Tokyu Corporation

Consolidated Financial Statements

Fiscal 2004

(April 1, 2004 - March 31, 2005)

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
For The Fiscal Year Ended March 31, 2005

Tokyu Corporation **May 16, 2005**

Stock Code:	9005	Listed exchanges:	Tokyo
URL:	www.ir.tokyu.co.jp		
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Date of the meeting of the board of directors:	May 16, 2005		Accounting, Group Strategy & IR Division, Finance, Accounting & Group Strategy HQ
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1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2005

Amounts less than ¥1 million have been ignored.

1) Consolidated Operating Results

Millions of yen

	FY Ended March 31, 2005		FY Ended March 31, 2004	
		Change (%)		Change (%)
Operating revenue	1,055,564	(13.7)	1,223,403	(11.7)
Operating profit	77,014	32.5	58,120	(24.4)
Recurring profit	67,034	26.6	52,949	2.0
Net income (loss)	35,432	---	(12,345)	---
Net income (loss) per share (¥)	31.11		(11.06)	
Net income per share (diluted) (¥)	29.00		--	
Return on equity (%)	20.5		(7.9)	
Recurring profit to total capital ratio (%)	3.3		2.3	
Recurring profit to revenue ratio (%)	6.4		4.3	

Notes: (1) Equity in income (losses) of equity-method affiliates:
FY ended March 31, 2005: 1,079 million yen FY ended March 31, 2004: 7,340 million yen
(2) Weighted average number of shares (Consolidated):
FY ended March 31, 2005: 1,134,244,907 shares FY ended March 31, 2004: 1,131,106,403 shares
(3) Changes in accounting methods have been applied.
(4) Percentages for operating revenue, operating profit, recurring profit and net income represent changes from the previous fiscal year.

2) Consolidated Financial Position

Millions of yen

	As of March 31, 2005	As of March 31, 2004
Total assets (¥, million)	2,113,208	2,010,141
Shareholders' equity (¥, million)	185,058	160,962
Equity ratio (%)	8.8	8.0
Shareholders' equity per share (¥)	162.21	141.75

Note: Outstanding shares (consolidated) at: March 31, 2005: 1,139,933,695 shares
March 31, 2004: 1,134,374,625 shares

3) Consolidated Cash Flows

Millions of yen

	FY Ended March 31, 2005	FY Ended March 31, 2004
Operating activities	129,590	105,888
Investing activities	9,557	(6,312)
Financing activities	(116,796)	(91,529)
Cash and cash equivalents at end of year	65,510	42,676

4) Scope of consolidation and adoption of the equity method:

Number of consolidated subsidiaries	206
Number of non-consolidated subsidiaries accounted for by the equity method	2
Number of affiliates accounted for by the equity method	22

5) Changes in scope of consolidation and companies accounted for by the equity method

Consolidated subsidiaries	(Newly included)	22	(Excluded)	32
Equity method	(Newly included)	2	(Excluded)	11

2. Consolidated Forecast for the Fiscal 2005 (April 1, 2005 – March 31, 2006)

Millions of yen

	Interim	Full year
Operating revenue	680,000	1,390,000
Recurring profit	24,700	63,300
Net income	8,500	29,600

Reference: Forecast net income per share for the full year: ¥25.97

Note: The forecast results presented above are based on information available on the date of this earnings release. Actual results may differ substantially from forecasts depending on a number of factors. Please refer to page 15 for more details on these forecasts.

1. The Tokyu Group

The Tokyu Group comprises 209 subsidiaries and 26 affiliates. Their main business operations are as follows.

Note: As a result of the separation of the business of the former Tokyu Construction Co., Ltd. (now TC Properties Co., Ltd) in October 2003, the value and importance of construction businesses in the group have declined and are included in the ‘Other’ business segment.

Grouping by business types is identical to the breakdown by operating segments.

(1) Transportation (32 companies)

Main businesses	Companies
Railway operations	Tokyu Corp.; Izukyu Corp. #1 A, C; Ueda Kotsu Corp. #1
Bus operations	Tokyu Bus Corp. #1 A, C; Jotetsu Corp. #1; Tokyu Shachi Bus Co., Ltd. #1; Kusakaru Corp. #1 B
Cargo Transportation	Tokyu Logistic Co., Ltd. #1, A, B; Nihon Kamotsu Kyuso Co., Ltd. #1 A
	23 other companies

(2) Real Estate (36 companies)

Main businesses	Companies
Real estate sales	Tokyu Corp.; Tokyu Land Corp. #2 A, B, C
Real estate leasing	Tokyu Corp.; Shibuya Development Inc. #1 A; Kitami Tokyu Building#1;TMD Corp. #1 A
Real estate management	Tokyu Community Corp. #2 A, B; Tokyu Facility Service Co., Ltd. #1 A, B; Yanchep Sun City PTY. LTD. #1 B
Real estate brokerage services	Tokyu Livable Inc. #2 A, B
	27 other companies

(3) Retail (37 companies)

Main businesses	Companies
Department store operations	Tokyu Department Store Co., Ltd. #1 A, C, D; Nagano Tokyu Department Store Co., Ltd. #1
Retail operations	Tokyu Store Chain Co., Ltd. #1 A, D; Sapporo Tokyu Store Chain Co., Ltd. #1; Tokyu Station Retail Service Co., Ltd. #1 A, B, D
General trading operations	Kowa #1; Tokyu Geox Co., Ltd. #1 A, D
	30 other companies

(4) Leisure and Services (50 companies)

Main businesses	Companies
Movie theater operations	Tokyu Recreation Co., Ltd. #2 A
Golf course operations	Three Hundred Club Co., Ltd. #1; Tokyu Seven Hundred Club Co., Ltd. #1 A
Advertising agency	Tokyu Agency Inc. #1 A, B
CATV operations	its communications Inc. #1 A, B
Rental car operations	Nippon Rent'a Car Tokyu Co., Ltd. #1 A; Nipponrentacar-hokkaido company #1
	43 other companies

(5) Hotels (62 companies)

Main business	Companies
Hotels	Tokyu Hotel Chain Co., Ltd. #1 A; Pan Pacific Hotels and Resorts Pte. Ltd. #1; Mauna Lani Resort (Operation), Inc. #1
	59 other companies

(6) Other (39 companies)

Main businesses	Companies
Construction	Tokyu Construction Co., Ltd. #2 A, Seikitokyu Kogyo Co., Ltd. #2 A
Maintenance of rolling stock for railway operations	Tokyu Car Corp. #1 A, B, C, D; Toyoko Industry Co., Ltd. #1 A, B, D
Automotive parts	Shiroki Corp. #2
Research activities	Tokyu Research Institute, Inc. #1 B
	33 other companies

Notes:

#1 represents a subsidiary, #2 represents an affiliate.

1. There is an overlap of the following companies in segmentation by business lines: Tokyu Corp, TC Properties Co., Ltd, Life Systems Co., Ltd., Izukyu Corp., Jotetsu Corp., Kusakaru Corp., Tokyu Facility Service Co., Ltd., Tokyu Bus Corp., Tokyu Canada Corp., Mauna Lani Resort (Operation), Inc., Tokyu Logistic Co., Ltd., Abashiri Kotsu, Inc.

2. The companies below are listed on the following stock exchanges:

1st Section of the Tokyo Stock Exchange	Tokyu Corp., Seikitokyu Kogyo Co., Ltd., Tokyu Store Chain Co., Ltd., Tokyu Land Corp., Tokyu Community Corp., Tokyu Livable, Inc., Shiroki Corp., and Tokyu Construction Co., Ltd.
2nd Section of the Tokyo Stock Exchange	Tokyu Recreation Co., Ltd., and Tokyu Logistic Co., Ltd.
1st Section of the Osaka Securities Exchange	Tokyu Land Corp.
1st Section of the Nagoya Stock Exchange	Shiroki Corp.
OTC market (JASDAQ)	Nagano Tokyu Department Store Co., Ltd.

3. The Company rents facilities to companies marked (A)
4. The Company outsources work to companies marked (B)
5. The Company leases facilities from companies marked (C)
6. The Company procures merchandise from companies marked (D)

Description of Principal Business Lines as of the End of the Fiscal Year:

Transportation

Railway Operations: The Company operates seven railway lines– the Toyoko Line, Meguro Line, Den-en Toshi Line, Oimachi Line, Ikegami Line, Tokyu Tamagawa Line, and the Kodomonokuni Line and a streetcar line, the Setagaya Line in southwestern Tokyo and Kanagawa Prefecture. The total track length is 100.1 kilometers. Izukyu Corp., a consolidated subsidiary, operates a 45.7km line between Ito and Izukyu Shimoda in the Izu peninsula. Ueda Kotsu Corp., another consolidated subsidiary, operates an 11.6km long passenger line between Ueda and Bessho Onsen, in Nagano Prefecture.

Bus Operations: Tokyu Bus Corp., a consolidated subsidiary, operates scheduled bus services in southwestern Tokyo and Kanagawa Prefecture. In Hokkaido, consolidated subsidiary Jotetsu Corp. operates scheduled bus services, and also leases buses throughout Hokkaido. Consolidated subsidiary Tokyu Shachi Bus Co., Ltd. operates a chartered bus service in Aichi Prefecture.

Cargo Transportation: Freight transportation services are operated by consolidated subsidiaries Tokyu Logistic Co., Ltd. and Nihon Kamotsu Kyuso Co., Ltd. Most of their operations are centered in metropolitan Tokyo. The light and heavy cargoes carried extend from fresh food and amenity goods to steel and construction materials and the two companies also offer a wide range of logistics services, including packaging and warehousing. In addition, due to the disposal of shares of Tokyu Air Cargo Co., Ltd. on December 15, 2004, that company and its 13 subsidiaries are no longer included in the scope of consolidation.

Real Estate

Real estate sales: The Company’s principal operations include land development, primarily at Tama Garden City, housing construction and marketing, and real estate consulting. Affiliate Tokyu Land Corp. operates in metropolitan Tokyo, the Kinki region and major urban centers in regional Japan. The company is engaged in residential land development and marketing, and the construction and marketing of detached houses, medium-rise condominiums, and resort housing. Tokyu Land Corp. is also engaged in joint marketing of built-for-sale houses, a system in which Tokyu Land Corp. works with Tokyu Corporation to build and market family homes on residential land developed by Tokyu Corporation.

Real estate leasing: Real estate leasing operations primarily focus on renting office buildings along the railway lines we operate in Tokyo and Kanagawa prefecture. Tokyu Land Corp., an affiliate, is also engaged in the real estate leasing business, mainly office building leasing, and operates primarily in the Tokyo metropolitan area, the Kinki region and in major regional cities.

Real estate management: Tokyu Community Corp., an affiliate, and a consolidated subsidiary Tokyu Facility Service Co., Ltd. are engaged in comprehensive building management services (management of building facilities, cleaning and security services), and condominium management services (including administration and facilities management).

Real estate brokerage services: Tokyu Livable, Inc., an affiliate, has an extensive network closely linked to local communities in principal cities in the Kanto region and surrounding areas, where it offers residential property brokerage and related services.

Retail

Department store operations: Tokyu Department Store Co., Ltd., a consolidated subsidiary, operates department stores in Tokyo, Kanagawa Prefecture and Sapporo City in Hokkaido. In addition Nagano Tokyu Department Store Co., Ltd. has a similar operation in Nagano Prefecture.

Retail operations: Tokyu Store Chain Co., Ltd., a consolidated subsidiary, operates chain stores, handling foods, apparel, and household necessities, principally in the Tokyo metropolitan region. Sapporo Tokyu Store Chain Co., Ltd operates a similar chain, with most of its stores in Sapporo City in Hokkaido.

General trading operations: Tokyu Geox Co., Ltd., a consolidated subsidiary, manufactures and markets aggregates, and Kowa, another subsidiary, deals mainly with materials.

Leisure and Services

Golf course operations: The Tokyu Group comprises 11 golf course operators including consolidated subsidiaries Three Hundred Club Co., Ltd and Tokyu Seven Hundred Club Co., Ltd.

CATV operations: its communications Inc., a consolidated subsidiary, offers CATV and ISP services through a fiber-optics network and a co-axial cable network, primarily in the area around the Company's railway lines in Tokyo, Kawasaki and Yokohama.

Hotels

In Japan, consolidated subsidiary Tokyu Hotel Chain Co., Ltd. operates four hotel brands: Tokyu Hotel, Excel Hotel Tokyu, Tokyu Inn, and Tokyu Resorts (Total: 47 directly managed hotels as of the end of March 2005), which together comprise the "Tokyu Hotels" chain. Consolidated subsidiary Tokyu Hotel Management Co., Ltd. provides hotel reservations services and is also engaged in marketing.

Overseas, consolidated subsidiary Pan Pacific Hotels and Resorts Pte. Ltd. operates hotels and provides hotel management services and manages 15 hotels in 10 countries, most of which are located in the Asia-Pacific region.

