



FY2023

Financial Results Briefing

May 15, 2024

TOBU RAILWAY CO., LTD.

I . FY2023 Business Results	P 0 2
II . FY2024 Plan	P 1 2
III . Reflecting on the Medium-Term Business Plan	P 2 0
IV . Analysis of Business Environment	P 2 1
V . Long-Term Management Vision	P 2 2
VI . Medium-Term Business Plan	P 2 5

I . FY2023 Business Results — Subsidiaries・Affiliates



Subsidiaries	March 2023	Increase	Decrease	March 2024	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	March 2024	Notes
Transportation	1	-	-	1	
Leisure	2	-	-	2	
Real Estate	-	-	-	-	
Retail Distribution	-	-	-	-	
Other	-	-	-	-	
Total	3	-	-	3	

I . FY2023 Business Results

— Consolidated statement of income



Unit: Millions of yen	FY2023 Results	FY2022 Results	Change	Notes	FY2023 Plan	Change
Operating revenues	635,964	614,751	21,213	Transportation +19,145 Leisure -3,592 Real Estate +2,060 Retail Distribution +2,191 Other +9,971	632,000	3,964
Operating profit	73,883	56,688	17,195	Transportation +10,489 Leisure -29 Real Estate +2,551 Retail Distribution +1,831 Other +3,305	70,000	3,883
Ordinary profit	72,033	54,815	17,217		67,500	4,533
Extraordinary income	52,010	8,735	43,275		-	-
Extraordinary losses	56,195	18,391	37,803		-	-
Profit attributable to owners of parent	48,164	29,179	18,984		45,000	3,164
Ratio of operating profit to net sales	11.6%	9.2%	2.4P		11.1%	0.5P
Operating profit ROA*	4.3%	3.3%	1.0P		-	-
ROE*	9.5%	6.3%	3.2P		-	-
Depreciation	52,916	53,354	-438		53,300	-383
EBITDA	126,799	110,043	16,756		123,300	3,499

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

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

*Plan figures are those from announcement on February 7, 2024. (P3~P11)

I . FY2023 Business Results — Segment Profit



	Unit: Millions of yen	FY2023 Results	FY2022 Results	Change	FY2023 Plan	Change
Transportation	Operating revenues	208,335	189,189	19,145	207,600	735
	Operating profit	29,870	19,381	10,489	30,100	-230
Leisure	Operating revenues	184,761	188,354	-3,592	183,500	1,261
	Operating profit	19,440	19,470	-29	18,100	1,340
Real Estate	Operating revenues	62,975	60,915	2,060	61,300	1,675
	Operating profit	16,232	13,681	2,551	14,900	1,332
Retail Distribution	Operating revenues	165,629	163,438	2,191	165,400	229
	Operating profit	4,434	2,602	1,831	4,000	434
Other	Operating revenues	91,873	81,902	9,971	86,300	5,573
	Operating profit	5,951	2,646	3,305	4,300	1,651
Adjustment	Operating revenues	-77,610	-69,048	-8,562	-72,100	-5,510
	Operating profit	-2,047	-1,093	-954	-1,400	-647
Consolidated	Operating revenues	635,964	614,751	21,213	632,000	3,964
	Operating profit	73,883	56,688	17,195	70,000	3,883

I . FY2023 Business Results — Consolidated balance sheet



Unit: Millions of yen	FY2023 Results	FY2022 Results	Change	Notes
Current assets	168,953	206,090	-37,137	Cash and deposits-37,807
Non-current assets	1,535,110	1,532,105	3,005	
Total assets	1,704,063	1,738,195	-34,132	
Current liabilities	386,322	459,439	-73,116	Advances received-27,725
Non-current liabilities	776,027	798,181	-22,153	
Total liabilities	1,162,350	1,257,620	-95,270	
Total net assets	541,713	480,575	61,138	Retained earnings+ 40,010
Total liabilities and net assets	1,704,063	1,738,195	-34,132	
Equity ratio	31.4%	27.3%	4.1P	
Interest-bearing debt balance	749,777	795,502	-45,724	
Interest-bearing debt/EBITDA multiple	5.9	7.2	-1.3P	
Capital expenditures	63,353	55,018	8,335	

I . FY2023 Business Results

Consolidated statement of cash flows



Unit: Millions of yen	FY2023 Results	FY2022 Results	Change	Notes
Cash flows from operating activities	91,690	101,115	-9,425	Decrease in trade payables-12,422
Cash flows from investing activities	-61,625	-52,711	-8,913	Increase in Purchase of property, plant and equipment and intangible assets-25,671
Cash flows from financing activities	-67,918	-25,285	-42,633	Increase in repayments of long-term borrowings -28,827
Net increase in cash and cash equivalents	-37,816	23,188	-61,004	
Cash and cash equivalents at end of period	31,258	69,074	-37,816	

I . FY2023 Business Results — Transportation



Unit: Millions of yen	FY2023 Results	FY2022 Results	Change	Notes	FY2023 Plan	Change
Operating revenues	208,335	189,189	19,145		207,600	735
Railways	156,602	141,477	15,125		156,200	402
Other	51,733	47,712	4,020	Bus and taxi Freight + 2,908 + 1,102	51,400	333
Operating profit	29,870	19,381	10,489		30,100	-230
Railways	26,398	17,432	8,966		27,000	-602
Other	3,471	1,948	1,522	Bus and taxi Freight + 2,109 - 586	3,100	371
Operating profit ROA	3.0%	2.0%	1.0P		-	-
Depreciation	31,546	31,286	260		31,700	-153
EBITDA	61,416	50,667	10,749		61,800	-383
Capital Expenditures	38,803	33,891	4,912		42,300	-3,497

Tobu Railway Lines Number of Passengers (Unit: 1 Million people)	FY2023 Results	FY2022 Results	FY2023 Plan	Tobu Railway Lines Passenger Revenue (Unit: Millions of yen)	FY2023 Results	FY2022 Results	FY2023 Plan
Commuter Passengers	524	508	524	Commuter Passengers	59,856	55,325	59,979
Non-Commuter Passengers (Limited Express)	313	291	313	Non-Commuter Passengers (Limited Express)	81,042	70,765	80,683
	6	5	6		6,320	4,727	6,182
Total	837	798	837	Total	140,898	126,090	140,662

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

I . FY2023 Business Results — Leisure



Unit: Millions of yen	FY2023 Results	FY2022 Results	Change	Notes	FY2023 Plan	Change
Operating revenues	184,761	188,354	-3,592		183,500	1,261
Travel	131,247	147,219	-15,971		130,700	547
Hotel	27,701	20,086	7,615		27,400	301
SKYTREE	15,192	10,832	4,360		14,800	392
Other	10,618	10,215	402	Amusement parks and tourism + 328 Sports + 156	10,600	18
Operating profit	19,440	19,470	-29		18,100	1,340
Travel	8,974	16,581	-7,607		8,500	474
Hotel	3,159	-1,943	5,102		2,800	359
SKYTREE	6,109	3,748	2,360		5,600	509
Other	1,198	1,083	114	Amusement parks and tourism + 72 Sports + 42	1,200	-2
Operating profit ROA	7.4%	7.6%	-0.2P		-	-
Depreciation	5,934	6,400	-465		5,900	34
EBITDA	25,375	25,870	-494		24,000	1,375
Capital Expenditures	10,033	2,727	7,306		10,400	-367

Number of visitors (Unit: 1 Million people)	FY2023 Results	FY2022 Results	FY2023 Plan	Main Hotels Occupancy Rate	FY2023 Results	FY2022 Results	FY2023 Plan	Main Hotels Percentage of foreign nationals	FY2023 Results	FY2022 Results
SKYTREE	447	286	443	CY Ginza	24.7%	60.0%	25.4%	CY Ginza	77.3%	48.1%
				AC Ginza	84.0%	49.9%	83.6%	AC Ginza	73.1%	50.8%
				Kinshicho	87.2%	69.4%	86.3%	Kinshicho	73.9%	35.1%
				Narita	81.2%	93.8%	80.4%	Narita	66.2%	27.7%

※CY Ginza Closed for renovation from May 2023 to November 2023.

