

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
Fiscal Results For the Third Quarter of the Fiscal Year Ended March 31, 2006

Tokyu Corporation

February 15, 2006

Stock Code:	9005	Listed exchanges:	Tokyo
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U.S. GAAP Accounting Principles:	Not adopted	Telephone:	81-3-3477-6168

1. Consideration Regarding Preparation for Overall Condition of Quarterly Performance

- 1) Adoption of simplified accounting principles: Partially adopted for which having little effect on financial statements.
- 2) Changes in accounting principles from the recent consolidated fiscal years:
Operating segments have been partly revised starting from this financial year. Please refer to the appendix 4. Segment information for further details.
- 3) Changes in extent of consolidation and adoption of equity method:
Consolidated subsidiaries: included 1, excluded 11, Equity method affiliates: included 1, excluded 2

2. The Third Quarter Consolidated Financial Results (April 1, 2005 to December 31, 2005) for the Fiscal Year Ended March 31, 2006

1) Consolidated Operating Results

Amounts less than 1 million yen have been rounded down

	Nine months ended December 31, 2005		Nine months ended December 31, 2004		Fiscal Year ended March 31, 2005
	Millions of yen,	%	Millions of yen,	%	Millions of yen, %
Operating revenue	1,018,691	32.3	770,189	(18.2)	1,055,564
Operating profit.....	71,942	19.2	60,375	13.4	77,014
Recurring profit.....	57,509	8.5	53,018	29.2	67,034
Net income.....	26,283	(5.3)	27,745	12.4	35,432
Net income per share (Yen)		22.41		24.41	31.11
Net income per share (diluted) (Yen).....		20.94		22.76	29.00

Notes: Percentages for operating revenue, operating profit, recurring profit and net income represent the amount of change over the previous comparable period.

[Qualitative information regarding operating results (Consolidated)]
Result of the Railway Business (Non-consolidated)

	December 31, 2005	December 31, 2004	Change	
	Thousand	Thousand	Thousand,	%
Number of passengers carried				
Non-commuter.....	306,291	302,935	3,356	1.1
Commuter.....	447,338	442,521	4,817	1.1
Total	753,629	745,456	8,173	1.1
Revenue from Railway service	Millions of yen	Millions of yen	Millions of yen,	%
Non-commuter.....	51,584	51,133	451	0.9
Commuter.....	40,407	39,311	1,095	2.8
Total.....	91,992	90,445	1,547	1.7

Transportation

Regarding railway operation in our transportation business, the network effect and an increase in population living in the areas along Tokyu's railway lines boosted from the same period last year the number of passengers carried in the third quarter by 1.1% in both non-commuter and commuter with an overall increase of 1.1%. Revenue from railway service also rose by 1.7%. From this fiscal year, Tokyu Air Cargo Co., Ltd and Tokyu Logistic Co., Ltd have been excluded from consolidation through share transfer. Therefore, operating revenue in our transportation business decreased 51,870 million yen to 145,800 million yen. However, operating profit increased 6,137 million yen to 37,438 million yen reflecting decreased disposal cost of fixed assets in our railway business.

Real Estate

As for our real estate business, sales for corporation fell from the same period last year in the real estate sales business. Therefore, operating revenue in the real estate business decreased 2,796 million yen to 103,380 million yen. However, aided by solid sales of detached houses and condominiums primarily in Tama Den-en Toshi, operating profit rose 3,337 million yen to 18,530 million yen.

Retail

In our newly segmented retail business, consolidation of Tokyu Department Store Co., Ltd. boosted operating revenue by 220,468 million yen to 494,443 million yen. Despite amortization of consolidation adjustment account resulting from making Tokyu Department Store Co., Ltd. a wholly owned subsidiary, operating profit also increased 1,434 million yen to 8,496 million yen.

