

Tokyu Corporation

Consolidated Financial Statements

First Quarter of the Fiscal Year
Ending March 31, 2010

(April 1, 2009 – June 30, 2009)

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product and service launches, and pricing and product initiatives of competitors.

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
For the First Quarters of the Fiscal Year Ending March 31, 2010

Tokyu Corporation

August 10, 2009

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* Amounts less than ¥1 million have been ignored.

1. Consolidated Financial Results for the First Quarters of the Fiscal Year Ending March 31, 2010 (April 1, 2009 to June 30, 2009)

1) Consolidated Operating Results
(cumulative totals)

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

Million yen

	Three months ended June 30, 2009		Three months ended June 30, 2008	
		Change (%)		Change (%)
Operating revenue	298,050	(5.1)	314,121	-
Operating profit	11,491	(15.7)	13,638	-
Recurring profit	8,732	(26.2)	11,836	-
Net income	2,995	(14.3)	3,497	-
Net income per share (¥)	¥2.38		¥2.87	
Net income per share (diluted) (¥)	-		¥2.78	

2) Consolidated Financial Position

Million yen

	Three months ended June 30, 2009	FY ended March 31, 2009
Total assets	2,007,203	2,010,746
Net assets	385,600	384,654
Equity ratio (%)	18.6%	18.5%
Net assets per share (¥)	¥295.59	¥294.62

Reference: Shareholders' equity: Three months ended June 30, 2009: ¥372,418 million; FY ended March 31, 2009: ¥371,204 million

2. Dividends

	FY ending March 31, 2010 (forecast)	FY ending March 31, 2010	FY ended March 31, 2009
Dividend per share – As of Jun. 30 (¥)	-	-	-
Dividend per share – As of Sep. 30 (¥)	3.00	-	3.00
Dividend per share – As of Dec. 31 (¥)	-	-	-
Dividend per share – end of term (¥)	3.00	-	3.00
Dividend per share – annual (¥)	6.00	-	6.00

Note: Revision in dividend forecasts for the quarters under review: No

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(Figures in percentages denote year-on-year changes.)

Million yen

	First half		Full year	
		Change (%)		Change (%)
Operating revenue	624,600	(2.9)	1,289,200	(1.2)
Operating profit	20,500	(37.5)	57,500	(11.9)
Recurring profit	15,100	(48.5)	46,900	(14.5)
Net income	4,000	(65.5)	20,000	85.5
Net income per share (¥)	3.17		15.87	

Note: Revision in consolidated business performance forecasts for the quarters under review: No

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) Application of simplified accounting treatment and accounting treatment peculiar to the production of quarterly consolidated financial statements: Yes
(Note) For details, see paragraph 4 "Others" of [Qualitative Information, Financial Statements, Etc.], on page 5
- (3) Changes in accounting principles, procedures, presentation method, etc. of quarterly consolidated financial statements (those which are included in change in significant accounting policies that will be the bases for preparing quarterly consolidated financial statements)
- 1) Changes associated with the revision of accounting principles, etc.: No
- 2) Change other than 1): No
(Note) For details, see paragraph 4 "Others" of [Qualitative Information, Financial Statements, Etc.], on page 5
- (4) Number of shares issued (common stock)
- 1) Number of shares issued at the end of the term (including treasury stock) (shares)
- | | |
|-----------------------------------|---------------|
| Three months ended June 30, 2009: | 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)
- | | |
|-----------------------------------|-----------|
| Three months ended June 30, 2009: | 3,606,491 |
| FY ended March 31, 2009: | 3,577,008 |
- 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)
- | | |
|-----------------------------------|---------------|
| Three months ended June 30, 2009: | 1,259,930,191 |
| Three months ended June 30, 2008: | 1,217,460,874 |

* Explanations about the proper use of financial forecasts and other important notes

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 paragraph 3 "Qualitative Information on Information on Forecast" of [Qualitative Information, Financial Statements, Etc.] on page 4 for more details on these forecasts.

[Qualitative Information, Financial Statements, Etc.]**1. Qualitative Information on Consolidated Financial Results**

The Japanese economy continued to struggle during the first quarter under review, reflecting worsening employment conditions and weak personal spending as a result of the worldwide economic slowdown.

