



March 27, 2018

FOR IMMEDIATE RELEASE

TOKYU CORPORATION

Representative: Hirofumi Nomoto, President & Representative Director

(Code: No. 9005, Tokyo Stock Exchange First Section)

Contact: Katsumi Oda, Senior Manager, Accounting Division

(Telephone: +81-3-3477-6168)

Notice Regarding a Three-Year Medium-Term Management Plan

Tokyu Corporation announces that a meeting of its Board of Directors held on March 27, 2018 has prepared a three-year medium-term management plan (for fiscal 2018 to fiscal 2020) beginning in fiscal 2018.

* Please refer to Attachment for detail.

March 27, 2018

Tokyu Corporation Formulates Three-Year Medium-Term Management Plan “Make the Sustainable Growth”

Tokyu Corporation

Tokyu Corporation (hereinafter "the Company") has recently prepared a three-year medium-term management plan (for fiscal 2018 to fiscal 2020; hereinafter "the plan") beginning in fiscal 2018.

The Company and its consolidated subsidiaries launched its current three-year medium-term management plan in April 2015 and has been implementing initiatives that utilize the Group's management resources such as pursuing railway safety through the installation of platform doors, further developing areas served by Tokyu's railway lines, including fully opening Futako-Tamagawa Rise and opening Shibuya Cast, entering the retail electricity and airport operation businesses, and launching the IZU tourist train service. As a result of these initiatives, we expect to be able to achieve our management targets.

In the meantime, our business environment has changed considerably. We urgently need to address changes in the business environment such as serious labor shortages arising from demographic change and other factors, changes in consumer behavior and customer contact points largely due to the rise of e-commerce, the emergence of new business opportunities thanks to technological advances, and the intensification of global competition.

Under this plan, we will work to ensure safe and secure transportation and improve comfort by easing congestion in the railway business, and we are committed to completing installation of platform doors on the Toyoko, Den-en Toshi and Oimachi Lines during FY2019. In addition, large development properties such as Shibuya Stream, Shibuya Scramble Square East Building and Minami Machida Grandberry Park will gradually be opened. We will celebrate the 100th anniversary of our founding in FY2022 and, during the three-year period covered by the plan, we will lay the foundations for the next 100 years while at the same time becoming a Group that creates new added value.

Under the slogan “Make the Sustainable Growth,” the plan sets out three basic policies: sustainable urban development, sustainable corporate development and sustainable HR development. Under the plan, we aim to become a company that, despite the dramatically changing times, continues to achieve sustainable growth over the next 100 years by strengthening our existing businesses and our network outside areas served by Tokyu's railway lines and by actively advancing into new areas where we can utilize our strengths.

The overview of the three-year medium-term management plan of Tokyu Corporation is described as follows.

(For Reference) This document is being distributed today to the Kabuto Club (the press club of the TSE) as well as to the press club for the Ministry of Land, Infrastructure and Transport and Tokiwa Club.

Please direct any inquiries about this release to:

Public Relations Team, Public Relations Office, Office of the President, Tokyu Corporation, Tel: 03-3477-6086

Attachment

Overview of the Three-Year Medium-Term Management Plan of Tokyu Corporation

1. Period

Three years starting from fiscal 2018 (fiscal 2018 to fiscal 2020)

2. Basic Policies

“Make the Sustainable Growth”

Sustainable urban development

Sustainable corporate development

Sustainable HR development

3. Key Initiatives

(1) Tirelessly pursue “safety,” “security” and “comfort.” (Strengthen core railway business.)

We will strengthen systems to prevent accidents and ensure early recovery to achieve safe transportation and will also reduce and eliminate delays and congestion through facility measures, such as the installation of platform doors and new rolling stock, and system measures, such as the communication of information and promotion of off-peak travel.

(2) Increase SHIBUYA’s global appeal. (Realize “Entertainment City SHIBUYA.”)

We will steadily pursue and open large-scale developments such as Shibuya Stream and Shibuya Scramble Square East Building, and we will also work on area branding to increase the appeal of Shibuya. We also aim to expand earnings by actively capturing business opportunities in Greater Shibuya.

(3) Continuously improve the TOKYU area’s value and life value. (Demonstrate Group’s all-round strength.)

(i) Development of the TOKYU area

We will seek to further enhance the TOKYU area’s value with comprehensive development in cooperation with local communities and governments. We will also make the TOKYU area a well-balanced area that is home to diverse generations through the remodeling of the suburbs.

(ii) Rebuilding of the retail business

We will focus on improving efficiency and profitability by promoting business consolidation and structural reform and strengthening functions across retail business divisions. We will also improve the value of the TOKYU area and contribute to population growth in the TOKYU area through further cooperation with railway and real estate businesses, etc.

(iii) Enhancement of Services in ICT and Media Business

We will strengthen contact points with customers by enhancing and expanding home services such as “Kurashi No IoT” and physical store services such as credit settlement solutions of smartphones.

(4) Expand business through strategic alliances. (Pursue collaborative creation with partners both inside and outside the Group.)

We will pursue business expansion not only in the TOKYU area but also other network areas in Japan and cities throughout Asia through cooperation with consolidated companies, group companies and parties outside the Group.

(i) Initiatives for Non-Resident Population

We will join forces with best partners to open new Tokyu hotels and expand the airport operation business, and to identify and commercialize tourism resources and promote tourism and expand the non-resident population in the network area.

(ii) Overseas expansion

We will achieve a balanced portfolio while capturing new business opportunities with a focus on Vietnam, Thailand and Australia, where we are already operating.

(iii) Exploration of new business fields and business models

We will create new businesses using new technologies to further enrich lifestyles and working styles in existing urban areas including the TOKYU area, aiming for new age urban development.

(5) Make progress on workstyle innovation. (Deploy TOKYU workstyle reforms.)

We will become No. 1 company in Japan for retaining its employees by developing rewarding work and a comfortable working environment and improving productivity and creating innovation, and we will expand the reforms we have put into practice ourselves into society.

4. Companywide Management Indicators

Billion yen

Year	FY2017 (Forecast)	FY2018 (Plan)	FY2019 (Plan)	FY2020 (Plan)
Management Indices				
TOKYU EBITDA *	174.3	175.0	184.5	206.4
Operating profit	83.0	77.0	78.0	97.0
Interest-bearing Debt / TOKYU EBITDA Multiple (t i m e s)	5.6	6.2	6.1	5.3

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

(Reference Indicator)

Return on Equity (ROE)	10.6%	7.2%	7.2%	8.4%
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5. Reference Materials

Presentation handout entitled Three-year Medium-term Management Plan "Make the Sustainable Growth."

Three-year Medium-term Management Plan

(FY2018 – 2020)

“Make the Sustainable Growth”

March 27, 2018

TOKYU CORPORATION (9005)

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



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“Forward-looking statements”

Of the information and statements contained in this material, those other than historical facts from the past are forward-looking statements, and they are based on the management judgments of the Company derived from the information available to the Company at this time. Please note that the actual results may differ from these statements for this reason.

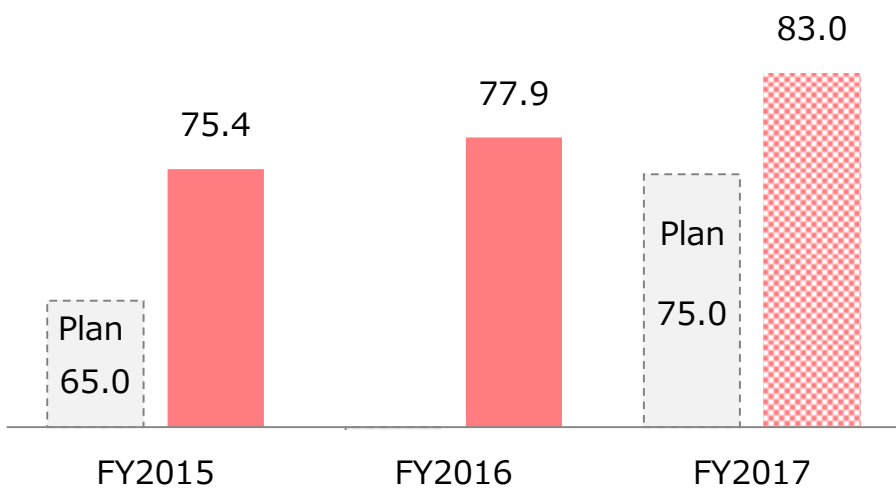


I. Review of Previous Management Plan and Positioning of Current Medium-Term Management Plan

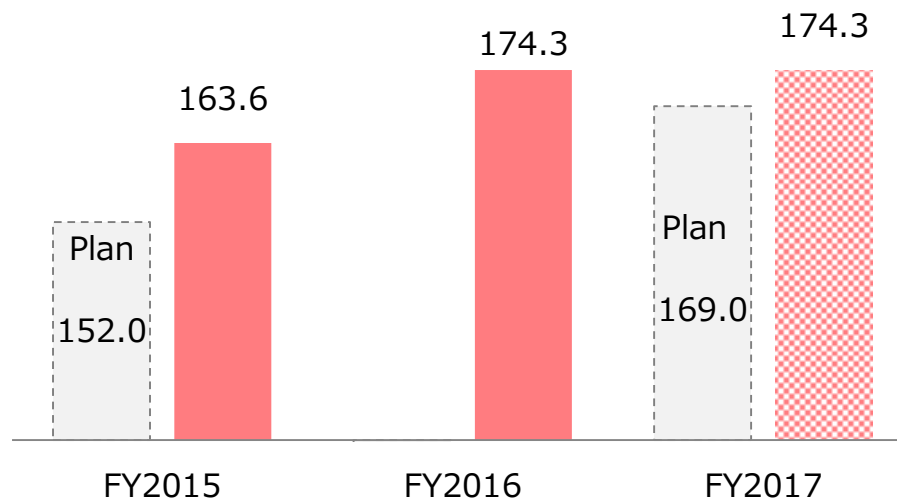
Review of Previous Management Plan

- Company-wide projected figures were all achieved.

