

Presentation Handout

May 18, 2006

Investors meeting



Tokyu Corporation

(9005)

<http://www.tokyu.co.jp/>

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Summary of Financial Results for FY03/2006 (Consolidated)



Statement of Income (Consolidated)

(Billions of yen)

	FY03/2006 Actual	FY03/2005 Actual	Change
Operating Revenue	1,388.5	1,055.5	+332.9
Operating Profit	85.6	77.0	+8.6
Recurring Profit	74.0	67.0	+7.0
Net Income	41.9	35.4	+6.5

Non-consolidated Railways Performance

<FY03/2006 year on year change>

	Volume of passengers Thousand	(Ratio)	Revenue from fares Millions of Yen	(Ratio)
Commuter	+6,239	(+1.1%)	+1,453	(+2.8%)
Non-commuter	+4,699	(+1.2%)	+661	(+1.0%)
Total	+10,938	(+1.1%)	+2,115	(+1.8%)

Statement of Cash Flow (Consolidated)

(Billions of yen)

	FY03/2006 Actual	FY03/2005 Actual	Change
From Operating activities	160.8	129.5	+31.2
From investing activities	-49.1	9.5	-58.7
From financial activities	-128.4	-116.7	-11.6
Cash and cash equivalents at end of period	49.0	65.5	-16.4

Effect of Inclusion and Exclusion in consolidation

(Billions of yen)

[Included]	Operating Revenue	Operating Profit	Total Asset	Interest-bearing Debt
Tokyu Dept. Store	+321.9	+10.2	—	—
Tokyu Agency*1	+131.7	+0.6	—	—
*1: included its 7 subsidiaries				
[Excluded]	Operating Revenue	Operating Profit	Total Asset	Interest-bearing Debt
Tokyu Logistic	-32.7	-1.2	-37.8	-4.3
Tokyu Air Cargo*2	-40.3	-1.8	—	—
*2: included its 14 subsidiaries				

Balance Sheet (Consolidated)

(Billions of yen)

	FY03/2006 Actual	YoY
Current Assets	373.9	-44.3
Fixed Assets	1,647.2	-47.5
Total Assets	2,021.2	-91.9

	FY03/2006 Actual	YoY
Interest-bearing Debt	1,106.9	-136.5
Total liabilities	1,716.4	-134.5
Minority interests	46.1	-31.0
Total Shareholders' Equity	258.7	+73.6
Liabilities, Minority Interests and Shareholders' Equity	2,021.2	-91.9

Existing
-127.1
Excluded
-9.3

Equity ratio

12.8 %

+4.0 P

Three-year Mid-term Management Plan-1 (Consolidated Financial Summary)



(Billions of yen)

	FY03/2005	FY03/2006		FY03/2007		FY03/2008		Target of Three-year Mid-term Management Plan (Original: as of March 2005)		
	Actual	Actual	YoY	Forecast	YoY	Forecast	YoY	FY03/2006	FY03/2007	FY03/2008
Operating Revenue	1,055.5	1,388.5	332.9	1,375.0	-13.5	1,388.0	13.0	1,455.0	1,480.0	1,520.0
Operating Profit	77.0	85.6	8.6	79.0	-6.6	79.0	0.0	78.5	71.5	76.0
Recurring Profit	67.0	74.0	7.0	72.0	-2.0	69.0	-3.0	66.0	62.0	63.0
Net Income	35.4	41.9	6.5	40.0	-1.9	42.0	2.0	31.0	31.5	39.0
Shareholders' Equity	185.0	258.7	73.6	292.6	33.9	327.2	34.5	227.0	252.0	285.0
(Bond conversion *1)				(314.6)	(55.9)	(349.2)	(34.6)			
Interest-bearing Debt	1,243.4	1,106.9	-136.5	1,065.0	-41.9	1,040.0	-25.0	1,226.0	1,177.0	1,120.0
(Bond conversion *1)				(1,043.0)	(-63.9)	(1,018.0)	(-25.0)			
Tokyu EBITDA*2	142.5	157.3	14.7	152.7	-4.6	153.0	0.3	147.0	151.0	153.0
Equity Ratio	8.8%	12.8%	4.0P	14.9%	2.1P	16.7%	1.8P	10.3%	11.6%	13.2%
(Bond conversion *1)				(16.1%)	(3.3P)	(17.8%)	(1.8P)			
D/E Ratio	6.7x	4.3x	-2.4	3.6x	-0.6	3.2x	-0.5	5.4x	4.7x	3.9x
(Bond conversion *1)				(3.3x)	(-1.0)	(2.9x)	(-0.4)			
Interest-bearing Debt/Tokyu EBITDA	8.7x	7.0x	-1.7	7.0x	-0.1	6.8x	-0.2	8.3x	7.8x	7.3x
(Bond conversion *1)				(6.8x)	(-0.2)	(6.7x)	(-0.2)			

*1: Figures in () show the amount value in the case that Yen-Convertible Bond at maturity on March 30,2007.

