

Results in FY2015/3 Presentation for Investments

May 14, 2015

FUTAKO
TAMAGAWA

Tokyu Corporation

(9005)

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

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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

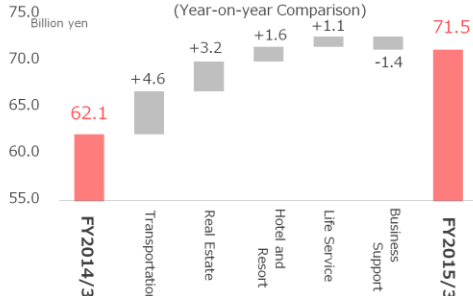
Main Points in the Results for FY2015/3

[Year on year] Revenue increased as a result of cost reductions in the Company's railway operations, but the Company's real estate sales business suffered in reaction to the increased sales of condominiums in the previous fiscal year. Net income decreased due to a decline in gains on changes in equity and sales of fixed assets, etc.

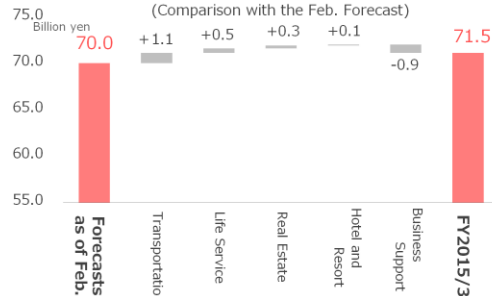
[Comparison with the February forecast] Revenue increased thanks to the decreased cost of the Company's railway operations and the strong sales of the Tokyu Store chain, although sales of the Company's railway operations fell in reaction to last-minute demand ahead of the consumption tax hike. Net income increased as a result of an increase in investment gains from the equity method, etc.

	Results	YoY Comparison	Comparison with Forecasts as of Feb.	Comparison with Management Plan
Operating Revenue	1,067.0	- 15.9 (- 1.5%)	- 1.7 (- 0.2%)	- 45.3 (- 4.1%)
Operating Profit	71.5	+ 9.3 (+ 15.0%)	+ 1.5 (+ 2.2%)	+ 1.5 (+ 2.2%)
Recurring Profit	66.6	+ 4.0 (+ 6.4%)	+ 3.1 (+ 4.9%)	+ 8.6 (+ 14.9%)
Net income	41.0	- 15.4 (- 27.3%)	+ 3.0 (+ 8.0%)	+ 7.0 (+ 20.7%)

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



Operating Profit by Segment (Comparison with the Feb. Forecast)



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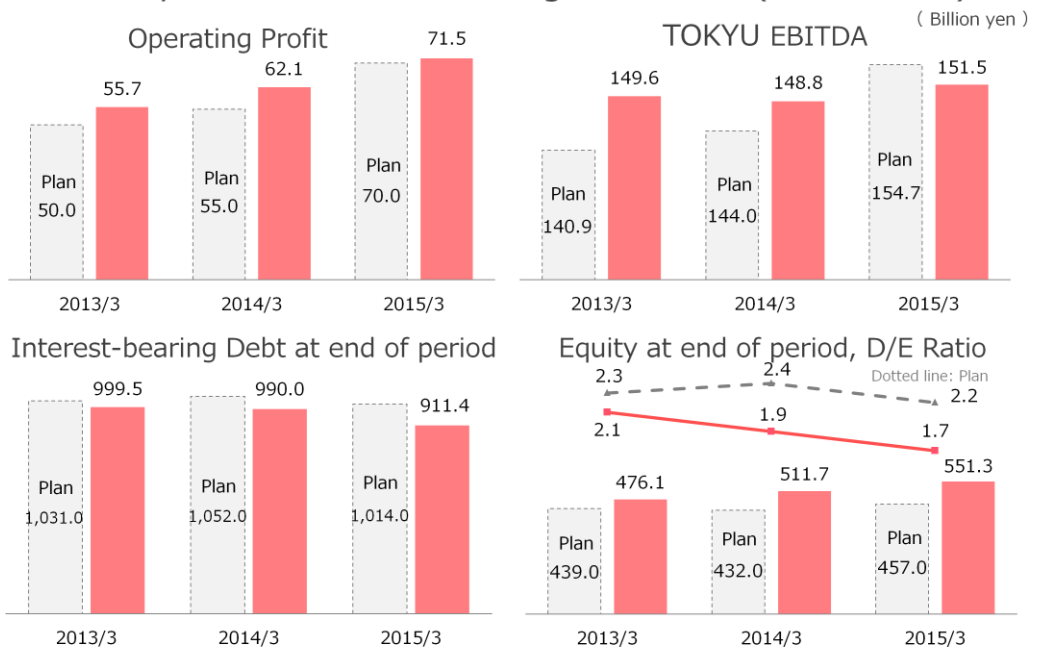
<Main Points in the Results for FY2015/3>

Operating revenue decreased 15.9 billion yen to 1,067.0 billion yen, mainly due to a decline in reaction to sales of condominiums a year ago.

