

Tokyu Corporation

Consolidated Financial Statements

Fiscal 2014

(April 1, 2014 – March 31, 2015)

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 [Japanese Accounting Standards] (Consolidated)
For the Fiscal Year Ended March 31, 2015

Tokyu Corporation

May 13, 2015

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
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Planned date of general meeting of shareholders:	June 26, 2015		
Scheduled date of commencement of dividend payment:	June 29, 2015		
Planned date for submission of financial reports:	June 26, 2015		
Supplementary documents for results	YES		
Results briefing (for institutional investors and analysts)	YES		

* Amounts of less than ¥1 million have been rounded down

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

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

1) Consolidated Operating Results

Million yen

	FY ended March 31, 2015		FY ended March 31, 2014	
		Change (%)		Change (%)
Operating revenue	1,067,094	(1.5)	1,083,070	1.4
Operating profit	71,514	15.0	62,190	11.6
Recurring profit.....	66,619	6.4	62,618	11.3
Net income	41,051	(27.3)	56,498	31.2
Net income per share (¥)	¥32.88		¥44.96	
Net income per share (diluted) (¥)	-		-	
Return on equity (%)	7.7%		11.4%	
Return on assets (%)	3.3%		3.1%	
Operating profit ratio (%).....	6.7%		5.7%	

Notes: Comprehensive Income: FY ended March 31, 2015: ¥64,847 million [-1.5%]; FY ended March 31, 2014: ¥65,852 million [20.4%]

Reference: Equity in income (losses) of equity-method affiliates: FY ended March 31, 2015: ¥6,358 million; FY ended March 31, 2014: ¥6,163 million

2) Consolidated Financial Position

Million yen

	As of March 31, 2015	As of March 31, 2014
Total assets.....	2,002,532	2,021,794
Net assets	579,596	537,711
Equity ratio (%).....	27.5%	25.3%
Net assets per share (¥).....	¥442.86	¥407.08

Reference: Shareholders' equity: FY ended March 31, 2015: ¥551,332 million; FY ended March 31, 2014: ¥511,789 million

3) Consolidated Cash Flows

Million yen

	FY ended March 31, 2015	FY ended March 31, 2014
Operating activities.....	163,965	156,703
Investing activities	(75,235)	(106,129)
Financing activities.....	(103,064)	(22,322)
Cash and cash equivalents at end of year	40,705	54,701

2. Dividends

	FY ending March 31, 2016 (forecast)	FY ended March 31, 2015	FY ended March 31, 2014
Dividend per share – end of first quarter (¥)	-	-	-
Dividend per share – end of first half (¥)	4.00	4.00	3.50
Dividend per share – end of third quarter (¥)	-	-	-
Dividend per share – end of term (¥)	4.50	4.00	4.00
Dividend per share – annual (¥)	8.50	8.00	7.50
Total cash dividends (annual)		9,967	9,437
Dividend payout ratio (consolidated) (%)	24.1	24.3	16.7
Net assets dividend ratio (consolidated) (%).....		1.9	1.9

Notes: Dividends for shares held by a group of shareholding employees in trust that are not included in total dividends are as follows:

FY ended March 31, 2015: ¥4 million; FY ended March 31, 2014: ¥15 million

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

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

Million yen

	First half		Full year	
		Change (%)		Change (%)
Operating revenue	524,500	1.7	1,082,000	1.4
Operating profit	35,200	(7.7)	65,000	(9.1)
Recurring profit.....	32,200	(10.6)	58,000	(12.9)
Net income attributable to parent company shareholders	27,100	17.1	44,000	7.2
Net income per share (¥)	¥21.77		¥35.34	

*** Notes**

- (1) Changes in important subsidiaries during the term
(Changes in specified subsidiaries resulting in changes in the scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
- 1) Changes in accounting policies with revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1): No
 - 3) Changes in accounting estimates: No
 - 4) Restatement of revisions: No

(Note) For details, please see the statement under the heading of "4. Consolidated Financial Statements, (5) Notes Regarding Consolidated Financial Statements (Changes in Accounting Policies)" on page 17 of accompanying materials.

- (3) Number of shares issued (common stock)
- 1) Number of shares issued at the end of the term (including treasury stock) (shares)
FY ended March 31, 2015: 1,249,739,752 FY ended March 31, 2014: 1,263,525,752
 - 2) Number of treasury stock at the end of the term (shares)
FY ended March 31, 2015: 4,795,289 FY ended March 31, 2014: 6,307,435
 - 3) Average numbers of shares issued during the terms (shares)
FY ended March 31, 2015: 1,248,450,854 FY ended March 31, 2014: 1,256,556,639
- (Note) The number of treasury stock includes shares of the Company held by a group of shareholding employees in trust, as follows.
FY ended March 31, 2014: 1,705,000 shares

(Reference) Summary of Non-Consolidated Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2015

(April 1, 2014 to March 31, 2015)

1) Non-Consolidated Operating Results

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

Million yen

	FY ended March 31, 2015		FY ended March 31, 2014	
		Change (%)		Change (%)
Operating revenue	275,793	(6.1)	293,747	13.3
Operating profit	52,510	22.3	42,921	11.2
Recurring profit	47,029	31.9	35,663	7.2
Net income	30,058	1.0	29,759	2.0
Net income per share (¥)	¥24.05		¥23.66	
Net income per share (diluted) (¥)	—		—	

2) Non-Consolidated Financial Position

Million yen

	As of March 31, 2015	As of March 31, 2014
Total assets	1,560,794	1,593,532
Net assets	451,890	438,009
Equity ratio (%)	29.0%	27.5%
Net assets per share (¥)	¥362.56	¥348.00

Reference: Shareholders' equity: FY ended March 31, 2015: ¥451,890 million; FY ended March 31, 2014: ¥438,009 million

2. Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2016

(April 1, 2015 to March 31, 2016)

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

Million yen

	First half		Full year	
		Change (%)		Change (%)
Operating revenue	133,385	5.0	279,025	1.2
Operating profit	26,503	(5.0)	45,816	(12.7)
Recurring profit	24,796	(7.0)	39,240	(16.6)
Net income	21,976	25.2	32,279	7.4
Net income per share (¥)	¥17.63		¥25.90	

*Status of auditing procedure

This summary of financial statements is not subject to the auditing procedure specified in the Financial Instruments and Exchange Act. The auditing procedure under the Financial Instruments and Exchange Act for the consolidated financial statements is not completed when this summary is disclosed.

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

(Notes on forecast results)

The forecast results presented above are based on information available on the date of this announcement and assumptions considered reasonable. Actual results may differ materially from forecasts depending on a number of factors. Please refer to Outlook for Fiscal 2015 on page 5 for more details about these forecasts.

(Method of acquiring supplementary documents for results)

The "Summary of Results for FY2015/3" will be published on our IR website and TDnet (Timely Disclosure network) today (May 13, 2015).

