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Notice Regarding Revised Forecast for the Fiscal Year Performance

(Non-consolidated and Consolidated)

I. Revised Forecast for the Fiscal Year Ending March 2006 (Non-consolidated)

1. Regarding non-consolidated forecast for the fiscal year ending March 2006 (from April 1, 2005 through March 31, 2006), the performance forecast announced on November 15, 2005 will be revised as shown in the following table.

Non-consolidated forecast for the fiscal year ending March 2006 (from April 1, 2005 through March 31, 2006)

(Millions of yen)

	Total revenue	Recurring profit	Net income
The original forecast (A)	242,500	53,400	27,000
The revised forecast (B)	244,900	54,300	34,000
Changes in amounts (B-A)	2,400	900	7,000
Rate of changes (%)	1.0	1.7	25.9
Fiscal year ending March 2005 actual (reference)	248,272	46,175	23,405

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

We previously forecasted that total revenue would be 242.5 billion yen, operating profit would be 62.4 billion yen, recurring profit would be 53.4 billion yen and net income would be 27.0 billion yen for the fiscal year ending March 2006. However, compared with the previous forecast, in the railway operation profits would decrease by 1.7 billion yen due to an increased disposal cost of fixed assets, while in sales of real estate business our high-level sales would surpass the plan and raise profits by 2.6 billion yen. Therefore, we now expect that total revenue will increase by 2.4 billion yen to 244.9 billion yen, operating profit will increase by 0.9 billion yen to 63.3 billion yen and recurring profit will increase by 0.9 billion yen to 54.3 billion yen over our previous forecast.

Also, a 7.1 billion yen gain on sales of affiliates' shares which was announced on February 7, 2006, as well as gains on sales of fixed assets and investment securities would boost an

extraordinary gain. Consequently, net income is expected to increase by 7.0 billion yen to 34.0 billion yen over our previous forecast.

II. Revised Forecast for the Fiscal Year Ending March 2006 (Consolidated)

1. Regarding consolidated forecast for the fiscal year ending March 2006 (from April 1, 2005 through March 31, 2006), the performance forecast announced on November 15, 2005 will be revised as shown in the following table.

Consolidated forecast for the fiscal year ending March 2006 (from April 1, 2005 through March 31, 2006)

	(Millions of yen)		
	Total revenue	Recurring profit	Net income
The original forecast (A)	1,385,000	66,600	30,000
The revised forecast (B)	1,390,000	68,500	35,000
Changes in amounts (B-A)	5,000	1,900	5,000
Rate of changes (%)	0.4	2.9	16.7
Fiscal year ending March 2005 actual (reference)	1,055,564	67,034	35,432

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

We previously forecasted that total revenue would be 1,385.0 billion yen, operating profit would be 81.0 billion yen, recurring profit would be 66.6 billion yen and net income would be 30.0 billion yen for the fiscal year ending March 2006. However, compared with our previous forecast, the transportation business would lower profits due to an increased disposal cost of fixed assets in railway operation, while growth in sales in real estate sales business would raise profits in the real estate business.

Also in the retail business, the performance of Tokyu Department Store Co., Ltd would surpass the planned figure and the revenue and profits would grow, and the profits of the shopping center section of Tokyu Corp. which has been doing well would also grow. As a result, it is expected that total revenue will increase by 5.0 billion yen to 1,390.0 billion yen, operating profit will increase by 1.5 billion yen to 82.5 billion yen and recurring profit will increase 1.9 billion yen to 68.5 billion yen over our previous forecast. In addition, an extraordinary gain made by sales of affiliates' shares and fixed assets and so forth would increase net income by 5.0 billion yen to 35.0 billion yen over our previous forecast.

(Reference)

A consolidated interest-bearing debt at the end of the fiscal year ending March 2006 is expected to drop by 113.4 billion yen to 1,130.0 billion yen, compared to the preceding fiscal year end. The interest-bearing debt would decrease by 35.0 billion yen over our forecast of 1,165.0 billion yen as of November 15, 2005, because of an increase in cash flow from operating activities and sales of fixed assets and investment securities surpassing the plan.