



FY2021

Financial Results Briefing

May 13, 2022

TOBU RAILWAY CO., LTD.

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I . FY2021 Business Results — Subsidiaries • Affiliates



Subsidiaries	March 2021	Increase	Decrease	March 2022	Notes
Transportation	27	-	1	26	October 2021 TOBU BUS EAST CO.,LTD Merger
Leisure	22	-	1	21	February2022 Decrease from transfer of Tanigawadake Ropeway Co., Ltd shares
Real Estate	3	-	-	3	
Retail Distribution	12	-	-	12	
Other	16	-	-	16	
Total	80	-	2	78	

Affiliates	March 2021	Increase	Decrease	March 2022	Notes
Transportation	1	-	-	1	
Leisure	2	-	-	2	
Real Estate	-	-	-	-	
Retail Distribution	-	-	-	-	
Other	-	-	-	-	
Total	3	-	-	3	

I . FY2021 Business Results — Consolidated statement of income



Unit: Millions of yen	FY2021 Results	FY2021 Plan	Change	Notes	FY2020 Results	Change
Revenue from Operations	506,023	503,200	2,823	Transportation +64, Leisure +2,511, Real Estate +1,103, Retail Distribution +40, Other-3,203	496,326	9,696
Operating Income	24,732	20,000	4,732	Transportation +459, Leisure +1,518, Real Estate +959, Retail Distribution +524, Other+926	-13,577	38,310
Recurring Income	27,406	21,500	5,906		-9,892	37,299
Extraordinary Profit	3,017	-	-		5,012	-1,995
Extraordinary Loss	6,523	-	-		17,399	-10,876
Profit Attributable to Owners of Parent	13,453	9,200	4,253		-24,965	38,418
Ratio of Operating Income to Sales	4.9%	-	-		-	-
Operating Income ROA*	1.5%	-	-		-	-
ROE*	3.0%	-	-		-	-
Depreciation	55,570	54,800	770		56,664	-1,094
EBITDA	80,302	74,800	5,502		43,087	37,215

*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 4, 2022. (P3~P12)

I . FY2021 Business Results – Impact associated with application of Accounting Standard for Revenue Recognition



	FY2021 Results	FY2021 Results (previous standard)	Change	FY2020 Results	※ 21 (previous standard) – 20
Unit: Millions of yen	A	B	A-B	C	B-C
Revenue from Operations	506,023	553,412	-47,389	496,326	57,086
Transportation	173,264	173,536	-271	159,122	14,413
Leisure	108,311	58,954	49,357	39,055	19,898
Real Estate	62,203	64,537	-2,334	54,228	10,309
Retail Distribution	136,640	228,305	-91,664	216,253	12,051
Other	89,497	94,420	-4,923	88,863	5,557
Elimination	-63,894	-66,341	2,447	-61,196	-5,144

*Difference between actual results for FY2021 prior to application of Accounting Standard for Revenue Recognition

I . FY2021 Business Results — Consolidated balance sheet



Unit: Millions of yen	FY2021 Results	FY2020 Results	Change	Notes
Current assets	167,475	158,452	9,022	Notes and accounts receivable - trade + 12,330
Non-current assets	1,522,380	1,524,044	-1,664	
Total assets	1,689,855	1,682,497	7,358	
Current liabilities	409,735	397,788	11,947	Notes and accounts payable - trade + 6,507
Non-current liabilities	820,901	831,605	-10,703	
Total liabilities	1,230,636	1,229,393	1,243	
Total net assets	459,219	453,103	6,115	Retained earnings + 8,961
Total liabilities and net assets	1,689,855	1,682,497	7,358	
Shareholders equity ratio	26.8%	26.4%	0.4P	
Interest-bearing debt balance	808,507	837,279	-28,772	
Interest-bearing debt/EBITDA multiple	10.1	19.4	-9.3P	
Capital expenditures	39,172	49,452	-10,280	

I . FY2021 Business Results — Consolidated statement of cash flows



Unit: Millions of yen	FY2021 Results	FY2020 Results	Change	Notes
Cash flows from operating activities	66,851	39,504	27,347	Income before income taxes + 46,180
Cash flows from investing activities	-30,964	-66,283	35,318	Decrease in expenditures for purchase of fixed assets + 26,669
Cash flows from financing activities	-35,005	40,362	-75,367	Decrease in procurement of interest-bearing debt -76,532
Change in cash and cash equivalents	938	13,540	-12,601	
Ending balance of cash and cash equivalents	45,885	44,947	938	

I . FY2021 Business Results — Transportation



Unit: Millions of yen	FY2021 Results	FY2021 Plan	Change	Notes	FY2020 Results	Change
Revenue from Operations	173,264	173,200	64		159,122	14,142
Railways	127,975	127,400	575		117,459	10,516
Other	45,289	45,800	-511	Bus and taxi business -211, Freight business -268	41,663	3,624
Operating Income	11,759	11,300	459		-5,224	16,983
Railways	12,123	11,700	423		-1,024	13,148
Other	-364	-400	36	Bus and taxi business -97, Freight business +133	-4,199	3,834
Operating Income ROA	1.2%	-	-		-	-
Depreciation	33,354	32,400	954		35,073	-1,719
EBITDA	45,113	43,700	1,413		29,849	15,264
Capital Expenditures	24,398	26,600	-2,202		24,425	-27

I . FY2021 Business Results

— Railway Business

Number of Passengers Passenger Revenue

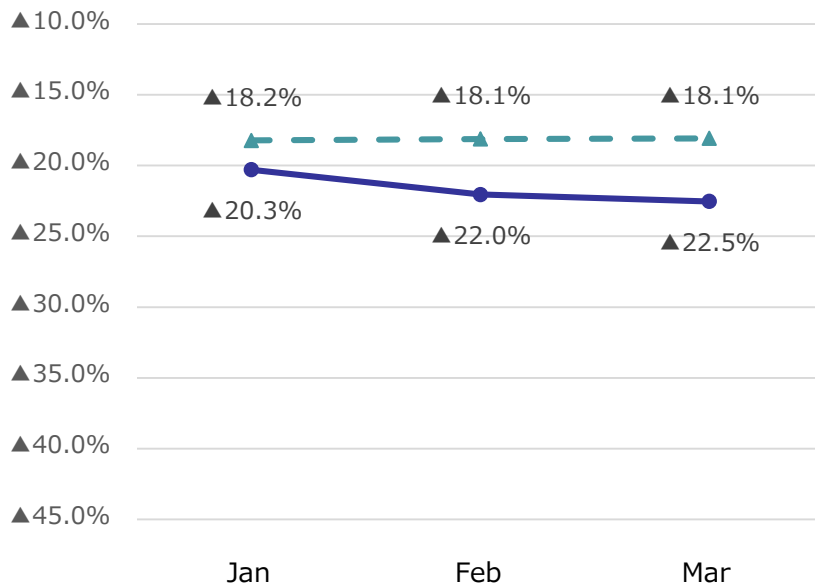


Tobu Railway Lines Number of Passengers (Unit: 1 Million people)	FY2021 Results	FY2021 Plan	FY2020 Results
Commuter Passengers	483	488	459
Non-Commuter Passengers (LimitedExpress)	252	249	218
	4	4	3
Total	735	737	677

