

FY2024 - FY2026

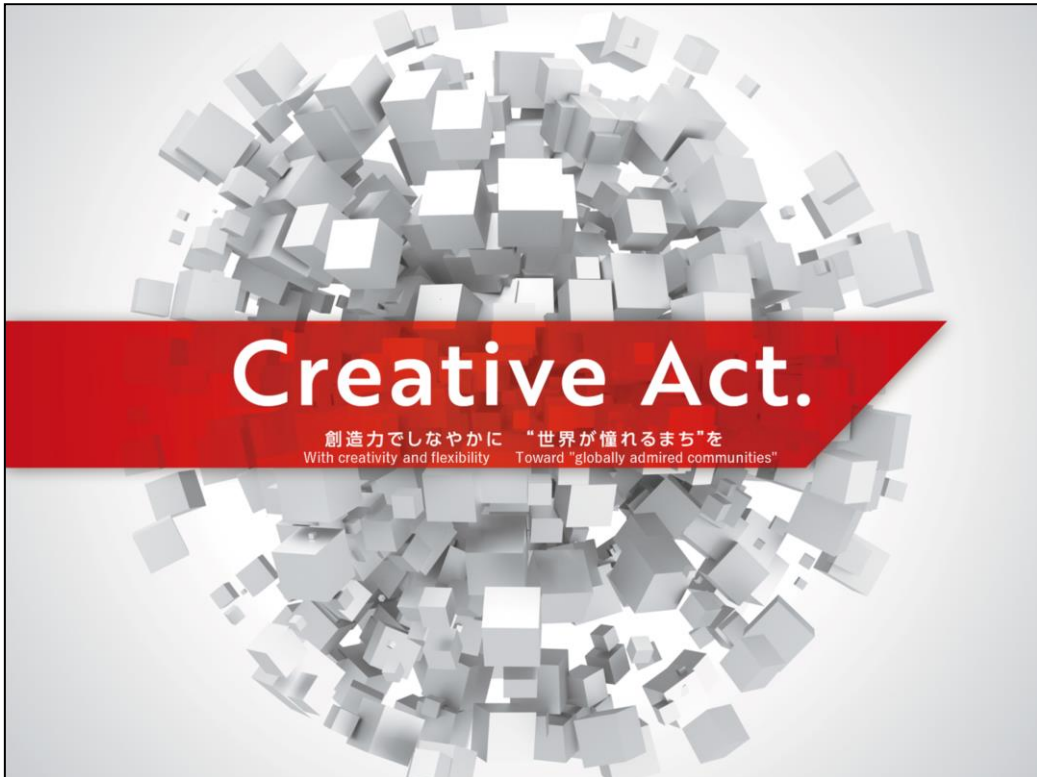
Three-year Medium-term Management Plan

TOKYU CORPORATION

2024. 3. 25



Stock code 9005
<https://www.tokyu.co.jp/index.html>



- Let me start by explaining the "vision statement".

- The Medium-term Management Plan's vision statement is Creative Act. With creativity and flexibility - Toward "globally admired communities."

- The word "creative" means not following preconceived ideas or precedents but rather continuously creating new solutions from a customer perspective.

- "Act" conjures up the words "action" and "active," and means that the human resources involved in each business will dynamically create value themselves.

- We adopted "Creative Act" as a phrase that represents the approach of overcoming environmental changes and issues "with creativity and flexibility" and acting creatively for the "future we want to realize," specifically "globally admired communities."

- The visual of a collection of square cubes coming together and expanding as a single sphere represents Tokyu's approach as a conglomerate.

Message from the President

For FY2023, we expect to post record-high operating profit due to the recovery in earnings reflecting the normalization of social and economic activities, as well as a concentration of properties completed and delivered in the real estate sales business.

However, global economic uncertainty and other factors such as inflation and labor shortages do not permit an optimistic outlook. Above all, increased construction costs and rising interest rates as a result of monetary policy normalization are likely to significantly impact our operations. We have always seized business opportunities that elevate community value; however, we recognize that the real estate development business is in a phase that requires a flexible approach, including a change of trajectory.

In such circumstances, in order to proactively respond to possible future changes in the business environment, we aim to achieve **both improved capital efficiency and maintaining financial health** while building a stable and growing business portfolio under this plan. Additionally, in conjunction with flexible implementation of capital policy, we promote **management highly conscious of the cost of shareholders' equity**, targeting ROE of 8%.

Shibuya and the areas served by Tokyu lines have great potential, and the proposal of new lifestyles and creation of inbound demand also represent a golden opportunity for us. The new vision statement "**Creative Act.**", expresses our determination to find solutions to all kinds of problems by acting "creatively and flexibly" and to **create a bright future**. I believe that becoming a company where every employee can shine, providing outstanding services to customers, and achieving growth in every business will translate into "Tokyu's value" and "Tokyu's future" and I am determined to be the driving force leading the way.

While continuing to fulfill our social responsibilities, with "safety & security" as a core theme, we will focus on "fun, prosperous, attractive" urban development through cyclical reinvestment and work to create a conglomerate premium through sustainable enhancement of our corporate value and greater collaboration among our businesses. We look forward to your continued support.

March 2024
Masahiro Horie, President & Representative Director

- I will now briefly explain the main points in the Message from the President.
- The common policy running through all parts of the plan is to "achieve both improved capital efficiency and maintaining financial health" as shown in bold font for emphasis in the middle of the slide.
- In light of the most recent changes in the business environment such as soaring construction costs and rising interest rates, we will be acutely aware not only of expansion in scale but also of business return, etc. and we will aim for greater efficiency than ever before.
At the same time, we will promote management highly conscious of the cost of shareholders' equity.
- The bottom part of the message describes more clearly the thought behind the vision statement "Creative Act." explained earlier.

