

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
Fiscal Results for the Third Quarter of the Fiscal Year Ended March 31, 2005

Tokyu Corporation

February 15, 2005

Stock Code:	9005	Listed exchanges:	Tokyo
URL:	http://www.tokyu.co.jp	Headquarters:	Tokyo
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U.S. GAAP Accounting Principles:	Not adopted	Telephone:	81-3-3477-6168

1. Consideration Regarding Preparation for Overall Condition of Quarterly Performance

- 1) Adoption of simplified accounting principles: Partially adopted for which having little effect on financial statements.
- 2) Changes in accounting principles from the recent consolidated fiscal years: None
- 3) Changes in extent of consolidation and adoption of equity method:
Consolidated subsidiaries: included 4, excluded 27, Equity method affiliates: included 8, excluded 4

*Tokyu Department Store Co., Ltd. and Tokyu Agency Inc. became our subsidiaries through the takeover bid of Tokyu Department Store Co., Ltd. as of November 11, 2004. However, as the acquisition is to be taken place at the end of this fiscal year, they are considered as equity method affiliates during this quarter.

2. The Third Quarter Consolidated Financial Results (April 1, 2004 to December 31, 2004) for the Fiscal Year Ended March 31, 2005

1) Consolidated Operating Results

Amounts less than 1 million yen have been rounded down

	Nine months ended Dec 31, 2004		Nine months ended Dec 31, 2003		Fiscal Year ended March 31, 2004
	Millions of yen, %		Millions of yen, %		Millions of yen, %
Operating revenue	770,189	(18.2)	941,105	---	1,223,403
Operating profit.....	60,375	13.4	53,257	---	58,120
Recurring profit.....	53,018	29.2	41,049	---	52,949
Net income.....	27,745	12.4	24,677	---	(12,345)
Net income per share (Yen)	24.41		21.84		(11.06)
Net income per share (diluted) (Yen).....	22.76		20.35		---

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

[Qualitative information regarding operating results (Consolidated)]

Result of the Railway Business (Non-consolidated)

	Dec 31, 2004	Dec 31, 2003	Change	
Number of passengers carried	Thousand	Thousand	Thousand,	%
Non-commuter	302,935	308,642	(5,708)	(1.8)
Commuter	442,521	436,324	6,196	1.4
Total	745,456	744,966	488	0.1
Revenue from Railway service	Millions of yen	Millions of yen	Millions of yen, %	
Non-commuter	51,133	52,045	(912)	(1.8)
Commuter	39,311	38,869	442	1.1
Total	90,445	90,915	(469)	(0.5)

Railway

Regarding our railway business, the number of passengers carried decreased due to disconnection of the line between Yokohama and Sakuragi-cho, however there was an increase due to the newly started mutual direct operation with the Minatomirai line which created new demand, and improvement of convenience with the revision of the train schedule was understood by passengers. The number of passengers carried decreased by 1.8% in non-commuter, while it increased by 1.4% in commuter. As a result, the total number of passengers for this third quarter increased by 0.1%.

Real Estate

As our real estate segment, sale of built-for-sale housing, housing land, and condominiums continued to be steady.

Retail

The business climate in general remained at low levels partly because of the introduction of the total consumption tax displayed as from April 2004. Tokyu Store Chain Co., Ltd. opened 6 new stores, and strove to expand sales opportunities by the extension of operating hours based on demand in the market, and worked on the activation of large-scale in order to increase their profitability.

Leisure and services

In our CATV business of the leisure and service, 'its communications inc.' successfully increased the number of subscribers for both broadcasting and communications services. A total of 460,360 households subscribed for the CATV company as of the end of this third quarter. Tokyu Tourist Corporation was excluded from our consolidated subsidiaries when its shares were transferred in March 2004.

Hotel

Our business was badly affected by the outbreak of the SARS last fiscal year, but the number of foreign guests significantly recovered after the end of the SARS. Compared with the same quarter of the previous year, the occupancy ratio of the 47 hotels under the direct management of Tokyu Hotels Chain Co., Ltd. increased by 0.8 points to 80.3% in this third quarter. Haneda Tokyu Hotel was closed at the end of last September and Haneda Excel Hotel Tokyu was open on December 1, 2004.

