

Tokyu Corporation

Consolidated Financial Statements First Three Quarters of the Fiscal Year Ending March 31, 2012

(April 1, 2011 – December 31, 2011)

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 Three Quarters of the Fiscal Year Ending March 31, 2012

Tokyu Corporation

February 10, 2012

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
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Planned date for submission of quarterly financial reports:	February 10, 2012	Telephone:	81-3-3477-6168
Scheduled date of commencement of dividend payment:	—		
Supplementary documents for quarterly results	YES		
Quarterly results briefing (for institutional investor and analysts)	NO		

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

1. Consolidated Financial Results for the First Three Quarters of Fiscal Year Ending March 31, 2012
(April 1, 2011 to December 31, 2011)

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

1) Consolidated Operating Results

Million yen

	Nine months ended December 31, 2011		Nine months ended December 31, 2010	
		Change (%)		Change (%)
Operating revenue.....	796,410	(7.6)	861,666	(4.9)
Operating profit.....	58,042	6.0	54,766	55.3
Recurring profit.....	58,240	12.3	51,882	71.9
Net income	31,139	35.0	23,065	136.9
Net income per share (¥).....	24.87		18.46	
Net income per share (diluted) (¥).....	24.81		—	

Notes: Comprehensive Income: Nine months ended December 31, 2011: ¥30,774 million [35.8%]; Nine months ended December 31, 2010: ¥22,656 million [—%]

2) Consolidated Financial Position

Million yen

	As of December 31, 2011	As of March 31, 2011
Total assets	1,953,206	1,955,077
Net assets	434,598	416,565
Equity ratio (%).....	21.6	20.6

Reference: Shareholders' equity: As of December 31, 2011: ¥422,786 million; As of March 31, 2011: ¥402,843 million

2. Dividends

	FY ending March 31, 2012 (forecast)	FY ending March 31, 2012	FY ended March 31, 2011
Dividend per share – end of first quarter (¥)		—	—
Dividend per share – end of first half (¥)		3.00	3.00
Dividend per share – end of third quarter (¥)		—	—
Dividend per share – end of term (¥)	3.50		3.50
Dividend per share – annual (¥)	6.50		6.50

Note: Revisions to dividend forecasts published most recently: No

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)

Million yen

	Full year	
		Change (%)
Operating revenue	1,093,000	(5.1)
Operating profit	53,800	(5.8)
Recurring profit	49,500	(6.4)
Net income	27,000	(32.6)
Net income per share (¥).....	21.56	

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

4. Others

- (1) Changes in important subsidiaries during the consolidated quarter (cumulative) under review
(changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of accounting errors
- 1) Changes in accounting policies associated with revisions of accounting standards, etc.: None
 - 2) Change in accounting policies other than those included in 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatement of accounting errors: None
- (4) Number of shares issued (common stock)
- 1) Number of shares issued at the end of the term (including treasury stock) (shares)
As of December 31, 2011: 1,263,525,752 As of March 31, 2011: 1,263,525,752
 - 2) Number of treasury stock at the end of the term (shares)
As of December 31, 2011: 10,328,588 As of March 31, 2011: 12,632,494
 - 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)
Nine months ended December 31, 2011: 1,252,108,190
Nine months ended December 31, 2010: 1,249,427,314
- (Note) The number of treasury stock includes shares of the Company held by a group of shareholding employees in trust, as follows.
As of December 31, 2011: 6,094,000 shares; As of December 31, 2010: 8,885,000 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 Three Quarters of FY2011” will be indicated on our IR website and TDnet (Timely Disclosure network) today.

(Reference) Summary of Non-Consolidated Results

Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2012
(April 1, 2011 to March 31, 2012)

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

	Full year	
		Change (%)
Operating revenue	250,000	(9.1)
Operating profit	39,000	(13.7)
Recurring profit	31,300	(16.5)
Net income	21,500	(50.2)
Net income per share (¥)	17.15	

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

○ Accompanying Materials – Contents

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○ Same-day disclosure documents

Documents providing an overview of the settlement for the first three quarters of the fiscal year ending 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 today and are also disclosed on TDnet.