On April 1, 2005 several of the hotel business operations of Tokyu Hotel Chain Co., Ltd. were separated, and will be continued by Tokyu Hotel Management Co., Ltd. which will change its name to Tokyu Hotels Co., Ltd.

Other

Rolling stock manufacturing: Consolidated subsidiary Tokyu Car Corp. specializes in the manufacture of rolling stock for railway operations, specialty vehicles and elevated parking systems. Toyoko Industry Co., Ltd., a consolidated subsidiary, is responsible for the design, manufacture, maintenance and scheduled inspection of equipment for rolling stock for railway operations, and also designs and installs railroad-related electrical equipment.

Automotive parts: Affiliate Shiroki Corp. manufactures and markets major automobile parts, such as door sashes, directly to leading automakers. This company also produces and markets transportation machinery and equipment parts.

2. Management Policy

(1) Our Fundamental Operating Policy

Tokyu Group's roots began with the establishment of Meguro-Kamata Railway Company in 1922 and as of the end of March 2005, the Group is composed of 297 companies and 9 non-profit corporations, with Tokyu Corporation as the nucleus. The Group's core operations focus on urban development centered on railway operations. Over the years, the group has diversified to provide a wide range of services related to the daily lives of the people in the communities it serves. The Group is also actively involved in social programs and environmental activities through foundations, social activities, and Tokyu Association programs.

The Group seeks to fulfill its social responsibilities by building a business deeply rooted in local communities. In 1997, the Group spelled out its core management policy: "Work independently and in collaboration to raise Group synergy and establish a trusted and beloved brand." Toward this goal, the Group adopted the slogan "Toward a Beautiful Age, " and has been working toward "Creating a Beautiful Living Environment" to meet varying consumer needs and to establish Tokyu as a loved and trusted brand.

To sustain growth in the 21st century, Tokyu Group laid out the measures outlined in the Tokyu Group Management Policy of April 2000. The management plan emphasizes the Company's position as the major shareholder of the companies comprising the Tokyu Group and as the owner of the Tokyu brand. The Tokyu Group Basic Management Policy sets forth a new approach to management of the entire group and broadly outlines a plan of action that adheres to this approach.

Based upon this management policy, the company has established a medium-term management plan for the three years beginning April 2005. The basic strategy of this three-year plan is to reform our profit structure and realize sustainable growth through collaboration between our operations in the areas served by Tokyu's railway lines. By exploiting the synergies between our core operations in these areas we will focus on the pursuit of a growth strategy

(2) Management indicators and objectives

For the fiscal year to March 2008 our three-year medium-term business plan adopts as consolidated targets Tokyu EBITDA[1] of at least ¥153 billion, interest-bearing debt of ¥1,120 billion or less, and an equity ratio of at least 13.2 per cent.

(3) Our medium- to long-term goals

To ensure that the areas served by Tokyu railway lines continue to be seen as desirable locations, we intend to promote a growth strategy, and in a distinctive Tokyu style of business development, raise the value of the area around our railway lines by leveraging our business fundamentals of 'railways' and 'community-building' to the maximum through a focused area strategy and collaboration between our core businesses. Specifically, we aim to establish retail-related operations (department stores, chain stores, shopping centers, and other retail and service enterprises) as our third core area of business after transportation and real estate. We also intend to promote cash flow based real estate business and reorganize our portfolio of assets and businesses, while maintaining financial soundness and reforming our profit structure to achieve sustained growth.

In order to promote cooperation among our three core businesses -Transportation, Real estate and Retail-related – in areas along Tokyu railway lines, realize synergies between them and promote them as the drivers of the Tokyu Group's growth we have three specific strategies:

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1 Tokyu EBITDA = Operating profit + Depreciation and Amortization cost+ Amortization of the consolidation adjustment account + Fixed asset disposal expenses.

(i) A more focused area strategy

The region served by Tokyu rail lines has been divided into four areas: Shibuya/Yamanote (uptown areas), Denen-toshi, Toyoko, and Ikegami/Tamagawa. By thoroughly grasping the specific characteristics of the residents, railroad passengers, business and commerce in each of these areas we aim to develop highly effective businesses and facilities based on strategic policies that match the features of each area.

(ii) Development of focal points in Tokyu areas

Based on these area strategies, we will pursue focused development around stations such as Shibuya, Futagotamagawa, and Tama-plaza, and through cooperation, promote synergistic businesses and facilities that attract and retain residents and consumption and further grow demand for off-peak daytime and 'reverse-rush' (against the rush-hour flow) rail transport.

(iii) Promotion of retail-related operations

Through strongly promoting retail-related businesses as our third core area of business, in the areas around our railway lines we aim to channel consumption to group operations. Further, to encourage the optimum strategic location of commercial facilities within the Tokyu areas, we have established a Retail-related Business Committee within Tokyu. Retail-related operations within Tokyu areas will come under a single management structure in order to better utilize economies of scale and enhance operational flexibility. In addition a 'Tokyu Group Point Card' will be introduced in fiscal 2006, to both strengthen the Group's customer base and support growth in its retail operations.

As of April 1st of this year, the company has reorganized its structure in order to foster these growth strategies by strengthening operations and increasing management efficiency with the areas around the Tokyu railway lines as a nucleus.

Looking ahead, Tokyu aims to maximize shareholder value through steadily furthering the growth strategies outlined in this three-year medium term management plan.

(4) Policy and Considerations with regard to a reduction in the investment unit

For Tokyu's shares to achieve an appropriate price on the stock market, it is important that there is share liquidity and the participation of a large number of investors, and we believe that reducing the minimum share-trading unit is one way to achieve these aims. We believe however that our shares are currently highly liquid and that reducing the minimum share trading unit will increase administration costs and other expenses, and we cannot confirm at this current point in time that there is agreement that this will be of mutual benefit to our shareholders. Consequently, we will continue to examine reducing the minimum share trading unit, all the while taking into consideration our stock price, liquidity of the stock market and the number of shareholders.

(5) Dividend Policy

Railway operations constitute the main business of Tokyu Corp. Given the extremely public nature of these operations, we need to sustain stable business results over long periods. While working to further strengthen our operating base, we have carried out on-going capital expenditure programs to increase carrying capacity and safety, promote barrier-free access and enhance services.

We have made various capital expenditures to improve our rail services. For example, a combined total of ¥297.9 billion has been used for improvements to the Meguro-Tamagawa stretch of the Meguro

Line and quadruple tracking of lines between Tamagawa and Hiyoshi on the Toyoko Line. We have also made capital expenditures totaling ¥156.4 billion on improvements to the Oimachi-Futakotamagawa stretch of the Oimachi Line and for quadruple tracking on the Den-en Toshi Line between Futakotamagawa and Mizonokuchi. These measures have been taken to ease congestion, and to build an efficient transport network that will stimulate greater use of the Meguro and Oimachi Lines. We also plan to strengthen the function of the Toyoko Line in the metropolitan area transport network and increase the attractiveness of Shibuya by establishing a mutual direct train service between the Toyoko Line and Subway Line No. 13. In addition we intend to introduce 10-car (currently 8-car) operation for limited express, commuter express and express trains on the Toyoko Line in order to ease congestion and improve convenience and in total we plan to spend ¥159.3 billion on improvements to the Toyoko Line between Shibuya and Yokohama We thus intend to retain earnings as much as possible to provide a reliable source of funds for large-scale capital expenditures over the long term. We are dedicated to strengthening our operating base so as to fulfill our social responsibilities as a provider of public transport.

The Tokyu Corporation has consistently paid a ¥5 per share dividend since fiscal 1982 and in line with our policy of paying stable, sustainable dividends we intend to pay a final dividend of ¥5 per share in respect of fiscal 2004. In the future our aim is to raise shareholder value by increasing our income per share and while maintaining our basic policy of stable dividends we will also consider our profit distribution in the light of the strengthening of our capital and our dividend payout ratio.

(6) Implementing Sound Corporate Governance

To enhance the value of our business for the benefit of all our stakeholders, we have focused management resources on emphasizing and strengthening the following three business aims:

Sustainability, through selecting business domains and management systems that enable continued growth; **Visibility**, through fulfilling our vision of building sound operational structures and systems; and **Accountability**, which ensures that management fulfills its responsibility to explain its actions to stakeholders.

(i) Internal Organization and Internal Control Systems

To enhance the decision making process, we established the Tokyu Group Corporate Executive Committee as the ultimate policy and decision-making body for the Group. The Committee is led by the chairman of the board of the Tokyu Group and aims to adapt quickly to changes in our operating environment. It is responsible for managing the development of the Group's businesses, implementing funding policies, evaluating the performance of each company within the Group and managing the development of the Tokyu brand. It also ensures that the Tokyu Corp. adheres to the commercial code and maintains a high level of transparency. Of course, all important issues that are required by the Japanese Commercial Code to be deliberated by the board of directors will continue to be subject to the final decision of the board.

In addition, with the aim of strengthening our corporate governance by promoting the separation of management and execution, enhancing our business execution framework and clarifying the limits to authority and responsibility we introduced an executive officer system from April 1, 2005. The executive officers are selected by the Board of Directors and execute business under the basic management policy as decided by the Board, in accordance with the directives of the representative directors.

The Board of Directors currently has 21 members of which three are outside directors. None of the external directors have any special beneficial relationship with the company. We utilize a system of corporate auditors and three of our four corporate auditors are outside auditors. None of the outside auditors have any beneficial relationship with the company.

A regular meeting is held monthly between our accounting auditors Ernst & Young Shin Nihon Co., regular auditors and the company to exchange information on the status of accounting auditing practice and on the audit of the company and our subsidiaries and affiliates.

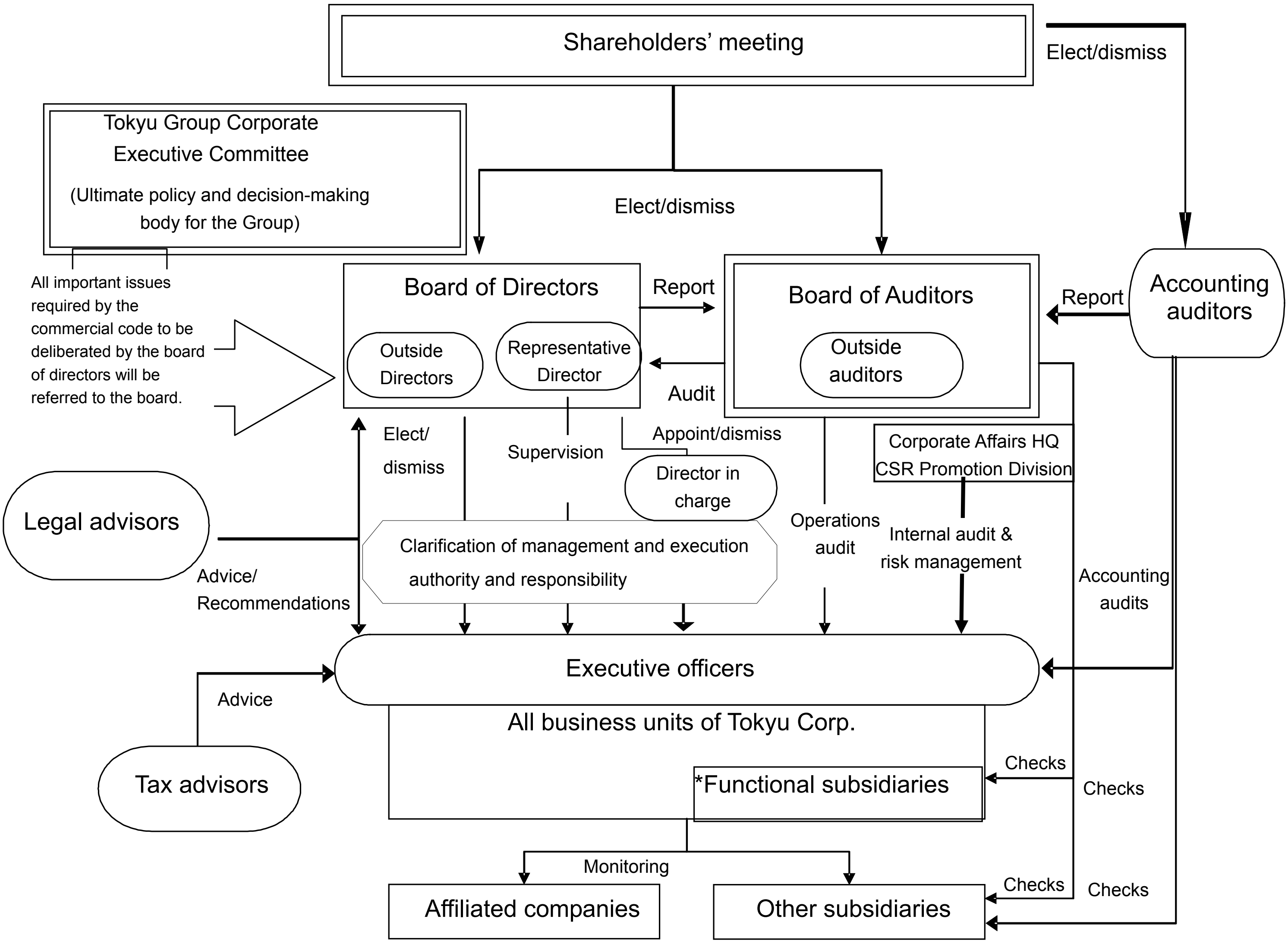
(ii) Risk management systems

Tokyu is striving to strengthen risk management through compliant management and as part of the CSR promotion division, Corporate Affairs Headquarters established a specialist department for internal audit and risk control and also holds internal study groups on the need for risk control.