Construction

Following the demerger of 'former' Tokyu Construction Co., Ltd. in October 2003, the construction business revenue and expenditure of that company were excluded from consolidation and became of little importance. Therefore, the results of the companies were included in 'the other segment'.

In conclusion, the results of this third quarter compared with the same period 2003 were: Operating revenue decreased 170,915 million yen to 770,189 million yen, operating profit increased 7,117 million yen to 60,375 million yen, recurring profit increased 11,969 million yen to 53,018 million yen and net income increased 3,067 million yen to 27,745 million yen. Those changes were almost as planned.

2) Financial Position (Consolidated)

	Millions of yen		
	As of Dec 31, 2004	As of Dec 31, 2003	Fiscal Year ended March 31, 2004
Total assets	1,946,570	2,245,287	2,010,141
Shareholders' equity	182,665	186,483	160,962
Equity ratio (%)	9.4%	8.3%	8.0%
Shareholders' equity per share (Yen)	160.12 yen	164.86 yen	141.75 yen

[Consolidated Statement of Cash Flows]

	Millions of yen		
	As of Dec 31, 2004	As of Dec 31, 2003	Fiscal Year ended March 31, 2004
Cash flows from operating activities	95,751	73,788	105,888
Cash flows from investing activities	17,778	(20,803)	(6,312)
Cash flows from financing activities	(115,730)	(22,987)	(91,529)
Cash and cash equivalent at end of period	40,357	64,560	42,676

Note: The figures for the third quarter of the fiscal year ended March 2004 were shown as a reference.

[Qualitative information regarding financial position (Consolidated)]

Financial position at the end of this third quarter was; net income of the period was posted, shareholders' equity increased 21,703 million yen to 182,665 million yen over the last fiscal year end due to payment of dividends with equity ratio of 9.4%.

Consolidated cash flows at the end of this third quarter were as follows:

Cash flows from operating activities increased 21,962 million yen compared to the same period a year earlier and reached 95,751 million yen.

Cash flows from investing activities increased 38,581 million yen over the same period of the previous year to 17,778 million yen due to sale of assets, despite payment for the takeover bid of Tokyu Department Store Co., Ltd.

Regarding cash flows from financing activities, expenditure amounted to 115,730 million yen due to repayment of debts and redemption of bonds, so our loss increased 92,742 million yen over the same period last year.

As a result, cash and cash equivalent at the end of this third quarter decreased 2,319 million yen to 40,357 million yen compared to the end of the previous fiscal year.

3. Consolidated Forecast for Fiscal Year 2004 (April 1, 2004 – March 31, 2005)

	Millions of yen
	Full year
Operating revenue	1,040,000
Recurring profit	62,000
Net Income	28,500

Notes: Forecasted net income per share for the full year: 24.98 yen

[Qualitative information regarding forecast]

The performance for this third quarter changed almost as planned, and there will be no change in the consolidated performance forecast released on November 15, 2004.

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

Appendix

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

Fiscal Results for the third quarter ended March 31, 2005: Appendix

1. Consolidated Balance Sheets

(Millions of yen)

Assets				
Item	3rd quarter Fiscal 2004	Fiscal 2003	Change	3rd quarter Fiscal 2003
	As of Dec. 31, 2004	As of March 31, 2004		As of Dec. 31, 2003
(Assets)				
Current Assets	352,638	391,461	(38,822)	439,534
Cash and deposits	33,792	35,142	(1,350)	56,707
Trade notes & accounts receivable	93,792	106,316	(12,523)	122,779
Securities	98	266	(167)	218
Inventories	178,122	201,883	(23,760)	204,888
Deferred tax assets	11,718	16,346	(4,628)	10,589
Other current assets	35,944	35,704	239	49,301
Allowance for doubtful accounts	(830)	(4,198)	3,368	(4,949)
Fixed Assets	1,593,931	1,618,680	(24,748)	1,805,752
Tangible fixed assets	1,172,821	1,238,795	(65,974)	1,447,597
Buildings & structures	523,028	540,285	(17,257)	580,655
Rolling stock & machinery	52,386	65,165	(12,779)	67,899
Land	451,808	488,263	(36,454)	466,961
Construction in progress	126,560	125,081	1,478	311,950
Others	19,037	20,000	(962)	20,130
Intangible fixed assets	33,729	33,917	(188)	36,161
Investments & others	387,380	345,966	41,414	321,993
Investment securities	186,572	179,854	6,717	163,814
Long-term loans receivable	632	1,512	(880)	1,606
Deferred tax assets	65,729	51,031	14,697	58,550
Others	151,358	134,537	16,821	113,278
Allowance for doubtful accounts	(16,911)	(20,969)	4,057	(15,256)
Total Assets	1,946,570	2,010,141	(63,570)	2,245,287

