Tokyu Corporation

Consolidated Financial Statements

Fiscal 2011

(April 1, 2011 – March 31, 2012)

SUMMARY OF FINANCIAL STATEMENTS [Japanese Accounting Standards] (Consolidated)
For the Fiscal year Ended March 31, 2012

Tokyu Corporation May 15, 2012

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
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Planned date of general meeting of shareholders:		June 28, 2012	Telephone: 81-3-3477-6168
Scheduled date of commencement of dividend payment:		June 29, 2012	
Planned date for submission of financial reports:		June 28, 2012	
Supplementary documents for results		YES	
Results briefing (for institutional investor and analysts)		YES	

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

1. Consolidated Financial Results for Fiscal Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)

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

1) Consolidated Operating Results

Million yen

	FY ended March 31, 2012		FY ended March 31, 2011	
		Change (%)		Change (%)
Operating revenue	1,094,209	(5.0)	1,152,125	(6.3)
Operating profit	55,032	(3.7)	57,119	8.3
Recurring profit	54,068	2.3	52,873	14.6
Net income	35,922	(10.3)	40,051	168.8
Net income per share (¥)	¥28.68		¥32.05	
Net income per share (diluted) (¥)	¥28.64		–	
Return on equity (%)	8.6%		10.3%	
Return on assets (%)	2.7%		2.7%	
Operating profit ratio (%)	5.0%		5.0%	

Notes: Comprehensive Income: FY ended March 31, 2012: ¥39,121 million [1.9%] ; FY ended March 31, 2011: ¥38,388 million [144.1%]

Reference: Equity in income (losses) of equity-method affiliates: FY ended March 31, 2012: ¥6,191 million; FY ended March 31, 2011: ¥4,157 million

2) Consolidated Financial Position

Million yen

	As of March 31, 2012	As of March 31, 2011
Total assets	1,984,591	1,955,077
Net assets	441,920	416,565
Equity ratio (%)	21.7	20.6
Net assets per share (¥)	¥343.82	¥322.04

Reference: Shareholders' equity: FY ended March 31, 2012: ¥431,043 million; FY ended March 31, 2011: ¥402,843 million

3) Consolidated Cash Flows

Million yen

	FY ended March 31, 2012	FY ended March 31, 2011
Operating activities	144,540	113,369
Investing activities	(125,998)	(113,106)
Financing activities	(16,410)	(11,030)
Cash and cash equivalents at end of year	31,207	29,156

2. Dividends

	FY ending March 31, 2013 (forecast)	FY ended March 31, 2012	FY ended March 31, 2011
Dividend per share – end of first quarter (¥)	–	–	–
Dividend per share – end of first half (¥)	3.50	3.00	3.00
Dividend per share – end of third quarter (¥)	–	–	–
Dividend per share – end of term (¥)	3.50	3.50	3.50
Dividend per share – annual (¥)	7.00	6.50	6.50
Total cash dividends (annual)		8,155	8,138
Dividend payout ratio (consolidated) (%)	33.8	22.7	20.3
Net assets dividend ratio (consolidated) (%)		2.0	2.1

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, 2012: ¥39 million; FY ended March 31, 2011: ¥58 million

3. 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

	First half		Full year	
		Change (%)		Change (%)
Operating revenue	515,100	(2.7)	1,064,800	(2.7)
Operating profit	30,900	(17.1)	50,000	(9.1)
Recurring profit	28,800	(24.1)	42,000	(22.3)
Net income	17,000	(22.5)	26,000	(27.6)
Net income per share (¥)	¥13.56		¥20.74	

*** Notes**

(1) Important changes of subsidiaries during the term
(Change of specified subsidiaries that led to a change in the scope of consolidation): Yes
Newly consolidated: 1 (Company name: Becamex Tokyu Co., Ltd.); Excluded －

(2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
1) Changes in accounting policies with revision of accounting standards: No
2) Changes in accounting policies other than 1): No
3) Changes in accounting estimates: No
4) Restatement of revisions: No

(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, 2012: 1,263,525,752 FY ended March 31, 2011: 1,263,525,752
2) Number of treasury stock at the end of the term (shares)
FY ended March 31, 2012: 9,821,654 FY ended March 31, 2011: 12,632,494
3) Average numbers of shares issued during the terms (shares)
FY ended March 31, 2012: 1,252,445,190 FY ended March 31, 2011: 1,249,732,499
(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, 2012: 5,560,000 shares; FY ended March 31, 2011: 8,316,000 shares

(Reference) Summary of Non-Consolidated Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2012
(April 1, 2011 to March 31, 2012)

1) Non-Consolidated Operating Results

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

	FY ended March 31, 2012		FY ended March 31, 2011	
		Change (%)		Change (%)
Operating revenue	247,333	(10.1)	275,139	(2.7)
Operating profit	38,062	(15.8)	45,184	(1.8)
Recurring profit	31,091	(17.0)	37,466	2.7
Net income	26,979	(37.5)	43,174	661.7
Net income per share (¥)	¥21.52		¥34.50	
Net income per share (diluted) (¥)	–		–	

2) Non-Consolidated Financial Position

Million yen

	As of March 31, 2012	As of March 31, 2011
Total assets	1,556,399	1,507,531
Net assets	391,470	371,552
Equity ratio (%)	25.2%	24.6%
Net assets per share (¥)	¥311.87	¥296.62

Reference: Shareholders' equity: FY ended March 31, 2012: ¥391,470 million; FY ended March 31, 2011: ¥371,552 million

2. 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

	First half		Full year	
		Change (%)		Change (%)
Operating revenue	118,300	(0.2)	257,200	4.0
Operating profit	24,700	(13.5)	34,600	(9.1)
Recurring profit	21,500	(16.0)	26,800	(13.8)
Net income	14,100	(24.7)	22,100	(18.1)
Net income per share (¥)	¥11.23		¥17.61	

* 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.

