

May 26, 2006

**TOKYU CORPORATION**  
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## **Notice Concerning the Partial Amendment of the Articles of Incorporation**

We hereby give notification that, at the meeting of the Board of Directors of Tokyu Corporation held on May 26, 2006, we have decided to propose a partial amendment to its Articles of Incorporation at the 137th ordinary general meeting of shareholders scheduled to be held on June 29, 2006, as described below.

### **1. Reason for Amendment**

- (1) In order to increase the opportunity for asking confidence of its shareholders, and to establish a flexible management system corresponding to the change of business environment, Tokyu Corporation will establish a new provision which enables the Corporation to change the term of Board of Directors, that is currently specified as two (2) years in the Article 19 (Term) of the current Articles of Incorporation, to one year. Also, a provision will be added indicating that the term of the Board of Directors elected at the ordinary general meeting of shareholders, held on June 29, 2005, remains at two years.
- (2) The following amendment to the Articles of Incorporation will be made in accordance with enforcement of the Corporate Law of Japan (2005 Law No.86), and the Act for Maintenance, Etc. of Relevant Laws relating to the Enforcement of the Corporate Law (2005 Law No. 87) as of May 1, 2006, and other relevant laws.
  - (i) The Rights Regarding the Shares Constituting Below Unit (proposed amendment of Article 10)

Tokyu Corporation will establish a new provision which provides for the rights that the shareholders who have shares constituting below unit may exercise with regard to these shares.
  - (ii) Disclosure of Reference Documents, etc., for General Meetings of Shareholders on the Internet (proposed amendment of Article 16)

Tokyu Corporation will establish a new provision which enables the disclosure

of reference documents, etc., for general meetings of shareholders on the Internet.

(iii) Exercising Voting Rights by Proxy (proposed amendment of Article 18)

Tokyu Corporation will establish a new provision which enables the Corporation to determine that the number of proxies shall be one when exercising the voting rights by proxy by making an amendment to Article 13 of the current Articles of Incorporation.

(iv) Resolutions of Meeting of Board of Directors by way of Written Document, etc. (proposed amendment of Article 25)

In order to run the meeting of the Board of Directors flexibly, Tokyu Corporation will establish a new provision which enables resolution of meetings of the Board of Directors by way of written documents or electronic records.

(v) Liability Limitation Agreements with Outside Directors and Outside Auditors (proposed amendment of Articles 29 and 35)

In order to secure human resources who are appropriate for Outside Directors and Outside Auditors on a continuous basis, Tokyu Corporation will establish a new provision which enables conclusion of limited liability agreements with Outside Directors and Outside Auditors. The consent of each Auditor has been obtained regarding the proposal of the new provision to the general meeting of the shareholders which enables the Corporation to conclude the relevant contact with Outside Directors.

(vi) Selection and Term of Accounting Auditors (proposed amendment of Chapter 6 Articles 36 and 37)

Tokyu Corporation will establish a new provision to stipulate the selection and term of Accounting Auditors since Accounting Auditors have been included in the Corporation's Organization.

(vii) In addition to the above, Tokyu Corporation will make necessary amendments, such as the addition and deletion of necessary provisions, and revisions to terminology, quotations and expressions.

## **2. Details of Amendment**

The details of the amendments are as shown in the attached document.

## **3. Schedule of Amendment**

The general meeting of shareholders where the amendment to the Articles of Incorporation will be proposed is scheduled to be held: Thursday, June 29, 2006

Effective Date of the amendment to the Articles of Incorporation: Thursday, June 29, 2006

(Attached Document)

