

FOR YOUR CONVENIENCE

TRANSLATION ONLY

Presentation Handout

27 December 2000

Explanatory Meeting for Investors



TOKYU CORPORATION

Objective: To maximize shareholder value through policy implementation

Restructuring of Tokyu Group business through selection and concentration

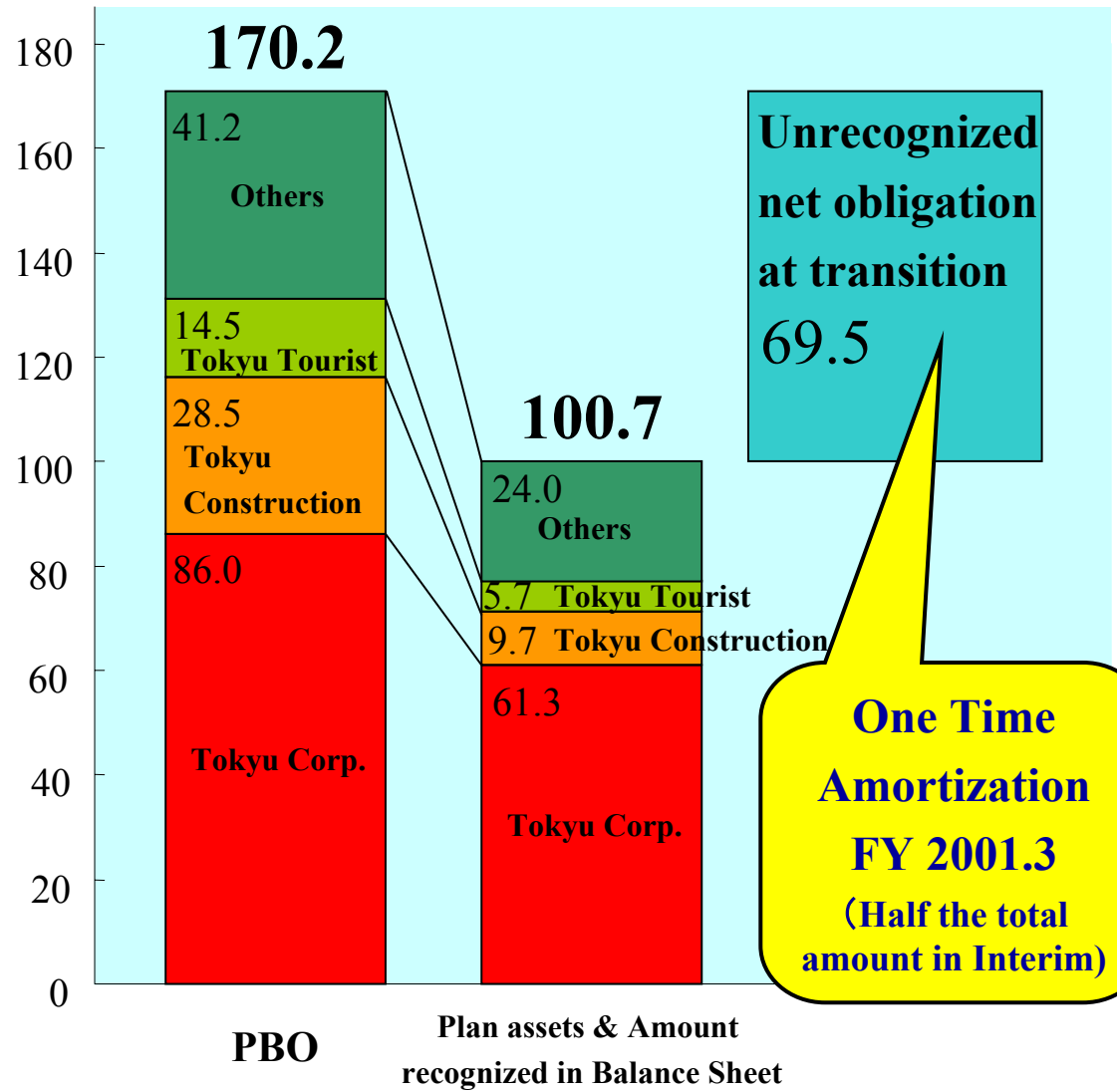
Introduction of the new Tokyu Group Management System

Vitalization of business through promotion of Tokyu Group growth strategy

Summary of the Consolidated financial results

【Consolidated P&L (Interim)】 (¥ Billion) 【Retirement Benefit Obligation】

(¥ Billion)	
Operating Rev.	447.9
Operating Income	37.2
Recurring Income	18.6
Extraordinary Gain	17.0
Extraordinary Losses	49.0
Net Income	▲16.6





Target for restoration of stability (March 2003)