Notes) The amount balance of CB: 22.0 billion yen as of March 31, 2006. (Convertible price: 646 yen)

*2: Tokyu EBITDA= Operating Profit + Depreciation and Amortization cost + Amortization of the consolidation adjusting account + Disposal cost of fixed assets

Target of Three-year Mid-term Management Plan

(Billions of Yen)

Target of FY03/2008		FY03/2005	FY03/2006	FY03/2007	FY03/2008		
		Actual	Actual	Forecast	Forecast	Changing to target	Target
Target	Interest-bearing Debt	1,243.4	1,106.9	1,065.0	1,040.0	-80.0	1,120.0
	Tokyu EBITDA*	142.5	157.3	152.7	153.0	0	153.0
	Equity ratio	8.8%	12.8%	14.9%	16.7%	+3.5P	13.2%
Ref.	Net Income	35.4	41.9	40.0	42.0	+3.0	39.0
	D/E Ratio	6.7x	4.3x	3.6x	3.2x	-0.7	3.9x

- FY03/2006 (Actual) >>> Target of IBD is achieved. [Target; 1,120.0 billion yen or less]
 - FY03/2007(Forecast)>>>Equity Ratio is achieved. [Target; 13.2% and above]
- Plan of dividends per year: 5.5yen (+0.5 yen)

Long-term forecast of FY03/2010	Original forecast as of Mar.2005		Revised forecast as of May 2006	
	Net Income	40.0 and above	Net Income	40.0 and above
	Tokyu EBITDA*	160.0 and above	Tokyu EBITDA*	160.0 and above
	Equity Ratio	16% and above	Equity Ratio	20% and above
	D/E Ratio	3.0x or less	D/E Ratio	2.5x or less

Our results exceeds the target of Three-year Mid-term management plan. The target are achieved earlier than expected.
 - Deduction of IBD.
 - Increasing Net Income.

(Billions of Yen)

Business of Railway and Tramway



Sep.2000 Inaugurated to operate mutual direct train service in Meguro line

Mar.2001 Inaugurated to operate limited express in Toyoko line

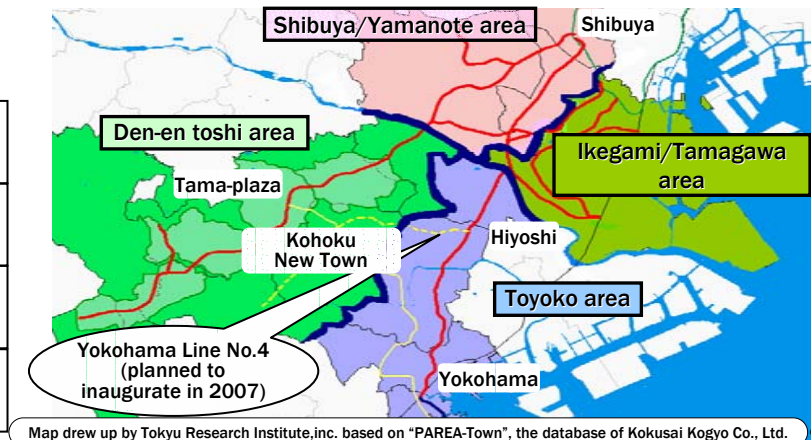
Jan. 2004 Discontinued from Yokohama to Sakuragi-cho in Toyoko line
Feb. 2004 inaugurated Minatomirai line of Yokohama Minatomirai railway company

Mar.2005 Fare revised.