Details of the amendment of the Articles of Incorporation

(Amended sections are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="188 450 596 524"><b>Chapter 1 General</b> (New)</p> <p data-bbox="188 887 504 913"><u>(Method of Public Notice)</u></p> <p data-bbox="165 929 788 1263">Article 4. Public Notice of the Corporation shall be given <u>by the means of</u> the Corporation's website. The Corporation may make public notices in the Nihon Keizai Shimbun, <u>which is published in Tokyo</u>, in the event that some trouble or any other inevitable reason <u>occurs which prevents the Corporation from making public notices on the Corporation's website</u>.</p> <p data-bbox="363 1323 587 1350"><b>Chapter 2 Shares</b></p> <p data-bbox="188 1366 632 1393"><u>(Total Number of Authorized Shares)</u></p> <p data-bbox="165 1408 788 1525">Article 5. <u>The total number of shares authorized to be issued by</u> the Corporation shall be 1.8 billion (1,800,000,000) shares.</p> <p data-bbox="188 1585 268 1612">(New)</p> <p data-bbox="188 1760 788 1877">(The Number of Shares of the Corporation Constituting One Unit and No Issuance of Share Certificate for Less Than One Unit Shares)</p> <p data-bbox="165 1892 788 2009">Article 5 Paragraph 2. The number of shares of the Corporation constituting One Unit shall be one thousand (1,000) shares.</p>	<p data-bbox="1002 450 1241 477"><b>Chapter 1 General</b></p> <p data-bbox="820 492 999 519"><u>(Organization)</u></p> <p data-bbox="813 535 1430 651">Article 4. The Corporation shall have the following <u>organization in addition to the shareholder's meeting and Directors:</u></p> <p data-bbox="839 667 1107 694"><u>(1) Board of Directors</u></p> <p data-bbox="839 710 1107 736"><u>(2) Corporate Auditors</u></p> <p data-bbox="839 752 1235 779"><u>(3) Board of Corporate Auditors</u></p> <p data-bbox="839 795 1145 822"><u>(4) Accounting Auditors</u></p> <p data-bbox="820 887 1136 913"><u>(Method of Public Notice)</u></p> <p data-bbox="813 929 1430 1218">Article 5. Public notices of the Corporation shall be given <u>on</u> the Corporation's website. The Corporation may make public notices in the Nihon Keizai Shimbun in the event that <u>it is not possible to make public notices on the Corporation's website due to</u> some trouble or any other inevitable reason.</p> <p data-bbox="1011 1323 1235 1350"><b>Chapter 2 Shares</b></p> <p data-bbox="820 1366 1369 1393"><u>(Total Number of Issuable Authorized Shares)</u></p> <p data-bbox="813 1408 1430 1525">Article 6. <u>The total number of shares which</u> the Corporation <u>is authorized to issue</u> shall be 1.8 billion (1,800,000,000) shares.</p> <p data-bbox="820 1585 1015 1612"><u>(Issuing Shares)</u></p> <p data-bbox="813 1628 1430 1700">Article 7. <u>The Corporation shall issue share certificates representing its issued shares.</u></p> <p data-bbox="820 1760 1430 1877">(The Number of Shares of the Corporation Constituting One Unit and No Issuance of Share Certificate for Less Than One Unit Shares)</p> <p data-bbox="813 1892 1430 2009">Article 8. The number of shares of the Corporation constituting One Unit shall be one thousand (1,000) shares.</p>

The Corporation shall not issue share certificates for shares less than the number of the shares constituting one unit (hereafter referred to as "below unit shares"). However, this provision shall not apply if the Share Handling Regulations provide otherwise.

(Acquisition of Own Shares)

Article 6. The Corporation may repurchase its own shares upon approval by the Board of Directors by resolution in accordance with the provisions of the Commercial Code Article 211-3 Paragraph 1 Item 2.

(New)

(Additional Purchase of Below Unit Shares)

Article 7. The holder of below unit shares of the Corporation (including beneficiary shareholders; hereafter the same interpretation being applied) may make a claim of selling the number of shares that shall make one unit along with the below unit shares that the shareholder owns in

Regardless of the preceding Article, the Corporation shall not issue share certificates for shares less than the number of the shares constituting one unit (hereafter referred to as "below unit shares"). However, this provision shall not apply if the Share Handling Regulations provide otherwise.

(Acquisition of Own Shares)

Article 9. Pursuant to Article 165 Paragraph 2 of the Corporate Law, the Corporation may acquire its own shares by resolution of the Board of Directors.

