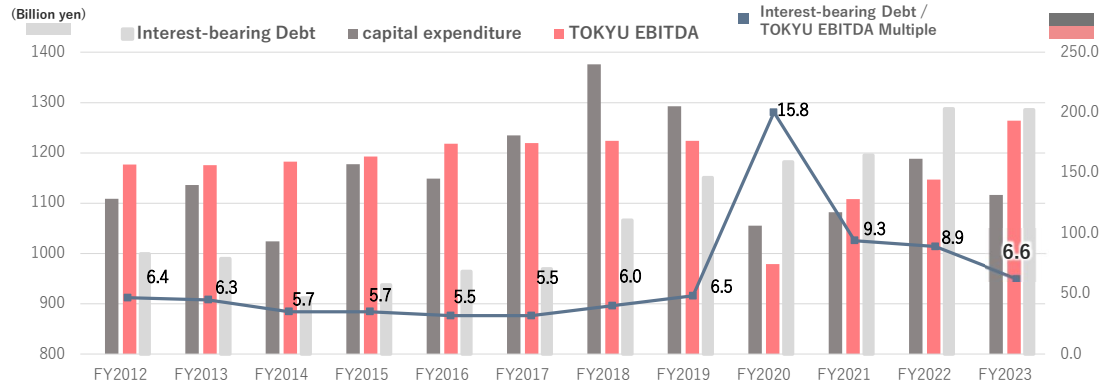
Use of Funds

- We will steadily implement safety and maintenance/renewal investment, large projects in progress, and investments related to structural reforms for each business.
- With regard to the acquisition of real estate for sale, we will continue to purchase good properties while assessing real estate market conditions with a view to generating stable profits.

Financial Strategy

- In FY2022, the level of interest bearing debt will temporarily increase due mainly to the completion of the Tokyu Kabukicho Tower and other factors, but in FY2023, we will secure an interest-bearing debt / Tokyu EBITDA multiple in the 6.6 due to a recovery in profitability and other factors.
- In response to rising interest rates, we will endeavor to minimize costs through long-term fixed interest rates and the utilization of market-based financing.

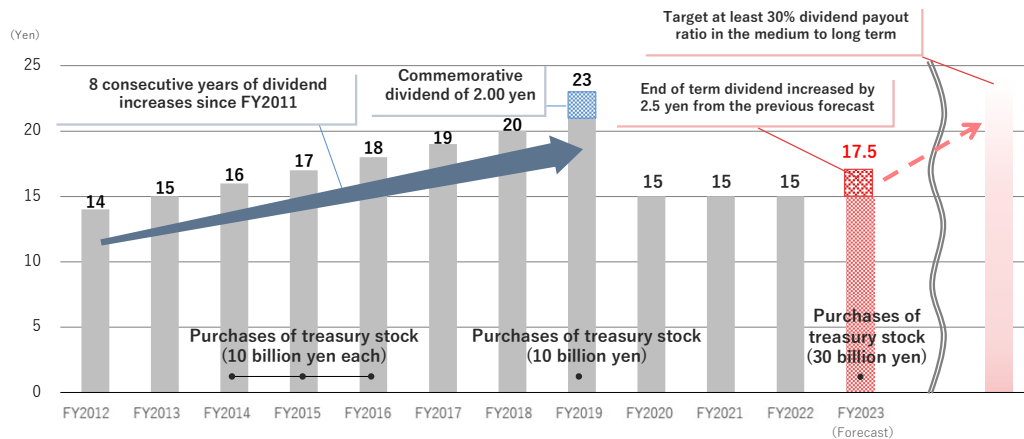
Trends in Financial health Indicators



○ There is no change in the use of funds and financial strategy from the initial plan.

- The year-end dividend will be increased by 2.5 yen from the previous forecast due to the upward revision of our earnings forecast, for a planned annual dividend of 17.5 yen per share.
- Repurchased about 30 billion yen worth of treasury stock – 16,524,300 shares – in June 2023.
- As the number of shares issued has increased due to past group reorganizations, further flexible share repurchases will be considered, taking into account trends in profits and capital.

Trend of dividend per share



- This is a description of Shareholder Returns.
- Considering the upward revision of earnings forecasts, we plan to increase the year-end dividend of 2.5 yen to 10 yen per share, for an annual dividend of 17.5 yen per share for the fiscal year under review.
- In June of this year, we purchased 16.52 million treasury shares for approximately 30 billion yen in combination with the issuance of convertible bonds.
- We continue to view the increase in the number of shares issued due to the reorganization of the Group companies in the past as an issue and will continue to consider the flexible purchase of treasury shares in light of capital trends and profit levels to increase our capital efficiency.

