

Long-Term Management Initiative

- Creating a beautiful living environment for our future -



September 2, 2019

TOKYU CORPORATION

(9005)

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

Introduction

Ever since our foundation, we have been striving to solve social issues through **urban development** based on the railway business. At present, the overall Tokyu Group is working on the redevelopment of Shibuya in our medium-term management plan under the slogan of **"Make the Sustainable Growth."** With this and other initiatives, our businesses are making steady progress and our management is on a path of stable growth.

On the other hand, looking at society, we see globalization and digitalization making progress at an accelerated rate and our business environment being subject to significant changes like never before, including the actualization of climate change risks. I think we need to keep in mind that business models that are believed to be robust are likely to collapse within a short period of time.

In this environment, we have formulated a long-term management initiative in the belief that it is time to work quickly on **the enhancement of the group management system**, including the split of the railway business divisions, and clearly indicate **Tokyu's visions for the future and the direction in which Tokyu will go.**

In formulating this initiative, we reaffirmed that the group slogan, **"Toward a Beautiful Age- Tokyu Group,"** is a universal standard of value, and set **"Creating a beautiful living environment for our future"** as the subtitle. While further advancement is required for the achievement of both the resolution of social issues through business operations and the growth of the business, I believe that we can achieve these by squarely addressing **the material themes for sustainable management**, which we formulated with awareness of the SDGs and others, and moving ahead steadily in our unique own way.

The final chapter shows Tokyu's visions for the future (visions for 2050), which says, **"Achieving the development of "A City Adored by People around the World' by providing social values originally created by Tokyu."** I am sure that only Tokyu, a one-of-a-kind company that has a wide range of business domains, can achieve this vision. This is both the expression of my own determination and a challenge we take on at Tokyu.

If the initiative helps our stakeholders understand our visions, I could not be happier.

Kazuo Takahashi
President & Representative Director

○ Today, September 2, we have introduced the new Japanese company name of *Tokyu Kabushiki Kaisha*, which continues to stand as a holding and operating company, retaining our English name of Tokyu Corporation, in a move to spin off our railway business divisions, which are set to be incorporated under the name of Tokyu Railways Co., Ltd.

○ In addition, we will be inaugurating large projects in Shibuya and Minami Machida. This year marks a milestone for these urban development projects conducted in collaboration with local communities that will come into being.

○ We will work to place these projects on the right track.

At the start of a new Tokyu Group, it is important to clarify our long-term vision and make it known to insiders as well as to the public, which is why we created this initiative.

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○ Please continue page 4.

I. Summary of the Initiative

Review of our Past and the Current Social Environment

- Since the Company's foundation, Tokyu Corporation has continued to make efforts to solve social issues through its businesses, and it has maintained steady growth as the country and urban and local regions develop, continuing to adapt to the changing times.
- The social environment is currently changing significantly, and it is necessary to design methods of management with visions for the future.



Current social environment surrounding Tokyu Corporation

Social issues	Corporate responsibilities	Emerging business opportunities	Expectations from the market
<ul style="list-style-type: none"> • Regional differences in the population change • Declining birthrate and aging population • Labor shortage 	<ul style="list-style-type: none"> • View our businesses in consideration of ESG and SDGs • Sustainable transportation infrastructures • Working-style reforms 	<ul style="list-style-type: none"> • Development of infrastructures in central Tokyo • Continuously increasing inbound tourist numbers • Technological development 	<ul style="list-style-type: none"> • Presentation of explicit growth schedules • Increasing profit and returning profit • Disclosure of non-financial information

○ We will start by reviewing our past and the current social environment.

○ Since our foundation, we have continued to make efforts to solve social issues through our businesses.

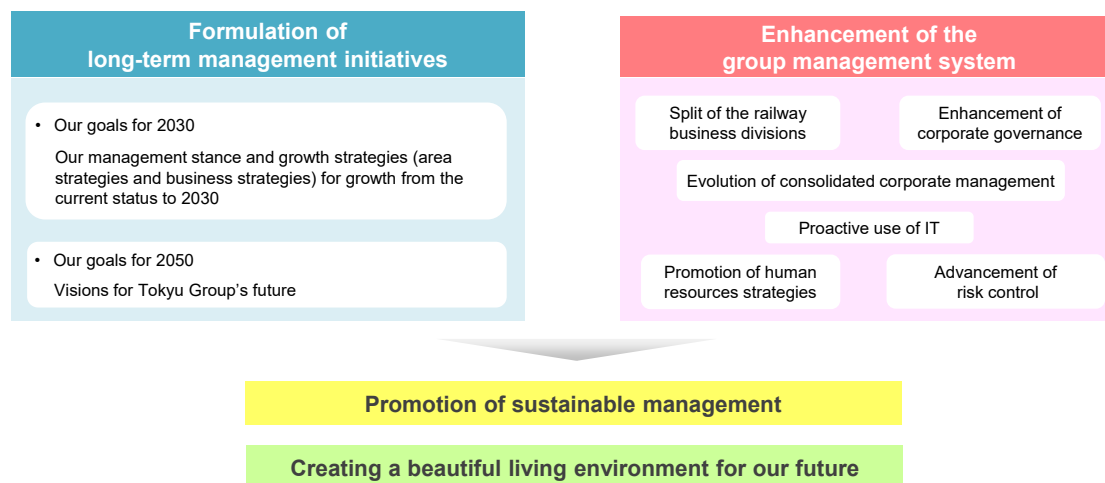
We have maintained steady growth as the country and urban and local regions develop, continuing to adapt to the changing times.

○ The lower section of the page shows the current social environment.

We are aware that we should predict future changes and define our corporate direction as well as the direction of each business.