○ Accompanying Materials – Contents

○ Same-day disclosure documents

Documents providing an overview of the settlement for the fiscal year ended March 2012

(Note) The scope of information that was previously presented in the Supplementary Information (Reference) of financial statements is now presented in the documents above. These documents were posted on the Company's website, and are also disclosed on TDnet.

1. Review of Operations

(1) Analysis of Results

(i) Overview of the Fiscal Year under Review

During the first half of the consolidated fiscal year under review, the Japanese economy continued to face difficult circumstances, given the impact of the Great East Japan Earthquake and disruption to financial markets caused by the European debt crisis. However, during the second half, economic conditions showed modest signs of improvement, supported by earthquake reconstruction demand and recovery of consumer and business sentiment.

In this environment, Tokyu Corporation (the “Company”) and its consolidated subsidiaries (collectively the “Group”) continued working to achieve both a proactive approach to operations and cost reductions, while making ongoing efforts to rebuild earnings structures and undertake other reforms needed to sustain growth into the future.

Operating revenue for the consolidated fiscal year under review stood at ¥1,094,209 million (down 5.0% year on year), reflecting the absence of the sales of large-scale condominiums posted in the previous fiscal year in the Real Estate business and the impact of the Great East Japan Earthquake. Operating profit was ¥55,032 million (down 3.7% year on year) mainly due to a substantial increase in disposal cost of fixed assets in the Transportation business, which offset higher profits in the Real Estate Business and the Retail business. Recurring profit came to ¥54,068 million (up 2.3% year on year), primarily because of the recording of investment gains from the equity method and a decrease in interest expenses. However, net income amounted to ¥35,922 million (down 10.3% year on year), chiefly due to the recording of a large amount of deferred tax assets in the previous consolidated fiscal year, which offset considerable reduction in impairment loss and other extraordinary losses.

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

Tokyu Corporation regards safety as its largest and most important responsibility to customers in its railway operations. Based on this policy, we are strengthening all aspects of our safety management system, from management to workers onsite.

During the consolidated fiscal year under review, the Company undertook a number of power saving initiatives, while working to ensure the safety of customers and secure transportation services in light of the Great East Japan Earthquake and the ensuing electrical power shortages.

The Company also pursued initiatives to ensure that, in the event of an earthquake occurring below the Tokyo Capital Region or any other major earthquake or disaster likely to cause significant damage to the Tokyo Metropolitan Area, the Company would be able to promptly resume service along the Tokyu Line and continue business.

The Company revised plans to ensure early completion of earthquake reinforcement work on stations, elevated bridges, tunnels and other facilities currently being undertaken to mitigate damage to facilities from future earthquakes. The Company also undertook earthquake reinforcement work on electrical facilities and other facilities necessary for train services.

Learning from the Great East Japan Earthquake and the typhoons which hit Japan in September last year, the Company continued to take various steps to ensure the safety of customers, including revamping its rapid response system and conducting drills for various natural disaster scenarios.

To establish a mutual direct train service between the Toyoko Line and the Tokyo Metro Fukutoshin Line during fiscal 2012 in a bid to further enhance the convenience of the Tokyu Line, the Company pushed ahead with construction of the underground link from Daikanyama to Shibuya and construction work for the

introduction of limited express, commuter limited express and express trains with 10 cars (currently trains have eight cars). Through this mutual direct train service, Yokohama - Shibuya - Shinjuku - Ikebukuro will be connected by a single train, and the rail network will be further improved.
The Company aspires to improve comfort for Tokyu Line users with a strong focus on easing rush-hour congestion and controlling delays partly attributable to congestion. We launched an express service between Oimachi and Mizonokuchi stations to offer a greater number of options to people traveling from suburban areas to central Tokyo on the Den-en-toshi Line. We are taking additional initiatives, including a frequency increase around peak hour, semi-express services, and the introduction of six-door train cars, to ease congestion and control delays.
In railway operations, the number of commuters carried rose 0.1% year on year, the number of non-commuters carried climbed 0.5% and the total number of passengers carried increased 0.3%. These gains reflected the opening of facilities in areas served by Tokyu's railway lines such as Futako-Tamagawa Rise Shopping Center and Tamaplaza Terrace, which outweighed negative factors such as the impact of the Great East Japan Earthquake and the opening of JR Musashi-kosugi Station. Revenue from fares also increased 0.2%.
Looking at the number of passengers carried by consolidated subsidiaries, the number carried by Izukyu Corp. declined 11.2%, while the number carried by Ueda Dentetsu Corp. was down 1.2%. These declines were largely attributable to the impact of the Great East Japan Earthquake.
In bus operations, the number of passengers carried by Tokyu Bus Corp. increased 0.2%.
Operating revenue for the Transportation segment was ¥188,453 million (up 0.6% year on year) largely due to the increase in passengers carried in the Company's railway operations. However, operating profit amounted to ¥18,319 million (down 35.7% year on year) chiefly due to an increase in disposal cost of fixed assets associated with the completion of construction work.

(Operation results of Tokyu Corporation's railway operations)

Categories		Units	142nd term	143rd term
			April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012
Number of operating days		Days	365	366
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	136,846	134,291
Number of passengers carried	Non-commuter	Thousand passengers	433,891	435,972
	Commuter	Thousand passengers	628,699	629,392
	Total	Thousand passengers	1,062,590	1,065,364
Passenger revenue	Non-commuter	Million yen	70,736	70,990
	Commuter	Million yen	57,139	57,128
	Total	Million yen	127,875	128,118
Miscellaneous income from railway operations		Million yen	17,922	19,054
Total revenues		Million yen	145,797	147,172
Average passenger revenue per day		Million yen	399	402
Operating efficiency		%	51.8	52.8

(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 sales business, the Company sold built-for-sale houses and condominiums, mainly in the Tama Den-en toshi areas.

In the real estate leasing business, we pursued the “restructuring of the real estate business” by expanding the leasing business with the aim of generating stable and continuous revenue and income for the future and further enhancing the value of areas served by Tokyu’s railway lines.