In respect of risk management, each business recognizes and evaluates risk, and formulates risk control policies. Based on these policies each department creates a risk control report compiling risk countermeasures and executes risk control, while also monitoring the improvement of risk control and amending risk control policies as necessary.

In respect of compliance, in January 2002 we formulated the Tokyu Group Compliance Manual, which outlines the basic principles of conduct of the group towards stakeholders that may have an influence on the corporate brand value of the group. Furthermore, based on our group philosophy and the Group Compliance Manual we have established Tokyu Corporation Rules of Behavior that describes our response to major risks and the appropriate behavior for directors and employees.

An outline of the corporate governance structure of Tokyu Corporation is shown in the following chart:



*Functional subsidiaries: companies responsible for a particular function of Tokyu's business

(iii) Remuneration paid to directors and corporate auditors (excluding the employee remuneration portion of amounts paid to employees serving concurrently as directors) and fees paid to accounting auditors.

In fiscal 2004, fees paid to directors and corporate auditors comprised ¥325 million in fees to 21 directors, and ¥56 million paid to five auditors for a total of ¥381 million. Retirement payments to 11 directors totaled ¥427 million. Also, fees paid to Ernst & Young ShinNihon Co. relating to certificates of audit based upon a contract for fiscal 2004 amounted to ¥51 million (including English language financial statements). Other fees (remuneration for comfort letters) totaled ¥3 million.

3. Review of Operations and Financial position

1. Review of Operations

(1) Overview of Fiscal 2004

During fiscal 2004, increases in corporate profitability led to strong capital expenditure and as employment and personal income improved consumer spending showed signs of improvement. Despite this, a full-scale economic recovery has yet to be achieved.

Against this backdrop, our group (Tokyu Corporation, its consolidated subsidiaries and equity accounted affiliates) pursued aggressive marketing in each business and strove to increase operating efficiency and cut costs.

With regards to our results for fiscal 2004, following the demerger of the former Tokyu Construction Co., Ltd. (now TC Properties Co., Ltd) the results of its construction business have been excluded from the consolidated results. Also, as a result of our disposal of shares in Tokyu Tourist Corporation, that company has been excluded from the scope of the consolidated accounts, while the fixed asset disposal costs that we reported in fiscal 2003 as a result of progress made in large-scale railway improvement works decreased. As a result, consolidated operating revenue declined 13.7% year on year to ¥1,055.564 billion, while consolidated operating profit rose 32.5% to ¥77.014 billion. Recurring profit increased by 26.6% to ¥67.034 billion as interest expenses and contributions from investments accounted for by the equity method each declined, and net income for the fiscal year was ¥35.432 billion, an improvement of ¥47.778 billion.

From fiscal 2004 onwards, Tokyu Department Store Co., Ltd. and its nine subsidiary companies and Tokyu Agency Inc. and its seven subsidiary companies became consolidated subsidiaries but as the date of acquisition of control was considered as March 31, 2005 only their assets and liabilities have been consolidated.

Operating results on a segmental basis are as follows and include inter-segment internal revenues or transfers where applicable.

Transport

In our railway operations, fare revisions were implemented in March 2005. Regarding the improvements to the Oimachi line between Oimachi and Futakotamagawa and quadruple tracking between Futakotamagawa and Mizunokuchi on the Den-entoshi line, the Urban Railways Transport Business Plan approval period has expired, the accumulation of the Urban Railways Improvement Reserve has been completed and utilization of the reserve has begun. Additionally, recognition for the Urban Railway Transport business plan for renovation between Shibuya and Yokohama on the Toyoko line was obtained from the Ministry of Land, Infrastructure and Transport in February 2005 and the accumulation of the Urban Railways Improvement Reserve has begun. In addition to the progress in construction as described above, we have also covered the increase in depreciation expenses, etc., resulting from major improvement work. In these ways we are ensuring the sound operation of our railways business.

On the Den-entoshi line, the frequency of weekday morning rush hour and evening express train service has been increased, and on the Setagaya line intervals between services have been shortened and the departure time for the first train has been brought forward. Furthermore, in order to stimulate new demand for our railway services, we are implementing a number of measures such as running a special train the *Minatomirai* and offering *Minatomirai* tickets, and *Minatomirai* all day passes

In terms of station facilities, effort to increase barrier-free use such as installing elevators, escalators and multi-functional toilets have continued. Additionally, the installation of electronic bulletin boards to immediately convey service information to passengers has also been completed in all stations on our lines.

While there was some influence on the operating performance of our railway business from the reduction in the number of passengers carried due to the phasing out of the Yokohama – Sakuragicho portion of the Toyoko line, new demand was generated by the start of mutual direct services operating between the Toyoko and the Minato Mirai lines and the improved convenience of the rail network and as a result the total number of passengers carried was similar to last fiscal year. As a result of a decline in fixed asset disposal expenses, operating profit increased. The decline in the number of passengers carried by consolidated subsidiaries, Izukyu Corp. and Ueda Kotsu K.K., continued.

Bus operations saw new services start in the Tokyo region and strengthening of services on best-performing routes, but sluggish growth on existing routes led to lower passenger numbers overall. Regional bus operations, primarily in Hokkaido, also experienced a decline in passengers on both regular services and charters.

In our cargo transportation business the start of Tokyu Logistic's new distribution center operations, full capacity operation of the trading company related distribution center business and the opening of new branches led to an increase in transportation. However, a review of the distribution system, led to integration of facilities and changes to the delivery routes and the delivery business and the volume of work within the delivery centers decreased significantly resulting in reduced revenues.

International cargo operations realized increased revenues due to a boom in the handling of semiconductor equipment manufacturing, IT components and digital home electronics etc.

As of the end of fiscal 2004, due to a disposal of shares, Tokyu Air Cargo Ltd. will no longer be a consolidated subsidiary.

As result of the above factors, our overall transport business operating revenue rose 0.7% compared with fiscal 2003 to ¥263.897 billion and operating profit rose 93.8% to ¥39.46 billion.

Real Estate

Our real estate sales business saw strong sales of built-for-sale housing and condominiums, primarily in the Tama Garden City development project and revenues increased. In real estate leasing amidst heavy competition for the supply of large sized buildings, we transferred trust benefit rights for the (Cerulean Tower) trust, which we established in March of last year and revenues decreased. However, we engaged in focused marketing to maintain high occupancy rates in our leased properties, and also pursued efforts to strengthen our competitive position through the steady implementation of renovations. We also promoted the further enhancement of station facilities and actively promoted the use of company-owned land and we successfully maintained a high occupancy rate of 99.2% as of the end of March 2005.

In our real estate management business Tokyu Facility Service Co., Ltd. continued to be affected by an operating environment characterized by intensifying competition for new business and tender prices declined, while this business was also affected by the relocation of tenants and lower unit prices.

As result of the above factors, overall real estate operating revenue rose 7.8% compared with fiscal 2003 to ¥181.589 billion and operating profit rose 13.4% to ¥23.343 billion.

Retail

The commercial environment of our retail business worsened as little benefit was seen from improvements in personal consumption, and this business was affected by ongoing intense competition and the impact of the introduction of the obligation to display retail prices including sales tax.

Tokyu Store Chain Co., Ltd., continued to open new outlets while revitalizing existing mainly large-scale outlets. In terms of management, Tokyu Store Chain Co., Ltd. improved its lineup of high-quality products matched to local market characteristics, extended store hours while reviewing operations at participating stores and aggressively expanded business opportunities at stores with the most potential to increase revenues. While the food business was hit by a record-breaking hot summer and as customers were reluctant to buy following the introduction of the new pricing system that displays retail prices inclusive of the consumption tax, results were firm as a result of the positive impact of the opening of new outlets. However, sales of apparel and daily necessities were lackluster, as the addition of new store tenants reduced sales space even while Tokyu Store Chain Co., Ltd. improved its lineup of quality products high-quality products matched to local market characteristics.

As a result of these factors, operating revenue from the overall retail business remained unchanged compared to fiscal 2003 at ¥384.452 billion, while operating profit decreased 9.9% to ¥6.229 billion.

Leisure and Services

Our CATV operation, its communications Inc., saw increases in subscribers to both its broadcast and communications services and by the end of fiscal 2004 the number of connected households grew to 483, 812. Tokyu Tourist Corporation ceased to be a subsidiary following the disposal of shares in the company in March 2004, and its results have not been consolidated.

As a result of the above, compared to fiscal 2004 operating revenue from the overall leisure and services operations fell 30.4% to ¥60.0 billion, while operating profit grew 50.5% to ¥2.033 billion.

Hotels

In our hotels business, the business environment remained difficult amidst increasingly severe competition as new establishments emerge in line with the redevelopment of urban centers, lodging-only hotels spring up one after the other cities and fewer people make use of hotels as the wedding market diversifies. In such an environment, Tokyu Hotel Chain Co., Ltd. has increased the brand power of each of its hotels through active capital investment, as well as striving to increase profitability by developing *new concept rooms*, in order to create attractive hotels that are able to bring in customers, however, a decline in unit room prices and a fall in the number of weddings led to a decline in revenues. The average occupancy rate at hotels directly managed Tokyu Hotel Chain Co., Ltd rebounded 0.8 of a percentage point compared to last fiscal year to 79.6%, reflecting a recovery at hotels affected by the SARS outbreak last year.

As a result, the overall operating revenue for the hotel business fell 5.7% to ¥102.873 billion and operating profit declined 22.9% to ¥2.747 billion.

Other businesses

In our rolling stock business Tokyu Car Corp. shipments to JR companies mainly of standard commuter train carriages increased strongly, shipments to private railway corporations also increased and as export shipments were made to the Eire national railway company (Córas Iompair Éireann), revenues increased.

As a result of the separation of the business of the former Tokyu Construction Co., Ltd. (now TC

Properties) in October 2003, the value and importance of construction businesses in the group have declined and are included in the ‘Other’ business segment.

As a result, overall operating revenue for Other businesses rose 24.6% to ¥113.157 billion and operating profit fell 5.8% to ¥2.568 billion.

(2) Outlook for Fiscal 2005

In regard to the outlook for fiscal 2005, as Tokyu Department Store Co., Ltd. and Tokyu Agency Inc. became consolidated subsidiaries at the end of fiscal 2004, their results will be included in the scope of consolidation. On the other hand, Tokyu Air Cargo Co., Ltd. will now be excluded from the scope of consolidation following our disposal of shares. As a result of these and other factors, we forecast that operating revenue will increase 31.7% to ¥1.390 trillion, and operating profit will rise 4.4% to ¥80.4 billion. However, recurring profit is expected to decrease 5.6% to ¥63.3 billion and net income to decline by 16.5% to ¥29.6 billion.

The projections for each operating segment are as follows:

				Billions of yen
	Operating revenue		Operating profit	
	Fiscal 2005	YoY change	Fiscal 2005	YoY change
Transportation	188.6	(75.2)	39.3	(0.1)
Real Estate	133.9	(24.5)	17.2	(3.3)
Retail	680.6	314.2	13.4	4.2
Leisure and Services	195.9	141.2	3.4	1.6
Hotels	104.9	2.0	3.9	1.1
Other	144.1	(15.6)	2.3	(0.4)
Total	1,448.0	342.0	79.5	3.1
Eliminations	(58.0)	(7.5)	0.9	0.2
Consolidated	1,390.0	334.4	80.4	3.3

Note: From fiscal 2005, along with the change in the Japanese name of the Retail segment (English segment name unchanged), the composition of the retail segment has changed and now includes the following: Department store business, chain store business, SC (shopping center) business (transferred from the Real Estate business), other retail businesses. The figures for YoY change above are based on fiscal 2004 segmental figures that reflect this change in segmental classification)

2. Financial position

Total assets as of March 31, 2005 were ¥2,113.208 billion, up ¥103.067 billion compared to a year earlier. Total liabilities were ¥1,850.994 billion, up ¥72.169 billion and shareholders’ equity was ¥185.058 billion, up ¥24.096 billion from a year earlier.

Consolidated Cash Flows

Net cash generated by operating activities in fiscal 2004 was ¥129.59 billion. Significant factors included net income before income taxes and other adjustments for the fiscal year of ¥53.088 billion, depreciation of ¥54.854 billion, and an appraisal loss of ¥18.099 billion on real estate held for sale. Due to a decrease in payments of corporate and other taxes compared to the previous fiscal year, cash from operating activities increased by ¥23.701 billion.