MONTH/YEAR		03/2001		03/2002		03/2003		03/2004		03/2005		03/2006		03/2007		
		Actual	change(%)	Actual	change(%)	Actual	change(%)	Actual	change(%)	Actual	change(%)	Actual	change(%)	Forecast	change(%)	
Revenue from fare (millions of yen)	Total	113,612	2.3	117,181	3.1	118,503	1.1	120,806	1.9	119,960	-0.7	122,076	1.8	123,190	0.9	
	Commuter	50,706	0.4	50,867	0.3	50,987	0.2	51,414	0.8	52,153	1.4	53,607	2.8	54,225	1.2	
	Non-commuter	62,905	3.8	66,313	5.4	67,515	1.8	69,392	2.8	67,807	-2.3	68,469	1.0	68,965	0.7	
Passenger volume (thousand of people)	Total	946,854	1.3	963,447	1.8	968,745	0.5	984,750	1.7	984,719	0.0	995,657	1.1	1,005,815	1.0	
	Commuter	571,715	-0.2	570,294	-0.2	569,089	-0.2	573,380	0.8	582,561	1.6	588,800	1.1	595,204	1.1	
	Non-commuter	375,139	3.6	393,153	4.8	399,656	1.7	411,370	2.9	402,158	-2.2	406,857	1.2	410,611	0.9	
	Passenger volume	Toyoko	381,444	-0.3	387,797	1.7	392,036	1.1	395,552	0.9	390,497	-1.3	392,163	0.4		
		Meguro	71,769	11.7	84,642	17.9	84,929	0.3	87,769	3.3	90,035	2.6	92,017	2.2		
		Den-en toshi	380,815	2.4	387,149	1.7	390,023	0.7	399,272	2.4	404,263	1.3	412,223	2.0		
		Oimachi	116,360	1.2	118,007	1.4	119,383	1.2	125,402	5.0	128,963	2.8	131,396	1.9		
		Ikegami	75,699	0.1	75,734	0.0	75,654	-0.1	75,744	0.1	75,031	-0.9	75,266	0.3		
		Tamagawa	49,510	1.3	48,403	-2.2	48,221	-0.4	48,735	1.1	49,601	1.8	50,281	1.4		
	Population in Tokyu area (thousand of people)	Total	4,614	1.1	4,670	1.2	4,724	1.2	4,771	1.0	4,814	0.9				
Shibuya/Yamanote area		1,216	0.8	1,224	0.7	1,232	0.7	1,240	0.6	1,246	0.5					
Den-en toshi area		1,552	1.9	1,582	1.9	1,609	1.7	1,630	1.3	1,648	1.1					
Toyoko area		886	0.9	899	1.5	910	1.2	922	1.3	932	1.1					
Ikegami/Tamagawa area		960	0.4	965	0.5	973	0.8	979	0.6	989	1.0					

※Calculated by Tokyu Corp. (based on "Basic Resident Register directory" of Japan Geographic Data Center.)

SHIBUYA/ Yamanote area	Shibuya-ku, Setagaya-ku and Meguro-ku
Den-en toshi area	Kawasaki-shi Takatsu-ku/Miyamae-ku, Yokohama-shi Aoba-ku/Tsuzuki-ku/Midori-ku, Machida-shi and Yamato-shi
Toyoko area	Kawasaki-shi Nakahara-ku, Yokohama-shi Kohoku-ku, Kanagawa-ku, Nishi-ku and Naka-ku
Ikegami/ Tamagawa area	Shinagawa-ku and Oota-ku



Map drew up by Tokyu Research Institute, inc. based on "PAREA-Town", the database of Kokusai Kogyo Co., Ltd.

Redevelopment in Four areas based on Area Strategy



Tama-plaza: Redevelop the areas around station. Construction started on Nov. 2005.



