



2Q FY2023 Financial Results Briefing



November 17, 2023

TOBU RAILWAY CO., LTD.



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I . 2Q FY2023 Business Results — Subsidiaries・Affiliates



Subsidiaries	March 2023	Increase	Decrease	September 2023	Notes
Transportation	27	-	-	27	July,2023. Decrease in liquidation conclusion Tiramisu Holdings Co.,Ltd.
Leisure	16	-	1	15	
Real Estate	3	-	-	3	
Retail Distribution	8	-	-	8	
Other	15	-	-	15	
Total	69	-	1	68	

Affiliates	March 2023	Increase	Decrease	September 2023	Notes
Transportation	1	-	-	1	
Leisure	2	-	-	2	
Real Estate	-	-	-	-	
Retail Distribution	-	-	-	-	
Other	-	-	-	-	
Total	3	-	-	3	

I . 2Q FY2023 Business Results — Consolidated statement of income



Unit: Millions of yen	2Q FY2023 Results	2Q FY2022 Results	Change	Notes	2Q FY2023 Plan	Change
Operating revenues	308,582	285,422	23,160	Transportation +10,047 Leisure +10,237 Real Estate +2,095 Retail Distribution +1,332 Other +1,742	297,000	11,582
Operating profit	39,087	24,097	14,990	Transportation +6,611 Leisure +4,873 Real Estate +955 Retail Distribution +1,161 Other +1,807	25,000	14,087
Ordinary profit	38,200	23,151	15,049		23,000	15,200
Extraordinary income	627	5,315	-4,687		-	-
Extraordinary losses	1,093	8,085	-6,991		-	-
Profit attributable to owners of parent	26,375	13,030	13,344		15,500	10,875
Ratio of Operating profit to Sales	12.7%	8.4%	4.3P		8.4%	4.3P
Depreciation	25,713	26,436	-722		-	-
EBITDA	64,801	50,533	14,267		-	-
Capital Expenditures	14,574	18,244	-3,670		-	-

* Numbers for plan come from announcement made on April 28, 2023. (p.3-p.19)

I . 2Q FY2023 Business Results

— Segment Profit



	Unit: Millions of yen	2Q FY2023 Results	FY2022 Results	Change	2Q FY2023 Plan	Change
Transportation	Operating revenues	103,461	93,414	10,047	100,200	3,261
	Operating profit	16,288	9,676	6,611	10,500	5,788
Leisure	Operating revenues	92,380	82,142	10,237	84,400	7,980
	Operating profit	13,195	8,322	4,873	8,800	4,395
Real Estate	Operating revenues	27,766	22,671	2,095	22,900	1,866
	Operating profit	6,052	5,096	955	4,300	1,752
Retail Distribution	Operating revenues	82,698	81,365	1,332	83,000	-302
	Operating profit	1,831	669	1,161	200	1,631
Other	Operating revenues	38,371	36,628	1,742	38,500	-129
	Operating profit	2,362	555	1,807	1,400	962

I . 2Q FY2023 Business Results — Consolidated balance sheet



Unit: Millions of yen	2Q FY2023 Results	FY2022 Results	Change	Notes
Current assets	178,242	206,090	-27,847	
Non-current assets	1,544,373	1,532,105	12,268	
Total assets	1,722,616	1,738,195	-15,579	
Current liabilities	445,938	459,439	-13,500	
Non-current liabilities	762,522	798,181	-35,658	
Total liabilities	1,208,460	1,257,620	-49,159	
Total net assets	514,155	480,575	33,580	Retained earnings+23,305
Total liabilities and net assets	1,722,616	1,738,195	-15,579	
Equity ratio	29.5%	27.3%	2.2P	
Interest-bearing debt balance	772,339	795,502	-23,162	

I . 2Q FY2023 Business Results — Consolidated statement of cash flows



Unit: Millions of yen	2Q FY2023 Results	2Q FY2022 Results	Change	Notes
Cash flows from operating activities	35,475	45,660	-10,184	Decrease in account payable -9,775
Cash flows from investing activities	-29,126	-27,852	-1,273	Increase in expenditures for purchase of fixed assets -5,820
Cash flows from financing activities	-26,665	-10,425	-16,239	Decrease in procurement of interest-bearing debt -15,543
Change in cash and cash equivalents	-20,279	7,466	-27,745	
Ending balance of cash and cash equivalents	48,794	53,351	-4,557	

I . 2Q FY2023 Business Results — Transportation

Unit: Millions of yen	2Q FY2023 Results	2Q FY2022 Results	Change	Notes	2Q FY2023 Plan	Change
Operating revenues	103,461	93,414	10,047		100,200	3,261
Railways	77,801	69,623	8,178		75,700	2,101
Other	25,660	23,791	1,868	Bus and taxi business +1,370 Freight business +486	24,500	1,160
Operating profit	16,288	9,676	6,611		10,500	5,788
Railways	14,502	8,961	5,540		9,600	4,902
Other	1786	715	1,071	Bus and taxi business +1,187 Freight business -116	900	886
Depreciation	15,296	15,391	-94		-	-
EBITDA	31,585	25,067	6,517		-	-
Capital Expenditures	7,830	7,490	340		-	-

Tobu Railway Lines Number of Passengers (Unit: 1 Million people)	2Q FY2023 Results	2Q FY2022 Results	2Q FY2023 Plan
Commuter Passengers	270	262	264
Non-Commuter Passengers (LimitedExpress)	154 3	140 2	148 3
Total	425	402	412

Tobu Railway Lines Passenger Revenue (Unit: Millions of yen)	2Q FY2023 Results	2Q FY2022 Results	2Q FY2023 Plan
Commuter Passengers	30,386	28,139	30,113
Non-Commuter Passengers (LimitedExpress)	39,682 2,964	33,877 2,145	37,914 2,716
Total	70,068	62,016	68,027

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

I . 2Q FY2023 Business Results – Leisure

Unit: Millions of yen	2Q FY2023 Results	2Q FY2022 Results	Change	Notes	2Q FY2023 Plan	Change
Operating revenues	92,380	82,142	10,237		84,400	7,980
Travel	67,034	64,034	2,999		62,000	5,034
Hotel	12,577	8,135	4,442		10,800	1,777
SKYTREE	7,350	4,739	2,611		6,000	1,350
Other	5,417	5,233	183	Amusement parks and tourism +91 Sports +114	5,600	-183
Operating profit	13,195	8,322	4,873		8,800	4,395
Travel	7,858	8,408	-549		6,400	1,458
Hotel	1,258	-2,186	3,445		-400	1,658
SKYTREE	3,406	1,367	2,038		2,000	1,406
Other	672	732	-60	Amusement parks and tourism -107 Sports +46	800	-128
Depreciation	2,746	3,213	-466		-	-
EBITDA	15,942	11,535	4,406		-	-
Capital Expenditures	2,089	957	1,132		-	-

