



FY2020
Financial Results Briefing

May 14, 2021

TOBU RAILWAY CO., LTD.

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I. FY2020 Business Results

Subsidiaries

	March 2020	Change	March 2020	Notes
Transportation	27	-	27	
Leisure	22	-	22	
Real Estate	3	-	3	
Retail Distribution	12	-	12	
Other	16	-	16	
Total	80	-	80	

Affiliates

	March 2020	Change	March 2020	Notes
Transportation	1	-	1	
Leisure	2	-	2	
Real Estate	-	-	-	
Retail Distribution	-	-	-	
Other	-	-	-	
Total	3	-	3	

I. FY2020 Business Results

Consolidated statement of income

				Unit: Millions of yen		
	FY2020 Results	FY2020 Plan	Change	Notes	FY2019 Results	Change
Revenue from Operations	496,326	492,200	4,126	Transportation +322, Leisure -45 Real Estate +1,628 Retail Distribution +3,653, Other -2,237	653,874	-157,547
Operating Income	-13,577	-18,600	5,023	Transportation +676, Leisure +1,016 Real Estate +1,202 Retail Distribution +1,216, Other +1,276	62,653	-76,231
Recurring Income	-9,892	-17,100	7,208		58,414	-68,306
Extraordinary Profit	5,012	—	—		4,296	716
Extraordinary Loss	17,399	—	—	Impairment loss +6,004 Amortization of goodwill +3,567 Loss from temporary suspension of operations +1,929	8,552	8,847
Profit Attributable to Owners of Parent	-24,965	-27,000	2,035		35,530	-60,495
Ratio of Operating Income to Sales	—	—	—		9.6%	—
Operating Income ROA*	—	—	—		3.8%	—
ROE*	—	—	—		7.7%	—
Depreciation	56,664	56,900	-236		55,442	1,222
EBITDA	43,087	38,300	4,787		118,095	-75,008

*Operating income ROA = Consolidated operating income / {(Beginning total assets + Ending total assets) / 2}

*ROE = Profit attributable to owners of parent / {(Beginning equity + Ending equity) / 2}

*Plan figures are those from announcement on February 2, 2021. (P3~P13)

I. FY2020 Business Results

Consolidated balance sheet

Unit: Millions of yen

	FY2020 Results	FY2019 Results	Change	Notes
Current assets	158,452	141,385	17,066	Cash and deposits + 13,540
Non-current assets	1,524,044	1,514,706	9,338	
Total assets	1,682,497	1,656,092	26,405	
Current liabilities	397,788	379,291	18,496	Advances received +19,597
Non-current liabilities	831,605	802,830	28,774	
Total liabilities	1,229,393	1,182,122	47,270	
Total net assets	453,103	473,969	-20,865	Retained earnings -30,619, Valuation difference on available-for-sale securities + 8,714
Total liabilities and net assets	1,682,497	1,656,092	26,405	
Shareholders equity ratio	26.4%	28.1%	-1.7 P	
Interest-bearing debt balance	837,279	789,533	47,746	
Interest-bearing debt/EBITDA multiple	19.4	6.7	12.7 P	
Capital expenditures	49,452	88,670	-39,218	

I. FY2020 Business Results

Consolidated statement of cash flows

Unit: Millions of yen

	FY2020 Results	FY2019 Results	Change	Notes
Cash flows from operating activities	39,504	101,136	-61,632	Income before income taxes -76,437
Cash flows from investing activities	-66,283	-75,621	9,337	Purchase of non-current assets +13,067
Cash flows from financing activities	40,362	-22,577	62,939	Net increase in short-term loans payable +31,149, Proceeds from long-term loans payable +16,402
Change in cash and cash equivalents	13,540	2,927	10,613	
Ending balance of cash and cash equivalents	44,947	31,407	13,540	

I. FY2020 Business Results

Segment Information(Transportation)

	FY2020 Results	FY2020 Plan	Change	Notes	Unit: Millions of yen	
					FY2020 Results	Change
Revenue from Operations	159,122	158,800	322		215,427	-56,304
Railways	117,459	116,700	759		163,033	-45,573
Other	41,663	42,100	-437	Bus and taxi business -222, Freight business -175	52,393	-10,730
Operating Income	-5,224	-5,900	676		37,659	-42,884
Railways	-1,024	-1,500	476		34,506	-35,531
Other	-4,199	-4,400	201	Bus and taxi business +97, Freight business +104	3,153	-7,353
Operating Income ROA	—	—	—		3.9%	—
Depreciation	35,073	35,200	-127		34,713	360
EBITDA	29,849	29,300	549		72,372	-42,523
Capital Expenditures	24,425	25,900	-1,475		49,516	-25,091

I. FY2020 Business Results

Tobu Railway Lines Railway Business (Number of Passengers)

Unit: 1 Million people

	FY2020 Results	FY2020 Plan	FY2019 Results
Commuter Passengers	459	470	606
Non-Commuter Passengers	218	213	315
(Limited Express)	3	3	7
Total	677	682	921

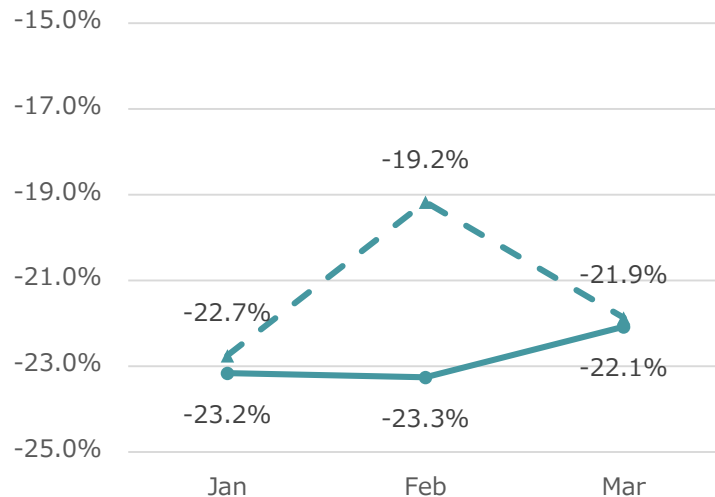
(Passenger Revenue)

Unit: Millions of yen

	FY2020 Results	FY2020 Plan	FY2019 Results
Commuter Passengers	51,893	52,145	67,109
Non-Commuter Passengers	49,851	48,998	79,130
(Limited Express)	2,419	2,513	5,936
Total	101,744	101,143	146,239

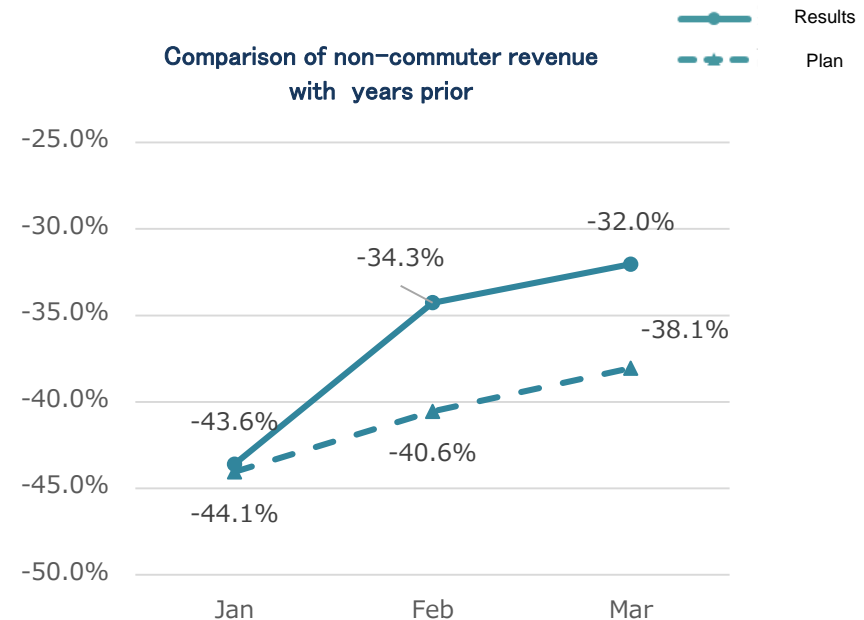
* Non-commuter passenger revenue includes limited express fee and seat reservation fees.

Comparison of commuter revenue with two years prior



*Comparison with two years prior in consideration of advance purchases ahead of consumption tax hike.

Comparison of non-commuter revenue with years prior



* March figures compared to 2 years prior.

