November 10, 2016

FOR IMMEDIATE RELEASE

TOKYU CORPORATION
Representative: Hirofumi Nomoto, President & Representative Director
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Announcement Concerning Sale by a Subsidiary (Tokyu Recreation) of Shares in its Parent Company and a Revision to its Full-Year Results Forecast

Tokyu Recreation Co., Ltd., a consolidated subsidiary of Tokyu Corporation (the "Company"), has resolved to sell shares in the Company (shares in its parent company) to the Company and has revised the full-year results forecast for the fiscal year ending December 31, 2016 (from January 1, 2016) that was published on February 10, 2016. Details are described in the attachment.

The shares in the Company held by Tokyu Recreation Co., Ltd. are posted in treasury shares and non-controlling interests in the Company's consolidated results, and the impact of the sale on the Company's consolidated earnings is minor. The Company has not changed its full-year consolidated results forecast, which was announced on November 9, 2016.

(Attachment)

・Material disclosed by Tokyu Recreation Co., Ltd.

November 10, 2016

FOR IMMEDIATE RELEASE

TOKYU RECREATION CO., LTD.
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(Code: No. 9631, Tokyu Stock Exchange Second Section)
Contact: Shinjiro Horie, Executive Officer & General Manager of Finance Division
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Notice of Sale of Shares of Parent Company and Recording of Extraordinary Gains as well as Revised Full-Year Performance Forecasts

Tokyu Recreation Co., Ltd. (the "Company") announces that a meeting of its Board of Directors resolved to sell common shares of Tokyu Corporation, the parent company of the Company, on November 10, 2016 (the "Resolution").

The Company announces that it expects to record extraordinary gains in accordance with this transaction in the fourth quarter of the fiscal year ending December 31, 2016. Details are described below.

The Company also announces that it will revise its full-year consolidated performance forecasts published on February 10, 2016.

1. Reasons for the sale

Tokyu Corporation became the parent company of the Company on March 17, 2016 as a result of a tender offer to purchase shares of the Company, which Tokyu Corporation conducted from February 12, 2016 to March 10, 2016, and the disposal of treasury shares of the Company through private placement, with Tokyu Corporation as the recipient and March 17, 2016 as the payment date. Because of this, the Company had to dispose of the shares of Tokyu Corporation it held at an appropriate time pursuant to the provision of Article 135, Paragraph 3 of the Companies Act. Therefore, the Company will dispose of the shares of Tokyu Corporation.

2. Details of the sale

(1) Class of shares to sell	Common shares of Tokyu Corporation
(2) Total number of shares to sell	3,381,102 shares
(3) Total amount of sale price	The sale price will be the simple average for the closing prices of common shares of Tokyu Corporation for five business days from November 7, 2016 to November 11, 2016 on the Tokyo Stock Exchange (rounded up to the nearest one yen), and the amount of sale will be an amount obtained by multiplying the sale price by 3,381,102 shares.
(4) Schedule of the sale	November 10, 2016 (date of conclusion of the sales agreement) November 16, 2016 (scheduled date for the transfer of right)
(5) Purchaser and the method of sale	Tokyu Corporation, One-to-one deal

3. Recording of extraordinary gains

Associated with the sale of shares of the parent company, the Company expects to record a gain on sales of shares of the parent company of 839 million yen (an estimate by reference to the simple average of 771 yen (rounded up to the nearest one yen) for the closing prices of the shares for five business days from November 2, 2016 to November 9, 2016 on the Tokyo Stock Exchange) as extraordinary gains for the current consolidated fiscal year.

4. Revisions to the full-year consolidated performance forecasts for the fiscal year ending December 31, 2016 (January 1, 2016 to December 31, 2016)

(Unit: Million yen, %)

	Net sales	Operating profit	Recurring profit	Profit attributable to owners of parent	Net income per share
Previous forecasts (A)	33,384	927	731	494	16.88
Revised forecasts (B)	33,657	1,510	1,423	1,684	52.76
Amount of change (B) - (A)	272	583	692	1,189	—
Rate of change (%)	0.8	63.0	94.7	240.5	—
(Reference) Results for the previous year (ended December 31, 2015)	31,683	1,395	708	1,408	48.05

(Note) In the section of "profit attributable to owners of parent" in results for the previous year, net income is stated.

5. Reasons for the revision

With respect to the full-year consolidated performance forecasts, we expect that net sales, operating profit and recurring profit will exceed the previous forecasts as a result of the stronger performance of imaging operations than initially expected. Profit attributable to owners of parent is also expected to exceed the previous forecast because a gain on sales of shares of the parent company will be recorded as extraordinary gains, as described in 3. above.

6. Matters relating to transactions, etc. with controlling shareholders

Because the sale of shares of the parent company this time (the "Transaction") is a transaction with Tokyu Corporation, the parent company, it falls under transactions, etc. with controlling shareholders for the Company. The "Guidelines for Measures to Protect Minority Shareholders when Conducting Transactions, etc. with Controlling Shareholders" of the Company are as stated in the corporate governance report disclosed on August 31, 2016, and the status of applicability in the Transaction is as follows.

The Company made a decision about the Transaction based on the management judgment of the Board of Directors, a decision-making body of the Company, and confirmed that the decision about the Transaction was made appropriately, given that two outside directors (of which two were independent officers) and two outside corporate auditors (of which one was an independent officer), who were in an independent position, participated in the Resolution. Hirofumi Nomoto, a director of the Company, did not participate in the Resolution from the standpoint of securing the fairness of the decision-making as soon as possible and avoiding any suspicion of a conflict of interest, because he concurrently serves as the President & Representative Director of Tokyu Corporation, the parent company.

In addition, when making the decision in the Resolution, the Company received the following opinion on November 9, 2016 from Seitaro Saito, who is an outside corporate auditor of the Company and filed as an independent officer prescribed in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange: There are reasonable grounds for concluding that the purpose of the Transaction is legitimate, considering the fact that the Transaction is deemed necessary, given that the Company is obliged to dispose of shares of the parent company at an appropriate time pursuant to the provision of Article 135, Paragraph 3 of the Companies Act; The consideration for the Transaction is deemed fair, given that the method of sale in the Transaction is thought to be beneficial for the Company in comparison with other methods of sale and that the method of deciding the consideration for the sale is deemed reasonable; and the Transaction is not detrimental to the minority shareholders of the Company, given that the decision-making process of the Company in the Transaction is deemed appropriate.

For the reasons above, the Company believes that its response in the Transaction complies with the "Guidelines for Measures to Protect Minority Shareholders when Conducting Transactions, etc. with Controlling Shareholders" above.

(Note) The forecasts above are based on information available as of this time, and therefore actual results could differ from the forecasts due to various factors in the future.