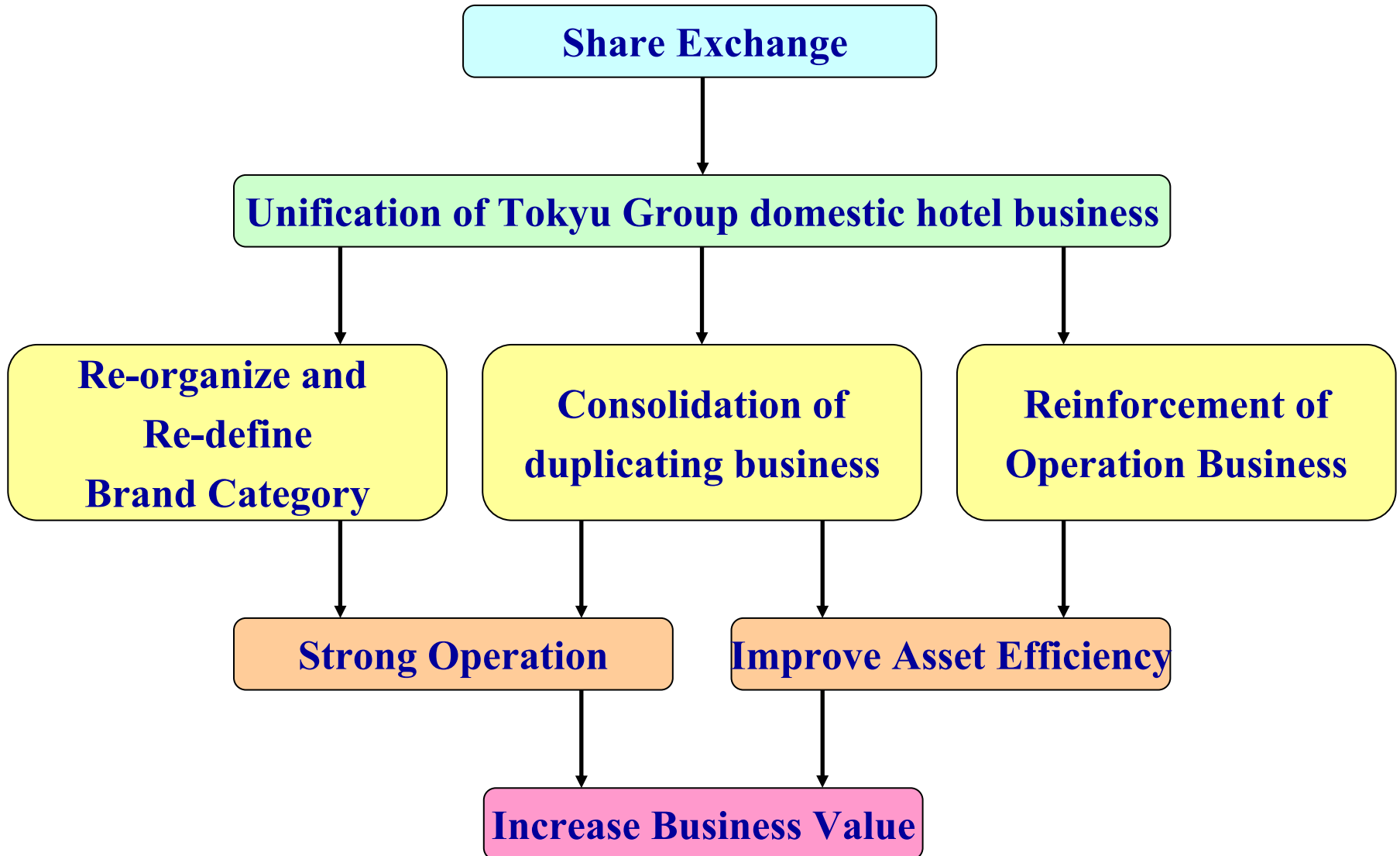
**Interest-bearing debt / EBITDA multiple
= less than 10 times**

(Example) The target can be met if,

**we reduce the Combined interest-bearing debt of
Tokyu Group companies 500 billion yen**

**and increase the Tokyu Group
Combined EBITDA by 30%**

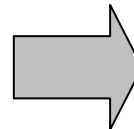
Objective of Share Exchange



Re-organization of Hotel Grades

【 Present 】

Class \ Grade	Rooms Oriented	Full Service
Luxury & Deluxe	Excel Hotel Tokyu	
Superior		Tokyu Hotel
Standard	Tokyu Inn	

