About the Scope of this Environmental Report

Although this report covers mainly the activities of Tokyu Corporation, it also provides information on the Tokyu Group in the section titled “The Tokyu Group’s Social Contributions & Environmental Activities.”

Tokyu Corporation’s environmental activities focus on the environmental impact of business activities in Japan. However, this report also contains material concerning work to construct rail overpasses and underpasses contracted out by local authorities, and work commissioned by land readjustment associations, where this relates to environmental activities that fall within the scope of the company’s decision-making processes.

Period covered
- Results: FY 2004 (April 1, 2004-March 31, 2005)
- Environmental Objectives: Three-year long-term objectives starting from FY 2005
- Environmental Targets: Single-year targets for achieving the environmental objectives

* Some sections feature the latest information available.

Business category
- Railway business
- Real estate business

* Some FY 2004 activities may be attributed to the “Urban Development Headquarters,” an organization that no longer exists.

Next issue
Scheduled in September 2006

Contact
Tokyu Corporation
CSR Promotion Division of the Corporate Affairs Headquarters
5-6 Nampeidai-cho, Shibuya-ku, Tokyo, 150-8511, Japan
Tel. +81-3-3477-6662
Fax. +81-3-3461-0404

The online Japanese and English versions of this report can be viewed on the Tokyu Corporation website:
URL http://www.tokyu.co.jp/kankyo/
About this Report

Tokyu Corporation has published the “Tokyu Corporation Environmental Report” since 2000, offering an annual description of our involvement with environmental issues as part of our business activities. We have also changed the title of the report from the original “Environmental Report” to “Social Environmental Report” beginning with the 2004 edition in order to better emphasize our dedication to meeting social responsibilities. The 2005 edition of the report will feature more in-depth information concerning ways in which Tokyu is working to fulfill its social responsibilities.

Company Overview (As of March 31, 2005)

Company Name: Tokyu Corporation
Headquarters: 5-6, Nampeidai-cho, Shibuya-ku, Tokyo, 150-8511, Japan
Established: September 2, 1922
Capitalization: ¥108,820 million
Operating Revenue in Fiscal 2004: ¥248,272 million
Railway Business ¥135,965 million
Real Estate Business ¥112,307 million
Hotel business ¥135,965 million
Employees: 3,495
Stock Listing: Tokyo Stock Exchange Section 1

Sales Revenue (Non-consolidated)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Real estate business</th>
<th>Hotel business</th>
<th>Other businesses</th>
<th>Railway business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2000</td>
<td>¥127,990</td>
<td>29,524</td>
<td>100,000</td>
<td>91,127</td>
</tr>
<tr>
<td>Fiscal 2001</td>
<td>¥150,000</td>
<td>132,486</td>
<td>150,000</td>
<td>132,486</td>
</tr>
<tr>
<td>Fiscal 2002</td>
<td>¥200,000</td>
<td>135,965</td>
<td>200,000</td>
<td>153,365</td>
</tr>
<tr>
<td>Fiscal 2003</td>
<td>¥250,000</td>
<td>135,965</td>
<td>300,000</td>
<td>215,000</td>
</tr>
<tr>
<td>Fiscal 2004</td>
<td>¥630,000</td>
<td>297,845</td>
<td>350,000</td>
<td>240,208</td>
</tr>
</tbody>
</table>

* As of April 2003, our hotel business was transferred to a subsidiary company.

Setagaya Line — Symbol of Community Revitalization Celebrating its 80th birthday

The Setagaya Line is serviced by streetcars that run along a five-kilometer route between Sangen-jaya Station (Tokyu Den-en-cho Line) and Shimo-takaido Station. Tokyu Corporation is working closely with the surrounding community to promote area revitalization and increased rail traffic.

Working Together with the Community

The Setagaya Line first began operating in 1925. At the time, it was a branch line of the Tamagawa Denki Tetsudō Railway’s Tamagawa Line that connected Shibuya to Tamagawa (now called Futako-tamagawa). Eventually, the Tamagawa Line closed down, leaving only the stretch of track that connected Shimo-takaido to Sangen-jaya; this became the Setagaya Line.

The popular retro design of the old-model streetcars on the Setagaya Line added a nostalgic flavor to the adjacent neighborhoods. Still, passengers had to tolerate the absence of air conditioning and other small inconveniences. This all changed in 1999, when Tokyu introduced new, air-conditioned streetcars, barrier-free platforms to better accommodate passengers with disabilities, and train attendants as part of its plan to lure more visitors back to the area. Other efforts include offering special service at local businesses to Setagaya Line passengers with IC card train tickets, and a contest designed to solicit ideas for making the streetcar route more aesthetically appealing to both residents and passengers.

As a result of these efforts, the declining passenger trend has reversed. The 80-year-old Setagaya Line is now a symbol of the community’s rebirth and continuing growth.

Community Beautification

Since May 2001, Tokyu Corporation and residents along the Setagaya Line have worked together to plant flowers along the streetcar route under a program called “Setagaya Line Flowering.” Tokyu employees join local residents once or twice each year to plant flowers along the tracks from Sangen-jaya to Shimo-takaido; total participants amounting to 200 and 100 respectively. In 2004, volunteers concentrated on the Sangen-jaya Station area and the Miyanosaka-Matsubara section of the route. Now passengers can enjoy the beautiful colors of the four seasons as they move leisurely toward their respective destinations.

Introduction of “Setamaru” IC Card Tickets

In July 2002, Tokyu introduced “Setamaru” IC card tickets on the Setagaya line. There are two versions of the Setamaru IC card, one that can be used as a commuter pass, and one that can be used for a limited number of trips. Passengers who use the latter can collect points if they travel during certain hours; these points may be applied toward fare costs later on.

Setamaru Point Vouchers

Tokyu began distributing “Setamaru Point Vouchers” on a trial basis in October 2003 in shopping areas close to the streetcar line; the purpose of the program was to promote sales for local businesses. Points gathered when shopping at these businesses are converted into Setamaru Points that can be applied toward Setagaya Line fares. When residents who live close to the Setagaya Line responded to a Tokyu questionnaire, the majority said that “shopping” was the main reason why they used the Setagaya Line streetcar. As can be seen from these responses, we believe that this program has been effective in boosting local business.

“Beautify the Setagaya Line” Contest

In October 2003, Tokyu teamed up with the Setagaya Community Design Center to sponsor the “Beautify the Setagaya Line” Contest, a competition designed to solicit ideas for making the line more aesthetically appealing to passengers and local residents; the ideas could involve the use of railway land and fencing between Kamimachi and Yamanakasaka Stations, and billboard space at each station on the line. The contest attracted a total of 110 entries, several of which were implemented (such as the flower-planting program). In October 2004, Tokyu printed a book that featured interviews and all of the entries; the book is now on sale at Sangen-jaya Station and bookstores in Setagaya Line areas.
Tokyu Corporation operates two core businesses: 1) the railway business, which is highly public in nature, and 2) the real estate business, which, as typified by Tokyu Tama Den-en-toshi development project, is focused on urban development. The purpose of these two businesses is to improve and enhance the lives of people in every community.

As a corporation whose businesses utilize a broad range of public resources to provide customers with the products and services they require, we acknowledge our obligation to minimize the environmental impact of our business operations and contribute to the development of a sustainable society.

Our railway business continues to seek ways in which to further enhance the comfort and convenience of our passengers, and to improve the environmental performance of its operations. We will continue to introduce more environment-friendly railcars and policies that promote energy conservation.

