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For Immediate Release

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**Notice Regarding a Short-Form Absorption-Type Merger and a Short-Form Absorption-Type Demerger  
between the Company and Consolidated Subsidiaries Due to the Reorganization of the Commercial  
Facilities Management Business and an Extraordinary Loss Caused by the Waiver of Claims in Non-  
Consolidated Financial Statements**

Tokyu Corporation (the "Company") announces that at a meeting of its Board of Directors held on March 24, 2025, the Board of Directors decided to proceed with an absorption-type merger (the "Absorption-type Merger") with Tokyu Department Store Co., Ltd. ("Tokyu Department Store"), a wholly owned subsidiary. This merger is planned to take effect on August 1, 2025.

Tokyu Department Store plans to execute an absorption-type demerger, effective August 1, 2025. Tokyu Department Store will act as the splitting company and will transfer its department store operations to a new company (TK Department Store Preparatory Corporation; "Tokyu Department Store Preparatory Corporation"), which the Company will establish as a wholly owned subsidiary. Following this absorption-type demerger, the Company will execute an absorption-type merger with Tokyu Department Store.

The Company also decided to carry out an absorption-type demerger (the "Absorption-type Demerger"). The Absorption-type Demerger is planned to take effect on August 1, 2025. The Company will be the splitting company and will transfer the shares of its wholly owned commercial facilities management subsidiaries to a new entity (Tokyu Retail Management Co., Ltd.; "Tokyu Retail Management") that will be established as a wholly owned subsidiary of the Company. The commercial facilities management subsidiaries will be defined below.

Since the Absorption-type Merger is a short-form/simplified merger targeting a wholly owned subsidiary, the Company is disclosing information that omits certain information and details, and the impact of the Absorption-type Merger on the Company's consolidated financial results will be minor.

After the Absorption-type Demerger, the Company's total assets are expected to change by less than 10% of its net assets at the end of the preceding fiscal year. Its operating revenue is likely to change by less than 3% of the operating revenue for the preceding fiscal year. Accordingly, the Company is disclosing information with some omissions. It is expected that the impact of the demerger on the Company's consolidated financial results will be minor.

## 1. Purpose of reorganization

In the Three-year Medium-term Management Plan announced on March 25, 2024, the Company positions the three years covered by the plan as a reboot period amidst the changing external environment. The Company aims to shift to management that emphasizes capital efficiency while reinforcing its management foundation through business and corporate strategies, and to achieve the sustainable increase of corporate value.

The Company's retail operations are divided into two segments: commercial facilities management and food and daily necessities retail. In 2022, the Company structured its operations so that Tokyu Store Chain Co., Ltd. would lead the food and daily necessities retail segment.

In the commercial facilities management business, the Company operates 28 facilities, department stores and shopping centers, primarily located in areas served by Tokyu lines (excluding mixed-use projects). As the environment for the commercial facilities management business undergoes significant change, the Company is restructuring Tokyu Department Store, and each Group company is working to enhance its competitive edge.

The Company aims to create a management structure that effectively implements its business strategy across the Group companies to provide customer experiences that exceed expectations and to transform the commercial facilities management business into one that offers customers a greater sense of enjoyment and abundance, regardless of the changes in the social environment. To achieve this goal, the Company will establish Tokyu Retail Management, which will oversee the management of commercial facilities for the Company and its consolidated subsidiaries. Tokyu Retail Management will unify the management functions of the commercial facilities operated by Tokyu Department Store Co., Ltd. (which refers to Tokyu Department Store Preparatory Corporation, which plans to change its business name to Tokyu Department Store Co., Ltd. as mentioned below), Tokyu Malls Development Corporation, Shibuya 109 Entertainment Corporation, Nagano Tokyu Department Store Co., Ltd., Shibuya Chikagai Co., Ltd., and Tokyu Malls Development (Hong Kong) Limited (collectively, "Commercial Facilities Management Subsidiaries"), all of which are wholly owned subsidiaries.

## 2. Main points of the reorganization

### (1) Reorganization schedule

#### a. Absorption-type merger between the Company and Tokyu Department Store

Approval of the merger agreement (the Company) March 24, 2025

Approval of the merger agreement (Tokyu Department Store Co., Ltd.) June 2025 (plan)

Conclusion of the merger agreement June 2025 (plan)

Effective date of the merger August 1, 2025 (plan)

\*The Absorption-type Merger is considered a short-form merger as specified in the paragraph (2), Article 796 of the Companies Act for the Company and a simplified merger as specified in the paragraph (1), Article 784 of the Companies Act for Tokyu Department Store. Therefore, the two companies will merge without holding General Meetings of Shareholders to obtain shareholders' approval of the merger agreement.