Progress of the Three-year Medium-term Management Plan: Main Topics

	Topics	~FY2022	FY2023	Ref. Page
Each Business	Transportation Tokyu Line fare revision	<ul style="list-style-type: none"> ● Application approved (2022/4) ● Fare revision implemented (2023/3) 		
	Transportation Tokyu Shin-Yokohama Line starts service	<ul style="list-style-type: none"> ● Opening (2023/3) 		17
	Transportation Start of one-man driving on Toyoko Line services	<ul style="list-style-type: none"> ● Start of one-man driving on Toyoko Line services (2023/3) 	<ul style="list-style-type: none"> ● Transition to one-man driving completed (2023/10) 	17
	Real Estate Life Service Hotel and Resort Opening of Tokyu Kabukicho Tower		<ul style="list-style-type: none"> ● Opening (2023/4) ● 「BELLUSTAR TOKYO」 「HOTEL GROOVE SHINJUKU」 Opening (2023/5) 	18
	Real Estate Life Service 「Shibuya Upper West Project」 underway	<ul style="list-style-type: none"> ● Closed of the Tokyu Department Head Store (2023/1) 	<ul style="list-style-type: none"> ● Started demolition and construction of the main store of Tokyu Department Head Store 	19
	Hotel and Resort Function reorganization of Hotel Business (hotel network・brand portfolio)		<ul style="list-style-type: none"> ● Reorganization of hotel and resort business subsidiaries into "Tokyu Hotels & Resorts" (2023/4) ● 「SAPPORO STREAM HOTEL」 Scheduled to open (FY2023) 	21
ESG	Environmental (E)	<ul style="list-style-type: none"> ● Formulation of 「Environmental Vision 2030」 ● The company operates all railway routes using power that is 100% derived from renewable energy. ● Establishment of new targets for Scope 3 ● Minami-machida Grandberry Park "Global Environmental Award" Grand Prize 	<ul style="list-style-type: none"> ● Policy Promotion 「Environmental Vision 2030」 ● Compliance with TCFD Revised Guidelines 	22
	Social (S)	<ul style="list-style-type: none"> ● Formulation of a human rights policy 	<ul style="list-style-type: none"> ● Revision of the Sustainable Supply Chain Policy 	
	Governance (G)	<ul style="list-style-type: none"> ● Tokyu Recreation Co., Ltd. becomes a wholly owned subsidiary 	<ul style="list-style-type: none"> ● Promote disclosure of non-financial information 	

Ⅱ. Topics of the fiscal year

Tokyu Shin-Yokohama Line starts service

Overview

- Opening Date: March 18, 2023
- Section: Between Shin-Yokohama Station and Hiyoshi Station (Operating distance: 5.8 km)



Situation since commencing operation

- The number of passengers carried is around 70% of the plan.
- The number of non-commuter passengers is high due to route switch of Shinkansen users and demand for events.
- The number of commuters has not reached the planned level, but the user base is expected to be more established due to the redevelopment of the Shin-tsunashima Station area, etc..

Results within Tokyu Shin-yokohama Line

	FY2023 1H (result)	vs. Plan
# of passengers carried	13.4 million	-32.2%
Passenger revenue (yen)	1.73 billion	-27.9%

Initiatives to be taken in the future

- Various measures aimed at improving the stability and convenience of operation (timetable revisions, etc.)
- PR activities to promote the convenience of the wide-area railway network due to mutual direct train service operation
- Measures to promote commuter passengers to switch routes.

Initiatives to Improve Efficiency

Toyoko Line one-man driving

- Transition to one-man driving, began in March 2023, was completed in October.

Cost Reduction Effect (estimate)

	FY2023	From FY2026 onward
	-450 million yen	-1.1 billion yen

Enhancing station services

- Station equipment with remote functions and calling facilities were introduced at Shin-tsunashima Station on the Tokyu Shin-yokohama Line last fiscal year.

Remotely controlled station service equipment (Shin-Tsunashima Station)



Creating demand for intraregional travel

Introduction of Q SKIP, a boarding service using QR Codes and contactless credit cards

- Various digital ticket services like discount tickets, tailored to our customers' needs are planned to be introduced.
- A pay-on-exit payment service using contactless credit cards will be implemented from spring 2024 onward.

Creating further mobility and revitalizing areas served by Tokyu lines by improving convenience and providing a variety of boarding services



Station gate with Q SKIP

- I will explain the conditions of each business.
- First is our railway business.
- The number of passengers carried by the Tokyu Shin-Yokohama Line, which opened in March of this year, has been approximately 70% of the plan.
- While demand from Shinkansen passengers and events in the Shin-Yokohama Station area remains steady, the number of commuters has fallen short of the plan.
- We think it will take a certain amount of time for recognition to increase and demand to be established. We will continue our efforts to stimulate demand for commuter passes in line with our measures to increase convenience such as the revision of train service schedules.

Tokyu Kabukicho Tower after its opening

- The hotels, major tenants, show steady performance, with two brands complementing each other.
- Having the tower at the core, connect entertainment facilities/projects with the community and increase the value not only of the tower but of Kabukicho as a whole.

Situation after opening (Number of visitors/ media exposure/ Hotel business)

Number of visitors to the tower^{*1}: total 3.21 million
Media coverage^{**1}: total 20,877 media
15.4 billion yen in ad value equivalency

^{*1} Cumulative number from opening to September 30, 2023

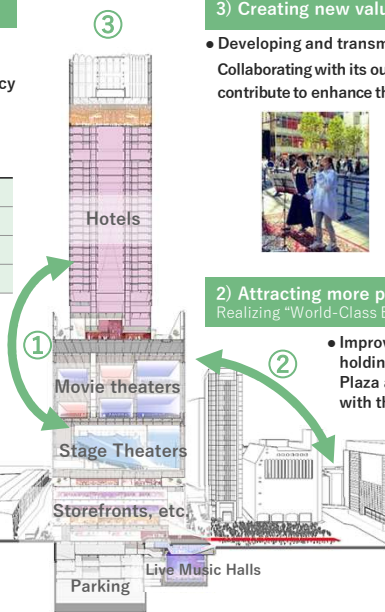
FY2023 1H result (unit: million)	BELLUSTAR TOKYO <small>EXPERIENCE OF THE FINEST HOTELS AND SERVICES</small>	HOTEL GROOVE SHINJUKU <small>EXPERIENCE OF FASHIONABLE HOTELS AND SERVICES</small>
Occupancy rate	Approx. 65%	
Average room rate	Approx. 36,000 yen	
Number of rooms	97 rooms	538 rooms
Latest selling price ^{*2}	139,400 yen	38,400 yen

^{*2} Room rate per person per night for two persons from December 9, 2023.
Junior Corner Suite Twin room for BELLUSTAR and Deluxe Room for GROOVE

- Secure stable earnings from GROOVE and continue efforts to attract affluent customers through BELLUSTAR.

