

Results in the First Half of FY2019 Presentation for Investors



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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 . Executive Summary

Main Points in the Results for 1H FY2019

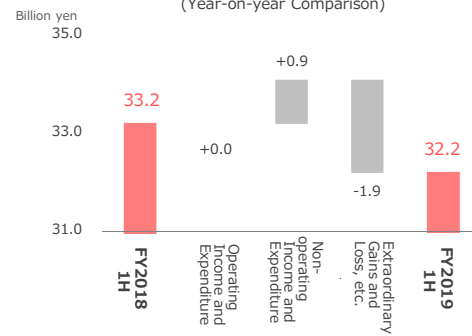
[Year-on-year comparison] Operating revenue increased in the Real Estate Leasing Business, where Shibuya Stream (which opened in September the previous year) contributed to revenue, and in the Railway Operations Business. Meanwhile, expenses rose in the Real Estate Leasing Business where SHIBUYA SCRAMBLE SQUARE was opening, and in the Hotel Business. Operating profit was on a par with the year-ago level.

| (Unit:Billion yen) | 1H Results | Last year Results | YoY Comparison | |
|---|------------|-------------------|----------------|----------|
| Operating Revenue | 580.1 | 572.0 | + 8.0 | (+ 1.4%) |
| Operating Profit | 44.8 | 44.8 | + 0.0 | (+ 0.0%) |
| Recurring Profit | 46.0 | 45.1 | + 0.9 | (+ 2.1%) |
| Profit attributable to owners of parent | 32.2 | 33.2 | - 1.0 | (- 3.1%) |

Operating Profit by Segment
(Year-on-year Comparison)



Profit attributable to owners of parent
(Year-on-year Comparison)



○ Here are the main points from the first half.

○ Operating revenue increased 8.0 billion yen, to 580.1 billion yen. This was mainly due to the Company's Real Estate Leasing Business, where Shibuya Stream, which opened in the previous fiscal year, contributed to revenue, and a rise in revenue in the Transportation Business.

○ Operating profit was on a par with the year-ago level, primarily due to expenses related to the opening of SHIBUYA SCRAMBLE SQUARE and a rise in expenses in the Hotel Business.

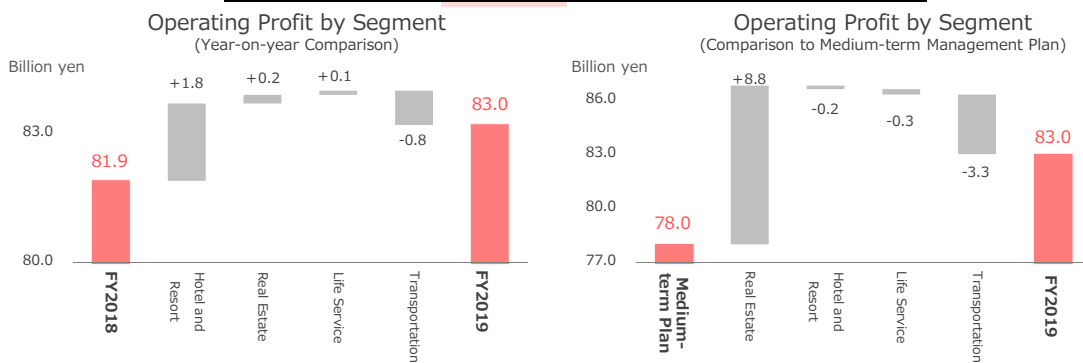
○ Profit attributable owners of parent stood at 32.2 billion yen, a decline of 1.0 billion yen, due to the absence of the posting of gains on the sale of stock in the previous year.

Main Points in Forecasts for FY2019

[Year-on-year comparison] Operating profit rose, mainly reflecting renovations and new openings in the Hotel Business, despite such factors as increased depreciation in the Railway Operations due to the introduction of a new model train.

[Comparison to Medium-term Management Plan] Operating profit increased due in part to the steady performance from properties in the Real Estate Leasing Business, despite increased cost in the Company's Railway Operations.

| (Unit:Billion yen) | Full Year Forecast | YoY Comparison | Comparison with Management Plan |
|---|--------------------|-----------------|---------------------------------|
| Operating Revenue | 1,198.9 | + 41.4 (+ 3.6%) | + 5.4 (+ 0.5%) |
| Operating Profit | 83.0 | + 1.0 (+ 1.3%) | + 5.0 (+ 6.4%) |
| Recurring Profit | 82.8 | + 0.8 (+ 1.1%) | + 5.7 (+ 7.4%) |
| Profit attributable to owners of parent | 58.0 | + 0.1 (+ 0.3%) | + 4.0 (+ 7.4%) |



• With respect to the forecast for FY2019, the performance forecast in the summary of financial statements for FY2018 (announced on May 13, 2019) is reposted here because no change has been made from the forecast announced on that day.

○ The full-year forecast for fiscal 2019 remains unchanged.

