

Tokyu Corporation

Consolidated Financial Statements

First Half of the Fiscal Year
Ending March 31, 2010

(April 1, 2009 – September 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 Half of the Fiscal Year Ending March 31, 2010

Tokyu Corporation

November 10, 2009

Stock Code: 9005 Listed exchanges: Tokyo Stock Exchange first section
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 Scheduled date of commencement of dividend payment: December 4, 2009

* Amounts less than ¥1 million have been ignored.

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

1) Consolidated Operating Results (cumulative totals) (Figures in percentages denote the year-on-year change.)
Million yen

	Six months ended September 30, 2009		Six months ended September 30, 2008	
		Change (%)		Change (%)
Operating revenue	619,688	(3.7)	643,193	-
Operating profit	22,753	(30.7)	32,822	-
Recurring profit	20,156	(31.2)	29,310	-
Net income	7,642	(34.1)	11,597	-
Net income per share (¥)	¥6.07		¥9.39	
Net income per share (diluted) (¥)	-		¥9.08	

2) Consolidated Financial Position

Million yen

	Six months ended September 30, 2009	FY ended March 31, 2009
Total assets	1,992,696	2,010,746
Net assets	384,797	384,654
Equity ratio (%)	18.6%	18.5%
Net assets per share (¥)	¥296.17	¥294.62

Reference: Shareholders' equity: Six months ended September 30, 2009: ¥371,454 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 first half 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

	Full year	
		Change (%)
Operating revenue	1,246,300	(4.4)
Operating profit	50,000	(23.4)
Recurring profit	41,500	(24.4)
Net income	15,000	(39.1)
Net income per share (¥)	11.96	

Note: Revision in consolidated business performance forecasts for the first half under review: Yes

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) There are changes that do not fall under the above. 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)
- | | |
|--------------------------------------|---------------|
| Six months ended September 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)
- | | |
|--------------------------------------|-----------|
| Six months ended September 30, 2009: | 9,336,247 |
| FY ended March 31, 2009: | 3,577,008 |
- 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)
- | | |
|--------------------------------------|---------------|
| Six months ended September 30, 2009: | 1,259,106,098 |
| Six months ended September 30, 2008: | 1,235,381,757 |
- (Note) The treasury stock includes 5,905,000 shares in the Company that were held at the trust account of the employee stock ownership plan at the end of the first half under review.

* 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 [3. Qualitative Information on Forecast Consolidated Earnings] 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 half under review, reflecting worsening employment conditions and lackluster personal spending with weak corporate earnings and capital spending. 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 revenues for the first half under review stood at ¥619.688 billion (down 3.7% 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 ¥22.753 billion (falling 30.7%). Recurring profit slipped to ¥20.156 billion (declining 31.2%), and net income amounted to ¥7.642 billion (dropping 34.1%).

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 0.1% year on year in the first half due to the effects of the new H1N1 influenza and other factors. However, the number of commuters carried rose 0.3%, attributable to the strengthening of the network and the growing population in areas along the lines. Overall, the number of passengers carried increased 0.2%.

Operating revenue stood at ¥98.887 billion (down 1.2%), partly because of a decrease in advertising revenue in the railway operations. Operating profit was ¥12.447 billion (down 15.0%), reflecting the generation of the loss on disposal of fixed assets associated with the extension of the Oimachi Line to the Mizonokuchi Station.

Real Estate

Operating revenue was ¥78.252 billion (up 37.5%) associated with a rise in sales of detached houses in the real estate sales business of the Company. However, operating profit declined to ¥8.466 billion (down 1.0%), partly because of an increase in development expenses in the real estate leasing business.

Retail

Operating revenue fell 7.8%, to ¥286.436 billion, and operating profit declined 63.8%, to ¥2.219 billion. This result was attributable to a decrease in sales of clothing, the core merchandise, among other items 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.). 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 ¥79.456 billion (down 14.1%), and operating profit fell 59.4%, to ¥626 million.

Hotels

The Hotels business was strongly influenced by the economic downturn and the outbreak of the new H1N1 influenza. 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 ¥43.551 billion (down 11.7%), and an operating loss of ¥1.139 billion was posted.

Other businesses

Tokyu Car Corp., which manufactures rolling stock for railway operations, posted an increase in sales of rolling stock, while orders and the cost rate for special purpose vehicles worsened. As a result of this and other factors, operating revenue totaled ¥71.225 billion (down 9.5%), and an operating loss of ¥34 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 half under review declined ¥18.05 billion from the end of the previous fiscal year, to ¥1,992.696 billion, notwithstanding an increase in tangible fixed assets through capital expenditure. The decline mainly reflected falls in trade notes and accounts receivable and land and buildings for sale.

Total liabilities fell ¥18.192 billion, to ¥1,607.899 billion, principally because of decreases in notes and accounts payable, despite a rise in interest-bearing debt* of ¥10.318 billion, to ¥1,082.794 billion.

Net assets rose ¥142 million, to ¥384.797 billion, attributable mainly to the posting of net income, despite an increase in treasury stock as a result of acquiring the Company's own shares due to the introduction of the Trust-type Employees' Shareholding Incentive Plan.

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

Cash flows in the first half under review are as follows

Net cash provided by operating activities was ¥60.827 billion, reflecting income before income taxes of ¥19.481 billion, depreciation and amortization of ¥33.528 billion, a decrease in inventories of ¥15.238, a decline in accounts receivable of ¥12.93 billion, and a decrease in trade payables of ¥27.525 billion, among other factors. Compared with a year ago, cash provided rose ¥18.945 billion, attributable to a larger fall in inventories and an increase in accounts receivable collected, among other factors.

Net cash used in investing activities was ¥67.828 billion, mainly attributable to expenditures of ¥67.366 for the payment for the purchase of fixed assets. Cash used decreased ¥13.068 billion from a year ago, attributable to factors such as reduced payments for fixed asset purchases.

Net cash generated by financing activities was ¥4.802 billion, primarily reflecting proceeds from long-term debt and a bond issue.

