



March 29, 2012

FOR IMMEDIATE RELEASE

**TOKYU CORPORATION**

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**Notice of Demerger (Simplified Absorption-Type Demerger)**

Tokyu Corporation (hereinafter referred to as “the Company”) and its wholly owned subsidiary YUFUKOUGEN Co., Ltd. (hereinafter referred to as “YUFUKOUGEN”) announce that meetings of their Board of Directors held on March 27, 2012 decided that the Company will transfer the real estate sales business it operates in Yufuin-cho, Yufu City, Oita Prefecture (hereinafter referred to as the “YUFUKOUGEN Business”) to YUFUKOUGEN through a demerger and that they will enter into a demerger agreement for this transfer. Details are as described below.

As this procedure is an absorption-type demerger by which a business segment of the Company is transferred to its wholly owned subsidiary, certain matters and disclosures are omitted.

1. Purpose of realignment

The Company operates a resort housing sales business in Yufuin-cho, Yufu City, Oita Prefecture, while YUFUKOUGEN operates a resort housing management business and golf course operations as ancillary businesses. The Company has now decided to realign the organization for the purpose of increasing the efficiency of these businesses by unifying the business promotion system in Yufuin-cho, Yufu City, Oita Prefecture, while clarifying the revenue and expenditure of individual businesses.

2. Summary of the realignment

(1) Schedule (planned)

March 27, 2012	<ul style="list-style-type: none"><li>• Board of Directors meetings of the Company and YUFUKOUGEN (approval of the conclusion of the demerger agreement)</li><li>• Conclusion of the absorption-type demerger agreement</li></ul>
June 1, 2012	<ul style="list-style-type: none"><li>• Effective date (absorption-type demerger)</li></ul>

(Note) As this procedure meets the requirements for the simplified demerger in accordance with Article 784 of the Companies Act for the Company and those for the short-form demerger in accordance with Article 794 of the Companies Act for YUFUKOUGEN, both will be carried out without seeking the approval of a general meeting of shareholders.

(2) Split method

Absorption-type demerger (simplified demerger) with YUFUKOUGEN as the succeeding company.

(3) Allotment of shares pertaining to the demerger

As this is an absorption-type demerger to a wholly owned subsidiary, no allotment of new shares, etc. due to the demerger will be conducted.

(4) Handling of share options and bonds with share options associated with the demerger

Not applicable

(5) Amount of stated capital to change due to the demerger

Stated capital does not change.

(6) Rights and obligations to be succeeded by the succeeding company

YUFUKOUGEN will succeed assets, etc. and rights and obligations related to the YUFUKOUGEN Business on the date of the demerger, with June 1, 2012 as the date of demerger.

(7) Prospect for the performance of debt obligations

We have judged that there will be no problem in the prospect for the performance of debt obligations to be assumed by YUFUKOUGEN after the demerger.

3. Overview of the companies involved

(Million yen)

	(Splitting company) As of March 31, 2011	(Succeeding company) As of March 31, 2011
(1) Company Name	Tokyu Corporation	YUFUKOUGEN Co., Ltd.
(2) Head Office	5-6 Nanpeidai-cho, Shibuya-ku, Tokyo	899-1, Kawakita Aza Kougen, Yufuin-cho, Yufu City, Oita
(3) Representative	Toshiaki Koshimura, President & Representative Director	Tetsuo Nakano, President & Representative Director
(4) Business Areas	Railway operations, real estate business	Resort housing sales business, resort housing management business
(5) Paid in Capital	121,724 million yen	81 million yen
(6) Established	September 2, 1922	February 13, 1973
(7) Number of Shares Issued	1,263,525,752 shares	31,500 shares
(8) Fiscal Year End	March	March
(9) Major Shareholders and Shareholding Ratio (As of September 30, 2011)	The Dai-ichi Life Insurance Co., Ltd. 6.13% Nippon Life Insurance Company 5.51% Japan Trustee Services Bank, Ltd. (trust account) 3.63%	Tokyu Corporation 100%
(10) Net Assets	416,565 (Consolidated)	137
(11) Total Assets	1,955,077 (Consolidated)	220
(12) Net Shares per Share (Yen)	322.04 (Consolidated)	4,375.89
(13) Operating Revenue	1,152,125 (Consolidated)	350
(14) Operating Profit	57,119 (Consolidated)	3
(15) Recurring Profit	52,873 (Consolidated)	3
(16) Net Income	40,051 (Consolidated)	3
(17) Net Income per Share (Yen)	32.05 (Consolidated)	100.26

4. Overview of business segment to be demerged

(1) Business of the segment to be demerged

YUFUKOUGEN Business (the real estate sales business which the Company operates in Yufuin-cho, Yufu City, Oita Prefecture)

(2) Operating results of the segment to be demerged

Operating revenue: 395 million yen (results for the fiscal year ended March 31, 2011)

(3) Items and amounts of assets and liabilities to be demerged

(As of September 30, 2011)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	3 million yen	Current liabilities	–
Fixed assets	252 million yen	Long-term liabilities	–
Total	255 million yen	Total	–

5. Status of the Company after the realignment

(1) Company name, head office location, representative's name and title, business areas, paid in capital and fiscal year end

The demerger will not have an impact on any of these items.

(2) Future outlook

The impact of the demerger on the consolidated and non-consolidated business performances will be minor.