○ For the current fiscal year, operating profit is expected to increase 1.0 billion yen year on year, to 83.0 billion yen, despite expenses for the launch of large-scale projects, among other factors.

Points in Forecasts for FY2019 (Topics in Second Half)

- Consolidated results and major initiatives are making good progress overall, and the forecasts remain unchanged.
- Major factors expected in certain segments are described below. We will closely watch them.

| Item | Points expected in the second half |
|--------------------------|--|
| Real Estate segment | Effects of and expenditure for the opening of SHIBUYA SCRAMBLE SQUARE Phase I (East Building) and Minami-machida Grandberry Park |
| Hotel and Resort segment | Assessment of changes in the market environment (declining demand from inbound tourists from East Asia, intensifying competition, etc.), effects of natural disasters, and steps to be taken in reaction to them |

○ Business results and major initiatives are making good progress toward the achievement of the full-year forecast overall. With this in mind, I would like to provide a supplementary explanation of the two points that are expected in the second half.

○ Firstly, we will take into consideration the effects of the launch of large-scale projects in Shibuya and Minami-machida and temporary expenditure for these launches.

○ Secondly, we will take measures to address the recent weaker-than-expected results due to changes in the market environment and natural disaster effects in the Hotel Business.

○ We will reflect updates including these points in future forecasts, which will be announced as necessary going forward.

II . Conditions in Each Business

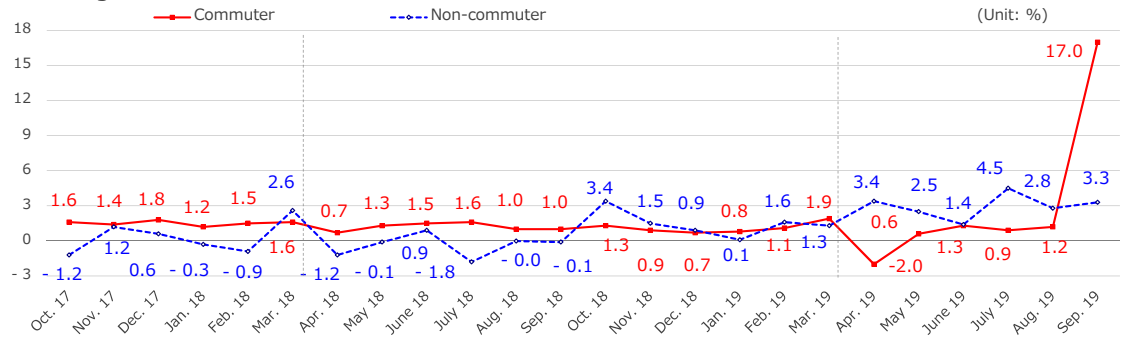
Railway Operations Business

Passengers Carried and Passenger Revenue

(Thousand people, Million yen)

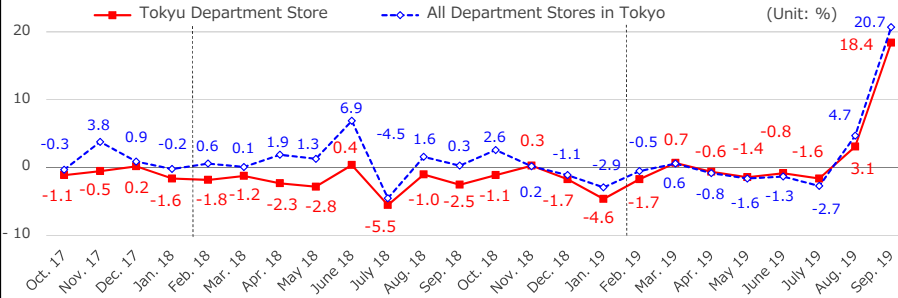
| | | FY2019 1H Results | FY2018 1H Results | Change | FY2019 Forecast | FY2018 Results | Change |
|------------------------------|--------------|-------------------|-------------------|--------|-----------------|----------------|--------|
| Number of Passengers Carried | Total | 618,647 | 599,979 | + 3.1% | 1,205,711 | 1,189,316 | + 1.4% |
| | Non-commuter | 240,767 | 233,734 | + 3.0% | 478,386 | 470,648 | + 1.6% |
| | Commuter | 377,880 | 366,245 | + 3.2% | 727,325 | 718,668 | + 1.2% |
| Passenger Revenue | Total | 72,996 | 70,837 | + 3.0% | 143,324 | 141,385 | + 1.4% |
| | Non-commuter | 39,343 | 38,148 | + 3.1% | 78,065 | 76,827 | + 1.6% |
| | Commuter | 33,653 | 32,689 | + 2.9% | 65,259 | 64,558 | + 1.1% |

Passengers Carried (Year-on-year Comparison)