(Method of acquiring closing of accounts briefing material)

Tokyu Corporation will hold a results briefing for institutional investors and analysts on May 14, 2015.

The material used in that briefing will be promptly published on our IR website and TDnet (Timely Disclosure network) after the briefing.

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Documents providing an overview of the settlement for the fiscal year ended March 2015

(Note) These documents were posted on the Company's website, and are also disclosed on TDnet.

1. Analysis of Results and Financial Position

(1) Analysis of Results

(i) Overview of the Fiscal Year under Review

During the consolidated fiscal year under review, the Japanese economy continued to follow a moderate recovery trend, with signs of movement towards improvement in corporate earnings in the second half, despite some weakness in private consumption, amid a reaction to the last-minute demand surge before the consumption tax hike.

In this environment, Tokyu Corporation (the Company) and its consolidated subsidiaries (collectively the "Group") pushed ahead with a three-year medium-term management plan, with the basic message "Creation, Communication and Challenge," with the aim of achieving sustainable growth into the future, and, in the consolidated fiscal year under review, the Group aimed to maximize consolidated revenue by enhancing cooperation among the operations of the Group from the customer's perspective to steadfastly achieve the plan targets.

Operating revenue for the consolidated fiscal year under review stood at ¥1,067,094 million (down 1.5% year on year), primarily reflecting a decline in reaction to increased sales of large-scale collective housing (condominiums) in the real estate business in the previous fiscal year. However, operating profit came to ¥71,514 million (up 15.0% year on year) due to the reduction of expenses in the Transportation segment and the Real Estate segment. Recurring profit was ¥66,619 million (up 6.4% year on year), reflecting the completion of the recording of the amount of amortization of negative goodwill in the previous fiscal year. Net income was ¥41,051 million (down 27.3% year on year) largely due to a decline in reaction to a gain on change in equity and a gain on sales of fixed assets associated with the reorganization of the Tokyu Land Corporation group the previous fiscal year.

Operating results on a segmental basis are as follows. The results for individual segments include inter-segment internal revenues or transfers where applicable. The Company presents operating profit for each reported segment as segment profit in this document.

Transportation

With respect to the train collision that occurred at Motsumiyoshi Station on the Toyoko Line on February 15, 2014, we made an interim report in July 2014 based on in-house research and a joint investigation with the Railway Technical Research Institute. We compiled our response to the investigation results and other efforts to ensure safe transportation during the snowfall period and published it in December 2014. In February 2015, with strong remorse and a determination never to allow such an accident to happen again, we implemented Tokyu Safety Day to raise our awareness by reconfirming the general outline of the accident and its impact and to learn lessons from the accident and other companies' efforts. We will pass on our culture to the next generation, placing the highest priority on safety, with every one of the employees looking back on the accident and facing it directly.

During the consolidated fiscal year under review, the Company made headway with earthquake reinforcement work on stations, elevated bridges and bridges as measures to reduce the disaster effects of major earthquakes and implemented work to prolong the lives of elevated bridges and tunnels, etc. to increase the soundness of structures. The Company also increased lightning protection systems as a result of promoting the examination of countermeasures against abnormal weather.

For safety measures on the platform, the Company installed platform doors on Daikanyama Station, Musashikosugi Station and Yokohama Station on the Toyoko Line. We also added more emergency buttons and set up new security cameras, in addition to sequentially upgrading the obstacle detection system to a 3D type which detects pedestrians more easily to prevent crossing accidents.

At Shibuya Station on the Toyoko Line and the Den-en-toshi Line, we enhanced convenience by adding more escalators and elevators and increasing barrier-free routes. Along with improved guidance using more

indicators and information provision by concierge, etc., we are improving both facilities and services so that customers can use them more comfortably and easily. In April 2014, we opened Shibuya Chikamichi Lounge with multiple functions such as restrooms, a nursing room and a powder room for women during the renewal of station facilities.

In addition, we installed Information Monitors at all stations on railroad lines and some stations on the Setagaya Line to quickly and clearly provide information about trouble zone, causes, the expected resumption of operation, transfer routes, etc. when trouble or a disaster occurs.

In terms of improving comfort, the Company considers easing rush-hour congestion and controlling delays to be important issues. In June 2014 and March 2015, we revised time schedules. In the Den-en-toshi Line, we enhanced the convenience of inter-city migration by expanding the time zone for local express trains and eased congestion by increasing the frequency of trains in each time zone in the morning, the evening and at night. In the Oimachi Line and the Meguro Line, we improved convenience further by expanding destinations and revising the number of trains in service.

In railway operations, the number of commuters carried rose 0.2% year on year, the number of non-commuters carried declined 0.3%, and the total number of passengers decreased 0.0%. Revenue also decreased 0.1%. These decreases mainly reflected a fall in reaction to the last-minute purchase of commuter tickets ahead of the consumption tax hike, despite population increases in areas served by Tokyu's railway lines and improvements in the employment environment.

Looking at the number of passengers carried by consolidated subsidiaries, the number carried by Izukyu Corp. decreased 0.6%, while the number carried by Ueda Dentetsu Corp. was up 0.7%.

In bus operations, the number of passengers carried by Tokyu Bus Corp. declined 2.4%.

Operating revenue for the Transportation segment was ¥191,260 million (down 0.4% year on year) largely due to a fall in reaction to the last-minute purchase of commuter tickets ahead of the consumption tax hike and a decline in advertising revenues in railway operations. However, operating profit for the segment was ¥25,854 million (up 22.0% year on year) due mainly to reduction of expenses.

(Operation results of Tokyu Corporation's railway operations)

Categories		Units	145th term	146th term
			April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
Number of operating days		Days	365	365
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	143,292	146,654
Number of passengers carried	Non-commuter	Thousand passengers	450,458	449,040
	Commuter	Thousand passengers	666,175	667,269
	Total	Thousand passengers	1,116,633	1,116,309
Passenger revenue	Non-commuter	Million yen	73,466	73,507
	Commuter	Million yen	60,146	60,032
	Total	Million yen	133,612	133,539
Miscellaneous income from railway operations		Million yen	18,938	18,184
Total revenues		Million yen	152,550	151,723
Average passenger revenue per day		Million yen	418	416
Operating efficiency		%	51.5	50.3

(Note) Calculation method of the operating efficiency

$$\text{Operating efficiency} = \frac{\text{Number of passengers carried}}{\text{Operating distance of passenger trains}} \times \frac{\text{Average service distance}}{\text{Average transportation capacity}} \times 100$$

Real Estate

In the real estate business, the Company comprehensively conducted real estate operations in various fields, focusing its business activities on urban development including the development of Tokyu Tama Den-en toshi.