Aim of Formulation of the Initiative

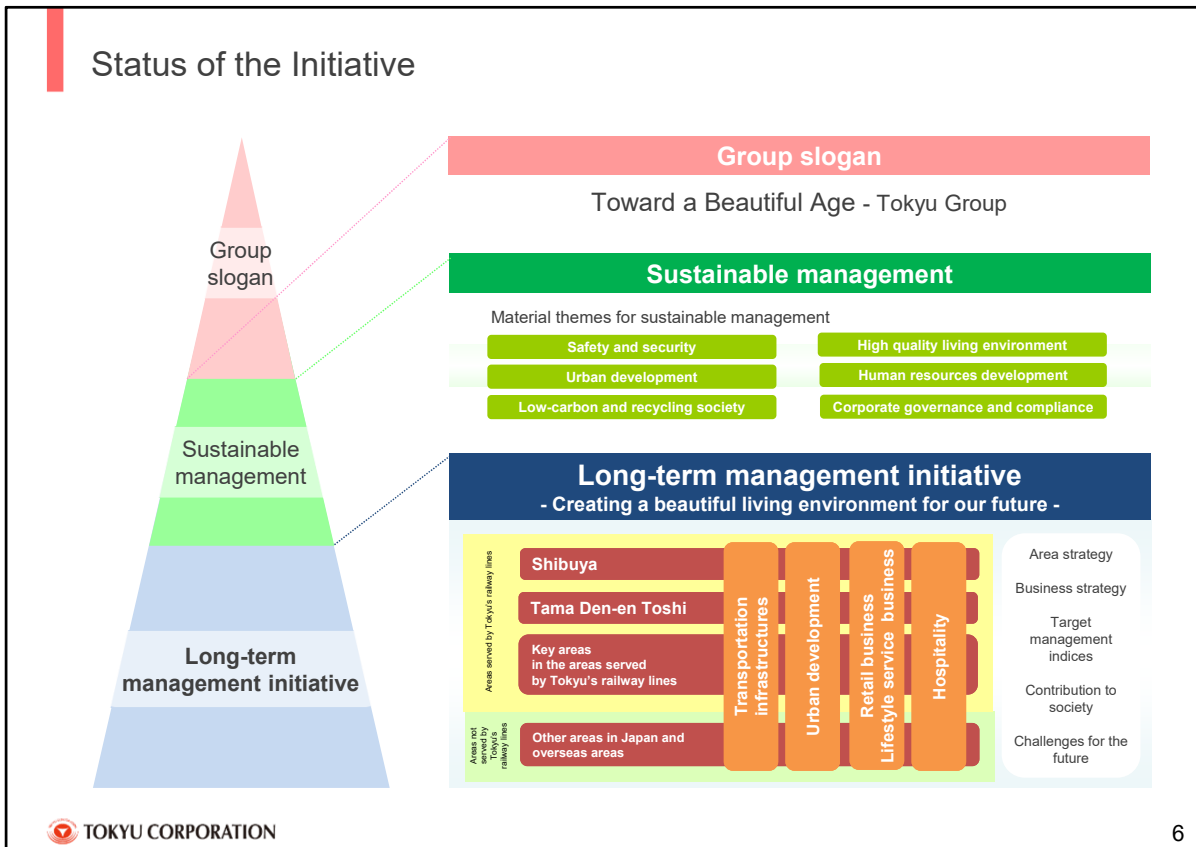
- To respond to current and future environmental changes, we will formulate our long-term management initiatives and enhance the group management system to securely promote the sustainable management of our businesses.
- In this new Reiwa period and with the 100th anniversary of the Company's foundation coming up in 2022, Tokyu Corporation will develop and create bases for the next generation with the aim of realizing sustainable growth.



○ Now we will look at the aim of formulation of this initiative.

○ To respond to current and future environmental changes, we will formulate our long-term management initiatives and enhance the group management system to securely promote the sustainable management of our businesses and create foundations for operations in the next generations.

○ We regard the split of the railway business divisions as part of the enhancement of the group management system.



○ Next, we will focus on the status of the initiative.

○ We define sustainable management under the group slogan of “Toward a Beautiful Age.”

Accordingly, we formulated the long-term management initiative.

○ The core of this initiative is a combination of two dimensions.

One pertains to areas, including Shibuya, Tama Den-en Toshi, key areas served by Tokyu’s railway lines as well as other areas in Japan and overseas areas.

The other pertains to businesses, including transportation infrastructure, urban development, retail business and lifestyle service business, and hospitality.

Sustainable Management

Tokyu Corporation considers that sustainable management involves making continuous efforts to solve social issues in consideration of the material themes for sustainable management under our Group slogan; it is our basic policy for management that is the key to the Initiative.

Group slogan

Toward a Beautiful Age - Tokyu Group

"Beauty" is the guiding principle and standard of value for Tokyu Group as it meets the challenges of the future. For all of us in Tokyu Group, the beauty we aspire to is a universal beauty deeply impressing anyone who encounters it, regardless of their generation or culture. We aim to create a beauty in harmony with people, their communities, and the natural environment.

With beauty as our touchstone, Tokyu Group's goal is **to create beautiful living environments**, which reflect our desire to serve our customers by refining our products and services, raising quality, and promoting good health.

We are making every effort to realize this vision, and moreover, we aspire to play an active role in creating a more **harmonious society**, overflowing with kindness and consideration, so that **all people may find genuine happiness and express an individual lifestyle**.

Our slogan, "Toward a beautiful age," expresses the commitment of all of us in Tokyu Group to continually pursue beauty, and proclaims our determination to lead the way in creating beautiful living environments.

A universal standard of value that is the base for the long-term management initiative developed in the new Reiwa era

Material themes for sustainable management (materiality)



Safety and security	Low-carbon and recycling society	Human resources development
Urban development	High quality living environment	Corporate governance and compliance

These themes are aimed at passing down our DNA for solving social issues that has been maintained in the Company for 100 years to the next generation

○ We are moving on to sustainable development.

○ We consider that sustainable management involves making continuous efforts to solve social issues in consideration of the material themes for sustainable management under our Group slogan. It is our basic policy for management that is the key to this initiative.

Our Visions by Material Theme for Sustainable Management

Material theme for sustainable management	Related SDGs	SDG Icons	Vision for 2030
Safety and security	8: Decent Work and Economic Growth 9: Industry, Innovation and Infrastructure 11: Sustainable Cities and Communities		<ul style="list-style-type: none"> Realization of public transportation services that are the safest in Japan and safe to use Provision of living environments where people can feel safe
Urban development	9: Industry, Innovation and Infrastructure 11: Sustainable Cities and Communities 12: Responsible Consumption and Production 13: Climate Action 17: Partnership		<ul style="list-style-type: none"> Realization of management of cities that is unique and attractive in terms of all of "live," "play," and "work." Extended application of expertise for the development of urban areas served by Tokyu's railway lines to base areas in Japan and overseas
High quality living environment	3: Good Health and Wellbeing 4: Quality Education 9: Industry, Innovation and Infrastructure		<ul style="list-style-type: none"> Realization of life in which each person can maintain his/her good health and pursue individual happiness
Human resources development	3: Good Health and Wellbeing 4: Quality Education 5: Gender Equality 8: Decent Work and Economic Growth		<ul style="list-style-type: none"> Realization of "a company where every worker hopes to work for a long time" Promotion of human resources development by contributing to society through education, culture, and environment preservation activities
Low carbon and recycling society	7: Affordable and Clean Energy 12: Responsible Consumption and Production 13: Climate Action 15: Life on Land		<ul style="list-style-type: none"> Contribution to the creation of a low-carbon society and a carbon-free society through energy saving and the optimized use of renewable energies Contribution to creating a recycling society by promoting the effective use of resources and consideration for the ecosystem
Corporate governance and compliance	9: Industry, Innovation and Infrastructure 16: Peace and Justice Strong Institutions		<ul style="list-style-type: none"> Realization of the best corporate governance directly linked with society and the global management environment Practicing compliance for achieving a harmonious society

