Tokyu Corporation

Consolidated Financial Statements

Fiscal 2009

(April 1, 2009 – March 31, 2010)

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)

For the Fiscal year Ended March 31, 2010

Tokyu Corporation May 14, 2010

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange first section
URL	http://www.tokyu.co.jp/	Inquiries:	Naoaki Tsunemi, Senior Manager, Finance and Accounting Division, Finance, Accounting & Group Strategy Headquarters
President	Toshiaki Koshimura		
Planned date of general meeting of shareholders:		June 29, 2010	Telephone: 81-3-3477-6168
Scheduled date of commencement of dividend payment:		June 30, 2010	
Planned date for submission of financial reports:		June 29, 2010	* Amounts less than ¥1 million have been ignored.

1. Consolidated Financial Results for Fiscal Year Ended March 31, 2010 (April 1, 2009 to March 31, 2010)

1) Consolidated Operating Results

(Figures in percentages denote the year-on-year change)

Million yen

	FY ended March 31, 2010		FY ended March 31, 2009	
		Change (%)		Change (%)
Operating revenue	1,230,132	(5.7)	1,304,231	(5.0)
Operating profit	52,741	(19.2)	65,301	(24.7)
Recurring profit	46,138	(15.9)	54,872	(37.7)
Net income	14,898	38.2	10,783	(76.6)
Net income per share (¥)	¥11.88		¥8.65	
Net income per share (diluted) (¥)	–		¥8.41	
Return on equity (%)	4.0%		3.0%	
Ratio of recurring profit to net assets (%)	2.3%		2.8%	
Ratio of recurring profit to operating revenue (%)	4.3%		5.0%	

Reference: Equity in income (losses) of equity-method affiliates: FY ended March 31, 2010: ¥ 3,523 million; FY ended March 31, 2009: ¥ 871 million

2) Consolidated Financial Position

Million yen

	As of March 31, 2010	As of March 31, 2009
Total assets	1,965,794	2,010,746
Net assets	386,341	384,654
Equity ratio (%)	19.0	18.5%
Net assets per share (¥)	¥298.77	¥294.62

Reference: Shareholders' equity: FY ended March 31, 2010: ¥ 373,017million; FY ended March 31, 2009: ¥371,204 million

3) Consolidated Cash Flows

Million yen

	FY ended March 31, 2010	FY ended March 31, 2009
Operating activities	150,930	123,530
Investing activities	(116,613)	(162,223)
Financing activities	(36,773)	43,726
Cash and cash equivalents at end of year	39,780	41,988

2. Dividends

	FY ending March 31, 2011 (forecast)	FY ended March 31, 2010	FY ended March 31, 2009
Dividend per share – end of first quarter (¥)	–	–	–
Dividend per share – end of first half (¥)	3.00	3.00	3.00
Dividend per share – end of third quarter (¥)	–	–	–
Dividend per share – end of term (¥)	3.00	3.00	3.00
Dividend per share – annual (¥)	6.00	6.00	6.00
Total cash dividends (annual)		7,536	7,569
Dividend payout ratio (consolidated) (%)	65.1	50.5	69.4
Net assets dividend ratio (consolidated) (%)		2.0	2.0

Notes: Total dividends paid for the fiscal year ended March 2010 do not include ¥33 million paid as dividends for shares in the Company held by a group of shareholding employees in trust.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Percentage figures for the full year denote the year-on-year change.)

Million yen

	First half		Full year	
		Change (%)		Change (%)
Operating revenue	589,600	(4.9)	1,171,000	(4.8)
Operating profit	27,500	20.9	46,500	(11.8)
Recurring profit	22,500	11.6	40,500	(12.2)
Net income	7,500	(1.9)	11,500	(22.8)
Net income per share (¥)	¥6.01		¥9.21	

4. Others

(1) Important changes of subsidiaries during the term
(change of specified subsidiaries that lead to a change in the scope of consolidation): No

(2) Changes in accounting principles and procedures and the presentation method, etc. of consolidated financial statements (those which are included in change in significant accounting policies that will be the bases for preparing consolidated financial statements)
1) Changes associated with the revision of accounting principles, etc.: Yes
2) Change other than 1): No
(Note)For details see Changes to Basis of Presentation of Consolidated Financial Statements (page 28)

(3) Number of shares issued (common stock)
1) Number of shares issued at the end of the term (including treasury stock) (shares)
FY ended March 31, 2010: 1,263,525,752 FY ended March 31, 2009: 1,263,525,752
2) Number of treasury stock at the end of the term (shares)
FY ended March 31, 2010: 14,996,031 FY ended March 31, 2009: 3,577,008
(Note 1) For the number of shares that is the basis for the calculation of consolidated net income per share, please see Page 40, "Per Share Information."
(Note 2) The number of treasury stock includes 11,111,000 shares of the Company a group of shareholding employees had in an account in trust at the end of the consolidated fiscal year under review.

(Reference) Summary of Non-Consolidated Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2010 (April 1, 2009 to March 31, 2010)

1) Non-Consolidated Operating Results *(Figures in percentages denote the year-on-year change)*

Million yen

	FY ended March 31, 2010		FY ended March 31, 2009	
		Change (%)		Change (%)
Operating revenue	282,797	7.8	262,231	2.4
Operating profit	46,023	(13.2)	53,036	(10.2)
Recurring profit	36,495	(18.6)	44,813	(15.1)
Net income	5,668	(73.7)	21,592	17.4
Net income per share (¥)	¥4.51		¥17.29	
Net income per share (diluted) (¥)	–		¥16.78	

2) Non-Consolidated Financial Position *Million yen*

	As of March 31, 2010	As of March 31, 2009
Total assets	1,483,874	1,479,793
Net assets	336,384	345,061
Equity ratio (%)	22.7%	23.3%
Net assets per share (¥)	¥269.04	¥273.44

Reference: Shareholders' equity: FY ended March 31, 2010: ¥ 336,384 million; FY ended March 31, 2009: ¥345,061 million

2. Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Percentage figures for the full year denote the year-on-year change.)

Million yen

	First half		Full year	
		Change (%)		Change (%)
Operating revenue	153,200	11.0	278,100	(1.7)
Operating profit	24,500	13.5	36,500	(20.7)
Recurring profit	19,900	18.5	26,600	(27.1)
Net income	13,000	53.5	19,000	235.2
Net income per share (¥)	¥10.40		¥15.20	

<u>* Explanations about the proper use of financial forecasts and other important notes</u>

The forecast results presented above are based on information available on the date of this announcement.
Actual results may differ materially from forecasts depending on a number of factors.
Please refer to 1. Review of Operations (2) Outlook for Fiscal 2010 on page 5 for more details on these forecasts.

1. Review of Operations

1. Analysis of Results

(1) Overview of the Fiscal Year under Review

Despite signs of a recovery observed in certain sectors, the Japanese economy remained weak during the fiscal year under review, as demonstrated by the sustained slump in personal spending.

In these circumstances, the Tokyu Corporation (the “Company”) and its consolidated subsidiaries (the “Group”) took a proactive approach to operations and sought to reduce costs while making steady efforts to rebuild earnings structures and undertake other reforms needed to sustain growth into the future.

Operating revenue for the fiscal year under review stood at ¥1,230,132 million (down 5.7% year on year), as falls in the Retail, Leisure and Services, Hotels and Other businesses offset growth in the Real Estate business. Operating profit was ¥52,741 million (falling 19.2%), attributable to a rise in the loss on the disposal of fixed assets required for large-scale construction in the Transportation business, in addition to smaller profits posted in the Retail, Hotels and Other businesses. Recurring profit was ¥46,138 million (declining 15.9%), primarily because of negative goodwill amortized and a rise in investment gains from the equity method. Net income reached ¥14,898 million (up 38.2% year on year), as factors such as gains on the sale of fixed assets offset a loss on the sale of investment securities posted as an extraordinary item.

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

Transportation

Tokyu Corporation regards safety as its largest and most important responsibility to customers in its railway operations. Based on this policy, we are strengthening all aspects of our safety management system, from management to workers onsite. As specific measures to improve facilities, we executed earthquake-resistant reinforcement work on facilities, including an elevated bridge near Gakugei Daigaku Station and a tunnel between Shibuya and Yoga stations, during the fiscal year under review. In addition, we equipped all Setagaya Line railroad crossings with an emergency button for reporting train problems, completing the installation of the buttons at all Tokyu rail crossings. The Company aspires to improve comfort for Tokyu Line users and is particularly focused on easing rush-hour congestion. We extended the Oimachi Line to Mizonokuchi Station and launched an express service between Oimachi and Mizonokuchi stations in July 2009. This was part of construction work for improving the Oimachi Line and laying four tracks on the Denen Toshi Line, which had been underway for 16 years starting 1993, with the objective of improving convenience and easing congestion during rush hour by increasing the number of options for reaching central Tokyo from suburban areas served by the Den-en-toshi Line.

The overall number of passengers carried in the Company’s railway operations rose 0.1% year on year. The number of commuters rose 0.4%, due to network expansion and population growth in service areas. The number of non-commuters dropped 0.2%, influenced by factors such as business fluctuations and typhoons. Revenue from fares remained largely on a par with those of the previous fiscal year.

Looking at the numbers of passengers carried by consolidated subsidiaries, the number carried by Izukyu Corp. decreased 6.0%, while the number carried by Ueda Dentetsu Corp. was down 3.2%.

In bus operations, the number of passengers carried by Tokyu Bus Corp. slipped 2.2%.

Operating revenue for the Transportation segment was ¥194,931 million (down 2.2% year on year), attributable to factors such as a decline in advertising revenue in railway operations. Operating profit was ¥23,229 million (down 10.0%), reflecting a loss on the disposal of fixed assets posted for the construction work for extending the Oimachi Line to Mizonokuchi, among other factors.

Real Estate

In the real estate sales business, the Company sold built-for-sale houses and condominiums, mainly in the Tama Den-en toshi areas.

In the real estate leasing business, we strived to improve the value of our properties through renovations and by seeking tenants suited to the features of our office and commercial buildings.

Tokyu Facility Service, which engages in real estate management, faced difficult conditions, due primarily to a decline in orders resulting from the economic downturn.

Operating revenue for the Real Estate segment was ¥164,046 million (up 18.3% year on year), attributable in part to sales growth in the Company's real estate sales business. However, operating profit was ¥22,851 million (down 3.1%), given factors such as a rise in property development expenses and a fall in advertising revenue in the real estate leasing business.

Retail

In its department store operations, Tokyu Department Store is developing a system that efficiently promotes its merchandise and sales policies by making maximum use of its alliance with Isetan Co., Ltd., seeking to avert significant performance declines from the prevailing economic conditions and declining consumer confidence. At the same time, Tokyu Department Store is proceeding with measures that include structural reforms at its stores to optimize sales floor operations, as well as reforms designed to make stores more attractive to customers.

In its chain store operations, Tokyu Store Chain closed unprofitable stores and stepped up efforts to renovate underperforming floors to reform its earnings structure in response to a fall in operating revenue. Tokyu Store Chain also reviewed its pricing policy and business lines, among other initiatives.

Operating revenue for the Retail segment was ¥557,957 million (down 10.2% year on year), largely because of the adverse effects of the ongoing economic downturn. Operating profit came to ¥3,866 million (falling 64.5%).

Leisure and Services

In its advertising business, Tokyu Agency Inc. sought to strengthen its advertising media brand, integrating transport advertising media and outdoor advertising media in collaboration with the Company. Tokyu Agency also undertook a reorganization and other steps to streamline its operations.

In its CATV operations, its communications Inc. established a system that allows it to respond effectively to customer inquiries with the opening of Its Com Spot Musashi Kosugi and Its Com Spot Tama Plaza. There were 680,298 connected households at the end of the fiscal year under review, rising 50,383 from the end of the previous fiscal year.

Operating revenue for the Leisure and Services segment was ¥153,329 million (down 12.9% year on year), reflecting factors such as a large fall in orders from the media at Tokyu Agency as companies reduced their advertising budgets, which outweighed a rise in revenue from communications fees. Operating profit was ¥1,461 million (falling 34.0%).

Hotels

Conditions remained difficult for Tokyu Hotels, with operations affected by the economic slump triggered by the global financial crisis and by the new type of influenza as competition intensified across the industry. In response, Tokyu Hotels stepped up reforms to its cash flow structure, by withdrawing from underperforming hotels and slashing costs, with a particular focus on reducing fixed costs.

Operating revenue in the Hotels segment was ¥86,993 million (down 9.6% year on year), owing to factors that included substantial declines in the occupancy rate and unit room prices. As a consequence, the segment posted an operating loss of ¥1,422 million. The occupancy rate at hotels under the direct control of Tokyu Hotels stood at 74.3% (a 2.5 percentage point decline from the previous fiscal year).

Other businesses

Operating revenue for all other businesses amounted to ¥149,376 million (down 4.2% year on year), generating operating profit of ¥2,611 million (rising 29.4%). Sales of specialty vehicles dropped, but sales of rolling stock rose at Tokyu Car Corp., which manufactures rolling stock for railway operations.

(2) Outlook for Fiscal 2010

We expect conditions for the Group (including the Company and its consolidated subsidiaries) to remain challenging in the coming fiscal year, given uncertain consumer spending trends. In this operating environment, we forecast operating revenue of ¥1,171,000 million yen (down 4.8% year on year), operating profit of ¥46,500 million (falling 11.8%), recurring profit of ¥40,500 million (declining 12.2%) and net income of ¥11,500 million (slipping 22.8%) for the fiscal year ending March 31, 2011, We base these forecasts on the expectations that expenses, including those for retiring fixed assets, will fall in the Company's railway operations, and that sales will fall in reaction to land sales in Western Australia in the real estate operations. We also anticipate that depreciation, amortization and taxes for the operations will rise as a result of the operational launch of large-scale projects in the previous fiscal year.

The forecasts for each operating segment are as follows:

Billion yen

	Operating revenue		Operating profit	
	Fiscal 2010	YoY change	Fiscal 2010	YoY change
Transportation	188.6	(6.3)	26.0	2.7
Real Estate	162.2	(1.8)	11.6	(11.2)
Retail	518.9	(39.0)	4.8	0.9
Leisure and Services	155.0	1.6	2.9	1.4
Hotels	89.9	2.9	(0.9)	0.5
Other	127.9	(21.4)	2.1	(0.5)
Total	1,242.5	(64.0)	46.5	(6.2)
Eliminations	(71.5)	5.0	–	(0.1)
Consolidated	1,171.0	(59.1)	46.5	(6.2)

2. Analysis of Financial Position

Total assets at the end of the fiscal year under review were ¥1,965,794 million, a ¥44,952 million decrease from the end of the previous fiscal year. The decline owed primarily to falls in land and buildings for sale and in investment securities, offsetting a rise in tangible fixed assets attributable to capital investment by the Company.

Liabilities fell ¥46,639 million, to ¥1,579,452 million, as a result of a decline in interest-bearing debt (*) among other factors.

Net assets increased ¥1,686 million, to ¥386,341 million, reflecting surplus distribution and growth in treasury stocks following the acquisition of shares through the introduced trust-type employee shareholding incentive plan, as well as net income of ¥14,898 million posted for the fiscal year under review.

