

Two-Year Medium-Term Management Plan

(FY2010 – 2011)

Presentation for Investors

May 18, 2010



Tokyu Corporation

(9005)

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

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Forward-looking statements

All statements contained in this document other than historical facts are forward-looking statements that reflect the judgments of the management of Tokyu Corporation based on information currently available. Actual results may differ materially from the statements.

I. Overall Strategy

Review of Past Management Strategies



Strategies since 2005

Reforming the earnings structure and achieving sustained growth through cooperation between three core businesses in areas served by Tokyu's railway lines (To prepare for a decline in profit accompanying the end of the sale of Company-owned land in the future)

Seeding for the future → Improvement in the value of areas served by Tokyu's railway lines

Railway

Expand the railway network. → Even in a recession, the number of passengers carried has been rising.
→ By easing congestion, deal with the population increase in areas along Tokyu's railway lines.

Real estate

Develop major bases in areas served by Tokyu's railway lines .
→ Raise the relative value of "towns" and "areas along Tokyu's railway lines."

Use of existing assets

Asset portfolio committee → Promote the most efficient use of assets from the perspective of consolidation.

Growth strategy → A partial review is essential

- (1) Structural conversion of the real estate business
 - Develop major bases along Tokyu's railway lines.
 - Promote "capital turnover" sales
- (2) Improve the profitability of retail business

Slowing economy

- (1) Because of the weakening of the real estate market:
 - Fall in income from leasing, including major development projects
 - Loss on valuation and smaller gains on "capital turnover" sales
- (2) Significant fall in profitability of retail business due to sluggish consumption
(The same trend exists in leisure & services and hotels)

The earnings environment is worsening in all businesses.

Results in FY2008 and FY2009



Management indices

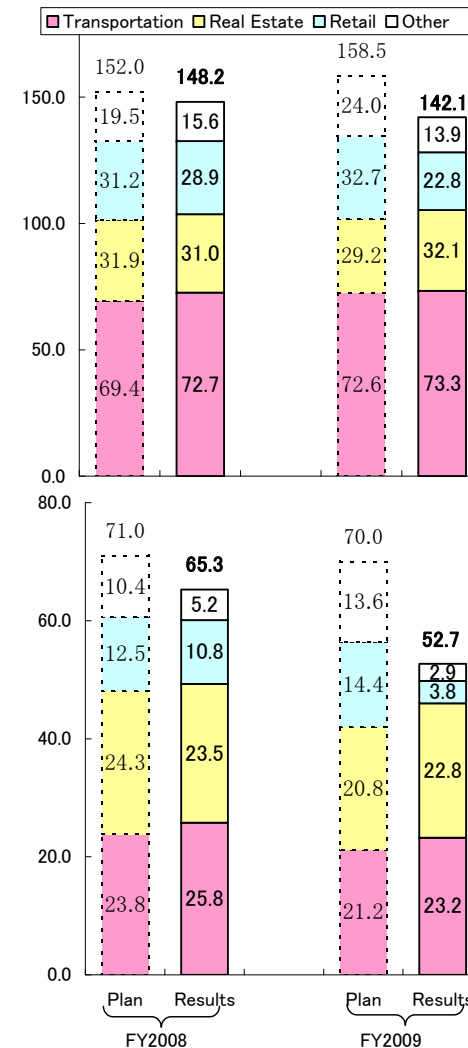
(Billion yen)

	FY2008 Forecast	FY2008 Results	Change (Rate of change)	FY2009 Forecast	FY2009 Results	Change (Rate of change)
Operating revenue	1,364.0	1,304.2	- 59.7	1,390.0	1,230.1	- 159.8
Operating profit	71.0	65.3	- 5.6	70.0	52.7	- 17.2
Recurring profit	64.0	54.8	- 9.1	62.5	46.1	- 16.3
Net income	39.0	10.7	- 28.2	39.0	14.8	- 24.1
Tokyu EBITDA*	152.0	148.2	- 3.7	158.5	142.1	- 16.3
EPS (yen) Earnings per share	29.83	8.65	- 21.2	29.83	11.88	- 18.0
ROE (%) Return of equity	9.7%	3.0%	- 6.7P	8.4%	4.0%	- 4.4P
Asset efficiency (%) (Tokyu EBITDA/total)	7.6%	7.5%	- 0.1P	7.5%	7.1%	- 0.4P
Equity at end of period	448.0	371.2	- 76.8	478.0	373.0	- 105.0
Interest-bearing debt at end of period	1,010.0	1,072.4	+62.4	1,055.0	1,042.7	- 12.3
Equity ratio (%)	21.5%	18.5%	- 3.0P	22.1%	19.0%	- 3.1P
D/E ratio (times)	2.3	2.9	+0.6	2.2	2.8	+0.6

※Tokyu EBITDA =

Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets

Upper column : Tokyu EBITDA
Lower column: Operating profit



Further Changes in Business Environment



■ The competitive environment has become more severe in many businesses.

Real estate

- Intensified rent competition, and lower unit prices
- Decrease in new acquisition of lease properties

Retail

- Tougher competition with other business categories, e-commerce, etc.

Hotels

- Intensified competition with low-priced hotels etc.