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Important Notice Regarding Forward-Looking Statements

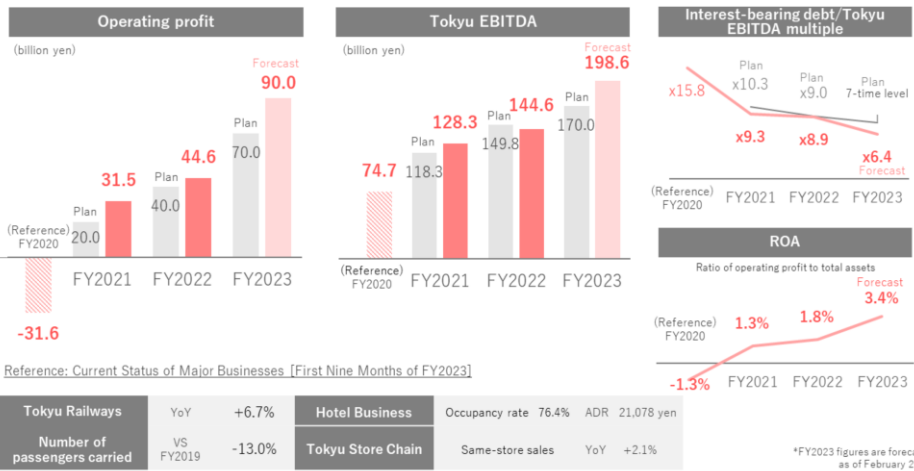
Information in this document other than historical or current facts are forward-looking statements based on management's assumptions and beliefs in light of the information currently available to Tokyu Corporation and are subject to various risks and uncertainties. Please note that the actual results may differ from those expressed or implied in this document due to a variety of factors.



Business Environment and
Recognized Issues

Review of Previous Management Plan

- Steadily achieved a recovery in business performance that exceeds our targets through efforts to transform each business with a focus on responding to the COVID-19 pandemic.
- Key measures and investment plans were steadily implemented, including the openings of the Tokyu Shin-Yokohama Line and Tokyu Kabukicho Tower
- For FY2023, operating profit is expected to reach a record high, in part due to recording profits from an increase in the number of condominium units sold.



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

○ Let me start by reviewing the previous management plan.

○ Over the three-year period starting from FY2021, we focused on transforming each business, with a focus on responding to the COVID-19 pandemic.

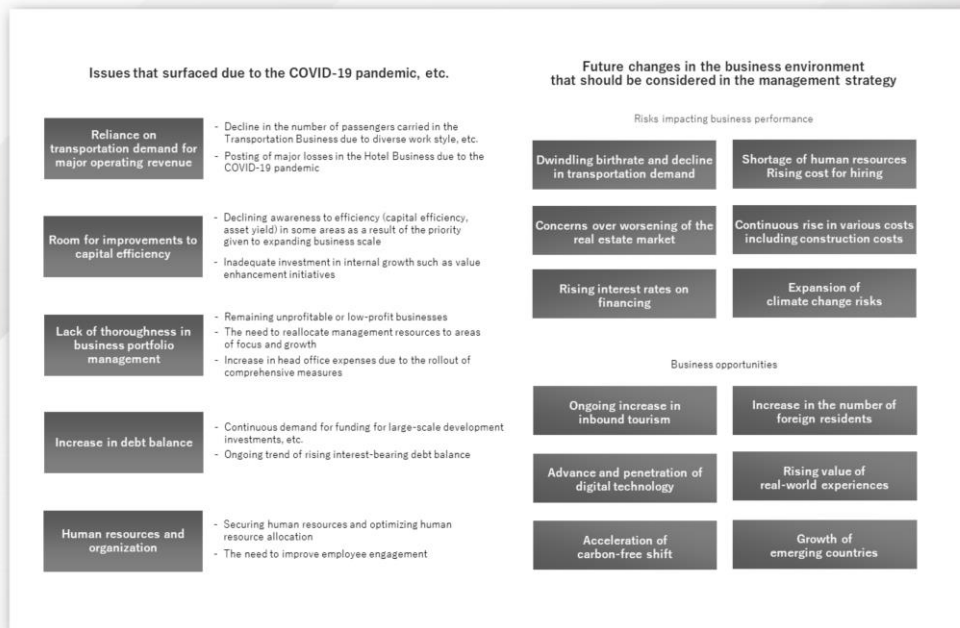
○ Thanks to these initiatives, we reached our goals of restoring profits and maintaining financial health and achieved recovery in our business results.

○ As shown in the graphs in the middle, all indicators are expected to outperform the plan.

ROA, which is an indicator of efficiency, is also steadily recovering.

○ For FY2023, we expect to post record-high operating profit, in part due to recording profits from an increase in the number of condominium units sold.

Issues the Company Faces and Changes in the Business Environment



○ This slide explains issues we face and changes in the business environment.

○ The left side of the slide shows issues that surfaced due to the COVID-19 pandemic and other developments

The fact that our core businesses, including transportation business and hotel business, are dependent on demand for human transportation was once again brought into relief.

○ Furthermore, due to factors such as decreased awareness of efficiency attributable to the prioritization of expansion in scale of operating income in times of low interest rates and a lack of investment in existing assets and existing businesses over the past few years, some businesses with room for improvement in capital efficiency have also emerged.

○ In my view, management of the business portfolio as a whole has not been thorough enough, and I have also realized that we still have low-profit, low-revenue businesses and that the reallocation of management resources is insufficient.

The right side of the slide shows the future changes in the business environment to be considered when formulating management strategy.

○ The top six are risks impacting business performance, and we recognize risks such as dwindling birthrate and decline in transportation demand, shortage of human resources, rising cost for hiring, concerns over worsening of the real estate market, continuous rise in various costs including construction costs, rising interest rates on financing and expansion of climate change risks.