I. FY2020 Business Results

Segment Information (Leisure)

				Unit: Millions of yen		
	FY2020 Results	FY2020 Plan	Change	Notes	FY2019 Results	Change
Revenue from Operations	39,055	39,100	-45		72,072	-33,017
Hotel	7,205	7,100	105		17,305	-10,099
SKYTREE	4,814	4,900	-86		12,825	-8,011
Other	27,035	27,100	-65	Amusement parks and tourism +179, Sports +46, Travel +60, Food -83	41,942	-14,906
Operating Income	-18,484	-19,500	1,016		3,116	-21,600
Hotel	-9,337	-9,400	63		-585	-8,751
SKYTREE	-1,679	-2,000	321		3,698	-5,377
Other	-7,467	-8,100	633	Amusement parks and tourism +222, Sports +216, Travel +212, Food +70	3	-7,471
Operating Income ROA	—	—	—		1.4%	—
Depreciation	6,499	6,500	-1		5,460	1,039
EBITDA	-11,985	-13,000	1,015		8,576	-20,561
Capital Expenditures	9,725	9,900	-175		18,377	-8,652

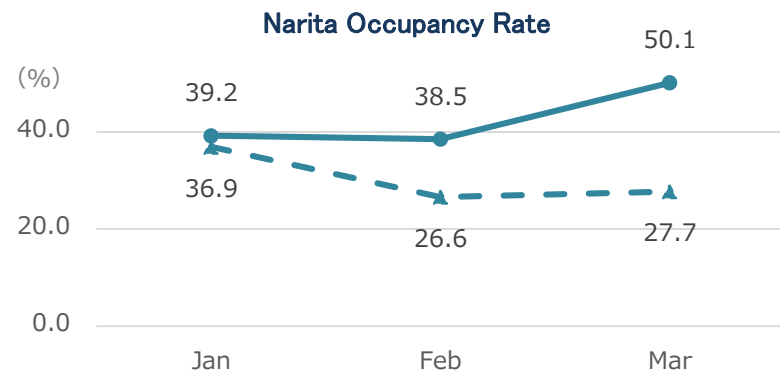
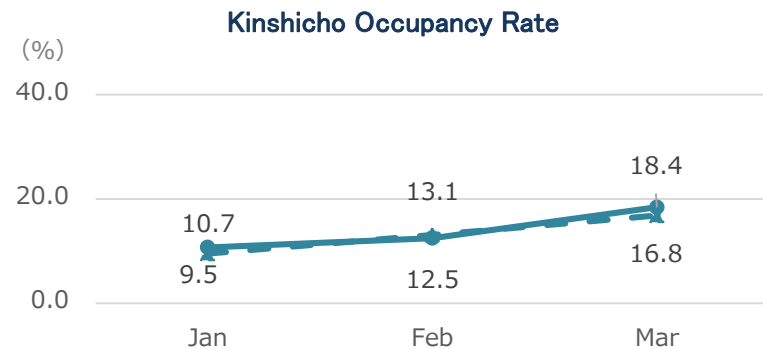
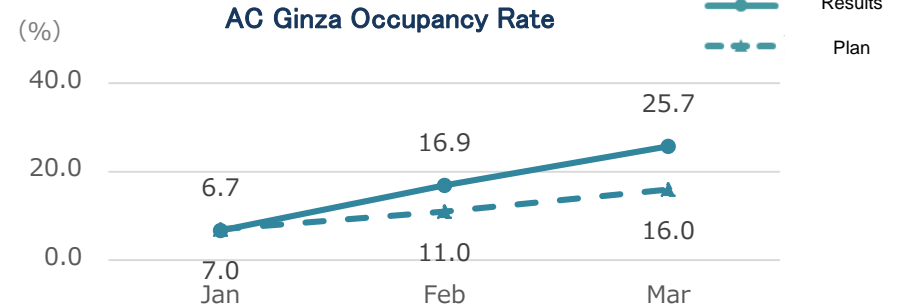
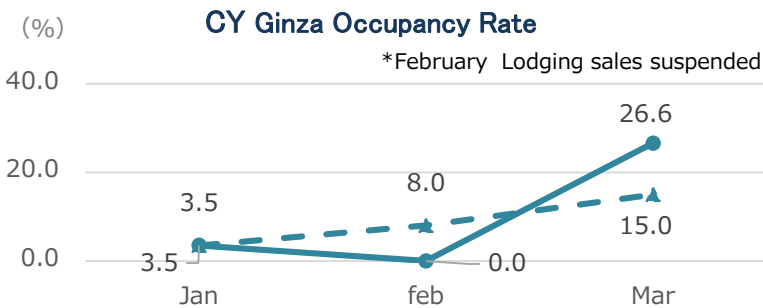
TOKYO SKYTREE Visitors Unit: 10,000 people

	FY2020 Results	FY2020 Plan	FY2019 Results
Number of visitors	78	80	360

I. FY2020 Business Results

Main Hotels

Occupancy Rate	FY2020 Results	FY2020 Plan	FY2019 Results	Percentage of foreign nationals	FY2020 Results	FY2019 Results
CY Ginza	16.2%	15.8%	87.5%	CY Ginza	4.8%	73.1%
AC Ginza	11.6%	10.0%	—	AC Ginza	4.3%	—
Kinshicho	15.4%	15.2%	78.2%	Kinshicho	0.5%	60.3%
Narita	30.3%	27.3%	79.7%	Narita	12.4%	62.2%



I. FY2020 Business Results

Segment Information (Real Estate)

Unit: Millions of yen

	FY2020 Results	FY2020 Plan	Change	Notes	FY2019 Results	Change
Revenue from Operations	54,228	52,600	1,628		67,912	-13,684
Leasing business	38,149	37,000	1,149		38,661	-512
SKYTREE TOWN	9,687	9,700	-13		12,160	-2,472
Subdivision Business	6,391	5,900	491		17,090	-10,698
Operating Income	13,702	12,500	1,202		14,468	-765
Leasing business	11,762	11,100	662		12,137	-374
SKYTREE TOWN	867	700	167		1,715	-848
Subdivision Business	1,072	700	372		615	456
Operating Income ROA	4.0%	3.6%	+0.4 P		4.1%	-0.1 P
Depreciation	10,120	10,100	20		10,146	-26
EBITDA	23,822	22,600	1,222		24,614	-792
Capital Expenditures	9,742	10,100	-358		14,096	-4,354

SKYTREE TOWN Visitors

Unit: 10,000 people

	FY2020 Results	FY2020 Plan	FY2019 Results
Number of visitors	1,626	1,598	2,889

Number of Units Sold

Unit: 1 unit

	FY2020 Results	FY2020 Plan	FY2019 Results
Number of Units Sold			
Detached houses	15	15	27
Condominiums	626	591	615
Number of Units Sold After Converting Share			
Detached houses	15	15	27
Condominiums	129	122	389

I. FY2020 Business Results

Segment Information (Retail Distribution)

Unit: Millions of yen

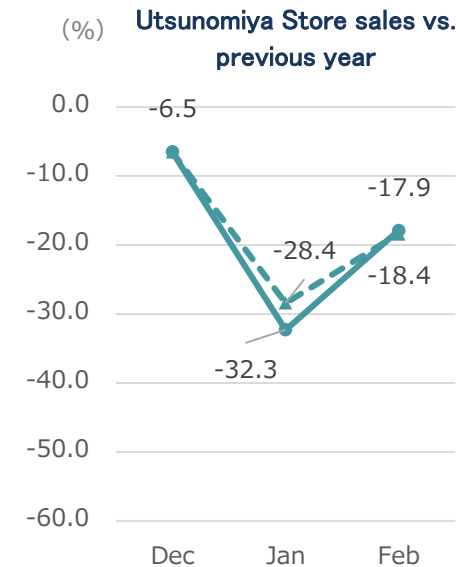
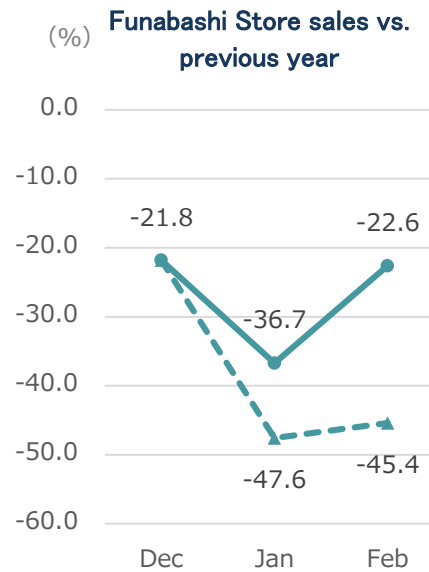
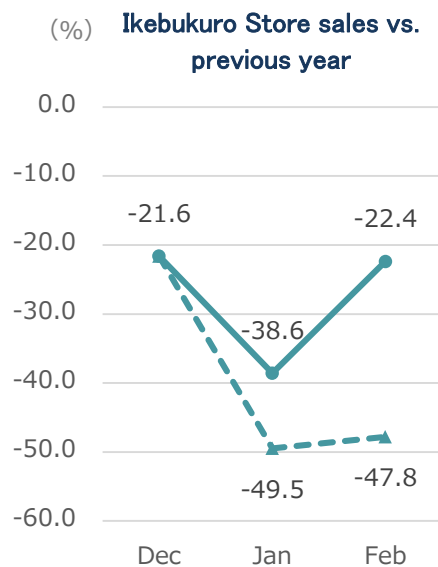
	FY2020 Results	FY2020 Plan	Change	Notes	FY2019 Results	Change
Revenue from Operations	216,253	212,600	3,653		266,418	-50,164
Department stores	119,288	115,800	3,488		168,117	-48,828
Store	83,115	83,000	115		80,123	2,992
Other	13,849	13,800	49		18,178	-4,328
Operating Income	-5,384	-6,600	1,216		3,364	-8,748
Department stores	-5,953	-7,000	1,047		1,855	-7,808
Store	1,193	1,100	93		474	719
Other	-624	-700	76		1,034	-1,659
Operating Income ROA	—	—	—		2.4%	—
Depreciation	3,410	3,500	-90		3,678	-268
EBITDA	-1,974	-3,100	1,126		7,042	-9,016
Capital Expenditures	4,085	4,500	-415		4,685	-600

