



# Promotion of Tobu Group Medium-Term Business Plan

May 11, 2018

**TOBU RAILWAY CO., LTD.**

# Promotion of Tobu Group Medium-Term Business Plan



## Growth Strategy (4, 3, 2, 1 Plan)

### ◆ Maximization of revenue through focused investment in key areas

Expand revenue by focusing investments in Asakusa/TOKYO SKYTREE, Nikko/Kinugawa, Ikebukuro and Ginza/Yaesu/Coastal areas.

### ◆ Improvement of value along railway lines through further cultivation of businesses along railway lines

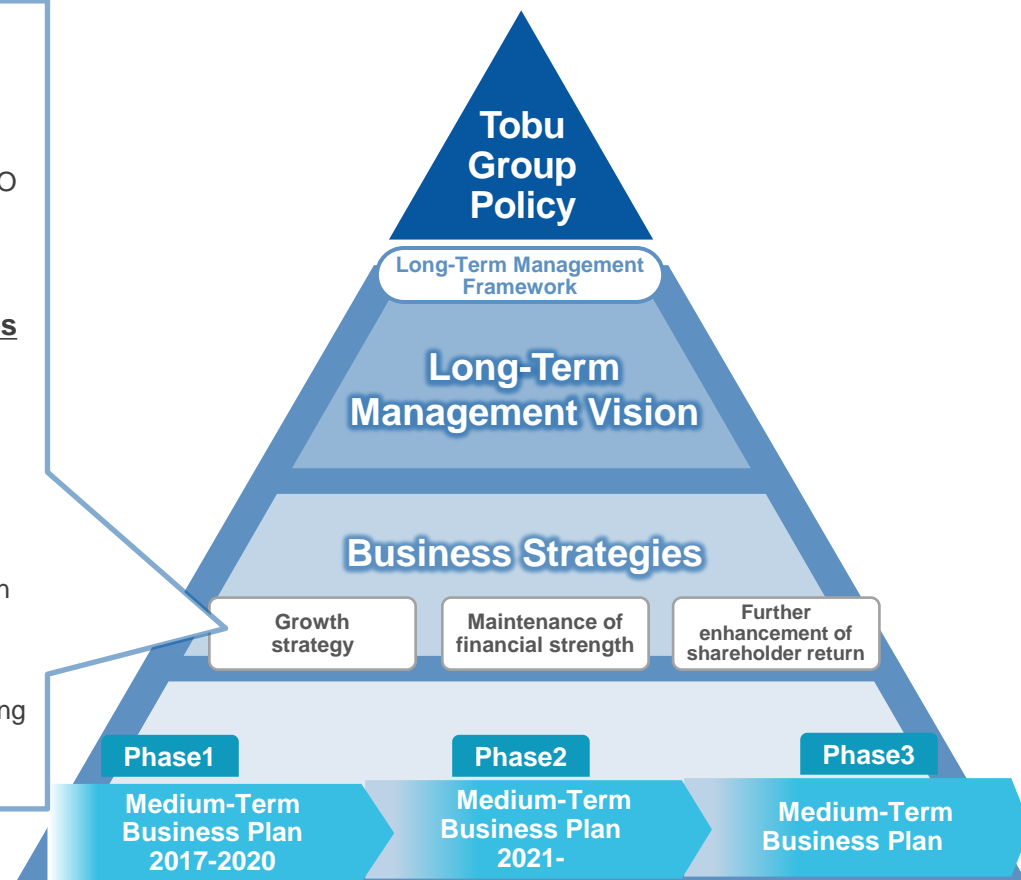
Raise value along railway lines by strengthening the railway network and improving convenience of life to increase the population along railway lines.

### ◆ Promotion of new businesses outside of railway lines

Accurately capture market demand and changes in the environment and seek new growth and increased recognition in areas outside of railway lines to expand the business.

### ◆ Inbound initiatives

Promote attraction of foreign tourists and play a role in making Japan a travel destination while working on inbound businesses in new fields.



## Phase1

### Positioning of Medium-Term Business Plan 2017-2020

- Promotion of growth investment for the next stage
- Planting/cultivation of business seeds anticipating Tokyo Olympics and Paralympics and thereafter
- Increased revenue through incorporation of rapidly growing inbound demand

# Promotion of Tobu Group Medium-Term Business Plan



## Status of Promotion of Growth Strategy

1. **Focused investment in key areas** . . . . . **P. 3 - 9**
  - (1) **Asakusa/TOKYO SKYTREE Area**  
For a further leap forward toward maximization of revenue looking ahead to 2020
  - (2) **Nikko/Kinugawa Area**  
Further highlighting of sightseeing attractions to make it a world-class tourist area
  - (3) **Ikebukuro Area**  
Promote unity and liveliness of the town to create an appealing and competitive city
  - (4) **Ginza/Yaesu/Coastal area**  
Take advantage of the Tokyo Olympics and Paralympics to further expand the business
2. **Further cultivation of businesses along railway lines** . . . . **P. 10 - 15**  
 Provision of luxurious lifestyle services  
 Improvement of transportation services  
 Facility development centered on stations
3. **Expansion outside railway lines** . . . . . **P. 16**
4. **Enhancement of inbound initiatives** . . . . . **P. 17 - 18**
5. **Expansion of the hotel business** . . . . . **P. 19**
6. **Initiatives for utilization of new technologies** . . . . . **P. 20**  
 such as ICT and AI

# Promotion of Tobu Group Medium-Term Business Plan



## Focused investment in key areas (Asakusa/TOKYO SKYTREE Area)

### Effects of 5th anniversary of TOKYO SKYTREE TOWN® event

\*May 8-June 4, 2017 (28-day comparison)

#### Trend in TEMBO DECK Visitors

**Approx. 4.2% increase YoY**

#### Trend in TEMBO GALLERIA Visitors

**Approx. 23.2% increase YoY**

#### Trend in Revenue from Operations in TOKYO SKYTREE

**Approx. 9.5% increase YoY**

#### Trend in Sales in TOKYO SOLAMACHI

**Approx. 6.2% increase YoY**

### FY2017 Results

#### Trend in TEMBO DECK Visitors

**4.44 million** (Approx. 1% decrease YoY)

#### Trend in TEMBO GALLERIA Visitors

**Approx. 3.6% increase YoY**

#### Inbound Percentage in TOKYO SKYTREE

FY2016 **17.7%** ➔ **FY2017 22.4%** (Up 4.7% YoY)