(Millions of yen)

Liabilities, Minority Interests & Shareholders' Equity				
Item	3rd quarter	Fiscal 2003	Change	3rd quarter
	Fiscal 2004	As of March 31, 2004		Fiscal 2003
	As of Dec. 31, 2004	As of March 31, 2004		As of Dec. 31, 2003
(Liabilities)				
Current Liabilities	615,584	646,169	(30,584)	808,495
Trade notes & accounts payable	85,508	92,992	(7,484)	103,992
Short-term debt	301,241	354,557	(53,316)	413,542
Current portion of long-term debt	49,100	45,201	3,899	43,801
Accrued income taxes	22,776	3,575	19,201	4,739
Reserve for employees' bonuses	8,541	12,407	(3,866)	9,288
Reserve for business investment loss	---	---	---	6,593
Advance received & amount received for uncompleted construction	66,209	58,647	7,561	139,297
Others	82,208	78,788	3,420	87,241
Fixed Liabilities	1,043,220	1,094,780	(51,559)	1,135,776
Corporate bonds	332,098	339,698	(7,600)	341,198
Long-term debt	452,013	505,387	(53,374)	515,581
Reserve for employees' retirement benefits	45,166	47,773	(2,606)	70,609
Reserve for directors' retirement benefits	2,705	3,547	(842)	3,419
Liabilities due to adoption of equity method	---	---	---	2,144
Guarantee deposits	134,481	134,311	170	139,936
Deferred tax liabilities	26,123	23,399	2,724	21,221
Deferred tax liabilities from land revaluation	7,421	7,424	(2)	7,446
Consolidation adjustment account	8,830	13,680	(4,850)	14,699
Others	34,380	19,557	14,823	19,519
Special legal reserves	35,678	37,875	(2,196)	38,612
Urban Railways Improvement Reserve	35,678	37,875	(2,196)	38,612
Total Liabilities	1,694,483	1,778,824	(84,341)	1,982,884
(Minority Interests)				
Minority interests	69,420	70,354	(933)	75,919
(Shareholders' Equity)				
Common stock	108,820	108,820	---	108,820
Capital surplus	85,519	128,066	(42,546)	128,074
Earned surplus	(31,024)	(95,287)	64,262	(58,743)
Land revaluation reserve	11,100	11,093	7	11,140
Unrealized holding gains (losses) on securities	18,410	20,379	(1,969)	12,713
Foreign currency translation adjustment account	(7,971)	(8,998)	1,026	(10,982)
Treasury stock	(2,189)	(3,112)	923	(4,540)
Total Shareholders' Equity	182,665	160,962	21,703	186,483
Total Liabilities, Minority Interests & Shareholder's Equity	1,946,570	2,010,141	(63,570)	2,245,287

2. Consolidated Statement of Income

(Millions of yen)

Item	3rd quarter Fiscal 2004 From April 1, 2004 to Dec. 31, 2004	3rd quarter Fiscal 2003 From April 1, 2003 to Dec. 31, 2003	Change	Fiscal 2003 From April 1, 2003 to March 31, 2004
Operating revenue	770,189	941,105	(170,915)	1,223,403
Cost of revenue from operations	709,814	887,848	(178,033)	1,165,283
Operating expenses and cost of sales (transportation etc)	601,473	744,902	(143,429)	980,164
Selling, general and administrative expenses	108,341	142,945	(34,603)	185,118
Operating profit	60,375	53,257	7,117	58,120
Non-operating revenue	12,020	14,380	(2,360)	27,310
Interest & dividends received	1,290	1,657	(366)	1,969
Equity in profits of affiliates	1,680	689	991	7,340
Other revenue	9,048	12,033	(2,984)	17,999
Non-operating expenses	19,377	26,589	(7,212)	32,481
Interest paid	15,928	20,640	(4,712)	26,655
Other expenses	3,448	5,948	(2,499)	5,826
Recurring profit	53,018	41,049	11,969	52,949
Extraordinary gains	47,883	27,745	20,138	146,116
Extraordinary losses	52,717	50,823	1,894	226,672
Net income before income taxes	48,184	17,971	30,213	(27,606)
Income taxes	24,171	7,232	16,938	6,205
Income tax adjustment	(6,980)	(15,466)	8,485	(16,207)
Minority interests	3,248	1,527	1,721	(5,259)
Net income	27,745	24,677	3,067	(12,345)

