

# Presentation Handout

November 18, 2005

Investors meeting



**Tokyu Corporation**

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**(9005)**

<http://www.tokyu.co.jp/>

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# Summary of Financial Results for FY03/2006 Interim (Consolidated)



## Statement of Income (Consolidated)

(Billions of yen)

	FY03/2006 Interim	FY03/2005 Interim	Change
Operating Revenue	681.3	513.3	+167.9
Operating Profit	46.7	46.3	+0.4
Recurring Profit	34.2	41.6	-7.3
Net Income	9.0	17.5	-8.5

## Non-consolidated Railways Performance

&lt;FY03/2006 Interim year on year change&gt;

	Volume of passengers		Revenue from fares	
	Thousand	(Ratio)	Millions of Yen	(Ratio)
Commuter	+3,338	(+1.1%)	+718	(+2.7%)
Non-commuter	+1,873	(+0.9%)	+215	(+0.6%)
Total	+5,211	(+1.0%)	+933	(+1.5%)

## Statement of Cash Flow (Consolidated)

(Billions of yen)

	FY03/2006 Interim	FY03/2005 Interim	Change
From Operating activities	72.6	64.2	+8.3
From investing activities	-6.5	32.6	-39.2
From financial activities	-82.4	-97.6	+15.1
Cash and cash equivalents at end of period	49.1	41.7	+7.3

## Effect of Inclusion and Exclusion in consolidation

(Billions of yen)

[Included]	Operating Revenue	Operating Profit	Total Asset	Interest-bearing Debt
Tokyu Dept. Store	+156.4	+4.5	—	—
Tokyu Agency*1	+65.8	+0.1	—	—
*1: included its 7 subsidiaries				
[Excluded]	Operating Revenue	Operating Profit	Total Asset	Interest-bearing Debt
Tokyu Logistic	-16.1	-0.4	-37.8	-4.3
Tokyu Air Cargo*2	-19.3	-0.9	—	—
*2: included its 14 subsidiaries				

## Balance Sheet (Consolidated)

(Billions of yen)

	FY03/2006 Interim	Change from FY03/2005
Current Assets	386.7	-31.5
Fixed Assets	1,632.7	-62.0
Total Assets	2,019.5	-93.6

	FY03/2006 Interim	Change from FY03/2005
Interest-bearing Debt	1,155.6	-87.8
Total liabilities	1,750.2	-100.7
Minority interests	50.7	-26.3
Total Shareholders' Equity	218.4	+33.4
Liabilities, Minority Interests and Shareholders' Equity	2,019.5	-93.6

Existing  
-79.3  
Excluded  
-8.5

Equity ratio

10.8 %

+2.0 P

# Forecast of Consolidated Performance



(Billions of yen)

Consolidated Financial summary	FY03/2006 Revised forecast	Change from original forecast		Year on year change	
		FY03/2006 Original forecast As of May 16, 2005	Change	FY03/2005 Actual	Change
Operating Revenue	1,385.0	1,390.0	-5.0	1,055.5	+329.4
Operating Profit	81.0	80.4	+0.6	77.0	+3.9
Recurring Profit	66.6	63.3	+3.3	67.0	-0.4
Net Income	30.0	29.6	+0.4	35.4	-5.4
Shareholders' Equity	227.0	227.0	0.0	185.0	+41.9
Interest-bearing Debt	1,165.0	1,180.0	-15.0	1,243.4	-78.4
Tokyu EBITDA*	149.9	147.5	+2.4	142.5	+7.3
Equity Ratio	11.1%	11.0%	+0.1P	8.8%	+2.3P
D/E Ratio	5.1 x	5.2 x	-0.1	6.7x	-1.6
IBD/ Tokyu EBITDA multiple	7.8 x	8.0 x	-0.2	8.7x	-0.9

Tokyu EBITDA= Operating Profit + Depreciation and Amortization cost + Amortization of the Consolidation adjustment account + Disposal cost of fixed assets