1) Creating circulation within the tower/town Synergetic effect from the project "refining one's tastes"

- Promote the use of multiple facilities with interlocking projects throughout the tower utilizing IPs and other resources and strengthen its dissemination.
- Implementation of projects that delve deeply into and capture the psychology of fans.



3) Creating new value

- Developing and transmitting new IPs from Kabukicho
Collaborating with its outside spaces, the tower is to contribute to enhance the brand power of Kabukicho.



2) Attracting more people to the entire town Realizing "World-Class Entertainment City Kabukicho"

- Improve the environment of the area by holding events utilizing Cinema City Plaza and outdoor visions, etc. together with the local community



- This is a description of Tokyu Kabukicho Tower, which opened in April of this year.
- We operate two brands of hotel that opened in May. Led by Hotel Groove Shinjuku, they made a strong start.
- Since its opening, Tokyu Kabukicho Tower has drawn a lot of attention, received more than 3 million visitors, and become a new symbol of Kabukicho. We will continue to increase the value of its facilities and the local community leveraging its entertainment appeal.

Major development projects underway (Shibuya area)

Shibuya Upper West Project

- A world-class quality facility that includes residential functions will be created in Shibuya area.
- Joint development through a partnership between the Tokyu Group and LCRE (Business owner : Tokyu, L Catterton Real Estate, Tokyu Department Store)



- Site area : Approx.13,675㎡
- Floor area : Approx.120,000㎡
*Including existing Bunkamura
- No. of floors : 34 above ground floors and 4 basement levels
- Height : Approx.155.8m
- Uses : Retail, Hotel, Residence, etc.
- Completion : FY2027 (planned)

SHIBUYA AXSH



- Site area : Approx.3,460㎡
- Floor area Approx.44,560㎡
- Uses : Offices, shops, parking facilities, etc.
- Opening : First half 2024 (planned)
- More than 90% of tenants have been decided.

SHIBUYA SCRAMBLE SQUARE (Central · West Bldg.)



- Site area : Approx.15,300㎡ (Including East Bldg.)
- Floor area : Approx.276,000㎡ (Including East Bldg.)
- Uses : Offices, shops, parking facilities, etc. (Including East Bldg.)
- Opening : FY2027 (planned)

List of ongoing redevelopment projects (*)

Area	Project	Progress status	Schedule		Expected total floor area	Assumed investment (Tokyu's share)
			-FY2030	FY2031-		
Shibuya	SHIBUYA AXSH	Construction work underway	● Opening in 1st half of 2024 (planned)		Total Approx. 800,000㎡	Total Approx. 500 billion yen
	Shibuya Upper West Project	Demolition work underway at former Tokyu Department Store Honten	● Construction completed in FY2027 (planned)			
	Shibuya Scramble Square Central and West Bldg.	Construction work underway	● Opening in FY2027 (planned)			
	Plan 1	Urban planning decision finalized				
	Plan 2	Redevelopment preparation association established				
	Plan 3					
	Plan 4					
Plan 5						

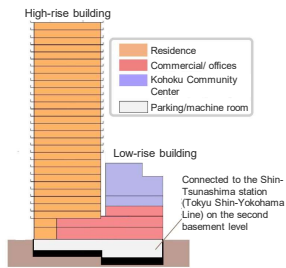
* The schedule, total floor area, and investment amount for each project are forward-looking statements at this time that include various uncertainties and may be subject to change in the future.

- This outlines the development projects currently in progress in the Shibuya area.
- We have made no changes to the ongoing projects since the last briefing and continue to implement them.
- The lower section of the slide describes the status and schedule of new projects currently in planning.
- While I cannot go into specifics now, we are considering a project with a total investment of approximately 500 billion yen and a total floor area of approximately 800,000 square meters when combined with the ongoing projects.

Shin-tsunashima Square



- Site area : Approx.3,890m²
- Floor area : Approx.37,560m²
- Uses : Residence, commercial, offices, public facilities, etc.
- Opening : October 2023



Yokohama Station Kita Nishiguchi Tsuruya District Urban Redevelopment Project



- Site area : Approx.6,690m²
- Floor area : Approx.79,330m²
- Uses : Residence, shops, commercial, hotels, hotel-like condos, etc.
- Opening : First half of FY2024 (planned)

Development of intermediate base stations

Fujigaoka

An integrated urban development combining station area facilities, hospitals and parks.



Saginuma

As a project partner, we will work to develop a variety of urban functions in a complex manner.