○ Meanwhile, the bottom six are aspects that will lead to business opportunities.

The recovery and ongoing increase in inbound tourism post COVID and the increase in the number of foreign residents, especially in Tokyo, are business opportunities for us.

The “growth of emerging countries” in the bottom right corner of the slide will serve as a tailwind for business expansion in the overseas markets we have already entered such as Vietnam and Thailand.

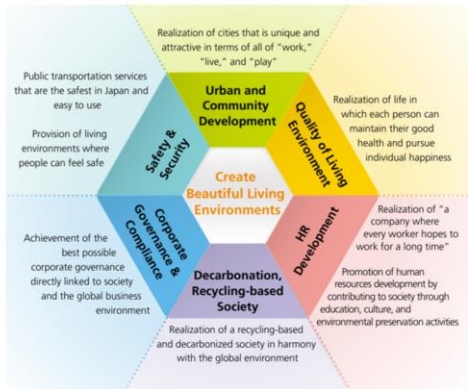
○ This latest management plan was formulated based on a consideration of the business model we should aim for, not over a medium-term timeframe of three years, but rather looking ahead to the mega trends 10 years from now and beyond.



Business Model We Aim For

Under the Group slogan of "Toward a Beautiful Age," we are committed to creating a beautiful living environment for our future and continuous solution of social issues through business by addressing the material sustainability themes (materiality).

Material Sustainability Themes (Materiality)



Societal Impact

"Beautiful Living Environments" "Harmonious Society" and "Individual Happiness"

People and communities			
Degree of regional activity and populations	Attachment to and pride in regions	Sense of abundance, enjoyment, happiness	People taking action on the SDGs

Infrastructure for living			
Use of public transportation	Contact point for culture, education, and entertainment	Use of digital services	Urban diversity and inclusion
Safety and resilience	Fulfillment of self-contained and dispersed work, live, and play situations	Decarbonization of businesses and towns	Resource circulation/ Coexisting with nature

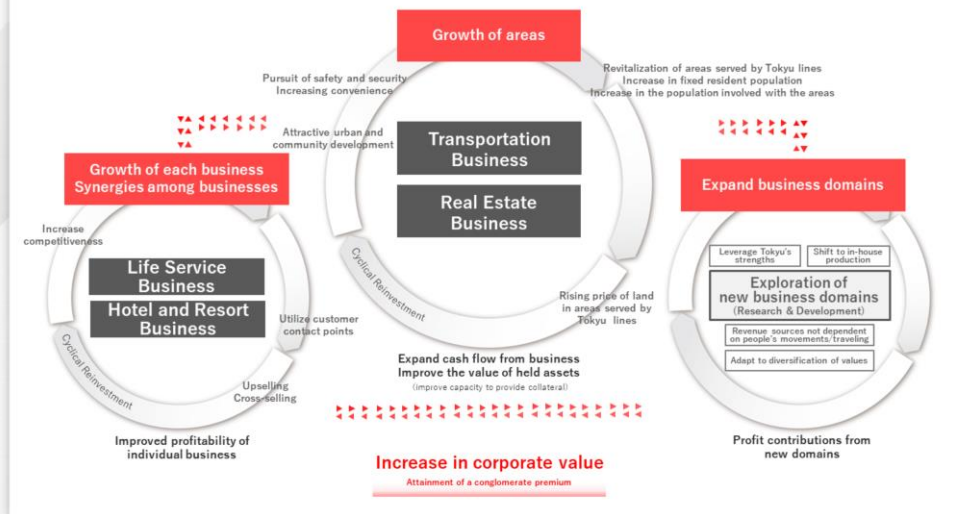
Participation in and endorsement of various initiatives related to the environment and climate change

*Integrated Report https://ir.tokyo.co.jp/en/ir/library/integrated_report.html

- I would now like to explain the business model we aim for.
- As a company that conducts business from a long-term perspective, we see "sustainable management" as a basic value that will remain unchanged even if our management plan changes.
- Under the Group slogan of "Toward a Beautiful Age," we will address the material sustainability themes (materiality), in pursuit of "Beautiful Living Environments," a "Harmonious Society" and "Individual Happiness."
- We remain constantly committed to doing this, thereby achieving the "continuous solution of social issues through business".

Business Model We Aim For

Long-term cyclical business achieving sustainable growth through synergies among businesses and reinvestments centered around the Transportation and Real Estate businesses



○ This slide shows a long-term cyclical business model, which is the business model we aim for, based on sustainable management. We will achieve sustainable growth through synergies among businesses around the Transportation and Real Estate businesses and cyclical reinvestment centered.

○ The large circle in the middle of the slide shows the "Growth of areas."

In the Transportation Business, which consists primarily of railways and buses, we will build highly convenient networks and also carry out extensive multi-faceted real estate development, centered on the areas served by Tokyu lines, aiming for the growth of areas and the value enhancement of areas.

One of our major characteristics is that we cyclically and cumulatively invest the returns on our investments in areas back into the same areas.

By doing this, we will continuously increase the value of these communities and realize a cyclical reinvestment strategy whereby we achieve growth of our revenue base through area value enhancement.

○ Looking next at the bottom left corner of the slide, there is the cycle of "Growth of each business and Synergies among businesses".

Through our Life Service Business and Hotel and Resort Business, we will provide services tailored to the various life stages of individual consumers, increasing the attraction of areas as "communities where people want to continue living".

We are maximizing synergies by making each business a contact point with customers and implementing cross-selling and upselling.

Through this, we will generate more earnings than those generated in standard real estate businesses.

The figure represents a strategy of delivering solutions to social issues and area value enhancement and continually developing areas while at the same time seeking to expand our own earning opportunities.

○ Then the bottom right corner shows the cycle for expansion of business domains.

