

Matters Disclosed on the Internet
for
Notice of Convocation of the 63rd Annual General
Meeting of Shareholders

Contents of Financial Statements, etc. of
the Latest Fiscal Year

Tokyu Corporation

(From April 1, 2019 to March 31, 2020)

Pursuant to the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, this information is deemed to have been made available to our shareholders by posting it on the Company's website on the Internet.

1. Status of Assets, and Profit and Loss

① Status of Assets, and Profit and Loss of the Group

Items		148th Period (FY2016)	149th Period (FY2017)	150th Period (FY2018)	151st Period (current fiscal year) (FY2019)
Operating revenue	(million yen)	1,117,351	1,138,612	1,157,440	1,164,243
Profit attributable to owners of parent	(million yen)	67,289	70,095	57,824	42,386
Net income per share	(yen)	55.01	115.42	95.14	69.88
Total assets	(million yen)	2,148,605	2,264,636	2,412,876	2,537,196
Net assets	(million yen)	678,382	747,049	796,164	809,614
Equity	(million yen)	628,308	696,526	745,233	757,003
TOKYU EBITDA	(million yen)	174,312	174,965	176,693	176,584
Interest-bearing debt at end of period	(million yen)	964,397	969,794	1,066,422	1,151,010
Interest-bearing debt/ TOKYU EBITDA	(times)	5.5	5.5	6.0	6.5
D/E ratio	(times)	1.5	1.4	1.4	1.5

(Note)1. Net income per share is calculated based on the average number of outstanding shares during the period (excluding treasury stock).

2. A reverse stock split was implemented on August 1, 2017 (every two common shares were merged into one), and net income per share is calculated on the assumption that the reverse stock split was conducted at the beginning of the 149th period.
3. TOKYU EBITDA is the total of operating profit, depreciation, amortization of goodwill, disposal cost of fixed assets, interest and dividend income and investment gains (loss) from equity method, and indicates the absolute amount of the cash from operating activities.
4. D/E ratio is obtained by dividing the consolidated interest-bearing debt at end of period by the consolidated equity at end of period, and is generally considered to be an indicator of a company's safety.

② Status of Assets, and Profit and Loss of the Company

Items		148th Period (FY2016)	149th Period (FY2017)	150th Period (FY2018)	151st Period (current fiscal year) (FY2019)
Operating revenue	(million yen)	262,528	269,326	284,531	217,454
Net income	(million yen)	51,319	42,978	38,292	25,780

Net income per share	(yen)	41.90	70.74	62.98	42.48
Total assets	(million yen)	1,642,259	1,729,363	1,877,213	1,862,623
Net assets	(million yen)	486,021	519,170	555,310	554,026

(Note)1. Net income per share is calculated based on the average number of outstanding shares during the period (excluding treasury stock).

2. A reverse stock split was implemented on August 1, 2017 (every two common shares were merged into one), and net income per share is calculated on the assumption that the reverse stock split was conducted at the beginning of the 149th period.

3. As a result of the company split by absorption with Tokyu Railways (the trade name was changed from Tokyu Dentetsu Bunkatsu Junbi Kabushiki Kaisha on September 2, 2019) as the successor company pursuant to the agreement on company split by absorption executed and approved at the Annual General Meeting of Shareholders for the 150th period held on June 27, 2019, the Company transferred its railway business (including tramway business) to Tokyu Railways effective October 1, 2019.

2. Main business and business locations, etc.

① Main business

Business segment	Main business
Transportation	Railway and tramway business, bus business, airport management business
Real estate	Real estate sales business, real estate leasing business, real estate management business
Life services	Department store business, chain store business, shopping center business, cable television business, advertising business, video business
Hotel and resort	Hotel business, golf business

② Main business locations, etc.

Main companies	Main business locations, facilities, etc.
	Real estate leasing business
The Company (Head office: Shibuya-ku, Tokyo)	Futako Tamagawa Rise, Shibuya Hikarie, Shibuya Stream, Shibuya Scramble Square, Tamaplaza Terrace, Tokyu Capitol Tower, Grandberry Park, and others
	Real estate sales business
	9 business offices (6 in Tokyo, 3 in Kanagawa)
	Passenger transportation in southwestern areas of Tokyo and in Kanagawa
Tokyu Railways (Head office: Shibuya-ku, Tokyo)	8 service lines (7 railways, 1 tramway) which extend 104.9km and have 97 stations 1,280 vehicles (1,260 railroad cars, 20 tram cars, among which 124 cars are leased)
Tokyu Bus Corporation (Head office: Meguro-ku, Tokyo)	112 service lines which extend 1,107.1km, and 931 vehicles 12 business offices (Setagaya-ku, Tokyo and other places)
Tokyu Facility Service Co., Ltd. (Head office: Setagaya-ku, Tokyo)	6 offices (Osaka City, Osaka and other places)
Tokyu Department Store Co., Ltd. (Head office: Shibuya-ku, Tokyo)	7 stores (5 in Tokyo, 1 in Kanagawa, 1 in Hokkaido)

Tokyu Store Chain Co., Ltd. (Head office: Meguro-ku, Tokyo)	86 stores (46 in Tokyo, 35 in Kanagawa, 5 in other places), Distribution center (Kawasaki City, Kanagawa), training center (Yokohama City, Kanagawa)
Tokyu Malls Development Corporation (Head office: Shibuya-ku, Tokyo)	31 stores (including 12 etomo stores and Minatomirai Tokyu Square operated by a subsidiary)
its communications Inc. (Head office: Setagaya-ku, Tokyo)	2 business offices (1 in Tokyo, 1 in Kanagawa), media center (Yokohama City, Kanagawa)
Tokyu Agency Inc. (Head office: Minato-ku, Tokyo)	4 branch offices (in Osaka City, Osaka and other places)
Tokyu Recreation Co., Ltd. (Head office: Shibuya-ku, Tokyo)	19 sites (3 in Tokyo, 4 in Kanagawa, and 12 in other places), 175 screens
Tokyu Hotels Co., Ltd. (Head office: Shibuya-ku, Tokyo)	36 company-operated hotels (11 in Tokyo, 25 in other places)

3. Status of employees

(Unit: number of persons)

Business segment	Number	Increase/Decrease from previous period
Transportation	7,846	152
Real estate	2,652	△34
Life services	9,330	484
Hotel and resort	3,710	185
The entirety (common)	926	40
Total (of which the Company)	24,464 (1,417)	827 (△3,249)

- (Note) 1. Number of persons does not include the number of temporary employees.
 2. The number of persons described under “The entirety (common)” refers to those who belong to the Management Division which cannot be categorized into specific segments.
 3. The number of employees of the Company has reduced by 3,249 from the end of the previous period. The main reason is that the railway business (including tramway business) was transferred to Tokyu Railways on October 1, 2019 as a result of the company split by absorption with Tokyu Railways as the successor company.

4. Status of major lenders

(Million yen)

Lenders	Debt balance
Development Bank of Japan Inc.	205,993
Sumitomo Mitsui Trust Bank, Limited	120,717
MUFG Bank, Ltd.	118,722
Mizuho Bank, Ltd.	52,108
The Dai-ichi Life Insurance Company, Limited	29,481
The Norinchukin Bank	26,758
Nippon Life Insurance Company	21,440

5. Status of accounting auditor

① Name of accounting auditor

Ernst & Young ShinNihon LLC

② Amount of accounting auditor's remunerations, etc. for the current fiscal year

Amount paid as the fees for the Company's accounting auditor	151,000	Thousand yen
The total amount of monetary or other economic benefit the Company or its subsidiary is to pay to the accounting auditor	351,460	Thousand yen

- (Note)1. The Board of Company Auditors have discussed the adequacy of the remuneration, etc. for the accounting auditor's audit plan by reference to the audit performance of the accounting auditor, the contents of the audit plan for the current fiscal year, etc. As a result, it has unanimously determined that it is adequate and has thus given the consent prescribed in Article 399, Paragraph 1 of the Companies Act.
2. The audit contract between the Company and the accounting auditor does not make a clear distinction between the amount of the audit remuneration, etc. for the audit pursuant to the Companies Act and that for the audit pursuant to the Financial Instruments and Exchange Act, nor is it possible to practically make a distinction. Therefore, the sum of them is described as the amount of the remuneration, etc. of the Company's accounting auditor for the current fiscal year.
3. Among the material subsidiaries of the Company, Tokyu Department Store Co., Ltd., Tokyu Malls Development Corporation, Tokyu Hotels Co., Ltd. are audited by Kisaragi Audit Corporation.

③ Details of non-audit services

The Company and its subsidiaries pay the accounting auditor, considerations for the services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services), which are, preparation of comfort letters concerning issuance of corporate bonds and agreed upon procedures concerning application for the subsidy program for businesses granting point rewards to consumers making cashless payment.

④ Policy on determination of dismissal or refusal to reappoint accounting auditor

If the Board of Company Auditors of the Company determines that any of the Items of Paragraph 1 of Article 340 of the Companies Act occurs, it will dismiss the accounting auditor. Other than that, if it is found that it is difficult for the accounting auditor to properly perform its duties considering the appropriateness and adequacy of the audit activity of the accounting auditor, the Board of Company Auditors will decide on a draft resolution to dismiss or to refuse to reappoint the accounting auditor, and the Board of Directors meeting will submit such draft resolution to the General Meeting of Shareholders in accordance with such decision.

6. Systems to ensure the properness of business activities and the status of operation of such systems

The Company provides “development of systems to ensure the properness of business activities” set forth in the Companies Act and the Regulation for Enforcement of the Companies Act by the resolution of the Board of Directors meeting.

① Basic Policy

The Company constantly reviews the systems and promotes sophistication of effective internal control in order to deal with the changes in management environment, bearing in mind the efforts based on “risk management through compliance management” in the group management policy.

② Matters related to development of systems to ensure the properness of business activities

1) Systems to ensure that the execution of duties by directors and employees complies with laws and regulations as well as the articles of incorporation

- The Company informs and fully implements the code of conduct, builds and operates proper compliance system, and regularly conducts trainings for officers and employees concerning compliance.

- As to the issues on compliance, the sustainability promotion conference receives internal reports centrally, and important issues among those are discussed at the management meeting and reported to the Board of Directors meeting.

- The Company establishes a whistle-blowing desk at the internal department in charge and the external law firm, enables the employees of the Company and consolidated subsidiaries to directly report to and consult with them regarding the acts violating laws and regulations or the code of conduct, and rectifies the violating act.

- The Company enhances a system for internal audit and reports the results of the internal audit to the management, in order to ensure appropriate implementation of business activities.

- The Company appropriately develops and operates the internal control for financial reporting, in order to ensure reliability of the financial reporting.

- The Company refuses any relationship, let alone transaction and profit sharing, with antisocial forces and organizations. In addition, the Company enhances alignment with external agencies such as police, and develops and operates a system to eliminate antisocial forces.

2) Systems related to the retention and management of information pertaining to the execution of the duties of directors

■ The Company appropriately retains and manages the documents and other information pertaining to the execution of the duties of directors, in accordance with laws and regulations as well as company rules.

3) Rules and other systems related to management of the risk of loss

■ As to the issues on safety management, the sustainability promotion conference receives internal reports centrally, and important issues among those are discussed at the management meeting and reported to the Board of Directors meeting.

■ The Company sets forth basic policy for ensuring safety of transportation, provides principles of action for employees involved in safe operation, and develops and operates a safety management system based on the safety management rules.

■ The Company recognizes and assesses material risks of the Company and the subsidiaries from the viewpoint of consolidated management. Risk management policy, etc. are discussed at the management meeting, and reported to the Board of Directors meeting.

■ The Company sets forth basic rules for crisis management, and develops and operates a company-wide crisis management system, in order to conduct various crisis management and to minimize loss relating to business activities.

4) Systems to ensure that the execution of the duties of directors is performed efficiently

■ The Company resolves division of the operation of directors at the Board of Directors meeting, ensures that the execution of the duties of directors is performed efficiently, as well as clarifies the role of management and execution, enhances a system for the execution of operation, clarifies authorities and responsibilities, and makes efforts to enhance corporate governance, based on the executive officers system.

■ The Company holds the Board of Directors meetings every month in principle, as well as holds management meetings to discuss and determine basic policy and important matters related to the Company's execution of business activities.

■ The Company sets forth rules for the execution of business activities, and clarifies division of major business activities at operating organization as well as authorities and responsibilities, in order to conduct business activities smoothly and efficiently.

■ The Company develops and operates a mechanism, in which important information is identified and appropriately reported to management, and instructions are delivered to the whole organization without fail.

5) Systems to ensure the properness of business activities in a business group

① Systems to ensure that the execution of the duties of directors, etc. and employees of

subsidiaries complies with laws and regulations as well as the articles of incorporation

■ The Company enhances effectiveness of internal control by informing the group internal control guideline, and ensures the properness of business activities by conducting monitoring to subsidiaries with combined approaches of self-check and internal audit, etc.

■ The Company holds Tokyu Group sustainability promotion conference, and promotes integrated CSR activities as a business group.

■ The Company develops and operates, conducts assessment and rectifies deficiencies of the internal control for financial reporting through guidelines for consolidated accounting, etc.

② Matters related to reports to the Company of the matters regarding the execution of the duties of directors, etc. of subsidiaries

■ The Company makes subsidiaries conduct necessary reporting to the Company as well as discusses and reports the matters such as the execution of important business activities of the subsidiaries at the Company's Board of Directors meetings and management meetings in accordance with the basic rules for group management.