I . FY2023 Business Results — Real Estate



Unit: Millions of yen	FY2023 Results	FY2022 Results	Change	Notes		FY2023 Plan	Change
Operating revenues	62,975	60,915	2,060			61,300	1,675
Leasing	35,875	36,044	-168			34,800	1,075
SKYTREE TOWN	12,611	11,025	1,585			12,300	311
Subdivision	14,488	13,845	643			14,200	288
Operating profit	16,232	13,681	2,551			14,900	1,332
Leasing	8,331	8,318	12			7,600	731
SKYTREE TOWN	3,636	2,258	1,378			3,300	336
Subdivision	4,264	3,104	1,160			4,000	264
Operating profit ROA	4.7%	4.0%	0.7P			-	-
Depreciation	10,298	10,251	46			10,400	-101
EBITDA	26,531	23,933	2,598			25,300	1,231
Capital Expenditures	9,707	13,778	-4,071			9,800	-93

Number of visitors (Unit: 1 Million people)	FY2023 Results	FY2022 Results	FY2023 Plan	Number of Units Sold Unit:1unit	FY2023 Results	FY2022 Results	FY2023 Plan
SKYTREE TOWN	3,716	3,088	3,686	Detached houses	42	40	35
				Condominiums	410	552	409
				Number of Units Sold After Converting Share			
				Detached houses	26	27	22
				Condominiums	313	297	313

I . FY2023 Business Results — Retail Distribution



Unit: Millions of yen	FY2023 Results	FY2022 Results	Change	Notes	FY2023 Plan	Change
Operating revenues	165,629	163,438	2,191		165,400	229
Department stores	58,082	56,767	1,314		58,100	-18
Supermarket	72,766	73,062	-296		72,900	-134
Other	34,780	33,608	1,172		34,400	380
Operating profit	4,434	2,602	1,831		4,000	434
Department stores	3,223	2,633	590		2,900	323
Supermarket	41	-839	881		100	-59
Other	1,169	809	360		1,000	169
Operating profit ROA	3.4%	2.0%	1.4P		-	-
Depreciation	3,587	3,882	-294		3,600	-12
EBITDA	8,022	6,485	1,537		7,600	422
Capital Expenditures	3,549	3,421	128		4,100	-551
Change in Sales at Major Department Stores	FY2023 Results vs. Previous Year	FY2023 Plan vs. Previous Year				
Ikebukuro	2.1%	2.0%				
Funabashi	6.1%	5.0%				
Utsunomiya	0.8%	1.8%				

I . FY2023 Business Results — Other



Unit: Millions of yen	FY2023 Results	FY2022 Results	Change	Notes	FY2023 Plan	Change
Operating revenues	91,873	81,902	9,971		86,300	5,573
Operating profit	5,951	2,646	3,305		4,300	1,651
Operating profit ROA	2.2%	1.0%	1.2P		-	-
Depreciation	1,548	1,533	14		1,700	-151
EBITDA	7,500	4,180	3,320		6,000	1,500
Capital Expenditures	1,258	1,199	59		1,200	58

Ⅱ. FY2024 Plan — Consolidated statement of income



Unit: Millions of yen	FY2024 Plan	FY2023 Results	Change	Notes
Operating revenues	639,000	635,964	+ 3,036	Transportation + 3,965 Leisure + 239 Real Estate -4,175 Retail Distribution +4,271 Other -5,573
Operating profit	62,000	73,883	-11,883	Transportation + 230 Leisure -5,740 Real Estate -5,432 Retail Distribution + 266 Other -2,151
Ordinary profit	58,000	72,033	-14,033	
Profit attributable to owners of parent	43,000	48,164	-5,164	
Ratio of operating profit to sales	9.7%	11.6%	-1.9P	
Operating profit ROA*	3.6%	4.3%	-0.7P	
ROE*	7.8%	9.5%	-1.7P	

*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 . FY2024 Plan — Segment Profit



	Unit: Millions of yen	FY2024 Plan	FY2023 Results	Change	Notes
Transportation	Operating revenues	212,300	208,335	3,965	
	Operating profit	30,100	29,870	230	
Leisure	Operating revenues	185,000	184,761	239	
	Operating profit	13,700	19,440	-5,740	
Real Estate	Operating revenues	58,800	62,975	-4,175	
	Operating profit	10,800	16,232	-5,432	
Retail Distribution	Operating revenues	169,900	165,629	4,271	
	Operating profit	4,700	4,434	266	
Other	Operating revenues	86,300	91,873	-5,573	
	Operating profit	3,800	5,951	-2,151	
Adjustment	Operating revenues	-73,300	-77,610	4,310	
	Operating profit	-1,100	-2,047	947	
Consolidated	Operating revenues	639,000	635,964	3,036	
	Operating profit	62,000	73,883	-11,883	

Ⅱ. FY2024 Plan — Consolidated Cash Flow Plan



Unit: Millions of yen	FY2024 Plan	FY2023 Results	Change	Notes
EBITDA	115,900	126,799	-10,899	
Operating profit	62,000	73,883	-11,883	
Depreciation	53,900	52,916	983	
Interest-bearing debt balance	774,000	749,777	24,222	
Interest-bearing debt/EBITDA multiple	6.7	5.9	0.8P	
Capital Expenditures	100,600	63,353	37,247	

Ⅱ. FY2024 Plan — Transportation



Unit: Millions of yen	FY2024 Plan	FY2023 Results	Change	Notes
Operating revenues	212,300	208,335	3,965	
Railways	158,900	156,602	2,298	
Other	53,400	51,733	1,667	Bus and taxi + 1,324 Freight + 334
Operating profit	30,100	29,870	230	
Railways	26,500	26,398	102	
Other	3,600	3,471	129	Bus and taxi -144 Freight + 274
Operating profit ROA	3.0%	3.0%	0.0P	
Depreciation	31,900	31,546	353	
EBITDA	62,000	61,416	583	
Capital Expenditures	47,800	38,803	8,997	

Tobu Railway Lines Number of Passengers (Unit: 1 Million people)	FY2024 Plan	FY2023 Results	Change	Tobu Railway Lines Passenger Revenue (Unit: Millions of yen)	FY2024 Plan	FY2023 Results	Change
Commuter Passengers	525	524	1	Commuter Passengers	60,416	59,856	560
Non-Commute Passengers (Limited Express)	317 6	313 6	4 0	Non-Commuter Passengers (Limited Express)	82,934 6,801	81,042 6,320	1,892 481
Total	842	837	5	Total	143,351	140,898	2,453

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

Ⅱ. FY2024 Plan — Leisure



Unit: Millions of yen	FY2024 Plan	FY2023 Results	Change	Notes	
Operating revenues	185,000	184,761	239		
Travel	126,500	131,247	-4,747		
Hotel	31,400	27,701	3,699		
SKYTREE	15,900	15,192	708		
Other	11,200	10,618	582	Amusement parks and tourism Sports	+ 254 + 241
Operating profit	13,700	19,440	-5,740		
Travel	2,000	8,974	-6,974		
Hotel	4,300	3,159	1,141		
SKYTREE	6,100	6,109	-9		
Other	1,300	1,198	102	Amusement parks and tourism Sports	+ 41 + 38
Operating profit ROA	5.2%	7.4%	-2.3P		
Depreciation	6,400	5,934	465		
EBITDA	20,100	25,375	-5,275		
Capital Expenditures	30,900	10,033	20,867		