Operating Profit (billion yen)

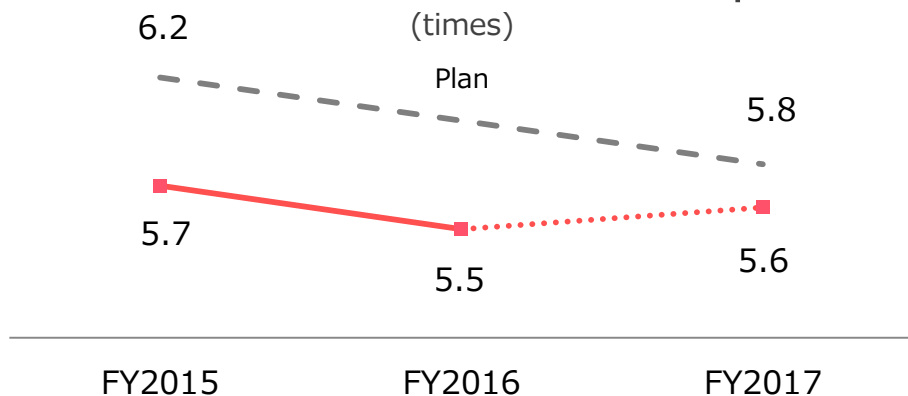


TOKYU EBITDA (billion yen)

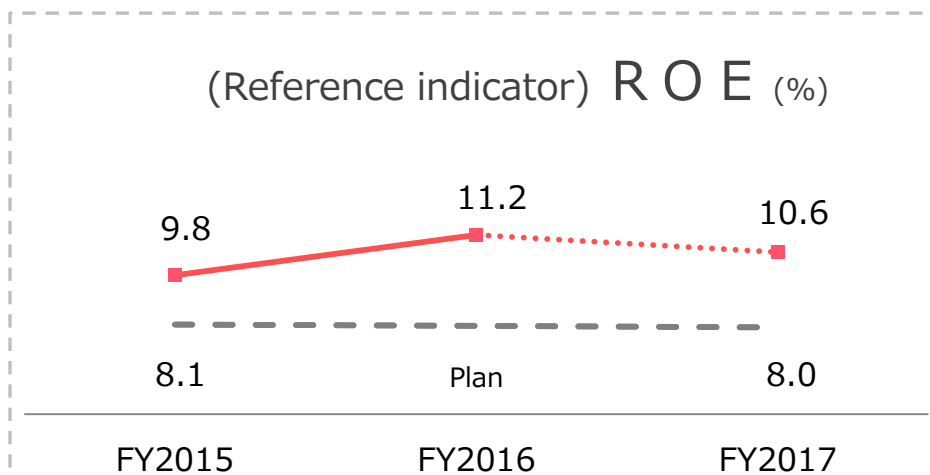


* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from the equity method

Interest-bearing Debt / TOKYU EBITDA Multiple (times)



(Reference indicator) R O E (%)



Position of the FY2018-2020 Management Plan

FY2010 Tokyu Capitol Tower opened
Tama-plaza Terrace wholly opened
Futako tamagawa Rise phase I opened

FY2012 Shibuya Hikarie opened
Mutual direct train service between
Toyoko Line and Tokyo Metro
Fukutoshin Line started

FY2015 Futako-tamagawa Rise phase II opened

FY2016 TOKYU CORPORATION entered electric power
retail business and airport operation business

FY2017 SHIBUYA CAST. opened

FY2018 SHIBUYA STREAM. to be opened

FY2019 SHIBUYA SCRAMBLE SQUARE East building
to be opened
Complete installation of platform doors
(Toyoko, Den-en Toshi, and Oimachi Lines)
MINAMIMACHIDA GRANDBERRY PARK
Commercial Complex to be opened

FY2020 Tokyo Olympic, Paralympic Games

FY2022 100th anniversary of the founding of
TOKYU CORPORATION
Sotetsu-Tokyu direct train to be opened
SHINJUKU TOKYU MILANO
redevelopment to be opened

FY2027 SHIBUYA SCRAMBLE SQUARE to be
opened wholly

HOP!

STEP!

JUMP!

Medium-term
Management Plan
2012-2014

Medium-term
Management Plan
2015-2017

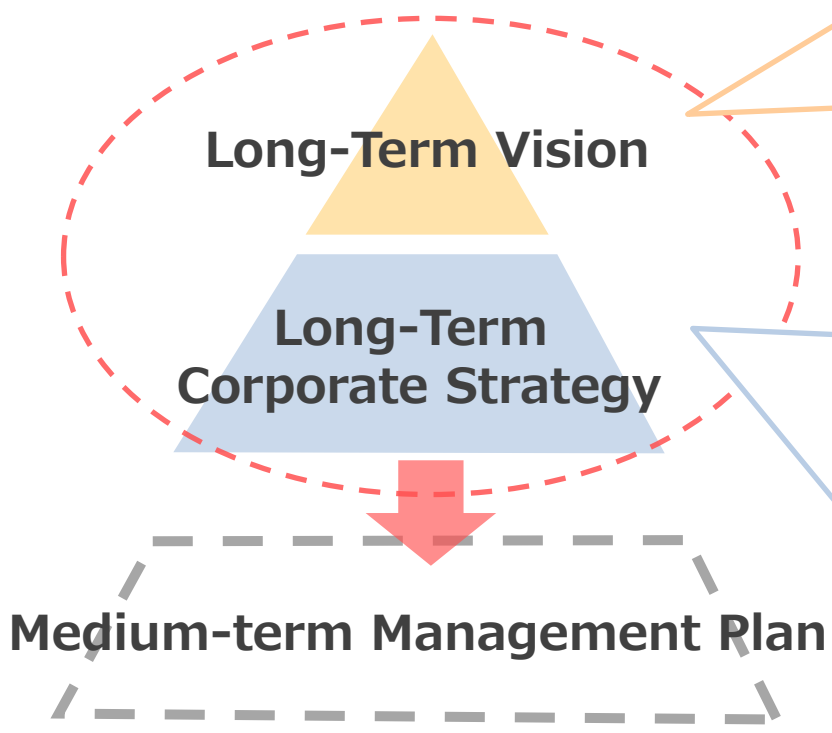
Medium-term
Management Plan
2018-2020

- Period when we will steadily push ahead with large-scale development projects and build a foundation for the next 100 years.
- Period when we will evolve into the Tokyu Group that continuously creates “new added value.”



II. Long-Term Vision, Long-Term Corporate Strategy & Business Environment

Long-Term Vision*1 & Long-Term Corporate Strategy*2



Long-Term Vision (What we want to be in 2022*3)

- Maintain focus on TOKYU railway area

We will create;

The Best Place to Live: TOKYU railway area

The Best Place to Go: Shibuya

The Best Place to Work: Futako-Tamagawa

- Become a strong business group as "one TOKYU"

Long-Term Corporate Strategy

Companywide strategy developed to achieve the Long-Term Vision and to attain sustainable growth

Long-term direction

Profit expansion and capital efficiency improvements on back of return to sound operations

Overall strategy

Enhancing TOKYU area value

- Urban development that is one-step ahead of the times, etc.
- Urban development taking into account local characteristics
- Urban development that addresses diversified lifestyle & workstyle

Expanding TOKYU share by focusing on our customers

- Widen base for TOKYU point system, etc.
- Increasing customer's use of Tokyu

Expansion outside Tokyu railway area & new business development

- Actively enter into new fields of business, etc.

*1: Formulated in 2012 *2: Formulated in 2015
 *3: 2022 will mark the 100th anniversary of the founding of TOKYU CORPORATION



Our Business Environment

1. Demographic changes

Regional population gap
Serious labor shortages
Increase in momentum for workstyle reforms

2. Changes in consumer behavior and customer contact points

Changes in consumer attributes and lifestyles
Rise of e-commerce
Expanding use of Big Data

3. New business opportunities emerging

Infrastructure development is focused in the heart of Tokyo
Preparation for the 2020 Tokyo Summer Olympic, Paralympic Games/special wards
Growth of inbound traffic
Advances in technology

4. Competition in the global arena

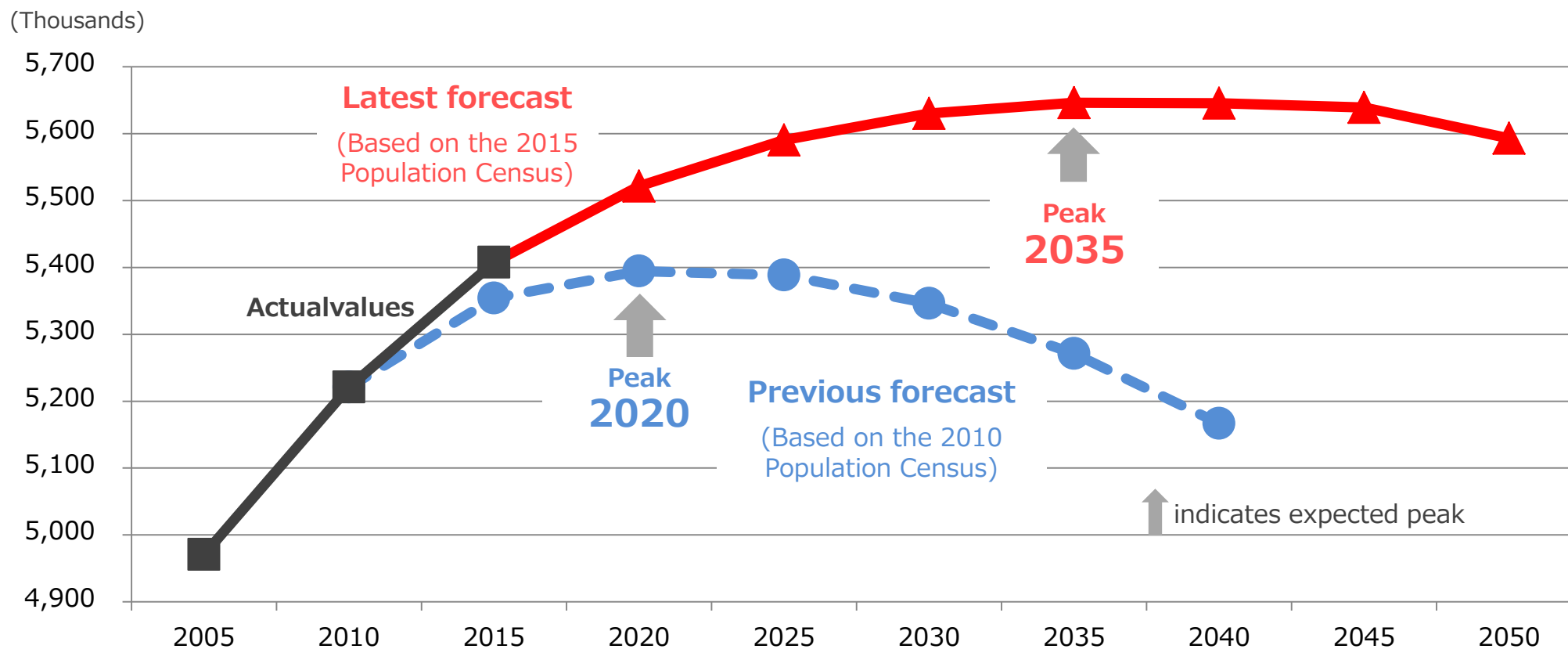
Sharp growth in markets in Asia
Rapid increase in competition between international cities
Improvement of competitiveness of Tokyo



Demographics in the TOKYU Area

- In the TOKYU area, the population peak is expected to move back from the existing prediction by about 15 years.
- Meanwhile, the working-age population has begun decreasing in the suburbs.

