

Presentation Handout

May 20, 2004
Investors Meeting



Tokyu Corporation

(9005)

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

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Scope of Consolidated Accounting



Scope : 331
(A+B+C+D+E)

Consolidated or accounted for by equity-method : 249 (B+C+D)

Number of companies
(as of Mar.31 2004)

Tokyu Corporation A

Subsidiaries : 217	Consolidated Subsidiaries :	216	B
	Company subject to equity-method :	1	C

Affiliated Companies : 34	Companies subject to equity method	32	D
	Company not subject to equity method :	2	

Companies reflected in consolidated financial statements of the companies which are subject to Tokyu Corp's equity-method : **81 E**

Tokyu Group : 324 companies and 9 non-profit corporations

Major Companies of Tokyu Group



Tokyu Group : 324 companies and 9 non-profit corporations

(as of Mar.31, 2004)

Tokyu Corporation

Consolidated Subsidiaries	Scope of Consolidated Accounting	% of Voting Rights held by Tokyu Corp. (consolidated)	% of Voting Rights held by Tokyu Corp.	Book Value Tokyu Corp. (Non-consol)
Izukyu	21 companies	62.3%	66.9%	2,554 million yen
Tokyu Logistic *1	2 companies	54.0%	58.5%	2,486 million yen
Tokyu Store Chain *2	9 companies	40.6%	41.2%	8,140 million yen

Affiliated Companies subject to equity method	Scope of Consolidated Accounting	% of Voting Rights held by Tokyu Corp. (consolidated)	% of Voting Rights held by Tokyu Corp.	Book Value Tokyu Corp. (Non-consol)
Tokyu Construction	6 companies	20.9%	22.3%	36,346 million yen*3
Tokyu Land	50 companies	18.8%	19.1%	8,708 million yen
Tokyu Community	7 companies	15.4%	65.2%	2,333 million yen
Tokyu Livable	8 companies	11.6%	64.4%	1,044 million yen
Tokyu Department Store	14 companies	25.7%	26.3%	5,815 million yen
Nagano Tokyu Dept. Store	1 companies	0.1%	55.6%	-
Tokyu Recreation	5 companies	28.0%	33.1%	2,304 million yen
Seiki Tokyu Kogyo	9 companies	13.4%	29.3%	559 million yen
Shiroki	16 companies	28.9%	29.7%	5,819 million yen

*1 Changed the company name from “Sotetsu Transportation” and became a consolidated subsidiary of Tokyu Corp. in April 2002.

*2 Became a consolidated subsidiary of Tokyu Corp. in April 2002.

*3 It is the value of Common shares.

We invested 5,000 million yen of preferred shares additionally.

Summary of Financial Results for FY03/2004 (Consolidated)



< Consolidated Statement of Income > (Billions of yen)

	FY03/2004 Actual	FY03/2003 Actual	Change
Operating Revenue	1,223.4	1,385.4	(162.0)
Operating Profit	58.1	76.9	(18.8)
Recurring Profit	52.9	51.9	+1.0
Net Income	(12.3)	3.4	(15.7)

Non-Consolidated - Railways Performance

<FY03/2004 Year On Year Change>

- Passenger Volume	+16,005 thousand	(+1.7%)
- Revenue from Fares	+2,303 million yen	(+1.9%)

Effect of Inclusion and Exclusion in Consolidation

(Billions of yen)		Operating Revenue	Operating Profit
Tokyu Car Corp.	(inclusion)	21.8	(0.5)
T.M.D	(inclusion)	9.3	1.0
Tokyu Construction	(exclusion)	(176.0)	(8.0)
Gold Pak	(exclusion)	(43.1)	(1.6)

< Consolidated Balance Sheet >

(Billions of yen)

	Actual	YoY Change		Actual	YoY Change
Current assets	391.4	(198.8)	Interest-bearing Debt	1,244.8	(221.3)
			Total Liabilities	1,778.8	(539.0)
Fixed assets	1,618.6	(302.1)	Minority interests	70.3	+28.9
			Total Shareholders' Equity	160.9	+9.1
Total Assets	2,010.1	(501.0)	Liabilities, Minority interests and Shareholders' equity	2,010.1	(501.0)