Based on the current financial position, the Absorption-type Merger would result in a loss on extinguishment of tie-in shares. However, the Company plans to waive its claims against Tokyu Department Store to eliminate this loss before the Absorption-type Merger.

Details of the claims to be waived Short-term loans receivable and long-term loans receivable

Amount of the claims to be waived                      Maximum 8.0 billion yen (plan)

Implementation Date                      August 1, 2025 (plan)

Due to the waiver of loan receivables from Tokyu Department Store, the Company plans to post the estimated amount of the claims to be waived as an extraordinary loss in its non-consolidated financial statements for the fiscal year ending March 31, 2025. This waiver of claims will have no impact on the Company's business performance on a consolidated basis because the loss is eliminated in its consolidated financial results for the fiscal year ending March 31, 2025.

b. Absorption-type demerger between the Company and Tokyu Retail Management

Approval of the demerger agreement (the Company)                      March 24, 2025

Establishment of Tokyu Retail Management                      April 1, 2025

Approval of the demerger agreement (Tokyu Retail Management)                      June 2025 (plan)

Signing of the demerger agreement                      June 2025 (plan)

Effective date for the split                      August 1, 2025 (plan)

\*The Absorption-type Demerger is considered a short-form absorption-type demerger specified in Article 784, Paragraph 2 of the Companies Act for the Company and a simplified absorption-type demerger set forth in Article 796, Paragraph 1 of the Companies Act for Tokyu Retail Management. Neither company is required to have the demerger agreement approved through a resolution at a shareholders' meeting.

(For reference) Absorption-type demerger of Tokyu Department Store

Approval of the demerger agreement (Tokyu Department Store)                      June 2025 (plan)

Establishment of Tokyu Department Store Preparatory Corporation April 1, 2025

Approval of the demerger agreement (Tokyu Department Store Preparatory Corporation)  
June 2025 (plan)

Signing of the demerger agreement                      June 2025 (plan)

Effective date for the split                      August 1, 2025 (plan)

\*Tokyu Department Store Preparatory Corporation plans to change the name of its business to Tokyu Department Store Co., Ltd. on August 1, 2025.

(2) Procedures for the reorganization

- a. Short-form absorption-type merger where the Company is the surviving company, and Tokyu Department Store is the absorbed company
- b. Short-form absorption-type demerger where the Company is the splitting company, and Tokyu Retail Management is the succeeding company

(3) Allocation related to the reorganization

No shares or money will be allocated or delivered.

(4) Handling of share acquisition rights and bonds with share acquisition rights associated with the reorganization

The Company has issued bonds with share acquisition rights. This will not change.

Tokyu Department Store has not issued share acquisition rights or bonds with share acquisition rights.

(5) Increase/decrease in stated capital due to the Absorption-type Demerger

There will be no increase or decrease in the Company's capital stock as a result of the Absorption-type Demerger.

(6) Rights and obligations to be assumed by the succeeding company after the Absorption-type Demerger

Tokyu Retail Management will take over the shares of the Commercial Facilities Management Subsidiaries from the Company on the effective date.

(7) Prospect of fulfillment of debt obligation

The Company and Tokyu Retail Management anticipate that their assets will exceed their liabilities after the reorganization. Currently, there are no expected circumstances that might impede the fulfillment of obligations incurred by either company after the reorganization. Consequently, both the Company and Tokyu Retail Management have concluded that there will be no issues regarding their ability to meet obligations after the reorganization.