Number of visitors (Unit: 1 Million people)	2Q FY2023 Results	2Q FY2022 Results	2Q FY2023 Plan	Main Hotels Occupancy Rate	2Q FY2023 Results	2Q FY2022 Results	2Q FY2023 Plan	Main Hotels Percentage of foreign nationals	2Q FY2023 Results	2Q FY2022 Results
SKYTREE	221	112	166	CY Ginza	13.0%	49.9%	12.5%	CY Ginza	76.9%	20.5%
				AC Ginza	85.5%	36.3%	84.8%	AC Ginza	70.9%	23.9%
				Kinshicho	87.0%	59.0%	81.2%	Kinshicho	73.9%	4.7%
				Narita	81.8%	93.6%	80.8%	Narita	61.4%	13.7%

I . 2Q FY2023 Business Results — Real Estate

Unit: Millions of yen	2Q FY2023 Results	2Q FY2022 Results	Change	Notes	2Q FY2023 Plan	Change
Operating revenues	24,766	22,671	2,095		22,900	1,866
Real Estate leasing	17,276	16,179	1,097		16,300	976
SKYTREE TOWN	6,151	5,233	918		5,500	651
Real Estate subdivision	1,338	1,258	80		1,100	238
Operating profit	6,052	5,096	955		4,300	1,752
Real Estate leasing	4,055	3,840	215		3,400	655
SKYTREE TOWN	1,862	1,110	752		1,000	862
Real Estate subdivision	133	145	-12		-100	233
Depreciation	5,164	5,138	26		-	-
EBITDA	11,216	10,234	982		-	-
Capital Expenditures	2,666	7,989	-5,323		-	-

Number of visitors (Unit: 10,000 people)	2Q FY2023 Results	2Q FY2022 Results	2Q FY2023 Plan
SKYTREE TOWN	1,838	1,453	1,614

Number of Units Sold Unit: 1unit	2Q FY2023 Results	2Q FY2022 Results	2Q FY2023 Plan
Detached houses	14	3	7
Condominiums	69	63	71
Number of Units Sold After Converting Share			
Detached houses	7	3	3
Condominiums	27	25	28

I . 2Q FY2023 Business Results — Retail Distribution



Unit: Millions of yen	2Q FY2023 Results	2Q FY2022 Results	Change	Notes	2Q FY2023 Plan	Change
Operating revenues	82,698	81,365	1,332		83,000	-302
Department stores	28,692	27,844	848		27,100	1,592
Supermarket	36,392	36,904	-512		38,800	-2,408
Other	17,613	16,616	996		17,100	513
Operating profit	1,831	669	1,161		200	1,631
Department stores	1,138	594	544		0	1,138
Supermarket	4	-359	363		0	4
Other	688	434	254		200	488
Depreciation	1,757	1,940	-183		-	-
EBITDA	3,588	2,609	978		-	-
Capital Expenditures	1,475	1,289	186		-	-

Change in Sales at Major Department Stores	2Q FY2023 Results vs. Previous Year
Ikebukuro	3.1%
Funabashi	6.0%
Utsunomiya	-0.0%

I . 2Q FY2023 Business Results — Other

Unit: Millions of yen	2Q FY2023 Results	2Q FY2022 Results	Change	Notes	2Q FY2023 Plan	Change
Operating revenues	38,371	36,628	1,742		38,500	-129
Operating profit	2,362	555	1,807		1,400	962
Depreciation	747	752	-4		-	-
EBITDA	3,110	1,307	1,802		-	-
Capital Expenditures	513	518	-5		-	-

Ⅱ. Full-year Forecast for FY2023 — Consolidated statement of income

Unit: Millions of yen	FY2023 Forecast	FY2022 Results	Change	Notes	FY2023 Plan	Change
Operating revenues	626,000	614,751	11,249	Transportation +17,511 Leisure -9,654 Real Estate -215 Retail Distribution +2,362 Other +3,898	605,500	20,500
Operating profit	65,000	56,688	8,312	Transportation +9,719 Leisure -3,970 Real Estate +119 Retail Distribution +1,298 Other +1,254	46,500	18,500
Ordinary profit	62,000	54,815	7,185		42,500	19,500
Profit Attributable to Owners of Parent	41,000	29,179	11,821		28,500	12,500
Ratio of Operating profit to Sales	10.4%	9.2%	1.2P		7.7%	2.7P
Operating profit ROA※	3.7%	3.3%	0.4P		2.7%	1.0P
ROE※	8.4%	6.3%	2.1P		5.9%	2.5P

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

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

Ⅱ. Full-year Forecast for FY2023

— Segment Profit

	Unit: Millions of yen	FY2023 Forecast	FY2022 Results	Change	FY2023 Plan	Change
Transportation	Operating revenues	206,700	189,189	17,511	200,100	5,700
	Operating profit	29,100	19,381	9,719	20,500	8,600
Leisure	Operating revenues	178,700	188,354	-9,654	165,900	12,800
	Operating profit	15,500	19,470	-3,970	10,700	4,800
Real Estate	Operating revenues	60,700	60,915	-215	58,900	1,800
	Operating profit	13,800	13,681	119	11,900	1,900
Retail Distribution	Operating revenues	165,800	163,438	2,362	166,900	-1,100
	Operating profit	3,900	2,602	1,298	1,500	2,400
Other	Operating revenues	85,800	81,902	3,898	82,000	3,800
	Operating profit	3,900	2,646	1,254	2,900	1,000

Ⅱ. Full-year Forecast for FY2023 — Consolidated Cash Flow Plan

Unit: Millions of yen	FY2023 Forecast	FY2022 Results	Change	Notes	FY2023 Plan	Change
EBITDA	118,600	110,043	8,557		100,200	18,400
Operating profit	65,000	56,688	8,312		46,500	18,500
Depreciation	53,600	53,354	246		53,700	-100
Interest-bearing debt balance	759,000	795,502	-36,502		801,100	-42,100
Interest-bearing debt/EBITDA multiple	6.4	7.2	-0.8P		8.0	-1.6P
Capital Expenditures	75,800	55,018	20,782		79,100	-3,300

II. Full-year Forecast for FY2023 — Transportation

Unit: Millions of yen	FY2023 Forecast	FY2022 Results	Change	Notes	FY2023 Plan	Change
Operating revenues	206,700	189,189	17,511		201,000	5,700
Railways	155,800	141,477	14,323		151,300	4,500
Other	50,900	47,712	3,188	Bus and taxi business +2,132 Freight business +1,036	49,700	1,200
Operating profit	29,100	19,381	9,719		20,500	8,600
Railways	26,200	17,432	8,768		18,400	7,800
Other	2,900	1,948	952	Bus and taxi business +1,165 Freight business -213	2,100	800
Operating profit ROA	2.9%	2.0%	0.9P		2.1%	0.8P
Depreciation	31,800	31,286	514		31,500	300
EBITDA	60,900	50,667	10,233		52,000	8,900
Capital Expenditures	44,100	33,891	10,209		45,600	-1,500