(Millions of yen)

Note: Breakdown of extraordinary gains	3rd quarter FY2004	3rd quarter FY2003	Changes	Fiscal 2003
Gain on retirement benefit trust establishment	16,831	---	16,831	34,531
Subsidies received for construction	10,378	3,526	6,852	59,266
Gain on sale of fixed assets	7,884	4,258	3,626	21,651
Gain on transfer of the substitutional portion of employees' pension fund liabilities	---	5,271	(5,271)	5,271
Gain on reversal of retirement benefit reserve	---	5,164	(5,164)	5,164

Breakdown of extraordinary losses

Loss on sale of fixed assets	17,934	19,484	(1,549)	31,553
Loss on change of retirement benefits scheme	13,069	---	13,069	---
Appraisal loss on real estate for sale	11,883	2,330	9,553	8,065
Deferred loss on reduction in subsidies for construction received	5,738	2,377	3,361	46,272
Addition to business investment loss reserve	---	6,593	(6,593)	---
Impairment loss on fixed assets	---	---	---	87,613

3. Consolidated Statements of Cash Flow

Millions of yen

Item	3rd quarter 2004 April 1, 2004 to Dec. 31, 2004	3rd quarter 2003 April 1, 2003 to Dec. 31, 2003	Change	Fiscal 2003 April 1, 2003 to March 31, 2004
I. Cash flows from operating activities				
Net income (loss) before income taxes	48,184	17,971	30,213	(27,606)
Depreciation and amortization	40,439	46,851	(6,412)	63,335
Fixed asset impairment loss	—	—	—	87,613
Decrease in employees' retirement benefit reserve	(13,880)	(14,104)	224	(26,079)
Retirement benefit trust establishment amount	17,120	—	17,120	34,735
Gain on retirement benefit trust establishment	(16,831)	—	(16,831)	(34,531)
Subsidies received for construction	(10,378)	(3,526)	(6,852)	(59,266)
Reduction in contributions received for construction	5,738	2,377	3,361	46,272
Loss (Gain) on sale of property and equipment	10,049	15,225	(5,176)	9,901
Loss on disposal of fixed assets	7,807	6,469	1,337	30,176
Appraisal losses on real estate for sale	11,883	2,330	9,553	8,065
Equity in losses (earnings) of equity-accounted affiliates	(1,680)	(689)	(991)	(7,340)
Decrease (increase) in accounts receivable	1,865	(1,234)	3,099	8,491
Decrease (increase) in inventories	11,870	65,137	(53,267)	64,926
(Decrease) increase in trade payables	(1,663)	(31,679)	30,016	(29,310)
(Decrease) increase in advances received	3,652	(19,082)	22,735	(26,542)
Interest paid	15,928	20,640	(4,712)	26,655
Other	(15,245)	6,901	(22,146)	(16,944)
Subtotal	114,860	113,588	1,271	152,550
Interest and dividends received	1,808	1,699	109	2,047
Interest paid	(16,066)	(19,573)	3,506	(26,764)
Income taxes paid	(4,850)	(21,926)	17,076	(21,944)
Net cash provided by operating activities	95,751	73,788	21,962	105,888
II. Cash flows from investing activities				
Payment for purchases of fixed assets	(62,778)	(64,129)	1,351	(100,503)
Proceeds from sale of fixed assets	61,994	16,965	45,029	76,127
Payments for acquisition of investment securities	(1,557)	(14,587)	13,029	(18,976)
Proceeds from sale of investment securities	17,380	5,844	11,536	14,900
Payment for acquisition of subsidiaries' stock	(16,624)	—	(16,624)	—
Proceeds from sale of subsidiaries' stock, entailing changes in the scope of consolidation	4,004	106	3,897	106
Proceeds from subsidies received for construction	14,351	22,606	(8,255)	23,627
Other	1,007	12,390	(11,382)	(1,595)
Net cash used in investing activities	17,778	(20,803)	38,581	(6,312)
III. Cash flows from financing activities				
Increase (decrease) in short-term debt, net	(43,358)	(71,861)	28,503	(121,804)
Proceeds from long-term debt	18,628	104,729	(86,101)	125,777
Repayment of long-term debt	(77,751)	(107,333)	29,581	(147,616)
Proceeds from issuance of bonds	39,751	70,422	(30,670)	70,422
Payment for redemption of bonds	(43,701)	(55,800)	12,099	(55,900)
Dividends paid by parent company	(8,526)	(2,831)	(5,695)	(2,831)
Proceeds from issuance of stock to minority shareholders	—	40,000	(40,000)	40,000
Other	(771)	(313)	(457)	422
Net cash used in financing activities	(115,730)	(22,987)	(92,742)	(91,529)
IV. Effect of exchange rate changes on cash and cash equivalents	121	(180)	302	(102)
V. Increase (decrease) in cash and cash equivalents	(2,079)	29,816	(31,896)	7,944
VI. Cash and cash equivalents at beginning of period	42,676	50,825	(8,149)	50,825
VII. Decrease due to exclusion from scope of consolidation	(239)	(28)	(210)	(40)
VIII. Increase due to inclusion in scope of consolidation	—	940	(940)	940
IX. Increase (Decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	—	(44)	44	(44)
X. Decrease in cash and cash equivalents resulting from demerger of subsidiaries	—	(16,948)	16,948	(16,948)
XI. Cash and cash equivalents at end of period	40,357	64,560	(24,203)	42,676