Number of visitors (Unit: 1 Million people)	FY2024 Plan	FY2023 Results	Change
SKYTREE	449	447	2

Main Hotels Occupancy Rate	FY2024 Plan	FY2023 Results	Change
CY Ginza	83.5%	24.7%	58.8P
AC Ginza	80.1%	84.0%	-3.9P
Kinshicho	83.6%	87.2%	-3.6P
Narita	83.0%	81.2%	1.8P

Ⅱ. FY2024 Plan — Real Estate



Unit: Millions of yen	FY2024 Plan	FY2023 Results	Change	Notes
Operating revenues	58,800	62,975	-4,175	
Leasing	37,100	35,875	1,225	
SKYTREE TOWN	12,400	12,611	-211	
Subdivision	9,300	14,488	-5,188	
Operating profit	10,800	16,232	-5,432	
Leasing	7,500	8,331	-831	
SKYTREE TOWN	2,800	3,636	-836	
Subdivision	500	4,264	-3,764	
Operating profit ROA	3.0%	4.7%	-1.6P	
Depreciation	10,200	10,298	-98	
EBITDA	21,000	26,531	-5,531	
Capital Expenditures	13,200	9,707	3,493	

Number of visitors (Unit: 1 Million people)	FY2024 Plan	FY2023 Results	Change
SKYTREE TOWN	3,702	3,716	-14

Number of Units Sold Unit: 1unit	FY2024 Plan	FY2023 Results	Change
Detached houses	56	42	14
Condominiums	465	410	55
Number of Units Sold After Converting Share			
Detached houses	32	26	6
Condominiums	207	313	-106

Ⅱ. FY2024 Plan — Retail Distribution



Unit: Millions of yen	FY2024 Plan	FY2023 Results	Change	Notes
Operating revenues	169,900	165,629	4,271	
Department stores	59,100	58,082	1,018	
Supermarket	75,000	72,766	2,234	
Other	35,800	34,780	1,020	
Operating profit	4,700	4,434	266	
Department stores	3,200	3,223	-23	
Supermarket	700	41	659	
Other	800	1,169	-369	
Operating profit ROA	3.6%	3.4%	0.2P	
Depreciation	3,700	3,587	112	
EBITDA	8,400	8,022	377	
Capital Expenditures	6,700	3,549	3,151	
Change in Sales at Major Department Stores	FY2024 Plan vs. Previous Year			
Ikebukuro	1.2%			
Funabashi	1.1%			
Utsunomiya	3.9%			

Ⅱ . FY2024 Plan — Other



Unit: Millions of yen	FY2024 Plan	FY2023 Results	Change	Notes
Operating revenues	86,300	91,873	-5,573	
Operating profit	3,800	5,951	-2,151	
Operating profit ROA	1.3%	2.2%	-0.9P	
Depreciation	1,700	1,548	151	
EBITDA	5,500	7,500	-2,000	
Capital Expenditures	2,000	1,258	742	

III. Reflecting on the Medium-Term Business Plan

Reflecting on the Medium-Term Business Plan

Period of business plan: FY2022-FY2024

Priority Strategies and Main Initiatives

- Business structure reform/Restructuring of business promotion system ⇒ Labor savings in station operations, review of head office division operations, etc.
- Expansion of profitability through a new business model ⇒ Launch of new limited express SPACIA X operations, etc.
- Expansion of revenue by promoting businesses that address social issues as needs ⇒ Continuous development of local community, etc.

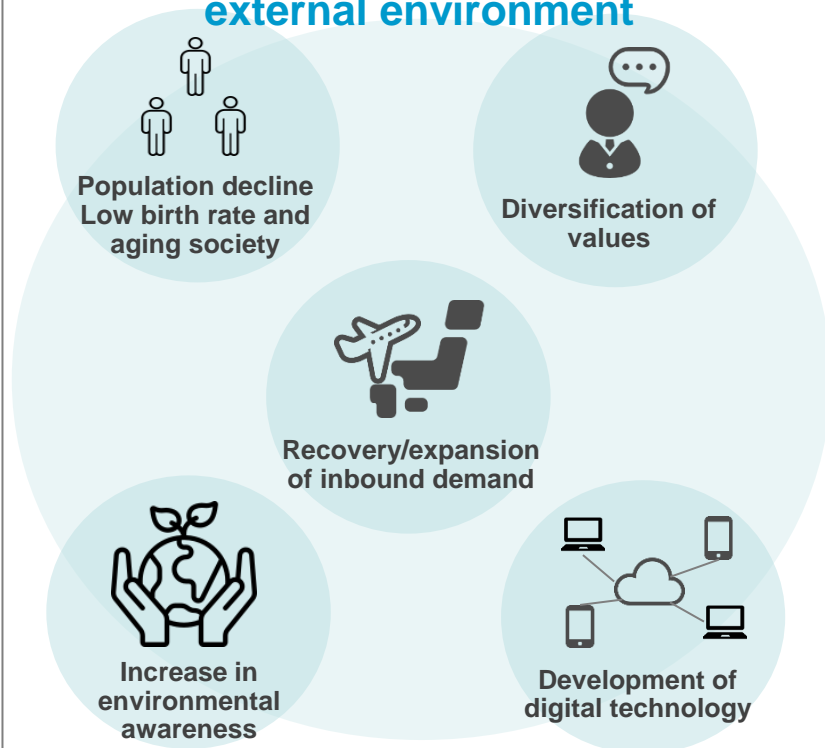
Results vs. targets

Item	Target	Result
Lowering fixed costs in Railway Business as percentage of FY2019 revenue	Lower to around 70% by FY2024	All achieved by FY2023
Lowering of break-even point for Hotels	Lower by about 15% compared to pre-COVID-19 plan	
Reduction of personnel at Tobu Railway Head Office	Reduce personnel in existing businesses by 30% compared to beginning of FY2021	
Expansion of Group sales targeted by digital marketing	Target sales of ¥40.0 billion	

Completed early (FY2023) with achievement of targets and changes in business environment

