



Promotion of Tobu Group Medium-Term Business Plan

November 10, 2017

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

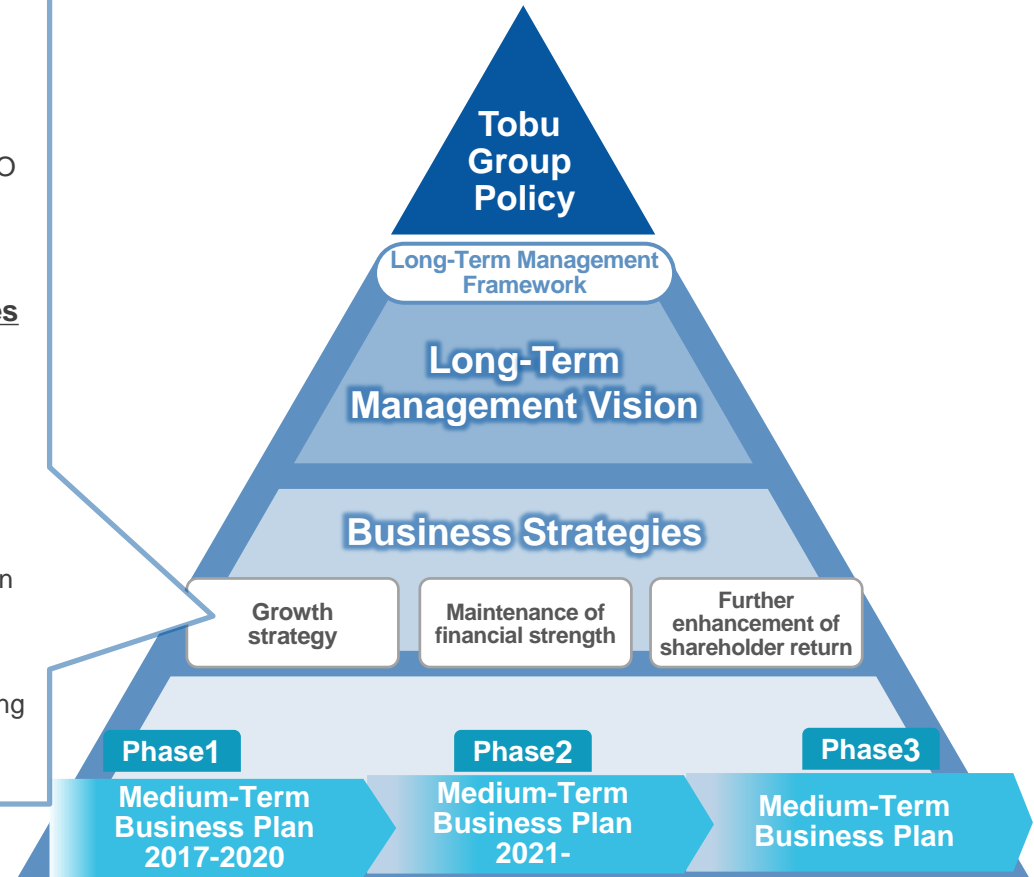
Raise value along railway lines by strengthening the railway network and improving convenience of life to increase the population along railway lines.

◆ 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

Status of Promotion of Growth Strategy

1. Focused investment in key areas	P. 3 – 8
(1) Asakusa/TOKYO SKYTREE Area	
TOKYO SKYTREE TOWN: From stability to growth on occasion of 5 th anniversary	
(2) Nikko/Kinugawa Area	
Further highlighting of sightseeing attractions to make it a world-class tourist area	
(3) Ikebukuro Area	
Promotion of redevelopment business to create new value along railway lines and strengthen international competitiveness of Ikebukuro area	
(4) Ginza/Yaesu/Coastal area	
Enhancement of revenue bases utilizing Group-owned land	
2. Further cultivation of businesses along railway lines	P. 9 – 13
Improvement of transportation services	
Facility development centered on stations	
Provision of luxurious lifestyle services	
3. Expansion outside railway lines	P. 14
Development of hotel business in Osaka	
4. Enhancement of inbound initiatives	P. 15

