

October 27, 2006

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## **Notice Regarding Revised Performance Forecast (Non-consolidated and Consolidated) for Fiscal Half Year and Dividend from Surplus**

### **1. Revised Forecast for the Fiscal Half-year Ended September 2006 (Non-consolidated)**

(1) Regarding non-consolidated forecast for the fiscal half-year ended September 2006 (from April 1, 2006 through September 30, 2006), the performance forecast announced on May 15, 2006 will be revised as shown in the following table.

Non-consolidated forecast for the fiscal half-year ended September 2006 (from April 1, 2006 through September 30, 2006)

(Millions of yen)

	Total revenue	Recurring profit	Net income
The original forecast (A)	119,600	19,400	6,700
The revised forecast (B)	124,300	21,000	12,200
Changes in amounts	4,700	1,600	5,500
Rate of changes (%)	3.9	8.2	82.1
Fiscal year ending September 2005 actual (reference)	115,173	32,022	14,280

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

We previously forecasted that operating revenue would be 119.6 billion yen, recurring profit would be 19.4 billion yen and interim net income would be 6.7 billion yen for the fiscal half year ending September 2006. However, in the railway business operating profits fell below our forecast due to an increased disposal cost of fixed assets, while in the real estate sales business sales for detached houses and condominiums surpassed the

plan and revenue and profit increased, and also in the real estate leasing business revenue and profit increased. Therefore, we now expect that operating revenue will increase by 4.7 billion yen to 124.3 billion yen, operating profit will be 24 billion yen as previously expected, recurring profit will increase by 1.6 billion yen to 21 billion yen due to an increased non-operating revenue, and interim net income will increase by 5.5 billion yen to 12.2 billion yen due to an increase in extraordinary gain on sale of fixed assets, etc.

## 2. Revised Forecast for the Fiscal Half-year Ended September 2006 (Consolidated)

(1) Regarding consolidated forecast for the fiscal half-year ended September 2006 (from April 1, 2006 through September 30, 2006), the performance forecast announced on May 15, 2006 will be revised as shown in the following table.

Consolidated forecast for the fiscal half-year ended September 2006 (from April 1, 2006 through September 30, 2006)

(Millions of yen)

	Total revenue	Recurring profit	Net income
The original forecast (A)	667,000	31,000	21,000
The revised forecast (B))	667,000	33,000	27,000
Changes in amounts	---	2,000	6,000
Rate of changes (%)	---	6.5	28.6
Fiscal year ending September 2005 actual (reference)	681,314	34,219	9,022

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

We previously forecasted that operating revenue would be 667 billion yen, recurring profit would be 31 billion yen and interim net income would be 21 billion yen for the fiscal half year ending September 2006. However, mainly because of an increased profit from Tokyu Corporation, we now expect that recurring profit will increase by 2 billion yen to 33 billion yen and interim net income will increase by 6 billion yen to 27 billion yen compared with our original forecast.

### 3. Notice Regarding Dividend from Surplus

The Board of Directors of Tokyu Corporation at a meeting held on October 27, 2006 resolved to pay an interim dividend setting a record date as September 30, 2006.

#### (1) Details of the Interim Dividend

	Amount of Payment	Latest forecast for the dividend (Announced on May 15, 2006)	Actual record for the preceding term (Fiscal year ended March 2006)
Record date	September 30, 2006	Same as on the left	September 30, 2005
Dividend per share	3.00 yen	2.50 yen	2.50 yen
Total amount for the dividend	3,556 million yen	---	2,949 million yen
Payment date	December 7, 2006	---	December 9, 2005
Dividend resources	Profit reserve	---	Profit reserve

#### (2) Reasons

We have maintained a 5 yen per share dividend since the fiscal year ended March 1983 under our basic policy of continued stable dividend payout. Our initial plan for the dividend for the fiscal year ending March 2007 was 5.5 yen (2.50 yen for interim + 3.00 yen for fiscal year end) per share, considering the dividend payout ratio as well as our traditional stable dividend continuation policy. However, we have decided to increase the interim dividend by 0.50 yen to 3.00 yen and the annual dividend forecast to 6.00 yen, taking the overall situation including our business performance into account.

(Reference) The dividend is forecasted as follows.

	Dividend per share		
	The end of the fiscal half year	Fiscal year end	Annual
Forecast for the dividend	---	3.00 yen	6.00 yen
Actual record for the current term	3.00 yen	---	---
Actual record for the preceding term (Fiscal year ended March 2006)	2.50 yen	2.50 yen	5.00 yen