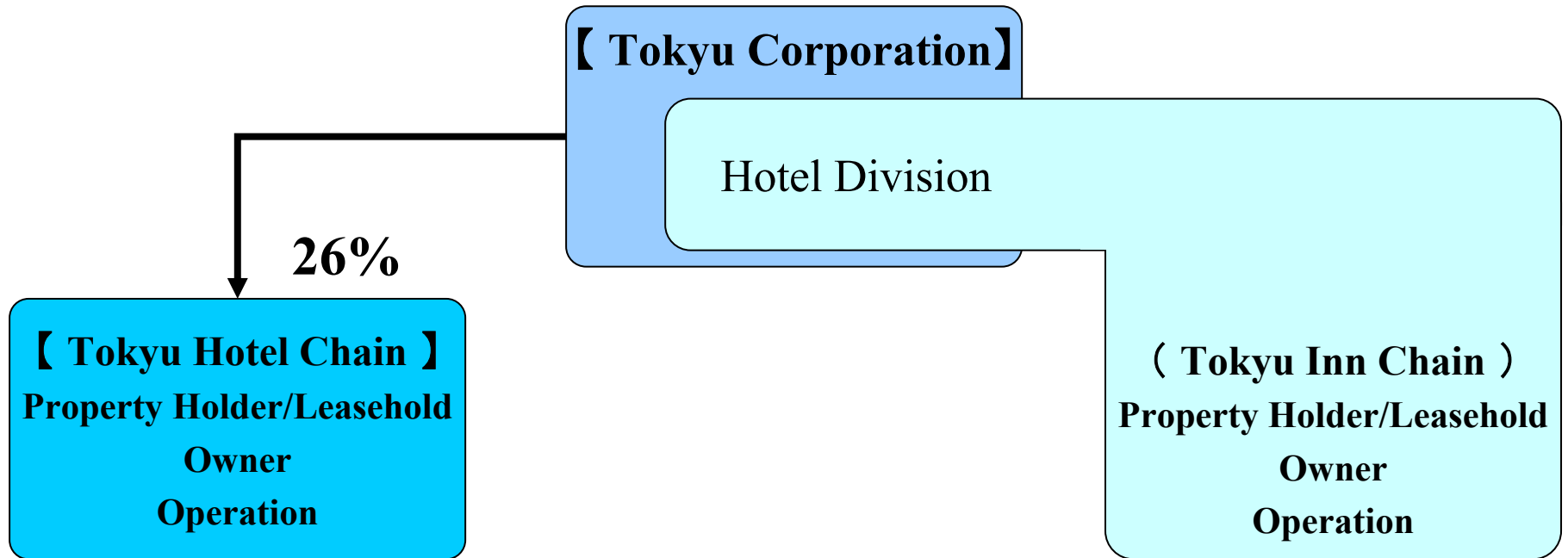


【 Future 】

Class \ Grade	Rooms Oriented	Full Service
Luxury & Deluxe	Excel Hotel Tokyu	Tokyu Hotel
Superior		
Standard	Tokyu Inn	

