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Presentation Handout

13 June 2001

Explanatory Meeting for Investors



TOKYU CORPORATION

(9005)

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



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Outline of Consolidated Financial Results

| 〔Financial Results (FY3/2001)〕 | |
|--------------------------------|--------------|
| | (¥ billion) |
| Operating revenues | 1,012.8 |
| Operating income | 64.3 |
| Recurring income | 23.6 |
| Extraordinary gains | 55.8 |
| Extraordinary losses | 104.4 |
| Net income | -30.1 |

| 〔Financial Forecast (FY3/2002)〕 | |
|---------------------------------|-------------|
| | (¥ billion) |
| Operating revenues | 1,040 |
| Recurring income | 24 |
| Net income | 12 |

Consolidation Ratio (vs non-consolidated) 1.67 times

Gains from sale of fixed assets
21.3 billion yen

Single amortization of unrecognized net obligation due to change in retirement benefits accounting principles
69.5 billion yen

Objective : To maximize shareholder value through policy implementation

Restructuring of Tokyu Group business through selection and concentration

Introduction of the new Tokyu Group Management System

Vitalization of business through promotion of Tokyu Group growth strategy



Unification of Hotel Business

[Share Exchange between Tokyu Corp. and Tokyu Hotel Chain Co.,Ltd]

- 27 March 2001 Obtain approval of share exchange agreement at the general meeting of shareholders of Tokyu Hotel Chain
- 11 July 2001 Delist Tokyu Hotel Chain
- 17 July 2001 Carry out share exchange (Wholly owned subsidiary)

[Progress of Unification]

- Established department for unification

Having Tokyu Corp. Hotel Division as the leader, examined specific measure and implementation for improvement (Sales team, human resources management, re-organization and re-definement of brand category etc.)

[Unification of operation]

- July 2001 Establishment of “Tokyu Hotels Reservation Center”
Unification of reservation window and sales promotion



Restructuring of Tokyu Group business through selection and concentration

Withdrawal from petroleum sales business

Withdrawn from petroleum sales business at the end of March 2001

[Environment surrounding our petroleum sales business]

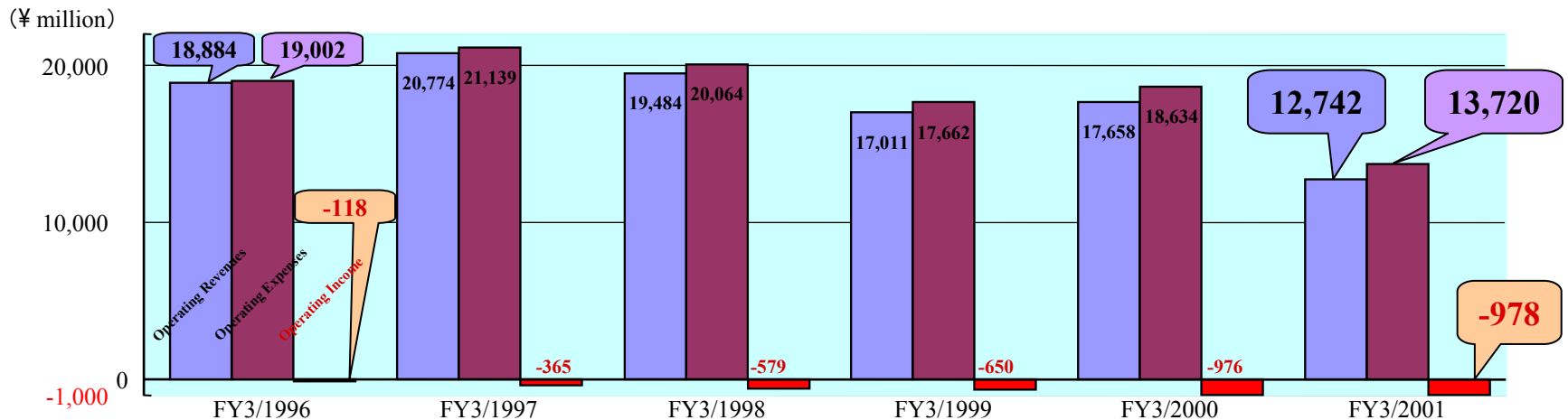
Price competition of petroleum

Decreasing oil demand of construction / transport business

Termination of business with large clients

Rising price of crude oil

[Result of revenue and expenditure of petroleum sales business]