Net cash generated by operating activities reached ¥150,930 million after adjustments for income before income taxes and minority interests of ¥42,815 million with items, including depreciation and amortization of ¥69,382 million, a loss on disposal of fixed assets of ¥14,259 million, and a fall in inventories of ¥41,150 million. Compared with the previous fiscal year, cash generated by operating activities grew ¥27,399 million, given factors such as a decline in inventory linked to an increase in real estate sales.

Net cash used in investing activities totaled ¥116,613 million, attributable to expenditure on the acquisition of fixed assets of ¥130,713 million. Compared with the previous fiscal year, net cash used in investing activities declined ¥45,609 million owing to factors, including less expenditure on fixed asset acquisition.

Net cash used in financing activities was ¥36,773 million, reflecting factors including the repayment of borrowings, and expenditure on the redemption of commercial papers and corporate bonds.

As a result, cash and cash equivalents stood at ¥39,780 million at the end of the fiscal year under review, down ¥2,207 million from the end of the previous fiscal year.

*Interest-bearing debt: total borrowings, corporate bonds and commercial papers

(Reference) Consolidated cash flow-related indicator trends:

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009
Equity ratio (%)	16.9	18.4	18.5	19.0
Market price based equity ratio (%)	57.3	31.8	25.8	24.8
Ratio of interest bearing debt to cash flows (years)	6.5	8.4	8.7	6.9
Interest coverage ratio (times)	8.4	6.6	7.0	8.9

Equity ratio = shareholders equity/total assets

Market price based equity ratio = market capitalization/total assets

Ratio of interest bearing debt to cash flows = 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 period by the total number of shares outstanding at the end of the period (after deduction of treasury stock).
3. Operating cash flow figures are obtained from the consolidated cash flow statements.

3. Dividend Policy and Dividends for Fiscal 2009 and 2010

Railway operations constitute the main business of Tokyu Corp and 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 railway services. For example, we have invested a combined total of ¥156,400 million in improvements to the Oimachi-Futakotamagawa stretch of the Oimachi Line and in quadruple tracking on the Den-en Toshi Line between Futakotamagawa and Mizonokuchi. We have made these outlays to ease congestion, and to build an efficient transport network. 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 Tokyo Metro Fukutoshin Line. 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 ¥159,300 million on improvements to the Toyoko Line between Shibuya and Yokohama.

We also work on initiatives in the current two-year management plan with fiscal year 2010 as the initial year and will steadily implement capital investments including major landmark developments with an eye on social and economic conditions. To ensure steady progress with our large and long-term capital projects, we will continue to bolster our business foundations and establish a profit base that will enable us to achieve sustainable growth and fulfill our mission as a public transportation organization.

Our basic policy for the distribution of profits emphasizes stable dividends. We target a 2% ratio of dividends to shareholders' equity (total dividends / consolidated shareholders' equity at the end of the preceding fiscal year × 100) in the period of the medium-term management plan. In the Articles of Incorporation, we have also set clauses that allow the Company to pay the interim dividend that is stipulated in Article 454-5 of the Company Law and pay the dividend of surplus twice a year (interim dividend and year-end dividend). The decision-making bodies of these dividends are the Board of Directors for the interim dividend and the general meeting of shareholders for the year-end dividend. We do not plan to change the number of the dividends.

Under this basic policy, we plan to pay an annual dividend of ¥6 (an interim dividend of ¥3 and a year-end dividend of ¥3) for the term ended March 31, 2010 and the term ending March 31, 2011.

2. The Tokyu Group

The Tokyu Group comprises 162 subsidiaries and 19 affiliates. Their main business operations are as follows.

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

Description of Principal Business Lines as of the End of the Term of Fiscal 2009:

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, Kodomonokuni Line and a streetcar line, the Setagaya Line, in southwestern Tokyo and Kanagawa Prefecture. The total track length is 104.9km. Izukyu Corp., a consolidated subsidiary, operates a 45.7km line between Ito and Izukyu Shimoda in the Izu peninsula. Ueda Dentetsu 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.

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 detached houses, a system in which Tokyu Land Corp. works with Tokyu Corporation to build and market detached houses 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, a consolidated subsidiary, Nagano Tokyu Department Store Co., Ltd. has a similar operation in Nagano Prefecture.

Chain store 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.

Shopping center operations: Tokyu Malls Development Inc., a consolidated subsidiary, operates city-oriented fashion malls mainly in the Shibuya district of Tokyo, and also operates commercial facilities mainly in the area around Tokyu's railway lines.

Leisure and Services

Golf course operations: The Tokyu Group comprises 8 golf course operators including consolidated subsidiaries such as Three Hundred Club Co., Ltd., Tokyu Seven Hundred Club Co., Ltd., etc.

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 Tokyu's railway lines in Tokyo, Kawasaki and Yokohama.

Advertising operations: Tokyu Agency Inc., a consolidated subsidiary, offers a wide variety of advertising agency services.

Hotel

Hotel operations: Tokyu Hotels Co., Ltd., a consolidated subsidiary, operates five hotel brands in Japan: Tokyu Hotel, Excel Hotel Tokyu, Tokyu Inn, Tokyu Resorts and Hotel Tokyu Bizfort (with a combined total of 45 directly managed hotels as of the end of March 2010).

Other

Construction business: Affiliate Tokyu Construction Co., Ltd. is responsible for construction of housing, office buildings and government buildings, as well as civil engineering projects for highways and railways and land development. Affiliate Seikitokyu Kogyo Co., Ltd., focuses on civil engineering, road pavement, water works, and other general construction.

Rolling stock manufacturing: Consolidated subsidiary Tokyu Car Corp. specializes in the manufacture of rolling stock for railway operations, specialty vehicles and elevated parking systems. Tokyu Techno System 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.

General trading operations: Tokyu Geox Co., Ltd., a consolidated subsidiary, manufactures and markets aggregates.

Grouping by business types is as follow:

Customers and Business Partners

Tokyu Corporation, 162 subsidiaries and 19 affiliated companies

Tokyu Corporation

-Railway operations

-Real estate sales

-Real estate

Leasing of facilities, Consignment of operations, etc.

Transportation (17 companies)

Main companies

Railway operations
- Izukyu Corp. #1
- Ueda Dentetsu Corp. #1

Bus operations
- Tokyu Bus Corp. #1
- Jotetsu Corp. #1

Leasing of facilities, Consignment of operations, etc.

Real Estate (28 companies)

Main companies

Real estate sales
- Tokyu Land Corp. #2

Real estate leasing
- Tokyu Land Corp. #2

Real estate management
- Tokyu Community Corp. #2
- Tokyu Facility Service Co., Ltd. #1

Real estate brokerage services
- Tokyu Livable, Inc. #2

Leasing of retail premises, Procurement of goods, etc.

Retail (25 companies)

Main companies

Department store operations
- Tokyu Department Store Co., Ltd. #1
- Nagano Tokyu Department Store Co., Ltd. #1

Chainstore operations
- Tokyu Store Chain Co., Ltd. #1

Shopping center operations
- Tokyu Malls Development Inc. #1

Credit card operations
- Tokyu Card, Inc. #1

Leasing of facilities, Consignment of operations, etc.

Leisure and Services (37 companies)

Main companies

Movie theatre operations
- Tokyu Recreation Co., Ltd. #2

Golf course operations
- Three Hundred Club Co., Ltd. #1

Advertising
- Tokyu Agency Inc. #1

CATV operations
- its Communications inc. #1

Leasing of hotel facilities

Hotels (51 companies)

Main companies

Hotel operations
- Tokyu Hotel Chain Co., Ltd. #1
- Mauna Lani Resort (Operation) Inc. #1

Procurement of goods, Consignment of perations, etc.

Other (38 companies)

Main companies

Construction
- Tokyu Construction Co., Ltd. #2
- Seikitokyu Kogyo Co., Ltd. #2

Maintenance of rolling stock for railway
- Tokyu Car Corp. #1
- Tokyu Techno System Co., Ltd. #1

Automotive parts
- Shiroki Corp. #2

General trading operations
- Tokyu Geox Co., Ltd. #1

Food manufacturing
- Gold Pak Co., Ltd. #2

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, Izukyu Land Corp., Izukyu Housing, Jotetsu Corp., Tokyu Bus Corp., Tokyu Facility Service Co., Ltd., Mauna Lani Resort (Operation), Inc., Abashiri Kotsu, Inc.
2. The companies below are listed on the following stock exchanges:

Tokyo Stock Exchange	1st Section	Tokyu Corp., Tokyu Land Corp., Tokyu Construction Co.,Ltd., Seikitokyu Kogyo Co., Ltd., Tokyu Community Corp., Tokyu Livable, Inc., Shiroki Corp.
	2nd Section	Tokyu Recreation Co., Ltd.
1st Section of the Nagoya Stock Exchange		Shiroki Corp.
JASDAQ Securities Exchange		Nagano Tokyu Department Store Co., Ltd., GOLD-PAK CO., LTD.

3. 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 2010, the Group is composed of 266 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, the Tokyu Group has adopted the initiatives outlined in the Tokyu Group Management Policy of April 2000. The management policy emphasizes the Company's position as the core company of the Tokyu Group. The pillars of the policy are the Tokyu Group Basic Management Policy and the Implementation of the Tokyu Group Management Policy. The Basic Management Policy consists of three points: the establishment by the Company of governance for the Tokyu Group, growth through alliances both inside and outside the Tokyu Group, and risk management as part of compliance.

(2) Target management indicators, medium- to long-term goals, and challenges ahead

Based on the Group Management Policy described above, the Company and its consolidated subsidiaries have been executing a three-year medium-term management plan (covering the period from fiscal 2008 to fiscal 2010) aimed at "realizing growth strategies," since the introduction of the plan in April 2008.

However, the Group reviewed the plan in light of the significant changes in social and business conditions, including consumer behavior, which followed the rapid business downturn that began with the financial crisis in the United States in the fall of 2008. Based on the review, the Group launched another two-year medium-term management plan, with fiscal 2010 as the first year, seeking to sustain its growth in an increasingly mature market environment through qualitative changes in its business structure to emphasize profitability and efficiency.

Under this new management plan, the Group is taking on three key challenges, based on the medium- to long-term visions adopted for the preceding plan. First, "Tokyu's rail service areas will remain popular among metropolitan residents" and second, "the Group will become a self-reliant, strong business group built around the Company." Third, the Group is pursuing a basic strategy of "developing operations in anticipation of qualitative and quantitative changes in the population," to lay the foundations for future growth.

[Key Challenges]

(i) Achieving growth with improved earning power of core operations

We will establish the type of a growth cycle that improves and increases our capacity to generate cash flows and profits. Specifically, we will invest cash generated through railway and other Group operations in growth fields in our core businesses and we will increase the earnings capabilities of our core businesses through network expansion and service improvements in our railway operations and the expansion of our real estate operations, including projects for developing large commercial facilities.

(ii) Making the asset portfolio and Group business portfolio thoroughgoing

We will increase our asset efficiency by requesting our Asset Portfolio Committee to develop and execute plans for making the most effective use of assets held by the Company and its consolidated subsidiaries, from the standpoint of total optimization. We will also continue to rapidly execute structural reforms in those segments strongly influenced by the economic downturn, by conducting reviews that will also consider the closing or sale of unprofitable facilities.

(iii) Pursuing business efficiency Group-wide

We will seek to improve productivity throughout the Group and improve added value by reducing fixed costs in operations undertaken by the Company and its consolidated subsidiaries and by practicing comprehensive cost management designed to keep our costs in balance with revenues.

Target operating results under the current management plan are as follows:

[Target operating results]

	Two-year medium-term management plan	
	FY2010	FY2011
Operating profit	46.5 billion yen	50.5 billion yen
Tokyu EBITDA (*1)	129.1 billion yen	146.0 billion yen
Debt-equity ratio	2.9	2.7

*1 Operating profit + depreciation and amortization + goodwill amortization + expenditure on disposal of fixed assets

Tokyu Corporation views the appropriate distribution of profits to shareholders as an important management policy and adopts the following dividend policy based on a principle of sustaining stable dividends.

[Dividend policy]

The Company will continue to pay stable dividends, with a dividend-on-equity ratio (*2) of 2% as its target for the period under the current medium-term management plan.

*2 Total dividends/ average consolidated shareholders' equity during the period x 100

The Tokyu Group puts safety at the foundation of all its businesses. Given its mission of public transportation, the Company recognizes safety as its greatest and most important responsibility, and safety initiatives are underway throughout the Company. In June 2006, the Company set a Safety Promotion Committee within its organization, and in October 2006, it established a safety management system by developing an operating policy as well as operation and management systems, along with rules to ensure safe transportation. It also adopted safety management regulations to maintain and improve transportation safety. Ensuring safety is an ongoing business challenge and we remain fully committed in this area.

As a corporate citizen, the Tokyu Group is fully aware of the importance of its social responsibilities. We continue to bolster Group-wide efforts to ensure compliance and will practice CSR management through our commitment to protect the environment and our social action programs. We established the Tokyu Group Compliance Manual in January 2002 and undertook a wide range of CSR activities. In February 2008, we set out the Group Internal Control Guidelines to remind Group companies of the importance of compliance and CSR. We are bolstering our risk management system and identifying major Company-wide risks.

We will continue to facilitate closer communication with important stakeholders in our businesses and fulfill our corporate social responsibility by improving management transparency and the appropriateness of operations.

