

Tokyu Corporation

Consolidated Financial Statements First Half of the Fiscal Year Ending March 31, 2013

(April 1, 2012 – September 30, 2012)

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 First Half of Fiscal Year Ending March 31, 2013**

Tokyu Corporation

November 9, 2012

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
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Planned date for submission of quarterly financial reports:	November 9, 2012		
Scheduled date of commencement of dividend payment:	December 3, 2012		
Supplementary documents for quarterly results	YES		
Quarterly results briefing (for institutional investors and analysts)	YES		

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

**1. Consolidated Financial Results for the First Half of Fiscal Year Ending March 31, 2013
(April 1, 2012 to September 30, 2012)**

*(Figures in percentages denote the year-on-year change)
Million yen*

1) Consolidated Operating Results

	Six months ended September 30, 2012		Six months ended September 30, 2011	
		Change (%)		Change (%)
Operating revenue.....	519,353	(1.9)	529,641	(10.4)
Operating profit.....	33,125	(11.1)	37,257	(9.8)
Recurring profit.....	32,786	(13.6)	37,958	(4.3)
Net income	18,487	(15.8)	21,947	6.9
Net income per share (¥).....	14.74		17.53	
Net income per share (diluted) (¥).....	14.69		17.51	

Notes: Comprehensive Income: Six months ended September 30, 2012: ¥16,501 million [-24.2%]; Six months ended September 30, 2011: ¥21,766 million [18.2%]

2) Consolidated Financial Position

Million yen

	As of September 30, 2012	As of March 31, 2012
Total assets	1,947,315	1,984,591
Net assets	465,999	441,920
Equity ratio (%).....	22.8	21.7

Reference: Shareholders' equity: As of September 30, 2012: ¥443,616 million; As of March 31, 2012: ¥431,043 million

2. Dividends

	FY ending March 31, 2013 (forecast)	FY ending March 31, 2013	FY ended March 31, 2012
Dividend per share – end of first quarter (¥)		–	–
Dividend per share – end of first half (¥)		3.50	3.00
Dividend per share – end of third quarter (¥)	–		–
Dividend per share – end of term (¥)	3.50		3.50
Dividend per share – annual (¥)	7.00		6.50

Note: Revisions to dividend forecasts published most recently: No

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

*(Figures in percentages denote the year-on-year change)
Million yen*

	Full year	
		Change (%)
Operating revenue.....	1,063,800	(2.8)
Operating profit	51,000	(7.3)
Recurring profit	45,000	(16.8)
Net income.....	28,000	(22.1)
Net income per share (¥).....	22.32	

Note: Revision to consolidated business performance forecasts published most recently: Yes

*** Notes**

(1) Changes in important subsidiaries during the consolidated quarter (cumulative) under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): No

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

1) Changes in accounting policies with revision of accounting standards, etc.: Yes

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: Yes

4) Restatement of revisions: No

(Note) The above notes are made in accordance with the provisions of Article 10-5 of the "Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements."

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the term (including treasury stock) (shares)

As of September 30, 2012: 1,263,525,752 As of March 31, 2012: 1,263,525,752

2) Number of treasury stock at the end of the term (shares)

As of September 30, 2012: 8,522,878 As of March 31, 2012: 9,821,654

3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)

Six months ended September 30, 2012: 1,254,320,160

Six months ended September 30, 2011: 1,251,781,215

(Note) The number of treasury stock includes shares of the Company held by a group of shareholding employees in trust, as follows:
As of September 30, 2012: 4,179,000 shares; As of March 31, 2012: 5,560,000 shares

*** Status of a quarterly review**

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have not been reviewed at the time of the announcement of this financial summary.

*** 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 as of the date of this announcement and assumptions considered reasonable. Actual results may differ materially from forecasts depending on a number of factors.

(Method of acquiring supplementary documents for quarterly results)

"Summary of Results for the First Half of FY2012" will be published on our IR website and TDnet (Timely Disclosure network).

(Method of acquiring closing of accounts briefing material)

Tokyu Corporation plans to hold a results briefing for institutional investors and analysts on November 13, 2012.