[Long-term environmental goal (CO₂ emissions*)] * The subjects are Scope 1, 2
The reference year is 2010 for the railway business Tokyu Lines, and 2015 for the real estate business and other businesses

Achieving 100% procurement of electric power consumed for our businesses by renewable energies by 2050

2030: 30% reduction of the total CO₂ emitted by using electric power; 2050: Complete elimination of CO₂ emitted by using electric power

○ The material themes are portrayed on this page.

Because we have extensive coverage of the business domains, we will positively address a wide range of material themes for sustainable management and related SDGs.

○ The bottom part refers to our long-term environmental goal.

It aims to achieve 100% procurement of electric power consumed for our businesses by renewable energies by 2050.

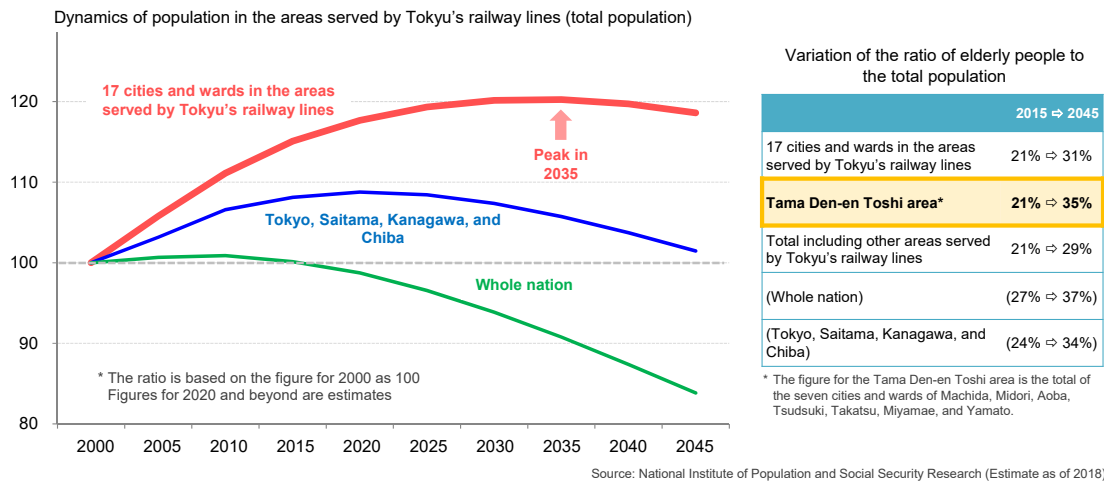
It is in line with the RE100 initiative and will be included in our Integrated Report, which will be published shortly.

○ Now, we will go to page 10.

II. Area Strategy

Status (Dynamics of Population) in the Areas Served by Tokyu's Railway Lines

- The total population of the areas served by Tokyu's railway lines is expected to continue its increasing trend until 2035; the rate of the population decrease is moderate compared with that of the entire nation and with that of Tokyo, Saitama, Kanagawa, and Chiba.
- In the areas served by Tokyu's railway lines, the trend is different for different areas, with the ratio of elderly people to the total population having risen rapidly in the Tama Den-en Toshi area.



○ As an introduction to our area strategy, we will review the status in the areas served by our railway lines, especially their superiority. They provide the foundation for our businesses.

○ First, we will check the dynamics of population.

The diagram on the left suggests that the population in the areas served by our railway lines will peak in 2035. This shows their superiority to the whole nation and the region composed of Tokyo and the three neighboring prefectures.

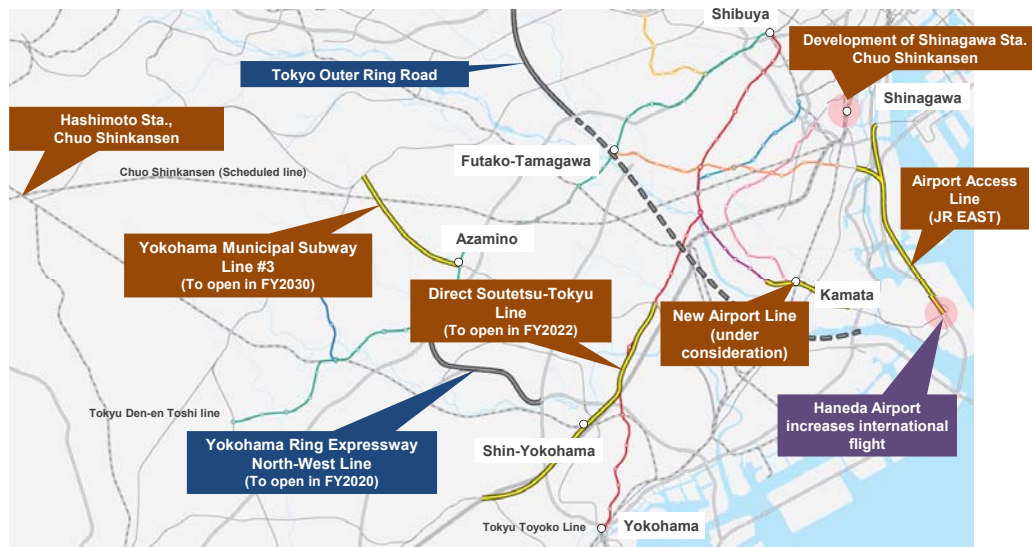
○ Some predict that the peak of the population in the Tokyo wards will be later in view of the latest trends.

○ Meanwhile, the table on the right shows that the elderly population rate is soaring rapidly in Tama Den-en Toshi.

The trend varies from area to area, even though they are served by Tokyu's railway lines.