As regards net cash flows from investment activities, we continued aggressive forward looking capital expenditure related to work on the multiple tracking of lines resulting in payment for purchase of property and equipment of ¥98.298 billion. There was also expenditure for the tender offer of shares made by Tokyu Department Store Co., Ltd. Proceeds from the sale of property and equipment were ¥69.806 billion and subsidies received for construction were ¥19.398 billion. As a result the net cash inflow from investment activities was ¥9.557 billion, an increase of ¥15.869 billion compared to fiscal 2003.

Net cash used in financing activities was ¥116.796 billion, ¥25.266 billion more than fiscal 2003, reflecting repayment of debt and redemption of corporate bonds.

As a result, cash and cash equivalents at the end of fiscal 2004 stood at ¥65.51 billion, ¥22.834 billion more than at the end of the preceding fiscal year.

The group's cash flow-related indicator trends were as follows:

	Fiscal 2001	Fiscal 2002	Fiscal 2003	Fiscal 2004
Shareholders equity ratio (%)	6.3	6.0	8.0	8.8
Market price based equity ratio (%)	18.3	15.9	37.0	30.3
Debt service coverage ratio (years)	23.5	14.1	11.8	9.6
Interest coverage ratio (times)	1.8	3.2	4.0	6.1

Shareholders equity ratio = shareholders equity/total assets

Market price based equity ratio = market capitalization/total assets

Debt service coverage ratio (years) = interest bearing debt/operating cash flow

Interest coverage ratio = operating cash flow/total interest paid

Notes:

1. Each ratio is calculated on a consolidated basis.
2. Market capitalization is calculated by multiplying the share price at the end of the fiscal year by the total number of shares outstanding at the end of the fiscal year.
3. Operating cash flow figures are obtained from the consolidated cash flow statements.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Assets			
	Millions of yen		
Item	Fiscal 2004 As of March 31, 2005	Fiscal 2003 As of March 31, 2004	Change
Assets			
Current Assets	**418,354**	**391,461**	**26,893**
Cash and deposits	63,285	35,142	28,142
Trade notes & accounts receivable	139,249	106,316	32,933
Securities	108	266	(157)
Inventories	164,067	201,883	(37,815)
Deferred tax assets	23,008	16,346	6,662
Other current assets	29,739	35,704	(5,964)
Allowance for doubtful accounts	(1,105)	(4,198)	3,092
Fixed Assets	**1,694,853**	**1,618,680**	**76,173**
Tangible fixed assets	1,289,042	1,238,795	50,246
Buildings & Structures	563,190	540,285	22,905
Rolling stock & machinery	56,546	65,165	(8,618)
Land	519,257	488,263	30,994
Construction in progress	128,740	125,081	3,659
Others	21,305	20,000	1,305
Intangible fixed assets	38,352	33,917	4,434
Consolidation adjustment account	4,396	---	4,396
Others	33,955	33,917	37
Investments & Others	367,458	345,966	21,492
Investment securities	161,883	179,854	(17,970)
Long-term loans receivable	1,407	1,512	(104)
Deferred tax assets	48,867	51,031	(2,164)
Others	174,056	134,537	39,518
Allowance for doubtful accounts	(18,756)	(20,969)	2,212
Total Assets	**2,113,208**	**2,010,141**	**103,067**

Liabilities, Minority Interests and Shareholders' Equity			
	Millions of yen		
Item	Fiscal 2004 As of March 31, 2005	Fiscal 2003 As of March 31, 2004	Change
Liabilities			
Current Liabilities	**696,482**	**646,169**	**50,313**
Trade notes & accounts payable	131,835	92,992	38,842
Short-term debt	314,181	354,557	(40,376)
Current portion of long-term debt	64,700	45,201	19,499
Accrued income taxes	4,365	3,575	790
Reserve for employees' bonuses	12,259	12,407	(147)
Advances received	74,784	58,647	16,136
Others	94,356	78,788	15,568
Long-term Liabilities	**1,119,578**	**1,094,780**	**24,798**
Corporate bonds	311,998	339,698	(27,700)
Long-term debt	552,598	505,387	47,210
Reserve for employees' retirement benefits	50,436	47,773	2,662
Reserve for directors' retirement benefits	3,265	3,547	(282)
Deposits from tenants and club members	128,950	134,311	(5,360)
Deferred tax liabilities	26,676	23,399	3,277
Deferred tax liabilities from land revaluation	10,185	7,424	2,761
Consolidation adjustment account	---	13,680	(13,680)
Others	35,468	19,557	15,910
Special legal reserves	**34,933**	**37,875**	**(2,941)**
Urban Railways Improvement Reserve	34,933	37,875	(2,941)
Total Liabilities	**1,850,994**	**1,778,824**	**72,169**
(Minority Interests)			
Minority interests	**77,155**	**70,354**	**6,800**
(Shareholders' Equity)			
Common stock	108,820	108,820	---
Capital surplus reserve	85,523	128,066	(42,542)
Profit reserve	(20,240)	(95,287)	75,046
Land revaluation reserve	5,269	11,093	(5,823)
Unrealized holding gains (losses) on investment securities, net of taxes	17,359	20,379	(3,019)
Foreign currency translation adjustment account	(9,047)	(8,998)	(48)
Treasury stock	(2,627)	(3,112)	485
Total Shareholders' Equity	**185,058**	**160,962**	**24,096**
Total Liabilities, Minority Interests & Shareholders' Equity	**2,113,208**	**2,010,141**	**103,067**

(2) Consolidated Statements of Income

Item	Fiscal 2004 From April 1, 2004 to March 31, 2005	Fiscal 2003 From April 1, 2003 to March 31, 2004	Change	Percentage Change
	Millions of yen			
Operating revenue	**1,055,564**	**1,223,403**	**(167,838)**	**(13.7)**
Cost of revenue from operations	978,549	1,165,283	(186,733)	(16.0)
Operating expenses & cost of sales (Transportation etc.)	830,643	980,164	(149,520)	(15.3)
SG&A expenses	147,906	185,118	(37,212)	(20.1)
Operating profit	**77,014**	**58,120**	**18,894**	**32.5**
Non-operating profit	15,268	27,310	(12,041)	(44.1)
Interest & dividends	1,432	1,969	(537)	(27.3)
Equity in profits of affiliates	1,079	7,340	(6,261)	(85.3)
Other income	12,757	17,999	(5,242)	(29.1)
Non-operating expenses	25,249	32,481	(7,232)	(22.3)
Interest	20,738	26,655	(5,916)	(22.2)
Other expenses	4,510	5,826	(1,315)	(22.6)
Recurring profit	**67,034**	52,949	**14,085**	**26.6**
Extraordinary gains	58,655	146,116	(87,461)	(59.9)
Extraordinary losses	72,601	226,672	(154,071)	(68.0)
Income before income taxes and minority interests	**53,088**	**(27,606)**	**80,695**	**---**
Income taxes	4,159	6,205	(2,045)	(33.0)
Income tax adjustment	10,678	(16,207)	26,886	---
Minority interests	2,817	(5,259)	8,076	---
Net income	**35,432**	**(12,345)**	**47,778**	**---**

Note	*Millions of yen* Fiscal 2004	Fiscal 2003
Breakdown of extraordinary gains		
Gain on retirement benefit trust establishment	16,831	34,531
Subsidies received for construction	11,187	59,266
Gain on sale of fixed assets	10,818	21,651
Breakdown of extraordinary losses		
Loss on sale of fixed assets	19,651	31,553
Appraisal loss on real estate for sale	18,099	8,065
Loss on change of retirement benefit scheme	13,071	---
Deferred loss on reduction in subsidies for construction received	6,444	46,272
Impairment loss on fixed assets	3,324	87,613

(3) Consolidated Statements of Surplus

	Millions of yen	
	April 1, 2004 to March 31, 2005	April 1, 2003 to March 31, 2004
Capital surplus reserve		
Capital surplus reserve at beginning of period	128,066	128,130
Increase in capital surplus reserve	2,613	0
Increase from share exchange	2,552	---
Profit on disposal of own stock	60	---
Increase from conversion of convertible bonds	---	0
Decrease in capital surplus reserve	45,156	65
Reversal of capital surplus reserve	39,471	---
Cash dividends	5,684	---
Decrease resulting from loss on disposal of own stock	---	65
Capital surplus reserve at end of period	85,523	128,066
Profit reserve		
Profit reserve at beginning of period	(95,287)	(80,296)
Increase in profit reserve	77,993	446
Reversal of capital surplus reserve	39,471	---
Net income	35,432	---
Reversal of land revaluation balance	3,089	2
Increase resulting from reduction of consolidated subsidiaries	---	431
Increase resulting from increase in equity method affiliate's subsidiaries	---	12
Decrease in profit reserve	2,947	15,436
Cash dividends	2,842	2,831
Directors' and statutory auditors' bonuses	105	185
Net loss	---	12,345
Decrease resulting from merger of consolidated subsidiaries	---	74
Profit reserve at end of period	(20,240)	(95,287)

(4) Consolidated Statements of Cash Flows

Item	Millions of yen		
	Fiscal 2004	Fiscal 2003	
	From April 1, 2004 to March 31, 2005	From April 1, 2003 to March 31, 2004	Change
I. Cash flows from operating activities			
Income (loss) before income taxes	53,088	(27,606)	80,695
Depreciation and amortization	54,854	63,335	(8,481)
Amortization of consolidation adjusting account	(3,992)	3,076	(7,069)
Fixed asset impairment loss	3,324	87,613	(84,289)
(Decrease) increase in employees' retirement benefit reserve	(22,355)	(26,079)	3,724
Retirement benefit trust establishment amount	17,120	34,735	(17,615)
Gain on retirement benefit trust establishment	(16,831)	(34,531)	17,700
Loss on change of retirement benefit scheme	13,071	---	13,071
Gain on business transfer	---	(2,548)	2,548
(Decrease) in Urban Railways Improvement Reserve	(2,941)	(2,924)	(17)
Subsidies received for construction	(11,187)	(59,266)	48,078
Reduction in contributions received for construction	6,444	46,272	(39,827)
(Gain) loss on sale of subsidiaries' stock	(2,615)	(263)	(2,351)
Loss on revaluation of investment securities	200	1,692	(1,492)
(Gain) loss on sale of property and equipment	8,833	9,901	(1,068)
Loss on disposal of property and equipment	9,636	30,176	(20,540)
Appraisal losses on real estate for sale	18,099	8,065	10,034
Appraisal losses on fixed assets	885	5,549	(4,663)
Equity in losses (earnings) of equity-accounted affiliates	(1,079)	(7,340)	6,261
Decrease (increase) in accounts receivable	(9,211)	8,491	(17,703)
Decrease (increase) in inventories	35,426	64,926	(29,500)
(Decrease) increase in trade payables	1,710	(29,310)	31,021
(Decrease) in advances received	(32)	(26,542)	26,510
(Decrease) in guarantee deposits	(1,680)	(13,951)	12,270
Interest and dividend income	(1,432)	(1,969)	537
Interest paid	20,738	26,655	(5,916)
Others	(17,779)	(5,606)	(12,173)
Subtotal	152,295	152,550	(255)
Interest and dividends received	1,965	2,047	(81)
Interest paid	(21,213)	(26,764)	5,550
Income taxes paid	(3,456)	(21,944)	18,487
Net cash provided by operating activities	**129,590**	**105,888**	**23,701**
II. Cash flows from investing activities			
Payments for purchases of fixed assets	(98,298)	(100,503)	2,205
Proceeds from sale of fixed assets	69,806	76,127	(6,320)
Payments for investment securities	(1,981)	(18,976)	16,995
Proceeds from sale of investment securities	30,624	14,900	15,723
Payments for acquisition of subsidiaries' stock	(11,223)	---	(11,223)
Payments for disposal of subsidiaries' stock	(21)	(11,569)	11,547
Proceeds from disposal of subsidiaries' stock.	3,493	106	3,386
Proceeds from subsidies received for construction	19,398	23,627	(4,229)
Payments for disbursement of loans receivable	(1,370)	(732)	(638)
Proceeds from collection of loans receivable	1,897	1,269	627
Proceeds from repayment of investments	1	10,063	(10,062)
Others	(2,769)	(627)	(2,141)
Net cash used in investing activities	**9,557**	**(6,312)**	**15,869**

Consolidated Statements of Cash Flows (continued)

III. Cash flows from financing activities			
Increase (decrease) in short-term debt, net	(70,326)	(121,804)	51,478
Proceeds from long-term debt	78,493	125,777	(47,283)
Repayment of long-term debt	(107,162)	(147,616)	40,453
Proceeds from issuance of commercial paper	22,000	29,000	(7,000)
Payments for redemption of commercial paper	(22,000)	(29,000)	7,000
Proceeds from bond issue	39,751	70,422	(30,670)
Payments for redemption of bonds	(48,201)	(55,900)	7,699
Dividends paid by parent company	(8,526)	(2,831)	(5,695)
Proceeds from issuance of stock to minority shareholders	---	40,000	(40,000)
Dividends paid to minority shareholders	(596)	(617)	21
Other	(228)	1,040	(1,268)
Net cash used in financing activities	**(116,796)**	**(91,529)**	**(25,266)**
IV. Effect of exchange rate changes on cash and cash equivalents	40	(102)	143
V. Increase (decrease) in cash and cash equivalents	22,391	7,944	14,447
VI. Cash and cash equivalents at beginning of period	42,676	50,825	(8,149)
VII. Decrease due to exclusion from consolidation	(456)	(40)	(415)
VIII. Increase due to inclusion in consolidation.	898	940	(41)
IX. Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	---	(44)	44
X. Decrease in cash and cash equivalents resulting from demerger of subsidiaries	---	(16,948)	16,948
XI. Cash and cash equivalents at end of period	**65,510**	**42,676**	**22,834**

5. Basis of Presentation of Consolidated Financial Statements

1. Scope of Consolidation

The Tokyu Group comprises 206 consolidated subsidiaries, including Tokyu Logistic Co., Ltd., Tokyu Store Chain Co., Ltd. and Tokyu Department store Co., Ltd.