Retail Business

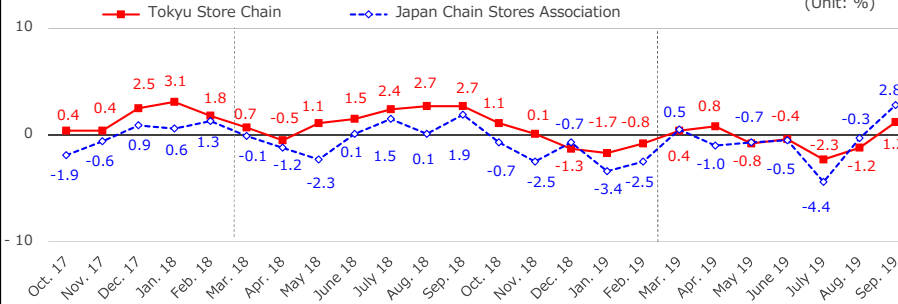
Tokyu Department Store: Sales (Year-on-year Comparison)



Sales by category

| | 2020/1 1H | |
|------------------------|--------------------|--------|
| | Rate of YoY change | Share |
| Menswear/furnishings | -7.5 | 3.2% |
| Womenswear/furnishings | -6.5 | 15.4% |
| Other clothing items | 1.6 | 4.3% |
| Personal items | -0.6 | 9.3% |
| Miscellaneous goods | 3.5 | 17.9% |
| Household articles | -5.8 | 2.8% |
| Food | 0.0 | 45.3% |
| Others | -0.6 | 1.8% |
| Total | -0.9 | 100.0% |

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

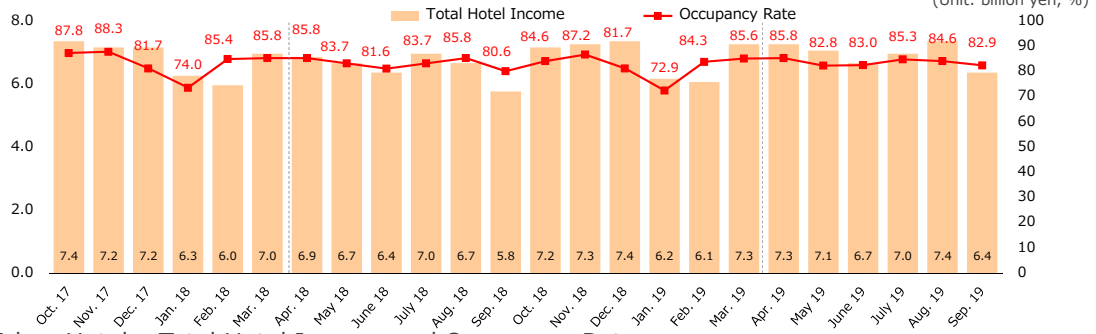


Sales by category

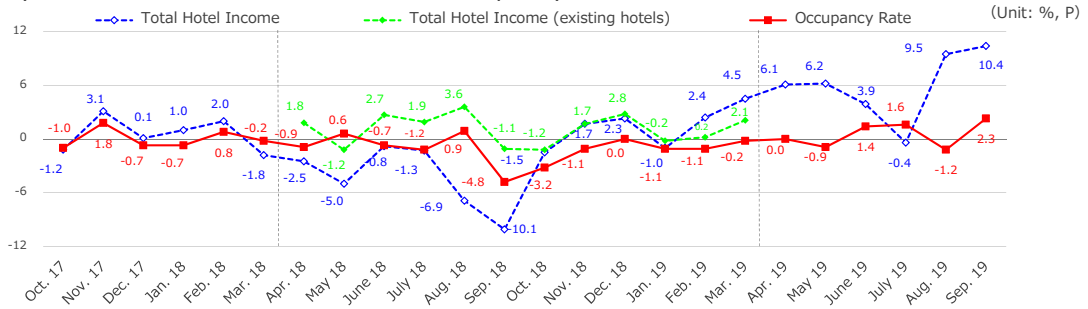
| | 2020/2 1H | |
|------------|--------------------|--------|
| | Rate of YoY change | Share |
| Food | -0.4 | 88.6% |
| Clothing | -2.3 | 1.5% |
| Livingware | 0.2 | 4.9% |
| Others | -3.4 | 5.0% |
| Total | -0.6 | 100.0% |

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

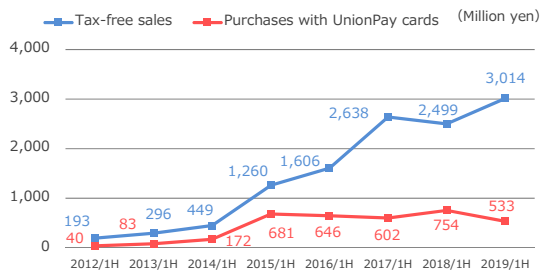


the Duty Free Sales Counter in the Tokyu Toyoko Store, West Bldg., 5F



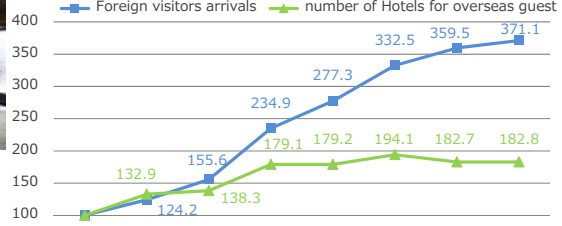
Tourist information center at Shibuya Station on the Tokyu and Tokyo Metro lines