Population in 17 cities and wards along TOKYU lines



Based on the 2015 Population Census: Calculated independently in cooperation with Japan Transport Research Institute (2017 estimate)

Based on the 2010 Population Census: National Institute of Population and Social Security Research (2013 estimate)



III. Basic Policies in the FY2018-2020 Management Plan

“Make the Sustainable Growth”

Basic Policies

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

Key Initiatives

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

Basic Policies

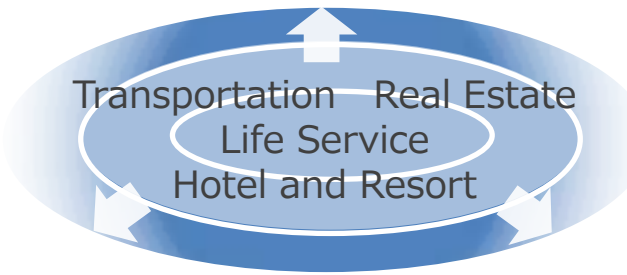
Sustainability in Three Areas

Sustainable "urban development"



- Perspective on society: Rise to the challenge of new types of urban development and continue to focus on urban development and regeneration.
- Perspective within the organization: Inherit the urban development DNA that has flowed through our veins for 100 years.

Sustainable "corporate development"



- Perspective on society: Continue to provide added value to stakeholders (customers, shareholders, business partners, etc.).
- Perspective within the organization: Achieve business growth by adapting to the changing environment and social needs.

Sustainable "HR development"



- Perspective on society: Support HR development in society through childcare, education and cultural activities.
- Perspective within the organization: Develop management human resources, foster a climate for the creation of innovation, hand down technology, and strengthen diversity and health management.

Material Sustainability Themes (Materiality)



Safety & Security	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRIES, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	Quality of Living Environment	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	9 INDUSTRIES, INNOVATION AND INFRASTRUCTURE		
Urban Development	9 INDUSTRIES, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	17 PARTNERSHIPS FOR THE GOALS	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH
Low-carbon, Recycling-based Society	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	Corporate Governance & Compliance	9 INDUSTRIES, INNOVATION AND INFRASTRUCTURE	16 PEACE, JUSTICE AND STRONG INSTITUTIONS		

Management indices

	FY2018 Targets	FY2019 Targets	FY2020 Targets	FY2022 Targets
TOKYU EBITDA	175 billion yen	184 billion yen	206 billion yen	220 billion yen ▲ (200 billion yen)
Operating Profit	77 billion yen	78 billion yen	97 billion yen ▲ (90 billion yen)	110 billion yen ▲ (100 billion yen)
Interest-bearing Debt / TOKYU EBITDA Multiple	6.2 times	6.1 times	5.3 times	5-6 times ▲ (5-6 times)
(Reference indicator) Return on Equity (ROE)	7.2 %	7.2 %	8.4 %	9 % range

The figures in brackets are the figures under the Long-Term Corporate Strategy and previous management plan (formulated in 2015).



Investment Plans in FY2018-2020

Capital expenditures & investments FY2018-2020 (cumulative)

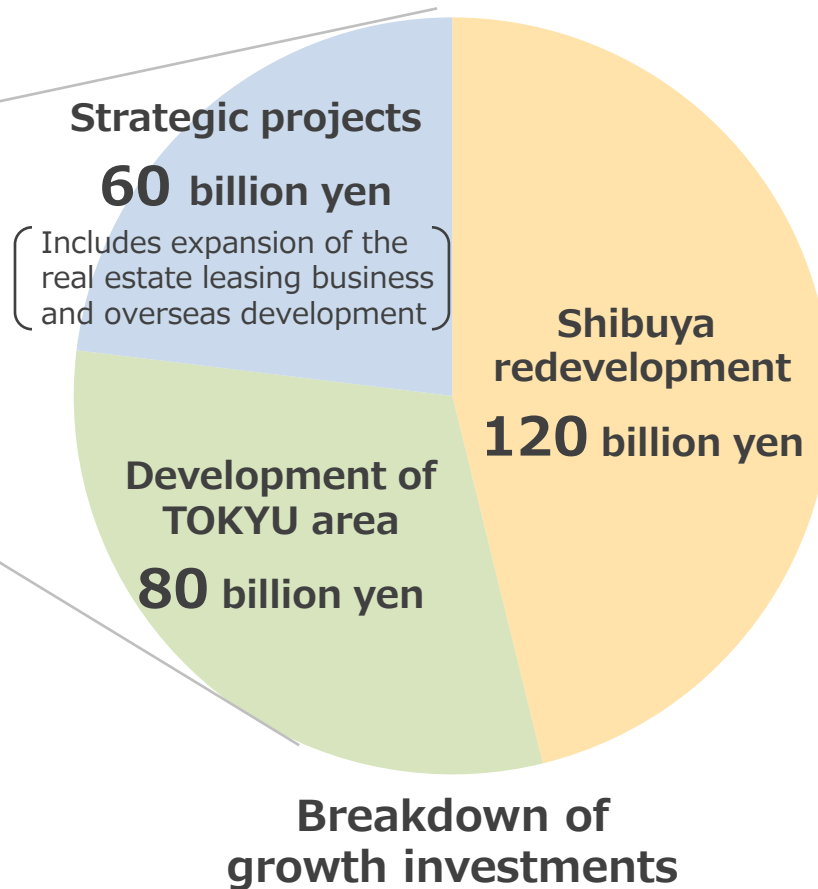
520 billion yen

Investment in growth
(Mainly new projects)
260 billion yen

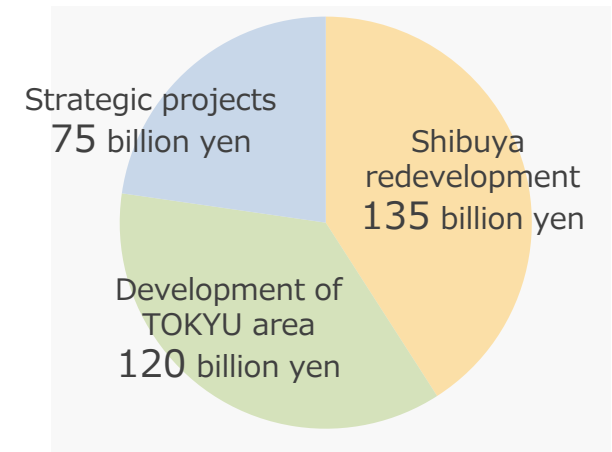
Investments for existing business
260 billion yen

Transportation
160 billion yen

Investment in safety
96 billion yen



[Reference] FY2018-2022(cumulative)



Investment in growth

Total 330 billion yen

Investment in existing businesses

Total 460 billion yen



Cash flow Plans in FY2018-2020

Total Cash flow for FY2018-2020

Cash In flow
575 billion yen

Cash Flow from
Operating Activities
425 billion yen

Interest-bearing Debt
120 billion yen

Recoup investment etc.
30 billion yen

Cash Out flow
575 billion yen

Investment in growth
260 billion yen

Investments for
existing businesses
260 billion yen

Shareholder Return
40 billion yen

Working Capital
15 billion yen

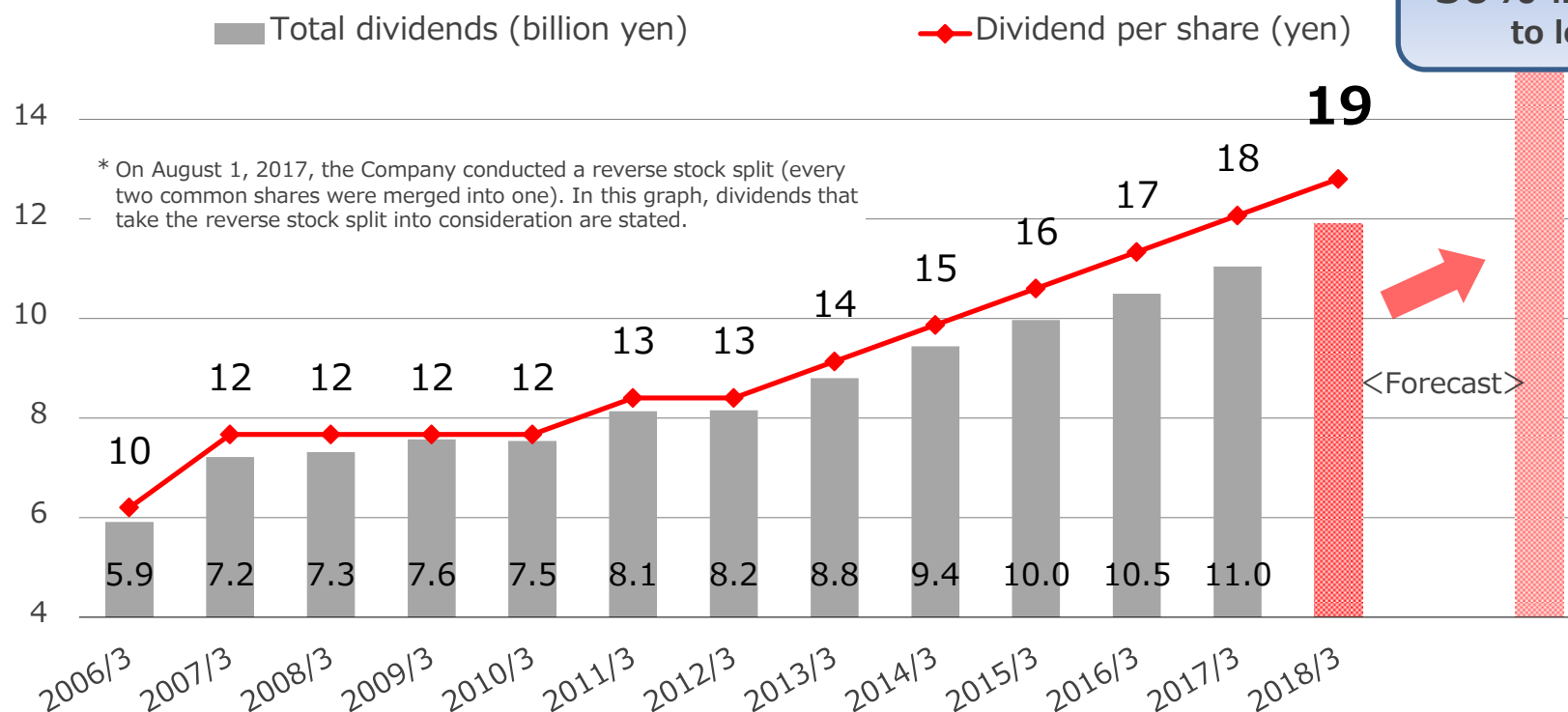


Concept of Shareholder Returns

- Work to continue to provide stable dividends and further enhance shareholder returns.
- Aim to achieve a total return ratio of **30%** at a time when large-scale investments for growth in Shibuya and Minami-Machida, etc. have paused.