Tobu Railway Lines Number of Passengers (Unit: 1 Million people)	FY2023 Forecast	FY2022 Results	FY2023 Plan
Commuter Passengers	524	508	512
Non-Commuter Passengers	312	291	300
(LimitedExpress)	6	5	6
Total	836	798	812

Tobu Railway Lines Passenger Revenue (Unit: Millions of yen)	FY2023 Forecast	FY2022 Results	FY2023 Plan
Commuter Passengers	59,990	55,325	59,123
Non-Commuter Passengers	80,264	70,765	76,901
(LimitedExpress)	6,049	4,727	5,585
Total	140,254	126,090	136,024

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

Ⅱ. Full-year Forecast for FY2023 — Leisure

Unit: Millions of yen	FY2023 Forecast	FY2022 Results	Change	Notes	FY2023 Plan	Change
Operating revenues	178,700	188,354	-9,654		165,900	12,800
Travel	127,600	147,219	-19,619		119,300	8,300
Hotel	26,400	20,086	6,314		23,700	2,700
SKYTREE	14,000	10,832	3,168		12,000	2,000
Other	10,700	10,215	485	Amusement parks and tourism +282 Sports +197	10,900	-200
Operating profit	15,500	19,470	-3,970		10,700	4,800
Travel	7,200	16,581	-9,381		5,700	1,500
Hotel	2,000	-1,943	3,943		100	1,900
SKYTREE	5,100	3,748	1,352		3,700	1,400
Other	1,200	1,083	117	Amusement parks and tourism +14 Sports +81	1,200	0
Operating profit ROA	5.7%	7.6%	-1.9%		3.9%	1.8P
Depreciation	6,000	6,400	-400		6,400	-400
EBITDA	21,500	25,870	-4,370		17,100	4,400
Capital Expenditures	10,900	2,727	8,173		10,700	200

Number of visitors (Unit: 10,000 people)	FY2023 Forecast	FY2022 Results	FY2023 Plan
SKYTREE	416	286	337

Main Hotels Occupancy Rate	FY2023 Forecast	FY2022 Results	FY2023 Plan
CY Ginza	25.3%	60.0%	30.6%
AC Ginza	83.4%	49.9%	83.7%
Kinshicho	84.4%	69.4%	83.3%
Narita	78.8%	93.8%	81.5%

II. Full-year Forecast for FY2023 — Real Estate

Unit: Millions of yen	FY2023 Forecast	FY2022 Results	Change	Notes	FY2023 Plan	Change
Operating revenues	60,700	60,915	-215		58,900	1,800
Real Estate leasing	34,700	36,044	-1,344		34,300	400
SKYTREE TOWN	11,900	11,025	875		11,100	800
Real Estate subdivision	14,100	13,845	255		13,500	600
Operating profit	13,800	13,681	119		11,900	1,900
Real Estate leasing	7,400	8,318	-918		7,000	400
SKYTREE TOWN	2,700	2,258	442		1,800	900
Real Estate subdivision	3,700	3,104	596		3,100	600
Operating profit ROA	4.0%	4.0%	0.0P		3.4%	0.6P
Depreciation	10,400	10,251	149		10,400	0
EBITDA	24,200	23,933	267		22,300	1,900
Capital Expenditures	13,900	13,778	122		14,800	-900

Number of visitors (Unit: 10,000 people)	FY2023 Forecast	FY2022 Results	FY2023 Plan
SKYTREE TOWN	3,439	3,088	3,105

Number of Units Sold Unit: 1unit	FY2023 Forecast	FY2022 Results	FY2023 Plan
Detached houses	37	40	37
Condominiums	409	552	406
Number of Units Sold After Converting Share			
Detached houses	24	27	24
Condominiums	313	297	312

II. Full-year Forecast for FY2023 — Retail Distribution

Unit: Millions of yen	FY2023 Forecast	FY2022 Results	Change	Notes	FY2023 Plan	Change
Operating revenues	165,800	163,438	2,362		166,900	-1,100
Department stores	58,500	56,767	1,733		55,900	2,600
Supermarket	73,300	73,062	238		77,100	-3,800
Other	34,000	33,608	392		33,900	100
Operating profit	3,900	2,602	1,298		1,500	2,400
Department stores	2,800	2,633	167		1,100	1,700
Supermarket	100	-839	939		100	0
Other	1,000	809	191		300	700
Operating profit ROA	3.0%	2.0%	1.0P		1.1%	1.9P
Depreciation	3,700	3,882	-182		3,800	-100
EBITDA	7,600	6,485	1,115		5,300	2,300
Capital Expenditures	4,800	3,421	1,379		5,600	-800

Change in Sales at Major Department Stores	FY2023 Forecast vs. Previous Year	FY2023 Plan vs. Previous Year
Ikebukuro	2.3%	-4.0%
Funabashi	5.2%	1.7%
Utsunomiya	4.3%	5.1%

