



2Q FY2022
Financial Results Briefing

November 11, 2022

TOBU RAILWAY CO., LTD.

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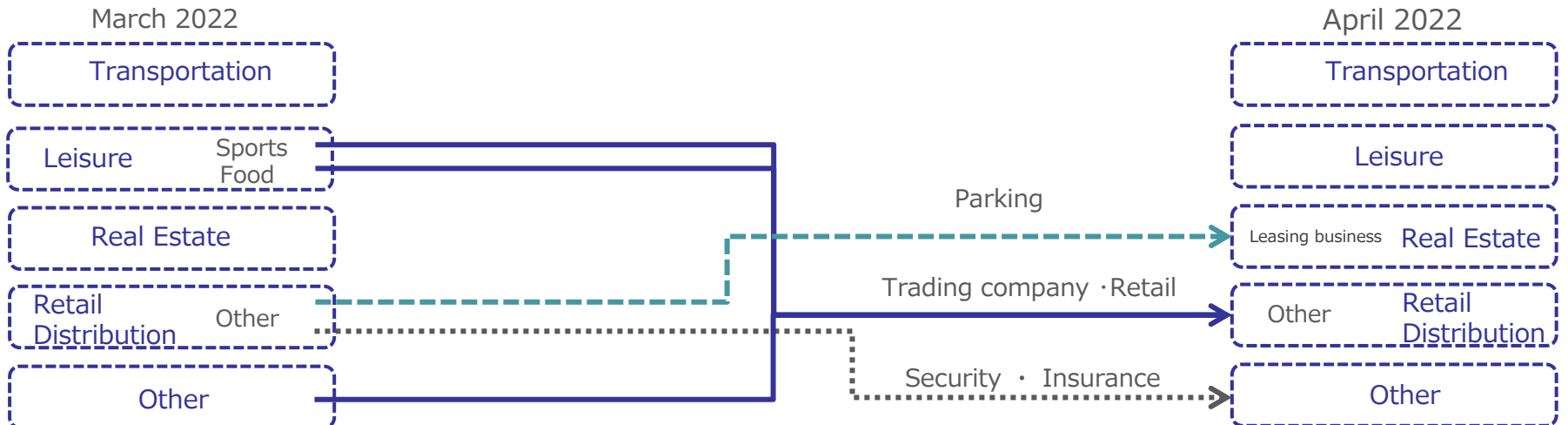
I. 2Q FY2022 Business Results — Subsidiaries · Affiliates



Subsidiaries	March 2022	Increase	Decrease	September 2022
Transportation	26	1	-	27
Leisure	21	-	4	17
Real Estate	3	-	-	3
Retail Distribution	12	1	5	8
Other	16	1	2	15
Total	78	3	11	70

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

(Reference) 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. (completion of liquidation , July 2022)

I . 2Q FY2022 Business Results — Consolidated statement of income



Unit: Millions of yen	2Q FY2022 Results	2Q FY2021 Results	Change	Notes	2Q FY2022 Plan	Change
Revenue from Operations	285,422	233,831	51,590	Transportation+8,867、 Leisure+49,983、 Real Estate-12,451 Retail Distribution+6,207、 Other-638	261,700	23,722
Operating Income	24,097	6,678	17,418	Transportation+4,546、 Leisure+12,898、 Real Estate-3,402、 Retail Distribution+3,866、 Other-497	13,400	10,697
Recurring Income	23,151	8,620	14,531		11,500	11,651
Extraordinary Profit	5,315	681	4,633		-	-
Extraordinary Loss	8,085	3,070	5,014		-	-
Profit Attributable to Owners of Parent	13,030	1,664	11,365		5,300	7,730
Ratio of Operating Income to Sales	8.4%	2.9%	5.5P		5.1%	3.3P
Depreciation	26,436	26,774	-338		-	-
EBITDA	50,533	33,453	17,080		-	-
Capital Expenditures	18,244	14,518	3,726		-	-

* Numbers for plan come from announcement made on April 28, 2022. (p.3-p.18)

We have changed the segment classifications from FY2022. We have given the figures for FY2021 according to the classifications after the change.

I . 2Q FY2022 Business Results — Consolidated balance sheet



Unit: Millions of yen	2Q FY2022 Results	FY2021 Results	Change	Notes
Current assets	184,111	167,475	16,636	
Non-current assets	1,515,175	1,522,380	-7,205	
Total assets	1,699,286	1,689,855	9,431	
Current liabilities	419,597	409,735	9,862	
Non-current liabilities	807,597	820,901	-13,303	
Total liabilities	1,227,195	1,230,636	-3,440	
Total net assets	472,091	459,219	12,871	Retained earnings+10,227
Total liabilities and net assets	1,699,286	1,689,855	9,431	
Shareholders equity ratio	27.4%	26.8%	0.6P	
Interest-bearing debt balance	800,914	808,507	-7,592	