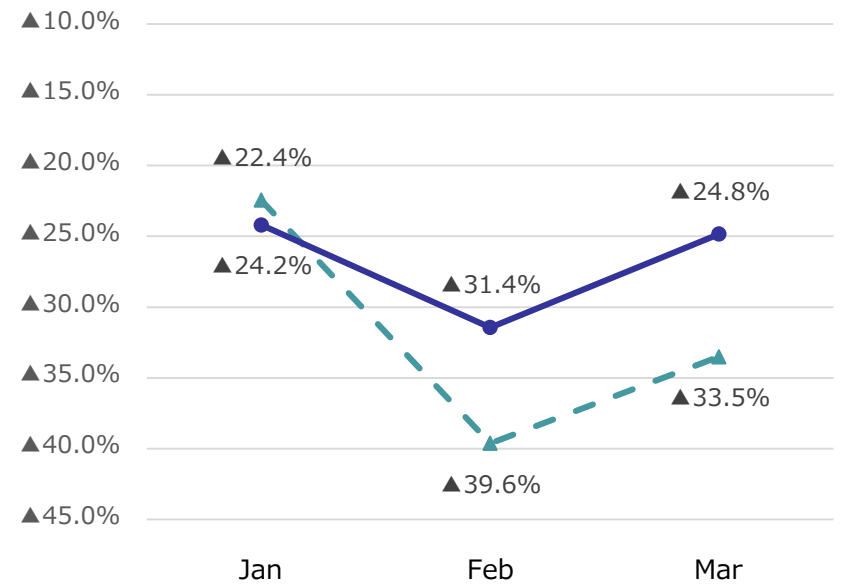
Tobu Railway Lines Passenger Revenue (Unit: Millions of yen)	FY2021 Results	FY2021 Plan	FY2020 Results
Commuter Passengers	53,209	53,778	51,893
Non-Commuter Passengers (LimitedExpress)	59,246	58,212	49,851
	3,296	3,099	2,419
Total	112,455	111,991	101,744

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

Commuter revenue vs. FY2018



Non-commuter revenue vs. FY2018



I . FY2021 Business Results — Leisure



Unit: Millions of yen	FY2021 Results	FY2021 Plan	Change	Notes	FY2020 Results	Change
Revenue from Operations	108,311	105,800	2,511		39,055	69,256
Hotel	11,879	12,700	-821		7,205	4,673
SKYTREE	5,829	5,600	229	Amusement parks and tourism +104, Sports +51, Travel +3,455, Food -164	4,814	1,015
Other	90,602	87,500	3,102		27,035	63,565
Operating Income	-1,182	-2,700	1,518		-18,484	17,301
Hotel	-7,105	-6,700	-405		-9,337	2,232
SKYTREE	-740	-1,000	260	Amusement parks and tourism +165, Sports +93, Travel +1,521, Food -94	-1,679	938
Other	6,663	5,000	1,663		-7,467	14,129
Operating Income ROA	-	-	-		-	-
Depreciation	6,722	6,700	22		6,499	223
EBITDA	5,540	4,000	1,540		-11,985	17,525
Capital expenditures	1,243	1,500	-257		9,725	-8,482

Number of visitors (Unit: 1 Million people)	FY2021 Results	FY2021 Plan	FY2020 Results
SKYTREE	104	96	78

Main Hotels Occupancy Rate	FY2021 Results	FY2021 Plan	FY2020 Results	Main Hotels Percentage of foreign nationals	FY2021 Results	FY2020 Results
CY Ginza	34.8%	33.4%	16.2%	CY Ginza	2.5%	4.8%
AC Ginza	23.8%	25.4%	11.6%	AC Ginza	5.7%	4.3%
Kinshicho	38.7%	41.6%	15.4%	Kinshicho	0.8%	0.5%
Narita	70.4%	65.0%	30.3%	Narita	7.6%	12.4%

I . FY2021 Business Results — Real Estate



Unit: Millions of yen	FY2021 Results	FY2021 Plan	Change	Notes	FY2020 Results	Change
Revenue from Operations	62,203	61,100	1,103		54,228	7,974
Leasing business	37,663	36,700	963		38,149	-485
SKYTREE TOWN	9,646	9,600	46		9,687	-41
Subdivision business	14,893	14,800	93		6,391	8,501
Operating Income	15,559	14,600	959		13,702	1,856
Leasing business	11,788	11,200	588		11,762	25
SKYTREE TOWN	1,364	1,200	164		867	497
Subdivision business	2,406	2,200	206		1,072	1,334
Operating Income ROA	4.5%	-	-		4.0%	0.5P
Depreciation	10,304	10,400	-96		10,120	184
EBITDA	25,863	25,000	863		23,822	2,041
Capital expenditures	8,007	8,600	-593		9,742	-1,735

Number of visitors (Unit: 1 Million people)	FY2021 Results	FY2021 Plan	FY2020 Results
SKYTREE TOWN	2,052	2,060	1,626

Number of Units Sold Unit: 1unit	FY2021 Results	FY2021 Plan	FY2020 Results
Detached houses	25	25	15
Condominiums	728	729	626
Number of Units Sold After Converting Share			
Detached houses	25	25	15
Condominiums	320	322	129

I . FY2021 Business Results — Retail Distribution



Unit: Millions of yen	FY2021 Results	FY2021 Plan	Change	Notes	FY2020 Results	Change
Revenue from Operations	136,640	136,600	40		216,253	-79,612
Department stores	49,732	49,100	632		119,288	-69,555
Supermarket	74,949	75,600	-651		83,115	-8,166
Other	11,958	11,900	58		13,849	-1,892
Operating Income	-3,976	-4,500	524		-5,384	1,408
Department stores	-4,175	-4,600	425		-5,953	1,777
Supermarket	242	300	-58		1,193	-951
Other	-43	-200	157		-624	581
Operating Income ROA	-	-	-		-	-
Depreciation	3,606	3,600	6		3,410	196
EBITDA	-370	-900	530		-1,974	1,604
Capital expenditures	3,577	4,700	-1,123		4,085	-508