Newly established companies Tokyu Will Co., Ltd., Tokyu Security Co., Ltd. and two other companies, have been included in the scope of consolidation. In addition, as a result of a tender offer of shares in Tokyu Department Store Co., Ltd. it and nine of its subsidiaries as well as Tokyu Agency Inc. and seven of its subsidiaries have also been newly included in the scope of consolidation. Tokyu Air Cargo Co., Ltd., ABLE FORCE FREIGHT LIMITED, and thirteen other companies have been excluded from consolidation as a result of the disposal of shares. Also excluded are Tokyu Micronesia Development Corp., Taiyo Koku Co., Ltd. and twelve other companies that have been dissolved. Toyoko Denko Co., Ltd, Shin Tokyu Shisetsu Co., Ltd. and one other company merged with other consolidated subsidiaries and are thus excluded from the number of consolidated subsidiaries.

Aizen-en Corp. and two others were excluded from consolidation because they have no material effect on the consolidated financial statements due to the small scale of their operations.

In respect of Tokyu Department Store Co., Ltd., and nine of its subsidiaries as well as Tokyu Agency Inc. and seven of its subsidiaries, the date of acquisition of control is as of the end of fiscal 2004 and so only their assets and liabilities have been consolidated.

2. Application of the Equity Method

Non-consolidated subsidiary Aizen-en Corp. and one other, are accounted for by the equity method. Meanwhile, the 22 affiliates accounted for by the equity method include Tokyu Land Corp. and Tokyu Construction Co., Ltd.

As a result of Tokyu Department Store Co., Ltd. becoming a subsidiary, the equity method is now applied to Bangkok Tokyu Department Store and one other company. As Tokyu Department Store Co., Ltd., Tokyu Agency Inc. and three other companies became subsidiaries due to a tender offer for shares in Tokyu Department Store Co., Ltd. and as a result of the disposal of shares in Tokyu Hands and five other companies these are no longer affiliates and the equity method is no longer applied. TMS Co., Ltd and four other companies have been treated as affiliates to which the equity method is not applied as the effect on the consolidated financial statements would be immaterial.

3. Fiscal Year End of Consolidated Subsidiaries

Among the consolidated subsidiaries, Tokyu Geox Co., Ltd. and 49 other companies close their books on a full-year basis on either December 31 or February 28. With the exception of Kyushu Tokyu Hotel Chain Co., Ltd financial statements as of their respective balance sheet dates were used for the preparation of consolidated financial statements. The consolidated financial statements were adjusted for material transactions between the fiscal year-end of subsidiaries and the Tokyu Group's balance sheet date.

Among the consolidated subsidiaries, Tokyu Lifia Co., Ltd. and four other companies and Kyushu Tokyu Hotel Chain Co., Ltd close their books on a full-year basis on September 30. These were adjusted to reflect their financial statements as of and for years ended March 31, 2005.

4. Summary of Significant Accounting Policies

(1) Valuation Standards and Accounting Treatment for Important Assets

(a) Securities

Bonds held to maturity:

Bonds are valued using the cost amortization method (Straight line method).

Other securities:

Securities with market quotations:

Securities with market quotations are valued at market on the balance sheet date.
(The entire difference between the carrying value and the market value is recognized in 'Unrealized holding gains (losses) on securities'. Cost of sales is mainly computed by the moving average method.)

Securities without market quotations:

Securities without market quotations are valued at cost, which is determined by the moving average method.

(b) Derivatives

Derivatives are stated at market value.

(c) Inventories

Residential land lots and buildings are mainly valued at cost using the weighted average (for the region) method or the specific identification method. According to the type of business other inventories are valued at cost, which is determined either by the specific identification method, the weighted average method at cost or the lower of cost and market method, the last cost method at cost, the first-in first-out method at cost, the retail method at cost, or the moving average method at cost, or the lower of cost or market method.

(2) Method for Depreciating Important Assets

(a) Tangible fixed assets

Depreciation is computed mainly by the declining balance method. Depreciation of certain leased facilities of the Company and tangible fixed assets of certain consolidated subsidiaries is computed in combination with the straight-line method. Depreciation of buildings (excluding equipment attached to buildings) acquired by the Company and its domestic subsidiaries after April 1, 1998 are computed by the straight-line method. Estimated useful life of tangible fixed assets is assumed as follows:

Buildings and structures: 2-75 years

(b) Intangible fixed assets

Depreciation is computed by the straight-line method. Depreciation of software for in-house use is computed by the straight-line method, assuming a useful life of 5 years.

(3) Deferred assets

Bond and new share issue expenses are charged in full as one-time expenses to income as incurred.

(4) Important Reserves

(a) Allowance for doubtful accounts

The allowance for doubtful receivables is provided for at rates based on past collection experience. In addition, the amount deemed necessary to cover individual uncollectible receivables, based on management's estimate of the collectability of each, is provided when appropriate.

(b) Reserve for employees' bonus

Accrued bonus liabilities (employees and employee directors of the company) are based on estimated amounts to be paid in subsequent periods.

(c) Retirement benefit reserve

Accrued employee retirement benefits are provided for on the basis of the retirement and severance benefit obligations at the end of the fiscal year and the estimated fair value of pension fund assets as of the balance sheet date. Differences in the actuarially computed value of benefits are charged to income (from the following fiscal year) over a period (15 years) that is less than the average remaining years of service of employees, by the straight-line method. Past service liabilities are calculated by the straight-line method based on a period (15 years) that is less than the average remaining years of service of employees. From fiscal 2004 as past service liabilities have been incurred the period for disposal of past service liabilities is mainly 15 years.

Change in accounting treatment

From fiscal 2004, as the Accounting Standards for Retirement Allowances-Partial Amendment (Corporate Accounting Standard – 3, March 16, 2005) and Accounting Standards for Retirement Allowances-Partial Amendment Practice Guidelines (Corporate Accounting Standards Practice Guideline – 7, March 16, 2005) can be applied to consolidated financial statements in respect of the year ending March 31, 2005 this accounting standard and practice guideline have been applied. As a result, operating profit, recurring profit and income before income taxes and minority interests each increased by ¥125 million. There was also a small effect on segmental information.

Additional information

In respect of employees of the Company and certain loan employees, a new defined contribution pension system was introduced as of October 1, 2004 and in accordance with the transfer of part of the lump-sum payment retirement allowance system to the defined contribution pension system the 'Accounting treatment for transfers between retirement allowance systems' (Corporate Accounting Standards Practice Guideline 1) has been applied. As a result an 'Extraordinary loss on change of retirement benefit scheme has been recorded.

In connection with the implementation of a defined benefit plan, on April 1, 2004 Tokyu Store Chain Co. Ltd. and its consolidated subsidiaries received approval of a waiver of its future obligations in respect of the proxy portion of its pension fund from the Minister of Health, Labour and Welfare and on October 6, 2004 the relevant amount (minimum reserve requirement) was returned to the government.

(d) Directors' retirement benefit reserve

The allowance for directors' retirement benefits is provided for on the basis of the Company's internal rules.

(5) Translation of material foreign currency denominated assets and liabilities into Japanese yen

All foreign currency denominated credits and debts are translated into yen amounts at the rates of exchange in effect at the balance sheet date, and translation gains and losses are accounted for as a profit or loss. Assets and liabilities of overseas subsidiaries are translated into yen amounts at the rates of exchange in effect at the balance sheet date. Revenue and expenses are translated into yen amounts at the average exchange rate for the fiscal year and the differences are included in minority interests or the foreign currency translation adjustment account in the shareholders' equity section.

(6) Special legal reserves (Urban Railways Improvement Reserve)

A reserve is provided for specific construction projects, in compliance with the provisions of Article 8 of the Law for the Urban Railways Improvement.

(7) Accounting for subsidies received for construction in Railways Operations

Subsidies received by the Company and consolidated subsidiaries of the Company Izukyu Corp. and Ueda Kotsu K.K. relating to construction projects are accounted for by deducting the total amount of subsidy for the said construction project directly from the acquisition cost of fixed assets once the project is completed. Furthermore, in the consolidated statements of income, subsidies the Company has received for its construction projects are booked as an extraordinary profit while the amount deducted directly from the acquisition cost of fixed assets is accounted for as an extraordinary loss resulting from subsidies received for construction projects. Formerly, Izukyu Corp. accounted for such subsidies as fixed assets without making a direct deduction but as Izukyu Corp. has become a wholly-owned subsidiary its accounting treatment has been unified with that of the parent company. The amounts arising from this change are immaterial.

(8) Accounting treatment of significant leases

Finance leases, other than those that transfer ownership of the leased assets to the lessee, are treated in the same way as ordinary operating leases for accounting purposes.

(9) Significant hedge accounting methods

(a) Hedge accounting

Deferred hedge accounting is used in principle. Special hedge accounting is applied for interest rate swaps that meet criteria for qualification for special hedge accounting. Currency swap contracts and forward foreign exchange contracts are allocated specific hedged risks when they meet the criteria for qualification.

(b) Hedging methods and risks hedged

Hedging methods: interest rate swaps, currency swaps, and forward foreign exchange contracts.

Risks hedged: bonds, loans payable, foreign currency denominated monetary liabilities.

(c) Hedging policy

Rules regarding authority to enter into derivative transactions are defined in the Company's Operations Manual. Exposure to interest rate risk and currency risk is hedged in conformity with these regulations. Consolidated subsidiaries engage in derivatives transactions in conformity with their own internal rules, as a means to reduce exposure to interest rate risk and currency risk arising mainly from their regular business operations.

(d) Assessing the effectiveness of a hedge

Rate of changes in the cash flows from hedging instruments and the risks hedged are mainly used as the yardsticks for measuring the effectiveness of the hedge over their respective lapsed periods.

(10) Accounting for consumption tax

The consumption tax exclusion method is applied.

5. Assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries are valued at market.

6. Consolidation adjustment account

The consolidation adjustment account is amortized in equal installments over five years. Small amounts are written off in the year of accrual.

7. Appropriation of retained earnings

The appropriation of retained earnings reflected in the accompanying consolidated statements of surplus represent appropriations that were approved and disposed of during that consolidated accounting period by consolidated subsidiaries.

8. Cash and Cash Equivalents for the Purpose of Consolidated Cash Flow Statements

For the purpose of the consolidated cash flow statements, the company considers the following as cash and cash equivalents: cash on hand and in banks, and highly liquid short-term investments with original maturities of 3-months or less and without significant risk of change in value.

(Changes in disclosure method)

According to Securities Transaction Law – Partial Amendment (2004 No 97) of Securities Transaction Law 2-2 investments in limited liability investment association or similar associations are recognized as securities and as a result investments in such associations that were recorded as 'Investments' in previous fiscal years are from fiscal 2004 recorded as 'Investment securities'.

As a result of this change Investment Securities have increased by ¥5,267 million.

Notes to Consolidated Financial Statements

Notes to Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2005	As of March 31, 2004
1. Accumulated depreciation of tangible fixed assets	755,558	756,275
2. Contingent liabilities	489	1,635
3. Notes discounted and endorsed	1,108	1,289
4. Notes related to non-consolidated subsidiaries and affiliates. In the items below the main items related to non-consolidated subsidiaries and affiliates are:		
Investment securities	55,469	63,851
5. Pledged assets and secured liabilities		
Pledged assets		
Securities	9 [---]	14 [---]
Inventory assets	4,872 [8]	9,812 [190]
Buildings and structures	334,011 [239,793]	323,331 [253,251]
Machinery and transport equipments	37,160 [36,941]	51,573 [51,223]
Land	150,440 [51,184]	175,321 [98,360]
Investment securities	1,455 [---]	354 [---]
Other assets	30,767 [9,615]	17,726 [5,149]
Total	558,717 [337,543]	578,134 [408,176]
Secured liabilities		
Short-term loans payable	25,253 [2,410]	11,567 [2,110]
Corporate bonds	1,400 [---]	5,400 [3,000]
Long-term loans payable	368,874 [248,856]	404,538 [255,688]
Others	8,143 [80]	896 [156]
Total	403,672 [251,347]	422,402 [260,955]

[Parentheses]: Assets pledged and secured liabilities relate to borrowings from the Railway Foundation, Railway Track Foundation, Highway Traffic Business Foundation, Tourist Facilities Foundation, and Manufacturing Facilities Foundation.