List of ongoing redevelopment projects (*)

Area	Project	Status	Schedule		Expected total floor area	Assumed investment (Tokyu's share)
			-FY2030	FY2031-		
	Plan 1	Redevelopment preparation association established	[Progress bar]		Total Approx. 800,000m ²	Total Approx. 200 billion yen
	Plan 2		[Progress bar]			
	Plan 3		[Progress bar]			
	Plan 4		[Progress bar]			
	Plan 5		[Progress bar]			
	Plan 6		[Progress bar]			
	Plan 7		[Progress bar]			
	Plan 8		[Progress bar]			
	Plan 9		[Progress bar]			

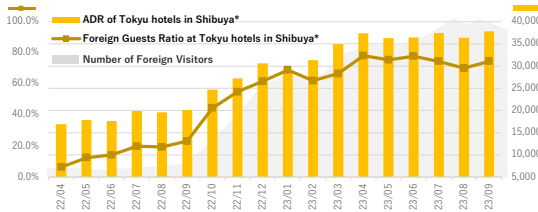
* The schedule, total floor area, and investment amount for each project are forward-looking statements at this time that include various uncertainties, and may be subject to change in the future.

- This is a list of major development projects in the areas served by Tokyu lines.
- We are steadily implementing the redevelopment projects such as Shin-Tsunashima Square, which was completed in October.
- In addition, we are planning multiple developments projects in the areas served by Tokyu lines and expect that the scale of the investment will be approximately 200 billion yen.
- We hope to maximize the effect of cyclical reinvestment by promoting the advanced use of real estate, which will help increase the population of the areas served by Tokyu lines and income not only from real estate but also from railroads, buses and Life Service Businesses such as retail stores.
- We will continue to strive to increase the value of Shibuya and the areas served by Tokyu lines.

Improvement of returns

- Capture inbound demand by hotels in Shibuya and other central city areas (Foreign guest ratio at Tokyu hotels in Shibuya in Sep: 74.5% / ADR: 37,827yen)
- Raising ADR by improving customer satisfaction through hotel renovation.

- ▮ Capturing inbound demand (foreign guest ratio / ADR trends)
- ADR at Shibuya hotels is higher than pre-COVID levels



*Shibuya Area Hotels include Cerulean Tower Tokyu Hotel, SHIBUYA STREAM Excel Hotel Tokyu, Shibuya Excel Hotel Tokyu, and Shibuya Tokyu REI Hotel.

Hotel renovations

- Improving customer satisfaction through interior renovation of guest rooms and restaurants, etc.

- Cerulean Tower Tokyu Hotel, restaurant Karumera (1F) Reopened on Sep. 27, 2023
- Shibuya Excel Hotel Tokyu, guest rooms on 22~24 F Renovation period: Sep-Dec 2023



Revision of the Comfort Members membership system

- The Comfort Members membership system was renewed on July 1, 2023
- Promote usage by introducing a system that makes it easier to accumulate points than before



Re-organization of the hotel network

- Aiming to maintain/expand the network by opening new hotels by securing management contracts
- Opening/terminating operation of hotels are promoted, aiming to reduce management risk and improve competitiveness.

Hotels newly opening/terminating operation in FY2023 and onward

- New opening**
 - May 19, 2023 [BELLUSTAR TOKYO, A Pan Pacific Hotel] 97 rooms [HOTEL GROOVE SHINJUKU, A PARKROYAL Hotel] 538 rooms
 - Jan. 16, 2024 (scheduled) [SAPPORO STREAM HOTEL] 436 rooms
 - April 11, 2024 (scheduled) [STORYLINE Senagajima] 101 rooms



- Closing**
 - End of Aug. 2023 [Akasaka Excel Hotel Tokyu] 487 rooms
 - End of Dec. 2023 [Tokyo Bay Tokyu Hotel] 638 rooms (scheduled)

STORYLINE Senagajima - the first hotel of the new brand STORYLINE will open in spring 2024 (planned) / Reservations are accepted from October 2023

- Hotel condominium-type accommodation where rooms are sold and operated as hotel when the purchasers are not using them.
- All rooms have been applied for purchase as of the end of October 2023.

STORYLINE



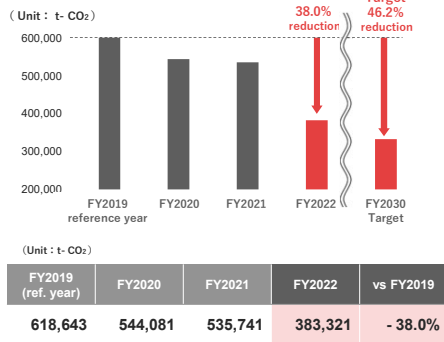
- I will introduce our activities in the hotel business.
- We have been working to meet the demand generated by foreign visitors in Japan particularly at hotels in Shibuya and central Tokyo. For example, the percentage of foreign guests staying at our hotels in the Shibuya area reached 4.5% in September.
- As a result, the ADR rose significantly and remains at a record high level.
- We are working on hotel renovation and other improvements in line with this and working to increase customer satisfaction by providing services appropriate for the price.
- We will continue our efforts to improve service quality and operate our businesses keeping the increase of profitability in mind.

Environmental (E)

Progress of the Environmental Vision 2030 : decarbonized 40%

- In FY2022, CO2 emissions from (consolidated) business activities were 383,000t-CO2, a reduction of 38.0% from the reference year (FY2019). Operation of all Tokyu railway lines using power that is 100% derived from renewable energy contributed significantly to reducing emissions, with a reduction of 158,000 t-CO2.

CO₂ Emissions



※ For estimated operating revenues for FY2019 and FY2020, impact amounts are calculated for applying accounting standards relating to revenue recognition

Social (S)

Identification of material human rights risks that may arise in consolidated business domains

- Following on from the establishment of our Human Rights Policy (<https://tokyu.disclosure.site/ja/214/>) in November 2022, we compiled a list of risks that may arise in consolidated business domains, based on the opinions of experts, past cases in the industry, and interviews with related departments and affiliates. Particularly important (material) human rights risks were identified based on level of severity and likelihood of occurrence in June 2023.