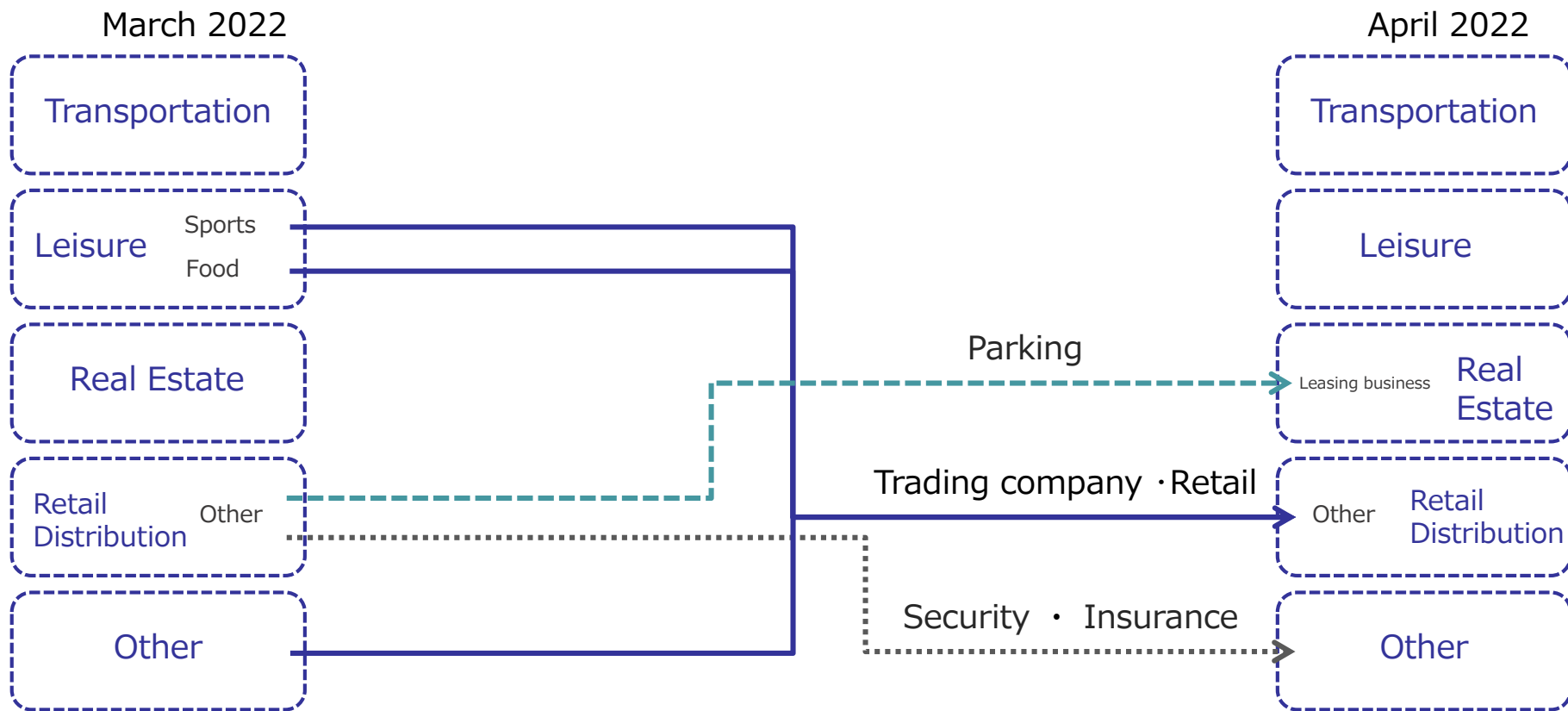
Change in Sales at Major Department Stores	FY2021 Results vs. Previous Year	FY2021 Plan vs. Previous Year
Ikebukuro	10.7%	10.1%
Funabashi	9.8%	9.6%
Utsunomiya	9.3%	12.7%

I . FY2021 Business Results — Other



Unit: Millions of yen	FY2021 Results	FY2021 Plan	Change	Notes	FY2020 Results	Change
Revenue from Operations	89,497	92,700	-3,203		88,863	633
Operating Income	3,526	2,600	926		2,876	650
Operating Income ROA	1.4%	-	-		1.2%	0.2P
Depreciation	1,581	1,700	-119		1,560	21
EBITDA	5,107	4,300	807		4,436	671
Capital expenditures	1,945	2,600	-655		1,473	472

II. FY2022 Plan — Restructuring of main business



Trading company · Retail ... Tobu Shoji Co.,Ltd., TOBU LANDSYSTEM CO.,LTD., Tobu Foods Service Co.,Ltd.,
Tobu Foods System Co.,Ltd., Tobu Energy Support Co., Ltd.

Parking ... Nihon Parking Building Service Co., Ltd, SOGO PARKING SERVICE Co.,Ltd.,
UTSUNOMIYA PARKING SERVICE CO.,LTD.

Security ... Tobu Building Management Co., Ltd., TOBU SECURITY Co.,Ltd.

Insurance ... TOBU Insurance Service Co.,Ltd., TOUEI SANGYO CO.,LTD.

II. FY2022 Plan — Anticipated revenue of main business



		FY2022 Plan	FY2021 Results	
Overall		Gentle recovery in demand expected as no social restrictions with declaration of state of emergency	Social restrictions with declaration of state of emergency	
Transportation		Annual	Annual	
Railways	Commuter passengers			
	Business commutation	-18%	-20%	
	School commutation	-17%	-23%	
	Non-Commuter passengers	-13%	-25%	
Leisure		Annual	Annual	
Hotel	Revenue from major hotels	-29%	-63%	
SKYTREE	Number of visitors	-47%	-71%	
Other	Travel volume	-27%	-70%	
Retail Distribution		Annual	Annual	
Department stores	Goods sales	Downtown stores	-5%	-24%
		Suburban stores	-5%	-19%

*Comparison with FY2019

Ⅱ. FY2022 Plan — Consolidated statement of income



Unit: Millions of yen	FY2022 Plan	FY2021 Results	Change	Notes
Revenue from Operations	558,000	506,023	51,977	Transportation +13,436, Leisure +29,589, Real Estate -2,103, Retail Distribution +29,760, Other-11,597
Operating Income	33,000	24,732	8,268	Transportation +5,341, Leisure +1,382, Real Estate -2,059, Retail Distribution +4,976, Other-926
Recurring Income	29,000	27,406	1,594	
Profit Attributable to Owners of Parent	18,000	13,453	4,547	
Ratio of Operating Income to Sales	5.9%	4.9%	1.0P	
Operating Income ROA※	1.9%	1.5%	0.5P	
ROE※	3.9%	3.0%	0.9P	

*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 . FY2022 Plan — Consolidated Cash Flow Plan



Unit: Millions of yen	FY2022 Plan	FY2021 Results	Change	Notes
EBITDA	86,200	80,302	5,898	
Operating Income	33,000	24,732	8,268	
Depreciation	53,200	55,570	-2,370	
Interest-bearing debt balance	808,000	808,507	-507	
Interest-bearing debt/EBITDA multiple	9.4	10.1	-0.7P	
Capital expenditures	67,800	39,172	28,628	

II . FY2022 Plan — Transportation



Unit: Millions of yen	FY2022 Plan	FY2021 Results	Change	Notes
Revenue from Operations	186,700	173,264	13,436	
Railways	139,300	127,975	11,325	
Other	47,400	45,289	2,111	Bus and taxi business +1,911, Freight business +268
Operating Income	17,100	11,759	5,341	
Railways	16,000	12,123	3,877	
Other	1,100	-364	1,464	Bus and taxi business +1,797, Freight business -333
Operating Income ROA	1.7%	1.2%	0.5P	
Depreciation	30,700	33,354	-2,654	
EBITDA	47,800	45,113	2,687	
Capital expenditures	39,100	24,398	14,702	

