

For Immediate Release

July 27, 2007

**TOKYU CORPORATION**  
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## **Notice of Merger of a Consolidated Subsidiary by Absorption**

Tokyu Corporation (hereinafter the “Company”) resolved at a meeting of its Board of Directors held on July 27, 2007 to absorb the Tokyu Hotel Chain Co., Ltd., its wholly owned subsidiary, effective September 28, 2007. Details of the merger are as follows.

This merger will be executed through the procedures for a simplified merger.

### **1. Purpose of the merger**

Tokyu Hotel Chain Co., Ltd., a wholly owned subsidiary of the Company, has played a central role in Tokyu Group’s efforts to restructure its hotel business. As the hotel business consolidation and restructuring has reached completion, we decided to transfer the subsidiary’s holding-company function to the Company, and to merge the subsidiary with the Company by absorption effective September 28, 2007.

### **2. Summary of the merger**

#### (1) Merger schedule

Board of Directors meeting for approving the Merger Agreement: July 27, 2007

Signing of the Merger Agreement: July 27, 2007

Date of merger (effectuation date): September 28, 2007 (plan)

Registration of the merger: September 28, 2007 (plan)

#### (2) Merger method

Tokyu Hotel Chain Co., Ltd. will be dissolved using the method known as merger by absorption with the Company as the surviving company. The Company and Tokyu Hotel Chain Co., Ltd. will carry out the merger by absorption using the simplified merger

method based on Paragraph 3, Article 796 of the Company Law and the short-form merger method based on Paragraph 1, Article 784 of the same law, respectively, without obtaining the approval at their respective general shareholders meetings.

### 3. Handling of stock acquisition rights and convertible bonds issued by the non-surviving company

No corresponding item exists.

### 4. Profile of the companies (as of March 31, 2007)

(1) Name	Tokyu Corporation (surviving company)	Tokyu Hotel Chain Co., Ltd. (disappearing company)
(2) Business Description	Railroad business and real estate business	Hotel business
(3) Date of Establishment	September 2, 1922	November 20, 1950
(4) Head Office Address	5-6 Nanpeidaicho, Shibuya-ku, Tokyo	5-6 Nanpeidaicho, Shibuya-ku, Tokyo
(5) Representative	Toshiaki Koshimura, President	Hajime Yoshida, President
(6) Paid-in Capital	¥121,723 million	¥100 million
(7) Number of shares issued	1,221,546,909 shares	107,857,132 shares
(8) Net assets	¥363,282 million (consolidated)	¥21,009 million (non-consolidated)
(9) Total assets	¥1,949,350 million (consolidated)	¥21,325 million (non-consolidated)
(10) Settlement Period	March 31	March 31
(11) Major shareholders and their holdings	The Dai-ichi Mutual Life Insurance Company: 6.81% Nippon Life Insurance Company: 6.05% Japan Trustee Services Bank, Ltd. (accounts in trust): 4.01% Others	Tokyu Corporation: 100%

### 5. Post-merger state

- (1) Name Tokyu Corporation  
(2) Business Description Railway business and real estate business

- (3) Head Office Address 5-6 Nanpeidaicho, Shibuya-ku, Tokyo
- (4) Representative Toshiaki Koshimura, President
- (5) Paid-in capital No capital increase through the merger
- (6) Settlement Period March 31

(7) Anticipated impact of the merger on business results

The impact of the merger on non-consolidated business results for the fiscal year ending March 2008 will be minor.

There will be no impact on consolidated business results, as the merger is with a consolidated subsidiary.