I . 2Q FY2022 Business Results — Consolidated statement of cash flows

Unit: Millions of yen	2Q FY2022 Results	2Q FY2021 Results	Change	Notes
Cash flows from operating activities	45,660	19,475	26,184	Income before income taxes +14,150
Cash flows from investing activities	-27,852	-15,620	-12,231	Increase in expenditures for purchase of fixed assets -4,078
Cash flows from financing activities	-10,425	-10,062	-363	Decrease in procurement of interest-bearing debt -154
Change in cash and cash equivalents	7,466	-6,174	13,641	
Ending balance of cash and cash equivalents	53,351	38,772	14,579	

I . 2Q FY2022 Business Results — Transportation

Unit: Millions of yensa	2Q FY2022 Results	2Q FY2021 Results	Change	Notes	2Q FY2022 Plan	Change
Revenue from Operations	93,414	84,546	8,867		93,300	114
Railways	69,623	62,301	7,321		69,500	123
Other	23,791	22,245	1,546	Bus and taxi business +1,386, Freight business +169	23,800	-9
Operating Income	9,676	5,130	4,546		8,500	1,176
Railways	8,961	5,722	3,239		8,100	861
Other	715	-592	1,307	Bus and taxi business +1,293, Freight business +13	400	315
Depreciation	15,391	15,860	-469		—	—
EBITDA	25,067	20,990	4,077		—	—
Capital Expenditures	7,490	7,817	-327		—	—

Tobu Railway Lines Number of Passengers (Unit: 1 Million people)	2Q FY2022 Results	2Q FY2021 Results	2Q FY2022 Plan
Commuter Passengers	262	248	256
Non-Commuter Passengers (LimitedExpress)	140	119	140
	2	2	2
Total	402	367	397

Tobu Railway Lines Passenger Revenue (Unit: Millions of yen)	2Q FY2022 Results	2Q FY2021 Results	2Q FY2022 Plan
Commuter Passengers	28,139	27,011	27,894
Non-Commuter Passengers (LimitedExpress)	33,877	27,465	33,843
	2,145	1,321	2,306
Total	62,016	54,476	61,737

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

I . 2Q FY2022 Business Results – Leisure

Unit: Millions of yen	2Q FY2022 Results	2Q FY2021 Results	Change	Notes	2Q FY2022 Plan	Change
Revenue from Operations	82,142	32,159	49,983		63,500	18,642
Travel	64,034	20,447	43,587		46,100	17,934
Hotel	8,135	4,803	3,331		8,200	-65
SKYTREE	4,739	2,142	2,596		4,100	639
Other	5,233	4,766	467	Amusement parks and tourism +555, Sports -99	5,100	133
Operating Income	8,322	-4,576	12,898		-900	9,222
Travel	8,408	505	7,902		-100	8,508
Hotel	-2,186	-4,128	1,941		-2,100	-86
SKYTREE	1,367	-1,133	2,501		700	667
Other	732	179	553	Amusement parks and tourism +405, Sports +147	600	132
Depreciation	3,213	3,261	-48		—	—
EBITDA	11,535	-1,315	12,850		—	—
Capital Expenditures	957	669	288		—	—

Number of visitors (Unit: 1 Million people)	2Q FY2022 Results	2Q FY2021 Results	2Q FY2022 Plan	Main Hotels Occupancy Rate	2Q FY2022 Results	2Q FY2021 Results	2Q FY2022 Plan	Main Hotels Percentage of foreign nationals	2Q FY2022 Results	2Q FY2021 Results
SKYTREE	112	24	93	CY Ginza	49.9%	24.8%	64.6%	CY Ginza	20.5%	3.6%
				AC Ginza	36.3%	19.2%	55.0%	AC Ginza	23.9%	4.9%
				Kinshicho	59.0%	32.1%	77.1%	Kinshicho	4.7%	1.6%
				Narita	93.6%	61.4%	67.0%	Narita	13.7%	7.2%

I . 2Q FY2022 Business Results — Real Estate



Unit: Millions of yen	2Q FY2022 Results	2Q FY2021 Results	Change	Notes	2Q FY2022 Plan	Change
Revenue from Operations	22,671	35,122	-12,451		23,200	-529
Leasing business	16,179	18,063	-1,884		17,500	-1,321
SKYTREE TOWN	5,233	4,562	671		5,000	233
Subdivision business	1,258	12,495	-11,237		700	558
Operating Income	5,096	8,498	-3,402		5,400	-304
Leasing business	3,840	5,915	-2,075		4,800	-960
SKYTREE TOWN	1,110	635	474		800	310
Subdivision business	145	1,947	-1,801		-200	345
Depreciation	5,138	5,104	34		—	—
EBITDA	10,234	13,602	-3,368		—	—
Capital Expenditures	7,989	3,395	4,594		—	—

Number of visitors (Unit: 10,000 people)	2Q FY2022 Results	2Q FY2021 Results	2Q FY2022 Plan
SKYTREE TOWN	1,453	856	1,283

Number of Units Sold Unit: 1unit	2Q FY2022 Results	2Q FY2021 Results	2Q FY2022 Plan
Detached houses	3	16	0
Condominiums	63	585	44
Number of Units Sold After Converting Share			
Detached houses	3	16	0
Condominiums	25	280	17