Status (Possibility of Development) of the Areas Served by Tokyu's Railway Lines

We will proactively utilize the effect of the area potential improved by the wide-ranging development of infrastructures advanced in the areas served by Tokyu's railway lines and use the advantage to improve the value of the areas.



○ Next, we will look at the status of the areas served by our railway lines.

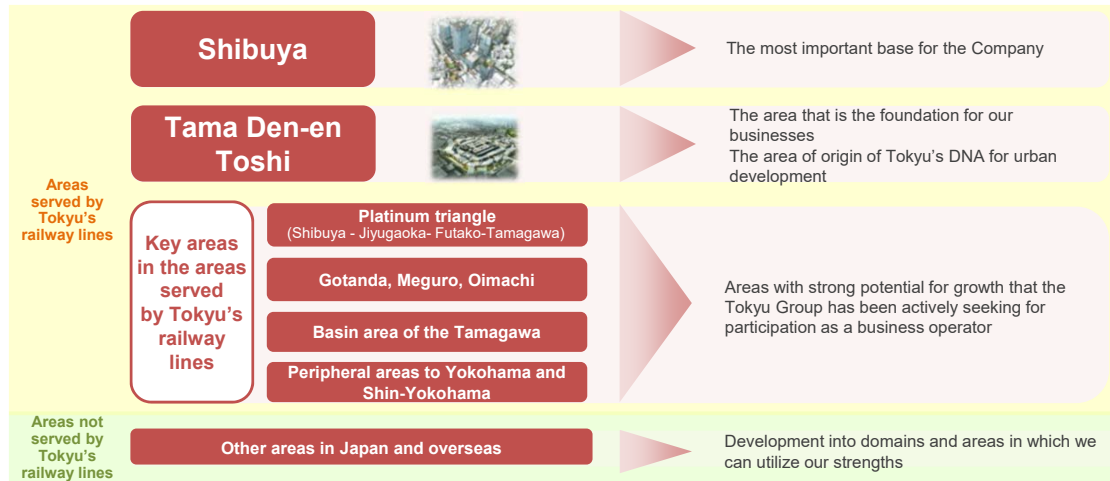
○ The map shows that development of infrastructure steadily advanced in the areas served by our railway lines and neighboring areas, including construction of the Chuo Shinkansen and extension of expressways and railways.

○ These areas act as our business bases are thus found to be superior in both demography and investment of social capital.

○ We believe that we can increase the value of the areas served by positively capturing the growth of the potential for our businesses.

Understanding Area Strategies

- Develop strategies in consideration of the characteristics of the areas and their possibilities for growth.
- In consideration of the social issues and the dynamics of the population, we will enhance the development of the infrastructures in the Tokyo ward areas such as Shibuya and develop the bases in the suburban areas to alleviate the congestion in the railways (leveling of transportation).



○ We will now review the viewpoint of our area strategies.

○ At the beginning, I mentioned our four areas of focus, namely Shibuya, Tama Den-en Toshi, key areas served by our railway lines and other areas. We will develop strategies in consideration of the characteristics of the areas and their possibilities for growth.

○ On the next couple of pages, we will focus on each of the four areas.

Shibuya

Continue our strategy of focusing on Shibuya

- Improving the attraction from the area-face viewpoint of Greater SHIBUYA by consecutively and continuously promoting multiple projects following the Hikarie, Stream, and Scramble Square projects

Make SHIBUYA one of the greatest cities in the world with an overwhelming presence from a global viewpoint

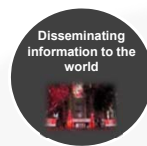
- World > Japan > Tokyo > Shibuya; Develop Shibuya into a multifunctional city that contributes to the improvement of the global competitiveness of Tokyo

Make Shibuya evolve through the development and enhancement of infrastructures incorporating urban development and railways development

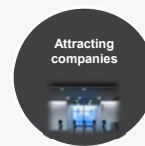
- Undertaking examinations to develop city revitalization businesses integrating the stations and cities (such as the improvement of Den-en Toshi Line Shibuya Sta.)

Further evolution and deepening of “Entertainment City SHIBUYA”

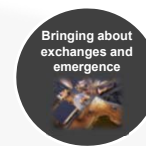
- Area management contributing to local development; strategic arrangement of the retailing/hotel/entertainment functions



Disseminating information about the city-wide efforts such as the year-end countdown event and Bon-odori events



Attracting “Ace” companies that can become the pillar for cooperation between industry, government, schools, and people and industrial agglomerations



Developing, attracting, and creating a network of large- to small-size exchange/emergence functions that bring about innovations

Area branding

○ First we will look at Shibuya, which is our most important base.

○ We will continue our strategy of focusing on Shibuya.

SHIBUYA SCRAMBLE SQUARE will come into service in November.

Then we will improve the attraction from the area-face viewpoint of Greater Shibuya by consecutively and continuously promoting multiple projects.

○ The second strategy is to make Shibuya one of the greatest cities in the world with an overwhelming presence from a global viewpoint.

○ The third strategy is to make Shibuya evolve through the development and enhancement of infrastructures incorporating urban development and railway development, such as consideration for the improvement of Shibuya Station on the Den-en Toshi Line.

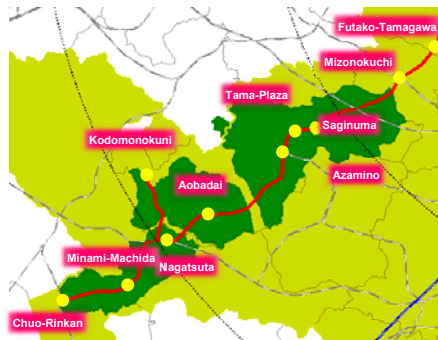
○ The fourth strategy is to achieve further evolution and deepening of Entertainment City Shibuya through area management that contributes to local development and strategic arrangement of the retailing, hotel and entertainment functions.

Tama Den-en Toshi

New development of Tama Den-en Toshi

- Integrally exerting the total power of our railway, real estate, and life services businesses for challenges to produce advanced cases of solutions to problems in suburban areas
- In the development of business bases, strategically arranging functions such as “work, life, and play” functions in the stations to activate the city (including the creation of jobs) and promoting reverse transportation in the railways (from the city to the suburbs)

Tama Den-en Toshi has supported the Tokyu brand



Development of business bases

Improvement of the convenience and attraction of the suburban areas through the enhancement and compositization of base stations through further cooperation with the administrative agencies, etc.

Urban services using IT

Active use of technologies for solving problems in suburban areas

- New mobility
- Sharing economy, etc.