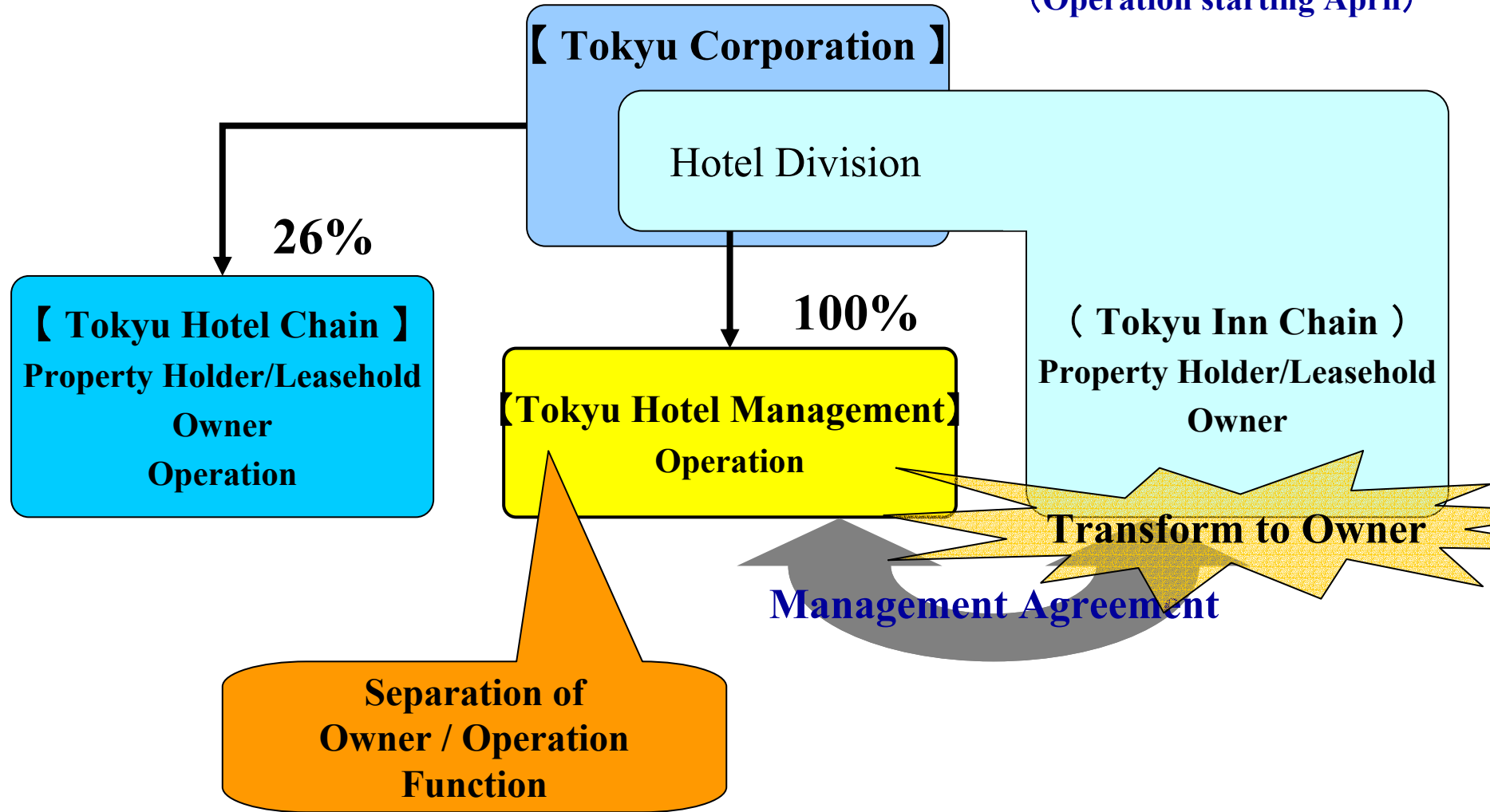


Present

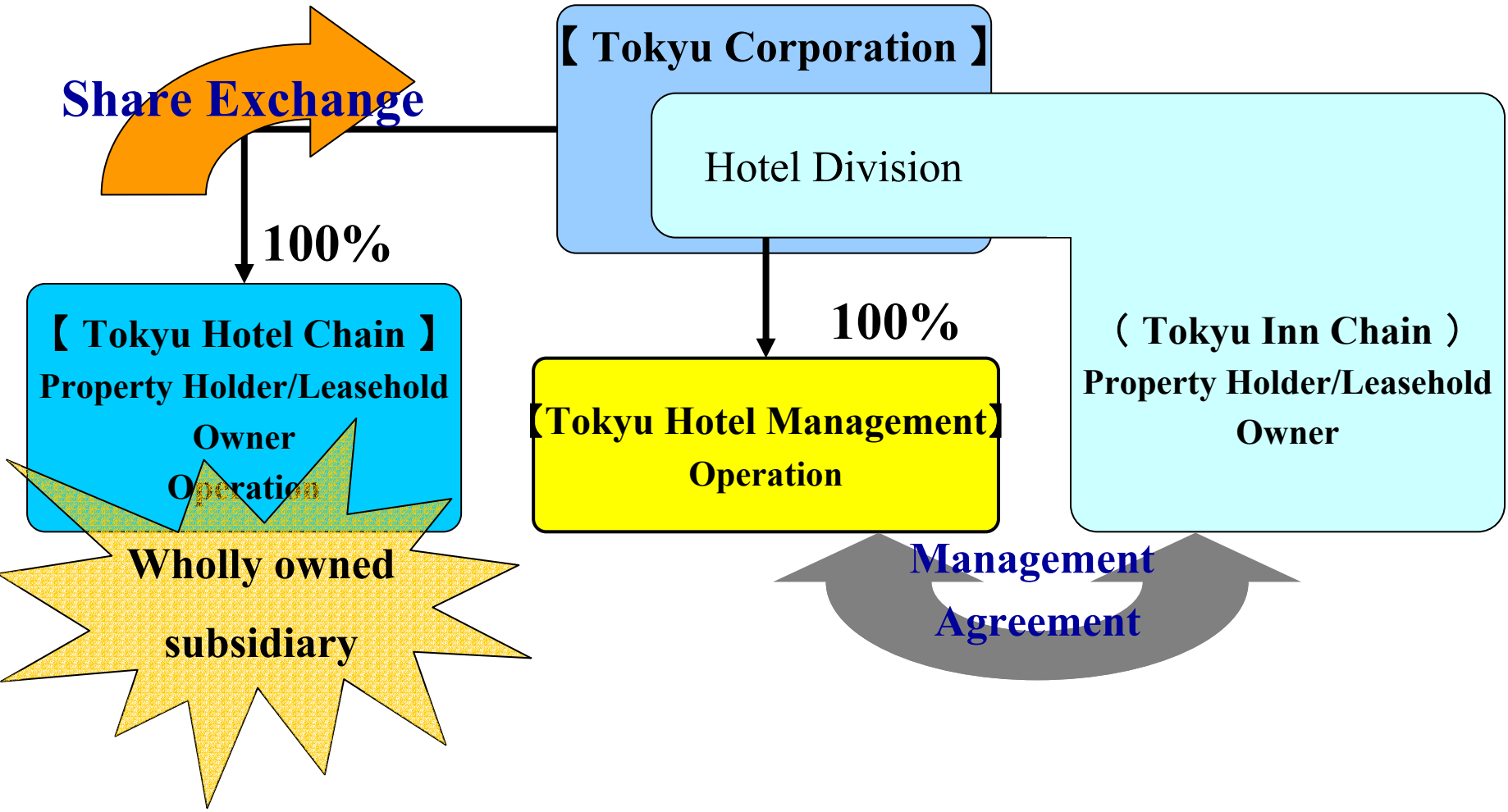