Operating profit increased 9.3 billion yen to 71.5 billion yen, as there was a decrease in cost in railway operations and the real estate business remained strong.

Net income recorded 41.0 billion yen, a decrease of 15.4 billion yen from one year ago and 7.0 billion yen more than the management plan, chiefly reflecting declines in gain on change in equity and gains on sales of fixed assets.

Summary of the Previous Management Plan(2012-2014)



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<Summary of the Previous Management Plan>

Operating profit exceeded the projected numbers in every fiscal year.

The Tokyu EBITDA exceeded the projected figure in terms of the three-year total amount.

Interest-bearing debt balances declined steadily to a figure lower than the plan by approximately 100 billion yen.

The equity ratio is increasing steadily on the back of accumulated earnings.

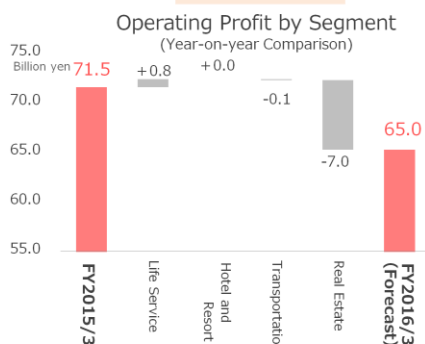
As a result, the debt/equity ratio improved to a level below 2.0-fold.

The Company will make its best efforts so that it can continue to report, at the end of the next three years, the achievement of all indexes set out in the three-year mid-term management plan that starts this fiscal year.

Main Points in Forecasts for FY2016/3

[Year on year] Operating profit decreased, mainly reflecting the expenses borne by the Company's real estate leasing business for the opening of facilities completed in the second Futako-tamagawa redevelopment project. Net income increased due to the gain on sales of fixed assets in extraordinary gains, etc.

	Full Year Forecast	YoY Comparison	
Operating Revenue	1,082.0	+ 14.9	(+ 1.4%)
Operating Profit	65.0	- 6.5	(- 9.1%)
Recurring Profit	58.0	- 8.6	(- 12.9%)
Net income	44.0	+ 2.9	(+ 7.2%)



<Main Points in Forecasts for FY2016/3>

Operating revenue is expected to increase 14.9 billion yen year on year to 1,082.0 billion yen, mainly reflecting the opening of the facilities completed in Futako-Tamagawa Redevelopment Phase II .

Operating profit is expected to decrease 6.5 billion yen to 65.0 billion yen, mainly due to the accrual of expenses to be shared for the opening of the facilities completed in Futako-Tamagawa Redevelopment Phase II and a decline in the sales of real estate.

The decrease in profit is even greater than the mid-term management plan announced this March, due to an increase in the operating profit for the previous year by 1.5 billion yen from the forecast. Going forward, we will strive to minimize the decrease.