I . 2Q FY2022 Business Results — Retail Distribution



Unit: Millions of yen	2Q FY2022 Results	2Q FY2021 Results	Change	Notes	2Q FY2022 Plan	Change
Revenue from Operations	81,365	75,157	6,207		82,000	-635
Department stores	27,844	23,172	4,671		28,100	-256
Supermarket	36,904	37,702	-798		38,600	-1,696
Other	16,616	14,282	2,334		15,300	1,316
Operating Income	669	-3,196	3,866		-300	969
Department stores	594	-3,381	3,976		-400	994
Supermarket	-359	349	-708		300	-659
Other	434	-164	598		-200	634
Depreciation	1,940	1,806	134		—	—
EBITDA	2,609	-1,390	3,999		—	—
Capital Expenditures	1,289	1,671	-382		—	—

Change in Sales at Major Department Stores	2Q FY2022 Results vs. Previous Year
Ikebukuro	31.2%
Funabashi	5.1%
Utsunomiya	4.8%

I . 2Q FY2022 Business Results — Other

Unit: Millions of yen	2Q FY2022 Results	2Q FY2021 Results	Change	Notes	2Q FY2022 Plan	Change
Revenue from Operations	36,628	37,267	-638		35,400	1,228
Operating Income	555	1,053	-497		1,100	-545
Depreciation	752	742	9		—	—
EBITDA	1,307	1,795	-488		—	—
Capital Expenditures	518	964	-446		—	—

II. Full-year Forecast for FY2022 — Anticipated revenue of main business

		FY2022 Forecast	FY2022 Plan
Business environment		<ul style="list-style-type: none"> Impact of infectious disease are gentle recovery in demand expected as no social restrictions with declaration of state of emergency Power cost, Prices are rising based on Current trends Inbound business has been gradually recovering since October in response to the relaxation of restrictions on immigration 	<ul style="list-style-type: none"> Impact of infectious disease are gentle recovery in demand expected as no social restrictions with declaration of state of emergency Power cost, Prices are continuing on Previous Year Inbound business has been gradually recovering since First half
		FY2022 Forecast	FY2022 Plan
Assumed income of main business		Annual	Annual
Transportation			
Railways	Commuter passengers	-18%	-18%
	Business commutation		
	School commutation	-12%	-17%
	Non-Commuter passengers	-13%	-13%
Leisure			
Hotel	Revenue from major hotels	-33%	-29%
SKYTREE	Number of visitors	-34%	-47%
Other	Travel volume	-50%	-27%
Retail Distribution			
Department stores	Goods sales	-13%	-5%
	Downtown stores		
	Suburban stores	-13%	-5%

※Comparison of FY2019

II. Full-year Forecast for FY2022 — Consolidated statement of income

Unit: Millions of yen	FY2022 Forecast	FY2021 Results	Change	Notes	FY2022 Plan	Change
Revenue from Operations	592,000	506,023	85,977	Transportation +13,446, Leisure +68,121, Real Estate -4,617, Retail Distribution +11,234, Other+1,286	558,000	34,000
Operating Income	41,000	24,732	16,268	Transportation +3,636, Leisure +13,572, Real Estate -4,192, Retail Distribution +4,622, Other-1,324	33,000	8,000
Recurring Income	38,000	27,406	10,594		29,000	9,000
Profit Attributable to Owners of Parent	23,300	13,453	9,847		18,000	5,300
Ratio of Operating Income to Sales	6.9%	4.9%	2.0P		5.9%	1.0P
Operating Income ROA※	2.4%	1.5%	0.9P		1.9%	0.5P
ROE※	5.1%	3.0%	2.1P		3.9%	1.2P

*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. Full-year Forecast for FY2022 — Consolidated Cash Flow Plan

Unit: Millions of yen	FY2022 Forecast	FY2021 Results	Change	Notes	FY2022 Plan	Change
EBITDA	94,900	80,302	14,598		86,200	8,700
Operating Income	41,000	24,732	16,268		33,000	8,000
Depreciation	53,900	55,570	-1,670		53,200	700
Interest-bearing debt balance	792,000	808,507	-16,507		808,000	-16,000
Interest-bearing debt/EBITDA multiple	8.3	10.1	-1.7P		9.4	-1.0P
Capital Expenditures	65,300	39,172	26,128		67,800	-2,500

II. Full-year Forecast for FY2022 — Transportation

Unit: Millions of yen	FY2022 Forecast	FY2021 Results	Change	Notes	FY2022 Plan	Change
Revenue from Operations	186,800	173,354	13,446		186,700	100
Railways	139,300	128,065	11,235		139,300	0
Other	47,500	45,289	2,211	Bus and taxi business +1,911, Freight business +268	47,400	100
Operating Income	15,400	11,764	3,636		17,100	-1,700
Railways	14,300	12,129	2,171		16,000	-1,700
Other	1,100	-364	1,464	Bus and taxi business +1,697, Freight business -233	1,100	0
Operating Income ROA	1.6%	1.2%	0.4P		1.7%	-0.1P
Depreciation	31,500	33,356	-1,856		30,700	800
EBITDA	46,900	45,120	1,780		47,800	-900
Capital Expenditures	38,000	24,398	13,602		39,100	-1,100