4. Segment Information

Segment information by operating segment

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

(Millions of yen)

	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Others	Total	Elimination/Headquarters	Consolidated
Revenues/Operating profit									
Operating revenue									
(1) Outside customers	193,872	110,183	286,241	45,129	77,861	56,902	770,189	---	770,189
(2) Inter-segment Internal revenues/transfers	3,799	12,716	1,263	1,065	636	15,830	35,311	(35,311)	---
Total	197,671	122,899	287,505	46,195	78,497	72,732	805,501	(35,311)	770,189
Operating expenses	166,371	105,167	282,987	44,251	75,521	71,291	745,590	(35,775)	709,814
Operating profit	31,300	17,732	4,517	1,943	2,976	1,441	59,911	463	60,375

The third quarter results for the fiscal year 2003 (April 1, 2003 – Dec 31, 2003)

(Millions of yen)

	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Construction	Others	Total	Elimination/Headquarters	Consolidated
Revenues/Operating profit										
Operating revenue										
(1) Outside customers	191,882	107,615	268,405	62,864	82,373	185,038	42,924	941,105	---	941,105
(2) Inter-segment Internal revenues/transfers	4,322	19,398	17,507	1,179	210	19,357	16,641	78,618	(78,618)	---
Total	196,205	127,014	285,913	64,043	82,584	204,396	59,566	1,019,724	(78,618)	941,105
Operating expenses	164,224	113,365	282,415	64,831	80,179	202,423	59,113	966,555	(78,706)	887,848
Operating profit	31,980	13,648	3,497	(788)	2,404	1,973	452	53,168	88	53,257

*The figures for the third quarter of the previous fiscal year ended March 2004 were shown as a reference.

Results for the fiscal year 2003 (April 1, 2003 – March 31, 2004)

(Millions of yen)

	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Construction	Others	Total	Elimination/Headquarters	Consolidated
Revenues/Operating profit										
Operating revenue										
(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 profit	20,358	20,577	6,911	1,351	3,563	2,565	2,725	58,052	67	58,120

Note:

1. Because of having little importance or effect on financial statement, the results of the member of the former 'construction segment' were included in 'others' segment from this fiscal year.
2. Operating segments
Operating segments are based on Standard Industrial Classifications in Japan and are designed to reflect the diversified nature of the company's business accurately.
3. Description of operating segments
Transportation: railway operation, bus operation and cargo transportation
Real Estate: real estate sales, real estate leasing and real estate management
Retail: retail operations and general trading operations
Leisure and Services: golf course operations and CATV operations
Hotels: hotel operations
Others: building and maintenance of rolling stock for railway operations
4. No unallocated operation expenses were included in "Elimination/Headquarters".