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

Asakusa



- Launch of large-scale display in Asakusa (from October 2017)
- Strengthening of service functions by changing out tenants in EKIMISE station building at Asakusa Station
- Consideration of new hotel plan

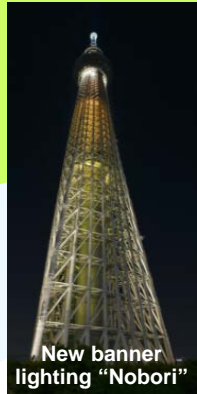


- Promotion of redevelopment plan for space under elevated railway between Asakusa station and TOKYO SKYTREE station/Kitajukken River waterfront space

(Aim for partial opening in 2020)

Introduction of thriving facilities in space under the elevated railway
Implementation of tourism promotions partnering with government

TOKYO SKYTREE TOWN



- Promotion of TOKYO SKYTREE Station elevation (Consideration of "SKYTREE TOWN expansion plan" utilizing newly created space)

- Utilization of real estate owned in area in conjunction with area development plan

Aim to be biggest attraction in Tokyo: a unified tourist area where visitors can tour both Asakusa and TOKYO SKYTREE TOWN®

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

Increasing of visitors through special newsworthy plans and organizing of events at TOKYO SKYTREE®

Collaborative events



Attack on Titan anime collaborative event

©Hajime Isayama, Kodansha: Attack on Titan Production Committee ©TOKYO-SKYTREE



Thomas & Friends collaborative event

©2017 Gullane (Thomas)Limited. ©TOKYO-SKYTREE

Trend in TEMBO GALLERIA Visitors

YoY
Approx. 21% up

(1H 2016 → 1H 2017)

Inbound Percentage

Approx. 7% → **Approx. 22%**

FY2013 survey 1H 2017 survey

Trend in TEMBO DECK Visitors

YoY
Approx. 6% up

Approx. 2.2 mil → **Approx. 2.33 mil**

(1H 2016 → 1H 2017)

Trend in Revenue from Operations

YoY
Approx. 6.5% up

¥6.97 bil → **¥7.42 bil**

(1H 2016 → 1H 2017)

Implementation of visitor-attracting events and sales promotion measures on occasion of 5th anniversary of TOKYO SKYTREE TOWN®

Visitor-attracting events



Noh x VJ live performance



Collaboration with local summer festival



Illumination 2017 (illustration) (from 11/9)

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

Everyday

Tourist

Targeting nearby/peripheral areas

Targeting sightseeing/urban tourism

- Merchandising according to changes in customer demand (Upon 5th anniversary, balance between everyday and tourist activity going according to initial plan)
- Merchandising/sales strategy maintaining cheer and extraordinariness
- Promotion of visits by new customers and development of repeat customers

Future vision

Strategic customer attraction

Area strategy involving surrounding area

Giving shape to various measures seizing opportunities

First year of renewal!

Change out about 50 of 200 shops approaching end of lease



TOKYO SKYTREE TOWN 5th anniversary: From stability to growth Further leap forward for maximization of revenue

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Focused investment in key areas (Nikko/Kinugawa Area)

Promotion of new businesses in Nikko/Kinugawa area in 1H FY2017

Creation of new attractions



Shimo-imaichi Station building renovation



Opening of Shimo-imaichi steam locomotive (SL) turntable square



Launch of restoration of steam locomotive (SL) service



Lake Chuzenji: New pleasure boat "Nantai"

Improvement of convenience of transportation



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



Increase in through trains between Tobu-nikko and Kinugawa-onsen



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



Launch of new limited express Revaty Aizu through train



Opening of TOBU WORLD SQUARE Station

Results of above initiatives

Nikko area non-commuter passengers

Up approx. 20% YoY

(Total for Shimo-imaichi-Tobu-nikko and Shimo-imaichi-Shin-fujiwara)

Visitors to Aizu Fukushima (Mutual ripple effect)

Up approx. 25% YoY

(Yuttari Aizu Tobu Free Pass sales)

SL boarding rate: Approx. 90%

(Average for all trains 8/10-9/30)

Implement regional collaborative plan through "Locomotion Together Council" for revitalization of regional tourism

E.g.: Everyone wave to SL "Tajju" project

Strengthen metropolitan area/Nikko/Aizu sightseeing route
Tie into northern lines