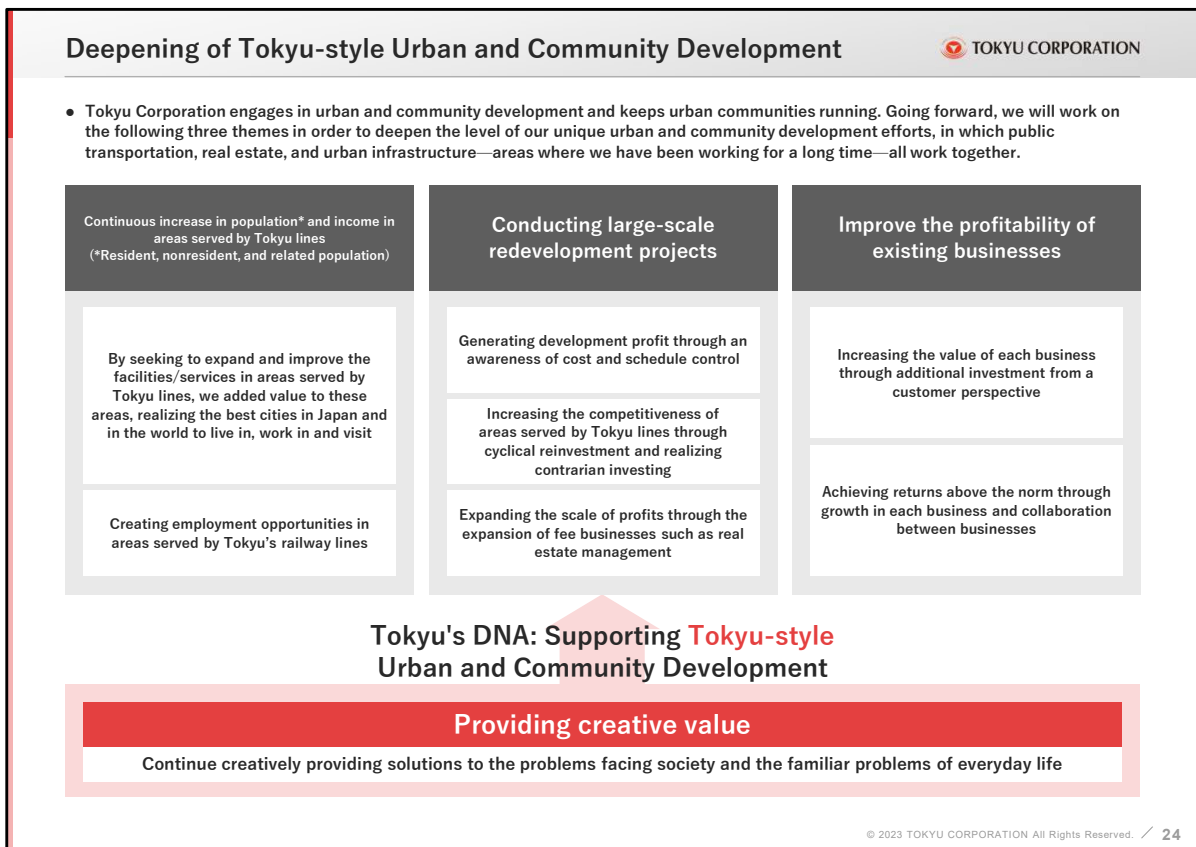
Subjects of human rights violations	Human rights risks	
Top priority	Employees of raw materials and other suppliers	① Serious forms of forced/slave/child labor
	Employees of outsourcing businesses, etc.	② Inadequate health or safety, serious forms of forced/slave/child labor, in subcontractor construction firms, etc.
	Customers / Consumers	③ Health or safety violations Health or safety violations owing to defective in-house products, services, etc. Health or safety violations owing to defective tenant products, services, etc.
Priority	Consolidated employees	④ Indirect complicity in human trafficking, etc. ⑤ Workplace harassment among employees ⑥ Inadequate health or safety in work environments ⑦ Prolonged or excessive labor ⑧ Inadequate or unpaid wages
	Customers / Consumers	⑨ Discrimination against customers (consumers) in provision of in-house services ⑩ Privacy violations caused by leaks of personal information

Governance (G)

- **Reduction of cross-shareholding**
In FY2023, we sold or reduced the number of shares that we held in three companies as of the second quarter.

- I will describe our recent ESG efforts.
- Regarding environmental efforts, our CO₂ emissions for FY2022 were determined, indicating a 38% reduction of from the emissions in FY2019.
- A contributing factor to this is that all of the Tokyu lines operate 100% on electricity derived from renewable energy sources.
- From now, there is expected to be a recovery of economic activity following the COVID-19 pandemic and energy use will likely increase in line with the growth of business. We will continue to promote energy conservation and the use of renewable energy to achieve our targets for FY2030.

III. About our company's vision



- I will describe our future goals.
- Tokyu Corporation is an urban development company, a company that manages and operates cities.
Our Urban and Community Development follows a unique business model that links railway and bus transportation, real estate, urban infrastructure, retail and life services. We work to achieve three goals to enhance this Urban and Community Development in the Tokyu style.
- The first is an increase in the population and income in areas served by Tokyu lines.
In addition to the residents in these areas, this includes non-residents and related population.
By seeking to expand and improve the facilities and services in areas served by Tokyu lines, I want us to add value to these areas, creating the best cities in Japan and in the world to live in, work in and visit.
While attracting people to create a population inflow, we will create employment opportunities in the areas served by Tokyu lines and a system through which the income generated is directed to consumption in these same areas.
- My second aspiration concerns large-scale redevelopment

projects.