Our real estate business continues to develop safe and convenient residential communities while implementing measures for resource conservation and improved energy efficiency. We have also established a new resale home business — “a-la-ie” — whose mission is to help recycle resources and maintain community aesthetics by promoting the purchase of existing homes.

Developing our businesses while maintaining public trust requires that all Tokyo Group companies approach environmental activities and community relations with a common set of values. As the group’s core member, Tokyu Corporation will continue to take aggressive steps to ensure that all group companies are united by a shared mission: to pursue the creation of beautiful living environments, social harmony, and individual happiness. We ask for your continued understanding and support as we strive to meet these goals.

The purpose of this report is to describe the Tokyo Group’s environmental activities and social relations. We have worked actively to make a broader range of information available, and have incorporated your past feedback in our daily operations.

We are looking forward to receiving your honest opinions and recommendations in the coming year as well.

September 2005

Toshiaki Koshimura
President & Representative Director
Tokyu Corporation
Corporate Governance

“Sustainability” “Visibility and Transparency” “Accountability”

Basic Corporate Governance Philosophy

In order to increase value for our stakeholders, Tokyu Corporation is committed to 1) establishing sustainability by selecting business domains that offer sustainable growth potential and by implementing effective management systems, 2) ensuring transparency by developing organizational structures and implementing policies and programs that are easily understood by outside parties, and 3) maintaining accountability by keeping shareholders informed about the status of our operations and performance.

Tokyu Corporation’s Board of Directors is comprised of 21 members, including three outside directors, and the Board of Corporate Auditors is comprised of four members, including three outside auditors (as of March 31, 2005). Outside directors and auditors have no vested interests in our operations.

Tokyu holds regular monthly meetings with its accounting and statutory corporate auditors for the purpose of exchanging information related to Tokyu Corporation and affiliate accounting and audits.

Our Board of Directors met 13 times in fiscal 2004 to discuss and make decisions on vital business matters.

In order to further separate the executive and management levels of the organization and improve corporate governance, Tokyu in April 2005 implemented a new executive officer program designed to strengthen the group’s operational framework and clarify authority and responsibilities. The new program specifies that executive officers are to be appointed at board of director meetings, and that business operations are to be conducted in accordance with policies adopted by the board of directors and the directives of the President & Representative Director.

Tokyu has also put measures in place to ensure that auditors attend meetings of the board of directors and other important meetings in order to obtain information concerning decision-making processes, the status of business operations, and directors’ duties. It has also appointed four dedicated staff to handle corporate auditor affairs, and has taken other measures designed to assist auditors in the execution of their duties.

Compliance

More than a mere passive prevention of corporate misconduct, compliance management is about increasing business worth, an effort indispensable to our continued existence as a brand selected by customers.

In April 2000, Tokyu Corporation and the Tokyu Group in general determined that compliance should be under group management. Compliance was then defined as “not limited to conforming to the law, but a concept that requires corporate officers and each individual employee to pay attention to ethics and environmental issues in order for the company to fulfill its social responsibility as a corporation.”

A full-time body was established in July 2001 to promote compliance management in the company. In January 2002, basic compliance rules for all corporate officers and employees in the Tokyu Group were formulated as the Tokyu Group Compliance Policy. Compliance administrators were appointed in all departments and divisions in the company and all major group companies.

In April the same year, the Tokyu Corporation Code of Conduct was enacted to regulate the conduct of corporate officers and employees in the company. This code of conduct was printed in employee pocket notebooks and became a subject of seminar study to ensure awareness by all employees.

A Compliance Consultation Desk was set up in April 2002 to directly deal with in-house compliance and Code of Conduct infringements as well as submitting problems that could not be brought to the attention of a superior. In October 2002, the program was expanded to accommodate contract and part-time employees from group companies, and special telephone numbers and e-mail addresses were established.

Risk Management

Tokyu established a dedicated Risk Management Department within CSR Promotion Division of the Corporate Affairs Headquarters. This new department handles both risk management and promotion of corporate compliance for Tokyu Corporation. It assists with determining and assessing the risks associated with each field of business, implementing risk control policies, publishing reports on the implementation status of risk control measures, and executing risk control measures. The risk management department also monitors progress and improvements, and revises risk control policies when necessary.

Tokyu has assigned compliance supervisors to all company departments, and regularly holds lectures and workshops on managing risks through compliance management that are designed to promote management technology improvements.

Personal Information

In October 2004, we established a set of regulations governing the handling and protection of personal information. As provided for by these regulations, Tokyu also appointed a Personal Information Management Director, who is responsible for and has authority over issues related to the protection of personal information, and assigned personal information management supervisors with similar authority and responsibilities to all company departments.

Tokyu posted its new privacy policy on its Web site on March 1, 2005, and also appointed special staff to customers inquiries concerning the protection of personal information.

Internal Auditing

In an effort to meet its business objectives in an effective manner, streamline its operations, earn public trust, maintain discipline within the organization, and boost employee morale, Tokyu appointed four dedicated staff to CSR Promotion Division of the Corporate Affairs Headquarters to handle internal auditing matters.

Tokyu Corporation conducts company-wide and subsidiary audits in order to assess the effectiveness of internal frameworks and systems, and provides guidance and recommendations concerning the most effective means by which to further develop the organization; it also assists group companies in taking the steps necessary to improve their effectiveness. Ten divisions were audited in fiscal 2004, and auditees were given reports of the audit results and guidance on how to make improvements. This year Tokyu plans to conduct follow-up audits of the ten divisions audited last year, and new audits of five additional divisions.

The internal auditing department is responsible for submitting reports on the status of internal frameworks and systems and on the results of internal audits to Tokyu’s corporate auditors, who work closely with the department. Corporate auditors also meet regularly with Ernst & Young ShinNihon, Tokyu’s accounting auditor, to exchange information.
**Environmental Management System**

**Input/Output**

<table>
<thead>
<tr>
<th>Input</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy consumption</strong></td>
<td><strong>CO2 emission from energy consumption</strong></td>
</tr>
<tr>
<td>Electricity 1,417,345 GJ</td>
<td>Gas 1.6%</td>
</tr>
<tr>
<td>Gas 50,528 GJ</td>
<td>Petroleum-based oils 2.6%</td>
</tr>
<tr>
<td>Heavy oil 34,346 GJ</td>
<td></td>
</tr>
<tr>
<td>Kerosene 16,476 GJ</td>
<td></td>
</tr>
<tr>
<td>Gasoline 9,986 GJ</td>
<td></td>
</tr>
<tr>
<td>Light oil 2,982 GJ</td>
<td>Total 10,929 t-CO2</td>
</tr>
<tr>
<td></td>
<td><strong>Waste generated from business operations</strong> 8,170 t</td>
</tr>
<tr>
<td></td>
<td><strong>General administration/functional subsidiaries</strong> 0.4%</td>
</tr>
<tr>
<td>Company vehicles 1,042</td>
<td>Real estate business 0.4%</td>
</tr>
<tr>
<td>Railcars</td>
<td>Railway business 26.1%</td>
</tr>
<tr>
<td>Gasoline-fueled vehicles 138</td>
<td>Business places that generate specially controlled industrial waste of Tokyo Hospital</td>
</tr>
<tr>
<td>Diesel-powered vehicles 39</td>
<td>Recyclable resources 41.7%</td>
</tr>
<tr>
<td>Hybrid vehicles 7</td>
<td>Waste generated from building construction 53,299 t</td>
</tr>
<tr>
<td>Traction vehicles/ Forklift trucks 12</td>
<td>General administration/functional subsidiaries 0.4%</td>
</tr>
<tr>
<td>Gasoline-fueled vehicles 138</td>
<td>Real estate business 39.8%</td>
</tr>
<tr>
<td>Diesel-powered vehicles 39</td>
<td>Railway business 68.8%</td>
</tr>
<tr>
<td>Hybrid vehicles 7</td>
<td></td>
</tr>
<tr>
<td>Traction vehicles/ Forklift trucks 12</td>
<td></td>
</tr>
</tbody>
</table>