3. Qualitative Information on Forecast Consolidated Earnings

With economic conditions likely to remain difficult given a weak employment environment and sluggish personal spending, the Company has decided to change the forecast consolidated earnings for the full year announced on May 15, 2009 to operating revenues of ¥1,246.3 billion (down 3.3% from the previous forecast), operating profit of ¥50 billion (falling 13.0%), recurring profit of ¥41.5 billion (declining 11.5%), and net income of ¥15 billion (dropping 25.0%).

For more detailed segment information, please see the "Full-Year Results Forecast for the Fiscal Year Ending March 2010 (Compared with the Previous Year and Forecast in May)" attached as reference material.

* The forecasts above are prepared based on information available as of the date of the announcement. Actual results may differ materially from the forecast values due to various factors.

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 term, 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)

(i) Quarterly consolidated balance sheets

Since the importance of "Securities," which was posted as an independent item in the previous first half, is small in terms of the amount, it is included in "Others" in current assets from the first half under review. The amount of securities included in "Others" in the first half 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 half are posted collectively as "Merchandise and products" in the first half under review. The amounts of merchandise, finished goods, and unfinished goods in the first half under review were ¥19,611 million, ¥1,077 million, and ¥444 million, respectively.

Items posted as "Raw materials" and "Other inventories" in the previous first half are posted collectively as Raw materials and supplies in the first half under review. The amounts of raw materials and other inventories in the first half under review were ¥3,023 million and ¥5,616 million, respectively.

(ii) 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 half, exceeded 20% of total non-operating profit, it is posted as an independent item from the first half under review. The amount of amortization of negative goodwill included in “Other non-operating profit” in non-operating profit in the previous first half was ¥380 million.

(iii) 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 half, increased in terms of amount, it is posted as an independent item from the first half under review. The net amount of purchases of investment securities in the previous first half was minus ¥333 million.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Million yen

Item	As of September 30, 2009	As of March 31, 2009
Assets		
Current Assets		
Cash and deposits	39,940	42,419
Trade notes & accounts receivable	112,617	125,320
Merchandise and products	21,133	23,274
Land and buildings for sale	70,275	82,194
Work in progress	28,023	27,166
Raw materials and supplies	8,639	8,879
Deferred tax assets	10,954	13,115
Others	28,249	31,830
Allowance for doubtful accounts.....	(1,145)	(1,089)
Total current assets	318,688	353,111
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	595,108	575,668
Rolling stock & machinery (net)	63,881	60,718
Land	573,388	560,191
Construction in progress.....	136,661	148,955
Others (net)	18,806	19,297
Total tangible fixed assets	1,387,846	1,364,832
Intangible fixed assets	28,210	33,448
Investments & others		
Investment securities	125,530	123,048
Deferred tax assets	8,429	8,701
Others.....	125,583	129,150
Allowance for doubtful accounts.....	(1,592)	(1,545)
Total investments and others.....	257,951	259,355
Total fixed assets	1,674,008	1,657,635
Total Assets	1,992,696	2,010,746

Million yen

Item	As of September 30, 2009	As of March 31, 2009
Liabilities		
Current Liabilities		
Trade notes & accounts payable	105,192	132,920
Short-term debt	344,435	306,057
Commercial paper	–	20,000
Current portion of corporate bonds.....	16,000	37,000
Accrued income taxes	10,154	12,737
Provision	16,334	16,215
Advances received	38,839	30,450
Others	95,328	99,284
Total current liabilities	626,284	654,667
Long-Term Liabilities		
Corporate bonds.....	190,800	154,800
Long-term debt	531,558	554,618
Reserve for employees' retirement benefits	37,575	37,612
Other provisions	1,603	1,788
Long-term deposits from tenants and club members	114,852	115,703
Deferred tax liabilities	36,606	38,996
Deferred tax liabilities from revaluation	11,275	11,313
Negative goodwill	8,178	6,647
Others	27,442	28,561
Total long-term liabilities.....	959,892	950,041
Special Legal Reserves		
Urban railways improvement reserve	21,721	21,383
Total special legal reserves	21,721	21,383
Total Liabilities.....	1,607,899	1,626,092
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus.....	140,834	140,842
Retained income	109,190	105,222
Treasury stock.....	(4,468)	(2,039)
Total shareholders' equity	367,281	365,750
Valuation, Translation and Other		
Net unrealized gains (losses) on investment securities, net of taxes.....	(743)	1,960
Net unrealized gains (losses) on hedging instruments, net of taxes.....	(56)	(58)
Land revaluation reserve.....	8,837	8,948
Foreign currency translation adjustment account	(3,865)	(5,396)
Total valuation, translation and others.....	4,172	5,454
Minority Interests	13,342	13,450
Total Net Assets.....	384,797	384,654
Total Liabilities and Net Assets	1,992,696	2,010,746

(2) Consolidated Statements of Income

Million yen

Item	April 1, 2009 to September 30, 2009	April 1, 2008 to September 30, 2008
Operating revenue	619,688	643,193
Cost of operating revenue		
Operating expenses & cost of sales (transportation etc.)	481,464	491,430
SG&A expenses	115,470	118,940
Total cost of operating revenue	596,935	610,371
Operating profit	22,753	32,822
Non-operating profit		
Interest income	307	252
Dividend income	651	732
Investment gains from equity method.....	2,174	1,222
Amortization of negative goodwill	1,934	–
Others.....	2,479	4,324
Total non-operating profit	7,547	6,532
Non-operating expenses		
Interest expenses	8,687	8,746
Others	1,456	1,297
Total non-operating expenses	10,144	10,044
Recurring profit	20,156	29,310
Extraordinary gains		
Subsidies received for construction	276	3,041
Gain on reversal of urban railways improvement reserve	946	946
Compensation income	1,535	–
Others	898	2,151
Total extraordinary gains	3,657	6,139
Extraordinary losses		
Loss on reduction of subsidies received for construction	264	2,995
Transfer to urban railways improvement reserve	1,285	1,284
Others	2,781	6,644
Total extraordinary losses.....	4,331	10,925
Income before income taxes and minority interests	19,481	24,525
Corporate income taxes	11,440	12,049
Minority interest in earnings of consolidated subsidiaries.....	399	877
Net income	7,642	11,597