(Rights of Shareholders Holding Below Unit Shares)

Article 10. The holder of below unit shares (including beneficiary shareholders; hereafter the same interpretation being applied.) shall not be entitled to exercise the rights of shareholders in connection with such below unit shares other than the following rights:

- (1) The rights stipulated in Article 189 Paragraph 2 of each item of the Corporate Law.
- (2) The right to make a claim in accordance with Article 166 Paragraph 1 of the Corporate Law
- (3) The right to subscribe for new shares or stock acquisition rights in proportion to the number of the shares owned by the said shareholder.
- (4) The right to make a claim stipulated in the following Article.

(Additional Purchase of Below Unit Shares)

Article 11. The holder of below unit shares of the Corporation may make a claim of selling the number of shares that shall make one unit along with the below unit shares that the shareholder owns in accordance with the Share Handling Regulations.

accordance with the Share Handling Regulations.

(Transfer Agent)

Article 8. The Corporation shall have a transfer agent for its shares.

The transfer agent and the location of its office shall be appointed by a resolution of the Board of Directors, and public notice thereof shall be given.

The register of shareholders and beneficial shareholders of the Corporation (hereafter referred to as register of shareholders, etc.) and the register of lost share certificates shall be kept at the office of the transfer agent. The register of shareholders and any other matters related to the shares shall be handled by the transfer agent and not by the Corporation.

Purchasing below unit shares and additional purchasing shall be handled by the transfer agent.

(Share Handling)

Article 9. Handling of shares of the Corporation, purchasing and additional purchasing of the below unit shares shall be subject to the Share Handling Regulations established by the Board of Directors.

(Record Date)

Article 10. The Corporation shall deem any shareholder entered or recorded in the final register of shareholders as of March 31 in such year to be a shareholder entitled to exercise its rights at the ordinary general meeting of shareholders for the accounting term.

In addition to the preceding paragraph, whenever necessary, the Corporation may set a record date upon giving prior public notice thereof.

(Agent for the Register of Shareholders)

Article 12. The Corporation shall have an agent for the register of shareholders.

The agent for the register of shareholders and the location of its office shall be designated by a resolution of the Board of Directors, and public notice thereof shall be given.

The register of shareholders (including the register of beneficial shareholders; hereinafter the same interpretation being applicable), the register of stock acquisition rights and lost share certificates, and the register of stock acquisition rights, shall be created and kept by the agent for the register of shareholders; as well, any other matters related to the register of shareholders, the stock acquisition rights, and lost share certificates shall be handled by the agent for the register of shareholders and not by the Corporation.

(Deleted)

(Share Handling)

Article 13. Handling of related shares of the Corporation, and fees related thereto, shall be governed by relevant laws and these Articles of Incorporation as well as the Share Handling Regulations established by the Board of Directors.

(Deleted)

**Chapter 3 General Meetings of Shareholders**

(New)

(New)

(Resolution of General Meeting of Shareholders)

Article 12. All resolutions of general meetings of shareholders shall be passed by a majority of voting rights of the shareholders attending. However, it shall not apply where the laws and regulations or these Articles of Incorporation stipulate otherwise.

Special resolutions as specified by Article 343 of the Commercial Code shall be passed by not less than two-thirds (2/3) of the voting rights at the shareholder's meeting where shareholders who hold not less than one-third (1/3) of the voting rights of all shareholders attend.

**Chapter 3 General Meetings of Shareholders**

(Record Date of Ordinary General Meetings of Shareholders)

Article 15. The record date for exercising the voting right at the ordinary general meeting of shareholders shall be March 31 of each year.

(Disclosure of the Reference Documents, etc., for General Meeting of Shareholders on the Internet)

Article 16. Upon convening a general meeting of shareholders, the Corporation may deem that the information which is required to be described or indicated in reference documents for the general meeting of shareholders, business reports, financial statements, and consolidated financial statements, shall be provided to the shareholders, in the event that it is disclosed, pursuant to the laws and regulations stipulated by Ministry of Justice, through a method by which shareholders may receive such information through the Internet.

(Resolution of General Meeting of Shareholders)

Article 17. All resolutions of general meetings of shareholders shall be adopted by a majority vote of the shareholders attending the meeting who are entitled to vote, unless otherwise provided by laws and regulations or these Articles of Incorporation.