③ Rules and other systems related to management of the risk of loss of subsidiaries

■ The Company makes subsidiaries conduct understanding, assessment and handling of risks, as well as holds Tokyu Group sustainability promotion conference, and promotes integrated safety management activities as a business group in accordance with the basic rules for group management.

④ Systems to ensure that the execution of the duties of directors, etc. of subsidiaries is performed efficiently

■ The Company holds Tokyu Group corporate conference to determine group management policy, as well as holds group companies management meetings, etc. to understand and assess the management condition of the subsidiaries.

6) Matters related to employees who ought to support the duties of company auditors

■ The Company sets up the Board of Company auditors secretariat as a dedicated department, and the employees at the secretariat shall conduct their duties in accordance with the direction of the company auditors.

■ The Company shall discuss with the company auditors in advance regarding the personnel transfers of such employees.

7) Systems related to reporting to company auditors

- The Company ensures opportunities for company auditors to attend the Board of Directors meetings and other material internal meetings, and conducts appropriate reporting to the company auditors by the officers and employees of the Company and the subsidiaries, in order to contribute to the understanding of the process of important decision making and status of the execution of business activities.
- Officers and employees of the Company and the subsidiaries reports to company auditors the facts in which substantial damage may be caused to the Company and the subsidiaries and other important matters, as well as reports the status of risk management to the company auditors.
- The internal audit department appropriately reports the results of internal audit of the Company and the subsidiaries, and keeps close cooperation with company auditors.
- The Company shall not treat unfairly the officers and employees of the Company and the subsidiaries for reporting to company auditors.

8) Policies for recording of costs arising from the execution of the duties of company auditors

- The Company conducts budgetary measures every fiscal year for costs necessary for company auditors to execute their duties upon the discussion with the company auditors, and if advanced payment of such costs is needed, the Company promptly deals with it at the department in charge upon the request of the company auditors.

9) Other systems to ensure that audit by company auditors is performed effectively

- Full-time company auditors cooperates, by providing information, etc. at Tokyu Group full-time company auditors meetings and the consolidated companies' full-time company auditors liaison meetings, which are regularly held for full-time company auditors to discuss and exchange information with full-time company auditors of the subsidiaries, etc. about audit policy and audit approach.

③ Matters related to the status of operation of systems to ensure the properness of business activities

1) Systems to ensure that the execution of the duties by directors and employees complies with laws and regulations as well as the articles of incorporation

- The Company conducted monitoring by the compliance department and monitoring through internal audit, etc. for the issues on compliance of Tokyu Group, as well as they are discussed and reported at the sustainability promotion conference, and reported to the management meetings and the Board of Directors meetings as appropriate. In addition, the Company made efforts to enhance

awareness to compliance of the officers and employees of the Company and the subsidiaries and to inform code of conduct through sustainability seminars and company-wide trainings using e-learning, and made efforts to fully prevent compliance violations.

■ The Company establishes a whistle-blowing desk regarding compliance inside the Company and at the law firm, receives reports about problematic acts in terms of compliance, and makes efforts to rectify problems. The Company reviewed the daily receiving and handling approach and investigation method, and made efforts to improve effectiveness and reliability of the investigation and remedial measures.

■ The Company developed and operated a system to eliminate antisocial forces through alignment with external agencies such as police.

2) Systems related to the retention and management of information pertaining to the execution of the duties of directors

■ As to the retention and management of information, the Company managed stored documents collectively, and as to the confidential information and personal information, etc., the Company conducted appropriate retention and management of information through responsible persons who manage information and are deployed at all departments, in accordance with the basic rules for information management.

■ The Company reviewed rules related to information security in order to respond to new work styles. In addition, the Company made efforts for information preservation balanced with convenience, by continuously taking various technical measures.

3) Rules and other systems related to management of the risk of loss

■ The issues on safety management of Tokyu Group are discussed and reported at the sustainability promotion conference, and reported to the management meetings and the Board of Directors meetings.

■ The Company regularly conducted internal audit and safety patrol for ensuring safety of transportation, and reported, with conducted measures, to the management meetings and the Board of Directors meetings as appropriate.

■ As to the material risks in consolidated management, the Company regularly reviewed recognition of risks, as well as summarized the material risks clarified by the Company and the subsidiaries, discussed them at the management meetings, and reported to the Board of Directors meetings.

■ In addition, the Company established “Tokyu BC committee” in order to raise the ability to deal with natural disasters such as large-scale earthquake, enhanced alignment with each related companies, discussed at “task force on infectious diseases of every kind such as new strains of influenza” as countermeasures against infectious disease in order to protect the lives of the

employees and users, and conducted various measures.

4) Systems to ensure that the execution of the duties of directors is performed efficiently

■ The Company made efforts to clarify the role of management and execution through the executive officers system, held the Board of Directors meetings and management meetings, and discussed and determined basic policy and important matters related to the Company's execution of business activities based on scrutinized important information.

5) Systems to ensure the properness of business activities in a business group

① The Company promoted integrated sustainability promotion activities as a business group by holding Tokyu Group sustainability promotion conference.

② The Company made efforts to ensure the properness of business activities through receiving necessary reports from the subsidiaries and handling it appropriately, by holding group companies management meetings, etc., in accordance with the basic rules for group management.

③ The Company made subsidiaries conduct understanding, assessment and handling of risks in accordance with the basic rules for group management, as well as promoted integrated safety management activities as a business group by holding Tokyu Group sustainability promotion conference, etc.

④ The Company determined group management policy by holding Tokyu Group corporate conference, etc., as well as understood the business condition of subsidiaries, discussed and determined business plans and other matters by holding group companies management meetings, etc.

The Company discussed and reported the execution of material business activities in consolidated management at the Company's Board of Directors meetings and management meetings as appropriate.

6) Matters related to company auditors

■ The Company deploys dedicated staffs at the Board of Company auditors secretariat in a system to support audit, makes efforts so that the company auditors can perform their duties smoothly, and respects opinions of the company auditors in their transfer.

■ The directors and executive officers, etc. regularly conduct meetings with company auditors for audits by company auditors, and make efforts for arrangement to ensure that full-time company auditors can attend management meetings and other important meetings. In addition, they made internal audit department align with company auditors so that understanding of situation becomes easy, and cooperated in the hearing and examination to the executive department of the Company and subsidiaries.

■ The Company provided information to full-time company auditors of the subsidiaries at Tokyu Group full-time company auditors meetings and the consolidated companies' full-time company

auditors meetings.

7. Basic policy related to the control of stock company

① Basic policy on finance and operation of the Company

In April 2000, the Company developed “Tokyu Group business plan” with an eye toward “sustainably growing Tokyu Group in 21st century”, has actively promoted group reorganization and has made efforts to overcome the financial issues. Subsequently in April 2005, the Company shifted its focus on growth strategies, made efforts to establish basis for sustainable growth, and from 2018, the Company is working on the three-year medium-term management plan with “sustainable urban development, sustainable corporate development, and sustainable human resource development” set as its basic policies.

In addition, the Company is working on the sophistication of the group management systems, such as splitting-up of railway business into a separate company, in order to deal with changes in environment surrounding the Company’s business, as well as developing long-term management scheme in 2019 showing the management attitude and direction of growth strategies toward 2030 and the future that Tokyu Group aims at with 2050 point of view, and promoting sustainable management, dealing with resolution of social issues continuously.

In order to promote management with such long-term perspectives and to preserve, ensure and improve the Company’s corporate value and the common interest of the shareholders, the Company considers that it is essential to carry out each of the following objectives, therefore the Company will make further efforts for their realization.

- 1) To ensure company-wide promotion system that puts top priority on ensuring customer safety, as railway business in the Group is in a highly public business area
- 2) To continuously make medium- to long-term investments aiming at improvement of safety and convenience, and to secure management stability that enables such investments
- 3) To continue with further promotion of development of areas along the railway lines and real estate business from a long-term perspective, and to comprehensively expand the Group’s businesses such as transportation, retail and lifestyle services businesses in order to promote the movement in large areas and to revitalize towns and regions
- 4) To display the Company’s strong group governance so that the Group’s each business is managed in an integrated manner from an overall optimization perspective, while being careful not to harm the interests of minority shareholders of subsidiaries
- 5) To maintain and improve trustful relationships with all stakeholders that are important for the business, such as shareholders, customers, residents along the railway lines, administrative

agencies, related businesses, creditors as well as employees and their families

② Act of acquiring large volume of shares that affects the control of the Company

The Company's shares are listed, and even if the purchase is aimed at acquiring large volume of the Company's shares, it should not be denied as long as it is considered to contribute to the Company's corporate value and the common interest of the shareholders. In addition, the Company considers that the decision of shareholders as a whole through reasonable procedures should be reflected in the end, in deciding that countermeasures should be taken against the acquisition proposal involving a transfer of control of a stock company.

However, among the acts of acquiring large volume of shares, it is difficult to deny the existence of acquisition in an inappropriate manner or by an inappropriate person in terms of its objectives and methods, such as an acquisition that brings obvious harm to the corporate value and the common interest of the shareholders, an acquisition that may give negative effects in ensuring safety of railway business by, for example, pursuing short-term profit, or an acquisition carried out in two stages, creating a situation where failure to accept an initial purchase would be detrimental or cause such apprehension and practically forcing shareholders to sell shares. In addition, if an act of acquiring large volume of shares is proposed, it is possible that acquisition is conducted although shareholders do not have enough information to judge its properness or any alternatives.

The Company recognizes that it is natural duties of the ones who are entrusted with the management of the Company to consider the interests of important stakeholders to the Company's business, to protect the corporate value and the common interest of the shareholders from such acquisition, and to act to contribute to them.

Although the Company does not believe that it is under specific threat of such an acquisition as of this moment, the Company keeps eye on transactions of its shares and changes in shareholders, as well as establishes system within the Company and clarifies the division of roles and the countermeasures to be taken, so that necessary measures can be taken to preserve, ensure and improve the corporate value and the common interest of the shareholders, with the objectivity of judgement secured, if there is a person who intends to acquire large volume of the Company's shares.

Consolidated Statement of Shareholders' Equity

(April 1, 2019 to March 31, 2020)

(Million yen, rounded down to the nearest million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	121,724	133,763	495,343	(28,506)	722,325
Changes during the period					
Distribution of surplus			(13,404)		(13,404)
Profit attributable to owners of parent			42,386		42,386
Liquidation of revaluation reserve for land			(0)		(0)
Purchases of treasury stock				(10,022)	(10,022)
Sale of treasury stock		0		1,237	1,238
Changes in equity of subsidiaries owned continuously		259			259
Increase due to increase in affiliates accounted for using equity method			98		98
Changes other than those to shareholders' equity (net)					
Total changes during the period	—	259	29,079	(8,784)	20,554
Balance at the period end	121,724	134,023	524,423	(37,291)	742,880

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	16,735	(179)	8,404	3,764	(5,816)	22,907	50,930	796,164
Changes during the period								
Distribution of surplus								(13,404)
Profit attributable to owners of parent								42,386
Liquidation of revaluation reserve for land								(0)
Purchases of treasury stock								(10,022)
Sale of treasury stock								1,238
Changes in equity of subsidiaries owned continuously								259
Increase due to increase in affiliates accounted for using equity method								98
Changes other than those to shareholders' equity (net)	(6,751)	137	2	(392)	(1,781)	(8,785)	1,680	(7,104)
Total changes during the period	(6,751)	137	2	(392)	(1,781)	(8,785)	1,680	13,450
Balance at the period end	9,983	(41)	8,406	3,371	(7,598)	14,122	52,611	809,614

Tables of Explanatory Notes on Consolidated Financial Statements

(April 1, 2019 to March 31, 2020)

1. Important Matters Forming the Basis for Preparation of Consolidated Financial Statements

(1) Matters concerning the Scope of Consolidation

(i) Status of consolidated subsidiaries

- Number of consolidated subsidiaries 134 companies
- Names of major consolidated subsidiaries Tokyu Railways, Izukyu Corporation, Tokyu Department Store Co., Ltd., Tokyu Store Corporation, Tokyu Hotels Co., Ltd., Tokyu Recreation Co., Ltd.

(ii) Status of non-consolidated subsidiaries

- Names of major non-consolidated subsidiaries Izu Higashi-kaigan Tetsudo Seibi Kabushiki Kaisha and other 2 companies
- Reason for excluding them from consolidation They are excluded from the scope of consolidation as each of the amount of their total assets, operating revenue, net profit/loss for the current fiscal year and retained earnings (amount proportionate to the Company's equity interest) have no significant impact on the consolidated financial statements of the Company.

(iii) Changes in the scope of consolidation

To the scope of consolidation, the Company added Tokyu Railways and Fujisan Mishima Tokyu Hotel Kabushiki Kaisha as they were newly established, Shibuya Mark City Co., Ltd. due to the increase in the Company's holding ratio of its equity, and TF TOTAL SERVICE CO., LTD. as a result of the purchase of its shares by the Company.

(2) Matters concerning the Application of the Equity Method

(i) Status of non-consolidated subsidiaries and affiliates to which the equity method is applied

- Number of non-consolidated subsidiaries to 2 companies which the equity method is applied

- Number of affiliates to which the equity 24 companies method is applied

- Names of major companies, etc. Seikitokyu Kogyo Co., Ltd., Tokyu Construction Co., Ltd., Tokyu Community Corp., Tokyu Land Corporation, Tokyu Fudosan Holdings Corporation, Tokyu Livable, Inc.