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



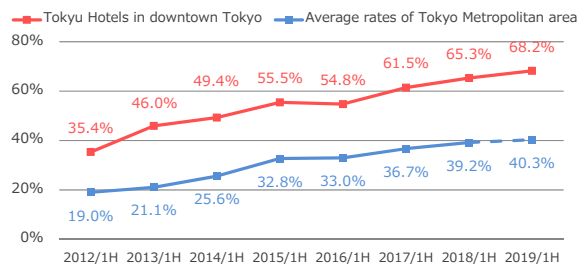
* Total sales of the Tokyu Toyoko Store, Head Store, and ShinQs.

<Trends in foreign visitors arrivals and our inbound efforts>




* Tokyu Hotels here indicates the total of the all hotels in Japan.
* The foreign visitors arrivals are based on the statistical data by Japan National Tourism Organization (JNTO).

<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 2019/1H 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.

 Memo

III. Progress in Management Plan and Recent Initiatives

Basic Policies and Key Initiatives

“Make the Sustainable Growth”

Basic Policies

- Sustainable “urban development”
- Sustainable “corporate development”
- Sustainable “HR development”

Key Initiatives

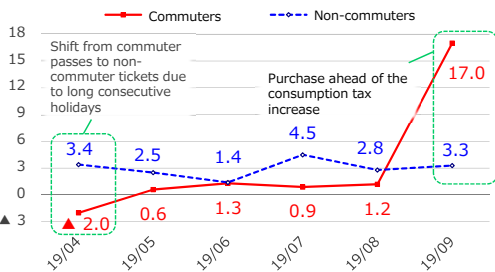
- (i) **Tirelessly pursue “safety,” “security” and “comfort.”** (Strengthen core railway business.)
- (ii) **Increase SHIBUYA’s global appeal.** (Realize “Entertainment City SHIBUYA.”)
- (iii) **Continuously improve the TOKYU area’s value and life value.** (Demonstrate Group’s all-round strength.)
- (iv) **Expand business through strategic alliances.** (Pursue collaborative creation with partners both inside and outside the Group.)
- (v) **Make progress on workstyle innovation.** (Deploy TOKYU workstyle reforms.)

Activities in Railway Business

Making investments in providing customers, the number of which is expected to continue rising, with safe and comfortable train rides

Trend in the Number of Passengers

The Number of Passengers Carried on Tokyu Lines (year-on-year difference (%))

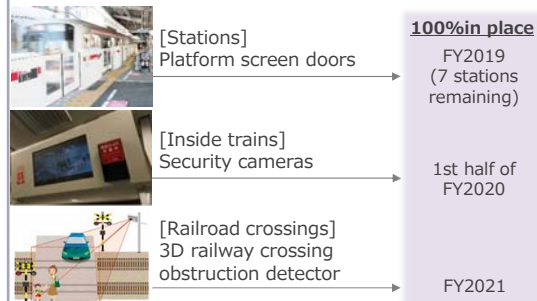


- In the first half of the fiscal year, commuters increased 3.2% and non-commuters increased 3.0%.
- The number of passengers carried has been steadily increasing, without accounting for special factors.

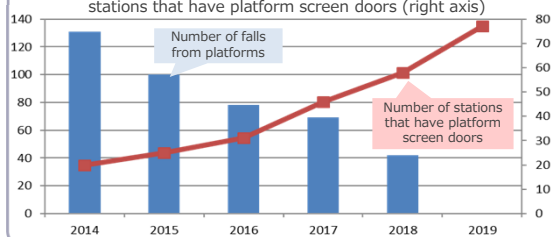
Increase in Transportation Capacity

- Revision of service timetable: increase in trains leaving early in the morning and late afternoon to reduce overcrowding (Den-en-toshi Line, Meguro Line, etc. from March 2019)
- Extension of trains: extension of Meguro Line from 6 cars to 8 cars (completed by the opening of Tokyu Shin-Yokohama Line in the latter half of FY2022)

Active Placement of Safety Devices



The number of falls from platforms (left axis) and the number of stations that have platform screen doors (right axis)



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○ I will now explain the activities that we are undertaking according to the Medium-term Management Plan and recent topics.

○ First of all, I will start with the Railway Business.

The trend in the number of passengers has been somewhat atypical due to the effects of long consecutive holidays and the consumption tax hike. Overall, however, the number has been rising in line with expectations.

○ With respect to the safety enhancements shown on the right of the slide, we will complete the placement of platform slide doors at all of our stations by the end of this fiscal year, and we will also aim to achieve the “100% in place” by installing security cameras and railway crossing obstruction detectors.

○ As shown here, with the number of falls declining steadily since the placement of platform slide doors, we believe that we are contributing not only to safety enhancements but also to efficient business operation through stable transportation.