We will continue adapting to the change and diversification of values and tirelessly pursue the services necessary for "globally admired communities".

The figure represents a strategy of entering new business domains in which we can leverage our strengths, to achieve both further area value enhancement and profit contributions.

○ By maximizing the synergies of these three cycles and implementing them over the long term, we will enhance our corporate value and leverage the connections between each of our businesses and their shared customer base in areas served by Tokyu's railway lines to deliver a conglomerate premium.

This is the unchanging business model that we will aim for over the coming 10 years.



Basic Policies and Key Strategies

Basic Policies for Current Management Plan

Amidst a changing external environment, position the three years in this plan as a reboot period.
Shift to management with an emphasis on capital efficiency, etc.
while strengthening our management foundations through business and corporate strategies
and lead to a sustainable enhancement in corporate value.



- This slide shows basic policies for the current management plan.
- Amid ongoing changes in the external environment, we have positioned the next three years as a reboot period.
- We will work to strengthen our management foundations by implementing business and corporate strategies while switching to management with an emphasis on asset efficiency and capital efficiency and achieving sustainable enhancement of corporate value.
- There are three priority strategies under this management plan. Specifically, our business strategies are to "Continue growth investment" and to "Achieve internal growth," while our corporate strategy is to "Strengthen the base for consolidated management and business implementation."
- Each priority measure is explained in detail in the following slides.

Achieving internal growth

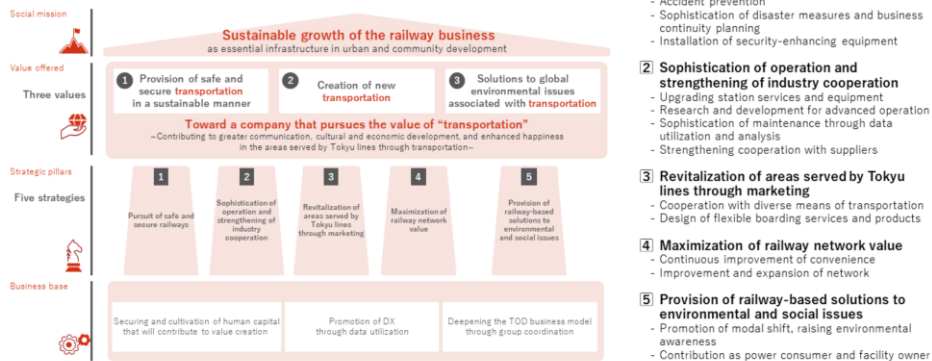
Striking a balance between providing social value through "transportation" and profitability

Pursue "Safety & Security" in the Transportation Business, the basis of TOD (Transit Oriented Development) business.

In addition to strengthening disaster resistance and delivering higher quality operations, strive for business growth by creating transportation demand.

Initiatives at Tokyu Railways Corporation

<https://www.tokyu.co.jp/railway/company/midolen/>
(Japanese only)



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○ Let me start by explaining initiatives related to "Achieve internal growth."

○ This first slide deals with the measure of "Striking a balance between providing social value through "transportation" and profitability", which applies mainly to the Transportation Business.

○ In the Transportation Business, which is based on a TOD (Transit-Oriented Development) approach, we will pursue "Safety & Security," strengthen disaster resistance, and deliver higher quality operations, while also striving for business growth by creating transportation demand.

Achieving internal growth

Strengthening profit generating capabilities through value enhancement investment and collaboration among businesses

Implement additional investment with the customer and marketing perspectives to maximize potential of existing businesses
Aim to enhance asset yield by combining the pursuit of high value-added strategies with pricing optimization, etc.

Value enhancement perspective

- Additional investment to maximize the potential of existing businesses and assets
- Pursuit of added value reflecting the customer and marketing perspectives
- Increase in prices combined with improvements in service levels and other measures
- Commitment to reinvestment in existing assets and regions (attract outside capital, business, brands and expertise)

- Rise in office rents
- Sales increase at commercial facilities
- Rise in hotel ADR
- More visitors at entertainment facilities

Enhance awareness of asset yields at each business /asset level

Create a conglomerate premium

- Continue efforts and measures to increase fixed residents and related population in the areas served by Tokyu lines.
- Focus and shift to businesses where Tokyu's strengths can be leveraged
- Achieve synergy effects in visible forms by utilizing customer contact points, cross-selling, and rolling out measures at a consolidated scale

Creating unique and attractive communities in the areas served by Tokyu lines

Key factors of area value



- This slide deals with a measure that is to be implemented across all businesses, namely "Strengthening profit generating capabilities through value enhancement investment and collaboration among businesses."
- We will implement additional value enhancement investment with the customer and marketing perspectives to maximize potential of business portfolio.
- We will also aim to enhance asset yield by combining the pursuit of high value-added strategies with pricing optimization, etc. for example, an increase in prices combined with improvements in service levels.
- We will also accumulate additional cash flow by strengthening each business and also maximizing collaboration between businesses, creating a conglomerate premium.

Continuing growth investment

Continual enhancement of area value through the real estate development business

- ◊ Steadily implement the projects currently underway and maximize the revenue of each business in Shibuya and other major hubs
- ◊ For future development plans, carefully examine the impact of rising construction costs and other factors on revenues and expenditures and adjust course as necessary

Key points in the implementation of future development plans

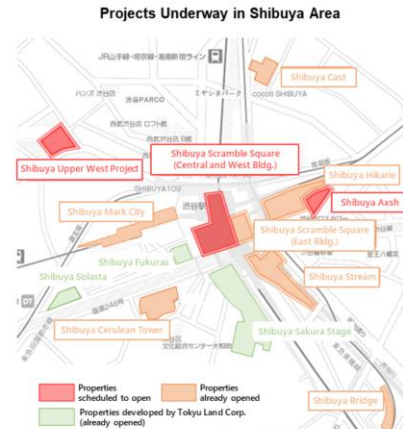
- Careful examination of the impact that rising construction costs will have on projects now in the concept phase
→ Adjust course (revise plans) as needed
- Control over the total amount of investment funds from a medium- to long-term perspective
- Commitment to regions and cyclical reinvestment from a long-term perspective

Multiplier effects on Shibuya redevelopment and the Company's business revenues

High added value in the Shibuya area
(work, play, live)

Enjoy excess earnings that differentiation and branding of the area brings to the office leasing, hotel, and other businesses

Cluster of IT companies, etc. Bustling Walkability Urban lifestyle Disaster resilient city



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○ I will now explain initiatives for the strategy of "Continuing growth investment".