(ii) Status of non-consolidated subsidiaries or affiliates to which the equity method is not applied

- Names of major companies, etc. Cradle Kounou Co.,Ltd and other 5 companies

- Reason for not applying the equity method They are excluded from the scope of applying the equity method as each of the amount of their net profit/loss for the current fiscal year and retained earnings (amount proportionate to the Company's equity interest), etc. have no significant impact on the consolidated financial statements of the Company.

(iii) Changes in the scope of application of the equity method

To the scope of application of the equity method, the Company added TOKYU PM Vietnam Co.,Ltd. and Data Chemistry Inc. as they were newly established, and Mt. Fuji Shizuoka Airport Co.,Ltd due to the increase in its significance.

The Company has excluded Shibuya Mark City Co., Ltd. from the scope of application of the equity method and included it to the scope of consolidation due to the increase in the Company's holding ratio of its equity.

(3) Matter related to Accounting Standards

(i) Valuation basis and methods for major assets

a. Securities (including investments and other assets)

Held-to-maturity bonds: Amortized cost method (straight-line method).

Other securities

Those with fair value: Fair value method based on the market prices, etc. as at the closing date of the fiscal year. (Valuation differences are all transferred directly to net assets. Selling costs are calculated principally by the moving average method.)

Those without fair value: Fair value method principally by the moving average method.

Regarding investments in silent partnerships (other securities), the portion of profit and loss of the silent partnerships that belongs to the Company according to its holding ratio of the equity is accounted for as “non-operating profit and loss,” and “investment securities” are adjusted.

b. Derivatives: Fair value method.

c. Inventories

As to land and buildings for sale in lots, the Company mainly adopts the cost method using either of the gross average method for each area or the specific identification method. As to other inventories, the Company applies the cost method using any of the specific identification method, gross average method, last purchase cost method, first-in first-out system, retail method or moving average method (all of the above, values on the balance sheet are subject to the book value reduction based on decline in profitability) depending on each business type.

(ii) Method of depreciation of important depreciable assets

a. Tangible fixed assets (excluding lease assets)

They are depreciated principally by the declining-balance method. Both of the declining-balance method and the straight-line method are applied to some leasing facilities of the Company and to some consolidated subsidiaries. However, the straight-line method is adopted to the Company and its consolidated domestic subsidiaries, with regard to the buildings (excluding appurtenances thereto) acquired on or after April 1, 1998 and the appurtenances to buildings and structures acquired on or after April 1, 2016.

Their general usable life is as follows:

Buildings and structures 2 to 75 years

b. Intangible fixed assets (excluding lease assets)

They are depreciated by the straight-line method. Software for internal use is depreciated by the straight-line method based on the internal usable period (five years) in each company.

c. Lease assets

Lease assets related to finance lease transactions that transfers ownership

They are depreciated by the same method that is applied to fixed assets owned by the Company.

Lease assets related to finance lease transactions that do not transfer ownership

They are depreciated by the straight-line method, based on the assumption that the usable life equals the lease term and the residual value equals to zero.

(iii) Treatment of deferred assets

Costs for corporate bond issuance, etc. and costs for share delivery are all expensed off as incurred.

(iv) Basis for accounting for important allowances

a. Allowance for doubtful accounts

To meet losses from non-performing claims such as accounts receivables and loans, the Company appropriates an estimated uncollectible amount, by considering the actual loss rate in respect of general claims and the individual possibilities of collection in respect of specific claims such as claims with a possibility of default.

b. Allowance for bonuses

To appropriate the payment of bonuses to employees and directors who also serve as employees, the Company sets up based on an estimated amount of bonuses.

c. Allowance for loss on collection of gift certificates

To meet losses from collection of gift certificates, etc. after the Company ceased to account them for liabilities, the Company appropriates a collectible amount of the future based on the actual amount in the past.

(v) Accounting method for assets and liabilities relating to retirement benefits

To meet the payment of retirement benefits to employees, an amount equal to the retirement benefit obligations less pension plan assets, which is calculated by using the estimated retirement benefit obligations and pension plan assets as of the end of the consolidated fiscal year, is recorded as the assets and liabilities relating to retirement benefits. To calculate the retirement benefit obligations, the Company mainly applies the straight-line

attribution in attributing expected retirement benefits to periods up to the end of the consolidated fiscal year. The actuarial differences are treated as expenses primarily based on the straight-line method for a specific period of years (15 years) not exceeding the average remaining years of the service by employees when such differences occur, from the following consolidated fiscal year. Past service costs are treated primarily based on a straight-line method for a specific period of years (15 years) not exceeding the average remaining years of the service by employees when such past service costs occur.

The unrecognized actuarial differences and unrecognized past service costs are accounted for as the accumulated amount of adjustment for retirement benefits in the accumulated other comprehensive income and as non-controlling interests included in the net assets, after adjusted for tax consequences.

(vi) Basis for translation of important assets or liabilities in a foreign currency into Japanese yen

Monetary claims and obligations in a foreign currency are translated into Japanese yen at the spot exchange rate as at the closing date of the consolidated fiscal year, and the translation adjustment is accounted for as profit or loss. Assets and liabilities of subsidiaries or affiliates in a foreign country are translated into Japanese yen at the spot exchange rate as at the closing date of the consolidated fiscal year, and their revenue and expenses are translated into Japanese yen mainly at the average rate during the period. The translation adjustment is included in the foreign currency translation adjustment account and non-controlling interests in net assets.

(vii) Special legal reserves

Specific urban railways improvement reserve are liquidated in accordance with Article 8 of the Act on Special Measures concerning Promotion of Construction of Specified Urban Railways.

The Company recognizes that 2,510 million yen among the specific urban railways improvement reserve will be used within a year.

(viii) Treatment method of contribution for construction in railway and tramway business

The Company, and Tokyu Railways, Izukyu Corporation and Ueda Dentetsu Company, which are consolidated subsidiaries of the Company, include the contribution for construction in the financial statements by directly deducting the amount equal to such contribution for construction from the original cost of fixed assets acquired at the time of completion of the construction. In the consolidated income statement, the amount obtained as contribution for construction is accounted for as extraordinary gains, and at the same time, the amount directly deducted from the original cost of fixed assets is included in extraordinary losses as a tax purpose reduction entry of contribution for construction. Among the costs regarding which contribution received for construction, the portion spent for constructions of temporary structures that were already removed is accounted for as operating expenses (cost for removal of fixed assets, etc.).

(ix) Method of important hedge accounting

a. Method of hedge accounting

The Company uses the deferred hedge method in principle. The special method is used to account for interest rate swaps that meet the requirements of the method, and the combining method (special treatment, appropriated treatment) is used to account for interest rate currency swaps that meet the requirements for such combining method. The appropriate method is used to account for the forward exchange contracts that meet the requirements of the method.

b. Hedge methods and hedge items

Hedge methods: interest rate swaps, interest rate currency swaps, forward exchange contracts

Hedge items: debts, corporate bonds in a foreign currency, debts in a foreign currency, monetary obligations in a foreign currency

c. Hedge policy

In accordance with the Company's standard set in its business execution rules that provides for authorities concerning transactions, the Company hedges risks of interest rate and foreign exchange fluctuations. The consolidated subsidiaries also use derivative transactions in accordance with their internal rules to hedge risks of interest rate and foreign exchange fluctuations that incur mainly in their business activities.

d. Method of evaluating the effectiveness of a hedge

The Company evaluates the effectiveness of hedge methods and hedge items by considering the ratio of cash flow fluctuations for the period that has already passed.

(x) Method and period of amortization of goodwill

Goodwill is amortized in equal amounts for five (5) years, however, insignificant goodwill is amortized at once.

(xi) Accounting treatment of consumption taxes, etc.

Consumption taxes, etc. are excluded from each account subject to such taxes.

2. Changes in the Accounting Policy

(Changes in the method of presentation)

The Company transferred its railway business (including tramway business) to its wholly owned subsidiary, Tokyu Railways (the trade name was changed from *Tokyu Dentetsu Bunkatsu Junbi Kabushiki Kaisha* on September 2, 2019), through a company split on October 1, 2019.

Following the reorganization of the Group, in the consolidated fiscal year, operating expenses linked to each business under the Regulation on Accounting in the Railway Industry (Ministry of Transport Ordinance No. 7, February 20, 1987) were reclassified into operating expenses related to the Group management of the Company as the operating holding company and those related to Tokyu Railways, which operates the railway and tramway business. Following this change, the Company reviewed the situations of occurrence of operating expenses, which had been presented as “Operating Expenses and Cost of Sales of Transportation,” and changed the method of presentation by indicate a portion of such operating expenses as “Selling, General and Administrative Expenses.”

(Additional information)

(How to consider the impact of COVID-19 in making accounting estimates)

As for the impact of COVID-19, it is difficult to accurately predict how it will spread and when it will subside in the future. However, based on information from external sources, in the fiscal year ending March 2021, the Company assumes that the operating income and other incomes will significantly decrease until June 2020 under severe restrictions due to the declaration of the state of emergency that was issued by the government and requests from municipalities to refrain from going out, but that the situation will normalize from July 2020 to a certain timing in the fiscal year ending March 2021. On the above assumption, the Company makes accounting estimates such as the future cash flows and possibility of collection of deferred tax assets in the impairment accounting of fixed assets.

(Employee Stock Ownership ESOP Trust)

In September 2015, the Company adopted an employee incentive plan “Employee Stock Ownership ESOP Trust” for the purposes of increasing the Company’s corporate value over the medium-to-long term and enhancing benefits to employees.

(1) Outline of the Transaction

An ESOP trust is a trust-type employee incentive plan that applies the structure of employee stock ownership plan, with reference to the ESOP (Employee Stock Ownership Plan) system used in the U.S. Its purpose is to improve the savings system that promotes asset formation of employees (and to enhance the employee benefit system) by using the Company shares.

The Company has established a trust the beneficiaries of which are employees who are members of the “Employee Stock Ownership Plan of Tokyu Group” (the “Stock Ownership Plan”) and

meet certain requirements. During a specified purchasing period, the trust purchases the Company shares in an amount expected to be acquired by the Stock Ownership Plan over a certain period. After the purchase, the trust will sell these shares to the Stock Ownership Plan on a certain day of every month. If there is a trust income due to a rise in the stock price at the end of the trust, money will be distributed to employees who are beneficiaries according to the contribution ratio of each. If there is a loss on sale due to a decline in the stock price and a debt remains relating to the trust property, the Company will repay such debt to the bank in a lump sum in accordance with the guarantee clause in the loan agreement, and the employees will not pay any additional amount.

(2) The Company Shares Held in the ESOP Trust

The Company shares held in the ESOP trust are accounted for as treasury stock in net assets by their carrying amount under the trust (excluding the amount of any associating costs). The carrying amount and number of such treasury stock are 143 million yen and 85,000 shares, respectively in the consolidated fiscal year.

(3) Carrying Amount of Debts that were Accounted for as a Result of Applying the Gross Price Method

Not applicable.

3. Notes to Consolidated Balance Sheet

(1) Pledged Assets and Secured Obligations

(i) Amount of pledged assets

Land and buildings for sale in lots	101 million yen
Buildings and structures	385,473 million yen
Machinery, equipment and vehicles	59,668 million yen
Land	131,915 million yen
Investment securities (Note 1)	5,627 million yen
Others	15,587 million yen
<u>Total</u>	<u>598,372 million yen</u>

(Note 1) The investment securities are provided as security in order to secure short-term debts of 4,820 million yen and long-term debts of 137,571 million yen of the parties to which the Company had invested.

(Note 2) In addition to the above, the following asset, which has been eliminated in the consolidating procedures, is pledged as collateral.

Shares of subsidiaries	357 million yen
------------------------	-----------------

(ii) Secured obligations

Short-term debt	12,884 million yen
Long-term debt	59,412 million yen
Others	3,556 million yen
<u>Total</u>	<u>75,853 million yen</u>

(2) Accumulated depreciation of tangible fixed assets 1,225,168 million yen

(3) Guarantee obligations, etc.

Debt guarantee for companies and entities outside the corporate group 74 million yen

Contingent liabilities relating to the debt assumption agreement of corporate bonds 10,000 million yen

(4) Accumulated amount of subsidies received for construction that was directly deducted from the purchase price of fixed assets 213,811 million yen

4. Notes to Consolidated Statement of Shareholders' Equity

(1) Matters related to total number of shares issued

Type of shares	Number of shares at the beginning of the consolidated fiscal year (thousand shares)	Increase in the number of shares during the consolidated fiscal year (thousand shares)	Decrease in the number of shares during the consolidated fiscal year (thousand shares)	Number of shares at the end of the consolidated fiscal year (thousand shares)
Common stock	624,869	—	—	624,869

(2) Matters related to treasury stock

Type of shares	Number of shares at the beginning of the consolidated fiscal year (thousand shares)	Increase in the number of shares during the consolidated fiscal year (thousand shares)	Decrease in the number of shares during the consolidated fiscal year (thousand shares)	Number of shares at the end of the consolidated fiscal year (thousand shares)
Common stock (Note)	16,939	4,653	734	20,858

(Notes) (1) The number of shares at the beginning of the consolidated fiscal year includes 1,129 thousand Company shares held by the employee stock ownership plan trust account and the executive compensation trust account.