Future direction based on changes in business environment

Changes in the external environment



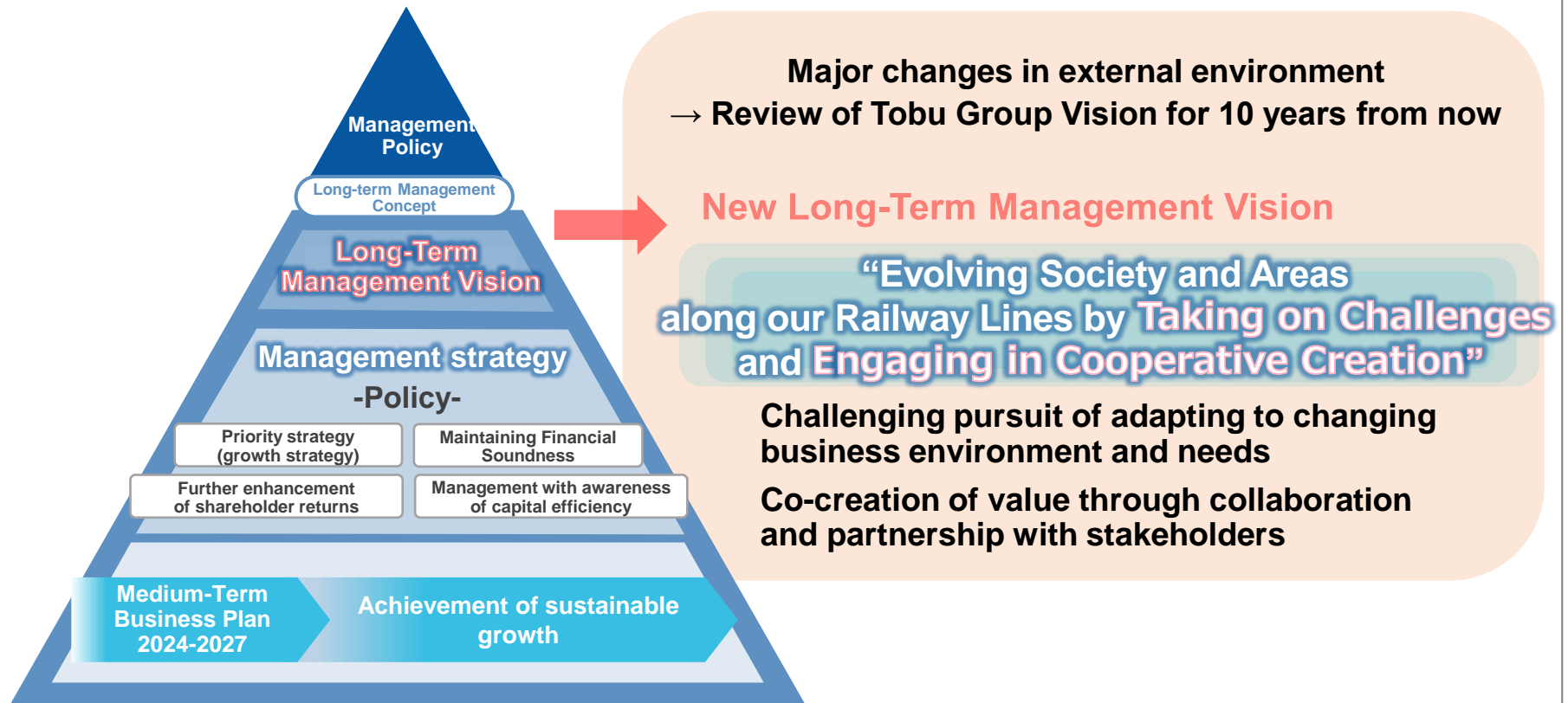
Main impacts on Tobu Group

	Description
Positive effects	<ul style="list-style-type: none"> ■ Expansion of tourism and other businesses ■ Utilization of automation technologies to eliminate labor shortages ■ Utilization of accumulated data in marketing ■ Expansion of highly environmentally conscious ethical demand
Negative effects	<ul style="list-style-type: none"> ■ Decrease in commutation demand through diversification of work styles ■ Decrease in railway users and users of Group facilities along railway lines due to population decline ■ Decrease in value of physical stores due to spread of EC ■ Concerns about increased fuel and other costs due to soaring resource prices

Future Business Direction Derived from Changes in the Environment

Capture robust tourism demand, including inbound, and **transition to new growth phase** in anticipation of metropolitan society with declining population

Review of Long-Term Management Vision



Realization of “A human-friendly society where people and communities continue to flourish together”

Management Strategies and Policies in Long-Term Management Vision



Management strategies and policies to achieve Long-Term Management Vision -Three policies anticipating the next decade-

1 Increase in percentage of non-railway businesses in operating profit stage

Positioning tourism business and development (town development) as growth areas and making priority investments to strengthen non-railway businesses, thereby developing businesses that will contribute to medium- to long-term revenue and profit growth and expanding business domains

2 Strengthening profitability by capturing tourism demand

Maximize profits by capturing tourism demand, including inbound and diversified domestic travel demand by strengthening business bases, building services, branding, and disseminating information throughout the entire Tobu Group

3 Establishing sustainable business management structure

Establish a sustainable management structure by addressing declining domestic population and workforce, reducing environmental impact, and strengthening human capital

Profit portfolio reform for long-term profit growth



Road map based on management strategies and policies

Achievement of Long-Term Management Vision

Medium-Term Business Plan
2024-2027

Planting seeds for growth businesses

Achieve sustainable growth while flexibly reviewing strategies
based on changes in business environment

Looking ahead 10 years and
beyond and promoting
hotel development,
redevelopment along railway lines,
promotion of sustainable structural
reform, etc.

Sustainable growth amid society
with declining population

Aim for operating profit of
¥80.0 billion

Operating profit of
¥62.0 billion

Non-
railway
¥35.5
billion

Railways
¥26.5
billion

FY 2024

Non-
railway
¥50.0
billion

Railways
¥30.0
billion

FY 2033

Positioning of Medium-Term Business Plan and Priority Strategies

Positioning of Medium-Term Business Plan (FY2024-FY2027)

Promote development of businesses that will contribute to medium- to long-term revenue and profit growth, including the Ikebukuro Station West Exit redevelopment plan

Develop group-wide businesses that capture inbound demand, establish a revenue base, and develop new businesses

Priority strategies

■ Establishment of businesses to drive growth

Develop growth businesses to strengthen profitability in the medium to long term with **the tourism business**, including hotels and SKYTREE for which market growth driven by inbound tourism is expected, and **development business (town development) as the core businesses**

■ Ongoing strengthening of business foundation (along railway)

Improve profitability and productivity by actively utilizing digital technology to **create Group synergy and differentiate from other companies**, thereby achieving **sustainable development along the railway**

■ Development of new businesses to expand domain

Explore business fields beyond the realm of existing businesses and strive to **establish new revenue streams** for the next 10 years

Investment amounts contributing to priority strategies during period of Medium-Term Business Plan*

Non-railway businesses Approx. ¥180.0 billion

(Approx. ¥115.0 billion for development, ¥62.0 billion for tourism, and ¥4.0 billion for digital technology)

Railway businesses Approx. ¥90.0 billion

(Approx. ¥10.0 billion for digital technology and ¥80.0 billion for strengthening the business foundation)



Approx. ¥270.0 billion

(Approx. 60% of total amount)

* Capital expenditures + purchase of land and buildings for sale in lots

VI. Medium-Term Business Plan (Establishment of Businesses to Drive Growth)

Maximization of captured tourism demand, including inbound

Tobu Group inbound strategy

Establish a brand of tourist attractions along the railway line by creating Group synergy, and establish a revenue base by accelerating new investments centered on the hotel business.

— Strategy 1 —

Expansion of business through acceleration of new investments

Expand investments, primarily in **hotel business**

— Strategy 2 —

Promote upselling with high added value

Improve profitability **by improving experience value**

— Strategy 3 —

Promotion of cross-selling through generation of Group synergy

Strengthen **group-wide** initiatives

— Strategy 4 —

Increase percentage of repeat business by establishing railway tourist attraction brand

Acquire repeat business **through differentiation with competing tourist attractions**

Maximization of Group inbound revenue/profits
Inbound revenue of ¥24.0 billion
(FY2027 target)

VI. Medium-Term Business Plan (Establishment of Businesses to Drive Growth)

Maximization of captured tourism demand in hotel business

Inbound demand
Recovery of outing demand



Capture tourism demand by developing
new hotels and expand revenue
Maintain operating margin of 10%

**Promote investment of at least ¥45.0 billion over
four years to open new hotels starting in 2028**

Promotion of networking between Group hotels

- Acceleration of investment for opening hotels in FY2028 and later
Promotion of new hotel development in Ginza, Yaesu, Osaka, etc.
- Promotion of renovation of existing hotels



▲ Courtyard by Marriott Tokyo Ginza Hotel

VI. Medium-Term Business Plan (Establishment of Businesses to Drive Growth)

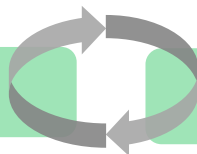
Maximization of value at international eco resort Nikko