While the recent rise in the cost of construction poses a risk to the profitability of our projects, the cancellation or delay of competing projects would provide an advantage to our existing lease portfolio.

We will pay attention to controlling development cost and schedules and ensure profitability of projects to turn challenges into opportunities.

- In addition, we will promote cyclical reinvestment and strive to increase the competitiveness of areas served by Tokyu lines and achieve contrarian investing. As I will explain later, cyclical reinvestment will not only accelerate the recovery of invested capital but enable the intermittent renovation of real estate and the various services in the areas served by Tokyu lines since we will reinvest in these areas.

We expect that this will give us a competitive advantage over other areas along other railway lines and in other districts.

- My third aspiration is to increase the profitability of Tokyu's existing businesses.

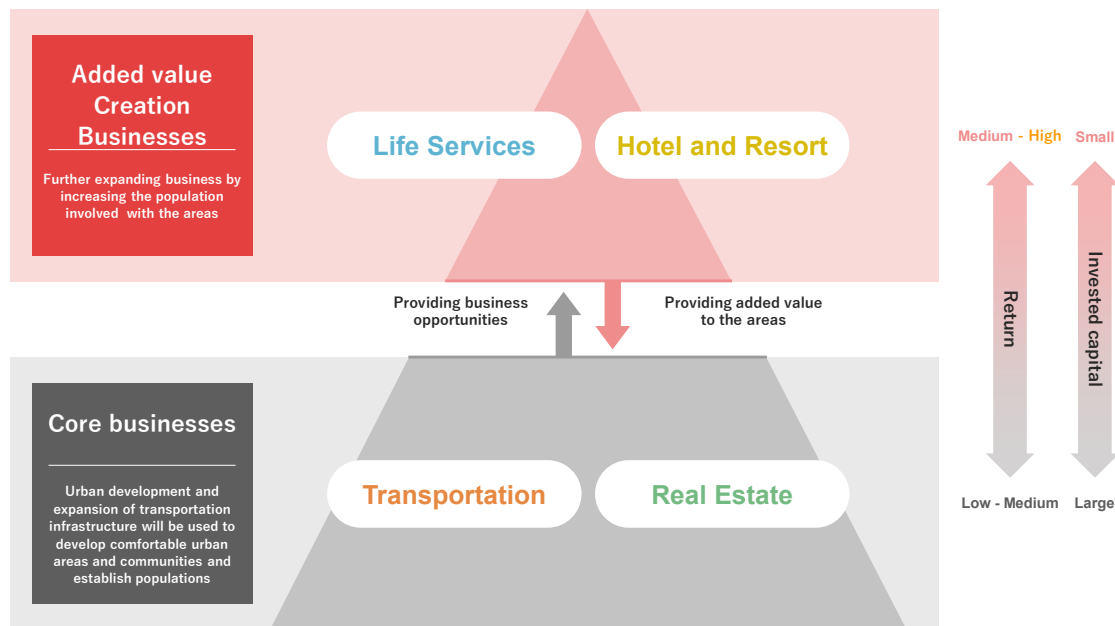
We will make additional investments and provide new services from the customer's perspective to increase the value of each business and increase our profitability.

In addition, we will work to deliver returns higher than the standard by maximizing collaboration between our businesses.

Of course, we will expand our fee businesses based on existing businesses and increase yields without increasing investment burdens.

- Since its foundation, Tokyu Corporation has been developing its DNA, which supports this Tokyu-style Urban and Community Development, through constant efforts to provide creative value. We will continue to provide solutions to social issues and common issues in daily living, always from a creative perspective.

- Contributing to the enhancement of the value of areas served by Tokyu's railway lines by combining core businesses and added-value creation businesses

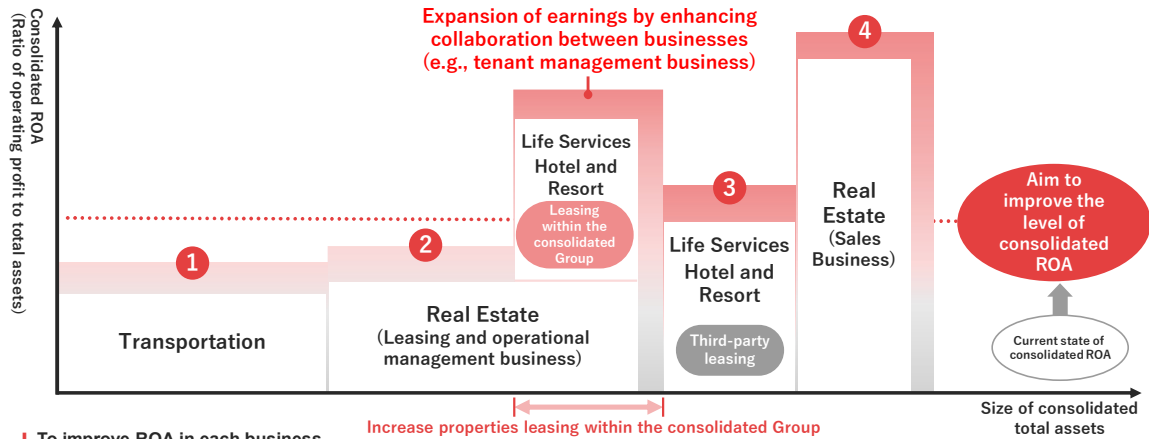


- I will now explain the positioning and characteristics of each business.
- The Transportation Business, which includes railways and buses, real estate, and urban development make up the foundation of our business and guide residents to settle in the surrounding areas through the development of livable communities while also turning a profit.
- In contrast, our Life Service Business and Hotel and Resort Business create added value to infrastructures such as real estate and transportation. They are positioned to further increase business opportunities mainly by expanding the population in the specific areas they serve.
- In terms of business characteristics, the Transportation Business and the Real Estate Business require a large amount of invested capital, which can be expected to generate stable returns.
- On the other hand, our Life Service Business and Hotel and Resort Business require less capital to be invested, and their