Nikko Area Tobu Group Revenue from Operations

Approx. ¥5.2 bil
(1H 2017)

2015 full-year results Approx. ¥8 bil

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Focused investment in key areas (Nikko/Kinugawa Area)

Future Vision for Nikko/Kinugawa Area

Now

Abstract enhancements



Development of new static and dynamic activities

Expansion of activities and hands-on programs



Introduction of multilingual ticket machines at Tobu-nikko Station/Establishment of Nikko concierge service

Preparation of environment to accommodate foreign tourists



Development of new foods

Enhancement of food



YouTube ads targeting Europe, US and Australia

Strengthening of communication inside and outside Japan

Enhancement of lodging facilities



Strengthening of KANAYA HOTEL Group synergy



Autumn 2019 "Nikko Fufu" (tentative name)

Attraction of new category of hotels



2020 opening THE RITZ-CARLTON NIKKO

Environmental efforts

Introduction of energy saving cars (Revaty)

Introduction of new energy saving pleasure boat (Nantai)

Consideration of introduction of electric bus with Tochigi Pref.

2020

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

Transition to stay-type resort

Transition to year-round resort

Attraction of wealthy class from Japan and other countries

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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

- Promote development of large-scale complex at 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 in project area: 92
Preparation association participation rate: 77% (as of October 26, 2017)

- Create space at station to be “face of town” through full-scale renovation of facilities at Ikebukuro Station

Create space at station to be new “face of town” and promote town development unifying station and town



Aim to decide on FY2018 city plan and promote review of town development in collaboration with preparation association

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

AC Hotels by Marriott Tokyo Ginza to open in 2020

Lifestyle hotel “AC Hotels by Marriott Tokyo Ginza” is to be opened in summer 2020 and will be the first facility to be opened in Asia by world-leading hotel chain Marriott International. It will answer the diverse needs of the increasing number of foreign tourists in Japan.

Total number of guest rooms: 296

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

Schedule: Construction starting in 2018 for summer 2020 opening



Project area



AC Hotels by Marriott Tokyo Ginza
Illustration of building exterior

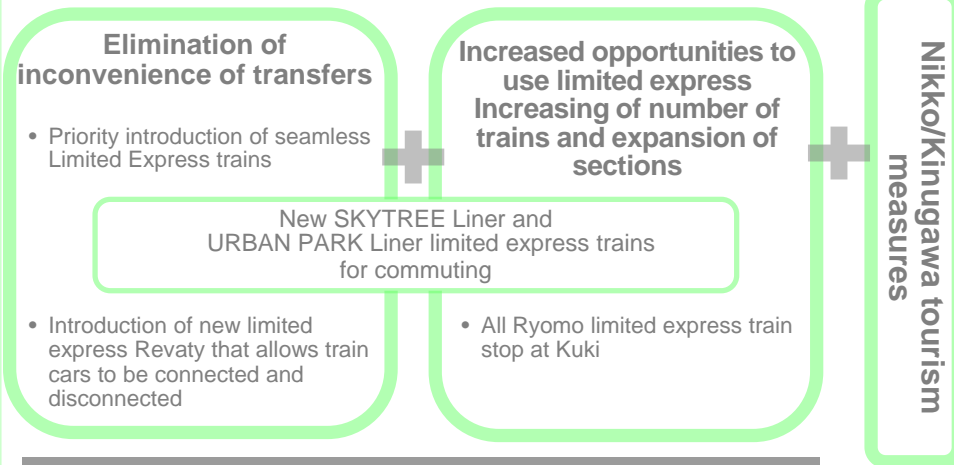
Work on further business expansion in the Ginza/Yaesu/Coastal area, which represents Japan, in anticipation of the Tokyo Olympics and Paralympics