Leisure and services

In the leisure and service business, our CATV company 'its communications inc.' successfully boosted the number of subscribers for both broadcasting and communications services. The number of households subscribing for the CATV service as of the end of this third quarter increased 38,068 to 521,880. Also, consolidation of Tokyu Agency raised operating revenue and operating profit by 99,205 million yen to 141,409 million yen and 751 million yen to 2,492 million yen, respectively.

Hotel

Our hotels in Nagoya area posted favorable results aided by Aichi World Exposition 2005. The occupancy ratio of the hotels under the direct management of Tokyu Hotels Chain Co., Ltd. increased by 0.8 point from the same period a year ago and reached 81.1% in this third quarter. Although sale of a hotel curtailed overall sales, operating revenue rose 135 million yen to 78,632 million yen and operating profit also increased 931 million yen to 3,908 million yen.

Others

In other business, operating revenue fell 3,254 million yen to 103,763 million yen and operating profit decreased 1,727 million yen to 88 million yen loss, curtailed by lower profit in manufacturing of rolling stock for railway operations.

In conclusion, the results of this third quarter compared with the same period 2004 were: Operating revenue increased 248,501 million yen to 1,018,691 million yen and operating profit increased 11,567 million yen to 71,942 million yen, Recurring profit increased 4,490 million yen to 57,509 million yen after posting an investment loss of 7,677 million yen on equity method with our affiliate's adoption of impairment accounting, and net income decreased 1,461 million yen to 26,283 million yen in this third quarter.

2) Financial Position (Consolidated)

	Millions of yen		
	As of December 31, 2005	As of December 31, 2004	Fiscal Year ended March 31, 2005
Total assets	2,030,536	1,946,570	2,113,208
Shareholders' equity	238,961	182,665	185,058
Equity ratio (%)	11.8%	9.4 %	8.8 %
Shareholders' equity per share (Yen)	202.91yen	160.12 yen	162.21 yen

[Consolidated Statement of Cash Flows]

	Millions of yen		
	As of December 31, 2005	As of December 31, 2004	Fiscal Year ended March 31, 2005
Cash flows from operating activities	118,697	95,751	129,590
Cash flows from investing activities	(32,189)	17,778	9,557
Cash flows from financing activities	(101,126)	(115,730)	(116,796)
Cash and cash equivalent at end of period .	51,015	40,357	65,510

[Qualitative information regarding financial position (Consolidated)]

Consolidated cash flows at the end of this third quarter were as follows. Cash flows from operating activities reached 118,697 million yen. Regarding cash flows from investing activities, 69,962 million yen was paid for capital expenditure, and 25,190 million yen was gained by the sale of fixed assets and securities, therefore net cash used investment activities was 32,189 million yen. Regarding cash flows from financing activities, expenditure amounted to 101,126 million yen due to repayment of interest-bearing debts, etc.

As a result, cash and cash equivalent at the end of this third quarter decreased 14,494 million yen to 51,015 million yen compared to the end of the previous fiscal year.

With regard to the financial position at the end of this third quarter, interest-bearing debt decreased 105,035 million yen to 1,138,441 million yen and shareholders' equity increased 53,902 million yen to 238,961million yen over the last fiscal year end with equity ratio of 11.8%.

3. Consolidated Forecast for Fiscal Year 2005 (April 1, 2005 – March 31, 2006)

	Millions of yen
	Full year
Revenue from Operations	1,390,000
Recurring profit.....	68,500
Net Income	35,000

Notes: Forecasted net income per share for the full year: 29.72 yen

[Qualitative information regarding forecast]

Revenue from operations, recurring profit and net income in the above fiscal year performance forecast have been revised up from the previous forecast announced on November 15, 2005. Refer to the "Notice Regarding Revised Forecast for the Fiscal Year Performance (Consolidated and Non-consolidated)" announced on February 15, 2006 for further information.

Note: The above forecast was made based on information obtainable on the day of release. Actual results may differ from the forecast depending upon an assortment of factors.