(3) Consolidated Statements of Cash Flow

Million yen

Item	April 1, 2009 to September 30, 2009	April 1, 2008 to September 30, 2008
Cash flows from operating activities		
Income before income taxes	19,481	24,525
Depreciation and amortization	33,528	31,650
Amortization of goodwill	1,513	2,833
Increase (decrease) in urban railways improvement reserve	338	338
Subsidies received for construction	(276)	(3,041)
Reduction in subsidies received for construction	264	2,995
Loss on disposal of fixed assets	8,187	5,394
Investment loss (gain) from equity method	(2,174)	(1,222)
Decrease (increase) in accounts receivable	12,930	4,607
Decrease (increase) in inventories	15,238	(10,051)
Increase (decrease) in trade payables	(27,525)	(6,600)
Interest and dividend income	(958)	(985)
Interest payable	8,687	8,746
Others	10,175	222
Subtotal	79,411	59,413
Interest and dividends received	1,392	1,648
Interest paid	(8,339)	(8,532)
Income taxes paid	(11,636)	(10,646)
Net cash provided by operating activities	60,827	41,882
Cash flows from investing activities		
Payments for purchases of fixed assets	(67,366)	(89,213)
Proceeds from sale of fixed assets	1,089	1,470
Payments for acquisition of investment securities	(13,560)	–
Proceeds from redemption of investment securities	8,000	–
Proceeds from subsidies received for construction	3,775	6,217
Others	233	628
Net cash used in investing activities	(67,828)	(80,897)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	(4,445)	(3,928)
Proceeds from long-term debt	60,763	39,385
Repayment of long-term debt	(41,118)	(29,930)
Increase (decrease) in commercial paper	(20,000)	40,000
Proceeds from bond issue	50,795	29,821
Payments for redemption of bonds	(36,000)	(33,500)
Dividends paid	(3,785)	(3,657)
Others	(1,408)	1,128
Net cash provided by financing activities	4,802	39,319
Effect of exchange rate changes on cash and cash equivalents	157	(209)
Increase (decrease) in cash and cash equivalents	(2,040)	95
Cash and cash equivalents at beginning of period	41,988	37,234
Cash and cash equivalents at end of period	39,947	37,330

(4) Notes regarding the premise of a going concern

Not applicable.

(5) Segment information

Segment information by business

April 1, 2008 – September 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	99,562	45,284	307,790	82,515	48,600	59,439	643,193	–	643,193
(2) Inter-segment internal revenues or transfers	493	11,618	2,761	9,930	709	19,220	44,734	(44,734)	–
Total	100,056	56,902	310,552	92,446	49,310	78,660	687,928	(44,734)	643,193
Operating profit	14,640	8,551	6,122	1,541	983	1,118	32,957	(135)	32,822

April 1, 2009 – September 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	98,417	65,389	285,133	71,242	43,271	56,234	619,688	–	619,688
(2) Inter-segment internal revenues or transfers	470	12,863	1,302	8,214	279	14,990	38,121	(38,121)	–
Total	98,887	78,252	286,436	79,456	43,551	71,225	657,810	(38,121)	619,688
Operating profit/loss	12,447	8,466	2,219	626	(1,139)	(34)	22,584	168	22,753

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 – September 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 of this fiscal year. With this application, operating profit for the first half declined in the Real Estate, Retail, Leisure and Services, and Other businesses by ¥76 million, ¥347 million, ¥0 million, and ¥217 million, respectively.

Geographical Segment Information

Previous first half (April 1, 2008 to September 30, 2008) and first half under review (April 1, 2009 to September 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 half (April 1, 2008 to September 30, 2008) and first half under review (April 1, 2009 to September 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

Tokyu Corporation has introduced a Trust-Type Employees' Shareholding Incentive Plan and is undertaking accounting procedures that deem the Company and the trust account of the employees' shareholding association to be a single entity. Accompanying this, the Company reflects its own shares acquired by the trust account of the employees' shareholding association during the first half under review in its financial statements as an increase in treasury stock of ¥2,497 million. Including a decrease of ¥68 million in treasury stock associated with regular disposition and other factor, treasury stock at the end of the first half under review stood at ¥4,468 million.

[Appendix]

1. Overview of Consolidated Results

(1) Operating results

a. Consolidated financial results for the first half of the fiscal year ending March 2010

	April 1, 2009 to September 30, 2009 (First half) Billion yen	April 1, 2008 to September 30, 2008 (First half) Billion yen	Year on year		Forecast as of May (First half) Billion yen	Comparison with the forecast in May	
			Amount Billion yen	Rate (%)		Amount Billion yen	Rate (%)
Operating revenue	619.6	643.1	(23.5)	(3.7)	624.6	(4.9)	(0.8)
Operating profit	22.7	32.8	(10.0)	(30.7)	20.5	2.2	+11.0
Recurring profit	20.1	29.3	(9.1)	(31.2)	15.1	5.0	+33.5
Net income	7.6	11.5	(3.9)	(34.1)	4.0	3.6	+91.1

■ Year-on-year comparison

(A) Operating revenue **619.6 billion yen (year-on-year comparison -23.5 billion yen)**

- Although there was an increase in sales of detached houses in the real estate sales business, overall operating revenue fell because of the downturn in consumer-related segments such as the Retail and the Hotels businesses, which was linked to the weak economy, and also because of a fall in orders in the advertising business (Leisure and Services).

(B) Operating profit **22.7 billion yen (year-on-year comparison -10.0 billion yen)**

- Operating profit fell on a decline in sales in consumer-related businesses such as the Retail and the Hotels businesses. Another factor was the increase in the loss on the disposal of fixed assets due to the completion of extension works of the Oimachi Line.