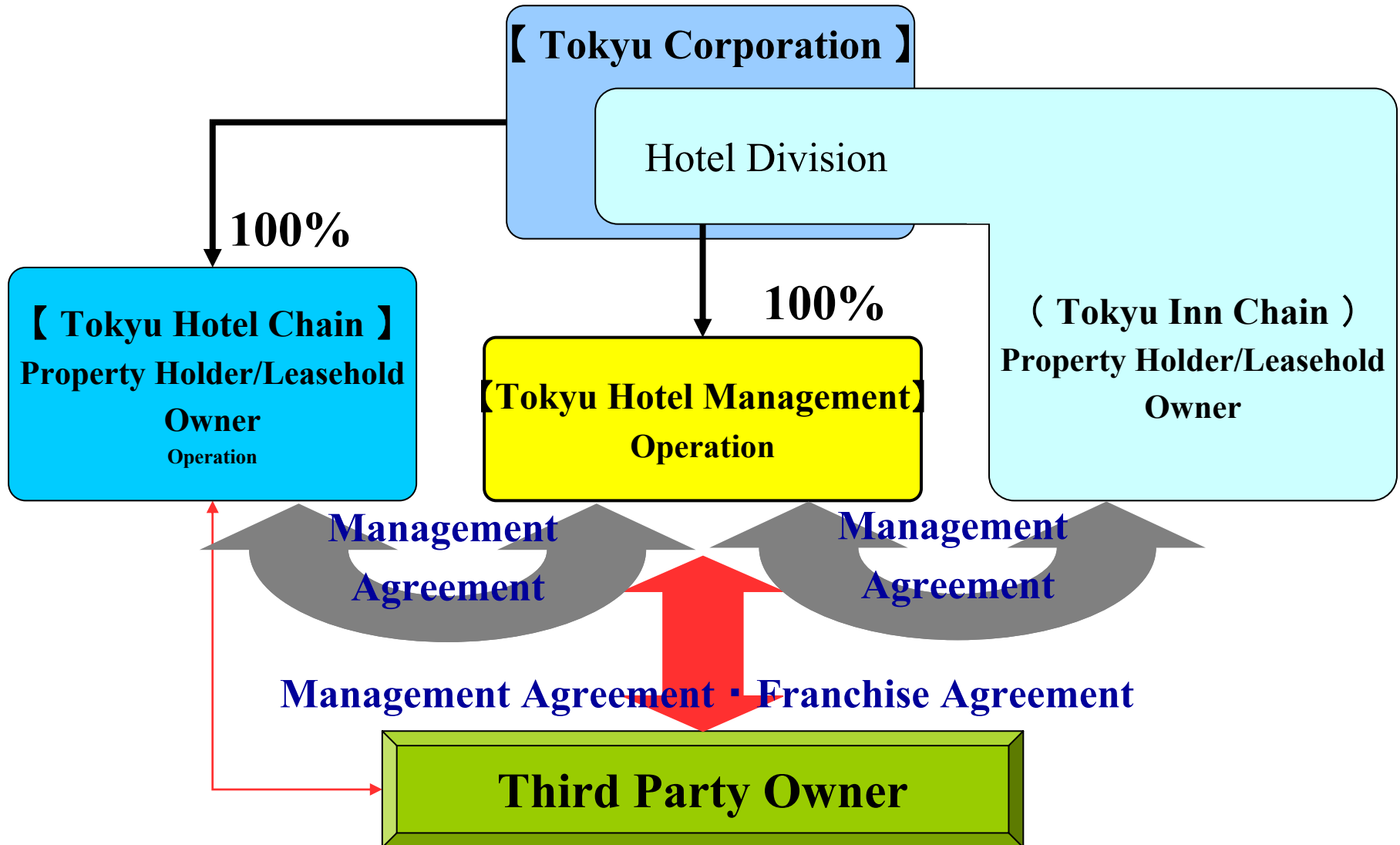
January, 2001

(Operation starting April)



