

Regarding the Collaboration with Tokyu REIT, Inc. (TOKYU REIT)

Tokyu Corporation

Tokyu Corporation (the “Company”) announces that it will further strengthen the collaboration with Tokyu REIT, Inc. (“TOKYU REIT”) with whom it has collaborated with as a sponsor since TOKYU REIT was listed in September 2003.

TOKYU REIT is the seventh real estate investment trust (REIT) that was listed in Japan and upholds as its basic policy, “investment in highly competitive properties in areas with strong growth potential.” It is an investment corporation which only invests in the Tokyo Metropolitan Area placing its major target areas of investment as the central 5 wards of Tokyo (Chiyoda, Chuo, Minato, Shibuya and Shinjuku wards) and areas along the Tokyu rail lines.

At this time, Tokyu Land Corporation (“Tokyu Land”), which is a sponsor of TOKYU REIT together with the Company, made a request that it would like to cancel its sponsorship of TOKYU REIT. Tokyu Land has decided to establish and list a new REIT that targets retail facilities and offices in major cities throughout Japan, and made this request so that the respective growth strategy of both investment corporations can be realized since there were concerns that competition would arise between TOKYU REIT and the new REIT that Tokyu Land is planning to establish and list.

As the operational area of the real estate development and leasing business that the Company operates largely overlaps with the target areas of TOKYU REIT, and the Company will be able to promote improvement of the added value in the areas along Tokyu rail lines and optimize the Company’s balance sheet, while aiming to continuously improve the relationship in contributed properties based on the “Capital Re-investment Model*1” advocated by TOKYU REIT. Therefore, the Company will become the sole sponsor of TOKYU REIT and strive to strengthen the strategic collaboration with TOKYU REIT.

*1 Under this model, the Company shall reinvest capital collected by contributing properties to TOKYU REIT into real estate development and such in areas along Tokyu rail lines. Through this, economic activity in areas along Tokyu rail lines will be revitalized and improvement of added value in target areas of TOKYU REIT, and maintenance or improvement of the value of owned properties will be realized.

Specifically, the Company will acquire investment units of TOKYU REIT and shares of the investment management company of TOKYU REIT, Tokyu Real Estate Investment Management Inc. (“Tokyu REIM”), that Tokyu Land owns and assign more personnel to Tokyu REIM. Furthermore, the pipeline support function existing since TOKYU REIT was listed will be continued and the Company will proactively provide opportunities to TOKYU REIT for acquiring properties which meet its investment property qualifications. By doing so, the Company recognizes that the functions of owning and leasing real estate of TOKYU REIT will take on an increasing role in our operational area going forward.

On the other hand, in order to win the trust of our shareholders, unitholders of TOKYU REIT and also the market, the Company will maintain and secure appropriate distance as a related party, as it has in the past.

Moreover, with regards to this matter, the four parties of the Company, Tokyu Land, TOKYU REIT and Tokyu REIM have signed a letter of intent stipulating necessary procedures, etc. as of today. With regards to the Company’s acquisition of TOKYU REIT investment units owned by Tokyu Land, approval of the Board of Directors of both the

Company and Tokyu Land are required, and thus it shall be implemented after the amendments of the Articles of Incorporation are approved at the General Meeting of Unitholders of TOKYU REIT.

This notice may contain forward-looking statements, such as current plans, strategies, and future performance. These forward-looking statements are based on judgments obtained from currently available information. Please be advised that, for a variety of reasons, actual results may differ materially from those discussed in the forward-looking statements. Events that might affect actual results include, but are not limited to, fluctuations of the real estate market in Japan, general conditions of the Japanese economy, competitive pressures and relevant regulations.

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