(2) The number of shares at the end of the consolidated fiscal year includes 395 thousand Company shares held by the employee stock ownership plan trust account and the executive compensation trust account.

(3) The breakdown of the increase in the number of treasury stock is as follows:

(i) Increase due to the market purchase authorized by 4,641 thousand shares resolution of the Board of Directors

(ii) Increase due to the purchase of fractional shares 11 thousand shares

(4) The breakdown of the decrease in the number of treasury stock is as follows:

(i) Decrease due to the sale of shares in the employee stock ownership plan trust account 724 thousand shares

(ii) Decrease due to the share issuance in the executive compensation trust account 9 thousand shares

(iii) Decrease due to the request for additional purchase) by shareholders of fractional shares 1 thousand shares

(3) Matters related to distribution of surplus

(i) Dividend payments, etc.

(Resolution)	Type of shares	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
June 27, 2019 Annual General Meeting of Shareholders	Common stock	(Note 1) 6,093	10.0	March 31, 2019	June 28, 2019
November 11, 2019 Board of Directors meeting	Common stock	(Note 2) 7,311	(Note 3) 12.0	September 30, 2019	December 3, 2019

(Note 1) Total dividends include dividends of 11 million yen paid to the employee stock ownership plan trust account and the executive compensation trust account.

(Note 2) Total dividends include dividends of 9 million yen paid to the employee stock ownership plan trust account and the executive compensation trust account.

(Note 3) Dividend per share includes commemorative dividend of 2.0 yen.

(ii) Dividends whose record date belongs to the current consolidated fiscal year but become effective in the following consolidated fiscal year

(Planned date of resolution)	Type of shares	Total dividends (million yen)	Dividend payment fund	Dividend per share (yen)	Record date	Effective date
June 26, 2020 Annual General Meeting of Shareholders	Common stock	(Note) 6,651	Retained income	11.0	March 31, 2020	June 29, 2020

(Note) Total dividends include dividends of 4 million yen paid to the employee stock ownership plan trust account and the executive compensation trust account.

5. Notes on Financial Instruments

(1) Matters related to status of financial instruments

The Company and its consolidated subsidiaries raise funds mainly by borrowing the required money from financial institutions or by issuing corporate bonds according to the capital expenditure plan of each business including the railway and tramway business. Only surplus funds are utilized for fund management, and are managed with the principal guaranteed or with similar instruments. Derivatives are used to hedge risks that are described below, and are not used for speculative trading.

Pursuant to internal regulations, we are attempting to reduce the credit risks attributable to customers relating to trade notes and accounts receivable. Additionally, securities and investment securities are mainly stocks, and we regularly review the fair value and the financial position of the issuer.

Debts and corporate bonds are mainly used for capital expenditures and working capital. With

regard to interest volatility risks of some long-term debts, interest rate swaps are used to fix interest payments, and interest rate currency swaps are used for foreign currency-denominated long-term debts and foreign currency-denominated corporate bonds associated with foreign exchange fluctuation risks and interest volatility risks, in order to fix principal and interest payments. Earthquake derivatives are also used to hedge income fluctuation risks associated with earthquake incidents. Derivative transactions are executed and managed in accordance with the internal regulations.

(2) Matters related to fair values of financial instruments

The amount reported in the consolidated balance sheet, fair values and differences between them as of March 31, 2020 are as follows:

Million yen

	Amount reported in the consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	59,389	59,389	—
(2) Trade notes & accounts receivable	154,176		
Allowance for doubtful accounts (*1)	(1,195)		
	152,981	152,981	—
(3) Securities and investment securities			
Held-to-maturity bonds (*2)	10	10	0
Affiliate securities	109,210	73,844	(35,366)
Other securities	41,685	41,685	—
Total Assets	363,277	327,911	(35,366)
(1) Trade notes & accounts payable	103,082	103,082	—
(2) Short-term debt (*3)	299,235	299,235	—
(3) Commercial papers	50,000	50,000	—
(4) Corporate bonds (*2)	245,090	252,176	7,086
(5) Long-term debt (*4)	556,684	574,699	18,015
Total Liabilities	1,254,092	1,279,194	25,101
Derivatives (*5)	(0)	(0)	—

(*1) Allowance for doubtful accounts corresponding to trade notes & accounts receivable is deducted.

(*2) Includes bonds to be redeemed within one year.

(*3) Does not include portions of long-term debts payable within one year.

(*4) Includes debt payable within one year.

(*5) Net positive and negative balances that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

(Note 1) Matters related to calculation of fair value of financial instruments and securities and derivative transactions

Assets

(1) Cash and deposits, and (2) trade notes & accounts receivable

Fair values of these are based on book values, which are proximate to fair values, as they are settled in a short period of time.

(3) Securities and investment securities

Fair values of affiliated companies' stocks and other securities are based on the prices on securities exchanges, and those of bonds are based on the quoted price obtained from relevant financial institutions.

Liabilities

s

- (1) Trade notes & accounts payable, (2) short-term debt and (3) commercial papers

Fair values of these are based on book values, which are proximate to fair values, as they are settled in a short period of time.

- (4) Corporate bonds

Fair values of corporate bonds are calculated based on market prices (if any). Fair values of corporate bonds with no available market price are calculated based on the present value of the total amount of principal and interest (*) discounted by the interest rate that would be charged when similar corporate bonds were newly issued.

- (*) For corporate bonds that are treated together with interest rate currency swaps (special treatment, appropriated treatment) (refer to Derivative transactions below), the total amount of principal and interest at the rate of such interest rate currency swaps.

- (5) Long-term debt

Fair values of long-term debts with floating interest rates are based on book values, which would be approximate to fair values, as they reflect market interest rates within a short period of time. Fair values of long-term debts with fixed interest rates are calculated based on the present value of the total amount of principal and interest (*) discounted by the interest rate that would be charged for a new similar borrowing.

- (*) For long-term debts that are subject to special treatment of interest rate swaps or are treated together with interest rate currency swaps (special treatment, appropriated treatment) (refer to Derivative transactions below), the total amount of principal and interest at the rate of such interest rate swaps and interest rate currency swaps.

Derivative transactions

Fair values of derivative transactions are calculated based on the quoted price and the like obtained from relevant financial institutions. With regard to derivative transactions that are subject to special treatment of interest rate swaps or are treated together with interest rate currency swaps (special treatment, appropriated treatment), their fair values are included in those of corporate bonds and long-term debts to be hedged, because they are accounted for as an integral part of hedged items (refer to (4) Corporate bonds and (5) Long-term debt above).

- (Note 2) Unlisted stocks (amount reported in the consolidated balance sheet: 25,312 million yen) are not included in “(3) Securities and investment securities” because it is deemed extremely difficult to evaluate their fair values because they do not have market prices and future cash flow cannot be estimated.

Earthquake derivatives (amount reported in the consolidated balance sheet: 291 million yen) are not included in “Derivative transactions” because it is deemed extremely difficult to evaluate their fair values because they do not have market prices and future cash flow cannot be estimated.

6. Notes on Rental and Other Real Estate

(1) Matters related to status of rental and other real estate

The Company and some of its consolidated subsidiaries own office buildings to rent, commercial facilities to rent, rental housing and the like in the areas served by the Company's railway lines in Tokyo and Kanagawa and other areas.

(2) Matters related to fair value of rental and other real estate

Million yen

Amount reported in the consolidated balance sheet	Fair value
605,049	1,202,993

(Note 1) The amount reported in the consolidated balance sheet is the amount of the cost of acquisition less accumulated depreciation.

(Note 2) The fair value at the end of the consolidated fiscal year has mainly been calculated by the Company based on the "real estate appraisal standards" (including those adjusted using relevant indexes), while the fair values of some major properties are based on the real estate appraisal determined by real estate appraisers, etc.

(Note 3) Real estates under development are not included in the above table because it is extremely difficult to determine their fair values.

7. Notes on Per Share Information

(1) Net assets per share	¥1,253.29
)	
(2) Net income per share	¥69.88
)	

8. Notes on Major Subsequent Events

Not applicable

9. Other Notes

(1) Impairment losses

For the calculation of impairment losses, the Company grouped its assets by the smallest grouping unit that generates independent cash flow separately, in general, from the cash flow generated from other assets or asset groups. As a result, for the fixed asset groups for which the fair value has decreased conspicuously compared to the book value due to the continuous decline in land prices, and the fixed asset groups that continue to report loss from operating activities (a total of 97 groups), the book values are reduced to their recoverable values during the consolidated fiscal year, and such reduction is recorded as impairment loss (7,326 million yen) under extraordinary losses.

*Breakdown of impairment losses by area

· Tokyo metropolitan area	6,351	(of which	2,	buildings	4,374,	others	1,974)	million yen
	land:		structures:					

· Chubu and Hokuriku area	528	(of land:	which_, buildings structures:	439, others 89)	million yen
· Kinki area	52	(of land:	which_, buildings structures:	29, others 23)	million yen
· Others	393	(of land:	which_, buildings structures:	29, others 363)	million yen

(2) Business combination

(Transaction under common control and the like)

(i) Outline of the transaction

- a. Name of the business and details of the business subject to the transaction

The Company's railway business (including tramway business)

- b. Date of business combination

October 1, 2019

- c. Legal form of business combination

Spin-off (*bunsha-gata*) absorption-type company split with the Company as the splitting company and Tokyu Railways (the trade name was changed from *Tokyu Dentetsu Bunkatsu Junbi Kabushiki Kaisha* on September 2, 2019) as the successor company.

- d. Corporate name after the business combination

Tokyu Corporation and Tokyu Railways

- e. Other matters related to the outline of the transaction

The purpose of the transaction is to promote the optimization of the management system of the railway operations, which are the Company's core business, and, as the operating holding company, the Company intends to take on the development function and the asset portfolio management function, and to define its role in promoting growth strategy.

(ii) Outline of the accounting implemented

This transaction was processed as transaction under common control pursuant to the "Accounting Standard for Business Combination" and the "Application Guideline for Accounting Standard for Business Combination and Accounting Standard for Business Separation".

(3) Segment information

(Million yen, rounded down to the nearest million)

Reported segment	Operating revenue	Operating profit
Transportation	213,647	27,018
Real Estate	210,175	29,000
Life Service	707,995	13,411
Hotel and Resort	96,125	(1,495)
Total	1,227,944	67,934
Adjustments	(63,700)	825
Amount posted in the consolidated financial statements	1,164,243	68,760

(Matters related to change in reported segment)

The Company transferred its railway business (including tramway business) to its wholly owned

subsidiary, Tokyu Railways (the trade name was changed from *Tokyu Dentetsu Bunkatsu Junbi Kabushiki Kaisha* on September 2, 2019), through a company split on October 1, 2019.

Following the reorganization of the Group, in the consolidated fiscal year, operating expenses linked to each business under the Regulation on Accounting in the Railway Industry (Ministry of Transport Ordinance No. 7, February 20, 1987) were reclassified into operating expenses related to the Group management of the Company as the operating holding company and those related to Tokyu Railways, which operates the railway and tramway business. The reclassification has affected the operating expenses allocated to each business. In addition, the Company owns rental and other real estate as the operating holding company and is responsible for the development function and the asset portfolio management. To pursue the growth strategy, the Company classified asset management categories with Tokyu Railways. In relation to this change, the classifications of expenses associated with assets, including depreciation and taxes have changed.

The segment information of the previous consolidated fiscal year that incorporates such change in reported segment is as follows:

(*Million yen*, rounded down to the nearest million)

Reported segment	Operating revenue	Operating profit
Transportation	213,602	35,161
Real Estate	203,363	28,365
Life Service	703,183	14,546
Hotel and Resort	99,925	3,213
Total	1,220,074	81,286
Adjustments	(62,633)	684
Amount posted in the consolidated financial statements	1,157,440	81,971

End

1 Current Situation in the Group

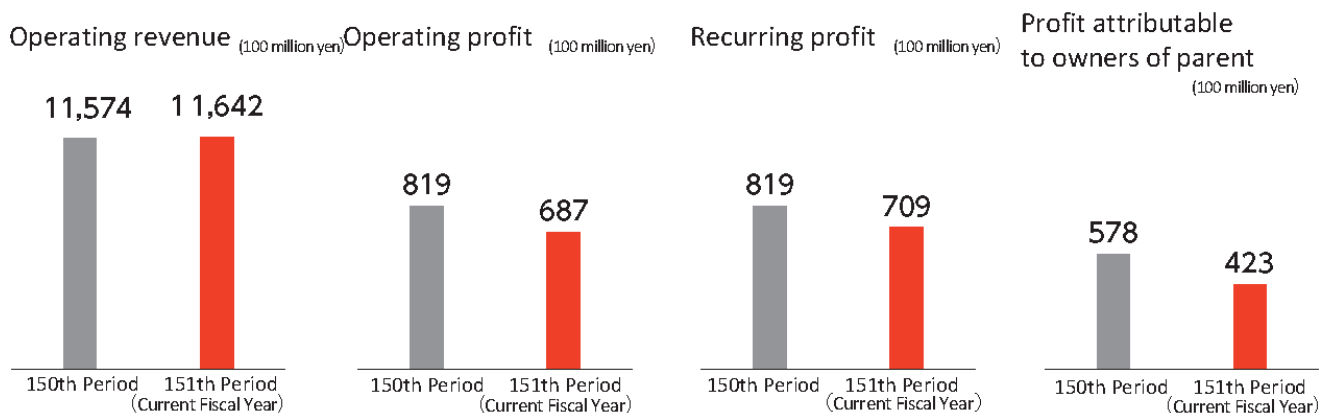
1. Progress and Results of the Business

During the current fiscal year, the Japanese economy was on a moderate recovery trend, partly due to the effects of various policies, as the employment and income environment continued to improve. However, the impact of COVID-19 that occurred in the winter on the global economy was significant, and we continued to face severe situations, with social and corporate activities being restricted.