Promotion of “international eco resort” branding



Aim to increase area revenue by strengthening customer attraction and promoting use of Group facilities through enhancement of tourist experience and enhancement of area value through regional collaboration

Enhancement of tourist experience



Enhancement of area value through regional collaboration

Enhancement of inbound tourist attraction

Increase in number of new limited express SPACIA X

Capturing of robust demand and creation of various products

Updating of NIKKO MaaS

Launch of inbound ticket sales (spring 2025)
Aiming to sell 100,000 tickets (FY2027)

Consideration of Nikko KANAYA Hotel renovation

Aiming to enhance attraction of wealthy customers



▲ SPACIA X



▲ Nikko KANAYA Hotel

Enhancement of tourist experience

Renewal of Akechidaira Ropeway

Enhancement of transportation capacity and view experience

Akechidaira Ropeway ▶



Enhancement of outdoor services

Opening of glamping and other facilities to take advantage of pristine wilderness



▲ Lake Chuzenji

Improvement of bus and pleasure boat services

Improved convenience of movement within area

Enhancement of sustainability through increased progressiveness and environmental awareness

Promotion of public transportation use in conjunction with Nikko City's ordinance to realize a zero-carbon city through regional circulation

Promotion of traffic alleviation through enhanced NIKKO MaaS sales promotions

Automatic operation of Oku-Nikko low-pollution bus

Promotion of verification testing to achieve Level 4 automatic operation in FY2025 or later

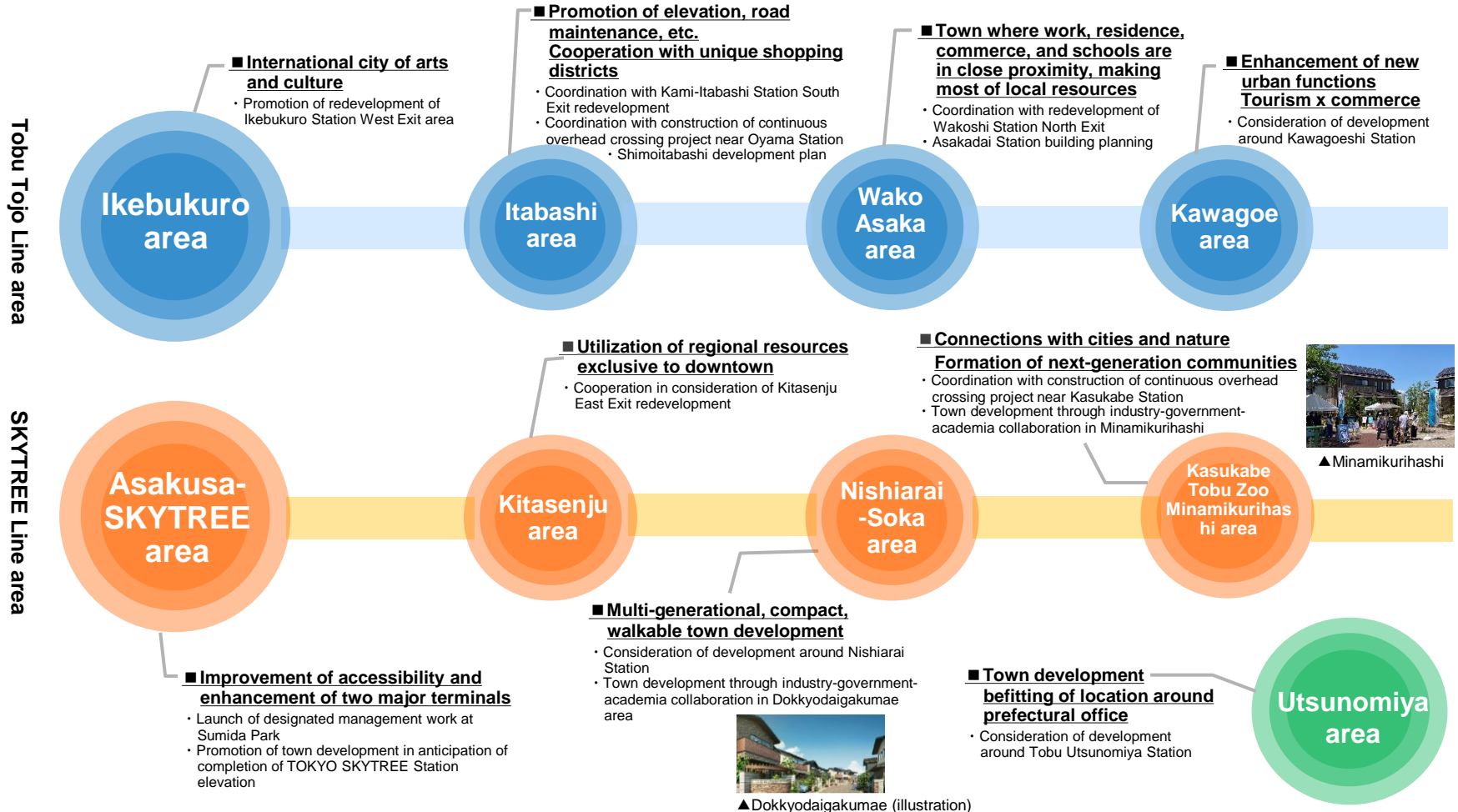
Consideration of strengthening Chuzenji bus terminal functions

Utilization as base of tourism for Oku-Nikko

VI. Medium-Term Business Plan (Establishment of Businesses to Drive Growth)

Conversion of core facilities along railway into regional terminals based on railway network

Promote town development where people and communities shine while coordinating between various facilities



VI. Medium-Term Business Plan (Establishment of Businesses to Drive Growth)

Acceleration of redevelopment of Ikebukuro Station West Exit area

■ Begin procedures ahead of urban planning decision in FY2024

In March 2024, Tokyo Metropolitan Urban Revitalization Subcommittee, established under the Council on National Strategic Special Zones Cabinet Office, convened and began urban planning procedures for the Plan

■ Initiatives in development of Ikebukuro Station

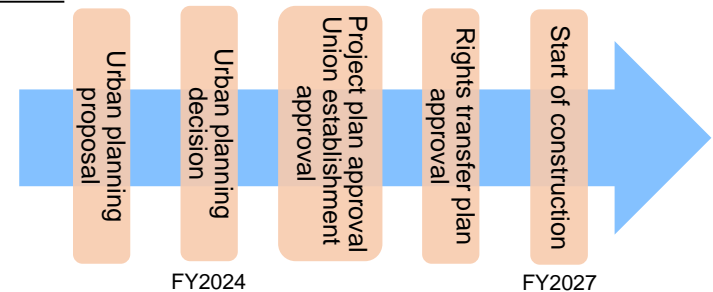
West Exit area

Establishment of atrium space as a traffic node to guide people from station to town

Creation of plaza space above the Tobu Tojo Line tracks as center for art and culture activities

Conversion of Ikebukuro Station from current 3-platform/3-track to 3-platform/4-track layout and establishment of high-quality station space