The Company moved ahead with large-scale development projects, such as the redevelopment business in Shibuya and Futako-Tamagawa, the development and operation of offices and commercial complexes and the real estate solution business aiming to generate stable and continued revenue in the future, and the further enhancing of the value of areas served by Tokyu's railway lines.

In the project developing the area surrounding Shibuya Station, we promoted the Shibuya Station Block and the Shibuya Station South Block as model projects for urban rejuvenation, with Shibuya Hikarie, the leading project that opened in 2012, as the start. In the Shibuya Station Area Development Project, which consists of the east building, the central building and the west building, we embarked on construction work on the east building in earnest in August 2014.

In the Tama plaza Terrace, a commercial complex directly linked to the Den-en-toshi Line Tama-plaza Station, record-high tenant revenues were achieved in cumulative total from April to December 2014. In January and February 2015, we commenced the largest renewal since the opening in 2010 after closing some stores and sequentially opened new stores after March 2015.

Operating revenue for the Real Estate segment came to ¥175,800 million (down 8.9% year on year) attributable primarily to a fall in reaction to sales of large-scale collective housing (condominiums) in the Company's real estate sales business in the previous fiscal year. However, operating profit for the segment was ¥33,358 million (up 10.7% year on year), mainly reflecting a decline in the cost of sales and advertising expenses in the Company's real estate sales business and a fall in expenses in the real estate leasing business.

Life Service

The Company positions the Life Service business as a business that establishes infrastructure for an urban lifestyle and helps enhance the value of areas served by Tokyu's railway lines, and it is working to improve the earnings capacity of this segment. In addition to creating attractive facilities, the Company worked to provide products and services that surpass customer expectations and further promoted cooperation between group companies to demonstrate synergies with other businesses such as the Transportation business and the Real Estate business.

In its department store operations, Tokyu Department Store opened "mikke by Tokyu Department Store," a small specialty store in a new business category specializing in clothing and fashion goods, in Tokyu Plaza Kamata, a shopping center directly linked to Kamata Station, in October 2014. Tokyu Department Store also strengthened its response to foreign tourists visiting Japan by establishing tax-free counters in three stores in Shibuya (the Head Store, the Toyoko Store and ShinQs) and the Sapporo Store and by opening a souvenir shop targeting foreign tourists visiting Japan at the Toyoko Store. Along with progress in development projects in the area surrounding Shibuya Station, the Toyoko Store closed the east building in April 2013 and consolidated and reorganized its sales operations into the west building and south building.

In its chain store operations, Tokyu Store Chain opened the Tokyu Store Food Station Nakanobu Store, a new business category, in April 2014. Although it is a small store, it provides the service function of a convenience store, in addition to a supermarket function, tailored to the characteristics of the area, where there are many residents aged 65 or older and single-person households.

In CATV operations, its communications, Inc. enjoyed a steady increase in the number of subscribers and service fee revenues in various services including cable TV, Internet and phone. Its communications also enhanced public wireless LAN services and, in January 2015, launched the iTSCOM TV PUSH service, which delivers disaster prevention information and life information in cooperation with local governments in a timely manner. In February 2015, its communications also began providing iTSCOM Intelligent HOME, a smart home service through which users can check the situation inside their houses from outside, using a smartphone or a tablet, to help them keep watch over their homes.

In the Life Service segment, operating revenue came to ¥520,176 million (down 0.9% year on year), partly due to the contraction of the sales floors in Tokyu Department Store as a result of the partial closure of the Toyoko Store in the previous fiscal year and the effects of the consumption tax hike and bad weather. However, operating profit amounted to ¥6,997 million (up 19.0%), mainly because of a decline in expenses due to the closed store and improvement in the gross profit ratio at Tokyu Store Chain.

Hotel and Resort

In its hotel operations, Tokyu Hotels Co., Ltd. performed strongly, especially the rooms division, as overseas markets, including inbound tourists, remained brisk. In October 2014, Tokyu Hotels renewed Kanazawa Excel Hotel Tokyu on a large scale and made its grand opening as Kanazawa Tokyu Hotel in Kanazawa, where the Hokuriku Shinkansen was due to open in six months.

Operating revenue for the Hotel and Resort segment stood at ¥96,081 million (up 3.9% year on year), attributable to rises in the occupancy rate and average daily rates posted by Tokyu Hotels Co., Ltd. Operating profit for the segment reached ¥3,191 million (up 110.7% year on year). The occupancy rate at hotels under the direct control of Tokyu Hotels stood at 84.7% (a 0.7 percentage point increase from the previous fiscal year).

Business Support

In its advertising business, Tokyu Agency Inc. continued to strengthen Tokyu OOH, an advertising media brand that integrates transport advertising media and outdoor advertising media, and some of Japan's largest digital signage for advertising was installed in Shibuya Station and Futako-Tamagawa Station and added to the lineup in March 2015.

In the Business Support segment, operating revenue stood at ¥160,417 million (up 0.4% year on year), chiefly as a result of increased sales of construction materials at Tokyu Geox Co., Ltd. in general trading operations. Operating profit, however, came to ¥1,959 million (down 43.3% year on year), mostly reflecting a fall in reaction to events in which orders were received in the previous fiscal year at Tokyu Agency Inc.

(ii) Outlook for Fiscal 2015

The economy is expected to recover moderately, given the effects of falling oil prices and various government policies amid continued improvement in the employment and income situations, although it is necessary to keep a close watch on trends in private consumption and downside risks in overseas economies. In this operating environment, we forecast operating revenue of ¥1,082,000 million (up 1.4% year on year), mainly due to the effect of the opening of the urban redevelopment project in East District 2 in Futako-Tamagawa (Futako-Tamagawa Rise phase II) in the Company's real estate leasing business. However, we forecast operating profit of ¥65,000 million (down 9.1% year on year) and recurring profit of ¥58,000 million (down 12.9% year on year), primarily due to an increase in expenses for the opening. We expect net income attributable to owners of the parent to be ¥44,000 million (up 7.2% year on year), chiefly reflecting a gain on sales of fixed assets in extraordinary gains.

The forecasts for each operating segment are as follows.

Under the three-year medium-term management plan covering the period starting from the following consolidated fiscal year, we will reorganize the business segments according to one of the key initiatives, "new initiatives utilizing the Group's management resources," under the medium-term management plan by transferring the shopping center operations currently categorized in the Real Estate segment and the advertising operations currently categorized in the Business Support segment to the Life Service segment and also transferring the operations currently categorized in the Business Support segment to the business segments corresponding to the service support customers. With this reorganization, the reported segments will be changed from the five current categories (Transportation, Real Estate, Life Service, Hotel and Resort, Business Support) to the four new categories (Transportation, Real Estate, Life Service, Hotel and Resort). In addition, the actual figures by reported segment for the fiscal year under review provided for comparison are calculated for comparison with the previous period and are not audited. These figures may also be changed in the future.