**Handling of hazardous or harmful materials**
- Storage of electrical equipment containing PCBs
- Installation of (fire extinguishers containing) halon
- CFCs (installation of transformers, VVVF equipment, air conditioning equipment, professional-use refrigerators/freezers)
- Use and storage of agricultural chemicals, fuels, cleaning fluids for train cars, acetylene gas, and organic solvents
- Use and storage of pharmaceutical products and gases for medical care at Tokyo Hospital

**Environmental Management System Activities Related to Environmental Management**

**Tokyu Corporation Environmental Policy**

Aware that our business activities have the potential to cause significant impacts on the global environment, we work in the following ways to create systems that support sustainable society, in order to avoid causing environmental deterioration and to ensure that we bequeath a safe and comfortable living environment to future generations;

1. We assess the environmental impacts of all our business activities, and work to reduce our environmental burden and prevent pollution by (1) establishing environmental objectives and targets under our environmental management systems, and seeking continuous improvements by monitoring progress and revising the objectives; (2) reducing waste, and using resources and energy efficiently; (3) complying with environmental laws and regulations, and the commitments made by this company; and (4) promoting green procurement, in cooperation with the relevant organizations.

2. We promote environmental management throughout the Tokyu Group, while working to provide products and services in ways that reduce society’s overall environmental burden.

3. We value our relationships with all our stakeholders and strive for constructive dialogue with them.

By working to ensure that all employees share these policies, we will promote the creation of a sustainable society.

**FY 2004 Internal Audit**

<Japanese text>

**FY 2004 Surveillance Audit**

Tokyu Corporation underwent a first annual two-day surveillance audit that was conducted by a registered third-party auditing organization from September 16 to 17. The audit revealed two areas of caution and three areas of excellence. No serious compliance issues were discovered.

**President & Representative Director**

In July 1998, our company set up the Environmental Activities Committee (now CSR Promotion Division of the Corporate Affairs Headquarters), a full-time body that promotes unified environmental activities throughout the company. This committee developed the “Tokyu Corporation Eco Up Program” to institute numerical targets for each workplace and to undertake activities to protect the environment.

From within the company structure, our headquarters obtained ISO 14001 certification in November 2000 (general administrative departments and administrative departments of all divisions). Not only are initiatives being advanced at the headquarters level, but the managerial functions of the Headquarters Divisions are being used to promote environmental-friendly activities throughout the workplace. We also plan to implement an environmental management system based on ISO 14001 standards, and aim to improve the overall quality of the “Tokyu Corporation Eco Up Program.”

Every year, the “Tokyu Corporation Eco Up Program” selects 10 model workplaces to promote involvement in environmental issues in cooperation with the Environmental Office, and the results are distributed to related workplaces.

**CSR Management Conference**

<table>
<thead>
<tr>
<th>President</th>
<th>CSR Management Conference Members: All levels of management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Hiroshi Yagi (President &amp; Representative Director)</td>
<td>Mr. Toshiaki Koshimura (Chairman of the Environment Committee)</td>
</tr>
<tr>
<td>Ms. Yoko Nakao (Executive Director of the Environment Committee)</td>
<td>Mr. Koji Hashimoto (Executive Director of the Environment Committee)</td>
</tr>
<tr>
<td>Ms. Hitomi Uchida (Executive Director of the Environment Committee)</td>
<td>Ms. Sachiko Tanaka (Executive Director of the Environment Committee)</td>
</tr>
<tr>
<td>Ms. Akiko Inoue (Executive Director of the Environment Committee)</td>
<td>Ms. Kiyoko Nakao (Executive Director of the Environment Committee)</td>
</tr>
</tbody>
</table>

**Environmental Conservation Structure at our places of business**

**Revised June 29, 2005**

Established December 1, 2003

Toshiaki Koshimura
President & Representative Director
Tokyu Corporation

**Acquisition of ISO 14001 Certification by the Headquarters**

Certification by the Headquarters

**Full-time body**

CSR Promotion Division of the Corporate Affairs Headquarters

**CSR Management Conference Members: All levels of management**

- Railway business (President & Representative Director)
- General administrative divisions
- In-house promotional divisions
- Headquarters divisions
- Operational divisions
- Other administrative divisions

**Environmental conservation structure at our places of business**

By means of a simple environmental management system and our headquarters in the ISO 14001 standards, we are undertaking environmental activities aimed at reducing our environmental impact, including:

- Establishing systems for environmental management
- Conducting surveys on environmental impacts
- Developing environmental actions with numerical targets for our workplaces
- Establishing environmental activities with numerical targets for all our workplaces
- Increasing awareness through involvement of workers

**FY 2004 Internal Audit**

Forty-six internal auditors conducted a three-day audit of 36 divisions from August 24 to 26. The audit revealed 15 minor noncompliances and areas of caution, and two areas of excellence. No serious compliance issues were discovered.

**FY 2004 Surveillance Audit**

Tokyu Corporation underwent a first annual two-day surveillance audit that was conducted by a registered third-party auditing organization from September 16 to 17. The audit revealed two areas of caution and three areas of excellence. Tokyu’s environmental management system received the highest overall rating possible.
**Environmental Objectives, Targets and Results**

<table>
<thead>
<tr>
<th>Targets and Results for FY 2004</th>
<th>FY 2004 results</th>
<th>Targets for FY 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All of the Headquarters</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste</td>
<td>Thoroughly promotes waste separation, collection and incineration and improves recycling rate (Target 82.7%)</td>
<td>Recycling rate: 81.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 ☑️ 6 ☑️ 6 ☑️</td>
</tr>
<tr>
<td></td>
<td>Granulation proficiency (Result for FY 2003: 79.2% +6.7%)</td>
<td>Process efficiency: 73.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 ☑️ 6 ☑️ 6 ☑️</td>
</tr>
<tr>
<td></td>
<td>Electric power</td>
<td>Monitored amount</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FY 2004: 2,562,524 kWh</td>
<td>FY 2004: 2,760,793 kWh</td>
</tr>
<tr>
<td></td>
<td>FY 2004: 18,012,133 sheet</td>
<td>FY 2004: 17,217,875 sheet</td>
</tr>
<tr>
<td><strong>Railway Headquarters</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Railway Operation Division</td>
<td>Rate of efficiency of electricity consumption (Result for FY 2004: 2.343kWh/car·km; 6.5% decrease)</td>
<td>2.343kWh/car·km; 6.5% decrease*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 ☑️ 6 ☑️ 6 ☑️</td>
</tr>
<tr>
<td></td>
<td>Railway Operation Division</td>
<td>Rate of efficiency of electricity consumption 1.3% decrease from FY 2003 results*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9 ☑️ 6 ☑️ 6 ☑️</td>
</tr>
<tr>
<td></td>
<td>Electric power</td>
<td>Monitored amount</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>FY 2004: 2,343,047 kWh</td>
<td>FY 2004: 2,343,047 kWh</td>
</tr>
<tr>
<td></td>
<td>FY 2004: 18,012,133 sheet</td>
<td>FY 2004: 17,217,875 sheet</td>
</tr>
<tr>
<td><strong>Office Building Management</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility Engineering &amp; Construction Division</td>
<td>Implement targeted area and volution measures</td>
<td>Construction measures conducted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 ☑️</td>
</tr>
<tr>
<td><strong>Urban Development Headquarters</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Land Development</td>
<td>Improve separation rate of waste (FY 2002: 55.4% +55.4%)</td>
<td>60.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 ☑️ 6 ☑️ 6 ☑️</td>
</tr>
<tr>
<td></td>
<td>Land Roadside</td>
<td>Improve separation rate of waste (FY 2003: 60.5% +6.5%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 ☑️ 6 ☑️ 6 ☑️</td>
</tr>
<tr>
<td></td>
<td>Building Construction</td>
<td>Improve separation rate of waste (result for FY 2003: 79.2%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 ☑️ 6 ☑️ 6 ☑️</td>
</tr>
<tr>
<td></td>
<td>Residential Condominium</td>
<td>Improve separation rate of waste material from construction site (FY 2003: 77.7% +2%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 ☑️ 6 ☑️ 6 ☑️</td>
</tr>
<tr>
<td></td>
<td>Office Building Management</td>
<td>Determine the target for general waste separation at target properties</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Determined at one tenant building</td>
</tr>
</tbody>
</table>