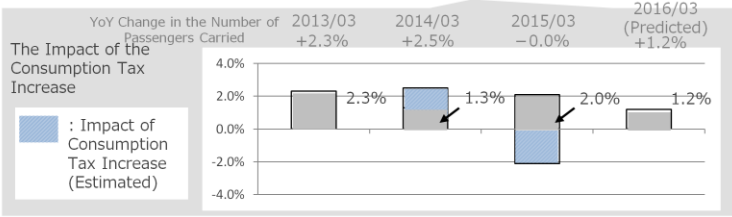
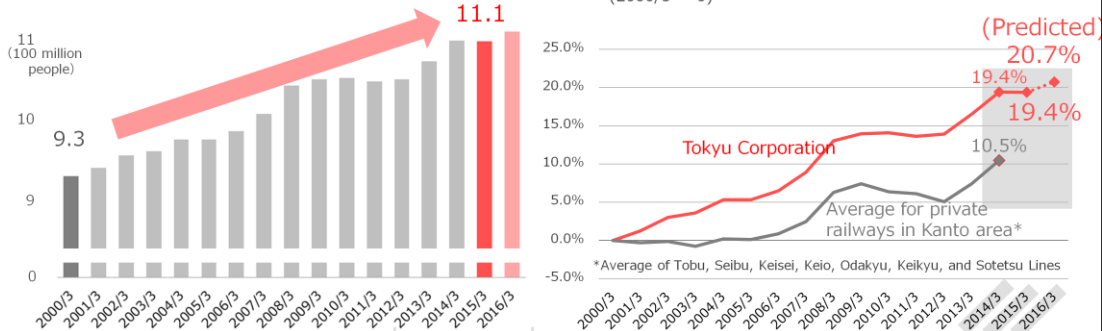
Net profit is expected to increase 2.9 billion yen to 44.0 billion yen, mainly reflecting an increase in gains on sales of fixed assets due to the sale of the land in front of the western entrance of Yokohama Station. The Company will continue to put its efforts into further increasing net profit.

II. Status of New Management Plan Initiatives

Change in the Number of Passengers Carried

The number of passengers carried has exceeded 1.1 billion for two consecutive years
 Change in the Number of Passengers Carried

Since 2000, the number of passengers carried has increased 19.4%
 Rate of Increase in the Number of Passengers Carried (2000/3 = 0)



<Main factors contributing to the increase in the number of passengers carried for FY2015>

- Opening of Futako-Tamagawa Rise Phase II
- Continuously increasing population in rail service areas
- Effects of the development of railway networks etc.

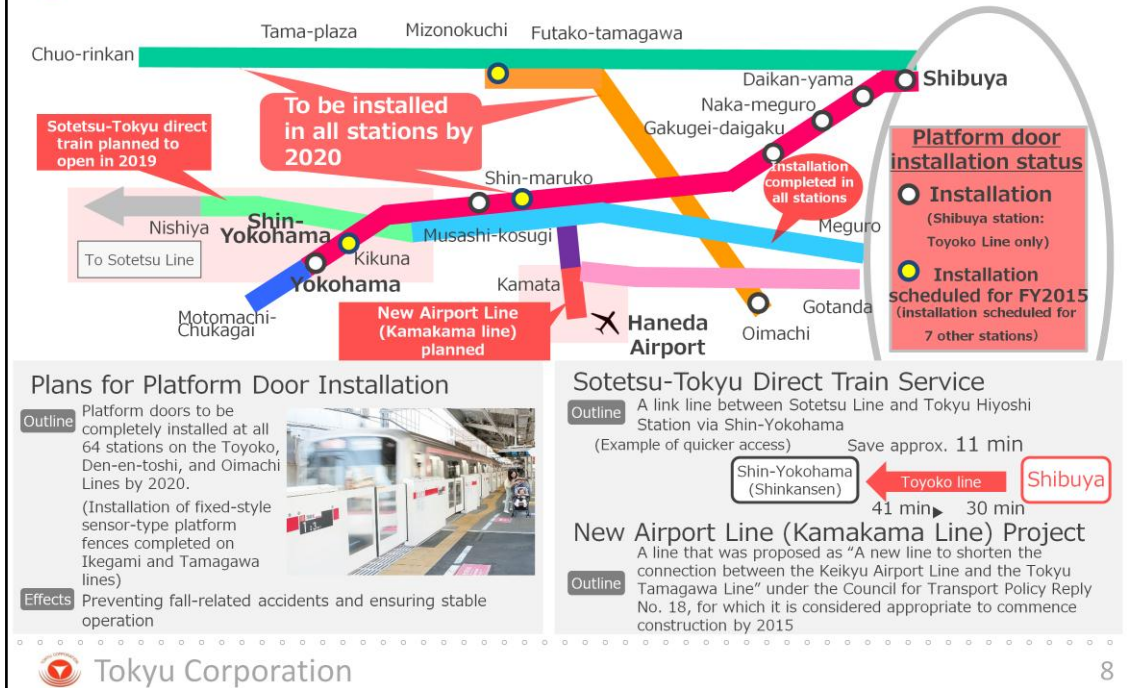
<Change in the Number of Passengers Carried>

The number of passengers carried has been increasing steadily since 2000, mainly due to the development of railway networks and the effect of investments in security measures. The number of passengers for FY2015/3 continued to remain above 1.1 billion, as in FY2014/3.