6. The allowance (End March 2005: ¥26,107 million, End March 2004: ¥26,401 million) for "Claims in Bankruptcy and Claims in Receivership" included in the "Allowance for Doubtful Receivables" and accounted in the "Others" account in "Investments and Others," has been deducted directly from the claims.

7. Loan disbursements related to loan commitments for consolidated subsidiaries

(Tokyu Card, INC.)

	Fiscal 2004 (Apr.1 2004 – Mar. 31 2005)	Fiscal 2003 (Apr.1 2003 – Mar. 31 2004)
		(millions of yen)
Total loan commitments	95,448	90,917
Loans extended	3,366	2,748
Remaining commitment	92,081	88,168

Note: The above loan commitment is to cover cash withdrawals using credit cards. Accordingly, the total amount may not necessarily need to be extended.

(Tokyu Finance and Accounting Co., Ltd.)

	Fiscal 2004 (Apr.1 2004 – Mar. 31 2005)	Fiscal 2003 (Apr.1 2003 – Mar. 31 2004)
		(millions of yen)
Total loan commitments	24,000	34,000
Loans extended	3,862	7,945
Remaining commitment	20,137	26,054

Note: The above loan commitment is extended to cover the cash management system offered to each member of the Group. Accordingly, the total amount may not necessarily need to be extended.

(TC Properties Co., Ltd.)

	Fiscal 2004 (Apr.1 2004 – Mar. 31 2005)	Fiscal 2003 (Apr.1 2003 – Mar. 31 2004)
		(millions of yen)
Total loan commitments	---	230
Loans extended	---	---
Remaining commitment	---	230

Note: The above loan commitment may not be exercised in full, as TC Properties Co., Ltd. extends loans within limits set in light of the use of funds and its financial position.

8. Total amount of construction payments directly deducted from purchase cost of fixed assets:

Fiscal 2004 (Apr.1 2004 – Mar. 31 2005)	Fiscal 2003 (Apr.1 2003 – Mar. 31 2004)
	(millions of yen)
132,575	126,654

9. Others

(Land revaluation)

Land held for business purposes owned by Izukyu Corp. and Jotetsu Corp., consolidated subsidiaries, and equity method affiliates Tokyu Land Corp., Tokyu Recreation Co., Ltd. was revalued pursuant to the Law Concerning Land Revaluation (Law No. 34, promulgated March 31, 1998) and the revised Law Concerning Land Revaluation (Revised Law No. 19, promulgated March 31, 2001). The Company books a land revaluation difference in proportion to its equity holding in group companies under the shareholders' equity section on the balance sheet.

	Fiscal 2004 (March 31, 2005)	Fiscal 2003 (March 31, 2004)

(1) Izukyu Corporation

Method of revaluation: The value of land is determined based on the price provided by the real estate appraiser, which is described in Article 2, Item 5 of the Ordinance Implementing the Law Concerning Land Revaluation (Government Ordinance No. 119, promulgated March 31, 1998). The value of certain sections of land is determined based on Item 3 of the same ordinance and article.

Date of revaluation: March 31, 2000

Difference between the market value at fiscal year end and book value after revaluation:

	¥(501) million	¥(401) million

(2) Jotetsu Corporation

Method of revaluation: The value of land is determined based on the book value registered on the official taxable ledger, which is described in Article 2, Item 3 of the Ordinance Implementing the Law Concerning Land Revaluation (Government Ordinance No. 119, promulgated March 31, 1998) for adjustments to the valuation amounts of taxable fixed assets.

Date of revaluation: March 31, 2002

Difference between the market value at fiscal year end and book value after revaluation:

	¥(1,146) million	¥(773) million

(3) Tokyu Land Corporation

Method of revaluation: The value of land is determined based on the price provided by the real estate appraiser, which is described in Article 2, Item 5 of the Ordinance Implementing the Law Concerning Land Revaluation (Government Ordinance No. 119, promulgated March 31, 1998). The value of certain sections of the land is determined based on Items 2, 3, and 4 of the same ordinance and article.

Date of revaluation: March 31, 2000

Date of revaluation (revaluation due to merger of subsidiary): March 31, 2001

Difference between the market value at fiscal year end and book value after revaluation:

	¥(14,158) million	¥(12,215) million

(4) Tokyu Recreation Co., Ltd.

Method of revaluation: The value of land is determined based on the price provided by the real estate appraiser, which is described in Article 2, Item 3 of the Ordinance Implementing the Law Concerning Land Revaluation (Government Ordinance No. 119, promulgated March 31, 1998).

Date of revaluation: December 31, 2000

Difference between the market value at fiscal year end and book value after revaluation:

	¥(377) million	¥(234) million

Notes to Consolidated Statements of Income

1. Additions to reserves were as follows:

	Millions of yen	
	Fiscal 2004	Fiscal 2003
Addition to allowance for doubtful accounts reserve	1,017	7,073
Addition to allowance for employees' bonuses	11,881	12,470
Retirement benefit costs (Addition to reserve for retirement benefit allowance)	21,833	13,611
Addition to reserve for directors' retirement allowance	269	332

2. Impairment losses

Calculations of impairment losses were conducted by grouping assets in the smallest cash flow generating unit that was largely independent of other assets or asset groups. As a result, in fiscal 2004, for 28 cases of fixed asset groups where market value was significantly below book value in line with the continued fall in land prices or fixed asset groups that continued to generate losses book-value was written down to recoverable levels, and that write-down reported as an impairment loss resulting in an extraordinary loss of 3,324 million yen.

Region	Main cases	Type	Segment	Impairment loss
Tokyo metropolitan	Mainly stores, etc. Total 23 cases	Land & Buildings	Transportation Retail Leisure and Services	¥2,834 million
Chubu and Hokuriku	Mainly leased real estate Total 2 cases	Land & Buildings	Real Estate	¥33 million
Kinki	Leased real estate Total 1 case	Buildings	Real Estate	¥175 million
Others	Stores Total 2 cases	Land & Buildings	Retail	¥281 million

Break down of impairment losses on a region-by-region basis.

- Tokyo metropolitan area ¥2,834 million yen (Land=¥190 million, Buildings and structures=¥2,166 million, Others ¥477 million)
- Chubu and Hokuriku area ¥33 million (Land=¥24 million, Buildings and structures=¥3 million, Others ¥5 million)
- Kinki area ¥175 million (Land=¥--- million, Buildings and structures=¥165 million, Others ¥9 million)
- Others ¥281 million (Land=¥215 million, Buildings and structures=¥64 million, Others ¥1 million)

The recoverable value of this asset group was calculated by the net disposal value method, or utility value. Calculations of recoverable value using the net disposal value method were assessed in line with land values or the capitalization method. Calculations of recoverable value using utility value were calculated by discounting future cash flows at 2.1% - 5.0%.

Notes to Consolidated Cash Flow Statements

1. The reconciliation of cash and cash equivalents to amounts in the consolidated balance sheets are as follows:

	Millions of yen	
	Fiscal 2004	Fiscal 2003
Cash and deposits	63,285	35,142
Term deposits with maturities longer than 3 months	(1,686)	(469)
Securities included in cash equivalents	49	57
Short-term loans included in cash equivalents	3,862	7,945
Cash and cash equivalents	65,510	42,676

2. Breakdown of assets and liabilities of subsidiaries newly consolidated through the acquisition of shares.

(1) Through a tender offer, Tokyu Department Store Co., Ltd. and its subsidiaries were newly consolidated. The breakdown of its assets and liabilities at the time of its consolidation are shown below.

	Millions of yen
Current assets	49,996
Fixed assets	138,754
Current liabilities	89,897
Long-term liabilities	82,521
Minority shareholders' interest	1,249

The cash and cash equivalents used in the acquisition of shares minus the amount of cash and cash equivalents included in current assets above of ¥11,223 million has been recorded as 'Payments for acquisition of subsidiaries' shares resulting in change of scope of consolidation'

(2) As a result of Tokyu Department Store Co., Ltd. becoming a consolidated subsidiary, Tokyu Agency Inc. has also became a subsidiary of Tokyu. The breakdown of its assets and liabilities at the time of its consolidation are shown below.

	Millions of yen
Current assets	33,416
Fixed assets	12,160
Current liabilities	34,324
Long-term liabilities	6,428

As this company is consolidated as a result of an increase in indirect holdings no monetary payment was involved.

5. Segment Information

(1) Segment information by business

Fiscal 2004 (April 1, 2004 – March 31, 2005)

Millions of yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Other	Total	Elimination/ Headquarters	Consolidated
I. Revenues / Operating income									
Revenue from operations									
(1) Outside customers	259,055	164,872	382,755	58,450	102,555	87,875	1,055,564	---	1,055,564
(2) Inter-segment Internal revenues/transfers	4,842	16,717	1,696	1,549	318	25,281	50,405	(50,405)	-
Total	263, 897	181,589	384,452	60,000	102,873	113,157	1,105,970	(50,405)	1,055,564
Operating expenses	224,437	158,246	378,222	57,966	100,126	110,588	1,029,588	(51,038)	978,549
Operating income	39,460	23,343	6,229	2,033	2,747	2,568	76,381	632	77,014
II. Assets, depreciation, impairment losses and capital expenditure									
Assets	629,370	470,795	371,592	149,958	97,064	205,490	1,924,271	188,936	2,113,208
Depreciation	30,260	9,714	4,908	4,041	4,478	1,961	55,364	(509)	54,854
Impairment losses	147	208	2,943	24	---	---	3,324	---	3,324
Capital expenditure	60,722	20,188	4,874	2,365	6,541	4,699	99,391	864	100,255

Fiscal 2003 (April 1, 2003 – March 31, 2004)

Millions of yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Construction	Other	Total	Elimination/ Headquarters	Consolidated
I. Revenues / Operating income										
Revenue from operations										
(1) Outside customers	256,490	148,520	366,748	84,825	108,721	188,278	69,818	1,223,403	---	1,223,403
(2) Inter-segment Internal revenues/transfers	5,642	19,875	17,895	1,378	356	22,862	20,981	88,991	(88,991)	---
Total	262,132	168,396	384,643	86,203	109,078	211,140	90,800	1,312,395	(88,991)	1,223,403
Operating expenses	241,773	147,819	377,732	84,852	105,514	208,575	88,075	1,254,342	(89,059)	1,165,283
Operating income	20,358	20,577	6,911	1,351	3,563	2,565	2,725	58,052	67	58,120
II. Assets, depreciation and capital expenditure										
Assets	654,130	557,153	207,998	117,641	104,803	16,298	173,869	1,831,894	178,246	2,010,141
Depreciation	32,163	13,414	4,919	5,887	5,142	392	2,054	63,973	(638)	63,335
Impairment losses	2,046	46,437	1,632	27,905	958	750	2,127	81,856	5,757	87,613
Capital expenditure	70,819	10,729	6,422	6,903	2,186	339	5,996	103,398	684	104,082

Notes: 1. Operating Segments

Operating segments are based on Standard Industrial Classifications in Japan and are designed to reflect accurately the diversified nature of the Company's business.

Changes to operating segments

Previously a ‘Construction’ segment was disclosed but during fiscal 2003 the main subsidiary comprising the Construction segment, the former Tokyu Construction Co., Ltd. (now known as TC Properties Co., Ltd.) separated its construction business which was succeeded by (New) Tokyu Construction Co., Ltd. (previously known as TC Holdings Co., Ltd.) an equity accounted affiliate. As a result, the value and importance of construction businesses in the group have declined and from the current fiscal period are included in the ‘Other’ business segment. As a result, and compared to the former segmental classification, in fiscal 2004 the operating revenue of the ‘Other’ business segment has increased by ¥15,355 million (of which operating revenue of ¥9,912 million was from transactions with outside customers), operating profit increased by ¥129 million (all of which was from transactions with outside customers), assets increased by ¥9,068 million, depreciation increased by ¥90 million, and capital outlays increased by ¥100 million.

2. Description of operating segments
    - Transportation: railway operations, bus operations and cargo transportation
    - Real Estate: real estate sales, real estate leasing and real estate management
    - Retail: department store business, retail operations and general trading operations
    - Leisure and Services: advertising agency business, golf course operations and CATV operations
    - Hotels: hotel operations
    - Other: maintenance of rolling stock for railway operations

3. No unallocated operating expenses were included in “Elimination/Headquarters.”

4. Assets of the entire Group included under Elimination and Headquarters for fiscal 2004 and fiscal 2003 were ¥263,378 million and ¥261,574 million respectively. The main components were working capital (cash) of the parent company, long-term investments (investment securities) and assets of the administration department.

5. With regards to Tokyu Department Store Co., Ltd. and its nine subsidiaries, and Tokyu Agency Inc. and its seven subsidiaries, because they were acquired at the end of the period, they have been consolidated only on the balance sheet.