Attachment

1. Consolidated balance sheets
2. Consolidated statement of income
3. Consolidated statement of cash flows
4. Segment information

Fiscal Results for the third quarter ended March 31, 2006: Appendix

1. Consolidated Balance Sheets

(Millions of yen)

Assets				
Item	3rd quarter	Fiscal 2004	Change	3rd quarter
	Fiscal 2005	Fiscal 2004		Fiscal 2004
	As of December 31, 2005	As of March 31, 2005		As of December 31, 2004
(Assets)				
Current Assets	388,072	418,354	(30,282)	352,638
Cash and deposits	46,611	63,285	(16,673)	33,792
Trade notes & accounts receivable	123,201	139,249	(16,048)	93,792
Securities	34	108	(74)	98
Inventories	163,909	164,067	(158)	178,122
Deferred tax assets	16,967	23,008	(6,041)	11,718
Other current assets	38,441	29,739	8,702	35,944
Allowance for doubtful accounts	(1,094)	(1,105)	11	(830)
Fixed Assets	1,642,464	1,694,853	(52,388)	1,593,931
Tangible fixed assets	1,255,113	1,289,042	(33,928)	1,172,821
Buildings & structures	526,388	563,190	(36,802)	523,028
Rolling stock & machinery	53,222	56,546	(3,323)	52,386
Land	503,628	519,257	(15,629)	451,808
Construction in progress	152,543	128,740	23,802	126,560
Others	19,330	21,305	(1,975)	19,037
Intangible fixed assets	50,214	38,352	11,861	33,729
Consolidation adjustment account	15,595	4,396	11,198	---
Others	34,619	33,955	663	33,729
Investments & others	337,137	367,458	(30,321)	387,380
Investment securities	173,933	161,883	12,049	186,572
Long-term loans receivable	1,121	1,407	(285)	632
Deferred tax assets	19,091	48,867	(29,776)	65,729
Others	161,617	174,056	(12,438)	151,358
Allowance for doubtful accounts	(18,627)	(18,756)	129	(16,911)
Total Assets	2,030,536	2,113,208	(82,671)	1,946,570

(Millions of yen)

Liabilities, Minority Interests & Shareholders' Equity				
Item	3rd quarter Fiscal 2005	Fiscal 2004	Change	3rd quarter Fiscal 2004
	As of December 31, 2005	As of March 31, 2005		As of December 31, 2004
(Liabilities)				
Current Liabilities	661,419	696,482	(35,062)	615,584
Trade notes & accounts payable	133,370	131,835	1,535	85,508
Short-term debt	264,482	314,181	(49,698)	301,241
Current portion of corporate bonds	60,000	64,700	(4,700)	49,100
Accrued income taxes	5,166	4,365	800	22,776
Reserve for employees' bonuses	8,341	12,259	(3,918)	8,541
Advance received & amount received for uncompleted construction	92,243	74,784	17,459	66,209
Others	97,816	94,356	3,459	82,208
Fixed Liabilities	1,048,296	1,119,578	(71,281)	1,043,220
Corporate bonds	271,294	311,998	(40,704)	332,098
Long-term debt	542,665	552,598	(9,932)	452,013
Reserve for employees' retirement benefits	44,307	50,436	(6,128)	45,166
Reserve for directors' retirement benefits	2,235	3,265	(1,029)	2,705
Guarantee deposits	126,095	128,950	(2,855)	134,481
Deferred tax liabilities	20,113	26,676	(6,563)	26,123
Deferred tax liabilities from land revaluation	10,463	10,185	277	7,421
Consolidation adjustment account	---	---	---	8,830
Others	31,122	35,468	(4,345)	34,380
Special legal reserves	31,345	34,933	(3,588)	35,678
Urban Railways Improvement Reserve	31,345	34,933	(3,588)	35,678
Total Liabilities	1,741,062	1,850,994	(109,932)	1,694,483
(Minority Interests)				
Minority interests	50,513	77,155	(26,641)	69,420
(Shareholders' Equity)				
Common stock	108,822	108,820	2	108,820
Capital surplus	104,217	85,523	18,694	85,519
Profit reserve	(4,818)	(20,240)	15,422	(31,024)
Land revaluation reserve	9,868	5,269	4,598	11,100
Unrealized holding gains (losses) on securities	28,136	17,359	10,776	18,410
Foreign currency translation adjustment account	(5,339)	(9,047)	3,707	(7,971)
Treasury stock	(1,926)	(2,627)	701	(2,189)
Total Shareholders' Equity	238,961	185,058	53,902	182,665
Total Liabilities, Minority Interests & Shareholder's Equity	2,030,536	2,113,208	(82,671)	1,946,570