Tobu Railway Lines Number of Passengers (Unit: 1 Million people)	FY2022 Plan	FY2021 Results	Change
Commuter Passengers	499	483	16
Non-Commuter Passengers	284	252	32
(LimitedExpress)	5	4	1
Total	783	735	48

Tobu Railway Lines Passenger Revenue (Unit: Millions of yen)	FY2022 Plan	FY2021 Results	Change
Commuter Passengers	54,947	53,209	1,738
Non-Commuter Passengers	68,782	59,246	9,536
(LimitedExpress)	4,761	3,296	1,465
Total	123,730	112,455	11,275

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

II. FY2022 Plan — Leisure



Unit: Millions of yen	FY2022 Plan	FY2021 Results	Change	Notes
Revenue from Operations	137,900	108,311	29,589	
Travel	101,400	74,955	26,445	
Hotel	18,500	11,879	6,621	
SKYTREE	8,100	5,829	2,271	Amusement parks and tourism -4 , Sports -1,551 (Decrease from restructuring of business) , Food -5,236 (Decrease from restructuring of business)
Other	9,900	15,647	-5,747	
Operating Income	200	-1,182	1,382	
Travel	1,000	5,821	-4,821	
Hotel	-2,900	-7,105	4,205	
SKYTREE	1,100	-740	1,840	
Other	1,000	841	159	Amusement parks and tourism -265 , Sports +207 , Food +194
Operating Income ROA	0.1%	-	-	
Depreciation	6,600	6,722	-122	
EBITDA	6,800	5,540	1,260	
Capital expenditures	3,500	1,243	2,257	

Number of visitors (Unit: 10,000 people)	FY2022 Plan	FY2021 Results	Change
SKYTREE	191	104	87

Main Hotels Occupancy Rate	FY2022 Plan	FY2021 Results	Change
CY Ginza	72.2%	34.8%	37.4P
AC Ginza	63.7%	23.8%	39.9P
Kinshicho	85.3%	38.7%	46.6P
Narita	68.5%	70.4%	-1.9P

II. FY2022 Plan — Real Estate



Unit: Millions of yen	FY2022 Plan	FY2021 Results	Change	Notes
Revenue from Operations	60,100	62,203	-2,103	
Leasing business	36,600	37,663	-1,063	
SKYTREE TOWN	10,200	9,646	554	
Subdivision business	13,300	14,893	-1,593	
Operating Income	13,500	15,559	-2,059	
Leasing business	9,600	11,788	-2,188	
SKYTREE TOWN	1,500	1,364	136	
Subdivision business	2,400	2,406	-6	
Operating Income ROA	3.9%	4.5%	-0.6P	
Depreciation	10,300	10,304	-4	
EBITDA	23,800	25,863	-2,063	
Capital expenditures	17,700	8,007	9,693	

Number of visitors (Unit: 10,000 people)	FY2022 Plan	FY2021 Results	Change
SKYTREE TOWN	2,577	2,052	525

Number of Units Sold Unit: 1 unit	FY2022 Plan	FY2021 Results	Change
Detached houses	40	25	15
Condominiums	546	728	-182
Number of Units Sold After Converting Share			
Detached houses	27	25	2
Condominiums	294	320	-26

II . FY2022 Plan — Retail Distribution



Unit: Millions of yen	FY2022 Plan	FY2021 Results	Change	Notes
Revenue from Operations	166,400	136,640	29,760	
Department stores	58,200	49,732	8,468	
Supermarket	77,800	74,949	2,851	
Other	30,400	11,958	18,442	Increase from restructuring of business
Operating Income	1,000	-3,976	4,976	
Department stores	500	-4,175	4,675	
Supermarket	500	242	258	
Other	0	-43	43	
Operating Income ROA	0.8%	-	-	
Depreciation	4,100	3,606	494	
EBITDA	5,100	-370	5,470	
Capital expenditures	5,400	3,577	1,823	

Change in Sales at Major Department Stores	FY2022 Plan vs. Previous Year
Ikebukuro	18.7%
Funabashi	18.3%
Utsunomiya	11.9%

II . FY2022 Plan — Other



Unit: Millions of yen	FY2022 Plan	FY2021 Results	Change	Notes
Revenue from Operations	77,900	89,497	-11,597	Decrease from restructuring of business
Operating Income	2,600	3,526	-926	
Operating Income ROA	1.0%	1.4%	-0.4P	
Depreciation	1,500	1,581	-81	
EBITDA	4,100	5,107	-1,007	
Capital expenditures	2,100	1,945	155	

III. Medium-Term Business Plan

(Changes in Business Environment and Future Direction)



Changes in business environment surrounding Tobu Group

	Changes in social structure	Changes in individual awareness and lifestyles
Establishment or development	<ul style="list-style-type: none"> ✓ Development of digital technology ✓ Expansion of shift to cashless transactions and online operations ✓ Decrease in business commutation demand ✓ Progression of depopulation/low birth rate and aging society ✓ Increase in climate change/natural disasters ✓ Expansion of employment of women/senior citizens 	<ul style="list-style-type: none"> ✓ Expanded use of online services ✓ Increase in demand for suburban housing ✓ Diversification of consumer needs ✓ Reacknowledgement of importance of human connections/family ✓ Increase in environmental awareness ✓ Increase in health consciousness ✓ Subscription, sharing services
Temporary	<ul style="list-style-type: none"> ✓ Decrease in school commutation ✓ Cessation of inbound tourism 	<ul style="list-style-type: none"> ✓ Social distancing ✓ Voluntary avoidance of going out/consumption ✓ Demand for domestic travel until recovery in outbound tourism

*Change greatest in bold items

Business environment has changed significantly, and uncertainty will continue

III. Medium-Term Business Plan

(Changes in Business Environment and Future Direction)



Policy for Medium-Term Business Plan

- ✓ Promote business structure reform focused on controlling costs in response to changes in business environment and strengthen management structure to generate steady profits
- ✓ Expand profitability through new business model utilizing digital technology and data
- ✓ Take advantage of business areas such as suburbs where value is being reconsidered, characteristics of railway lines, and management resources, approach social challenges as needs, and realize expanded revenue and **human friendliness in a society in which people and communities shine together**

III. Medium-Term Business Plan

(Changes in Business Environment and Future Direction)



