

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

**Tokyu Corporation**

August 22, 2005

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 quarter. 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 ---, excluded 8, Equity method affiliates: included ---, excluded ---

**2. The First Quarter Consolidated Financial Results (April 1, 2005 to June 30, 2005) for the Fiscal Year Ended March 31, 2006**

**1) Consolidated Operating Results**

Amounts less than 1 million yen have been rounded down

	Three months ended June 30, 2005		Three months ended June 30, 2004		Fiscal Year ended March 31, 2005
	Millions of yen, %		Millions of yen, %		Millions of yen, %
Operating revenue .....	327,880	32.1	248,252	(26.9)	1,055,564
Operating profit.....	20,404	(8.1)	22,198	101.2	77,014
Recurring profit.....	13,942	(28.9)	19,600	252.9	67,034
Net income.....	2,633	(80.0)	13,137	402.9	35,432
Net income per share (Yen) .....		2.26		11.58	31.11
Net income per share (diluted) (Yen).....		2.11		10.79	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)**

	June 30, 2005	June 30, 2004	Change	
	Thousand	Thousand	Thousand,	%
Number of passengers carried				
Non-commuter.....	103,208	102,467	741	0.7
Commuter.....	154,092	152,606	1,486	1.0
Total	257,300	255,073	2,227	0.9
Revenue from Railway service	Millions of yen	Millions of yen	Millions of yen,	%
Non-commuter.....	17,400	17,314	85	0.5
Commuter.....	13,736	13,419	317	2.4
Total.....	31,136	30,734	402	1.3

### 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 raised the number of passengers carried by 0.7% and 1.0% in non-commuter and commuter, respectively, with an overall increase of 0.9%. Revenue from railway service also increased by 1.3%.

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 16,478 million yen to 48,758 million yen and operating profit increased 69 million yen to 13,172 million yen.

### Real Estate

As for our real estate business, sales of corporate properties in Tama Den-en Toshi fell from the same period last year in the real estate sales business. Therefore, operating revenue in our real estate business decreased 3,503 million yen to 26,870 million yen and operating profit decreased 2,017 million yen to 3,491 million yen.

### Retail

In our newly segmented retail business, consolidation of Tokyu Department Store Co., Ltd. increased operating revenue by 72,353 million yen to 163,872 million yen. However, operating profit went down by 73 million yen to 2,410 million yen due to amortization of consolidation adjustment resulting from making Tokyu Department Store Co., Ltd a wholly owned subsidiary.

### 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 first quarter increased 6,038 to 489,850. Also, consolidation of Tokyu Agency raised operating revenue and operating profit by 33,573 million yen to 47,139 million yen and 437 million yen to 808 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 1 point from the same period a year ago and reached 78.4% in this first quarter.

Operating revenue decreased 37 million yen to 25,441 million yen due to the sale of a hotel, but operating profit increased 282 million yen to 833 million yen.

### Others

In other business sales of manufacture and maintenance of rolling stock for railway operations fell compared to the same period last year. Operating revenue was down by 3,271 million yen to 31,802 million yen and operating profit decreased 498 million yen to 459 million yen loss.

In conclusion, the results of this first quarter compared with the same period 2004 were: Operating revenue increased 79,627 million yen to 327,880 million yen and operating profit decreased 1,794 million yen to 20,404 million yen, Recurring profit decreased 5,657 million yen to 13,942 million yen after posting an investment loss of 5,395 million yen on equity method with our affiliate's adoption of asset-impairment accounting, and net income decreased 10,504 million yen to 2,633 million yen.

## 2) Financial Position (Consolidated)

	Millions of yen		
	As of June 30, 2005	As of June 30, 2004	Fiscal Year ended March 31, 2005
Total assets .....	2,048,701	2,011,668	2,113,208
Shareholders' equity .....	202,989	169,119	185,058
Equity ratio (%) .....	9.9%	8.4 %	8.8 %
Shareholders' equity per share (Yen) .....	172.57yen	149.10 yen	162.21 yen

## [Consolidated Statement of Cash Flows]

	Millions of yen		
	As of June 30, 2005	As of June 30, 2004	Fiscal Year ended March 31, 2005
Cash flows from operating activities .....	37,988	---	129,590
Cash flows from investing activities .....	(702)	---	9,557
Cash flows from financing activities .....	(42,193)	---	(116,796)
Cash and cash equivalent at end of period .....	60,589	---	65,510

Note: Consolidated Statements of Cash Flow were not prepared for the first quarter of the fiscal year ended March 2005.