Restructuring of Tokyu Group business through selection and concentration

Summary of Realignment in Transportation Business

[Objectives]

- Improve asset efficiency and expand existing operations through managerial integration of 3 companies into SOTETSU TRANSPORTATION
- Strengthen the delivery network within the area along the Tokyu lines
- Consolidate our position as a distributor within the area

SOTETSU TRANSPORTATION Co.,LTD
 FY 3/ 2000
 Trade Name Consol. Sales 15.9 billion yen
 Change Consol. Assets 18.5 billion yen
TOKYU LOGISTIC CO.,LTD

TOKYU FREIGHT SERVICE
 FY 12/2000
 Sales 6.2 billion yen
 Total Assets 6.8 billion yen



<Merger Ratio> 1: 1.2

Issue 1.2 shares of SOTETSU to 1 share of TOKYU FREIGHT SERVICE



<Share Exchange Ratio> 1: 2

Issue 2 shares of SOTETSU to 1 share of TOKYO TSUUN

TOKYO TSUUN
 FY 12/2000
 Sales 12 billion yen
 Total Assets 19.2 billion yen

<Future Schedule>

- June 28, 2001 Approval of contracts at each of the companies' shareholders' general meeting
- April 1, 2002 Due date for merger and share exchange , and company trade name change

Objective : To maximize shareholder value through policy implementation

Restructuring of Tokyu Group business through selection and concentration

Introduction of the new Tokyu Group Management System

Vitalization of business through promotion of Tokyu Group growth strategy

Allocate managerial resources to vitalization Shibuya
and area alongside the Tokyu lines

**Media Business
Strategy**

**Strengthening of
customer based
strategies**

**Maximize
Shareholder Value**

**Reassessment of
Station Function**

**Examination of Real
Estate Investment
Trust (REIT) business**

**Expansion of in-house
business venture system**

Current status of new facilities that opened last year to this year

[Shibuya Mark City]



Shibuya Excel Hotel Tokyu (Performance of FY2000)

- Gross Income 4 billion yen (Shibuya Tokyu Inn : 1.5 billion yen)
- Occupancy 94.0% (Shibuya Tokyu Inn : 93.3%)

[Grandberry Mall] (Performance during 21 April,2000~20 April,2001)



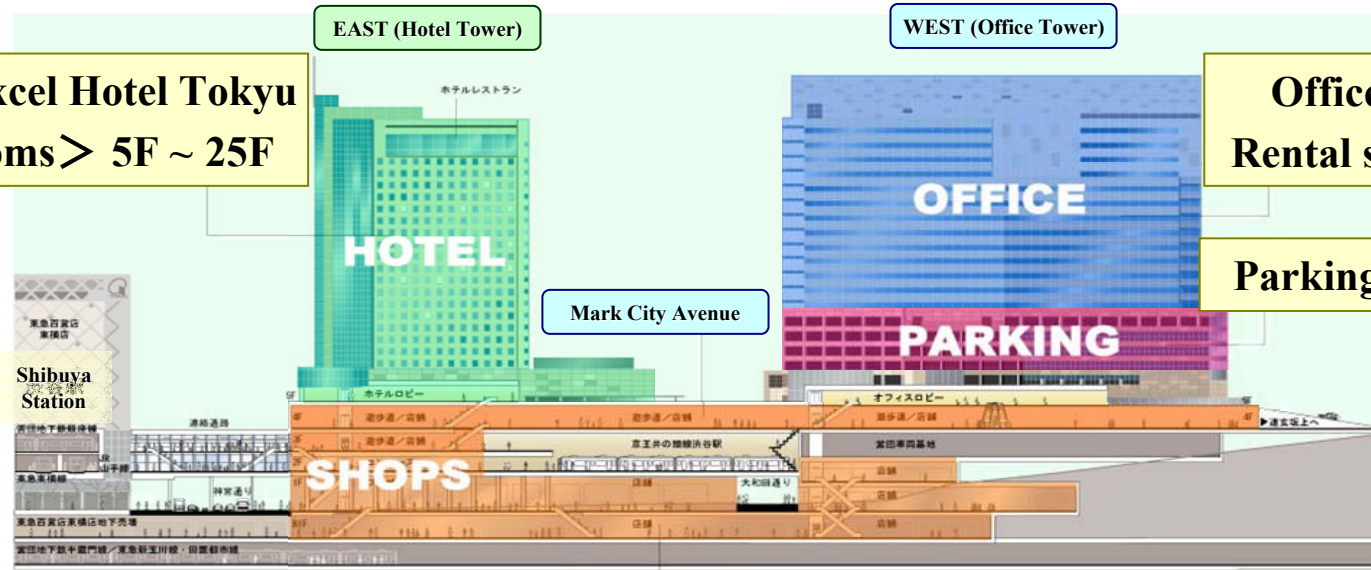
- Total Number of Guests : 7.6million people Expected : 6 million people
Achievement rate : 127%
- Sales : 17 billion yen Forecast : 17 billion yen Achievement rate : 100%
- Number of Guests : Weekdays — approx. 15,000 people Male 20% Female 80%
Holidays — approx. 25,000 people Male 33% Female 67%
By age 25~34 years of age : 38% 15~24 : 25% 35~44 : 21%