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

(Reference) Summary of Non-Consolidated Results

Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2013

(April 1, 2012 to March 31, 2013)

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

Million yen

	Full year	
		Change (%)
Operating revenue	258,200	4.4
Operating profit	36,600	(3.8)
Recurring profit	29,700	(4.5)
Net income	21,600	(19.9)
Net income per share (¥)	17.20	

Note: Revision to non-consolidated business performance forecasts published most recently: Yes

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○ Same-day disclosure documents

Documents providing an overview of the settlement for the first half of the fiscal year ending March 2013
(Note) These documents were posted on the Company's website, and are also disclosed on TDnet.

1. Qualitative Information on Consolidated Financial Results, etc. for the First Half Ended September 30, 2012

(1) Qualitative Information on Consolidated Financial Results

While firmly focusing on reforming its income structure and other issues required to achieve sustainable growth in the future, the Company (including its subsidiaries) continued to engage actively in sales activities and initiatives to cut expenses.

Operating revenue for the First half of the consolidated fiscal year under review stood at ¥519,353 million (down 1.9% year on year), primarily reflecting a decline due to the transfer of the businesses of Tokyu Car Corporation, which offset increases in reaction to the effects of the Great East Japan Earthquake, as well as the opening of Shibuya Hikarie. Operating profit amounted to ¥33,125 million (down 11.1%), the result of decreases in real estate sales of the Company and its subsidiary in Western Australia. Recurring profit came to ¥32,786 million (a fall of 13.6%), given factors such as a decline in investment gains from the equity method. Net income was ¥18,487 million (down 15.8%).

Operating results on a segment 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.

In addition, the Company changed its reported segment classification starting the first quarter of this fiscal year. The actual results of reported segments for the same period a year ago have been restated to match the reported segment classification after the change for the purpose of prior year comparison.

(i) Transportation

In railway operations, the number of commuters carried rose 2.3% year on year in the first half of the fiscal year under review, while the number of non-commuters carried increased 3.4%. Overall, the number of passengers carried increased 2.7%. These increases were primarily attributable to a reaction to the effects of the Great East Japan Earthquake as well as the effect of the opening of Shibuya Hikarie.

Operating revenue stood at ¥93,510 million (up 2.7% from the previous year), and operating profit came to ¥19,331 million (rising 2.0%). This was partly attributable to an increase in the number of passengers carried by Izukyu Corp., a railway operator, and Tokyu Bus Corp, a bus operator, as a result of a reaction to the effects of the Great East Japan Earthquake.

(Operation results of Tokyu Corporation's railway operations)

Categories		Units	First half of the previous fiscal year	First half of the fiscal year under review
			April 1, 2011 to September 30, 2011	April 1, 2012 to September 30, 2012
Number of operating days		Days	183	183
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	64,953	70,176
Number of passengers carried	Non-commuter	Thousand passengers	215,032	222,304
	Commuter	Thousand passengers	320,333	327,649
	Total	Thousand passengers	535,365	549,953
Passenger revenue	Non-commuter	Million yen	34,993	36,211
	Commuter	Million yen	28,909	29,486
	Total	Million yen	63,902	65,697
Miscellaneous income from railway operations		Million yen	8,453	8,323
Total revenues		Million yen	72,355	74,020
Average passenger revenue per day		Million yen	349	359
Operating efficiency		%	54.9	52.3

(Note) Calculation method of the operating efficiency

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

(ii) Real Estate

In the Real Estate business, operating revenue was ¥70,753 million (down 2.1% year on year), and operating profit amounted to ¥8,704 million (a decrease of 41.5%), mainly reflecting the absence of large-scale land sales in the same period of the previous fiscal year in real estate sales of the Company and its subsidiary in Western Australia, which offset an increase in income from rents in the Company's real estate leasing, mainly attributable to the effect of the opening of Shibuya Hikarie.

(iii) Life Service

In the Life Service business, operating revenue rose to ¥258,974 million (up 1.1% year on year), primarily attributable to increases in reaction to the effects of the Great East Japan Earthquake in Tokyu Department Store, a department store operator, and the effect of the opening of ShinQs within Shibuya Hikarie. Operating profit, however, fell 24.4% year on year to ¥3,360 million, because of a failure to improve the Tokyu Store Chain's gross margin in addition to the sluggish results at existing stores.

(iv) Hotel and Resort

In the Hotel and Resort business, operating revenue stood at ¥44,427 million (an increase of 11.3% from a year ago), and operating profit amounted to ¥542 million (compared to an operating loss of ¥2,173 million in the same period a year ago). These increases were attributable to an increase in reaction to the effects of the Great East Japan Earthquake in Tokyu Hotels, a hotel operator, and a significant improvement in its occupancy rate in the Tokyo metropolitan area.