Visions of Tokyu Railways

Enhance safe, secure, and comfortable railway services by splitting the Railway Business Divisions

■ Slogan

**"For people, cities,
and the future"**

■ 3 policies



■ Significance of establishment

(What to change)

Increase the level of specialization and improve human resource skills and technical skills

- **Improve the ability to think and put ideas into practice** (enhancement of education, training, and work styles)
- **Ensure steady technology transfer and use** (establish an organization specializing in technology)

Speedy management system, focusing on the workplace

- **Take detailed measures in line with the characteristics of each route** (introduce an area system)
- **Build a system that allows decision-making near the workplace** (place personnel with a focus on the workplace)

(What not to change)

Core nature

Co-creation

Advanced performance

○ I will now move on to the company split of the Railway Business Divisions.

We are delighted that the new Tokyu Railways commenced operation in October.

○ As presented on the slide that we shared in September in conjunction with the business policies, we will increase the level of specialization through the establishment of new technical departments and the introduction of an area system in workplace management, among other measures. By doing so, we will improve human resource skills and technical skills and create a prompt management system.

○ On the other hand, we specified three elements that should remain unchanged, namely core nature, co-creation, and advanced performance.

We will continue to make the most of what we have accomplished so far.

SHIBUYA SCRAMBLE SQUARE Phase I (East Bldg.) Opens on November 1

Commercial facilities, observation deck, pedestrian traffic line, etc. are directly connected to and placed directly above the station to increase Shibuya's customer drawing power and navigability.



Total floor area: approx. 181,000 sq. meters
Height: approx. 230 m, 47 floors above ground and 7 basement levels

Observation deck
Offices
Commercial facilities
Social gatherings

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Commercial facilities
4 days after opening
A total of 330,000 visitors
(Commercial facilities and Observation deck)



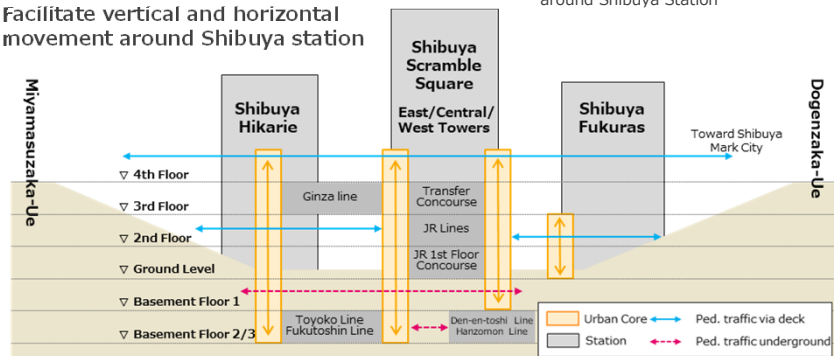
SHIBUYA SKY
One of Japan's largest rooftop observation decks and highest in Shibuya (approx. 230 m)



Offices
Major tenants: mixi, WeWork, CyberAgent, NN Life Insurance, etc.

Total leasable area (approx. 73,000 sq. meters) is one of the largest in the area around Shibuya Station

■ Facilitate vertical and horizontal movement around Shibuya station



Images: Copyright: Shibuya Station Area Kyodo Building operators

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○ I will now provide an update on SHIBUYA SCRAMBLE SQUARE.

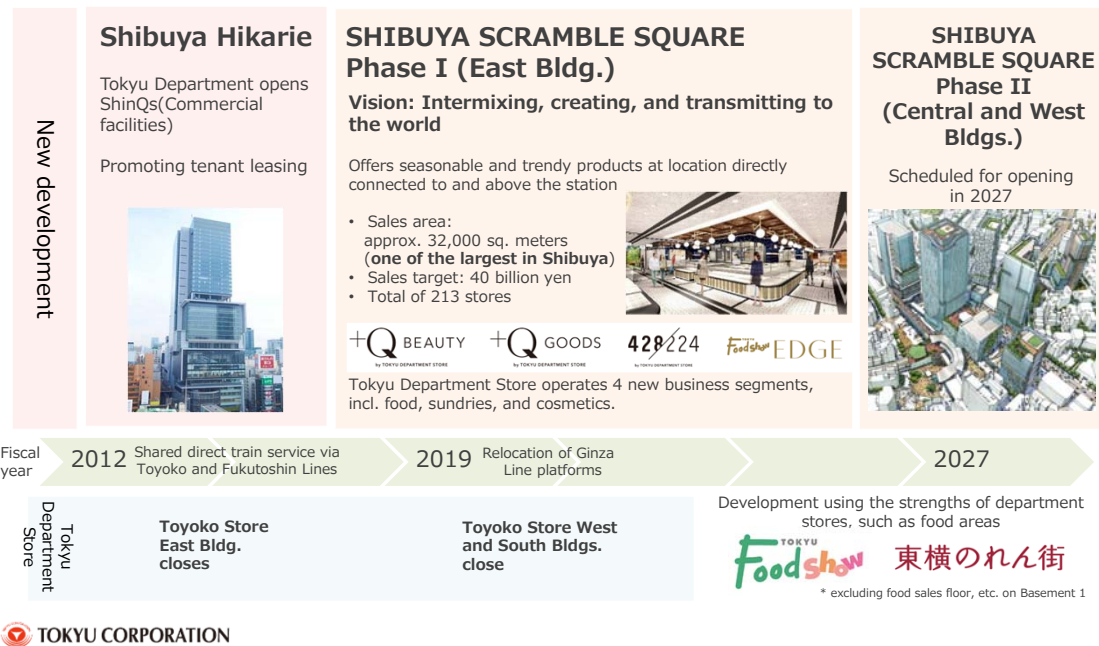
○ Based on data compiled in the first four days after the opening on November 1, the number of people who visited the facility totaled 330,000, of which more than 20,000 people visited SHIBUYA SKY, a rooftop observation deck, reflecting the much-talked-about popularity of the unprecedented observatory experience. Thanks to such a large number of visitors, we were able to commence operation on a positive note.

