

Presentation for Investors for the year ended March, 2023



TOKYU CORPORATION

May 12, 2023

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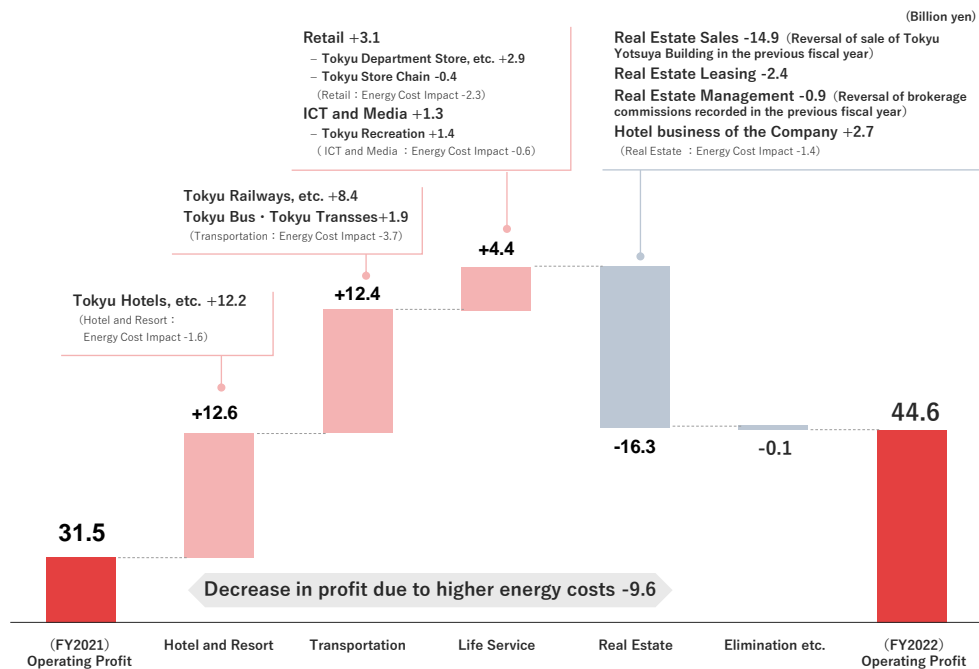
Main Points in the Results for FY2022

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

(Unit : Billion yen)	FY2021 Results	FY2022 Results	YoY Comparison	FY2022 Forecast as of February	Comparison with Forecasts
Operating Revenue	879.1	931.2	+52.1 (+5.9%)	928.8	+2.4 (+0.3%)
Operating Profit	31.5	44.6	+13.0 (+41.4%)	40.0	+4.6 (+11.5%)
Recurring Profit	34.9	47.3	+12.3 (+35.3%)	39.6	+7.7 (+19.6%)
Profit attributable to owners of parent	8.7	25.9	+17.2 (+196.0%)	22.0	+3.9 (+18.2%)
EPS (Earnings Per Share)	Yen Sen 14.58	Yen Sen 42.94	Yen Sen +28.36	Yen Sen 36.52	Yen Sen +6.42

- Operating revenue was 931.2 billion yen, with operating profit of 44.6 billion.
- Due strong performance in the Hotel and Resort Business thanks to the easing of immigration restrictions and nationwide travel support programs, and the recovery of demand in the Transportation Business, operating revenue increased by 52.1 billion year on year, with profit surging 13 billion over the same period.
- Profit attributable to owners of parent rose 17.2 billion yen year on year to 25.9 billion, reflecting higher investment gain from equity method and the absence of the significant impairment loss that was recorded in the previous year.
- Compared with the forecast as of February, profit increased 4.6 billion yen in part due to greater than expected reductions to disposal costs in the Transportation Business.

FY2022 Operating Income by Segment Financial Results Key Points



- Now I would like to describe key points about operating profit by segment in comparison with the previous year.
- Profit has increased considerably since the previous year, owing to a rebound in demand in the Hotel and Resort Business, as well as the Transportation Business.
However, profit in the Real Estate Business took a sharp downward turn in a reactionary decline from strong profit in the previous year.
- The impact of electricity rates and other rising energy costs caused an annual decrease of 9.6 billion yen in profit.