#### Trend in Sales in TOKYO SOLAMACHI

**Up YoY**  
(Effect of changing out 49 shops, etc.)

### Events carried out in FY2017



Attack on Titan anime collaborative event  
© Hajime Isayama/Kodansha / Attack on Titan Production Committee  
© TOKYO-SKYTREE



Les Catastrophes de Gaspard et Lisa collaborative event  
©2017 Anne Gutman & Georg Hallensleben / Hachette Livre  
© TOKYO-SKYTREE



Tokyo Skytree Town illumination

### Future direction of TOKYO SKYTREE TOWN®

#### ■ Model for town to pursue

##### Strategic customer attraction

- Promotion of visits by new customers
- Acquisition of repeat customers

##### Area strategy involving surrounding area

- Medium- to long-term town development
- Improvement of area appeal

##### Giving shape to various measures seizing opportunities

- Initiatives looking ahead to 2020
- Addressing of changes in times and environment

#### ■ Aiming to achieve target number of visitors to TOKYO SKYTREE®

##### Strengthening of inbound sales

Increasing of name recognition in Asia, Europe, United States and Australia ahead of 2020  
Improve utilization of overseas web agents

##### Strengthening of domestic/group sales

Maintain and increase school excursions  
Strengthen direct marketing to companies and organizational groups

#### ■ TOKYO SOLAMACHI® to become a regional revitalization SC meeting everyday and tourist demand

##### Capturing of repeat customers

Enhancement of marketing at existing shops + continuous changing out of shops

##### Strengthening of communication to tourists, including inbound

Transition to online digital media  
Collective expansion of duty free counters

**For a further leap forward toward maximization of revenue looking ahead to 2020**

# Promotion of Tobu Group Medium-Term Business Plan



Focused investment in key areas (Asakusa/TOKYO SKYTREE Area)

## ASAKUSA

Strengthening of customer attraction by changing out tenants in EKIMISE station building at Asakusa Station



Asakusa station

Sumida River



Illumination of bridge over Sumida River

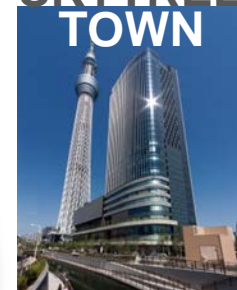


PARK



STREET

## TOKYO SKYTREE TOWN



Elevation near TOKYO SKYTREE Station

- Expansion of terminal functions in conjunction with elevation
- Expansion of business area

RIVER



Kitajukken River

Approx. 1 km

**Lively space connecting Asakusa and TOKYO SKYTREE**

**Launch of integrated redevelopment of space under the elevated railway + waterfront space + park in collaboration with ward/city (aiming for 2020 opening)**

**Unification of Asakusa and TOKYO SKYTREE TOWN® as tourist area for excursions  
Aiming to become Tokyo's greatest tourist area  
(30 million people x 30 million people)**



Asakusa Tobu Hotel (tentative name)

Accommodation-type hotel to capture both domestic and international tourist and business demand

# Promotion of Tobu Group Medium-Term Business Plan



Kinugawa Onsen Area

Shimo-imaichi Area

## Focused investment in key areas (Nikko/Kinugawa Area)

Promotion of new businesses from Shimo-imaichi area to Kinugawa Onsen area in FY2017

### Improvement of convenience of transportation



Launch of new limited express Revaty Aizu through train

New highway bus between Yokohama Station/Haneda Airport and Nikko/Kinugawa (TOBU BUS NIKKO)



Opening of new bus line Kinugawa-onsen Station – Nikko area (TOBU BUS NIKKO)



Opening of TOBU WORLD SQUARE Station



New highway bus between Tokyo Station and Nikko/Kinugawa (TOHOKU KYUKO BUS)

**Nikko area bus sales (Four-company total)**  
Up approx. 6% YoY

**TOBU WORLD SQUARE sales**  
up approx. 7% YoY

**FY2017 non-commuter passengers Increase of 14% YoY**  
(Total for Shimo-imaichi–Tobu-nikko and Shimo-imaichi–Shin-fujiwara)

**Number of visitors to Nikko in 2017: More than 12 million (highest ever)**

### Enhancement of attractions



Restoration of steam locomotive (SL) service



Opening of turntable square at Shimo-imaichi Station



Renovation of Shimo-imaichi Station building

**SL boarding capacity approx. 70,000 people**  
(August–March results)

Introduction of 2<sup>nd</sup> SL

Station with Showa retro feel

**Turn Kinugawa Line into theme park with Showa retro feel that families can enjoy**  
**Tie it into sightseeing route for Aizu/Fukushima**

2017

2020



# Promotion of Tobu Group Medium-Term Business Plan



## Focused investment in key areas (Nikko/Kinugawa Area)

Chuzenji/Yumoto Area



Nisha Ichiji Area

Promotion of further revitalization of Nisha Ichiji area and Lake Chuzenji/Yumoto area ahead of 2020

### Convenience of transportation

Enhancement of comfortable/eco-friendly means of transportation

-2017

Increase number of limited express trains to Nikko on Tobu Nikko Line



Cooperation with parks and bus rides as countermeasure for congestion in Nikko area

Consideration of EV bus introduction with Tochigi Pref.

### Attractions

Increase fun of visiting and staying



Introduction of *Nantai*, a new pleasure boat on Lake Chuzenji

### Enhancement of activities

Glamping activities at Lake Chuzenji



New building at Nishi-sando  
Restaurants befitting of temple approach

### Enhancement of food

### Intangible

Strengthen environment for communication and reception of information



Nikko Concierge

Multilingual map of Nikko area

Casual sightseeing services (Tobu-nikko Station)

Expansion of Wi-Fi area (Inside buses, Akechidaira Ropeway, etc.)