# Business of Railway and Tramway



Sep.2000 Inaugurated to operate mutual direct train service in Meguro line

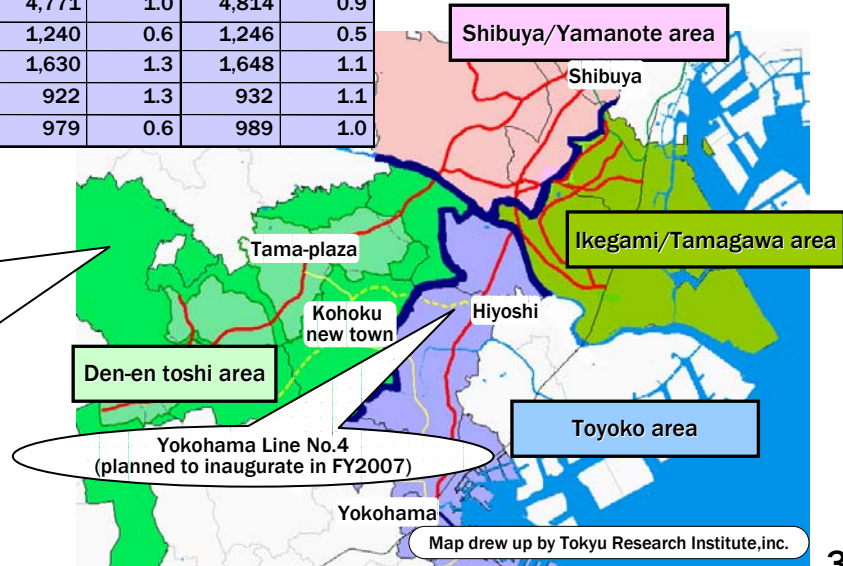
Mar.2001 Inaugurated to operate limited express in Toyoko line

Jan. 2004 Discontinued from Yokohama to Sakuragi-cho in Toyoko line  
Feb. 2004 inaugurated Minatomirai line of Yokohama Minatomirai railway company

Mar.2005 Fare revised.

YEAR/MONTH		2001/03		2002/03		2003/03		2004/03		2005/03		2005/09 (interim)		2006/03 Forecast	
		Actual	change(%)	Actual	change(%)	Actual	change(%)	Actual	change(%)	Actual	change(%)	Actual	change(%)	Forecast	change(%)
Revenue (millions of yen)	Total	113,612	2.3	117,181	3.1	118,503	1.1	120,806	1.9	119,960	-0.7	61,449	1.5	122,116	1.8
	Commuter	50,706	0.4	50,867	0.3	50,987	0.2	51,414	0.8	52,153	1.4	27,126	2.7	53,583	2.7
	Non-commuter	62,905	3.8	66,313	5.4	67,515	1.8	69,392	2.8	67,807	-2.3	34,323	0.6	68,533	1.1
Passenger volume (thousand of people)	Total	946,854	1.3	963,447	1.8	968,745	0.5	984,750	1.7	984,719	0.0	503,797	1.0	995,402	1.1
	Commuter	571,715	-0.2	570,294	-0.2	569,089	-0.2	573,380	0.8	582,561	1.6	299,912	1.1	588,780	1.1
	Non-commuter	375,139	3.6	393,153	4.8	399,656	1.7	411,370	2.9	402,158	-2.2	203,885	0.9	406,622	1.1
	Passenger volume Toyoko Line	381,444	-0.3	387,797	1.7	392,036	1.1	395,552	0.9	390,497	-1.3	198,476	0.1		
	Meguro Line	71,769	11.7	84,642	17.9	84,929	0.3	87,769	3.3	90,035	2.6	46,446	2.6		
	Den-en toshi Line	380,815	2.4	387,149	1.7	390,023	0.7	399,272	2.4	404,263	1.3	208,841	2.0		
	Ooimachi Line	116,360	1.2	118,007	1.4	119,383	1.2	125,402	5.0	128,963	2.8	66,243	1.9		
	Ikegami Line	75,699	0.1	75,734	0.0	75,654	-0.1	75,744	0.1	75,031	-0.9	37,896	0.1		
	Tamagawa Line	49,510	1.3	48,403	-2.2	48,221	-0.4	48,735	1.1	49,601	1.8	25,371	1.9		
Population in Tokyu area (thousand of people)	Total	4,614	1.1	4,670	1.2	4,724	1.2	4,771	1.0	4,814	0.9				
	Shibuya/Yamanote area	1,216	0.8	1,224	0.7	1,232	0.7	1,240	0.6	1,246	0.5				
	Den-en toshi area	1,552	1.9	1,582	1.9	1,609	1.7	1,630	1.3	1,648	1.1				
	Toyoko area	886	0.9	899	1.5	910	1.2	922	1.3	932	1.1				
	Ikegami/Tamagawa area	960	0.4	965	0.5	973	0.8	979	0.6	989	1.0				