1. Qualitative Information on Consolidated Financial Results, etc. for the First Three Quarters Ended December 31, 2011

(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 three quarters of the consolidated fiscal year under review stood at ¥796,410 million (down 7.6% year on year), reflecting a decline in revenues from all business segments, the result of the absence of the sales of large-scale condominiums posted in the previous fiscal year in the Real Estate business and the effect of the Great East Japan Earthquake. Operating profit was ¥58,042 million (up 6.0%), mainly attributable to higher profits in the Retail business and the Real Estate business. Recurring profit came to ¥58,240 million (up 12.3%), primarily because of the recording of investment gains from the equity method. Net income increased 35.0% year on year, to ¥31,139 million, despite the posting of a provision for an allowance for a loss on the transfer of business in extraordinary losses. This reflected the absence of the large extraordinary losses posted in the previous fiscal year, mainly from the loss on valuation of investment securities and the loss on application of the accounting standard for asset retirement obligations.

Operating results by segment are as follows. They include inter-segment revenue or transfers where applicable. The Company presents operating profit for each reported segment as segment profit in this document.

(i) Transportation

In railway operations, the number of commuters carried fell 0.2% year on year in the first three quarters of the fiscal year under review, while the number of non-commuters carried declined 1.5%. Overall, the number of passengers carried decreased 0.7%. These declines were attributable to the effects of the Great East Japan Earthquake and bad weather, including typhoons, offsetting the positive impact from the opening of Futako Tamagawa Rise Shopping Center and Tamaplaza Terrace.

Operating revenue stood at ¥139,238 million (down 1.0% from the previous fiscal year), attributable to the factors described above and a decline in the number of passengers carried by Izukyu Corp., a railway operator, and Tokyu Bus Corp., a bus operator as a result of the effects of the Great East Japan Earthquake. However, operating profit rose 1.9% year on year, to ¥28,167 million, primarily reflecting a decline in depreciation and amortization in the railway operations.

(Operation results of Tokyu Corporation's railway operations)

Categories		Units	First three quarters of the previous fiscal year	First three quarters of the fiscal year under review
			April 1, 2010 to December 31, 2010	April 1, 2011 to December 31, 2011
Number of operating days		Days	275	275
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	104,291	99,712
Number of passengers carried	Non-commuter	Thousand passengers	331,569	326,739
	Commuter	Thousand passengers	477,741	476,615
	Total	Thousand passengers	809,310	803,354
Passenger revenue	Non-commuter	Million yen	54,059	53,208
	Commuter	Million yen	43,101	42,961
	Total	Million yen	97,160	96,169
Miscellaneous income from railway operations		Million yen	12,692	12,896
Total revenues		Million yen	109,852	109,065
Average passenger revenue per day		Million yen	353	350
Operating efficiency		%	51.7	53.7

(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 declined 24.1% year on year, to ¥95,396 million, mainly reflecting the absence of sales posted in the previous fiscal year from the real estate sales business of the Company for large-scale condominiums in areas served by Tokyu's railway lines. However, operating profit increased 11.2%, to ¥19,618 million, 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.

(iii) Retail

Operating revenue fell 5.6% year on year, to ¥357,224 million, mainly attributable to prolonged weak personal spending, voluntary restraint on consumption after the Great East Japan Earthquake, and the closure of stores in association with the Group's business structure reform. Operating profit, however, rose 43.1%, to ¥7,182 million, primarily reflecting the reduction of expenses such as labor costs and a decline in the amortization of goodwill.

(iv) Leisure and Services

Operating revenue was ¥113,037 million (down 2.2% year on year), and operating profit totaled ¥3,016 million (down 4.8%), given a decline in sales of overall advertising and events from Tokyu Agency Inc., an advertising business operator, due to the effects of the Great East Japan Earthquake.

(v) Hotels

In the Hotels business, operating revenue totaled ¥57,876 million (down 9.7% year on year), and the operating loss stood at ¥1,016 million (compared with an operating loss of ¥147 million posted in the first three quarters of the previous fiscal 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.

