

**NOTICE TO SHAREHOLDERS RESIDENT IN THE UNITED STATES:**

This document relates to a proposed business combination which involves the securities of a foreign company. It is subject to disclosure requirements of a foreign country that are different from those in the United States. Financial statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for any U.S. shareholder to enforce his rights and any claim he may have arising under the federal securities laws, since the issuer is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. Such U.S. shareholder may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.

# **Supplementary Explanation Material**

( Tokyu Car Corporation Becoming  
A Wholly-owned Subsidiary through Share Exchange )

26 April 2002

Extraordinary Explanatory Meeting for Investors



**Tokyu Corporation**

**(9005)**

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

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# “Outline of Parties Involved” & “Capital Relationships”

## ■ Outline of Parties Involved

( As of 30 September 2001 )

	Tokyu Corp.	Tokyu Car Corp.
Line of business	Railway business Real estate business Hotel business etc.	Railway vehicles Special equipment cars Parking systems
Number of issued and outstanding shares	1,123,885 thousand shares	123,367 thousand shares

## ■ Capital Relationships

( As of 30 September 2001 )

↓ Shareholder	Shares of Tokyu Corp.		Shares of Tokyu Car Corp.	
	Tokyu Corp.			21,061 thousand shares
Tokyu Car Corp.	5,868 thousand shares	0.52%		
Other group companies	17,055 thousand shares	1.52%	7,056 thousand shares	5.72%
Total	22,924 thousand shares	2.04%	28,117 thousand shares	22.79%

# Financial Results for the Last Three Fiscal Years



( ¥ million )

	Tokyu Corp.			Tokyu Car Corp.		
	FY 3 / 1999	FY 3 / 2000	FY 3 / 2001	FY 3 / 1999	FY 3 / 2000	FY 3 / 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

Current assets	311,738	287,621	254,013	56,748	43,452	34,648
Fixed assets	1,148,671	1,253,048	1,317,060	29,080	30,843	39,615
Total assets	1,460,409	1,540,669	1,571,073	85,828	74,296	74,263

Current liabilities	329,783	368,284	446,885	46,350	35,243	38,288
Long-term liabilities	889,088	930,125	875,354	2,425	9,940	8,647
Total liabilities	1,218,871	1,298,410	1,322,240	48,775	45,183	46,936
(Interest-bearing debt)	897,161	980,291	974,717	27,816	28,576	28,793

Common stock	107,542	107,542	107,542	14,047	14,047	14,047
Total shareholders' equity	241,538	242,259	248,833	37,052	29,112	27,327

# Financial Results for the Last Three Fiscal Years

( ¥ million )

	Tokyu Corp.			Tokyu Car Corp.		
	FY 3 / 1999	FY 3 / 2000	FY 3 / 2001	FY 3 / 1999	FY 3 / 2000	FY 3 / 2001
Operating revenues	573,423	995,228	1,012,890	51,603	61,449	55,228
Operating income	48,965	60,416	64,374	-5,495	-5,916	-1,612
Recurring income	24,454	31,249	23,634	-6,731	-6,090	-2,900
Net income	-27,900	1,764	-30,163	-2,016	-8,128	-2,831
Current assets	799,505	816,773	719,489	57,088	43,394	35,291
Fixed assets	1,545,991	1,693,973	1,780,396	28,841	30,624	39,620
Total assets	2,360,427	2,528,353	2,499,886	85,930	74,018	74,911
Current liabilities	1,121,030	1,142,405	1,158,301	47,595	36,299	39,507
Long-term liabilities	1,052,634	1,188,045	1,189,089	2,500	10,000	8,726
Total liabilities	2,173,665	2,330,450	2,347,390	50,096	46,300	48,223
(Interest-bearing debt)	1,438,740	1,536,831	1,506,916	28,028	28,614	28,845
Minority interests	10,448	21,436	13,429	19	—	—
Common stock	107,542	107,542	107,542	14,047	14,047	14,047
Total shareholders' equity	176,314	176,465	139,066	35,814	27,718	26,677

# Segment Information of Tokyu Car Corp.



( ¥ million )

	FY 3 / 1999	FY 3 / 2000		FY 3 / 2001	
		vs. prior year		vs. prior year	
Operating revenues					
Railway vehicles	19,208	60.2%	30,763	-31.7%	21,013
Special equipment cars	20,958	-6.6%	19,573	5.3%	20,606
Parking systems	11,437	-2.8%	11,112	22.5%	13,609
Total	51,603	19.1%	61,449	-10.1%	55,228
Elimination / Headquarters	—	—	—	—	—
< Consolidated operating revenues >	51,603	19.1%	61,449	-10.1%	55,228
Operating expenses					
Railway vehicles	19,378	55.5%	30,129	-36.2%	19,214
Special equipment cars	24,378	-1.8%	23,944	-7.0%	22,261
Parking systems	10,516	-0.4%	10,476	28.1%	13,416
Total	54,273	18.9%	64,550	-15.0%	54,893
Elimination / Headquarters	2,825	-0.4%	2,815	-30.8%	1,948
< Consolidated operating expenses >	57,099	18.0%	67,365	-15.6%	56,841
Operating income					
Railway vehicles	-170	—	633	184.0%	1,798
Special equipment cars	-3,420	—	-4,370	—	-1,655
Parking systems	920	-30.9%	636	-69.8%	192
Total	-2,669	—	-3,100	—	335
Elimination / Headquarters	-2,825	—	-2,815	—	-1,948
< Consolidated operating income >	-5,495	—	-5,916	—	-1,612

# Sales for Tokyu Corp. & Tokyu Car Corp. Net Assets Book Value & Tokyu Corp. Investment Book Value of Tokyu Car Corp.



## ■ Sales for Tokyu Corporation

(¥ million)

	FY 3/1999	FY 3/2000	FY 3/2001
Total Sales ( Non-consolidated )	47,130	57,157	49,951
Sales for Tokyu Corporation ( including component sales other than railway cars )	1,658	7,498	2,880
Number of domestic railway car sales	178 cars	296 cars	251 cars
Railway car sales for Tokyu Corp.	8 cars	66 cars	14 cars

## ■ Tokyu Car Corp. Net Assets Book Value & Tokyu Corp. Investment Book Value of Tokyu Car Corp. ( Consolidated Basis )

Tokyu Car Corp. Net Assets Book Value as of Mar. 2002 ( forecast <as at 23 Apr. 2002> ) 23.9 billion yen

Tokyu Corp. Investment Book Value before Share Exchange 4.4 billion yen

( FY 3/2002 Year End Forecast <as at 23 Apr. 2002>, 23.9 billion yen × equity ratio 18.5% )

Increase of Investment Book Value after Share Exchange 7.3 billion yen

( Reference using the closing price 428 yen as at 23 Apr. 2002  
and assuming that all shares are issued newly)

Tokyu Corp. Investment Book Value of Tokyu Car Corp. after Share Exchange (reference) 11.7 billion yen