volatility is higher than that of the Transportation Business, and we consider them to be businesses where we can expect higher returns.

Our vision for the future level of consolidated ROA

- The Hotel and Resort segment and the Life Service segment are excellent in terms of efficiency of return on investment, although they are far below our core businesses in terms of operating profit margin.
- In the future, we will work to improve consolidated ROA by enhancing collaboration between businesses and further internal growth of existing businesses in addition to expanding our floorspace by accelerating cyclical reinvestment and strengthening competitiveness by increasing value.



To improve ROA in each business

Increase properties leasing within the consolidated Group

1 Transportation	2 Real Estate (Leasing and operational management business)	3 Life Services Hotel and Resort	4 Real estate (sales)
<ul style="list-style-type: none"> • Revenue increase due to population growth and the opening of new railway lines • Internal growth through increasing efficiency 	<ul style="list-style-type: none"> • Expansion of our floorspace through cyclical reinvestment • Growth by increasing value through additional investment in existing assets 	<ul style="list-style-type: none"> • Internal growth through increased efficiency and profitability • Growth by increasing value through additional investment in existing assets 	<ul style="list-style-type: none"> • Creation of funds to accelerate cyclical reinvestment through the sale of equity interests in development properties

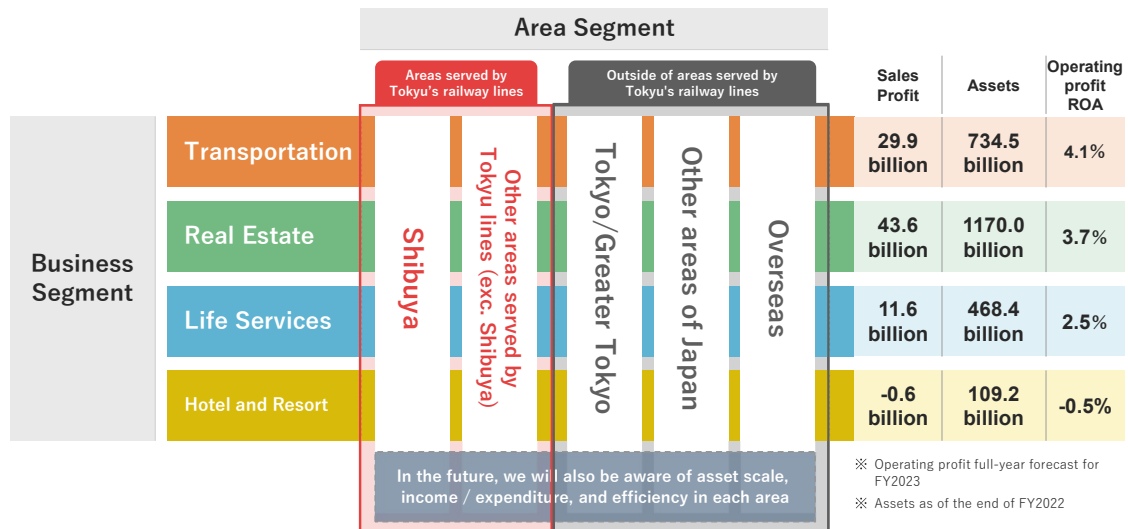
- Next is our ideas of appropriate asset size and returns.
- The figure in the middle of the slide shows the ROA and asset size of each business. The vertical axis is the ROA and the horizontal axis is the capital invested in each business.
- Businesses such as the Transportation Business and real estate leasing and management have large asset sizes and we expect stable returns from these businesses. However, their ROA is relatively low due to their large asset sizes.
- On the other hand, we operate the Hotel and Resort Business and the Life Service Business which have fewer assets and less invested in them, making the ROA of these businesses relatively high. Although the operating profit from sales of these businesses are significantly lower than those of the core businesses, they are in important positions for raising asset efficiency.
- In many cases, the Life Service and Hotel and Resort businesses are operated within properties that we have developed. This

allows us to maximize revenues from the properties we develop through inter-business collaboration.

- This, combined with asset-efficient real estate sales, including the sale of our interests in development properties, is expected to improve ROA on an overall consolidated basis.
- We plan to increase the asset efficiency and ROA of our entire consolidated business portfolio by enabling each business to grow considering the characteristics of the businesses as well as accumulating additional cash flows through inter-business collaboration.