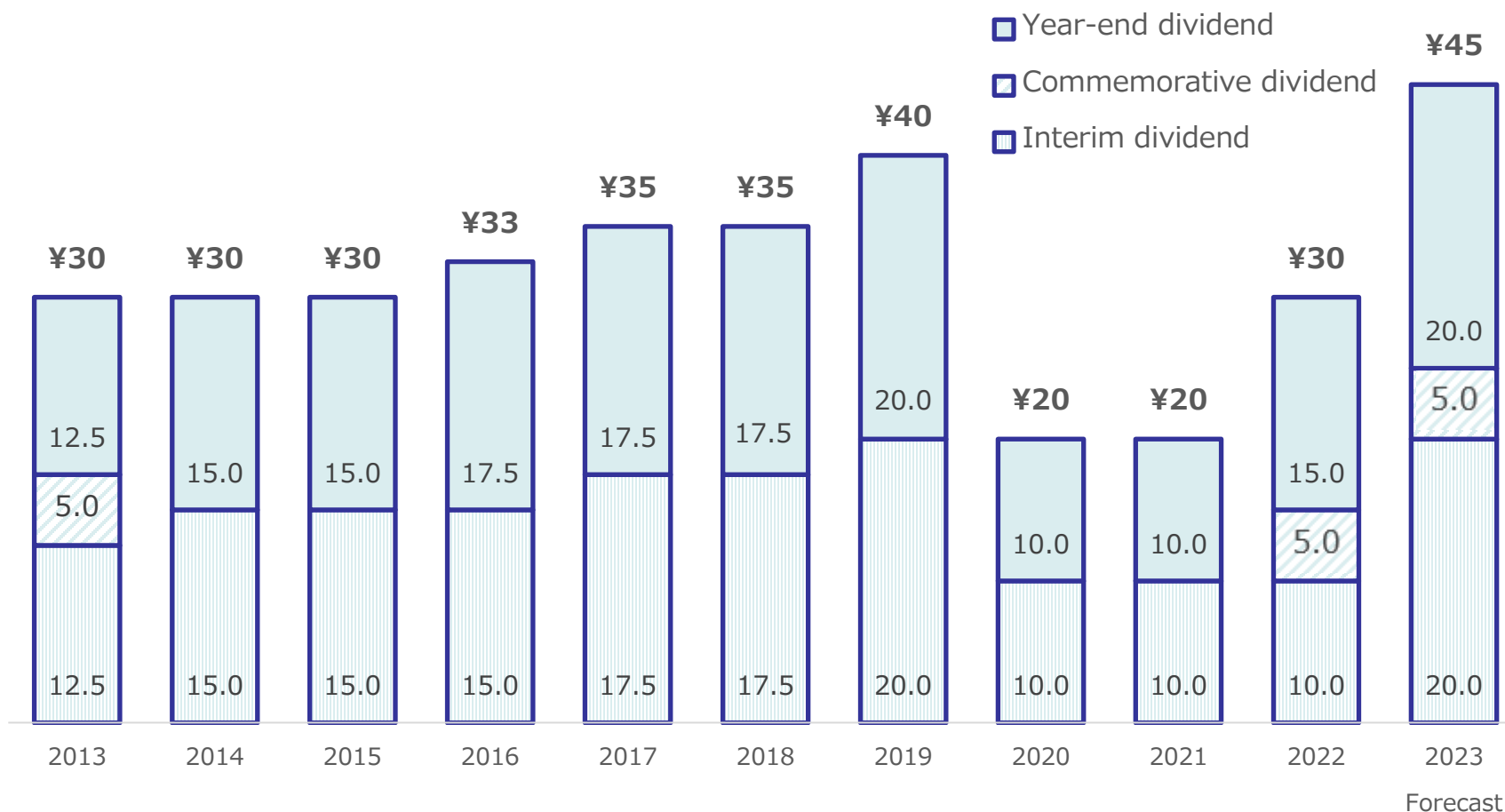
Ⅱ. Full-year Forecast for FY2023 — Other

Unit: Millions of yen	FY2023 Forecast	FY2022 Results	Change	Notes	FY2023 Plan	Change
Operating revenues	85,800	81,902	3,898		82,000	3,800
Operating profit	3,900	2,646	1,254		2,900	1,000
Operating profit ROA	1.5%	1.0%	0.5P		1.1%	0.4P
Depreciation	1,700	1,533	167		1,600	100
EBITDA	5,600	4,180	1,420		4,500	1,100
Capital Expenditures	2,100	1,199	901		2,400	-300

Ⅱ. Full-year Forecast for FY2023 — Shareholder return

Basic Policy on Profit Sharing

Continue to provide stable dividends while considering financial soundness and taking into account the overall performance and business environment to expand our management foundation over the long term.

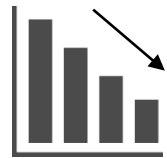


*1 Dividend per share reflects the impact of the reverse stock split (5 for 1 basis, ordinary shares) implemented on October 1, 2017.

III. Preparing for the Next Medium-Term Business Plan

Entering the next phase addressing changes in the external environment

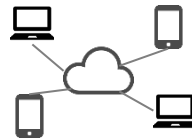
Main changes in external environment and outlook



Subsiding of
COVID-19



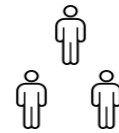
Recovery/expansion
of inbound demand



Development of
digital technology

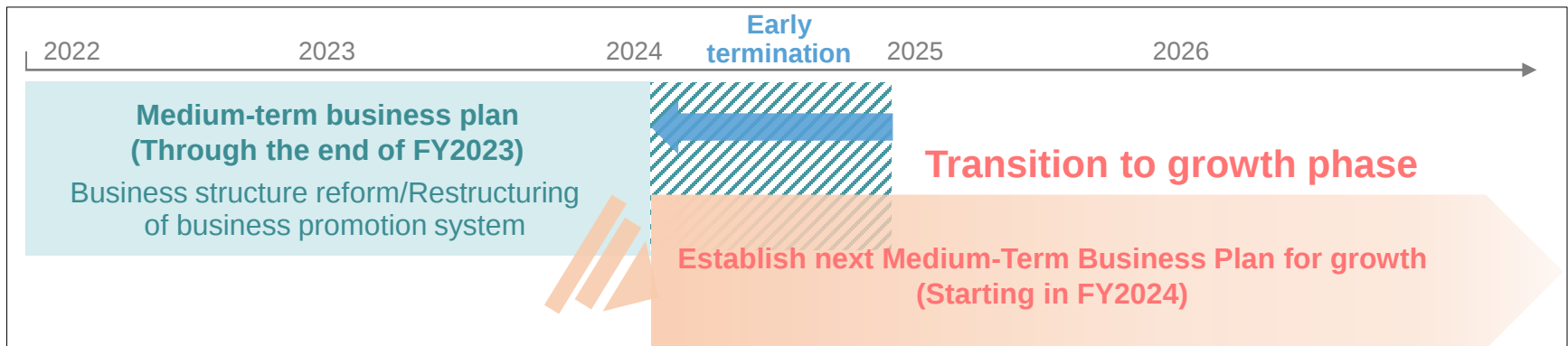


Increase in
environmental
awareness



Population decline
Low birth rate and
aging society

Early termination of the medium-term business plan through FY2024 based on changes in the external environment and the outlook
⇒ Establish next Medium-Term Business Plan for growth phase



Establishing next Medium-Term Business Plan in spring 2024 based on changes in external environment

III. Preparing for the Next Medium-Term Business Plan

Three priority strategies and main themes for next Medium-Term Business Plan

Establishment of businesses to drive growth

- ✓ Capture tourism demand
- ✓ Increase customer attraction by improving value in Nikko area
- ✓ Expand profitability by addressing new travel needs
- ✓ Improve value of real estate business

Ongoing strengthening of business foundation (along railway)

- ✓ Promote redevelopment of west exit area of Ikebukuro Station
- ✓ Promote development of locations and expand human traffic and population
- ✓ Continuous development along railway line through regional revitalization
- ✓ Utilize digital technology for:
 - Strengthening marketing
 - Realizing a sustainable railway and bus business
 - Improving profitability with AI

Reduction of environmental impact
Enhancement of human capital

Development of new businesses to expand domain

- ✓ Development of new businesses in digital domain
- ✓ Development of businesses beyond railway line by strengthening external collaboration

Continuous development of local communities and improvement of corporate value

Aiming to realize human friendliness in a society in which people and communities shine together

III. Preparing for the Next Medium-Term Business Plan (Establishing Growth Businesses)

Achieving sustainable growth by capturing tourism demand

Tangible steps



Intangible steps

■ Invest in hotel business to capture inbound demand

- ✓ Renovations at Courtyard by Marriott Tokyo Ginza Hotel (all buildings)
- ✓ Nikko KANAYA Hotel Annex renovation
- ✓ Consideration of new hotel construction in Yaesu and other areas



▲ Guest room at the Courtyard by Marriott Tokyo Ginza Hotel (illustration)



▲ Guest room at Nikko KANAYA Hotel (illustration)

■ Further improve value between Asakusa and TOKYO SKYTREE TOWN

Improve value as tourist area by repairing facilities, developing, etc.