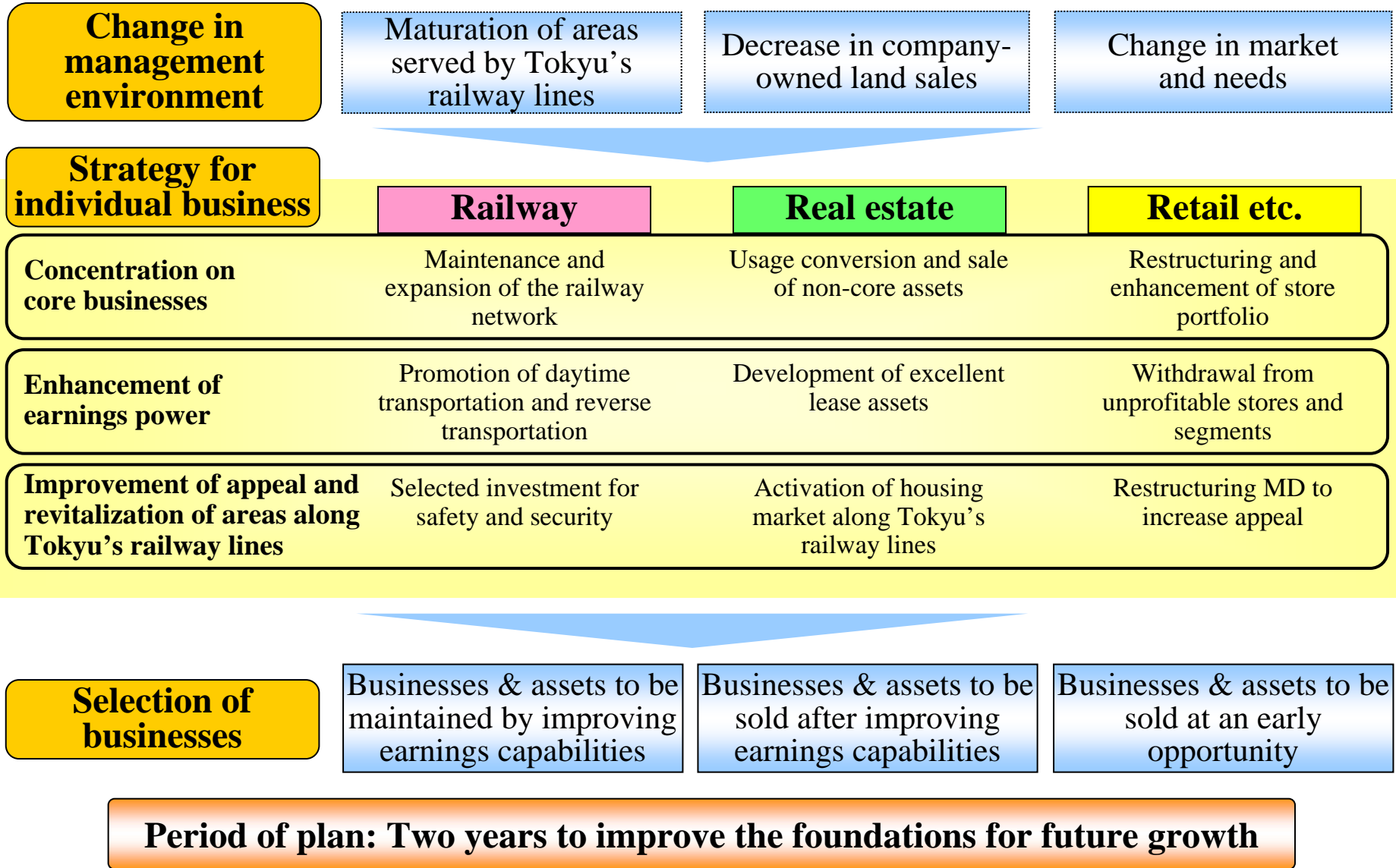
Transportation

- Population increase to end in the future
- Influence of newly launched operations of other railways etc.

**Struggling for shrinking domestic demand /
Intensified competition**

Given the radically changed premise of the plan, its direction will be reviewed.

In Developing a Plan for the Future



Outline of the New Management Plan



■ Medium- to long-term vision

- Areas served by Tokyu's railway lines will continue to be the main focus
- The Tokyu Group will become a self-reliant and strong profit organization centered around Tokyu Corporation

■ Basic strategy

Business development to take measures in advance for qualitative and quantitative changes in population

No change

■ Positioning of the new management plan

Qualitative conversion to growth strategy

■ Issues to be focused on

1. Growth by enhancing the earnings capabilities of core businesses
2. Comprehensive implementation of asset portfolio and group business portfolio
3. Company-wide pursuit of business efficiency

Cycle for Bolstering the Earnings Capabilities of Core Businesses



Earnings power enhancement

- Recover and expand earnings power of real estate leasing.
- Dissolve unprofitable businesses such as retail.
- Promote daytime & reverse transportation and staggered commuting hours.

Investment in core businesses

- Acquire and rotate leasing facilities.
- Invest in selected businesses.
- Invest in railways based on objectives.

Fund generation

- Aggressively monetize non-core assets.
- Review the business portfolio.
- Achieve stable free cash flow from rail operations.

Maintaining soundness

Underlying support

Strong willingness for reform

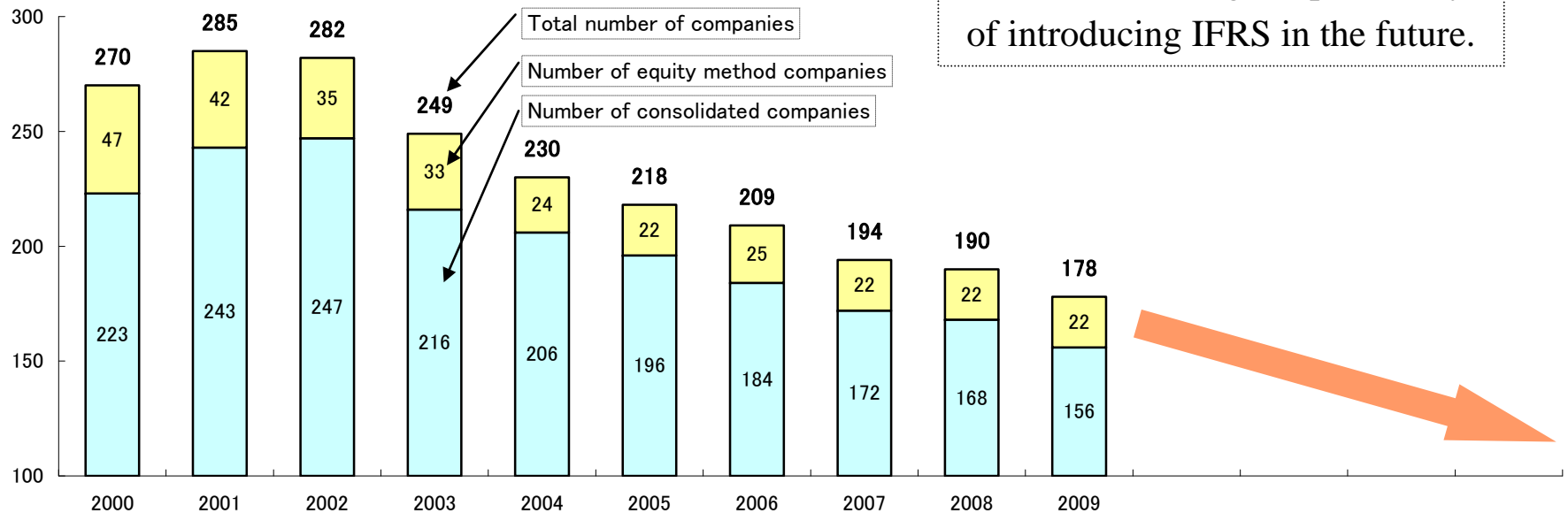
Cost structure review

Speed acceleration

Reviewing the Business Portfolio



Trend in number of consolidated companies



Reduce the scope of consolidation, while considering the possibility of introducing IFRS in the future.

Proceed with selection based on the characteristics of each business to construct a highly functional group of companies.