I. FY2020 Business Results

Change in Sales at Major Department Stores

	FY2020 Results vs. Previous Year	FY2020 Plan vs. Previous Year
Ikebukuro	-30.8%	-33.4%
Funabashi	-31.2%	-33.5%
Utsunomiya	-22.5%	-22.3%

—●— Results
- - -▲- - - Plan



I. FY2020 Business Results

Segment Information (Other)

	FY2020 Results	FY2020 Plan	Change	Notes	Unit: Millions of yen	
					FY2019 Results	Change
Revenue from Operations	88,863	91,100	-2,237		110,513	-21,649
Operating Income	2,876	1,600	1,276		5,375	-2,499
Operating Income ROA	1.2%	0.6%	+0.6 P		2.1%	-0.9 P
Depreciation	1,560	1,600	-40		1,443	117
EBITDA	4,436	3,200	1,236		6,818	-2,382
Capital Expenditures	1,473	1,500	-27		1,994	-521

II. FY2021 Plan



Assumptions of FY2021 plan

		FY2020 Results		FY2021 Plan		
Overall		Social restrictions associated with two declarations of state of emergency		No social restrictions with declaration of state of emergency No effect expected from spread of vaccine Tokyo Olympics/Paralympics held as planned		
Transportation		4Q (3 months)	Annual	1H	2H	Annual
Railways	Commuter passengers Business commutation	-21%	-19%	-17%	-17%	-17%
	School commutation	-42%	-48%	-21%	-4%	-13%
	Non-Commuter passengers	-37%	-39%	-33%	-26%	-29%
Leisure		4Q (3 months)	Annual	1H	2H	Annual
Hotel	Revenue from major hotels	-81%	-81%	-64%	-50%	-57%
SKYTREE	Number of visitors	-83%	-82%	-82%	-67%	-74%
Other	Travel* volume	-66%	-72%	-67%	-36%	-50%
Retail Distribution		4Q (3 months)	Annual	1H	2H	Annual
Department stores	Goods sales					
	Downtown stores	-31%	-32%	-22%	-19%	-20%
	Suburban stores	-28%	-30%	-15%	-18%	-16%

Comparison with FY2018, which was not impacted by COVID-19 or consumption tax hike

*Fiscal year end is December, so FY2020 results and FY2021 plan include impact of declarations of state of emergency.

II. FY2021 Plan

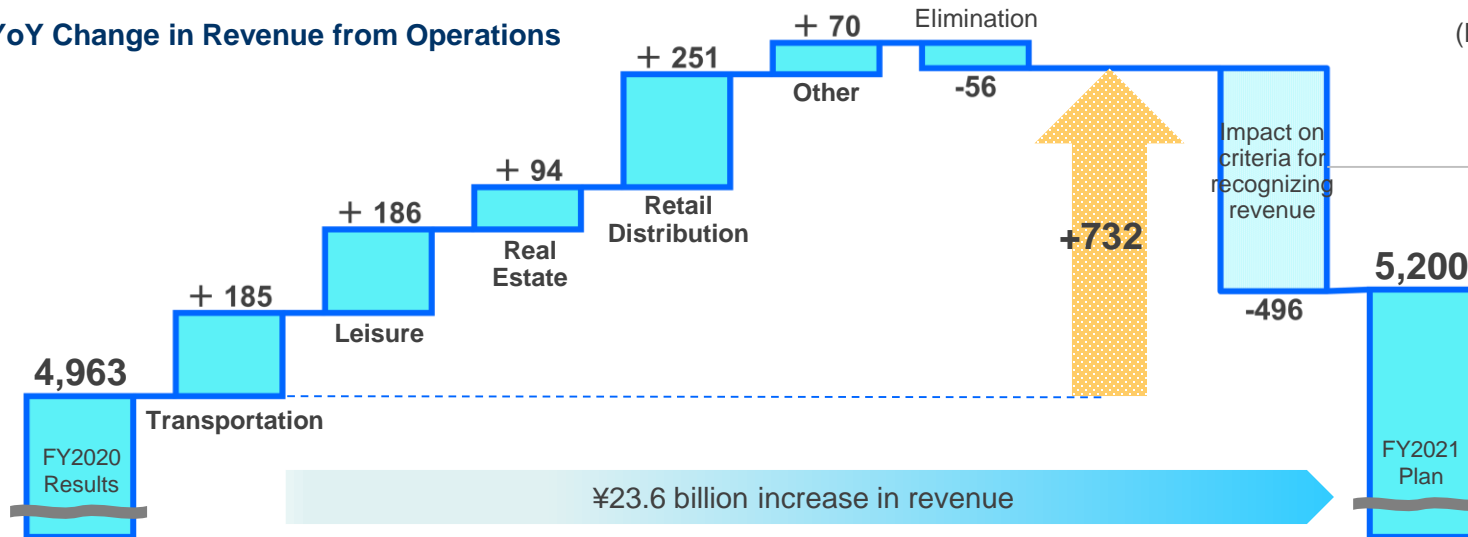
Consolidated statement of income									Unit: Millions of yen
	FY2021 Plan					FY2020 Results full year C	YoY		Notes (B-C)
	1H	2H	New full-year criteria A	*Old full-year criteria B	Monetary impact of change		21New - 20 (A-C)	21Old - 20 (B-C)	
Revenue from Operations	245,600	274,400	520,000	569,600	-49,600	496,326	23,674	73,274	Transportation +18,578, Leisure +18,645, Real Estate +9,472, Retail Distribution +25,147, Other +7,037
Operating Income	7,500	11,900	19,400	19,400	0	-13,577	32,977	32,977	Transportation +20,324, Leisure +12,084, Real Estate -802, Retail Distribution +2,184, Other -776
Recurring Income	5,400	9,400	14,800	14,800	0	-9,892	24,692	24,692	
Profit Attributable to Owners of Parent	-500	5,400	4,900	4,900	0	-24,965	29,865	29,865	
Ratio of Operating Income to Sales	-	-	3.7%	-	-	-	-	-	
Operating Income ROA*	-	-	1.2%	-	-	-	-	-	
ROE*	-	-	1.1%	-	-	-	-	-	

* "Accounting Standard for Revenue Recognition" not applied to plan figures.
* Operating income ROA = Consolidated operating income / {(Beginning total assets + Ending total assets) / 2}
* ROE = Profit attributable to owners of parent / {(Beginning equity + Ending equity) / 2}

II. FY2021 Plan

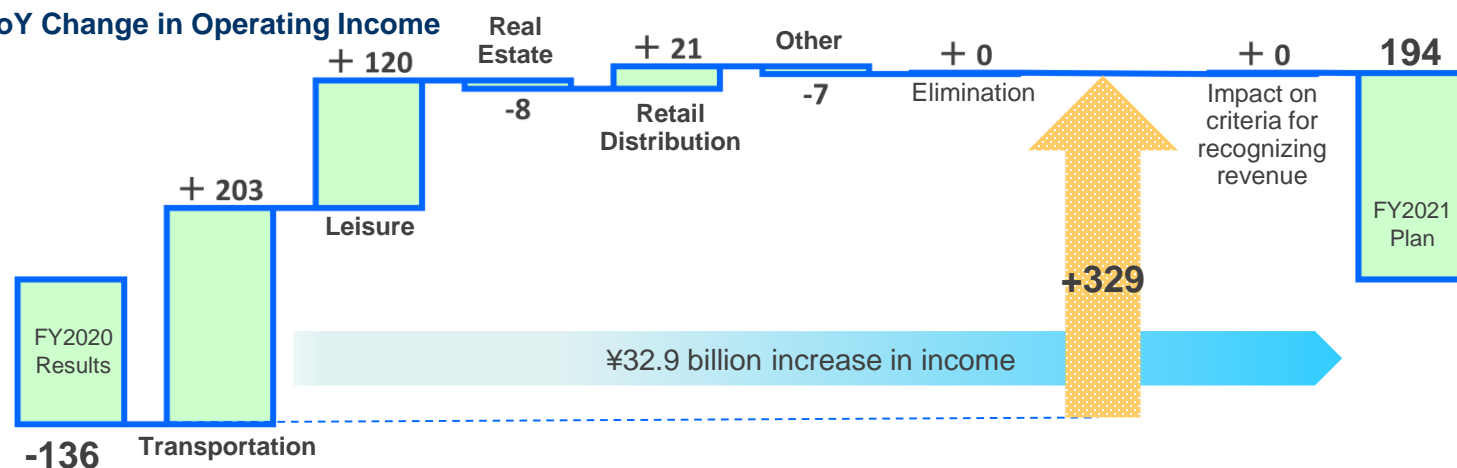
YoY Change in Revenue from Operations

(Hundred millions of yen)



Transportation	0
(-) Tenant utilities	
Leisure	+ 537
(+) Travel agency revenue	
(-) Amusement parks agency revenue	
Real Estate	- 22
(-) Tenant utilities	
Retail Distribution	- 956
(-) Department store/supermarket buying sales	
(-) Trading company agency revenue	
Other	- 74
(-) Material trading company buying sales	
Elimination	+ 19