Equity Ratio

8.0%

+2.0P 3

Forecast of Financial Summary for FY03/2005



Financial Target (Consolidated) (Billions of yen)	FY03/2003 Actual	FY03/2004 Actual	FY03/2005 Forecast	Change From original target
Operating revenue	1,385.4	1,223.4	1,040.0	0.0
Operating profit	76.9	58.1	71.6	1.6
Recurring profit	51.9	52.9	59.2	9.2
Net income	3.4	(12.3)	27.0	(3.0)
Shareholder's equity	151.7	160.9	180.0	25.0
Interest-bearing Debt	1,466.2	1,244.8	1,200.0	0.0
ROE(%)	2.2	(7.9)	15.8	Target: Greater than 10%
Net interest-bearing debt/ Operating cash flow	13.6	11.4	9.7	Target: Fewer than 10x

1 Early Adoption of Impairment Accounting for FY03/2004

➡ Loss on impairment accounting : 87.6 billion yen

➡ Loss by transfer of separated assets : 51.1 billion yen

TC Properties 43.8 B yen
Tokyu Corporation 35.5 B yen
Others 8.1 B yen

(offset extra ordinary gains of assignment
of business)

2 Change of Scope of Consolidated Accounting for FY03/2004

		FY03/2004		FY03/2005		(Billions of yen)
		Operating Revenue	Operating Profit	Operating Revenue	Operating Profit	
Tokyu Construction	Company Separation on Oct.1, 2003 Construction business is out of scope of consolidation from second half FY03/2004	(176.0)	(8.0)	(195.2)	(2.7)	
Tokyu tourist	Share transfer on Mar.31, 2004 Out of scope of consolidation from FY03/2005	-	-	(23.5)	(1.1)	



Realignment of Business (Tokyu Tourist Corp and Izukyu Corp.)

Tokyu Tourist

Jan 1, 2004
Share exchange (100% Acquisition)

◇ Share exchange ratio

Tokyu Corp. (Wholly owning parent company)	Tokyu Tourist (Wholly owned subsidiary)
1	0.16

◇ Number of new share: -

◇ Number of treasury stock to be transferred in lieu of new share: 3,589 thousand shares

March 31, 2004
Share Transfer of a Subsidiary
(Owner ship rate: 85.03%)

◇ Purpose of the transfer: To expect Tokyu Tourist to remain competitive in the tourism industry, as a travel agency targeting on the demands of corporate clients.

◇ Transferee company: ACTIVE INVESTMENT PARTNERS

◇ Transfer price: 2,490 million yen

◇ Loss and gain by transfer:

(non-consolidated)	(6,620) million yen
(consolidated)	4,717 million yen

Izukyu

Jan 1, 2004
Mergered Izu Kanko Properties Corp.

◇ Absorbed company: Izu Kanko Properties(a wholly-owned subsidiary of Tokyu Corp.)

◇ Schem of merger: Izu Kanko Properties was merged with Izukyu and dissolved.

◇ Merger ratio

Izukyu (Acquirer company)	Izu Kanko Properties (Absorbed company)
1	0.442

Oct 1, 2004 (plan)
Share Exchange (100% acquisition)