Shibuya/ Yamanote area	Shibuya-ku, Setagaya-ku, Meguro-ku
Den-en toshi area	Kawasaki-shi Takatsu-ku/Miyamae-ku, Yokohama-shi Aoba-ku/Tsuzuki-ku/Midori-ku, Machida-shi, Yamato-shi
Toyoko area	Kawasaki-shi Nakahara-ku, Yokohama-shi Kohoku-ku /Kanagawa-ku/Nishi-ku/Naka-ku
Ikegami/ Tamagawa area	Shinagawa-ku, Oota-ku



Map drew up by Tokyu Research Institute,inc.

# Redevelopment of Four areas based on Area Strategy

**<Shibuya/Yamanote area>** Shibuya-ku, Setagaya-ku and Meguro-ku

**Shibuya:** Redevelopment around Shibuya station. "Bunka-area"; This area will be consisted of mainly cultural facilities. "Bunka" means culture. "Eki-area"; Station area. "Toyoko line ato-chi area"; A vacant lot area of presence Toyoko Line.

**Futako-Tamagawa:** Type-1 Urban area Redevelopment project of Futako-tamagawa east district

**Jiyugaoka:** development of a vacant lot of presence car barn in Jiyugaoka (2,500sqm)

**<Den-en Toshi area>**  
 Kawasaki-shi/Takatsu-ku and Miyamae-ku, Yokohama-shi/Aoba-ku, Tsuzuki-ku and Midori-ku, Machida-shi and Yamato-shi