As indicated in the graph in the lower section, the number of passengers carried is growing steadily every year, if the effect of the consumption tax hike is not factored in. It is expected to rise in FY2016/3 as well, largely reflecting the opening of Futako-Tamagawa Rise phase II.

As a result, the number of passengers have been rising at a rate of 19.4% since 2000, showing a substantially higher increase than other railway operators.

Safety Initiatives and Further Improved Convenience



<Safety Measures and Further Improvement in Convenience>

The Company considers the pursuit of safety its responsibility and obligation. To ensure "safety and security," it will move up the original "platform doors installation" plan by approximately 10 years, placing them in all stations on the Toyoko Line, Den-en-toshi Line and Oimachi Line by 2020, when the Tokyo Olympic and Paralympic Games will take place. In addition, we will facilitate the "installation of sensors at railway crossings" and implement the "construction of facilities to mitigate disasters" as well as the "prevention of accidents," "strengthening capabilities to respond correctly to emergencies" and "swift transmission of information".

Work for Sotetsu-Tokyo direct train service is continuing as scheduled toward the opening in April 2019. The service will improve the convenience of access to the Shinkansen, as travel time between Shibuya and Shin-yokohama will be reduced to 30 minutes.

We will continue to pursue the possibility of a new airport line in cooperation with Ohta-ku which is promoting the service in earnest.

Status of Shibuya Redevelopment Initiatives

Opens FY2017

Shibuya miyashitacho Plan



*The operating body is Shibuya Miyashitacho Realty (a consolidated subsidiary of Tokyu Corporation)

Site area: approx. 5,020m²
 Floor area: approx. 35,000m²
 Floors: 16 above ground, 2 below ground
 Height: approx. 71m
 Main uses: offices, shops, residential complex etc.

Opens FY2018

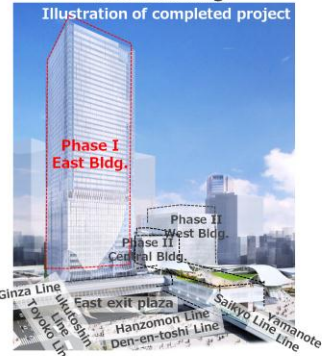
Shibuya Station South Block



Site area: approx. 7,100m²
 Floor area: approx. 116,700m²
 Floors: 35 above ground, 4 below ground
 Height: approx. 180m
 Main uses: offices, shops, hotels, parking etc.

Opens FY2019

Shibuya Station Block, East building



Site area: approx. 15,300m² (entire station area)
 Floor area: approx. 174,000m² (East building) Floors: 46 above ground, 7 below ground (East building)
 Height: approx. 230m (East building)
 Main uses: offices, shops, parking etc.



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<Progress in the Initiative for the Redevelopment of Shibuya>

The redevelopment of Shibuya will be completed in the following order ahead of the 2020 Tokyo Olympic and Paralympic Games:
 Opening facilities redeveloped based on the Shibuya miyashitacho plan in FY2017

Opening Shibuya Station South Block in FY2018

Opening Shibuya Station Block, East building in FY2019

The office leasing market in Shibuya is very favorable. According to a Miki Shoji survey, it is only Shibuya-ku that enjoys an average vacancy rate at the 3% level in the business areas in Tokyo and average rental charges are at the same level as those of Chiyoda-ku.

We believe that demand for offices will increase without question, as businesses in the creative content industry, which are clustering in Shibuya, are expected to keep growing, going forward.

Futako-Tamagawa Redevelopment (Overview of Phases I & II)



Whole Project

Site area: 11.2ha
 Floor area: approx. 423,600m²
 Total project cost: approx. ¥143.5 billion
 *Re-development project

Residential/Condominiums

(III block) Site area: approx. 25,180m²
 (II-b block) Floor area: approx. 133,300m²
 Total no. of residences:
 approx. 1,000
 Completion date: Jul 2010

Office Section

Phase I (I-b block)
 Rental area: approx. 19,650m²
 No. of workers: approx. 2,000
 Completion date: Nov 2010

Phase II (II-a block)
 Rental area: approx. 63,000m²
 Predicted no. of workers: approx. 8,000-10,000
 Office tenants move in as of Aug 2015