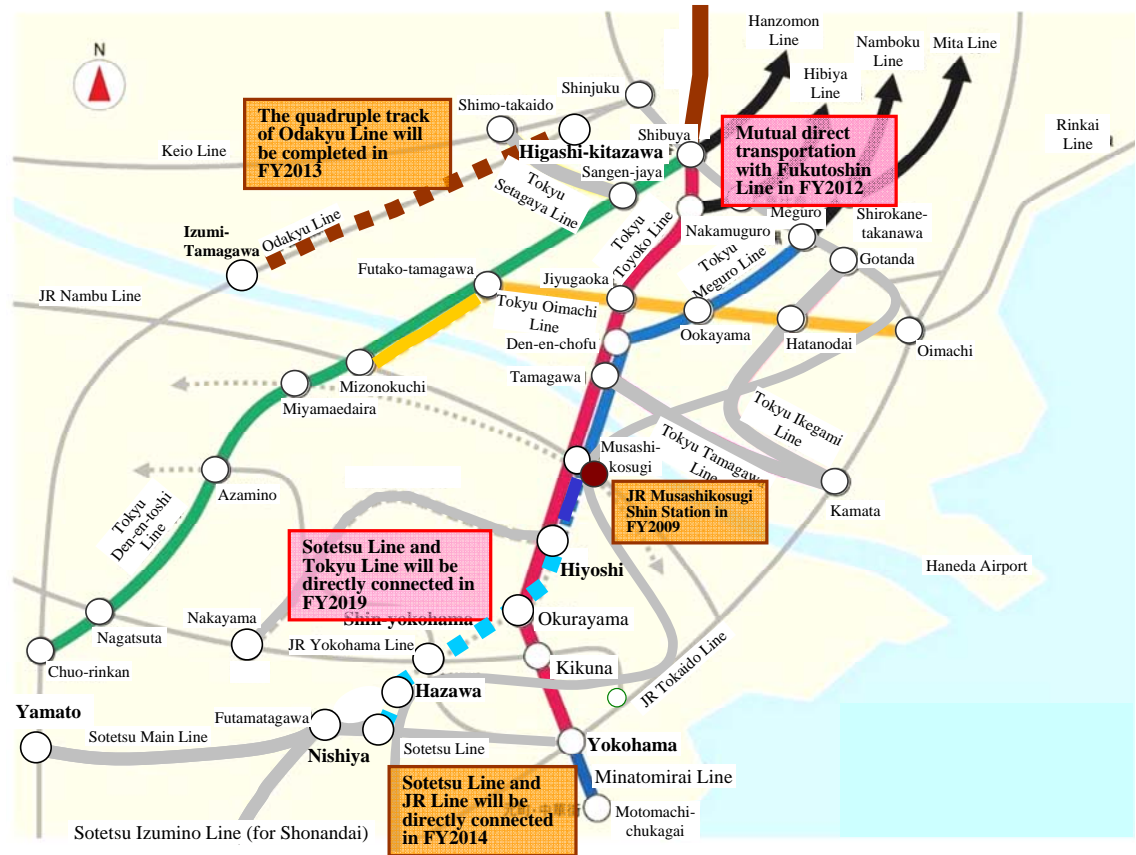
II. Individual Business Strategies

Railway Operations Strategy (1)



Change in business environment

- Competing rail line plans have been in progress, as has Tokyu Corporation's network expansion.
- The population along Tokyu Corporation's railway lines will increase for some time. However, with senior citizens accounting for a large share of the increase, the peak of commuter pass users is likely to come earlier.



Tokyu Corporation's response

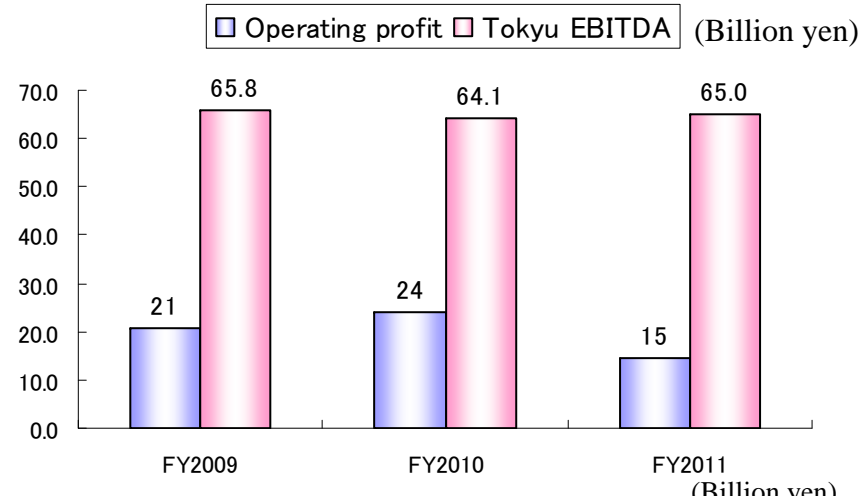
- Deal with changes in the market with software strategy, timetable revision, etc. based on customer needs.
- Ease crowding and improve transportation strength without excessive capital investment by promoting daytime & reverse transportation and staggering commuting hours to maximize effective use of existing assets.

Railway Operations Strategy (2)