(Unit: Billion yen)	FY2021 Results	FY2022 Results	Change	Remarks	Forecast as of Feb.	Change
Operating Revenue	166.5	184.0	+ 17.4 (+ 10.5%)	Passengers Carried: +10.2% (Non-commuter: +14.5%; Commuter: +7.0%) Passenger Revenue: +11.7% (Non-commuter: +16.1%; Commuter: +5.5%)	184.1	- 0.0 (- 0.0%)
Tokyu Railways	121.7	134.8	+ 13.1 (+ 10.8%)	Passenger Revenue: 120.3 (+12.5)	134.6	+ 0.2 (+ 0.2%)
Tokyu Bus · Tokyu Transses	23.2	25.4	+ 2.1 (+ 9.3%)	Passenger Revenue: +9.1%	25.0	+ 0.3 (+ 1.4%)
Others	21.5	23.7	+ 2.2 (+ 10.3%)		24.4	- 0.6 (- 2.6%)
Operating Profit	- 3.9	8.5	+ 12.4 (-)		5.5	+ 3.0 (+ 55.2%)
Tokyu Railways	- 0.8	7.6	+ 8.4 (-)		5.3	+ 2.3 (+ 44.4%)
Tokyu Bus · Tokyu Transses	- 1.1	0.8	+ 1.9 (-)		0.3	+ 0.5 (+ 140.4%)
Others	- 2.0	- 0.0	+ 2.0 (-)		- 0.1	+ 0.1 (-)

Tokyu Railways: Breakdown of operating expense

(Unit : Billion yen)	FY2021 Results	FY2022 Results	2022-2021 Change
Total operating expense	123.0	127.5	4.4
Labor cost	31.8	32.5	0.6
Power Costs	5.4	8.6	3.1
Repair Costs	10.0	10.1	0.0
Expenses	34.9	35.2	0.2
various taxes	6.4	6.7	0.2
Depreciation and amortization	34.3	34.3	-0.0

- The Transportation Business posted operating revenue of 184 billion yen and operating profit of 8.5 billion. This corresponds to a 17.4 billion yen increase in operating revenue, and a 12.4 billion increase in operating profit year on year.
- In the Rail Business, Tokyu Railways generated 7.6 billion yen in operating profit, recording year-on-year increases in operating revenue and operating profit of 13.1 billion and 8.4 billion, respectively. Revenue from fares rose 11.7% overall, driving a 12.5 billion yen increase in operating revenue. On the cost front, while we continued to pursue reductions, high power costs and other factors drove costs up 4.4 billion yen year on year. Note that the number of passengers carried was down 16.7% compared with FY2019 levels.
- Tokyu Bus Corporation posted an operating profit of 0.8 billion yen, with operating revenue and operating profit recording year-on-year increases of 2.1 billion and 1.9 billion yen, respectively. In other areas, we recorded a slight overall operating loss in airport operation, regional transportation and so on, but this represented a 2 billion yen recovery from the previous year.
- Compared with the forecast as of February, the result of operating revenue was as expected, while operating revenue was 3 billion higher due to reduced disposal costs by Tokyu Railways.
- In the transportation segment overall, commuter pass performance at Tokyu Railways remains nearly 30% less than pre-pandemic levels, but there was progress in the recovery of non-commuter passengers carried, resulting in strong performance.