Tokyu Facility Service, which engages in real estate management, faced difficult conditions, due primarily to a decline in orders resulting from the economic downturn.

In its senior citizen residence business, Tokyu Wellness Corporation operates senior citizens’ residences offering care services, which aim to provide senior citizens in areas served by Tokyu’s railway lines with living spaces where they can lead lives that are enriched, safe and secure. It has now opened its first residence, Tokyu Welina Ookayama.

Operating revenue for the Real Estate segment was ¥131,219 million (down 16.9% year on year), mainly reflecting the absence of sales of large-scale condominiums in areas served by Tokyu’s railway lines posted in the Company’s real estate sales business in the previous fiscal year. Operating profit, however, reached ¥22,429 million (up 32.5% year on year), thanks primarily to an increase in income from rents in the Company’s real estate leasing business in association with the opening of Futako-Tamagawa Rise and the Tokyu Capitol Tower, as well as land sales in Western Australia.

Retail

In its department store operations, Tokyu Department Store is advancing reforms in the operating structure to make its stores more attractive and modifying the store structure to optimize sales floor operations, while making full use of its alliance with Isetan Mitsukoshi Holdings Ltd. to strengthen its sales capabilities.

In its chain store operations, Tokyu Chain Store continued to streamline unprofitable stores as part of the reform of its earning structure in response to the fall in operating revenue. It also remodelled a number of chain stores, mainly in areas served by Tokyu’s railway lines, which are its earning base, and focused on sales floor operations to match customer purchasing behavior and lifestyle, in order to improve its earning capability. Tokyu Chain Store also converted certain existing general merchandise stores (GMS) into shopping centers with Tokyu Store as the anchor store and, in May last year, opened newly renovated stores, Fullel Saginuma and Fullel With Jiyugaoka.

In April last year, TMD Corporation, which operates the shopping center business, opened Shibuya 109 Abeno in the Kansai area. This is its latest store under the Shibuya 109 brand, which is winning popularity among young women.

Operating revenue for the Retail segment was ¥490,712 million (down 4.8% year on year), largely due to consumer restraint in the wake of the Great East Japan Earthquake and store closures associated with operating structure reforms, in addition to the prolonged slump in private consumption. However, operating profit reached ¥10,114 million (up 32.5% year on year), thanks mainly to reduction of expenses such as labor costs and decrease in amortization of goodwill.

Leisure and Services

In its advertising business, Tokyu Agency Inc. engaged in operations focused on marketing proposals from a consumer viewpoint by taking advantage of the collective strength of the Tokyu Group. Tokyu Agency also moved forward with efforts to strengthen its advertising brand, integrating transport advertising media and outdoor advertising media in collaboration with the Company, and undertook advertising operations for the Company’s projects for developing large bases.

In its CATV operations, its communications Inc. operates various services, including TV, Internet and phone, in areas served by Tokyu’s railway lines with the aim of increasing points of contact with customers. During the consolidated fiscal year under review, its communications launched a service which allows users to

make purchases on a TV screen as well as online as part of its group-buying ticket sales service PONiTS.
In its childcare business, Kidsbasecamp Co., Ltd. operated 15 afterschool centers (private childcare) for elementary school pupils centered on areas served by Tokyu’s railway lines and expanded business operations in anticipation of qualitative and quantitative changes in the population in areas served by Tokyu’s railway lines.
Operating revenue for the Leisure and Services segment was ¥151,583 million (down 2.6% year on year), given a decline in sales of advertising and events from Tokyu Agency Inc. due to the effects of the Great East Japan Earthquake. However, operating profit amounted to ¥2,877 million (up 5.0% year on year) owing mainly to rigorous sales activities by its communications Inc.

Hotels

Conditions remained difficult for Tokyu Hotels, with its hotel operations severely hit by the Great East Japan Earthquake, in addition to competition intensified across the industry. Under these conditions, Tokyu Hotels continued to pursue reforms in its cash flow structure and worked to strengthen its earning capability by focusing management resources on hotels in the Tokyo Metropolitan area and large hotels based on a new business strategy of revising its business domains.
Operating revenue for the Hotels segment was ¥78,673 million (down 5.0% year on year), chiefly attributable to a slow recovery in per-customer room costs, offsetting the recovery in operating rates, which had been adversely affected by the Great East Japan Earthquake, reported by Tokyu Hotels. Operating loss amounted to ¥828 million (compared to an operating loss of ¥1,443 million the previous consolidated fiscal year), chiefly due to reduction of expenses such as labor costs. The occupancy rate at hotels under the direct control of Tokyu Hotels stood at 75.5% (a 0.4 percentage point decrease from the previous fiscal year) for the fiscal year under review.

Other businesses

Operating revenue for all other businesses was ¥126,945 million (up 0.7% year on year), mainly owing to an increase in sales of special equipment cars and multilevel parking systems from Tokyu Car Corporation. However, operating profit came to ¥2,515 million (down 4.3% year on year), primarily due to higher cost rates.

(ii) Outlook for Fiscal 2012

The Group (including the Company and its consolidated subsidiaries) is expected to continue facing difficult circumstances. Although the economy is beginning to stage a modest recovery from the temporary slump after the Great East Japan Earthquake, the consumer environment is clouded by uncertainty given the slowdown of overseas economies induced by the European debt crisis and the persistently strong yen as well as the specter of electricity constraints in the future. In this operating environment, we forecast operating revenue of ¥1,064,800 million (down 2.7% year on year), mainly due to transfers of businesses of Tokyu Car Corporation, which will offset the effect of the opening of Shibuya Hikarie. We forecast operating profit of ¥50,000 million (down 9.1% year on year), reflecting decreased income from the Company's real estate sales business in spite of anticipated recovery from the impact of the Great East Japan Earthquake. Given negative factors such as decline in investment gains from the equity method, we expect recurring profit of ¥42,000 million (down 22.3% year on year), and net income of ¥26,000 million (down 27.6%).