Amid these economic environment, the Company (including its consolidated subsidiaries) has promoted its three-year mid-term management plan, “Make the Sustainable Growth”. By strengthening existing businesses and offices located outside Tokyu’s railway lines, as well as aggressively entering new business areas where the Company can make the most of its strengths, we aim to become a corporate group that continues to grow even in rapid changes in society.

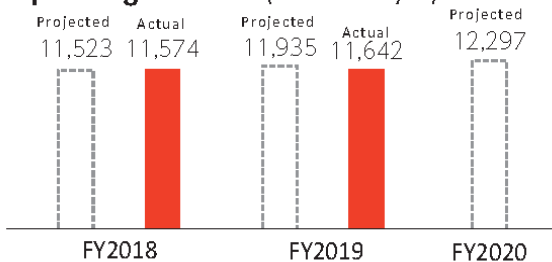
The Company changed its trade name to “Tokyu Corporation” in September 2019 and spun off its railway and tramway business in October to start its operations as “Tokyu Railways”. The Company will continue to respond swiftly to changes in the environment surrounding its businesses and promote growth strategies by expanding its business through the creation of new added value.

Operating revenue for the current fiscal year recorded 1,164.243 billion yen (+0.6% YoY), mainly due to solid performance in the Company’s real estate leasing business following the opening of Shibuya Scramble Square and Minami-machida Grandberry Park. However, a decrease in consumer demand with the spread of COVID-19, as well as a decrease in the number of users in the transportation business due to people voluntarily refraining from going outside, and a significant decrease in hotel occupancy rates in the hotel and resort business, resulted in operating profit of 68.76 billion yen (-16.1% YoY), Recurring profit of 70.925 billion yen (-13.4% YoY), and profit attributable to owners of parent of 42.386 billion yen (-26.7% YoY).

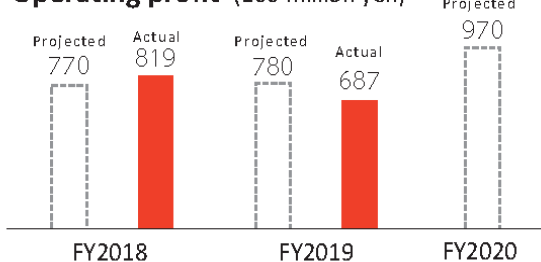


Management Indicators

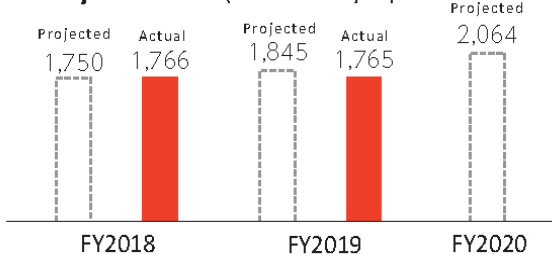
Operating revenue (100 million yen)



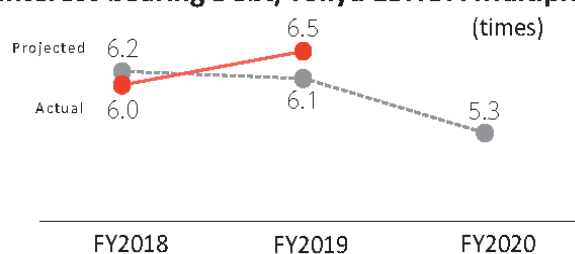
Operating profit (100 million yen)



Tokyu EBITDA (100 million yen)

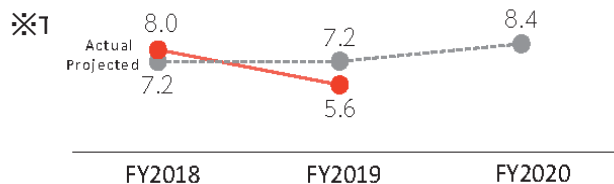


Interest-bearing Debt/Tokyu EBITDA Multiple (times)



※Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

(Reference index) ROE (%)



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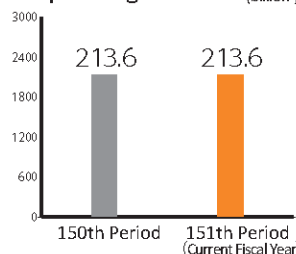
Transportation Business



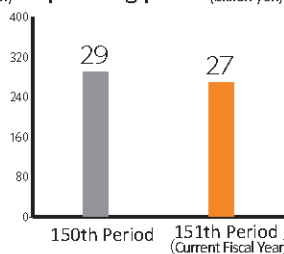
Operating revenue 213.6 billion yen
YoY 0.0% increase ↑

Operating profit 27 billion yen
YoY 7.1% decrease ↓

Operating revenue (billion yen)



Operating profit (billion yen)



Progress and Results of the Business

The overall passengers carried by the Company and Tokyu Railways were 1,187 million, a decrease of 0.2% from FY2018. While commuter revenue increased 0.5% in part due to ongoing population growth along Tokyu lines, non-commuter revenue decreased 1.2% due to a decline in patronage following the spread of COVID-19, resulting in higher revenue but lower profit.

Ensuring of travel safety and stability and improvements in safety and convenience

As well as striving to ensure travel safety and stability by strengthening its accident prevention and early recovery systems, Tokyu Railways is working to alleviate congestion and improve convenience and comfort such as by revising train schedules, implementing initiatives encouraging off-peak travel, and introducing new rolling stock.

In March 2020, we completed installation of platform screen doors and fixed platform barriers equipped with sensors at 100% of stations (excluding Setagaya Line and Kodomonokuni Line), resulting in a significant reduction in falls from platforms. In addition, in order to improve security on trains, we will install security cameras, such as the IoTube security cameras with integrated LED fluorescent lamps, in all carriages owned by Tokyu Railways by around July 2020.

Other initiatives in the transportation business

In addition to conducting a demonstration testing of a secondary integrated transportation service, "tourism-type MaaS", in Izu area, the Group has been engaged in the airport management business since fiscal 2016, leveraging our expertise in transportation infrastructure management and regional development.

About Sendai International Airport Co.,Ltd., in part due to having launched new routes, the number of passengers increased by 2.9% from fiscal 2018 to 3.71 million, a record high for the third consecutive year. In addition to our participation in the management of Mt. Fuji Shizuoka Airport Co.,Ltd. since April 2019, in October 2019, Hokkaido Airports Co.,Ltd., of which the Company is a shareholder, signed a project agreement for the operation of seven airports in Hokkaido, and from June 2020, and will gradually begin the management business at each airport.



New rolling stock 3020 series of Meguro Line



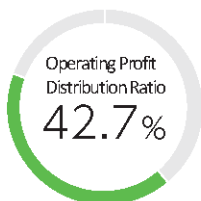
Platform screen doors at Saginuma Station, Den-en-toshi Line



Sendai International Airport



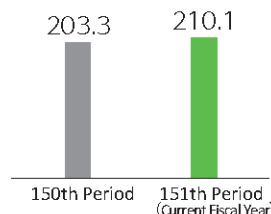
Real Estate Business



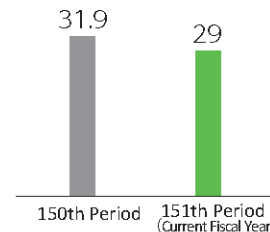
Operating revenue 210.1 billion yen
YoY 3.3% increase ↑

Operating profit 29 billion yen
YoY 9.3% decrease ↓

Operating revenue (billion yen)



Operating profit (billion yen)



Progress and Results of the Business

In real estate leasing business of the Company, while revenue increased in part due to the new openings of Shibuya Scramble Square and Minami-machida Grandberry Park, profit decreased in part due to an increase in the opening expenses for the new properties.

Redevelopment projects in the Shibuya Station area

Seeking to turn Shibuya into an “entertainment city” that continues to showcase new businesses and culture to the world, we are working together with other parties to drive large-scale redevelopment projects in the station area.

In November 2019, we opened “Shibuya Scramble Square”, the tallest complex in the Shibuya area at approximately 230 meters and with 47 levels above ground. This large-scale complex comprises a total of 213 commercial facilities, “SHIBUYA QWS” – a co-creation facility that creates new value through cross-disciplinary initiatives such as in partnership with universities and companies-offices, and “SHIBUYA SKY” – a observation deck facility with one of Japan’s largest rooftop observation decks. Visitors to Shibuya Scramble Square topped 6 million in the first three months of opening.

Promotion of community development in areas along Tokyu’s railway lines

In addition to creating new, attractive sites in areas served by Tokyu’s railway lines, striving to revitalize the city and improve the value of those areas, we are also working to further improve convenience and comfort for everyone living along Tokyu lines.

In November 2019, we opened the “Minami-machida Grandberry Park” which the Company has been working on in cooperation with Machida City. In just the first two weeks of opening, the number of visitors topped 1 million. We will continue to create new attractions of the city as a new lifestyle center where the nature and bustling activity are combined, through the integrated development of commercial facilities, a station and a park.



Shibuya Scramble Square



SHIBUYA SKY observation deck facilities © Shibuya Scramble



Minami-machida Grandberry Park



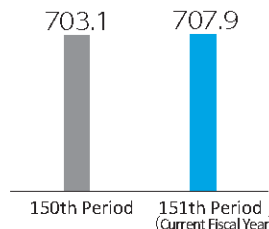
Life Services Business



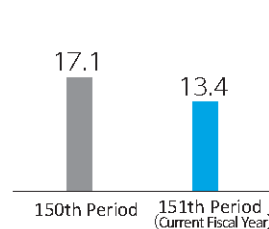
Operating revenue **707.9 billion yen**
YoY 0.7% increase ↑

Operating profit **13.4 billion yen**
YoY 21.8% decrease ↓

Operating revenue (billion yen)



Operating profit (billion yen)



Progress and Results of the Business

Revenue increased in part due to strong screenings of box-office hits at Tokyu Recreation Co., Ltd., and an increase in new customers at Tokyu Power Supply Co., Ltd., but profits were down due to the effects of the consumption tax hike on Tokyu Department Store Co., Ltd., and other subsidiaries, as well as the impact of shortened business hours and cooler consumer sentiment as a result of typhoons, floods and the spread of COVID-19.

Initiatives in the life services business

In conjunction with the opening of the “Grandberry Park” commercial facilities, Tokyu Recreation Co., Ltd., opened “109 Cinemas Grandberry Park”. We are working to enhance the theater’s facilities and services, including installation of a state-of-the-art screening system.

At Tokyu Power Supply Co., Ltd., the total number of applications for electricity and gas was about 354,000 as of March 31, 2020, an increase of about 108,000 from FY 2018.

In June 2019, six parties comprising the Company, four IT companies based in Shibuya, and the Shibuya City Board of Education launched a project supporting programming education at public elementary and junior high schools in Shibuya-ku.

Initiatives in the retails business

In addition to promoting structural reform to respond to market changes, we are also proceeding to develop new types of business that address diversified customer needs.

At Tokyu Department Store Co., Ltd., as part of the Shibuya redevelopment, we closed the Tokyu Toyoko Store, which had been valued by customers for 85 years. Ahead of closing this store, we opened a number of new types of stores in “Shibuya Scramble Square” and other locations offering food, cosmetics, sundries, and other goods. At “SHIBUYA 109”, we achieved a record number of visitors following the remodeling of stores in April 2019 in celebration of its 40th anniversary.

As for Tokyu Store Chain Co., Ltd., the new type of smaller store set up inside Futako-Tamagawa Station in November 2019 is performing well, and through the development of business types, we will continue to expand new areas where stores could be opened.



109 Cinemas Grandberry Park



Tokyu Foodshow EDGE



SHIBUYA 109

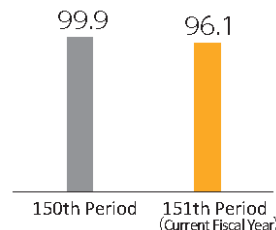
Hotel and Resort Business



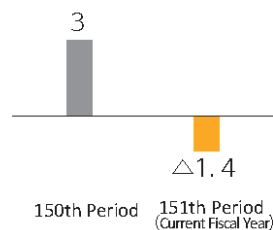
Operating revenue 96.1 billion yen
YoY 3.8% decrease ↓

Operating profit 1.4 billion yen
YoY — %

Operating revenue (billion yen)



Operating profit (billion yen)



Progress and Results of the Business

As of March 31, 2020, revenue and profit both decreased due mainly to the decline in patronage at Tokyu Hotels Co., Ltd., which operates 36 directly managed hotels, as a consequence of the spread of COVID-19.