○ Firstly, this slide deals with "Continual enhancement of area value through the real estate development business."

○ We will focus on steadily implementing the development projects currently underway and maximizing the revenue of each business in Shibuya and other major hubs.

○ We must also bear in mind the recent surge in construction costs. For future development plans, we will carefully examine the effects of sharply rising construction costs and other factors on revenues and expenditures, reviewing plans and adjusting course as necessary.

○ At the same time, soaring construction costs will also work in favor of existing businesses, curbing newcomers to the market. This is another reason for making value enhancing investments.

○ We will control the total amount of funds invested from a medium-to-long-term perspective and use a cyclical reinvestment business model, while at the same time deepening our commitment to regions from a long-term perspective.

Continuing growth investment

Expansion of the real estate sales business and strengthening of the value chain. Asset portfolio strategy

- Proactively seize upon business opportunities in the residential business and asset turnover building business where high capital efficiency is expected
- Put more emphasis on non-asset-type fee businesses such as real estate management and real estate retail
- Practice cyclical reinvestment through liquidating owned assets by utilizing Tokyu REIT, etc. while maintaining an awareness of market conditions

Expand real estate sales business

Real estate sales for investors / asset turnover

- Actively expand to renovation-type assets in addition to development-oriented assets

Residential for individuals

- Continue active development, focusing on areas served by Tokyu lines
- Step up efforts on revitalization-type projects such as the rebuilding of condominiums

Reinforce real estate management and real estate retail businesses

Property management

- Develop system for accepting consignment to expand new Tokyu properties and properties owned by others
- Leverage track record in past consignment to secure new consignments for third party properties

Consulting and brokerage, etc.

- Expand customer contact points and revenue through expansion of the value chain
- Capture opportunities for real estate business in areas served by Tokyu lines

Promotion of an asset portfolio strategy

Improve capital efficiency through asset replacement
Optimize the balance of real estate leasing revenue

In selecting assets to be replaced, consider low cap properties as well as newly completed properties in order to prepare for contrarian investment, etc. when market conditions change, and also to bring other parties' capitals into Shibuya and other areas.



○ This slide deals with "Expansion of the real estate sales business and strengthening of the value chain, asset portfolio strategy."

○ In the residential business, which has high capital efficiency and also helps attract population to areas, and the asset turnover building business, we will proactively seize upon business opportunities and expand real estate sales.

○ We will expand non-asset-type fee businesses such as real estate management and real estate retail, realizing growth in earnings and improvement in efficiency.

○ We will also implement a strategy for increasing the resilience of our asset portfolio and optimize the balance between capital efficiency improvements and real estate leasing revenue through asset replacement.

We will practice cyclical reinvestment through the utilization of Tokyu REIT, etc. while maintaining an awareness of market conditions.

Continued promotion of the overseas business, GX investment

- Continue to strengthen the overseas business in areas where population growth and economic growth are expected, focusing on countries to which we have already expanded
- Drive efforts to internalize procured electricity and to go carbon neutral with investment in the energy sector

Continued strengthening of the overseas business

Expand the long-term development business while emphasizing growth, stability, and sustainability

Consider business opportunities in TOD-related development and fee businesses, with a focus on the real estate sales business

Expected size of investment in countries to which Tokyu has already expanded (estimate for the next ten years)

Vietnam Approx. 180.0 billion yen

Thailand Approx. 40.0 billion yen

Australia Approx. 40.0 billion yen

* The above amount includes expenditures for land and buildings for sale, and reinvestment after recovery of investment

Main Initiatives

- Deepen coordination with local partners
- Upgrade the business implementation structure through localization and specialization
- Swiftly respond to and gather information on overseas-specific risks

Entry into the energy power generation domain

'Tokyu Smart Green Concept'

In addition to shifting to the in-house production of procured electricity for railways and other businesses, promote 'energy creation' and 'energy storage' for carbon neutrality

Build ECO systems leveraging the characteristics of each business mainly in areas served by Tokyu lines