The forecasts for each operating segment are as follows.

Under its new three year medium-term management plan beginning in fiscal 2012, the Company intends to combine the consumer retail business, card business, CATV business, culture business, sports business and other businesses into the new Life Service business and to reclassify its business into three core businesses: the new Life Service business and the existing Transportation and Real Estate businesses. With this, the Company will change 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).

The actual results of reported segments for fiscal 2011 used as a comparison have been restated for the purpose of prior-year comparison and have not been audited by an independent auditor. Forecasts are subject to change in the future.

Billion yen

	Operating revenue		Operating profit	
	Fiscal 2012	YoY change	Fiscal 2012	YoY change
Transportation	185.4	(0.3)	19.5	1.3
Real Estate	164.1	9.6	20.1	(8.0)
Life Service	532.0	12.6	5.5	(1.1)
Hotel and Resort	90.9	4.5	1.4	2.4
Business Support	169.9	(58.0)	3.5	(0.0)
Total	1,142.3	(31.4)	50.0	(5.3)
Eliminations	(77.5)	2.0	–	0.3
Consolidated	1,064.8	(29.4)	50.0	(5.0)

(2) Analysis of Financial Position

Total assets at the end of the fiscal year under review were ¥1,984,591 million, a ¥29,514 million increase from the end of the previous fiscal year. The increase primarily reflects a rise in tangible fixed assets attributable to capital investment by the Company.

Liabilities climbed ¥4,159 million to ¥1,542,671 million, chiefly due to a rise in trade notes and accounts payable, offsetting a ¥5,330 million fall in interest bearing debt (*) to ¥1,036,015 million.

Net assets increased ¥25,355 million to ¥441,920 million, reflecting the posting of net income.

Net cash generated by operating activities reached ¥144,540 million, after adjustments for income before income taxes and minority interests of ¥48,293 million with items, including depreciation and amortization of ¥72,789 million, a loss on disposal of fixed assets of ¥20,316 million and an increase in trade receivables of ¥14,098 million. Compared with the previous fiscal year, net cash generated by operating activities increased ¥31,170 million owing to factors such as a rise in income before income taxes and minority interests.

Net cash used in investing activities totaled ¥125,998 million, attributable to expenditure on the acquisition of fixed assets of ¥133,357 million. Compared with the previous fiscal year, net cash used in investing activities rose ¥12,891 million, given factors such as reduced income from the sales of fixed assets.

Net cash used in financing activities was ¥16,410 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 ¥31,207 million at the end of the fiscal year under review, up ¥2,050 million from the end of the previous fiscal year.

* Interest-bearing debt: total borrowings, corporate bonds, and commercial paper

(Reference) Consolidated cash flow-related indicator trends:

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Equity ratio (%)	18.4	18.5	19.0	20.6	21.7
Market price based equity ratio (%)	31.8	25.8	24.8	22.1	24.8
Ratio of interest bearing debt to cash flows (years)	8.4	8.7	6.9	9.2	7.2
Interest coverage ratio (times)	6.6	7.0	8.9	7.0	9.6

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 2012, the Group is composed of 235 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 recognize the need to pursue sustainable growth by appropriately responding to the dynamic change in the population and the diversification of consumer markets in areas served by Tokyu's railway lines. In this environment, the Company will execute a medium-term management plan beginning in fiscal 2012, with the basic message "Creation, Communication and Challenge." The plan aims to maximize consolidated revenue by strengthening our business infrastructure for future growth while maintaining our financial soundness and by using the comprehensive capabilities of the Group to the maximum and enhancing cooperation among the operations of the Group from a customer's perspective.

The basic strategy of the management plan is "business development that keeps creating life value in the areas we serve". To realize the two visions of keeping areas served by Tokyu's railway lines being the main focus and becoming a strong profit organization as "one Tokyu", the Company plans to provide products and services that will increase the appeal of areas its serves while creating new business opportunities through means such as participating in urban development projects in rapidly emerging countries in Asia. The Company intends to implement the four focused initiatives outlined below.

Key Initiatives

(i) Development of railway networks and continuation of safety measures

The Company plans to steadily advance the direct train link between the Toyoko Line and Tokyo Metro Fukutoshin Line and the development of a through track between the Sotetsu's railway lines and Tokyu's railway lines, further improving customer convenience, enticing customers outside the areas served by Tokyu's railway lines, and meeting social needs for security.

Specific initiatives for ensuring security include establishing a safety management system by determining an operating policy which must be adhered to ensure the safety of transportation and systems and methods for the implementation and management of operations, and enacting safety management regulations to maintain and increase the level of safety. In addition, in fiscal 2011 the Company established the Railway Safety Strategy Promotion Committee, which has formulated and implemented more strategic safety measures assuming the occurrence of a major disaster, including re-planning the initial response in the

immediate aftermath of an earthquake and promoting damage mitigation measures.
Ensuring safety remains a constant challenge for management and the Company intends to continue taking further steps to ensure safety in the future.

(ii) Continued development of areas served by Tokyu's railway lines, such as Shibuya and Futako-Tamagawa

The Company plans to continue solidifying the infrastructure for the real estate business by proceeding with large-scale development projects in key centers of Tokyu Lines' service areas. The Company aims to increase the value of these areas by developing an appeal that will keep areas served by Tokyu's railway lines being the main focus.

(iii) Strengthening the life service business and increasing cooperation in areas served by Tokyu's railway lines

The Company plans to improve the life value of people living in Tokyu Lines' service areas by providing products and services that will offer added security, convenience, and comfort and that will fulfill the role of keeping areas served by Tokyu's railway lines being the main focus by stepping up cooperation among Group companies, with the aim of becoming "one Tokyu".

(iv) Pursuit of urban development projects overseas by leveraging our expertise in the development of rail service areas

The Company intends to undertake urban development projects in Vietnam, Western Australia and elsewhere overseas using the expertise we have cultivated through projects such as the Tama Den-en toshi area.