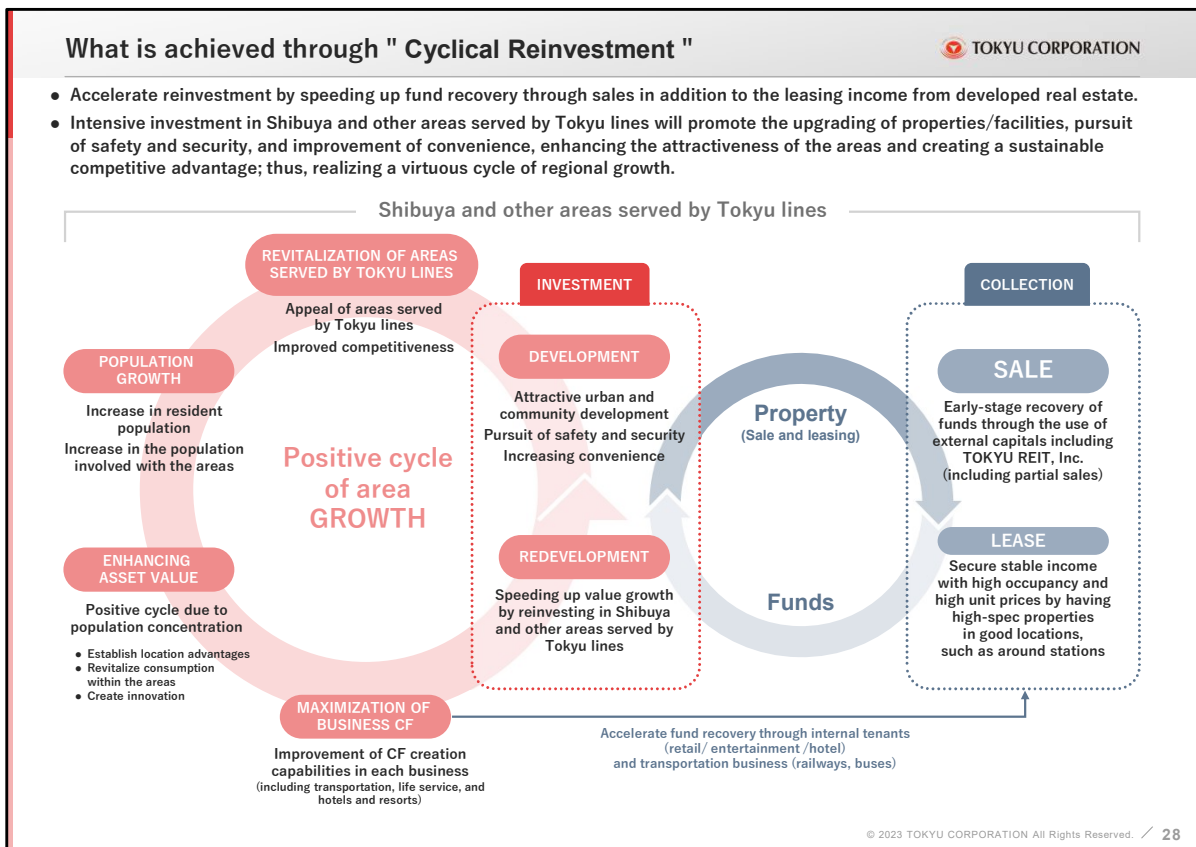
Investments and returns by business segment and area segment

- Tokyu is engaged in multiple businesses both in and outside of each area served by its railway lines, and creates value in each area through collaboration between businesses
- Awareness of not only asset size, income / expenditure, and efficiency of each business segment, but also asset size, income / expenditure, and efficiency, etc., for each area



※ The figure above is for illustrative purposes only. In reality, Tokyu does not operate all business segments in all areas, and operates businesses that are difficult to classify by area. We will consider disclosure in the future.

- We will create business value in each area by collaborating in the operation of multiple businesses in various areas and regions.
- Therefore, in the future, we will additionally consider the perspective of area segments in addition to the current business segmentation and pay attention to the asset size, income and expenditures, efficiency, etc. of each area segment in our work.
- We are seeking to seize better business opportunities by digging deeper into each area.



- Finally, I would like to show you what we aim to achieve in the future through the promotion of cyclical reinvestment.
- In the past, we based the recovery of our investments in our development projects mainly on lease revenue, however, we plan to further promote cyclical reinvestment, which accelerates reinvestment by speeding up the capital turnover, by strengthening the collection of funds through the sale of a portion of our equity interests.
At the same time, we will maintain our fee businesses by reserving a certain amount of equity.
- The distinctive characteristic of our company is to invest the collected funds cumulatively in Shibuya and the areas served by Tokyu lines.
- Real estate and facilities are redeveloped through intensive reinvestment in Shibuya and the areas served by Tokyu lines. Through this, we ensure safety and security against risks, particularly natural disaster risks, increase the convenience of the city, and elevate the appeal and competitiveness of the areas served by Tokyu lines as places for people to live, visit and work. As a result, more people, creative businesses, and facilities will gather, creating a virtuous circle of growth in the areas served by

Tokyu lines.

- Another characteristic of our businesses is that this virtuous circle maximizes the return from the businesses we operate in the areas served by Tokyu lines. The increase in the population and value in the areas served by Tokyu lines causes an increase in the number of users of our transportation systems. This accelerates the recovery of the capital invested in businesses such as retail stores, entertainment facilities and hotels, which are run on the real properties we have developed. At the same time, office vacancy rates are expected to decline. This will enable the acceleration of the investment in Shibuya and the areas served by Tokyu lines.
- Thus, cyclical reinvestment is our unique and highly leveraged business model, which creates sustainable and competitive advantages in the areas served by Tokyu lines, increases the value of our portfolio, enables additional cash flows through cooperation in a wide range of businesses, and accelerates our growth.
- We will further refine this model to increase the value of the areas served by Tokyu lines and our corporate value.