Business schedule planning



▲ Illustration of building inside our project area



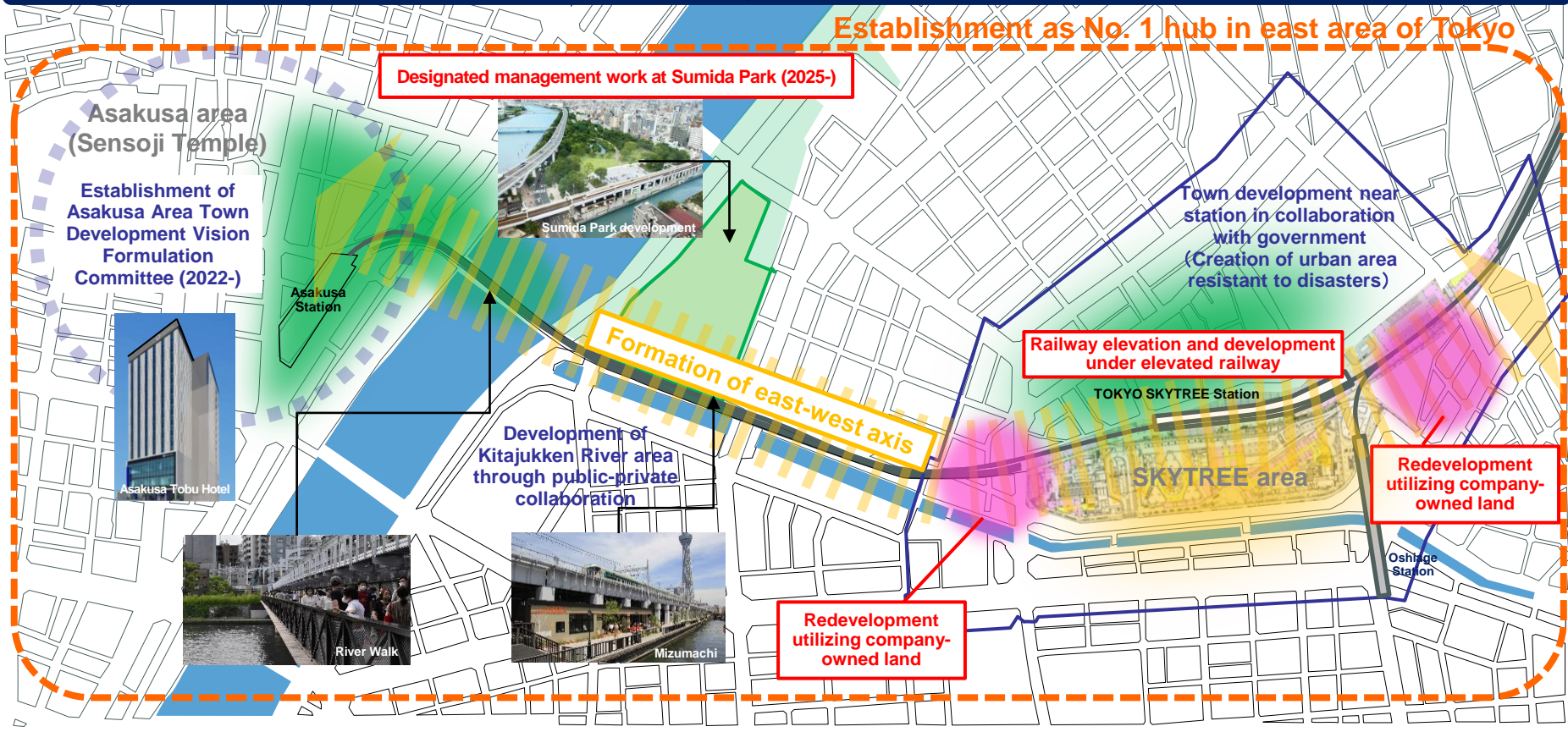
▲ Atrium space

VI. Medium-Term Business Plan (Establishment of Businesses to Drive Growth)

Establishment of area between Asakusa and SKYTREE as No. 1 hub in east area of Tokyo

- Main initiatives since FY2020**
- Establishment of new east-west axis (Sumida River Walk and Tokyo Mizumachi) on line connecting Sensoji Temple and TOKYO SKYTREE TOWN
 - Opening of Asakusa Tobu Hotel
 - Taito Ward establishes Asakusa Area Town Development Vision Formulation Committee

- Future plan**
- Completion of Sumida Park phase 2 development and launch of designated management work
 - Completion of continuous overhead crossing project near TOKYO SKYTREE Station completed and launch of full-scale town development around station in cooperation with local government

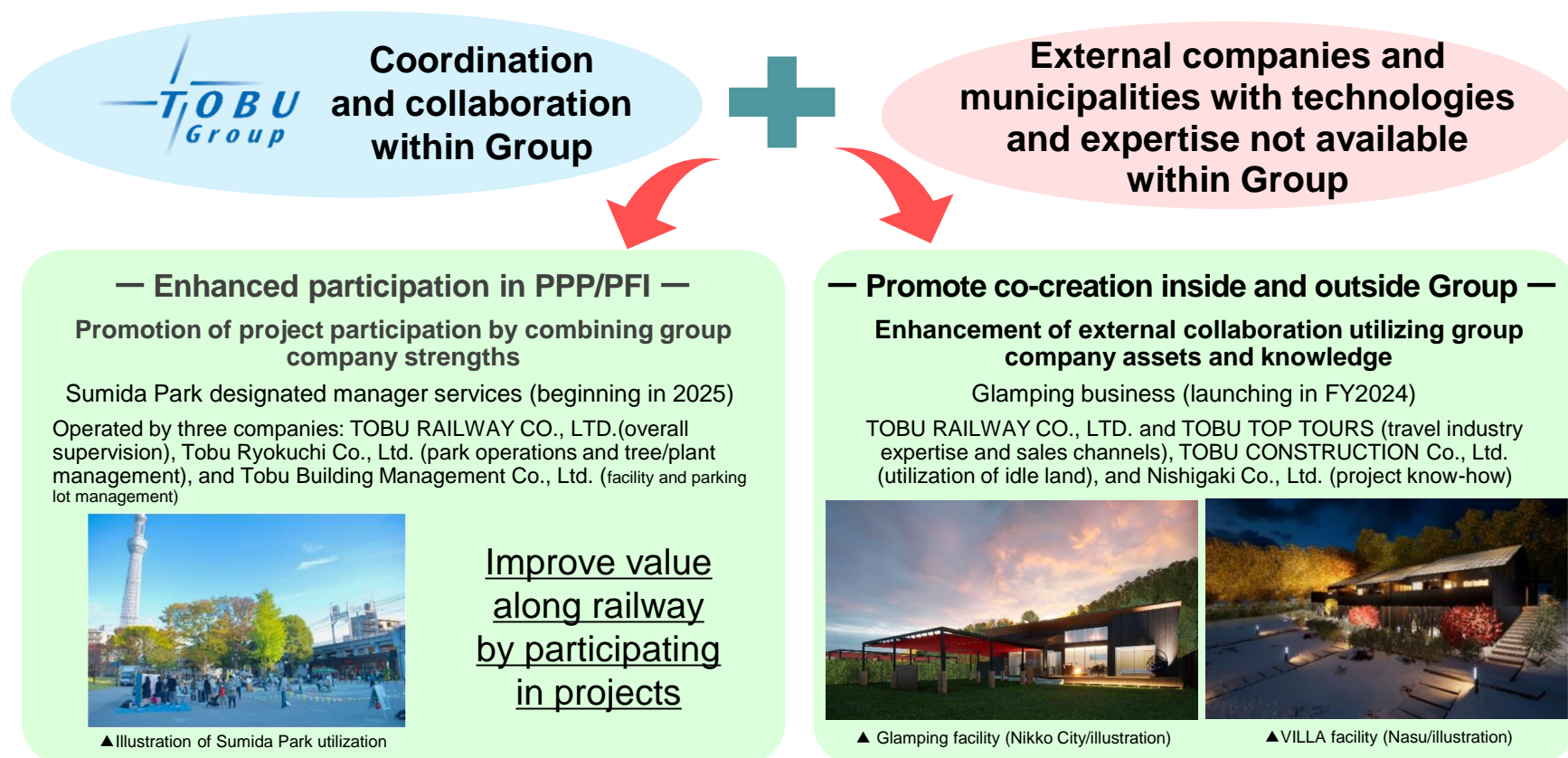


VI. Medium-Term Business Plan (Establishment of Businesses to Drive Growth)

Enhancement of co-creation initiatives inside and outside Tobu Group

Maximization of Group revenue and profits through creation of Group synergy and strengthening of external collaboration

Co-creation inside and outside Tobu Group



VI. Medium-Term Business Plan

(Ongoing Strengthening of Business Foundation (Along Railway))

Promotion of residential and commercial development aimed at expanding and establishing population inflow

Full of comfort and quality of life

Achieve improved attractiveness of railway line by creating town like only we can

Improved convenience of stations open to the town

Promotion of development under elevated railway (Koshigaya, Takenotsuka, etc.)



