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April 25, 2002

To Whom It May Concern:

Company Name: TOKYU CORPORATION
Name of Representative Director: Kiyofumi Kamijo, President & Representative Director
(Code No.9005, Tokyo Stock Exchange, First Section)

Company Name: TOKYU CAR CORPORATION
Name of Representative Director: Takeo Momose, President
(Code No.7123, Tokyo Stock Exchange, First Section,
Osaka Stock Exchange, First Section)

**Notice of Tokyu Car Corporation Becoming
A Wholly-owned Subsidiary through Share Exchange**

We hereby notify (i) that the Boards of Directors of Tokyu Corporation (hereinafter "Tokyu") and Tokyu Car Corporation (hereinafter "TCC") resolved in meetings both held on April 25, 2002 to make TCC a wholly-owned subsidiary of Tokyu through a share exchange and (ii) that the two companies executed a Memorandum of Understanding for such purpose.

A Share Exchange Agreement is scheduled to be executed in late May 2002, and will be subject to shareholder approval at the respective annual general meetings of shareholders of Tokyu and TCC scheduled for late June 2002. The share exchange is scheduled to take place on October 1, 2002.

Description

1. Purposes of making TCC a wholly-owned subsidiary through share exchange

In line with the adoption of the “Tokyu Group Management Policy” in April 2000 and the drastic reexamination of the management system of the group in order to maximize shareholder value, Tokyu has been promoting the reorganization of its businesses (including the hotel business, the freight transportation business and the building management business) under the “selection and concentration” policy and has also been pursuing various strategies to maintain the growth of the company such as reevaluating the functions of train stations, promoting its media businesses and entering the real estate investment trust business.

TCC began its operations by primarily restoring Tokyu's war-damaged railroad vehicles, and expanded its business by focusing on the manufacture and sales of railroad vehicles, special equipment cars and parking systems. Over the past several years, however, TCC continued to show an operating loss due to declining profits caused by decreasing demand in the transportation industry and falling sale prices. TCC has made efforts to increase management efficiency by slimming down excessive production facilities and reducing supply costs. However, the following aspects led the management of both Tokyu and TCC to conclude that making TCC a wholly-owned subsidiary of Tokyu is most appropriate.

1. The need to rapidly restructure the business organization in order to concentrate on TCC's stronger businesses
2. Potential improvement of the value of the group enterprise through the effective use of the managerial resources of TCC
3. The need to proceed with rapid decision making by management in accord with the total business strategy of the Tokyu group

From hereon, Tokyu and TCC will grapple with business restructuring issues with a “selection and concentration” approach--the executive policy of Tokyu group management. In particular, the technology of TCC and its know-how will be concentrated in industries in which synergies with the core business of the group will be obtainable, which would enable a management system that is flexible enough and capable of actively answering the needs of the client and adapting to changes in the business environment. Moreover, this plan makes effective use of the managerial resources of TCC across the Tokyu group, working towards the improvement in value of the group enterprise as a whole.

2. Terms and conditions of share exchange

(1) Schedule for share exchange

April 25, 2002	Approval of the Memorandum of Understanding regarding the Share Exchange by the board of directors of both companies
April 25, 2002	Execution of the Memorandum of Understanding regarding the Share Exchange
Late May 2002 (tentative)	Approval of the Share Exchange Agreement by the board of directors of both companies
Late May 2002 (tentative)	Execution of the Share Exchange Agreement
Late June 2002 (tentative)	Annual general shareholders' meeting of both companies to approve the Share Exchange Agreement
October 1, 2002	Date of execution of the share exchange

(2) Conversion rate for share exchange

Name of company	TOKYU (Wholly-owning parent company)	TCC (Wholly-owned subsidiary)
Conversion rate of shares	1	0.167

(Note) 1. Conversion rate of shares:
0.167 shares of Tokyu stock will be exchanged for each one (1) share of TCC stock and distributed to each existing shareholder of TCC (excluding Tokyu).

2. Basis of calculation of conversion rate for share exchange:
The conversion rate for the share exchange has been calculated by KPMG Corporate Finance K.K. for Tokyu and by Mizuho Securities Co., Ltd. for TCC. Taking the results of those calculations into consideration, Tokyu and TCC determined and agreed upon the above rate.

3. Results, methods, and bases of calculation by third parties:
KPMG Corporate Finance K.K. primarily used a method called the "break-up value analysis," while broadly taking into account the values calculated by using among others the market value method, discounted cash flow formula (DCF), and adjusted book value method, to calculate the estimated value of the shareholders' equity of both companies and computed the conversion rate for the share exchange accordingly.