YoY Change in Operating Income



II. FY2021 Plan

Consolidated Cash Flow Plan

Unit: Millions of yen

	FY2021 Plan	FY2020 Results	Change	Notes
EBITDA	75,000	43,087	31,913	
Operating Income	19,400	-13,577	32,977	
Depreciation	55,600	56,664	-1,064	
Interest-bearing debt balance	831,600	837,279	-5,679	
Interest-bearing debt/EBITDA multiple	11.1	19.4	-8.3 P	
Capital expenditures	51,900	49,452	2,448	

II. FY2021 Plan

Segment Information (Transportation)

	FY2021 Plan					FY2020 Results	YoY		Notes (B-C)
	1H	2H	New full-year criteria	*Old full-year criteria	Monetary impact of change	full year C	21New - 20	21Old - 20	
			A	B			(A-C)	(B-C)	
Revenue from Operations	87,200	90,500	177,700	177,700	0	159,122	18,578	18,578	
Railways	63,500	66,300	129,800	129,800	0	117,459	12,341	12,341	(Other)
Other	23,700	24,200	47,900	47,900	0	41,663	6,237	6,237	Bus and taxi business +5,922, Freight business +275
Operating Income	6,300	8,800	15,100	15,100	0	-5,224	20,324	20,324	
Railways	6,200	8,000	14,200	14,200	0	-1,024	15,224	15,224	(Other)
Other	100	800	900	900	0	-4,199	5,099	5,099	Bus and taxi business +5,403, Freight business -304
Operating Income ROA	—	—	1.6%	—	—	—	—	—	
Depreciation	—	—	32,700	—	—	35,073	-2,373	—	
EBITDA	—	—	47,800	—	—	29,849	17,951	—	
Capital expenditures	—	—	28,200	—	—	24,425	3,775	—	

Tobu Railway Lines Railway Business (Number of Passengers)

	FY2021 Plan			Unit: 1 Million people	
	1H	2H	Full year	FY2020 Results full year	Change
Commuter Passengers	258	259	517	459	12.6%
Non-Commuter Passengers	118	131	248	218	14.1%
(Limited Express)	2	2	4	3	26.7%
Total	376	389	766	677	13.1%

(Passenger Revenue)

	FY2021 Plan			Unit: Millions of yen	
	1H	2H	Full year	FY2020 Results full year	Change
Commuter Passengers	28,076	27,813	55,889	51,893	7.7%
Non-Commuter Passengers	27,394	30,558	57,952	49,851	16.3%
(Limited Express)	1,411	1,638	3,049	2,419	26.0%
Total	55,470	58,371	113,841	101,744	11.9%

* Non-commuter passenger revenue includes limited express fee and seat reservation fees.

II. FY2021 Plan

Segment Information (Leisure)

Unit: Millions of yen

	FY2021 Plan					FY2020 Results full year C	YoY		Notes (B-C)
	1H	2H	New full-year criteria A	*Old full-year criteria B	Monetary impact of change		21New - 20 (A-C)	21Old - 20 (B-C)	
Revenue from Operations	43,500	67,900	111,400	57,700	53,700	39,055	72,345	18,645	
Hotel	6,200	8,200	14,400	14,400	0	7,205	7,195	7,195	(Other)
SKYTREE	2,500	3,300	5,800	5,800	0	4,814	986	986	Amusement parks and tourism +1,421, Sports +1,554, Travel +6,040, Food +1,283
Other	34,800	56,400	91,200	37,500	53,700	27,035	64,165	10,465	
Operating Income	-4,500	-1,900	-6,400	-6,400	0	-18,484	12,084	12,084	
Hotel	-3,500	-2,600	-6,100	-6,100	0	-9,337	3,237	3,237	(Other)
SKYTREE	-1,600	-200	-1,800	-1,800	0	-1,679	-121	-121	Amusement parks and tourism +378, Sports +1,184, Travel +5,988, Food +830
Other	600	900	1,500	1,500	0	-7,467	8,967	8,967	
Operating Income ROA	-	-	-	-	-	-	-	-	
Depreciation	-	-	6,900	-	-	6,499	401	-	
EBITDA	-	-	500	-	-	-11,985	12,485	-	
Capital expenditures	-	-	2,300	-	-	9,725	-7,425	-	

TOKYO SKYTREE Visitors

Unit: 10,000 people

	FY2021 Plan			FY2020 Results full year	Change
	1H	2H	Full year		
Number of visitors	39	70	109	78	31

Occupancy Rate of Main Hotels

	FY2021 Plan			FY2020 Results full year	Change
	1H	2H	Full year		
CY Ginza	34.7%	49.0%	41.9%	16.2%	25.7P
AC Ginza	25.4%	34.8%	30.1%	11.6%	18.5P
Kinshicho	31.8%	49.8%	40.8%	15.4%	25.4P
Narita	37.1%	53.3%	45.2%	30.3%	14.9P

II. FY2021 Plan



Segment Information (Real Estate)

Unit: Millions of yen

	FY2021 Plan					FY2020 Results	YoY		Notes (B-C)
	1H	2H	New full-year criteria A	*Old full-year criteria B	Monetary impact of change	full year C	21New - 20	21Old - 20	
							(A-C)	(B-C)	
Revenue from Operations	35,300	26,200	61,500	63,700	-2,200	54,228	7,272	9,472	
Leasing business	18,300	19,200	37,500	39,000	-1,500	38,149	-649	851	
SKYTREE TOWN	4,900	5,000	9,900	10,600	-700	9,687	213	913	
Subdivision Business	12,100	2,000	14,100	14,100	0	6,391	7,709	7,709	
Operating Income	7,400	5,500	12,900	12,900	0	13,702	-802	-802	
Leasing business	5,300	5,200	10,500	10,500	0	11,762	-1,262	-1,262	
SKYTREE TOWN	700	400	1,100	1,100	0	867	233	233	
Subdivision Business	1,400	-100	1,300	1,300	0	1,072	228	228	
Operating Income ROA	—	—	3.7%	—	—	4.0%	-0.3P	—	
Depreciation	—	—	10,400	—	—	10,120	280	—	
EBITDA	—	—	23,300	—	—	23,822	-522	—	
Capital expenditures	—	—	13,300	—	—	9,742	3,558	—	

SKYTREE TOWN Visitors

Unit: 10,000 people

	FY2021 Plan			FY2020 Results	Change
	1H	2H	Full year	full year	
Number of visitors	1,048	1,052	2,100	1,626	474

Number of Units Sold

Unit: 1 unit

Number of Units Sold	FY2021 Plan			FY2020 Results	Change
	1H	2H	Full year	full year	
Detached houses	11	14	25	15	10
Condominiums	576	153	729	626	103
Number of Units Sold After Converting Share					
Detached houses	11	14	25	15	10
Condominiums	283	39	322	129	193

II. FY2021 Plan

Segment Information (Retail Distribution)

Unit: Millions of yen

	FY2021 Plan					FY2020 Results	YoY		Notes (B-C)
	1H	2H	New full-year criteria	*Old full-year criteria	Monetary impact of change	full year C	21New - 20	21Old - 20	
			A	B			(A-C)	(B-C)	
Revenue from Operations	71,400	74,400	145,800	241,400	-95,600	216,253	-70,453	25,147	
Department stores	26,400	27,500	53,900	139,900	-86,000	119,288	-65,388	20,612	Ikebukuro store +11,451, Funabashi store +4,484, Utsunomiya store +4,324
Store	38,600	40,600	79,200	86,000	-6,800	83,115	-3,915	2,885	
Other	6,400	6,300	12,700	15,500	-2,800	13,849	-1,149	1,651	
Operating Income	-2,200	-1,000	-3,200	-3,200	0	-5,384	2,184	2,184	
Department stores	-2,200	-1,300	-3,500	-3,500	0	-5,953	2,453	2,453	
Store	100	300	400	400	0	1,193	-793	-793	
Other	-100	0	-100	-100	0	-624	524	524	
Operating Income ROA	-	-	-	-	-	-	-	-	
Depreciation	-	-	3,900	-	-	3,410	490	-	
EBITDA	-	-	700	-	-	-1,974	2,674	-	
Capital expenditures	-	-	5,200	-	-	4,085	1,115	-	

Change in Sales at Major Department Stores

	FY2021 Plan vs. Previous Year
Ikebukuro	16.6%
Funabashi	16.9%
Utsunomiya	23.4%

II. FY2021 Plan

Segment Information (Other)

Unit: Millions of yen

	FY2021 Plan					FY2020 Results full year C	YoY		Notes (B-C)
	1H	2H	New full-year criteria	*Old full-year criteria	Monetary impact of change		21New - 20	21Old - 20	
			A	B			(A-C)	(B-C)	
Revenue from Operations	40,400	48,100	88,500	95,900	-7,400	88,863	-363	7,037	
Operating Income	1,100	1,000	2,100	2,100	0	2,876	-776	-776	
Operating Income ROA	-	-	0.8%	-	-	1.2%	-0.4P	-	
Depreciation	-	-	1,700	-	-	1,560	140	-	
EBITDA	-	-	3,800	-	-	4,436	-636	-	
Capital expenditures	-	-	2,900	-	-	1,473	1,427	-	