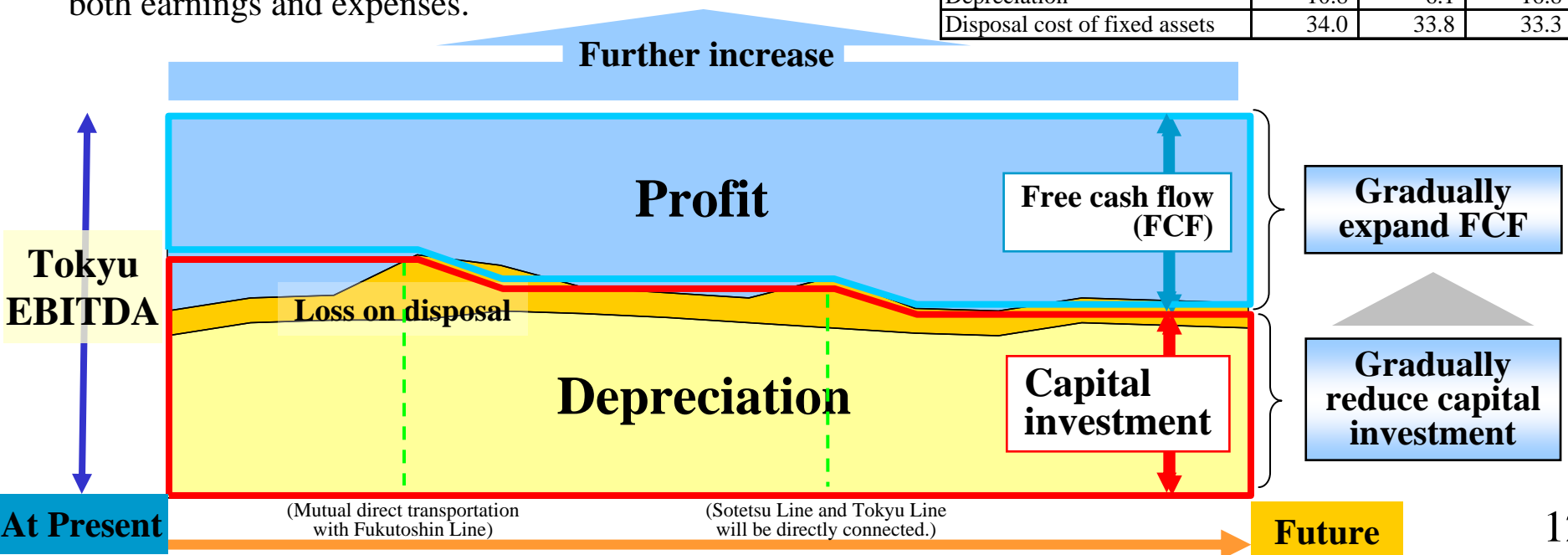


Cash flow generation

- With the progress in construction for mutual direct transportation of Toyoko Line and Fukutoshin Line, the loss on disposal of fixed assets has increased, so that operating profit is unlikely to rise for the time being.
- Even if Tokyu EBITDA is kept at a certain level, free cash flow will be increased by gradually reducing capital investment.
- In addition, try to increase Tokyu EBITDA in terms of both earnings and expenses.



	FY2009	FY2010	FY2011
Depreciation	10.8	6.1	16.8
Disposal cost of fixed assets	34.0	33.8	33.3



Real Estate (Urban Development) Strategy



Strategic goal

The areas served by Tokyu's railway lines will serve as sustainable towns for residents, visitors and working people.

Urban development strategy

Envision values and services for residents and visitors now and in the future, develop an urban vision, and undertake individual developments that seek to improve the value of the towns.



Entire town

- Give the town new value.
- Raise overall consumption in the town.
- Attract outside investment.

Strengthen earnings basis



Tokyu Corporation

- In addition to real estate leasing, generate profits in other segments such as retail, railway and hotels.
- Improve the value of retained assets.

Acquire compound profit



Large Projects Due for Completion in FY2010



Tama Plaza

Tama Plaza Terrace

Commercial facilities concept

Lifestyle Community Center

A place that supports the lifestyles of community-based consumers

*Grand opening in the fall of 2010 (opening of the 3rd phase of Gate Plaza)



Futako-Tamagawa

Futako-Tamagawa Rise

Business concept

Urban development in harmony with the rich natural environment of water, flora, and light

*Delivery of condominium in May/July 2010

Completion of construction of the building at the end of November 2010, and opening of commercial facilities in March 2011



Ib town area

Nagatacho

Tokyu Capital Tower

Theme of the Capital Hotel Tokyu

A quality time that makes you forget the bustling urban center, and a relaxing hotel with features of the four season

*Construction of building at the end of July 2010, and opening of the hotel on October 22, 2010



Vision of Shibuya and New Culture Area Project



Urban vision of Shibuya
(target direction)

Shibuya - Always moving and always seeing the start of something new
= Entertainment City Shibuya

New Culture Area project

* To open in the spring of 2012

Name of
building

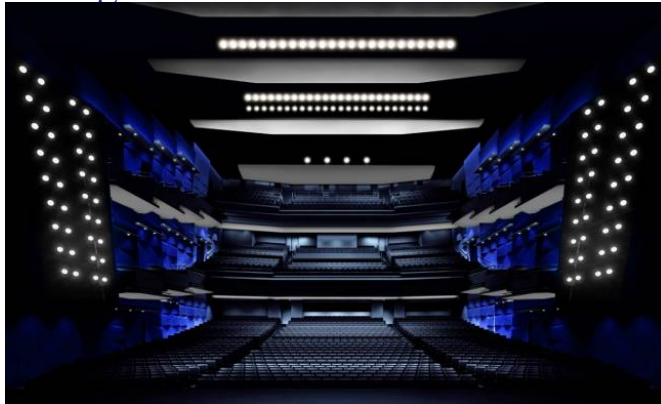
Shibuya **Hikarie**

Aiming to make Shibuya a beacon of light to change the world

Name of
theater

Tokyu Theatre Orb

Space Theater, providing first-rate entertainment from Japan and overseas



As a complex consisting of offices, cultural facilities, and commerce based on a fresh concept, create new value and aim to be a center for new trends.