[Cerulean Tower] (24 May, 2001 Grand Open)



- Office Floor area for rent : 16,800m² (4F~16F)
- Hotel Number of rooms : 414 rooms (19F~37F)
Banquet Halls : 10 Halls ; 1 ballroom (1,430m²)
9 small-to-medium-sized halls
- F&B Outlets: Japanese, Western and Chinese Restaurants,
Lounge Bar and Jazz Club

Shibuya Mark City



Shibuya Excel Hotel Tokyu
 <408 rooms> 5F ~ 25F

Office 11F ~ 23F
 Rental space 27,313m²

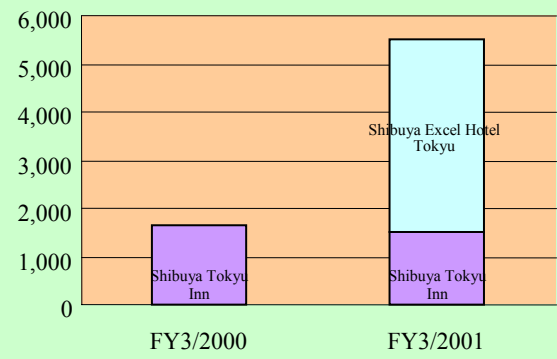
Parking <454>

Mark City Mall <54 shops (Sales 29 , Restaurant 20 , Others 5)> B1F ~ 4F

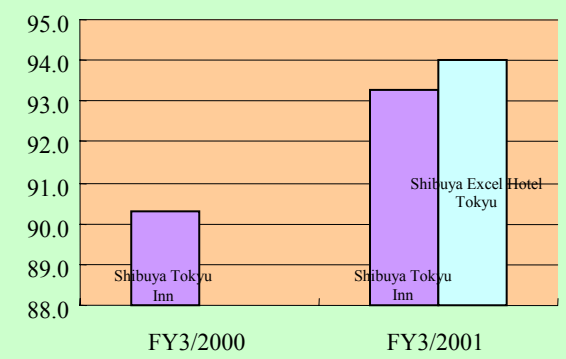
(Shibuya Excel Hotel Tokyu)

- Total income as a whole increased after opening of Shibuya Excel Hotel.
- Occupancy of Shibuya Excel Hotel and Shibuya Tokyu Inn are both high.
- ※ Shibuya has potential demand for hotels.

① Total income (¥million)



② Occupancy (%)



Adding Value to Tokyu Area

Grandberry Mall

(Concept) To create a shopping space to support pleasant daily life of suburban residents

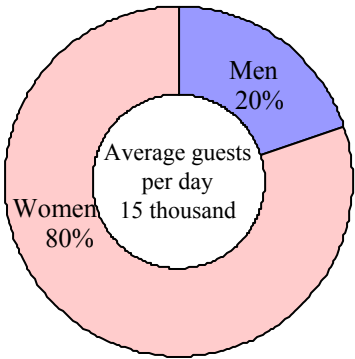
- (Outline of Grandberry Mall)**
- Location 4-1 Tsuruma 3-chome, Machida-shi, Tokyo (Den-en-toshi Line・Minami-machida Station)
 - Area Approx. 87,000m²
 - Facility Steel structure single story building (partially 2 stories) 9 buildings
 - Floor Space Approx. 25,000m² ○ Parking Approx. 1,000 (Outdoor parking)
 - Number of shops 79 shops ○ Opening date 21 April 2000