Tobu Railway Lines Number of Passengers (Unit: 1 Million people)	FY2022 Forecast	FY2021 Results	FY2022 Plan	Tobu Railway Lines Passenger Revenue (Unit: Millions of yen)	FY2022 Forecast	FY2021 Results	FY2022 Plan
Commuter Passengers	507	483	499	Commuter Passengers	55,370	53,209	54,947
Non-Commuter Passengers (LimitedExpress)	284	252	284	Non-Commuter Passengers (LimitedExpress)	68,668	59,246	68,782
	5	4	5		4,447	3,296	4,761
Total	791	735	783	Total	124,039	112,455	123,730

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

II. Full-year Forecast for FY2022 — Leisure

Unit: Millions of yen	FY2022 Forecast	FY2021 Results	Change	Notes	FY2022 Plan	Change
Revenue from Operations	170,700	102,579	68,121		137,900	32,800
Travel	132,800	74,625	58,175		101,400	31,400
Hotel	18,200	11,879	6,321		18,500	-300
SKYTREE	9,600	5,829	3,771		8,100	1,500
Other	10,100	10,244	-144	Amusement parks and tourism +296, Sports -465	9,900	200
Operating Income	12,500	-1,072	13,572		200	12,300
Travel	12,300	5,816	6,484		1,000	11,300
Hotel	-3,200	-7,105	3,905		-2,900	-300
SKYTREE	2,400	-740	3,140		1,100	1,300
Other	1,000	957	43	Amusement parks and tourism -165, Sports +186	1,000	0
Operating Income ROA	5.2%	—	—		0.1%	5.1P
Depreciation	6,500	6,619	-119		6,600	-100
EBITDA	19,000	5,547	13,453		6,800	12,200
Capital Expenditures	3,600	1,196	2,404		3,500	100

Number of visitors (Unit: 10,000 people)	FY2022 Forecast	FY2021 Results	FY2022 Plan	Main Hotels Occupancy Rate	FY2022 Forecast	FY2021 Results	FY2022 Plan
SKYTREE	237	104	191	CY Ginza	59.1%	34.8%	72.2%
				AC Ginza	42.1%	23.8%	63.7%
				Kinshicho	70.6%	38.7%	85.3%
				Narita	90.0%	70.4%	68.5%

II. Full-year Forecast for FY2022 — Real Estate

Unit: Millions of yen	FY2022 Forecast	FY2021 Results	Change	Notes	FY2022 Plan	Change
Revenue from Operations	57,900	62,517	-4,617		60,100	-2,200
Leasing business	34,000	37,977	-3,977		36,600	-2,600
SKYTREE TOWN	10,400	9,646	754		10,200	200
Subdivision business	13,500	14,893	-1,393		13,300	200
Operating Income	11,400	15,592	-4,192		13,500	-2,100
Leasing business	7,300	11,821	-4,521		9,600	-2,300
SKYTREE TOWN	1,500	1,364	136		1,500	0
Subdivision business	2,600	2,406	194		2,400	200
Operating Income ROA	3.3%	4.5%	-1.2P		3.9%	-0.6P
Depreciation	10,400	10,306	94		10,300	100
EBITDA	21,800	25,898	-4,098		23,800	-2,000
Capital Expenditures	16,500	8,007	8,493		17,700	-1,200

Number of visitors (Unit: 10,000 people)	FY2022 Forecast	FY2021 Results	FY2022 Plan
SKYTREE TOWN	2,844	2,052	2,577

Number of Units Sold Unit: 1unit	FY2022 Forecast	FY2021 Results	FY2022 Plan
Detached houses	40	25	40
Condominiums	547	728	546
Number of Units Sold After Converting Share			
Detached houses	27	25	27
Condominiums	294	320	294