III. Planned Figures

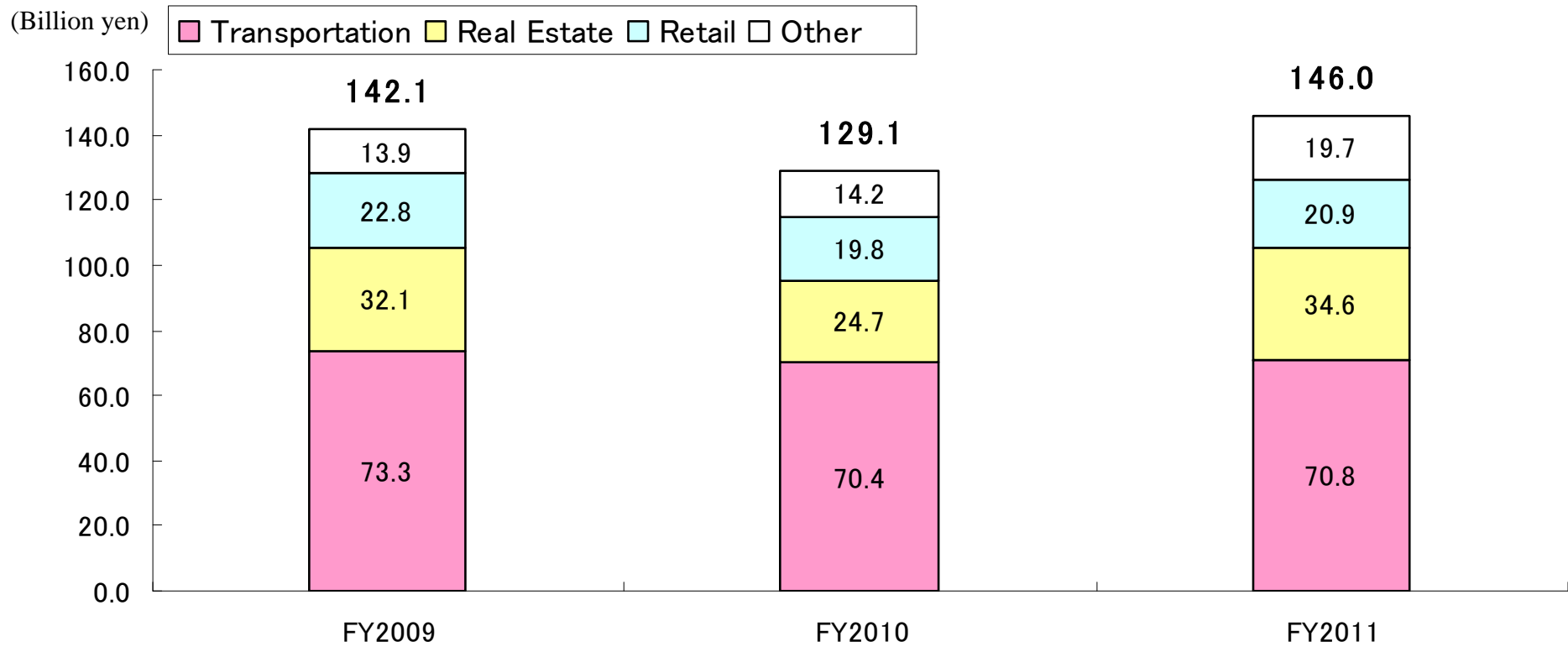
FY2011 Targets



FY2011 targets call for an increased based on economic trends and other factors.

		FY2009	FY2010	FY2011
Earnings indices	Tokyu EBITDA	142.1 billion yen	129.1 billion yen	146.0 billion yen
	Operating profit	52.7 billion yen	46.5 billion yen	50.5 billion yen
Soundness index	D/E ratio	2.8	2.9	2.7