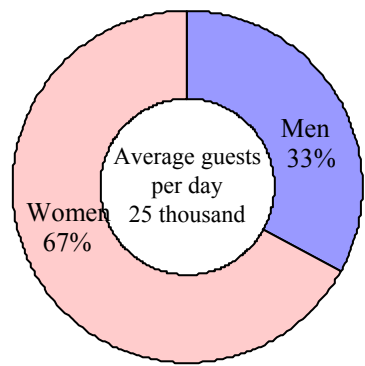
Actual (21 April 2000~20 April 2001)

| | Projection | 1 month later | 3 months later | 6 months later | 12 months later | Ratio |
|--------------------|-----------------------|---------------|-----------------|-----------------|-----------------------|--------------|
| No. of guests | 6 million | 1.6 million | 3.15 million | 4.7 million | 7.6 million | 127 % |
| Operating revenues | 17 billion yen | 3 billion yen | 5.8 billion yen | 9.7 billion yen | 17 billion yen | 100 % |

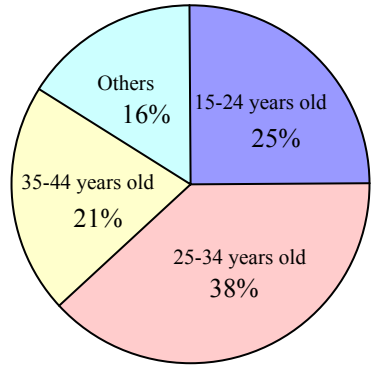
Composition of sex distinction of guests (Weekday)



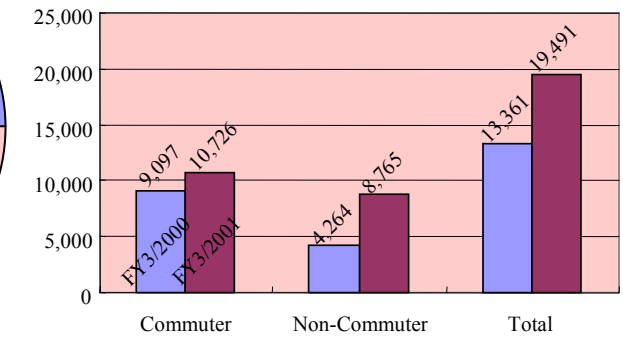
Composition of sex distinction of guests (Holiday)



Age structure of guests

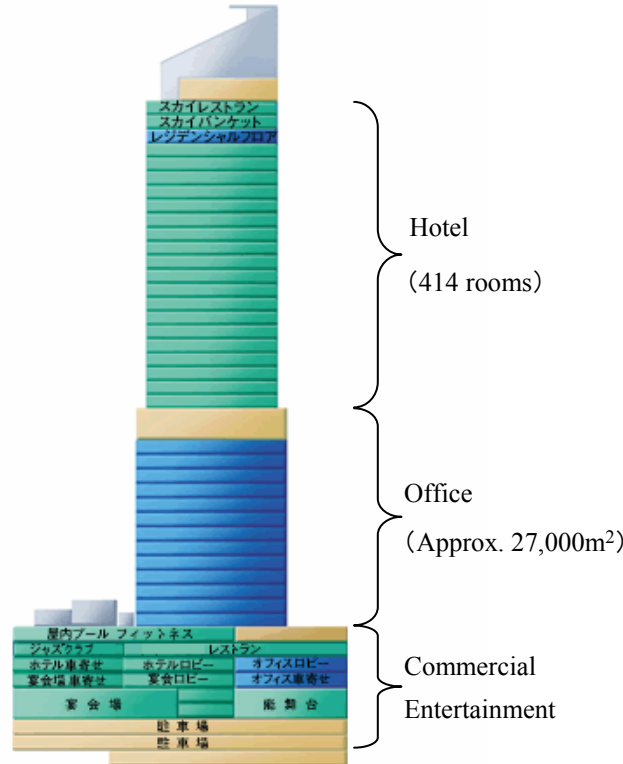


Number of passengers utilizing Minami-machida station (Average passengers per day)



On 16 Jan. 2001, Carrefour Minami-machida opened on neighboring land (Periodic leasehold method), thus synergy effect is expected.

