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FOR IMMEDIATE RELEASE

TOKYU CORPORATION
Representative: Kazuo Takahashi, President
& Representative Director
(Code: No.9005, Tokyo Stock Exchange First Section)
Contact:
Katsumi Oda, Senior Manager,
Accounting and IR Group
(Telephone: +81-3-3477-6168)

Notice Regarding the Signing of the Company Split (Absorption-type Demerger) Agreement
(Update of the Previous Disclosure)

Tokyu Corporation (the “Company”) announces that a meeting of the Board of Directors today resolved that the railway business of the Company (including the track operation) will be transferred to Tokyu Dentetsu Bunkatsu Junbi Kabushiki Kaisha (“Preparatory Company”) by the company split effective October 1, 2019, and signed the absorption-type demerger agreement with the successor company. This was previously announced in the press release dated September 12, 2018. Details are as follows:

The company split will be implemented on the condition that it is approved and adopted at the Annual General Meeting of Shareholders to be held on June 27, 2019, and that licenses and approvals are obtained as necessary from the government and public agencies with jurisdiction.

Because the successor company relating to the company split is a wholly owned subsidiary of the Company, regarding the absorption-type demerger in which the business division will be succeeded to the successor company, some of the disclosure items/contents are omitted.

1. Update of the disclosure

As the update to “Notice of Separation of Railway Business through a Company Split” disclosed on September 12, 2018, reorganization was executed on April 1, 2019 as already announced, to promptly and flexibly respond to the rapidly changing business environment looking ahead to the company split of the railway business. Also, the aim is to further strengthen each business by the Company and consolidated subsidiaries united as one and take on a challenge beyond the existing framework.

Moreover, the Preparatory Company, the successor company of the railway business of the Company, was established as the Company’s wholly owned subsidiary on April 25, 2019. The Company is to be renamed Tokyu Corporation and the Preparatory Company is to be renamed Tokyu Railways Co., Ltd., respectively, on September 2, 2019.

As initiatives toward the company split advance steadily, as mentioned at the beginning, the absorption-type demerger agreement was signed today, with the Company being the split company and the Preparatory Company being the successor company. The effective date is expected to be October 1, 2019, as planned.

2. Outline of the Company Split

(1) Schedule

- (i) Record date of the Annual General Meeting of Shareholders (the Company)
Sunday, March 31, 2019
- (ii) The Board of Directors to resolve the split
(the Company, Preparatory Company (Note 1))
Monday, May 27, 2019
- (iii) Signing of the absorption-type demerger agreement
(the Company, Preparatory Company)
Monday, May 27, 2019
- (iv) The Annual General Meeting of Shareholders to approve the split
(the Company) Thursday, June 27, 2019 (Scheduled)
(Preparatory Company) Thursday, June 27, 2019 (Scheduled)
- (v) Effective date for the split Tuesday, October 1, 2019 (Scheduled)

(Note 1) The Preparatory Company was established as a wholly owned subsidiary of the Company on April 25, 2019, as specified in the press release “Notice Regarding Establishment of a Subsidiary (Preparatory Company for the Separation of Railway Business through a Company Split)” dated March 27, 2019.

(2) Method

A spin-off (*bunsha-gata*) absorption-type company split, with the Company being the split company and the Preparatory Company being the successor company

(3) Allocation relating to the split

The Preparatory Company will allot/issue to the Company one share of stock. Since the above absorption-type demerger with the above successor company will be a spin-off absorption-type demerger with the Company’s wholly owned subsidiary as the successor company, no valuation was undertaken by a third-party institution.

(4) Handling of stock acquisition rights and bonds with the stock acquisition rights associated with the split

As no stock acquisition rights and bonds with the stock acquisition rights are issued, there are no applicable items.

(5) Capital increase/decrease due to the split

There will be no change in the capital of the Company due to the split.

(6) Rights and obligations assumed by the successor company

Unless otherwise provided by the absorption-type demerger agreement dated May 27, 2019, signed by the Company, the Preparatory Company will succeed all the assets and rights owned by the Company as of the effective date in connection with the railway business run by the Company, all the liabilities and obligations to be borne by the Company as of the effective date in connection with the aforementioned business, and all related contractual status.

(7) Prospect of fulfillment of debt obligation

The Company examined the estimated amount of assets, liabilities and profitability of the Company and the successor company after the company split. As a result, it is judged that there will not be a problem regarding the certainty of fulfillment of obligations to be borne by the Company and the successor company after the split. Moreover, the transfer of liabilities and obligations to the successor company will be undertaken using the concomitant assumption method.