Direction and vision of Tobu Group management

Tobu Railway strengths



Favorable access connecting cities and suburbs



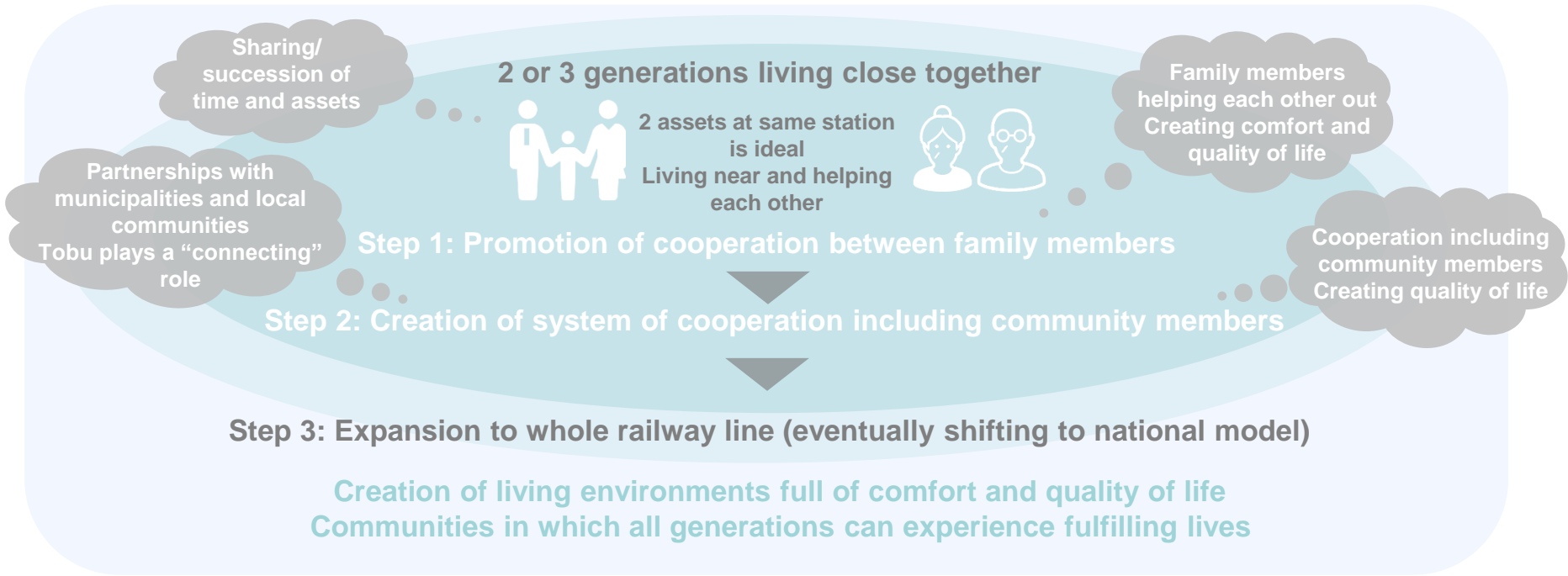
Flat geography and rich natural environment



Living environment with spacious floor plans



One of Japan's leading tourist centers



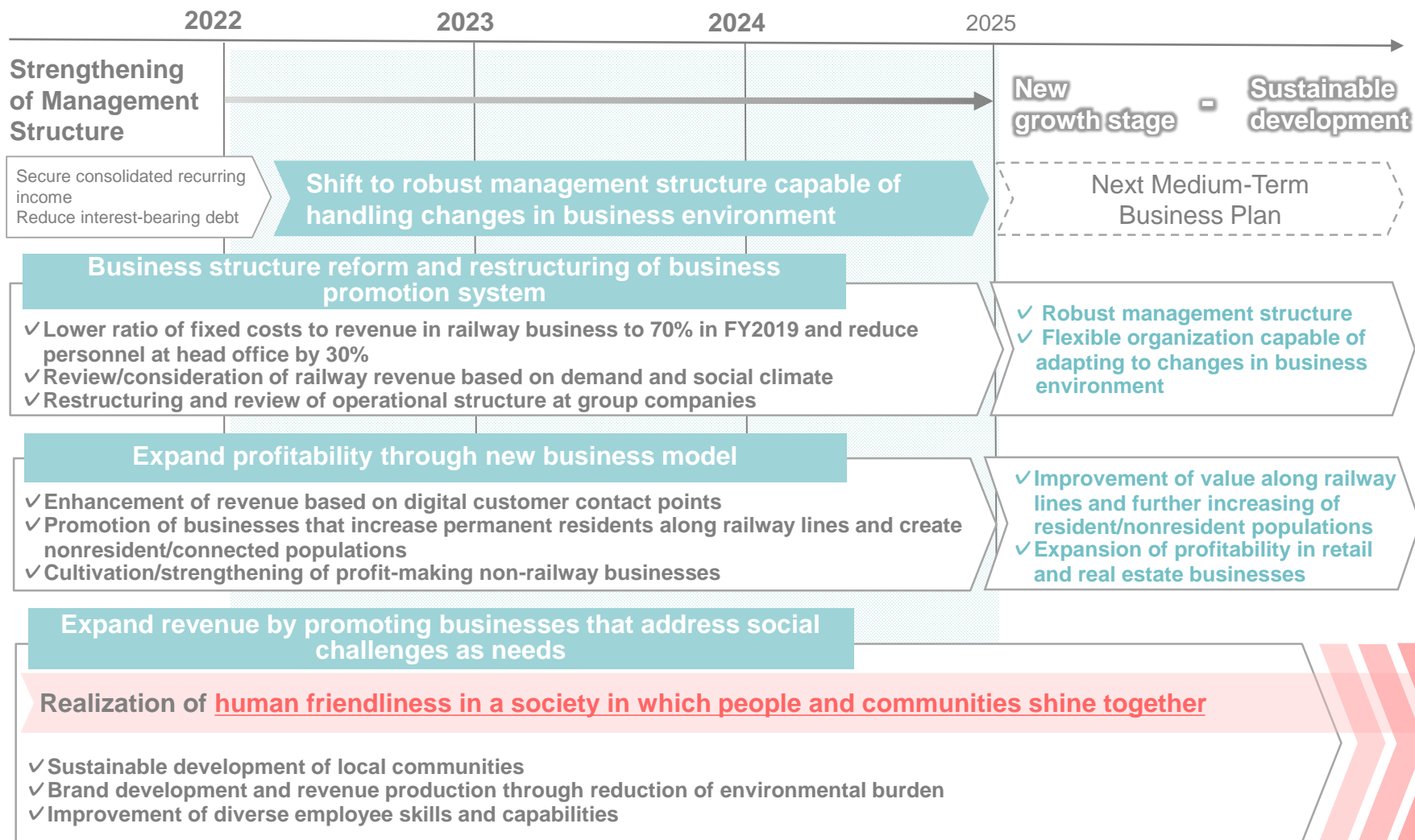
Realization of human friendliness in a society in which people and communities shine together

III. Medium-Term Business Plan

(Changes in Business Environment and Future Direction)



Priority strategies



III. Medium-Term Business Plan

(Business structure reform and restructuring of business promotion system)