(C) Recurring profit **20.1 billion yen (year-on-year comparison -9.1 billion yen)**

- Non-operating profit increased ¥1.0 billion given increases in the amortization of negative goodwill and investment gains from equity method.
- Non-operating expenses were almost in line with the year-ago level.
- Recurring profit did not fall as sharply as operating profit, helped by an increase in non-operating profit.

(D) Net Income **7.6 billion yen (year-on-year comparison -3.9 billion yen)**

- Extraordinary gains decreased ¥2.4 billion, with an increase in compensation income of Tokyu Bus more than offset by a decrease in subsidies received for construction from the large amount posted in the previous fiscal year.
- Extraordinary losses declined ¥6.5 billion, attributable to a smaller reduction in construction subsidies to compensate for the extraordinary gain, as well as decreases in the loss on valuation of inventories, the loss on disposal of fixed assets, and impairment losses posted in the previous fiscal year.
- The decline in net income was comparatively smaller than the fall in recurring profit, given a decrease in extraordinary losses.

■ Comparison with forecasts in May

- Operating revenue fell ¥4.9 billion, primarily because of the decline in sales in the advertising business and the Hotels business, which were more susceptible to the economic downturn than anticipated, offsetting aggressive promotion of land sales in the real estate sales business of the Company.
- Operating profit was up ¥2.2 billion as falls in profits in the Hotels and the Leisure and Services businesses were offset by cost cutting in the railway operations and the active promotion of the real estate sales business of the Company.
- Recurring profit rose ¥5.0 billion thanks to the increase in operating profit, the rise in investment gains from equity method, and a decline in interest expenses, among other factors.
- Net income rose ¥3.6 billion with the increase in recurring profit, net of the tax effect, among other factors.

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

	Passengers carried				Revenue from fares			
	April 1, 2009 to September 30, 2009 (First half) Thousand persons	April 1, 2008 to September 30, 2008 (First half) Thousand persons	Year on year		April 1, 2009 to September 30, 2009 (First half) Million yen	April 1, 2008 to September 30, 2008 (First half) Million yen	Year on year	
			Amount	Rate (%)			Amount	Rate (%)
Total	541,912	540,976	936	+0.2	65,238	65,228	10	+0.0
Passengers without commutation tickets	221,037	221,191	(154)	(0.1)	36,128	36,158	(30)	(0.1)
Passengers with tickets	320,875	319,785	1,090	+0.3	29,110	29,070	40	+0.1

b. Full-year results forecast for the fiscal year ending March 31, 2010

	FY10/3 (Forecast) Billion yen	FY09/3 (Actual results) Billion yen	Year on year		Forecast as of May Billion yen	Comparison with the forecast in May	
			Amount Billion yen	Rate (%)		Amount Billion yen	Rate (%)
Operating revenue	1,246.3	1,304.2	(57.9)	(4.4)	1,289.2	(42.9)	(3.3)
Operating profit	50.0	65.3	(15.3)	(23.4)	57.5	(7.5)	(13.0)
Recurring profit	41.5	54.8	(13.3)	(24.4)	46.9	(5.4)	(11.5)
Net income	15.0	10.7	4.2	+39.1	20.0	(5.0)	(25.0)

■ Comparison with the forecast in May

- Operating revenue is expected to fall ¥42.9 billion in total, after factoring in decreases in sales in the advertising business (Leisure and Services) and in the Hotels and the Retail businesses, on the premise that the operating environment will remain difficult.
- Operating profit is forecast to decline ¥7.5 billion in aggregate, anticipating smaller profits in each business, centering on the Hotels, the Real Estate, and the Retail businesses, on the back of lower operating revenue.
- Recurring profit is projected to decrease ¥5.4 billion in total, with the decline limited by the increase in investment gains from equity method and the decline in interest expenses.
- The fall in net income should be similar to the decline in recurring profit, as factors such as the posting of a gain on the sale of shares in Sapporo Tokyu Store Chain Co., Ltd., an increase in the loss on the disposal of fixed assets, and a reversal of deferred tax assets are weighed against the fall in recurring profit.

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

	Passengers carried				Revenue from fares			
	FY10/3 (Forecast) Thousand persons	FY09/3 (Actual results) Thousand persons	Year on year		FY10/3 (Forecast) Million yen	FY09/3 (Actual results) Million yen	Year on year	
			Amount	Rate (%)			Amount	Rate (%)
Total	1,069,792	1,065,439	4,353	+0.4	129,458	129,166	292	+0.2
Passengers without commutation tickets	443,133	441,168	1,965	+0.4	72,243	72,077	166	+0.2
Passengers with tickets	626,659	624,271	2,388	+0.4	57,215	57,089	126	+0.2

(2) Capital expenditure and depreciation

a. Consolidated financial results for the first half of the fiscal year ending March 2010

	Capital expenditure				Depreciation			
	April 1, 2009 to September 30, 2009 (First half) Billion yen	April 1, 2008 to September 30, 2008 (First half) Billion yen	Year on year		April 1, 2009 to September 30, 2009 (First half) Billion yen	April 1, 2008 to September 30, 2008 (First half) Billion yen	Year on year	
			Amount Billion yen	Rate (%)			Amount Billion yen	Rate (%)
Transportation	28.0	39.0	(11.0)	(28.2)	18.6	18.2	0.4	+2.6
Real estate	17.3	26.4	(9.1)	(34.5)	3.9	3.1	0.8	+26.1
Retail	7.0	9.1	(2.0)	(22.4)	5.8	5.7	0.1	+2.0
Leisure and services	2.1	2.1	(0.0)	(1.9)	2.2	1.7	0.4	+23.0
Hotel	3.5	1.9	1.6	+83.9	1.6	1.5	0.0	+4.2
Other	1.4	1.8	(0.3)	(21.9)	1.2	1.2	(0.0)	(1.1)
Elimination/Headquarters	3.1	(0.7)	3.8	–	(0.0)	(0.0)	0.0	–
Total	62.7	79.8	(17.1)	(21.5)	33.5	31.6	1.8	+5.9