*Total return ratio = (Total amount of dividends+ Treasury shares acquired) ÷ Profit attributable to owners of parent

Trend in total dividends and dividends per share (including forecast)



**Total return ratio
30% in the medium
to long term**

* Acquired treasury shares of 10 billion yen each in 2015/3, 2016/3 and 2017/3 (30 billion yen in total).



IV. Key Initiatives

Implement various initiatives to achieve safe transportation

Prevent breakdown and ensure early recovery

- **Review maintenance and inspection methods and frequency.**
- **Strengthen ability to detect signs.**
 - Use IoT technology to enable early identification of risk of breakdown.
- **Improve ability to deal with incidents that have occurred.**
 - Strengthen initial response structure and speed up shuttle service.

Strengthen customer information

- **Enhance alternative route information.**
 - Improve maps around stations showing walking and bus routes to nearby stations.
- **Further strengthen communication of information.**
 - Improve information distribution frequency and strengthen communication at stations.

Speed up development of facilities and rolling stock

Stations



Complete safety measures through the installation of platform doors.

Rolling Stock



Complete replacement of old rolling stock by FY2022.

Facilities



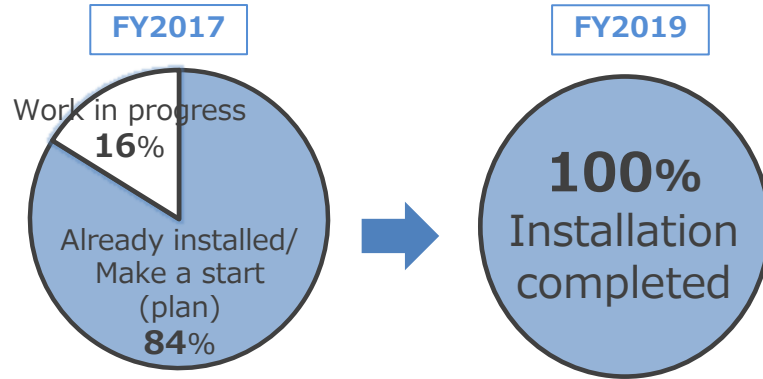
Prioritize upgrade of aged facilities of underground section of Den-en Toshi Line, which have major impact.

Key Initiative 1

Tirelessly pursue "safety," "security" and "comfort"

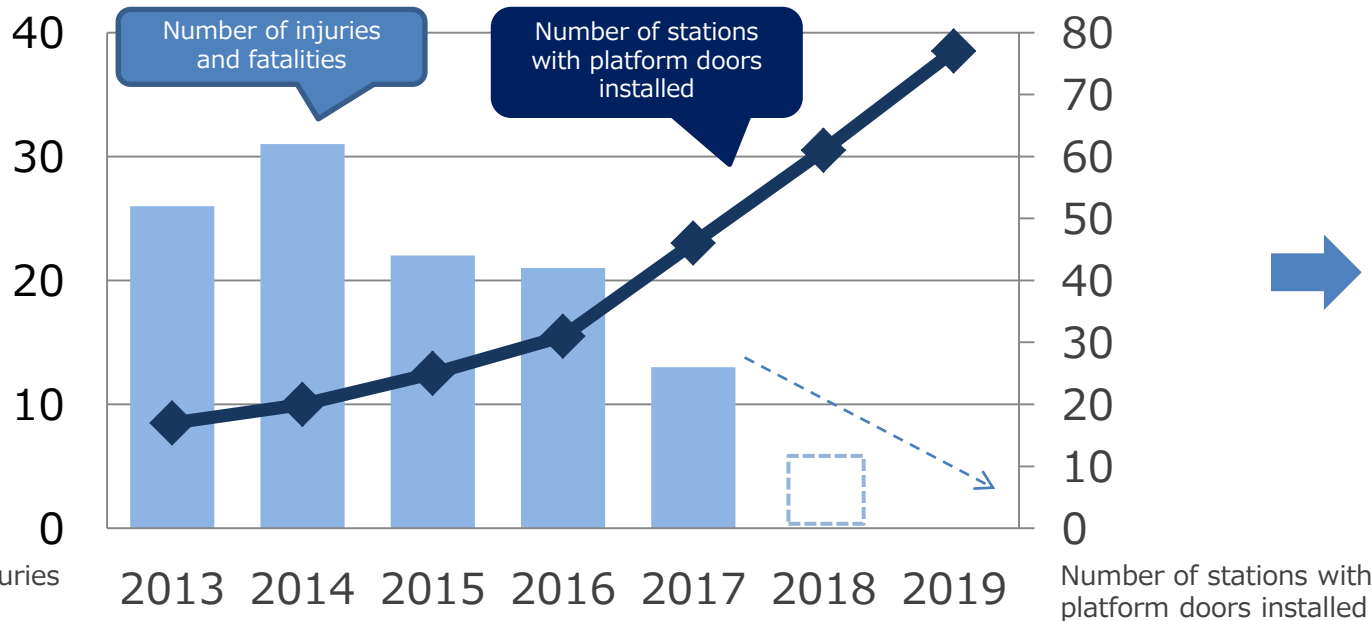
Realize "safe, stress-free" stations and railways faster than other operators

■ Installation of fixed platform fences with platform door sensors (excluding Setagaya Line and Kodomonokuni Line)



100% installation rate by FY2019
 ⇒ **Top installation rate in the industry**

■ Number of injuries and fatalities on platforms and status of installation of platform doors



Injuries and fatalities at stations have decreased considerably compared to before installation of platform doors
 ⇒ **Ultimately aiming to achieve zero injuries and fatalities**



Key Initiative 1

Tirelessly pursue "safety," "security" and "comfort"

Further reduce and eliminate delays and congestion through measures for facilities and their systems

Facilities

- Introduce new rolling stock on Den-en Toshi Line.

- Increase carriage riding capacity.
- Allocate free space in all carriages.

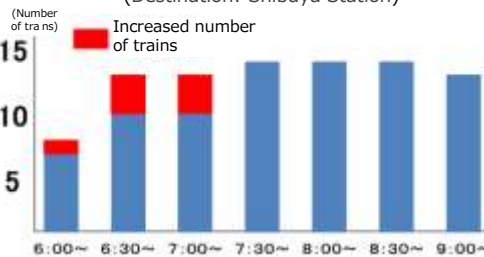


- Strengthen transportation capacity of Oimachi Line.

- Introduce seven-car trains on express services.
- Increase number of early morning express trains and number of evening trains.
- Introduce new rolling stock.



Strengthening of number of morning trains (Destination: Shibuya Station)



- Improve transportation on Den-en Toshi Line

- Increase number of express trains before the morning rush hour.
- Increase number of evening trains.

- Renovate facilities to enable early shuttle operation, and renovate station facilities to reduce congestion.

Systems

- Strengthen information distribution (in real time).

- Extend coverage of Eki-Shi-Vision (app) to all stations.
- Display degree of congestion of each carriage on station signage.



- Implement initiatives to encourage off-peak travel

- Distribute coupons to passengers who use earlier trains via Tokyu Line App.
- Promote use of other means of transport using buses.
- Cooperate with satellite offices.
- Cooperate with other companies and other types of industry.

GOOD CHOICE MORNING logo mark



"Bus, Too!" campaign



Satellite share office "NewWork"