3. Profiles of companies involved in the reorganization

Splitting company in the Absorption-type Demerger and surviving company in the Absorption-type Merger

(1) Name	TOKYU CORPORATION	
(2) Location	Nanpeidai-cho 5-6, Shibuya-ku, Tokyo	
(3) Title/name of representative	Masahiro Horie, President and Representative Director	
(4) Business contents	Real estate leasing, real estate sales and other businesses	
(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) Large shareholders and their shareholding ratios (as of September 30, 2024)	Master Trust Bank of Japan, Ltd. (trust account)	14.30%
	Custody Bank of Japan, Ltd. (Trust Account)	4.61%
	The Dai-ichi Life Insurance Company, Limited	4.14%
	Nippon Life Insurance Company	3.93%
	Sumitomo Mitsui Trust Bank, Limited	3.38%
	STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing Proxy Settlement & Clearing Services Dept. of Mizuho Bank, Ltd.)	2.03%
	Mizuho Bank, Ltd.	1.65%
	Taiyo Life Insurance Company	1.58%
	Mitsubishi UFJ Trust and Banking Corporation	1.56%
	MUFG Bank, Ltd.	1.49%
(10) Consolidated financial position and operating results in the most recent fiscal year (ended March 31, 2024)		
	Net assets	829,581 million yen
	Total assets	2,652,073 million yen

Net assets per share	1,317.32 yen
Operating revenue	1,037,819 million yen
Operating profit	94,905 million yen
Ordinary profit	99,292 million yen
Profit attributable to owners of parent	63,763 million yen
Net income per share	105.84 yen

Succeeding company in the Absorption-type Demerger (as of April 1, 2025) (plan)

(1) Name	Tokyu Retail Management Co., Ltd.
(2) Location	37-5 Udagawacho, Shibuya-ku, Tokyo
(3) Title/name of representative	Masamichi Hotta , Director
(4) Business contents	Commercial Facility Management Business, etc.
(5) Capital	10 million yen
(6) Date of establishment	April 1, 2025 (plan)
(7) Number of issued shares	100 shares
(8) Fiscal year-end	March 31
(9) Major shareholders and shareholding ratio	TOKYU CORPORATION 100%

(Note) Tokyu Retail Management will be newly established, and the information provided above is based on the Company's plan.

Absorbed company in the Absorption-type Merger

(1) Name	Tokyu Department Store Co., Ltd
(2) Location	2-24-1 Dogenzaka, Shibuya-ku, Tokyo
(3) Title/name of representative	Tsugunori Oishi, President & Representative Director
(4) Business contents	Department store operations
(5) Capital	100 million yen
(6) Date of establishment	March 7, 1919
(7) Number of issued shares	70,000,000 shares
(8) Fiscal year-end	January 31
(9) Major shareholders and shareholding ratio	TOKYU CORPORATION 100%
(10) Financial position and operating results in the most recent fiscal year (ended January 31, 2024)	
Net assets	2,654 million yen
Total assets	85,544 million yen
Net assets per share	37.91 yen
Operating revenue	168,177 million yen
Operating profit	-84 million yen
Ordinary profit	-286 million yen
Net income	196 million yen
Net income per share	2.80 yen

(Note) Tokyu Department Store will transfer its department store operations to Tokyu Department Store

Preparatory Corporation through an absorption-type demerger, after which the Company will absorb Tokyu Department Store. The table below presents the estimated assets and liabilities that the Company will acquire from Tokyu Department Store through the Absorption-type Demerger between the two companies.

Assets		Liabilities	
Item	Book value (Million yen)	Item	Book value (Million yen)
Current assets	500	Current liabilities	2,000
Fixed assets	19,100	Long-term liabilities	17,600
Total	19,600	Total	19,600

(Note) The above items and amounts of assets and liabilities were calculated based on the balance sheet dated January 31, 2024. The actual assets and liabilities to be transferred may differ from the above figures considering any changes occurring from that date to the effective date of the Absorption-type Merger.

#### 4. Overview of the business to be split (absorption-type demerger between the Company and Tokyo Retail Management)

##### (1) Business contents of the business to be split

In the Absorption-type Demerger, the shares of the Commercial Facilities Management Subsidiaries held by the Company will be transferred to Tokyu Retail Management. Any business division of the Company will not be transferred.

##### (2) Operating results of the division to be split

There is no applicable item.

##### (3) Items and amounts of the assets and liabilities to be split (As of March 31, 2024)

Assets		Liabilities	
Item	Book value (Million yen)	Item	Book value (Million yen)
Current assets	-	Current liabilities	-
Fixed assets	46,729	Long-term liabilities	-
Total	46,729	Total	-

(Note) The above items and amounts of assets and liabilities were calculated based on the balance sheet dated March 31, 2024. The actual assets and liabilities to be transferred may differ from the above figures considering any changes occurring from that date to the effective date of the Absorption-type Demerger.

#### 5. State of the companies after the reorganization

The business names, locations, titles and names of representatives, businesses, capital, and fiscal years of the Company and Tokyu Retail Management will not change after the reorganization.