At Tokyu Hotels Co., Ltd., we are proceeding to open new hotels to meet the diversifying demand for accommodation, and are working to strengthen our competitiveness such as by improving brand power. In November 2019, we opened “Osaka Excel Hotel Tokyu”.



Osaka Excel Hotel

Other initiatives

Overseas business development

The Company is developing its overseas business, mainly in Vietnam, Thailand and Western Australia, by making use of the town development know-how it has cultivated over many years. In Vietnam, we are engaged in urban development in Binh Duong Province. We completed the construction of a high-rise condominium “The VIEW” and started sales of “SORA gardens II”. We also started operations of a general real estate management company with Tokyu Community Corp. in Ho Chi Minh City. In Bangkok, Thailand, a condominium unit “taka HAUS” was completed in August 2019 and a condominium unit “THE BASE SUKHUMVIT 50” was completed in November of the same year.



SORA gardens II
(Image)

Initiatives toward a sustainable company and society

As initiatives toward a sustainable company and society, we will put further effort into contribution to local communities through public interest incorporated foundations and educational institutions including “Tokyu Foundation”, international exchanges, the environment, culture and education, in addition to various initiatives in business activities such as the participation in “RE 100”, an international initiative to procure 100% of the electricity used in business from renewable energy sources and achieve zero CO2 emission, and further contribute to solving social issues.



Tokyu Foundation
Research grant presentation ceremony

2. Problems to be coped with

Three-year medium-term management plan “Make the Sustainable Growth”

The Company will celebrate its 100 year anniversary in fiscal 2022. The three-year period of this plan (2018 – 2020) is the period during which we will evolve into Tokyu Group that creates new added value while laying the foundation for the next 100 years. With the aim of achieving sustainable growth, we have formulated three basic policies and will steadily promote the five key initiatives under those basic policies.

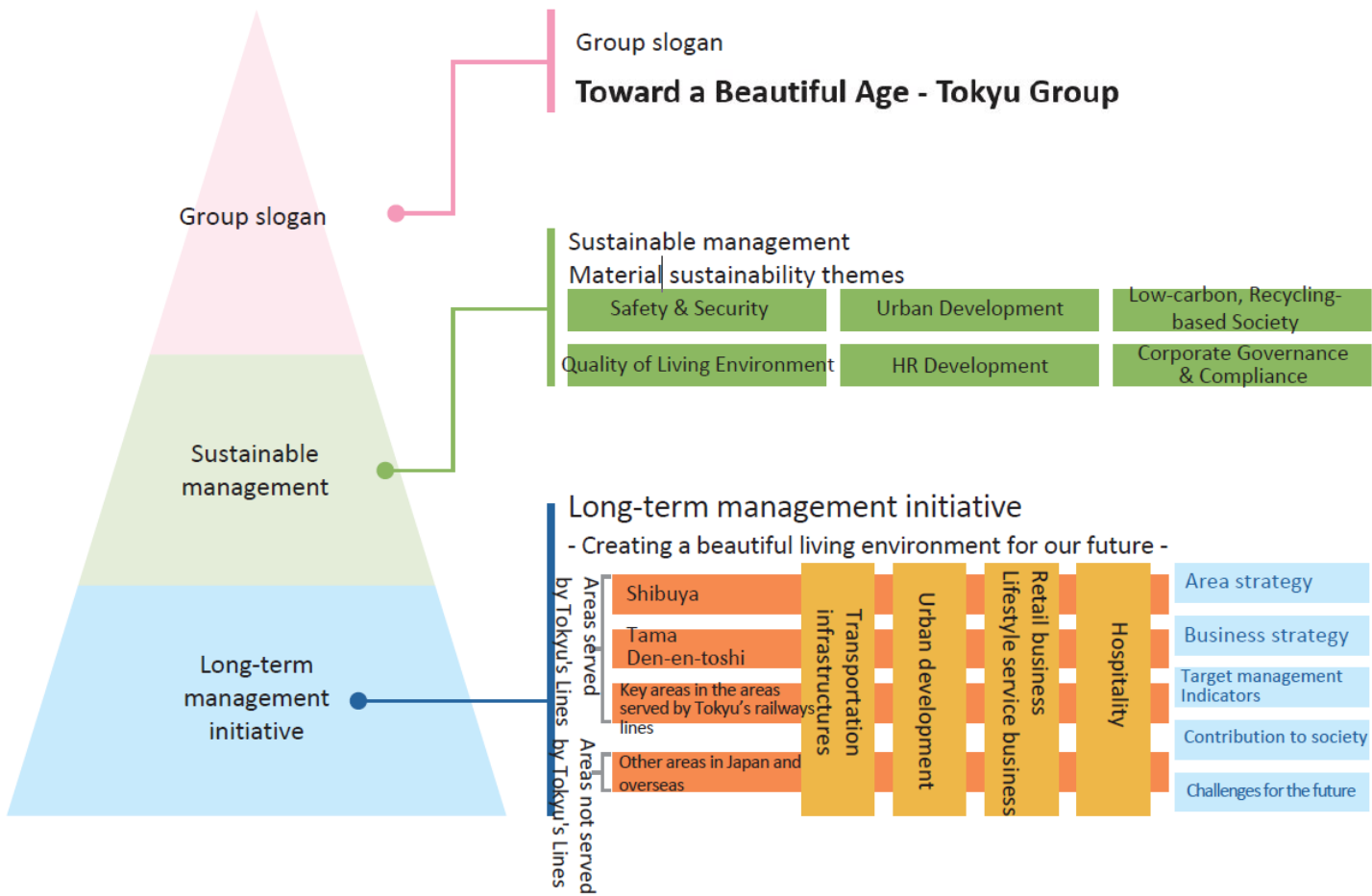
Basic Policies (Three Sustainability) and Five Key Initiatives				
Policies	Basic	<p>Sustainable “urban development”</p> <p>Perspective on the society</p> <p>Rise to the challenge of new types of urban development and continue to focus on urban development and regeneration</p> <p>Perspective within the organization</p> <p>Inherit the urban development DNA that has flowed through veins of the Company for 100</p>	<p>Sustainable “corporate development”</p> <p>Perspective on the society</p> <p>Continue to provide added value to stakeholders (customers, shareholders, business partners, etc.)</p> <p>Perspective within the organization</p> <p>Achieve development and growth of business adapted to the changing environment and social needs</p>	<p>Sustainable “HR development”</p> <p>Perspective on the society</p> <p>Support HR development in society through childcare, education and cultural activities</p> <p>Perspective within the organization</p> <p>Develop management human resources, foster a climate for the creation of innovation, hand down technology, and strengthen diversity and health</p>
		Initiatives	Key	<ol style="list-style-type: none"> 1 Tirelessly pursue “safety”, “security” and “comfort” (increasing the resilience of our mainstay railway business) 2 Increase Shibuya’s global appeal (bring “Entertainment City Shibuya” to fruition) 3 Continuously improve the areas served by Tokyu’s railway lines’ value and life value (make the most of the combined strength of the Group’s businesses) 4 Expand business through strategic alliances (collaboration inside and outside the Group) 5 Make progress on workstyle innovation (develop Tokyu’s own brand of workstyle reforms)

Long-term Management Initiative

Ever since our foundation, the Company has been striving to solve social issues through “urban development” based on its railway business, and the entire Group is currently engaged in the redevelopment of Shibuya.

On the other hand, globalization and digitalization in the society has been proceeding at an accelerated pace, and our business environment is undergoing significant changes like never before, including the actualization of climate change risks. In this environment, we have quickly worked on the “enhancement of the group management system” including the spin-off of the railway business, and in September 2019, formulated a “long-term management initiative” which clarifies the “Tokyu’s visions of the future” and the “direction in which Tokyu will go”. This long-term management initiative addresses the “material sustainability themes” formulated taking SDGs into account, and states growth strategies such as “area strategy” and “business strategy” toward “Creating a beautiful living environment for our future”.

However, the recent spread of COVID-19 has significantly affected the Group and we believe that the business environment will change significantly compared to the time when the long-term management initiative was formulated. Under such circumstances, the Group will continue in its endeavors, evolving strategies to adapt quickly to changes in lifestyle and social issues which COVID-19 will bring, while maintaining our vision for the future. Based on the value standard of “Toward a Beautiful Age - Tokyu Group” which is the slogan of the Tokyu Group, we will fulfill the Company’s social responsibility to support public transportation and life infrastructure toward “Creating a beautiful living environment for our future”.



Area Strategy

Dividing our business areas into four, we will develop and implement strategies according to the characteristics and growth potential of each area.

Areas served by Tokyu's railway lines	Shibuya	Further evolution and deepening of “Entertainment City SHIBUYA”
	Tama Den-en-toshi	Taking on challenges to produce advanced cases of solutions to problems in suburban areas
	Key areas in the areas served by Tokyu's railways lines	Areas with strong potential for growth that the Group has been actively seeking for participation as a business operator such as platinum triangle (Shibuya - Jiyugaoka -
Areas not served by Tokyu's railway lines	Other areas in Japan and overseas	Development into domains and areas in which we can utilize our strengths

Business Strategy

We will develop strategies for each business, and by combining them with area strategies, we aim to achieve both business growth and the resolution of social issues.

Transportation Infrastructure Business (Transportation Segment)

Pursuing safety in our railway business, realizing both public welfare and profitability at a high level

Urban Development Business (Real Estate Segment)

Achieving both the resolution of social issues and business growth through promoting urban development that is unique to Tokyu

Lifestyle Service Business (Life Services Segment)

Implementing management that is oriented toward consumers and users ahead of diversified customer needs and changes in lifestyle

Retail Business (Life Services Segment)

Provision of new experiences to customers and improving productivity by introducing new technologies

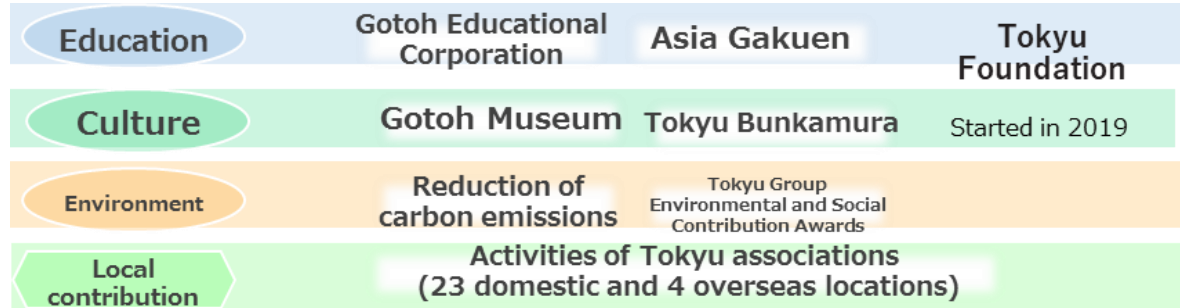
Hospitality Business (Hotel and Resort Segment)

Strengthening brand competitiveness in the hotel business

*This is an excerpt from our area strategies and business strategies.

Contribution to Society

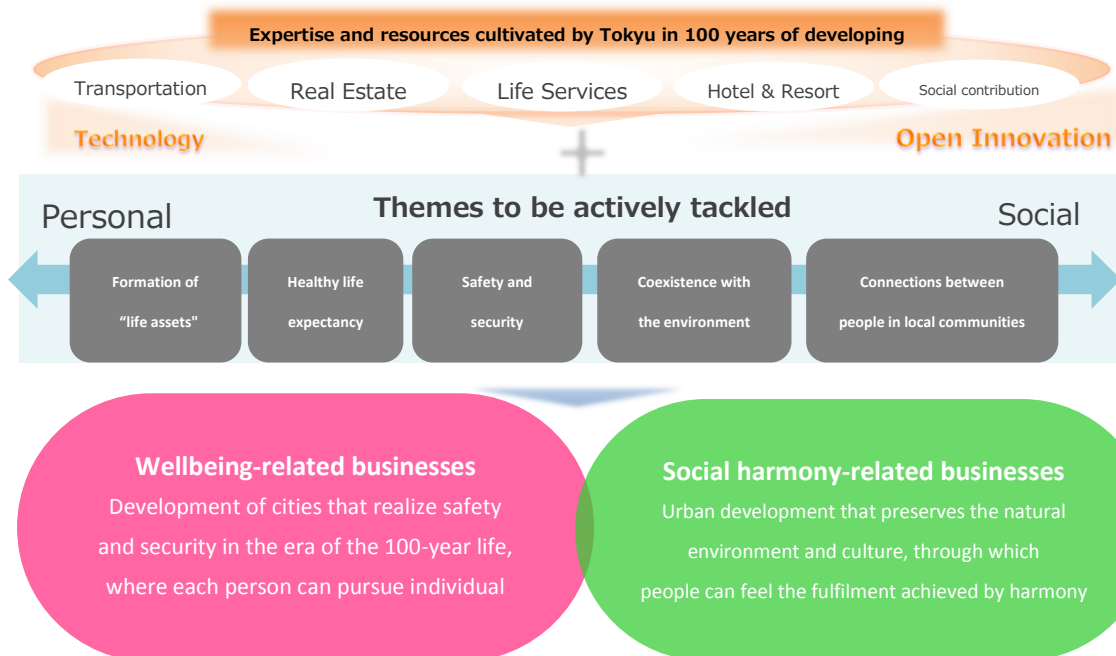
We will continue to engage in social contribution activities while solving social issues through our business activities.