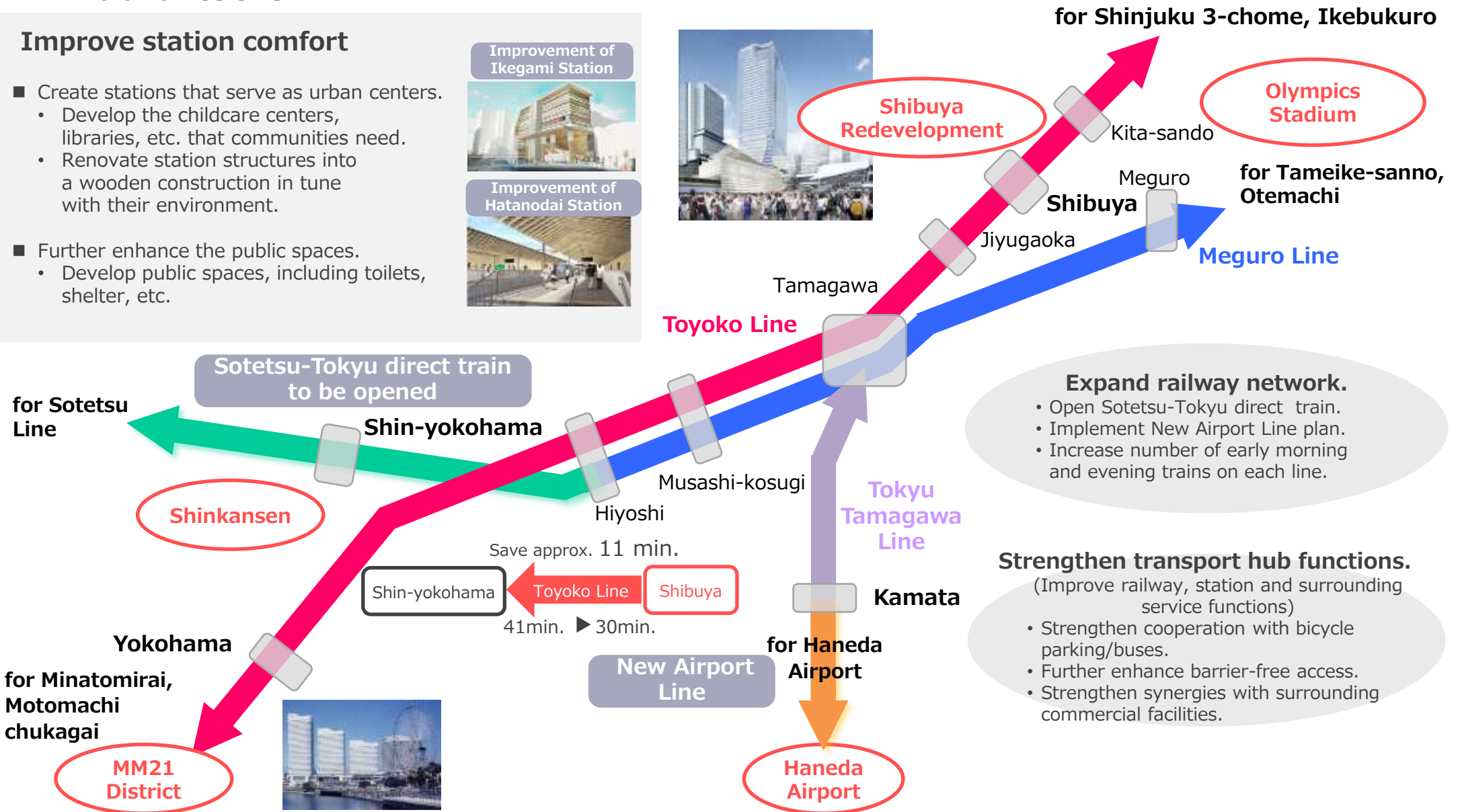
Key Initiative 1

Tirelessly pursue "safety," "security" and "comfort"

Improving station comfort, expanding railway network, and strengthening transport hub functions

Improve station comfort

- Create stations that serve as urban centers.
 - Develop the childcare centers, libraries, etc. that communities need.
 - Renovate station structures into a wooden construction in tune with their environment.
- Further enhance the public spaces.
 - Develop public spaces, including toilets, shelter, etc.



Expand railway network.

- Open Sotetsu-Tokyu direct train.
- Implement New Airport Line plan.
- Increase number of early morning and evening trains on each line.

Strengthen transport hub functions.
(Improve railway, station and surrounding service functions)

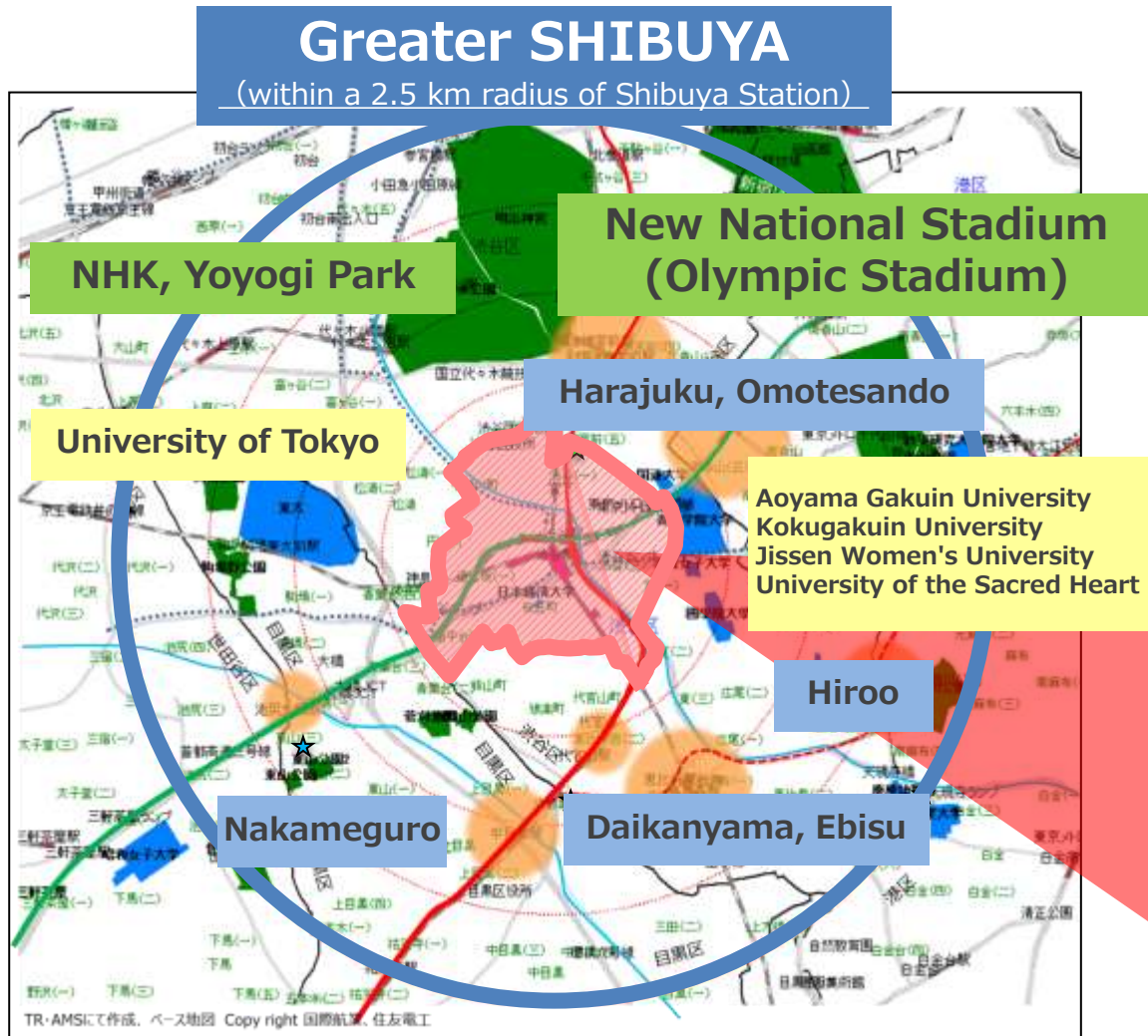
- Strengthen cooperation with bicycle parking/buses.
- Further enhance barrier-free access.
- Strengthen synergies with surrounding commercial facilities.

Key Initiative 2

Increase SHIBUYA's global appeal

Entertainment City SHIBUYA & Greater SHIBUYA

Actively capture business opportunities through synergies and the linkage of large-scale development, the creative contents industry, urban tourism and a cluster of appealing resources.



Cluster of appealing resources, including sophisticated unique areas, educational institutions, a large park, and NHK.

Strengthening of transport hub functions, large-scale office supply, strengthening of exchange and communication functions, base for international tourism

Entertainment City SHIBUYA

(within the urgent urban renewal area)



Key Initiative 2

Increase SHIBUYA's global appeal

Shibuya Daikanyama R Project
(Site of Toyoko Line)
Opens 2018 Autumn



	Building A	Building B
Total floor area:	1,282 m ²	4,370 m ²
Use of building	Nursery school	Hotel, office, store
Number of stories:	Three stories	Seven stories
Height	Approx. 15 m	Approx. 26 m

SHIBUYA STREAM
(Shibuya Station South Block Project)
Opens 2018 Autumn



Total floor area: Approx. 116,700 m²
 Use: Offices, shops, hotel, hall, parking, etc.
 Office rentable area: Approx. 46,000 m²
 Commercial store area: Approx. 3,000 m²
 Number of hotel rooms: Approx. 177
 Number of stories: 35 stories above ground and 4 stories underground
 Height: Approx. 180 meters

SHIBUYA SCRAMBLE SQUARE
(Shibuya Station Block) East building
Opens FY2019



Total floor area: Approx. 181,000 m²
 Use: Offices, shops, observation facility, parking, etc.
 Office rentable area: Approx. 73,000 m²
 Commercial store area: Approx. 30,000 m²
 Number of stories: 47 stories above ground and 7 stories underground
 Height: Approx. 230 meters

Area Branding Initiatives

- Communicate information from a global perspective in view of the Olympics and Paralympics.
- Strengthen industrial clusters through cooperation with academic and research institutions and policy incentives.
- Create environment that facilitates activities by diverse innovators and build innovation ecosystem.
⇒ Maximize the synergies of "Entertainment City SHIBUYA" and "Greater SHIBUYA."



Communicate city-wide activities such as year-end countdown and Bon festival dance on a global scale.



Attract leading companies that are the pillars of industry-government-academia cooperation and industrial clusters.