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

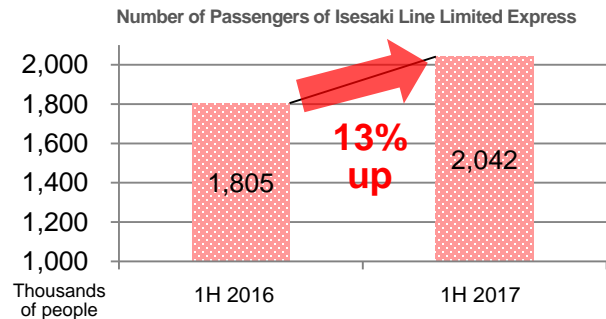
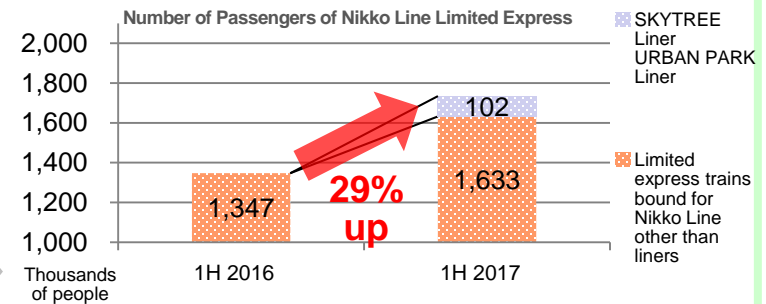
Improvement of speed and convenience by revising timetable

Making own lines (network) seamless for railway transport without transfers

■ April 2017 timetable revision



[Effects of Timetable Revision]



Measures to further promote use

- Consider universal use of connectible/disconnectible limited express cars and further utilization of own lines (network)
 - Rollout to new limited express trains
 - Rollout of seamless commuter transportation and development of No. 1 commuting environment by expanding liner operations
- Improve convenience of limited express ticket sales system



New 500 series limited express car Revaty

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

Improvement of speed and convenience through new capital investment

■ Launch of operation of new 70000 series cars

- Introduction as cars for TOBU SKYTREE Line/ Tokyo Metro Hibiya Line mutual through train operations
- Operations launched in July 2017 (Total of 22 trains by FY2019)
- Received FY2017 Good Design Award

GOOD DESIGN AWARD 2017



70000 series commissioning ceremony (Kitakoshigaya Station)

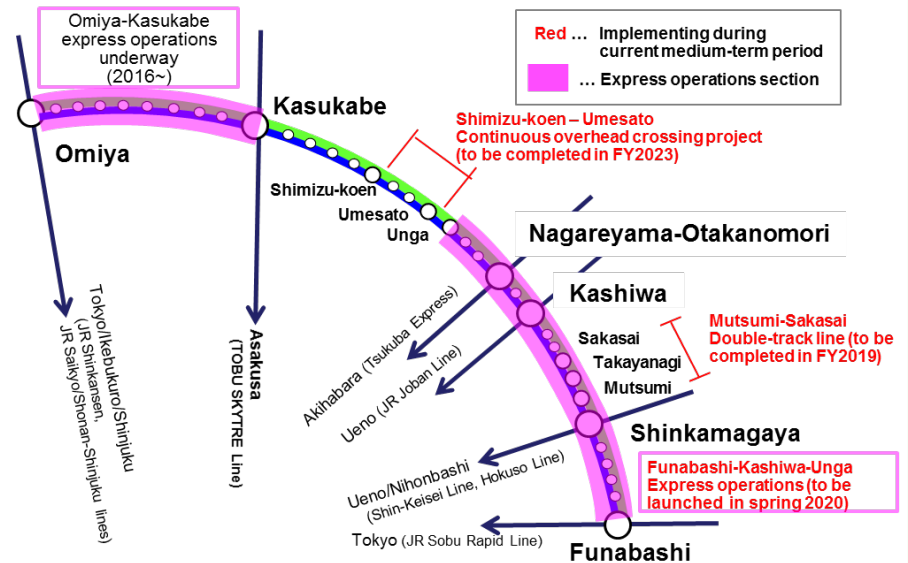
Efforts to reduce environmental impact

Energy savings by introducing new cars (Comparison of energy consumption by old and new cars on same section)

60000 series	(TOBU URBAN PARK Line train)	
		Approx. 40% reduction
70000 series	(Hibiya Line through train)	
		Approx. 25% reduction

■ 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)



TOBU URBAN PARK LINE

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)

[Installation underway]

- Kawagoe (to be operational in March 2018)
- Ikebukuro (construction to begin in FY2017)

[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



Kawagoe Station platform door illustration

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 (to be completed in FY2020)
- 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 buildings