Cerulean Tower



〔Outline of Cerulean Tower〕

- Location 26-1, Sakuragaoka-cho, Shibuya-ku, Tokyo
- Area 9,409m²
- Building Area 5,100m²
- Structure Scale 6 basement and 41 floors
- Total Floor Space Approx. 106,000m²
 (Details) Hotel Approx. 59,000m²
 Office Approx. 27,000m²
 Others Approx. 20,000m²
- Office Rental Space Approx. 16,800m²
 (Standard Floor Rental Area : Approx. 1,290m²)
- Opening Date

| | |
|--------------|-------------------------|
| 1 April 2001 | Commence Office Rental |
| 4 April 2001 | Partial Opening (Hotel) |
| 24 May 2001 | Grand Opening (Hotel) |
- Construction Cost Approx. 43 billion yen

■ Cerulean Tower is the first multi-career (possible to select communication service companies) leased building in Japan, which has optical fiber drawn into the structure by 7 communication service companies.

- It provides variety of choices for tenants, by drawing circuits from multiple communication service companies.
- It provides the most inexpensive and highest speed broadband data communication environment in Japan.



< Going into Real Estate Investment Advisory Business >

[Objectives]

- Collection of Industry and Property Information
- Performance Accumulation in Real Estate Investment Advisory Business
- Commitment to the function as a REIT, foundation planner and investment manager

[Outline of Tokyu Real Estate Investment Management]

- Company Name Tokyu Real Estate Investment Management Inc.
- Capital 100 million yen
- Equity Position Tokyu Corporation : Tokyu Land Corporation = 51 : 49
- Business Description
 - Property management & administration; consultation on asset securitization
 - Investigation of economies, industries, real estate, and security investments, both domestic & foreign
 - Publication of investment information
 - Investment advisory business for securities and other financial assets
 - Asset management for investment trust
 - Fund and Asset management for investment corporation
 - Operating service of investment corporation, etc.

Reassessment of Station Function

< ranKing ranQueen >



(Outline)

- Location Shibuya Station
- Opening July, 2001
- Business Hours
 10:00 ~ 23:00
- Projected Sales ¥400million/year
- Store Space 103m²

(Concept)

- **Display and sales of top-selling goods based on ranking information provided by ranking survey companies and TOKYU group companies**
- ✂ Provision of information along with goods collected through various ranking information from a variety of angles and views
- **Sales and supply of information on a wide range of new products**
- ✂ Optimizing the use of the station as a 'real time' PR and sales spot by availing space in-store to manufacturers by lease for direct PR and sales spot to the general public.

Approach to Media Business

(Infrastructure)

Infrastructure business equipped with information distribution facility for customers

- Powerful network by railway and CATV etc.
- Secondary infrastructure by different membership such as CATV, TOP Card members

(Content)

Development by alliance with related companies

- Shopping
- Education
- Entertainment
- Travel
- Health
- Money etc.

(Adding Value to Tokyu Area)

- Area Cultivation
- Strengthen Customer Foundation

Expansion into Metropolitan Area

Tokyu Cable Television



Promotion of broadband Internet business in the CATV network through cooperation of Tokyu Corporation, Sony Corporation and Tokyu Cable Television Co., Ltd.

○ New construction of advanced CATV/ISP network

In alliance with Sony, developing a higher speed CATV/ISP network by fall in 2001