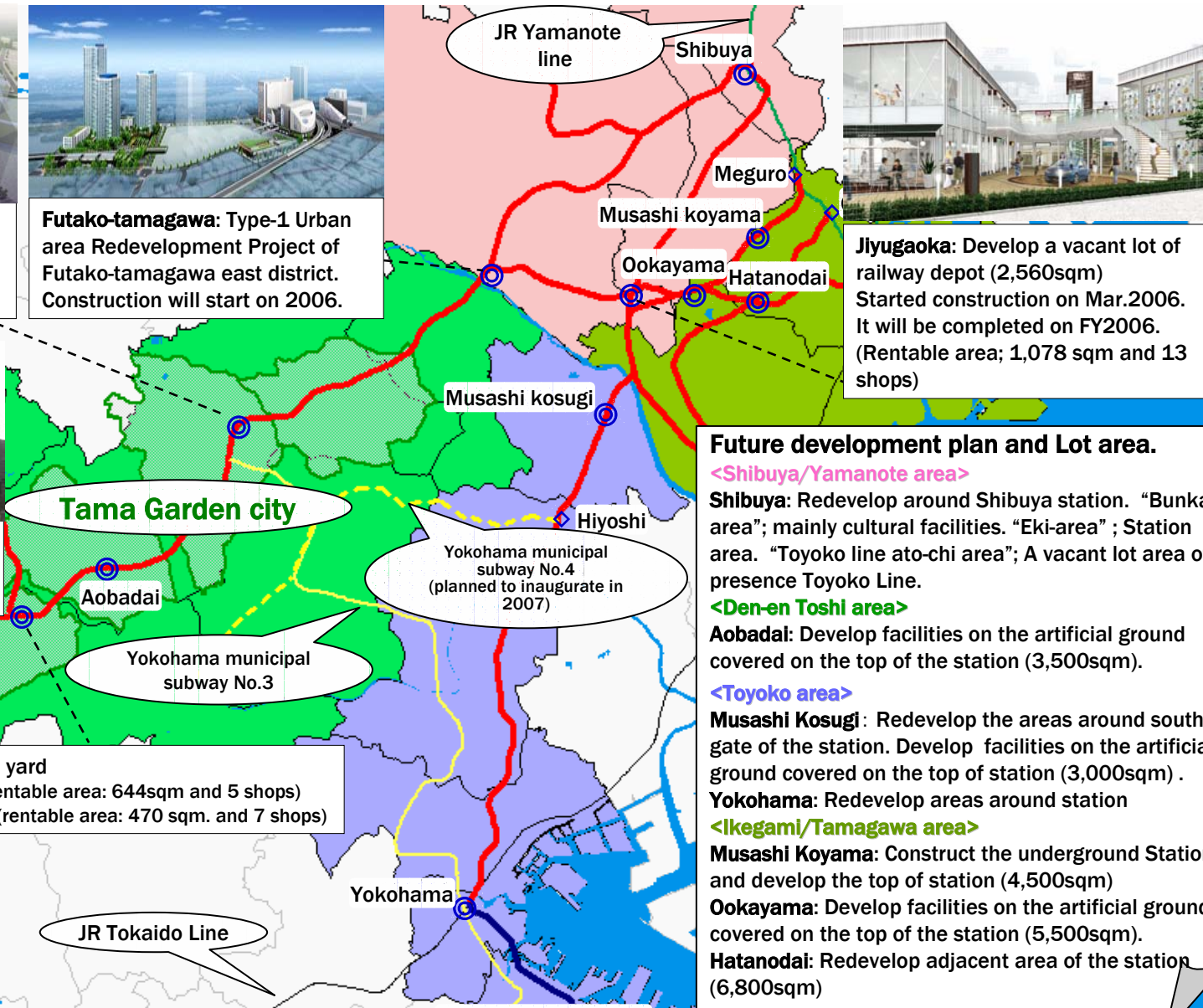
Futako-tamagawa: Type-1 Urban area Redevelopment Project of Futako-tamagawa east district. Construction will start on 2006.



Jiyugaoka: Develop a vacant lot of railway depot (2,560sqm) Started construction on Mar.2006. It will be completed on FY2006. (Rentable area; 1,078 sqm and 13 shops)



Minami-machida: Established a cinema complex in Granberry Mall. Construction was completed on Mar. 2006.



Future development plan and Lot area.

- <Shibuya/Yamanote area>
- Shibuya:** Redevelop around Shibuya station. "Bunka-area"; mainly cultural facilities. "Eki-area"; Station area. "Toyoko line ato-chi area"; A vacant lot area of presence Toyoko Line.
- <Den-en Toshi area>
- Aobadai:** Develop facilities on the artificial ground covered on the top of the station (3,500sqm).
- <Toyoko area>
- Musashi Kosugi:** Redevelop the areas around south gate of the station. Develop facilities on the artificial ground covered on the top of station (3,000sqm).
- Yokohama:** Redevelop areas around station
- <Ikegami/Tamagawa area>
- Musashi Koyama:** Construct the underground Station and develop the top of station (4,500sqm)
- Ookayama:** Develop facilities on the artificial ground covered on the top of the station (5,500sqm).
- Hatanodai:** Redevelop adjacent area of the station (6,800sqm)