3. Outline of the split company

3-1. The split company

(As of March 31, 2019)

(1) Trade name	Tokyu Corporation (Tokyo Kyuko Dentetsu Kabushiki Kaisha) (the trade name is to be Tokyu Corporation on September 2, 2019)	
(2) Location	Nanpeidai-cho 5-6, Shibuya-ku, Tokyo	
(3) Title/name of representative	Kazuo Takahashi, President & Representative Director	
(4) Business contents	Railway business, real estate business	
(5) Capital	121,724 million yen	
(6) Date of establishment	September 2, 1922	
(7) Number of issued shares	624,869,876 shares	
(8) Fiscal year-end	March	
(9) Number of employees	4,666 persons (non-consolidated basis) 23,637 persons (consolidated basis)	
(10) Main customers	General people	
(11) Main banks	Development Bank of Japan Inc., Sumitomo Mitsui Trust Bank, Limited., MUFG Bank, Ltd., Mizuho Bank, Ltd.	
(12) Major shareholders and shareholding ratio	The Dai-ichi Life Insurance Company, Limited	6.36%
	Master Trust Bank of Japan, Ltd. (trust account)	6.11%
	Japan Trustee Services Bank, Ltd. (trust account)	4.62%
	Nippon Life Insurance Company	3.86%
	Sumitomo Mitsui Trust Bank, Limited	3.68%
	Japan Trustee Services Bank, Ltd. (trust account 5)	1.75%
	Mitsubishi UFJ Trust and Banking Corporation	1.64%
	Mizuho Bank, Ltd.	1.63%
	MUFG Bank, Ltd.	1.62%
	Taiyo Life Insurance Company	1.57%

(13) Financial positions and operating results for the past 3 years (on a consolidated basis)

Fiscal year-end	FY2016	FY2017	FY2018
Total assets	2,148,605	2,266,997	2,412,876
Net assets	678,382	754,153	796,164
Net assets per share (yen)	1,034.77	1,158.15	1,225.85
Operating revenue	1,117,351	1,138,612	1,157,440
Operating profit	77,974	82,918	81,971
Recurring profit	76,449	83,746	81,907
Profit attributable to owners of parent	67,289	70,095	57,824
Net income per share (yen)	110.02	115.42	95.14

(Unless otherwise specified, the table is shown in units of million yen.)

3-2. Successor company

(As of April 25, 2019)

(1) Trade name	Tokyu Dentetsu Bunkatsu Junbi Kabushiki Kaisha (The trade name is to be changed to Tokyu Railways Co., Ltd. on September 2, 2019)
(2) Location	Nanpeidai-cho 5-6, Shibuya-ku, Tokyo
(3) Title/name of representative	Isao Watanabe, President & Representative Director
(4) Business content	Railway business (not being operated before the split)
(5) Capital	10 million yen
(6) Date of establishment	April 25, 2019
(7) Number of issued shares	1 share
(8) Fiscal year-end	March
(9) Major shareholders and shareholding ratio	Tokyu Corporation 100%
(10) Financial position and operating results of the business year immediately before the split (Only financial positions at the time of establishment are stated)	
Total assets	10 million yen
Net assets	10 million yen
Net assets per share	10 million yen

4. Outline of the business division to be split

(1) Business contents of the business to be split

Successor company	Business contents of the business to be split
Preparatory Company	Railway business

(2) Operating results of the division to be split

Business contents of the business to be split	FY2018 Operating revenue of the business to be split	FY 2018 Operating revenue of the Company	Ratio (%)
Railway business	156,406	284,531	55.0

(Unless otherwise specified, the table is shown in units of million yen.)

(3) Titles and amounts of assets and liabilities to be split

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	300	Current liabilities	700
Fixed assets	6,100	Long-term liabilities	0
		Special legal reserves	150
Total	6,400	Total	850

(Unless otherwise specified, the table is shown in units of 100 million yen.)

Book values of assets, liabilities and special legal reserves to be split are estimates calculated based on the balance sheet as of March 31, 2019, and the actual amount to be succeeded after the split will be different from the aforementioned amounts.

5. Status after the split (Scheduled for October 1, 2019)

5-1. Status of the listed company

(1) Trade name	Tokyu Corporation (The trade name is to be changed from Tokyu Corporation (Tokyo Kyuko Dentetsu Kabushiki Kaisha) on September 2, 2019)
(2) Location	Nanpeidai-cho 5-6, Shibuya-ku, Tokyo
(3) Title/name of representative	Kazuo Takahashi, President & Representative Director (as of May 27, 2019)
(4) Business contents	Real estate business
(5) Capital	121,724 million yen
(6) Fiscal year-end	March
(7) Net assets	There will be no change in net assets (on a consolidated basis) from the split.
(8) Total assets	There will be no change in total assets (on a consolidated basis) from the split.

5-2. Status of the successor company

(1) Trade name	Tokyu Railways Co., Ltd. (The trade name is to be changed from Tokyu Dentetsu Bunkatsu Junbi Kabushiki Kaisha on September 2, 2019)
(2) Location	Nanpeidai-cho 5-6, Shibuya-ku, Tokyo
(3) Title/name of representative	Isao Watanabe, President & Representative Director (as of May 27, 2019)
(4) Business contents	Railway business
(5) Capital	100 million yen
(6) Fiscal year-end	March

6. Outline of accounting principles

Because the successor company is a wholly owned subsidiary of the Company, the split will constitute a transaction under common control.

7. Performance outlook after the split

Because the successor company is a wholly owned subsidiary of the Company, the impact of the company split on the consolidated performance of the Company will be immaterial.

End.