Billion yen

	Operating revenue		Operating profit	
	Fiscal 2015	YoY change	Fiscal 2015	YoY change
Transportation	200.7	3.1	23.2	-0.1
Real Estate	202.9	3.5	25.8	-7.0
Life Service	644.5	7.3	12.8	0.8
Hotel and Resort	99.6	3.5	3.2	0.0
Total	1,147.7	17.6	65.0	-6.2
Eliminations	-65.7	-2.7	-	-0.2
Consolidated	1,082.0	14.9	65.0	-6.5

(2) Analysis of Financial Position

Total assets at the end of the fiscal year under review were ¥2,002,532 million, a ¥19,262 million decrease from the end of the previous fiscal year, mainly due to decreases in cash and deposits and deferred tax assets.

Liabilities decreased ¥61,148 million to ¥1,422,935 million, largely because of a decline in interest-bearing debt (*) of ¥78,591 million from the end of the previous fiscal year, to ¥911,446 million.

Net assets increased ¥41,885 million to ¥579,596 million, reflecting the posting of net income, despite a decline in capital surplus due to the purchase and cancellation of treasury shares and a decrease in retained earnings due to the application of accounting standards for retirement benefits, etc.

Net cash generated by operating activities reached ¥163,965 million, after adjustments for income before income taxes and minority interests of ¥61,943 million with items, including depreciation and amortization of ¥70,041 million, a loss on disposal of fixed assets of ¥11,050 million, and a decline in inventories of ¥8,478 million. Compared with the previous fiscal year, net cash generated by operating activities increased ¥7,262 million owing to factors such as a decline in the increase in accounts receivable.

Net cash used in investing activities totaled ¥75,235 million, attributable to expenditure on the acquisition of fixed assets of ¥92,520 million. Compared with the previous fiscal year, net cash used in investing activities declined ¥30,893 million, given factors such as a decrease in payments for purchases of fixed assets.

Net cash used in financing activities was ¥103,064 million, reflecting factors such as the repayment of borrowings and expenditure on the redemption of corporate bonds.

As a result, cash and cash equivalents stood at ¥40,705 million at the end of the fiscal year under review, down ¥13,995 million from the end of the previous fiscal year.

* Interest-bearing debt: total borrowings and corporate bonds

(Reference) Consolidated cash flow-related indicator trends:

	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Equity ratio (%)	20.6	21.7	24.2	25.3	27.5
Market price based equity ratio (%)	22.1	24.8	45.3	39.2	46.3
Ratio of interest bearing debt to cash flows (years)	9.2	7.2	8.2	6.3	5.6
Interest coverage ratio (times)	7.0	9.6	8.8	11.8	13.5

Equity ratio = shareholders equity/total assets

Market price based equity ratio = market capitalization/total assets

Ratio of interest bearing debt to cash flows = interest bearing debt/operating cash flow

Interest coverage ratio = operating cash flow/total interest paid

Notes:

1. Each ratio is calculated on a consolidated basis.
2. Market capitalization is calculated by multiplying the share price at the end of the period by the total number of shares outstanding at the end of the period (after deduction of treasury stock).
3. Operating cash flow figures are obtained from the consolidated cash flow statements.

2. Management Policy

(1) Our Fundamental Operating Policy

Tokyu Group's roots began with the establishment of Meguro-Kamata Railway Company in 1922 and as of the end of March 2015, the Group is composed of 220 companies and 8 non-profit corporations, with Tokyu Corporation as the nucleus. The Group's core operations focus on urban development centered on railway operations. Over the years, the group has diversified to provide a wide range of services related to the daily lives of the people in the communities it serves. The Group is also actively involved in social programs and environmental activities through foundations, social activities, and Tokyu Association programs. The Group seeks to fulfill its social responsibilities by building a business deeply rooted in local communities.

In 1997, the Group spelled out its core management policy: "Work independently and in collaboration to raise Group synergy and establish a trusted and beloved brand." Toward this goal, the Group adopted the slogan "Toward a Beautiful Age," and has been working toward "Creating a Beautiful Living Environment" to meet varying consumer needs and to establish Tokyu as a loved and trusted brand. To sustain growth in the 21st century, the Tokyu Group has adopted the initiatives outlined in the Tokyu Group Management Policy of April 2000. The management policy emphasizes the Company's position as the core company of the Tokyu Group. The pillars of the policy are the Tokyu Group Basic Management Policy and the Implementation of the Tokyu Group Management Policy. The Basic Management Policy consists of three points: the establishment by the Company of governance for the Tokyu Group, growth through alliances both inside and outside the Tokyu Group, and risk management as part of compliance.

(2) Target Management Indicators, Medium- to Long-Term Goals, and Challenges Ahead

The Company and its consolidated subsidiaries have formulated a three-year medium-term management plan named "Steps to the Next Stage" starting from fiscal year 2015, with the aim of enhancing both profitability and efficiency through the strengthening of existing businesses and projects, active advancement into new areas where the Group will be able to leverage its strengths, and the implementation of focused investments in growth areas, while maintaining our financial soundness, for a great leap forward in the future.

Under the basic plan of "We plan to cultivate prospects in the TOKYU area and undertake new challenges for growth to take a step toward our next phase of expansion," the Company continues to aim to materialize the two visions, keeping areas served by Tokyu's railway lines being the main focus and becoming a strong business group as "one Tokyu," as in the previous medium-term management plan. To realize these visions, the Company will focus specifically on the following four measures.

Focused initiatives

(i) Offer greater security and enriched satisfaction

We will pursue safer and more secure railway services by improving facilities to increase safety on the platform and at crossings and strengthening our response to accidents and emergencies. The Company will also promote extensive migration and activate towns and areas by providing transportation, retail and life services in an integrated manner.

(ii) Development of the TOKYU area and further promotion of the real estate business

We will continue to promote the redevelopment of areas served by Tokyu's railway lines and the comprehensive development of railway station surroundings. The Company will also strengthen the consulting business on the use of assets along Tokyu's railway lines and further enhance the leasing business based on an investment circular-type business model.

(iii) Promote lifestyle and work style innovations

With respect to life style innovation, we will bundle various home services of the Tokyu Group, including

the electricity retailing business, which we will newly engage in, so that the users will be able to use them conveniently and at low cost. We will also provide customers with new life value by introducing new Tokyu Point services, including transportation points that are earned by using railways and buses.

In terms of work style innovation, we will support responses to various work styles by developing facilities that promote creative activities and human exchange in development projects in which the Company is involved. We will also foster an environment where our employees can enjoy an active work life by promoting diversity management inside the Group and the in-house entrepreneur fostering system.

(iv) Embark on new challenges by leveraging group management resources

In the retail business, the Company will build a framework to exert comprehensive strength as the Group by setting a strong headquarters function through the establishment of the Retail Business Headquarters to unify consolidated retail operations.