(Unit:Billion yen)	FY2021 Results	FY2022 Results	Change	Remarks	Forecast as of Feb.	Change
Operating Revenue	223.2	220.4	- 2.8 (- 1.3%)		220.4	+ 0.0 (+ 0.0%)
Real Estate Sales	57.2	41.1	- 16.0 (- 28.1%)		41.2	- 0.1 (- 0.3%)
Real Estate Sales of the Company	49.2	34.5	- 14.7 (- 29.9%)	Decrease in reaction to large scale properties sales in the previous year	34.0	+ 0.5 (+ 1.5%)
Real Estate Leasing	110.3	117.3	+ 7.0 (+ 6.4%)		116.2	+ 1.1 (+ 1.0%)
Real Estate Leasing of the Company	96.7	100.6	+ 3.8 (+ 4.0%)		99.8	+ 0.7 (+ 0.8%)
Real estate Management	31.5	29.8	- 1.6 (- 5.3%)		30.6	- 0.7 (- 2.4%)
Others	24.1	32.0	+ 7.8 (+ 32.6%)	Hotel business of the Company: +5.9	32.2	- 0.2 (- 0.7%)
Operating Profit	45.2	28.8	- 16.3 (- 36.2%)		28.8	+ 0.0 (+ 0.2%)
Real Estate Sales	21.6	6.7	- 14.9 (- 69.1%)		6.3	+ 0.3 (+ 5.5%)
Real Estate Sales of the Company	19.5	5.4	- 14.1 (- 72.2%)	Decrease in reaction to large scale properties sales in the previous year	5.4	+ 0.0 (+ 0.2%)
Real Estate Leasing	21.9	19.4	- 2.4 (- 11.3%)		20.2	- 0.7 (- 3.9%)
Real Estate Leasing of the Company	18.4	15.8	- 2.5 (- 13.7%)		16.5	- 0.6 (- 4.2%)
Real Estate Management	4.4	3.5	- 0.9 (- 20.3%)		3.2	+ 0.2 (+ 9.1%)
Others	- 2.8	- 0.8	+ 1.9 (-)	Hotel business of the Company: +2.7	- 1.0	+ 0.1 (-)

- The Real Estate Business posted operating revenue of 220.4 billion yen and operating profit of 28.8 billion.
This represents a 2.8 billion year-on-year decline in operating revenue, and a 16.3 billion year-on-year fall in operating profit.
- Real estate sales posted a 16 billion yen fall in operating revenue and 14.9 billion yen decline in operating profit, a reactionary fall due to higher figures from the sales of the Tokyu Yotsuya Building in the previous year.
- Real estate leasing showed signs of recovery particularly with commercial facilities, with operating revenue rising 7 billion yen year on year. However, increased utility expenses and higher costs due to repairs and other activities carried out resulted in a 2.4 billion yen year-on-year decline in operating profit.
- Real estate management recorded a 1.6 billion yen decrease in operating revenue and a 0.9 billion yen decrease in operating profit, reflecting the absence of brokerage commissions recorded by subsidiaries in the previous year.
- Other areas of the Real Estate Business posted operating revenue up 7.8 billion year on year, with operating profit increasing 1.9 billion over the same period.
MC Hotels, under which we record revenue and expenditures from two hotels, Cerulean Tower Tokyu Hotel and The Capitol Hotel Tokyu, saw operating revenue increase by 5.9 billion yen due to a recovery in occupancy rates and other factors, improving the loss amount by 2.7 billion yen.
- Compared with the forecasts as of February, both operating revenue and operating profit results were as expected.

(Unit: Billion yen)	FY2021 Results	FY2022 Results	Change	Remarks	Forecast as of Feb.	Change
Operating Revenue	330.8	332.8	+ 2.0 (+ 0.6%)		332.3	+ 0.5 (+ 0.2%)
Tokyu Department Store, etc. (※)	79.2	82.7	+ 3.4 (+ 4.3%)	Rate of Change in Sales: All Stores: +5.5%	81.3	+ 1.3 (+ 1.7%)
Tokyu Store Chain	204.1	209.9	+ 5.7 (+ 2.8%)	Rate of Change in Sales: All Stores: -2.6% Existing Stores: -3.0% Effect of merger with Tokyu Station Retail Service Co., Ltd. +9.7	210.9	- 1.0 (- 0.5%)
Others	47.3	40.2	- 7.0 (- 15.0%)		40.0	+ 0.2 (+ 0.6%)
Operating Profit	1.2	4.3	+ 3.1 (+ 254.9%)		3.0	+ 1.3 (+ 45.5%)
Tokyu Department Store, etc. (※)	- 2.9	- 0.0	+ 2.9 (-)		- 0.3	+ 0.2 (-)
Tokyu Store Chain	4.2	3.8	- 0.4 (- 9.9%)		3.2	+ 0.5 (+ 16.1%)
Others	- 0.0	0.6	+ 0.6 (-)		0.0	+ 0.5 (-)

(※) "Tokyu Department Store, etc." includes not only Tokyu Department Store Co., Ltd. but also NAGANO Tokyu Department Store Co., Ltd. And KITANAGANO Shopping Center Co., Ltd.