In the environment, the Company (including its consolidated subsidiaries) promoted aggressive sales operations and cost cutting under the basic strategy of the three-year medium-term management plan.

Operating revenue for the first quarter under review stood at ¥298.05 billion (down 5.1% year on year), with a rise in the Real Estate business offset by declines in the Retail and Hotels businesses in association with anemic personal spending. Operating profit was ¥11.491 billion (falling 15.7%). Recurring profit slipped to ¥8.732 billion (declining 26.2%), as a decline in dividend income and the posting of equity in losses of affiliates in non-operating expenses outweighed a rise in the amortization of negative goodwill in non-operating profit. Net income amounted to ¥2.995 billion (dropping 14.3%), reflecting an improvement in extraordinary gains and losses.

Operating results in each business segment are as follows and include inter-segment internal revenue or transfers where applicable.

Transportation

In our railway operations, the number of non-commuters carried fell 0.4% year on year in the first quarter due to the effects of the worsening economy and the swine flu. However, the number of commuters carried rose 0.4%, attributable to the growing population in areas along the lines. Overall, the number of passengers carried increased 0.1%.

Operating revenue stood at ¥49.218 billion (down 1.4%), partly because of a decrease in advertising revenue in the railway operations. Operating profit was ¥9.888 billion (up 48.0%), reflecting a decrease in the loss on the disposal of fixed assets associated with the completion of the extension of the Meguro Line in the previous fiscal year.

Real Estate

Operating revenue was ¥28.368 billion (up 18.4%) in the real estate sales business of the Company, associated with a rise in sales of detached houses for individual consumers. However, operating profit declined to ¥1.755 billion (down 22.6%), partly because of the posting of a loss on valuation of inventories.

Retail

Operating revenue fell 7.9%, to ¥142.058 billion, and operating profit declined 61.2%, to ¥1.277 billion. This result was attributable to a decrease in sales due to sluggish personal spending and a withdrawal from the mail-order business in department store operations by Tokyu Department Store, as well as a fall in sales in GMS stores (general merchandise stores) in association with worsening market conditions in chain store operations by Tokyu Store Corporation.

Leisure and Services

Revenue from subscription fees increased in our CATV operation (its communications Inc.), given a rise in the number of subscribers. In contrast, orders—especially for advertisements relating to sales promotions by Tokyu Agency Inc.—plummeted in the advertising business, because of cuts in corporate spending on advertising. Consequently, operating revenue totaled ¥40.322 billion (down 13.8%), and operating profit fell 64.5%, to ¥383 million.

Hotels

The Hotels business was strongly influenced by the economic downturn. Tokyu Hotels reported weak consumer and business demand, while the number of travelers staying at overseas hotels declined. As a result, operating revenue stood at ¥20.704 billion (down 15.0%), and an operating loss of ¥1.41 billion was posted.

Other businesses

Tokyu Car Corp., which manufactures rolling stock for railway operations, posted an increase in sales of rolling stock, while the cost rate for special purpose vehicles worsened. As a result of this and other factors, operating revenue totaled ¥36.365 billion (down 1.9%), and an operating loss of ¥462 million was recorded.

2. Qualitative Information on Consolidated Financial Position

Total assets, Total liabilities and Net assets under review are as follows

Total assets at the end of the first quarter under review declined ¥3.543 billion from the end of the previous fiscal year, to ¥2,007.203 billion, despite an increase in tangible fixed assets through capital expenditure, mainly due to a fall in cash and deposits.

Total liabilities fell ¥4.489 billion, to ¥1,621.602 billion, primarily because of decreases in notes and accounts payable and accrued income taxes as a result of payment, despite a rise in interest-bearing debt* of ¥20.815 billion to ¥1,093.291 billion.

Net assets rose ¥946 million, to ¥385.6 billion with a decrease in retained income in shareholders' equity through the payment of dividends more than offset by an increase in the foreign currency translation adjustment account associated with the appreciation of the yen, and a rise in net unrealized gains (losses) on investment securities, net of taxes.