Regarding inbound tourism initiatives, we will develop an environment to invite inbound tourists to Shibuya, areas served by Tokyu's railway lines and the Group's facilities in Japan by improving access to Haneda Airport, enhancing the sightseeing and chartered bus networks, tax-free shops and multilingual services and strengthening the sightseeing coordination function.

In hotel operations, we will reorganize hotel brands from customers' point of view and promote new hotel openings in major cities and tourist spots in anticipation of an increase in inbound demand.

In overseas operations, we will strive to increase opportunities to promote and expand business in cooperation with local partners, making use of the expertise we have been cultivating in Japan and overseas, in order to capture the economic growth potential in Southeast Asia.

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

[Dividend policy]

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

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

As corporate citizens, the Company and its consolidated subsidiaries have been fully aware of the gravity of their social responsibilities. Based on this awareness, we are making Group-wide efforts to ensure our compliance. At the same time, we are practicing CSR management by continuing our activities to protect the global environment and make diverse social contributions. We will continue pursuing CSR activities suited to the changing times and improving our communication with stakeholders. At the same time, we will enhance effective corporate governance to increase management transparency and improve appropriate operations.

3. Basic Concept concerning the Selection of Accounting Standards

The Tokyu Group applies Japanese accounting standards, taking into consideration the period comparability of its consolidated financial statements and comparability with other companies.

We will appropriately respond to the application of the International Financial Reporting Standards (IFRS), considering various circumstances in Japan and overseas.

4. Consolidated Financial Statements**(1) Consolidated Balance Sheet***Million yen*

Item	As of March 31, 2014	As of March 31, 2015
Assets		
Current Assets		
Cash and deposits	55,749	41,328
Trade notes & accounts receivable	117,285	123,676
Merchandise and products	15,992	15,656
Land and buildings for sale	52,176	45,323
Work in progress	4,794	4,439
Raw materials and supplies	5,661	5,476
Deferred tax assets	15,727	8,579
Others	29,815	31,515
Allowance for doubtful accounts	(746)	(798)
Total current assets	296,456	275,197
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	710,020	695,470
Rolling stock & machinery (net)	56,436	54,748
Land	606,991	615,756
Construction in progress	92,863	110,972
Others (net)	20,797	20,162
Total tangible fixed assets	1,487,109	1,497,111
Intangible fixed assets	26,133	26,295
Investments & others		
Investment securities	130,810	133,610
Net defined benefit asset	3,421	5,944
Deferred tax assets	16,585	5,780
Others	61,996	59,250
Allowance for doubtful accounts	(718)	(657)
Total investments and others	212,094	203,928
Total fixed assets	1,725,338	1,727,334
Total Assets	2,021,794	2,002,532

Million yen

Item	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current Liabilities		
Trade notes & accounts payable	97,905	102,364
Short-term debt	291,101	229,626
Current portion of corporate bonds	38,000	24,000
Accrued income taxes	6,446	5,357
Reserve for employees' bonuses	10,053	10,350
Advances received	16,657	30,598
Others	117,724	120,941
Total current liabilities	577,888	523,238
Long-Term Liabilities		
Corporate bonds	210,228	206,228
Long-term debt	450,709	451,592
Deferred tax liabilities	27,096	26,489
Deferred tax liabilities from revaluation	9,922	9,404
Allowance for loss on redemption of merchandise coupons	1,982	2,009
Net defined benefit liability	34,047	35,133
Long-term deposits from tenants and club members	110,090	112,974
Others	37,396	30,764
Total long-term liabilities	881,473	874,596
Special Legal Reserves		
Urban railways improvement reserve	24,721	25,100
Total Liabilities	1,484,083	1,422,935
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	140,793	131,386
Retained income	252,355	280,685
Treasury stock	(3,139)	(3,171)
Total shareholders' equity	511,734	530,625
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities, net of taxes	5,614	14,470
Net unrealized gains (losses) on hedging instruments, net of taxes	90	107
Land revaluation reserve	9,364	9,442
Foreign currency translation adjustment account	3,704	9,067
Remeasurements of defined benefit plans	(18,718)	(12,380)
Total accumulated other comprehensive income	54	20,706
Minority Interests	25,921	28,264
Total Net Assets	537,711	579,596
Total Liabilities and Net Assets	2,021,794	2,002,532

(2) Consolidated Statement of Income and Consolidated Statements of Comprehensive Income**(Consolidated Statements of Income)**

Million yen

Item	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
Operating revenue	1,083,070	1,067,094
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc.)	820,996	797,133
SG&A expenses	199,884	198,446
Total cost of operating revenue	1,020,880	995,580
Operating profit	62,190	71,514
Non-operating profit		
Interest income	286	281
Dividend income	1,284	1,226
Amortization of negative goodwill	3,441	-
Investment gains from equity method	6,163	6,358
Others	5,247	4,087
Total non-operating profit	16,424	11,954
Non-operating expenses		
Interest expenses	13,058	11,737
Others	2,938	5,110
Total non-operating expenses	15,997	16,848
Recurring profit	62,618	66,619
Extraordinary gains		
Gains on sale of fixed assets	6,017	197
Subsidies received for construction	14,762	1,635
Gain on reversal of Urban Railways Improvement Reserve	1,893	1,893
Gain on change in equity	7,364	-
Others	1,123	1,153
Total extraordinary gains	31,161	4,879
Extraordinary losses		
Reduction entry of land contribution for construction	8,878	1,372
Transfer to Urban Railways Improvement Reserve	2,634	2,272
Loss on retirement of fixed assets	1,081	1,558
Impairment loss	1,272	3,342
Others	1,605	1,009
Total extraordinary losses	15,473	9,555
Income before income taxes and minority interests	78,306	61,943
Income taxes	8,962	8,971
Income tax adjustment	11,929	11,192
Total income taxes	20,892	20,164
Income before minority interests	57,414	41,779
Minority interest in earnings of consolidated subsidiaries	915	728
Net income	56,498	41,051

(Consolidated Statements of Comprehensive Income)*Million yen*

Item	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
Income before minority interests	57,414	41,779
Other comprehensive income		
Net unrealized gains (losses) on investment securities	(242)	7,051
Net unrealized gains (losses) on hedging instruments	0	0
Land revaluation reserve	-	516
Foreign currency translation adjustment account	8,861	6,633
Remeasurements of defined benefit plans, net of tax	-	6,248
Share of other comprehensive income of associates accounted for using equity method	(180)	2,618
Total other comprehensive income	8,438	23,067
Comprehensive income	65,852	64,847
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	62,386	62,216
Comprehensive income attributable to minority interests	3,466	2,631