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 have undertaken a wide range of CSR activities in recent years with the establishment of the Tokyu Group Compliance Manual in January 2002 as the starting point. In February 2008, we adopted the Group Internal Control Guidelines to remind workers at Group companies of the importance of compliance and CSR once again.
We will continue to improve our communications with stakeholders. At the same time, we will increase our management transparency, ensure appropriate operations, and fulfill our corporate social responsibility.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

Million yen

Item	As of March 31, 2011	As of March 31, 2012
Assets		
Current Assets		
Cash and deposits	29,987	32,091
Trade notes & accounts receivable	105,026	119,041
Merchandise and products	17,664	17,321
Land and buildings for sale	51,338	48,855
Work in progress	23,639	24,711
Raw materials and supplies	6,935	7,218
Deferred tax assets	15,231	11,450
Others	28,015	33,088
Allowance for doubtful accounts	(995)	(965)
Total current assets	276,842	292,813
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	640,237	632,524
Rolling stock & machinery (net)	56,745	59,808
Land	561,762	560,781
Construction in progress	132,338	161,802
Others (net)	19,623	18,491
Total tangible fixed assets	1,410,707	1,433,408
Intangible fixed assets	25,777	27,961
Investments & others		
Investment securities	101,279	107,368
Deferred tax assets	28,990	25,840
Others	113,417	99,447
Allowance for doubtful accounts	(1,937)	(2,249)
Total investments and others	241,749	230,407
Total fixed assets	1,678,234	1,691,777
Total Assets	1,955,077	1,984,591

Million yen

Item	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current Liabilities		
Trade notes & accounts payable	93,208	97,851
Short-term debt	262,919	263,242
Commercial papers	–	8,000
Current portion of corporate bonds	21,000	22,000
Accrued income taxes	3,362	4,925
Reserve for employees' bonuses	11,179	11,258
Advances received	35,858	35,474
Others	108,281	116,793
Total current liabilities	535,810	559,546
Long-Term Liabilities		
Corporate bonds	236,800	224,800
Long-term debt	520,625	517,972
Reserve for employees' retirement benefits	31,748	30,306
Allowance for loss on redemption of merchandise coupons	1,817	1,948
Long-term deposits from tenants and club members	110,522	111,514
Deferred tax liabilities	28,782	26,963
Deferred tax liabilities from revaluation	11,243	9,922
Negative goodwill	9,433	4,230
Others	29,068	32,176
Total long-term liabilities	980,042	959,834
Special Legal Reserves		
Urban railways improvement reserve	22,659	23,290
Total Liabilities	1,538,512	1,542,671
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	140,647	140,503
Retained income	144,901	169,915
Treasury stock	(5,709)	(4,525)
Total shareholders' equity	401,564	427,618
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities, net of taxes	(2,255)	(1,449)
Net unrealized gains (losses) on hedging instruments, net of taxes	(15)	38
Land revaluation reserve	8,462	9,873
Foreign currency translation adjustment account	(4,912)	(5,038)
Total accumulated other comprehensive income	1,278	3,424
Minority Interests	13,721	10,877
Total Net Assets	416,565	441,920
Total Liabilities and Net Assets	1,955,077	1,984,591

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

(Consolidated Statements of Income)

Million yen

Item	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012
Operating revenue	1,152,125	1,094,209
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc,)	887,121	842,593
SG&A expenses	207,884	196,583
Total cost of operating revenue	1,095,005	1,039,176
Operating profit	57,119	55,032
Non-operating profit		
Interest income	242	478
Dividend income	1,031	1,292
Amortization of negative goodwill	3,457	3,456
Investment gains from equity method	4,157	6,191
Others	5,287	5,631
Total non-operating profit	14,176	17,049
Non-operating expenses		
Interest expenses	16,052	14,918
Others	2,369	3,096
Total non-operating expenses	18,421	18,014
Recurring profit	52,873	54,068
Extraordinary gains		
Gains on sale of fixed assets	7,763	2,726
Subsidies received for construction	2,017	8,892
Gain on reversal of Urban Railways Improvement Reserve	1,893	1,893
Gain on sales of subsidiaries' stocks	245	–
Others	1,460	2,087
Total extraordinary gains	13,379	15,600
Extraordinary losses		
Loss on sale of fixed assets	98	60
Loss on reduction of subsidies received for construction	1,201	3,618
Loss on disposal of fixed assets	5,240	846
Transfer to Urban Railways Improvement Reserve	2,519	2,524
Impairment loss	32,295	2,865
Loss on sales of investment securities	1,492	0
Provision of allowance for loss on transfer of business	–	4,800
Loss on adjustment for changes of accounting standard for asset retirement obligations	3,222	–
Others	12,985	6,659
Total extraordinary losses	59,057	21,375
Income before income taxes and minority interests	7,195	48,293
Income taxes	5,385	6,336
Income taxes for prior periods	1,840	–
Income tax adjustment	(41,312)	4,857
Total income taxes	(34,085)	11,194
Income before minority interests	41,281	37,099
Minority interest in earnings of consolidated subsidiaries	1,230	1,176
Net income	40,051	35,922

(Consolidated Statements of Comprehensive Income)

Million yen

Item	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012
Income before minority interests	41,281	37,099
Other comprehensive income		
Net unrealized gains (losses) on investment securities	(1,834)	788
Net unrealized gains (losses) on hedging instruments	72	6
Revaluation reserve for land	–	1,320
Foreign currency translation adjustment account	(668)	(500)
Share of other comprehensive income of associates accounted for using equity method	(462)	407
Total other comprehensive income	(2,892)	2,022
Comprehensive income	38,388	39,121
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	37,168	37,871
Comprehensive income attributable to minority interests	1,220	1,250

