

Summary of Results for the First Quarter of FY2009

August 10, 2009



Tokyu Corporation

(9005)

<http://www.tokyu.co.jp/>

Main Points of Consolidated Results for First Quarter of Fiscal Year Ending March 31, 2010

Operating Results

- **Earnings remained about on a par with the year-ago level, with declines in income in the Retail and Hotels businesses and in outcomes from the equity method offset by an improvement in extraordinary items.**

	First quarter performance	Year on year
Operating revenue	298.0 billion yen	-16.0 billion (-5.1%)
Operating profit	11.4 billion yen	-2.1 billion (-15.7%)
Recurring profit	8.7 billion yen	-3.1 billion (-26.2%)
Net income	2.9 billion yen	-0.5 billion (-14.3%)

- **Operating revenue** : Sales of detached houses rose in the Real Estate business . However, revenue in the Retail and Hotels businesses declined on weak personal spending. Orders fell in the advertising business. As a result, operating revenue slipped 5% year on year.
- **Operating profit** : Despite some positive factors, including a lower loss on the disposal cost of fixed assets in reaction to the loss posted in the previous fiscal year in association with the completion of major construction work in the Company's railway operations and the consolidation of CT Realty, operating profit was down 15% year on year, reflecting profit declines in the Retail and Hotels businesses.
- **Net income** : While operating profit declined and investment outcomes from the equity method deteriorated, extraordinary items improved. As a result, net income slipped 500 million yen year on year.

Financial Position

	First quarter performance	Comparison with previous fiscal year end
Total assets	2,007.2 billion yen	-3.5 billion (-0.2%)
Shareholders' equity	372.4 billion yen	1.2 billion (+0.3%)
Interest-bearing debt	1,093.2 billion yen	20.8 billion (+1.9%)
Equity ratio	18.6 %	0.1 %
Debt equity ratio	2.9	0.0

	First quarter performance	Year on year
Cash flows from operating activities	1.4 billion yen	-2.9 billion (-66.1%)
Cash flows from investing activities	-27.9 billion yen	17.9 billion (-39.1%)
Cash flows from financing activities	16.3 billion yen	-22.4 billion (-57.9%)

Summary of Results



Operating profit fell with declines in profit from the Retail and Hotels businesses.

However, net income was 2.9 billion yen, almost on a par with the year-ago level, reflecting an improvement in extraordinary items, including a decline in recall-related expenses that were posted in the previous fiscal year.

(Billion yen)

	3/2009 1st Quarter	3/2010 1st Quarter	Change (Rate of change)	Remarks
Operating revenue	314.1	298.0	- 16.0 (- 5.1%)	Retail: -12.1; Leisure and Services: -6.4; Hotels: -3.6; Real Estate: 4.4
Operating profit	13.6	11.4	- 2.1 (- 15.7%)	Retail: -2.0; Hotels: -1.6; Transportation: +3.2
Non-operating profit	3.3	2.6	- 0.6 (- 18.9%)	Amortization of negative goodwill: 0.9 (+0.8); [Newly consolidated CT Realty: +0.8] Anonymous association profit: 0 (-0.3); Dividends: 0.5 (-0.3)
Non-operating expenses	5.1	5.4	+ 0.3 (+ 6.5%)	Investment gains from equity method : 0 (-0.2)
Recurring profit	11.8	8.7	- 3.1 (- 26.2%)	Interest paid: 4.3(+0); Investment loss from equity method: 0.5 (+0.5)
Extraordinary gains	4.9	2.6	- 2.2 (- 45.4%)	Gain on subsidies for construction: 0.1 (-2.8); Gain on sale of assets: 0 (-0.5)
Extraordinary losses	7.0	1.5	- 5.4 (- 77.8%)	Compensation income: 1.5 (+1.5)
Net income	3.4	2.9	- 0.5 (- 14.3%)	Loss on reduction of fixed assets: 0.1 (-2.8)
				Loss on valuation of inventories: 0 (-1.2); Other losses: 0.5 (-1.2)
Depreciation	15.3	16.2	+ 0.9 (+ 6.0%)	Net income
Disposal cost of fixed assets	3.2	0.4	- 2.8 (- 86.5%)	Real Estate: +0.4; Transportation: +0.2; Leisure and Service: +0.1
Amortization of goodwill	1.4	1.7	+ 0.2 (+ 18.7%)	Transportation: -2.6; Real Estate: -0.1
Tokyu EBITDA	33.6	29.8	- 3.8 (- 11.3%)	Amortization of goodwill
Equity at end of period	—	372.4	—	Tokyu EBITDA
Interest-bearing debt at end of period	—	1,093.2	—	Retail: -1.8; Hotels: -1.6; Other business: -0.6
Equity ratio (%)	—	18.6%	—	Equity at end of period
D/E ratio (times)	—	2.9	—	Interest-bearing debt at end of period

Consolidated Operating Profit (by Segment)



Operating revenue declined mainly in the Retail and Hotels businesses, reflecting continued economic weakness.