## [Qualitative information regarding financial position (Consolidated)]

Consolidated cash flows at the end of this first quarter were as follows: Cash flows from operating activities reached 37,988 million yen. Regarding cash flows from investing activities, 18,994 million yen was paid for investment in facilities, and 16,200 million yen was gained by the sale of fixed assets and securities, therefore net cash used investment activities was 702 million yen. Regarding cash flows from financing activities, expenditure amounted to 42,193 million yen due to repayment of interest-bearing debts, etc.

As a result, cash and cash equivalent at the end of this first quarter decreased 4,920 million yen to 60,589 million yen compared to the end of the previous fiscal year.

With regard to the financial position at the end of this first quarter, interest-bearing debt decreased 47,799 million yen to 1,195,678 million yen and shareholders' equity increased 17,930 million yen to 202,989 million yen over the last fiscal year end with equity ratio of 9.9%.

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

	Millions of yen	
	Full year	Half year
Revenue from Operations .....	1,390,000	680,000
Recurring profit.....	63,300	24,700
Net Income .....	29,600	8,500

Notes: Forecasted net income per share for the full year: 25.16 yen

## [Quantitative information regarding forecast]

The performance for this first quarter changed almost as planned, and there will be no change in the consolidated performance forecast released on May 16, 2005.

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 first quarter ended March 31, 2006: Appendix

1. Consolidated Balance Sheets

(Millions of yen)

Assets				
Item	1st quarter Fiscal 2005	Fiscal 2004	Change	1st quarter Fiscal 2004
	As of June 30, 2005	As of March 31, 2005		As of June 30, 2004
(Assets)				
Current Assets .....	397,233	418,354	(21,121)	402,185
Cash and deposits .....	57,914	63,285	(5,370)	51,133
Trade notes & accounts receivable .....	121,819	139,249	(17,429)	108,223
Securities .....	42	108	(66)	204
Inventories .....	168,697	164,067	4,629	202,085
Deferred tax assets .....	15,112	23,008	(7,896)	9,851
Other current assets .....	34,737	29,739	4,997	34,829
Allowance for doubtful accounts .....	(1,090)	(1,105)	15	(4,141)
Fixed Assets .....	1,651,467	1,694,853	(43,385)	1,609,483
Tangible fixed assets .....	1,259,135	1,289,042	(29,906)	1,230,169
Buildings & structures .....	545,368	563,190	(17,822)	535,413
Rolling stock & machinery .....	55,539	56,546	(1,006)	55,873
Land .....	502,748	519,257	(16,509)	490,739
Construction in progress .....	134,868	128,740	6,128	129,090
Others .....	20,609	21,305	(696)	19,053
Intangible fixed assets .....	50,897	38,352	12,545	33,554
Consolidation adjustment account .....	16,745	4,396	12,348	---
Others .....	34,152	33,955	196	33,554
Investments & others .....	341,434	367,458	(26,024)	345,758
Investment securities .....	149,060	161,883	(12,823)	181,024
Long-term loans receivable .....	1,234	1,407	(172)	728
Deferred tax assets .....	43,853	48,867	(5,013)	50,582
Others .....	166,031	174,056	(8,024)	132,563
Allowance for doubtful accounts .....	(18,746)	(18,756)	10	(19,140)
Total Assets .....	2,048,701	2,113,208	(64,506)	2,011,668

(Millions of yen)