Through these activities, we aim to achieve sustainable growth and maximize corporate value.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Million yen

Item	As of March 31, 2010	As of March 31, 2009
Assets		
Current Assets		
Cash and deposits	40,738	42,419
Trade notes & accounts receivable	121,699	125,320
Merchandise and products	18,882	23,274
Land and buildings for sale	57,534	82,194
Wok in progress	23,833	27,166
Raw materials and supplies	7,908	8,879
Deferred tax assets	10,245	13,115
Others	29,310	31,830
Allowance for doubtful accounts	(1,099)	(1,089)
Total current assets	309,054	353,111
Fixed Assets		
Tangible fixed assets		
Buildings & Structures (net)	597,780	575,668
Rolling stock & machinery (net)	60,487	60,718
Land	571,346	560,191
Construction in progress	143,563	148,955
Others (net)	18,104	19,297
Total tangible fixed assets	1,391,281	1,364,832
Intangible fixed assets	27,900	33,448
Investments & Others		
Investment securities	109,515	123,048
Deferred tax assets	5,449	8,701
Others	124,786	129,150
Allowance for doubtful accounts	(2,194)	(1,545)
Total investments and others	237,557	259,355
Total fixed assets	1,656,739	1,657,635
Total Assets	1,965,794	2,010,746

Million yen

Item	As of March 31, 2010	As of March 31, 2009
Liabilities		
Current Liabilities		
Trade notes & accounts payable	114,568	132,920
Short-term debt	308,192	306,057
Commercial paper	–	20,000
Current portion of corporate bonds	18,000	37,000
Accrued income taxes	7,700	12,737
Reserve for employees' bonuses	11,786	12,359
Advances received	37,394	30,450
Others	108,700	103,140
Total current assets	606,342	654,667
Long-term Liabilities		
Corporate bonds	207,800	154,800
Long-term debt	508,682	554,618
Reserve for employees' retirement benefits	29,423	37,612
Allowance for loss on redemption of merchandise coupons	1,777	1,666
Long-term deposits from tenants and club members	111,058	115,703
Deferred tax liabilities	42,791	38,996
Deferred tax liabilities from revaluation	11,254	11,313
Negative goodwill	8,646	6,647
Others	29,643	28,684
Total long-term liabilities	951,076	950,041
Special legal reserves		
Urban Railways Improvement Reserve	22,033	21,383
Total Liabilities	1,579,452	1,626,092
Net Assets		
Shareholders' Equity		
Common Stock	121,724	121,724
Capital surplus	140,806	140,842
Retained income	112,169	105,222
Treasury stock	(6,711)	(2,039)
Total shareholders' equity	367,988	365,750
Valuation, translation and other		
Net unrealized gains (losses) on investment securities, net of taxes	(191)	1,960
Net unrealized gains (losses) on hedging instruments, net of taxes	(81)	(58)
Land revaluation reserve	9,329	8,948
Foreign currency translation adjustment account	(4,027)	(5,396)
Total valuation, translation and others	5,028	5,454
Minority interests	13,324	13,450
Total Net assets	386,341	384,654
Total Liabilities and Net Assets	1,965,794	2,010,746

(2) Consolidated Statements of Income

Million yen

Item	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Operating revenue	1,230,132	1,304,231
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc,)	953,080	997,709
SG&A expenses	224,311	241,220
Total cost of operating revenue	1,177,391	1,238,929
Operating profit	52,741	65,301
Non-operating profit		
Interest income	441	434
Dividend income	1,438	971
Reversal of administrative fees for entrusted construction	–	979
Investment gains from equity method	3,523	871
Amortization of negative goodwill	3,833	533
Gain on investment in silent partnerships	–	2,098
Others	4,700	4,661
Total non-operating profit	13,937	10,551
Non-operating expenses		
Interest expenses	17,243	17,567
Others	3,297	3,412
Total non-operating expenses	20,540	20,979
Recurring profit	46,138	54,872
Extraordinary gains		
Gains on sale of fixed assets	8,839	960
Subsidies received for construction	781	12,972
Gain on reversal of Urban Railways Improvement Reserve	1,893	1,893
Gain on sales of subsidiaries' stocks	2,790	–
Gains on sale of investment securities	–	315
Gain on contribution of securities to retirement benefit trust	3,144	–
Others	6,635	2,144
Total extraordinary gains	24,086	18,286
Extraordinary losses		
Loss on sale of fixed assets	87	566
Loss on reduction of subsidies received for construction	765	11,748
Loss on disposal of fixed assets	927	2,593
Transfer to urban railways improvement reserve	2,543	2,544
Impairment loss	6,782	6,511
Loss on sales of investment securities	9,129	–
Others	7,173	8,993
Total extraordinary losses	27,409	32,957
Income before income taxes and minority interests	42,815	40,201
Income taxes	15,487	17,394
Income tax adjustment	10,818	10,849
Total income taxes	26,305	28,244
Minority interest in earnings of consolidated subsidiaries	1,611	1,173
Net income	14,898	10,783

(3) Consolidated Statements of Changes in Net Assets

Million yen

Item	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Shareholders' equity		
Common stock		
Balance at the previous year end	121,724	121,724
Changes during the period		
Conversions of convertible bonds	–	0
Total changes during the period	–	0
Balance at the period end	121,724	121,724
Capital surplus		
Balance at the previous year end	140,842	117,192
Changes during the period		
Conversions of convertible bonds	–	0
Increase due to share exchange	–	23,883
Sale of treasury stock	(35)	(233)
Total changes during the period	(35)	23,649
Balance at the period end	140,806	140,842
Retained income		
Balance at the previous year end	105,222	102,089
Changes during the period		
Dividends	(7,570)	(7,440)
Net income	14,898	10,783
Liquidation of land revaluation reserve	(381)	(205)
Others	–	(5)
Total changes during the period	6,946	3,132
Balance at the period end	112,169	105,222
Treasury stock		
Balance at the previous year end	(2,039)	(2,448)
Changes during the period		
Purchases of treasury stock	(5,367)	(284)
Sale of treasury stock	694	705
Others	0	(10)
Total changes during the period	(4,672)	409
Balance at the period end	(6,711)	(2,039)
Total shareholders equity		
Balance at the previous year end	365,750	338,557
Changes during the period		
Conversions of convertible bonds	–	0
Increase due to share exchange	–	23,883
Dividends	(7,570)	(7,440)
Net income	14,898	10,783
Liquidation of land revaluation reserve	(381)	(205)
Purchases of treasury stock	(5,367)	(284)
Sale of treasury stock	658	471
Others	0	(16)
Total changes during the period	2,238	27,192
Balance at the period end	367,988	365,750

Million yen

Item	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Valuation, translation and others		
Net unrealized gains (losses) on investment securities		
Balance at the previous year end	1,960	11,417
Changes during the period		
Changes other than those to shareholders' equity (net)	(2,151)	(9,457)
Total changes during the period	(2,151)	(9,457)
Balance at the period end	(191)	1,960
Net unrealized gains (losses) on hedging instruments		
Balance at the previous year end	(58)	(16)
Changes during the period		
Changes other than those to shareholders' equity (net)	(23)	(41)
Total changes during the period	(23)	(41)
Balance at the period end	(81)	(58)
Land revaluation reserve		
Balance at the previous year end	8,948	8,868
Changes during the period		
Changes other than those to shareholders' equity (net)	380	79
Total changes during the period	380	79
Balance at the period end	9,329	8,948
Foreign exchange translation adjustment account		
Balance at the previous year end	(5,396)	(308)
Changes during the period		
Changes other than those to shareholders' equity (net)	1,368	(5,088)
Total changes during the period	1,368	(5,088)
Balance at the period end	(4,027)	(5,396)
Total valuation, translation and others		
Balance at the previous year end	5,454	19,961
Changes during the period		
Changes other than those to shareholders' equity (net)	(425)	(14,506)
Total changes during the period	(425)	(14,506)
Balance at the period end	5,028	5,454
Minority interests		
Balance at the previous year end	13,450	32,214
Changes during the period		
Changes other than those to shareholders' equity (net)	(125)	(18,764)
Total changes during the period	(125)	(18,764)
Balance at the period end	13,324	13,450

Million yen

Item	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Total net assets		
Balance at the previous year end	384,654	390,733
Changes during the period		
Conversions of convertible bonds	–	0
Increase due to share exchange	–	23,883
Dividends	(7,570)	(7,440)
Net income	14,898	10,783
Liquidation of land revaluation reserve	(381)	(205)
Purchases of treasury stock	(5,367)	(284)
Sale of treasury stock	658	471
Others	0	(16)
Changes other than those to shareholders' equity (net)	(551)	(33,271)
Total changes during the period	1,686	(6,078)
Balance at the period end	386,341	384,654

(4) Consolidated Statements of Cash Flow

Million yen

Item	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Cash flows from operating activities		
Income before income taxes	42,815	40,201
Depreciation and amortization	69,382	66,784
Amortization of goodwill	3,001	6,127
Impairment loss	6,782	6,511
Increase (decrease) in provision for retirement benefits	(6,624)	–
Employees' retirement benefits trust established	7,103	–
Loss (gain) on securities contribution to employees' retirement benefits trust	(3,144)	–
Increase (Decrease) in Urban Railways Improvement Reserve	650	650
Subsidies received for construction	(781)	(12,972)
Reduction in subsidies received for construction	765	11,748
Loss (gain) on sale of investment securities	8,200	(309)
Loss (gain) on sales of subsidiaries' stocks	(2,484)	–
Loss (gain) on sale of fixed assets	(8,752)	(393)
Loss on disposal of fixed assets	14,259	12,023
Investment (gain) loss from the equity method	(3,523)	(871)
Decrease (increase) in accounts receivable	3,354	6,664
Decrease (increase) in inventories	41,150	1,022
Increase (decrease) in trade payables	(14,620)	(5,775)
Increase (decrease) in advances received	4,517	–
Increase (decrease) in guarantee deposits received	(3,936)	(1,410)
Decrease (increase) in prepaid pension costs	(408)	3,630
Increase (decrease) in accrued consumption taxes	2,505	–
Interest and dividend income	(1,879)	(1,405)
Interest payable	17,243	17,567
Others	9,931	5,429
Subtotal	185,506	155,221
Interest and dividends received	2,708	2,548
Interest paid	(17,031)	(17,700)
Income taxes paid	(20,253)	(16,539)
Net cash provided by operating activities	150,930	123,530

Million yen

Item	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Cash flows from investing activities		
Payments for purchases of fixed assets	(130,713)	(164,790)
Proceeds from sale of fixed assets	7,719	2,113
Payments for acquisition of investment securities	(18,003)	(3,119)
Proceeds from sale of investment securities	7,533	576
Proceeds from redemption of investment securities	8,000	–
Purchase of investments in subsidiaries	(1,557)	(572)
Payments for purchases of subsidiaries’ shares resulting in changes in the scope of consolidation	–	(7,040)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(1,337)	–
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	4,080	–
Proceeds from subsidies received for construction	7,254	9,597
Proceeds from withdrawal of investments in silent partnership	885	646
Others	(475)	365
Net cash used in investing activities	(116,613)	(162,223)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	(52,387)	39,614
Proceeds from issuance of commercial papers	80,000	227,000
Redemption of commercial papers	(100,000)	(207,000)
Proceeds from long-term debt	89,469	83,370
Repayment of long-term debt	(72,475)	(63,655)
Proceeds from bond issue	70,677	36,796
Payments for redemption of bonds	(37,000)	(64,696)
Proceeds from the procurement of finance lease obligations	–	2,248
Repayment of finance lease obligations	(2,248)	(1,821)
Purchase of treasury stock	(5,274)	–
Cash dividends paid	(7,570)	(7,440)
Dividends paid to minority shareholders	(503)	(920)
Others	538	230
Net cash used in financing activities	(36,773)	43,726
Effect of exchange rate changes on cash and cash equivalents	248	(279)
Increase (decrease) in cash and cash equivalents	(2,207)	4,754
Cash and cash equivalents at beginning of period	41,988	37,234
Cash and cash equivalents at end of period	39,780	41,988

(5) Events or Situations that Give Rise to Material Doubts about Going Concern

There is no applicable item.

(6) Basis of Presentation of Consolidated Financial Statements

Item	Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
1. Scope of Consolidation	The number of consolidated subsidiaries: 168 The Group comprises 168 consolidated subsidiaries, including Izukyu Corp., Tokyu Department Store Co., Ltd., Tokyu Store Chain Co., Ltd., and Tokyu Hotels Co., Ltd. The Group has included in the scope of consolidation the new TOKYU WELLNESS INC. and one other company, KIDS BASE CAMP Co., Ltd. through the acquisition of shares, and CT Reality Co., Ltd. through additional investment. Meanwhile, the Group excluded from the scope of consolidation Kitami Tokyu Building Co., Ltd. and other six companies through liquidation, and TOKYU CAR DESIGN CO., LTD. through merger with a consolidated subsidiary. TC Properties Co., Ltd. and five other companies are non-consolidated subsidiaries, since all of them are small in size and the sum of our equities in their total assets, net sales, net income and loss and retained income do not have a significant impact on the consolidated financial statements.	The number of consolidated subsidiaries: 156 The Group comprises 156 consolidated subsidiaries, including Izukyu Corp., Tokyu Department Store Co., Ltd., Tokyu Store Chain Co., Ltd., and Tokyu Hotels Co., Ltd. The Group has included in the scope of consolidation the new Tokyu Security Co., Ltd. (which changed its business name from TS Service Co., Ltd.). Meanwhile, the Group has excluded from the scope of consolidation eight companies, including Sapporo Tokyu Store Chain Co., Ltd., through the sale of shares, Mauna Lani Service, INC and one other company through liquidation, and Toko Drug Co., Ltd. and one other company through a merger with another consolidated subsidiary. TC Properties Co., Ltd. and five other companies are non-consolidated subsidiaries, since all of them are small in size and the sum of our equities in their total assets, net sales, net income and loss and retained income do not have a significant impact on the consolidated financial statements.
2. Application of the Equity Method	Non-consolidated subsidiary TC Properties Co., Ltd. and four other companies are accounted for by the equity method. Meanwhile, the 17 affiliates accounted for by the equity method include Tokyu Land Corp. and Tokyu Construction Co., Ltd. The Group has included in the scope of companies to which the equity method is applied newly established Izu Higashikaigan Tetsudo Seibi Co., Ltd. and Hokkaido Body Co., Ltd. through the acquisition of shares. Meanwhile, the Group has excluded from the scope of companies to which the equity method is applied City Hirosaki Hotel Co. Ltd. through liquidation and Demand-I Co., Ltd. through the sale of shares. The Group has excluded one non-consolidated subsidiary and two affiliated companies from the scope of companies to which the equity method is applied, since their impact on consolidated net income and loss and retained income, etc. is minor and they do not have significance as a whole. China Garden Co., Ltd. is a non-consolidated subsidiary to which the equity method is not applied, while TMS Co., Ltd. and CRADLE KOUNOU CO., LTD. are affiliates to which the equity method is not applied.	Non-consolidated subsidiary TC Properties Co., Ltd. and four other companies are accounted for by the equity method. Meanwhile, the 17 affiliates accounted for by the equity method include Tokyu Land Corp. and Tokyu Construction Co., Ltd. The Group has excluded one non-consolidated subsidiary and two affiliated companies from the scope of companies subject to the equity method, since their impact on consolidated net income and loss and retained income, etc. is minor and they do not have overall significance. China Garden Co., Ltd. is the non-consolidated subsidiary to which the equity method is not applied, while TMS Co., Ltd. and CRADLE KOUNOU CO., LTD. are the affiliates to which the equity method is not applied.