b. Full-year results forecast for the fiscal year ending March 31, 2010

	Capital expenditure				Depreciation			
	FY10/3 (Forecast) Billion yen	FY09/3 (Actual results) Billion yen	Year on year		FY10/3 (Forecast) Billion yen	FY09/3 (Actual results) Billion yen	Year on year	
			Amount Billion yen	Rate (%)			Amount Billion yen	Rate (%)
Transportation	68.6	76.8	(8.2)	(10.8)	39.4	38.1	1.2	+3.2
Real estate	52.1	44.2	7.8	+17.7	7.9	6.5	1.3	+20.9
Retail	19.3	26.9	(7.6)	(28.4)	12.3	11.9	0.3	+2.9
Leisure and services	5.4	5.7	(0.3)	(6.6)	3.9	4.4	(0.5)	(11.9)
Hotel	5.1	4.2	0.8	+20.4	3.5	3.2	0.2	+9.3
Other	2.8	3.0	(0.2)	(8.6)	2.7	2.5	0.1	+4.6
Elimination/Headquarters	4.3	0.4	3.8	+900.0	–	(0.0)	0.0	–
Total	157.6	161.6	(4.0)	(2.5)	69.7	66.7	2.9	+4.4

2. Consolidated Statements of Income

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

Item	Apr. 1, 2009 to Sep. 30, 2009 (First half)	Apr. 1, 2008 to Sep. 30, 2008 (First half)	Change		Major reasons
	Billion yen	Billion yen	Billion yen	%	
Operating profit and loss					
Transportation Operating					(Passengers carried (total): +0.2%) / Railway operations of the Company: -0.2; Tokyu Bus: -0.4; Izukyu: -0.1
Operating revenue	98.8	100.0	(1.1)	(1.2)	
Operating expenses	86.4	85.4	1.0	1.2	(Cost of disposal of fixed assets: +3.2; / Depreciation: +0.8)
Operating profit	12.4	14.6	(2.1)	(15.0)	Railway operations of the Company: -2.4; Tokyu Bus: -0.0; Izukyu: -0.1
Real estate					
Operating revenue	78.2	56.9	21.3	37.5	— Real estate sales: +19.4; Real estate leasing: +0.2; CT Realty: +2.6
Operating expenses	69.7	48.3	21.4	44.3	
Operating profit	8.4	8.5	(0.0)	(1.0)	— Real estate sales: +1.6; Real estate leasing: -1.6; CT Realty: +1.0; Izukyu Land: -0.9
Retail					
Operating revenue	286.4	310.5	(24.1)	(7.8)	— Tokyu Department Store: -17.2; Tokyu Store Chain: -7.1; Shopping center operations: -0.3
Operating expenses	284.2	304.4	(20.2)	(6.6)	
Operating profit	2.2	6.1	(3.9)	(63.8)	— Tokyu Department Store: -1.7; Tokyu Store Chain: -1.5; Shopping center operations: -0.1
Leisure and Services					
Operating revenue	79.4	92.4	(12.9)	(14.1)	— Tokyu Agency: -10.1; its communications: +0.3; Rental car-related: -1.3
Operating expenses	78.8	90.9	(12.0)	(13.3)	
Operating profit	0.6	1.5	(0.9)	(59.4)	— Tokyu Agency: -0.6; its communications: +0.3
Hotel					
Operating revenue	43.5	49.3	(5.7)	(11.7)	— Tokyu Hotels: -4.1; Mauna Lani Resort: -1.1
Operating expenses	44.6	48.3	(3.6)	(7.5)	
Operating profit	(1.1)	0.9	(2.1)	—	— Tokyu Hotels: -1.7; Mauna Lani Resort: -0.2
Other					
Operating revenue	71.2	78.6	(7.4)	(9.5)	— Tokyu Car Corporation: +1.0; Tokyu Geox: -4.8; Tokyu Techno System: -1.7
Operating expenses	71.2	77.5	(6.2)	(8.1)	
Operating profit	(0.0)	1.1	(1.1)	—	— Tokyu Car Corporation: -0.6; Tokyu Techno System: -0.1
Elimination/Headquarters					
Operating revenue	(38.1)	(44.7)	6.6	—	
Operating expenses	(38.2)	(44.5)	6.3	—	
Operating profit	0.1	(0.1)	0.3	—	
Consolidated					
Operating revenue	619.6	643.1	(23.5)	(3.7)	
Operating expenses	596.9	610.3	(13.4)	(2.2)	
Operating profit	22.7	32.8	(10.0)	(30.7)	
Non-operating profit and expenses					
Non-operating profit	7.5	6.5	10.0	15.5	
Interest and dividends	0.9	0.9	(0.0)	(2.7)	
Investment gains from equity	2.1	1.2	0.9	77.9	— Tokyu Construction: +1.2; Tokyu Land Corp.: +0.6; Shiroki Corp.: -1.1
Amortization of negative goodwill	1.9	0.3	1.5	408.4	— New consolidation of CT Realty: +1.7
Other non-operating profit	2.4	3.9	(1.4)	(37.1)	
Non-operating expenses	10.1	10.0	0.1	1.0	
Interest	8.6	8.7	(0.0)	(0.7)	
Investment loss from equity method	—	—	—	—	
Other non-operating expenses	1.4	1.2	0.1	12.3	
Recurring profit	20.1	29.3	(9.1)	(31.2)	