○ As some of you may already know, the building offers a range of facilities including offices, commercial facilities, and facilities for inter-industry exchanges, by making the most of its location, which features a direct connection to the station. Thanks to such facilities, the building has the power to attract customers.

○ In the Shibuya area which is a basin like land shape as the geographical feature as shown on the lower right of the slide, we installed spaces called Urban Cores in which people can move vertically, and also improved the pedestrian traffic lines to ensure that people can walk to or from Shibuya Hikarie and Shibuya Fukuras directly through underground passages or decks. By the improved navigability around the station, we aim to create a new landmark in Shibuya.

Improvement of New Business Forms of Tokyu Department Store in line with Shibuya Redevelopment

While the Tokyu Department Store Toyoko Store will close,* stores with new segments using the strengths of a department store will open.



○ As explained in the center, the commercial facilities have one of the largest areas in Shibuya, and under the vision of “intermixing, creating, and transmitting to the world,” they offer highly seasonal and trendy products through the opening of the first shops in Japan or Shibuya as well as Tokyu Department Store’s new store business segments that feature food, sundries and cosmetics.

○ I would now like to provide you with an update on the Tokyu Department Store Toyoko Store, which is located adjacent to the facility.

○ As already announced, it will close in March next year, apart from some stores. As described in the lower part, the closure corresponds to the redevelopment of Shibuya, which started with the commencement of the shared direct train service via the Toyoko and Fukutoshin Lines in 2012 and the opening of Shibuya Hikarie.

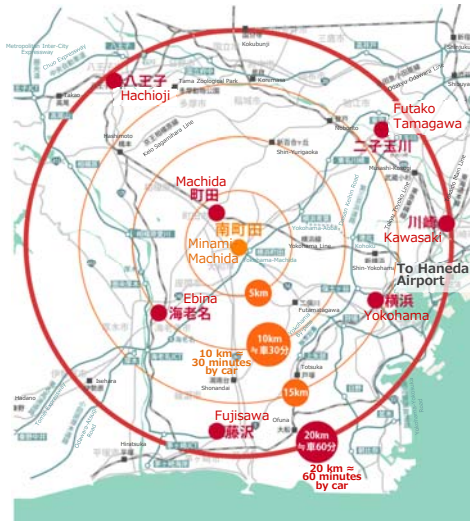
○ The development of the areas in the vicinity of the station will continue until phase II, which is scheduled for opening in 2027. With a view to the opening, we will strive to promote businesses that meet the needs of the times going forward, particularly in the area of food, which is one of the Tokyu Department Store’s strengths.

Minami-machida Grandberry Park Opens on November 13

Unified development of commercial facilities and Tsuruma Park in cooperation with the Machida City government
Under the concept of a “life amusement park,” aim for more than 14 million visitors/year

High accessibility

Directly connected to Minami-machida Grandberry Park Station on the Den-en-toshi Line
Adjacent to National Route, 1 km from Tomei Yokohama Machida interchange (buses directly go to Haneda Airport)



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Traffic

Increase in travelers using trains to go to suburbs

All express trains stop
Increase in trains directly connected to the Oimachi Line



Commercial facilities

Store floor area
Approx. 53,000 sq. meters
(roughly equivalent to Futako-Tamagawa redevelopment)



Activities

Size of development area including the park
Approx. 220,000 sq. meters

(approx. 1.2 times the size of the Futako-Tamagawa redevelopment)



Tsuruma Park sports area



SMT
Snoopy Museum



Cinema complex

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○ Minami-machida Grandberry Park opens tomorrow, November 13, in front of the station at Minami-machida that is served by the Den-en-toshi Line.

○ The Park was created in cooperation with the Machida City government based on the concept of the unified development of commercial facilities and a park.