Tokyu EBITDA Trends

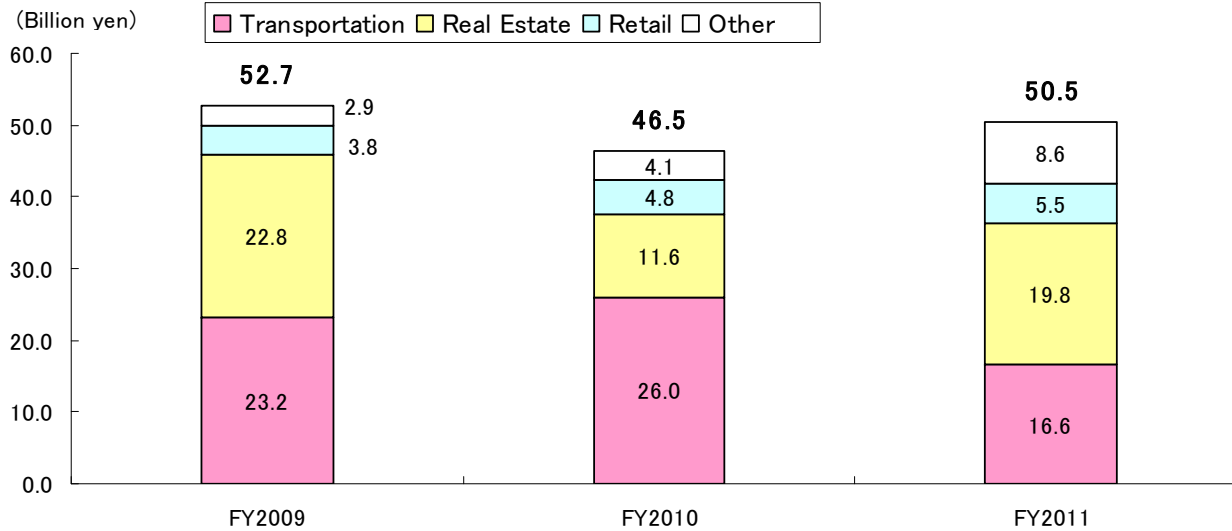


Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets

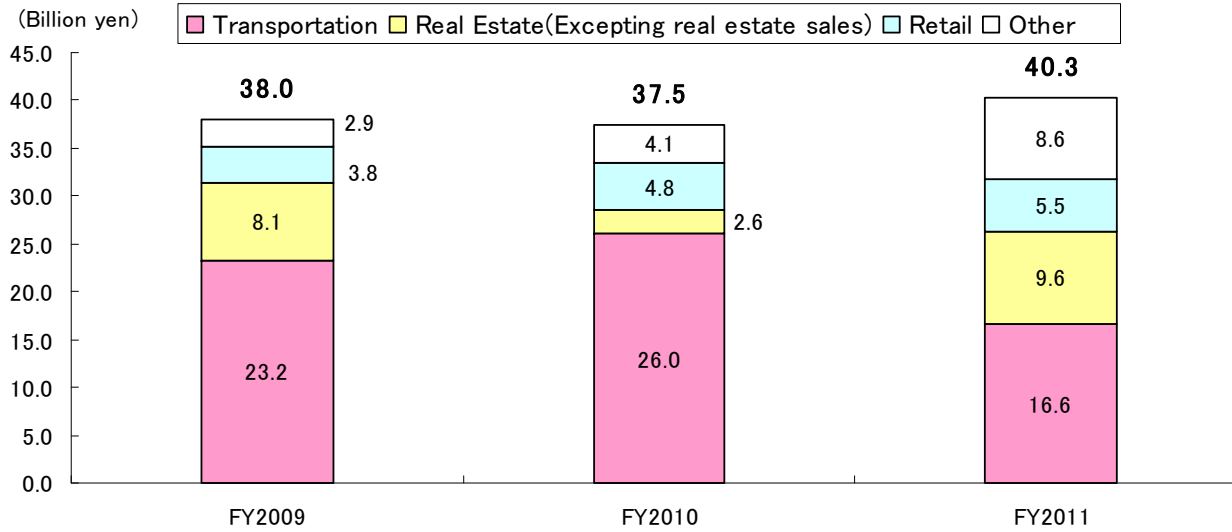
Operating Profit Trends



Total amount

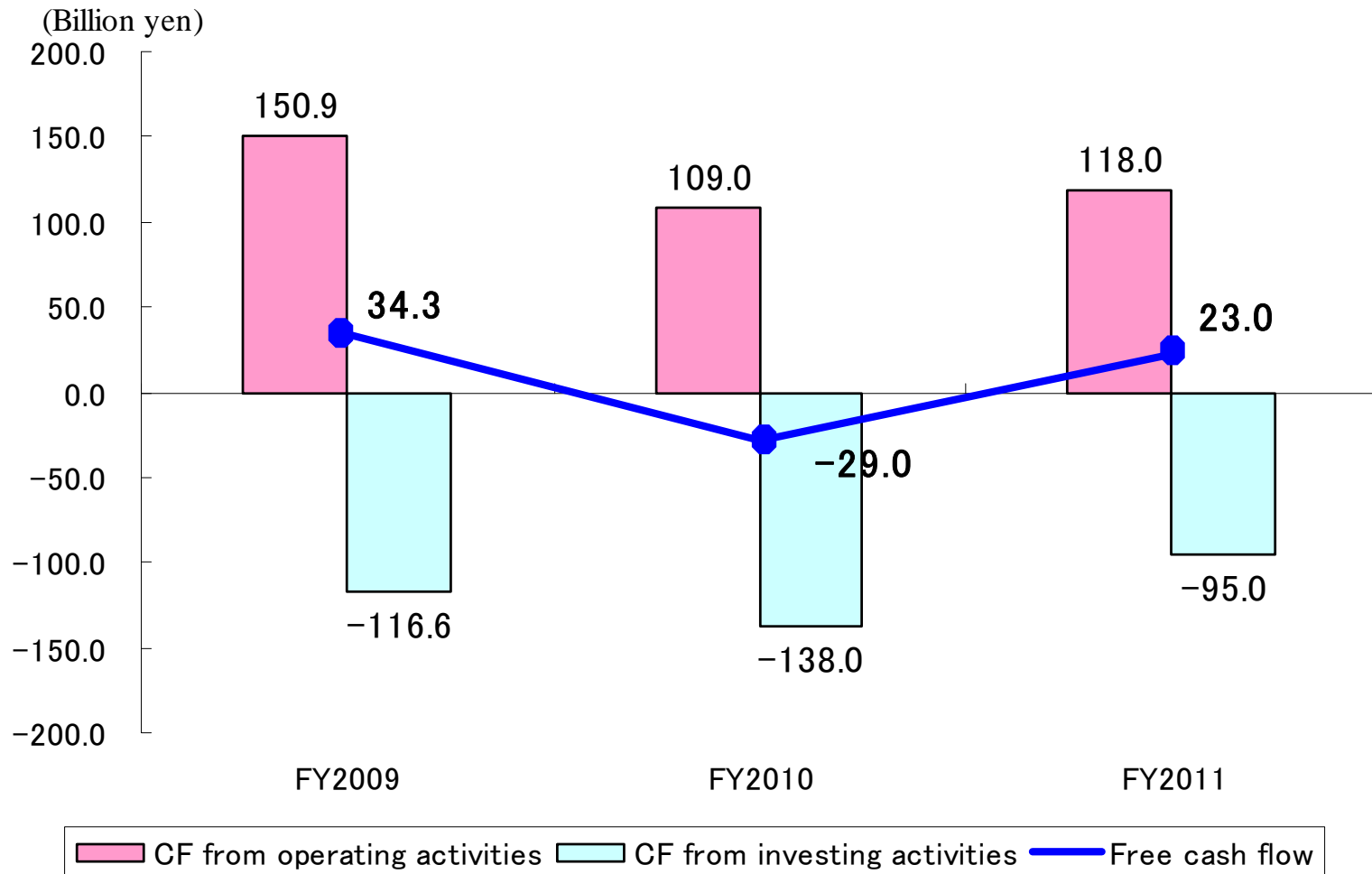


Excepting the Company's real estate sales



Cash Flow Trends

From FY2011, aim to generate positive free cash flow by gradually lowering the capital investment level and implementing asset sales in line with the business portfolio.



Concept of Shareholder Returns



Dividend policy & shareholder returns

- **Target a Dividend On Equity (DOE) ratio of 2% and aim to raise dividends while maintaining reliable returns.**
- **Based on the free cash flow situation, consider the acquisition of treasury stock with speed and flexibility.**

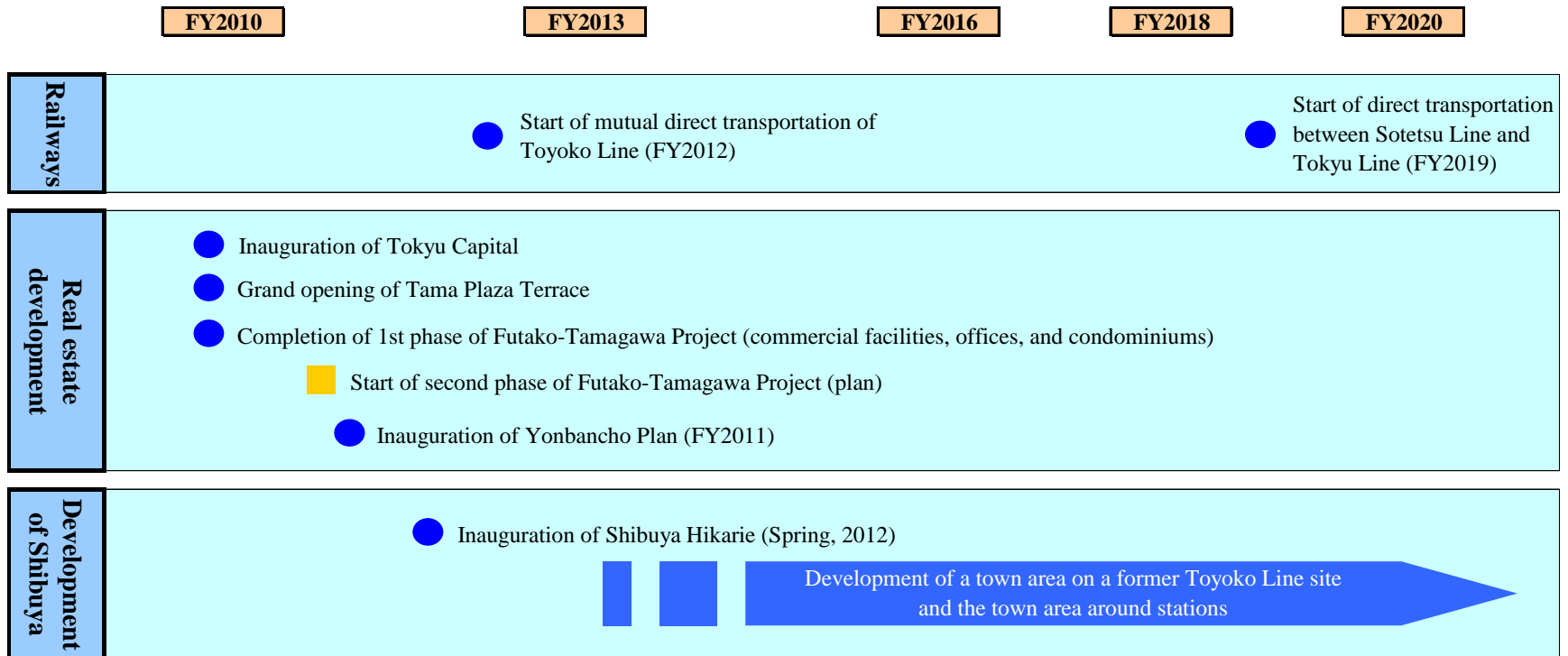
* DOE Ratio = Annual dividend amount / Average equity capital for the period

Summary



- Grow by strengthening the earnings capabilities of core businesses.
- Comprehensively review asset and group business portfolios.
- Emphasize business efficiency throughout the Company.