III-1. Business Policies

Company-wide strategy based on changes in business environment

Promotion of sustainable business

■ **Promotion of business structure reform**

Strengthen management structure by promoting establishment of plan to lower break-even point and address needs

■ **Group business consolidation and withdrawal**

Promote establishment of strong Group management foundation by restructuring businesses after identifying management challenges

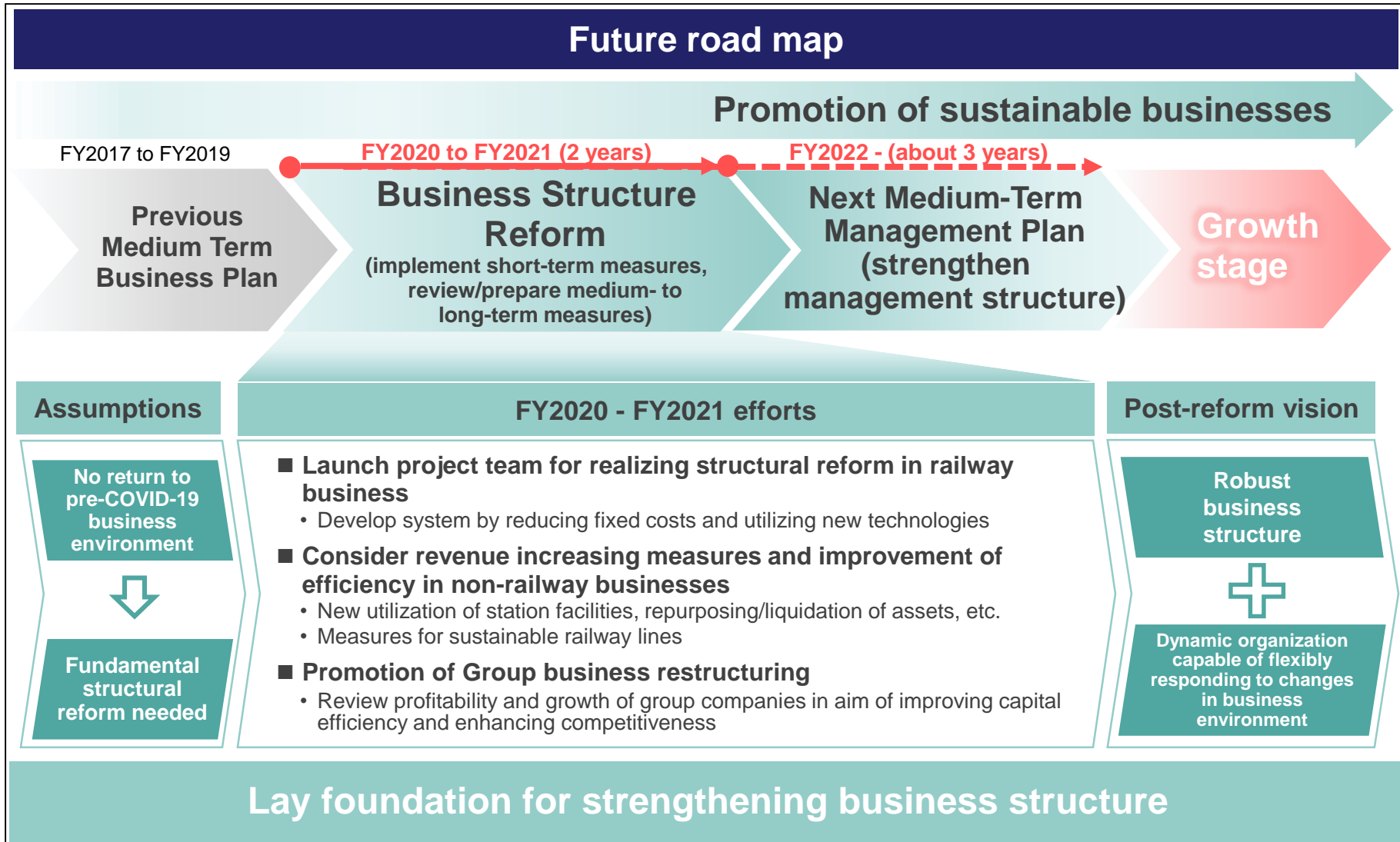
■ **Promotion of businesses that address diversification of daily life needs**

Provide services to address needs utilizing railway network in urban, suburban, and tourist areas

* Simultaneously promote DX for efficiency, which reduces costs, and DX for profitability, which increases marketing capabilities, thereby establishing stable profits to achieve the above

Improve resilience through structural reform adapted to changes in the business environment

III-1. Business Policies



III-1. Business Policies

Issues for this fiscal year

■ Securing of consolidated recurring income

Thoroughly reduce costs and lower break-even point to create business structure that generates profit even in harsh business environments

■ Reduction of interest-bearing debt

Decrease interest-bearing debt and maintain financial soundness by such means as carefully reviewing capital expenditures and selling owned assets

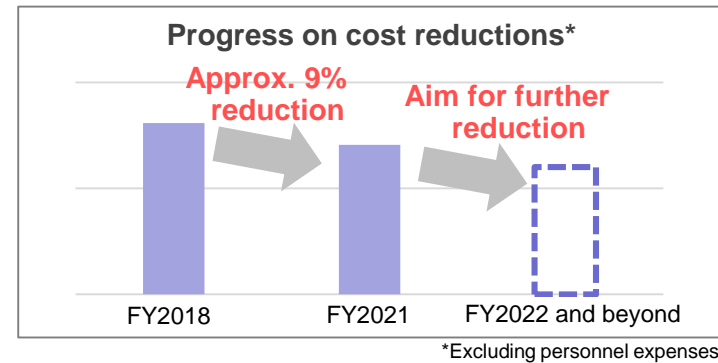
Engage in thorough cost control and steadily secure profits

III-2. Reforming the Business Structure

Promotion of business structure reform in transportation business

Railway initiatives

- **Expansion of one-man operation sections**
 - Increased efficiency of train operations
- **Improvement of service through introduction of remote system for stations**
 - Provision of speedy services and improvement of efficiency through enhancement of support system with nearby stations
- **Introduction of smart maintenance through utilization of ICT**
 - Improvement of efficiency of maintenance operations with monitoring data gathered from train cars

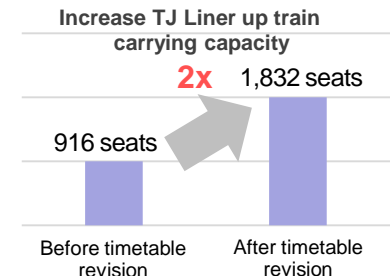


Promote reform for ensuring profits even with decreased sales

March 2021 timetable revision

- **Increased TJ Liner up train operations on Tojo Line**
 - Provision of transportation services to meet business commutation demand and needs
- **Moving up last train**
 - Addressing of changes in lifestyles and reduction of burden of late-night maintenance operations

Optimization of transportation capacity and expansion of services based on customer trends



Expand services according to demand and quickly recover profits

III-2. Reforming the Business Structure

Achieving driverless operations in transportation business

Railways



- Auto driving verification underway on Tobu Daishi Line (FY2023 or beyond)
 - First auto driving verification with no driver among major private railways
 - Carried out between Nishiarai and Daishimae



Promote verification of new technologies for introduction of next-generation railway system

Buses

- Oku-Nikko low-pollution bus
 - Plan experimenting of **advanced auto driving bus operation** (level 4) over approx. 20 km distance (FY2023)
 - Accumulate know-how in aim of expanding auto driving area
- TOBU BUS EAST Kashiwa area
 - Experimenting of partial auto driving (level 2) bus operations underway since November 2019 (until March 2022)



△ Oku-Nikko low-pollution bus



△ Auto driving section



Aim for early implementation of driverless operations through repeated experimenting

Actively promote verification of new technologies and tie it into creation of sustainable transportation business

III-2. Reforming the Business Structure

Promotion of business structure reform in leisure business

Hotel initiatives

■ Priorities

Shrink and withdraw from banquet and wedding ceremony category, streamline operations in drink category, reduce fixed costs

⇒ **Streamline existing hotels, concentrate management resources on lodging business**

FY2020-FY2021

FY2022

FY2023 and beyond

Thorough reduction of fixed costs
Approx. -15% (vs. FY2018)

Operating Margin
Approx. 10%

Quickly secure profits

Record operating income at 80% sales (vs. FY2018)

➤➤ **Aim to overcome operating loss through selection and concentration of businesses**

TOBU TOP TOURS initiatives

■ Reduce costs by consolidating counter stores (-11 stores)
vs. FY2018:

Approx. -¥300 million

■ Acquire revenue from expansion of contracted services, etc.