(3) Consolidated Statements of Changes in Net Assets

Million yen

Item	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012
Shareholders' equity		
Common stock		
Balance at the beginning of the period	121,724	121,724
Balance at the period end	121,724	121,724
Capital surplus		
Balance at the beginning of the period	140,806	140,647
Changes during the period		
Sale of treasury stock	(158)	(144)
Total changes during the period	(158)	(144)
Balance at the period end	140,647	140,503
Retained income		
Balance at the beginning of the period	112,169	144,901
Changes during the period		
Dividends	(7,505)	(8,146)
Net income	40,051	35,922
Liquidation of land revaluation reserve	576	216
Change of scope of equity method	–	(2,979)
Others	(389)	–
Total changes during the period	32,732	25,013
Balance at the period end	144,901	169,915
Treasury stock		
Balance at the beginning of the period	(6,711)	(5,709)
Changes during the period		
Purchases of treasury stock	(209)	(62)
Sale of treasury stock	1,194	1,155
Change of scope of equity method	–	92
Others	17	(1)
Total changes during the period	1,002	1,184
Balance at the period end	(5,709)	(4,525)
Total shareholders' equity		
Balance at the beginning of the period	367,988	401,564
Changes during the period		
Dividends	(7,505)	(8,146)
Net income	40,051	35,922
Liquidation of land revaluation reserve	576	216
Purchases of treasury stock	(209)	(62)
Sale of treasury stock	1,035	1,011
Change of scope of equity method	–	(2,886)
Others	(371)	(1)
Total changes during the period	33,576	26,053
Balance at the period end	401,564	427,618
Accumulated other comprehensive income		
Net unrealized gains (losses) on investment securities		
Balance at the beginning of the period	(191)	(2,255)
Changes during the period		
Changes other than those to shareholders' equity (net)	(2,063)	806
Total changes during the period	(2,063)	806
Balance at the period end	(2,255)	(1,449)

Million yen

Item	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012
Net unrealized gains (losses) on hedging instruments		
Balance at the beginning of the period	(81)	(15)
Changes during the period		
Changes other than those to shareholders' equity (net)	66	53
Total changes during the period	66	53
Balance at the period end	(15)	38
Land revaluation reserve		
Balance at the beginning of the period	9,329	8,462
Changes during the period		
Changes other than those to shareholders' equity (net)	(866)	1,411
Total changes during the period	(866)	1,411
Balance at the period end	8,462	9,873
Foreign currency translation adjustment account		
Balance at the beginning of the period	(4,027)	(4,912)
Changes during the period		
Changes other than those to shareholders' equity (net)	(884)	(125)
Total changes during the period	(884)	(125)
Balance at the period end	(4,912)	(5,038)
Total accumulated other comprehensive income		
Balance at the beginning of the period	5,028	1,278
Changes during the period		
Changes other than those to shareholders' equity (net)	(3,749)	2,145
Total changes during the period	(3,749)	2,145
Balance at the period end	1,278	3,424
Minority interests		
Balance at the beginning of the period	13,324	13,721
Changes during the period		
Changes other than those to shareholders' equity (net)	397	(2,843)
Total changes during the period	397	(2,843)
Balance at the period end	13,721	10,877
Total net assets		
Balance at the beginning of the period	386,341	416,565
Changes during the period		
Dividends	(7,505)	(8,146)
Net income	40,051	35,922
Liquidation of land revaluation reserve	576	216
Purchases of treasury stock	(209)	(62)
Sale of treasury stock	1,035	1,011
Change of scope of equity method	–	(2,886)
Others	(371)	(1)
Changes other than those to shareholders' equity (net)	(3,352)	(698)
Total changes during the period	30,223	25,355
Balance at the period end	416,565	441,920

(4) Consolidated Statements of Cash Flow

Million yen

Item	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012
Cash flows from operating activities		
Income before income taxes	7,195	48,293
Depreciation and amortization	71,491	72,789
Amortization of goodwill and negative goodwill	(1,832)	(3,020)
Impairment loss	32,295	2,865
Provision of allowance for loss on transfer of business	–	4,800
Loss on adjustment for changes of accounting standard for asset retirement obligations	3,222	–
Increase (decrease) in provision for retirement benefits	2,346	(1,441)
Increase (Decrease) in Urban Railways Improvement Reserve	625	631
Subsidies received for construction	(2,017)	(8,892)
Reduction in subsidies received for construction	1,201	3,618
Loss (gain) on valuation of investment securities	2,657	38
Loss (gain) on sale of investment securities	936	(298)
Loss (gain) on sales of subsidiaries' stocks	(245)	–
Loss (gain) on sale of fixed assets	(7,664)	(2,666)
Loss on disposal of fixed assets	13,503	20,316
Investment (gain) loss from the equity method	(4,157)	(6,191)
Decrease (increase) in accounts receivable	16,311	(14,098)
Decrease (increase) in inventories	8,394	1,583
Increase (decrease) in trade payables	(21,066)	5,539
Increase (decrease) in advances received	(2,953)	3,408
Increase (decrease) in guarantee deposits received	(536)	991
Decrease (increase) in prepaid pension costs	7,000	6,899
Increase (decrease) in accrued consumption taxes	(2,133)	3,839
Interest and dividend income	(1,273)	(1,770)
Interest payable	16,052	14,918
Others	2,595	6,065
Subtotal	141,950	158,218
Interest and dividends received	2,253	2,658
Interest paid	(16,173)	(15,128)
Income taxes paid	(14,661)	(1,207)
Net cash provided by operating activities	113,369	144,540