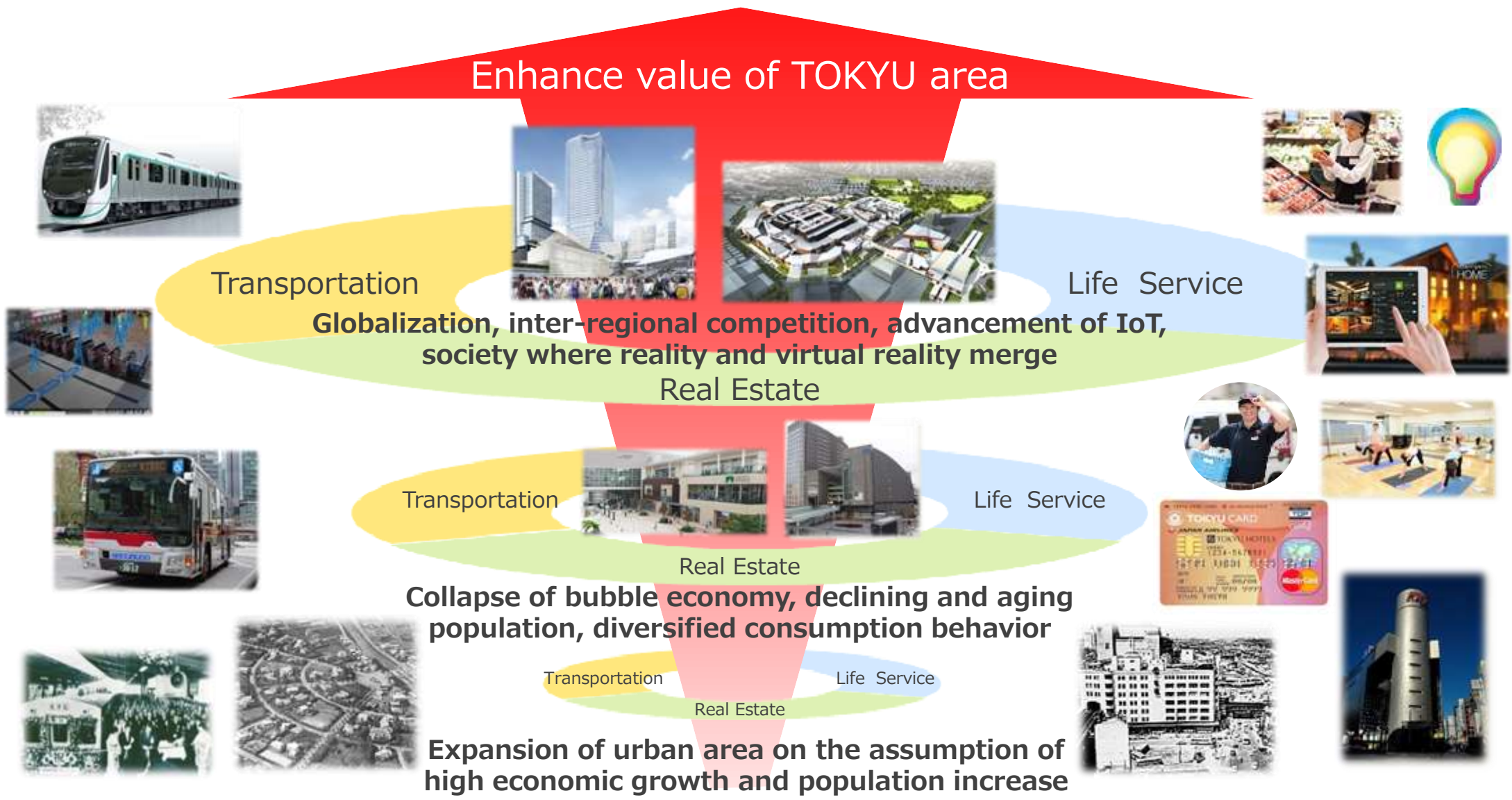
Develop and provide incentives for exchanges and co-creation between large enterprises and SMEs and establish networks to generate innovation.



Key Initiative 3

Continuously improve the TOKYU area's value and life value

The transportation, real estate and life service businesses will each organically and continuously improve the value of the TOKYU area.



Key Initiative 3

Continuously improve the TOKYU area's value and life value

Five priority areas within TOKYU area

- Promote sustainable urban development by capturing business opportunities in five areas where value improvement can be expected.
- Aim for urban structure with a range of unique and appealing places "to live," "to play" and "to work."
- Also focus on regional regeneration through the use of public real estate (PRE) and the renovation of existing buildings.

Platinum Triangle

A wealth of business opportunities due to the creative class cluster and high population growth rate in the area connecting Shibuya, Jiyugaoka and Futako-Tamagawa



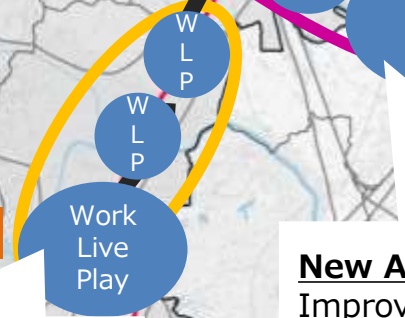
Tama Denentoshi

Remodelling in response to demographic and lifestyle changes through Minami-Machida development and next-generation suburban development



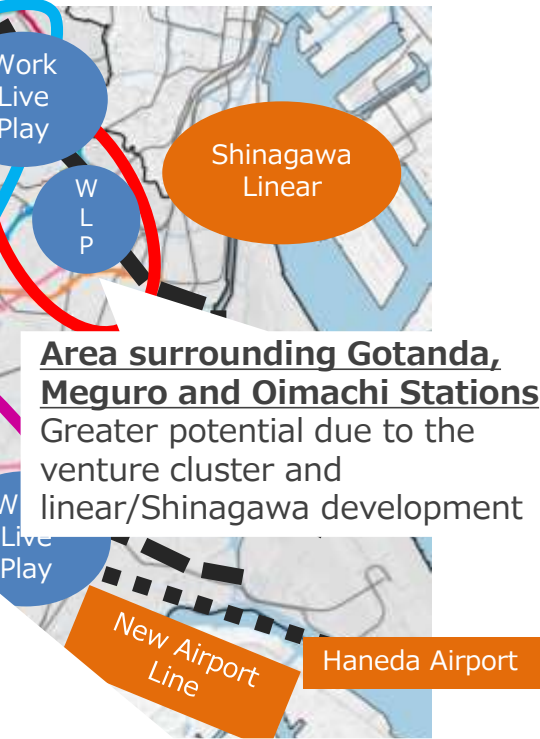
Sotetsu Tokyu direct line area

Improved potential due to new station development and Shin-yokohama hub



Area surrounding Gotanda, Meguro and Oimachi Stations

Greater potential due to the venture cluster and linear/Shinagawa development



New Airport Line and Tamagawa basin

Improved potential due to development of New Airport Line and Gaikan Expressway and cooperation of advanced industries and higher education institutions

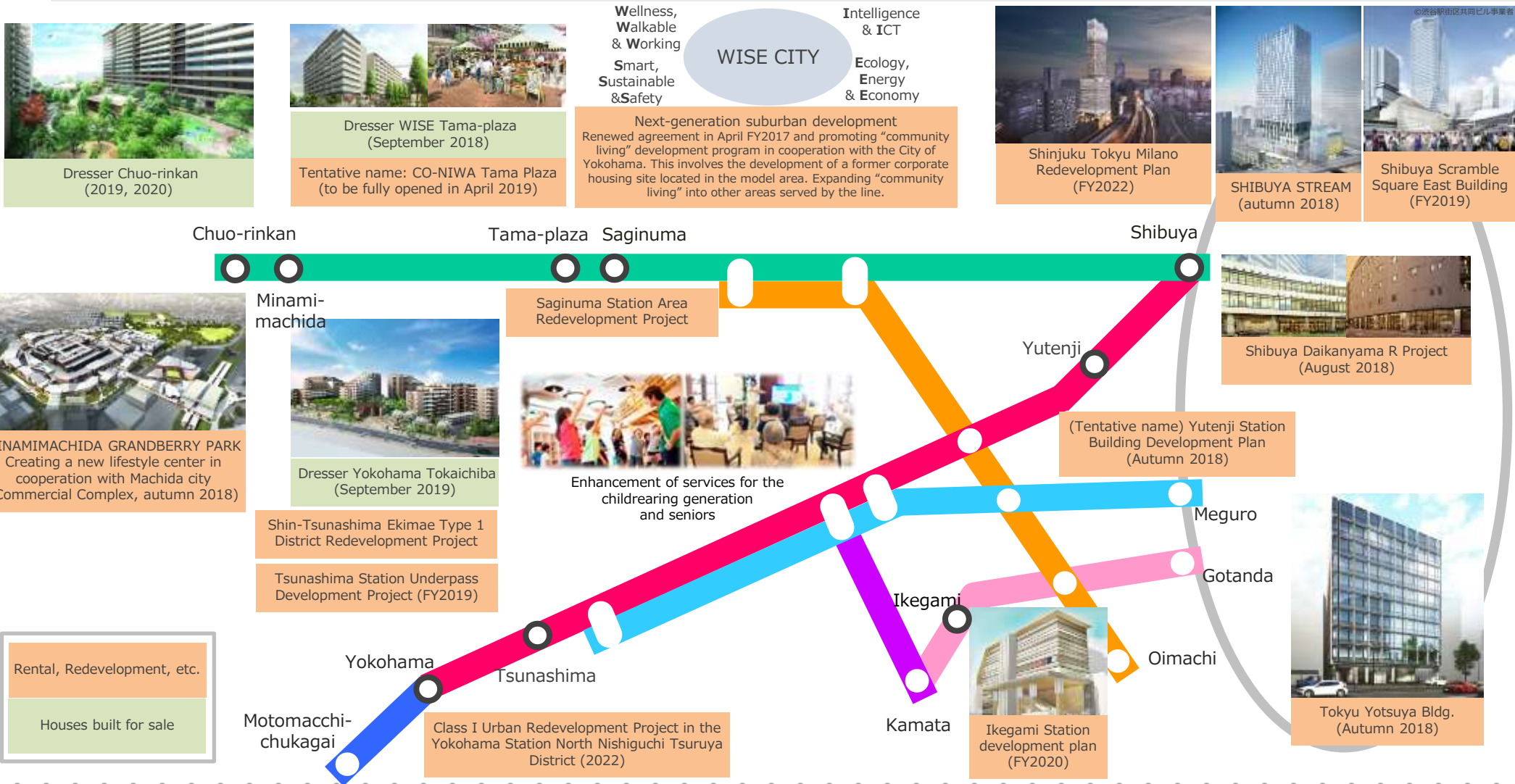


Key Initiative 3

Continuously improve the TOKYU area's value and life value

Development of the TOKYU Area

- Promote the enhancement of the TOKYU area's value with comprehensive development in cooperation with local communities and governments.
- Make the TOKYU area a well-balanced area that is home to diverse generations through the remodelling of the suburbs.