FY2021 plan:

Approx. ¥5 billion

Tokyo Skytree initiatives

■ Reduction of costs such as for sales of tickets utilizing DX
vs. FY2018:

Approx. -¥1.3 billion

■ Carry out charter sales

Lower break-even point and secure profits quickly by streamlining operations

III-2. Reforming the Business Structure

Promotion of business structure reform in retail distribution business

Initiatives for low-cost operations

■ Tobu department stores

- Promotion of conversion to tenants
- Expansion of e-commerce and mail order businesses

➤ Aim to acquire steady revenue



△Funabashi store: UNIQLO opening

■ Tobu Shoji FamilyMart

- Expansion of self-checkout registers; Number of stores **roughly tripled in 1 year**
(As of April 2021: 19 stores)
- To be introduced at similar pace in FY2021

➤ Aim to reduce personnel expenses

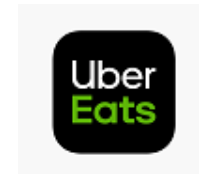


△Self-checkout registers

Review approach to stores

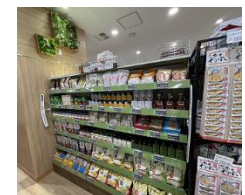
■ Tobu Stores

- Opening of online Tobu Store
- Expansion of sales channel through tie-ups
 - ✓ Mobile sales: Those for whom shopping is difficult
 - ✓ Uber Eats: Take-out



△Mobile supermarket Tokushimaru

- Development of sales floors targeting women
 - ✓ Enhancement of organic, beauty corner, etc.
(Shingashi store)



Promote expansion of sales channels and streamlining according to customer needs in aim of improving profitability

III-2. Reforming the Business Structure

Restructuring of Group businesses

Policy

Full utilization of area/business category characteristics

Efficient utilization of size advantage, human resources, capital, etc.

Introduction of services using new technology

FY2020

1H FY2021

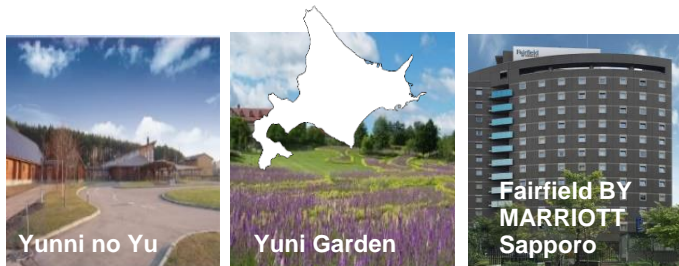
2H FY2021 and beyond

Planning phase

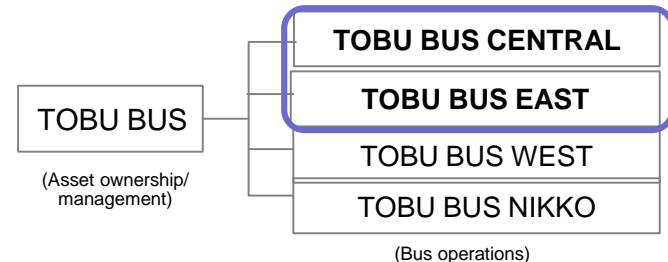
Implementation phase

Specific examples

■ Unified operation of Hokkaido business (Tobu ryokuchi)

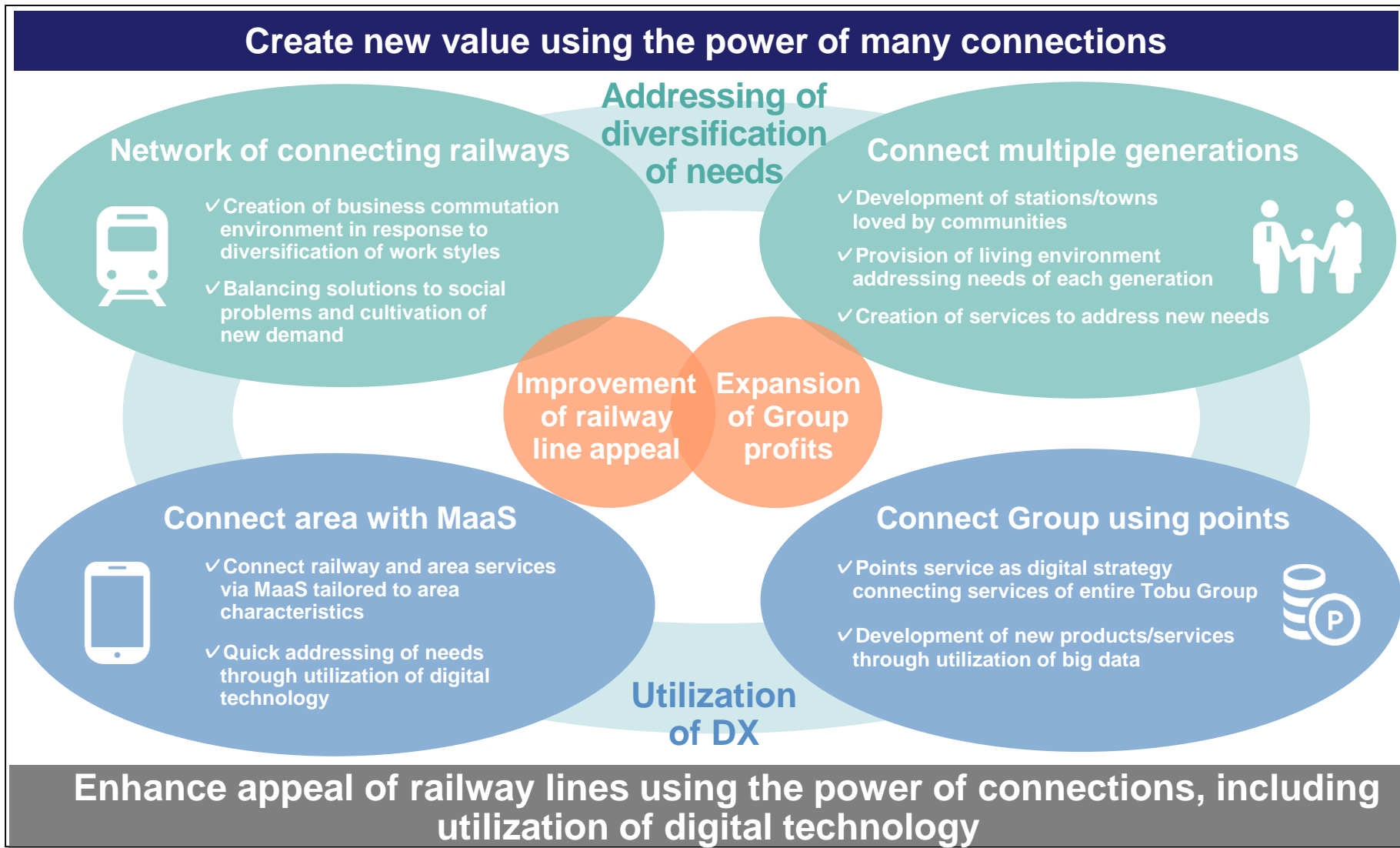


■ Merger of nearby regional bus companies (TOBU BUS)



Develop competitive business operation system

III-3. Promotion of Businesses that Address Diversification of Daily Life Needs



III-3. Promotion of Businesses that Address Diversification of Daily Life Needs



Business plans by area

Area	Past initiatives	Future plans
<p>Asakusa/ Tokyo Skytree area</p>	<ul style="list-style-type: none"> ✓ Opening of TOKYO mizumachi ✓ Opening of Sumida River Walk ✓ Signing of comprehensive partnership agreement with Sumida 	<ul style="list-style-type: none"> ✓ Promotion of further revitalization of Asakusa/Tokyo Skytree area ✓ Tokyo Skytree Town expansion plan in conjunction with elevation of Tokyo Skytree Station ✓ Strengthening of partnership with administrative agencies
<p>Ikebukuro area</p>	<ul style="list-style-type: none"> ✓ Discussion/coordination with government officials for promotion of redevelopment 	<ul style="list-style-type: none"> ✓ Aim to make urban planning decision within FY2022
<p>City center/ Coastal area</p>	<ul style="list-style-type: none"> ✓ Opening of AC Hotel by Marriott Tokyo Ginza ✓ Invite tenants for Tobu Ariake Field 	<ul style="list-style-type: none"> ✓ Identify environmental changes brought about by COVID-19 and consider development throughout Yaesu area accordingly
<p>Nikko area</p>	<ul style="list-style-type: none"> ✓ Opening of THE RITZ-CARLTON NIKKO ✓ Opening of Nishi sando teahouse 	<ul style="list-style-type: none"> ✓ Improved accessibility and convenience with introduction of MaaS ✓ Consider activity development in Lake Chuzenji/Oku-Nikko area

Accelerate consideration of plans in each area according to growth stage

III-3. Promotion of Businesses that Address Diversification of Daily Life Needs

Introduction of Japan's first environmentally friendly tourism MaaS

Nikko MaaS (tentative name)

Launch in FY2021 (scheduled)



- ✓ Nikko sightseeing with only a smartphone
- ✓ Digitalization of day passes
- ✓ Creation of eco tourism



Revaty limited express



SPACIA limited express

Railways

(Transition from personal vehicles)