▲Store under elevated railway at Takenotsuka (perspective drawing)

Enhancement of point services according to lifestyle

- TOBU POINT child raising support program (Waived fares for children, etc.)
- Enhancement of points program in collaboration with municipalities

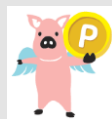
Increase resident population

Commercial development

Residential development

United promotion

Enhancement of intangible elements of living comfort



Regional revitalization through industry-government-academia collaboration

Creation of connections with local residents after signing collaboration agreements with Soka City, etc.

Residential development utilizing regional characteristics

Development of rental condominiums targeting younger generation (Soka, Sakado, etc.)



▲Minori Terrace Soka



Lot development utilizing suburban advantages (detached houses in Dokkyodaigakumae)

Promotion of detached house reclamation project aiming for revitalization and coexistence

Reclaiming detached houses for sale in Noda City, Chiba, to create new town and lifestyle



▲Detached house reclamation project (Perspective drawing)

VI. Medium-Term Business Plan

(Ongoing Strengthening of Business Foundation (Along Railway))

Improvement of transportation services

Realization of highly competitive railway services chosen by customers



Improved convenience and comfort

■ Promotion of continuous overhead crossing project and elevation of station building

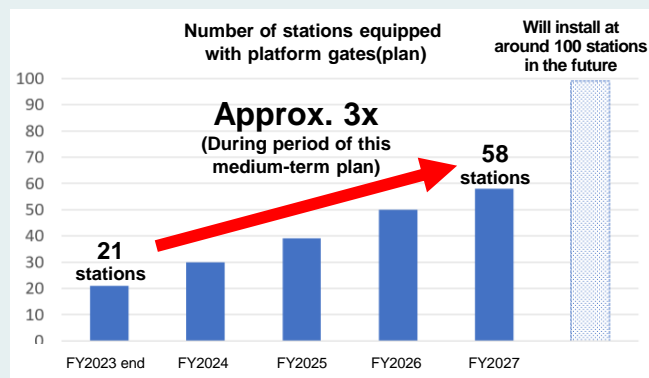
Promote projects at TOKYO SKYTREE, Kasukabe, etc., to improve safety and accessibility, as well as to increase attractiveness of entire area by enhancing commercial facilities, etc.



▲ In between TOKYO SKYTREE Station

■ Promotion of platform barrier installation

Improve customer convenience and comfort, such as decreasing transportation disruptions, by installing platform barriers



Higher unit prices and creation of demand

■ Stimulation of limited express demand through AI demand forecasting

Increase number of limited express trains and set fares flexibly to stimulate demand and increase revenues (to be launched gradually starting in FY2024) based on AI demand forecasting that incorporates seasonal waves and other factors



▲ SPACIA X
Cockpit suite

■ Promotion of review aligned with construction of new transportation network in conjunction with Yurakucho Subway Line extension (between Toyosu and Sumiyoshi)

Improved access from our lines by opening new ones
Consideration of railway value improvement measures to seize opportunities



VI. Medium-Term Business Plan

(Ongoing Strengthening of Business Foundation (Along Railway))

Utilizing digital technology to establish sustainable business management structure

Realization of sustainable transportation services

Promote three pillars to achieve operating structure that anticipates severe population decline and labor shortages while improving safety and services

1

Expansion of one-man operations

Current percentage of one-man operations
(Based on railway line length)

Approx. 60%

**TOBU SKYTREE Line
Expansion to local lines**

One-man operations between
Kitasenju and Kitakoshigaya
(Planned for end of FY2025)

**Consider one-man operation for
other major routes, aiming to
bring it to all routes in the future**

2

Realization of automatic driving trains and buses

■ Automatic railway operations

Aim to verify and launch operation on Daishi Line (FY2028 or later)



▲ Daishi Line

■ Level 4 automated operation of various bus routes

Roll out demonstration
Experiments conducted in Oku-Nikko, Kashiwa, and Wako City to other lines



▲ Automatic operation EV bus

Aim for full-scale operation of automatic driving technology beyond demonstration experiments

3

Improvement of equipment and inspection efficiency through promotion of DX

■ Introduction of QR code boarding passes

Switch from magnetic to QR boarding passes to improve equipment maintainability and promote ticket digitalization (Around end of FY2026)



■ Introduction of facility monitoring systems

Improve efficiency of current visual checks by installing inspection and measuring equipment and cameras on trains and increase frequency to further improve safety (around FY2027)

Continuously promote labor savings, safety improvement, and cost reductions utilizing digital technology

VI. Medium-Term Business Plan

(Ongoing Strengthening of Business Foundation (Along Railway))



Utilization of digital technology in aim of expanding revenue through marketing

Promotion of one ID and realization of sophisticated digital marketing

— Further promote expansion of Group revenue and profits utilizing data —



Maximize use of digital customer contact points to achieve individualized approach to customers

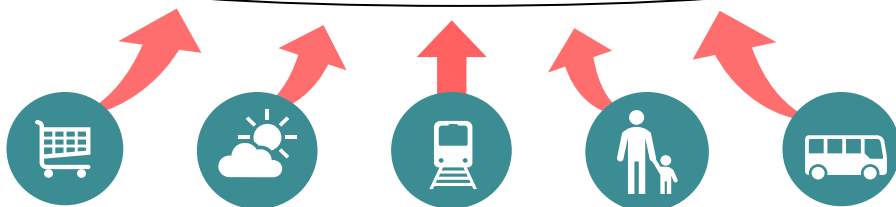
Swift decisions using BI



AI-based customer analysis



Expansion of one ID data centered on TOBU POINT



Capture all data related to lifestyle services, whether real or virtual, at individual customer level

Issuance of new TOBU Card (Around spring 2025)

- Transportation, shopping, and points, all on a smartphone
- Issue gold cards and other premium cards
- Further expand accumulated data

Integrate limited express ticketless service with TOBU POINT (FY2024)

- Expand membership base to app members
- Allow purchases from same site regardless of membership status

Unify member IDS for group company EC sites (FY2025 or later)

- Aim to improve convenience by integrating various services that use separate IDs, such as travel and department stores

Expand contents on TOBU MALL

- Increase number of products, such as digital tickets, to enhance services

Target of FY2027

1 million app downloads

¥175.0 billion in transactions eligible for points

VI. Medium-Term Business Plan

(Development of New Businesses with View to Expanding Business Domain)