(v) Business Support

In the Business Support business, operating revenue stood at ¥86,768 million (a fall of 18.7% from a year ago), and operating profit amounted to ¥867 million (a decrease of 28.5%), mainly reflecting transfers of businesses of Tokyu Car Corporation, an operator of rolling stock-related business.

For details of the transfers of businesses of Tokyu Car Corporation, please see the "Notice of Transfers of Businesses of a Subsidiary" which was publicly announced on October 27, 2011.

(2) Qualitative Information on Consolidated Financial Position**Assets**

Total assets at the end of the first half of the fiscal year under review decreased ¥37,276 million from the end of the previous fiscal year, to ¥1,947,315 million. This decrease was mainly due to the transfers of businesses of Tokyu Car Corporation.

Liabilities

Total liabilities at the end of the first half of the fiscal year under review declined ¥61,354 million from the end of the previous fiscal year, to ¥1,481,316 million. This was primarily attributable to a decrease in interest-bearing debt* of ¥25,191 million from the end of the previous fiscal year, to ¥1,010,823 million and the transfers of businesses of Tokyu Car Corporation.

Net assets

Net assets at the end of the first half of the fiscal year under review rose ¥24,078 million from the end of the previous fiscal year, to ¥465,999 million, mainly reflecting the posting of net income for the first half and an increase in minority interests.

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

(3) Qualitative Information on Forecast Consolidated Earnings

The Company has revised its forecast consolidated earnings for the consolidated fiscal year ending March, 2013, which were announced on May 15, 2012. It now forecasts operating revenue of ¥1,063.8 billion (down 0.1% from the previous forecast), operating profit of ¥51.0 billion (rising 2.0%), recurring profit of ¥45.0 billion (an increase of 7.1%), and net income of ¥28.0 billion (up 7.7%).

* The forecast results presented above are based on information available as of the date of this announcement and assumptions considered reasonable. Actual results may differ materially from forecasts depending on a number of factors.

2. Matters Relating to Summary Information (Notes)**(1) Changes in accounting policies, changes in accounting estimates, and restatement of revisions**

Change in accounting policies

(Depreciation method)

Starting with the first quarter of this fiscal year, the Company and its domestic consolidated subsidiaries have changed the depreciation method for tangible fixed assets acquired on or after April 1, 2012 due to the revision of Japan's Corporation Tax Act.

Due to the effect of this change, operating profit, recurring profit, and income before income taxes and minority interests increased ¥429 million, respectively, compared to the previous depreciation method.

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheets***Million yen*

Item	As of March 31, 2012	As of September 30, 2012
Assets		
Current Assets		
Cash and deposits	32,091	19,966
Trade notes & accounts receivable	119,041	99,848
Merchandise and products	17,321	17,289
Land and buildings for sale	48,855	49,872
Work in progress	24,711	12,903
Raw materials and supplies	7,218	5,293
Deferred tax assets	11,450	8,536
Others	33,088	44,900
Allowance for doubtful accounts	(965)	(949)
Total current assets	292,813	257,661
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	632,524	664,260
Rolling stock & machinery (net)	59,808	54,329
Land	560,781	558,869
Construction in progress	161,802	146,473
Others (net)	18,491	18,465
Total tangible fixed assets	1,433,408	1,442,397
Intangible fixed assets	27,961	26,936
Investments & others		
Investment securities	107,368	103,348
Deferred tax assets	25,840	22,767
Others	99,447	96,527
Allowance for doubtful accounts	(2,249)	(2,323)
Total investments and others	230,407	220,320
Total fixed assets	1,691,777	1,689,654
Total Assets	1,984,591	1,947,315