Item	Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
3. Fiscal years of consolidated subsidiaries	Among the consolidated subsidiaries, Tokyu Geox Co., Ltd. and 32 other companies close their books on an annual basis on December 31 or February 28, etc. In preparing consolidated financial statements, the Group uses financial statements as of the closing dates and makes the necessary adjustments for important transactions that occurred between the closing dates and the consolidated closing date. Hare Ski Resort Co., Ltd. and two other companies close their books on September 30, etc. The Group uses their financial statements based on the provisional settlement of accounts as of the consolidated closing date.	Among the consolidated subsidiaries, Tokyu Geox Co., Ltd. and 32 other companies close their books on an annual basis on December 31 or February 28, etc. In preparing consolidated financial statements, the Group uses financial statements as of the closing dates and makes the necessary adjustments for important transactions that occurred between the closing dates and the consolidated closing date. Hare Ski Resort Co., Ltd. and another company close their books on September 30, etc. The Group uses their financial statements based on the provisional settlement of accounts as of the consolidated closing date. Among the consolidated subsidiaries, CT Realty Ltd., closed its books on an annual basis on April 30, had used financial statements based on the provisional settlement of accounts corresponding to the final settlement of accounts performed as of the consolidated closing date. However, CT Realty changed its annual closing date to the last day of February. In association with the change, results for the company for 11 months from April 1, 2009 to February 28, 2010 were consolidated in the consolidated fiscal year under review. The Group makes the necessary adjustments for important transactions that occurred between the closing date stated above and the consolidated closing date.
4. Summary of Significant Accounting Policies	(1) Valuation Standards and Accounting Treatment for Important Assets (a) Securities (including investments and other assets) 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 using the market price method. (The entire difference between the carrying value and the market value is recognized in net assets using the direct recognition method. 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. In respect of investments in SPCs (‘Other securities’) the equivalent attributable amounts of the SPC profits and losses are recorded as non-operating profit and expenses and the ‘Investment securities’ account is adjusted accordingly.	(1) Valuation Standards and Accounting Treatment for Important Assets (a) Securities(including investments and other assets) Bonds held to maturity: Same as at left Other securities: Same as at left

Item	Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
	(b) Derivatives Derivatives are stated at market value. (c) Inventories Land and buildings for sale are mainly valued at cost, using the weighted average method or the specific-identification method. According to the type of business other inventories are valued at cost, which is determined by the specific-identification method, the weighted-average method at cost, 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 (for the value on the balance sheet, all of the above use a method of writing down the book value based on a fall in profitability). (Change to accounting policy) In the past, land and buildings for sale were mainly valued at cost or, using the weighted average method or the specific-identification method. According to the type of business other inventories were valued at cost which was determined by the specific-identification method, or the lower of cost and market 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. However, associated with the application of the Accounting Standard for Measurement of Inventories (ASB Standard No. 9 published on July 5, 2006) from the fiscal year under review, land and buildings for sale are mainly valued at cost, using the weighted average method or the specific-identification method. According to the type of business other inventories are valued at cost, which is determined by the specific-identification method, the weighted-average method at cost, 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 (for the value on the balance sheet, all of the above use a method of writing down the book value based on a fall in profitability). As a result, operating profit and recurring profit declined ¥3,457 million, while income before income taxes and minority interests fell ¥4,778 million. The effect of the change on each operating segment is described in the segment information below.	(b) Derivatives Same as at left (c) Inventories Same as at left ―――

Item	Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
	(2) Method for Depreciating Important Assets (a) For tangible fixed assets (excluding leased 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 is computed by the straight-line method. Estimated useful life of tangible fixed assets is assumed as follows: Buildings and structures: 2-75 years	(2) Method for Depreciating Important Assets (a) Same as at left
	(Additional information) The Company and its domestic consolidated subsidiaries, with certain exceptions, reviewed the useful life of rolling stock and machinery, taking the revision of the Corporate Tax Law on the useful life of depreciable assets in 2008 as a momentum. Because of the change, operating profit, recurring profit, and income before income taxes each fell ¥378 million. The effect of the change on each operating segment is described in the segment information below.	―――――
	(b) For intangible fixed asset (excluding leased 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.	(b) Same as at left
	(c) For leased assets of finance leases in which ownership rights of the leased property are deemed to transfer to the lessee, the same depreciation method as that applied to fixed assets owned by the Company is used. For leased assets of finance leases other than those in which ownership rights of the leased property are deemed to transfer to the lessee, the straight-line method is used with the useful life being the lease period and the residual value being zero. For finance lease transactions other than those in which ownership rights of the leased property are deemed to transfer to the lessee, with a commencement date on or before March 31, 2008, the Company and its consolidated subsidiaries, with certain exceptions, use an accounting method similar to that used for ordinary rental transactions.	(c) Same as at left

Item	Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
	(3) Deferred assets Bond and 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) Reserve for employees' retirement benefits 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 value of benefits calculated 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 eligible employees, using the straight-line method. Past service liabilities are accounted for mainly by the straight-line method based on a period (15 years) that is less than the average remaining years of service of eligible employees at the time they arise. (d) Allowance for loss on redemption of merchandise coupons To provide for losses caused by the redemption of merchandise coupons after the termination of the practice of recording merchandise coupons as liabilities, an amount expected to be redeemed is recorded based on past performance.	(3) Deferred assets Same as at left (4) Important Reserves (a) Allowance for doubtful accounts Same as at left (b) Reserve for employees' bonus Same as at left (c) Reserve for employees' retirement benefits Same as at left (d) Allowance for loss on redemption of merchandise coupons Same as at left

Item	Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
	(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 consolidated balance sheet date, and translation gains and losses are accounted for as a profit or loss. Assets and liabilities of overseas subsidiaries are mainly 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 period and the differences are included in the foreign currency translation adjustment account in the shareholders' equity section.	(5) Translation of material foreign currency denominated assets and liabilities into Japanese yen Same as at left
	(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.	(6) Special legal reserves (Urban Railways Improvement Reserve) Same as at left
	(7) Accounting for subsidies received for construction in Railways Operations Subsidies received by the Company and consolidated subsidiaries Izukyu Corporation and Ueda Dentetsu Corp. 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. 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 "reduction in subsidies received for construction", as an extraordinary loss resulting from subsidies received for construction projects. Of the construction cost for which subsidies were received, the part relating to temporary structures that have been removed is included in cost of operating revenue (cost of disposal of fixed assets, etc.)	(7) Accounting for subsidies received for construction in Railways Operations Same as at left

Item	Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
	(8) 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. (b) Hedging methods and risks hedged Hedging methods: interest rate swaps, forward foreign exchange contracts. Risks hedged: corporate 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 methods and the risks hedged over their respective lapsed periods are mainly used as the yardsticks for measuring the effectiveness of the hedge. (9) Accounting for consumption tax The consumption tax exclusion method is applied.	(8) Significant hedge accounting methods (a) Hedge accounting Same as at left (b) Hedging methods and risks hedged Same as at left (c) Hedging policy Same as at left (d) Assessing the effectiveness of a hedge Same as at left (9) Accounting for consumption tax Same as at left
5. Assets and liabilities of Consolidated Subsidiaries	Assets and liabilities of consolidated subsidiaries are valued at market.	Same as at left
6. Amortization of Goodwill and Negative Goodwill	Goodwill and negative goodwill are amortized in equal installments over five years. Small amounts are written off in the year of accrual.	Same as at left
7. The Scope of Cash and Cash Equivalents for the 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.	Same as at left

(7) Changes to Basis of Presentation of Consolidated Financial Statements

Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
(Accounting policies for lease transactions) Although finance lease transactions other than those in which the ownership of the leased property were deemed to transfer to the lessee were accounted for by a method similar to that used for ordinary rental transactions in the past, they are accounted for by a method similar to that used for ordinary selling and buying transactions from this fiscal year, as the Accounting Standard for Lease Transactions (ASB Standard No. 13 (originally issued by the First Panel of Corporate Accounting Council ("CAC") on June 17, 1993 and revised on March 30, 2007) and the Guidance on Accounting Standard for Lease Transactions (ASB Guidance No. 16 (originally issued by the Japanese Institute of Certified Public Accountants ("JICPA") on January 18, 1994 and revised on March 30, 2007)) are applied from the fiscal year under review. [Finance lease transactions other than those in which ownership rights of the leased property are deemed to transfer to the lessee, with a commencement date for the lessee falling before the beginning of the fiscal year of application] An accounting method similar to that used for ordinary rental transactions continues to be used, except for certain consolidated subsidiaries. [Finance lease transactions other than those in which ownership rights of the leased property are deemed to transfer to the lessee, with a commencement date for the lessee falling before the beginning of the fiscal year of application] The appropriate book value of fixed assets (after subtracting accumulated depreciation) at the end of the previous fiscal year is recorded as the value of leased investment assets at the beginning of the period. The straight-line method is used for distributed interests of the leased investment assets for the remaining period after the accounting method is applied. The impact of this treatment on operating profit, recurring profit, net income before income taxes and minority interests, and the segment information is minor. (Accounting policies to foreign subsidiaries for consolidated financial statements) The Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements (Practical Issues Task Force No. 18 on May 17, 2006) is applied. There is no impact of this application.	(Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)) Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No. 19 issued on July 31, 2008) are applied to the basis of presentation of consolidated financial statements from the fiscal year under review. The change had no impact on operating profit, recurring profit, net income before income taxes and minority interests, or segment information.

(8) Change in Presentation

Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
(In relation to the consolidated balance sheets) 1. In association with the application of the "Partial Amendment of Regulations for Terminology, Forms and Preparation Methods of Financial Statements"(Cabinet Office Ordinance No. 50, August 7, 2008), the item that was posted as "inventories" is reclassified into "land and buildings for sales," "merchandize and products," "work in process" and "raw materials and supplies." "Inventories" posted in the previous fiscal year consisted of "land and buildings for sale" of ¥91,982 million, "merchandise and products" of ¥25,466 million, "work in process" of ¥14,943 million, and "raw materials and supplies" of ¥9,721 million. 2. "Securities," which was stated as a separate category in the previous fiscal year, was included in "others" under current assets because of their little monetary significance. "Others" under current assets stood at ¥22 million at the end of the fiscal year under review. 3. "Long-term loans receivable," which was stated a separate category in the previous fiscal year, was included in "others" under investments & others because of their little monetary significance. "Others" under investments & others were ¥389 million at the end of the fiscal year under review. 4. The amount stated as "advances received for entrusted construction" in the previous fiscal year is divided and stated as "advances received" and "others (under current liabilities)" in the fiscal year under review with the introduction of XBRL to improve the comparability of consolidated financial statements. "Advances received for entrusted construction" in the previous fiscal year consisted of "advances received" of ¥40,047 million and "others (under current liabilities)" of ¥2,793 million.	――――
――――	(In relation to the consolidated statements of income) 1. "Reversal of administrative fees for entrusted construction" and "gain on investment in silent partnerships" separately stated under nonoperating profit and "gains on sale of investment securities" separately stated under extraordinary gains in the previous fiscal year were included in "others" under respective categories because of their little monetary significance. "Reversal of administrative fees for entrusted construction" of ¥596 million, "gain on investment in silent partnerships" of ¥231 million, and "gains on sale of investment securities" of ¥929 million are included in "others" in the fiscal year under review. 2."Gains on investments in subsidiaries" included in "others" under extraordinary gains and "loss on sale of investment securities" included in "others" under extraordinary losses in the previous fiscal year are separately stated in the fiscal year under review because their amounts exceeded one-tenth of total amounts posted for the respective accounting categories. "Gains on investments in subsidiaries" and "loss on sale of investment securities" amounted to ¥0 million and ¥5 million, respectively, in the previous fiscal year.

Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
(In relation to the consolidated statements of cash flow) 1. “Increase (decrease) in employees’ retirement benefits” and “loss (gain) on sale of subsidiaries’ shares” stated under cash flows from operating activities and “payments for lending” and “proceeds from collection of loans receivable” stated under cash flows from investing activities until the previous fiscal year are included in “others” under cash flows from the respective activities in the fiscal year under review because of their little monetary significance. “Decrease in employees’ retirement benefits,” “loss (gain) on sale of subsidiaries’ shares,” “payments for lending” and “proceeds from collection of loans receivable” amounted to ¥130 million, ¥0 million, negative ¥166 million and negative ¥143 million, respectively, in the fiscal year under review. 2. “Decrease (increase) in prepaid pension expenses” stated under cash flows from operating activities and “repayment of finance lease obligations” stated under cash flows from financing activities had been included in “others” under cash flows from the respective activities until the previous fiscal year. These items are separately stated from the fiscal year under review because of their increased monetary significance. “Decrease in prepaid pension expenses” and “repayment of finance lease obligations” were ¥10 million and ¥288 million, respectively, in the previous fiscal year.	(In relation to the consolidated statements of cash flow) 1. “Increase (decrease) in employees’ retirement benefits,” “loss (gain) on sale of subsidiaries’ shares,” “increase (decrease) in advances received” and “increase (decrease) in accrued consumption tax, etc.” stated under cash flows from operating activities and “payments for purchases of treasury stock” stated under cash flows from financing activities were included in “others” under cash flows from the respective activities in the previous fiscal year. These items are separately stated from the fiscal year under review because of their increased monetary significance. “Decrease in employees’ retirement benefits” of ¥130 million, “gain on sale of subsidiaries’ shares” of ¥0 million, “decrease in advances received” of ¥1,578 million, “decrease in accrued consumption tax, etc.” of ¥405 million and “payments for purchases of treasury stock” of ¥284 million were posted in the previous fiscal year.

(9) Notes to Consolidated Financial Statements

(Notes to Consolidated Balance Sheets)

Million yen

Previous fiscal year As of March 31, 2009	Fiscal year under review As of March 31, 2010
1. Accumulated depreciation of tangible fixed assets 802,608	1. Accumulated depreciation of tangible fixed assets 827,413
2. Contingent liabilities The Company provides debt guarantees to companies outside the Group.	2. Contingent liabilities The Company provides debt guarantees to companies outside the Group.

Previous fiscal year (As of March 31, 2009):

Covered parties	Amount
Borrowings from financial institutions, etc.	
Housing loan guarantee	164
Others	245
Total	409

Fiscal year under review (As of March 31, 2010):

Covered parties	Amount
Borrowings from financial institutions, etc.	
Housing loan guarantee	146
Others	222
Total	368

Previous fiscal year As of March 31, 2009		Fiscal year under review As of March 31, 2010	
3. Notes discounted	99	3. Notes discounted	154
4. Notes receivable endorsed for transfer	555	4. Notes receivable endorsed for transfer	187
5. Notes related to non-consolidated subsidiaries and affiliates. In the items below the main items related to non-consolidated subsidiaries and affiliates are:		5. 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	57,257	Investment securities	59,957
6. Pledged assets and secured liabilities Assets pledged as collateral and secured debt are as follows.		6. Pledged assets and secured liabilities Assets pledged as collateral and secured debt are as follows.	