2. Consolidated Statement of Income

(Millions of yen)

Item	3rd quarter	3rd quarter	Change	Fiscal 2004
	Fiscal 2005 From April 1, 2005 to December 31, 2005	Fiscal 2004 From April 1, 2004 to December 31, 2004		From April 1, 2004 to March 31, 2005
Operating revenue	1,018,691	770,189	248,501	1,055,564
Cost of revenue from operations	946,748	709,814	236,933	978,549
Cost of operating revenue	765,933	601,473	164,460	830,643
Selling, general and administrative expenses	180,814	108,341	72,473	147,906
Operating profit	71,942	60,375	11,567	77,014
Non-operating revenue	11,083	12,020	(936)	15,268
Interest & dividends	1,617	1,290	326	1,432
Equity in profits of affiliates	---	1,680	(1,680)	1,079
Other income	9,466	9,048	417	12,757
Non-operating expenses	25,517	19,377	6,140	25,249
Interest paid	15,618	15,928	(309)	20,738
Equity in losses of affiliates	7,677	---	7,677	---
Other expenses	2,220	3,448	(1,228)	4,510
Recurring profit	57,509	53,018	4,490	67,034
Extraordinary gains	15,302	47,883	(32,581)	58,655
Extraordinary losses	26,121	52,717	(26,596)	72,601
Net income before income taxes	46,690	48,184	(1,494)	53,088
Income taxes	4,942	24,171	(19,228)	4,159
Income tax adjustment	24,398	(6,980)	31,378	10,678
Minority interests	(8,934)	3,248	(12,183)	2,817
Net income	26,283	27,745	(1,461)	35,432

(Millions of yen)

Note: Breakdown of extraordinary gains	3rd quarter	3rd quarter	Changes	Fiscal 2004
	Fiscal 2005	Fiscal 2004		
Gain on reversal of urban railways improvement reserve	5,400	3,980	1,420	5,307
Gain on sale of affiliates' shares	2,623	1,385	1,237	1,388
Gain on sale of fixed assets	2,093	7,884	(5,791)	10,818
Subsidies received for construction	119	10,378	(10,259)	11,187
Gain on retirement benefits trust establishment	---	16,831	(16,831)	16,831
Breakdown of extraordinary losses				
Impairment loss	7,240	---	7,240	3,324
Extraordinary depreciation of hotel buildings and facilities	5,844	---	5,844	---
Appraisal loss on real estate for sale	4,284	11,883	(7,599)	18,099
Loss on sale of fixed assets	2,289	17,934	(15,644)	19,651
Loss on change of retirement benefits scheme	---	13,069	(13,069)	13,071

3. Consolidated Statements of Cash Flow

(Millions of yen)