Item	Apr. 1, 2009 to Sep. 30, 2009 (First half)	Apr. 1, 2008 to Sep. 30, 2008 (First half)	Change		Major reasons
	<i>Billion yen</i>	<i>Billion yen</i>	<i>Billion yen</i>	%	
Extraordinary gains and losses					
Extraordinary gains	3.6	6.1	(2.4)	(40.4)	
Subsidies received for construction	0.2	3.0	(2.7)	(90.9)	
Gain on reversal of urban railways improvement reserve	0.9	0.9	—	—	
Gain on sale of fixed assets	0.1	0.7	(0.5)	(73.6)	
Gain on sale of investment securities	0.0	0.1	(0.1)	(99.4)	
Other extraordinary gains	2.2	1.2	0.9	74.6	— Tokyu Bus compensation income: +1.5
Extraordinary losses	4.3	10.9	(6.5)	(60.4)	
Reduction in subsidies received for construction	0.2	2.9	(2.7)	(91.2)	
Gain on reversal of urban railways improvement reserve	1.2	1.2	0.0	0.0	
Loss on sale of fixed assets	0.0	0.0	0.0	134.9	
Loss on disposal of fixed assets	0.3	1.4	(1.0)	(74.4)	
Impairment loss	0.4	1.2	(0.7)	(61.1)	
Loss on valuation of securities	0.0	0.1	(0.0)	(71.6)	
Loss on valuation of inventories	—	1.2	(1.2)	—	
Other extraordinary losses	1.8	2.6	(0.7)	(27.7)	
Net income before taxes and minority interests	19.4	24.5	(5.0)	(20.6)	
Corporate income taxes	11.4	12.0	(0.6)	(5.1)	
Minority interests	0.3	0.8	(0.4)	(54.5)	
Net income	7.6	11.5	(3.9)	(34.1)	

(2) Consolidated financial results for the first half of the fiscal year ending March 2010
(compared with forecast as of May)

Item	Apr. 1, 2009 to Sep. 30, 2009 (First half)	Forecast as of May (First half)	Comparison with the forecast in May		Major reasons
	Billion yen	Billion yen	Billion yen	%	
Operating profit and loss					
Transportation Operating					(Passengers carried (total): +/-0.0%) / Railway operations of the Company: +0.0; Tokyu Bus: -0.4; Izukyu: -0.1
Operating revenue	98.8	99.8	(0.9)	(0.9)	
Operating expenses	86.4	90.9	(4.4)	(4.9)	(Cost of disposal of fixed assets: -1.6; repair cost: -0.4)
Operating profit	12.4	8.9	3.5	39.9	/ Railway operations of the Company: +3.2; Tokyu Bus: +0.0; Izukyu: -0.0
Real estate					
Operating revenue	78.2	72.4	5.8	8.1	— Real estate sales: +7.0; Real estate leasing: -0.7
Operating expenses	69.7	65.4	4.3	6.7	
Operating profit	8.4	7.0	1.4	20.9	— Real estate sales: +2.6; Real estate leasing: -0.6; Izukyu Land Corp.: -0.7
Retail					
Operating revenue	286.4	285.6	0.8	0.3	— Tokyu Department Store: +1.1; Tokyu Store Chain: -0.0; Shopping center operations: -0.2
Operating expenses	284.2	283.0	1.2	0.4	
Operating profit	2.2	2.6	(0.3)	(14.7)	— Tokyu Department Store: +0.0; Tokyu Store Chain: -0.8; Shopping center operations: +0.2
Leisure and Services					
Operating revenue	79.4	87.8	(8.3)	(9.5)	— Tokyu Agency: -6.6; its communications: -0.1; Rental car-related: -0.3
Operating expenses	78.8	86.4	(7.5)	(8.8)	
Operating profit	0.6	1.4	(0.7)	(55.3)	— Tokyu Agency: -0.5; its communications: +0.3
Hotel					
Operating revenue	43.5	48.1	(4.5)	(9.5)	— Tokyu Hotels: -3.2; Mauna Lani Resort: -0.8
Operating expenses	44.6	47.8	(3.1)	(6.5)	
Operating profit	(1.1)	0.3	(1.4)	—	— Tokyu Hotels: -1.0; Mauna Lani Resort: -0.2
Other					
Operating revenue	71.2	76.1	(4.8)	(6.4)	— Tokyu Car Corporation: -2.1; Tokyu Geox: -1.1; Tokyu Techno System: -0.9
Operating expenses	71.2	75.8	(4.5)	(6.0)	
Operating profit	(0.0)	0.3	(0.3)	—	— Tokyu Car Corporation: -0.2; Tokyu Techno System: -0.2
Elimination/Headquarters					
Operating revenue	(38.1)	(45.2)	7.0	—	
Operating expenses	(38.2)	(45.2)	6.9	—	
Operating profit	0.1	—	0.1	—	
Consolidated					
Operating revenue	619.6	624.6	(4.9)	(0.8)	
Operating expenses	596.9	604.1	(7.1)	(1.2)	
Operating profit	22.7	20.5	2.2	11.0	
Non-operating profit and expenses					
Non-operating profit	7.5	5.8	1.7	30.1	
Interest and dividends	0.9	0.8	0.1	19.9	
Investment gains from equity	2.1	—	2.1	—	— Tokyu Land Corp.: +1.9
Amortization of negative goodwill	1.9	1.9	0.0	1.8	
Other non-operating profit	2.4	3.1	(0.6)	(20.0)	
Non-operating expenses	10.1	11.2	(1.0)	(9.4)	
Interest	8.6	9.4	(0.7)	(7.6)	
Investment loss from equity method	—	—	—	—	
Other non-operating expenses	1.4	1.8	(0.3)	(19.1)	
Recurring profit	20.1	15.1	5.0	33.5	

Item	Apr. 1, 2009 to Sep. 30, 2009 (First half)	Forecast as of May (First half)	Comparison with the forecast in May		Major reasons
			Billion yen	Billion yen	
Extraordinary gains and losses	<i>Billion yen</i>	<i>Billion yen</i>	<i>Billion yen</i>		
Extraordinary gains	3.6	3.3	0.3	10.8	
Subsidies received for construction	0.2	0.3	(0.0)	(7.7)	
Gain on reversal of urban railways improvement reserve	0.9	0.9	(0.0)	(0.0)	
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	2.0	0.1	9.4	
Extraordinary losses	4.3	4.9	(0.5)	(11.6)	
Reduction in subsidies received for construction	0.2	0.3	(0.0)	(11.7)	
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 valuation of inventories	—	—	—	—	
Other extraordinary losses	1.8	3.3	(1.4)	(42.9)	
Net income before taxes and minority interests	19.4	13.5	5.9	44.3	
Corporate income taxes	11.4	8.8	2.6	30.0	
Minority interests	0.3	0.7	(0.3)	(42.9)	
Net income	7.6	4.0	3.6	91.1	