**Environmental Objective Targets for FY 2007 and FY 2005**

<table>
<thead>
<tr>
<th>Environmental Objectives for FY 2007</th>
<th>Environmental Objectives for FY 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All of the Headquarters</strong></td>
<td></td>
</tr>
<tr>
<td>Waste</td>
<td>FY 2004: 319,011t+941t</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Granulation proficiency</td>
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<tr>
<td></td>
<td>Electric power</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FY 2004: 3,685,485 kWh</td>
</tr>
<tr>
<td></td>
<td>FY 2004: 18,012,133 sheet</td>
</tr>
<tr>
<td><strong>Railway Headquarters</strong></td>
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</tr>
<tr>
<td>Railway Operation Division</td>
<td>Rate of efficiency of electricity consumption (2.343kWh/car·km; 6.5% decrease)</td>
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<tr>
<td></td>
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<td></td>
<td>Railway Operation Division</td>
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<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FY 2004: 2,343,047 kWh</td>
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<td>FY 2004: 18,012,133 sheet</td>
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<td><strong>Office Building Management</strong></td>
<td></td>
</tr>
<tr>
<td>Facility Engineering &amp; Construction Division</td>
<td>Implement targeted area and volution measures</td>
</tr>
<tr>
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</tbody>
</table>

**Measures for Complying with Environmental Laws and Regulations**

**Law for Promotion of Sorted Collection and Recycling of Containers and Packaging**

The Containers and Packaging Recycling Law was fully implemented in April 2000, making us responsible for recycling the containers and packaging of the products we sell. To comply with this law, we outsourced recycling operations to the Japan Container and Packaging Recycling Association until FY 2002. With the transfer of some business operations to subsidiaries in FY 2003, the Shibuya and Jiyugaoka branches of ranking ranQueen assumed sole responsibility for recycling.

**The Construction Waste Recycling Law**

The Construction Waste Recycling Law enacted on May 2002 requires us to sort, dismantle and recycle waste generated by construction work we commission or undertake. Now we promote recycling resources in accordance with this law.

**Storage of PCBs (polychlorinated biphenyl)**

Tokyu Corporation properly stores electrical equipment that contains PCB according to the Waste Management and Public Cleansing Law and the Law Concerning Special Measures Against PCB Waste.

**Complying with Provisions of the National Motor Vehicle NOx & PM Emissions Act and Nitrogen Oxide Emissions from Automobiles**

We are working on these provisions and measures to prohibit in principle commuting by private car and enforcing cessation of idling of vehicles, including private cars, as stipulated in the Tokyo Metropolitan Government’s Environmental Ordinance to Protect the Health and Safety of Citizens, and the Kanagawa Prefectural Government’s Ordinance on Protecting the Living Environment, both of which businesses are required to observe.

**Complying with the Global Warming Prevention Countermeasures Program for Businesses**

As stipulated in the Tokyo Metropolitan Government’s Environmental Ordinance to Protect the Health and Safety of Citizens, businesses that are classified as being subject to the Global Warming Prevention Countermeasures Program for Businesses are required to submit a plan as per the ordinance. We reported the FY 2004 results.

**Complying with the PRTR (Pollutant Release and Transfer Register) Law**

Offices which have responsibility for the use of fuel, paint, lubrication oil and other substances, which include some hazardous materials, used in maintaining and repairing railway cars must carefully manage the volume of emissions and transfer of these substances. During FY 2004, the amount of PRTR substances used did not reach the volume (1ton) that requires us to report.

**Environmental-related Litigation**

Tokyu Corporation was not involved in any environment-related litigation in FY 2004.
Railway Business

Rail Transportation that Is Safe, Reliable, Comfortable and Environment-friendly

Tokyu actively listens to customer feedback in an effort to ensure that the rail transportation we provide is safe, reliable, comfortable, and environment-friendly. We are constantly working to expand the carrying capacity of our railway lines in order to ease rush hour traffic, implement new safety features, improve service, and reduce environmental impact. We understand that we should continue our efforts to be the railway of choice.

Expanding the Carrying Capacity

Alleviating Congestion by Quadruplicating Lines*

Tokyu has implemented a number of measures intended to alleviate rush hour congestion, such as extending the length of railcars to accommodate more passengers and shortening the amount of time between trains. It is also making efforts to improve and augment existing lines. For example, Tokyu has been working to expand the carrying capacity of the Toyoko Line; when the upgraded Meguro-Musashi-kosugi section was temporarily opened in 2000, thereby providing seamless service between the Toyoko and Meguro Lines, the per-hour congestion rate between the stations of Nakameguro and Yutenji dropped from 187% (1999) to 178% (2000) during the busiest hours.

Tokyu understands that alleviating congestion is the responsibility of the railway company, and it will continue to make progress toward this goal by multiplying the number of tracks on certain lines to accommodate more trains, and by offering more routes to various destinations.

* Quadruplicating: addition of a double line of tracks to the existing double track railway

Track Quadruplication on the Toyoko Line: Meguro Line Extended to Hiyoshi Station (Section 4 in Network Diagram)

Track quadruplication on the Toyoko Line has been extended to the section between Tamagawa and Hiyoshi Stations. This will be accomplished by running the Meguro Line, which will be able to accommodate eight-car trains, alongside the Toyoko Line. Once construction is completed, passengers will be able to take advantage of seamless service between the Toyoko and Meguro Lines from Hiyoshi Station to Meguro Station.

Furthermore, Tokyu is also working with local agencies to construct overpass crossings on the Meguro Line between Meguro and Senzoku Stations, thereby eliminating 18 railroad crossings and improving traffic safety and convenience.

Railway Network Enhancements Reduce Travel Time

Our efforts to provide seamless service on a number of Tokyo’s railway lines will enhance the functionality of our railway network and shorten the time required to reach downtown Tokyo from the suburbs.