**Tama Plaza:** Redevelop areas around station.

**Nagatsuta:** Renewal station yard.

**Minamimachida:** Establish cinema complex in Granberry Mall

**<Ikegami/Tamagawa area>** Shinagawa-ku and Oota-ku

**Musashi Koyama:** Change to underground Station and develop the top of station (4,500sqm)

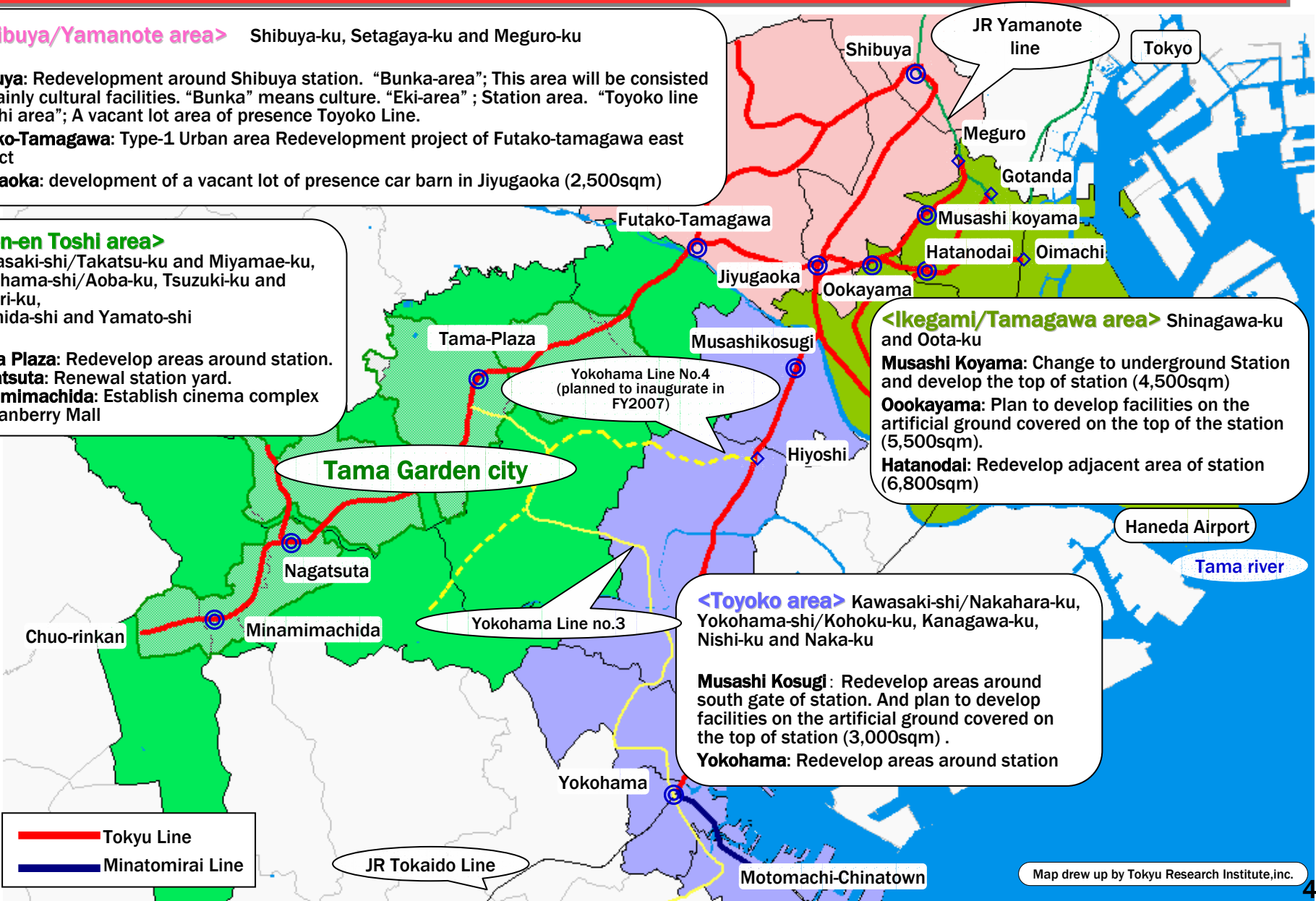
**Oookayama:** Plan to develop facilities on the artificial ground covered on the top of the station (5,500sqm).

**Hatanodai:** Redevelop adjacent area of station (6,800sqm)

**<Toyoko area>** Kawasaki-shi/Nakahara-ku, Yokohama-shi/Kohoku-ku, Kanagawa-ku, Nishi-ku and Naka-ku

**Musashi Kosugi:** Redevelop areas around south gate of station. And plan to develop facilities on the artificial ground covered on the top of station (3,000sqm) .