EV buses



On-demand buses



TOBU buses



EV car sharing



Power-assisted bicycle sharing

Environmentally friendly secondary transportation



Experiential content/facility admission tickets to enjoy nature



Stargazing

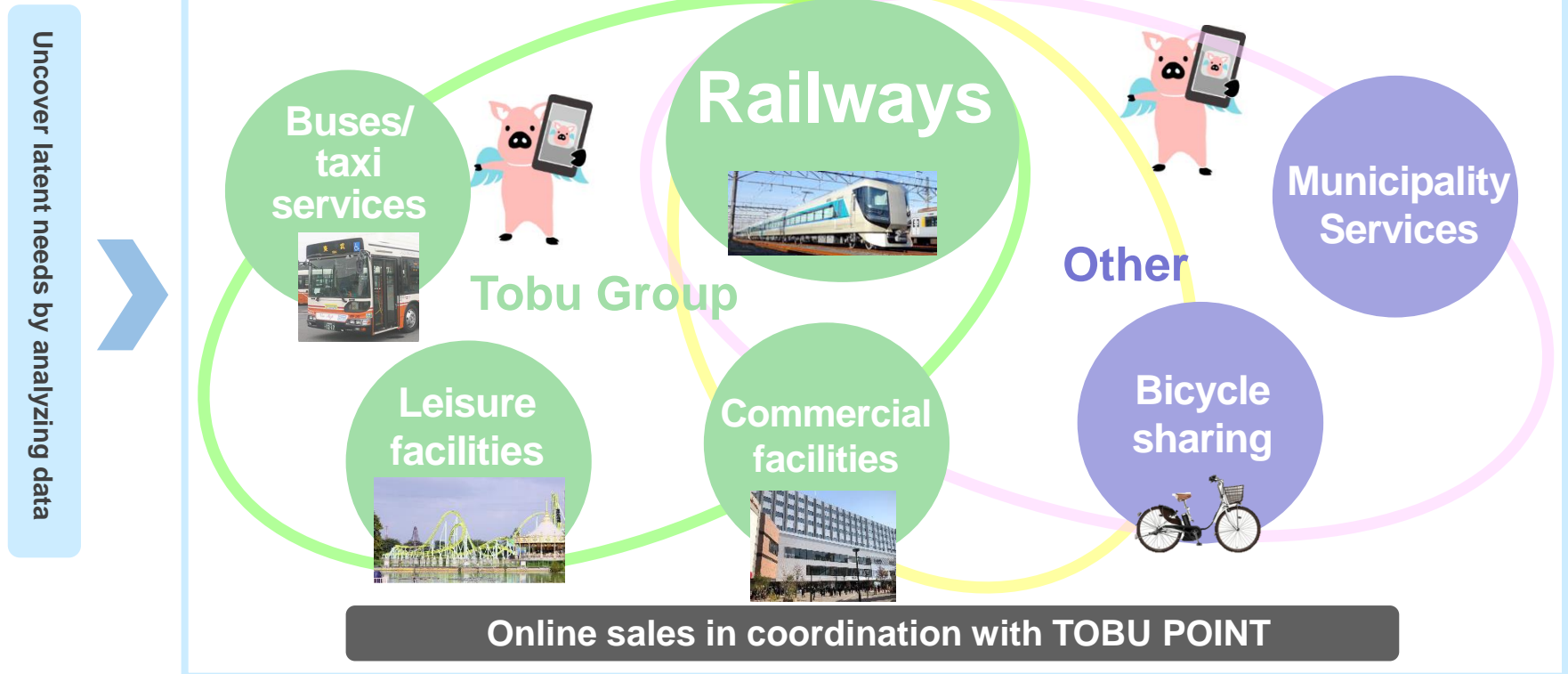
Sightseeing content utilizing nature

Balance environmental protection and improved accessibility to strengthen brand power of Eco Resort Nikko

III-3. Promotion of Businesses that Address Diversification of Daily Life Needs

Roll-out of MaaS along Tobu lines

Speedy product development/sales based on railways



Promote review for development of MaaS in response to needs along railway lines

III-3. Promotion of Businesses that Address Diversification of Daily Life Needs



Initiatives utilizing TOBU POINT

Future numerical targets

Launch of service on November 1, 2020

Number of members acquired via TOBU POINT app

As of April **90,000** → End of FY2021 target **200,000**



Strengthening of organization with introduction of boarding points (autumn of 2021)

- ✓ Grant points when Tobu Railway is used
- ✓ Grant points according to number of non-commuter rides each month
- ✓ Various uses for accumulated points

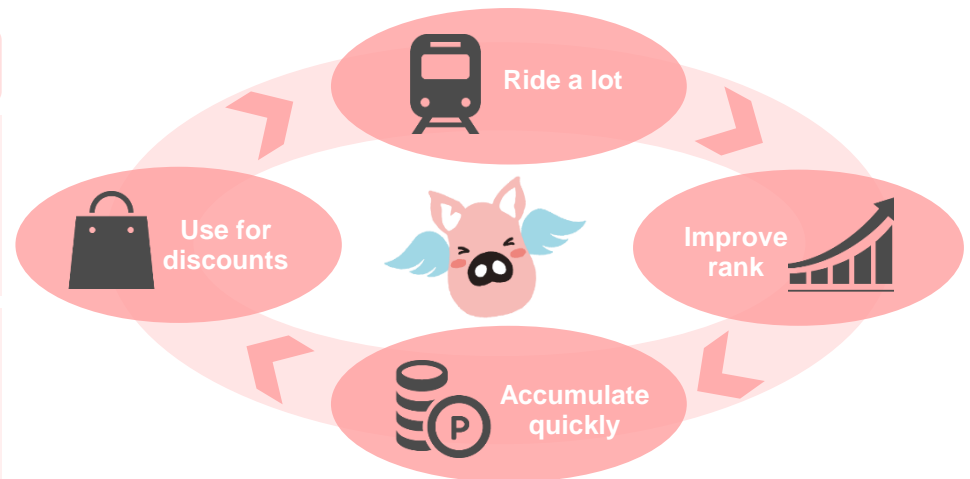
Future point strategy

Unification of membership organization

- ✓ Unify membership organization of Group EC sites
- ✓ Aim for earning/use of points with single member ID

Utilization of big data

- ✓ Strengthen data analysis and improve services
- ✓ New customer acquisition, creation of purchase opportunities, product development, etc.



Connect railway lines and Group via retail business to increase added value

III-3. Promotion of Businesses that Address Diversification of Daily Life Needs

Improving value of station stores and area around stations

Improvement of station profitability/convenience

✓ Active development of station buildings/station stores

- Attraction of commercial tenants whose main target is local customers and strengthening of services
- Enhancement of cashless support by promoting introduction of ATMs with PASMO refill function and enhancement of coordination with TOBU POINT

✓ Active roll-out of satellite office Solaie +Work

- March 2021: Solaie +Work Kamagaya and Sakado opened
- Installation of private rooms for video conferencing



△Solaie +Work Sakado

→ Including private smart work booths inside station building:
Aim to install in 50 locations along railway lines by FY2024

Enhancement of area around stations

✓ Development of station fronts connected to local community

- **Tobu-Dobutsu-Koen Station area (to be opened in autumn of 2021)**

Commercial facilities to create interaction with those visiting the area



- Tobu Store and Muji to open
- Build roughly 1,200 m² plaza for interaction
- Decarbonization via solar panel power generation

- **Dokkyodaigakumae Station area (to be opened in spring of 2023)**

Commercial facility to become core of Soka Matsubara area where Tobu is promoting town development



- Improve convenience of living in area centered on fresh food
- Install community spaces for area residents

Gather functions for lifestyle needs and make core of local community

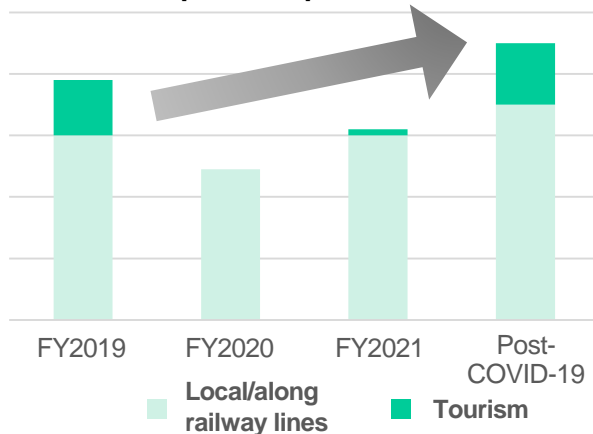
III-3. Promotion of Businesses that Address Diversification of Daily Life Needs

Further strengthening of Tokyo Skytree Town foundation

Post-COVID-19 strategy

✓ Trend in Tokyo Solamachi sales (illustration)

Aim for higher sales compared to pre-COVID-19



Increase local customers and those along railway lines to accumulate further sales when tourist demand returns to normal

Initiatives for local area/railway lines customers

✓ Tokyo Solamachi tenant turnover

- Create Solamachi-style micro tourism
- Merchandise to support lifestyles of new normal



Status of tenant leasing

Closings during COVID-19 pandemic

▲ 33

*10% of total

Newly acquired stores

(as of March 2021)

29

(97% operational)

All spaces to be operational

✓ Events/campaigns to promote more frequent visits

- Hold events targeting area residents and those living along railway lines
- Support utilization of takeout and delivery system by restaurants



Solidify footing as leading commercial facility in city even amid COVID-19 pandemic

III-3. Promotion of Businesses that Address Diversification of Daily Life Needs

Development in 30 km radius in city center where needs are increasing

Rental condominiums with work spaces

Solaie I'll Shingashi

Create residences and railway lines that will be chosen for having environment/furnishings that address needs

- ✓ Target single women
- ✓ Support diverse work styles

Exclusive work spaces for tenants

- ✓ Unified development with various lifestyle service-related facilities

- Tobu Store
- Café
- Fitness
- Dentist etc.