July, 2001





Consolidation of duplicating business

Consolidation and Reinforcement of Reservation Function

Eliminate confusion of our customers and cost saving

Reinforcement of Customer Royalty Service

Guest retention through FGP (Frequent Guest Program)

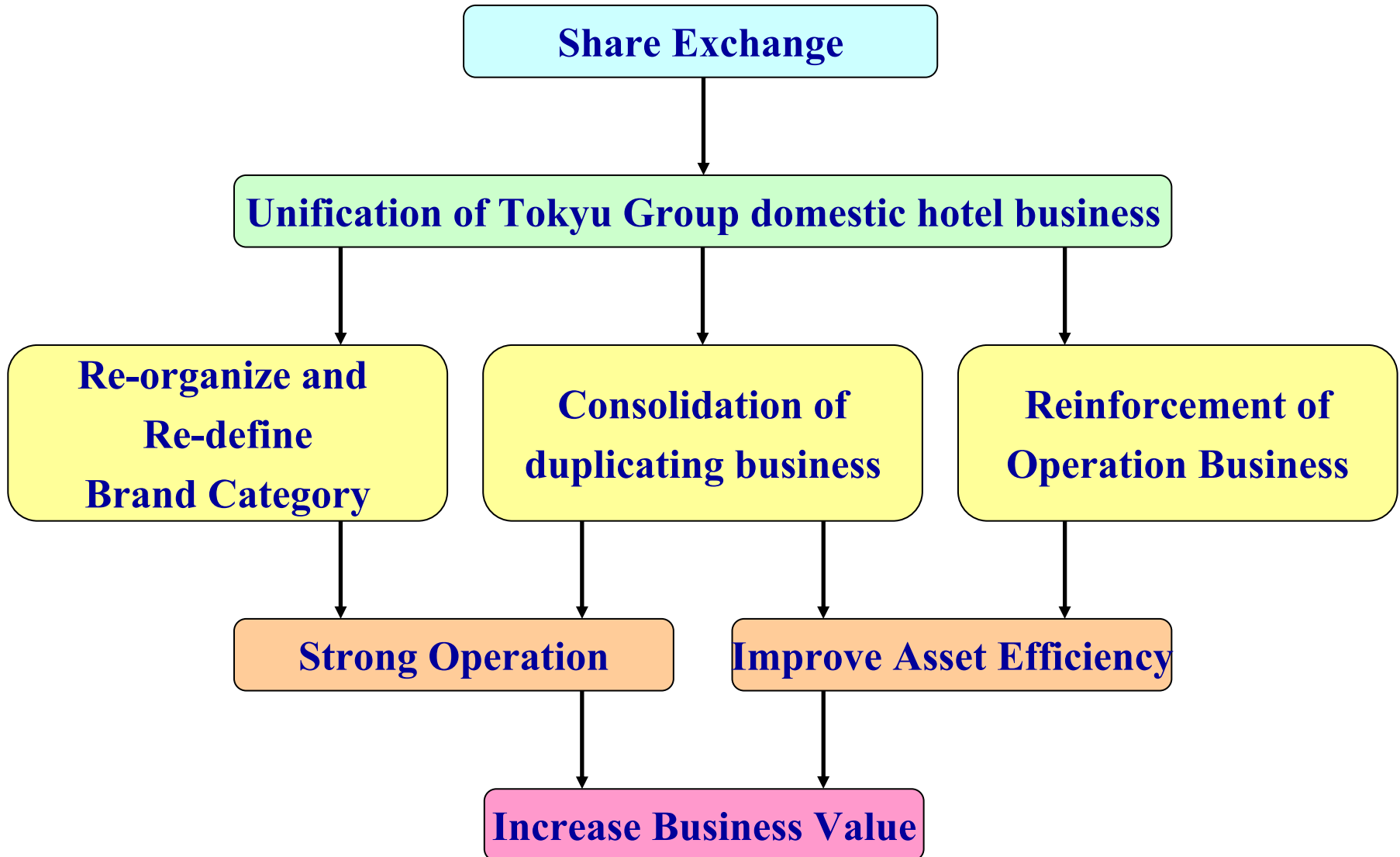
Consolidation of Sales and Marketing Function

Effective sales through unification and joint operation

Reduction of Undistributed Expenses

Reduction of head office expense, IT expenditure etc.