#### 6. Future outlook

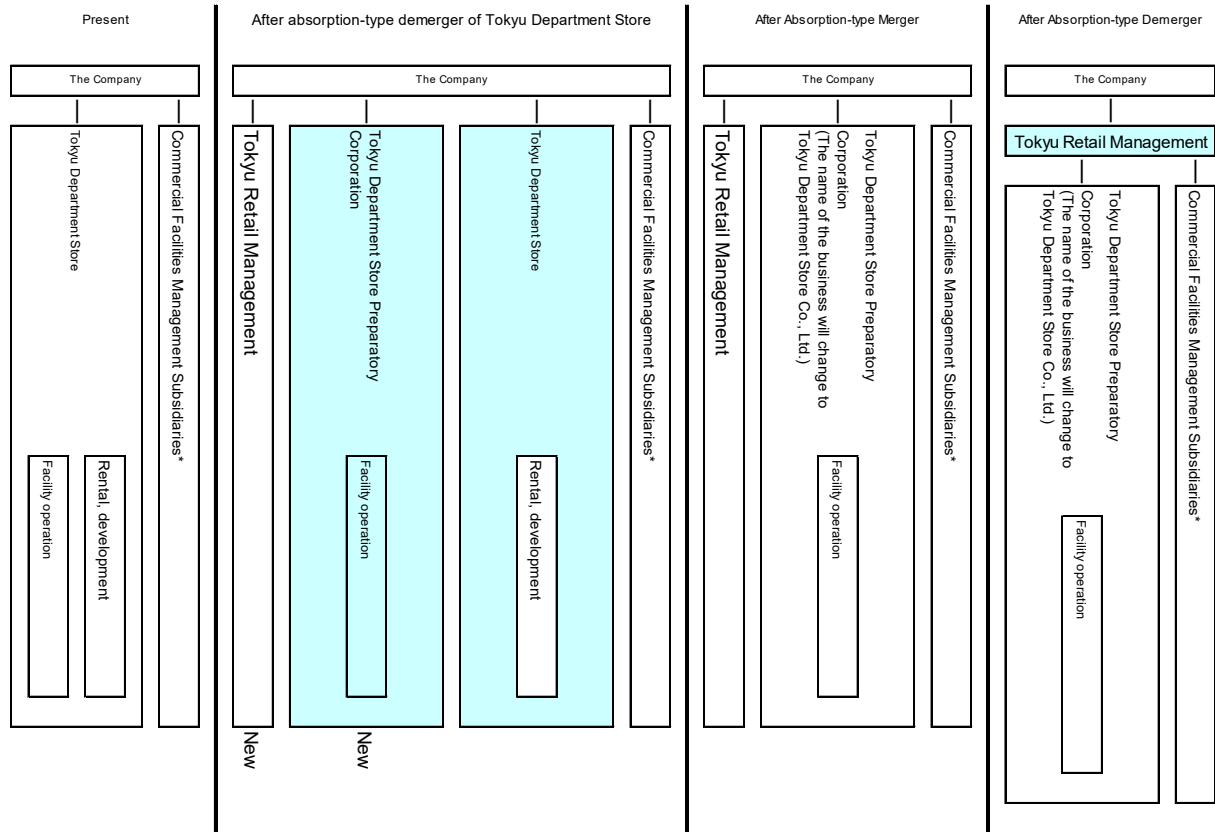
The reorganization solely affects the Company and its consolidated subsidiaries and its impact on the

consolidated results is minor and insignificant. The Company will promptly provide any information that needs to be disclosed.

(For reference) Consolidated forecasts for the fiscal year ending March 31, 2025 (announced on November 8, 2024) and results for the previous fiscal year

	Operating revenue	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
Forecasts for the year ending March 2025	Million yen 1,065,000	Million yen 101,000	Million yen 104,400	Million yen 74,000	(yen) 129.30
Consolidated results for the previous fiscal year (Fiscal year ended March 31, 2024)	Million yen  1,037,819	Million yen  94,905	Million yen  99,292	Million yen  63,763	(yen)  105.84

(For reference) Reorganization scheme



\*Five companies: Tokyu Malls Development Corporation, Shibuya 109 Entertainment Corporation, Nagano Tokyu Department Store Co., Ltd., Shibuya Chikagai Co., Ltd. and Tokyu Malls Development (Hong Kong) Limited