Nikko/Kinugawa Area  
Opening of official Instagram account

### Lodging facilities

Implement top-notch lodging services



Establishment of Japan Classic Hotel Association consisting of 9 hotels, including Nikko KANAYA Hotel

Trend in Nikko KANAYA Hotel occupancy rate  
Up approx. 4% YoY

Luxury hot spring inn "Nikko Fufu" (tentative name) to open in autumn 2019



Summer 2020 opening  
THE RITZ-CARLTON NIKKO

2020

Transition to stay-type resort

Transition to year-round resort

Transition to upscale resort

Become world's only international eco resort where history, culture, tradition and nature are in harmony

# Promotion of Tobu Group Medium-Term Business Plan



## Focused investment in key areas (Nikko/Kinugawa Area)

Promoting various initiatives in all areas looking ahead to 2020



### Nikko/Kinugawa Area Overall Tobu Group Revenue from Operations

Tochigi Destination Campaign  
Contribution to target number of visitors to Tochigi:  
**25 million people**

FY2017 Results  
Approx. **¥8.2 billion** (FY2016) → **¥10.6 billion** (FY2017)

Full Year Basis  
(2020 and later)  
**¥16 billion**



# Promotion of Tobu Group Medium-Term Business Plan



## Focused investment in key areas (Ikebukuro Area)

### ■ Aiming to strengthen international competitiveness in Ikebukuro area and create value along Tobu Tojo Line and promotion of urban redevelopment project

#### Overview of redevelopment project for west exit of Ikebukuro Station

Maximize value at west exit of Ikebukuro Station (approx. 6ha) through urban redevelopment project for west exit of Ikebukuro Station by preparation association and town development tied into the Company's nearby businesses

Ikebukuro Station West Exit Area Urban Redevelopment Preparation Association

Number of land owners within project area: 92 people

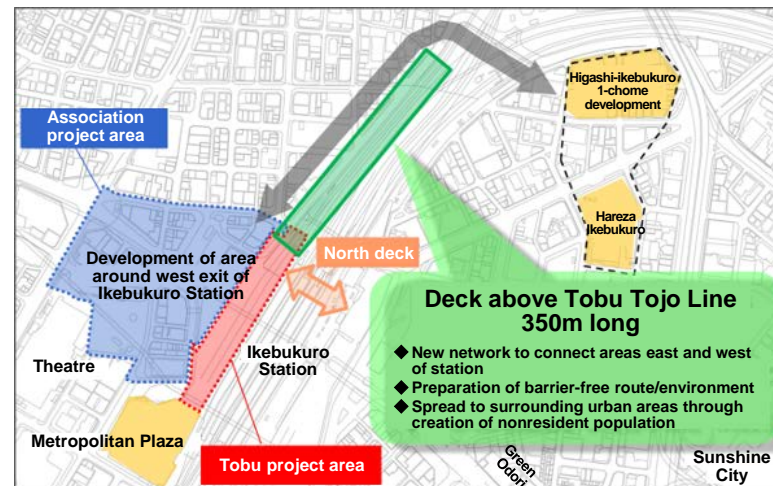
Participation in preparation association: 79% (as of April 26, 2018)

#### Deck plan to improve ease of getting around Ikebukuro area

- Tie into development east and west of station by preparing a deck above the Tobu Tojo Line in conjunction with redevelopment and improve ease of getting around and town unity (collaborate with Hareza Ikebukuro, etc.)
- Strengthen barrier-free line of flow around station and contribute as temporary standby site for disasters, etc.
- Spread liveliness to surrounding area and attract area development by creating new flows of people



Preparation of deck above railway line (illustration)



Schematic diagram of plan for deck above railway line (illustration)

**Promote unity and liveliness of the town to create an appealing and competitive city**

# Promotion of Tobu Group Medium-Term Business Plan



## Focused investment in key areas (Ginza/Yaesu/Coastal area)

### Construction of AC Hotels by Marriott Tokyo Ginza started in March 2018

Asia's first Marriott brand marked by stylish design

Total number of guest rooms: 296

Facilities: Restaurant, bar, fitness room, conference rooms, etc.

Schedule: Construction started in March, 2018 for summer 2020 opening



AC Hotels by Marriott Tokyo Ginza  
Illustration of building exterior

### Nihonbashi 3-chome (Yaesu) plan

Currently reviewing plan based on hotel business, making full use of prime location close to Tokyo Station

Location: Nihonbashi 3-chome, Chuo-ku, Tokyo

Site area: 723.67m<sup>2</sup>



Location

**Work on further business expansion in the Ginza/Yaesu/Coastal area, which represents Japan, on the occasion of the Tokyo Olympics and Paralympics**

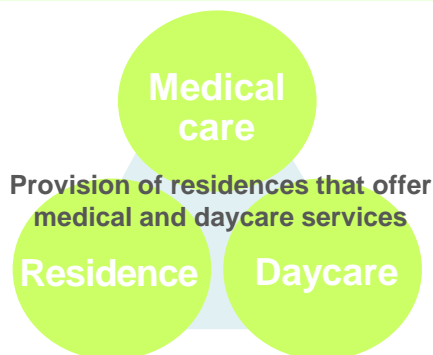
# Promotion of Tobu Group Medium-Term Business Plan



Further cultivation of businesses along railway lines (Provision of luxurious lifestyle services)

## Powerful support for child-raising and work culture reform

### Provision of residences for the child-raising generation



▶ Railway line that puts child-raising first

- Child-raising rental condominiums plan
  - Will apply with Tokyo child-care housing certification system
  - Adjoining pediatric and other clinics as well as pharmacy, provision of babysitting services
- Consideration of business model of company housing with child-raising functions
  - Consider company-led daycare facility within company housing
  - Child-raising support (daycare service, sick child daycare, etc.)
  - Aim to create regional, multi-generational community

### Provision of child-raising support services

- Development of nursery facilities near station
  - Opening of Hikifune childcare facility (April 2018) for a total of 12 facilities