Objective of Share Exchange



Share Exchange

Share Exchange Ratio

Tokyu Corporation 1 : Tokyu Hotel Chain 0.32

Method

Simplified Share Exchange

(Condition: If the issuance of new shares pursuant to the share exchange is less than 5% of issued shares)

Number of new shares issued

**Common Stock (¥50 per value) : 25,537,165 shares
(less than 5% of issued shares)**

Service for partial share block holders

Partial share block holders will be able to further purchase Tokyu Corporation shares to become a unit holder for a limited period

Upgrade of the preferential treatment system for Shareholders

Preferential treatment system of Tokyu Hotel chain will be added to that of Tokyu Corporation

TOKYU LAND CORP. “Mid-term Management Plan” Decision

【 Basic Policy of the Plan 】

Expanding shareholders’ value

TOKYU LAND CORP. aims at independently expanding shareholders’ value through consolidated corporate management as well as early transformation to establish a sound administrative constitution.

Adapting to the changing times

We aim at configuring new business models to adapt to the changing times as TOKYU LAND CORP GROUP.

【 Target value of the plan (FY 2004) 】

consolidated	•Recurring income :	15 billion yen
	•Interest-bearing debt:	422 billion yen or less
	•Shareholders’ equity :	72 billion yen or more
	•ROA :	4% or more
	•EBITDA multiple :	10 times

non-consolidated	•Recurring income :	6 billion yen
	•Interest-bearing debt:	360 billion or less
	•Shareholders’ equity :	100 billion more more
	•ROA :	3 % or more
	•EBITDA multiple	12 times

【FY 2000 Primary Forecast 】

consolidated	•Recurring income :	10 billion yen
	•Interest-bearing debt:	522 billion yen
	•Shareholders’ equity :	30.3 billion yen (mid-term accomplishment)
	•ROA :	2.6 %
	•EBITDA multiple :	15.3 times

non-consolidated	•Recurring income :	2.5 billion yen
	•Interest-bearing debt:	430 billion yen
	•Shareholders’ equity :	73 billion yen (mid term accomplishment)
	•ROA :	1.9 %
	•EBITDA multiple :	21.2 times

(Remarks) ROA = (Operating income + non-operating income) ÷ Total assets

EBITDA multiple = Interest-bearing debt ÷ Operating income before depreciation and amortization

TOKYU DEPARTMENT STORE

“Business Revolution Plan” Progress Situation



【 Remodeling of stores and expansion of floor space 】

- Basement food market, “Food Show” opened and the upper stories were refurbished at Toyoko store.
- Grandberry Mall “Q’S BASKET” opened.
- Refurbishment of Hiyoshi store.
- Basement food market and the ground floor were refurbished at Tama Plaza store.
- Refurbishment of Kohoku store.

【 Restructuring of subsidiary companies 】

- Reorganization of unprofitable stores and businesses
- Processing latent loss of the subsidiary/affiliated companies
- Selling away subsidiary/affiliated companies of non-core business

Number of subsidiary companies: FY 2000, beginning of term : 52 to end of term: 36

Liquidation/Merger, 13 companies: Seinan Tokyu Dept. Store, Kohoku Tokyu Dept. Store, Hiyoshi Tokyu Dept. Store, Seinan Kaihatsu, Aobadai Parking, Lavianvi, Toyoko Bussan, etc...

Sale 4 companies: Thai Silk, Sapporo Central Meat, etc...

New establishment 1 company: Aoba Tokyu Department Store

TOKYU CONSTRUCTION

“Management Rebuilding Plan” Progress state



【 Remodeling profit construction 】

	Final fiscal year of plan (Fiscal 2001)	Actual value (Fiscal 1999)
<u>Amount of received orders</u>	300 billion yen	322.1 billion yen
<u>Total profit of finished works</u>	30 billion yen	35.6 billion yen
Sales management cost	5.3%	5.4 %
	(of completed works)	
<u>Number of employees</u>	2,800	3,050

【 Processing latent loss 】

	Final fiscal year of plan (total) (Fiscal 2001)	Accomplished value (total) (Fiscal 1999)
Overseas related companies	18 billion	19 billion
Domestic related companies	30 billion	33 billion
Delayed credit	120 billion	18 billion
<u>Sales of land/Evaluation loss</u>	32 billion	47 billion
Total	92 billion yen	117 billion yen

【Interest-bearing debt】

Planned value

(End of March, 2004)
295.8 billion yen

Actual value

(End of March, 2000)
301.6 billion yen

(End of September, 2000)
294.7 billion yen

Implementing the business plan of AII Planning

AII Planning
Inc.