*Interest-bearing debt: the sum of debt, bonds, and commercial papers

Cash flows in the first three quarters under review are as follows

Net cash provided by operating activities was ¥1.49 billion, reflecting income before income taxes of ¥9.862 billion, depreciation and amortization of ¥16.233 billion, an increase in accounts receivable of ¥1.041 billion, and a decrease in trade payables of ¥13.713 billion yen, among other factors. Compared with a year ago, cash provided fell ¥2.906 billion, attributable to a decrease in accounts receivable collected and an increase in trade payables paid, among other factors.

Net cash used in investing activities was ¥27.931 billion, a decrease of ¥17.947 billion from a year ago, attributable to factors such as reduced payments for fixed asset purchases, which fell to ¥30.813 billion, and proceeds from subsidies received for construction of ¥2.717 billion.

Net cash generated by financing activities was ¥16.324 billion, reflecting an increase in debt and proceeds from a bond issue.

3. Qualitative Information on Forecast Consolidated Earnings

Considering the results for the first quarter under review, we decided not to change the forecast consolidated earnings for the first half and the full year announced on May 15, 2009.

4. Others

(1) Important changes of subsidiaries during the term (change of specified subsidiaries that led to a change in the scope of consolidation):

Not applicable.

(2) Application of simplified accounting treatment and accounting treatment specific to the production of quarterly consolidated financial statements:

1) Application of simplified accounting treatment

(i) Basis for calculating depreciation of tangible fixed assets

For certain consolidated subsidiaries, planned annual depreciation is divided proportionally for the quarter, based on a budget that takes into account an estimate of the acquisition, sale, and disposal of fixed assets during the fiscal year.

(ii) Basis for calculating income taxes, deferred tax assets, and deferred tax liabilities

In calculating the payment of income taxes for certain consolidated subsidiaries, taxable addition or subtraction and tax deduction items are limited to significant items.

The earnings forecast and tax planning used in the previous fiscal year are used to judge the collectability of deferred tax assets if the Company considers that there have been no remarkable changes in the business environment or temporary differences since the end of the previous fiscal year. If the Company considers that there have been remarkable changes in the business environment or temporary differences since the end of the previous fiscal year, the effects of the changes will be taken into consideration along with the earnings forecast and tax planning used in the previous fiscal year.

2) Application of accounting treatment specific to the production of quarterly consolidated financial statements:

Not applicable

(3) Changes in accounting principles, procedures, presentation, etc. in relation to the preparation of quarterly consolidated financial statements

(Changes in presentation)

1. Quarterly consolidated balance sheets

Since the importance of "Securities," which was posted as an independent item in the previous first quarter, is small in terms of the amount, it is included in "Others" in current assets from the first quarter under review. The amount of securities included in "Others" in the first quarter under review is ¥22 million.

With the application of the Cabinet Office Ordinance for Partial Revisions to the Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements and Other Matters (Cabinet Office Ordinance No. 50, August 7, 2008), items that were posted as "Merchandise," "Finished goods," and "Unfinished goods" in the previous first quarter are posted collectively as "Merchandise and products" in the first quarter under review. The amounts of merchandise, finished goods, and unfinished goods in the first quarter under review were ¥22,413 million, ¥1,333 million, and ¥473 million, respectively.

Items posted as "Raw materials" and "Other inventories" in the previous first quarter are posted collectively as Raw materials and supplies in the first quarter under review. The amounts of raw materials and other inventories in the first quarter under review were ¥3,373 million and ¥5,682 million, respectively.

2. Quarterly consolidated statements of income

Since “Amortization of negative goodwill,” which was included in “Other non-operating profit” in non-operating profit in the previous first quarter, exceeded 20% of total non-operating profit, it is posted as an independent item from the first quarter under review. The amount of amortization of negative goodwill included in “Other non-operating profit” in non-operating profit in the previous first quarter was ¥98 million.

3. Quarterly consolidated statements of cash flow

Since the importance of the “Purchase of investment securities,” included in “Others” in cash flows from investing activities in the previous first quarter, increased in terms of amount, it is posted as an independent item from the first quarter under review. The net amount of purchases of investment securities in the previous first quarter in the previous first quarter was minus ¥171 million.

5. Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

Million yen

Item	As of June 30, 2009	Condensed Consolidated balance Sheets at the end of Previous fiscal year (March 31, 2009)
Assets		
Current Assets		
Cash and deposits	32,881	42,419
Trade notes & accounts receivable	126,453	125,320
Merchandise and products	24,220	23,274
Land and buildings for sale	83,431	82,194
Work in progress	26,553	27,166
Raw materials and supplies	9,056	8,879
Deferred tax assets	10,061	13,115
Others	28,745	31,830
Allowance for doubtful accounts.....	(1,167)	(1,089)
Total current assets	340,235	353,111
Fixed Assets		
Tangible fixed assets		
Buildings & Structures (net).....	568,954	575,668
Rolling stock & machinery (net).....	64,818	60,718
Land	568,630	560,191
Construction in progress.....	158,733	148,955
Others (net)	19,250	19,297
Total tangible fixed assets	1,380,388	1,364,832
Intangible fixed assets		
Others.....	28,437	33,448
Total intangible fixed assets	28,437	33,448
Investments & Others		
Investment securities	123,906	123,048
Deferred tax assets	8,738	8,701
Others.....	127,130	129,150
Allowance for doubtful accounts.....	(1,632)	(1,545)
Total investments and others.....	258,142	259,355
Total fixed assets	1,666,967	1,657,635
Total Assets	2,007,203	2,010,746

Million yen

Item	As of June 30, 2009	Condensed Consolidated balance Sheets at the end of Previous fiscal year (March 31, 2009)
Liabilities		
Current Liabilities		
Trade notes & accounts payable	119,316	132,920
Short-term debt	329,120	306,057
Commercial paper	20,000	20,000
Current portion of corporate bonds.....	16,000	37,000
Accrued income taxes	3,819	12,737
Provision	12,307	16,215
Advances received	35,567	30,450
Others	94,225	99,284
Total current liabilities	630,357	654,667
Long-term Liabilities		
Corporate bonds.....	159,800	154,800
Long-term debt	568,370	554,618
Reserve for employees' retirement benefits	37,436	37,612
Other provisions	2,072	1,788
Long-term deposits from tenants and club members ...	115,937	115,703
Deferred tax liabilities	39,473	38,996
Deferred tax liabilities from revaluation	11,293	11,313
Negative goodwill	7,412	6,647
Others	27,890	28,561
Total long-term liabilities.....	969,687	950,041
Special legal reserves		
Urban railways improvement reserve	21,557	21,383
Total special legal reserves	21,557	21,383
Total Liabilities.....	1,621,602	1,626,092
Net Assets		
Shareholders' Equity		
Common Stock.....	121,724	121,724
Capital surplus.....	140,839	140,842
Retained income	104,518	105,222
Treasury stock.....	(2,049)	(2,039)
Total shareholders' equity	365,033	365,750
Valuation, translation and other		
Net unrealized gains (losses) on investment securities, net of taxes.....	2,948	1,960
Net unrealized gains (losses) on hedging instruments, net of taxes.....	(57)	(58)
Land revaluation reserve	8,863	8,948
Foreign currency translation adjustment account	(4,369)	(5,396)
Total valuation, translation and others.....	7,384	5,454
Minority interests	13,182	13,450
Total Net assets	385,600	384,654
Total Liabilities and Net Assets	2,007,203	2,010,746

(2) Quarterly Consolidated Statements of Income (First three months)

Million yen

Item	April 1, 2009 to June 30, 2009	April 1, 2008 to June 30, 2008
Operating revenue	298,050	314,121
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc.) ...	229,050	242,071
SG&A expenses	57,508	58,411
Total cost of operating revenue	286,558	300,483
Operating profit	11,491	13,638
Non-operating profit		
Interest income	80	137
Dividend income	533	848
Investment gains from equity method.....	–	296
Amortization of negative goodwill	979	–
Others.....	1,095	2,033
Total non-operating profit	2,689	3,316
Non-operating expenses		
Interest expenses	4,332	4,296
Investment loss from equity method	570	–
Others	545	822
Total non-operating expenses	5,448	5,118
Recurring profit	8,732	11,836
Extraordinary gains		
Subsidies received for construction	160	3,030
Gain on reversal of urban railways improvement reserve ...	473	473
Compensation income	1,535	–
Others	518	1,419
Total extraordinary gains	2,688	4,922
Extraordinary losses		
Loss on reduction of subsidies received for construction ...	151	2,982
Transfer to urban railways improvement reserve	647	648
Others	758	3,392
Total extraordinary losses.....	1,558	7,024
Income before income taxes and minority interests	9,862	9,735
Corporate income taxes	6,649	6,024
Minority interest in earnings of consolidated subsidiaries.....	216	214
Net income	2,995	3,497