Major Construction Projects

<table>
<thead>
<tr>
<th>Line &amp; Section</th>
<th>Type</th>
<th>Completion</th>
<th>Description</th>
</tr>
</thead>
</table>
| Meguro Line (Meguro-Tamagawa) | Upgrade | FY 2014 | Upgrade construction between Shibuya and Yokohama Stations
| Toyoko Line (Tamagawa-Hiyoshi) | Track Quadruplication | FY 2007 | Track quadruplication between Musashi-kosugi and Hiyoshi Stations
| Oimachi Line (Oimachi-Futako-tamagawa) | Upgrade (Express Service) | FY 2007 | Upgrade construction between Oimachi and Futako-tamagawa Stations
| Den-en-toshi Line (Futako-tamagawa-Mizonokuchi) | Track Quadruplication | FY 2007 | Track quadruplication between Futako-tamagawa and Mizonokuchi Stations
| Toyoko Line (Shibuya-Yokohama) | Upgrade | FY 2014 | Seamless service between Toyoko and Tokyo Metro No. 13 Lines from FY 2012 (scheduled)
In Pursuit of Safety

Implementation of ATC & ATS Systems

**ATC (Automatic Train Control) System**

- Installed on Toyoko, Meguro, Den-en-toshi, and Kodomo-no-kuni Lines
  - The ATC system constantly monitors and controls train speed in order to maintain a certain distance between any train on the line and the train running ahead of it. It also controls the speed of a train on a curve. If a train exceeds the allowed speed limit on a straight section of track, the ATS system automatically applies the brakes.

**ATS (Automatic Train Stop) System**

- Specified by the railroad signal (based on the distance of track, the ATS system automatically applies brakes.
- If the train exceeds the speed limit when passing a signal, emergency brakes are automatically applied.
- If a train exceeds the allowed speed limit on a straight section, it also controls the speed of a train on a curve. If a train exceeds the speed limit when passing a signal, emergency brakes are automatically applied.

In addition to improving public safety, the elimination of street-level crossings in the future as conditions require.

### Construction to remove a street-level crossing (Fudomae Station)

<table>
<thead>
<tr>
<th>Number of Railroad Crossings</th>
<th>Before removal</th>
<th>After removal</th>
</tr>
</thead>
<tbody>
<tr>
<td>200</td>
<td>200</td>
<td>0</td>
</tr>
<tr>
<td>150</td>
<td>150</td>
<td>0</td>
</tr>
<tr>
<td>100</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>50</td>
<td>50</td>
<td>0</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Service Improvements**

### Soliciting Customer Feedback: Customer Survey Program

Tokyu launched a customer survey program designed to quantitatively measure satisfaction levels among Tokyo railway users in 1982. This feedback, which the company solicits from roughly 400 customer several times a year in the form of a questionnaire, is used to make service-related improvements.

Additionally, the company also established the “Tokyu Customer Center” in 1995 to handle a broad variety of customer inquiries and feedback concerning all areas of the Tokyo Group’s operations. This feedback, too, is used to make service-related improvements.

### Expanding the Carrying Capacity of Tokyo Railway Lines: Our Top Priority

- Of the ¥212.8 billion in railway capital investments planned for the FY 2005-2008 period, ¥158.9 billion will be allocated to carrying capacity expansion efforts. Tokyu believes that the expansion of carrying capacity will provide two primary benefits: reduced congestion and improved safety.

#### Capital Investment Breakdown

<table>
<thead>
<tr>
<th>Time (FY)</th>
<th>Capital Investment Breakdown (Unit: ¥1 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2005</td>
<td>19,271</td>
</tr>
<tr>
<td>FY 2006</td>
<td>23,059</td>
</tr>
<tr>
<td>FY 2007</td>
<td>27,032</td>
</tr>
<tr>
<td>FY 2008</td>
<td>31,014</td>
</tr>
</tbody>
</table>

#### Reduced Energy Consumption

- Roughly 90% of Tokyu's CO2 emissions can be attributed to electric power consumption in its railway business. Furthermore, efforts to expand carrying capacity will increase the total travel distance of Tokyo trains in the future; therefore, keeping the volume of consumption in check is a top priority. In order to do so, we have set the following targets that will enable the company to make more efficient use of total electric power. This efficiency is expressed by the unit: kWh/car•km.

#### Targets

<table>
<thead>
<tr>
<th>Period</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-term: FY 2003-2007</td>
<td>No change</td>
</tr>
<tr>
<td>Long-term: FY 1990-2010</td>
<td>3% reduction in total electricity consumption</td>
</tr>
</tbody>
</table>

#### Expanding the Carrying Capacity of Tokyo Railway Lines

<table>
<thead>
<tr>
<th>Time (FY)</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2005-08</td>
<td>Capacity expansion efforts.</td>
</tr>
<tr>
<td>FY 2009-10</td>
<td>Capacity expansion efforts.</td>
</tr>
<tr>
<td>FY 2011-12</td>
<td>Capacity expansion efforts.</td>
</tr>
<tr>
<td>FY 2013-14</td>
<td>Capacity expansion efforts.</td>
</tr>
</tbody>
</table>

#### Trends in Electric Power Consumption & Efficiency of Total Electricity Consumption

<table>
<thead>
<tr>
<th>Time (FY)</th>
<th>Electric Power Consumption (Total) (1,000 kWh)</th>
<th>Efficiency of total electricity consumption (kWh/car•km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2004</td>
<td>261,853</td>
<td>107,846</td>
</tr>
<tr>
<td>FY 2005</td>
<td>279,430</td>
<td>118,590</td>
</tr>
<tr>
<td>FY 2006</td>
<td>277,323</td>
<td>121,816</td>
</tr>
<tr>
<td>FY 2007</td>
<td>278,833</td>
<td>125,900</td>
</tr>
</tbody>
</table>

#### Total Railcar Travel Distance

<table>
<thead>
<tr>
<th>Time (FY)</th>
<th>Total Railcar Travel Distance (Unit: 1,000 km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2004</td>
<td>268,680</td>
</tr>
<tr>
<td>FY 2005</td>
<td>279,964</td>
</tr>
<tr>
<td>FY 2006</td>
<td>281,000</td>
</tr>
<tr>
<td>FY 2007</td>
<td>282,000</td>
</tr>
<tr>
<td>FY 2008</td>
<td>282,000</td>
</tr>
</tbody>
</table>
Reduced Electricity Consumption in Railway Operation

- Introduction of environment-friendly 5000-series railcars continues

The new 5000-series railcars introduced in 2002 are designed to be both environment-friendly and user-friendly, featuring regenerative brakes, VVVF* control, and other energy-saving functions in addition to reducing noise and providing barrier free convenience.

Features of 5000-series railcars

- low-noise master control units that employ IGBT elements
- electromagnetic direct-braking system combined with regenerative braking
- lighter bolsterless trucks
- single-arm pantographs

Due to these features, it consumes less electric power to operate one railcar per kilometer, a 40% reduction over the conventional 8000-series of railcars.

As of March 31, 2005, Tokyu has introduced 120 5000-series railcars, which amounts to roughly 10% of the company’s entire fleet. Tokyu will continue to introduce the new railcars, and estimates that they will account for approximately 40% of the fleet by 2010.

*VVVF: Variable Voltage Variable Frequency

VVVF Inverter-controlled Railcars (DC-to-AC Conversion)

- Tokyo leads the industry by installing VVVF technology in 49.4% of its fleet

While typical electric train motors run on DC power, trains equipped with VVVF inverters are able to convert direct current running through overhead power lines into AC power with optimum voltage and frequency; this helps to prevent electric power losses. AC motors are also preferable because they are compact, lightweight, and rarely break down.