Town branding

Implementing new iconic projects for the new “Tama Den-en Toshi brand” and increasing the population of the related people by disseminating information, etc.

* Population of the related people: A term referring to people concerned with a specific local area in various ways; referring to neither the resident population, meaning the population of residents, nor the visitor population, meaning the population of visitors

○ Tama Den-en Toshi is another base for our different businesses because it embodies our urban development knowhow.

In response to the increase in the elderly population and other population dynamics, closer measures are required.

○ In this situation, we have a strategy of integrally exerting the total power of our railway, real estate, and life services businesses for challenges to produce advanced cases of solutions to problems in suburban areas.

Key Areas Served by Tokyu's Railway Lines

We will actively acquire and create business opportunities in areas where further growth and development is expected

Platinum triangle Shibuya - Jiyugaoka - Futako-Tamagawa	Gotanda, Meguro, Oimachi	Basin area of the Tamagawa	Peripheral areas to Yokohama and Shin-Yokohama
<p>[Characteristics of the area]</p> <p>This area has a high population increase rate, and people with creative jobs gather in this area</p> <p>[Stance for the initiative]</p> <p>Realization of the development of an advanced city integrating work, life, and play</p> <p>[Base for special focus]</p> <p>Futako-Tamagawa Sangen-jaya Jiyugaoka</p>	<p>[Characteristics of the area]</p> <p>An increase in value is expected thanks to the expansion of and connection by "Greater SHIBUYA," Chuo Shinkansen to be opened, and the development of Shinagawa Station</p> <p>[Stance for the initiative]</p> <p>Participation in the renewal business and solving the problems in the congested urban area</p> <p>[Base for special focus]</p> <p>Oimachi</p>	<p>[Characteristics of the area]</p> <p>An increase in value is expected thanks to the New Airport Line, the extension of Tokyo Outer Ring Road, etc.</p> <p>[Stance for the initiative]</p> <p>Developing an environment with the close placement of residences and workplaces and the formation of bases for creation</p> <p>[Base for special focus]</p> <p>Kamata Ikegami</p>	<p>[Characteristics of the area]</p> <p>An increase in visitors to these cities is expected thanks to improved access due to the opening of Tokyu Shin-Yokohama Line and the advancement of the development of the cities</p> <p>[Stance for the initiative]</p> <p>Participation in the renewal business and increasing business opportunities</p> <p>[Base for special focus]</p> <p>Tsunashima Shin-Yokohama Minatomirai</p>

○ Next, we will look at the key areas served by Tokyu's railway lines.

Aside from Shibuya and Tama Den-en Toshi, they are also expected to achieve further growth and development.

○ Looking from left to right:

- Platinum triangle refers to the area inside Shibuya, Jiyugaoka and Futako-Tamagawa.

A population influx and the accumulation of creative businesses are anticipated there.

- Gotanda, Meguro and Oimachi are areas whose values are expected to rise because of their connection with Shibuya, Chuo Shinkansen and the development of Shinagawa Station.

- The basin area of the Tamagawa includes Kamata and Ikegami.

The value of this area is expected to increase because of the New Airport Line and the extension of the Tokyo Outer Ring Road etc.

- Peripheral areas to Yokohama and Shin-Yokohama expect an increase in visitors after improved access following the opening of the Tokyu Shin-Yokohama Line and development of the cities.

○ We will actively acquire and create business opportunities in these areas by taking action according to their unique features.

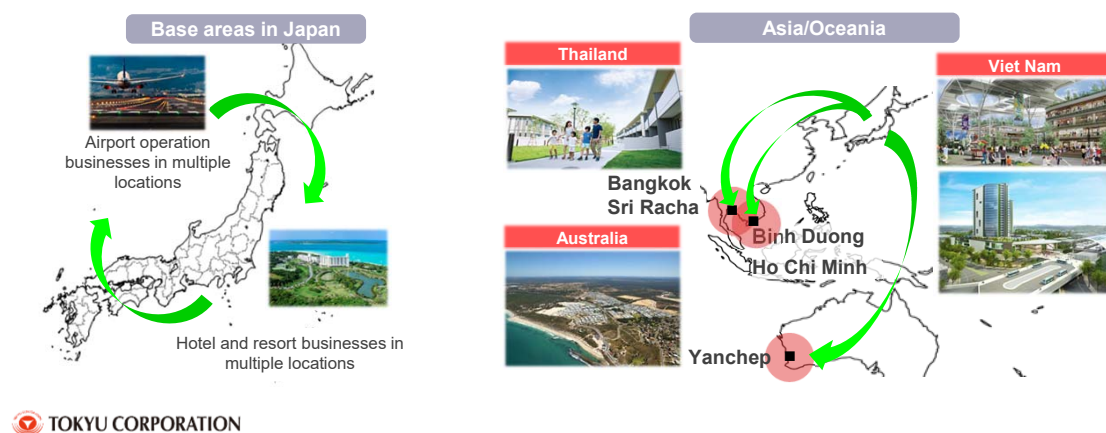
Areas Outside the Areas Served by Tokyu's Railway Lines (in Japan/Overseas)

In Japan: Taking advantage of the increase in inbound tourists and the exchange population increase due to the increased demand for holiday attractions by Japanese people.

- We will horizontally develop the airport operation, hotel, and Maas businesses, etc. with a close examination of the potential of each area.

Overseas: We will expand our businesses through strategic alliances within the Tokyu Group and with outside companies and will also advance urban development using our expertise in this area.

- We will achieve a well-balanced portfolio while acquiring new business opportunities centered in Viet Nam, Thailand, and Australia where we have been operating our businesses.



○ Finally, we will refer to areas outside the areas served by our railway lines, both in Japan and overseas.

○ In Japan, we take the basic stance of capturing demand of the exchange population amid the increase in inbound tourists and in demand for domestic holiday attractions.

With a close examination of the potential of each area, we will develop the airport operation and hotel businesses.

○ Overseas, our basic viewpoint is to expand our businesses through strategic alliances within the Tokyu Group and with outside companies and advance urban development using our expertise in this area. We will achieve a well-balanced portfolio while acquiring new business opportunities centered in Vietnam, Thailand and Australia.

○ Now, go to page 18.

III. Business Strategy

Transportation Infrastructure Business (Transportation Segment)

Pursuing safety in our railway business; realizing both public welfare and profitability at a high level

- We will increase our human resources and technical strengths through the separation of divisions; thus pursuing comfort through increased safety and security and alleviated congestion in the railways.
- The Transportation Segment will continue to play the central role in achieving consolidated profit as our core business segment, aiming for further business growth by expanding the network and taking other measures.