Liabilities, Minority Interests & Shareholders' Equity				
Item	1st quarter	Fiscal 2004	Change	1st quarter
	Fiscal 2005	As of March 31, 2005		Fiscal 2004
	As of June 30, 2005	As of March 31, 2005		As of June 30, 2004
(Liabilities)				
Current Liabilities .....	695,464	696,482	(1,017)	638,796
Trade notes & accounts payable .....	125,286	131,835	(6,548)	80,236
Short-term debt .....	305,260	314,181	(8,920)	338,858
Current portion of corporate bonds .....	76,000	64,700	11,300	59,201
Accrued income taxes .....	1,969	4,365	(2,395)	2,324
Reserve for employees' bonuses .....	8,421	12,259	(3,837)	9,672
Advance received & amount received for uncompleted construction .....	82,349	74,784	7,565	66,082
Others .....	96,177	94,356	1,820	82,421
Fixed Liabilities .....	1,057,564	1,119,578	(62,013)	1,095,672
Corporate bonds .....	275,798	311,998	(36,200)	355,698
Long-term debt .....	538,619	552,598	(13,978)	493,061
Reserve for employees' retirement benefits .....	44,403	50,436	(6,032)	47,302
Reserve for directors' retirement benefits .....	2,460	3,265	(804)	2,794
Guarantee deposits .....	127,999	128,950	(950)	134,486
Deferred tax liabilities .....	24,132	26,676	(2,544)	23,060
Deferred tax liabilities from land revaluation .....	10,119	10,185	(66)	7,421
Consolidation adjustment account .....	---	---	---	12,702
Others .....	34,032	35,468	(1,436)	19,146
Special legal reserves .....	33,746	34,933	(1,186)	37,154
Urban Railways Improvement Reserve .....	33,746	34,933	(1,186)	37,154
Total Liabilities .....	1,786,776	1,850,994	(64,217)	1,771,623
(Minority Interests)				
Minority interests .....	58,935	77,155	(18,219)	70,925
(Shareholders' Equity)				
Common stock .....	108,820	108,820	---	108,820
Capital surplus .....	103,879	85,523	18,356	82,916
Profit reserve .....	(24,426)	(20,240)	(4,185)	(42,784)
Land revaluation reserve .....	9,167	5,269	3,897	11,095
Unrealized holding gains (losses) on securities .....	16,579	17,359	(780)	21,537
Foreign currency translation adjustment account .....	(8,527)	(9,047)	520	(9,256)
Treasury stock .....	(2,504)	(2,627)	122	(3,210)
Total Shareholders' Equity .....	202,989	185,058	17,930	169,119
Total Liabilities, Minority Interests & Shareholder's Equity .....	2,048,701	2,113,208	(64,506)	2,011,668

## 2. Consolidated Statement of Income

(Millions of yen)

Item	1st quarter Fiscal 2005 From April 1, 2005 to June 30, 2005	1st quarter Fiscal 2004 From April 1, 2004 to June 30, 2004	Change	Fiscal 2004 From April 1, 2004 to March 31, 2005
Operating revenue	327,880	248,252	79,627	1,055,564
Cost of revenue from operations	307,475	226,054	81,421	978,549
Operating expenses and cost of sales (transportation etc)	247,881	191,028	56,853	830,643
Selling, general and administrative expenses	59,594	35,026	24,568	147,906
Operating profit	20,404	22,198	(1,794)	77,014
Non-operating revenue	4,661	3,840	820	15,268
Interest & dividends received	1,220	859	361	1,432
Equity in profits of affiliates	---	169	(169)	1,079
Other revenue	3,440	2,812	628	12,757
Non-operating expenses	11,123	6,439	4,684	25,249
Interest paid	5,390	5,577	(186)	20,738
Equity in losses of affiliates	5,395	---	5,395	---
Other expenses	337	862	(524)	4,510
Recurring profit	13,942	19,600	(5,657)	67,034
Extraordinary gains	3,638	3,689	(51)	58,655
Extraordinary losses	3,381	1,917	1,464	72,601
Net income before income taxes	14,198	21,372	(7,173)	53,088
Income taxes	1,312	1,675	(362)	4,159
Income tax adjustment	10,779	5,763	5,016	10,678
Minority interests	(526)	796	(1,322)	2,817
Net income	2,633	13,137	(10,504)	35,432

(Millions of yen)

## Note: Breakdown of extraordinary gains

	1st quarter Fiscal 2005	1st quarter Fiscal 2004	Changes	Fiscal 2004
Gain on reversal of urban railways improvement reserve	1,800	1,326	473	5,307
Gain on sale of fixed assets	699	1,032	(332)	10,818
Gain on retirement benefits trust establishment	---	---	---	16,831
Breakdown of extraordinary losses				
Loss on sale of subsidiaries' shares	1,781	---	1,781	9
Addition to Urban Railways Improvement Reserve	613	606	7	2,365
Loss on sale of fixed assets	217	946	(729)	19,651
Appraisal loss on real estate for sale	---	---	---	18,099
Loss on change of retirement benefits scheme	---	---	---	13,071