Business plan implementation and change of company name

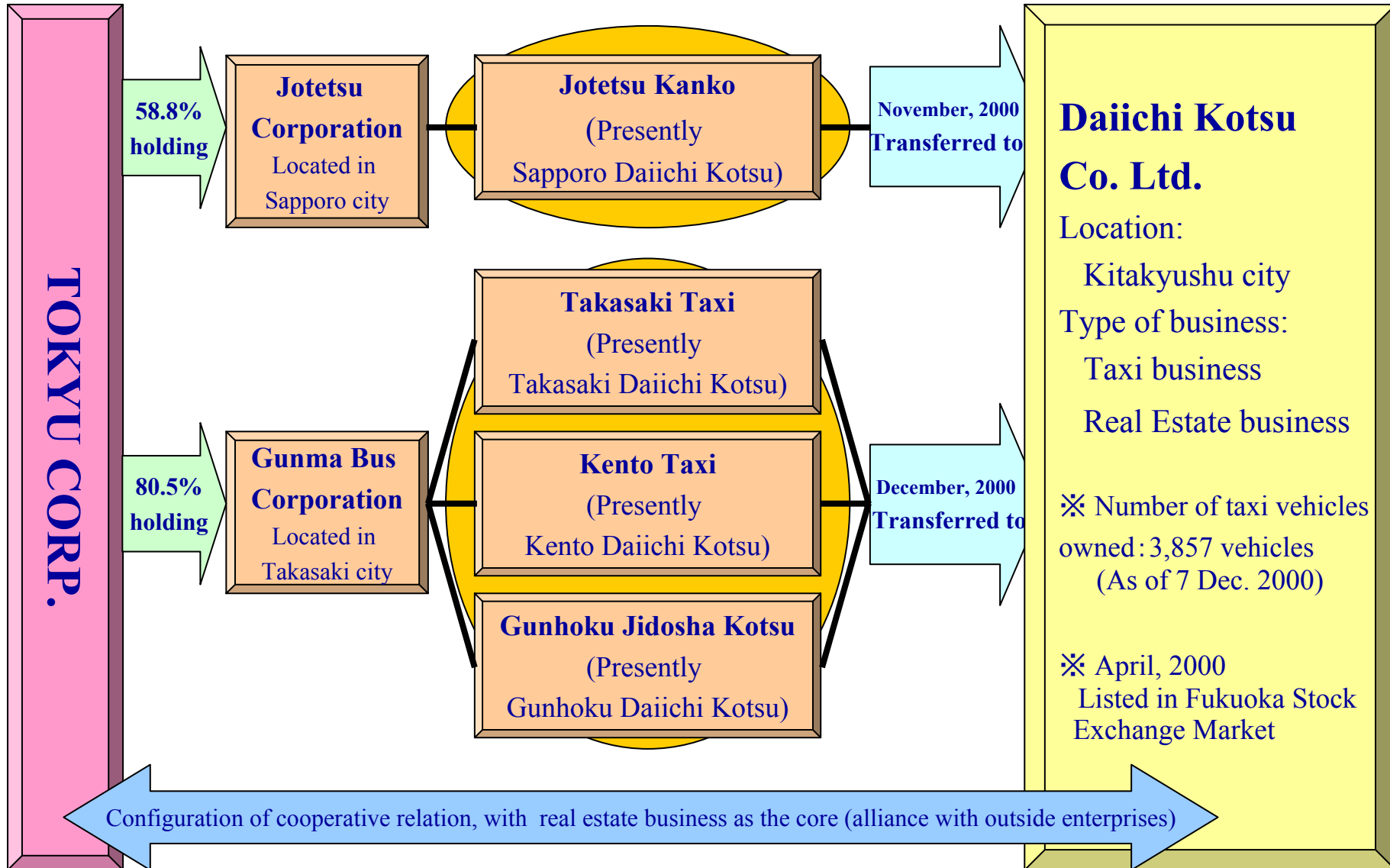
AII (Advanced Internet Integration) Inc.

Capital 3 billion yen 【 Scheduled to launch end of January 2001】

< Shareholders and their roles >

Sony Corp.	51%	· Provides know-how for network business as well as engineering.
Tokyu Corp.	20%	· Provider of internet connection service utilizing Tokyu Cable Television's CATV network, monitoring the user needs of broad band contents and offering synergy with "Japan Digital Distribution."
Kansai Electric Co., Ltd.	10%	· Provides know-how of wide range information communication business such as internet service provider
ITOCHU Corp.	8%	· Provides know-how of contents business such as CATV related and satellite broadcasting
Others	11%	

Taxi Business



Petroleum Sales Business

Operation of the petroleum sales business shall be terminated at the end of March, 2001

Environment surrounding our petroleum sales business

Fierce price competition of petroleum price

Decreasing oil demand of construction/transport business

Termination of business with large clients

Rise of petroleum price

Actual income/expenditure of our petroleum sales business

(unit: million yen)

