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FOR IMMEDIATE RELEASE

TOKYU CORPORATION

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### **Notice of Transfers of Businesses of a Subsidiary**

Tokyu Corporation announces that a meeting of its Board of Directors and a meeting of the Board of Directors of its 100% subsidiary, Tokyu Car Corporation (“Tokyu Car”) held today have resolved to transfer the businesses of Tokyu Car. Details are as follows:

The transfers of these businesses are to be implemented on the premise that the procedures regarding business combination stipulated in the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade are completed.

#### 1. Reasons for transfers

Tokyu Car commenced its operations principally for the restoration of railway cars damaged in World War II, and developed its core businesses of manufacturing and selling of railway cars, multilevel parking systems, and special equipment cars. However, despite structural reforms to streamline management, the performance of Tokyu Car continuously fell below the planned figures due to the harsh business environment caused by sluggish demand and other factors.

Tokyu Corporation has pursued profitability and efficiency to achieve sustained growth, with an emphasis on structural reforms. In these circumstances, and as a result of an examination conducted from the perspective of the future growth strategy of Tokyu Car, prudent operations of the business portfolio, and the collection of funds, it has been decided that Tokyu Car’s railway car business should be transferred to East Japan Railway Company (“JR East”), and its multilevel parking system business and special equipment car business should be transferred to ShinMaywa Industries, Ltd. (“ShinMaywa Industries”), which have been engaged in these businesses as their core operations.

To examine these transfers, including the transfer prices, the Company has selected an independent third party, Nomura Securities Co., Ltd., as financial advisor. Tokyu Corporation and Nomura Securities Co., Ltd. have no important interests in each other regarding these business transfers.

#### 2. Details of the business transfers

##### (1) Railway car business

An absorption-type demerger will be undertaken by splitting the railway car business of Tokyu Car as the demerging entity to the transferee, a railway car company that is to be established by Tokyu Corporation as its 100% subsidiary (“new railway car company”). After the demerger becomes effective, Tokyu Corporation will transfer the shares of the new railway car company to JR East.

(2) Multilevel parking system business

An absorption-type demerger will be undertaken by splitting the multilevel parking system business of Tokyu Car as the splitting company to the transferee, a multilevel parking system company that is to be established by Tokyu Corporation as its 100% subsidiary (“new multilevel parking system company”). After the demerger becomes effective, Tokyu Corporation will transfer the shares of the new multilevel parking system company to ShinMaywa Industries.

(3) Special equipment car business

An absorption-type demerger will be undertaken by splitting the assets and liabilities relating to the special equipment car business of Tokyu Car to the transferee, Tokyu Car SPV Corporation (Tokyu Car’s 100% subsidiary, “Tokyu Car SPV”). After the demerger becomes effective, Tokyu Car will transfer the shares of Tokyu Car SPV to ShinMaywa Industries.

(4) Tokyu Car

After the completion of the demergers described in (1) to (3), above, Tokyu Car will continue its operation as a company holding the remaining real estate.

It has been agreed that in these business transfers, loans having been provided by Tokyu Corporation will be taken over by JR East and ShinMaywa Industries, respectively.

3. Profile of the subsidiary the business of which is to be transferred

(1)	Trade name	Tokyu Car Corporation	
(2)	Address	3-1, Okawa, Kanazawa-ku, Yokohama-shi, Kanagawa	
(3)	Representative’s title and name	Ichiro Kaneda, President	
(4)	Business lines	Manufacture and sale of railway cars, containers and turnouts, and manufacture of multilevel parking systems	
(5)	Capital	14,047 million yen	
(6)	Date of incorporation	August 23, 1948	
(7)	Major shareholders and % of Shares	Tokyu Corporation 100%	
(8)	Relationship between the said company and Tokyu Corporation	Capital relationship	Tokyu Corporation holds 123,367,528 shares (100%) in Tokyu Car Corporation.
		Personnel relationship	One officer and four employees have been on loan to Tokyu Car Corporation from Tokyu Corporation
		Trading relationship	Purchasing railway cars, railway car components, etc.
		Status as related party	Tokyu Car Corporation does not fall under the category of a related party of Tokyu Corporation. Also, the associates and affiliates of Tokyu Car Corporation do not fall under the category of related parties of Tokyu Corporation.

(9) Management performance and financial status for the last three years (Tokyu Car Corporation)			
Fiscal year	Term ended March 2009	Term ended March 2010	Term ended March 2011
Net assets	25,152 million yen	21,242 million yen	14,083 million yen
Total assets	66,045 million yen	58,834 million yen	40,423 million yen
Net assets per share	203.89 yen	172.18 yen	114.15 yen
Operating revenue	57,193 million yen	60,207 million yen	35,508 million yen

Operating profit	137 million yen	140 million yen	514 million yen
Recurring profit	-658 million yen	-625 million yen	319 million yen
Net income	-1,995 million yen	-3,429 million yen	-6,812 million yen
Net income per share	-16.17 yen	-27.80 yen	-55.22 yen
Dividends per share	-	-	-

#### 4. Profile of the transferees of the shares

(JR East)

(1)	Trade name	East Japan Railway Company	
(2)	Address	2-2-2, Yoyogi, Shibuya-ku, Tokyo	
(3)	Representative's title and name	Satoshi Seino, President and Representative Director	
(4)	Business lines	Passenger railway business, freight railway business, passenger vehicle transportation, etc.	
(5)	Capital	200 billion yen	
(6)	Date of incorporation	April 1, 1987	
(7)	Net assets	1,834,500 million yen	
(8)	Total assets	7,042,800 million yen	
(9)	Major shareholders and % of Shares	Japan Trustee Services Bank, Ltd. (Trust Account)	5.34%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	4.34%
		The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.13%
		JR East Employees' Shareholding Association	2.97%
		Sumitomo Mitsui Banking Corporation	2.63%