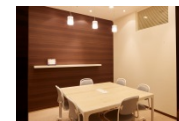


- Child-raising support for people living along the railway line (TOKYO SKYTREE® TOBU CARD PASMO members)
  - Present elementary school students with single round-trip passes (provide for spring, summer and winter breaks)
  - Consider expanding service in future to use of limited express



### Employment support measures

- Rollout of satellite offices
  - Locations in Dokkyodaigakumae, Fujimino, and Yokohama
  - Number of registered companies: 67
  - Number of registered users: 2,582 (as of April 2018)



Becoming the top railway line for comfortable living for three generations that people will want to move to/continue to live along

# Promotion of Tobu Group Medium-Term Business Plan



Further cultivation of businesses along railway lines (Provision of luxurious lifestyle services)

## Project for developing housing suited to diverse lifestyles

### Expansion of rental housing business to create opportunities to live along the Tobu Line

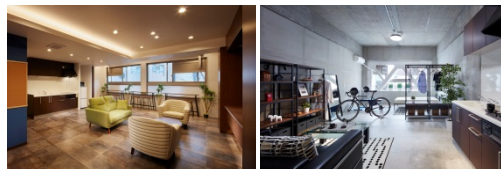
#### Introduction of new brand

- Introduction of new brand of rental housing
  - Increase recognition of Solaie brand of housing
  - Support residents in living the way they choose

**Solaie I'll**  
ソライエ アイル

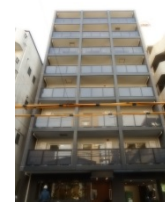
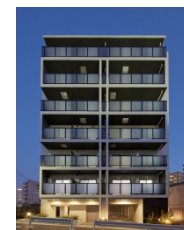
#### Rollout of rental condominiums

- Renovation of Shimoakatsuka Station building
  - Opening of community space to provide a place for residents to interact



#### Acquisition of profitable properties

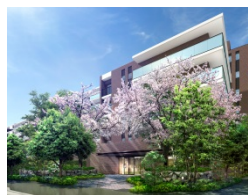
- Sumida-ku Azumabashi New rental condominium
- Sumida-ku Mukoujima New rental condominium



#### New condominium plan



- Solaie Higashikawaguchi Premium Residence (completed in FY2017)



- Solaie Katsushika-Kosuge (completed in FY2018)

#### Detached houses

- Solaie Shimizu-koen Urban Park Town



Promote proposal-based housing development suited to the needs of the times and multiple life stages



# Promotion of Tobu Group Medium-Term Business Plan



Further cultivation of businesses along railway lines (Improvement of transportation services)

## Improvement of speed and convenience by revising timetable

### ■ New limited express service to meet customer needs

- (1) Direct access  
(establishment of without-transfer through trains)
- (2) Introduction of new limited express Revaty that allows train cars to be connected and disconnected to increase frequency of limited express trains
- (3) Increased opportunities to use limited express

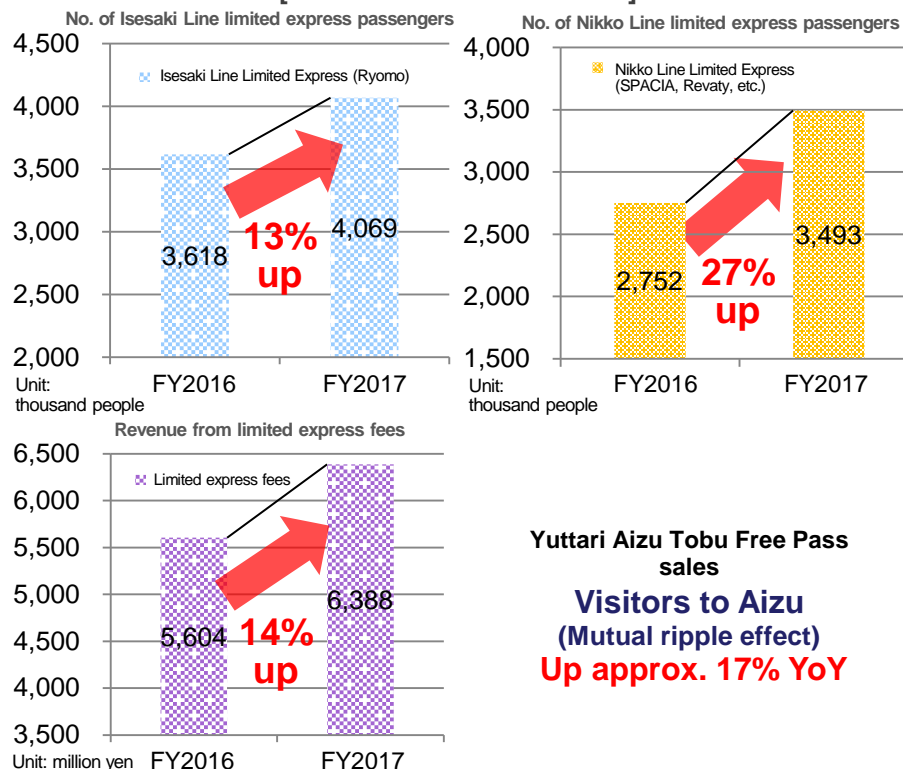
- Increase in number of limited express through trains to Tobu-nikko
- Introduction of new through train liner to TOBU URBAN PARK Line
- Introduction of limited express through train to Aizu
- All Ryomo limited express trains stop at Kuki
- Efficient train car management and increased revenue from express fares

Further increase revenue by developing services anticipating customer needs

### Record high limited express and non-commuter use

(Approx. 7.6 million limited express users and approx. 320 million non-commuters)