Commercial Facility Section

Phase I (I-b block) (Railway block)
 Shop area: approx. 34,900m²
 No. of shops: approx. 160
 Opening date: Mar 2011

Phase II (II-a block)
 Shop area: approx. 20,600m²
 No. of shops: 18
 Opening date: Apr 2015

The redevelopment is symbolic of Tokyu Corporation's business model, which exhibits synergistic effects through collaboration between its three core businesses



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<Redevelopment of Futako-Tamagawa (Total Summary of Phase 1 and 2)>

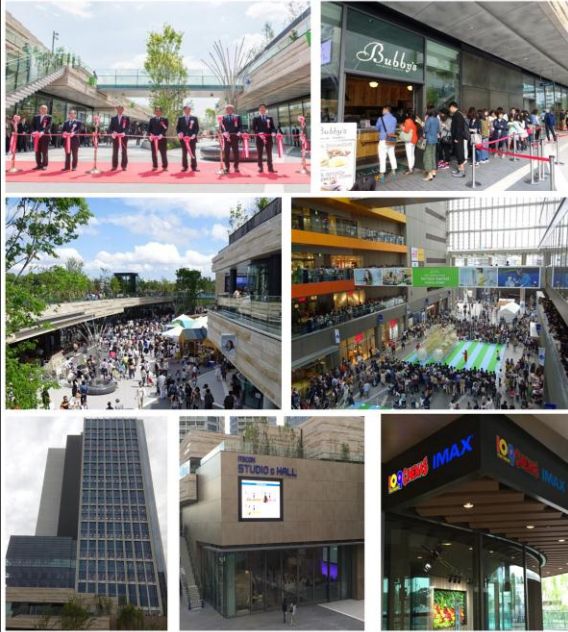
Futako-tamagawa Rise phase 2 opened on April 24. The development commenced in 1982 and took approximately 30 years to complete. We expect that the facility will be the model of smart cities and compact cities, as a new lifestyle and work style are created in a town where new office functions are in harmony with rich natural environments.

The redevelopment of Futako-tamagawa represents a symbol of our business model in which transportation, real estate and life service, our three core businesses, produce synergetic effects through their expected roles, create a flow of people, goods and money, and raise the overall value of the Tokyu areas through such a cycle of activities.

Going forward, in July, Futako-tamagawa Excel Hotel Tokyu will start operation and, in August, the Rakuten headquarters will be moving in. Futako-tamagawa will be a town with over 10,000 employees.

We will implement a variety of activities as a "creative city" and establish an office environment that raises the creativity of the people working there. By doing so, we will achieve the creation of "The Best place to work: Futako-tamagawa."

Latest Status of Futako-Tamagawa Redevelopment Phase II



<Ripple effect of Phase II opening> Y on Y comparison of Futako

Tamagawa Rise Phase I			
Sales	April 24-May 7, 2015 Fri ~ Wen	April 25-May 7, 2014 Fri ~ Wen	Y on Y comparison
Rise(Phase I)	Approx. 1.3 billion yen	Approx. 1.1 billion yen	127%
Rise(Phase II)	Approx. 0.3 billion yen	—	—
Total	Approx. 1.6 billion yen	Approx. 1.1 billion yen	—

Y on Y comparison of Number of passengers using Futako-Tamagawa Station

13 days of April 24 (Fri) - May 6 (Wen)
Y on Y comparison 126%

- ✓ Futako-Tamagawa Excel Hotel Tokyu on July 17, 2015 is scheduled to open
- ✓ In August 2015, tenants will be moving into the office space. Accordingly, an increase in the number of workers is also expected to help boost revenues from railway commuter passes.



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<Update of Redevelopment of Futako-Tamagawa, Phase 2>

The whole town of Futako-tamagawa is very busy and filled with crowds thanks to the opening of facilities that attract a large number of people such as a cinema complex and studio hall. In the existing Futako-Tamagawa Rise Shopping Center, sales for the 13-day period from April 24 to May 6 increased 27% year on year.

The number of passengers at Futako-tamagawa Station also increased 26% from a year ago. Ripple effects on the railway business are likely to be generated, as initially expected.