(2) Geographical Segment Information

Fiscal 2004 (April 1, 2004 - March 31, 2005), Fiscal 2003 (April 1, 2003 - March 31, 2004),

Geographical segment information is not disclosed since the amount of revenue from domestic operations and domestic assets represents more than 90% of the total amount of revenues and assets for all segments, respectively.

(3) Overseas sales

Fiscal 2004 (April 1, 2004 - March 31, 2005), Fiscal 2003 (April 1, 2003 - March 31, 2004),

Overseas revenue is not disclosed since it represents less than 10% of total consolidated revenue from operations.

6. Leases

As the Group is disclosing this information by EDINET, information on leases has been omitted from this document.

7. Related Party Transactions

Fiscal 2004 (April 1, 2004 - March 31, 2005):

Subsidiaries etc.

Party	Name	Address	Paid-in Capital (¥ million)	Business Details	Shareholder voting rights (Yes/No) Ratio	Relationship		Transaction Type	Transaction Amount (¥ million)	Type	Year end balance (¥ million)
						Directors in common	Business relationship				
Affiliate	Tokyu Construction Co., Ltd.	Shibuya-ku, Tokyo	28,401	Construction business	Yes Direct 16.2% Indirect 0.9%	2	Construction business agency	Construction fees	21,486	Accounts payable	28

Notes:
1. The above amounts exclude consumption tax.
2. Transaction Conditions: same as ordinary business transactions
3. Tokyu Corporation’s ownership of Tokyu Construction Co., Ltd. is less than 20% but as it exerts influence on the company it has been treated as an affiliate.
4. Apart from the ownership of voting rights as recorded above 75,000 thousand shares (representing 8.0% of voting rights) have been contributed the retirement allowance trust established by Tokyu Corp.

Fiscal 2003 (April 1, 2003 - March 31, 2004):

(1) Directors and Principal Individual Shareholders

Party	Name	Address	Paid-in Capital (¥ million)	Business Details	Shareholder voting rights (Yes/No) Ratio	Relationship		Transaction Type	Transaction Amount (¥ million)	Type	Year end balance (¥ million)
						Directors in common	Business relationship				
Director	Yuji Kinoshita	---	---	Director of Tokyu Corp.	No Direct 0.0%	---	---	Land and building sale	64	---	

(2) Subsidiaries etc.

Party	Name	Address	Paid-in Capital ¥million	Business Details	Shareholder voting rights (Yes/No) Ratio	Relationship		Transaction Type	Transaction Amount ¥million	Type	Year end balance ¥million
						Directors in common	Business relationship				
Affiliate	Tokyu Land Corp.	Shibuya-ku, Tokyo	32,289	Real estate business	Yes Direct 17.0% Indirect 1.7%	3	Joint development of housing, facilities leasing etc.	Transfer of operations manage -ment of Gran Deco Ski Resort and Hotel Gran Deco:		---	---
								Transaction amount	1,535		
								Loss on sale of fixed assets	9,895		
								Gain on sale of affiliates’ shares	2		
								Cancellation of land sale contract:			
								Repayment of transaction amount	5,818		
								Compensation amounts	1,955		

Notes:
1. The above amounts exclude consumption tax.
2. Transaction Conditions: same as ordinary business transactions
3. Tokyu Corporation’s ownership of Tokyu Land Corp. is less than 20% but as it exerts influence on the company it has been treated as an affiliate.

8. Deferred Tax Accounting

1. Significant components of deferred tax assets and liabilities

	Millions of Yen	
	Fiscal 2004	Fiscal 2003
Deferred Tax Assets		
Net operating loss carry forwards	106,346	57,342
Impairment loss	33,559	35,675
Securities	32,607	33,492
Retirement and severance benefits reserve	32,288	33,668
Real estate for sale	15,338	18,089
Unrealized intercompany gains	11,050	5,662
Fixed assets	10,115	8,237
Allowance for doubtful accounts	9,691	12,589
Transfer to defined benefit pension scheme	7,286	721
Accrued bonuses to employees	5,581	4,846
Accrued expenses	2,626	2,034
Reserve for directors' retirement benefits	1,329	1,444
Depreciation	1,263	1,508
Accrued business taxes	1,127	432
Deferred assets	1,073	902
Difference arising on demerger of affiliate	-	14,971
Others	5,272	4,491
Gross Deferred Tax Assets	276,556	236,113
Less: Valuation allowances	(149,319)	(119,005)
Total Deferred Tax Assets	127,236	117,107
Deferred Tax Liabilities		
Gain from revaluation of land	(33,251)	(27,313)
Gain on establishment of retirement allowance trust	(18,888)	(15,006)
Difference arising on demerger of affiliate	(15,409)	(14,971)
Unrealized holding gains on securities	(13,151)	(13,249)
Deferral of gain on sales of fixed assets	(561)	(336)
Others	(779)	(2,263)
Total Deferred Tax Liabilities	(82,042)	(73,140)
Net Deferred Tax Assets	45,194	43,967
Deferred tax liabilities on gain from revaluation of land		
Deferred tax liabilities on gain from revaluation	(10,185)	(7,424)
Total Deferred Tax Liabilities	(10,185)	(7,424)

Note: Net deferred tax assets for fiscal 2004 and fiscal 2003 were included in the following consolidated balance sheet items.

	Millions of Yen	
	Fiscal 2004 (March 31, 2005)	Fiscal 2003 (March 31, 2004)
Current assets – deferred tax assets	23,008	16,346
Fixed assets– deferred tax assets	48,867	51,031
Current liabilities – others	5	11
Long-term liabilities - deferred tax liabilities	26,676	23,399
Long-term liabilities - deferred tax liabilities from land revaluation	10,185	7,424

2. The main reasons for the difference between the legal tax rate and the corporation and other tax rate after application of tax benefit accounting are:

In fiscal 2003 as a net loss before income taxes and minority interests was reported this item was not recorded. In fiscal 2004 the effective tax rate differed from the normal tax rate for the following reasons:

	Fiscal 2004 (March 31, 2005)
Computed normal tax rate	%
(Adjustments)	40.7
Entertainment expenses etc.	0.9
Dividend income deducted from earnings etc.	(1.5)
Resident's tax equalization etc.	0.8
Increase/decrease of valuation allowances	(4.5)
Amortization of consolidation adjustment account	(3.1)
Investment gains/ losses on equity method	(0.8)
Tax differences on unrealized gains and others	(1.8)
Gain/losses on sales of investments in affiliated companies	3.3
Gain on establishment of retirement allowance trust	(5.6)
Others	(0.4)
Effective tax rate	28.0

9. Securities

Fiscal 2004（As of March 31, 2005）

(1) Bonds held to maturity (with market quotations)

Millions of yen

	Instrument	Book value	Market value	Unrealized gain or loss
Securities with market quotations exceeding book value	(1) JGB, Municipal bonds	50	50	0
	(2) Corporate bonds	---	---	---
	(3) Others	9	9	0
	Subtotal	59	60	0
Securities with market quotations not exceeding book value	(1) JGB, Municipal bonds	---	---	---
	(2) Corporate bonds	---	---	---
	(3) Others	0	0	---
	Subtotal	0	0	---
Total		60	60	0

(2) Other securities (with market quotations)

Millions of yen

	Instrument	Acquisition cost	Book value	Unrealized gain or loss
Securities with book value exceeding acquisition cost	(1) Equity securities	39,132	70,645	31,512
	(2) Debt securities			
	JGB, Municipal bonds	---	---	---
	Corporate bonds	40	42	2
	Others	---	---	---
	(3) Other securities	3,132	4,199	1,066
	Subtotal	42,305	74,887	32,581
Securities with book value not exceeding acquisition cost	(1) Equity securities	1,138	993	(144)
	(2) Debt securities			
	JGB, Municipal bonds	---	---	---
	Corporate bonds	10	9	(0)
	Others	---	---	---
	(3) Other securities	6	5	(1)
	Subtotal	1,154	1,008	(145)
Total		43,460	75,896	32,435

Note: The acquisition cost represents book value after write-downs. The Company wrote down ¥180 million in other securities with market quotations.

(3) Other securities sold in fiscal 2004

Millions of yen

Proceeds from sale	Total gain on sale	Total loss on sale
25,821	7,424	39

(4) Securities not valued at market

Millions of yen

	Book value
Other securities	
Unlisted stock（Excluding OTC stocks）	25,248
Investments in SPCs (*tokumei kumiai)*	5,267
Medium-term JGBs	26
Free Financial Fund	22

(5) Projected future redemption of securities with maturities and debt securities held to maturity (in Other Securities Account)

Millions of yen

	Less than 1 year	1 to 5 years	5 to 10 years	Longer than 10 years
1. Bonds				
(1) JGB, municipal bonds	9	40	0	---
(2) Corporate bonds	40	12	---	---
(3) Others	9	0	---	---
2. Others				
Investment trusts	---	20	---	---
Total	59	73	0	---

Fiscal 2003（As of March 31, 2004）

(1) Bonds held to maturity (with market quotations)

Millions of yen

	Instrument	Book value	Market value	Unrealized gain or loss
Securities with market quotations exceeding book value	(1) JGB,Municipal bonds	19	20	0
	(2) Corporate bonds	---	---	---
	(3) Others	---	---	---
	Subtotal	19	20	0
Securities with market quotations not exceeding book value	(1) JGB, Municipal bonds	10	10	---
	(2) Corporate bonds	---	---	---
	(3) Others	74	74	---
	Subtotal	85	85	---
Total		105	105	0

(2) Other securities (with market quotations)

Millions of yen

	Instrument	Acquisition cost	Book value	Unrealized gain or loss
Securities with book value exceeding acquisition cost	(1) Equity securities	37,248	69,797	32,549
	(2) Debt securities			
	JGB, Municipal bonds	79	81	2
	Corporate bonds	50	53	3
	Others	---	---	---
	(3) Other securities	23	25	1
	Subtotal	37,401	69,956	32,555
Securities with book value not exceeding acquisition cost	(1) Equity securities	2,748	2,241	(506)
	(2) Debt securities			
	JGB, Municipal bonds	---	---	---
	Corporate bonds	30	29	(0)
	Others	---	---	---
	(3) Other securities	4,160	4,154	(6)
	Subtotal	6,938	6,425	(512)
Total		44,339	76,382	32,042

Note: The acquisition cost represents book value after write-downs. The Company wrote down ¥50 million in other securities with market quotations.

(3) Other securities sold in fiscal 2003

Millions of yen

Proceeds from sale	Total gain on sale	Total loss on sale
15,102	4,501	1,587

(4) Securities not valued at market

Millions of yen

	Book value
1. Bonds held to maturity	
Privately placed bonds	1
２． Other securities	
Unlisted stock（Excluding OTC stocks）	39,721
Medium-term JGBs	26
Free financial fund	22
Money management fund	9

(5) Projected future redemption of securities with maturities and debt securities held to maturity (in Other Securities Account)

Millions of yen

	Less than 1 year	1 to 5 years	5 to 10 years	Longer than 10 years
1. Bonds				
(1) JGB, municipal bonds	112	---	1	---
(2) Corporate bonds	30	52	---	---
(3) Others	65	9	---	---
2. Other				
Investment trusts	---	59	---	---
Total	208	121	1	---

10. Derivative Transactions

As the Group is disclosing this information by EDINET, information on derivatives has been omitted from this document.

11. Retirement and Severance Benefits

(1) Outline of employees retirement benefit system

The Company and its domestic subsidiaries have defined benefit pension plans consisting of a lump sum retirement payment systems, Welfare Pension Insurance, qualified retirement benefit plans, the Small Enterprise Mutual Aid System for Retirement Fund and defined benefit pension plans.

Formerly, in respect of employees of the company and certain loan employees, a retirement benefit system comprising a lump sum retirement benefit scheme and a qualified pension scheme was utilized. However, from October 2004 a new defined contribution scheme was introduced in place of the lump sum retirement benefit scheme and qualified pension scheme (defined benefit pension plan for employees who were over 53 years old at the date of changeover). From April 2002 part of the lump sum retirement allowance system of Tokyu Store Chain Co., Ltd. was transferred to a defined contribution pension scheme and certain consolidated subsidiaries have established defined contribution pension schemes.

In addition, on retirement, in certain cases employees are entitled to additional retirement payments that are not treated as actuarially computed retirement benefit liabilities determined in accordance with Japanese accounting standards for retirement benefits. Tokyu and Tokyu Store Chain Co. Ltd. have established retirement allowance trusts.

On April 1, 2004, in connection with the implementation of a defined benefit plan, Tokyu Store Chain Co., Ltd. and its consolidated subsidiaries received approval to return the past obligations of the proxy portion of the employees pension fund from the Minister of Health, Labour and Welfare and these were returned (minimum reserve amount) on October 6, 2004.