Improving the networking function through the enhancement of infrastructures



Improvement of Ikegami Station
Increasing the attraction of the town by improving the station and the locations under the elevated bridge, and other measures



Enhancing transportation power by increasing the number of cars

Bolstering operations by developing human resources and technical innovations



Labor-saving operation (One-man or automated operation)



Innovations in the experience of using the stations (Gateless entrance/cashless payment of fees)



Maintenance work with increased efficiency (CBM, etc.)



Innovations in education and career systems (Safety Training Center)

* CBM(Condition-Based Maintenance)
A maintenance method in which the equipment is continuously monitored and updated as soon as a sign of failure is discovered

○ Next, I will talk about our business strategy.

○ First, we will look at the transportation infrastructure business in the transportation segment.

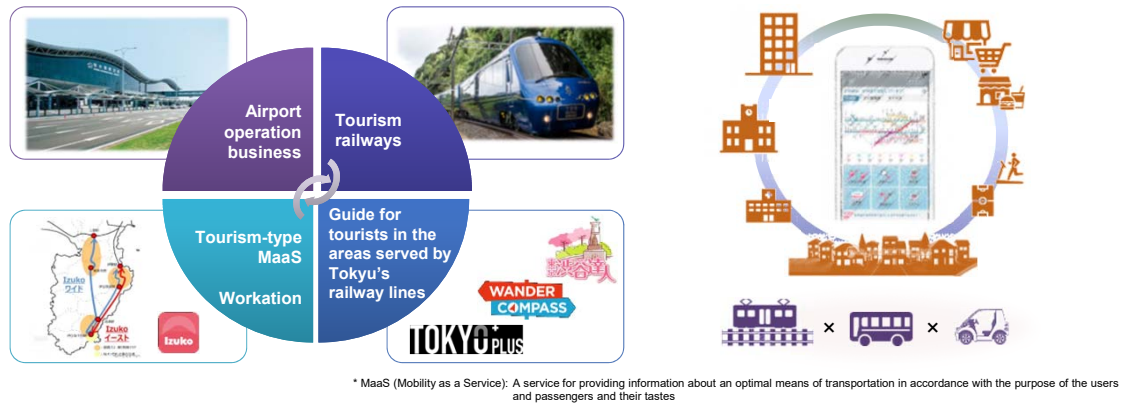
○ Our basic policies are to pursue safety in our railway business and to realize both public welfare and profitability at a high level. We will also increase our human resources and technical strengths to pursue comfort through increased safety and security and alleviated congestion. We will aim to further business growth by expanding the network and make sure that this segment will continue to play the central role in achieving consolidated profit as our core business.

○ In addition to improving the networking function through enhancement of infrastructures, when we think about 2030, we have incorporated bolstering operations by developing human resources and technical innovations, such as labor saving in train operation. On the occasion of the spin-off, we will take swift actions.

Transportation Infrastructure Business (Transportation Segment)

Creating next-generation transportation infrastructure businesses with the airport operation business and the MaaS business as the core

- Establishing business models for local business bases through an organic combination of the airport operation business, MaaS, tourism businesses and other businesses and by making use of the increased non-resident population
- Combining MaaS with the existing transportation infrastructures (railways, buses, and others), thus activating mobility in the areas served by Tokyu's railway lines, aiming to improve the values of the areas served by Tokyu's railway lines and the lives of the people in those areas



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○ Now, I will explain about the non-railway transportation infrastructure business in the transportation segment.

○ Setting the airport operation business and the MaaS business as the core, we make it our basic policy to create next-generation transportation infrastructure business. We organically combined this basic policy with tourism and other businesses and by making use of the increased non-resident population. Then, as shown in the bottom-left diagram, we will establish business models for local business bases.

○ In the areas served by our railway lines, we will combine MaaS with the existing transport infrastructure, such as railways and buses, to activate mobility in the areas served by our railway lines and to improve the values of the areas and the lives of people in those areas.

Urban Development Business (Real Estate Segment)

Promoting urban development that is unique to the Tokyu Group

- The Real Estate Segment will continue to play the central role in acquiring consolidated profit as the core business; and it will also achieve both the resolution of social issues and the growth of the business by using our strengths both in Japan and overseas.

Evolving from the real estate business to urban management

- Evolving into the next-generation business by exhibiting the total power of the Tokyu Group by using IT and cooperation with the Lifestyle Service Business Segment and the Retail Business Segment

Tokyu's strengths in urban development



○ Regarding the urban development business, we will promote urban development that is unique to the Tokyu Group.

As a core business, it will play a central role in acquiring consolidated profit. It will also achieve both the resolution of social issues and the growth of the businesses by using our strengths.

○ Towards the goal of evolving from the real estate business to urban management, we will use IT and exhibit the total power of the Tokyu Group in cooperation with the Lifestyle Service Business Segment and the Retail Business Segment. We will thus aim to run a next-generation business.

Lifestyle Service Business (Life Services Segment)

Enhancing the competitiveness of each individual business; pursuing synergy with the real estate business

- Improving profitability by responding to changes that occur in the business environments and promoting structural reforms

Providing functions for improving the values of the areas served by Tokyu's railway lines and the lives of people in the areas

- Implementing management that is oriented toward consumers and users ahead of diversified customer needs and changes in people's lifestyles



○ For the Lifestyle Service Business, our basic policies are to enhance the competitiveness of each business, to pursue synergy with the real estate business and to provide functions for improving the values of the areas served by Tokyu's railway lines and the lives of people in the areas. We foresee the diversification of customer needs and changes in lifestyles to implement management that is oriented toward customers and users.

Retail Business (Life Services Segment)

Conversion of the business structure and improvement of profitability through cooperation among the Tokyu Group and alliances with companies outside the Group

- Innovation of the business structure in segments for different business categories (department stores, supermarkets, shopping centers) and their integration with EC
- Constant arrangement of the business portfolio by scraping and building in response to changes in consumer needs
- Enhancement of commodity measures through enhancement in the food product category by improving private brands and production and retail functions and also through the development of our original content

Provision of new experiences to customers and improving productivity by introducing new technologies

- By combining and utilizing big data and new technologies such as AI to create new value and improve productivity



○ For the Retail Business, we have two basic policies.