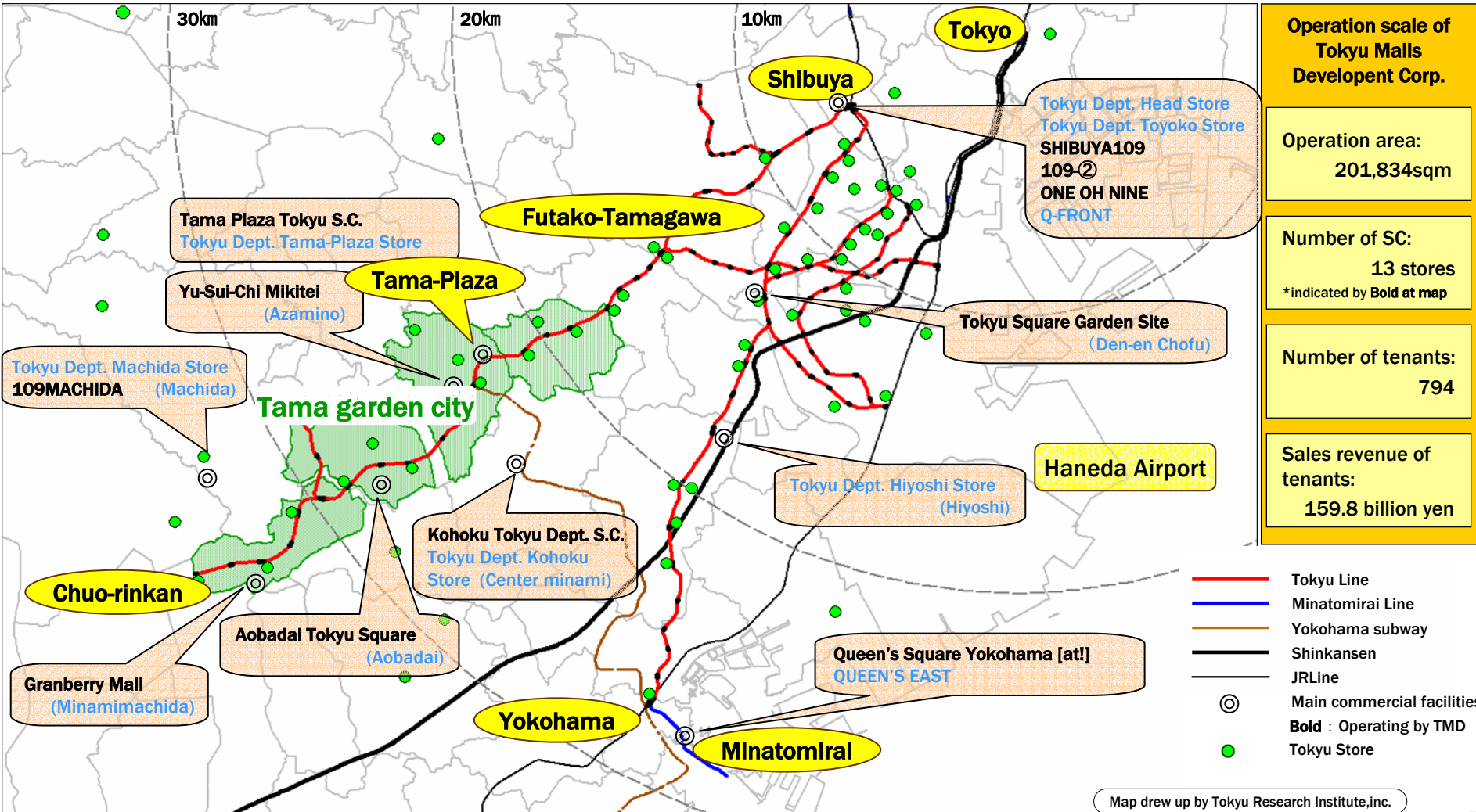
**Yokohama:** Redevelop areas around station



# Integrate Management and Operation of Commercial Facilities in Tokyu Group



TMD Corp. is to be a merging company which will merge Tokyu Merchandising and Management Co.,Ltd. And TMD is to change its corporate name to Tokyu Malls Development Corp. upon merger on April 1<sup>st</sup>,2006