(2) Retirement benefit liabilities

	Millions of Yen	
	Fiscal 2004 (March 31, 2005)	Fiscal 2003 (March 31, 2004)
a. Retirement benefit liabilities	(139,984)	(156,195)
b. Pension fund assets	103,682	106,862
c. Unfunded retirement benefit liabilities (a + b)	(36,301)	(49,332)
d. Unrecognized actuarial differences	46,529	30,419
e. Unrecognized prior service liabilities	(8,096)	(3,066)
f. Net carried on consolidated balance sheets (c + d + e)	2,131	(21,979)
g. Prepaid pension costs	52,567	25,793
h. Reserve for retirement allowance (f - g)	(50,436)	(47,773)

Notes:

Fiscal 2004

1. Certain consolidated subsidiaries use the simple method in calculating their retirement allowance liabilities.
2. The above breakdown excludes pension fund assets of ¥1,001 million in the jointly established National Pension Fund, the Tokyo Trucking National Trucking Fund (two consolidated subsidiaries are members). Pension fund assets totaling ¥1,595 million from the Kanto Department Store Welfare Pension Insurance (used by two subsidiaries) are also excluded.
3. In respect of employees of the company and certain loan employees, the effect of the shift of a part of the company's lump sum retirement payment scheme to a defined contribution pension plans is as follows:

	Millions of Yen
Decrease in retirement benefit liabilities	19,291
Unrecognized actuarial differences	(15,273)
Unrecognized prior service liabilities	2,535
Decrease in reserve for retirement allowance	6,554

4. In connection with the change to a defined contribution pension plan for Tokyu employees and certain loan employees ¥19,625 million is expected to be transferred over eight years. The amount of ¥17,026 million, which had yet to be transferred at the end of fiscal 2004, is recorded in current liabilities and long-term liabilities under 'Other'. Furthermore, in connection with the change to a defined contribution pension plan for Tokyu Store Chain Co. Ltd. ¥3,975 million is expected to be transferred over four years. The amount of ¥830 million, which had yet to be transferred at the end of fiscal 2004, is recorded in current liabilities under 'Other'.

Fiscal 2003

1. Certain consolidated subsidiaries use the simple method in calculating their retirement allowance liabilities.
2. The above breakdown excludes pension fund assets of ¥1,083 million in the jointly established National Pension Fund, the Tokyo Trucking National Trucking Fund (two consolidated subsidiaries are members).
3. The calculation of the retirement allowance liability of Tokyu Store Chain Co., Ltd.'s consolidated subsidiary was calculated by the simple method but as of the end of fiscal 2003 it will change to the general method.
4. In connection with the change to a defined contribution pension plan for Tokyu Store Chain Co., Ltd. ¥3,975 million is expected to be transferred over four years. The amount of ¥1,747 million, which had yet to be transferred at the end of fiscal 2003, is recorded in current liabilities and long-term liabilities under 'Other'.
5. Tokyu Store Chain Co. Ltd. and its consolidated subsidiaries applied the transitional measures laid down in the Practice Guideline Concerning Retirement Benefit Accounting -Interim Report (Report of the Accounting Standards Committee of the Japanese Institute of Certified Public Accountants No. 13, Section 47-2) and received approval of a waiver of its future obligations in respect of the proxy portion of its pension fund from the Minister of Health, Labour and

Welfare. Accordingly, the elimination of retirement benefit obligations in respect of the proxy portion has been recognized as of the day of approval. As of the end of fiscal 2003 the equivalent amount to be returned (minimum reserve requirement) was ¥ 15,109 billion.

(3) Retirement benefit expenses

	Millions of Yen	
	(Fiscal 2004)	(Fiscal 2003)
a. Service expense	4,910	6,281
b. Interest expense	2,732	3,764
c. Expected returns	(1,282)	(1,179)
d. Amortization actuarial differences	2,330	4,170
e. Amortization of past service liability	(542)	(553)
f. Amount arising on shift from simple to principle method	—	951
g. Premium paid on transfer to defined contribution plan	613	177
h. Loss on transfer to defined contribution plan	13,071	—
i. Retirement benefit expenses (a + b + c + d + e + f + g +h)	21,833	13,611
j. Gain arising on return of proxy portion of pension fund	—	(5,271)
k. Reduction in retirement allowance reserve on closure of plan	—	(5,164)
l. Total (i + j + k)	21,833	3,175

Notes

Fiscal 2004 (March 31, 2005)

1. Apart from the above retirement benefit expense, the Company paid additional retirement benefits of ¥682 million. These were charged to income as an extraordinary loss.
2. The retirement benefit expenses of certain consolidated subsidiaries that use a simplified approach to computing retirement benefits are included in service expense (a).
3. Costs arising from company employees and some loan workers' transfer from a lump sum retirement payment scheme to a defined contribution pension plan has been recorded as 'h. loss on transfer to defined contribution pension plan.'

Fiscal 2003 (March 31, 2004)

1. Apart from the above retirement benefit expense, the Company paid additional retirement benefits of ¥563 million. These were charged to income as an extraordinary loss.
2. The retirement benefit expenses of certain consolidated subsidiaries that use a simplified approach to computing retirement benefits are included in service expense (a).
3. Calculation methods for retirement allowance payments at consolidated subsidiaries of Tokyu Store Chain Co., Ltd., had previously been based on the simple method, but from the end of fiscal 2003 the calculation method will be changed to the general accounting method. The increase in retirement allowance payments as a result of this change has been reported as 'f. Amount arising on shift from simple to general method'.
4. As part of a number of personnel initiatives, a subsidiary, the former Tokyu Construction Co., Ltd. (now known as TC Properties Co., Ltd.), abolished its lump sum retirement benefit system on September 30, 2003. The resulting reduction in liability has been recorded as 'l. Reduction in retirement allowance reserve on closure of plan' above.

(4) Basis of presentation of retirement benefit liabilities

	(Fiscal 2004) Apr.1 2004 – Mar.31 2005	(Fiscal 2003) Apr.1 2003 – Mar.31 2004
a. Allocation method for estimated retirement benefit amounts	Fixed installment method	Fixed installment method
b. Discount rate	Primarily 2.0%	Primarily 2.0%
c. Expected rate of return	Primarily 3.0%	Primarily 3.0%
d. Amortization period for past service liabilities	Primarily 15 years	Primarily 9 years
e. Amortization period of actuarial differences	Primarily 15 years	Primarily 15 years

*Due to the occurrence of past service liabilities in fiscal 2004, an amortization period of 15 years is primarily used.

*Differences arising from changes in accounting methods are charged as expenses at the time they arise.

12. Per Share Information

Year ended March 31, 2005		Year ended March 31, 2004	
Net assets per share	¥162.21	Net assets per share	¥141.75
Net income per share	¥ 31.11	Net loss per share	¥11.06
After adjustment for residual securities Net income per share	¥29.00	The company has convertible bonds in issue but as a net loss per share was reported for the period adjusted income per share figures have not been provided.	

Note: The basis for the calculation of net income (loss) per share and the net income per share after adjustment for residual securities is as follows:

	Year ended March 31, 2005	Year ended March 31, 2004
Net income per share:		
Net income (loss) (¥ million)	35,432	(12,345)
Amount not attributable to ordinary shareholders (¥ million)	147	159
(Of which bonuses paid executive officers as part of the appropriation of surplus)	(147)	(159)
Net income (loss) attributable to ordinary shares	35,284	(12,505)
Average number of outstanding ordinary shares during the year (1,000 shares)	1,134,244	1,131,106
Net income per share after adjustment for residual securities		
Net income adjustment (¥ million)	35	—
(Of which, interest expense (after deducting tax equivalent))	(35)	—
Increase in the number of ordinary shares (1,000 shares)	83,639	—
(Of which, convertible bonds)	(83,639)	—
Residual securities not included in the calculation of the net income after adjustment for residual securities due to the fact that these securities had no dilutive effect.		51st unsecured convertible bonds 49,585 thousand ordinary shares, 2007 yen denominated convertible bond 34,055 thousand ordinary shares.

13. Important Subsequent Events

(1) Tokyu Department Store Co., Ltd. (TDS) becoming a wholly-owned subsidiary of Tokyu

At meetings of the Boards of Directors of Tokyu and Tokyu Department Store Co., Ltd. (TDS) held on September 27, 2004, it was decided to make TDS a wholly-owned subsidiary of Tokyu through a share exchange and on April 1, 2005 shareholders of TDS other than Tokyu exchanged each one common share they held in TDS for 0.32 shares of Tokyu and as a result TDS became a wholly-owned subsidiary of Tokyu.

Information on the company becoming a wholly-owned subsidiary:

Name	Tokyu Department Store Co., Ltd.
Location of headquarters	2-24-1, Dogenzaka, Shibuya-ku, Tokyo
Representative	Hirokazu Mizuta, President
Capital	¥37,707 million
Business	Department Store business

(2) Disposal of shares in Tokyu Logistic Co., Ltd.

At a meeting of the Board of Directors of Tokyu held on May 16, 2005, it was decided to respond to a tender offer for shares in subsidiary Tokyu Logistic Co., Ltd. by a disposal of shares held in the company.

1. Information on the company to be disposed:

Name	Tokyu Logistic Co., Ltd.
Location of headquarters	1-13-5 Minami Ooi, Shinagawa-ku, Tokyo
Representative	Masamori Takahashi, President & representative director
Capital	¥2,846 million
Business	Distribution business, Leasing Real Estate business

2. Acquiring company: SBS Co., Ltd

3. Date of disposal: Settlement expected from June 21, 2005

4. Future outlook:

Through this share disposal, in the non-consolidated financial statements for fiscal 2005, a gain on sale of a subsidiaries' shares will be recorded as ¥5,747 million of extraordinary income and in the consolidated financial statements a loss on sale of a subsidiaries' shares will be recorded as an extraordinary loss of ¥1,221 million.

Fiscal 2004 Consolidated Results: Appendix

1. Consolidated financial results for each operating segment

Millions of Yen

	Fiscal 2004 From April 1, 2004 to March 31, 2005	Fiscal 2003 From April 1, 2003 to March 31, 2004	YoY Change	
Operating revenue				%
Transportation	263,897	262,132	1,764	0.7
Real Estate	181,589	168,396	13,193	7.8
Retail	384,452	384,643	(191)	(0.0)
Leisure and Services	60,000	86,203	(26,203)	(30.4)
Hotels	102,873	109,078	(6,204)	(5.7)
Construction	-	211,140	(211,140)	(100.0)
Other	113,157	90,800	22,356	24.6
Sub-total	1,105,970	1,312,395	(206,424)	(15.7)
Eliminations	(50,405)	(88,991)	38,586	(43.4)
Consolidated	1,055,564	1,223,403	(167,838)	(13.7)
Operating profit				
Transportation	39,460	20,358	19,101	93.8
Real Estate	23,343	20,577	2,766	13.4
Retail	6,229	6,911	(682)	(9.9)
Leisure and Services	2,033	1,351	681	50.5
Hotels	2,747	3,563	(816)	(22.9)
Construction	-	2,565	(2,565)	(100.0)
Other	2,568	2,725	(156)	(5.8)
Sub-total	76,381	58,052	18,329	31.6
Eliminations	632	67	565	833.9
Consolidated	77,014	58,120	18,894	32.5
Equity method profit (loss)	1,079	7,340	(6,261)	(85.3)
Recurring profit	67,034	52,949	14,085	26.6
Net income (loss)	35,432	(12,345)	47,778	---

2. The projections for each operating segment

Millions of Yen

	Fiscal 2005 From April 1, 2005 to March 31, 2006	Fiscal 2004 From April 1, 2004 to March 31, 2005	YoY Change	
Revenue from Operations				%
Transportation	188,600	263,897	(75,297)	(28.5)
Real Estate	133,900	158,472	(24,572)	(15.5)
Retail	680,600	366,336	314,263	85.8
Leisure and Services	195,900	54,621	141,278	258.7
Hotels	104,900	102,873	2,026	2.0
Other	144,100	159,768	(15,668)	(9.8)
Sub-total	1,448,000	1,105,970	342,029	30.9
Eliminations	(58,000)	(50,405)	(7,594)	15.1
Consolidated	1,390,000	1,055,564	334,435	31.7
Operating profit				
Transportation	39,300	39,460	(160)	(0.4)
Real Estate	17,200	20,510	(3,310)	(16.1)
Retail	13,400	9,193	4,206	45.8
Leisure and Services	3,400	1,715	1,684	98.2
Hotels	3,900	2,747	1,152	41.9
Other	2,300	2,755	(455)	(16.5)
Sub-total	79,500	76,381	3,118	4.1
Eliminations	900	632	267	42.2
Consolidated	80,400	77,014	3,385	4.4
Equity method profit (loss)	(4,000)	1,079	(5,079)	---
Recurring income	63,300	67,034	(3,734)	(5.6)
Net income (loss)	29,600	35,432	(5,832)	(16.5)

Note: From FY2005, along with the change in the Japanese name of the Retail segment (English segment name unchanged), the composition of the retail segment has changed and now includes the following: Department store business, Chain store business, SC(Shopping center) business (transferred from the Real Estate business), other retail businesses.