- ✓ Consideration of TOKYO SKYTREE facility repairs
- ✓ Consideration of development under elevated railway near TOKYO SKYTREE Station
- ✓ Designated manager work at Sumida Park

■ Enhance communication outside of Japan

Actively engage in communication overseas

- ✓ Strengthening of collaboration with overseas OTA
Integrated digitalization and promotion of inbound passes
- ✓ Initiatives to expand sales promotions
Overseas payment platform Alipay
Cash back campaign



▲ Hong Kong Book Fair Travel Expo

■ Strengthen marketing by utilizing data

Effective promotions utilizing data from NIKKO MaaS and Kawagoe Retro Trip tickets

Parallel expansion of investments and strengthening of promotions

Maximizing revenues and profits through tactics to increase visitors

III. Preparing for the Next Medium-Term Business Plan (Establishing Growth Businesses)

Strengthening the attraction of visitors to international eco resort Nikko from Japan and abroad

Enhancement of tourist experience

■ New limited express SPACIA X

- ✓ Shift mobility itself to tourism experience
- ✓ Two more trains to be added in spring 2024 to address frequent full capacity operations



New limited express SPACIA X
Cockpit suite (illustration) ▶

Expansion of digital sales channels

■ NIKKO MaaS update

- Further acceleration of transition to digital with enhancement of functions
- ✓ Launch of limited express ticket sales (September 28, 2023)
- ✓ Strengthening of promotions based on track record of purchases
- ✓ Consideration of building inbound website to establish new sales channel (target of FY2024)



Progressiveness and improvement of environmental awareness

■ Promotion of area branding in collaboration with government

- ✓ Promotion of conversion to public transportation as a leading decarbonized area
- ✓ Launch of operations of bio fuel buses in Nikko National Park
- ✓ EV bus auto driving demonstration experiments
- ⇒ Promotion of initiatives to reduce environmental impact in collaboration with Tochigi Pref., Nikko City, etc.



▲ Bio fuel bus

- ✓ Alleviating congestion in Nikko area by switching to public transportation
- ✓ Strengthening marketing for both mobility and experience through visualization of customer behavior

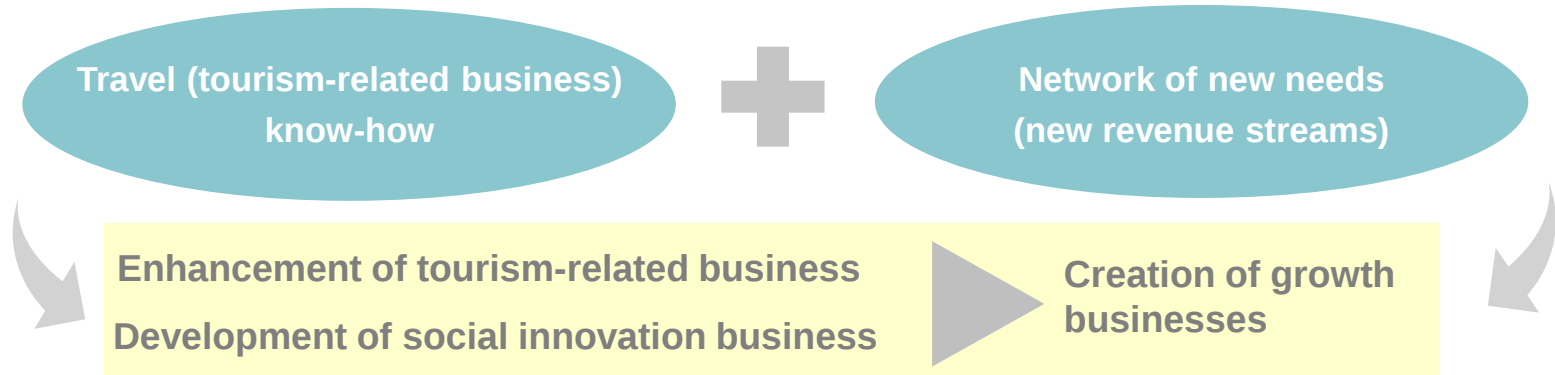


“Improving accessibility and experience value”

Increasing attractiveness of Nikko area as tourist destination to attract more visitors

III. Preparing for the Next Medium-Term Business Plan (Establishing Growth Businesses)

Expanding profitability by addressing new travel needs



Enhancement of tourism-related businesses

■ Connect communities and people to promote local development

- ✓ Regional revitalization-themed promotions
Launch of operations at AZLM TOBU Ikebukuro specialized store
- ✓ Promotion of visitor attraction centered on Metropolitan Area Outer Underground Discharge Channel

■ Creation of new tourism business by utilizing know-how

Participate in new businesses that combine nature and tourism

Glamping facility (Nikko City) (illustration) ►



Development of social innovation business

■ Solutions to social issues that start with tourism

Work on solving social issues faced by each region from the perspective of tourism, tying that into regional revitalization and increased revenues

- ✓ Tochigi City + Tobu Railway Lines + TOBU TOP TOURS + Kokugakuin University
Signing of agreement on sustainable tourism and town development
- ✓ Promotion of tourism DX initiatives
- ✓ Expansion of drone business

Drone National Certification Training ► (illustration)



Expanding profitability by leveraging the strengths of existing businesses and expanding business domains

III. Preparing for the Next Medium-Term Business Plan (Establishing Growth Businesses)

Improve value of real estate business

Enhancing profitability of existing businesses

Promotion of leasing, subdivision, town development, and location development aimed at increasing population along railway line

- ✓ Priority investment in terminal stations and base stations for customer attraction
- ✓ Development focused on characteristics of area market
- ✓ Promotion of ongoing strategic renewal
- ✓ Promotion of redevelopment along railway line etc.

Strengthening of real estate business portfolio by improving both railway line value and investment efficiency



Making real estate business a pillar of growth

Business expansion

Development of new businesses

Cultivation of businesses

Existing businesses

- Railway line-centered
- ✓ Long-term lease holdings
- ✓ Subdivision of company-owned land etc.

Domain
area
expansion

Consideration of businesses for further growth

Enhancement of profitability of Group real estate business with awareness of capital efficiency

- ✓ Consideration of improving capital efficiency and expanding business domain through asset turnover business, etc.

