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FOR IMMEDIATE RELEASE

TOKYU CORPORATION

Representative: Hirofumi Nomoto, President &
Representative Director

(Code: No. 9005, Tokyo Stock Exchange First Section)

Contact: Katsumi Oda, Senior Manager,
Accounting Division

(Telephone: +81-3-3477-6168)

Notice Regarding the Introduction of ESOP Trust

Tokyu Corporation (hereinafter “the Company”) announces that a meeting of its Board of Directors, held on May 13, 2015, has decided to introduce an employee stock ownership plan trust (hereinafter “ESOP Trust”) for the purpose of increasing its corporate value and improving its welfare system over the medium and long term. Details are as follows.

1. The purpose of introducing the ESOP Trust

The Company will introduce the ESOP Trust for the purpose of increasing its corporate value over the medium and long terms by promoting the execution of operations aimed at further enhancing its business performance and stock value and of improving its welfare system by providing the employees of the Company and its consolidated subsidiaries with an incentive for boosting the Company’s share price.

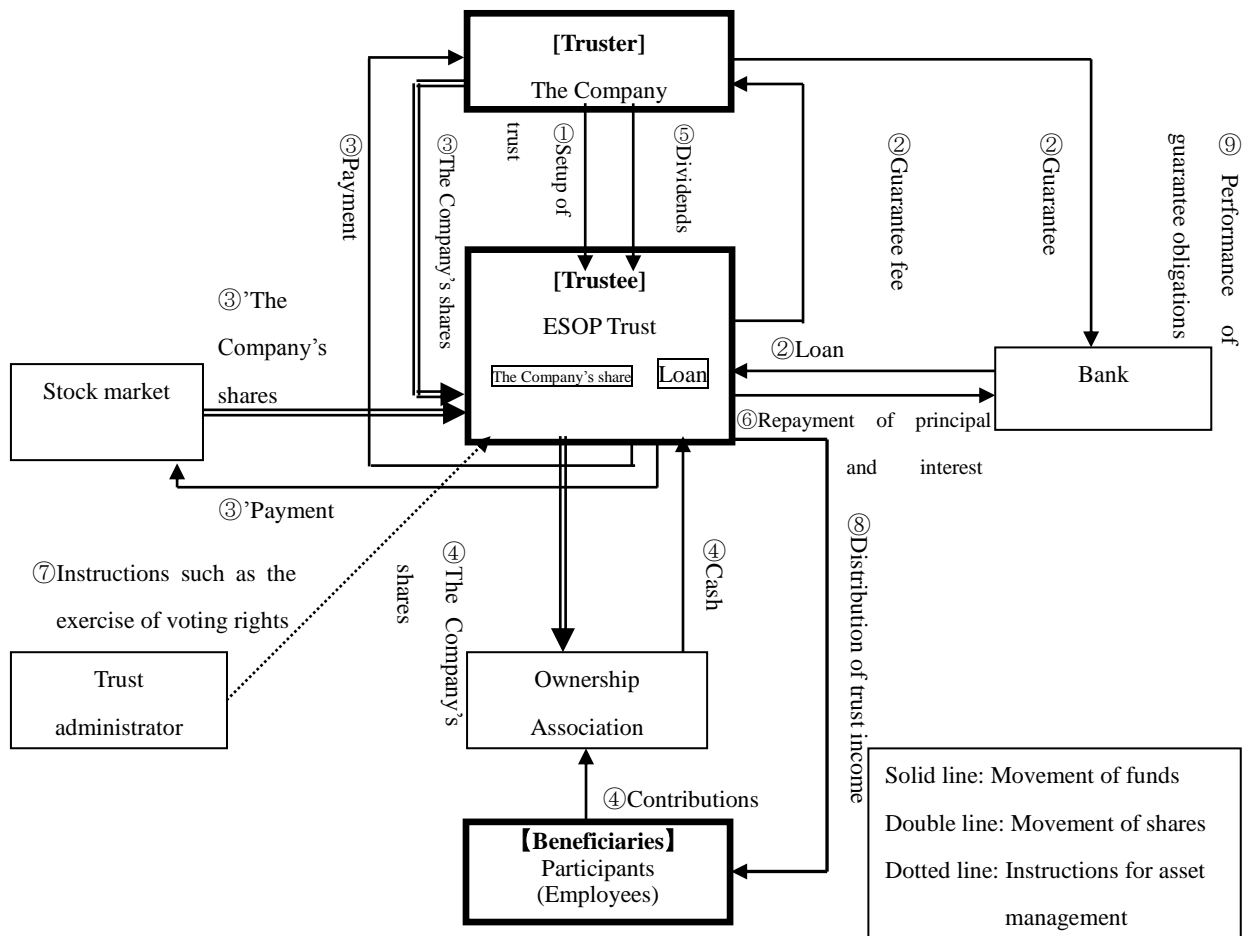
2. Overview of the ESOP Trust

The ESOP Trust is a trust-type incentive plan for employees that employs a scheme for the employees ownership association, referencing the employee stock ownership plan in the United States, for the purpose of enhancing the savings plan (the welfare system) to promote property accumulation using the Company’s shares.

The Company has set up a trust with the employees participating in the Tokyu Group Employees’ Ownership Association (hereinafter “Ownership Association”) who have satisfied certain requirements as beneficiaries, and, during a predetermined acquisition period, the trust acquires the number of the Company’s shares that are expected to be acquired by the Ownership Association for a certain period in the future. After that, the trust will sell the Company’s shares on a certain date every month to the Ownership Association. If there is trust income when the trust expires due to a rise in the share price, cash will be distributed to the employees who are the beneficiaries according to their contribution ratio, etc. If debt remains in the assets in the trust as a result of the generation of a loss on sale due to a fall in the share price, the Company will repay the debt in a block to the bank based on a guarantee clause in the loan agreement. Therefore, the employees will not bear any additional burden.

The Company will announce details such as when the ESOP Trust will be set up and the period of the ESOP Trust as soon as they have been determined.

3. Scheme of the ESOP Trust



- ① The Company has set up the ESOP Trust for the employees who have satisfied the beneficiary requirements as beneficiaries.
- ② The ESOP Trust borrows the funds necessary to acquire the Company's shares from a bank. Upon borrowing the funds, the Company guarantees the borrowing of the ESOP Trust, and the ESOP Trust pays a guarantee fee to the Company.
- ③ The ESOP Trust acquires the number of the Company's shares that are expected to be acquired by the Ownership Association during the trust period from the Company or the stock market during a predetermined period using the loan in ② above.
- ④ The ESOP Trust sells the number of the Company's shares at the market price that can be sold to the Ownership Association for the cash contributed to the Ownership Association by a certain date every month throughout the trust period.
- ⑤ The ESOP Trust receives dividends distributed as a shareholder of the Company.
- ⑥ The ESOP Trust repays the principal and interest of the loan from the bank, using proceeds from the sales of the Company's shares to the Ownership Association and the dividends from the Company's shares it owns.
- ⑦ Throughout the trust period, the trust administrator gives instructions on the exercise of rights as a shareholder, such as the exercise of voting rights, and the ESOP Trust exercises its rights as a shareholder following the instructions.
- ⑧ If there are remaining shares of the Company due to a rise in the share price when the trust expires, the trust

income is distributed to the beneficiaries in cash according to their contribution ratio, etc. during the trust period after converting them into cash.

- ⑨ If the loan is left in the trust when the trust expires due to a fall in the share price, the Company repays the loan in a block to the bank based on the guarantee in ② above.