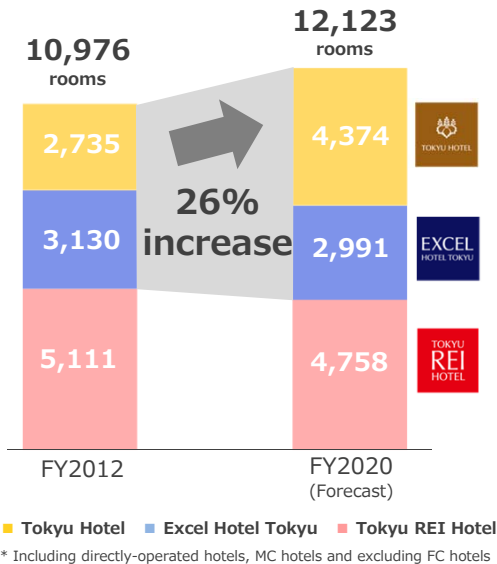
○ As shown in the drawing on the left, the Park is located in front of the station, and in addition, due to its close proximity to the Yokohama Machida interchange, it features a commercial area with a radius of nearly 20 kilometers and the availability of buses that travel directly to Haneda Airport. By leveraging its high accessibility, we are aiming for more than 14 million visitors per year.

○ The size of the developed area, which includes commercial facilities and other experience-oriented facilities such as a sports area and a cinema complex, as well as Japan’s only Snoopy Museum, is larger than that of the Futako-Tamagawa redevelopment. We will offer a nationally unique facility-equipped space featuring the fusion of excellent traffic convenience, nature and a range of activities, and create new appeal in the town.

Increasing Competitiveness of Tokyu Hotels

Promote the opening of new businesses in major cities across Japan focusing on "Tokyu Hotel" and "Excel Hotel Tokyu" brands

■ Changes in the Number of guest rooms by brand



■ New store openings and renovation

FY2019

Osaka Excel Hotel Tokyu



Shibuya Tokyu REI Hotel (renovation)



FY2020

Fujisan Mishima Tokyu Hotel



Yokohama Tokyu REI Hotel



From FY2021

Shinjuku Milano plan



Kyoto Higashiyama hotel plan



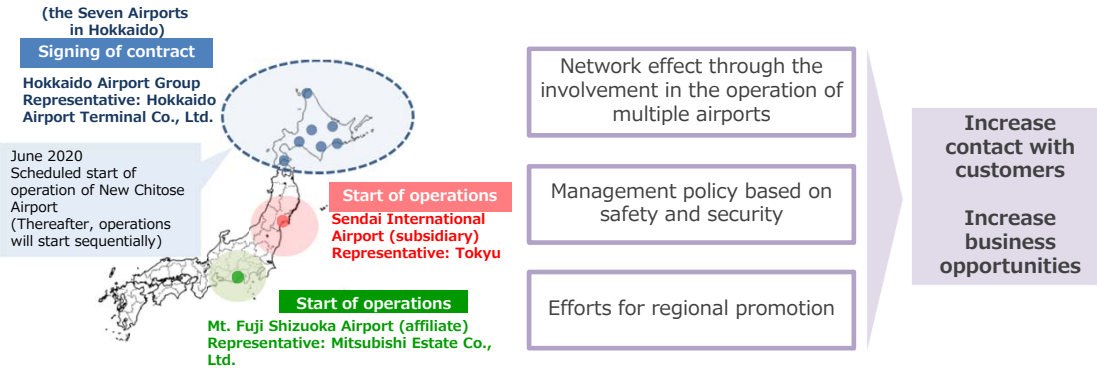
○ I will now provide an explanation of the status of new store openings in the Hotel Business.

○ The Group offers hotels under three brands. As shown in the bar graph, in recent years, we have been promoting them with a focus on brands that feature enhanced competitiveness, high quality and high unit prices.

○ Osaka Excel Hotel Tokyu opened this autumn. Next year, Fujisan Mishima Tokyu Hotel, which is expected to be a base facility for Mt. Fuji tours, will open, followed by another hotel that will operate according to the Shinjuku Milano plan.

Expansion of Airport Operation Business through Strategic Alliances

Build business bases in multiple regions and serve the increasing Non-resident population to achieve growth

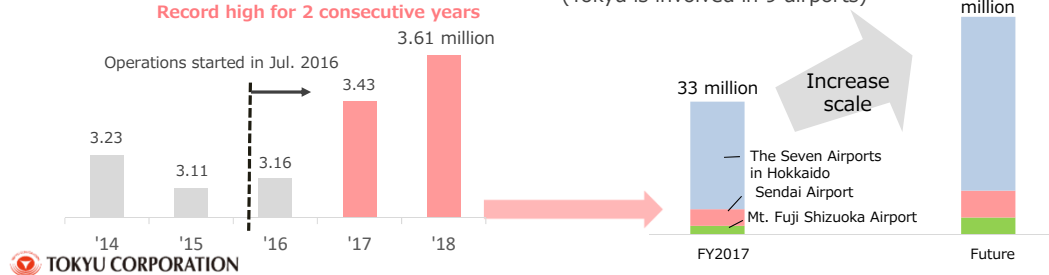


Changes in the number of travelers

(Sendai Airport)

Record high for 2 consecutive years

(Tokyu is involved in 9 airports)



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○ With respect to the Airport Operation Business, we are already involved in operation at Sendai International Airport and Mt. Fuji Shizuoka Airport. In addition, we reached an implementation agreement last month through an alliance of 17 companies for the operation of seven airports in Hokkaido.