Latest Status of Real Estate Business in the Tokyu Area

Development of Tokyu area

<Newly opened>



LOG ROAD DAIKANYAMA



etomo Ichigao

Strategic projects

<Co-ownership acquisition>



Tokyu Jiyugaoka Building

Site area: approx. 3,200m² Shop area : approx.1,469m²
 Floor area: approx. 1,900m² No. of shops : 10
 Shop buildings: 5 Main uses : Shops
 Main uses: Shops Opening date: Apr 2015
 Opening date: Apr 2015



Site area: approx. 528m²
 Floor area: approx. 5,824m²
 Floors: 9 above ground, 2 below ground
 Main uses: shops
 Completion date: Sep 1961
 (Extension Dec 1965)



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<Update on the Real Estate Business in the Tokyu Area>

We plan to invest in growth businesses amounting to approximately 200 billion yen in the three-year mid-term management plan, of which more than 50 billion yen are expected to be spent for the development of areas along Tokyu's railway lines.

We opened etomo Ichigao and LOG ROAD DAIKANYAMA in April, while acquiring a co-ownership interest in the Tokyu Jiyugaoka Building.

Going forward, we will promote the redevelopment of areas around the stations on Tokyu's railway lines, such as Toritsu-daigaku Station, Naka-meguro Station and Yutenji Station, thereby increasing the value of the Tokyu Area.

Main Initiatives in Life Service Business

Strengthen structure for promoting retail business

Retail Business Headquarters

Strategy

Store development Marketing & merchandising
 Purchasing E-commerce & distribution Tenant leasing

Aim to establish a retail business division to unify our consolidated retail businesses. By developing powerful headquarter functions we can develop a system that leverages the comprehensive capabilities of the overall group

Improve competitive strength by using retail expertise of each company and by sharing resources

TOKYU OOH

- ✓ Introduced some of the Japan's largest scale advertising-use digital signage at Shibuya and Futako-tamagawa stations



TOKYU Point

- ✓ Introduced TOKYU Point service at shopping districts in Jiyugaoka and Meguro ward
- ✓ Point service for train-bus connections at Musashi-kosugi station (Implemented for the period Mar - Apr 2015)



Illustrations and figures prepared by Tokyu Retail Area Marketing System (TR・AMS)

<Main initiatives of the Life Service business>

To strengthen the structure for retail business promotion, we internally established the Retail Business Headquarters as a powerful headquarters that overlooks the consolidated retail business. We will seek to improve competitiveness by leveraging the strengths of each retail company and sharing resources.

As part of the media strategy of the ICT and Media business for areas along Tokyu's railway lines, we installed some of the largest digital advertising signage in Japan at Shibuya Station and Futako-tamagawa Station. In particular, the signage installed on the sidewall of the stairs in Futako-tamagawa Station can use the whole town as media through the collaboration between the digital signage operating in Futako-Tamagawa Rise and iTSCOM STUDIO & HALL.

As for the Tokyu point program, which can be used for trains and buses, we will make it more convenient for residents in areas along Tokyu's railway lines to use points by collaborating with other shopping streets in the region such as the Jiyugaoka shopping street and Meguro shopping street.

From the above perspectives, we will promote the Life Service business totally, by fostering collaborations between real shops, media, Tokyu Card and Tokyu Points.

Latest Status of Overseas Business

Urban Development in Binh Duong New City, Vietnam

Condominiums



Name: SORA gardens I
 Site area: 9,082m²
 Occupation area: approx. 67m²-105m²
 Floors: 24 above ground
 Total no. of residential units: 406
 Completion date: Jan 2015

Commercial Facilities



Name: hikari
 Shop floor area: approx. 1,600m² (Phase I)
 No. of plots: 4 units (Phase I)
 Business types: food court, convenience store, restaurant, café, ATM
 Opening date: Jan 2015
 (some stores opened Nov 2014)

Bus



Name: KAZE SHUTTLE
 Bus routes: Binh Duong New City—Old provincial area Thu Dau Mot City
 Bus Services: total 60
 Frequency: Every 10-20 min (peak time)
 Every 30 min (off-peak)
 Opening date: commenced full-scale operation as of Dec 2014

New business—Launch of rental apartment business for Japanese living in Thailand

Business area

Sri Racha, Chonburi Province, Thailand
 (Located adjacent to Sri Racha Japanese School and OISCA Japanese Kindergarten)

Business execution entity

Saha Tokyu Corporation Co., Ltd.
 Tokyu Group 50% Saha Group 50% (major Thai conglomerate group)

Property overview

Land area: approx. 55,000m²
 Construction: 2-story reinforced concrete town house
 Total no. of residences: 180 (2LDK, 122m² / 3LDK, 139m²)
 Date of commencing operation: Sep 2016 (planned)



Perspective image of completed project



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<Update on Overseas Business Expansion>

• Binh Duong New City in Vietnam

Deliveries of “SORA Gardens I,” which commenced in March 2015, are continuing steadily.