(3) Quarterly Consolidated Statements of Cash Flow

Million yen

Item	April 1, 2009 to June 30, 2009	April 1, 2008 to June 30, 2008
Cash flows from operating activities		
Income before income taxes	9,862	9,735
Depreciation and amortization	16,233	15,325
Amortization of goodwill	743	1,353
Increase (decrease) in urban railways improvement reserve	174	175
Subsidies received for construction	(160)	(3,030)
Reduction in subsidies received for construction	151	2,982
Loss on disposal of fixed assets	597	3,398
Investment (gain) loss from equity method	570	(296)
Decrease (increase) in accounts receivable	(1,041)	8,335
Decrease (increase) in inventories	(732)	(8,691)
Increase (decrease) in trade payables	(13,713)	(9,280)
Interest and dividend income	(614)	(986)
Interest payable	4,332	4,296
Others	306	(5,589)
Subtotal	16,710	17,727
Interest and dividends received	1,020	1,633
Interest paid	(4,483)	(4,450)
Income taxes paid	(11,757)	(10,512)
Net cash provided by operating activities	1,490	4,397
Cash flows from investing activities		
Payments for purchases of fixed assets	(30,813)	(52,797)
Proceeds from sale of fixed assets	189	1,137
Payments for acquisition of investment securities	(8,516)	–
Proceeds from redemption of investment securities	8,000	–
Proceeds from subsidies received for construction	2,717	4,923
Others	491	857
Net cash used in investing activities	(27,931)	(45,878)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	35,538	13,090
Proceeds from long-term debt	25,317	17,441
Repayment of long-term debt	(24,078)	(13,251)
Increase (decrease) in commercial paper	–	15,000
Proceeds from bond issue	19,902	29,821
Payments for redemption of bonds	(36,000)	(21,500)
Dividends paid	(3,785)	(3,657)
Others	570	1,822
Net cash provided by financing activities	16,324	38,766
Effect of exchange rate changes on cash and cash equivalents	30	(160)
Increase (decrease) in cash and cash equivalents	(10,085)	(2,875)
Cash and cash equivalents at beginning of period	41,988	37,234
Cash and cash equivalents at end of period	31,903	34,359

(4) Notes regarding the premise of a going concern

Not applicable.

(5) Segment information

Segment information by business

April 1, 2008 – June 30, 2008

Million yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Total	Elimination/Headquarters	Consolidated
Operating revenue/ Operating profit									
Operating revenue									
(1) Outside customers	49,663	18,204	152,337	41,783	24,046	28,086	314,121	–	314,121
(2) Inter-segment internal revenues or transfers	237	5,747	1,854	4,980	309	8,984	22,113	(22,113)	–
Total	49,901	23,952	154,191	46,763	24,356	37,071	336,235	(22,113)	314,121
Operating profit	6,680	2,266	3,289	1,081	276	150	13,745	(107)	13,638

April 1, 2009 – June 30, 2009

Million yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Total	Elimination/Headquarters	Consolidated
Operating revenue/ Operating profit									
Operating revenue									
(1) Outside customers	48,993	22,036	141,413	36,229	20,557	28,820	298,050	–	298,050
(2) Inter-segment internal revenues or transfers	225	6,332	645	4,093	146	7,545	18,989	(18,989)	–
Total	49,218	28,368	142,058	40,322	20,704	36,365	317,039	(18,989)	298,050
Operating profit/loss	9,888	1,755	1,277	383	(1,410)	(462)	11,431	60	11,491

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 and in detail.

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. Changes in accounting standards

April 1, 2008 – June 30, 2008

(Accounting Standard for Measurement of Inventories)

As described in 4. (3) of Qualitative Information, Financial Statements, Etc., the Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan Statement No. 9; July 5, 2006) is applied from the first quarter under review. With this application, operating profit declined in the Real Estate, Retail, Leisure and Services, and Other businesses by ¥114 million, ¥82 million, ¥0 million, and ¥324 million, respectively.