Previous fiscal year (As of March 31, 2009):

Pledged assets		
Inventory assets	4	[–]
Buildings and structures	355,261	[289,392]
Rolling stock and machinery	34,160	[33,880]
Land	124,544	[50,864]
Other assets	11,183	[10,708]
Total	525,155	[384,845]

Secured liabilities		
Short-term loans payable	34,651	[24,348]
Long-term loans payable	231,718	[170,181]
Others	3,978	[–]
Total	270,347	[194,529]

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

Fiscal year under review (As of March 31, 2010):

Pledged assets		
Inventory assets	155	[–]
Buildings and structures	377,125	[314,355]
Rolling stock and machinery	37,122	[36,813]
Land	122,257	[52,292]
Other assets	10,305	[9,815]
Total	546,968	[413,276]

Secured liabilities		
Short-term loans payable	33,909	[23,416]
Long-term loans payable	201,667	[148,678]
Others	3,109	[–]
Total	238,686	[172,095]

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

Million yen

Previous fiscal year As of March 31, 2009	Fiscal year under review As of March 31, 2010
7. Of Urban Railways Improvement Reserve, ¥1,893 million is deemed to be used within one year.	7. Of Urban Railways Improvement Reserve, ¥1,893 million is deemed to be used within one year.
8. The cumulative amount of subsidies received for construction that are directly subtracted from the acquisition cost of fixed assets 180,866	8. The cumulative amount of subsidies received for construction that are directly subtracted from the acquisition cost of fixed assets 181,122
9. Transfer from fixed assets to land and buildings for sale due to the change of purpose of holding 2,489	9. Transfer from fixed assets to land and buildings for sale due to the change of purpose of holding 7,758
10. Lending of securities Investment securities 733	10. Lending of securities Investment securities 688
11. Loan disbursements related to loan commitments for consolidated subsidiaries (1) Tokyu Card, Inc. Total loan commitments 76,146 Loans extended 2,879 Remaining commitment 73,267 The above loan commitment is to cover cash withdrawals using credit cards. Accordingly, the total amount may not necessarily need to be extended.	11. Loan disbursements related to loan commitments for consolidated subsidiaries (1) Tokyu Card, Inc. Total loan commitments 68,214 Loans extended 2,496 Remaining commitment 65,717 The above loan commitment is to cover cash withdrawals using credit cards. Accordingly, the total amount may not necessarily need to be extended.
(2) Tokyu Finance and Accounting Co., Ltd Total loan commitments 26,000 Loans extended 579 Remaining commitment 25,420 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.	(2) Tokyu Finance and Accounting Co., Ltd Total loan commitments 26,000 Loans extended 0 Remaining commitment 26,000 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.
12. "Goodwill" in "intangible fixed assets" is the amount after offsetting "negative goodwill." The amounts before the offset are as follows: Goodwill (intangible fixed assets) 10,933 Negative goodwill (long-term liabilities) 17,581	12. "Goodwill" in "intangible fixed assets" is the amount after offsetting "negative goodwill." The amounts before the offset are as follows: Goodwill (intangible fixed assets) 5,149 Negative goodwill (long-term liabilities) 13,795

(Notes to Consolidated Statements of Income)

Million yen

Previous fiscal year
April 1, 2008 to March 31, 2009

1. Additions to allowances

Addition to allowance for doubtful accounts reserve	570
Addition to allowance for employees' bonuses	12,359
Retirement benefit costs	11,314

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 2008, for 86 cases of fixed asset groups where the market value was significantly below book value in line with the continued fall in land prices, and 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 ¥6,511 million yen.

Region	Main cases	Type	Segment	Impairment loss
Tokyo metropolitan	Mainly stores, etc. Total 49 cases	Land & Buildings, etc.	Transportation Real Estate Retail Leisure and Services Hotels Other businesses	4,068
Chubu and Hokuriku	Stores and rental real estate Total 16 cases	Land & Buildings, etc.	Real Estate Retail Leisure and Services Hotels	919
Others	Mainly stores and offices Total 21 cases	Land & Buildings, etc.	Transportation Real Estate Retail Leisure and Services Hotels	1,523

Fiscal year under review
April 1, 2009 to March 31, 2010

1. Additions to allowances

Addition to allowance for doubtful accounts reserve	1,270
Addition to allowance for employees' bonuses	11,786
Retirement benefit costs	13,333

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 2009, for 81 cases of fixed asset groups where the market value was significantly below book value in line with the continued fall in land prices, and 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 ¥6,782 million yen.

Region	Main cases	Type	Segment	Impairment loss
Tokyo metropolitan	Mainly stores, etc. Total 53 cases	Land & Buildings, etc.	Transportation Real Estate Retail Leisure and Services Hotels Other businesses	4,708
Chubu and Hokuriku	Stores and rental real estate Total 17 cases	Land & Buildings, etc.	Real Estate Retail Leisure and Services Hotels Other businesses	793
Others	Mainly stores and offices Total 11 cases	Land & Buildings, etc.	Transportation Real Estate Retail Leisure and Services Hotels	1,280

Million yen

Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
Break down of impairment losses on a region-by-region basis.	Break down of impairment losses on a region-by-region basis.

Previous fiscal year (April 1, 2008 to March 31, 2009):

Region	Land	Buildings and structures	Others	Total
Tokyo metropolitan	1,439	2,112	516	4,068
Chubu and Hokuriku	221	388	309	919
Others	570	496	457	1,523

The recoverable value of this asset group was calculated by the net sale 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 1.9% - 5.5%.

Fiscal year under review (April 1, 2009 to March 31, 2010):

Region	Land	Buildings and structures	Others	Total
Tokyo metropolitan	1,204	2,250	1,253	4,708
Chubu and Hokuriku	107	454	231	793
Others	429	792	59	1,280

The recoverable value of this asset group was calculated by the net sale 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 4.0% - 5.0%.

(Note to Consolidated Statement of Changes in Net Assets)

April 1, 2008 – March 31, 2009

1. Number and type of common shares issued and treasury stock *Thousand shares*

	Number of shares as of March 31, 2008	Increase of shares during fiscal 2008	Decrease of shares during fiscal 2008	Number of shares as of March 31, 2009
Shares issued				
Common shares (note 1)	1,221,550	41,975	–	1,263,525
Total	1,221,550	41,975	–	1,263,525
Treasury stock				
Common shares (note 2)	4,086	644	1,154	3,577
Total	4,086	644	1,154	3,577

Notes

1. A breakdown of the increase in treasury stock is as follows.
   (i) Increase due to share exchange: 41,973 thousand shares
   (ii) Increase due to the conversion of convertible bonds: 1 thousand shares
2. (1) A breakdown of the increase in treasury stock is as follows.
   (i) Increase due to purchase of odd lot shares: 519 thousand shares
   (ii) Increase due to acquisition associated with share exchange: 109 thousand shares
   (iii) Increase resulting from a change in equity: 15 thousand shares
   (2) A breakdown of the decrease in treasury stock is as follows.
   (i) Decrease resulting from sale of odd lot shares: 1,150 thousand shares
   (ii) Decrease due to sale: 4 thousand shares

2. Matters relating to new share subscription rights and own share options

Not applicable.

3. Dividends

(1) Amounts paid

Date confirmed	Type of stock	Total dividends paid	Dividend per share	Dividend record date	Effective date
June 27, 2008 Shareholders' meeting	Common shares	¥3,657 million	¥3.0	March 31, 2008	June 30, 2008
November 13, 2008 Board of directors' meeting	Common shares	¥3,783 million	¥3.0	September 30, 2008	December 5, 2008

(2) Of dividends whose record dates belong to the fiscal year under review, those whose effective dates belong to the next fiscal year

Date confirmed	Type of stock	Total dividends paid	Source of dividends	Dividends per share	Dividend record date	Effective date
June 26, 2009 Shareholders' meeting	Common shares	¥3,785 million	Retained income	¥3.0	March 31, 2009	June 29, 2009

(Note to Consolidated Statement of Changes in Net Assets)

April 1, 2009 – March 31, 2010

1. Number and type of common shares issued and treasury stock *Thousand shares*

	Number of shares as of March 31, 2009	Increase of shares during fiscal 2009	Decrease of shares during fiscal 2009	Number of shares as of March 31, 2010
Shares issued				
Common shares	1,263,525	–	–	1,263,525
Total	1,263,525	–	–	1,263,525
Treasury stock				
Common shares (note)	3,577	13,013	1,593	14,996
Total	3,577	13,013	1,593	14,996

Notes

(1) The number of common shares as of March 31, 2010 includes 11,111,000 shares in the Company held by a group of shareholding employees in trust.

(2) A breakdown of the increase in treasury stock is as follows.

(i) Increase due to purchase of shares in trust 12,303 thousand shares

(ii) Increase due to purchase of odd lot shares: 708 thousand shares

(iii) Increase resulting from a change in equity: 1 thousand shares

(3) A breakdown of the decrease in treasury stock is as follows.

(i) Decrease resulting from sale of shares in trust: 1,192 thousand shares

(ii) Decrease resulting from sale of odd lot shares: 216 thousand shares

(iii) Decrease resulting from sale of shares in subsidiaries 182 thousand shares

(iv) Decrease resulting from a change in equity: 3 thousand shares

2. Matters relating to new share subscription rights and own share options

Not applicable.

3. Dividends

(1) Amounts paid

Date confirmed	Type of stock	Total dividends paid	Dividend per share	Dividend record date	Effective date
June 26, 2009 Shareholders' meeting	Common shares	¥3,785 million	¥3.0	March 31, 2009	June 29, 2009
November 10, 2009 Board of directors' meeting	Common shares	(Note) ¥3,785 million	¥3.0	September 30, 2009	December 4, 2009

Note: A total of 5,905,000 shares in the Company held by a group of shareholding employees in trust at the end of the second quarter of the fiscal year under review, are recognized as treasury stock. These shares were purchased after the expiration of dividend rights. "Total dividends paid" include ¥17 million paid as dividends for these shares.

(2) Of dividends whose record dates belong to the fiscal year under review, those whose effective dates belong to the next fiscal year

Date confirmed	Type of stock	Total dividends paid	Source of dividends	Dividends per share	Dividend record date	Effective date
June 29, 2010 Shareholders' meeting	Common shares	(Note) ¥3,750 million	Retained income	¥3.0	March 31, 2010	June 30, 2010

Note: Total dividends paid do not include ¥33 million paid as dividends for shares in the Company held by a group of shareholding employees in trust. The practice is due to the recognition of these shares as treasury stock.

(Notes to Consolidated Cash Flow Statements)

Million yen

Previous fiscal year April 1, 2008 to March 31, 2009	Fiscal year under review April 1, 2009 to March 31, 2010
1. The reconciliation of period end cash and cash equivalents and amounts recorded in the consolidated balance sheets are as follows: (As of March 31, 2009) Cash and deposits 42,419 Term deposits with maturities longer than 3 months (1,032) Securities included in cash equivalents 22 Short-term loans included in cash equivalents (Note) 579 Cash and cash equivalents 41,988 (Note) This is based on the cash management system provided by Tokyu Finance & Accounting Co., Ltd. to the Group companies.	1. The reconciliation of period end cash and cash equivalents and amounts recorded in the consolidated balance sheets are as follows: (As of March 31, 2010) Cash and deposits 40,738 Term deposits with maturities longer than 3 months (957) Cash and cash equivalents 39,780
2. Breakdown of assets and liabilities of companies that have become consolidated subsidiaries through the acquisition of shares CT Reality Co., Ltd. has become a consolidated subsidiary through additional investment. A breakdown of assets and liabilities of the company at the time of commencement of the consolidation is as follows. Current assets 3,795 Fixed assets 65,213 Current liabilities (2,054) Long-term liabilities (37,681) The amount after subtracting cash and cash equivalents that are included in the current assets above from cash and cash equivalents that are disbursed for the additional investment, namely ¥6,283 million, is presented as “payments for the acquisition of shares in subsidiaries resulting in changes in the scope of consolidation.”	2. Breakdown of assets and liabilities of companies that have become consolidated subsidiaries through the acquisition of shares CT Reality Co., Ltd. has become a consolidated subsidiary through additional investment. A breakdown of assets and liabilities of the company at the time of commencement of the consolidation is as follows. Current assets 4,218 Fixed assets 14,330 Current liabilities (12,406) Long-term liabilities (3,141) Minority interests (27) The amount after subtracting cash and cash equivalents that are included in the current assets above from cash and cash equivalents that are disbursed for the additional investment, namely ¥4,080 million, is presented as “payments for the acquisition of shares in subsidiaries resulting in changes in the scope of consolidation.”
3. Details of important non-cash transactions Tokyu Store Chain Co., Ltd. has become a wholly owned subsidiary through a share exchange. As a result, the capital surplus has increased ¥23,883 million.	

(Segment Information)

Segment information by business

April 1, 2008 – March 31, 2009

Million yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Total	Elimination/ Headquarters	Consolidated
I. Operating revenue/ Operating profit Operating revenue									
(1) Outside customers	198,318	115,401	617,439	156,005	95,407	121,658	1,304,231	–	1,304,231
(2) Inter-segment internal revenues or transfers	1,044	23,265	3,853	20,052	802	34,325	83,342	[83,342]	–
Total	199,362	138,666	621,293	176,057	96,209	155,984	1,387,574	[83,342]	1,304,231
Operating expenses	173,555	115,078	610,396	173,842	95,526	153,965	1,322,366	[83,436]	1,238,929
Operating profit	25,806	23,587	10,896	2,215	682	2,018	65,208	93	65,301
II. Assets, depreciation, impairment losses and capital expenditure									
Assets	671,943	430,461	394,944	124,546	77,667	178,994	1,878,558	132,188	2,010, 746
Depreciation	38,173	6,534	11,953	4,425	3,201	2,580	66,869	[85]	66,784
Impairment losses	2,492	1,099	1,959	124	549	286	6,511	–	6,511
Capital expenditure	76,877	44, 257	26,955	5,781	4,237	3,065	161,174	430	161,605

Notes

1. 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.

2. Description of operating segments
   - Transportation: railway operations and bus operations
   - Real Estate: real estate sales, real estate leasing and real estate management
   - Retail: department store operations, chain store operations and shopping center operations
   - Leisure and Services: advertising operations, golf course operations and CATV operations
   - Hotel: hotel operations
   - Other: maintenance of rolling stock for railway operations and general trading operations

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

4. Of assets in the fiscal year under review and in the previous fiscal year, the Company-wide assets included in Elimination/Headquarters were ¥210,687 million, respectively. The principle items include surplus funds under management (cash), long-term investment funds (investment securities), and assets relating to the administration division in the parent company.

5. As described in the Change to accounting policy in paragraph 4. (1) of the Basis of Presentation of Consolidated Financial Statements, the Company have adopted the Accounting Standard for Measurement of Inventories (ASB Standard No. 9 published on July 5, 2006) from the fiscal year under review .

   As a result of this change, operating profit decreased ¥3 million in Transportation, ¥2,614 million in Real Estate, ¥399 million in Retail, ¥8 million in Leisure and Services, and ¥431 million in Other businesses in comparison with calculations using the old method.

6. As mentioned in Additional information in paragraph 4 (2) of the Basis of Presentation of Consolidated Financial Statements, the Company reviewed the useful life of rolling stock and machinery from the fiscal year under review.

   Because of this change, operating profit increased ¥350 million in Transportation, ¥26 million in Real Estate, ¥7 million in Retail, and ¥154 million in Other businesses and increased ¥147 million in Leisure and Services, and ¥12 million in Hotel.

April 1, 2009 – March 31, 2010

Million yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Total	Elimination/ Headquarters	Consolidated
I. Operating revenue/ Operating profit Operating revenue									
(1) Outside customers	193,975	139,095	555,436	136,819	86,381	118,424	1,230,132	–	1,230,132
(2) Inter-segment internal revenues or transfers	955	24,951	2,521	16,510	611	30,952	76,503	[76,503]	–
Total	194,931	164,046	557,957	153,329	86,993	149,376	1,306,635	[76,503]	1,230,132
Operating expenses	171,702	141,195	554,091	151,868	88,415	146,765	1,254,037	[76,645]	1,177,391
Operating profit (loss)	23,229	22,851	3,866	1,461	(1,422)	2,611	52,598	142	52,741
II. Assets, depreciation, impairment losses and capital expenditure									
Assets	685,882	434,152	362,294	118,911	76,124	155,790	1,833,155	132,639	1,965,794
Depreciation	38,827	7,891	12,292	4,587	3,328	2,532	69,460	[78]	69,382
Impairment losses	1,358	502	2,092	767	1,981	79	6,782	–	6,782
Capital expenditure	59,869	41,594	16,721	4,278	5,067	2,610	130,142	3,981	134,123

Notes

1. 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.