Prospective investment targets

Solar power, offshore wind power, storage batteries

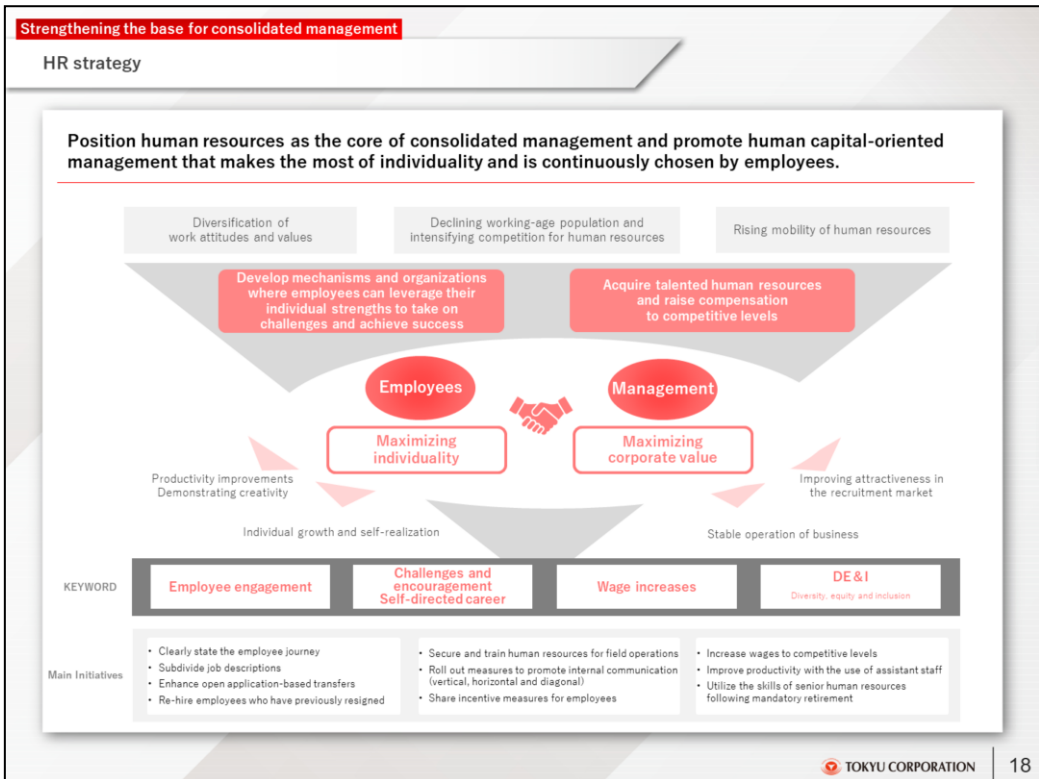
○ In terms of expansion of business domains, we have included the measures of "Continued promotion of the overseas business, GX investment."

○ In areas with prospects for population growth and economic growth, we will continue to strengthen the overseas business, focusing on countries where we already operate.

○ We will expand the long-term development business, with the real estate sales business as the principal axis, while emphasizing growth, stability, and sustainability, and we will also consider business opportunities in TOD-related development such as the transportation business and fee businesses.

○ Through investment in the green energy sector, we will also work to take procured electricity in-house and drive efforts to go carbon neutral.

○ Taking procured electricity in-house in each business, including the railway business, will make it possible to stabilize business and reduce costs and will also allow us to realize the aim set out in our Environmental Vision 2030 of a society where residents can contribute to the environment without any sense of burden simply by living in areas served by Tokyu lines.



○ I will now explain about "Strengthening the base for consolidated management".

○ Looking first at HR strategy.

○ We will position human resources as the core of consolidated management and promote human capital-oriented management that maximizes individuality so that we continue to be the choice of employees.

○ We will develop mechanisms and organizations where employees can leverage their individual strengths to take on challenges and achieve success and we will also acquire talented human resources and raise compensation to competitive levels.

○ We will work to ensure that we can improve and maximize corporate value going forward.

Digital strategy

Deploy digital-based measures across Tokyu to drive improvements in customer value and business value

More in-depth business and customer experiences	Providing experiential value by fusing real and digital
Expansion and upgrading of digital customer contact points	▶ Proposing new behavioral value, strengthening 1-to-1 approach and verifiability
Digital infrastructure spanning multiple businesses	▶ Evolving CRM measures by Tokyu group through Tokyu points and unified IDs
Data science	▶ Data-driven oriented, create new services
Business process reform	Strengthening the environment for creative activities
Business flow standardization and automation	▶ Groupwide business streamlining and less time spent on routine work
Development by citizen / utilization of generative AI	▶ No-code / low-code development, expansion of digital contact opportunities
Development of digital promotion infrastructure	Next-generation DX promotion infrastructure (agility / speed)
Next-generation network infrastructure	▶ Introduction of a zero trust network as shared Group infrastructure
Flexible architecture	▶ Design of micro services, strengthened API integration and cloud utilization
Promotion and expansion of in-house development	▶ Agile development & DevOps, tandem development of UI apps and backbone infrastructure
Enhancement of digitally-literate human resources	▶ Expansion of advanced and specialized human resources (URBAN HACKS), strengthening development of human resources for transformation
Development of sophisticated implementation structures	▶ Governance through a DX Committee, etc., improvements to upstream processes and planning capabilities

○ This deals with digital strategy.

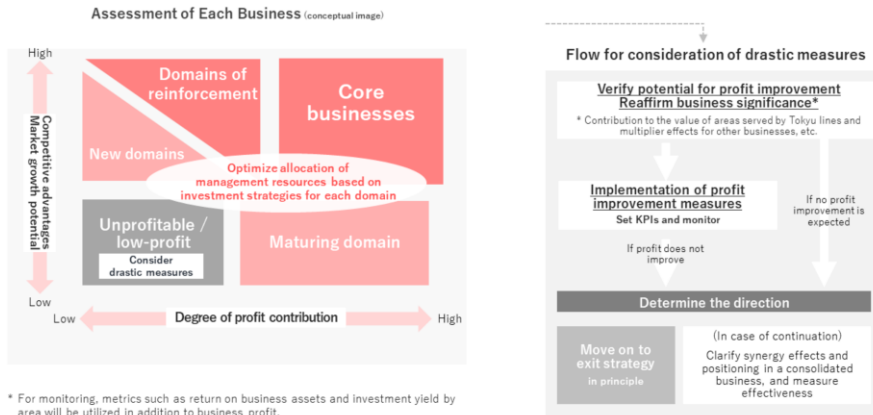
○ We will deploy digital technology-based measures across Tokyu to drive improvements to customer value and business value.

○ Leveraging our strengths, that is, our existing real assets and extensive customer contact points, we will fuse them with our digital platform for more in-depth business and customer experiences.