#### [Effect of timetable revision]



Yuttari Aizu Tobu Free Pass sales

Visitors to Aizu  
(Mutual ripple effect)  
Up approx. 17% YoY



# Promotion of Tobu Group Medium-Term Business Plan

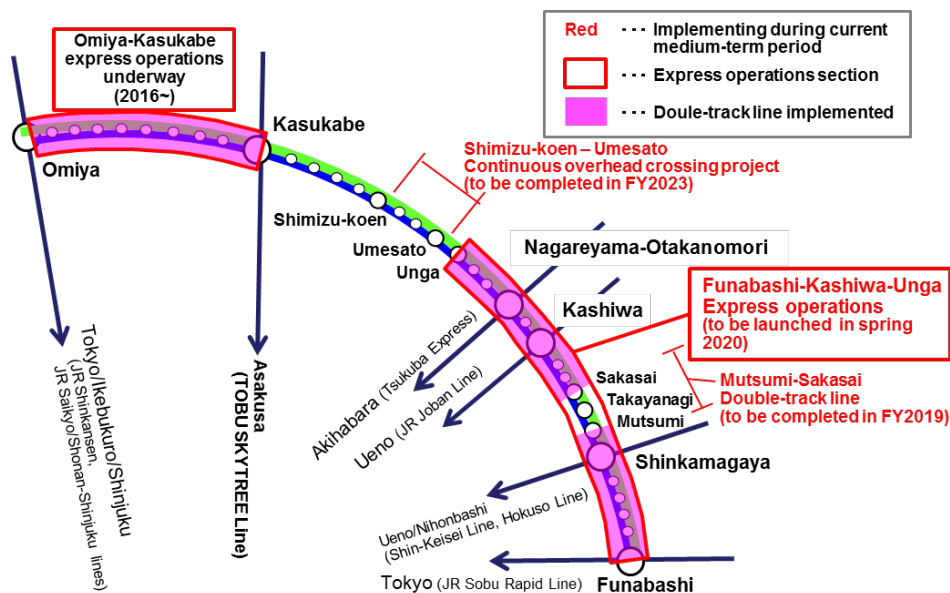


## Further cultivation of businesses along railway lines (Improvement of transportation services)

### Investments to improve speed, convenience and productivity

#### ■ Improvement of speed of TOBU URBAN PARK Line

Operate express train between Funabashi, Kashiwa and Unga with double-track line between Mutsumi and Sakasai and two platforms/four lines at Takayanagi Station (Scheduled for spring 2020)



#### ■ Introduction of service information app

- Launch of “Tobu Line App” for smartphones (free)

[Details]

Train service information

Departure times for registered stations

Stops/arrival times for each train

Current location of train (Tojo and Ogose lines)

→ Sections to be expanded



#### ■ Improve convenience of limited express ticket sales system

- Support for inter-line limited express ticket sales for Yamanote Railway/Aizu Railway ticketless services
- Strengthening of online sales system (including English language support)

#### ■ Consideration of improving productivity through labor saving

- Promote labor saving to address future decrease in working-age population and labor shortages

TOBU URBAN PARK LINE

# Promotion of Tobu Group Medium-Term Business Plan



## Further cultivation of businesses along railway lines (Improvement of transportation services)

### Promotion of safety improvement measures

#### ■ Status of platform door installation

[Installed]

Funabashi (2014), Kashiwa (2015), Wakoshi (2016)

Kawagoe (March 2018)

Ikebukuro (Platform 1 to be operational in April 2018, other platforms to be operational by FY2020)

[Installation underway]

Asaka, Shiki (construction to begin in FY2018)

[Planned for future]

- Installing at base stations and stations nearest to Tokyo Olympics and Paralympics venues by FY2020
- Installing at most used sections/stations one at a time in FY2021 and later



Ikebukuro Station platform door

**Aiming for 100% installation rate at stations/along sections with highest number of users (at least 50,000)**

(Total of 40 stations)

### Station-centered town development and utilization of space under elevated railway

#### ■ Continuous overhead crossing project

- Project in area around Takenotsuka Station (overhead crossing to be completed in FY2021 for operational lines)
- Shimizu-koen – Umesato (to be completed in FY2023)
- Area around TOKYO SKYTREE Station (to be completed in FY2024)



Elevation project in area around Takenotsuka Station



Elevation project in area around TOKYO SKYTREE Station (illustration of completed work)

#### ■ Elevation of station building

- Shingashi Station (December 2017)
- Takayanagi Station (to be operational in FY2018)
- Satte Station (to be operational in FY2018)



Illustration of Takayanagi station building after elevation

# Promotion of Tobu Group Medium-Term Business Plan



## Further cultivation of businesses along railway lines (Facility development centered on stations)

### Revitalization of town through development of new complexes

#### ■ Station building project at south exit of Wakoshi Station

Plan for station building with commercial and hotel facilities is underway with grand opening in spring 2020  
(some parts to be opened early in FY2019)

Commercial facilities: 1F-3F  
(merchandise, food, dining, services)  
Hotel: Guest rooms on 4F-7F



### Improvement of freshness as commercial facility and attractiveness of town through large-scale station building renovation



#### ■ Shinkoshigaya VARIE

Renovation of restaurant floors  
Opening gradually starting in December 2017

**28% increase in sales**  
(per tsubo per month)  
compared to before renovations  
(FY2015)



#### ■ Soka VARIE

(North wing: Fashion Street)  
To open in Oct 2018  
\*South wing to be renovated in the future

### Progress on and outlook for making chain of EQUIA station stores

#### ■ EQUIA Kitasenju grand opening

The largest EQUIA along Tobu Railways was opened on December 14, 2017 with a total of 41 shops in a large commercial cluster.  
Station space will continue to evolve through effective utilization (renovation/expansion).