(3) Consolidated Statements of Changes in Net Assets

April 1, 2013 to March 31, 2014

Million yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained income	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	121,724	140,497	204,660	(3,594)	463,289
Cumulative effects of changes in accounting policies					–
Restated balance	121,724	140,497	204,660	(3,594)	463,289
Changes during the period					
Dividends			(8,804)		(8,804)
Net income			56,498		56,498
Liquidation of land revaluation reserve			0		0
Purchases of treasury stock				(169)	(169)
Sale of treasury stock		295		592	888
Retirement of treasury stock					–
Others				32	32
Changes other than those to shareholders' equity (net)					
Total changes during the period	–	295	47,694	455	48,445
Balance at the period end	121,724	140,793	252,355	(3,139)	511,734

	Accumulated other comprehensive income						Minority interests	Total net assets
	Net unrealized gains (losses) on investment securities	Net unrealized gains (losses) on hedging instruments	Land revaluation reserve	Foreign currency translation adjustment account	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	6,177	72	9,392	(2,756)	–	12,885	23,370	499,545
Cumulative effects of changes in accounting policies								–
Restated balance	6,177	72	9,392	(2,756)	–	12,885	23,370	499,545
Changes during the period								
Dividends								(8,804)
Net income								56,498
Liquidation of land revaluation reserve								0
Purchases of treasury stock								(169)
Sale of treasury stock								888
Retirement of treasury stock								–
Others								32
Changes other than those to shareholders' equity (net)	(563)	18	(27)	6,460	(18,718)	(12,830)	2,551	(10,279)
Total changes during the period	(563)	18	(27)	6,460	(18,718)	(12,830)	2,551	38,165
Balance at the period end	5,614	90	9,364	3,704	(18,718)	54	25,921	537,711

April 1, 2014 to March 31, 2015

Million yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained income	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	121,724	140,793	252,355	(3,139)	511,734
Cumulative effects of changes in accounting policies			(3,217)		(3,217)
Restated balance	121,724	140,793	249,137	(3,139)	508,516
Changes during the period					
Dividends			(10,016)		(10,016)
Net income			41,051		41,051
Liquidation of land revaluation reserve			513		513
Purchases of treasury stock				(10,150)	(10,150)
Sale of treasury stock		0		709	710
Retirement of treasury stock		(9,407)		9,407	-
Others				1	1
Changes other than those to shareholders' equity (net)					
Total changes during the period	-	(9,406)	31,547	(32)	22,108
Balance at the period end	121,724	131,386	280,685	(3,171)	530,625

	Accumulated other comprehensive income						Minority interests	Total net assets
	Net unrealized gains (losses) on investment securities	Net unrealized gains (losses) on hedging instruments	Land revaluation reserve	Foreign currency translation adjustment account	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	5,614	90	9,364	3,704	(18,718)	54	25,921	537,711
Cumulative effects of changes in accounting policies								(3,217)
Restated balance	5,614	90	9,364	3,704	(18,718)	54	25,921	534,493
Changes during the period								
Dividends								(10,016)
Net income								41,051
Liquidation of land revaluation reserve								513
Purchases of treasury stock								(10,150)
Sale of treasury stock								710
Retirement of treasury stock								-
Others								1
Changes other than those to shareholders' equity (net)	8,856	16	77	5,363	6,338	20,651	2,342	22,994
Total changes during the period	8,856	16	77	5,363	6,338	20,651	2,342	45,103
Balance at the period end	14,470	107	9,442	9,067	(12,380)	20,706	28,264	579,596

(4) Consolidated Statements of Cash Flow*Million yen*

Item	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
Cash flows from operating activities		
Income before income taxes	78,306	61,943
Depreciation and amortization	72,762	70,041
Amortization of goodwill and negative goodwill	(2,781)	601
Impairment loss	1,272	3,342
Retirement benefit expenses	-	4,813
Increase (Decrease) in urban railways improvement reserve	741	378
Subsidies received for construction	(14,762)	(1,635)
Reduction entry of land contribution for construction	8,878	1,372
Loss (gain) on sale of fixed assets	(5,993)	(161)
Loss on retirement of fixed assets	14,341	11,050
Investment (gain) loss from the equity method	(6,163)	(6,358)
Loss (gain) on change in equity	(7,364)	-
Decrease (increase) in accounts receivable	(15,362)	(6,350)
Decrease (increase) in inventories	3,892	8,478
Increase (decrease) in trade payables	9,854	4,268
Increase (decrease) in advances received	(733)	8,755
Increase (decrease) in guarantee deposits received	(510)	2,884
Decrease (increase) in net defined benefit asset	4,960	(469)
Increase (decrease) in accrued consumption taxes	5,064	5,529
Increase (decrease) in other current liabilities	8,307	(402)
Interest and dividend income	(1,571)	(1,508)
Interest payable	13,058	11,737
Others	8,313	4,331
Subtotal	174,511	182,643
Interest and dividends received	2,745	3,656
Interest paid	(13,226)	(12,144)
Income taxes paid	(7,327)	(10,190)
Net cash provided by operating activities	156,703	163,965

Million yen

Item	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
Cash flows from investing activities		
Payments for purchases of fixed assets	(130,378)	(92,520)
Proceeds from sale of fixed assets	19,937	297
Payments for retirement of fixed assets	(337)	(2,563)
Payments for acquisition of investment securities	(312)	(1,142)
Proceeds from sale of investment securities	452	1,054
Proceeds from redemption of investment securities	0	13,020
Purchase of investments in subsidiaries	(2,440)	(22)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,033)	–
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	211	–
Proceeds from subsidies received for construction	7,385	5,694
Others	385	945
Net cash used in investing activities	(106,129)	(75,235)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	(1,225)	(854)
Proceeds from long-term debt	61,094	66,355
Repayment of long-term debt	(69,703)	(126,521)
Proceeds from bond issue	24,952	19,863
Payments for redemption of bonds	(24,800)	(38,000)
Repayment of finance lease obligations	(4,034)	(4,087)
Purchase of treasury stock	(169)	(10,150)
Cash dividends paid	(8,804)	(10,016)
Dividends paid to minority shareholders	(252)	(444)
Others	620	792
Net cash used in financing activities	(22,322)	(103,064)
Effect of exchange rate changes on cash and cash equivalents	83	339
Increase (decrease) in cash and cash equivalents	28,334	(13,995)
Cash and cash equivalents at beginning of period	26,367	54,701
Cash and cash equivalents at end of period	54,701	40,705

(5) Notes to Consolidated Financial Statements

(Notes Regarding the Premise of a Going Concern)

There is no applicable item.

(Change in Accounting Policies)

(Accounting Standard for Retirement Benefits, etc.)