2. Description of operating segments
   - Transportation: railway operations and bus operations
   - Real Estate: real estate sales, real estate leasing and real estate management
   - Retail: department store operations, chain store operations and shopping center operations
   - Leisure and Services: advertising operations, golf course operations and CATV operations
   - Hotel: hotel operations
   - Other: maintenance of rolling stock for railway operations and general trading operations

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

4. Of assets in the fiscal year under review and in the previous fiscal year, the Company-wide assets included in Elimination/Headquarters were ¥198,329 million, respectively. The principle items include surplus funds under management (cash), long-term investment funds (investment securities), and assets relating to the administration division in the parent company.

Geographical Segment Information

Fiscal 2008: April 1, 2008 – March 31, 2009; Fiscal 2009: April 1, 2009 – March 31, 2010

Geographical segment information is not disclosed since the amount of domestic operating revenue and assets of domestic operations each represents more than 90% of the respective total amounts for all segments.

Overseas sales

Fiscal 2008: April 1, 2008 – March 31, 2009; Fiscal 2009: April 1, 2009 – March 31, 2010

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

(Per Share Information)

Previous fiscal year April 1, 2008 to March 31, 2009		Fiscal year under review April 1, 2009 to March 31, 2010	
Net assets per share	¥294.62	Net assets per share	¥298.77
Net income per share	¥8.65	Net income per share	¥11.88
Net income per share (diluted)	¥8.41	Net income per share (diluted) is not stated because no residual securities exist at the Company and residual securities that exist at certain of its affiliates have no dilutive effect.	

Note 1: The basis of calculation for net assets per share is as follows:
The "number of treasury common shares" includes shares in the Company held by a group of shareholding employees in trust.

	April 1, 2008 to March 31, 2009	April 1, 2009 to March 31, 2010
Total net assets on the consolidated balance sheets (million yen)	384,654	386,341
Amount to subtract from total net assets (million yen)	13,450	13,324
[Of which, minority interests]	[13,450]	[13,324]
Net assets for common shares (million yen)	371,204	373,017
Number of common shares issued (thousand shares)	1,263,525	1,263,525
Number of treasury common shares (thousand shares)	3,577	14,996
Number of common shares used for the calculation of net assets per share (thousand shares)	1,259,948	1,248,529

Note 2: The basis for the calculation of net income per share and the net income per share (diluted) is as follows:
The "average number of outstanding common shares during the period" excludes shares in the Company held by a group of shareholding employees in trust.

	April 1, 2008 to March 31, 2009	April 1, 2009 to March 31, 2010
Net income per share:		
Net income (million yen)	10,783	14,898
Amount not attributable to common shareholders (million yen)	–	–
Net income attributable to common shares (million yen)	10,783	14,898
Average number of outstanding common shares during the period (thousand shares)	1,246,702	1,254,132
Net income per share (diluted)		
Net income adjustment (million yen)	31	–
[Of which, interest paid (after deducting tax equivalent)]	[31]	–
Increase in the number of common shares (thousand shares)	39,969	–
[Of which, convertible bonds]	[39,969]	–
Residual securities not included in the calculation of the diluted net income due to the fact that these securities had no dilutive effect.	―――――――	―――――――

(Subsequent Events)

<table>
<tr><th>Previous fiscal year
April 1, 2008 to March 31, 2009</th><th>Fiscal year under review
April 1, 2009 to March 31, 2010</th></tr>
<tr><td>I. Issue of unsecured bonds
The Company issued unsecured bonds with the terms below with April 16, 2009 being the payment date.
The issue is based on a resolution at the board of directors meeting held on March 27, 2009 that set down the total offer amount, etc.
1. No. 65 unsecured bond (5-year bond)
<table>
<tr><td>Total issue amount</td><td>¥20 billion</td></tr>
<tr><td>Issue price</td><td>¥100 per face value of ¥100</td></tr>
<tr><td>Interest rate</td><td>1.61% per year</td></tr>
<tr><td>Payment date</td><td>April 16, 2009</td></tr>
<tr><td>Maturity date</td><td>April 16, 2014</td></tr>
<tr><td>Use of proceeds</td><td>Proceeds are appropriated to the redemption of corporate bonds and capital investment</td></tr>
</table>
2. Financial covenant (negative pledge)
After issuing the bonds above, when creating a security interest for other unsecured corporate bonds (excluding those with a clause that enables them to be converted into secured bonds) that the Company has already issued after issuing the bonds above or will issue in the future in Japan, the Company will create a security interest of the same priority for the bonds above in accordance with the Secured Bonds Trust Law, as long as the outstanding balance of the bonds above remains. Therefore, the bonds above may rank junior to claims other than the other unsecured bonds that the Company has already issued after issuing the bonds above or will issue in the future in Japan, as long as the outstanding balance of the bonds above remains. If this is infringed, the Company will accelerate the maturity of the bonds above.</td><td>—</td></tr>
</table>

(Omission of Disclosure)

Notes to business combinations and the like, leased and other properties, and special-purpose companies subject to disclosure, covering items such as lease transactions, related-party transactions, tax effect accounting, financial instruments, securities, derivatives transactions, retirement benefits and stock options, are omitted because their significance is considered minor.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

Million yen

Item	As of March 31, 2010	As of March 31, 2009
Assets		
Current Assets		
Cash and deposits	1,864	2,195
Accrued fares	6,716	6,457
Accounts receivable	20,700	18,650
Accrued income	2,136	1,966
Short-term loans to affiliates	3,000	7,694
Land and buildings for sale	53,300	75,058
Inventory assets	4,259	4,044
Prepaid expenses	1,013	1,064
Deferred tax assets	6,254	7,711
Other current assets	9,842	9,439
Allowance for doubtful accounts	(6)	(11)
Total Current Assets	109,082	134,271
Fixed Assets		
Fixed assets for railway operations		
Tangible fixed assets	857,211	810,086
Accumulated depreciation	(362,142)	(340,507)
Tangible fixed assets (net)	495,069	469,578
Intangible fixed assets	7,072	7,016
Total fixed assets for railway operations	502,141	476,595
Fixed assets for real estate business		
Tangible fixed assets	454,092	426,843
Accumulated depreciation	(134,804)	(131,641)
Tangible fixed assets (net)	319,288	295,202
Intangible fixed assets	10,866	15,825
Total fixed assets for real estate business	330,154	311,028
Fixed assets relating to other businesses		
Tangible fixed assets	45,936	44,287
Accumulated depreciation	(15,649)	(14,892)
Tangible fixed assets (net)	30,286	29,394
Intangible fixed assets	864	773
Total fixed assets relating to other businesses	31,151	30,168
Construction in progress		
Construction in progress for railway operations	88,921	105,543
Construction in progress for real estate business	51,173	41,699
Construction in progress relating to other businesses	615	267
Total construction in progress	140,709	147,510

Million yen

Item	As of March 31, 2010	As of March 31, 2009
Investments & Others		
Investment securities	40,646	54,994
Affiliated company's stocks	219,107	217,491
Other securities of subsidiaries and affiliates	13,731	14,060
Long-term loans receivable	–	25
Long-term loans to subsidiaries and affiliates	36,952	31,860
Long term prepaid expenses	11,017	10,768
Prepaid pension expenses	45,536	45,358
Guarantee money paid	5,192	5,902
Other investment, etc.	3,428	3,610
Allowance for doubtful accounts	(4,978)	(3,852)
Total Investments & others	370,633	380,218
Total Fixed Assets	1,374,791	1,345,521
Total Assets	1,483,874	1,479,793
Liabilities		
Current Liabilities		
Short-term debt	134,741	169,438
Short-term debt from subsidiaries and affiliates	4,158	–
Commercial paper	–	20,000
Current portion of long-term debt	99,369	49,983
Current portion of corporate bonds	18,000	37,000
Lease obligations	1,011	959
Accrued amount payable	25,343	21,490
Accrued expenses	3,372	3,469
Accrued consumption tax, etc.	1,302	112
Accrued income tax, etc.	3,963	8,792
Connection fare deposits	3,284	3,438
Deposits	27,739	27,493
Advance fares	7,606	7,731
Advances received	4,803	2,721
Advances received for entrusted construction	19,557	16,585
Reserve for employees' bonuses	4,140	4,062
Other current liabilities	3,569	3,624
Total Current Liabilities	361,964	376,903

Million yen

Item	As of March 31, 2010	As of March 31, 2009
Long-term Liabilities		
Corporate bonds	207,800	154,800
Long-term debt	440,761	461,651
Lease obligations	11,843	12,646
Deferred tax liabilities	18,269	18,100
Long-term guarantee deposited	80,970	83,688
Other long-term liabilities	3,847	5,558
Total Long-Term Liabilities	763,491	736,445
Special legal reserves		
Urban Railways Improvement Reserve	22,033	21,383
Total special legal reserves	22,033	21,383
Total Liabilities	1,147,490	1,134,731
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus		
Capital reserve	92,754	92,754
Other capital surplus	44,583	44,616
Total capital surplus	137,338	137,371
Retained income		
Other retained income		
Reserve for advanced depreciation of fixed assets	1,509	–
Net retained income forwarded	80,657	84,070
Total retained income	82,167	84,070
Treasury stock	(5,694)	(940)
Total Shareholders' Equity	335,535	342,225
Valuation, translation and other		
Net unrealized gains (losses) on investment securities, net of taxes	848	2,836
Total valuation, translation and other	848	2,836
Total Net Assets	336,384	345,061
Total Liabilities and Net Assets	1,483,874	1,479,793

(2) Non-Consolidated Statements of Income

Million yen

Item	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Operating revenue from railway operations		
Operating revenue		
Revenue from fare	129,128	129,165
Miscellaneous income from transportation business	18,125	18,642
Total operating revenue from railway operations	147,254	147,808
Cost of operating revenue		
Transportation expenses	73,673	72,844
General and administrative expenses	11,995	11,572
Taxes	6,583	6,082
Depreciation and amortization	34,024	32,541
Total cost of operating revenue for railway operations	126,277	123,040
Operating profit from railway operations	20,977	24,767
Operating profit from real estate business		
Operating revenue		
Revenue from real estate sales business	82,207	60,000
Revenue from real estate leasing business	53,335	54,423
Total operating revenue from real estate business	135,542	114,423
Cost of operating revenue		
Cost of sales	56,510	33,570
SG&A expenses	39,261	38,610
Taxes	5,237	4,975
Depreciation and amortization	9,487	8,997
Total cost of operating revenue for real estate business	110,496	86,154
Operating profit from real estate business	25,045	28,269
Operating profit from all businesses	46,023	53,036
Non-operating profit		
Interest income	647	712
Dividend income	2,318	2,892
Reversal of administrative fees for entrusted construction	596	979
Gain on investment in silent partnerships	1,901	2,281
Miscellaneous income	3,110	3,845
Total non-operating profit	8,573	10,711
Non-operating expenses		
Interest paid	10,744	11,262
Interest on corporate bonds	4,125	4,147
Addition to allowance for doubtful accounts	1,095	941
Miscellaneous disbursements	2,135	2,583
Total non-operating expenses	18,101	18,934
Recurring profit	36,495	44,813

Million yen

Item	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Extraordinary gains		
Gain on sale of fixed assets	4,486	–
Subsidies received for construction	339	12,342
Gain on reversal of Urban Railways Improvement Reserve	1,893	1,893
Gain on contribution of securities to retirement benefit trust	1,963	–
Others	401	823
Total extraordinary gains	9,085	15,058
Extraordinary losses		
Loss on reduction of fixed assets	315	11,152
Loss on sales of investment securities	9,036	–
Loss on valuation of shares in subsidiaries and affiliates	12,242	3,164
Transfer to Urban Railways Improvement Reserve	2,543	2,544
Others	2,791	4,862
Total extraordinary losses	26,928	21,724
Income before income taxes	18,651	38,148
Income taxes	9,993	12,689
Income tax adjustment	2,989	3,866
Total income taxes	12,983	16,555
Net income	5,668	21,592

(3) Non-Consolidated Statements of Income

Million yen

Item	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Shareholders' equity		
Common stock		
Balance at the previous year end	121,724	121,724
Changes during the period		
Conversions of convertible bonds	–	0
Total changes during the period	–	0
Balance at the period end	121,724	121,724
Capital surplus		
Capital reserve		
Balance at the previous year end	92,754	68,871
Changes during the period		
Conversions of convertible bonds	–	0
Increase due to share exchange	–	23,883
Total changes during the period	–	23,883
Balance at the period end	92,754	92,754
Other capital surplus		
Balance at the previous year end	44,616	44,850
Changes during the period		
Sale of treasury stock	(33)	(234)
Total changes during the period	(33)	(234)
Balance at the period end	44,583	44,616
Total capital surplus		
Balance at the previous year end	137,371	113,721
Changes during the period		
Conversions of convertible bonds	–	0
Increase due to share exchange	–	23,883
Sale of treasury stock	(33)	(234)
Total changes during the period	(33)	23,649
Balance at the period end	137,338	137,371

Million yen

Item	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Retained income		
Other retained income		
Reserve for advanced depreciation of fixed assets		
Balance at the previous year end	–	–
Changes during the period		
Provision of reserve for advanced depreciation of fixed assets	1,509	–
Total changes during the period	1,509	–
Balance at the period end	1,509	–
Retained earnings brought forward		
Balance at the previous year end	84,070	69,919
Changes during the period		
Provision of reserve for advanced depreciation of fixed assets	(1,509)	–
Dividends	(7,571)	(7,441)
Net income	5,668	21,592
Total changes during the period	(3,413)	14,151
Balance at the period end	80,657	84,070
Total retained income		
Balance at the previous year end	84,070	69,919
Changes during the period		
Dividends	(7,571)	(7,441)
Net income	5,668	21,592
Total changes during the period	(1,903)	14,151
Balance at the period end	82,167	84,070
Treasury stock		
Balance at the previous year end	(940)	(1,399)
Changes during the period		
Purchases of treasury stock	(5,367)	(242)
Sale of treasury stock	614	700
Total changes during the period	(4,753)	458
Balance at the period end	(5,694)	(940)
Total shareholders' equity		
Balance at the previous year end	342,225	303,966
Changes during the period		
Conversions of convertible bonds	–	0
Increase due to share exchange	–	23,883
Dividends	(7,571)	(7,441)
Net income	5,668	21,592
Purchases of treasury stock	(5,367)	(242)
Sale of treasury stock	581	466
Total changes during the period	(6,690)	38,259
Balance at the period end	335,535	342,225

Million yen

Item	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Valuation, translation and others		
Net unrealized gains (losses) on investment securities		
Balance at the previous year end	2,836	10,303
Changes during the period		
Changes other than those to shareholders' equity (net)	(1,987)	(7,467)
Total changes during the period	(1,987)	(7,467)
Balance at the period end	848	2,836
Total valuation, translation and other		
Balance at the previous year end	2,836	10,303
Changes during the period		
Changes other than those to shareholders' equity (net)	(1,987)	(7,467)
Total changes during the period	(1,987)	(7,467)
Balance at the period end	848	2,836
Total Net Assets		
Balance at the previous year end	345,061	314,269
Changes during the period		
Conversions of convertible bonds	–	0
Increase due to share exchange	–	23,883
Dividends	(7,571)	(7,441)
Net income	5,668	21,592
Purchases of treasury stock	(5,367)	(242)
Sale of treasury stock	581	466
Changes other than those to shareholders' equity (net)	(1,987)	(7,467)
Total changes during the period	(8,677)	30,792
Balance at the period end	336,384	345,061

(4) Notes Regarding the Premise of a Going Concern

Not applicable.