Nagatsuta: Renewal the station yard
 1st project started on Mar. 2006 (rentable area: 644sqm and 5 shops)
 2nd project will start on Aug. 2006 (rentable area: 470 sqm. and 7 shops)

— Tokyu Line
 — Minatomirai Line

JR Tokaido Line

Motomachi-Chinatown

Integrate Management and Operation of Commercial Facilities in Tokyu Group



TMD Corp. is to be a merging company which will merge Tokyu Merchandising and Management Co., Ltd. And TMD is to change its corporate name to Tokyu Malls Development Corp. upon merger on April 1, 2006

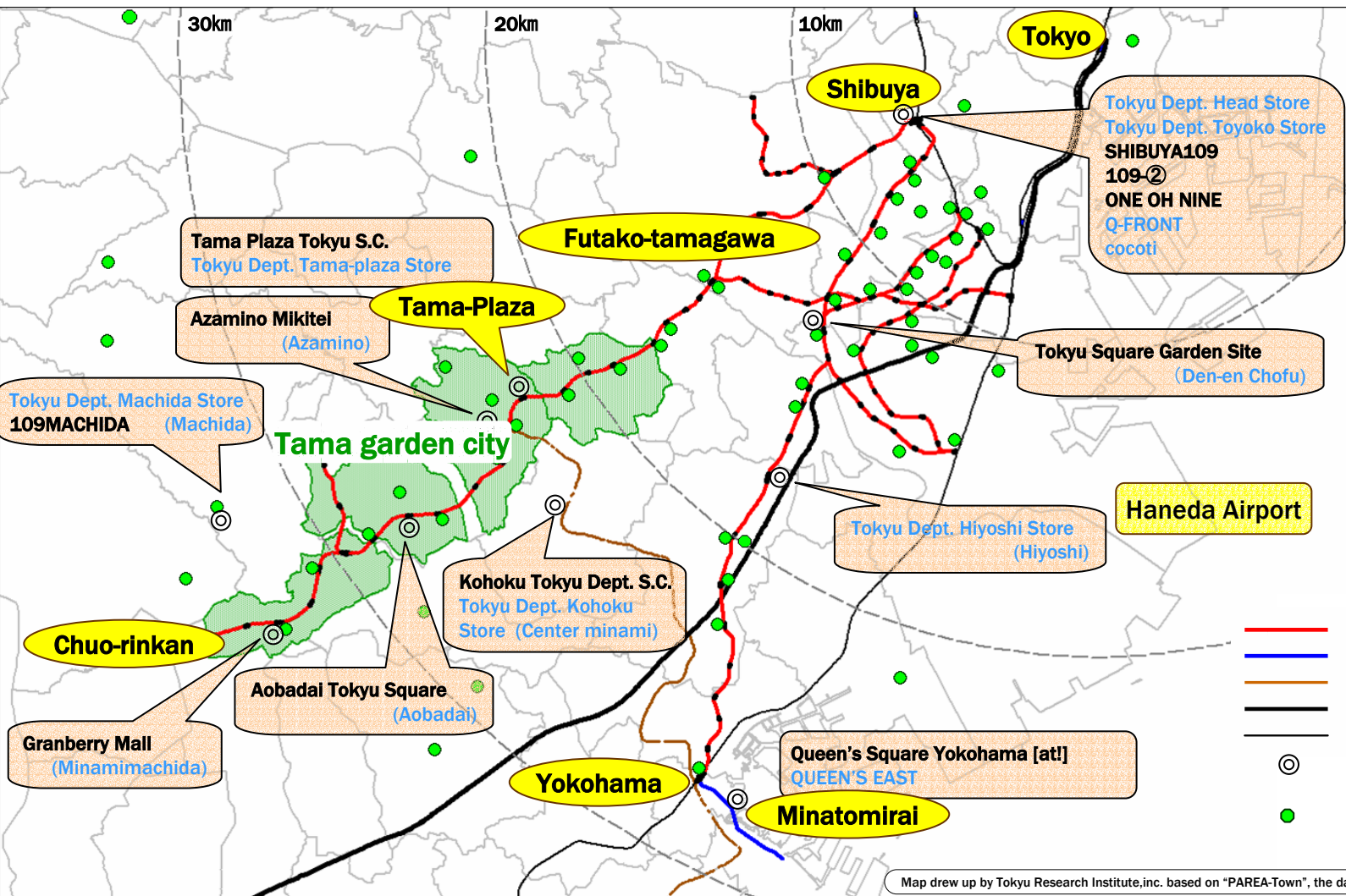
Operation scale of Tokyu Malls Development Corp. As of May 1, 2006.