- The Life Service Business overall generated operating revenue of 517.2 billion yen, with operating profit of 11 billion. This represents a 14.4 billion yen increase in operating revenue and 4.4 billion yen rise in operating profit year on year.
- In the Retail Business, operating revenue was 332.8 billion yen with operating profit of 4.3 billion, corresponding to year-on-year increases of 2 billion and 3.1 billion yen, respectively.
- Tokyu Department Store Co., Ltd. improved profit by 2.9 billion yen, reflecting a reactionary increase from the state of emergency declarations that impacted the previous year, as well as reductions to SG&A expenses.
- As Tokyu Store Chain Co., Ltd. merged with a subsidiary developing stores inside train stations and other facilities, operating revenue increased by 5.7 billion yen, but on a real basis excluding the impact of the merger, operating revenue declined by 4 billion yen, due to a decline in demand for eating at home and hesitant buying due to sharply rising costs. Similarly on the cost front, operating profit fell 0.4 billion yen, in part reflecting rising energy costs.

(Unit: Billion yen)	FY2021 Results	FY2022 Results	Change	Remarks	Forecast as of Feb.	Change
Operating Revenue	171.9	184.3	+ 12.4 (+ 7.2%)		183.8	+ 0.5 (+ 0.3%)
Tokyu Recreation	22.3	27.8	+ 5.4 (+ 24.6%)		27.7	+ 0.1 (+ 0.4%)
its communications	26.7	26.4	- 0.3 (- 1.3%)		26.2	+ 0.1 (+ 0.7%)
Tokyu Agency	52.9	44.1	- 8.8 (- 16.7%)		42.6	+ 1.4 (+ 3.4%)
Others	69.8	85.9	+ 16.1 (+ 23.0%)	Tokyu Power Supply +14.5	87.1	- 1.1 (- 1.3%)
Operating Profit	5.3	6.7	+ 1.3 (+ 25.0%)		5.7	+ 1.0 (+ 17.8%)
Tokyu Recreation	- 0.6	0.8	+ 1.4 (-)		0.8	+ 0.0 (+ 0.4%)
its communications	3.2	3.2	+ 0.0 (+ 0.9%)		3.2	+ 0.0 (+ 2.0%)
Tokyu Agency	1.3	1.5	+ 0.1 (+ 11.9%)		1.2	+ 0.3 (+ 29.3%)
Others	1.4	1.0	- 0.3 (- 24.2%)	Tokyu Power Supply -0.3	0.4	+ 0.5 (+ 124.7%)

- In the ICT and Media business, operating revenue was 184.3 billion yen with operating profit of 6.7 billion yen, year-on-year increase of 12.4 billion and 1.3 billion respectively.
- Tokyu Recreation Co., Ltd. recorded a 5.4 billion yen increase in operating revenue and 1.4 billion yen rise in operating profit, reflecting a rebound from the previous year. its communications Inc. posted operating profit roughly equal to the previous year at 3.2 billion yen, while Tokyu Agency Inc. posted operating profit of 1.5 billion yen, an increase of 0.1 billion yen.
- In other business, operating revenue increased 16.1 billion yen, but operating profit declined by 0.3 billion yen.
Tokyu Power Supply, which operates an electricity retail business, recorded a 14.5 billion yen jump in operating revenue and a 0.3 billion yen decline in operating profit, driven by an increase in unit prices of fuel adjustment costs.