Challenge for the future

- Visions for the Future with a View of 2050 -

We will achieve the development of “A City Adored by People around the World” by providing social values originally created by Tokyu.



3. Status of capital Expenditures

Capital expenditures in the Group during the current fiscal year totaled 205.29 billion yen. Major expenditures were as follows:

Business Segment	Details of major capital expenditures
Transportation business	<p>Tokyu Railways:</p> <p>Installation of platform screen doors, introduction of new rolling stocks "Series 2020" and "Series 3020", introduction of digital ATC (automatic train control device), and installation of 3D railroad-crossing obstacle detectors</p>
Real estate business	<p>The Company:</p> <p>Shibuya Scramble Square Minamichita Grandberry Park Aoyama Oval Building Land readjustment project around Shibuya Station</p>

4. Status of financing arrangements

The Company made borrowings as necessary, in addition to 25 billion yen in corporate bonds and 14 billion yen in syndicated loans, to be used for equipment funds, repayment of borrowings, and redemption of corporate bonds for the current fiscal year.

For the purpose of improving the fund efficiency of the Company and its subsidiaries, TOKYU FINANCE AND ACCOUNTING CO.,LTD., a subsidiary of the Company, has concluded loan commitment line agreements with financial institutions with a total amount of 60 billion yen.

At the end of the current fiscal year, the balance of consolidated interest-bearing debt including corporate bonds and borrowings was 1,151.01 billion yen, an increase of 84.588 billion yen from the end of the previous fiscal year.

5. Status of the business transfer, absorption-type company split or incorporation-type company split

Based on the absorption-type company split agreement that was approved and concluded at the 150th Annual General Meeting of Shareholders held on June 27, 2019, the Company transferred its transportation business (including the railway business) to Tokyu Railways (trade name changed from Tokyu Dentetsu Bunkatsu Junbi Kabushiki Kaisha as of September 2, 2019) being a succeeding company through an absorption-type company split.

6. Status of assets, and profit and loss

In accordance with laws and regulations and Article 15 of the Articles of Incorporation, information available on the Company's website (<https://www.tokyu.co.jp/>).

7. Status of significant subsidiaries

Business segment	Company name	Share capital (million yen)	Ownership ratio (%)	Principal business
Transportation infrastructure business	Tokyu Railways	100	100.00	Railway business
	Tokyu Bus Corporation	3,300	100.00	Bus business
Real estate business	Tokyu Facility Service Co., Ltd.	100	100.00	Real estate management business
Life service business	Tokyu Department Store Co., Ltd.	100	100.00	Department store operations
	Tokyu Store Chain Co., Ltd.	100	100.00	Chain store operations
	Tokyu Malls Development Corporation	1,550	100.00	Shopping center operations
	its communications Inc.	5,294	100.00	Cable television business
	Tokyu Agency Inc.	100	98.53	Advertising agency services
	Tokyu Recreation Co., Ltd.	7,028	50.11	Audiovisual business
Hotel and resort business	Tokyu Hotels Co., Ltd.	100	100.00	Hotel business

- (Note) 1. Ownership ratios include shares held by subsidiaries.
2. The Company has 134 consolidated subsidiaries (increase of 4 companies from the previous year) including the above 10 companies, and 26 equity-method affiliates (increase of 2 companies from the previous year).

8. Main business and business locations, etc.

In accordance with laws and regulations and Article 15 of the Articles of Incorporation, information available on the Company's website (<https://www.tokyu.co.jp/>).

9. Status of employees

In accordance with laws and regulations and Article 15 of the Articles of Incorporation, information available on the Company's website (<https://www.tokyu.co.jp/>).

10. Status of major lenders

In accordance with laws and regulations and Article 15 of the Articles of Incorporation, information available on the Company's website (<https://www.tokyu.co.jp/>).

2 Status of the Company

1. Share Overview

- ① Authorized shares 900,000,000 shares
- ② Shares outstanding 624,869,876 shares (of which treasury shares: 20,207,910 shares)
- ③ Number of shareholders 82,468 (increase of 4,027 from the end of the previous fiscal year)
- ④ Major shareholders

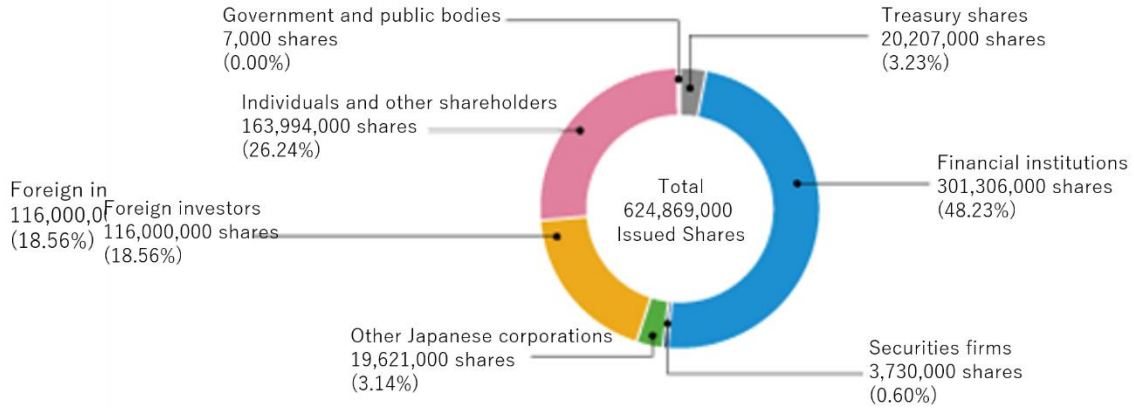
Name	Number of shares	Ratio of shares held to total shares
	(thousand shares)	(%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	42,658	7.05
The Dai-ichi Life Insurance Company, Limited	36,155	5.98
Japan Trustee Services Bank, Ltd. (Trust Account)	28,188	4.66
Nippon Life Insurance Company	23,527	3.89
Sumitomo Mitsui Trust Bank, Limited	22,395	3.70
Japan Trustee Services Bank, Ltd. (Trust Account 5)	10,286	1.70
Mitsubishi UFJ Trust and Banking Corporation	9,993	1.65
Mizuho Bank, Ltd.	9,906	1.64
MUFG Bank, Ltd.	9,845	1.63
Taiyo Life Insurance Company	9,566	1.58

- (Note) 1. The top 10 shareholders are shown. The ratio of shares held to total shares is calculated after subtracting treasury stock from total number of outstanding shares.
 2. Although the Company owns 20,207,000 shares of treasury shares, it is not included in the above major shareholders.

⑤ Other important matters concerning shares

With respect to purchase of treasury shares under the provisions of Article 156 of the Companies Act as applied by replacing terms of Article 165, Paragraph 3 of the Companies Act, the Company's Board of Directors has resolved on November 11, 2019, to acquire 4,641,600 ordinary shares of treasury shares from November 12, 2019 to December 30, 2019 at a total of 9,999,912,103 yen, to improve capital efficiency and implement a flexible capital policy.

Distribution by Shareholders



2. Status of Officers

1 Status of Directors and Audit & Supervisory Members

Outside Director

Outside Directors

Independent
Director

Independent Directors registered at the
Tokyo Stock Exchange

Position	Name	Responsibilities	Significant concurrent positions
Chairman of the Board & Representative Director	Hirofumi Nomoto	Responsible for Business Administration	Director of Tokyu Fudosan Holdings Corporation Director of TOKYU RECREATION CO., LTD. Outside Director of TOEI COMPANY, LTD. Outside Director of Mitsubishi UFJ Financial Group, Inc.
Representative Director & President	Kazuo Takahashi	Responsible for Business Administration	
Representative Director & Vice President	Masao Tomoe	Responsible for Business Administration, Corporate Affairs Headquarters, Human Resources Headquarters and Tokyu Hospital	Outside Director of TOKYU CONSTRUCTION CO., LTD.
Director & Senior Managing Executive Officer	Toshiyuki Hoshino	Responsible for Hospitality Business Unit and International Business Strategy Headquarters	
Director & Managing Executive Officer	Toshiyuki Ichiki	Responsible for Transportation Infrastructure Unit and Lifestyle Service Business Unit	
Director & Managing Executive Officer	Hirohisa Fujiwara	Responsible for Corporate Planning Headquarters and Finance & Accounting Strategy Headquarters, Executive General Manager of Corporate Planning Headquarters	Outside Director of Gyunavi, Inc.
Director & Managing Executive Officer	Toshiyuki Takahashi	Responsible for Urban Development Unit and Shibuya Development Unit	
Director & Executive Officer	Setsu Hamana	Responsible for Building Management Unit, Executive General Manager of Building Management Headquarters	
Director & Executive Officer	Masahiro Horie	Responsible for Retail Business Unit, Executive General Manager of Retail Business Headquarters	
Director & Executive Officer	Jun Murai	Executive General Manager of Human Resources Headquarters	
Director & Corporate Consultant	Isao Watanabe		

Position	Name	Responsibilities		Significant concurrent positions
Director	Keiichi Konaga	Outside Director	Independent Director	President of Human Resources Training Center Japan
Director	Kiyoshi Kanazashi	Outside Director		Chairman of Tokyu Fudosan Holdings Corporation Director of TOKYU RECREATION CO., LTD.
Director	Reiko Kanise	Outside Director	Independent Director	Representative Director of LENA JAPON INSTITUTION CO., LTD. Representative Director of Kei Associates Inc.
Director	Kunie Okamoto	Outside Director	Independent Director	Advisor of Nippon Life Insurance Company Outside Director of Kintetsu Group Holdings Co., Ltd. Outside Director of Daicel Corporation
Audit & Supervisory Board Member	Takehiko Shimamoto			
Audit & Supervisory Board Member	Naohisa Akimoto			
Audit & Supervisory Board Member	Kunio Ishihara	Outside Audit & Supervisory Board Member	Independent Audit & Supervisory Board Member	Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. Outside Director of Japan Post Holdings Co. Ltd. Outside Director and Audit and Supervisory Committee Member of Nikon Corporation Outside Audit & Supervisory Board Member of Mitsubishi Research Institute, Inc.
Audit & Supervisory Board Member	Taku Matsumoto	Outside Audit & Supervisory Board Member	Independent Audit & Supervisory Board Member	Founding Partner of Yebisu Matsumoto Law Office Outside Director of THE NIPPON ROAD Co., Ltd.

(Note) 1. Changes in directors are as follows:

- On June 27, 2019, Directors Mr. Fumiaki Shiroishi and Mr. Tsuneo Kihara retired due to the expiration of their term of office.
 - On March 27, 2020, Mr. Katsutoshi Saito resigned from his position as Audit & Supervisory Board Member. He had concurrent positions as Special Advisor of The Dai-ichi Life Insurance Company, Limited, Outside Director of Imperial Hotel, Ltd. and Outside Auditor of Asahi Group Holdings, Ltd.
 - Mr. Taku Matsumoto, who was elected as Substitute Audit & Supervisory Board Member at the 150th Annual General Meeting of Shareholders held on June 27, 2019, assumed the position of Audit & Supervisory Board Member on March 27, 2020.
2. On June 18, 2019, Director Mr. Hirofumi Nomoto retired from his position as Outside Director of Japan Post Bank Co., Ltd.
 3. On June 19, 2019, Director Mr. Hirohisa Fujiwara assumed the positions of Outside Director of Gurunavi, Inc.
 4. On June 27, 2019, Director Mr. Hirofumi Nomoto assumed the position of Outside Director of Mitsubishi UFJ Financial Group, Inc.
 5. On December 18, 2019 Audit & Supervisory Board Member Mr. Kunio Ishihara assumed as Outside Audit & Supervisory Board Member of Mitsubishi Research Institute, Inc.
 6. On May 26, 2020, Director Mr. Kazuo Takahashi assumed the position of Outside Director of Shochiku Co., Ltd.

(Note) 7. As of April 1, 2020, the positions and responsibilities of Directors are as follows.

