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**TOKYU CORPORATION**

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**Notice Regarding Revaluation Loss on Subsidiary's Shares and Revised Forecast for the Fiscal Half-year Performance (Consolidated and Non-consolidated)**

**I. Revaluation Loss on Subsidiary's Shares**

Tokyu Corporation will post a revaluation loss on shares of our subsidiary, TC Properties, Co. Ltd., for the fiscal half-year ended September 2005, based on its actual value.

(A) Revaluation loss on subsidiaries shares	7,142 million yen
(B) Net Assets as of March 2005 (A/Bx100)	237,441 million yen (3.0%)
(C) Recurring Profit for the fiscal March 2005 (A/Cx100)	46,175 million yen (15.5%)
(D) Net Income for the fiscal March 2005 (A/Dx100)	23,405 million yen (30.5%)

**II. Forecast for the Fiscal Half-year Ended September 2005 (Consolidated and Non-consolidated)**

1. Revised Forecast for the Fiscal Half-year Non-consolidated Performance

(1) Regarding non-consolidated forecast for the fiscal half-year ended September 2005 (from April 1, 2005 through September 30, 2005), the performance forecast announced on May 16, 2005 will be revised as shown in the following table.

Non-consolidated forecast for the fiscal half-year ended September 2005 (from April 1, 2005 through September 30, 2005)

(Millions of yen)

	Operating revenue	Recurring profit	Net income
The original forecast (A)	111,600	25,300	11,200
The revised forecast (B)	115,100	32,000	14,200
Changes in amounts (B-A)	3,500	6,700	3,000
Rate of changes (%)	3.1	26.5	26.8
Half year ended September 2004 actual (reference)	120,681	28,960	9,702

(2) Reasons for the above-mentioned revision were as follows;

We previously forecasted that total revenue would be 111.6 billion yen, recurring profit would be 25.3 billion yen and half-year net income would be 11.2 billion yen for the fiscal half-year ended September 2005. However, operating revenue in the railway business was up due to increase in passengers, and sales of condominium sites in the business of real estate sales and income from lease of commercial facilities in the business of real estate leasing both surpassed the plan. Therefore, we now expect that operating revenue will increase by 3.5 billion yen to 115.1 billion yen, operating profit will increase by 5.7 billion yen to 35.3 billion yen, recurring profit will increase by 6.7 billion to 32.0 billion yen and half-year net income will increase by 3.0 billion yen to 14.2 billion yen over our previous forecast.

## 2. Revised Forecast for the Fiscal Half-year Consolidated Performance

(1) Regarding consolidated forecast for the half-year ended September 2005 (from April 1, 2005 through September 30, 2005), the performance forecast announced on May 16, 2005 will be revised as shown in the following table.

Consolidated forecast for the fiscal half-year ended September 2005 (from April 1, 2005 through September 30, 2005)

(Millions of yen)

	Operating revenue	Recurring profit	Net income
The original forecast (A)	680,000	24,700	8,500
The revised forecast (B)	681,300	34,200	9,000
Changes in amounts (B-A)	1,300	9,500	500
Rate of changes (%)	0.2	38.5	5.9
Half year ended September 2004 actual (reference)	513,373	41,615	17,536

(2) Reasons for the above-mentioned revision were as follows;

We previously forecasted that operating revenue would be 680.0 billion yen, recurring profit would be 24.7 billion yen and half-year net income would be 8.5 billion yen for the fiscal half-year ended September 2005. However, we now expect that operating revenue will increase by 1.3 billion yen to 681.3 billion yen, operating profit will increase by 7.3 billion yen to 46.7 billion yen and recurring profit will increase by 9.5 billion yen to 34.2 billion yen over the previous forecast due to increase in revenue and profit mainly in our railway operation and real estate business. We have decided to close Capitol Tokyu Hotel at the end of November 2006. We will post an extra 5.8 billion yen depreciation of hotel building and facilities as an extraordinary loss. As a result, half-year net income is expected to increase by 0.5 billion yen to 9.0 billion yen.