Future development plans, etc.



(Reference)

Outline of projected figures



(Billion yen)

	FY2009 Results	FY2010		FY2011	
		Forecast	Change	Forecast	Change
Operating revenue	1,230.1	1,171.0	- 59.1 (- 4.8%)	1,131.5	- 39.5 (- 3.4%)
Operating profit	52.7	46.5	- 6.2 (- 11.8%)	50.5	+ 4.0 (+ 8.6%)
Non-operating profit	13.9	14.5	+ 0.5 (+ 4.0%)	14.7	+ 0.2 (+ 1.4%)
Non-operating expenses	20.5	20.5	+ 0.0 (- 0.2%)	21.7	+ 1.2 (+ 5.9%)
Recurring profit	46.1	40.5	- 5.6 (- 12.2%)	43.5	+ 3.0 (+ 7.4%)
Extraordinary gains	24.0	3.5	- 20.5 (- 85.5%)	15.7	+ 12.2 (+ 348.6%)
Extraordinary losses	27.4	20.0	- 7.4 (- 27.0%)	9.5	- 10.5 (- 52.5%)
Net income	14.8	11.5	- 3.3 (- 22.8%)	32.5	+ 21.0 (+ 182.6%)
Tokyu EBITDA (*)	142.1	129.1	- 130.0 (- 9.1%)	146.0	+ 169.0 (+ 13.1%)
EPS (yen)	11.88	9.21	- 2.67	25.72	+16.51
Earnings per share					
ROE (%)	4.0%	3.1%	- 0.9P	8.3%	+5.2P
Return of equity					
Asset efficiency (%)	7.1%	6.5%	- 0.6P	7.2%	+0.7P
(Tokyu EBITDA/total assets)					
Equity at end of period	+ 373.0	+ 377.0	+3.9	+ 402.0	+25.0
Interest-bearing debt at end of period	+ 1,042.6	+ 1,104.0	+61.3	+ 1,091.0	- 13.0
Equity ratio (%)	19.0%	18.7%	- 0.3P	19.8%	+1.1P
D/E ratio (times)	2.8	2.9	+0.1	2.7	- 0.2

Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets

Tokyu EBITDA



(Billion yen)

	FY2009 Results
Transportation	73.3
Railway operations of the Company	65.8
Tokyu Bus	3.8
Others	3.6
Real Estate	32.1
Real estate sales of the Company	15.7
Real estate leasing of the Company	12.7
Others	3.7
Retail	22.8
Tokyu Department Store	7.8
Tokyu Store Chain	4.8
Shopping center operations	9.1
Others	1.0
Leisure and Services	6.4
Tokyu Agency	0.0
its communications	4.0
Others	2.3
Hotels	1.9
Tokyu Hotels, etc.	2.1
Others	-0.1
Other	5.2
Tokyu Car Corporation	2.0
Others	3.1
Elimination, etc.	0.0
Total	142.1

FY2010 Forecast		FY2011 Forecast	
	Change		Change
70.4	- 2.9 (- 4.0%)	70.8	+ 0.4 (+ 0.6%)
64.1	- 1.7	65.0	+ 0.9
3.0	- 0.7	2.8	- 0.2
3.1	- 0.4	2.9	- 0.2
24.7	- 7.4 (- 23.2%)	34.6	+ 9.9 (+ 40.1%)
10.2	- 5.5	10.7	+ 0.5
10.6	- 2.0	18.4	+ 7.7
3.8	+ 0.1	5.4	+ 1.6
19.8	- 3.0 (- 13.5%)	20.9	+ 1.1 (+ 5.6%)
7.4	- 0.3	7.2	- 0.2
4.1	- 0.7	4.6	+ 0.4
7.6	- 1.5	8.0	+ 0.4
0.5	- 0.4	0.9	+ 0.4
7.1	+ 0.6 (+ 10.5%)	8.1	+ 1.0 (+ 14.1%)
0.9	+ 0.8	0.9	+ 0.0
3.6	- 0.3	4.3	+ 0.7
2.5	+ 0.1	2.8	+ 0.2
2.1	+ 0.1 (+ 5.5%)	5.5	+ 3.4 (+ 161.9%)
1.6	- 0.4	4.4	+ 2.8
0.4	+ 0.5	1.0	+ 0.5
4.8	- 0.4 (- 8.1%)	5.9	+ 1.1 (+ 22.9%)
2.7	+ 0.6	3.7	+ 1.0
2.0	- 1.0	2.1	+ 0.0
0.2	+ 0.1	0.2	+ 0.0
129.1	- 13.0 (- 9.1%)	146.0	+ 16.9 (+ 13.1%)

Tokyu EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets

Operating revenue



(Billion yen)

	FY2009 Results	FY2010		FY2011	
		Forecast	Change	Forecast	Change
Transportation	194.9	188.6	- 6.3 (- 3.2%)	189.9	+ 1.3 (+ 0.7%)
Railway operations of the Company	147.1	146.4	- 0.6	147.8	+ 1.3
Tokyu Bus	26.7	26.3	- 0.4	26.1	- 0.1
Others	21.0	15.8	- 5.2	15.8	+ 0.0
Real Estate	164.0	162.2	- 1.8 (- 1.1%)	132.6	- 29.6 (- 18.2%)
Real estate sales of the Company	82.2	78.5	- 3.6	39.4	- 39.1
Real estate leasing of the Company	35.9	38.1	+ 2.2	46.7	+ 8.5
Others	45.8	45.4	- 0.4	46.4	+ 0.9
Retail	557.9	518.9	- 39.0 (- 7.0%)	509.7	- 9.2 (- 1.8%)
Tokyu Department Store	244.7	239.0	- 5.6	234.3	- 4.6
Tokyu Store Chain	270.1	235.3	- 34.7	229.1	- 6.2
Shopping center operations	22.8	24.3	+ 1.4	26.6	+ 2.3
Others	20.3	20.1	- 0.1	19.4	- 0.6
Leisure and Services	153.3	155.0	+ 1.6 (+ 1.1%)	156.7	+ 1.7 (+ 1.1%)
Tokyu Agency	91.8	91.7	- 0.1	91.7	+ 0.0
its communications	16.5	18.9	+ 2.3	19.9	+ 0.9
Others	44.8	44.3	- 0.5	45.0	+ 0.7
Hotels	86.9	89.9	+ 2.9 (+ 3.3%)	87.3	- 2.6 (- 2.9%)
Tokyu Hotels, etc.	75.4	77.5	+ 2.0	74.4	- 3.0
Others	11.5	12.3	+ 0.8	12.8	+ 0.4
Other	149.3	127.9	- 21.4 (- 14.4%)	129.3	+ 1.4 (+ 1.1%)
Tokyu Car Corporation	63.1	54.4	- 8.7	54.8	+ 0.3
Others	86.1	73.4	- 12.7	74.4	+ 1.0
Elimination, etc.	-76.5	-71.5	+ 5.0	-74.0	- 2.5
Total	1,230.1	1,171.0	- 59.1 (- 4.8%)	1,131.5	- 39.5 (- 3.4%)