◇ Share exchange ratio

Tokyu (Wholly owning parent company)	Izukyu (Wholly owned subsidiary)
1	1.50

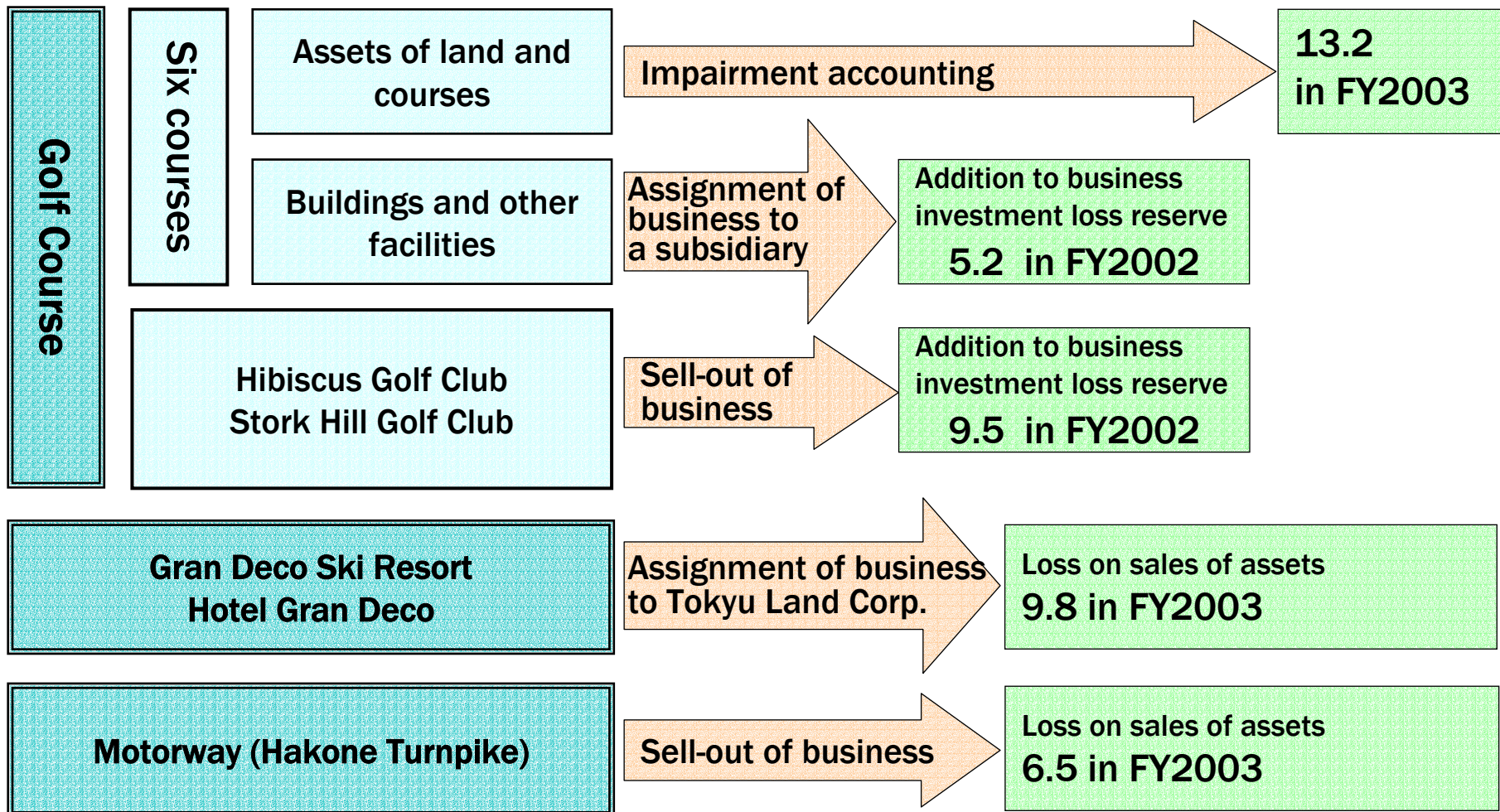
◇ Number of new share: 4,073 thousand shares

◇ Number of treasury stock to be transferred in lieu of new share: 2,500 thousand shares

Selection and Concentration (Leisure Service Business of Tokyu Corporation)



(Billions of yen)