Geographical Segment Information

Previous first quarter (April 1, 2008 to June 30, 2008) and first quarter under review (April 1, 2009 to June 30, 2009)

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

Overseas Sales

Previous first quarter (April 1, 2008 to June 30, 2008) and first quarter under review (April 1, 2009 to June 30, 2009)

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

- (6) Notes if there is a considerable change to shareholders' equity
Not applicable.

[Appendix]

1. Overview of Consolidated Results

(1) Consolidated Financial Results for the First quarters of the fiscal year ending March 2010

	April 1, 2009 to June 30, 2009 (First quarter) Billion yen	April 1, 2008 to June 30, 2008 (First quarter) Billion yen	Year on year	
			Amount Billion yen	Rate (%)
Operating revenue	298.0	314.1	(16.0)	(5.1)
Operating profit	11.4	13.6	(2.1)	(15.7)
Recurring profit	8.7	11.8	(3.1)	(26.2)
Net income	2.9	3.4	(0.5)	(14.3)

■ Year-on-year comparison

(A) Operating revenue **298.0 billion yen (year-on-year comparison -16.0 billion yen)**

- Although there was an increase in sales of detached houses in the Real Estate business, overall operating revenue fell because of declines in the Retail and Hotels businesses, which in turn reflected weak personal spending and a fall in orders in the advertising business.

(B) Operating profit **11.4 billion yen (year-on-year comparison -2.1 billion yen)**

- Operating profit fell, as declines in the Retail and Hotels business more than offset a reduced loss on the disposal cost of fixed assets in reaction to that recorded in the previous fiscal year with the completion of large-scale construction work in railway operations and the new consolidation of CT Realty.

(C) Recurring profit **8.7 billion yen (year-on-year comparison -3.1 billion yen)**

- Non-operating profit declined ¥0.6 billion due to falls in profit from anonymous associations and dividend income.
- Non-operating expenses increased ¥0.3 billion, reflecting equity method investment losses among other factors.
- Recurring profit fell to a greater extent than operating profit did, due to a decrease in operating profit, a decline in non-operating profit, and a rise in non-operating expenses.

(D) Net Income **2.9 billion yen (year-on-year comparison -0.5 billion yen)**

- Extraordinary gains fell ¥2.2 billion with compensation income of Tokyu Bus more than offset by a decrease in subsidies received for construction compared with those in relation to Shibuya Station on the Fukutoshin Line posted in the previous fiscal year.
- Extraordinary losses declined ¥5.4 billion, with decreases in the loss on the reduction of subsidies received for construction, recall costs, and the loss on valuation of inventories compared with the previous fiscal year.
- Net income dropped ¥0.5 billion, reflecting falls in profit in the Retail and Hotels businesses, which were strongly affected by the sluggish economy, as well as a worsening of investment outcomes from the equity method offset by an improvement in extraordinary items.

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

1) Results for the first quarter of the fiscal year ending March 2010

	Passengers carried				Revenue from fares			
	April 1, 2009 to June 30, 2009 (First quarter) Thousand persons	April 1, 2008 to June 30, 2008 (First quarter) Thousand persons	Year on year		April 1, 2009 to June 30, 2009 (First quarter) Million yen	April 1, 2008 to June 30, 2008 (First quarter) Million yen	Year on year	
			Amount	Rate (%)			Amount	Rate (%)
Total	275,538	275,224	314	+0.1	32,894	32,942	(48)	(0.1)
Passengers without commutation tickets	110,875	111,272	(397)	(0.4)	18,113	18,202	(89)	(0.5)
Passengers with commutation tickets	164,663	163,952	711	+0.4	14,781	14,740	41	+0.3

2. Consolidated Statements of Income

(1) Consolidated financial results for the first quarter of the fiscal year ending March 2010 (year-on-year comparison)