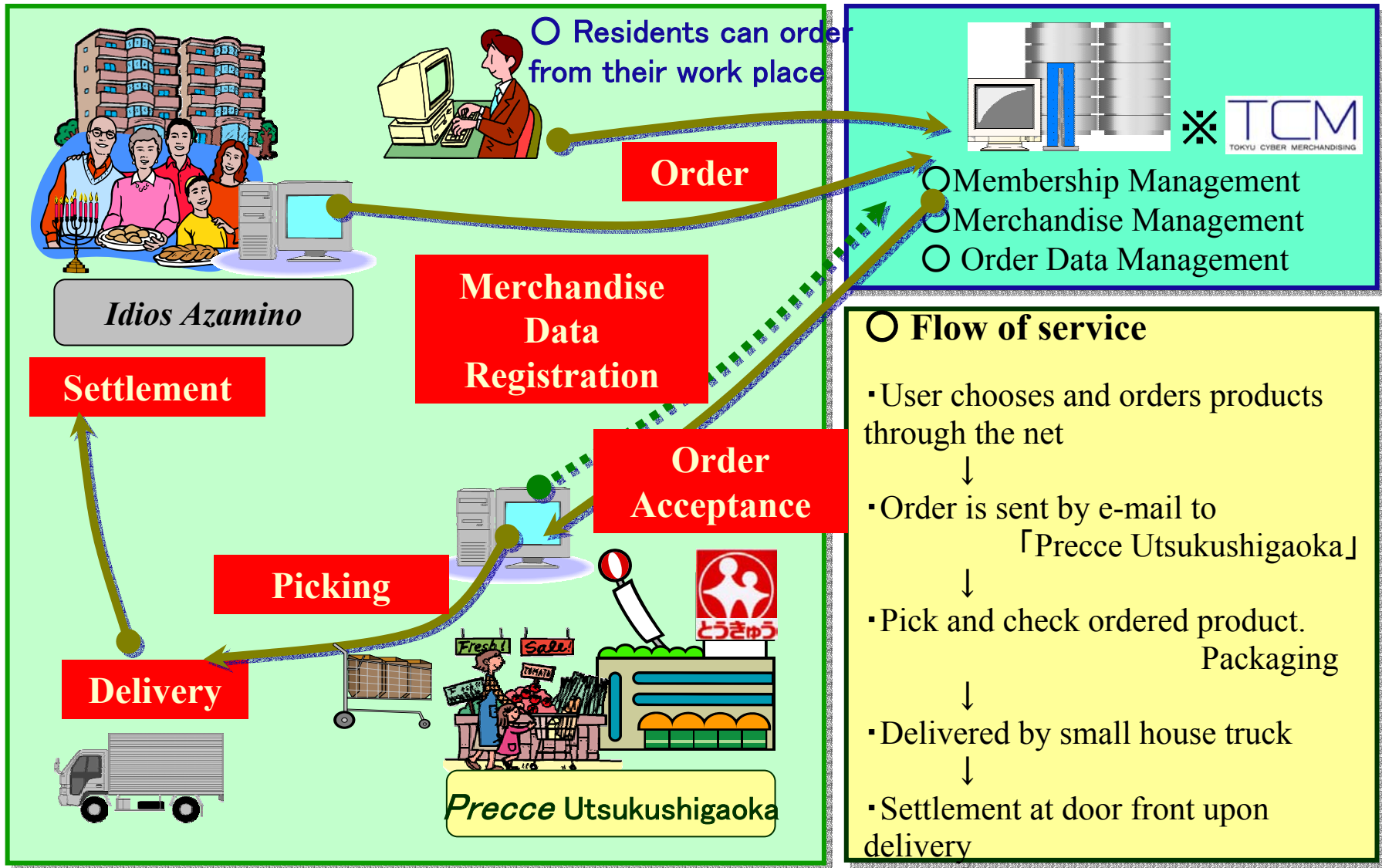
○ Allocation of new shares to a third party

In March, 2001, increased capital for above businesses via allocation of new shares to a third party (3,388 million yen), all of which Sony will acquire (ratio of shareholding 10% → 15%)

○ Change the company's name

We are planning to change the company's name to suit the service we offer

Net Supermarket “Precce Net”



※ TCM 【 TOKYU CYBER MERCHANDISING 】



(Remodeling of stores)