II. Full-year Forecast for FY2022 — Retail Distribution

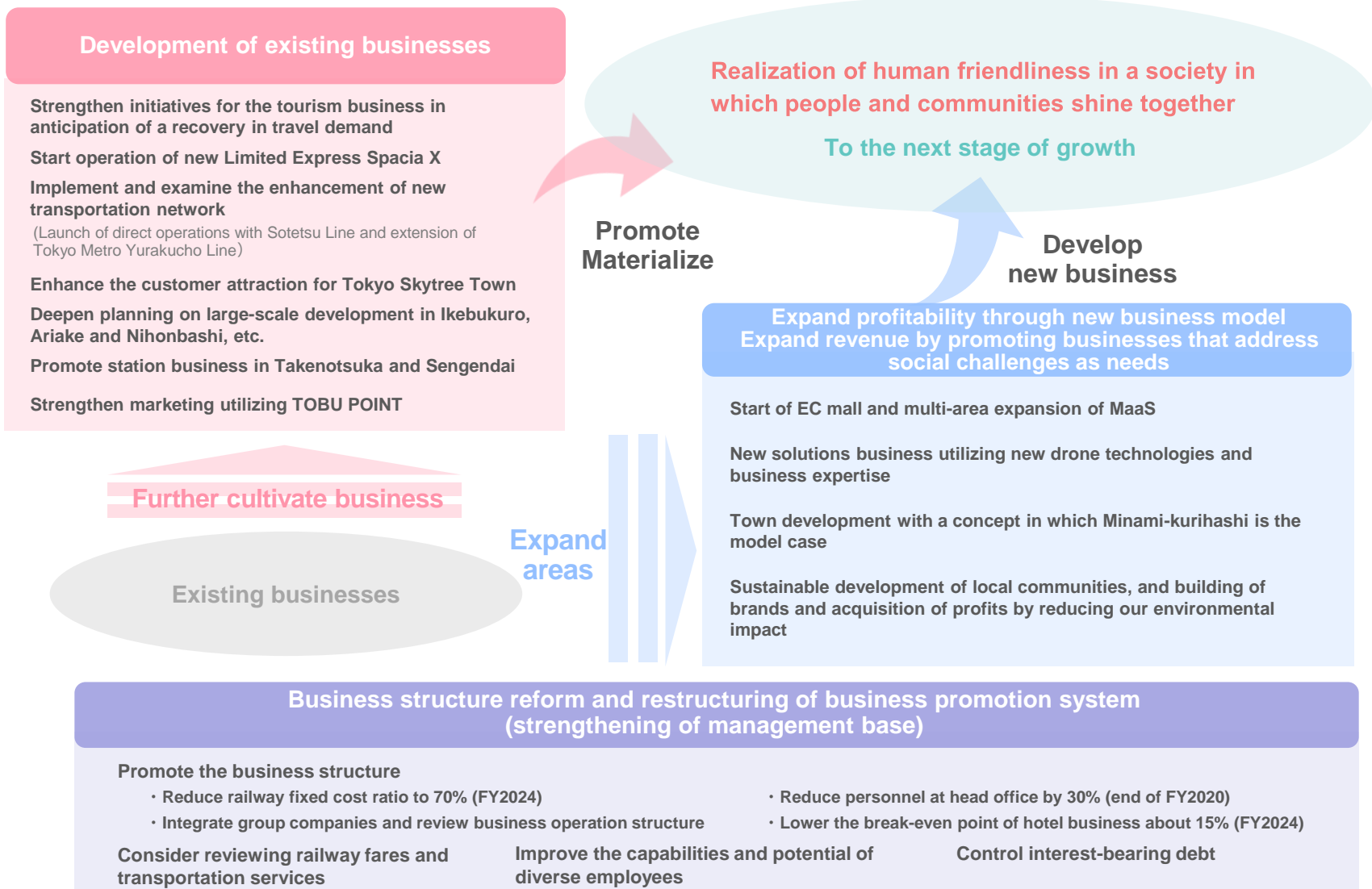
Unit: Millions of yen	FY2022 Forecast	FY2021 Results	Change	Notes	FY2022 Plan	Change
Revenue from Operations	165,400	154,166	11,234		166,400	-1,000
Department stores	56,200	49,879	6,321		58,200	-2,000
Supermarket	75,400	74,949	451		77,800	-2,400
Other	33,800	29,337	4,463		30,400	3,400
Operating Income	600	-4,022	4,622		1,000	-400
Department stores	500	-4,207	4,707		500	0
Supermarket	-200	242	-442		500	-700
Other	300	-58	358		0	300
Operating Income ROA	0.4%	—	—		0.8%	-0.4P
Depreciation	3,900	3,729	171		4,100	-200
EBITDA	4,500	-293	4,793		5,100	-600
Capital Expenditures	5,000	3,624	1,376		5,400	-400

Change in Sales at Major Department Stores	FY2022 Forecast vs. Previous Year	FY2022 Plan vs. Previous Year
Ikebukuro	16.8%	18.7%
Funabashi	6.0%	18.3%
Utsunomiya	7.5%	11.9%

II. Full-year Forecast for FY2022 — Other

Unit: Millions of yen	FY2022 Forecast	FY2021 Results	Change	Notes	FY2022 Plan	Change
Revenue from Operations	79,700	78,414	1,286		77,900	1,800
Operating Income	2,100	3,424	-1,324		2,600	-500
Operating Income ROA	0.8%	1.4%	-0.6P		1.0%	-0.2P
Depreciation	1,600	1,558	42		1,500	100
EBITDA	3,700	4,982	-1,282		4,100	-400
Capital Expenditures	2,200	1,944	256		2,100	100

III. Promotion of the Medium Term Business Plan



III. Promotion of the Medium Term Business Plan (Development of Existing Businesses)

Aiming to expand profits by capturing recovering inbound demand

Intangible initiatives

- **Various promotion activities anticipating a recovery in inbound demand**
 - ✓ Introduce digital tickets for inbound travelers
 - ✓ Promote the utilization of group facilities in collaboration with overseas OTA
 - ✓ Make sales at inbound business meetings
- **Utilization of overseas bases starting with the Taipei Office**
 - ✓ Quickly catch-up on local information and strengthen customer attraction with prompt information dissemination
- **Creation of travel products for the wealthy**
 - ✓ Sell plans which combine movement by helicopter and accommodation at The Ritz-Carlton Nikko
 - ✓ Provide chartered sunset cruises on Lake Chuzenji