Million yen

Item	As of March 31, 2012	As of September 30, 2012
Liabilities		
Current Liabilities		
Trade notes & accounts payable	97,851	84,067
Short-term debt	263,242	252,038
Commercial papers	8,000	-
Current portion of corporate bonds	22,000	19,800
Accrued income taxes	4,925	4,943
Provision	21,088	16,094
Advances received	35,474	36,274
Others	106,963	92,529
Total current liabilities	559,546	505,747
Long-Term Liabilities		
Corporate bonds	224,800	237,000
Long-term debt	517,972	501,985
Reserve for employees' retirement benefits	30,306	27,561
Other provisions	3,184	3,051
Long-term deposits from tenants and club members	111,514	111,730
Deferred tax liabilities	26,963	26,773
Deferred tax liabilities from revaluation	9,922	9,922
Negative goodwill	4,230	2,863
Others	30,940	31,041
Total long-term liabilities	959,834	951,928
Special Legal Reserves		
Urban railways improvement reserve	23,290	23,639
Total Liabilities	1,542,671	1,481,316
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	140,503	140,442
Retained income	169,915	184,068
Treasury stock	(4,525)	(3,984)
Total shareholders' equity	427,618	442,251
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities, net of taxes	(1,449)	(2,402)
Net unrealized gains (losses) on hedging instruments, net of taxes	38	(12)
Land revaluation reserve	9,873	9,816
Foreign currency translation adjustment account	(5,038)	(6,036)
Total accumulated other comprehensive income	3,424	1,364
Minority Interests	10,877	22,383
Total Net Assets	441,920	465,999
Total Liabilities and Net Assets	1,984,591	1,947,315

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

(Quarterly Consolidated Statements of Income)

Million yen

Item	April 1, 2011 to September 30, 2011	April 1, 2012 to September 30, 2012
Operating revenue	529,641	519,353
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc.)	396,922	391,097
SG&A expenses	95,461	95,130
Total cost of operating revenue	492,383	486,227
Operating profit	37,257	33,125
Non-operating profit		
Interest income	297	172
Dividend income	741	689
Amortization of negative goodwill	1,728	1,721
Investment gains from equity method	4,420	2,724
Others	2,729	2,980
Total non-operating profit	9,916	8,288
Non-operating expenses		
Interest expenses	7,647	7,107
Others	1,568	1,520
Total non-operating expenses	9,215	8,627
Recurring profit	37,958	32,786
Extraordinary gains		
Subsidies received for construction	1,569	1,145
Gain on reversal of urban railways improvement reserve	946	946
Subsidy income	19	620
Others	1,436	272
Total extraordinary gains	3,972	2,985
Extraordinary losses		
Loss on reduction of subsidies received for construction	812	984
Transfer to urban railways improvement reserve	1,259	1,295
Provision of allowance for loss on transfer of business	3,900	1,900
Others	1,783	1,451
Total extraordinary losses	7,755	5,631
Income before income taxes and minority interests	34,175	30,139
Corporate income taxes	11,595	11,158
Income before minority interests	22,579	18,981
Minority interest in earnings of consolidated subsidiaries	632	493
Net income	21,947	18,487

(Quarterly Consolidated Statements of Comprehensive Income)*Million yen*

Item	April 1, 2011 to September 30, 2011	April 1, 2012 to September 30, 2012
Income before minority interests	22,579	18,981
Other comprehensive income		
Net unrealized gains (losses) on investment securities	(955)	(980)
Net unrealized gains (losses) on hedging instruments	2	(0)
Foreign currency translation adjustment account	186	(1,503)
Share of other comprehensive income of associates accounted for using equity method	(46)	3
Total other comprehensive income	(813)	(2,480)
Comprehensive income	21,766	16,501
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	21,123	16,485
Comprehensive income attributable to minority interests	643	16

(3) Notes Regarding the Premise of a Going Concern

There is no applicable item.

(4) Notes If There Is a Considerable Change to Shareholders' Equity

There is no applicable item.

(5) Segment Information

(Segment information)

I. April 1, 2011 to September 30, 2011

Segment information for the period between April 1, 2011 and September 30, 2011 are as stated in "II April 1, 2012 to September 30, 2012: 2. Matters concerning changes of reported segments, etc."

II. April 1, 2012 to September 30, 2012

1. Information on operating revenue and operating profits or losses by reported segment

	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	93,209	54,185	255,666	44,202	72,089	519,353	–	519,353
Inter-segment internal revenues or transfers	301	16,567	3,307	224	14,679	35,081	(35,081)	–
Total	93,510	70,753	258,974	44,427	86,768	554,434	(35,081)	519,353
Segment profit	19,331	8,704	3,360	542	867	32,806	319	33,125

Million yen

Notes

1. An adjustment of ¥319 million in segment profit represents the deduction of intersegment transactions.
2. Segment profit has been adjusted with operating profit recorded in the consolidated quarterly statements of income.
3. During the accounting period for the first half of the fiscal year under review, the Company and its consolidated subsidiary Tokyu Car Corporation transferred three businesses of Tokyu Car SPV Corporation (wholly owned subsidiary of Tokyu Car Corporation).