[Appendix]

1. Overview of Consolidated Results

(1) Operating results

	FY09/3 (Results) Billion yen	FY10/3 (Results) Billion yen	Year on year		FY11/3 (Forecast) Billion yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Operating revenue	1,304.2	1,230.1	(74.0)	(5.7)	1,171.0	(59.1)	(4.8)
Operating profit	65.3	52.7	(12.5)	(19.2)	46.5	(6.2)	(11.8)
Recurring profit	54.8	46.1	(8.7)	(15.9)	40.5	(5.6)	(12.2)
Net income	10.7	14.8	4.1	38.2	11.5	(3.3)	(22.8)

■ Financial results for the fiscal year ended March 2010 (year-on-year comparison)

(A) Operating revenue 1,230.1 billion yen (year-on-year comparison -74.0 billion yen)

- Operating revenue declined year on year in the Transportation business, in which local bus operations were transferred, and in other businesses affected by the sustained decline in consumption, which added to lower revenue recorded in Retail, Advertising (Leisure and Services) and Hotels operations.

(B) Operating profit 52.7 billion yen (year-on-year comparison -12.5 billion yen)

- Operating profit fell year on year, because of the higher cost of disposal of fixed assets attributable to the completion of the construction work for extending the Oimachi Line to Mizonokuchi in Railway operations and decreased marginal profits in Real estate sales operations, which added to lower profits for consumer-related operations in Retail, Hotels and other businesses.

(C) Recurring profit 46.1 billion yen (year-on-year comparison -8.7 billion yen)

- Non-operating profit grew ¥3.3 billion, reflecting rises in the amortization of negative goodwill and investment gains from the equity method.
- Non-operating expenses remained virtually unchanged from the previous fiscal year.
- The decline in recurring profit was less than that of operating profit, given an increase in non-operating profit.

(D) Net Income 14.8 billion yen (year-on-year comparison 4.1 billion yen)

- In spite of a decline in recurring profits and a loss on the sale of investment securities, net income rose overall on factors such as a gain on the sale of fixed assets.

■ Forecast Earnings for the Fiscal Year Ending March 2011 (year-on-year comparison)

(A) Operating revenue 1,171.0 billion yen (year-on-year comparison -59.1 billion yen)

- Operating revenue is expected to decline year on year, influenced by factors such as a fall in real estate sales and a drop in orders for the manufacturing of rolling stock, which are expected to combine with the effects of the sales of shares in Sapporo Tokyu Store Chain and the transfer of local bus operations, both of which were executed during the fiscal year under review.

(B) Operating profit 46.5 billion yen (year-on-year comparison -6.2 billion yen)

- Even though profit growth is anticipated from factors such as the lower cost associated with the disposal of fixed assets in railway operations and completion of goodwill amortization for Tokyu Department Store, operating profit is predicted to fall overall due to greater depreciation and amortization required for the commercial launch of large-scale projects and lower land sales in Western Australia.

(C) Recurring profit 40.5 billion yen (year-on-year comparison -5.6 billion yen)

- Recurring profit is likely to fall by an amount roughly equivalent to the decline in operating profit, despite a rise forecast for investment gains from the equity method.

(D) Net Income 11.5 billion yen (year-on-year comparison -3.3 billion yen)

- Even taking into consideration the anticipated decline in recurring profit and the possibility of a loss on structural reforms, such as the closure or transfer of facilities in Retail and Hotels operations, the fall in net income is predicted to be limited to ¥3.3 billion from the year-ago result, given the reduced payment of income taxes, among other factors.

(2) Railway operations of the Company (passengers carried and revenue from fares)

1) Passengers carried

	Passengers carried						
	FY09/3 (Results) Thousand persons	FY10/3 (Results) Thousand persons	Year on year		FY11/3 (Forecasts) Thousand persons	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Total	1,065,439	1,066,673	1,234	0.1	1,067,732	1,059	0.1
Passengers without commutation tickets	441,168	440,205	(963)	(0.2)	439,651	(554)	(0.1)
Passengers with tickets	624,271	626,468	2,197	0.4	628,081	1,613	0.3

2) Revenue from fares

	Revenue from fares						
	FY09/3 (Results) Million yen	FY10/3 (Results) Million yen	Year on year		FY11/3 (Forecasts) Million yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Total	129,166	129,129	(37)	(0.0)	128,856	(273)	(0.2)
Passengers without commutation tickets	72,077	71,931	(146)	(0.2)	71,720	(211)	(0.3)
Passengers with tickets	57,089	57,198	109	0.2	57,136	(62)	(0.1)

(3) Capital expenditure and depreciation

1) Capital expenditure

	FY09/3 (Results) Billion yen	FY10/3 (Results) Billion yen	Year on year		FY11/3 (Forecasts) Billion yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Transportation	76.8	59.8	(17.0)	(22.1)	57.0	(2.8)	(4.8)
Real estate	44.2	41.5	(2.6)	(6.0)	67.3	25.7	61.8
Retail	26.9	16.7	(10.2)	(38.0)	14.3	(2.4)	(14.5)
Leisure and services	5.7	4.2	(1.5)	(26.0)	7.6	3.3	77.6
Hotel	4.2	5.0	0.8	19.6	5.3	0.2	4.6
Other	3.0	2.6	(0.4)	(14.8)	5.0	2.3	91.6
Elimination/Headquarters	0.4	3.9	3.5	–	1.5	(3.6)	–
Total	161.6	134.1	(27.4)	(17.0)	158.0	23.8	17.8

2) Depreciation

	FY09/3 (Results) Billion yen	FY10/3 (Results) Billion yen	Year on year		FY11/3 (Forecasts) Billion yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Transportation	38.1	33.8	0.6	1.7	38.2	(0.6)	(1.6)
Real estate	6.5	7.8	1.3	20.8	11.6	3.7	47.0
Retail	11.9	12.2	0.3	2.8	13.2	0.9	7.4
Leisure and services	4.4	4.5	0.1	3.7	4.2	(0.3)	(8.4)
Hotel	3.2	3.3	0.1	4.0	3.0	(0.3)	(9.9)
Other	2.5	2.5	(0.0)	(1.9)	2.6	0.0	2.6
Elimination/Headquarters	0.0	0.0	0.0	–	–	–	–
Total	66.7	69.3	2.5	3.9	72.8	3.4	4.9

2. Consolidated Statements of Income

(1) Consolidated financial results for the fiscal year ended March 2010 (year-on-year comparison)

Item	(FY09/3) Results	(FY10/3) Results	Change		Major reasons
Operating profit and loss	*Billion yen*	*Billion yen*	*Billion yen*	%	
Transportation Operating					
Operating revenue	199.3	194.9	(4.4)	(2.2)	– (Passengers carried (total): +0.1%) Railway operations of the Company: -0.5; Tokyu Bus: -0.2; restructuring of local bus operations: -3.1
Operating expenses	173.5	171.7	(1.8)	(1.1)	
Operating profit	25.8	23.2	(2.5)	(10.0)	– (Cost of disposal of fixed assets: +3.0) Railway operations of the Company: -3.8; Tokyu Bus: -0.2; restructuring of local bus operations: +0.4
Real estate					
Operating revenue	138.6	164.0	25.3	18.3	– Real estate sales: +22.2; Real estate leasing: -0.7; CT REALTY: +5.2
Operating expenses	115.0	141.1	26.1	22.7	
Operating profit	23.5	22.8	(0.7)	(3.1)	– Real estate sales: -0.7; Real estate leasing: -2.0; CT REALTY: +1.7
Retail					
Operating revenue	621.2	557.9	(63.3)	(10.2)	– Tokyu Department Store: -29.9; Tokyu Store Chain: -33.5
Operating expenses	610.3	554.0	(56.3)	(9.2)	
Operating profit	10.8	3.8	(7.0)	(64.5)	– Tokyu Department Store: -2.5; Tokyu Store Chain: -4.0
Leisure and Services					
Operating revenue	176.0	153.3	(22.7)	(12.9)	– Tokyu Agency: -18.2; its communications: +0.6
Operating expenses	173.8	151.8	(21.9)	(12.6)	
Operating profit	2.2	1.4	(0.7)	(34.0)	– Tokyu Agency: -0.1
Hotel					
Operating revenue	96.2	86.9	(9.2)	(9.6)	– Tokyu Hotels: -6.7; Mauna Lani Resort: -1.8
Operating expenses	95.5	88.4	(7.1)	(7.4)	
Operating profit	0.6	(1.4)	(2.1)	–	– Tokyu Hotels: -1.6; Mauna Lani Resort: -0.2
Other					
Operating revenue	155.9	149.3	(6.6)	(4.2)	– Tokyu Geox: -4.5; Tokyu Techno System: -0.9
Operating expenses	153.9	146.7	(7.2)	(4.7)	
Operating profit	2.0	2.6	0.5	29.4	
Elimination/Headquarters					
Operating revenue	(83.3)	(76.5)	6.8	–	
Operating expenses	(83.4)	(76.6)	6.7	–	
Operating profit	0.0	0.1	0.0	53.2	
Consolidated					
Operating revenue	1,304.2	1,230.1	(74.0)	(5.7)	
Operating expenses	1,238.9	1,177.3	(61.5)	(5.0)	
Operating profit	65.3	52.7	(12.5)	(19.2)	
Non-operating profit and expenses					
Non-operating profit	10.5	13.9	3.3	32.1	
Interest and dividends	1.4	1.8	0.4	33.7	
Investment gains from equity method	0.8	3.5	2.6	304.4	– Shiroki Corp.: +1.2, Tokyu Construction: +0.8; Tokyu Land Corp.: +0.1
Amortization of negative goodwill	0.5	3.8	3.2	618.2	– Inclusion of CT Reality in the scope of consolidation: +3.4
Other non-operating profit	7.7	4.7	(3.0)	(39.3)	
Non-operating expenses	20.9	20.5	(0.4)	(2.1)	
Interest expenses	17.5	17.2	(0.3)	(1.8)	
Other non-operating expenses	3.4	3.2	(0.1)	(3.4)	
Recurring profit	54.8	46.1	(8.7)	(15.9)	

Item	(FY09/3) Results	(FY10/3) Results	Change		Major reasons
Extraordinary gains and losses	*Billion yen*	*Billion yen*	*Billion yen*	%	
Extraordinary gains	18.2	24.0	5.7	31.7	
Subsidies received for construction	12.9	0.7	(12.1)	(94.0)	
Gain on reversal of urban railways improvement reserve	1.8	1.8	–	–	
Gain on sale of fixed assets	0.9	8.8	7.8	820.6	
Gain on sale of investment securities	0.3	3.7	3.4	–	
Other extraordinary gains	2.1	8.8	6.7	312.8	– Gain on establishment of a retirement benefit trust: +3.1
Extraordinary losses	32.9	27.4	(5.5)	(16.8)	
Reduction in subsidies received for construction	11.7	0.7	(10.9)	(93.5)	
Gain on reversal of urban railways improvement reserve	2.5	2.5	(0.0)	(0.0)	
Loss on sale of fixed assets	0.5	0.0	(0.4)	(84.6)	
Loss on disposal of fixed assets	2.5	0.9	(1.6)	(64.2)	
Impairment loss	6.5	6.7	0.2	4.2	
Loss on valuation of securities	1.6	0.0	(1.6)	(99.5)	
Loss on sales of securities	0.0	9.4	9.4	–	
Loss on valuation of inventories	1.3	–	(1.3)	–	
Other extraordinary losses	6.0	6.8	0.8	13.4	
Net income before taxes and minority interests	40.2	42.8	2.6	6.5	
Corporate income taxes	28.2	26.3	(1.9)	(6.9)	
Minority interests	1.1	1.6	0.4	37.3	
Net income	10.7	14.8	4.1	38.2	

(2) Consolidated financial results for the fiscal year ended March 2010
(Compared with forecast as of February)

Item	(FY10/3) Forecast as of February	(FY10/3) Results	Compared with forecast as of February		Major reasons
Operating profit and loss	*Billion yen*	*Billion yen*	*Billion yen*	%	
Transportation Operating					
Operating revenue	193.6	194.9	1.3	0.7	– Railway operations of the Company: +0.5
Operating expenses	172.5	171.7	(0.7)	(0.5)	
Operating profit	21.1	23.2	2.1	10.1	– Railway operations of the Company: +1.2; Tokyu Bus: +0.5
Real estate					
Operating revenue	167.7	164.0	(3.6)	(2.2)	– Real estate sales: -2.6
Operating expenses	144.9	141.1	(3.7)	(2.6)	
Operating profit	22.8	22.8	0.0	0.2	
Retail					
Operating revenue	557.7	557.9	0.2	0.0	
Operating expenses	555.6	554.0	(1.5)	(0.3)	
Operating profit	2.1	3.8	1.7	84.1	– Tokyu Store Chain: +0.4; Tokyu Department Store: +0.3
Leisure and Services					
Operating revenue	158.7	153.3	(5.3)	(3.4)	– Tokyu Agency: -4.9
Operating expenses	157.3	151.8	(5.4)	(3.5)	
Operating profit	1.4	1.4	0.0	4.4	
Hotel					
Operating revenue	86.8	86.9	0.1	0.2	
Operating expenses	88.6	88.4	(0.1)	(0.2)	
Operating profit	(1.8)	(1.4)	0.3	–	
Other					
Operating revenue	146.0	149.3	3.3	2.3	– Tokyu Geox: +2.3
Operating expenses	143.3	146.7	3.4	2.4	
Operating profit	2.7	2.6	(0.0)	(3.3)	
Elimination/Headquarters					
Operating revenue	(80.7)	(76.5)	4.1	–	
Operating expenses	(80.9)	(76.6)	4.2	–	
Operating profit	0.2	0.1	(0.0)	(28.6)	
Consolidated					
Operating revenue	1,229.8	1,230.1	0.3	0.0	
Operating expenses	1,181.3	1,177.3	(3.9)	(0.3)	
Operating profit	48.5	52.7	4.2	8.7	
Non-operating profit and expenses					
Non-operating profit	15.1	13.9	(1.1)	(7.7)	
Interest and dividends	2.0	1.8	(0.1)	(6.0)	
Investment gains from equity method	3.3	3.5	0.2	6.8	
Amortization of negative goodwill	3.8	3.8	0.0	0.9	
Other non-operating profit	6.0	4.7	(1.2)	(21.7)	
Non-operating expenses	21.8	20.5	(1.2)	(5.8)	
Interest expenses	17.6	17.2	(0.3)	(2.0)	
Other non-operating expenses	4.2	3.2	(0.9)	(21.5)	
Recurring profit	41.8	46.1	4.3	10.4	