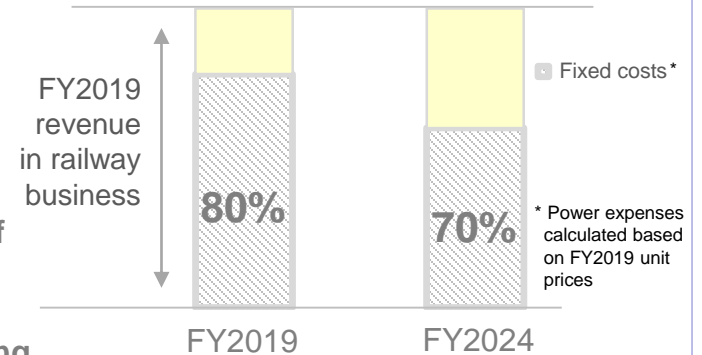


Business structure reform in railway business

Automation utilizing digital technology/Promotion of proper scale and improvement of safety

- ✓ Promotion of plan to expand one-man operation sections such as SKYTREE Line
- ✓ Introduction of remote system for stations
- ✓ Optimization of personnel for maintenance operations through introduction of Remote* and facility monitoring system
- ✓ Optimization of carrying capacity through Remote* and utilization of ticket gate data
 - Promotion of shift to 5 cars on URBAN PARK Line (currently 6 cars), etc.
- ✓ Promotion of verification for realizing Daishi Line GoA3.0 auto driving
- ✓ Promotion of platform door installation

*A system that utilizes data from cars in operation for timetable optimization, energy conservation, and maintenance labor saving



Ratio of fixed costs of around 70% to be achieved ahead of schedule

Company-wide promotion of efficiency

- ✓ Improvement of productivity through operational review and utilization of digital technology
- ✓ 30% reduction of personnel at Tobu Railway Lines head office to be achieved ahead of schedule (FY2022)

Freight charges and fare initiatives based on changes in railway users

- ✓ Review of freight charges and fees, including introduction of barrier-free fare system at railway stations (around spring of 2023)
- ✓ Verification of peak distribution effect from introduction of off-peak miles



May 9, 2022 launch

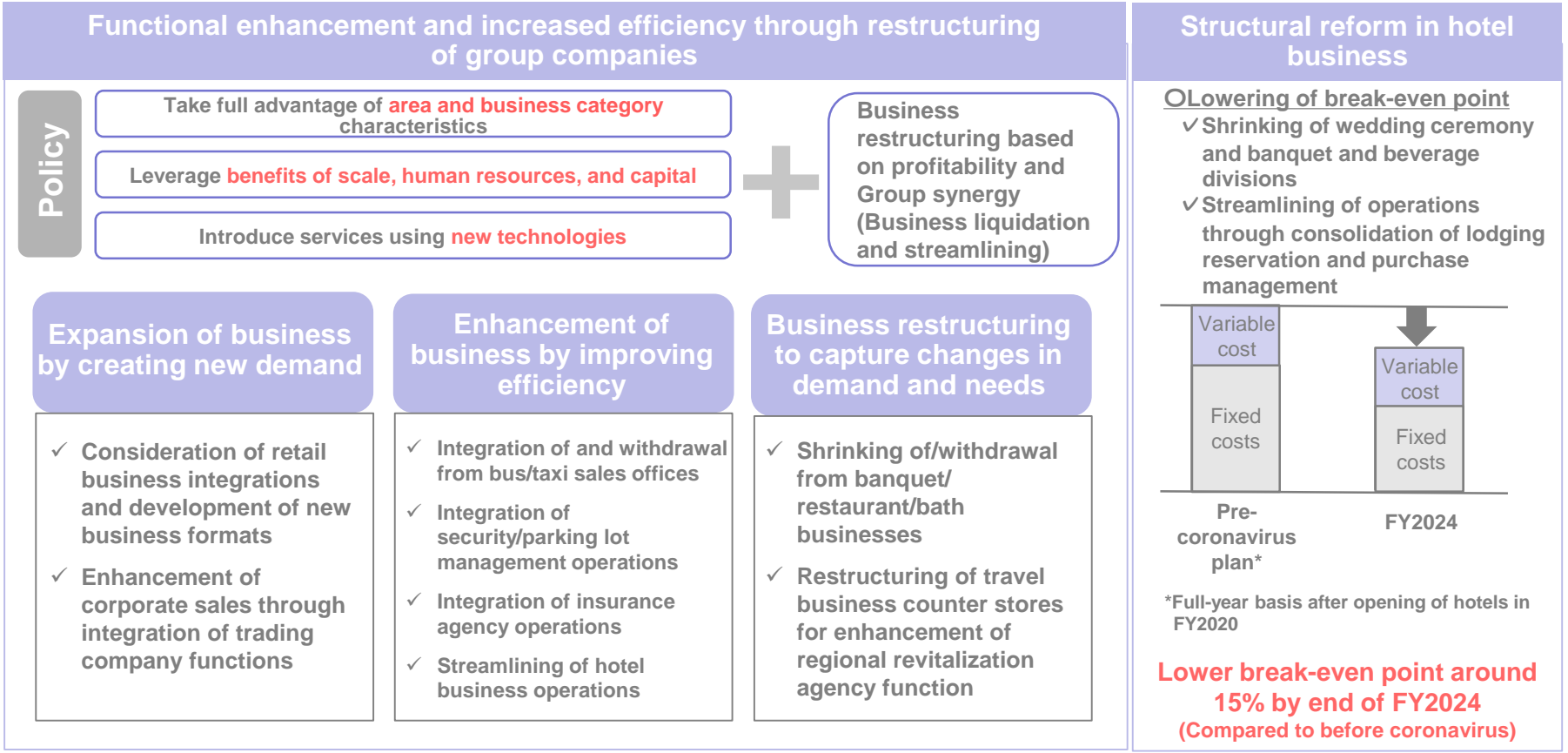
Improvement of safety and control of costs through utilization of digital technology

III. Medium-Term Business Plan

(Business structure reform and restructuring of business promotion system)



Enhancement of management structure through restructuring and review of operational structure at group companies



Realization of robust management structure and expansion of revenue

III. Medium-Term Business Plan

(Expansion of Profitability through New Business Model)



Enhancement of profitability based on digital customer contact points



Centralization of Group customer information in TOBU POINT



Enhancement of marketing through utilization of Tobu Group customer data platform

(Tobu Customer Data Platform) **TOBU POINT app members: 500,000 (FY2024 target)**

Enhancement of customer referral using digital tools

Development of new channels/products

Creation of new services and customer experience value utilizing data

Enhancement of physical services and product sales through app utilization



Expansion of digital market (New channels)



MaaS



EC mall

(To be introduced in FY2022)

Group sales targeted by digital marketing **FY2024 target: 40.0 billion yen**

Expand revenue through digital marketing

III. Medium-Term Business Plan

(Expansion of Profitability through New Business Model)

Creation of nonresident/connected populations through railway line revitalization

Maximization of customer attraction in Nikko/Kinugawa area

■ Introduction of new limited express Spacia

- ✓ To be introduced in 2023
- ✓ Installation of various seats, including private rooms with a view and lounging type seats, and a cafe counter