2. Matters concerning changes in reported segments, etc.

Starting with the accounting period for first half of the fiscal year under review, the Company changed its business from six reported segments (Transportation, Real Estate, Retail, Leisure and Services, Hotels, and other Businesses) to five (Transportation, Real Estate, Life Service, Hotel and Resort, and Business Support).

This change was made to reclassify the Company's business under its three-year, medium-term management plan, which began in the fiscal year under review. The consumer retail business, card business, CATV business, culture business, sports business and other businesses were combined into the new Life Service business. The new Life Service business and the existing Transportation and Real Estate businesses were reclassified as three core businesses. The Hotel and Resort business, combining the existing Hotels business with golf course operations, and the Business Support business, combining the existing other business with advertising business, were also created. The shopping center operations that had been classified under Retail business were reclassified under the Real Estate business.

As a result, 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

Information concerning operating revenue, profit or loss for each reported segment for the first half of the previous fiscal year that reflects the changes in reported segments is as follows.

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	90,714	57,346	253,125	39,730	88,724	529,641	–	529,641
Inter-segment internal revenues or transfers	331	14,945	3,029	171	18,048	36,526	(36,526)	–
Total	91,046	72,291	256,154	39,902	106,773	566,168	(36,526)	529,641
Segment profit (loss)	18,951	14,879	4,442	(2,173)	1,213	37,313	(55)	37,257

Notes

1. An adjustment of minus ¥55 million in segment profit (loss) represents the deduction of intersegment transactions.
2. Segment profit (loss) has been adjusted with operating profit recorded in the consolidated quarterly statements of income.

As stated in “2. Matters Relating to Summary Information (Notes): (1) Changes in accounting policies, changes in accounting estimates, and restatement of revisions,” the Company and its domestic consolidated subsidiaries have changed the depreciation method for tangible fixed assets acquired on or after April 1, 2012 due to the revision of Japan’s Corporation Tax Act.

Because of the effect of this change, segment profit for the first half of the fiscal year under review increased ¥37 million in the Transportation business, ¥374 million in the Real Estate business, ¥14 million in the Life Service business, ¥0 million in the Hotel and Resort business, and ¥2 million in the Business Support business, respectively, compared to the previous depreciation method.

(6) Subsequent Events

Transfer of shares of an important subsidiary

The Company transferred all its shares in Tokyu-Hakuba Corporation, a consolidated subsidiary, on November 1, 2012, under a resolution adopted at a Board of Director meeting held on September 27, 2012 and a share transfer agreement concluded on September 28, 2012.

1. Reason of the transfer

Established in 1958, Tokyu-Hakuba Corporation manages three ski resorts in Hakuba-mura and Otari-mura, Kita-azumi-gun, Nagano Prefecture: Happo-one, Tsugaike Kogen, and Iwatake, and has been working to improve operational efficiency in response to recent changes in the business environment.

The Company prepared a three-year medium-term management plan whose basic strategy is “business development that continues to create life value in the areas we serve” with the aim of maximizing consolidated revenue and is implementing measures to realize its two visions of “Keeping Tokyu’s rail service areas being the main focus” and “Becoming a strong business group as ‘one Tokyu’.”

As part of these initiatives, the Company has considered the future business strategy of Tokyu-Hakuba and deemed it appropriate to strengthen the operating base of the subsidiary, creating synergies in its business with Nippon Ski Resort Development Co., Ltd., which manages numerous ski resorts in Nagano Prefecture. The Company has thus decided to transfer the Tokyu-Hakuba shares held by the Tokyu Group to Nippon Ski Resort Development.

2. Company acquiring the shares

Nippon Ski Resort Development Co., Ltd.

3. Name and business of the subsidiary

(1) Name

Tokyu-Hakuba Corporation

(2) Business

Cableways, inns, restaurants, travel

4. Number of shares sold and loss on the sale

(1) Number of shares sold

1,832,561

(2) Loss on the sale

The Company expected a loss on the transfer of shares and posted a provision for an allowance for a loss on transfer of business of ¥1,900 million in extraordinary losses in the first half under review.

○ Same-day disclosure documents

Documents providing an overview of the settlement for the first half of the fiscal year ending March 2013

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