Resolutions as specified by Article 309 Paragraph 2 of the Corporate Law shall be adopted by not less than two-thirds (2/3) of the votes of the shareholders attending at the meeting who hold shares representing in aggregate not less than one-third (1/3) of the voting rights of all shareholders who are entitled to vote.

(Voting of Proxy)

Article 13. In case a shareholder exercises his/her voting right through a proxy, such proxy shall be a shareholder of the Corporation who is entitled to vote. The shareholder or its proxy shall file with the Corporation a letter of attorney establishing the proxy's power of representation.

(Minutes of General Meetings of Shareholders)

Article 16. The results of the general meeting of shareholders shall be entered or recorded in the minutes, which shall bear the names and seal impressions or the electronic signatures of the Chairman and the Directors attending thereat.

#### **Chapter 4 Directors and Board of Directors**

(Election of Directors)

Article 18. The resolution for electing the Directors shall be adopted at the general meeting of shareholders by a majority vote of the shareholders attending who hold one-third (1/3) or more of the total number of voting rights. No cumulative voting shall be permitted for the election.

(Term of Directors)

Article 19. The term of Directors shall expire at the closing of the ordinary general meeting of shareholders to be held for the last fiscal year of the Corporation ending within two (2) years after their assumption of office.

The term of office of any Director elected in order to fill a vacancy or increase the number of Directors shall be the balance of the term of office of the other Directors who hold office at the time of his/her election.

(Voting of Proxy)

Article 18. A shareholder is entitled to exercise his/her voting right through one proxy who shall be a shareholder of the Corporation who is entitled to vote.

The shareholder or its proxy shall file with the Corporation a document establishing the proxy's power of representation for each general meeting of shareholders.

(Deleted)

#### **Chapter 4 Directors and Board of Directors**

(Election of Directors)

Article 22. The resolution for electing the Directors shall be adopted at the general meeting of shareholders by a majority vote of those attending, where shareholders who hold one-third (1/3) or more of the votes of shareholders who are entitled to vote attend. No cumulative voting shall be permitted for the election.

(Term of Directors)

Article 23. The term of Directors shall expire at the closing of the ordinary general meeting of shareholders to be held for the last business year of the Corporation ending within one (1) year after their election.

(Deleted)

(Convening Meetings of the Board of Directors)

Article 20. Notice to convene a meeting of the Board of Directors shall be given to each Director and Corporate Auditor seven (7) days prior to the date set for such meeting. However, in the case of emergency, such period may be shortened.

(New)

(Representative Directors)

Article 22. The Corporation shall, by a resolution of the Board of Directors, designate one or more Directors who shall represent the Corporation. However, the President shall be a representative Director.

(New)

### **Chapter 5 Corporate Auditors and Board of Corporate Auditors**

(Election of Corporate Auditors)

Article 25. The resolution for electing the Corporate Auditors shall be adopted at the general meeting

(Convening Meetings of the Board of Directors)

Article 24. Notice to convene a meeting of the Board of Directors shall be given to each Director and Corporate Auditor not less than one (1) week prior to the date set for such meeting. However, in the case of emergency, such period may be shortened.

(Resolution of the Board of Directors by way of written document, etc.)

Article 25. The Corporation may deem that the resolution of the Board of Directors has been given regarding the matters requiring the Board of Directors, in the event that the requirements stipulated in Article 370 of the Corporate Law have been met.

(Representative Directors)

Article 27. The Corporation shall, by a resolution of the Board of Directors, elect one or more Directors who shall represent the Corporation. The President shall be a representative Director.

(Liability Limitation Agreement with Outside Directors)

Article 29. The Corporation may enter into liability limitation agreements with any outside Director which limit the liability provided for in Article 423 Paragraph 1 of the Corporate Law to the amount stipulated in laws and regulations, provided that such outside Director is bona fide and without gross negligence.

### **Chapter 5 Corporate Auditors and Board of Corporate Auditors**

(Election of Corporate Auditors)

Article 31. The resolution for electing the Corporate Auditors shall be adopted at the general meeting

of shareholders by a majority vote of the shareholders attending who hold one-third (1/3) or more of the total number of voting rights.