Million yen

Item	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012
Cash flows from investing activities		
Payments for purchases of fixed assets	(137,598)	(133,357)
Proceeds from sale of fixed assets	16,032	7,684
Payments for acquisition of investment securities	(1,420)	(6,509)
Proceeds from sale of investment securities	5,161	3,468
Purchase of investments in subsidiaries	(253)	(4,975)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(358)	–
Proceeds from subsidies received for construction	6,741	7,192
Proceeds from withdrawal of investments in silent partnership	–	1,399
Others	(1,411)	(899)
Net cash used in investing activities	(113,106)	(125,998)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	(3,122)	11,694
Proceeds from issuance of commercial papers	–	8,000
Proceeds from long-term debt	103,448	77,025
Repayment of long-term debt	(133,047)	(91,020)
Proceeds from bond issue	49,716	9,915
Payments for redemption of bonds	(18,000)	(21,000)
Repayment of finance lease obligations	(2,797)	(3,254)
Cash dividends paid	(7,505)	(8,146)
Dividends paid to minority shareholders	(547)	(572)
Others	825	948
Net cash used in financing activities	(11,030)	(16,410)
Effect of exchange rate changes on cash and cash equivalents	143	(81)
Increase (decrease) in cash and cash equivalents	(10,624)	2,050
Cash and cash equivalents at beginning of period	39,780	29,156
Cash and cash equivalents at end of period	29,156	31,207

(5) Events or Situations that Give Rise to Material Doubts about Going Concern

There is no applicable item.

(6) Notes to 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.

Service-based segments structure the Group for that reason. The six fields of Transportation, Real Estate, Retail, Leisure and Services, Hotels and Other businesses comprise the Group's reported segments. Major businesses for each reported segment are as follows:

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

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.

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

April 1, 2010 to March 31, 2011

Million yen

	Reported segment						Total	Adjustments (Note) 1	Amount posted in the consolidated financial statements (Note) 2
	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other			
Operating revenue									
Outside customers	186,608	132,100	512,878	136,781	82,231	101,525	1,152,125	–	1,152,125
Inter-segment internal revenues or transfers	736	25,783	2,616	18,926	585	24,513	73,160	(73,160)	–
Total	187,344	157,883	515,494	155,707	82,816	126,038	1,225,285	(73,160)	1,152,125
Segment profit (loss)	28,481	16,923	7,632	2,741	(1,443)	2,628	56,963	155	57,119
Segment assets	722,394	431,675	324,921	106,948	73,240	127,410	1,786,590	168,486	1,955,077
Other items									
Depreciation	37,253	11,314	12,436	4,721	3,393	2,445	71,564	(73)	71,491
Amortization of goodwill	1	17	1,220	294	15	79	1,628	–	1,628
Investments in equity method affiliates	–	–	–	–	–	–	–	56,571	56,571
Increase in tangible fixed assets and intangible fixed assets	55,608	54,053	16,568	7,180	6,235	1,303	140,949	2,004	142,953

Notes

1. Adjustments are as follows.
   (1) An adjustment of ¥155 million in segment profit (loss) represents deduction of inter-segment transactions.
   (2) An adjustment of ¥168,486 million in segment assets consists of Company-wide assets of ¥221,467 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥52,981 million.
   (3) An adjustment of negative ¥73 million in depreciation represents deduction of inter-segment transactions.
   (4) An adjustment of ¥56,571 million in investments in equity method affiliates represents Company-wide assets not allocated to reported segments.
   (5) An adjustment of ¥2,004 million in tangible fixed assets and intangible fixed assets consists of Company-wide assets of ¥3,050 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥1,046 million.
2. Segment profit (loss) is adjusted with operating profit stated in consolidated financial statements.

April 1, 2011 to March 31, 2012

Million yen

	Reported segment						Total	Adjustments (Note) 1	Amount posted in the consolidated financial statements (Note) 2
	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other			
Operating revenue									
Outside customers	187,767	104,314	487,889	133,762	77,943	102,531	1,094,209	–	1,094,209
Inter-segment internal revenues or transfers	686	26,904	2,823	17,820	729	24,414	73,378	(73,378)	–
Total	188,453	131,219	490,712	151,583	78,673	126,945	1,167,587	(73,378)	1,094,209
Segment profit (loss)	18,319	22,429	10,114	2,877	(828)	2,515	55,428	(395)	55,032
Segment assets	683,647	490,423	316,406	110,520	74,122	149,450	1,824,571	160,020	1,984,591
Other items									
Depreciation	35,781	13,399	12,808	5,459	3,252	2,201	72,902	(113)	72,789
Amortization of goodwill	1	–	2	336	15	79	435	–	435
Investments in equity method affiliates	–	–	–	–	–	–	–	58,578	58,578
Increase in tangible fixed assets and intangible fixed assets	50,007	52,183	12,674	7,556	1,835	4,639	128,897	3,131	132,028

Notes

1. Adjustments are as follows.
   (1) An adjustment of negative ¥395 million in segment profit (loss) represents deduction of inter-segment transactions.
   (2) An adjustment of ¥160,020 million in segment assets consists of Company-wide assets of ¥213,607 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥53,587 million.
   (3) An adjustment of negative ¥113 million in depreciation represents deduction of inter-segment transactions.
   (4) An adjustment of ¥58,578 million in investments in equity method affiliates represents Company-wide assets not allocated to reported segments.
   (5) An adjustment of ¥3,131 million in tangible fixed assets and intangible fixed assets consists of Company-wide assets of ¥4,608 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥1,477 million.
2. Segment profit (loss) is adjusted with operating profit stated in consolidated financial statements.

(Related Information)

1. Information of each product and service

Information of each product and service is not stated because, in the previous fiscal year and the fiscal year under review, 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, in the previous fiscal year and the fiscal year under review, 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, in the previous fiscal year and the fiscal year under review, 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, 2010 to March 31, 2011

Million yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Elimination/ Headquarters	Total
Impairment losses	2,666	1,507	8,549	12,021	1,457	6,092	–	32,295

April 1, 2011 to March 31, 2012

Million yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Elimination/ Headquarters	Total
Impairment losses	47	1,416	1,051	264	72	13	–	2,865

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

April 1, 2010 to March 31, 2011

Million yen

		Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Elimination/ Headquarters	Total
Goodwill	Amortized during period	1	17	1,220	294	15	79	–	1,628
	Balance at end of year	4	–	5	734	17	144	–	906

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

		Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Elimination/ Headquarters	Total
Negative goodwill	Amortized during period	–	–	–	–	–	–	3,457	3,457
	Balance at end of year	–	–	–	–	–	–	10,339	10,339

Notes

1. Negative goodwill of ¥3,457 million amortized during the fiscal year under review is Company-wide revenue not allocated to reported segments.
2. The negative goodwill balance of ¥10,339 million at the end of the fiscal year under review is Company-wide liabilities not allocated to reported segments.