Mizuho Securities Co., Ltd. primarily used the market value method while broadly taking into account the values calculated by using discounted cash flow formula (DCF), comparable peer company

analysis to analyze the fair value of the stocks of both companies, and based its calculation of the rate of share exchange upon the results of such analysis.

4. Number of new shares to be issued pursuant to share exchange:
The number of new shares to be issued pursuant to the share exchange is to be decided.

3. Outline of the parties involved in the share exchange

(1) Trade name	Tokyu (Wholly-owning parent company) (As of September 30, 2001)	TCC (Wholly-owned subsidiary) (As of September 30, 2001)
(2) Line of business	Railroad business, real estate business, hotel business	Railroad vehicles, special equipment cars, parking systems
(3) Date of incorporation	September 2, 1922	August 23, 1948
(4) Headquarters Location (registered office)	5-6 Nampeidai-cho, Shibuya-ku, Tokyo	3-1 Ookawa, Kanazawa-ku, Yokohama, Kanagawa
(5) Name of Representative	President and Representative Director Kiyofumi Kamijo	President Takeo Momose
(6) Capital	108,819 million yen	14,047 million yen
(7) Number of issued and outstanding shares	1,123,885 thousand shares	123,367 thousand shares
(8) Shareholders' equity	257,894 million yen	25,456 million yen
(9) Total assets	1,559,008 million yen	71,678 million yen
(10) Fiscal year end	March 31	March 31
(11) Number of employees	3,996	1,146
(12) Names and shareholding percentages of major shareholders	The Dai-Ichi Mutual Life Insurance Company 7.34% Nippon Life Insurance Company 7.10% The Chuo Mitsui Trust and Banking Co., Ltd. 3.30% The Industrial Bank of Japan, Ltd. 3.00% The Toyo Trust & Banking Company, Limited. (Trust Account Unit A) 2.80%	Tokyu Corporation 17.07% The Taiyo Mutual Life Insurance Co. 4.51% Keihin Electric Express Railway Co., Ltd. 4.34% The Asahi Bank, Ltd. 4.00% The Chuo Mitsui Trust and Banking Co., Ltd. 3.16%
(13) Correspondent banks	The Bank of Tokyo-Mitsubishi, Ltd. The Chuo Mitsui Trust and Banking Co., Ltd. and others	The Asahi Bank, Ltd. The Chuo Mitsui Trust and Banking Co., Ltd. And others
(14) Capital Relationships between parties	Tokyu holds 17.07% of all issued and outstanding TCC shares, and TCC holds 0.52% of all issued and outstanding Tokyu shares.	

4. Business performance for the last three fiscal years

(million yen)

Fiscal Year	Tokyu (Wholly-owning parent company)			TCC (Wholly-owned subsidiary)		
	FY ended March 1999	FY ended March 2000	FY ended March 2001	FY ended March 1999	FY ended March 2000	FY ended March 2001
Operating Revenues	301,977	282,691	292,499	47,130	57,157	49,951
Operating income	50,373	53,922	46,333	- 5,621	- 6,271	- 1,893
Recurring income	32,890	31,026	18,443	- 6,463	- 6,071	- 3,267
Net income	9,501	6,306	6,997	- 1,742	- 7,939	- 3,540
Net income per share (yen)	8.65	5.74	6.37	- 14.12	- 64.36	- 28.70
Annual dividend per share (yen)	5.00	5.00	5.00	-	-	-
Shareholders' equity per share (yen)	219.91	220.57	226.55	300.34	235.98	221.51

5. Post-share exchange outlook

(1) Trade name, line of business, headquarters location, and corporate representative

There will be no change in the trade name, line of business, headquarters location, or corporate representative of both companies from the corresponding entries found in "3. Outline of the parties involved in the share exchange."

(2) Amount of capital

Tokyu's increase of capital and capital reserve has not been determined yet.

(3) Effects on business performance

TCC is currently an affiliate of Tokyu to which the equity method is applicable. It will become a consolidated subsidiary of Tokyu, beginning second half of FY ending March 2003. Accordingly, at such time, TCC's Operating Revenues and operating income, etc. will be reflected in the consolidated business performance of Tokyu.

We believe that TCC's transition to a wholly-owned subsidiary of Tokyu will reinforce the restructuring process of TCC, increase management efficiency and the effective use of managerial resources and ultimately enhance and stabilize the consolidated business performance of Tokyu.

Inquiries may be directed to:

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