Tokyu became the first company in Japan’s railway industry to install VVVF technology in its railcars in 1986. As of March 31, 2005, approximately 49.4% of its entire fleet was equipped with VVVF inverters, making it the leader in VVVF implementation among the nation’s private railway companies.

Tokyu will further introduce VVVF inverter-controlled railcars when upgrading railcar fleet.

Regenerative brakes installed in entire fleet

By 2001, Tokyo Corporation had fitted all its trains with regenerative brakes that are designed in a way that kinetic energy is converted into electricity when the brakes are applied. Other trains then use this electricity to accelerate and reduce consumption. This makes it possible to improve energy efficiency and reduce consumption.

The energy-efficient railcar introduction rate among Japan’s major private railway companies

Waste Reduction and Recycling Resources

Selling off Surplus Railcars to Other Railway Companies

Tokyu has for years sold off its surplus railcars to other railway companies after introducing new models. Compared to disposing of or recycling railcars, this method costs less and is more environment-friendly. In 2004, Tokyo began to remodel surplus railcar interiors to make them more attractive to prospective buyers. In order to make these efforts widely known the company in November 2004 held its first surplus railcar exhibition at its Sagawasaka plant. The exhibition, which featured remodelled 8000-series railcars, attracted 28 representatives from 11 companies. The effort paid off: Tokyo sold ten 8000-series railcars to IzuKyu Corporation in fiscal 2004.

Improving Residential Environments

Waste Reduction and Recycling Resources

Increasing Use of IC Card Tickets on the Setagaya Line

Tokyu Corporation in July 2002 introduced “Setamaru,” an IC card train ticket for use on the Setagaya Line. Passengers can pass the gate by touching the checker with Setamaru. This card helps reduce the volume of waste tickets by allowing repeated use.

After the introduction of the “Setamaru” IC card, the volume of conventional paper ticket books issued dropped from 227,920 books in 2001 to 60,444 in 2004 – a 73% decrease.

Improving Residential Environments by Reducing Nighttime Construction Hours

Tokyo introduced a “half precast” construction method, which involves the use of partly precast concrete slabs to create elevated beams and track beds, for use along a 520-meter section (from Musashikosugi to Motomachi Station) of its Toyoko Line track quadruplication construction site. Because these precast slabs can also be used as molds and scaffolding, they make on-site construction much simpler.

When constructing elevated tracks on site (as opposed to using precast materials), most of the work must be done at night – after trains have stopped running – for safety reasons. By introducing the “half precast” construction method, however, Tokyo was able to reduce nighttime construction time by roughly 80 days. This method also enabled the company to greatly reduce nighttime noise and vibration, provide a better work environment, and reduce electric power consumption and waste materials.
Tokyu has been involved in the comprehensive development of urban communities adjacent to its railway lines, including construction of homes, condominiums, office buildings and other commercial facilities. The Tokyu Tama Den-en-toshi community, the symbol of Tokyu’s urban development efforts, was developed over a 50-year period under the management of a land readjustment project team comprised of local landowners.

**Development with Environment Consciousness**

Our Dresser series of condominiums are built with environment consciousness being a key consideration from the planning stage and each project starts with Tokyu dedicated to developing convenient, aesthetically appealing, green communities that still retain their appeal and value even after 50 or 100 years have passed. The company is also working actively to develop environment-friendly homes and commercial facilities in response to the public’s growing awareness of environmental conservation.

**Features of Environment Consciousness in the Design of “Dresser” Series**

Our Dresser series of condominiums are built with environment consciousness being a key consideration from the planning stage and each project starts with development of the first reserve almost complete; in November 2003 local elementary school students released freshwater “kawamata” snails into water, and in 2004 project participants began returning rare species of plants and animals that had been preserved by local residents, schools, and research facilities to the reserve.

Before development of the first nature reserve began, NPO and local government agency representatives gathered to survey the location and to determine the effects that development would have on the natural environment.

In April 2004, participants released into First Park “genjibotaru” and “heikebotaru” firefly larvae that had been preserved in a Gunma Prefecture research facility; in June, it was confirmed that these larvae had grown into adults and had begun to fly. More larvae were released again in September in an effort to help stabilize the population.

“Hotokorin” loaches that had been preserved at Keio University were released into a stream inside the nature preserve in April 2004, and a survey conducted the following October indicated that the loaches were thriving.

Quillwort and “shunran” orchids that had been preserved by Tsurumi River Basin residents and elementary school students were returned to the nature reserve by May 2005; their status is monitored on a continual basis. In the future, Tokyu plans to continue working with local residents to return other plants to the reserve, including “akikaramatsu” and “junihitoe” plants.

In 1998, the Environment Agency (the present Ministry of the Environment) designated the Inukura Land Readjustment Project situated on the Tsurumi River and at the headwaters of the Yagami River in Miyamae-ku, Kawasaki City as the Tsurumi River Biological Diversity Conservation Area (Tsurumi River Basin).

In response to this, the Inukura Land Readjustment Association joined forces with the City of Kawasaki and the Tsurumi River Network to create the first in a series of nature reserves. Development of the first reserve is almost complete; in November 2003 local elementary school students released freshwater “kawamata” snails into water, and in 2004 project participants began returning rare species of plants and animals that had been preserved by local residents, schools, and research facilities to the reserve.

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Tokyu Tama Den-en-toshi is a residential community that is located in the green Tama Hills of southwestern Tokyo. Tokyu has spent more than 50 years developing this area, starting in 1953 when Keita Gotoh, who was chairman of Tokyu Corporation at the time, revealed his “Statement of Intent to Develop the Southwestern Tokyo Area” after predicting that the increasing concentration of people in central Tokyo would lead to a housing shortage.

Soon after, Tokyu joined forces with Southwestern Tokyo area landowners to establish a “land readjustment project” cooperative that managed the systematic development of the entire area. Today, Tokyu Tama Den-en-toshi is a community in which a perfect balance between roads and parks has been achieved; this is due to the fact that Tokyu approached the project with an overall vision for the whole community instead of creating a patchwork of poorly integrated sections. To date, the scope of the project encompasses 3,206 hectares of developed land. The population has also grown to roughly 570,000 residents, due in part to the construction of the Den-en-toshi Line, which provides quick access to downtown Tokyo.

As the future, Tokyu will continue to develop aesthetically appealing living environments where residents are able to coexist in harmony with nature.
Communication

“Customer Satisfaction (CS)” Activities

Soliciting Customer Feedback

We define CS (customer satisfaction) as a complete overhaul from the customer’s viewpoint of all our operating activities, conduct ceaseless improvement and reform to win customer and employee satisfaction, and thereby ensure stable, long-term development of our firm.

In an effort to promote CS activities, we established the “Tokyo Customer Center” in February 1995 to handle comments and inquiries concerning Tokyu Corporation and the Tokyo Group. Then, in January 2001, a feedback form was added to the Tokyo Web site. Now, customers can submit their questions and feedback to the center via telephone, fax, mail, or the Internet. All questions and comments are responded to in a timely manner.

Customer feedback collected in this manner is analyzed and classified to be shared by everyone from the manager level via our corporate network, to contribute to improving the facilities and services of Tokyu Corporation and the Tokyo Group and to revise operations.

Customer feedback has even made the reports available for download on its Web site, and provides contact information for those who wish to submit report-related inquiries.

Issuance of a Social Environmental Report

Since releasing its first Environmental Report in October 2000, Tokyo Corporation has continued to publish environmental reports on a yearly basis. It has even made the reports available for download on its Web site, and provides contact information for those who wish to submit report-related inquiries.