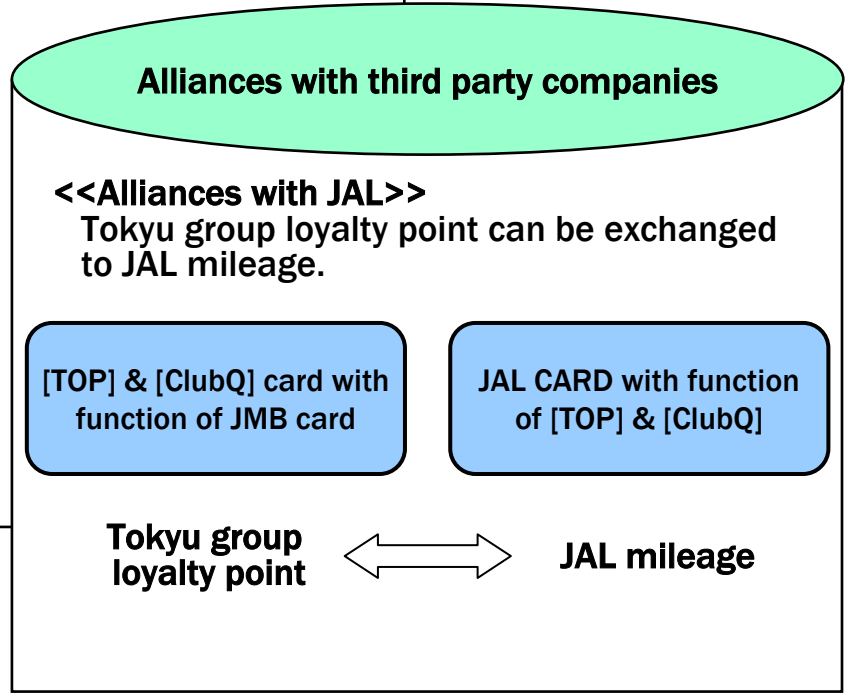
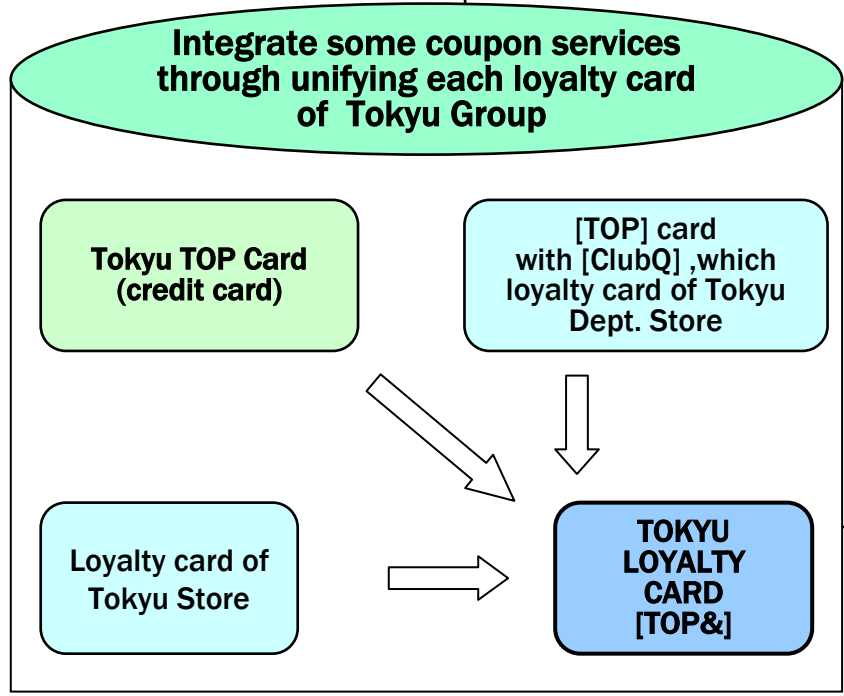


# Summary of Tokyu Loyalty Card

Spring in 2006, we aim to issue Tokyu Loyalty Card [Top&] and start group common point service.

FY2006, Tokyu Loyalty card will be in collaboration with IC ticket of railway and bus.

Capital Expenditure for 10 years: 2.0 billion yen



Target number of [TOP&] card issued: 2 million cards in areas around Tokyu line(FY2007)

Strengthen customer base in Tokyu area through taking collaboration among Tokyu group companies and result to enrich the utilities for customers in areas around Tokyu Line.





# Tokyu Land Corporation

<Target FY03/2008(Consolidated)>

Mid-term management plan  
FY2005-FY2007

Operation Profit	52.0		(Billions of yen)
Recurring Profit	40.0	D / E ratio	4.0 or less
Interest-bearing Debt	420.0	ROA	6.0% and above
Shareholders' equity	110.0 and above	EBITDA multiple	7.0x or less

## ■ Issuing of new shares and offering

Number of shares issued: 68,000 thousand shares	Allocation	Amount of payment from Tokyu Corp.	Date of payment
51,500 thousand shares*	Public offering		October 19, 2005
11,500 thousand shares*	Third party (Tokyu Corp.)	8,648 million yen	October 19, 2005
5,000 thousand shares*	Third party (Daiwa SMBC and Offering)		November 15, 2005

\*Above three figures are included total number of shares issued (68,000 shares)