○ Meanwhile, alongside business process reform, we will also focus on the development of a DX promotion infrastructure.

Business portfolio management

- ◊ Clarify domains to be reinforced and to be rebuilt, leading to improved consolidated capital efficiency and the reallocation of management resources (human resources and funding)
- ◊ Form a dedicated organization to promote the portfolio management and build a system for top management to be directly involved in projects that require drastic measures



* For monitoring, metrics such as return on business assets and investment yield by area will be utilized in addition to business profit.

- This slide deals with business portfolio management.
- We recognize that we have in the past prioritized expansion in scale and that there has also been insufficient investment in some existing assets, and some businesses have room for improvement in asset efficiency.
- We will, therefore, clarify domains to be reinforced and to be rebuilt, and then ensure thoroughgoing management of the business portfolio as a whole and focus on improving consolidated capital efficiency and reallocating management resources.
- We will form a dedicated organization tasked with implementation and build a system for top management to be directly involved in projects that require drastic measures.



Management Indices,
Shareholder Returns/Investment Plans

Management Indices

While revenues recovered after the crisis, rising construction costs, interest rate trends, etc. have emerged as management risks.

Promote management conscious of the cost of shareholders' equity,
emphasizing efficiency and financial health in addition to expansion of scale

			FY2023 Forecasts	FY2024	FY2025	FY2026	
EPS	Earnings Per Share	(yen)	99.6	95	96	116	Cost of Shareholders' Equity of Tokyu 5.1-6.5% <small>Estimated as of March 2024 Calculated based on the capital asset pricing model (CAPM) and earnings yield</small>
ROE		(%)	7.9	7.3	7.0	8.0	
ROA	Business Profit ROA*	(%)	3.4	3.2	3.2	3.5	
TOKYU EBITDA		(billion yen)	198.6	193.0	200.0	210.0	
Operating Profit		(billion yen)	90.0	84.0	85.0	95.0	
Profit attributable to owners of parent		(billion yen)	60.0	57.0	58.0	70.0	
Interest bearing debt/ Tokyu EBITDA multiple		(times)	6.4	6.3	6.3	6.1	

Aiming for an ROE of 8% in FY2026 and ROA of 4% in the medium- to long-term
Business Profit ROA

*Business Profit = Operating Profit + Investment gains (loss) from equity method (excl. listed companies) + Dividend Income related to Real Estate Business, etc.

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○ This slide shows the management indices that are the targets under the plan.

○ While revenues have recovered after the COVID crisis, rising construction costs, interest rate trends, etc. have emerged as management risks. In light of this, we will not just grow in size but also emphasize efficiency and financial health, promoting management with an awareness highly conscious of the cost of shareholders' equity.

We previously attached importance to operating profit and TOKYU EBITDA as indicators of size and interest-bearing debt/TOKYU EBITDA multiple as an indicator of financial soundness.

Under this plan, we are further promoting management conscious of capital efficiency and have set EPS, ROE and ROA as the three management indices we attach most importance to.

We will also add profit attributable to owners of parent, which is the numerator for EPS and ROE, as an important indicator.

Business profit, which is the numerator for ROA or return on assets, refers to operating profit plus profits related to real businesses such as overseas businesses and airport operation businesses, whose profit is recorded in non-operating profit under accounting rules.

○ Our FY2026 targets are EPS of 116 yen, ROE of 8.0%, and ROA of 3.5%, and we aim for ROA of 4% in the medium- to long-term.

○ To the right of the table, there is information about the cost of shareholders' equity, which we recognize as being in the range of 5.1-6.5%.

○ Our business operations are very stable and our leverage level is appropriate. We also have a stable business portfolio with enormous growth potential, supported by our cyclical reinvestment strategy. Accordingly, the cost of shareholders' equity is at a relatively low level or, in our view, an appropriate level.

Over the plan period, upfront investments in the development business that will not contribute to earnings during the period will accumulate, and we have therefore set a ROE target of 8%.

○ As for the indicators of scale, our FY2026 targets are TOKYU EBITDA of 210 billion yen, operating profit of 95 billion yen, and profit attributable to owners of parent of 70 billion yen.

In terms of financial health, we aim for an interest-bearing debt/TOKYU EBITDA multiple of 6.1 times.

A deterioration in real estate market conditions is an opportunity to purchase real estate. We intend to ensure the financial spare capacity to be able to make contrarian investments when such opportunities arise.

○ We have estimated that investment gains (losses) from equity method in relation to three listed equity-method affiliates will be 11 billion yen as explained later in this plan and this needs to be revised as appropriate based on the plans and earning forecasts of each company.

Shareholder Returns and Investment Plan

Shareholder returns

Dividend policy

Maintain stable dividends and aim for sustainable dividend growth in line with profit growth

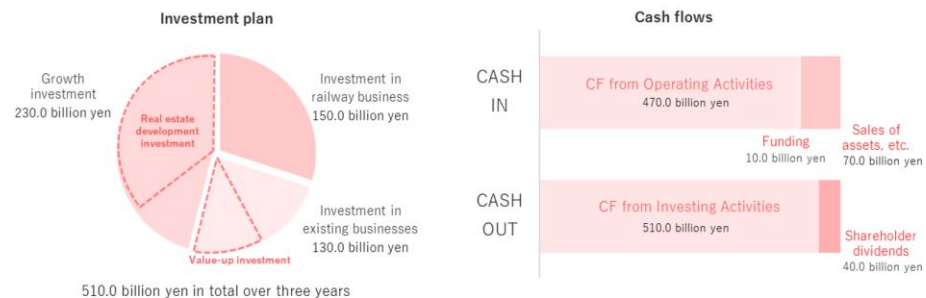
(Minimum dividend of 21 yen per share over the term of this plan) *Except in the event of a situation that has a significant impact on business performance, etc.
(In the med- to long-term, aim for a payout ratio of 30%, taking into account business performance and financial situation)

Capital policy

Acquisition of treasury stock, etc.