Operating profit



(Billion yen)

	FY2009 Results	FY2010		FY2011	
		Forecast	Change	Forecast	Change
Transportation	23.2	26.0	+ 2.7 (+ 11.9%)	16.6	- 9.4 (- 36.2%)
Railway operations of the Company	20.9	24.1	+ 3.1	14.7	- 9.4
Tokyu Bus	1.0	0.7	- 0.3	0.7	+ 0.0
Others	1.1	1.1	+ 0.0	1.0	+ 0.0
Real Estate	22.8	11.6	- 11.2 (- 49.2%)	19.8	+ 8.2 (+ 70.7%)
Real estate sales of the Company	14.6	8.9	- 5.7	10.1	+ 1.1
Real estate leasing of the Company	6.5	1.1	- 5.3	6.6	+ 5.4
Others	1.6	1.5	- 0.1	3.0	+ 1.5
Retail	3.8	4.8	+ 0.9 (+ 24.1%)	5.5	+ 0.7 (+ 14.6%)
Tokyu Department Store	2.8	2.7	- 0.1	1.6	- 1.0
Tokyu Store Chain	1.8	1.0	- 0.8	1.4	+ 0.4
Shopping center operations	4.8	2.2	- 2.6	3.0	+ 0.8
Others	-5.7	-1.1	+ 4.5	-0.6	+ 0.5
Leisure and Services	1.4	2.9	+ 1.4 (+ 98.4%)	3.3	+ 0.4 (+ 13.8%)
Tokyu Agency	0.0	0.7	+ 0.8	0.8	+ 0.0
its communications	1.1	1.1	+ 0.0	1.4	+ 0.2
Others	0.4	1.0	+ 0.6	1.0	+ 0.0
Hotels	-1.4	-0.9	+ 0.5 (-)	1.9	+ 2.8 (-)
Tokyu Hotels, etc.	-0.5	-0.7	- 0.2	1.7	+ 2.4
Others	-0.9	-0.1	+ 0.7	0.1	+ 0.3
Other	2.6	2.1	- 0.5 (- 19.6%)	3.3	+ 1.2 (+ 57.1%)
Tokyu Car Corporation	0.1	0.7	+ 0.6	1.8	+ 1.0
Others	2.4	1.3	- 1.1	1.4	+ 0.1
Elimination, etc.	0.1	0.0	- 0.1	0.1	+ 0.1
Total	52.7	46.5	- 6.2 (- 11.8%)	50.5	+ 4.0 (+ 8.6%)

Statements of Cash Flow



(Billion yen)

	FY2009 Results	FY2010		FY2011	
		Forecast	Change	Forecast	Change
CF from operating activities	150.9	109.0	- 41.9	118.0	+ 9.0
CF from investing activities	- 116.6	- 138.0	- 21.3	- 95.0	+ 43.0
Capital expenditure	- 130.7	- 154.7	- 23.9	- 145.3	+ 9.4
Subsidies received for construction	7.2	7.9	+ 0.6	6.7	- 1.2
Gain on sale of assets	17.9	10.5	- 7.4	43.6	+ 33.1
CF from financial activities	- 36.7	29.0	+ 65.7	- 23.0	- 52.0
Interest-bearing debt Net increase/decrease	- 21.7	38.6	+ 60.3	- 13.4	- 52.0
Dividend payment	- 7.5	- 7.6	- 0.0	- 7.6	+ 0.0
Free cash flow	34.3	- 29.0	- 63.3	23.0	+ 52.0
Interest-bearing debt at end of period	1,042.6	1,104.0	+ 61.3	1,091.0	- 13.0
Cash and cash equivalents	39.7	39.7	+ 0.0	39.7	+ 0.0

Capital Expenditure



(Billion yen)

	FY2009 Results	FY2010		FY2011	
		Forecast	Change	Forecast	Change
Transportation	59.8	57.0	- 2.8 (- 4.8%)	54.8	- 2.2 (- 3.9%)
Real Estate	41.5	67.3	+ 25.7 (+ 61.8%)	64.6	- 2.7 (- 4.0%)
Retail	16.7	14.3	- 2.4 (- 14.5%)	13.5	- 0.8 (- 5.6%)
Leisure and Services	4.2	7.6	+ 3.3 (+ 77.6%)	6.5	- 1.1 (- 14.5%)
Hotels	5.0	5.3	+ 0.2 (+ 4.6%)	2.0	- 3.3 (- 62.3%)
Other	2.6	5.0	+ 2.3 (+ 91.6%)	2.2	- 2.8 (- 56.0%)
Headquarters & Elimination	3.9	1.5	- 2.4	1.7	+ 0.2
Total	134.1	158.0	+ 23.8 (+ 17.8%)	145.3	- 12.7 (- 8.0%)

Capital expenditures are amounts stated in segment information (capital expenditures made) and might be different from figures in the statements of cash flow, which consider accounts payable at the end of the fiscal year.

Depreciation and Amortization



(Billion yen)

	FY2009 Results
Transportation	38.8
Real Estate	7.8
Retail	12.2
Leisure and Services	4.5
Hotels	3.3
Other	2.5
Elimination	0.0
Total	69.3

FY2010		FY2011	
Forecast	Change	Forecast	Change
38.2	- 0.6 (- 1.6%)	37.3	- 0.9 (- 2.4%)
11.6	+ 3.7 (+ 47.0%)	14.1	+ 2.5 (+ 21.6%)
13.2	+ 0.9 (+ 7.4%)	14.0	+ 0.8 (+ 6.1%)
4.2	- 0.3 (- 8.4%)	4.7	+ 0.5 (+ 11.9%)
3.0	- 0.3 (- 9.9%)	3.6	+ 0.6 (+ 20.0%)
2.6	+ 0.0 (+ 2.6%)	2.5	- 0.1 (- 3.8%)
0.0	+ 0.0	0.0	+ 0.0
72.8	+ 3.4 (+ 4.9%)	76.2	+ 3.4 (+ 4.7%)