Achieved moving into black in
leisure service Business(Consolidated) for FY2003

Mutual Direct Train Service between Toyoko Line and Minatomirai Line

Tokyu Toyoko Line

To Shibuya

1. Expand railways network
2. Increase accessibility to Minatomirai
Synergy with Queen's Square Yokohama

Higashi-hakuraku

Tammachi

Yokohama

Underground Section
Approx. 2.0km

Minatomirai

Shin-takashima

Bashamichi

Minatomirai Line

Discontinued Section

Takashimacho

Nippon Odori

Motomachi
China Town

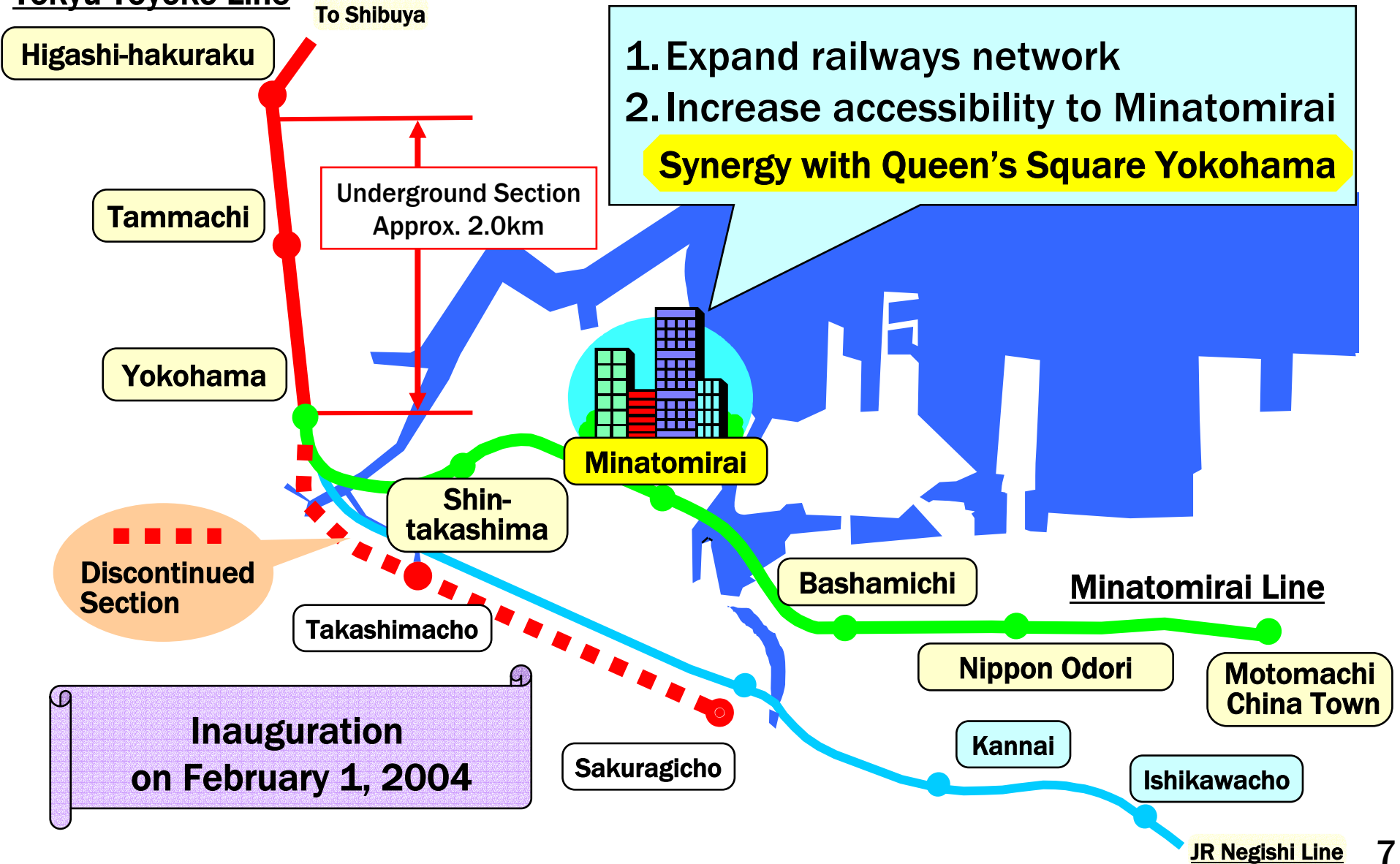
Inauguration
on February 1, 2004

Sakuragicho

Kannai

Ishikawacho

JR Negishi Line



Progress in REIT Business

Tokyu REIT, Inc

Listed on the Tokyo Stock Exchange on Sep 10, 2003.