(3) Consolidated financial forecast for the fiscal year ending March 2010
(year-on-year comparison / compared with forecast as of May)

Item	FY10/3 (Forecast)	FY09/3 (Actual results)	Change		Forecast as of May	Comparison with the forecast in May	
	<i>Billion yen</i>	<i>Billion yen</i>	<i>Billion yen</i>	%	<i>Billion yen</i>	<i>Billion yen</i>	%
Operating profit and loss							
Transportation Operating							
Operating revenue	194.7	199.3	(4.6)	(2.3)	196.1	(1.4)	(0.7)
Operating expenses	172.8	173.5	(0.7)	(0.4)	174.4	(1.6)	(0.9)
Operating profit	21.9	25.8	(3.9)	(15.1)	21.7	0.2	0.9
Real estate							
Operating revenue	166.4	138.6	27.7	20.0	170.4	(4.0)	(2.3)
Operating expenses	144.7	115.0	29.6	25.7	146.7	(4.0)	(1.4)
Operating profit	21.7	23.5	(1.8)	(8.0)	23.7	(2.0)	(8.4)
Retail							
Operating revenue	565.6	621.2	(55.6)	(9.0)	573.9	(8.3)	(1.4)
Operating expenses	562.2	610.3	(48.1)	(7.9)	568.7	(6.5)	(1.1)
Operating profit	3.4	10.8	(7.4)	(68.8)	5.2	(1.8)	(34.6)
Leisure and Services							
Operating revenue	160.0	176.0	(16.0)	(9.1)	175.7	(15.7)	(8.9)
Operating expenses	158.4	173.8	(15.4)	(8.9)	173.1	(14.7)	(8.5)
Operating profit	1.6	2.2	(0.6)	(27.8)	2.6	(1.0)	(38.5)
Hotel							
Operating revenue	88.5	96.2	(7.7)	(8.0)	96.9	(8.4)	(8.7)
Operating expenses	90.2	95.5	(5.3)	(5.6)	96.3	(6.1)	(6.3)
Operating profit	(1.7)	0.6	(2.3)	—	0.6	(2.3)	—
Other							
Operating revenue	152.6	155.9	(3.3)	(2.2)	162.7	(10.1)	(6.2)
Operating expenses	149.4	153.9	(4.5)	(3.0)	159.0	(9.6)	(6.0)
Operating profit	3.2	2.0	1.1	58.5	3.7	(0.5)	(13.5)
Elimination/Headquarters							
Operating revenue	(81.5)	(83.3)	1.8	—	(86.5)	5.0	—
Operating expenses	(81.4)	(83.4)	2.0	—	(86.5)	5.1	—
Operating profit	(0.1)	0.0	(0.1)	—	—	(0.1)	—
Consolidated							
Operating revenue	1,246.3	1,304.2	(57.9)	(4.4)	1,289.2	(42.9)	(3.3)
Operating expenses	1,196.3	1,238.9	(42.6)	(3.4)	1,231.7	(35.4)	(2.9)
Operating profit	50.0	65.3	(15.3)	(23.4)	57.5	(7.5)	(13.0)
Non-operating profit and expenses							
Non-operating profit	14.3	10.5	3.7	35.5	12.7	1.6	12.6
Interest and dividends	1.6	1.4	0.1	13.8	1.3	0.3	23.1
Investment gains from equity	2.6	0.8	1.7	198.3	1.9	0.7	36.8
Amortization of negative goodwill	3.8	0.5	3.2	611.9	3.8	—	—
Other non-operating profit	6.3	7.7	(1.4)	(18.6)	5.7	0.6	10.5
Non-operating expenses	22.8	20.9	1.8	8.7	23.3	(0.5)	(2.1)
Interest	18.0	17.5	0.4	2.5	19.0	(1.0)	(5.3)
Investment loss from equity method	—	—	—	—	—	—	—
Other non-operating expenses	4.8	3.4	1.3	40.6	4.3	0.5	11.6
Recurring profit	41.5	54.8	(13.3)	(24.4)	46.9	(5.4)	(11.5)

Item	FY10/3 (Forecast)	FY09/3 (Actual results)	Change		Forecast as of May	Comparison with the forecast in May	
	<i>Billion yen</i>	<i>Billion yen</i>	<i>Billion yen</i>	%	<i>Billion yen</i>	<i>Billion yen</i>	%
Extraordinary gains and losses							
Extraordinary gains	12.1	18.2	(6.1)	(33.8)	6.4	5.7	89.1
Subsidies received for construction	3.6	12.9	(9.3)	(72.2)	0.7	2.9	414.3
Gain on reversal of urban railways improvement reserve	1.8	1.8	—	—	1.8	—	—
Gain on sale of fixed assets	0.4	0.9	(0.5)	(58.3)	—	0.4	—
Gain on sale of investment securities	3.5	0.3	3.1	—	—	3.5	—
Other extraordinary gains	2.7	2.1	0.5	26.2	3.8	(1.1)	(28.9)
Extraordinary losses	16.0	32.9	(16.9)	(51.5)	11.8	4.2	35.6
Reduction in subsidies received for construction	3.7	11.7	(8.0)	(68.5)	0.7	3.0	428.6
Gain on reversal of urban railways improvement reserve	2.6	2.5	0.0	2.2	2.6	—	—
Loss on sale of fixed assets	0.0	0.5	(0.5)	(97.7)	—	0.0	—
Loss on disposal of fixed assets	1.1	2.5	(1.4)	(57.6)	—	1.1	—
Impairment loss	0.5	6.5	(6.0)	(92.3)	—	0.5	—
Loss on valuation of securities	0.0	1.6	(1.5)	(97.9)	—	0.0	—
Loss on valuation of inventories	—	1.3	(1.3)	—	—	—	—
Other extraordinary losses	8.0	6.0	2.0	33.1	8.5	(0.4)	(5.3)
Net income before taxes and minority interests	37.6	40.2	(2.6)	(6.5)	41.5	(3.9)	(9.4)
Corporate income taxes	20.8	28.2	(7.4)	(26.4)	19.6	1.2	6.1
Minority interests	1.8	1.1	0.6	53.4	1.9	(0.1)	(5.3)
Net income	15.0	10.7	4.2	39.1	20.0	(5.0)	(25.0)