Operating profit fell on factors that contributed to declines in revenue in the Retail and other businesses, although profit rose in the Transportation business thanks to a smaller loss on the disposal cost of fixed assets.

(Billion yen)

		3/2009	3/2010	Change	Remarks
		1st Quarter	1st Quarter	(Rate of change)	
Total operating revenue		314.1	298.0	- 16.0 (- 5.1%)	
Total operating profit		13.6	11.4	- 2.1 (- 15.7%)	
Transportation	Operating revenue	49.9	49.2	- 0.6 (- 1.4%)	Tokyu Corp. railway operations: -0.2; Tokyu Bus: -0.1
	Operating profit	6.6	9.8	+ 3.2 (+ 48.0%)	Tokyu Corp. railway operations: +2.9; Tokyu Bus: +0.1
Real Estate	Operating revenue	23.9	28.3	+ 4.4 (+ 18.4%)	Tokyu Corp. sales: +3.3; Tokyu Corp. leasing: +0.4 CT Realty: +1.2; Tokyu Facility Service: -0.1
	Operating profit	2.2	1.7	- 0.5 (- 22.6%)	Tokyu Corp. sales: -0.3; Tokyu Corp. leasing: -0.6 CT Realty: +0.5
Retail	Operating revenue	154.1	142.0	- 12.1 (- 7.9%)	Tokyu Department Store: -9.1; Tokyu Store Chain: -3.2; Shopping center operations: -0.1
	Operating profit	3.2	1.2	- 2.0 (- 61.2%)	Tokyu Department Store: -1.1; Tokyu Store Chain: -0.6 Shopping center operations: +0.2; Amortization of goodwill: -0.2
Leisure and Services	Operating revenue	46.7	40.3	- 6.4 (- 13.8%)	Tokyu Agency: -4.5; Rental cars: -0.7 its communications: +0.1
	Operating profit	1.0	0.3	- 0.6 (- 64.5%)	Tokyu Agency: -0.3; Rental cars: -0.1 its communications: +0.1
Hotels	Operating revenue	24.3	20.7	- 3.6 (- 15.0%)	Tokyu Hotels, etc.: -2.8; Hawaii Mauna Lani: -0.6
	Operating profit	0.2	- 1.4	- 1.6 (-)	Tokyu Hotels, etc.: -1.3; Hawaii Mauna Lani: -0.2
Other	Operating revenue	37.0	36.3	- 0.7 (- 1.9%)	Tokyu Car: +2.5; Tokyu Geox: -1.9 Tokyu Techno System: -0.8
	Operating profit	0.1	- 0.4	- 0.6 (-)	Tokyu Car: -0.2; Tokyu Techno System: -0.2 Tokyu Architects & Engineers: -0.1
Elimination, etc.	Operating revenue	- 22.1	- 18.9	+ 3.1	
	Operating profit	- 0.1	0.0	+ 0.1	

Operating revenue fell 1.4%, to 49.2 billion yen. Operating profit increased 48.0%, to 9.8 billion yen.

Profit rose, primarily reflecting the absence of the loss on the disposal cost of fixed assets associated with the extension of the Meguro Line that was posted in the previous fiscal year.

(Billion yen)

	3/2009 1st Quarter	3/2010 1st Quarter	Change (Rate of change)	Remarks
Operating revenue	49.9	49.2	- 0.6 (- 1.4%)	Passenger carried: +0.1% (Commuter: +0.4%; Non-commuter: -0.4%) +Revenue from fares: -0.1% (Commuter: +0.3%; Non-commuter: -0.5%)
Railway operations of the Company	37.5	37.2	- 0.2 (- 0.7%)	Revenue from fares: 32.8 (-0.0)
Tokyu Bus	6.9	6.8	- 0.1 (- 2.3%)	Passenger carried: -2.4% Revenue from fares: -2.6%
Others	5.4	5.2	- 0.3 (- 4.9%)	
Operating profit	6.6	9.8	+ 3.2 (+ 48.0%)	
Railway operations of the Company	6.3	9.3	+ 2.9 (+ 46.8%)	[Expenses] Depreciation: 7.7 (+0.3); Disposal cost of fixed assets: 0.1 (-2.6) Outsourcing fees: 1.8 (-0.5); Clothing costs: 0 (-0.6)
Tokyu Bus	0.3	0.5	+ 0.1 (+ 43.9%)	[Expenses] Fuel costs: 0.2 (-0.1)
Others	0.1	0.1	+ 0.0 (+ 26.1%)	
Amortization of goodwill	- 0.1	- 0.1	+ 0.0	
Depreciation	8.6	8.8	+ 0.2 (+ 3.2%)	
Disposal cost of fixed assets	2.7	0.1	- 2.6 (- 94.2%)	
Tokyu EBITDA	18.2	19.0	+ 0.8 (+ 4.5%)	
Capital expenditures	25.4	16.2	- 9.2 (- 36.3%)	