Development of digital identity platform business utilizing biometrics

Pursuit of new businesses without regard to existing framework or area

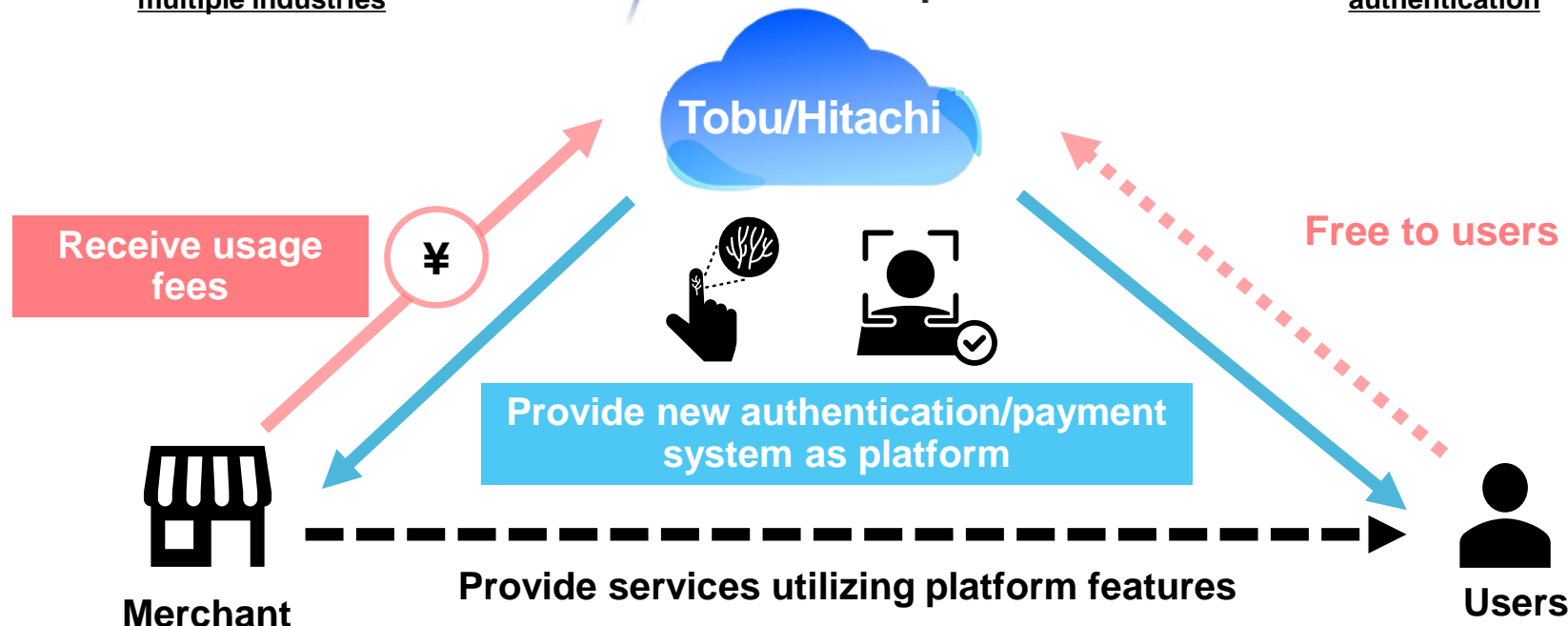
—Create new businesses and establish future revenue streams—

Creation of model cases utilizing business domains and assets across multiple industries



HITACHI
Inspire the Next

Utilization of highly accurate and secure biometric authentication



Aim to expand introduction nationwide and increase fee revenue

VI. Medium-Term Business Plan

Reduce environmental impact by solving social issues and acquiring economic value

Basic policy on reducing environmental impact

Maximize value creation through initiatives involving solving social issues and creating economic value as company

FY2030 Group target for reduction of environmental impact

**Oku-Nikko area
Carbon neutrality**

Establishment of international eco resort
Nikko and strengthening of customer
attraction by realizing local production of
energy for local consumption

Installation of solar
power generation
equipment



Utilization as
electric power for
Group facilities

Reuse of waste
cooking oil



Operation of bio
fuel buses

Utilization of hot
spring heat

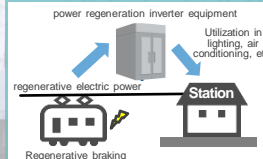


Utilization in
heating for hotels,
etc.

**CO₂ emissions
-30% (compared to FY2022)**

Long-term reduction of energy costs
through planned equipment and energy
substitution

Expanded
installation of power
regeneration
inverter equipment



Reuse in electric
power for station
facilities, etc.

Promotion of LED
lighting



Expanded
introduction to new
rolling stock and
station lighting

Optimization of
number of
owned vehicles



Promotion of 5-car
trains on URBAN
PARK Line

Initiatives to strengthen human capital

— Long-Term Management Vision: Management Strategies and Policies —

1 Increase in percentage of non-railway businesses in operating profit stage

2 Strengthening profitability by capturing tourism demand

3 Establishing sustainable business management structure

[Strengthening of human capital]

Acquire diverse human resources to realize growth and acceleration of each business and create environment where they can reach their potential and play an active role in achieving our Long-Term Management Vision

Four policies related to human capital

Acquisition of diverse human resources

- Expansion of hiring channels (Alumni, experienced workers, etc.)
- Establishment of sustainable wage structure
- Utilization of human resources from inside and outside of Group

Development of human resources that contribute to sustainable growth

- Education and training that promotes independence
- Enhancement of awareness-raising and education
- Expansion of educational programs for common group issues, etc.

Retention of human resources and achievement of potential

- Review of promotion, raise, and evaluation system
- Addressing diverse work styles and creating accommodating culture
- Promotion of career management
- Promotion of pursuit of new businesses, etc.

Improved employee productivity through health and productivity management

- Proactive roll-out of measures for health maintenance and promotion
- Implementation of measures to improve lifestyle of young people, etc.

Improve employee engagement and productivity simultaneously

VI. Medium-Term Business Plan

Management indicators and assumptions to be mindful of

Focus on improving profit levels by realizing growth strategy and controlling assets and liabilities with awareness of capital cost while promoting shareholder return balanced with growth investment and financial soundness

Management indicators	Description	FY2027 assumption
Profitability	Seek to expand non-railway business profits by such means as capturing growth markets centered on tourism based on changes in business environment	Operating profit ¥74.0 billion
Financial soundness	Promote investment in further growth while controlling interest-bearing debt in anticipation of large-scale investments in the redevelopment of Ikebukuro Station West Exit.	Interest-bearing debt/EBITDA multiple 6X level

Management indicators	Description	Assumptions during period
Shareholder return	Enhance shareholder return by flexibly combining dividends and share buybacks while taking into account the balance between growth investment and financial soundness as well as future performance trends.	Total return ratio At least 30%
Management with awareness of capital cost	In the final year of the plan, we will raise the level of operating profit to that of FY2023, which was a record high, and control assets and liabilities with an awareness of capital cost by allocating funds from asset sales (including cross-shareholdings) to growth investment and shareholder returns.	ROE Approx. 8%

Fund procurement and use

Allocate operating cash flow and funds raised through new procurement and asset sales in a balanced manner to capital expenditures and shareholder returns to increase profits in non-railway businesses while ensuring financial soundness.

Fund procurement

- **Fund procurement with consideration of financial soundness**

Procure funds with consideration of financial soundness, including asset sales (e.g., cross-shareholdings)

New procurement,
asset sales, etc.

- **Expansion of operating cash flows**

Expansion of operating cash flows by capturing robust demand in tourism sector, etc.

Consolidated
cumulative total
(4 years)
Operating cash flows
Approx. ¥410.0 billion

Investment of
procured funds

Use of funds

Railway business
Capital expenditures
Approx. ¥190.0 billion

Investment in
non-railway
businesses
Capital
expenditures*
Approx.
¥240.0 billion

Shareholder
return, etc.

- **Active investment in non-railway businesses**

Expand scale of investment in tourism business and development projects

Expansion of
profits through
investment in
non-railway
businesses, etc.

* Includes approx. ¥50.0 billion purchase of land and buildings for sale in lots

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.

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