Continuously improve the TOKYU area's value and life value

MINAMIMACHIDA GRANDBERRY PARK (urban development project for creating Minami-Machida hub)

- Hub space where nature and festivities merge in cooperation and joint promotion with Machida City
- Creation of a totally new lifestyle center offering both time-consumption and entertainment factors to enrich the lives of people with different backgrounds, including locals and visitors



Excellent access conditions

- Opposite Minami-Machida Station on the Tokyu Denentoshi Line (Approx. 35 minutes by train from Shibuya)
- Adjacent to Route 16 and Route 246
- Approx. one kilometer from Yokohama-Machida IC on the Tomei Freeway via national road 16



Summary

- Development area: Approx. 200,000 square meters (Approx. 1.2 times larger than the Futako-Tamagawa development area)
- Floor area: Approx. 53,000 square meters (almost equal to the Futako-Tamagawa development area)
- Operation will commence in autumn 2019

Key Initiative 3

Continuously improve the TOKYU area's value and life value

Greater Added Value Through Various Life Service Business Combinations

Continuously improve the TOKYU area's value and life value

Transportation Business

Real Estate Business

Life Service Business

"IENAKA" service

Stores and services downtown

CATV

Internet

Telephone

Department stores

Supermarkets

Electric power retail

Smart home

Tokyu Bell

Shopping Center

After-school day-care /
Preschool childcare

Security service & Elderly care service

Sports / Culture schools

Cinema Complex



POINT / Credit cards

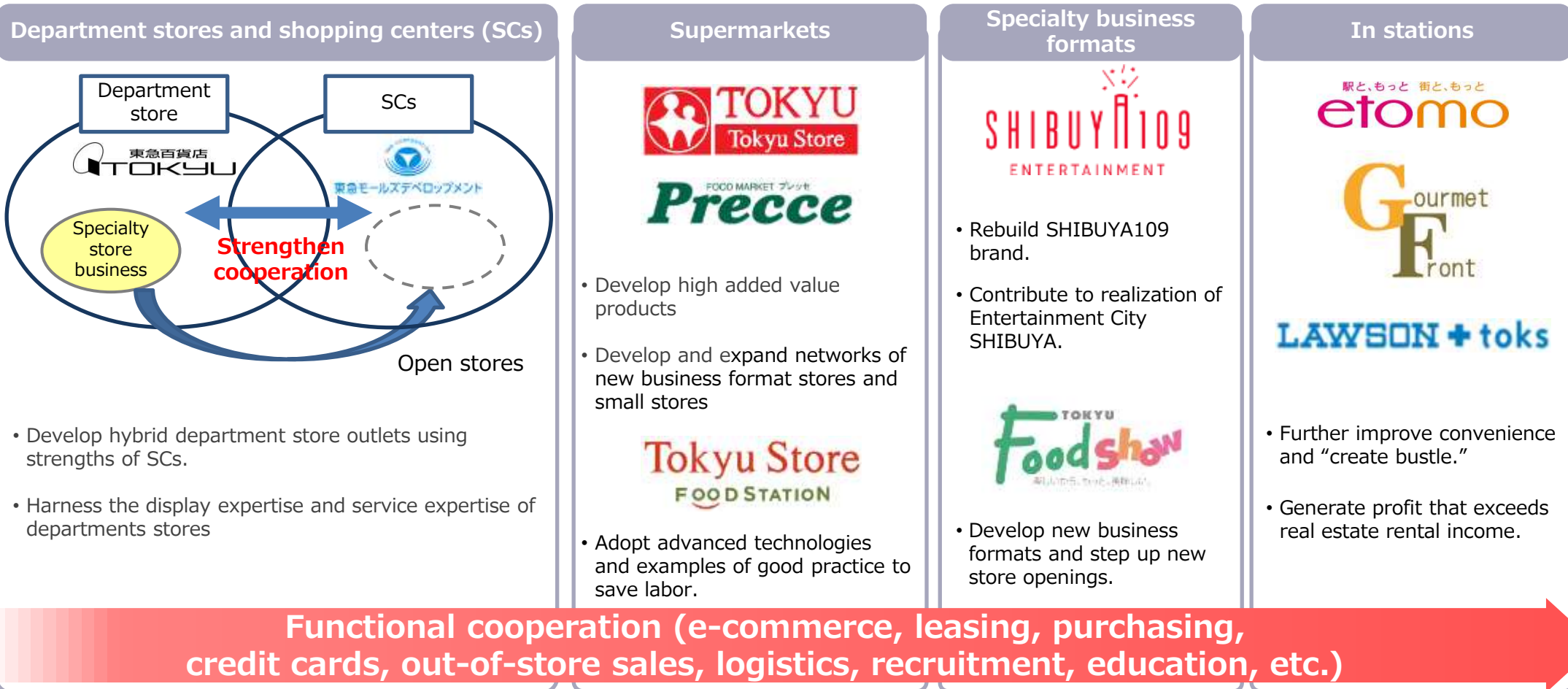
Outdoor / Transport advertising

Credit settlement solution for smartphones



Restructuring of retail business

- Improve efficiency and profitability by promoting business consolidation and structural reform and strengthening functions across retail business divisions.
- Improve value of TOKYU area and contribute to population growth in TOKYU area through further cooperation with railway and real estate businesses, etc.



Demonstrate competitiveness as "One Tokyu Retail" through proper allocation of resources and business reorganization.

Key Initiative 3

Continuously improve the TOKYU area's value and life value

Examples of Initiatives to Rebuild Retail Business

SCs

- Enhance appeal and recognition through integration of facilities



Minato Mirai Tokyu Square

- Target wider range of customers.



Korinbo Tokyu Square



Shizuoka Tokyu Square



Chuurinkan Tokyu Square

- Improve business efficiency and increase strength in leasing negotiations through centralized operations.



Futako-Tamagawa Rise



etomo

Department stores and specialty stores

- Capture new customers through remodelling.



Tokyu Department Store Kichijoji

- Capture earning opportunities by opening small specialty stores.



TOKYU Food Show Slice Meguro Station Store

Tokyu Bell · EC

- Further cultivate customer contact points and enhance housekeeping service.



SHIBUYA109

- Strengthen branding and demonstrate originality.



Attracted newsworthy contents

- Provide the forefront of culture originating in Shibuya through rebranding and renovation.



109MEN'S: Revamp to MAGNET by SHIBUYA109

Large-scale Development

- Shibuya Scramble Square



Plan to harness Tokyu retail strengths in development operations.

- MINAMIMACHIDA GRANDBERRY PARK



Key Initiative 3

Continuously improve the TOKYU area's value and life value

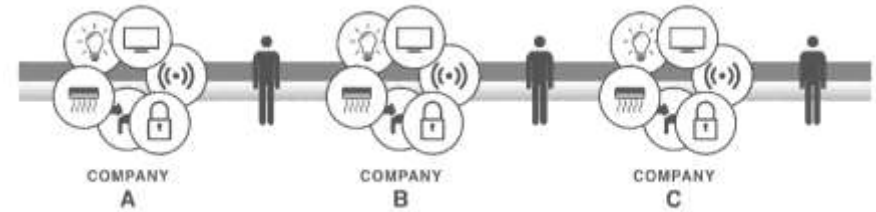
Enhancement of Services ("Kurashi No IoT," etc.) in ICT and Media Business

Intelligent homes



- Service that allows users to control their homes easily from outside.
- Able to easily check locks and turn air-conditioners and lights on and off.
- Operate an intelligent home using LINE.
- Control home electronics by voice in cooperation with a smart speaker.

Connected Home Alliance



- Established for the purpose of creating valuable services of Japan quality from the perspective of those who make a living in "Kurashi No IoT" (IoT for individuals/households) together with leading companies in a range of industries in cooperation with them across boundaries.
- There are 101 companies participating (as of March 2018).

Tokyu Smart Security



Tokyu Security

Home security provided by a safe and secure security system



iTSCOM

The IoT platform of Intelligent Home

- Remote security control using smartphones.
- Community-based security infrastructure for safety and peace of mind provided by Tokyu Security.
- Operate security and IoT devices using the same app in an integrated manner.

.pay



- The world's first cardless credit settlement solution for smartphones available at physical stores (as of March 2018).
- Joint project with NTT Data with the largest card settlement network.
- Introduced in the Tokyu area ahead of others, and will be progressively expanded throughout Japan.

Key Initiative 4

Expand business through strategic alliances

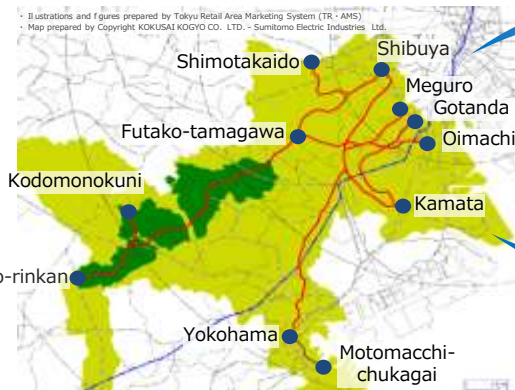
- Pursue business expansion and improvement of efficiency through cooperation with consolidated companies, group companies and parties outside the Group.
- Extend knowhow gained through urban development in the TOKYU area to the domestic base area and cities throughout Asia.

Tokyu Corporation and its consolidated subsidiaries

Tokyu Group
Tokyu Fudosan HD
Tokyu Kensetsu
Seikitokyu Kogyo

Large enterprises, ventures, local government, academic institutions

Overseas Partners



Tokyu Area



Domestic base area



Cities across Asia



Key Initiative 4

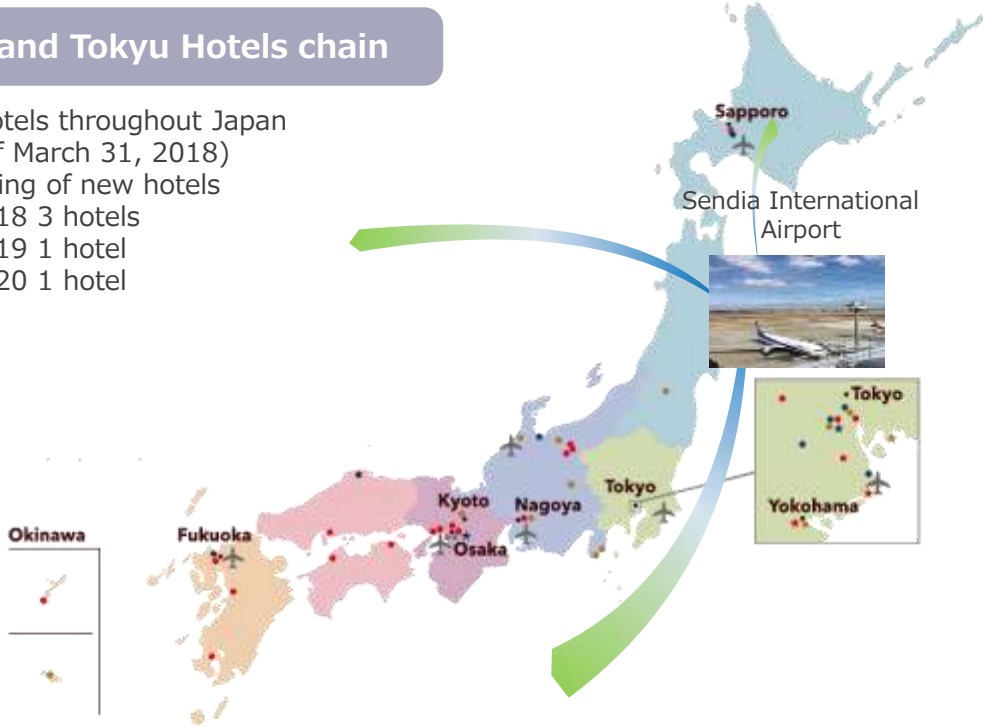
Expand business through strategic alliances

Initiatives for Non-Resident Population

- Join forces with best partners to identify and commercialize tourism resources, and to promote tourism and expand the non-resident population in network area.