(vi) Other businesses

Operating revenue totaled ¥83,067 million (down 6.0% year on year), and the operating profit amounted to ¥1,112 million (a decrease of 9.1%), mainly reflecting a decline in sales of rolling stock from Tokyu Car Corporation.

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

Total assets at the end of the first three quarters under review decreased ¥1,870 million from the end of the previous fiscal year, to ¥1,953,206 million. This decline was mainly attributable to a fall in deferred tax assets, offsetting an increase in tangible fixed assets through the Company's capital expenditure.

Liabilities

Total liabilities at the end of the first three quarters of the fiscal year under review declined ¥19,903 million from the end of the previous fiscal year, to ¥1,518,608 million. This primarily reflects a fall in interest-bearing debt* of ¥23,839 million, to ¥1,017,505 million.

Net assets

Net assets at the end of the first three quarters under review increased ¥18,033 million from the end of the previous fiscal year, to ¥434,598 million, mainly reflecting the recording of net income.

* Interest-bearing debt: the sum of debt and bonds

(3) Qualitative Information on Forecast Consolidated Earnings

With respect to its forecast consolidated earnings for the consolidated fiscal year ending March 31, 2012, the Company has revised its forecast for operating revenue to ¥1,093.0 billion (down 0.2% from the previous forecast) from the previous forecast announced on November 10, 2011. However, the Company's forecasts for operating profit of ¥53.8 billion, recurring profit of ¥49.5 billion, and net income of ¥27.0 billion have not been changed from the previous forecasts.

* 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. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

Million yen

Item	As of March 31, 2011	As of December 31, 2011
Assets		
Current Assets		
Cash and deposits	29,987	21,903
Trade notes & accounts receivable	105,026	117,152
Merchandise and products	17,664	19,806
Land and buildings for sale	51,338	47,990
Work in progress	23,639	33,416
Raw materials and supplies	6,935	7,631
Deferred tax assets	15,231	6,818
Others	28,015	28,475
Allowance for doubtful accounts	(995)	(1,017)
Total current assets	276,842	282,177
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	640,237	622,325
Rolling stock & machinery (net)	56,745	55,145
Land	561,762	547,929
Construction in progress	132,338	177,676
Others (net)	19,623	18,889
Total tangible fixed assets	1,410,707	1,421,966
Intangible fixed assets	25,777	26,063
Investments & others		
Investment securities	101,279	101,948
Deferred tax assets	28,990	21,058
Others	113,417	101,869
Allowance for doubtful accounts	(1,937)	(1,877)
Total investments and others	241,749	222,998
Total fixed assets	1,678,234	1,671,028
Total Assets	1,955,077	1,953,206

Million yen

Item	As of March 31, 2011	As of December 31, 2011
Liabilities		
Current Liabilities		
Trade notes & accounts payable	93,208	100,032
Short-term debt	262,919	292,713
Current portion of corporate bonds	21,000	22,000
Accrued income taxes	3,362	3,044
Provision	15,826	14,338
Advances received	35,858	43,468
Others	103,634	101,498
Total current liabilities	535,810	577,095
Long-Term Liabilities		
Corporate bonds	236,800	224,800
Long-term debt	520,625	477,991
Reserve for employees' retirement benefits	31,748	30,150
Other provisions	3,270	2,771
Long-term deposits from tenants and club members	110,522	110,251
Deferred tax liabilities	28,782	27,982
Deferred tax liabilities from revaluation	11,243	9,923
Negative goodwill	9,433	6,749
Others	27,615	27,758
Total long-term liabilities	980,042	918,378
Special Legal Reserves		
Urban railways improvement reserve	22,659	23,134
Total special legal reserves	22,659	23,134
Total Liabilities	1,538,512	1,518,608
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	140,647	140,517
Retained income	144,901	164,938
Treasury stock	(5,709)	(4,736)
Total shareholders' equity	401,564	422,445
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities, net of taxes	(2,255)	(4,287)
Net unrealized gains (losses) on hedging instruments, net of taxes	(15)	(21)
Land revaluation reserve	8,462	9,975
Foreign currency translation adjustment account	(4,912)	(5,325)
Total accumulated other comprehensive income	1,278	341
Minority Interests	13,721	11,811
Total Net Assets	416,565	434,598
Total Liabilities and Net Assets	1,955,077	1,953,206