- Toyoko April, 2000 “Food Show” and Shibuya Mark City opened
 September, 2000 The upper stores were refurbished and opened
 < Sum of Investment 4.5 billion yen Sales comparing to last year +6.0% >
- Tama-Plaza April, 2000 B1F~2F Refurbished
 < Sum of Investment 1.3 billion yen Sales comparing to last year +0.7% >
- Kohoku June, 2000 start to change operation style
 < Sum of Investment 0.2 billion yen Sales comparing to last year -6.0% >
- Hiyoshi November, 1999 start to replace tenants on occasion
 < Sum of Investment 0.2 billion yen Sales comparing to last year +19.1% >
- Kichijoji March, 2001 Refurbished
 < Sum of Investment 3.1 billion yen Sales comparing to last year (Feb.~April) +4.2% >
- Machida April, 2001 Partially refurbished
 The latter half of 2001, the rest part refurbished
 < Sum of Investment 2.3 billion yen >

Tokyu Construction “Management Rebuilding Plan” Progress Situation

(Reformation of Revenue structure)

| | <Final Year of Plan> (FY 3/2002) | < Actual > (FY 3/2001) |
|---|-------------------------------------|---------------------------|
| <u>Received Order</u> | <u>¥300 billion</u> | <u>¥322.9 billion</u> |
| <u>Profit of completed project</u> | <u>¥30 billion</u> | <u>¥30.7 billion</u> |
| <u>Sales management cost (of completed works)</u> | <u>5.3%</u> | <u>5.0%</u> |
| <u>Number of employees</u> | <u>2,800</u> | <u>2,901</u> |

(Processing latent loss)

| | <Final Year of Plan (total)> (as of March 2002) | <Actual (total)> (as of March 2001) |
|--------------------------------------|--|--|
| Overseas related companies | 18 billion | 20.2 billion |
| Domestic related companies | 30 billion | 33.5 billion |
| Delayed credit | 12 billion | 17.8 billion |
| <u>Sales of Land/Evaluation Loss</u> | <u>32 billion</u> | <u>51.9 billion</u> |
| Total | 92 billion | 123.4 billion |

(Interest-bearing debt)

(Planned Value)

(Balance as of March, 2004)
295.8 billion yen

(Actual Value)

(Balance as of March, 2000)
301.6 billion yen

(Balance as of September, 2000)
294.7 billion yen

(Balance as of March, 2001)
279.6 billion yen

(Challenge)

○ Renewal of Specific
Construction License

(July, 2002)

[Target value of the plan (FY3/2005)]

< Consolidated >

| | |
|------------------------|---------------------------|
| •Operating Income | : 31.5 billion yen |
| •Recurring Income | : 15 billion yen |
| •Interest-bearing debt | : 422 billion yen or less |
| •Shareholder's equity | : 72 billion yen or more |
| •ROA | : 4% or more |
| •EBITDA multiple | : 10 times |

< Non-Consolidated >

| | |
|------------------------|---------------------------|
| •Operating Income | : 21.2 billion yen |
| •Recurring Income | : 6 billion yen |
| •Interest-bearing debt | : 360 billion yen or less |
| •Shareholder's equity | : 100 billion yen or more |
| •ROA | : 3% or more |
| •EBITDA multiple | : 12 times |

[Results of FY3/2001]

| | |
|------------------------|---------------------|
| •Net Income | : 2.9 billion yen |
| •Operating Income | : 25.5 billion yen |
| •Recurring Income | : 11.1 billion yen |
| •Interest-bearing debt | : 504.7 billion yen |
| •Shareholder's equity | : 58.4 billion yen |
| •ROA | : 2.9% |
| •EBITDA multiple | : 13.3 times |

| | |
|------------------------------------|------------------|
| Original Projection of FY3/2001 | 2.2 billion yen |
| | 10 billion yen |
| | 522 billion yen |
| Half-yearly result | 30.3 billion yen |
| | 2.6 % |
| | 15.3 times |

| | |
|------------------------|---------------------|
| •Net Income | : 2.6 billion yen |
| •Operating Income | : 14 billion yen |
| •Recurring Income | : 3.9 billion yen |
| •Interest-bearing debt | : 432.1 billion yen |
| •Shareholder's equity | : 76 billion yen |
| •ROA | : 2.1% |
| •EBITDA multiple | : 18.7 times |

| | |
|------------------------------------|------------------|
| Original Projection of FY3/2001 | 12.2 billion yen |
| | 2.5 billion yen |
| | 430 billion yen |
| Half-yearly result | 73 billion yen |
| | 1.9 % |
| | 21.2 times |

Balance of the Group's Interest-Bearing Debt

(Publicly traded companies' consolidated financial statements)