(Term of Corporate Auditors)

Article 26. The term of Corporate Auditors shall expire at the closing of the ordinary general meeting of shareholders to be held for the last fiscal year of the Corporation ending within four (4) years after their assumption of office.  
The term of any Corporate Auditor elected to fill a vacancy shall be the balance of the term of the Corporate Auditor whom he/she succeeds.

(Convening Meetings of the Board of Corporate Auditors)

Article 27. Notice to convene a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor seven (7) days prior to the date set for such meeting. However, in the case of emergency, such period may be shortened.

(New)

of shareholders by a majority vote of the those attending, where shareholders who hold one-third (1/3) or more of the votes of shareholders who are entitled to vote attend.

(Term of Corporate Auditors)

Article 32. The term of Corporate Auditors shall expire at the closing of the ordinary general meeting of shareholders to be held for the last business year of the Corporation ending within four (4) years after their election.  
The term of any Corporate Auditor elected to fill a vacancy due to the resignation of another Corporate Auditor before the expiration of his/her term shall expire at the expiration of the term of such retired Corporate Auditor.

(Convening Meetings of the Board of Corporate Auditors)

Article 33. Notice to convene a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor not less than one (1) week prior to the date set for such meeting. However, in the case of emergency, such period may be shortened.

(Liability Limitation Agreement with Outside Corporate Auditors)

Article 35. The Corporation may enter into liability limitation agreements with any Outside Corporate Auditor which limit the liability provided for in Article 423 Paragraph 1 of the Corporate Law to the amount stipulated in laws and regulations, provided that such Outside Corporate Auditor is bona fide and without gross negligence..

(New)

(New)

(New)

### **Chapter 7 Accounts**

(Dividends)

Article 31. The Corporation shall pay the dividends to shareholders or registered pledges entered or recorded in the final register of shareholders, etc. on March 31 of each year.

(Interim Dividends)

Article 32. The Corporation may, by resolution of the Board of Directors, make the distributions of money pursuant to the provision of Article 293-5 of Commercial Code (the cash to be thus distributed being hereafter referred to as the "interim dividends") to the shareholders or registered pledges entered or recorded in the final register of shareholders, etc., on September 30 of each year.

(Limitation Period of Dividends, etc.)

Article 33. In case any dividend or interim dividend shall not have been received within a period of three (3) years from the date of the tender for payment of the same, the payment belongs to the

### **Chapter 6 Accounting Auditors**

(Election of Accounting Auditors)

Article 36. Accounting Auditors shall be elected at the general meeting of shareholders.

(Term of Accounting Auditors)

Article 37. The term of Accounting Auditors shall expire at the closing of the ordinary general meeting of shareholders to be held for the last business year of the Corporation ending within one (1) year after their election.

In the event that a resolution has not been made at the general meeting of shareholders described in the preceding Article, the Accounting Auditors shall be deemed to be reelected.

### **Chapter 8 Accounts**

(Record Date of Dividends from Surplus)

Article 40. The record date for the dividends of the Corporation shall be March 31 of each year. In addition to the preceding paragraph, the Corporation may make dividends from surplus, specifying a record date.

(Interim Dividends)

Article 41. The Corporation may, by resolution of the Board of Directors, make the interim dividends on September 30 of each year as the record date.

(Limitation Period of Dividends)

Article 42. In the case where the dividends from surplus are distributed by cash, and if this has not been received within a period of three (3) years from the date of the tender for payment of the

<p>Corporation.</p> <p><u>(The Converting Period and Dividends of the Convertible Bonds)</u></p> <p>Article 34. <u>For the payment of dividends or interim dividends for the shares issued by converting the Convertible Bonds, the conversion date shall be deemed as April 1 if the claim of converting has been made from April 1 to September 30, or October 1 if the claim of converting has been made from October 1 to March 31 of the following year.</u></p> <p>(New)</p>	<p>same, the <u>money</u> belongs to the Corporation.</p> <p>(Deleted)</p> <p><u>Supplementary Provision</u></p> <p><u>Regardless of the stipulation in Article 23, the term of the Directors elected at the general meeting of shareholders held on June 29, 2005 shall be the closing of ordinary general meeting of shareholders that is scheduled to be held on June 2007.</u></p> <p><u>This supplementary provision shall be deleted after the expiration.</u></p>
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