Expand Tokyu Hotels chain

- 42 hotels throughout Japan (as of March 31, 2018)
- Opening of new hotels
 - FY2018 3 hotels
 - FY2019 1 hotel
 - FY2020 1 hotel



Expand airport operation business

- Enhance and expand the aviation network.
- Create comfortable, secure airports.
- Enhance the secondary transportation network and promote regional development.

Strategic participation in multiple airport management



Syndicate with optimum partners inside and outside the Group.

Initiatives for Inbound Tourism



Tourism information site for foreign visitors to Japan with 37 corporate participants including Tokyu Corporation (as of March 2018)

LIVE JAPAN PERFECT GUIDE TOKYO



JNTO approved tourist information center provided by Tokyu Corporation and Tokyo Metro

Tokyu Tokyo Metro
Shibuya Station Tourist Center

Identify and tourism resources in the TOKYU area



Ikegami Line Free Ride Day (in cooperation with local governments in the Tokyu area and shopping streets, etc. in TOKYU area)



Setagaya Line Maneki Neko tram (in cooperation with Gotoku-ji Temple)

Opening of Tokyu Hotels

Openings in 2018

Tokyo Bay Tokyu Hotel

- To be opened in May 1, 2018
- Will be opened as another large-scale hotel in the two major theme park areas of Tokyo and Osaka, following the Park Front Hotel at Universal Studio Japan™.
- Urban resort hotel with all guest rooms overlooking Tokyo Bay
- Number of guest rooms: 638



Kawasaki King Sky Front Tokyu REI Hotel

- To be opened in June 1, 2018
- Will be opened in the King Sky Front, an international strategic base located opposite Haneda Airport, which is a district where many life science research and development facilities are based.
- The world's first hotel to use low-carbon hydrogen derived from waste plastic for about 30% of its energy, such as electricity and heat.
- Number of guest rooms: 186



SHIBUYA STREAM Excel Hotel Tokyu

- To be opened in autumn 2018
- Will be opened within SHIBUYA STREAM.
- Design hotel that will offer a new Shibuya culture to domestic and overseas customers with high sensitivity
- The lobby on the 4th floor is intended to become a casual hub with festivities for interaction.
- Number of guest rooms: 177



To be opened in or after 2019

(Tentative name) Osaka Excel Hotel Tokyu

- To be opened in winter 2019
- To be opened as Japan's first hotel above a temple gate
- Number of guest rooms: 360 (planned)



(Tentative name) Yokohama Minato Mirai Tokyu REI Hotel

- To be opened in spring 2020
- Will be opened in a commercial complex with (tentative name) KT Zepp Yokohama, a live house-type hall.
- Number of guest rooms: 230 (planned)



Key Initiative 4

Expand business through strategic alliances

Overseas Expansion

- Achieve a balanced portfolio while capturing new business opportunities with a focus on Vietnam, Thailand and Australia, where we are already operating.

Binh Duong New City

- Urban development business

Ho Chi Minh City

- Short-term housing units for sale business, etc.

Sriracha

- Rental apartment business, etc.

Bangkok

- Short-term housing units for sale business, etc.

Yanchep

- Urban development business
- Residential land development business

Expand business through strategic alliances

Exploration of New Business Fields and Business Models

Explore new business domains and formulate strategies

Create new businesses using new technologies to further enrich lifestyles and working styles in existing urban areas including the TOKYU area, aiming for new age urban development.

Examples of efforts:

- Healthcare fields (remote/home medical care, preventive care, child care, nursing care, etc.)
- Transportation infrastructure and mobility fields
- Urban infrastructure field

Promote open innovation

- Enhancement and expansion of cooperation and alliances with large companies and local governments, etc.
- Strengthening of Tokyu Accelerate Program (TAP)
- To promote open innovation, establish a social implementation laboratory of technology to solve urban problems in Shibuya.

Promote innovation within the Group

- Adoption and promotion of innovation management
- Strengthening of new business creation and incubation functions
- Internal entrepreneur development program
- Enhancement and expansion of IT function



Venture support and open innovation



Alliance platform to connect companies, local governments and intellectuals, etc.



Internal entrepreneur development program for the creation of new businesses



First new business project (Satellite shared office business)



Second new business project (Translation and localization business)

Key Initiative 5

Make progress on workstyle innovation

Put workstyle reforms into practice ourselves by, for example, having employees who live close to work and who balance childcare and work, and expand these reforms into society.

Become No. 1 company in Japan for retaining its employees through sustainable development of human resources
 ~ company that enables workers to shine ~

Rewarding work and a comfortable working environment

- Systematic groupwide development of consolidated management human resources
- Realization of flexibility in working “time” and “place.”
- Diversity management for sustainable growth (Target number of female managers by FY2020: 40)
- Firm establishment of health management to become a company where anyone can work in good health
- Support for employee’s career development and good communication

Improvement of productivity and creation of innovation

- Implementation of “Workstyle Reform Project” across all business units
- Improvement of efficiency of decision-making process and meetings
- Establishment of framework for the accumulation and handing-down of technology and knowledge
- Development of ICT platform and active adoption of new technology
- Shift in emphasis of management thinking toward productivity, management of working hours
- Provision of personnel programs and opportunities that support the creation of innovation



Operations to support workstyle reforms in TOKYU area



Satellite shared office business (NewWork)



Childcare and preschool childcare business (Kids Base Camp)



Measures to encourage off-peak commuting (Various campaigns, etc.)

Social Contribution Activities

Continuously conduct social contribution activities in an effort to embody sustainability.

Education



Gotoh Educational Corporation
(Tokyo City University Group/Tokyu
Driving School)
(Established in 1929)



Asia Gakuen
(Asia University)
(Established in 1941)



Tokyu Foundation for Foreign Students
(Grant of scholarship to foreign students
and their support)
(Established in 1975)

Culture



The Gotoh Museum
(Conservation and exhibition of
artworks and valuables)
(Opened in 1960)



Tokyu Bunkamura, Inc.
(Operation of cultural facilities such
as Bunkamura)
(Started in 1989)



The Gotoh Memorial Foundation
(Honoring and grants in the art field)
(Established in 1990)

Environment



The Tokyu Foundation
for Better Environment
(Environmental protection and
improvement in the Tama River basin)
(Established in 1974)



Tokyu Group Environmental Award
(Commendation for excellent efforts in
environmental activities)
(Established in 2008)



Winning the grand prize for the 25th
Global Environment Award
(Efforts in Futako-Tamagawa
Redevelopment)
(Awarded in 2015)



V. Projected Figures

Projected Figures (1)

(billion yen)

	FY2017 Forecast	FY2018 Plan	YoY Comparison	FY2019 Plan	Comparison with FY2017	FY2020 Plan	Comparison with FY2017
Operating Revenue	1,139.4	1,152.3	+ 12.9	1,193.5	+ 54.1	1,229.7	+ 90.3
Operating Profit	83.0	77.0	- 6.0	78.0	- 5.0	97.0	+ 14.0
Non-operating Revenue	14.2	12.8	- 1.4	13.6	- 0.6	15.9	+ 1.7
Non-operating Expenses	14.5	14.3	- 0.2	14.5	+ 0.0	14.0	- 0.5
Recurring Profit	82.7	75.5	- 7.2	77.1	- 5.6	98.9	+ 16.2
Extraordinary Gains	24.8	8.8	- 16.0	8.0	- 16.8	5.6	- 19.2
Extraordinary Losses	9.2	9.3	+ 0.1	8.1	- 1.1	5.7	- 3.5
Profit attributable to owners of parent	70.0	51.0	- 19.0	54.0	- 16.0	67.0	- 3.0
Return on Equity (ROE)	10.6%	7.2%	- 3.4P	7.2%	- 3.4P	8.4%	- 2.2P
TOKYU EBITDA*	174.3	175.0	+ 0.7	184.5	+ 10.2	206.4	+ 32.1
Interest-bearing debt at end of period	969.8	1,091.7	+121.9	1,119.5	+149.7	1,083.9	+114.1
Interest-bearing Debt / TOKYU EBITDA Multiple	5.6	6.2	+0.6P	6.1	+0.5P	5.3	- 0.3P

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



Projected Figures (2)

(billion yen)

		FY2017 Forecast	FY2018 Plan	YoY Comparison	FY2019 Plan	Comparison with FY2017	FY2020 Plan	Comparison with FY2017
Total Operating Revenue		1,139.4	1,152.3	+ 12.9	1,193.5	+ 54.1	1,229.7	+ 90.3
Total Operating Profit		83.0	77.0	- 6.0	78.0	- 5.0	97.0	+ 14.0
Transportation	Operating Revenue	211.2	213.3	+ 2.1	216.9	+ 5.7	218.8	+ 7.6
	Operating Profit	29.0	29.2	+ 0.2	31.5	+ 2.5	31.5	+ 2.5
Real Estate	Operating Revenue	182.7	197.5	+ 14.8	213.4	+ 30.7	229.0	+ 46.3
	Operating Profit	32.7	27.5	- 5.2	23.4	- 9.3	37.9	+ 5.2
Life Service	Operating Revenue	484.1	483.9	- 0.2	496.0	+ 11.9	499.8	+ 15.7
	Operating Revenue	215.4	218.6	+ 3.2	226.5	+ 11.1	238.3	+ 22.9
	Total Life Service	699.5	702.5	+ 3.0	722.5	+ 23.0	738.1	+ 38.6
Life Service	Operating Profit	5.8	6.2	+ 0.4	6.4	+ 0.6	7.0	+ 1.2
	Operating Profit	10.0	10.2	+ 0.2	11.2	+ 1.2	13.1	+ 3.1
	Total Life Service	15.8	16.4	+ 0.6	17.6	+ 1.8	20.1	+ 4.3
Hotel and Resort	Operating Revenue	104.2	101.7	- 2.5	108.6	+ 4.4	116.8	+ 12.6
	Operating Profit	5.1	3.5	- 1.6	5.1	+ 0.0	7.1	+ 2.0
Elimination etc.	Operating Revenue	- 58.2	- 62.7	- 4.5	- 67.9	- 9.7	- 73.0	- 14.8
	Operating Profit	0.4	0.4	+ 0.0	0.4	+ 0.0	0.4	+ 0.0