Helicopter (illustration)
*Photo courtesy of AERO ASAHI CORPORATION



Lake Chuzenji cruise (illustration)

Tangible initiatives

- **Debut of the new Limited Express Spacia X on July 15, 2023**



Introduce new flagship limited express which showcases the splendor along railway lines

Embark on a new trip to encounter Nikko with the evolved Spacia

- **Nikko KANAYA Hotel Annex renovation (Scheduled for completion in June 2023)**

- **Courtyard by Marriott Tokyo Ginza Hotel (Scheduled for completion in FY2023)**

Aim to improve value in anticipation of a recovery in inbound business



Nikko KANAYA Hotel: celebrating the 150th anniversary of its founding

COURTYARD
BY MARRIOTT

Strengthen tourism initiatives in response to recovery in travel demand

Aiming for the international eco resort Nikko

Initiatives to improve attractiveness by reducing our environmental impact

■ Expansion of NIKKO MaaS contents

Cumulative number of tickets: approx. 20,000
(cumulative total over one year since release)
Cumulative sales: approx. 70 million yen
(same as above)

Tourist ticket

Expand to 27
facilities

Continue to expand functions which can be purchased in a one-stop service in the future

Acquire new customers from outside railway lines through digital (SNS and web advertising)-focused promotions



Activities

15 types of contents
Addition to the activity
menu in October

■ Development of outdoor facilities

Expand experience-based contents which allow users to feel history and nature on the shores of Lake Chuzenji



Camping experience program test project with Recamp Co., Ltd

■ Toward decarbonization of the Nikko region

Dec 2021: City of Nikko's "2050 Zero Carbon City declaration"

Apr 2022: Our initiatives in the Nikko and Kinugawa areas

→ Reduce the power used in all trains and station facilities in the area and limited express trains from the city center to the area to effectively zero CO2 emissions

Jul 2022: Okunikko region registered as a zero carbon park

We, as the Tobu Group, are accelerating the pace of our initiatives in Nikko in cooperation with stakeholders such as the city of Nikko



国立公園
オフィシャルパートナー



Strengthen the brand by utilizing the attractiveness of rich-in-nature Nikko

Improve attractiveness by promoting development of hub areas

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

- ✓ Ikebukuro Station west area has been nominated as an urban regeneration project by the Tokyo metropolitan government in the council for the National Strategic Special Zone
- ✓ We will promote the redevelopment project in an integrated manner by working with the authorities and preparation association toward the decision in FY2023 on the town planning
- ✓ Together with reorganizing the station and the station buildings, we will form a new station area, nodal space and pedestrian network



Illustration of the west exit of Ikebukuro Station after the redevelopment (our building)



Illustration of the ground and underground nodal space (provided by the Ikebukuro Station west area urban redevelopment preparation partnership)

Renovation of the entire floor for the first time since the opening of TOKYO Solamachi

■ East Yard 5F: Attract customers with a new experience-based facility (Spring 2023)

- ✓ Traditional playground to enjoy nature × Playground using cutting-edge technology
Birth of Chikyu no Niwa – a new type of indoor playground



Aim to enhance customer attraction with a facility for young people and families



Perspective drawing of the Chikyu no Niwa store (illustration)

Refine the attractiveness of the hub areas to further expand profits

III. Promotion of the Medium Term Business Plan (Expansion of Profitability through a New Business Model)

Turning profits in the digital market into one of the profit pillars of the Tobu Group

Expansion of services at bricks-and-mortar stores

■ Start support of the TOBU POINT app at Tobu Stores

(November 14, 2022)

Start giving and allowing customers to use points upon presentation of the TOBU POINT app at Tobu Stores

Strengthen the base of routine users through the new cultivation of TOBU POINT members

→ **Expand sales by demonstrating business synergy such as with the distribution of coupons targeting railway users**



Save and use TOBU POINTs on the TOBU POINT app even at Tobu Stores!

Starts on November 14 (Mon), 2022!

Expansion of sales channels to the digital market

■ Start EC mall TOBU MALL (Launch of service in the spring of 2023)

- ✓ Prepare and sell various experience products (railways and leisure facilities, etc.) which are the strength of the Tobu Group and then start a mall with our own unique flavor
- ✓ Cultivate new sales channels for various retail products in the Group
- ✓ Maximize the data value by linking up with the TOBU POINT app



TOBU POINT
東武ポイント



FY2024 target trading volume:
3 billion yen

■ Expand tourism-type MaaS

Newly expand to Kawagoe with the aim of enhancing the attraction of customers from outside railway lines (spring 2023)

Utilize group customer information with one ID based on TOBU POINTs



TOBU POINT app members

FY2022 target

As of the end of the first half of the year

400,000

(Revised upward by 90,000)