**10% increase in sales**  
(per tsubo per month)  
compared to before renovations  
(FY2016)

**EQUIA**



EQUIA Kitasenju

#### ■ Shift from launching phase to development phase

FY2017 Open official website  
Open in Tobu-nerima/Ikebukuro (total of nine facilities)  
FY2020 Reach total of 20 facilities

- Actively solicit tenants according to trends and customer needs, including ones for which a location along a railway will be a first
- Enhance operations and sales, including joint sales promotions, active communication and streamlining of facility operations

# Promotion of Tobu Group Medium-Term Business Plan



## Expansion outside railway lines

### ■ SENDAI KOKUSAI HOTEL

- All guest rooms being renovated as of February 2017
- 2 restaurants renovated (listed in 2017 special edition of Michelin Guide Miyagi)

### ■ Zao Ropeway

- Received TripAdvisor 2017 Certificate of Excellence
- Illumination of frost-covered trees certified as “A night view inheritance of Japan®”



Illumination of frost-covered trees

### ■ Promotion of wide area tourism route to Tohoku region

- Participate in Japan tourism promotion project promoting Asakusa, Nikko and Aizu



Asakusa-Nikko-Aizu wide area promotion

### ■ New hotel plan in Chuo-ku, Osaka

- Promote hotel plan to capture domestic and international business and leisure demand
- Make full use of its status as one of the leading business districts in the Kansai region and its proximity to the Osaka and Umeda stations

Address: Hiranomachi 4-chome, Chuo-ku, Osaka

Site area: 1,249.17m<sup>2</sup>



Site in Chuo-ku, Osaka

**Pursue opportunities to expand profitability outside railway lines as well for new growth**



# Promotion of Tobu Group Medium-Term Business Plan



## Enhancement of inbound initiatives (strategic communication of information)

**Strengthening of communication with countries with high level of repeat visits to Japan (Asian market)  
(Harvesting of actual demand)**

- Held Tobu Group business meetings in Bangkok, Shanghai and Kaohsiung



Tobu Group business meeting in Kaohsiung

- Invited Chinese influencers



Chinese influencer

- Held China tour contests

**Strengthening of communication with European, American and Australian markets**

- Participated in travel fairs in England, Spain and Germany



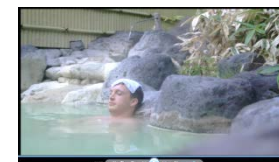
England Travel Fair



Spain Travel Fair

- Received two grand prizes in North Kanto Inbound Awards

- Tourism promotional videos for Europe and US
- Nikko KANAYA Hotel website



Tourism promotional video for Europe

- Nikko brand book

(More detailed information on Nikko's history, culture, etc.)

- TOKYO weekender

(magazine for wealthy Europeans and Americans in Japan)

- Initiatives ahead of Rugby World Cup

(Strengthening of PR targeting France, England, Australia, etc.)

**Strategic communication of information with clear target  
Promote Group-wide customer attraction measures**



# Promotion of Tobu Group Medium-Term Business Plan



## Enhancement of inbound initiatives (development of environment for inbound acceptance)

### Main initiatives starting in FY2017

#### ■ Multilingual support

- Introduction of multilingual ticket machines (8 languages)  
52 terminals at 23 stations (-March 2018)
- Multilingual PA broadcasts in emergency situations (9 stations)  
PA broadcasts in 4 languages in the event of accidents or disasters
- Introduction of multilingual LCDs inside TOBU BUS NIKKO



Multilingual ticket machine

#### ■ Enhancement of special inbound passes

- Launch of Greater Tokyo Pass (April 1)

#### Trend in inbound percentage at major hotels

	2016	2017
Ginza	68.8	70.2
Kinshicho	26.7	35.7
Narita	68.9	66.4

#### Trend in duty free sales at Tobu Department Store

Approx. 77% increase YoY

#### ■ Enhancement of acceptance system at Tobu Department Store Ikebukuro

- Enhancement of Chinese payment options (introduction of Alipay and WeChatPay throughout building)
- Re-opening of cosmetics department on 2F after renovation
- Expansion of duty free counter

#### ■ Enhancement of acceptance system at TOKYO SOLAMACHI

- Increase in number of shops supporting duty free purchases with introduction of duty free counter

#### ■ Preparation of environment for receiving Muslims

- Preparation of prayer rooms (Tobu-nikko Station/TOBU WORLD SQUARE)
- Launch of halal menu at KANAYA Hotel
- Preparation of maps for Muslims
- Strengthening of communication by influencers



Tobu-nikko Station prayer room

#### Tobu Group revenue from inbound operations

FY2016  
result:  
¥8 billion



FY2017  
result:  
¥10.5 billion

Become a railway and corporate group loved by people from all over the world

# Promotion of Tobu Group Medium-Term Business Plan



## Expansion of the hotel business

Hotels to be Opened	Opening	Number of Guest Rooms
Wakoshi Station South Exit Station Building Tobu Hotel (tentative name)	Spring 2020	158
Tobu Hotel Kawagoe Station West Exit Ekimae (tentative name)	Spring-Summer 2020	168
Asakusa Tobu hotel (tentative name)	Summer 2020	275
AC Hotels by Marriott Tokyo Ginza	Summer 2020	296
THE RITZ-CARLTON NIKKO	Summer 2020	94

## Initiatives to increase revenue at existing hotels

### ■ Narita Tobu Hotel Airport

Restaurant OASIS renovation (opened April 2017)



### ■ Shibuya Tobu Hotel

Members-only "Study Café" opened (June 2017)



## Development of accommodation-type hotels

### ■ Plan for Wakoshi Station South Exit Station Building Tobu Hotel (tentative name)

Tobu Tojo Line, directly connected to Wakoshi Station  
Construction: Entrance on 1F, lobby/lounge on 4F, guest rooms on 4F-7F

### ■ Plan for Tobu Hotel Kawagoe Station West Exit Ekimae (tentative name)

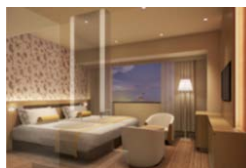
Tobu Tojo Line, Kawagoe Station, three-minute walk  
Construction: Lobby on 7F, guest rooms on 8F-11F

### ■ Asakusa Tobu hotel plan (tentative name)

Tobu Skytree Line, Asakusa Station, one-minute walk  
Construction: Lobby on 1F, restaurants on 3F, guest rooms on 4F-14F

### Tobu accommodation-type hotels

- Superior convenience of access
- Spacious, highly marketable guest rooms



Wakoshi Station South Exit Station Building Tobu Hotel (tentative name)



Tobu Hotel Kawagoe Station West Exit Ekimae (tentative name)

## Trend in Occupancy Rate of Main Hotels

	2015	2016	2017
Ginza	93.9	92.1	95.5
Kinshicho	86.5	84.7	85.1
Narita	79.8	76.5	77.0