Item	(FY10/3) Forecast as of February	(FY10/3) Results	Compared with forecast as of February		Major reasons
Extraordinary gains and losses	*Billion yen*	*Billion yen*	*Billion yen*	%	
Extraordinary gains	16.7	24.0	7.3	44.2	
Subsidies received for construction	0.6	0.7	0.1	30.3	
Gain on reversal of urban railways improvement reserve	1.8	1.8	–	–	
Gain on sale of fixed assets	5.5	8.8	3.3	60.7	
Gain on sale of investment securities	3.5	3.7	0.2	6.3	
Other extraordinary gains	5.2	8.8	3.6	70.0	
Extraordinary losses	28.2	27.4	(0.7)	(2.8)	
Reduction in subsidies received for construction	0.8	0.7	(0.0)	(4.4)	
Gain on reversal of urban railways improvement reserve	2.5	2.5	0.0	1.8	
Loss on sale of fixed assets	0.2	0.0	(0.1)	(56.2)	
Loss on disposal of fixed assets	1.2	0.9	(0.2)	(22.7)	
Impairment loss	1.5	6.7	5.2	352.2	
Loss on valuation of securities	–	0.0	0.0	–	
Loss on sales of securities	9.1	9.4	0.3	3.7	
Loss on valuation of inventories	–	–	–	–	
Other extraordinary losses	12.9	6.8	(6.0)	(46.8)	
Net income before taxes and minority interests	30.3	42.8	12.5	41.3	
Corporate income taxes	18.6	26.3	7.7	41.4	
Minority interests	1.7	1.6	(0.0)	(5.2)	
Net income	10.0	14.8	4.8	49.0	

(3) Forecast Consolidated Earnings for the Fiscal Year Ending March 2011 (year-on-year comparison)

Item	(FY10/3) Results	(FY11/3) Forecast	Change		Major reasons
Operating profit and loss	*Billion yen*	*Billion yen*	*Billion yen*	%	
Transportation Operating					
Operating revenue	194.9	188.6	(6.3)	(3.2)	– (Passengers carried (total): +0.1%) Railway operations of the Company: -0.6; restructuring of local bus operations: -5.0
Operating expenses	171.7	162.6	(9.1)	(5.3)	
Operating profit	23.2	26.0	2.7	11.9	– (Cost of disposal of fixed assets: -4.6) Railway operations of the Company: +3.1; restructuring of local bus operations: -0.5
Real estate					
Operating revenue	164.0	162.2	(1.8)	(1.1)	– Real estate sales: -3.6; Real estate leasing: +2.2
Operating expenses	141.1	150.6	9.4	6.7	
Operating profit	22.8	11.6	(11.2)	(49.2)	– Real estate sales: -5.7; Real estate leasing: -5.3
Retail					
Operating revenue	557.9	518.9	(39.0)	(7.0)	– Tokyu Store Chain: -34.7 (Sapporo Tokyu Store Chain: -31.3)
Operating expenses	554.0	514.1	(39.9)	(7.2)	– Tokyu Store Chain: -0.8 (Sapporo Tokyu Store Chain: -0.6)
Operating profit	3.8	4.8	0.9	24.1	– Shopping center operations: -2.6; Completion of goodwill amortization for Tokyu Department Store: +4.9
Leisure and Services					
Operating revenue	153.3	155.0	1.6	1.1	– Tokyu Agency: -0.1; its communications: +2.3
Operating expenses	151.8	152.1	0.2	0.2	
Operating profit	1.4	2.9	1.4	98.4	– Tokyu Agency: +0.8
Hotel					
Operating revenue	86.9	89.9	2.9	3.3	– Tokyu Hotels: +2.0; Mauna Lani Resort: +1.0
Operating expenses	88.4	90.8	2.3	2.7	
Operating profit	(1.4)	(0.9)	0.5	–	– Tokyu Hotels: -0.2; Mauna Lani Resort: +0.5
Other					
Operating revenue	149.3	127.9	(21.4)	(14.4)	– Tokyu Car Corporation: -8.7; Tokyu Geox: -7.9
Operating expenses	146.7	125.8	(20.9)	(14.3)	
Operating profit	2.6	2.1	(0.5)	(19.6)	– Tokyu Car Corporation: +0.6, Tokyu Techno System: -0.4
Elimination/Headquarters					
Operating revenue	(76.5)	(71.5)	5.0	–	
Operating expenses	(76.6)	(71.5)	5.1	–	
Operating profit	0.1	–	(0.1)	–	
Consolidated					
Operating revenue	1,230.1	1,171.0	(59.1)	(4.8)	
Operating expenses	1,177.3	1,124.5	(52.8)	(4.5)	
Operating profit	52.7	46.5	(6.2)	(11.8)	
Non-operating profit and expenses					
Non-operating profit	13.9	14.5	0.5	4.0	
Interest and dividends	1.8	1.4	(0.4)	(25.5)	
Investment gains from equity method	3.5	3.9	0.3	10.7	
Amortization of negative goodwill	3.8	3.5	(0.3)	(8.7)	
Other non-operating profit	4.7	5.7	0.9	21.3	
Non-operating expenses	20.5	20.5	(0.0)	(0.2)	
Interest expenses	17.2	17.7	0.4	2.6	
Other non-operating expenses	3.2	2.8	(0.4)	(15.1)	
Recurring profit	46.1	40.5	(5.6)	(12.2)	

Item	(FY10/3) Results	(FY11/3) Forecast	Change		Major reasons
Extraordinary gains and losses	*Billion yen*	*Billion yen*	*Billion yen*	%	
Extraordinary gains	24.0	3.5	(20.5)	(85.5)	
Subsidies received for construction	0.7	1.4	0.6	79.1	
Gain on reversal of urban railways improvement reserve	1.8	1.9	0.0	0.3	
Gain on sale of fixed assets	8.8	–	(8.8)	–	
Gain on sale of investment securities	3.7	–	(3.7)	–	
Other extraordinary gains	8.8	0.2	(8.6)	(97.7)	
Extraordinary losses	27.4	20.0	(7.4)	(27.0)	
Reduction in subsidies received for construction	0.7	1.5	0.7	96.1	
Gain on reversal of urban railways improvement reserve	2.5	2.5	(0.0)	(1.7)	
Loss on sale of fixed assets	0.0	–	(0.0)	–	
Loss on disposal of fixed assets	0.9	–	(0.9)	–	
Impairment loss	6.7	–	(6.7)	–	
Loss on valuation of securities	0.0	–	(0.0)	–	
Loss on sales of securities	9.4	–	(9.4)	–	
Loss on valuation of inventories	–	–	–	–	
Other extraordinary losses	6.8	16.0	9.1	133.3	
Net income before taxes and minority interests	42.8	24.0	(18.8)	(43.9)	
Corporate income taxes	26.3	11.3	(15.0)	(57.0)	
Minority interests	1.6	1.2	(0.4)	(25.5)	
Net income	14.8	11.5	(3.3)	(22.8)	

(4) Forecast Consolidated Earnings for the First Half of the Fiscal Year Ending March 2011 (year-on-year comparison)

Item	(FY10/3) First half of FY10/3 Result	(FY11/3) First half of FY11/3 Forecast	Change		Major reasons
Operating profit and loss	*Billion yen*	*Billion yen*	*Billion yen*	%	
Transportation Operating					
Operating revenue	98.8	94.1	(4.7)	(4.8)	– Railway operations of the Company: -0.1; restructuring of local bus operations: -4.3
Operating expenses	86.4	77.4	(9.0)	(10.5)	
Operating profit	12.4	16.7	4.2	34.2	– (Cost of disposal of fixed assets: -5.3) Railway operations of the Company: +4.7; restructuring of local bus operations: -0.4
Real estate					
Operating revenue	78.2	94.0	15.7	20.1	– Real estate sales: +16.8; Real estate leasing: -0.3
Operating expenses	69.7	85.8	16.0	22.9	
Operating profit	8.4	8.2	(0.2)	(3.1)	– Real estate sales: +0.8, Real estate leasing: -1.4
Retail					
Operating revenue	286.4	257.5	(28.9)	(10.1)	– Tokyu Store Chain: -27.3 (Sapporo Tokyu Store Chain: -24.8)
Operating expenses	284.2	255.7	(28.5)	(10.0)	– Tokyu Store Chain: -0.8 (Sapporo Tokyu Store Chain: -0.4)
Operating profit	2.2	1.8	(0.4)	(18.9)	– Shopping center operations: -1.7; Completion of goodwill amortization for Tokyu Department Store: +2.4
Leisure and Services					
Operating revenue	79.4	76.5	(2.9)	(3.7)	– Tokyu Agency: -3.2
Operating expenses	78.8	75.0	(3.8)	(4.9)	
Operating profit	0.6	1.5	0.8	139.4	– Tokyu Agency: +0.6
Hotel					
Operating revenue	43.5	43.8	0.2	0.6	
Operating expenses	44.6	44.3	(0.3)	(0.9)	
Operating profit	(1.1)	(0.5)	0.6	–	
Other					
Operating revenue	71.2	58.4	(12.8)	(18.0)	– Tokyu Car Corporation: -5.6; Tokyu Geox: -5.4
Operating expenses	71.2	58.6	(12.6)	(17.8)	
Operating profit	(0.0)	(0.2)	(0.1)	–	– Tokyu Techno System: -0.2
Elimination/Headquarters					
Operating revenue	(38.1)	(34.7)	3.4	–	
Operating expenses	(38.2)	(34.7)	3.5	–	
Operating profit	0.1	–	(0.1)	–	
Consolidated					
Operating revenue	619.6	589.6	(30.0)	(4.9)	
Operating expenses	596.9	562.1	(34.8)	(5.8)	
Operating profit	22.7	27.5	4.7	20.9	
Non-operating profit and expenses					
Non-operating profit	7.5	5.7	(1.8)	(24.5)	
Interest and dividends	0.9	0.7	(0.2)	(27.0)	
Investment gains from equity method	2.1	0.7	(1.4)	(67.8)	
Amortization of negative goodwill	1.9	1.7	(0.2)	(12.1)	
Other non-operating profit	2.4	2.6	0.1	4.8	
Non-operating expenses	10.1	10.7	0.5	5.5	
Interest expenses	8.6	9.0	0.3	3.6	
Other non-operating expenses	1.4	1.7	0.2	16.7	
Recurring profit	20.1	22.5	2.3	11.6	

Item	(FY10/3) First half of FY10/3 Result	(FY11/3) First half of FY11/3 Forecast	Change		Major reasons
Extraordinary gains and losses	*Billion yen*	*Billion yen*	*Billion yen*	%	
Extraordinary gains	3.6	1.5	(2.1)	(59.0)	
Subsidies received for construction	0.2	0.6	0.3	116.8	
Gain on reversal of urban railways improvement reserve	0.9	0.9	(0.0)	(4.9)	
Gain on sale of fixed assets	0.1	–	(0.1)	–	
Gain on sale of investment securities	0.0	–	(0.0)	–	
Other extraordinary gains	2.2	–	(2.2)	–	
Extraordinary losses	4.3	7.6	3.2	75.5	
Reduction in subsidies received for construction	0.2	0.6	0.3	121.7	
Gain on reversal of urban railways improvement reserve	1.2	1.3	0.0	1.1	
Loss on sale of fixed assets	0.0	–	(0.0)	–	
Loss on disposal of fixed assets	0.3	–	(0.3)	–	
Impairment loss	0.4	–	(0.4)	–	
Loss on valuation of securities	0.0	–	(0.0)	–	
Loss on sales of securities	0.0	–	(0.0)	–	
Loss on valuation of inventories	–	–	–	–	
Other extraordinary losses	1.8	5.7	3.8	203.8	
Net income before taxes and minority interests	19.4	16.4	(3.0)	(15.8)	
Corporate income taxes	11.4	8.5	(2.9)	(25.7)	
Minority interests	0.3	0.4	0.0	0.1	
Net income	7.6	7.5	(0.1)	(1.9)	

3. Summary of Non-Consolidated Financial Results

(1) Operating results

	(FY09/3) (Results) Billion yen	(FY10/3) (Results) Billion yen	Year on year		(FY11/3) (Forecast) Billion yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Operating revenue							
Railway operations	147.8	147.2	(0.5)	(0.4)	146.6	(0.6)	(0.4)
Real estate business	114.4	135.5	21.1	18.5	131.5	(4.0)	(3.0)
Real estate sales	60.0	82.2	22.2	37.0	78.6	(3.6)	(4.4)
Real estate leasing	54.4	53.3	(1.0)	(2.0)	52.9	(0.4)	(0.8)
Total operating revenue	262.2	282.7	20.5	7.8	278.1	(4.6)	(1.7)
Operating expenses							
Railway operations	123.0	126.2	3.2	2.6	122.4	(3.8)	(3.1)
Real estate business	86.1	110.4	24.3	28.3	119.2	8.7	7.9
Real estate sales	44.5	67.5	22.9	51.6	69.7	2.1	3.2
Real estate leasing	41.6	42.9	1.3	3.3	49.5	6.5	15.2
Total operating expenses	209.1	236.7	27.5	13.2	241.6	4.8	2.0
Operating profit							
Railway operations	24.7	20.9	(3.7)	(15.3)	24.2	3.2	15.4
Real estate business	28.2	25.0	(3.2)	(11.4)	12.3	(12.7)	(50.9)
Real estate sales	15.4	14.6	(0.7)	(5.0)	8.9	(5.7)	(39.4)
Real estate leasing	12.8	10.3	(2.4)	(19.1)	3.4	(6.9)	(67.2)
Total operating profit	53.0	46.0	(7.0)	(13.2)	36.5	(9.5)	(20.7)
Recurring profit	44.8	36.4	(8.3)	(18.6)	26.6	(9.8)	(27.1)
Net income	21.5	5.6	(15.9)	(73.7)	19.0	13.3	235.2

(2) Capital expenditure and depreciation

1) Capital expenditure

	(FY09/3) (Results) Billion yen	(FY10/3) (Results) Billion yen	Year on year		(FY11/3) (Forecast) Billion yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Railway operations	70.1	55.6	(14.4)	(20.6)	52.8	(2.9)	(5.2)
Of which, the Company's construction	60.9	48.7	(12.1)	(19.9)	45.4	(3.4)	(7.0)
Of which, contract construction	9.2	6.9	(2.3)	(25.3)	7.4	0.5	7.6
Real estate business	61.0	46.8	(14.1)	(23.2)	70.4	23.5	50.3
Real estate sales	0.4	0.3	(0.1)	(23.9)	0.7	0.3	102.7
Real estate leasing	60.5	46.5	(14.0)	(23.1)	69.6	23.1	49.8
Other	1.9	1.5	(0.3)	(17.5)	1.1	(0.3)	(23.6)
Total	133.0	104.1	(28.9)	(21.7)	124.4	20.2	19.5

2) Depreciation

	(FY09/3) (Results) Billion yen	(FY10/3) (Results) Billion yen	Year on year		(FY11/3) (Forecast) Billion yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Railway operations	32.5	34.0	1.4	4.6	33.8	(0.2)	(0.6)
Real estate business	8.9	9.4	0.4	5.4	13.9	4.4	46.7
Real estate sales	0.6	0.5	(0.0)	(9.3)	0.4	(0.1)	(23.3)
Real estate leasing	8.3	8.9	0.5	6.5	13.4	4.5	51.1
Total	41.5	43.5	1.9	4.7	47.7	4.2	9.7