(Unit: Billion yen)	FY2021 Results	FY2022 Results	Change	Remarks	Forecast as of Feb.	Change
Operating Revenue	43.5	70.8	+ 27.2 (+ 62.7%)		68.7	+ 2.1 (+ 3.1%)
Tokyu Hotels, etc. (※)	32.3	56.5	+ 24.1 (+ 74.6%)		55.1	+ 1.3 (+ 2.5%)
Others	11.1	14.2	+ 3.1 (+ 28.1%)		13.5	+ 0.7 (+ 5.3%)
Operating Profit	- 16.7	- 4.1	+ 12.6 (-)		- 3.5	- 0.6 (-)
Tokyu Hotels, etc. (※)	- 15.4	- 3.2	+ 12.2 (-)		- 2.8	- 0.4 (-)
Others	- 1.2	- 0.8	+ 0.4 (-)		- 0.6	- 0.1 (-)

※ "Tokyu Hotels, etc." includes not only Tokyu Hotels Co., Ltd. but also Tokyu Corp., GK New Perspective One and T.H. Properties, Inc. that have held assets.

Key Indicators

- Tokyu Hotels, etc.

	FY2021 Results	FY2022 Results	Change
Occupancy Rates (%)	44.1%	70.6%	+26.5P
ADR (Yen)	10,441	12,920	+2,479
RevPAR (Yen)	4,606	9,116	+4,510

- Tokyu Hotels, etc. and Hotel operation for other companies

	FY2021 Results	FY2022 Results	Change
Occupancy Rates (%)	43.0%	69.9%	+26.9P
ADR (Yen)	11,350	14,245	+2,895
RevPAR (Yen)	4,882	9,955	+5,073

- In the Hotel and Resort Business, operating revenue was 70.8 billion yen with an operating loss of 4.1 billion. Operating revenue rose 27.2 billion yen on year, and profit improved by 12.6 billion.
- Tokyu Hotels posted a 24.1 billion yen increase in operating revenue and 12.2 billion yen improvement in operating profit year on year, reflecting the relaxing of restrictions on activity among other factors. The occupancy rate stood at 69.9%, with an average room rate of 14,245 yen.
- Compared with the forecast made in February, operating revenue increased due to the ability to secure high unit prices from inbound and spring vacation demand, but higher personnel expenses and other factors drove down profit.

	FY2021 Results	FY2022 Results	Change	Remarks	Forecast as of Feb.	Change
Operating Profit	31.5	44.6	+ 13.0 (+ 41.5%)		40.0	+ 4.6 (+ 11.5%)
Non-operating Revenue	17.2	17.1	- 0.1 (- 0.6%)		14.0	+ 3.1 (+ 22.5%)
Interest and Dividend Income	1.2	1.4	+ 0.2		1.5	- 0.0
Investment Gain from Equity Method	5.0	9.3	+ 4.2	Tokyu Fudosan Holdings: 8.2 (+2.6) ; Tokyu Construction: 0.8 (+1.8)	6.9	+ 2.4
Others	10.9	6.2	- 4.6	[Last Year] Subsidies for employment adjustment:3.2 (-2.9) [Last Year] COVID19 subsidies except employment adjustment:3.0 (-1.9)	5.6	+ 0.6
Non-operating Expenses	13.8	14.3	+ 0.5 (+ 4.0%)		14.4	- 0.0 (- 0.1%)
Interest	8.3	8.4	+ 0.1		8.5	- 0.0
Others	5.4	5.8	+ 0.4		5.9	- 0.0
Recurring Profit	34.9	47.3	+ 12.3 (+ 35.3%)		39.6	+ 7.7 (+ 19.6%)
Extraordinary Gains	23.4	10.7	- 12.7 (- 54.4%)		11.0	- 0.2 (- 2.5%)
Gain on Sale of Fixed Assets	14.4	0.3	- 14.0		0.4	- 0.0
Gain on Subsidies Received for Construction	1.3	5.6	+ 4.2		5.5	+ 0.1
Gain on Reversal of Urban Railways Improvement Reserve	2.5	2.5	-		2.5	+ 0.0
Others	5.1	2.1	- 2.9		2.6	- 0.4
Extraordinary Losses	31.4	16.7	- 14.7 (- 46.9%)		16.3	+ 0.4 (+ 2.5%)
Loss on Reduction of Subsidies Received for Construction	1.1	4.3	+ 3.1		4.1	+ 0.2
Others	30.2	12.4	- 17.8	[Last Year] Impairment Loss 25.1(-18.5)	12.2	+ 0.2
Income before Income Taxes and Minority Interests	27.0	41.3	+ 14.3 (+ 53.1%)		34.3	+ 7.0 (+ 20.7%)