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

Million yen

Item	April 1, 2010 to December 31, 2010	April 1, 2011 to December 31, 2011
Operating revenue	861,666	796,410
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc.)	652,449	594,616
SG&A expenses	154,451	143,751
Total cost of operating revenue	806,900	738,368
Operating profit	54,766	58,042
Non-operating profit		
Interest income	180	382
Dividend income	963	1,154
Amortization of negative goodwill	2,593	2,592
Investment gains from equity method	3,263	5,810
Others	3,777	3,553
Total non-operating profit	10,778	13,493
Non-operating expenses		
Interest expenses	12,162	11,342
Others	1,499	1,953
Total non-operating expenses	13,661	13,295
Recurring profit	51,882	58,240
Extraordinary gains		
Gains on sale of fixed assets	2,015	799
Subsidies received for construction	948	1,608
Gain on reversal of Urban Railways Improvement Reserve	1,420	1,420
Others	1,122	1,290
Total extraordinary gains	5,507	5,118
Extraordinary losses		
Loss on reduction of subsidies received for construction	581	830
Transfer to Urban Railways Improvement Reserve	1,913	1,895
Loss on valuation of investment securities	3,961	52
Provision of allowance for loss on transfer of business	–	3,900
Loss on adjustment for changes of accounting standard for asset retirement obligations	3,222	–
Others	6,152	4,002
Total extraordinary losses	15,831	10,681
Income before income taxes and minority interests	41,558	52,678
Corporate income taxes	17,428	20,644
Income before minority interests	24,129	32,034
Minority interest in earnings of consolidated subsidiaries	1,064	894
Net income	23,065	31,139

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

Item	April 1, 2010 to December 31, 2010	April 1, 2011 to December 31, 2011
Income before minority interests	24,129	32,034
Other comprehensive income		
Net unrealized gains (losses) on investment securities	(638)	(1,971)
Net unrealized gains (losses) on hedging instruments	36	4
Revaluation reserve for land	-	1,320
Foreign currency translation adjustment account	(618)	(820)
Share of other comprehensive income of associates accounted for using equity method	(251)	207
Total other comprehensive income	(1,472)	(1,259)
Comprehensive income	22,656	30,774
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	21,603	29,810
Comprehensive income attributable to minority interests	1,053	963

(3) Notes Regarding the Premise of a Going Concern

There is no applicable item.

(4) Segment Information

(Segment information)

I. April 1, 2010 to December 31, 2010

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

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	138,776	106,396	376,790	104,682	63,673	71,348	861,666	–	861,666
Inter-segment internal revenues or transfers	1,937	19,292	1,636	10,858	441	16,996	51,163	(51,163)	–
Total	140,713	125,688	378,427	115,541	64,114	88,344	912,830	(51,163)	861,666
Segment profit (loss)	27,633	17,645	5,017	3,166	(147)	1,224	54,540	225	54,766

Notes

1. An adjustment of ¥225 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.

II. April 1, 2011 to December 31, 2011

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

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	138,721	75,238	355,204	100,294	57,526	69,424	796,410	–	796,410
Inter-segment internal revenues or transfers	516	20,158	2,019	12,743	350	13,642	49,430	(49,430)	–
Total	139,238	95,396	357,224	113,037	57,876	83,067	845,841	(49,430)	796,410
Segment profit (loss)	28,167	19,618	7,182	3,016	(1,016)	1,112	58,080	(37)	58,042

Notes

1. An adjustment of ¥(37) 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.

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

In the first three quarters of the consolidated fiscal year under review, because the Company sold part of its shareholdings, SHIROKI Corporation, which had been the Company's equity-method affiliate, was excluded from the scope of application of the equity method. As a result, retained income fell ¥2,978 million for the first three quarters of the consolidated fiscal year under review.

○ Same-day disclosure documents

Documents providing an overview of the settlement for the first three quarters of the fiscal year ending March 2012

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 today and are also disclosed on TDnet.