- Shingashi Station (to be operational in December 2017)
- Takayanagi Station (to be operational in FY2018)
- Satte Station (to be operational in spring 2019)



Illustration of Takayanagi station building after elevation

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

Improvement of convenience and enhancement of brand power by opening several EQUiA station stores

■ EQUiA Shiki grand opening

Station building with 37 stores to be re-opened after major renovations at Shiki Sta., which has 100,000 users a day* (June 30)
 *Largest number of users for individual Tobu Railway station (not transfer station)



EQUiA Shiki

50% increase in sales compared to before renovations (FY2015)

The plan anticipating market changes was successful, so sales are going strong
From goods-focused to food-focused + goods merchandising

■ EQUiA Kitasenju grand opening

Reopened as largest EQUiA along Tobu Railways on December 14 with a total of 41 shops in large commercial cluster.
 Station space will continue to evolve through effective utilization (renovation/expansion).



EQUiA Kitasenju (illustration)

EQUiA

■ Future developments for EQUiA series

Total of 10 facilities by end of this fiscal year
 (Planned facilities: Ikebukuro, Tobu-dobutsu-koen, Tobu-nerima)

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

■ New food floor at Tobu Department Store Ikebukuro

Reopened in September-November after renovation
 (B1 level in south wing fully renovated approx. 1,100m²)
 Total of 27 shops opened, including deli, liquor store, sweets shop and bakery
 (21 shops opening first location in Ikebukuro area)



New food floor

■ Shinkoshigaya VARIE

Renovation of restaurant floors
 4F To open in Dec 2017
 5F To open in Jan 2018

■ Soka VARIE

(North wing: Fashion Street)
 To open in Oct 2018

Revitalization of town through development of new complexes

■ Construction of station building at south exit of Wakoshi Station

Proceeding with station building plan for commercial and hotel complex

New acquisition of profitable property

■ FLEUVE OSHIAGE

Secure constant revenue
 (103 apartments/store)



Utilization of owned real estate

■ Land owned at south exit of Ota Station

Opening of Hotel Route Inn

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

Housing development business (luxurious lifestyle services)



Solaie Higashikawaguchi Premium Residence (completed in FY2017)



Solaie Katsushika-Kosuge (completed in FY2018)



Solaie Nagareyama-otakanomori (completed in FY2019)



Solaie Shimizu Park Urban Park Town



Lifestyle support business (best living environment)

Child-raising support

Development of nursery facilities near station

- Kitasenju (April)
- Hikifune (April 2018)

**Total of 12 facilities
Railway line with no
childcare waiting list**



Kitasenju childcare facility

Employment support

Opening of satellite office (August)

- Dokkyodaigakumae
- Fujimino
- Yokohama



Moving support

Partnerships with local authorities along railway line, including Saitama Prefecture



Explanatory meeting for moving support system

Community support

Solaie Navi (web service) design update



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

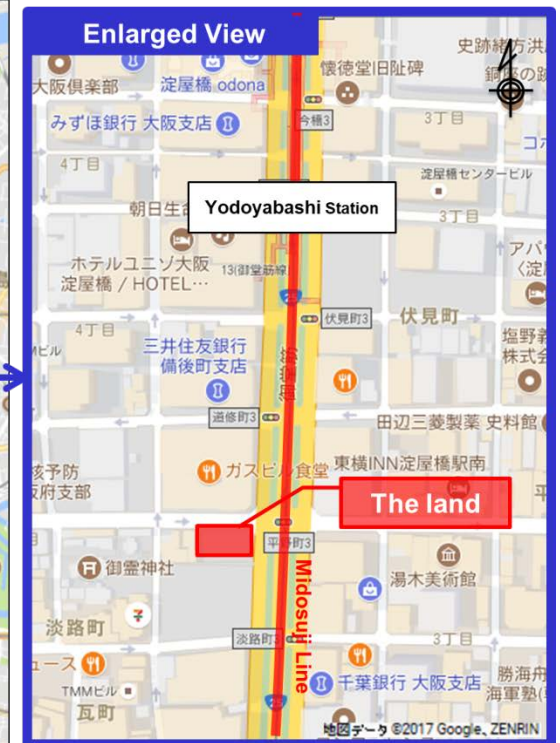
Provision of general lifestyle services for multiple generations