Segment Information (2) Real Estate



Operating revenue rose 18.4%, to 28.3 billion yen. Operating profit declined 22.6%, to 1.7 billion yen.

Profit in the real estate sales business of the Company, which operates on a funds turnover basis, was down. Profit in the real estate leasing business fell with an increase in expenses related to development project in Shibuya, among other factors.

(Billion yen)

	3/2009 1st Quarter	3/2010 1st Quarter	Change (Rate of change)	Remarks
Operating revenue	23.9	28.3	+ 4.4 (+ 18.4%)	
Real estate sales of the Company	4.8	8.1	+ 3.3 (+ 69.1%)	[Sales] Company-owned land: 3.3 (+1.5); Funds turnover-type: 4.5 (+1.7)
Real estate leasing of the Company	8.6	9.0	+ 0.4 (+ 4.8%)	
Others	10.4	11.1	+ 0.7 (+ 6.3%)	CT Realty +1.2
Operating profit	2.2	1.7	- 0.5 (- 22.6%)	
Real estate sales of the Company	- 0.6	- 0.9	- 0.3 (-)	[Sales margin] Company-owned land: 1.5 (+0.6); Funds turnover-type: -0.3 (-0.7)
Real estate leasing of the Company	2.7	2.1	- 0.6 (- 21.9%)	[Expenses] Expenses related to development project in Shibuya: +0.3
Others	0.1	0.6	+ 0.4 (+ 298.8%)	CT Realty +0.5
Amortization of goodwill	—	—	—	
Depreciation	1.5	1.9	+ 0.4 (+ 28.7%)	
Disposal cost of fixed assets	0.4	0.2	- 0.1 (- 38.7%)	
Tokyu EBITDA	4.2	3.9	- 0.2 (- 5.4%)	
Capital expenditures	19.0	6.3	- 12.7 (- 66.9%)	

Segment Information (3) Retail



Operating revenue dropped 7.9%, to 142.0 billion yen. Operating profit slipped 61.2%, to 1.2 billion yen.

Both sales and profit declined in department store operations, where sales of clothing and items related to daily living declined significantly, and in chain store operations, where sales in GMSs were down substantially.

(Billion yen)

	3/2009 1st Quarter	3/2010 1st Quarter	Change (Rate of change)	Remarks
Operating revenue	154.1	142.0	- 12.1 (- 7.9%)	
Tokyu Department Store	66.9	57.8	- 9.1 (- 13.6%)	Rate of change in revenue: -14.0%
Tokyu Store Chain	76.9	73.7	- 3.2 (- 4.2%)	Rate of change in revenue: All stores: -3.4%; Existing stores: -2.5%
Shopping center operations	5.6	5.5	- 0.1 (- 2.5%)	
Others	4.6	5.0	+ 0.4 (+ 8.6%)	
Operating profit	3.2	1.2	- 2.0 (- 61.2%)	
Tokyu Department Store	1.3	0.2	- 1.1 (- 85.0%)	
Tokyu Store Chain	1.6	1.0	- 0.6 (- 39.7%)	
Shopping center operations	1.3	1.5	+ 0.2 (+ 19.1%)	
Others	0.2	0.0	- 0.2 (- 93.5%)	
Amortization of goodwill	- 1.2	- 1.5	- 0.2	
Depreciation	2.8	2.8	+ 0.0 (+ 0.1%)	
Disposal cost of fixed assets	0.0	0.0	- 0.0 (- 95.7%)	
Tokyu EBITDA	7.4	5.6	- 1.8 (- 24.3%)	
Capital expenditures	2.4	2.3	- 0.1 (- 6.1%)	

Operating revenue declined 13.8%, to 40.3 billion yen. Operating profit fell 64.5%, to 0.3 billion yen.