Thanks to legal reform, foreigners will be able to purchase real estate in July. Going forward, we anticipate an increase in demand as expectations among investors rise.

As part of the improvement of life infrastructure in the town, we commenced Hikari, a shopping center, and KAZE SHUTTLE, a shuttle bus service. We will continue to increase the added-value of the town.

• Sri Racha, Thailand

We are planning to operate a housing lease business with the Saha Group, a major Thai conglomerate, in Sri Racha, a town located 100 km to the southeast of Bangkok. Sri Racha is an area with a cluster of plants owned by Japanese companies, mainly manufacturing companies, and where the second largest number of Japanese live, after Bangkok. We will support the life of Japanese personnel stationed there as well as their families.

Taking a giant step toward the future, we will continue to promote businesses steadily in collaboration with local partners to leverage the economic growth power of Southeast Asia.

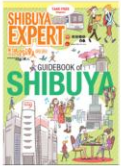
Tapping into inbound demand

Strengthen measures to attract inbound tourists to Shibuya

「Shibuya Expert」 etc.

Using various media to introduce Shibuya to foreign tourists in an easy-to-understand manner

Promoting the “Shibuya Brand” at overseas travel events



Shibuya Expert



Time Out



Participation in travel industry events

Offering discounts for payment with UnionPay cards
Cooperative campaign with UnionPay bankcard aimed at foreign tourists
Better information provision and expanded and improved Wi-Fi areas in station buildings



UnionPay Campaign



Shibuya Station Tourist Information Center



Free Wi-Fi spots for foreign travelers
Visit SHIBUYA Wi-Fi



Closer cooperation in response to diversification of tourist locales

<Osaka, Kyoto area>



The Park Front Hotel at Universal Studios Japan® (Opens Aug 2015)



Kyoto Tokyu Hotel (Refurbished Feb 2015)

<Hokuriku area>



Kanazawa Tokyu Hotel (Refurbished Oct 2014)

Ceasing the opportunity of the opening of the Hokuriku Shinkansen in March 2015, the Kanazawa Excel Hotel Tokyu was fully refurbished and re-opened as the Kanazawa Tokyu Hotel

In addition to these, Tokyu Corporation is promoting policies that make use of hotels etc. throughout Japan, in locations such as Izu, Nagano and Sapporo etc.

<Initiatives for Inbound Customers>

In terms of intangible business, we are proactively tapping into inbound demand.

Shibuya Expert, a booklet that provides information on streets in Shibuya is printed not only in English but also Chinese, Korean and Thai. The publication is distributed in such a place as Tokyu Department Store in Thailand.

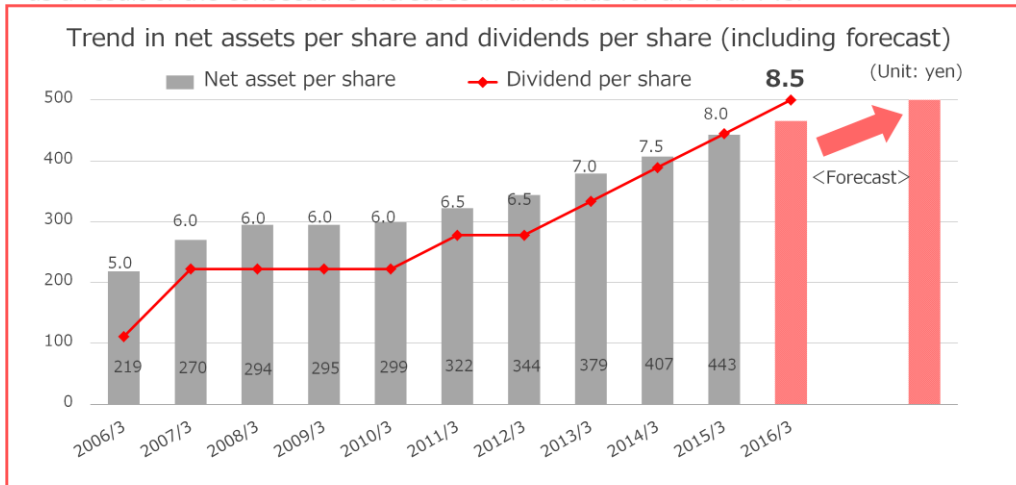
As a result of such initiatives, the number of Thai customers in Shibuya has increased significantly.