Becoming a railway line people feel attachment to and a sense of pride in and want to move to/continue to live along

Expansion outside railway lines

Development of hotel business in Osaka

- Acquisition of land in Chuo-ku, Osaka (Site area: 1,249.17m²)
 - 1 subway station from Osaka Sta.(Umeda Sta.)-Yodoyabashi Sta. on Midosuji Line and 4-minute walk
 - Acquire commercial land in Midosuji area, which is a leading business district in Osaka



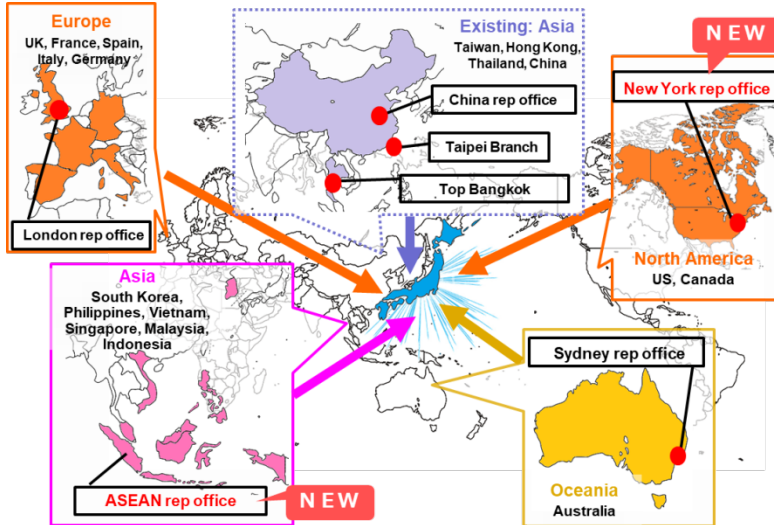
Pursue opportunities to expand profitability along railway lines as well for new growth

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Enhancement of inbound initiatives

Expanding target countries from Asia (Taiwan, Hong Kong, Thailand and China) to include Europe, United States, Australia and other countries in Southeast Asia



Main initiatives

- Collaboration with BOJ Inc. (planning and sales of hands-on programs)
Tour packages utilizing products along Tobu Railway lines
- Establishment of Ikebukuro Tourist Center
(third location following Asakusa and Nikko)
- International Travel Fair exhibit
(South Korea/Taiwan (Gaoxiang)/Singapore/Indonesia/China (Guangzhou))
- Tobu Group explanatory meetings
(Bangkok/Shanghai)



Ikebukuro Tourist Center



Guangzhou Travel Fair

- Introduce multilingual telephone interpretation service
- Introduce multilingual terminals at stations and for conductors (230 terminals)

YouTube video plays

Number of times YouTube ads targeting Europe, US and Australia played
Approx. 3.7 million times
*2 weeks from 8/31-9/13/2017

Inbound Facebook followers

4 languages
86,316 people
9/30/2016

Approx. 3.8x

325,034 people
9/30/2017

Inbound sales

Kawagoe discount pass sales
Approx. 3,500 passes
1H 2016

Approx. 7.1x

Approx. 25,000 passes
1H 2017

TOBU BUS NIKKO World Heritage round pass inbound sales
Approx. 10% increase YoY

Tobu Group revenue from inbound operations

1H results: ¥4.8 bil

2016 full-year results: ¥8 bil

Promote Group-wide customer attraction measures together with tourist areas along railway lines

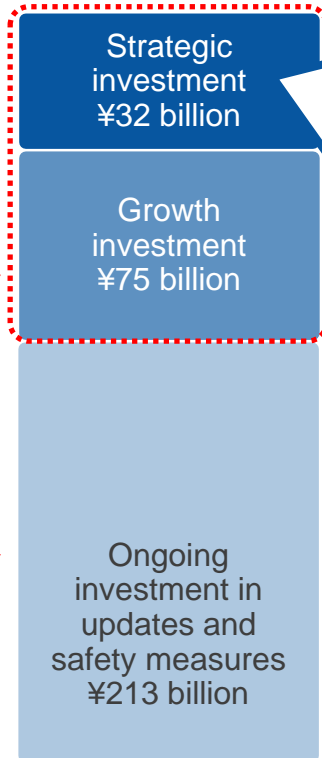
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Progress on Investment Plan