■ Making Kinugawa Line a tourist line

- ✓ Realization of triple SL operations
- ✓ Promotion of collaborative initiatives with communities such as illumination of all lines and flower gardens
- ✓ Promotion of bicycle tourism

Development of MaaS to uncover demand

■ Enhancement of NIKKO MaaS functions

- ✓ Expansion of functions on March 16, 2022
Tourist tickets for 24 new products available for purchase
- ✓ Activity use, limited express ticket purchasing, foreign language support, and other functions to be enhanced one at a time



■ Expansion into multiple areas

- ✓ Multifaceted development with measures tailored to area characteristics
- ✓ Consideration of expanding coordination with municipal services utilizing digital technology

Tourism-type MaaS

- ✓ Kawagoe
- ✓ Asakusa/Tokyo Skytree Town

Suburban-type MaaS

- Consideration of development in areas with high volume of daily use

Improvement of appeal of SKYTREE TOWN

■ SKYTREE TOWN 10th anniversary

- ✓ Creation of excitement for 10th anniversary
Customer attraction through commemorative measures
Attraction of appealing shops



Uncover demand for domestic tourism and capture demand when inbound tourism recovers

III. Medium-Term Business Plan

(Expansion of Profitability through New Business Model)



Promotion of businesses aiming to increase permanent residents and enhancement of railway network through railway line development

Promotion of development of hub areas

■ Ikebukuro

Promote integrated development of our independent and cooperative businesses to create new appeal

✓ Planned schedule

FY2022: Urban planning decision

FY2023 Business approval/Establishment of partnership

Mid-FY2025 Rights transfer approval

FY2026 or later Start of construction



Illustration provided by Ikebukuro Station west area urban redevelopment preparation partnership

■ Asakusa/Tokyo Skytree area

✓ Promotion of development plan in anticipation of completion of overhead crossing

✓ Further promotion of area integration as biggest hub of eastern area of Tokyo

Development of detached houses/rental housing addressing needs

Business development utilizing strengths of Tobu lines in anticipation of lifestyle changes

■ Houses built for sale

Attract customers from wide area aiming for settlement of 3 generations along railway line

- Nagareyama Otaka no Mori (FY2022)
- Dokkyodaigakumae (FY2022*)
- Shinkamagaya (FY2023)
- Wakaba (FY2023)
- Yakuendai (FY2024)

*Eastern block only.
Western block to be completed in FY2026



Solaie Terrace (Dokkyodaigakumae / Illustration)

■ Rental housing

Aim for new influx with singles as main target

- Gamo (FY2022)
- Tokiwadai (FY2024)
- Daishimae (FY2024)



Solaie l'Il Koshigaya Gamo (Illustration)

Development of satellite offices

■ Early roll-out of Solaie + Work to whole lines

⇒ Develop 50 locations as necessary infrastructure (targeting end of FY2024)

Enhancement of new transportation network

■ Consideration anticipating extension of Tokyo Metro Yurakucho Line (No. 8 line)

⇒ Improvement of railway line appeal as district behind coastal area
Consideration aiming for maximization of network effect



■ Launch of direct operations with Sotetsu Line and Tokyu Shin-Yokohama Line (spring 2023)

Develop businesses, taking advantage of opportunities presented by changing work styles and needs

III. Medium-Term Business Plan

(Expansion of Profitability through New Business Model)

Cultivation/strengthening of profit-making non-railway businesses

Town development offering comfortable living for 3 generations in collaboration with other industries

■ Dokkyodaigakumae

✓ Strategic model case for future town development along railway lines

Development offering comfortable living for 3 generations in collaboration with existing facilities, including residences, businesses, cultural facilities, and educational facilities

- Commercial facilities: To be opened in spring 2023
→ Merchandise, food, restaurants, services (Total floor area of approx. 0.8 ha)
- Detached houses: Launch of sales in spring 2024
→ 255 lots (approx. 4.6 ha of residential land)



■ Complex development at Minami-kurihashi

✓ Connecting people to people, Tokyo to nature, etc.

Sustainable town development through industry government academia collaboration

- Detached houses, commercial facilities, lifestyle support facilities (Licensed day care centers, nursing homes, etc.)

Detached houses: Launch of phase 1 sales in July 2022
Commercial facilities: To be opened on May 28, 2022



Further consideration of developing major bases outside railway lines

■ Nihonbashi 3-chome Plan

■ Ariake 1-chome Development Plan, etc.

Further expansion of profitability in real estate business

■ Effective utilization of owned assets

⇒ Investment in systematic value improvement based on location and profitability

■ Consideration of asset turnover business

⇒ Acquire development profit while improving capital efficiency

Expansion of efforts into solution business

■ Business development utilizing digital technology and business know-how

Expand existing business areas and cultivate/enhance profit-making businesses

III. Medium-Term Business Plan

(Expansion of Revenue by Promoting Businesses That Address Social Challenges as Needs)



Aiming for sustainable development of Tobu Group and local communities

Implementation of TOBU POINT child raising support and permanent residence promotion program

■ Child raising support program

- ✓ **Essentially free school commutation for elementary school students**
Full price returned to commuter pass holders in form of points on TOBU Card
- ✓ **Points returned for children's fares on extended breaks**
Update to child raising support measures implemented since FY2018



■ Permanent residence promotion program

- ✓ **School commutation pass subsidies in collaboration with municipalities**
Launched in Tatebayashi City and Tochigi City
Consideration of roll-out to municipalities along railway lines
- ✓ **Consideration of perks for long-term commuter pass holders**

Creation of comfortable living by having parents and children live close together

- ✓ **Provision of TOBU POINT to TOBU Group property buyers/renters**
- ✓ **Consideration of TOBU POINT return to promote interfamily movement in collaboration with municipalities**



Creation of living comfort and purpose through mutual help

- ✓ **Granting of TOBU POINT in regional activities**
Satoyama experience program in Tochigi Pref.
- ✓ **Consideration of use of the Company's facilities in mutual help between senior citizens and those raising children**

Support for moving to railway line

- ✓ **Support for moving in municipality in collaboration with Saitama Prefecture**
Promotion of moving cycle/migration in urban development areas such as Minami-kurihashi
- ✓ **Moving/migration inquiries**
Utilization of Reikas real estate sales support system operated by TOBU REAL ESTATE

Lifestyle support business for residents living along railway line

- ✓ **Expansion of kids sports business**
Enhancement of kids programs, invitation of after school care centers with sports programs, sports instruction contracts at public schools
- ✓ **Consideration of lifestyle service support platform**
Consideration of platform for providing lifestyle-related services utilizing TOBU POINT

Acquire new revenue while solving social challenges

III. Medium-Term Business Plan

(Expansion of Revenue by Promoting Businesses That Address Social Challenges as Needs)



Brand development and revenue production through reduction of environmental impact