April 1, 2011 to March 31, 2012

Million yen

		Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Elimination/ Headquarters	Total
Goodwill	Amortized during period	1	–	2	336	15	79	–	435
	Balance at end of year	3	–	8	2,562	6	72	–	2,653

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

		Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Elimination/ Headquarters	Total
Negative goodwill	Amortized during period	–	–	–	–	–	–	3,456	3,456
	Balance at end of year	–	–	–	–	–	–	6,883	6,883

Notes

1. Negative goodwill of ¥3,456 million amortized during the fiscal year under review is Company-wide revenue not allocated to reported segments.
2. The negative goodwill balance of ¥6,883 million at the end of the fiscal year under review is Company-wide liabilities not allocated to reported segments.

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

Information relating to gains on negative goodwill by reported segment is not stated because the gains were minor in the previous fiscal year and the fiscal year under review.

(Per Share Information)

April 1, 2010 to March 31, 2011		April 1, 2011 to March 31, 2012	
Net assets per share	¥322.04	Net assets per share	¥343.82
Net income per share	¥32.05	Net income per share	¥28.68
Net income per share (diluted)	–	Net income per share (diluted)	¥28.64

Notes

1. Net income per share (diluted) for the previous fiscal year is not stated as the Company had no residual securities and the residual securities of certain affiliated companies had no dilutive effect.
2. The basis for the calculation of net income per share and the net income per share (diluted) 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, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012
Net income per share:		
Net income (million yen)	40,051	35,922
Amount not attributable to common shareholders (million yen)	–	–
Net income attributable to common shares (million yen)	40,051	35,922
Average number of outstanding common shares during the period (thousand shares)	1,249,732	1,252,445
Net income per share (diluted):		
Adjustment of net income (million yen)	–	(54)
Change in income assuming preferred shares of equity method affiliates were converted into common shares (million yen)	–	(54)
Increase in number of common shares (thousand shares)	–	–
Summary of residual securities not included in calculation of net income per share (diluted) because they have no dilutive effect	–	–

(Subsequent Events)

April 1, 2011 to March 31, 2012
(Transfers of businesses) Tokyu Corporation and its consolidated subsidiary Tokyu Car Corporation (“Tokyu Car”) transferred three businesses of Tokyu Car and its consolidated subsidiary Tokyu Car SPV Corporation (wholly owned subsidiary of Tokyu Car; “Tokyu Car SPV”) on April 2, 2012. This transfer is based on resolutions of the boards of directors of Tokyu Corporation and Tokyu Car held on October 27, 2011 and transfer agreements executed the same day. 1. Name of transferees and details of businesses transferred East Japan Railway Company (“JR East”) - Railway car business ShinMaywa Industries, Ltd. (“ShinMaywa Industries”) - Multilevel parking system business, special equipment car business 2. Main reasons for transfers Tokyu Car commenced its operations principally for the restoration of Tokyu Corporation’s railway cars damaged in World War II, and developed its core businesses of manufacturing and selling of railway cars, multilevel parking systems, and special equipment cars. However, despite structural reforms to streamline management, the performance of Tokyu Car continuously fell below the planned figures due to the harsh business environment caused by sluggish demand and other factors. Tokyu Corporation has pursued profitability and efficiency to achieve sustained growth, with an emphasis on structural reforms. In these circumstances, and as a result of an examination conducted from the perspective of the future growth strategy of Tokyu Car, prudent operations of the business portfolio, and the collection of funds, it has been decided that Tokyu Car’s railway car business should be transferred to JR East, and its multilevel parking system business and special equipment car business should be transferred to ShinMaywa Industries, which has been engaged in these businesses as its core operations. 3. Details of the business transfers (1) Railway car business An absorption-type demerger is undertaken by splitting the railway car business of Tokyu Car as the demerging entity to the transferee, New Tokyu Car Corporation that is established by Tokyu Corporation as its 100% subsidiary. After the demerger is effective, Tokyu Corporation transfers all shares of New Tokyu Car Corporation to JR East. (2) Multilevel parking system business An absorption-type demerger is undertaken by splitting the multilevel parking system business of Tokyu Car as the demerging entity to the transferee, New Tokyu Parking Corporation that is established by Tokyu Corporation as its 100% subsidiary. After the demerger is effective, Tokyu Corporation transfers all shares of New Tokyu Parking Corporation to ShinMaywa Industries. (3) Special equipment car business An absorption-type demerger is undertaken by splitting the assets and liabilities relating to the special equipment car business of Tokyu Car to the transferee, Tokyu Car SPV. After the demerger is effective, Tokyu Car transfers all shares of Tokyu Car SPV to ShinMaywa Industries. (4) Tokyu Car After the completion of the demergers described in (1) to (3), above, Tokyu Car continues its operation as a company holding the remaining real estate. 4. Recording of loss on transfer of business With these share transfers, Tokyu Corporation expects to record a loss and, in the fiscal year under review, recorded a provision of allowance for loss on transfer of business of ¥4,800 million under extraordinary losses.

(Omission of Disclosure)

Notes to consolidated balance sheets, consolidated statements of income, consolidated statement of comprehensive income, consolidated statement of changes in net assets, consolidated cash flow statements, business combinations and the like, leased and other properties, and special-purpose companies subject to disclosure, covering items such as lease transactions, related-party transactions, tax effect accounting, financial instruments, securities, derivatives transactions, retirement benefits and stock options, are omitted because their significance is considered minor.