Flexible and proactive implementation

(The timing and scale of implementation will be considered, taking into account the total return ratio over the full three years of the plan)



- This slide shows shareholder returns and investment plan.
- First, let me explain our Shareholder Return Policy at the top of the slide.
- Our dividend policy is to maintain stable dividends and aim for sustainable dividend growth in line with profit growth, setting a minimum dividend of 21 yen per share over the term of this plan.
- In the medium- to long-term, we will continue to aim for a payout ratio of 30%, taking into account business performance and financial situation.
- In addition to this, we will also implement capital policy flexibly and proactively.
The timing and scale of treasury stock acquisitions will be considered, taking into account the total return ratio over the full three years of the plan.

○ Moving on to the investment plan and cash flows in the bottom half of the slide, the graph on the left side shows the investment plan, and we expect to make total investment of 510 billion yen over the three-year period.

This consists of investment in railway business of 150 billion yen, investment in existing businesses of 130 billion yen, and growth investment of 230 billion yen.

The pie chart gives an idea of the scale of real estate development investment within growth investment and the scale of value-up investment within investment in existing businesses.

○ The graph on the right shows cash flows.

Looking at the top part of the graph, total CASH IN over the three-year period will amount to 550 billion yen, with cash flow from operating activities expected to account for 470 billion yen of this and sales of assets, etc. expected to account for 70 billion yen.

CASH OUT reflects shareholder dividends of 40 billion yen in addition to such aggressive investment.

○ Details of plan figures and operating revenue and profit by segment can be found in the following slides.

○ In addition, the profit from real estate sales is disclosed as a breakdown of operating profit. During the period of the plan, the share of real estate sales profit will remain below 15%. This suggests that our portfolio is stable compared to other developers. At the same time, we intend to respond flexibly to changes in real estate market trends and financial trends, including interest rates.

○ We created this medium-term management plan for all stakeholders. It is for shareholders, investors, financial institutions, employees, residents and municipalities along the Tokyu lines. It is also a message to companies, developers, and quality real estate investors who have the know-how and content to support and walk with us in our long-term vision for urban development in Shibuya and other areas served by Tokyu lines as well as in major locations in Japan and abroad.

We have adopted an open system since our establishment, so we would like to invite such motivated and creative people to join us in our urban development efforts.

(Reference) Numerical Targets -1

(unit: billion yen)	FY2023 Forecasts	FY2024 Plan	FY2025 Plan	FY2026 Plan
Operating Revenue	1,041.4	1,050.0	1,060.0	1,080.0
Operating Profit	90.0	84.0	85.0	95.0
From Real Estate Sales Business	17.9	12.3	7.9	9.5
Excluding Real Estate Sales Business	72.1	71.7	77.1	85.5
Business Profit	90.3	85.0	86.0	97.0
Recurring Profit	93.8	86.0	86.0	96.0
Profit attributable to owners of parent	60.0	57.0	58.0	70.0
TOKYU EBITDA	198.6	193.0	200.0	210.0
EBITDA	177.8	172.0	177.5	190.0
Interest-bearing debt	1,264.5	1,225.0	1,260.0	1,275.0
Total Assets	2,621.3	2,620.0	2,710.0	2,780.0
ROE	7.9%	7.3 %	7.0 %	8.0 %

Note: Investment gains (loss) from equity method of the three listed companies in Tokyu Group are reflected in the numerical plan at approximately 11.0 billion yen for each fiscal year.

Business Profit = Operating Profit + Investment gains (loss) from equity method (excl. listed companies) + Dividend income related to Real Estate Business, etc.
TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

(Reference) Numerical Targets -2 By Segment

(unit: billion yen)

Operating Revenue	FY2023 Forecasts	FY2024 Plan	FY2025 Plan	FY2026 Plan
Transportation	214.1	218.2	222.3	227.7
Real Estate	290.7	250.5	259.9	253.7
Life Services	515.9	527.2	524.9	543.0
Hotel and Resort	89.3	127.3	130.0	132.6
Elimination, etc.	- 68.6	- 73.2	- 77.1	- 77.0
Total	1041.4	1050.0	1060.0	1080.0

Operating Profit	FY2023 Forecasts	FY2024 Plan	FY2025 Plan	FY2026 Plan
Transportation	31.5	29.5	31.2	32.8
Real Estate	46.0	38.9	32.5	36.1
Life Services	11.6	13.6	15.8	20.1
Hotel and Resort	0.4	1.5	5.0	5.5
Elimination, etc.	0.5	0.5	0.5	0.5
Total	90.0	84.0	85.0	95.0

(reference) Major development projects underway

SHIBUYA AXSH



Site area : Approx. 3,460㎡
 Floor area Approx. 44,560㎡
 Uses : Offices, shops, parking facilities, etc.
 Opening : First half 2024 (scheduled)

Shibuya Upper West Project



Image by Prolog / Copyright : Snaheeta
 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
 Uses : Retail, Hotel, Residence, etc.
 Completion : FY2027 (scheduled)

SHIBUYA SCRAMBLE SQUARE
 (Central・West Bldg.)



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

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.



DRESSER Tower Musashikosugi



Completion : May 2024 (scheduled)
 For-sale condominium
 Total units : 160

STORYLINE Senagajima



Opening : April 11, 2024
 Condominium-type hotel accommodation
 Guest rooms : 101 rooms

The GLORY (Vietnam)



Site area : Approx. 19,000㎡
 Building use : For-sale condominiums (some commercial facilities)
 Total units : 992
 Completion : Spring 2024 (scheduled)
 *Joint venture with NTT Urban Development Corporation.

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.



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