- Non-operating profit fell 0.1 billion yen year-on-year to 17.2 billion, and investment gains from equity method increased 4.2 billion yen year on year to 9.3 billion. However, employment adjustment subsidies and COVID-19-related subsidies declined from the previous year.
- Extraordinary gains declined 12.7 billion yen to 10.7 billion. Due to the absence of a 14.4 billion yen gain on sale of fixed assets recorded in the previous year in part from the sale of land in in Kyobashi, extraordinary gains declined sharply.
- Extraordinary losses declined 14.7 billion yen year on year to 16.7 billion. The significant decline was due to the absence of the previous year's 25.1 billion yen impairment loss recorded in connection with Izukyu Corporation, among other factors.
- As a result, profit attributable to owners of parent stood at 25.9 billion yen, an increase of 17.2 billion year on year.

Assumptions for FY2023 Forecasts

- Business Environment**
- Business environment is expected to continue to improve due to normalization of socioeconomic activities.
 - Impact of higher energy prices and labor costs will be factored into each business.

Forecast of each business segment	Business Segment	Assumptions
	Transportation	<p>▶ Tokyu Railways</p> <ul style="list-style-type: none"> • Number of Passengers Carried : YoY +3.1% -14.1% from FY2019 • Passenger Revenue : YoY +14.9% -1.8% from FY2019 • Power costs : 11.8 billion (YoY+3.2 billion)
	Real Estate	<p>▶ Real estate sales Expect an increase in the number of units sold condominiums sales of the company.</p> <p>▶ Real estate leasing Vacancy rates and rent levels are the same as current levels.</p>
	Life Service	<p>▶ Tokyu Department Store Store sales decreased while rental income increased due to an increase in the fixed lease ratio resulting from store remodeling from the previous fiscal year.</p> <ul style="list-style-type: none"> • YoY Changes in Store Sales: All Stores -33.5%, Existing Stores -12.7% / YoY Changes in Sales (Including rent) : Existing Stores +9.6% <p>▶ Tokyu Store Chain</p> <ul style="list-style-type: none"> • YoY Changes in Store Sales: All Stores +3.9%, Existing Stores +2.0%
	Hotel and Resort	<p>▶ Hotel Business</p> <ul style="list-style-type: none"> • Both occupancy rate and ADR are expected to increase from the previous year due to recovery of inbound demand, etc. • The full-year occupancy rate : 79.0% YoY+9.1P • ADR※ : 18,218yen YoY +2,788yen ※ ADR figures include service charges.

↓

No change from the targets announced in September last year for both operating income and profit attributable to owners of parent for FY2023

Energy costs on a consolidated basis increased by approximately **7.9 billion yen** year-on-year. (+17.5 billion yen over 2 years from FY2021) , labor costs including base increase, are expected to increase by approximately **2.5 billion yen** year-on-year.

- The business environment is expected to continue on its recovery track due to the normalization of social and economic activity. On the cost front, energy prices are expected to continue to rise sharply to a certain degree, as with the previous year, and factors such as increased personnel expenses due to wage hikes will be reflected in the impact on each business.
- In light of these circumstances, our targets for operating profit and net income will remain unchanged from the levels announced in September last year for the final year of our three-year medium-term management plan.
- Additionally, we have factored in a 7.9 billion yen increase in energy costs from the previous year, and project an increase of 17.5 billion yen in total over the two-year period of FY2022 and FY2023. We also estimate that personnel costs will increase by around 2.5 billion yen due to wage hikes and other factors.