Approx. 300,000

Sales targeting digital marketing

(First half of FY2022)

Approx. 14 billion yen

Expand profits by expanding sales channels and strengthening digital marketing

Toward the acquisition of new profit opportunities

Utilization of new technologies and accumulated expertise

■ Drone utilization

- ✓ Open a school to train pilots and certify their skills with the aim of utilizing the management resources of the group
→ Expand business domains as a new solutions business
- ✓ Utilize in railway facility inspections and confirmation of fallen trees in the forests we possess



Drone school (illustration)

Utilization of external knowledge and experience

■ TOBU Open Innovation Program

Aim to provide high-quality services and expand profits by utilizing external knowledge such as from startup companies

✓ Demonstration experiments conducted so far (examples)

- Asakusa/TOKYO SKYTREE TOWN AI Digital Map
→ Approx. 70% of users expand their schedule and take sightseeing trips due to AI recommendations
- Installation of a fully artificial light plant factory in a hotel restaurant
→ Ensures high-quality and fresh vegetables to improve the added value of the hotel



AI digital map (illustration)



Fully artificial light plant factory in the restaurant

We plan to implement new initiatives utilizing the resources in our group in the future

Aim to expand business domains through the utilization of group resources

III. Promotion of the Medium Term Business Plan (Expansion of Profitability through a New Business Model)

Toward the sustainable development of the Tobu Group and local communities

Promotion of town development which is one of our strengths with a concept

■ Complex development at Minami-kurihashi

- ✓ Industry, government and academia work together to develop housing, commercial facilities, amenities for daily life and parks
- ✓ Town planning to live comfortably and sustainably by utilizing next-generation mobility systems and other advanced technologies and by promoting communities among residents

- May 2022: Open the town and start operation of AEON Style Minami-kurihashi
- Jul 2022: Start sales of detached house blocks (BLP Minamikurihashi Smart Villa)
- Sep 2022: Start experiment of running automatic delivery robots
- Mar 2023: Start limited express trains stopping at Minami-kurihashi Station (three upbound trains in the morning and six downbound trains in the evening/night)

From FY2023: Open fee-based retirement homes and clubhouses with nursing care and develop a promenade and park

■ Dokkyodaigakumae

- ✓ Town planning through residential/commercial development and revitalization of exchanges over the entire area
 - Condominiums: SOLAIECITY THE PARK / THE GARDEN and SOLAIE TERRACE EAST / WEST (selling now)
 - Detached houses (plan to start sales in FY2024)
 - Commercial facilities: TOBU icourt (plan to start operation in 2023)
 - Strengthen cooperation with the local government, residents and universities



TOBU
icourt
トーブイコート

➤➤ To serve as a model case of our town planning in the future

Expand town planning which enhances the attractiveness of the area

III. Promotion of the Medium Term Business Plan (Expansion of Profitability through a New Business Model)

Aiming for the realization of a people-friendly society where people and communities continue to shine together

Step 1

Promotion of cooperation between family members

(three generations living close together with two assets at the same station)

Initiatives to support outings as a part of creating an environment where the child-rearing generation find it easy to live (start from FY2022 with 690 entries)

- ✓ Virtually free child fares for parents and children going on outings during the long holiday periods (start from summer vacation of 2022 with use by 220 people)
- ✓ Virtually free school commuter passes for children (start September 2022)

Initiative to encourage long-term residents along railway lines

- ✓ Return of TOBU POINTs to long term commuter pass holders (scheduled to start in the spring of 2023)

Step 2

Creation of a system of cooperation including community members

Initiatives linked up with local governments aiming to create community revitalization and comfort and purpose for families

- ✓ Implement child-rearing support monitoring tours working with the city of Ashikaga
 - Held the char fishing & bamboo water gun making experience and rice harvesting and sweet potato digging experience (total of 63 participants)
- ✓ Create the Daini no Furusato (Second Hometown) experience program in the town of Ogawa
 - Take tourism revitalization measures through farming and paper making experiences, dinner exchange meetings, hikes in undeveloped woodlands and tours of breweries



Step 3

Expansion to whole railway line (eventually shifting to national model)

To make railway lines easier to continue living by promoting three generations living close together

Aiming for the sustainable operation of the railway business

Utilization of railway station barrier-free fare system

We have already notified the Ministry of Land, Infrastructure, Transport and Tourism about the introduction of the system around March 2023; we will add 10 yen per ride

■ Barrier-free promotion

We will expand the number of stations we have made barrier-free to 99 and prioritize development on 85 of those by FY2035 aiming for 100% installation of platform gates on the Direct Section to the City Center*and the Tobu Urban Park Line

*Main line: Oshiage/Asakusa to Tobu-Dobutsu-Koen to Kuki/Minami-kurihashi
Tojo Line: Ikebukuro to Shinrin Koen



Barrier-free promotion (illustration)

Initiatives based on changes in the business environment

■ Initiatives up to now

- ✓ Off peak miles (as of the end of September)
Cumulative number of uses: Approx. 580,000
Peak dispersion effect: Approx. 1%
- ✓ Implement a double mileage campaign for further peak distribution and effectiveness verification (October and November)