## ■ Financial result (consolidated)

	FY03/2005	FY03/2006 Interim	FY03/2006 Forecast	(Billions of yen)
Operating Revenue	540.3	238.1	550.0	
Operating Profit	40.3	17.6	60.5	
Recurring Profit	30.7	13.7	52.0	
Net Income	7.5	-9.8	8.0	
Interest-bearing Debt	418.0	401.2	365.0	

Impairment loss  
27.4

■ [September 30,2005]	Shareholding ratio by Tokyu Corp. (non-consol)	:16.6%
	Book value of investment in Tokyu Land Corp. (non-consol)	:8.7 billion yen
	Voting right ratio by Tokyu Corp. (consol)	:18.5%
[After capital increase]	Shareholding ratio by Tokyu Corp. (non-consol)	:16.6%
	Book value of investment in Tokyu Land Corp. (non-consol)	:17.3 billion yen

# Tokyu Construction Co.,Ltd



<Target FY03/2008(Consolidated)>

Mid-term management plan  
FY2005-FY2007

		(Billions of yen)	
Operating Revenue	310.0	Interest-bearing Debt	19.0 or less
Operating Profit	11.6	Operating CF	7.0 and above
Recurring Profit	10.4		

Financial result (consolidated)	(Billions of yen)		
	FY03/2005	FY03/2006 Interim	FY03/2006 Forecast
Operating Revenue	304.2	124.8	294.0
Operating Profit	10.2	2.8	10.0
Recurring Profit	8.6	-0.7	6.7
Net Income	5.2	-1.0	3.0
Dividend per share			
Preferred shares type A	8.02 yen	4.01 yen	8.02 yen
Preferred shares type B	11.77 yen	5.88 yen	11.77 yen

Investment loss from  
equity method  
3.2

(as of September 30, 2005)

■ Shareholding ratio by Tokyu Corp. (non-consol)	:16.2%
Book value of investment in Tokyu Construction Co.,Ltd (non-consol)	:Common shares >> 28.7 billion yen Preferred shares >> 5.0 billion yen
Voting right ratio by Tokyu Corp. (consol)	:17.0%

# Seiki Tokyu Kogyo Co., Ltd.



## <Target FY03/2008(Consolidated)>

### Mid-term management plan FY2005-FY2007

			(Billions of yen)
total amount of orders received	68.8		
Operating Revenue	69.1	Total assets	59.7
Recurring Profit	1.6	Equity ratio	15.9%
Interest-bearing Debt	17.6	EBITDA multiple	6.1 x

### ◇ Allocation of new shares to a third party

\*Below four figures are included total number of shares issued (78,400 shares)

Number of shares issued: 78,400 thousand shares		Allocation	Amount of payment	Date of payment
Common shares	40,000 thousand shares*	Phoenix Capital Partners II partnership of capital investment	2.0 billion yen	September 30, 2005
	20,000 thousand shares*	Tokyu Construction Co., Ltd.	1.0 billion yen	September 30, 2005
Preferred shares type A	6,000 thousand shares*	Tokyu Construction Co., Ltd	3.0 billion yen	September 30, 2005
Preferred shares type B	12,400 thousand shares*	Phoenix Capital Partners II partnership of capital investment	6.2 billion yen	September 30, 2005

### ■ Financial result (consolidated)

	FY03/2005	FY03/2006 Interim	FY03/2006 Forecast	(Billions of yen)
Operating Revenue	70.2	19.2	71.0	
Gross Profit	5.5	0.8	5.7	
Operating Profit	0.9	-1.4	1.1	
Recurring Profit	0.3	-2.0	0.3	
Net Income	-4.0	-16.6	-14.2	
		Impairment loss 14.9		

■ Shareholding ratio by Tokyu Corp. (non-consol)	:6.3%
Book value of investment in Seiki Tokyu Kogyo Co., Ltd. (non-consol)	:0.5 billion yen
Voting right ratio by Tokyu Corp. (consol)	:6.5%

(as of September 30, 2005)

**\*Forward-looking Statements**

**All statements contained in this document other than historical facts are forward-looking statements representing the beliefs and assumptions of Tokyu Corporation based on information currently available.**

**Tokyu wishes to caution readers that actual results may differ materially from expectations.**