(10)	Relationship between the said company and Tokyu Corporation	Capital relationship	There is no capital relationship to report between Tokyu Corporation and East Japan Railway Company. There is also no capital relationship to report between associates and affiliates of Tokyu Corporation and associates and affiliates of East Japan Railway Company.
		Personnel relationship	There is no personnel relationship to report between Tokyu Corporation and East Japan Railway Company. There is also no personnel relationship to report between associates and affiliates of Tokyu Corporation and associates and affiliates of East Japan Railway Company.
		Trading relationship	There is no trading relationship to report between Tokyu Corporation and East Japan Railway Company. There is also no trading relationship to report between associates and affiliates of Tokyu Corporation and associates and affiliates of East Japan Railway Company.
		Status as related party	East Japan Railway Company does not fall under the category of a related party of Tokyu Corporation. Also, the associates and affiliates of East Japan Railway Company do not fall under the category of related parties of Tokyu Corporation.

(ShinMaywa Industries)

(1)	Trade name	ShinMaywa Industries, Ltd.	
(2)	Address	1-1 Shinmeiwa-cho, Takarazuka-shi, Hyogo	
(3)	Representative's title and name	Yoshihiro Onishi, President	
(4)	Business lines	Manufacture of transportation equipment	
(5)	Capital	15,981 million yen	
(6)	Date of incorporation	November 5, 1949	
(7)	Net assets	80,833 million yen	
(8)	Total assets	130,273 million yen	
(9)	Major shareholders and % of Shares	Sanshin Co., Ltd. 7.76% Japan Trustee Services Bank, Ltd. (Trust Account) 6.08% The Master Trust Bank of Japan, Ltd. (Trust Account) 3.78% Hitachi, Ltd. 3.34% ShinMaywa Group Employees' Shareholding Association 3.02%	
(10)	Relationship between the ShinMaywa Industries, Ltd. and Tokyu Corporation	Capital relationship	There is no capital relationship to report between Tokyu Corporation and ShinMaywa Industries, Ltd. There is also no capital relationship to report between associates and affiliates of Tokyu Corporation and associates and affiliates of ShinMaywa Industries, Ltd.
		Personnel relationship	There is no personnel relationship to report between Tokyu Corporation and ShinMaywa Industries, Ltd. There is also no personnel relationship to report between associates and affiliates of Tokyu Corporation and associates and affiliates of ShinMaywa Industries, Ltd.
		Trading relationship	There is no trading relationship to report between Tokyu Corporation and ShinMaywa Industries, Ltd. There is also no trading relationship to report between associates and affiliates of Tokyu Corporation and associates and affiliates of ShinMaywa Industries, Ltd.
		Status as related party	ShinMaywa Industries, Ltd. does not fall under the category of a related party of Tokyu Corporation. Also, the associates and affiliates of ShinMaywa Industries, Ltd. do not fall under the category of related parties of Tokyu Corporation.

## 5. Schedule

October 27, 2011

Resolution of the Board of Directors

Conclusion of the Share Transfer Agreements:

- Tokyu Corporation - JR East (shares of the new railway car company)
- Tokyu Corporation - ShinMaywa Industries  
(shares of the new multilevel parking system company)
- Tokyu Corporation - Tokyu Car -ShinMaywa Industries (shares of Tokyu Car SPV)

April 1, 2012 (planned)

Effective date of the absorption-type demerger

April 2, 2012 (planned) Share transfers

- Tokyu Corporation - JR East (shares of the new railway car company)
- Tokyu Corporation - ShinMaywa Industries  
(shares of the new multilevel parking system company)
- Tokyu Car - ShinMaywa Industries (shares of Tokyu Car SPV)

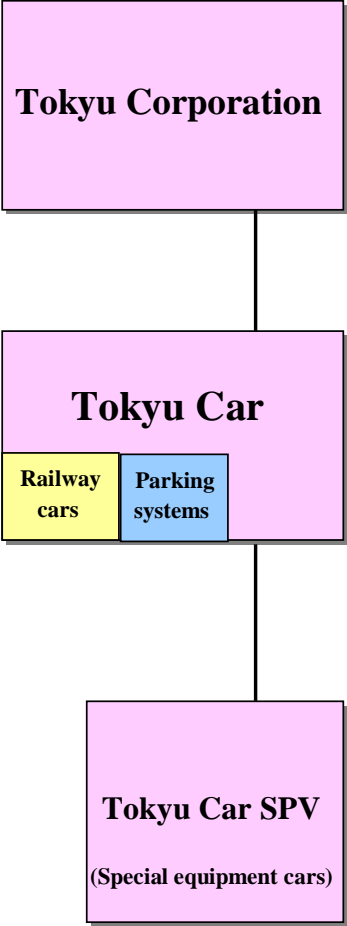
#### 6. Future Outlook

With these transfers, Tokyu Corporation expects to record an extraordinary loss of about 4,000 million yen in the second quarter consolidated cumulative period of the fiscal year ending March 2012.

The Company is currently examining its consolidated results forecast for the second quarter cumulative period and for the full year, including other factors, and will announce the forecast if necessary as soon as the examination is completed.

**(Reference)**

**【Before demerger】**



**【After demerger】**