Operation area: 201,834sqm

Number of SC: 13 stores
*indicated by Bold at map

Number of tenants: 820

Sales revenue of tenants: 165.6 billion yen



- Tokyu Line
- Minatomirai Line
- Yokohama municipal subway
- Shinkansen
- JRLine
- ⊙ Main commercial facilities
- ⊙** : Operating by TMD
- Tokyu Store

Map drew up by Tokyu Research Institute,inc. based on "PAREA-Town", the database of Kokusai Kogyo Co., Ltd.

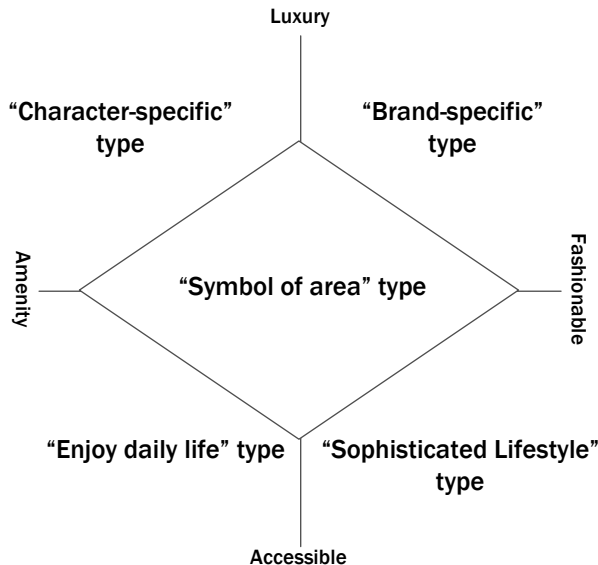
Refine plan of retail business



Retail business Concept of Tokyu Group

We aim to be a “Life Style Design-Supporter”; to advance, promote, enhance and enrich the quality and superior the lifestyle of the Uptown and Garden City communities.

Portfolio of Retail business - we aim to develop appropriate businesses for Tokyu area -



Strategic development and features of facilities in Tokyu area

We aim to change commercial facilities which are passive for needs in Tokyu area to be active store.

	Enjoying Daily life type	Sophisticated Lifestyle type	Symbol of Area type	Character-specific type	Brand-specific type
Role	“Facilities provide Comfortable Lifestyle” To make people enjoy pleasing time in fine space	“Facilities provide Advanced Lifestyle” To Provide for not only convenience and familiarity but high fashion sensitivity.	“Facilities as Landmark” To meet various needs based on the area and to be recognized as a landmark of the area.	“Urban Resort Shopping Center” To have an individuality and uniqueness. To be Concentrated on personal needs.	“Facilities as Trend mecca” To target high-end customer, fashion leader and trend setter.
Market	Neighborhood - Community		Neighborhood - Regional		Regional - Super regional
Enriched contents	<ul style="list-style-type: none"> ✓Hobby & culture ✓Amusement ✓Health & beauty ✓Restaurant & cafe 	<ul style="list-style-type: none"> ✓Fashion ✓Foods ✓Household goods ✓Sophisticated casual 	<ul style="list-style-type: none"> ✓ Accumulation and complex ✓ Mixture each zone; Goods, events, moving the hearts. 	<ul style="list-style-type: none"> ✓ Teenagers apparel & goods ✓ Business apparel & goods ✓ Matures apparel & goods ✓ Goods for families ✓ Goods for couples 	<ul style="list-style-type: none"> ✓ Luxury brand ✓ New luxury brand ✓ Trend
commoditizing	Retain best customers. Strengthen branding campaign of Tokyu area				
Major facilities (plan)	Grandberry mall Kohoku Tokyu SC	Aobadai Tokyu Square Hiyoshi Tokyu	Tama Plaza Machida Tokyu Dept. (Redevelopment of Futako-tamagawa)	Queen's Square Yokohama (Redevelopment of Shibuya)	SHIBUYA109

The concept of each facilities are to be refined in consideration of market circumstances and competitive situation.