Nikko area initiatives for establishing international eco resort brand



Enhancement of tourist attraction

- ✓ New limited express
- ✓ NIKKO MaaS



Decarbonization

- ✓ New limited express
- ✓ NIKKO MaaS
- ✓ Cooperation with outside parties



Environmental conservation

- ✓ Cooperation with outside parties

Enhancement of attractiveness of Nikko area through ethical travel*

Renewable energy

- Essentially 100% renewable energy train operations (starting April 1, 2022)
 - ✓ Solar power generation facilities owned by Tobu Group
 - ✓ Utilization of FIT Non-Fossil Fuel Certificates

NIKKO MaaS

- ✓ Japan's first environmentally friendly tourism MaaS
- ✓ Promotion of use of public transportation
- ✓ Ongoing enhancement of functions



New limited express Spacia

- ✓ Reduce CO₂ emissions up to around 40%*

*Compared to 100 series Spacia



Enhancement of public-private collaboration

- ✓ Enhancement of branding in collaboration with Ministry of the Environment and Tochigi Pref.
- ✓ Cooperation with Nikko City on 2050 Zero Carbon City declaration
- ✓ Collaboration with outside companies on carbon neutrality

Green Bonds

- ✓ Procure funds for introducing new limited express trains, etc. via Green Bonds (a first for the Company)

*Ethical travel: Planned travel aiming to create a sustainable society

Become a role model for a decarbonized society

III. Medium-Term Business Plan

(Expansion of Revenue by Promoting Businesses That Address Social Challenges as Needs)



Improvement of diverse employee skills and capabilities

Promotion of diversity

- ✓ Promotion and training of human resources with diverse knowledge and values capable of responding to changes in lifestyles and business environment
- ✓ Realization of diverse work styles supporting active roles by diverse human resources



Cooperation with startups

- TOBU Open Innovation Program
- ✓ Collection of co-creation ideas utilizing Tobu Group tourism resources and support for field tests and implementation
- ✓ Consideration of field tests for 10 of 125 total entries
- ✓ Part 1: Koedokawagoe travel utilizing receipts
Part 2: Launch of field tests for Asakusa/TOKYO SKYTREE TOWN® AI Digital Map
- Improvement of accessibility of tourist sites along railway lines through DX and verification of customer needs



Create new value from diverse perspectives and enhance earning power



Promotion of health management

- ✓ Improvement of productivity through health maintenance allowing employees to work energetically
- ✓ Acquisition of outstanding human resources through recognition as 2022 Large Enterprise with Outstanding Health and Productivity Management



2022
健康経営優良法人
Health and productivity

Increase creativity and tie that into creation of new value and business opportunities

III. Medium-Term Business Plan

Target

Indicator	Target
Interest-bearing debt balance	Around 800 billion yen at end of FY2024
Interest-bearing debt/ EBITDA multiple	7x range at end of FY2024, reaching 6x range ASAP
Shareholder return	Aim to return dividends of 40 yen per share ASAP, and consider return through purchase of treasury stock

Anticipated Business Environment and Main Business Revenue

[Anticipated business environment*]

- ✓ Impact of COVID-19 will gradually subside, restrictions on movement will be eased to an extent, and consumer behavior will gradually recover
- ✓ Business commutation demand and other railway business use will decrease due to telecommuting, etc. and settle at around 85% of pre-pandemic level
- ✓ Inbound tourism will gradually recover starting in FY2022 and return to FY2019 level by end of FY2024
- ✓ Power expenses and commodity prices will stay at FY2021 level

*Based on information currently available to the Company and certain assumptions judged to be reasonable

Anticipated revenue in main businesses

Railway	<p>Non-Commuter Passengers: Impact of pandemic will remain, with passengers remaining at level at end of FY2022 (around 85% of pre-pandemic level)</p> <p>Commuter Passengers: Decrease in commutation will continue, with passengers remaining at around 80% of pre-pandemic level</p> <p>School Commutation: Impact of pandemic will be resolved</p>
Hotels	Revenue at main hotels will recover to around 70% of pre-pandemic levels in FY2022, 80% in FY2023, and 100% in FY2024 with recovery of inbound tourism and marketing measures
SKYTREE	Although there will be a difference in the speed of recovery in Japan and overseas, visitors will return to around 50% of pre-pandemic levels in FY2022, 60% in FY2023 and 80% in FY2024 thanks to the effects of marketing measures
Travel	Travel volume is anticipated to recover quickly in Japan, but the recovery in overseas travel will take more time. Overall, it is expected to recover to pre-pandemic levels in FY2024.
Department stores	Inbound sales at downtown stores will increase gradually, but lower domestic demand will continue to an extent. In FY2023, it will recover to around 90% of pre-pandemic levels where it will remain.

Expenditures, etc. based on anticipated business environment※

Unit:100Millions of yen	FY2021 Results	FY2022 Plan	FY2023 Plan	FY2024 Plan
Revenue from Operations	5, 0 6 0	5, 5 8 0	5, 8 1 5	6, 0 4 2
Operating Income	2 4 7	3 3 0	4 5 8	5 3 8
Recurring Income	2 7 4	2 9 0	4 2 0	5 0 0
Profit Attributable to Owners of Parent	1 3 5	1 8 0	2 7 0	3 3 5
Depreciation	5 5 6	5 3 2	5 3 4	5 3 9
EBITDA	8 0 3	8 6 2	9 9 2	1,0 7 7
Interest-bearing debt balance	8, 0 8 5	8, 0 8 0	8, 0 7 8	8, 0 3 6
Interest-bearing debt/EBITDA multiple	1 0. 1	9. 4	8. 1	7. 5
Capital expenditures	3 9 2	6 7 8	7 7 8	7 6 5

※ See page 36 for the anticipated business environment

Operating revenue plan by segment for FY2022-FY2024

Segment	Unit: 100Millions of yen	FY2022 Plan	FY2023 Plan	FY2024 Plan
Transportation		1,867	1,967	1,972
	Railways	1,393	1,467	1,464
Leisure		1,379	1,454	1,600
	Travel	1,014	1,035	1,122
	Hotel	185	218	257
	SKYTREE	81	95	112
Real Estate		601	615	659
	Leasing business	369	398	422
	SKYTREE TOWN	102	104	106
	Subdivision business	133	116	134
Retail Distribution		1,664	1,733	1,760
	Department stores	582	594	598
	Supermarket	778	825	838
Other		779	777	802
Elimination		▲710	▲731	▲751
Total		5,580	5,815	6,042

Operating Income plan by segment for FY2022-FY2024

Segment	Unit: 100Millions of yen	FY2022 Plan	FY2023 Plan	FY2024 Plan
Transportation		171	259	274
	Railways	160	237	249
Leisure		2	36	86
	Travel	10	13	18
	Hotel	▲29	▲6	23
	SKYTREE	11	17	31
Real Estate		135	131	141
	Leasing business	96	102	113
	SKYTREE TOWN	15	18	20
	Subdivision business	24	11	8
Retail Distribution		10	19	22
	Department stores	5	11	12
	Supermarket	5	7	8
Other		26	27	29
Elimination		▲14	▲14	▲14
Total		330	458	538

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.