The Group has applied the provisions stipulated in the main clause of Article 35 of the “Accounting Standards for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No.26 issued May 17, 2012; hereinafter “Retirement Benefits Accounting Standards”) and in the main clause of Article 67 of the “Guidance on Accounting Standards for Retirement Benefits” (ASBJ Guidance No.25 issued March 26, 2015; hereinafter “Guidance”) from the consolidated fiscal year under review. The Group has also reviewed the method for calculating retirement benefit obligations and service costs and changed the method for determining the discount rate mainly from one using a discount rate based on the number of years approximately equal the average remaining service lives of employees to the method using a single weighted average discount rate that reflects the expected payment period of retirement benefits and the amount for each expected payment period.

With respect to the application of the Retirement Benefits Accounting Standards, etc., the Company adds or subtracts the effect of the change in the method for calculating retirement benefit obligations and service costs to or from retained income at the beginning of the consolidated fiscal year under review in accordance with the transitional treatment stipulated in Article 37 of the Retirement Benefits Accounting Standards.

As a result, net defined benefit asset at the beginning of the consolidated fiscal year under review declined ¥883 million, net defined benefit liability increased ¥3,741 million, and retained income declined ¥3,217 million. The impact of this change on operating profit, recurring profit and income before income taxes and minority interests in the consolidated financial year under review is minor.

(Practical treatment concerning transactions for delivering the Company’s shares to employees, etc. through a trust)

The “Practical treatment concerning transactions for delivering the Company’s shares to employees, etc. through a trust” (No. 30 Practical Report dated March 26, 2015) has been applied from the consolidated fiscal year under review. With respect to the accounting treatment of trust contracts that were entered into before the beginning of the first year of the application of the above practical report, the method adopted in the past will continue to be applied. Accordingly, the application of the above practical report has no effect on the consolidated financial statements.

(Segment Information)

(Segment Information)

1. Overview of reported segments

Reported segments of Tokyu Group (the Company and its consolidated subsidiaries) are constituent units of the Group, for which separate financial information is available. The Board of Directors of the Company examines these units regularly to determine the allocation of management resources and to assess segment performance.

The Tokyu Group undertakes a wide range of businesses that are closely related to the daily life of customers in geographic areas focused on Tokyu Lines’ service areas.

The Group’s reported segments, therefore, consist of five segments according to service type

(Transportation, Real Estate, Life Service, Hotel and Resort, and Business Support). Major businesses for each reported segment are as follows:

Transportation:	Railway operations and bus operations
Real Estate:	Real estate sales, real estate leasing, real estate management, and shopping center operations
Life Service:	Department store operations, chain store operations, and CATV operations
Hotel and Resort:	Hotel operations and golf course operations
Business Support:	Advertising operations and general trading operations

2. Method for calculating operating revenue, profit and loss, assets and other amounts for reported segments

The profit figures stated in the reported segments are based on operating profit.

Inter-segment internal revenues or transfers are based on prevailing market prices.

As stated in "4. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements, Changes in Accounting Policies," the Group has similarly changed the method for calculating retirement benefit obligations and service costs in business segments associated with the change in the method for calculating retirement benefit obligations and service costs from the consolidated fiscal year under review. The impact of this change on segment profit in the consolidated fiscal year under review is minor.

3. Information relating to operating revenue, profit and loss, assets and other amounts for reported segments

April 1, 2013 to March 31, 2014

Million yen

	Reported segment					Total	Adjustments (Note) 1	Amount posted in the consolidated financial statements (Note) 2
	Transportation	Real Estate	Life Service	Hotel and Resort	Business Support			
Operating revenue								
Outside customers	191,467	157,525	516,276	91,901	125,898	1,083,070	–	1,083,070
Inter-segment internal revenues or transfers	631	35,494	8,598	550	33,873	79,148	(79,148)	–
Total	192,099	193,020	524,875	92,452	159,772	1,162,219	(79,148)	1,083,070
Segment profit	21,191	30,128	5,882	1,514	3,457	62,174	16	62,190
Segment assets	706,438	684,192	307,513	103,878	120,900	1,922,923	98,871	2,021,794
Other items								
Depreciation	37,106	18,711	12,741	3,631	747	72,938	(175)	72,762
Amortization of goodwill	–	–	645	2	12	660	–	660
Investments in equity method affiliates	–	–	–	–	–	–	76,554	76,554
Increase in tangible fixed assets and intangible fixed assets	53,321	60,503	18,230	6,033	892	138,981	1,250	140,231

Notes

1. Adjustments are as follows.

- (1) An adjustment of ¥16 million in segment profit represents deduction of inter-segment transactions.
- (2) An adjustment of ¥98,871 million in segment assets consists of Company-wide assets of ¥200,595 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥101,724 million.
- (3) An adjustment of negative ¥175 million in depreciation represents deduction of inter-segment transactions.
- (4) An adjustment of ¥76,554 million in investments in equity method affiliates represents Company-wide assets not allocated to reported segments
- (5) An adjustment of ¥1,250 million in tangible fixed assets and intangible fixed assets consists of Company-wide assets of ¥1,714 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥463 million.

2. Segment profit is adjusted with operating profit stated in consolidated financial statements.

April 1, 2014 to March 31, 2015

Million yen

	Reported segment					Total	Adjustments (Note) 1	Amount posted in the consolidated financial statements (Note) 2
	Transportation	Real Estate	Life Service	Hotel and Resort	Business Support			
Operating revenue								
Outside customers	190,643	140,617	511,106	95,578	129,148	1,067,094	–	1,067,094
Inter-segment internal revenues or transfers	617	35,183	9,069	503	31,268	76,643	(76,643)	–
Total	191,260	175,800	520,176	96,081	160,417	1,143,737	(76,643)	1,067,094
Segment profit	25,854	33,358	6,997	3,191	1,959	71,361	152	71,514
Segment assets	705,357	690,587	277,823	106,650	143,152	1,923,571	78,960	2,002,532
Other items								
Depreciation	35,778	17,492	12,318	3,864	745	70,200	(158)	70,041
Amortization of goodwill	–	–	580	1	18	601	–	601
Investments in equity method affiliates	–	–	–	–	–	–	83,095	83,095
Increase in tangible fixed assets and intangible fixed assets	46,692	25,907	13,689	5,234	990	92,515	1,041	93,556

Notes

1. Adjustments are as follows.

- (1) An adjustment of ¥152 million in segment profit represents deduction of inter-segment transactions.
- (2) An adjustment of ¥78,960 million in segment assets consists of Company-wide assets of ¥186,063 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥107,103 million.
- (3) An adjustment of negative ¥158 million in depreciation represents deduction of inter-segment transactions.
- (4) An adjustment of ¥83,095 million in investments in equity method affiliates represents Company-wide assets not allocated to reported segments.
- (5) An adjustment of ¥1,041 million in tangible fixed assets and intangible fixed assets consists of Company-wide assets of ¥1,253 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥212 million.

2. Segment profit is adjusted with operating profit stated in consolidated financial statements.

(Related Information)

April 1, 2013 to March 31, 2014

1. Information of each product and service

Information of each product and service is not stated because classification of products and services is the same as the reported segment classification

2. Information by region

(1) Operating revenue

Operating revenue by region is not stated because sales to outside customers in Japan account for more than 90% of operating revenue stated in the consolidated statements of income.