Feb. 2006 Tokyu formulated the plan of refining SC in Tokyu area.

Mar. 2006 Kohoku Tokyu Dept. Store was refurbished and grand re-opened.

Mar. 2006 Tokyu opened a new building in Grandberry mall.

Summary of Tokyu Loyalty Card

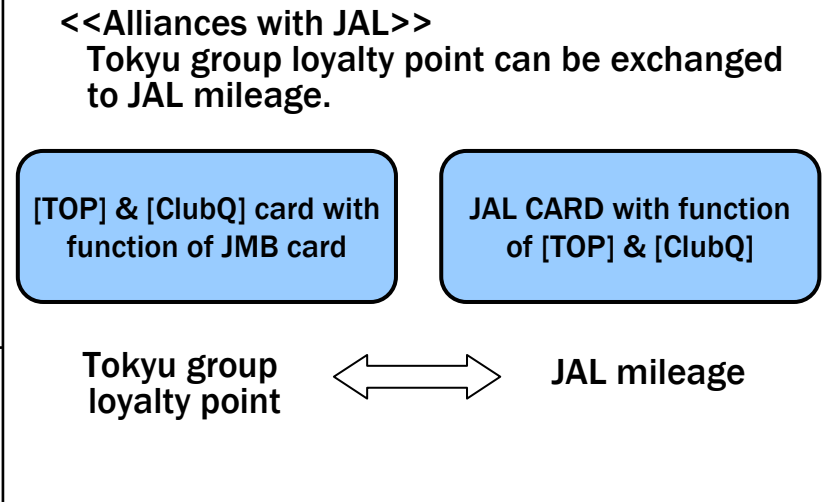
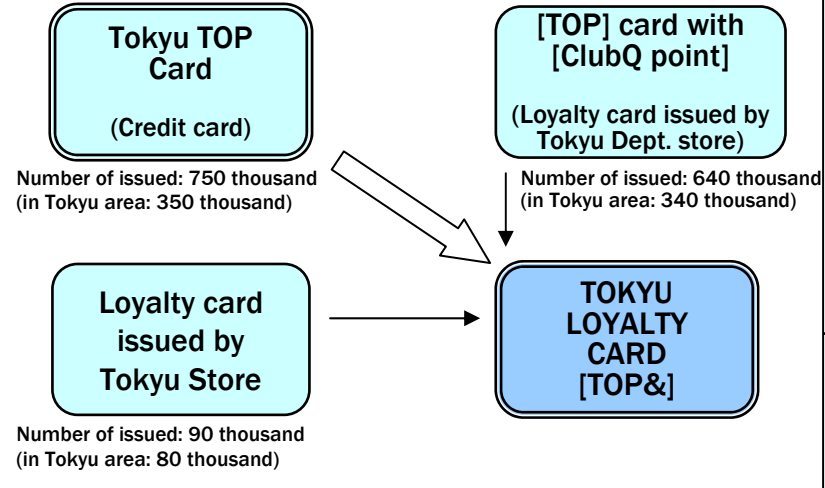
On April 1, 2006 we issued Tokyu Loyalty Card [Top&] and started group common point service.

Tokyu Loyalty card will be in collaboration with IC ticket of railway and bus [PASMO] on March 2007

Capital Expenditure for 10 years: 2.0 billion yen

Integrate some coupon services through unifying each loyalty card of Tokyu Group

Promote the Alliances with third party companies



FY03/2008 target of [TOP&] card issued: 2 million cards in areas around Tokyu line.

Strengthen customer base in Tokyu area through taking collaboration among Tokyu group companies and result to enrich the utilities for customers in areas around Tokyu Line.



Tokyu Land Corporation

■ Mid-term management plan FY2005-FY2007

<Target FY03/2008(Consolidated)>

(Billions of yen)

Operation Profit	52.0		
Recurring Profit	40.0	D / E ratio	4.0x or less
Interest-bearing Debt	420.0	ROA	6.0% and above
Shareholders' equity	110.0 and above	EBITDA multiple	7.0x or less

■ Issuing of new shares and offering

Number of shares issued: 68,000 thousand shares	Allocation	Issue price of shares	Date of payment	Number of shares outstanding 531,347,457 shares As of March 31, 2006
51,500 thousand shares* ₁	Public offering	37,145 million yen	October 19, 2005	
11,500 thousand shares* ₁	Third party (Tokyu Corp.)	8,294 million yen* ₂	October 19, 2005	
5,000 thousand shares* ₁	Third party (Daiwa SMBC)	3,606 million yen	November 15, 2005	

