

May 16, 2005

TOKYU CORPORATION
Representative: Kiyofumi Kamijo,
President & Representative Director
(Code No.9005, Tokyo Stock Exchange First Section)
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Notice Regarding the Share Transfer of a Subsidiary

The Board of Directors of Tokyu Corporation (hereinafter referred to as “TOKYU”) at a meeting held on May 16, 2005 resolved to transfer shares of Tokyu Logistic Co., Ltd. (hereinafter referred to as “Tokyu Logistic”), our consolidated subsidiary, by applying to a tender offer proposed by SBS Co., Ltd. (hereinafter referred to as “SBS”), as follows:

1. Reasons for the Transfer

Tokyu Logistic has operated a freight transportation business mainly in the Tokyo area. It has strived to establish the distribution network which could compete against large competitors since Sotetsu Transportation Co., Ltd., its former company, merged two other transportation companies in the Tokyu group in April 2002. However, it has faced severe business circumstances in the transportation industry such as a freight rate decrease due to stiffer competition and a cost increase due to the exhaust control of gas.

Under these circumstances, SBS which has aimed at realizing the total customer support mainly in the logistic business proposed to obtain the shares of Tokyu Logistic. We concluded that it would be the best way for Tokyu Logistic to join the SBS group enhancing its sales and marketing capacity. By doing so, two companies expect to mutually complement know-how of various operation and management resources to remain competitive in the industry and further develop in the future. So, we resolved to transfer the subsidiary’s shares by applying to a tender offer proposed by SBS.

The Board of Directors of Tokyu Logistic at a meeting held on May 16, 2005, resolved to agree to the tender offer.

2. Outline of the Transferred Subsidiary (as of the end of March 2005)

- (1) Trade name: Tokyu Logistic Co., Ltd.
- (2) Representative: Masamori Takahashi, President & Representative
Director
- (3) Head office address: 1-13-5, Minami-ooi, Shinagawa-ku, Tokyo
- (4) Date of establishment: February 5, 1940
- (5) Main businesses: Distribution business, Real estate leasing
- (6) Fiscal year end: March
- (7) Number of employees: 1,562
- (8) Capital: 2,846 million yen
- (9) Number of outstanding shares: 28,078 thousand shares
- (10) Major shareholders: (Ownership rate)
- | | | |
|------------------------------------|------------------------|----------|
| TOKYU | 13,886 thousand shares | (49.46%) |
| Tokyu Store Corporation | 1,147 thousand shares | (4.09%) |
| The Bank of Tokyo-Mitsubishi, Ltd. | 1,005 thousand shares | (3.58%) |
| Mizuho Corporate Bank, Ltd. | 961 thousand shares | (3.42%) |

(11) Business results for the recent fiscal years

(Millions of yen)

	Fiscal year ended March 2005	Fiscal year ended March 2004
Operating revenue	30,777	26,605
Operating profit	1,141	660
Recurring profit	1,133	751
Net income	994	763
Total assets	32,347	34,040
Net assets	20,266	19,980

3. Outline of the Transferee Company

Corporate name	SBS Co., Ltd.
Representative	Masahiko Kamata, President & Representative
Head office address	1-19-9 Tsutsumidori, Sumida-ku, Tokyo
Main businesses	Distribution service, human resources service, marketing service
Relationship with TOKYU	Not applicable

4. Number of Transferred Shares and Transfer Price, and Number of Owned Shares

- (1) Number of owned shares before the transfer 13,886,309 (ownership rate 49.46%)
(2) Number of transferred shares 13,886,000 (ownership rate 49.46%)
(3) Transfer price: 8,234 million yen

Note: The number of shares transferred is the total number of shares owned except for odd lot shares.

5. Schedule for Share Transfer

May 16, 2005	Approved by the Board of Directors of TOKYU
May 17, 2005	Date of public notice of commencement of tender offer
June 14, 2005	Close the tender offer period
June 21, 2005	Start the settlement of tender offer (planned date of transferring subsidiary)

6. Future Prospects

We intend to post a gain on sales of a subsidiary share of 5,747 million yen resulting from this transfer as an extraordinary gain in our non-consolidated account settlement for the year ended March 2006 and a loss on sales of a subsidiary share of 1,221 million yen as an extraordinary loss in our consolidated account settlement respectively. The non-consolidated and consolidated performance forecasts released on May 16, 2005 have already included those figures.