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

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



Main strategic investments in FY2017 (estimates)

- Acquisition of land in Chuo-ku, Osaka City
- Acquisition of land and building in Oshiage area

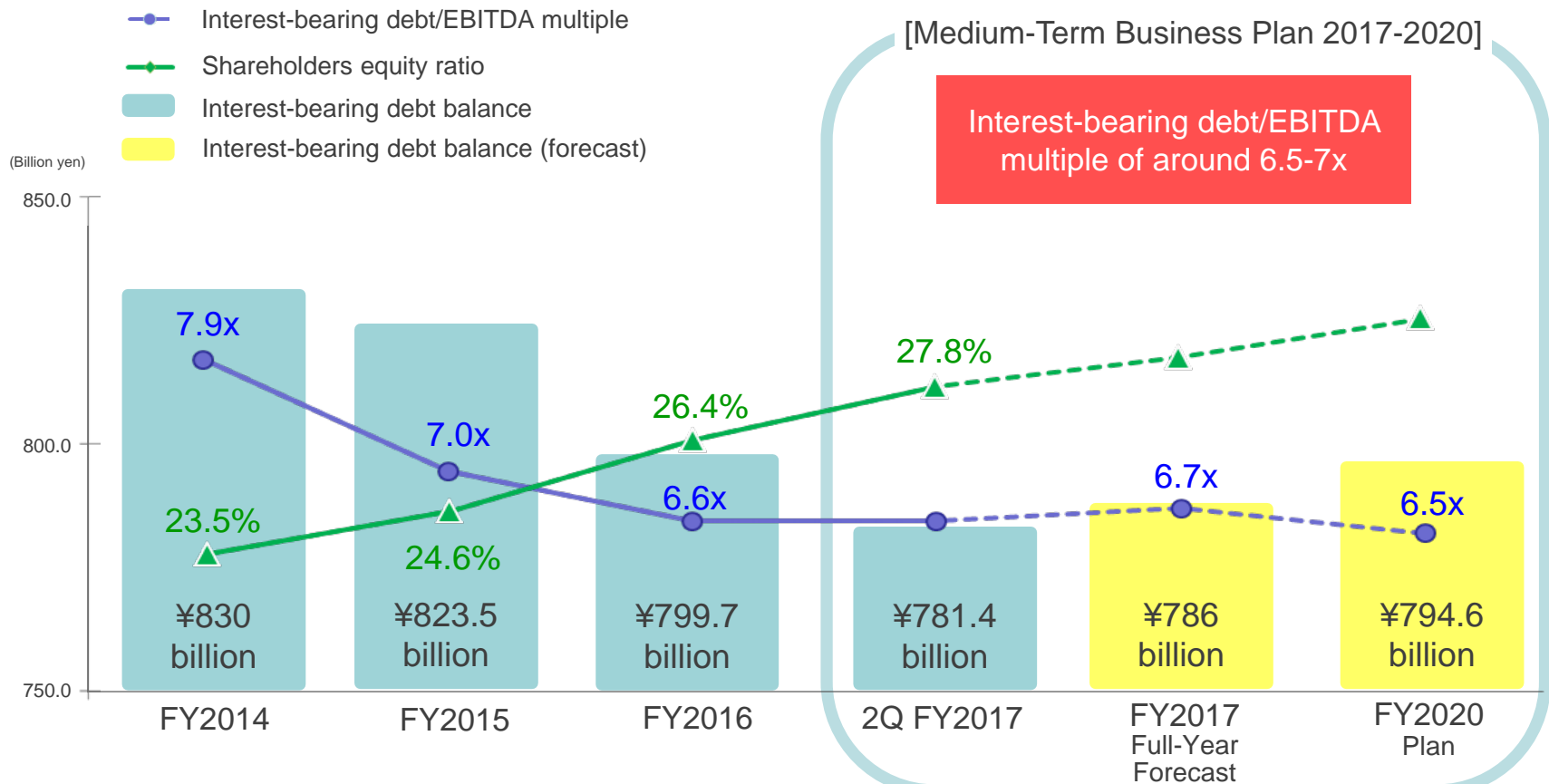
Anticipation of approx. ¥14 bil in investments (full-year)