## Tobu Group revenue from hotel business

**FY2016**  
Revenue from Operations  
¥17 billion



**FY2017**  
Revenue from Operations  
¥18.5 billion

**Promote new hotel plans at base stations and maximize revenue at existing hotels**

# Promotion of Tobu Group Medium-Term Business Plan



## Initiatives for utilization of new technologies such as ICT and AI

### Cooperation with NTT DOCOMO's 5G Trial Site experiments

- Participate in 5G Trial Site field tests as NTT DOCOMO aims for commercialization by 2020  
Cooperate with business partners to create new services

- Held opening event at TOKYO SKYTREE TOWN (May 2017)



- DOCOMO 5G Trial Site (December 2017)  
Successful long-range transmission of 5G signal between TOKYO SKYTREE and Asakusa EKIMISE



- Participation in Ministry of Internal Affairs and Communications 5G general field tests (GI/GII)  
Field tests conducted on Nikko Line (Shin-tochigi - Shin-kanuma) and at TOKYO SKYTREE TOWN (February-March 2018)



### Consideration of use of drones in railway facility inspections

- Conducted field tests using cellular drones tying into the NTT DOCOMO mobile phone network to inspect railway facilities

- Period: February 27 and 28, 2018
- Location: Tonegawa Bridge (Kurihashi - Shin-koga on Nikko Line) and slopes around Kinugawa-onsen (Kinugawa-onsen - Kinugawa-koen on Kinugawa Line)



### TOBU TOP TOURS collaboration with other industries

- Promote new businesses through partnerships and collaboration with AVEX TRAVEL CREATIVE INC., Nielsen Sports Japan, Inc. and NAKED Inc. and develop independent tourism strategy



Incorporate cutting-edge technologies and know-how from outside the company and consider new businesses that are ahead of the times.

# Promotion of Tobu Group Medium-Term Business Plan



## Progress on Investment Plan

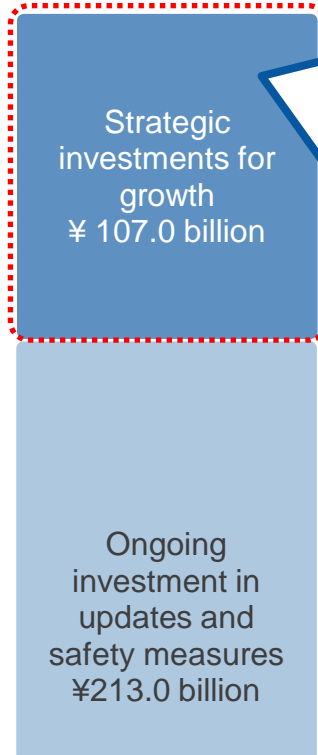
2013-2016  
Total capital expenditures  
¥237 billion  
(excluding acquisition of  
beneficial interests)

2017-2020  
Total capital expenditures  
¥320 billion (plan)



+2.4x

+1.1x



**FY2017 approx. ¥30 billion  
(full-year)**

### Main strategic investments for growth

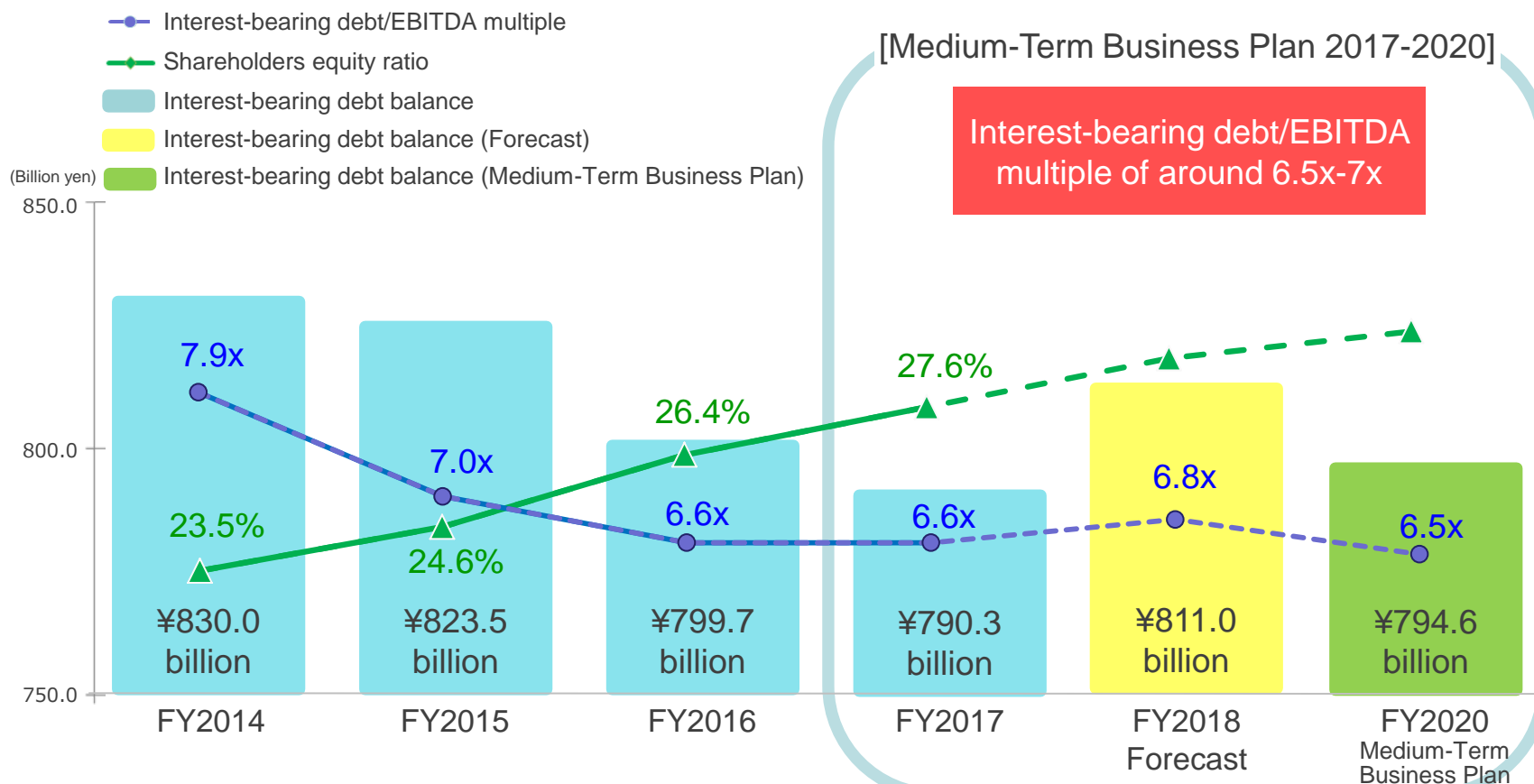
- Acquisition of land in Chuo-ku, Osaka City
- Acquisition of TOBU TOWER SKYTREE shares
- Capital tie-up with travel agency involved in planning inbound tours