Main Points in Forecasts for FY2023

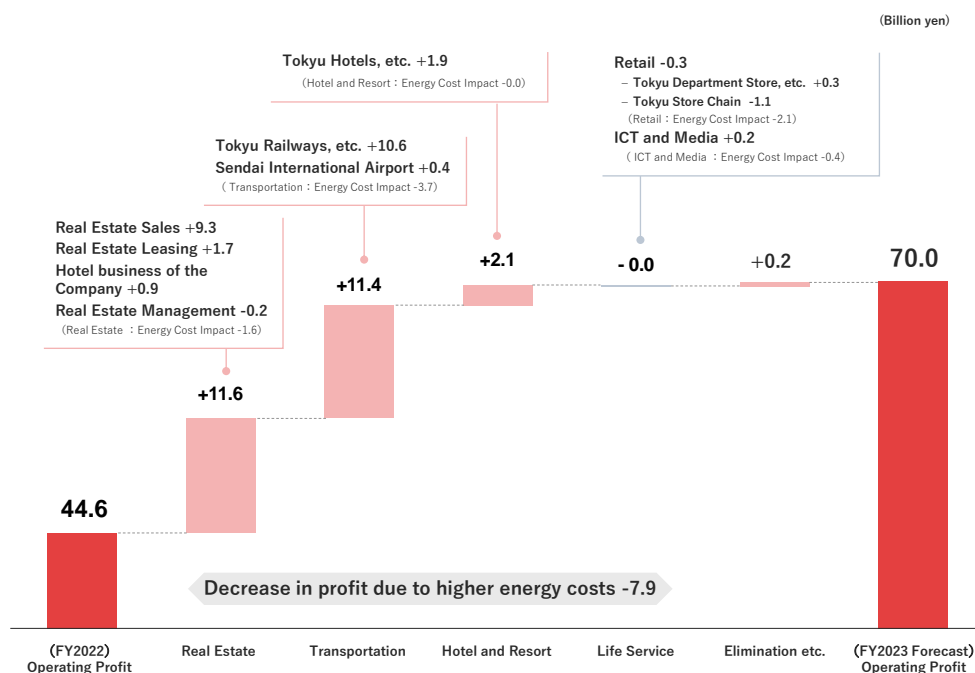
- Revenue increased by 99.3 billion yen due to higher revenue in all businesses, including the effect of fare revisions in Tokyu Railways and increased condominium sales in the real estate sales business.
- Operating income increased by 25.3 billion yen due to increased earnings in each business, despite the impact of energy price hikes and higher labor costs.

(Unit : Billion yen)	FY2022 Results	FY2023 Forecast	YoY Comparison
Operating Revenue	931.2	1,030.6	+99.3 (+10.7%)
Operating Profit	44.6	70.0	+25.3 (+56.9%)
Recurring Profit	47.3	70.2	+22.8 (+48.2%)
Profit attributable to owners of parent	25.9	40.0	+14.0 (+53.9%)
EPS (Earnings Per Share)	Yen Sen 42.94	Yen Sen 65.07	Yen Sen +22.13

- Revenue will increase across all businesses due to the effects of fare revisions at Tokyu Railways, an increase in the handover of completed condominium units in real estate sales. We expect operating revenue to increase 99.3 billion yen to 1.0306 trillion, with operating profit increasing by 25.3 billion yen to 70 billion, driven by higher revenue even when accounting for the effects of soaring energy prices and rising costs such as personnel expenses.
- Profit attributable to owners of parent is also expected to increase by 14 billion yen to 40 billion yen, buoyed by higher operating revenue and profit.

FY2023 Operating Income by Segment Forecast Points

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- Now I would like to describe projected operating profit on a per-segment basis compared with the previous year.
- In the Real Estate Business, real estate sales are expected to increase by 11.6 billion yen, in part due to the upcoming delivery of tower condominium units.
- In the Transportation Business, we have incorporated higher energy costs for Tokyu Railways and still expect operating revenue to increase 11.4 billion yen, reflecting fare revisions and other factors. Note that the number of passengers carried for the full year is expected to decline 14.1% compared with FY2019, with revenue from fares projected to decline by 1.8%.
- In the Hotel and Resort Business we forecast a 2.1 billion yen increase in operating revenue.
While we project a significant improvement at existing hotel properties, we have incorporated opening expenses and other factors in connection with the two hotels opened in Tokyu Kabukicho Tower.
- The Life Service Business is expected to perform on par with the previous year.
While we expect the Retail Business and ICT and Media Business to increase operating revenue, we project rising costs from higher utility expenses.