○ First is to achieve conversion of the business structure and improvement of profitability through cooperation among the Tokyu Group and alliances with companies outside the Group. We will carry out a business structural reform beyond the frameworks of department stores, supermarkets, shopping centers and other forms of commerce and integration with EC.

○ Second is to provide new experiences to customers and improve productivity by introducing new technologies such as big data and AI in the future.

Hospitality Business (Hotel and Resort Segment)

Increasing the competitiveness of our hotel business

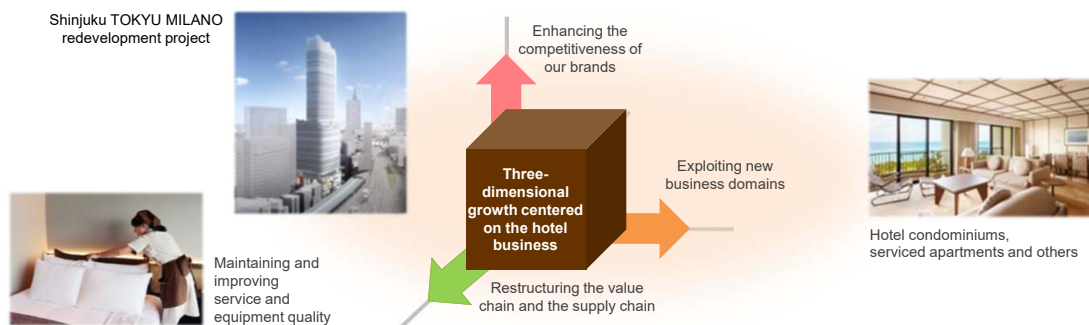
- Improving the brand power of our hotel business to appeal to the global markets and the next generation

Exploiting new business domains

- Cooperation with the Urban Development and development of businesses that respond to diverse lifestyles

Restructuring of the value chain and the supply chain that are responsive to changes in the environments

- Promoting the business with strength in the integration of the possession, management and operation processes (including operations related to the cleaning and supply of linen)



○ Finally, is the Hospitality Business.

○ We pursue a basic policy of improving the brand power and competitiveness to increase the appeal to the global markets and the next generation.

We announced the launch of a hotel as part of the Shinjuku TOKYU MILANO redevelopment project, which we are implementing.

○ We will also exploit new business domains, such as hotel condominiums and serviced apartments, in cooperation with the Urban Development.

○ Now, go to page 25.

IV. Target Management Indices

Target Management Indices

[Numeric targets]

Profit attributable to owners of parent : 100 billion yen (73% increase from FY2018)

Achieving the target by expanding the profit scale through actively making investments

[Return to shareholders]

Targeting the early achievement of a total return ratio of 30% and the further increase of the rate of return to shareholders

(1) Achieving continuous dividend increases

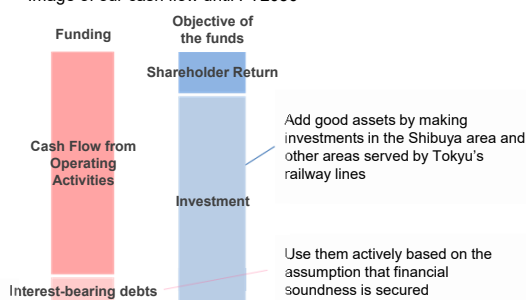
Achieving dividend ratio of 30% in the medium and long term

(2) **Improving capital efficiency by flexibly acquiring treasury shares**, as well as implementing an initiative for increasing dividends, considering the balance with continued investments in the Shibuya area and the areas served by Tokyu's railway lines

Numeric target	Result for FY2018	Target for FY2030
TOKYU EBITDA*	176.6 B JPY	300 B JPY
Profit attributable to owners of parent	57.8 B JPY	100 B JPY
(Reference indicator) Operating profit	81.9 B JPY	150 B JPY
Interest-bearing Debt/ TOKYU EBITDA Multiple	6.0	5.0 or around

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

Image of our cash flow until FY2030



○ Next, I will explain our target management indices from a long-term perspective.

○ As I have said, we believe that there are some districts with growth potential mainly in the areas served by our railway lines and domains in which strategic investments should be made from the perspective of urban management.

○ We will make good use of our stable cash flow base that gives us the strength to continue our investments in high quality assets.

○ Our numerical targets include Tokyu EBITDA of 300 billion yen and profit attributable to owners of parent of 100 billion yen by fiscal year 2030 by making positive investments to boost profit.

○ Our medium-term management plan sets a target total return ratio of 30%. We will strive towards its early achievement and aim to increase the rate of return to shareholders.

○ We have two specific policies.

One is to achieve continuous dividend increases and a dividend ratio of 30% based on awareness that dividends are a basic return to shareholders.

The other is to improve capital efficiency by flexibly acquiring treasury shares in consideration of not only the dividends but also the balance with investment and financial health.

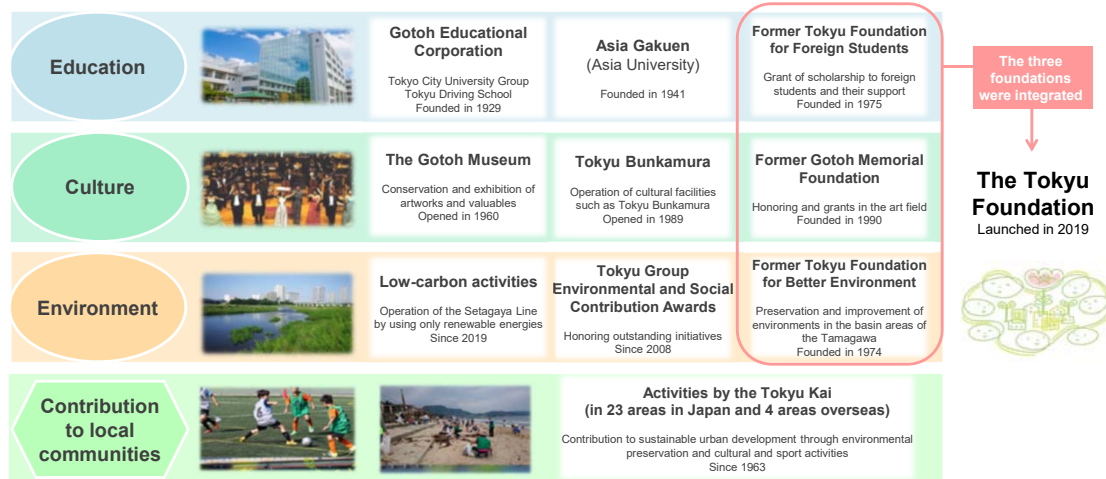
○ Now, go to page 27.