# Promotion of Tobu Group Medium-Term Business Plan



## Maintenance of Financial Strength

Maintain financial strength while working on growth investment and further enhancement of shareholder return





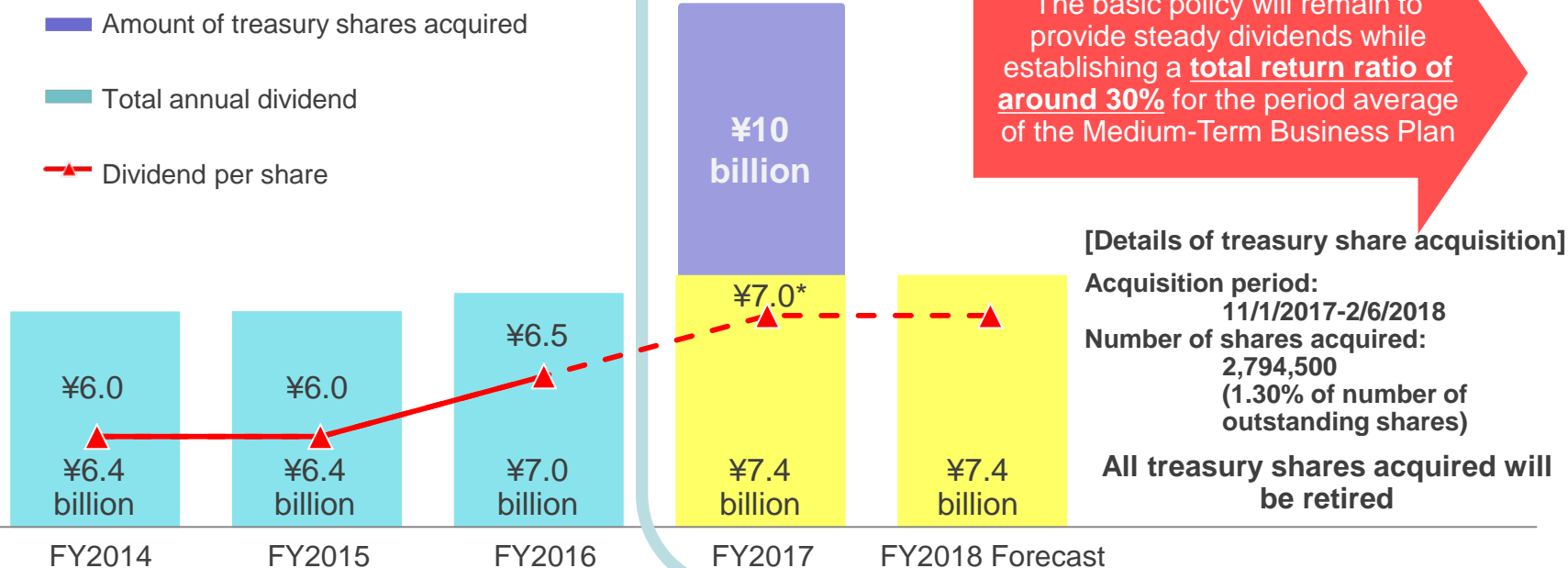
# Promotion of Tobu Group Medium-Term Business Plan



## Further Enhancement of Shareholder Return

Acquire and retire treasury shares  
FY2017 total return ratio (estimate) to be around 48%

[Medium-Term Business Plan (2017-2020)]



\* Before reverse stock split. On the condition that the proposal for appropriation of retained earnings is approved at the Ordinary General Meeting of Shareholders on June 22, 2018.

# Reference

## Consolidated Management Indicators

Target Management Indicators	FY2020		Reference indicators		FY2020	
Operating Income (billion yen)	67.5		EBITDA (billion yen)		Approx. 120.0	
Profit Attributable to Owners of parent (billion yen)	38.6		Interest-bearing debt/EBITDA multiple (x)		6.5-7.0x	
			ROE (%)		Around 7.5%	

	FY2016 Results	FY2017 Plan (A)	FY2017 Results (B)	Change (B)-(A)	FY2018 Forecast	FY2020 Plan
Revenue from Operations (billion yen)	568.9	570.7	569.5	-1.2	588.3	590.0
Operating Income (billion yen)	68.3	61.3	66.6	5.3	65.3	67.5
Recurring Income (billion yen)	62.1	55.4	62.3	6.9	60.5	60.7
Profit Attributable to Owners of Parent (billion yen)	36.1	37.1	36.0	-1.1	37.5	38.6
Depreciation (billion yen)	52.8	53.7	52.5	-1.2	53.7	55.1
EBITDA (billion yen)	121.1	115.1	119.1	4.0	119.0	122.7
Interest-bearing debt (billion yen)	799.7	803.8	790.3	-13.5	811.0	794.6
Interest-bearing debt/EBITDA multiple(x)	6.6	7.0	6.6	-0.4	6.8	6.5
ROE (%)	8.9	—	8.3	—	—	—
Capital expenditures (billion yen)	54.0	77.2	73.9	-3.3	86.7	67.4

## 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.