○ As shown in the bar graph on the lower right, with involvement in the operation of several airports, we can establish contact with more than 53 million customers in total, based on simple calculations. This is a major advantage that we wish to leverage for the creation of future business opportunities and growth.

ESG initiatives To Achieve Sustainable Management

Create a low-carbon, recycling-oriented society through environmentally-friendly community development, energy conservation, and use of renewable energy

Examples of environmental efforts

■ Setagaya Line operated with 100% renewable energy

Japan's 1st urban commuter train with zero CO₂ emissions



■ Energy-saving with new train cars

Power used by new cars is approx. 50% of old cars.

Use on Den-en-toshi Line and Oimachi Line



■ Acquisition of environmental certifications

Environmental certification "LEED ND" (Neighborhood Development)

Futako-Tamagawa Rise: Gold certification

Minami-machida Grandberry Park: Preliminary Gold certification

Long-term environmental target (CO₂ emissions*)

By 2050, acquire

renewable energy

for all power used in business

Applicable to Scope 1, 2

Joining RE100

RE100 is a cooperative initiative among globally influential companies that are working to achieve 100% renewable energy

RE 100

Date joined:

October 25, 2019

THE CLIMATE GROUP



○ We will now provide you with an update on our ESG initiatives.

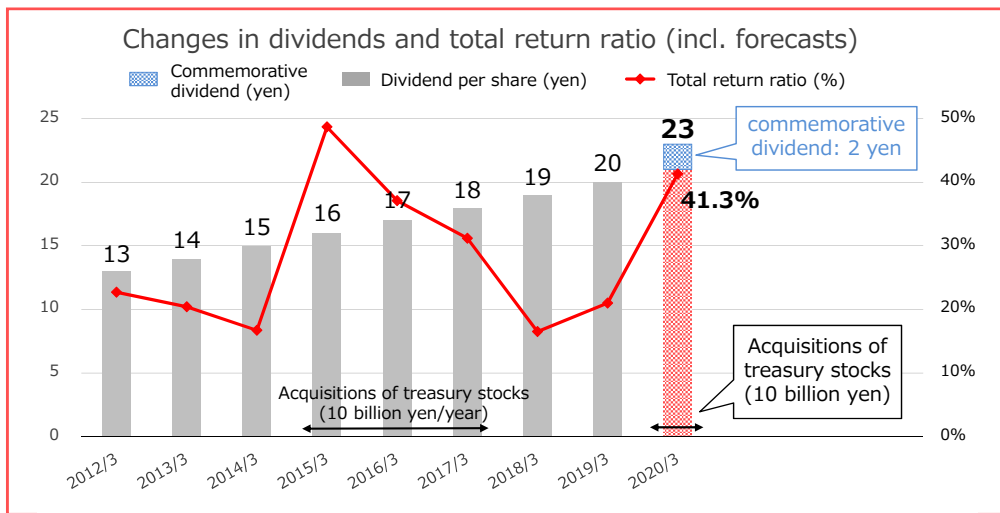
○ The Company has a range of business areas and is working actively on a broad range of important topics related to sustainability.

○ To implement one of these themes, namely an initiative for the creation of a low-carbon, recycling-oriented society, we commenced Japan's first operation of urban railway services with 100% renewable energy on the Setagaya Line in March of this year.

○ To clarify this activity, the Company set the long-term environmental target of acquiring renewable energy for all power used in businesses by 2050 and also joined RE100, an international cooperative initiative that promotes renewable energy, last month.

Shareholder Returns

In addition to a dividend increase in 8 consecutive years, a commemorative dividend will be paid and treasury stocks will be purchased in the FY ending March 2020.



Shareholder return policy

Target in the Medium-term Management Plan (2018-2020)
Total return ratio of 30%
when the large investment in growth ends for now

Achieve total return ratio of 30%

○ I will now provide details of the shareholder returns.

○ Recently, we implemented the company split of the Railway Business Divisions and recommenced operation as Tokyu Corporation. In addition, large-scale development projects were launched as scheduled. With this in mind, to show appreciation to shareholders for their daily support, the Company has decided to pay an annual dividend of 23 yen per share including a memorial dividend of 2 yen per share, as announced yesterday.

○ In the Medium-term Management Plan, a total return ratio of 30% has been our target. Now, in consideration of the steady business results, we have decided to implement the acquisition of treasury stocks with an upper limit of 10 billion yen.

○ Looking ahead, in consideration of the long-term management initiative announced in September, we will enhance shareholder returns through further business growth while maintaining a total return ratio of 30% at minimum.