Survey Results

The 2004 Tokyo Social Environmental Report contained a questionnaire to which many readers responded. Based on our survey findings and the feedback we received, we will work hard to make future reports easier to read and understand. We would like to express our thanks to all of you who took the time to respond to the questionnaire.

Investor and Analyst Orientations

Tokyo is dedicated to providing shareholders and investors with all information necessary to understand the operations of the Tokyu Group.

General Meeting of Shareholders

The 136th Annual General Shareholders’ Meeting was convened on June 29, 2005. The purpose of these meetings is to heighten shareholders’ understanding of all aspects of Tokyu’s operations.

136th Annual General Shareholders’ Meeting

Venue: Bunkamura Orchard Hall
Attendees: 2,576 people
Length of Meeting: 102 minutes
Shareholder Speakers: 8 people

Investor and Analyst Orientations

Tokyo holds orientations for institutional investors and analysts to discuss the Tokyo Corporation’s financial performance and business environments. Each orientation attracts more than 100 attendees.

In adherence to our corporate disclosure policy, Tokyo also posts orientation materials, financial reports, and other pertinent information on its Investor Relations Web site (www.ir.toky.co.jp).

FY 2004 Orientation Schedule

May 2004 Investor orientation (financial report for fiscal year ending March 2004)
September Investor orientation
November Investor orientation (semiannual financial report for fiscal year ending March 2005)
March 2005 Investor orientation (Three-year midterm management plan)

Employee Composition

With the revision of the Equal Employment Opportunity Law in 1999 and the revision of the Labor Standards Law, we have started to include female station staff in our 24-hour/alternate day shifts. As of March 31, 2005, there were 36 employees at ten stations, and as of the same day, 31 female employees were stationed on Setagaya Line railcars as train attendants.

More Job Opportunities for the Disabled

Tokyu Will, a company established to provide job opportunities to the disabled, began operating in April 2004 with offices in Motosumiyoshi and Nagatsuta. As of April 1, 2005, the company had hired 19 employees with disabilities who perform janitorial work in railway facilities. The ratio of employees with disabilities rose to 2.28%, thus exceeding the legal requirement of 1.8%.Tokyu will continue to actively provide employment opportunities for disabled people in the future.

Work Locations: Motosumiyoshi General Office, Nagatsuta Train Operator and Conductor Offices, Kodomo-no-kuni Line stations, and the Tokyu Train and Bus Museum

HR Development

Tokyo offers a broad range of training programs as part of its “Basic Human Resource Philosophy.” These include programs specially designed for employees who are self-motivated to learn new skills, and programs tailored to meet individual needs.

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HR Development

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Assessing Occupational Safety

In FY 2001, we instituted risk assessment at engineering workplaces of the Railway Division to strengthen our accident prevention measures. Risk assessment is the main theme of the Occupational Health and Safety Management System. This assessment made clear what and where dangers are present in the workplace. The resulting data will be used to reduce occupational accidents by eliminating the hazard or, when this is not possible, to make everyone aware of the hazard to enable appropriate countermeasures.

Employee Safety and Health through Self-Management

In order to maintain safe and healthy work environments for our employees, Tokyu adheres to two policies: 1) the company shall not allow the health of its employees to become endangered, and 2) employees are responsible for taking measures necessary to maintain good health. All employees are required to get regular checkups, follow the advice of industrial physicians and public health nurses, and attend health and hygiene lectures.

Mental health care, now a growing social concern, is handled through employee self-care, line care performed by health nurses, and attendance at health and hygiene lectures.

Industrial Physicians.

Self-Management

Employee Safety and Health through

No volunteer

Seventh Zero Accident, Zero Illness Campaign

Employees are required to attend a training course for prevention measures. Risk assessment is the future and improve data accuracy so that it can further promote energy conservation efforts.

No Necktie” Dress Code at the Headquarters

At Tokyu Corporation’s headquarters, measures have been put in place to improve work efficiency and save energy during summer months, including setting air conditioners at 28 degrees Celsius and enforcing a “No Necktie” dress code from July 26 to August 31, 2004. In 2005, the company expanded this dress code period from July 1 to September 15.

Environmental Education and Activities

In order to accumulate environment-related knowledge and expertise, Tokyu is working actively to provide its employees with environmental education.

As of April 30, 2005, one Tokyu environmental management system auditor and 79 internal auditors had acquired environment-related qualification.

Household eco-account Book

In an effort to raise awareness of the need to reduce CO₂ emissions, Tokyu has distributed what it refers to as “Household Eco-account Books” to all Tokyu employees and some affiliated staff. These handbooks contain emission consumption data supplied by a number of volunteer households; 71 households participated in 2004. Tokyu plans to gather data from a greater number of households in the future and improve data accuracy so that it can further promote energy conservation efforts.

Energy and Resources Used and Wasted (waste generated) in FY 2004

To determine the environmental impact of our business, we undertake an investigation each fiscal year into the size of the impact generated by each place of business. The following are the investigation results for FY 2004 and the previous four fiscal years.

In FY 2004, Tokyu Corporation’s headquarters, measures have been put in place to improve work efficiency and save energy during summer months, including setting air conditioners at 28 degrees Celsius and enforcing a “No Necktie” dress code from July 26 to August 31, 2004. In 2005, the company expanded this dress code period from July 1 to September 15.

Sexual Harassment Measures

Personnel Service Center has established the “Sexual Harassment Consultation Service” with a dedicated telephone line and female staff. All the management level employees are required to attend a training course for raising a awareness.

- Number of consultations in FY 2004: 2

Data Relating to Tokyu Corp.’s Environmental Impact

Investigation period:

Fiscal year April 1 to March 31

Offices targeted:

The investigation targets all worksites and other places of business directly operated by the company, but does not include buildings it leases to tenants.

FY 2004: 91 worksites

FY 2003: 88 worksites

FY 2002: 159 worksites

FY 2001: 150 worksites

FY 2000: 188 worksites

Notes:

- Copying paper of four sizes, A3, A4, B4 and B5, was surveyed and expressed in the volume converted into A4-size paper.
- The coefficient published in the Guideline for Measures to Calculate the Volume of Greenhouse Gas Emissions (July 2003) by the Ministry of the Environment is used to convert values for carbon dioxide emissions.
- Some data for waste volumes has not been ascertained; this has not been corrected by means of estimated values.
- Because fractions have been omitted, total values may not match perfectly in some cases.

Environmental Impact

Data Relating to Tokyu Corp.’s

Environmental Impact

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The Tokyu Group’s Social Contributions and Environmental Activities

Group Company Governance
As a means of coping more effectively with changes in business environments, the Tokyu Group established the Tokyu Group Corporate Executive Committee, which functions as the group’s key decision-making organization and is led by the Tokyu Corporation chairman. Specifically, the Committee discusses 1) vital policies and capital measures associated with promoting group business, 2) assessment of each group company’s business performance, and 3) matters concerning the management of the Tokyu brand. It also ensures that Tokyu adheres to the commercial code and maintains a high level of transparency.

Management and Promotion of the Tokyu Brand
In order to establish Tokyu as a “trusted and loved brand” as the Tokyu Group business philosophy dictates, the “Tokyu Group Management Policy” implemented in April 2000 includes clear provisions for brand management activities. Tokyu introduced a full-fledged brand management system in April 2003 with the goal of establishing a clear Tokyu brand identity. As a part of these efforts, we are working to convey Tokyu’s brand identity to customers through a variety of media in order to promote name recognition and brand value.