Aiming to cultivate existing businesses and expand business domain/area

III. Preparing for the Next Medium-Term Business Plan (Ongoing Strengthening of Business Foundation (Along Railway))

Promotion of the redevelopment of the Ikebukuro Station West Exit area: international city of arts and culture

- ✓ Promote business in collaboration with government, communities, and land owners aiming to submit city planning proposal early with city planning decision in FY2024
- ✓ Promote facility and use planning to further improve strategic importance as Tobu Group's biggest terminal station
- ✓ Attract global brand hotels to serve as hub for diverse visitors from Japan and abroad
- ✓ Contribute to establishment of new network east and west of station through space in and around station to guide people from station into town
- ✓ Create pedestrian space to support art and culture activities above Tobu Tojo Line



▲ Space in and around station bringing station and town together (center)



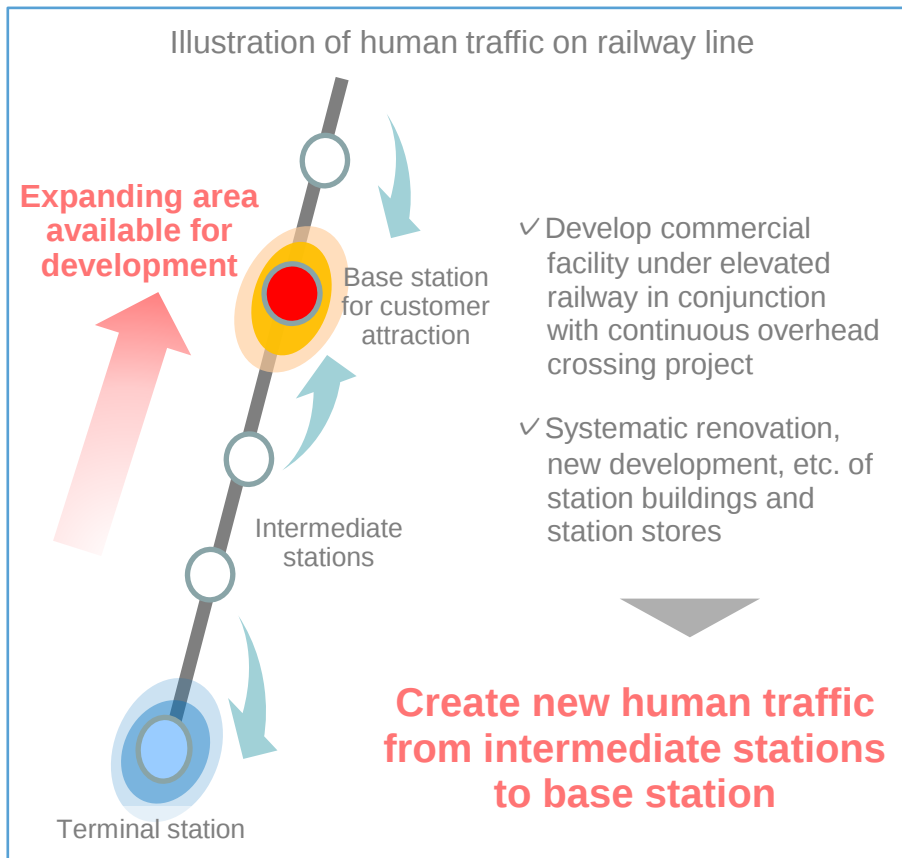
▲ Open plaza above Tobu Tojo Line to expand liveliness to town

Making Ikebukuro Station West Exit area even more attractive together with local community

III. Preparing for the Next Medium-Term Business Plan (Ongoing Strengthening of Business Foundation (Along Railway))

Creating human traffic through development of terminal stations and base stations for customer attraction

Increase attractiveness of area along railway line by renovating station buildings, developing new properties, and more to create new mobility demand and expand area available for development



Most recent initiatives

■ Shinkoshigaya VARIE 2F and 3F renovation

- ✓ Expand target and perform renovations to increase convenience of station buildings
- ✓ Spring 2024 opening of Phase I area of 2F and 3F (planned)



▲ Exterior (illustration)



▲ Store (illustration)

Future stations of focus

✓ Kasukabe Station

✓ Asakadai Station, etc.

Increasing attractiveness of areas along the railway line by improving customer attraction of base stations

III. Preparing for the Next Medium-Term Business Plan (Ongoing Strengthening of Business Foundation (Along Railway))

Becoming a railway line to which people want to move and stay

Improved convenience of stations open to the town

Improving value along railway line by developing attractive commercial facilities

■ Soka VARIE 1 (Re-opened on October 26, 2023)

- ✓ Attract high-quality and diverse food stores as the best food floor in the region



▲ Soka VARIE "VARIE 1" after renovation

■ Development under elevated railway in Koshigaya (to open in December 2023)

- ✓ Renewal as store convenient for daily use

■ Development under elevated railway in Takenotsuka (to open in June 2024)

- ✓ Develop shopping arcade using area under elevated railway to improve convenience in front of station

Housing development tailored to location

Creating exchange aiming for bustling lifestyles

■ Dokkyodaigakumae area

- ✓ Install facilities and squares at detached house blocks to create exchange
- ✓ Population influx from wide area resulting from large-scale condominium sales

■ Minamikurhashi area



- ✓ Received Good Design Award in 2023 for town development via 5-way collaboration among industry, government, and academia
- ✓ Creating environment centered on detached house blocks with focus on multi-generational interaction



▲ Minamikurhashi detached house block

Developing rental condominiums leveraging regional characteristics

■ Tokiwadai

(to be move-in ready in spring 2025)

- ✓ Rental condominium designed for power couples working in city center

■ Sakado

(to be move-in ready in spring 2025)

- ✓ Rental condominium for students



▲ Tokiwadai rental condominium (illustration)

Increasing resident and nonresident populations through town development initiatives rooted in local community

III. Preparing for the Next Medium-Term Business Plan (Ongoing Strengthening of Business Foundation (Along Railway))

Continuous development of area along railway line rooted in local community

Create and communicate attractiveness of area along railway line in cooperation with government and other local stakeholders

Participation in public tender for Sumida Park designated manager services

Operate together with nearby Tokyo mizumachi to strengthen collaborative initiatives with local communities

Improve accessibility between Asakusa and TOKYO SKYTREE TOWN area and promote integration

- ✓ Tobu Group receives designated manager work
Designated management period: April 1, 2025 to March 31, 2030



▲ Sumida Park located in between Asakusa and TOKYO SKYTREE TOWN area

Tobu Utsunomiya Line ("Ichigo Okoku" Line)

Communicate attractiveness of entire area through collaboration between Tochigi Pref., municipalities along railway line, and local companies

Increase awareness and promote use of Tobu Utsunomiya Line
Revitalize area along railway line

✓ Nicknamed "Ichigo Okoku" ("Strawberry Kingdom") Line

Station signs and train cars display "Ichigo Okoku" name

✓ Tobu Utsunomiya Line Free Ride Day

All trains on Tobu Utsunomiya Line free for one day



▲ Station sign



▲ Wrapped train car
"Berry Happy Train"



▲ Departure ceremony

Balancing development of local communities and Tobu Group

III. Preparing for the Next Medium-Term Business Plan (Ongoing Strengthening of Business Foundation (Along Railway))

Utilize digital technology (1) Strengthening marketing

Promotion of single ID

Improve convenience and promote data refinement by unifying IDs

- ✓ Launch of limited express ticket sales at TOBU MALL (planned for spring 2024)

Expand base beyond TOBU Card holders and create opportunities for app members to ride Limited Express and Liner trains at a discount

Promote visualization of customer behavior by tracking movement, purchases, and attributes with single ID

Improved marketability of TOBU Card

Promotion of card loyalty and digitalization

Realize services that address user needs (planned for spring 2025)

- ✓ Issuance of top-tier cards (enhanced benefits)
- ✓ Smartphone support, etc.