Item	April 1, 2009 to June 30, 2009 (First quarter)	April 1, 2008 to June 30, 2008 (First quarter)	Change		Major reasons
	Billion yen	Billion yen	Billion yen	%	
Operating profit and loss					
Transportation Operating					
Operating revenue	49.2	49.9	(0.6)	(1.4)	— (Passengers carried (total): +0.1%) Railway operations of the Company: -0.2; Tokyu Bus: -0.1
Operating profit	9.8	6.6	3.2	48.0	— (Cost of disposal of fixed assets: -2.6; Depreciation: +0.3) Railway operations of the Company: +2.9; Tokyu Bus: +0.1
Real estate					
Operating revenue	28.3	23.9	4.4	18.4	— Real estate sales: +3.3; Real estate leasing: +0.4; CT Realty: +1.2
Operating profit	1.7	2.2	(0.5)	(22.6)	— Real estate sales: -0.3; Real estate leasing: -0.6; CT Realty: +0.5
Retail					
Operating revenue	142.0	154.1	(12.1)	(7.9)	— Tokyu Department Store: -9.1; Tokyu Store Chain: -3.2; Shopping center operations: -0.1
Operating profit	1.2	3.2	(2.0)	(61.2)	— Tokyu Department Store: -1.1; Tokyu Store Chain: -0.6; Shopping center operations: +0.2
Leisure and Services					
Operating revenue	40.3	46.7	(6.4)	(13.8)	— Tokyu Agency: -4.5; its communications: +0.1
Operating profit	0.3	1.0	(0.6)	(64.5)	— Tokyu Agency: -0.3; its communications: +0.1
Hotel					
Operating revenue	20.7	24.3	(3.6)	(15.0)	— Tokyu Hotels: -2.8; Mauna Lani Resort: -0.6
Operating profit	(1.4)	0.2	(1.6)	—	— Tokyu Hotels: -1.3; Mauna Lani Resort: -0.2
Other					
Operating revenue	36.3	37.0	(0.7)	(1.9)	— Tokyu Car Corporation: +2.5; Tokyu Geox: -1.9
Operating profit	(0.4)	0.1	(0.6)	—	— Tokyu Car Corporation: -0.2; Tokyu Techno System: -0.2
Elimination/Headquarters					
Operating revenue	(18.9)	(22.1)	3.1	—	
Operating profit	0.0	(0.1)	0.1	—	
Consolidated					
Operating revenue	298.0	314.1	(16.0)	(5.1)	
Operating expenses	286.5	300.4	(13.9)	(4.6)	
Operating profit	11.4	13.6	(2.1)	(15.7)	
Non-operating profit and expenses					
Non-operating profit	2.6	3.3	(0.6)	(18.9)	
Interest and dividends	0.6	0.9	(0.3)	(37.7)	
Investment gains from equity	—	0.2	(0.2)	—	
Amortization of negative goodwill:	0.9	0.0	0.8	890.3	
Other non-operating profit	1.0	1.9	(0.8)	(43.4)	
Non-operating expenses	5.4	5.1	0.3	6.5	
Interest	4.3	4.2	0.0	0.8	
Investment loss from equity method	0.5	—	0.5	—	
Other non-operating expenses	0.5	0.8	(0.2)	(33.6)	
Recurring profit	8.7	11.8	(3.1)	(26.2)	

Item	April 1, 2009 to June 30, 2009 (First quarter)	April 1, 2008 to June 30, 2008 (First quarter)	Change		Major reasons
	<i>Billion yen</i>	<i>Billion yen</i>	<i>Billion yen</i>	%	
Extraordinary gains and losses					
Extraordinary gains	2.6	4.9	(2.2)	(45.4)	
Subsidies received for construction	0.1	3.0	(2.8)	(94.7)	
Gain on reversal of urban railways improvement reserve	0.4	0.4	—	—	
Other extraordinary gains	2.0	1.4	0.6	44.7	— Tokyu Bus compensation income: +1.5
Extraordinary losses	1.5	7.0	(5.4)	(77.8)	
Reduction in subsidies received for construction	0.1	2.9	(2.8)	(94.9)	
Gain on reversal of urban railways improvement reserve	0.6	0.6	(0.0)	(0.1)	
Other extraordinary losses	0.7	3.3	(2.6)	(77.6)	
Net income before taxes and minority interests	9.8	9.7	0.1	1.3	
Corporate income taxes	6.6	6.0	0.6	10.4	
Minority interests	0.2	0.2	0.0	1.3	
Net income	2.9	3.4	(0.5)	(14.3)	