Name	Position and Responsibilities			
	As of March 31, 2020		As of April 1, 2020	
Hirofumi Nomoto	Chairman of the Board & Representative Director	Responsible for Business Administration	Chairman of the Board & Representative Director	Responsible for Business Administration
Kazuo Takahashi	Representative Director & President	Responsible for Business Administration	Representative Director & President	Responsible for Business Administration
Masao Tomoe	Representative Director & Vice President	Responsible for Business Administration, Corporate Affairs Headquarters, Human Resources Headquarters and Tokyu Hospital	Representative Director & Vice President	Responsible for Business Administration and Corporate Affairs Headquarters,
Toshiyuki Hoshino	Director & Senior Managing Executive Officer	Responsible for Hospitality Business Unit and International Business Strategy Headquarters	Director & Senior Managing Executive Officer	Responsible for Hospitality Business Unit and International Business Strategy Headquarters
Toshiyuki Ichiki	Director & Managing Executive Officer	Responsible for Transportation Infrastructure Unit and Lifestyle Service Business Unit	Director & Managing Executive Officer	Responsible for Transportation Infrastructure Unit and Lifestyle Service Business Unit
Hirohisa Fujiwara	Director & Managing Executive Officer	Responsible for Corporate Planning Headquarters and Finance & Accounting Strategy Headquarters, Executive General Manager of Corporate Planning Headquarters	Director & Managing Executive Officer	Responsible for Corporate Planning Headquarters and Finance & Accounting Strategy Headquarters and Future Design Lab
Toshiyuki Takahashi	Director & Managing Executive Officer	Responsible for Urban Development Unit and Shibuya Development Unit	Director & Managing Executive Officer	Responsible for Development Business Unit
Setsu Hamana	Director & Executive Officer	Responsible for Building Management Unit, Executive General Manager of Building Management Headquarters	Director & Managing Executive Officer	Responsible for Retail Business Unit, Human Resources Headquarters, and Tokyu Hospital
Masahiro Horie	Director & Executive Officer	Responsible for Retail Business Unit, Executive General Manger of Retail Business Headquarters	Director & Executive Officer	Responsible for Building Management Unit, Executive General Manger of Building Management Headquarters
Jun Murai	Director & Executive Officer	Executive General Manager of Human Resources Headquarters	Director & Corporate Consultant	
Isao Watanabe	Director & Corporate Consultant		Director & Corporate Consultant	

8. The Company adopted Executive Officer System and as of April 1, 2020, the following are officers who are not concurrently serving as Directors:

Name	Position and Responsibilities			
	As of March 31, 2020		As of April 1, 2020	
Hidetoshi Tajima	Executive Officer	Executive General Manager of Corporate Affairs Headquarters	Executive Officer	Executive General Manager of Corporate Affairs Headquarters
Ryosuke Toura	Executive Officer	Executive General Manger of Shibuya Development Business Headquarters	Executive Officer	Executive General Manger of Shibuya Development Business Headquarters
Toshitake Ashizawa	Executive Officer	Executive General Manager of Urban Management Strategy Headquarters	Executive Officer	Executive General Manager of Human Resources Strategy Headquarters
Takashi Furukawa	Executive Officer	Executive General Manager of International Business Strategy Headquarters	Executive Officer	Executive General Manager of International Business Strategy Headquarters
Mie Kanai	Executive Officer	Executive General Manger of Lifestyle Service Business Headquarters	Executive Officer	Executive General Manger of Lifestyle Service Business Headquarters
Takuya Iwai			Executive Officer	Executive General Manger of Urban Development Business Headquarters
Seiichi Fukuta			Executive Officer	Executive General Manger of Transportation Infrastructure Business Headquarters
Akinori Kanayama		Executive General Manger of Hospitality Business Headquarters	Executive Officer	Executive General Manger of Hospitality Business Headquarters

2 Policy on Determining Compensation for Directors and Audit & Supervisory Board Members

(1) Policy on Determining Compensation for Officers

The compensation system for officers aims to further increase awareness about contributing towards increasing the medium- to long-term corporate value as well as maximizing the shareholder value. It comprises fixed compensation that reflect the roles and responsibilities of directors; performance-linked compensation calculated from the overall performance evaluation of the departments the respective officers are responsible for; and stock-based compensation for shareholders and directors to further share values.

The following matters related to compensation of directors are delegated to the Compensation Committee, an advisory organ to the Board of Directors.

- Policy for determining compensation, etc., of directors
- Details of compensation, etc., for each individual director

The Compensation Committee is comprised of the lead independent outside director and the chairman of the board, chaired by the lead independent outside director. As a general rule, meetings are held once a year and whenever changes occur. The meeting was held three times during this fiscal year.

Compensation for Audit & Supervisory Board Members is determined through discussions among Audit & Supervisory Board Members.

(2) Determining Compensation for Officers

Compensation for officers is paid within the total amount determined by a resolution of the General Meeting of Shareholders upon referring to compensation standards for officers of other companies such as listed companies, mainly companies with a high public nature.

Fixed compensation reflecting directors' roles and responsibilities is determined by roles and whether the director has authority to represent the Company. Performance-linked compensation is calculated from evaluation with five levels arrived at through a comprehensive assessment taking into consideration indicators - such as budget achievement rate and execution rate - for the respective departments each director is responsible for using our medium-term management plans and such.

Stock-based compensation utilizes a stock grant trust to grant and pay Company shares and money based on stock grant points conferred in stages according to positions and such.

Performance-linked compensation and stock based compensation are not paid to outside directors and Audit & Supervisory Board Members due to the nature of their work.

3 Total Amount of Compensation, etc., of Directors and Audit & Supervisory Board Members

Officer category	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)			Number of applicable persons
		Monetary compensation		Stock-based compensation	
		Fixed compensation	Performance-linked compensation		
Directors	499	189	260	49	17
Audit & Supervisory Board Members	72	72	—	—	5

- (Note) 1. The above figures include two directors who retired after their terms ended at the 150 Annual General Meeting of Shareholders held on June 27, 2019, and one Audit & Supervisory Board Member who retired on March 27, 2020.
2. The total amount of monetary compensation for directors was set as up to 550 million yen annually (of which, up to 45 million yen annually for outside directors, excluding salaries for directors who are concurrently employees) through a resolution passed at the 138 Annual General Meeting of Shareholders held on June 28, 2007.
3. The total amount of compensation in the form of shares for directors (excluding outside directors) was set as up to 100 million yen annually through a resolution passed at the 148 Annual General Meeting of Shareholders held on June 29, 2017. The total amount of compensation in the form of shares stated above is the amount accounted as expenses in the current fiscal year.
4. The total amount of monetary compensation for Audit & Supervisory Board Members was set as up to 90 million yen annual through a resolution assed at the 138 Annual General Meeting of Shareholders held on June 28, 2007.
5. In addition to the above, there was one outside officer who received compensation from a subsidiary as an officer, and their total compensation was 3 million yen.
6. Of the above, the total amount of compensation for outside officers is 52 million yen with seven eligible directors (of which, 33 million yen for directors and 18 million yen for Audit & Supervisory Board Members) (including one Audit & Supervisory Board Member who resigned on March 27, 2020).

4 Matters on Outside Officers

(1) Major concurrent positions and their relationship with the Company

Position	Name	Status of Concurrent Positions	Relationship between the Company and the concerned company
Director	Kiyoshi Kanazashi	Chairman and Representative Director of Tokyu Fudosan Holdings Corporation	Tokyu Fudosan Holdings, Inc. and Tokyu Land Corporation are affiliates of the Company. Tokyu Land Corporation conducts businesses in the same line of business as the Company and has transactions, such as land transactions and facility lease fees, with the Company. However, those are subject to the same conditions as those of general customers.
		Director of Tokyu Recreation Co., Ltd.	TOKYU RECREATION CO., LTD., a consolidated subsidiary of the Company, and has transactions, such as facility lease fees, with the Company. However, those are subject to the same conditions as those of general customers.
Director	Kunie Okamoto	Advisor of Nippon Life Insurance Company	The Company has transactions with the concerned company, such as borrowing funds etc., with the Company. However, those are subject to the same conditions as those of general customers.
Audit & Supervisory Board Member	Kunio Ishihara	Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd.	The Company has transactions with the concerned company, such as insurance agreements etc., with the Company. However, those are subject to the same conditions as those of general customers.

- (Note)1. The Company has transactions with Dai-ichi Life Insurance Co., Ltd., where the Company's former Audit & Supervisory Board Member Mr. Katsutoshi Saito, who resigned from the Company on March 27, 2020, serves as Special Advisor for borrowing funds, etc. However, they are subject to the same conditions as those of general customers.
2. There is no special relationship between the Company and other companies where our officers have concurrent positions apart from the above.

(2) Main activity status

Position	Name	Attendance at Board of Directors Meeting	Attendance at Audit & Supervisory Board Meeting	Main activity status
Director	Keiichi Konaga	13/13	—	Based on his wealth of experience and broad views as a corporate manager, he provided advice to the Company's management as appropriate.
Director	Kiyoshi Kanazashi	13/13	—	Based on his wealth of experience and broad views as a corporate manager, he provided advice to the Company's management as appropriate.
Director	Reiko Kanise	12/13	—	Based on his wealth of experience and broad views as a corporate manager, she provided advice to the Company's management as appropriate.
Director	Kunie Okamoto	11/13	—	Based on his wealth of experience and broad views as a corporate manager, he provided advice to the Company's management as appropriate.
Audit & Supervisory Board Member	Kunio Ishihara	12/13	7/8	Based on his wealth of experience and broad views as a corporate manager, he spoke as appropriate.
Audit & Supervisory Board Member	Taku Matsumoto	0/1	1/1	Based on his wealth of experience and broad views as an attorney, he spoke as appropriate ever since his appointment on March 27, 2020.

(Note) Audit & Supervisory Board Member Katsutoshi Saito attended all 12 meetings of the Board of Directors and 7 meetings of the Audit & Supervisory Board Meetings held until his resignation on March 27, 2020. Based on his wealth of experience and broad views as a corporate manager, he spoke as appropriate.

5 Summary of Liability Limitation Agreement

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with each of its Outside Directors, Outside Audit & Supervisory Board Members and Audit & Supervisory Board Member Mr. Takehiko Shimamoto, to limit their liability under Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act if they are in good faith and without gross negligence in performing their duties.

3. Status of accounting auditor

In accordance with laws and regulations and Article 15 of the Articles of Incorporation, information available on the Company's website (<https://www.tokyu.co.jp/>).

4. System to ensure the properness of business activities and the status of operation of such systems

In accordance with laws and regulations and Article 15 of the Articles of Incorporation, information available on the Company's website (<https://www.tokyu.co.jp/>).

5. Basic policy related to the control of stock company

In accordance with laws and regulations and Article 15 of the Articles of Incorporation, information available on the Company's website (<https://www.tokyu.co.jp/>).

Consolidated Financial Statements

Amounts less than one million yen are rounded down.

Consolidated Balance Sheet

(As of March 31, 2020)

Million yen

Items	Amounts	Items	Amounts
Assets		Liabilities	
Current Assets	345,947	Current Liabilities	725,122
Cash and Deposits	59,389	Trade Notes and Accounts Payable	103,082
Trade Notes and Accounts Receivable	154,176	Short-term Debt	331,817
Merchandise and Finished Goods	13,717	Commercial Papers	50,000
Land and Buildings for Sale in Lots	49,251	Current Portion of Corporate Bonds	35,090
Work in Process	7,044	Income Taxes Payable	14,066
Raw Materials and Supplies	8,265	Provision for Bonuses	11,940
Others	55,297	Advances Received	46,772
Allowance for Doubtful Accounts	(1,195)	Others	132,352
Fixed Assets	2,191,248	Fixed Liabilities	989,909
Tangible Fixed Assets	1,875,506	Corporate Bonds	210,000
Buildings and Structures	884,032	Long-term Debt	524,102
Machinery, Equipment and Vehicles	78,666	Deferred Tax Liabilities	14,079
Land	732,209	Deferred Tax Liabilities Pertaining to Revaluation	9,168
Construction in Progress	147,573	Allowance for Loss on Collection of Gift Certificates	2,374
Others	33,024	Net Defined Benefit Liability	47,768
Intangible Fixed Assets	40,468	Long-term Guarantee Deposited	138,055
Investments and Other Assets	275,273	Others	44,360
Investment Securities	176,218	Reserves under Special Laws	12,550
Net Defined Benefit Asset	4,494	Special Reserve for Expansion of Railway Transport Capacity	12,550
Deferred Tax Assets	23,846	Total Liabilities	1,727,581
		Net Assets	
		Shareholders' Equity	742,880
		Capital Stock	121,724
		Capital Surplus	134,023
		Retained Earnings	524,423
		Treasury Stock	(37,291)
		Accumulated Other Comprehensive Income	14,122
		Valuation Difference on	9,983

Others			71,441
Allowance for Doubtful Accounts			(727)
Total Assets			2,537,196

Available-for-sale Securities	
Deferred Gains or Losses on Hedges	(41)
Revaluation Reserve for Land	8,406
Foreign Currency Translation Adjustment	3,371
Remeasurements of Defined Benefit Plans	(7,598)
Non-controlling Interests	52,611
Total Net Assets	809,614
Total Liabilities and Net Assets	2,537,196

Consolidated Income Statement

(From April 1, 2019 to March 31, 2020)

Million yen

Items	Amounts	
Operating Revenue		1,164,243
Operating Expenses		
Operating Expenses and Cost of Sales of Transportation	866,629	
Selling, General and Administrative Expenses	228,853	1,095,483
Operating Profit		68,760
Non-operating Revenue		
Interest and Dividend Income	1,686	
Share of Profit of Entities Accounted for Using Equity Method	9,001	
Other Non-operating Revenue	5,704	16,393
Non-operating Expenses		
Interest Expenses	8,870	
Other Non-operating Expenses	5,357	14,228
Recurring Profit		70,925
Extraordinary Gains		
Proceeds from Contribution for Construction	6,977	
Reversal of Special Reserve for Expansion of Railway Transport Capacity	2,510	
Other Extraordinary Gains	2,467	11,955
Extraordinary Losses		
Tax Purpose Reduction Entry Of Contribution For Construction	4,566	
Impairment Losses	7,326	
Other Extraordinary Losses	5,222	17,115
Income Before Income Taxes		65,764
Income Taxes - Current		25,513
Income Taxes - Deferred		(3,713)
Net Income		43,964
Profit attributable to non-controlling interests		1,578
Profit attributable to owners of parent		42,386

In accordance with laws and regulations and Article 15 of the Articles of Incorporation, "Consolidated statement of shareholders' equity" and "Tables of explanatory notes on consolidated financial statements" are available on the Company's website.

Our Company's website: <http://www.tokyu.co.jp/>