Expand usage scenarios and enhance data acquisition, including use outside Group

Expand accumulated data and promote understanding of customers



Speedy implementation of sales promotion measures by utilizing accumulated data and digital customer contact points

Further promote digital marketing

✓ Implement sales promotions such as campaigns based on hypotheses according to attributes and usage conditions

Example: Deliver exclusive app coupons for Tobu Stores closest to railway commuter pass users' nearest stations
⇒ Analyze usage trends and carefully review timing and details of implementation to tie this into service improvements



Promoting more advanced data to increase amount of purchases within Group by each individual

III. Preparing for the Next Medium-Term Business Plan (Ongoing Strengthening of Business Foundation (Along Railway))

Utilize digital technology (2) Realizing a sustainable railway and bus business

Realizing automatic driving

Verification of auto driving on Tobu Daishi Line (Railway)

Design and verify new rolling stock, sensors, etc.

Accelerate preparations with aim of starting operations in FY2027 or later



▲Auto driving train test

Auto driving experiments in Oku-Nikko (Bus)

Demonstration experiments with EV buses on Oku-Nikko low-pollution bus route

Utilize knowledge gained from demonstration experiments in other areas as well
Aiming to build bus business capable of meeting demand



▲Auto driving EV bus

Improve efficiency and accuracy of facility maintenance through AI and other means

Gradually install measurement equipment in new vehicles (vehicles in operation)

Aim to improve efficiency and accuracy of facility maintenance

Current situation

- ✓ Visual inspection
- ✓ Use special vehicle
- ✓ Nighttime implementation
- ✓ Human judgment

Future

- ✓ Remote monitoring
- ✓ Use vehicle in operation
- ✓ Afternoon implementation
- ✓ AI-assisted judgment

Expand effective use of on-board data

Expand introduction of Remote*

- ✓ Expand scope of data utilization
- ✓ Expand line segments where introduced
- ✓ Look into shared use with other companies

Promote timetable optimization, energy-saving operation, and efficient inspection work

* A system that acquires, stores, analyzes, and effectively utilizes on-board data in real time while vehicle is moving



Occupancy rate data, equipment data, etc.

Use in timetable creation and inspection work



Obtain and check data in real time



▲Remote (illustration)

Using new technologies to improve profitability and efficiency

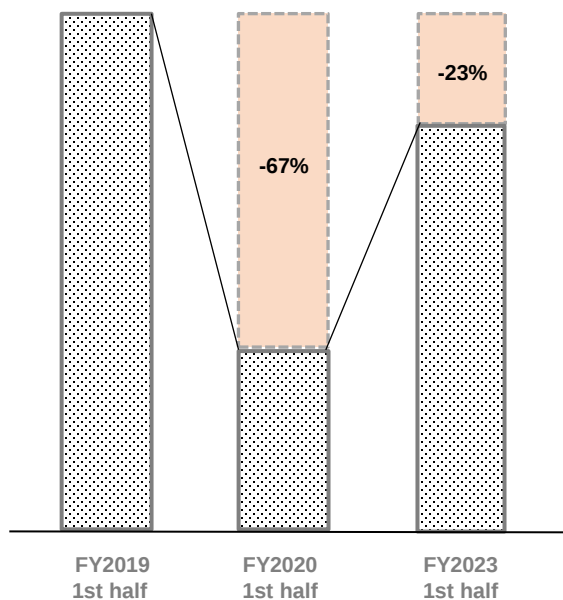
III. Preparing for the Next Medium-Term Business Plan (Ongoing Strengthening of Business Foundation (Along Railway))

Utilize digital technology (3) Improving profitability with AI

Use AI analysis of big data to build model for predicting limited express demand

Limited express demand recovering after COVID-19

Trend in Limited Express Passengers Carried

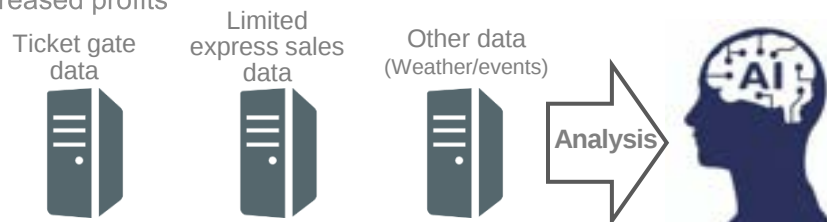


* Comparison of limited express passengers carried in first half (April to September) of each year

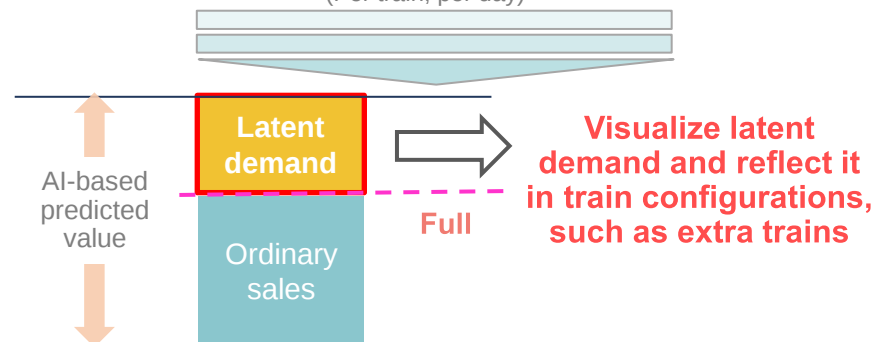
Steadily capture recovering demand

■ Launch of limited express demand forecasting (September 2023)

Visualize demand forecast values for individual trains and tie that into increased profits



Analyze each piece of data with AI to precisely predict future demand
(Per train, per day)



Visualize latent demand and reflect it in train configurations, such as extra trains