V. Contribution to Society

Social Contribution Activities

Continuing social contribution activities in addition to our efforts to resolve social issues through business operations

- Further contribution by the Tokyu Foundation and the entities of our Group to resolve social issues and advance education and culture
- Continuation of our initiatives for contributing to local communities by the Tokyu Kai that have been taken for about 50 years



○ This page describes our social contribution activities.

○ We have been making efforts to resolve social issues through business operations.

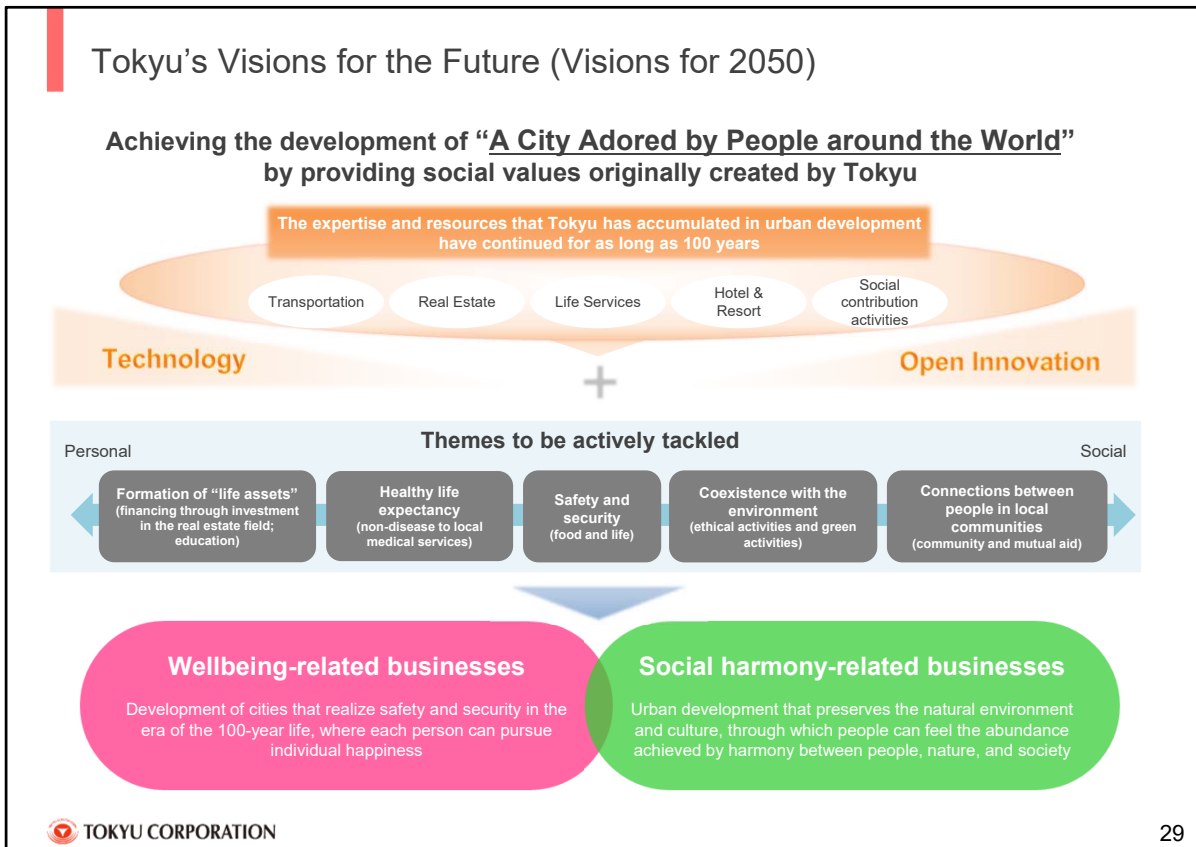
In addition, we have been continuing social contribution activities. We will not change this policy.

○ Specifically, we will further contribute to resolving social issues and advance education and culture by the Tokyu Foundation, which has been upgraded through integration, and other incorporated foundations.

We will also continue our initiatives for contributing to local communities by the Tokyu Kai for half a year.

○ Now, go to page 29.

VI. Challenges for the Future



○ The closing chapter of the presentation on the initiative is titled “Tokyu’s Vision for the Future.”

It describes how Tokyu aspires to be in 2050.

○ We will actively tackle the five themes specified in the middle level of the page, including healthy life expectancy, using our expertise and resources cultivated in separate businesses.

Also, we will aim to develop a city adored by people around the world that no one else could achieve based on two business pillars.

One is wellbeing-related businesses. It aims to provide safety and security in the era of 100-year life.

The other is social harmony-related businesses. It endeavors to achieve harmony between people, nature and society.

Concept of “City as a Service” (from the Present to the Future)
 - Urban development for the next generation through the integration of digital technologies with real life and cities -

Wellbeing

Providing services customized for the lifestyle of each person

- Flexible ways of working, living, and moving
- Improved child bearing and education environments
- Foods, wellness, and healthy life expectancy

Social harmony

Structuring a system for supporting autonomous local economies and communities

- Urban spaces where people can enjoy better safety and comfortability
- Recycling society (local currency, local production and consumption, sharing economy, resources reproduction, etc.)

We will continue our initiatives for creating beautiful living environments by challenging the realization of the concept of “City as a Service” as well as securely advancing our businesses with our visions for 2030 toward Tokyu’s Visions for the Future (for 2050).

TOKYU CORPORATION 30

○ The final page features the concept of “City as a Service.”

○ In connection with the transportation infrastructure business, I mentioned our actions for MaaS to provide a seamless and optimal means of transportation using IT. On the other hand, the concept of “City as a Service” is the idea of creating a city for the next generation by integrating real and digital technologies.

○ As portrayed at the middle of the page, we will try to provide services customized for the lifestyle of each person and structure a system for supporting autonomous local economies and communities mentioned in the upper part of the page. These are based on a cycle of constructing digital urban infrastructures based on different data, and then incorporating the results into actions for real urban infrastructures as portrayed in the diagram in the middle of the page.

○ Considering how we aspire to be in 2050, we will first steadily take the actions mentioned earlier in the next 10 years until 2030. Then we will work on this concept of “City as a Service” to continuously create beautiful living environments.

I would like to conclude this briefing by affirming our determination to do these things.

○ Thank you for your attention.