*₁ included total number of shares issued (68,000 shares) *₂ Amount payment from Tokyu Corp., 8,648 million yen

■ Financial result (consolidated)	FY03/2005 Actual	FY03/2006 Actual	FY03/2007 Forecast	(Billions of yen)
Operating Revenue	540.3	558.6	580.0	
Operating Profit	40.3	64.8	52.0	
Recurring Profit	30.7	56.8	45.0	
Net Income	7.5	10.1	20.0	
Interest-bearing Debt	418.0	344.0	375.0	

Impairment loss 27.4

■ Shareholding ratio by Tokyu Corp. (non-consol)	: 16.6%	(As of March 31, 2006)
Book value of investment in Tokyu Land Corp. (non-consol)	: 17.3billion yen	
Voting right ratio by Tokyu Corp. (consol)	: 17.0%	

Tokyu Construction Co., Ltd.



■ Mid-term management plan FY2005-FY2007

<Target FY03/2008(Consolidated)>		(Billions of yen)	
Operating Revenue	310.0	Interest-bearing Debt	19.0 or less
Operating Profit	11.6	Operating CF	7.0 and above
Recurring Profit	10.4		

【 Equity policy 】

Improve the financial quality through
Lump-sum acquisition and
cancellation of preferred shares

June 2, 2006 (Plan)	Issue convertible bond	20.0 billion yen
August 4, 2006 (Plan)	Reduce Capital (Capital → Other Capital Surplus)	21.1 billion yen
	Consolidate shares (consolidate every 10 shares into one share.)	
October 1, 2006 (Plan)	Acquire and cancel all the preferred shares	21.1 billion yen

■ Financial result (consolidated)	(Billions of yen)	FY03/2005 Actual	FY03/2006 Actual	FY03/2007 Forecast
Operating Revenue		304.2	299.2	292.0
Operating Profit		10.2	8.3	
Recurring Profit		8.6	5.2	8.8
Net Income		5.2	3.2	5.0
Dividend per share				
Preferred shares type A		8.02 yen	8.02 yen	Not yet determined (interim dividend)
Preferred shares type B		11.77 yen	11.77 yen	Not yet determined (interim dividend)
Common shares (after consolidation of shares) :		—	—	15.00yen

■ Shareholding ratio by Tokyu Corp. (non-consol)	: 16.2%	(As of March 31, 2006)
Book value of investment in Tokyu Construction Co.,Ltd (non-consol)	: Common shares >> 28.7billion yen	
	: Preferred shares>> 5.0billion yen	
Voting right ratio by Tokyu Corp. (consol)	: 17.0%	

Seiki Tokyu Kogyo Co., Ltd.



■ Mid-term management plan FY2005-FY2007

<Target FY03/2008(Consolidated)>

(Billions of yen)

Total amount of orders received	68.8	Total assets	59.7
Operating Revenue	69.1	Equity ratio	15.9%
Recurring Profit	1.6	EBITDA multiple	6.1 x
Interest-bearing Debt	17.6		

【Measure of developing solid financial base】

September 30, 2005 Allocation of new shares to a third party

Common shares:(60,000 thousand shares)	3.0 billion yen
Preferred shares type A	3.0 billion yen
Preferred shares type B	6.2 billion yen

■ Financial result (consolidated)	FY03/2005 Actual	FY03/2006 Actual	FY03/2007 Forecast	(Billions of yen)
Operating Revenue	70.2	64.2	66.3	
Gross Profit	5.5	4.6		
Operating Profit	0.9	0.0		
Recurring Profit	0.3	-0.7	0.5	
Net Income	-4.0	-15.2	0.3	

Impairment loss

14.9

■ Shareholding ratio by Tokyu Corp. (non-consol)	: 6.3%	(As of March 31, 2006)
Book value of investment in Seiki Tokyu Kogyo Co. Ltd. (non-consol)	: 0.5billion yen	
Voting right ratio by Tokyu Corp. (consol)	: 6.5%	

***Forward-looking Statements**

All statements contained in this document other than historical facts are forward-looking statements representing the beliefs and assumptions of Tokyu Corporation based on information currently available.

Tokyu wishes to caution readers that actual results may differ materially from expectations.