Capture latent demand and tie it into increased profits

Utilizing artificial intelligence to build sales strategy

III. Preparing for the Next Medium-Term Business Plan (Developing New Businesses)



Development of new businesses in digital domain

Development of platform business in biometric field

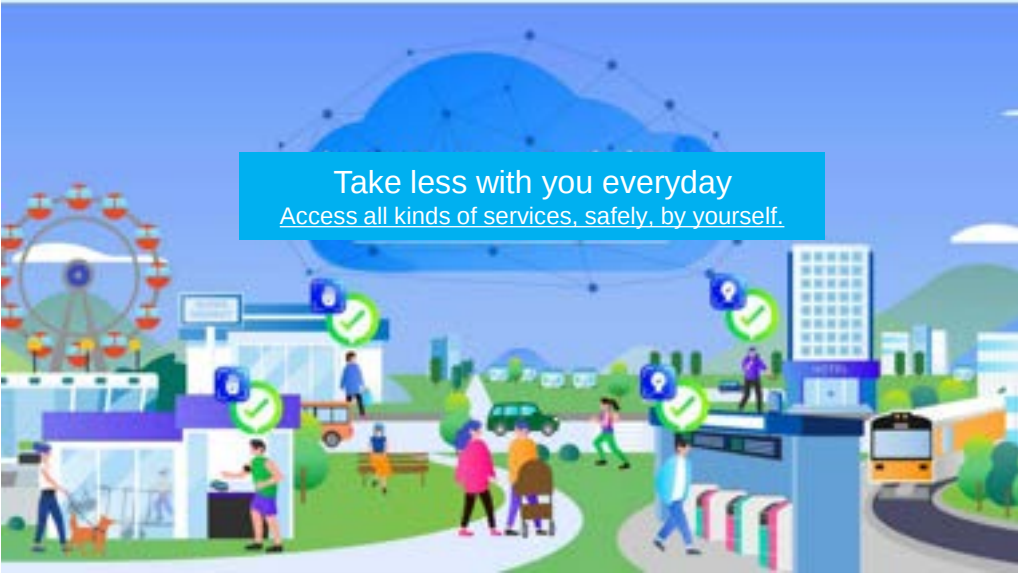


Business domains and assets
across multiple industries





Highly accurate and secure biometric
integration platform



Take less with you everyday
Access all kinds of services, safely, by yourself.

Aiming to turn biometrics into social infrastructure

III. Preparing for the Next Medium-Term Business Plan (Developing New Businesses)

Development of new businesses in digital domain

Strengths of platform business in biometric field

■ Advanced security technology

- ✓ Safe management of personal and biometric information through collaboration with Hitachi, Ltd.

- No. 1 share of finger vein authentication market in Japan
- Utilize Hitachi's patented undecryptable technology



■ System capable of using multiple authentication methods

- ✓ Companies introducing system can choose authentication method

- Supports two authentication methods, finger vein and face, for wide range of applications

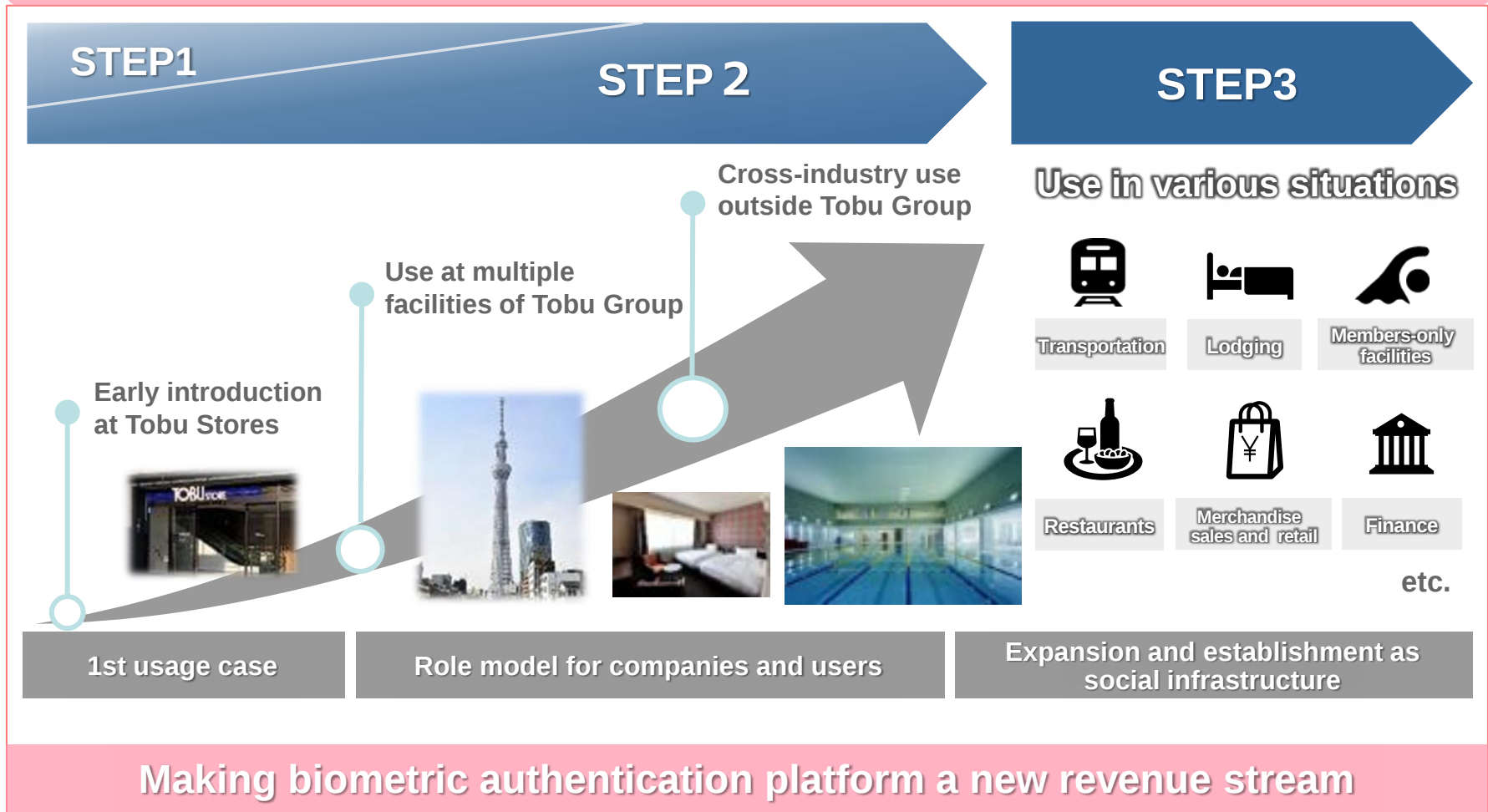


Leveraging strengths unmatched by competitors to build social infrastructure

III. Preparing for the Next Medium-Term Business Plan (Developing New Businesses)

Development of new businesses in digital domain

Development of platform business in biometric field



Important Notes Concerning This Document

The Company's profit plan 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.