■ Course of direction for future consideration

- Consider the introduction of fares by time zone based on off-peak mile trends while aiming for the leveling out of transportation
- Proceed with consideration to review transportation services and income/expenditure structure based on business environment changes and demand

Proceed with consideration to solve issues faced by our lines

Promotion of business structure reform in our railway business aiming to build a strong management structure

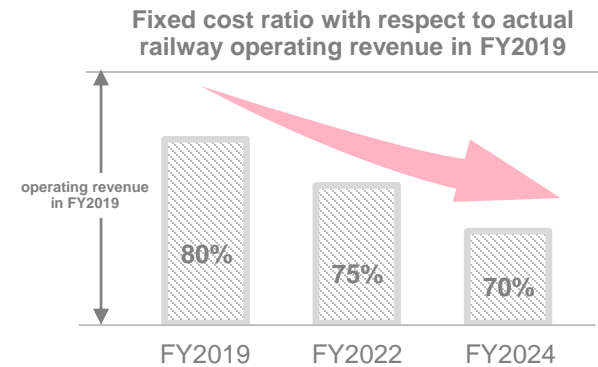
Reduction of the fixed cost ratio in the railway business

(1) Initiatives until now

- ✓ Review of the station work structure
- ✓ Expansion of one man operation sections (Nikko Line)
- ✓ Restructuring

(2) Initiatives planned for the future

- ✓ Expansion of the remote system for stations (spring 2023)
- ✓ Further expansion of one man operation sections
- ✓ Introduction of Remote and facility monitoring systems
- ✓ Promotion of verification for realizing Daishi Line GoA3 auto driving
- **Start verification of a forward obstacle detection system using commercial trains**



Steady progress toward the achievement of target figures (roughly 70%)

Company-wide promotion of efficiency and improvement in the abilities and potential of diverse employees

■ By the end of FY2022:

Achieve a 30% reduction of personnel at Tobu Railway Lines head office

Achieved ahead of schedule with productivity improvement by reviewing the organizational structure and utilizing digital tools



■ Toward expansion in profits in the future

- ✓ Focus on growth areas
- ✓ Build a scheme to promote diversity and embody the ideas of employees

Steadily achieve targets while utilizing digital technologies

III. Promotion of the Medium Term Business Plan (Business Structure Reform and Restructuring of Business)

Integration of trading company and retail businesses aiming for a strong management structure

Post-integration vision of the new Tobu Shoji

Realize trading firm and retail business with high efficiency and external competitiveness

- Policy**
- ✓ Efficient utilization of **economies of scale and human resources / capital**
 - ✓ Maximum utilization of **business characteristics**



- Capture new demand
- Expand sales channels and products handled
- Promote optimization

Target figures

30% increase in operating income
(Compared to before restructuring)

Toward the realization of our vision

(1) Examples of initiatives until now

Profit expansion:

- ✓ Review store expansion by integrating food and drink franchise business
→ **5% increase in sales (compared to the plan)**
- ✓ Expand sales channels for railway contents
→ **More than double increase in sales (year on year)**



Railway goods (illustration)

Productivity improvement:

- ✓ Integration of management departments
→ **10% reduction in personnel**

(2) Future initiatives

- ✓ Strengthen sales capabilities with further accumulation of expertise and utilization of customer network
- ✓ Expansion and consideration of new food services in customer attracting facilities
- ✓ Productivity improvement by promoting the multitasking of human resources



Realize size and income expansion

Promote optimization and sales capability strengthening to expand profits and income

Initiatives in our hotel business aimed at building a strong management structure

Initiatives to lower the break-even point and to strengthen profits in our hotel business

■ Continuation of selection and concentration and reduce fixed costs

Scaling back of the banquet and wedding ceremony division

Consolidate while ascertaining demand and competition trends by region

Streamlining of personnel

Reduce labor costs with multi-tasking etc.

Operational optimization

Utilize and update various systems (revenue and customer management, etc.)

■ Maximization of profits through a sales strategy which emphasizes unit costs

✓ Strengthen revenue management:

Raise operational skills by consolidating reservation departments and improve pricing accuracy to match demand by promoting digital transformation

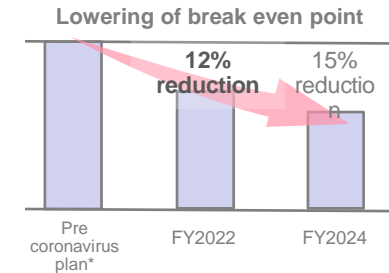
■ Expand profits by strengthening marketing

Create new demand with a proactive approach according to customer attributes

✓ Strengthen inbound customer attraction (maximum utilization of Marriott members and OTA)

✓ Capture users outside railway lines using TOBU POINT:

Attract repeat users and customers during the off-season and realize referral of high-value users in the group



Aiming for a reduction in the break even point around 15% in FY2024 (Compared to before coronavirus)



Aim to maximize profits with cost structure reform and profit expansion initiatives

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.