Item	3rd quarter FY2005 From April 1,2005 to December 31,2005	3rd quarter FY2004 From April 1,2004 to December 31,2004	change	FY2004 From April 1,2004 to March 31,2005
I. Cash flows from operating activities				
Net income before income taxes	46,690	48,184	(1,494)	53,088
Depreciation and amortization	41,409	40,439	970	54,854
Impairment loss	7,240	—	7,240	3,324
(Decrease) increase in employees' retirement benefit reserve	(2,595)	(13,880)	11,284	(22,355)
Retirement benefit trust establishment amount	—	17,120	(17,120)	17,120
Gain on retirement benefit trust establishment	—	(16,831)	16,831	(16,831)
Subsidies received for construction	(119)	(10,378)	10,259	(11,187)
Reduction in subsidies received for construction	103	5,738	(5,635)	6,444
Loss (gain) on sale of fixed assets	196	10,049	(9,853)	8,833
Loss on disposal of fixed assets	3,020	7,807	(4,786)	9,636
Extraordinary depreciation of hotel buildings and facilities	5,844	—	5,844	—
Appraisal losses on real estate for sale	4,284	11,883	(7,599)	18,099
Equity in losses (profits) of equity-accounted affiliates	7,677	(1,680)	9,358	(1,079)
Decrease (increase) in accounts receivable	10,423	1,865	8,558	(9,211)
Decrease (increase) in inventories	(3,536)	11,870	(15,406)	35,426
(Decrease) increase in trade payables	4,455	(1,663)	6,119	1,710
(Decrease) increase in advances received	2,949	3,652	(702)	(32)
Interest payable	15,618	15,928	(309)	20,738
Others	(8,751)	(15,245)	6,494	(16,284)
Subtotal	134,914	114,860	20,054	152,295
Interest and dividends received	2,370	1,808	561	1,965
Interest paid	(15,147)	(16,066)	919	(21,213)
Income taxes paid	(3,440)	(4,850)	1,410	(3,456)
Net cash provided by operating activities	118,697	95,751	22,945	129,590
II. Cash flows from investing activities				
Payment for purchases of fixed assets	(69,962)	(62,778)	(7,184)	(98,298)
Proceeds from sale of fixed assets	14,150	61,994	(47,844)	69,806
Payment for purchases of investment securities	(9,500)	(1,557)	(7,942)	(1,981)
Proceeds from sale of investment securities	11,040	17,380	(6,340)	30,624
Payment for aquisition of subsidiaries' shares	(790)	(16,624)	15,834	(2,825)
Payments for aquisition of subsidiaries' shares resulting from change in scope of consolidation	—	—	—	(11,223)
Proceeds from sale of subsidiaries' shares resulting from change in scope of consolidation	8,285	4,004	4,280	3,493
Proceeds from subsidies received for construction	14,847	14,351	496	19,398
Others	(259)	1,007	(1,267)	563
Net cash used in investing activities	(32,189)	17,778	(49,967)	9,557
III. Cash flows from financing activities				
Increase (decrease) in short-term debt, net	(34,713)	(43,358)	8,645	(70,326)
Proceeds from long-term debt	53,712	18,628	35,084	78,493
Repayment of long-term debt	(71,130)	(77,751)	6,621	(107,162)
Proceeds from issuance of bonds	—	39,751	(39,751)	39,751
Payment for redemption of bonds	(44,000)	(43,701)	(299)	(48,201)
Dividends paid by parent company	(5,796)	(8,526)	2,730	(8,526)
Others	801	(771)	1,573	(824)
Net cash used in financing activities	(101,126)	(115,730)	14,604	(116,796)
IV. Effect of exchange rate changes on cash and cash equivalents	189	121	67	40
V. Increase (decrease) in cash and cash equivalents	(14,430)	(2,079)	(12,350)	22,391
VI. Cash and cash equivalents at beginning of period	65,510	42,676	22,834	42,676
VII. Decrease due to exclusion from scope of consolidation	(64)	(239)	174	(456)
VIII. Increase due to inclusion in scope of consolidation.	—	—	—	898
XI. Cash and cash equivalents at end of period	51,015	40,357	10,658	65,510

4. Segment Information

[Segment information by operating segment]