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Maintenance of Financial Strength

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

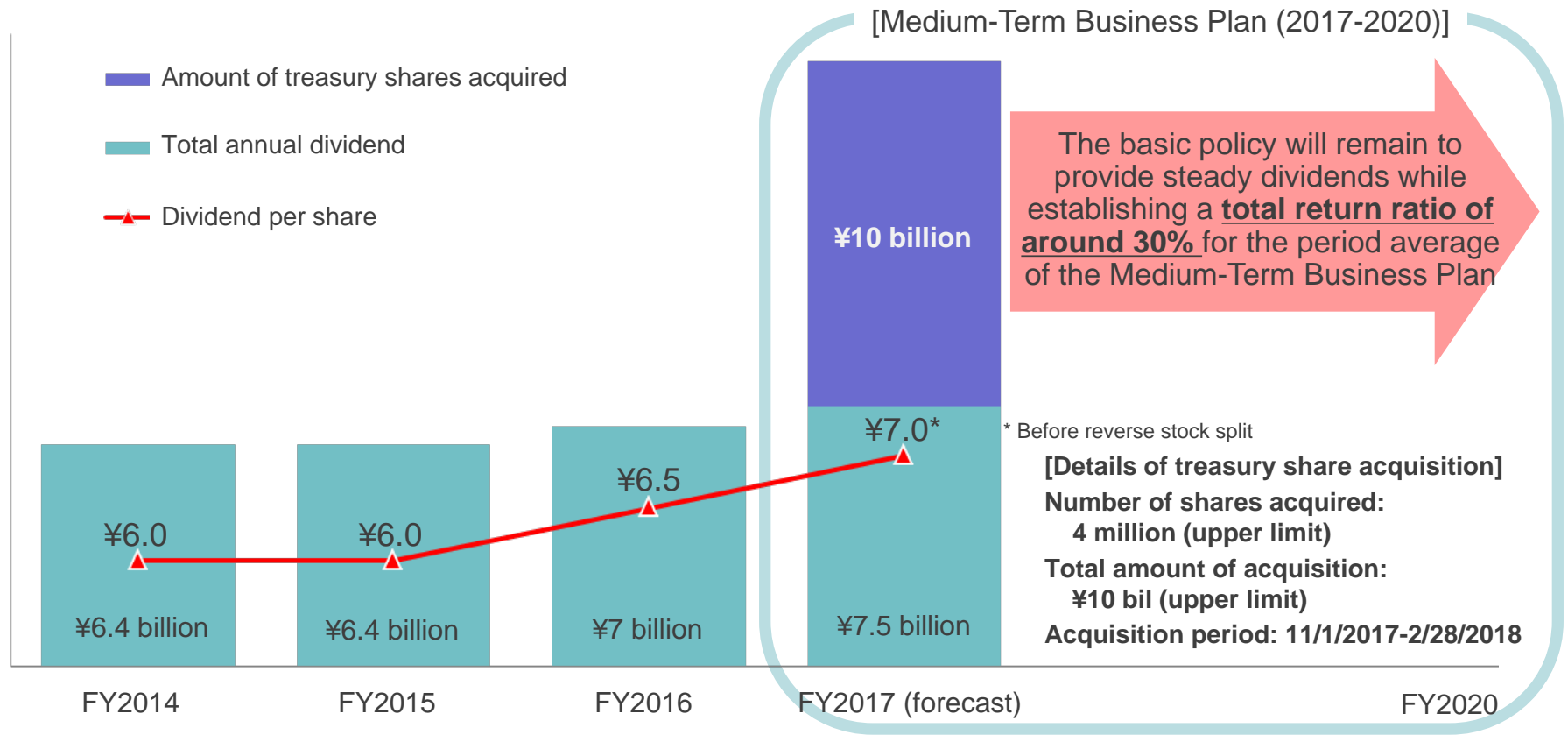


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Further Enhancement of Shareholder Return

Acquire treasury shares
 FY2017 total return ratio (estimate) to be around 44%



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.