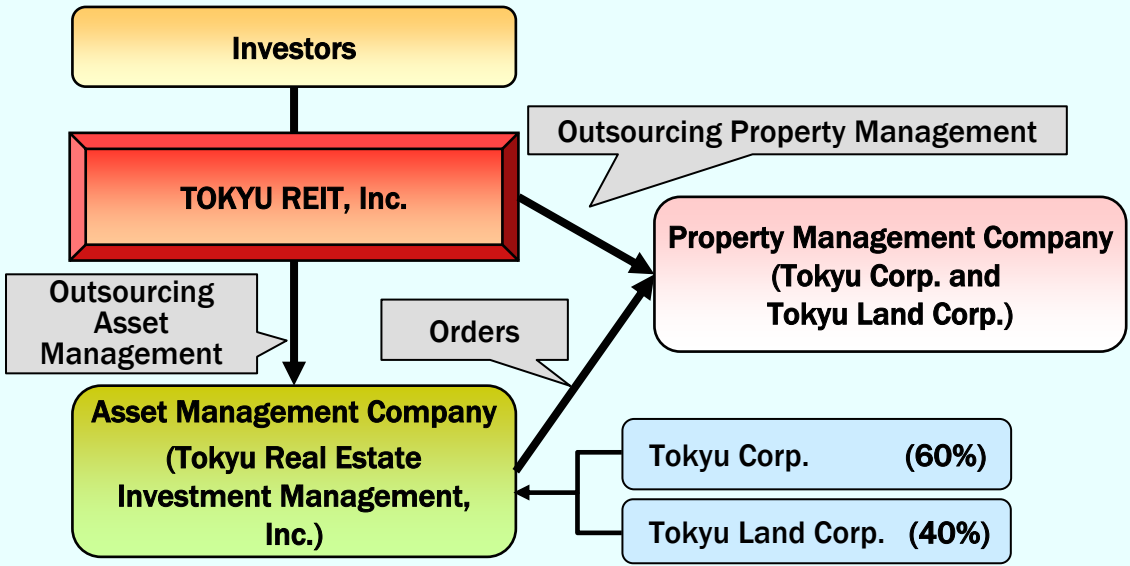
Results for the First Fiscal year
(from June 20, 2003 through Jan 31, 2004)

- Appraised value of real estate etc.: 103.0 billion yen
- Net income : 929 million yen
- Annual Dividend Rate: 4.53%

<Portfolio>
 Commercial build. : Office build. = 33 : 67
 *Invest in properties only in central Tokyo and Tokyu area.

<Assets from Tokyu Corp.>
 Setagaya Business Square, Tokyu Saginuma Build. , Tokyu Sakuragaoka Build. , etc.
 (5 of 12 build., 41.8 billion yen)

Summary Chart of Business Relation for Real Estate Management



<Acquired properties since the listing>
 Property value: 29.8 billion yen
 Acquisitions:
 *Risona Maruha build.(at Otemachi, the central financial district)
 *TOKYU REIT Shibuya Udagawa-cho Square
 (As of May 20, 2004)

Tokyu Construction Progress in Company Separation (MBO) Scheme



Shareholders of
'Former' Tokyu Construction

De-listed
on Sep. 25, 2003
(Closing price 93 yen)

Shareholders of
'Former' Tokyu Construction

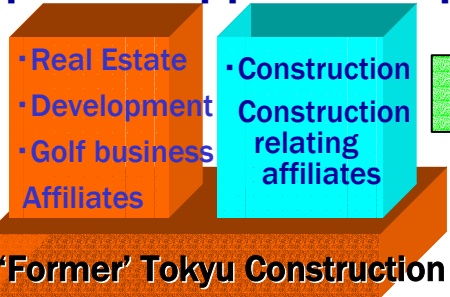
August 2003

Tokyu Corp.'s
Share Holding
Ratio
78.32%

[Real Estate] [Construction]

[Capital Increase (Preferred stocks)]
Tokyu Corp. 40.0 billion yen
Institutions 40.0 billion yen

[Real Estate]