Our efforts also included a collaboration with the UnionPay Card, provision of the Shibuya *Chikamichi* Lounge, the operation of tourist information desks at Tokyu Tokyo Metro Shibuya Station, and the provision of free Wi-Fi services for foreigners.

We are also facilitating the creation of schemes from the perspective of encouraging foreigners to use the Company’s facilities available nationwide. We are working to strengthen the tour coordination function by establishing a new Tourism Development Division.

Dividend Policy

The annual dividend for the FY ending March 31, 2016 is expected to be 8.5 yen/share as a result of the consecutive increases in dividends for the four FYs.



Dividend policy

Target a Dividend On Equity (DOE) ratio of 2% and aim to raise dividends while maintaining reliable returns.



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<Dividend Policy>

Following on the previous management plan, we are aiming for a DOE ratio of 2% and additional dividends while maintaining stable and continuous dividend payments.

For FY2015/3, we will increase the annual dividend from 7.5 yen to 8 yen, as planned.

For FY2016/3, too, we hope to increase our annual dividend by 0.5 yen for the fourth consecutive year, and pay 8.5 yen per share, considering the forecast results.

We hope to continue increasing the dividends by steadily accumulating performance results and adding to net assets per share.

Acquisition of Own Shares

Own shares will be acquired at a maximum of 10 billion yen.

- Reasons for acquisition: to improve capital efficiency and execute flexible capital policies
- Total number of shares to be acquired: Up to 15.0 million shares
[Equivalent to 1.20% of outstanding shares(Excluding treasury stock)]
- Total cost of acquisition: Up to 10 billion yen
- Period of acquisition: From May 14, 2015 to August 14, 2015

Share buyback

We plan to continue to adopt a flexible approach toward share buybacks taking into account our cash flow and balance sheet performance.



<Acquisition of own shares>

Continuing from the previous year, we will acquire our own shares up to a total of 10 billion yen to improve capital efficiency and implement functional capital policies.

We have decided the scale of acquisition, considering a balance between investments in growth businesses and safe businesses. Going forward, we will continue studying the flexible acquisition of our own shares, while considering the conditions of cash flows and balance sheets.

Position of the FY2015-2017 New Management Plan

- | | |
|--|--|
| <p>FY2010 - Tokyu Capitol Tower opened
 - Tama-plaza Terrace wholly opened
 - Futako tamagawa Rise phase I opened</p> <p>FY2012 - Shibuya Hikarie opened
 - Mutual direct train service between Toyoko Line and Tokyo Metro Fukutoshin Line started</p> <p>FY2015 - Futako-tamagawa Rise phase II to be opened</p> <p>FY2017 - Miyashitacho Project to be opened</p> | <p>FY2018 - Shibuya station south district to be opened</p> <p>FY2019 - Sotetsu-Tokyu direct train to be opened
 - Shibuya Station Block East building to be opened</p> <p>2020 - Tokyo Olympic, Paralympic Games
 - Complete installation of platform doors (Toyoko, Den-en Toshi, and Oimachi Lines)</p> <p>2022 - 100th anniversary of the founding of TOKYU CORPORATION</p> <p>FY2027 - Shibuya station district to be opened wholly</p> |
|--|--|



- This is a step toward our next stage, the completion of our large-scale development project
- Design and implementation stage for long-term business strategies and growth measures
- To achieve rapid progress in the future, we plan to steadily moving forward with existing projects while also actively venturing into new business domains by leveraging our expertise, and focusing investments into growth areas



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<Position of the New Management Plan>

The Management Plan encompasses the period stepping toward our next stage in which large-scale projects such as the development of the areas surrounding Shibuya Station will be completed. We will promote existing businesses with certainty, proactively expanding into new business areas and implementing investment in growth businesses selectively to prepare ourselves for giant leaps in the future.

<Observance of the Corporate Governance Code>

The Corporate Governance Code aims to facilitate mid- to long-term investments by enhancing efficiency and transparency in corporate management.

The Company also recognizes that independent efforts to enhance corporate governance measures will contribute to sustainable growth.

We will embrace the Corporate Governance Code and address relevant issues proactively and speedily.