Advertising revenue decreased as customer demand remained weak. The use of rental cars also declined because of sluggish personal spending.

(Billion yen)

	3/2009 1st Quarter	3/2010 1st Quarter	Change (Rate of change)	Remarks
Operating revenue	46.7	40.3	- 6.4 (- 13.8%)	
Tokyu Agency	29.5	25.0	- 4.5 (- 15.4%)	Mass media: -1.0; Sales promotion: -2.0 Traffic advertisement: -0.6; Others: -0.7
its communications	3.8	3.9	+ 0.1 (+ 3.8%)	
Others	13.3	11.3	- 2.0 (- 15.3%)	Rental cars: -0.7
Operating profit	1.0	0.3	- 0.6 (- 64.5%)	
Tokyu Agency	0.3	-0.0	- 0.3 (-)	
its communications	0.1	0.3	+ 0.1 (+ 90.7%)	
Others	0.6	0.2	- 0.4 (- 72.2%)	Rental cars: -0.1
Amortization of goodwill	-0.0	-0.0	-0.0	
Depreciation	0.9	1.0	+ 0.1 (+ 18.8%)	
Disposal cost of fixed assets	—	0.0	+ 0.0 (-)	
Tokyu EBITDA	2.0	1.5	- 0.4 (- 22.9%)	
Capital expenditures	0.8	1.1	+ 0.2 (+ 26.7%)	

Segment Information (5) Hotels



Operating revenue fell 15.0%, to 20.7 billion yen. An operating loss of 1.4 billion yen was recorded.

Both sales and profit dropped in Japan and abroad on continued weakness in economic conditions and the effects of influenza.

(Billion yen)

	3/2009 1st Quarter	3/2010 1st Quarter	Change (Rate of change)	Remarks
Operating revenue	24.3	20.7	- 3.6 (- 15.0%)	
Tokyu Hotels, etc. (*)	20.5	17.7	- 2.8 (- 13.7%)	Occupancy ratio: 70.3% (-7.1 points)
Others	3.8	2.9	- 0.8 (- 22.3%)	Hawaii Mauna Lani Resort: -0.6
Operating profit	0.2	- 1.4	- 1.6 (-)	
Tokyu Hotels, etc. (*)	0.2	- 1.0	- 1.3 (-)	
Others	0.0	- 0.4	- 0.4 (-)	Hawaii Mauna Lani Resort: -0.2
Amortization of goodwill	-0.0	-0.0	—	
Depreciation	0.7	0.7	+ 0.0 (+ 2.2%)	
Disposal cost of fixed assets	0.0	0.0	+ 0.0 (+ 9.4%)	
Tokyu EBITDA	1.0	- 0.6	- 1.6 (-)	
Capital expenditures	0.8	1.0	+ 0.1 (+ 22.6%)	

* "Tokyu Hotels, etc." includes not only Tokyu Hotels Co., Ltd. but also Tokyu Corp., GK New Perspective One and T.H. Properties, Inc. that have held assets.

Segment Information (6) Other



Operating revenue slipped 1.9%, to 36.3 billion yen. An operating loss of 0.4 billion yen was posted.

Profit fell in the special purpose vehicles business of Tokyu Car Corp. reflecting the worsening of the cost rate. Profit also fell below the year-ago level at other companies.

(Billion yen)

	3/2009 1st Quarter	3/2010 1st Quarter	Change (Rate of change)	Remarks
Operating revenue	37.0	36.3	- 0.7 (- 1.9%)	
Tokyu Car Corporation	13.8	16.4	+ 2.5 (+ 18.6%)	Railway cars: +6.4; Specialty vehicles: -3.0 Parking equipment: -0.8
Others	23.2	19.9	- 3.3 (- 14.2%)	Tokyu Geox: -1.9; Tokyu Techno System: -0.8
Operating profit	0.1	- 0.4	- 0.6 (-)	
Tokyu Car Corporation	- 0.1	- 0.3	- 0.2 (-)	Railway cars: +0.3; Specialty vehicles: -0.5 Parking equipment: -0
Others	0.3	- 0.1	- 0.4 (-)	Tokyu Techno System: -0.2 Tokyu Architects & Engineers: -0.1
Amortization of goodwill	-0.0	-0.0	—	
Depreciation	0.6	0.6	+ 0.0 (+ 1.2%)	
Disposal cost of fixed assets	—	—	— (-)	
Tokyu EBITDA	0.7	0.1	- 0.6 (- 76.8%)	
Capital expenditures	1.3	0.9	- 0.3 (- 30.0%)	