Change of
trade name



Share
allotment
ratio

Company
separation

August 2003

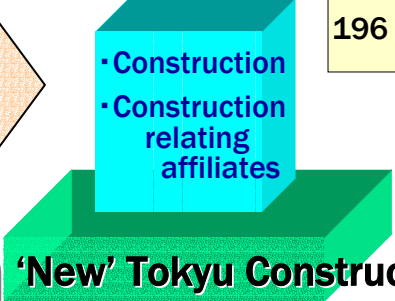
<Ratio>
'Former' 1 :
'New' 0.25
196 M shares

No capital tie-up

[After Capital Increase] (Billions of yen)

	Common stock	Preferred	Total
Tokyu Corp.	5.0 (100M shares)	5.0	10.0
Institution etc.	32.0 (641M shares)	14.7	46.8
Total	37.0 (741M shares)	19.7	56.8

[Construction]



- TC Holdings absorbed construction business after the company separation as of October 1, 2003. (Change of trade name: TC Holdings => 'New' Tokyu Construction, 'Former' Tokyu Construction => TC Properties)
- Trade rights of 68 billion yen are included in 'New' Tokyu Construction, while gains from the assignment in TC Properties.
- New shares of 'New' Tokyu Construction are allotted to shareholders of 'Former' Tokyu Construction
- TC Properties plans to adopt early impairment accounting and accelerated sales of assets to solve the problem of latent loss. (51.1 B yen for loss on transfer of separated assets and 43.8 B yen for Impairment loss. Total: 95.1 B yen)

(Common shares)
Number of issued and outstanding share **937million**
Tokyu Corporation's share holding ratio **20.44%**
*as of Mar.31,2004,after establishment of retirement benefit trust
Listed on TSE 1st section on Oct. 1, 2003

Summary of Tokyu Department Store Business

【 Operation Summary (Consolidated) 】

(Billions of yen)

	FY01/2003 Actual	FY01/2004 Actual	FY01/2005 Forecast
Operating revenue	423.2	366.8	343.5
Operating profit	9.1	9.5	9.8
Recurring profit	3.5	5.1	5.7
Net income	11.3	(9.2)	2.5
Interest-bearing debt	131.1	110.8	104.2

【 Major Action Plans 】

June 2003

Implement early retirement incentive program

Improve high cost structure

- Early retirement volunteers 752
- Replace them with contract employees
- Full-time employee ratio 55%
- Extend performance-based salary system

October 2003

Remodeled "Toyoko Norengai"

Establish the image of 'Excellent Food Provider - Tokyu Department Store'

- Synergy with 'Tokyu Food Show'

Realignment Cost 9.9
Loss on addition to business investment loss reserve 5.5

February 2004

Merge with Aoba Tokyu Department Store

Integrate management resources into the core business

FY01/2003
Achieved moving into black

Tokyu Land Corporation

Status of “Mid-term Management Plan”



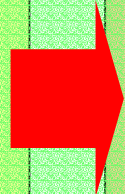
(Billions of yen)

Actual FY03/2004

Target by FY03/2005 in the Plan <Announced in November 2000>

< Consolidated >

★ - Operating income	32.3
★ - Recurring Profit	22.4
- Interest-bearing debt	440.1
★ - Shareholders' equity	82.0
- ROA*	3.7%
★ - EBITDA multiple*	9.9 times



- Operating income	31.5
- Recurring Profit	15.0
- Interest-bearing debt	422.0 or less
- Shareholders' equity	72.0 or more
- ROA*	4.0% or more
- EBITDA multiple*	10.0 times or less

< Non-Consolidated >

- Operating income	20.7
★ - Recurring Profit	11.9
- Interest-bearing debt	369.0
- Shareholders' equity	90.0
★ - ROA*	3.0%
- EBITDA multiple*	12.8 times



- Operating income	21.2
- Recurring Profit	6.0
- Interest-bearing debt	360.0 or less
- Shareholders' equity	100.0 or more
- ROA*	3.0% or more
- EBITDA multiple*	12.0 times or less

FY03/2003 Resumption of dividend
<Annual dividend per share>

FY03/2004	2.5yen
FY03/2003	2.5yen

★ = Achieved

* ROA = (Operating income + Non-operating income)/Total assets
EBITDA multiple=Interest-bearing debt/Operating income before depreciation and amortization

***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.