⇒ More than 70% from outside of railway lines



△ Shared work space

All rooms taken

(As of April 2021)

Condominiums promoting interaction

Solaie Gran Nagareyama Otaka no Mori

Attach versatile common facilities for use by multiple generations and community complexes also available to nearby residents

- ✓ Form community with nearby residents



△ CG illustration of envisioned party room at Solaie Gran Nagareyama Otaka no Mori

- Connection cafe
- Clinic
- After school care center and nursery school

⇒ Favorable suburban living environment well-received, leading to increased customer attraction from wide area

Identify changing needs and create comfortable living environment

III-3. Promotion of Businesses that Address Diversification of Daily Life Needs

Aiming to solve social problems and capture new needs

Provision of forum for education

- Extracurricular learning support campaigns
 - Safe arrival via chartered operations
 - Provide various experiences utilizing Group facilities



✓ Promote use of Group facilities and provide spaces for education in short supply due to COVID-19

Reduction of food loss

- Transport of agricultural products utilizing operating trains
 - Realize efficient hauling with mix of freight and passengers
 - Sell products from JA at city stations in the evening

✓ Achieve both efficient utilization of railway and reduction of waste

Promote regional revitalization

- Initiatives in Nikko/Kinugawa area
 - PR featuring local artists
 - Fundraising stamp rally to support Kuragasaki SL flower garden

✓ Contribute to attracting customers to and growing Nikko/Kinugawa area



Reduce environmental burden

- Fuel cell bus “SORA” operations
 - Tobu Bus West to introduce the bus in Saitama
 - No CO₂ emissions, and less noise

✓ Improve fuel efficiency and realize decarbonization



Achieve both expansion of profits and area growth through measures rooted in local community

III-4. Aiming for Solutions to Social Problems and Growth of Area Along Tobu Line



Key issues (materiality): Process up to identification

STEP 1

Sort social problems to be considered

Sorting by considering member

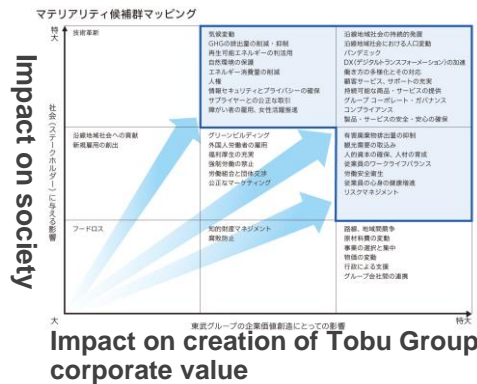
- ✓ Tobu Group Management Philosophy
- ✓ Tobu Group businesses
- ✓ Objective criteria such as GRI Standards

44 items identified after sorting relevance

STEP 2

Mapping of priority

Evaluate 44 items identified



High priority items placed in materiality candidate group

STEP 3

Identification of materiality

Narrow down candidate group based on dialog with stakeholders, etc.

- ✓ Expectations/requirements of Tobu Group
- ✓ Social impact

5 items identified considering outside perspective as well

Identify key issues (materiality) using highly transparent process

III-4. Aiming for Solutions to Social Problems and Growth of Area Along Tobu Line



Key issues (materiality) and new value creation

Creation of area where people want to continue to live and visit

Provide kindness with power of connections

Sustainable development of area

Enhance connection initiatives through strong connections with the community and promote community development to address needs.



- ✓ Lifestyle support services tailored to new lifestyles
- ✓ Town development in coordination with community
- ✓ Provision of advanced social infrastructure
- ✓ Development of living environments according to life stage

Corporate governance contributing to creation of corporate value

- ✓ Assignment of outside directors
- ✓ Strengthening of function of Board of Directors
- ✓ Promotion of compliance management



Improvement of employee skills and capabilities

- ✓ Improvement of employee qualifications and skills
- ✓ Promotion of diversity
- ✓ Preparation of environment in which anyone can play active role



Reduction of environmental burden

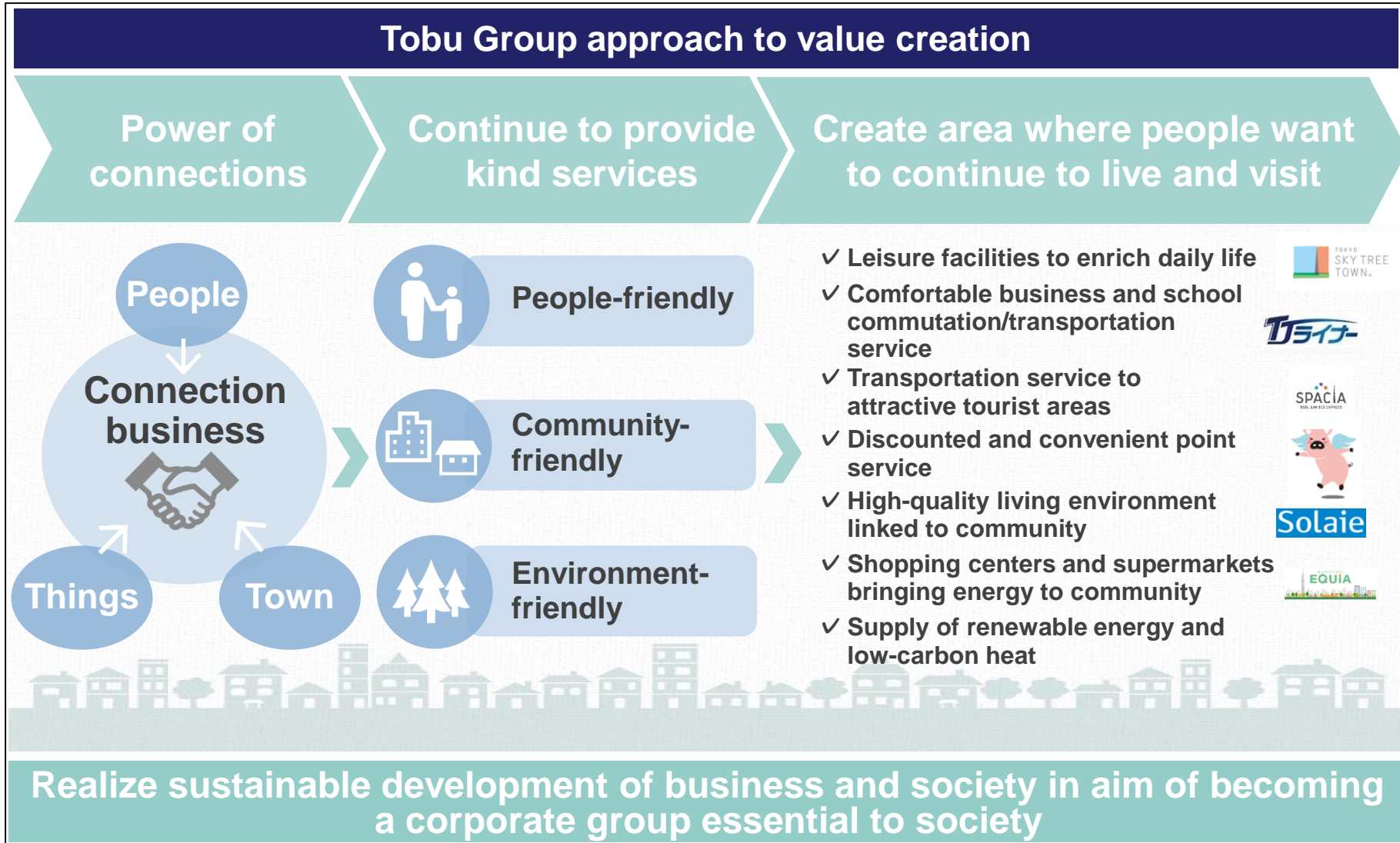
- ✓ Further improvement of environmental advantage of railway
- ✓ Reduce waste discharge



Securing of safety and peace of mind, the backbone of all Group businesses

Promote solutions to materiality to create area where people want to continue to live and visit

III-4. Aiming for Solutions to Social Problems and Growth of Area Along Tobu Line



III-4. Aiming for Solutions to Social Problems and Growth of Area Along Tobu Line



Aiming to create a sustainable society

■ TOKYO SKYTREE special lighting (17 colors)



■ TOKYO SKYTREE: W1SH RIBBON DISCOVER & CONNECT THE WORLD

What is W1SH RIBBON?

Monument embodying desire to move forward into future, overcoming difficulties of COVID-19



Monument



Donate part of sales to support medicine

W1SH RIBBON DISCOVER & CONNECT THE WORLD

Global campaign reaffirming “solidarity and bonds” and “discoveries and connections” in aim of connecting desires of people around the world

Communicate desire for world peace and good wishes as symbol of Japan

Important Notes Concerning This Document

The Company's profit plans and other goals set forth in this document are based on projections of industry trends related to the business of the Company and Group companies and other such factors that impact business results, including the economy in Japan and other countries, which are made based on the information currently available to the Company.

As such, the reader is asked to note that actual business results may differ from the forecasts within this document due to changes in the business environment and other such factors.