## 3. Consolidated Statements of Cash Flow

Millions of yen

Item	1st quarter Fiscal 2005 From April 1,2005 to June 30,2005	Fiscal 2004 From April 1,2004 to March 31,2005
<b>I. Cash flows from operating activities</b>		
Net income before income taxes .....	14,198	53,088
Depreciation and amortization .....	13,683	54,854
Amortization of consolidation adjusting account .....	95	(3,992)
(Decrease) increase in employees' retirement benefit reserve .....	(2,548)	(22,355)
Retirement benefit trust establishment amount .....	---	17,120
Gain on retirement benefit trust establishment .....	---	(16,831)
Loss on change of retirement benefit scheme .....	---	13,071
(Decrease) increase in urban railways improvement reserve .....	(1,186)	(2,941)
Subsidies received for construction .....	(39)	(11,187)
Reduction in contributions received for construction .....	38	6,444
Loss (gain) on sale of subsidiaries' shares .....	1,781	(2,615)
Loss (gain) on sale of property and equipment .....	(482)	8,833
Loss on disposal of property and equipment .....	663	9,636
Appraisal losses on real estate for sale .....	---	18,099
Equity in losses (earnings) of equity-accounted affiliates .....	5,395	(1,079)
Decrease (increase) in accounts receivable .....	12,428	(9,211)
Decrease (increase) in inventories .....	(4,694)	35,426
(Decrease) increase in trade payables .....	(4,282)	1,710
Interest and dividends receivable .....	(1,220)	(1,432)
Interest paid .....	5,390	20,738
Other .....	4,990	(15,081)
Subtotal .....	44,212	152,295
Interest and dividends received .....	1,776	1,965
Interest paid .....	(4,958)	(21,213)
Income taxes paid .....	(3,041)	(3,456)
<b>Net cash provided by operating activities</b>	<b>37,988</b>	<b>129,590</b>
<b>II. Cash flows from investing activities</b>		
Payment for purchases of fixed assets .....	(18,994)	(98,298)
Proceeds from sale of fixed assets .....	2,530	69,806
Proceeds from sale of investment securities .....	5,384	30,624
Payment for acquisition of subsidiaries' share, resulting from changes in the scope of consolidation .....	---	(11,223)
Proceeds from sale of subsidiaries' share, resulting from changes in the scope of consolidation .....	8,286	3,493
Proceeds from subsidies received for construction .....	4,456	19,398
Other .....	(2,365)	(4,243)
<b>Net cash used in investing activities</b>	<b>(702)</b>	<b>9,557</b>
<b>III. Cash flows from financing activities</b>		
Increase (decrease) in short-term debt, net .....	(4,156)	(70,326)
Proceeds from long-term debt .....	5,478	78,493
Repayment of long-term debt .....	(16,946)	(107,162)
Proceeds from issuance of bonds .....	---	39,751
Payment for redemption of bonds .....	(23,500)	(48,201)
Dividends paid by parent company .....	(2,853)	(8,526)
Other .....	(215)	(824)
<b>Net cash used in financing activities</b>	<b>(42,193)</b>	<b>(116,796)</b>
IV. Effect of exchange rate changes on cash and cash equivalents .....	51	40
V. Increase (decrease) in cash and cash equivalents .....	(4,856)	22,391
VI. Cash and cash equivalents at beginning of period .....	65,510	42,676
VII. Decrease due to exclusion from scope of consolidation .....	(64)	(456)
VIII. Increase due to inclusion in scope of consolidation .....	---	898
XI. Cash and cash equivalents at end of period .....	60,589	65,510

#### 4. Segment Information

##### Segment information by operating segment

The first quarter results for the fiscal year 2005 (April 1, 2005 – June 30, 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	48,459	21,483	163,321	42,418	25,228	26,969	327,880	---	327,880
(2) Inter-segment Internal revenues/transfers	298	5,386	551	4,720	212	4,833	16,003	(16,003)	---
Total	48,758	26,870	163,872	47,139	25,441	31,802	343,883	(16,003)	327,880
Operating expenses	35,585	23,378	161,461	46,330	24,608	32,262	323,627	(16,152)	307,475
Operating profit	13,172	3,491	2,410	808	833	(459)	20,256	148	20,404

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.

##### 2. 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 quarter. And general trading operations which were in previous "Retail business" are now categorized into "Other businesses".

The following tables show the results of the first quarter last year as well as last fiscal year using the new segments introduced in this first quarter.

The first quarter results for the fiscal year 2004 (April 1, 2004 – June 30, 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	63,990	25,594	91,315	13,247	25,395	28,710	248,252	---	248,252
(2) Inter-segment Internal revenues/transfers	1,246	4,779	204	317	84	6,364	12,996	(12,996)	---
Total	65,237	30,373	91,519	13,565	25,479	35,074	261,249	(12,996)	248,252
Operating expenses	52,133	24,865	89,034	13,194	24,929	35,036	239,193	(13,139)	226,054
Operating profit	13,103	5,508	2,484	370	550	38	22,055	142	22,198

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

##### 3. 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: maintenance of rolling stock for railway operations and general trading operation.

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