(2) Tangible fixed assets

Tangible fixed assets by region are not stated because tangible fixed assets in Japan account for more than 90% of tangible fixed assets stated in the consolidated balance sheets.

3. Information by major customer

Information by major customer is not stated because no outside customer in Japan accounts for 10% or more of operating revenue stated in the consolidated statements of income.

April 1, 2014 to March 31, 2015

1. Information of each product and service

Information of each product and service is not stated because classification of products and services is the same as the reported segment classification.

2. Information by region

(1) Operating revenue

Operating revenue by region is not stated because sales to outside customers in Japan account for more than 90% of operating revenue stated in the consolidated statements of income.

(2) Tangible fixed assets

Tangible fixed assets by region are not stated because tangible fixed assets in Japan account for more than 90% of tangible fixed assets stated in the consolidated balance sheets.

3. Information by major customer

Information by major customer is not stated because no outside customer in Japan accounts for 10% or more of operating revenue stated in the consolidated statements of income.

(Information relating to impairment losses on fixed assets by reported segment)

April 1, 2013 to March 31, 2014

Million yen

	Transportation	Real Estate	Life Service	Hotel and Resort	Business Support	Elimination/Headquarters	Total
Impairment losses	61	164	733	307	4	–	1,272

April 1, 2014 to March 31, 2015

Million yen

	Transportation	Real Estate	Life Service	Hotel and Resort	Business Support	Elimination/Headquarters	Total
Impairment losses	364	980	1,698	299	–	–	3,342

(Information relating to amortization of goodwill and negative goodwill, and unamortized balance by reported segment)

April 1, 2013 to March 31, 2014

Million yen

		Transportation	Real Estate	Life Service	Hotel and Resort	Business Support	Elimination/Headquarters	Total
Goodwill	Amortized during period	-	-	645	2	12	-	660
	Balance at end of year	-	-	1,307	8	47	-	1,363

Amortization of negative goodwill arising as a result of business combinations undertaken prior to April 1, 2010 and the unamortized balance are as follows.

Million yen

		Transportation	Real Estate	Life Service	Hotel and Resort	Business Support	Elimination/Headquarters	Total
Negative goodwill	Amortized during period	-	-	-	-	-	3,441	3,441
	Balance at end of year	-	-	-	-	-	-	-

Notes

Negative goodwill of ¥3,441 million amortized during the fiscal year under review is Company-wide revenue not allocated to reported segments.

April 1, 2014 to March 31, 2015

Million yen

		Transportation	Real Estate	Life Service	Hotel and Resort	Business Support	Elimination/Headquarters	Total
Goodwill	Amortized during period	-	-	580	1	18	-	601
	Balance at end of year	-	-	726	-	35	-	762

(Information relating to gains on negative goodwill by reported segment)

April 1, 2013 to March 31, 2014

Information relating to gains on negative goodwill by reported segment is not stated because the gains were minor.

April 1, 2014 to March 31, 2015

Information relating to gains on negative goodwill by reported segment is not stated because the gains were minor.

(Per Share Information)

	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
Net assets per share	¥407.08	¥442.86
Net income per share	¥44.96	¥32.88

Notes

- Net income per share (diluted) is not stated as there are no shares with a dilutive effect.
- The basis for the calculation of net income per share is as follows:
The "average number of outstanding common shares during the period" excludes shares in the Company held by a group of shareholding employees in trust.

	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
Net income per share:		
Net income (million yen)	56,498	41,051
Amount not attributable to common shareholders (million yen)	–	–
Net income attributable to common shares (million yen)	56,498	41,051
Average number of outstanding common shares during the period (thousand shares)	1,256,556	1,248,450

- As stated in "4. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements, Changes in Accounting Policies," the adoption of the accounting standards for retirement benefits, etc. is subject to the transitional treatment stipulated by Article 37 of the Retirement Benefits Accounting Standards. As a result, net income per share for the consolidated fiscal year under review is decreased by 2.58 yen.

(Subsequent Events)

(Acquisition of own shares)

At a meeting of the Board of Directors held on May 13, 2015, the Company passed a resolution on matters concerning the acquisition of treasury stock in accordance with the provisions of Article 156 of the Corporation Act applied after the modification by the provisions in Article 165, Paragraph 3 of the Corporation Act. Details are as follows.

(1) Reason for acquisition of own shares

The Company decided to acquire its own shares with the aim of improving capital efficiency and executing flexible capital policies.

(2) Details of acquisition

- | | |
|--|---|
| (i) Type of stock to be acquired | Shares of common stock |
| (ii) Total number of shares to be acquired | Up to 15.0 million shares
(Equivalent to 1.20% of outstanding shares (Excluding treasury stock)) |
| (iii) Total acquisition price | Up to 10 billion yen |
| (iv) Period of acquisition | From May 14, 2015 to August 14, 2015 |
| (v) Method of acquisition | Market purchase |

(Introduction of Employee Stock Ownership ESOP Trust)

At a meeting of the Board of Directors held on May 13, 2015, the Company decided to introduce an incentive plan for employees named "Employee Stock Ownership ESOP Trust" (hereinafter "ESOP Trust") for the purpose of increasing the corporate value of the Company in the medium and long term and enhancing its welfare program.

(1) The purpose of introducing the ESOP Trust

The Company will introduce the ESOP Trust for the purpose of increasing its corporate value over the medium and long terms by promoting the execution of operations aimed at further enhancing its business performance and stock value and of improving its welfare system by providing the employees of the Company and its consolidated subsidiaries with an incentive for boosting the Company's share price.

(2) Overview of the ESOP Trust

The ESOP Trust is a trust-type incentive plan for employees that employs a scheme for the employees ownership association, referencing the employee stock ownership plan in the United States, for the purpose of enhancing the savings plan (the welfare system) to promote property accumulation using the Company's shares.

The Company has set up a trust with the employees participating in the Tokyu Group Employees' Ownership Association (hereinafter "Ownership Association") who have satisfied certain requirements as beneficiaries, and, during a predetermined acquisition period, the trust acquires the number of the Company's shares that are expected to be acquired by the Ownership Association for a certain period in the future. After that, the trust will sell the Company's shares on a certain date every month to the Ownership Association. If there is trust income when the trust expires due to a rise in the share price, cash will be distributed to the employees who are the beneficiaries according to their contribution ratio, etc. If debt remains in the assets in the trust as a result of the generation of a loss on sale due to a fall in the share price, the Company will repay the debt in a block to the bank based on a guarantee clause in the loan agreement. Therefore, the employees will not bear any additional burden.

The Company will determine the details of the ESOP Trust, such as the time of establishment and the trust period, at a later date.