The third quarter results for the fiscal year 2005 (April 1, 2005 – December 31, 2005)

(Millions of Yen)

	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Others	Total	Elimination/Headquarters	Consolidated
Revenues/Operating profit									
Operating revenue									
(1) Outside customers	145,118	86,310	492,797	126,690	78,113	89,660	1,018,691	---	1,018,691
(2) Inter-segment Internal revenues/transfers	682	17,070	1,646	14,718	519	14,102	48,740	(48,740)	---
Total	145,800	103,380	494,443	141,409	78,632	103,763	1,067,431	(48,740)	1,018,691
Operating expenses	108,362	84,849	485,947	138,917	74,724	103,852	996,653	(49,905)	946,748
Operating profit	37,438	18,530	8,496	2,492	3,908	(88)	70,778	1,164	71,942

Note:

1. Operating segmentation

Operating segments are based on Standard Industrial Classification in Japan (JSIC) and are designed to reflect accurately the nature of the company's business.

(Changes in operating segments)

Previously department store operations, retail operations, and general trading operations were categorized into "Retail business". However, since we placed retail related businesses as one of our core businesses in the medium-term 3-year management plan starting from this year, we decided to categorize department store operations, chain store operations, shopping center operations, and other retail operations into "Retail business" to more properly disclose information on management. Due to this re-categorizing, shopping center operations which were in "Real estate business" and a part of retail operations which were in "Leisure and services business" are now categorized into "Retail business" from this fiscal year. And general trading operations which were in previous "Retail business" are now categorized into "Other businesses". The following tables show the results of the third quarter last year as well as last fiscal year using the new segments introduced in this third quarter.

The third quarter results for the fiscal year 2004 (April 1, 2004 – December 31, 2004)

(Millions of yen)

	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Others	Total	Elimination/Headquarters	Consolidated
Revenues/Operating profit									
Operating revenue									
(1) Outside customers	193,872	92,942	273,267	41,137	77,861	91,108	770,189	---	770,189
(2) Inter-segment Internal revenues/transfers	3,799	13,235	707	1,065	636	15,909	35,353	(35,353)	---
Total	197,671	106,177	273,975	42,203	78,497	107,017	805,543	(35,353)	770,189
Operating expenses	166,371	90,984	266,913	40,463	75,521	105,379	745,632	(35,817)	709,814
Operating profit	31,300	15,193	7,062	1,740	2,976	1,638	59,911	463	60,375

Results for the fiscal year 2004 (April 1, 2004 – March 31, 2005)

(Millions of yen)

	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Others	Total	Elimination/Headquarters	Consolidated
Revenues/Operating profit									
Operating revenue									
(1) Outside customers	259,055	141,870	364,645	53,058	102,555	134,378	1,055,564	---	1,055,564
(2) Inter-segment Internal revenues/transfers	4,842	17,280	930	1,549	318	25,386	50,308	(50,308)	---
Total	263,897	159,151	365,576	54,608	102,873	159,765	1,105,873	(50,308)	1,055,564
Operating expenses	224,437	138,625	356,398	52,893	100,126	157,010	1,029,491	(50,941)	978,549
Operating profit	39,460	20,526	9,177	1,715	2,747	2,755	76,381	632	77,014

2. Description of operating segments

Transportation: Railway operation and Bus operation

Real Estate: Real estate sales, Real estate leasing and Real estate management

Retail: Department store operations, Chain store operations, Shopping center operations

Leisure and Services: Advertisement agency operations, Golf course operations and CATV operations

Hotels: Hotel operations

Others: Manufacturing and maintenance of rolling stock for railway operations and General trading operation.

3. No unallocated operation expenses were included in "Elimination/Headquarters".

4. Tokyu Department Store Co.,Ltd and its nine subsidiaries, and Tokyu Agency Inc. and its seven subsidiaries, were acquired at the end of fiscal 2004 so their profits and losses have been consolidated from the current period.