3. Summary of Non-Consolidated Financial Results

(1) Operating results

a. Financial results for the first half of the fiscal year ending March 2010

	April 1, 2009 to September 30, 2009 (First half) Billion yen	April 1, 2008 to September 30, 2008 (First half) Billion yen	Year on year		Forecast as of May (First half) Billion yen	Comparison with the forecast in May	
			Amount Billion yen	Rate (%)		Amount Billion yen	Rate (%)
Operating revenue							
Railway operations	74.0	74.3	(0.2)	(0.4)	74.1	(0.0)	(0.1)
Real estate business	64.0	45.0	18.9	+42.2	57.8	6.2	+10.7
Real estate sales	37.5	18.0	19.4	+107.6	30.5	7.0	+23.1
Real estate leasing	26.4	26.9	(0.4)	(1.8)	27.3	(0.8)	(3.1)
Total operating revenue	138.0	119.3	18.7	+15.7	131.9	6.1	+4.7
Operating profit							
Railway operations	11.1	13.6	(2.4)	(18.0)	7.9	3.2	+41.3
Real estate business	10.4	10.7	(0.2)	(2.7)	8.9	1.5	+17.2
Real estate sales	4.9	3.3	1.6	+48.6	2.4	2.5	+106.5
Real estate leasing	5.4	7.3	(1.9)	(25.9)	6.5	(1.0)	(15.8)
Total operating profit	21.5	24.3	(2.7)	(11.2)	16.8	4.7	+28.5
Recurring profit	16.7	22.0	(5.2)	(23.9)	12.4	4.3	+35.4
Net income	8.4	11.4	(2.9)	(26.1)	7.0	1.4	+21.0

b. Full-year results forecast for the fiscal year ending March 31, 2010

	FY10/3 (Forecast) Billion yen	FY09/3 (Actual results) Billion yen	Year on year		Forecast as of May Billion yen	Comparison with the forecast in May	
			Amount Billion yen	Rate (%)		Amount Billion yen	Rate (%)
Operating revenue							
Railway operations	147.6	147.8	(0.2)	(0.1)	148.4	(0.8)	(0.5)
Real estate business	137.4	114.4	22.9	+20.1	138.8	(1.4)	(1.0)
Real estate sales	83.6	60.0	23.6	+39.3	83.4	0.2	+0.2
Real estate leasing	53.8	54.4	(0.6)	(1.1)	55.4	(1.6)	(2.9)
Total operating revenue	285.0	262.2	22.7	+8.7	287.2	(2.2)	(0.8)
Operating profit							
Railway operations	20.2	24.7	(4.5)	(18.4)	20.2	—	—
Real estate business	24.3	28.2	(3.9)	(14.0)	24.3	—	—
Real estate sales	14.3	15.4	(1.1)	(7.5)	12.9	1.4	+10.9
Real estate leasing	10.0	12.8	(2.8)	(21.9)	11.4	(1.4)	(12.3)
Total operating profit	44.5	53.0	(8.5)	(16.1)	44.5	—	—
Recurring profit	34.8	44.8	(10.0)	(22.3)	34.6	0.2	+0.6
Net income	18.0	21.5	(3.5)	(16.6)	20.0	(2.0)	(10.0)

(2) Capital expenditure and depreciation

a. Financial results for the first half of the fiscal year ending March 2010

	Capital expenditure				Depreciation			
	April 1, 2009 to September 30, 2009 (First half) Billion yen	April 1, 2008 to September 30, 2008 (First half) Billion yen	Year on year		April 1, 2009 to September 30, 2009 (First half) Billion yen	April 1, 2008 to September 30, 2008 (First half) Billion yen	Year on year	
			Amount Billion yen	Rate (%)			Amount Billion yen	Rate (%)
Railway operations	29.7	41.9	(12.1)	(28.9)	16.4	15.6	0.7	4.9
Of which, the Company's construction	27.7	38.1	(10.3)	(27.2)	—	—	—	—
Of which, contract construction	2.0	3.8	(1.7)	(46.0)	—	—	—	—
Real estate business	19.1	30.4	(11.3)	(37.1)	4.4	4.3	0.1	2.7
Real estate sales	0.6	0.3	0.2	79.2	0.2	0.2	0.0	7.8
Real estate leasing	18.5	30.0	(11.5)	(38.5)	4.1	4.0	0.0	2.4
Other	3.7	0.3	3.3	861.4	—	—	—	—
Total	52.6	72.7	(20.1)	(27.6)	20.8	19.9	0.8	4.4

b. Full-year results forecast for the fiscal year ending March 31, 2010

	Capital expenditure				Depreciation			
	FY10/3 (Forecast) Billion yen	FY09/3 (Actual results) Billion yen	Year on year		FY10/3 (Forecast) Billion yen	FY09/3 (Actual results) Billion yen	Year on year	
			Amount Billion yen	Rate (%)			Amount Billion yen	Rate (%)
Railway operations	61.7	70.1	(8.4)	(12.0)	34.3	32.5	1.7	5.5
Of which, the Company's construction	53.8	60.9	(7.0)	(11.6)	—	—	—	—
Of which, contract construction	7.8	9.2	(1.3)	(14.8)	—	—	—	—
Real estate business	59.3	61.0	(1.6)	(2.7)	9.3	8.9	0.3	3.7
Real estate sales	0.4	0.4	(0.0)	(14.8)	0.5	0.6	(0.0)	(8.0)
Real estate leasing	58.9	60.5	(1.5)	(2.6)	8.7	8.3	0.3	4.6
Other	4.8	1.9	2.9	155.4	—	—	—	—
Total	125.9	133.0	(7.1)	(5.4)	43.6	41.5	2.1	5.1