The Tokyu Group business philosophy also states that group companies must fulfill their responsibilities to society. To do so, Tokyu participates in many activities designed to foster closer relationships with people in each community, and has also established foundations and educational programs to benefit the public.

In order to continue to meet the expectations of our customers, provide them with high-quality service, and maintain a positive corporate image, we provide them with high-quality services and maintain a positive corporate image, we provide them with high-quality services.

Social Contribution

Opportunities for Exchange with Community Residents
Tokyu sponsors a number of events and activities each year that are designed to promote communication with the residents of each community in which Tokyu operates. Such events and activities include music concerts at Tokyu’s Bunkamura concert hall, group walks intended to rediscover hidden beauty along Tokyo railway routes, and sponsorship of artistic performances.

Social Contribution by Group Companies and Corporations

Youth Career Development Program (Pan Pacific Hotels and Resorts)
Pan Pacific Hotels and Resorts, one of the Tokyo Group’s overseas businesses, has teamed up with UNICEF to sponsor the “Youth Career Development Program,” as a way to demonstrate its commitment to local communities.

This training initiative is designed to provide economically and socially disadvantaged children with education and training opportunities at Pan Pacific’s hotels in order to enable them to acquire skills to break out of poverty. The Pan Pacific Hotel in Bangkok started the program in 1995, and was eventually joined by its counterparts in Manila, Philippines (1998), and Jakarta, Indonesia (2003). The six-month training program includes front desk, housekeeping, restaurant service, accounting, maintenance, and other hotel operation basics.

FY 2004 Program Participants
- Bangkok: 10
- Manila: 5
- Jakarta: 8

Foundation Activities

- The Gototo Museum (Est. 1959)
  - Collection includes more than 4,000 works of Oriental art, including two national treasures: “The Tale of Genji Picture Scroll” and “Murasaki Shikibu Picture Scroll.” Various exhibitions are available for public viewing.
- Daihakukyo Memorial Library (Est. 1949)
  - A rare literary collection, including ancient Japanese and Chinese manuscripts and books written by famous Edo-period authors, that is available to academic researchers.
- Gototo Memorial Foundation (Est. 1990)
  - Based on the late Noboru Gototo’s philosophy that “happiness doesn’t come merely from working hard; it comes when life is enjoyed and richness is deepened,” this foundation seeks to encourage and nurture highly skilled artists in order to enrich the artistic culture of society.

Tokyu Foundation for Better Environment (Est. 1974)
Created in an effort to clean up the Tama River, which flows through Tokyo and Kanagawa Prefecture, and its river basin, and to assist with related research projects. As of March 31, 2005, the Foundation had provided 966 grants worth a total of ¥1.16 billion.
- Tokyu Foundation for Inbound Students (Est. 1975)
  - The Tokyo Foundation for Inbound students was established with the objective as expressed by the late founder Noboru Gototo, “to foster human resources with an international understanding that will promote cultural exchange between Japan and foreign countries and bring about true good-neighborly relations.”

The scholarships are offered to foreign students from Asian and Pacific countries studying at Japanese graduate schools, to enable them to accomplish their educational goals. Up to March 31, 2005, 674 students have received scholarships from the foundation.

Natural Disaster Recovery Assistance

Advertising Campaign to Assist Victims of the Niigata Chuoetsu Earthquake
Tokyo Agency, Tokyu Corporation, and QFRONT joined forces to launch a volunteer-based advertising campaign (January 21-31, 2005) to solicit donations for victims of the Niigata Chuoetsu Earthquake disaster. The companies themselves donated posters, transit advertising spaces, and TV commercials that were broadcast via the gigantic outdoor TV screens that face Shinbashi Station in downtown Tokyo. Additionally, a total of ¥8 million collected from the Tokyu Group employees was donated to the Japan Red Cross.

Harmony Aid in Bunkamura – a benefit concert for the victims of the 2004 Asian tsunami
On March 16, 2005, Tokyu sponsored a benefit concert held at Bunkamura concert hall in Tokyo. The concert featured Maki Mori, winner of the 11th Gototo Memorial Foundation Opera Newcomer Award, and other stars. Concert proceeds and Tokyu Group employee donations, which totaled ¥4 million, were given to Japan Red Cross.

Environmental Activities

Environmental Management Systems at Tokyu Group
Each member of the Tokyu Group is taking aggressive measures to develop and implement environmental management systems. Companies that are working toward ISO 14001 certification are able to take advantage of support provided by Tokyu Corporation and other group companies that have already acquired certification. Additionally, a number of group companies are seeking to acquire EcoAction21 certification; EcoAction21 is a simplified environmental management system being promoted by the Ministry of the Environment.

Tokyu ISO 14001 Certification Status

<table>
<thead>
<tr>
<th>Business Name</th>
<th>Certified Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strato Corporation/Nagoya Plant</td>
</tr>
<tr>
<td>2</td>
<td>Musashi Institute of Technology/Fukinoo Campus</td>
</tr>
<tr>
<td>3</td>
<td>Strato Corporation/Fukuoka Plant</td>
</tr>
<tr>
<td>4</td>
<td>Tokyu Railway Service/Enagaku Rolling Stock Maintenance Center</td>
</tr>
<tr>
<td>5</td>
<td>Tokyu Construction Institute of Technology</td>
</tr>
<tr>
<td>6</td>
<td>Tokyu Construction Works in Japan</td>
</tr>
<tr>
<td>7</td>
<td>Tokyu Community Development Management Division, 1st of the 1st Sales Department, Yotsuya Office</td>
</tr>
<tr>
<td>8</td>
<td>Tokyu Corporation/headquarters</td>
</tr>
<tr>
<td>9</td>
<td>Nagoya Department/Headquarters</td>
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<td>10</td>
<td>Tokyu Facilities Service/Tokyu-Higashiyama Building Management Department</td>
</tr>
<tr>
<td>11</td>
<td>Tokyu Agency/Headquarters</td>
</tr>
<tr>
<td>12</td>
<td>Tokyu Architects &amp; Engineers/Headquarters, Central Administrative Office</td>
</tr>
<tr>
<td>13</td>
<td>Tokyu Station Retail Service/Headquarters, station stores</td>
</tr>
<tr>
<td>14</td>
<td>Nagoya Tokyu Department Stores/Headquarters, all branches</td>
</tr>
<tr>
<td>15</td>
<td>Tokyu Store Chain/Headquarters, six stores</td>
</tr>
<tr>
<td>16</td>
<td>Tokyu Foods/Headquarters, Rink Milling Center</td>
</tr>
<tr>
<td>17</td>
<td>Tokyu Department Store/Headquarters (including the Sapporo Logistics Center), Corporate Sales Division</td>
</tr>
<tr>
<td>18</td>
<td>Tokyo Bay Hotel/Hotel</td>
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<td>19</td>
<td>Saitoukyuukouki/Headquarters, Kan-e Branch</td>
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<td>20</td>
<td>Tokyo Home/Headquarters, Staff Division, 12 Offices</td>
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EcoAction21 Certification Status

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<th>Certified Date</th>
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<tr>
<td>1</td>
<td>Tokyu Bunkamura/Headquarters, Kawakami and Higashi-yanaka Operation Office, Higashi-yanaka Plant</td>
</tr>
<tr>
<td>2</td>
<td>Tokyu Haruka Corporation/Headquarters, Saitama Plant</td>
</tr>
<tr>
<td>3</td>
<td>Ueda Kotsu/Headquarters, Tokyo Iron</td>
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