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**TOKYU CORPORATION**

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**Notice Regarding Extraordinary Losses Resulting from Cancellation of Land Sales Contract**

Regarding the land we sold in the fiscal year ended March 2002, the land sales contract has been cancelled due to soil contamination on a part of the land. As a result, we will post the cost of the soil improvement of the land and revaluation loss and so on as follows:

1. Outline of the Cancelled Land Sales Contract

Location	14-2, Saginuma 4-chome, Miyamae-ku, Kawasaki-shi, Kanagawa Prefecture
Area	26,716 square meters
Purchasers	Tokyu Land Corporation Mitsubishi Corporation Nippon Steel City Produce, Inc.
Sales Price	12,930 million yen
Land Delivery Date	March 29, 2002
Land Sales Contract Cancellation Date	February 27, 2004

2. Background

We acquired the above-mentioned land in April 1995 and utilized it as a facility for employee fringe benefits, but in March 2002 we sold it to Tokyu Land Corporation, Mitsubishi Corporation, and Nippon Steel City Produce, Inc. as a condominium building site.

In January 2003 they started to build condominiums there. During the course of construction work it was found that a part of the land was contaminated by materials buried under the soil, therefore, they suspended the construction and took measures to prevent the contamination from spreading. Also, we have discussed how to remove the contaminated soil and the associated costs of doing so with those three companies.

As the seller we accepted the cancellation of the land sales contract and agreed to bear the costs to take measures for restoration of the contaminated soil. As a result, we will post as losses, the costs for the soil improvement of 5.0 billion yen, compensation for damages of 4.3 billion yen paid to the three purchasers and a revaluation loss of 4.9 billion yen due to the substantial decline in the land price.

### 3. Future Prospects

We intend to post the costs for the soil improvement of 5.0 billion yen, compensation for damages of 4.3 billion yen, and a revaluation loss of 4.9 billion yen as extraordinary losses for the fiscal year ending March 2004.

Consequently, the performance forecast for the fiscal year, released today, has included this outlook.